



2017 Revenue Policy

Document Control		Policy 249 - Revenue Policy	
Date Published	Document Control	Detail Reason for Issue or Amendments	Author / Document Owner
July 2016	250.2016.249.1	Adopted 2017 version	Responsible Accounting Officer
June 2016	0.1	Public Exhibition Copy	Responsible Accounting Officer

Contents

Introduction.....	3
Rating Policy for 2016/17	5
Categorisation of Land	5
Residential	5
Business	5
Farmland.....	5
Mining	5
Payment of Rates	5
Interest on Overdue Rates and Annual Charges	5
Pensioner Concessions	6
Bombala Region.....	7
Rates	7
Ordinary Rates.....	7
Charges	9
1. Waste.....	9
2. Stormwater.....	9
3. Water Supply	10
4. Wastewater (Sewer).....	10
Cooma Region	12
Rates	12
Ordinary Rates.....	12
Charges	14
1. Waste.....	14
1.1 Domestic Waste Collection Service (Section 496 of the Act)	14
1.2 Commercial Waste Management Charge (Section 502 and 540 of the Act).....	15
1.3 Waste Management Charges Actual Use (Section 502 of the Act)	15
1.5 Domestic Recycling Collection Charge (Section 501 of the Act).....	15
1.6 Food and Garden Organic Collection Charge (Section 501 of the Act)	16
1.7 Commercial Recycling Charge (Section 502 and 540 of the Act).....	16
1.8 Commercial Food and Garden Organic Collection Charge (Section 502 and 540 of the Act)	16
2. Stormwater.....	17
3. Water Supply	17
3.2. Water Consumption Charge	18
4. Wastewater (Sewer).....	18

2017 Revenue Policy	
5. Onsite Sewage Management System.....	20
Snowy Region	21
Rates.....	21
Snowy Region General Principle	21
Ordinary Rates.....	21
CHARGES.....	24
1. Waste	24
1.1. Waste Management Charge	24
Waste Management Charge	24
1.2. Domestic Waste Service Charges	24
1.3. Bank of Bins Charge	26
1.4. Notices	27
1.5. Replacement Bins	27
1.6. Environmental Collection Charge	27
2. Stormwater.....	28
3. Water Supply Charges	28
4. Sewer Charges	29
5. Onsite Sewage Management System	30
6. Liquid Trade Waste	33
7. Annual Charges on Rails, Pipes, etc.....	37
Short Names for Rates and Charges	37
Other Revenue Sources.....	38
GRANTS	38
CONTRIBUTIONS	38
BORROWINGS	39
Loan Borrowings.....	39
Credit Cards	39
Loan Borrowing Policy	39
Loan Liability and Borrowing Statistics.....	40
PRIVATE WORKS.....	40
SUNDRY DEBTOR ACCOUNTS	40
INTEREST	40
FEES AND CHARGES	41
Pricing Policy.....	41

Introduction

To finance the works and services which Council proposes to provide, revenue will be raised from various sources:

The following sections outline the policies to be applied to raise revenue for the year.

It is significant to note that rate pegging legislation has historically restricted rate increases below that of inflation. In Local Government this has been reflected in the move to gain efficiencies and productivity increases as a means of reducing costs on the expenditure side of the budget equation. It has also introduced a greater dependence on alternative revenue sources on the income side of the budget equation.

The 2017 IPART rate increase of 1.8% from 2016 has been included in the estimated rate income.

Council should continue to be a responsible financial manager, by taking full advantage of all income opportunities and cost reductions and maintaining balanced budgets to remain a viable operation. Over the next few years, Council's resources will be stretched to the limit to maintain current service levels. Council will be faced with some difficult decisions in terms of maintaining income in real terms, reduction in levels of service or deletion of services.

Given that Council's income from rates is limited by rate pegging to levels generally at or just below the Consumer Price Index, it is imperative to identify areas of Council's activities where user fees and charges can be applied to either fully cover the cost, or to partially cover the cost of carrying out that activity.

"Rate pegging has dampened the revenue raised from rates in New South Wales relative to other states and there seems to have been little offset from non-rates revenue sources in recent years." (Australian Government Productivity Commission – Assessing Local Government Revenue Raising Capacity – April 2008 – finding 6.4)

Movements in Consumer Price Index are not always a measure of the cost increases to Local Government, particularly in infrastructure maintenance and replacement.

"Expenditures have been rising by an average of CPI +2 to +4% per annum. This cost growth is mainly due to a combination of factors including a rising skill level required for most mid to lower level roles, stronger cost escalation in the maintenance and construction sectors as well as service escalation. The divergence between cost and revenue growth can lead to operating deficits which in turn are often partly funded by deferring some infrastructure renewals expenditure". (Price Waterhouse Coopers, National Financial Sustainability Study of Local Government, Commissioned by the Australian Local Government Association, November 2006).

"The capacity of local governments to raise revenue is important to their financial sustainability and their ability to promote the well-being of their local communities". (Australian Government Productivity Commission – Assessing Local Government Revenue Raising Capacity – April 2008).

Financial considerations:

For Council to maintain current levels of service and meet legislative requirements our existing sources and levels of income are not sufficient. Council has been raising rates at the full rate peg allowed however NSW rate pegging has meant that Council cannot raise rates income to meet the rising cost of inputs. Most of Council's major expenses are increasing at above rate peg levels per Snowy Monaro Regional Council

2017 Revenue Policy

annum and these include wages, materials (e.g. electricity, bitumen, concrete and fuel) and some contracts.

The cash reserves that are set aside for the purchase of new plant are based on the results of cash transactions and do not include the non-cash depreciation of the plant, which is approximately \$200,000 a year. The total expenditure for Plant Operations however, includes the non-cash item of depreciation.

Asset management considerations:

Ensure the asset management system is updated/maintained upon completion of each renewal/upgrade and maintenance project.

Workforce planning considerations:

Ensure that there are a core number of highly skilled staff, supplemented by contractors/ consultants if needed, to undertake and complete the core duties of Council.

Regions

Snowy Monaro Regional Council was formed on 12 May 2016 from the amalgamation of the former Bombala, Cooma-Monaro Shire and Snowy River Shire Councils as per Local Government (Council Amalgamations) Proclamation 2016. References to the Bombala, Cooma or Snowy Regions indicates the former local government area.

Rating Policy for 2016/17

The Local Government Act 1993 requires that maximum general income from rates and charges must not exceed the amount determined for the year by the Minister for Local Government under Section 506 of the Act. The Department of Local Government has advised that the rate pegging limit will be 1.8 %.

Categorisation of Land

Land valued as one assessment is rateable and must be categorised as Farmland, Residential, Mining or Business. The following is a brief explanation of these categories. For more detailed information please refer Sections 514 to 519 of the Local Government Act 1993.

Residential

Land is categorised as residential if its dominant use is for residential accommodation (but not as a hotel, motel, guesthouse or nursing home);

- it is vacant land zoned for residential purposes
- it is rural residential land

Business

Land is categorised as business if it cannot be categorised as farmland, residential or mining. The main land uses in the business category are commercial and industrial.

Farmland

Land is categorised as farmland if its dominate use is for commercial farming, e.g. Grazing, animal feedlots, dairying, pig farming, poultry farming, beekeeping, forestry, oyster or fish farming or growing crops for profit.

Rural residential land is not categorised as farmland.

Mining

Land is categorised as mining if its dominate use is for mining coal or metals.

Payment of Rates

Annual Rates are due 31 August or alternatively Ratepayers may pay their rates in four (4) instalment payments, due:- 31 August, 30 November, 28 February and 31 May. Council is required to forward instalment notices one month in advance.

For 2017, due to timing of issuing of the Annual Rates Notice as a result of the merger, the first two installments are both due on 30 November 2016.

Interest on Overdue Rates and Annual Charges

Interest is chargeable on each instalment not paid by the due date. The applicable interest is set each

Snowy Monaro Regional Council

2017 Revenue Policy

year by the Minister for Local Government. For 2016/2017 the applicable interest rate is 8% per annum.

Pensioner Concessions (Local Government Act 1993 s.582)

Pensioner Concessions available and the calculation and application of the reduction is in accord with s.575 of the Local Government Act.

Pensioners who hold the Pensioner Concession Card or who otherwise qualify, are eligible to have their rates on their sole or principal place of residence reduced by the following rebates:-

Ordinary rates and domestic waste management charge	50%
Maximum Rebate	\$250.00
Water Charges	50%
Maximum Rebate	\$87.50
Sewerage Charges	50%
Maximum Rebate	\$87.50

Bombala Region

COMMENTARY:

Future Matters that May Affect Ratepayers

Council has noted an increase in heavy vehicle usage of the road network and also anticipate that further increases in heavy traffic are likely once properties with timber plantations move into the harvesting phase of operations. Heavy vehicles contribute significantly to the deterioration of road infrastructure and Council is currently investigating the likely impact on the level of road maintenance and asset replenishment this change in land use may create. Should the changed land use result in a need for higher costs for road maintenance this would need to be recovered from the ratepayer as no other source of funding is currently available.

Rates

Ordinary Rates

The General Fund rate is raised as an ordinary rate on every rateable assessment within the former Bombala Council area.

The estimated income from ordinary rates for 2016/2017 will be \$2,346,635.00 based on an increase over last year of 1.8%.

All rateable assessments are categorised as follows:-

CATEGORY	SUB-CATEGORY
Farmland	
Residential	- Bombala
Residential	- Delegate
Residential	- Village (Bibbenluke, Cathcart & Craigie)
Residential	- General
Business	- Bombala
Business	- Delegate
Business	- Other
Business	- Golf Estate Bombala
Business	- Golf Estate Delegate
Mining	

Council's aim is to maintain the percentage of income derived from each category, which will maintain the relativity between those categories. The following table provides the details of the forecast of the Ordinary General Rates for 2016/2017 and a comparison of rate yield by category for 2015/2016:

2017 Revenue Policy

Category	Sub Category	Ad Valorem Rate in \$	Minimum Rate	Estimated Yield 2016/17	Yield 2015/16	% Income
Farmland		0.006260	\$560.90	\$1,497,965.18	\$1,471,408.56	64.01
Residential	Bombala	0.015913	\$560.90	\$411,866.66	\$404,596.51	17.64
Business	Bombala	0.021180	\$560.90	\$93,941.43	\$92,258.48	4.09
Residential	Village	0.011420	\$412.30	\$38,316.43	\$37,637.49	1.64
Residential	Delegate	0.004170	\$412.30	\$68,917.18	\$67,696.94	2.93
Residential	General	0.007141	\$560.90	\$180,915.34	\$177,722.67	7.49
Business	Delegate	0.013540	\$426.54	\$7,570.67	\$7,436.78	0.32
Business	Other	0.013540	\$560.90	\$45,506.80	\$44,701.87	1.82
Mining		0.080000	\$560.90			0.00
Business	Golf Est – Bombala	0.006620	\$560.90	\$933.42	\$916.78	0.04
Business	Golf Est - Delegate	0.006620	\$560.90	\$701.72	\$689.21	0.03
TOTAL	Estimated Yield			\$2,346,634.83	\$2,305,065.29	100.00

Charges

In accordance with Section 496, Section 501 and Section 502 of the Local Government Act, 1993 those charges which Council intends to levy for 2016/17 are as set out below.

1. Waste

Charge	2016-2017	2015-2016
Waste Management Charge	NA	NA
Domestic Waste Collection Service	\$346.00	326.00
Domestic Waste Vacant	\$159.00	150.00
Rural Waste Tip Fee	\$101.00	87.00
Trade Waste Charge (Solids)	\$384.00	362.00

Note:

- Domestic Waste Collection Service includes a recycling service and access to the Bombala Region Waste Facilities.
- For 2018, it is anticipated that there will be further changes to the Bombala Waste Fees in order to harmonise with the remainder of the Council. Prior to this there will be education and consultation with the Community.

1.1. Waste Management Charge

1.1.1. This is an annual charge levied on all rateable assessments.

1.1.2. Funds generated through this charge cover:

- Recycling Collection Points at Councils Waste Facilities
- Internal Administrative Charges
- Illegal Dumping Costs
- Management Expenses
- Education Expenses

1.1.3. This charge is billed on the annual rates and charges notice and is able to be paid by quarterly instalments.

2. Stormwater

In accordance with Section 496A of the Local Government Act, 1993 Council levy an annual Stormwater Management Charge of \$20 per annum for each parcel of rateable (occupied) land for

which the service is available within the former Bombala Council area.

3. Water Supply

Bombala Council operates a User Pays system for water consumption in Bombala and Non Rateable Government Agencies in Delegate.

Residential properties connected to the Delegate water system pay an annual access fee only.

Interest is charged on outstanding water charges. The interest rate applicable for the current year is 8%. Details of charges are below:

<u>Water</u>	<u>Access Fee 2016/17</u>	<u>Access Fee 2015/16</u>
Bombala Water Access Charge	590.00	565.00
Bombala Business Water Access Charge	590.00	565.00
Delegate Water Access Charge	452.00	433.00
Delegate Business Water Access Charge	452.00	433.00
Rural Water Access Charge	590.00	565.00
Truck Wash Water Access Charge	409.00	391.00
Non Rateable Water Bombala Access Charge	590.00	565.00
Non Rateable Water Delegate Access Charge	590.00	565.00

Usage Charges

Usage for Consumption of Water in the 2016/2017 year will be as follows:

\$1.40 per kilolitre (kl) for the first 300 kl.

\$1.90 per kilolitre for all usage over 300 kl.

4. Wastewater (Sewer)

Interest is charged on outstanding sewer charges. The interest rate applicable for the current year is 8%.

The proposed charges for sewer for 2016/17 appear as below:-

<u>Sewer</u>	<u>Access Fee 2016/17</u>	<u>Access Fee 2015/16</u>
Bombala Sewer Access – Residential	675.00	646.00
Bombala Sewer Access - Non-Res. (Standard)	649.00	621.00

Snowy Monaro Regional Council

2017 Revenue Policy

Bombala Sewer Access - Non-Res. (Non-Standard)	649.00	621.00
Delegate Sewer Access – Residential	548.00	524.00
Delegate Sewer Access - Non-Res. (Standard)	548.00	524.00
Delegate Sewer Access - Non-Res. (Non-Standard)	548.00	524.00
Liquid Trade Waste – Small*	118.00	113.00
Liquid Trade Waste – Large*	780.00	746.00

* Liquid Trade Waste is charged in accordance with Best Practice Pricing Policy

Sewer Discharge Usage Factor

	Bombala	Delegate
Sewer Volume Charge Rate / kl Water Usage	\$0.25	\$0.95
Trade Waste Volume Charge / kl Water Usage	\$0.25	\$0.95

Sewer / Trade Waste % Discharge Factor

Council applies the following % discharge factors based upon calculation of Water Accounts:

0.95	Commercial premises, not engaged in food preparation / manufacturing.
1.05	Motels / libraries.
1.25	Food premises with pre treatment traps.
1.65	Garages / fuel depots / food premises, no pre treatment.
1.75	Work depots / hospitals.
1.85	Work premises of an industrial type, no pre treatment

Cooma Region

COMMENTARY:

The former Cooma-Monaro region has, for a number of years, adopted a user pay principle in determining Rates, Charges and Fees. This philosophy aims to have those users of Council's services and facilities pay an appropriate charge. The approach has been generally accepted by the Community and Customers.

Rates

The principle is applied to the rating structure by using a combination of a base amount component and an ad valorem (Land Value) component. This structure has allowed for the development of a service benefit model. This model attempts to identify the direct benefit each rating category and subcategory receives from the services Council provides. Having identified the benefits, the current rating income streams from each category and subcategory are then determined. The model then moves the rating income streams toward the actual benefits received.

Charges

Water, wastewater and waste management charges are based solely on the user-pay principle. The reason is to provide a more equitable charging scheme that better reflects the level and cost of service.

Rates

Ordinary Rates

The rating structure includes a base component and an ad valorem component (according to land value). The base amount percentages vary for each category and sub-category.

Ad valorem amounts are calculated by applying the ad valorem rates to the rateable value of properties as determined by the Valuer-General.

The base amount is set at a level to achieve no more than 50% of ordinary rate revenue by category from this component. This limitation is required by legislation.

Council provides a pension rebate for eligible pensioners. Owners who become eligible pensioners during the year are entitled to a pro rata rebate of their rates, calculated on a quarterly basis. Rebates are also reversed on a quarterly basis when owners become ineligible for the rebate. In the event that an eligible pensioner has not claimed the pension rebate previously, Council will grant the rebate for the current year and up to maximum of 3 previous years.

Postponement of rates is available in certain circumstances, for properties used as a single dwelling but which, due to zoning or permissible use, have high land value.

2017 Revenue Policy

Council proposes to apply ordinary rates to each rateable property in the Council's area according to category.

Through a combination of the ad valorem and base amount systems, categorisation, pensioner rebates and postponed rates, Council achieves a rating structure that attempts to approximate the land owner's ability to pay.

All rateable assessments are categorised as follows:-

Category	Sub-Category
Residential	
Residential	Cooma
Business	
Business	Cooma
Farmland	
Mining	
Mining	Metalliferous

Farmland properties are not sub-categorised.

Council will levy ordinary rates for 2016/17 based on the following Ordinary Rating Schedule:

2016/2017 RATING STRUCTURE

Rating Type	Category/ Sub category	Rate in the \$	Base Amount \$	Base Amount %	Rate Yield \$'000	Local Gov Act (Section)	Basis of Categorisation or Sub Categorisation	Area Applicable
Ordinary	Residential	0.00630	214	21.7%	1,355	516	Dominant use	Cooma-Monaro Shire Council
Ordinary	Residential Cooma	0.00645	377	42.1%	2,592	516/529	Dominant use	Cooma-Monaro Shire Council
Ordinary	Farmland	0.00353	530	37.7%	1,891	515	Dominant use	Cooma-Monaro Shire Council
Ordinary	Business	0.00587	214	33.8%	45	518	Dominant use	Cooma-Monaro Shire Council
Ordinary	Business Cooma	0.01549	400	12.4%	1,121	518/529	Dominant use	Cooma-Monaro Shire Council
Ordinary	Mining	0.00587	214	0.0%	-	517	Dominant use	Cooma-Monaro Shire Council
Ordinary	Mining Metaliferous	0.01549	400	0.0%	-	517/529	Dominant use	Cooma-Monaro Shire Council

The above rate yield for ordinary rates of \$7,004,131 is based on a 1.8% increase over the 2015/16 notional yield.

The total increase in notional income is \$126,548

The percentage of rate income from each category has been varied and the Base Amount for each category has been increased by 1.8%.

The Rate in the \$ for each category has increased to take up the remaining increase in notional income.

Charges

In accordance with Section 496, Section 501 and Section 502 of the Local Government Act, 1993 those charges which Council intends to levy for 2016/17 are as set out below.

1. Waste

Charge	2016-2017	2015-2016
Waste Management Charge	\$101.00	NA
Domestic Waste Collection Service	\$233.00	\$296.00
Domestic Recycling Collection Service	\$97.00	\$88.50
Food and Garden Organic Collection Charge	\$43.00	\$42.00
Domestic Waste - Vacant	\$0	\$23
Rural Waste Management Charge	NA	\$193.60
Bunch of Bins (Per bin) at Smith's Road & Jerangle	\$95.00	\$77.27

Note:

1. Waste Management Charge – charged on all properties
2. Rural Waste Management Charge - replaced with user pays charges at the Waste Facility. Refer Schedule Fees and Charges

1.1 Domestic Waste Collection Service (Section 496 of the Act)

- 1.1.1 This charge is mandatory and applies to all rateable land where the service is available.
- 1.1.2 For the purposes of raising charges under Section 496 of the Act, in former Cooma-Monaro, Council deems a parcel of rateable land for which the service is available as being a RESIDENTIAL occupancy (house, flat, strata, attached or detached unit, etc) that is either used, or capable of being used for RESIDENTIAL purposes and is:
 - (a) located in a designated waste collection area; or
 - (b) located outside a designated waste collection area but uses the service; or
 - (c) categorised as Residential and further subcategorised as Cooma.
- 1.1.3 The annual domestic waste collection service charge in the former Cooma-Monaro for is per service/tenement (up to 120 litre). Multiple service charges will be applicable to assessments with more than one service.
- 1.1.4 This charge is billed on the annual rates and charges notice and is able to be paid by quarterly instalments. Total yield is \$676,865.

1.2 Commercial Waste Management Charge (Section 502 and 540 of the Act)

- 1.2.1 This charge will apply to the users of the Commercial Waste Service. Income increases are to be based on reasonable cost recovery in providing the service.
- 1.2.2 The Commercial Waste Management charge is based on the volume of waste collected. The charge is \$36.00 per cubic metre.
- 1.2.3 The charge is billed quarterly in arrears with a total estimated yield of \$520,433.

1.3 Waste Management Charges Actual Use (Section 502 of the Act)

- 1.3.1 This charge is to be applied to all non-rateable assessments that utilise a Council waste collection service.

Income increases are to be based on reasonable cost recovery in providing the service.
- 1.3.2 The waste management charges for non-rateable assessments, based on rating categories, are equivalent to those charges that are detailed in Sections 1.1 and 1.2.

1.4 Waste Management Charge (Section 501 of the Act)

- 1.4.1 This is an annual charge levied on all rateable assessments.
- 1.4.2 Funds generated through this charge cover:
 - Recycling Collection Points at Councils Waste Facilities
 - Internal Administrative Charges
 - Transfer Stations Operating Costs
 - Illegal Dumping Costs
 - Management Expenses
 - Education Expenses
- 1.4.3 This charge is billed on the annual rates and charges notice and is able to be paid by quarterly instalments. Total estimated yield is \$618,625

1.5 Domestic Recycling Collection Charge (Section 501 of the Act)

- 1.5.1 This charge will apply to rateable assessments categorised as Residential and applies to all rateable land where the kerbside domestic recycling service is available.
- 1.5.2 For the purpose of raising this charge under Section 501 of the Act, Council deems a parcel of rateable land for which the service is available as being a residential occupancy (house, flat, strata, attached or detached unit, etc) that is used or capable of being used for residential purposes, and is:
 - (a) located in a designated waste collection area; or
 - (b) located outside a designated waste collection area but uses the service; or
 - (c) categorised as Residential and further subcategorised as Cooma.

2017 Revenue Policy

- 1.5.3 This charge is billed on the annual rates and charges notice and able to be paid by quarterly instalments. Total yield is \$281,785.

1.6 Food and Garden Organic Collection Charge (Section 501 of the Act)

- 1.6.1 This charge will apply to rateable assessments categorised as Residential and applies to all rateable land where the food and garden organic collection service is available.
- 1.6.2 For the purpose of raising this charge under Section 501 of the Act in former Cooma-Monaro, Council deems a parcel of rateable land for which the service is available as being a residential occupancy (single dwelling house) that is used or capable of being used for residential purposes, and is:
 - (a) located in a designated waste collection area; or
 - (b) located outside a designated waste collection area but uses the service; or
 - (c) categorised as Residential and further subcategorised as Cooma.
- 1.6.3 The annual food and garden organic collection charge in former Cooma-Monaro for the 2016/17 year is \$43.00 per service.
- 1.6.4 This charge is billed on the annual rates and charges notice and able to be paid by quarterly instalments. Total yield is \$115,885.
- 1.6.5 The charge is available to multi-unit dwelling houses and strata units on an optional basis, at the same rate per unit as for single dwelling houses.

1.7 Commercial Recycling Charge (Section 502 and 540 of the Act)

- 1.7.1 This charge will apply to the users of the commercial recycling service. Income increases are to be based on reasonable cost recovery in providing the service.
- 1.7.2 The commercial recycling charge is based on the volume of recycling collected. The charge is \$25.00 per cubic metre.
- 1.7.3 The charge is billed quarterly in arrears with a total estimated yield of \$16,364.

1.8 Commercial Food and Garden Organic Collection Charge (Section 502 and 540 of the Act)

- 1.8.1 This charge will apply to the users of the commercial food and garden organic service. Income increases are to be based on reasonable cost recovery in providing the service.
- 1.8.2 The commercial food and garden organic collection charge is based on the volume of organic material collected. The charge is \$25.00 per cubic metre.
- 1.8.3 The charge is billed quarterly in arrears with a total estimated yield of \$5,200.

2. Stormwater

Council do not currently levy an annual Stormwater Management Charge in the former Cooma-Monaro Shire Council area.

3. Water Supply

Income increases are to be based on reasonable cost recovery in providing the service.

Accounts will be compiled on the basis of:

Access Charge (Section 501 of the Act)

- Business and Mining consumers
- Residential and Farmland consumers

Usage Charge (Section 502 of the Act)

- Business and Mining consumers
- Residential and Farmland consumers

3.1. Access Charge

Charge expressed in annual terms, billed on the annual rates and charges notice and able to be paid by quarterly instalments.

Residential (Per annum per occupancy)

The Access Charge for 2016/17 for Residential Categorised, Residential Cooma Subcategorised or Farmland Categorised assessments **connected** to the Water Supply system is **\$347.00**.

The Access Charge for 2016/17 for Residential Categorised, Residential Cooma Subcategorised or Farmland Categorised assessments **not connected** to the Water Supply system is **\$277.00**.

Non Residential (Per annum per connection)

The Access Charge for 2016/17 for Business Categorised, Business Cooma Subcategorised or non rateable assessments is based on meter size as follows:

Unconnected	\$277.00	40 mm	\$1,386.00
20 mm	\$347.00	50 mm	\$2,166.00
25 mm	\$541.00	80 mm	\$5,544.00
32 mm	\$887.00	100 mm	\$8,663.00

For the purpose of raising charges under section 501 of the Act, Council deems an occupancy in former Cooma-Monaro to be each house, flat, strata unit etc that is connected or unconnected to the Water Supply within the Cooma, Bredbo or Nimmitabel benefit area.

3.2. Water Consumption Charge

The consumption charge is applied to all water consumed.

Residential and Farmland

\$1.70 per kilolitre for usage less than 300kl

\$2.68 per kilolitre for usage greater than 300kl based on annual consumption.

Non residential

\$1.70 per kilolitre for all levels of usage.

Water usage charges will be billed on a water account issued three times during the year and will be deemed due 30 days after the posting day of the account. Meter readings are three times per year, generally April, August and December.

3.3. Estimated Yield of Charges

Access Charge	\$1,593,045
Consumption Charge	\$1,817,000
Total Estimate Yield	\$3,410,045

The tax equivalent requirements of the National Competition Policy have been used to determine pricing that meets full implementation of Competitive Neutrality Principles.

4. Wastewater (Sewer)

3.1 Wastewater charges will be billed on the rates and charges notice issued in July each year and will be deemed due in quarterly instalments in accordance with rating legislation.

Income increases are to be based on reasonable cost recovery in providing the service.

Charges will be issued on the basis of:

- a) A Fixed Charge (Section 501 of the Act) and issued to Business, Mining, Residential and Farmland users

3.2 **Fixed Charges** (per annum per occupancy)

Charges listed below are per annum, billed on the annual rates and charges notice and able to be paid by quarterly instalments.

2017 Revenue Policy

The Fixed Charge will be structured each year to recover annual infrastructure improvements, annual operating costs and to ensure the service is financially sustainable into the future.

The Fixed Charges for 2016/17 are detailed in the following table:

Unoccupied	\$643
Residential	\$902
Residential (non-rateable)	\$902
Non residential 1 – 100 (kl)	\$963
Non residential 101 – 200 (kl)	\$1034
Non residential 201 – 400 (kl)	\$1,540
Non residential 401 – 600 (kl)	\$1,678
Non residential 601 – 800 (kl)	\$1,837
Non residential 801 – 1000 (kl)	\$1,969
Non residential 1001 – 1200 (kl)	\$2,107
Non residential 1201 – 1400 (kl)	\$2,239
Non residential 1401 – 1600 (kl)	\$2,371
Non residential 1601 – 1800 (kl)	\$2,497
Non residential 1801 – 2000 (kl)	\$2,767
Non residential 2001 – 4000 (kl)	\$3,306
Non residential 4001 – 6000 (kl)	\$5,434
Non residential 6001 – 8000 (kl)	\$7,299
Non residential 8001 + (kl)	\$22,787

3.4 For the purpose of raising charges under section 501 of the Act in former Cooma-Monaro Council area, Council deems an occupancy to be each house, flat, strata unit etc that is connected or unconnected to the Wastewater Service within the Cooma, or Nimmitabel benefit area.

3.5 Estimated Yield of Charge

Fixed Charge \$3,905,616

3.6 The tax equivalent requirements of the National Competition Policy have been used to determine pricing that meets full implementation of Competitive Neutrality Principles.

Multi-Unit Property Discount

An owner of a property will be entitled to a discount on water and wastewater access charges if an

2017 Revenue Policy

application is submitted to Council for approval. The owner will be required to prove that the following eligibility criteria are met:

- All units are legal and considered a habitable residential unit.
- All units are serviced by ONE service line / water meter.
- All units are a studio style accommodation (one living area and separate bathroom).
- Each unit has a floor area of no more than 35m², measured as the internal area, including any internal dividing walls, bathroom, kitchen, and laundry areas which are part of the unit.
- There are 3 or more of these studio style units on the one assessment parcel.

Owners will need to apply for this discount on a two-yearly basis.

The rate of discount will be set by the Council each year as part of the review of Fees and Charges. The discount rate for the 2016/17 year is 50%.

5. Onsite Sewage Management System

Operating Approval/Renewal Charge (Section 501 of the Act)

- 4.1 This operating approval/renewal charge will apply to all onsite sewage management systems in the Cooma-Monaro Region.
- 4.2 The approval/renewal to operate charge in former Cooma-Monaro Region for the 2016/17 year is \$10.00 per annum.
- 4.3 This charge is billed on the annual rates and charges notice and able to be paid by quarterly instalments.
- 4.4 Total yield is \$16,491

Snowy Region

Rates

Snowy Region General Principle

Rates within the Former Snowy River Shire Council area are allocated across the rating categories using a combination of the service level the category receives and the ability of the category to pay as required by the Office of Local Government (OLG). This provides a fair and equitable method in determining rate spread.

In doing so, Council adopts a user pays based system for determining the allocation of rates across the six categories and sub-categories of Residential, Rural Residential, Business, Business Electricity, Farmland and Mining. The Benefits each category obtains from each Council Program is calculated and Land values are then used to consider the ability of the category to pay in determining the final rate allocation. An adjustment is then applied to Business in recognition of the need for the Snowy Region to provide increased infrastructure as a result of peak winter tourism. This in turn has been spread as a decrease between other Categories.

Category / Subcategory	Residential	Residential Rural	Business	Farmland	Total
Benefit	61.38%	9.17%	11.88%	17.57%	100.00%
Land Value	47.24%	8.70%	11.92%	32.14%	100.00%
Average	54.31%	8.94%	11.90%	24.85%	100.00%
Adjustment	-4.31%	-0.44%	6.10%	-1.35%	0.00%
% Yield	50.00%	8.50%	18.00%	23.50%	100.00%

Category / Subcategory	Residential	Residential Rural	Business	Farmland	Total
No. assessments	4,072	467	478	910	5,927
%	68.70%	7.88%	8.06%	15.36%	100.00%
Land Values	400,891,820	73,848,850	101,168,309	272,665,380	848,574,359
%	47.24%	8.70%	11.92%	32.14%	100.00%

Ordinary Rates

In accordance with Section 405 of the Local Government Act 1993 the following ordinary rates are proposed for the 2017 financial year.

Under Rate Pegging, IPART approved a 1.8% increase for 2017.

2017 Revenue Policy

The 2017 Total Estimated Yield has increased by 2.57% from 2016 Rates Levy as based on the IPART levy increase and adjusted for any effective changes in numbers and valuations of rateable properties. For 2017 the Emergency Service and Jindabyne Beautification Special charges has been removed. The revenue derived from these charges has been absorbed into the general rates.

The 2017 rates are structured so that in total General Rates from the Business rating category raises 18.00% of the total rates revenue. Approximately 58.50% is raised from the total Residential rating category and 23.50 % from the total Farmland rating category. The Ad Valorem rates are calculated accordingly. The proportion of revenue raised from each category has taken into account the Land revaluation first used in 2014.

The total estimated Rates to be raised are \$5,801,580 as itemised below:

Total Estimated Yield	2017	2016 Rates Levy	% Increase
General Rates	5,801,580	5,458,235	5.9%
Emergency Services Levy	0	210,524	
Jindabyne Beautification Levy	0	59,127	
Total Estimated Yield	5,801,580	5,656,011	2.57%
Less Internal Rates & Levies	TBD	-77,259	
Net Estimated Yield	5,801,580	5,578,752	

All rateable assessments are categorised as follows:-

Category	Sub-Category
Residential	General
Residential	Rural
Business	General
Business	Electricity Generation
Farmland	
Mining	

Sub categorization s made according to the following definitions

Rural Residential

Council proposes to continue to sub-categorise the Residential Category under S.529 of the Local Government Act 1993.

The sub-category is named 'Residential - Rural' and applies in the following circumstances:

- the parcel of rateable land is not less than 2 hectares and not more than 40 hectares in area
- the parcel of rateable land has a dwelling

Snowy Monaro Regional Council

2017 Revenue Policy

- the parcel of rateable land does not have a significant and substantial commercial purpose or character

Business Electricity Generation

Council proposes to continue to sub-categorise the Business Category under S.529 of the Local Government Act 1993.

The sub-category is named 'Business - Electricity Generation' and applies in the following circumstances:

- the parcel of rateable land that is used for the purposes of Business Electricity Generation
- the parcel of rateable land that is under the high water mark

Council will levy ordinary rates for 2016/17 based on the following Ordinary Rating Schedule

2017 Rates Estimates - General Rates				1.8% increase in Minimum				
Rate	Category	Sub Category	Minimum	Ad Valorem Rate in \$	%	2017 Yield	Council Rates	Net Yield
Ordinary	Residential	General	548.65	0.00537090	50.00%	2,900,791		2,900,791
Ordinary	Residential	Rural Residential	548.65	0.00652404	8.50%	493,134		493,134
Ordinary	Business	General	548.65	0.01084131	11.00%	638,174		638,174
Ordinary	Business	Business - Electricity	548.65	0.00844800	7.00%	406,110		406,110
Ordinary	Farmland	General	548.65	0.00489476	23.50%	1,363,371		1,363,371
Ordinary	Mining	General	548.65	0.01084131	0.0%			
Total Estimated Yield from General Rates					100%	5,801,580		5,801,580

CHARGES

In accordance with Section 496, Section 501 and Section 502 of the Local Government Act, 1993 those charges which Council intends to levy for 2016/17 are as set out below.

1. Waste

Charge	2016-2017	2015-2016
Waste Management Charge	\$101.00	101.00
Domestic Waste Collection Service	\$233.00	240.00
Domestic Recycling Collection Service	\$97.00	92.00
Domestic Waste - Vacant	\$0	\$0
Bank of Bins Waste and Recycling Charge	\$200.00	192.00
Wheel In / Wheel Out Bin Service *	NA	125.00

* The Wheel In / Wheel Out Bin Service is only available to eligible disabled or elderly pensioners and is provided free of charge.

1.1. Waste Management Charge

In accordance with Section 501 of the Local Government Act 1993 the following charges have been made for the 2017 Financial Year and are charged per Assessment.

Charge per Assessment:	2017	2016
Waste Management Charge	\$101.00	\$101.00
Total Yield	\$629,634	\$596,506

Definitions

Waste Management Charge is an annual charge levied on all rateable assessments. Funds generated through this charge cover:

- Recycling Collection Points at Councils Waste Facilities
- Internal Administrative Charges
- Illegal Dumping Costs
- Management Expenses
- Education Expenses

1.2. Domestic Waste Service Charges

In accordance with Section 496 of the Local Government Act 1993, Council levies annual charges for Snowy Monaro Regional Council

2017 Revenue Policy

the domestic waste service. The service includes the weekly collection of domestic waste, including a fortnightly recycling service.

These fees are exempt from GST

Charges per service per annum:	2017 Yield	2017 Charge	2016 Yield	2016 Charge
Domestic Waste Collection Service	\$831,250	\$233.00	\$790,800	\$240.00
Domestic Recycling Collection Service	\$339,694	\$97.00	\$335,800	\$92.00
Total Yield	\$1,170,944		\$1,126,600	

Definitions

Domestic Waste (as per Local Government Act 1993) means waste on domestic premises of kind and quantity ordinarily generated on domestic premises and includes waste that may be recycled, but does not include sewage.

Domestic Waste Collection Services (as per Local Government Act 1993) means services comprising the periodic collection of domestic waste from individual parcels of rateable land and services that are associated with those services.

What services are not considered domestic waste collection services (as per Department of Local Government Council Rating and Revenue Manual 2005)?

The clear intention of the Act is that council household garbage services are to be funded by specific annual charges made and levied for that purpose. The council is expressly prevented from applying income from an ordinary rate towards the cost of providing domestic waste management services (s.504) and from making a special rate for the cost of such services (s.495).

The following are some examples of services **not** considered to be "domestic waste collection services" and should not be confused as such:

- providing landowner access to council tipping sites and rural depots or any related activities of the Council (even though some of the waste received may be of a "domestic" nature);
- the removal or treatment etc, of any waste being the by-product of business, commercial, industrial or any other non-domestic activities;
- the removal of any kind of waste from business, commercial, industrial or any other non-domestic premises (regardless that the waste may comprise materials similar to domestic waste).

A Domestic Waste Collection Service (as per Council definitions) for all residents is defined as the periodic collection of one Council approved garbage receptacle (up to and including 240L Mobile Garbage Bin) per residential dwelling per week to all parcels of rateable land that receive the service.

Domestic Waste (as per Council definitions) is defined as waste and recycling that is generated from the day to day running of a residential household.

Domestic waste does not include construction or demolition waste, mattresses, tyres, computer monitors/televisions, batteries, ski/snowboarding and/or sporting equipment . For prices on above products refer to Waste in Council's Schedule of Fees and Charges.

2017 Revenue Policy

Council will only collect bins that have been issued by Council.

A Domestic Waste Collection Service Charge will apply to each separate liveable dwelling upon visual inspection. Should Council discover that the property is not approved for multiple occupancy an additional waste charge will still be levied and details of the property will be provided to Councils Regulations & Compliance unit for further investigation and action.

Multiple Unit Blocks that utilise other Commercial Waste Collection Services other than Domestic Waste Collection Services

Domestic multiple unit dwellings of six or more strata titled and managed units that reside in Snowy River Shire and utilise Commercial Waste collection services other than the standard Domestic Waste Collection Service will be levied the Domestic Recycling Collection Service and receive monthly commercial waste collection invoices.

Commercial Waste Collection Service (as per Council definitions) is the kerbside waste collection service offered to multiple unit blocks (see above definition) and businesses within former Snowy River Shire. Waste accepted in this collection arises mainly from domestic but also commercial services and facilities. It must not contain hazardous waste, radioactive waste, construction, demolition or refurbishment waste (including bricks, tiles, concrete, tiles and ceramics, steel).

Commercial waste can be defined as any waste generated as a result of carrying out a business, including rubbish produced by customers (food wrappers and containers).

Note: Waste and Environment Levy

The [Protection of the Environment Operations Act 1997 \(POEO Act\)](#) requires certain licensed waste facilities in NSW to pay a contribution for each tonne of waste received at the facility. The levy aims to reduce the amount of waste being land filled and promote recycling and resource recovery.

At this time, the former Snowy River Shire does not pay a Waste Levy, which presently applies to licensed waste facilities in the regulated area of NSW, which comprises the Sydney Metropolitan Area, the Illawarra and Hunter regions, the central and north coast local government areas to the Queensland border as well as the Blue Mountains, Wingecarribee and Wollondilly local government areas.

The levy is applied to the weight of material taken into any of Councils waste facilities and in 2015-16, the levy is estimated to be approximately \$120 per tonne.

Should the area of coverage designated by the NSW EPA be extended to include former Snowy River Shire, it will be necessary for Waste Charges to be reviewed to cover the introduction of this levy.

1.3. Bank of Bins Charge

In accordance with s.501 and s.502 of the Local Government Act 1993.

	2017	2016
Bank of Bins Charge	\$200.00	\$192.00

The Bank of Bins charge will be added to eligible residents' rates as an annual charge upon application from the resident. Council will issue the resident with a key to access the bank of bins. A key deposit is required.

2017 Revenue Policy

Use of the Bank of Bins is strictly limited to the disposal of household waste and recycling only. No other materials such as building waste, batteries etc. are to be placed in the Bank of Bins facility. (See 3.1.1 for definition of domestic waste and recycling)

1.4. Notices

Order 22 – Store/treat/process of waste on land

Where waste is dumped in a bank of bins enclosure; where recycling bins are continually contaminated, waste is present or generated on the land or premises and is not being dealt with satisfactorily.

Order 27 – Removal of an object/matter from a public place

Where bins are not returned to the property but constantly left on the street once they have been serviced.

Any matter found to be in breach of order 22 and/or order 27 will be referred to Councils Regulation and Compliance Unit.

1.5. Replacement Bins

Damaged/Lost/Stolen bins and their replacement

It is the responsibility of residents and commercial customers to look after their bins. If a bin goes missing it is up to the resident/business owner to find it. Each bin has a unique serial number and chip number which can be provided to assist with finding the missing bin.

If the missing bin is not found it needs to be replaced at the cost of the resident/business owner.

If the missing bin is found after the resident has paid for a replacement Council will refund the replacement cost and collect the replacement bin.

Any waste and recycling bins that are damaged by residents, tenants, or business owners will need to be replaced at the cost of the resident/business owner. Damage may include, but is not limited to, melting with hot ash, private vehicular damage etc.

Replacement bin costs are specified in the Schedule of Fees and Charges.

Council must be contacted to arrange payment. Council may not deliver the replacement bin until payment has been received.

1.6. Environmental Collection Charge

Additional emptying of domestic waste and recycling bins to avoid environmental damage

To tackle the issue of bins and overfull bins being placed out on non-collection days, Council has been doing enforcement to try to educate residents not to put them out early and bring them in.

The main issue is when the bin is placed out full either on the wrong day and or week in the recycling case, and then they are left there full until collection. Whilst enforcement may result in a fine, the problem of the waste/recycling in the bin being blown over taking many hours for Council staff to clean up.

To resolve this potential environmental issue, waste staff will empty bins that have been put out early/left out before the contents spill into the environment. This additional 'environmental' collection

2017 Revenue Policy

will be charged to the owner.

Any resident that places a waste or recycling bin out for collection on the wrong collection day which can cause an environmental threat of the contents escaping, at the determination of the waste collection staff, that needs to be emptied, will be emptied and charges as per the Schedule of Fees and Charges will be billed to the owner.

The details of the bin will be sent to compliance for follow up action.

2. Stormwater

Council do not currently levy an annual Stormwater Management Charge in the former Snowy River Shire Council area.

3. Water Supply Charges

Estimated Yield of Charges

	2017	2016
Residential	\$1,992,000	\$2,233,796
Non-Residential	\$1,116,000	\$1,046,640
Total Yield	\$3,108,000	\$3,280,436

Council implemented a new pricing structure in 2012 which aims to comply with Best Practice. In accordance with s.404 and s.501 of the Local Government Act 1993 the following charges apply.

Residential

	2017	2016
Annual Access Charge	\$372.00	\$363.00

Usage Charges	2017	2016
Step 1 – Up to 100 kl per billing period	\$2.36	\$2.30
Step 2 - Over 100 kl per billing period	\$3.59	\$3.50

Non Residential

Annual									
Meter Size	20	25	32	40	50	65	80	100	150
2017	\$ 372	\$ 579	\$ 951	\$1,485	\$2,322	\$3,921	\$5,943	\$9,285	\$20,889
2016	\$ 363	\$ 567	\$ 929	\$ 1,452	\$ 2,269	\$ 3,834	\$ 5,808	\$9,075	\$20,419

2017 Revenue Policy

Usage Charges	2017	2016
Step 1 – Up to 100 kl per billing period	\$2.36	\$2.30
Step 2 - Over 100 kl per billing period	\$3.59	\$3.50

Annual Access Charge is a charged proportionately over each billing period.

Usage Charges are a two step charge based on periodic metered water consumption. The second step charge shall apply for all water used above 100kl per billing period. This allowance of 100kl will apply to all properties paying access charges.

Billing of strata units (Policy)

Council has a system of direct billing to strata unit owners in circumstances where units are separately metered for water consumption.

Tri-annual Billing (Policy)

Council has a system tri-annual billing. The tri-annual periods commence in June, October and February.

4. Sewer Charges

Estimated Yield of Charges

	2017	2016
Residential	\$2,669,000	\$2,676,870
Non-Residential	\$775,000	\$957,096
Total Yield	\$3,444,000	\$3,635,982

Residential

In accordance with s.404 and s.501 of the Local Government Act 1993 the following charges apply for the 2016/17 financial year:

	2017	2016
Annual Access Charge	\$954.00	\$930.00

Usage Charges	Nil
----------------------	-----

Non Residential

In accordance with s.404 and s.501 of the Local Government Act 1993 the following charges apply for the 2016/17 financial year:

Snowy Monaro Regional Council

Annual Access Charge									
Meter Size	20	25	32	40	50	65	80	100	150
2017	\$891	\$1,389	\$2,277	\$3,561	\$5,562	\$9,399	\$14,241	\$22,251	\$50,064
2016	\$870	\$1,359	\$2,227	\$3,480	\$5,437	\$9,189	\$13,920	\$21,750	\$48,937

Usage Charges per kl									
Meter Size	20	25	32	40	50	65	80	100	150
2017	3.23	3.23	3.23	3.23	3.23	3.23	3.23	3.23	3.23
2016	3.15	3.15	3.15	3.15	3.15	3.15	3.15	3.15	3.15
Discharge Factor *	0.75	0.75	0.75	0.6	0.6	0.6	0.6	0.6	0.6

* Discharge Factor applies where reading is taken from a Water Meter.
Where reading is taken directly from a Sewer Meter, no discharge factor applies.

Annual Access Charge:

For Residential the Usage Charge is a flat charge.
For Non Residential is calculated based on the meter size.

Usage Charges:

For Residential the Usage Charge is Nil.
For Non Residential the Usage Charge will be based on the Water meter readings multiplied by the discharge factor according to the meter size. For sewer meters the discharge factor for usage will not apply.

Policy - Billing of strata units

Council has a system of direct billing to strata unit owners in circumstances where units are separately metered for water consumption.

Policy - Tri-annual Billing

Council has a system of tri-annual billing. The tri-annual periods commence in June, October and February.

5. Onsite Sewage Management System

Properties that have an Onsite Sewage System Management (OSSM) (e.g. septic tank, aerobic and worm systems) pay an annual management fee. This fee will be listed on your Annual Rates & Charges Notice as a single bill.

It should be noted that the program is still being subsidised from the general rate, on the basis of it being recognised that some benefits of the program accrue to the wider community.

2017 Revenue Policy

In accordance with Section 501 of the Local Government Act 1993 the following charges apply for the 2017 financial year.

Onsite Sewage Management Systems.	2017	2016
<i>Annual charge under section 501 of the Local Government Act – charged on annual rate notice.</i>		
Management of Onsite Sewage Systems Charge		
High risk Non-Domestic		
Up to 2 systems	\$445.00	\$426.00
Management of Onsite Sewage Systems Charge		
High risk Non-Domestic		
3 to 5 systems	\$900.00	\$852.00
Management of Onsite Sewage Systems Charge		
High risk Non-Domestic		
6 or more systems	\$2,680.00	\$2,555.00
Management of Onsite Sewage Systems Charge		
High risk- Domestic		
Up to 2 systems	\$115.00	\$110.00
Management of Onsite Sewage Systems Charge		
High risk- Domestic		
3 to 5 systems	\$345.00	\$330.00
Management of Onsite Sewage Systems Charge		
High risk- Domestic		
6 or more systems	\$700.00	\$660.00
Management of Onsite Sewage Systems Charge		
Low risk Non-Domestic		
Up to 2 systems	\$100.00	\$97.00
Management of Onsite Sewage Systems Charge		
Low risk Non-Domestic		
3 to 5 systems	\$300.00	\$291.00
Management of Onsite Sewage Systems Charge		
Low risk Non-Domestic		
6 or more systems	\$600.00	\$580.00
Management of Onsite Sewage Systems Charge		

2017 Revenue Policy

Low risk- Domestic		
Up to 2 systems	\$50.00	\$48.00
Management of Onsite Sewage Systems Charge		
Low risk- Domestic		
3 to 5 systems	\$150.00	\$145.00
Management of Onsite Sewage Systems Charge		
Low risk- Domestic		
6 or more systems	\$300.00	\$290.00

The Onsite Sewage System Management fee:

- Includes a contribution towards the cost of monitoring (i.e. conducting surveys and inspections of OSSMs, as often as necessary and according to the risk to the environment from each OSSM). Ongoing monitoring is required to identify defective systems that potentially threaten public health or the environment.
- Includes a contribution towards the cost for the provision of educational and general advice to owners and operators of OSSMs.
- Includes a contribution towards the cost of maintaining currency of owners and systems in Council's databases.
- Provides for the replacement of the need for periodic renewal of approval fees.
- Provides for the replacement of the need for periodic 30 day invoices of inspection fees.

Under the Local Government Act 1993 a person who operates an Onsite Sewage System is required to hold a periodic approval. Approvals are granted depending on the risk to public health and the environment should the system not be operated correctly. Many factors are taken into consideration in assessing the risk category: including the allotment size, soil type and soakage capacity, the type of system, the proximity of water catchments, bores and dams etc.

Consideration of whether the system is used for domestic or non-domestic purposes is an additional very important factor. Non-domestic systems are generally bigger and more complex, often with periodic or intermittent use and greater numbers of people using them making them more prone to failure during peak usage periods if not maintained in good working order.

Background Information

Following the Wallis Lake hepatitis outbreak 1997, the State Government introduced amendments to the Local Government Act making it an obligation for councils to better supervise septic installations and other on-site sewage management facilities.

Council is obliged to require the owners of non-sewered parcels of land with toilets or other sanitary plumbing to seek an 'approval to operate' OSSMs whereas previously only an initial 'approval to install' the system was required.

A program was commenced in 2002 in former Snowy River Shire that included the registering and Snowy Monaro Regional Council

2017 Revenue Policy

surveying of all systems, confirmation of the risk category and ensuring defective systems were brought up to standard. The initial assessment determined the renewal of the approval to operate the system and any ongoing monitoring required.

Council introduced the fee, based on the risk to public health and the environment, to be charged to the owners of OSSM's so as to more equitably spread the cost of meeting the continuing obligations under the Local Government Act 1993 and associated Regulations.

The fee paid enables the initial field surveys to be completed and provides advice to the owners of systems without further charge. It covers renewals of on-site sewage management approvals to operate which lapse periodically between 1 and 9 years.

Recent amendments to the Local Government Act permit a charge to be levied with rate assessments for work associated with on-site sewage management.

The charge outlined above does not cover the initial approval to install or operate a sewage management system, transfer of approval to operate - when a new owner takes over a system, reinspection fees required if a system requires review, consulting fees, or administration fees applicable to any notices that may have been issued.

6. Liquid Trade Waste

Fees and charges are broken into two components:

1. Management of Liquid Trade Waste Fees = annualised charge on rates notice that includes: application for approval to discharge, administrative and monitoring costs. Note: Sampling costs are charged on an as needs basis post sampling.
2. LTW usage charges = $Q \times \text{Cost per kilolitre}$ where Q is the actual volume discharged to sewer and is charged on the water bill.

In accordance with the Local Government Act 1993 the following charges apply for the 2017 financial year.

Summary of charging Categories where fees and services as applicable

<i>Annual charge under section 501 of the Local Government Act 1993 – charged on annual rate notice.</i>	2017	2016
<i>Classification "A" "Charging Category 1 – Low Risk Dischargers with nil or minimal pre-treatment.</i> Management Charge	\$215.00	\$207.00

2017 Revenue Policy

<p><i>Classification "B" Charging Category 1 –</i> Low Risk Dischargers requiring pre - treatment. Management Charge</p>	\$240.00	\$230.00
<p><i>Classification "A" Charging Category 2 –</i> Medium Risk Dischargers with prescribed pre-treatment. Management Charge</p>	\$845.00	\$805.00
<p><i>Classification "B" Charging Category 2 –</i> Medium Risk Dischargers with prescribed pre-treatment. Management Charge</p>	\$845.00	\$805.00
<p><i>Classification "S" Charging category 2 –</i> Dischargers of Chemical Toilet Waste. Management Charge</p>	\$90.00	\$87.00
<p><i>Classification "C" Charging Category 3 –</i> High risk/Industrial /Large Dischargers (Complex or specialised pre - treatment equipment). Management Charge.</p>	\$1,675.00	\$1,675.00

Under the Section 501 of the Local Government Act 1993 and associated Liquid Trade Waste Regulation Guidelines 2009 (The Guidelines) a person that discharges Liquid Trade Waste (LTW) into a Sewage System is required to hold a periodic approval, undergo routine monitoring and to pay a discharge fee according to the category and class of the discharge.

The Guidelines set out Classifications and Categories (figure1) and provide the guiding criteria for the raising of fees and charges. Each premises is allocated a Category and Class based on the pollutant load, impact on the sewerage system, and cost of ongoing management and monitoring. Owners pay an annual management fee based on the allocated class and category, together with an annual usage fee based on a percentage of water usage. The management fee will be listed on your Rates Notice, with the annual usage fee included on your water bill.

The LTW management fee:

- Includes a contribution towards the cost of monitoring (i.e. conducting surveys and monitoring of LTW, as often as necessary and according to the risk category);
- Includes a contribution towards the cost for the provision of educational and general advice to owners and operators of LTW;
- Includes a contribution towards the cost of maintaining currency of owners and systems in Council's databases;
- Provides for the replacement of the need for periodic renewal of approval fees;
- Provides for the replacement of the need for periodic 30 day invoices of inspection fees.

2017 Revenue Policy

Council has a number of statutory responsibilities for the approval of LTW discharged to the sewerage system under the Local Government Act 1993. Council obligations include risk management, cost recovery, approvals, monitoring and ensuring license conditions of the Sewerage Treatment Plant are met. Sewer systems are generally designed to cater for domestic waste and LTW may exert greater demands on sewer and sewage treatment plant. Management of liquid trade waste is required to:

- Protect community assets, e.g. sewer mains, pumping stations and sewage treatment facilities from damage by trade waste;
- Protect the environment - some substances, such as metals or pesticides may pass through the treatment facility unchanged and accumulate in the environment. Other substances may adversely affect the biological processes and the quality of the treated effluent and biosolids;
- Protect public and worker health and safety - people working in and around the sewerage system can be harmed if toxic substances are discharged into the sewer.

The former Snowy River Shire adopted a Policy for LTW Management in 2010 (available on the Council website) outlining requirements and procedures for the management of LTW within the Shire. Management of LTW is overseen by the NSW Office of Water (NOW, formerly Dept. of Water and Energy – DWE) and is in accordance with the **Liquid Trade Waste Regulation Guidelines 2009** and **Best Practice Management of Water Supply and Sewerage Guidelines May 2007**.

The primary reason for allocating a management fee is to allow Council to prioritise resources and materials towards the LTW dischargers who pose the highest risk to the sewerage systems and the environment.

The fee also ensures a fair and equitable assessment is made for each LTW discharger. The higher the risk rating, the more frequent the monitoring, surveys, inspections and sampling will be. The method used for calculating the risk of a business to the sewerage system is prescribed by the Liquid Trade Waste Regulation Guidelines 2009.

The fee outlined does not cover the cost of laboratory testing, re-inspection fees as required, consulting fees, or administration fees applicable to any notices that may have been issued.

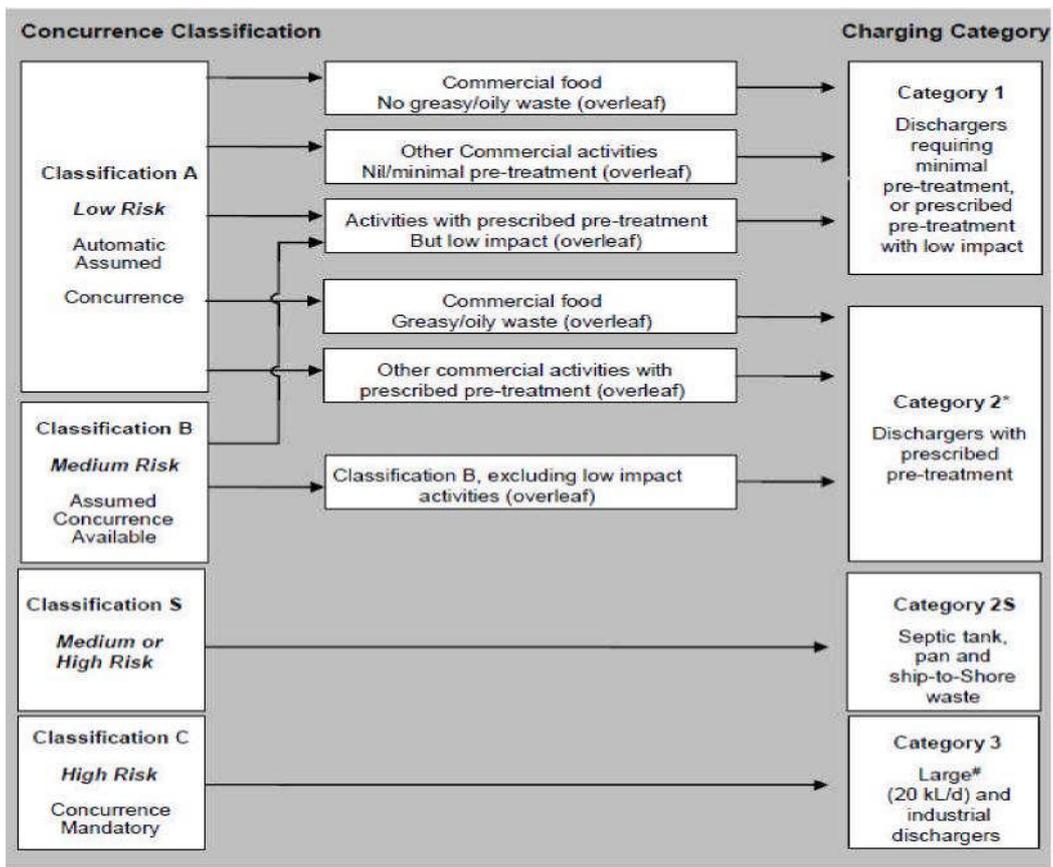


Figure 1 Classification and Charging Categories for Liquid Trade Waste as per Liquid Trade Waste Regulation Guidelines 2009.

Further information regarding Categories and Classifications is provided in Council Policy EOS 0024 (Snowy Region) Liquid Trade Waste Policy Schedule 1, 2 & 3.

CHARGING CATEGORY	1	2	2S	3
APPLICATION FEE	Yes	Yes	Yes	Yes
ANNUAL TRADE WASTE FEE	Yes	Yes	Yes	Yes
RE-INSPECTION FEE (when required)	Yes	Yes	Yes	Yes
TRADE WASTE USAGE CHARGE/kL	No	Yes	No	No
SEPTIC WASTE DISPOSAL CHARGE	No	No	Yes	No
EXCESS MASS CHARGES/kg	No	No	No	Yes
NON-COMPLIANCE TRADE WASTE USAGE CHARGE/kL	Yes	Yes	No	No
NON-COMPLIANCE EXCESS MASS/kg and pH CHARGES/kL (if required)	No	No	No	Yes
NON-COMPLIANCE PENALTY (if required)	Yes	Yes	Yes	Yes

7. Annual Charges on Rails, Pipes, etc.

In accordance with the provisions of s.611 of the Local Government Act 1993 Council may make an Annual Charge for any rail, pipe, wire, pole, cable, tunnel or structure laid, erected, suspended, constructed or placed on, under or over a public place.

The annual charge for 2017 shall be:

1. Under a public place \$742 per kilometre
2. On or over a public place \$154 per pole or structure

Short Names for Rates and Charges

In accordance with the provisions of s.543 of the Local Government Act 1993, the short names for the 2017 rates and charges are as follows:

The Short name for Ordinary Rates for each category will be:

- Farmland
- Residential
- Rural Residential
- Business
- Business Electricity Generation
- Mining

The Short names for the Domestic Waste Service Charges are:

- Domestic Waste Collection Charge
- Domestic Recycling Collection Charge

The Short names for Waste Management Charges are:

- Waste Management Charge
- Bank of Bins

The Short names for Water Charges are:

- Access Charge
- Usage Charge

The Short names for Sewer Charges are:

- Access Charge
- Usage Charge

The Short name for Liquid Trade Waste recovered through the Sewerage system is:

- LTW

The Short name for On-Site Sewerage Management systems that allow on-site disposal of effluent is:

- OSSM

Other Revenue Sources

GRANTS

Grant funding represents a major source of Council's revenue. A total of approximately \$42 million is expected to be received from operating and capital Grants.

Sources include:

Grants	Value
Merger Funding	\$20,000,000
Financial Assistance Grants (FAG) - General	\$6,025,879
Financial Assistance Grants (FAG) - Roads	\$2,588,826
Roads	\$7,192,812
Residential Aged Care	\$1,757,500
Community Services	\$2,021,895
Noxious Weeds	\$265,793
Fire & Emergency	\$870,542
Library	\$127,000
Boco Rock Community Contributions	\$190,000
Various Other	\$305,023
Waste	\$66,724
Water	\$73,113
Sewer	\$565,785
	<u><u>\$42,050,892</u></u>

CONTRIBUTIONS

Council obtains contributions to capital works from developers under s.94 of the Environmental Planning and Assessment Act and s.64 of the Local Government Act (Water Supply and Sewerage Services).

The budgeted income from developer's contributions for 2017:

Developer Contributions - General	\$62,650
Developer Contributions - Water	\$85,000
Developer Contributions - Sewer	\$59,000
Developer Contributions - Waste	\$10,000
	<u><u>\$216,650</u></u>

Full details of the contributions applicable are contained in the Developer Contribution Plans and the Developer Servicing Plans of each of the former Councils.

BORROWINGS

Loan Borrowings

Statement of Amounts of any Proposed Borrowings for 2017

(Section 621-624, Local Government Act 1993 & Clause 230 Local Government (General) Regulations 2005)

Council will continue the use of a leasing facility to acquire and/or renew information technology equipment from both the Master Leasing Agreement arrangements under State Government Contract and Macquarie Leasing facility.

Application has been made to borrow and re-borrow from time to time through an overdraft facility with an approved banking services provider. At present Council has a maximum overdraft of \$300,000 from the Westpac Bank and Nil from the National Australia Bank (NAB).

Credit Cards

Council also uses credit cards for the purchase of supplies by approved staff with individual card limits of between \$2,000 and \$15,000, with a total maximum limit of \$97,000. At present council have 22 credit cards.

Loan Borrowing Policy

Any new borrowings must be in accordance with the Clause 230 Local Government (General) Regulations 2005 and under s.624 of the Local Government Act 1993 which imposes restrictions on borrowings by councils.

Any new external loan borrowings must have regard to:

- Self funding ability
- Interest Rates
- Alternative finance options
- Statutory loan borrowing limits
- Asset management principles
- Net debt service cost
- Long term debt reductions

The Council may borrow and re-borrow from time to time by way of overdraft from a bank.

Repayment of any money borrowed by way of external loan and payment of interest on that borrowed, shall be secured by the granting to the lender of a charge on the income of the Council.

Loan Liability and Borrowing Statistics

Financial Year	New Borrowing Limit (excluding renewal loans)	Actual New Borrowing (excluding renewal loans)	Total Principal Outstanding	Net Debt Service Cost as a percentage of Operating Revenue
2016 (12/5/16)	\$1,000,000		\$5,099,824	
2017 *	\$350,000			

* Proposed borrowings for expenditure within the Bombala Region

PRIVATE WORKS

Private Works are undertaken in accord with the provisions of the Local Government Act 1993. All private works are charged at full cost plus the following margin:

20% on Full Cost of the Works plus GST

The Full Cost includes the following On-cost allocations:

Wages and Salaries	40%
Materials	30%

20% on Full Cost of the works (excluding plant, which is charged as per Schedule of Fees & Charges)
Minimum Charge on Account \$50.00

SUNDRY DEBTOR ACCOUNTS

Sundry Debtor Account terms are 14 Days from date of Invoice.

Overdue accounts encounter Interest and an Overdue Reminder Notice Fee (as per the Schedule of Fees & Charges).

INTEREST

Interest on overdue accounts (including Rates, Annual Charges, Waste Management, Domestic Waste Management, Water and Sewer) shall be set in accordance with Section 566 (3) of the Local Government Act 1993, applying the maximum rate of interest payable as determined by the Minister for Local Government. This rate of interest will also apply to Sundry Debtor Accounts.

The interest rate for the 2016/17 year is 8.0% (2015/16 - 8.5%). This is a simple interest rate per annum calculated daily.

FEES AND CHARGES

Council levies fees in accordance with s.608 of the Local Government Act 1993. Council may charge a fee for any service it provides. The purpose of raising these fees is to recover, or assist the Council in recovering, the cost of providing these services.

Pricing Policy

Fees are substantially based on the user pay principle; however, there is recognition of people's ability to pay, where Community Service Obligations (CSO) are identified. These services with CSOs are cross subsidised for the common good of the community.

When setting the Fees and Charges the following was taken into consideration, as per s.610D:

- the cost to the council of providing the service,
- the price suggested for that service by any relevant industry body or in any schedule of charges published, from time to time, by the Department,
- the importance of the service to the community,
- any factors specified in the regulations

Schedule of Fees and Charges

All fees and charges for 2017 are set out in the accompanying Schedule of Fees and Charges and relate to the period 1 August 2016 to 30 June 2017.

The Schedule of Fees and Charges should be read in conjunction with the Revenue Policy.

The General Manager has delegated authority to vary the non-legislated fees upon request.

GST

GST is charged in accordance with the most up to date information from the Australian Taxation Office. Should these regulations change, Council reserves the right to amend these fees accordingly without notice.