



Operational Plan 2024/2025

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Financial Summary

The Council has developed a four-year Delivery Program and a ten-year Community Strategic Plan. The Council's Operational Budget is in its third year of these plans. The major focus of the Council in developing the budget is to ensure its long term financial sustainability and to maintain its assets. The setting of the budget has been based on the guiding principles of the Community Strategic Plan.

Integrated Planning and Reporting

Integrated Planning and Reporting is the framework for planning and reporting which was introduced by Local Government across New South Wales. It aims to ensure that councils become better at reflecting community aspirations within their activity base. In order to ensure that this occurs, a new approach has been taken on how councils develop their budgets and programs on an annual basis.

The principal components of integrated planning and reporting are:

- **Narromine Shire Council Community Strategic Plan 2032** is the highest level plan Council will prepare. The purpose of this plan is to identify the core strategic objectives of the Narromine Shire community for the future.
- **Delivery Program 2022-2023 / 2026-2027** sets out the principal activities to be undertaken by Council over a Council term, to implement the objectives identified in the Community Strategic Plan.
- **Operational Plan 2024-2025** is the annual plan detailing Council's activities and budget for the third year under the Delivery Program.
- **Resourcing Strategy** – The Community Strategic Plan expresses long term community aspirations; however these will not be achieved without sufficient resources – time, money, assets and people to actually carry them out. The Resourcing Strategy comprises:
 - **Long Term Financial Plan**
 - **Workforce Management Strategy**
 - **Asset Management Plan**



Operational Plan

The Operational Plan 2024-25 incorporates the Operational Budget, Capital Works program and Fees and Charges for 2024-25. It has been prepared as a result of Community consultation and their preferences around the Delivery Program, prioritisation of capital works, agreed levels of service as well income and other external stakeholders.

General Fund

Revenue is sourced mostly from rates and Operational Grants.

Each year the NSW Government determines the maximum amount by which Councils can increase their annual general rates income or alternatively the Council must submit an application to seek a special variation to exceed this amount. From 2011-12 the responsibility for determining the annual rate peg has been delegated to the Independent Pricing and Regulatory Tribunal (IPART). Under this framework a new index was established, the result for 2024-25 is a rate increase of 4.5%.

Total Income (excluding Capital Grants) within the Budget for 2024-25 is:

General Fund	20,996,067
Water Fund	3,097,029
Sewer Fund	1,975,321
Consolidated Funds	26,068,417

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 the revenue and other reasonable aspirations and constraints of Council.

Total recurrent expenditure within the Operational Budget is:

General Fund	22,125,629
Water Fund	2,389,084
Sewer Fund	1,078,990
Consolidated Funds	25,593,703

Overall a surplus is budgeted at \$474,714.

Water Fund

A surplus of \$707,945 is budgeted for 2024-25 with sufficient funds in reserve for the Capital Works Program. Major projects for 2024-25 include concept and detailed design for a new water treatment plant (\$300,000) and a new water pressure booster system for the northern zone - Narromine (\$200,000).

The water access charge for the 2024-25 rating year will be charged in accordance with the Department of Water & Energy Best-Practice Management of Water Supply and Sewerage Guidelines 2007.

Best practice water supply pricing requires that the usage charge recover those costs that vary with demand in the long term.

The residential water consumption charges will increase for 2024-25 as shown below.

DESCRIPTION	2023-24 CHARGE PER KL	2024-25 CHARGE PER KL
Narromine Residential – Consumption	\$2.35	\$2.70
Trangie Residential – Consumption	\$2.35	\$2.70
Tomingley Residential – Consumption	\$1.85	\$2.70



Sewer Fund

A surplus of \$896,331 is budgeted for 2024-25 with funds being reserved for the Capital Works Program. Major projects for 2024-25 include a treatment plant upgrade in Trangie (\$250,000) and new switchboards at 4 stations in Trangie (\$240,000).

Council adopted best practice sewerage pricing in accordance with the Department of Land and Water Conservation "Water Supply, Sewerage & Trade Waste Pricing Guidelines" in the 2003/04 rating year. The annual sewerage service charge is applied to all single dwellings, strata title units and vacant land where a sewerage service is available.

Borrowings

Council is planning the following borrowings in 2024-25

- \$1,300,000 - Residential Land Estate Development 36 Jones Circuit Narromine



The Long Term Financial Plan includes provision for servicing the following loans:

	\$ Balance 30/6/2024	\$ Annual Service
Waste - Plant Equipment & Improvements	149,138	49,404
Narromine Aerodrome Re-seal	45,962	16,248
Local Infrastructure Renewal Scheme (LIRS)	181,867	184,770
Narromine Aerodrome Industrial Development	509,009	326,177
Narromine Medical Centre Extension	84,441	24,365
Skypark Development	661,704	335,184
Wentworth Parklands Development (Dappo Road)	917,599	137,272
Industrial Hub & Freight Exchange Development	1,139,569	157,223

Councillor & Mayoral Fees

The budget includes provision for an increase in the Councillor's and Mayoral fees. The final increase will be endorsed by Council prior to 30 June.

Investments

Council receives a monthly investment report regarding the level and value of its investments. In each monthly report, the latest valuations of the structured investments are published in line with the market value per respective balance dates.

Fees & Charges

The adopted fees and charges form part of the Operational Plan. Increases have been forecast where considered necessary to maintain the fees at a comparable level in real terms to the previous year.

Service Reviews

Service reviews will be identified through the internal audit plan.

Conclusion

The adopted Operational Plan and Budget will provide a strong platform for Council to achieve its Delivery Program and the Community Strategic Plan.

Services Provided

The net cost/(surplus) of providing services to the Community:

Net Cost(Surplus) of Services	2024-25
	\$
Aerodrome Operations	241,291
Animal & Pest Control	1,069
Buildings	183,354
Cemeteries	18,823
Community Services	132,154
Corporate and Financial Services	(5,112,597)
Economic Development	525,171
Elected Members	274,776
Emergency Services	670,075
Engineering Management	1,612,219
Environmental Services	7,950
Executive Services	1,469,977
Children, Youth & Family Services	(19,498)
Governance	522,774
Health Services	87,404
Human Resources Services	941,549
Hub & Spoke Building	(9,167)
Information Technology	803,799
Library	475,399
Mining	(118,000)
Net Gains from Disposal of Assets	(656,416)
Noxious Weeds/Biosecurity	(36,484)
Planning	290,576
Plant Operations	1,340,351
Private Works	(147,678)
Quarry Operations	223,201
Rates	(6,786,480)
Real Estate Development	152,923
Records Management	156,578
Recreation Facilities	776,674
Roads	2,822,229
Saleyards	51,959
Sewer	(896,331)
Stores and Works Depot Operations	331,584
Stormwater Drainage	543,288
Street Lighting	66,347
Tourism	361,772
Waste Management	(1,069,385)
Water	(707,945)
Net cost / (surplus)	(474,714)

Capital Works Program

Projects planned for the next financial year are as follows.

Project	Item	2024-25
Corporate and Financial Services		
Corporate and Financial Services	Capital Contingency Fund	200,000
Buildings		
Council Chambers	Upgrades and Replacements	20,000
Corporate Administration	Upgrades and Replacements	18,000
Stores and Works Depot	Upgrades and Replacements	80,000
Mungery Hall	Repairs and Upgrades	278,964
Libraries	Upgrades and Replacements	400,000
Community Services		
Cemeteries	Upgrades and Renewals	57,746
IT Services and Other Equipment		
IT Services and Equipment	Upgrades and Replacements	237,000
Recreation and Community Facilities		
Parks and Sporting Facilities	Upgrades and Replacements	133,675
Saleyards	Saleyards Redevelopment – Planning, Design and Consultation	50,000
Roads		
Regional Roads	Repairs and Upgrades	814,729
Rural and Regional Roads	Rural Regional Roads Upgrades	2,121,351
Rural, Regional and Urban Roads	Reseals, Resheeting and Upgrades	3,000,000
Rural and Regional Roads	Reseals, Resheeting and Upgrades	1,342,697
Rural Roads	Culvert Replacements	116,699
Rural and Regional Roads	Guard Rails Replacement and Upgrades	200,000
Kerb and Gutter	Upgrades and Replacements	158,750
Urban Streets	Footpaths, Cycleways and Pedestrian Crossing Upgrades	435,968
Urban Streets	Upgrades of Bus Stops	15,000
Stormwater Drainage		
Drainage Construction	Upgrades and Replacements	40,836
Open Channel Drainage	Construction and Upgrades	160,000
Urban Stormwater	Northern Catchment Storm Water Project	1,923,713
Sewer Services		
Treatment Plant	Upgrades and Renewals	247,774
Switchboards and Telemetry Upgrades	Upgrades and Replacements	320,000
Other Capital Works	Upgrades and Replacements	24,487
Waste Management Services		
Transfer Station	Upgrades and Renewals	25,000
Waste Depots	Upgrades and Renewals	262,830
Plant and Equipment	New Equipment	69,712

Capital Works Program (Cont'd)

Projects planned for the next financial year are as follows.

Project	Item	2024-25
Water Supply Services		
Pressure Booster Pump	Upgrades and Renewals	500,000
Network/Rising Mains	Upgrades and Renewals	270,135
Water Storage	Upgrades and Replacements	100,000
Water Monitoring Systems	Upgrades and Replacements	54,825
Other Capital Works	Upgrades and Replacements	15,000
Plant and Equipment		
Plant and Equipment Replacements	Upgrades and Replacements	3,270,013
Real Estate Development		
Residential Estate Land Development	Land Development and Subdivision	239,057
Residential Estate Land Development	Purchase of Land	1,300,000
Industrial Estate Land Development	Land Development	412,173
		18,866,134

Financial Statements

Narromine Shire Council				
INCOME STATEMENT				
	General	Water	Sewer	Consolidated
	Budget	Budget	Budget	Budget
	2024/25	2024/25	2024/25	2024/25
	\$	\$	\$	\$
Income from Continuing Operations				
Revenue:				
Rates & Annual Charges	8,683,430	2,987,772	1,730,252	13,401,454
User Charges & Fees	1,330,841	13,739	-	1,344,580
Interest & Investment Revenue	622,457	29,874	245,069	897,400
Other Revenues	2,110,521	65,644	-	2,176,165
Grants & Contributions provided for Operating Purposes	7,592,402	-	-	7,592,402
Grants & Contributions provided for Capital Purposes	8,908,127	567,000	-	9,475,127
Other Income:				
Net gains from the disposal of assets	656,416	-	-	656,416
Total Income from Continuing Operations	29,904,194	3,664,029	1,975,321	35,543,544
Expenses from Continuing Operations				
Employee Benefits & On-Costs	8,020,778	419,506	184,733	8,625,017
Borrowing Costs	200,045	-	-	200,045
Materials & Contracts	4,235,589	1,735,315	608,541	6,579,445
Depreciation & Amortisation	8,689,553	234,263	285,716	9,209,532
Other Expenses	979,664	-	-	979,664
Total Expenses from Continuing Operations	22,125,629	2,389,084	1,078,990	25,593,703
Operating Result from Continuing Operations	7,778,565	1,274,945	896,331	9,949,841
Net Operating Result for the Year	7,778,565	1,274,945	896,331	9,949,841
Net Operating Result before Grants and Contributions provided for Capital Purposes	(1,129,562)	707,945	896,331	474,714

Financial Statements (Cont'd)

Narromine Shire Council				
BALANCE SHEET - CONSOLIDATED				
	General	Water	Sewer	Consolidated
	Budget	Budget	Budget	Budget
	2024/25	2024/25	2024/25	2024/25
	\$	\$	\$	\$
ASSETS				
Current Assets				
Cash & Cash Equivalents	12,312,271	353,557	7,850,527	20,516,355
Receivables	1,120,650	196,049	108,754	1,425,453
Inventories	7,199,230	-	-	7,199,230
Other	102,102	-	-	102,102
Total Current Assets	20,734,253	549,606	7,959,281	29,243,140
Non-Current Assets				
Infrastructure, Property, Plant & Equipment	371,271,494	30,317,960	29,161,261	430,750,715
Total Non-Current Assets	371,271,494	30,317,960	29,161,261	430,750,715
TOTAL ASSETS	392,005,747	30,867,566	37,120,542	459,993,855
LIABILITIES				
Current Liabilities				
Payables	927,617	155,717	41,719	1,125,053
Borrowings	881,867	-	-	881,867
Provisions	1,738,344	93,458	37,382	1,869,184
Total Current Liabilities	3,547,828	249,175	79,101	3,876,104
Non-Current Liabilities				
Borrowings	2,847,619	-	-	2,847,619
Employee benefit provisions	54,425	2,924	1,169	58,518
Provisions	2,018,000	-	-	2,018,000
Total Non-Current Liabilities	4,920,044	2,924	1,169	4,924,137
TOTAL LIABILITIES	8,467,872	252,099	80,270	8,800,241
Net Assets	383,537,875	30,615,467	37,040,272	451,193,614
EQUITY				
Accumulated Surplus	165,851,875	12,405,467	12,692,272	190,949,614
Revaluation Reserves	217,686,000	18,210,000	24,348,000	260,244,000
Council Equity Interest	383,537,875	30,615,467	37,040,272	451,193,614
Total Equity	383,537,875	30,615,467	37,040,272	451,193,614

Financial Statements (Cont'd)

Narromine Shire Council				
CASH FLOW STATEMENT				
	General	Water	Sewer	Consolidated
	Budget	Budget	Budget	Budget
	2024/25	2024/25	2024/25	2024/25
	\$	\$	\$	\$
Cash Flows from Operating Activities				
Receipts:				
Rates & Annual Charges	8,248,870	2,838,772	1,643,739	12,731,381
User Charges & Fees	1,264,299	13,052	-	1,277,351
Interest & Investment Revenue Received	622,457	29,874	245,069	897,400
Grants & Contributions	11,035,594	325,000	-	11,360,594
Other	2,004,995	62,361	-	2,067,356
Payments:				
Employee Benefits & On-Costs	(7,860,363)	(411,115)	(181,038)	(8,452,516)
Materials & Contracts	(4,152,244)	(1,700,608)	(596,370)	(6,449,222)
Borrowing Costs	(149,362)	-	-	(149,362)
Other	(960,070)	-	-	(960,070)
Net Cash provided (or used in) Operating Activities	10,054,176	1,157,336	1,111,400	12,322,912
Cash Flows from Investing Activities				
Receipts:				
Sale of Real Estate Assets	968,740	-	-	968,740
Sale of Infrastructure, Property, Plant & Equipment	1,625,500	-	-	1,625,500
Payments:				
Purchase of Investments	-	-	-	-
Purchase of Infrastructure, Property, Plant & Equipment	(17,678,513)	(939,960)	(592,261)	(19,210,734)
Purchase of Real Estate Assets	(1,300,000)	-	-	(1,300,000)
Purchase of Intangible Assets	-	-	-	-
Net Cash provided (or used in) Investing Activities	(16,384,273)	(939,960)	(592,261)	(17,916,494)
Cash Flows from Financing Activities				
Receipts:				
Proceeds from Borrowings & Advances	1,300,000	-	-	1,300,000
Payments:				
Repayment of Borrowings & Advances	(1,327,347)	-	-	(1,327,347)
Net Cash Flow provided (used in) Financing Activities	(27,347)	-	-	(27,347)
Net Increase/(Decrease) in Cash & Cash Equivalents	(6,357,444)	217,376	519,139	(5,620,929)
plus: Cash, Cash Equivalents & Investments - beginning of year	18,669,715	136,181	7,331,388	26,137,284
Cash & Cash Equivalents - end of the year	12,312,271	353,557	7,850,527	20,516,355
Representing:				
- External Restrictions				11,004,399
- Internal Restrictions				5,957,255
- Unrestricted				3,554,701
				20,516,355

Financial Statements (Cont'd)

Budget 2024-25				
EQUITY STATEMENT				
	General	Water	Sewer	Consolidated
	Budget	Budget	Budget	Budget
	2024/25	2024/25	2024/25	2024/25
	\$	\$	\$	\$
Opening Balance	375,759,310	29,340,522	36,143,941	441,243,773
a. Current Year Income & Expenses Recognised direct to Equity				
- Transfers to/(from) Asset Revaluation Reserve	-	-	-	-
- Transfers to/(from) Other Reserves	-	-	-	-
- Other Income/Expenses recognised	-	-	-	-
- Other Adjustments	-	-	-	-
Net Income Recognised Directly in Equity	-	-	-	-
b. Net Operating Result for the Year	7,778,565	1,274,945	896,331	9,949,841
Total Recognised Income & Expenses (c&d)	7,778,565	1,274,945	896,331	9,949,841
c. Distributions to/(Contributions from) Minority Interests	-	-	-	-
d. Transfers between Equity	-	-	-	-
Equity - Balance at end of the reporting period	383,537,875	30,615,467	37,040,272	451,193,614

Statement of Revenue Policy

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 statement, a number of 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 2024/2025 Operational Budget has been formulated within these income and cost constraints.

The major factors to be considered in this Statement of Revenue Policy include:

Rate Peg

The rate peg is the maximum percentage amount by which a council may increase its general income for the year. The rate peg does not apply to stormwater, waste collection, water, and sewerage charges. The rate peg applies to general income in total, and not to individual ratepayers' rates.

Revenue from rates represents one of the main sources of income for councils in NSW. The importance of rates revenue varies for different councils but, on average, it represents more than a third of councils' combined total income. Councils also receive income from other sources including grants and contributions, and fees and charges for goods and services they deliver. The rate peg does not constrain income from these other sources.

The rate peg protects ratepayers from excessive rate increases, while ensuring councils receive a fair amount of income from rates which enables them to provide quality services for their communities.

IPART has set the rate peg for the 2024/2025 financial year at 4.5% using their new rate methodology. The rate peg before applying the population factor (the core rate peg), for council is based on:

Component	Percentage change
Base Cost charges (BCC)	3.90
Catch-up adjustment for past changes in the superannuation guarantee rate	0.40
ESL Factor to reflect annual change in council ESL contributions that differ from the changes to the council's BCC.	0.00
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.	0.20
Core Rate Peg	4.50
Population factor	0.00
2024/2025 Rate Peg	4.50%

2024/2025 Catch-up/excess (catch-up)

Council has an excess of \$4,446.00 from 2023/2024 and this amount will be taken in account when calculating the permissible income for 2024/2025.

Rates Statement

Rates are levied on the land value of the property (as determined by the Valuer General) and in accordance with the *Local Government Act, 1993*. Council presently uses the minimum rate plus ad valorem rate, a method that has been in operation for many years and has proved satisfactory.

Council's preferred rating option

Council, in levying their 2024/2025 rates should take necessary steps to avoid exceeding their allowable notional yield. All figures are based on valuations on hand as of 16 June 2024. Council may still be waiting on updated valuations to properties due to objections, splits and amalgamations.

Rating Method Options

The *Local Government Act 1993* provides Council with the following three alternative methods of levying rates:

1. Solely ad valorem rating i.e., cents in the \$ on land value.
2. Minimum rate plus ad valorem rate.
3. A base amount of up to 50% of the total yield required to be raised from a category or sub-category of a rate and applied to all rateable parcels within that category or sub-category plus an ad valorem rate to raise the additional required.

Categorisation of Land for Purposes of Ordinary Rates

Council in accordance with Section 514 *Local Government Act 1993* must declare each parcel of rateable land in its area to be within one of the following categories:

1. Farmland
2. Residential
3. Mining
4. Business

Categorisation as farmland

(Sec 515 Local Government Act 1993)

- (1) Land is to be categorised as **farmland** if it 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, bee-keeping, horticulture, vegetable growing, the growing of crops of any kind, forestry or aquaculture within the meaning of the *Fisheries Management Act 1994*, or any combination of those 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).
- (2) Land is not to be categorised as farmland if it is rural residential land.
- (3) The regulations may prescribe circumstances in which land is or is not to be categorised as farmland.

Categorisation as residential

(Sec 516 Local Government Act 1993)

- (1) Land is to be categorised as **residential** if it is a parcel of rateable land valued as one assessment and:
 - (a) its dominant use is for residential accommodation (otherwise than as a hotel, motel, guesthouse, backpacker hostel or nursing home or any other form of residential accommodation (not being a boarding house or a lodging house) 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, or
 - (c) it is rural residential land.
- 1(A) For the purposes of this section, a **boarding house** or a **lodging house** means a building wholly or partly let as lodging in which each letting provides the tariff-paying occupant with a principal place of residence and in which:
 - (a) each tariff charged does not exceed the maximum tariff for boarding houses or lodging houses for the time being determined by the Minister by order published in the Gazette for the purposes of this subsection, and
 - (b) there are at least 3 tariff-paying occupants who have resided there for the last 3 consecutive months, or any period totalling 3 months during the last year, and includes a vacant building that was so let immediately before becoming vacant, but does not include a residential flat building, licensed premises, a private hotel, a building containing serviced apartments or a backpacker hostel or other tourist establishment.
- (2) The regulations may prescribe circumstances in which land is or is not to be categorised as residential.

Categorisation as mining

(Sec 517 Local Government Act 1993)

- (1) Land is to be categorised as **mining** if it is a parcel of rateable land valued as one assessment and its dominant use is for a coal mine or metalliferous mine.
- (2) The regulations may prescribe circumstances in which land is or is not to be categorised as mining.

Categorisation as business

(Sec 518 Local Government Act 1993)

Land is to be categorised as **business** if it cannot be categorised as farmland, residential or mining.

Strata lots and company titles taken to be separate parcels of land for categorisation

(Sec 518A Local Government Act 1993)

For the purposes of this Part:

- (a) each lot in a strata plan that is registered under the *Strata Schemes Freehold Development Act 2015*, and
- (b) each dwelling or portion of the kind referred to in section 547 (1),

is taken to be a separate parcel for the purposes of categorisation.

Mixed development land

(Sec 518B Local Government Act 1993)

- (1) Definitions In this section, "**mixed development land**" and "**non-residential land**" have the same meanings as in section 14BB of the [Valuation of Land Act 1916](#) .
- (2) Categorisation of parts of mixed development land If a valuation is furnished under the [Valuation of Land Act 1916](#) for mixed development land:
 - (a) the part of the land that is non-residential land is taken to have been categorised as business, and
 - (b) the part of the land that is not non-residential land is taken to have been categorised as residential,despite sections 515-518.
- (3) **Sub-categories.** The council may determine a sub-category for a part of land to which subsection (2) applies according to the category determined by that subsection for the part.
- (4) **Apportionment of rates and charges.** A rate, the base amount of a rate, or the minimum amount of a rate or of a charge, that is made and levied according to categories or sub-categories of land is to apply to a parcel of mixed development land according to the percentages represented by the apportionment factor for the parcel ascertained under section 14X of the [Valuation of Land Act 1916](#).

How is vacant land to be categorised?

(Sec 519 Local Government Act 1993)

If vacant land is unable to be categorised under section 515, 516 or 517, the land is to be categorised:

- (a) if the land is zoned or otherwise designated for use under an environmental planning instrument—according to any purpose for which the land may be used after taking into account the nature of any improvements on the land and the nature of surrounding development, or
- (b) if the land is not so zoned or designated—according to the predominant categorisation of surrounding land.

Notice of declaration of category

(Sec 520 Local Government Act 1993)

- (1) A council must give notice to each rateable person of the category declared for each parcel of land for which the person is rateable.
- (2) The notice must be in the approved form and must:
 - (a) state that the person has the right to apply to the council for a review of the declaration that the land is within the category stated in the notice, and
 - (b) state that the person has the right to appeal to the Land and Environment Court if dissatisfied with the council's review, and
 - (c) refer to sections 525 and 526.

Council utilises the provisions of Section 528 and 529 of the *Local Government Act 1993* in applying differential rating to the categories of ordinary rates.

When does the declaration of a category take effect?

(Sec 521 Local Government Act 1993)

A declaration that a parcel of land is within a particular category takes effect from the date specified for the purpose in the declaration.

When does the declaration of a category cease?

(Sec 522 Local Government Act 1993)

A declaration that a parcel of land is within a particular category ceases when a subsequent declaration concerning the land takes effect.

When are the declarations of categories reviewed?

(Sec 523 Local Government Act 1993)

- (1) A council need not annually review a declaration that a parcel of land is within a particular category, but may review a declaration—
 - (a) as part of a general review of the categorisation of all or a number of parcels of land, or
 - (b) because it has reason to believe that a parcel of land should be differently categorised.
- (2) A council must review a declaration if required to do so in accordance with section 525 by a person who is rateable in respect of a parcel of land to which the declaration applies.

Notice of change of category

(Sec 524 Local Government Act 1993)

A rateable person (or the person's agent) must notify the council within 30 days after the person's rateable land changes from one category to another.

Application for change of category

(Sec 525 Local Government Act 1993)

- (1) A rateable person (or the person's agent) may apply to the council at any time—
 - (a) for a review of a declaration that the person's rateable land is within a particular category for the purposes of section 514, or
 - (b) to have the person's rateable land declared to be within a particular category for the purposes of that section.
- (2) An application must be in the approved form, must include a description of the land concerned and must nominate the category the applicant considers the land should be within.
- (3) The council must declare the land to be within the category nominated in the application unless it has reasonable grounds for believing that the land is not within that category.
- (4) If the council has reasonable grounds for believing that the land is not within the nominated category, it may notify the applicant of any further information it requires in order to be satisfied that the land is within that category. After considering any such information, the council must declare the category for the land.
- (5) The council must notify the applicant of its decision. The council must include the reasons for its decision if it declares that the land is not within the category nominated in the application.
- (6) If the council has not notified the applicant of its decision within 40 days after the application is made to it, the council is taken, at the end of the 40-day period, to have declared the land to be within its existing category.

Appeal against declaration of category

(Sec 526 Local Government Act 1993)

- (1) A rateable person who is dissatisfied with—
 - (a) the date on which a declaration is specified, under section 521, to take effect, or
 - (b) a declaration of a council under section 525,
 may appeal to the Land and Environment Court.
- (2) An appeal must be made within 30 days after the declaration is made.
- (3) The Court, on an appeal, may declare the date on which a declaration is to take effect or the category for the land, or both, as the case requires.

Adjustment of rates following change in category

(Sec 527 Local Government Act 1993)

A council must make an appropriate adjustment of rates paid or payable by a rateable person following a change in category of land.

Rate may be the same or different for different categories

(Sec 528 Local Government Act 1993)

- (1) The ad valorem amount (the amount in the dollar) of the ordinary rate may be the same for all categories of land or it may be different for different categories.
- (2) The regulations may provide that the ad valorem amount of the ordinary rate for land categorised as mining is to be not more or less than a specified percentage of the ad valorem amount of the ordinary rate for land categorised as business. The regulations may apply to all councils or one or more councils specified in the regulations.

Rate may be the same or different within a category

(Sec 529 Local Government Act 1993)

The criteria in determining the categorisation of land is as follows:

- (1) Before making an ordinary rate, a council may determine a sub-category or sub-categories for one or more categories of rateable land in its area.
- (2) A sub-category may be determined:
 - (a) for the category "farmland"—according to
 - (i) the location of the land, or
 - (ii) the intensity of land use, or
 - (iii) the irrigability of the land, or
 - (iv) economic factors affecting the land,
 - (b) for the category "residential"—according to
 - (i) whether the land is rural residential land, or
 - (ii) whether the land is in a centre of population, or
 - (iii) whether the land is in a residential area or in part of a residential area,
 - (c) for the category "mining"—according to the kind of mining involved,
 - (d) for the category "business"—according to a centre of activity.

Rate may be the same or different within a category (Cont'd)
(Sec 529 Local Government Act 1993)

- (2A) A sub-category may be determined for subsection (2)(b)(iii) only if the council is satisfied on reasonable grounds that it is necessary to identify residential areas because of significant differences between the areas in relation to access to or demand for, or the cost of providing, services or infrastructure.
- (2B) A sub-category must be identified by reference to geographical names or another way prescribed by the regulations for the sub-category if —
- (a) the sub-category is identified by reference to the location of the land, or
- (b) the sub-category is identified by reference to the factor mentioned in subsection (2)(b)(iii).

Note: In relation to the category "business", a centre of activity might comprise a business centre, an industrial estate or some other concentration of like activities.

- (3) The ad valorem amount (the amount in the dollar) of the ordinary rate may be the same for all land within a category or it may be different for different sub-categories.
- (4) Land may be taken to be irrigable for the purposes of subsection (2) (a) if, and only if, it is the subject of a water right within the meaning of the [Valuation of Land Act 1916](#).
- (5) The regulations may make provision for or with respect to the following—
- (a) the factors that may or may not be taken into account in determining a sub-category for a category of land for which a sub-category may be determined,
- (b) public consultation requirements to be followed by councils in determining a sub-category, including by applying, with or without modification, provisions of the Act, the regulations or guidelines concerning the preparation, exhibition and publication of strategic council planning documents.

- (6) In this section—

geographical name has the same meaning as in the *Geographical Names Act 1966*.

regulatory restrictions mean restrictions imposed by an Act, environmental planning instrument, conservation agreement, or in some other way, specified by the regulations.

strategic council planning document means a community strategic plan, resourcing strategy, delivery program or operational plan mentioned in Chapter 13, Part 2.

Special provisions for residential sub-categories

(Sec 530 Local Government Act 1993)

- (1) This section applies in relation to determining a sub-category (a **residential sub-category**) under section 529 for the category "residential" for rateable land in a council's area.
- (2) The Minister may, from time to time, issue guidelines for the determination of ordinary rates for rateable land in contiguous urban areas.
- (3) Without limiting subsection (2), the guidelines may provide for when an area is, or is not, a contiguous urban area for this section.
- (4) The highest ordinary rate for rateable land in a contiguous urban area must not exceed the average ordinary rate payable for other rateable land in the area by the factor, if any, prescribed by the regulations.
- (5) Despite subsection (4), the Minister may, by written instrument given to a council on its application—
 - (a) determine a factor for the council that is greater than the factor mentioned in subsection (4), and
 - (b) impose conditions in relation to the use of the determined factor.
- (6) The Minister may, by a further written instrument given to a council, vary or revoke a determination, or a condition of a determination, made or imposed for the council under subsection (5).
- (7) If a council decides to make different ordinary rates for residential sub-categories, the council must—
 - (a) publish the reasons for doing so on its website as soon as practicable after making the rates, and
 - (b) set out the reasons in the council's statement of revenue policy in its operational plan for the year concerned.
- (8) The Minister may, from time to time, issue written directions to councils concerning—
 - (a) the factors or circumstances that may, or may not, be used by councils in determining a residential sub-category or the ordinary rate for a residential sub-category, and
 - (b) matters to be included in reasons published for subsection (7)(a).
- (9) A council must comply with the guidelines and directions given by the Minister under this section.

What provisions of this Part apply to the determination of sub-categories?

(Sec 531 Local Government Act 1993)

- (1) Sections 519–527 apply to the determination of sub-categories for a category of rateable land in the same way as those sections apply to the declaration of a category.
- (2) Notice of determination of a sub-category may be given in the same notice as the notice of declaration of a category.

Conservation Agreements

(Sec 555 (1) (b1) and (3) Local Government Act 1993)

Section 555 (1) (b1) and (3) provides provision for council rate exemption for land which is subject to a conservation agreement. Rate exemption provides positive recognition for dedicated landholders undertaking voluntary action to legally protect and actively manage their land for conservation. Through their legacy an invaluable gift is passed on to future generations, ensuring significant natural and cultural heritage is protected.

Determining Category & Sub-Categories

The criteria in determining the categorisation and sub-category of land within the Narromine Shire Council local government area is as follows:

Category	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 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.

Rate structure for 2024/2025

Table 2 shows the rates for 2024/2025 using the minimum with ad valorem calculation, based on the 4.5% rate peg and the allowable catch-up.

Impact - Overall increase of 4.5% in the ordinary general rate.

Table 2:

Category	No of Assmts	Rateable Land Value	Minimum	Ad Valorem	Estimated Income
Farmland	827	1,664,807,090	343.29	0.226689	3,780,066.59
Residential	376	81,892,760	343.29	0.360727	300,826.47
Residential - Narromine	1466.89	102,056,685	541.06	1.20205	1,246,785.18
Residential – Trangie	377	9,988,010	441.00	2.60709	263,441.01
Residential - Tomingley	26	896,700	267.88	1.21711	11,345.51
Residential - Skypark	61	7,057,000	541.06	2.36597	166,966.56
Business – Narromine	135.11	10,143,415	1,225.85	3.20959	357,828.47
Business – Trangie	50	1,049,830	1,138.66	8.66777	103,722.37
Business	81	13,189,640	599.91	1.32573	189,589.96
Business – Industrial Estate	38	6,627,000	1,089.94	0.76793	56,579.39
Business – Aerodrome Business Park	22	1,094,150	616.55	1.26491	16,394.80
Business – Craigie Lea Industrial Hub	0	0	616.55	1.09135	0.00
Mining	4	14,074,650	462.48	2.36787	333,705.41
TOTAL	3,464	1,912,876,930			6,827,251.72

How Ordinary Rates are calculated

The calculation used to ascertain the general rates for an individual property are:

$$\text{➤ } \frac{\text{Land Value} \times \text{Ad Valorem}}{100} = \text{Ordinary Rate}$$

Note: If the result of the calculation is under the amount shown in the Minimum column of the above table for the category or sub-category required, then the Minimum rate is payable.

Average rates payable. (Ordinary Rates only)

Table 3 shows the average general rates per rating category and sub-category. However, it should be noted that this may not be a true reflection of the average rates due to variations in land values.

Table 3:

Category/Sub-Category	No of Assmts	Average Rates 2023/2024	Average Rates 2024/2025
Farmland	827	4,391.62	4,570.82
Residential	376	765.44	800.07
Residential - Narromine	1466.89	812.63	849.95
Residential – Trangie	377	669.12	698.78
Residential - Tomingley	26	417.81	436.37
Residential - Skypark	61	2,621.01	2,737.16
Business – Narromine	135.11	2,581.22	2,648.42
Business – Trangie	50	1,986.42	2,074.45
Business	81	1,924.83	2,340.62
Business – Industrial Estate	38	1,425.74	1,488.93
Business – Aerodrome Business Park	22	688.29	745.22
Business – Craigie Lea Industrial Hub	0	0.00	0.00
Mining	4	79,886.03	83,426.35

Rate mix history

Table 4 outlines the rating mix history from the 2018/2019 rating year to the current rating year.

Table 4:

Category/ Sub-Categories	Percentage of Rates Yield					
	2018/19	2019/20	2020/21	2021/22	2023/24	Estimated 2024/25
Farmland	56.90	56.88	56.86	56.56	55.88	55.37
Residential	4.39	4.40	4.41	4.42	4.42	4.41
Residential - Narromine	18.19	18.20	18.22	18.20	17.97	18.26
Residential – Trangie	3.92	3.92	3.92	3.92	3.87	3.86
Residential - Tomingley	0.19	.18	.18	.17	.17	0.17
Residential - Skypark	1.44	1.44	1.44	1.77	2.45	2.45
Business – Narromine	5.41	5.40	5.40	5.40	5.24	5.25
Business – Trangie	1.55	1.55	1.55	1.55	1.53	1.52
Business	2.39	2.39	2.37	2.37	2.37	2.78
Business – Industrial Estate	0.83	.83	.85	.84	.83	0.83
Business – Aerodrome Business Park	0.00	0.00	0.00	0.00	.23	0.24
Business – Craigie Lea Industrial Hub	0.00	0.00	0.00	0.00	0.00	0.00
Mining	4.79	4.79	4.80	4.80	4.91	4.89
TOTAL %	100%	100%	100%	100%	100%	100%

Interest rate

In accordance with Section 566(3) of the Local Government Act, 1993 it has been determined that the maximum interest rate payable on overdue rates and charges for 2024/2025 will be 10.5% per annum.

Instalment dates

Section 562 (3)(b) *Local Government Act 1993* states “If payment is made by quarterly instalments, the instalments are payable by 31 August, 30 November, 28 February and 31 May”, except as provided in Subsection 4”. It has been Council's practice 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.

Methods of payment

Currently payments for rates and charges can be made by one of the following options:

- In person at Council's Customer Service & Payments Centre between the hours of 8.45am and 4.30pm Monday to Friday.
- At any Australia Post Branch or Agency Australia wide.
- Cheques and money orders may be posted to Council's office.
- EFTPOS (No cash given out) at Council's Customer Service & Payments Centre.
- BPay using telephone or internet banking.
- Council website www.narromine.nsw.gov.au and select the "Pay my Rates" option.
- Bankcard, Mastercard and Visa payments are accepted over the telephone.
- A Direct Debit from a nominated bank account can be arranged by contacting Council's Customer Service & Payment's Centre.
- In person at the Trangie Post Office Agency located at the Trangie Newsagency during normal operating hours.
- Directly into Council's bank account (prior arrangements must be made).
- Centrepay deductions for eligible pensioners.
- BPay view - By signing up for [eNotices](#) and selecting the option to "**pay my notice.**"
- Flexi Pay – By scanning the QR code on your rate notice.

Other services

Under Section 501 (1) of the *Local Government Act 1993*, a Council may make an annual charge for any of the following services provided, or proposed to be provided, on an annual basis by the Council:

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

Best-practice pricing – water supply, sewerage and trade waste

The introduction of best-practice pricing is essential for the effective and sustainable management of Council's water supply and sewerage businesses and minimisation of customer bills.

The purpose of best-practice management is:

- to encourage the effective and efficient delivery of water supply and sewerage services; and
- to promote sustainable water conservation practices and water demand management throughout NSW.

With increasing demands on the limited water resources of NSW, it is vital that these resources are managed in an efficient and sustainable manner.

Best-practice management is essential for efficient and sustainable management of water resources and the environment. It enables Council to achieve sustainable water supply and sewerage businesses and comply with the Australian Government's *National Competition Policy (NCP)* and *National Water Initiative (NWI)*.

Best-practice water supply pricing requires that the usage charge recover those costs that vary with demand in the long-term (i.e. long-run marginal cost), through a usage charge.

Section 552 (1)(b) of the *Local Government Act 1993* prescribes that Council may levy a special rate or charge on land that is situated within 225 metres of a water pipe of the council whether the land has a frontage or not to the public road (if any) in which the water pipe is laid, and although the land is not actually supplied with water from any water pipe of the council.

Section 552 (3)(a) of the *Local Government Act 1993* prescribes that Council may levy a special rate or charge relating to the sewerage on all land except land which is more than 75 metres from a sewer of the council and is not connected to the sewer.

Residential water access charge – Narromine, Trangie, Rural and Tomingley
(Sec 501 Local Government Act 1993)

The access charge is an annual charge to customers and is independent of the level of consumption. The water access charge for the 2024/2025 rating year will be charged in accordance with the Department of Water & Energy Best-Practice Management of Water Supply and Sewerage Guidelines 2007.

The residential water access charges for 2024/2025, based on connection size with an average 15.11% increase are shown below:

DESCRIPTION	NO OF SERVICES	2023/2024 ACCESS CHARGE	2024/2025 ACCESS CHARGE
Narromine Water Access Charge 20mm	1402	294.00	339.00
Narromine Water Access Charge 25mm	138	456.00	525.00
Narromine Water Access Charge 32mm	47	745.00	857.00
Narromine Water Access Charge 40mm	12	1,160.00	1,335.00
Narromine Water Access Charge 50mm	1	1,795.00	2,065.00
Narromine Water Access Charge 100mm	0	7,205.00	8,290.00
Trangie Water Access Charge 20mm	393	294.00	339.00
Trangie Water Access Charge 25mm	19	456.00	525.00
Trangie Water Access Charge 32mm	10	745.00	857.00
Trangie Water Access Charge 40mm	5	1,160.00	1,335.00
Trangie Water Access Charge 50mm	0	1,795.00	2,065.00
Trangie Water Access Charge 100mm	0	7,205.00	8,290.00
Tomingley Water Access Charge 20mm	27	294.00	339.00
Tomingley Water Access Charge 25mm	3	456.00	525.00
Tomingley Water Access Charge 32mm	0	745.00	857.00
Tomingley Water Access Charge 40mm	0	1,160.00	1,335.00
Tomingley Water Access Charge 50mm	0	1,795.00	2,065.00
Tomingley Water Access Charge 100mm	0	7,205.00	8,290.00

The estimated yield from Residential Water Access Charges is \$775,267.

Residential water user charges – All areas
(Sec 502 Local Government Act 1993)

Best practice water supply pricing requires that the usage charge recover those costs that vary with demand in the long term.

The residential water consumption charge for 2024/2025 based on a flat kilolitre charge with an increase of 14.89% are shown below:

DESCRIPTION	2023/2024 CHARGE PER KL	2024/2025 CHARGE PER KL
Consumption Charge (per kilolitre)	\$2.35	\$2.70

Non-residential water access charge – Narromine, Trangie, Rural and Tomingley
(Sec 501 Local Government Act 1993)

The access charge is an annual charge to customers and is independent of the level of consumption. The water access charge for the 2024/2025 rating year will be charged in accordance with the Department of Water & Energy Best-Practice Management of Water Supply and Sewerage Guidelines 2007.

The non-residential water consumption charge for 2024/2025 based on a flat kilolitre charge with an increase of 15.11% are shown below:

DESCRIPTION	No of Services	2023/2024 ACCESS CHARGE	2024/2025 ACCESS CHARGE
Narromine Com Water Access Charge 20mm	125	294.00	339.00
Narromine Com Water Access Charge 25mm	21	456.00	525.00
Narromine Com Water Access Charge 32mm	19	745.00	857.00
Narromine Com Water Access Charge 40mm	17	1,160.00	1,335.00
Narromine Com Water Access Charge 50mm	5	1,795.00	2,065.00
Narromine Com Water Access Charge 100mm	6	7,205.00	8,290.00
Trangie Com Water Access Charge 20mm	61	294.00	339.00
Trangie Com Water Access Charge 25mm	5	456.00	525.00
Trangie Com Water Access Charge 32mm	4	745.00	857.00
Trangie Com Water Access Charge 40mm	2	1,160.00	1,335.00
Trangie Com Water Access Charge 50mm	2	1,795.00	2,065.00
Trangie Com Water Access Charge 100mm	0	7,205.00	8,290.00
Rural Com Water Access Charge 20mm	37	294.00	339.00
Rural Com Water Access Charge 25mm	7	456.00	525.00
Rural Com Water Access Charge 32mm	2	745.00	857.00
Rural Com Water Access Charge 40mm	4	1,160.00	1,335.00
Rural Com Water Access Charge 50mm	2	1,795.00	2,065.00
Rural Com Water Access Charge 100mm	0	7,205.00	8,290.00
Tomingley Com Water Access Charge 20mm	6	294.00	339.00
Tomingley Com Water Access Charge 25mm	1	456.00	525.00
Tomingley Com Water Access Charge 32mm	1	745.00	857.00
Tomingley Com Water Access Charge 40mm	1	1,160.00	1,335.00
Tomingley Com Water Access Charge 50mm	0	1,795.00	2,065.00
Tomingley Com Water Access Charge 100mm	0	7,205.00	8,290.00

Council will consider, on a case by case basis, applications from non-profit community groups for a 50% reduction in Water Access Charges.

The estimated yield from Non-Residential Water Charges is \$218,128.

Non-residential water user charges – Narromine, Trangie, Rural and Tomingley
(Sec 502 Local Government Act 1993)

Best practice water supply pricing requires that the usage charge recover those costs that vary with demand in the long term. To improve the effectiveness of pricing signals Council issues quarterly accounts.

The non-residential water consumption charges for 2024/2025 showing an increase of 16% are shown below:

DESCRIPTION	2023/2024 CHARGE PER KL	2024/2025 CHARGE PER KL
Non-Residential Consumption Charge (per kilolitre)	\$2.50	\$2.90

Residential sewer access charges – Narromine and Trangie
(Sec 501 Local Government Act 1993)

Best practice sewerage pricing involves a uniform annual sewerage bill for residential customers. Council moved to sewer access charges in accordance with the Department of Land and Water Conservation "Water Supply, Sewerage & Trade Waste Pricing Guidelines" in the 2003/04 rating year.

The annual sewerage service charge will be applied to all single dwellings, strata title units and vacant land where a sewerage service is available. The residential sewer access charges based on a 5.13% increase for 2024/2025 are shown below:

DESCRIPTION	NUMBER OF SERVICES	2023/2024 ACCESS CHARGE	2024/2025 ACCESS CHARGE
Narromine Residential Sewer Access Charge	1,499	702.00	738.00
Trangie Residential Sewer Access Charge	363	702.00	738.00

The estimated yield from Residential Sewer Access Charges is \$1,374,156.

Non-residential sewer access charge – Narromine and Trangie
(Sec 501 Local Government Act 1993)

Best practice guidelines for non-residential customers involve an appropriate sewer usage charge which is required for the estimated volume discharged to the sewerage system, together with an access charge based on the capacity requirements that their loads place on the system relative to residential customers. The sewer access charge for the 2024/2025 rating year will be charged in accordance with the Department of Water & Energy Best-Practice Management of Water Supply and Sewerage Guidelines 2007.

The non-residential sewer access charges for 2024/2025, based on connection size and a 5% increase are shown below:

DESCRIPTION	NUMBER OF SERVICES	2023/2024 ACCESS CHARGE	2024/2025 ACCESS CHARGE
Narromine, Trangie Non-Residential Sewer Access Charge – 20mm	259	249.44	261.91
Narromine, Trangie Non-Residential Sewer Access Charge – 25mm	48	389.75	409.24
Narromine, Trangie Non-Residential Sewer Access Charge – 32mm	52	638.57	670.49
Narromine, Trangie Non-Residential Sewer Access Charge – 40mm	36	997.76	1,047.65
Narromine, Trangie Non-Residential Sewer Access Charge – 50mm	23	1559.00	1,636.95
Narromine, Trangie Non-Residential Sewer Access Charge – 80mm	1	3,991.04	4,190.59
Narromine, Trangie Non-Residential Sewer Access Charge – 100mm	8	6,236.00	6,547.80

In accordance with the guideline a minimum charge of \$738.00 (Total of Annual Charge and Usage will apply). To facilitate the charging of this minimum the annual charge for non-residential properties will be removed from the rates instalment notice and will appear as a quarterly charge on the Water/Sewer Usage Account.

The estimated yield from Non-Residential Sewer Access Charges is \$254,282.

Non-residential sewer usage charges – Narromine, Trangie and Rural (Sec 501 Local Government Act 1993)

Best practice guidelines for non-residential customers involves an appropriate sewer usage charge which is required for the estimated volume discharged to the sewerage system based on the capacity requirements that their loads place on the system relative to residential customers.

Council moved to sewer usage charges in accordance with the Department of Land and Water Conservation “Water Supply, Sewerage & Trade Waste Pricing Guidelines” in the 2003/04 rating year. The usage charges for 2024/2025 will be calculated as follows:

- Sewer Discharge Factor (SDF) x (Access Charge + (Consumption x Usage Charge))
- The usage charge for 2024/2025 is \$2.90 per kl.
- Minimum Charge per annum \$738.00

Non-residential sewer access charges – non rateable properties (Schools and Churches etc) (Sec 501 Local Government Act 1993)

Council can provide Community Service Obligations (CSOs) to non-rateable properties and Council has such a scheme in place. These non-rateable properties are not subject to the access charge but are responsible for water and sewer usage charges.

The charges for 2024/2025 will be calculated as follows:

- Sewer Discharge Factor (SDF) x (Access Charge + (Consumption x Usage Charge))
- The usage charge for 2024/2025 is \$2.90 per kl.

Non-residential sewer access charges – multiple use properties (Flats, Motels, Hotels, Caravan Parks etc) (Sec 501 Local Government Act 1993)

Best practice sewerage pricing involves a uniform annual sewerage bill for multiple use properties (flats, motels, hotels, caravan parks, etc). Council moved to sewer access charges in accordance with the Department of Land and Water Conservation “water supply, sewerage & trade waste pricing guidelines” in the 2003/04 rating year.

The charges for 2024/2025 will be calculated as follows:

- Sewer Discharge Factor (SDF) x (Access Charge + (Consumption x Usage Charge))
- The usage charge for 2024/2025 is \$2.90 per kl.
- Minimum Charge per annum \$738.00

Liquid Trade waste charges – non-residential (Narromine and Trangie)

(Sec 501 Local Government Act 1993)

In accordance with the NSW Framework for Regulation of Sewerage and Trade Waste, Council is required to have a Liquid Trade Waste Policy in place. The policy sets out how Council will regulate sewerage and trade waste discharges to its sewerage system and is concerned with the approval, monitoring and enforcement process for liquid trade wastes discharged to Council's sewerage system and the levying of commercial sewerage and liquid trade waste fees and charges. Council is required to put in place a Policy that has been developed to ensure the proper control of liquid trade waste and subsequently the protection of public health, worker safety, the environment, and Council's sewerage system. In addition to this, the Policy also aims to promote waste minimisation, water conservation, water recycling and bio solids reuse.

The objectives of the policy are:

- to protect public and workers health and safety and the environment
- to protect NSC's assets from damage
- to minimise adverse impacts on the sewage treatment processes
- to assist Council meeting regulatory and licence compliance
- to promote water conservation, waste minimization, cleaner production, effluent recycling and biosolids reuse
- to provide an environmentally responsible liquid trade waste service to the non-residential sector
- to ensure commercial provision of services and full cost recovery through appropriate sewerage and liquid trade waste fees and charges.

Sewerage systems are generally designed to cater for waste from domestic sources that are essentially of predictable strength and quality. Liquid trade wastes may exert much greater demands on sewerage systems than domestic sewage and, if uncontrolled, can pose serious problems to public health, worker safety, Council's sewerage system and the environment.

Liquid trade waste is defined in the Local Government (General) Regulation 2021 as:
"Liquid trade waste means all liquid waste other than sewage of a domestic nature."

Liquid trade waste discharges to the sewerage system include liquid wastes from:

- industrial premises
- business/commercial premises (e.g. beautician, florist, hairdresser, hotel, motel, restaurant, butcher, supermarket, etc.)
- community/public premises (including clubs, school, college, university, hospital and nursing home)
- any commercial activities carried out at residential premises
- saleyards, racecourses and stables and kennels that are not associated with domestic households

Liquid Trade waste charges – non-residential (Narromine and Trangie) (Cont'd)

(Sec 501 Local Government Act 1993)

- tankered human waste, ship-to-shore waste from marina pump-out facilities, portable toilet waste and established sites for the discharge of pan contents from mobile homes/caravans
- any other waste tankered to the sewerage facilities, e.g. commercial or industrial waste from un-sewered areas.

Liquid trade waste excludes:

- toilet, hand wash basin (used for personal hygiene only), shower and bath wastes derived from all the premises and activities mentioned above
- wastewater from residential toilets, kitchens, bathrooms or laundries (i.e., domestic sewage)
- wastewater from common laundry facilities in caravan parks (Note that discharges from common kitchen facilities in caravan parks are liquid trade waste)
- residential pool backwash.

Liquid trade waste discharged to the sewerage system from industrial, commercial or other non-residential customers can impose significant costs on sewage transport and treatment facilities. To recover these costs and to ensure removal of existing significant cross-subsidies from residential customers, appropriate fees and charges are levied for liquid trade waste.

Council's liquid trade waste fees and charges include:

- general fees and charges (application fee, annual liquid trade waste fee, inspection and/or re-inspection fees and renewal fees)
- category specific charges (trade waste usage charges for Charging Category 2 discharges, excess mass charges for Charging Category 3 discharges, charges for Charging Category 2S discharges and noncompliance charges)
- other charges related to the nature of waste (e.g. charges for the discharge of stormwater from large areas)

The policy places each premises into one of four discharge classifications being

- Concurrence Classification A – liquid trade waste for which Council has been authorised to assume concurrence to the approval subject to certain requirements
- Concurrence Classification B – liquid trade waste for which Council may apply for authorisation to assume concurrence to the approval subject to certain requirements
- Concurrence Classification S – the acceptance of septic tank, pan waste and ship-to-shore pump-out etc. Council may apply for authorisation to assume concurrence to the approval subject to certain conditions
- Concurrence Classification C – all other liquid trade waste that do not fall within Concurrence Classification A, B or S, and therefore require Council to forward the application for concurrence.

Liquid Trade waste charges – non-residential (Narromine and Trangie) (Cont'd)

(Sec 501 Local Government Act 1993)

Additional fees and charges may be levied by Council if wastewater is discharged to Council's sewerage system from the following equipment and or processes, with Council's approval.

- Food waste disposal units (i.e., garbage grinders/insinkerators)
- Solid food waste processing unit
- Discharge of stormwater to the sewerage system from large open areas or large quantities of groundwater

These fees and charges will be calculated based on each application.

The general discharge fee is calculated using the volume of waste liquid (based on water usage) and the biological and chemical makeup of the trade waste liquid.

The general equation is as follows: -

$$\text{Liquid Trade Waste Usage Charge (\$)} = Q \times \$*/kL$$

Where: Q = Volume (kL) of liquid trade waste discharged to sewer. \$* = rate determined by Biological and/or Chemical content of the waste.

Furthermore, complex equations are provided within the Policy where excess mass discharges have occurred or non-compliances have occurred. The Policy is applicable to all commercial and industrial premises with exemption for obtaining approval being provided for certain activities, subject to the activity meeting and maintaining minimum requirements, as detailed in the Policy.

The Policy is quite technical in the requirements, particularly around determining the appropriate categories, the volume of discharge, biological and chemical makeup of the discharge, as well as the calculation of the fee; however, the Policy is based on the model policy produced by the Department of Water and Energy. Council adopted its Liquid Trade Waste Policy in 2022.

Liquid trade waste user charges are charged in addition to the non-residential sewer charges to applicable properties.

For charging purposes there are 4 liquid trade waste charging categories

- Category 1 – discharges requiring minimal pre-treatment, or prescribed pre-treatment but low impact on the sewerage system. These dischargers will only pay an annual fee. If pre-treatment equipment is not provided or maintained, non-compliance charges will be applied.
- Category 2 – discharges with prescribed pre-treatment and other activities listed under this charging category in Appendix D. These dischargers will pay trade waste usage charge and annual trade waste fee. If pre-treatment equipment is not provided or not maintained, then such dischargers will be required to pay non-compliance usage charge.

Liquid Trade waste charges – non-residential (Narromine and Trangie) (Cont'd)
(Sec 501 Local Government Act 1993)

- Category 2S – transporters who tanker human waste to Council's STWs, owners/operators of ship-to-shore pump out facilities and owners/operators of 'dump points' directly connected to sewer • Category 3 – large (>20 kL/d) and industrial discharges (excluding shopping centres and institutions). Such dischargers will pay excess mass charges. If the discharge fails to comply with Council's acceptance limits, dischargers will be required to pay non-compliance excess mass charges and pH charges.

The liquid trade waste charges for 2024/2025 based on an average 5.23% increase, apart from Category 1 and 2S dischargers which will see a 5.09% increase are shown below:

		2023/2024 CHARGE	2024/2025 CHARGE
Annual Trade Waste Fee – Category 1 Dischargers	Annual Trade Waste Fee	\$108.00	\$113.50
Annual Trade Waste Fee – Category 2 Dischargers	Annual Trade Waste Fee	\$112.00	\$118.00
Annual Trade Waste Fee – Category 2S Dischargers	Annual Trade Waste Fee	\$157.50	\$165.50
Annual Trade Waste Fee – Classification C (High Risk) – Category 3 Dischargers	Annual Trade Waste Fee	\$707.00	\$743.00
Inspection Fee – Category 1 & 2	Inspection Fee	\$102.00	\$107.50

The estimated yield for the annual Liquid Trade Waste fee is \$7,128.

In addition, a trade waste usage charge is calculated by applying an additional discharge factor (identified as being the portion of liquid trade waste discharged into the sewer) by a specified fee per kl and apply to dischargers.

The usage charges for Category 1 & 2 dischargers only for 2024/2025 will be calculated as follows:

- Consumption x Liquid Trade Waste Discharge Factor (TWDF) x User Charge
- The usage charge for 2024/2025 is \$2.80 per kl.

Domestic waste management charge – Narromine, Trangie and Tomingley
(Sec 496 Local Government Act 1993)

A council must 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. Council has reviewed the waste management operations to determine the appropriate current and future costs to be included as part of the reasonable costs determination. The *Local Government Act 1993* requires that the level of charges must be based upon "reasonable costs".

Council implemented a two-tiered domestic waste management charge in 1994/1995, designed to reflect the levels of cost that are associated with varying degrees of service delivery. A tiered fee structure is the most effective method of charging for domestic waste management and is designed to fully recover all costs incurred. Council has put forward a structure which includes a 5.13% increase for Domestic Waste Management Charges for 2024/2025.

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 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 Service, apportioned for the number of days remaining in the rating year. Where additional Domestic Waste Services are already provided the charge shall be equivalent to the current annual charge levied for each service provided. The waste collection areas are shown on the attached maps.

The Domestic Waste Management Service Charges for the 2024/2025 year includes a 5.13% increase. The charge is shown in the table below:

DESCRIPTION	No of Services	2023/2024 SERVICE CHARGE (Per Service)	2024/2025 SERVICE CHARGE (Per Service)
Domestic Waste Management Charge	2,156	429.00	451.00

The estimated yield for Domestic Waste Management Charge is \$972,356.

Recycling services – Narromine, Trangie and Tomingley (Sec 501 Local Government Act 1993)

Council has joined forces with Dubbo Regional Council to provide a fortnightly recycling service. This service allows residents to recycle more resulting in a reduction in waste having to be disposed of to landfill. This service allows maximum recovery of resources and helps reduce greenhouse gas emissions. These fees are charged based on each occupied residential and commercial property.

The recycling service will be provided to residents within the current collection area in Narromine, Trangie and Tomingley. The cost of providing the recycling service will be a separate charge and will be applied across rateable properties in Narromine, Trangie and Tomingley in addition to any waste collection charge including the unoccupied waste management charge.

The Recycling Service Charges for the 2024/2025 rating year includes a 6.96% increase. The charge is shown in the table below:

DESCRIPTION	No of Services	2023/2024 SERVICE CHARGE (Per Service)	2024/2025 SERVICE CHARGE (Per Service)
Recycling Service – Domestic (Sec 496 Local Government Act 1993)	2,066	115.00	123.00
Recycling Service – Other (Sec 501 Local Government Act, 1993)	305	115.00	123.00

The estimated yield from the Recycling Service is \$291,633.

Unoccupied domestic waste service – Narromine, Trangie and Tomingley (Sec 501 Local Government Act 1993)

All rateable land that is situated within the area in which a domestic waste management service can be provided whether occupied land or vacant land, must be subject to an annualised section 501 charge.

The Unoccupied Domestic Waste Charge for the 2024/2025 rating year includes a 7.07% increase. The charge is shown in the table below:

DESCRIPTION	No of Services	2023/2024 SERVICE CHARGE	2024/2025 SERVICE CHARGE
Waste Management – Unoccupied	174	99.00	106.00

The estimated yield from Unoccupied Domestic Waste Service Charge is \$18,444.

Waste depot charge – Rural ratepayers only

(Sec 501 Local Government Act 1993)

Council currently provides waste management facilities for all ratepayers in the Shire. The rural ratepayers pay a small percentage of what the Narromine, Trangie and Tomingley residential and commercial ratepayers are charged as their contribution to the running expenses of waste facilities. Rateable rural properties, except for Crown land licences and leases, will be charged \$106.00 per annum for this service. Crown land licences and leased properties will be exempt from the waste depot charge if 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 categorised as farmland or rural residential.

The estimated yield from the Waste Depot Charge is \$110,770.

Commercial waste management charges – Narromine, Trangie and Tomingley

(Sec 501 Local Government Act 1993)

Council will levy a charge for commercial waste management for commercial properties in Narromine and Trangie in accordance with Section 501 of the *Local Government Act 1993*. These fees are charged based on each property serviced multiplied by the number of services provided.

The Commercial Waste Management Service Charge for the 2024/2025 rating year includes a 5.07% increase. The charge is shown in the table below:

DESCRIPTION	NUMBER OF SERVICES	2023/2024 SERVICE CHARGE (Per Service)	2024/2025 SERVICE CHARGE (Per Service)
Waste Management – Commercial	511	434.00	456.00

The estimated yield from the Commercial Waste Management Charge is \$233,016.

Food and Organics Collection - Residential Properties (FOGO)

Council introduced a weekly Food and Organics Collection Service to stand alone residential properties in Narromine, Trangie and Tomingley from 1 July 2018. Council will increase this charge by 5.43% for the 2024/2025 rating year.

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

DESCRIPTION	NUMBER OF SERVICES	2023/2024 SERVICE CHARGE (Per Service)	2024/2025 SERVICE CHARGE (Per Service)
Food and Organic Collection	2056	92.00	97.00

The estimated yield from the Food and Organics Collection Charge is \$199,432. The estimated cost of the pensioner concession will be approximately \$23,000.

Stormwater levy

(Sec 496A Local Government Act 1993)

Charge Methodology

The *Local Government Act 1993* provides Council with the ability to make and levy a charge for the provision of stormwater management services for each parcel of rateable land for which the service is available. Council has a large capital works program to complete for stormwater in each of the three towns within the shire. This levy enables significant works to be funded over the next ten year program. Council will endeavour to ensure equitable distribution of stormwater management services over time.

Urban Land Exempt from the Stormwater Management Service Charge

The same exemptions that apply to non-rateable properties for other rates and charges also apply in respect of the stormwater management service charge pursuant to the *Local Government Act 1993*.

In addition, the following properties are also exempt from this charge under the provisions:

- Rateable land owned by the Crown
- Rateable land under a lease for private purposes granted under the *Housing Act 2001* or the *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)
- Rural residential or rural business land (i.e., land not located within a village, town or city)
- Land belonging to charities and public benevolent institutions

Stormwater levy (Cont'd) (Sec 496A Local Government Act 1993)

Councils are also not to levy the charge on properties where they do not provide a stormwater management service.

Properties categorised as Residential

A flat charge of \$25.00 is to be charged against each eligible assessment categorised as Residential within the urban stormwater catchment. As the cost of managing stormwater runoff from impervious surfaces is usually less per residential strata lot than for standard residential property, a flat charge of \$12.50 will be charged against each eligible Strata unit within the urban stormwater catchment.

Properties categorised as Business

A stormwater Management Service Charge is to be charged against eligible assessment categorised as business within the stormwater catchment area based on the following criteria –

- \$25 for all lots with an area below 1,200 m²
- \$50 for lots with an area greater than or equal to 1,200 m² and below 5,000 m²
- \$100 for lots with an area greater than or equal to 5,000 m² and below 10,000 m²
- \$375 for lots with an area greater than or equal to 10,000 m²

Exemptions to Properties categorised as Business

All properties zoned RE1 and RE2 (Private Recreation) will be exempt from this charge as they have large areas of open space and limited impervious surfaces.

Discounts or Rebates

No discounts or rebates are to be allowed against this charge.

Apportionment of Charges

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 stormwater charge on a daily basis multiplied by the number of days from the completion date of the dwelling multiplied by the number of days remaining in current year.

The estimated yield from the Stormwater Management Service Charge is \$52,988.

Hardship Policy

Council has adopted a Hardship Policy for those ratepayers that are experiencing difficulty with payment of rates, charges and/or fees. The Policy and associated application form can be located on Council's web site: <http://www.narromine.nsw.gov.au>

Rounding

Some charges in this Policy have been rounded to the nearest dollar.

Emergency Services Levy

In 2017 the NSW Government abolished the ESL levy paid on top of insurance premiums with a new FESL calculated on unimproved land values. The new scheme relied on Councils to collect the FESL on behalf of the NSW Government from its rate payers.

The NSW Government now charges this annual charge (FESL) to Councils but due to community feedback deferred the ability for Councils to charge ratepayers. An announcement regarding this reform will be made following further community consultation.

The annual charge to Council for the 2024/2025 financial year is \$456,066.58.

National Competition Policy

Council has adopted the principle of 'competitive neutrality' to its business activities as part of the national competition policy which is being applied throughout Australia at all levels of government. The framework for its application is set out in the June 1996 Government Policy statement on the "Application of National Competition Policy to Local Government".

The "Pricing & Costing for Council Businesses a Guide to Competitive Neutrality" issued by the Office of Local Government in July 1997 has also been adopted. The pricing & costing guidelines outline the process for identifying and allocating costs to activities and provide a standard of disclosure requirements. These disclosures are reflected in Council's pricing and include taxation equivalents; council subsidies; return on investments (rate of return); and dividends paid.

Comprising the whole of the operations and assets of the water supply systems servicing the towns of Narromine, Trangie and Tomingley.

Government policy requires that subsidies provided to customers and the funding of those subsidies must be explicitly disclosed. Subsidies occur where council provides services on a less than cost recovery basis.

National Competition Policy (Cont'd)

This option is exercised on a range of services in order for council to meet its community service obligations. Accordingly, subsidies disclosed (in relation to National Competition Policy) represents the difference between revenue generated from 'rate of return' pricing and revenue generated from prices set by the council in any given financial year.

The overall effect of subsidies is contained within the Income Statement of each reported Business Activity in Council's Long Term Financial Plan.

Statement of borrowings

Council is planning the following borrowings for the 2024/25 financial year:

- \$1,300,000 – Residential Land Estate Development 36 Jones Circuit Narromine

Appendices

Appendix 1 - Garbage Collection Areas

Appendix 2 – Rating Maps