



**muswellbrook
shire council**

**Muswellbrook Shire Council
EXTRA ORDINARY COUNCIL
MEETING**

**SUPPLEMENTARY BUSINESS PAPER
26 JUNE 2019**



Order of Business

ITEM	SUBJECT	PAGE NO
0	CORPORATE AND COMMUNITY SERVICES	3
S.1	DETERMINATION OF SUB-CATEGORIES OF THE RATES	3
S.2	MAKING OF THE RATES AND ANNUAL CHARGES FOR 2019- 20	8

0 CORPORATE AND COMMUNITY SERVICES

S.1 DETERMINATION OF SUB-CATEGORIES OF THE RATES

Attachments:	Nil
Responsible Officer:	Fiona Plesman - General Manager
Author:	Joshua Brown - Manager - Integrated Planning & Governance
Community Plan Issue:	<i>A Council that is well managed, efficient and properly resourced and that is responsive to its communities and stakeholders</i>
Community Plan Goal:	<i>Maintain a strong focus on financial discipline to enable Council to properly respond to the needs of the communities it serves.</i>
Community Plan Strategy:	<i>Review Council's rating structure to ensure that it remains equitable and sustainable.</i>

PURPOSE

To determine the sub-categories for the rates for the 2019/20 financial year.

OFFICER’S RECOMMENDATION

RECOMMENDED that Council resolves as follows:

Council **DETERMINES** as follows:

Farmland – Offset

Council determines a sub-category for the category “Farmland” called “Farmland - Offset” for each parcel of rateable land valued as one assessment (“the parcel”) if its dominant use is for farming and 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),
- and
- by reason of a planning law or a condition of a planning approval,
- c) the intensity of land use as farmland on the parcel or any part of it is affected by reason of one or more of the factors described in the schedule; and/or
 - d) the productive capacity of the land for use as farmland on the parcel or any part of it is affected by reason of one or more of the factors described in the schedule.

THE SCHEDULE

- (i) The parcel is used or held as an offset, including but not limited to an environmental offset, agricultural offset or aboriginal heritage or cultural offset.
- (ii) The parcel is used for the establishment or re-establishment of:
 - (a) significant and/or threatened plant communities;

- (b) significant and/or threatened plant species;
 - (c) significant and/or threatened animal species.
- (iii) The parcel is used for the generation or regeneration of grassland.
- (iv) The parcel is used for:
 - a. enhancing the quality of existing vegetation and fauna habitat;
 - b. creating native vegetation and fauna habitat and rehabilitation through focusing on assisted natural regeneration, targeted vegetation establishment and the introduction of naturally scarce fauna habitat features (where necessary);
 - c. maximising the salvage of resources – including vegetative and soil resources – for beneficial reuse;
 - d. minimising the risk of *Phytophthora cinnamomi* spread;
 - e. collecting and propagating seed;
 - f. protecting vegetation and fauna habitat;
 - g. minimising the impacts on fauna, including undertaking pre-clearance surveys;
 - h. managing any potential conflicts enhancement works and any Aboriginal heritage values (both cultural and archaeological);
 - i. managing salinity;
 - j. controlling weeds and feral pests;
 - k. controlling erosion;
 - l. managing grazing and agriculture on site.
- (v) One or more parts of the parcel is not used for grazing or is only used for controlled stock movement to prevent incidental impacts to the cultural heritage values of the parcel or any part of it.
- (vi) One or more parts of the parcel are used in such a way as to exclude all domestic stock.

Farmland – Irrigable

Council determines a sub-category for the category “Farmland” called “Farmland – Irrigable” for each parcel of rateable land valued as one assessment if its dominant use is for farming which:

- a) is not affected by the economic and/or intensity of land use factors rendering it rateable as “Farmland – Affected by Mining”; and
- b) cannot be rated as “Farmland – Offset”; and
- c) has a significant and substantial commercial purpose or character; and
- d) is engaged in for the purpose of profit on a continuous or repetitive basis

(whether or not a profit is actually made); and

- e) is subject of a water right within the meaning of the Valuation of Land Act 1916; and
- f) where the assessment or any part of the assessment:
 - (i) is irrigated for any farming purpose; or
 - (ii) has established irrigation reticulation capable of being used for any farming purpose; or
 - (iii) is wholly or partly within 100m of the Hunter River.

Note: a water right means a right or authority (however described) under the Water Management Act 2000, the Water Act 1912, or any other Act, being a right or authority to construct, install or use works of irrigation, or to use water supplied by works of irrigation.

Mining – General

Council determines the sub-category for the category “Mining” called “Mining – General” for each parcel of rateable land valued as one assessment if its dominant use is for a coal mine or metalliferous mine and cannot be sub-categorised as:

- Mining – Underground Coal Mining; or
- Mining – Metallurgical Coal Mining

Mining – Underground Coal Mining

Council determines a sub-category for the category “Mining” called “Mining – Underground Coal Mining” for each parcel of rateable land valued as one assessment if its dominant use is for a coal mine; and

- a) where the dominant kind of mining involved is longwall mining or board-and-pillar mining (or both); and
- b) the land cannot be sub-categorised as “Mining – Metallurgical Coal Mining”.

Mining – Metallurgical Coal Mining

Council determines a sub-category for the category “Mining” called “Mining – Metallurgical Coal Mining” for each parcel of rateable land valued as one assessment if its dominant use is for a mine and metallurgical coal extraction is a subject of an approved application for a project approval, development consent or other environmental planning instrument applicable to the land permitting that use.

For the purposes of this sub-category, “metallurgical coal” includes:

- a) Coal which is capable of being used for the manufacture of steel, iron or cement;
- b) Coal which is capable of producing coke;
- c) Coal which, by industry standards and specifications, can be classified as hard coking coal, semi-soft coking coal or coking coal.

Business – Power Generation

Council determines a sub-category for the category “Business” called “Business – Power

Generation” for each parcel of rateable land valued as one assessment if it cannot be categorised as farmland, residential or mining and if its dominant use is as a centre for any of the following activities:

- a) the generation of, or capacity to generate, more than 5 megawatts of electricity;
- b) the storage of, or capacity to store, more than 10 megawatts of electricity.

Business – Thomas Mitchell Drive Industrial Centre

Council determines a sub-category for the category “Business” called “Business – Thomas Mitchell Drive Industrial Centre” for each parcel of rateable land valued as one assessment located wholly or partly within the Thomas Mitchell Drive Industrial Centre.

Business – Showground Release Area

Council determines a sub-category for the category “Business” called “Business – Showground Release Area” for each parcel of rateable land valued as one assessment if it cannot be categorised as farmland, residential or mining and is located wholly or partly within the Showground Release Area.

Council confirms all other sub-categories determined for the 2018/19 financial year.

Moved: _____ Seconded: _____

BACKGROUND

The determination of sub-categories is an essential preliminary to the making of rates for those sub-categories. The report gives effect to the determination of the sub-categories.

CONSULTATION

General Manager

Corporate Lawyer

REPORT

It is recommended to determine the sub-categories as recommended to ensure that the necessary rating structure is in place prior to the making of the rates.

OPTIONS

It is recommended that the sub-categories be determined in accordance with the recommendation.

CONCLUSION

It is recommended that the sub-categories be determined in accordance with the recommendation.

SOCIAL IMPLICATIONS

No known social implications.

FINANCIAL IMPLICATIONS

The determination of the sub-categories will enable Council to collect its rating revenue.

POLICY IMPLICATIONS

This report implements existing policy determinations.

STATUTORY IMPLICATIONS

Recommendation is consistent with provisions of the Local Government Act 1993.

LEGAL IMPLICATIONS

Council cannot proceed to make the rates without first determining the sub-categories.

OPERATIONAL PLAN IMPLICATIONS

The recommended action is necessary to effect the implementation of the actions of the Operational Plan for 2019/20.

RISK MANAGEMENT IMPLICATIONS

The form of the resolution has been constructed to ensure it is lawful.

S.2 MAKING OF THE RATES AND ANNUAL CHARGES FOR 2019- 20

Attachments:	Nil
Responsible Officer:	Fiona Plesman - General Manager
Author:	Natalia Cowley - Executive Manager - Office of the Chief Financial Officer
<i>Community Plan Issue:</i>	<i>Progressive leadership</i>
<i>Community Plan Goal:</i>	<i>That Muswellbrook Shire is well led and managed</i>
<i>Community Plan Strategy:</i>	<i>A financially sustainable council</i>

PURPOSE

To make the rates and charges for the 2019/20 financial year in order to raise Council's revenue requirements as contained in the 2019/20 Budget and Revenue Policy.

OFFICER'S RECOMMENDATION**GENERAL FUND**

RECOMMENDED that Council resolves as follows:

Council **MAKES** the following ordinary rates for the 2019/20 Financial Year.

Rate Type	Category	Sub-Category	Ad Valorem Cents in \$	Base/ Min \$	Base as % of Total Rate Levied	Estimated Yield
Ordinary	Residential I	Residential General	0.4623912	\$240	22.10%	\$993,556
Ordinary	Residential I	Muswellbrook & Denman	0.6195025	\$290	37.66%	\$4,351,774
Ordinary	Farmland	Farmland – General	0.3606699	\$400	14.18%	\$1,021,168
Ordinary	Farmland	Affected by Mining	1.4264364	\$15,000	0%	\$0
Ordinary	Farmland	Irrigable	0.3904191	\$440	11.23%	\$450,779
Ordinary	Farmland	Offset	1.4264364	\$15,000	0%	\$0
Ordinary	Mining	Mining - General	1.4264364	\$15,000	2.91%	\$9,267,818
Ordinary	Mining	Underground Coal Mining	0.1382412	\$7,000	45.44%	\$15,405
Ordinary	Mining	Metallurgical Coal Mining	26.020468	\$15,000	0%	\$0
Ordinary	Business	Business – General	1.2037212	\$250	9.79%	\$1,159,767
Ordinary	Business	Power Generation	8.0728479	\$25,000	19.41%	\$257,634
Ordinary	Business	Thomas Mitchell	1.2129431	\$275	12.49%	\$330,257

		Drive Centre	Industrial			
Ordinary	Business	Showground Release Area		0.2243150	\$250	2.30%
						\$10,883

WATER CHARGES

The Council MAKES the following water charges for the 2019/20 Financial Year:-

1. A Water Service Availability Charge is charged for each service to the property in respect of land that is supplied with water from a water pipe of the Council and land that is situated within 225 metres of a water pipe of the Council (whether or not actually supplied with water from any water pipe of the Council). The Water Service Availability Charge is based on the service size of the connection to the water supply line. The Water Service Availability Charges for the year commencing 1 July 2019 are:

Water Service Charge Category	Amount
Availability Charge (Not Connected)	\$190
Availability Charge (Connected)	
- 20mm service	\$190
- 25mm service	\$297
- 32mm service	\$486
- 40mm service	\$760
- 50mm service	\$1,188
- 65mm service	\$2,007
- 80mm service	\$3,040
- 100mm service	\$4,750
- 150mm service	\$10,688

2. A Consumption Tariff is to be charged per kilolitre for all water supplied. The water consumption tariffs proposed for the year commencing 1 July 2019 are:

<u>Consumption Tariff</u>	<u>(\$/KI)</u>
Residential	Tier 1 (1-350KI per annum) \$1.90 Tier 2 (>350KI per annum) \$2.71
Non-Residential	\$2.36 per kilolitre

SEWERAGE CHARGES

The Council MAKES the following sewer charges for the 2019/20 Financial Year:-

An annual charge for sewer is applicable to each rateable assessment except:

- a) Land which is more than 75 metres from a sewer of the Council and is not connected to the sewer; and

b) Land from which sewage could not be discharged into any sewer of the Council.

1) Residential Sewer Charges

A Sewer Service Availability Charge is charged in respect of each Residential assessment for which the service is provided or is proposed to be provided. The Sewer Service Availability Charges for the year commencing 1 July 2019 are:

Sewer Service Charge

Residential Sewer Availability Charge (Vacant)	\$280.00
Residential Sewer Charge (Occupied)	\$705.00

2) Non-Residential Sewerage Charges

Non-Residential Sewer Charges will be based on the following formula:

SC	=	SDF x (AC + (C x UC)) where:-
SC	=	Sewerage Charge
SDF	=	Sewerage Discharge Factor
AC	=	Availability Charge
C	=	Total water consumption for meter
UC	=	Sewer Usage Charge

The Sewer Service Availability Charges for the year commencing 1 July 2019 are:

Sewer Service Charge Category	Amount
Availability Charge (Not Connected)	\$280.00
Availability Charge (Connected)	
20mm service	\$280.00
25mm service	\$437.50
32mm service	\$716.80
40mm service	\$1,120.00
50mm service	\$1,750.00
65mm service	\$2,957.50
80mm service	\$4,480.00
100mm service	\$7,000.00
150mm service	\$15,750.00

The Sewer Usage Charge for the year commencing 1 July 2019 is:

Sewer Usage Charge (\$/KI)

Non-Residential Sewer Usage Charge \$2.36

Discharge Factors required for non-residential properties will be determined on an individual property basis.

DOMESTIC WASTE MANAGEMENT CHARGES

The Council MAKES for rateable land categorised for rating purposes as Residential and situated within the urban area in which a Domestic Waste Management Service is able to be provided, the following waste charges for the 2019/20 Financial Year:-

Domestic Waste Management Service Charges

Urban Domestic Waste Management Availability Charge (1)	\$96.00
Urban Domestic Waste Management Service Charge (2)	\$400.00
Additional Urban Domestic Waste Management Service Charge	\$100.00
Additional Urban Domestic Waste Management Recycling Service Charge	\$70.00
Additional Urban Domestic Waste Management Green Waste Service Charge	\$30.00

(1) This charge applies to vacant rateable land categorised for rating purposes as Residential and situated within the urban area in which a Domestic Waste Management Service is able to be provided

(2) Each habitable premises is entitled to one approved mobile waste bin service per week and one fortnightly collection of recyclable material and one fortnightly collection of green waste for each Urban Domestic Waste Management Service Charge.

The Council MAKES for rateable land categorised for rating purposes as Residential or Farmland and situated within the rural area in which a Domestic Waste Management Service is able to be provided, the following waste charges for the 2019/20 Financial Year:-

Rural Domestic Waste Management Service Charge

Rural Domestic Waste Management Availability Charge ^(a)	\$96.00
Rural Domestic Waste Management Service Charge ^(b)	\$370.00
Additional Rural Domestic Waste Management Service Charge	\$100.00
Additional Rural Domestic Waste Management Recycling Service Charge	\$70.00
Rural Domestic Waste Management Green Waste Service Charge	\$30.00

a) This charge applies to vacant rateable land categorised for rating purposes as Residential or Farmland and situated within the rural area in which a Rural Domestic Waste Management Service is able to be provided.

- b) Each habitable premise is entitled to one approved mobile waste bin service per week and one fortnightly collection of recyclable material for each Rural Domestic Waste Management Service Charge.

The Council MAKES for land not categorised for rating purposes as residential and situated within the urban area in which a Waste Management Service is able to be provided, the following waste charges for the 2019/20 Financial Year:-

Waste Management Service Charge

Urban Waste Management Availability Charge – Non-Domestic ^(a)	\$96.00
Waste Management Service Charge ^(b)	\$370.00
Additional Waste Management Service Charge	\$100.00
Additional Waste Management Recycling Service Charge	\$70.00
Waste Management Green Waste Service Charge	\$30.00

- a) This charge applies to vacant rateable land not categorised for rating purposes as Residential and situated within the urban area in which a Waste Management Service is able to be provided.
- b) Each premise is entitled to one approved mobile waste bin service per week and one fortnightly collection of recyclable material for each Waste Management Service Charge.

The Council MAKES for land not categorised for rating purposes as Residential or Farmland and situated within the rural area in which a Waste Management Service is able to be provided, the following waste charges for the 2019/20 Financial Year:-

Rural Waste Management Service Charge

Rural Waste Management Availability Charge – Non-Domestic ^(a)	\$96.00
Rural Waste Management Service Charge ^(b)	\$370.00
Additional Rural Waste Management Service Charge	\$100.00
Additional Rural Waste Management Recycling Service Charge	\$70.00
Rural Waste Management Green Waste Service Charge	\$30.00

- a) This charge applies to vacant rateable land not categorised for rating purposes as Residential or Farmland and situated within the rural area in which a Rural Waste Management Service is able to be provided.
- b) Each premise is entitled to one approved mobile waste bin service per week and one fortnightly collection of recyclable material for each Rural Waste Management Service Charge.

STORMWATER MANAGEMENT CHARGE

The Council hereby MAKES a Stormwater Management Charge for land within the Muswellbrook and Denman urban areas and included in the Town Planning Zones of R1 General Residential, B2 Local Centre, SP2 Infrastructure, IN2 Light Industrial, IN1 General Industrial and RU5 Village, except where exemption or variation to the charge is provided in accordance with the document “Stormwater Management Service Charge Guidelines” issued by the Division of Local Government in July 2006, for the 2019/20 Financial Year at a rate of \$25.00 per assessment and \$12.50 per residential strata unit.

Where a non-residential assessment exists with an impervious land area falling within the ranges

outlined below the charge will be levied in accordance with table established below:-

Area Sqm	Charge
0 - 1,199	\$25.00
1,200 - 4,999	\$100.00
5,000 - 9,999	\$375.00
>10,000	\$725.00

INTEREST ON OVERDUE ACCOUNTS

The Council hereby determines and orders that in accordance with Section 566 of the Local Government Act 1993, that if rates and charges are unpaid at the due date, the amount shall be increased by a sum calculated at seven point five per cent (7.5%) per annum simple interest, calculated daily for the Financial Year.

HUNTER CATCHMENT CONTRIBUTION

The Council hereby determines and orders that in accordance with Clauses 36 and 40, Part 4 of the Local Land Services Regulation 2014 as advised by Hunter Local Land Services in 2019/20, a rate of 0.0111 (zero point zero one one one) cents in the dollar on the current Land Value of the land within the Council area. By virtue of the provisions of the above regulation, the Council is authorised, empowered and required to levy the said Catchment contribution rate in respect of the lands.

Moved: _____ Seconded: _____

BACKGROUND

At the Council meeting on 25 June 2019, Council adopted the 2019/20 Operational and Capital budget. In adopting the Revenue Policy, Council has agreed on the rates and charges to be levied for 2019/20.

CONSULTATION

The draft Revenue Policy was placed on public exhibition as part of the draft 2019/20 Operational Plan and five submissions were received. In adopting the Revenue Policy, Council made some amendments to the draft document.

CONSULTATION WITH COUNCILLOR SPOKESPERSON

This report deals with the mechanic of implementing the rates and charges as adopted so no consultation was required.

REPORT

This report has been written to enable Council to raise the revenues as outlined in the adopted Operational Plan, Budget and Revenue Policy.

The recommendations follow the statutory requirements as set out in the Local Government Act 1993.

The Council is referred to Item 9.4 in the Closed Council Agenda recommending the adoption of the Operational Plan and the consideration of the criteria relevant in determining the base amount of a rate, pursuant to section 536 of the Local Government Act.

OPTIONS

The only viable option is for Council to pass the recommended resolutions and this is the mechanics of implementing the Revenue Policy, as adopted by Council.

If Council wants to vary any of the resolutions, other than to rectify any error within them, the resulting revenue impact will need to be modelled and the Revenue Policy would need to be amended and re-exhibited.

CONCLUSION

This report contains the mechanical resolutions required by statute to enable Council to make and levy the rates and charges.

SOCIAL IMPLICATIONS

There are no social implications.

FINANCIAL IMPLICATIONS

The resolutions to make the rates will enable Council to collect the revenue of \$26.6m as budgeted in the 2019/20 Operational Plan and Budget.

POLICY IMPLICATIONS

This report implements existing policy decisions.

STATUTORY IMPLICATIONS

The statutory requirements relating to the making and levying of rates are included in sections 493 to 607 of the Local Government Act 1993. In addition the Office of Local Government published a guidance document titled "Council Rating and Revenue Raising Manual" and this document is available to be viewed on the OLG website.

LEGAL IMPLICATIONS

Council must pass a resolution to make the rates before it can levy rates and charges on properties each year. The resolutions must be passed before 1 August each year.

OPERATIONAL PLAN IMPLICATIONS

The report raises the revenues as budgeted for in the Operational Plan and Budget.

RISK MANAGEMENT IMPLICATIONS

The form of the resolutions has been structured to ensure compliance with Council's legal requirements.