



2023/24 Revenue Statement

yass valley council

the country the people

This page has been left blank

Contents

Contents	3
Charging philosophy	4
Goods and Services Tax (GST).....	4
Interest on Overdue Rates and Charges.....	4
Ordinary Rates	4
Structure of the Ordinary Rate	4
Ordinary Base Rate	5
Ordinary Minimum Rate.....	5
Ad Valorem Rate.....	5
Rateable Land Categories	5
Valuations	6
Pension Rebates	6
Exemptions	6
Annual Charges.....	7
Water Supply Services	7
Sewerage Services	8
Liquid Trade Waste.....	9
Waste Management Services	9
Stormwater Management Services	10
Onsite Sewerage Management Services	11
Statement of Borrowings	11
Fees and Charges.....	11

Charging philosophy

In accordance with s404 (1) of the Local Government Act 1993, Council provides the following details of its revenue policy that incorporates the basis upon which the rates and charges will be made.

Rates and charges represent the process Council recovers the cost of providing its services within the boundaries of the Local Government Area (LGA). In general, Council follows a user-pays philosophy towards the provision of services. In the case of water, sewer, and garbage services, price increases reflect the cost of providing these services. With ordinary land rates, the rate increases must not be above the limits set by the Minister for Local Government, unless the Minister approves a special variation to general income.

The rates and charges levied by the council are a debt that is applied to the land and this debt becomes the responsibility of the current owner.

The rates and charges set out in this Revenue Statement are designed to provide the net source of funds after allowing for loans, contributions, and government grants for the programs and initiatives identified in the Operational Plan.

Goods and Services Tax (GST)

Ordinary rates, special rates, water charges, sewerage charges, stormwater charges, and domestic management charges are exempt from GST because of a determination by the Federal Treasurer. The majority of Council fees advertised in the schedule of Fees & Charges accompanying the Operational Plan are subject to GST and accordingly the charges reflect a 10% GST component.

Interest on Overdue Rates and Charges

In accordance with section 566 of the Local Government Act 1993, Council charges interest on all rates and charges that remain unpaid after they become due and payable. Rates and charges become payable one month after the date of service of the rates notice unless a person elects to pay the rates and charges by instalments.

Interest will be calculated daily using the simple interest method. The rate of interest must not exceed the maximum rate specified by the Minister for Local Government for overdue General Rates. The 2023/24 rate has been set at 9%. Council will use the maximum rate.

Ordinary Rates

Ordinary rates are applied to all rateable properties within the LGA boundaries, based on independent valuations supplied to Council by the Valuer General. The valuations used in the 2023/24 rating period have a base date of 1 July 2023.

For 2023/24, Council has adopted the 4.2% rate peg set by IPART.

Structure of the Ordinary Rate

The rating provisions of the Local Government Act 1993 allow councils to base their ordinary rates either on a system of minimum rates and/or base rates.

Yass Valley Council has chosen to employ the system of both the base rates and minimum rates as a means of levying rates on all properties throughout the Yass Valley LGA.

In accordance with Section 197 of the Local Government Act 1993 the structure of the Ordinary Rate must comprise:

- A base amount (i.e., fixed charge required by statute to be no more than 50% of the total rate)
- A minimum amount (i.e., the maximum of the minimum rate is fixed by statute annually)
- An ad valorem component (i.e., a rate levied on the unimproved land value).

The total estimated income yield in 2023/24 from Ordinary rates is \$12.7M as detailed in the table below.

Category	Sub-Category	Ad Valorem	Minimum Charge	Base Charge	Income
Farmland		0.0011508		\$745.50	\$4,704,389
Residential	Non Urban	0.0012169		\$486.00	\$4,194,524
Residential	Yass	0.0025382	\$739.00		\$2,143,880
Residential	Binalong	0.0016952	\$739.00		\$153,224
Residential	Bowning	0.0017004	\$739.00		\$84,696
Residential	Wee Jasper	0.0016952	\$739.00		\$33,255
Residential	Bookham	0.0016952	\$739.00		\$11,824
Residential	Murrumbateman	0.0017628	\$739.00		\$198,042
Residential	Gundaroo	0.0014629	\$739.00		\$189,891
Residential	Sutton	0.0018078	\$739.00		\$78,704
Business	Sutton & Gundaroo	0.0012163		\$486.00	\$19,514
Business	Yass & Other Villages	0.0068155	\$739.00		\$908,388

Ordinary Base Rate

Council has chosen to apply a system of base amounts to overcome community concerns over the inequity of the rate burden of a rate levied solely on land values. The uniform base charge reflects some of the benefits derived by ratepayers from the provision of council works and services and are shared equally by the community regardless of the property valuation. The philosophy behind the base charge is that the base amount should apply to all properties and the total income from the charge should approximate the general administration costs of the council, together with the cost of common services available to each property within the Council area.

Ordinary Minimum Rate

The minimum rate is applied to residential and business properties, to ensure there is an equitable contribution for services where properties have a relatively low land valuation.

Ad Valorem Rate

Council has adopted a system of ad valorem rates that will apply to each property valuation to develop a variable charge on each rate notice. The ad valorem charge is multiplied by the land valuation supplied by the Valuer-General to determine the ad valorem charge. The ad valorem amount of the rate is to be levied on the unimproved land value of all rateable land within each rating category on the rates notice.

Rateable Land Categories

Categorisation of all rateable land in the council area has been undertaken in accordance with the requirements of Chapter 15 of the Local Government Act 1993. Council has used the following categories of rateable land:

- **Farmland** – this is land used genuinely for primary production. The dominant use of the land must be for the business of industry of grazing, and the growing of crops etc. The activities must have a significant

and commercial purpose or character and be engaged in for the purpose of profit on a continuous or repetitive basis. Rural residential land will not be categorised as farmland.

- **Residential** – the Local Government Act 1993 identifies this land as property used for residential accommodation, or in the case of vacant land, property zoned for residential use under an environmental planning instrument (hotels, motels, guesthouses, boarding houses, or nursing homes) are specifically excluded from this category. This category also includes rural residential land.
- **Business** – the Local Government Act 1993 identifies property within this category as land, which cannot be categorised in any of the other categories of farmland or residential.

Valuations

Council will be using valuations with a base date of 1 July 2023 for rating purposes in 2023/24. The valuations are based upon the unimproved land value only of the property and do not include any structures or other improvements.

Any appeal against the property valuation should be lodged with Valuation Services (not with Council) at Property NSW, PO Box 745, Bathurst NSW 2795 or by phone on 1800 110 038 to request a review kit to be posted or emailed to you. Online objection lodgement is also available at

<https://www.valuergeneral.nsw.gov.au/land-values/what-if-you-have-concerns/lodge-an-objection>

Pension Rebates

In accordance with Section 575(3)(a) of the Local Government Act 1993, Council provides a rate reduction of 50% of the amount of the rate levy, provided the maximum rebate for combined general rate and domestic waste management charges does not exceed \$250 to eligible pensioners. Of this rate reduction, the NSW Government reimburses 55%. The estimated pension rebates in 2023/24 are:

- \$150,000 General Rates
- \$30,00 Domestic Waste Management
- \$23,000 Sewer Network Access
- \$26,000 Water Supply Network.

Exemptions

The Local Government Act 199, Sections 555 to 558, states that the following exemptions from all land rates are applicable, and where indicated water and sewer access charges must be applied:

1. Crown Land (general rates, water, and sewer access charges) – Crown land that is not being held under a lease for private purposes.
2. National Parks (general rates, water, and sewer access charges) – Land within a national park, historic site, nature reserve, state game reserve or conservation reserve, whether or not the land is affected by a lease, licence, occupancy or use.
3. Conservation Agreements (general rates only) – Land that is a subject of a conservation agreement, any rate levies on that whole parcel of land is to be reduced by the percentage of the land in which the conservation agreement covers.
4. Churches or places of public worship (general rates only) – Land that belongs to a religious body and is occupied and used as a church, a minister or religions residence, a place for religious teaching or training

or the residence of the official head or assistant head of any religious body in the State or any diocese within the State

5. Schools (general rates only) – Land that belongs to and is occupied and used in connections with a school, school playground or residence occupied by a teacher, employee, or caretaker of the school, as defined by the Education Reform Act 1990
6. Government Departments, Council or Emergency Service (general rates only) – land that belongs to and is occupied and used in connection with an emergency service or Government department or Council office or residence provided that it is not commercially leased. This includes Police Stations and residences, Ambulance Stations and residences, Fire Stations, and Government offices.
7. Aboriginal Land (general rates only) – Land that is vested in a NSW Aboriginal land Council. Division 5 of Part 2 of the Aboriginal Land Rights Act 1983 exempts Local Aboriginal Land Councils from payment of rates and charges to Local Government Authorities on certain types of land. This includes land included in Schedule 1 of the Aboriginal Land Rights Regulation 2002, vacant land and declared land that is of spiritual or cultural significance to Aboriginal people.
8. Public Places (general rates only) – Land that is a public place.
9. Public Reserve or Common (general rates only) – Land used for a public reserve or common and vested in the Crown, a public body, or trustees.
10. Public cemetery (general rates only) – Land used for a public cemetery and vested in the Crown, a public body, or trustees.
11. Public Library (general rates only) – Land used solely for a free public library and vested in the Crown, public body, or trustees.
12. Public hospital (general rates only) – land that belongs to a public hospital
13. Area health Service (general rates only) – Land that is vested in an area health service
14. Benevolent or Public Charity (general rates only) – Land that belongs to a public benevolent institution or public charity and is used or occupied by the institution or charity for the purposes of the institution or charity.

Annual Charges

In accordance with section 501(1) of the Local Government Act 1993, Council proposes to make and levy an annual charge for the following services:

- Water Supply Services
- Sewerage Services
- Waste Management Services
- Liquid Trade Waste.

Water Supply Services

The total estimated income yield in 2023/24 from the Water Supply Network is \$2,109,812.

- Water Availability Charge

The availability charge is based on the size of the meter connection and is shown on the annual rates notice. The charge is related to the cost of providing access to a 20-32mm water connection and has been set from \$300 for those properties that are connected to the Yass water supply. Availability charges for larger water connections are based on the size of the water meter connection.

The availability charge is designed to cover some of the costs incurred by Council in providing and maintaining infrastructure such as reservoirs, pump stations and reticulation systems. Because of the

fixed nature of the costs incurred by Council in operating the infrastructure, the availability charge applies to all properties able to connect to the system regardless of whether or not a connection is in place.

All properties falling within the defined water supply boundaries are subject to compulsory water availability charges. For details on land that is exempt from water access charges, see the section under ordinary rates. A 50% reduction is applicable to all churches in Yass valley LGA.

- *Water Usage Charges*

The water usage charge for 2023/24 is set at \$3.96 per kilolitre for the first 5 kilolitres per day. Water usage in excess of this is charged at \$5.24 per kilolitre. The consumption charge is invoiced three times annually, with the usage calculation per day averaged over this period. The water consumption charges are designed to meet the fixed and variable operating costs related to the provision of water supply. Details of the water charges for the 2022/23 financial year are set out in the Fees and Charges section of the document.

Churches, Nursing Homes, Apex Homes, and St Vincent de Paul receive a 35% discount on usage charges. Council playing fields, Yass Pool, The Men's Shed, the Yass Community Garden, and Yass Golf Course (non-building infrastructure) receive a 55% discount on usage charges, and Binalong Pool receives a 90% discount.

- *Pension Rebate*

In accordance with Section 575(3)(b) of the Local Government Act 1993, Council provides a reduction of 50% of water availability charges levied up to a maximum of \$87.50 for each property. Of this reduction, the NSW Government reimburses 55%. The estimated pension rebate in 2023/24 is \$22,000.

Sewerage Services

The total estimated income yield in 2022/23 from sewer charges is \$2,624,771.

- *Residential Charges*

The residential sewerage charge is based on a flat charge for all residential properties connected to Council's sewerage service network and 2022/23 is \$813. Residential sewerage charges reflect the cost of providing and maintaining the required infrastructure as well as operating costs for pump stations and the sewerage treatment plant. A 50% reduction is applicable to all churches in Yass valley LGA.

- *Non-Residential Charges*

Charges for non-residential sewer usage are based on water consumption for all business properties connected to Council's sewerage service network. For 2022/23 the charge is \$3.50 per kilolitre with a minimum charge of \$813. Charges are based on the previous year's water consumption. These fees are designed to distribute the cost of providing non-residential services equitably on a user pays basis. A 50% reduction is applicable to all churches in Yass valley LGA. A 50% reduction is applicable to all churches in the Yass valley LGA.

- *Pension Rebate*

In accordance with Section 575(3)(b) of the Local Government Act 1993, Council provides a reduction of 50% of residential sewerage charges levied up to a maximum of \$87.50 for each individual property. Of this reduction, the NSW Government reimburses 55%. The estimated amounts of the pension rebate in 2023/24 is \$19,000.

Liquid Trade Waste

The total estimated income yield in 2022/23 from trade waste charges is \$50,000.

This charge recovers the additional cost of transporting and treating liquid waste from liquid waste dischargers. It is calculated by multiplying the total water consumption from water meter readings by a sewerage discharge factor and liquid trade waste discharge factor by a charge of \$2.44 per kilolitre for those with appropriate pre-treatment, or \$22.00 per kilolitre for those without pre-treatment.

The sewerage discharge factor is based on Appendix G of the Liquid Trade Waste Management Guidelines 2009 as published by the NSW Office of Water. These factors are intended to represent the proportion of wastewater being discharged into the sewer that is considered to be trade waste. The formula provides a system for charging on a user pays basis.

Waste Management Services

The estimated total income from domestic waste management charges for 2023/24 is \$2,188,180.

- Domestic Waste Management Charges

Sections 496 and 504 of the Local Government Act 1993, provide that the domestic waste management services of the Council must be financed by specific annual charges made and levied for that purpose alone. The Act prevents Council from applying ordinary rate income towards meeting the cost of domestic waste management services, nor can it use water charge income for non-waste related functions.

The term 'domestic waste management service' relates to the services that comprise the periodic collection of waste, generated on domestic premises, from individual parcels of rateable land and the services associated with recycling activities provided to these properties.

The functions of domestic waste management services carried out by Council include, but are not limited to:

- Collection of domestic waste
- Disposal and treatment of domestic waste
- Recycling and waste minimisation activities associated with domestic waste collection and disposal.

- Kerbside Collection Charge

This is an annual waste collection charge of \$500.00 that meets the cost of:

1. The weekly 140 litre bin domestic waste collection service and the associated waste disposal or treatment.
2. The fortnightly 240 litre bin domestic recycling collection service.

It is applicable to each occupied residential property and each residential unit in a multi-unit complex for which the service is available

Additionally, each residential property or unit in a multi-unit complex that already has kerbside collection may request an additional domestic garbage or recycling service. An annual charge of \$292.00 for an additional garbage service and \$208.00 for an additional recycling service is applicable.

Collections will only be conducted from the Council supplied mobile garbage bins on the specified collection days.

- Vacant properties

A charge is levied against all vacant properties, where a garbage collection service is offered. The charge in 2022/23 is \$30 per property.

- Pension Rebate

In accordance with Section 575(3)(a) of the Local Government Act 1993, Council provides a reduction of 50% of the domestic waste management charge provided the maximum rebate for combined rate and domestic waste management services does not exceed \$250. The estimated pension rebate in 2023/24 is \$30,000.

- Business Waste Management Charges

The business waste management charges are designed to meet the costs of providing waste management services for commercial premises throughout the Council LGA. The income and expenditure associated with the business waste collection and disposal service is expressly separated from the domestic waste management charges in conformity with the provision of the Local Government Act 1993.

There is an annual kerbside waste collection charge of \$423 that meets the costs of:

1. The weekly 140 litre bin waste collection
2. Service and the associated waste disposal or treatment
3. The fortnightly 240 litre bin recycling collection service.

- Waste Management Environmental Charge

This charge of \$268 applies to all rateable properties and goes towards the provision of transfer stations and the management of environmental waste matters throughout the LGA. This charge contributes towards the provision of additional infrastructure and improvements to accommodate waste disposal at all transfer stations throughout the LGA. Funds also go towards the purchase, maintenance and upgrading of waste and recycling bins and infrastructure at all facilities. Funds also provide for long term financial planning of improvements to all facilities.

Farmland property owners with more than one property in the same name, without a house, may claim a credit upon completion of a Statutory Declaration.

Stormwater Management Services

The total estimated income yield for 2023/24 is \$50,000.

- Stormwater Management Charge

The stormwater management charge of \$25 is levied under Section 496A of the Local Government Act 1993, on all occupied residential or business properties within the Yass Township. This charge reflects the cost of the provision and maintenance of the stormwater infrastructure within Yass.

Onsite Sewerage Management Services

- Onsite Sewerage Management Charge

The onsite sewerage management charge of \$35 is levied in accordance with Section 68 of the Local Government Act 1993, on all properties (rateable or non-rateable) that operate an onsite sewerage management system.

The charge makes the landowner compliant under the legislation as it constitutes an 'approval to operate' by Council. This charge reflects the cost to council to effectively manage and administer all onsite sewerage management systems operating within Yass Valley LGA.

Statement of Borrowings

Under the Local Government Act, Council is required to include details of proposed borrowings in the financial period covered by this Revenue policy.

Council has four loans which will have a balance of \$13.85M on 30 June 2023. These are for the Sewer Infrastructure, Dam Wall, Yass to Murrumbateman Water Supply, and Water Main & Pump Station Upgrades.

Following many years of discussions and planning, Council resolved at its April 2023 meeting to borrow up to \$50M for the Crago Mill Precinct project, upon approval of the development application by the Regional Planning Panel. The estimated repayment schedule has been included in the *Borrowing Costs* of the 2023/24 Operational Plan.

Fees and Charges

Council will charge a range of fees in 2023/24, as detailed within the Schedule of Fees and Charges which follow. The legislative basis for these fees may be found in Section 608 of the Local Government Act 1993 which provides that Council may charge and recover an approved fee for any service it provides, including:

- supplying a service, product, or commodity
- giving information
- providing a service in connection with the exercise of the council's regulatory functions
- including receiving an application for approval, granting an approval, making an inspection, and issuing a certificate.

Under the principle of "user pays", fees are introduced to offset the cost-of-service provision, or in the case of commercial activities to realise a reasonable rate of return on assets employed by the Council, in order to support the provision of services and to alleviate the burden that would otherwise be unfairly placed upon ratepayers.

Council has given due consideration to the following factors in determining the appropriate price for each fee:

- the cost of providing the service
- whether the goods or service are supplied under a commercial basis
- the importance of the service to the community
- the capacity of the user to pay
- the impact of the activity on public amenity
- competitive market prices

- prices dictated by legislation.

Council discloses its pricing policy by showing a pricing code against each individual fee within the Schedule of Fees and Charges, as:

- Market - Council provides a good / service in a competitive environment
- Full Cost - Council intends to fully recover direct and indirect cost of provision plus any community cost
- Partial Cost - Council intends to partially recover the costs of provision
- Legislative - Prices are dictated by legislation
- Zero - Council absorbs the full cost of delivery
- Security Deposit - Refundable deposit against possible damage to Council property.

All fees are quoted in “GST inclusive” terms, as this is the relevant price to the customer, however it should be recognised that within the schedule there are many fees that do not attract GST. These fees have either been specifically exempted by the GST legislation or have been included within the Division 81 determination as the Australian Government has deemed that the customer does not actually receive a taxable supply in consideration for the fee. The latter excludes many fees for regulatory services that are not provided within a competitive environment, and other forms of information that are provided on a non-commercial basis, in accordance with the Office of Local Government’s guidelines on competitive neutrality. These businesses set prices in line with market conditions and their results are disclosed, including tax equivalent payments and return on capital, within Council’s Annual Report.

- **Waiving, Discounting or Reducing Fees and Charges**

Section 610E of the Local Government Act 1993 allows Council to waive payment of or reduce a fee in a particular case if it is satisfied that the case falls within a category of hardship or any other category that Council has determined it may consider waiving payment or reducing a fee.

Council has determined the following categories:

Hardship - where there is evidence that the payment of the fee or charge will impose unreasonable financial hardship on the applicant given their circumstances.

Charity – where the applicant is a registered charity, and the fee is for a service that will enable the provision of charitable services to the Yass Valley community.

Not For Profit – where the following conditions all apply:

- The applicant is an organisation that holds “not for profit” status
- The fee is for a service that will enable the achievement of the applicant’s objectives and betterment for the Yass Valley community; and
- The payment of standard fees or charges would cause financial hardship for the applicant.

Commercial – where Council, or its contractor, operates a service and reduction of the fee is required to compete in the market

Non-Provision of Service – where Council is unable to provide a service or venue that has been previously agreed upon and an appropriate discount, fee waiver or substitution is required as compensation

Filming related activities – applicable fees and charges may be waived or reduced for productions completed within the LGA if undertaken by an educational institution for a non-commercial purpose, by a registered charity or not-for-profit organisation where the primary purpose is for the improvement/benefit to Yass Valley community or where the production’s primary purpose is to highlight Yass Valley as a tourist destination.

Swimming Pool Special Events – a reduction of fees is offered for community events, open days or other special or promotional events.

The following principles will be considered when applying any reduction or waiver of a fee or charge:

- Compliance with statutory requirements
- Fairness and consistency
- Integrity
- Equity and transparency
- Commercial imperatives.

Some fees or services are prescribed by legislation or are regulatory in nature and fee waiver or reduction is not available in connection with those fees.

The Council will directly, or through delegated authority, assess and make determinations on requests for reduction or waiver of fees in accordance with these principles. Council may endorse a reduction or waiver of fees and charges to organisations through Council's Financial Hardship Policy and Financial Assistance, Grants & Donations Policy.

The Schedule of Fees & Charges for 2023/24FY follows.