



COBAR SHIRE COUNCIL

EXTRAORDINARY MEETING AGENDA

THURSDAY 2 JULY 2020

~ ORDER OF BUSINESS ~

Business for the meeting will be as follows:

1. Apologies
2. Declaration of Interests
3. Report – Part A (Action)
4. Matters of Urgency

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PART A – ACTION

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CLAUSE 1A – 2020/2021 MAKING OF RATES AND ANNUAL CHARGES REPORT

FILE: L5-22

AOP REFERENCE: 3.1.1.1

ATTACHMENT: NO

AUTHOR: *Rates Officer, Jo-Louise Brown*

Purpose

For Council to make general rates and annual charges for domestic waste management, water and sewerage services in accordance with the Local Government Act 1993.

Background

Sections 491 through 607 of the Local Government Act 1993 detail how Council may make rates and annual charges for various services.

On balance, the increase in the rates for 2020/2021 proposed is the rate peg of 2.6% with the burden spread across all categories.

RECOMMENDATION

- 1. That the Cobar Residential rate of 3.13 cents in the dollar on all rateable Cobar Residential Land in pursuance of Section 516 Local Government Act 1993, be now made along with a minimum rate of \$520.00 for each assessment of land for financial year 2020/2021.**
- 2. That the Business Ordinary Rate of 3.20 cents in the dollar on all rateable Cobar Business Land in pursuance of Section 518 Local Government Act 1993, be now made along with a minimum rate of \$550.00 for each assessment of land for the financial year 2020/2021.**
- 3. That the Cobar Business CBD Rate of 4.50 cents in the dollar on all rateable Cobar Business CBD Land in pursuance of Section 518 Local Government Act 1993, be now made along with a minimum rate of \$550.00 for each assessment of land for the financial year 2020/2021.**
- 4. That the Cobar Farmland Rate of 0.168 cents in the dollar on all rateable Cobar Farmland in pursuance of Section 515 Local Government Act 1993, be now made along with a base rate of \$295.00 for each assessment of land for the financial year 2020/2021.**
- 5. That the Village Residential Rate of 7.50 cents in the dollar on all rateable Village Residential Land in pursuance of Section 516 Local Government Act 1993, be now made along with a base rate of \$130.00 for each assessment of land for the financial year 2020/2021.**
- 6. That the Village Business Rate of 4.30cents in the dollar on all rateable Village Business Land in pursuance of Section 529 (2) (d) Local Government Act 1993, be now made along with a base rate of \$130.00 for each assessment of land for the financial year 2020/2021.**

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7. That the Rural Residential Rate of 2.25 cents in the dollar on all rateable Rural Residential Land in pursuance of Section 529 (2) (b) Local Government Act 1993, be now made along with a minimum rate of \$520.00 for each assessment of land for the financial year 2020/2021.
 8. That the Mining – General Rate of 6.80 cents in the dollar on all rateable Mining - Gold Land in pursuance of Section 517 and 529 (2) (c) Local Government Act 1993, be now made along with a minimum rate of \$770.00 for each assessment of land for the financial year 2020/2021.
 9. That the Domestic Waste Management Charge of \$244.00 on all properties within Council's Garbage Collection Area in pursuance of Section 496 of the Local Government Act 1993, be now made along with a charge on vacant land of \$106.00 for each assessment and a charge of \$17.00 per service per single additional bin be made for the financial year 2020/2021.
 10. That the annual charge for Waste Management Services of \$106.00 on all rateable assessments in the Cobar Shire within 5kms radius of the following locations: Euabalong Post Office, Euabalong West Public School, Nymagee Police Station, Mount Hope Hotel and Canbelego intersection of Edward and Coronga Streets, during 2020/2021 in pursuance of Section 501 of the Local Government Act 1993, be now made.
 11. That a Cobar Sewerage Access Charge of \$400.00 on all lands rateable to the Cobar Sewerage Residential Area in pursuance to Section 539(1) of the Local Government Act 1993, be now made along with a charge of \$120.00 for each additional closet (including urinals) in excess of 3 connections and a zero-water discharge charge for the financial year 2020/2021.
 12. That a minimum Cobar Sewerage Non-residential Charge of \$665.00 on all lands rateable to the Cobar Sewerage Commercial Area in pursuance to Section 539 (1) of the Local Government Act 1993, and Liquid Trade Waste Charges as per the Fees and Charges be now made for the financial year 2020/2021.
 13. That a Cobar Water Supply Access Charge of \$274.00 on all connected Filtered Water Residential lands rateable to the Cobar Water Supply Area in pursuance to Section 539(1) of the Local Government Act 1993, and that connected Unfiltered Water of \$182.00, be now made along with the following : Unconnected \$274.00 and for the following connections: 32mm \$485.00, 40mm \$835.00, 50mm \$1,340.00, 80mm \$2,730.00, and 100mm \$3,500.00 in pursuance of the Local Government Act 1993, along with a Water Charge of 1kl up to 450kl, \$2.36 per kl, 451kl up to 550kl, \$3.49 per kl and above 550kl, \$4.47 per kl and Connected Raw Water at \$2.30 per kl be made for the financial year 2020/2021.
 14. That a Cobar Water Supply Access Charge of \$394.00 on all connected Commercial lands rateable to the Cobar Water Supply Area in pursuance to Section 539(1) of the Local Government Act 1993, be now made along with the following: Unconnected \$394.00 and for the following connections: 32mm \$485.00, 40mm \$835.00, 50mm \$1,340.00, 80mm \$2,730.00, and 100mm \$3,500.00 in pursuance of the Local Government Act 1993, along with a

Water Charge of 1kl up to 450kl, \$2.36 per kl, 451kl up to 550kl, \$3.49 per kl and above 551kl, \$4.47 per kl be made for the financial year 2020/2021.

- 15. That a Nymagee Water Supply Access Charge of \$615.00 be applied to all 20mm connected properties in the Nymagee Water Supply Area and that all properties over 20mm connections be charged at \$1,150.00 per connection and that all unconnected properties be charged at \$308.00 for each vacant land for the financial year 2020/2021 in pursuance of Section 539 (1) Local Government Act 1993.**
- 16. That a Euabalong and Euabalong West Water Supply Access Charge of \$615.00 be applied to all 20mm connected properties in the Euabalong and Euabalong West Water Supply Area and that all properties over 20mm connections be charged at \$1,150.00 per connection and that all unconnected properties be charged at \$308.00 for each rateable land for the financial year 2020/2021 in pursuance of Section 539 (1) Local Government Act 1993.**
- 17. That a Mount Hope Water Supply Access Charge of \$716.00 be applied to all 20mm connected properties in the Mount Hope Water Supply Area and that all properties over 20mm connections be charged at \$1,150.00 for each rateable land for the financial year 2020/2021 in pursuance of Section 539 (1) Local Government Act 1993.**
- 18. That the interest rate for unpaid rates and charges be made the maximum rate of interest to be determined by the Minister of Local Government, for the financial year 2020/2021.**
- 19. That the interest rate for overdue water usage charges be made the maximum rate of interest to be determined by the Minister of Local Government, for the financial year 2020/2021.**

CLAUSE 2A – COUNCIL’S 2020/2021 REVENUE POLICY

FILE: L5-22 AOP REFERENCE: 3.1 ATTACHMENT: YES (PAGE 10-18)

AUTHOR: *Rates Officer, Jo-Louise Brown*

Purpose

To adopt the Revenue Policy for 2020/2021.

Background

At the June Ordinary Council Meeting it was resolved:

“That the Revenue Policy 2020/2021 be deferred to an Extra Ordinary Meeting of Council”.

RECOMMENDATION

That Council adopt the Revenue Policy for 2020/2021.



ATTACHMENTS

EXTRA ORDINARY MEETING AGENDA

THURSDAY 2 JULY 2020

~ REFERENCE TO ATTACHMENTS ~

PART A – ACTION

Page Number

Clause 2A – Council’s 2020/2021 Revenue Policy..... 10-18

Annual Operational Plan

Revenue Policy



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Sale of Assets

The following assets have been nominated for sale in the 2020/2021 year:

- Plant and equipment in accordance with the asset replacement program;
- Light motor vehicles in accordance with lease back agreements;
- Miscellaneous plant and equipment surplus to Council needs;
- Western Precinct land for residential and business purposes;
- Pioneer Estate vacant land for residential purposes;
- Other vacant Council land classified as operational land and available for purchase.

Whilst land is being offered for sale, no sale value has been included in the budget due to the uncertainty of actually selling the land. Any proceeds from the sale of land and assets will be used to improve Council's current cash position.

Rates

In accordance with Section 514 Local Government Act 1993, before making an ordinary rate the Council must have declared each parcel of rateable land in its area to be within one or other of the following categories:

- Farmland;
- Residential;
- Mining;
- Business.

Council's rating structure for General Fund includes a combination of ad valorem, base amounts, and minimum rates. The following explains these different methods of levying rates.

Ad valorem	is the levying of rates by multiplying land value by a rate in the dollar.
Base Amounts	are a set charge for every assessment in the rating category plus an ad valorem amount.
Minimum Rates	are used when there are large variations in property valuations in a category.

Farmland Ordinary

Includes any parcel of rateable land valued as one assessment and its dominant use is for farming which has significant and substantial and commercial purpose or character and is engaged in for the purpose of profit on a continuous or repetitive basis (whether or not a profit is actually made).

Residential

Includes any parcel of land valued as one assessment and:

- Its dominant use is for residential accommodation; or
- If vacant land is zoned or otherwise designated for use for residential purpose under an environmental planning instrument; or
- It is rural residential land.

There are three sub-categories in the Residential Category:

Rural Residential	Applies to land with a dominant residential use located on the outskirts of Cobar or Villages with an area between 2 and 40 Hectares.
Residential Village	Applies to land which has a dominant residential use and is located within a village area.
Residential Ordinary	Applies to land with a dominant residential use in Cobar

Mining

Includes a parcel of rateable land valued as one assessment and its dominant use is for a metalliferous mine.

Mining Ordinary	Applies to all land held or used for mining activities.
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Business

Includes land which cannot be categorised as farmland, mining or residential.

There are three sub-categories in the Business Category:

Business Cobar CBD	Applies to land in Cobar Zoned B2 Local Centre under Cobar Local Environmental Plan 2012 which cannot be categorised as farmland, mining or residential
Business Village	Applies to land in villages which cannot be categorised as farmland, mining or residential.
Business Ordinary	Applies to land in the Cobar Local Government Area, other than those categorised as Business Cobar CBD and Business Village, which cannot be categorised as farmland, mining or residential.

Accounting for Grants

AASB 1058 applies to transactions of not-for-profit (NFP) entities where the consideration to acquire an asset is significantly less than fair value principally to enable the entity to further its objectives, and the receipt of volunteer services, except the following:

- a. share-based payment transactions within the scope of AASB 2 Share-based Payment;
- b. business combinations within the scope of AASB 3 Business Combinations;
- c. insurance contracts within the scope of AASB 4 Insurance Contracts, AASB 1023 General Insurance Contracts or AASB 1038 Life Insurance Contracts;
- d. licences outside the scope of AASB 15 Revenue from Contracts with Customers;
- e. income taxes within the scope of AASB 112 Income Taxes; and
- f. restructures of administrative arrangements within the scope of AASB 1004 Contributions.

AASB 1058 supersedes the existing requirements in AASB 1004 Contributions. AASB 1004 continues to be in force, however its scope has now been reduced to only cover issues specific to government departments and contributions by owners in the public sector.

Income Recognition Model

Under the new income recognition model, Council must first consider whether AASB 15 applies to a transaction or part of a transaction. In order for AASB 15 to apply to a transaction, the performance obligation(s) arising from the transaction needs to be 'sufficiently specific' and 'enforceable'. Where AASB 15 does apply to a transaction or part of a transaction, Council applies the general AASB 15 principles to determine the appropriate revenue recognition. When AASB 15 does not apply to a transaction or part of a transaction, Council then considers whether AASB 1058 applies. AASB 1058 will apply when Council:

- enters into a transaction where the consideration to acquire an asset is significantly less than fair value principally to enable Council to further its objectives; and
- receives volunteer services (recognition of volunteer services is only mandatory to entities in the public sector).

Transactions include those where the entity acquires or receives an asset (including cash) in exchange for no consideration. Examples include cash grants received by an entity or taxes and rates received by governments, to further their objectives.

Schedule of Proposed General Rates and Categories for 2020/2021

Rating Category (s514-518)	Name of sub-category	Number of Assessments	Ad Valorem Rate	Base Amount \$	Minimum \$	Number on Minimum	Land Value as at 1 July Current Year	Land Value of Land on Minimum	2020/2021 Notional Income Yield	Percentage Increase from 2019-2020
Farmland	Ordinary	432	0.168	295			357,291,040		727,689	3.24
Residential	Ordinary	1,684	3.13		520	495	31,788,660	7,066,440	1,031,205	1.71
Residential	Rural	79	2.25		520	4	3,379,860	36,660	77,302	2.71
Residential	Village	240	7.5	130			708,350		84,326	1.62
Business	Ordinary	252	3.2		550	87	7,646,250	414,640	279,262	2.33
Business	Cobar CBD	84	4.5		550	13	3,438,250	124,250	156,280	1.19
Business	Village	66	4.3	130			347,360		23,516	1.89
Mining	Ordinary	27	6.8		770	4	26,275,870	8,130	1,789,286	3.07
							2,864	430,875,640	4,168,867	2.60

Summary	2020/2021	2019/2020	Increase	% Increase
Farmland	727,689	704,824	22,864	3.24%
Residential	1,192,834	1,172,074	20,760	1.77%
Business		1,735,921	8,630	1.92%
Mining	1,789,286	1,735,921	53,365	3.07%
Total	4,168,867	4,063,247	105,620	2.60%

Charges

The Local Government Act 1993 states that Council may charge and recover an approved fee for any service it provides including:

- Supply a service, product or commodity;
- Giving information;
- Providing a service in connection with the exercise of Council's regulatory function, including receiving an application for approval, granting an approval, making an inspection and issuing a certificate;
- Allowing admission to any building or enclosure (S608(2)).

Council may only charge fees listed or notified in the schedule.

Pricing Policy

In developing the schedule of Fees and Charges, Council has considered:

- The cost to Council in providing the service;
- Price charged by others providing a similar service (entrepreneurial);
- The importance to the community of the service;
- The ability of members of the community to pay;
- Whether the fee is subject to a limit set by legislation;
- Whether the fee is reasonable.

Domestic Waste Service Charges

Our pricing policy in relation to Domestic Waste Services is set to recover the full cost of providing the services and no reduction of the annual charge will apply even if a service is not required or used.

We apply an annual charge for the provision of domestic waste management services on each parcel of rateable land in the Shire. There are four categories of charges: Cobar town occupied land, Cobar town unoccupied land, village land and rural land. The charges differ due to the service provided. The Cobar occupied land includes premises that, although categorised as 'business', receive domestic waste services.

The services differ for each type of rateable land. In Cobar town, the annual charge covers a weekly garbage collection and the management of the Cobar tip. A lower fee is charged for village blocks to cover the cost of managing the village tips. Village communities do not have access to kerbside garbage collection, however all tips in the Shire are unmanned and are free to use for residents and businesses. Rural landholders are not charged a domestic waste fee as they are not provided with a garbage service and do not have ready access to a tip.

Water Provision Charges

Water charges are set to cover the cost of providing water, using a dual-pricing system. An access charge (with differing rates for both residential and commercial properties) as well as a usage fee, per kilolitre, of water used, is applied. An incremental usage fee per property per annum is set to encourage users to conserve water. The more water used, the higher the unit rate charged.

Council applies a per kilolitre raw water unit charge for water that is not treated through Council's filtration plant. This rate is lower than the treated water rate. Council also has limited treated effluent water available, most of which is used on Council grounds or may be provided to a limited number of individual businesses, following agreement.

Residents in the villages do not pay water usage charges. They do not have access to potable water, but raw water is available, subject to the payment of a raw water access charge. Rural properties do not have any water charges.

Sewer Provision Charges

Council sets sewer charges on a cost recovery basis. An access charge applies to residential properties, with a differing access charge for commercial operations. A usage charge is charged for non-residential properties. However, there is no sewer network provided in the Cobar Industrial Estate.

Contributions and Plans

Section 94 and 94A of the Environmental Planning and Assessment Act 1979 enables Cobar Shire Council to impose contributions and levies for public infrastructure required as a consequence of development.

Council has adopted Cobar Local Infrastructure Contribution Plan 2012 which provides for the payment of contributions and levies towards local infrastructure.

Section 64 of the Local Government Act 1993 allows Council to levy contributions towards the provision of water and sewer infrastructure as a consequence of development. These contributions can be used to undertake a range of works to improve and extend the networks. Council has adopted Development Servicing Plans for Water and Sewerage 2013 for this purpose.

Borrowing

The provisions of the Local Government Act 1993 and the Local Government (General) Regulation 2005 govern Council's borrowings. Loans are secured over the General Rating Income of Council and funds are only borrowed from authorised financial institutions.

Private Works Charges

Quotes for private works can be obtained by contacting Council's General Manager.

Capital Works Program

Refer to separate Budget document.

Version Control

No.	Date Adopted	Minute No.	Date Commenced	Date notified in Local Paper
1	26.6.2014	120.6.2014	26.6.2014	N/A
2	25.06.2015	105.06.2015	01.07.2015	N/A
3	22.06.2017	134.06.2017	23.06.2017	N/A
4	27.06.2019	119.6.2019	01.07.2019	N/A