

# Policy

## Revenue Policy and Statement 2024/2025 Version

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## 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 2024/2025, 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 2024/2025 Financial Year.

## Revenue Policy Statement

### Introduction

It is a requirement 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.

1. Revenue Sources	2. Amount Set By (Authority)	3. Discretionary Policy Disclosed
<b>Recurrent</b>		
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
<b>Capital</b>		
Borrowings	Local Government Act/Council	Accounting Policies
Grants & Subsidies	Various Government Departments	N/A
Contributions	Council	Section 7.11 Plan
Internally Restricted Funds	Council	Accounting Policies

## Rating Statement

### Rates and Charges 2024/2025

Council must categorise all rateable land and make ordinary rates based on these categories. Council may also make special rates to be applied to specified land. The total income that can be raised from ordinary and special rates is controlled by the Rate Peg process. Council then uses allowable rating structures and current land valuations for each category to determine the rates to be applied to each land assessment.

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 total rate revenue from one year to the next by a specific figure determined by the Independent Pricing and Regulatory Tribunal (IPART). The rate peg applies to each council's general income in total, not to individual ratepayers' rates.

Various methods have been used to calculate the rate peg since its introduction. A new method has been introduced for the 2024/2025 rating year and is based on the following factors;

- A Base Cost Change (BCC) by council group (metropolitan, regional and rural);
- A population factor based on each council's population growth; and
- An ESL factor to reflect annual changes in each council's Emergency Services Levy contributions.

For 2024/2025, a catch-up adjustment for past changes in the superannuation guarantee rate has also been included.

In accordance with the current rate peg method, the total limit by which Council's general income may be varied for the 2024/2025 rating year is 4.6% per the following table;

BCC	Population	ESL	Super	Total
3.9%	0.0%	0.3%	0.4%	4.6%

IPART also has the responsibility to determine applications from councils for any Special Variation Rate increase above the allowable limit. Council did not apply for a variation for 2024/2025. Previous approved permanent variations remain in the rate base.

Therefore, the total allowable increase to overall general rate income for Tweed Shire in 2024/2025 is 4.6%.

General income applicable to the rate peg covers ordinary rates and special rates, including the 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 for each property are assessed on a rate in the dollar applied to 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.

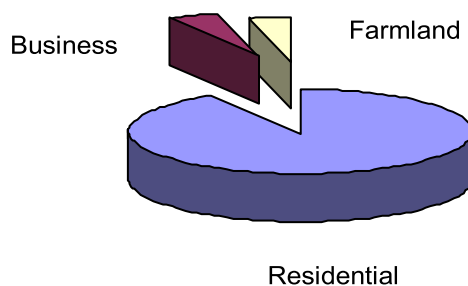
Council cannot make and levy a rate in respect of a parcel of land, unless a valuation of that land under the Valuation of Land Act has been supplied. Council does not participate in the valuation of land for rating purposes. The Valuer General assesses all values independently of Council. Council has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

Council's current land valuations to form the basis of the 2024/2025 levy process have a base date of 1 July 2023 and were first used for the 2023/24 levy.

A revaluation is undertaken every 3 to 4 years to reflect a more realistic and accurate market (unimproved) price for the land. Valuation changes have no impact on the total rate income council can raise. They are only used to calculate each individual rate assessments share of the total income required for each category

The rateable valuation spread for the 2024/2025 rating year over the three rating categories is detailed below:

### Total Land Valuations (\$) by Rating Category



Rate Type	As at 1 July 2023		As at 1 July 2024		% Increase
	Number of Properties	Rateable Land Value	Number of Properties	Rateable Land Value	
Residential	38,526	20,498,337,840	38,593	20,506,639,941	0.04%
Business	2,008	1,967,863,741	2,046	1,959,859,571	-0.41%
Farmland	1,367	1,884,499,060	1,375	1,889,112,080	0.24%
<b>Total</b>	<b>41,849</b>	<b>24,330,005,341</b>	<b>42,014</b>	<b>24,355,611,592</b>	<b>0.11%</b>

### 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.

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

### **Ad Valorem rating with optional minimum amounts**

Ad valorem (at value) rating is based on using the land value of each property, supplied to council by the Valuer General, to determine the properties share of the total rate assessment. It is the form of rating that has traditionally been used by local government.

The LGA allows for the use of differential levels of rating for various rating categories.

The LGA also allows for the setting of a minimum amount of a rate to be raised if the ad valorem rate calculation on a property falls below this amount.

### **Base Amount and ad valorem**

This method allows the use of a set base amount to raise up to 50% of the rate assessment, with the balance being raised by a rate on land valuations.

This method reduces the degree of variations of the ad valorem amount within rate categories by replacing up to 50% of the valuation with a fixed amount.

A base amount allows Council to determine if there are facets of its operations that every ratepayer should make an equal contribution towards.

Both methods offer any number of combinations and possibilities of applying a philosophy for rating that is clear, supportable and easy to administer.

This should consider why council 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 the fairest rating method for the Tweed Shire Council ratepayers and how this will be applied for 2024/2025.

### **Conclusion and Councils Proposal**

Council's present rate structure is based on an ad valorem amount subject to a minimum amount.

Whilst the Local Government Act makes provision for "base amounts", the overriding characteristic of Local Government rating is that rate assessments are predominately determined via the ad valorem component: see *Sutton v Blue Mountains CC (21977) 40 LGRA51*.

The existing 2023/2024 rating structure provides for a minimum rate and ensures that everyone pays at least the minimum amount of \$1,166.70 for Residential and Farmland properties and \$1,282.45 for Business properties. The minimum rate was introduced to ensure that all ratepayers at least paid 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.

After due consideration, Tweed Shire Council is of the opinion that 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 emphasis the need to achieve equity balance through the use of minimum rating calculations.

Therefore, Council’s rating structure for the 2024/2025 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 the allowable limit of 4.6%.

After vigorous testing and based on the proposed method the following valuation mix will be applied to the rating categories to ascertain the appropriate notional yield mix.

<b>Rating Category</b>	<b>Valuation Mix</b>	<b>Notional Yield Mix</b>
<b>Ordinary</b>		
Residential	82.40%	83.42%
Residential Postponed	0.18%	0.15%
Farmland	7.59%	4.52%
Farmland Postponed	0.19%	0.11%
Business	7.87%	9.11%
<b>Special Rates</b>		
- Koala Beach	1.26%	0.13%
- Cobaki	0.21%	0.89%

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- Kings Forest	0.30%	1.66%
	<b>100%</b>	<b>100%</b>

## Special Rates

In addition to the mandatory Ordinary Rates, the *Local Government Act 1993* makes provision for discretionary Special Rates. 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 ratable land which, in the Council's opinion, benefits or will benefit from; contributes to the need for; or will have access to; the projects identified.

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 with 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 an 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 used these provisions to create several special rates as shown in the section for the structure of rates. There are no new special rates proposed for 2024/2025.

## Rate Reductions for Eligible Pensioners

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

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.

## Postponement of Rates

Where a property is used as a single dwelling but due to 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*.

## 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 due on: 31 August, 30 November, 28 February and 31 May respectively. Council is obliged to forward reminder notices one month in advance. Rates and Reminder notices explain payment methods available.

## 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 2024/2025 rating year which will be advised by the Office of Local Government.

## 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. This can result in significant legal fees being added to the rate account if requests to avoid legal action are ignored. Ratepayers are urged to contact council whenever due dates cannot be met.

Council's Debt Management and Hardship Policy can be accessed from the website [www.tweed.nsw.gov.au](http://www.tweed.nsw.gov.au) under; Council/ Policies, plans and reports/ Council policies.

## Annual Charges

In addition to ordinary rates and special rates, Council may levy an annual charge for various services under the following sections:

### Section 501

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

### Section 496

- Domestic waste services

## Statement of each Ordinary Rate and Special Rate to be levied

The Independent Pricing and Regulatory Tribunal (IPART) has set the rate peg applicable to Council for the 2024/2025 rating year, which allows Council to increase its general income as follows:

- 2024/2025 is 4.6% above that for 2023/2024

### 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 allowable methods and has decided that the structure of the rates for all rates and categories will be based on an ad valorem rate subject to a minimum amount.

Categorisations for the ordinary rates is based on the following;

#### 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, any parcel of land that cannot be identified as residential, farmland or mining, be placed in the business category.

The rate peg is used to calculate councils total permissible general rate income by first calculating what income would be raised with the current years rating structure and rating base as at 30 June 2024 (Notional Yield), then increasing this by the rate peg percentage.

The following table provides a calculation of the notional yield based on the prevailing 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 2023/2024 year.

2023/2024	No of Properties	Rate	Minimum \$	No. of Minimums	Yield
Residential**	38,593	0.2549	1,166.70	19,501	62,514,878.40



Business	2,046	0.3031	1,282.45	1,127	6,810,847.55
Farmland**	1,375	0.1770	1,166.70	133	3,465,036.90
Koala Beach *	498	0.0303			96,591.50
Cobaki Lakes*	1	1.2770			667,871.00
Kings Forest	11	1.6710			1,241,973.50
<b>TOTAL</b>	<b>42,014</b>			<b>20,761</b>	<b>74,797,198.85</b>

\* 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 2024/2025 is therefore:

2024/2025 Rate Income Estimate	\$
Notional Income from 2023/2024	74,797,198.85
Previous Years catch up / surplus adjustment	0.00
Income lost in previous years due to valuation objections	0.00
Approved Increase 4.6% on Notional Income	3,440,671.15
<b>Total Permissible Rating Income 2024/2025 (4.6%)</b>	<b>78,237,870.00</b>
Special Variation Increase 0.0%	0.00
<b>Total Permissible Rating Income 2024/2025 (4.6%)</b>	<b>78,237,870.00</b>

### Impact of the Proposal on Ratepayers (Minimum Rates)

The rate revenue to be generated will apply to each rateable assessment within the Shire and 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 2024/2025 on **minimum rates** for Ordinary Rates only and with the associated charges upon Council ratepayers is as follows:

Item	2023/2024 \$	2024/2025 based on proposed Ordinary Rate increase 4.6%	\$ variation	% variation
<b>Ordinary Rate</b>				
Residential*	1,166.70	1,220.35	53.65	4.6%
Business*	1,282.45	1,341.45	59.00	4.6%
Farmland*	1,166.70	1,220.35	53.65	4.6%
<b>Annual Charges</b>				
Water Access Charge	193.20	209.60	16.40	8.49%
Sewerage Charge	934.60	961.30	26.70	2.86%
Landfill Management Charge	62.50	65.00	2.50	4.00%
Domestic Waste Management (admin) Charge	78.50	81.60	3.10	3.95%
Domestic General Waste Service Charge (red)	200.10	208.10	8.00	4.00%
Domestic Recycling Service Charge (yellow)	85.00	88.50	3.50	4.12%
Domestic Organic Service Charge (green)	115.00	125.00	10.00	8.70%
<b>Total Residential (minimum rate)</b>	<b>2,835.60</b>	<b>2,959.45</b>	<b>123.85</b>	<b>4.37%</b>

**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.

## Special Rates

By virtue of Section 495(2) of the *Local Government Act 1993*, a 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 2024-2025 are:

Description	No. of Properties	Rate	Revenue \$
Koala Beach	498	0.0317	101,080.08

## 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 2024/2025 rating year and will be calculated as an Ad valorem (at value) rate.

The proposed rates for 2024-2025 are:

Description	No. of Properties	Rate	Revenue \$
Cobaki	1	1.3360	698,728.00

## 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 2024/2025 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 2024-2025 are:

Description	No. of Properties	Rate	Revenue \$
Kings Forest	11	1.7480	1,299,204.50

## Proposed Ordinary Rates in the Dollar 2024/2025

### Proposed Increase to General Income of 4.6%

#### Categories

- **Residential Rate** 0.2666 cents in the dollar Minimum \$1,220.35
- **Business Rate** 0.3172 cents in the dollar Minimum \$1,341.45
- **Farmland Rate** 0.1851 cents in the dollar Minimum \$1,220.35

#### **PLEASE NOTE:**

*The rate in the dollar figures above are an estimate based on current information at the time of publishing this Revenue Policy. To ensure the permissible income is not exceeded, 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 2024.*

## Proposed Statement of Charges to be Levied

In accordance with Sections 496, 501 and 502 of the *Local Government Act 1993, as amended*, Council proposes to make and levy the following charges.

### Water Supply Services

#### Introduction

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 Regulatory and Assurance Framework for Local Water Utilities July 2022 for pricing. The framework contributes to the implementation of relevant NSW Government commitments under the National Water Initiative National Competition Policy, and the NSW Water Strategy.

Under section 3.2 of the Regulation and Assurance Framework, Strategic Planning Outcomes, the department expects utilities to achieve to a reasonable standard the strategic planning outcome, implement sound pricing and prudent financial management. This includes:

- The local water utility should recover all its efficient costs of providing water supply and sewerage services to customers through prices, with prices set at lower bound, or above.
- The local water utility should implement a cost reflective, two-part tariff structure for both water supply and sewerage services that recovers its revenue requirements.
- The local water utility should consider how to manage revenue volatility over time while maintaining a relatively stable price path.
- The local water utility may pay dividends to the owner council, if it meets certain pre-conditions.
- The local water utility should 'ring-fence' the water supply and sewer business funds from the council's general-purpose fund.

Tweed Shire Council is the local water utility for the Tweed Shire.

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 (S501)

The Water Access Charge is included on Council's rates and charges notice. The Water Access Charges applying from 1 July 2024 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	2024/2025
<b>Single Residential Assessment Water Access Charge (\$501)</b>	\$209.60

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 (WAC) shall be equivalent to the Residential Water Access Charge shown in Table 1.

The Non-Residential WAC is determined from water consumption for the proceeding 12-month period. A multiplier is applied to Residential Water Access Charge to determine the access charges for Non- Residential and Non-Strata Multi Residential Properties. The multiplier is shown in Table 2

**Table 2 – Water Access Charge – Multiplier**

Flow Range kL/a		Multiplier
0	290	1.00
291	454	1.56
455	743	2.56
744	1160	4.00
1161	1814	6.25
1815	4640	16.00
4641	7250	25.00
7251	16314	56.25
16315	29000	100.00
29001	45314	156.25
45315	and over	225.00



The Non-Residential WAC is calculated using the following formula;

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

where;

Multiplier is based on consumption as shown 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.

### Water Access Charge Estimated Yield

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

**Table 3: Water Access Charge Estimated Yield**

Multiplier	Number of Assessments	Charge (\$)	Revenue (\$)
Residential (1)	37,040	\$209.60	\$7,763,584
1.56	409	\$326.98	\$133,733
2.56	0	\$536.58	0
4.00	329	\$838.40	\$275,834
6.25	181	\$1,310.00	\$237,110
16.00		\$3,353.60	
25.00	67	\$5,240.00	\$351,080
56.25	1	\$11,790.00	\$11,790
100.00		\$20,960.00	
156.25		\$32,750.00	
225.00		\$47,160.00	
<b>Total estimated yield</b>			<b>\$8,773,131</b>

The estimated yield for 2024/2025 is \$8,773,131.

### **Pensioner Rebate (S575)**

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 (S502)

Council adopts water consumption charges to 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.

### Consumption Charge

The Consumption Charge as shown in Table 4 applies to the consumption of water at all 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.

### High Consumption Charge

For all properties, the 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.

The 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 4: Water Consumption Charges**

Description	2024/2025 (\$/kL)
Consumption Charge (S502)	\$3.92
High Consumption Charge (S502)	\$6.22

### Water Consumption Estimated Yield

The estimated yield from water consumption charges for 2024/2025 is \$30,003,249.

### **Increases from Previous Financial Year to Typical Residential Bill for Water & Sewer**

The Residential and Non-Residential Water Consumption Charges are the same. This year's charge of \$3.92/kL reflects an increase of 8.59% compared to last year.

The Residential High Consumption and Non-Residential High Consumption charges are the same. They have been aligned to meet the Regulatory and Assurance Framework for Local Water Utilities 2022 and more accurately reflect the loads placed on infrastructure. This year's charge is \$6.22/kL which is an increase of 7.61%

The Water Access Charge that applies to all single rateable residential assessments has increased to \$209.60, representing a 8.49% 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 8.49% increase will be different for each non-residential or non-strata multi-residential assessment, depending on the multiplier used in the charge calculation.

The increase for the Residential Sewerage Access Charge that forms the basis of Sewerage Access Charge calculations for all assessments, has been capped at 2.86%.

Overall, the “typical residential bill” has increased by 5.68% this year, in-line with the annual CPI figure of 5.68% 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 5 below.

**Table 5: Typical Residential Bill (TRB)**

		2024	2025	% Change
Water Usage Charge per	\$/kL	\$3.61	\$3.92	8.59%
	Average usage (kL/y)	200	200	
		<b>\$722.0</b>	<b>\$784.00</b>	<b>8.59%</b>
Water Access Charge		\$193.20	\$209.60	8.48%
Sewer Access Charge		\$934.60	\$961.30	2.86%
<b>TRB</b>		<b>\$1,849.80</b>	<b>\$1,954.90</b>	<b>5.68%</b>

### Bulk Water Sales

Bulk water sales from standpipes for use within the Tweed (local use) are charged at the 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 an annual 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 an annual 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 Climate Change, Energy, the Environment and 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

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.

### **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 Climate Change, Energy, the Environment and Water, 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.

## Sewerage Services

### Introduction

Due to increasing demands on limited water resources, the Council of Australian Government (COAG) developed an intergovernmental agreement for a National Water Initiative which requires compliance under National Competition Policy.

Council follows the Regulatory and Assurance Framework for Local Water Utilities July 2022 for pricing. The framework contributes to the implementation of relevant NSW Government commitments under the National Water Initiative National Competition Policy, and the NSW Water Strategy.

Under section 3.2 of the Regulation and Assurance Framework, Strategic Planning Outcomes, the department expects utilities to achieve to a reasonable standard the strategic planning outcome, implement sound pricing and prudent financial management. This includes:

- The local water utility should recover all its efficient costs of providing water supply and sewerage services to customers through prices, with prices set at lower bound, or above.
- The local water utility should implement a cost reflective, two-part tariff structure for both water supply and sewerage services that recovers its revenue requirements.
- The local water utility should consider how to manage revenue volatility over time while maintaining a relatively stable price path.
- The local water utility may pay dividends to the owner council if it meets certain pre-conditions.
- The local water utility should 'ring-fence' the water supply and sewer business funds from the council's general-purpose fund.

Tweed Shire Council is the local water utility for the Tweed Shire.

Council also applies:

- Sewerage Usage Charges to Non-Residential and Non-Strata Multi-Residential properties.
- Liquid Trade Waste Usage 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 2024 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 6.

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

**Table 6. Sewerage Access Charges Residential**

Description	2024/2025
<b>Sewerage Access Charge (\$501)</b>	\$961.30

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:

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

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 7. 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	0.111
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	0.250
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	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	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	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 Climate Change, Energy, the Environment and Water – Regulatory and assurance framework for local water utilities (2022):

- 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 8.

**Table 8: Sewerage Access Charge Estimated Yield**

Multiplier	Number of Assessments	Charge (\$)*	Revenue (\$)
<b>Residential (1)</b>	35,345	\$961.30	\$33,977,149
<b>1.56</b>	294	\$1,049.74	\$308,624
<b>2.56</b>	1	\$1,722.65	\$1,723
<b>4.00</b>	255	\$2,691.64	\$686,368
<b>6.25</b>	155	\$4,205.69	\$651,882
<b>16.00</b>		\$10,766.56	
<b>25.00</b>	62	\$16,824.85	\$1,043,141
<b>56.25</b>	2	\$37,851.19	\$75,702
<b>100.00</b>		\$67,291.00	
<b>156.25</b>		\$105,142.19	
<b>225.00</b>		\$151,404.75	
<b>Total estimated yield</b>			<b>\$36,744,589</b>

\*The Charges (\$) in Table 8, multipliers greater than 1, 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 2024/2025 is \$36,744,589.

**Pensioner Rebate (S575)**

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)**

Council adopts 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 9, 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 9. The figure of 140kL/y is the NSW Water Directorate's adopted value of the annual sewerage usage volume per ET.

**Table 9. Sewerage Usage Charges**

Description	2024/2025 Charge Rate (\$/kL)
Sewerage Usage Charge (S502)	\$2.04
High Sewerage Usage Charge (S502)	\$4.37

#### Sewerage Usage Charge Estimated Yield

The estimated yield from Sewerage Usage Charges is detailed in Table 10.

**Table 10. Sewerage Usage Charge Estimated Yield**

Description	Charge Rate (\$/kL)	Revenue (\$)
Sewerage Usage Charge (S502)	\$2.04	\$2,346,440

The estimated yield for 2024/2025 is \$2,346,440

#### **Increases from Previous Financial Year to Typical Residential Bill for Water & Sewer**

The Residential and Non-Residential Water Consumption Charges are the same. This year's charge of \$3.92/kL reflects an increase of 8.59% compared to last year.

The Residential High Consumption and Non-Residential High Consumption charges are the same. They have been aligned to meet the NSW Department of Climate Change, Energy, the Environment and Water's Planning and Environment's guidance on strategic planning outcome, Implement sound pricing and prudent financial management (2022) and more accurately reflect the loads placed on infrastructure. This year's charge is \$6.22/kL which is an increase of 7.61%

The Water Access Charge that applies to all single rateable residential assessments has increased to \$209.60, representing a 8.49% 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 8.49% increase will be different for each non-residential or non-strata multi-residential assessment, depending on the multiplier used in the charge calculation.

The increase to the Residential Sewerage Access Charge that forms the basis of Sewerage Access Charge calculations for all assessments, has been capped at 2.86%

Overall, the "typical residential bill" has increased by 5.68% this year, inline with the annual CPI figure of 5.68% 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 11: Typical Residential Bill (TRB)**

		2024	2025	% Change
Water Usage Charge per	\$/kL	\$3.61	\$3.92	8.59%
	Average usage (kL/y)	200	200	
		<b>\$722.00</b>	<b>\$784.00</b>	<b>8.59%</b>
Water Access Charge		\$193.20	\$209.60	8.49%
Sewer Access Charge		\$934.60	\$961.30	2.86%
<b>TRB</b>		<b>\$1,849.80</b>	<b>\$1,954.90</b>	<b>5.68%</b>

### Liquid Trade Waste Charges

The NSW Department of Climate Change, Energy, the Environment and Water's Planning, Industry and Environment's Liquid Trade Waste Management Guidelines (2021) 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
- Liquid Trade Waste Usage Charges
- Non-compliance Liquid 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 12.

**Table 12. Liquid Trade Waste Charges Estimated Yield**

Description	Number of Properties	Charge (\$)	Revenue (\$)
<b>Liquid Trade Waste Charges</b>	534	Based on Category	845,000

The estimated yield for 2024/2025 is \$845,000.

### **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 Climate Change, Energy, the Environment and 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:

- 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 Climate Change, Energy, the Environment and Water – 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 Councils Fees and Charges document.

## 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 for the management of landfill and resource recovery.

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.

A number of materials can either be disposed of for free or at subsidised rates for Tweed residents including metal, e-waste, chemicals and oil, fluorescent light bulbs and batteries. Materials that can be reprocessed such as green waste, concrete, bricks and tiles are charged at a lower disposal rate to encourage source separation. The reduced rates for these items reflects the opportunity to process and reuse them avoiding disposal levies.

### 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.

Therefore, 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 Urban and serviced Rural 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 2023/24 financial year the NSW Waste levy was \$94.00 per tonne. This is expected to increase by CPI for the 2024/25 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 2024. The Qld Levy is currently set at \$105 per tonne for waste that is landfilled in Queensland and is proposed to increase to \$115 per tonne in the 2024/25 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) established a timetable to ban the export of waste plastic, paper, glass and tyres, while building Australia's capacity to generate high value recycled commodities. This has impacted the cost of waste services in the short to medium term, however the cost to collect and process recycling is currently significantly less than that of waste collection and disposal.

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 rateable urban residential properties and rural properties that receive a domestic waste collection service.

In 2024/2025 the Domestic Waste Administration Charge will be \$81.60 per property, an increase of 4% on the preceding years charge.

## **Domestic Waste Service Charges - Waste collection services in mobile bins**



In 2024/2025 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 2023/2024	DWM Charge 2024/2025
80 litre fortnightly waste service	162.20	168.70
140 litre fortnightly waste service	200.10	208.10
240 litre fortnightly waste service	260.00	270.40
80 litre weekly waste service	232.50	241.80
140 litre weekly waste service	292.00	303.70
240 litre weekly waste service	346.00	360.00

The charges have been increased by an average of 4% to cover cost increases that cannot be absorbed. The charges include disposal costs allocated based on the amount of waste generated by each service type with higher disposal costs allocated against properties where there is a two-bin service as these properties generate more waste.

In 2024/2025 the Domestic Waste Management Service Charge for the standard 140L fortnightly garbage bin for single dwellings in urban areas will be \$208.10 per annum per service, an increase on the previous year of \$8.00 (4%). In rural areas and for multi-unit dwellings, the weekly 140 litre garbage bin collection service will be \$303.70 per annum per service, an increase of \$11.70 on last year's charge. 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 2024/2025 Council will provide Multi Unit Developments with either a bulk bin or wheelie bin-based services based on the level of service requested by them. Charges will typically be divided evenly across all units within the multi-unit property when they are shared.

The bulk bin service charge does not include provision for the dial up bulk waste collection service and 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 and avoiding waste.

The annual recycling charge in 2024/2025 will be \$76.00 per annum for a 140 litre fortnightly service, \$88.50 per annum for a 240 litre fortnightly service, and \$146.60 per annum for a 360 litre fortnightly service.

Weekly services are provided at double the fortnightly charge.

## Domestic Waste Service Charge – Organic waste collection and processing

In 2024/2025 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 2024/2025 is \$125.00 per bin for a 240 litre weekly service, and \$110.00 per bin for a 140 litre weekly service. This 8.7% increase is in line with service cost increases.

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	2023/2024	2024/2025
Domestic waste management (admin) charge	\$78.50	\$81.60
Landfill Management Charge	\$62.50	\$65.00

Waste collection service (fortnightly 3 bin service 140 litre bin)	\$200.10	\$208.10
Recycling service (fortnightly 240 litre bin)	\$85.00	\$88.50
Organic bin collection service (Weekly)	\$115.00	\$125.00
<b>Total</b>	<b>\$541.10</b>	<b>\$568.20</b>

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 \$568.20 which is a 5% increase on the 2023/2024 charge. Service charges will vary depending on the size of bins a property elects to have.

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

Service	2023/2024	2024/2025
Domestic waste management (admin) charge	\$78.50	\$81.60
Landfill Management Charge	\$62.50	\$65.00
Waste collection service (weekly service 140 litre bin)	\$292.00	\$303.70
Recycling service (fortnightly 240 litre bin)	\$85.00	\$88.50
<b>Total</b>	<b>\$518.00</b>	<b>\$538.80</b>

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 \$538.80, an increase of 4% on the 2023/2024 charge. Service charges will vary depending on the size of bins a property elects to have. Rural and Multi-Unit Dwelling properties may elect to have an additional weekly organics collection service where Council is able to provide this service.

Multi-Unit Dwellings may elect to share services, 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.

The Landfill management charge in 2024/2025 will be \$65.00, an increase of 4% on the 2023/2024 charge.

### Overall typical Domestic Waste Management (DWM) Services

Type of service	Services	Charge \$	Revenue \$
Domestic Waste Management (admin)	39,696	\$81.60	\$3,239,193
Domestic Landfill Services <i>(Red lid – Weekly and fortnightly ranging from 80 litre to 240L. Includes On-Call Bulky Waste Collection)</i>	37,619	Between \$168.70 and \$360 per annum	\$9,487,498
Domestic Recycling Services <i>(Yellow lid - fortnightly ranging from 140 litre to 360 litre)</i>	38,031	Between \$76.00 and \$146.60 per annum	\$3,416,933
Organics collection <i>(Green lid - weekly 140 litre and 240 litre bin)</i>	27,476	Between \$110 and \$125 per annum	\$3,425,380
Landfill Management	42,032	\$65.00	\$2,732,080

## 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.

## 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".

## 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 2024/2025 Budget.

## Summary of the proposed changes to Rates and Annual Charges

Category	Ad-Valorem Amount	Charge \$	Minimum Rate \$	Yield \$
<b>Ordinary Rates</b>				
Residential	0.2666		1,220.35	65,266,332.77
Business	0.3172		1,341.45	7,126,960.71
Farmland	0.1851		1,220.35	3,538,124.25
<b>Total Ordinary Rates</b>				<b>75,931,417.73</b>
<b>Special Rates</b>				
Koala Beach	0.0317			101,080.08
Cobaki Lakes	1.3360			698,728.00
Kings Forest	1.7480			1,299,204.50
<b>Total Special Rates</b>				<b>2,099,012.58</b>
<b>Water Access Charges</b>				
Residential (1)		209.60		7,763,584.00
1.56		326.98		133,733.00
4.00		838.40		275,834.00
6.25		1,310.00		237,110.00
25.00		5,240.00		351,080.00
56.25		11,790.00		11,790.00
<b>Total Water Access Charges</b>				<b>8,773,131.00</b>
<b>Water Usage Charges</b>				
Residential		3.92-6.22/kl		<b>30,003,249.00</b>



Category	Ad-Valorem Amount	Charge \$	Minimum Rate \$	Yield \$
<b>Sewerage Access Charges</b>				
Residential (1)		961.30		33,977,149.00
1.56		1,049.74		308,624.00
2.56		1,722.65		1,723.00
4.00		2,691.64		686,368.00
6.25		4,205.69		651,882.00
25.00		16,824.85		1,043,141.00
56.25		37,851.19		75,702.00
<b>Total Sewerage Access Charges</b>				<b>36,744,589.00</b>
<b>Sewerage Usage Charge</b>				
		2.04-4.37/kL		2,346,440.00
<b>Trade Waste Usage Charge</b>				
		Upon Category		845,000.00
<b>Sewage Management Fee</b>				
		63.60		347,637.60
<b>Waste Management Charges</b>				
Landfill Management Charge		65.00		2,627,365.00
Domestic Waste Management (Admin) Charge		81.60		3,271,181.00
Domestic General Waste Service Charge (red)		Between \$168.70 and \$360.00 per annum		10,864,536.00
Domestic Recycling Service Charge (yellow)		Between \$76.00 and \$146.60 per annum		3,558,459.00
Domestic Organics Service Charge (green)		Between \$110 and \$125 per annum		3,416,575.00
<b>Total Waste Management Charges</b>				<b>23,738,116.00</b>

## 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%	6.35%	+2.35%
2024-25	4.6%	4.6%	Nil

\*Special Rate Variation - Cobaki Leda Manorstead approved

\*\*Special Rate Variation – Kings Forest approved

# 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 2024/2025 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 2024/2025 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 is calculated as a percentage of the transaction value. The rate will be based on prevailing charges to council such that it will not exceed the cost of council accepting the payment in accordance with the Competition and Consumer Amendment (Payment Surcharges) Act 2016. Customers will be advised

of the applicable surcharge rate (inclusive of GST) at the point of sale. 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 2024/2025 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 2024/2025 this rate will be advised by the Office of Local Government.

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## Statement of Section 64 Developer Charges and Section 7.11 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 treatment 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* 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 7.11 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 7.11 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 2023/2024 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%
*As at 30 March 2024	2023/2024	1,148,403	560.20	1.79%

\* 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.



**TWEED**  
SHIRE COUNCIL

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