# **Walcha Council**



## 2019 – 2020 Operational Plan



Walcha Council Chambers





Walcha Memorial Cenotaph built 2019. Photos taken on ANZAC Day 2019 at the Dawn Service and again at the Day Service. Photos taken by Tanya Westfold & Kylie Marchant.

Adopted June 2019 Resolution # 202/20182019

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### **Revenue Policy**

#### Rates

Council proposes to levy four ordinary rates for the 2019 – 2020 year - Farmland, Residential, Business and Mining. The Residential and Business categories have various sub-categories; a detailed list of the sub-categories appears in the Statement of Proposed Rates to be levied (as attached).

Council proposes to use an ad valorem (rate in the dollar) with a common minimum rate. A detailed summary of the revenue yields appears in the Statement of Proposed Rates to be levied (as attached).

#### Charges

Council introduced best practice water, sewerage and trade water charges in the 2005-2006 With the increasing demands being placed on NSW water resources, the State Government considers it important for water supply authorities (referred to as LWU – local water utility) to set best-practice tariffs for water supply, sewerage and liquid trade waste. Such tariffs are designed to better recognise the true cost of providing the services and comply with the Independent Pricing and Regulatory Tribunal's (IPART) Pricing Principles for Local Water Authorities handed down in 1996. The IPART Pricing Principles are consistent with the Council of Australian Governments' (COAG) Strategic Framework for Water Reform developed in 1994. All Australian Governments agreed to comply with this framework in 1998 and such compliance is required under National Competition Policy.

#### Water

The pricing for water for properties in Walcha is based on an access charge and a usage charge. In accordance with Sections 501 and 502 of the Local Government Act 1993, Council will levy an access charge to all assessments connected and all those that are capable of being connected (within 225 metres of a water main) to Council's water supply. Where connection to a Council main is required or a mins extension is required, the owner shall pay the relevant connection fee calculated in accordance with Council's fees and charges. The fixed access charge is calculated according the following formula

$$AC = AC_{20} \times \frac{D^2}{400}$$

where

AC  $AC_{20}$ Customer's Annual Access Charge (\$)

Annual Access Charge for a 20mm diameter water

supply service connection (\$)

D Diameter of customer's water supply service

connection (mm)

The basis for this formula comes from fluid mechanics where in simple terms, the flow through a pipeline is directly proportional to the area of the pipeline. As the area of a pipeline is equal to  $\pi \frac{D^2}{A}$  then the flow through a pipeline is directly proportional to the diameter squared. Therefore if the diameter of a pipeline doubles the flow and therefore the access charge increase fourfold assuming everything else remains constant.

Using the abovementioned formula the following access charges are proposed for 2018/2019

Connection Size	Access Fee \$
20 mm	\$267.00
25 mm	\$417.00
32 mm	\$684.00
38 mm	\$964.00
50 mm	\$1670.00
75 mm	\$3,758.00
100 mm	\$6,682.00

The usage charge for residential customers in 2019/2020 will comprise the following two steps

0 - 300 kilolitres - \$3.15 per kilolitre 301 and above - \$4.58 per kilolitre

The usage charge for non residential customers will be a flat \$3.15 per kilolitre. The usage charge for untreated will be a flat \$1.57 per kilolitre.

#### **Sewerage**

For residential customers, the best practice guidelines recommend that there should be a uniform sewerage bill for all properties based on the estimated volume of sewerage discharged from all residential customers. In accordance with Sections 501 and 502 of the Local Government Act 1993, Council will levy an access charge to all assessments connected and all those that are capable of being connected (within 75 metres of a sewer main) to Council's sewerage system. Where connection to a Council main is required or a mains extension is required, the owner shall pay the relevant connection fee calculated in accordance with Council's fees and charges. The annual residential sewerage bill is calculated as the Sewer Discharge Factor (SDF) times the annual non-residential sewerage access charge plus SDF times the product of the sewer usage charge (UC) and the average residential consumption. That is

 $B_R = (SDF \times SAC_{20}) + (SDF \times C_R \times UC)$ 

where

B<sub>R</sub> = Annual residential sewerage bill (\$) SDF = Sewer Discharge Factor – the proper

SDF = Sewer Discharge Factor – the proportion of total residential water consumption that is discharged to the sewerage system. A typical value for NSW is

SDF = 0.70

 $SAC_{20}$  = Annual Non Residential Sewer Access Charge

service connection (\$). Calculated to be \$450 for

Walcha.

 $C_R$  = Average annual residential water consumption (kl).

For Walcha last year this figure was 136kl.

UC = Sewer usage charge ( $\frac{kL}{L}$ ). Has been set at  $\frac{9.99}{kl}$ 

this is within the recommended range.

Based on the above formula the proposed sewerage charge for residential customers is \$460 per year. The unoccupied sewerage charge for residential customers is \$230 per year.

For non-residential customers, the sewerage bill recommended by the Guidelines is similar and is as follows:

 $B = (SDF \times SAC) + (SDF \times C \times UC)$ 

where

B = Annual non-residential sewerage bill (\$)

SDF = Sewer Discharge Factor – the proportion of total

water consumption that is discharged to the sewerage

system

SAC = Customers Annual Sewer Access Charge

 $SAC = SAC_{20} \times \frac{D^2}{400}$ 

C = Customer's annual water consumption (kL). .

UC = Sewer usage charge ( $\frac{kL}{L}$ ). This has been set at

\$0.99/kL which is within the recommended range.

The SDF for non-residential customers varies according to the type of business. The non residential sewer access charge is set at \$450 per user, per annum. The vacant non-residential access charge is set at \$220 per user, per annum.

#### **Trade Waste**

The Guidelines also recommend that local water utilities responsible for sewerage must levy appropriate trade waste fees and charges on all its liquid trade waste dischargers in addition to the non-residential sewerage bills.

Council's liquid trade waste recommended fees and charges in 2018 – 2019 are:

- ◆ Application fee fee based on category with a minimum charge of \$169.00
- Annual Trade Waste Fee:
  - o Classification A \$83.00
  - o Classification B \$165.00
  - o The annual fee for Classification C dischargers will be set on a case by case basis depending on the complexity of monitoring required (for charging purposes and other administrative requirements).
- Re-inspection fee \$79.00
- ◆ Trade Waste usage charge \$1.50/kL with appropriate pre-treatment.
- Trade Waste usage charge \$13.86/kL without appropriate pre-treatment.
- Food waste disposal charge \$26.42/bed.
- ♦ Portable toilet \$15.59/kL.
- Septic Waste
  - o Normal (combined effluent and sludge) \$2.59/kL.
  - o Effluent only \$2.15/kL.
  - o Sludge only \$22.34/bed.

Dischargers requiring nil or minimal pre-treatment of their liquid trade waste will only pay an annual trade waste fee together with a re-inspection fee where required. That is

$$TW = A + I$$

where

TW = Total annual trade waste fees and charges (\$)

A = Annual trade waste fee (\$)

I = Re-inspection fee (\$) (where required)

Dischargers with prescribed pre-treatment will pay a trade waste usage charge per kL plus the annual trade waste fee. That is

$$TW = A + I + (C \times UC_{TW} \times TWDF)$$

where

TW = Total annual trade waste fees and charges (\$)

A = Annual trade waste fee (\$)

I = Re-inspection fee (\$) (where required)

C = Customer's annual water consumption (kL)

 $UC_{TW}$  = Trade waste usage charge (\$/kL) of \$1.50 per kL.

TWDF = Trade Waste Discharge Factor

The TWDF represents the estimated proportion of a customer's metered water consumption that is discharged to the sewerage system as liquid trade waste.

The following table represents sewerage and trade waste discharge factors.

#### **Sewer and Trade Waste Discharge Factor**

<b>Business Description</b>	Discharge Factor Sewer Trade Wast			
Bakery	95	25		
- With a residence attached <sup>1</sup>	70	18		
Bed and Breakfast/Guesthouse (max. 10 persons)	75	$NA^2$		
Butcher	95	90		
<ul> <li>With residence attached<sup>1</sup></li> </ul>	70	65		
Cakes/Patisserie	95	50		
Car Dealership	80	70		
Car Detailing	95	90		
Caravan Park (with commercial kitchen)	75	25		
Caravan Park (no commercial kitchen)	75	$NA^2$		
Caravan Park + Laundry (no commercial kitchen)	75	50		
Club	95	30		
Community Hall (minimum food only)	95	$NA^2$		
Craft/Stonemason	95	80		
Concrete Batching Plant	2	1		
Day Care Centre	95	$NA^2$		
Delicatessen, mixed business (no hot food)	95 95	$NA^2$		
- With residence attached	70	NA		
		00		
Dental Surgery with X-ray	95 70	80		
- With a residence attached <sup>1</sup>	70	60		
Hairdresser	95 0.7	$NA^2$		
High School	95	$25^{5}$		
Hospital	95	60		
Hotel	100	25		
Joinery	95	10		
Laundry	95	$92^{5}$		
Mechanical Workshop3	95	70		
Mechanical Workshop with car yard	85	70_		
Medical Centre	95	25 <sup>5</sup>		
Motels small (breakfast only, no hot food)	90	$NA^2$		
Motel (other than breakfast only, no hot food)	90	20		
Nursing Home	90	50		
Office Building	95	$NA^2$		
Panel Beating/Spray Painting	95	70		
Primary School	95	$10^{5}$		
Printer	95	85		
Restaurant <sup>4</sup>	95	50		
Self Storage	90	$NA^2$		
Service Station	90	70		
Supermarket	95	70		
Swimming Pool (commercial)	85	$NA^2$		
Take Away Food	95	50		
Veterinary (no X-ray), Kennels, Animal Wash	80	$NA^2$		
• • • • • • • • • • • • • • • • • • • •				

#### Notes:

<sup>&</sup>lt;sup>1</sup> If a residence is attached, that has garden watering, the residential SDF should be applied. <sup>2</sup> A trade waste usage charge is not applicable for this Category 1 activity.

<sup>&</sup>lt;sup>3</sup> Includes lawn mower repairers, equipment hire.

<sup>&</sup>lt;sup>4</sup> Includes café, canteen, bistro, etc.

<sup>&</sup>lt;sup>5</sup> A trade waste usage charge applies if appropriate pre-treatment has not been installed or has not been properly operated or maintained.

#### **Waste Management Charges**

Annual Domestic Waste Management (DWM) service charge is comprised of: 1 x 140L (Red) General Waste bin, 1 x 240L (Yellow) Recycling Waste bin and 1 x 240L (Green) Waste bin.

Annual Commercial Waste Management (CWM) service charge is comprised of: 1 x 240L (Red) General Waste bin and 1 x 240L (Yellow) Recycling Waste bin.

#### **Fees**

Council proposes to charge fees for 2019 – 2020 year. Generally, Council will endeavour to ensure that all fees charges are raised equitably. A Statement with respect to each type of fee proposed to be charged and the amount of each charge is attached in the Statement of Fees and Charges (as attached).

#### **Private Works**

Private Works will only be performed by Council when the Director – Engineering Services so approves but shall not be carried out if such private work interferes with Council's works programme. Charges to be calculated on Council's comprehensive hire rates or Council cost plus twenty five per cent (25%). Materials charged as per fees and charges. Quotes will be provided by the Director – Engineering Services if requested. Payment in advance for work being carried out is not required except where

- Considered necessary by the General Manager
- The customer is not currently a rate payer, full payment in advance is required unless prior approval by the General Manager.

Where payment in advance is required, 50% of the work value shall be paid prior to the work being commenced. Details of individual private works charges are available from the Engineering Services Department. Where required by law, the 10% Goods and Services Tax will be added to the cost of all private works.

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

All fees and charges have been prepared using the most current available information in relation to the GST impact on the fees and charges at the time of publication of the Delivery Program. However the GST legislation is subject to change during the year, accordingly if a fee that is shown as being subject to GST is subsequently proven not to be liable to the tax the fee or charge will be reduced by the amount of the tax. Conversely if Council is advised that a fee, which is shown not to be subject to GST, becomes liable to the tax the charge or fee will be increased by the amount of the tax.

#### **Proposed Borrowing's**

No new proposed borrowings are proposed for the 2019 – 2020 financial year.



## Rates Proposed to be levied -2019 - 2020

RATING CATEGORY	NUMBER OF ASSESSMENTS	LAND VALUE	M	INIMUM RATE	MINIMUM REVENUE	CENTS IN \$	VALOREM EVENUE	F	TOTAL REVENUE
Farmland	85	6,870,610	\$	455.00	\$ 38,675				
	645	1,006,687,340				0.00284573	\$ 2,864,760.36	\$	2,903,435.36
	730	1,013,557,950							
Residential	140	7,008,640	\$	455.00	\$ 63,700				
	54	9,302,000				0.00321134	\$ 28,871.88	\$	93,571.88
	194	16,310,640							
Residential - Walcha	465	19,310,520	\$	455.00	\$ 211,575				
	257	19,393,280				0.00825001	\$ 159,994.75	\$	371,569.75
	722	38,703,800							
Business	12	191,980	\$	455.00	\$ 5,460				
	2	460,000				0.00628755	\$ 2,892.27	\$	8,352.27
	14	651,980							
Business - Walcha Centre	28	617,334	\$	455.00	\$ 12,740				
	64	5,492,100				0.01183851	\$ 65,018.28	\$	77,758.28
	92	6,109,434							
Business - Walcha Industrial	15	381,700	\$	455.00	\$ 6,825				
	22	2,505,700				0.00954765	\$ 23,923.55	\$	30,748.55
	37	2,887,400							
Mining	0		\$	455.00	\$ 6				
	0					0.01084635			
	0								
TOTALS	1789	1,078,221,204			\$ 388,975		\$ 3,145,461.10	\$ :	3,485,436.10

## **Annual Charges**

ANNUAL CHARGES	No. Services	Amount	Total
Water Access	710	#2 <i>4</i> 7.00	#100 F70 00
Residential (20mm) - Treated	710	\$267.00	\$189,570.00
Residential (25mm) - Treated	40	\$417.00	\$16,680.00
Residential (38mm) - Treated	3	\$964.00	\$2,892.00
Residential (50mm) - Treated	1	\$1,670.00	\$1,670.00
Residential (100mm) - Treated	1	\$6,682.00	\$6,682.00
Residential (Vacant) - Treated	20	\$267.00	\$5,340.00
Non-Residential (20mm) - Treated	128	\$267.00	\$34,176.00
Non-Residential (25mm) - Treated	20	\$417.00	\$8,340.00
Non-Residential (38mm) - Treated	9	\$964.00	\$8,676.00
Non-Residential (50mm) - Treated	5	\$1,670.00	\$8,350.00
Non-Residential (100mm) - Treated	4	\$6,682.00	\$26,728.00
Non-Residential (Vacant) - Treated	13	\$267.00	\$3,471.00
Untreated (20mm)	4	\$267.00	\$1,068.00
Untreated (25mm)	6	\$417.00	\$2,502.00
Untreated (38mm)	3	\$964.00	\$2,892.00
			\$319,037.00
Sewer Access			
Residential (Occupied)	688	\$460.00	\$316,480.00
Residential (Unoccupied)	32	\$230.00	\$7,360.00
Non – Residential (Occupied) – 20mm	96	\$450.00	\$43,200.00
Non – Residential (Occupied) – 25mm	10	\$703.13	\$7,031.30
Non – Residential (Occupied) – 38mm	5	\$1,624.50	\$8,122.50
Non – Residential (Occupied) – 50mm	3	\$2,812.50	\$8,437.50
Non – Residential (Occupied) – 100mm	1	\$11,250.00	\$11,250.00
Non – Residential (Unoccupied)	12	\$220.00	\$2,640.00
			\$404,521.30
Waste Management			
Annual Domestic Waste Management (DWM)	809	\$596.00	\$482,164.00
DWM –Additional 140L General Waste	1	\$224.00	\$224.00
DWM –Additional 240L Recycling Waste	3	\$169.00	\$507.00
Annual Commercial Waste Management (CWM)	234	\$615.00	\$143,910.00
CWM – Annual 240L Green Waste	21	\$51.00	\$1,071.00
CWM – Additional 240L General Waste	8	\$335.22	\$2,680.00
CWM – Additional 240L Recycling Waste	9	\$169.00	\$1,521.00
Annual Waste Management Charge – Rural	876	\$215.00	\$188,340.00
Annual Waste Management Charge – Unoccupied Town	65	\$169.00	\$10,985.00
Commercial Recycling – Cardboard & Paper – Woolpack Collection Service	452	\$16.80	\$7,593.60
Commercial Recycling – Cardboard & Paper – 240L Bin Collection Service	76	\$8.50	\$646.00
1 4			\$839,641.60

<sup>&</sup>lt;sup>1</sup> – Average rate – actual charge depends on water usage <sup>2</sup> –Number of services varies depending on demand

### **Statement of Services to be Provided**

PRINCIPAL ACTIVITY	SERVICES PROVIDED
Administration	* General Services
	* Corporate Support
Public Order and Safety	* Bush Fire Services
·	* Animal Control
	* Emergency Services
	* Regulation Enforcement
Health	* General Services
	* Food Control
	* Water Sampling
	* Vermin Control
Community Services and Education	* Community Care
	* Senior Citizen Services
	* Schools' Assistance Programmes
	* Work Experience
	* Walcha Preschool
	* Walcha Early Intervention Program
Housing and Community Amenities	* Staff Housing
	* Town Planning Services
	* Waste Management/Recycling Service
	* Street Cleaning
	* Public Conveniences
	* Tree Planting
	* Public Cemeteries
	* Street Lighting
	* Environmental Protection
	* Stormwater Drainage
	* Community Centre
Water Supplies	* Water Reticulation
	* Water Quality Assurance
Sewerage Services	* Sewerage Reticulation
	* Sewerage Treatment
Recreation and Cultural	* Library
	* Support for Public Halls
	* Walcha Swimming Pool and Squash
	Courts
	* Public Parks and Sporting Fields
Mining, Manufacturing and Construction	* Building Control/Advice
	* Aggregate Quarrying

## **Statement of Capital Works**

	FUNCTION	DESCRIPTION	AMOUNTS				
	_	Administration					
_	Miscellaneous	Administration capital	5,000				
	TVIISCOII AIICO GO	Subtotal:	5,000				
	Housing & Community Amenities						
_	Streetscape	Derby Street East	50,000				
_	Walcha Cemetery	Install Toilets	42,500				
_	Walcha Cemetery	Subtotal	92,500				
		Recreation & Culture	72,500				
-	Park	Seating and bin replacement	3,500				
_	Beautification Works	Entry Signs	30,000				
	Deadification Works	Mill Hole	20,000				
_	Public Art	Includes \$5,000 installation	10,000				
_	Community Gym	Stronger Country Community Fund	626,859				
_	Pool Upgrade	Stronger Country Community Fund	103,603				
_	Community Services	Stronger Country Community Fund	72,906				
	Club Storage	Stronger Country Community I and	72,700				
-	<u> </u>	Subtotal:	866,868				
	T	ransportation & Communication					
-	Bridges Rural Sealed	Wollun Road bridge replacement	192,941				
-	Bridges Rural Unsealed	Old Brookmount Road – Fixing Country Roads	253,260				
-	Other Transport Works	Apsley Falls entrance upgrade	90,000				
-	Urban Roads	Heavy Patching – Roads to Recovery (R2R)	75,000				
		Reseals – R2R	75,000				
		Footpath renewals – various Town streets	45,000				
		Kerb & Gutter renewal	45,000				
		Kerb & Gutter extensions	45,000				
		Gravel Resheeting	5,000				
-	Regional Roads	Thunderbolts Way (TBW) – Seg 4710 – Fixing Country Roads	1,089,000				
		TBW Seg 4720	1,000,000				
		TBW Seg 4540 – Block Grant	648,000				
		TBW Seg 4550	675,000				
		TBW Seg 4560	648,000				
		TBW Seg 4570	648,000				
		TBW Seg 4580	621,000				
		TBW Seg 4590	756,000				
		TBW Seg 4600	540,000				
		TBW Seg 4030	372,400				
		TBW Seg 4040	351,844				
		TBW – Reseals – Block Grant	200,000				
		TBW – Heavy Patching – Block Grant/Repair	156,340				
		TBW – Smiths Creek 1.25km – Saving lives on Country Roads	108,750				
		TBW – Yalgoo Rest Area - HVSPP	100,405				
-	Sealed Rural Roads	Reseal – Niangala Road Seg 90 – R2R	38,418				

	95,480						
	Heavy Patching – Darjeeling Road Seg 20 – R2R						
	Heavy Patching – minor patches – R2R						
			Rehabilitation – Brackendale Rd Seg 50; Nowendoc	173,051			
			Rd intersection – Fixing Country Roads				
			Rehabilitation Aberbaldie Rd – Seg 30 – R2R	215,000			
-	Unsealed Roads	Rural	Gravel resheeting	480,000			
			Dust Suppression	15,000			
			Culvert Renewals	115,000			
-	Plant Replace	ment	Plant and equipment	1,415,675			
-	Works Depot		Install coded security gate	22,500			
	Subtotal:						
			Water				
-	Water		Water Meter Renewals	10,000			
			Water Mains Renewals	100,000			
			Remote Monitoring - Reservoirs	15,000			
			Subtotal:	125,000			
	Sewer						
-	Sewer		Sewer Relining	55,000			
			Subtotal:	55,000			
TOTAL: \$13,540,							

## **Statement of Asset Sales**

ASSET	REASON FOR SALE	ESTIMATED TIMING
Plant and Equipment	In accordance with adopted Plant Replacement Program.	In accordance with Program.
Land – Council will continue to investigate the sale of any surplus holdings.	Surplus to requirements.	Ongoing.
Office Equipment	Surplus to requirements.	As necessary and in accordance with replacement program

## Statement of Rates Proposed to be Charged for Works Carried out on Private Land

#### **Private Works**

Private works will only be performed by Council when the Director - Engineering Services so approves but shall not be carried out if such private work interferes with Council's works programme.

Charges to be calculated on Council's comprehensive hire rates or Council cost plus twenty five per cent (25%). However, the additional 25% shall not apply to the supply and delivery of domestic potable water to rural ratepayers who are located in a drought declared area or Rural Fire Service vehicle servicing, fuel and other costs billed on a monthly basis to the Rural Fire Service

Quotes will be provided by the Director - Engineering Services if requested.

Payment in advance for work being carried out is not required except where

- onsidered necessary by the General Manager
- the customer is not currently a rate payer, full payment in advance is required unless prior approval by the General Manager

Where payment in advance is required, 50 percent of the work value shall be paid prior to the work being commenced.

Details of individual private works charges are available from the Engineering Services Department.

Where required by law, the 10 per cent Goods and Services Tax will be added to the cost of all private works.

## **Statement of Amounts of Proposed Borrowings**

Part 12 of Chapter 15 of the Local Government Act, 1993 provides that Council may borrow at any time for any purpose allowed under the Act. The Council may borrow by way of overdraft or loan or by any other means approved by the Minister.

The Minister may, from time to time, impose limitations or restrictions on borrowing's by a particular Council or Councils generally despite the other provisions referred to above.

Council has arranged an overdraft facility with the National Australia Bank, Walcha, of \$200,000. A schedule detailing borrowings proposed by Council over the life of this Plan is attached.

YEAR	AMOUNT	ТҮРЕ	SOURCE	SECURITY
2008/09	Nil	N/A	N/A	N/A
2009/10	Nil	N/A	N/A	N/A
2010/11	Nil	N/A	N/A	N/A
2011/12	Nil	N/A	N/A	N/A
2013/14	\$600,000	Fixed Interest – 10 Years	National Australia Bank	Council Revenue
	\$152,000	Fixed Interest – 10 Years	National Australia Bank	Council Revenue
2014/15	Nil	N/A	N/A	N/A
2015/16	Nil	N/A	N/A	N/A
2016/17	Nil	N/A	N/A	N/A
2017/18	Nil	N/A	N/A	N/A
2018/19	Nil	N/A	N/A	N/A
2019/20	Nil	N/A	N/A	N/A