



**muswellbrook
shire council**

Muswellbrook Shire Council
**EXTRA ORDINARY COUNCIL
MEETING**

BUSINESS PAPER
28 JUNE 2017



EXTRA ORDINARY COUNCIL MEETING, 28 JUNE 2017

MUSWELLBROOK SHIRE COUNCIL

P.O Box 122
MUSWELLBROOK
23 June, 2017

Councillors,

You are hereby requested to attend the Extra Ordinary Council Meeting to be held in the CHAMBERS, Administration Centre, Muswellbrook on **28 June, 2017** commencing at 6:00pm.

Steve McDonald
GENERAL MANAGER

Order of Business

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MUSWELLBROOK SHIRE COUNCIL

AGENDA

1 ACKNOWLEDGEMENT OF COUNTRY

2 CIVIC PRAYER

3 APOLOGIES AND LEAVE OF ABSENCE

4 DISCLOSURE OF ANY PECUNIARY AND NON-PECUNIARY INTEREST

Section 451 of the Local Government Act 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).

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 must disclose the nature of the interest to the meeting as soon as practicable.

Council's Model Code of Conduct now recognises two forms of non-pecuniary conflict of interests:

- Significant
- Less than significant

A Councillor must make an assessment of the circumstances and determine if the conflict is significant.

If a Councillor determines that a non-pecuniary conflict of interests is less than significant and does not require further action, they must provide an explanation of why it is considered that the conflict does not require further action in the circumstances.

If the Councillor has disclosed the existence of a significant non-pecuniary conflict of interests at a meeting they must not be present at, or in sight of, the meeting, when the matter is being discussed, considered or voted on.

5 PUBLIC PARTICIPATION

6 CORPORATE AND COMMUNITY SERVICES

6.1 ADOPTION OF THE 2017/2018 OPERATIONAL PLAN AND BUDGET

Attachments:	A. Submission on 17/18 Budget B. Revenue Policy Part 1 - Fees and Charges C. Recommend Options as Presented in the Revenue Policy D. Alternative Option based on Status Quo E. Average Muswellbrook and Denman Residential Rates F. Average Other Residential Rates G. Sample Mining Business and Farming Properties H. Summary of Changes to Draft Budget I. Draft Operational Budget Assumptions J. Revised Capital Program Water Fund K. Revised Water Operating Budget
Responsible Officer:	Fiona Plesman - Director - Planning, Community & Corporate Services
Author:	Melissa Cleary - Acting Co-Ordinator - Integrated Planning Ross Franklin - Chief Finance Officer
Community Plan Issue:	<i>Progressive leadership</i>
Community Plan Goal:	<i>That Muswellbrook Shire is well led and managed</i>
Community Plan Strategy:	<i>Effective governance of Muswellbrook Shire</i>

PURPOSE

To formally adopt the Draft 2017/2018 Operational Plan, incorporating the Draft 2017/18 Revenue Policy, and the 2017/2018 Draft Operating and Capital Budgets following a period of public exhibition.

OFFICER'S RECOMMENDATION

Council **ADOPT** the following Integrated Planning Documents:

1. The Draft 2017/2018 Operational Plan
2. The Revenue Policy incorporating the changes as outlined in this report and attachments; and,
3. The Draft 2017/2018 Operating and Capital Budgets incorporating the changes to the Draft Revenue Policy as outlined in this report and attachments.

Moved: _____ Seconded: _____

BACKGROUND

The Draft 2017/2018 Operational Plan, incorporating the Draft 2017/2018 Revenue Policy, and the 2017/2018 Draft Operating and Capital Budgets for the General Fund have been on public exhibition since 15 May 2017 in accordance with a resolution of Council passed on 15 May 2017.

CONSULTATION

In accordance with the legislation, the documents have been on public exhibition. Council has received one submission on the 17/18 Operational Plan Budget from Council's Staff Consultative Committee.

CONSULTATION WITH COUNCILLOR SPOKESPERSON

Cr Martin Rush

REPORT

Section 405 of the Local Government Act requires Council to adopt its Operational Plan before the beginning of each financial year. The Operational Plan must include a statement of the Council's Revenue Policy for the year covered by the Operational Plan. Prior to adopting its Operational Plan the Council must prepare a Draft Operational Plan and give public notice of the Draft indicating that submissions may be made to the Council at any time during the public exhibition period.

Council has complied with the legislative requirements outlined above and is now in a position to formally adopt the Draft 2017/18 Operational Plan and Draft Budget. During the public exhibition period no submissions were received from residents and one submission as attached from the Staff Consultative Committee of Council.

The only changes to the documents were corrections recommended by Council staff together with the specific changes highlighted in this report.

Revenue Policy

The 2017/18 Revenue Policy has been amended and is attached. The amendments are highlighted and reflect changes to wording relating to the making of rates and revised ad valorem rates based on updated land values and on the revised rating option recommended. In addition an increase in the Sewer annual Change is recommended. The net effect of the proposed changes is that the total rates and annual charges for an average Muswellbrook\Denman residential property will increase by 1.3%. Rates for mining properties increase by a greater amount as this category is impacted by the significant drop in value of the Drayton mine property.

Additional attachments show the proposed rates for each category plus an alternative (the status quo option). Further schedules show the impact on sample properties.

Operational and Capital budgets

Attachment "K" summarises the proposed changes to the 2017/18 Operational and Capital Budgets. The detailed budgets will be revised and updated financial summaries will be provided at the meeting ready for adoption. Due to organisational issues during the preparation of the budget and changes in key staff it is possible that some changes to the budgets may be required as part of the September budget review. New capital program schedules for the Water Fund are also attached together with the budget notes on assumptions and changes made in the draft budget.

A full update of Council's Long-term Financial Plan (LTFP) will be presented to Council within the next 2 months. This is part of the Integrated Planning requirements. Council is required to monitor its progress against the Fit for the Future (FFTF) improvement plan submitted in 2015. The first 4 years of the LTFP need to match the projections in the adopted Operational Plan.

An initial review of the Draft Operational Plan budget, against the various FFTF ratios and Council's improvement plan shows Council to be below the FFTF targets for Asset Renewal for the General Fund. Additional Resources for Regions roads spend in the 4 year budget plus some additional road renewals in year 4 assist in meeting those targets.

A more detailed review of the 2017/18 budget will also be completed over the next 2 months and findings will be reported to Council.

OPTIONS

Council may adopt the documents as exhibited or with amendments.

Amendments have been recommended as outlined in this report.

For the Revenue Policy two options on rates and charges have been presented

1. The recommended option is a reduction in the proportion allocated to the residential categories and an increase in the proportion allocated to mining, together with a further \$21 increase in the Sewer Annual Charge.
2. The alternate option is the status quo with the proportions paid by each category and the Sewer Annual Charge being the same as presented in the Draft Revenue Policy.
3. Council does have the option of choosing a different alternative however this will need to be modelled to enable the impacts to be assessed and the rates to be presented in the Revenue Policy.

For the 2017/18 Operating and Capital Budgets the options are

1. Adopt the changes as recommended in this report.
2. Adopt some amended changes based on decisions made at this meeting.
3. Adopt the Draft budgets as placed on exhibition.

CONCLUSION

The Council has complied with the relevant statutory requirements and is now in a position to adopt the Draft 2017/2018 Operational Plan and Draft Budget. It is recommended that the documents be formally adopted incorporating the amendments as outlined in this report.

SOCIAL IMPLICATIONS

Not applicable.

FINANCIAL IMPLICATIONS

The 2017-2018 Operational Plan incorporates Councils Revenue Policy and 2017-2018 Budget.

The proposed changes mainly affect Council's operational budget. Council's General fund surplus, excluding capital revenues, for 2017/18 has been reduced by \$200,000 due to the allocation of funds for LEP and roads maintenance. Conversely the Future Fund surplus has increased by \$200,000. The Sewer Fund deficit is reduced by \$129,000 due to the proposed increase in the residential annual charge and the Water Fund surplus has reduced due to a reduction in interest revenue due to the higher capital program.

Looking ahead the General Fund has a small deficit in future years however this is offset by the surplus in the Future Fund. As the General and Future funds are combined for the Fit for the Future ratios council meets the requirement of having an operating surplus.

POLICY IMPLICATIONS

Not applicable.

STATUTORY IMPLICATIONS

Section 405 of the Local Government Act 1993 sets out the requirements related to the Operational Plan.

The Draft 2017/2018 Operational Plan, incorporating the Draft 2017/2018 Revenue Policy, and the 2017/2018 Draft Operating and Capital Budgets are proposed for adoption in accordance with Section 405 of the Local Government Act.

LEGAL IMPLICATIONS

Not applicable.

OPERATIONAL PLAN IMPLICATIONS

The report recommends the adoption of the Council's Operational Plan for 2017/2018.

RISK MANAGEMENT IMPLICATIONS

Not applicable.

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Muswellbrook Shire Council - Staff Consultative Committee.

Submission on the 2017/18 Budget.

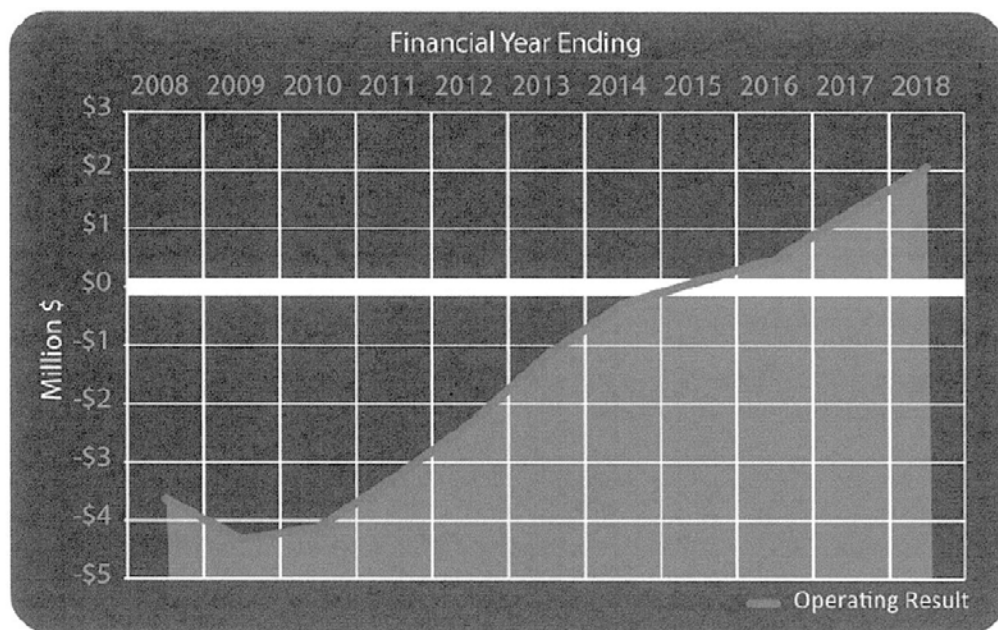
In a memo to all Staff on 15 November 2011 the GM advised as follows.

Over the past 12 month period, the Local Government market has increased higher than expected. Unfortunately, Council's Finance section has advised that the cost of the proposed increase will exceed the 2010/11 wages budget.

This statement is a direct move to forestall part of the adopted Salary System which is required of Council under the Staff Award.

A fact sheet put out regarding the budget announces significant non-core expenditure and a surplus. It further graphs the Operating Result from 2008 as below.

COMBINED GENERAL AND FUTURE FUND OPERATING RESULT:



While staff understand the need for a sustainable Council and further appreciate that the turnaround from 2010 is in some part due to increases in revenue from mining rates and negotiated VPAs and other sources; it is also obvious that the turnaround occurs at the same time as the above memo. It could be concluded that staff are in part carrying the load. Without the Market Review, which is set in the Salary System protocol, staff wages have been kept at award increases only over

the past 6 years. If a modest increase of \$1,000 per year was recommended by the 2011 Market Review with only the award increases that would be worth \$1,156 a year now.

The decline of Councils wages compared to the market have led to a high turnover in key positions such as HR, Asset Engineer, Data Management and Planners.

Funding for a Market Review is not obvious in the budget; however it may be funded this year or hidden in the next year's budget somewhere.

Other staff related issues are also missing. Items such as the upgrade of staff facilities at the Waste depot, rebuilding of the works depot, an allowance for wage rise associated with the Market Review and an increase in staff numbers to ensure adequate asset maintenance and operations that meet ratepayer expectations.

What is in the budget is \$50,000 for Muswellbrook Cup, \$60,000 for Bottoms Up, Art prize \$70,000, Music \$66,000, \$400,000 Muswellbrook Race Club etc.

The wonderful ribbon cutting capital works such as the CBD, Tertiary Education Centre and future fund works increase the operating budget with increased depreciation, maintenance, loan repayments and operational costs.

Staff cannot be expected to keep up with maintenance and other operational functions which keep increasing within the current operational budget without adequate and qualified staff.

Submitted on behalf of the Staff Consultative Committee.



Chairman Staff Consultative Committee.

LGEA Delegate.

REVENUE POLICY

Part 1 – Rates & Charges

A. Rating

1. Introduction

In accordance with Section 532 of the Local Government Act 1993, a Council must not make a rate or charge until it has given public notice of its draft Operational Plan for the year for which the rate is to be made and has considered any submissions received. In practice a Council should first adopt its final Operational Plan and then make rates and charges by resolution. (s535).

2. General Valuation

A general re-valuation of the Shire took place during 2016, with a base date of 1 July 2016.

These valuations will be used for rating purposes from July 2017. These valuations will continue to be used until revised through general and special re-valuations by the Valuer General.

3. Rating Method

In accordance with Section 514 of the Local Government Act 1993 Council has categorised all rateable land in the Council area as Residential, Farmland, Business or Mining.

4. Structure of the Rate

In accordance with Section 497 of the Local Government Act 1993, Council has adopted the use of a base amount plus an ad valorem for all categories.

Council's reasons are as follows:-

- a base amount with an ad valorem ensures that the rate burden falls equitably on landowners for the cost and value of common services and facilities (from which all properties benefit) regardless of their rateable value.
- having given regard to the matters set out in Section 536(1) of the Local Government Act 1993, Council is of the opinion that a base amount charged per assessment is fair and equitable and reflects both the "benefit principle" and the "ability to pay principle".

5. Interest on Overdue Amounts

Councils are responsible for fixing, by formal resolution, the level of interest penalties to apply in respect of rate and charges arrears.

The maximum level of interest is determined each year and advised to Councils by the Department of Local Government. Section 566 (3) states the rate of interest is

that set by the Council but must not exceed the rate specified for the time being by the Minister by notice published in the Gazette.

Council proposes to apply the maximum permissible rate of interest payable on outstanding rates and charges at a simple rate calculated daily.

The maximum interest rate that may be charged on overdue amounts for the 2017/18 period is 7.5%.

The discretion to write off extra charges in respect of rates and arrears in a range of appropriate circumstances is available to Councils and/or to enter into special agreements with any individual or any category of ratepayers to facilitate the discharge of the rating liability.

The discretion to write off extra charges can be exercised if special circumstances can be demonstrated by the ratepayers involved.

6. Summary of Rating Philosophy

- i) That Council sets its rates so as to obtain the maximum possible yield and comply with the Office of Local Government's advice in relation to rate-pegging limitation and catch up provisions.
- ii) That Council sets a base amount per assessment under Section 499(1) of the Local Government Act 1993 for the Residential, Farmland, Business and Mining categories.
- iii) That Council applies the maximum permissible rate for the interest payable on outstanding rates and charges at a simple rate calculated daily.
- iv) That Council utilise changes on the Base Rate amount with the aim of evening out the rates burden and smoothing the impact of possible rate increases that may occur as Land Values are reassessed. Council will not exceed the statutory minimum of 50% of total revenue from the Base Rate amount in each category.

B. CHARGES

Sections 501 and 502 permits a Council to make and levy an annual charge for the following services provided on an annual basis:

- * Water Supply Services
- * Sewerage Services
- * Drainage Services (through the Stormwater Levy)
- * Waste Management Services (other than domestic waste management)
- * Any services prescribed by the Regulations.

1. Water Charges

Pricing which reflects the costs incurred in the provision of potable water can help ensure conservation of scarce water resources and can promote more efficient investment in water infrastructure.

To achieve this, adequate cash flows are required to meet operating costs, to fund future necessary infrastructure and provide an acceptable rate of return – thereby ensuring the longer term financial sustainability of the service.

One of the key elements in cost-reflective pricing identified by the Department of Environment, Climate Change and Water is a cost-reflective two-part charge for water comprising a water service availability charge and a consumption tariff. Council's availability charge uses the Department's recommended method, which is based on the square of the diameter of the supply pipe. This reflects the true availability of water access by the user.

There are three tariffs for consumption. The Residential Consumption Tariff is a two-tier tariff charged for residential properties. The Tier 1 charge applies to water consumption up to 350KI and the Tier 2 charge applies to water consumption in excess of 350KI per annum. A Non-Residential Consumption Tariff is charged for all other properties connected to Council's water supply.

Method of Rendering Accounts

In accordance with Section 552 of the Local Government Act 1993, land that is supplied with water from a water main of the Council and land that is situated within 225 metres of a water main of Council (whether or not actually supplied with water from any water main of the Council) is charged an annual Water Service Availability Charge for each service to the property.

Each Annual Water Service Charge applicable is included in the Annual Rate Notice issued for the financial year. Water consumption charges are raised three times per year.

2. Water and Sewerage Charges - General

User charges are fees levied on the community for the use of the water and sewerage facilities provided by Council.

Income derived from water supply and sewerage charges can be used for either maintenance or capital expenditure. Unlike general rates, the water supply and sewerage charges are not subject to rate pegging in NSW.

It should be noted that funds raised through water and sewerage charges are explicitly expended on the operational, maintenance and capital expenditure needs related to those services and activities.

Best Practice Charging

Council has implemented charging guidelines recommended by the Department of Environment, Climate Change and Water for the charging of services in regard to water supply and sewerage services.

1. Residential Sewerage Charge

All residential properties are levied the same charge under the Guidelines mentioned above, with the usage charge based on the average residential water consumption.

The combination of availability charge and usage charge meets all the Best Practice Pricing criteria.

2. Non-Residential Sewerage Charge

The non-residential sewerage charge is levied based on a formula that includes a range of factors that include the size of the water connection, the amount of water used and the amount of water used that is expected to enter the sewage treatment processes.

3. Trade Waste Charges

Trade Waste, is currently defined as:

Any waters other than those used specifically for personal hygiene functions that may be contaminated with any substance as a direct or indirect result of a commercial activity.

The regulation of trade wastes is intended to:

- Prevent the biological capacity of the treatment works being exceeded resulting in the destabilising of the biological process and consequent odours emanating from the works;
- Ensure discharge of effluent from the treatment works is within the requirements of the Clean Waters Act 1970 and Regulations as amended.
- Protect the sewers and sewerage structures from corrosion, damage or blockage.
- Prevent overloading of the sewerage reticulation system.

- Ensure safe working conditions exist in the sewer reticulation system for the protection of Council staff.
- Ensure environmental protection of the local eco-systems, particularly those relating to the regional waterways.

Full details of the charges for Trade Waste are set out in the Fees and Charges Schedule.

4. Waste Management Service Charges

Council undertakes the management of the Muswellbrook Waste Management Facility and the Denman Waste Transfer Station. Council manages the daily operations of these depots in order to ensure the appropriate disposal and storage of waste received at the facilities.

Weekly services for kerbside collection of mixed solid waste (140 litre bins) and alternate fortnightly collections of recyclable and green waste (240 litre bins) are provided by Council to residential properties in Muswellbrook (including the Woodlands Ridge subdivision and Milperra Drive), Denman and Sandy Hollow.

There will be an annual bulky waste clean-up service for green waste. This is in addition to an annual bulky waste clean-up service for general bulky waste (excluding green waste). The dates and arrangements in relation to these activities will be advised at a time closer to the operation of the events.

Weekly services for kerbside collection of mixed solid waste (140 litre bins) and fortnightly collection of recyclable waste (240 litre bins) are provided to non-residential properties in Muswellbrook, Denman and Sandy Hollow. In addition to servicing the urban areas of Muswellbrook (including the Woodlands Ridge subdivision and Milperra Drive), Denman and Sandy Hollow, the following rural areas receive waste services:

- a) Golden Highway to Sandy Hollow
- b) Rosemount Road Loop
- c) Denman Road from Muswellbrook to Denman

Properties located on the above roads, or whose only access to Muswellbrook, Denman or Sandy Hollow is via these roads, are provided weekly services for collection of mixed solid waste (140 litre bins) and fortnightly collections of recyclable waste (240 litre bins). Alternate fortnightly collection of green waste for rural properties will be provided if requested and charged an annual charge for each service required.

a) Domestic Waste Management Service

Under the Local Government Act, 1993 Section 504 (1) provides:

1. A Council must not apply income from an ordinary rate towards the cost of providing domestic waste management services.
2. Income to be applied by a Council towards the cost of providing domestic waste management services must be obtained from the making and levying of a charge.

3. Income obtained from charges for domestic waste management must be calculated so as to not exceed the reasonable cost to the Council of providing those services.

Council determines the Domestic Waste Charge carefully following these requirements. The charge is set at a rate that covers the cost of collecting and the disposal or recycling of the collected waste as well as the administration of the service. The processes involved in determining the charge are audited by Council's independent auditor.

b) Waste Management Service Availability Charge.

Under Section 496 of the Act, Council is required to levy a charge on all rateable land that is situated within the area in which a domestic waste management service is available, whether occupied land or vacant land.

c) Waste Management Service (other than Domestic Waste Management Service)

Under Section 501 of the Act, Council may levy a charge for the provision of waste management services (other than domestic waste management services) which may be levied on each assessment for which the service is provided or proposed to be provided.

This charge applies to non-domestic premises.

5. Stormwater Management Charge

In 2010/11 Council introduced an annual levy of \$25.00 for each assessment in the Residential and Business Rating categories and \$12.50 for each Residential Strata assessment within the urban areas of Muswellbrook and Denman. All funds raised from this source will be applied to the construction of new and/or upgraded stormwater management assets in those towns. The raising of the levy and the application of the funds collected will be in accordance with the *Stormwater Management Service Charges Guidelines* issued by the Division of Local Government. Since 2011/12 the charge on assessments in the Business Category has been based on the area of the impervious surfaces contained in the assessment as per the table 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

What Criteria are Relevant in Determining the Amount of a Charge?

1. In determining the amount of a charge for a service, the Council may have regard to (but is not limited to) the following:
 - the purpose for which the service is provided
 - the nature, extent and frequency of the service
 - the cost of providing the service
 - the categorisation for rating purposes of the land to which the service is provided
 - the nature and use of premises to which the service is provided
 - the area of land to which the service is provided
2. The amount of a charge need not be limited to recovering the cost of providing the service, for which the charge is made, except as provided by Section 503(2) and 504 (3)
3. Council will continue with a recycling service. The cost of providing this service is included in the Domestic Waste Management Service charge and also the Waste Management Service Charge. These charges entitle ratepayers to a fortnightly recycling collection.
4. Council will continue the green waste service. The cost of providing this service is included in the Domestic Waste Management Service charge. These charges entitle ratepayers to a fortnightly green waste collection.

The charge for the collection of the green waste is not included in the Waste Management Service Charge or Rural Waste Charges. However, property owners to which these charges apply can elect to utilise and pay for the green waste service.

STATEMENT OF RATES PROPOSED TO BE LEVIED FOR 2017/18

Section 494(2) Local Government Act, 1993

ORDINARY RATES

Rate Type	Category	Sub-Category	Ad Valorem Cents in \$	Base/Min \$	Base as % of Total Rate Levied
Ordinary	Residential		0.4121460	\$240	24.68%
Ordinary	Residential	M/Brook/Denman	0.5274890	\$290	40.10%
Ordinary	Farmland		0.3428480	\$400	14.00%
Ordinary	Mining		5.4537880	\$15,000	4.70%
Ordinary	Business		1.0502980	\$250	10.61%
Ordinary	Business	Interim Development	0.2030700	\$250	2.53%

WATER CHARGES

For 2017/18, Council is proposing to levy Water Service Availability Charges as set out below:

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 2017 are:

Water Service Charge Category	Amount
Availability Charge (Not Connected)	\$175
Availability Charge (Connected)	
- 20mm service	\$175
- 25mm service	\$273
- 32mm service	\$448
- 40mm service	\$700
- 50mm service	\$1,094
- 65mm service	\$1,848
- 80mm service	\$2,800
- 100mm service	\$4,375
- 150mm service	\$9,844

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 2017 are:

<u>Consumption Tariff</u>	<u>(\$/Kl)</u>
Residential	Tier 1 (1-350Kl per annum) \$1.77
	Tier 2 (>350Kl per annum) \$2.65
Non-Residential	\$2.22 per kilolitre

SEWERAGE CHARGES

For 2017/18, Council is proposing to levy Sewerage Service Availability Charges as set out below:

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 2017 are:

<u>Sewer Service Charge</u>	
Residential Sewer Availability Charge (Vacant)	\$260.00
Residential Sewer Charge (Occupied)	\$645.00

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 2017 are:

<u>Sewer Service Charge Category</u>	<u>Amount</u>
Availability Charge (Not Connected)	\$260.00
Availability Charge (Connected)	
20mm service	\$260.00
25mm service	\$406.25
32mm service	\$665.60
40mm service	\$1,040.00
50mm service	\$1,625.00
65mm service	\$2,746.25
80mm service	\$4,160.00
100mm service	\$6,500.00
150mm service	\$14,625.00

The Sewer Usage Charge for the year commencing 1 July 2017 is:

<u>Sewer Usage Charge</u>	<u>(\$/KI)</u>
Non-Residential Sewer Usage Charge	\$2.22

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

DOMESTIC WASTE MANAGEMENT CHARGES

Domestic Waste and other Waste Management Charges are levied in accordance with Section 501 of the Local Government Act 1993.

For 2017/18 Council is proposing to levy the following charges in regard to Domestic Waste Management Services:

Domestic Waste Management Service Charges

Urban Domestic Waste Management Availability Charge (1)	\$ 93.50
Urban Domestic Waste Management Service Charge (2)	\$361.00
Additional Urban Domestic Waste Management Service Charge	\$ 93.00
Additional Urban Domestic Waste Management Recycling Service Charge	\$ 63.00
Additional Urban Domestic Waste Management Green Waste Service Charge	\$ 28.00

(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 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.

For 2017/18, Council proposes to levy the following charges on assessments categorised for rating purposes as Residential or Farmland and situated within the rural area to which a Domestic Waste Management Service is able to be provided.

Rural Domestic Waste Management Service Charge

Rural Domestic Waste Management Availability Charge (1)	\$ 93.50
Rural Domestic Waste Management Service Charge (2)	\$325.00
Additional Rural Domestic Waste Management Service Charge	\$ 93.00
Additional Rural Domestic Waste Management Recycling Service Charge	\$ 63.00
Rural Domestic Waste Management Green Waste Service Charge	\$ 28.00

(1) 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

- (2) Each premises 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.

For 2017/18, Council proposes to levy the following charges on assessments not categorised for rating purposes as residential and situated within the urban area in which a Waste Management Service is able to be provided.

Waste Management Service Charge

Urban Waste Management Availability Charge – Non-Domestic (1)	\$ 93.50
Waste Management Service Charge (2)	\$325.00
Additional Waste Management Service Charge	\$ 93.00
Additional Waste Management Recycling Service Charge	\$ 63.00
Waste Management Green Waste Service Charge	\$ 28.00

- (1) 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.

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

For 2017/18, Council proposes to levy the following charges on assessments 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.

Waste Management Service Charge

Rural Waste Management Availability Charge – Non-Domestic (1)	\$ 93.50
Rural Waste Management Service Charge (2)	\$325.00
Additional Rural Waste Management Service Charge	\$ 93.00
Additional Rural Waste Management Recycling Service Charge	\$ 63.00
Rural Waste Management Green Waste Service Charge	\$ 28.00

- (1) 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.

- (2) Each premises 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

For 2017/18 Council proposes to levy Stormwater Management Charges in accordance with Section 496A of the *Local Government Act 1993* on 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, 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

For the 2017/18 rating year Council proposes to set the interest rate at the maximum amount determined by the Minister of 7.5%.

HUNTER CATCHMENT CONTRIBUTION

The proposed rates for the Hunter Catchment Contribution for 2017/18 is 0.0110 (zero point zero one one zero).

The rate is levied and collected in accordance with Clauses 36 and 40 of Local Land Services Regulation 2014. The rate is set by the Local Land Services on the current Land Value of the land within the Council area.

Muswellbrook - Proposed Rates calculation as per Revenue Policy **Rate in \$ with 5% reduction in urban residential & 2.5% to other residential allocation**

2016 LV

Estimates
 Based on Rates system data at 22 June 2016
 Rate Description

Rate Description	No. of Assess.	Ad Valorem		Base Amount		Expected Yield Ad Val or Min	Income Generated		Totals	%BASE	Category change
		Total Value	Rate	No. of Assess.	Rate		Base	Yield			
General Residential - Mbrook & Denman	5,641	437,362,621	0.52748900	5,641	290.00	2,307,040	1,635,890		3,942,930	41.49	-3.3%
General Farmland	488	349,619,230	0.34284800	488	400.00	1,198,663	196,200		1,393,863	14.00	1.5%
General Mining	16	89,192,001	5.45378800	16	15,000.00	4,864,343	240,000		5,104,343	4.70	6.0%
General Business	608	122,069,130	1.05029800	608	250.00	1,282,090	152,000		1,434,090	10.60	1.5%
General Residential	894	158,527,110	0.41244900	894	240.00	653,843	214,560		868,403	24.71	-1.0%
General Business - Interim Development	1	4,740,000	0.20307000	1	250.00	9,626	250		9,876	2.53	1.5%
	7,648	1,161,510,092		7,648		10,315,604	2,437,900		12,753,504		

Rate in \$ Calc 21.06.2017

Status Quo - Based on Same proportions from each category **Rate in \$ as per revised Notional Income as at 6th June 2017**

2016 LV

Estimates

Based on Rates system data at 22 June 2016

Rate Description

Rate Description	No. of Assess.	Ad Valorem		Base Amount		Income Generated		Totals	%BASE	Category change
		Total Value	Rate	No. of Assess.	Rate	Expected Yield Ad Val or Min	Base			
General Residential - Mbrook & Denman	5,641	437,362,621	0.57256500	5,641	290.00	2,504,185	1,635,890	4,140,075	39.51	1.5%
General Farmland	488	349,619,230	0.34284800	488	400.00	1,198,663	195,200	1,393,863	14.00	1.5%
General Mining	16	89,192,001	5.20841100	16	15,000.00	4,645,486	240,000	4,885,486	4.91	1.5%
General Business	608	122,069,130	1.05029800	608	250.00	1,282,090	152,000	1,434,090	10.60	1.5%
General Residential	894	158,527,110	0.42614400	894	240.00	675,554	214,560	890,114	24.10	1.5%
General Business - Interim Development	1	4,740,000	0.20307000	1	250.00	9,626	250	9,876	2.53	1.5%
	7,648	1,161,510,092		7,648		10,315,603	2,437,900	12,753,503		

Rate in \$ Calc 21.06.2017

5% reduction to urban residential proportion				
Total Rates		Muswellbrook Denman		
(no change to base amount)		Average Property		Additional Sewer above draft plan
	LV	2016/17	2017/18	
		86350	77,388	
Ordinary rates (base amount)		290	290	0.0%
Ordinary rates (ad valorem)		432.31	408.21	-5.6%
Sewerage Charge		609.00	645.00	5.9%
Typical residential Water charges				21.00
Access Charge		175.00	175.00	0.0%
Waste Management Charge		351.00	361.00	2.8%
Stormwater Levy		25.00	25.00	0.0%
HVCMT		10.19	8.51	-16.5%
Typical Residential Rates & charges		1,602.50	1,623	1.3%
Water	Variable Charge (est)	445.00	465.92	4.7%

Existing proportion from categories				
Total Rates		Muswellbrook Denman		
(no change to base amount)		Average Property		%age Change
	LV	2016/17	2017/18	
		86350	77,388	
Ordinary rates (base amount)		290	290	0.0%
Ordinary rates (ad valorem)		432.31	443.48	2.6%
Sewerage Charge		609.00	624.00	2.5%
Typical residential Water charges				
Access Charge		175.00	175.00	0.0%
Waste Management Charge		351.00	361.00	2.8%
Stormwater Levy		25.00	25.00	0.0%
Hunter catchment contribution		10.19	8.51	-16.5%
Typical Residential Rates & charges		1,602.50	1,637	2.2%
Water	Variable Charge (est)	445.00	465.92	4.7%

Note: Individual property rate changes will vary due to revaluation and differences in land value

Rate in \$ Calc 21.06.2017

2.5% reduction to urban residential proportion			
Total Rates	Other Residential		
(no change to base amount)	Average Property		
LV	2016/17	2017/18	%age Change
	180405	177883	
Ordinary rates (base amount)	240	240	0.0%
Ordinary rates (ad valorem)	742.53	733.14	-1.3%
Hunter catchment contribution	21.29	19.57	-8.1%
Typical Residential Rates & charges	763.82	753	-1.5%

Existing proportion from categories			
Total Rates	Other Residential		
(no change to base amount)	Average Property		
LV	2016/17	2017/18	%age Change
	180405	177,883	
Ordinary rates (base amount)	240	240	0.0%
Ordinary rates (ad valorem)	742.53	758.04	2.1%
Hunter catchment contribution	21.29	19.57	-8.1%
Typical Residential Rates & charges	763.82	778	1.8%

Rate in \$ Calc 21.06.2017

Sample Mining Properties (with movement from residential)				
<u>Mine Rates</u>				
<u>2015 LV</u>	<u>2016 LV</u>	<u>2016/17</u>	<u>2017/18</u>	<u>%age change</u>
1,500,000	1,500,000	87,075	96,807	11%
1,510,000	1,510,000	87,555	97,352	11%
23,400,000	24,400,000	1,139,366	1,345,724	18%

Sample Business Properties				
<u>2015 LV</u>	<u>2016 LV</u>	<u>2016/17</u>	<u>2017/18</u>	<u>%age change</u>
205,678	200,772	2,324	2,359	2%
1,480,000	1,480,000	1,742	1,804	4%

Sample Farm Properties				
<u>2015 LV</u>	<u>2016 LV</u>	<u>2016/17</u>	<u>2017/18</u>	<u>%age change</u>
717,761	714,968	2,809	2,851	1%
2,200,000	2,370,000	7,784	8,525	10%

Note: the sample properties show how different properties are impacted differently due to difference in the change in land values

Muswellbrook Shire Council Summary of Changes to Draft Operational and Capital Budgets

	2017/18	2018/19	2019/20	2020/21
1 Revised Capital Budget for Water Fund				
New Capital Program	5,731,000	6,676,891	2,994,281	1,756,655
Old Capital Program	2,255,000	1,315,000	1,135,000	1,135,000
Change - Increase (Decrease)	3,476,000	5,361,891	1,859,281	621,655
Due to an oversight the draft budget did not reflect the Finmod projections for the Water Fund in the draft budget.				
2 Amended Capital Budget for Sewer Fund				
A minor change has been made to the Sewer Fund capital budgets. With a new project added for System Plant Asset renewals to match Asset Management requirements. No change has been made to the total program cost in 2017/18 and only a small increase is provided in 2019/20 and 2020/21				
Change to total Program value	0	0	53,846	223,697
3 Inclusion of Muswellbrook Marketplace purchase				
Commercial Fund asset acquisition	35,000,000			
Commercial Fund Borrowing requirement	-35,000,000			
As the purchase will happen in August this needs to be included. Operational budgets already reflect the addition of this asset. The annual return to the OLG on projected borrowings required the projects to be in the Operational Plan				
4 Increase Capital Grant Funding - Roads to Recovery RTR)				
Council's allocation for 2017/18 is \$826,000. The draft budget only allowed for \$410,000				
Additional Capital Revenue budget	-416,000			
5 Suggested new projects				
The following is the allocation of the additional revenue as recommended by the councillor spokesperson on Integrated Planning				
Additional Footpath Allocation (Capital)	100,000			
Capital Contingency provision	116,000			
Additional LEP funding	100,000			
Additional Rural Roads maintenance	100,000			
Total allocations	416,000			
Note: Council will need to check to ensure it meets its minimum requirements for own source roads funding (RTR funding condition)				
6 Increase Resources for Regions (R4R) budget (grant and project budget) to \$2m p.a.				
Additional R4R grants revenue	- 1,000,000	- 1,000,000	- 1,000,000	-1,000,000
Additional R4R project allocation (Roads)	1,000,000	1,000,000	1,000,000	1,000,000
The budget assumes 50% of these funds will be used on road renewal projects				

Muswellbrook Shire Council
Summary of Changes to Draft Operational and Capital Budgets

	2017/18	2018/19	2019/20	2020/21
7 Additional Asset renewals				
An additional allowance has been included in the 4 year budget to ensure council meets its obligations and the projections in its fit for the future improvement plan				
Extra road renewal allowance				352,000
8 Sewer Fund Revenue				
Increase Sewer Fund revenue based on proposed further increase of \$21 on domestic annual charge	- 120,000	- 123,000	- 126,075	- 129,227
9 Commercial Fund Interest Expense				
Reduce interest budget based on lower interest rate achieved on marketplace facilities				
Interest expense	- 200,000	- 200,000	- 200,000	- 200,000
10 Revised Water Fund operational budget				
The budget has been adjusted to reflect the increased funding needed to support the capital program and match the Finmod model date 24 March 2017.				
The impact is a significant drop in interest revenue due to the increased capital program. This results in the Water Fund budgeting for an operating deficit when capital grants and contributions are excluded.				
A copy of the revised operating budget for the Water Fund is attached				

2017/18 Draft Operational Budget Assumptions and Notes

- The current Operational Result is \$513K
- Salaries – 3% increase (including competency increases)
- Expenses – increase to 2.5%
- Revenues – the trends are comparable to previous year
- Additional Rate Revenue - \$550K (\$300K Bengalla and \$250K Mt Pleasant)
- Fit for the Future targets - \$416K has been removed as follows:
 - Road Maintenance – \$200K (remove less CPI)
 - Buildings – \$50K (remove less CPI)
 - Recreation – \$105K (remove less CPI)
 - IT – \$70K (remove less CPI)
- Other changes to the initial draft Budget including the following Operational Costs:
 - Removed
 - \$25K for Road Safety Officer
 - \$65K for Road Audit
 - Added
 - \$18K for Sponsorship of Olympic Park (MACH Energy)
 - \$42K for Contributions for Grant Applications (funded from Future Grants)

General Fund Revenue Funding Capital

- 2015-16 was \$7,900,000 (includes dividend from Future Fund)
- 2016-17 is \$8,412,000 (includes dividend from Future Fund)
- 2017-18 is proposed to be \$7,839,000 (no dividend from Future Fund)
- Depreciation is decreased from 2016/17 to 17/18 by \$1,155,000

Other Assumptions

- The Future Fund will not be paying a dividend to General Fund (\$1.1M) instead it may partly be used to pay off loans. The job creation allocation of \$500K is transferred from General Fund to the Future Fund. This is funded from the \$1.1M
- Roads to Recovery Funding in this year's Operational Budget is \$475K (it funded Economic Research \$180K and Events \$50K) and in next year's 17/18 budget it is \$0.
- The Economic Research and Events is funded from General Fund \$230K.
- Waste depreciation is funded to \$60K which is in line with the depreciation schedule.
- No extra funding has been allocated for events on top of the \$50K for the Bottoms Up 17/18 Festival.
- Depreciation of the Waste Fleet was combined with the General Fund Fleet. The depreciation on the Waste Fleet is \$160K per annum. There is currently an identified saving of \$29K.

Sewer Fund

- Finmod modelling being incorporated into Powerbudget.
- Staff liaising with Hunter Water on Sewer and Water Fee Modelling.

Water Fund Capital Program		2016/17 Budget (Original)	2016/17 Budget (March Review)	2017/18 Budget	Revenue	Capital Grants	Capital Contributions	Restricted Reserves	Total Funding
Capital Expenses									
Muswellbrook Mains Replacement		\$1,060,000	\$1,060,000	\$1,000,000	\$1,000,000			\$0	\$1,000,000
Sandy Hollow Water Softening		\$0	\$0	\$250,000	\$250,000			\$0	\$250,000
Communication Upgrade		\$0	\$0	\$260,000	\$0			\$260,000	\$260,000
Safety & Quality risk improvements				\$90,000	\$0			\$90,000	\$90,000
Alternative energy systems - Denman				\$80,000	\$0			\$80,000	\$80,000
Sandy Hollow reservoir repairs				\$100,000	\$0			\$100,000	\$100,000
System Plant asset renewals				\$1,281,000	\$0			\$1,281,000	\$1,281,000
Unaccounted for Water Investigations		\$80,000	\$80,000	\$0	\$0			\$0	\$0
South Muswellbrook Reservoir Easements and Property		\$130,000	\$184,183	\$0	\$0			\$0	\$0
Feasibility Investigation Glenbawn Dam Pipeline		\$50,000	\$103,999	\$0	\$0			\$0	\$0
Water Leakage Investigation and Repair		\$0	\$159,628	\$0	\$0			\$0	\$0
Upgrade Denman Water Treatment Plant		\$290,000	\$315,620	\$150,000	\$0			\$150,000	\$150,000
Telemetry and Associated Equipment		\$25,000	\$70,698	\$0	\$0			\$0	\$0
Water Treatment Plant Energy Security		\$0	\$40,000	\$0	\$0			\$0	\$0
Excavator with Trailer		\$0	\$150,000	\$0	\$0			\$0	\$0
Reservoir Renewal and Replacements		\$50,000	\$137,300	\$900,000	\$0			\$900,000	\$900,000
Replacement of Water Meters Programme		\$40,000	\$0	\$70,000	\$0			\$70,000	\$70,000
Muswellbrook Water Treatment Plant Renewals and Replacements		\$750,000	\$750,000	\$750,000	\$0			\$750,000	\$750,000
Integrated Water Cycle Management Planning		\$60,000	\$73,098	\$0	\$0			\$0	\$0
Renewable Energy Target Works		\$80,000	\$80,000	\$475,000	\$326,585			\$148,415	\$475,000
Environmental Grants		\$100,000	\$100,000	\$50,000	\$0			\$50,000	\$50,000
Vehicle/Equipment Replacement		\$215,000	\$215,000	\$110,000	\$0			\$110,000	\$110,000
Emergency Generator		\$35,000	\$110,000	\$0	\$0			\$0	\$0
Safe Loading and Safety Vacuum Device Trailers		\$70,000	\$90,000	\$0	\$0			\$0	\$0
Asset Management System Development		\$60,000	\$60,000	\$120,000	\$0			\$120,000	\$120,000
Settling Pond Desludging		\$140,000	\$140,000	\$0	\$0			\$0	\$0
Office Accommodation Planning		\$25,000	\$25,000	\$25,000	\$0			\$25,000	\$25,000
Safe Storage Facility - Denman WTP		\$30,000	\$30,000	\$0	\$0			\$0	\$0
Laboratory Equipment		\$15,000	\$15,000	\$20,000	\$0			\$0	\$0
Total Capital Expenses		\$3,305,000	\$3,989,526	\$5,731,000	\$1,576,585	\$0	\$0	\$4,134,415	\$5,711,000

Muswellbrook Shire Council
Water Fund
Capital Works and Purchases Budget 2017/18

Program	2016/17 Budget (Original)	2016/17 Budget (March Review)	2017/18 Budget	Revenue	Capital Grants	Capital Contributions	Restricted Reserves	Total Funding
Capital Expenses								
Muswellbrook Mains Replacement	\$1,060,000	\$1,060,000	\$1,000,000	\$1,000,000			\$0	\$1,000,000
Sandy Hollow Water Softening	\$0	\$0	\$250,000	\$250,000			\$0	\$250,000
Communication Upgrade	\$0	\$0	\$260,000	\$0			\$260,000	\$260,000
Safety & Quality risk improvements			\$90,000	\$0			\$90,000	\$90,000
Alternative energy systems - Denman			\$80,000	\$0			\$80,000	\$80,000
Sandy Hollow reservoir repairs			\$100,000	\$0			\$100,000	\$100,000
System Plant asset renewals			\$1,281,000	\$0			\$1,281,000	\$1,281,000
Unaccounted for Water Investigations	\$80,000	\$80,000	\$0	\$0			\$0	\$0
South Muswellbrook Reservoir Easements and Property	\$130,000	\$184,183	\$0	\$0			\$0	\$0
Feasibility Investigation Glenbawn Dam Pipeline	\$50,000	\$103,999	\$0	\$0			\$0	\$0
Water Leakage Investigation and Repair	\$0	\$159,628	\$0	\$0			\$0	\$0
Upgrade Denman Water Treatment Plant	\$290,000	\$315,620	\$150,000	\$0			\$150,000	\$150,000
Telemetry and Associated Equipment	\$25,000	\$70,698	\$0	\$0			\$0	\$0
Water Treatment Plant Energy Security	\$0	\$40,000	\$0	\$0			\$0	\$0
Excavator with Trailer	\$0	\$150,000	\$0	\$0			\$0	\$0
Reservoir Renewal and Replacements	\$50,000	\$137,300	\$900,000	\$0			\$900,000	\$900,000
Replacement of Water Meters Programme	\$40,000	\$0	\$70,000	\$0			\$70,000	\$70,000
Muswellbrook Water Treatment Plant Renewals and Replacements	\$750,000	\$750,000	\$750,000	\$0			\$750,000	\$750,000
Integrated Water Cycle Management Planning	\$60,000	\$73,098	\$0	\$0			\$0	\$0
Renewable Energy Target Works	\$80,000	\$80,000	\$475,000	\$326,585			\$148,415	\$475,000
Environmental Grants	\$100,000	\$100,000	\$50,000	\$0			\$50,000	\$50,000
Vehicle/Equipment Replacement	\$215,000	\$215,000	\$110,000	\$0			\$110,000	\$110,000
Emergency Generator	\$35,000	\$110,000	\$0	\$0			\$0	\$0
Safe Loading and Safety Vacuum Device Trailers	\$70,000	\$90,000	\$0	\$0			\$0	\$0
Asset Management System Development	\$60,000	\$60,000	\$120,000	\$0			\$120,000	\$120,000
Settling Pond Desludging	\$140,000	\$140,000	\$0	\$0			\$0	\$0
Office Accommodation Planning	\$25,000	\$25,000	\$25,000	\$0			\$25,000	\$25,000
Safe Storage Facility - Denman WTP	\$30,000	\$30,000	\$0	\$0			\$0	\$0
Laboratory Equipment	\$15,000	\$15,000	\$20,000	\$0			\$0	\$0
Total Capital Expenses	\$3,305,000	\$3,989,526	\$5,731,000	\$1,576,585	\$0	\$0	\$4,134,415	\$5,711,000

Muswellbrook Shire Council
Water Fund
Capital Works and Purchases Budget 2018/19

Program	Annual Budget	Revenue	Capital Grants	Contributions	Borrowed Funds	Unrestricted Cash	Restricted Reserves	Total Funding
Capital Expenses								
Mains Replacement and Renewal	\$1,025,000	\$1,025,000					\$0	\$1,025,000
Muswellbrook Water Treatment Plant Renewals and Replacements	\$768,750	\$566,594					\$202,156	\$768,750
AC main to south Muswellbrook - Renewal/upgrade	\$768,750						\$768,750	\$768,750
Reservoir Renewal and Replacements	\$1,537,500						\$1,537,500	\$1,537,500
Communication upgrade	\$61,500						\$61,500	\$61,500
Asset Management System Development	\$30,750						\$30,750	\$30,750
Office Accommodation	\$820,000						\$820,000	\$820,000
Laboratory Equipment	\$20,500						\$20,500	\$20,500
Safety & Quality risk improvements	\$51,250						\$51,250	\$51,250
Asbestos Removal	\$61,500						\$61,500	\$61,500
Plant and Equipment	\$56,375						\$56,375	\$56,375
Meter Replacement Programme	\$71,750						\$71,750	\$71,750
Environmental Grants	\$51,250						\$51,250	\$51,250
System Plant asset renewals	\$1,352,016						\$1,352,016	\$1,352,016
Total Capital Expenses	\$6,676,891	\$1,591,594	\$0	\$0	\$0	\$0	\$5,085,297	\$6,676,891

Water Fund
Capital Works and Purchases Budget 2019/20

Program	Annual Budget	Revenue	Capital Grants	Contributions	Borrowed Funds	Unrestricted Cash	Restricted Reserves	Total Funding
Capital Expenses								
Mains Replacement and Renewal	\$1,050,625	\$1,050,625					\$0	\$1,050,625
Muswellbrook Water Treatment Plant Renewals and Replacements	\$525,313	\$635,348					-\$110,036	\$525,313
Laboratory Equipment	\$21,013						\$21,013	\$21,013
Asbestos Removal	\$94,556						\$94,556	\$94,556
Plant and Equipment	\$57,784						\$57,784	\$57,784
Meter Replacement Programme	\$73,544						\$73,544	\$73,544
Environmental Grants	\$52,531						\$52,531	\$52,531
System Plant asset renewals	\$1,118,916						\$1,118,916	\$1,118,916
Total Capital Expenses	\$2,994,281	\$1,685,973	\$0	\$0	\$0	\$0	\$1,308,308	\$2,994,281

Muswellbrook Shire Council Operating Budget Estimates 2017/18

Fund: Combined Water Fund
Principal Activity: Water
Business Unit: Water

	2016/17 Original Budget	March 2017 Review Budget	2017/18 Budget	2018/19 Budget	2019/20 Budget	2020/21 Budget
Revenues						
Rates and Charges	(1,580,000)	(1,583,958)	(1,485,000)	(1,498,365)	(1,511,350)	(1,525,456)
User Charges and Fees	(3,719,150)	(3,742,930)	(3,795,000)	(3,957,635)	(4,141,150)	(4,318,544)
Interest and Investments Revenues	(868,000)	(868,000)	(477,000)	(360,000)	(284,000)	(263,000)
Operating Grants and Contributions	(38,500)	(39,542)	(34,500)	(35,190)	(35,393)	(36,611)
Total Operating Revenues	(6,205,650)	(6,234,430)	(5,791,500)	(5,851,190)	(5,972,393)	(6,143,611)
Expenses						
Wages and Salaries	977,890	1,070,750	1,129,550	1,172,491	1,217,242	1,263,922
Materials and Contracts	1,785,200	1,712,200	1,681,710	1,749,972	1,816,540	1,887,641
Other Costs	348,000	348,000	302,500	315,810	329,811	344,552
Borrowing Costs	161,286	161,286	144,540	120,660	102,289	81,014
Overheads	1,228,000	1,228,000	1,254,700	1,282,067	1,310,118	1,338,871
Depreciation	1,501,272	1,501,272	1,590,000	1,666,000	1,718,000	1,780,000
Total Operating Expenses	6,001,648	6,021,508	6,103,000	6,307,000	6,494,000	6,696,000
Total Operating Result Before Capital	(204,002)	(212,922)	311,500	455,810	521,107	552,389

Muswellbrook Shire Council Operating Budget Estimates 2017/18

	2016/17 Original Budget	March 2017 Review Budget	2017/18 Budget	2018/19 Budget	2019/20 Budget	2020/21 Budget
Combined Water Fund						
Water						
Operating Revenue						
Rates and Charges						
Water Fund Rates	(1,580,000)	(1,583,958)	(1,485,000)	(1,498,365)	(1,511,850)	(1,525,456)
Total Rates and Charges	(1,580,000)	(1,583,958)	(1,485,000)	(1,498,365)	(1,511,850)	(1,525,456)
User Charges and Fees						
Water Fund Sundry Income	(15,150)	(15,150)	(17,375)	(17,722)	(18,076)	(18,438)
Water Meter Test Fees	(9,000)	(9,352)	(10,000)	(10,200)	(10,400)	(10,600)
Water Private Works	(10,000)	(22,860)	(20,000)	(20,400)	(20,801)	(21,220)
Water Service Repairs	0	(385)	0	0	0	0
Water Tanker Sales	(35,000)	(50,183)	(50,000)	(51,000)	(52,020)	(53,060)
Water Tapping Fees	(10,000)	(5,000)	(3,000)	(3,060)	(3,121)	(3,183)
Water Users Fees and Charges	(3,640,000)	(3,640,000)	(3,694,625)	(3,855,253)	(4,036,732)	(4,212,043)
Total User Charges and Fees	(3,719,150)	(3,742,930)	(3,795,000)	(3,957,635)	(4,141,150)	(4,318,544)
Interest and Investments Revenues						
Interest on Investments	(838,000)	(838,000)	(446,000)	(328,380)	(251,448)	(230,103)
Interest on Overdue Rates	(30,000)	(30,000)	(31,000)	(31,620)	(32,552)	(32,897)
Total Interest and Investments Revenues	(868,000)	(868,000)	(477,000)	(360,000)	(284,000)	(263,000)
Operating Grants and Contributions						
DEEWR Contributions for Education/Training	(5,000)	(5,000)	0	0	0	0
Pension Rebate Subsidy	(33,500)	(34,542)	(34,500)	(35,190)	(35,893)	(36,611)
Total Operating Grants and Contributions	(38,500)	(39,542)	(34,500)	(35,190)	(35,893)	(36,611)

Muswellbrook Shire Council Operating Budget Estimates 2017/18

	2016/17 Original Budget	March 2017 Review Budget	2017/18 Budget	2018/19 Budget	2019/20 Budget	2020/21 Budget
Combined Water Fund						
Water						
Operating Expenditure						
Depreciation	1,501,272	1,501,272	1,590,000	1,666,000	1,718,000	1,780,000
Management/Supervision	431,090	431,090	430,250	442,485	455,073	468,025
Water Consultant Activities, Risk Assessments, IWCM other studies ar	100,000	100,000	100,000	100,000	100,000	100,000
Water Fund Administration and Overheads (Inc Dividend to Gen Fund)	1,228,000	1,228,000	1,254,700	1,282,067	1,310,118	1,338,871
Water Fund Other Administration Costs	301,286	308,286	278,040	256,830	241,172	222,675
Water Mains	197,000	322,000	322,000	341,330	361,798	383,506
Water Meters, Private Works and water purchases	496,000	433,860	380,500	394,830	409,817	425,489
Water Miscellaneous Expenses	18,000	18,000	19,000	19,380	19,767	20,162
Water Pumping Expenses	393,500	393,500	355,500	376,090	397,898	421,000
Water Reservoirs	19,000	19,000	13,500	13,770	14,044	14,323
Water Treatment	1,316,500	1,266,500	1,359,510	1,414,218	1,466,313	1,521,939
Total Operating Expenditure	6,001,648	6,021,508	6,103,000	6,307,000	6,494,000	6,696,000