



District Council of Mount Remarkable

Annual Business Plan and Annual Budget for the Financial Year Ending 30th June 2015

TABLE OF CONTENTS

<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 2014/2015</i>	<i>12</i>
<i>8. Grant Funding</i>	<i>14</i>
<i>9. Funding the Business Plan</i>	<i>14</i>
<i>10. Uniform Presentation of Council Finances</i>	<i>15</i>
<i>11. Rating Arrangements 2014/2015</i>	<i>16</i>
 <i>Appendix A – Explanation of Uniform Presentation of Finances</i>	 <i>24</i>
<i>Appendix B - Statutory Statements</i>	<i>26</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 2014/2015 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 replacement, acquisition or enhancement of assets. The Annual Business Plan and Annual 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 a submission template that is available on Councils website or via email or letter to the Chief Executive Officer.

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 Act 1999 and other relevant legislation.

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 2014/2015 Council intends to further develop its Long-Term Financial Plan, review its Strategic Plan and finalise its 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 30th June 2015.

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 \$189k 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 123% for the year ending 30th June 2015. This means that Council is spending more than the depreciation expenses on asset renewal. This reflects an accelerated capital roads works program with the intention of addressing 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 30th June 2015:

Calculation of Net Financial Liabilities

	Estimated 30th June 2015 \$000
Gross Borrowings	466
Less: Cash and investments	3,911
Equals: Net debt	(3,444)
Add: Trade and other payables	1,072
Add: Provisions for employee entitlements	164
Less: Trade and other receivables	689
Equals: Net financial liabilities	(2,897)
Net Financial Liabilities Ratio	(44%)

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%.

Net Financial Liabilities of (\$2.9M) indicates that Council has sufficient capacity to undertake an accelerated capital expenditure program should the finalised 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 123% is slightly higher than the range the local government sector usually operates within, however this reflects a continuing 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 2014/2015 Annual Business Plan. These include:

- the Federal Government abolishing the Supplementary Local Roads Grant funding for South Australia which will mean the loss of around \$160k to Council per annum;
- the Federal Government decision to freeze the indexation on the local government Financial Assistance Grants (FAGs) for the next 3 financial years will mean the loss of around \$60k to Council this year. The loss will compound each year and set a net lower base in 2017/2018;
- Consumer Price Index increases on existing goods and services;
- State & Commonwealth grant funding not keeping pace with the increase in associated service delivery costs;
- Enterprise Bargaining Agreement which provides 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;
- the need to deliver a higher asset replacement ratio to catch-up on under-spend in past years
- service delivery needs of the community;
- facilitating the future financial sustainability of Council by ensuring the financial operations remain within targets adopted for such purpose;
- provision of sufficiently qualified experienced and trained staff to meet service delivery demands.
- No Prepayment of FAGs as per previous years;
- The ongoing impact of fire and flood damage incurred in 2013/2014;
- The expected rises in costs goods and services due to higher fuel prices;
- The as yet unknown ramifications of the Williams1 and Williams2 Cases.

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, swimming pool and sporting grounds;
- community development;
- tourist and historical venues, caravan parks, museum and sites;
- parks and gardens, rail trails;
- community health initiatives;
- Melrose Licenced Post Office.

6. Capital Expenditure - Project Priorities for the 2014-2015

Project	Budget 2014-15	Comment
	\$,000	
<i>Capital Expenditure on Replaced Assets:</i>		
Furniture & Equipment		
Folding Machine	2	
Total Furniture & Equipment	2	
Buildings		
Caravan Park	25	Toilets & Air-Conditioner
Public Toilets Upgrade	7	
Playground	10	Replace playground pieces. Costing to be refined
Total Buildings	42	
Plant and Equipment - Gross		
2 x (Dual Cab 4WD) Utilities	75	Estimated Trade in Value \$24k
Compactor Wheels	20	
Sign Trailer	4	
Combination Roller Rebuild	15	
Wacker Foot	3	
Vibe Plate	3.5	
Lawn Edger	1	
Post Hole Digger	2	
2 x Northern Passenger Transport Vehicles	50	Estimated Trade in Value \$20k
Total Plant and Equipment	174	
Roads - Category 1		
Pine Creek Road	276	9.2km resheet
Stone Creek Road	75	2.5km resheet
Gladstone Road	210	7.0km resheet
Poles Road	150	5.0km resheet
Survey Road	222	7.4km resheet
Seymour Road	39	1.3km resheet
Total Roads – Category 1	972	
<i>Other</i>		
Morchard Road	16	Culvert & Pipe
Amyton Creek	15	
Nott Street	8	(drain near tennis court)
Joes Road	40	Combination reseal and construction & seal up to Monument
Melrose Caravan Park Entrance	10	
High St - Wirrabara	190	500m Between Radiata St & Casuarina St. Kerb, Gutter, Footpath, resheet & drainage

Project	Budget 2014-15	Comment
Dickson Road	170	Replace 3 floodways
Wilmington Kerb Repairs - Dunn St	14	Kerbing
Weeroona Island Drainage	50	First stage of engineers report
Air strip driveway	6	Construction & Seal
Total Other	519	
<i>Reseals</i>		
Winterhude St, Port Germein	35	Pedersen St to Esplanade
Favell St, Port Germein	8	Winterhude St to Mozart St
Pedersen St, Port Germein	14	High St to Baroota Tce
Rydberg St, Port Germein	39	Pedersen St to Esplanade
Kopenhagen St, Port Germein	8	Karpfaenger St to Rydberg St
Forrest Rd, Wirrabara	72	Hollitt Rd to western end
Callistemon St, Wirrabara	17	Radiata St to Casuarina St
East Tce, Wirrabara	12	South Tce to Radiata St
West Tce, Wirrabara	10	South Tce to 145m north
West Tce, Wirrabara	5	157m north South Tce to Radiata St
Challinger St Melrose	11	Nott Street to Brewery St
Alligator Gorge Rd	43	2307 to 3013m west Horrocks Hwy
Alligator Gorge Rd	24	3013 to 3411 west of Horrocks Hwy
Total Reseals	300	
<i>Roads to Recovery Project</i>		
Nth Flinders Tce - Weeroona Island	350	1.1km full construction and seal
Total Roads and Footpaths	2,141	
<i>Infrastructure</i>		
Radio Tower Upgrade	20	
Pt Germein Foreshore Redevelopment	20	Carried forward from 2014 (includes \$10k grant income carried forward into 2015)
Wilmington Main Street Redevelopment	100	Carried forward from 2014 (includes \$50k grant income carried forward into 2015)
Access Trails	30	First stage of upgrade
Total Infrastructure	170	
<i>Total Capital Expenditure on Replaced Assets:</i>	2,529	

Project	Budget 2014-15	Comment
	\$,000	
<i>Capital Expenditure on New Assets</i>		
New Website	20	
Weeroona Island Boat Launching Facility	704	Works delayed in 2013-2014 due to environmental matters, carried forward \$704 (includes \$355k from SABFAC)
Waste Transfer Stations Wirrabara & Port Germein	60	
Willowie Landfills Cells	450	Increased cell capacity + \$250k carried forward from 2013-2014, delay in construction due to EPA reporting requirements
	1234	
<i>Infrastructure</i>		
Booleroo Centre Playground and Swimming Pool	100	Carried forward from 2014 (includes \$50k grant income carried forward into 2015)
Total Infrastructure	100	
Plant and Equipment - Gross		
Semi Prime mover with Side Tipper	365	
Administration Vehicle	40	Funded by 2 trade-ins from concluded programs
Total	405	
<i>Total Capital Expenditure on New Assets</i>	1,739	
Total Capital Expenditure	4,268	

7. Non-Financial Performance Measures

7.1 Targets and Outcomes - 2013/2014 Measures

The following table shows the 2013-2014 non-financial performance measure targets and outcomes for the financial year ended 30 June 2014:

2013 – 2014 Target	2013-2014 Outcome
Re-sheet 30kms of unsealed roads	30kms of unsealed roads resheeted: <ul style="list-style-type: none"> • 6.4kms Morchard Rd • 11kms Booleroo Rd • 4.2kms Survey Rd • 8.4kms Dickson Rd + Culverts
Reseal 4kms of town roads	4kms of town roads resealed : Wilmington – <ul style="list-style-type: none"> • Alligator Gorge Rd • Pinda Tce • Tuckwell St • Angas Tce • Dunn St Booleroo Centre – <ul style="list-style-type: none"> • Borgas St, • White Cliffs Rd • Stephen St • Avice St • Booleroo Rd
Reshape and bitumen seal 3.5km on Top Track	3.5km of Top Track completed
Full construction and bitumen seal 7.6kms of the Booleroo to Pekina Road	Rain affected - Expected completion by August 2014
Full construction and bitumen seal 1.1kms town roads – Wirrabara, Melrose	<ul style="list-style-type: none"> • Knott St Melrose completed Rain delayed expected completion July 2014 <ul style="list-style-type: none"> • Crewes Rd Wirrabara • Brewery St Melrose
Continue with plans for the introduction of a Wirrabara CWMS	Plans for progressed with public consultation expected in 2014
Finalise Phase 1 of the Port Flinders Boat Launching Facility	Tenders closed for works for Phase 1 and part of Phase 2
Build Storage Area at Melrose Institute	Completed
Finalise works at the Council Dog Pound	All works completed with air-conditioning being installed in July 2014.
Form and bitumen seal Booleroo Centre Airstrip apron	Completed
Investigate construction of a new cell at the Willowie Land Fill	Completed
Implement Council E-Waste Strategy	E-Waste Strategy implemented
Undertake rehabilitation works at closed rubbish dumps at Port Germein and Wirrabara	Rehabilitation works commenced – completion in 2014-2015
Redevelopment of the Port Germein Foreshore	Works well advanced (including Goods Shed) – expected completion August 2014
Develop a Drainage Plan for Port Flinders (now Weeroona Island)	Completed
Regional Video Conferencing Project	Council is participating in the new Pilot Video Conferencing Project – LGA tenders finalised
Continued delivery of the Opal Program	Delivered in 2013-2014 – Funding cut in 2015 Federal Govt budget

Continue delivery of the Healthy Communities Initiative	Delivered in 2013-2014 – HCI program ends September 2014
Develop Council Asset Management Plan	Asset Management Plan awaiting final independent revaluation of assets and roads data
Develop Council Long Term Financial Plan	Draft LTFP developed; amendments required with changes to Federal and State budgets, for consideration.
Review Council's Strategic Plan	Deferred until after Council elections in Nov 2014. New Health Plan nearing final draft for consideration.
Finalise Phase 1 Work Health Safety Implementation Plan	All One System Policies and Procedures developed and adopted
Finalise Enterprise Bargaining Agreement	Enterprise Bargaining Agreement finalised and registered
Develop Control Registers	17 Control Registers were reviewed or developed and implemented (ongoing)
Commence a review of all Council policies and procedures	Council developed and adopted 7 policies and 24 procedures for Work Health Safety, as well as 17 major governance policies and procedures.

7.2 Proposed 2014/2015 Measures

The following proposed non-financial performance measures for the 2014-2015 financial year are linked to *Our 2020 Vision*, District Council of Mount Remarkable Strategic Management Plan 2008 – 2020, namely:

- Re-sheet 31kms of unsealed roads
- Reseal 4.7kms of town roads – Wirrabara, Port Germein, Wilmington
- Full construction and bitumen seal 1.1kms town road – Weeroona Island
- Continue with plans for the introduction of a Wirrabara CWMS
- Finalise Phase 1 and 2a of the Weeroona Island Boat Launching Facility
- Complete the construction of a new cell at the Willowie Land Fill
- Finalise rehabilitation works at closed rubbish dumps at Port Germein and Wirrabara
- Finalise the Phase 1 redevelopment of the Port Germein Foreshore
- Implement Phase 1 of the Drainage Plan for Weeroona Island
- Trial and evaluate Regional Video Conferencing Pilot Program
- Continue delivery of the Healthy Communities Initiative (concludes Sept 2014)
- Finalise Council Asset Management Plan
- Finalise Council Long Term Financial Plan
- Review Council's Strategic Plan (with newly elected Council)
- Phase 2 Work Health Safety Implementation Plan
- Continue to develop further Control Registers
- Continue the review Council policies and procedures
- Finalise Stimulus Package projects:
 - Booleroo Centre Playground
 - Wilmington Main Street
 - Port Germein Foreshore
- Upgrade Radio Tower to enhance radio communication
- Seal entrance driveway to Booleroo and District Airstrip

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 2014/2015 budget assumes that four quarterly instalments of Federal Government Financial Assistance Grants (FAGs) (both general purpose and local roads components), will be received during 2014/2015.

It also assumes the abolition of the South Australian Supplementary Local Roads funding and the freezing of indexation on the FAGs for the next 3 financial years, announced in the 2014-2015 Federal Government Budget. These cuts will affect all councils and hit hardest on the smaller rural councils such as ours.

Specific Purpose Grants

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

Northern CPN Review	\$ 18k
DCSI/HACC	\$173k
Youth Activities	\$ 7k
Healthy Communities	\$ 36k
Stimulus Packages Projects	\$110k
Other	\$ 6k

Roads to Recovery & Financial Assistance 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.

Expected Grant Funding	Amount
General Purpose (Grants Commission)	1,685k
Local Roads (Grants Commission)	355k
Supplementary Local Roads funding (Abolished by Federal Government)	0k
Roads to Recovery	265k
Other Grants	350k
Total Grant Funding	2,655k

9. Funding the Business Plan

An operating surplus of \$189k is being targeted in 2014/2015. The operating surplus 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 2014/2015 includes \$2.9M proposed to be raised from general rates and service charges. This is based on an increase of 5%. 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).

	Forecast 2013-2014	Budget 2014-2015
	\$000	\$000
<i>Section 1:</i>		
Operating Revenue	8,064	6,632
less Operating Expense	(7,577)	(6,444)
Operating Surplus / (Deficit) before Capital Amounts	487	189
<i>Section 2:</i>		
less Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	3,123	2,529
less Depreciation, Amortisation & Impairment	(2,364)	(2,023)
less Proceeds from Sale of Replaced Assets	(240)	(44)
	519	462
<i>Section 3:</i>		
less Net Outlays on New & Upgraded Assets		
Capital Expenditure on New & Upgraded Assets	2,691	1,739
less Amounts specifically for new or upgraded Assets	(148)	(355)
less Proceeds from Sale of Surplus Assets	0	0
	2,543	1,384
<i>Section 4:</i>		
Net Lending/ (Borrowing) for Financial year	(2,574)	(1,657)

The above data indicates that Council will use \$1.657M 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 2014/2015

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;
- 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.

A review should be undertaken periodically as the most appropriate rating system for a council may vary over time as changes occur in its area, including as a result of:

- A change in the mix of properties, for example as a result of development;
- A change in the mix of council services; and
- Significant changes in relative value between different classes of property.

Council conducted a review of its basis of rating to ensure that the rating methodology it applies generates equitable outcomes for all classes of ratepayers. The review focussed on what share of total rate revenue will be collected from different types of properties (for example commercial, industrial, primary production and residential) and of different relative values (high or low).

Council endorsed a Consultation Paper to go to public consultation in accordance with Council's Public Consultation Policy which called for written submissions over a 21 day period closing on 3 July 2014. In particular Council sought feedback from the community on:

- the use of capital values as opposed to site values as the basis of rating; and

- the system of differential rates. This paper was also presented at two (2) public meetings on 3 and 7 July 2014 where questions were asked and answered, and feedback noted.

Following a review of submissions and the comments of the Council Audit Committee, Council resolved at its August 2014 Ordinary Meeting to adopt:

- Converting from site value to capital value based rating;
- Using land use Council-wide as the basis of differential rating;
- Maintaining a fixed charge when implementing changes to the basis of rating;
- Using a common rate for all properties Council-wide; and
- Maintaining a rating cap to limit the annual rates increases.

11.3 Adoption of Valuations

Council is proposing to adopt the valuations made by the Valuer-General and provided to the Council in June 2014 (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

Telephone: 1300 653 345

The 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.

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 2014/2015 financial year, Council is raising general rate and service charge revenue of \$2.9M.

11.5 Fixed Charge

The Council is proposing to continue to impose a fixed charge system, rather than a minimum rate. This financial year the fixed charge will be \$262.50. 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;

11.6 Differential General Rates

The differential general rates pursuant to Section 156(1) (a) of the Local Government Act 1999 were declared by Council as 0.3218 cents in the dollar; and

11.7 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.

11.8 Separate Rates

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 to be raised by Council from this area of \$86k. This will mean a fixed rate of \$39.00 per assessment for the 2014/2015 financial year. 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, Unit 2/17 Lennon Street Clare SA 5453, Phone: (08) 8841 3400 email: DEWNR.NYNRBoard@sa.gov.au, web www.nynrm.sa.gov.au.

11.9 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 \$434 in the 2014/2015 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.

There will be a septic or sullage tank desludging undertaken on all CWMS properties in the 2014/2015 financial year.

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 2014/2015 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 \$203.50 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.

Weeroona Island 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 \$298.70 per annum on each assessment of land within the township of Weeroona Island and pursuant to Section 155 of the Local Government Act 1999 and declares a service charge of \$3.59 for each kilolitre of water supplied. These service charges also apply to non-rateable land to which the service is made available.

11.10 Rate Concessions

The State Government, in providing equity across SA, has funded 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.

It is reported that the State Government has agreed to provide reimbursements for concessions to Councils for the 2014-2015 year only. This will be a factor for Council to consider in future years.

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 1st 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

Revenue SA 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.

11.11 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 2014/2015 are:

- 27 September 2014;
- 13 December 2014;
- 14 March 2015;
- 13 June 2015.

11.12 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.

11.13 Methods by Which Rates May Be Paid

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

- Internet: 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.

11.14 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.

11.15 Late Payment of Rates

The Local Government Act 1999 provides that Councils impose an initial penalty of 5.0 % 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 each financial year this rate is determined by the Local Government Association Cash Advance Debenture Rate.

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.

11.16 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.

11.17 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’.

11.18 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	2013-14 Forecast \$'000	2014-15 Budget \$'000
Income		
<i>less</i> Expenses		
Operating Surplus / (Deficit)	-	-
Less: Net Outlays on Existing Assets		
Capital Expenditure on Renewal / Replacement of Existing Assets		
<i>less</i> Depreciation, Amortisation and Impairment Expenses		
<i>less</i> Proceeds from Sale of Replaced Assets		
Net Outlays on Existing Assets	-	-
Less: Net Outlays on New and Upgraded Assets		
Capital Expenditure on New / Upgraded Assets		
<i>less</i> Amounts received specifically for New / Upgraded Assets		
<i>less</i> Proceeds from Sale of Surplus Assets		
Net Outlays on New and Upgraded Assets	-	-
Net Lending / (Borrowing) for Financial Year	-	-

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 a 6 metre wide sheeted surface with an 8 metre wide 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	Forecast 2013-2014	Budget 2014-2015	Variance
	\$,000	\$,000	\$,000
INCOME			
Rates	2,762	2,906	145
Statutory Charges	63	64	1
User Charges	559	570	11
Grants & Subsidies	4,116	2,655	(1,460)
Investment Income	215	206	(10)
Reimbursements	105	92	(13)
Other Revenues	243	138	(105)
Total Operating Income	8,064	6,632	(1,432)
EXPENDITURE			
Employee Costs	1,790	2,212	422
Materials, Contracts & Other Expenses	3,388	2,165	(1,224)
Finance Charges	34	45	11
Depreciation	2,364	2,023	(341)
Total Operating Expenditure	7,577	6,444	(1,133)
OPERATING SURPLUS/(DEFICIT)	487	189	(299)
Gain/Loss on disposal & fair value adjustments	0	0	0
Amounts specifically for new or upgraded assets	148	355	207
Physical resources received free of charge	0	0	0
NET SURPLUS / (DEFICIT) transferred to Equity Statement	635	544	(92)

BALANCE SHEET	Forecast 2013-2014	Budget 2014-2015	Variance
	\$,000	\$,000	\$,000
ASSETS			
CURRENT ASSETS			
Cash & Cash Equivalents	5,488	3,831	1,657
Trade & Other Receivables	689	689	0
Inventories	33	33	0
Total Current Assets	6,211	4,554	1657
NON-CURRENT ASSETS			
Financial Assets	80	80	0
Infrastructure, Property, Plant & Equipment	77,259	78,256	-996
Total Non-Current Assets	77,339	78,335	-996
TOTAL ASSETS	83,550	82,889	661
LIABILITIES			
CURRENT LIABILITIES			
Trade & Other Payables	2,123	1,072	1,050
Borrowings	154	154	0
Short Term Provisions	122	122	0
Total Current Liabilities	2,399	1,348	1,050
NON-CURRENT LIABILITIES			
Long Term Borrowings	466	312	154
Long Term Provisions	43	43	0
Total Non-Current Liabilities	509	355	154
TOTAL LIABILITIES	2,908	1,703	1,204
NET ASSETS	80,642	81,186	-544
EQUITY			
Accumulated Surplus	28,861	29,405	-544
Asset Revaluation Reserve	51,781	51,781	0
Other Reserves	0	0	0
TOTAL EQUITY	80,642	81,186	-544

STATEMENT OF CASH FLOWS	Forecast 2013-2014	Budget 2014-2015
	\$,000	\$,000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts		
Operating Receipts	7,848	6,427
Investment Receipts	215	206
Payments		
Operating Payments to Suppliers & Employees	5,178	4,376
Finance Payments	34	45
Net Cash provided by (or used in) Operating Activities	2,851	2,211
CASH FLOWS FROM INVESTING ACTIVITIES		
Receipts		
Grants Specifically for new or upgraded assets	148	355
Sale of replaced Assets	240	44
Sale of surplus Assets	0	0
Payments		
Expenditure on renewal/replaced assets	3,123	2,529
Expenditure on new/upgraded assets	2,691	1,739
Net cash provided by (used in) Investing Activities	(5,426)	(3,869)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts		
Proceeds from Borrowings	0	0
Payments		
Repayment of Borrowings	0	0
Net Cash Provided by (Used in) Financing Activities	0	0
Net Increase / Decrease in Cash	(2,574)	(1,657)
Cash and Cash Equivalents at start of reporting period	8,063	5,488
Cash & Cash Equivalents at the end of the reporting period	5,488	3,831

STATEMENT OF EQUITY	Forecast 2013-2014	Budget 2014-2015
	\$,000	\$,000
ACCUMULATED SURPLUS		
Balance at end of previous reporting period	28,226	28,861
Net Result for Year	635	544
Transfer from Reserves	0	0
Transfer to Other Reserves	0	0
Balance at end of period	28,861	29,405
ASSET REVALUATION RESERVE		
Balance at end of previous reporting period	51,781	51,781
Gain on Revaluation of Property Plant & Equipment	0	0
Balance at end of period	51,781	51,781
OTHER RESERVES		
Balance at end of previous reporting period	0	0
Transfers from Accumulated Surplus	0	0
Transfers to Accumulated Surplus	0	0
Balance at end of period	0	0
TOTAL EQUITY AT END OF REPORTING PERIOD	80,642	81,186