

District Council of

**Grant**



## **ANNUAL BUSINESS PLAN**

**2017-18**

To be adopted by Council on 19<sup>th</sup> June 2017

### **OUR MISSION**

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

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## 1. Introduction

The Annual Business Plan sets out the Council's proposed services, programs and projects for 2017-18. 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 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
<b>Physical Infrastructure is improved and developed</b>	<ul style="list-style-type: none"> <li>• Improved roads &amp; infrastructure, transport links, footpaths and walking/cycle trails</li> <li>• Improved public spaces</li> <li>• Improved regional infrastructure (including non-council infrastructure)</li> <li>• Improved Mount Gambier Airport infrastructure and services</li> <li>• Improved Mount Gambier Saleyards infrastructure and services</li> <li>• Improved marine infrastructure</li> </ul>
<b>Economic development opportunities pursued and promoted</b>	<ul style="list-style-type: none"> <li>• Growth of new and existing industries and businesses</li> <li>• Increased tourism</li> <li>• Existing events supported and new events developed</li> <li>• Land developed to meet future needs and demands</li> </ul>
<b>Improved community services delivered that support community expectations</b>	<ul style="list-style-type: none"> <li>• Improved and accountable partnerships and services provided by other stakeholders</li> <li>• Effective and improved community development programs</li> <li>• A safe and vibrant community</li> </ul>
<b>Strong leadership, management, and delivery of transparent council services</b>	<ul style="list-style-type: none"> <li>• Effective communication and consultation with the community and regional partners</li> <li>• Effective Council management and business systems</li> <li>• Effective regulatory services</li> <li>• Effective support and services to Elected Members</li> <li>• Effective partnerships with stakeholders</li> </ul>
<b>Sustainable use, accessibility and planned use of our natural and built environment</b>	<ul style="list-style-type: none"> <li>• Alternative energy solutions and opportunities explored</li> <li>• Improved and continued public access to our natural environs (parks, coast, marine parks)</li> <li>• Sustainable approach to coastal protection strategies</li> <li>• Sustainable Community Waste Management Systems implemented and maintained</li> <li>• Sustainable Waste Management Services</li> </ul>

Action plans detailing major activities that Council will undertake to achieve these objectives are detailed 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 & Priorities

A number of significant factors have influenced the preparation of Council's 2017-18 Draft Annual Business Plan. These include:

- Consumer Price Index increase of 2% 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 2.5%;
- 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 2017-18 financial year.

The following objectives were achieved in 2016-17:

- 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
- Upgrading of facilities for the Port MacDonnell CWMS.

The Council's priorities for 2017-18 are:

- Continue with councils road maintenance, renewal and upgrade program;
- Continuation of the electrical upgrade for the Port MacDonnell Foreshore Tourist Park;
- 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 Mount Gambier Airport terminal;
- Upgrade of the Donovan's Boat Ramp;
- Upgrade of the Little Hunter/Jetty Precinct at Port MacDonnell; and
- Replacement of toilets at Dry Creek.

## **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 & Rural Transaction Centres
- Youth Development
- Public Health & Safety
- Animal Management Services
- Community & Sporting Facilities
- Economic Development
- Environmental Plans & Projects
- Community & 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 & 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 2017-18 are set out in the table below.

<b>CAPITAL EXPENDITURE</b>	<b>2017-18 BUDGET</b>
General Administration	106,500
Housing and Community Services	113,000
Recreation and Culture	811,889
Saleyards	236,172
Airport	356,008
Road Infrastructure	2,877,622
Plant & Depot	1,325,093
Sanitary & Garbage	5,000
<b>TOTAL</b>	<b>5,836,283</b>

For further details on capital expenditure for 2017-18 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 2017-18 year:

### **Infrastructure:**

- Regional and local transport infrastructure planning and provision, including Mount Gambier Airport.
- Implementation of adopted Port MacDonnell, River & 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 & 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).

**FINANCIAL INDICATORS**

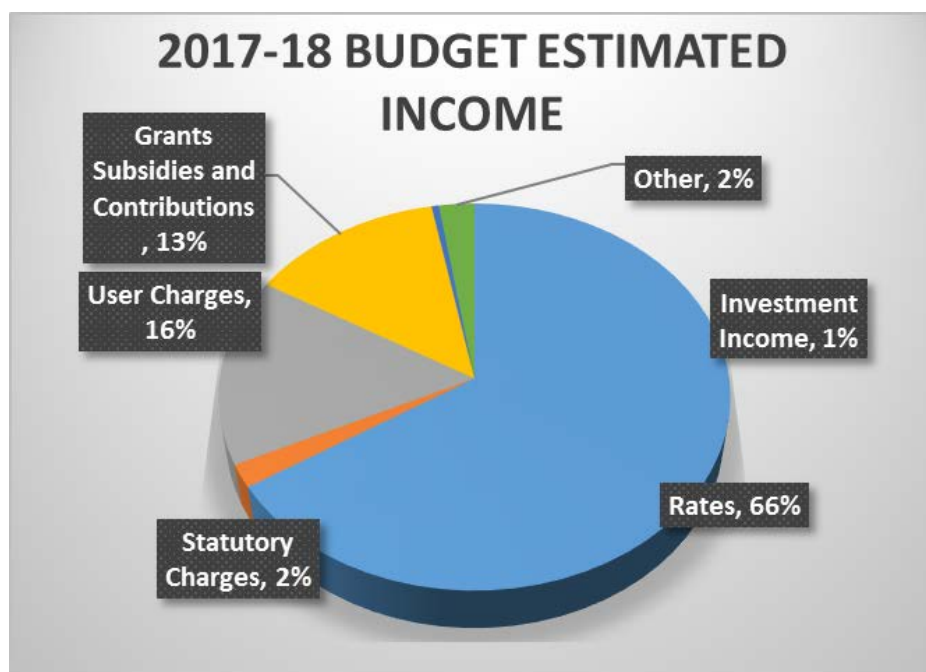
<b>LONG-TERM FINANCIAL PLAN</b>	<b>2016/2017 LAST YEARS ADOPTED BUDGET</b>	<b>2016/2017 LAST YEARS AMENDED BUDGET</b>	<b>2017/2018 THIS YEARS BUDGET</b>
(388,000) <b>Operating Surplus</b> <i>Being the Operating Surplus (Deficit) before Capital Amounts</i>	(608,832)	(572,458)	28,651
-3% <b>Operating Surplus Ratio</b> <u>Operating Surplus</u> Rates - general & other less NRM levy <i>This ratio expresses the Operating Surplus as a percentage of general and other rates, net of NRM Levy</i>	-4%	0%	0%
2,665,000 <b>Net Financial Liabilities</b> <i>Net Financial Liabilities are defined as Total Liabilities less financial assets (excluding equity accounted investments in Council Businesses)</i>	4,207,141	1,380,401	1,380,401
20% <b>Net Financial Liabilities Ratio</b> <u>Net Financial Liabilities</u> Total Operating Revenue less NRM levy	31%	10%	10%
1.0% <b>Interest Cover Ratio</b> <u>Net Interest Expense</u> Total Operating Revenue less NRM levy less Investment Income	1.8%	1.5%	1.5%
80% <b>Asset Sustainability Ratio</b> <u>Net Asset Renewals</u> Depreciation Expense <i>Net Asset Renewals Expenditure is defined as Net Capital Expenditure on the renewal and replacement of existing assets, and excludes new Capital Expenditure on the a acquisition of additional assets</i>	85%	55%	55%
67% <b>Asset Consumption Ratio</b> <u>Carrying value of depreciable assets</u> Gross value of depreciable assets Total Carrying Value of depreciable assets divided by total reported value of depreciable assets before accumulated depreciation	97%	60%	60%

## 8. Funding the Business Plan

The \$26,651 Operating Surplus (before capital amounts) is an improvement on Council's long term target Operating Deficit of \$388,00 for the 2017-18 year.

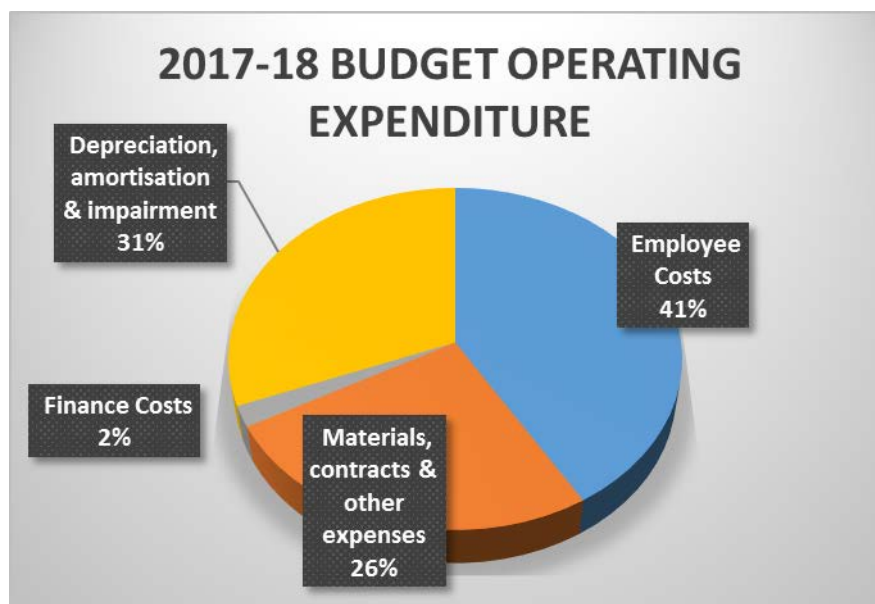
The Council's long-term financial sustainability is dependent on ensuring that, on average over time, its expenses are less than its revenue. (Please note: depreciation is a major expense, which has a significant influence on the operating deficit.) Council has invested in Asset Management software which has enabled a more accurate calculation of its depreciation expense and resulted in a reduction of approximately \$500,000 or 11% compared to previous years . Council's revenue in 2017-18 includes \$8.8 million proposed to be raised from general rates.

The following chart and table highlights the sources of revenue for 2017-18.



OPERATING INCOME	2017-18 BUDGET
Rates	9,366,400
Statutory Charges	271,881
User Charges	2,246,093
Grants Subsidies and Contributions	1,906,915
Investment Income	72,000
Other	344,195

The following chart and table provide a breakdown of the services for which expenditure is planned in 2017-18



OPERATING EXPENDITURE	2017-18 BUDGET
Employee Costs	5,857,628
Materials, contracts & other expenses	3,658,568
Finance Costs	282,023
Depreciation, amortisation & impairment	4,380,615

**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 \$282,023 is required to service Council's loans for the 2017-18 financial year. This figure represents 3.2% of Council's general rate revenue for the 2017-18 financial year. There are no new council loans planned for 2017-18.

**Appendix 1: Capital Expenditure**

<b>Capital Projects</b>	<b>\$</b>	<b>Grants &amp;</b>	<b>Reserves</b>	<b>Trade-In</b>
<u>Administration</u>		<b>Contributions</b>		
IT Upgrades	\$ 101,500			
Office Furniture Replacements	\$ 5,000			
	<b>\$ 106,500</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<u>Law, Order &amp; Public Safety</u>				
Emergency Dog Compound & Run for 4 Dogs at Depot	\$ 5,000			
	<b>\$ 5,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<u>CWMS</u>				
Cape Douglas CWMS Capital	\$ 20,000			
Port MacDonnell CMWS Capital Upgrade	\$ 30,000			
Donovans CWMS Capital	\$ 50,000			
Allendale East	\$ 6,000			
Tarpeena CWMS Capital	\$ 7,000			
	<b>\$ 113,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<u>Sanitary &amp; Garbage</u>				
Tarpeena Oil Shed	\$ 5,000			
Replacement MGB's				
	<b>\$ 5,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<u>Saleyards</u>				
Desktop for Buyers Office	\$ 1,500			
Communications Upgrade - link to weighbridge	\$ 5,000			
Replacement Printers	\$ 1,300			
Monitor replacments	\$ 600			
IPhone Replacments	\$ 2,200			
Saleyards Managers Vehicle	\$ 43,005			\$ 36,554
Saleyards Team Leader Vehicle	\$ 21,267			\$ 9,756
Cattle Yards Rubber Matting - redo 28 pens	\$ 50,000			
Buyers Walkways - concrete slab replacements	\$ 40,000			
Floating pump for final Effluent Settling Pond	\$ 16,800			
Equipment upgrades for hoists	\$ 8,000			
Equipment upgrades for Cattle Ramps	\$ 40,000	\$ 20,000		
Fence Renewals	\$ 5,000			
Tint Canteen Windows	\$ 1,500			
	<b>\$ 236,172</b>	<b>\$ 20,000</b>	<b>\$ -</b>	<b>\$ 46,310</b>
<u>Airport</u>				
Monitor Upgrades	\$ 600			
iPhone Replacements	\$ 2,200			
Kerbing & Landscaping	\$ 2,000			
Furniture	\$ 2,000			
Free WiFi Pilot Project	\$ 1,000			
Bitumise Car Rental Area (staged project)	\$ 20,000			
Airport House (Lot 4) - Verandah	\$ 4,000			
Upgrade Baggage Area	\$ 60,000			
Replace Floor Coverings - Terminal	\$ 20,000			
Upgrade Toilets - Terminal	\$ 25,000			
Repaint Terminal	\$ 8,000			
Mangers vehicle - 3 x vehicles changed over @15,000km	\$ 110,455			\$ 105,000
Airport Support vehicle - 12 month buyback	\$ 36,818			\$ 32,727
Fuel Truck (replace with second-hand truck)	\$ 45,455			\$ 18,182
Kubota ZG327P-60 Zero Turn Mower	\$ 18,480			\$ 5,544
	<b>\$ 356,008</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 161,453</b>

Appendix 1: Capital Expenditure (cont).

Capital Projects	\$	Grants &	Reserves	Trade-In	Council
<u>Administration</u>		<b>Contributions</b>			
<u>Masterplan Expenditure</u>					
BBQ Replacements					\$ -
Town Entrance Signage	\$ 13,869	\$ -			\$ 13,869
Tourist Signage	\$ 15,000				\$ 15,000
Donovans Landing - seating, fish cleaning & solar lighting	\$ 30,975	\$ 13,975			\$ 17,000
Donovans Boatramp Upgrade	\$ 117,600	\$ 100,000			\$ 17,600
Little Hunter/Jetty Precinct Upgrade	\$ 585,000	\$ 292,500	\$292,500		\$ -
	<b>\$ 762,444</b>	<b>\$ 406,475</b>	<b>\$292,500</b>	<b>\$ -</b>	<b>\$ 63,469</b>
<u>Building</u>					
Replace Dry Creek Public Toilets	\$ 34,446	\$ -			\$ 34,446
Replace rails in sliding doors - Port Mac Depot	\$ 15,000				\$ 15,000
Tarpeena Hall - re-paint exterior	\$ 8,000				\$ 8,000
Port MacDonnell Hall - Re-paint exterior	\$ 8,000				\$ 8,000
Port MacDonnell Hall - Heating & Cooling	\$ 15,000	\$ 7,500			\$ 7,500
Blackfellows Caves Public Toilets - re-pont brickwork	\$ 7,000				\$ 7,000
Woolwash Caravan Park - Electrical upgrade	\$ 55,000				\$ 55,000
	<b>\$ 142,446</b>	<b>\$ 7,500</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 134,946</b>
<u>Works</u>					
Plant and Equipment Purchases	\$ 1,232,093		\$ -	\$ 579,799	\$ 652,293
Road Construction (see detailed list)	\$ 2,877,622	\$ 543,536	\$ -		\$ 2,334,086
	<b>\$ 4,109,714</b>	<b>\$ 543,536</b>	<b>\$ -</b>	<b>\$ 579,799</b>	<b>\$ 2,986,379</b>
<b>Total</b>	<b>\$ 5,836,283</b>	<b>\$ 977,511</b>	<b>\$292,500</b>	<b>\$ 787,562</b>	<b>\$ 3,778,710</b>

Appendix 1: Capital Expenditure (cont).

Road	Locality	Description	Total
Carpenters Rocks Rd	Carpenter Rocks	Kerb & Channell from Hall for 320 meters meters	\$ 192,387
McKay Rd ( Cafirco Rd to Carpenters Rocks Rd )	Compton	Reconstruct and seal 2600 x 8 x .200	\$ 238,778
Bobs Rd	Eight Mile Creek	Resheet 1500 x 6 x .150 plus 25 mm Attiwills Scalps	\$ 43,459
Mingbool Rd	Mil lel	Reconstruct & Seal 2000 x 9 x .150mm plus 100mm Crushed Rocks ( 50 % SLRP)	\$ 394,538
Pearson St	Tarpeena	Kerb & Channell 80 meters Waring st to Albinia St	\$ 85,569
Pelican Pt Rd	Blackfellows Cave	Kerb & Channell Pelican Pt Rd Rd 160 meters from existing Kerb on one side	\$ 89,041
Buchanan Rd	Worrolong	Reconstruct & Seal 1 km from Billings rd easterly 1000x7 x .200	\$ 97,892
Burnda Rd	Compton	Resheet 1900x6 x .150 mm plus 25mmAttiwills Scalps	\$ 50,949
Considine Rd	Compton	Resheet 1400 m x 5 x .150mm plus .025mm Attiwills Scalps	\$ 42,219
Dismal Swamp Rd	Dismal Swamp	Resheet 2500 x 6 x .150 plus 25mm Attiwills Scalps	\$ 74,788
Gums Rd	Kongorong	Resheet Gums Rd 500m x 6m x .150mm, plus .025 Attiwills Scalps	\$ 79,289
Collins Rd	Moorak	Resheet 1050 x 5 x .150mm plus 25 mm Attiwills Scalps	\$ 29,803
Clezy Rd	Mingbool	Resheet 2000 x 5 x .150mm	\$ 50,422
Mt Meredith Rd	Mingbool	Deleted	\$ -
Henningesen Rd	Yahl	Resheet 1800 x 6 x .150 plus 25mm Attiwills Scalps	\$ 63,362
Earls Cave Rd	Eight Mile Creek	Resheet 2000 x 6 x .150mm plus 25 mm Atiwills Scalps	\$ 53,349
Hutts Bay Rd	Port MacDonnell	Deleted	\$ -
Moores Rd	Port MacDonnell	Resheet 1000 m x 4.5 x .150	\$ 23,424
William Street ( Caveton )	Caveton	Reconstruct & Seal 120 meters x 5 x .150 mm	\$ 14,116
Reseals	Various	Various Resealing	\$ 400,000
	Tarpeena	Tarpeena Truck Parking Extension	\$ 33,000
Mitchell Rd	Compton	Deleted	\$ -
Border Rd Nth	Mingbool	Resheet 3000 x 5 x .150 mm ( 50 % Glenelg Shire )	\$ 63,050
Crouch St ( Caveton )	Caveton	Reconstruct & seal 130 meters x 6 m x ..150 mm	\$ 18,126
Mulwalla Rd	Compton	Reheet 1500 meters x 5 x .150mm plus 25mm scalps	\$ 37,514
Sisters Rd	Moorak	resheet 1200 x 6 x ..150mm (Hodge rd 1.2kms Eastt ) plus 25mm Attiwills Scalps	\$ 36,744
Vorwerk rd	Glenburnie	Blackspot application submitted to realignment Vorwerk / Caroline intersection 2/3 blackspot 1/3 council. Subject to successful application Council contribution	\$ 380,517
Three Chain Rd ( North)	Wandillo	Resheet 2000x6 x ..150mm plus 25mm Attiwills Scalps	\$ 59,979
Hay Tce	Kongorong	Kerb & Channell 300 meters of Hay Tce	\$ 145,288
Albinia St West	Tarpeena	Deleted	\$ -
Glynns Rd	Kongorong	Resheet 2000 x 6 x .200 mm	\$ 52,869
Schnikel Rd	Kongorong	Resheet 1500 x 5 x .200	\$ 27,150
<b>Total</b>			<b>\$2,877,622</b>

**Appendix 2: Budgeted Financial Statements 2017-18**

**DISTRICT COUNCIL OF GRANT  
BUDGET FOR YEAR ENDING 30 JUNE 2018**

**STATEMENT OF COMPREHENSIVE INCOME**

<b>LONG-TERM FINANCIAL PLAN</b>		<b>2016/2017 LAST YEARS ADOPTED BUDGET</b>	<b>2016/2017 LAST YEARS AMENDED BUDGET</b>	<b>2017/2018 THIS YEARS BUDGET</b>
<b>\$</b>	<b>INCOME</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
9,382,000	Rates	9,108,658	9,128,551	9,366,400
240,000	Statutory Charges	239,900	239,900	271,881
2,050,000	User Charges	2,247,506	2,268,753	2,246,093
1,700,000	Grants Subsidies and Contributions	2,112,735	2,112,735	1,906,915
10,000	Investment Income	62,000	62,000	72,000
265,000	Other	347,484	369,484	344,195
<b>13,647,000</b>	<b>TOTAL REVENUES</b>	<b>14,118,284</b>	<b>14,181,423</b>	<b>14,207,485</b>
	<b>EXPENSES</b>			
4,900,000	Employee Costs	5,764,254	5,764,254	5,857,628
4,100,000	Materials, contracts & other expenses	3,744,872	3,792,584	3,658,568
144,000	Finance Costs	305,030	305,030	282,023
4,891,000	Depreciation, amortisation & impairment	4,912,960	4,892,013	4,380,615
<b>14,035,000</b>	<b>TOTAL EXPENSES</b>	<b>14,727,116</b>	<b>14,753,881</b>	<b>14,178,834</b>
	<b>OPERATING SURPLUS/(DEFICIT)</b>			
(388,000)	<b>BEFORE CAPITAL AMOUNTS</b>	(608,832)	(572,458)	28,651
-	Net gain (loss) on disposal or revaluation of assets	-	-	-
250,000	Amounts specifically for new or upgraded assets	464,704	464,704	977,511
-	Physical resources received free of charge	-	-	-
<b>(138,000)</b>	<b>NET SURPLUS/(DEFICIT)</b>	<b>(144,128)</b>	<b>(107,754)</b>	<b>1,006,162</b>



## Appendix 2: Budgeted Financial Statements 2017-18(Cont...)

**DISTRICT COUNCIL OF GRANT  
BUDGET FOR YEAR ENDING 30 JUNE 2018**

**CASH FLOW STATEMENT**

<b>LONG-TERM FINANCIAL PLAN</b>		<b>2016/2017 LAST YEARS ADOPTED BUDGET</b>	<b>2016/2017 LAST YEARS AMENDED BUDGET</b>	<b>2017/2018 THIS YEARS BUDGET</b>
<b>\$</b>		<b>\$</b>	<b>\$</b>	<b>\$</b>
Inflows (Outflows)		Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
	<b>CASHFLOWS FROM OPERATING ACTIVITIES</b>			
	<b>RECEIPTS</b>			
13,637,000	Operating Receipts	14,056,284	14,119,423	14,135,485
10,000	Investment Receipts	62,000	62,000	72,000
	<b>PAYMENTS</b>			
(9,000,000)	Operating payments to suppliers & employees	(9,509,126)	(9,556,838)	(9,516,196)
(144,000)	Finance Payments	(305,030)	(305,030)	(282,023)
4,503,000	<b>Net Cash provided by (or used in) Operating Activities</b>	4,304,128	4,319,555	4,409,266
	<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
	<b>RECEIPTS</b>			
250,000	Grants specifically for new or upgraded assets	464,704	464,704	977,511
21,000	Repayment of loans by Community Groups	18,341	18,341	28,027
780,000	Sale of Assets	914,054	914,053	787,562
	<b>PAYMENTS</b>			
	Net Purchase of Investment Securities			
(4,127,000)	Capital Expenditure	(5,104,295)	(4,875,508)	(5,836,283)
(3,076,000)	<b>Net Cash provided by (or used in) Investing Activities</b>	(3,707,196)	(3,478,410)	(4,043,183)
	<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
	<b>RECEIPTS</b>			
-	Proceeds from Borrowings	-	-	-
	<b>PAYMENTS</b>			
-	Repayment Aged Care Facility Deposits	-	-	-
(305,000)	Repayment of Borrowings	(449,081)	(449,081)	(484,084)
(305,000)	<b>NET CASH USED IN FINANCING ACTIVITIES</b>	(449,081)	(449,081)	(484,084)
1,122,000	<b>NET INCREASE (DECREASE) IN CASH HELD</b>	147,851	392,064	(118,002)
2,631,000	<b>CASH AT BEGINNING OF YEAR</b>	2,001,366	3,764,178	4,156,242
3,753,000	<b>CASH AT END OF YEAR</b>	2,149,217	4,156,242	4,038,240

## Appendix 2: Budgeted Financial Statements 2017-18(Cont...)

**DISTRICT COUNCIL OF GRANT  
BUDGET FOR YEAR ENDING 30 JUNE 2018**

## STATEMENT OF FINANCIAL POSITION

LONG-TERM FINANCIAL PLAN		2016/2017 LAST YEARS ADOPTED BUDGET	2016/2017 LAST YEARS AMENDED BUDGET	2017/2018 THIS YEARS BUDGET
\$		\$	\$	\$
	<b>ASSETS</b>			
	<b>CURRENT ASSETS</b>			
1,842,000	Cash and cash equivalents	2,149,217	4,156,242	4,038,240
1,000,000	Trade & other receivables	981,659	963,318	935,291
-	Inventories	100,000	100,000	100,000
100,000	Other Financial Assets	-	-	-
2,942,000	<b>TOTAL CURRENT ASSETS</b>	3,230,876	5,219,560	5,073,531
	<b>NON-CURRENT ASSETS</b>			
-	Financial Assets	-	-	-
130,783,000	Infrastructure, Property, Plant & Equipment	190,584,898	190,806,112	119,368,658
130,783,000	<b>TOTAL NON-CURRENT ASSETS</b>	190,584,898	190,806,112	119,368,658
133,725,000	<b>TOTAL ASSETS</b>	193,815,774	196,025,672	124,442,189
	<b>LIABILITIES</b>			
	<b>CURRENT LIABILITIES</b>			
1,500,000	Trade & Other Payables	1,500,000	1,500,000	1,000,000
250,000	Borrowings	433,146	433,146	433,146
955,000	Short-term Provisions	955,000	955,000	955,000
2,705,000	<b>TOTAL CURRENT LIABILITIES</b>	2,888,146	2,888,146	2,388,146
	<b>NON-CURRENT LIABILITIES</b>			
2,802,000	Long-term Borrowings	4,349,870	4,349,870	3,865,786
100,000	Long-term Provisions	100,000	100,000	100,000
2,902,000	<b>TOTAL NON-CURRENT LIABILITIES</b>	4,449,870	4,449,870	3,965,786
5,607,000	<b>TOTAL LIABILITIES</b>	7,338,017	7,338,016	6,353,932
128,118,000	<b>NET ASSETS</b>	186,477,756	188,687,656	118,088,257
	<b>EQUITY</b>			
36,848,000	Accumulated Surplus	36,986,234	37,909,347	33,039,964
89,813,000	Asset Revaluation	148,070,522	148,070,522	82,340,505
1,457,000	Other Reserves	1,421,000	2,707,788	2,707,788
128,118,000	<b>TOTAL EQUITY</b>	186,477,756	188,687,656	118,088,257

Appendix 2: Budgeted Financial Statements 2017-18(Cont...)

**DISTRICT COUNCIL OF GRANT  
BUDGET FOR YEAR ENDING 30 JUNE 2018**

**STATEMENT OF CHANGES IN EQUITY**

2017/2018  LONG-TERM FINANCIAL PLAN \$		2016/2017 LAST YEARS ADOPTED BUDGET \$	2016/2017 LAST YEARS AMENDED BUDGET \$	2017/2018  THIS YEARS BUDGET \$
	<b>ACCUMULATED SURPLUS</b>			
36,986,000	Balance at end of previous reporting period	36,680,362	37,567,101	37,459,347
(138,000)	Net Result for Year	275,337	(107,754)	1,006,162
-	- Transfer From Reserves	-	-	-
-	- Transfer To Reserves	-	-	-
36,848,000	<b>BALANCE AT END OF PERIOD</b>	36,955,699	37,459,347	38,465,509
	<b>ASSET REVALUATION RESERVE</b>			
89,813,000	Balance at end of previous reporting period	148,070,522	148,070,522	82,340,505
-	- Gain on revaluation of infrastructure, property, plant & equipment	-	-	-
-	- Transfer to Accumulated Surplus on sale of infrastructure, property, plant & equipment	-	-	-
89,813,000	<b>BALANCE AT END OF PERIOD</b>	148,070,522	148,070,522	82,340,505
	<b>OTHER RESERVES</b>			
1,439,000	Balance at end of previous reporting period	1,421,000	1,652,490	2,707,788
18,000	Transfer to reserve from accumulated surplus	-	-	-
-	- Transfer from reserve to accumulated surplus	-	1,055,298	-
1,457,000	<b>BALANCE AT END OF PERIOD</b>	1,421,000	2,707,788	2,707,788
<b>128,118,000</b>	<b>TOTAL EQUITY AT END OF REPORTING PERIOD</b>	<b>186,447,221</b>	<b>188,237,657</b>	<b>123,513,802</b>

## **Appendix 3: Local Government Financial Indicator Definitions**

### **Ratio Descriptions**

#### **Operating Surplus (Deficit)**

An operating surplus indicates the extent to which operating revenue is sufficient to meet all operating expenses including depreciation and consequently the burden of expenses is to be met by current ratepayers.

An operating deficit occurs when total operating expenses exceed total operating revenues and consequently the burden of a portion of expenses will need to be met by future ratepayers.

#### **Operating Surplus (Deficit) Ratio**

This ratio expresses the operating surplus (deficit) as a percentage of general and other rates, net of rebates.

A negative ratio indicates the percentage increase in total rates required to achieve a break-even operating result.

A positive ratio indicates the percentage of total rates available to fund capital expenditure over and above the level of depreciation expense without increasing Council's level of net financial liabilities. If this amount is not required for capital expenditure it reduces the level of net financial liabilities.

#### **Net Financial Liabilities**

Net financial liabilities measure Council's total indebtedness.

Net financial liabilities is a broader measure than net debt as it includes all of Council's obligations including provisions for employee entitlements and creditors.

The level of net financial liabilities increases when a net borrowing result occurs in a financial year and will result in a Council incurring liabilities and/or reducing financial assets.

The level of net financial liabilities decreases when a net lending result occurs in a financial year and will result in a Council purchasing financial assets and/or repaying liabilities.

#### **Net Financial Liabilities Ratio**

This ratio indicates the extent to which net financial liabilities of the Council can be met by the Council's total operating revenue.

Where the ratio is falling it indicates the Council's capacity to meet its financial obligations from operating revenues is strengthening.

Where the ratio is increasing it indicates a greater amount of Council's operating revenues is required to service its financial obligations.

#### **Interest Cover Ratio**

This ratio indicates the extent to which Council's commitment to interest expenses are met by total operating revenues.

**Asset Sustainability Ratio**

This ratio indicates whether the Council is renewing or replacing existing non-financial assets at the rate of consumption. On occasions the Council will accelerate or reduce asset expenditures over time to compensate for prior events or invest in assets by spending more now so that it costs less in the future to maintain.

**Asset Consumption Ratio**

This ratio shows the consumption of the asset stock at a point in time.

Depreciation represents the reduction in value of the assets each year and therefore accumulated depreciation is the total reduction in the carrying value of the assets.

This measure seeks to best represent the deterioration in the value of an asset and gives an indicator of potential backlog.

**Appendix 4: District Council of Grant Rating Policy**

	<b>Rating Policy</b> <i>Policy No. FINPOL 19</i>	<b>Version No:</b>	1.0
		<b>Responsible Officer/s</b>	Deputy CEO
		<b>Issued:</b>	<b>05/10/2016</b>
		<b>Next Review:</b>	<b>May 2019</b>

## 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.

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‘**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

##### 1.0 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.

##### 1.1 Principles of Taxation

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

- 1.1.1 **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.
- 1.1.2 **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.
- 1.1.3 **Administrative simplicity**. This principle refers to the costs involved in applying and collecting the tax with mechanisms to reduce non-payment..
- 1.1.4 **Economic efficiency**. This refers to whether or not the tax distorts economic behaviour.
- 1.1.5 **Policy consistency**. The principle that taxes should be internally consistent, and based on transparent, predictable rules that are understandable and acceptable to taxpayers.



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## 1.2 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;

## 1.3 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.

## 1.4 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.
- 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

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- 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.

### **1.5 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.

### **1.6 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:

- 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
- 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](http://www.landservices.sa.gov.au)  
Email: [LSGObjections@sa.gov.au](mailto: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.

### **1.7 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

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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.

### 1.8 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 31<sup>st</sup> 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.

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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 Borderwatch, articles in Council's newsletter and rate inserts.

## **1.9 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.

## **1.10 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.

### **1.10.1 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.

### **1.10.2 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.

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### 1.11 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.

#### 1.11.1 Pelican Point Coastal Protection

Council has resolved to impose a separate rate on Pelican Point landowners identified within Zones 1 & 2 of the Pelican Point Protection Strategy Project Brief to reimburse Council for the costs of the Design Works. There are 36 properties covered by this separate rate which will be recover \$23,190 over the 2016-17 and 2017-18 financial years:

Year	2016-17	2017-18
Rate	\$ 322	\$ 322

The following map outlines the properties that will benefit from the project and where Council is to charge the Separate Rate in 2016-17 and 2017-18.

#### 1.11.2 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.

#### 1.11.3 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

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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.

## 1.12 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.

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.

## 1.13 Concessions & Remissions

### 1.13.1 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.

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1.13.2 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;
- 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.

1.13.3 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.

**1.14 Remission and Postponement of Rates**

1.14.1 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.

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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.”

#### 1.14.2 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”.

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.

#### 1.15 **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 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.

#### 1.16 **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.



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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.

### **1.17 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 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.

### **1.18 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

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## 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).

<b>Action</b>	<b>Date</b>	<b>Minute Reference</b>
Adopted by Council	5 October 2016	16130.1
Amended	16 January 2017	17004.2
Amended	19 June 2017	17086.1



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**Appendix 1.**

**2017-18 Rating Information**

Rating Information 2017-18		
	2017-18	2016-17
<u>Service Charges</u>		
CWMS Occupied	\$ 568	\$ 541
CWMS Vacant	\$ 485	\$ 462
MGB	\$ 242	\$ 240
Rate in the Dollar	\$ 0.3363	\$ 0.3353
Minimum Rate	\$ 584	\$ 570
<u>Separate Area Rates</u>		
Pelican Point Coastal Protection Strategy	\$ 322	\$ 322
Cape Douglas CWMS Construction	\$ 1,613	\$ 1,613
<u>NRM Rates</u>		
Residential	\$ 73	\$ 70
Commercial	\$ 110	\$ 128
Industrial	\$ 174	\$ 157
Primary Production	\$ 323	\$ 290
<u>Dates for payment of Rates</u>		
First Quarter	01-Sep-17	02-Sep-16
Second Quarter	01-Dec-17	02-Dec-16
Third Quarter	02-Mar-18	03-Mar-17
Fourth Quarter	01-Jun-18	02-Jun-17