

# Our Operational Plan

Appendix A - Revenue Policy  
2019 -2020



**NARRABRI SHIRE**  
DISCOVER THE POTENTIAL

## APPENDIX A: REVENUE POLICY & FEES AND CHARGES 2019/2020

### REVENUE POLICY

The *Local Government Act 1993* (LGA) prescribes that Councils' may raise revenue in a number of different ways. These include rates, charges, fees, grants, borrowings and investments. Council is required to set its rates, charges and fees annually and publish these in its Operational Plan, which undergoes a 28-day public consultation period before being adopted by Council.

#### Ordinary Rates

Section 493 of the LGA prescribes four categories of rateable land being farmland, residential, mining and business. These categories can be further sub-categorised in accordance with Sections 515 to 518 of the LGA.

Ordinary rates are applied to properties based on independent land valuations provided by the NSW Valuer General. Council is required to use the latest valuations received up until 30 June of the previous year for rating purposes in the new financial year. A shire wide general revaluation is undertaken every three to four years.

In accordance with Section 497 of the LGA, the structure of a rate may consist of:

- a) an ad valorem amount (which may be subject to a minimum amount of the rate), or
- b) a base amount to which an ad valorem amount is added.

The ad valorem is a cent in the dollar value that is multiplied by the land value to derive the ad valorem amount.

If the use of the land no longer reflects its rating category, Section 524 of the LGA states that the ratepayer must notify Council within 30 days of the land use change, or make application to Council to have the category changed, as per Section 525 of the LGA.

#### Special Rates

Section 495 of the LGA covers the making and levying of special rates. Special rates are raised and used for a specific purpose. Council has one special rate for Tourism, which is levied on business.

#### Water Charges

Section 501 of the LGA covers the making and levying of Water Access Charges on all properties connected to, or able to be connected to, Council's water service network. Section 552(1)(b) of the LGA prescribes that Council can charge for a connected water service provided the land is within 225 metres of a Council water pipe.

Council has adopted a water charging structure based on the following benefit index:

Service (mm)	Size	20/25	32	40	50	65	80	90	100
Benefit Index		1.00	1.64	2.56	4.01	6.76	10.24	12.96	16.00

The benefit index is used to calculate the base charge for each service.

It is noted that the application of this benefit index has become misguided over the years since it was first instituted for the 2008/09 financial year. This year Council has begun the process of realigning all larger sized connections with the above index.

It is proposed to limit annual increases on 32, 40 and 50mm connections in Narrabri and 32 and 40mm connections in Wee Waa to soften the impact on ratepayers (particularly residential properties) in these two towns. The annual increase has been limited to 20% for the 2019/20 financial year and will be corrected over a number of years allowing customers time to assess their connect requirements. Other towns and villages are minimally impacted as a majority of the larger meter sizes are associated with large businesses, Government or Council owned properties.

A subsidised charge to down-size connections of effected ratepayers will also be introduced for those that don't need the larger sized connections. Ratepayers will be able to apply for assessment under this offer by contacting Water Services at the Council Office.

In addition to this base charge, usage charges apply. For metered services, this usage charge is a charge per kilolitre of water used. For non-metered services (Narrabri only), an additional charge is incorporated into the base charge.

For 2019/20, the usage charge has been commonly applied across the shire schemes.

An unconnected service is charged the same base charge as a 20/25 metered service and is applicable to land that is within 225 metres of a Council water main.

### **Sewerage Charges**

Section 501 of the LGA covers the making and levying of Sewer Access Charges on all properties connected to, or able to be connected to, Council's sewer service network. Section 552(3) (a) of the LGA prescribes that Council can charge for a connected sewer service provided the land is within 75 metres of a Council sewer main.

An unconnected service is charged half the base charge of a connected service. A landowner must apply and pay the appropriate fee for a disconnection to qualify for this service if the land is within 75 metres of a Council sewer. The landowner is then liable for a reconnection fee should a connected service be required in the future.

Pedestal charges are levied on residential units and commercial premises that add above normal loads to the sewer. Council has two charges being water closets and cisterns. These are set at 15% of the connected service charge.

### **Waste Management Charges**

Section 496 of the LGA prescribes that Council must make and levy an annual charge for the provision of domestic waste management services. Section 501 of the LGA prescribes that Council can make an annual charge for waste management services other than domestic waste management.

In 2007/2008 Council implemented a recycling collection program for the townships of Narrabri, Boggabri, Wee Waa and Baan Baa. This was expanded to include green waste in 2013/2014.

In 2014/2015 Council implemented an Urban Waste Management Fee for ALL urban assessments (domestic and non-domestic), and a separate service charge for assessments receiving waste collection.

Farmland still has a vacant land garbage charge, with all occupied farmland being charged a waste management fee as per urban properties.

### **Interest**

Section 566 of the LGA prescribes that interest accrues on rates and charges that remain unpaid after they become due and payable. In accordance with section 566(3) of the LGA, the Minister determines annually the maximum rate of interest payable. Council proposes to apply the maximum permissible for the 2019/2020 rating year.

### **Rounding**

All rates and annual charges are rounded to the nearest dollar.

### **Fees for Service**

Council must adhere to legislative requirements in the setting of some fees. Otherwise, fee setting is at Council's discretion.

Council supports the user pays principle, where appropriate.

Council reserves the right to charge for additional services or legislative changes that are not identified in the proposed fees schedule.

User Charges and Fees are listed in Council's Fees and Charges document.

### **Pricing Policy**

Council is committed to providing a diverse range of services that meet the needs of residents or visitors, within available resources. The principles of competitive neutrality have been taken into consideration in this policy.

Council recognises the need to provide services for groups and members of the community that may not be able to afford a commercial rate for service. Council will ensure that all rates, charges and fees are set so as to provide adequate cash flows to meet operating costs and to assist in the provision of funding capital works.

Council will pursue all cost effective opportunities in order to maximise its revenue base and to seek an acceptable commercial rate of return on investments, subject to community service obligations.

Council recognises the need to set prices for goods and services in order to provide the most effective level of service to the community and to ensure resources are not wasted.

### **Goods and Services Tax (GST)**

GST is not applicable to rates, annual charges or water usage charges.

In general, where legislation states that Local Government is the only possible supplier of a service, the fee for that service does not attract GST. Most other fees and charges do attract GST. All fees and charges are quoted including GST if applicable.

### **Borrowings**

Council has budgeted loan borrowings of \$4.3million. This consists of \$1.5million for Narrabri Landfill Improvements and \$2.8million for land purchase for the Industrial and Logistics Hub project.

## **Public Access Documents**

Schedule 5 of the Government Information (Public Access) Act 2009 (GIPA) requires that certain documents held by council, be made publicly available for inspection, free of charge. The public is entitled to inspect these documents either on Council's website (unless there is an unreasonable additional cost to Council to publish these documents on the website) or at the offices of the Council during ordinary office hours or at any other place as determined by the Council. These documents include:

### **1. Information About Council**

- The model Code of Conduct prescribed under section 440(1) of the Local Government Act
- Council's adopted Code of Conduct
- Code of Meeting Practice
- Annual Report
- Annual Financial Report
- Auditor's Report
- Operational Plan
- EEO Management Plan
- Policy concerning the Payment of Expenses and Provision of Facilities to the Mayor and Councillors
- Annual Reports of Bodies Exercising Functions Delegated by Council (eg Section 355/377 Committees)
- Any Codes referred to in the Local Government Act
- Returns of the Interest of Councillors, Designated Person's and Delegates
- Agendas, Business Papers and minutes of Council/Committee meetings (except meetings that are closed to the public)
- Office of Local Government reports presented at a meeting of Council
- Land Register
- Register of Investments
- Register of Delegations
- Register of Graffiti removal works
- Register of current Declarations of Disclosures of Political donations
- Register of Voting on Planning Matters

### **2. Plans and Policies**

- Local Policies adopted by Council concerning approvals and orders
- Plans of Management for Community Land
- Environmental Planning Instruments, Development Control Plans and Contribution Plans

### **3. Information about Development Applications and any associated documents received in relation to a Propose Development**

- Home Warranty Insurance documents
- Construction Certificates
- Occupation Certificates
- Structural Certification Documents
- Town Planner Reports
- Submissions received on Development Applications
- Heritage Consultant Reports
- Tree Inspections Consultant Reports

- Acoustic Consultant Reports
- Land Contamination Consultant Reports
- Records of decisions on Development Applications including decisions on appeals
- Publication Guides, Summary of Affairs and register of policy documents required under the Government Information (public Access) Act, 2009

#### **4. Approvals, Orders and other Documents**

- Information contained in the following records (whenever created) is prescribed as open access information
- Applications for approvals under Part 1 of Chapter 7 of the LGA and any associated documents received in relation to such an application
- Applications for approvals under any other Act and any associated documents received in relation to such an application
- Records of approvals granted or refused, any variation from local policies with reasons for the variation, and decisions made on appeals concerning approvals
- Orders given under Part 2 of Chapter 7 of the LGA, and any reasons given under section 136 of the LGA
- Orders given under the authority of any other Act
- Records of building certificates under the Environmental Planning and Assessment Act 1979
- Plans of land proposed to be compulsorily acquired by the local authority
- Compulsory acquisition notices
- Leases and licences for use of public land classified as community land
- Performance improvement orders issued to a council under Part 6 of Chapter 13 of the LGA.

Any current or previous versions of these documents may be inspected free of charge. Copies can be supplied for a copying charge as prescribed in Council's Fees and Charges schedule.

## 2019/2020 ORDINARY & SPECIAL RATES

### Business

Section 519 – Land may be categorised as Business for rating purposes should it not satisfy any of the conditions of any other rating category. The Business rate is sub-categorised into separate urban areas and a rural business sub-category.

	<b>Base Rate</b>	<b>Base as % of Yield</b>	<b>Ad Valorem Rate</b>	<b>Estimated Yield</b>	<b>% of Category Yield</b>
Business – Boggabri	\$320.00	40%	\$0.0082795	\$45,363	3%
Business – Narrabri	\$320.00	9%	\$0.0155444	\$1,076,199	77%
Business – Rural	\$320.00	28%	\$0.0089450	\$98,777	7%
Business – Wee Waa	\$320.00	19%	\$0.0409785	\$182,234	13%
<b>TOTAL BUSINESS RATE</b>				<b>\$1,402,573</b>	<b>11%</b>
<b>YIELD ESTIMATE</b>					

### Farmland

Section 515 of the LGA prescribes that land is to be categorised as farmland if its dominant use is for farming.

	<b>Base Rate</b>	<b>Ad Valorem Rate</b>	<b>Estimated Base Yield</b>	<b>Estimated Ad. Val. Yield</b>	<b>Estimated Total Yield</b>
Farmland	\$270.00	\$0.0042482	\$443,880	\$6,069,048	\$6,512,928
<b>TOTAL FARMING RATE</b>				<b>\$6,512,928</b>	<b>48%</b>
<b>YIELD ESTIMATE</b>					

### Mining

Section 517 – Land may be classified as mining land if its dominant use is as a coal mine or metalliferous mine.

	<b>Base Rate</b>	<b>Ad Valorem Rate</b>	<b>Estimated Yield</b>
Mining	\$23,000	\$0.0279909	\$997,506
<b>TOTAL MINING RATE YIELD ESTIMATE</b>		<b>\$997,506</b>	<b>7%</b>

### Residential

Section 516 – Land may be classified as residential if its dominant use is for resident accommodation. Hotels, motels, guesthouses and nursing homes do not qualify as residential. The rate is separated into four sub-categories, being three urban areas and a rural residential category.

	<b>Base Rate</b>	<b>Base as % of Yield</b>	<b>Ad Valorem Rate</b>	<b>Estimated Yield</b>	<b>% of Category Yield</b>
Residential – Boggabri	\$270.00	43%	\$0.0064153	\$306,169	7%
Residential – Narrabri	\$270.00	23%	\$0.0098211	\$2,872,258	63%
Residential – Rural	\$270.00	39%	\$0.0051369	\$676,814	15%
Residential – Wee Waa	\$270.00	26%	\$0.0322462	\$715,769	15%
<b>TOTAL RESIDENTIAL RATE YIELD ESTIMATE</b>				<b>\$4,571,010</b>	<b>34%</b>

#### **Tourism Promotion - Special Rate**

This Special Rate is set to assist in funding of Council's promotional allocation. The rate is levied on all properties classified Business within the Shire area.

	<b>Ad Valorem Rate</b>	<b>Estimated Yield</b>
Tourism	\$0.0009611	\$71,020
<b>TOTAL TOURISM RATE YIELD ESTIMATE</b>		<b>\$71,020</b>

**2019/2020 ANNUAL CHARGES - WATER****Water - Baan Baa**

	<b>Service Charge 2018/2019</b>	<b>Service Charge 2019/2020</b>	<b>Estimated Yield</b>
20/25mm Service	\$706	\$728	\$42,224
65mm Service	\$4,772	\$4,920	\$4,920
<b>ESTIMATED ACCESS CHARGE YIELD</b>			<b>\$47,144</b>
<b>ESTIMATED USAGE CHARGE YIELD</b>	\$1.32	\$1.05	<b>\$12,122</b>

**Water - Bellata**

	<b>Service Charge 2018/2019</b>	<b>Service Charge 2019/2020</b>	<b>Estimated Yield</b>
20/25mm Service	\$553	\$570	\$65,550
32mm Service	\$811	\$934	\$934
40mm Service	\$1,264	\$1,460	\$2,920
Unconnected Service	\$574	\$570	\$0
<b>ESTIMATED ACCESS CHARGE YIELD</b>			<b>\$69,404</b>
<b>ESTIMATED USAGE CHARGE YIELD</b>	\$1.32	\$1.05	<b>\$30,795</b>

**Water - Boggabri**

	<b>Service Charge 2018/2019</b>	<b>Service Charge 2019/2020</b>	<b>Estimated Yield</b>
20/25mm Service	\$389	\$401	\$224,159
32mm Service	\$671	\$657	\$5,256
40mm Service	\$949	\$1,025	\$4,100
50mm Service	\$1,484	\$1,610	\$14,490
80mm Service	\$3,983	\$4,105	\$8,210
100mm Service	\$5,920	\$6,415	\$12,830
Unconnected Service	\$370	\$401	\$10,025
<b>ESTIMATED ACCESS CHARGE YIELD</b>			<b>\$279,070</b>
<b>ESTIMATED USAGE CHARGE YIELD</b>	\$1.12	\$1.05	<b>\$272,652</b>

**Water - Gwabegar**

	<b>Service Charge 2018/2019</b>	<b>Service Charge 2019/2020</b>	<b>Estimated Yield</b>
20/25mm Service	\$632	\$651	\$41,013
40mm Service	\$824	\$1,660	\$1,660
Unconnected Service	\$339	\$651	\$4,557
<b>ESTIMATED ACCESS CHARGE YIELD</b>			<b>\$47,230</b>
<b>ESTIMATED USAGE CHARGE YIELD</b>	\$1.32	\$1.05	<b>\$8,800</b>

**Water – Narrabri – Metered**

	<b>Service Charge 2018/2019</b>	<b>Service Charge 2019/2020</b>	<b>Estimated Yield</b>
20/25mm Service	\$364	\$364	\$970,060
32mm Service	\$397	\$476	\$32,844
40mm Service	\$421	\$505	\$66,155
50mm Service	\$664	\$796	\$19,104
80mm Service	\$0	\$3,728	\$7,456
100mm Service	\$2,631	\$5,825	\$5,825
Unconnected Service	\$170	\$364	\$30,940
<b>ESTIMATED ACCESS CHARGE YIELD</b>			<b>\$1,132,384</b>
<b>ESTIMATED USAGE CHARGE YIELD</b>	\$0.99	\$1.05	<b>\$1,450,940</b>

**2019/2020 ANNUAL CHARGES - WATER****Water – Narrabri – Unmetered only for exiting services**

	<b>Service Charge 2018/2019</b>	<b>Service Charge 2019/2020</b>	<b>Estimated Yield</b>
20/25mm Service	\$546	\$563	\$0
32mm Service	\$848	\$923	\$0
40mm Service	\$1,360	\$1,440	\$0
100mm Service	\$8,123	\$9,005	\$0
Unoccupied	\$170	\$563	\$0
<b>ESTIMATED ACCESS CHARGE YIELD</b>			<b>\$0</b>

**Water - Pilliga**

	<b>Service Charge 2018/2019</b>	<b>Service Charge 2019/2020</b>	<b>Estimated Yield</b>
20/25mm Service	\$591	\$609	\$63,336
40mm Service	\$778	\$1,560	\$3,120
50mm Service	\$1,263	\$2,440	\$2,440
Unconnected Service	\$347	\$609	\$5,481
<b>ESTIMATED ACCESS CHARGE YIELD</b>			<b>\$74,377</b>
<b>ESTIMATED USAGE CHARGE YIELD</b>	<b>\$1.32</b>	<b>\$1.05</b>	<b>\$20,194</b>

**Water – Wee Waa**

	<b>Service Charge 2018/2019</b>	<b>Service Charge 2019/2020</b>	<b>Estimated Yield</b>
20/25mm Service	\$357	\$357	\$285,243
32mm Service	\$383	\$459	\$4,596
40mm Service	\$436	\$523	\$9,940
50mm Service	\$664	\$1,430	\$7,150
80mm Service	\$1,691	\$3,655	\$10,965
100mm Service	\$2,636	\$5,712	\$11,420
Unconnected Service	\$180	\$357	\$1,785
<b>ESTIMATED ACCESS CHARGE YIELD</b>			<b>\$331,099</b>
<b>ESTIMATED USAGE CHARGE YIELD</b>	<b>\$0.99</b>	<b>\$1.05</b>	<b>\$556,923</b>

**2019/2020 ANNUAL CHARGES - SEWER****Sewerage – Boggabri**

	<b>Service Charge 2018/2019</b>	<b>Service Charge 2019/2020</b>	<b>Estimated Yield</b>
Occupied	\$613	\$632	\$281,872
Unoccupied	\$303	\$316	\$13,588
Pedestal Charges – Per Cistern/>6W.C	\$96	\$99	\$46,035
Pedestal Charges – Water Closets (1-6)	\$96	\$99	\$5,544
<b>TOTAL BOGGABRI SEWER CHARGES YIELD</b>			<b>\$347,039</b>

**Sewerage – Narrabri**

	<b>Service Charge 2018/2019</b>	<b>Service Charge 2019/2020</b>	<b>Estimated Yield</b>
Occupied	\$762	\$785	\$2,004,105
Unoccupied	\$390	\$393	\$50,697
Pedestal Charges – Per Cistern/>6W.C	\$117	\$121	\$73,810
Pedestal Charges – Water Closets (1-6)	\$117	\$121	\$82,401
<b>TOTAL NARRABRI SEWER CHARGES YIELD</b>			<b>\$2,211,013</b>

**Sewerage – Wee Waa**

	<b>Service Charge 2018/2019</b>	<b>Service Charge 2019/2020</b>	<b>Estimated Yield</b>
Occupied	\$795	\$819	\$619,164
Unoccupied	\$398	\$410	\$13,530
Pedestal Charges – Per Cistern/>6W.C	\$117	\$121	\$3,025
Pedestal Charges – Water Closets (1-6)	\$117	\$121	\$28,314
<b>TOTAL WEE WAA SEWER CHARGES YIELD</b>			<b>\$664,033</b>

**2019/2020 ANNUAL CHARGES – WASTE**  
**Domestic Waste Management (DWM) Charges**

	<b>Service Type</b>	<b>Service Charge 2018/2019</b>	<b>Service Charge 2019/2020</b>
DWM Availability Fee	All Urban Assessments	\$150	\$165
DWM – MSW/Recycling/Organics (Serviced Assessments Only)	Per 1x140 Litre MSW (Red), 1x240 Litre Recycling Bin (Yellow) & 1x240 Litre Organics Recycling Bin (Green)	\$320	\$330
Additional/Upsize Residential Service	Additional MGB (per Annum fee)	\$125	\$129
	Upsize Mixed Solid Waste Bin	\$75	\$77.50
	Upsize Recycling bin	\$60	\$62
<b>TOTAL DOMESTIC WASTE MANAGEMENT ESTIMATED YIELD</b>			<b>\$1,420,582</b>

## Other Waste Management Services (Non-Domestic) Charges

	Service Type	Service Charge 2018/2019	Service Charge 2019/2020
Business Waste Management Fee	All Urban Assessments	\$150	\$165
Business – MSW/Recycling (Serviced Assessments Only)	Per 1x240 Litre MSW (Red) & 1x240 Litre Recycling Bin (Yellow)	\$355	\$366
Additional/Upsize Residential Service	Additional MGB (per Annum fee)	\$155	\$160
	Upsize existing Recycling bin to 360 Litres (one off fee)	\$60	\$62
Rural Waste Management Fee		\$150	\$165
Rural Waste Management Charge Unoccupied		\$55	\$57
<b>TOTAL OTHER WASTE MANAGEMENT ESTIMATED YIELD</b>			<b>\$1,339,302</b>

NB: MSW – Mixed Solid Waste