

Cobar's property market attractive to investors

It may be a good time for investors looking to buy into Cobar's property market, with the town's real estate agencies indicating the rental market is "tight".

Landmark Russell's residential sales manager Kelly Fairbank said all of the agency's 350 properties were currently leased.

"It's a good time for investors to buy because the returns are quite good," Ms Fairbank said.

Red Earth Real Estate's principal Tracey Kings told The Cobar Weekly the average return for rentals in Cobar was currently between five and 10 per cent.

"We've just had eight properties become available, but every one of them has already been allocated to someone on the list," Mrs Kings said.

"There's a gap in quality rentals, such as four bedroom, two bathroom homes for a reasonable rent."

She said their office had received a lot of inquiries from investors, but the bulk of the sales market was made up of owners looking to occupy.

While the Cobar rental market is stretched, both agencies have reported the sales market to be steady.

"It's a healthy market; there is a constant flow of properties selling and new listings coming on," Ms Fairbank said.

A report by from Propertydata.com.au indicates house prices in Cobar have risen by 20 per cent in the last five years.

During that period, the median house price has fluctuated, with figures showing it was \$237,000 in June 2010 but dropped to just over \$125,000 in Dec 2010.

"Cobar is always going to be a town where it peaks and troughs because the mines peak and trough," Ms Kings said.

Peak mines maintain eight year life

New Gold has announced exploration activities during 2012 at Peak Gold Mines have maintained a forecast of eight years of continued production.

The company released its annual report last week detailing the year's production results for its mines around the world, including Cobar's Peak mines.

According to the report Peak was "successful in replacing the ounces mined during the year, thus maintaining the mine life of the operation".

"The team budgeted for 33,000 metres of drilling, of which 85 per cent is near-mine and mine corridor exploration, with the objective of continuing the long history of reserve and resource replacement.

New Gold said an estimated \$60million in capital expenditure is earmarked for Peak mines in 2013, including \$30million for underground development and capitalised exploration.

"The remainder of Peak's exploration budget will focus on continued drill testing and reconnaissance exploration over the company's extended regional land position," New Gold ex-

ecutive chairman Randall Oliphant said.

The mine finished 2012 with a strong fourth quarter meeting its production guidance for the year for both gold and copper.

However cash costs were up on the previous year, attributed to a combination of lower by-product revenues, a high Australian dollar and general cost pressures in Australia.

Peak mines increased copper production by nine per cent over the previous year, while high gold grades and improved recoveries in the mill circuit saw a 12 per cent increase in gold production compared to the previous year.

New Gold is aiming for a further increase in production during 2013 and is hoping to also decrease cash costs.

"The anticipated decrease in costs is attributable to a combination of higher gold production, a lower foreign exchange rate assumption versus the average exchange rate in 2012, and a partial abatement of certain inflationary pressures in Australia resulting from the cancellation, delay or scaling back of various large projects in the sector," Mr Oliphant reported.

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Cobar Shire Council

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Presentation of Financial Statements

As per section 418(3) of the Local Government Act.

In accordance with Section 418(3) of the Local Government Act, 1993, Cobar Shire Council advises the Finance and Policy Committee Meeting to be held on Thursday February 14, 2013 will include the presentation of the audited Financial Statements and the Auditor's Reports for the financial year ending 30/6/2012. A summary of the Financial Statements is provided below:

	2012 \$'000	2011 \$'000
Income Statement		
Total Income from Continuing Operations	24,557	22,654
Total Expenses from Continuing Operations	24,135	23,951
Operating Result from Continuing Operations	422	(1,297)
Net Operating Result for the year	422	(1,297)
Net Operating Result before Grants & Contributions provided for Capital Purposes	(916)	(3,177)
Balance Sheet		
Total Current Assets	6,411	3,869
Total Current Liabilities	(3,772)	(4,256)
Total Non Current Assets	187,071	188,271
Total Non Current Liabilities	(3,772)	(2,255)
Total Equity	185,938	185,629
Other Financial Information		
Current Ratio	1.88:1	1.02:1
Unrestricted Ratio	1.15:1	1.23:1
Debt Service Ratio (%)	1.55%	2.7%
Rates Coverage Ratio (%)	15.32%	17.0%
Rates & Annual Charges Outstanding Ratio (%)	6.34%	9.5%
Building & Infrastructure Renewals Ratio (%)	32.67%	96.5%

In accordance with Section 420 of the Local Government Act, 1993, any person may make a submission in writing to Council with respect to the Council's Audited Financial Statements or the Auditor's Reports. Copies of the audited Financial Statements and the Auditor's Reports may be inspected via the internet at www.cobar.nsw.gov.au and at a number of Council locations at: Council Offices, Cobar Shire Library, Euabalong Library and the Nymagee Library. Submissions close one week after the above Public Meeting has been held.

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