



**Central
Tablelands
Water**



ANNUAL BUDGET & STATEMENT OF REVENUE POLICY 2026/27

Contents

Executive Summary	3
Mission, Vision, Values	3
Council's Annual Budget.....	5
Detailed Income Statement Proposed for 2026/27	6
Pricing Regime	7
Council's Income	7
Availability Charges	8
User Fees And Charges	8
Statutory Charges.....	8
Grants & Contributions	8
Investment Revenue.....	9
Borrowings.....	9
Other Revenue	9
Typical Residential Bill.....	9
Council's Expenses	10
Salaries, Wages and Employee On-Costs.....	10
Materials, Contracts and Other Operating Costs	10
Summary of Key Assumptions.....	11
Performance Measures.....	12
Operating Performance Ratio	12
Own Source Revenue.....	12
Capital Works Program.....	13
Availability Charges	15
Developer Charges.....	16
Loan Borrowings.....	16
Fees & Charges Proposed for 2026/27.....	17

ACKNOWLEDGEMENT OF COUNTRY

Central Tablelands Water acknowledges the Traditional Custodians of the lands on which we live and work. We recognise the Wiradjuri people as the Traditional Owners and Custodians of this region and pay our respects to their Elders past, present and emerging.

We acknowledge the deep and continuing connection Aboriginal and Torres Strait Islander peoples have to land, water and community. We recognise that water is a vital and shared resource, and that First Nations peoples have cared for and managed these water systems for thousands of years.

Central Tablelands Water is committed to respecting this ongoing connection and to working in a way that honours the cultural significance of land and water, while supporting strong relationships with Aboriginal communities across our region.

EXECUTIVE SUMMARY

Central Tablelands Water (Council) was established in the 1940s to supply potable water across our region. Council currently supplies 14 towns and villages with quality drinking water for our constituent councils of Blayney, Cabonne and Weddin; and supplies bulk water to industrial customers and neighbouring councils.

The preparation of an Annual Budget and Revenue Policy is a requirement under the Office of Local Government's Integrated Planning & Reporting (IP&R) framework. The Annual Budget provides a short-term snapshot of Council's financial performance against key measures and outlines the detailed factors within the next year's budget. The Revenue Policy outlines key information on the charges Council levies and the principles underlying those charges.

The Annual Budget is the recommended base case from the Long-Term Financial Plan (LTFP). The budget shows Council is financially stable if key assumptions are met over the 2026/27 financial year. Year two of the adopted availability charges increase is expected to see Council achieve a small operational surplus following six years of operational deficits. These operational results either increase or decrease the amount of money available for capital works which helps to ensure a sustainable long-term. There are no significant changes to expense budgets with price tracking expected increases in costs due to increased CPI and with a new Local Government (NSW) Award agreement from 1 July 2026 providing salary raises for staff.

The 2026/27 Annual Budget and Revenue Policy support the continued delivery of safe, quality, and reliable water services to our communities, and present a stable and prudent financial position.



Trunk Main K pipes

MISSION

To supply quality, affordable drinking water to our customers across our region, in collaboration with our constituent councils.

VISION

As a regional leader and provider, to achieve excellence in water supply, now and into the future.

VALUES

Central Tablelands Water values our customers, our workforce, and our regional partners. We provide our water supply valuing sustainability, quality, efficiency, equity, and innovation.



OPERATIONAL PLAN 2026/27

COUNCIL'S ANNUAL BUDGET

Operationally, the 2026/27 year is a mostly 'business-as-usual year'; workforce levels are steady and though large capital works are programmed they are within Council's typical scope for renewals.

Year 2 of the availability charge increase will steady Council's financial position and ensure that base operating costs can be covered.

Rainfall indicators and current dam levels point to a consistent supply of water over the year.

Section 64 contributions are slightly higher due to two upcoming developments. The budget estimates a modest surplus to contribute towards the significant capital works programs in the next 10 years.

Strategically, the 2026/27 year is significant as:

- The Belubula Water Security Project is expected to complete the Final Business Case to determine if additional water storage will be recommended for government funding.
- The completion of the Safe & Secure Strategic projects will facilitate comprehensive review of Council's 30-year term across finances and asset management.
- The Central Tablelands Regional Water Supply Grid (Stage 2 of the Sub-Regional Town Water Strategy) will address the broader context of water security across our region and set the long-term vision for ensuring populations across the Central Tablelands have an intergenerational safe and reliable water supply.

DETAILED INCOME STATEMENT PROPOSED FOR 2026/27

	Actuals for 2024/25 \$	Original Budget for 2025/26 \$	Proposed Budget - Q3 to end of 2025/26 \$	Proposed Budget for 2026/27 \$	Indicative Budget Year 2 2027/28 \$	Indicative Budget Year 3 2028/29 \$
Income from Continuing Operations						
Revenue:						
Rates & Annual Charges	2,019,000	2,415,149	2,415,149	3,031,830	3,203,695	3,352,741
User Charges & Fees	5,690,000	6,175,967	6,190,967	6,520,877	6,885,055	7,205,727
Other Revenues	93,000	91,579	78,492	97,183	100,199	102,964
Grants & Contributions provided for Operating Purposes	10,000	250,000	306,206	1,148,247	37,647	37,647
Grants & Contributions provided for Capital Purposes	513,000	1,367,550	440,000	924,292	240,775	247,998
Interest & Investment Revenue	612,000	430,000	679,932	570,000	507,000	507,000
Net Gains from the Disposal of Assets	35,000	50,000	50,000	50,000	50,000	50,000
Total Income from Continuing Operations	9,007,000	10,780,245	10,160,746	12,342,429	11,024,371	11,504,077
Expenses from Continuing Operations						
Employee Benefits & On-Costs	2,584,000	3,331,424	3,030,824	3,338,447	3,468,830	3,611,741
Borrowing Costs	0	0	0	0	0	0
Materials & Contracts	3,005,000	3,365,549	3,261,539	4,470,836	3,436,910	3,579,415
Depreciation & Amortisation	3,249,000	3,402,276	3,402,276	3,504,344	3,609,475	3,747,759
Other Expenses	17,000	23,508	23,508	23,508	23,508	23,508
Total Expenses from Continuing Operations	8,855,000	10,122,757	9,718,147	11,337,135	10,538,723	10,962,423
Net Operating Result for the Year	152,000	657,488	442,599	1,005,294	485,648	541,654
Net Operating Result before Grants and Contributions provided for Capital Purposes	(361,000)	(710,062)	2,599	81,002	244,873	293,656

PRICING REGIME

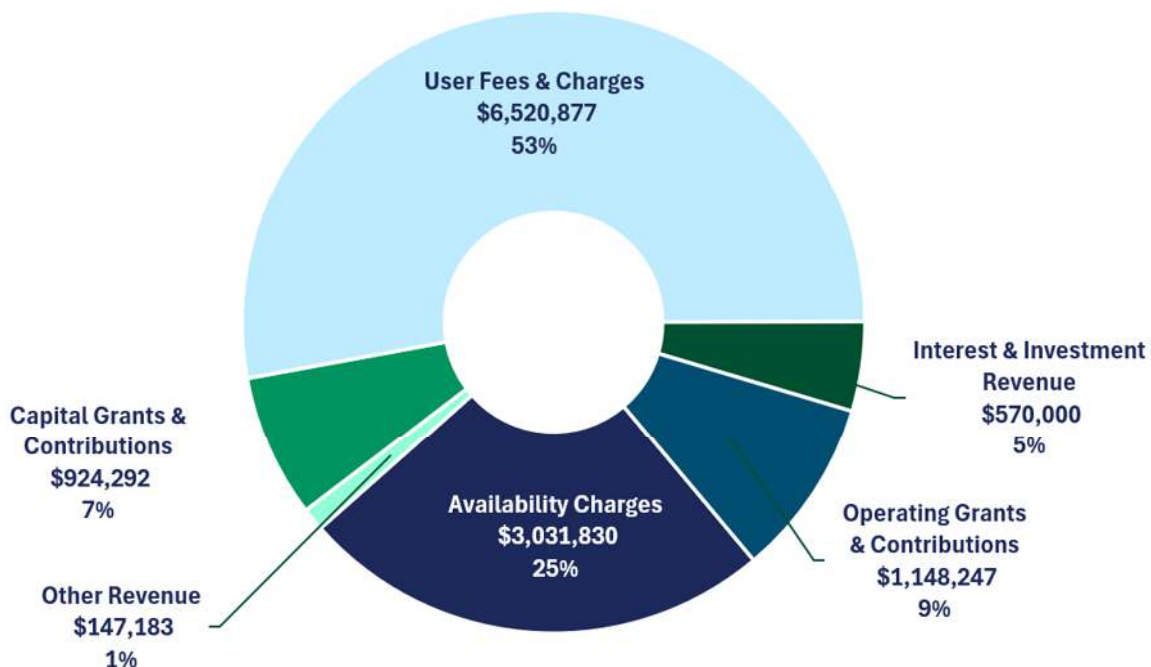
Council has the following pricing regime:

1. A two-part pricing policy of an availability charge and a consumption charge,
2. Water accounts are rendered quarterly, and
3. No cross subsidies between non-residential customers.

In setting fees and charges Council endeavours to ensure it can continue to provide a high level of service, whilst generating sufficient funds to renew infrastructure. Council is mindful of the economic and social impacts its pricing has on customers and endeavours, where possible, to keep prices affordable.

COUNCIL'S INCOME

The major sources of revenue for Council are availability charges and user fees and charges which account for nearly 89% of all budgeted income in 2026/27. Minimal grants and capital contributions are currently expected. Council also receives income from interest on overdue charges and investments, and other small sources include the sale of assets and rebates. A snapshot of the income budget by category is shown below.



AVAILABILITY CHARGES

The Availability Charge is one of Council's main income streams. The charge reflects the size of the meter, with larger meters making a larger draw on the network. A detailed explanation of how Flow Capacity Factors are applied to calculate the Availability Charge are outlined in Council's Revenue Policy.

Council plans to increase the availability charge by approximately 20% in the 2026/27 budget, in accordance with Council's resolution of June 2025. This was approved so that Council can adequately fund the water network depreciation from a stable income base.

The Availability Charge now applies for unconnected vacant land within 225 metres of a water main. The charge is 50% of the 20mm availability rate. The purpose of this charge is to contribute to funding the cost of maintaining the infrastructure that can service the property in future.

USER FEES AND CHARGES

Water consumption charges are the second main income stream for Council. Council proposes to increase water consumption charges by 5% in 2026/27. This increase reflects the cost increases anticipated across salaries and contracts. Overall consumption across our customers has been assumed to remain the same as 25/26 FY.

Private work installation, including installation of new connections and extensions of water mains are charged to customers at cost rate. Council proposes to increase the wages component of private works charges by 5% in the current budget, with the cost of materials reflecting the real costs borne by Council plus an administrative fee.

STATUTORY CHARGES

Council has no discretion to determine the amount of a fee for service when the amount is fixed by regulation or by another authority, this includes Section 603 Certificates, GIPA fees and the maximum interest applicable to overdue water accounts.

GRANTS & CONTRIBUTIONS

Council is expecting to receive the following operational grants in 2026/27:

- \$100k from the Office of Local Government under the Local Government Traineeship scheme covering most of the costs of the engagement of two trainees by Council.
- \$516k from the National Water Grid under the Central Tablelands Regional Water Supply Grid (Stage 2 of the Sub-Regional Town Water Strategy).

Council receives revenue from:

- Developer contributions in accordance with its Development Servicing Plan (DSP). The DSP adopted in 2021 provides for development contribution rates to change in accord with the movement in the Sydney City Consumer Price Index (CPI). Council has provided for a 5% increase in this budget.

- Operational contributions from Cabonne Council and Orange City Council as co-contributions towards the Central Tablelands Regional Water Supply Grid (Stage 2 of the Sub-Regional Town Water Strategy).

INVESTMENT REVENUE

Council's investment strategy is intended to balance three key factors:

1. the investment of surplus funds to maximise earnings,
2. the security of Council funds, and
3. maintain sufficient liquidity to meet all reasonably anticipated cash flow requirements, as and when they fall due.

Given the difficulty of predicting interest rates, an estimated average return of 4% has been estimated in this budget. Council will continue to seek the best rates available.

BORROWINGS

Council has developed a strategic plan for loan borrowings to align with the proposed Capital program and anticipated receipt of grants.

Council does not currently have any borrowings and is not proposing to borrow any additional funds in the 2026/27 financial year.

OTHER REVENUE

The majority of other revenue is generated by rental income on Council properties, insurance claim recoveries, insurance discounts, and employee contributions to leased motor vehicles. It has been assumed that these revenues will increase by around 5% in this budget.

A new fee for quotation of a private work installation will be introduced in 2026/27 at \$85 per quote. This fee is intended to cover the staff costs in estimating price and scope of works.

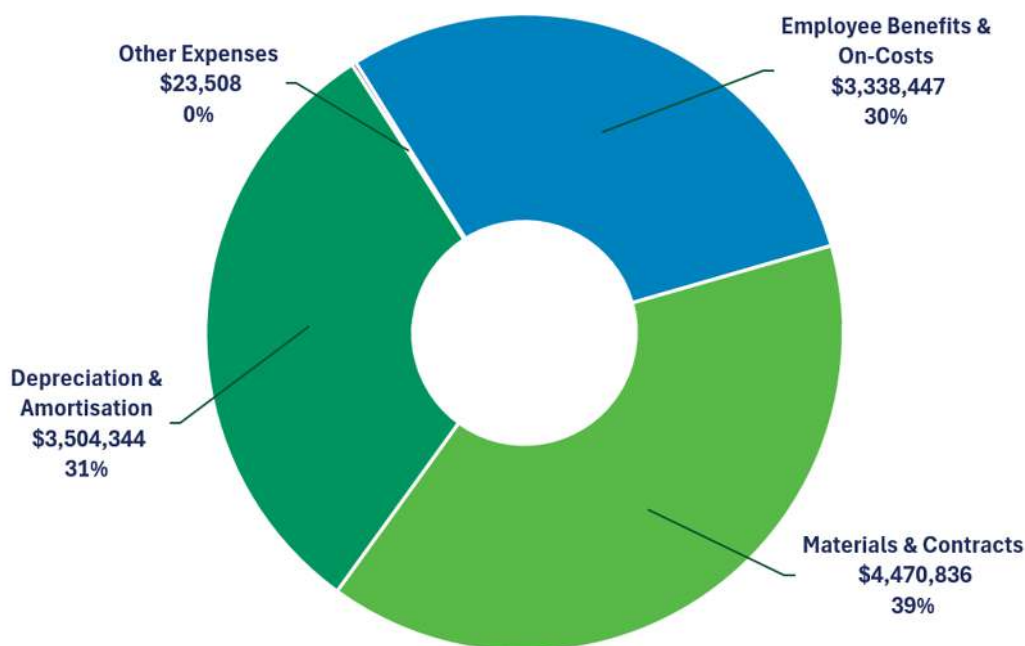
TYPICAL RESIDENTIAL BILL

The impact on a typical residential bill of the increase in fees and charges is shown below, based on a standard 20mm residential connection and an annual consumption of 155KL.

	2024/25		2025/26		Average Increase	
	Per Year	Per Quarter	Per Year	Per Quarter	Per Year	Per Quarter
Availability Charge	\$352.00	\$88.00	\$424.00	\$106.00	\$72.00	\$18.00
Consumption Charge	\$638.60	\$159.65	\$671.15	\$167.79	\$32.55	\$8.14
Total on a Typical Residential Bill	\$990.60	\$247.65	\$1,095.15	\$273.79	\$104.55	\$26.14

COUNCIL'S EXPENSES

Council has three major expense categories; staff, which is expected to stay stable during the budget year; materials and contracts, which includes contractor costs, raw materials and electricity; and depreciation of assets. A snapshot of the expense budgets by category is shown below.



SALARIES, WAGES AND EMPLOYEE ON-COSTS

Council's long-term forecast relating to staffing is contained in within the Workforce Management Strategy (WMS). The WMS also identifies the resources Council requires to continue its strategic direction to deliver services in an efficient and effective manner.

The salary increase applicable to staff for 2026/27 is currently under negotiation, for the purpose of budgeting a 4.5% increase has been applied. Some employees will progress through the salary system to higher steps where applicable, and it is anticipated this will add another 0.5% to costs. An overall 5% increase is budgeted.

MATERIALS, CONTRACTS AND OTHER OPERATING COSTS

These costs have been assumed to increase by 5% in this budget. Due to Council's size, Council is reliant on the use of consultants to complete specific projects where internal resources are not available, or subject matter experts are required. The cost of consultants has risen significantly in recent years with inflation. These increased costs are included in the budget. There is a significant increase in contract costs from the delivery of the \$1m Central Tablelands Regional Water Supply Grid (Stage 2 of the Sub-Regional Town Water Strategy) project.

SUMMARY OF KEY ASSUMPTIONS

The following table shows the increases used in the preparing the 2026/27 budget

Aspect	Increase for 2026/27
Availability Charges Income	20%
Water Charges (per KL) and Other Fees and Charges Income	5%
Section 64 Income	3.7%
Salary and Wages Increase	5%
Cost Escalation (CPI) on Operating Costs	5%
Interest Rate Income on Investments (p.a.)	4%

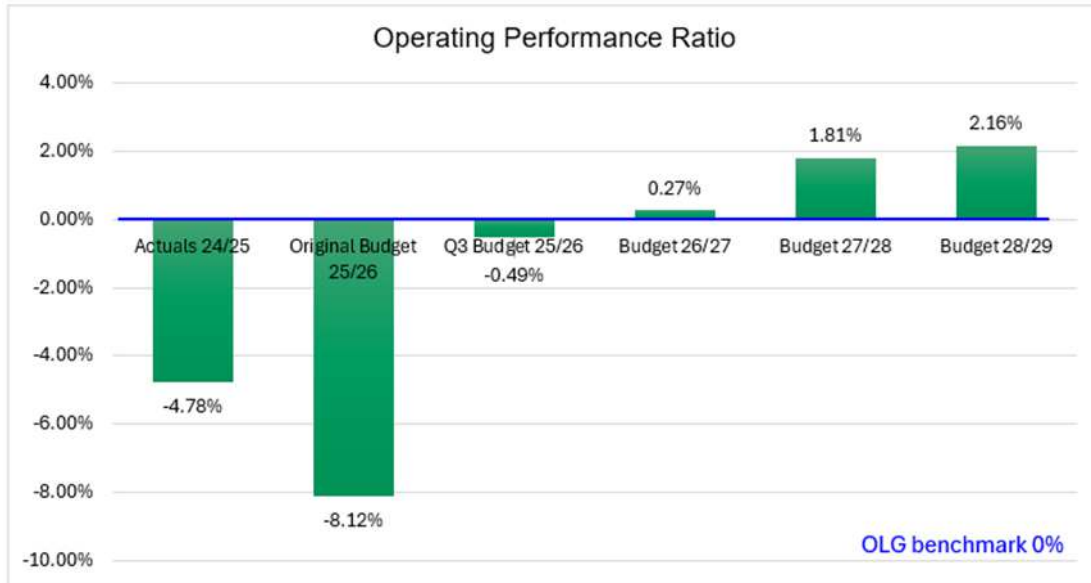


PERFORMANCE MEASURES

Key financial indicators help Council to monitor performance and demonstrate financial sustainability. These indicators provide clear targets on which Council can report its performance.

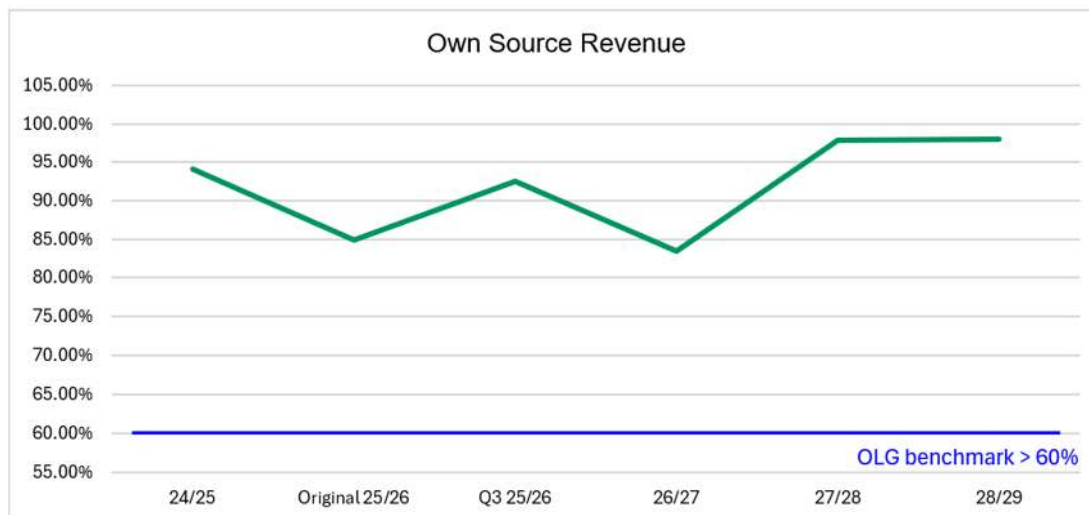
OPERATING PERFORMANCE RATIO

This ratio measures how well Council contains its expenditure within its operating revenue. Council's budget meets the OLG benchmark of greater than 0% in 2026/27.



OWN SOURCE REVENUE

This ratio measures the Council's ability to be self-supporting and the degree to which it does not rely on external funding sources such as operating grants and contributions. Council budget meets the OLG benchmark of greater than 60% for LTTP.



CAPITAL WORKS PROGRAM

The following are the capital projects included in the annual budget. Each project has been assessed for alignment with strategic priorities and capacity within the financial year.

New Assets & Upgrades

Project	Budget
Bangaroo Bore Replacement Study	\$ 150,000
Carcoar Town Reservoir Chlorine Pump	\$ 25,000
Gooloogong Bore Turbidity Analyser	\$ 50,000
OCC-CTW Analyser	\$ 60,000
Quandialla Bore Telemetry	\$ 75,000
Renewable Energy Action Plan	\$ 50,000
Reservoir Meters & Monitoring	\$ 200,000
Smart Metering	\$ 150,000
Telemetry Upgrades	\$ 200,000

Renewal Projects

Project	Budget
Blayney Office Refurbishment	\$ 300,000
Blayney WTP Equipment	\$ 30,000
Carcoar WTP Equipment	\$ 60,000
Clear Water Tank Recoating	\$ 55,000
Computer Hardware	\$ 90,000
Depot Upgrades	\$ 140,000
Gooloogong Bore Switchboard Renewal	\$ 114,000
Lake Rowlands Walkway Remediation	\$ 100,000
Manildra Reticulation Main	\$ 64,000
Plant & Vehicle Replacements	\$ 590,000
Pump Renewals	\$ 60,000
Reservoir Access Ladders	\$ 160,000
Reticulation Mains Renewals	\$ 420,000
Trajere Pump Station Renewal	\$ 100,000
Trunk Main 'U' to 'C' at Cudal	\$ 250,000

REVENUE POLICY 2026/27

Council is conscious of the needs of customers who require a reliable and high-quality water supply that complies with the Australian Drinking Water Guidelines. Council is also aware of ensuring its pricing policies must permit the renewal and upgrading of its water network infrastructure so that current service levels can be maintained into the future.

The following principles are applied in the Revenue Policy:

1. Full cost recovery inclusive of both direct and indirect costs.
2. Seeking to achieve an operating surplus before capital amounts.
3. Structured to ensure the sustainability of funding due to impacts of drought.
4. Ability to fund the capital program to maintain service levels across the region's population.
5. Infrastructure is upgraded where is required to maintain service standards.
6. Statutory charges are applied in accordance with legislative requirements.
7. Capacity to service any borrowing requirements.
8. Price changes are communicated to consumers on a timely basis.
9. GST is applied in accordance with regulatory requirements.

Council applies the principles of the Regulatory Assurance Framework (RAF) developed by the Department of Climate Change, Environment, Energy and Water to determine its fees and charges. In summary, the following pricing regime is in place:

1. A two-part pricing policy of an availability charge, determined on the diameter of the meter, and a straight-line consumption charge.
2. There are no non-residential cross subsidies.
3. Water accounts are rendered quarterly, so customers have a timely record of consumption and costs. Some major customers are billed monthly.
4. Development Service Charges (section 64) are set in accordance with methodology in the Development Servicing Plan and indexed annually to the Sydney City CPI (all groups).
5. Dedicated fire services connections are charged the fee applicable to a 20mm meter service. Full access charges apply if the fire service is used for purposes other than fire control or testing of the service. Customers should advise Council of any testing to ensure that a full access charge is not levied. Lack of notification will attract an administration processing fee of \$55.

Council has reviewed its Revenue Policy for 2026/27 with the main features being:

1. Water consumption charges will increase by 5% to \$4.33 per kilolitre (kl)
2. Availability charges will increase by 20% and are applied in accordance with the Flow Capacity Factors outlined below.
3. Unconnected vacant land availability charges, in accordance with Section 552(1)(b) of the Local Government Act, are 50% of the 20mm standard residential availability charge.

4. Bulk supply water charges to other councils will increase by 5.0% to \$2.47 per kl.
5. Development contributions, set in accordance the (DSP) and Sydney City CPI.
6. Legal Expenses and all costs incurred for debt recovery purposes are at full cost recovery in accordance with Council's Debt Recovery Policy.
7. Section 603 Certificate fees are set by the Office of Local Government (OLG) at the approved fee of \$105, confirmed by the OLG for 2026/27.
8. Special Reading fees have been set at \$110.
9. Council's automatic filling stations (AFS) fee will increase by 5% to \$9.45 per kl. Between 2020/21 and 2024/25 the average costs per kl sold through the AFS was \$26.91. The subsidy has costed \$128,409 over 5 years.
10. Council's standpipes fees will increase by 5% to \$11.03 per kl.
11. Service connection fees and private works will be priced upon application.
12. The processing fee for customer requested account refunds will be set at \$55.00.
13. Interest on overdue accounts are set under section 566(3) of the LG Act and are subject to confirmation from the Minister for 2026/27.
14. The fee to restrict or disconnect will be \$220.
15. The fee for unrestricting or reconnection due to non-payment of a water account will be \$220.
16. Pressure and flow testing requested by consumers will be \$550.
17. Fees to cover the installation of Backflow Prevention devices and Backflow Inspections, where annual inspections are not undertaken by the property owner, are set at cost plus 15%.
18. Introduction of a fee to cover the cost of preparing private works quotes will be set at \$85 per quote.
19. Interest on overdue accounts is set at 9.5% confirmed by the OLG for 2026/27.

AVAILABILITY CHARGES

Council estimates for 2026/27 financial year a yield of Water Annual Charges of \$3.0m.

Connection	2026/27 (per annum)
20mm	\$424
25mm	\$663
32mm	\$1,086
40mm	\$1,696
50mm	\$2,650
80mm	\$6,784
100mm	\$10,600
150mm	\$23,850
200mm	\$42,400

Availability charges are billed quarterly.

The availability charge is calculated by multiplying the charge for a standard 20mm connection by the Flow Capacity Factor (FCF) listed in the flow capacity table below.

Service size	20mm	25mm	32mm	40mm	50mm	80mm	100mm	150mm	200mm
Flow capacity factor	1.00	1.5625	2.56	4.00	6.25	16.00	25.00	56.25	100.00

The FCF is based upon relative meter size and measures the load that can be placed on the system by that service size. Larger services can place a much larger load on Council's supply. Based on the formula, a 40mm supply can put 4 times more load on the system than a 20mm connection, therefore the availability charge is 4 times that of a 20mm service. The larger the load that can be placed on the system the larger the FCF.

A concessional fee applies to dedicated Fire Services with the access charge capped at the 20mm supply rate unless the service is used for purposes other than fire prevention and control. Use of a fire service for fire control and or testing should be advised to Council to ensure the correct tariff is applied.

DEVELOPER CHARGES

The 2021 Development Servicing Plan details how the calculated developer charge per Equivalent Tenement (ET) is levied on all new developments, or additions/changes to existing developments, supplied from the Lake Rowlands Supply Area.

- Section 64 Developer Charge for Lake Rowlands Supply Area is \$7,623 per ET
- Section 64 Developer Charge for Quandialla is \$3,813 per ET

An ET is calculated in accordance with the Section 64 Determination of Equivalent Tenement (ET) Guidelines, published by the NSW Water Directorate. It is important to note that blocks exceeding 2,000m² are considered in the guidelines to exceed 1 ET.

Developer Charges have been increased by 3.7% being the 'all groups CPI' for Sydney for the past year (movement December 2024 to December 2025).

The capital contribution charge (for infill developments) in the Lake Rowlands supply area has also been set at \$7,623 per equivalent tenement.

LOAN BORROWINGS

Council does not currently have any borrowings and does not plan to borrow any funds in 2026/27.

2026/27 FEES & CHARGES

Type	Description	GST	Pricing Principle	Amount (\$)
Water Charges (Per Kilolitre)	Residential/Rural	N	User Charge	4.33
	Non-Residential	N	User Charge	4.33
	Industrial	N	User Charge	4.33
	Temporary Access Standpipe	N	User Charge	6.51
	Automatic Filling Stations	N	User Charge	9.45
	Standpipe Sales	N	User Charge	11.03
Bulk Water Charges (Per Kilolitre)	Cowra Shire	N	User Charge	2.60
	Other councils	N	User Charge	2.60
Availability Charges (Per Annum)	20mm 106.00 / quarter	N	User Charge	424.00
	25mm 165.75 / quarter	N	User Charge	663.00
	32mm 271.50 / quarter	N	User Charge	1,086.00
	40mm 424.00 / quarter	N	User Charge	1,696.00
	50mm 662.50 / quarter	N	User Charge	2,650.00
	80mm 1,696.00 / quarter	N	User Charge	6,784.00
	100mm 2,650.00 / quarter	N	User Charge	10,600.00
	150mm 5,962.50 / quarter	N	User Charge	23,850.00
	200mm 10,600.00 / quarter	N	User Charge	42,400.00
	Fire Service (fire use only) 106.00 / quarter	N	User Charge	424.00
	Unconnected Vacant Land 53.00 / quarter	N	User Charge	212.00
Restriction/Disconnection and Remove Restriction/ Reconnection Fees and Other Fees	Attend to Restrict or Disconnect	N	User Charge	220.00
	Attend to remove Restriction or Reconnect due to Non-Payment	N	User Charge	220.00
	Other Reconnection	N	User Charge	POA
	*Reconnection after 10 years will be subject to Developer Charges			
	Meter Test Fees - 20mm and 25mm (other sizes – price on application). Use of registered laboratory. Refundable if the variance is greater than 3.0%.	N	At Cost	490.00
	Special Reading Fee	N	User Charge	110.00
Developer Charges - Lake Rowlands*	Per equivalent tenement (ET). Block sizes exceeding 2000m ² are greater than 1 ET. Seek quote on application.	N	At Cost	7,623.00

2026/27 FEES & CHARGES (CONTINUED)

Type	Description	GST	Pricing Principle	Amount \$
Developer Charge - Quandialla*	Per ET. Block sizes exceeding 2000m ² are greater than 1 ET. Seek quote on application.	N	At Cost	3,813.00
New Service Connection & Mains Extensions	Price on Application	N	User Charge	POA
Private Works - Other	Quotation	N	User Charge	85.00
	Labour rate per hour (during working hours)	Y	User Charge	110.00
	(Overtime rates apply outside working hours)			
	Utility hire rate per kilometre	Y	User Charge	1.42
	Excavator rate per hour (includes operator)	Y	User Charge	220.00
	Pressure/Flow Testing	N	User Charge	550.00
	Backflow Prevention Devices - Test Fees	N	User Charge	Cost + 25%
	Install Backflow Prevention Device	N	User Charge	Cost + 25%
Administrative Fees	Section 603 Certificate (per property)	N	Statutory	105.00
	Dishonoured Cheque	Y	At Cost	55.00
	Dishonoured Direct Debit	Y	At Cost	55.00
	Photocopying Black & White (A4) per copy	Y	User Charge	0.60
	Photocopying Colour (A4) per copy	Y	User Charge	1.20
	Photocopying Black & White (A3) per copy	Y	User Charge	1.00
	Photocopying Colour (A3) per copy	Y	User Charge	2.00
	Copy of Water Notices - per notice (single notice only no charge)	Y	At Cost	4.50
	Search Fees - per hour	Y	User Charge	84.00
	Processing Fee - Account refund request - per refund if more than 1 annually	Y	At Cost	55.00
	Interest - overdue accounts	N	Statutory	9.5%
	Debt Collection Costs on overdue accounts - including early and late-stage intervention and service fees	Y & N	At Cost	Actual Cost
Government Information Public Access (GIPA)	Formal Application	N	Statutory	30.00
	Processing Charge (per hour)	N	Statutory	30.00
	Internal Review Processing Fee	N	Statutory	40.00