

# CITY OF COFFS HARBOUR

## INTEGRATED PLANNING AND REPORTING



## 2024/25 Statement of Revenue Policy (June 2024)

## City of Coffs Harbour's Statement of Revenue Policy 2024/25

### 2024/25 Rating Structure

#### Variation to General Income – 5.6% 'Rate Pegging' Increase

The 2024/25 Operational Plan allows for the implementation of a 5.6% increase in 'General Income' (income from ordinary and special rates). This rate is based on the Rate Peg of 4.6% with an additional population growth factor of 1.0%, as announced by the Independent Pricing and Regulatory Tribunal (IPART) in November 2023 under the Local Government 'Rate Pegging' legislation.

#### Impact on Residential Ratepayers

With a 5.6% increase in 'General Income' for 2024/25, the 'average' residential property can expect a total rates and charges increase (including annual and usage charges not capped by the rate peg increase) of approximately \$178.18 per annum (or \$3.43 per week) which is a 4.3% increase from 2023-24.

The following table shows the impact on the total rates and charges payable in 2024/25 for the 'average' residential property.

The 'average' residential property has been based on a land valuation of \$430,600 and this valuation has been used in the determination of both the residential ordinary rates and the environmental levy.

Rates and Charges	2023/24	2024/25	Increase	
	(\$)	(\$)	Amount (\$)	%
Residential Ordinary Rate	1,334.73	1,409.65	74.92	5.6%
Environmental Levy	49.40	52.16	2.76	5.6%
Sewerage Access Charge	1,036.00	1,083.00	47.00	4.5%
Water Access Charge	160.00	166.00	6.00	3.8%
Water Usage (250 KL pa)	855.00	887.50	32.50	3.8%
Domestic Waste Service	705.00	720.00	15.00	2.1%
Stormwater Management	25.00	25.00	0.00	0.0%
<b>Totals</b>	<b>4,165.13</b>	<b>4,343.31</b>	<b>178.18</b>	<b>4.3%</b>
<b>Increase per Week</b>			<b>3.43</b>	

The following comments should be considered in conjunction with the above information:

1. The Rate Peg % does not apply to Sewer, Water, Waste or Stormwater charges.
2. Water charges include 250 KL of water usage for a year.

2024/25 Rating Structure *(continued)***Impact on Non-Residential Ratepayers**

The following table shows the impact on the 'Ordinary Rate' payable for the 'average' non-residential (Farmland and Business) property in 2024/25 with a 5.6% IPART Rate Peg increase in 'General Income' for 2024/25.

- The Ordinary Rate for Farmland properties has been based on an average land valuation of \$805,400.
- The Ordinary Rate for Business properties (outside of the Coffs Harbour CBD) has been based on an average land valuation of \$719,700.
- The Ordinary Rate for City Centre Business properties has been based on an average land valuation of \$917,500.
- The Business (City Centre) Special Rate Variation expired on 30 June 2023.

Ordinary Rate	2023/24	2024/25	Increase	
	(\$)	(\$)	Amount (\$)	%
Farmland Ordinary Rate	2,235.38	2,360.70	125.33	5.6%
Business Ordinary Rate	4,032.48	4,258.32	225.84	5.6%
Business - City Centre Ordinary Rate	5,140.75	5,428.66	287.91	5.6%

2024/25 Rating Structure *(continued)*

The following tables show the 'Ordinary and Environmental Rate' structure (with estimated yields) for 2024/25 with the IPART Rate Peg in place.

The City of Coffs Harbour (City) applies a 'base amount' and a rate in the dollar (ad valorem rate) to land valuations when determining 'Residential' and 'Farmland' ordinary rates. The City applies an ad valorem rate (with minimum) to land valuations when determining 'Business' and 'Business City Centre' ordinary rates.

**Ordinary Rate Structure for 2024/25**

Rating Category / Sub-Category	Number of Properties	Ad Valorem Rate (\$)	Base Amount (\$)	Minimum Amount (\$)	Properties on Minimum	Land Value	Land Value on Minimum	Estimated Yield (\$)
Residential	31,444.18	0.0025375	317.00	n/a	n/a	13,531,546,725	n/a	44,304,104.87
Farmland	407.00	0.0025375	317.00	n/a	n/a	329,405,700	n/a	964,885.96
Business	1,544.22	0.0059168	n/a	717.00	305	1,099,910,318	19,793,822	6,609,518.28
Business (Business City Centre)	322.60	0.0059168	n/a	717.00	29	298,058,039	2,806,657	1,767,736.38
<b>Totals</b>	<b>33,718.00</b>	n/a	n/a	n/a	<b>334</b>	<b>15,258,920,782</b>	<b>22,600,479</b>	<b>53,646,245.50</b>

Special Rate		Ad Valorem Rate (\$)	Base Amount (\$)	Minimum Amount (\$)	Properties on Minimum	Land Value	Land Value on Minimum	Estimated Yield (\$)
Environmental Levy	33,718.00	0.0000671	23.29	n/a	n/a	15,258,920,782	n/a	1,809,166

## Rate Category Maps

### **NOTICE UNDER SECTION 405(4) - Local Government Act 1993 for the Rating Period - 12 months: 1 July 2024 to 30 June 2024**

Section 405 (4) "During the period of public exhibition, the City must have for inspection at its office (and at such other places as it may determine) a map that shows those parts of its area to which each category and sub-category of the ordinary rate and each special rate included in the draft operational plan applies."

#### **ORDINARY RATE - RESIDENTIAL**

The Ordinary Rate - Residential will apply to all rateable land within the City's area (Map "A") categorised "RESIDENTIAL".

#### **ORDINARY RATE - BUSINESS**

The Ordinary Rate - Business will apply to all rateable land within the City's area (Map "A") categorised "BUSINESS", EXCEPT land sub-categorised City Centre Business.

#### **ORDINARY RATE – CITY CENTRE BUSINESS**

The Ordinary Rate – City Centre Business will apply to all rateable land, within the City Centre Business Area (being land within the heavy line shown on Map "B") and categorised/sub-categorised "CITY CENTRE BUSINESS".

#### **ORDINARY RATE - FARMLAND**

The Ordinary Rate - Farmland will apply to all rateable land within the City's area (Map "A") categorised "FARMLAND".

#### **SPECIAL RATE – ENVIRONMENTAL LEVY**

The Special Rate – Environmental Levy will apply to all rateable land within the City's area (Map "A").



### **Categorisation changes**

If an application to change the rateable category or have information on reasonable grounds to believe that the rateable category should be changed, it may do so at any time. When declaring the effective date of a category change and consequentially any adjustments to land rates shall be as at 1 July, 1 October, 1 January or 1 April.

### **Cancellation of Postponed Rates**

As per Section 585 of the *Local Government Act 1993* (Act), the City will administer postponed rates for applicable properties upon application from the property owner.

As per Section 596 of the Act, the owner of a property that is subject to postponed rates has one (1) month to notify the City if the single dwelling house on the property ceases to be used or occupied.

### **Exemption Applications – Sections 555 – 559 LGA**

Ratepayers may apply for exemption from Rates and/or Charges in accordance with Sections 554 - 559 of the Act. While Section 574 of the Act states that any appeal against a Rate must be made within 30 days of the service of the notice, the City will allow an application to be considered at any time. All applications must be in writing and state under which Section of the Act the appeal is being made.

Should the City agree with the application, consideration as to the commencement of the exemption will be based on:

1. The quarter in which the request was made, or
2. The City's knowledge of the commencement of the approved use of the property, or
3. Consideration will be given to back-dating the exemption to the date of commencement of such works if, as a result of a Development Application approval, the use of the property is delayed allowing for works to take place to comply with the Development Application.

No exemption will be granted should the use of the property have no Development Approval.

### **New Service Charges**

The City will levy pro-rata charges on newly acquired services part way through the year. Section 496 of the Act allows for the City to apply an 'annual' charge for the provision of domestic waste services where the service is available. The City recognises that it is inequitable to charge a full annual charge when the service is taken up part way through the year. In part year cases, the City will charge additional services on a pro-rata basis from the date that the service became available.

A letter detailing the revised instalment schedule will be issued to the ratepayer following a pro-rata service adjustment.

## Annual Charges for 2024/25

A charge structure applies to annual Water, Sewer, Stormwater, Trade Waste, Waste Management and On-Site Sewage Charges. These charges are not subject to rate pegging restrictions.

### **Water Access Charges**

Charges for Water Services are in accordance with the Pricing Policy mandated by the NSW Government and were implemented by the City from

1 July 2006.

- Residential Water Access Charges for occupied land are based on the number of occupations at the property. Secondary dwellings, such as Granny Flats, will be charged separate to the main dwelling, irrespective of the number of services on the property.
- Non-residential Water Access Charges are based on the number and size of water services at the property.

### **Sewer Access Charges**

Charges for Sewerage Services are also in accordance with the Pricing Policy mandated by the NSW Government.

The policy has a user-pays focus. NSW Government guidelines set a Sewer Discharge Factor (SDF) for Non-Residential properties; the SDF determines the percentage of water each property is estimated to dispose of into the sewerage system.

- Non-residential properties are charged a Sewer Access Charge relative to the number and size of water meters and the SDF determined for the property.
- Residential properties are charged a flat sewer access charge per occupation. Secondary dwellings, such as Granny Flats, will be charged separate to the main dwelling, irrespective of the number of services on the property.

### **Recycled Water Access and Licencing Charges**

Charges for Recycled Water were introduced as a user pays model by Council resolution 2021/42 on 11 March 2021 to financially incentivise remedial action against the misuse or neglect of Recycled Water by the paying end user.

### **Trade Waste Annual Charges**

Non-residential properties are charged a trade waste annual charge based on the number of trade waste generators present on the property.

### **Stormwater Management Service Charge**

The NSW Government, recognising the backlog of necessary stormwater management works, made amendments to the *Local Government Act 1993* to allow councils to raise a stormwater management service charge on occupied land in urban areas. These funds for 2024/25 will be used towards a program of stormwater works across urban areas.



## Annual Charges for 2024/25 *(continued)*

### **Waste Management Charges**

These charges apply to properties serviced by the kerbside collection service or, in the case of vacant land, if the property is able to be serviced.

Charges are calculated on the number of 3-bin services provided to each property multiplied by the charge per service.

- Non-Residential premises are charged a minimum of one garbage charge for each premise.
- Residential properties are charged a 3-bin service per occupation. Secondary dwellings, such as Granny Flats, will be charged separate to the main dwelling, irrespective of the number of services on the property.

### **Onsite Sewage Management Fees**

Apply to properties where onsite sewage management systems are installed. The fee is calculated on the number of systems multiplied by the unit price. Unit prices vary depending on whether the system has been deemed high, medium or low risk.

The following table shows the proposed annual charge structure (with approximate yields) for 2024/25.

## Annual Charge Structure for 2024/25

Annual Charges	Amount (\$)	Unit of Charge	Estimated Annual Yield (\$)	Comments
<b>Water Access Charges</b>				
Residential	166.00	Per occupation	4,737,207	
Vacant Land	166.00	Per assessment	114,872	
Non Residential	166.00	Per occupation	773,857	
Non Residential Water Backflow	72.00	For first device	17,979	
Non Residential Water Backflow	18.00	Per additional device	0	
<b>Sewer Access Charges</b>				
Residential	1,083.00	Per occupation	29,423,470	
Residential – Vacant	747.00	Per assessment	527,200	
Non Residential	1,060.00	SDF x MF x \$1,060.00	3,879,556	SDF = Sewer Discharge Factor, MF = Meter Factor (Min \$747.00)
Recycled Water	166.00	Per assessment	6,972	
Private Pump Stations Management Charge - Low	74.00	Per station	4,292	
Private Pump Stations Management Charge - High	296.00	Per station	5,032	
<b>Stormwater Management Charges</b>				
Residential Properties - Non Strata	25.00	Per assessment	459,900	
Residential Properties - Strata	12.50	Per assessment	81,425	
Business Properties - Non Strata	25.00	Per 350 sq. m (or part of)	198,490	Based on impervious land area
Business Properties - Strata Units	12.50	Per 350 sq. m (or part of)	8,900	Determined by unit entitlement (Min of \$5.00)
<b>Trade Waste Annual Charges</b>				
1 Generator	254.00	Number of Generators	101,336	
2 to 4 Generators	509.00	Number of Generators	23,649	
5 to 9 Generators	1,208.00	Number of Generators	6,040	
10 to 14 Generators	2,353.25	Number of Generators	4,707	
15 to 19 Generators	3,498.00	Number of Generators	3,498	
20 to 24 Generators	4,579.00	Number of Generators	4,579	
25 to 29 Generators	5,597.00	Number of Generators	5,597	
30 to 34 Generators	6,614.00	Number of Generators	0.00	
> 34 Generators	7,632.00	Number of Generators	0.00	

Table continues next page

Annual Charge Structure for 2024/25 *(continued)*

Annual Charges	Amount (\$)	Unit of Charge	Estimated Annual Yield (\$)	Comments
<b>Trade Waste Annual Charges</b>				
Dump Point	509.00	Per Dump Point	0.00	
<b>Onsite Sewage Charges</b>				
Onsite - Low Risk	40.83	Per system	145,314	
Onsite - Medium Risk	81.67	Per system	174,120	
Onsite - High Risk	245.00	Per system	43,365	
<b>Sullage / Effluent Charges</b>				
Effluent Collection Charge	639.00	Per service	3,834	
Sullage Collection Charge	1,083.00	Per service	56,316	
<b>Waste Charges (Domestic)</b>				
Domestic Waste	720.00	Per service or tenement	22,804,560	<i>3 Bin Service</i>
Domestic Waste – Vacant	190.00	Per assessment	138,130	
Subsidiary Waste – General	345.00	Per service	246,675	
Subsidiary Waste – Organics	220.00	Per service	44,880	
Subsidiary Waste – Recycling	125.00	Per service	36,250	
Subsidiary Waste - Recycling Upgrade	48.00	Per service	17,760	<i>Upgrade to 360 litre service</i>
<b>Waste Charges (Non-Domestic)</b>				
Non Domestic Waste	720.00	Per service or tenement	1,440,000	
Non Domestic Waste - Vacant	190.00	Per assessment	17,290	
Non Domestic Waste - Non Rateable	720.00	Per service	373,680	
Non Domestic Subsidiary General Charge	345.00	Per service	300,840	
Non Domestic Subsidiary Organics Charge	220.00	Per service	55,440	
Non Domestic Subsidiary Recycling Charge	125.00	Per service	80,750	
Non Domestic Subsidiary Recycling Upgrade Charge	48.00	Per service	2,640	<i>Upgrade to 360 litre service</i>

## Usage Charges for 2024/25

A charge structure applies to water, sewer and trade waste usage charges. These charges are not subject to rate pegging restrictions.

### **Water Usage Charges**

#### Residential Customers

The water usage charge for residential customers is based on a two-step tariff, using the consumption recorded on the water meter(s).

- Tariff Step 1: For water usage less than 1 Kilolitre (KL) per day
- Tariff Step 2: For water usage greater than 1 KL per day

#### Non-Residential Customers

The water usage charge for non-residential customers is based on a single tariff, using the consumption recorded on the water meter(s).

### **Sewer Usage Charges**

Sewer Usage Charges are levied in accordance with the mandated NSW Government Pricing Policy. The policy has a user pays focus. Non-Residential properties have been inspected and, using NSW Government guidelines, the percentage of water each is estimated to dispose of into the sewerage system has been determined. This is known as the sewerage discharge factor (SDF). Using this SDF, a sewerage usage charge will be included with the 'Water Account' issued each quarter for all non-residential properties.

### **Recycle Water Usage Charges**

The recycled water usage charge for eligible customers is based on a two-step tariff, using the consumption recorded on the water meter(s).

- Tariff Step 1: For recycled water usage up to their allocated supply volume
- Tariff Step 2: For recycled water usage in excess of the allocated supply volume

### **Trade Waste Usage Charges**

Non-residential properties that discharge trade waste into the City's sewer incur usage charges based on the category and volume of waste discharged into the sewerage system.

Non-Residential properties have been inspected and, using NSW Government guidelines, each trade waste generator has been categorised into a charging category.

The estimated volume of trade waste disposed into the sewerage system has been determined and a Trade Waste Discharge Factor (TWDF) applied to relevant water services. The TWDF, in simple terms, is a percentage of the water usage (measured by the water meter) deemed to be discharged into the sewerage system as trade waste.

Using this TWDF, a trade waste usage charge will be included with the 'Water Account' issued each quarter for applicable non-residential properties.

**Trade Waste Usage Charges** *(continued)*

It is important to note that different businesses and commercial activities attract different trade waste charges. These differences are based on the determination of the 'Classification' and 'Charge Category' of the trade waste generator and the level of compliance with Trade Waste regulations.

The following table shows the proposed usage charge structure (with approximate yields) for 2024/25:

<b>Usage Charge</b>	<b>Amount (\$)</b>	<b>Unit of Charge</b>	<b>Estimated Annual Yield (\$)</b>	<b>Comments</b>
<b>Water Usage Charges</b>				
Residential - Tier 1	3.55	per kilolitre	12,464,744	<i>Tier 1: 1KL per day per access charge</i>
Residential - Tier 2	5.33			
Non-Residential	3.55	per kilolitre	2,945,289	<i>Tier 2: Usage over Tier 1</i>
Non-Rateable - Tier 1	3.55	per kilolitre	77,081	<i>Tier 1: 1KL per day per access charge</i>
Non-Rateable - Tier 2 (Residential in nature)	5.33			
Non-Rateable (Non-Residential in nature)	3.55	per kilolitre	1,367,013	
Fire Service	10.65	per kilolitre	40,385	<i>Applied to usage not used for firefighting purposes</i>
Raw Water - Tier 1	1.78	per kilolitre	5,517	<i>Tier 1: 1KL per day per access charge</i>
Raw Water - Tier 2	2.66			
<b>Sewer Usage Charges</b>				
Non-Residential	2.65	SDF x KLS x \$2.65	1,761,414	<i>SDF = Sewer Discharge Factor, KLS = Water Usage</i>
Non-Rateable	2.65	SDF x KLS x \$2.65	900,352	<i>SDF = Sewer Discharge Factor, KLS = Water Usage</i>
<b>Recycled Water Usage Charges</b>				
Up to allocated supply volume	0.00	per kilolitre	-	<i>For non-rateable, non-commercial and sporting bodies who can demonstrate a not-for-profit operating model</i>
Excess of allocated supply volume	2.05	per kilolitre	-	<i>For all users, including non-rateable, non-commercial and sporting bodies</i>
<b>Trade Waste Usage (Category 1)</b>				
Non-Compliant Charge	2.20	TWDF x KLS x \$2.14	13,618	<i>TWDF = Trade Waste Discharge Factor, KLS = Water Usage</i>
<b>Trade Waste Usage (Category 2)</b>				
Compliant Charge	2.20	TWDF x KLS x \$2.14	372,775	<i>TWDF = Trade Waste Discharge Factor, KLS = Water Usage</i>
Non-Compliant Charge	20.10	TWDF x KLS x \$19.50	94,470	<i>TWDF = Trade Waste Discharge Factor, KLS = Water Usage</i>

## Pensioner Rebates for 2024/25

Rebates are available to eligible pensioners who are solely or jointly liable for the payment of rates and charges.

These rebates are as follows:

- 50% of Ordinary Rate up to a \$250.00 maximum rebate
- 50% of Water Charges up to a maximum \$87.50 rebate
- 50% of Sewer Access Charge up to a maximum \$87.50 rebate
- 50% of Domestic Waste Charges up to a maximum \$87.50 rebate
- 50% of the Environmental Levy
- The City will write off approximately \$3.153m in pensioner rates and charges in 2024/25. Of this, the City voluntarily forgoes approximately \$664,555. The City is required to forgo the remaining \$2.488m under NSW Government legislation.
- The amount the City is reimbursed by the NSW Government is approximately \$1.368m, leaving an overall cost to the City of approximately \$1.120m.

The rebates stated above are a combination of mandatory and voluntary rebates available. The voluntary granted to eligible pensioners are 50% of the Domestic Waste Charges (up to a maximum of \$87.50 rebate) and 50% of the Environmental Levy rate.

Pensioners with outstanding rates and charges that are in excess of 5 years will be exempt from receiving the voluntary rebates.

## Sewerage Access Charging – Granny Flat Exemption

The City has been providing an exemption to water and sewer access charges for a number of properties that have a secondary dwelling. These properties have not benefited from changes to contribution of works for developers enabled by the State Environment Planning Policy (Affordable Rental Housing) 2009. For the exemption to apply, the owner is required to live at the property, the 'Granny Flat' is to be occupied by an elderly or disabled relative or infrequently by a family member and pays minimal or no rent.

The City will continue to provide the exemption to the current ratepayers only until such time as the property is either sold or the "Granny Flat" is rented.



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