

Revenue Policy

Council's Revenue Policy is detailed in its Resourcing Strategy and consists of:

- The Long-Term Financial Plan;
- The Strategic Asset Management Plan; and
- The Workforce Plan

The Resourcing Strategy identifies the resources required to implement the strategies established by the Community Strategic Plan that will be delivered through the Delivery Program and Operational Plan including:

- The levels of service the community expects in terms of asset management;
- The cost of any proposed major works or programs and the impact these may have on council's financial sustainability;
- Proposed scenarios which may be applied to achieve the strategic objectives;
- Whether external funding may be available for some projects;
- The implications of the Community Strategic Plan in terms of the Council's workforce planning; and
- The ongoing operational costs of council.

Long Term Financial Plan - 10 years

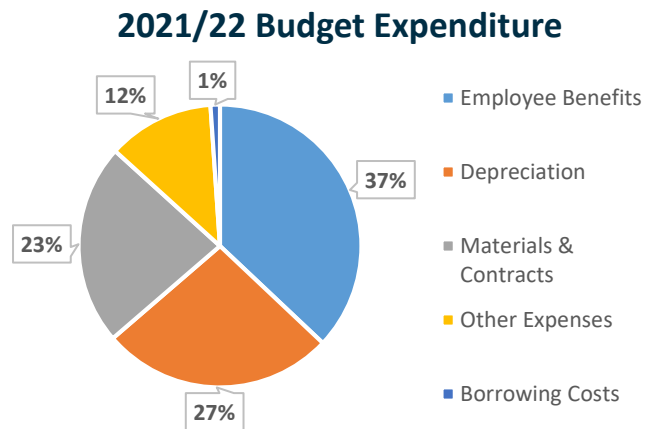
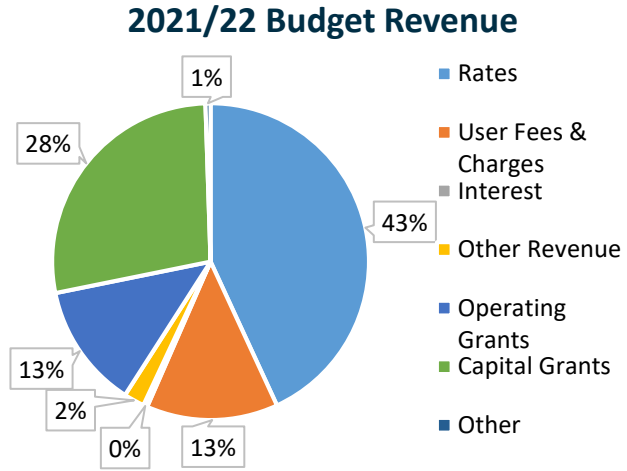
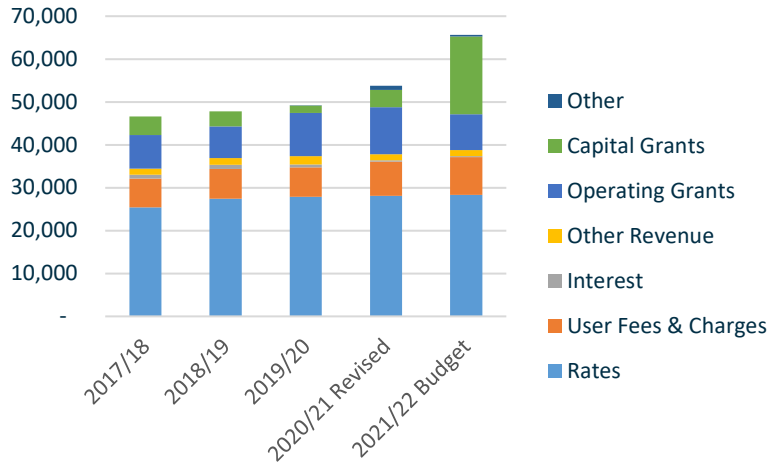


Fees & Charges

The proposed fees to be levied are detailed in the Fees and Charges 2021/22 document.

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

2021/22 Revenue & Expenditure



The graphs show the sources of Council's revenue and how it is expended.

- External Revenue: rates, charges, interest, grants, net gain disposal of assets.
- Capital Income: grants for capital, loans raised.
- Other Income: internal transfers to plant utilisation, service delivery and transfers from reserves.

2021/22 – 2022/23			
Budget – Income and Expenditure Funds Consolidated (\$'000)			
	2021/22	2022/23*	2023/24*
Operating income	65,640	52,235	54,466
Operating expenditure	47,783	48,156	48,530
Operating result	17,857	4,080	5,936
Operating result before capital	(301)	(538)	1,009

*Based on LTFP scenario 3 www.council.liithgow.com/ipr

Cashflow Statement 2021/22 Budget	
Cash Flows from Operating Activities	
Receipts:	
Rates and Annual Charges	28,335
User Fees and Charges	8,666
Interest and Investment Revenue Received	265
Grants and Contributions	24,447
Bonds and Deposits Received	-
Other	1,309
Payments:	
Employee Benefits and On-Costs	(17,544)
Materials and Contracts	(11,803)
Borrowing Costs	(522)

Bonds and Deposits Refunded	-
Other	(5,834)
Net Cash Provided (or used in) Operating Activities	27,318
Cash Flows from Investing Activities	
Receipts:	
Sale of Investment Securities	1,680
Payments:	
Purchase of Infrastructure, Property, Plant and Equipment	(24,979)
Net Cash Provided (or used in) Investing Activities	(23,299)
Cash Flows from Financing Activities	
Payments:	
Repayment of Borrowings and Advances	(1,463)
Net Cash Provided (or used in) Investing Activities	(1,463)
Net Increase/Decrease) in Cash and Cash Equivalents	2,555
plus: Cash, Cash Equivalents and Investments - Beginning of Year	21,728
Cash and Cash Equivalents - End of Year	24,283

Capital Budget 2021/22 – 2023/24*

	2021/22 \$'000	2022/23* \$'000	2023/24* \$'000
General Fund			
Buildings & Infrastructure			
Asset Renewals	10,233	9,400	10,016
New Assets	1,651	-	-
Other Assets			
Asset Renewals	563	856	859
New Assets	187	661	1,035
Water Fund			
Asset Renewals	780	1,732	1,749
New Assets	7,302	-	-
Sewer Fund			
Asset Renewals	1,210	2,419	2,338
New Assets	4,000	1,575	-
Total Capital	25,925	16,643	15,997

* Based on LTFP scenario 3 capital program www.council.lithgow.com/ipr

Capital Works Program 2021/22 – Funding Sources	
General Fund Revenue	2,195
Waste Fund Revenue	208
Water Fund Revenue	1,280
Wastewater Fund Revenue	1,210
SRV	696
S7.11 & S7.12 Contributions	707
Capital Grants & Contributions	19,132
Reserves	498
Total Capital Program	25,925

Capital Works Program 2021/22	
Bridges	5,118,774
Buildings	1,303,553
Cemeteries	46,000
Footpaths	75,000
Information Technology	259,800
Plant Replacement	510,000
Recreation	1,165,000
Roads	3,774,576
Other Transport	142,812
Village Improvements	30,000
Waste	208,000
Wastewater	5,210,000
Water	8,081,460
Total Capital Program	25,924,975

Ordinary Rates

Council has 4 categories of ordinary rate, being residential, farmland, business and 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 2021/2022.

In 2019, IPART approved a Special Rate Variation (SRV) for an increase of 9.0% (including rate peg). The rate increase is retained in the Council's general income base permanently. **The Operational Plan includes income and expenditure from the approved SRV.**

Land valuations as at 1 July 2019 will be applied for the 2021/2022 annual rate levy.

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 2021 to 30 June 2022 (inclusive) will be 6.0% per annum.

Residential			
Category/Sub-Category	Base Amount (\$)	Ad Valorem Amount (c in the \$)	Yield
Residential/Lithgow	332.50	0.52705	4,949,176.27
Residential/Portland	274.40	0.40436	516,557.69
Residential/Wallerawang	289.70	0.39048	543,622.54
Residential/Other	233.60	0.25544	2,093,964.11
Farmland			
Farmland	433.50	0.21686	2,112,838.82
Business			
Business/Lithgow	468.20	2.01378	1,784,953.10
Business/Portland	468.20	1.23737	53,733.52
Business/Wallerawang	468.20	1.21650	122,515.48
Business/Other	317.20	0.32888	189,638.09
Business/Power Station – Mt Piper	10,200.00	1.51994	47,134.54
Mining			
Mining	11,461.75	1.79962	1,809,906.39
Total Estimated Yield			14,224,040.54

Special Rates

Parking

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:

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 Council annually and that the program is reviewed in 5 years.

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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 should grant funding be approved. Any parking special rate funds not utilised will be placed in an internally restricted reserve for future Lithgow CBD capital works and maintenance.

Special Variation to Ordinary Rates

In 2019, IPART approved a Special Rate Variation for an increase of 9.0% (including rate peg). The rate increase will be retained in the Council's general income base permanently.

The **special Rate Variation** expenditure program is included over page.

Parking Special Rate Income		
	Ad Valorem Amount (\$)	Estimated Yield (\$ GST Exclusive)
Designated area of Lithgow	0.74832	261,495.24

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

Special Rate Variation Program 2021/22
s508 (2) of the Local Government Act 1993

Program	\$	Measurement	Reporting
Transport			
Second Street, Lithgow	181,500	Road renewal works completed.	Report 'on-the-ground' works undertaken in the Six-Monthly Progress Report and Annual Report.
Enfield Avenue, Lithgow	251,978		
Total Road Renewal	433,478		
General Asset Transport Maintenance	104,652	Maintenance works completed.	
Total Transport SRV Program	538,130		
Drainage infrastructure			
Urban Drainage Improvements	78,797	Drainage renewal works completed.	Report on works completed in the Six-Monthly Progress Report and Annual Report.
Total Drainage Renewal	78,797		
General Asset Drainage Maintenance	17,791	Maintenance works completed.	
Total Drainage SRV Program	96,588		
Buildings			
Lithgow Library Parapet and Awning	183,859	Buildings & Facilities renewal works completed.	Report on works completed in the Six-Monthly Progress Report and Annual Report
Total Buildings Renewal	183,859		
General Asset Building Maintenance	19,874	Maintenance works completed.	
Total Buildings SRV Program	203,733		
TOTAL EXPENDITURE SPECIAL RATE VARIATION	\$838,451		

S7.11 and S7.12 Levy Contributions

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.

Note: The table below identifies the S7.11 and S7.12 Levy Contribution portion only for each project.

Proposed 3 Year Works Program – S7.11 and S7.12 Levy Contributions			
	2021/22	2022/23	2023/24
	\$	\$	\$
Transport			
Rural Roads Rehabilitation	438,764	150,000	150,000
Open Space and Recreation Facilities			
Aquatic Centre Stage 4 – Loan Repayments	100,000	100,000	100,000
Civic, Community & Cultural Facilities			
CCTV Cameras in Main Street, Lithgow	16,000	16,000	16,000
Village Improvement Program	30,000	30,000	30,000
Total Expenditure Section 94A	584,764	296,000	296,000

Charges

Council proposes to make the following annual charges:

Sewerage Charges

Council has reviewed the sewerage access and usage charges for 2021/22. There is no change to annual sewerage access charges. The discharge usage fee (business) will increase from \$2.20 per KL to \$2.24 per KL.

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.

Council has reduced the developer sewerage charges for the Wallerawang area. The reason is that that Council considers that the calculated charge is cost-prohibitive and would have discouraged development in this area. A cross-subsidy amount of \$2 has been calculated and has been added to the annual sewer charges across the LGA.

Sewerage Charges Non-Rateable Properties		
Annual Sewerage Access Charge		
Type	Charge (\$)	Estimated Yield (\$)
Non-Rateable 20mm	510.00	20,808
Non-Rateable 25mm	510.00	918
Non-Rateable 32mm	560.00	0
Non-Rateable 40mm	610.00	2,562
Non-Rateable 50mm	680.00	7,752
Non-Rateable 80mm	730.00	876
Non-Rateable 100mm	800.00	4,320
Total Estimated Yield		37,236
Sewerage Usage Charges		
Type	Charge (\$)	
Non-Residential (most commonly 95% of water usage)		2.24

Sewerage Charges Rateable Properties		
Annual Sewerage Access Charge		
Type	Charge (\$)	Estimated Yield (\$)
Residential	936.00	6,830,928
Non-Residential 20mm	510.00	142,928
Non-Residential 25mm	510.00	11,144
Non-Residential 32mm	560.00	4,788
Non-Residential 40mm	610.00	6,387
Non-Residential 50mm	680.00	30,362
Non-Residential 80mm	730.00	0
Non-Residential 100mm	800.00	7,600
Total Estimated Yield		7,034,136
Sewerage Usage Charges		
Type	Charge (\$)	
Business (most commonly 95% of water usage)		2.24

Sewerage Trade Waste Charges

Trade Waste Charge

Fee description	Charge (\$)	Category
Application Fee – category A / A2	45.21	Low risk - Includes commercial premises not preparing hot food
Application Fee – category B	68.07	Medium risk - Includes commercial premises preparing hot food
Application Fee – category C	139.19	High risk – less complex pre-treatment
Annual Charge – category A / A2	155.00	Low risk - Includes commercial premises not preparing hot food
Annual Charge – category B	230.12	Medium risk - Includes commercial premises preparing hot food
Annual Charge – category C	422.66	High risk – 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 B	2.10	Discharger with approved pre-treatment
Discharge Fee – category B	22.00	Discharger without approved pre-treatment
Total Estimated Yield		\$80,000

Stormwater Charges

The following stormwater charges will be levied on all residential and business properties within identified urban areas (except those, which are vacant, land).

There is **no increase** proposed to the residential stormwater levy for 2021/2022 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
- Stormwater Management

Stormwater Charges		
Type	Charge (\$)	Estimated Yield (\$)
Residential	25.00	157,175
Strata Unit (Residential)	12.50	1,963
Business	25.00 per 350sq metres (\$1,500 Cap)	86,876
Total Estimated Yield		246,013

Waste Charges

There is a proposed increase of 2.0% on garbage services and a 10.15% increase on rural waste disposal charges to cover increased costs.

Waste Charges		
Type of Service	Charge (\$) (GST ex)	Estimated Yield (\$) (GST ex)
Residential	469.00	4,035,980
Business	469.00	287,497
Non-Rateable	469.00	60,501
Unoccupied Urban (GST applies)	204.11	105,117
Rural (GST applies)	155.91	374,808
Additional Waste and Recycling	469.00	1,407
Additional Waste	234.50	1,173
Additional Recycling	81.60	163
Total Estimated Yield		4,866,644

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 to all properties using Council's reticulated water supply system.

Water access charges will increase at various rates depending on meter size and Tier 1 usage charges will increase by 1.2% (from \$3.31/kl to 3.35/kl).

Water Charges all Users		
Annual Access Charge		
Type	Charge (\$)	Estimated Yield (\$)
20mm Connection	205.00	1,677,720
25mm Connection	205.00	18,655
32mm Connection	485.00	5,820
40mm Connection	815.00	23,635
50mm Connection	1,095.00	86,505
80mm Connection	2,100.00	4,200
100mm Connection	3,000.00	69,000
Total Estimated Yield		1,885,535
Water Usage Charges - Residential		
Kilolitres Used	Charge (\$)	
0 – 250 Residential	3.35 / kl	
250+ Residential	4.98 / kl	
Water Usage Charges – Business		
Kilolitres Used	Charge (\$)	
0 – 500 Business	3.35 / kl	
500+ Business	4.98 / kl	

Septic Tank Charges

Following a review and public consultation process during 2010, Council adopted a revised Onsite Wastewater Strategy in November 2010. This strategy was further revised in 2013/2014. All on-site sewage 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.

Septic Tank Charges		
Type	Charge (\$)	Estimated Yield (\$)
High Risk Systems	104.50	21,005
Medium Risk Systems	70.00	55,230
Low Risk Systems	47.00	56,964
Total Estimated Yield		132,419

All Aerated Wastewater systems (AWTS)

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

There will be no Approval to Operate charges for Aerated Wastewater Systems (AWTS).

Proposed Borrowings

Proposed Loan Borrowings			
Purpose	2021/22	2022/23	2023/24
Cullen Bullen Sewer Scheme	-	2,000,000	-