

Delivery Program

2022 - 2025

Operational Plan

2022 - 2023

Revenue Policy

National Competition Policy

The National Competition Policy requires local government to apply the principles of competitive neutrality to its activities where these activities may be seen as competitive to commercial providers.

In accordance with the NSW Government Policy Statement for the Application of National Competition Policy to Local Government, the Upper Hunter Shire Council has two Category 1 Business Activities, with \$2 million and above in total annual operating revenues which must be separately reported for the purposes of competitive neutrality and to demonstrate any cross-subsidy or anti-competitive practices. The two Category 1 Business Activities are water supplies and sewerage services. A Category 1 Business activity is defined as activities with more than \$2 million total annual operating revenue.

Council is involved in one Category 2 Business Activities, with less than

\$2 million total annual operating revenues where Council establishes the principle of competitive neutrality by applying full cost attribution to these services.

These small business undertakings are managed on a commercial basis by applying corporate overheads and contributions appropriate to the scale and utilisation of overheads. This activity is a joint venture between all Hunter Councils as part of Strategic Services Australia.

These activities are not included in Council's Delivery Program and Operational Plan.

Council conducts a number of other activities that can be defined as business or commercial activities but are not classified as business units for the purpose of National Competition Policy. These activities are undertaken to provide a service and/or to generate income to supplement rating and other sources of income as outlined in the following table.

Rates

Ordinary rates

Ordinary rates are applied to properties based on independent valuations supplied to the Council on all rateable properties within the Shire boundaries by Property NSW. The valuations used in the 2022/2023 rating period have a base date of 1 July 2019.

Structure of the ordinary rate

Since the amalgamation of the Scone, Merriwa and Murrurundi Shire council's in 2004 the amalgamated Council has employed a rating structure using an ad valorem rate subject to a minimum amount which must not exceed the relevant permissible limits provided for in the Act and clause 126 of the Local Government (General) Regulation 2005.

The rating provisions of the Local Government Act 1993 allow Councils to base their ordinary rates either on a system of minimum rates or base rates. Upper Hunter Shire Council has chosen to employ the system of base rates as a means of levying rates on all properties throughout the Shire. In accordance with section 497 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 percent of the total amount of the rate)
- An ad-valorem component (i.e. a rate levied on the unimproved land value).

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 that some of the benefits derived by ratepayers from the provision of Council works and services are shared equally by the community.

The philosophy behind the base charges 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.

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 Land and Property Information NSW to determine the ad valorem charge.

Whilst Council has chosen to apply a system of base rates, the overriding characteristic of NSW local government rating is that the rate assessment will be primarily and predominantly determined via the ad valorem method. 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.

Local Government Cost Index (LGCI) increase

For the 2022/2023 year the LGCI has been set by IPART at 0.7 percent.

The following table shows the 2021/2022 rates (cents in the \$) and the proposed 2022/2023 rates, including the 0.7% rate pegging increase only.

Refer to Attachment 1 for rate category maps.

3.1.2 Rates

With Rate Peg of 0.70%

3.1.2 Rates										
With Rate Peg of 0.70%										
Revised 2021/2022				SUB-CATEGORY	CATEGORY	2022/2023				
RATE (CENTS IN THE \$)	BASE RATE \$	ESTIMATED YIELD \$	% YIELD			RATE (CENTS IN THE \$)	BASE RATE \$	ESTIMATED YIELD \$	% YIELD	
0.003900	100	6,058,338	51.96		Farmland	0.004010	100	6,101,303	51.97	
0.005051	200	492,117	4.22	Aberdeen	Residential	0.005265	200	495,536	4.22	
0.015829	200	25,558	0.22	Cassilis		0.016540	200	25,734	0.22	
0.006367	200	312,579	2.68	Merriwa		0.006631	200	314,753	2.68	
0.006695	200	278,928	2.39	Murrurundi		0.006981	200	280,871	2.39	
0.007254	200	2,392,944	20.53	Scone		0.007497	200	2,409,714	20.52	
0.005049	200	1,196,366	10.26	Ordinary		0.005222	200	1,204,837	10.26	
0.007314	200	42,285	0.36	Aberdeen		Business	0.007557	200	42,582	0.36
0.007459	200	43,605	0.37	Merriwa	0.007739		200	43,906	0.37	
0.006605	200	31,747	0.27	Murrurundi	0.006838		200	31,968	0.27	
0.008976	200	425,559	3.65	Scone	0.009254		200	428,532	3.65	
0.005429	200	224,961	1.93	Ordinary	0.005222		200	226,397	1.93	
0.005051	200	531	0.00	Aberdeen	Mixed Residential	0.007557	200	679	0.01	
0.006367	200	632	0.01	Merriwa		0.006630	200	635	0.01	
0.006695	200	1,282	0.01	Murrurundi		0.006981	200	1,291	0.01	
0.007254	200	-	0.00	Scone		0.007497	200	-	0.00	
0.007314	200	531	0.01	Aberdeen	Mixed Business	0.007557	200	536	0.01	
0.007459	200	318	0.00	Merriwa		0.007739	200	321	0.00	
0.006605	200	654	0.01	Murrurundi		0.006838	200	660	0.01	
0.008976	200	-	0.00	Scone		0.009254	200	-	0.00	
0.025200	200	129,745	1.11		Mining	0.025935	200	130,651	1.11	
Total Estimated Notional Yield - \$11,658,680						Total Estimated Notional Yield - \$11,740,906				

Rating Category Definitions

Farmland

Land which is a parcel of rateable land valued as one assessment and its dominant use is for farming (that is, the business or industry of grazing, animal feedlots, dairying, pig farming, poultry farming, viticulture, orcharding,

beekeeping, horticulture, vegetable growing, the growing of crops of any kind, forestry, oyster farming, or fish farming within the meaning of the Fisheries and Oyster Farm Act, 1935, or any combination of these businesses or industries) which:

- a) has a significant and substantial commercial purpose or character, and
- b) is engaged in for the purpose of profit on a continuous or repetitive basis (whether or not a profit is actually made) and is not rural residential land.

Residential

Land in the centres of population of Aberdeen, Cassilis, Merriwa, Murrurundi and Scone towns respectively (on maps displayed in the Council Chambers) which is valued as one rateable assessment and has:

- a) its dominant use is for residential accommodation (otherwise than as a hotel, motel, guest house, boarding house or nursing home or any other form of residential accommodation 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.

Residential Ordinary

Land that is categorised “residential” throughout the whole of the Upper Hunter Shire area excepting that land which is categorised “residential” within the centres of population of Aberdeen, Cassilis, Merriwa, Murrurundi and Scone, as displayed on maps in the Council Chambers.

Business

Land which is not residential and is within the Aberdeen, Cassilis, Merriwa, Murrurundi and Scone centres of population as displayed on the maps in the Council Chambers.

Business Ordinary

Land which is not farmland, residential or mining and is not within the Aberdeen, Cassilis, Merriwa, Murrurundi and Scone centres of population as displayed on maps in the Council Chambers.

Mining

Parcels of rateable land valued as one assessment and its dominant use is for a coal mine or metalliferous mine.

Water charges

Council has adopted a 30 year Capital Works and Asset Replacement Program. The NSW Office of Water has stipulated that in order for Council to receive future grant funding for necessary capital projects, Council must be compliant with the Best Practice Management of Water Supply and Sewerage Guidelines, 2007. These guidelines require all councils with over 4,000 connected properties to raise at least 75% of residential revenue from water usage charges, and the remaining 25% from annual access charges which was achieved by Council in the 2018/2019 year and has continued to achieve an average of this ratio over the last 4 years.

For the 2022/2023 year Council has increased its annual access and water usage charges by a below CPI increase of 2% rounded to the nearest whole dollar for annual access charges and cents for usage charges. In determining this increase Council has considered the effects of the unstable economic conditions over the last 2 years due to the COVID-19 pandemic.

The annual (access) charge applies to each water service:

- If a property has two water meters, then the customer will be invoiced for two annual charges;
- Each unit/flat/apartment will be invoiced for one annual charge. The strata or non-strata status of unit/flat/apartment does not affect the charge.
- Properties may consist of several allotments of land. The principle used for determining the number and type of annual charges is that where the allotments are capable of being separately connected and separately developed, then the customer will be invoiced for one annual charge for each allotment. Some examples of this principle are given below:
 - Where a property consists of two allotments and the second allotment is not able to be separately developed (e.g. it might be in a designated flood plain), then the customer will be invoiced for one annual charge only.
 - Where a property consists of two allotments with a house on one allotment and the other vacant, then the customer will be invoiced for one connected annual charge and one unconnected annual charge.
 - Where a property consists of two allotments with a house (or other substantial improvement) built across the two allotments and the second allotment is not able to be separately developed, then the customer will be invoiced for one connected annual charge only.

Water usage is invoiced quarterly on the water accounts. A pro-rata charge will be calculated for water consumption when a water meter ceases to function, based on previous water consumption. Council's water pricing policy has been reviewed in line with NSW Office of Water's water pricing guidelines.

Step allocation for water consumption periods have remained the same for the 2022/2023 year as follows:-

1. Total Step 1 allowance 350kl for the year.
2. 75kl per quarter for the winter and autumn seasons.
3. 100kl per quarter for the spring and summer seasons.

ANNUAL (ACCESS) CHARGE	ABERDEEN, CASSILIS, MERRIWA, MURRURUNDI AND SCONE	
	2021/2022 \$	2022/2023 \$
For all users (domestic, units/flats/ apartments trunk main, commercial, industrial and non-rateable) based on water meter size:		
20mm	225	230
25mm	352	359
32mm	579	590
40mm	905	923
50mm	1,414	1,442
80mm	3,624	3,696
100mm	5,663	5,776
150mm	12,742	12,997
200mm	22,652	23,105
	1,401,359	1,451,004
Each allotment of unconnected land on a rate assessment within 225m of water main and capable of connecting	175	178
	59,025	58,918
USER CHARGES (PER KILOLITRE)	ABERDEEN, CASSILIS, MERRIWA, MURRURUNDI AND SCONE	
	2021/2022 \$	2022/2023 \$
Residential users –		
Step 1 per quarter*	2.32	2.37
Step 2 per quarter*	3.59	3.66
Kidney dialysis users	1.16	1.18
Total Yield	2,160,000	2,160,000
Non-residential user - commercial, industrial & non-rateable		
Scone Saleyards Scone Abattoir	n/a	n/a
Council parks, gardens, cemeteries and pools	1.00	1.00
Other	2.45	2.50
Total Yield	1,210,000	1,200,000

Sewerage Services

Council has adopted a 30 year Capital Works and Asset Replacement Program. In order to achieve that program sewer charges is recommended to increase by 5%. However, due to the COVID-19 effects on both business and the community Council has only increased the sewerage charges by below CPI increase of 2% rounded to the nearest whole dollar for annual access charges for the 2022/2023 year. The annual (access) charge applies to each sewer service:

- Each unit/flat/apartment will be invoiced for one annual charge. The strata or non-strata status of unit/flat/apartment does not affect the charge.
- Properties may consist of several allotments of land. The principle used for determining the number and type of annual charges is that where the allotments are capable of being separately connected and separately developed, then the customer will be invoiced for one annual charge for each allotment. Some examples of this principle are given below:
 - Where a property consists of two allotments and the second allotment is not able to be separately developed (e.g. it might be in a designated flood plain), then the customer will be invoiced for one annual charge only.
 - Where a property consists of two allotments with a house on one allotment and the other vacant, then the customer will be invoiced for one connected annual charge and one unconnected annual charge.
 - Where a property consists of two allotments with a house (or other substantial improvement) built across the two allotments and the second allotment is not able to be separately developed, then the customer will be invoiced for one connected annual charge only.

3.1.5 Sewerage Services		
ANNUAL (ACCESS) CHARGE	ABERDEEN, MERRIWA, MURRURUNDI AND SCONE	
	2021/2022 \$	2022/2023 \$
Residential including units/flats/ apartments	634	646
Total Yield	2,529,660	2,596,274
Each allotment of unconnected land within 75m of sewer main and capable of connecting.	475	484
Total Yield	170,525	166,496
Commercial, industrial and non-rateable, the access charge is based on water meter size		
20mm	764	779
25mm	920	938
32mm	1,121	1,143
40mm	1,538	1,569
50mm	1,876	1,913
80mm	3,073	3,134

100mm	3,843	3,920
150mm	5,625	5,737
200mm	7,685	7,839
Total Yield	474,823	479,720
User Charge		
Residential	0	0
Commercial, Industrial and Non-rateable	\$1.12 per kilolitre x the discharge factor (see over page)	\$1.15 per kilolitre x the discharge factor (see over page)

Capital Contributions

Contributions to Morse Street Sewer - \$1,160 per annum.

Capital contributions for the extension of the Sewer System to Morse Street Scone area to be raised annually for seven properties for a 20 year period. Final payment is due 2025/2026 and there is no CPI increases.

Trade Waste Charges

Trade waste charges covers the cost of managing and treating wastewater. There are two types of charges:

3.1.7 Trade Waste Charges		
	2021/2022 \$	2022/2023 \$
Annual Charges	480	490
Multi installation (per equivalent tenement)	480	490
Application fee		
Class 1 +2	100	102
Class 3	1,040	1,060
Re-inspection fee	138	141
Non Compliance fee (per KL)	22	23
Excess Mass charge for Class 3 discharges (\$/kg)	Please refer to Attachment 1 (Fees & Charges Schedule)	Please refer to Attachment 1 (Fees & Charges Schedule)

Discharge Factors

The sewer discharge factor includes all non-domestic discharge to the sewerage system. It is the ratio of the estimated volume discharged into the sewerage system to the total water consumption.

3.1.8 Discharge Factors			
BUSINESS TYPE	DISCHARGE FACTOR	BUSINESS TYPE	DISCHARGE FACTOR
Abattoirs	0.85	Hospital	0.85
Bakery	0.95	Hotel	0.85
Bowling Club with bowling greens	0.45	Laundromat	0.92
Butcher	0.85	Motel	0.95
Cakes/Hot Bread	0.95	Nursing home	0.85
Caravan Park (for canteen/laundry)	0.50	Office	0.95
Car Detailing	0.95	Optometrist	0.95
Car Washing	0.95	Panel Beating/Spray Painting	0.95
Charcoal Chicken	0.95	Printer	0.85
Club	0.85	Public Amenities Block	1.00
Chemical Industry	0.85	Restaurant	0.95
Coal Mine	1.00	School	0.50
College	0.50	Service Station	0.95
Cold Store	0.07	Shop	0.95
Concrete Batching Plant	0.02	Shopping Centre	0.85
Craft/Stonemason	0.95	Steam Laundry	0.65
Delicatessen	0.95	Swimming Pool	0.85
Dental Surgery	0.95	Takeaway Shop	0.95
Fresh Fish Outlet	0.95	Unit/flat/apartment	0.80

Domestic Waste Management Charges

Council provides the community with four licensed waste management facilities and a domestic two-bin kerbside waste management service, consisting of weekly collection of 240L waste bin, fortnightly collection of 240L recycling bin and an annual bulk waste collection. Domestic assessments on the kerbside waste and recycling servicing route cannot opt out of the collection service.

For the 2022/2023 year Council has increased its annual domestic waste management charges by a below CPI increase of 1.1% for its full collection service (rounded to the nearest whole dollar). In determining this increase, Council has considered the effects of the unstable economic conditions over the last 2 years due to the COVID-19 pandemic and IPARTs recommendation into domestic kerbside waste collection.

Council will introduce a new kerbside collection in the 2022/2023 year for Food Organics & Garden Organics (FOGO). The introduction of this service will come a no additional cost to the ratepayer with the only increase in the annual access charge being for a below CPI factor noted above.

In accordance with s496 of the Act, Council has maintained its three tier structure for domestic waste management charges in 2022/2023. Waste Management Charges are considered the minimum necessary to maintain current levels of service, meet required capital works, and provide for future remediation works. Charges for waste management are applied to all properties and set to ensure the full cost of all related functions are recovered from specific annual charges and user fees with no subsidisation from general rate income.

A Waste Management Charge of \$55.00 is included in all annual charges to fund activities that are not part of normal waste collection and disposal, and to keep waste management facility user fees at a level that does not discourage responsible waste disposal.

A Waste Management Access Charge of \$50.00 is included for all rateable and non-rateable domestic assessments that have access to kerbside waste and recycling services. This applies to all domestic vacant land on the kerbside waste and recycling route.

A Waste Management Service Charge of \$567.00 is included for all rateable and non-rateable domestic assessments that are using the two-bin kerbside waste management service.

Domestic charges include rateable and non-rateable assessments. Pro-rata charges are applied.

3.1.10 Domestic Waste Management Charges						
2021/2022				2022/2023		
USERS	PER ANNUM \$	YIELD \$	CATEGORY	USERS	PER ANNUM \$	YIELD \$
DOMESTIC						
6924	55	380,820	Waste Management Charge	6970	55	383,350
5021	50	251,050	Waste Management Access Charge	5047	50	252,350
4571	560	2,559,760	Waste Management Service Charge	4607	567	2,612,169
388	370	143,560	Additional Waste Services	396	374	148,104
457	155	70,835	Additional Recycling Service	464	157	72,848
TOTAL		3,406,025		TOTAL		3,468,821

Non-Domestic Waste Management Charges

Council provides the community with four licensed waste management facilities and a non-domestic two-bin kerbside waste management service, consisting of weekly collection of 240L waste bin and fortnightly collection of 240L recycling bin. Non-domestic assessments on the kerbside waste and recycling servicing route may opt out of the collection service.

For the 2022/2023 year Council has increased its annual domestic waste management charges by a below CPI increase of 1.1% for its full collection service (rounded to the nearest whole dollar). In determining this increase Council has considered the effects of the unstable economic conditions over the last 2 years due to the COVID-19 pandemic.

In accordance with s496 of the Act, Council has maintained its three tier structure for non-domestic waste management charges in 2022/2023. Waste Management Charges are considered the minimum necessary to maintain current levels of service, meet required capital works, and provide for future remediation works. Charges for waste management are applied to all properties and set to ensure the full cost of all related functions are recovered from specific annual charges and user fees with no subsidisation from general rate income.

A Waste Management Charge of \$55.00 is included in all annual charges to fund activities that are not part of normal waste collection and disposal, and to keep waste management facility user fees at a level that does not discourage responsible waste disposal.

A Waste Management Access Charge of \$50.00 is included for all non- domestic rateable and non-rateable assessments that have access to kerbside waste and recycling services. This applies to all non-domestic vacant land and non-domestic assessments on the waste management servicing route but have opted out of the collection service.

A Waste Management Service Charge of \$567.00 is included for all non- domestic rateable and non-rateable assessments that are using the two-bin kerbside waste management service.

3.1.10 Non-Domestic Waste Management Charges						
2021/2022				2022/2023		
USERS	PER ANNUM \$	YIELD \$	CATEGORY	USERS	PER ANNUM \$	YIELD \$
COMMERCIAL						
304	55	16,720	Waste Management Charge	305	55	16,775
304	50	15,200	Waste Management Access Charge	305	50	15,250
304	560	170,240	Waste Management Service Charge	305	567	172,935
293	370	108,410	Additional Waste Services	308	374	115,192
TOTAL		310,570		TOTAL		320,152

Stormwater Charges

A charge is raised in accordance with the Local Government Amendment (Stormwater) Act 2005. An annual amount of \$25.00 will be charged on all non- vacant urban residential and business properties (\$12.50 per strata lot). The funds will be used for the development of appropriate Stormwater Management Plans and additional stormwater projects over and above the average level previous funded from Council’s General Funds.

3.1.11 Stormwater Charges						
2021/2022			2022/2023			
NO OF ASSESSMENTS	RATE \$	ANTICIPATED YIELD \$	CATEGORY	NO OF ASSESSMENTS	RATE \$	ANTICIPATED YIELD \$
3,781	25.00	94,525	Residential, Commercial & Unoccupied	3,853	25.00	96,325
262	12.50	3,275	Strata Lots	180	12.50	2,250
TOTAL		97,800		TOTAL		98,575

On-site Sewage Approval to operate annual fee

An annual fee for the Approval to Operate (ATO) an On-site Sewage Management System (OSMS) will be charged and disclosed on the rate notice issued to the relevant property. The annual fee to be charged is related to the application for or renewal of approval to operate an Onsite Sewer Management System and covers the costs associated with inspecting, monitoring and maintaining records. There will be no fee attributable to initial inspections of OSMS’s carried out, however a fee will be charged if a further inspection is required to be undertaken. Funds raised will be used to enhance the monitoring and operation of Onsite Sewerage Management Systems throughout the local government area to better comply with the necessary legislative requirements, and most importantly improve environmental outcomes.

Any required follow up inspections or inspection of second or additional OSMS systems will be charged at the rate listed in the Miscellaneous Fees and Charges under Development Applications - On-site Sewage Management in Part 5.

3.1.11 On-Site Sewer Management					
2021/2022			2022/2023		
NO OF ASSESSMENTS	RATE \$	ANTICIPATED YIELD \$	NO OF ASSESSMENTS	RATE \$	ANTICIPATED YIELD \$
2,286	65	148,590	2212	68	150,416

Miscellaneous Fees & Charges

Each year, Council is required to determine fees and charges for services it provides.

The fees and charges are made up of fees provided under relevant Acts, fees determined by Council and also recommendations from the Local Government NSW.

Section 608 (1) of the Local Government Act 1993, provides that “a Council may charge and recover an approved fee for any service it provides...”

Subsection 2 describes the services for which an approved fee may be charged. These include:

supplying a service, product or commodity; giving information;

providing a service in connection with the exercise of a Council’s regulatory functions – including receiving an application for approval, granting an approval, making an inspection or issuing a certificate;

allowing admission to any building or enclosure.

Section 610. Effect of other Acts

“(1) If the amount of a fee for a service is determined under another Act:

- a) a Council may not determine an amount that is inconsistent with the amount determined under the other Act, and
- b) A Council may not charge a fee in addition to the amount determined under the other Act.”

“(2) If the charging of a fee for a service is prohibited under another Act, a Council must not charge a fee for the service under this Act.”

How does Council determine the amount of a fee for a service?

Section 610D (1) provides “a Council, if it determines the amount of an approved fee for a service, must take into consideration the following factors:

- 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 Office of Local Government;
- the importance of the service to the community;
- any factors specified in the regulations.

Section 610D(2) states “that the cost to the Council of providing a service in connection with the exercise of a regulatory function need not be the only basis for determining the approved fee for that service”. Further “a higher fee or an additional fee may be charged for an expedited service provided, for example, in a case of urgency”.

Part 5 of this Delivery Program and Operational Plan sets out the range of miscellaneous fees and charges determined by Council in accordance with Section 608 of the Local Government Act, 1993.

Council may vary any such fee or charge or determine a new fee or charge subject to the statutory period of 28 days exhibition and consideration of public comment, prior to adoption.

Charges under Sections 501 and 502, Local Government Act 1993

Charges referred to in these sections relating to Water Charges and Domestic Waste Management charges are detailed in sections 2.1.3 and 2.1.8.

Goods and Services Tax (GST)

From 1st July 2000, a goods and services tax (GST) applied to a number of goods and/or services supplied by Council.

Those goods and/or services that are subject to GST have been identified in the attached Schedule of Fees and Charges as such and the prices shown for those goods and/or services are the GST inclusive price.

Some goods and/or services supplied by Council have been declared “GST free” or are excluded under Division 81 of the legislation. Those goods and/or services which are “GST free” or excluded from GST are indicated in the Schedule of Fees and Charges as GST not applying.

Refund Policy

Fees and charges are generally for goods and services provided and therefore not refundable. However, Council has the following policies on refunds:

Development Application Fee

Council charges a minimum advertising fee for development applications and the fee are fixed annually. No refund of development application fees paid is to be made, except where a development application has been lodged and none is required. The advertising fee may be refunded if an application is withdrawn prior to the proposed development application being advertised.

Reduced or Waived Fees

Upon application Council may apply reduced fees or may waive fees in certain applications.

Hardship Policy for Rates and Charges Policy

1. Council may write off interest charges in accordance with an arrangement to finalise a debt owed to Council by a ratepayer who is suffering personal financial hardship under sections 564 and 567 of the Local Government Act 1993.
2. The General Manager has delegated authority from Council to write off amounts up to \$1,000.00. The Director Corporate Services has delegated authority from Council to write off amounts up to \$300.00.
3. The General Manager and Director Corporate Services may determine whether a ratepayer is suffering personal financial hardship.
4. Under section 577 of the Local Government Act 1993, Council may write off rates due to hardship where a pensioner is solely responsible for the rates on a property.
5. Under section 601 of the Local Government Act 1993, Council may write off rates due to hardship in the first year of new valuations. In general, no rates are written off by Council in relation to the personal financial hardship of ratepayers in these circumstances.

Objective

To clearly state the circumstances under which Council will consider the personal financial hardship of ratepayers.

Procedures/Practice

A ratepayer who is suffering personal financial hardship may apply to Council to pay a debt to Council by making regular payments in order to finalise that debt. Council or the General Manager or Director Corporate Services under delegated authority from Council may write off interest if they are of the view that the ratepayer is suffering genuine personal financial hardship.

References

- Local Government Act 1993
- Delegations of Authority from Council
- This policy was adopted by Council at its meeting on 31 October 2016. It replaces that of the same name adopted by Council at its meeting on 25 October 2013.

Pricing Policies for Services and Private Works

In determining an appropriate level of user charges, Council shall consider:

- a) the full cost of providing the service;
- b) market rates applicable for comparable goods, services or works;
- c) the implication of charges for encouraging rational choice by users; and,
- d) the impact of charges on the achievement of social objectives implicit in service delivery

Whilst the supplier is required to firstly determine rates which will recover the full costs of providing the service, a user charge rate based on full costs may not be appropriate where:

- a) an active market exists for the goods, services or works and where the higher of full cost or market price shall apply;
- b) the supplier operates as a business or quasi-business undertaking and is seeking to utilise spare capacity, in which case normal commercial pricing considerations shall prevail; and
- c) the Government has directed that a particular price or charge rate, or method for determining the same, shall apply.

User charging will not apply where:

- a) no improvement to resource allocation will result;
- b) the government has directed that goods and services will be provided without charge;
- c) the transaction is of a "one off" nature and immaterial in amount; or,
- d) the ongoing administrative costs of charging exceed the expected long term efficiency gains.

Full Costs

Full costs shall reflect the opportunity cost of resources employed and will include, but need not be restricted to:

- a) direct and indirect labour and management costs (including accruing staff entitlements, workers compensation etc.);
- b) materials (including oncost to cover handling and holding costs etc.);

- c) capital charges (including rent or hire charges etc. or as the case requires, an appropriate depreciation charge and interest at the prevailing long term bond rate on the depreciated current value of assets employed); and
- d) such general margin as may be appropriate.

Rounding

Rounding of resultant calculations are performed on a consistent basis. As a general rule, rounding should be applied as follows:

- Up to and including \$10.....nearest 10¢
- Over \$10 and up to and including \$50.....nearest 50¢
- Over \$50 and up to and including \$100.....nearest \$1
- Over \$100.....nearest \$5

While the application of rounding may result in an increase for some items above the Consumer Price Index (CPI), the opposite should be true for other items.

Frequency of Review

As a general rule, fees and charges should be reviewed annually. However, practical or policy considerations (including prevailing market conditions, accepted industry practice, government policy determination) may dictate that reviews be more or less frequent.

Council reserves the right to vary its charges at any time, subject to advertising and consideration of submissions.

Private Works

Council undertakes private works as a service to its residents and ratepayers and to assist in the utilisation of Council’s plant and equipment. Council’s position in relation to charging for works on private lands is:

- “Where work is carried out on private property by Council labour, utilising materials purchased by Council, the work is charged at actual costs, together with a loading on wages to cover overheads. An additional percentage is added to the total so derived to cover administrative expenses.”

Council undertakes a wide range of private works such as access construction, grading of private roadworks, driveways, mowing/slashing and construction of subdivisions and carparks.

Council also submits competitive bids for commercial projects within the Upper Hunter Shire area.

To improve the utilisation of its plant fleet, Council also hires its plant together with operator, to external clients on a commercially competitive basis. External hire rates for Council plant are included in the Fees and Charges Schedule.

PROPOSED BORROWINGS

Council does not propose to draw down to enter into any borrowing during the 2022/2023 year.

All current borrowings are secured as per Council's Loans Policy.

Schedule of Current Loan Repayments 2022/23								
General Fund								
LOAN NO	PURPOSE	INSTITUTION	MATURITY DATE	INTEREST RATE	ORIGINAL PRINCIPAL	PRINCIPAL OWING AT 1/7/2022	PRINCIPAL TO BE REPAYED 2022/2023	INTEREST TO BE REPAYED 2022/2023
1	UH Early Learning Centre	NAB	30/04/2029	6.68%	720,000	333,484	50,850	14,486
2	Medical Centre	WBC	30/04/2034	6.90%	1,400,000	841,255	50,888	59,757
3	Administration Centre	NAB	30/04/2029	6.37%	3,100,000	1,507,787	182,912	91,536
4	Medical Centre extension	NAB	1/07/2030	8.10%	350,000	206,205	19,218	16,174
5	Saleyards	NAB	24/06/2031	7.66%	1,000,000	634,896	50,767	47,143
6	Airport runway	NAB	24/06/2031	7.66%	550,000	349,193	27,922	25,928
7	Bridges (Barsham, Timor Crk, Scotts Crk)	NAB	24/06/2031	7.66%	1,300,000	825,365	65,997	61,285
9.1*	LIRS Round 1 - Timber Bridges Replacement Program	NAB	1/03/2023	5.19%	1,675,000	157,039	157,039	3,460
9.2*	LIRS Round 1 - Urban Streets Renewal/Upgrade Program	NAB	1/03/2023	5.19%	1,540,000	144,379	144,379	3,181
10.1*	LIRS Round 2 – Bridge replacement Program	NAB	31/10/2023	5.73%	1,015,000	170,951	126,986	6,501
10.2*	LIRS Round 2 Roads Renewal/Upgrade Program	NAB	31/10/2023	5.73%	1,000,000	168,440	125,121	6,406
11	Scone Saleyards Redevelopment	TCORP	2/08/2039	2.47%	8,420,000	7,492,997	352,962	181,824
12	White Park Redevelopment	TCORP	2/08/2029	1.95%	1,000,000	744,097	96,502	13,807
13	Campbell's Corner	WBC	25/03/2030	3.14%	3,500,000	3,260,070	143,519	99,445

15	Aerodrome Redevelopment Stage 1	TCORP	29/06/2040	2.28%	3,000,000	2,757,585	125,404	51,216
16	Road Infrastructure	TCORP	29/06/2040	2.28%	4,000,000	4,595,975	209,007	103,010
17	Aerodrome Redevelopment Stage 2	TBA	28/05/2041	2.50%	4,796,108	4,610,419	190,435	117,570

Water Fund

LOAN NO	PURPOSE	INSTITUTION	MATURITY DATE	INTEREST RATE	ORIGINAL PRINCIPAL	PRINCIPAL OWING AT 1/7/2022	PRINCIPAL TO BE REPAYED 2022/2023	INTEREST TO BE REPAYED 2022/2023
8	Glenbawn Dam Augmentation Pipeline	NAB	29/06/2032	6.19%	4,400,000	3,065,373	211,855	171,578
14	Scone to Murrurundi Pipeline	TCORP	29/06/2040	2.28%	2,486,000	2,386,701	103,918	51,216

Sewer Fund

LOAN NO	PURPOSE	INSTITUTION	MATURITY DATE	INTEREST RATE	ORIGINAL PRINCIPAL	PRINCIPAL OWING AT 1/7/2022	PRINCIPAL TO BE REPAYED 2022/2023	INTEREST TO BE REPAYED 2022/2023
	No Borrowings						Nil	Nil