



2018 – 2019 Operational Plan



Walcha Council Chambers



Cnr Derby & Fitzroy Streets, Walcha

*Adopted by Council – 27 June 2018
Resolution #: 161/20172018*

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Revenue Policy

Rates

Council proposes to levy four ordinary rates for the 2018 – 2019 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 year. 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	=	Customer’s Annual Access Charge (\$)
AC ₂₀	=	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 $\pi \frac{D^2}{4}$ 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	\$243.00
25 mm	\$380.00
32 mm	\$622.00
38 mm	\$877.00
50 mm	\$1,519.00
75 mm	\$3,417.00
100 mm	\$6,075.00

The usage charge for residential customers in 2018/2019 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_R = Annual residential sewerage bill (\$)
- SDF = Sewer Discharge Factor – the proportion of total residential water consumption that is discharged to the sewerage system. A typical value for NSW is $SDF = 0.78$
- 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 146kl.
- UC = Sewer usage charge (\$/kL). Has been set at \$0.99/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.

Non Residential

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 (\$/kL). 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:
 - Classification A \$82.50
 - Classification B \$165.00
 - 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
 - Normal (combined effluent and sludge) - \$2.59/kL.
 - Effluent only - \$2.15/kL.
 - 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

Business Description	Discharge Factor	
	Sewer	Trade Waste
Bakery	95	25
- With a residence attached ¹	70	18
Bed and Breakfast/Guesthouse (max. 10 persons)	75	NA ²
Butcher	95	90
- With residence attached ¹	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	NA ²
- With residence attached	70	
Dental Surgery with X-ray	95	80
- With a residence attached ¹	70	60
Hairdresser	95	NA ²
High School	95	25 ⁵
Hospital	95	60
Hotel	100	25
Joinery	95	10
Laundry	95	92 ⁵
Mechanical Workshop ³	95	70
Mechanical Workshop with car yard	85	70
Medical Centre	95	25 ⁵
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 ⁴	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:

¹ If a residence is attached, that has garden watering, the residential SDF should be applied.

² A trade waste usage charge is not applicable for this Category 1 activity.

³ Includes lawn mower repairers, equipment hire.

⁴ Includes café, canteen, bistro, etc.

⁵ 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 2018 – 2019 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 2018 – 2019 financial year.



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Rates Proposed to be levied - 2018/2019

RATING CATEGORY	NUMBER OF ASSESSMENTS	LAND VALUE	MINIMUM RATE	MINIMUM REVENUE	CENTS IN \$	AD VALOREM REVENUE	TOTAL REVENUE
Farmland	86	6,976,610	\$ 443.00	\$ 38,098	0.00278048	\$ 2,794,948	\$ 2,833,046
	647	1,005,203,340					
	733	1,021,179,950					
Residential	145	7,208,440	\$ 443.00	\$ 64,235	0.00307134	\$ 28,434	\$ 92,669
	53	9,258,000					
	198	16,466,440					
Residential - Walcha	453	18,610,295	\$ 443.00	\$ 200,679	0.00812814	\$ 162,486	\$ 363,165
	269	19,990,580					
	722	38,600,875					
Business	12	191,980	\$ 443.00	\$ 5,316	0.00616848	\$ 2,838	\$ 8,154
	2	460,000					
	14	651,980					
Business - Walcha Centre	29	633,134	\$ 443.00	\$ 12,847	0.01157066	\$ 63,061	\$ 75,908
	63	5,450,100					
	92	6,083,234					
Business - Walcha Industrial	15	381,700	\$ 443.00	\$ 6,645	0.00925234	\$ 23,377	\$ 30,022
	22	2,526,600					
	37	2,908,300					
Mining	2	26,560	\$ 443.00	\$ 886	0.01056120	\$ 670	\$ 1,556
	1	63,400					
	3	89,960					
TOTALS	1799	1,076,980,739		\$ 328,706		\$ 3,075,814	\$ 3,404,520

Annual Charges

ANNUAL CHARGES	No. Services	Amount	Total
Water Access			
Residential (20mm) - Treated	710	\$243.00	\$172,530.00
Residential (25mm) - Treated	40	\$380.00	\$15,200.00
Residential (38mm) - Treated	3	\$877.00	\$2,631.00
Residential (50mm) - Treated	1	\$1,519.00	\$1,519.00
Residential (100mm) - Treated	1	\$6,075.00	\$6,075.00
Residential (Vacant) - Treated	22	\$243.00	\$5,346.00
Non-Residential (20mm) - Treated	125	\$243.00	\$30,375.00
Non-Residential (25mm) - Treated	19	\$380.00	\$7,220.00
Non-Residential (38mm) - Treated	10	\$877.00	\$8,770.00
Non-Residential (50mm) - Treated	4	\$1,519.00	\$6,076.00
Non-Residential (100mm) - Treated	4	\$6,075.00	\$24,300.00
Non-Residential (Vacant) - Treated	14	\$243.00	\$3,402.00
Untreated (20mm)	4	\$243.00	\$972.00
Untreated (25mm)	6	\$380.00	\$2,280.00
Untreated (38mm)	3	\$877.00	\$2,631.00
			\$289,327.00
Sewer Access			
Residential (Occupied)	687	\$460.00	\$316,020.00
Residential (Unoccupied)	33	\$230.00	\$7,590.00
Non – Residential (Occupied) – 20mm	78	\$450.00	\$35,100.00
Non – Residential (Occupied) – 25mm	19	\$703.00	\$13,359.00
Non – Residential (Occupied) – 38mm	10	\$1,625.00	\$16,245.00
Non – Residential (Occupied) – 50mm	4	\$2,813.00	\$11,250.00
Non – Residential (Occupied) – 100mm	4	\$11,250.00	\$45,000.00
Non – Residential (Unoccupied)	13	\$220.00	\$2,860.00
			\$447,424.00
Waste Management			
Annual Domestic Waste Management (DWM)	805	\$501.00	\$403,305.00
DWM – Additional 140L General Waste	2	\$219.00	\$438.00
DWM – Additional 240L Recycling Waste	2	\$165.00	\$330.00
Annual Commercial Waste Management (CWM)	234	\$510.00	\$119,340.00
Annual CWM 240L Green Waste Charge	22	\$50.00	\$1,100.00
CWM – Additional 240L General Waste Charge	7	\$328.00	\$2,296.00
CWM – Additional 240L Recycling Waste Charge	9	\$165.00	\$1,485.00
Annual Waste Management Charge – Rural	878	\$162.00	\$142,236.00
Annual Waste Management Charge – Unoccupied Town	68	\$132.00	\$8,976.00
Commercial Recycling – Cardboard & Paper – Woolpack Collection Service	540	\$16.35	\$8,830.00
Commercial Recycling – Cardboard & Paper – 240L Bin Collection Service	116	\$8.20	\$948.00
Commercial Recycling – Cardboard & Paper – Supermarket Bale (minimum 12 bale)	32	\$204.40	\$6,541.00
			\$695,825.00

¹ – Average rate – actual charge depends on water usage

² – Number of services varies depending on demand

Statement of Services to be Provided

PRINCIPAL ACTIVITY	SERVICES PROVIDED
Administration	<ul style="list-style-type: none"> * General Services * Corporate Support
Public Order and Safety	<ul style="list-style-type: none"> * Bush Fire Services * Animal Control * Emergency Services * Regulation Enforcement
Health	<ul style="list-style-type: none"> * General Services * Food Control * Water Sampling * Vermin Control
Community Services and Education	<ul style="list-style-type: none"> * Community Care * Senior Citizen Services * Schools' Assistance Programmes * Work Experience * Walcha Preschool * Walcha Early Intervention Program
Housing and Community Amenities	<ul style="list-style-type: none"> * 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	<ul style="list-style-type: none"> * Water Reticulation * Water Quality Assurance
Sewerage Services	<ul style="list-style-type: none"> * Sewerage Reticulation * Sewerage Treatment
Recreation and Cultural	<ul style="list-style-type: none"> * Library * Support for Public Halls * Walcha Swimming Pool and Squash Courts * Public Parks and Sporting Fields
Mining, Manufacturing and Construction	<ul style="list-style-type: none"> * Building Control/Advice * Aggregate Quarrying

Statement of Capital Works

FUNCTION	DESCRIPTION	AMOUNTS
Administration	Miscellaneous admin capital	5,000
Community Services & Education	New Preschool building	1,000,000
Housing & Community Amenities	Streetscape – Derby Street – Pitt Sons to Post Office	53,580
Recreation & Culture	Park Seating & bin replacement	3,500
	Monument Park Cenotaph	100,000
	Public drinking stations	10,000
	Skatepark – Grinding Rail	3,500
	Public Art	5,000
	Beautification Committee Project	50,000
Transportation & Communication	Bridges Rural Sealed – Wollun Road bridge replacement	622,750
	Bridges Rural Sealed – Niangala Road bridge replacement	234,050
	Urban Roads – Heavy Patching	75,000
	Urban Roads - Reseals	75,000
	Urban Roads – Footpath renewals – various Town streets	45,000
	Urban Roads – Kerb & Gutter renewal	45,000
	Urban Roads – Kerb & Gutter extensions	45,000
	Urban Roads – Gravel Resheeting	5,000
	Regional Roads – Thunderbolts Way – Three Mile Creek – Seg 4470	322,269
	Regional Roads – Reseals – Thunderbolts Way – Seg 4370, 4390, 4400, 4020	140,000
	Regional Roads – Heavy Patching – Thunderbolts Way Seg 4600, 4480, 4490	32,275
	Regional Roads – Thunderbolts Way – Minor Patching	52,725
	Sealed Rural Roads – Reseal – Winterbourne Road Seg 10 and 30	21,431
	Sealed Rural Roads – Reseals – Bergen Road Seg 10	21,924
	Sealed Rural Roads – Reseals – Kangaroo Flat Road – Seg 90 and 100	42,336
	Sealed Rural Roads – Reseals – St Leonards Road Seg 10	2,340
	Sealed Rural Roads – Reseals – Chinnocks Road Seg 10	2,228
	Sealed Rural Roads – Reseals – Surveyors Creek Road Seg 10	2,880
	Sealed Rural Roads – Reseals – Campfire Road Seg 10	6,750
Sealed Rural Roads – Reseals – Darjeeling Road Seg 20	66,528	
Sealed Rural Roads – Heavy Patching – Niangala Road Seg 90	23,450	

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	Sealed Rural Roads – Heavy Patching – Emu Creek Road Seg 60	14,250
	Sealed Rural Roads – Heavy Patching – Minor Patches and Safety Patches unrelated to sealing program	123,050
	Sealed Rural Roads – Rehabilitation – Brackendale Road & Nowendoc Road intersection	125,000
	Sealed Rural Roads – Rehabilitation – Aberbaldie Road Seg 30	215,000
	Unsealed Rural Roads Gravel Resheeting	580,000
	Unsealed Rural Roads – Dust Suppression	15,000
	Unsealed Rural Roads – Culvert Renewals	15,000
	Unsealed Rural Roads – Culvert Renewals Scrubby Gully Road	100,000
	Plant Replacement	1,583,430
	Works Depot – Emulsion tank – asphalt and bunding	125,000
Water	Water Meter Renewals	10,000
	Water Mains Renewals	100,000
	PAC System relocation (safety risk)	80,000
	Balance Tank Reservoir Roof installation (health risk)	15,500
	WTP Electrical upgrades	15,000
Sewer	Sewer Relining	50,000
TOTAL:		\$6,280,746

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

- ◆ 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 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	TYPE	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 \$152,000	Fixed Interest – 10 Years Fixed Interest – 10 Years	National Australia Bank National Australia Bank	Council Revenue 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