



**ANNUAL BUSINESS PLAN
2018-2019
Adopted by Council 20 June 2018**

OUR MISSION

**“To provide a range of services which meet the environmental,
social and economic needs of our community.”**



Contents

1. Introduction	1
2. Our Future	1
3. Asset Management Plans	3
4. Significant Influences and Priorities	3
5. Continuing Services	4
6. Project Priorities for the Year	5
7. Measuring Performance - Objectives for the Year	6
8. Funding the Business Plan	7
Appendix 1: Capital Expenditure	10
Appendix 2: Budgeted Financial Statements 2018-19	19
Appendix 3: District Council of Grant Rating Policy	25

1. Introduction

The Annual Business Plan sets out the Council's proposed services, programs and projects for 2018-19. It aims to maintain effective services for the community and continue progress towards the long term objectives for the District Council of Grant as set out in our Strategic Management Plan 2016-2020.

Specific objectives for the year are consistent with Council's Long Term Financial Plan and Asset Management Plans to ensure the long term sustainability of Council's financial performance and position.

The District Council of Grant is the most southern local government area in South Australia. Situated on the south east coast it is bounded to the south and west by the Southern Ocean, the Victorian Border to the east and the Wattle Range Council to the north and west. The Council encircles the local government area of the City of Mount Gambier.

The Council is predominantly rural with a number of small townships, and serves a population of 7,597 and covers an area of 188,493 hectares. The area contains some of the richest and most productive agricultural land in South Australia. Dairying, beef, and sheep production, wool, seed and grain production, forestry and horticulture are the predominant agricultural activities.

2. Our Future

The Plan has been prepared on the basis of maintaining an appropriate level of services to the community, without imposing an unrealistic rate burden on ratepayers. The provision of services by Council is a reflection of meeting both Council's obligations under legislation and the community's desire for services and facilities.

Council adopted its 2016-2020 Strategic Management Plan (SMP) in April 2016. The Plan identifies key issues and projects which will provide for a range of services and facilities while ensuring the ongoing sustainability of Council.

When developing the Plan, Council identified its vision as being:

“A progressive and caring Council, providing responsible leadership, sustainable development and cost effective quality services.”

and mission as:

“To provide a range of services which meet the environmental, social and economic needs of our community.”

Council is committed to providing BEST VALUE to its customers and community in the manner that it carries out its duties, functions, responsibilities and obligations. The following goals were set by Council to realise this objective:

GOALS	OUTCOMES
Physical Infrastructure is improved and developed	<ul style="list-style-type: none"> • Improved roads and infrastructure, transport links, footpaths and walking/cycle trails • Improved public spaces • Improved regional infrastructure (including non-council infrastructure) • Improved Mount Gambier Airport infrastructure and services • Improved Mount Gambier Saleyards infrastructure and services • Improved marine infrastructure
Economic development opportunities pursued and promoted	<ul style="list-style-type: none"> • Growth of new and existing industries and businesses • Increased tourism • Existing events supported and new events developed • Land developed to meet future needs and demands
Improved community services delivered that support community expectations	<ul style="list-style-type: none"> • Improved and accountable partnerships and services provided by other stakeholders • Effective and improved community development programs • A safe and vibrant community
Strong leadership, management, and delivery of transparent council services	<ul style="list-style-type: none"> • Effective communication and consultation with the community and regional partners • Effective Council management and business systems • Effective regulatory services • Effective support and services to Elected Members • Effective partnerships with stakeholders
Sustainable use, accessibility and planned use of our natural and built environment	<ul style="list-style-type: none"> • Alternative energy solutions and opportunities explored • Improved and continued public access to our natural environs (parks, coast, marine parks) • Sustainable approach to coastal protection strategies • Sustainable Community Waste Management Systems implemented and maintained • Sustainable Waste Management Services

Action plans detailing major activities that Council will undertake to achieve these objectives can be found in the Strategic Management Plan. The current version being available to the public for inspection at the Council Office or on the website at <http://www.dcgrant.sa.gov.au>

3. Asset Management Plans

Sound asset management is the key to financial sustainability. There is clearly a direct link between the development and implementation of Council's Asset Management Plans and its Long Term Financial Plan. Council expends considerable funds on the acquisition and management of assets. It will be exposed to financial risk over the longer term if budget processes have little regard for ongoing costs associated with the maintenance and renewal of these assets beyond the current budget period. It is incumbent on Council to carefully consider information about the stock of infrastructure and other assets and the contribution that current ratepayers are making to their consumption.

The plans help ascertain likely future maintenance and renewal needs and guide consideration of infrastructure needs to meet future community service expectations. Costs inherent in the Council's Asset Management Plans are reflected in Council's Long Term Financial Plan and both of these documents are integral to, and will be heavily influenced by, the Strategic Plan.

4. Significant Influences and Priorities

A number of significant factors have influenced the preparation of Council's 2018-19 Draft Annual Business Plan. These include:

- Consumer Price Index increase of 2.3% for the March Quarter for Adelaide;
- Requirements to maintain and improve infrastructure assets to acceptable standards including roads, footpaths, lighting, stormwater drainage, open space and Council properties;
- Service and infrastructure needs for a growing population;
- Commitments to continuing projects and partnership initiatives over more than one year, as summarised below:
 - Seniors Week activities
 - Australia Day celebrations
 - Community Grants and Donations

In response to these factors, the Draft Annual Business Plan has been prepared within the following guidelines:

- The Draft Annual Business Plan will result in the total revenue raised through general rates increasing by 3% - 2.3% general increase and 0.7% growth.
- Council continues to be proactive with respect to seeking grant funding to assist with the funding for new projects, with significant capital grants having been sourced for the 2018-19 financial year.

	2016-17	2017-18	2018-19	2018-19
Rate Category	Actual	Budget	Forecast as per LTFP	Budget
General Property Rates*	7,416,277	7,627,149	7,802,574	7,830,930
CWMS Rates	615,511	660,194	693,203	671,533
MGB Rates	519,021	521,887	533,891	546,294
NRM Rates	553,089	557,170	569,985	581,205
Total	9,103,897	9,366,400	9,599,653	9,629,962
Total Revenue	14,453,711	14,207,484	14,552,082	14,575,537
% of Rates of Total Revenue (excluding NRM)	59%	62%	62%	62%
* Includes rebates, fines and penalties				

The following objectives were achieved in 2017-18:

- Increased maintenance on Council's roads, including continuation of road reseal program;
- Continuation of road construction and renewal as per Asset Management Plans;
- Identify and apply for funding to improve safety of Council's road network;
- Continued advocacy for services and facilities for the community; and
- Various renewals of Councils Community Wastewater Management Systems.

The Council's priorities for 2018-19 are:

- Continue with Councils road maintenance, renewal and upgrade program;
- Continuation of township upgrades based on the Port MacDonnell and River and Coastal Master Plans;
- Economic development initiatives including an industry investment attraction, industry forums and international engagement;
- Upgrade of the Donovan's and Dry Creek Boat Ramps;
- Treatment and irrigation system for Donovans CWMS; and
- Completion of The Waterfront Project

5. Continuing Services

All Councils have basic responsibilities under the Local Government Act and other relevant legislation. These include:

- Regulatory activities e.g. maintaining the voters roll and supporting the Elected Members;
- Setting rates, preparing an annual budget and determining longer-term strategic management plans for the area;
- Management of basic infrastructure including roads, footpaths, parks, public open space, street lighting and storm-water drainage;
- Street cleaning and rubbish collection;
- Development planning and control, including building safety assessment;
- Various environmental health services.

In response to community needs the Council also provides further services and programs including:

- Libraries and Rural Transaction Centres
- Youth Development
- Public Health and Safety
- Animal Management Services
- Community and Sporting Facilities
- Economic Development
- Environmental Plans and Projects
- Community and Cultural Development

In all services the Council seeks to be responsive to changing needs. Regular community surveys are undertaken to check levels of satisfaction and areas for improvement.

The Council also operates a number of facilities on a fee for service basis. These provide important community benefits while also generating revenue for services and projects of benefit to the District Council of Grant:

- Animal management fees
- Property Information Searches
- Development Application fees
- Airport fees; including passenger levy, hangar rental and aircraft operating licence fees
- Saleyards fees
- Leases and licences associated with use of council buildings and property
- Road Rents
- Cemetery charges
- Rubbish Dump/Waste Transfer Station fees
- Mobile Food Vending Licence fees
- Fish buyers licences
- Private works carried out for ratepayers and other government departments

The Draft Annual Business Plan does not propose to reduce our services or staff and will increase the service level provided to residents by a higher injection of funds in the road maintenance area.

6. Project Priorities for the Year

Council's planned priorities for capital expenditure in 2018-19 are set out in the table below.

Admin Office - Security & Fire Alarm Upgrade	5,000
Town Entrance Signage	12,609
Nene Valley Shelter & Bench Seat	19,032
Racecourse Bay - Shelter & Carpark	34,203
Expansion of MGB Collection Area	25,481
Dry Creek Ramp	67,509
Viewing Platform - The Waterfront	51,931
Toilet Screen - Waterfront	8,000
Upgrade Donovans Boatramp to floating pontoons	119,109
Installation of treatment system & irrigation - Donovans CWMS	250,000
The Waterfront Project	292,500
Saleyards Improvements	28,000
Road Program	1,481,675
TOTAL	2,395,049

For further details on capital expenditure for 2018-19 please refer to appendix 1.

7. Measuring Performance - Objectives for the Year

The Draft Annual Business Plan has been prepared to deliver the following Council objectives for the 2018-19 year:

Infrastructure:

- Regional and local transport infrastructure planning and provision, including Mount Gambier Airport.
- Implementation of adopted Port MacDonnell, River and Coast, and Tarpeena Master Plans

Economic Development:

- Promote tourism planning opportunities in the district.
- Assist businesses in value adding and diversification in all primary industries.

Community Development and Support:

- Continued advocacy to all levels of government for services, facilities and projects for the community (health, medical services, infrastructure, telecommunications, etc).

Governance:

- Promote participation in leadership governance and other training programs for Elected Members and senior staff.
- Maintain and regularly update the Council website regarding Council's services, facilities and projects.
- Financial sustainability and accountability
- Continued assessment of business systems and approach throughout Council.

Quality Environment:

- Sustainable approach to coastal protection strategies
- Sustainable Community Waste Management Systems implemented and maintained
- Sustainable Waste Management Services.

Financial indicators

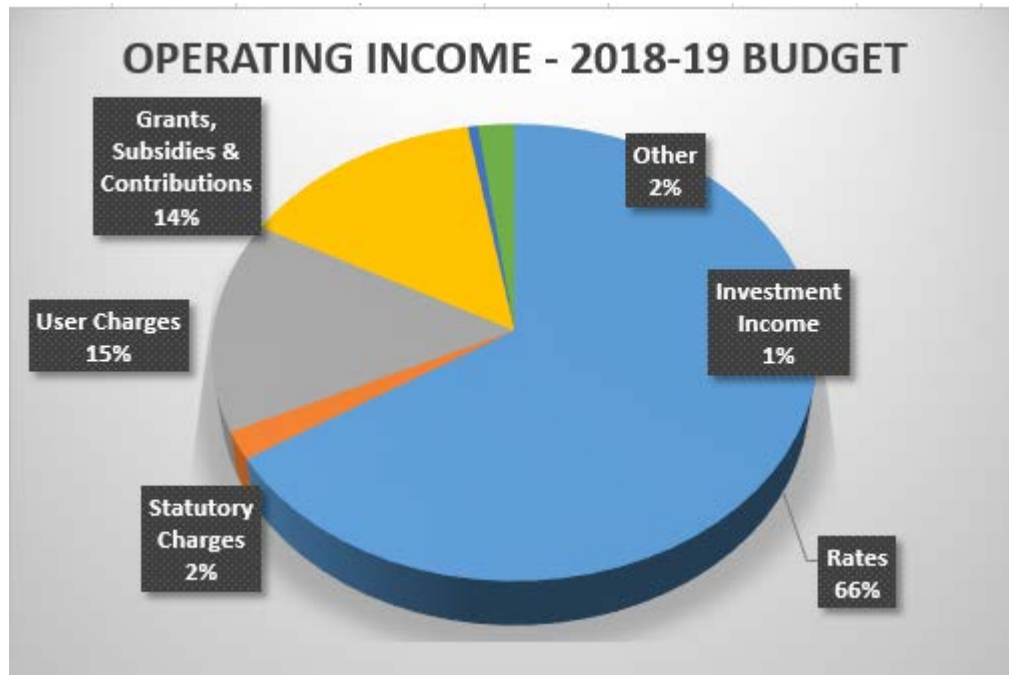
The Local Government sector in South Australia has adopted a set of financial indicators which provide a measure of the financial sustainability of Council's financial performance and position over time. Longer term targets for all indicators are being developed in conjunction with the development of the Long Term Financial Plan. Appendix 4 of this Draft Annual Business Plan provides an explanation of the basis for the indicators and what they tell us about the financial performance and position of the Council.

8. Funding the Business Plan

The plan will deliver a \$54,805 Operating Deficit (before capital amounts) for the 2018-19 year.

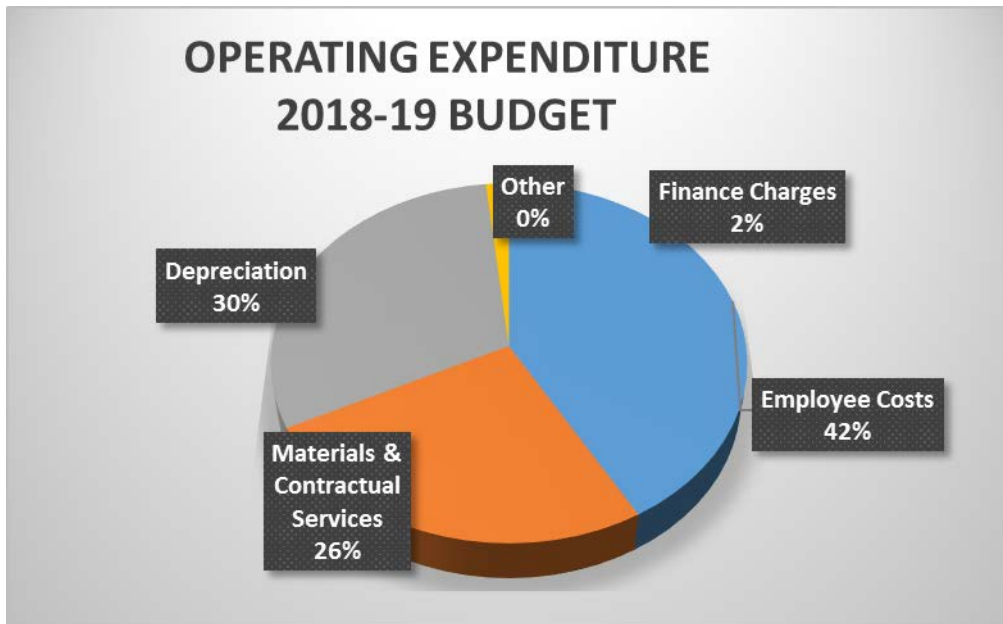
The Council's long-term financial sustainability is dependent on ensuring that, on average over time, its expenses are less than its revenue.

The following chart and table highlights the sources of revenue for 2018-19.



OPERATING INCOME	2018-19 BUDGET
Rates	9,639,640
Statutory Charges	285,662
User Charges	2,172,672
Grants, Subsidies & Contributions	2,081,805
Investment Income	87,000
Other	308,758
TOTAL	14,575,537

The following chart and table provide a breakdown of the services for which expenditure is planned in 2018-19



OPERATING EXPENDITURE	2018-19 BUDGET
Employee Costs	6,096,254
Materials & Contractual Services	3,813,717
Depreciation	4,470,685
Finance Charges	249,685
Other	-
TOTAL	14,630,342

User Pay charges set by Council. These comprise charges for the Council's fee based facilities such as CWMS, Garbage Collection, Saleyards and Airport. Most of the above mentioned facilities operate on a self-funded basis where revenues are offset by costs and any balance is kept in a reserve account.

Statutory Charges set by State Government. These are fees and charges set by regulation and collected by the Council for regulatory functions such as assessment of development applications. Revenues will generally off-set the cost of the service.

Grants and Partnerships. The Council normally seeks to attract as much grant funding as possible from other levels of government, and major projects of wider State benefit are usually jointly funded in partnership with the State Government and other relevant parties.

Impact on Council's Financial Position

Council's Debt Policy is to confine long term borrowings to Capital items, while debt servicing (repayment of principal and interest) shall not exceed 20% of total annual General Rate Revenue.

An amount of \$255,685 is required to service Council's loans for the 2018-19 financial year. This figure represents 2.7% of Council's general rate revenue for the 2018-19 financial year. There are no new council loans planned for 2018-19.

Appendix 1: Capital Expenditure

DISTRICT COUNCIL OF GRANT
2018-19 Budget
CAPEX

DESCRIPTION	BUDGET 2017-18	Forecast as per LTFP 2018-19	BUDGET 2018-19
<i>Renewals</i>			
<u>Land & Buildings</u>			
Buildings Masterplan	152,446	103,500	
	152,446	103,500	-
<u>ITC & Office Fittings</u>			
IT Upgrades	101,500	55,205	125,600
Office Furniture Replacements	5,000	5,090	5,000
	106,500	60,295	130,600
<u>Plant & Equipment</u>			
Plant Replacement Program as attached	1,232,093	1,071,107	1,137,601
	1,232,093	1,071,107	1,137,601
<u>Infrastructure</u>			
Road Program as attached	1,188,368	1,800,000	1,226,023
	1,188,368	1,800,000	1,226,023
<u>CWMS</u>			
Various Renewals	113,000	91,000	
Replacement Pumps - Cape Douglas CWMS			7,000
Replacement Pumps, Shed & Scouring System - Port MacDonnell CWMS			65,000
Replacement Pumps - Tarpeena CWMS			12,000
Replacement of Pump Station Controllers & Enclosure - Allendale East CWMS			116,000
	113,000	91,000	200,000
<u>Other Structures</u>			
Tourist Signage	15,000		15,000
Open Space Masterplan		8,000	
	-	8,000	-
<u>Airport</u>			
as per attached	271,008	154,305	171,824
	271,008	154,305	171,824
<u>Saleyards</u>			
as per attached	172,872	-	289,600
	172,872	-	289,600
Total Renewals	3,243,787	3,288,207	3,163,147

Appendix 1: Capital Expenditure (cont).

DISTRICT COUNCIL OF GRANT			
2018-19 Budget			
CAPEX Cont.			
DESCRIPTION	BUDGET 2017-18	Forecast as per LTFP 2018-19	BUDGET 2018-19
<u>New/Upgrades</u>			
Admin Office - Security & Fire Alarm Upgrade			5,000
Install Bio Bin to recycle fish waste			-
Town Entrance Signage			12,609
Nene Valley Shelter & Bench Seat			19,032
Racecourse Bay - Shelter & Carpark			34,203
Expansion of MGB Collection Area			25,481
Dry Creek Ramp			67,509
Upgrade Donovans Boatramp to floating pontoons			119,109
Viewing Platform - The Waterfront			51,931
Toilet Screen - Waterfront			8,000
Installation of treatment system & irrigation - Donovans CWMS			250,000
Town Entrance Signage	13,869		
Donovans Landing - seating, fish cleaning & solar lighting	30,975		
Donovans Boatramp Upgrade	117,600		
The Waterfront	585,000	292,500	292,500
CWMS upgrades	-	90,000	
Road Program	1,689,253	1,342,722	1,481,675
Airport	85,000	200,000	-
Saleyards	63,300	44,000	28,000
	2,584,997	1,969,222	2,395,049
<u>Loan Repayments - Principal</u>			
<u>Council</u>			
Hammonds Drain	9,089	9,708	9,708
Allendale East CWMS	12,380	13,185	13,185
Road Construction	25,027	26,739	26,739
Offshore Angling	3,231	3,454	3,454
Road Construction	35,368	37,931	37,931
Carpenter Rocks WT	7,147	7,615	7,615
Nene Valley WTS	7,723	8,229	8,229
Plant Replacement	11,527	12,283	12,283
PM Comm Complex	12,635	13,397	13,397
Plant Replacement	50,762	53,723	53,723
Road Construction	51,929	54,532	54,532
Donovans CWMS	24,234	25,448	25,448
Plant Replacement	45,451	48,032	48,032
Road Infrastructure	32,590	34,007	34,007
	329,093	348,283	348,283
<u>Self Supporting</u>			
PM Bowling Club	13,199	13,955	13,955
Mt Gambier Harnes	2,972	3,117	3,117
Port MacDonnell Football Club	8,625	8,938	8,938
PM Bowling Club	5,511	11,334	11,334
Cape Douglas CWMS	5,594	5,874	5,874
	35,901	43,218	43,218
<u>Saleyards</u>			
Effluent System	41,640	44,464	44,464
Yard Matting	12,627	13,494	13,494
Scales Redevelopment	48,402	51,349	51,349
Pavement Upgrade	21,932	22,885	22,885
	124,601	132,192	132,192
Total Loan Repayments	489,595	523,694	523,694

Appendix 1: Capital Expenditure (cont).

DISTRICT COUNCIL OF GRANT
2018-19 Budget
CAPEX Cont.

DESCRIPTION	BUDGET 2017-18	Forecast as per LTFP 2018-19	BUDGET 2018-19
Capital income			
Income from Vehicle Trade-ins			
Plant Replacement Program - Council	(579,799)	(628,525)	(705,499)
Plant Replacement Program - Airport	(161,453)	(136,941)	(137,727)
Plant Replacement Program - Saleyards	(46,310)	(38,261)	(55,091)
	(787,562)	(803,727)	(898,317)
Grant Funding			
SLRP	(197,269)	(250,000)	(200,529)
Black Spot	(251,141)		-
HVSPP Funding			(49,109)
Road Contributions	(95,126)		
Fish Waste Recycling - Zero Waste			-
Saleyards	(20,000)	(15,000)	(88,845)
Airport	-	(75,000)	-
Dry Creek Ramp			(33,755)
Upgrade Donovans Boatramp to floating pontoons			(59,554)
Donovans Landing - seating, fish cleaning & solar lighting	(13,975)		
Donovans Boatramp Upgrade	(100,000)		
The Waterfront	(292,500)		
	(970,011)	(340,000)	(431,792)
	(1,757,573)	(1,143,727)	(1,330,109)
TOTAL NET EXPENDITURE	4,560,806	4,637,396	4,751,781

Appendix 1: Capital Expenditure (cont).

**District Council of Grant
2018-19 Budget
ROAD CONSTRUCTION**

Job No	Road	Locality	Description	Total	Renewal	New	Grants
A5199	Mingbool Rd	Mingbool	Reconstruct & Seal 2000 x 9 x .200 mm (50 % special local roads)	\$ 401,057		\$ 401,057	\$200,529
A5608	Hay Tce	Kongorong	Kerb & Channell 300 meters of Hay Tce (Final Section)	\$ 155,869		\$ 155,869	
A5199	Carpenters Rocks Rd	Carpenter Rocks	Kerb & Channell 300 meters	\$ 189,543		\$ 189,543	
A5193	Pelican Pt Rd	Pelican Point	Kerb & Channelling for remaining 80 meters	\$ 49,041		\$ 49,041	
A5608	McKay Rd	Compton	Construct & Seal 600 meters from Hill View Lne to Carp Rocks Rd , install kerbing & medians for traffic Control	\$ 151,154		\$ 151,154	
A5649	Albinia Tce West	Tarpeena	Kerb & Channell 330 meters from Riddoch Highway to Anne St Kerb on Northern Side only	\$ 171,937		\$ 171,937	
A5631	Buchanan Rd	Worrolong	Constuct & seal 500 x 7 x .200 of Buchanan Rd	\$ 75,614		\$ 75,614	
A5232	Cafpirco Rd	Compton	for HVSPF funding 50 % . Start before July 2019 and finish June 2021 3 financial years	\$ 98,218		\$ 98,218	\$ 49,109
A5405	Glenelg Ave.	Donovans	Kerb & Channell 90 meters	\$ 76,050		\$ 76,050	
A5077	Preece Rd inter	Mingbool	Construct & Seal intersection for approx 30 meters	\$ 9,843		\$ 9,843	
B0594	Bright Rd	Moorak	Resheet Bright Rd From Talbot to Wynham Rd 1800 x 6 x .150 mm	\$ 57,931	\$ 57,931		
B0548	Burnda Rd	Moorak	Resheet Burnda Rd from Mitchell Rd To Carp Rocks Rd 2300 x 6 x .200	\$ 78,397	\$ 78,397		
B0174	Christians Rd	Allendale East	Resheet 1500 x 4.5 x .150 mm (Start at last house and head east)	\$ 35,346	\$ 35,346		
B0123	GrundysLane (south)	Eight Mile Creek	0	\$ 31,693	\$ 31,693		
B0005	Carney Lake	Wandillo	Resheet 2300 x 6 x .200mm Wandilo Forest to Grundys Lane	\$ 74,724	\$ 74,724		
B0119	Pannells Rd	Allendale East	Resheet 2000 x 5 x .150mm (2 sections 1st starting at Megaw Lne 1 km 2nd starting near Wash Lane)	\$ 45,960	\$ 45,960		
B0014	SchutzRd	Burrungle	Resheet 1500x 5 x .150mm	\$ 32,635	\$ 32,635		
B0545	Hollis Rd	Compton	Resheet Hollis Rd 900 x 6 x .150 mm (Walsgott rd to Fennell Forestry)	\$ 29,066	\$ 29,066		
B0546	Walsgott Rd	Compton	Resheet Walsgott Rd 800 x 5 x .150mm (Stafford Rd to Hollis rd)	\$ 21,385	\$ 21,385		
A7900	Reseals	Various	Various Resealing	\$ 400,000	\$ 400,000		
B0501	Sunnybrae Rd	Suttontown	Resheet 800 meters Sunny Brae Rd (Airport Rd to Finwood Mill)	\$ 27,570	\$ 27,570		
B0548	Ponda Rd	Mingbool	Resheet 1500 m x 6 x .150 mm Mingbool to Bruhns Driveway	\$ 42,350	\$ 42,350		
B0002	Gums Rd	Kongorong	Resheet 3000 x 6 x .150mm , plus .025 Attiwills Scalps	\$ 88,074	\$ 88,074		
B0124	Sewarts Rd	Allendale East	Resheet 2000 x 6 x .100mm plus .025 mm Attiwills Quarry Scalps	\$ 53,720	\$ 53,720		
B0100	Stock Route Rd	Allendale East	Resheet 1500 x7 x .200 mm seal first 600 meters around sink hole	\$ 103,350		\$ 103,350	
B0216	Crowes Rd	Kongorong	Resheet 2000 x 5 x .150mm	\$ 44,022	\$ 44,022		\$254,435
B0522	Heaver Rd	Compton	Resheet 1600 x 5 x .150mm	\$ 40,662	\$ 40,662		
B0560	Three Chain Rd	Dismal Swamp	Resheet 2000 x 6 x .150mm	\$ 60,671	\$ 60,671		
B0004	Coola Rd	Kongorong	Resheet 500 x 6 x .150mm plus seal intersection	\$ 20,481	\$ 20,481		
B0564	Medhurst Rd	Wepar	Resheet 1300 x 6 x .150mm	\$ 41,338	\$ 41,338		
	Total			\$2,707,697	\$1,226,023	\$1,481,675	\$504,073

Appendix 1: Capital Expenditure (cont).

DISTRICT COUNCIL OF GRANT								
2018/2019 BUDGET								
CAPITAL PLANT PURCHASES								
Asset ID	Asset Name	Current Vehicle Details	Allocation	Purchase Details	Qty	Total Cost	Income From Trade	Changeover
HEAVY PLANT REPLACEMENT								
F.P316	Trucks	Isuzu FSR850 Truck			1	\$123,526	\$37,058	\$86,468
F.P317	Trucks	Isuzu FSR850 Truck			1	\$123,526	\$37,058	\$86,468
F.P320	Trucks	Isuzu NNR200 Truck (2m)			1	\$69,686	\$21,000	\$48,686
LIGHT PLANT REPLACEMENT								
F.P396	Mowers	Kubota F3690 36HP 4WD Outfront Mower			1	\$31,610	\$9,483	\$22,127
COMMERCIAL VEHICLE REPLACEMENT								
F.002148	Commercial Vehicles	Toyota Hilux 4x4 Dual Cab Utility	Martin Brown	Buy Back - NBT	3	\$110,455	\$105,000	\$5,455
F.002145	Commercial Vehicles	Toyota Hilux 4x4 Dual Cab Utility	Neil Grubb	Buy Back - NBT	3	\$110,455	\$105,000	\$5,455
F.002149	Commercial Vehicles	Toyota Hilux 4x4 Dual Cab Utility	Matthew Little	Buy Back - NBT	3	\$110,455	\$105,000	\$5,455
F.002056	Commercial Vehicles	Toyota Hilux 4x4 Dual Cab Utility	Works Pool	Buy Back - NBT	1	\$39,657	\$30,909	\$8,748
F.P397	Commercial Vehicles	Mitsubishi Triton Single Cab 4x4 Utility	Signs		1	\$35,000	\$15,000	\$20,000
F.P398	Commercial Vehicles	Toyota Hilux Workmate 4x2 Single Cab Utility			1	\$20,549	\$10,274	\$10,274
F.P399	Commercial Vehicles	Toyota Hilux Single Cab 4x2 Tray Top Utility			1	\$20,549	\$10,274	\$10,274
F.P407	Commercial Vehicles	Ford Ranger 4x2 C/C XL Single Cab Utility	Jim Cram		1	\$26,433	\$15,860	\$10,573
F.P394	Commercial Vehicles	Ford Ranger PX XL 4x2 Single Cab Utility			1	\$23,054	\$12,320	\$10,734
MANAGER & PASSENGER VEHICLE REPLACEMENT								
F.002151	Passenger/Manager Vehicles	Ford Ranger PU XLT 4x4 Crew Cab Utility	Mayor		1	\$47,832	\$32,765	\$15,067
F.002150	Passenger/Manager Vehicles	Ford Everest MY SUV	Trevor Smart		1	\$46,057	\$34,542	\$11,515
F.002050	Passenger/Manager Vehicles	Hyundai TL Tucson	Nicole Dodds		1	\$27,415	\$16,449	\$10,966
F.002208	Passenger/Manager Vehicles	Holden CG Captiva 7 3.0L LTZ AWD Auto Wagon	Leith McEvoy		1	\$30,541	\$17,408	\$13,133
F.002052	Passenger/Manager Vehicles	Toyota Corolla Hatch CV Ascent Sport	Environmental Services Pool		1	\$20,260	\$13,327	\$6,933
F.002078	Passenger/Manager Vehicles	Toyota Corolla Hatch CV Ascent Sport	Shannon Dyer/Pool Car		1	\$20,585	\$13,491	\$7,093
F.002074	Passenger/Manager Vehicles	Mazda CX5 AWD Wagon	Marianne Tucker		1	\$32,034	\$20,822	\$11,212
F.001926	Passenger/Manager Vehicles	Holden VF Commodore 3.0L Evoke Sedan Auto MY16	Mike Ryan		1	\$32,189	\$16,095	\$16,095
F.001921	Passenger/Manager Vehicles	Toyota Rav4 Petrol 6A GXL AWD	Jane Fetherstonhaugh	Buy Back - NBT	1	\$35,735	\$26,363	\$9,372
MOUNT GAMBIER AIRPORT								
F.002152	Mount Gambier Airport	Toyota Hilux 4x4 Dual Cab Utility	Ian Fritsch	Buy Back - NBT	3	\$110,455	\$105,000	\$5,455
F.001815	Mount Gambier Airport	Toyota Hilux 4x4 Dual Cab Utility	Adam Branford	Buy Back - NBT	1	\$38,669	\$32,727	\$5,942
MOUNT GAMBIER SALEYARDS								
F.002057	Mount Gambier Saleyards	Mazda BT-50 3.2L GT Utility	Peter Mitchell		1	\$48,000	\$36,000	\$12,000
F.000340	Mount Gambier Saleyards	Bobcat S185 Loader	-		1	\$62,450	\$19,091	\$43,359
TOTAL						\$1,397,175	\$898,317	\$498,858

Appendix 1: Capital Expenditure (cont).

DISTRICT COUNCIL OF GRANT			
Mount Gambier Airport			
CAPEX - 2018-19 Budget			
DESCRIPTION	2017-18	2018-19	2018-19
	Budget	Forecast as per LTFP	Budget
Capital Renewals			
<u>IT & Furniture</u>			
Monitor Upgrades	600		600
iPhone Replacements	2,200		-
Furniture	2,000		
Free WiFi Project	1,000		
Wireless Network Upgrade			1,000
Upgraded Cisco C891F-K9 Router for NBN connection			900
Desktop Computers			2,200
	5,800	-	4,700
<u>Plant & Equipment</u>			
Mangers vehicle - 3 x vehicles changed over @15,000km	110,455	154,305	110,455
Airport Support vehicle - 12 month buyback	36,818		38,669
Fuel Truck	45,455		
Mower	18,480		
	211,208	154,305	149,124
<u>Buildings</u>			
Airport House (Lot 4) - Verandah	4,000		
Replace Floor Coverings - Terminal	20,000		
Repaint Terminal	8,000		
	32,000	-	-
<u>Infrastructure & Other Structures</u>			
Kerbing & Landscaping	2,000		18,000
Bitumise Car Rental Area (staged project)	20,000		
	22,000	-	18,000
Total Renewals	271,008	154,305	171,824
Upgrades			
Airport Lighting Control System		150,000	
Rental Vehicle Carparking Consolidation		50,000	
Upgrade Baggage Area	60,000		
Upgrade Toilets - Terminal	25,000		
Total Upgrades	85,000	200,000	-
TOTAL CAPEX	356,008	354,305	171,824

Appendix 1: Capital Expenditure (cont).**DISTRICT COUNCIL OF GRANT****Mount Gambier Airport****CAPEX - 2018-19 Budget cont.**

DESCRIPTION	2017-18	2018-19	2018-19
	Budget	Forecast as per LTFP	Budget
Capital Income			
<u>Income from Vehicle Trade-ins</u>			
Mangers vehicle - 3 x vehicles changed over @15,000km	(105,000)	(136,941)	(105,000)
Airport Support vehicle - 12 month buyback	(32,727)		(32,727)
Fuel Truck	(18,182)		
Mower	(5,544)		
	(161,453)	(136,941)	(137,727)
<u>Grant Funding</u>			
Airport Lighting Control System		(75,000)	
	-	(75,000)	-
	(161,453)	(211,941)	(137,727)
NET Capital Expenditure	194,555	142,364	34,097

Appendix 1: Capital Expenditure (cont).

DISTRICT COUNCIL OF GRANT			
Mount Gambier & Districts Saleyards			
2018-19 Budget CAPEX			
DESCRIPTION	2017-18	2018-19	2018-19
	Budget	Forecast as per LTFP	Budget
Renewals			
<u>Land & Buildings</u>			
Administration Building (Air Conditioner)	1,500		
Administration Building - Canteen (Air Conditioner)			5,000
Administration Building (Painting)			
Administration Building (Electrical Switchboard)			
Administration Building (Various Renewals) (Plumbing Admin & Wshop)		10,000	6,000
	1,500	10,000	11,000
<u>ITC & Office Fittings</u>			
Desktop Computer Replacements			-
Printer Replacements (Note: Canon to be leased)	1,300		650
Monitor Replacements	600	600	600
Mobile Phone Replacements	2,200		
Upgraded Communications link Weighbridge			5,000
Upgraded Router for NBN connection			900
Other IT (Including Contingency)		3,194	
	4,100	3,794	7,150
<u>Plant & Equipment</u>			
Kawasaki 4 ATV Bike - KFL 300			
Ford 4130 Tractor			
Bobcat S70 Skid Steer Loader			
Bobcat S185 Loader			62,450
Honda TRX420TM1 ATV			
Mazda BT-50 3.2L GT Utility (Manager)	43,005	44,257	48,000
PX Ranger XL Utility (Supervisor)	21,267		
Can-Am Outlander L 450			
Pumps			
Canteen Stove			
Canteen Bain Marie		5,000	
Defibrillator			-
	64,272	49,257	110,450
<u>Infrastructure</u>			
Carpark Reseal			
Truck Parking Area Reseal			
	-	-	-
<u>Other Structures</u>			
Cattle Yards Rubber Matting	50,000	130,000	130,000
Buyers Walkway	40,000	10,000	15,000
Hoist Renewals	8,000	5,000	6,000
Fence Renewal Program	5,000	5,000	5,000
Yards Renewal Program		10,000	
Cattle Crush		5,000	5,000
Cattle Ramp Remedial Works	20,000		
	123,000	165,000	161,000
Total Renewals	192,872	228,051	289,600

Appendix 1: Capital Expenditure (cont).

DISTRICT COUNCIL OF GRANT			
Mount Gambier & Districts Saleyards			
2018-19 Budget CAPEX cont.			
DESCRIPTION	2017-18	2018-19	2018-19
	Budget	Forecast as per LTFP	Budget
<i>New/Upgrades</i>			
Cattle Ramp Upgrades (Side Loader)			10,000
Security Cameras		30,000	
Floating Pump for final Effluent Settling Pond	16,800		18,000
Desktop Computer for Buyers Office	1,500		
Communications Upgrade (Link to Weighbridge)	5,000		
Hand Held Scanner		14,000	
	23,300	44,000	28,000
<i>Loan Repayments - Principal</i>			
Effluent System	41,640	44,464	44,464
Yard Matting	12,627	13,494	13,494
Scales Redevelopment	48,402	51,349	51,349
Pavement Upgrade	21,932	22,885	22,885
	124,601	132,192	132,192
<i>Capital income</i>			
<i>Income from Vehicle Trade-ins</i>			
Kawasaki 4 ATV Bike - KFL 300			
Ford 4130 Tractor			
Bobcat S70 Skid Steer Loader			(19,091)
Cub Cadet GT2550 Ride On Mower		(642)	
Bobcat S185 Loader			
Honda TRX420TM1 ATV			
Mazda BT-50 3.2L GT Utility (P Mitchell)	(36,554)	(37,619)	(36,000)
PX Ranger XL 4x2 Utility (D Aston)	(9,756)		
Can-Am Outlander L 450			
	(46,310)	(38,261)	(55,091)
<i>Grant Funding</i>			
Cattle Ramp Upgrades			(88,845)
Security Cameras		(15,000)	
Pen Reconfigurations			
Cattle Yards Roofing			
Rainwater Catchment			
Solar			
	-	(15,000)	(88,845)
	(46,310)	(53,261)	(143,936)
TOTAL NET EXPENDITURE	294,463	350,982	305,856

Appendix 2: Budgeted Financial Statements 2018-19

District Council of Grant				
2018-19 Budget				
STATEMENT OF COMPREHENSIVE INCOME				
Year Ended 30 June:	2016-17	2017-18	2018-19	2018-19
	Actual	Budget	Forecast as per LTFF	Budget
Operating Revenue				
Rates	9,103,897	9,366,400	9,599,653	9,639,640
Statutory Charges	254,075	271,881	278,134	285,662
User Charges	2,076,000	2,246,093	2,297,753	2,172,672
Grants, Subsidies & Contributions	2,162,000	1,906,915	1,950,774	2,081,805
Reimbursements	204,000	78,805	80,616	38,523
Investment Income	80,740	72,000	73,656	87,000
Other	573,000	265,389	271,495	270,235
Total Operating Revenue	14,453,711	14,207,484	14,552,082	14,575,537
Operating Expenses				
Employee Costs	5,633,000	5,857,268	5,966,194	6,096,254
Materials & Contractual Services	4,059,000	3,658,928	3,742,715	3,813,717
Depreciation	4,305,085	4,380,615	4,477,709	4,470,685
Finance Charges	292,166	282,023	249,685	249,685
Other	0	0	0	0
Total Operating Expenses	14,289,252	14,178,833	14,436,303	14,630,342
Operating Surplus/(Deficit)	164,460	28,650	115,779	(54,805)
Fair Value Adjustment				
Net Gain(Loss) on Disposal or Revaluation of Assets	(256,000)	0	0	0
Physical Resources Free of Charge	259,000			
Amounts received specifically for new or upgraded assets	824,000	977,511	340,000	431,792
NET SURPLUS / (DEFICIT)	991,460	1,006,161	455,779	376,987
Other Comprehensive income				
Changes in revaluation surplus - Infrastructure, property, plant & equipment	(5,162,000)	0	0	0
TOTAL COMPREHENSIVE INCOME	(4,170,540)	1,006,161	455,779	376,987

Appendix 2: Budgeted Financial Statements 2018-19(Cont...)

District Council of Grant
2018-19 Budget
ESTIMATED CASH FLOW STATEMENT

Year Ended 30 June:	2016-17	2017-18	2018-19	2018-19
CASH FLOWS FROM OPERATING ACTIVITIES	Actual	Budget	Forecast	Budget
<u>Receipts</u>				
Rates	9,075,000	9,366,400	9,599,653	9,639,640
Statutory Charges	274,000	271,881	278,134	285,662
User Charges	2,165,000	2,246,093	2,297,753	2,172,672
Grants, Subsidies & Contributions	2,324,000	1,906,915	1,950,774	2,081,805
Reimbursements	224,000	78,805	80,616	38,523
Investment Income	144,000	72,000	73,656	87,000
Other	1,988,000	265,389	271,495	270,235
<u>Payments</u>				
Employee Costs	(5,697,000)	(5,857,268)	(5,966,194)	(6,096,254)
Materials & Contractual Services	(5,850,000)	(3,658,928)	(3,742,715)	(3,813,717)
Finance Charges	(311,000)	(282,023)	(249,685)	(249,685)
Other	0	0	0	0
Net Cash provided by (or used in) Operating Activities	4,336,000	4,409,265	4,593,488	4,415,880
CASH FLOWS FROM INVESTING ACTIVITIES				
<u>Receipts</u>				
Amounts Specifically for New/Upgraded Assets	824,000	970,011	340,000	431,792
Sale of Renewed/Replaced Assets	843,000	787,562	803,727	898,317
Repayment of Loans from Community Groups		28,027	43,218	30,462
<u>Payments</u>				
Expenditure on Renewal/Replacement of Assets	(2,870,000)	(3,243,787)	(3,288,207)	(3,163,147)
Expenditure on New/Upgraded Assets	(1,546,000)	(2,584,997)	(1,969,222)	(2,395,049)
Loans made to Community Groups	(153,000)	0		
Net Cash Provided by (or used in) Investing Activities	(2,902,000)	(4,043,184)	(4,070,484)	(4,197,625)
CASH FLOWS FROM FINANCING ACTIVITIES				
<u>Receipts</u>				
Proceeds from Borrowings	100,000			
<u>Payments</u>				
Repayments of Borrowings	(353,000)	(484,084)	(523,694)	(523,694)
Net Cash provided by (or used in) Financing Activities	(253,000)	(484,084)	(523,694)	(523,694)
Net Increase/(Decrease) in cash held	1,181,000	(118,002)	(690)	(305,439)
Opening cash, cash equivalents or (bank overdraft)	3,764,000	4,156,242	4,038,240	4,037,550
Closing cash, cash equivalents or (bank overdraft)	4,945,000	4,038,240	4,037,550	3,732,111

Appendix 2: Budgeted Financial Statements 2018-19(Cont...)

District Council of Grant
2018-19 Budget
ESTIMATED BALANCE SHEET

Year Ended 30 June:	2016-17	2017-18	2018-19	2018-19
	Actual	Budget	Forecast as per LTFP	Budget
ASSETS				
Current Assets				
Cash & Equivalent Assets	4,945,000	4,038,240	4,037,550	3,732,111
Trade & Other Receivables	1,305,000	935,291	892,073	861,611
Inventories	207,000	100,000	100,000	100,000
Sub-total	6,457,000	5,073,531	5,029,623	4,693,722
Non-current assets held for sale	0	0	0	0
Total Current Assets	6,457,000	5,073,531	5,029,623	4,693,722
Non-Current Assets				
Receivables	248,000	0	0	0
Infrastructure, Property, Plant & Equipment	115,142,000	119,368,658	119,344,651	119,533,846
Inventories				
Other Non-Current Assets				
Total Non-Current Assets	115,390,000	119,368,658	119,344,651	119,533,846
Total Assets	121,847,000	124,442,189	124,374,274	124,227,567
LIABILITIES				
Current Liabilities				
Trade & Other Payables	1,482,000	1,000,000	1,000,000	1,000,000
Borrowings	484,000	433,146	523,694	523,694
Provisions	975,000	955,000	955,000	955,000
Other Current Liabilities				
Sub-total	2,941,000	2,388,146	2,478,694	2,478,694
Liabilities Relating to Non-Current Assets held for sale	0	0	0	0
Total Current Liabilities	2,941,000	2,388,146	2,478,694	2,478,694
Non-Current Liabilities				
Trade & Other Payables				
Borrowings	4,619,000	4,240,379	3,626,137	3,102,444
Provisions	21,540	100,000	100,000	100,000
Other Non-Current Liabilities				
Total Non-Current Liabilities	4,640,540	4,340,379	3,726,137	3,202,444
Total Liabilities	7,581,540	6,728,525	6,204,831	5,681,137
NET ASSETS	114,265,460	117,713,664	118,169,443	118,546,430
EQUITY				
Accumulated Surplus	35,319,460	32,665,371	35,828,939	36,205,925
Asset Revaluation Reserve	77,011,000	82,340,505	82,340,505	82,340,505
Other Reserves	1,935,000	2,707,788	0	0
TOTAL EQUITY	114,265,460	117,713,664	118,169,444	118,546,430

Appendix 2: Budgeted Financial Statements 2018-19(Cont...)

District Council of Grant 2018-19 Budget ESTIMATED STATEMENT OF CHANGES IN EQUITY				
Year Ended 30 June:	2016-17	2017-18	2018-19	2018-19
	Actual	Budget	Forecast as per LTFP	Budget
ACCUMULATED SURPLUS				
Balance at end of previous reporting period	34,373,000	31,659,210	32,665,371	35,828,939
Net Result for Year	991,460	1,006,161	455,779	376,987
Transfers to Other Reserves	(45,000)		2,707,788	
Transfers from Other Reserves				
Balance at end of period	35,319,460	32,665,371	35,828,939	36,205,925
ASSET REVALUATION RESERVE				
Balance at End of Previous Reporting Period	82,173,000	82,340,505	82,340,505	82,340,505
Gain on Revaluation of Infrastructure, Property, Plant & Equipment	(5,162,000)	0		
Transfer to Accumulated Surplus on Sale of Property, Plant & Equipment				
Balance at end of period	77,011,000	82,340,505	82,340,505	82,340,505
OTHER RESERVES				
Balance at end of previous reporting period	1,890,000	2,707,788	2,707,788	0
Transfers from Accumulated Surplus	45,000		(2,707,788)	
Transfers to Accumulated Surplus				
Balance at end of period	1,935,000	2,707,788	-	-
TOTAL EQUITY AT END OF REPORTING PERIOD	114,265,460	117,713,664	118,169,444	118,546,430

Appendix 2: Budgeted Financial Statements 2018-19(Cont...)

District Council of Grant				
2018-19 Budget				
UNIFORM PRESENTATION OF FINANCES				
Year Ended 30 June:	2016-17	2017-18	2018-19	2018-19
	Actual	Budget	Forecast as per LTFP	Budget
Income	14,453,711	14,207,484	14,552,082	14,575,537
/less Expenses	14,289,252	14,178,833	14,436,303	14,630,342
Operating Surplus / (Deficit)	164,460	28,650	115,779	(54,805)
/less Net Outlays on Existing Assets				
Capital Expenditure on renewal and replacement of Existing Assets	2,870,000	3,243,787	3,288,207	3,163,147
less Depreciation, Amortisation and Impairment	(4,305,085)	(4,380,615)	(4,477,709)	(4,470,685)
Proceeds from Sale of Replaced Assets	(843,000)	(787,562)	(803,727)	(898,317)
	(2,278,085)	(1,924,390)	(1,993,228)	(2,205,855)
/less Net Outlays on New and Upgraded Assets				
Capital Expenditure on New and Upgraded Assets <i>(including investment property & real estate developments)</i>	1,546,000	2,584,997	1,969,222	2,395,049
Amounts received specifically for New and Upgraded Assets	(824,000)	(970,011)	(340,000)	(431,792)
Proceeds from Sale of Surplus Assets <i>(including investment property and real estate developments)</i>	0	(787,562)	(803,727)	(898,317)
	722,000	827,424	825,495	1,064,940
NET LENDING / (BORROWING) FOR YEAR	1,720,545	1,125,617	1,283,512	1,086,110

Appendix 2: Budgeted Financial Statements 2018-19(Cont...)

District Council of Grant Long Term Financial Plan KEY FINANCIAL INDICATORS

Year Ended 30 June:	2017-18	2018-19	2018-19
	Budget	Forecast as per LTFP	Budget
OPERATING SURPLUS / (DEFICIT) BEFORE CAPITAL AMOUNTS	28,650	115,779	-54,805
Operating Surplus - Indicator 1	28,650	115,779	-54,805
Operating Surplus Ratio			
Operating Surplus - <i>Indicator 1</i> (Numerator)	28,650	115,779	-54,805
Rate revenues	9,366,400	9,599,653	9,639,640
Less: NRM levy raised	-581,205	-581,205	-581,205
Denominator	8,785,195	9,018,448	9,058,435
Operating Surplus Ratio - Indicator 2	0%	1%	-1%
Net Financial Liabilities			
Total Liabilities	6,728,525	6,204,831	5,681,137
Less: current cash & cash equivalents	-4,038,240	-4,037,550	-3,732,111
current trade & other receivables	-1,305,000	-935,291	-892,073
current other financial assets			
non-current financial assets			
Net Financial Liabilities - Indicator 3	1,385,285	1,231,990	1,056,954
Total Operating Revenue	14,207,484	14,552,082	14,575,537
Less: NRM levy raised	-581,205	-581,205	-581,205
Denominator	13,626,279	13,970,877	13,994,332
Net Financial Liabilities Ratio - Indicator 4	10%	9%	8%
Asset Sustainability Ratio			
Expenditure on renewal/replacement of assets	3,243,787	3,288,207	3,163,147
Sale of replaced assets	-787,562	-803,727	-898,317
Net renewal/replacement of assets	2,456,225	2,484,481	2,264,830
Depreciation Expense	4,380,615	4,477,709	4,470,685
Asset Sustainability Ratio - Indicator 5	56%	55%	51%

Appendix 3: District Council of Grant Rating Policy

Rating Policy (FINPOL 19)

	Rating Policy <i>Policy No. FINPOL 19</i>	Version No:	1.0
		Responsible Officer/s	Deputy CEO
		Issued:	05/10/2016
		Next Review:	June 2018

1. Purpose

Council's powers to raise rates are found in Chapter 10 of the Act which provides the framework within which the Council must operate, but also leaves room for the Council to make a range of policy choices. This document includes reference to compulsory features of the rating system, as well as the policy choices that the Council has made on how it imposes and administers the collection of rates.

2. Scope

All land within a Council area, except for land specifically exempt (e.g. Crown Land, Council occupied land and a few other limited categories under section 150(a) of the Act, is rateable.

3. Definitions

'**Act**' refers to the Local Government Act 1999 (SA).

'**Capital value**' refers to the valuation methodology used in determining the value of land, as defined in the Valuation of Land Act 1971.

'**Council**' refers to the elected Council body.

'**CWMS**' refers to the Community Wastewater Management System within the Council area formerly referred to as Septic Tank Effluent Disposal Schemes (STEDS).

'**General Rate**' refers to the rate in the dollar that applies to properties in the calculation of the general rate payable by way of Council Rates. Please note that the 'General Rate' is also referred to as the Differential General Rate under the Act.

'**Land use**' refers to the main categorisation of the use of the land parcel

'**Minimum Rate**' is where Council can fix a minimum amount payable by way of rates or charges under Section 158 of the Act, this cannot be applied to more than 35% of the area.

'**Notional Value**' is the value of the property based on its actual use rather than the highest and best potential use.

'**Postponed rates**' refers to any rates postponed under Section 182 or 182A of the Act.

'**Rating**' refers to the overall process of raising revenue by way of levying rates and charges.

'**Rebates**' refers to an amount that a rate or charge may be reduced in accordance with Chapter 10, Division 5 of the Act.

'**Remissions**' refers to any reduction in amount payable granted in accordance with Section 182 of the Act.

'**Service charge**' refers to a charge imposed for the provision of a prescribed service under Section 155(1) of the Act.

	Rating Policy <i>Policy No. FINPOL 19</i>	Version No:	1.0
		Responsible Officer/s	Deputy CEO
		Issued:	05/10/2016
		Next Review:	June 2018

‘**Separate rate**’ refers to a rate that applies in addition to other rates and charges, which is used to fund specific activities in accordance with Section 154 of the Act.

4. Policy

4.1 Introduction

Rates are a tax levied on properties according to their capital value which are determined by the Valuer General. The rates which a property owner pays are calculated by multiplying the property valuation by a rate in the dollar.

To determine the rate in the dollar Council must identify, through its strategic planning and budget deliberations, what services will be provided and what works need to be carried out, then calculate the cost of those works and services.

Once Council has determined its budget it then estimates the revenue it will receive from fees and charges, grants and loans. The shortfall of revenue to balance the budget will come from the ratepayers. The Council sets a rate to calculate the amount an individual property owner will pay based on the property valuation that has been supplied to Council by the Valuer General.

Rates are not fees for services. They constitute a system of taxation for Local Government purposes.

4.2 Principles of Taxation

This Policy represents the Council’s commitment to balancing the five main principles of taxation:

- 4.2.1 **Benefits received** (i.e. services provided, or resources consumed). Reliance on this principle suggests that (all other things being equal) a person who received more benefits should pay a higher share of tax.
- 4.2.2 **Capacity to pay.** This principle suggests that a person who has less capacity to pay should pay less; and that persons of similar means should pay similar amounts.
- 4.2.3 **Administrative simplicity.** This principle refers to the costs involved in applying and collecting the tax with mechanisms to reduce non-payment.
- 4.2.4 **Economic efficiency.** This refers to whether or not the tax distorts economic behaviour.
- 4.2.5 **Policy consistency.** The principle that taxes should be internally consistent, and based on transparent, predictable rules that are understandable and acceptable to taxpayers.

	Rating Policy <i>Policy No. FINPOL 19</i>	Version No:	1.0
		Responsible Officer/s	Deputy CEO
		Issued:	05/10/2016
		Next Review:	June 2018

4.3 Business Impact Statement

Council has considered the impact of rates on all businesses in the Council area, including primary production. In considering the impact, Council assessed the following matters:

- Those elements of the Council's Strategic Management Plan relating to business development ;
- The equity of the distribution of the rate burden between classes of ratepayers;
- Current local, state and national economic conditions and expected changes during the next financial year;
- Specific Council projects for the coming year that will benefit businesses and primary producers;
- Specific infrastructure maintenance issues that will benefit businesses and primary producers;

4.4 Basis of Rates

- In accordance with the Local Government Act 1999 the following practices apply:
 - a) All land within a council area, except for land specifically exempt (e.g. crown land, council occupied land and other land prescribed in the Local Government Act), is rateable.
 - b) The Local Government Act provides for rates to be assessed against any piece or section of land subject to separate ownership or occupation and requires that the division of land for the purposes of establishing a separate ownership and occupation be made fairly and in accordance with principles and practices that apply on a uniform basis across the area of Council.
- Section 153(1) of the Local Government Act 1999 states that Council may declare a single general rate in the dollar or may set differential general rates on rateable land within its area for a particular financial year.
- If imposing differential rates, Section 156(1) of the Act allows Council to vary the differential rates according to land use, locality of the land, locality of the land and its use or on some other basis determined by the Council (in limited circumstances).
- Council has decided not to differentiate between types of land uses, or between land locations in setting rates. Rather, acknowledging the taxation principles of economic efficiency and policy consistency, the Council has chosen to adopt a single rate-in-the-dollar to apply to all rateable land.
- Council, during the formulation of the annual budget, has determined the total rate revenue it desires to raise and then applied a single general rate in the dollar.

4.5 Method of Valuation

Councils may adopt one of three valuation methodologies to value the properties in its area. They are:

- Capital Value - the value of the land and all the improvements on the land.

	Rating Policy <i>Policy No. FINPOL 19</i>	Version No:	1.0
		Responsible Officer/s	Deputy CEO
		Issued:	05/10/2016
		Next Review:	June 2018

- Site Value - the value of the land and any improvements which permanently affect the amenity of use of the land, such as drainage works, but excluding the value of buildings and other improvements
- Annual Value - a valuation of the rental potential of the property.

The District Council of Grant has decided to continue to use Capital Value as the basis for valuing land within the council area. Council considers that this method of valuing land provides the fairest method of distributing the rate burden across all ratepayers on the following basis:

- rates constitute a system of taxation and the equity principle of taxation requires that ratepayers of similar wealth pay similar taxes and ratepayers of greater wealth pay more tax than ratepayers of lesser wealth;
- property value is a relatively good indicator of wealth, and capital value, which closely approximates the market value of a property, provides the best indicator of overall property value.
- Council adopts the valuations made by the State Valuation Office as provided to the Council each year.

4.6 Notional Values

Certain properties may be eligible for a notional value, where the property is the principal place of residence of a ratepayer, under the Valuation of Land Act 1971. This relates to some primary production land or where there is State heritage recognition.

4.7 Adoption of Valuations

The Council will adopt the valuations made by the Valuer-General as provided to the Council. If a ratepayer is dissatisfied with the valuation made by the Valuer-General then the ratepayer may object to the Valuer-General in writing, within 60 days of receiving notice of the valuation, explaining the basis for the objection, provided they have not:

- (a) previously received a notice of this valuation under the Local Government Act, in which case the objection period is 60 days from the receipt of the first notice; or
- (b) Previously had an objection to the valuation considered by the Valuer-General.

The address of the office of the Valuer-General is:

State Valuation Office
GPO Box 1354
Adelaide SA 5001
Telephone: 1300 653 345
Web: www.landservices.sa.gov.au
Email: LSGObjections@sa.gov.au

Please note that the Council has no role in this process. It is also important to note that the lodgement of an objection does not change the due date for the payment of rates.

	Rating Policy <i>Policy No. FINPOL 19</i>	Version No:	1.0
		Responsible Officer/s	Deputy CEO
		Issued:	05/10/2016
		Next Review:	June 2018

4.8 Minimum Rate

Section 158 of the Local Government Act provides that Councils may adopt a minimum rate. Where two or more adjoining properties have the same owner and are occupied by the same occupier, only one minimum rate is payable by the ratepayer. Where a Council imposes a minimum rate it must not apply to more than 35% of properties in the Council area.

- Council considers it appropriate that all rateable properties make a contribution to the cost of administering Council’s activities;
- Council considers it appropriate that all rateable properties make a contribution to the cost of creating and maintaining the physical infrastructure that supports and underpins the value of each property.

4.9 Single Farm Enterprise

Section 158(2)(bb) of the Local Government Act 1999 provides that where a Council declares a general rate which is based in whole or in part, on a minimum rate:

“if 2 or more pieces of rateable land within the area of a council constitute a single farm enterprise, a minimum amount may only be imposed against 1 of the pieces of land”.

A single farm enterprise must be comprised of two or more pieces of rateable land which are farm land and are occupied by the same person(s) or entity. To enable properties to be identified as single farm enterprises it will be necessary for ratepayers to complete an application form to provide details to Council to enable Council to identify the land concerned. Staff will assess the application & properties under Section 149 of the Local Government Act 1999.

The information or evidence that the council will reasonably require will include the following:

- The names of all of the persons who own and occupy each allotment (as comprised in a Certificate of Title) of the land claimed to be the single farm enterprise;
- A description of the use to which all of the allotments of land are put;
- if not the owner, a copy of any leases or licences, or details of the rights to occupy any of the allotments comprising the single farm enterprise;
- a list of the names of all persons who derive income, or claim deductions for the purposes of income tax as a result of the farming activities conducted upon each of the allotments comprising the single farm enterprise

If the occupation of any of the allotments differs, then a “single farm enterprise” by definition, will not exist. Also, if the persons who derived income or claim deductions for income tax purposes differ a “single farm enterprise” will not exist as the land will not be “farmed as a single enterprise”.

To allow Council to appropriately set rate levels at its annual budget meeting, applications for Single Farm Enterprise status should be received before 31st March to be applicable for the following financial year. Any applications received after this date will not affect the following financial years assessment of fixed charges on properties included in the application.

	Rating Policy <i>Policy No. FINPOL 19</i>	Version No:	1.0
		Responsible Officer/s	Deputy CEO
		Issued:	05/10/2016
		Next Review:	June 2018

No application will have an effect on past fixed charges assessed.

Council will write to all ratepayers to inform them of their entitlement to claim Single Farm Enterprise status in the first instance. Additionally, ratepayers will be informed on an annual basis of this entitlement by placing advertisements in The Border Watch, articles in Council's newsletter and rate inserts.

4.10 Adjoining Property

Section 152 of the Local Government Act states that if two or more pieces of contiguous rateable land are owned by the same owner and occupied by the same occupier, only one fixed charge may be imposed against the whole of the land.

4.11 Service Charges

Council has considered the following elements in deciding to raise the revenue by means of a service charge because:

- The concept of user pays;
- The nature of the service;
- The cost to operate and maintain the service;
- The capital costs to establish the service;
- The costs to improve or replace the service;
- Recognition that the value of a property is likely to be enhanced by the availability of the service, whether or not the service is actually being used.

4.11.1 Community Wastewater Management Systems

Council provides Community Wastewater Management System (CWMS) previously referred to as Common Effluent Drainage or Septic Tank Effluent Disposal Schemes to the townships of Tarpeena, Port MacDonnell, Allendale East, Pelican Point, Donovans and Cape Douglas.

Council will raise the number of charges against an assessment in accordance with the Code for Establishing and Applying Property Units as a Factor for the Imposition of Annual Service Charges for Community Wastewater Management Systems as referred to in Section 155 of the Local Government Act 1999 and Regulation 9A of the Local Government Regulations.

4.11.2 Waste Management - Mobile Garbage bins

Mobile Garbage Bins have been provided in all townships and other selected areas of the Council and will include alternate weekly domestic collection and recycling collections. All properties within these locations are supplied with two 240 litre bins by Council, and are required to pay a service charge.

	Rating Policy <i>Policy No. FINPOL 19</i>	Version No:	1.0
		Responsible Officer/s	Deputy CEO
		Issued:	05/10/2016
		Next Review:	June 2018

4.12 Separate Rates

Pursuant to Section 154 of the Act, a council may declare a separate rate on rateable land within a part of the area of the council for the purpose of planning, carrying out, making available, supporting, maintaining or improving an activity that is, or is intended to be, of particular benefit to the land, or the occupiers of the land, within that part of the area, or to visitors to that part of the area.

The current separate rates applied are outlined below.

4.12.1 Cape Douglas CWMS

This scheme for 49 shack sites in Cape Douglas was completed in 2010 as a development approval condition of a subdivision, with scheme establishment being part of developer costs; landowners paid their contribution to the scheme as part of their land purchase cost.

Existing Western Shacks sites were ex-Crown and had been through the freeholding process earlier. These were later required by Council to connect to the scheme due to some levels of non-compliance in disposal of effluent from their properties. Four of these 14 sites have paid the cost of construction in full to Council and one other site is paying regular fortnightly payments. The remaining properties will pay this cost via a service charge from Council.

4.12.2 Natural Resources Management Levy

Council is in the South East Natural Resources Management area and is required under the Natural Resources Management Act to fund, along with other Councils of the area, the operations of the South East Natural Resources Management Board. It does so by imposing a separate rate against all rateable properties in the Council area (excluding adjoining properties owned and occupied by the same person/s, and Single Farming Enterprises).

The South East Regional Natural Resources Management Plan requires council to collect their levy using a fixed charge based on the purpose for which the rateable land is used, pursuant to section 95 (3)(a)(iii). Council currently only uses this information for calculating the NRM levy.

Council is operating as a revenue collector for the South East Natural Resources Management Board in this regard. Revenue from this levy is not retained by the Council, nor does the Council determine how the revenue is spent.

4.13 Land use

As part of the valuation assessment process the State Valuation Office applies a land use to each assessment to identify the predominant use of the land. This land use is applied by various taxing authorities.

	Rating Policy <i>Policy No. FINPOL 19</i>	Version No:	1.0
		Responsible Officer/s	Deputy CEO
		Issued:	05/10/2016
		Next Review:	June 2018

Under the Act, Council is the relevant authority that determines land use for rating purposes. The rating land use applied by Council must meet the definitions under Development Regulations. As such the local government land use may vary from that used by other taxing authorities.

Under section 156 of the Act, a ratepayer, if of the opinion that a particular land use has been wrongly attributed to the ratepayer's land by the council for the purpose of levying differential rates, may object to the attribution of that land use to the land.

The objection:

- a) must be in writing; and
- b) must set out—
 - i. the grounds of the objection; and
 - ii. the land use (being a land use being used by the council as a differentiating factor) that should, in the objector's opinion, have been attributed to the land; and
- c) must be made within 60 days after the objector receives notice of the attribution of the particular land use to which the objection relates (unless the council, in its discretion, allows an extension of time for making the objection).

The council may decide an objection as it thinks fit and must notify the objector in writing of its decision.

4.14 Concessions & Remissions

4.14.1 Rate Remissions for Establishment of Vineyards

To assist ratepayers to establish new vineyards in the area, Council has resolved to consider a three year moratorium on rate increases for vineyards of 4ha or greater subject to:

- a) A request from individual owners.
- b) The moratorium only applying to the capital value of improvements relating to the vineyard. This does not apply to any building upon the land.
- c) The moratorium does not apply to rates increased by changes in valuation of the site value of the area of land being planted.

4.14.2 Rate Rebate for Pensioners and Self Funded Retirees whose general rate payable has increased by greater than 20% since last year:

Council will provide a Discretionary Rebate of that amount above a 20% increase in general rates payable, to provide relief against what would otherwise amount to a substantial change in rates payable due to rapid changes in valuations, under the following conditions;

- The general rate increase is greater than 20% from the previous year;
- The assessment is the principal place of residence of the owner, and the owner is receiving a pensioner concession for the assessment, or the owner is a self funded retiree with a taxable income of less than \$30,000 per year;

	Rating Policy <i>Policy No. FINPOL 19</i>	Version No:	1.0
		Responsible Officer/s	Deputy CEO
		Issued:	05/10/2016
		Next Review:	June 2018

- The ownership of the assessment has not changed since 1 July 2003;
- The increase in rates is not due to building improvements worth more than \$10,000 being made to the assessment;
- The zoning of the assessment has not changed;
- This is not a new assessment, and
- The general rates raised this financial year are not less than or equal to the minimum general rate.

Ratepayers seeking to take advantage of this rebate are required to complete a written application to Council for consideration. Such requests will be kept confidential and cannot be applied to past years rates.

4.14.3 Cost of Living Concessions

As from 1st July 2015 the State Government 'Cost of Living Concessions' replaced the traditional Council rate concessions for Pensioners. This is administrated by the State Government.

4.15 Remission and Postponement of Rates

4.15.1 Postponement of Rates - Financial Hardship

Section 182 of the Local Government Act permits a Council, on the application of the ratepayer, to partially or wholly remit rates or to postpone rates, on the basis of hardship. Where a ratepayer is suffering hardship in paying rates he/she is invited to contact Council's Rates Officer on (08) 8721 0444 to discuss the matter. Such inquiries are treated confidentially by the Council.

The Council has adopted the following policy with regard to the remission or postponement of rates:

"Council will not cancel or remit rates under Section 182(1)(b) of the Local Government Act 1999 (this section allows Council to remit rates in circumstances of hardship).

Council is willing to consider applications under Section 182(1)(a) of the Local Government Act 1999, for postponement of rates until some change in the ratepayer's circumstances, or until a change of ownership of the property takes place.

Any postponement granted is subject to fines and interest being added in accordance with Section 181(8) of the Local Government Act 1999, and at the discretion of the Chief Executive Officer.

Delegated authority for granting these approvals is given to the Chief Executive Officer, and Deputy Chief Executive Officer under Section 44 of the Local Government Act 1999."

4.15.2 Postponement of Rates - Seniors

Application for postponement of rates and charges will be considered under the provisions of Section 182A of the *Local Government Act 1999* – "Postponement of Rates – Seniors".

	Rating Policy <i>Policy No. FINPOL 19</i>	Version No:	1.0
		Responsible Officer/s	Deputy CEO
		Issued:	05/10/2016
		Next Review:	June 2018

Applications must be lodged in writing and must provide evidence of eligibility plus other evidence as required. Requests must be lodged on the Application Form for Postponement of Rates Seniors that is Attachment 2 to this Policy. Monthly interest at the prescribed rate will be applied to rates postponed under Section 182A.

Where an application for postponement under Section 182A is granted, a presumption of ongoing manual postponement will be assumed subject to receipt of an annual signed declaration of continued eligibility.

Ratepayers requesting postponement of rates will initially be referred to the availability of reverse mortgage loans through financial institutions. Seniors granted Postponement of rates are required to pay a minimum of \$500 of rates and charges levied in each financial year in compliance with the Local Government (General) Regulations.

4.16 Rebate of Rates

Council has determined that rebates of rates will be granted when the applicant satisfies the requirements for mandatory rebates under Sections 159 to Section 165 of the Act. Applications for discretionary rebates lodged under Section 166 of the Act will be considered under Council's Rate Rebate Policy and will be assessed against guidelines prepared by the Local Government Financial Management Group.

The Act acknowledges that there are particular land uses that are economically disadvantaged and provide local community benefit and therefore must be offered rate relief in order to be sustainable. Some rebates under the Act are applied as a mandatory requirement however further discretionary provisions allow for Council to determine whether other desirable land uses may be offered rate relief.

4.17 Late payment of rates / debt recovery

The Local Government Act provides that Councils impose a penalty of 2% on any payment for rates, whether instalment or otherwise, that is received late. A payment that continues to be late is then charged an interest rate, set each year according to a formula in the Act, for each month it continues to be late. Interest charged on late payments is charged on both the amount of the rate arrears and any interest that has previously been imposed.

The purpose of this penalty is to act as a genuine deterrent to ratepayers who might otherwise fail to pay their rates on time, to allow Councils to recover the administrative cost of following up unpaid rates and to cover any interest cost the Council may incur because it has not received the rates on time.

The prescribed interest rate will be published in the Annual Business Plan.

4.18 Sale of land for non-payment of rates

The Local Government Act provides that a Council may sell any property where the rates have been in arrears for three years or more. The Council is required to

	<p>Rating Policy Policy No. FINPOL 19</p>	Version No:	1.0
		Responsible Officer/s	Deputy CEO
		Issued:	05/10/2016
		Next Review:	June 2018

provide the principal ratepayer and the owner (if not the same person) with details of the outstanding amounts and advise the owner of its intention to sell the land if payment of the outstanding amount is not received within one month. The District Council of Grant enforces the sale of land for non-payment of rates after 3 years or more in accordance with the provisions of the Act.

Land which is exempted for non-payment of rates as per Section 185 of the *Local Government Act 1999* Charles Sturt enforces its application as part of its policy.

4.19 Changes to assessment records

All changes to postal address or name of a ratepayer/owner and changes of ownership of a property must be notified promptly to Council in writing; letter, fax or email.

5. Responsibilities

As prescribed by Section 99 of the Act, the Chief Executive Officer is responsible for ensuring that systems are in place to cause all rating to comply with legislation.

6. References:

The Local Government Act 1999 Section 148, 159 -166, 182, 182A, 184
The Local Government (Financial Management) Regulations (as amended)
Natural Resource Management Act 2004
Valuation of Land Act 1971
Debt Collection Policy
Rate Rebate Policy

	Rating Policy <i>Policy No. FINPOL 19</i>	Version No:	1.0
		Responsible Officer/s	Deputy CEO
		Issued:	05/10/2016
		Next Review:	June 2018

7. Review

This Policy shall be reviewed by the District Council of Grant annually (or on significant change to legislation or other matters which could affect this policy).

Action	Date	Minute Reference
Adopted by Council	5 October 2016	16130.1
Amended	16 January 2017	17004.2
Amended	19 June 2017	17086.1
Amended	7 May 2018	18066.1
Amended	20 June 2018	



Rating Policy
Policy No. FINPOL 19

Version No:	1.0
Responsible Officer/s	Deputy CEO
Issued:	05/10/2016
Next Review:	June 2018

Appendix 1.

2018-19 Rating Information

District Council of Grant			
Rating Information 2018-19			
	2018-19	2017-18	Increase
Rate in the Dollar	\$ 0.3442	\$ 0.3363	
Minimum Rate	\$ 597	\$ 584	2.3%
Valuation	\$ 2,280,598,480	\$ 2,262,072,180	
Rates Raised	7,821,075	7,593,277	3.0%
<u>Service Charges</u>			
CWMS Occupied	\$ 596	\$ 568	5%
CWMS Vacant	\$ 509	\$ 485	5%
MGB	\$ 248	\$ 242	2.3%
<u>Separate Area Rates</u>			
Cape Douglas CWMS Construction	\$ 1,613	\$ 1,613	0.0%
<u>NRM Rates</u>			
Residential	\$ 74	\$ 73	1.9%
Commercial	\$ 111	\$ 110	0.8%
Industrial	\$ 176	\$ 174	1.0%
Primary Production	\$ 336	\$ 323	3.9%
<u>Dates for payment of Rates</u>			
First Quarter	07-Sep-18	01-Sep-17	
Second Quarter	07-Dec-18	01-Dec-17	
Third Quarter	08-Mar-19	02-Mar-18	
Fourth Quarter	07-Jun-19	01-Jun-18	