



EXTRA-ORDINARY MEETING AGENDA

4 MAY 2021

Goolgowi Council Chambers
9-11 Cobram Street, Goolgowi



TABLE OF CONTENTS

1.	Present	3
2.	Apologies	3
3.	Declaration of Pecuniary and Conflicts of Interest	3
4.	Presentations.....	3
5.	General Manager’s Report	3
5.1	Draft 2021/22 General Rate Levy	4
5.2	Draft Operational Plan for 2021/22	6
6.	Next Meeting	12

Definitions

Author:	Officer who prepared the report
Purpose:	Brief reason for report
Attachment:	Document appended to report
Separately Circulated:	Document provided as background information (not part of report)

Council's Vision & Goals

Motto

Council's Motto is:

"Promoting our future through diversity"

Vision

Council's vision reflects what we are trying to achieve:

"Carrathool Shire Council's VISION is to protect and promote quality of life in harmony with economic development and environmental sustainability."

The vision is the long term planning focus of council.

Mission

Council's mission reflects what we will do to achieve the vision:

"Council's MISSION is to provide the community of Carrathool Shire with cost effective works, services and planning."

Council's mission is council's medium term planning focus.

Values

We value:

- Honest, open, objective and accountable decision making;
- Our diverse communities;
- Responsiveness to community needs
- Open, fair and practical business relationships;
- Cost effective and commercially competitive service delivery, and
- Continuous improvement and best value in everything we do

EXTRA-ORDINARY COUNCIL MEETING AGENDA
OF THE CARRATHOOL SHIRE COUNCIL TO BE HELD
AT THE GOOLGOWI COUNCIL CHAMBERS ON
TUESDAY, 4 MAY 2021 COMMENCING AT 10.00 AM

1. Present

2. Apologies

3. Declaration of Pecuniary and Conflicts of Interest

Section 451 of the *Local Government Act 1993* requires that if a councillor or member of a council or committee has a pecuniary interest in any matter before the council or committee, he/she must disclose the nature of the interest to the meeting as soon as practicable and must not be present at, or in sight of, the meeting, when the matter is being discussed, considered or voted on.

A pecuniary interest is an interest that a person has in a matter because of a reasonable likelihood or expectation of financial gain or loss (see sections 442 and 443 of the *Local Government Act 1993*).

A non-pecuniary interest can arise as a result of a private or personal interest which does not involve a financial gain or loss to the councillor or staff member (eg friendship, membership of an association, or involvement or interest in an activity). A councillor or staff member may elect to leave the Council Chambers during consideration of the matter.

Councillor/Officer	Item	Reason

4. Presentations

5. General Manager's Report

5.1 Draft 2021/22 General Rate Levy

RCV:NOT:REP

Author: Director Corporate and Community Services

Purpose: To provide the proposed 2021/22 rating structure as approved at the April meeting of Council.

Background

Rates and charges represent the process whereby Council recovers the cost of providing its services within the boundaries of the local government area. With ordinary land rates, the rate increase must not be above the limits set by the Minister for Local Government (unless a special variation to general income has been approved). For 2021/22, it is proposed that Council adopt the 2.0% rate peg set by IPART.

In the case of water, sewer and tipping charges, proposed price increases reflect the cost of providing these services following a user-pays philosophy. Proposed charges for these services will be addressed within the proposed fees and charges in the draft 2021/22 Operational Plan.

A table showing the proposed rating structure is as follows:

Rate Type	Category	Sub-category	Ad Valorem Amount (c in \$)	Minimum Rate	Approximate Rate Yield 2021/22
Ordinary	Farmland	General	0.2315685	\$505.00	\$1,814,583
Ordinary	Farmland	Irrigable Under Section 6A(3) of the Valuation of Land Act	0.3164245	\$505.00	\$1,154,165
Ordinary	Farmland	Farmland West	0.2516309	\$505.00	\$21,909
Ordinary	Residential	General	1.5282606	\$370.00	\$362,102
Ordinary	Residential	Rural	0.8296109	\$370.00	\$28,802
Ordinary	Business	Hillston	4.3828847	\$505.00	\$90,450
Ordinary	Business	Hillston/Main	4.6735350	\$505.00	\$91,851
Ordinary	Business	Goolgowi	4.1292592	\$505.00	\$11,848
Ordinary	Business	Villages	2.6586690	\$505.00	\$5,989
Ordinary	Business	Rural	2.3847957	\$505.00	\$50,254

The rate peg set for the 2021/22 year is 2.0%. The proposed total rate yield for 2021/22 is \$3,631,175 which represents an increase of \$63,701 over the rate yield for 2020/21. The maximum allowable minimum or base rate is currently \$526.00. A summary report with comparisons to the 2020/21 general rate levy is attached to this report

The projections include the old and proposed new values, including dollar or percentage increase in the value of the general rates applicable with the new minimum and ad valorem values. Council staff have completed many other drafts before arriving at this edition and would appreciate Council's contribution before proceeding further.

Financial Implications

The draft 2021/22 General Rate Levy as proposed, results in an increase in general rate revenue of approximately \$63,701. The rates and charges detailed in this draft 2021/22 Operational Plan are designed to provide the net source of income after allowing for loans, contributions and government grants to complete the programs and initiatives identified in the operational plan. If rate levy amounts are reduced, some Council programs and projects may require reduction and/or postponement.

Statutory Implications (Governance including Legal)

The rating structure adopted by Council must comply with the *Local Government Act 1993*:

- s494 – ordinary rates must be made and levied annually
- s497 – detailing how rates may be calculated
- s506 – specifies the use of the rate peg amount as determined by the Minister

Policy Implications

Nil

Risk Implications

Nil

Community Strategic Plan

Nil

Recommendation:

That Council note this structure has been included in the Draft Operational Plan 2021/22.

5.2 Draft Operational Plan for 2021/22

CM:PL:SCBP

Author: Director Corporate & Community Services

Purpose: Presentation of Draft Operational Plan 2021/22 for consideration by Council

Separately Circulated: Draft Operational Plan for 2021/22

Background

Introduction:

Council has used the Community Strategic Plan (CSP) and the 2017/18-2020/21 Delivery Program (extended to incorporate 2021/22 due to COVID) to prepare its 2021/22 Operational Plan.

This Draft Operational Plan 2021/22 supports the Delivery Program and details the individual projects and activities that will be undertaken for 2021/22 to achieve the commitments made in the Delivery Program

Council's approval is sought to place the Draft Operational Plan 2021/22 on public exhibition.

Integrated Planning and Reporting Framework:

The Integrated Planning and Reporting Framework (IP&R) came into practice in 2009 and established the way in which Councils plan, document and report on their plans for the future. The framework is summarised in the following diagram:

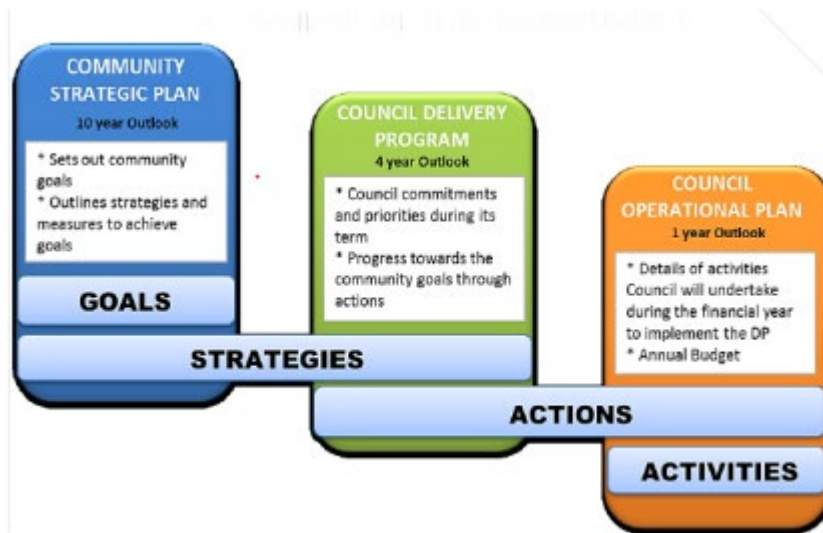


The framework provides for:

- The **Community Strategic Plan** which outlines the community aspirations for the next 10-20 years. This is a whole of community document and is reviewed following each Local Government election.
- The **Delivery Program** details the key activities that Council plans to undertake over its four year term of office.
- Supporting the Delivery Program is the **Resourcing Strategy** comprising the Long Term Financial Plan, Workforce Management Plan and Asset Management Plan.
- An annual **Operational Plan** detailing Council's work activities for achieving the outcomes detailed in the Delivery Program.

- A six monthly **Performance Report** and the **Annual Report** detail Council's progress in its achievements under the IP&R Framework.

The interrelationship between the Community Strategic Plan, Delivery Program and Operational Plan is outlined in the following diagram:



While the Community Strategic Plan, Delivery Program and Operational Plan are interrelated they are presented as individual documents.

The purpose of this report is to provide relevant comments (where applicable) in support of the detailed financial projections that are incorporated within the attachment.

Fees & Charges 2021/22:

The proposed fees and charges for 2021/22 form part of this Operational Plan and are included as part of the detailed document. It should be noted that the MSO Service of Council is currently implementing changes to its operations in order to align more appropriately with industry requirements. As a consequence, a number of fees and charges are proposed for deletion to be replaced with more appropriate descriptors and charges.

General Fund – Snap Shot 2021/22:

The Draft Operational Plan for 2021/22 provides for an anticipated surplus (after depreciation write back) of \$24,294.

This is made up of Operational Expenditure \$19,606,998 plus Capital Expenditure \$9,599,777 less Total Revenue of \$29,231,069.

Assumptions Used in Development of Draft Revenue & Expenditure Projections:

In preparing the Draft Operational Plan the following assumptions have been made:

- 2.5% wage increase
- 2.0% rate pegging increase
- Interest rate of 7.0% (statutory rate is set in May each year)
- CPI of 2.0%
- Financial Assistance Grants of \$3.958m (general component)
- Financial Assistance Grants of \$2.398m (roads component)
- Roads to Recovery (R2R) grant funding of \$1.067m
- Superannuation (SGL) at 10% in line with the proposed increase due to be implemented 1 July 2021
- There is no intention to borrow funds for capital works in 2021/22

General Fund Capital Expenditure Projections – 2021/22

The General Fund Capital Expenditure budget for 2021/22 including the net cost of plant replacement and loan principal repayments totals \$9,599,777. Capital expenditure is substantially funded by grant funding and reserves transfers. Detailed information on proposed capital projects is located in the capital budget section of the Operational Plan.

The breakdown of the various funding sources associated with the General Fund capital expenditure is shown in the table below:

Details	Adopted Budget 2020/21	Proposed Draft Budget 2021/22
Reserve Funds – Plant Replacement	\$400,000	\$400,000
Reserve Funds – Building Reserve	\$150,000	\$115,000
Reserve Funds – Dwellings Reserve	\$0	\$70,000
Reserve Funds – Pit Restoration Reserve	\$0	\$50,000
Capital Grants – Roads To Recovery	\$1,165,000	\$1,067,000
Capital Grants – Roads 3X3 Repair Program	\$267,000	\$267,000
Grants – Roads	\$1,436,000	\$1,608,000
Capital Grants – Fixing Local Roads	\$0	\$3,905,874
Capital Grants – Other Infrastructure	\$170,000	\$321,000
Reserve Funds – Domestic Waste	\$0	\$50,000
Reserve Funds – Development Reserve	\$0	\$70,000
New Loan Funds	\$0	\$0
Carry Over Works	\$225,000	\$0
Plant Sales & Trade-ins	\$1,135,000	\$1,221,000
Funding From CSC Own Funds	\$1,547,632	\$454,903
Total – Capital Expenditure Funding Arrangements	\$6,495,632	\$9,599,777

Operational Plan 2021/22 - Impact on Council's Liquidity:

The following table has been prepared to show the estimated Internal Reserves balances as at 30 June 2022. An overall reduction of \$600,009 in internal reserves is proposed.

Internal Restrictions on Cash & Investments	Est Reserve Balance 01/07/2020	From Reserve 2021/22	To Reserve 2021/22	Est Balance 30/06/2022
Plant & Vehicle Replacement	\$700,000	(\$400,000)		\$300,000
Employee Leave Entitlements	\$1,591,521			\$1,591,521
Road Warranty Reserve	\$350,000			\$350,000
Local Roads Reserve	\$1,670,282			\$1,670,282
Building Reserve	\$498,013	(\$115,000)	\$103,504	\$486,517
Gravel Pits Reserve	\$1,598,859	(\$50,000)		\$1,548,859
Tips Remediation	\$174,461			\$174,461
Caravan Parks Reserve	\$239,370			\$239,370
Tourism & Economic Dev	\$41,266			\$41,266
Office Furniture	\$14,810			\$14,810
Council Dwellings	\$20,000	(\$70,000)	\$51,487	\$1,487
Hillston Community Hall	\$94,036			\$94,036
Hillston Pool Carpark	\$4,000			\$4,000
Domestic Waste Reserve	\$92,664	(\$50,000)		\$42,664
Development Reserve	\$785,714	(\$70,000)		\$715,714
Staff Training Reserve	\$25,000			\$25,000
Sub Total - Internal Restrictions	\$7,899,996	(\$755,000)	\$154,991	\$7,299,987

Waste Services - Operational & Capital Costs

The table below provides an overview of Operational & Capital costs associated with Waste Services as well as the proposed Budget estimate for 2021/22. NB the first two years costs shown exclude depreciation.

Waste Services – Costs 2017/18 to 2020/21

All Tips	Actual Costs, Excl Depn 2018/19	Actual Costs Excl Depn 2019/20	Estimate, Incl Depn 2020/21	Estimate, Inc. Depn 2020/21
Operational Costs	\$429,380	\$436,100	\$388,090	\$386,950
Capital Costs	\$125,000	\$150,000	\$180,000	\$65,000
Total Costs	\$554,280	\$586,100	\$568,090	\$451,950

Waste Services – Proposed Charges for 2021/22

For 2021/22 it is proposed to retain the current tipping and collections charges as shown in the table below:

Charge Levied	Amount Levied 2020/21		Proposed Levy for 2021/22		Estimated Yield 2021/22
	Normal Service	Additional Collection	Normal Service	Additional Collection	
Tipping Charge – Urban	\$185	N/a	\$185	N/a	\$170,440
Tipping Charge – Rural	\$185	N/a	\$185	N/a	\$83,500
Garbage Collection – Residential	\$203	\$135	\$203	\$135	\$151,329
Garbage Collection – Business	\$203	\$135	\$203	\$135	\$30,221
Other Miscellaneous Revenue 2021/22					\$18,000
Total Estimated Yield 2021/22					\$453,490

Water Supply & Sewer Services**Consolidated Urban Water - Current & Proposed Access & Consumption Charges:**

The following table shows the 2018/19, 2019/20 and 2020/21 access and consumption charges as well as those proposed for 2021/22.

Details	Charges 2018/19	Charges 2019/20	Charges 2020/21	Proposed Charges 2021/22
Access based on 20 mm connections	\$439.00	\$452.00	\$466.00	\$480.00
Consumption, per Kl	\$1.01	\$1.04	\$1.07	\$1.10

The capital works planned for the consolidated urban water schemes in 2021/22 will be \$840,371.

Goolgowi / Merriwagga Rural Water Scheme

The Goolgowi/Merriwagga Rural Water Scheme like all of Council's Water Supply Schemes has undergone some major capital works in recent years to enhance the level of service provided.

Goolgowi / Merriwagga Rural Water Scheme - Current & Proposed Access & Consumption Charges:

The following table shows the current 2018/19, 2019/20 and 2020/21 access and consumption charges as well as those proposed for 2021/22.

Details	Charges 2018/19	Charges 2019/20	Charges 2020/21	Proposed Charges 2021/22
Access based on 20 mm connections	\$2,049.00	\$2,151.00	\$2,259.00	\$2,372.00
Consumption, per KI	\$2.07	\$2.17	\$2.28	\$2.39

The capital works planned for the Goolgowi/Merriwagga Rural Water Scheme in 2021/22 will be \$20,000.

Melbergen Rural Water Scheme:

The Melbergen Water Scheme, like the Goolgowi/Merriwagga Scheme has seen some major capital works completed in recent years including 6.3km of mains replacement.

Melbergen Rural Water - Current & Proposed Access & Consumption Charges:

The following table shows the current 2018/19, 2019/20 and 2020/21 access and consumption charges as well as those proposed for 2021/22.

Details	Charges 2018/19	Charges 2019/20	Charges 2020/21	Proposed Charges 2021/22
Access based on 20 mm connections	\$2,049.00	\$2,151.00	\$2,259.00	\$2,372.00
Consumption, per KI	\$2.25	\$2.36	\$2.48	\$2.60

The capital works planned for the Melbergen Rural Water Scheme in 2021/22 will be \$40,000.

Rankins Springs Rural Water**Rankins Springs Rural Water - Current & Proposed Access & Consumption Charges:**

The following table shows the current 2018/19, 2019/20 and 2020/21 access and consumption charges as well as those proposed for 2021/22.

Details	Charges 2018/19	Charges 2019/20	Charges 2020/21	Proposed Charges 2021/22
Stage 2 & 3 Access based on 20 mm connections	\$2,049.00	\$2,151.00	\$2,259.00	\$2,372.00
Consumption, per KI	\$2.07	\$2.17	\$2.28	\$2.39

The capital works planned for the Rankins Springs Rural Water Scheme in 2021/22 will be \$120,000.

Goolgowi Sewer Service

The capital works planned for the Goolgowi Sewer system in 2021/22 will be \$40,000. The table below shows the current 2020/21 normal residential base household charges as well as those proposed for 2021/22.

User Group	Existing Charge 2020/21	Proposed Charge 2021/22
Sewer Base	\$601.00	\$662.00
Water Closet	\$197.00	\$217.00
Water Closet/ Church	\$98.00	\$108.00
Urinal	\$50.00	\$55.00
Motel Base Charge	\$601.00	\$662.00
Additional Unit Charge	\$61.00	\$68.00
Hotel/ Clubs	\$1,379.00	\$1,517.00
Service Station	\$900.00	\$990.00
Caravan Park (base charge)	\$601.00	\$662.00
Caravan Park (per site)	\$34.00	\$38.00

Hillston Sewer Service

The capital works planned for the Hillston Sewer system in 2021/22 will be \$88,000. The following table shows the current 2020/21 sewer charges as well as those proposed for 2021/22:

User Group	Existing Charge 2020/21	Proposed Charge 2021/22
Sewer Base	\$683.00	\$752.00
Sewer Base @ 80%	\$647.00	\$712.00
Sewer Pressure	\$686.00	\$752.00
Sewer Flats (per additional unit)	\$239.00	\$263.00
Dual Occupancy	\$1,366.00	\$1,503.00
Hotel/ Clubs	\$1,366.00	\$1,503.00
Motel Base Charge	\$686.00	\$755.00
Additional Unit Charge	\$69.00	\$76.00
Service Station	\$1,025.00	\$1,130.00
Caravan Park (base charge)	\$683.00	\$752.00
Caravan Park (per site)	\$35.00	\$40.00

Rankins Springs Sullage Service

The capital works planned for the Rankins Springs Sullage Service in 2021/22 will be \$3,000. The following table shows the current 2020/21 normal domestic household charges as well as those proposed for 2021/22.

User Group	Existing Charge 2020/21	Proposed Charge 2021/22
Domestic	\$413.00	\$455.00
Commercial	\$846.00	\$931.00

Water Supply & Sewer Services -Telemetry Costs – Financial Summary

Telemetry expenditure has been budgeted against each of the respective water/sewer schemes as a separate line item. Capital expenditure is budgeted in the telemetry section at the completion of the sewer budget. Proposed capital expenditure for telemetry in 2021/22 is \$15,000.

Financial implications

The Operational Plan establishes Council's annual operational and budget priorities and the financial impacts are contained within this document.

Statutory implications (Governance including Legal)

Local Government Act 1993

Local Government General Regulation 2005

Local Government Amendment (Governance & Planning) Act 2016

Integrated Planning and Reporting Framework

Policy implications

Nil

Risk implications

Nil

Community Strategic Plan

Nil

Recommendation:

That the draft Operational Plan 2021/22 including the proposed rating structure, draft 2021/22 fees and charges and the detailed annual budget (including capital works) be placed on public exhibition.

6. Next Meeting

The next **Ordinary Meeting** of Council will be held at the Hillston District Office on **Tuesday, 18 May 2021** commencing at **10.00 am**.