

GWYDIR SHIRE COUNCIL
**Integrated Planning
and Reporting**

Attachment 3
Operational Plan

**Statement of
Revenue – 2017-2018**

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STATEMENT OF REVENUE POLICY

Rates Statement

Strategy - Ordinary Rates

IPART has advised that the General Rates-Pegging limit for the period 1 July 2017 to 30 June 2018 shall be 1.5%. This increase will be applied in full.

The revenue forecast provided in this policy is based on the notional income projections using Councils rating structure and revenue for the 2016/2017 year, Councils proposed rating structure and revenue for the 2017/2018 year with the 1.5% general increase, plus any catch-up from 2016/2017.

The model projects an increase in general rate revenue of \$150,697.66 which amounts to a total increase in general rates of 1.5%.

RATING STRUCTURE

Rating Categories and Sub-Categories

The following is the structure of Council's General Ordinary Rates to be levied under Section 494 of the Local Government Act 1993.

Type	Category	Sub-Category	Comments
Ordinary	Farmland	Intensive	Eligibility determined in accordance with Local Government Act 1993 and as defined as 'Intensive Agriculture by the Gwydir Shire Council LEP 2013.
Ordinary	Farmland	Nil	Eligibility determined in accordance with Local Government Act 1993.
Ordinary	Business	Nil	All business properties within the Gwydir Shire Local Government area other than those defined as Warialda Business Urban or Bingara Business Urban.
Ordinary	Business	Business Warialda Urban	All business properties within the Warialda Town Area as determined by the relevant LEP.
Ordinary	Business	Business Bingara Urban	All business properties within the Bingara Town Area as determined by the relevant LEP.
Ordinary	Residential		All residential properties within the Gwydir Shire Area not in a Village as determined by the relevant LEP that do not exceed two (2) hectares.
Ordinary	Residential	Rural Residential	All residential properties within the Gwydir Shire Area not in a Village as determined by the relevant LEP that exceed two (2) hectares but are less than forty (40) hectares.
Ordinary	Residential	Residential Villages	All residential properties within the Gwydir Shire Area within a Village area other than Warialda Urban or Bingara Urban as determined by the relevant LEP.
Ordinary	Residential	Residential Warialda Urban	All residential properties within the Warialda Town Area as determined by the relevant LEP.
Ordinary	Residential	Residential Bingara Urban	All residential properties within the Warialda Town Area as determined by the relevant LEP.

RATING STRUCTURE

Rating Categories and Sub-Categories

Categories are defined by Urban, Rural and Village as follows:

Urban Land:

Each parcel of land valued as one assessment whose dominant use is for urban purposes within the Bingara or Warialda Town Area as determined by the relevant LEP.

Village Land:

Each parcel of land valued as one assessment whose dominant use is for urban purposes within a Village area other than the Bingara or Warialda Town Area as determined by the relevant LEP.

Rural Land:

Each parcel of land valued as one assessment whose dominant use is for non-urban purposes that is not within any Village area as determined by the relevant LEP.

Maps showing the location of Rating categories and sub-categories are attached. See Appendices.

RATING STRUCTURE

Ordinary General Rate Structure and Strategy

The Local Government Act 1993 provides Councils with three alternative methods of levying rates:

- Solely Ad Valorem Rating (i.e. cents in the dollar on land value).
- Minimum Rate plus Ad Valorem.
- Base Amount of up to 50% of the total yield from a category and applied to all rateable parcels within that category plus an Ad Valorem rate to raise the additional above the base.

Council will continue to levy ordinary rates using a structure comprising a base amount to which an ad valorem component is added. This option ensures higher valued properties contribute a higher amount.

The base amount will vary, depending on rating category/sub-category up to the maximum permissible of 50% of the total yield for each category/sub-category. All rateable properties within each category/sub-category, regardless of their land value, are levied a base amount. The balance of the ordinary rates is derived by multiplying the land value of a property by a rate in the dollar for the relevant category/sub-category, which is determined by Council.

All ordinary general rates for the 2017/2018 period shall be based on land valuations issued by the Valuer-General to individual rate payers with a base date of 1st July 2016. This will be the first rating year using these values as a general revaluation will be issued by the Department of Land (Valuer General) for the calculation of the 2017/2018 rates. As a result there may be some shifting in the rates distribution of specific properties depending upon how the value of these properties has changed under the general valuation in comparison to the average movement for each rating category. Generally there has been very little change in the valuations across the shire from the 2015 Valuation to the 2016 Valuation.

The model used in preparation of the rating revenue is designed to distribute the general rates between the rating categories as follows:

Farmland	80.00%	Residential	16.00%	Business	4.00%
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RATING STRUCTURE

Notional Yield

Ordinary General Rates under Section 494 of the Local Government Act 1993

Diff	Category	Sub-Category	# Prop	Ad Valorem	Base Amount	Percentage of Revenue raised form Base Levy	Estimated Total Yield
10	Farmland	Intensive	2	0.0067227	750	4.06%	\$39,928.47
1	Farmland	Ordinary	1,126	0.0041090	300	4.55%	\$6,086,064.63
4	Business	Ordinary	87	0.0386528	300	25.37%	\$102,858.99
8	Business	Business Bingara Urban	60	0.0327772	300	16.10%	\$111,772.40
3	Business	Business Warialda Urban	70	0.0380607	300	22.95%	\$91,518.27
6	Residential	Rural Residential S/H	193	0.0095493	225	28.10%	\$154,546.48
5	Residential	Residential Village	276	0.0693017	150	35.63%	\$116,178.93
9	Residential	Ordinary-Rural Res	40	0.0182753	150	31.71%	\$18,920.10
7	Residential	Bingara Residential Urban	663	0.0141627	225	26.53%	\$562,365.23
2	Residential	Warialda Residential Urban	549	0.0212936	225	33.15%	\$372,587.87
			3,066				\$ 7,656,741.37

Estimated General Ordinary Rate Income \$7,653,741.37 - Less Pension Rebates \$44,576.09 giving Net General Rates Income of \$7,609,165.28

All rates are to be levied on land valuations with a base date of 1st July 2016

RATING STRUCTURE

Payment of Rates

Ratepayers may pay their rates in four (4) instalments being 31 August, 30 November, 28 February and 31 May. Council is obliged to forward reminder notices one month in advance. Interest is chargeable on each instalment not paid by the due date.

The maximum applicable interest rate is set each year by the Minister for Local Government and Council may adopt that rate or a lower rate.

Extra Charges or Interest on Overdue Rates

In accordance with Section 566 (3) of the Local Government Act, 1993, Council must determine a rate of interest charge, not in excess of that determined by the Minister.

The interest rate for the year 2017/2018 has been set at 7.50%.

STATEMENT OF FEES and CHARGES

Statement of fees and charges to apply to rateable and non-rateable properties

Water and Sewerage Pricing

Council's water and sewerage utilities are required to conform to best practice water and sewerage pricing (pay for use). Such pricing is required to comply with the Independent Pricing and Regulatory Tribunal's (IPART) Pricing Principles for Local Water Authorities, the Council of Australian Governments (COAG) Strategic Framework for Water Reform and National Competition Policy.

Best practice water supply pricing involves a cost-reflective two part tariff or an inclining block tariff with no water allowance, no land value based charges, an appropriate access charge and water usage charges per kilolitre.

Appropriate pricing is essential to provide relevant pricing signals to customers, enabling them to make informed decisions on their water use. This will encourage each customer to use water efficiently and minimise wastage of our valuable water resources and associated infrastructure.

Water Charges - Strategy

Council has adopted best practice water pricing with a common structure across the entire Shire. The pricing structure has been reviewed and a similar structure adopted for 2017/2018.

The two part pricing regime includes an access availability charge of \$390.00 for standard connections and an inclining block tariff. In 2017/2018 the water access charge will be charged quarterly as part of the quarterly water usage billing program. The inclining usage tariff is made up of two (2) tiers being:

1. \$1.40 per kilolitre for the first step of 600 kilolitres per assessment.
2. And a higher block tariff of \$2.05 per kilolitre for usage over 600 kilolitres per assessment.

STATEMENT OF FEES and CHARGES

Water Charges - Strategy

A water access availability charge applies to all parcels of land to which a service is available and connectable.

The water pricing strategy is designed to gain 50% of the water revenue from access charges and 50% from usage charges.

Properties with larger water services pay a higher access charge proportional to the square of the meter size.

Sewer Charges - Strategy

Sewerage services as water supplies have moved to best practice pricing.

Residential sewerage bills are to be independent of land value and based on a cost-reflective uniform sewerage charge per property of \$500.00 per connectable property.

Non-Residential sewerage bills are to be independent of land value and based on a cost-reflective two part tariff consisting of an access charge – (\$425.00 based on 20mm water connection) and an appropriate sewer usage charge per kilolitre of water consumption (\$2.45/KL). This charge is then multiplied by the individual property's sewer discharge factor as determined by Council using industry standards.

The sewer access charge must also be proportional to the square of the size of the water supply service connection to reflect the load that can be placed on the sewerage system plus a usage charge based on discharge volume. The volume discharged into the sewer is estimated using the customer's total water consumption and a sewerage discharge factor.

STATEMENT OF FEES and CHARGES

Water and Sewer Charges - Sections 501 and 502 of the Local Government Act 1993

Description	Annual Charge	Services Charged	Total Annual Income	Total Income
20mm Water Meter Service	\$ 420.00	1571	\$ 659,820.00	
25mm Water Meter Service	\$ 656.00	36	\$ 23,616.00	
32mm Water Meter Service	\$ 1,075.00	2	\$ 2,150.00	
40mm Water Meter Service	\$ 1,680.00	9	\$ 15,120.00	
50mm Water Meter Service	\$ 2,625.00	14	\$ 36,750.00	
Less Pension Rebate Expense Water			-\$ 19,877.06	
TOTAL Annual Water Access Income			\$ 717,578.94	
Annual Water Usage @ \$1.40/KL			\$ 521,177.80	
Annual Water Usage @ \$2.05/KL >600KL			\$ 279,560.55	
TOTAL Annual Water Usage Charges			\$ 800,738.35	
Sewer Charge Residential (20mm)	\$ 500.00	1106	\$ 553,000.00	
Sewer Charge Non-Residential (20mm)	\$ 425.00	136	\$ 57,800.00	
Sewer Charge Non-Residential (25mm)	\$ 665.00	20	\$ 13,300.00	
Sewer Charge Non-Residential (32mm)	\$ 1,085.00	2	\$ 2,170.00	
Sewer Charge Non-Residential (40mm)	\$ 1,695.00	9	\$ 15,255.00	
Sewer Charge Non-Residential (50mm)	\$ 2,650.00	7	\$ 18,550.00	
Less Pension Rebate Expense Sewerage			-\$ 17,002.32	
TOTAL Annual Sewer Charges			\$ 673,072.68	
TOTAL Annual Sewer Usage Charges			\$ 61,374.00	

STATEMENT OF FEES and CHARGES

Liquid Trade Waste Charges

Gwydir Shire Council is committed to complying with the Department of Energies, Utilities and Sustainability's (DEUS) guidelines for the best practice management of water supplies and sewerage services to be eligible for financial assistance towards future Capital works.

For the 2017/2018 financial period, Council will be charging a liquid Trade Waste Charge as part of the sewerage pricing structure for commercial businesses.

Liquid trade wastes exert much greater demands on sewerage systems than domestic sewerage and if uncontrolled can pose serious problems to public health, worker safety, Council's sewerage system and the environment. Liquid trade waste pricing ensures that the discharges bear a fair share of the cost of providing sewerage services and to facilitate appropriate recycling, pre-treatment, waste minimisation and water conservation.

For charging purposes liquid trade waste dischargers are divided into three categories.

1. Liquid trade waste dischargers conducting as activity deemed by Council as requiring nil or only minimal pre-treatment equipment and whose effluent is well defined and of relatively low risk to the sewerage system. For example – retail food outlets with no hot food prepared and or foods that generate an oily/greasy waste.
2. Liquid trade waste dischargers conducting as activity deemed by Council as requiring a prescribed type of liquid trade waste pre-treatment equipment and whose effluent is well characterised. For example – premises that prepare and or serve hot foods that generate an oily/ greasy waste.
3. Liquid trade waste dischargers conducting an activity which is of an industrial nature and/or which result in discharges of large volumes (over 20kL/d) of liquid trade waste to the sewerage system.

STATEMENT OF FEES and CHARGES

Liquid Trade Waste Charges

Schedule of Annual and Usage Fees – Liquid Waste

Description	Charge
Annual Charges	
Annual trade waste Fee (minimum)	\$77 x 94 assessments = \$ 7,238.00
Annual trade waste Fee (large discharger)	\$430.00
Reinspection fee	\$60.00
Usage Charges	
With prescribed pre-treatment	\$1.30/kL
Without prescribed pre-treatment	\$15.00/kL
Tankered Waste	\$21.00/kL

- These fees are to be charged on top of existing non-residential sewerage charges.

STATEMENT OF FEES and CHARGES

Waste Management Charges Statement

Council must make and levy a charge for domestic waste management services for each parcel of rateable land for which the service is available under Section 496 of the Local Government Act, 1993. The levied charge must fully cover the cost of providing the service. The urban areas of Bingara, Warialda, Gravesend, North Star, Croppa Creek and Warialda Rail and small rural "life style/rural residential" blocks receive a kerb-side garbage service. This charge is separately itemised on each rate notice.

The charge is added to standard Council rates and is set-aside for the specific purpose of the management of waste collections and disposal facilities within the local government area. The charge will allow Council to provide additional resources and meet the requirements of waste disposal and environmental legislation and community expectations.

Previously undertaken on Council's Waste Disposal Facilities was on a reactionary basis in response to community concerns. As a result of increased pressures from regulatory agencies and ongoing community concerns and the scale of the works required to meet these standards, it has become necessary for Council to initiate the provision of a waste disposal management program to control waste disposal and environmental protection measures.

The funds collected will only be spent for works at Council's Waste Disposal facilities and related recycling programs, including:

- Land rehabilitation
- Improved environmental monitoring
- Improved waste disposal techniques
- Recycling
- Chemical disposal
- Site security

STATEMENT OF FEES and CHARGES

The charge is levied in respect of each separate parcel of rateable land in the Council area. The charge applies whether or not the service is used in whole or in part. The service is provided on the following basis:

Domestic Waste Service and Disposal Charge

A single weekly waste collection service using 1 approved container with a capacity 140 litre for general waste. A single fortnightly green waste collection service using 1 approved container with a capacity 240 litre for green and putrescible waste and a single fortnightly recyclable waste collection service using 1 approved container with a capacity 360 litre for recyclable material.

New premises completed during the year will be charged based on the complete month to the end of the year as a proportion of the annual charge.

In accordance with Section 496 of the Local Government Act, 1993, Council must levy a domestic waste management charge on all occupied rateable properties. This charge reflects the fixed cost component of having the weekly waste collection service accessible to the property. The charge for 2017/2018 is as follows

Domestic Waste Collection Charge	Number of Services	Charge	Yield
Domestic Residential Collections (140)	1382	\$ 495.00	\$ 684,090.00
Domestic Residential Collections (240)	17	\$ 143.50	\$ 2,439.50
Domestic Residential – Vacant	166	\$ 79.00	\$ 13,114.00
Additional Wheelie Bin		\$ 143.00	\$
<i>Less Pension Rebates</i>			-\$ 72,180.50
Total Domestic Waste Management Charges			\$ 627,463.00

STATEMENT OF FEES and CHARGES

Commercial Waste Disposal

Council shall levy an annual charge under Section 501 on commercial premises for waste removal and disposal where the owner or occupier has access to that service. The service will be for the removal of one or more garbage containers (wheelie bins) of 240 litre capacity. The service level charge is based on the number of bins available for collection from the premises for which the charge is applicable. This service is subject to GST. The charges for 2017/2018 are as follows:

Commercial Waste Disposal Charge	Number of Services	Charge (GST Inclusive)	Yield
Commercial Waste Disposal – Minor	69	\$ 607.00	\$ 41,883.00
Commercial Waste Disposal – Small	52	\$ 1,315.00	\$ 68,380.00
Commercial Waste Disposal - Medium	14	\$ 2,267.00	\$ 31,738.00
Commercial Waste Disposal – Large	7	\$ 3,202.00	\$ 22,414.00
Total Commercial Waste Management			\$ 164,415.00

STATEMENT OF FEES and CHARGES

Non Rateable Land Waste Disposal

In accordance with Section 501 of the Local Government Act 1993, a waste management service charge will be levied on all non-rateable land electing to utilise Council's waste collection and disposal service. This service is subject to GST. The charge for 2017/2018 is as follows:

Non Rateable Land Waste Disposal Charge	Number of Services	Charge (GST Inclusive)	Yield
Non Rateable Land Waste Disposal – Minor	21	\$ 607.00	\$ 12,747.00
Non Rateable Land Waste Disposal – Small	10	\$ 1,315.00	\$ 13,150.00
Non Rateable Land Waste Disposal – Medium	4	\$ 2,267.00	\$ 9,068.00
Non Rateable Land Waste Disposal – Large	6	\$ 3,202.00	\$ 19,212.00
Total Non-Rateable Land Waste Management			\$ 54,177.00

STATEMENT OF FEES and CHARGES

Waste Disposal Management

In accordance with Section 501 of the Local Government Act, 1993, Council must levy a waste management disposal charge on all rateable land and in respect of vacant land which are in the catchment for each of Council's waste disposal facilities. These are defined by maps. See appendix. The charge for 2017/2018 is as follows:

Waste Management Charge	Number	Charge	Yield
Properties	3135	\$ 165.00	\$ 517,275.00
Total Waste Disposal Charge			\$ 517,275.00

STATEMENT OF FEES and CHARGES

Storm Water Charges Statement

In accordance with Section 496A of the Local Government Act, 1993 and Clauses 125A, 125AA, 200A and 217 of the Local Government (General) Regulation 2005, Council may make or levy an annual charge for stormwater management services only in respect of urban land that is categorised for rating purposes as residential or business. The urban areas, to which this charge will apply for 2017/2018 (Warialda and Bingara), are defined by maps. (See appendix). The charge for 2017/2018 is as follows:

Storm Water Charge	Number of Services	Charge	Estimated Yield
Residential Properties	1486	\$25.00 per parcel of land.	\$ 37,150.00
Business Properties	93	\$25.00 per parcel of land plus and additional \$25.00 for each 350sqm or part of 350sqm by which the parcels exceeds 350sqm (Estimate based on average of three (3) charges per parcel.	\$ 6,975.00

STATEMENT OF FEES and CHARGES

Statement of fees to be charged and pricing policy of goods and services

Council fees for the 2017/2018 financial year are listed in the Schedule of Fees and Charges as part of Council’s Management Plan.

In determining the appropriate fees to be charged for Council services and facilities in 2017/2018, the basic principle applied is that charges should be considered fair and equitable to the general community. Individual members of the community should not be precluded from essential services because of economic circumstances.

The range of services provided by Council to the community is diverse and requires different considerations when determining the associated fee or charge. The level of the fee or charge was determined having regard to the following categories;

Code	Pricing Category
S	Statutory - Federal or State Government set charges.
FCR	Full Cost Recoverable - Services under this category are such that individual costs can be determined and met by the user of the service.
PCR	Partially Cost Recoverable - Services considered having a level of benefit to the community. Generally benefits are not solely confined to users. Partially funded by general revenues.
M	Market - Services that Council operates in a competitive market and needs to fix charges similar to other providers. Calculations may be benchmarked against industry averages