



Annual Business Plan

2013/2014

“A Wealth of Opportunity”

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Executive Summary

The District Council of Ceduna's Annual Business Plan for 2013/2014 provides an overview of the services, programs and strategic projects Council plans to deliver to the Community in 2013/2014.

The Annual Business Plan has been prepared on the basis of Council improving its long term financial capacity for the provision of a sustainable level of both statutory and discretionary services to the Community, whilst pursuing the key goals in Council's Strategic Plan. The services provided by Council reflect both its obligations under a range of legislation and the Community's expressed desire for specific services, facilities and infrastructure.

Council's challenge in framing its Annual Business Plan is to achieve these outcomes without presenting an unrealistic rate burden on the Community. In addition, planning for any new Community assets must consider Council's long term obligations to fund the ongoing maintenance and operation of the new assets in future years.

In developing the 2013/2014 Annual Business Plan, Council has given particular attention to the economic circumstances prevailing in the various sectors of our community.

In the context of these circumstances, Council has limited the increase in total General Rate Revenue in 2013/2014 to 3.9%. This increase comprises a 2.2% increase reflecting the March Quarter Adelaide Consumer Price Index (CPI), a further 1.2% which will be contributed by new property development which has occurred in the Council area during 2012/2013, and an additional 0.5% to help Council improve its long term financial viability under increasing cost pressures.

Council will continue to utilise Differential Rates (rates in the dollar) applied to the site value of the land, for defined townships, rural and industrial locations with Council, in conjunction with a Fixed Charge, to achieve its General Rate Revenue for 2013/2014.

Council will also apply a General Rate Cap of 13.9% to eligible properties, to provide reasonable relief from large increases in General Rates Payable in 2013/2014, relative to 2012/2013. Council will also apply a General Rate Cap of 5% to eligible pensioners, to provide reasonable relief against what would otherwise constitute a liability that is unreasonable, relative to 2012/2013.

Key elements of the 2013/2014 Annual Business Plan include –

- \$2,388,787 Operating Deficit (before Capital Amounts), resulting from Total Operating Revenues of \$7.609 Million and Total Operating Expenses of \$9.998 Million
- 3.9% increase in total General Rate Revenue.
- 13.9% General Rate Cap for eligible properties.
- \$1.132 Million Capital Expenditure for the refurbishment of existing assets.
- \$233,175 Roads to Recovery Funding

The planned Operating Deficit of \$2,388,787 is a cumulative outcome of a number of financial events in previous years.

The continuation of the Commonwealth Government's practice of the early payment of varying portions of Council's Annual Operating Grant funding has resulted in a significant cash (and Operating Revenue) shortfall for 2013/2014.

During the past four (4) years, Council has also undertaken a revaluation of its Buildings & Transport Infrastructure. As a result of the revaluations, and the completion of the new Ceduna Waste Water Treatment Plant, Council's annual depreciation expense has increased by \$482,000 from the 2010/2011 financial year, which is a major contributor to the Operating Deficit.

In addition, previously optimistic revenue forecasts over a number of years have been corrected, resulting in decreases in revenue such as Statutory Charges (30.4%). Unavoidable increases in operational expenditure such as electricity (19.4%) and building insurance premiums (41.5%) have further contributed to the Operating Deficit.

In order to address the Operating Deficit position, Council has made significant reductions in Operating expenses in this Annual Business Plan, including targeted reductions in operating expenditure relating to Community Development, Environmental Services and Operations.

It will be necessary however for Council to review its current 5 year strategic plan to ensure the long term financial sustainability Community assets and Services.

Council's Strategic Plan

The District Council of Ceduna adopted its current Strategic Plan in 2010/2011, following extensive public consultation. Council's determination to focus on the strategic goals in its Strategic Plan has enabled Council to achieve significant progress towards the delivery of services and facilities desired by the Community.

The 2013/2014 Annual Business Plan has been developed in order to maintain the focus of the Strategic Goals and Strategic Actions contained in the Strategic Plan.

The following are the Strategic Goals contained in the Strategic Plan, accompanied by noted outcomes achieved to date:

Strategic Goal 1 Physical infrastructure is improved and developed

- Improved quantity, supply and quality of water
- Improved roads and infrastructure, transport links, footpaths and walking trails
 - *Renewal and Upgrades of infrastructure as per forward plans*
 - *Grant funding submissions lodged for sealing of Nunyah Road*
- Improved public conveniences
- Improved town entrances and streetscapes
 - *Continuation of Ceduna CBD Upgrade/Median Upgrade of Denton Street, Smoky Bay*
 - *Completion of Smoky Bay Town Entrance Signage*
- Improved public spaces
 - *Installation of sub-surface irrigation system to Ceduna Foreshore Lawns*
- Improved airport infrastructure and services
 - *Completion of Ceduna Airport Master Plan*
 - *Completion of runway Microsurfacing*
- Infrastructure that supports marine activities
 - *Plans, studies, reports and development applications lodged for Marine Unloading Facility adjacent to Thevenard*
 - *Grant submissions lodged for construction of purpose built Marine Unloading Facility adjacent to Thevenard Slipway*
 - *Continued lobbying and support for funding of upgrade of Port of Thevenard*
- Effective management of Council's assets
 - *Current development of infrastructure & asset management plans by Council staff*
- Improved tourism infrastructure
 - *Completion of seaward end Smoky Bay Jetty Rebuild*
- Preserved historic sites and structures

Strategic Goal 2 Our natural environment enhanced, protected and maintained for use by current and future generations

- Improved healthy and sustainable natural resources and natural systems
- Sustainable waste water quality and re-use
 - *Recycled water used for irrigation purposes at 5 sites and by 7 non-profit/government organisations*
 - *Construction of 80mL waste water storage lagoon at Ceduna CWMS Treatment Facility*
- Sustainable waste management

- *Current development of Ceduna Waste Management Business Plan*
- Improved water catchment systems

Strategic Goal 3 Sustainable economic development opportunities identified, vigorously pursued and promoted

- Growth of new and existing industries and businesses
- Increased tourism
 - *15% increase in visitation to Ceduna Visitor Information Centre*
- Existing events supported and new events developed
 - Continued support and organisation of Ceduna Oysterfest
- Land developed to meet future needs

Strategic Goal 4 Open and transparent relationships, improved and sustainable Council services

- Effective communication and consultation with the community and regional partners
 - *Regular communication provided through community newsletter, council website and social media*
- Effective partnerships with stakeholders
 - *Closer liaison with Ceduna CBD business holders*
- An integrated approach to planning
- Improved Council Services
 - *Improvements in unsealed road construction practice to extend effective life of infrastructure.*
- Effective management systems
- Effective regulatory services
 - *Improved animal management programs and dog pound facilities*
- Effective building, planning and development service
 - *Integrated shared services in building, planning and health between Ceduna, Streaky Bay and Wudinna Councils*

Strategic Goal 5 Improved Community Development Services that support community health and wellbeing

- Accountable partnerships provided by other stakeholders
 - *Integral member of Community Alcohol Accord process*
 - *Key member of Social Issues Committee coordinated by SAPOL*
 - *Member of the WCRASMAG*
- Effective community development programs
- A safe community
 - *Continued provision of Community Safety & Security Patrol services*

Full copies of the District Council of Ceduna's Strategic Plan 2011-2014 are available from Council's Administration Office, or can be downloaded from Council's web site at www.ceduna.sa.gov.au

How Council Plans to Provide Services to the Community

Statutory Services

All Councils are required to provide specific services to various segments of the community, under various Acts of Parliament, including the Local Government Act 1999.

In 2013/2014, Council plans to commit \$5.002 Million or 50.03% of Total Operating Expenditure on the provision of Statutory Services. (Operating Expenditure includes all direct expenditures incurred in providing the service and depreciation of assets). In many cases, expenditure is offset by user charges or separate rates associated with delivery of the service.

Council also plans to commit Capital Expenditure of \$0.999 Million for the renewal and creation of assets associated with the long term delivery of Statutory Services.

The following table provides a functional breakdown of the services for which this expenditure is planned.

<u>Statutory Services Expenditure</u>			
Service	Cost Centre	Operating Expenditure	Capital Expenditure
Governance & Administration		\$1,987,271	\$20,000
	Administration - other	\$147,294	\$0
	Elected Members	\$125,659	\$0
	Human Resources	\$76,000	\$0
	Information Technology	\$257,294	\$20,000
	Occupancy	\$106,117	\$0
	Organisational	\$265,084	\$0
	Other Support Services	\$896,384	\$0
	Rates Administration	\$113,439	\$0
Operational Support Services		\$487,856	\$156,500
	Plant hire & depot costs	\$487,856	\$156,500
Regulatory Services		\$318,135	\$0
	Building Control	\$92,383	\$0
	Dog and Cat Control	\$72,314	\$0
	Town Planning	\$81,904	\$0
	Other	\$71,534	\$0
Transport Infrastructure		\$2,208,292	\$822,910
	Footpaths and kerbing	\$182,267	\$0
	Other Transport	\$55,419	\$0
	Roads - formed	\$1,468,923	\$663,827
	Roads - sealed	\$457,513	\$111,255
	Traffic Management	\$42,097	\$47,827
	Other	\$2,073	\$0
Grand Total		\$5,001,555	\$999,410

Discretionary Services

Councils also provide a variety of programs and services to the Community which, whilst not required by specific legislation, are provided on the basis of community need or expectation, for the benefit of the Community.

In 2013/2014, Council plans to commit \$4.997 Million or 49.97% of Total Operating Expenditure on the provision of Discretionary Services. (Operating Expenditure includes all direct expenditures incurred in providing the service and depreciation of assets). In many cases, expenditure is offset by user charges or separate rates associated with delivery of the service.

Council also plans to commit Capital Expenditure of \$0.251 Million for the renewal and creation of assets associated with the long term delivery of Discretionary Services.

The following graph and table provide a functional breakdown of the services for which this expenditure is planned.

<u>Discretionary Services Expenditure</u>			
Service	Cost Centre	Operating Expenditure	Capital Expenditure
Community Support & Amenities		\$724,730	\$0
	Cemeteries/Crematoria	\$53,651	\$0
	Children and Youth Services	\$90,217	\$0
	Other Community Support	\$73,191	\$0
	Other Health Services	\$56,039	\$0
	Other Public Order and Safety	\$263,252	\$0
	Public Conveniences	\$77,176	\$0
	Other	\$111,205	\$0
Cultural Services		\$194,380	\$34,200
	Cultural Venues	\$121,009	\$34,200
	Other	\$73,371	\$0
Economic & Business Undertakings		\$2,060,186	\$56,742
	Property Portfolio	\$39,664	\$17,342
	Sewerage/ STEDS	\$893,249	\$0
	Tourism	\$498,530	\$0
	Water Supply - Domestic	\$519,889	\$39,400
	Other	\$108,854	\$0
Recreation		\$739,342	\$0
	Parks and Gardens	\$610,049	\$0
	Sports Facilities - Outdoor	\$65,765	\$0
	Other	\$63,528	\$0
Transport Infrastructure		\$464,705	\$23,971
	Aerodrome	\$464,705	\$23,971
Waste Management		\$813,190	\$136,503
	Domestic Waste	\$78,404	\$0
	Stormwater and Drainage	\$153,461	\$42,835
	Street Cleaning	\$150,687	\$0
	Street Lighting	\$103,840	\$0
	Waste Disposal Facility	\$255,574	\$93,667
	Other	\$71,224	\$0
Grand Total		\$4,996,533	\$251,416

Key Asset Renewal & New Asset Projects for 2013/2014

The following is a summary of the Key Capital projects planned for 2013/2014.

Capital Projects	Expenditure
<i>Transport Infrastructure</i>	
Unsealed Road Refurbishment	\$663,800
<i>OTC Road</i>	
<i>Oorla Tank Road</i>	
<i>Skyline Road</i>	
<i>Waranda Road</i>	
<i>Marchant Road</i>	
<i>Decres Bay Road</i>	
<i>Dog Fence Road</i>	
<i>Nunji Road</i>	
<i>Miltaburra Road</i>	
Sealed Road Re-Sealing	\$59,700
Smoky Bay Road Widening	\$51,500
Roadside Directional Signage Replacements	\$47,800
Ceduna Aerodrome DPA	\$23,900
<i>Economic & Business Undertakings</i>	
Smoky Bay Aquaculture Park Pipeline Upgrade	\$39,400
Ceduna VIC Renovations	\$17,300
<i>Environment</i>	
Tonkin Street Stormwater Upgrade	\$36,800
Bergmann Drive Stormwater Upgrade	\$6,000
<i>Waste Management</i>	
Ceduna Refuse Site Electricity Supply	\$81,200
Ground Water Monitoring Well	\$12,400
<i>Recreation Facilities</i>	
Ceduna Memorial Hall Renovations	\$34,200
<i>Business Support</i>	
Plant Replacement Program	\$156,500
Information Technology Upgrades	\$20,000
Total Key Capital Projects	\$1,250,800

Council Services Details

Appendix 2 of this Plan provides a further detailed breakdown of Council Services, in specific Function and Cost Centre categories, and shows the 2013/2014 Operating & Capital Budgets for the provision of those Services.

How Council Will Fund the Annual Business Plan

How Council will pay for 2013/2014 Services and Projects

As outlined earlier, the 2013/2014 Annual Business Plan has been prepared on the basis of improving Council's financial position to achieve a sustainable level of both statutory and discretionary services to the Community, whilst pursuing the Strategic Goals in Council's Strategic Plan.

The District Council of Ceduna's long term financial sustainability is pivotal on ensuring that on average, Council operates with an annual Operating Surplus whilst at the same time ensuring that Capital Expenditure on the replacement and refurbishment of existing assets is at least equivalent to the annual depreciation of those assets.

In delivering the services and projects detailed in this Annual Business Plan, Council plans to achieve an Operating Deficit of \$2,388,787 (before Capital Amounts), resulting from Operating Revenues of \$7.609 Million and Operating Expenses of \$9.998 Million.

The planned Operating Deficit of \$2,388,787 is a cumulative outcome of a number of financial events in previous years.

The continuation of the Commonwealth Government's practice of the early payment of varying portions of Council's Annual Operating Grant funding has resulted in a significant cash (and Operating Revenue) shortfall for 2013/2014.

During the past four (4) years, Council has also undertaken a revaluation of its Buildings & Transport Infrastructure. As a result of the revaluations, and the completion of the new Ceduna Waste Water Treatment Plant, Council's annual depreciation expense has increased by \$482,000 from the 2010/2011 financial year, which is a major contributor to the Operating Deficit.

In addition, previously optimistic revenue forecasts over a number of years have been corrected, resulting in decreases in revenue such as Statutory Charges (30.4%). Unavoidable increases in operational expenditure such as electricity (19.4%) and building insurance premiums (41.5%) have further contributed to the Operating Deficit.

The 2013/2014 Annual Business Plan also includes Capital Expenditure of \$1.251 Million.

The budgeted Operating Revenue for 2013/2014 includes General Rate Revenue of \$3.426 Million (3.9% more than 2012/2013), Separate Rates of \$121,879 (NRM Levy) and Service Charges of \$1.199 Million (Community Wastewater Management Schemes and Waste Collection).

The following section of this Plan - "How Council Will Raise Rates and Service Charges" on page 13 provides details of Council's Rating Strategy for 2013/2014.

Apart from Rate Revenue, Operating Revenues are generated by Statutory Charges (eg. Development and Building fees and dog registrations), User Charges (eg. Aerodrome Head Tax, water sales, commercial refuse charges, cemeteries & leases for Council buildings and/or land), Investment Income (short term cash deposits), and State & Federal Government operating grants.

(A detailed list of Council's Statutory and User fees and charges is available on Council's website at www.ceduna.sa.gov.au)

Council also sources cash in the form of Non-Operating revenues from Capital Grants (which are provided by State & Federal governments for specific Capital Expenditure purposes only), revenue from the sale of land, buildings or plant, and Loans.

The 2013/2014 Annual Business Plan includes Non-Operating cash inflows of \$11,000 from the sale (for replacement) of plant & vehicles and \$233,000 from the Commonwealth Government Roads to Recovery Program.

Council is anticipating that will not require additional loan facilities, however it is necessary for Council to establish loan facilities in some years in order to fund long term new infrastructure, however Council must always however maintain a focus on the Key Financial Indicators and accompanying targets detailed on page 10 of this Plan and projected on a longer term basis in Council's 10 Year Financial Plan.

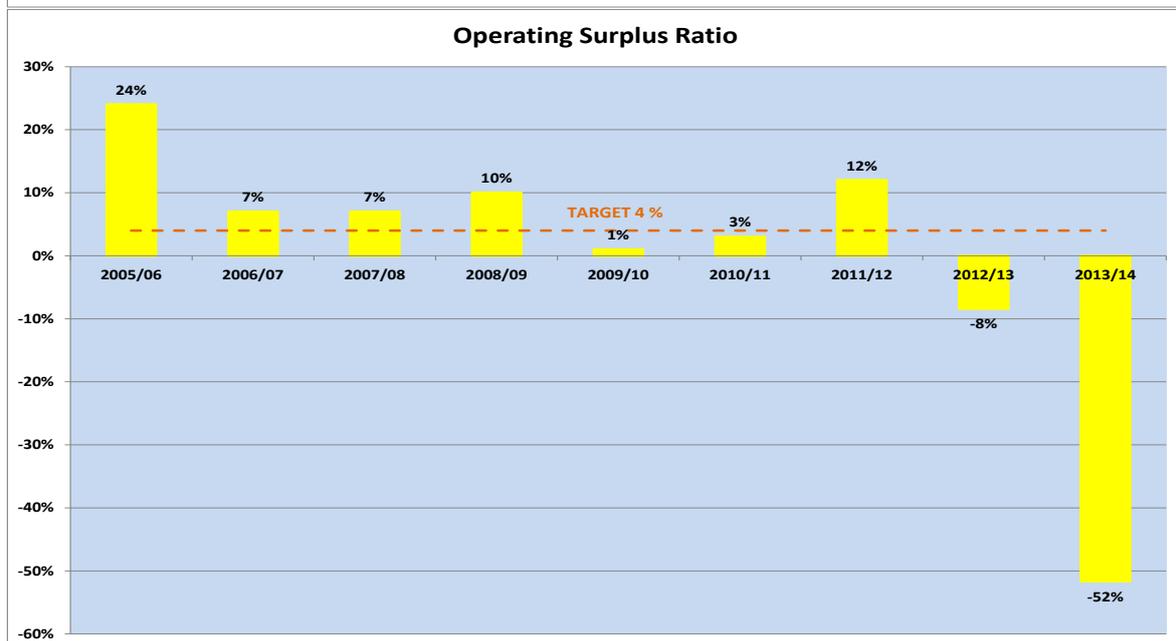
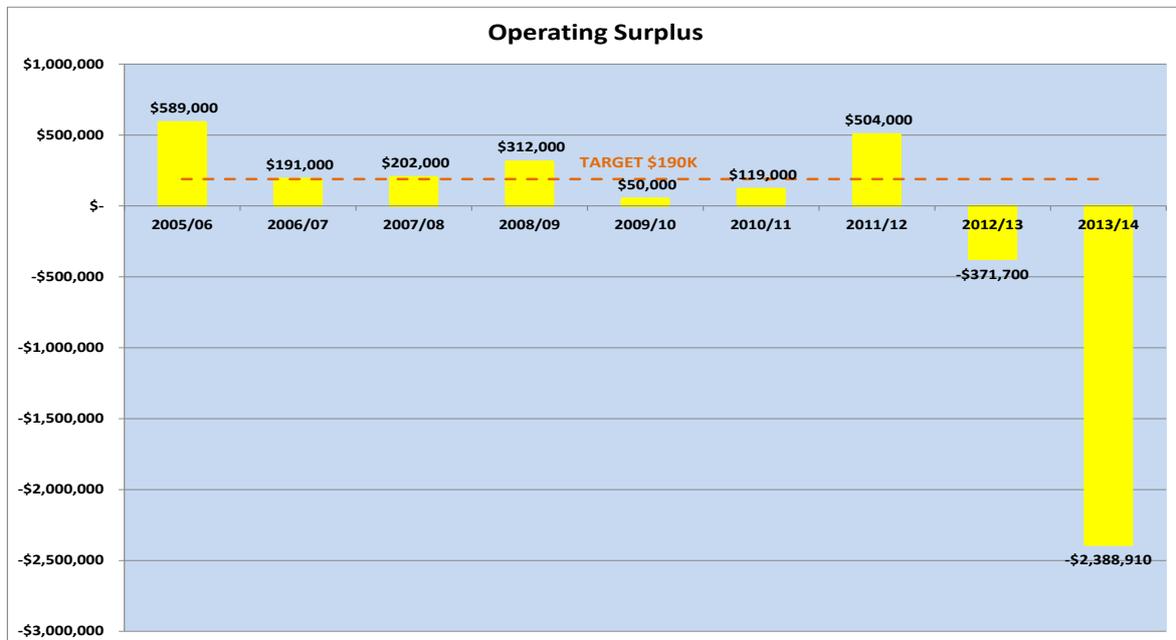
Impact on Council’s Financial Position

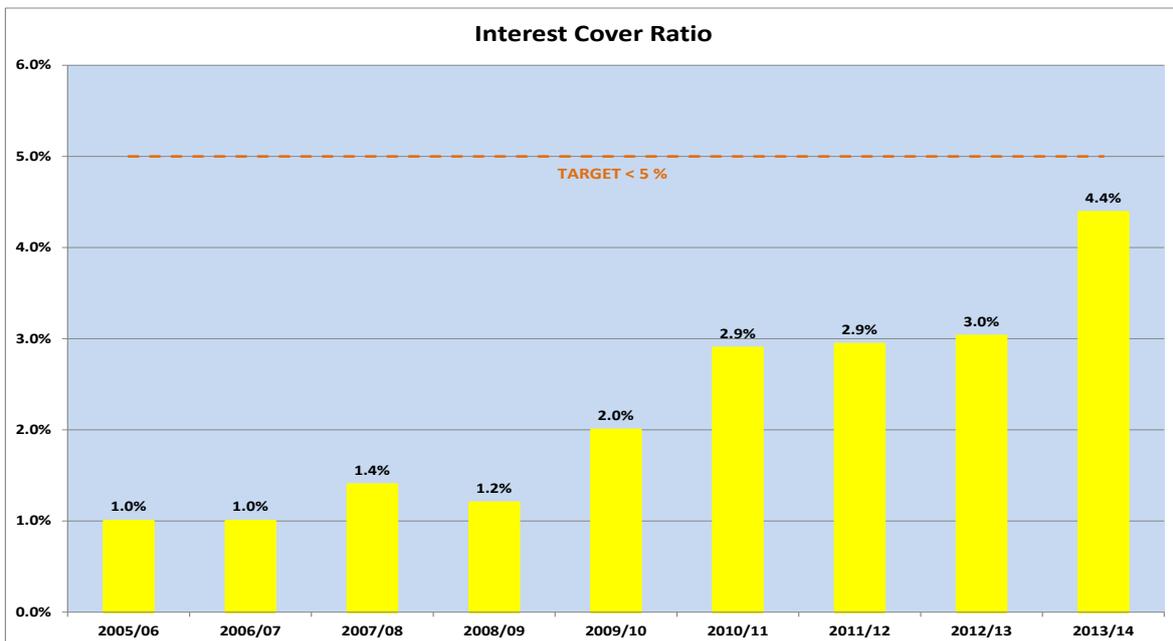
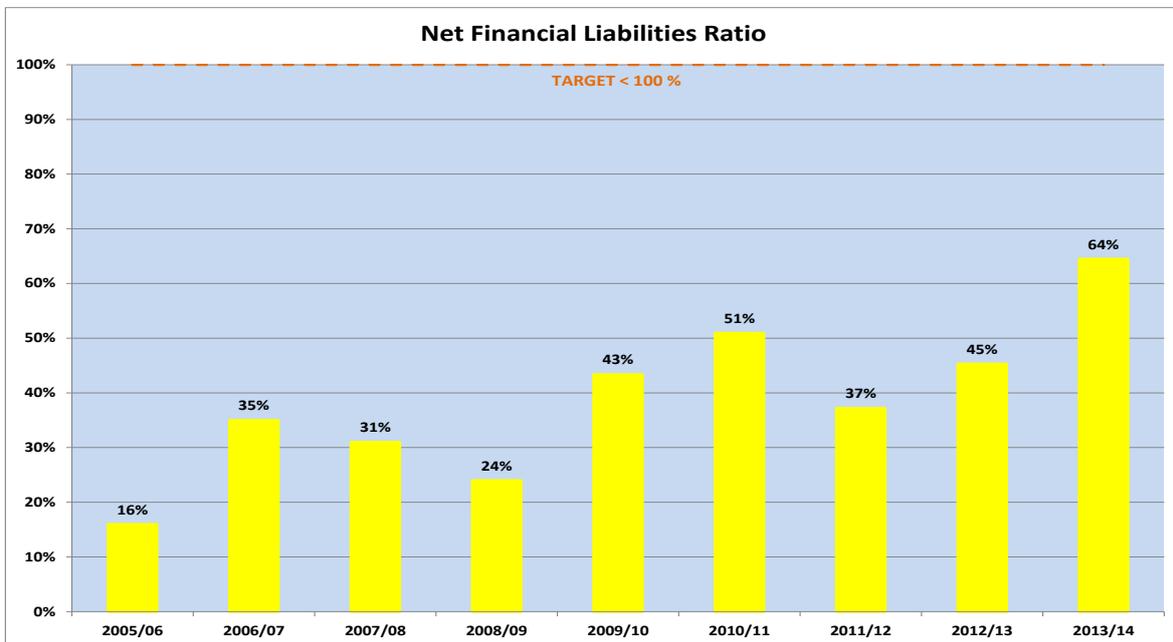
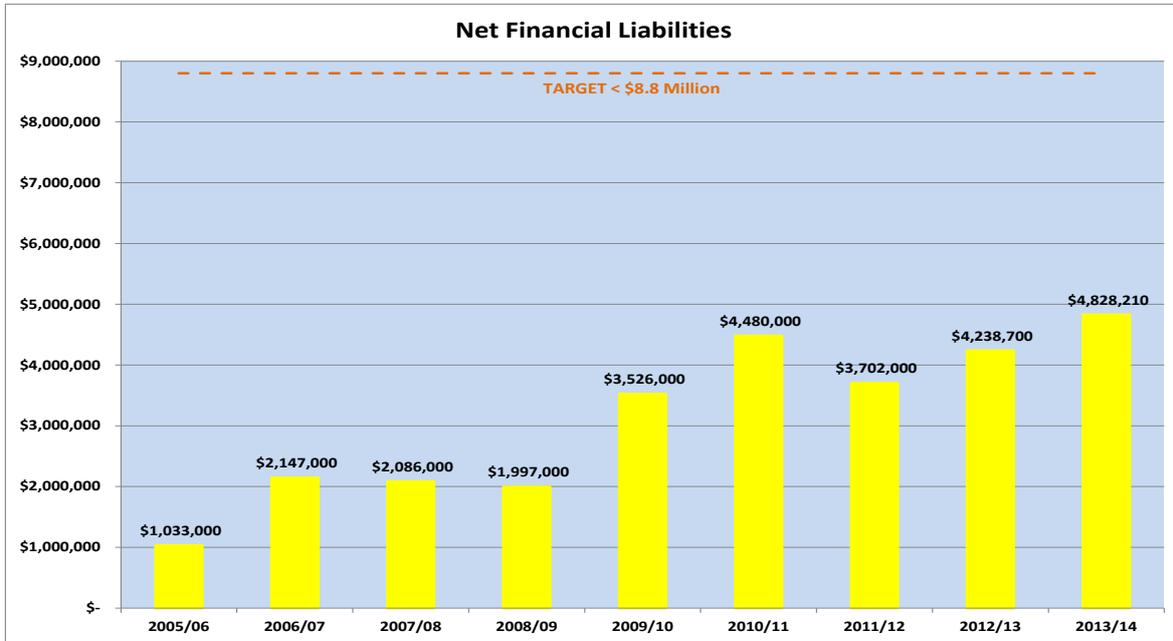
Local Government in South Australia has adopted a set of Key Financial Indicators which provide both an indicator of the current Financial Health (and hence Sustainability) of Council and can also demonstrate the improving (or declining) trend in Council’s Financial Position over time.

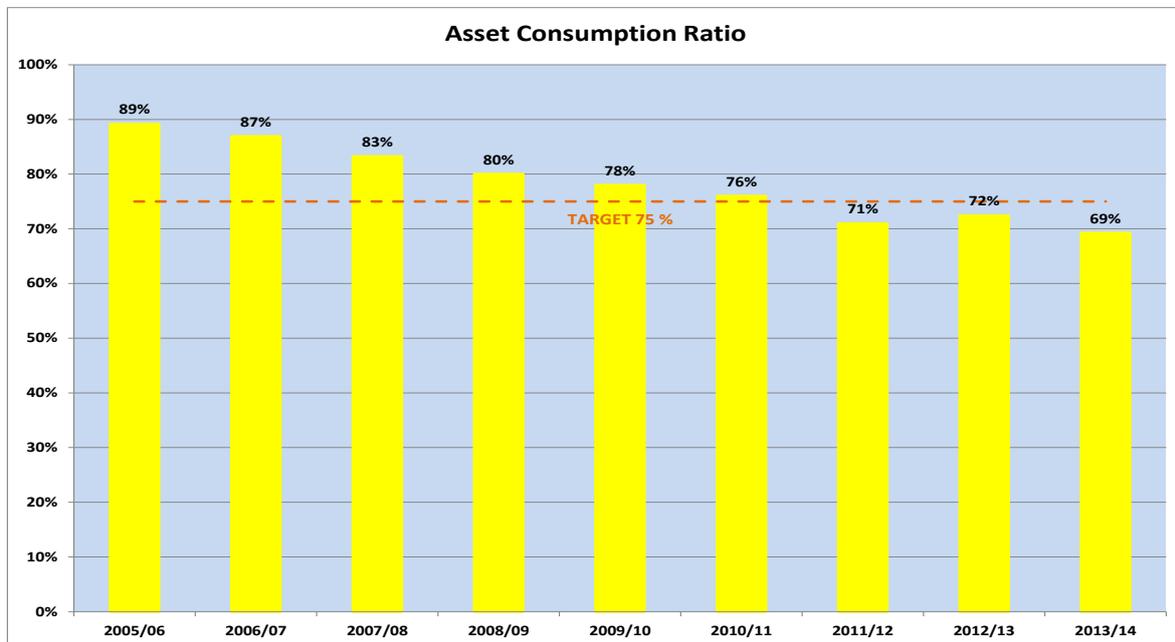
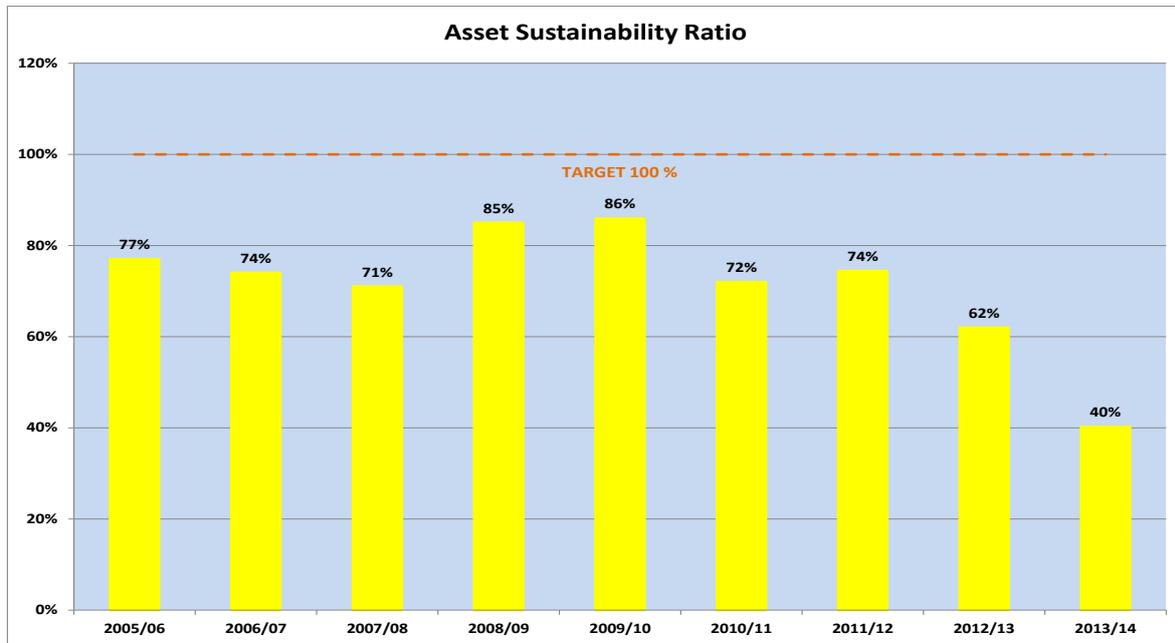
Council’s current Strategic Targets for each of the Local Government Financial Indicators are:

Financial Indicator	Strategic Target
Operating Surplus (Deficit) before Capital Amounts	\$ 190,000
Operating Surplus (Deficit) Ratio	4 %
Net Financial Liabilities	< \$8.8 Million
Net Financial Liabilities Ratio	< 100 %
Interest Cover Ratio	< 5.0 %
Asset Sustainability Ratio	100 %
Asset Consumption Ratio	75 %

The following graphs show the Key Financial Indicator trends for the District Council of Ceduna over the last 8 years, in addition to the Key Financial Indicators pertaining to Council’s 2013/2014 Annual Business Plan. Appendix 4 provides explanations of the basis for the Indicators and what they tell us about the Financial Position of the Council.







In previous years these graphs show that Council through to 2011/12 had been achieving a majority its Strategic targets for all Financial Indicators listed on page 10. As a result of numerous significant financial events leading up to the 2013/2014 financial year, a Operating Deficit has been forecast for 2012/2013, with a substantial Operating Deficit budgeted for 2013/2014.

Whilst the forecast outcome for 2013/2014 is not desirable, it has provided Council with important information to focus on future financial sustainability.

The ultimate achievement for Council is to continually operate at surplus. An Annual Operating Surplus means that Council can meet all of its Operating Expenses (for the provision of services to the community) and the average long term renewal costs for existing physical Infrastructure assets (roads, buildings, plant and equipment) from its Annual Operating Revenues (including rates) AND is then able to use the Operating Surplus to purchase or construct new (additional) assets for the benefit of the community.

How Council Will Raise Rates and Service Charges

Council has limited options to generate the income required to pay for services which it provides to the community. It receives some State and Federal government grants and subsidies, and some income can be raised through fee paying services and facilities, fines, expiations and commercial activities, however the primary source of income for Council is a property based tax – “Council Rates”.

Rate revenue is an integral part of the Council's financial resource base, the value of which is determined through Council's desire, on behalf of the community, to achieve the strategies articulated in Council's Strategic Plan and proposed in the Annual Business Plan.

Other rating considerations include the current economic climate, in which the major influencing factors are movements in inflation and interest rates, increased legislative responsibilities and the need to manage, maintain and improve the community's infrastructure assets.

All land within a Council area, except for land specifically exempt (eg crown land, council occupied land and other land prescribed in the Local Government Act – *refer Section 147 of the Act*), is rateable. The Local Government Act provides for a Council to raise revenue for the broad purposes of the Council through the imposition of a single general rate or through differential general rates that apply to all rateable properties within the Council area.

In addition, Council can raise separate rates for specific areas of the Council, or service rates or charges for specific services.

In developing the 2013/2014 Annual Business Plan, Council has given particular attention to the economic circumstances prevailing in the various sectors of our community.

In the context of these circumstances, Council plans to limit the increase in total General Rate Revenue to 3.9%. This increase comprises a 2.2% increase in line with the March Quarter Adelaide Consumer Price Index (CPI), a further 1.2% which will be contributed by new property development which has occurred in the Council area during 2012/2013, and an additional 0.5% to help Council improve its long term financial viability under increasing cost pressures.

It is important for Council to ensure that improvements in financial sustainability are achieved in the future through both increases in revenue and reductions in expenditure for services, whilst at the same time ensuring revenue increases do not result unrealistic burdens on the community and expenditure reductions do not compromise the delivery of those services into the future.

General Rates

General Rates – Differential Rate

The District Council of Ceduna has maintained a consistent General Rates Strategy by applying 6 Differential Rates in the Dollar (according to locality and, to a minor extent, land use), in conjunction with a Fixed Charge payable on all properties (excluding contiguous land).

The Council considers that it is equitable to differentiate the distribution of the rate burden between classes of ratepayers including the levels of service and infrastructure provided in different areas of the district such as Ceduna, Thevenard, Denial Bay, and Smoky Bay townships. Council recognises that there are varying levels of infrastructure, community services, and local amenity to all of these areas, and Council plans to impose differential general rates on the following classes of properties in 2013/2014:

- Land within Decres Bay Policy Area 11 zoned Industry under Council's Development Plan, within the township of Ceduna (Grain Bunker Site, Decres Bay Rd)
- Land within the township of Ceduna
- Land within the township of Thevenard
- Land within the township of Smoky Bay
- Land within the township of Denial Bay
- Land in the remainder of the area of the District Council of Ceduna

Locality is used as a factor to levy differential rates.

General Rates – Fixed Charge

Council considers it appropriate that all rateable properties make a contribution to Council's costs in providing services and amenities for the Community, including creating and maintaining the physical infrastructure that supports each property. Section 152 of the Local Government Act provides for the application of a Fixed Charge as a component of Council's General Rate Revenue.

A Council may impose a fixed charge on every property in its area, provided that it has not imposed a minimum rate. Where two or more adjoining properties have the same owner, or where there is a single farm enterprise comprising more than one property, only one fixed charge may be payable by the ratepayer. Council may not apply fixed charge which equates to more than 50% of Council's General Rate Revenue.

The Council proposes a fixed charge on rateable properties of \$560 in 2013/2014, which is unchanged relative to 2012/2013.

General Rate Cap

Council will apply a General Rate Cap of 13.9% (being 10% above average General Rate Revenue increase for 2013/2014) to eligible properties, to provide reasonable relief from large increases in General Rates Payable in 2013/2014.

General Rates Capping will apply to all assessments where the increase in General Rates equates to greater than 13.9% of the previous years General Rate with the exception of:

- any new assessments;
- any assessments that already receive any form of rate rebate from Council;
- any assessments that are subject to the imposition of additional charges from the previous year (e.g. fixed charge imposed in one year that was not imposed in a previous year).
- assessments that have been merged with other assessments (e.g. tenements that have been merged, etc)
- assessments that have had a change of ownership in the preceding financial year (e.g. changed ownership during 2012/13 for rates imposed in 2013/14)

Eligible Pensioner Rate Cap

Council will apply a General Rate Cap of 5% to eligible pensioners, to provide relief against what would otherwise constitute a liability that is unreasonable for eligible pensioners where:

- The general rates would have increased by more than 5% from the previous year, and
- The property is the ratepayer(s) principal place of residence, and
- The property has been owned by the ratepayer(s) since 1 July 1998

Table 1 on page 13 shows the change (increase or decrease) in General Rates Payable in broad % change ranges for properties across the Council area from 2012/2013 to 2013/2014, with the use of a 13.9% Rate Cap in 2013/2014.

The table demonstrates that by the use of a 13.9% General Rate Cap, 98.9% of all properties will be limited to a maximum increase in General Rates Payable of 13.9% (or less), with only 1.1% of properties experiencing increases above 13.9% due to or a change of ownership or sub-division/amalgamation of land.

9.7% of properties will experience a reduction in General Rates Payable.

Table 2 on page 13 shows the change in General Rates Payable for properties across the Council area from 2012/2013 to 2013/2014, without the use of a Rate Cap in 2013/2014.

The table demonstrates that without the use of a General Rate Cap, a significant number of properties would experience large increases in General Rates Payable, including 18.5% of properties experiencing increases of more than 5%.

Table 1: 13.9% General Rate Cap

All Properties Rate Movement (Excluding Non Rateable & New Properties)								
Range	Number of Assessments by Location							% of Total Assessments
	Rural	Ceduna	Thevenard	Smoky Bay	Denial Bay	Indust.	Total	
More than -10%	2	5	1	0	0	0	8	0.35%
-9.9% - -5.0%	1	0	2	1	0	0	4	0.18%
-4.9% - 2.5%	1	0	0	0	0	0	1	0.04%
-2.4% - 0.0%	144	64	1	0	0	0	209	9.19%
0.1% - 3.9%	304	585	172	182	51	0	1294	56.93%
4.0% - 5.0%	105	145	72	11	3	0	336	14.78%
5.1% - 10.0%	90	178	65	3	3	2	341	15.00%
10.1% - 13.9%	10	43	3	0	0	0	56	2.46%
14.0% - 15.0%	1	4	0	0	0	0	5	0.22%
15.1% - 25.0%	0	9	0	0	0	0	9	0.40%
25.1% - 50.0%	2	1	0	0	0	0	3	0.13%
50.1% - 75.0%	2	1	0	0	0	0	3	0.13%
75.1% - 100.0%	2	1	0	0	0	0	3	0.13%
100.1% or more	0	0	1	0	0	0	1	0.04%
Total	664	1036	317	197	57	2	2273	100.00%

Table 2: No General Rate Cap

All Properties Rate Movement (Excluding Non Rateable & New Properties)								
Range	Number of Assessments by Location							% of Total Assessments
	Rural	Ceduna	Thevenard	Smoky Bay	Denial Bay	Indust.	Total	
More than -10%	2	5	1	0	0	0	8	0.35%
-9.9% - -5.0%	1	0	2	1	0	0	4	0.18%
-4.9% - 2.5%	1	0	0	0	0	0	1	0.04%
-2.4% - 0.0%	144	64	1	0	0	0	209	9.19%
0.1% - 3.9%	304	585	172	182	51	0	1294	56.93%
4.0% - 5.0%	105	145	72	11	3	0	336	14.78%
5.1% - 10.0%	90	178	65	3	3	2	341	15.00%
10.1% - 13.9%	2	25	1	0	0	0	28	1.23%
14.0% - 15.0%	1	4	1	0	0	0	6	0.26%
15.1% - 25.0%	5	18	1	0	0	0	24	1.06%
25.1% - 50.0%	5	8	0	0	0	0	13	0.57%
50.1% - 75.0%	2	2	0	0	0	0	4	0.18%
75.1% - 100.0%	2	1	0	0	0	0	3	0.13%
100.1% or more	0	1	1	0	0	0	2	0.09%
Total	664	1036	317	197	57	2	2273	100.00%

Methodology Used To Value Land

Council's may use one of three valuation methodologies to value the properties in its area.

1. *Capital Value* - The value of the land and all the improvements on the land.
2. *Site Value* - The value of the land, but excluding the value of buildings and any other improvements.
3. *Annual Value* - A valuation of the rental potential of the property.

The basis of valuation of land used by District Council of Ceduna is the Site Valuation of the land. Council considers that the Site Valuation method of valuing land provides the fairest method of distributing the rate burden across all ratepayers on the following basis :

- The nature of land-holdings and the mix of land uses in the district (e.g. residential, business, tourism and hospitality, aquaculture, agriculture and other uses), and ;
- The equity principle of taxation.

District Council of Ceduna uses the services of the South Australian Valuer-General to establish the value of land within the Council area for rating purposes.

Any ratepayer who is dissatisfied with the valuation of their property may lodge an objection in writing to the State Valuation Office, clearly stating the grounds for the objection, within 60 days of the serving of the first rates notice from any statutory authority (SA Water, Revenue SA or Council).

An objection must be forwarded to the State Valuations Office, Land Services Group, Department for Administrative and Information Services, GPO Box 1354, Adelaide, SA, 5001. District Council of Ceduna has no role in determining property valuations or considering objection, and lodgement of an objection to a property valuation does not affect the obligation to pay rates by the due date.

Movements in Property Valuations & General Rates

The following Table provides a summary of property valuation movements, General Rate Revenue changes, the General Differential "rate in the dollar", Fixed Charge General Rate value and General Rate Cap levels for the last 4 years, and the values of these parameters pertaining to this 2013/2014 Annual Business Plan.

<i>Year</i>	<i>2009/2010</i>	<i>2010/2011</i>	<i>2011/2012</i>	<i>2012/2013</i>	<i>2013/2014</i>
Total Site Value	\$126,588,460	\$153,400,860	\$162,125,405	\$184,916,405	\$195,530,905
% Increase in Total Site Value (from previous year)	15.3%	21.2%	5.7%	14.1%	5.7%
% Increase in Ceduna SV	30.4%	17.7%	11.2%	18.4%	5.8%
% increase in Thevenard SV	25.0%	20.4%	10.2%	20.9%	7.4%
% increase in Smoky Bay SV	5.4%	5.0%	0.0%	4.9%	4.9%
% increase in Denial Bay SV	13.4%	10.0%	4.7%	4.6%	5.0%
% Increase in Rural SV	4.5%	31.7%	1.3%	11.0%	5.4%
% Increase in Industrial SV	20.0%	22.2%	13.6%	20.0%	6.7%
% Increase in General Rate Revenue (from Prior year)	3.9%	5.0%	6.0%	3.5%	3.9%
Ceduna "Rate in the \$"	1.63480	1.53693	1.56603	1.38642	1.38458
Thevenard "Rate in the \$"	1.48774	1.34990	1.35279	1.12916	1.12766
Smoky Bay "Rate in the \$"	0.80174	0.82886	0.91569	0.88480	0.88362
Denial Bay "Rate in the \$"	0.70449	0.70899	0.76040	0.72484	0.72388
Rural "Rate in the \$"	1.24118	1.22656	1.32858	1.26244	1.26076
Industrial "Rate in the \$"	38.77076	33.30111	31.11378	26.85400	26.78833
Fixed Charge	\$525	\$525	\$525	\$560	\$560
Rate Cap %	13.9%	15.0%	16.0%	13.5%	13.9%

Separate Rates

Water Service Charge

The Council has undertaken construction of infrastructure to provide a general water supply to the residents of defined rural properties and the Denial Bay Township as delineated in the plan of the Water West Scheme in Council Policy 15.06.

The Council proposes to raise \$69,850 by way of separate rates to maintain infrastructure for this financial year.

The revenue raised from this rate can only be applied to the operations of the Water West Scheme. This revenue is raised from ratepayers within the Water Scheme on the concept of 'user pays', for provision of infrastructure to ratepayers who receive a direct benefit.

Natural Resources Management Levy

Council is required to pay a regional Natural Resources Management (**NRM**) Levy each year to the Eyre Peninsula NRM Board. The NRM Board spends this levy in managing and protecting priority water, land, marine and biodiversity assets on the Eyre Peninsula.

The District Council of Ceduna is also required by legislation to subsequently reimburse itself for the Levy paid to the NRM Board, by imposing a Separate Rate on each property, against all of the rateable properties in the Council area.

Council is effectively operating as a revenue collector for the Board in this regard, and does not obtain any financial benefit from this separate rate.

Council has been advised that its NRM Levy obligation for 2013/2014 will be \$121.879, which has resulted in a 2.2% increase in the NRM Levy Separate Rate from \$61.86 in 2012/2013 to \$62.63 per rateable property in 2013/2014.

Service Charges

Waste Collection

The Council provides a domestic refuse collection service for all properties within the townships of Ceduna, Thevenard, Smoky Bay, Denial Bay and from designated Rural Living properties.

Council also provides other waste management services, including Ceduna Landfill Site maintenance and operations, and recycling initiatives and services. The Council will recover the cost of these services through the imposition of a Waste Management Service Charge. Where a service that is subject to a Service Charge is available to non-rateable land, a service charge is levied against that land.

In 2013/2014, the Annual Waste Collection Service Charge for occupied assessments will increase by 15.7%, while the Vacant Service Charge will increase by 15.9%, relative to 2012/2013.

The Annual Waste Collection Service Charge proposed in 2013/2014 for each separate assessment receiving or able to receive the service will be:

- \$246.59 on each occupied assessment within the township areas of Ceduna, Thevenard, Smoky Bay and Denial Bay, and within the Waste Collection Designated Area(s) to which the service is provided or made available
- \$198.02 on each vacant assessment within the township areas of Ceduna, Thevenard, Smoky Bay and Denial Bay, and within the Waste Collection Designated Area(s) to which the service is provided or made available
- \$198.02 in respect of each assessment in the remainder of the Council area, subject to any assessment or assessments which are subject to contiguous land provisions or single farm enterprise provisions paying only one Annual Waste Collection Service Charge.

The changes in the Service Charges reflect changes in Council's contract costs for landfill management, Environmental Protection Agency fees and planned capital works to meet legislative and contractual agreements.

Community Wastewater Management Systems

The District Council of Ceduna provides Community Wastewater Management Systems (**CWMS**) to the townships of Ceduna, Thevenard and Smoky Bay to provide for the removal, treatment and environmentally appropriate disposal of domestic waste water.

An Annual CWMS Service Charge is applied to all properties serviced by these systems to meet the establishment, refurbishment and ongoing operating costs of providing the service, under the provisions of Section 155 of the Local Government Act 1999.

Council applies Annual CWMS Service Charges to properties based on a "Unit Charge" system in accordance with the "Code for Establishing and Applying Property Units", as referred to in Section 155 of the Local Government Act 1999 and Regulation 9A of the Local Government Regulations.

In practical application, this means that a conventional residential property is charged one (1) Annual CWMS Service Charge (one Unit Charge), while a property which contributes larger volumes of effluent into a CWMS than a domestic dwelling (e.g. Hotel, Motel, Caravan Park, Commercial facility) may be charged more than one Unit Charge to compensate for the greater level of use of the CWMS.

Analysis of the business plans of all CWMS schemes has confirmed the need for an increase in the annual CWMS Service charge, to ensure a financially sustainable CWMS Service Charge for all schemes is established and maintained beyond 2012/2013.

The Annual CWMS Service Charges for 2013/2014 are 10% more than the 2012/2013 Service Charges, reflecting the forecast increase in Council's costs of providing the CWMS services over the whole of the life of the schemes.

The following table details the CWMS Service Charges for 2013/2014.

		Charge per Unit	
CWMS Service Charge	Category	2012/2013	2013/2014
Ceduna/Thevenard	Occupied	\$ 361.00	\$ 397.10
Smoky Bay	Occupied	\$ 457.00	\$ 502.70
Smoky Bay Aquaculture Park	Occupied	\$ 112.00	\$ 123.20
Ceduna/Thevenard	Vacant	\$ 288.00	\$ 316.80
Smoky Bay	Vacant	\$ 383.00	\$ 421.00

Details pertaining to Government and Council Rate Concessions, Discretionary and Mandatory Rebates, provisions for assisting cases of hardship in the payment of rates and Council's rights to sell land for the non-payment of rates can be found in Appendix 3 of this Annual Business Plan.

Appendix 1: Budgeted Financial Statements 2013/2014**Statement of Comprehensive Income**

2012/13 Budget \$'000s	INCOME	2013/14 Budget \$'000s
3,310	General Rates	3,426
1,232	Other Rates	1,321
102	Statutory Charges	71
1,598	User Charges	1,083
2,785	Grants & Contributions	1,386
15	Investment Income	5
76	Reimbursements	51
350	Other Income	266
<hr/> 9,468	TOTAL INCOME	<hr/> 7,609
	EXPENSES	
2,443	Employee Costs	2,835
4,351	Materials, Contracts & Other Expenses	4,037
298	Finance Costs	333
2,748	Depreciation	2,792
<hr/> 9,840	TOTAL EXPENSES	<hr/> 9,998
(372)	OPERATING SURPLUS/(DEFICIT)	(2,389)
8	Net Gain on Disposal	(19)
322	Amounts specifically for new or upgraded assets	233
(42)	TOTAL COMPREHENSIVE INCOME	(2,175)

Balance Sheet

2012/13 Budget \$'000s		2013/14 Budget \$'000s
	ASSETS	
	CURRENT ASSETS	
1,049	Cash & Cash Equivalents	33
468	Trade & Other Receivables	477
26	Inventories	6
-	Other Financial Assets	-
1,543	TOTAL CURRENT ASSETS	516
	NON-CURRENT ASSETS	
-	Financial Assets	-
76,841	Infrastructure, Property, Plant & Equipment	75,275
-	Other Non-Current Assets	-
76,841	TOTAL NON-CURRENT ASSETS	75,275
78,384	TOTAL ASSETS	75,792
	LIABILITIES	
	CURRENT LIABILITIES	
535	Trade & Other Payables	534
439	Borrowings	424
448	Provisions	479
1,422	TOTAL CURRENT LIABILITIES	1,437
	NON-CURRENT LIABILITIES	
-	Trade & Other Payables	-
4,110	Borrowings	3,744
224	Provisions	157
4,334	TOTAL NON-CURRENT LIABILITIES	3,902
5,756	TOTAL LIABILITIES	5,339
72,628	NET ASSETS	70,453
	EQUITY	
20,614	Accumulated Surplus	18,665
52,085	Asset Revaluation Reserve	52,085
(71)	Other Reserves	(297)
72,628	TOTAL EQUITY	70,453

Statement in Changes of Equity

2012/13 Budget \$'000s	ACCUMULATED SURPLUS	2013/14 Budget \$'000s
20,270	Balance at end of previous year	20,614
(42)	Net Surplus/(Deficit)	(2,175)
386	Transfer From Reserves	263
-	Transfer To Reserves	(37)
20,614	BALANCE AT END OF YEAR	18,665
	ASSET REVALUATION RESERVE	
52,146	Balance at end of previous year	52,085
(61)	Gain on revaluation of infrastructure, property, plant & equipment	-
-	Transfer to Accumulated Surplus on sale of infrastructure, property, plant & equipment	-
52,085	BALANCE AT END OF YEAR	52,085
	OTHER RESERVES	
375	Balance at end of previous year	(71)
-	Transfer From Accumulated Surplus	37
(386)	Transfer To Accumulated Surplus	(263)
(71)	BALANCE AT END OF YEAR	(297)

Cash Flow Statement

2012/13 Budget \$'000s		2013/14 Budget \$'000s
	OPERATING ACTIVITIES	
	RECEIPTS	
9,570	Operating Receipts	7,586
15	Investment Receipts	5
	PAYMENTS	
(6,794)	Operating Payments to suppliers & employees	(6,828)
(298)	Finance Payments	(333)
2,493	Net Cash provided by (or used in) Operating Activities	429
	INVESTING ACTIVITIES	
	RECEIPTS	
322	Amounts specifically for new or upgraded assets	233
110	Sale of Assets	11
9	Repayment of Community Loans	5
	PAYMENTS	
(1,683)	Expenditure on new or upgraded assets	(118)
(1,813)	Expenditure on renewed assets	(1,133)
(3,055)	Net Cash provided by (or used in) Investing Activities	(1,002)
	FINANCING ACTIVITIES	
	RECEIPTS	
859	Proceeds from Borrowings	
	PAYMENTS	
(399)	Repayment of Borrowings	(444)
460	Net Cash provided by (or used in) Financing Activities	(444)
(102)	NET INCREASE (DECREASE) IN CASH HELD	(1,016)
1,151	CASH AT BEGINNING OF YEAR	1,049
1,049	CASH AT END OF YEAR	33

Uniform Presentation of Finances

2012/13 Budget \$'000s		2013/14 Budget \$'000s
9,468	Operating Revenue	7,609
(9,840)	<i>less Operating Expenses</i>	(9,998)
(372)	Operating Surplus/(Deficit) before Capital Amounts	(2,389)
	<i>Less Net Outlays on Existing Assets</i>	
1,813	Capital Expenditure on renewal and replacement of Existing Assets	1,133
(2,748)	<i>less Depreciation, Amortisation and Impairment</i>	(2,792)
(110)	<i>less Proceeds from Sale of Replaced Assets</i>	(11)
(1,045)		(1,670)
	<i>Less Net Outlays on New and Upgraded Assets</i>	
1,683	Capital Expenditure on New and Upgraded Assets	118
(322)	<i>less Amounts specifically for New and Upgraded Assets</i>	(233)
-	<i>less Proceeds from Sale of Surplus Assets</i>	-
1,361		(116)
(688)	Net Lending/(Borrowing) for Financial Year	(604)

Financial Indicators

2012/13 Budget		2013/14 Budget
(372)	Operating Surplus <i>Being the Operating Surplus/(Deficit) before Capital Amounts</i>	(2,389)
-8%	Operating Surplus Ratio $\frac{\text{Operating Surplus}}{\text{Rates Revenue less NRM Levy}}$ <i>This ratio expresses the Operating Surplus as a percentage of general and other rates less NRM Levy</i>	-52%
4,239	Net Financial Liabilities <i>Net Financial Liabilities are defined as Total Liabilities less financial assets</i>	4,828
45%	Net Financial Liabilities Ratio $\frac{\text{Net Financial Liabilities}}{\text{Total Operating Revenue less NRM Levy}}$ <i>This ratio expresses the Net Financial Liabilities as a percentage of Operating Revenue less NRM Levy</i>	64%
3%	Interest Cover Ratio $\frac{\text{Interest Expense less Interest Income}}{\text{Total Operating Revenue less NRM Levy less Interest Income}}$ <i>This ratio expresses Council's net interest expense as a percentage of Operating Revenue less NRM Levy less Interest Income</i>	4%
62%	Asset Sustainability Ratio $\frac{\text{Net Expenditure on Assets}}{\text{Depreciation Expense}}$ <i>Net Expenditure on renewal of assets expressed as a percentage of depreciation expense</i>	40%
72%	Asset Consumption Ratio $\frac{\text{Carrying Value of depreciable assets}}{\text{Gross Value of depreciable assets}}$ <i>Total carrying value of depreciable assets divided by total reported value of depreciable assets before</i>	69%

Appendix 2: Functions & Cost Centre Detail**Operating Budget**

Function	Cost Centre	13/14 Budget
BUSINESS UNDERTAKINGS		(236,156)
	Development of Land for Resale	(17,287)
	Expenses	(17,287)
	Private Works	6,935
	Revenue	39,651
	Expenses	(32,715)
	Property Portfolio	24,885
	Revenue	64,549
	Expenses	(39,664)
	Sewerage/ STEDS	(144,404)
	Revenue	748,845
	Expenses	(893,249)
	Water Supply - Domestic	(106,285)
	Revenue	413,604
	Expenses	(519,889)
COMMUNITY SERVICES		(669,767)
	Crime Prevention	(40,797)
	Revenue	0
	Expenses	(40,797)
	Emergency Services	(36,540)
	Expenses	(36,540)
	Other Fire Protection	(16,837)
	Expenses	(16,837)
	Other Public Order and Safety	(263,252)
	Expenses	(263,252)
	Other Health Services	(839)
	Revenue	55,200
	Expenses	(56,039)
	Senior Citizens Facilities	(26,187)
	Expenses	(26,187)
	Children and Youth Services	(85,217)
	Revenue	5,000
	Expenses	(90,217)
	Other Community Support	(73,191)
	Revenue	0
	Expenses	(73,191)
	Cemeteries/Crematoria	(42,051)
	Revenue	11,600
	Expenses	(53,651)
	Public Conveniences	(77,176)
	Expenses	(77,176)
	Car Parking - Non-fee-paying	(7,681)
	Expenses	(7,681)
CULTURE		(184,528)
	Static Libraries	(40,967)
	Revenue	1,352
	Expenses	(42,319)
	Cultural Venues	(116,509)
	Revenue	4,500
	Expenses	(121,009)
	Heritage	(3,202)
	Expenses	(3,202)
	Other Cultural Services	(23,850)
	Revenue	4,000
	Expenses	(27,850)

Operating Budget (cont..)

Function	Cost Centre	13/14 Budget
ECONOMIC DEVELOPMENT		(431,864)
	Regional Development	(27,213)
	Expenses	(27,213)
	Support to Local Businesses	(13,200)
	Expenses	(13,200)
	Tourism	(373,180)
	Revenue	125,350
	Expenses	(498,530)
	Other Economic Development	(18,271)
	Expenses	(18,271)
ENVIRONMENT		(187,741)
	Domestic Waste	(78,404)
	Expenses	(78,404)
	Recycling	(26,532)
	Expenses	(26,532)
	Waste Disposal Facility	(255,574)
	Expenses	(255,574)
	Other Waste Management	472,628
	Revenue	503,570
	Expenses	(30,942)
	Coastal Protection	(12,018)
	Expenses	(12,018)
	Stormwater and Drainage	(31,582)
	Revenue	121,879
	Expenses	(153,461)
	Street Cleaning	(150,687)
	Expenses	(150,687)
	Street Lighting	(103,840)
	Expenses	(103,840)
	Other Environment	(1,733)
	Expenses	(1,733)
RECREATION		(732,842)
	Jetties	(44,675)
	Expenses	(44,675)
	Other Marine Facilities	(18,210)
	Expenses	(18,210)
	Parks and Gardens	(603,549)
	Revenue	6,500
	Expenses	(610,049)
	Sports Facilities - Outdoor	(65,765)
	Revenue	0
	Expenses	(65,765)
	Swimming Centres - Outdoor	(643)
	Expenses	(643)

Operating Budget (cont..)

Function	Cost Centre	13/14 Budget
REGULATORY SERVICES		(218,798)
	Dog and Cat Control	(45,314)
	Revenue	27,000
	Expenses	(72,314)
	Building Control	(75,683)
	Revenue	16,700
	Expenses	(92,383)
	Town Planning	(65,904)
	Revenue	16,000
	Expenses	(81,904)
	Health Inspections	(13,867)
	Revenue	0
	Expenses	(13,867)
	Litter Control	(8,410)
	Revenue	1,300
	Expenses	(9,710)
	Parking Control	(20,621)
	Revenue	500
	Expenses	(21,121)
	Other Regulatory Services	11,000
	Revenue	21,000
	Expenses	(10,000)
TRANSPORT		(1,840,071)
	Aerodrome	29,876
	Revenue	494,580
	Expenses	(464,705)
	Footpaths and kerbing	(182,267)
	Expenses	(182,267)
	Roads - sealed	(457,513)
	Expenses	(457,513)
	Roads - formed	(1,468,923)
	Expenses	(1,468,923)
	Roads - natural formed	(1,132)
	Revenue	941
	Expenses	(2,073)
	Traffic Management	(42,097)
	Expenses	(42,097)
	LGGC - roads (formula funded)	307,405
	Revenue	307,405
	Other Transport	(25,419)
	Revenue	30,000
	Expenses	(55,419)
PLANT HIRE & DEPOT COSTS		(475,856)
	Plant hire & depot costs	(475,856)
	Revenue	818,024
	Expenses	(1,293,881)
UNCLASSIFIED ACTIVITIES		0
	Unclassified activities	0
	Revenue	168
	Expenses	(168)

Operating Budget (cont..)

Function	Cost Centre	13/14 Budget
COUNCIL ADMINISTRATION		2,588,836
	Administration - other	(72,294)
	Revenue	75,000
	Expenses	(147,294)
	Elected Members	(125,659)
	Expenses	(125,659)
	Organisational	(265,084)
	Expenses	(265,084)
	Human Resources	(76,000)
	Expenses	(76,000)
	Information Technology	(257,294)
	Expenses	(257,294)
	Rates Administration	3,315,895
	Revenue	3,429,334
	Expenses	(113,439)
	Occupancy	(106,117)
	Expenses	(106,117)
	Other Support Services	(896,384)
	Expenses	(896,384)
	LGGC - general purpose	1,071,773
	Revenue	1,071,773
Net Surplus/Deficit		(2,388,787)

Capital Budget

Function	Cost Centre	Project	13/14 Budget
BUSINESS UNDERTAKINGS			(56,742)
	Property Portfolio		(17,342)
		Ceduna Visitor Information Centre	(17,342)
	Water Supply - Domestic		(39,400)
		Smoky Bay Aquaculture Park Pipeline	(39,400)
CULTURE			(34,200)
	Cultural Venues		(34,200)
		Ceduna Memorial Hall Renewals	(34,200)
ENVIRONMENT			(136,503)
	Waste Disposal Facility		(93,667)
		Landfill Electricity Supply	(81,219)
		Ground Water Monitoring Well	(12,448)
	Stormwater and Drainage		(42,835)
		Bergmann Drive Stormwater	(6,076)
		Tonkin Street Stormwater	(36,759)
TRANSPORT			(846,881)
	Aerodrome		(23,971)
		Planning & DPA Airside	(23,971)
	Roads - sealed		(111,255)
		Resealing - Ceduna/Thevenard Streets	(59,711)
		Smoky Bay Rd Widening	(51,544)
	Roads - formed		(663,827)
		Rd #53 - OTC Rd	(45,644)
		Rd # 59 - Oorla Tank Rd	(79,234)
		Rd #101 - Skyline Rd	(47,907)
		Rd # 105 - Waranda Rd	(36,225)
		Rd #107 (N)Marchant Rd, (S)Pt Brown Rd	(16,943)
		Rd # 135 - Decres Bay Rd	(79,673)
		Rd #139 - Dog Fence Rd	(58,083)
		Rd #139 - Dog Fence Rd	(31,237)
		Rd # 175 - Nunji Rd	(58,703)
		Rd #179 - Miltaburra Rd	(210,179)
	Traffic Management		(47,827)
		Signs	(47,827)
PLANT HIRE & DEPOT COSTS			(156,500)
	Plant hire & depot costs		(156,500)
		Purchase of Plant & Equipment	(156,500)
COUNCIL ADMINISTRATION			(20,000)
	Information Technology		(20,000)
		Office Equipment	(20,000)
Total Capital Expenditure			(1,250,825)

Appendix 3: Rating Policy (Concessions & Rebates) 2013/2014

Remissions (Government Concessions)

Concessions are granted under the Rates and Land Tax Remission Act, 1986, and are only applicable for the principal place of residence.

Pensioner concessions are granted to ratepayers who are holders of a current Commonwealth or State Pensioner concession card, eligible prior to 2 September 2013 and who are owners, part owners or life tenants of the property. A concession of up to \$190 applies to General Rates and up to \$110.00 to a CWMS Service Charge.

Seniors concessions are granted to ratepayers who are holders of a current State Seniors card, eligible prior to 2 September 2013 and who are owners, part owners or life tenants of the property, and who are not entitled to a concession as a Pensioner.

Concessions for ratepayers experiencing hardship and holders of a State Government Health Care card may be entitled to a concession through Families SA.

Payment of Rates

Rates are due and payable in full or in quarterly instalments, with the last day for payment of each instalment being the first business day of September, December, March and June of each financial year. Council provides a broad range of options for the payment of rates. For more information please refer to the reverse side of your rates notice or contact Council's Rates Officer on (08) 8625 3407.

Any ratepayer who may, or is likely to experience difficulty with meeting the standard rate payment arrangements should contact the Rates Officer to discuss options for alternative payment arrangements. Such enquiries are treated confidentially by the Council.

Late Payment of Rates

Section 181 of the Local Government Act 1999 provides that if an instalment of rates is not paid on or before the last day for payment, the unpaid rates will be regarded as being in arrears, and a fine of 2% is payable.

Any payment that continues in arrears then accrues monthly interest on the amount in arrears, (including any fines). The rate of interest is variable according to current cash advance debenture rate as at 1 July and is prescribed in Section 181 of the Local Government Act 1999.

The purpose of this penalty is to act as a deterrent to ratepayers who might otherwise fail to pay their rates on time, to allow Council to cover 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.

Council allows a further day after the due date for payment as a grace period. Council remits the late payment penalties allowed by the Local Government Act if payment is received within the grace period.

Council will consider requests for the remission of fines and/or penalties for late payment of rates for a limited range of circumstances, including :-

- Delayed applications for pensioner remission
- Delayed applications for financial assistance through Families SA
- Accidents or sudden hospitalisation

Council will not consider requests for the remission of fines and/or penalties for late payment of rates under the following circumstances :-

- Loss of cheques for payment of rates in the post.
- Late receipt of payments due to postal delay.
- Late remittances for payments made by Financial Institutions on the clients behalf.
- Absenteeism from the area due to business or pleasure purposes.

- Intentional late payment as an objection for alleged non-receipt of expected services.
- Simple oversight and no other explanation given.

Council issues a letter for payment of rates when rates are overdue i.e. unpaid by the due date. Should rates continue to remain unpaid when the next instalment is due, a further letter is sent to the ratepayer.

Sale of Land for Non-Payment of Rates

Section 184(1) of the Local Government Act 1999 provides that "If an amount payable by way of rates in respect of land has been in arrears for three years or more, Council may sell the land".

In the first instance a letter will be forwarded to the ratepayer/s advising of Council's ability to recover rates by the sale of land and requesting their cooperation by arranging payment of the debt. A copy of the letter will also be forwarded to any registered mortgagee of the land for their information. If the property is already for sale, contact is to be made with the relevant real estate agent to obtain a briefing regarding the status of the property.

Where no response to the written notice has been received within 30 days, Council will proceed with the sale of land for non-payment of rates in accordance with Section 184 of the Local Government Act 1999.

Postponement of Rates

Seniors

Application may be made to Council for a postponement of the payment of any amount of rates in excess of \$500, for the current or a future financial year by :-

- A ratepayer who holds a current State Seniors Card issued by the State Government, (prescribed ratepayer) or the spouse of a prescribed ratepayer;
- The rates are payable on the principal place of residence;
- The land is owned by the prescribed ratepayer, or the prescribed ratepayer and his or her spouse, and no other person has an interest, as owner, in the land.

Any rates which are postponed will become due and payable:-

- When the title to the land is transferred to another person; or
- Failure to comply with a condition of postponement.

Interest will accrue on the amount postponed at the prescribed rate per month until the amount is paid.

Postponement is available as a right and can only be refused when the applicants have less than 50% equity in the property and their mortgage was registered prior to 25 January 2007.

Hardship

Section 182 of the Local Government Act permits the 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 the Council's Rates Officer on (08) 8625 3407 to discuss the matter. Council treats such inquiries confidentially.

Rate Rebates

It is the strategy of the District Council of Ceduna that a rebate of rates in respect of any rateable land in the Council area will be available only when the applicant satisfies the requirements under the Local Government Act 1999 and, where appropriate, the requirements of this strategy.

1. Introduction

The Local Government Act 1999 ("the Act") sets out at Chapter 10, Division 5 (Sections 159 to 166) those provisions applicable to the Council granting a rebate of rates to persons or bodies.

This strategy is intended to provide guidance to the community as to the grounds upon which a person or body is, or may be entitled to receive a rebate of rates and the matters that the Council will take into account in deciding an application for a rebate.

In accordance with the rebate provisions contained in the Act, this strategy sets out the type of use in respect of land which the Council must grant a rebate of rates and the amount that rebate must be, and those types of land use where the Council has a discretion to grant a rebate of rates.

2. Local Government Act 1999

2.1 Section 159(3) of the Act provides that the Council may grant a rebate of rates under the Act if it is satisfied that it is appropriate to do so.

2.2 The Act provides for a mandatory rebate of rates in specified cases and the amount of that mandatory rebate (see Clause 3 below).

2.3 The Act also provides that where the Council must grant a rebate of rates under the Act, and the amount of that rebate is fixed by the Act at less than 100%, the Council **may** increase the amount of the rebate.

2.4 The Act provides, at Section 166 for the Council to provide a discretionary rebate of rates in the cases set out in that Section.

3. Mandatory Rebates

3.1 The Council must grant a rebate in the amount specified in respect of those land uses which the Act provides will be granted a rebate.

3.2 Rates on the following land will be rebated at **100%**:

3.2.1 Health Services

Land being predominantly used for service delivery or administration by a hospital or health centre incorporated under the South Australia Health Commission Act 1976;

3.2.2 Religious Purposes

Land containing a church or other building used for public worship (and any grounds), or land solely used for religious purposes;

3.2.3 Public Cemeteries

Land being used for the purposes of a public cemetery;

3.2.4 Royal Zoological Society of SA

Land (other than land used as domestic premises) owned by, or under the care, control and management of, the Royal Zoological Society of South Australia Incorporated.

3.3 Rates on the following land will be rebated at **75%**:

3.3.1 Community Services

Land being predominantly used for service delivery and administration by a community services organisation. A “*community services organisation*” is defined in the Act as a body that –

- is incorporated on a not for profit basis for the benefit of the public; and
- provides community services without charge or for a charge that is below the cost to the body of providing the services; and

3.3.1.1 does not restrict its services to persons who are members of the body.

It is necessary for a community services organisation to satisfy all of the above criteria to be entitled to the mandatory 75% rebate.

The Act further provides that eligibility for a rebate by a community services organisation is subject to it providing **one or more** of the following community services –

- emergency accommodation;
- food or clothing for disadvantaged persons (i.e., persons who are disadvantaged by reason of poverty, illness, frailty, or mental, intellectual or physical disability);
- supported accommodation (i.e., residential care facilities in receipt of Commonwealth funding or accommodation for persons with mental health, intellectual, physical or other difficulties who require support in order to live an independent life);
- essential services, or employment support, for persons with mental health disabilities, or with intellectual or physical disabilities;
- legal services for disadvantaged persons;
- drug or alcohol rehabilitation services; or

3.3.1.2 the conduct of research into, or the provision of community education about, diseases or illnesses, or the provision of palliative care to persons who suffer from diseases or illnesses.

3.3.2 Educational Purposes

- Land occupied by a government school under a lease or licence and being used for educational purposes; or
- Land occupied by a non-government school registered under Part 5 of the Education Act 1972 and being used for educational purposes; or

3.3.2.1 Land being used by a University or University College to provide accommodation and other forms of support for students on a not for profit basis.

3.4 Where the Council is satisfied from its own records or from other sources that a person or body meets the necessary criteria for a mandatory 100% or 75% rebate, the Council will grant the rebate of its own initiative.

Where the Council is not so satisfied it will require the person or body to apply for the rebate in accordance with Clause 5 of this Policy.

3.5 Where a person or body is entitled to a rebate of 75% the Council may, pursuant to Section 159(4) of the Act, increase the rebate up to a further 25%. The Council may grant the further 25% rebate upon application or on its own initiative. In either case, the Council **will** take into account those matters set out at Clauses 5.4 of this Policy and **may** take into account any or all of those matters set out at Clause 5.5 of this Policy.

3.6 Where an application is made to the Council for a rebate of up to a further 25% the application will be made in accordance with Clause 5 of this Policy and the Council will provide written notice to the applicant of its determination of that application.

4. Discretionary Rebates

- 4.1 The Council may in its absolute discretion grant a rebate of rates or service charges in any of the following cases pursuant to Section 166 of the Act –
- 4.1.1 where it is desirable for the purpose of securing the proper development of the area (or a part of the area);
 - 4.1.2 where it is desirable for the purpose of assisting or supporting a business in its area;
 - 4.1.3 where it will be conducive to the preservation of buildings or places of historic significance;
 - 4.1.4 where the land is being used for educational purposes;
 - 4.1.5 where the land is being used for agricultural, horticultural or floricultural exhibitions;
 - 4.1.6 where the land is being used for a hospital or health centre;
 - 4.1.7 where the land is being used to provide facilities or services for children or young persons;
 - 4.1.8 where the land is being used to provide accommodation for the aged or disabled;
 - 4.1.9 where the land is being used for a residential aged care facility that is approved for Commonwealth funding under the Aged Care Act 1987 (Commonwealth) or a day therapy centre;
 - 4.1.10 where the land is being used by an organisation which, in the opinion of the Council, provides a benefit or service to the local community;
 - 4.1.11 where the rebate relates to common property or land vested in a community corporation under the Community Titles Act 1996 over which the public has a free and unrestricted right of access and enjoyment; and
 - 4.1.12 where the rebate is considered by the Council to be appropriate to provide relief against what would otherwise amount to a substantial change in rates payable due to a change in the basis of valuation used for the purposes of rating, rapid changes in valuations, or anomalies in valuations.
- 4.2 The Council may grant a rebate of rates up to and including 100% of the relevant rates or service charges. The Council may grant a rebate for a period exceeding one year, but not exceeding 10 years in respect of those cases identified at 4.1.1, 4.1.2 or 4.1.11 above.
- 4.3 The Council has an absolute discretion –
- 4.3.1 to grant a rebate of rates or service charges in the above cases; and
 - 4.3.2 to determine the amount of any such rebate.
- 4.4 A rebate of General Rates will be granted by Council to eligible pensioners on application to their principal place of residence under section 166(1)(m) of the Local Government Act 1999.
- Council will automatically grant a rebate of general rates that are greater than 5% above the 2013/2014 general rates, for property assessments where:
- the property is the ratepayer(s) principal place of residence, and
 - the property has been owned by the ratepayer(s) since 1 July 1998
 - the ratepayer(s) must be eligible and receive a Pensioner Concession from Department of Communities and Social Inclusion for the property.
- 4.5 A rebate of General Rates will be granted by Council to the Principal Ratepayer of an Assessment, under section 166(1)(l) of the Local Government Act 1999, to qualifying ratepayers whose General Rates would have increased significantly due to a rapid growth in capital value of their Assessment.
- Council will automatically grant a rebate of general rates that are greater than 13.9% above the 2012/2013 general rates, for all property assessments where :

- the general rates would have increased by more than 13.9% from the previous year (without the Cap), and
- this is not a new assessment created by the division of land or the realignment of land boundaries that result in the creation of additional allotments, and
- ownership of the property has not changed since 1 July 2012.

4.6 Persons who or bodies which seek a discretionary rebate (other than eligibility under 4.5) will be required to submit an application form to the Council and provide to the Council such information as stipulated on the application form and any other information that the Council may reasonably require.

5. Applications

5.1 The Council will inform the community of the provisions for rate rebate under the Local Government Act by the inclusion of suitable details in the Annual Business Plan Summary distributed with the annual rate notice.

5.2 Persons or bodies who seek a rebate of rates (and/or service charges) either-

- pursuant to Section 159(4) of the Act and Clause 3.4 of this Policy; or

5.2.1 pursuant to Section 166 of the Act and Clause 4.1 of this Policy,

unless otherwise stated, must make written application to the Council pursuant to Section 159(1) of the Act in the manner and form determined by the Council and supplying such information as the Council may reasonably require.

5.3 Application forms may be obtained from Council's administration office located at 44 O'Loughlin Terrace Ceduna.

5.4 The Council **will** take into account, in accordance with Section 159(5) of the Act, the following matters –

- the nature and extent of Council services provided in respect of the land for which the rebate is sought in comparison to similar services provided elsewhere in the Council's area;
- the community need that is being met by activities carried out on the land for which the rebate is sought; and

5.4.1 the extent to which activities carried out on the land for which the rebate is sought provides assistance or relief to disadvantaged persons.

5.5 The Council **may** take into account other matters considered relevant by the Council including, but not limited to, the following –

- why there is a need for financial assistance through a rebate;
- the level of rebate (percentage and dollar amount) being sought and why it is appropriate;
- the extent of financial assistance, if any, being provided to the applicant and/or in respect of the land by Commonwealth or State agencies;
- whether the applicant has made/intends to make applications to another Council;
- whether, and if so to what extent, the applicant is or will be providing a service within the Council area;
- whether the applicant is a public sector body, a private not for profit body or a private for profit body;
- whether there are any relevant historical considerations that may be relevant for all or any part of the current Council term;
- the desirability of granting a rebate for more than one year in those circumstances identified at Clause 4.2 of this policy;
- consideration of the full financial consequences of the rebate for the Council;
- the time the application is received;

- the availability of any community grant to the person or body making the application;
- whether the applicant is in receipt of a community grant; and

5.5.1 any other matters, and policies of the Council, which the Council considers relevant.

5.6 All persons or bodies who intend to apply to the Council for a rebate of rates must do so on or before 30th September 2013. The Council reserves the right to refuse to consider applications received after that date. However, applicants that satisfy the criteria for a mandatory 100% rebate will be granted the rebate at any time.

5.7 The Act provides that the Council may grant a rebate of rates or charges on such conditions as the Council thinks fit.

- The Council may, for proper cause, determine that an entitlement to a rebate of rates under the Act no longer applies.

Where an entitlement to a rebate of rates ceases or no longer applies during the course of a financial year, the Council is entitled to recover rates, or rates at the increased level (as the case may be), proportionate to the remaining part of the financial year.

- It is an offence for a person or body to make a false or misleading statement or representation in an application or to provide false or misleading information or evidence in support of an application made (or purporting to be made) under the Act.

The maximum penalty for this offence is \$5,000.

5.8 If a person or body has the benefit of a rebate of rates and the grounds on which the rebate has been granted cease to exist, the person or body must immediately inform the Council of that fact and (whether or not the Council is so informed) the entitlement to a rebate ceases. If a person or body fails to do so that person or body is guilty of an offence.

The maximum penalty for this offence is \$5,000.

5.9 The Council will, in writing, advise an applicant for a rebate of its determination of that application within 21 days of making its decision. The advice will state –

- if the application has been granted, the amount of the rebate; or

5.9.1 if the application has not been granted, the reasons why.

6. Delegation

6.1 The Council has delegated its power, pursuant to Section 44 of the Act, to grant applications for mandatory rebates which meet the requirements of the Act to the Chief Executive Officer.

6.2 The Council has delegated its power, pursuant to Section 44 of the Act to determine applications and to grant a discretionary rebate of rates to the Chief Executive Officer.

7. Review

A person who or a body which is aggrieved by a determination of the Council in respect of an application for a rebate may seek a review of that decision in accordance with the Council's Internal Review of Council Decisions Policy within 21 days of the date of the notice of determination which is given pursuant to Clause 5.11 of this Policy.

Appendix 4: Local Government Financial Indicators Definitions

Operating Surplus (Deficit)

An operating surplus indicates the extent to which operating revenues are sufficient to meet all operating expenses including depreciation and consequently the extent to which the burden of expenses is being 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 breakeven 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 simply reduces the level of net financial liabilities.

Net Financial Liabilities

Net Financial Liabilities measure a Council's total indebtedness.

Net financial liabilities is a broader measure than net debt as it includes all of a 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 physical assets at the rate at which they are wearing out. 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 all of Council's physical assets at a point in time.

Depreciation represents the reduction in value of the assets each year (as they wear out) and therefore accumulated depreciation is the total reduction in the original value of the assets to date.

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