



# 2015/2016 Annual Business Plan



*Creating a better future  
with pride*

## **Community Engagement Process**

The community were invited to make submissions about this plan in writing and these closed on Friday 15 May 2015.

Submissions could be lodged on-line, by email or in writing. Media releases, legislative advertisements, social media, emailed newsletters, website & Council's Facebook page were all used in the community engagement process.

All submissions were subject to a report to Council which was made available to the public.

At the close of the engagement process, five (5) written submissions were received. No people making submissions sought to be heard by Council at its special meeting held on Tuesday 26 May 2015.

Two members of the public attended the special council meeting.

<b>Introduction by Mayor Cr Neville Jaensch</b>	<b>2</b>
<b>Elected Members</b>	<b>3</b>
<b>Coorong District Council</b>	<b>4</b>
<b>Vision, Mission &amp; Core Values</b>	<b>5</b>
<b>2012 - 2016 Strategic Management Plan Goals &amp; Strategies</b>	<b>6</b>
<b>Significant Influences &amp; Priorities</b>	<b>14</b>
<b>Council's Services</b>	<b>17</b>
<b>Capital Works Program</b>	<b>18</b>
<b>Strategic Projects</b>	<b>22</b>
<b>Funding the Annual Business Plan</b>	<b>23</b>
<b>Summary Financial Statement</b>	<b>25</b>
<b>Rates Revenue for 2015/2016</b>	<b>30</b>

---

## Introduction

---



*Cr Neville Jaensch  
Mayor*



*Vincent Cammell  
Chief Executive Officer*

*“The past 12 months have been an exciting time of change for the region.”*

The past 12 months has been an exciting time of change for the region with many new initiatives which are set to bring increased prosperity to our district and herald a bright new future.

Council has been pleased to see the progress of the \$80m Taillem Bend Motor Sport Park development which will create many new jobs and bring visitors into the region on a regular basis.

Economic development is a key driver for the future and current projects have the capacity to value-add to the Motor Sport Park. Council is working with communities throughout the region to maximise opportunities for all towns in the Coorong district in an holistic approach to long term sustainability.

2014 saw the long awaited opening of the new Civic Centre in Taillem Bend. This is fast becoming a thriving community asset with facilities for meetings and other activities.

The development of the Civic Centre Art Gallery is another achievement of which we should all be proud. Regional artists now have a venue for display and sale of art works. The gallery is open to visitors five days a week when the Civic Centre is open.

Local Government elections last year saw some changes in the makeup of the council and we farewelled former Mayor Cr. Roger Strother and former Crs Jeff Klietscher, Andrew Dawes and Locky McKinna and the community thanks them for their service over the past years.

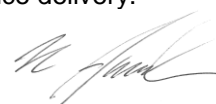
Returning Lakes Ward Councillor Sharon Bland was elected deputy mayor, while other returning councillors are Cr. Peter Wright (Mallee), Jeff Arthur (Parks), Bob Simcock (Mallee). Joining the council are Cr. Julie Barrie (Parks), Cr. Vern Leng (Lakes), Cr. Donna Middleton (Mallee) and Cr. Mick O'Hara (Lakes).

Council continues to work on the long term sustainability of the region and is developing tourism and business initiatives to support growth.

A responsible approach to fiscal management continues which has required a rate revenue increase of 2 percent above the CPI. Refuse and recycling collection and management continues to follow the three year action plan, moving towards a complete cost recovery model, while Community Wastewater Management continues to be aligned with Council's Asset Management Plan.

Council's long term strategy is to put in place initiatives which will create financial parity for services with long-term community benefits through the development of important infrastructure.

Positive fiscal management will benefit the community and the region into the future and will aid in meeting expectations with regard to service delivery.



**Mayor Cr. Neville Jaensch**



**CEO Vincent Cammell**



---

## Elected Members

---

Coorong District Council comprises nine ward Councillors including a Mayor. The Council is responsible for policy making and decisions that impact on plans for the district, and the lives and livelihoods of individuals, organisations and businesses within it.

The roles of Elected Members are to:

- Participate in the deliberations and civic activities of the Council
  - Formulate the Council's objectives and policies
  - Keep the Council's objectives and policies under review to ensure they are appropriate and effective
  - Keep Council's resource allocation, expenditure and activities, and the efficiency and effectiveness of its service delivery under review
  - Represent the interests of residents and ratepayers, to provide community leadership and guidance and to facilitate communication between the community and the Council.
- 



---

## Coorong District Council

---

Coorong District Council was formed in May 1997 following the amalgamation of the District Councils of Peake, Coonaplyn Downs and Meningie. The Council area is the largest in the state, encompassing 8,830 square kilometres and about 5,500 residents, comprising land within regions generally known as the Murraylands and the Upper South East.

The Council is within the Regional Development Australia Murraylands Riverland (RDAMR) region and is a member of the Murray and Mallee Local Government Association. The Council is also within both the SA Murray Darling Natural Resource Management (NRM) Board area and the South East NRM Board area. The Council is a member of the Murraylands Tourism Partnership.

The principal office of Council, known as the Civic Centre is located at Taillem Bend and Council also has customer service centres at Meningie and Tintinara.



---

## Vision, Mission and Core Values

---

### Vision Statement

A progressive and proactive Council recognised for its diverse communities, prosperous economy and unique and highly valued environment

### Mission Statement

The Coorong District Council is committed to:

- Providing **leadership** for the community and ensuring efficient and effective management of the community's resources.
- Responsibly managing the natural and built environment to achieve **sustainability**.
- Facilitating economic **prosperity**, growth and employment throughout the district.
- Actively enhancing the quality of life for the community by encouraging health, **well being** and safety.
- Being an **employer of choice** that attracts, develops and inspires highly talented employees and elected members.

### Core Values

#### **Integrity**

Adherence to moral and ethical principles, being honest, transparent, accountable, trustworthy and authentic.

#### **Proactive**

Acting in anticipation of future opportunities, issues, needs or changes.

#### **Progressive**

Making use of new ideas and opportunities.

#### **Collaborative**

Working as a team to achieve common goals.

#### **Service Excellence**

Consistently delivering quality service outcomes for external and internal stakeholders

#### **Enjoy Work**

Achieving satisfaction and a sense of wellbeing from work.

## 2012 - 2016 Strategic Management Plan Goals and Strategies

Governance – Leadership	
Goals	Strategies
1.1 Continue to establish and maintain a best practice governance framework	<p>1.1.1 Improve Council's governance performance &amp; develop relevant policies and procedures.</p> <p>1.1.2 Ensure Council's policies reflect community needs and organisational requirements.</p> <p>1.1.3 Implement Council's Policy Review Schedule.</p> <p>1.1.4 Ensure an annual review of Council's Internal Control Policy and Procedures.</p>
1.2 To provide accountable, open and transparent communication between Council and the community and ensure public access to timely, relevant and accessible information.	<p>1.2.1 Implement Council's Community Engagement Policy.</p> <p>1.2.2 Continue bi-monthly distribution of the Community Link newsletter.</p> <p>1.2.3 Ensure Council has a presence at local shows and events to promote Council activities and services.</p> <p>1.2.4 Maintain an up to date and relevant website.</p> <p>1.2.5 Implement training for staff to ensure appropriate community engagement and communication.</p>
1.3 To continuously strive for quality, responsive customer service and enhancement of the image of Council.	<p>1.3.1 Implement and measure adherence to Council's Customer Service Charter and Service Standards.</p> <p>1.3.2 Continuous improvement of customer service process and procedures.</p> <p>1.3.3 Encourage feedback from the community on Council services and activities.</p>
1.4 To have a secure revenue base and manage the business of Council through the responsible and efficient administration of finances to ensure financial sustainability and an equitable level of services to meet the expectations of Council.	<p>1.4.1 Achieve financial targets that are appropriate to Council's circumstances and financial sustainability objectives.</p> <p>1.4.2 Actively pursue, and plan for, external funding opportunities.</p> <p>1.4.3 Implement long term financial planning strategies.</p> <p>1.4.4 Ensure a strong link between Long Term Financial Plan and Infrastructure and Asset Management Plans (refer 2.3.6).</p> <p>1.4.5 Develop, measure and review internal financial controls.</p>
1.5 Ensure Risk Management Policies and Procedures are implemented at every level of Council business.	<p>1.5.1 Minimise Council's exposure to risk and liability through the creation and implementation of appropriate risk management policies, procedures and plans.</p> <p>1.5.2 Investigate opportunities to improve Council's LGAMLS legislative audit score.</p> <p>1.5.3 Ensure understanding of staff and elected</p>

## Governance – Leadership

Goals	Strategies
	members of risk management and self insurance responsibilities.
1.6 To show leadership and develop partnerships with both the Federal and State Governments, Regional Organisations and the LGA to advocate for improved services and infrastructure and appropriate service delivery and to advocate on behalf of the community	<p>1.6.1 Actively lobby for key infrastructure and services in the district.</p> <p>1.6.2 Actively explore opportunities for shared service arrangements with neighbouring Councils.</p> <p>1.6.3 Engage the LGA more effectively and seek opportunities through its programs and initiatives to improve Council's policies, procedures and activities.</p> <p>1.6.4 Continue to advocate on behalf of the community to ensure water security across the district and region, in particular in the River Murray, Lower Lakes and Coorong.</p> <p>1.6.5 Advocate on behalf of the community on Natural Resource Management issues and develop strong relationships with NRM Boards and appropriate State Government Departments</p>
1.7 Engage the community in the election process, both as candidates and as voters.	<p>1.7.1 Increase the level of voter participation.</p> <p>1.7.2 Ensure Council's composition of elected members is adequate and fairly represents the community.</p>



## Environmental - Sustainability

Goals	Strategies
2.1 To have up to date Development Plan provisions that reflect the needs and aspirations of the community and ensure its development assessment processes reflect best practice principles and consistent decision making.	<p>2.1.1 Implement the actions as detailed in Council's Strategic Direction Report.</p> <p>2.1.2 Improve the Development Assessment Process.</p> <p>2.1.3 Continue the proactive approach of providing preliminary advice with regard to guiding investment and development opportunities.</p>
2.2 To responsibly manage the natural environment to ensure its sustainability and to implement natural resource management principles.	<p>2.2.1 To establish and maintain policies and procedures to adequately protect and conserve our natural environment.</p> <p>2.2.2 To adopt Sustainability principles in all of Council's activities.</p> <p>2.2.3 To maintain Council's commitment to the Coorong Local Action Plan (LAP) Committee and staff.</p> <p>2.2.4 Implement strategies and programs to reduce our environmental footprint, greenhouse gas emissions and address climate change.</p> <p>2.2.5 Proactively address weed and feral pest issues on Council land as well as foster a strong relationship with the local NRM Boards.</p>
2.3 To establish and maintain Asset Management systems and plans to ensure the long term sustainability of Council's resources, plant, equipment, buildings and infrastructure.	<p>2.3.1 To develop and implement Council's Infrastructure &amp; Asset Management Plans.</p> <p>2.3.2 Ensure Council's core community assets are managed and maintained through rolling 10 year priority based maintenance and/or replacement programs.</p> <p>2.3.3 Implement a sustainable plant and machinery replacement program.</p> <p>2.3.4 Develop and implement Open Space Strategies for management of Council's Parks, Reserves and Gardens.</p> <p>2.3.5 Implement Council's Disability and Discrimination Action (DDA) Plan in conjunction with asset management and capital works programs (refer 4.2.4).</p> <p>2.3.6 Ensure a strong link between Long Term Financial Plan and Infrastructure and Asset Management Plans (refer 1.4.4)</p>
2.4 To sustainably provide and maintain core community assets and infrastructure that is responsive to the needs of the community.	<p>2.4.1 Maintain and develop roads, footpaths, car parks, walking and cycle tracks in accordance with Council's Infrastructure and Asset Management Plans and Capital Works programs.</p> <p>2.4.2 Maintain and develop all Council's ovals, parks, gardens, reserves and cemeteries.</p> <p>2.4.3 Maintain and develop all Council's community facilities such as Council</p>

## Environmental - Sustainability

Goals	Strategies
	<p>offices, town halls, aged care homes and community buildings.</p> <p>2.4.4 Ensure Council's water infrastructure at Wellington East and Peake is maintained and promotes sustainability of water resources.</p> <p>2.4.5 Ensure the collection, retention and disposal of stormwater in a manner that promotes sustainability of water resources.</p> <p>2.4.6 Ensure the collection, retention or disposal of common effluent in a manner that promotes sustainability of water resources.</p> <p>2.4.7 Implement sustainable programs and policies for the management of waste throughout the Council district.</p> <p>2.4.8 Implement an appropriate regime of leases, licences and community land management plans for Council land.</p>
2.5 To proactively implement fuel reduction and fire prevention strategies, plans and actions that will protect the community and significant community and Council assets.	<p>2.5.1 Undertake a proactive approach to fuel reduction and fire prevention activities and community education across the district.</p> <p>2.5.2 Undertake a leadership role in the Murray Mallee Bushfire Management Committee (MMBMC).</p>
2.6 To enhance township character and amenity as well as improve opportunities to access significant recreation assets across the district.	<p>2.6.1 Develop and implement town centre plans and initiatives aimed to create attractive and functional streetscapes.</p> <p>2.6.2 Ensure appropriate and clean public toilets in our townships.</p> <p>2.6.3 Develop Council's jetties, boat ramps and lakeside and riverfront reserves to encourage access to the Lakes and Murray River.</p> <p>2.6.4 Actively pursue external funding opportunities to implement plans and initiatives for townships and water access.</p> <p>2.6.5 Preserve local heritage, character and identity.</p>

## Economic - Prosperity

Goals	Strategies
3.1 A strong and prosperous economy built on diversifying our established industries, business and enterprises, and attracting new industries and investors through collaboration in Regional, State and National partnerships.	<p>3.1.1 To develop and implement initiatives and partnerships that will enhance the district's investment, commerce and investment potential.</p> <p>3.1.2 Strengthen partnerships and relationships with RDA Murraylands and Riverland to promote and encourage economic development in the district.</p> <p>3.1.3 To have high quality physical infrastructure that meets economic development needs.</p> <p>3.1.4 Position the Council district to be a leader in Carbon Farming that will bring economic and environmental benefits.</p> <p>3.1.5 Advocate on behalf of the community to seek opportunities to add value to agriculture across the district.</p>
3.2 To have a vibrant and growing tourism industry.	<p>3.1.2 To develop and implement initiatives and partnerships that will enhance the district's tourism potential</p> <p>3.2.2 Strengthen partnerships and relationships with SATC and key regional agencies (such as Limestone Coast Tourism (LCT) and Murraylands Tourism Partnership (MTP)) to promote tourism in the district.</p> <p>3.2.3 Ensure an appropriate approach and framework for the provision of visitor information across the district.</p> <p>3.2.4 Advocate and promote opportunities for tourism businesses and activities.</p> <p>3.2.5 Liaise with DTEI and invest in improvements to tourism signage across the district.</p> <p>3.2.6 Become an RV and caravan friendly district.</p>

## Community Development – Wellbeing

Goals	Strategies
4.1 Enhancing the quality of life of the community by encouraging community development opportunities and undertaking a key liaison role.	<p>4.1.1 Support Community Development through funding, grant opportunities, planning, promotion and advocacy.</p> <p>4.1.2 Promote collaboration, communication and networking between community service and education providers across the district.</p> <p>4.1.3 Maintain Council's commitment to community learning and gathering places and services.</p> <p>4.1.4 Support significant events, community art and cultural activities.</p> <p>4.1.5 Further enhance Council's relationship with its local Indigenous communities.</p> <p>4.1.6 To foster a strong relationship with the young people of the district by directly supporting and coordinating youth programs and opportunities.</p> <p>4.1.7 Working collaboratively with, supporting and recognising the efforts of volunteers and encourage volunteer involvement in the community.</p>
4.2 Enhancing the quality of life for older people and people with disabilities	<p>4.2.1 Maintain Council's commitment to auspice Home and Community Care (HACC) funding on behalf of the Taillem Bend Community Centre (TBCC).</p> <p>4.2.2 Maintain Council's commitment to providing the HACC Home Modification and Maintenance Program across the district.</p> <p>4.2.3 Respond to the challenge of an ageing population.</p> <p>4.2.4 Implement Council's Disability Discrimination Action (DDA) Plan (refer 2.4.5).</p> <p>4.2.5 Provide information about existing services and facilities to older people, people with disabilities and their carers.</p> <p>4.2.6 Promote collaboration, communication and networking between aged care providers across the district</p>



## Community Development – Wellbeing

Goals	Strategies
4.3 Enhancing the quality of life of the community by advocating, supporting and undertaking health and community safety initiatives.	<p>4.3.1 To promote public and environmental health services within the community in a sustainable, efficient and appropriate manner.</p> <p>4.3.2 To ensure Council meets its responsibilities under the Dog &amp; Cat Management Act and provides adequate &amp; appropriate dog control.</p> <p>4.3.3 Monitor and review the dry zones within the district.</p> <p>4.3.4 Continue to explore and participate in regional health and community safety projects.</p>
4.4 Enhancing the quality of life of the community by advocating for and supporting community transport schemes and services as well as improved access and mobility across the district.	<p>4.4.1 To maintain Council's commitment to the Murray Mallee Community Transport Scheme (MMCTS).</p> <p>4.4.2 Advocate on behalf of the community for improved transport services across the district.</p>
4.5 To provide a wide range of sporting and recreational facilities and support region wide sport and recreation programs.	<p>4.5.1 Continue to assist sporting and community bodies in sourcing funding for sporting and community facilities.</p> <p>4.5.2 Promote sporting, recreation and leisure facilities and programs in the region.</p>

## Organisational Development – Employer of Choice

Goals	Strategies
5.1 Have appropriate organisational capacity and culture to ensure an innovative, effective and efficient organisation.	<p>5.1.1 To strive to be recognised as a high performing organisation.</p> <p>5.1.2 To address Council's future office accommodation needs.</p> <p>5.1.3 Undertake continual organisational structural review to ensure the organisation has capacity to meet current and future demands.</p>
5.2 Provide appropriate support, development and training opportunities for all Elected Members.	<p>5.2.1 Provide opportunities to ensure all Council Elected Members can successfully fulfil their governance and leadership responsibilities and be knowledgeable of all relevant Local Government issues.</p> <p>5.2.2 Promote the on-line self-assessment tool for elected members.</p>

## Organisational Development – Employer of Choice

Goals	Strategies
5.3 To develop and promote Council as an 'employer of choice' and to facilitate the attraction and retention of highly talented staff.	<p>5.3.1 Develop and implement human resource plans, policies and processes to provide contemporary management of people and performance.</p> <p>5.3.2 Identify opportunities to develop and train staff (refer 5.4.4).</p> <p>5.3.3 Implement Workforce Planning and succession planning principles throughout the organisation.</p> <p>5.3.4 Actively seek opportunities for traineeships and apprenticeships within the organisation.</p> <p>5.3.5 Implement Council's Reward and Recognition of Staff Policy.</p>
5.4 To promote safety in the workplace through best practice Workplace Health and Safety (WH&S) plans, policies and actions.	<p>5.4.1 Provide a safe, healthy and best practice work environment for all employees as described in Council's adopted WH&amp;S Plan.</p> <p>5.4.2 Monitor and enhance workplace health and safety practices and programs and benchmark against other Councils.</p> <p>5.4.3 Continuous review and implementation of Workplace Health and safety plans and procedures.</p> <p>5.4.4 Implementation of employee training plans. (refer 5.3.2)</p> <p>5.4.5 Promotion of health and welfare programs to all employees and volunteers.</p>
5.5 To have an Information Technology (IT) and Records Management service that keeps pace with Council and Community needs.	<p>5.5.1 Ensure Council's IT network and telecommunications is cost effective, reliable and fully utilised, delivering quality services to Council and the community.</p> <p>5.5.2 Ensure Council's IT network has adequate risk protection whilst optimising IT resources.</p> <p>5.5.3 Ensure Council's Records Management plans, procedures and systems meet organisational requirements.</p> <p>5.5.4 Ensure Council achieves a Level 5 in the Adequate Records Management Framework to align with State Records legislative requirements.</p>

---

## Influences, Priorities & Opportunities of Significance

---

**A number of factors have influenced the preparation of Council's 2015/2016 Annual Business Plan and Budget.**

### **Motorsport Park Development**

The Motorsport Park Development at Tailem Bend is an important development for the Coorong District Council. The project has considerable economic benefit for the district, when fully developed it will provide an economic injection of \$113.4m and employment of 974 persons. It is Council's intention to maximise the benefits of this development by way of reviews of the township zones and settlement zones in the district and develop riverfront and lakefront areas in the district to enhance community and visitor usage.

\$200k has been allocated for the finalisation of bank stabilisation and mooring facilities at Dickson Reserve in Tailem Bend. \$20k has been allocated to finalisation of the West Terrace Reserve in Meningie and a further \$10k has been allocated to concept plans for the Meningie North Sailing Club Jetty. \$40k has been allocated towards a streetscape plan for Tailem Bend with the aim of enhancing the visitor experience to Tailem Bend.

### **Tourism & Economic Development**

Tourism continues to be a focus for Council in 2015/16. With the advent of the Tailem Bend Motorsport Park development there will be growing opportunities for tourism related businesses within the Council area. To leverage all possible opportunities, Council will work collaboratively with the South Australian Tourism Commission, Regional Development Australia Murraylands and Riverland and private industry to maximise tourism related opportunities. The tourism signage project will also continue to be an ongoing project rolled out through the Council area with a further \$25k allocated in 2015/16.

### **Arts & Culture Development**

In 2015/16, arts and culture will continue to be a priority following on from the work undertaken in 2014/15 with the development of Council's Art Gallery and visual animal displays. To enhance this sector, Council is seeking to employ an Arts/Cultural Grants Officer. The role is predicated on the successful part funding of the role.

### **Full Cost Recovery**

It is important that there is equity in Council's levies and charges to ensure those receiving a service pay for the service, and it is not subsidised by other ratepayer category bases.

Council's focus is for the whole-of-life costs of the Community Waste Water Management System (CWMS), Water Supply and Kerbside Waste Management services to be recovered, including the cost of ongoing maintenance. To achieve this there is a planned staged increase of these charges over the coming financial year.

### **Landcare & Biodiversity**

More than \$780k has been budgeted for biodiversity projects in the Council district. The projects will include revegetation, protection of remnant vegetation and eradication of weeds and rabbits in order to protect the region's biodiversity, including on-going works on the Coorong and Lower Lakes.

\$149k has been allocated for community contained within the Murray Darling portion of the area. Work will continue regarding the management of high mains water costs for livestock.

## Above CPI Rate Increases

A key financial strategy in Council's long-term financial plan is to increase rates in real terms, over and above the general inflation rate for each remaining year of the Long Term Financial Plan until 2023/24.

Council's average rating levels/property has been significantly below those of other rural and regional councils in South Australia and this will see Council return to a surplus operating result during the life of the plan.

## Other Considerations

- The need to comply with ever increasing financial and regulatory demands from the State Government, including, but not limited to, changes to the Local Government Act and Development Act.
- The reduction of Grants Commission Funding following the Federal Governments announcement of no CPI indexation increases for three (3) years.
- Funding constraints which affect the delivery of the range of services offered.
- The requirement to achieve a high level of road works particularly in light of maintaining Roads to Recovery Grant funding levels and to meet the appropriate replacement levels as set by the roads infrastructure asset management plan.
- Undertake regular revaluation of Council Assets including condition assessments, review of remaining lives and unit rates.
- Update the Roads Infrastructure Asset Management Plan and Development of infrastructure asset management plans for Buildings and Structures.
- Improving Council's Development Plan by completing the Town Centre & Township DPA and the Rural Lands and Murray Protection Area DPA in accordance Council's Strategic Directions Report.
- Continue the implementation of Council's Tourism & Economic Development Plan.
- Continuation of the review of Council surplus assets during the 2015/16 financial properties, which may result in the sale of year.
- Active pursuit of both State and Commonwealth government grant funding to enable large capital projects within the districts to proceed.
- Continued improvement of Council's administrative practices with regard to records management, customer service, governance and policy development.
- Completion of the Infrastructure and Asset Capital Works Program comprising \$4.564m for replacement and renewal of infrastructure and \$774k for new infrastructure.
- The requirement to maintain and improve ageing infrastructure assets to acceptable standards including roads, footpaths, lighting, storm water drainage, street trees and plantings, open space and Council properties.
- Council's Long Term Financial Plan indicates that operational expenditure savings of 4% are required over the next decade.



---

## Council's Services

---

All Councils have mandatory responsibilities under the *Local Government Act*, the *Development Act*, the *Public Health Act*, the *Natural Resources Management Act* and other relevant legislation.

These include:

- Regulatory activities such as maintaining the voters' roll, property ownership data and supporting the elected Council.
- Setting rates, preparing an annual budget and determining longer-term strategic management plans for the area.
- Management of infrastructure, including civic buildings, roads, footpaths, parks, public open spaces, street lighting and stormwater drainage.
- Street cleaning, refuse collection and recycling.
- Development planning and control, including building fire safety assessment.
- Environmental health services, including health standards inspections and waste control application assessment.
- Protection of natural resources including parks, reserves and rivers.

Council also delivers a raft of discretionary services which further enhance the health, well-being and prosperity of its community.

These include:

- Environmental programs, such as the Local Action Plan (Landcare) Program
- Community programs, including HACC
- Community Wastewater Management Systems
- Aged Care and Youth Services
- On-street parking management to maximise use of kerbside space
- Delivery of the OPAL program local parks and playgrounds theme '*Life Looks Brighter Outside.*'
- Increased support and development of tourism related activities and facilities.
- Community funding programs

The Council operates a number of facilities on behalf of the community. These provide important community benefits while also generating revenue for services and projects of benefit to the Coorong District Council.

- Coonalpyn Caravan Park
- Waste Management Facilities
- Recreation and facilities including the Coonalpyn Swimming Pool and town halls.

## Capital Works Program

In determining its Capital Works Program, Council has been mindful of the need to focus on replacement and renewal of assets as opposed to constructing new assets. There are long term financial implications for constantly increasing assets and not replacing and renewing current assets. The new assets proposed are generally those associated with projects that attract external funding or are a result of a Council resolution during 2014/2015.

The Infrastructure and Asset Capital Works Program for 2015/2016 includes \$5.339m of capital expenditure. This includes \$4.564m for replacement and renewal of infrastructure and \$774k for new infrastructure.

The Capital Works Program for 2015/2016 is based on the Infrastructure and Asset Management Plan (IAMP) for Roads and the 10 Year Capital Works Program.

The following table lists the projects included in the 2015/2016 Capital Program.

Project Title	Description	Budget (\$,000)	Capital Income (\$,000)	N or R	Comments	Performance Measure
Council vehicles (utility)	Based on changeover of 17 vehicles as per fleet agreement	728	459	R	Fleet changeover. Trade-in expected 459K.	17 vehicles changed over in accordance with budget.
CWMS upgrades	As per renewal schedule – CWMS Business Plan	342		R	Pettet Street Pump Station replacement and various power box replacements at various pump stations..	Replacements undertaken in accordance with CWMS Infrastructure & Asset Management Plan.
Footpaths	Sealed Roads Replacement as per Roads Asset Management Plan (RAMP)	86		R	Listing to be provided.	Priorities identified & work undertaken within budget.
Kerb & Gutter	Kerb & Gutter Replacement as per Roads Asset Management Plan (RAMP)	56		R	Listing to be provided.	Priorities identified & work undertaken within budget.
Minor Plant	Minor plant replacement	16		R	Priorities to be determined.	Priorities identified & purchased within budget.
Parks & Gardens	Parks & Gardens irrigation upgrades	21		R	Various replacements and upgrades of irrigation in Council's parks & gardens.	Priorities identified & work undertaken within budget.
Plant & Machinery	Plant & Replacement priorities to be determined	851	176.4	R	1 x Grader, 1 x Tractor, 1 x Loader, 1 x Tip Truck (expected trade in value \$176,400).	Plant replaced per schedule & within budget.
Sealed Roads (re-seals) Rural		187		R	Listing to be provided.	Priorities identified & work undertaken within budget.

Project Title	Description	Budget (\$,000)	Capital Income (\$,000)	N or R	Comments	Performance Measure
Sealed Roads (re-seals) Urban	Kerb & Gutter Replacement as per Roads Asset Management Plan (RAMP)	187		R	Listing to be provided.	Priorities identified & work undertaken within budget.
Sealed Road Tauragat Well Road, Coonalpyn	Special Local Roads Priorities (SLRP)	684	420	R&N	Seal the next 4 km of unsealed road on Tauragat Well road. Based on similar expenditure 3-4 years required to complete the road.	Grant funds received, ongoing development occurring.
Unsealed Roads	Unsealed Roads Replacement as per Roads Asset Management Plan (RAMP)	1.07m	949	R	Listing to be provided. Part funded by Roads to Recovery Funding	Priorities identified & work undertaken within budget.
Parks & Gardens Dickson Reserve	Project deferred in 2012/13 & 2013/14 – Make safe area at Dickson Reserve, Tailm Bend, including removal of temporary fencing.	214		R	Continue bank stabilisation, complete with walkway and mooring facility.	Successful completion
Parks & Gardens	Various – bin stand replacements throughout district.	11		R	Replacement of various bin stands in Council's Parks & Gardens.	Bins replaced.
Stormwater	Continuing stormwater construction works at Meningie.	161		R	Stormwater works are the first priority and will include the spoon drainage works Princes Highway and a staged implementation over a few years \$150K allocated 2015/16.	Work commenced in accordance with concept plan.
Parks & Gardens	Remediate West Terrace Reserve Area.	21		N	Remediation of West Terrace Reserve area to make this a functional Recreational Area, including barbecue, shelter shed and seating at a later date.	Reserve developed & being used by community & visitors.
Boat Ramps & Jetties	Upgrade Narrung Jetty (Using \$20K option).	11		R	Change the current mooring height of the jetty landing at Narrung Jetty.	Improve amenities at jetty. More boats accessing facilities.
Coonalpyn Water Project	Provision of supply of underground water.	321	150	N	Access water in Coonalpyn to irrigate sporting venues, swimming pools & caravan parks. (Predicated on grant funds).	Positive result for the public & Council.

Project Title	Description	Budget (\$,000)	Capital Income (\$,000)	N or R	Comments	Performance Measure
IT	Microsoft Office upgrade from Office 2007 to Office 2010.	38		R	Upgrade council computer software to a more recent version of Office.	Successful completion
IT	Photocopier replacement, Tailem Bend Civic Centre	14		R	Photocopier Tailem Bend replaced.	Replace assets as per replacement schedule.
Council Buildings	Tintinara Health & Recreation Centre building work.	43		R	Replacement of external rotted timberwork, replacement of Laserlite roof, repainting eaves and fascias.	Improved amenity & upkeep of building maintenance.
Parks & Gardens	Meningie North Entrance flagpoles.	16		R	Current flagpoles rusting out. Replace with marine enviro poles.	Replacement flagpoles erected.
Parks & Gardens	Various Park Furniture Replacement	12		R	Replacement of park furniture as necessary throughout the district.	Improved community and visitor amenity.
Public Toilets	Conceptual Plan Tailem Bend Toilets & Information Centre	11		R	Conceptual plan to be developed that provides concepts of integration of the Information centre and public toilets in Tailem Bend.	Successful completion.
Parks & Gardens	Coorong Links Walking Trail Project	11	5	R	The Coorong Links Walking Trail is 1970m long, starting & finishing at the Tailem Bend Rotunda in Rogers Park. In 2015 OPAL will work with local youth, Rogers Park upgrade, Tourism, TBCC and C4C youth project to undertake an replacement of the 10 trail signpost markers.	Successful completion.
Parks & Gardens	Tailem Bend Hall – Display Notice Board & Installation of 3 Flag poles.	12		R	Installation of notice board and flagpoles.	Successful completion.
Boat Ramps & Jetties	Meningie North Sailing Club Jetty	16		R	Sailing Club Jetty Concept Plan.	Completion of plan.
Cemeteries	Meningie Cemetery Columbarium.	11		N	Construction of required new Columbarium.	Successful completion.



Project Title	Description	Budget (\$,000)	Capital Income (\$,000)	N or R	Comments	Performance Measure
Parks & Gardens	Tintinara, Lake Indawarra Feasibility Study (Planning & Zoning Considerations).	11		N	Stage 1: Feasibility Study to be completed with consideration of water quality, supply & maintenance, park landscaping for camping, playground sheltered barbecue, meal preparation and picnic areas, introduce fish for fishing competition.	Completion of Study.
Parks & Gardens	Murraylands Trails Program.	171	120	N	Morgan to Salt Creek Stage I: component – Meningie to Seven Mile Road Loop Trail.	Successful completion.
Street Lighting	Street Lighting Lakes Ward	11		N	Solar street lighting – Narrung Road – Fiebig Road to West Terrace (West Terrace to Oval is the affected area).	Successful completion.

## Strategic Projects

In order to implement Councils 2012-2016 Strategic Management Plan and to continue to implement Council's Strategic Directions the following Strategic Projects will be commenced or continued during 2015/2016.

Project Title	Department	Description	Budget (\$,000)
Meningie Chambers	Infrastructure & Assets	Maintenance Old Meningie Chambers; paint external timberwork, compete painting of stonework.	20
Tailem Bend Hall	Infrastructure & Assets	Town Hall roof replacement – above kitchen area.	10
Cemetery Review	Infrastructure & Assets	Cemetery Review (Survey Plans)	20
Coonalpyn Information Bay	Infrastructure & Assets	Installation of new information bay map at Coonalpyn.	2
Peake Oval	Infrastructure & Assets	Installation of automatic irrigation watering system to promote cost effective watering and minimise excessive water use.	12
Tailem Bend Streetscape	Infrastructure & Assets	Tailem Bend Highway Streetscape Master Plan (including engagement with DPTI).	40
Tourism Signage/Branding	Strategy & Governance	Continue Tourism Signage Project – Installation of Business Tourism & Information signage and Council wide – branding.	25
Arts/Cultural Grants Officer	Corporate & Community	Arts/Cultural & Grants officer – 1FTE (funded 50% by external and 50% Council).	100
Tintinara Men's Shed	Corporate & Community	Tintinara Men's Shed – Stage 2 expansion & upgrade.	24
Tintinara Oval	Infrastructure & Assets	Staged tree removal at the Tintinara Oval.	40
Meningie 150 years	Corporate & Community	Council, in conjunction with community, to take a proactive role both financially and logistically for the 150 year celebration of the township of Meningie in 2016.	10
DPA	Corporate & Community	Statement of Intent (SOI) to be prepared and lodged for required DPA. Review ribbon development.	20

---

## Funding the Annual Business Plan

---

The 2015/2016 budget forecasts an operating deficit of \$106k with a net surplus of \$229k. The operating deficit or surplus measures the difference between operating revenue and expenses for the financial year. The Council's long-term financial sustainability is dependent on ensuring that, on average over time, its expenses are less than its revenue and a target of better than break even is strived for.

The Council's revenue includes \$5.974m to be raised from general rates and \$1.621m from separate rates (NRM Levy, CWMS, Waste and Water). In 2015/16 It is proposed to increase Council general rates revenue by 4%. In respect to the separate rates Council is endeavouring to fulfil the intent of the creation of these service charges and make them self funding.

Over the past years the service charges applied have fallen behind what the true cost of the service provision, consequently in the past excess costs have been funded out of other general revenue. With this in mind Council intends to increase the service charges in staggered dollar increases to levels where they are recovering the full cost of the service.

CWMS Service Charges will increase from \$455 to \$525 for occupied connections and \$285 to \$340 for unoccupied connections. The rates applied will be the same for all schemes.

Kerbside Waste Management Charges were introduced in 2013/14; however the amount charged was not recovering the

full cost of the service. Consequently the Kerbside Waste Management Charge will increase from \$240 to \$290 per collection for the 2015/16 financial year.

Water Supply Charges apply to eligible residents in Peake and Wellington East. Both schemes are ageing and increased costs of delivery of the services are expected. Water supply charges will remain at \$240 per connection in Wellington East. Peake connected properties will increase from \$200 to \$240 per connection. Excess water charges for both schemes will rise from a \$1.50 to \$1.50 per kilolitre over 125kl.

Depreciation as previously noted forms a significant portion of Councils projected deficit. Council will continue to monitor the depreciation value, useful lives of assets and the residual value of assets annually to ensure accuracy of the depreciation figure. Depreciation is a non cash item; however depreciation does provide an indicative cost of degradation of Council's assets. Council is forecasting to spend \$4,564m on renewing and replacing its assets which will extend the useful lives of its assets.

Council expects to deliver \$5,338m in capital projects for 2015/2016. The proposed capital works program will require additional net borrowings of \$691k to fully fund the projects.

Council is well placed to absorb the impact of the extra debt. Council's current debt levels are as follows, \$1.335m in fixed loans and a Cash Advanced Debenture loan on a variable

basis totaling \$1.838m. (Council has four existing Cash Advanced Debentures Loans that if fully drawn will amount to \$4.626m). It is anticipated that further loan draw downs will occur prior to years end; however Council has only accessed a portion of the variable cash advance debenture amount available to it year to date in 2014/15.

Whilst Council will endeavor to minimise debt by paying down variable loans when excess cash is available, if new borrowings are required over and above the current available debt it is reasonable for Council to borrow against the larger projects such as major plant purchases.

**Other sources of revenue for the Council are:**

User Pay charges set by Council

These comprise charges for the Council's fee based facilities such as: Caravan Park fees, Swimming Pool fees, Cemetery fees, Rubbish disposal fees, sundry sales and hall hire.

Statutory Charges set by State Government

These are fees and charges from regulatory services set by regulation and collected by the

Council for regulatory functions including: Development Act fees, rate searches, animal registration fees and fines, parking fines and expiation fees, health fines, environmental control fines, Litter control fines, waste control system fees and other licence fees/fines.

Council's Fees and Charges for 2015/2016 detail the proposed fees and charges of Council the new fees and charges schedule was adopted at the Council meeting held in April 2015.

Grants and Partnerships

The Council normally seeks to attract as much grant funding as possible from other levels of government, and major projects of wider State benefit are usually jointly funded in partnership with the State government and other relevant parties.

Key Financial Indicator	Adopted Targets	2014/15 Budget	2014/15 Projected	2015/16 Budget
Operating Surplus / (Deficit) - \$,000's	0	(514)	(694)	(106)
Operating Surplus Ratio - %	0	-7.37	-9.85	-1.42
Net Financial Liabilities - \$,000's	<Operating Revenue	6,476	6,671	7,356
Net Financial Liabilities Ratio - %	0-100	51.94	51.80	53.46
Asset Sustainability Ratio - %	85-105	102.25	101.05	105.95

**Impact on Council's Financial Position**

After taking account of planned net outlays on existing and new assets in 2015/2016, the Council's net lending (net borrowing) is expected to be (\$691k). Accordingly, the level of the Council's net financial liabilities is expected to total \$7.356m.

Net financial liabilities are a key indicator of the Council's financial position. It measures total liabilities less financial assets (i.e. what the Council owes to others, less money the Council has or is owed). The expected level of net financial liabilities represents 53.46% of estimated operating revenue in 2015/2016 This compares with

a targeted level for this indicator of under 100% of revenue.



## Summary Statement including Financing Transactions

Summary of Financial Performance & Position Statement (SFPPS)	2014/15 Original Budget \$,000	2014/15 2nd Qtr Budget Update \$,000	2015/16 Budget Final \$,000	
Income	12,578	12,980	13,877	
less Expenses	13,092	13,674	13,983	
	<b>-514</b>	<b>-694</b>	<b>-106</b>	<b>1</b>
<b>less Net Outlays on Existing Assets</b>				
Capital Expenditure on renewal and replacement of Existing Assets	5,716	4,734	4,564	<b>2a</b>
less Depreciation, Amortisation and Impairment	3,838	3,755	3,708	<b>2b</b>
less Proceeds from Sale of Replaced Assets	1,792	940	635	<b>2c</b>
	<b>86</b>	<b>39</b>	<b>221</b>	
<b>less Net Outlays on New and Upgraded Assets</b>				
Capital Expenditure on New and Upgraded Assets (including investment property & real estate developments)	4,079	4,596	774	<b>3a</b>
less Amounts received specifically for New and Upgraded Assets	3,181	3,181	410	<b>3b</b>
less Proceeds from Sale of Surplus Assets (including investment property and real estate developments)	0	279	0	<b>3c</b>
	<b>898</b>	<b>1,136</b>	<b>364</b>	
<b>Net Lending / (Borrowing) for Financial Year</b>	<b>-1,498</b>	<b>-1,869</b>	<b>-691</b>	<b>4</b>
<b>Financial Ratios</b>				
<b>Operating Surplus / Deficit *</b> (Operating Revenue less Operating Expenses)	<b>-514</b>	<b>-694</b>	<b>-106</b>	
<b>Operating Surplus Ratio **</b> (Operating Surplus divided by Rates Revenue less NRM Levy)	<b>-7.37%</b>	<b>-9.85%</b>	<b>-1.42%</b>	<b>5</b>
<b>Net Financial Liabilities Ratio ***</b> (Net Financial Liabilities divided by Operating Revenue Less NRM Levy) Target between Nil and 100%	<b>51.91%</b>	<b>51.80%</b>	<b>53.46%</b>	<b>6</b>
<b>Asset Sustainability Ratio ****</b> (Acquisition of renewal and replacement of assets / Depreciation) Target between 85% to 105%	<b>102.25%</b>	<b>101.05%</b>	<b>105.95%</b>	<b>7</b>

\* Being the operating surplus (deficit) before capital amounts

\*\* Operating Surplus ratio expresses the operating surplus as a percentage of general and other rates, net of NRM levy

\*\*\* Net Financial Liabilities equals total liabilities less financial assets

\*\*\*\* Asset sustainability ratio indicates whether a Council is replacing existing non financial assets at the same rate they are wearing out.

## Summary Statement including Financing Transactions (Cont)

Council in consideration of the 2015/16 Annual Business Plan has considered the future financial impacts of decisions within its Long Term Financial Plan (LTFP) 2015 - 2024. Key considerations that were included within the Annual Business Plan include:

- Rate revenue increase of 2% above CPI.
- CWMS rate charges will increase incrementally over time, to a point where it is fully recovering the cost of the service.
- Kerbside Waste Management Charge will increase incrementally over time, to a point where it is fully recovering the costs of the service.
- Water Supply Charges will increase incrementally over time, to a point where it is fully recovering the costs of the service.
- Capital Expenditure of road assets match forecast requirements within the Road Asset Management Plan.
- Capital Expenditure of CWMS assets match forecast requirements within

### the CWMS Asset Management Plan.

In consideration of the above the financial results as summarised on the previous page will result in the following.

#### Note 1

##### Operating / Surplus / (Deficit)

Operating Surplus / Deficit forecast result 2015/16 is \$106k deficit. Factors such as additional income from rates and service charges have improved expectations as detailed in the previous version of the LTFP. However conversely the reduction in the federal assisted grants by way of no CPI increase and the inclusion of "one off" projects such as funding of community projects such as Meningie 150<sup>th</sup> celebrations, Peake oval water irrigation and Tintinara Men's Shed upgrade have had a direct impact on the deficit result.

The longer term projections as per the LTFP detail that a break even position is anticipated within two years.

#### Note 2

##### Net Outlays on Existing Assets

Net outlays on existing assets are forecasted to be \$221k. This positive result indicates that Council is replacing assets in an appropriate manner and they are meeting deterioration rates of its current assets as a minimum.

In respect to the longer term projections as per the LTFP it is anticipated that the results are expected to be negative in the

shorter term with strong positive outlays in the latter part of the plan.

#### Note 3

##### Net Outlays on New / Upgraded Assets

Net outlays on new or upgraded assets are forecasted to be \$364k. Expenditure in respect to new and upgraded assets are higher than anticipated. The Salt Creek to Morgan trail and the Coonalpyn Water Harvesting projects are the contributing factors to the increase.

The longer term trend for new and upgraded assets are that new and upgraded assets are expected to be kept to a minimum over the life of the plan.

#### Note 4

##### Net Lending (Borrowing) for Financial Year

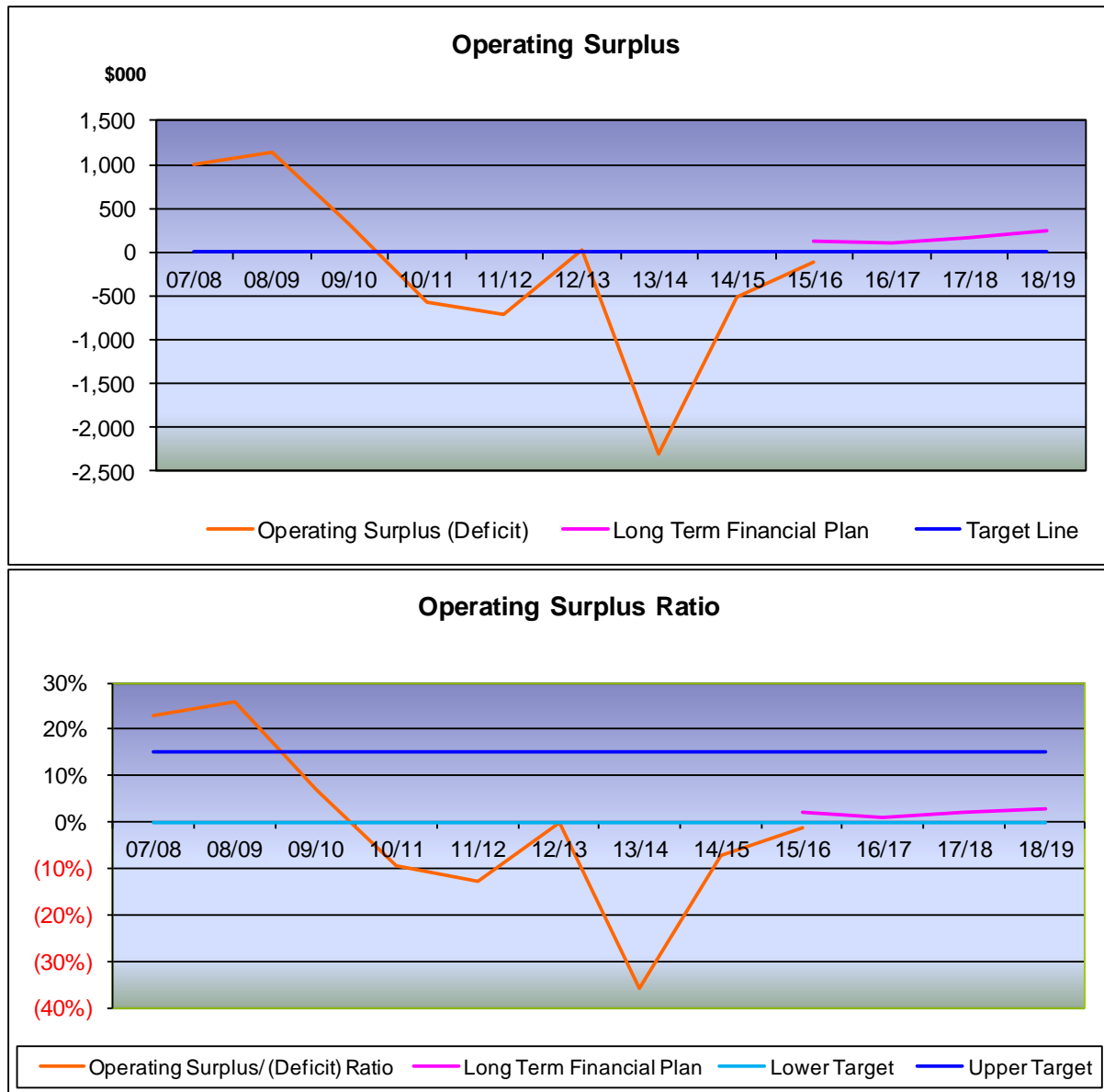
Net Lending / Borrowings for 2014/15 are forecast to be \$691k. The higher than usual capital expenditure coupled with the anticipated operating deficit has resulted in additional funding requirements to fund the budget.

The longer term trend from the LTFP anticipates that smaller net lending's to the organisation are expected in the LTFP on average over the remainder of the life of the plan.

## Note 5

### Operating Surplus (Deficit) Ratio

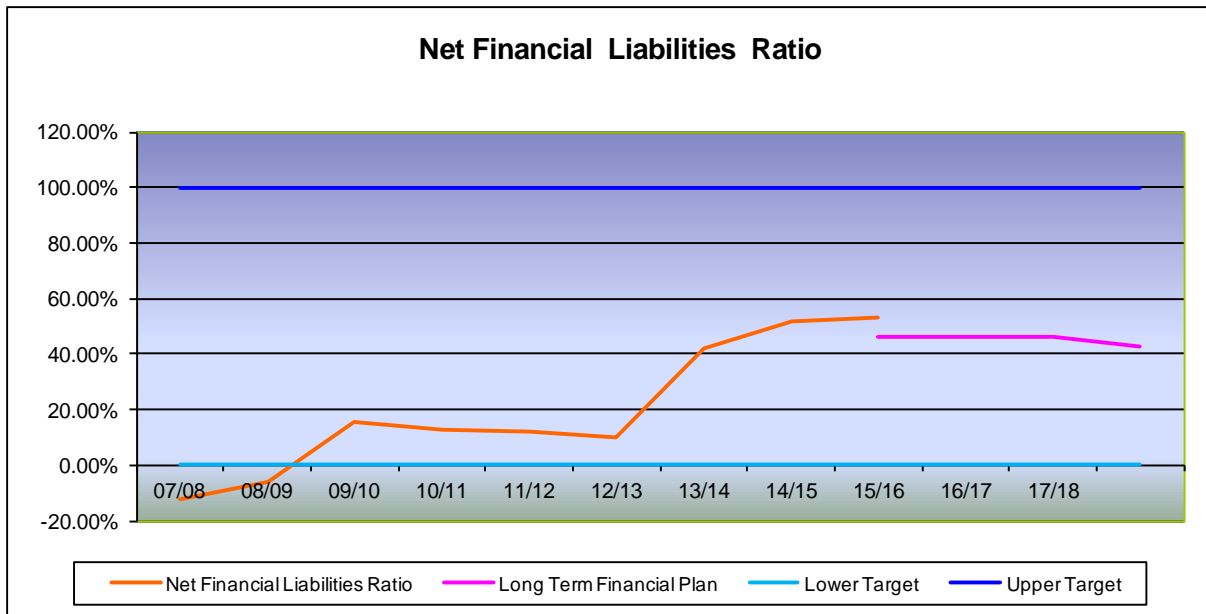
The 2015/16 forecasted result is an operating deficit of \$106k and is represented by a -1.42% operating surplus ratio. Factors such as the \$70k reduction in grants commission funding due to no CPI indexation combined with increased expenses for contractual services and other expenditure have impacted on the deficit figure. The long term forecast is that small operating surpluses are expected to occur from 2017 onwards. Factors such as maintaining the 2% above CPI increases for rates and the attainment of self servicing charges for services such as CWMS, Waste and water supply coupled with a 0.5% operating expenditure saving are critical for attainment of this result.



## Note 6

### Net Financial Liabilities Ratio

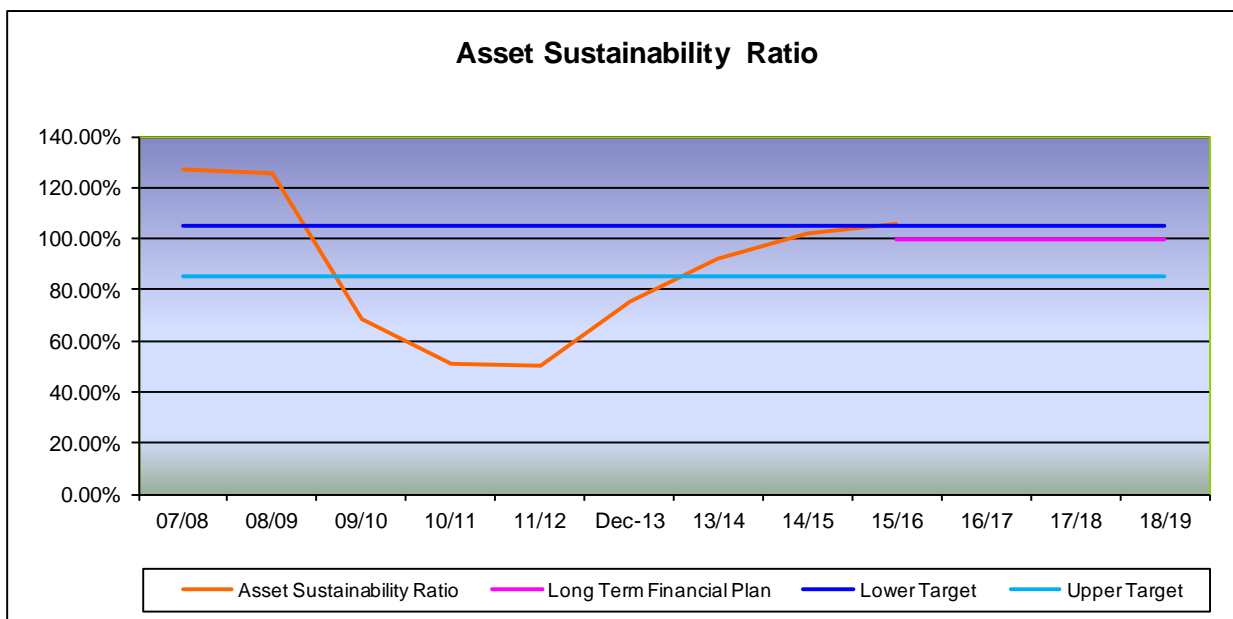
The Net Financial Liabilities Ratio anticipated result for 2015 /16 are 53.46%. The increased result is due largely to the deficit anticipated in 2015/16 combined with the larger than anticipated capital works expected to occur in 2015/16. However it is anticipated that in the longer term the result will start trending downwards.



#### Note7

#### Asset Sustainability Ratio

The asset sustainability ratio is expected to be 105.95% in 2015/16. The result is slightly above the benchmark targets set by Council of 85% to 105%. The expectation in the long term is that Council will meet its replacement obligations as set out in the LTFP, in the short an longer term Council is meeting its obligation in replacing assets as fast as they depreciate.



---

## Rates Revenue for 2015/2016

---

Council's revenue for 2015/2016 includes \$5.974m to be raised from general rates. This equates to 43% of Councils operating revenue.

Council has set a rate which requires an increase in general rates to the average ratepayer of 4%. This is in accordance with Council's Long Term Financial Plan requiring the rate increase to be CPI plus 2%. The actual increase payable by any individual ratepayer may be more or less than this depending on the movement in the capital value of their property.

Council anticipates a slight increase in property valuations in the order of 0.7%

Council raises revenue for governance and administration of the area and services to the community including road infrastructure maintenance, waste management, street lighting, maintenance of parks and gardens, street cleaning, animal management, environmental health, planning and enforcement of local laws.

In setting rates for the 2015/2016 financial year Council has considered the need to keep rate increases as low as possible whilst also considering the implementation of the following plans:

- The 2012-2016 Strategic Management Plan that sets the overall direction of Council.

- Coorong District Council Long Term Financial Plan 2015-2024 that sets the overall financial objectives for Council for the next 10 years.
- The Roads Infrastructure and Asset Management Plan that sets capital works, maintenance and renewal programmes for Councils road infrastructure.
- The resources required to deliver the Council services as detailed in the 2015/2016 Annual Business Plan and Budget.
- That a minor rating review which included the implementation of a waste service charge and assessed equity issues and relationship between various land uses was undertaken in early 2013.
- Changes in valuation and how their impact can be minimised in setting rating levels.
- The increased use of 'user pays' cost recovery systems.

### Method Used to Value Land

Council has decided to continue to use capital value as the basis for valuing land within the council area. Council considers that this method of valuing land provides the fairest method of distributing the rate burden across all ratepayers because property value is a relatively good indicator of wealth and capital value, which closely approximates the market value of a property and provides the best indicator of overall property value.

### Business Impact Statement

Council has considered the impact of rates on businesses in the Council area, including primary production. Council maintains contact with the business community both directly and through the Regional Development Australia (RDA) Murraylands and Riverland. In considering the impact, Council has assessed the following matters:

- Those elements of Council's 2012-2016 Strategic Management Plan relating to business development,
- Council's recent development approval trends,
- The operating and capital projects and programs for the coming year that will principally benefit industry and business development, and
- Valuation changes.

Council recognises the importance of supporting and encouraging a diverse and healthy business sector including primary production.

## Rates Revenue for 2015/2016

Differential Rate	Rateable Properties <sup>*</sup>	% Rateable Properties	Capital Value	Rates Raised 2015/2016	% Rates raised
Vacant	519	11.91%	\$33,821,650	\$280,230	4.58%
Primary Production	1502	34.48%	\$904,232,200	\$3,523,327	57.63%
Residential	1993	45.75%	\$334,217,364	\$2,066,234	33.80%
Commercial	342	7.86%	\$57,435,945	\$243,758	3.99%

### Differential General Rates

The Local Government Act 1999 allows Councils to differentiate rates based on the use of land, the locality of land or the use and locality of land.

The Coorong District Council has four differential rates being Vacant Land, Primary Production, Residential and Commercial. The above table indicates the rates raised for each differential for the 2015/2016 financial year.

The differentials of the four land uses are currently:

- Vacant Land – 1.15
- Primary Production – 0.85
- Residential – 1.0
- Commercial – 1.0

Council recognises that the rural sector not only contributes greatly to our economy but also has significant responsibilities in environmental conservation.

Council will have regard to relative movements in valuation to ensure that the rate burdens remain relatively constant between primary producers and other sectors of the community in 2015/2016.

### Fixed Charge

Council has historically imposed a fixed charge, which was \$310 in 2010/2011 and \$325 in 2011/2012, \$345 in 2012/2013 and \$300 in 2013/14 & 2014/15.

Council has undertaken detailed rate modelling scenarios and for 2015/16 the fixed charge will remain at \$300 per rateable assessment.

### Natural Resource (NRM) Management Levies

The NRM Levy is a State Government tax imposed under the Natural Resources Management Act 2004. Council is obliged to collect the levy on behalf of the SA Murray Darling Basin and South East NRM Boards.

For that part of the Council area covered by the South East Natural Resource Management Board, the levy has been a flat rate per property, in 2015/2016 this is \$42.06 per property. In the part of the Council area covered by the South Australian Murray Darling Basin Natural Resources Management Board, the levy has been based property capital valuations and the rate in 2015/2016 is 0.01042 cents in the dollar.

### Rate Rebate

Council has determined that rebates of rates will be granted when the applicant satisfies the requirements for mandatory rebates under Sections 159 to Section 165 of the Act. Applications for discretionary rebates lodged under Section 166 of the Act will be considered under Council's Rate Rebate Policy and will be assessed against guidelines prepared by the Local Government Financial Management Group.

The Act acknowledges that there are particular land uses that are economically disadvantaged and provide local community benefit and therefore must be offered rate relief in order to be sustainable. Some rebates under the Act are applied as a mandatory requirement however further discretionary provisions allow for Council to determine whether other desirable land uses may be offered rate relief.

Each year we develop a Rate Rebate Policy which provides the full details regarding rate rebates permissible under the Act. This policy document supports our Strategic Rating Policy.



---

## Rates Revenue for 2015/2016

---

The purpose for Council granting discretionary rebates is to assist those organisations to maintain their facilities which are predominately on Council property.

### Rate Capping

For the year ending 30 June 2016 and in accordance with Section 166(1)(l)(ii) of the Local Government Act, Council has decided to make generally available a rebate on the differential general rates paid, so that the maximum rate paid in 2015/2016 is no greater than 10% more than that applicable in 2014/2015 for residential properties, and 20% for all other properties. The rebate is subject to the increase not being due to capital improvements on the property or a change in ownership with the new value reflecting the purchase price.

Any property owner who has experienced an increase in accordance with the criteria above are encouraged to make application for a refund by visiting one of Council's offices or online

[www.coorong.sa.gov.au](http://www.coorong.sa.gov.au)

### Service Charges

#### Community Wastewater Management Schemes (CWMS)

This service charge is set to recover the costs associated with operating and developing the CWMS in townships throughout the Council area. Following a comprehensive review of the CWMS schemes and future capital and maintenance considerations clearly determined that Council was recovering enough to make the schemes long term sustainable.

In consideration of this Council is seeking to increase the CWMS charge in staged dollar increases over the next three years, on that basis Council has decided to charge the following CWMS fees for 2015/16:

*Tallem Bend, Meningie, Tintinara and Wellington East:*

- \$525 per occupied unit
- \$340 per vacant allotment

#### Water Supply

Council provides water supply systems to residential and commercial properties in the small townships of Wellington East and Peake. Council is seeking to recover the full cost of operating the system. To achieve this Council is seeking to increase charges so that there is equity between the schemes. The following water supply charges are to be charged for 2015/16:

- Wellington East and Peake water supply: a Service Charge comprised of \$240 plus \$1.50 per kilolitre for usage in excess of 125 kilolitres per annum;

#### Waste Management

Council introduced a kerbside waste management service charge in 2013/2014. The charge was applied to all properties that benefit from Council's waste collection service and reside within the collection boundaries.

As with the other service charges the intent of the charge is to recover the costs associated with the service, in consideration of this Council is seeking to increase the service charge in staggered dollar increases. For 2015/16 the kerbside waste management charge will increase to \$290 per eligible property.

## Appendix 1 Budgeted Financial Statement

Statement of Comprehensive Income	2014/15 Original Budget \$,000	2014/15 2nd Qtr Budget Update \$,000	2015/16 Budget Final \$,000	
<b>Income</b>				
Rates	7,078	7,155	7,595	1
Statutory Charges	110	122	145	2
User Charges	170	182	198	3
Operating Grants & Subsidies	4,956	5,014	5,550	4
Investment Income	2	2	1	5
Reimbursements	185	410	273	6
Other Income	77	95	114	7
<b>Total Income</b>	<b>12,578</b>	<b>12,980</b>	<b>13,877</b>	
<b>Expenses</b>				
Employee Expenses	4,876	4,638	4,951	8
Materials, Contractual Services & Other Expenses	4,292	5,103	5,158	9
Depreciation	3,838	3,755	3,708	10
Finance Charges	85	178	165	11
Net Loss - Joint Ventures & Associates	0	0	0	12
<b>Total Expenses</b>	<b>13,092</b>	<b>13,674</b>	<b>13,983</b>	
<b>Operating Surplus / (Deficit)</b>	<b>-514</b>	<b>-694</b>	<b>-106</b>	
Amounts received specifically for new or upgraded assets	3,181	3,181	410	13
Asset disposal & fair Value Adjustments	-75	-107	-75	14
	<b>3,106</b>	<b>3,074</b>	<b>335</b>	
<b>Net Surplus / (Deficit)</b>	<b>2,592</b>	<b>2,380</b>	<b>229</b>	
<b>Other Comprehensive Income</b>				
Changes in revaluation surplus - IPP&E	3,878	3,878	476	15
Impairment (Expense) / Recoupment offset to ARR	-72	-72	-792	16
<b>Total Comprehensive Income</b>	<b>6,398</b>	<b>6,186</b>	<b>-87</b>	
<b>Financial Ratio's</b>				
<b>Operating Surplus / Deficit</b> (Operating Revenue less Operating Expenses)	-514	-694	-106	17
<b>Operating Surplus Ratio</b> (Operating Surplus divided by Rates Revenue less NRM Levy)	-7.37%	-9.85%	-1.42%	18
<b>Interest Cover Ratio</b> (Interest Expense less Interest Investment divided by Total Operating Revenue less NRM Levy and Less Investment Income)	0.67%	1.36%	1.19%	

## **Annual Budget 2015 -16 (Key Assumptions & Changes)**

\* Council's Long Term Financial Plan (LTFP) 2015 - 2024 the following list of assumptions were assumed in this budget.

- 1a** Rating Revenue is to increase by 2% above Local Government Price Index (LGPI) or effective increase of 4%
- 1b** Rate Service Charges will be "self servicing", the costs associated with the service will be fully recovered through the structured increase in charges applied. In 2015/16 the increase in charges will generate an additional \$208K.
- 1c** CWMS Service Charges are to increase in a staggered dollar amounts over the next 2 years up to \$600 for an occupied charge and \$400 for an unoccupied charge per scheme.  
Increases are as follows;
  - \* 2015/16 Increase of \$70 from \$455 to \$525 for Occupied & from \$285 to \$340 for Unoccupied.
  - \* 2016/17 Increase of \$70 from \$525 to \$600 for Occupied & from \$340 to \$400 for Unoccupied.
  - \* 2017/18 Increase by Local Government Price Index
- 1d** Kerbside Waste Management Charge are to increase in structured rises over the next 2 years to enable full recovery of the costs associated with the service provision, Increases are as follows;
  - \* 2015/16 Increase of \$50 from \$240 to \$290 for Kerbside Waste Management Charge.
  - \* 2016/17 Increase of \$50 from \$290 to \$340 for Kerbside Waste Management Charge.
  - \* 2017/18 Increase by Local Government Price Index
- 1e** Water Supply Charges are to increase in structured rises to enable full recovery of the costs associated with the service provision. Increases are as follows;
  - \* 2015/16 No Increase in charge \$240 for Wellington East Water Supply Charge plus \$1.50 per kilolitre for usage in excess of 125KL per annum.
  - \* 2015/16 Increase of \$40.00 from \$200 to \$240 for Peake Water Supply plus \$1.50 per kilolitre for usage in excess of 125KL per annum.
- 1f** Natural Resources Management Levy to increase by Consumer Price Index (CPI) estimated at 2%.
- 2** Statutory Charges - Increase from budget to budget surrounds the increase in development applications recorded in 2014/15. There is an expectation that this will continue to be maintained for the 2015 /16 financial year.
- 3** User Charges are expected to increase in 2015/16 by 28K. The increase is largely due to the introduction of the enroute kerbside collection charge & bin bank waste collection. The charge was introduced in 2013/14 the purpose of the charge is to extend the waste collection service to those ratepayers who reside on the waste collection route but live outside of the designated townships boundaries. Council also introduced post original budget 2013/14 the reintroduction of the dump voucher system. For the 2015/16 both the enroute kerbside collection charge and the dump system will be charged at the equivalent rate of the Kerbside Waste Management Charge being \$290.
- 4** Operating Grants & Subsidies - Assumption is that Council will receive a full years grants commission funding without CPI indexation in 2015/16.
- 4a** Grants Commission Funding has been estimated to be the equivalent of 2014/15. No CPI Indexation anticipated.
- 4b** Landcare grant funds expected to be received in 2015/16 will total \$865K.
- 4c** Home And Community Care (HACC) grant assumption of increased funding received by CPI. The current contract is under review and is pending a decision following the Federal Government Budget in May 2015.
- 4d** Roads to Recovery grant funding has been extended for a further 5 years. A double payment amounting to \$949K is anticipated in 2015/16.
- 4e** Country Arts SA \$50K grant to part fund the Arts & Grants Officer.
- 5** Investment Income - Small decrease expected due to lower interest rates forecast. Council's Treasury Management Policy details that investment interest income will be kept to a in lieu of paying down Cash Advanced Debentures and minimising Interest expense.
- 6** Reimbursements - A increase has been forecasted, Council in recent years has been the recipient of refunds/ reimbursements from the Local Government Association Mutual Liability Scheme (LGAMLS). The refunds are distributed based on the assessment of the risk profile of Council, in previous years no budget allocation was budget for however due to its recurring nature it has been included in 2015/16.
- 7** Other Income - Landcare contribution of \$40K from the Tatiara Council to co fund the Local Action Plan programs in its district. This amount accounts largely for the increase in this area.

- 8** Employee Expenses are set to increase by 1.4%. List of changes are as follows;
- a)** Replaced 1 FTE Senior Projects Officer with 1 FTE Administration Officer.
  - b)** Increase 1 FTE Arts & Grants Officer - This role is dependant on 50% External Funding submission Country Arts SA.
  - c)** Decrease in .8 FTE Local Action Plan (LAP) Officer - Funding for the Goolwa / Wellington LAP project ceases in September 2015.
  - e)** Superannuation guarantee has been fixed at 9.5% in 2015/16.
  - f)** Enterprise Bargaining Agreement (EBA) Increase.
- 9a** Materials are forecast to increase by \$50K. The 2015/16 budget for water and electricity costs have been increased based on forecasted 2014/15 usage & Cost. A combination of increased usage from new connections combined with a CPI increase that are the largest drivers of the increase.
- 9b** Contractual Services Increase of \$251K - A broad number of new projects have contributed to the increase, these include:
- a)** Planning & Building Assessment - An increase of \$28K additional planning requirements due to increased number of development assessments.
  - b)** Infrastructure & Assets - Increase of \$20K to deliver a Streetscape Plan for Taillem Bend.
  - c)** Plant & Machinery - Costed plant repairs increase by \$50K. Council has allocated greater funds in capital replacements to replace plant & machinery however until the backlog of replacements are caught up, increased amounts of costed repairs will be budgeted for.
  - d)** Tintinara Men's Shed \$24K has been allocated to enable the stage 2 expansion of the Tintinara Men's Shed to occur - (Budget Increase of \$7K from last year)
  - e)** Cemeteries - Increase of \$20K to allow for a full survey of all plot sites of all major cemeteries to be done.
  - f)** Council Buildings - Increase of \$23K allocated across Offices, Depots etc for implimentation of new security equipment & monitoring.
  - g)** Halls \$20K for scheduled maintenance of the Meningie Hall paint exterior of building, eaves & Facias
  - h)** Sanitary & Garbage - Increase by \$44K required for tub - grinding of green organics and shredding of tyres.
  - i)** Sport & Recreation - Tintinara Oval \$40K for the staged removal of Aleppo Pines
  - j)** Council Owned Properties - Increase of \$10K to assist with property settlements of land processes.
  - k)** Water Supply Peake \$7K - Allocated to clean and descale water pipes in the township.
  - l)** Other costs that have also influenced the increase in budget to budget figure for contractual services include scheduled increases in street sweeping, waste collection and disposal, cartage costs.
- 9c** Other Expenditure have increased by \$222K - The following is detailed list of the increases.
- a)** Lease Costs - Increase of \$90K Council in 2014/15 changed from owning administration vehicles to leasing the vehicles. The change has resulted in a number of budget line changes ie decrease in depreciation, registration and income received from trade ins and capital expenditure.
  - b)** Income Protection Insurance - An increase of \$34K has occurred following an agreement to extend income protection to all staff. in 2014/15 all ASU staff agreed to reduce their EBA pay increase to allow for this to occur.
  - c)** Legal Fees - Increase of \$29K, largely surrounding the finalisation of legal costs in respect to the Taillem Bend Motorsport Park.
  - d)** Insurances - The increase of \$22K surrounds a CPI increase expected from the previous year.
  - e)** Fringe Benefits Tax - Increase of \$17K,, transitional changes in the Fringe Benfits Tax legislation, have corresponded in an increase in the amount payable.
  - f)** Telephony - \$15K increase due to a combination of CPI increases, data usage (Internet) and hand set payments (Mobiles).
  - g)** Donations & Contributions \$22K increase (\$10K -150th Year Celebration Meningie, \$12K Peake Oval - Contribution to improving water irrigation)
  - h)** Postage \$8K increase forecast, the increase is a result of recent price increases in postage combined with some increase in postage.
  - h)** Other costs influenced by CPI increases including Licenses and Elected Member Allowances etc.
- 9d** Expenditure that was capitalised through recoveries has decreased by \$343K. Decrease is due to a less capital works being undertaken than 2014/15.

- 10 Depreciation - decrease by \$130K a combination of a change in practise of owning vehicles to leasing vehicles and a change to the depreciation on buildings following the revaluation have been the prime drivers of the change.
- 11 Finance charges have increased by \$80K, following the drawdown of loans in respect to the Tailern Bend office redevelopment and the purchase of major plant and machinery.
- 12 Net Loss Murray Mallee Community Transport Scheme (MMCTS) - A small loss is expected however this is apportioned across the 3 contributing Councils, net amount attributed to Coorong is less than \$1K.
- 13 Amounts received specifically for new and upgraded assets, i) \$140K is attributed to the upgraded portion of the Special Local Roads funded Tauragat Well Road ii) Coonalpyn Water Project if successful Council will receive \$150K in grant funding to undertake the provision of underground water to irrigate sporting ovals, caravan park and swimming pool. (iii) Morgan - Salt Creek walking trail - If successful Council will receive \$120K to co - fund the first stage of the trail.
- 14 Asset disposal and fair value adjustments - adjustments for Plant & Equipment sales and other assets.
- 15 Changes in Revaluations Surpluses - Structures and Land will be revalued an estimated revaluation surplus has been allocated based on CPI increases since the last revaluation.
- 16 Impairment expense in Asset Revaluation Reserve - the amount in 2015/16 is an allocation for adjustments in roads following change of unsealed to sealed roads.
- 17 Operating surplus / deficit - A deficit of \$106K is forecasted to occur in 2015/16 whilst the deficit is lower than forecasted in 2014/15, the result is below Council's target of achieving a break even position or better. Factors such as , decreased income from the grants commission funds (no CPI Indexation) combined with increased expenditure in contractual services have impacted the result however the additional expenditure will deliver a number of key objectives and projects and improved service delivery.
- 18 Operating Surplus / Deficit Ratio - forecasted result is -1.42%, as with the operating surplus / deficit the target result is for a break even and better. The impact of no CPI indexation on Federal Assisted Grants funds plus cost pressures in respect to an aging plant & machinery combined with "one off's" such as funds provided for property settlements and sales, streetscape plans, cemetery plot surveys and removal of trees to list a few have lead to the -0.79% Operating Deficit Ratio.

Capital Expenditure Accounts	2014/15 Original Budget \$,000	2014/15 2nd Qtr Budget Update \$,000	2015/16 Budget Final \$,000	
CWMS Capital	214	75	342	1
Cemeteries Capital	0	0	11	2
Council Buildings Capital	3,389	4,366	0	
Footways & Cycle Tracks Capital	86	86	86	3
Halls Capital	0	3	0	
Health Centres Capital	0	0	43	4
Information Technology Capital	20	26	52	5
Minor Plant Capital	16	16	16	6
Parks & Gardens Capital	393	397	854	7
Plant & Machinery Capital	1,584	1,263	1,579	8
Public Conveniences Capital	6	161	11	9
Sanitary & Garbage Capital	0	0	0	
Sealed Roads Construction	1,380	1,166	1,113	10
Stormwater Capital	268	43	161	11
Unsealed Roads Capital	1,070	1,070	1,070	12
Vehicles Capital	1,370	453	0	
<b>Grand Total</b>	<b>9,795</b>	<b>9,330</b>	<b>5,338</b>	

#### Annual Budget 2015 -16 (Key Assumptions & Changes)

\* Council Long Term Financial Plan (LTFP) 2015 - 2024 the following list of assumptions were adopted in line with the LTFP.

- a In comparison to the Roads Infrastructure Asset Management Plan (IAMP) - Council has allocated \$86K for footpaths compared to \$70K forecasted, \$56K kerb & gutter compared to \$40K forecasted in the plan, reseals and sealed roads \$373K compared to \$350K and \$1.07M on unsealed roads compared to \$1.1M in the plan. Whilst the expenditure is higher in some areas than what is required, the benefit of increased expenditure will transpose in a direct reduction in the backlog of road infrastructure expenditure.
- b In comparison to the CWMS capital renewal program \$324K has been allocated in 2015/16 compared to \$327K. Council delayed the replacement of Pettet St Pump Station in 2014/15 and deferred it to 2015/16. The effect of this has now delayed the replacement schedule by a year.



### **Capital Expenditure Budget**

- 1** CWMS - Total Budget is \$342K, \$270K has been allocated for the replacement of the pump station in Pettet Street Meningie as outlined in the CWMS Annual Business Plan. A further \$54K has been allocated for the systematic replacement of pump station electrical boards.
- 2** Cemeteries - New Columbarium to be erected at the Meningie Cemetery 11K.
- 3** Footpaths - \$86K allocated to various footpaths throughout the district as per the priorities listed in the IAMP capital works schedule.
- 4** Health Centre - Tintinara Health & Recreation Centre \$43K Replace external rotted timber work / replace laserlite roof / repaint eaves & fascia's
- 5** Information Technology - Microsoft Office Upgrade "Office 10" \$38K, Replace photocopier \$14K.
- 6** Minor Plant \$16K allocated replace trailers and other minor plant.
- 7a** Parks & Gardens - Irrigation upgrades & replacements various locations \$21K.
- 7b** Parks & Gardens - Dickson Reserve Tailem Bend, Complete works (boardwalk, deck and moorings \$214K.
- 7c** Parks & Gardens - Various bin stand replacements various locations \$11K.
- 7d** Parks & Gardens - Remediate West Terrace Reserve Meningie for recreational purposes \$21K
- 7e** Parks & Gardens - Make alterations to Narrung Jetty to allow easier access to the jetty for boaties \$11K.
- 7f** Parks & Gardens - Coonalpyn Water Project - Provision and supply of underground water for utilisation for the oval, caravan park, swimming pool areas (part funded by grant) \$321K
- 7g** Parks & Gardens - Replace banner poles Princes Hwy Meningie \$16K.
- 7h** Parks & Gardens - Various park furniture replacements various locations \$12K.
- 7i** Parks & Gardens - Replace signage Tailem Bend walking trail (part funded by OPAL) \$11K
- 7j** Parks & Gardens - Display Notice Board & Installation of 3 flagpoles Tailem Bend \$12K
- 7k** Parks & Gardens - Meningie North Sailing Club (Concept Plan) \$16K
- 7l** Parks & Gardens - Feasibility Study Lake Indawarra Tintinara \$11K .
- 7m** Parks & Gardens - Walking Trail Morgan to Salt Creek - Stage 1 Meningie to Seven Mile Road loop trail \$171K (part funded \$120K).
- 7n** Parks & Gardens - Street Lighting - Narrung Road Meningie \$11K .
- 8a** Plant & Machinery - Major Plant \$851K - Grader , Tractor, Loader, Tip Truck, Mower (trade ins expected \$176K)
- 8b** Plant & Machinery - Utility changeovers as per agreement \$728K (trade ins expected \$459K)
- 9** Public Conveniences - Conceptual Plan for Tailem Bend Toilets & Information Centre \$11K
- 10a** Sealed Roads - \$56K Kerb & Gutter various replacements as per capital works program and Roads IAMP.
- 10b** Sealed Roads - Seal another 4 KM of unsealed road, Tauragat Well Road \$684K. Grant Funded \$420K by Special Local Roads Program (SLRP).
- 10c** Sealed Roads - Various reseals Rural Roads as per IAMP \$187K.
- 10d** Sealed Roads - Various reseals Urban Roads as per IAMP \$186K.
- 11** Stormwater - Continuation of the stormwater construction works Meningie \$161K
- 12** Unsealed Roads - \$1.07M resheet various roads as per capital works program and Roads IAMP, additional Funding Roads To Recovery for 2015/16.

Summary of Financial Performance & Position Statement (SFPPS)	2014/15 Original Budget \$,000	2014/15 2nd Qtr Budget Update \$,000	2013/14 3rd Qtr Budget Update \$,000	2015/16 Budget Final \$,000	
Income	12,578	12,980	13,085	13,877	
less Expenses	13,092	13,674	13,745	13,983	
	-514	-694	-659	-106	1
<b>less Net Outlays on Existing Assets</b>					
Capital Expenditure on renewal and replacement of Existing Assets	5,716	4,734	4,687	4,564	2a
less Depreciation, Amortisation and Impairment	3,838	3,755	3,755	3,708	2b
less Proceeds from Sale of Replaced Assets	1,792	940	919	635	2c
	86	39	13	221	
<b>less Net Outlays on New and Upgraded Assets</b>					
Capital Expenditure on New and Upgraded Assets (including investment property & real estate developments)	4,079	4,596	1,696	774	3a
less Amounts received specifically for New and Upgraded Assets	3,181	3,181	420	410	3b
less Proceeds from Sale of Surplus Assets (including investment property and real estate developments)	0	279	280	0	3c
	898	1,136	996	364	
<b>Net Lending / (Borrowing) for Financial Year</b>	-1,498	-1,869	-1,669	-691	4
<b>Financial Ratios</b>					
Operating Surplus / Deficit * (Operating Revenue less Operating Expenses)	-514	-694	-659	-106	
Operating Surplus Ratio ** (Operating Surplus divided by Rates Revenue less NRM Levy)	-7.37%	-9.85%	-9.27%	-1.42%	5
Net Financial Liabilities Ratio *** (Net Financial Liabilities divided by Operating Revenue Less NRM Levy) Target between Nil and 100%	51.91%	51.80%	48.92%	53.46%	6
Asset Sustainability Ratio **** (Acquisition of renewal and replacement of assets / Depreciation) Target between 85% to 105%	102.25%	101.05%	100.36%	105.95%	7
<p>* Being the operating surplus (deficit) before capital amounts</p> <p>** Operating Surplus ratio expresses the operating surplus as a percentage of general and other rates, net of NRM levy</p> <p>*** Net Financial Liabilities equals total liabilities less financial assets</p> <p>**** Asset sustainability ratio indicates whether a Council is replacing existing non financial assets at the same rate they are wearing out.</p>					

### **Annual Budget 2015 -16 (Key Assumptions & Changes)**

- 1 Operating surplus / deficit - A deficit of \$106K is forecasted to occur in 2015/16 whilst the deficit is lower than forecasted in 2014/15, the result is below Council's target of achieving a break even position or better. Factors such as , decreased income from the grants commission funds (no CPI Indexation) combined with increased expenditure in contractual services have impacted the result however the additional expenditure will deliver a number of key objectives and projects and improved service delivery.
- 2a Net Outlays of Existing Assets - Replacement of existing assets is estimated to total \$4.56M. Plant & Equipment and Utility replacements account for a significant portion of the total replacements.
- 2b Depreciation for 2015/16 will decrease on the previous year due largely to Council selling its vehicle administration fleet and changing to a leased fleet.
- 2c Proceeds from sale of replaced assets \$635K includes trade in amounts for the plant & equipment and Utilities that will be replaced in 2015/16.
- 3a Net Outlays of New & Upgrade Assets - are estimated to total \$774K. This total includes an allocation for upgrade and new works anticipated as part of the Morgan to Salt Creek Trail, Coonalpyn Water Project and the upgrade of Tauragat Well Road from Unsealed to Sealed, Street Lighting Narrung Road.
- 3b Amounts specifically for New and Upgraded Assets - \$410K is anticipated to be received \$140K relates to the upgrade of Tauragat Well Road, from Special Local Roads funding , Further sums of \$120K for the Morgan to Salt Creek walking trail and \$150K for the Coonalpyn water project are also anticipated.
- 4 Net Borrowings required to fund the budget is \$691K from all sources.
- 5 Operating Surplus / Deficit Ratio - forecasted result is -1.42%, as with the operating surplus / deficit the target result is for a break even and better. The impact of no CPI indexation on Federal Assisted Grants funds plus cost pressures in respect to an aging plant & machinery combined with "one off's" such as funds provided for property settlements and sales, streetscape plans, cemetery plot surveys and removal of trees to list a few have lead to the -1.42% Operating Deficit Ratio.
- 6 Net Financial Liabilities - The result of 53.46% is within the target range and expectations of Council. The Capital Budget of \$5.33M is part funded by Capital Income of \$2.29M, however the balance of \$3.04M has been funded by other sources such as borrowings.
- 7 Asset Sustainability Ratio - The result is expected to be 105.95%, the result is above target the target range of 85% - 105%. The result is at the higher end of the target range, due largely to the increased capital renewal on plant & machinery.

Balance Sheet	2014/15 Original Budget \$,'000	2014/15 2nd Qtr Budget Review \$,'000	2015/16 Budget Final \$,'000	
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash & Cash Equivalents	20	20	20	
Trade and Other Receivables	846	839	873	
Inventories	24	30	30	
<b>Total Current Assets</b>	<b>890</b>	<b>889</b>	<b>922</b>	<b>1</b>
<b>Non Current Assets</b>				
Equity Accounted Investment in Council Business	34	41	41	
Investment Property	935	935	935	
Infrastructure, Property, Plant & Equipment	167,080	162,704	163,308	
<b>Total Non Current Assets</b>	<b>168,049</b>	<b>163,679</b>	<b>164,284</b>	<b>2</b>
<b>Total Assets</b>	<b>168,939</b>	<b>164,568</b>	<b>165,206</b>	
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Trade & Other Payables	1,067	1,082	1,085	
Borrowings	67	83	69	
Provisions	785	885	865	
<b>Total Current Liabilities</b>	<b>1,919</b>	<b>2,050</b>	<b>2,018</b>	<b>3</b>
<b>Non Current Liabilities</b>				
Trade & Other Payables	142	142	78	
Borrowings	5,084	5,182	6,003	
Provisions	196	156	156	
<b>Total Non Current Liabilities</b>	<b>5,422</b>	<b>5,480</b>	<b>6,237</b>	<b>4</b>
<b>Total Liabilities</b>	<b>7,342</b>	<b>7,531</b>	<b>8,255</b>	
<b>NET ASSETS</b>	<b>161,597</b>	<b>157,038</b>	<b>156,951</b>	
<b>EQUITY</b>				
Accumulated Surplus	31,831	29,915	30,143	
Asset Revaluation Reserves	129,103	126,051	125,735	
Other Reserves	663	1,072	1,073	
<b>NET ASSETS</b>	<b>161,597</b>	<b>157,038</b>	<b>156,951</b>	

#### Annual Budget 2015 -16 (Key Assumptions & Changes)

- 1 Current Assets - Increase is largely forecasted in rates debtors, whilst debt recovery practices have improved, the increase in rates expected coupled with tighter economic conditions will result in an increase in rates debtors.
- 2 Non Current Assets - The increase is due to largely to new & replacement assets coupled with revaluations surpluses anticipated following the completion of the following revaluations; structures and land.
- 3 Current Liabilities - Trade & Other Payables coupled with increases in the provision accounts for employee entitlements are the largest drivers of the increase in this area.
- 4 Non Current Liabilities - Long Term Borrowings are expected to reach \$6.2M by the end of 2015/16. The funds received will be utilised to fund Councils' capital expenditure budget / program of \$5.33M.

Change in Equity Statement	2014/15 Original Budget \$,000	2014/15 2nd Qtr Budget Update \$,000	2015/16 Budget Final \$,000	
<b>Total Equity</b>	<b>161,597</b>	<b>157,038</b>	<b>156,951</b>	
<b>Accumulated Surplus</b>				
Opening Balance	29,287	27,623	29,915	
Net Surplus / (Deficit) For Year	2,592	2,380	229	
Transfers To/From Reserves	-49	-87	-1	
<b>Balance at end of Period</b>	<b>31,830</b>	<b>29,915</b>	<b>30,143</b>	<b>1</b>
<b>Asset Revaluation Reserve</b>				
Opening Balance	125,297	122,245	126,051	
Gain on Revaluation of IPP&E	3,878	3,878	476	
Impairment (expense) / recoupment's offset to ARR	-72	-72	-792	
<b>Balance at end of Period</b>	<b>129,103</b>	<b>126,051</b>	<b>125,735</b>	<b>2</b>
<b>Other Reserves</b>				
Opening Balance	614	985	1,072	
Transfers To/From Reserves	49	87	1	
<b>Balance at end of Period</b>	<b>663</b>	<b>1,072</b>	<b>1,073</b>	<b>3</b>

#### Annual Budget 2015 -16 (Key Assumptions & Changes)

- 1 Net Surplus - The net surplus following income received specifically for new and upgraded assets is \$189K.
- 2 Transfers from / to reserves \$1K increase in reserves held. Transfer is mainly due to unexpended Open Space funds.
- 3 Gain on Revaluation- in 2015/16 revaluations will occur for Structures and Land. An assumption of CPI increase to return an a surplus in revaluations of \$476K.
- 4 Impairment (expense) Recoupment offsets to ARR - An allocation has been made to acknowledge write off of assets that will occur in respectto sealing and unsealed section of road.
- 5 Transfers from / to reserves \$1K increase in reserves held. Transfer is mainly due to unexpended Open Space funds.

CashFlow Statement	2014/15 Original Budget \$'000	2014/15 Budget Update 2nd Qtr \$,000	2015/16 Budget Final \$,000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Operating Receipts	12,466	13,238	13,836
Investment Receipts	2	2	1
<b>Payments</b>			
Operating Payments to Suppliers & Employees	8,976	8,938	9,687
Finance Payments	85	178	165
<b>Net Cash provided by (or used in) Operating Activities</b>	<b>3,407</b>	<b>4,124</b>	<b>3,985</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Receipts</b>			
Amount specifically for new or upgraded assets	3,181	3,181	410
Sale of replaced assets	1,792	940	635
Sale of surplus assets	-	279	-
Repayments of loans by community groups	43	36	20
<b>Total Receipts</b>	<b>5,016</b>	<b>4,435</b>	<b>1,065</b>
<b>Payments</b>			
Expenditure on renewal/replacement of assets	5,716	4,734	4,564
Expenditure on new/upgraded assets	4,079	4,596	774
Loans made to community groups	6	-	-
<b>Total Payments</b>	<b>9,801</b>	<b>9,330</b>	<b>5,338</b>
<b>Net Cash provided by (or used in) Investing Activities</b>	<b>(4,785)</b>	<b>(4,895)</b>	<b>(4,273)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Receipts</b>			
Proceeds from Borrowings	6,453 <sup>▲</sup>	6,150	6,298
<b>Total Receipts</b>	<b>6,453</b>	<b>6,150</b>	<b>6,298</b>
<b>Payments</b>			
Repayments of Borrowings	5,075 <sup>▲</sup>	5,563	6,010
<b>Total Payments</b>	<b>5,075</b>	<b>5,563</b>	<b>6,010</b>
<b>Net Cash provided by (or used in) Financing Activities</b>	<b>1,378</b>	<b>587</b>	<b>288</b>
<b>Net Increase (Decrease) in cash held</b>	<b>0</b>	<b>(184)</b>	<b>0</b>
Cash & cash equivalents at beginning of period	20	204	20
Cash & cash equivalents at end of period	20	20	20