



# Our Place Our Future

Revenue Policy 2025-2026

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## 2025-26 Revenue Policy

The objective of the Revenue Policy is to ensure that rates are levied in a fair and equitable manner so as to provide sufficient funds to deliver 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. 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 2021 (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<br><i>Total cost of providing services for private good.</i>  |
| B    | Community Service<br><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<br><i>Federal or State Government set charges.</i>  |
| D    | User Pays Principal<br><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<br><i>Services that Council operates in a competitive market and needs to fix charges similar to other providers.</i>   |
| F    | Cost Plus<br><i>Services provided on a commercial basis with an amount of risk profit included.</i>   |
| G    | Section 7.11 (Developer Contributions)<br><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 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 cost of living, drought and/or natural disasters.

Council has a Hardship Policy and will support 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 borrowing

# 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 the 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 four categories of ordinary rate, being residential, farmland, business, mining. These categories are further divided into subcategories for residential and business. An ordinary rate will be applied to each parcel of rateable land within the Local Government Area in 2025/26.

Council determines the categories and subcategories applied to each property based on the table below.

**Table of Category and Sub-Categories**

| Type     | Category    | Sub-Category                       | Basis   |
|----------|-------------|------------------------------------|---|
| Ordinary | Residential | Lithgow<br>Portland<br>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 individual Residential Rate Categorisation Maps.                       |
| 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’ as set out in the individual Residential Rate Categorisation Maps. |
| 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<br>Portland<br>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 individual Business 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 – Large Scale Power Generation or Storage', Business – Wind Power Generation, Business – Rail Related Manufacture, Maintenance or Storage, or any of the business sub-categories related to quarrying.         |
| Ordinary | Business | Large Scale Power Generation or 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:<br>a) the generation of electricity provided that the generator (or a combination of generators) has a rated power capacity of more than 25 megawatts;<br>b) the storage of, or capacity to store, more than 100 megawatts of electricity at any time. |
| Ordinary | Business | Wind Power Generation  | 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 electricity generation from wind turbines provided that the turbine or turbines have a combined rated power capacity of more than 1 megawatt.   |
| Ordinary | Business | Rail Related Manufacture, Maintenance or 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 rail related manufacture maintenance or storage and more particularly set out in the Lithgow Rail Manufacturing, Maintenance and Storage Area as part of the Rate Categorisation Map.   |
| Ordinary | Business | Quarrying –<br>Clarence<br>Newnes Junction<br>Wallerawang<br>Marangaroo<br>Hartley<br>Round Swamp<br>Clarence Colliery | Each parcel of rateable land valued as one assessment which cannot be categorized as farmland, residential or mining and if its dominant use is as a centre for quarrying or works ancillary or properly incidental to quarrying and more particularly set out in the Lithgow Clarence, Newnes Junction, Wallerawang, Marrangaroo, Hartley, Round Swamp, Clarence/Lithgow Quarry Areas as part of the Quarry Rate Categorisation Maps.                  |

## Rating Structure

Section 494 of the Local Government Act 1993 states that Council must make and levy an ordinary rate on all rateable land within its Local Government Area, and each assessment must be categorized according to its dominant or permitted use. Special rates are levied under section 495 of the *Local Government Act 1993*.

Under *Section 493* of the *Local Government Act 1993* there are 4 categories of an ordinary rate and 4 categories of rateable land –

- Farmland
- Residential
- Mining
- Business

These categories may, at council's discretion, be divided into sub-categories in accordance with *Section 529* of the Act.

*529 (2) A sub-category may be determined as follows—*

*(a) for the category “farmland”—according to—*

- (i) the location of the land, or*
- (ii) the intensity of land use, or*
- (iii) the irrigability of the land, or*
- (iv) economic factors affecting the land,*

*(b) for the category “residential”—according to—*

- (i) whether the land is rural residential land, or*
- (ii) whether the land is in a centre of population, or*
- (iii) whether the land is in a residential area or in part of a residential area,*

*(c) for the category “mining”—according to the kind of mining involved,*

*(d) for the category “business”—according to a centre of activity.*

50% of Council's income is made up of rates and the other 50% comes from grants, user fees and charges, development contributions and interest on investments.

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 inclusive of the 4.1% rate peg showing the estimated income for each category.

| Residential                                       |                          |                  |                             |                                 |                        |
|---|--------------------------|------------------|-----------------------------|---------------------------------|------------------------|
| Category/Sub-Category                             | Estimated No. Properties | Base Amount (\$) | Base Amount % of total levy | Ad Valorem Amount (c in the \$) | Estimated Yield        |
| Residential/Lithgow                               | 5557.00                  | 352.38           | 27.27%                      | 0.0050467                       | 7,180,796.34           |
| Residential/Portland                              | 941.00                   | 352.38           | 43.24%                      | 0.0031914                       | 766,869.74             |
| Residential/Wallerawang                           | 840.00                   | 352.38           | 36.90%                      | 0.0027745                       | 802,219.69             |
| Residential/Other                                 | 2646.00                  | 352.38           | 26.49%                      | 0.0025640                       | 3,519,486.79           |
| Farmland  |                          |                  |                             |                                 |                        |
| Farmland  | 1,164.00                 | 590.72           | 23.97%                      | 0.0018203                       | 2,880,268.68           |
| Business  |                          |                  |                             |                                 |                        |
| Business/Lithgow                                  | 310.00                   | 678.73           | 8.40%                       | 0.0224659                       | 2,505.650.06           |
| Business/Portland                                 | 47.00                    | 678.73           | 31.98%                      | 0.0980660                       | 99,756.07              |
| Business/Wallerawang                              | 46.00                    | 678.73           | 15.78%                      | 0.0149891                       | 197,923.26             |
| Business/Other                                    | 143.00                   | 439.41           | 31.36%                      | 0.0025620                       | 200,340.43             |
| Business/Power Generation and Storage - Portland  | 1.00                     | 14,205.59        | 3.62%                       | 0.1420721                       | 392,117.37             |
| Business Quarry – Clarence                        | 1.00                     | 16,343.70        | 16.12%                      | 0.0231019                       | 101,358.61             |
| Business Quarry – Wallerawang                     | 1.00                     | 16,343.70        | 30.06%                      | 0.0231825                       | 54,362.95              |
| Business Quarry – Marrangaroo                     | 1.00                     | 16,343.70        | 26.37%                      | 0.0231545                       | 61,981.30              |
| Business Quarry – Hartley                         | 1.00                     | 16,343.70        | 8.16%                       | 0.0230691                       | 200,204.56             |
| Business Quarry – Round Swamp                     | 1.00                     | 12,518.03        | 46.08%                      | 0.0318437                       | 27,166.15              |
| Business Quarry – Clarence - Lithgow              | 1.00                     | 10,227.83        | 47.02%                      | 0.0512163                       | 21,751.53              |
| Business – Rail Manufacture, Maintenance, Storage | 1.00                     | 678.73           | 0.73%                       | 0.0646620                       | 93,145.35              |
| Mining  |                          |                  |                             |                                 |                        |
| Mining  | 11.00                    | 16,346.53        | 3.42%                       | 0.0244068                       | \$5,040,592.24         |
| <b>Total Estimated Yield</b>                      |                          |                  |                             |                                 | <b>\$24,145,991.12</b> |

## **Pension Concession Rebates**

The following maximum annual concession rebates apply for eligible pensioner customers upon commencement of the Special Rate Variation from 1 July 2023.

\$250 Mandatory Rebate - Ordinary Rates and Charges including Domestic Waste Management Charge

\$50 Council Rebate - Ordinary Rate and Charges including Domestic Waste Management Charge

\$87.50 Mandatory Rebate - Annual Water Access Charge

\$135 Council Rebate - Annual Water Access Charge

\$87.50 Mandatory Rebate - Sewer Access Charge

Council is reimbursed for 55% of the Mandatory Rebates only. The remaining 45% and additional rebate is funded by Council.

## **Rating of Subdivided/Consolidated Land**

Upon registration of a plan of subdivision or consolidation with the Registrar General, rates and charges cannot be levied on new lot(s) until supplementary valuations have been provided to Council by the Valuer General. Once this has happened rates will be levied on the new lots from the following financial year. Any credits and debits remaining on the land that existed prior to the subdivision or consolidation of land will be apportioned across the new parcel/s of land.

## **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 2025-26 financial year has been set at 4.1%.

In November 2023, IPART released its final report on a review of the rate peg methodology. IPART conducted the review to develop a new methodology that:

- allows councils to vary their general income annually to reflect (as far as possible) changes in the costs of providing local government goods and services due to inflation and other external factors; and
- continues to include a population factor.

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 or to maintain new local infrastructure.

## 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 does not influence. Lithgow City Council valuations from the Valuer General which will be used for rating from 1 July 2023 to 30 June 2025.

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 2025/26 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. There are no applications for a Special Rate Variation for the 2025/26 Rating year.

## S7.11 and S7.12 Levy Contributions

Council has undertaken an independent review of its development contributions systems and prepared a Draft Section 7.12 Contributions Plan.

The matter was reported to the 22 April 2024 meeting. The report sought a Council resolution to publicly exhibit the Draft 7.12 Local Infrastructure Contributions Plan 2024, prior to Council's consideration of adoption of the new plan.

## 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 2025 to 30 June 2026 (inclusive) has been set at 10.5% 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 the 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 applicable charges for 2025/26 are outlined in the schedule below.

| Waste Charges   |                |                         |                                  |
|---|----------------|-------------------------|----------------------------------|
| Type of Service   | No. of Charges | Charge (\$)<br>(GST ex) | Estimated Yield (\$)<br>(GST ex) |
| Vacant Land/Kerbside Availability Charge                  | 535            | \$290.30                | \$155,310.50                     |
| Waste Disposal - Rural                                    | 1977           | \$290.30                | \$573,923.10                     |
| Vacant Access Charge - Business                           | 155            | \$292.00                | \$45,260.00                      |
| Garbage Service - Residential                             | 8624           | \$602.60                | \$5,196,822.40                   |
| Additional Full Service -(RYG) Residential                | 1              | \$692.40                | \$692.40                         |
| Additional Waste and Recycling Service (RY) - Residential | 376            | \$562.30                | \$211,424.80                     |
| Additional Waste Service only-(R) Residential             | 19             | \$286.30                | \$5,439.70                       |
| Additional Recycling Service Only-(Y) Residential         | 10             | \$95.90                 | \$959.00                         |
| Additional FOGO Service Only - Residential                | 1              | \$140.80                | \$140.80                         |
| Garbage Service - Business                                | 587            | \$602.60                | \$353,608.80                     |
| Additional Full Service -(RYG) Business                   | 23             | \$692.40                | \$15,925.20                      |
| Additional Waste and Recycling Service (RY) - Business    | 102            | \$562.30                | \$57,354.60                      |
| Additional Waste Service only-(R) Business                | 6              | \$286.30                | \$1,717.80                       |
| Additional Recycling Service Only (Y)- Business           | 15             | \$95.90                 | \$1,438.50                       |

|  |     |          |                       |
|--|-----|----------|-----------------------|
| Additional FOGO Service Only - Business                    | -   | \$140.80 | -                     |
| Garbage Service - Non Rateable                             | 121 | \$602.60 | \$72,914.60           |
| Additional Full Service -(RYG) Non Rateable                | -   | \$692.40 | -                     |
| Additional Waste and Recycling Service (RY) - Non Rateable | 1   | \$562.30 | \$562.30              |
| Additional Waste Service only-(R) Non Rateable             | 1   | \$286.30 | \$286.30              |
| Additional Recycling Service Only -(Y) Non Rateable        | 1   | \$95.90  | \$95.90               |
| Additional FOGO Service Only -(G) Non Rateable             | -   | \$140.80 | -                     |
| Garbage Service - MUDS (Mixed Use Developments)            | 39  | \$602.60 | \$23,501.40           |
| <b>Total Estimated Yield</b>                               |     |          | <b>\$6,717,378.10</b> |

## Water Charges

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

**Water access charges will increase at various rates depending on meter size. The maximum annual concession rebate for eligible pensioner customers was increased from \$87.50 to \$222.50 (additional \$135.00 rebate).**

| Water Charges - Rateable     |                   |             |                       |
|------------------------------|-------------------|-------------|-----------------------|
| Annual Access Charge         |                   |             |                       |
| Type                         | Number of Charges | Charge (\$) | Estimated Yield (\$)  |
| 20mm Connection              | 8197              | \$455.00    | \$3,729,635.00        |
| 25mm Connection              | 111               | \$500.00    | \$55,500.00           |
| 32mm Connection              | 14                | \$750.00    | \$10,500.00           |
| 40mm Connection              | 31                | \$1,260.00  | \$39,060.00           |
| 50mm Connection              | 58                | \$1,690.00  | \$98,020.00           |
| 80mm Connection              | 1                 | \$3,240.00  | \$3,240.00            |
| 100mm Connection             | 12                | \$4,640.00  | \$55,680.00           |
| 200mm Connection             | -                 | \$5,175.00  | -                     |
| 300mm Connection             | -                 | \$5,450.00  | -                     |
| Unpotable Water              | 20                | \$240.00    | \$4,800.00            |
| Vacant Land Water Access     | 256               | \$445.00    | \$113,920.00          |
| <b>Total Estimated Yield</b> |                   |             | <b>\$4,110,355.00</b> |

| <b>Water Charges – Non - Rateable</b> |                       |                    |                             |  |
|---------------------------------------|-----------------------|--------------------|-----------------------------|--|
| <b>Annual Access Charge</b>           |                       |                    |                             |  |
| <b>Type</b>                           | <b>No. of Charges</b> | <b>Charge (\$)</b> | <b>Estimated Yield (\$)</b> |  |
| 20mm Connection                       | 63                    | \$445.00           | \$28,035.00                 |  |
| 25mm Connection                       | 17                    | \$500.00           | \$8,500.00                  |  |
| 32mm Connection                       | -                     | \$750.00           |                             |  |
| 40mm Connection                       | 14                    | \$1,260.00         | \$17,640.00                 |  |
| 50mm Connection                       | 26                    | \$1,690.00         | \$43,940.00                 |  |
| 80mm Connection                       | 1                     | \$3,240.00         | \$3,240.00                  |  |
| 100mm Connection                      | 7                     | \$4,640.00         | \$32,480.00                 |  |
| 200mm Connection                      | -                     | \$5,180.00         |                             |  |
| 300mm Connection                      | -                     | \$5,450.00         |                             |  |
| <b>Total Estimated Yield</b>          |                       |                    | <b>\$133,835.00</b>         |  |

| <b>Water Usage Charges - Residential</b> |                    |
|--|--------------------|
| <b>Kilolitres Used</b>                   | <b>Charge (\$)</b> |
| 0 - 250 Residential                      | 3.41 / kl          |
| 251+ Residential                         | 6.82 / kl          |

  

| <b>Water Usage Charges - Business</b> |                    |
|---------------------------------------|--------------------|
| <b>Kilolitres Used</b>                | <b>Charge (\$)</b> |
| 40 - 500 Business                     | 3.41 / kl          |
| 500+ Business                         | 6.82 / kl          |

  

| <b>Water Usage Charges - Unpottable</b> |                    |
|---|--------------------|
| <b>Kilolitres Used</b>                  | <b>Charge (\$)</b> |
| Unpottable                              | 1.10 / kl          |

## Sewerage Charges

Council has reviewed the sewerage access and usage charges for 2025/26.

### 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.

Access charges are based on the size of metered water connection. Usage is calculated based on water consumption and a Sewer Discharge Factor (SDF).

Discharge factors are used for estimating the volume of wastewater discharged to the sewerage system where the discharge is not measured. A discharge factor represents the percentage of the metered water consumption discharged to the sewerage system from a premises.

The sewer discharge factor is the ratio of all wastewater discharged from a premises to the sewerage system to the total water consumption expressed as a percentage.

$$SDF = (Domestic + Trade Waste / Total Water Consumption) \times 100$$

Estimations based on metered water usage will be determined by applying appropriate discharge factors. Standard factors established for typical businesses is 0.95, however, the NSW Department of Planning, Industry and Environment Liquid Trade Waste Regulation Guidelines 2021 provides generic industry standards for different business types. These factors will be applied unless considered inappropriate for the type of discharger's business operation at the premises, in which case the discharger may seek a review of the factors.

| Sewerage Charges Rateable Properties        |                        |             |                       |  |
|---|------------------------|-------------|-----------------------|--|
| Annual Sewerage Access Charge               |                        |             |                       |  |
| Type  | Number of Charges (\$) | Charge (\$) | Estimated Yield (\$)  |  |
| Residential                                 | 7568                   | \$1,100.00  | \$8,324,800.00        |  |
| Non-Residential 20mm                        | 286                    | \$610.00    | \$174,460.00          |  |
| Non-Residential 25mm                        | 38                     | \$610.00    | \$23,180.00           |  |
| Non-Residential 32mm                        | 9                      | \$670.00    | \$6,030.00            |  |
| Non-Residential 40mm                        | 17                     | \$730.00    | \$12,410.00           |  |
| Non-Residential 50mm                        | 47                     | \$810.00    | \$38,070.00           |  |
| Non-Residential 80mm                        | -                      | \$895.00    | -                     |  |
| Non-Residential 100mm                       | 7                      | \$955.00    | \$6,685.00            |  |
| Non-Residential 200mm                       | -                      | \$6,210.00  | -                     |  |
| Non-Residential 300mm                       | -                      | \$8,280.00  | -                     |  |
| Non Residential Vacant                      | 5                      | \$1,100.00  | \$5,500.00            |  |
| <b>Total Estimated Yield</b>                |                        |             | <b>\$8,591,135.00</b> |  |
| Sewerage Usage Charges                      |                        |             |                       |  |
| Business (most commonly 95% of water usage) |                        | \$2.69/kl   |                       |  |

| <b>Sewerage Charges Non-Rateable Properties</b>    |                          |                    |                             |  |
|--|--------------------------|--------------------|-----------------------------|--|
| <b>Annual Sewerage Access Charge</b>               |                          |                    |                             |  |
| <b>Type</b>  | <b>Number of Charges</b> | <b>Charge (\$)</b> | <b>Estimated Yield (\$)</b> |  |
| Non-Rateable 20mm                                  | 54                       | \$570.00           | \$30,780.00                 |  |
| Non-Rateable 25mm                                  | 5                        | \$570.00           | \$2,850.00                  |  |
| Non-Rateable 32mm                                  | -                        | \$620.00           | -                           |  |
| Non-Rateable 40mm                                  | 10                       | \$680.00           | \$6,800.00                  |  |
| Non-Rateable 50mm                                  | 20                       | \$810.00           | \$16,200.00                 |  |
| Non-Rateable 80mm                                  | 1                        | \$895.00           | \$895.00                    |  |
| Non-Rateable 100mm                                 | 5                        | \$955.00           | \$4,775.00                  |  |
| Non-Rateable 200mm                                 | -                        | \$6,210.00         | -                           |  |
| Non-Rateable 300mm                                 | -                        | \$8,280.00         | -                           |  |
| <b>Total Estimated Yield</b>                       |                          |                    | <b>\$62,300.00</b>          |  |
| <b>Sewerage Usage Charges</b>                      |                          |                    |                             |  |
| Non-Residential (most commonly 95% of water usage) |                          | \$2.69/kl          |                             |  |

## 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 | \$54.00     | <b>Low risk</b> - Includes commercial premises not preparing hot food |
| Application Fee - category B      | \$80.00     | <b>Medium risk</b> - Includes commercial premises preparing hot food  |
| Application Fee - category C      | \$166.00    | <b>High risk</b> - less complex pre-treatment                         |
| Annual Charge - category A / A2   | \$184.00    | <b>Low risk</b> - Includes commercial premises not preparing hot food |
| Annual Charge - category B        | \$276.00    | <b>Medium risk</b> - Includes commercial premises preparing hot food  |
| Annual Charge - category C        | \$505.00    | <b>High risk</b> - less complex pre-treatment                         |
| Discharge Fee - category A        | \$2.17      | Discharger with approved pre-treatment                                |
| Discharge Fee - category A        | \$10.35     | Discharger without approved pre-treatment                             |
| Discharge Fee - category B        | \$2.17      | Discharger with approved pre-treatment                                |
| Discharge Fee - category B        | \$22.77     | Discharger without approved pre-treatment                             |
| Discharge Fee - category C        | \$2.17      | Discharger with approved pre-treatment                                |
| Discharge Fee - category C        | \$22.77     | Discharger without approved pre-treatment                             |
| <b>Total Estimated Yield</b>      |             | <b>\$100,000</b>  |

## Septic Tank Charges

Lithgow Council resolved at the 28<sup>th</sup> October 2024 Council meeting (Resolution 24-220) that the 2025/26 Annual Fee for Onsite Sewerage Management fee be set at \$70.00 for all domestic systems and \$346.00 for commercial systems.

From 2025/26 a risk-based inspection program would be implemented based on Council's resource capabilities.

The following revenue is expected -

| Septic Tank Charges                |                   |             |                      |
|------------------------------------|-------------------|-------------|----------------------|
| Type                               | Number of charges | Charge (\$) | Estimated Yield (\$) |
| OSSM Administration Fee            | 2829              | \$70.00     | \$198,030.00         |
| Commercial AWTS Administration Fee | 34                | \$346.00    | \$11,764.00          |
| <b>Total Estimated Yield</b>       |                   |             | <b>\$209,794.00</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 charges have been set in accordance with the Local Government (General) Regulations (2021) for the 2024/25 are as follows:

- Residential Strata Unit - \$12.50 per unit
- Other Residential Property - \$25.00 per rateable property
- Business Rateable Property - \$25.00 per 350 square metres of land area up to a maximum of \$1,500.

The annual Stormwater Management Charge provides funding specifically for stormwater management restoration, maintenance of stormwater infrastructure and for environmental initiatives to better manage stormwater. These programs assist in reducing flooding and water damage from heavy rain, as well as preventing litter and other pollutants from being washed from roads to local creeks and waterways.

The Stormwater Management Service Charge will raise an estimated yield of **\$242,762.50** in 2025/26.

## 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                  | 2024/25 | 2025/26 | 2026/27 |
| Nil                      | -       | -       | -       |

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