



## District Council of Robe

### NOTICE OF MEETING

Pursuant to Section 81 of the Local Government Act 1999 notice is hereby given that a Special Meeting of the District Council of Robe will be held on **30 May 2013** commencing at **8.00pm** at the Council Chambers, Smillie Street, Robe.

A handwritten signature in blue ink, appearing to read "Roger Sweetman".

Roger Sweetman  
**Chief Executive**  
22 May 2013

## **ORDER OF BUSINESS**

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## **1. Acknowledgement**

### **1.1 Acknowledgement of traditional owners**

*The District Council of Robe acknowledges and respects the traditional owners of the ancestral lands of the Robe District. We acknowledge elders past and present and we respect the deep feelings of attachment and relationship of Aboriginal peoples to country.*

## **2. Welcome**

### **2.1 Protocol for members of the public**

*Members of the public are welcome to speak for up to three minutes on any topic during the public forum session. At other times we ask that members of the public allow Councillors to proceed with the meeting without interruption.*

## **3. Present**

## **4. Apologies**

## **5. Conflicts of Interest**

*Any Councillor with a potential conflict of interest is asked to declare it at the start of each meeting and explain what the conflict is and why they will not be participating in any item relating to that issue.*

## 6.1 Deputy Chief Executive Reports

### 6.1.1 Annual Business Plan & Budget 2013/14

<b>REPORT TITLE:</b>	Annual Business Plan & Budget 2013/14
<b>DATE OF MEETING:</b>	30 May 2013
<b>AUTHOR:</b>	Lyndon Prior
<b>AUTHOR'S TITLE:</b>	Deputy Chief Executive
<b>ATTACHMENTS:</b>	Draft ABP & Budget 2013/14

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#### **PURPOSE**

To present to Council a draft annual business plan and budget for 2013/14 financial year for consideration and approval for the purpose of community consultation.

#### **RECOMMENDATION**

**That the District Council of Robe having considered report No.6.1.1 “Annual Business Plan & Budget 2013/14” approves the draft Annual Business Plan and Budget 2013/14 attached for the purposes of community consultation.**

#### **BACKGROUND**

Council is required under Sec. 123 of the Local Government Act 1999 [extract attached – Addendum 1.] to develop an Annual Business Plan and Budget for each financial year. Council’s annual budget must be considered at the same time as the annual business plan and must be adopted before 31 August each year.

Also, pursuant to Sec. 123(3)(4) of the LGA 1999 Council is required to undertake community consultation to provide members of the public an opportunity to have input into the development of the plan and budget.

The plan and budget have been prepared with reference to Council’s current Strategic Plan 2009-13, Council’s Long term Financial Plan and asset management strategies.

#### **DISCUSSION**

The Annual Business Plan sets out Council’s proposed services, programs and projects for 2013-14. Council proposes to maintain all existing service delivery standards.

In considering the resources available to Council to continue to meet community expectation and as part of strategic workforce planning, Council proposes to employ two additional trainees in 2013-14, one in administration services and one in the works crew, predominately in horticulture.

This will ensure Council has capacity to maintain service delivery standards during the peak summer holiday period, during extended planned staff absences and provide for succession planning in critical roles in the medium to long term.

Factors that impact on Council operations and that are considered in the preparation of the plan and budget include;

- Community expectation to maintain infrastructure assets.
- Fees and charges imposed by Government including waste levy and refuse site rehabilitation.
- Cost of compliance with legislative and best practice reporting and accountability requirements.
- CPI of 2.2% [March 2013 Qtr.]
- LGPI [Local Government Price Index] 2.7%
- Employee Enterprise Bargaining Agreement, salary/ wages 3.7% increase.

When considering its annual plan and budget Council's aim is to raise sufficient revenue to meet all expected operating expenditure for the year.

**Council's draft operating budget for 2013-14 provides for a small operating surplus of \$8,903.**

A copy of the Draft Budget Financial Statements 2013-14, in the prescribed statutory form [pursuant to Sec 7(3) of the Regulations to the LGA 1999.] is included as part of the annual business plan.

Also contained within the draft annual business plan is Council's rates strategy for 2013-14. Property rates are Council's largest source of revenue. Consequently Staff spend considerable time modeling rate revenue options to ensure sufficient revenue is raised to satisfy budget requirements whilst at the same time monitoring and minimizing the impact of rate increases on individual rate payers.

Council's rate strategy for 2013-14 when considering all current operating expenditure and with reference to Council's current long term financial plan see a proposed increase in revenue raised by rates of 4.95%.

**The proposed increase in rate revenue can be calculated as follows:**

Growth	1.25%
CPI	2.20%
Asset Backlog*	<u>1.50%</u>
<b>Total</b>	<b>4.95%</b>

*\* Council proposes to raise an additional amount in revenue each year to fund an asset renewal backlog that has resulted from historic under-spending on asset renewal.*

The impact on the proposed rate increase will see the average total rates [general rates plus special rates and service charges] per household [in Robe] increase from \$2,122 to \$2,205.

Movement in Rates [Robe]:

	<u>2012-13</u>	<u>2013-14</u>	<u>Var.</u>
General Rate (av.)	\$1,346	\$1,410	\$64
CWMS (de-sludge)	\$ 469	\$ 480	\$11
Waste Levy	<u>\$ 310</u>	<u>\$ 315</u>	<u>\$ 5</u>
	\$2,122	\$2,205	\$83

**The proposed increase in general rates will result in the average rate increasing by \$83 for the year, or \$1.60 per week.**

Valuations provided by the Valuer-General's office which are used as the basis for rating individual properties have decreased on average by 0.44% across Council's area. As a consequence the resulting movement in the rate in the dollar is shown here:

Movement in the rate in the dollar:

<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>
0.3077	0.3188	0.3359

In addition to annual or ongoing operations and service delivery Council must also consider a capital works program each year. Details of the capital works priority projects are included as part of the annual business plan.

In summary, Council proposes the following capital works expenditure:

Expenditure on renewal/replacement of assets	\$ 988,750
Expenditure on new/ upgraded assets	<u>\$ 1,722,000</u>
<b>Total Capital Expenditure</b>	<b>\$ 2,710,750</b>
Offset by:	
Grant funds for new upgraded assets	\$ 312,000
Sale of assets	<u>\$ 54,000</u>
<b>Total Capital Revenue</b>	<b>\$ 366,000</b>
<b>Net Capital expenditure</b>	<b>\$ 2,344,750</b>

**Note:** *The commitment to undertake some projects is subject to grant funds being received, and in the absence of grant funding will either not be undertaken or substantially altered to fit within Council's available resource.*

Funding for the capital works program [net capital expenditure] is provided by the following sources of funds:

Operating surplus	\$ 8,900
Add back depreciation	\$1,683,200
Existing Loan payments	(\$ 147,000)
Shortfall	\$ 799,650
<b>Net Capital Funds</b>	<b>\$2,344,750</b>

The table above shows that a shortfall of \$ 799,650 will eventuate if all of the projects listed in the capital works program are undertaken and completed. Some projects are subject to grant funds being received whilst others may be delayed whilst planning and/or approvals are being undertaken and/or sought. However, if all projects are completed within the financial year Council will need to consider borrowing funds as and when they are needed to meet all anticipated expenditures.

**Council proposes to borrow \$ 799,650 to fund the completion of its proposed capital works program.**

The approved plan and budget will be released for community consultation for a period of 21 days, with public notices published in local print media and on Council's website inviting feedback and comment from ratepayers. Community consultation will conclude on the 26<sup>th</sup> June 2013.

Community input will then be considered and a final draft Annual Business Plan and Budget for 2013-14 presented for consideration by Council for adoption at the Ordinary Meeting of Council scheduled for 9<sup>th</sup> July 2013.

**OPTIONS**

Rate Increase:

Council may choose not to increase rates or reduce the amount of increase proposed. This would have the effect of reducing operating revenue, would result in Council reporting an operating deficit and ultimately require Council to fund its operations by the use of [overdraft] debt.

Council's "Operating Result" Key Financial Indicator aims for Council to achieve an operating result of between \$500k deficit and \$500k surplus. No increase in the rate revenue from the previous year would result in a projected budget deficit of (\$81,000).

Debt Funding:

The total capital works program proposed is \$2,710,750 with funding sources detailed within this report. It is problematic that all of the program will be undertaken pending grant funds being received and other resources such as staff, plant and equipment, consultants and contractors all being available in a timely manner. However, in the

event of the entire program being rolled out Council will need to consider funding some of the proposed works through debt.

Other options available to Council include reducing the capital works program to a level that can be funded from other available cash sources i.e. operating surplus, depreciation, sale of assets and untied grant funds.

Alternatively Council may choose to fund the capital works program from cash flows which would ultimately result in operations being funded by overdraft debt which is a more expensive option than the structured debt which is being proposed.

### **POLICY IMPLICATIONS**

Nil

### **BUDGET IMPLICATIONS**

The approval of the draft Annual Business Plan and Budget for 2013-14 will determine the operating and capital works budget for the period and achieves Council's strategic financial targets of an operating surplus and a balanced budget.

### **STRATEGIC PLAN**

The process detailed in the timetable will meet Council's strategic goal of:

- *To ensure the delivery of sustainable, high quality, corporate governance for the District Council of Robe.*

### **COMMUNITY CONSULTATION**

Council is required to undertake community consultation to provide members of the public an opportunity to have input into the development of the document(s) pursuant to Sec. 123(3)(4) of the LGA 1999.

## **ADDENDUM 1.**

### **Local Government Act 1999 [Extract]**

Chapter 8—Administrative and financial accountability  
Part 2—Annual business plans and budgets

## **2—Annual business plans and budgets**

### **123—Annual business plans and budgets**

- (1) A council must have, for each financial year—
  - (a) an annual business plan; and
  - (b) a budget.
  
- (2) Each annual business plan of a council must—
  - (a) include a summary of the council's long-term objectives (as set out in its strategic management plans); and
  - (b) include an outline of—
    - (i) the council's objectives for the financial year; and
    - (ii) the activities that the council intends to undertake to achieve those objectives; and
    - (iii) the measures (financial and non-financial) that the council intends to use to assess the performance of the council against its objectives over the financial year; and
  - (c) assess the financial requirements of the council for the financial year and, taking those requirements into account, set out a summary of its proposed operating expenditure, capital expenditure and sources of revenue; and
  - (d) set out the rates structure and policies for the financial year; and
  - (e) assess the impact of the rates structure and policies on the community based on modelling that has been undertaken or obtained by the council; and
  - (f) take into account the council's long-term financial plan and relevant issues relating to the management and development of infrastructure and major assets by the council; and
  - (g) address or include any other matter prescribed by the regulations.
  
- (3) Before a council adopts an annual business plan, the council must—
  - (a) prepare a draft annual business plan; and
  - (b) follow the relevant steps set out in its public consultation policy, taking into account the requirements of subsection (4).
  
- (4) For the purposes of subsection (3)(b), a public consultation policy must at least provide for the following:
  - (a) the publication in a newspaper circulating within the area of the council of a notice informing the public of the preparation of the draft annual business plan and inviting interested persons—
    - (i) to attend—
      - (A) a public meeting in relation to the matter to be held on a date (which must be at least 21 days after the publication of the notice) stated in the notice; or

- (B) a meeting of the council to be held on a date stated in the notice at which members of the public may ask questions, and make submissions, in relation to the matter for a period of at least 1 hour,  
(on the basis that the council determines which kind of meeting is to be held under this subparagraph); or
  - (ii) to make written submissions in relation to the matter within a period (which must be at least 21 days) stated in the notice; and
  - (b) the council to make arrangements for a meeting contemplated by paragraph (a)(i) and the consideration by the council of any submissions made at that meeting or in response to the invitation under paragraph (a)(ii).
- (5) The council must ensure that copies of the draft annual business plan are available at the meeting under subsection (4)(a)(i), and for inspection (without charge) and purchase (on payment of a fee fixed by the council) at the principal office of the council at least 21 days before the date of that meeting.
- (5a) The council must ensure that provision is made for—
  - (a) a facility for asking and answering questions; and
  - (b) the receipt of submissions,  
on its website during the public consultation period.
- (6) A council may then, after considering—
  - (a) any submission made to the council during the public consultation period; and
  - (b) any new or revised information in the possession of the council that is relevant to the material contained in the draft annual business plan; and
  - (c) such other materials or information as the council thinks fit,  
adopt its annual business plan (with or without amendment).
- (7) Each budget of a council must—
  - (a) be considered in conjunction with the council's annual business plan (and must be consistent with that plan, as adopted); and
  - (b) be adopted by the council after the council has adopted its annual business plan.
- (8) An annual business plan and a budget must be adopted by a council after 31 May for the ensuing financial year and, except in a case involving extraordinary administrative difficulty, before 31 August for the financial year.
- (9) A council must, after adopting an annual business plan and a budget—
  - (a) ensure—
    - (i) that a summary of the annual business plan is prepared so as to assist in promoting public awareness of the nature of its services and its rating and financial management policies, taking into account its objectives and activities for the ensuing financial year; and
    - (ii) that a copy of the summary of the annual business plan accompanies the first rates notice sent to ratepayers after the declaration of its rates for the financial year; and
  - (b) ensure—

- (i) that copies of the annual business plan and the budget (as adopted) are available for inspection (without charge) or purchase (on payment of a fee fixed by the council); and
  - (ii) that copies of the summary of the annual business plan are available for inspection and to take (without charge), at the principal office of the council.
- (10) The regulations may prescribe requirements with respect to the preparation, form and contents of—
  - (a) an annual business plan (including a draft for the purposes of public consultation), and the summary required under subsection (9); and
  - (b) a budget.
- (11) However, in any event, the summary of the annual business plan must include an assessment of the extent to which the council's objectives for the previous financial year have been attained (taking into account the provisions of the annual business plan for that financial year).
- (12) Subject to complying with a preceding subsection, any relevant document under this section will be in a form determined by the council.
- (13) A council must, as required by the regulations, and may at any time, reconsider its annual business plan or its budget during the course of a financial year and, if necessary or appropriate, make any revisions.
- (14) A rate cannot be challenged on a ground based on non-compliance with this section, or on a ground based on the contents of a document prepared or adopted by a council for the purposes of this section.

District Council of  
**ROBE**

( DRAFT )  
**Annual Business Plan  
& Budget  
2013-14**



## Public Consultation

The consultation period for the Draft Annual Business Plan & Budget 2013-14 is between 5<sup>th</sup> June & 26<sup>th</sup> June 2013.

Council has made available the draft document for viewing and/or purchase at its Administration Centre, Royal Circus Robe and at its VIC/ Library at Smillie Street Robe. The document is also available on Council's website at [www.robe.sa.gov.au](http://www.robe.sa.gov.au)

Notices to this affect have been published in the local Leader Newspaper and have appeared in Council's monthly newsletter distributed to all ratepayers.

Written submissions are invited from ratepayers and submissions should be received by Council on or before 26<sup>th</sup> June 2013.

## Public Meeting

All submissions received will be considered by Council at Council's Ordinary Meeting on Tuesday 9<sup>th</sup> July 2013 at 6pm. Any ratepayer wishing to make a representation at this meeting is invited to contact Council Administration beforehand to make arrangements.

If after 20 minutes from the start of that period there are no submissions or representations to consider the Chairperson will close the meeting.

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## Version Control

<i>Version 1</i>	<i>Pre-draft</i>	<i>Presented to Elected Member Workshop</i>	<i>23<sup>rd</sup> April 2013</i>
<i>Version 2</i>	<i>Draft</i>	<i>Presented to Ordinary Meeting of Council</i>	<i>14<sup>th</sup> May 2013</i>
<i>Version 3</i>	<i>Draft</i>	<i>Presented to Elected Member Workshop</i>	<i>30<sup>th</sup> May 2013</i>

## From the Chief Executive

The Annual Business Plan sets out Council's proposed services, programs and projects for the 2013-14 financial year period. It aims at continued progress towards the longer term objectives set out in the District Council of Robe Strategic Plan 2009 - 2013.

This Plan has been prepared on the basis of continuing the current range of services provided at 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 both meeting Council's obligations under legislation and the community's desire for services and facilities.

Before Council finalises the plan and budget we are seeking feedback from the community. From time to time due to differing circumstances and conditions such as additional or withdrawal of grant funding, extreme weather events or change of focus, the Annual Business Plan and the activities included may need to be amended or deleted. Where a major change is required Council will advise residents as soon as possible.

*Roger Sweetman*

Roger Sweetman  
Chief Executive



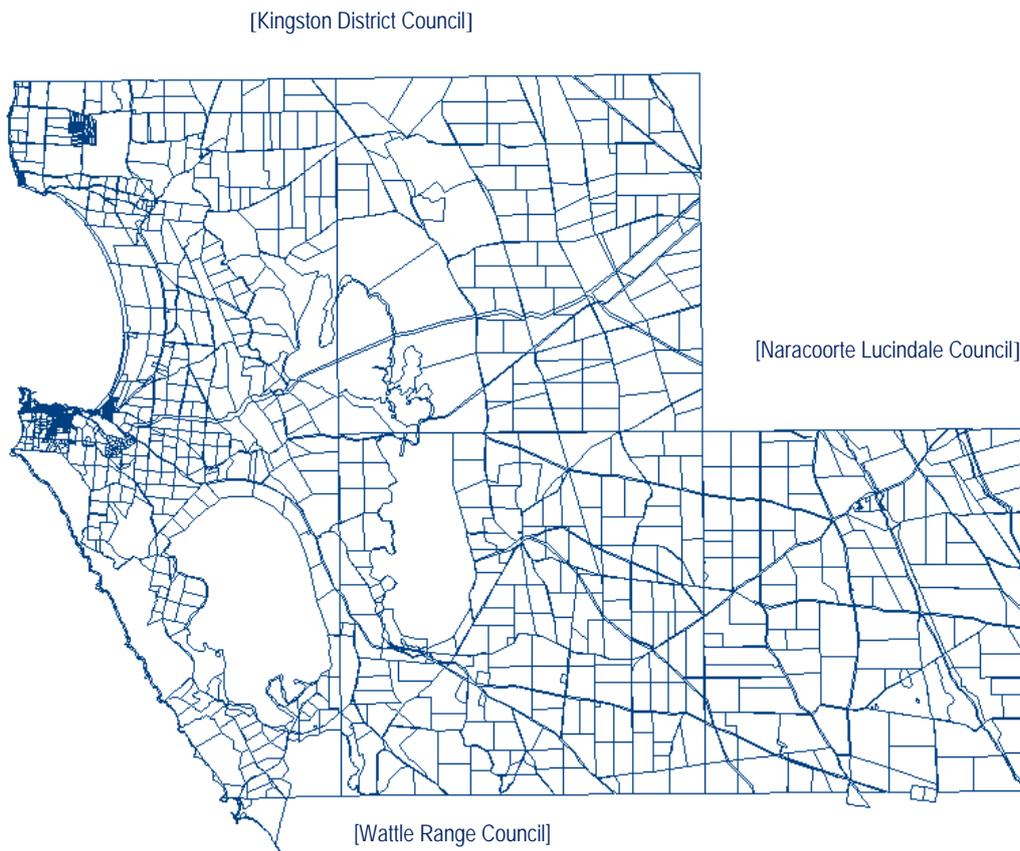
## PROFILE

The District Council of Robe is situated on Guichen Bay, about 350km south east of Adelaide. Robe has a population of approximately 1,500 people in winter months, with an influx of 15,000 people every summer.

Known as a hidden jewel for fishing, boating and surfing, Robe is a popular 'holiday hangout' for young people. Industry within the district comprises of tourism, cray fishing, agriculture, viticulture and forestry. As mentioned, tourism is peak during the warm summer months. However it is an all year round business for locals with holiday rentals and hospitality premises. Cray fishing runs from October to May, due to government quotas.

Local agriculture consists mainly of cattle, sheep, and cropping. Viticulture, although a reasonably new concept within the district, is excelling at a rapid pace with many award-winning wines being produced. Forestry is a key industry for employment; Forestry SA own and maintain the Mount Benson and Bagdad Native Forests which fall within the Robe District.

District Council of Robe is divided in to two representative wards; Town & Country:



## 1. Planning Framework

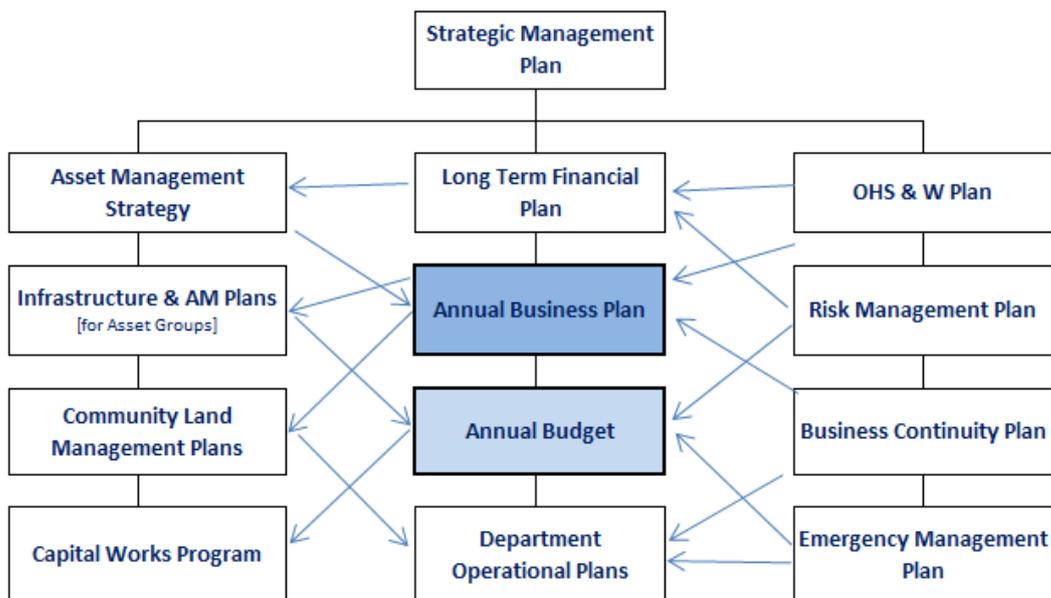
Council adopted its current Strategic Management Plan 2009-2013 in January 2010. Amongst the obligations when adopting its Plan was consideration of regional, state and national objectives and strategies relevant to the social, physical, environmental development and management of Council's area of responsibility.

The Plan identifies key issues and projects which will provide for a range of services and facilities while ensuring the ongoing sustainability and prosperity of Robe. It also includes Council's aspirations and vision for the Robe community.

Council is committed to ensuring its long term financial sustainability and is keen to ensure that objectives, goals and targets set in its various strategic planning documents are adhere to and met. Council's Long Term Financial Plan was adopted in June 2010 and was subsequently reviewed in 2011, 2012 and will be reviewed again in September 2013 before being reconsidered in 2014.

Council has now developed a Draft Asset Management Strategy, which will guide the development of Infrastructure and Asset Management Plans for the various classes of assets. Estimated costs of infrastructure and asset custodianship have been reflected in the Long Term Financial Plan.

### Diagram of Council's suite of plans:



## Strategic Plan Framework

Council's Long Term Financial Plan was adopted in June 2010 and was subsequently reviewed in 2011, 2012 and will be reviewed again in September 2013 before being reconsidered in 2014.

Area	Tourism & Economic Development	Environment & Heritage	Community Services	Lifestyle	Governance & Finance
Goal	To ensure the economy of the District is managed to encourage & support sustainable economic activity, including tourism, which is consistent with our unique character	To build a collaborative approach between private, public & community sectors which embraces practices that support the sustainability of the District's heritage & natural environment	Through provision, facilitation & advocacy to ensure our community has an appropriate range of level of community services	To ensure the District provides for the lifestyle needs of its community financially & environmentally sustainably and responsibly	To ensure the delivery of sustainable, high quality corporate governance of the District Council of Robe
Strategy	<ul style="list-style-type: none"> <li>- Complete the action plan for the marina endorsed by Council</li> <li>- Develop &amp; maintain an appropriate website</li> <li>- Ensure Development Fund enable only desirable development</li> <li>- Facilitate encourage private sector developments &amp; activity consistent with development plan</li> <li>- Support &amp; encourage appropriate tourism</li> <li>- Implement appropriate policies</li> </ul>	<ul style="list-style-type: none"> <li>- Reduce our carbon footprint</li> <li>- Protect &amp; enjoy our natural environment</li> <li>- Weed eradication</li> <li>- Retain &amp; promote our history &amp; built heritage</li> <li>- Deal with water issues including effluent, wastewater and improving the standard of drinking water</li> <li>- Increase waste &amp; recycling &amp; reduce waste to landfill</li> </ul>	<ul style="list-style-type: none"> <li>- Ensure Robe has appropriate levels of care &amp; accessibility</li> <li>- Ensure appropriate educational facilities for residents</li> <li>- Enhance the Library learning opportunities</li> <li>- Volunteers &amp; service clubs</li> </ul>	<ul style="list-style-type: none"> <li>- To maintain &amp; improve access &amp; equity within Township of Robe</li> <li>- Maintain adequate services &amp; facilities</li> <li>- To provide for the recreational needs of community</li> <li>- Non recreational</li> </ul>	<ul style="list-style-type: none"> <li>- Commit to attaining term financial sustainability</li> <li>- Effectively manage infrastructure</li> <li>- Maintain transparent budgeting &amp; financial reporting practices</li> <li>- Promote strategic decision making on service delivery</li> <li>- Adopt a rigorous &amp; accountable rating process</li> <li>- Meet statutory legal due diligence requirements</li> <li>- Marina</li> </ul>

## 2. Significant Influences and Priorities

A number of significant factors have influenced the preparation of Council's 2013-14 Annual Business Plan.

These include:

- Requirements to maintain infrastructure assets at acceptable standards;
- Commitments to complete the Robe Marina;
- The level of State and Commonwealth Government grant funding;
- Fees/charges imposed by the State Government including the waste levy;
- Cost of compliance with State Government reporting and accountability requirements.
- CPI and the LGPI [local government price index]
- Employee Enterprise Agreement

In response to these factors, and to minimise the burden on rate-payers, the Annual Business Plan has been prepared within the following guidelines:

- General rate revenue is planned to provide for operating expenses and to fund back-log of capital works expenditure. (Refer Section 7 for details on the impact on ratepayers).
- Maintenance and renewal of existing assets will be a matter of priority to ensure that the range and level of services being provided by Council's infrastructure is maintained at a reasonable level.
- Acquisition of new assets will be restricted to those which attract external funding subsidies.

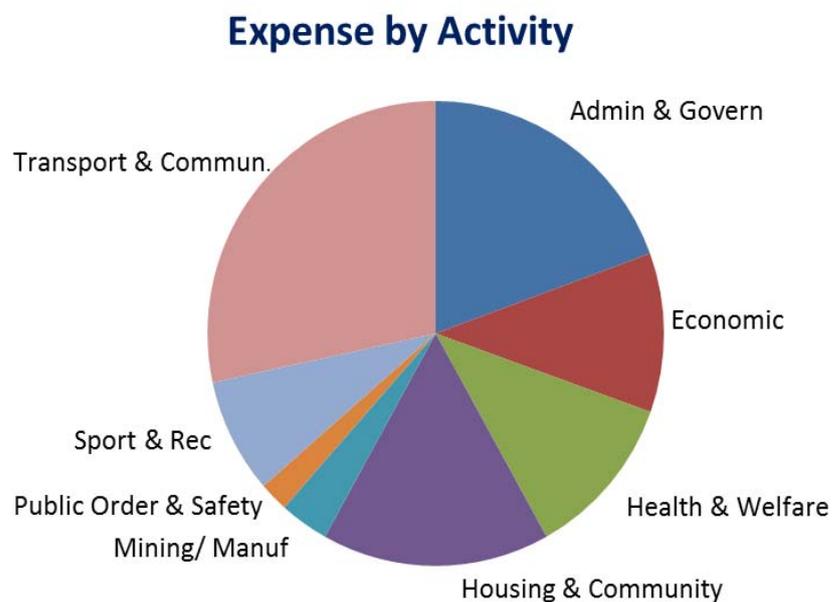
A challenge for the District Council of Robe is to prioritise expenditures to meet the demand for services and facilities. Given the asset intensive nature of the Council's activities, assessing the long term capacity of the community to fund ongoing maintenance and rehabilitation of infrastructure assets is a crucial consideration.

### 3. Continuing Services

Council plans to maintain the provision of all current services to the community which are typically included in the following categories; Administration & Governance; Economic Development; Health & Welfare; Housing & Community; Mining & Manufacturing [Quarries] Public Order & Safety; Sport & Recreation; Transport & Communication.

Details of services provided and estimated associated costs are provided in the Operational Standards section of this plan. The Graph below depicts Council's expenditure [by percentage] on the various categories of activity.

Graph:



**Green-waste Recycling:**  
**Council is considering the introduction of a third bin collection for green-waste in 2014-15. The service will be funded by an increase to the Waste Levy. The Communities thoughts and expectations regarding this service is now being sought. Please provide your comments by visiting Council's website [www.robe.sa.gov.au](http://www.robe.sa.gov.au)**

#### 4. Project Priorities for 2013-14

Project	Description	Budget
<b>ADMINISTRATION</b>		
Council Office Computers & IT	Replace 4 desktop computers in Administration Office + server upgrade	\$ 35,000
Chief Executive's vehicle	Trade and replace CE's vehicle	\$ 45,000 (\$ 30,000)
Council Buildings	Various renewal of building components, Council owned buildings	\$ 40,000
Infrastructure & Asset Management Plan	Consultancy to develop I&AMP	\$ 10,000
Robe Township 30 Yr. Structure Plan	Consultancy [2 <sup>nd</sup> stage] of plan development	\$ 65,000
Property rate Review for 2014/15 financial year	Consultancy to review basis of property rating Across Council.	\$ 10,000
<b>COMMUNITY</b>		
Coastal Walkway	Drain L to McIntyre Street [subject to grant Funding – max. Council spend \$100k]	\$ 200,000 (\$ 100,000)
Street Furniture	Seats & benches at various locations	\$ 20,000
Open space irrigation	Sub-surface irrigation adjacent skate park	\$ 20,000
<b>MARINA</b>		
Recreational fishers car park Wash-down bay	Construct wash-down bay [reclaim water]	\$ 50,000 (\$ 25,000)
Marina dredging	Dredging project [Council has committed up to \$200,000 to obtain EPA and other pre- approvals for this project– refer Council resolution 287/2013]	\$ 200,000
<b>INFRASTRUCTURE</b>		
CWMS	Pump & equipment upgrade – various location Bunding for chlorine delivery/ storage	\$ 100,000 \$ 20,000
<b>WORKS</b>		
Waste Transfer Station	Develop a new waste transfer station at rear of Council's works depot [Note: \$140k grant Funding received & \$20k expend in 2012/13]	\$ 380,000
Works Depot	Upgrade/ maintain works depot facilities	\$ 40,000
Depot Oil room bunding	Bunding for oil storage area	\$ 6,000
Storage shed [6x3]	Shed to store form work re cemetery	\$ 6,000
<b>PLANT REPLACEMENT</b>		
Tipper & Trailer	Tipper & Trailer [\$158k + \$43k plus Dog Tipping Trailer \$82k] (No trade)	\$ 283,000
Works Utility (x3)	Trade and update works utilities x3	\$ 96,000 (\$ 24,000)

Project	Description	Budget
<b>ROAD WAYS</b>		
<b>Sealed</b>		
Wrights Bay Road	2 <sup>nd</sup> Stage construct and seal with grant funding assistance	\$ 357,000 (\$ 187,000)
Robe Street Cnr. car park	Construct and seal [\$78 + \$19/ sqmtr]	\$ 190,000
Administration Office	Construct & seal new car park area	\$ 20,000
<b>Single Coat Reseal</b>		
Quinlan-Watson Drive	Single coat reseal 2.9 klms	\$ 16,520
- Roundabouts	Rebuild roundabouts	\$ 10,420
Stanhope Drive	Single coat reseal 3.0 klms	\$ 17,000
Dawson Drive	Single coat reseal 1.8 klms	\$ 13,210
<b>Unsealed*</b>		
Old Naracoorte Road	Re-sheet – 8 klms from Springs Rd [westerly]	\$ 272,800
Old Naracoorte Road [2]	Resheet - 4 klms from Bridge to Cowans Rd	\$ 136,400
Lake Hawdon Road	Re-sheet - 4klms from Bridge to Frog Island	\$ 136,400

*\*Amounts shown in red (parenthesis) depict revenue*

*\*As per Unsealed Road Backlog Strategy*

### Footnote:

At the time of writing, the projects listed in this plan have been identified as priority projects based on Council's Asset Management Strategy, the condition assessment of individual assets and community needs assessment, together with reference to Council's Long Term Financial Plan and net funds available. The order in which projects are undertaken may change due to changing circumstance.



### **BMX Park:**

**Council proposes to prepare and lodge a funding application to the Office of Sport & Recreation SA [and/or other funding bodies] for an upgrade to the BMX Park and surrounding facilities, and if successful will commit up to \$50,000 in the 2014-15 budget.**

## 5. Funding the Business Plan

Council is granted the power to acquire funds under Sec. 133 of the Local Government Act 1999. Sources of funds include property rates, service charges, statutory and user charges, income from investments, commercial activities together with grants and subsidies. An indication of the proportion each of these makes up the total revenue of Council is depicted in the diagram below.

Council's Annual Business Plan has been prepared on the basis of maintaining the delivery of the current range and level of services to the community, whilst being mindful of the rate burden imposed on individual ratepayers.

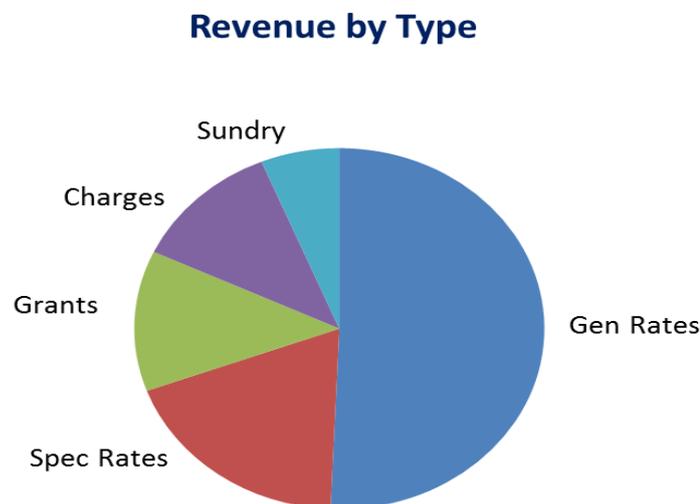
The plan aims to contribute to the long term financial sustainability of the Council through prudent and responsible financial management that will result on its operating expenses being less than its operating revenue, thereby producing a positive operating result.

Summary of Budget Financial Performance:

Operating Revenues	\$ 6,166,407
less: Operating Expenditure	\$ 6,157,504
Net Operating Surplus	\$ 8,903

***Council's annual operating revenue will be sufficient to meet expected operating expenditure for the 2013-14 year.***

Graph: Shows the sources of revenue for 2013-14.



## Capital Works & Project Funding

In addition to meeting all operating expenses, the allocation of capital works and project expenditure through the works program is aimed at maximising asset performance whilst minimising whole-of-life-cycle costs associated with custodianship of the asset.

### Summary of Capital Works & Project Funding:

<u>Sources of cash:</u>	
Operating Result	\$... 8,900
Add back depreciation	\$ 1,683,200
Capital revenue/ Grant funds	\$ 366,000
Net borrowing activity	<u>\$ 652,650*</u>
<b>Total Capital/ project funding</b>	<b>\$ 2,710,750</b>

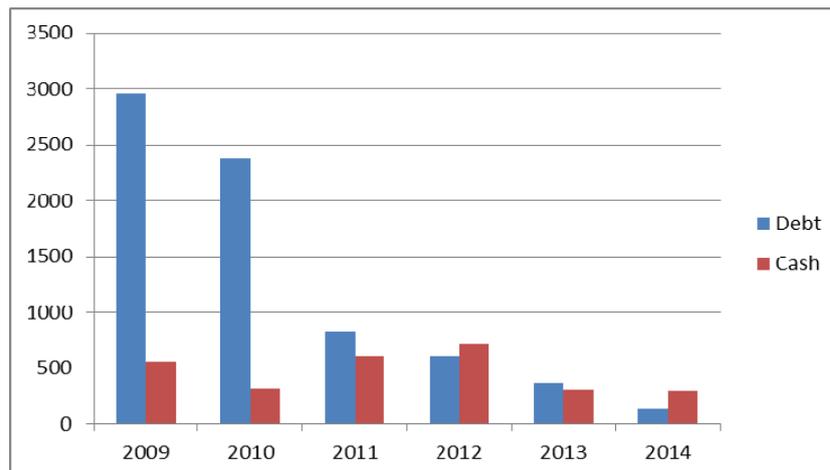
Whilst Council will use its best endeavors to do so, it is problematic that all of the capital works program will be undertaken pending grant funds being received and other resources such as staff, plant and equipment, consultants and contractors all being available in a timely manner. However, in the event of the entire program being rolled out Council will need to consider funding some of the proposed works through debt.

**Council proposes to borrow \$ 799,650 to fund the completion of its proposed capital works program.**

\*Council's net borrowing figure is calculated here;

Principal repayment of existing loans	(\$ 147,000)
Loans to fund:	
Balance of capital works	<u>\$ 799,650</u>
<b>Net Borrowing Activity</b>	<b><u>\$ 652,650</u></b>

### Council's Debt & Cash Level [before proposed new borrowings]:



Council's cash position and projected cash flows is anticipated to be sufficient to meet operational expenditure as and when it becomes due without the use of Council's approved overdraft facility.

## 6. What it means for Rates & Ratepayers

### Council's Power to Raise Rates

All land within a Council's area, except for land specifically exempted (e.g. Crown land, Council occupied land and other land prescribed in Section 147(2) of the Local Government Act 1999), is rateable. The Local Government Act 1999 provides for a Council to raise revenue for its broad purposes through the imposition of a single general rate in the dollar or through differential general rates that apply to all rateable land within the Council area.

In addition, Council can impose separate rates on land within specific parts of Council's area, or service rates or annual service charges for specific services provided or made available to that land by Council. Council also raises revenue through fees and charges, which are set giving specific consideration to the cost of the services provided and any equity issues.

The primary source of income for Council is the property based tax – "Council Rates".

***Council spends considerable time modeling the effect of valuation movements and rate increases on individual rate payers whilst at the same time ensuring it can raise sufficient funds to achieve a positive operating result and a balanced budget. Council is confident that it has achieved a result that meets the needs of Council whilst minimising any adverse effect on individual ratepayers.***

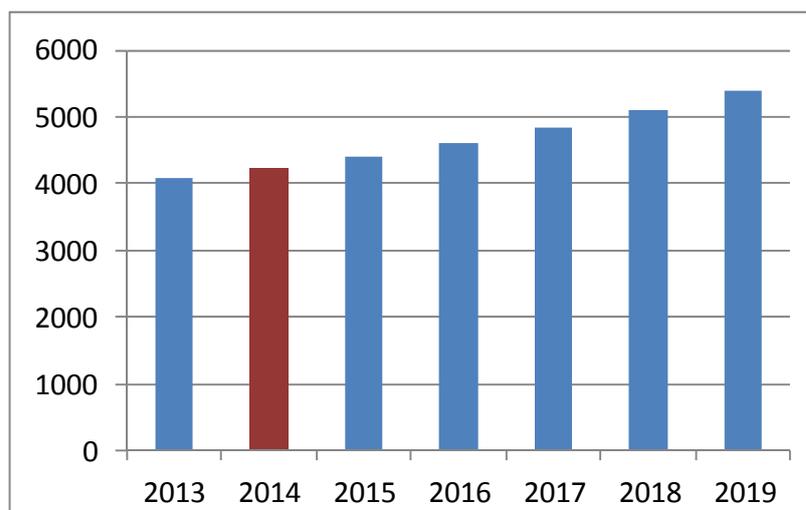
To achieve this outcome Council proposes to increase the rate in the dollar to 0.3359 in 2013-14.

Change in the rate in the dollar:

<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>
0.3077	0.3188	0.3359

The basis for calculating the amount of rates to be raised is derived from Council's Long Term Financial Plan coupled with current economic, social, legislative and environmental factors. The table below shows projected rate revenue depicted in Council's LTFP 2010 to 2019.

### Projected Rate Revenue:



Source: Council's LTFP 2009/10 to 2018/19.

## 7. RATING STRATEGY 2013-14

### GENERAL RATES

Council will continue to calculate its general rates on the basis of a single general rate in the dollar across all sectors for 2013-14. When considering the nature of a general rate, Council believes this is the fairest method of achieving an equitable distribution of the rate burden across the community.

The total amount of General Rates to be collected in 2013-14 will increase by 4.95% which includes a projected 1.25% in growth from new development.

**This will result in a total amount of \$3,301,435 general rate revenue being raised for 2013-14.**

The proposed percentage increase to rates is made up of the following factors:

Growth	1.25%	
CPI*	2.20%	] impact on existing
Additional Works #	1.50%	] ratepayers
Total Increase in rate revenue	4.95%	

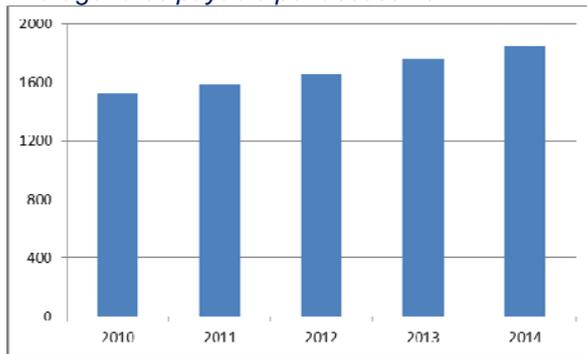
*\*CPI is derived from the ABS; 2 ALL GROUPS CPI, Percentage changes (from Corresponding Quarter of Previous Year) for the March quarter for Adelaide.*

*# Additional capital works is required on Council's road network and building assets to reduce the historic backlog of works required to maintain these asset categories due to previous periods of under-spending.*

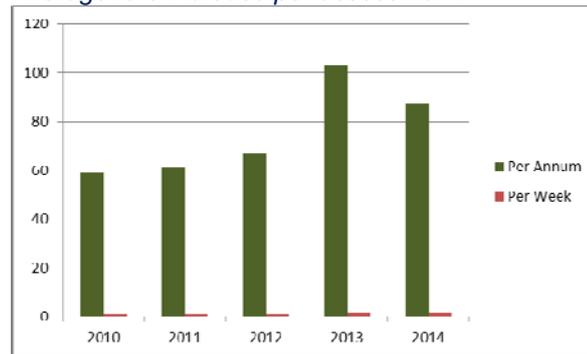
**The average total general rate per assessment for 2013-14 will be \$1,410 this represents an increase of \$67 for the year or \$1.29 per week.**

Increase to average rate charges proposed for 2013-14:

*Average rates payable per assessment:*



*Average rate increase per assessment:*



### MINIMUM RATE

Council considers it appropriate that ratepayers in respect of all rateable land make a contribution to the cost of administering Council's activities and that ratepayers in respect of all rateable land make a contribution to the cost of creating and maintaining the physical infrastructure that supports that land and the basic services provided to all ratepayers.

The minimum rate is levied against the whole of an Allotment. Only one minimum rate is levied against two or more pieces of adjoining land (whether separated by a road or not) if they are owned by the same ratepayer and occupied by the same occupier. This is described as contiguous land.

**The minimum rate in 2013-14 will be \$610 [increased from \$585 in 2012-13].**

This represents an increase of \$25 on the minimum rate applied in 2012-13. Overall, the minimum rate will be applied to approximately 25% of all rateable properties within Council's area, well within the maximum of 35% allowed for in the Local Government Act 1999.

## Payment of Rates

The Council has resolved that the payment of all rates will be in four equal or approximately equal instalments due on:-

- 1<sup>st</sup> - 2<sup>nd</sup> September 2013
- 2<sup>nd</sup> - 2<sup>nd</sup> December 2013
- 3<sup>rd</sup> - 3<sup>rd</sup> March 2014
- 4<sup>th</sup> - 2<sup>nd</sup> June 2014

## METHODOLOGY USED TO VALUE LAND

Council adopts the valuations made by South Australian Valuer-General in respect of land within the Council's area for rating purposes. The basis of valuation of land used by Council is the capital valuation of land, that is, the value of the land including improvements thereon.

**Council considers that the capital valuation method provides the fairest method of achieving an equitable distribution of the rates burden across the ratepayers within Council's area for the following reasons:**

- 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 generally considered a relatively good indicator of wealth; and;
- capital value, which trends with the market value of a property, provides the best indicator of overall property value.

Any ratepayer dissatisfied with a property valuation 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 1999, in which case the objection period of 60 days runs from the receipt of the first notice; or
- (b) previously had an objection to the valuation considered by the Valuer-General.

Office of the Valuer-General,  
GPO Box 1354, Adelaide 5001  
Email: [LSGObjections@sa.gov.au](mailto:LSGObjections@sa.gov.au)  
Telephone 1300 653 345.

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

**The valuations for 2013-14 have decreased on average by 0.44%**

*For information of Council's Rating Policy (Concessions & Remissions) please refer to Appendix 2.*

## **SEPARATE RATES**

### **ANNUAL SERVICE CHARGES**

#### COMMUNITY WASTEWATER MANAGEMENT SYSTEMS

Council provides a Community Wastewater Management System (CWMS) to all land within the township of Robe.

All Council CWMS schemes in South Australia have the same basic design, and in order for the schemes to be financially self sufficient on a long term basis, Councils need to model charges - to those to whom the schemes are provided or made available - on charges used by SA Water for its schemes.

A differential in the annual service charges of 25% between occupied and vacant land to which the CWMS is provided or made available will be maintained to reflect the difference between infrastructure establishment and effluent disposal costs for occupied and vacant land.

Further to this, Council will impose its annual service charges against assessments 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 permitted by Section 155 of the Local Government Act 1999 and Regulation 9A of the Local Government (General) Regulations 1999.

**Council will raise a total of \$751,150 as a CWMS service charge in 2013-14**

**The CWMS Service Charge for properties in 2013-14 will be:**

<b>For residents of Robe:</b>	<b>\$315.00</b>
<b>For residents of Boatswain Point:</b>	<b>\$175.00</b>

#### WASTE MANAGEMENT

For the purpose of meeting the costs associated with the collection and disposal of domestic and other garbage, Council has a Mobile Garbage Bin service charge on all serviced properties. Where the service is provided to non-rateable properties, a service charge is to be levied against the land.

In 2013-14 Council will increase the Mobile Garbage Bin Collection Annual Service Charge by 12.72% this is due to the more stringent requirements posed by changes to environmental legislation and community expectations and as a result increase in costs.

**Council will raise a total of \$375,255 as a Waste Management service charge in 2013-14**

**The Waste Management Service Charge for properties in 2013-14 will be:**

<b>Occupied:</b>	<b>\$480.00</b>
<b>Occupied [no desludge]:</b>	<b>\$430.00</b>
<b>Unoccupied:</b>	<b>\$385.00</b>

Council charges separately for this service as it is specific to particular properties and is thus unreasonable to expect the total rate base to provide for its use, maintenance and replacement.

**NATURAL RESOURCES MANAGEMENT LEVY**

Council is required to collect a regional Natural Resources Management (NRM) Levy in respect of all rateable land in Council's area on behalf of the South East NRM Board.

Council is acting as a revenue collector for the Board in this regard and for 2013-14 is required to raise \$84,010.

**Council does not retain this revenue nor determine how the revenue is spent.**

Council will collect this money by imposing a separate rate on all rateable land in Council's area and then forward the money on to the Board to fund its activities.

Appendix 1: Budgeted Financial Statements

<b>DISTRICT COUNCIL OF ROBE CONSOLIDATED DRAFT BUDGET 2013/2014</b>		
<b>STATEMENT OF COMPREHENSIVE INCOME</b>		
<b>2012/2013 FULL YEAR REVISED ESTIMATE \$</b>	<b>INCOME</b>	<b>DRAFT 2013/2014 BUDGET \$</b>
4,297,000	RATES	4,484,607
75,000	STATUTORY CHARGES	78,000
704,000	USER CHARGES	685,000
667,000	GRANTS Subsidies and Contributions	737,000
126,000	INVESTMENT INCOME	95,400
7,000	REIMBURSEMENTS	-
173,000	OTHER	86,400
-	Share of profit - joint ventures and associates	-
6,049,000	<b>TOTAL REVENUES</b>	6,166,407
	<b>EXPENSES</b>	
1,400,000	WAGES & SALARIES	1,842,128
2,544,000	MATERIALS, CONTRACTS & OTHER	2,490,176
86,000	Finance Costs	142,000
1,916,000	Depreciation, amortisation & impairment	1,683,200
-	Share of loss - joint ventures & associates	-
5,946,000	Total Expenses	6,157,504
103,000	<b>OPERATING SURPLUS/(DEFICIT) BEFORE CAPITAL AMOUNTS</b>	8,903
-	Net gain (loss) on disposal or revaluation of assets	-
372,000	Amounts specifically for new or upgraded assets	312,000
-	Physical resources received free of charge	-
<b>475,000</b>	<b>TOTAL COMPREHENSIVE INCOME</b>	<b>320,903</b>

**DISTRICT COUNCIL OF ROBE  
CONSOLIDATED DRAFT BUDGET 2013/2014**

**BALANCE SHEET**

2012/2013 FULL YEAR REVISED ESTIMATE		DRAFT 2013/2014 BUDGET
	<b>ASSETS</b>	
	<b>CURRENT ASSETS</b>	
\$		\$
636,000	Cash and cash equivalents	636,549
377,000	Trade & other receivables	377,000
114,000	Inventories	114,000
6,000	Other Financial Assets	6,000
<u>1,133,000</u>		<u>1,133,549</u>
-	Non-Current Assets held for Sale	-
<u>1,133,000</u>	<b>TOTAL CURRENT ASSETS</b>	<u>1,133,549</u>
	<b>NON-CURRENT ASSETS</b>	
152,000	Financial Assets	152,000
95,729,000	Infrastructure, Property, Plant & Equipment	96,742,550
-	Other Non-current Assets	-
<u>95,881,000</u>	<b>TOTAL NON-CURRENT ASSETS</b>	<u>96,894,550</u>
<u>97,014,000</u>	<b>TOTAL ASSETS</b>	<u>98,028,099</u>
	<b>LIABILITIES</b>	
	<b>CURRENT LIABILITIES</b>	
930,000	Trade & Other Payables	930,000
212,000	Borrowings	212,000
156,000	Short-term Provisions	156,000
-	Other Current Liabilities	-
<u>1,298,000</u>		<u>1,298,000</u>
-	Liabilities relating to Non-current Assets held for Sale	-
<u>1,298,000</u>	<b>TOTAL CURRENT LIABILITIES</b>	<u>1,298,000</u>
	<b>NON-CURRENT LIABILITIES</b>	
2,748,000	Premiums Received in Advance (Marina)	2,748,000
70,000	Provision for Marina Completion	70,000
373,000	Long-term Borrowings	1,066,196
165,000	Long-term Provisions	165,000
-	Other Non-current Liabilities	-
<u>3,356,000</u>	<b>TOTAL NON-CURRENT LIABILITIES</b>	<u>4,049,196</u>
<u>4,654,000</u>	<b>TOTAL LIABILITIES</b>	<u>5,347,196</u>
<u>92,360,000</u>	<b>NET ASSETS</b>	<u>92,680,903</u>
	<b>EQUITY</b>	
10,932,000	Accumulated Surplus	10,988,589
79,634,000	Asset Revaluation	79,634,000
1,794,000	Other Reserves	2,058,314
<u>92,360,000</u>	<b>TOTAL EQUITY</b>	<u>92,680,903</u>

**DISTRICT COUNCIL OF ROBE  
CONSOLIDATED DRAFT BUDGET 2013/2014**

**CASH FLOW STATEMENT**

2012/2013 FULL YEAR REVISED ESTIMATE \$		DRAFT 2013/2014 BUDGET \$
Inflows		Inflows
(Outflows)		(Outflows)
	<b>CASHFLOWS FROM OPERATING ACTIVITIES</b>	
	<b>RECEIPTS</b>	
5,923,000	Operating Receipts	6,071,007
126,000	Investment Receipts	95,400
	<b>PAYMENTS</b>	
(3,944,000)	Operating payments to suppliers & employees	(4,332,304)
(86,000)	Finance Payments	(142,000)
<u>2,019,000</u>	<b>Net Cash provided by (or used in) Operating Activities</b>	<u>1,692,103</u>
	<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
	<b>RECEIPTS</b>	
372,000	Grants specifically for new or upgraded assets	312,000
0	Sale of Assets	54,000
-	<b>PAYMENTS</b>	
(595,000)	Capital Expenditure on renewal/replacement of assets	(988,750)
(1,857,000)	Capital Expenditure on new/upgraded assets	(1,722,000)
<u>(2,080,000)</u>	<b>Net Cash provided by (or used in) Investing Activities</b>	<u>(2,344,750)</u>
	<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
	<b>RECEIPTS</b>	
-	Premiums received in advance (Marina)	-
254,000	Proceeds from Borrowings	799,650
	<b>PAYMENTS</b>	
(272,000)	Repayment of Borrowings	(146,454)
(18,000)	<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<u>653,196</u>
(79,000)	<b>NET INCREASE (DECREASE) IN CASH HELD</b>	549
715,000	<b>CASH AT BEGINNING OF YEAR</b>	<u>636,000</u>
<u>636,000</u>	<b>CASH AT END OF YEAR</b>	<u>636,549</u>

**DISTRICT COUNCIL OF ROBE  
CONSOLIDATED DRAFT BUDGET 2013/2014**

**STATEMENT OF CHANGES IN EQUITY**

2012/2013 FULL YEAR REVISED ESTIMATE \$		DRAFT 2013/2014 BUDGET \$
	<b>ACCUMULATED SURPLUS</b>	
10,703,000	Balance at end of previous reporting period	10,932,000
475,000	Net Result for Year	320,903
840,000	Transfer From Reserves	853,086
<u>-1,086,000</u>	Transfer To Reserves	<u>-1,117,399</u>
10,932,000	<b>BALANCE AT END OF PERIOD</b>	10,988,589
	<b>ASSET REVALUATION RESERVE</b>	
79,634,000	Balance at end of previous reporting period	79,634,000
0.00	Gain on revaluation of infrastructure, property, plant & equipment	0.00
0.00	Transfer to Accumulated Surplus on sale of infrastructure, property, plant & equipment	0.00
<u>79,634,000</u>	<b>BALANCE AT END OF PERIOD</b>	<u>79,634,000</u>
	<b>Garbage Reserve</b>	
288,000	Balance at end of previous reporting period	534,000
722,000	Transfer to reserve from accumulated surplus	369,472
<u>-476,000</u>	Transfer from reserve to accumulated surplus	<u>-326,088</u>
534,000	<b>BALANCE AT END OF PERIOD</b>	577,384
	<b>CWMS Maintenance</b>	
701,000	Balance at end of previous reporting period	701,000
364,000	Transfer to reserve from accumulated surplus	747,927
<u>- 364,000</u>	Transfer from reserve to accumulated surplus	<u>- 526,997</u>
701,000	<b>BALANCE AT END OF PERIOD</b>	921,930
	<b>Contribution Reserve</b>	
29,000	Balance at end of previous reporting period	29,000
0	Transfer to reserve from accumulated surplus	-
<u>0</u>	Transfer from reserve to accumulated surplus	<u>-</u>
29,000	<b>BALANCE AT END OF PERIOD</b>	29,000
	<b>Other Reserves</b>	
30,000	Balance at Beginning of Period	30,000
-	Transfer to reserve from accumulated surplus	-
<u>0</u>	Transfer from reserve to accumulated surplus	<u>0</u>
30,000	<b>BALANCE AT END OF PERIOD</b>	30,000
	<b>Childcare Reserve</b>	
500,000	Balance at end of previous reporting period	500,000
0	Transfer to reserve from accumulated surplus	-
<u>0</u>	Transfer from reserve to accumulated surplus	<u>-</u>
500,000	<b>BALANCE AT END OF PERIOD</b>	500,000
<u><b>92,360,000</b></u>	<b>TOTAL EQUITY AT END OF REPORTING PERIOD</b>	<u><b>92,680,903</b></u>

**DISTRICT COUNCIL OF ROBE  
 CONSOLIDATED DRAFT BUDGET 2013/2014**

**UNIFORM PRESENTATION OF FINANCES**

<b>2012/2013 FULL YEAR REVISED ESTIMATE</b>		<b>DRAFT 2013/2014 BUDGET</b>
<b>\$</b>		<b>\$</b>
6,049,000	Operating Revenues	6,166,407
(5,946,000)	less Operating Expenses	(6,157,504)
<u>103,000</u>	<b>Operating Surplus / (Deficit) before Capital Amounts</b>	<u>8,903</u>
	<b>Less Net Outlays in Existing Assets</b>	
	Capital Expenditure on renewal and replacement of Existing Assets	988,750
595,000	less Depreciation, Amortisation and Impairment	(1,683,200)
(1,916,000)	less Proceeds from Sale of Replaced Assets	(54,000)
(253,000)		<u>(748,450)</u>
<u>(1,574,000)</u>		
	<b>Less Net Outlays on New and Upgraded Assets</b>	
1,857,000	Capital Expenditure on New and Upgraded Assets	1,722,000
(372,000)	less Amounts received specifically for New and Upgraded Assets	(312,000)
-	less Proceeds from Sale of Surplus Assets	-
<u>1,485,000</u>		<u>1,410,000</u>
192,000	<b>Net Lending / (Borrowing) for Financial Year</b>	(652,647)

## Appendix 2: Rating Policy (Concessions & Remissions)

### Pensioner Concessions

An eligible pensioner may be entitled to a remission on a portion of their Council rates and water and effluent charges where applicable. Application forms, which include information on the concessions, are available from the SA Water Corporation and its District Offices or the Department of Human Services. An eligible pensioner must hold a Pension Card, State Concession Card or be a TPI Pensioner. They must also be responsible for the payment of rates in respect of the land for which they are claiming a concession.

Applications are administered by the State Government. Payment of rates should not be withheld pending assessment of an application by the State Government as penalties apply to unpaid rates. A refund of rates will be paid to an eligible pensioner if Council is advised that a concession applies after the rates have already been paid.

### Unemployed Persons Concessions

The Department for Families and Communities (DFC) may assist with the payment of Council rates for your principal place of residence (remissions are not available on vacant land or rental premises). Please contact your nearest Families SA District Centre for details or phone the Concessions Hotline on 1800 307 758.

### State Senior Card Ratepayers (self funded retiree)

This is a new concession first introduced from 1 July 2001 and is administered by Revenue SA. If you are a self-funded retiree and currently hold a State Seniors Card you may be eligible for a concession toward Council Rates. In the case of couples, both must qualify, or if only one holds a State Senior's Card, the other must not be in paid employment for more than 20 hours per week.

If you have not received a concession on your rate notice or would like further information, please contact the Revenue SA Call Centre on 1300 366 150.

### Payment of Rates

The Council resolved that the payment of all rates will be in four equal or approximately equal instalments due on:-

2<sup>nd</sup> September 2013  
2<sup>nd</sup> December 2013  
3<sup>rd</sup> March 2014  
2<sup>nd</sup> June 2014

Rates may be paid:-

- via the mail with money order or cheque made payable to the District Council of Robe ;
- in person, at the Council offices at:
  - District Council of Robe  
Royal Circus, ROBE  
between the hours of 9.00am and 5.00pm, Monday to Friday.
- EFTPOS and credit card facilities are available at the Council Office.
- By BPay (details on the rate notice)

Any ratepayer who may, or is likely to, experience difficulty with meeting the standard payment arrangements is invited to contact the office at 8768 2003 to discuss alternative payment arrangements. Such inquiries are treated confidentially by Council.

Council has adopted a policy that where the payment of rates will cause a ratepayer demonstrable hardship, Council is prepared to make extended provisions or defer the payment of rates.

### Late Payment of Rates

The Local Government Act 1999 provides that fine of 2% of the amount of an instalment is imposed in the event that the instalment is not paid on or before the date on which it falls due. An instalment that remains unpaid for a period of one month accrues interest at a rate set each year according to a prescribed formula. That interest continues to accrue at the end of each full month in respect of which the instalment remains unpaid. 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 Council may incur because it has not received the rates on time. Council is prepared to remit penalties for late payment of rates where a ratepayer can demonstrate hardship.

Council issues a final notice for payment of rates when rates are overdue i.e. unpaid by the due date. Should rates remain unpaid more than 14 days after the issue of the final notice then Council refers the debt to a debt collection agency for collection. The debt collection agency charges collection fees that are recoverable from the ratepayer.

When Council receives a payment in respect of overdue rates the 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 chronological order (starting with the oldest account first).

#### Postponement of Rates

A postponement of rates may be granted if Council is satisfied that the payment of rates would cause hardship. Council may on application and subject to the ratepayer substantiating the hardship, consider granting a postponement of payments of rates in respect of an assessment on the condition that the ratepayer agrees to pay interest on the amount affected by the postponement at the interest rate applicable on Council's variable interest rate borrowings.

#### Postponement of rates for Seniors

State Seniors who expect difficulty in meeting their rate obligations (often as a result of being asset rich but income deprived) have the option to postpone a portion of their Council rates on a long-term basis. Under this scheme eligible ratepayers can annually postpone any rates imposed above \$500.

The deferred amount is subject to a monthly interest charge with the accrued debt ultimately being payable on the sale of the property. Where the ratepayer also receives a Pensioner or Self Funded Retiree concession, this concession may be applied (at their discretion) to the \$500 payable each year to further reduce the annual amount payable.

To qualify for eligibility:

- the property must be the ratepayers principal place of residence
- the ratepayer (or their spouse) must hold a current State Seniors Card (or be eligible to hold a Seniors Card and have lodged their application to obtain one)
- the ratepayer must own the property (or it can be in joint ownership with their spouse) but no other person can be registered as an owner of the property; and
- if the property has a mortgage that was taken out before 25 January 2007 they must have at least 50% equity in the property.

Should the ratepayer (or spouse) cease to be eligible for the Seniors Card or should the ratepayer move out of the home they do not have to repay any amounts postponed immediately. Postponed rates are only payable upon sale of the property (or earlier if the ratepayer chooses). However if they cease to be eligible any future rates levied cannot be postponed and will be subject to the normal quarterly rating provisions.

#### Other Concessions

Families SA may assist with the payment of Council rates for your principal place of residence (remissions are not available on vacant land or rental premises).

#### Rate Rebates

It is the policy of the Council 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 Policy.

Detailed information about the legislative provisions and Council policy on rebates can be obtained by contacting the Council Office. All enquires will be dealt with on a confidential basis.

### Appendix 3: Local Government Financial Indicator Definitions

1. 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. The amount of any operating surplus will be applied towards reducing the amount of borrowings otherwise required to undertake new capital expenditure.

***Council's target is to achieve an operating result between (\$500) deficit and \$500k surplus***

2. 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.

***Council's target is to achieve an operating surplus ratio between (5%) deficit and 5% surplus.***

3. 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.

***Council's target is to maintain its net financial liability between zero and \$6.056m [total operating revenue].***

4. 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.

***Council's target is to maintain its net financial liability ratio between zero and 100%.***

5. Interest Cover Ratio

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

***Council's target is to maintain its interest cover ratio between zero and 10%.***

6. 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.

***Council's target is to maintain its asset sustainability ratio between 75% and 150%.***

7. 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.

***Council's target is to maintain its asset consumption ratio between 40% and 80%.***

