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RP001	April 2022	20/5/2021	10.3	28/04/21	Finance and Audit Committee	4.3

## 1. Reason for the Policy

- 1.1.** Section 572 of the *Water Act 2000* (“**the Act**”) empowers Lower Burdekin Water (“**LBW**”), as a category 2 water authority, to make and levy:
- charges on its customers
  - rates and charges on its ratepayers
- for carrying out its functions under the Act.

## 2. Responsibilities

**2.1.** Therefore, LBW may, by:

**2.1.1.** section 572(4) of the Act, make and levy charge on a volumetric basis for water activities carried out.

**2.1.2.** section 572(5) of the Act, make and levy rates on a ratepayer’s land in the authority area in relation to a water service:

**2.1.3.** if the water service is provided to the land as an irrigation service involving the supply of water the volume of which is not measured – on the basis of the area of the land that is the subject of the irrigation service

or

**2.1.4.** otherwise – on the basis that it is land to which water may be supplied under the water service.

and

**2.1.5.** section 576 of the Act, recover the overdue rate or charge and any interest payment as a debt due to LBW by the person on whom the rate or charge was levied.

LBW will apply the following policy when making and levying rates and charges on its ratepayers and customers.

## 3. Potential Consequences for non-compliance of Policy

**3.1.** Breach of section 572 of the Act.

## 4. Definitions

**4.1.** “assessment date” means the date upon which the organisation levies its rates and charges for the water year as that term is defined in the *Water Act 2000* (Qld)

**4.2.** “customer” means a person, other than a ratepayer, for whom a water authority carries out water activities

**4.3.** “Excess Volume” means any water taken above the base open water volume stated in the open water supply approval

**4.4.** “fallow land” means land upon which no crop is to be grown for the entire current water year

**4.5.** “irrigated agricultural land” means the irrigated land under crop

**4.6.** “open water” means water sold by Lower Burdekin Water from its infrastructure or via the Burdekin River system and other watercourses

**4.7.** “open water supply” means an open water supply approved by LBW for a customer

**4.8.** “Owner” means:

- the registered proprietor of land
- the lessee, sublessee or licensee under the *Land Act 1994*
- the person or body of persons who, for the time being, has lawful control of the land, on trust or otherwise
- the person who is entitled to receive the rents and profits of the land and
- “ratepayer” means an owner of land within that authority area.

**4.9.** “Water Supply Agreement” means the agreement between the ratepayer or customer and LBW for the water supply service and

**4.10.** “water year” means the period between 1 July and 30 June of each year.

## 5. Procedures

### 5.1. Determining the rates and charges

Each financial year the Finance and Audit Committee will prepare a draft budget for presentation and adoption by LBW's Board. In preparing the draft budget and determining the rates and charges to be levied, the Finance Committee will consider the water activities to be carried out by LBW for the following year and the associated costs including:

- the operational and administrative costs of LBW
- the scheduled works to be carried out by LBW in the coming financial year
- any planned capital works programs to be carried out by LBW
- any equipment purchases or replacements required to ensure LBW's continued operations and
- the amount of:
  - a) the rate to be levied on ratepayers on a per hectare basis
  - b) the charge to be levied on customers on a megalitres basis, and
  - c) all other charges necessary to provide the revenue required to carry out the proposed water activities.

### 5.2. Rating method

**5.2.1.** In levying rates LBW shall:

- (a) not rate individual parcels of land less than one (1) irrigated hectare and otherwise
- (b) rate all irrigated agricultural land within each of the Divisions of LBW equally.

**5.2.2.** For the purpose of levying the rates, LBW will assess the area of agricultural land as follows:

- (a) for sugar cane – the land as at the assessment date in which sugar cane is or will be grown for commercial gain
- (b) other crops – the total area of irrigated agricultural land for commercial gain and/or
- (c) improved pasture - the total area of irrigated agricultural land for commercial gain.

**5.2.3.** Where the ratepayer completes a Crop Declaration and provides same to LBW in accordance with LBW's policy, LBW will reduce any rates payable calculated by reference to the area of land which the ratepayer declares, and is accepted by LBW as being, fallow. In order to be accepted some form of supporting documentation, i.e. cane map, photographic evidence, etc must be provided to LBW. Rates levied for irrigated agricultural land upon which sugar cane is grown will be levied two thirds to the cane grower and one third directly to the miller.

### 5.3. Charging method for open water

**5.3.1.** In levying charges pursuant to section 572(4) of the Act, for those customers who are approved for an open water supply, or hold an open water licence or surface water pumping permit, such customer shall:

- (a) be entitled to take the base volume of water (or nominal water allowance) stated in the Water Supply Agreement (subject to any restrictions imposed by LBW in the course of managing its activities)
- (b) be invoiced in arrears for the volume of water taken calculated at the base volume rate as published by LBW from time to time
- (c) be charged for water taken in excess of the base volume (or nominal water allowance) on a volumetric basis ("**the Excess Volume**"), calculated at the Excess Volume rate as published by LBW from time to time, with the Excess Volume being charged in arrears.
- (d) in the event of malfunction of the pump flow meter, an amount per megalitres assumed by LBW to have been used for the applicable period, based on the average of prior years' readings for the corresponding period or fitment of an hour meter. However, LBW may, in its sole discretion, waive any assumed usage charge (either whole or in part)
- (e) a nominal annual usage charge, where a water meter is not installed and periodic readings are not undertaken by LBW (refers to non-commercial, stock and garden open water supply).

### 5.4. Charging method for groundwater (non-ratepayers)

**5.4.1.** In levying charges pursuant to section 572(4) of the Act, for those customers who have contracted with the LBW for the extraction of groundwater, such customer shall:

- (a) be entitled to take the nominal water allowance stated in the water supply agreement
- (b) be invoiced in arrears for the volume of water taken calculated at the base volume rate as published by LBW from time to time
- (c) be charged for water taken in excess of the nominal water allowance on a volumetric basis ("**the Excess Volume**")
- (d) in the event of malfunction of the pump flow meter, an amount per megalitres assumed by LBW to

have been used for the applicable period, based on the average of prior years' readings for the corresponding period or fitment of an hour meter. However, LBW may, in its sole discretion, waive any assumed usage charge (either whole or in part)

- (e) a nominal annual usage charge, where a water meter is not installed and periodic readings are not undertaken by LBW (refers to non-commercial, stock and garden licenses).

### **5.5. Burdekin Shire Council**

**5.5.1.** In levying charges for the Burdekin Shire Council's ("the Council") urban water usage, LBW will invoice the Council annually at the end of the financial year, upon receipt of Council's metered bore readings.

**5.5.2.** For Council usage in excess of 5,000 megalitres per annum in the Northern Division, the charges will include components towards headworks upgrading and purchase of water allocation allowance as follows:

- a. Headworks upgrading
- b. Purchase of allocation and
- c. Annual fixed charge.

### **5.6. Interest**

**5.6.1.** Simple interest is to be charged on all overdue invoices on and from the date that is sixty days after the date of issue.

**5.6.2.** The rate of interest charged is to be the ANZ Bank Business Reference Rate as published by the ANZ from time to time plus four (4) percentage points rounded to the nearest whole number. The interest rate is to be reviewed on a monthly basis.