

1 FINANCIALS

3.1 Rating and Revenue Policy Statement 2023/2024

Council's Revenue Policy aims for:

- **Equity of application;**
- **Ease and economy of assessment; and**
- **Simplicity in understanding.**

3.1.1 Rates

Council has adopted the 3.7% general rate income increase which reflects the increase in permissible income as approved by the **Independent Pricing and Regulatory Tribunal (IPART)** for the 2023/2024 financial year. Therefore, the revenue from each of the differential categories will increase by approximately 3.7%.

Council's rating structure has differential rates for the categories of Farmland, Residential, Business and Mining properties. The Residential and Business properties have further differentials based on the different sub-categories of residential and business properties.

There are two (2) components to the rates – a Minimum Rate (or Base Rate in the case of the Farmland category) and an Ad Valorem Rate (or rate in the dollar) applied to the land valuation of the properties.

The amount of income collected from the base rate, in the case of the Farmland category cannot be more than 50% of the income collected from that category. For Council, the figure sits at around 13.25%.

Council has determined ordinary rates in accordance with Section 537 of the Act, and these are set out in the following pages. No Special Rates as per Section 552 of the Act are proposed.

Pensioner Rebates

In accordance with the mandatory pensioner concessions (under Section 575 of the Act), pensioner rebates will be granted as follows:

- 50% of ordinary rates and waste management charges up to a \$250 maximum rebate. (This is apportioned between rates and waste management charges on a pro-rata basis);
- 50% of annual water charges up to a maximum \$87.50 rebate; and
- 50% of annual sewer charges up to a maximum \$87.50 rebate.

Please refer to Council's Rates – Pensioner Concession Policy for further details.

Categorisation of land for the purposes of ordinary rates

Council determines rating categories for rating purpose in accordance with Sections 514 to 529 of the Act, and the *Local Government (General Regulation) 2005*.

The Act only allows four (4) available categories of rateable land: residential, business, farmland and mining; Council has rateable land in each of these categories. As noted within Section 514 of the Act, land falls within the “business” category if it cannot be categorised as farmland, residential or mining. The main land uses that will fall within the “business” category are commercial and industrial.

Council will use the plans approved under a development application or building application as a basis for determining the initial categorisation of a property, unless other more relevant information is available. The ratepayer will be advised through the issue of an annual or supplementary rate notice.

- **Farmland Category Definition (Section 515 of the Act)**

Land used generally for primary production. The dominant use of the land must be for the business or industry of grazing, dairying, the growing of crops or other purposes defined in the Act. 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.

- **Residential Category Definition (Section 516 of the Act)**

Land is to be categorised as residential if it is a parcel of rateable land valued as one (1) assessment and:

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

Council has further sub-categorised rateable land within this category as follows:

- Residential – Non-Urban (Land which is not within a Centre of Population);
- Residential – Deepwater;
- Residential – Emmaville;
- Residential – Glencoe;
- Residential – Red Range;
- Residential – Wellingrove; or
- Residential – Glen Innes.

- **Business Category Definition (Section 518 of the Act)**

Rateable land that cannot be categorised as either farmland or residential (Field Survey conducted in 1990).

Council has further sub-categorised rateable land within this category as follows:

- Business – Non-Urban (Land which is not within a Centre of Population);
- Business – Deepwater;
- Business – Emmaville;
- Business – Glencoe;
- Business – Red Range;
- Business – Wellingrove; or
- Business – Glen Innes.

- **Mining Category Definition (Section 517 of the Act)**

Land is to be categorised as mining if it is a parcel of rateable land valued as one (1) assessment and its dominant use is for a coal mine or metalliferous mine.

Change to Category for Rating Purpose

A review of the categorisation of land for rating purposes may arise in response to a ratepayer request (application), or because Council elects to review one (1) or a number of parcels of land because it believes that the current categorisation may be incorrect. Council may request further information and/or access to inspect the property to assist with making this determination.

Applications for “Change in Categorisation of Land for Rating purposes” must be made on the approved form that can be found on Council’s website. If approved, the change in category will take effect from the date of application or the issue date of the “Final Occupation Certificate” (which ever is most applicable), and the current year’s rates will be adjusted accordingly.

The ratepayer will be formally advised in writing of the outcome and, where applicable, will receive an annual or supplementary rates notice.

Debt Recovery and Financial Hardship

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

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

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

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

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

Payment Arrangements

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

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

Council will generally seek an arrangement whereby the overdue debt is paid within 90 days from the original due date (being the instalment due date).

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

Interest on Overdue Rates

Interest is charged on all overdue rates and annual charges in accordance with Section 566(3) of the Act. The maximum rate of interest payable on overdue rates and charges for 2022/2023 was six percent (6%). The rate for 2023/2024 remains at six percent (6%).

Ratepayers subject to genuine Financial Hardship

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

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

To address these situations, ratepayers are able to apply for consideration of extended payment terms, by completing a "Financial Hardship" application form which is available on Council's website.

Options for eligible ratepayers may include:

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

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

Financial Hardship as a result of valuation changes

Section 601 of the Act specifically caters for ratepayers who may suffer financial hardship arising from an increased rate levy due to changes in the valuation of their property.

Ratepayers in this position would also complete the "Financial Hardship Application" form, however, the evaluation of any such application will be considered in light of the valuation change and subsequent rate increase.

ESTIMATED RATE DIFFERENTIALS AND INCOME 2023/2024

SCHEDULE No. 2 (a)

CALCULATION OF THE 2023/2024 NOTIONAL GENERAL INCOME YIELD.

2023-2024 as at 1 July 2023

Particulars		No. of Assessments	Notional Land Value	Total Ad Valorem & Base Amounts	Notional General Income
Farmland Rates		1,032	1,874,776,600	3,455,780.67	3,455,780.53
Farmland					
Cents in the Dollar	0.001598345	1,032	1,874,776,600	2,996,540.53	3,455,780.53
Base Amount	445.00	1,032		459,240.00	
Percentage of Income from Base Amount				13.29%	
Residential Rates		3,844	425,223,025	4.00	3,620,810.02
Residential - Non-Urban					
Cents in the Dollar	0.004621117	592	159,083,865	735,145.15	904,489.15
Minimum Amount	588.00	288	19,081,140	169,344.00	
Residential - Deepwater					
Cents in the Dollar	0.003731300	3	1,111,000	4,145.47	121,157.47
Minimum Amount	588.00	199	12,908,000	117,012.00	
Residential - Dundee					
Cents in the Dollar	0.003147700	1	219,000	689.35	12,449.35
Minimum Amount	588.00	20	903,710	11,760.00	
Residential - Emmaville					
Cents in the Dollar	0.004569120	3	471,000	2,152.06	113,284.06
Minimum Amount	588.00	189	7,536,390	111,132.00	
Residential - Glencoe					
Cents in the Dollar	0.003293000	1	196,000	645.43	29,457.43
Minimum Amount	588.00	49	3,244,200	28,812.00	
Residential - Red Range					
Cents in the Dollar	0.004654050	1	137,000	637.60	24,157.60
Minimum Amount	588.00	40	1,948,310	23,520.00	
Residential - Wellingrove					
Cents in the Dollar	0.006704020	1	90,000	603.36	3,543.36
Minimum Amount	588.00	5	217,500	2,940.00	
Residential - Glen Innes					
Cents in the Dollar	0.010853793	2,305	214,228,410	2,325,190.86	2,409,274.86
Minimum Amount	588.00	143	3,571,400	84,084.00	
Residential - Glen Innes (Postponed)					
Cents in the Dollar	0.010853793	4	276,100	2,996.73	2,996.73
Minimum Amount	0.00	0		0.00	
Business Rates		392	52,372,150	762,072.56	762,072.55
Business - Non-Urban					
Cents in the Dollar	0.012594743	45	15,716,700	197,947.80	203,827.80
Minimum Amount	588.00	10	194,520	5,880.00	
Business - Deepwater					
Cents in the Dollar	0.005656553	4	801,000	4,530.90	22,170.90
Minimum Amount	588.00	30	1,186,190	17,640.00	
Business - Dundee					
Cents in the Dollar	0.009274432	0	0	0.00	0.00
Minimum Amount	588.00	0	0	0.00	
Business - Emmaville					
Cents in the Dollar	0.007882750	1	88,400	696.84	8,928.84
Minimum Amount	588.00	14	320,410	8,232.00	
Business - Glencoe					
Cents in the Dollar	0.006166940	2	244,200	1,505.97	3,269.97
Minimum Amount	588.00	3	130,140	1,764.00	
Business - Red Range					
Cents in the Dollar	0.022773335	1	27,300	621.71	1,797.71
Minimum Amount	588.00	2	3,180	1,176.00	
Business - Wellingrove					
Cents in the Dollar	0.041354148	1	15,000	620.31	1,208.31
Minimum Amount	588.00	1	4,900	588.00	
Business - Glen Innes					
Cents in the Dollar	0.015208463	252	33,243,400	505,581.03	520,869.03
Minimum Amount	588.00	26	396,810	15,288.00	
Mine Rates		1	27,900	341.17	341.17
Mine					
Cents in the Dollar	0.012228400	1	27,900	341.17	341.17
Minimum Amount	341.00	0	0	0.00	
Total Ad Valorem Rates		4,246	2,300,752,875	6,780,592.28	
Total Minimum Amounts		1,019	51,646,800	1,058,412.00	
Total - General Rates		5,265	2,352,399,675	7,839,004.28	7,839,004.28

Base Date of Land Valuation.

1st July, 2022

Total Rateable Land Valuation in respect of General Rates.

2,352,399,675

* Minor variations in income when multiplying the rate in the dollar by the valuation are due to rounding

ESTIMATED RATE DIFFERENTIALS AND INCOME 2023/2024 (Continued)

SCHEDULE No. 3

TOTAL PERMISSIBLE INCOME FOR 2023/24

Total Notional General Income - 2022 /2023				7,557,057
				7,557,057
Add: 2022/2023 Catch-Up / (Excess) - As per 2022/23 Rating Return				4,670
				7,561,727
				0
Rate Peg	3.70%	x	7,561,727	279,784
Permissible Income for 2023 /2024 before Catch-Up / (Excess)				7,841,510
Total Permissible General Income - 2023/ 2024				7,841,510
Less: Notional General Income Yield - 2023/2024				-7,839,004
Available Catch-up / (Excess) on and from 1st July, 2024				2,506