

District Council of

Grant



ANNUAL BUSINESS PLAN

2016-17

Adopted by Council on 20th June 2016

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 2016-17. 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 Infrastructure and Asset Management Plan 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. 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 7,855 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
Physical Infrastructure is improved and developed	<ul style="list-style-type: none"> • Improved roads & infrastructure, transport links, footpaths and walking/cycle trails • Improved public spaces • Improved regional infrastructure (including non-council infrastructure) • Improved Airport infrastructure and services • Improved Mount Gambier Saleyards infrastructure and services • Improved marine infrastructure
Economic development opportunities pursued and promoted	<ul style="list-style-type: none"> • Growth of new and existing industries and businesses • Increased tourism • Existing events supported and new events developed • Land developed to meet future needs and demands
Improved community services delivered that support community expectations	<ul style="list-style-type: none"> • Improved and accountable partnerships and services provided by other stakeholders • Effective and improved community development programs • A safe and vibrant community
Strong leadership, management, and delivery of transparent council services	<ul style="list-style-type: none"> • Effective communication and consultation with the community and regional partners • Effective Council management and business systems • Effective regulatory services • Effective support and services to Elected Members • Effective partnerships with stakeholders
Sustainable use, accessibility and planned use of our natural and built environment	<ul style="list-style-type: none"> • Alternative energy solutions and opportunities explored • Improved and continued public access to our natural environs (parks, coast, marine parks) • Sustainable approach to coastal protection strategies • Sustainable Community Waste Management Systems implemented and maintained • Sustainable Waste Management Services

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

3. Infrastructure and Asset Management Plan

Sound asset management is the key to financial sustainability. There is clearly a direct link between the development and implementation of Council's Infrastructure and Asset Management Plan 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 Plan helps 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 Infrastructure and Asset Management Plan 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 2016-17 Draft Annual Business Plan. These include:

- Consumer Price Index increase of 0.7% for the March Quarter for Adelaide;
- Requirements to maintain and improve infrastructure assets to acceptable standards including roads, footpaths, lighting, stormwater drainage, street trees and plantings, open space and Council properties;
- Service and infrastructure needs for a growing population;
- Implementing the Port MacDonnell, Tarpeena and River and Coastal Masterplans
- Development of Tourism and Economic Development opportunities

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 3.7%;
- Reduced spending on new infrastructure so revenue can be redirected towards additional road maintenance as identified in the Infrastructure Asset Management Plan.
- 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 identified for the 2016-17 financial year.

The following objectives were achieved in 2015-16:

- Increased maintenance on Council's Roads, including continuation of road reseal program
- Continuation of Road Construction and Renewal as per Asset Management Plan
- Identify and apply for funding to improve safety of Council's road network
- Continued advocacy for services and facilities for the community
- Upgrading of facilities for the Port MacDonnell CWMS.

The Council's priorities for 2016-17 are:

- Continue with Councils road maintenance, renewal and upgrade program.
- Bio-solids facility for the Allendale East CWMS
- Upgrade of pump controllers for Tarpeena CWMS
- RV Dump Points at Port MacDonnell and Carpenter Rocks
- Upgrade of Donovans Landing (subject to grant funding)
- Electrical upgrade for the Port MacDonnell Foreshore Tourist Park
- Continuation of township upgrades based on the Port MacDonnell, Tarpeena and River and Coastal Masterplans

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. Community surveys are undertaken to check levels of satisfaction and areas for improvement.

The Council also operates a number of facilities and services 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
- 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 2016-17 are set out in the table below.

CAPITAL EXPENDITURE	2016-17 BUDGET
General Administration	87,055
Housing and Community Services	289,000
Recreation and Culture	214,666
Saleyards	117,583
Airport	236,909
Road Infrastructure	2,566,025
Plant & Depot	1,588,057
Sanitary & Garbage	5,000
TOTAL	5,104,295

For further details on capital expenditure for 2016-17 please refer to appendix 1.

7. Measuring Performance - Objectives for the Year

The Draft Annual Business Plan has been prepared to address the following key strategic and emerging issues as listed in Councils Strategic Management Plan:

- Regional and local transport infrastructure planning and provision, including Mount Gambier Airport.
- Consideration of land availability and land use from a planning perspective, with an early priority on future provision of Industrial Land.
- Continued advocacy to all levels of Government for services, facilities and projects for the community (health, medical services, infrastructure, telecommunications, etc).
- Recognition that we have an ageing population and the need to advocate, plan and facilitate provision of services
- Continuing support for the expansion and retention of education and training services including TAFE SA and University of SA, Flinders University Rural Clinic School and Southern Cross University.
- Implementation of adopted Port MacDonnell, River & Coast, and Tarpeena Masterplans
- Population growth
- Financial sustainability and accountability
- Community engagement
- Impacts of climate change, and coastal management challenges
- Councils role in Economic Development
- Continued assessment of business systems and approach throughout Council.

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).

**DISTRICT COUNCIL OF GRANT
BUDGET FOR YEAR ENDING 30 JUNE 2017**

FINANCIAL INDICATORS

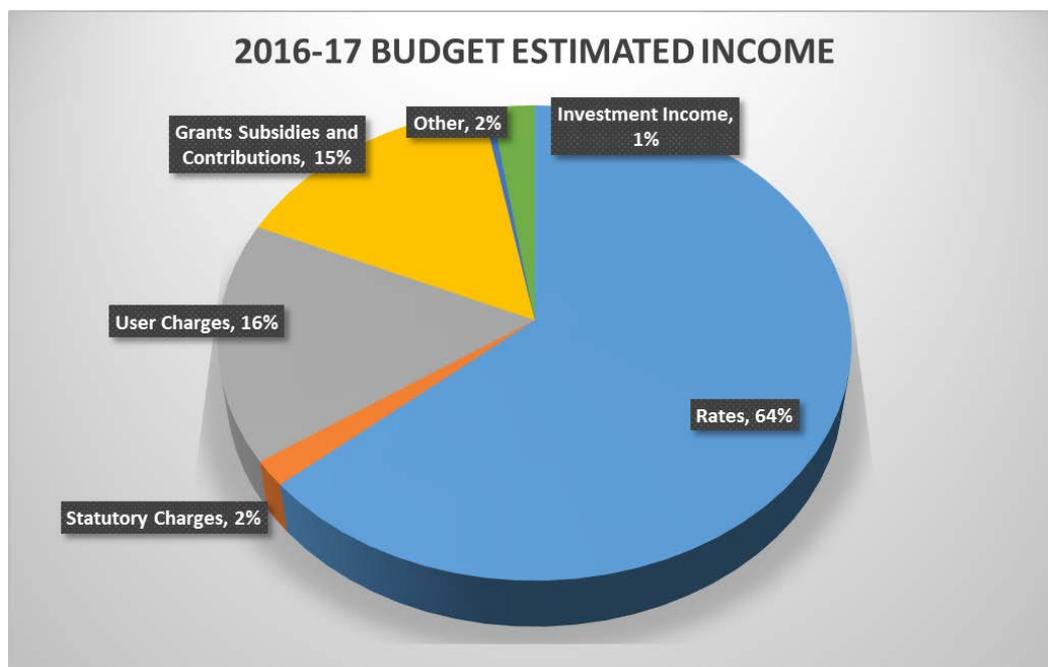
2015/2016 LONG-TERM FINANCIAL PLAN	2015/2016 LAST YEARS ADOPTED BUDGET	2015/2016 LAST YEARS AMENDED BUDGET	2016/2017 THIS YEARS BUDGET
(936,000) Operating Surplus <i>Being the Operating Surplus (Deficit) before Capital Amounts</i>	(1,060,171)	(1,762,839)	(608,832)
-7% Operating Surplus Ratio <u>Operating 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>	-8%	-4%	-4%
2,859,000 Net Financial Liabilities <i>Net Financial Liabilities are defined as Total Liabilities less financial assets (excluding equity accounted investments in Council Businesses)</i>	4,446,548	4,207,141	4,207,141
22% Net Financial Liabilities Ratio <u>Net Financial Liabilities</u> Total Operating Revenue less NRM levy	34%	31%	31%
Interest Cover Ratio			
1.1% <u>Net Interest Expense</u> Total Operating Revenue less NRM levy less Investment Income	1.8%	1.8%	1.8%
80% Asset Sustainability Ratio <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 acquisition of additional assets</i>	26%	85%	85%
92% Asset Consumption Ratio <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%	94%	94%

8. Funding the Business Plan

The \$621,470 Operating Deficit (before capital amounts) is an improvement on Council's long term target Operating Surplus/Deficit of \$936,000 for the 2016-17 year.

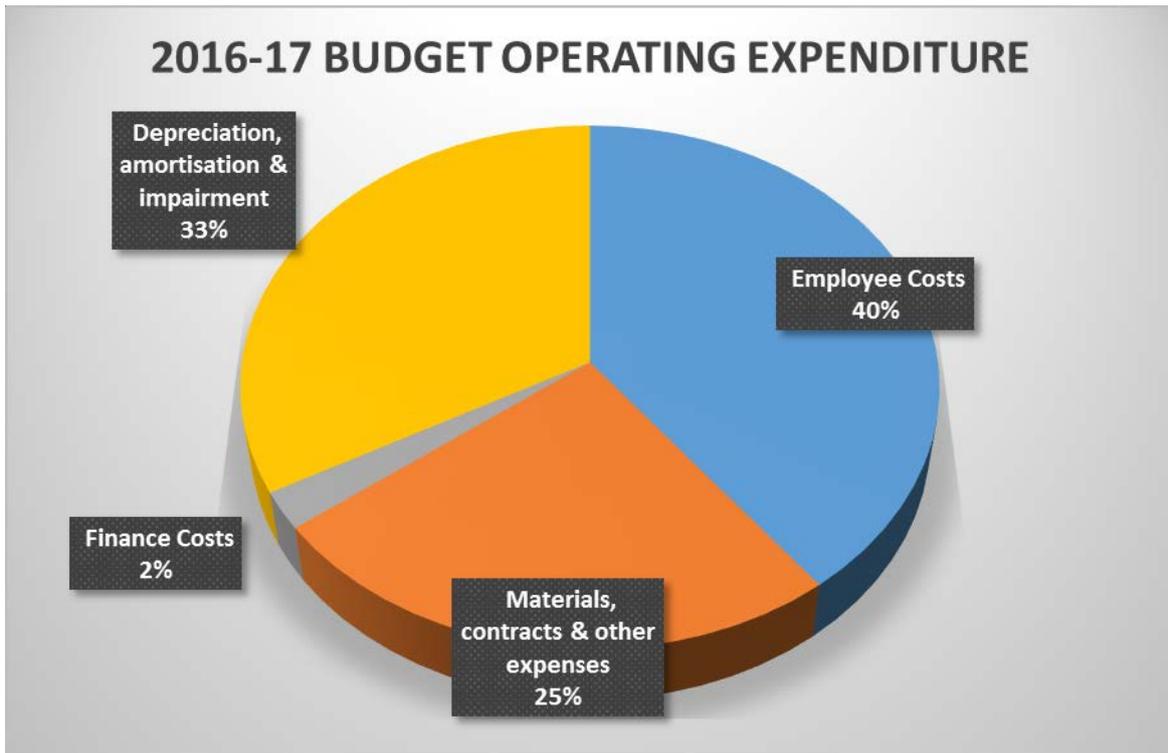
The Council's long-term financial sustainability is dependent on ensuring that, on average over time, its expenses are less than its revenue. (Please note: depreciation is a major expense, which has a significant influence on the operating deficit.) Council has invested in Asset Management software which will enable a more accurate calculation of its depreciation expense. Council's revenue in 2016-17 includes \$8.7 million proposed to be raised from general rates.

The following chart and table highlights the sources of revenue for 2016-17.



OPERATING INCOME	2016-17 BUDGET
Rates	8,744,821
Statutory Charges	239,900
User Charges	2,247,506
Grants Subsidies and Contributions	2,112,735
Investment Income	62,000
Other	334,846

The following chart and table provide a breakdown of the services for which expenditure is planned in 2016-17



OPERATING EXPENDITURE	2016-17 BUDGET
Employee Costs	5,629,932
Materials, contracts & other expenses	3,572,792
Finance Costs	330,274
Depreciation, amortisation & impairment	4,689,570

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 \$305,030 is required to service Council's loans for the 2016-17 financial year. This figure represents 3.5% of Council's general rate revenue for the 2016-17 financial year.

There are no new council loans for 2016-17, however Council have resolved to approve loan borrowings for \$100,000 over 10 years for the purpose of self-funded loan funding for the Port MacDonnell Football Club to upgrade their oval lights.

The following table lists Councils outstanding loans as at 30th June 2016.

Council Loans	Original Principal	OS as at 1/7/16	Term	Expiry
Allendale East CWMS	364,700	281,146	15	16-Jan-21
Donovans CWMS	420,000	347,563	15	16-Jul-27
Cape Douglas CWMS	96,950	20,229	15	16-Jul-27
Carpenter Rock Waste Transfer Station	62,000	29,584	10	15-Jun-20
Nene Valley Wast Transfer Station	67,000	31,970	10	15-Jun-20
Port MacDonnell Community Complex	220,000	178,749	15	15-May-27
Hammonds Drain	95,578	27,307	15	18-May-19
Road Construction	300,000	134,283	15	15-May-21
Road Construction	450,000	237,376	15	15-Jun-22
Road Construction	900,000	744,779	15	16-Jul-27
Road Infrastructure	615,000	615,000	15	16-Mar-30
Saleyards Effluent Scheme	650,000	462,863	15	15-Jun-25
Saleyards Soft Matting	217,952	173,495	15	15-Aug-26
Saleyards Scales	950,000	866,460	15	17-Mar-29
Saleyards Pavement Upgrade	413,871	393,728	15	16-Mar-30
Plant Replacement	100,000	47,746	10	12-Jun-20
Plant Replacement	500,000	333,160	10	13-Mar-22
Plant Replacement	500,000	420,792	10	14-Mar-24
	6,923,051	5,346,231		
Self Supporting Loans				
Offshore Anglers Club	40,000	19,418	15	15-Sep-21
Port MacDonnell Bowling Club	110,000	39,638	10	15-Apr-19
Mount Gambier Harness Racing Club	30,000	21,074	10	15-Aug-22
	180,000	80,129		
GRAND TOTAL	7,103,051	5,426,360		

9. What it means for rates

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.

Valuations for 2016-17 have decreased by 1.6% across the District Council of Grant.

Council is proposing to increase rate in the dollar from 0.3146 to 0.332 for 2016-17 and on average, total rates raised will increase by 3.7%. The minimum rate will increase to \$570.

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;

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 always imposed a single general rate in the dollar in respect of ALL land irrespective of use.
- 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.

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
- 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;

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.

Adoption of Valuations

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

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

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

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

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

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 has decided to impose a minimum rate of \$570. The reasons for imposing a minimum rate are:

- 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.

The minimum rate is expected to affect approximately 20% of rateable properties.

Service Charges

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.

2016-17 Charges are \$541 for an occupied property and \$462 for an un-occupied property.

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.

Mobile Garbage Bins have been provided in all townships and other selected areas of the Council. All properties within these locations are supplied with two 240 litre bins by Council, and are required to pay a service charge. The proposed service charge for 2016-17 for this service is \$240 per property and will include alternate weekly domestic collection and recycling collections.

The 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.

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.

a) 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.



(b) 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.

Council is to set the rate for these 14 sites at \$2,154, and then provide for a rebate under Section 166 (1)(a) of the Local Government Act of \$1,613 for those sites that have paid for the construction costs up front.

The following map outlines the properties that will be charged the Separate Rate in 2016-17.



(c) 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 levy for 2016-17 has significantly increased by 210% over the Council area. This is due to the costs of Water Planning and Management (WPM) activities having to be recovered through regional NRM levies.

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.

Appendix 1: Capital Expenditure

Capital Projects	\$	Funding			
		Grants & Contributions	Loans	Trade-In	Council
Administration					
IT Upgrades	\$ 87,055				\$ 87,055
	\$ 87,055	\$ -	\$ -	\$ -	\$ 87,055
CWMS					
BioSolids Depot	\$ 127,000				\$ 127,000
Cape Douglas CWMS Capital	\$ 20,000				\$ 20,000
Port MacDonnell CMWS Capital Upgrade	\$ 42,000				\$ 42,000
Tarpeena CWMS Capital	\$ 100,000				\$ 100,000
	\$ 289,000	\$ -	\$ -	\$ -	\$ 289,000
Sanitary & Garbage					
Tarpeena Oil Shed	\$ 5,000				\$ 5,000
Replacement MGB's					\$ -
	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000
Saleyards					
5 Desktop Computers: 2x Weighbridge, 2x Buyers Office, 1x Manager's Office	\$ 7,500				\$ 7,500
Upgrade NBN Router	\$ 1,000				\$ 1,000
UPS - Managers Office	\$ 1,000				\$ 1,000
Monitor replacments	\$ 600				\$ 600
IPhone Replacments	\$ 2,000				\$ 2,000
Saleyards Managers Vehicle	\$ 43,933			\$ 34,000	\$ 9,933
Saleyards Team Leader Vehicle	\$ 20,050			\$ 12,030	\$ 8,020
Motorbike changeover (Kawasaki 4w Bike)	\$ 14,000			\$ 4,200	\$ 9,800
Signs throughout the Saleyards	\$ 20,000				\$ 20,000
New hand Scanner (NLIS)	\$ 3,000				\$ 3,000
Buttons on scales (drafting gates)	\$ 1,500				\$ 1,500
Cement pen 229	\$ 3,000				\$ 3,000
	\$ 117,583	\$ -	\$ -	\$ 50,230	\$ 67,353
Airport					
Kerbing & Landscaping (Lawns/watering system/kerbing)	\$ 10,000				\$ 10,000
Furniture	\$ 2,000				\$ 2,000
Bitumise Car Rental Area (staged project)	\$ 30,000				\$ 30,000
Iphone Replacements	\$ 2,000				\$ 2,000
Chainsaw	\$ 1,000				\$ 1,000
Free WiFi Pilot Project	\$ 1,000				\$ 1,000
Mangers vehicle - 3 x vehicles changed over @15,000km	\$ 109,091			\$ 103,636	\$ 5,455
Airport Support vehicle - 12 month buyback	\$ 36,363			\$ 28,182	\$ 8,181
Fuel Truck (replace with second-hand truck)	\$ 45,455			\$ 18,182	\$ 27,273
	\$ 236,909	\$ -	\$ -	\$ 150,000	\$ 86,909
Masterplan Expenditure					
BBQ Replacements					\$ -
Port MacDonnell Dump Point	\$ 10,000				\$ 10,000
Carpenter Rocks Dump Point	\$ 5,000				\$ 5,000
Memorial Avenue Entrance PM	\$ 7,105	\$ -			\$ 7,105
Height Drive Parking	\$ 30,642				\$ 30,642
Town Entrance Signage	\$ 7,583	\$ -			\$ 7,583
Cape Douglas Pedestrian Bridge	\$ 12,251				\$ 12,251
Donovans Landing	\$ 120,000	\$ 60,000			\$ 60,000
Sea Wall Carp Rocks Foreshore	\$ 22,084				\$ 22,084
	\$ 214,666	\$ 60,000	\$ -	\$ -	\$ 154,666
Building					
Administration Office Mt Gambier - 3 x A/C units	\$ 8,601				\$ 8,601
Woolwash Caravan Park Electrical Upgrade	\$ 55,000				\$ 55,000
	\$ 63,601	\$ -	\$ -	\$ -	\$ 63,601
Works					
Upgrading of Council Radio System	\$ 19,830				\$ 19,830
Plant and Equipment Purchases	\$ 1,504,627		\$ -	\$ 713,823	\$ 790,804
Road Construction (see detailed list)	\$ 2,566,025	\$ 404,704	\$ -		\$ 2,161,321
	\$ 4,090,482	\$ 404,704	\$ -	\$ 713,823	\$ 2,971,954
Total	\$ 5,104,295	\$ 464,704	\$ -	\$ 914,054	\$ 3,725,537

Road	Locality	Description	Total
Carpenters Rocks Rd	Carpenter Rocks	Kerb & Channell Hercules St to Hall 320 meters	\$ 193,824
Lower Nelson Rd	Port MacDonnell	Reconstruct and seal 1500 x 9 .200mm	\$ 156,708
Vickers Rd	German Creek	Resheet 2200 x 6 x .200	\$ 46,249
Piccaninnie Ponds Rd	Wye	Reconstruct & Seal 2200 x 9 x .200mm (50 % SLRP)	\$ 307,540
Waring St	Tarpeena	Kerb & Channell 250 meters Anne St To Pearson St.	\$ 122,202
Dry Creek Rd	Donovans	Kerb & Channell Donovans Rd to Atkins Street (!00 m)	\$ 74,149
Atkin Street	Donovans	constuct & Seal Atkin St	\$ 44,896
Ponda Rd	Mingbool	Resheet 2000x 6 x .200mm	\$ 53,242
Chambers Rd	Glenburnie	Resheet 1700m x 5 x .150mm plus .025mm Attiwills Scalps	\$ 44,900
Siggers Rd	Compton	Resheet Siggers Rd 500m x 5m x .150mm	\$ 17,935
Norman Rd	Yahl	Resheet 1650 x 5 x .150mm plus 25 mm Attiwills Scalps	\$ 51,286
Clezy Rd	Tarpeena	Resheet 2000 x 5 x .150mm	\$ 49,698
Grundys Lane (South)	Port MacDonnell	Resheet 1500 x 4 x .200mm	\$ 32,449
Quarry Rd	Tarpeena	Resheet 1300 x 4 x .200	\$ 36,940
Ridge Rd	Mingbool	Resheet 1800 x 6 x .200	\$ 51,832
Evans Rd	Glenburnie	Resheet 700m x 6 x .150mm plus .025 mm Attiwills Scalps	\$ 24,646
Wirless Rd East	Compton	Resheet 1200 m x 6 x .150 plus .025 Attiwills Scalps	\$ 34,914
Boundary Rd	Burrungule	Resheet 700 m x 4 x .150mm (50% Wattle Range Council)	\$ 14,396
Reseals	Various	Various Resealing	\$ 400,000
Port MacDonnell Footways (Paving)	Port MacDonnell	Bookey ST	\$ 22,918
Border Rd Nth	Mingbool	Resheet 3000 x 5 x .150 mm (50 % Glenelg Shire)	\$ 62,328
Caveton Rd	Caveton	Reconstruct & seal 270 meters x 6 m x .200mm	\$ 24,652
Sisters Rd	Moorak	resheet 2000 x 6 x .200mm (Lock Rd 2kms West) plus 25mm Attiwills Scalps	\$ 56,768
Vorwerk rd	Glenburnie	blackspot 1/3 council. Subject to successful application Council contribution	\$ 380,203
Racketts Rd	Pelican Point	Resheet 3110 x 5 x .200mm	\$ 71,299
Hay Tce	Kongorong	Kerb & Channell 300 meters of Hay Tce	\$ 145,296
Reserve Rd	Mingbool	Form up and Construct 1500 x 5200	\$ 44,753
Total			\$2,566,025

Appendix 2: Budgeted Financial Statements 2016-17

**DISTRICT COUNCIL OF GRANT
BUDGET FOR YEAR ENDING 30 JUNE 2017**

STATEMENT OF COMPREHENSIVE INCOME

LONG-TERM FINANCIAL PLAN \$	INCOME	2015/2016 LAST YEARS ADOPTED BUDGET \$	2015/2016 LAST YEARS AMENDED BUDGET \$	2016/2017 THIS YEARS BUDGET \$
8,657,000	Rates	8,404,802	8,403,695	9,108,658
195,000	Statutory Charges	234,400	282,327	239,900
2,280,000	User Charges	2,155,042	2,212,890	2,247,506
1,700,000	Grants Subsidies and Contributions	1,908,138	1,217,814	2,112,735
10,000	Investment Income	102,000	110,550	62,000
270,000	Other	358,017	529,944	347,484
13,112,000	TOTAL REVENUES	13,162,399	12,757,220	14,118,283
	EXPENSES			
5,700,000	Employee Costs	5,629,932	5,629,932	5,764,254
3,300,000	Materials, contracts & other expenses	3,572,792	3,661,040	3,744,872
157,000	Finance Costs	330,274	330,274	305,030
4,891,000	Depreciation, amortisation & impairment	4,689,570	4,898,811	4,912,960
14,048,000	TOTAL EXPENSES	14,222,569	14,520,058	14,727,115
	OPERATING SURPLUS/(DEFICIT) BEFORE CAPITAL AMOUNTS			
(936,000)		(1,060,171)	(1,762,839)	(608,832)
-	Net gain (loss) on disposal or revaluation of assets	450,000	450,000	450,000
250,000	Amounts specifically for new or upgraded assets	205,000	426,100	464,704
	Physical resources received free of charge	-	-	-
(686,000)	NET SURPLUS/(DEFICIT)	(405,171)	(886,739)	305,872

Appendix 2: Budgeted Financial Statements 2016-17(Cont...)

**DISTRICT COUNCIL OF GRANT
BUDGET FOR YEAR ENDING 30 JUNE 2017**

CASH FLOW STATEMENT

LONG-TERM FINANCIAL PLAN		2015/2016 LAST YEARS ADOPTED BUDGET	2015/2016 LAST YEARS AMENDED BUDGET	2016/2017 THIS YEARS BUDGET
\$		\$	\$	\$
Inflows (Outflows)		Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
	CASHFLOWS FROM OPERATING ACTIVITIES			
	RECEIPTS			
13,102,000	Operating Receipts	13,060,399	12,646,670	14,056,283
10,000	Investment Receipts	102,000	110,550	62,000
	PAYMENTS			
(9,000,000)	Operating payments to suppliers & employees	(9,202,725)	(9,290,973)	(9,509,126)
(157,000)	Finance Payments	(330,274)	(330,274)	(305,030)
3,955,000	Net Cash provided by (or used in) Operating Activities	3,629,400	3,135,973	4,304,128
	CASH FLOWS FROM INVESTING ACTIVITIES			
	RECEIPTS			
250,000	Grants specifically for new or upgraded assets	205,000	426,100	464,704
21,000	Repayment of loans by Community Groups	17,339	17,339	18,341
632,000	Sale of Assets	817,566	1,163,371	914,054
	PAYMENTS			
	Net Purchase of Investment Securities			
(3,452,000)	Capital Expenditure	(4,515,136)	(4,927,798)	(5,104,295)
(2,549,000)	Net Cash provided by (or used in) Investing Activities	(3,475,231)	(3,320,988)	(3,707,196)
	CASH FLOWS FROM FINANCING ACTIVITIES			
	RECEIPTS			
-	Proceeds from Borrowings	956,000	956,000	-
	PAYMENTS			
-	Repayment Aged Care Facility Deposits	-	-	-
(305,000)	Repayment of Borrowings	(433,146)	(433,146)	(449,081)
(305,000)	NET CASH USED IN FINANCING ACTIVITIES	522,854	522,854	(449,081)
1,101,000	NET INCREASE (DECREASE) IN CASH HELD	677,022	337,839	147,851
1,551,000	CASH AT BEGINNING OF YEAR	1,663,527	1,663,527	2,001,366
2,652,000	CASH AT END OF YEAR	2,340,549	2,001,366	2,149,217

Appendix 2: Budgeted Financial Statements 2016-17(Cont...)

**DISTRICT COUNCIL OF GRANT
BUDGET FOR YEAR ENDING 30 JUNE 2017**

STATEMENT OF FINANCIAL POSITION

LONG-TERM FINANCIAL PLAN		2015/2016 LAST YEARS ADOPTED BUDGET	2015/2016 LAST YEARS AMENDED BUDGET	2016/2017 THIS YEARS BUDGET
\$		\$	\$	\$
	ASSETS			
	CURRENT ASSETS			
1,946,000	Cash and cash equivalents	2,340,549	2,001,366	2,149,217
1,000,000	Trade & other receivables	1,000,000	1,000,000	981,659
-	Inventories	100,000	100,000	100,000
100,000	Other Financial Assets	-	-	-
3,046,000	TOTAL CURRENT ASSETS	3,440,549	3,101,366	3,230,875
	NON-CURRENT ASSETS			
-	Financial Assets	-	-	-
188,929,000	Infrastructure, Property, Plant & Equipment	191,000,000	190,857,616	190,584,898
188,929,000	TOTAL NON-CURRENT ASSETS	191,000,000	190,857,616	190,584,898
191,975,000	TOTAL ASSETS	194,440,549	193,958,982	193,815,773
	LIABILITIES			
	CURRENT LIABILITIES			
1,500,000	Trade & Other Payables	1,500,000	1,500,000	1,500,000
250,000	Borrowings	433,146	433,146	433,146
955,000	Short-term Provisions	955,000	955,000	955,000
2,705,000	TOTAL CURRENT LIABILITIES	2,888,146	2,888,146	2,888,146
	NON-CURRENT LIABILITIES			
3,100,000	Long-term Borrowings	4,798,951	4,798,951	4,349,870
100,000	Long-term Provisions	100,000	100,000	100,000
3,200,000	TOTAL NON-CURRENT LIABILITIES	4,898,951	4,898,951	4,449,870
5,905,000	TOTAL LIABILITIES	7,787,097	7,787,097	7,338,017
186,070,000	NET ASSETS	186,653,452	186,171,884	186,477,756
	EQUITY			
41,123,000	Accumulated Surplus	37,161,930	36,860,364	36,986,234
143,484,000	Asset Revaluation	148,070,522	148,070,522	148,070,522
1,463,000	Other Reserves	1,421,000	1,421,000	1,421,000
186,070,000	TOTAL EQUITY	186,653,452	186,351,886	186,477,756

Appendix 2: Budgeted Financial Statements 2016-17(Cont...)

**DISTRICT COUNCIL OF GRANT
BUDGET FOR YEAR ENDING 30 JUNE 2017**

STATEMENT OF CHANGES IN EQUITY

2015/2016 LONG-TERM FINANCIAL PLAN \$		2015/2016 LAST YEARS ADOPTED BUDGET \$	2015/2016 LAST YEARS AMENDED BUDGET \$	2016/2017 THIS YEARS BUDGET \$
	ACCUMULATED SURPLUS			
41,809,000	Balance at end of previous reporting period	37,567,101	37,567,101	36,680,362
(686,000)	Net Result for Year	(405,171)	(886,739)	305,872
-	- Transfer From Reserves	-	-	-
-	- Transfer To Reserves	-	-	-
41,123,000	BALANCE AT END OF PERIOD	37,161,930	36,680,362	36,986,234
	ASSET REVALUATION RESERVE			
143,484,000	Balance at end of previous reporting period	148,070,522	148,070,522	148,070,522
-	- Gain on revaluation of infrastructure, property, plant & equipment	-	-	-
-	- Transfer to Accumulated Surplus on sale of infrastructure, property, plant & equipment	-	-	-
143,484,000	BALANCE AT END OF PERIOD	148,070,522	148,070,522	148,070,522
	OTHER RESERVES			
1,463,000	Balance at end of previous reporting period	1,421,000	1,421,000	1,421,000
-	- Transfer to reserve from accumulated surplus	-	-	-
-	- Transfer from reserve to accumulated surplus	-	-	-
1,463,000	BALANCE AT END OF PERIOD	1,421,000	1,421,000	1,421,000
186,070,000	TOTAL EQUITY AT END OF REPORTING PERIOD	186,653,452	186,171,884	186,477,756

Appendix 3: Rating Policy (Concessions & Remissions) 2016-17

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.

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.

Cost of Living Concessions

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

Payment of Rates

The anticipated due dates for the payment of rates for 2016-17 are as follows:

Quarterly on 2 September 2016, 2 December 2016, 3 March 2017 and 2 June 2017.

Council offers the opportunity to pay rates in one instalment, and if this option is chosen, Council will grant an additional two waste disposal vouchers to those taking up this option. To accept this offer and pay rates in one instalment, the total due must be paid on or before 2 September 2016. Payment of this amount will indicate to Council acceptance of this offer.

Rates may be paid:

- In person at the Council Office, 324 Commercial Street West, Mount Gambier between the hours of 8.30am and 5.00pm Monday to Friday or at the Branch Office, 5 Charles Street, Port MacDonnell between the hours of 9:00am to 5:00pm Monday - Thursday, 9:00am to 8:00pm Fridays and 10:00am to 4:00pm Saturday – Sunday,

Public holidays 10:00am to 4:00pm(except Christmas Day, Good Friday, Australia Day & Anzac Day).

- By following the BPay directions located on the front of the rate notice.
- By post to PO Box 724, Mount Gambier SA 5290.
- Through arrangements with Centrelink (Centrepay) from your fortnightly pension.
- In person at any post office.

Any ratepayer who may, or is likely to, experience difficulty with meeting the standard payment arrangements is invited to contact Council's Rates Officer on (08) 8721 0444 to discuss alternative payment arrangements. Such inquiries are treated confidentially by Council.

Late Payment of Rates

The Local Government Act provides that Councils must 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. 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 meet because it has not received the rates on time.

The Council imposes late payment penalties strictly in accordance with the Local Government Act.

Council may remit fines in accordance with its Fines and Interest Rating Policy however all requests must be made in writing.

When rates are unpaid by the due date Council issues a final notice for payment of rates. Should rates remain unpaid after the final notice has been sent, a letter is forwarded to the ratepayer/s advising that if rates are not paid within 21 days, or arrangements made for payment, then a summons will be issued. All costs are charged to the ratepayer.

When Council receives a payment in respect of overdue rates Council applies the money received as follows:

- first - to satisfy any costs awarded in connection with court proceedings;
- second - to satisfy any interest costs;
- third - in payment of any fines imposed;
- fourth in payment of rates, in date order of their imposition (starting with the oldest account first).

Remission and Postponement of Rates*Postponement of Rates - Financial Hardship*

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

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

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

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

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

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

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.

Rebate of Rates

The Local Government Act requires Councils to rebate the rates payable on some land. Specific provisions are made for land used for health services, community services, religious purposes, public cemeteries, the Royal Zoological Society and educational

institutions. Discretionary rebates may be applied by the Council under Section 166 of the Act.

Council has adopted the following policy for the rebate of Council rates under Section 166(1)(j) of the Local Government Act:

“The District Council of Grant provides Community Halls, Port MacDonnell & District Senior Citizens Club, Port MacDonnell & District Maritime Museum, Port MacDonnell Lions Club and Rotary Club of Mount Gambier with a rebate of 100% of general rates under Section 166(1)(j) of the Local Government Act, 1999, on the basis that these groups provide a benefit or service to the local community.”

Further information on rebates is available from Council’s Rates Officer on (08) 8721 0444.

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 notify 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.

Appendix 4: 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.