

Annual Statement of Revenue Policy

REVENUE POLICY (Sec 405(2))

Section 405 of the Local Government Act 1993 requires a Statement of Council's Revenue Policy to be included in the Operational Plan. This document constitutes the Dubbo Regional Council Revenue Policy and is prepared in accordance with Section 405(2) of the Local Government Act 1993.

The Revenue Policy includes the following statements for the 2019/2020 year:

1. Rates Statement
2. Annual Charges Statement
3. Charges for Actual Use of Services Statement
4. Fees and Charges Statement
5. Statement of Proposed Borrowings
6. GST Implications
7. Interest on Overdue Rates & Charges

Due to the Local Government Amendment (Rates Merged Council Areas) Bill 2017, the Ordinary Rates and Annual Charges structure that applied in the 2018/2019 rating year has been maintained for the 2019/2020 rating year.

1. RATES STATEMENT

2019/2020 RATE PEG

The Independent Pricing and Regulatory Tribunal (IPART) have determined that Council's General Income may be increased by 2.7% under section 506 of the Local Government Act 1993, for the 2019/2020 rating year. Dubbo Regional Council's budget is based on the full 2.7% increase. This will provide a rate yield of \$35,794,427 as per the table presented below.

ORDINARY RATES

Section 494 of the Local Government Act 1993 requires Council to make and levy ordinary rates for the year 2019/2020.

Due to the Local Government Amendment (Rates Merged Council Areas) Bill 2017, the Ordinary Rates Structure that applied as at the date of merger of the former Dubbo City Council and Wellington Council, being 12 May 2016 must be maintained in 2019/2020.

In accordance with the provisions of Section 514 of the Act, all parcels of rateable land in the Council's area have been declared to be within one or other of the following categories:

- * Residential
- * Farmland
- * Mining
- * Business

Council utilises the provisions of Section 528 and 529 of the Local Government Act 1993 in determining sub-categories for one or more rating categories and in applying differential rating to the categories of ordinary rates.

All rating categories and sub-categories from the former Dubbo City Council and Wellington Council rating structures have been maintained. Due to duplication or similarities of existing category and sub-category names within the former Dubbo City Council and Wellington Council rating structures, the names of some sub-categories have been amended in order to distinguish the area within the Dubbo Regional Council Local

Government area to which the sub-category applies.

Dubbo Regional Council has determined the following categories/sub categories of rates will apply in the 2019/2020 rating year:

- * Residential – Ordinary
- * Residential – Dubbo Urban
- * Residential – Firgrove Estate
- * Residential – Richmond Estate
- * Residential – Village
- * Residential Ordinary – Wellington
- * Residential – Wellington
- * Residential – Geurie
- * Farmland – Ordinary
- * Farmland – Wellington
- * Business – Ordinary
- * Business – Central Business District
- * Business – Cobra Street
- * Business – East Dubbo
- * Business – Wellington Road
- * Business – Ordinary Wellington
- * Business – Wellington
- * Mining – Ordinary
- * Mining – Wellington

The determination of the category for each parcel of rateable land is in accordance with the definitions set out in Sections 515, 516, 517, 518 and 519 of the Act. All parcels of land within the Council area have been categorised for rating purposes in accordance with the requirements of the Local Government Act 1993. New parcels of land are categorised when supplementary or new rate notices are issued. Strata lots and Company titles are taken to be separate parcels of land for the purposes of categorisation.

The details of the rate structure adopted for 2019/2020 is shown below:

	Proposed Ordinary Rates including a 2.7% General Variation Increase			
	Ad Valorem (or Rate in \$) Amount	Minimum Amount	Base Amount	Estimated Total Yield
Residential Residential – Dubbo Urban Applies all residential properties within the defined "Urban" area	0.8409	\$683.95		\$15,250,226
Residential – Firgrove Estate Applies to residential properties within the defined "Firgrove" development	0.6828	\$668.55		\$249,734
Residential - Richmond Estate Applies to residential properties within the defined "Richmond Estate" development	0.6828	\$668.55		\$178,551
Residential - Ordinary Applies to all residential properties within former Dubbo City Council outside the defined "Urban", "Village", "Firgrove" and "Richmond Estate" areas	0.5851	\$519.85		\$2,348,186
Residential - Village Applies to all residential properties within the defined "Village" areas of Ballimore, Brocklehurst, Eumungerie and Wongarbon	0.6449	\$539.05		\$230,697
Residential - Ordinary Wellington Applies to all residential properties in the former Wellington Council area outside the defined Wellington Urban area or Village of Geurie	0.8159		\$329.00	\$741,166

	Proposed Ordinary Rates including a 2.7% General Variation Increase			
	Ad Valorem (or Rate in \$) Amount	Minimum Amount	Base Amount	Estimated Total Yield
Residential - Wellington applies to all residential properties within the Defined Wellington Urban area	1.2435		\$332.00	\$1,508,718
Residential - Geurie applies to all residential properties within the Village of Geurie	0.8181		\$222.00	\$157,960
<u>Business</u> Business - Ordinary Applies to all business properties within former Dubbo City Council except those within the defined "CBD" "East Dubbo", "Cobra Street" and Wellington Road areas	1.1917	\$683.95		\$3,524,166
Business - Central Business District Applies to all business properties within the defined "CBD" area	3.2913	\$683.95		\$4,135,693
Business - East Dubbo area Applies to all business properties within the defined "East Dubbo" area	3.8526	\$683.95		\$485,042
Business – Cobra Street Applies to all business properties within the defined "Cobra Street" bulky goods precinct	3.8526	\$683.95		\$233,236
Business - Wellington Road Applies to all business properties within the defined "Wellington Road" area	3.8526	\$683.95		\$254,310

	Proposed Ordinary Rates including a 2.7% General Variation Increase			
	Ad Valorem (or Rate in \$) Amount	Minimum Amount	Base Amount	Estimated Total Yield
Business – Ordinary Wellington Applies to all business properties within the former Wellington Council outside township of Wellington	1.0062		\$356.00	\$42,376
Business – Wellington Applies to all business properties within the township of Wellington	2.4042		\$217.00	\$333,431
Farmland Farmland - Ordinary Applies to all land which has been declared "Farmland"	0.5541	\$363.55		\$2,095,426
Farmland – Wellington Applies to all land which has been declared "Farmland"	0.6983		\$199.00	\$4,023,609
Mining Mining – Ordinary Applies to all land which has been declared "Mining"	6.0	\$517.20		\$0.00
Mining - Wellington Applies to all land which has been declared "Mining"	24.3216	\$627.35		\$1,900
TOTAL ESTIMATED YIELD				\$35,794,427

All figures are based on valuations on hand as at 14 April 2019. Council in levying the 2019/2020 rates must take necessary steps to avoid exceeding the allowable notional yield for 2019/2020. The Ad-valorem amounts contained within this document may be varied slightly prior to the Making of the Rates and Charges for 2019/2020, depending on the current land valuations at the adoption of the rates, to ensure Council does not exceed its allowable notional yield.

Council currently has no parcels of land categorised for rating purposes as Mining - Dubbo. A Notional Yield of \$0 is expected as at 1 July 2019. The Ad Valorem rate and Minimum Rate applicable to the Mining Ordinary Rating Category are being set for the 2019/2020 rating year to allow parcels of land to be categorised as Mining should a Mining Lease Agreement be approved over a parcel of land and the dominant use of the parcel be determined as mining within the 2019/2020 rating year.

In accordance with the provisions of Section 405(4) of the Act, maps showing those parts of the Council's area to which each of the above categories and sub-categories apply are on exhibition and available for inspection at the Civic Administration Building, Church Street, Dubbo and the Wellington Administration Building, Nanima Crescent, Wellington during ordinary office hours.

2. ANNUAL CHARGES STATEMENT (Section 405(2))

In accordance with the provisions of Section 405 of the Act, the Council has resolved to make and levy the following annual charges:

DOMESTIC WASTE MANAGEMENT SERVICE CHARGE (SECTION 496)

Domestic Waste Management Service Charge – 3 Bin Service

A Domestic Waste Management Service is to be available to all residential properties in the urban areas of Brocklehurst, Dubbo, Geurie, Wellington and Wongarbron which have been defined on a map marked for this purpose. The annual charge for 2019/2020 is \$389.00. This charge provides for a once weekly kerbside collection service of one weekly 240 litre food and garden waste bin service, a once weekly kerbside collection of 140 litre garbage bin and a fortnightly kerbside collection for one 240 litre bin of mixed recycling

Under section 496(2) of the Local Government Act 1993 Council may make an annual charge for the provision of a domestic waste management service for a parcel of land that is exempt from rating if the service is available for that land and the owner of that land requests or agrees to the provision of the service to that land.

Council will grant a voluntary pension rebate of \$52.00 on the Domestic Waste Management Service Charge – 3 Bin Service in 2019/2020. To be eligible to receive the voluntary rebate the property owner must be eligible to receive a Pensioner Concession on their Ordinary Rates and Annual Charges under section 575 of the Local Government Act 1993. The voluntary Pension Rebate – Domestic Waste will be granted or abandoned on a quarterly basis as per the eligibility criteria for a Pension Concession granted under section 575.

The estimated yield from this annual charge in 2019/2020 is \$5,986,710.

Domestic Waste Management Service Charge – 2 Bin Service

A Domestic Waste Management Service is to be available to all residential properties located in the urban fringe and outer areas of Brocklehurst, Dubbo, Geurie, Wellington and Wongarbron, the villages of Ballimore, Bodangora, Dripstone, Elong Elong, Euchareena, Eumungerie, Mogriguy, Mumbil, Nanima, North Yeoval and Stuart Town, and the areas of Cadonia Estate, Firgrove Estate, Richmond Estate, Ponto Falls and Wellington Caves; which have been defined on a map marked for this purpose.

The Domestic Waste Management Service Charge – 2 Bin Service will apply to multiple unit dwellings on single title lots such as retirement villages, gated communities and apartment blocks and to Strata title units with greater than 2 lots in the registered Strata Plan.

The annual charge for 2019/2020 is \$317.00. This charge provides for a once weekly kerbside collection service of a 240 litre Garbage bin and a fortnightly kerbside collection for one 240 litre bin of mixed recycling.

Multiple unit dwellings situated on a single title property will be levied a Domestic Waste Management Service Charge – 2 Bin Service for each unit for dwellings comprising up to and including eight (8) units. Multiple unit dwellings comprising more than eight (8) units will be levied (8) times the Domestic Waste Management Service Charge – 2 Bin Service (\$2,536.00) plus one (1) Domestic Waste Management Service Charge – 2 Bin Service for every two (2) unit dwellings in excess of eight (8) (rounded up to the next whole number in the case of an odd number of units).

The estimated yield from this annual charge in 2019/2020 is \$1,471,831.

Capacity Upgrade – 3 Bin Service

In exceptional circumstances, and as approved by the Manager Solid Waste, approval may be granted for a weekly 240 litre Garbage Bin rather than the standard weekly 140 litre bin. The additional charge for this extra capacity will be \$83.00 in 2019/2020. This is an annual charge and will not be levied on a pro-rata basis.

Domestic Waste Management Charge – Vacant Land

A Domestic Waste Charge – Vacant Land for 2019/2020 of \$98.00 is applicable to all vacant parcels of land categorised as Residential for rating purposes within the defined three (3) bin or two (2) bin kerbside collection areas.

The estimated yield from Domestic Waste Management Services for 2019/2020 is \$95,060.

OTHER WASTE MANAGEMENT CHARGES (SECTION 501)

Waste Management Service Charge

A kerbside garbage collection service is available to all non-residential properties in the designated kerbside collection area. The annual charge will only be applied to those properties for which the service is provided.

The annual charge for 2019/2020 is \$330.00. This charge provides for a once weekly kerbside collection service of one 240 litre garbage bin and a fortnightly kerbside collection and processing service for one 240 litre bin of mixed recycling.

The estimated yield from this annual charge for 2019/2020 is \$303,930.

Non-Domestic Waste Collection Service Charge

Additional Non Domestic Waste collections will be provided to all non-residential properties in the designated kerbside collection area that require the service. The annual charge provides for an additional weekly kerbside garbage collection service of one 240 litre bin. The additional service is only applicable to properties charged a minimum of one Waste Management Service Charge incorporating the weekly garbage collection and a fortnightly Recycling service. The annual charge for 2019/2020 is \$210.00 per bin, per annum.

The estimated yield from this annual charge for 2019/2020 is \$173,250.

Non-Domestic Recycling Service Charge

Additional Fortnightly Non-Domestic Recycling collections will be provided to all non-residential properties in the designated kerbside collection area that require the service. The annual charge provides for an additional fortnightly kerbside collection of the 240 litre bin of mixed recycling. The additional service is only applicable to properties charged a minimum of one Waste Management Service charge incorporating the weekly collection of Non Domestic Waste and a fortnightly Recycling Service. The annual charge for 2019/2020 is \$130.00 per bin, per annum.

The estimated yield from this annual charge is \$26,780.

Non-Domestic Waste Collection Service Charge

Food and Garden Waste collections will be available to all non-residential properties in the designated 3-bin kerbside collection area that require the service. The annual charge provides for a weekly kerbside garbage collection service of one 240 litre Food and Garden Waste bin. The additional service is only applicable to properties charged a minimum of one Waste Management Service Charge incorporating the weekly garbage collection and a fortnightly Recycling service. The annual charge for 2019/2020 is \$124.00 per bin, per annum.

Waste Management Service (Rural) Charge

A waste management service (Rural) charge is applicable to all rural parcels of rateable land with households located thereon located outside the defined waste collection zones and covers the disposing of small domestic quantities (equivalent to wheelie bin capacity). The annual charge finances the operation of rural household waste transfer stations and the cost of disposing of small quantities of rural household waste at the Whylandra Waste Depot and Wellington Depot. The annual charge for 2019/2020 is \$139.00 (including GST) and the charge is based on the revenue required to cover the "reasonable cost" of providing this service for 2019/2020.

The estimated yield from this annual charge for 2019/2020 is \$177,364.

SEWERAGE SERVICE CHARGE - RESIDENTIAL

It has been resolved to make and levy an annual sewerage service charge on residential properties.

The annual sewerage service charge to apply to all single dwellings, and each rateable parcel of land which has been created under a Strata Title subdivision, Community or Neighbourhood Plan and vacant land where a sewerage service is available will be \$792.82.

The annual sewerage service charge to apply to all residential multiple residence properties where individual separate occupancies are situated on a single parcel of land (includes non strata flats, units, villas and dwellings within retirement villages) will be the number of occupancies x the residential single dwelling annual charge x .5.

The estimated yield from the above annual charge for 2019/2020 is \$11,785,676.

Wellington Residential Sewer Charge

It has been resolved to make and levy an annual sewerage service charge on residential properties.

The annual sewerage service charge to apply to all single dwellings, and each rateable parcel of land which has been created under a Strata Title subdivision, Community or Neighbourhood Plan and vacant land where a sewerage service is available will be \$694.69.

The estimated yield from the above annual charge for 2019/2020 is \$1,354,646.

Wellington Sewer Charge - Unoccupied

It has been resolved to make and levy an annual sewerage service charge on residential properties.

The annual sewerage service charge to apply to all vacant parcels of land within the township of Wellington where a sewerage service is available. The annual charge for 2019/2020 will be \$614.83.

The estimated yield from the above annual charge for 2019/2020 is \$73,780.

Mumbil Sewer Charges

It has been resolved to make and levy an annual sewerage service charge on residential properties.

The annual sewerage service charge to apply where a sewerage service is available will be \$650.93.

The estimated yield from the above annual charge for 2019/2020 is \$63,791.

Mumbil Sewer Charge - Unoccupied

It has been resolved to make and levy an annual sewerage service charge on residential properties.

The annual sewerage service charge to apply to all each unoccupied rateable parcel of land where a sewerage service is available will be \$614.83.

The estimated yield from the above annual charge for 2019/2020 is \$6,148.

Geurie Sewer Charge

It has been resolved to make and levy an annual sewerage service charge on residential properties.

The annual sewerage service charge to apply where a sewerage service is available will be \$694.69.

The estimated yield from the above annual charge for 2019/2020 is \$129,907.

Geurie Sewer Charge - Unoccupied

It has been resolved to make and levy an annual sewerage service charge on residential properties.

The annual sewerage service charge to apply to all each unoccupied rateable parcel of land where a sewerage service is available will be \$614.83.

The estimated yield from the above annual charge for 2019/2020 is \$9,222.

Religious Property Sewer Charge - Wellington

The annual sewerage service charge to apply to all religious properties where a sewerage service is available will be \$556.82.

The estimated yield from the above annual charge for 2019/2020 is \$2,784.

Religious Property Sewer Charge – Village

The annual sewerage service charge to apply to all religious properties where a sewerage service is available will be \$477.21.

WATER SUPPLY SERVICE ACCESS CHARGE

The Pricing Policy for 2019/2020 will comprise:

1. An access charge (annual charge under Section 501)
2. A usage charge (charge for the actual use of the service under Section 502).

Council will be maintaining separate charging structures for the former Dubbo City Council and Wellington Council.

The amount of the access charge applicable to each property will be in accordance with the size of the water service provided to that property. The access charge for each size of water service proposed for 2019/2020 is as follows:

Former Dubbo City Council

Meter Size	Annual Charge
20mm	\$272.33
25mm	\$424.83
30/32mm	\$697.14
40mm	\$1,089.29
50mm	\$1,702.02
65mm	\$2,875.72
80mm	\$4,357.16
100mm	\$6,808.07
150mm	\$15,326.30

A minimum charge being the amount equivalent to a 20mm water service charge will apply to each rateable parcel of land which has been created under a Strata Title subdivision, Community or Neighbourhood Plan.

A minimum charge being the amount equivalent to a 20mm water service charge will apply to each parcel of rateable land which does not have a water service connected but to which a water service is available in accordance with the provision of Section 552 (1) (b) of the Local Government Act 1993.

Former Wellington Council

Tariff Description	Annual Availability Charge
From KL	
To KL	
Domestic	\$417.96
Commercial 20MM	\$506.27
Commercial 25MM	\$783.29
Commercial 31MM	\$1,209.69
Commercial 32MM	\$1,289.43
Commercial 38MM	\$1,827.24
Commercial 40MM	\$2,014.27
Commercial 50MM	\$3,143.89
Commercial 80MM	\$8,056.67
Commercial 100MM	\$12,591.15
Commercial 150MM	\$28,320.70
UnConnected Services	\$417.96
Connected Service No Meter	\$506.27
Dedicated Fire Service	\$506.27
Commercial (Non Profit) Commercial 50MM	\$783.29
Church's:	
Connected Wellington – Non Residential	\$404.99
Connected Wellington Domestic	\$334.37

A minimum charge being the amount equivalent to a 20mm water service charge will apply to each rateable parcel of land which has been created under a Strata Title subdivision, Community or Neighbourhood Plan.

A minimum charge being the amount equivalent to a 20mm water service charge will apply to each parcel of rateable land which does not have a water service connected but to which a water service is available in accordance with the provision of Section 552 (1) (b) of the Local Government Act 1993.

The total estimated yield from these annual charges for 2019/2020 is \$8,032,906.

*** SEWERAGE SERVICE CHARGES - NON RESIDENTIAL**

The use of the Sewerage Service by all non-residential properties will be charged on a quarterly basis in accordance with the following pricing structure:

$$\begin{aligned}
 B &= SDF \times (AC + C \times UC) \\
 B &= \text{Quarterly Sewerage Charge - Non Residential} \\
 SDF &= \text{Sewerage Discharge Factor} \\
 AC &= \frac{(AC_{20} \times D^2)}{400}
 \end{aligned}$$

This equates to the following Access Charge (AC) for the various water connection sizes:

	Quarterly Amount	Annual Equivalent
20mm	\$102.73	\$410.90
25mm	\$160.51	\$642.03
32mm	\$262.98	\$1,051.90
40mm	\$410.90	\$1,643.60
50mm	\$642.03	\$2,568.13
65mm	\$1,085.03	\$4,340.13
80mm	\$1,643.60	\$6,574.40
100mm	\$2,568.13	\$10,272.50
150mm	\$5,778.28	\$23,113.13

The Access Charge (AC) is applicable to each water service connected to a property in accordance with the size of the meter fitted to the service.

$$\begin{aligned}
 D &= \text{Water Supply Service Connection Size} \\
 C &= \text{Annual Water Consumption} \\
 UC &= \text{Usage Charge} && \$2.22/Kl \\
 \text{Minimum Quarterly Sewerage Charge - Non Residential} &&& \$193.86
 \end{aligned}$$

Wellington Non Residential Sewer Charges

The use of the Sewerage Service by all non-residential properties will be charged on a quarterly basis in accordance with the following pricing structure:

$$\begin{aligned}
 B &= SDF \times (AC + C \times UC) \\
 B &= \text{Quarterly Sewerage Charge - Non Residential} \\
 SDF &= \text{Sewerage Discharge Factor} \\
 AC &= \frac{(AC_{20} \times D^2)}{400}
 \end{aligned}$$

This equates to the following Access Charge (AC) for the various water connection sizes:

Meter Size	Quarterly Amount	Annual Equivalent
20mm	\$91.78	\$367.11
25mm	\$143.40	\$573.61
31mm	\$220.50	\$881.98
32mm	\$234.95	\$939.80
38mm	\$331.32	\$1,325.27
40mm	\$367.11	\$1,468.44
50mm	\$573.61	\$2,294.44
80mm	\$1,468.44	\$5,873.76
100mm	\$2,294.44	\$9,177.75
150mm	\$5,162.48	\$20,649.94
Unconnected Service	\$144.25	\$577.00
Connected Service No Meter	\$163.74	\$654.99
Commercial (Non-Profit) 50mm	\$145.36	\$581.46
Churches*		
Connected Villages -		\$466.76
Connected Wellington -		\$466.76

The Access Charge (AC) is applicable to each water service connected to a property in accordance with the size of the meter fitted to the service.

D	=	Water Supply Service Connection Size	
C	=	Annual Water Consumption	
UC	=	Usage Charge	\$0.96/Kl
		Minimum Quarterly Sewerage Charge - Non Residential	\$169.87

The total estimated yield from the above charges for 2019/2020 is \$3,118,640.

4. FEES AND CHARGES STATEMENT (Section 405(2))

Council has resolved to apply fees and user charges in respect of its regulatory functions and the services it provides.

Section 608(1) of the Act provides that Council may charge and recover an approved fee for any services it provides. Section 608(2) provides that the services for which an approved fee may be charged include the following services provided under the Act or any other Act or the regulations by the Council:

- * supplying a service, product or commodity
- * giving information

- * providing a service in connection with the exercise of the Council's regulatory functions - including receiving an application for approval, granting an approval, making an inspection and issuing a certificate
- * allowing admission to any building or enclosure

Section 610D provides that a Council, if it determines the amount of an approved fee for a service, must take into consideration the following factors:

- * the cost to the Council of providing the service
- * the price suggested for that service by any relevant industry body or in any schedule of charges published, from time to time, by the Department
- * the importance of the service to the community
- * any factors specified in the regulations

The actual fees and charges proposed to be applied by Council for 2019/2020 are detailed in the Revenue Policy document attached to the Operational Plan. The document includes the details of each fee, charge or contribution, Council's pricing policy and a comment as to the purpose of the fee, charge or contribution.

5. STATEMENT OF PROPOSED BORROWINGS (SECTION 405(2))

Council does not propose to secure long term borrowings during 2019/2020 to fund major capital projects.

6. GST IMPLICATIONS

The GST legislation (Division 38) provides that the supply of water, sewer, drainage and child care services are GST Free. In addition Division 81 provides that certain fees and charges are excluded from GST. All other goods and services provided by the Council are subject to GST and this is included in the amount of the fees and charges determined for 2019/2020. The Revenue Policy document attached to the Operational Plan details the Base Amount of each fee and charge, the GST amount if applicable and the actual amount that will be applied for each fee or charge.

7. INTEREST ON OVERDUE RATES AND CHARGES

Council will calculate interest on overdue rates and charges during 2019/2020 using the maximum charge as determined by the Minister for Local Government, in accordance with Section 566(3) of the Local Government Act 1993. The Minister for Local Government has not announced the maximum interest rate applicable for 2019/2020.