

Revenue Policy

2022-2023

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INTRODUCTION

Snowy Valleys Council's Revenue Policy goal is to effectively and equitably manage revenue raising, service level and asset management decisions, and to ensure ongoing financial sustainability. Council is committed to a user-pay principle and will recover the full cost of services provided unless the cost of the service is controlled by another authority or where a community service obligation is clearly identified.

INCOME AND EXPENDITURE 2022-23 – FINANCIAL ESTIMATES

	2022-23 (\$ '000)
Income	
Rates and Annual Charges	20,768
User Charges and Fees	15,141
Interest and Investment Revenues	330
Other Revenues	934
Grants & Contributions - Operating	10,800
Grants & Contributions - Capital	28,809
Total Income from Continuing Operations	76,782
Expenses	
Employee Costs	17,244
Borrowing Costs	344
Materials & Contracts	14,808
Depreciation	10,984
Other Expenses	5,789
Total Expenses from Continuing Operations	49,169
Net Operating Result from Continuing Operations	27,613

SCHEDULE OF FEES AND CHARGES

Detailed information of the Schedule of Fees and Charges that will apply in 2022-23 are located in a separate document. This document can be found on Council's website, at Council Libraries and Council's Service Centres.

The 2022-23 Schedule of Fees and Charges have been prepared on the following basis:

- Increased where permissible;
- Calculated based on full cost recovery from the user where such a recovery is approved by Council; and
- Identifying the cost of community service obligations.

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.

Interest on overdue Rates and Charges

Council will apply the maximum permissible rate of interest payable as set by the Minister of Local Government on outstanding rates, water charges, wastewater charges and all sundry debtor accounts. The maximum rate of interest payable on overdue rates and charges for the 2022-23 period was announced on 1 April 2022 and is 6% per annum.

Payment of Rates and Charges

Council land rates and annual charges are paid in a single annual payment or by quarterly instalments. If a payment is made by a single annual payment, it is due by 31 August, and if it is paid by quarterly instalments, it is due by 31 August, 30 November, 28 February, and 31 May. On or before 31 October, 31 January and 30 April, Council will send reminder notices (Instalment Notices) separately from the Rates Notice to each person paying by quarterly instalments. There is no discount available for early payment of rates and charges.

For the payment of rates and charges, Council accepts payment by BPay, BPoint (telephone and online), credit card, EFTPOS, and cash. **Payments cannot be made by direct credit to Council's bank account.** Council provides an optional direct debit facility through a third-party provider for the periodical payment of rates and charges. Any dishonoured scheduled direct debit attracts a dishonour fee in addition to any applicable bank charge and will be added onto the rates and charges balance owing.

Copies of Notices

The fee to reproduce and supply a copy of a previously issued Rates or Water & Wastewater charges notice will be \$20.00 per notice, payable in advance. A copy of a previously issued notice shall only be supplied to the owner of the property or their nominated and correctly authorised agent.

LEVIED RATES AND CHARGES

For the complete schedule of Council's fees and charges refer to the *2022-23 Fees & Charges Schedule*.

Resource Recovery (Waste) Management Charges

	Charge (\$)	Number	Estimated Yield (\$)
Waste access charge	59	7348	433,532
Vacant Land	59	407	24,013
Domestic waste	490	5445	2,668,050
Domestic Recycling fortnightly (additional bin)	113	7	791
Domestic Waste fortnightly (additional bin)	187	23	4,301
Domestic FOGO weekly (additional bin)	113	1	113
Commercial waste	555	674	374,070
N/S Commercial 1 x 240L FOGO Weekly	165	7	1,155
N/S Commercial 1 x Waste 240L Fortnightly	390	8	3,120
N/S Commercial 1 x Waste 240L Weekly	780	8	6,240
N/S Commercial 1 x 240L Recycle Fortnightly	165	40	6,600
N/S Commercial 1 x Waste 140L Fortnightly	225	6	1,350
N/S Commercial Waste - 3 x 240L Bins	700	1	700
School waste	490	64	31,360
Total charges			3,555,395

Wastewater Charges

	Charge (\$)	Number	Estimated Yield (\$)
Residential access charge	780	4693	3,660,540
Unoccupied Sewerage Charge	780	257	200,460
Commercial access charge - 20mm	550	499	274,450
Commercial access charge - 25mm	860	97	83,420
Commercial access charge – 32mm	1,410	24	33,840
Commercial access charge - 40mm	2,200	31	68,200
Commercial access charge - 50mm	3,440	32	110,080
Commercial access charge - 65mm	5,810	1	5,810
Commercial access charge - 80mm	8,800	7	61,600
Commercial access charge - 100mm	13,750	7	96,250
Sewer Access Charge – 50mm + 100mm	17,190	1	17,190
Total charges			4,611,840

Water Access Charges

	Charge (\$)	Number	Estimated Yield (\$)
Vacant land within access water charge area	227	257	58,339
Water Access Charge – 20mm	227	5785	1,313,195
Water Access Charge – 25mm	355	154	54,670
Water Access Charge – 32mm	585	34	19,890
Water Access Charge – 40mm	910	43	39,130
Water Access Charge – 50mm	1,420	39	55,380
Water Access Charge – 65mm	2,400	1	2,400
Water Access Charge – 80mm	3,640	7	25,480
Water Access Charge – 100mm	5,680	9	51,120
Water Access Charge – 150mm and above	12,770	4	51,080
Total charges			1,670,684

Meter Size – Raw Water	Charge (\$)	Number	Estimated Yield (\$)
Raw Water Access Charge – 20mm	227	9	2,043
Raw Water Access Charge – 25mm	355	2	710
Raw Water Access Charge – 32mm	585	1	585
Raw Water Access Charge – 40mm	910	3	2,730
Raw Water Access Charge – 50mm	1,420	6	8,520
Raw Water Access Charge – 65mm	2,400	0	0
Raw Water Access Charge – 80mm	3,640	2	7,280
Raw Water Access Charge – 100mm	5,680	4	22,720
Raw Water Access Charge – 150mm and above	12,770	0	44,588
Total Charges			89,176

Liquid Trade Waste

Liquid Trade Waste - Annual Charge	Charge (\$)	Number	Estimated Yield (\$)
Category 1 Charge	176	118	20,768
Category 2 Charge	375	20	7,500
Category 3 Charge	695	2	1,390
Total Charges			29,658

Tumbarumba Area – Stormwater Charges (LG Circular 05/69)

	Charge (\$)	Number	Estimated Yield (\$)
Residential	25	781.5	19,538
Commercial (max charge)	Max. 75	119	8,925
Total charges			28,463

On-Site Sewer Management Charge

	Charge (\$)	Number	Estimated Yield (\$)
Annual charge	34	2340	79,560

Total charges			79,560
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RATES

Rating Principles

The objective of the Revenue Policy is to ensure that rates are levied in a fair and equitable manner so as to provide sufficient funds to carry out the general services which benefit all the ratepayers of the area. Council aims to set rates and charges at a level that provides a sustainable income but does not impose undue hardship on property owners. Council is committed to a rates and charges process that is ethical, transparent, open, accountable, and compliant with legal obligations, including the NSW Local Government Act 1993 and the Local Government (General) Regulation 2021 (NSW).

Rate Pegging

The Independent Pricing and Regulatory Tribunal (IPART) determines the rate peg, or allowable annual increase, that applies to local government rate income. In December 2021, IPART announced the rate peg to apply in the 2022-23 financial year will be 0.7%. The amount applies to general rate income in total, and not to individual ratepayers' rates. The Special Rate Variation below is shown inclusive of this 2022-23 rate peg.

Rateable Areas within Snowy Valleys Council

In accordance with the NSW Local Government Act 1993 (the Act), Council will adopt four categories of ordinary rate, being Farmland, Residential, Business and Mining. An ordinary rate will be applied to each parcel of rateable land within the local government area. The ordinary rate applicable for each assessment will be determined by the property's categorisation, which is dependent upon the dominant use.

Special Rate Variation

During 2021-22, faced with significant cost pressures and a negative financial sustainability outlook, and after extensive community consultation Council took the difficult decision to apply for a Special Rate Variation to allow increases of rates by more than annual rate pegging. Council submitted its application to the NSW Independent Pricing and Regulatory Tribunal (IPART) on 2 February 2022. IPART approved Council's application on 16 May 2022 <https://www.ipart.nsw.gov.au/documents/lg-determination/lg-determination-snowy-valleys-councils-special-variation-application-2022-23>.

The determination of the Special Rate Variation for Snowy Valleys Council consists of the following annual and cumulative increases to Council's general income and will remain permanently in Council's general income. The Special Rate Variation will be implemented for the purpose of maintaining existing services, enhancing financial sustainability, and funding infrastructure maintenance and renewal.

Year	Annual increase in general income	Cumulative increase in general income	Estimated yield rate peg	Estimated yield SRV (15%)	Total estimated yield	Cumulative total yield
2022-23	15.7%	15.7%	\$64,796	\$1,388,484	\$1,453,280	\$1,453,280
2023-24	17.5%	35.95%	\$267,746	\$1,606,476	\$1,874,222	\$3,327,502

Council is aware that a number of ratepayers will find their rates and charges for 2022-23 and future years increasing markedly from previous years, significantly impacted by the Special Rate Variation. Ratepayers that experience difficulty in paying their rates by due dates are encouraged to consider Council's Rates Hardship Policy.

Valuations

Snowy Values Council's land values were last updated by the NSW Valuer-General (VG) in 2019. For the purposes of the 2022-23 rating year, the base date for land values is 1 July 2019.

Supplementary notices of valuations are issued by the VG outside the usual valuation cycle because of changes to property that are recorded on the Register of Land Values. Council is advised of these changes and makes resulting adjustments to rates.

Amalgamation of Rating Structures in previous year 2021-22

In accordance with the NSW Government policy of a rate path freeze for any newly created Council under the Local Government Amendment (Rates – Merged Council Areas) Act, the two rating structures adopted by the former Tumut and Tumbarumba Shires at 12 May 2016 continued to apply for 4 years from that time with an extension of a further year applied in 2019. Council undertook a review of its rating structure and harmonised the rating structure effective 1 July 2021.

RATING 2022-23 (BASE RATE plus RATE IN \$) after applying the 0.7% Rate Cap and 15% Special Rate Variation

Snowy Valleys Council Area

Category	Base Amount	Ad Valorem (per 1 cent)	Estimated Yield
Farmland	\$231.62	0.3737	\$4,965,101
Residential	\$382.64	0.4889	\$4,701,107
Business	\$175.43	1.0976	\$1,034,997
Mining	\$287.87	1.0516	\$8,636
Total			\$10,709,841

RATING CATEGORIES

Farmland

Section 515(1) of the Act sets out the prerequisites for occupied land to be categorised as “farmland”. Section 519 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.

For land to be categorised as farmland in terms of section 515 it must be:

- a parcel of rateable land;
- valued as one assessment;
- the dominant use of which is for farming (that is, the business of industry of grazing, animal feedlots, dairying, pig-farming, poultry farming, viticulture, orcharding, beekeeping, horticulture, vegetable growing, the growing of crops of any kind, forestry, or aquaculture within the meaning of the *Fisheries Management Act 1994*, or any combination of those businesses or industries);
- which has a significant and substantial commercial purpose or character; and
- is engaged in for the purpose of profit on a continuous or repetitive basis (whether or not a profit is actually made).

However, land is not to be categorised as farmland if it is “rural residential land” (section 515(2)).

Residential

Section 516(1) of the Act states that land is to be categorised as “residential” if it is a parcel of rateable land valued as one assessment and:

- its dominant use is for residential accommodation (other than as a hotel, motel, guest-house, backpacker hostel or nursing home or for any other form of residential accommodation, not being a boarding house or lodging house, prescribed by the regulations); or
- 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
- it is rural residential land.

Mining

Section 517(1) of the Act states 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.

Business

Section 518 of the Act states that land is to be categorised as business if it cannot be categorised as farmland, residential, or mining.

ZONING UNDER A LOCAL ENVIRONMENT PLAN (LEP)

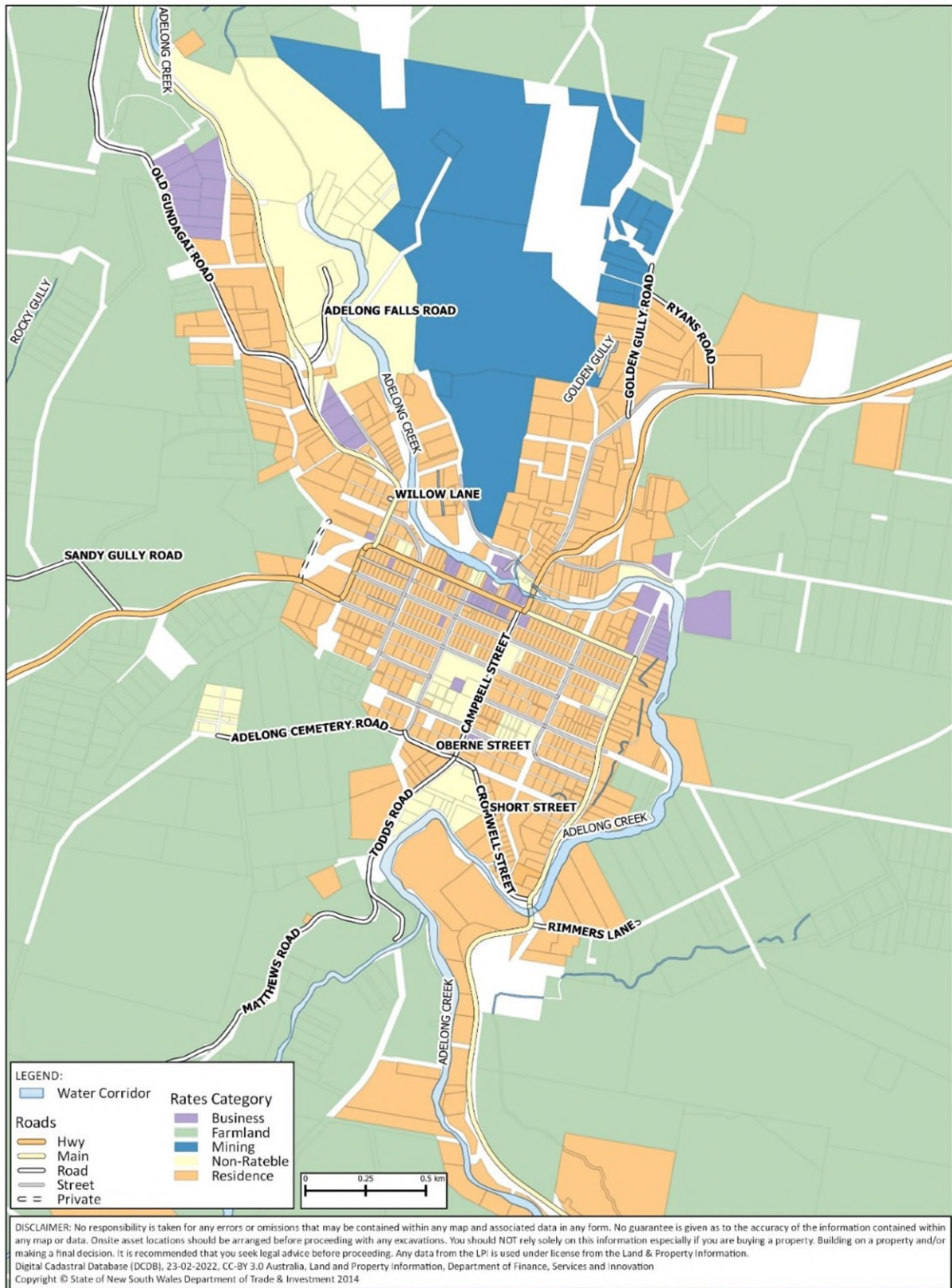
The categorisation of land for rating purposes under the Local Government Act should not be confused with a lands zoning under a Local Environment Plan (LEP). They are two distinct classifications, each subject to the definitions under their respective legislations.

The maps below provide an indication of where each rating category will apply. The maps have been broken into each town and village.



Map Printed 2022-02-23

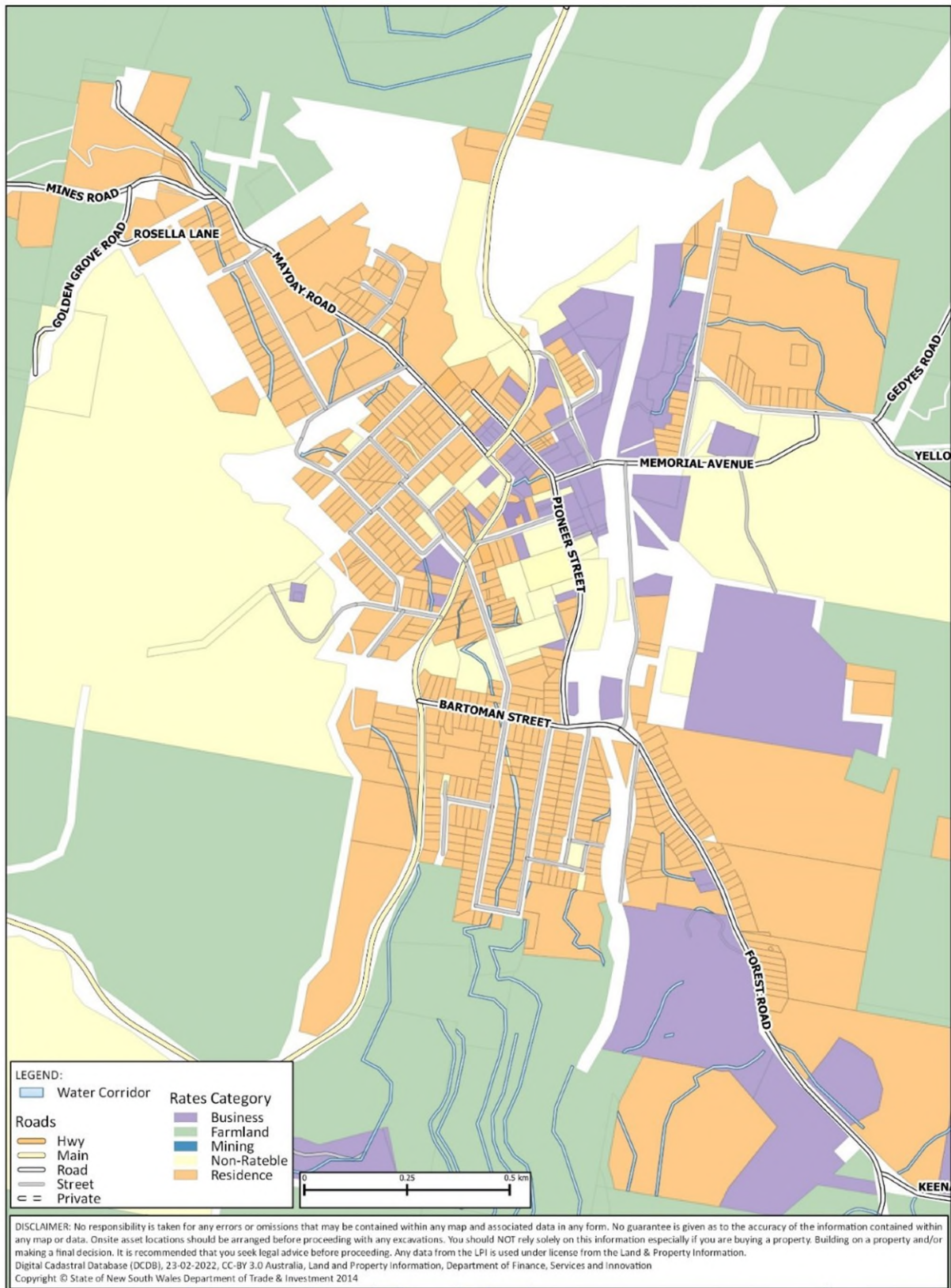
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Map Printed 2022-02-23

BATLOW





Map Printed 2022-02-23

BRUNGLE





Map Printed 2022-02-23

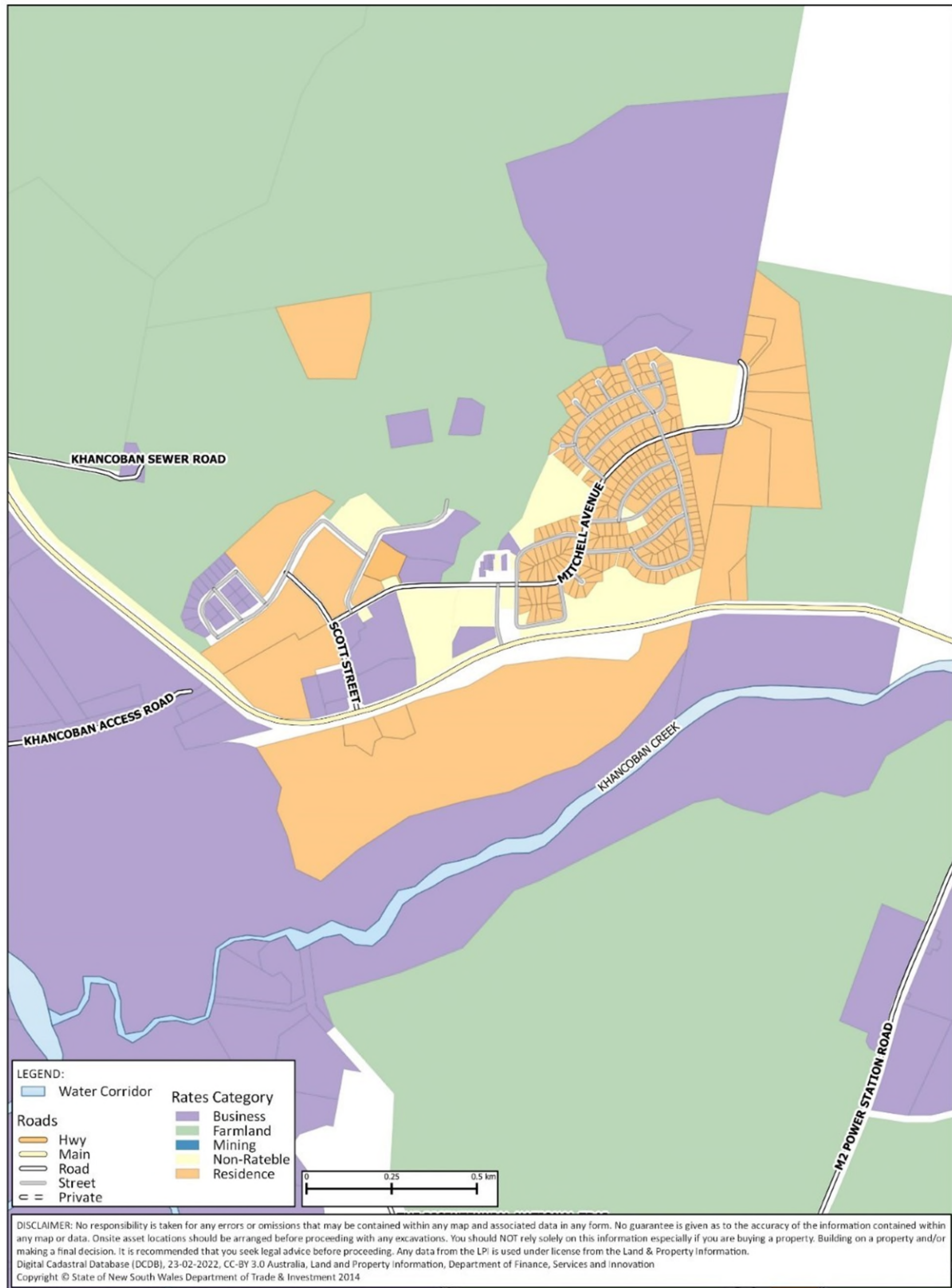
JINGELLIC





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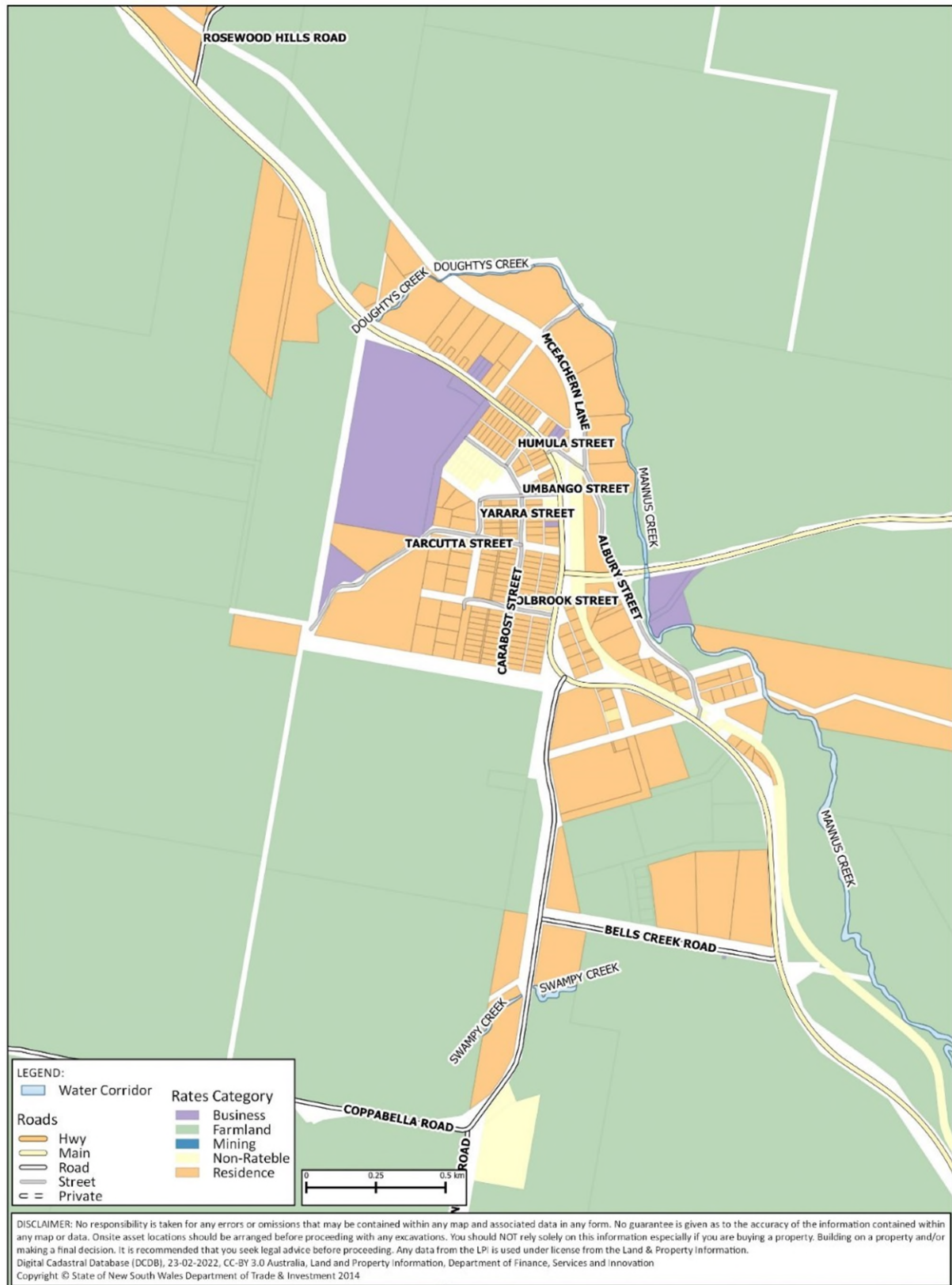
KHANCOBAN





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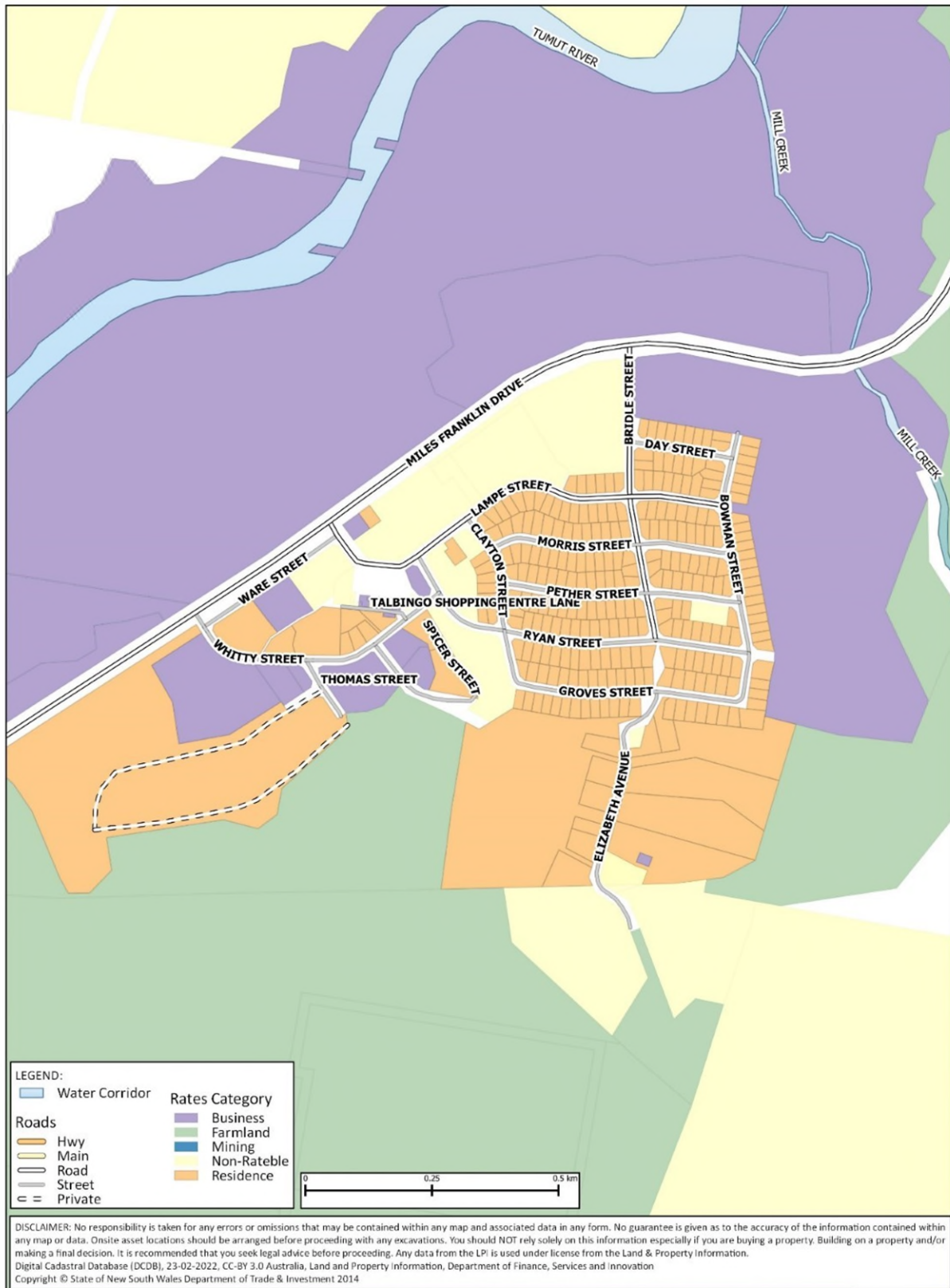
ROSEWOOD





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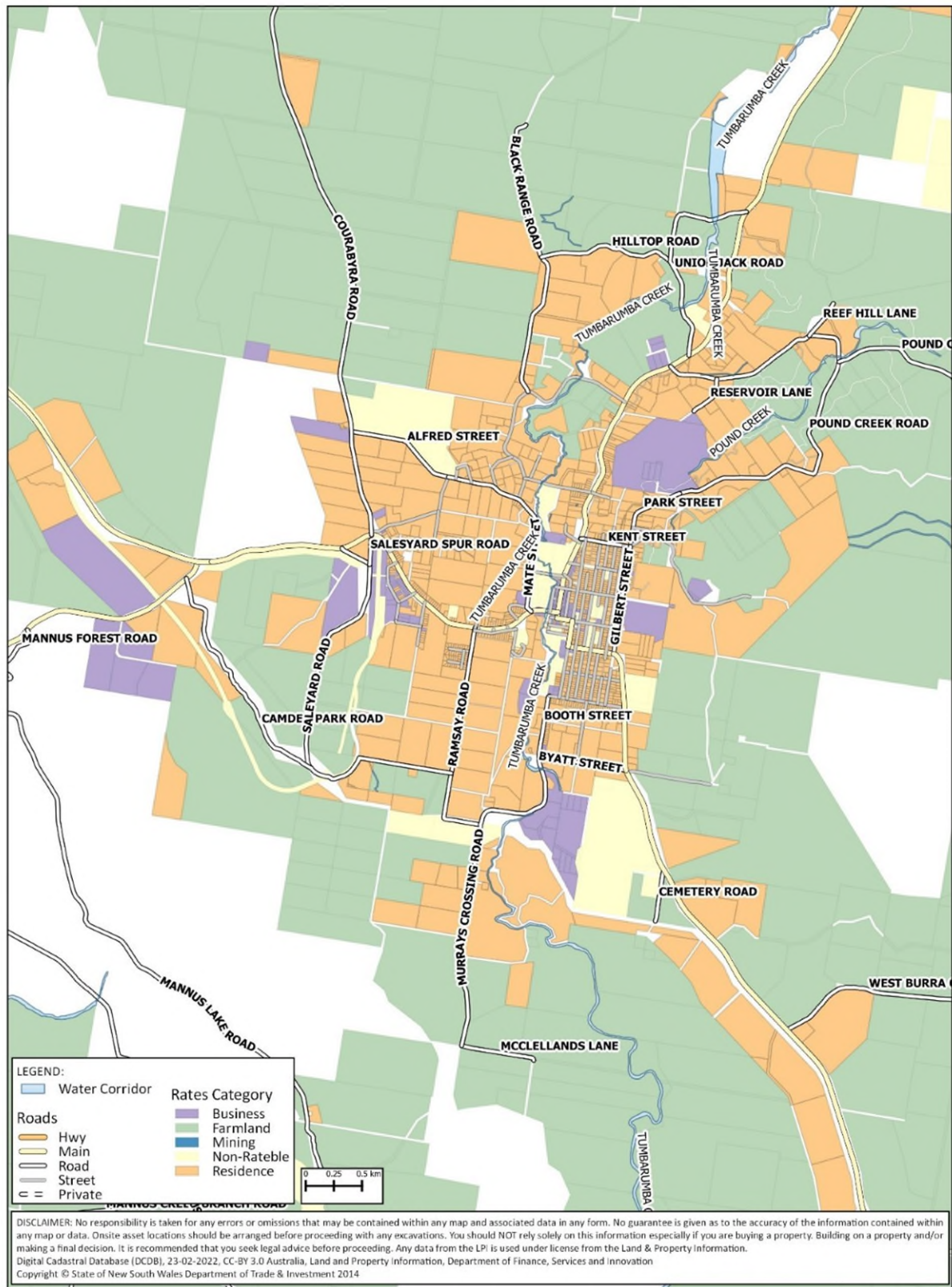
TALBINGO





Map Printed 2022-02-23

TUMBARUMBA





Map Printed 2022-02-23

TUMUT

