

STATEMENT OF REVENUE POLICY

1. INTRODUCTION

Section 405 of the Local Government Act 1993 requires a Council to include a Statement of Revenue Policy in its Operational Plan. In compiling this Policy, several significant factors have been considered in conjunction with the projected Operational Budget. In the current economic climate, Council is continuing to face increasing cost pressures while being relatively constrained with a static revenue base. The 2026/2027 Operational Budget has been formulated within these income and cost constraints.

2. ESTIMATED INCOME AND EXPENDITURE 2026-2027

In accordance with Section 491 of the Act, Council may obtain income from rates, charges, fees, grants, borrowings, and investments.

INCOME STATEMENT - REVENUE

Revenue is sourced mostly from rates and operational grants which is used to meet the costs of providing services to residents and businesses of the Narromine Shire Local Government Area.

Income	General Budget \$	Water Budget \$	Sewer Budget \$	Consolidated Budget \$
Rates and annual charges	9,477,980	1,178,437	1,478,921	12,135,338
User charges and fees	2,383,669	2,677,519	516,159	5,577,347
Interest and investment	249,817	144,598	332,056	726,471
Other revenue	225,990	-	-	225,990
Other income	91,112	10,000	1,000	102,112
Grants and contributions for operating purposes	7,884,066	-	-	7,884,066
Grants and contributions for capital purposes	12,917,363	1,125,000	-	14,042,363
Net gains from disposal of assets	3,146,216	-	-	3,146,216
Total income	36,376,213	5,135,554	2,328,136	43,839,903

INCOME STATEMENT - EXPENDITURE

Expenditure has been determined after consulting widely with the community on an ongoing basis, as part of the Integrated Planning and Reporting Framework and within revenue and other reasonable aspirations and constraints of Council.

Expenses	General Budget \$	Water Budget \$	Sewer Budget \$	Consolidated Budget \$
Employee Benefits and On-costs	5,823,152	563,291	375,527	6,761,970
Borrowing Costs	376,485	-	-	376,485
Materials and Contracts	6,784,796	1,841,133	1,095,875	9,721,804
Depreciation and Amortisation	8,030,039	212,614	316,905	8,559,558
Other Expenses	1,341,298	-	-	1,341,298
Total Expenses	22,355,770	2,518,516	1,788,307	26,761,115

CONSOLIDATED INCOME STATEMENT BY CORE FUNCTION

Expenditure has been determined after consulting widely with the community on an ongoing basis, as part of the Integrated Planning and Reporting Framework and within revenue and other reasonable aspirations and constraints of Council.

Core Function	Income \$	Expenditure \$	Operating Result \$
Community Services	12,144,327	2,443,598	9,700,729
Corporate Services	12,220,264	1,671,058	10,549,206
Development and Environmental Services	682,619	2,098,683	(1,416,064)
Engineering	8,273,089	13,233,357	(4,960,268)
Governance	131,063	1,384,773	(1,253,710)
Water Fund Engineering	5,135,554	2,617,038	2,518,516
Sewer Fund Engineering	2,328,136	1,788,307	539,829
Waste Fund Engineering	2,924,851	1,524,301	1,400,550
Total	43,839,903	26,761,115	17,078,788

3. ORDINARY RATES

Section 494 of the Local Government Act 1993 requires Council to make and levy ordinary rates on all rateable land, based on independent valuations provided by Property NSW on behalf of the NSW Valuer General.

The NSW Independent Pricing and Regulatory Tribunal (IPART) determines the allowable annual increase in rate income, known as the rate peg. The rate is based on the change in the Local Government Cost Index (LGCI) and consideration of a population factor. IPART has set the rate peg for the 2026-2027 financial year at 3.4%. This includes a component for the Emergency Services Levy contributions.

The rate peg before applying the population factor (the core rate peg), for council is based on:

Component	Percentage change
Base Cost charges (BCC)	3.0
Catch-up adjustment for past changes in the superannuation guarantee rate	0.5
ESL Adjustment to reflect the increase in the ESL in the years when increases were not captured by the rate peg previously subsidised by the NSW Government.	0.1
Election cost adjustment	-0.2
Core Rate Peg	3.4
Supplementary valuations	0.6
Population factor	-0.2
2026/2027 Rate Peg	3.4%

A sub-category may be determined for the category: -

- Farmland according to the location of the land, intensity of the land use, the ability to irrigate the land, or economic factors affecting the land
- Residential according to whether the land is rural residential land, within a centre of population or is in a residential area or in part of a residential area
- Mining according to the kind of mining involved
- Business according to a centre of activity

Council has further sub-categorised land in accordance with Section 529 of the Act to distribute the rate burden more equitably within the Shire as follows: -

Component	Sub-Category	Description
Farmland		In accordance with Sec 515 of the Local Government Act 1993
Residential		In accordance with Sec 516(1)(c) of the Local Government Act 1993. Relates to rural residential land that is the site of a dwelling, not less than 2 hectares and not more than 40 hectares located outside the town boundaries
Residential	Narromine	Land within the Narromine town boundary
Residential	Trangie	Land within the Trangie town boundary
Residential	Tomingley	Land within the Tomingley town boundary
Residential	Skypark	Residential land within the Skypark Estate subdivision. This land is not contiguous with the Narromine town boundary
Business		In accordance with Sec 518 of the Local Government Act 1993
Business	Narromine	Land within the Narromine town boundary used for business activities
Business	Trangie	Land within the Trangie town boundary used for business activities
Business	Industrial Estate	Land located within the Narromine Industrial Estate and land zoned industrial located between the Narromine town boundary and the current industrial estate
Business	Aerodrome Business Park	Land located within the Narromine Aerodrome Business Park
Business	Craigie Lea Industrial Hub	Industrial land located on Craigie Lea Lane Narromine
Mining		All mining located within the Narromine Shire Local Government Area

Categories and sub-categories are shown on the attached Rating Maps.

Ad Valorem Amount

The ordinary rate is an “Ad Valorem Rate’ being an amount in the dollar that is levied on land values provided under the Valuation of Land Acts by the Valuer General’s Department in respect to each parcel of rateable land. Each such parcel is subject to a minimum amount.

The State Valuation Department undertook a General Valuation during 2025/2026 with a base date of 1 July 2025 applied for rating purposes from 1 July 2026.

The valuation cycle is for three years with the next General Valuation to be undertaken at the end of 2028. This revaluation will affect the 2029/2030 rating year.

Category	No of Assessments	Rateable Land \$	Minimum \$	Ad Valorem	Estimated Income \$
Farmland	828	1,871,427,250	369.87	0.218210	4,090,817.25
Residential	377	100,441,940	369.87	0.322100	329,458.21
Residential - Narromine	1,469.89	134,773,540	582.95	0.996582	1,363,178.46
Residential – Trangie	383	13,865,090	475.14	2.062350	289,441.58
Residential – Tomingley	26	1,038,500	288.62	1.139600	12,305.20
Residential – Skypark	61	13,059,000	582.95	1.386690	181,087.73
Business - Narromine	133.11	12,312,540	1,320.76	2.783609	383,779.56
Business - Trangie	50	1,348,320	1,226.82	7.096010	112,495.39
Business	81	14,717,660	646.36	1.293174	205,619.02
Business – Industrial Estate	37	7,204,500	1,174.32	0.785520	61,364.29
Business – Aerodrome Business Park	22	1,341,700	664.29	1.301180	18,406.87
Business – Craigie Lea Industrial Hub	0	0	664.29	1.307554	0
Mining	3	25,302,000	498.28	1.757581	445,166.18
TOTAL	3,471	2,196,832,040			7,493,119.74

Catchup/Excess

Council has a catchup of \$53,802, which has been taken into account when calculating the permissible income for 2026/2027.

Rate Structure 2026/27

The table below shows the rates for 2026/27 using the ad valorem calculation, based on the 3.4% rate peg and the allowable catchup.

Interest Rate

In accordance with Section 566(3) of the Local Government Act, it has been determined that the maximum interest rate payable on overdue rates and charges for 2026/27 will be 9.5% per annum.

4. CHARGES TO BE LEVIED

Under Section 501(1) of the Local Government Act, Council may make an annual charge for any of the following services provided, or proposed to be provided, on an annual basis: -

- Water supply services
- Sewerage services
- Drainage services
- Waste management services (other than domestic waste management services)
- Any services prescribed by the regulations

Water Supply Services

With increasing demands on the limited water resources of NSW, it is vital that water resources are managed in an efficient and sustainable manner. Council implements integrated water pricing which consists of two components of best-practice pricing. The usage charge is the key element of pay-for-use pricing and is broadly based on the long-run marginal cost of the water supply system. The remainder of the revenue required for the financial sustainability of the water supply business is obtained through the annual access charge.

Water Access Charge

The annual water access charge is applied to land that is situated within 225m of a Council water pipe, even if it is not actually supplied. The access charge is proportional to the 'square' of the meter size to reflect the potential load that can be placed on the water supply network.

Water Access Charge – Residential and Non-Residential	2026/27 \$
Water access charge 20mm	408.00
Water access charge 25mm	632.00
Water access charge 32mm	1,035.00
Water access charge 40mm	1,610.00
Water access charge 50mm	2,485.00
Water access charge 100mm	9,965.00

The estimated yield from the charge is \$1,200,679.

Water Usage Charge

The water usage charge is an appropriate water usage charge per kL based on the long-run marginal cost.

Water Consumption Charge	2026/27 \$
Residential Water Consumption Charge (per kilolitre)	3.24
Non-residential Water Consumption Charge (per kilolitre)	3.60
Bulk Water Consumption Charge (per kilolitre)	2.40
Council standpipes (per kilolitre)	5.20

Bulk water refers to potable water supplied at a reduced rate, based solely on the cost of extraction and delivery, and excluding the additional service or infrastructure charges typically applied to residential usage. This pricing structure is intended for non-residential users who require large volumes of water for purposes that deliver a broader community benefit.

During the delivery period, Narromine Shire Council proposes to apply bulk water charges to two users: the Narromine Turf Club and Council's own operations for the maintenance of parks, gardens, and ovals.

Sewerage Services

Sewer Access Charge - Residential

Best Practice sewerage pricing involves a uniform annual sewerage bill for residential customers. The annual uniform sewer charge is applied to all single dwellings, strata title units and vacant land where a sewerage service is available.

Sewer Access Charge – Residential	2026/27 \$
Narromine and Trangie Sewer Access Charge	796.00

The estimated yield from the charge is \$1,485,336.

Sewer Access Charge – Non-Residential

Best practice sewer pricing provides that sewer usage charges should reflect the long-run marginal cost of the sewer business. A two-part tariff should be applied for non-residential customers, being an access charge and usage charges reflective of the customer's peak load on the system.

Sewer Access Charge – Non-Residential	2026/27 \$
Narromine and Trangie Sewer access charge 20mm	281.91
Narromine and Trangie Sewer access charge 25mm	440.49
Narromine and Trangie Sewer access charge 32mm	721.68
Narromine and Trangie Sewer access charge 40mm	1,127.64
Narromine and Trangie Sewer access charge 50mm	1,761.93
Narromine and Trangie Sewer access charge 80mm	4,510.54
Narromine and Trangie Sewer access charge 100mm	7,047.72

The charge for non-residential is calculated similarly to the residential charge but is charged on the actual water consumption, size of the water service and a factor based on the volume of water discharged into the system by the property as follows: -

$\text{Sewer Discharge Factor} \times (\text{Access Charge} + (\text{Consumption} \times \text{Usage Charge}))$

Usage charge is \$3.20 per/kl.

Minimum charge per annum - \$796.00

To facilitate the charging of this minimum, the annual charge for non-residential properties will be removed from the rate instalment notice and will appear as a quarterly charge on the Water/Sewer Usage Account.

Sewer Charge – Non-Residential - Schools, Churches and Non-Rateable Properties

Council can provide Community Services Obligations to non-rateable properties. These non-rateable properties are not subject to the access charge but are responsible for water and sewer usage charges calculated as follows: -

Sewer Discharge Factor x (Access Charge + (Consumption x Usage Charge))
Usage charge is \$3.20 per/kl.

Sewer Charges – Non-Residential – Multiple Use Properties

Multiple Use Properties include flats, motels, caravan parks etc.

The charges will be calculated as follows: Sewer Discharge Factor x (Access Charge + (Consumption x Usage Charge)) The usage charge is \$3.20 per kl. Minimum Charge per annum is \$796.00

The estimated yield from the charge is \$298,191.

Liquid Trade Waste Charges

Council's Liquid Trade Waste Policy sets out how Council will regulate trade waste discharge. Sewerage systems are generally designed to cater for domestic waste. Liquid trade waste may exert greater demands on the systems.

Annual Liquid Trade Waste Charge

Council has four categories for liquid trade waste for which an annual Trade Waste Fee will be charged.

Category	Details	2026/27 \$
Category 1	Discharges requiring minimal or prescribed pre-treatment with low impact on the system. This category includes retail food outlets that do not serve hot food or generate oily/greasy waste, and other commercial outlets such as hairdresser, doctor's surgery, florists etc.	122.50
Category 2	Discharges requiring prescribed pre-treatment. This category includes premises that serve hot food and generate oily/greasy waste and other commercial premises such as car detailers, primary mechanical workshops, dry cleaners, hospitals etc.	127.50
Category 3	Discharges of large volumes of waste (over 20 kL/d). This category includes abattoirs, food processing plants, plant nurseries, saleyards, transport depots etc. Excess mass charges apply for all waste exceeding the concentration of pollutants in domestic sewerage.	178.50
Category S2	Discharges of septic tank or pan content waste into the system. This category includes dump waste points, portable chemical toilet waste, septic tank effluent etc.	801.00
	Inspection Fee for Category 1 and 2 dischargers	116.00

The estimated yield from the charge is \$11,109.

Liquid Trade Waste Usage Charge

The Liquid Trade Waste usage charge is calculated by applying an additional discharge factor by a user charge. The usage charge for Category 1 and 2 dischargers will be calculated as follows: -

Consumption x Liquid Trade Waste Discharge Factor x Usage Charge
Usage charge is \$3.10 per KL.

Drainage Services

Stormwater Charge

A stormwater charge assists with the cost of addressing the drainage problems in urban areas of the Shire and funds stormwater related works and projects. Each parcel of rateable land for which the service is available will be charged as follows: -

Stormwater Charge	2026/27 \$
Residential Stormwater Levy	25.00
Residential Stormwater Levy – per strata title	12.50
Business Stormwater Levy – area less than 1,200m ²	25.00
Business Stormwater Levy – area greater than or equal to 1,200m ² and below 5,000m ²	50.00
Business Stormwater Levy – area greater than or equal to 5,000m ² and below 10,000m ²	100.00
Business Stormwater Levy – area greater than or equal to 10,000m ²	375.00

Exemptions

- Rateable property owned by the Crown
- Rateable property under a lease for private purposes granted under the Housing Act 2001 or Aboriginal Housing Act 1998
- Vacant land as in land containing no buildings, car parks, or large areas of material such as concrete (i.e. no impervious surfaces)
- Land belonging to charities and public benevolent institutions
- Rural residential or rural business land (i.e. land not located within a village or town)
- Properties zoned RE1 and RE2 (Private Recreation)

The estimated yield from the charge is \$53,287.50.

Apportionment of Charges

Where a dwelling is constructed on vacant land during the year, an adjustment will be made to the charges levied i.e. an apportionment of the charge on a daily basis multiplied by the number of days from the completion date to the end of the financial year.

Waste Management Services

Domestic Waste Management Charge

Section 496 of the Local Government Act requires Council to make and levy an annual charge for the provision of domestic waste management services for each parcel of rateable land for which the service is available.

Where a dwelling has been constructed on vacant land during the current rating year, an adjustment will be made on the charges levied for that land i.e. an apportionment of the vacant charge on a daily basis multiplied by the number of days up to the time the dwelling is completed and a charge for services from the completion date of the dwelling multiplied by the number of days remaining in the current year.

Where additional Domestic Waste Management services are requested, the charge shall be equivalent to the current annual charge levied for the first Domestic Waste Management service apportioned for the number of days remaining in the rating year.

Waste Management Charge	2026/27 \$
Domestic Waste Management Charge per service	486.00
Unoccupied Domestic Waste Management Charge per service	114.50

The estimated yield from the domestic waste management charge is \$1,055,592.

The estimated yield from the unoccupied domestic waste management charge is \$19,236.

Council provides the owner of each property within the Narromine Local Government Area with two tip tokens annually, issued with the rates notice. Each token is equivalent to the disposal of one cubic metre of domestic waste. Additionally, each household within the Narromine LGA that receives a kerbside rubbish collection service will receive two tokens, each redeemable for one roll of FOGO (Food Organics Garden Organics) bags. Services beyond the allocation of tokens will be charged in accordance with Council's adopted Fees and Charges.

Commercial Waste Management Charge

In accordance with Section 501 of the Local Government Act, Council will levy a waste management charge for commercial properties.

Commercial Waste Management Charge	2026/27 \$
Commercial Waste Management Charge	486.00

The estimated yield from the charge is \$247,860.

Recycling Charge

Council's contractor provides a fortnightly recycling service to each occupied residential and commercial property within the current collection areas. This service reduces both waste disposed of landfills and greenhouse gas emissions. Council will levy recycling charges as follows: -

Recycling Charge	2026/27 \$
Recycling Charge per service – domestic (sec 496 of the Local Government Act)	133.00
Recycling Charge per service – other (sec 501 of the Local Government Act)	133.00

The estimated yield from the charge is \$316,806.

Food and Organics Collection (FOGO) Charge

Council's contractor provides a weekly Food and Organics collection service to each stand alone residential property. Council will levy a Food and Organics Collection Charge as follows: -

Food and Organic Collection Charge	2026/27 \$
Food and Organic Collection Charge per service	104.50

Concession – a \$50.00 concession (\$12.50 per quarter) will be granted to eligible pensioners towards the cost of service. The full cost of the concession will be subsidised by Council.

The estimated yield from the charge is \$216,629.

The estimated cost of the pensioner concession is \$23,250.

Waste Depot Charge – Rural

In accordance with Section 501 of the Local Government Act, Council will levy a Waste Depot Charge to all rateable rural properties in the Shire. Council provides waste management facilities for all ratepayers in the Shire. Rural ratepayers pay a small percentage as their contribution to the running expenses of the waste facilities. Rateable rural properties will be charged as follows: -

Waste Depot Charge	2026/27 \$
Waste Depot Charge – Rural Rateable Properties	114.50

The exceptions are Crown land licenced and leased properties provided the following conditions are met:

- Licences (pump sites) and leases for land areas under 10ha.
- The licence/lease is held in the same name or company name for an existing property category as farmland or rural residential.

The estimated yield from the charge is \$119,996.

5. FEES

Council can raise additional income from fees for the use of publicly owned facilities and other user pay services. Fees can also be charged for giving information, supplying products or processing applications.

Statement of Proposed Pricing Methodology for Goods and Services

Council's pricing methodology is to implement a fair and reasonable fee for the services it provides and wherever deemed appropriate that fee is based on a user pay cost recovery basis.

Council does, however, subsidise high priority community services such as swimming pools, libraries and recreational facilities.

A full list of Council's fees and charges for 2026/2027 is provided as a separate document.

6. OTHER REVENUE

Investments

Section 625 of the Local Government 1993 allows Council to invest money that is not for the time being required by Council. Investments must be made in accordance with the current Ministerial Investment Order and any guidelines issued by the Office of Local Government.

An investment report is presented at each Council Meeting by the Responsible Accounting Officer.

Borrowings

There are two proposed borrowings for 2026/27: -

Proposed Loan	Financial Institution	Loan Term	Loan \$	Annual Repayment \$
Narromine Water Treatment Plant	TCorp	20 years	10,500,000	924,844
Craigie Lea Lane Industrial Development Civil Works	TCorp	10 years	2,315,000	316,643.12

The Long-Term Financial Plan includes provision for servicing the current borrowings as follows: -

Loan Description	Financial Institution	Loan Expiry	Balance \$ 30.06.26	Annual Repayment \$
Medical Centre Expansion	CBA	09.02.28	40,986.18	24,365.69
Narromine Aerodrome Reseal	ANZ	03.04.27	15,883.01	16,248.52
Waste - Capital Improvements	ANZ	07.04.28	56,875.86	29,504.12
Residential Land Development – Dappo Road	T/Corp	28.06.32	718,082.05	137,271.86
Industrial Hub and Freight Exchange Development	T/Corp	31.03.33	915,671.60	157,223.32
Jones Circuit Property Purchase	T/Corp	23.10.34	1,144,988.66	167,385.45
Old Backwater Road/Fifth Avenue Property Purchase	T/Corp	25.02.36	946,382.77	125,858.72
'Swandaleah'/Nicholas Street Trangie Property Purchase	T/Corp	25.02.36	919,903.67	122,337.28

7. LAND ACQUISITION

There are no proposed land acquisitions for the 2026 – 27 financial year.

8. INSTALMENT DATES

Section 562 of the Local Government Act 1993 provides that if payments are made by quarterly instalments, the instalment are payable by 31 August, 30 November, 28 February and 31 May. Council's practice is to extend the payment date to the first working day after the due date if the instalment falls due on a weekend or public holiday.

9. METHODS OF PAYMENT

Payments for rates and charges can be made by: -

- In person at Council's Customer Service and Payments Centre between 8.45am and 4.30pm Monday to Friday (excluding public holidays).
- At any Australia Post Branch or Agency
- Cheques or money orders mailed to PO Box 115, Narromine, NSW, 2821
- By phone 02 6889 9999, BPay, Bankcard, Mastercard and Visa payments, Direct debit arrangement
- BPay view – sign up to enotices
- Flexi Pay – scanning the QR code on a rate notice
- "Pay my Rates" option on Council's website www.narromine.nsw.gov.au

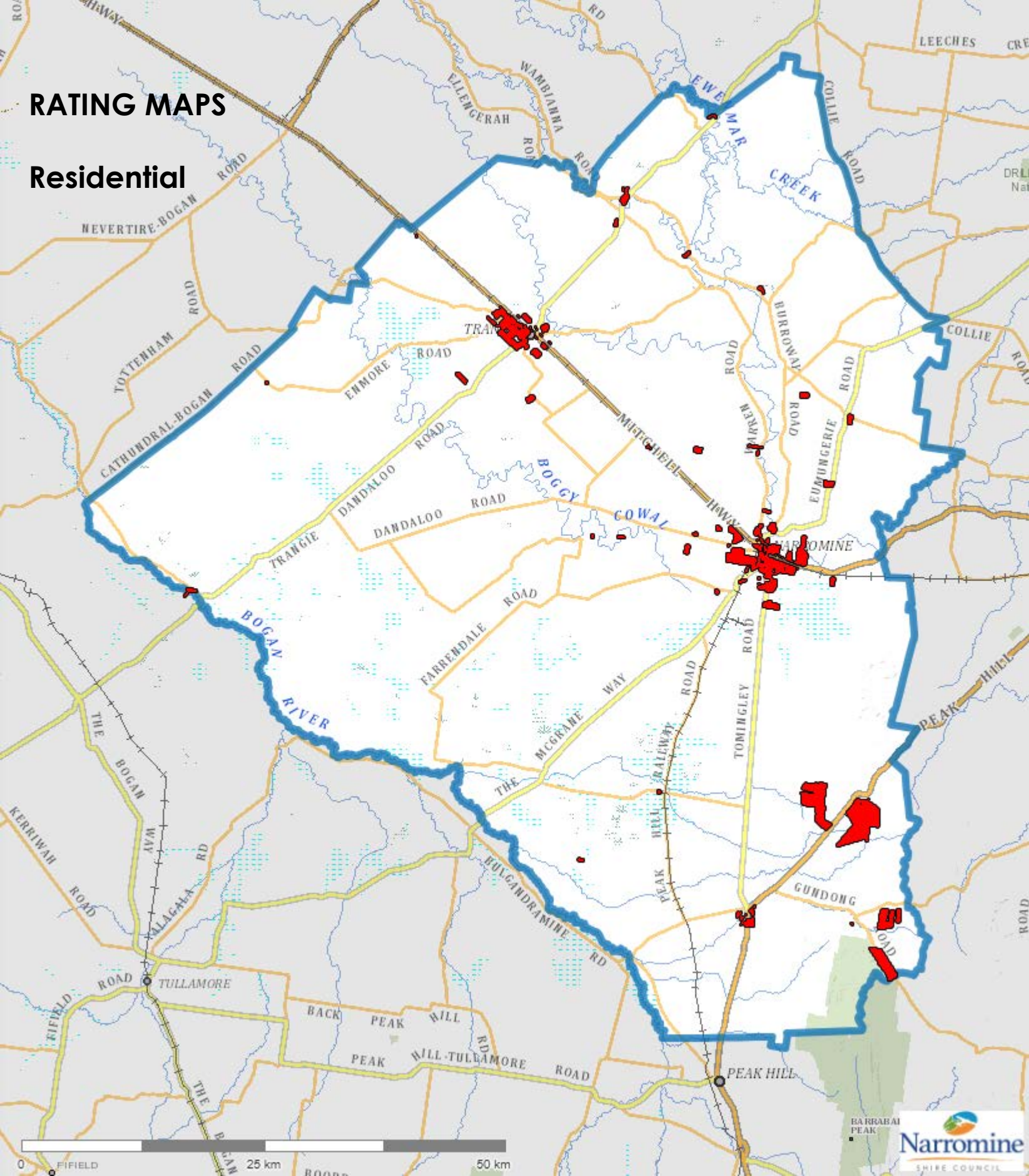
10. HARDSHIP POLICY

Council has adopted a Hardship Policy for those ratepayers experiencing difficulty with payment of rates and charges. The Policy and application form can be accessed on Council's website www.narromine.nsw.gov.au



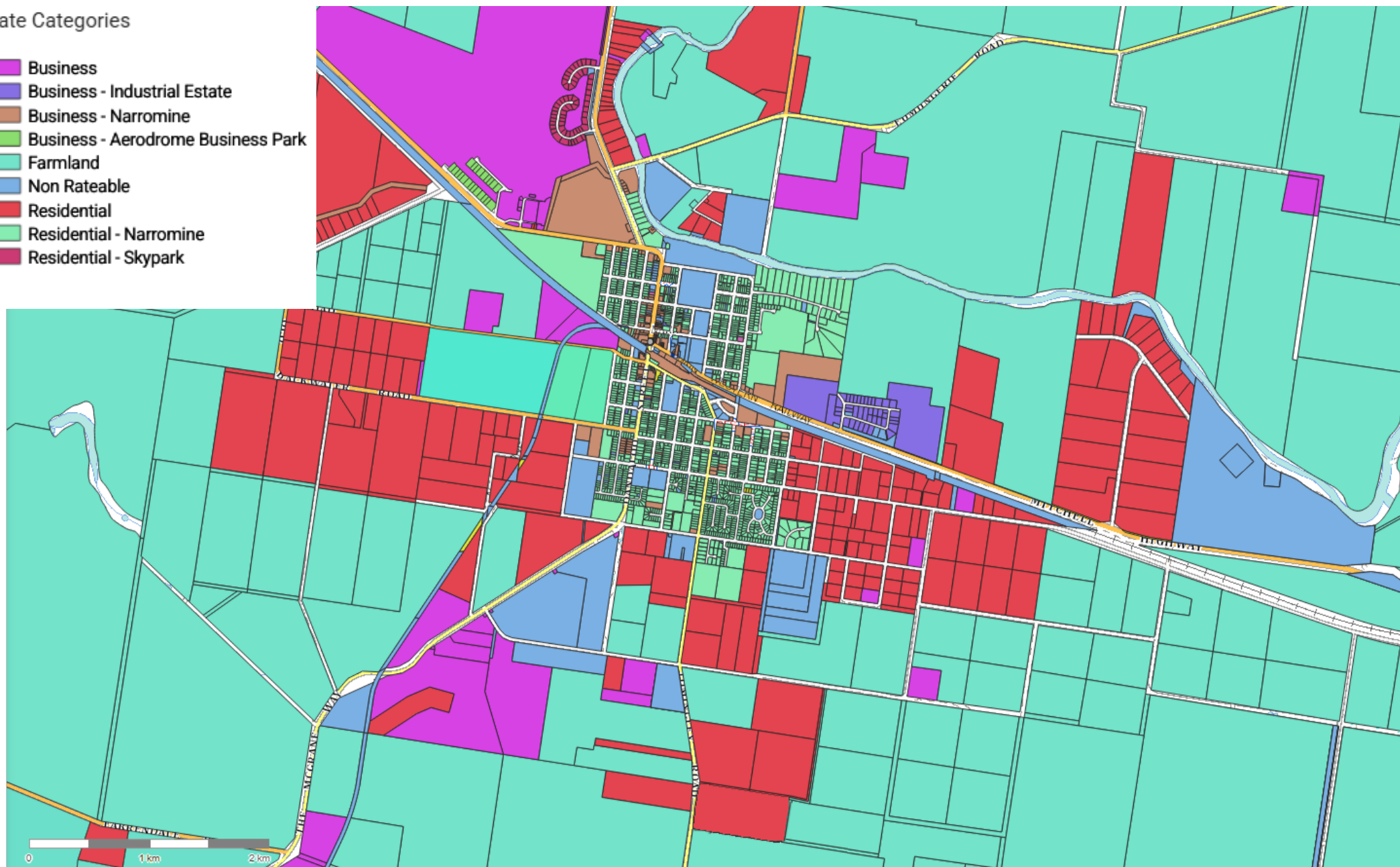
RATING MAPS

Residential



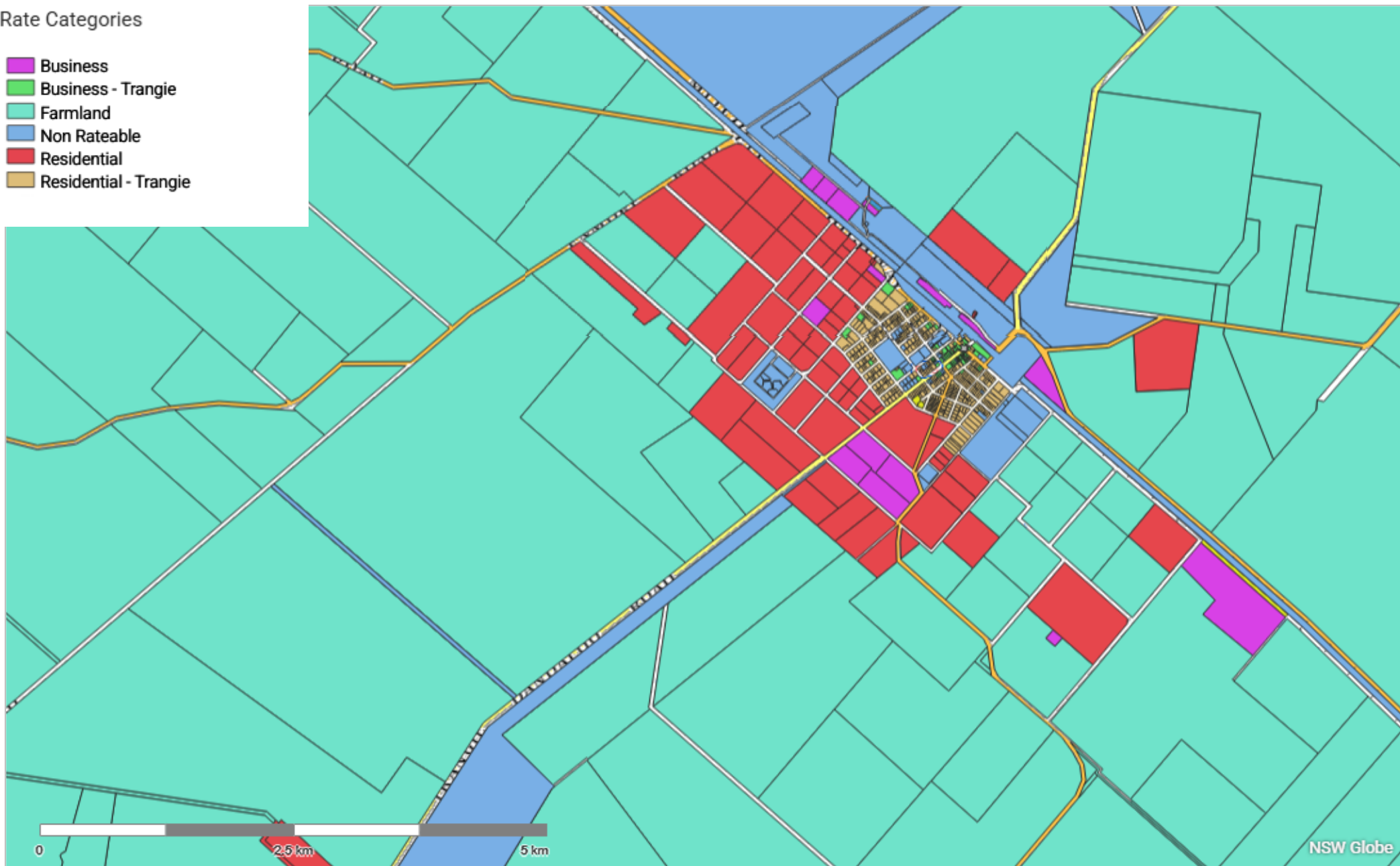
Rate Categories

- Business
- Business - Industrial Estate
- Business - Narromine
- Business - Aerodrome Business Park
- Farmland
- Non Rateable
- Residential
- Residential - Narromine
- Residential - Skypark



Rate Categories

- Business
- Business - Trangie
- Farmland
- Non Rateable
- Residential
- Residential - Trangie

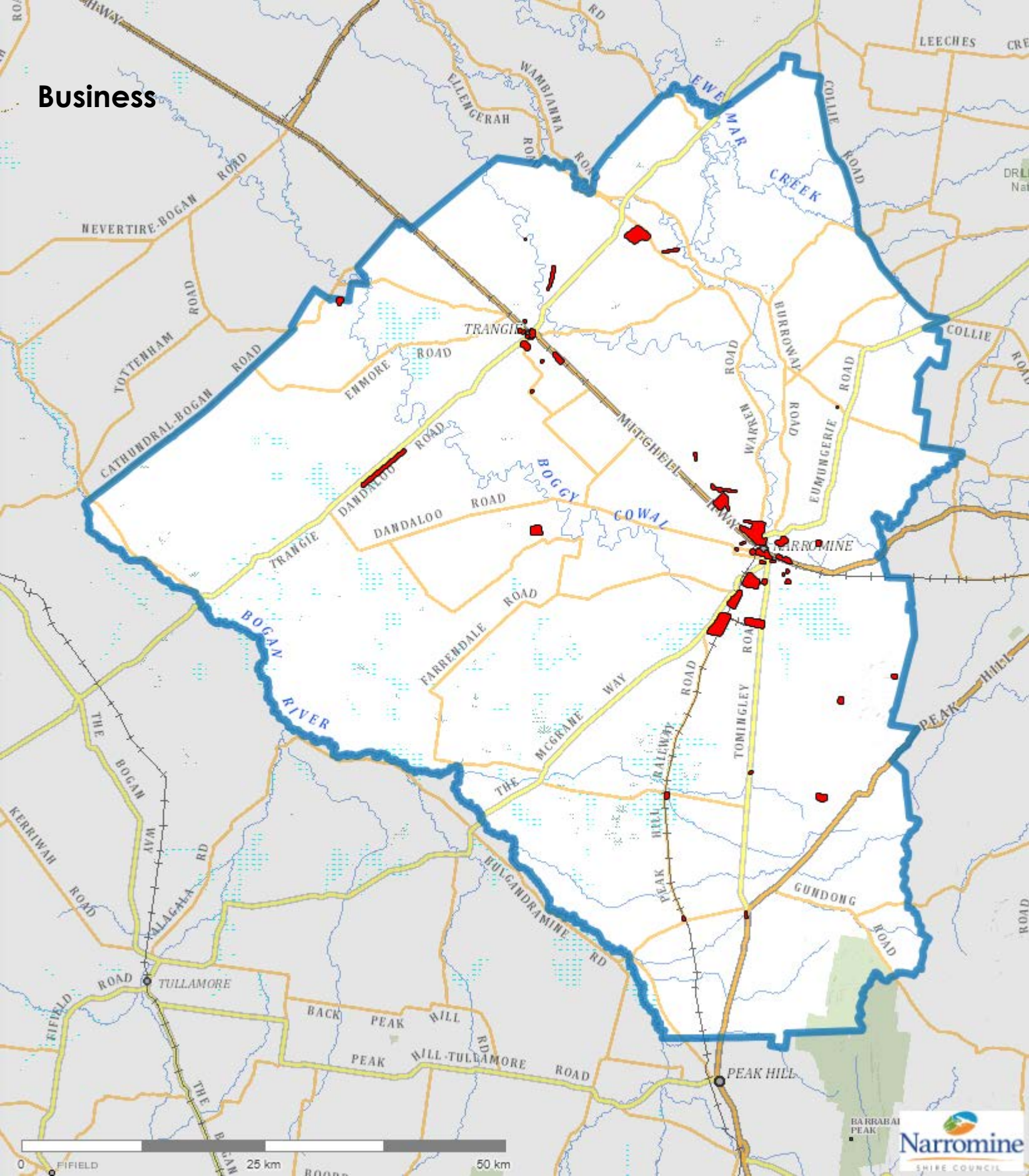


Rate Categories

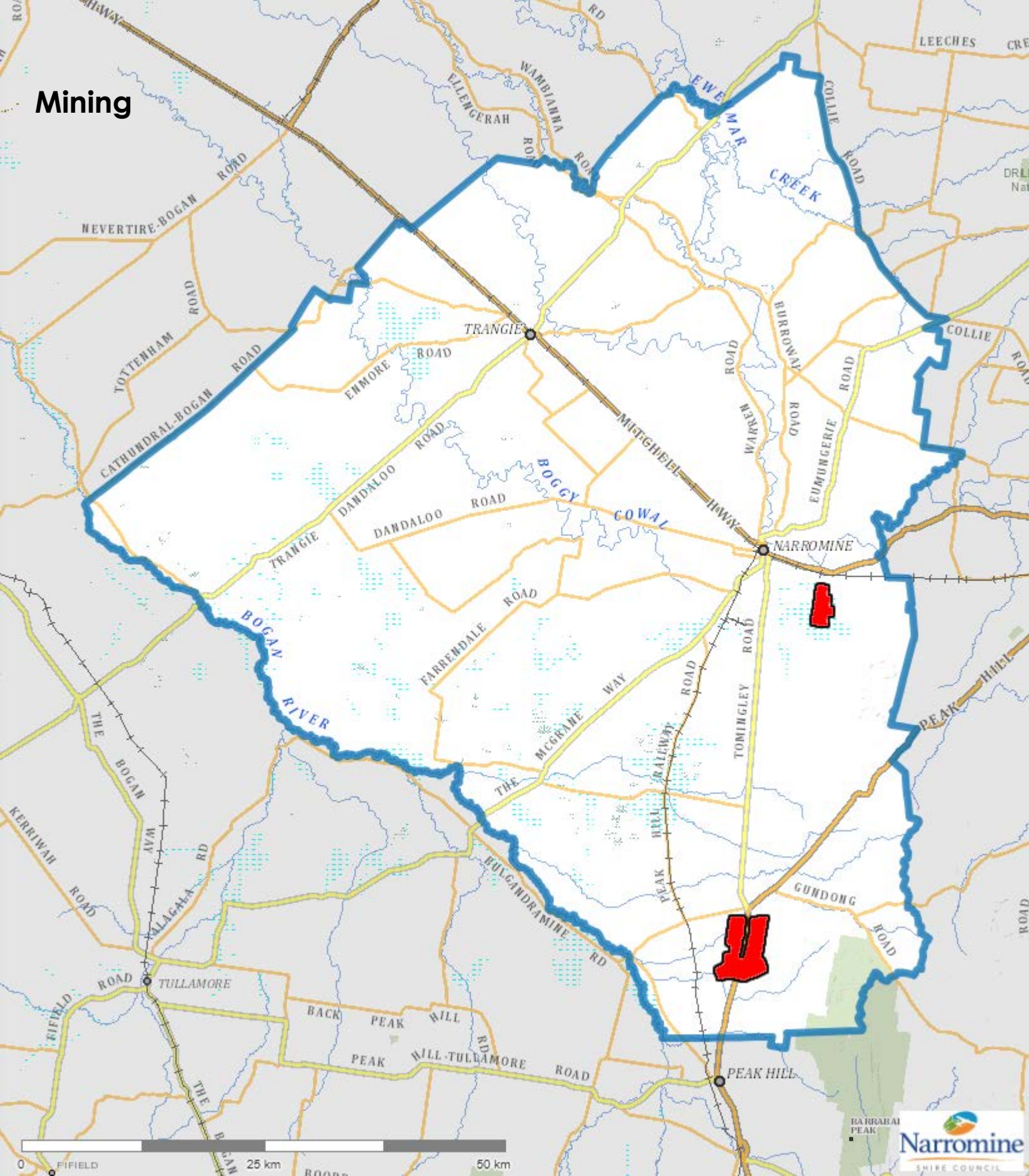
- Business
- Farmland
- Mining
- Non Rateable
- Residential
- Residential - Tomingley



Business



Mining



Farmland

