



# **District Council of Mount Remarkable**

## **Annual Business Plan and Annual Budget for the Financial Year Ending 30<sup>th</sup> June 2014**

**Approved 20<sup>th</sup> August 2013**

# TABLE OF CONTENTS

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<i>1. Introduction</i>	<i>3</i>
<i>2. Key Strategic Objectives - Strategic Plan</i>	<i>3</i>
<i>3. Financial Sustainability / Financial Performance Measures</i>	<i>6</i>
<i>4. Significant Influences and Priorities</i>	<i>8</i>
<i>5. Continuing Services</i>	<i>8</i>
<i>6. Capital expenditure - Project Priorities for the Year</i>	<i>9</i>
<i>7. Non-Financial Performance Measures 2013/2014</i>	<i>10</i>
<i>8. Grant Funding</i>	<i>11</i>
<i>9. Funding the Business Plan</i>	<i>11</i>
<i>10. Uniform Presentation of Council Finances</i>	<i>12</i>
<i>11. Rating Arrangements 2013/2014</i>	<i>13</i>
 <i>Appendix A – Explanation of Uniform Presentation of Finances</i>	 <i>25</i>
<i>Appendix B - Statutory Statements</i>	<i>27</i>

## 1. Introduction

Pursuant to the provisions of Section 123 of the Local Government Act 1999 (“the Act”) each Local Government Authority is required to develop an Annual Business Plan and a Budget for each financial year.

This Annual Business Plan sets out Council’s program for the 2013/2014 financial year in order to achieve the goals and objectives of Council’s Strategic Management Plan.

The Annual Business Plan is based on the annual operating budget for service delivery and asset maintenance, and a capital works budget for the acquisition or enhancement of assets. The Annual Business Plan and Budget are aimed at satisfying current service requirements and expanding service delivery where possible and affordable, whilst recognising the need to put Council in the best financial position to provide services to the members of our community, both today and into the future.

The Annual Business Plan focuses on ensuring the long-term financial sustainability of the Council to ensure that Council will be able to provide services for current and future generations, within rating and charging policies that are acceptable to the community.

The Annual Business Plan has been prepared in accordance with the requirements of the Act, part of which is to provide the community with an opportunity to comment on the Draft Annual Business Plan using either a submission template that is available on Councils web site or by making a presentation at the community forum.

## 2. Key Strategic Objectives - Strategic Plan

Council’s Strategic and other Long Term Plans outline the longer-term objectives and priorities for the Community. These Plans, together with the Annual Business Plan and Budget, determine the infrastructure needs and services Council will provide, including the costs required to deliver those services.

Council’s objectives for the District are detailed within Council’s Strategic Management Plan, in the form of the Vision, its Mission, its Values and its Objectives. These are as follows:

### 2.1 Our 2020 Vision

#### **Our Organisation**

A financially sustainable, proactive and responsive customer focused organisation which meets and exceeds the diverse needs and expectations of our stakeholders in an efficient and effective manner.

Through team work, co-operation and continuous improvement, and by fostering creativity and developing our valued employees, we will grasp the challenges and capture the opportunities for the benefit of all, to ensure our respected position at the leading edge of our industry is maintained.

#### **Our Council**

A dynamic, skilled and representative elected body respected and recognised at the local, regional, state and national levels for its advocacy and positive leadership of all sectors of its Communities, with a strategic focus on policy and effective decision making.

## **Our Communities**

With enviable facilities and services, growing populations and thriving and sustainable economies, our vibrant and diverse Communities are safe, secure, friendly and welcoming to all. Community spirit, co-operation and a sense of belonging are fostered by our determined, hardworking people with positive vision and initiative to make our Communities exceptional places to live, visit, work and do business.

## **2.2 Our Mission**

Council will accept the challenges of, and excel in the provision of, Local Government services to our district, enhancing and preserving the unique character of our communities, maintaining a safe and secure environment for our residents, whilst retaining and promoting the quality lifestyle and amenity of country living. Council will continually promote open communication, accountability, and efficient and effective leadership, governance and service delivery by:

- acting as a representative, informed and responsible decision maker;
- providing and coordinating services, facilities and programs that are adequate, appropriate and equitably accessed;
- developing the Community, its resources and its infrastructure in a socially just and sustainable manner;
- ensuring that Council resources are used fairly, effectively and efficiently;
- encouraging and developing initiatives within the Community for improving the quality of life and amenity of the Community;
- managing, developing and protecting the environment in an ecologically sustainable manner;
- planning at the local and regional level for the development and future requirements of the Community;
- promoting the area and providing an attractive climate and location for the development of business, commerce, industry and tourism;
- ensuring a proper balance between economic, social, environmental and cultural considerations within the Community;
- developing its capacity and professionalism to undertake a growing range of leadership, advocacy and service delivery challenges; and
- exercising, performing and discharging the power, functions and duties of the Local Government and other Acts

## **2.3 Our Values**

As a results oriented organisation, Council is committed to its core values of:

- pro-active and effective communication
- honesty and transparency
- accepting and pursuing challenges
- creative, positive and energetic workforce and leadership

## **2.4 Objectives**

### **Respected, Responsive, Open and Effective Leadership**

With visionary, respected and strong leadership, Council will be in a position to successfully develop constructive partnerships with other levels of government and our communities, to ensure our aspirations are met and our futures are secured.

### **Accountable, Secure and Sustainable Organisation**

It is Council's responsibility to represent the interests of its ratepayers and residents and to efficiently and effectively provide a range of services and facilities. An adequately financed organisation with skilled and qualified employees is required to undertake these duties, over a variety of time periods.

It is equally important that Council delivers "best value" to ratepayers and to other levels of government. It is in the interests of our communities that Council not only be well resourced and financially sustainable in the long term, but that it is continually accountable to all stakeholders.

### **Growing Prosperity**

Our residents and ratepayers enjoy and expect ongoing access to a high level of facilities and services in their communities and high standards of living. For this to continue we require growth in the local and regional economies, jobs and populations.

### **Building Communities and Fostering Creativity**

To survive, compete and grow in the modern world we require creative and entrepreneurial people, businesses and communities. With new people, new jobs, new ideas and new enthusiasm our communities will be well placed to "get through the tough times" and stake claims as desirable residential, work and holiday locations.

### **Attaining Sustainability**

There is strong evidence, now accepted by the broader community, that mankind's population growth, industrial expansion and resources use is contributing to climate change and will ultimately make the planet an unfriendly environment for us. We have a duty as custodians for future generations to ensure our environments are healthy and our ways of life are sustainable. We must alter our activities to stop further damage to the environment, and adjust our behaviours and lifestyles accordingly.

### **Developing the Foundation for Our Future**

A range of reliable infrastructure is required to cater for the current and future transportation, communication, water, electricity and quality of life needs of our residents, businesses and communities. We acknowledge that Council has a leadership role in encouraging the adoption alternative technologies and sharing of facilities and resources, to deliver infrastructure and services in a sustainable and environmentally sensitive manner.

### **Improving Wellbeing**

Members of our District highly value the fact that their communities have low crime rates; they have a good range of essential and emergency services; lifestyles are healthy with high participation rates in sport and ready access to attractive natural environments; they have numerous opportunities for socialising; and they can rely on neighbours and friends in times of need. It is important that these lifestyle advantages are maintained by continuing to provide a safe and healthy local environment.

### 3. Financial Sustainability/Financial Performance Measures

Amendments to the Local Government Act 1999 (the Act) in 2005 combined with an independent review initiated by the Local Government Association into the long term financial sustainability of South Australian councils clearly indicated that there was a need for councils to take a longer view into their financial planning and sustainability in working towards their goals. In 2013/2014 Council intends to develop a Long-Term Financial Plan, review its Strategic Plan and prepare an Infrastructure and Asset Management Plan.

Council is committed to ensuring its long term financial sustainability. Council's financial sustainability is dependent on ensuring that, on average over time, its expenses are at least matched by its revenue. In addition, capital expenditure on existing infrastructure and other assets should be optimised (in accordance with the Infrastructure and Asset Management Plan so as to minimise the whole-of-life-cycle costs of assets).

Regulation 7 (Budgets) of the Local Government Financial Regulations states:

Pursuant to section 123(10)(b) of the Act, each budget of a council under the Act must include estimates with respect to the council's operating surplus ratio, asset sustainability ratio and net financial liabilities ratio presented in a manner consistent with the note in the Model Financial Statements entitled Financial Indicators.

#### 3.1 Operating Surplus Ratio

The Operating Surplus Ratio expresses the operating surplus (deficit) as a percentage of general and other rates. Council's is aiming to make a small percentage surplus for the year ending 30<sup>th</sup> June 2014.

The operating surplus ratio from the proposed budgeted activity for the year is 7%, (i.e. a slightly better than breakeven result). This result arises because operating income is budgeted to be \$194k more than Council's operating expenses for the year.

#### 3.2 Asset Sustainability Ratio

The Asset Sustainability Ratio indicates whether the Council is renewing or replacing existing non-financial assets at the same rate as its overall stock of assets is wearing out.

The ratio is calculated by measuring capital expenditure on renewal and replacement of assets relative to its level of depreciation. Council's is aiming to attain a result of 117% for the year ending 30<sup>th</sup> June 2014. This means that Council is spending more than the depreciation expenses on asset renewal. This reflects an accelerated capital roads works program brought intended to address the under spend in this area in recent years.

#### 3.3 Net Financial Liabilities & Net Financial Liabilities Ratio

Net Financial Liabilities is a comprehensive measure of the indebtedness of the Council as it includes items such as employee long-service leave entitlements and other amounts payable as well as taking account of the level of Council's available cash and investments. Specifically Net Financial Liabilities equals total liabilities less financial assets, where financial assets for this purpose includes cash, cash equivalents, trade and other receivables, and other financial assets, but excludes equity held in Council businesses, inventories and land held for resale. The following table sets out revised estimates as at 30<sup>th</sup> June 2014:

## Calculation of Net Financial Liabilities

	<b>Estimated 30<sup>th</sup> June 2014 \$000</b>
Gross Borrowings	620
Less: Cash and investments	5,732
<b>Equals: Net debt</b>	<b>-5,112</b>
Add: Trade and other payables	2,123
Add: Provisions for employee entitlements	164
Less: Trade and other receivables	689
<b>Equals: Net financial liabilities</b>	<b>-3,514</b>
<b>Net Financial Liabilities Ratio</b>	<b>-45%</b>

The negative result indicates that Council is in a net financial assets position. The accumulation of cash on hand reflects the under delivery of capital expenditure programs over the past few years. The local government sector wide results for this financial indicator usually fall between 0% and 100%.

A cash balance of \$3.514M indicates that Council has sufficient capacity to undertake an accelerated capital expenditure program should the soon to be developed asset management plan indicate that this is necessary.

### 3.4 Overall Assessment of Councils Financial Sustainability (based on ratios above)

The above ratios indicate that the proposed annual business plan and the associated budget that underpins it, is financially sustainable over the following 12 months.

The operating surplus indicates that Council is covering the cost of its operating activities from its operating revenue.

It is expected that the cash surplus will be run down in a strategic manner over time addressing and funding capital construction in a coordinated manner. Again the development of the long term financial plan will ensure that Council sets appropriate ranges for senior management to operate within.

The target Asset Sustainability Ratio of 117% is slightly higher than the range the local government sector usually operates within, however this reflects a catch up of works not completed over the past few years.

## **4. Significant Influences and Priorities**

A number of significant factors have influenced the preparation of the Council's 2013/14 annual business plan. These include:

- Local Government Consumer Price Index increases on existing goods and services of 2.5% for the year (current March quarter 2013);
- Enterprise Bargaining Agreements which provide for wages and salary increases;
- requirements to maintain and improve infrastructure assets to acceptable standards, including roads, footpaths, storm water drainage and community wastewater management systems;
- service delivery needs for a decreasing population;
- State/Commonwealth grant funding not keeping pace with the increase in associated service delivery costs;
- facilitating the future financial sustainability of Council by ensuring the financial operations remain within targets adopted for such purpose;
- continuation of Council's annual works program with a commitment to fund roads, footpaths, car parking and foreshore developments;
- provision of sufficiently qualified experienced and trained staff to meet service delivery demands.

## **5. Continuing Services**

All councils have basic responsibilities under the Act and other relevant legislation. These include:

- regulatory activities e.g. maintaining the voters roll and supporting the elected Council;
- setting rates, preparing an annual budget and determining longer-term strategic;
- management plans for the area;
- management of basic infrastructure including roads, footpaths, parks, public open space, community wastewater;
- street lighting and storm-water drainage;
- street cleaning, rubbish collection, recycling and waste management;
- development planning and control, including building safety assessment;
- various environmental and public health services.

In response to community needs the Council also provides further services and programs including:

- Mobile Library Service;
- community venues such as public halls and sporting grounds;
- economic development;
- tourist and historical venues, caravan parks, museum and sites;
- parks and gardens, rail trails;
- community health initiatives.



## 6. Capital Expenditure - Project Priorities for the Year

Project	Budget 2014	Comment
<b>Capital Expenditure on Replaced Assets</b>	<b>\$000</b>	
<b>Plant and Equipment - Gross</b>		
Grader	300	Trade in estimated = 170k
4 Works Operational Vehicles	140	Trade in estimated = 80k
Works Manager Vehicle	55	Trade in estimated = 48k
Administration Vehicles	90	Trade in estimated = 60k
NPTN 2 Vehicles	60	Trade in estimated = 40k
<b>Total Plant and Equipment</b>	<b>645</b>	
<b>Roads and Footpaths</b>		
Road Reseals	300	As detailed in reseal program
Morchard Rd – Booleroo to Bridgewater Corner	192	6.4km of Resheeting
Booleroo Willowie Rd	330	11km of Resheeting
Survey Rd	126	4.2km of Resheeting
Melrose - Orroroo Rd (Dickson Rd)	285	8.4km of Resheeting & Culverts
Top Track	392	3.5km of Reshape & Seal (R2R project)
Booleroo - Pekina Rd	860	7.6km of Full Construction & Seal (Special Local Roads)
<b>Total Roads and Footpaths</b>	<b>2,485</b>	
<b>Total Capital Expenditure on Replaced Assets:</b>	<b>3,130</b>	
<b>Capital Expenditure on New Assets</b>		
Depot Fencing	85	Establishing works compounds in Wirrabara, Wilmington and Port Germein. Plus \$10k for Melrose fencing.
Drainage Port Flinders	80	
Crews Rd Wirrabara – Construction and Seal	90	
Melrose Hall – Storage Room and Stove	18	
Brewery St Melrose – Drainage and Seal	80	
Nott St Melrose - seal access road & tidy median	75	
Amyton Rd - Willochra Creek Crossing	25	
Regional Video Conferencing Project	50	Funded by the LGA
Pt Germein Foreshore Redevelopment	204	\$164k 'places for people program' & \$40k from Port Germein Progress Association.
Pt Flinders Boat Launching Facility	750	\$375k from SABFAC
Pound - Ventilation	5	
Sealing of Airport Apron	55	
Waste Transfer Stations Wirrabarra & Pt Germein	60	
Willowie Land Fill new cell	300	Indicative figure
<b>Total Projects</b>	<b>1,877</b>	
<b>Plant &amp; Equipment</b>		
Truck	250	
Vibrating Roller	200	
Lawnmower	30	
Bitumen Trailer	20	
Water Cart	40	
<b>Total</b>	<b>540</b>	
<b>Total Capital Expenditure on New Assets</b>	<b>2,417</b>	
<b>Total Capital Expenditure</b>	<b>5,547</b>	

## **7. Non-Financial Performance Measures 2013/2014**

The following proposed non-financial performance measures for the financial year are linked to *Our 2020 Vision*, District Council of Mount Remarkable Strategic Management Plan 2008 – 2020, namely:

- Re-sheet 30kms of unsealed roads
- Reseal 4kms of town roads
- Reshape and bitumen seal 3.5km on Top Track
- Full construction and bitumen seal 7.6kms of the Booleroo to Pekina Road
- Full construction and bitumen seal 1.1kms town roads – Wirrabara, Melrose
- Continue with plans for the introduction of a Wirrabara CWMS
- Finalise Phase 1 of the Port Flinders Boat Launching Facility
- Build Storage Area at Melrose Institute
- Finalise works at the Council Dog Pound
- Form and bitumen seal Booleroo Centre Airstrip apron
- Investigate construction of a new cell at the Willowie Land Fill
- Implement Council E-Waste Strategy
- Undertake rehabilitation works at closed rubbish dumps at Port Germein and Wirrabara
- Redevelopment of the Port Germein Foreshore
- Develop a Drainage Plan for Port Flinders
- Regional Video Conferencing Project
- Continued delivery of the Opal Program
- Continue delivery of the Healthy Communities Initiative
- Develop Council Asset Management Plan
- Develop Council Long Term Financial Plan
- Review Council's Strategic Plan
- Finalise Phase 1 Work Health Safety Implementation Plan
- Finalise Enterprise Bargaining Agreement
- Develop Control Registers
- Commence a review of all Council policies and procedures

## 8. Grant Funding

Local Government receives three types of grant funding, namely:

### **General Purpose & Local Roads Financial Assistance Grants (Federal)**

Council has complete discretion as to expenditure of funds received.

Council's 2013/2014 budget assumes that four quarterly installments of Federal Government financial assistance grants (both general purpose and local roads components) will be received during 2013/2014.

### **Specific Purpose Grants**

These are to be spent on specific projects or programs. In Council's case include:

- Melrose Medical Centre Upgrade \$ 145k
- SABFAC Boat Launching Facility Grant \$ 375k
- Pt Germein Foreshore Redevelopment \$ 164k
- Regional Video Conferencing \$ 35k
- Healthy Communities \$ 130k
- HACC \$ 185k

### **Roads to Recovery Grants (Federal)**

Whilst funds received are to be spent on road projects, Council has complete discretion on whether such spending is on maintaining, renewing or upgrading roads.

<b>Grant Funding</b>	<b>Amount</b>
Local Roads (Grants Commission)	\$513k
Roads to Recovery	\$391k
General Purpose (Grants Commission)	\$1,677k
Special Local Roads Grant	\$860k
Other Grants	\$1,101k
<b>Total Grant Funding</b>	<b>\$4,542k</b>

## 9. Funding the Business Plan

A surplus of \$194k is being targeted in 2013/2014. The operating deficit measures the difference between operating revenue and expenses for the period. The Council's long-term financial sustainability is dependent on ensuring that, on average over time, its expenses are less than its revenue.

Council's revenue in 2013/2014 includes \$2.731M proposed to be raised from general and other rates. This is based on an increase of 4%. There is little forecast growth expected for the region accordingly no increases to rates revenue has been factored in for growth. Other sources of proposed revenue for the Council are:

- User Charges and Commercial Revenue
- Statutory Charges set by State Government
- Grants
- Other Revenue

## 10. Uniform Presentation of Council Finances

The Uniform Presentation of Council Finances together with the results of the Key Financial Indicators provides a summarised report that focuses on Council's finances at a strategic level.

Readers are strongly encouraged to take the time to comprehend how this report is structured and what the implications of the various lines of this report are for the Key Financial Indicator calculations. Definitions and examples of the key components of this report are included in the glossary at the end of this document.

The Summary of Financial Position report highlights the operating surplus/(deficit) measure which is considered the most critical indicator of a Council's financial performance. The result of this report is the movement in Net Financial Liabilities (Net Lending / Borrowing) for the year based on Council's planned capital and operating budgets for that year. Achieving a zero result on the net lending / (borrowing) measure in any one year essentially means that the Council has met all of its expenditure (both operating and capital) from the current year's income (with income including amounts received specifically for new / upgraded assets).

	<b>Forecast 2013</b>	<b>Budget 2014</b>	<b>Movement</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
<i>Section 1:</i>			
<b>Operating Revenue</b>	7,247	7,931	684
<b>less Operating Expense</b>	(7,164)	(7,737)	(573)
<b>Operating Surplus / (Deficit) before Capital Amounts</b>	<b>83</b>	<b>194</b>	<b>111</b>
<i>Section 2:</i>			
<b>less Net Outlays on Existing Assets</b>			
Capital Expenditure on renewal and replacement of Existing Assets	1,607	3,130	1,523
less Depreciation, Amortisation & Impairment	(2,101)	(2,331)	(230)
less Proceeds from Sale of Replaced Assets	(349)	(398)	(49)
	<b>(843)</b>	<b>402</b>	<b>1,244</b>
<i>Section 3:</i>			
<b>less Net Outlays on New &amp; Upgraded Assets</b>			
Capital Expenditure on New & Upgraded Assets	244	2,417	2,173
less Amounts specifically for new or upgraded Assets	0	(724)	(724)
less Proceeds from Sale of Surplus Assets	0	0	0
	<b>244</b>	<b>1,693</b>	<b>1,449</b>
<i>Section 4:</i>			
<b>Net Lending/ (Borrowing) for Financial year</b>	<b>682</b>	<b>(1,900)</b>	<b>(2,583)</b>

The above data indicates that Council will use \$1.900M of investments to fund the activities and projects outlined in this business plan. A full explanation of the components to the above Uniform Presentation of Finances is contained in Appendix A.

## **11. Rating Arrangements 2013/2014**

### **11.1 Business Impact**

The Council has considered the impact of rates on all businesses in the Council area, including Primary Production.

In considering the impact, Council assessed the following matters:

- those elements of the Council's Strategic Management Plan relating to business development;
- the equity of the distribution of the rate burden;
- Council's policy on facilitating local economic development through its financial support to the Regional Development Australia Board, who employ a small business advisor;
- the specific Council project that has seen a tourism officer based in the area to assist tourism product development;
- changes in the valuation of primary production land from the previous financial year;
- rebates of rates given to certain businesses where Council considered rates levied were beyond the capacity of those businesses to pay;
- regular food premise inspection costs absorbed by the Council and not on-charged, as legislated;
- specific projects that have principally provided benefit to the primary producers included:
  - a continuing proactive effort in promoting the Single Farm Enterprise benefit which has reduced the rate burden on primary production enterprises;
  - remission of building assessment fees on primary production use sheds;
- Continuation of the CWMS implementation program which will assist both residential and business land uses to dispose of waste water. These Schemes will have a largely beneficial use to high water usage businesses e.g. Hotels, Caravan Parks and other accommodation facilities.

### **11.2 Method Used to Value Land**

Council may adopt one of three valuation methodologies to value the properties in its area. They are:

- Capital Value - the value of the land and all of the improvements on the land.
- Site Value - the value of the land and any improvements which permanently affect the amenity of use of the land, such as drainage works, but excluding the value of buildings and other improvements.
- Annual Value - a valuation of the rental potential of the property.

Council has decided to continue to use site value as the basis for valuing land within the Council area. Council considers that this method of valuing land provides the fairest method of distributing the rate burden across all ratepayers on the following basis:

- the mix and range of property values due to rainfall and soil variations within the Council area make site value a more equitable basis for rating in this Council area;
- Capital value is perceived by Council to penalise the property owner who improves their land and buildings;
- primary producers are 'asset rich and cash poor'. Many are also asset rich with high debt - high assets being a necessity to earn income. This is a contradiction to the principle of taxation that ratepayers of similar wealth pay similar taxes and ratepayers of greater wealth pay more tax than ratepayers of lesser wealth. This is a factor in why Capital Value is not used by the Council;

- property site value is a relatively good indicator of wealth as it closely approximates the market value of a property less the improvements and provides a good indicator of overall property value;
- as Council rate on land use, careful attention is paid to the land use codes used for rating purposes, and are looked at on a property by property basis by Council Employees.

### **11.3 Adoption of Valuations**

Council is proposing to adopt the valuations made by the Valuer-General and provided to the Council in June 2013 (subject to minor revision and correction in the lead up to the formal adoption of the Valuation). If landowners are dissatisfied with the valuation made by the Valuer-General then they may object to the Valuer-General in writing, within 60 days of receiving notice of the valuation on their rate notice, explaining the basis for the objection - provided they have not:

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

The contact details for the State Valuation Officer are:

State Valuation Office

GPO Box 1354

ADELAIDE SA 5001 .

Email: [lsg.objections@sa.gov.au](mailto:lsg.objections@sa.gov.au)

Telephone: 1300 653 345

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

### **11.4 General Rates**

All land within a Council area, except for land within a specific exemption (eg. Crown land, Council occupied land and other land prescribed in Section 147 of the Act), is rateable. The Act provides for a Council to raise revenue for the broad purposes of the Council through a general rate which applies to all rateable properties.

For the 2013/2014 financial year, Council is raising general and other rate revenue of \$2.731M in a total revenue budget of \$7.931M.

### **11.5 Fixed Charge**

The Council is proposing to continue to impose a fixed charge system, rather than a minimum rate which tends to distort the equity principles of taxation. This financial year the fixed charge will be \$250. This fixed charge is levied uniformly on all non-contiguous assessments, unless the principal ratepayer has applied for and been granted the benefit of a Single Farm Enterprise. In this instance, only one fixed charge is applied to that Farm Enterprise. The fixed charge is levied against the whole of an allotment (including land under a separate lease or licence) and only one fixed charge is levied against two or more pieces of adjoining land (whether intercepted by a road or not) if they are owned by the same owner and occupied by the same occupier.

The reasons for imposing a fixed charge are:

- the Council considers it appropriate that all rateable properties make a reasonable base contribution to the cost of administering the Council's activities;
- the Council considers it appropriate that all rateable properties make a contribution to the cost of creating and maintaining the physical infrastructure that supports each property;

- the fixed charge system has a lesser proportionate impact on lower income earners than a minimum rate system;
- the fixed charge system is more readily understandable than a minimum rate system;
- from a ratepayer's perspective, anecdotal evidence appears to be in favour of a fixed charge which is uniformly paid by each ratepayer.

## **11.6 Differential General Rates**

The Act allows Councils to differentiate rates based on the use of the land, the locality of the land or the use and locality of the land. Definitions of the use of the land are prescribed by regulation and the current definitions are:

- Residential
- Commercial - Shop
- Commercial - Office
- Commercial - Other
- Industry - Light
- Industry - Other
- Primary Production
- Vacant Land
- Other.

The Council is proposing to again impose differential general rates based on:

- whether the land is within or outside a township;
- land uses both within and outside of townships;
- differentiation between townships.

Simply applying the equity principle would not allow for any rate differentials. However, it is clear that the benefits received by ratepayers are not uniform - and this is particularly the case in regard to rural ratepayers in our sparsely populated Council area with a number of small townships.

Typically, the services not provided to some ratepayers include street lighting, waste management, kerb and guttering, footpaths and sealed roads. In addition, remoteness from a township may preclude the use of the library service and other Council provided services. The application of the benefit principle suggests that those ratepayers should pay less than ratepayers able to have access to the full range of the Council services. (Note that this does not mean that a ratepayer who either chooses not to use Council services or has no current need of some Council services should pay less in rates. The reality is that the use of Council services varies at different periods in the lives of all ratepayers.)

The ability-to-pay principle is another reason why differential rates are applied, particularly to rural properties and primary production. Rural incomes tend to be irregular and some reduction in the taxation burden results from this. A further point to consider is that the taxation in Australia of primary production has always been subject to exemptions on the basis that it is important to minimise the impact of taxation on the input side of primary production - an application of the efficiency principle.

The Commonwealth Government has the ability to collect taxes it foregoes on primary production when it taxes farmers and primary production companies on their income. Unfortunately, when Local Government foregoes property taxes it has no other mechanism to collect such taxes and redistributes the tax burden to other ratepayers.

The rate in the dollar on residential, commercial and industrial properties from both within and outside of townships is proposed to be set to obtain a reasonable contribution from every property towards the cost of providing goods and services.

### **Inside Townships**

The mix and range of property sizes and values in each township contribute to the reason for differential general rates within the townships, which achieves uniformity and equity in rate payments of similar types of land uses in each of the towns.

For example a residential property in comparable streets in each of the towns of Melrose, Booleroo Centre, Wirrabara, Wilmington and Port Germein would be paying a similar rate.

Within some of the District's towns, rapid valuation increases on some properties resulted in Council forming the opinion that it was appropriate to provide relief to phase in what would amount to a substantial change in rates payable due to the rapid change in valuation. The specific measures adopted by Council to counteract these variabilities in increased values were to utilise differential rates within each of the towns.

### **Outside of Townships**

It is the case that a few high valued residential land use properties outside of townships are paying more than the 'average' property, thereby paying disproportionately more, as compared to the impact of services on their property values.

Council will again use the discretionary rebate provisions of the Local Government Act to reduce the rate burden on properties inside and outside of the townships and capping the maximum increase in general rates.

### **General Rates Model Report**

For the 2013/2014 financial year the following differential rates will apply to Non Township and Townships properties within each of the nine (9) categories as declared by the Valuer-General.

<b>Non Township</b>	<b>2013-14</b>
	<b>Forecast</b>
Category 1	123,598
Category 2 & 3	1,901
Category 4	70,491
Category 5 & 6	19,396
Category 7 & 8	1,092,096
Category 9	14,618
<b>Total Non Township</b>	<b>1,322,100</b>



<b>Townships</b>	<b>2013-14</b>
	<b>Forecast</b>
<b>Pt Germein</b>	
Category 1 - Res	143,400
Category 2 - Comm Shop	1,769
Category 4 - Comm - Other	1,890
Category 8 - Vacant	40,909
Category 9 - Other	0
	<b>187,968</b>
<b>Pt Flinders</b>	
Category 1 - Res	75,697
Category 8 - Vacant	52,510
	<b>128,207</b>
<b>Melrose</b>	
Category 1 - Res	71,404
Category 2 - Comm Shop	2,113
Category 3 - Comm Office	1,141
Category 4 - Comm - Other	13,242
Category 5 - Ind - Light	1,354
Category 7 - Ind Primary Prod	1,817
Category 8 - Vacant	10,802
Category 9 - Other	0
	<b>101,871</b>
<b>Wilmington</b>	
Category 1 - Res	101,486
Category 2 - Comm Shop	2,490
Category 4 - Comm - Other	3,928
Category 7 - Ind Primary Prod	420
Category 8 - Vacant	23,678
Category 9 - Other	787
	<b>132,787</b>
<b>Booleroo Centre</b>	
Category 1 - Res	96,066
Category 2 - Comm Shop	1,921
Category 3 - Comm Office	748
Category 4 - Comm - Other	9,010
Category 5 - Ind - Light	1,580
Category 6 - Ind - Other	2,404
Category 8 - Vacant	10,840
Category 9 - Other	1,722
	<b>124,291</b>

<b>Townships</b>	<b>2013-14</b>
	<b>Forecast</b>
<b>Wirrabara</b>	
Category 1 - Res	89,677
Category 2 - Comm Shop	1,651
Category 4 - Comm - Other	7,451
Category 6 - Ind - Other	1,050
Category 8 - Vacant	12,079
Category 9 - Other	858
	<b>112,765</b>
<b>Murray Town</b>	
Category 1 - Res	5,209
Category 2 - Comm Shop	415
Category 4 - Comm - Other	260
Category 8 - Vacant	1,539
Category 9 - Other	0
	<b>7,423</b>
<b>Appila</b>	
Category 1 - Res	4,413
Category 4 - Comm - Other	305
Category 8 - Vacant	4,655
Category 9 - Other	0
	<b>9,373</b>
<b>Hammond, Moockra, Bruce &amp; Willowie</b>	
Category 1 - Res	6,701
Category 4 - Comm - Other	3,901
Category 7 - Ind Primary Prod	0
Category 8 - Vacant	6,265
Category 9 - Other	309
	<b>17,175</b>
<b>Total Townships</b>	<b>821,859</b>
<b>Total Non Township &amp; Townships</b>	<b>2,143,960</b>

## Land Use Objections

The Council will provide, on request, a copy of Section 156 of the Act which sets out the rights and obligations of ratepayers in respect of objections to a land use.

The objection must be in writing and set out the basis for the objection and details of the land use that, in the objector's opinion, should be attributed to that property.

The Council may then decide the objection as it sees fit and notify the ratepayer. A ratepayer also has the right to appeal against the Council's decision to the Land and Valuation Court. Objections to the Council's decision may be lodged with Mr Wayne Hart, Chief Executive Officer, District Council of Mount Remarkable, PO Box 94, Melrose SA 5483.

It is important to note that the lodgement of an objection does not change the due date for payment of rates.

## **11.7 Separate Rates**

### **Hall Separate Rate**

During the 2003/2004 financial year the Council developed a proposal to impose a separate rate on a part of the Council area to raise funds to maintain the structural stability and improve the building maintenance program of district Halls within the townships of Appila, Booleroo Centre, Bruce, Hammond, Melrose, Murray Town, Port Germein, Willowie, Wilmington and Wirrabara.

The District Council of Mount Remarkable since its formation in 1980 had not previously declared a separate rate. However the significant shortfall in revenue required to respond to community needs and to adequately maintain the community infrastructure under its care and control prompted the Council to implement this proposal. The separate rate shifts responsibility from a few within the community to the whole of the community and does so in a manner that is open and accountable. For the 2013/2014 financial year the hall separate rate will be \$13.

Rebates comparable to those given on general rates must also be given on this separate rate.

### **Natural Resources Management (NRM) Levy (N.B. This is a State Government Levy)**

Councils are required, by the State Government, to collect an amount specified as the Northern & Yorke NRM Levy on all rateable properties. Collection occurs on behalf of the State Government via the Northern & Yorke NRM Board, which uses the funds to manage natural resources. The NRM Levy replaces the previous Water Catchment Levy (did not apply in the Mount Remarkable Council area), Soil Board Contributions, and the Animal & Pest Plant Contribution (previously included as a component of Council's budget).

The Northern & Yorke NRM Board has declared a total contribution of \$85k is to be raised by Council from this area. This will mean a fixed rate of \$38.50 per assessment for the 2013/2014 financial year. Council will continue with the approach utilised in the 2012/2013 financial year, namely declaring a Separate Rate on the site value of rateable property together with utilisation of a minimum amount payable in respect of the levy and the granting rebates of the levy for those properties whose calculated levy is greater than this minimum amount. Further discretionary rebates are also proposed to be granted to Single Farm Enterprise and contiguous properties.

Any queries relating to the NRM Levy should be directed to the Northern and Yorke Natural Resources Management Board, PO Box 175, Crystal Brook SA 5523, Phone: (08) 8636 2361 email: nynrm@bigpond.com

## **11.8 Service Charges**

The Council continues to raise revenue by means of service charges because of:

- the concept of user pays;
- the nature of the service;
- the cost to operate and maintain the service;
- the capital cost to establish the service;
- the cost to improve or replace the service;
- recognition that the value of a property is likely to be enhanced by the availability of the service, whether or not the service is actually being used.

Properties rebated from payment of general rates in part or in full, are not provided with a rebate on these service charges.

### **Community Wastewater Management Schemes**

The Council provides a Community Wastewater Management Scheme (CWMS) to all residential, commercial and vacant properties in Wilmington, Melrose and Booleroo Centre. The Council will recover the cost of servicing the construction loans, operating and maintaining these services for this financial year through the imposition of service charges for each occupied property unit and for each vacant allotment of \$412 in the 2013-2014 financial year.

*[Note: There will be no septic or sullage tank desludging in the 2013/2014 financial year].*

The charges were increased to the current levels over a period of time to comply with a sustainable pricing regime being promoted by the State Government and the Local Government Association. A move in this direction will ensure that the current Schemes, together with any future Schemes, receive appropriate State Government financial assistance and are sustainable financially in the longer term.

Details on what constitutes a service charge for each Property Unit, and other information about the Scheme, are available from the Council Office.

### **Waste Management**

In the 2013/2014 financial year, Council will continue to provide a weekly kerbside waste collection service and fortnightly recycling collection to the majority of the towns in the Council area and to the rural residential properties abutting the collection route.

The cost to operate these services is beyond Council's ability to absorb in general revenue and it would not be equitable to all ratepayers for them to do so. Council will therefore continue to recover the cost of these services through the imposition of a service charge of \$192.80 for the collection and disposal of domestic waste and the fortnightly collection and disposal of recycling. The service charge will apply to all occupied properties that have access to the service, regardless of whether or not the service is utilised. The exception is vacant land.

Where the service is available to non-rateable land, the charge is levied against that land. Where the service is made available after the declaration of rates, Section 188 of the Act permits Council to apply the charge pro rata against the remaining period of the financial year.

### **Port Flinders Water Supply**

The cost to operate the Port Flinders Water Supply is beyond Council's ability to absorb in general revenue and it would not be equitable to all ratepayers for them to do so. The Council will recover the cost of servicing the construction loans, operating and maintaining this services for this financial year through the imposition of a service charge of \$291.20 per annum on each assessment of land within the township of Port Flinders and pursuant to Section 155 of the Local Government Act 1999 declares a service charge of \$3.49 for each kilolitre of water supplied. These service charges apply to non-rateable land to which the service is made available.

## **11.9 Rate Concessions**

The State Government, in providing equity across SA, funds a range of concessions on Council rates. The concessions are administered by various State Agencies and SA Water Corporation who determine eligibility and pay the concession directly to Council on behalf of the ratepayer. Concessions are available only on the principal place of residence.

Ratepayers who believe they are entitled to a concession should not withhold payment of rates pending assessment of an application by the State Government as penalties apply to overdue rates. A refund will be paid to an eligible person if Council is advised that a concession applies and the rates have already been paid.

### **Pensioner Concessions**

An eligible pensioner must hold a Pension Card, State Concession Card or a Repatriation Health Card marked TPI Gold, EDA Gold or War Widow and may be entitled to a concession on Council rates (and water and effluent charges where applicable). Application forms, which include information on the concessions, are available from the Council, SA Water Corporation and its District Offices or the Department of Human Services. This concession is administered by SA Water on behalf of Department of Human Services and further information can be obtained by telephoning SA Water.

### **Self-Funded Retirees Concessions**

This is a concession that has been available since 1<sup>st</sup> July 2001 and is administered by Revenue SA. A self-funded retiree, currently holding a State Seniors Card, may be eligible for a concession on their 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 a week. If a concession on a rate notice has not been received or if further information is required, please contact the Revenue SA Call Centre on 1300 366 150.

### **Other Centrelink Beneficiaries**

Families SA administer other Council rate concessions that are available to a range of eligible persons receiving State and Commonwealth allowances. This includes, but is not limited to, ratepayers who are in receipt of: Austudy, Newstart, Parenting Payment, Partner Allowance, Sickness Allowance, Special Benefit, Widow Allowance, Youth Allowance, Abstudy, Commonwealth Development Employment Project (CDEP) or a New Enterprise Initiative Scheme.

It may also apply to ratepayers in receipt of a pension as a war widow under legislation of the United Kingdom or New Zealand and the holders of a State Concession Card issued by Children, Youth and Family Services. All enquiries should be directed to your nearest branch office of Children, Youth and Family Services (refer to the White Pages Upper North telephone directory for location and telephone details).

Families SA may assist with the payment of Council rates for a landowners principle place of residence (remissions are not available on vacant land or rental premises). Please contact your nearest Department of Children, Youth and Family Services Office for details.

### **Concession Guide**

RevenueSA provide a guide which gives an overview of the major concessions available to pensioners, Centrelink allowees, Seniors and other groups in SA. Copies of this guide can be obtained from the Council Office.

### **11.10 Quarterly Payment of Rates**

The Act provides that rates are payable in four quarterly instalments. The quarterly instalments must be approximately equal in value and a rate notice in relation to each instalment must be sent at least 30 days and no more than 60 days before payment is due. The due dates for instalments for 2013/2014 are:

- 27<sup>th</sup> September 2013;
- 13<sup>th</sup> December 2013;
- 14<sup>th</sup> March 2014;
- 13<sup>th</sup> June 2014.

### **11.11 Early Payment of Rates**

It is not mandatory for ratepayers to pay by quarterly instalments. Ratepayers may choose to pay the full amount of rates for the year but are advised that there is no discount offered for doing so.

### **11.12 Methods by Which Rates May Be Paid**

Council continues to provide a wide variety of payment methods, including:

- Internet: [www.mtr.sa.gov.au](http://www.mtr.sa.gov.au)
- Info-Pay Dial 1300 303 201 (No 4327)
- eCouncil Use Assessment Number on your rates notice
- BPay Biller Code 2253
- Post: PO Box 94, Melrose SA 5483
- In person at the office of the Council in Stuart Street Melrose between the hours of 9.00 am to 5:00 pm Monday to Friday
- Centrepay - Centrelink has developed a free bill paying service for customers receiving Centrelink payments, whereby fortnightly payments are directed into Council's bank account out of the Centrelink pension / benefit. Ratepayers can telephone or visit their nearest Centrelink Office to request a deduction form (SA 325).

Council also has EFTPOS facilities available.

The Council has adopted a policy that where the payment of rates will cause a ratepayer demonstrable hardship, the Council is prepared to make extended payment provisions or payments by deferred arrangement. Any ratepayer who may, or is likely to experience difficulty with meeting the standard payment arrangements is invited to contact the Chief Executive Officer at the Council Office to discuss alternative payment arrangements. All such inquiries are treated confidentially.

The Chief Executive Officer has a delegation to make alternative arrangements and it is not necessary that they be reported to Council.

### **11.13 Postponement of Rates for Seniors**

Recent changes to the Act allow eligible Senior Ratepayers to postpone a proportion of their Council rates each financial year commencing in 2007/2008 (there is a threshold amount of rates which cannot be postponed). The outstanding rates remain a charge on the property until it is sold or the Senior person no longer lives on the property or becomes ineligible to continue the postponement. For further information, please contact the Rates Officer at the Council office.

### **11.14 Late Payment of Rates**

The Local Government Act 1999 provides that Councils impose an initial penalty of 2.0 % on any payment of rates that is received late. A payment that continues to be late is then charged a prescribed interest rate on the expiration of each month that it continues to be late. For the 2013/2014 financial year this rate is 0.666 % per month.

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 30 days after the due date, unless alternative payment arrangements have been agreed with the Council, the debt may be referred to a debt collection agency for collection. The debt collection agency charges collection fees to the ratepayer.

When Council receives a payment in respect of overdue rates, it 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.

### **11.15 Remission and Postponement of Rates**

Section 182 of the 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 Chief Executive Officer at the Council Office on 8666 2014 to discuss the matter. Such inquiries are treated confidentially.

### **11.16 Rebate of Rates**

Rebates and remissions are a concession granted by the Council and the granting of such rebates redistribute the rate burden to other ratepayers, irrespective of whether the rebates are mandated by legislation or granted on a discretionary basis by the Council.

#### **Mandatory Rebates**

The Local Government Act 1999 requires Councils to rebate the rates payable for certain land uses. These include rebates of 100% for land being predominantly used for service delivery or administration by a hospital or health centre; containing a church or other building used for public worship; used for a cemetery.

The Recreational Grounds Rates and Taxes Exemption Act 1981 also provides for rebates on land and various other legislation makes provision for rate rebates, for example the National Trust Act; and the Native Vegetation Act.

#### **Discretionary Rebates**

Pursuant to Section 166 of the Act, the Council may in its absolute discretion grant a rebate of rates or service charges in any of the following cases:

- where it is desirable for the purpose of securing the proper development of the area (or a part of the area);
- where it is desirable for the purpose of assisting or supporting a business in its area;
- where it will be conducive to the preservation of buildings or places of historic significance;
- where the land is being used for educational purposes;
- where the land is being used for agricultural, horticultural or floricultural exhibitions;
- where the land is being used for a hospital or health centre;

- where the land is being used to provide facilities or services for children or young persons;
- where the land is being used to provide accommodation for the aged or disabled;
- 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;
- 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;
- where the rebate relates to common property or land vested in a community corporation under the Community Titles Act over which the public has a free and unrestricted right of access and enjoyment; and
- 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.

In exercising this general power, Council is able to pursue policy objectives and provide assistance to local community groups such as:

- Booleroo Centre & District Hospital
- Port Germein Village Project Association
- Booleroo Centre Lions Club
- Port Germein Progress Association
- Mount View Homes
- Murray Town Progress Association
- Wirrabara Progress Association
- Wilmington Progress Association
- Wilmington Rodeo Club
- as well as local businesses and residential use landowners experiencing above normal increases in rates that result from property valuation ‘spikes’.

The impact of the property boom has seen some valuations experience large increases. When certain ‘pockets’ of our community experience high valuation increases it can cause a redistribution of the Council rates burden. Experience from the last few years has seen some property owners levied much more than the average increase in rates.

Council may apply specific rebate measures in an attempt to counteract this variability in increased values. In this way, Council has done all it can to mitigate the effect of the increases on those who had less capacity to pay. It is also a requirement of the Act that a comparable rebate also be given to any other rate - therefore an amount is also rebated on the Hall separate rate and an amount on the Natural Resources Management Levy (separate rate).

### **11.17 Sale of Land for Non-Payment of Rates**

The Act provides that a Council may sell any property where the rates have been in arrears for three years or more. The Council is required to notify the owner of the land of:

- its intention to sell the land;
- details of the outstanding amounts;
- Council’s intention to sell the land if payment of the outstanding amount is not received within one month.

Except in extraordinary circumstances, Council enforces the sale of land for arrears of rates.

## Appendix A – Explanation of Uniform Presentation of Finances

UNIFORM PRESENTATION OF FINANCES	2011-12 Actual \$'000	2012-13 Forecast \$'000	2013-14 Budget \$'000
Income			
less Expenses			
<b>Operating Surplus / (Deficit)</b>	-	-	-
<b>Less: Net Outlays on Existing Assets</b>			
Capital Expenditure on Renewal / Replacement of Existing Assets			
less Depreciation, Amortisation and Impairment Expenses			
less Proceeds from Sale of Replaced Assets			
<b>Net Outlays on Existing Assets</b>	-	-	-
<b>Less: Net Outlays on New and Upgraded Assets</b>			
Capital Expenditure on New / Upgraded Assets			
less Amounts received specifically for New / Upgraded Assets			
less Proceeds from Sale of Surplus Assets			
<b>Net Outlays on New and Upgraded Assets</b>	-	-	-
<b>Net Lending / (Borrowing) for Financial Year</b>	-	-	-

### Explanation / Examples of Components of Uniform Presentation of Finances

*Operating Revenue and Expenditure:* Represent the totals from the relevant lines of the Statement of Comprehensive Income (operating statement) for the year being reported on.

*Capital Expenditure on renewal and replacement of Existing Assets:* e.g. Roads reseals, replacement tractor, building renovations, replacement computer hardware.

*Proceeds from sale of replaced assets:* e.g. trade in value of a tractor or motor vehicle being replaced.

*Capital Expenditure on New & Upgraded Assets:* e.g. constructing a new building, constructing a new catchment pond, purchasing a piece of machinery that was not previously on hand.

*Amounts specifically for new or upgraded Assets:* e.g. Capital grants to partly fund a new CWMS, funds received to build new footpaths that did not previously exist.

*Proceeds from Sale of Surplus Assets:* Proceeds from the sale of a council building that was no longer required, sale of surplus land.



## **New / Upgraded vs Renewal / Replacement of Assets**

The following definitions have been obtained from the South Australian Local Government Model Financial Statements (see <http://www.lga.sa.gov.au/site/page.cfm?u=769#e4291> ).

A *new asset* is additional to Council's previous asset complement.

E.g. Roads constructed as part of a Council owned subdivision are new assets. Similarly laying footpaths in areas where they did not previously exist are also new assets.

An *upgraded asset* replaces a previously existing asset with enhanced capability or functionality.

*Renewal or replacement* of an asset occurs where a previously existing asset is replaced without enhancement of the service capability except where this is incidental and unavoidable.

It is possible for capital expenditure to be a *combination of renewal as well as upgrade*. This is particularly prevalent in this Council region due to the increased volume of B-double traffic experienced in recent times. This has required existing roads to be rebuilt to higher standards.

E.g. the replacement of a road that was initially was a 6 metre wide sheeted surface with an 8 metre width sheeted surface can be considered part replacement and part upgrade.

The important point to understand is that if Council is not able to replace its existing assets in a timely manner then new assets should not be built unless essential. By building new assets Council is effectively building new liabilities as the assets usually don't generate revenue (e.g. roads) cannot be sold and will need to be maintained and eventually replaced.

## Appendix B - Statutory Statements

OPERATING STATEMENT	Note	Forecast 2013	Budget 2014	Variance
		\$,000	\$,000	\$,000
<b>INCOME</b>				
Rates		2,588	2,731	143
Statutory Charges		66	67	1
User Charges		568	617	49
Grants & Subsidies		3,310	3,818	508
Investment Income		238	238	0
Reimbursements		276	281	5
Other Revenues		202	178	(23)
<b>Total Operating Income</b>		<b>7,247</b>	<b>7,931</b>	<b>684</b>
<b>EXPENDITURE</b>				
Employee Costs		1,807	2,229	422
Materials, Contracts & Other Expenses		3,212	3,133	(79)
Finance Charges		44	44	0
Depreciation		2,101	2,331	230
<b>Total Operating Expenditure</b>		<b>7,164</b>	<b>7,737</b>	<b>573</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>83</b>	<b>194</b>	<b>111</b>
Gain/Loss on disposal & fair value adjustments		0	0	0
Amounts specifically for new or upgraded assets		0	724	724
Physical resources received free of charge		0	0	0
<b>NET SURPLUS / (DEFICIT)</b>				
transferred to Equity Statement		<b>83</b>	<b>918</b>	<b>835</b>

<b>BALANCE SHEET</b>	<b>Forecast 2013</b>	<b>Budget 2014</b>
	<b>\$,000</b>	<b>\$,000</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash & Cash Equivalents	7,553	5,653
Trade & Other Receivables	689	689
Inventories	33	33
<b>Total Current Assets</b>	<b>8,276</b>	<b>6,375</b>
<b>NON-CURRENT ASSETS</b>		
Financial Assets	80	80
Infrastructure, Property, Plant & Equipment	74,642	77,460
<b>Total Non-Current Assets</b>	<b>74,722</b>	<b>77,540</b>
<b>TOTAL ASSETS</b>	<b>82,997</b>	<b>83,915</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Trade & Other Payables	2,123	2,123
Borrowings	154	154
Short Term Provisions	122	122
<b>Total Current Liabilities</b>	<b>2,399</b>	<b>2,399</b>
<b>NON-CURRENT LIABILITIES</b>		
Long Term Borrowings	466	466
Long Term Provisions	43	43
<b>Total Non-Current Liabilities</b>	<b>509</b>	<b>509</b>
<b>TOTAL LIABILITIES</b>	<b>2,908</b>	<b>2,908</b>
<b>NET ASSETS</b>	<b>80,089</b>	<b>81,007</b>
<b>EQUITY</b>		
Accumulated Surplus	27,825	28,742
Asset Revaluation Reserve	51,781	51,781
Other Reserves	484	484
<b>TOTAL EQUITY</b>	<b>80,089</b>	<b>81,007</b>

STATEMENT OF CASH FLOWS	Forecast 2013	Budget 2014
	\$,000	\$,000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Receipts</b>		
Operating Receipts	7,247	7,693
Investment Receipts	238	238
<b>Payments</b>		
Operating Payments to Suppliers & Employees	5,177	5,222
Finance Payments	44	44
<b>Net Cash provided by (or used in) Operating Activities</b>	<b>2,263</b>	<b>2,664</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>Receipts</b>		
Grants Specifically for new or upgraded assets	0	724
Sale of replaced Assets	349	398
Sale of surplus Assets	0	0
<b>Payments</b>		
Expenditure on renewal/replaced assets	1,607	3,130
Expenditure on new/upgraded assets	244	2,417
Loans made to community groups	0	0
<b>Net cash provided by (used in) Investing Activities</b>	<b>(1,502)</b>	<b>(4,425)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>Receipts</b>		
Proceeds from Borrowings	0	0
<b>Payments</b>		
Repayment of Borrowings	154	140
<b>Net Cash Provided by (Used in ) Financing Activities</b>	<b>(154)</b>	<b>(140)</b>
<b>Net Increase / Decrease in Cash</b>	<b>608</b>	<b>(1,900)</b>
Cash and Cash Equivalents at start of reporting period	7,025	7,633
<b>Cash &amp; Cash Equivalents at the end of the reporting period</b>	<b>7,633</b>	<b>5,732</b>

STATEMENT OF EQUITY	Forecast 2013	Budget 2014
	\$,000	\$,000
<b>ACCUMULATED SURPLUS</b>		
Balance at end of previous reporting period	27,742	27,825
Net Result for Year	83	918
Transfer from Reserves	0	0
Transfer to Other Reserves	0	0
<b>Balance at end of period</b>	<b>27,825</b>	<b>28,742</b>
<b>ASSET REVALUATION RESERVE</b>		
Balance at end of previous reporting period	51,781	51,781
Gain on Revaluation of Property Plant & Equipment	0	0
<b>Balance at end of period</b>	<b>51,781</b>	<b>51,781</b>
<b>OTHER RESERVES</b>		
Balance at end of previous reporting period	484	484
Transfers from Accumulated Surplus	0	0
Transfers to Accumulated Surplus	0	0
<b>Balance at end of period</b>	<b>484</b>	<b>484</b>
<b>TOTAL EQUITY AT END OF REPORTING PERIOD</b>	<b>80,089</b>	<b>81,007</b>