



CABONNE COUNCIL

**DRAFT
STATEMENT OF
REVENUE**

2021/2022

INTRODUCTION

It is a requirement of s405(2) of the Local Government Act 1993 (the Act) to incorporate in Council's Operational Plan a Statement of Revenue Policy.

Council obtains its income from the following sources:

Rates & Annual Charges	Grants & Contributions
Other Fees and charges	Borrowings
Private Works	Investments

RATES STATEMENT

Council levies Rates and Charges in accordance with the provisions of the Local Government Act 1993. Council's current rating structure is determined in accordance with Sections 497 and 548 of the Act being a rate based on land value and minimum rate.

The Independent Pricing and Regulatory Tribunal (IPART) have determined that Council's general income may be increased by 2% under section 506 of the Local Government Act 1993 for the 2021/2022 rating year.

Council's General Rate Categories and Sub-Categories are as follows:

Category	Sub - Category	Rate in the Dollar	Minimum Fee
Farmland		\$0.003081	\$487.56
Residential	Residential	\$0.0034859	\$487.56
	Residential Canowindra Town	\$0.01124	\$624.80
Mining		\$0.0552757	\$487.56
Business	Business	\$0.0034859	\$487.56
	Business – Canowindra Town	\$0.01124	\$624.80

RATING CATEGORIES

In accordance with the Local Government Act 1993 Council MUST categorise land into one of four categories, those being farmland, residential, business or mining (see definitions following).

As well as this, the definition for each of the categories is contained in the Act and Council MUST use that definition to determine the category.

Things that may seem 'logical' as far as the categories are concerned (e.g. land categorised as 'rural' for Country Energy accounts being classed as 'rural' (or "farmland") for rating purposes) are not necessarily relevant to classification for rating purposes under the Act - only the definition contained in the Act must be used.

DEFINITIONS OF RATING CATEGORIES FROM THE ACT

Categorisation as Farmland – s515

1. Land is to be categorised as **Farmland** if it is a parcel of rateable land valued as one assessment and its dominant use is for farming (that is, the business or industry of grazing, animal feedlots, dairying, pig-farming, poultry farming, viticulture, orcharding, bee-keeping, horticulture, vegetable growing, the growing of crops of any kind, forestry or aquaculture (within the meaning of the Fisheries Management Act 1994) or any combination of those businesses or industries) which:
 - a. has a significant and substantial commercial purpose or character; and
 - b. is engaged in for the purpose of profit on a continuous or repetitive basis (whether or not a profit is actually made).
2. Land is not to be categorised as farmland if it is rural residential land.
3. The regulations may prescribe circumstances in which land is or is not to be categorised as farmland.

Categorisation as Residential – s516

1. Land is to be categorised as **Residential** if it is a parcel of rateable land valued as one assessment and:
 - a. its dominant use is for residential accommodation, (otherwise than as a hotel, motel, guesthouse, backpacker hostel or nursing home or any other form of residential accommodation - (not being a boarding house or a lodging house) prescribed by the regulations); or
 - b. in the case of vacant land, it is zoned or otherwise designated for use under an environmental planning instrument (with or without development consent) for residential purposes; or
 - c. it is rural residential land.
2. The regulations may prescribe circumstances in which land is or is not to be categorised as residential.

Categorisation as Mining – s517

- (1) Land is to be categorised as **Mining** if it is a parcel of rateable land valued as one assessment and its dominant use is for a coal mine or metalliferous mine.
- (2) The regulations may prescribe circumstances in which land is or is not to be categorised as mining.

Categorisation as Business – s518

Land is to be categorised as **Business** if it cannot be categorised as farmland, residential or mining.

Categorisation as Vacant Land – s519

If vacant land is unable to be categorised under section 515, 516 or 517 the land is to be categorised:

- a. if the land is zoned or otherwise designated for use under an environmental planning instrument—according to any purpose for which the land may be used after taking into account the nature of any improvements on the land and the nature of surrounding development, or
- b. if the land is not so zoned or designated—according to the predominant categorisation of surrounding land.

ANNUAL CHARGES

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

WATER CHARGES

Water charges are levied in accordance with the requirements of the Local Government Act in conjunction with other government agencies. Council provides water to Molong, Cumnock and Yeoval towns. Please see the Fees and Charges for detailed charges per town.

Water Annual Charges	Fee
Residential (20mm)	\$437.60
Commercial (20mm)	\$437.60
North Yeoval (20mm)	\$296.00

SEWER CHARGES

Council provides sewerage services to Molong, Canowindra, Eugowra, Manildra, Cudal, Cumnock & Yeoval. Sewer charges are levied in accordance with the requirements of the Local Government Act in conjunction with other government agencies. Please see the Fees and Charges for detailed charges per town.

Sewer Annual Charges	Fee
Molong (20mm)	\$355.30
Canowindra (20mm)	\$586.90
Eugowra (20mm)	\$498.40
Manildra,Cudal,Cumnock,Yeoval (20mm)	\$586.90

WASTE CHARGES

The charges levied by Council for domestic waste services are made under the provisions of Section 504 of the Local Government Act. The Act specifies that the Council cannot apply the income from ordinary rates towards the cost of providing domestic waste management services. The charges for domestic waste removal have been calculated so as to provide sufficient income to cover the reasonable cost expectations of providing the service.

Waste Management Charges	Fee
Business Waste	\$405.40
Residential	\$405.40
North Yeoval	\$370.80
Outside garbage collection area	\$34.90
Future Capital works remediation	\$34.90

Council levies a bin service charge annually as required by Section 496 of the Act for a kerbside garbage service and kerbside recycling service. This charge is separately itemised on the rate notice and is levied on all properties within the defined garbage collection area.

Charitable organisations may apply for a reduction subject to conditions.

OTHER FEES AND CHARGES

In accordance with the provisions of Section 502 of the Act, Council has resolved to make and levy to following charges for the actual use of services as follows:

WATER SUPPLY USAGE CHARGES

Council provides water to Molong, Cumnock and Yeoval towns. Usage charges will be raised for the use of water supply service on a consumption basis recorded by the meter servicing each property.

Water Consumption	Fee
1 to 75kl	\$2.47
76 to 125kl	\$5.92
Greater than 126kl	\$7.97

SEWER SERVICE CHARGES

Council provides sewerage services to Molong, Canowindra, Eugowra, Manildra, Cudal, Cumnock & Yeoval. The use of the sewerage service will be charged in accordance with the following pricing structure:

Sewer Usage	Fee
Non - Residential	\$1.20 x consumption
Molong	\$328.10
Manildra,Cudal,Cumnock,Yeoval	\$307.20
Canowindra, Eugowra	\$318.00

INTEREST ON OVERDUE RATES

In accordance with section 566(3) of the Local Government Act the Minister of Local Government has determined that the maximum rate of interest payable on overdue rates and charges for the period 1 July 2021 to 30 June 2022 will be 6.0% per annum.

All other Fees and Charges are detailed in the Fees and Charges document.

GRANTS & CONTRIBUTIONS

Council applies for and uses both operating and capital grants to fund its operations and capital program respectively.

Details of grant income expected for activities are listed in the budget. Some of the grants for the 2021/2022 budget year include:

Grant	Amount Anticipated
Financial Assistance Grant	\$5,223,000
Regional Roads Block Grant	\$1,710,483
Roads to Recovery Grant	\$1,827,656
Bridge Renewal Program	\$911,280
Fixing Country Roads	\$1,411,931
Home & Community Care	\$289,663
NSW Libraries	\$92,783
Street Lighting	\$39,000

PRIVATE WORKS

Council carries out works for residents and organisations on private land as allowed under the Local Government Act 1993 including:

- Paving and Roadmaking
- Kerb and Guttering
- Water, Sewerage and Drainage connections
- Slashing
- Water Deliveries
- Other miscellaneous works and services

Council's private works pricing allows for actual cost recovery plus adjustments for overheads plus base factor stated in Council's Statement of Pricing Methodology.

Full details of the proposed charges to apply for private works undertaken by Council are included in Council's Fees and Charges.

BORROWINGS

To provide for the future needs of our communities Council borrows funds to provide infrastructure and community assets which are not able to be funded out of normal revenue sources.

Council intends to draw down borrowings to fund urgent capital works upgrades for the Water Network and Sewer Networks. Borrowings will be sourced by NSW Treasury Corporation (T-Corp)

Details of proposed borrowings by Council are contained in Council's Long Term Financial Plan and Annual Budget. Loans undertaken by Council will be from an approved financial source and the loans will be secured against Council revenue.

INVESTMENTS

Any surplus funds will be invested in accordance with statutory requirements and Councils investment policy to maximise interest income.

GST IMPLICATIONS

Those goods and services that have been subject to GST have been identified in the Schedule of Fees and Charges. In accordance with taxation legislation the price shown for those goods and services is the GST inclusive price.