

COBAR SHIRE COUNCIL



FINANCE & POLICY COMMITTEE MEETING AGENDA

THURSDAY 12 FEBRUARY 2015

~ ORDER OF BUSINESS ~

Business for the meeting will be as follows:

1. Apologies
 2. Declaration of Interests
 3. Notice of Motion
 4. General Manager's Report – Part B (Information)
 5. Matters of Urgency
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PART B - INFORMATION

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NOTICE OF MOTION – ECONOMIC DEVELOPMENT MATTERS

FILE: C13-7, D2-17, P5-31

AOP REFERENCE: 2.1.1.1, 2.1.5

ATTACHMENT: YES (PAGE 15-27)

AUTHOR: *Councillor, Peter Yench*

RECOMMENDATION

- 1. That Council support the Cobar Shire Economic Taskforce in the investigation of any possible opportunities for development of any new viable industries in Cobar Shire that can help alleviate the downturn of the mining industry and where possible strengthen the economy of Cobar Shire.**
- 2. That appropriate funding as recommended by the Cobar Economic Taskforce be considered for inclusion in the 2015/2016 Budget to help bring to fruition any attraction of alternative industries to Cobar Shire.**
- 3. That Cobar Shire Council confirm its support for the Carbon Farming Initiative.**
- 4. That Cobar Shire Council manages its position on Carbon Farming through the Cobar Shire Economic Taskforce.**
- 5. That the Cobar Shire Economic Taskforce be requested to investigate the possibility and practicality of developing independent living aged accommodation in Cobar.**
- 6. That Councillors provide advice on any other ideas to improve the economy of Cobar Shire and the diversification of its industries.**

Explanation

Cobar Shire needs either a new industry or existing industries made more viable to ensure that it is not reliant on mining and can remain more than a ghost town servicing a FIFO community.

We are all aware of that mining is cyclical and on balance is on a downward trend Australia wide. This is evident in Cobar where a couple of years ago there was massive expansion at the major mines in Cobar which has now ceased. At that time you could not get a motel room as they were mostly taken up by contractors and FIFO miners. Our tourism industry suffered as people switched off because there was no point in trying to book. This has to be rebuilt to a certain extent.

Even at current production levels there is a concern with the cooling off of commodity prices and changing shift rosters. Whilst the declining Australian Dollar is helping exports the mining sector is clearly toughening up. Recent roster changes and likely future changes has made it more attractive for families to leave Cobar and live elsewhere and for the miner to fly in for the seven (7) day roster. Already we see more houses on the market and values declining. More importantly spending is taken out of the Shire and school attendances decline.

There are already a number of vacant shops in the main street and many products not available because there is insufficient support for anything but basic shopping.

The rural sector needs help. It is a tough county to farm and it has been hit with a series of bad seasons. The recent rain whilst encouraging cannot provide a total fix for land owners. Additional income sources would assist to eliminate the lack of certainty associated with farming in this region. Generation of additional income would allow farmers to invest in better farming infrastructure to improve yields as well as provide cash flow in poor years. Carbon Farming will allow this. However, the rules need review so as to give access to many more farmers in the Shire for example **extending the cut off to 2013 rather than the existing 2010.**

The multiplier effect of additional rural income is well known but more importantly the need for government handouts in drought times etc. will either disappear or reduce at no additional cost to any level of government as **it will be funded from the carbon credits industry already in place.**

Attached are examples of alternate industries/ processes that could be attracted to Cobar Shire.

NOTICE OF MOTION – MERGING OF THE COMMUNITY CENTRE AND COBAR MEMORIAL POOL

FILE: C13-7, S9-2, C8-6-3

AOP REFERENCE: 4.4.2, 1.2.2.1, 1.5.3

ATTACHMENT: NO

AUTHOR: *Councillor, Peter Yench*

RECOMMENDATION

- 1. That a “Think Tank” meeting be held by Council on the merging of the Community Centre (Cobar Youth and Fitness Centre) and the Cobar Memorial Swimming Pool.**
- 2. That Council Officers prepare a high level feasibility statement on the possibility of relocating the Youth Centre to the Swimming Pool so as to create a single entity.**

Explanation

Currently income has two separate highly used facilities for recreation:

- The Community Centre (Cobar Youth and Fitness Centre);
- The Cobar Memorial Swimming Pool.
-

The Community Centre is managed by Council Staff and the pool under a management contract.

There are a number of management models for communal run facilities which could be recommended.

The pool has recently been upgraded and is in excellent condition. The Community Centre is aging and is in poor condition.

Indicative operating costs and revenues for each are shown:

	Community Centre	Pool	Total
	\$000's	\$000's	\$000's
Revenue	140	90	230
Cash Expenses	270	370	640
Cash Depreciation	(130)	(280)	(410)
Depreciation	60	155	215
Total Deficit	(190)	(435)	(625)

The cost to build a new Community Centre and relocate the existing operation is estimated at \$2.5M to \$3.5M. Currently interest rates are very low and State subsidies can lower rates even further. A twenty-five year loan at \$3.5M would require a repayment of \$360,000 per annum.

Clearly the desired goal would be a cocktail of funding including grants.

The Centre could be a hub of social activity and include a coffee area, rehabilitation area and allowance for all year usage.

The objective is to eliminate two sets of management costs and replace it with a single entity.

**REPORT 1B – BANK RECONCILIATION, CASH FLOW & LOAN FACILITY
SUMMARIES AS AT 31 JANUARY 2015**

FILE: B2-7

AOP REFERENCE: 3.1.1.5

ATTACHMENT: NO

AUTHOR: *Manager Finance & Administration, Neil Mitchell*

Purpose

Council has requested that the following financial information be presented to each meeting of Council: reconciled bank balance, cash flow statement, and loan facility.

Bank Reconciliation

Balance as per Bank Statement – 31 January 2015 \$250,000

Add: Outstanding deposits \$4,032

Deduct: Unpresented Cheques (\$6,758)

BALANCE AS PER CASH BOOK 31 January 2015	\$247,174
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In accordance with the requirements of the Local Government Act, 1993, I hereby certify that the Cash Book has been reconciled with the appropriate Bank Statements on a daily basis, during the month of January 2015 and that the reconciliations have been recorded.



Manager Finance & Administration

**Summary of Total Funds Available at Month End,
31 January 2015**

Month	Investment Balances	Operating Account	Total Available Funds
Feb-14	6,992,546	277,181	7,269,727
Mar-14	6,256,687	246,954	6,503,641
Apr-14	5,774,883	190,801	5,965,684
May-14	6,912,388	290,951	7,203,339
Jun-14	6,333,238	78,599	6,411,837
Jul-14	6,093,147	229,986	6,323,133
Aug-14	8,314,265	156,366	8,470,631
Sept-14	8,198,204	57,627	8,255,831
Oct-14	8,199,632	52,044	8,251,676
Nov 14	8,379,663	268,158	8,647,821
Dec 14	8,950,731	33,005	8,983,736
Jan 15	8,279,456	247,174	8,526,630

12 month average of cash invested: \$7,390,403

The amount restricted in the Financial Accounts for Employee Leave Entitlements is \$313,647.

Cash Flow

Forecast	Actual	Actual	Description	Forecast
Dec-14	Dec-14	Jan-15		Feb-15
268,158	268,158	33,005	Bank Balance Forward	247,174
			Financial Assistance Grant	1,217,578
403,500		443,887	Regional Roads	
443,400	115,316	114,940	Major Project Revenue	25,000
	167,908		RFS Allocation	
70,000	800,043		RMS – Ordered Works <i>(Dec incl. advance payment)</i>	700,000
13,200	11,727	11,054	RMS Agency	13,200
203,250			RMS – Routine Maintenance	500,000
350,000	473,131	517,836	Rates /Water/User Charges	830,000
50,000	104,827	61,992	Private Works/Debtors	50,000
	216,885	344,113	Non s67 Debtors <i>(incl. CWB, RFS, Capital Grants)</i>	150,000
220,000	241,127	60,478	LBV – Residents Fees & Grant	220,000
90,000	95,210	88,357	Child Care/In Home Care	90,000
652,757		692,320	Net Transfer from ‘At Call’ Account	
25,000	67,833	8,810	Sundry <i>(Incl. Hazard Reduction \$38k)</i>	25,000
8,000			Plant Sales	
55,000	84,644	24,077	GST	62,000
	31,327	31,370	Rebates and Grants	
			<i>Less</i>	
(1,800,000)	(1,172,321)	(1,528,132)	Creditors <i>(Not all invoices expected were received prior to EOY)</i>	(1,500,000)
(980,000)	(896,793)	(634,668)	Wages / Salaries <i>(lower annual leave than expected)</i>	(630,000)
	(553,752)		Net Transfer (to) ‘At Call’ Accounts	(1,927,687)
(22,265)	(22,265)	(22,265)	Loan Repayment	(22,265)
50,000	33,005	247,174	Closing Reconciled Bank Balance Cr/(Dr)	50,000

COUNCIL’S LOAN FACILITIES as at 31 January 2015

Working Capital Loan (Variable, 4.275%)	(\$ 500,000)
NAB Loan (6.22%)	(\$ 1,812,240)
Closing Balance 31 January 2015	(\$ 2,312,240)

RECOMMENDATION

That Council receive and note the Bank Reconciliation, Cash Flow and Loan Facility Report as at 31 January 2015.

REPORT 2B – RATES RECONCILIATION REPORT AS AT 31 JANUARY 2015**FILE: R2-1****AOP REFERENCE: 3.1.1.6****ATTACHMENT: YES (PAGE 28-29)****AUTHOR: Rates Officer, Jo-Louise Brown****Purpose**

To provide Council details of the Rate Reconciliation as at 31 January 2015.

FUND	LEVY 2014-2015	Pensioner Rebates	Abandoned Levy	Additional Levies	Sub Total 2014- 2015	Arrears 30th Jun 14	Payments	Total Outstanding	Total Outstanding Previous Year	% Outstanding of Sub Total Plus Arrears
Business	361,810.49	328.33	1,313.40	500.00	360,668.76	21,537.58	254,880.98	127,325.36	116,695.06	33.31%
Farmland	618,372.00	2,750.00	-	3,201.76	618,823.76	41,751.70	392,389.55	268,185.91	262,108.62	40.60%
Mining	1,534,980.69		12,233.20	-	1,522,747.49	129,765.55	848,914.63	803,598.41	757,632.04	48.63%
Residential	1,099,583.83	49,822.98	502.25	-	1,049,258.60	158,054.45	674,494.76	532,818.29	509,188.78	44.13%
Overpayments					-	-95,748.40	- 41,492.98	-54,255.42	-52,604.12	56.66%
Legal Costs			-	20,988.88	20,988.88	19,842.63	6,694.34	34,137.17	19,521.27	83.60%
Interest			-	6,879.72	6,879.72	58,224.43	7,764.66	57,339.49	43,636.99	88.07%
General Rates	3,614,747.01	52,901.31	14,048.85	31,570.36	3,579,367.21	333,427.94	2,143,645.94	1,769,149.21	1,656,178.64	45.21%
Domestic Waste	534,703.00	18,597.69	11,262.09	520.00	505,363.22	24,871.02	333,176.17	197,058.07	186,537.27	37.16%
Sewerage	619,440.00	20,300.00	1,480.00	27,033.71	624,693.71	33,661.10	404,307.06	254,047.75	239,660.80	38.59%
Cobar Water	597,105.00	21,612.50	804.00	1,014.00	575,702.50	22,627.79	395,062.71	203,267.58	194,999.38	33.97%
Nymagee Water	25,060.00	612.50	209.91	-	24,237.59	5,203.55	17,219.94	12,221.20	11,827.05	41.51%
Euabalong Water	36,405.00	1,137.50	-	-	35,267.50	8,951.87	25,739.17	18,480.20	18,511.57	41.79%
Euab West Water	22,575.00	612.50	-	-	21,962.50	4,534.19	15,993.59	10,503.10	11,562.10	39.64%
Mt Hope Water	4,620.00	-	-	-	4,620.00	0.00	2,807.40	1,812.60	1,306.79	39.23%
Water Access	685,765.00	23,975.00	1,013.91	1,014.00	661,790.09	41,317.40	456,822.81	246,284.68	238,206.89	35.03%
Water Usage	828,597.45		8,848.55	-	819,748.90	436,760.89	1,155,835.94	100,673.85	194,934.78	8.01%
TOTAL	6,283,252.46	115,774.00	36,653.40	60,138.07	6,190,963.13	870,038.35	4,493,787.92	2,567,213.56	2,515,518.38	36.36%

RECOMMENDATION**That the Rates Reconciliation Report as at the 31 January 2015 be received and noted.**

REPORT 3B – GRANT FUNDING

FILE: G4-17

AOP REFERENCE: 3.1.1.4

ATTACHMENT: NO

AUTHOR: *Special Projects Officer, Angela Shepherd***Grant Update**

Grant and Department	Activity	Amount Applied For	Successful?	Council Funding Required	Deadline for Project
Grants Applied for					
Resources for Regions – Application made on behalf of the Cobar Water Board – full application	Replacement of the Twin Pipeline from Nyngan to Cobar.	\$5m	EOI successful, full application submitted.	CWB to contribute \$1.4m, total project value \$6.4m	Likely to be announced February 2015
Resources for Regions – Whitbarrow Way	Joint application with Bogan Shire Council – Bogan to seal their section. Cobar to remedy Kangaroo Springs corner and floodway, reseal	\$4.1063m	EOI successful, full application submitted.	Council \$100,000, Hera Mine \$50,000, VPA \$63,700, Bogan \$300,000	Late 2014/2015, likely to be announced February 2015
National Stronger Regions Fund	Revitalisation of the Cobar Youth and Fitness Centre (entrance, kitchen, eating/social area, multipurpose room)	\$250,000	Pending – announcement due by May 2015	\$197,000 Council S94 funds \$40,000 Peak \$20,000 CSA	Must be completed by December 2019
NSW Sport and Recreation Facility Grant	Purchase of a mobile ablutions block septic/sewer connections at three Cobar sites.	\$50,000	Pending	\$25,000 from the ‘matching grants’ budget	December 2015
Heavy Vehicle Safety and Productivity Program	New Truckwash	\$90,000	Pending	\$90,000 budgeted	
Senior Citizens Week	Funding to run the 2015 Senior Citizens Week	\$1,000	Pending	\$1,000 matching	Held in March each year.

	activities.				
Youth Opportunities	Range of confidence building, reliance and transition programs for 11-14 year olds.	\$15,000	Pending	Project Administration	For projects between February and December 2015
Environmental Trust	Erosion control, weed removal and remediation works in one of three inlets to the Newey.	\$100,000	Pending	Project Administration	
Fixing Country Roads	Realign corner and floodway at Kangaroo Springs, Whitbarrow Road	\$686,300	EOI Successful – full application submitted	\$50,000 Council and \$63,700 VPA funds	To be completed 2014/2015 if successful
Fixing Country Roads	Floodway remediation and water diversion at Acres Billabong on Tiltagoona Rd	\$320,000	EOI successful - full application submitted	\$100,000 already allocated in budget	To be completed 2014/2015 if successful
Landfill Consolidation and Environmental Improvements Grants Program - EPA	Stream 2 - Environmental Improvements Cobar Waste Facility works - site security, improved waste storage facilities and better signage	\$137,302	Pending	Total Cost - \$196,146 Council to provide difference in funding from Waste Fund	
Landfill Consolidation and Environmental Improvements Grants Program - EPA	Stream 1 – consolidation of landfill site	\$16,000	Pending	Total Cost - \$21,000 Council contribution \$5,000 to come from Waste Fund	

Grant and Department	Activity	Amount Applied For	Successful?	Council Funding Required	Comment
Grants Announced					
Country Arts Support Program	Submitted on behalf of the Youth Council for assistance	\$2,000	Successful for \$1,500	Nil	For projects to be held in 2015.

	with the Little Big Day Out in February 2015				
Indent Grant	Submitted on behalf of the Youth Council for assistance with the Little Big Day Out in February 2015	\$2,500	Successful	Project Administration	For use in February 2015

Current Grant Opportunities –

- Anticipated that a number of grant opportunities will become available this month.

It is also anticipated that announcements will be made on the Fixing Country Roads grants and the Resources for Regions Grants by mid February 2015 – prior to the commencement of the Caretaker Period for the NSW Government.

RECOMMENDATION

That the information contained in the grant funding report detailing grants applied for, grants announced and grants available, as well as the updates on Council’s grant capital projects, be received and noted.

ATTACHMENTS



FINANCE & POLICY COMMITTEE MEETING AGENDA

THURSDAY 12 FEBRUARY 2015

~ REFERENCE TO ATTACHMENTS ~

Notice of Motion – Economic Development 15-27

PART B – INFORMATION

Report 2B – Rates Reconciliation Report as at 31 January 2015 28-29