

Policy

Revenue Policy and Statement 2023 / 2024

Version 1

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1 Revenue Policy (with Fees and Charges)

Introduction

The Integrated Planning and Reporting framework allows councils to build plans of appropriate size, scale and content for their communities. The Revenue Policy and Statement is a key component of those plans and lists Council's Fees and Charges for 2023/2024, including all areas that support the generation of Council's income.

The revenue categories include:

- i. Rates
- ii. Annual charges for services
- iii. Fees for services
- iv. Commonwealth and State Government grants
- v. Earnings from investments and entrepreneurial activities
- vi. Borrowings
- vii. Other revenues, including income from the sale of assets.

The *Local Government Act 1993* encourages greater reliance on user charges and less reliance on rates. Council's Revenue Policy and Statement aims to balance these considerations with its community service obligations and in context of the goals and strategies/actions of the Community Strategic Plan. This document should be read in conjunction with the Community Strategic Plan.

Council has the autonomy to determine appropriate fees or charges to be levied for any goods or services provided, except those set by legislation.

The provision of services must take account of a number of major characteristics of local government including:

- i. A large part of its revenue comes from ratepayers who understandably expect a certain level and quality of service for payment of Rates and Charges.
- ii. Local government policies, budgets and pricing are developed and set by representatives elected by the ratepayers.
- iii. Local government receives grants from other spheres of government which often prescribe policies and pricing practices, which have to be adhered to.
- iv. Commonwealth and State legislation are prescriptive in certain areas in relation to the powers of local government.
- v. A responsibility of allocating revenues in the most efficient and effective manner and in the long-term interests of the community is an expected goal of Council.

What services can be charged for?

The following questions are addressed when considering the level of fees and charges covered in the Revenue Policy:

- i. Which groups (persons or entities) will benefit from the service?
- ii. Can this target group be charged for the service?
- iii. Should this target group be charged for the service?
- iv. How will the target group be charged?
- v. Will the target group pay, or will other groups be forced to subsidise the provision of the service?

The traditional role of councils to provide physical and property based services has evolved into a far more complex one, which involves the provision of a wide range of physical, social, and recreational services and facilities.

It is within this context that the Revenue Policy and Statement is formulated to form part of the Operational Plan for the 2023/2024 Financial Year.

2 Revenue Policy Statement

Introduction

It is a requirement of Section 405(2) of the *Local Government Act 1993* to incorporate a Revenue Policy in Council's Operational Plan.

The objectives of Tweed Shire Council's Revenue Policy and Statement are:

- i. To meet statutory requirements,
- ii. To establish the total revenue required by Council to fund its activities,
- iii. To identify the revenue sources available to Council.
- iv. To be fair and equitable in its application.

Sources of Funds

The following table details the recurrent and capital revenue sources available to Council. Column 2 details who has the authority to set the amount of revenue and Column 3 records Council's discretionary power if such powers exist.

Revenue Sources	Amount Set By (Authority)	Discretionary Policy Disclosed
Recurrent		
Rates	Local Government Act/Council	Revenue Policy and Statement
User Fees & Charges	Various Acts/Council	Revenue Policy and Statement
Interest on Investments	Local Government Act/Market Forces/Council	Investment Policy
Grants & Subsidies	Various Government Departments	N/A
Contributions/Donations/Sponsorship	Local Government Act/Council	Revenue Policy and Statement Fees and Charges
Entrepreneurial Activities	Local Government Act/Council	N/A
Leasing	Local Government Act/Council	Accounting Policies
Sale of Assets	Market Forces	Accounting Policies
Capital		
Borrowings	Local Government Act/Council	Accounting Policies
Grants & Subsidies	Various Government Departments	N/A
Contributions	Council	Section 94 Plan
Internally Restricted Funds	Council	Accounting Policies

3 Rating Statement

Rates and Charges 2023/2024

Ordinary Rate Categories:

Residential

Section 516 of the *Local Government Act 1993* provides that land be categorised as residential if it is a parcel of rateable land valued as one assessment and:

- i. Its dominant use is for residential accommodation otherwise than as a hotel, motel, guest house, boarding house, lodging house or nursing home or any other form of residential accommodation prescribed by the regulations,
- ii. In the case of vacant land, it is zoned or otherwise designated for use under an environmental planning instrument (with or without development consent for residential purposes), or
- iii. It is rural residential land.

Council has determined those parcels of land as "residential" which conform to the above definition.

Farmland

Section 515 of the *Local Government Act 1993* provides that land is to be categorised as "farmland" if it is a parcel of rateable land valued as one assessment and its dominant use is for farming (that is, the business or industry of grazing, animal feedlots, dairying, pig farming, poultry farming, viticulture, orchards, beekeeping, horticulture, vegetable growing, the growing of crops of any kind, forestry, oyster farming, or fish farming, within the meaning of the Fisheries Act and Oyster Farms 1935, or any combination of those businesses or industries) which:

- i. Has a significant and substantial commercial purpose or character,
- ii. Is engaged in for the purpose of profit on a continuous or repetitive basis (whether or not a profit is actually made).

Council has determined those parcels of land as "farmland" which conform to the above definition.

Business

Section 518 of the *Local Government Act 1993* provides that land is to be categorised as "business" if it cannot be categorised as farmland, residential or mining. Section 518 only applies to occupied land. Where a property is vacant land and cannot be categorised as Residential, Farmland or Mining it is generally categorised as it is zoned. For further information on categorisation please contact the Revenue Section of Tweed Shire Council.

Mining

Section 517 of the *Local Government Act 1993* provides that land is to be categorised as "mining" if it is a parcel of rateable land valued as one assessment and its dominant use is for a coal mine or metalliferous mine.

Council has determined that there are no properties which conform to the above definition.

Rate Pegging

The NSW Government introduced rate pegging in 1987. Rate pegging limits the amount that Council can increase its rate revenue from one year to the next by a specific figure determined by the Independent Pricing and Regulatory Tribunal (IPART).

For 2023/2024, IPART has announced the limit by which Council's general income may be varied as 3.7%.

IPART's rate peg takes into account the annual change in the Local Government Cost Index (LGCI), which measures the average costs faced by NSW Councils, and represents the maximum percentage amount by which a council may increase its general income. The rate peg applies to each council's general income in total, not to individual ratepayers' rates.

In addition, for the first time, the amount that councils will be able to increase the revenue they can collect from rates will also depend on their level of population growth.

Tweed historically and will continue to be a growth shire, therefore this change will have an effect on the rate increase applicable.

IPART has determined that councils are not adequately compensated for population growth under the current rating system, which disincentivises them from accepting development and population growth. The new IPART methodology will enable councils to maintain per capita general income to continue existing service levels and provide the services their growing communities expect.

The population factor is based on the percentage change in residential population in each council area, and for Tweed Shire is 0.3% for 2023/24.

IPART has approved a Special Variation Rate increase of 2.35% above the allowable 4%. Please refer to Special Rate Variation within this document for further details and analysis.

Therefore, the total allowable increase for Tweed Shire is then 6.35%.

General income comprises income from ordinary rates, special rates including postponed rates component. It does not include income from waste management service charges, water and sewerage service charges and other charges as designated.

Valuations and Revaluation

Rates are assessed on a rate in the dollar as a product of the land value supplied by the Valuer General. The Valuation of Land Act 1916 (NSW) requires Council to assess the rates on the most recent values provided by the Valuer General.

Council cannot make and levy a rate in respect of a parcel of land, unless Council has been furnished with a valuation of that land under the Valuation of Land Act. Council does not participate in the valuation of land for rating purposes. The Valuer General assesses all values independently of Council. Council has the right to appeal against any land valuation furnished by the Valuer General for Tweed Shire.

Council received new valuations of land to be effective from 1 July 2023 and those valuations will form the basis of the 2023/2024 rate levy process.

The new revaluation is undertaken to reflect a more realistic and accurate market price. It should be noted that the increase in valuation (72% average increase across the Local Government Area) does not have an impact on the total amount of rates Council can raise; it merely redistributes the revenue base according to valuations.

To summarise the revaluation, properties that have valuations increased by 72% will pay the same ordinary rate (Residential, Business, Farmland) as 2022/23 rating year plus the 6.35% rate pegging increase.

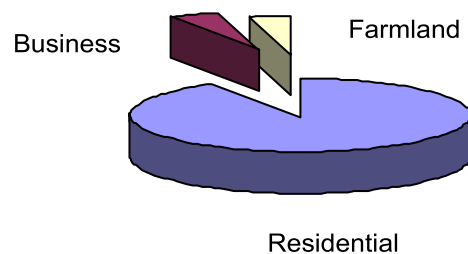
Properties with a valuation increase greater than 72% will pay more ordinary rates than the 2022/23 rating year plus the 6.35% rate pegging increase.

Properties with a valuation increase between 0% and 72% will pay less ordinary rates than the 2022/23 rating year plus the 6.35% rate pegging increase.

The revaluation has in general produced an increase above the median of 72% along the Tweed Coast and some rural areas. The remaining areas will not be greatly affected by the revaluation in terms of a large rate increase; however it should be noted some properties within these areas will be. It should further be noted that the date of the revaluation is 1 July 2022 and as such does not reflect any changes in valuation from that date.

The rateable valuation spread for the 2023/24 rating year over the three rating categories is detailed below:

Total Land Valuations (\$) by Rating Category



Rate Type	As at 1 July 2022		As at 1 July 2023		
	No. Properties	Rateable Land Value	No. Properties	Rateable Land Value	% Increase
Residential	38,192	11,723,121,566	38,367	20,519,841,914	75%
Business	1,922	1,244,580,264	1,983	1,954,822,843	57%
Farmland	1,408	1,106,516,730	1,405	2,024,163,860	83%
Total	41,522	14,074,218,560	41,755	24,198,828,617	72%

**Percentage increase is calculated on rateable value not Valuer Generals valuations.

Special Rate Variation

Council delivers a large range of different services to the Tweed community. In order to meet the rising costs of delivering these services and to ensure our information systems are up to date and secure. Council applied for a permanent Special Rate Variation (SRV) of 2.35% above the rate peg limit of 4%. Special Rate Variations (SRV) allow a Council to increase its income from rates above the rate peg (the annual increase set by the Independent Pricing and Regulatory Tribunal each year under the provisions of the Local Government Act 1993 (NSW).

Why did Council apply for a Special Rate Variation?

While Council was in a good financial position at the start of this financial year, there are some challenges ahead with rising costs of goods and services, increases to insurance premiums, wage increases and unprecedented growth in development applications.

Placing additional pressure on the 2023/24 budget is reduced income caused by the NSW Government's removal of the Environmental Enforcement Levy at the beginning of 2022.

If we are to maintain a balanced budget with our current service levels, Council needs to secure additional funds. Applying for a Special Rate Variation (SRV) to our general rate levy ahead of our next Budget cycle and will enable this to happen.

In particular, the SRV would support Council to deliver the following outcomes in 2023/24 budget:

Reduce Development Application processing times – Council is seeking additional funds to increase staff resources to help reduce the long DA processing times caused by a range of complexities and resource challenges associated with the NSW planning system.

Make it easier to do business with Council by upgrading core IT Business Systems – Council is facing increased information technology costs as we must retire our on-premises corporate systems and move to a cloud hosted software solution.

Improve Cyber Security to protect your data – Council is seeking additional funds to protect Council's network and digital information to comply with the Essential 8 mitigation strategies as recommended by the Australian Cyber Security Centre.

Ensure people and property are protected despite increased Insurance Premiums – Insurance premiums on Property, Public Liability and others insurance coverage are estimated to increase.

Important key points:

- The SRV would only be applied to ordinary and special rates.
- In February 2023 Councilors formally decided at a Council meeting to apply for a Special Rate Variation (SRV)
- The SRV will not be introduced until 1 July 2023.

Equity Consideration in Rate Structure

The rating structure is Council's method of collecting local 'taxation' from property owners. The funds generated are used to carry out works and services provided within the general fund.

The Local Government Act 1993 (LGA) sets out the methodology by which a council can collect its rate income. The Office of Local Government also publishes a Rating and Revenue Manual (see their website www.olg.nsw.gov.au, click on Local Government Publications) that is intended to be a guide for councils and it provides some interesting observations.

Contained in the LGA are the two allowable methods of rating:

Ad valorem rating

Ad valorem (at value) rating is based on using the land value of the property, supplied to council by the Valuer General and is the form of rating that has traditionally been used by local government.

Within the LGA, there is also the ability to use differential levels of rating for various rating categories.

Base Amount

This method allows the use of both a set amount (up to 50% of the rate assessment) as well as using valuations for the balance of the assessment.

This process does have the impact of reducing variations within rate categories as it effectively disregards up to 50% of the valuation and replaces it with a fixed amount.

A base amount allows Council to determine if there are some facets of its operations that every ratepayer should make a contribution towards and allows these to be charged for in a base amount or alternatively, if there are some activities that are common to a rates category that should be paid for by the group and almost anywhere in between.

These two methods of rating offer any number of combinations and possibilities, what is important is arriving at a philosophy for rating that is clear, supportable and easy to administer.

Importantly, it is the need for Council to look at why it rates as it does, why certain rating categories pay more or less than others and the overall income that Council gathers from each category. Council must determine its preferred rating method, ad valorem or base amounts and then clearly set out what rating process it is going to use for 2023/2024 is the right one for Tweed Shire Council and by implication its ratepayers.

Conclusion and Councils Proposal

Council's present rate structure is based on an ad valorem amount subject to a minimum amount. This system is used by the majority of councils in NSW.

Whilst the Local Government Act makes provision for "base amounts", the overriding characteristic of Local Government rating is that the assessments that are produced will be primarily and predominately determined via the ad valorem method whereby the incidence of any rate burden is split differentially according to the value of the rateable property: see *Sutton v Blue Mountains CC* (21977) 40 LGRA51.

The existing 2022/2023 rating structure provides for a minimum rate and ensures that everyone pays at least the minimum amount of \$1,143.80 for Residential and Farmland properties and \$1,257.30 for Business properties. The minimum rate was introduced as a means of ensuring that all ratepayers paid at least an amount sufficient to cover the average cost of providing the basic services. A base rate structure does not follow this concept and most properties now paying a "minimum" would pay less under a Base Rate structure.

As mentioned previously a revaluation occurs every three years and this provides Council with an opportunity to re-exam the way rates are calculated and delivered. Greater care and due consideration are taken through a due diligent, risk-based assessment process to ascertain the most fair and equitable method of rating methodology for the benefit of Council's ratepayers. Tweed Shire Council is of the opinion the current rating system in its form is a type of "wealth tax", therefore the greater the land value of an individual property, the higher proportion of rates should be applied. Upon saying this Tweed Shire Council has also formed an opinion that lower valued properties should pay a commensurate contribution for services supplied along with their respective usage. According to Tweed Shire Council's latest research and valuation spread with property categorisation methodology, it believes the fair and equitable system of rating is the ad-valorem rate subject to the appropriately researched and calculated minimum rate applicable to each rating category.

Tweed Shire Council is committed to vigorously testing its methodology on an annual basis, especially applicable when a newer valuation is applied as detailed in this Revenue Policy.

Base rating methodology shifts the burden of paying rates from the higher and lower valued properties to the middle range of valued properties. The demographics of Tweed Shire properties suggest the lower valued properties are predominately units with a large quantity of investor ownership who have the ability to minimise the rate impact and also pensioners who receive a rate reduction. Recent research conducted during the revaluation process confirms this philosophy as accurate with investigations showing the current valuation further emphasises the need to achieve equity balance through the use of minimum rating calculations.

Therefore, Council's rating structure for the 2023/2024 rating period is proposed to continue with the fairer ad valorem rating method subject to a minimum rate. It is proposed to increase the residential, farmland and business minimum rate by 2%.

After vigorous testing and based on the proposed system the following valuation mix will be applied to the rating categories to ascertain the appropriate notional yield mix in line with Council's adopted methodology.

Rating Category Ordinary	Valuation Mix	Notional Yield Mix
Residential	82.57%	83.31%
Residential Postponed	0.19%	0.15%
Farmland	7.96%	4.58%
Farmland Postponed	0.21%	0.12%
Business	7.88%	9.07%
Special Rates		
Koala Beach	0.71%	0.13%
Cobaki	0.21%	0.92%
Kings Forest	0.27%	1.72%
	100%	100%

Special Rates

In addition to the Ordinary Rates, the *Local Government Act 1993* makes provision for a Special Rate. Council may consider special rates if it proposes to finance a project that will benefit either the whole of the shire or part of the shire. A project may be comprised of works, services, facilities or activities.

A special rate can be levied on any rateable land which, in the Council's opinion, benefits or will benefit from the project in question; or contributes to the need for the project; or projects, or for similar projects in different parts of its area.

When setting special rates, it is important that Council is able to define with some precision how the project will affect land parcels. The rate must then be applied consistently to the affected properties. All land which benefits from the project must be levied the special rate.

A special rate may be made for, or towards meeting the cost of any existing or proposed project within any part or the whole of Council's area. The amount of the special rate is determined according to the assessment of the relationship between the estimated cost of the activity and the degree of benefit afforded to the ratepayer by providing the activity.

Like an ordinary rate, a special rate is based on the land value of rateable properties and may consist of an ad valorem rate (which may be subject to a minimum rate) or a base amount to which an ad valorem rate is added.

If the purpose of any income to be levied by a special rate is not for water supply, sewerage charges or waste management services, then the income raised will form part of Council's General Income. This income will need to form part of Council's permissible general income or require Ministerial approval if the income exceeds the permissible limit.

Council has utilised the special rate provisions of the Act culminating in the issuing of several special rates; refer to the structure of rates.

Rate Reductions for Eligible Pensioners

Council provides for rate reductions to eligible pensioners under section 575 of the *Local Government Act 1993*.

Postponement of Rates

Where a property is used as a single dwelling but because of zoning or permitted use has a land value that reflects the potential use rather than the actual use, Council will on application provide a postponement of rates in accordance with Section 591 of the *Local Government Act 1993*.

Interest on Overdue Rates

Interest accrues on a daily basis on rates and charges that remain unpaid after they become due and payable. Council will apply the maximum interest allowable under Section 566(3) of the *Local Government Act 1993* for the 2023/2024 rating year which will be advised by the Office of Local Government.

Non-Rateability

Council deems land to be non-rateable strictly in accordance with Sections 555 and 556 of the *Local Government Act 1993*.

Payment of Rates

Ratepayers may pay their rates in four payments being: 31 August, 30 November, 28 February and 31 May. Council is obliged to forward reminder notices one month in advance. Council is required to reduce rates for pensioners who hold the pensioner concession card. Those pensioners who are uncertain of their status should contact Council's Revenue section.

Rate Recovery

Council endeavors to accede to the request of all ratepayers who present themselves to Council with a repayment plan when experiencing difficulty in meeting their rate payment responsibility.

Ratepayers who fail to notify Council when in such circumstances will be subject to Council's Recovery processes. In the current year as a response to the Covid-19 Pandemic, changes have been made to Tweed Shire Councils rate recovery process. For further information on the changes please visit www.tweed.nsw.gov.au or contact customer service on 1300 292 872

Annual Charges (\$501)

In addition to ordinary rates and special rates, Council may levy an annual charge for any of the following services:

- Water supply services;

- Sewerage services;
- Drainage services;
- Waste management services (excluding domestic waste services); and
- Any services prescribed by the regulations.

4 Statement of each Ordinary Rate and Special Rates to be levied

On 11 September 2020 the Independent Pricing and Regulatory Tribunal (IPART) advised that Council could increase its general income as follows:

- 2023/2024 is 4% above that for 2022/2023

IPART has subsequently approved a Special Rate Variation (SRV) of an additional 2.35% above the allowable increase.

Structure of the Rate

Section 497 of the *Local Government Act 1993* provides the method of the structure of the rate.

Council has considered the methods and has decided on the structure of the rates being an ad valorem rate subject to a minimum amount for all properties categorised.

Residential

The categorisation determined for this ordinary rate has not changed from those previously applied.

Farmland

Categorisation determined for this ordinary rate is as applied to previous years. Land is categorised as farmland if its main use is for commercial farming.

Business

The Local Government Act 1993 stipulates that in categorising land that any parcel of land that cannot be identified as residential, farmland or mining, be placed in the business category.

The following table provides a summary of the number of rateable properties within each of the rating categories, the rate in the dollar applicable to the category, and the number of properties within the category rated at the minimum amount for the 2022/2023 year. This table is then used to estimate the permissible rating revenue for 2023/2024 and to calculate the minimum rate:

2022 / 2023	No. of Properties	Rate	Minimum (\$)	No. of Minimums	Yield
Residential**	38,366	0.4163	1,143.80	18,269	58,514,440.00
Business	1,983	0.4469	1,257.30	1,087	6,356,260.80
Farmland**	1,405	0.2963	1,143.80	155	3,310,628.10
Koala Beach *	498	0.0504			90,631.20
Cobaki Lakes*	1	0.9780			627,600.00
Kings Forest	11	1.419			1,178,541.30
TOTAL	41,754			19,511	70,078,101.40

* Koala Beach, Kings Forest and Cobaki Lake properties are already included in Residential category and are therefore not included in the total no. of properties in the above table.

** Residential and Farmland categories include postponed property amounts within the yield.

The estimated permissible rating revenue for 2023/2024 is as follows:

2023 / 2024 Rate Income Estimate	\$
Permissible Rating Income from 2022/2023	70,078,101.40
Previous Years catch up / surplus adjustment	0.00
Income lost in previous years due to valuation objections	0.00
Approved Increase 4% on Permissible Rating Income	2,803,124.06
Total Permissible Rating Income 2023/2024 (4%)	72,881,225.46
Applied Increase 2.35%	1,646,835.38
Total Permissible Rating Income 2023/2024 (6.35%)	74,528,060.84

Impact of the Proposal on Ratepayers (Minimum Rates)

The rate revenue to be generated will apply to each rateable assessment within the Shire and it will be levied as a rate in the dollar on the land value of the land subject to minimum rating.

The impact of the rate increase for 2023/2024 on **minimum rates** for Ordinary Rates only and with the associated charges upon Council ratepayers is as follows:

Item	2022 / 2023 \$	2023 / 2024 based on proposed Ordinary Rate increase 6.35%	Variation \$	Variation %
Ordinary Rate				
Residential*	1,143.80	1,166.65	22.85	2%
Business*	1,257.30	1,282.45	25.15	2%
Farmland*	1,143.80	1,166.65	22.85	2%
Annual Charges				
Water Access Charge	189.40	193.20	3.80	2.01%
Sewerage Charge	890.20	934.60	44.40	5.00%
Landfill Management Charge	59.50	62.50	3.00	5.05%
Domestic Waste Management (admin) Charge	75.00	78.50	3.50	4.67%
Domestic General Waste Service Charge (red)	192.40	200.10	7.70	4.01%
Domestic Recycling Service Charge (yellow)	83.00	85.00	2.00	2.41%
Domestic Organic Service Charge (green)	107.00	115.00	8.00	7.48%
Total Residential (minimum rate)	2,740.30	2,835.55	95.25	3.47%

*Although the increase is 6.35%, it is proposed to increase the minimum rate by 2% under this scenario to apply the legislative requirements of the methodology. This means that the 4.35% increase in rates will apply only to the ad valorem component of the rate.

Note: The above table contains numbers applicable to those properties on the minimum rate amount. The impacts for those properties that pay rates above the minimum amount will vary for each property depending upon the valuation amount for each property.

Council Opinion

By virtue of Section 495(2) of the *Local Government Act 1993*, the special rate is to be levied on such rateable land in Council's area as, in Council's "opinion":

- Benefits or will benefit from the works, services, facilities or activities; or
- Contributes or will contribute to the need for the works, services, facilities or activities; or
- Has or will have access to the works, services, facilities or activities.

Council is required to form a certain "opinion" as a necessary precondition to the making and levying of a special rate.

The opinion relates to the land that will benefit from, contribute to the need for, or have access to the particular works, services, facilities or activities the subject of the rate.

The opinion must correspond exactly with the "substance" and the "effect" of the rate, that is, all land rated must be identical to the land which will benefit from, contribute to the need for, or have access to the particular works, services, facilities or activities the subject of the rate. Thus, the rates must not be levied on any land that will not, in Council's reasonable opinion, benefit from, contribute to the need for, or have access to those works, services, facilities or activities.

Koala Beach

The *Local Government Act, 1993* states a Council may make a Special Rate for or towards meeting the cost of any works, services, and facilities provided or undertaken or proposed to be undertaken by Council within the whole or any part of the Council's area.

The Local Environmental Study for Koala Beach identified a number of environmental values for the property, including areas of significant koala habitat.

As a result, Council agreed to the rezoning of land for urban development subject to the protection of those values. That area has now been developed in accordance with those requirements. To the benefit of those who have subsequently purchased residential allotments, the responsibilities for the protection of the environmental values at Koala Beach does not cease with the completion of construction. There is an ongoing financial requirement to be met by the residents of Koala Beach as part of the responsibility for the release of urban land at Koala Beach in the first place.

This special rate provides for that activity.

The amount collected from the residents of Koala Beach Estate annually is for the intrinsic value of the koalas and their environmental habitat and is expended for regulatory, educational and some specialised maintenance functions.

In February 1995 the rezoning of the Koala Beach site was gazetted, setting aside approximately 89 hectares of a 360-hectare site for urban development (915 dwellings). Approximately 248 hectares of the site was zoned Habitat Protection.

An Environmental Study, Fauna Impact Statement and Koala Management Plan highlighted a number of management issues, which resulted from the urban development of the site. The proximity of over 900 dwellings adjacent to an area with demonstrated high conservation value clearly had the potential to significantly compromise the long-term ecological integrity of the adjoining natural areas.

Therefore, it is to the benefit of the wider community that Tweed Shire Council allocates Human and Financial Resources to the community Koala Management Committee for the purpose of maintaining and managing environmentally significant areas of the Koala Beach site.

Maps are available identifying the special rate area for Koala Beach.

The proposed rates for 2023-2024 are:

Description	No. of Properties	Rate	Revenue (\$)
Koala Beach	498	0.0303	96,638.22

Special Rate - Cobaki

To fund the long-term maintenance and management of environmental protection lands within LEDA's Cobaki development, a special rate is levied that raised an additional \$562,650 in 2017/18 and will be indexed with annual rate pegging in subsequent years. The approved on-going special rate is to be levied solely on properties associated with the Cobaki subdivision and all funds raised from the special rate levy will be allocated to the management of the environmental protection land.

The special rate will be applicable for the 2023/2024 rating year and will be calculated as an Ad valorem (at value) rate.

The proposed rates for 2023-2024 are:

Description	No. of Properties	Rate	Revenue (\$)
Cobaki	1	1.2770	667,871.00

Special Rate – Kings Forest

To fund the long-term maintenance and management of environmental protection lands within LEDA's Kings Forest development, a special rate has approved by IPART to levy and raise an additional \$1,540,000 for the 2021/2022 rating year and indexed with annual rate pegging in subsequent years. The approved on-going special rate is to be levied solely on properties associated with the Kings Forest subdivision and all funds raised from the special rate levy will be allocated to the management of the environmental protection land.

On 3 June 2021, following discussions with the developer and obtaining additional independent pricing estimates, Council proposed to reduce this amount to \$1,158,966 with annual rate pegging to apply in subsequent years.

The special rate will be applicable for the 2023/2024 rating year and will be calculated as an ad-valorem (at value) rate and will only apply to the properties in the development.

The proposed rates for 2023-2024 are:

Description	No. of Properties	Rate	Revenue (\$)
Kings Forest	11	1.6710	1,253,971.87

5 Proposed Rates in the Dollar 2023/2024

Proposed Increase to General Income of 6.35%

Categories

- **Residential Rate** 0.2544 cents in the dollar Minimum \$1,166.70
- **Business Rate** 0.3048 cents in the dollar Minimum \$1,282.45
- **Farmland Rate** 0.1708 cents in the dollar Minimum \$1,166.70

PLEASE NOTE:

The rate in the dollar figures above are an estimate based on current information at the time of publishing this Revenue Policy. The final adopted rate in the dollar may alter slightly due to valuation, rating category and allowance changes between the publishing of this Revenue Policy and the end of the rating year, 30 June 2023.

6 Proposed Statement of Charges to be Levied

Introduction

In accordance with Sections 495, 501 and 502 of the *Local Government Act 1993*, as amended, Council proposes to make and levy the following charges.

Water Supply Services

With the increasing demands on limited water resources, the Council of Australian Government (COAG) developed a "*Strategic Framework for Water Reform*", which was agreed to by all Australian governments and requires compliance under the National Competition Policy.

Council follows the NSW Department of Planning, Industry and Environment – Best Practice Management of Water Supply and Sewerage Guidelines (2007) for pricing, which were developed consistent with the "*Strategic Framework for Water Reform*".

The following key requirements of the guidelines are met by Council:

- Council reviews its water tariff on an annual basis.
- Access charges are independent of land value.
- A minimum of 75% of income is received from consumption charges for residential assessments to send a strong water conservation signal.
- Include a step-price increase of at least 50% for high consumption for residential consumers.
- Customers are charged for consumption at a minimum of quarterly intervals.

Water consumption charges are prorated across financial years.

Unpaid accounts are subject to daily interest charges calculated from the due date.

Special charges may be levied.

Water Access Charges (\$501)

The Water Access Charge is included on Council's rates and charges notice. The Water Access Charges applying from 1 July 2023 are as follows.

Residential Properties

Rated residential properties including vacant land attract Water Access Charges, in accordance with the *Local Government Act 1993*, as shown in Table 1.

For the purposes of Water Access Charges Non-Strata Multi-Residential Properties are considered Non-Residential Properties.

Table 1. Water Access Charges Residential

Description	2023/2024
Single Residential Assessment Water Access Charge (\$501)	\$193.20

Non-Residential Properties and Non-Strata Multi-Residential Properties

Non-Residential Properties and Non-Strata Multi-Residential Properties include properties which are categorised as Farmland for General Rate purposes.

The minimum Non-Residential Water Access Charge is equal to the Residential Water Access Charge as shown in Table 1.

The Non-Residential Water Access Charge (WAC) for properties with a water meter larger than 20mm is calculated using the formula:

$$\text{Non-Residential WAC (\$)} = \text{Residential WAC (\$)} \times R \times CF$$

Where:

R = Meter Ratio: Being the ratio of the water meter's cross-sectional area compared with to that of a 20mm diameter water meter's cross-sectional area (see Table 2).

CF = Consumption Factor: Based on consumption in the previous 12 months.

The Consumption Factor acknowledges that the size of the water meter does not always reflect the volume of water used, e.g., fire-fighting requirements may require a larger water meter to be installed.

The size of the water meter and water consumption over the past twelve months are taken into consideration in the determination of the current year's access charge as displayed in Table 2.

For properties with more than one water meter, the property Water Access Charge is based on the sum of the individual charges for each water meter, noting the charge for any individual meter shall not be less than the Residential Water Access Charge shown in Table 1.

The access charge is calculated on an annual basis for water meters where the consumption factor is less than 1.00.

Table 2. Consumption Factors

Meter size (mm)	20	25	32	40	50	80	100	150	200	250	300	
Meter Ratio (R)	1	1.56	2.56	4.0	6.25	16.0	25.0	56.25	100	156.25	225	
Consumption Range (kL)	Consumption Factor (CF)											
0	290	1.000	0.640	0.391	0.250	0.160	0.063	0.040	0.018	0.010	0.006	0.004
291	454	1.000	1.000	0.610	0.391	0.250	0.980	0.063	0.028	0.016	0.010	0.007
455	743	1.000	1.000	1.000	0.640	0.410	0.160	0.102	0.046	0.026	0.016	0.011
744	1,160	1.000	1.000	1.000	1.000	0.640	0.250	0.160	0.071	0.040	0.026	0.018
1,161	1,814	1.000	1.000	1.000	1.000	1.000	0.391	0.250	0.111	0.063	0.040	0.028
1,815	4,640	1.000	1.000	1.000	1.000	1.000	1.000	0.640	0.284	0.160	0.102	0.071
4,641	7,250	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.444	0.250	0.160	0.111
7,251	16,314	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.563	0.360	0.250
16,315	29,000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.640	0.444
29,001	45,314	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.694
Over 45,314		1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

Note: The Consumption Factor can be different for each meter.

Note: The NSW Department of Planning, Industry and Environment – Best Practice Management of Water Supply and Sewerage Guidelines (2007):

- Do not provide any reference for a property with multiple water meters specifically, therefore Council has determined this within this Policy.
-
- Do not refer to the Consumption Factor. However, Council applies the Consumption Factor to better reflect actual consumption.

Water Access Charge Estimated Yield

The estimated yield from water access charges is detailed in Table 3.

Table 3: Water Access Charge Estimated Yield

Meter Size	No. of Assessments	Charge (\$)	Revenue (\$)
20 mm	36,802	\$193.20	\$7,110,146
25 mm	409	\$301.39	\$123,269
32 mm	0	\$494.59	0
40 mm	329	\$772.80	\$254,251
50 mm	181	\$1,207.50	\$218,558
80 mm		\$3,091.20	
100 mm	67	\$4,830.00	\$323,610
150 mm	1	\$10,867.50	\$10,868
200 mm		\$19,320.00	
250 mm		\$30,187.50	
300 mm		\$43,470.00	
Total estimated yield			\$8,040,702

The estimated yield for 2023/2024 is \$8,040,702. The estimate does not include any application of the Consumption Factor detailed in Table 2 as consumer consumption varies year to year.

Pensioner Rebate (\$575)

In line with the *Local Government Act, 1993*, Section 575, pensioners may be eligible for a rebate of up to a maximum of \$87.50 per year applied to the Water Access Charge.

It will not be applied against a Water Access Charge for a Body Corporate or Company, except where it is allowed by special agreement.

Water Consumption Charges (\$502)

The NSW Department of Planning, Industry and Environment – Best Practice Management of Water Supply and Sewerage Guidelines (2007) require Council to adopt appropriate water consumption charges that reflect the user pays principle.

Water meter reading and billing occurs quarterly for most properties. Council has identified properties with high water usage and these properties have water meters read and water consumption billed monthly.

Residential Properties

Residential Consumption Charge

The Residential Consumption Charge as shown in Table 4 applies to the consumption of water at residential and multi-residential properties, for each kilolitre (kL) of water used during the billing period, up to and including an average of 0.8219kL per day for the billing period.

Residential High Consumption Charge

For residential properties, the Residential High Consumption Charge will apply if water consumption exceeds an average of 0.8219kL per day for the billing period. The daily average is based on an annual total of 300kL. This daily average is allocated to each rateable property, e.g., each strata unit receives 1 x 0.8219kL per day.

Additionally, this daily average is allocated to each non-strata residential unit.

Table 4: Water Consumption Charges Residential

Description	2023/2024 (\$/kL)
Consumption Charge (S502)	\$3.61
Residential High Consumption Charge (S502)	\$5.78

Non-Residential Properties

Non-Residential Consumption Charge

A Non-Residential Consumption Charge, equivalent to the Residential Consumption Charge as shown in Table 5, applies to consumption at all Non-Residential properties.

Non-Residential High Consumption Charge

A Non-Residential High Consumption Charge, as shown in Table 5, is applied to all Non-Residential and Non-Strata Multi-Residential properties where the water consumption at a property is greater than the Equivalent Tenement (ET) entitlement for the property.

Water consumption up to the property ET entitlement will be charged at the Consumption Charge. Consumption greater than the property ET entitlement will be charged at the Non-Residential High Consumption Charge.

The Non-Residential High Consumption Charge is calculated annually by amortising the Section 64 Developer Charge for water over 40 years with a cost of capital of 5% (variable) and a forecast escalation of developer charges of 2.5% (variable) applied and then dividing by 230kL/y, rounded to the nearest two (2) cents. Adding this result to the Consumption Charge gives the High Consumption Charge as shown in Table 5. The figure of 230kL/y is the NSW Water Directorate's adopted value of the annual water consumption per ET.

Table 5: Water Consumption Charges Non-Residential

Description	2023/2024 (\$2023/kL)
Consumption Charge (\$502)	\$3.61
Non-Residential High Consumption Charge (\$502)	\$5.78

Bulk sale of excess water to City of Gold Coast (at the discretion of Council)

At its discretion Council may, at the request of City of Gold Coast, bulk sell excess water to City of Gold Coast at the rate given in Table 6 when:

- The Tweed District Water supply demands are fully met,
- Clarrie Hall Dam and or Bray Park weir is full, and
- All environmental flow requirements are met

The rate is determined from:

- The marginal cost of production of 1kL of water and transport of that water to Razorback reservoir
- The cost of pumping that water to City of Gold Coast, and
- The amortized cost of the pipeline and pump station link between Razorback Reservoir and Coolangatta reservoir.

Table 6: Bulk sale of excess water to City of Gold Coast

Description	2023/2024 (\$/kL)
Consumption Charge (\$502)	\$1.9845

Water Consumption Estimated Yield

The estimated yield from water consumption charges for 2023/2024 is \$27,451,601.

Increases from Previous Financial Year

The Residential and Non-Residential Water Consumption Charges are the same. This year's charge of \$3.61/kL reflects an increase of 9.39% compared to last year. This is offset by the increase to the Water Access Charge being 2.02%.

The Residential High Consumption and Non-Residential High Consumption charges are the same. They have been aligned to meet the NSW Best Practice Guidelines and more accurately reflect the loads placed on infrastructure. This year's charge is \$5.78/kL which is an increase of 8.24%

The Water Access Charge that applies to all single rateable residential assessments has increased to \$193.20, representing a 2.02% increase from last year's Water Access Charge. Water Access Charges for non-residential and non-strata residential assessments are also based on this amount. The impact of the 2.02% increase will be different for each non-residential or non-strata multi-residential assessment, depending on meter ratios and consumption factors used in the charge calculation.

The Residential Sewerage Access Charge that forms the basis of Sewerage Access Charge calculations for all assessments, has been capped at 4.99%.

Overall, the “typical residential bill” has increased by 6.4% this year, lower than the annual CPI figure of 6.99% at the time the rates were calculated. The “typical residential bill” considers the total Water Access, Water Consumption and Sewerage Access Charges that apply to a single residential assessment that uses 200kL of water during the year. This is illustrated in Table 6 below.

Table 7: Typical Residential Bill (TRB)

		2023	2024	% Change
Water Usage Charge per	\$/kL	\$3.30	\$3.61	9.39%
	Average usage (kL/y)	200	200	
		\$660.00	\$722.00	9.39%
Water Access Charge		\$189.40	\$193.20	2.00%
Sewer Access Charge		\$890.20	\$934.60	4.99%
TRB		\$1,739.60	\$1,850.43	6.4%

Bulk Water Sales

Bulk water sales from standpipes for use within the Tweed (local use) are charged at the Residential High Consumption Charge rate as shown in Table 4.

Bulk Water Sales from standpipes for use outside the Tweed (external use) is charged at **twice** the Residential High Consumption Charge.

Medical Condition Rebate

Council will provide a credit of up to 100 kilolitres (kL/y) to residents producing written evidence from a medical practitioner (Medical Doctor) that they require the high use of water as part of the management of medical conditions, e.g. spa treatment.

Haemodialysis Patient Rebate

Council will provide a credit of up to 100 kilolitres (kL/y) to residents producing written evidence from an appropriate Health Service that they regularly undertake home haemodialysis.

Section 64 Developer Charges

Developer Charges for water supply services are applied under section 64 of the Local Government Act 1993. They have been calculated in a manner consistent with the NSW Department of Planning, Industry and Environment, 2016 Developer Charges Guidelines for Water Supply, Sewerage and Stormwater.

Section 64 of the *Local Government Act 1993* refers to Sections 305, 306 and 307 of the Water Management Act 2000. It is the provisions of the Water Management Act that enables Council to recover the cost of infrastructure incurred in servicing new developments, additions, and changes to existing developments. This charge is in addition to any other, that Council may apply.

Water Supply Developer Charges may be applied to any development that creates new or increased demands on water supply systems. The charges are levied so that Council can fund the infrastructure required for development, such as reservoirs, trunk mains, treatment plants and pump stations. Developer Charges must be paid for the subdivision of land, creation of new lots and residential development, to provide an Equivalent Tenement (ET) entitlement for those developments.

Current charges are detailed in Council's Fees and Charges document.

Capital Contribution Charges

Capital Contribution Charges for water supply services may be applied under section 608 of the Local Government Act 1993. They have been prepared based on the NSW Department of Planning, Industry and Environment, 2016 Developer Charges Guidelines for Water Supply, Sewerage and Stormwater.

Water Supply Capital Contribution Charges may be applied to any development that creates new or increased demands on water supply systems. The charges are levied so that Council can fund the infrastructure required for development such as reservoirs, trunk mains, treatment plants and pump stations.

This charge is in addition to any other, that Council may apply.

Current charges are detailed in Council's Fees and Charges document.

Section 64 Capital Levies

In accordance with section 64 of Local Government Act 1993, (refers to Sections 305, 306 and 307 of the Water Management Act 2000), where Council provides infrastructure, beyond that which is included in the Developer Servicing Plans, Council may also impose a Capital Levy. Current Capital Levies are:

- Parkes Lane Sewerage Scheme - Stage 3

Council resolved on 17 April 2019 to support the provision of a Council owned sewerage scheme for the 101 properties that are still currently serviced by on-site sewage systems in the Parkes Lane area.

Owners can pay the Levy in full upfront and receive a 20% discount or pay the Levy over a 10-year period via annual instalments increased by CPI.

- Terranora Village Sewage Conveyance system

Council resolved in December 1999 that properties adjacent to the area known as Terranora Village can apply to be connected to the sewage conveyancing system while capacity remains available.

Current charges are detailed in Councils Fees and Charges document.

Capital Contribution Charges

Capital Contribution Charges for wastewater services may be applied under section 608 of the Local Government Act 1993. They have been prepared based on NSW Department of Planning, Industry and Environment – 2016 Developer Charges Guidelines for Water Supply, Sewerage and Stormwater.

Wastewater Capital Contribution Charges may be applied to any development which creates new or increased demands on wastewater systems. The charges are levied so that Council can fund the infrastructure required for development such as trunk sewers and mains, treatment plants and pump stations.

This charge is in addition to any other which Council may apply.
Current charges are detailed in Council's Fees and Charges document.

Special Levies

In accordance with *Local Government Act 1993 Section 495*, where Council provides infrastructure, beyond that which is included in the Developer Servicing Plans, Council may impose a special Levy. Current Special Levies are:

- South Kingscliff area, including Kings Forest for the supply of Peak-Hourly Demand and Fire Flow.

Current charges are detailed in Council's Fees and Charges document.

7 Sewerage Services

Introduction

Due to increasing demands on limited water resources, the Council of Australian Government (COAG) developed a "*Strategic Framework for Water Reform*", which was agreed to by all Australian governments and requires compliance under National Competition Policy.

Council follows the NSW Department of Planning, Industry and Environment – Best Practice Management of Water Supply and Sewerage Guidelines (2007) for pricing, which were developed consistent with the "*Strategic Framework for Water Reform*".

The following key requirements are met by Council:

- Council reviews its sewerage tariff on an annual basis.
- Access charges are independent of land value.
- Council charges an annual Sewerage Access Charge.

Council also applies:

- Sewerage Usage Charges to Non-Residential and Non-Strata Multi-Residential properties.
- Liquid Trade Waste Charges to Non-Residential properties that discharge wastewater, other than residential quality wastewater, to the sewerage system.

Sewerage Usage Charges and Liquid Trade Waste Usage Charges are billed quarterly, except for nominated high discharge volume users where monthly billing is applied.

Sewerage Usage and Liquid Trade Waste Usage Charges are prorated across financial years. The sewerage usage volume is calculated from all water consumption.

Unpaid accounts are subject to daily interest charges calculated from the due date.

Special charges may be levied.

Sewerage Access Charges (S501)

The Sewerage Access Charge is included on Council's rates and charges notice. The Sewer Access Charges applying from 1 July 2023 are as follows:

Residential Properties

Rated residential properties including vacant land attract Sewerage Access Charges, in accordance with the *Local Government Act 1993*, as shown in Table 7.

For the purposes of Sewerage Access Charges Non-Strata Multi-Residential Properties are considered Non- Residential Properties.

Table 8. Sewerage Access Charges Residential

Description	2023/2024
Sewerage Access Charge (S501)	\$934.60

Non-Residential Properties and Non-Strata Multi-Residential Properties

Non-Residential Properties and Non-Strata Multi-Residential Properties include properties that are categorised as Farmland for General Rate purposes.

The minimum Non-Residential Sewerage Access Charge shall be equivalent to the Residential Sewerage Access Charge shown in Table 7.

The Non-Residential Sewerage Access Charge (SAC) for properties with a water meter larger than 20mm is calculated using the formula:

$$\text{Non-Residential SAC (\$)} = \text{Residential SAC (\$)} \times R \times CF \times SDF$$

Where:

R = Meter Ratio: being the ratio of the water meter's cross-sectional area to that of a 20mm diameter water meter's cross-sectional area (See Table 8).

CF = Consumption Factor: Based on consumption in the previous 12 months.

SDF= Sewer Discharge Factor: Percentage of the metered water consumption that is deemed to be discharged to the sewerage system.

The Consumption Factor acknowledges that the size of the water meter does not always reflect the volume of water used, e.g., fire-fighting requirements may necessitate a larger water meter to be installed.

The size of the water meter and water consumption over the past 12 months are taken into consideration in the determination of the current year's access charge as displayed in Table 8.

For properties with more than one water meter, the property Sewerage Access Charge is based on the sum of the individual charges for each water meter, noting the charge for any

individual meter shall not be less than the Residential Sewerage Access Charge shown in Table 7.

The access charge is calculated on an annual basis for water meters where the consumption factor is less than 1.00.

Table 9. Consumption Factors

Meter size (mm)	20	25	32	40	50	80	100	150	200	250	300
Meter Ratio (R)	1	1.56	2.56	4.0	6.25	16.0	25.0	56.25	100	156.25	225
Consumption Range (kL)	Consumption Factor (CF)										
0 - 290	1.000	0.640	0.391	0.250	0.160	0.063	0.040	0.018	0.010	0.006	0.004
291 - 454	1.000	1.000	0.610	0.391	0.250	0.980	0.063	0.028	0.016	0.010	0.007
455 - 743	1.000	1.000	1.000	0.640	0.410	0.160	0.102	0.046	0.026	0.016	0.011
744 - 1,160	1.000	1.000	1.000	1.000	0.640	0.250	0.160	0.071	0.040	0.026	0.018
1,161 - 1,814	1.000	1.000	1.000	1.000	1.000	0.391	0.250	0.111	0.063	0.040	0.028
1,815 - 4,640	1.000	1.000	1.000	1.000	1.000	1.000	0.640	0.284	0.160	0.102	0.071
4,641 - 7,250	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.444	0.250	0.160
7,251 - 16,314	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.563	0.360
16,315 - 29,000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.640
29,001 - 45,314	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Over 45,314	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

The Sewerage Usage Charge is applied to Non-Strata Multi-Residential and Non-Residential properties because the discharge volumes are higher than that from a single residential dwelling. The Sewer Discharge Factor (SDF) is an estimate of how much of the incoming water is discharged to sewer.

The SDF is detailed in Council's policy: "Discharge of Liquid Trade Waste to the Sewerage System".

Non-Strata Multi-Residential properties will have a SDF of 70% unless otherwise determined by individual assessment.

Mixed and other uses not specified in the Policy will have a SDF determined by individual assessment.

Note: The Consumption Factor and Sewer Discharge Factor can be different for each meter.

Note: The NSW Department of Planning, Industry and Environment – Best Practice Management of Water Supply and Sewerage Guidelines (2007):

- Does not provide any reference for a property with multiple water meters specifically, therefore Council has determined this within this Policy.
- Does not refer to the Consumption Factor. However, Council applies the Consumption Factor which provides a reduction to better reflect actual consumption.

Sewerage Access Charge Estimated Yield

The estimated yield from Sewerage Access Charges is detailed in Table 9.

Table 10: Sewerage Access Charge Estimated Yield

Meter Size	No. of Assessments	Charge (\$)	Revenue (\$)
20 mm	35,110	\$934.60	\$32,813,806
25 mm	294	\$1,020.58	\$300,051
32 mm	1	\$1,674.80	\$1,675
40 mm	255	\$2,616.88	\$667,304
50 mm	155	\$4,088.88	\$633,776
80 mm		\$10,467.52	
100 mm	62	\$16,355.50	\$1,014,041
150 mm	2	\$36,799.88	\$73,600
200 mm		\$65,422.00	
250 mm		\$102,221.88	
300 mm		\$147,199.50	
Total estimated yield			\$35,504,253

*The Charges (\$) in Table 9, for meters 25mm and above, have been adjusted down by 30% to allow for the application of the Sewer Discharge Factor (SDF). This provides a better estimate of the Total yield (\$).

The estimated yield for 2023/2024 is \$35,504,253. The estimated yield does not include any application of the Consumption Factor (CF) as detailed in Table 8, as consumers' consumption varies year to year.

Pensioner Rebate (\$575)

In accordance with the *Local Government Act, 1993*, Section 575, pensioners may be eligible for a rebate of up to a maximum of \$87.50 per year applied to the Sewerage Access Charge.

It will not be applied against a Sewer Access Charge for a Body Corporate or Company, except where it is allowed by special agreement.

Sewerage Usage Charges (S502)

The NSW Department of Planning, Industry and Environment - Best Practice Management of Water Supply and Sewerage Guidelines (2007) require Council to adopt appropriate Sewerage Usage Charges that reflect the user pays principle.

Non-Residential and Non-Strata Multi Residential Properties

Non-Residential Properties and Non-Strata Multi-Residential Properties include properties which are categorised as Farmland for General Rate purposes.

For the purposes of Sewerage Usage Charges, Non-Strata Multi-Residential Properties are considered Non-Residential Properties.

A Sewerage Usage Charge as shown in Table 10 is applied to all Non-Residential and Non-Strata Multi-Residential properties and is calculated using the formula:

$$\text{Sewerage Usage Charge (\$)} = \text{SUC}(\$/\text{kL}) \times Q \times \text{SDF}$$

Where:

SUC(\$/kL) = Sewerage Usage Charge in \$/kL (shown in Table 10),

Q = metered water consumption in kL.

SDF = Sewer Discharge Factor: Percentage of the metered water consumption that is deemed to be discharged to the sewerage system.

The Sewerage Usage Charge is applied to Non-Strata Multi-Residential and Non-Residential properties because the discharge volumes are higher than that from a single residential dwelling. The Sewer Discharge Factor (SDF) is an estimate of how much of the water consumption is discharged to sewer. Where multiple meters are installed at a single property, the SDF is calculated separately for each connection.

The SDF is detailed in Council's policy: "Discharge of Liquid Trade Waste to the Sewerage System".

Non-Strata Multi-Residential properties will have a SDF of 70% unless otherwise determined by individual assessment.

Mixed and other uses not specified in the Policy will have a SDF determined by individual assessment.

High Sewerage Usage Charge

A High Sewerage Usage Charge, as shown in Table 10, is applied to all Non-Residential and Non-Strata Multi-Residential properties where the total sewerage usage volume at a property is greater than the Equivalent Tenement (ET) entitlement for the property.

Sewer usage volume up to the property ET entitlement will be charged at the Sewerage Usage Charge. Sewer usage volume greater than the property ET entitlement will be charged at the Non-Residential High Sewerage Usage Charge.

The High Sewerage Usage Charge is calculated annually by amortising the Section 64 Developer Charge for sewerage over 40 years with a cost of capital of 5% (variable) and a forecast escalation of developer charges of 2.5% (variable) applied and then dividing by

140kL/year, rounded to the nearest two (2) cents. Adding this result to the Sewerage Usage Charge gives the High Sewerage Usage Charge as shown in Table 10. The figure of 140kL/y is the NSW Water Directorate's adopted value of the annual sewerage usage volume per ET.

Table 11. Sewerage Usage Charges

Description	2023/2024 Charge Rate (\$/kL)
Sewerage Usage Charge (S502)	\$1.94
High Sewerage Usage Charge (S502)	\$4.24

Sewerage Usage Charge Estimated Yield

The estimated yield from Sewerage Usage Charges is detailed in Table 11.

Table 12. Sewerage Usage Charge Estimated Yield

Description	Charge Rate (\$/kL)	Revenue (\$)
Sewerage Usage Charge (S502)	\$1.94	\$2,203,265

The estimated yield for 2023/2024 is \$2,203,265

Increases from Previous Financial Year

The Residential and Non-Residential Water Consumption Charges are the same. This year's charge of \$3.61/kL reflects an increase of 9.39% compared to last year. This is offset by the increase to the Water Access Charge being 2.02%.

The Residential High Consumption and Non-Residential High Consumption charges are the same. They have been aligned to meet NSW Best Practice Guidelines and more accurately reflect the loads placed on infrastructure. This year's charge is \$5.78/kL which is an increase of 8.24%

The Water Access Charge that applies to all single rateable residential assessments has increased to \$193.2, representing a 2.02% increase from last year's Water Access Charge. Water Access Charges for non-residential and non-strata residential assessments are also based on this amount. The impact of the 2.02% increase will be different for each non-residential or non-strata multi-residential assessment, depending on meter ratios and consumption factors used in the charge calculation.

The Residential Sewerage Access Charge that forms the basis of Sewerage Access Charge calculations for all assessments, has been capped at 4.99%.

Overall, the "typical residential bill" has increased by 6.4% this year, lower than the annual CPI figure of 6.99% at the time the rates were calculated. The "typical residential bill" considers the total Water Access, Water Consumption and Sewerage Access Charges that apply to a single residential assessment that uses 200kL of water during the year. This is illustrated in Table 6 below.

Table 13: Typical Residential Bill (TRB)

		2023	2024	% Change
Water Usage Charge per	\$/kL	\$3.30	\$3.61	9.39%
	Average usage (kL/y)	200	200	
		\$660.00	\$722.00	9.39%
Water Access Charge		\$189.40	\$193.20	2.00%
Sewer Access Charge		\$890.20	\$934.60	4.99%
TRB		\$1,739.60	\$1,850.43	6.4%

Liquid Trade Waste Charges

The NSW Department of Planning, Industry and Environment – Best Practice Management of Water Supply and Sewerage Guidelines (2007) require Council to adopt appropriate Liquid Trade Waste Charges which reflect the additional loading and associated costs that can be placed on the sewerage system by Non-Residential dischargers.

Liquid Trade Waste Charges are levied in accordance with Council's adopted policy: "Discharge of Liquid Trade Waste to the Sewerage System". This Policy was implemented to manage and control discharge to the public sewerage system and to recover Council's additional costs of transportation, treatment, and disposal of liquid trade waste. Copies of the Policy are available on Council's website or from Council offices.

Liquid Trade Waste Fees and Charges include:

- Annual Trade Waste Fees
- Trade Waste Usage Charges
- Non-compliance Trade Waste Usage Charges
- Excess Mass Charges
- Non-Compliance Excess Mass Charges.

(Refer to: Councils "Fees and Charges")

Council's policy: "Discharge of Liquid Trade Waste to the Sewerage System" outlines how and when these charges are applied.

These charges are dependent on the liquid waste classification, charging category, discharge volume and performance against approval conditions.

Discharges of Liquid Trade Waste with an origin outside of the Shire area will be charged at **three times** the amounts listed in Council's "Fees and Charges".

Liquid Trade Waste Charges Estimated Yield

The estimated yield from Liquid Trade Waste Charges is detailed in Table 13.

Table 14. Liquid Trade Waste Charges Estimated Yield

Description	No. of Properties	Charge (\$)	Revenue (\$)
Liquid Trade Waste Charges	569	Based on Category	\$655,000

The estimated yield for 2023/2024 is \$655,000.

Section 64 Developer Charges

Developer Charges for wastewater services are applied under section 64 of the Local Government Act 1993. They have been calculated in a manner consistent with the NSW Department of Planning, Industry and Environment Water, 2016 Developer Charges Guidelines for Water Supply, Sewerage and Stormwater.

Section 64 of the *Local Government Act 1993* refers to Sections 305, 306 and 307 of the Water Management Act 2000. It is the provisions of the Water Management Act that enable Council to recover costs of infrastructure incurred in servicing new developments and changes to existing developments. This charge is in addition to any other, which Council may apply.

Wastewater Developer Charges may be applied to any development which creates new or increased demands on wastewater systems. The charges are levied so that Council can fund the infrastructure required for development such as trunk sewers and mains, treatment plants and pump stations. Developer Charges must be paid for the subdivision of land, creation of new lots and residential development, to provide an Equivalent Tenement (ET) entitlement or those developments.

Current charges are detailed in Council's Fees and Charges document.

Section 64 Capital Levies

In accordance with section 64 of Local Government Act 1993, (refers to Sections 305, 306 and 307 of the Water Management Act 2000), where Council provides infrastructure, beyond that which is included in the Developer Servicing Plans, Council may also impose a Capital Levy. Current Capital Levies are:

- South Kingscliff area, including Kings Forest for the supply of Peak-Hourly Demand and Fire Flow.

Current charges are detailed in Council's Fees and Charges document.

Capital Contribution Charges

Capital Contribution Charges for water supply services may be applied under section 608 of the Local Government Act 1993. They have been prepared based on the NSW Department of Planning, Industry and Environment, 2016 Developer Charges Guidelines for Water Supply, Sewerage and Stormwater.

Water Supply Capital Contribution Charges may be applied to any development that creates new or increased demands on water supply systems. The charges are levied so that Council can fund the infrastructure required for development such as reservoirs, trunk mains, treatment plants and pump stations.

This charge is in addition to any other, that Council may apply.

Current charges are detailed in Council's Fees and Charges document.

Special Levies

In accordance with *Local Government Act 1993 Section 495*, where Council provides infrastructure, beyond that which is included in the Developer Servicing Plans, Council may also impose a special Levy. Current Special Levies are:

- Parkes Lane Sewerage Scheme - Stage 3

Council resolved on 17 April 2019 to support the provision of a Council owned sewerage scheme for the 101 properties that are still currently serviced by on-site sewage systems in the Parkes Lane area.

Owners can pay the Levy in full upfront and receive a 20% discount or pay the Levy over a 10-year period via annual instalments increased by CPI.

- Terranora Village Sewage Conveyance system

Council resolved in December 1999 that properties adjacent to the area known as Terranora Village can apply to be connected to the sewage conveyancing system while capacity remains available.

Current charges are detailed in Councils Fees and Charges document.

8 Waste Management Activities

Introduction

The management of Tweed Shire Council's waste is a high priority with a strong focus on minimising the amount of waste being disposed of to landfill and on the management of the landfill using best practice methods.

The introduction of a weekly food and garden organics collection service on 1 July 2017 was a key initiative of the 2014 Waste Strategy, and the Tweed Organics Processing Facility was commissioned in August 2021 with processing capacity of around 21,000 tonnes of organic waste per annum to deal locally with the material generated in the service.

In 2022 Council adopted its Towards Zero Waste Strategy and Action plan which will allow a continued focus waste recovery in the recycling and organics collection services whilst working with the community to reduce contamination and to continue removing products that can be recovered from the waste bin. The Towards Zero Waste Strategy sets a pathway for improved waste diversion, to identify how waste can be avoided in the first place and on the development of markets for processed waste materials.

There continues to be no charge for Tweed Shire residents who present metal, e-waste, chemicals and oil, fluorescent light bulbs and batteries at the Stotts Creek Resource Recovery Centre. Re-usable materials that can be reprocessed such as green waste, concrete, bricks and tiles are charged at a lower disposal rate to encourage source separation of these materials.

Domestic Waste Management Charges (Administration and Service)

The Domestic Waste Management Charge is an annual charge, which by virtue of Section 496 of the Local Government Act 1993, a council must make and levy for the provision of domestic waste management services for each parcel of rateable land for which the service is available.

The Domestic Waste Management Charges have specific requirements prescribed by Section 504 of the Local Government Act. They are:

- i. A Council must not apply income from its ordinary rate towards the cost of providing Domestic Waste Management services,
- ii. Income to be applied by Council towards the cost of providing Domestic Waste Management services must be obtained from the making and levying of a charge,
- iii. Income obtained from charges for Domestic Waste Management must be calculated so as to not exceed the reasonable cost to the Council of providing those services.

Council cannot subsidise Domestic Waste Management Services from the ordinary rates revenue and any revenue raised from the Domestic Waste Management Charges can only be used to provide Domestic Waste Management Services.

All costs that can be measured and reasonably associated with providing Council's Domestic Waste Management Services have been included in Council's Domestic Waste Management Charges and the charges are itemised and listed on the rates notice.

In accordance with Section 496 of the Local Government Act 1993, Council levies an annual charge for the provision of Domestic Waste Management Services on the following basis:

- Rateable Land – Management (the Administration Charge),
- Properties where waste collection service is available,
- Properties where a recycling collection service is available,
- Properties where a food and garden organics collection service is available
- Domestic rated properties with a mobile waste bin service that can be provided with a bulky goods collection
- Household waste processing and disposal.

The weekly food and garden organics collection service is provided to residential rated duplexes and single properties within the urban footprint. The food and garden organics collection service is available on demand to commercially rated properties and multi-unit dwellings within the urban footprint.

Residential Properties that have a wheelie bin waste service also have access to the dial up bulky goods collection service.

Residential Properties that have waste services available but do not want to participate in the waste collection service will be charged the minimum suite of services applicable to their property.

Other relevant legislation and strategies

The New South Wales State Government applies a Waste and Environment Levy to waste that is landfilled in NSW. The levy aims to increase the cost of landfilling waste in an effort to

reduce waste and promote recycling. In the 2022/23 financial year the NSW Waste levy was \$87.30 per tonne. This is expected to increase by CPI for the 2023/24 financial year. The cost of the levy is applied to waste which is disposed of as a result of the waste collection and disposal services.

The Queensland Government is increasing the Qld waste levy on 1 July 2023. The Qld Levy is currently set at \$95 per tonne for waste that is landfilled in Queensland and is proposed to increase to \$105 per tonne in the 2023/24 financial year. This will have some impact on the way Tweed Shire manages waste as there are currently some waste streams, including the waste collected from household, being disposed of in Queensland.

The NSW Waste Avoidance and Resource Recovery (WARR) Act was reviewed in 2015 with the diversion target for household waste increased from 66% to 70% in 2021. This target has been one of the drivers for Council to adopt resource recovery and recycling initiatives for domestic waste.

International waste policies have also impacted the cost of waste and recycling in the Tweed. For example, some recycled materials from the Tweed had been shipped to China for many years where they were reprocessed. Changes to Chinese policies have meant that Tweed's recyclables are no longer able to be exported to China and other markets in Asia are drying up which means the processing cost in Australia has increased significantly. Cost increases for processing waste materials must be recovered through waste management fees and charges.

On 9 August 2019, the Council of Australian Governments (COAG) agreed Australia should establish a timetable to ban the export of waste plastic, paper, glass and tyres, while building Australia's capacity to generate high value recycled commodities and associated demand. This is impacting our waste services, by increasing the cost of recycling in the short to medium term, however the cost to collect and process recycling is currently less than 50% of the waste collection and disposal cost.

The NSW Government released their Waste and Sustainable Materials Strategy (WASM) in 2022 which outlines how the NSW Government and its residents will transition to a Circular Economy over the next 20 years. Tweed Shire Council continues to be guided by State, Federal and International policies such as this in how it manages its waste materials for the Tweed Community.

Domestic Waste Management Charge

The Domestic Waste Management Charge (Administration Charge) includes an allocation for financial commitments for developing new domestic waste infrastructure for future generations as well as managing closed landfill sites within the shire. This charge provides for items such as landfill operations, environmental controls and post closure obligations on our disposal sites.

The administration charge also covers pensioner rebates and administration overheads. These costs are divided evenly across all domestic properties.

In 2023/24 the Domestic Waste Administration Charge will be \$78.50 per property, an increase of 5% on the 2022/23 charge.

Domestic Waste Service Charges - Waste collection services in mobile bins

In 2023/24 Council will continue providing waste collection services with different bin sizes and service regularities. The domestic waste service charge levied on wheelie bin service includes the cost for the on-call bulk waste collection service. Domestic properties that are provided with the compulsory weekly organics waste collection service can only access the fortnightly waste services. The table below outlines the types of waste services offered and the annual cost of each of these services.

Service	DWM Charge 2022 / 2023	DWM Charge 2023 / 2024
80 litre fortnightly waste service	156.00	162.20
140 litre fortnightly waste service	192.40	200.10
240 litre fortnightly waste service	250.00	260.00
80 litre weekly waste service	223.60	232.50
140 litre weekly waste service	280.80	292.00
240 litre weekly waste service	333.00	346.00

The charges have been increased by an average of 4% which is significantly below CPI. The charges include disposal costs allocated on the basis of the amount of waste generated by each service type with higher disposal costs allocated against services where there is no organic waste collection as these properties generate more waste.

In 2023/24 the Domestic Waste Management Service Charge for the standard 140L fortnightly garbage bin for single dwellings in urban areas will be \$200.10 per annum per service, an increase on the previous year of \$7.70 (4%). In rural areas and for multi-unit dwellings, the weekly 140 litre garbage bin collection service will be \$292.00 per annum per service, an increase of \$11.20 on last year's charge. These have increased more than in the previous years because of the increase cost of providing the service and higher CPI however the increase is significantly below the actual CPI. Residents may choose to have a larger or smaller garbage bin based on their needs at the charges listed above.

Domestic Waste Service Charge – Multi Unit Development waste services

In 2023/24 Council will charge Multi Unit Developments that are provided with either a bulk bin or wheelie bin-based services for the level of service requested by them. Charges will be based on the total charges for the multi-unit property divided evenly across all properties within the multi-unit development.

The bulk bin service charge does not include provision for the dial up bulk waste collection service as most of these properties are not able to accommodate delivery of the service. The service is therefore not available to these properties.

Domestic Waste Service Charge – Recycling collection and processing

The Domestic Recycling Charge is raised to cover the cost of providing the collection and processing of domestic recyclables for residents.

The service charge covers the cost of collection and processing of recyclables, promotion and education initiatives, the employment of an Education Officer, and provides for future recycling projects and education initiative aimed at reducing contamination.

The annual recycling charge in 2023/24 will be \$73.00 per annum for a 140 litre fortnightly service, \$85.00 per annum for a 240 litre fortnightly service, and \$141.00 per annum for a 360 litre fortnightly service. The increase is significantly below CPI averaging less than 3%.

Weekly services are provided at double the fortnightly charge.

Domestic Waste Service Charge – Organic waste collection and processing

In 2023/24 Council will continue providing a weekly collection service for household organics including food waste. This service is part of the compulsory three bin system provided to Single Unit Dwellings and Duplexes located within the urban footprint. The service is optional for Multi-Unit Dwellings where there are more than two titles on the property.

The Domestic Organics Charge provides for the collection of the food and garden organics and the processing of this material into compost. The charge for 2023/24 is \$115.00 per bin for a 240 litre weekly service, and \$101.00 per bin for a 140 litre weekly service. This increase is in line with CPI.

The collected material is processed at the Tweed Organics Processing Facility which is located at the Stotts Creek Resource Recovery Centre.

Total Domestic Waste Management Charge

The following tables outline the total domestic waste management charges showing the variables between a three-bin service (Waste, Recycling and Organics) and a two-bin service (Waste and Recycling).

Domestic Waste Collection Service – 3 Bin Service (Red, Yellow, Green)

Service	2022 / 2023	2023 / 2024
Domestic waste management (admin) charge	\$74.70	\$78.50
Landfill Management Charge	\$59.50	\$62.50
Waste collection service (fortnightly 3 bin service 140 litre bin)	\$192.40	\$200.10
Recycling service (fortnightly 240 litre bin)	\$83.00	\$85.00
Organic bin collection service (Weekly)	\$107.00	\$115.00
Total	\$516.60	\$541.10

Most urban domestic properties are provided with the three-bin system which includes a weekly organics service, fortnightly waste service and fortnightly recycling service, at a cost of \$541.10 which is a 4.7% increase on the 2022/23 charge. The above estimate may vary depending on the size of bins a property elects to have.

Bin Domestic Waste Collection Service – 2 Bin Service (Red, Yellow)

Service	2022 / 2023	2023 / 2024
Domestic waste management (admin) charge	\$74.70	\$78.50
Landfill Management Charge	\$59.50	\$62.50
Waste collection service (weekly service 140 litre bin)	\$280.80	\$292.00
Recycling service (fortnightly 240 litre bin)	\$83.00	\$85.00
Total	\$498.00	\$518.00

Rural properties and Multi-Unit Dwellings are generally provided with a weekly 140 litre waste service and a fortnightly 240 litre recycling service at a cost of \$518.00, an increase of 4% on the 2022/23 charge. Rural and Multi-Unit Dwelling properties may elect to have an additional weekly organics collection service where Council is able to provide this service.

The above estimate may vary depending on the size of bins a property elects to have. Multi-Unit Dwellings may elect to share bins, with the charges for bins divided evenly amongst the properties.

Landfill Management

In accordance with Section 501A of the Local Government Act 1993, Council levies a non-domestic Landfill Management Charge on all rateable properties within the Tweed Shire. This charge assists the funding of future landfilling and resource recovery infrastructure, current landfilling operations, park and street bin services, remediation and management of closed waste disposal sites, and to assist in the clean-up of illegally dumped waste within the shire.

The Landfill management charge in 2023/24 will be \$62.50, an increase of 5% on the 2022/23 charge.

Overall typical Domestic Waste Management (DWM) Services

Type of service	Services	Charge (\$)	Revenue (\$)
Domestic Waste Management (admin)	39,864	\$78.50	\$3,129,324
Domestic Landfill Services (Red lid – Weekly and fortnightly ranging from 80 litre to 240L. Includes On-Call Bulky Waste Collection)	39,864	Between \$162.20 and \$346.00 per annum	\$9,005,911
Domestic Recycling Services (Yellow lid - fortnightly ranging from 140 litre to 360 litre)	39,517	Between \$73.00 and \$141 per annum	\$3,400,933
Organics collection (Green lid - weekly 140 litre and 240 litre bin)	26,970	Between \$101 and \$115 per annum	\$3,122,686
Landfill Management	40,421	\$62.50	\$2,526,312

9 Interest on Investments Statement

Introduction

Council has adopted an Investment Policy that provides the framework by which Council maximises its revenue from interest on investments. Surplus funds are only invested in authorised institutions regulated by the Australian Prudential Regulation Authority (APRA) and in accordance with Council's powers of investment under section 625(2) of the *Local Government Act 1993*. Council is not permitted to engage in speculative investments including the equities market. Council Risk Management Framework and risk appetite is constantly reviewed for investment opportunities that fall within stated guidelines.

Funds invested represent:

- i. Revenue raised in the current financial period to be expended in the current period
- ii. Funds held to maintain Council's liquidity
- iii. Funds internally restricted for future use
- iv. Unexpended loan funds
- v. Funds externally restricted for future use (funds held by Council with a legal obligation to use for the purpose for which they were received)

Grants and Subsidies

Council attempts to maximise its grant and subsidy income. Grants and subsidies should be seen as a supplement to operational income even though grants such as the NSW Grants Commission Financial Assistance Grant are paid annually. The receiving of grant and subsidy revenue is however, to a large extent, out of the control of Council.

Various grants and subsidies that are made available to Local Government may require additional funding by Council. Such grants and subsidies shall only be considered where they are consistent with the Delivery Program/Operational Plan.

Internally Restricted Funds Statement

Council has by resolution set aside funds for specific purposes. These are called internally restricted funds and are for longer term funding requirements mainly of a capital nature.

The setting aside of funds for internally restricted purposes allows Council to smooth the impact of one-off major capital projects or expenditure that would otherwise have a significant impact on Council's finances.

10 Statement of Revenue Policy/Charges for Works Carried Out On Private Land

Private Works

"The Council may by agreement with the owner or occupier of any private land carry out on the land any kind of work that may lawfully be carried out on the land" (S.67(1)).

Section 67(2) prohibits a Council from carrying out private works unless it has first fixed a rate after considering the actual cost and current market rates.

Council's charges for works on private land, is as follows:

"Council carries out work for external parties on private land. In performing this work Council is generating additional income and/or acting in a community service role. Income from these works will cover all incremental direct costs and overheads and where appropriate add a profit element. The profit element of pricing varies with the relevant organisations taking into account the considerations of service to the community and general market competitiveness."

These private works include:

- Roads,
- Drainage,
- Water, sewerage and drainage connection.

Council has a cost recovery strategy in regard to private works. Applicable rates are included in the "Fees and Charges Schedule".

11 Loan Borrowing Statement

Introduction

For many years Council has maintained a borrowing program to finance bridge and drainage construction as well as other asset management works. With an extensive list of future works of this type still to be undertaken, Council expects to continue borrowing for this purpose.

These borrowings will be secured by the usual method of a mortgage over Council's income. Competitive quotations will be obtained from financial institutions with the aim of securing an interest rate below the indicative local government rate.

New borrowing must have regard to:

- Self-funding ability
- Interest rates
- Current debt level
- Alternative finance options
- Long-term debt

Renewal and new loans along with the purpose of the loans are detailed in the Tweed Shire Council's 2023/2024 Budget.

12 Summary of the proposed changes to Rates and Annual Charges

Proposed increase of 6.35% for Ordinary Rates

Category	Ad-Valorem Amount 4%	Charge (\$)	Minimum Rate (\$)	Yield (\$)
Ordinary Rates				
Residential	0.2544		1,166.70	62,242,750.11
Business	0.3048		1,282.45	6,764,421.66
Farmland	0.1708		1,166.70	3,502,593.58
Total Ordinary Rates				72,509,765.35

Special Rates				
Koala Beach	0.0303			96,638.22
Cobaki Lakes	1.2770			667,871.00
Kings Forest	1.6710			1,253,971.87
Total Special Rates				2,018,481.09

Water Access Charges				
20mm		193.20		7,110,146.00
25mm		301.39		123,269.00
40mm		772.80		254,251.00
50mm		1,207.50		218,558.00
100mm		4,830.00		323,610.00
150mm		10,867.50		10,867.50
Total Water Access Charges				8,040,701.50

Water Usage Charges				
Residential		3.61-5.78/kl		27,451,601.00

Category	Ad-Valorem Amount 2.6%	Charge (\$)	Minimum Rate (\$)	Yield (\$)
Sewerage Access Charges				
20mm		934.60		32,813,806.00
25mm		1,020.58		300,051.00
32mm		1,674.80		1,674.80
40mm		2,616.88		667,304.00
50mm		4,088.88		633,776.00
100mm		16,355.50		1,014,041.00
150mm		36,799.88		73,600.00
Total Sewerage Access Charges				35,504,252.80

Sewerage Usage Charge		1.94-4.24/kL		2,203,265.00
Trade Waste Usage Charge		Upon Category		655,000.00
Sewage Management Fee		59.00		319,190.00

Waste Management Charges				
Landfill Management Charge		62.50		2,526,312.00
Domestic Waste Management (Admin) Charge		78.50		3,129,324.00
Domestic General Waste Service Charge (red)		Between \$162.20 and \$346.00 per annum		9,005,911.00
Domestic Recycling Service Charge (yellow)		Between \$73.00 and \$141 per annum		3,400,933.00
Domestic Organics Service Charge (green)		Between \$101 and \$115 per annum		3,122,686.00
Total Waste Management Charges				21,185,166.00

Comparison of rate increases

Year	Allowable Increase for General Fund	Tweed Shire Council Adopted Change	Variation
1977	12.0%	12.0%	Nil
1978	9.5%	9.5%	Nil
1979	8.0%	8.0%	Nil
1980	10.0%	10.0%	Nil
1981	12.5%	10.2%	-2.3%
1982	12.0%	10.0%	-2.0%
1983	11.0%	11.0%	Nil
1984	8.0%	8.0%	Nil
1985	8.0%	8.0%	Nil
1986	8.0%	8.0%	Nil
1987	7.0%	7.0%	Nil
1988	6.5%	6.5%	Nil
1989	6.5%	6.5%	Nil
1990	7.3%	5.9%	-1.4%
1991	6.7%	6.7%	Nil
1992	0.0%	0.0%	Nil
1993	2.6%	2.6%	Nil
1994	3.5%	13.5%	+10.0%
1994-95	0.0%	1.9%	+1.9%
1995-96	2.2%	9.7%	+7.5%
1996-97	2.7%	10.5%	+7.8%
1997-98	3.1%	8.1%	+5.0%
1998-99	1.7%	7.9%	+6.2%
1999-2000	2.4%	2.4%	Nil
2000-01	2.7%	2.7%	Nil

Year	Allowable Increase for General Fund	Tweed Shire Council Adopted Change	Variation
2001-02	2.8%	2.8%	Nil
2002-03	3.3%	3.3%	Nil
2003-04	3.6%	3.6%	Nil
2004-05	3.5%	7.48%	+3.98%
2005-06	3.5%	3.5%	Nil
2006-07	3.6%	7.6%	+4.0%
2007-08	3.4%	8.0%	+4.6%
2008-09	3.2%	9.5%	+6.3%
2009-10	3.5%	9.5%	+6.0%
2010-11	2.6%	8.5%	+5.9%
2011-12	2.8%	7.5%	+4.7%
2012-13	3.5%	7.9%	+4.4%
2013-14	3.4%	3.4%	Nil
2014-15	2.3%	2.3%	Nil
2015-16	2.4%	2.4%	Nil
2016-17	1.8%	*2.77%	*+0.97%
2017-18	1.5%	1.5%	Nil
2018-19	2.3%	2.3%	Nil
2019-20	2.7%	2.7%	Nil
2020-21	2.6%	2.6%	Nil
2021-22	2%	**2.12%	**+0.12%
2022-23	1.7%	1.7%	Nil
2023-24	4%	4%	Nil
2023-24	4%	6.35%	+2.35%

*Special Rate Variation - Cobaki Leda Manorstead approved

**Special Rate Variation – Kings Forest approved

13 Statement of Pricing Policy Principles - In Respect to Goods and Services

Introduction

Council may charge and recover fees for any service it provides. This is exclusive of annual charges for services provided on an annual basis.

The Pricing Policy is made up of a number of principles that are used by Council in determining the level of revenue to be raised from a particular revenue source. These principles are not mutually exclusive; several may be used in determining the appropriate amount.

Fees and Charges Statement

In accordance with Section 608 of the *Local Government Act 1993*, Council proposes a range of fees and charges as contained in the 2023/2024 Fees and Charges schedule appended to this document. Generally, these fees are intended to cover the following contingencies:

- Supply of a service, product or commodity
- Giving information
- Providing a service in connection with the Council's regulatory functions, including receiving an application for approval, granting an approval, making an inspection and issuing a certificate

Section 501(1) of the *Local Government Act 1993* permits a council to make and levy an annual charge for the following services provided on an annual basis:

- Water supply services,
- Sewerage services,
- Drainage services,
- Waste management services (other than domestic waste management services)
- Any services prescribed by the regulations.

Council Obligation

In accordance with Section 532 of the *Local Government Act 1993* a council must not make a charge until it has considered submissions on the Operational Plan. It is the responsibility of Council to be fully aware of the pricing policy for the fees and charges and the need to consider each and every fee and charge.

Section 403(3) requires the following particulars for each charge:

- The amount of rate per unit (eg. Kilolitres, tonne) of the charge
- The differing amounts for the charge, if relevant
- The minimum amount or amounts of the charge, if relevant
- The estimated yield of the charge

A detailed schedule of fees forms part of the Operational Plan.

Section 539 states that in determining the amount of the charge for a service the council may have regard to the following criteria:

- The purpose for which the service is provided,
- The nature, extent and frequency of the service,
- The cost of providing the service,

- The categorisation for rating purposes of the land to which the service is provided,
- The nature and use of premises to which the service is provided,
- The area of land to which the service is provided,
- In the case of water supply - the quantity of water supplied.

The application of these proposed fees and charges will reduce the level of cross subsidisation, inherent in service provision, required to be funded by general rates.

The following factors have been taken into account in determining the fees proposed:

- The cost of providing the service,
- The importance of the service to the community,
- The price fixed by the relevant industry body,
- Any factors specified in the Local Government Regulations.

The fees set for a wide range of goods and services are based on recovery of operating costs, contributing to the cost of replacement of the assets utilised.

Categories of Pricing Policies Proposed in Respect of the Advertised Schedule of Fees

- a) The price for this good/service is set to make a significant contribution towards the cost of providing the service. The remainder of the costs are met from general purpose income.
- b) The price charged for this good/service is a statutory charge set by government regulation.
- c) The price for this service is set to make a minimal contribution to the annual operating and maintenance costs of the facility. The remainder of the costs are met from general purpose income.
- d) The price for this service is set to make a contribution towards the cost of replacing the infrastructure assets utilised in the provision of the service.
- e) The price for this good/service is based on the full cost of providing the service.
- f) The price for this good/service is set by reference to prices charged for similar goods/services provided by like councils.

Where additional costs are incurred in the course of providing a service for which a fee is charged, the fee determined by Council will be varied upon resolution of Council to recover such additional cost.

Set by Statute

Prices are set to apply to State and Commonwealth Government legislation. In an event of a new or amended statutory / regulatory fee being legislated subsequent to the adoption or printing of this document, Council has the right to apply these new charges without further notice.

Conditions of grant funding are a category of pricing, which restricts the level of fees, which can be recovered for the service. Grant funding provided by the State and Commonwealth Governments frequently establishes fee structures for the charging of services for which Council is the sponsor organisation of the particular service.

Goods and Services Tax (GST)

Many Local Government services are exempt from GST. Any services provided by Council that are subject to GST have had their prices adjusted in the attached Fees and Charges document.

In the event that the GST status of a particular good and service changes after the preparation of this document or during the 2023/2024 financial year, then the price of the good or service will be adjusted accordingly to reflect the correct GST status. If a fee that is shown as being subject to GST is subsequently proven not to be subject to GST then that fee will be amended by reducing the GST to nil. Conversely if Council is advised that a fee which is shown as being not subject to GST becomes subject to GST then the fee will be increased but only to the extent of the GST.

The schedule of fees and charges has been prepared using the best available information in relation to the GST impact on the fees and charges at the time of publication.

GST Registration

One of the requirements of the Federal Government's New Tax System is that enterprises be registered for GST and hold an Australian Business Number (ABN). Tweed Shire Council is registered for GST.

The ABN of Council is 90 178 732 496

Surcharge on Credit Card Payments

Council offers its customers the ability to make payments by credit card for the various Council services and functions, including the payment of rates, water consumption and debtors.

Council introduced surcharging from 1 November 2008 and has increased its client's ability to pay by credit card. The surcharge for the 2023/2024 rating year will be 0.45% and is inclusive of GST. Council has also introduced B-Pay, which is the most cost-effective method of payment for clients and Council. Internet gateways have also been introduced for payment options.

Interest on Overdue Rates

Interest accrues on a daily basis on rates and charges that remain unpaid after they become due and payable. Council will apply the maximum interest allowable under Section 566(3) of the *Local Government Act 1993* for the 2023/2024 rating year which will be advised by the Office of Local Government.

Interest on Overdue Sundry Debts

Sundry Debts greater than 30 days may incur interest charges at the same rate, which is applicable to overdue rates. In 2023/2024 this rate will be advised by the Office of Local Government.

14 Statement of Section 64 Developer Charges and Section 94 Contribution Plans

Section 64 Developer Charges

Water Supply and Wastewater Developer Charges are applied to any development which creates new or increased demands upon water supply and wastewater systems. The charges are levied so that Council can fund the infrastructure required for development such as reservoirs, trunk mains, sewerage treatments plants and pump stations.

Section 64 of the *Local Government Act 1993* refers to Sections 305, 306 and 307 of the *Water Management Act 2000*. It is the provisions of the *Water Management Act 2000* that enable Council to recover costs of infrastructure incurred in servicing new developments, additions and changes to existing developments. This charge is in addition to any other, which Council may apply.

Section 7.11 Contribution Plans

Section 7.11 of the *NSW Environmental Planning and Assessment Act* enables Council to levy contributions for public amenities and services required as a consequence of development. Council may only seek contributions, where there is a valid Section 7.11 Contribution Plan in place and the decision whether to prepare a plan is part of a corporate wide strategy of infrastructure funding.

The power to levy a contribution relies on there being a clear nexus between the developments being levied and the need for the public amenities or service for which the levy is required.

The contributions can only be made towards:

- Capital costs including land acquisition costs;
- Public facilities which the Council has responsibility to provide; and
- Public facilities, which are needed as a consequence of or to facilitate new development.

Council does regularly monitor its Section 7.11 Contribution Plans and whenever necessary, amend the plans to ensure that they provide the needs of the new development and that the contribution rates are appropriate. The regular monitoring and periodic review of the plans is part of Council's enterprise risk management procedures and it helps reduce the uncertainties associated with anticipated development.

Land Cost Indexation

In accordance with clause 31(2) of the *Environmental Planning and Assessment Regulation 2000*, in 2008/2009 Council introduced the Tweed Shire Council Land Cost Index. The Index is calculated by taking all the land sales data for the Shire in a given year and then calculating the median price and comparing the percentage movement from one year to the next.

Section 94 Plans contain clauses which allow for annual indexation of infrastructure contribution rates in accordance with the provisions of Regulation 32 of the *Environmental Planning and Assessment Regulation 2000*. On each 1 July any land purchase component of contribution rates in each Section 94 Plan will be adjusted with reference to the clause in the Plan and the Tweed Shire Council Land Cost index and applied to outstanding development contributions in accordance with consent conditions.

Indexes for the years from 2002/2003 to 2022/2023 are as follows:

Tweed Shire Council Land Cost Index

Index Date 30 June	Financial Year	Median Sale Price	Index	% Change
2003	2002/2003	205,000	100	
2004	2003/2004	280,000	136.59	36.59%
2005	2004/2005	302,000	147.32	7.86%
2006	2005/2006	336,000	163.9	11.26%
2007	2006/2007	368,000	179.51	9.52%
2008	2007/2008	405,000	197.56	10.05%
2009	2008/2009	399,000	194.63	-1.48%
2010	2009/2010	400,000	195.12	0.25%
2011	2010/2011	395,000	192.68	-1.25%
2012	2011/2012	380,000	185.37	-3.80%
*As at 30 March 2013	2012/2013	362,000	176.59	-4.74%
*As at 30 March 2014	2013/2014	370,000	180.49	2.21%
*As at 30 March 2015	2014/2015	379,000	184.88	2.43%
*As at 30 March 2016	2015/2016	425,000	207.32	12.14%
*As at 30 March 2017	2016/2017	466,000	227.32	9.65%
*As at 30 March 2018	2017/2018	505,000	246.34	8.37%
*As at 30 March 2019	2018/2019	565,000	275.61	11.88%
*As at 30 March 2020	2019/2020	643,425	313.87	13.88%
*As at 30 March 2021	2020/2021	630,000	307.32	-2.09%
*As at 30 March 2022	2021/2022	1,054,544	514.41	67.39%
*As at 30 March 2023	2022/2023	1,128,227	550.36	6.99%

* Index will be effective from the following 1 July.

This information may be used to periodically adjust specific land valuations in Council's contributions documents pending formal revaluation.

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