

# Revenue Policy 2023-2024





## Table of Contents

Introduction .....	3
Special Rate Variation Application .....	3
Background .....	4
Council Sources of Revenue .....	5
Factors Influencing Revenue and Pricing Policy .....	6
Rates .....	6
Annual and User Charges .....	6
User Fees .....	7
Ordinary Rates to be levied for the 2023-2024 year .....	9
Background .....	9
Multiple Rate Scenarios .....	9
Rate Peg .....	10
Rate Structure .....	10
Valuations .....	10
Rates Harmonisation .....	10
Rating Categories .....	13
Scenario One (SRV)-50% SRV Plus 2.5% Rate Peg - Ordinary Rate Yield .....	16
Permissible Income .....	17
Charges .....	18
Waste Management Services .....	18
Domestic Waste Management .....	18
Commercial Waste Management .....	19
Rural Waste Management .....	20
Regional Landfill .....	20
Other Charges .....	22
Water Supply Services .....	23
Water Service Access Charge .....	23
Water Consumption Charges .....	24
Sewerage Supply Services .....	25
Sewerage Service Access Charge .....	25

Concessions.....27

Recovery of Rates and Charges.....27

Payment Arrangements .....28

Ratepayers subject to genuine Financial Hardship.....28

Rates & Charges Write-Off.....28

Loan Borrowing Program .....29

## Introduction

### Special Rate Variation Application

The Independent Pricing and Regulatory Tribunal of NSW (IPART) is responsible for setting the increases to rating for NSW Local Government Organisations. After extensive community consultation in February 2023 Armidale Regional Council applied to IPART for a special rate variation (SRV).

At the time the draft Revenue Policy 2023-2024 that was placed on public exhibition the outcome of that application was not known.

Therefore the draft Revenue Policy 2023-2024 required two separate budget scenarios:

Scenario One (SRV): including the rate peg and a 50% Special Variation in 2022-2023 (total of 2.5%). A rate peg of 2.5% is assumed for the 2024-2025 and 2025-2026 financial years.

Scenario Two (Managed Decline): excluding the proposed 50% Special Variation applied). A rate peg of 3.7% has been applied for the 2023-2024 year and assumes a 2.5% increase for 2024-2025 and 2025-2026 financial years.

On the 15th of June IPART announced that ARC's SRV application was approved in full. This document has been amended to remove Scenario Two.

## Background

The Revenue Policy forms part of the annual Operational Plan and provides the principles, policies and details of the sources of revenue and funding to be adopted and applied for the year.

The objectives of Armidale Regional Council's Revenue Policy are:

- a) To comply with Section 405 of the **NSW Local Government Act 1993 (the Act)** and Section 196A of the **NSW Local Government (General) Regulation 2021 (the Regulation)**;
- b) To establish the total revenue required by Council to fund its activities; and
- c) To identify the revenue sources available to Council.

The main sources of income for Council are:

- Rates and annual charges;
- User charges and fees;
- Interest on investments; and
- Grants and contributions.

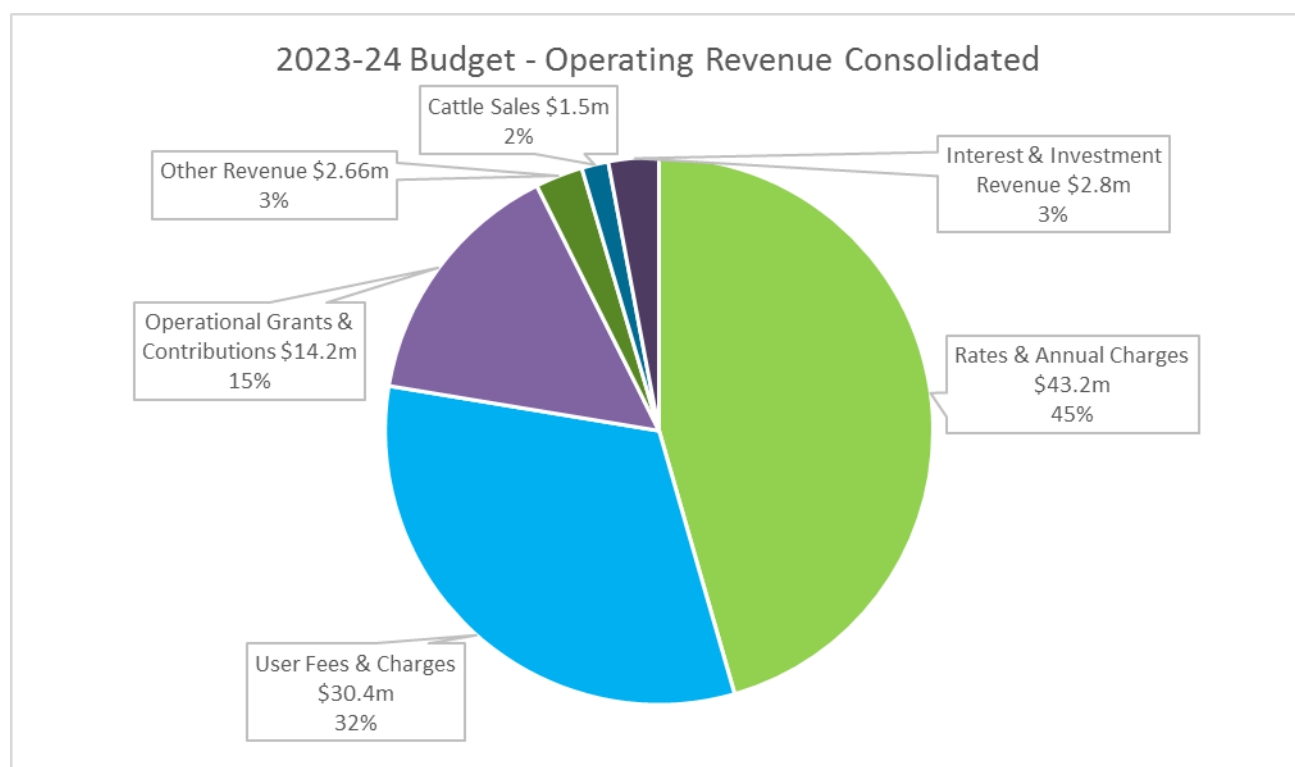
The Revenue Policy includes the following statements:

- Each ordinary and special rate to be levied;
- Each charge to be levied;
- Types and amounts of fees to be charged;
- Pricing policy with respect to goods and services provided (Fees & Charges); and
- Amounts of any proposed borrowings.

## Council Sources of Revenue

The levying by local government of local taxes distributed on the basis of relative value of property has been the principal means of financing local government in Australia throughout this century. The local property tax has always been a tax base principally allocated to local government, which is the level of government routinely providing public services which retain or enhance the value of private property (such as local roads, garbage disposal, parks, footpaths).

The chart below demonstrates both the importance of rate income to councils' operating revenue (Scenario One (SRV)).



## Factors Influencing Revenue and Pricing Policy

The following describes the factors that influence the setting of Council generated revenue.

### Rates

Rates are a tax on the assigned value of land and used to fund the general activities of Council not covered by specific fees and charges. The main factor in setting rates is the two key principles of taxation:

- Capacity to pay; and
- Benefit principle.

These principles are applied through the fair and equitable use of:

- Categories;
- Sub-categories;
- Base amounts; and
- Land values.

Categories are used to determine the total proportion of rate income to be contributed by each broad category of ratepayer.

Sub-categories are used to modify the valuation system where it is deemed that land values do not fairly reflect the key principles.

Base amounts are used to ensure a standard contribution towards the fixed costs of governance and administration per property.

Land values are then used to apply the key taxation principles within each category or sub-category.

Annual increases to rate income will be applied within rate peg limits to the extent that revenues can:

- Maintain existing levels of service;
- Recover current shortfalls; and
- Ensure intergenerational equity.

### Annual and User Charges

A combination of annual and user charges is applied to ensure the full cost recovery of Council's operations for water, sewerage and waste services. An annual charge is also made for stormwater infrastructure.

Annual charges are applied to land that is deemed to receive a direct or indirect benefit from the availability of the service. User charges are applied to the extent that individual use can be measured.

## User Fees

The following describes the main factors that influence the setting of user fees for the provision of all other services and facilities.

### Community Service Obligations

A community service obligation arises where Council provides a function or service that has general community benefits beyond those received by direct users. Councils mainly exist to provide services that are considered to have community importance but are not viable or practical to be provided on a commercial basis. The extent to which direct users can or should be charged is a fundamental consideration when determining a pricing policy for the delivery of community services and facilities. The Council's community service obligation is reflected in the pricing structure for the hire and use of services and facilities such as public halls, community centres, public swimming pools, libraries, art gallery, parks, gardens, as well as fields, facilities and venues for sporting, recreation and entertainment activities. Council reviews the levels of community service obligations as they relate to fees and charges for use of Council facilities throughout the Council annually.

### Cost Recovery

Council applies the principle of full cost recovery to determine the total cost of services. This includes all direct (avoidable), indirect (allocated) and accrual (e.g. depreciation) costs involved in the provision of a service. Capital costs are only applied however where actual loan repayments (interest component) exist. Full cost attribution will be applied in respect of all services and facilities provided to the community for the purpose of enabling the Council to determine:

- Current and future priorities;
- Service and pricing levels;
- Resource allocation;
- Service delivery planning; and
- The level of community service obligation.

### User-pays Principle

The user-pays principle involves pricing the provision of goods, services and facilities that require the user/consumer to pay the actual cost of the service provided. The Council's pricing policy for the supply of water and private works embodies this principle.

### National Competition Policy

In accordance with the National Competition Policy Principles, Water and Sewer Funds are deemed Category 1 Business Activities.

Council has adopted a Corporatisation Model with full cost attribution in respect of Category 1 business activities including:



- tax equivalent regime payments;
- debt guarantee fees, where the business benefits from Council's borrowing position by comparison with commercial rates;
- return on capital invested;
- identifying any subsidies paid to the business; and
- operating within the same regulatory framework as private businesses.

### **Competitive Neutrality**

Competitive neutrality is one of the principles of National Competition Policy applied throughout Australia at all levels of Government, including Local Government. Competitive neutrality is based on the concept of a "level playing field" for competitors in a market, be they public or private sector competitors. All government business organisations should operate without net competitive advantages over businesses as a result of their public ownership.

Where Armidale Regional Council competes in the market place with other private businesses, Council will do so on the basis that it does not utilise its public position to gain an unfair advantage over private businesses that may be in competition with Council.

### **Legislation or Regulations**

Includes fees and charges which are set by external bodies through legislation or regulations.

### **Full Cost Recovery**

The principle of full cost recovery is the recovery of all direct and indirect costs involved in the provision of a service.

### **Set by Agreement**

The setting of prices by agreement will affect agreements such as leases, licenses and any other agreements to occupy or use Council facilities. Generally, these agreements will specify that prices increase by the Consumer Price Index on an annual basis.

### **Goods and Services Tax**

The Federal Government's Goods and Services Tax (GST) must be applied to non-exempt fees and charges. The current rate of the GST is 10% and is included in the price paid by the recipient of the service. The GST indicators (GST exempt or not) in the list of fees and charges are subject to change at any time from changes that occur in the GST Act and/or regulations.

## Ordinary Rates to be levied for the 2023-2024 year

### Background

Rates are a tax on the assigned value of land and used to fund the general activities of Council not covered by specific fees and charges. The main factor in setting rates is the two key principles of taxation:

- Capacity to pay; and
- Benefit principle.

These principles are applied through the fair and equitable use of:

- Categories;
- Sub-categories;
- Base amounts; and
- Land values.

Categories are used to determine the total proportion of rate income to be contributed by each broad category of ratepayer.

Sub-categories are used to modify the valuation system where it is deemed that land values do not fairly reflect the key principles.

Base amounts are used to ensure a standard contribution towards the fixed costs of governance and administration per property.

Land values are then used to apply the key taxation principles within each category or sub-category.

Annual increases to rate income will be applied within rate peg limits to the extent that revenues can:

- Maintain existing levels of service;
- Recover current shortfalls; and
- Ensure intergenerational equity.

### Multiple Rate Scenarios

Two rate scenarios were originally developed.

In Scenario One (SRV) Council has assumed that the application to Independent Pricing and Regulatory Tribunal (IPART) for a special rate variation (SRV) of 50% over three years is approved. The 50% increase yields approximately \$3,394,205 additional income to Council.

In Scenario Two (Managed Decline) Council has adopted the 3.7% general rate income increase which reflects the increase in permissible income as approved by the IPART for the 2023-2024 financial year. The 3.7% increase yields approximately \$753,363 additional income to Council.

On the 15th of June IPART announced that ARC's SRV application was approved in full. This document has been amended to remove Scenario Two.

## Rate Peg

IPART has determined that Council's general income may be increased by the rate peg, which is 3.7% for the 2023-2024 year. The rate peg is only applicable to Ordinary and Special Rates and does not apply to Annual Charges. An SRV application has been made to vary the % increase to ordinary rates, this application was approved in full.

## Rate Structure

Section 497 of the Act provides that a rate may consist of an ad valorem amount, which may be subject to a minimum amount, or a base amount to which an ad valorem is added. Council has considered the methods and determined the most appropriate structure is an ad valorem with a base amount.

## Valuations

For the purpose of levying rates, Council is provided with valuations by the Valuer General issued under the NSW *Valuation of Land Act 1916*. The Valuer General currently updates valuations every 3 years. Armidale Regional Council's land values were updated by the Valuer General in November 2022. The 2022 base date valuations will be used to determine the ad-valorem component of ordinary rates for the 2023-2024 year.

## Rates Harmonisation

On 18 May 2017, the Hon Gabrielle Upton, MP, Minister for Local Government, pursuant to Section 218CB of the Act, determined the methodology by which amalgamated councils would set rates during the "protection period". The rates path protection period ended on 30 June 2021 and was only applicable to Ordinary and Special Rates and did not apply to Annual Charges. From 1 July 2021 Council proceeded to harmonise the former Armidale Dumaresq and Guyra Shire Council rating structures, which meant creating one rating structure for the Armidale Regional Council local government area.

Full harmonisation from 1 July 2021 would have caused some significant shifts in re-balancing rates between rating sub-categories. In recognition of this challenge, the Office of Local Government developed the Exposure Draft Bill *Local Government Amendment (Rates) Bill 2021* in order to provide legislative mechanisms to allow for gradual harmonisation of rating structures.

Council is taking up the gradual harmonisation of rates over four years due to the significant impact on some categories of ratepayers immediate harmonisation would have.

Section 129(4) of the revised Act requires Council to ensure that each annual variation in the amount of an ordinary rate for a rating category or rating sub category during the harmonisation period does not exceed 50% of the difference between the ordinary rate structure at the beginning of the harmonisation period and the ordinary rate structure at the end of the harmonisation period.

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

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



The following tables illustrate the indicative average percentage change due to Rates Harmonisation for each of the current rating categories and sub-categories for Scenario One (SRV). The 2022-2023 year includes the Additional Special Variation of 1.8% (a total of 2.5%). The 2023-2024, 2024-2025 and 2025-2026 financial years includes the IPART approved Special Rate Variation, a 50% Special Rate Variation (including a 2.5% rate peg).

**Former Guyra Shire Council categories/sub-categories:**

Category	Sub Category	2022-2023	2023-2024	2024-2025	2025-2026
Residential	Guyra	2.53%	17.20%	18.54%	16.76%
Residential	Village	0.73%	8.21%	13.20%	10.27%
Residential	Non-Urban	5.58%	18.59%	7.14%	15.16%
Business	Guyra	2.15%	15.65%	16.56%	16.60%
Business	Village	10.65%	19.04%	-23.10%	10.61%
Farmland	Guyra	6.45%	25.46%	27.18%	17.83%
Farmland	Guyra Intensive	8.18%	16.79%	17.63%	16.95%

**Former Armidale Dumaresq Council categories/sub-categories:**

Category	Sub Category	2022-2023	2023-2024	2024-2025	2025-2026
Residential	Armidale	2.02%	17.37%	17.46%	16.99%
Residential	Armidale Non-Urban	2.07%	18.10%	20.90%	16.55%
Residential	Wollomombi	-4.52%	19.87%	-34.25%	7.88%
Residential	Ebor	1.47%	19.58%	-6.47%	10.21%
Residential	Hillgrove	1.73%	-3.71%	-14.21%	10.10%
Business	Armidale	1.56%	18.34%	17.38%	16.90%
Business	Non-Urban	-9.19%	14.58%	21.67%	17.81%
Mining	Armidale	4.92%	18.32%	18.11%	16.95%
Farmland	Armidale	-0.70%	12.58%	5.02%	16.47%

## Rating Categories

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

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

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

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

### Land Exempt from Rating

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



## Scenario One (SRV)-50% SRV Plus 2.5% Rate Peg - Ordinary Rate Yield

Rate Code	Rate Category	Base Rate \$	Base Rate %	Ad Valorem Rate in \$	Rateable Land Value \$	Estimated Yield \$
<b>Residential</b>						
A-101	Residential - Armidale	\$470	34.40%	0.004576	\$1,636,015,344	\$11,412,786
G-RG	Residential - Guyra	\$240	37.52%	0.004334	\$91,844,900	\$637,096
A-501	Residential - Wollomombi	\$230	38.69%	0.008420	\$692,600	\$9,512
A-502	Residential - Ebor	\$230	43.70%	0.004200	\$1,058,400	\$7,895
A-503	Residential - Hillgrove	\$230	40.58%	0.004885	\$6,964,350	\$57,251
A-500	Residential - Non-Urban (Armidale)	\$230	16.47%	0.002973	\$429,501,550	\$1,528,758
G-RNU	Residential - Non Urban (Guyra)	\$230	22.37%	0.003404	\$28,143,090	\$123,399
G-RV	Residential - Village (Guyra)	\$215	49.09%	0.003118	\$10,296,160	\$63,063
<b>Farmland</b>						
A-550	Farmland - Armidale	\$1,000	25.75%	0.001361	\$1,746,041,100	\$3,200,362
G-F	Farmland - Guyra	\$1,000	23.24%	0.001073	\$2,028,751,600	\$2,835,850
G-FI	Farmland - Intensive	\$1,150	14.18%	0.004721	\$2,948,000	\$16,218
<b>Mining</b>						
A-530	Mining	\$1,000	14.90%	0.064530	\$973,590	\$73,826
<b>Business</b>						
A-103	Business - Armidale	\$880	15.45%	0.011873	\$223,846,766	\$3,143,493
G-BG	Business - Guyra	\$410	37.06%	0.008961	\$7,382,900	\$105,108
A-520	Business - Non Urban (Armidale)	\$190	18.35%	0.002193	\$25,444,550	\$68,340
G-BV	Business - Village (Guyra)	\$190	37.98%	0.004422	\$1,192,760	\$8,504
<b>Ordinary Rate Estimated Yield</b>						<b>\$23,291,461</b>

## Permissible Income

Permissible income is the income permitted to be increased by the annual rate peg or any special variation that may apply. Council's permissible income consists of Ordinary Rates and the Armidale Drainage Charge. Permissible income is calculated in accordance with the requirements of the Office of Local Government and is subject to annual audit.

### Scenario One (SRV)

Permissible Income Estimate	2023-2024
Ordinary Rate Estimated Yield	\$23,291,461
Armidale Drainage Charge	\$463,900
<b>Total Estimated Permissible Income</b>	<b>\$23,755,361</b>

## Charges

The Act allows councils to set charges on:

- an annual basis; and,
- a pay for use basis.

Moreover, it is a mandatory requirement of the Act that domestic waste management service charges be applied to all rateable land within the area to which such service is available. The Act also allows councils to determine other types of charges as part of their overall revenue mix.

### Domestic waste management services charges

Councils must make and levy an annual charge for the provision of "domestic waste management services" for each parcel of rateable land for which the service is available: section 496. Income to be applied by councils towards the cost of providing such services must be obtained from the making and levying of annual charges or the imposition of charges for the actual use of the service, or both (section 504(2)).

Section 504(3) of the Act provides for income from charges for domestic waste management being calculated so as not to exceed the reasonable cost to the council of providing those services. Further, the Act's Dictionary defines domestic waste management services as services comprising the periodic collection of domestic waste from individual parcels of rateable land and services that are associated with those services.

## Waste Management Services

The management of community waste is a high priority for Council. Waste services are focused on maximising the recovery of materials and running an environmentally responsible landfill. Council has recently completed constructing a new landfill facility to cater for waste disposal for the next 50 years. This landfill, known as Waterfall Way Regional Landfill, began accepting waste in 2020-2021 due to the capacity at the Long Swamp Road landfill being exhausted.

## Domestic Waste Management

In accordance with Section 496 of the Act, Council will levy domestic waste charges on all properties in the serviced area.

The domestic waste management service provided by Council will comprise of:

- 1 x 140 litre red lid bin (collected once weekly);
- 1 x 240 litre green lid bin - Organics (collected once fortnightly); and
- Recycle crates - unlimited number of crates (collected once weekly)

In the former Guyra Shire Council local government area Council still services a number of 240 litre red bin weekly collections. This service is in the process of being phased out.

Domestic Waste Services will be limited to multiples of the above bin full services. out by way of: no new 240lt services in Guyra; the option for Guyra residents to change existing 240lt services to the standard 140lt service and corresponding rate. Domestic Waste Services will be limited to multiples of the above bin full services. If there is a need for additional services, any extra bins, will be charged as per the additional service rate.

A Vacant Domestic Waste Management Charge is to be levied on all rateable parcels of land within the domestic waste collection boundary, which do not have a dwelling and are zoned for residential use in the Local Environment Plan. The charge covers contributions towards Council waste management infrastructure.

Multiple occupancy residential complexes (non-strata) will have a minimum number of full services equal to 50% of the number of flats. Therefore, a block of twelve (12) flats will have six (6) full services as a minimum.

Council reserves the right to instruct property owners to increase the number of services where Council deems health regulations or adequate levels of service are not being met. Under section 124 of the Act Council may issue an order to the owner or occupier of premises to remove or dispose of waste that is on any residential property, if the waste is causing or likely to cause a threat to public health.

#### Domestic Waste Management Service -

Charge Description	2022-2023	2023-2024
<b>Domestic Waste Service</b>	\$436.00	\$467.00
<b>Additional 140lt Waste Service</b>	\$164.00	\$176.00
<b>Additional 240lt Organics Service</b>	\$164.00	\$176.00
<b>Domestic Waste Service - 240lt (Guyra</b>	\$574.00	\$615.00
<b>Vacant Domestic Waste Management</b>	\$154.00	\$165.00

## Commercial Waste Management

In accordance with Section 501 of the Act, Council will levy commercial waste charges on all properties that receive the service.

The Commercial Waste Management Services provided is as follows:

- 1 x 240 litre red lid bin (collected once weekly)



## Additional Services Available

Council's Commercial Organics Service comprises of a 240 litre green lid bin collected fortnightly. Commercial Businesses producing large amounts of organic waste, e.g. restaurants, can request an increase in collection frequency.

Additional 240lt green lid bins may also be requested.

Additional green lid bins will be charged in multiples of the frequency of collection and charged per service (refer table below).

- Commercial Organics - 1 x 240 litre green lid bin
- Commercial Recycling Service recycle crates – maximum of 10 crates per property

Charge Description	2022-2023	2023-2024
<b>Commercial Waste Service (1 x 240lt red lid bin) - Collected Weekly</b>	\$436.00	\$467.00
<b>Additional Commercial Bin (@full cost of Waste Service)</b>	\$436.00	\$467.00
<b>Commercial Organics 240lt Service - Collected Weekly</b>	\$164.00	\$176.00
<b>Commercial Organics 240lt Service - Collected 2 x Weekly</b>	\$246.00	\$264.00
<b>Commercial Recycling Service - Collected Weekly</b>	\$170.00	\$182.00

## Rural Waste Management

In accordance with Section 501 of the Act, Council will levy a rural waste management charge on all rateable assessments which have a dwelling and do not receive a waste collection service. Proceeds from the rural waste management charge cover contributions towards Council's waste management infrastructure and rural waste transfer stations.

Charge Description	2021-2022	2022-2023	2023-2024
<b>Rural Waste Management Charge former Armidale Dumaresq Council LGA</b>	\$150.00	\$155.00	\$155.00
<b>Rural Waste Management Charge former Guyra Shire Council LGA</b>	\$108.00	\$135.00	\$155.00

## Regional Landfill

In accordance with Section 501 of the Act, Council will levy two charges relating to the Regional Landfill on all rateable and non-rateable assessments. These are outlined below:

- The purpose of the Regional Landfill Levy is to raise sufficient funds to cover part of the capital cost of this landfill. Should council be successful in its full SRV application this levy will be reduced over the next 3 years.
- The purpose of the Regional Landfill Operation Charge is to raise sufficient funds to cover operating costs associated with the landfill.

Charge Description	2021-2022	2022-2023	2023-2024
<b>Regional Landfill Levy (Scenario One 50% SRV)</b>	\$150.00	\$155.00	\$105.00***
<b>Regional Landfill Operation Charge</b>	\$70.00	\$72.00	\$77.00

\*\*\* Note after community consultation it was proposed to progressively reduce this levy should the SRV application be approved in full.

#### Waste Management Services Charges Estimated Yield – Scenario One (SRV) (50% SRV)

Charge Description	Estimated Yield \$
Domestic Waste Management	\$5,561,363
Commercial Waste Management	\$460,316
Rural Waste Management	\$229,865
Regional Landfill	\$2,418,351
<b>Total Estimated Yield</b>	<b>\$8,669,895</b>

## Other Charges

### Armidale Drainage Charge

In accordance with Section 501 of the Act, Council will levy drainage charges on all properties within the Armidale City drainage catchment area to recover the costs of drainage construction, reconstruction and maintenance.

Charge Description	2022-2023	2023-2024
<b>Armidale Drainage Charge</b>	\$50.00	\$50.00

### Guyra Stormwater Charge

In accordance with Section 496A of the Act, Council will levy a stormwater charge on all properties in the township of Guyra to recover the costs of drainage construction, reconstruction and maintenance.

Charge Description	2022-2023	2023-2024
<b>Guyra Stormwater Charge</b>	\$25.00	\$25.00

### Other Charges Estimated Yield

Charge Description	Estimated Yield \$
Armidale Drainage Charge	\$463,900
Guyra Stormwater Charge	\$28,400
<b>Total Estimated Yield</b>	<b>\$492,300</b>

## Water Supply Services

Water charges are levied to generate the funding required to replace and renew water infrastructure over the long term as well as operate the assets that provide water supply on a day to day basis. These funds are held in a Water Reserve and, as per the requirements of the Act, they cannot be used for any other purpose.

The Water Reserve needs to be maintained at a sustainable level and this has necessitated a review of water pricing to reflect current usage levels.

As a result, the access charge has increased by \$23 and water usage charges have remained at the 2022-2023 financial year levels. This will help to ensure that the Water Fund produces an operating surplus and is able to cover annual operational costs as well as forecast capital expenditure.

## Water Service Access Charge

A fixed water service access charge is levied on all properties in the serviced area to recover the costs of water infrastructure.

Section 552(1)(b) of the Act provides that land may be subject to a water access charge if it is:

- a) supplied with water from a water pipe of Council; or
- b) situated within 225 metres of a water pipe of Council whether the land has a frontage or not to the public road (if any) in which the water pipe is laid and although the land is not actually supplied with water from any pipe of the council.

The water access charge will be applied as follows:

- Single Occupancy – a fixed service access charge will be applied per assessment.
- Multiple Occupancy (Strata) – a fixed service access charge will be applied per flat/unit.
- Multiple Occupancy (Community Title) – a fixed service access charge will be applied per flat/unit.
- Multiple Occupancy (Non Strata) – a fixed service access charge will be applied per assessment.

Charge Description	2022-2023	2023-2024
Water Access Charge	\$315.00	\$326.65*

\* updated to reflect Council resolution 71/23 g.iv. (28<sup>th</sup> June 2023)



## Water Consumption Charges

Council is currently developing an Integrated Water Cycle Management (IWCM) Strategy. This strategy will contribute to revision of capital works plans for Councils Water infrastructure assets and Councils water operations costs. Each of these activities have the ability to impact water consumption tariff. At the time of budget preparation for the 2023/2024 financial year, it was not known the timing that these works would be complete and no change is proposed.

### Residential, Commercial and Untreated Water Consumption Stepped Tariff

Stepped Consumption Tariff per Quarter	2022-2023 (\$/Kilolitre)	2023-2024 (\$/Kilolitre)
0 to 100 kilolitres	4.20	4.20
101 to 250 kilolitres	4.30	4.30
above 250 kilolitres	4.60	4.60

### Non-Rateable Consumption Tariff

Consumption Tariff	2022-2023 (\$/Kilolitre)	2023-2024 (\$/Kilolitre)
Non-Rateable	4.60	4.60

### Intensive Horticulture - Treated Bulk Water Flat Rate Consumption Tariff

Available to intensive horticulture operations that use in excess of 150 Megalitres per annum as measured by the previous 12 months financial year usage.

Consumption Tariff	2022-2023 (\$/Kilolitre)	2023-2024 (\$/Kilolitre)
Treated Bulk Water	3.10	3.10

### Water Supply Services Charges Estimated Yield

Charge Description	Estimated Yield \$
Water Service Access Charge	\$3,534,353*
Water Consumption Charges	\$8,832,700
<b>Total Estimated Yield</b>	<b>\$12,367,057*</b>

\* updated to reflect Council resolution 71/23 g.iv. (28<sup>th</sup> June 2023)

## Sewerage Supply Services

Sewerage charges are levied to generate the funding required to replace and renew sewerage infrastructure over the long term as well as operate the assets that manage the sewerage supply on a day to day basis. These funds are held in a Sewerage Reserve and, as per the requirements of the Act, they cannot be used for any other purpose.

## Sewerage Service Access Charge

A fixed sewerage service access charge is levied on all properties in the serviced area to recover the costs of sewerage infrastructure.

Section 552(3) of the Act provides that a charge relating to sewerage may be levied on all land except:

- a) Land which is more than 75 metres from a sewer of the council and is not connected to the sewer; and
- b) Land from which sewerage could not be discharged into any sewer of the Council.

The sewerage access charge will be applied as follows:

- Single residential properties will be charged a single residential sewerage access charge.
- Multiple occupancy residential complexes will be charged a single residential sewerage access charge plus a flat/unit charge for each additional residential flat/unit.
- Non-Residential properties will be charged the minimum amount while unconnected, upon connection properties will be charged the minimum amount or the ad valorem amount (whichever is greater), with additional charges for multiple water closets and urinals.
- Vacant properties within Council's sewerage service area will be charged a single vacant sewerage access charge.

### Sewerage Service Access Charges

Charge Description	2022-2023	2023-2024
Residential - Sewerage Access Charge	\$525.00	\$555.00
Vacant Residential - Sewerage Access	\$525.00	\$555.00
Residential - Multiple Occupancy (each additional Occupancy)	\$525.00	\$555.00
Non-Residential - Sewerage Access Charge		
Minimum	\$525.00	\$555.00
Ad Valorem upon connection	\$0.0060	\$0.00305
Vacant Non-Residential - Sewerage Access	\$525.00	\$555.00
Each Additional Urinal	\$95.00	\$102.00
Each Additional Water Closet	\$183.00	\$196.00

**Sewer Supply Services Charges Estimated Yield**

Charge Description	Estimated Yield \$
Residential Sewer Service Charges	\$5,178,705
Non-Residential Sewer Service Charges	\$2,360,866
<b>Total Estimated Yield</b>	<b>\$7,539,570</b>

## Concessions

### Rate Reductions for Eligible Pensioners

In accordance with Section 575 of the Act, Council provides for rate reductions to eligible pensioners. In addition to the pension rebate concessions offered by the NSW Government, Council will also grant a concession of up to \$25 on ordinary rates, \$25 on annual water charges and \$25 on annual sewerage charges to eligible pensioners.

## Recovery of Rates and Charges

### Interest on Overdue Rates

Section 566 of the Act provides for the accrual of interest on overdue rates and charges. Interest accrues daily on rates and charges that remain unpaid after they become due and payable. The rate of interest is that set by Council, but must not exceed the rate specified for the relevant period by the Minister by notice published in the Gazette.

In accordance with Section 566(3) of the Act, it has been determined that the maximum rate of interest payable on overdue rates and charges for the period 1 July 2023 to 30 June 2024 (inclusive) will be **9.0%** per annum.

### Debt Recovery and Financial Hardship

There are options available to ratepayers experiencing financial hardship and ratepayers in this situation are encouraged to contact Council as soon as possible to work out a payment plan arrangement.

Council's Hardship Policy is available from the Policies link on the website.

The Local Government Act 1993 and the Local Government (General Regulation) 2005 require Council to assist in effective and efficient collection of the rates and annual charges due to Council, while being responsive and supportive to those ratepayers who are suffering genuine financial hardship.

### When is a debt recoverable and what actions may be taken to recover the debt?

Rates and charges will be deemed overdue when the due date for instalment has passed, and payment has not been received.

Where an instalment is not paid within 14 days of being due, Council may commence recovery action, either directly or via its debt recovery agent.

Council's recovery action options will generally include a reminder, through verbal or written correspondence. If payment is still not received, then a final demand will be issued. Failing resolution, Council may commence legal recovery action to recover the overdue rate and charges in accordance with Section 695 of the Local Government Act 1993, and any costs incurred in this regard will be recoverable from the ratepayer.

## Payment Arrangements

To assist in recovery of the overdue amount, the Council and a ratepayer may at any time agree to a payment arrangement whereby regular scheduled payments pay off the debt, in accordance with Section 564 of the Local Government Act 1993. The arrangement must be formally approved by Council or its debt recovery agent.

Payment arrangements must include any legal or interest charges that will or already have occurred due to the rates being overdue.

If the payments are not made in accordance with the agreed payment arrangement, Council may commence recovery action at any time seven (7) days after the payment due date.

## Ratepayers subject to genuine Financial Hardship

While ratepayers are required to pay their annual rate and charges to support Local Government operations, Council is mindful of the need to support ratepayers who suffer genuine financial hardship.

The pensioner rebate described above generally covers those in greatest need of support; however, there will still be ratepayers whose financial circumstances for a specific period of time render them unable to meet their obligations as they fall due.

To address these situations, ratepayers are able to apply for consideration of extended payment terms, by contacting Council.

Options for eligible ratepayers may include:

- a) a short term deferment for paying their current rates and charges; or
- b) longer term arrangement plans for arrears owed, with current instalments being paid as they become due.

Provided that an approved hardship repayment plan is maintained, Council can consider reducing or waiving interest on overdue rates in accordance with Sections 564 and 567 of the Local Government Act 1993.

## Rates & Charges Write-Off

Council Rates & Charges can only be written-off in accordance with Section 131 of the Regulation.

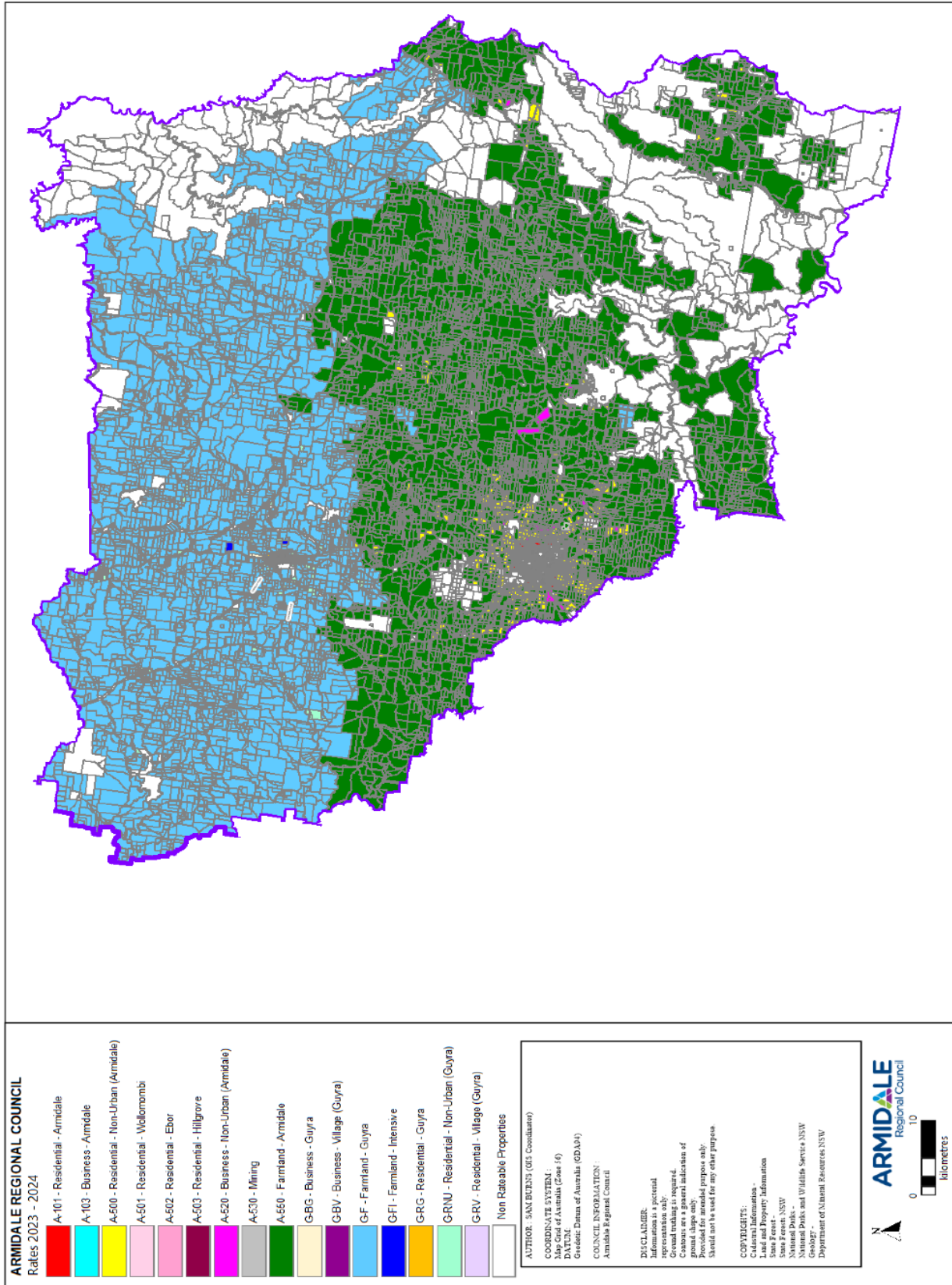
In the event that it is discovered that an error has been made and a ratepayer has been incorrectly **undercharged**, Council will correct the error immediately for future billing periods and Council will not attempt to apply the correct fee or charge retrospectively. This excludes the processing of supplementary valuations.

In the event that it is discovered that an error has been made and a ratepayer has been incorrectly **overcharged**, Council will correct the error immediately for current and future billing periods and also apply the correct fee or charge retrospectively to 1 July of the financial year in which the error has been found or advised.

## Loan Borrowing Program

Council does not intend to take out new borrowings in the 2023-2024 financial year.





**ARMIDALE REGIONAL COUNCIL**  
 Rules 2023 - 2024

	A-101 - Residential - Armidale
	A-103 - Business - Armidale
	A-500 - Residential - Non-Urban (Armidale)
	A-501 - Residential - Wollomombi
	A-602 - Residential - Ebor
	A-503 - Residential - Hillgrove
	A-620 - Business - Non-Urban (Armidale)
	A-630 - Mining
	A-660 - Farmland - Armidale
	G-BG - Business - Guyra
	G-BV - Business - Village (Guyra)
	G-F - Farmland - Guyra
	G-FI - Farmland - Intensive
	G-RG - Residential - Guyra
	GRNU - Residential - Non-Urban (Guyra)
	G-RV - Residential - Village (Guyra)
	Non Rateable Properties

**AUTHOR:** SAM BURNS (GIS Coordinator)

**COORDINATE SYSTEM:**  
 Map Code of Australia (Zone 56)  
 Datum: Geoid  
 Gridset: Datum of Australia (GDA94)

**COUNCIL INFORMATION:**  
 Armidale Regional Council

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 State Forest - NSW  
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 Department of Natural Resources NSW

**ARMIDALE**  
 Regional Council

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 Kilometres

