



# **ANNUAL BUSINESS PLAN 2019-2020**

**Adopted by Council 24 June 2019**

## **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 Draft Annual Business Plan sets out the Council's proposed services, programs and projects for 2019-20. 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
<b>Physical Infrastructure is improved and developed</b>	<ul style="list-style-type: none"> <li>• Improved roads and 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 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 2019-20 Draft Annual Business Plan. These include:

- Consumer Price Index increase of 1.3% 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%;
- 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 2019-20 financial year.

	2017-18	2018-19	2018-19	2019-20
Rate Category	Actual	Budget	Actual	Budget
General Property Rates*	7,586,156	7,785,930	7,820,209	8,078,203
CWMS Rates	647,123	671,533	677,949	703,220
MGB Rates	580,564	599,016	597,374	608,250
NRM Rates	558,695	581,205	582,242	593,200
<b>Total</b>	<b>9,372,539</b>	<b>9,851,097</b>	<b>9,677,774</b>	<b>9,982,873</b>
Total Revenue	14,453,711	14,575,537	14,359,598	14,803,718
% of Rates of Total Revenue (excluding NRM)	61%	64%	63%	63%
* Includes rebates, fines and penalties				

The following objectives were achieved in 2018-19:

- 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;
- Continuation of township upgrades based on the Port MacDonnell and River and Coastal Master Plans;
- Continued advocacy for services and facilities for the community; and
- Various renewals of Councils Community Wastewater Management Systems.

The Council's priorities for 2019-20 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 Mount Gambier Regional Airport runway and terminal;
- 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 2019-20 are set out in the table below.

<b>District Council of Grant</b>	
<b>2019-20 Budget</b>	
<b>PROJECT PRIORITIES</b>	
	<b>Year Ended 30 June: 2019-20</b>
Contribution to City of Mount Gambier's Regional Sporting Hub	175,000
Underground Power Lines - Sea Parade, Port MacDonnell (1/3 share)	231,000
Waterfront Stage 2 - Playground Redevelopment, Standish Street Entrance, Landscaping and Fitness Area	705,000
Mount Gambier Regional Airport - Upgrade to Runway and Terminal	4,469,681
Mount Gambier Regional Airport - Re-roof Bellman Hanger	100,000
Mount Gambier Saleyards - Upgrade of rubber matting	105,000
Mount Gambier Saleyards - Various Upgrades	124,800
Capital Road Program	3,554,611
CWMS upgrades	340,000
Port MacDonnell CWMS connection to SA Water	134,000
Entrance Signage for Townships - Blackfellows Cave and Pelican Point	12,607
Rock Wall around Boardwalk at Port MacDonnell	29,000
Replace existing Cricket pitch & netting at Nene Valley	12,978
New Shelter near Foreshore at Carpenter Rocks	21,837
	<b>\$10,015,514</b>

For further details on capital expenditure for 2019-20 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 2019-20 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**

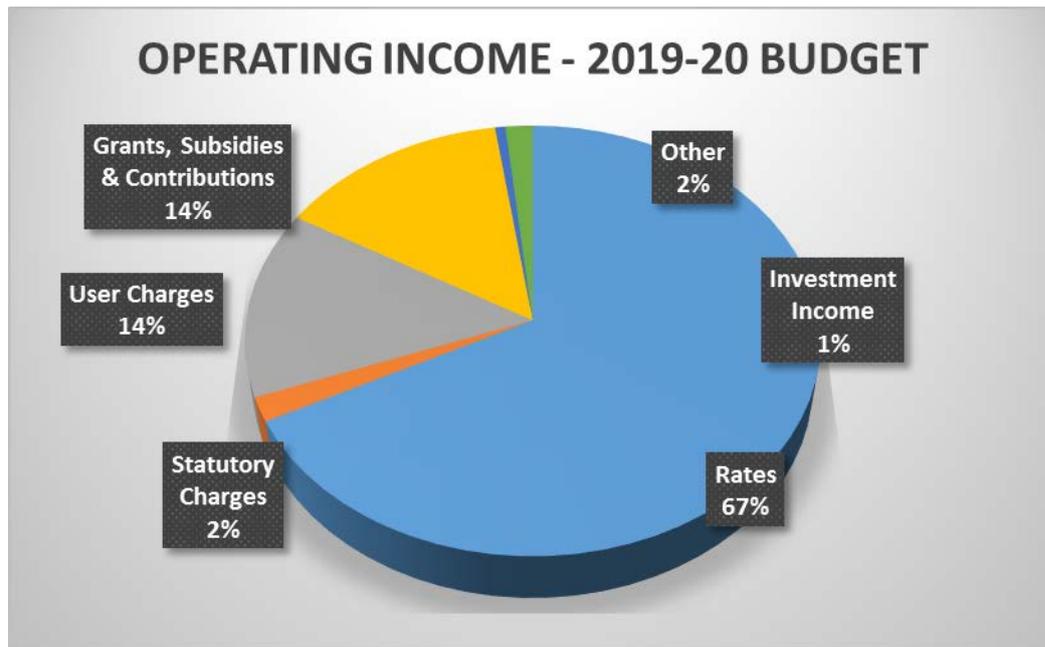
The Local Government sector in South Australia has adopted a set of financial indicators which provide a measure of the financial sustainability of Council's financial performance and position over time. Longer term targets for all indicators are being developed in conjunction with the development of 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 \$315,584 deficit (before capital amounts) for the 2019-20 year.

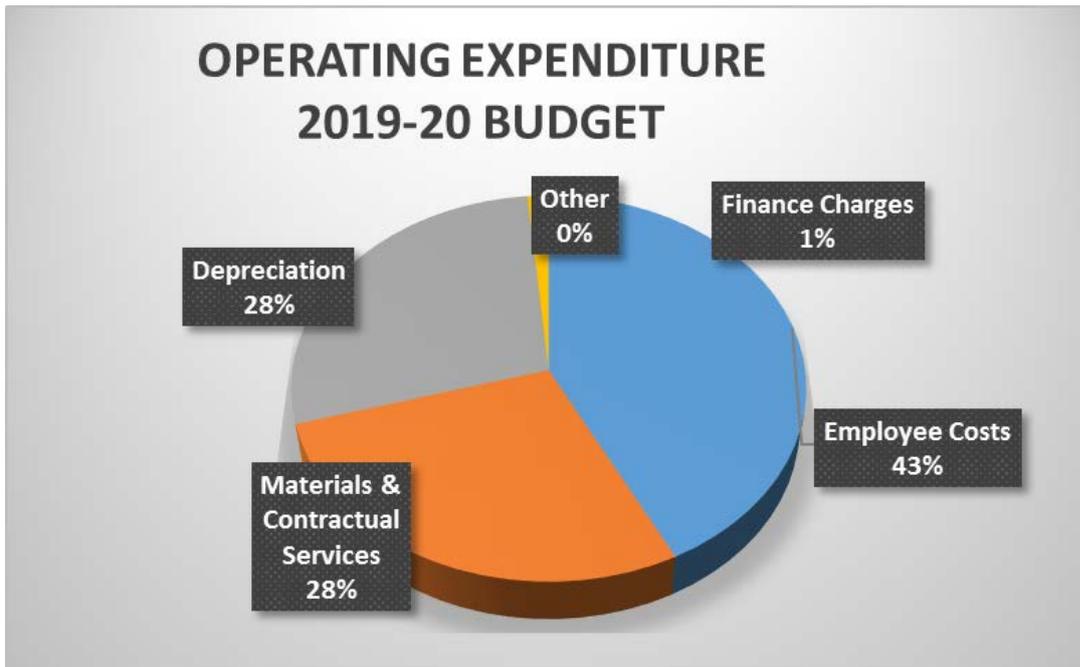
The Council’s long-term financial sustainability is dependent on ensuring that, on average over time, its expenses are less than its revenue.

The following chart and table highlights the sources of revenue for 2019-20.



OPERATING INCOME	2019-20 BUDGET
Rates	9,982,873
Statutory Charges	269,702
User Charges	2,091,644
Grants, Subsidies & Contributions	2,117,592
Investment Income	93,700
Other	248,206
<b>TOTAL</b>	<b>14,803,718</b>

The following chart and table provide a breakdown of the services for which expenditure is planned in 2019-20



OPERATING EXPENDITURE	2019-20 BUDGET
Employee Costs	6,438,925
Materials & Contractual Services	4,244,969
Depreciation	4,236,221
Finance Charges	219,665
Other	-
<b>TOTAL</b>	<b>15,139,780</b>

**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 \$219,665 is required to service Council's loans for the 2019-20 financial year. This figure represents 1.8% of Council's general rate revenue for the 2019-20 financial year. There are no new council loans planned for 2019-20.

**Appendix 1: Capital Expenditure**

**District Council of Grant**  
**2019-20 Budget**  
**Capital Projects**

PROJECT	DESCRIPTION	TOTAL	Grants	Loans	Trade-In	Reserves	Council
<b>Masterplan &amp; Open Space Projects</b>							
Rock Wall Around Board Walk	Port MacDonnell Waterfront	\$ 29,000					\$ 29,000
Waterfront - Stage 2	Playground Redevelopment, Standish Street Entrance, Lands	\$ 705,000	\$ 352,500			\$ 352,500	\$ -
Town Entrance Signage	Entrance Signage for Townships - Blackfellows Cave and Pe	\$ 12,607					\$ 12,607
Nene Valley	Replace existing Cricket pitch & netting	\$ 12,978					\$ 12,978
Carpenters Rocks Shelter	New Shelter near Foreshore (shop)	\$ 21,837					\$ 21,837
Carpenter Rocks Playground	Renew with Hot Dip Galv, replace poles and beams	\$ 3,700					\$ 3,700
Tenterden Reserve Playground	Renew Fence and Platforms	\$ 4,680					\$ 4,680
		<b>\$ 789,803</b>	<b>\$ 352,500</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 352,500</b>	<b>\$ 84,803</b>
<b>ICT</b>							
Information and Communication	As per replacement plan (excluding Saleyards and Airport)	\$ 63,460					\$ 63,460
		<b>\$ 63,460</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 63,460</b>
<b>Buildings</b>							
Admin Office - Air Conditioning	Replacement of air-conditioning unit	\$ 2,000					\$ 2,000
Port MacDonnell Public Toilets	Upgrade to power for Christmas Lights	\$ 5,000					\$ 5,000
Council Offices	Upgrade Training Room	\$ 10,000					\$ 10,000
		<b>\$ 17,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 17,000</b>
<b>CWMS</b>							
BioSolids Depot	Construction of a Bio solids Depot at Port MacDonnell old lan	\$ 134,000					\$ 134,000
Pelican Point CWMS Capital	Replacement Pumps	\$ 8,000					\$ 8,000
Port MacDonnell CMWS Capital	Tank Sealing, Replacement Vent Pipe, Vents and Shed	\$ 45,000					\$ 45,000
Allendale East	Replace 1 pump	\$ 4,000					\$ 4,000
Tarpeena CWMS Capital	Replace large pump and Vent Pipe	\$ 15,000					\$ 15,000
		<b>\$ 206,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 206,000</b>
<b>Airport</b>							
IT & Furniture	Replacement Desktop Computers and Monitor Upgrades	\$ 3,400					\$ 3,400
	Upgrade Wireless Network	\$ 1,000					\$ 1,000
Plant & Equipment	Mangers vehicle - 3 x vehicles changed over @15,000km	\$ 106,365			\$ 100,365		\$ 6,000
	Airport Support vehicle - 12 month buyback	\$ 35,445			\$ 32,727		\$ 2,718
Buildings	Re-roof Bellman Hangar - TBA	\$ 100,000					\$ 100,000
	Upgrade Public Toilets - TBA	\$ 20,000					\$ 20,000
Airport Redevelopment	Major Upgrade to Runway and Terminal	\$ 4,469,681	\$ 3,887,162				\$ 582,519
		<b>\$ 4,735,891</b>	<b>\$ 3,887,162</b>	<b>\$ -</b>	<b>\$ 133,092</b>	<b>\$ -</b>	<b>\$ 715,637</b>

**District Council of Grant**  
**2019-20 Budget**  
**Capital Projects**

PROJECT	DESCRIPTION	TOTAL	Grants	Loans	Trade-In	Reserves	Council
<b>Saleyards</b>							
Administration Building	Canteen (Air Conditioner)	\$ -					\$ -
	Various Renewals - (Plumbing Admin & Wshop)	\$ 6,000					\$ 6,000
Calf Shed	Re-roof	\$ 35,500					\$ 35,500
IT & Furniture	Replacement Printer and Monitor Upgrades	\$ 3,050					\$ 3,050
	Mobile Phone Replacements	\$ -					\$ -
	PABX Telephone System	\$ 12,000					\$ 12,000
	Main Electrical Switchboard	\$ 20,000					\$ 20,000
	Upgraded Communications link Weighbridge	\$ 5,000					\$ 5,000
	Upgraded Router for NBN connection	\$ 2,000					\$ 2,000
	Spare Wireless Access Point Saleyards Weighbridge	\$ 250					\$ 250
Plant & Equipment	Bobcat S70 Skid Steer Loader	\$ -			\$ 15,000		\$ (15,000)
	Bobcat S185 Loader	\$ 35,000					\$ 35,000
	Mazda BT-50 3.2L GT Utility (Manager)	\$ -			\$ -		\$ -
Infrastructure	Reseal Carpark	\$ -					\$ -
Other Structures	Cattle Yards Rubber Matting	\$ 105,000					\$ 105,000
	Buyers Walkway	\$ 15,000					\$ 15,000
	Hoist Renewals	\$ -					\$ -
	Fence Renewal Program	\$ -					\$ -
	Weighbridge Gates	\$ 12,000					\$ 12,000
	Solar Pump upgrade	\$ 8,000					\$ 8,000
	Mobile Phone Service Upgrade	\$ 6,000					\$ 6,000
		\$ 264,800	\$ -	\$ -	\$ 15,000	\$ -	\$ 249,800
<b>Road Projects</b>							
	As per Schedule	\$ 3,554,611	\$ 406,332				\$3,148,279
		\$ 3,554,611	\$ 406,332	\$ -	\$ -	\$ -	\$3,148,279
<b>Plant Replacement</b>							
	As per Schedule	\$ 993,606			\$522,355		\$ 471,251
		\$ 993,606	\$ -	\$ -	\$522,355	\$ -	\$ 471,251
<b>Total</b>		\$ 10,625,171	\$ 4,645,994	\$ -	\$ 670,447	\$ 352,500	\$ 4,956,230

**District Council of Grant**  
**2019-20 Budget**  
**ROAD CONSTRUCTION**

Job No	Road	Locality	Description	Total	Renewal	New	Grants
B0611	Barrows Rd	Mil-Lel	Resheet Barrows Rd 200mm Crushed Rubble	\$ 31,899	\$ 31,899	\$ -	\$ -
B0612	Crane Lane	Mil-Lel	Resheet Crane Lane 150mm Crushed Rubble	\$ 17,573	\$ 17,573	\$ -	\$ -
Bo560	Three Chain ( North)	Rocks	Resheet 2000 x 6 .150mm	\$ 64,720	\$ 64,720	\$ -	\$ -
B0557	Carney Lake Rd	Dismal Swamp	Resheet 2000 x 6 x .200mm	\$ 73,565	\$ 73,565	\$ -	\$ -
B0684	Gilbruc Rd	Mingbool	Resheet 2400 x 4.5 x .150mm	\$ 61,492	\$ 61,492	\$ -	\$ -
B0614	Brim Brim	Yahl	Resheet Brim Brim Rd 1800 x 6 x .150mm plus 25mm Attiwills Scalps	\$ 57,548	\$ 57,548	\$ -	\$ -
B0595	McCabes Lane	Moorak	Resheet 2200 metres x 6 x .200 mm	\$ 71,744	\$ 71,744	\$ -	\$ -
B0097	McLeans Rd	Kongorong	Resheet 2000 x 6 x .200mm	\$ 62,901	\$ 62,901	\$ -	\$ -
B0813	Old Medhurst Rd	Wepar	Resheet 2000 x 6 x .150 mm	\$ 54,761	\$ 54,761	\$ -	\$ -
B0194	Cape Banks Rd	Carpenter Rocks	Resheet 3000 x 6 x .200 mm	\$ 93,750	\$ 93,750	\$ -	\$ -
B0002	Gums Rd	Kongorong	Resheet 2600 x 6 x .150mm plus 25mm Attiwil Scalps	\$ 70,358	\$ 70,358	\$ -	\$ -
B0523	Stevenson Rd	Suttontown	Form up 400 metres and resheet	\$ 19,444	\$ 19,444	\$ -	\$ -
B0521	Vause Rd	Suttontown	Resheet 1800m x 6 x .150 mm	\$ 48,928	\$ 48,928	\$ -	\$ -
B0057	Tervoerts Rd	Eight Mile Creek	Realign corners on Tervoerts Rd	\$ 50,688	\$ 50,688	\$ -	\$ -
B0041	Warreanga Rd	Caroline	Resheet 2000 x 6 x .200 ( Starting at Green Pt Rd )	\$ 60,052	\$ 60,052	\$ -	\$ -
B0042	ACI Rd	Caroline	Resheet 2000 x 5 x .200	\$ 55,151	\$ 55,151	\$ -	\$ -
B0094	Whites Flat Rd	OB Flat	Form up and construct 700 metres x 5 x .200	\$ 25,471	\$ 25,471	\$ -	\$ -
A5035	Lower Nelson Rd	Eight Mile Creek	Reconstruct & seal 1700 metres x 9 x .200mm plus 50mm scalps	\$ 205,461	\$ -	\$ 205,461	\$ -
A5727	Ridge Rd	Mingbool	Reconstruct and seal 1800 metres x 9 x .200mm	\$ 196,622	\$ -	\$ 196,622	\$ -
	Reseals			\$ 800,000	\$ 800,000	\$ -	\$ -
A5100	Stock Route Rd	Mount Schank	Resheet 1500 x 8 x .200mm and seal 1000 metres	\$ 139,718	\$ 139,718	\$ -	\$ -
A5638	Leggett Rd	Worrolong	Reconstruct & Seal Leggett Rd 700 x 6 x .200 mm	\$ 73,051	\$ -	\$ 73,051	\$ -
A5724	Vorwerk Rd	Yahl	Reconstruct 1400m x 8 x .200mm ( Caroline Rd to Lange Rd )	\$ 162,186	\$ -	\$ 162,186	\$ -
A5680	Kilsby Rd	Moorak	Kerb & Channel northern side only to Thompson Crt 260 metres	\$ 150,286	\$ 150,286	\$ -	\$ -
A5178	Uphill Street	Kongorong	Reconstruct & Seal 200 metres x 6 x .200 mm	\$ 28,514	\$ -	\$ 28,514	\$ -
A5054	Dry Creek Rd	Donovans	Kerb & Channel Dry Creek Rd ( From Adams to Leslie Crt ) 210 metres	\$ 99,220	\$ -	\$ 99,220	\$ -
A5655	Waring St West	Tarpeena	Kerb & Channel 120 metres (Pearson to Riddoch Highway)	\$ 92,240	\$ -	\$ 92,240	\$ -
A5078	Post Office Rd	Mount Schank	Reconstruct Post Office Rd 50% SLRP	\$ 375,498	\$ -	\$ 375,498	\$250,332
A5582	Ruwoldt Blackspot	Yahl	Realignment of the Yahl Rd / Ruwoldt Junction ( Blackspot 2/3 funding Council 1/3	\$ 235,772	\$ -	\$ 235,772	\$156,000
G0298	Port Mac Bike track resurfacing	Port MacDonnell	Re-seal 760 metres	\$ 76,000	\$ 76,000	\$ -	\$ -
	<b>Total</b>			<b>\$3,554,611</b>	<b>\$2,086,047</b>	<b>\$1,468,564</b>	<b>\$406,332</b>

DISTRICT COUNCIL OF GRANT								
2019/2020 BUDGET								
CAPITAL PLANT PURCHASES								
Asset ID	Asset Name	Current Vehicle Details	Allocation	Purchase Details	Qty	Total Cost	Income From Trade	Changeover
<b>HEAVY PLANT REPLACEMENT</b>								
F.P287	Loaders	Furukawa FL70A Loader			1	\$100,000	\$10,000	\$90,000
F.P333	Trucks	Isuzu FTR900 Truck with 5M JG Schulz Tipper Body			1	\$140,000	\$42,000	\$98,000
F.P334	Trucks	Isuzu FTR700/850 Truck with 5M JG Schulz Tipper Body			1	\$140,000	\$42,000	\$98,000
<b>LIGHT PLANT REPLACEMENT</b>								
F.P405	Mowers	Kubota F3690 Ride On Outfront Mower			1	\$30,000	\$9,000	\$21,000
F.P378	Mowers	Kubota ZD326P-60 Zero Turn Ride On Mower			1	\$30,000	\$12,000	\$18,000
F.P336	Slashers	Howard 6' EHD 180 Slasher			1	\$9,500	\$2,850	\$6,650
F.P337	Slashers	Howard 6' EHD 180 Slasher			1	\$9,500	\$2,850	\$6,650
F.P338	Slashers	Howard 6' EHD 180 Slasher			1	\$9,500	\$2,850	\$6,650
EP.000666 EP.002347	Tanks	Fibreglass Water Tank (10,000) and Frame			1	\$35,000	\$0	\$35,000
<b>COMMERCIAL VEHICLE REPLACEMENT</b>								
F.002148	Commercial Vehicles	Toyota Hilux 4x4 Dual Cab Utility	Martin Brown	Buy Back - NBT	3	\$106,365	\$100,365	\$6,000
F.002145	Commercial Vehicles	Toyota Hilux 4x4 Dual Cab Utility	Neil Grubb	Buy Back - NBT	3	\$106,365	\$100,365	\$6,000
F.002149	Commercial Vehicles	Toyota Hilux 4x4 Dual Cab Utility	Matthew Little	Buy Back - NBT	3	\$106,365	\$100,365	\$6,000
F.P402	Commercial Vehicles	Nissan Navara 4x2 Dual Cab Utility			1	\$25,382	\$12,691	\$12,691
F.P401	Commercial Vehicles	Nissan Navara 4x2 Dual Cab Utility			1	\$25,382	\$12,691	\$12,691
F.P400	Commercial Vehicles	Nissan Navara 4x2 Dual Cab Utility			1	\$25,382	\$12,691	\$12,691
<b>MANAGER &amp; PASSENGER VEHICLE REPLACEMENT</b>								
	Tailgate Lifter	Ranger Vehicle			1	\$10,000		\$10,000
F.002151	Passenger/Manager Vehicles	Ford Ranger PU XLT 4x4 Crew Cab Utility	Mayor		1	\$48,575	\$33,274	\$15,301
F.001921	Passenger/Manager Vehicles	Toyota Rav4 Petrol 6A GXL AWD	Jane Fetherstonhaugh	Buy Back - NBT	1	\$36,291	\$26,364	\$9,927
<b>MOUNT GAMBIER AIRPORT</b>								
F.002152	Mount Gambier Airport	Toyota Hilux 4x4 Dual Cab Utility	Ian Fritsch	Buy Back - NBT	3	\$106,365	\$100,365	\$6,000
F.001815	Mount Gambier Airport	Toyota Hilux 4x4 Dual Cab Utility	Adam Branford	Buy Back - NBT	1	\$35,445	\$32,727	\$2,718
<b>MOUNT GAMBIER SALEYARDS</b>								
F.002239	Mount Gambier Saleyards	Ford Ranger MY Dual Cab Utility	Peter Mitchell		1			\$0
F.000323	Mount Gambier Saleyards	Bobcat S70 Skid Steer Loader			1	\$35,000	\$15,000	\$20,000
<b>TOTAL</b>						<b>\$1,170,416</b>	<b>\$670,447</b>	<b>\$499,969</b>

**Appendix 2: Budgeted Financial Statements 2019-20**

<b>District Council of Grant</b>			
<b>2019-20 Budget</b>			
<b>STATEMENT OF COMPREHENSIVE INCOME</b>			
Year Ended 30 June:	2019-20	2018-19	2019-20
	Budget	Budget	Forecast as per LTFF
<b>Operating Revenue</b>			
Rates	9,982,873	9,639,640	9,895,859
Statutory Charges	269,702	285,662	290,251
User Charges	2,091,644	2,172,672	2,017,361
Grants, Subsidies & Contributions	2,117,592	2,081,805	1,616,757
Reimbursements	38,523	38,523	54,149
Investment Income	93,700	87,000	87,360
Other	209,683	270,235	397,861
<b>Total Operating Revenue</b>	<b>14,803,718</b>	<b>14,575,537</b>	<b>14,359,598</b>
<b>Operating Expenses</b>			
Employee Costs	6,438,925	6,096,254	5,873,514
Materials & Contractual Services	4,244,969	3,813,717	4,401,268
Depreciation	4,236,221	4,470,685	4,587,457
Finance Charges	219,665	249,685	241,622
Other	0	0	0
<b>Total Operating Expenses</b>	<b>15,139,780</b>	<b>14,630,342</b>	<b>15,103,861</b>
<b>Operating Surplus/(Deficit)</b>	<b>(336,062)</b>	<b>(54,805)</b>	<b>(744,263)</b>
Fair Value Adjustment			
Net Gain(Loss) on Disposal or Revaluation of Assets	0	0	0
Physical Resources Free of Charge			
Amounts received specifically for new or upgraded assets	4,489,969	431,792	4,602,162
<b>NET SURPLUS / (DEFICIT)</b>	<b>4,153,908</b>	<b>376,987</b>	<b>3,857,899</b>
<b>Other Comprehensive income</b>			
Changes in revaluation surplus - Infrastructure, property, plant & equipment	0	0	0
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>4,153,908</b>	<b>376,987</b>	<b>3,857,899</b>

**District Council of Grant**  
**2019-20 Budget**  
**ESTIMATED CASH FLOW STATEMENT**

Year Ended 30 June:	2019-20	2018-19	2019-20
	Budget	Budget	Forecast as per LTFF
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<u>Receipts</u>			
Rates	9,982,873	9,639,640	9,895,859
Statutory Charges	269,702	285,662	290,251
User Charges	2,091,644	2,172,672	2,017,361
Grants, Subsidies & Contributions	2,117,592	2,081,805	1,616,757
Reimbursements	38,523	38,523	54,149
Investment Income	93,700	87,000	87,360
Other	209,683	270,235	397,861
<u>Payments</u>			
Employee Costs	(6,438,925)	(6,096,254)	(5,873,514)
Materials & Contractual Services	(4,244,969)	(3,813,717)	(4,401,268)
Finance Charges	(219,665)	(249,685)	(241,622)
Other	0	0	0
<b>Net Cash provided by (or used in) Operating Activities</b>	<b>3,900,160</b>	<b>4,415,880</b>	<b>3,843,194</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<u>Receipts</u>			
Amounts Specifically for New/Upgraded Assets	4,489,969	431,792	4,602,162
Sale of Renewed/Replaced Assets	818,540	898,317	800,673
Repayment of Loans from Community Groups	30,462	30,462	30,462
<u>Payments</u>			
Expenditure on Renewal/Replacement of Assets	(3,744,149)	(3,163,147)	(3,721,425)
Expenditure on New/Upgraded Assets	(6,881,020)	(2,395,049)	(7,400,281)
Loans made to Community Groups		0	
<b>Net Cash Provided by (or used in) Investing Activities</b>	<b>(5,286,197)</b>	<b>(4,197,625)</b>	<b>(5,688,408)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<u>Receipts</u>			
Proceeds from Borrowings			
<u>Payments</u>			
Repayments of Borrowings	(528,966)	(523,694)	(528,966)
<b>Net Cash provided by (or used in) Financing Activities</b>	<b>(528,966)</b>	<b>(523,694)</b>	<b>(528,966)</b>
<b>Net Increase/(Decrease) in cash held</b>	<b>(1,915,003)</b>	<b>(305,438)</b>	<b>(2,374,179)</b>
<b>Opening cash, cash equivalents or (bank overdraft)</b>	<b>3,589,095</b>	<b>4,287,550</b>	<b>5,963,274</b>
<b>Closing cash, cash equivalents or (bank overdraft)</b>	<b>1,674,091</b>	<b>3,982,112</b>	<b>3,589,095</b>

**District Council of Grant**  
**2019-20 Budget**  
**ESTIMATED BALANCE SHEET**

Year Ended 30 June:	2019-20	2018-19	2019-20
	Budget	Budget	Forecast as per LTFP
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash & Equivalent Assets	1,674,091	3,982,112	3,589,095
Trade & Other Receivables	725,154	861,611	755,616
Inventories	188,663	100,000	188,663
Sub-total	2,587,908	4,943,723	4,533,373
Non-current assets held for sale	0	0	0
<b>Total Current Assets</b>	<b>2,587,908</b>	<b>4,943,723</b>	<b>4,533,373</b>
<b>Non-Current Assets</b>			
Receivables	0	0	0
Infrastructure, Property, Plant & Equipment	129,431,138	119,533,846	123,860,730
Inventories			
Other Non-Current Assets			
<b>Total Non-Current Assets</b>	<b>129,431,138</b>	<b>119,533,846</b>	<b>123,860,730</b>
<b>Total Assets</b>	<b>132,019,045</b>	<b>124,477,568</b>	<b>128,394,103</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & Other Payables	1,175,087	1,000,000	1,175,087
Borrowings	742,646	523,694	742,646
Provisions	852,676	955,000	852,676
Other Current Liabilities			
Sub-total	2,770,410	2,478,694	2,770,410
Liabilities Relating to Non-Current Assets held for sale	0	0	0
<b>Total Current Liabilities</b>	<b>2,770,410</b>	<b>2,478,694</b>	<b>2,770,410</b>
<b>Non-Current Liabilities</b>			
Trade & Other Payables			
Borrowings	2,349,255	3,102,444	2,878,220
Provisions	47,782	100,000	47,782
Other Non-Current Liabilities			
<b>Total Non-Current Liabilities</b>	<b>2,397,037</b>	<b>3,202,444</b>	<b>2,926,002</b>
<b>Total Liabilities</b>	<b>5,167,446</b>	<b>5,681,137</b>	<b>5,696,412</b>
<b>NET ASSETS</b>	<b>126,851,599</b>	<b>118,796,431</b>	<b>122,697,691</b>
<b>EQUITY</b>			
Accumulated Surplus	49,686,600	36,455,925	45,532,692
Asset Revaluation Reserve	77,165,000	82,340,505	77,165,000
Other Reserves	0	0	0
<b>TOTAL EQUITY</b>	<b>126,851,600</b>	<b>118,796,430</b>	<b>122,697,692</b>

**District Council of Grant**  
**2019-20 Budget**  
**ESTIMATED STATEMENT OF CHANGES IN EQUITY**

Year Ended 30 June:	2019-20	2018-19	2019-20
	Budget	Budget	Forecast as per LTFP
<b>ACCUMULATED SURPLUS</b>			
Balance at end of previous reporting period	45,532,692	36,078,939	41,674,792
Net Result for Year	4,153,908	376,987	3,857,899
Transfers to Other Reserves			
Transfers from Other Reserves			
<b>Balance at end of period</b>	<b>49,686,600</b>	<b>36,455,925</b>	<b>45,532,692</b>
<b>ASSET REVALUATION RESERVE</b>			
Balance at End of Previous Reporting Period	77,165,000	82,340,505	77,165,000
Gain/(loss) on Revaluation of Infrastructure, Property, Plant & Equipment		0	
Transfer to Accumulated Surplus on Sale of Property, Plant & Equipment			
<b>Balance at end of period</b>	<b>77,165,000</b>	<b>82,340,505</b>	<b>77,165,000</b>
<b>OTHER RESERVES</b>			
Balance at end of previous reporting period	0	0	0
Transfers from Accumulated Surplus			0
Transfers to Accumulated Surplus			
<b>Balance at end of period</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL EQUITY AT END OF REPORTING PERIOD</b>	<b>126,851,600</b>	<b>118,796,430</b>	<b>122,697,692</b>

**Appendix 3: District Council of Grant Rating Policy**

Rating Policy (FINPOL 19)

	<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>20/06/2018</b>
		<b>Next Review:</b>	<b>June 2020</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 total number of properties in the Council 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

##### 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.

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#### 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.

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- 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](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.

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#### 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.

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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 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 Maximum Increase on Rates ('Rate Capping' Rebate)**

A rebate of general rates for the 2019-20 financial year will be granted to the Principal Ratepayer of a Primary Producer Assessment under Section 166 (1) (l) of the Act, on application to the Council, where the amount of any increase in rates in respect of that Assessment in monetary terms between the amount of general rates imposed for the 2019-20 financial year and the amount of general rates payable for the 2018-19 financial year is greater than 4 per cent.

The amount of the rebate will be the difference between the amount of general rates in monetary terms that was imposed for the 2019-20 financial year and the amount of general rates in monetary terms payable for the 2018-19 financial year plus 4 per cent of that amount.

The rebate will not apply where:

- Any such increase is due in whole or part to an increase in valuation of the land in the Assessment because of improvements made to it worth more than \$10,000, or
- Any such increase is in whole or part because the zoning of the land has changed, or
- Any such increase is due in full or part to the use of the land being different for rating purposes on the date the Council declared its general rates for the 2019-20 financial year than on the date the Council declared its general rates for the 2018-19 financial year, or
- The ownership of the rateable property has changed since 1 July 2018.

The rate cap will be applied automatically to properties that can be readily identified as being eligible. Where this rebate is not applied automatically, ratepayers who consider they could be eligible for the Rate Cap Rebate may lodge an application form, which will be assessed against the eligibility criteria. Council rebates or remissions are not included in the capping calculation process. The application must be lodged by 31 August 2019. This rebate is applied under the discretionary rebate provisions of Section 166(1)(l) of the Act.

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#### 4.12 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.

##### 4.12.1 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.

##### 4.12.2 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.

#### 4.13 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.

##### 4.13.1 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

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connect to the scheme due to some levels of non-compliance in disposal of effluent from their properties. Nine of these 14 sites have paid the cost of construction in full to Council, the remaining properties will pay this cost via a service charge from Council.

#### 4.13.2 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.

#### 4.14 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).

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

#### 4.15 Concessions & Remissions

##### 4.15.1 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 of the preceding financial year;
- 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.

##### 4.15.2 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.

#### 4.16 Remission and Postponement of Rates

##### 4.16.1 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).*

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*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."*

#### 4.16.2 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.

#### 4.17 **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.

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#### **4.18 Late payment of rates / debt recovery**

The Local Government Act provides that Councils impose a penalty of a 2% fine 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.

#### **4.19 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.

#### **4.20 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

### **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).



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<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
Amended	7 May 2018	18066.1
Amended	20 June 2018	18091.2
Amended	20 May 2019	19067.6
Minor amendment by CEO	24 June 2019	CEO



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**Appendix 1.**

**2019-20 Rating Information**

	<b>2019-20</b>	<b>2018-19</b>	<b>Increase</b>
Rate in the Dollar	\$ 0.3352	\$ 0.3442	-2.6%
Minimum Rate	\$ 610	\$ 597	2.2%
Valuation	\$ 2,582,378,980	\$ 2,280,598,480	13.2%
Rates Raised	8,068,203	7,821,075	3.2%
<u>Service Charges</u>			
CWMS Occupied	\$ 610	\$ 596	2.3%
CWMS Vacant	\$ 520	\$ 509	2.2%
MGB	\$ 254	\$ 248	2.5%
<u>Separate Area Rates</u>			
Cape Douglas CWMS Construction	\$ 1,613	\$ 1,613	0.0%
<u>NRM Rates</u>			
Residential	\$ 78	\$ 74	5.4%
Commercial	\$ 113	\$ 111	1.8%
Industrial	\$ 178	\$ 176	1.1%
Primary Production	\$ 339	\$ 336	1.0%
<u>Dates for payment of Rates</u>			
First Quarter	06-Sep-19	07-Sep-18	
Second Quarter	06-Dec-19	07-Dec-18	
Third Quarter	06-Mar-20	08-Mar-19	
Fourth Quarter	05-Jun-20	07-Jun-19	