



**District Council of Cooper Pedy**

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# Annual Business Plan

2009/2010

**Final**

**Pursuant to and in accordance with Section 123 of the Local Government Act  
1999 and Regulation 5A of the Local Government (Financial Management)  
Regulations 1999**

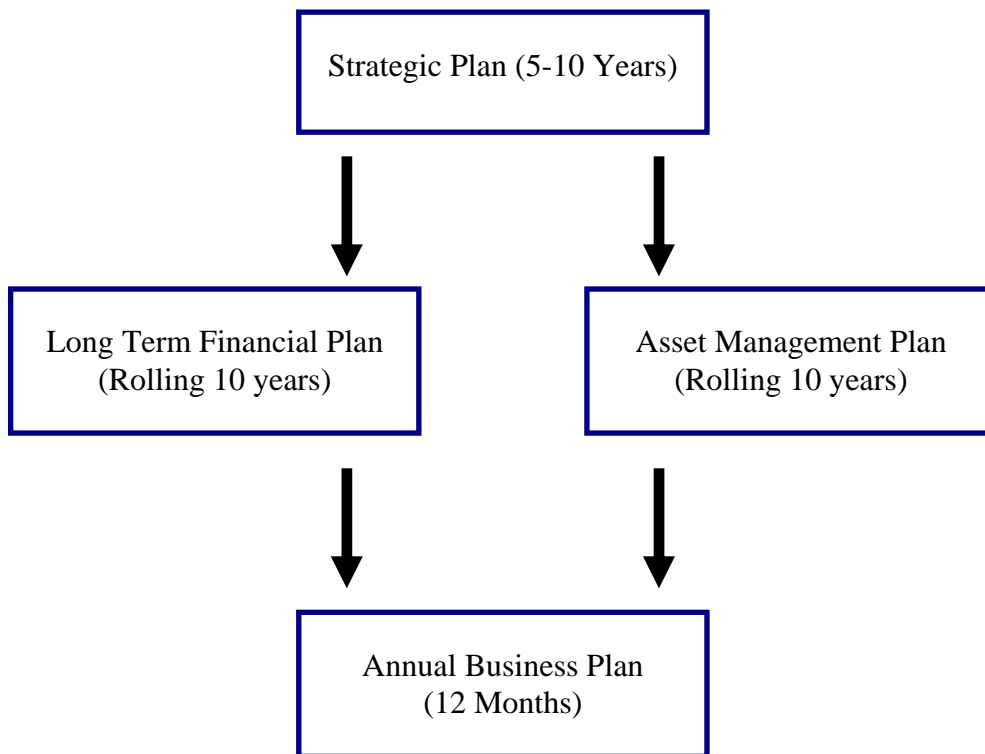
## INTRODUCTION

Council each year has to develop an Annual Business Plan for the following financial year to determine services, programs and projects that it will deliver to the community.

The objectives of the Council will come it's 10 years Long Term Financial Plan. Integral to this is a Long Term Asset Management Plan. Councils historically are large infrastructure organisations and Coober Pedy is no different in that respect. The Asset Management Plan will focus on costs, efficiency, effectiveness and risk management of assets.

During 2007/2008 Council reviewed its Strategic Plan. This plan is now current for five years.

Council currently has a Long Term Financial and Asset Management Plan. These are used to help make decisions for the long term viability of Council.



This Annual Business Plan has been prepared so that the Coober Pedy Community can have an opportunity to comment and make suggestions to Council with regard to it.

The District Council of Coober Pedy has many unique challenges that it must face on a day to day basis, one of which being the isolation and distance factor from other communities. This means that Council has very limited opportunities to join in partnerships or synergies with other Councils across the state.



## District Council of Coober Pedy

For a South Australian Council, Coober Pedy performs some very unique tasks in the community. These include the Electricity and Water Supplies to the Community.

The Electricity Supply has many external pressures that cause the Council constant vigilance. The greatest of these is the changing level of the Remote Areas Energy Supplies (RAES) subsidy scheme. This has recently be changed and has meant that Council will have no choice but to cut back on all of its initiatives and capital projects. The fuel cost for the electricity generation is also an issue, as the RAES Subsidy does not necessarily change with the fuel price. The price of fuel is linked to the Singapore Crude Oil price, which as we know, can change markedly on a daily basis.

Growth in non Opal Mining ventures around the district of Coober Pedy could in the future cause pressures to impact on the Council and community as a whole. Council encourages all the developments that are migrating and locating to the region. However, Council has to try to predict what impact it may have on infrastructure and services it provides.

Council Members are as follows:

Mayor:	Steve Baines
Deputy Mayor:	Mike Maylin
Councillors:	Alex Morgan
	Tina Doulgeris
	Kevin Woon
	Beverly Staines
	Paul Athanasiadis
	Boro Rapaic
	Geoff Sykes

Council Senior Staff are as follows:

Chief Executive Officer:	Trevor McLeod
Finance & Admin Manager:	Damien Clark
Works Manager:	Mark Hill
Water Supply Manager:	Phil Van Poorten
Electricity Distribution Sup:	Graeme Norton



## 1. SERVICES, PROGRAMS & PROJECTS

Council has a very diverse range of services and programs that it provides to the community.

They are comprised in the following departments:

### Administration

- Governance functions of Council
- Providing Administration support for the whole of Council
- Providing IT support for the whole of Council
- Providing HR and OHS support for Council
- Customer Service for the community

### Community

- Tourism for the Community
- Dog Control
- Child Care Services
- Youth Services
- Swimming Pool Facilities
- School Community Library
- Economic Development
- Planning and Development

### Water

- Process water for the community from the Bore to the tap

### Waste

- Provide sewerage treatment for the main street and other connected areas
- Provide vac pump facilities to the rest of the community

### Works

- Roads construction and maintenance
- Parks & Gardens
- Plant repairs and maintenance
- Cemetery maintenance
- Waste Collection
- Rubbish Dump operations



## District Council of Coober Pedy

- Airport maintenance

## Electricity

- Provide electricity to the whole of the community via diesel generators
- Maintenance of the electricity distribution system
- Hire of Crane facilities



## 2. SIGNIFICANT INFLUENCES AND PRESSURES

The Coober Pedy Community is very unique and diverse. It has a population of around 3,500 comprised of over 40 nationalities. The community was born out of the Opal Industry over the past 90 years. The community has only had a Local Government Council since 1987.

This has meant that Council does not have a large infrastructure base such as roads, sewerage and storm water drainage. The challenge is therefore to invest in this infrastructure with limited available funds.

There is also the pressure of having to conform to regulations and rules without the support of neighbouring Councils to provide synergies such as waste management. There is also the pressure of raising our entire infrastructure to a standard that complies with all risk management initiatives.

Each year we have to deal with the increase in price of services and products that Council consumes. The Local Government Price Index has increased by 3.9% as opposed to the CPI of 2.5% for the same period. This means that Council still has to be prudent with all of its spending.

Council will endeavour to provide services at least equal to that which was previously provided. Council is also committed to maintaining its assets so that the long term cost is minimised.



3. CONTINUING SERVICES

As a Local Government Council, we must as a part of regulations, perform the following functions:

- Governance, supporting the elected Council members
- Administration for the whole of Council
- Management of roads, parks, public open space
- Waste Management for the community
- Development & Planning control
- Environmental Health services
- Public Conveniences
- Dog Control
- Cemeteries

Council also provides the following services:

- Triangle Recreation facilities (Oval, Skate Park etc)
- Visitor Information Centre
- Tourism Marketing support
- Economic Development
- Youth services
- Child Links programs

Council also operates the following services for which a cost is charged:

- Electricity Supply
- Water Supply
- Waste Water
- Aerodrome
- Swimming Pool
- Child care services

Council is not at this point planning on taking on new services.



4. PROPOSED ACTIVITIES FOR 2009/2010

As with most Councils there is considerable Capital Infrastructure to construct, maintain or upgrade.

Therefore there are two main categories of Capital Expenditure:

- Renewal/Replacement of Capital Items
- New Capital Items

An example of the Renewal/Replacement of assets is the reseal of a road, a replacement electricity transformer or replacement of a piece of plant such as a grader etc.

An example of a new Asset is a new sealed road that was previously unsealed, or a new piece of equipment, or an extension of the sewerage scheme.

On page 20 is a summary of the capital expenditure and the way it is to be funded.





District Council of Coober Pedy

Council Functions & Sub Functions

ADMINISTRATION				
Function	Revenue \$	Expenses \$	Net Oper \$	Capital Exp \$
Governance		280,200	-280,200	
Rates	1,059,302	70,000	989,302	
Finance/Support	1,478,543	609,600	868,943	
Payroll		26,030	-26,030	
HR/OHS		71,693	-71,693	
<b>TOTAL</b>	<b>2,537,845</b>	<b>1,057,523</b>	<b>1,480,322</b>	

**Strategic Objectives:**

- Maintain the District Council's financial position
- Continue to deliver essential local government services
- Broaden focus of the Senior Officer's Group
- Make all residents and businesses aware of the Strategic Plan
- Report annually to the community and stakeholders



Community				
Function \$	Revenue \$	Expenses \$	Net Oper \$	Capital Exp \$
Dog Control	11,000	54,166	-43,166	
Library	11,500	38,455	-26,955	
Health		10,500	-10,500	
Community Services		15,000	-15,000	
Swimming Pool	31,000	147,120	-116,120	
Development/Planning	17,500	65,894	-48,394	
Tourism	17,500	118,788	-101,288	
Economic Development		51,375	-51,375	
Aged & Disabled	5,000	21,248	- 16,248	
Child Care Services	403,500	391,500	12,000	
Child Care Links	105,000	97,561	7,439	
Youth Services	53,000	81,500	-28,500	
<b>TOTAL</b>	<b>655,000</b>	<b>1,093,107</b>	<b>-438,107</b>	

**New Initiatives for 2009/2010**

- Fulltime Youth Officer Position until 30 March 2011
- Child Care Links until 30 June 2010

**Strategic Objectives:**

- Strengthen air transport links
- Strengthen health and aged care services
- Invest in Sport, recreation and leisure infrastructure and programs
- Improve community security and safety
- Continue to upgrade the main street - thoughtfully



WATER				
Function	Revenue \$	Expenses \$	Net Oper \$	Capital Exp \$
Retail	1,361,500	56,000	1,305,500	
Reticulation		589,947	-589,947	
Production		356,000	-356,000	
Raw Water/Bore		220,000	-220,000	45,000
<b>TOTAL</b>	<b>1,361,500</b>	<b>1,221,947</b>	<b>139,553</b>	<b>45,000</b>

**New Initiatives for 2009/2010**

- Upgrade and review Reticulation pumps

**Strategic Objectives:**

- Ensure the continued availability of water at a sustainable long-run cost



WASTE WATER				
Function	Revenue \$	Expenses \$	Net Oper \$	Capital Exp \$
Waste Water	307,000	91,300	215,700	
<b>TOTAL</b>	<b>307,000</b>	<b>91,300</b>	<b>215,700</b>	

**Strategic Objectives:**

- Continue to deliver essential local government services



WORKS				
Function	Revenue \$	Expenses \$	Net Oper \$	Capital Exp \$
Aerodrome	96,500	108,724	-12,224	1,270,000
Garbage Collection	3,500	108,911	-105,411	
Commercial Garbage	72,000	48,650	23,350	
Rubbish Dump Oper	2,500	200,600	-198,100	
Other Works	131,500	176,480	-44,980	
Plant Operations	395,000	430,303	-35,303	
Roads	181,800	873,455	-691,655	
Works Overheads	445,000	548,650	-103,650	
Sport & Rec (Parks)		177,535	-177,535	
Other Community	500	18,418	-17,918	
Housing	3,120	7,621	-4,501	
<b>TOTAL</b>	<b>1,331,420</b>	<b>2,699,347</b>	<b>-1,367,927</b>	<b>1,270,000</b>

**New Initiatives for 2009/2010**

- Airport Terminal Building

**Strategic Objectives:**

- Continue to provide essential local government infrastructure
- Continue to provide essential local government services



ELECTRICITY				
Function	Revenue \$	Expenses \$	Net Oper \$	Capital Exp \$
Retail	6,476,785	196,850	6,279,935	
Distribution		1,076,112	-1,076,112	
PPA		5,241,362	-5,241,362	
Generation		44,500	-44,500	
<b>TOTAL</b>	<b>6,476,785</b>	<b>6,558,824</b>	<b>-82,039</b>	

**Strategic Objectives:**

- Ensure the continued availability of electricity at a sustainable long-run cost



5. MEASURING PERFORMANCE
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**STRATEGIC AIMS**

Due to the challenges faced over the past 7 years with the Electricity Supply, Council is committed to increasing infrastructure within the town to meet the needs of the community.

The key performance indicator for the projects below is their completion within timeframes and budget.

The projects are:

- Airport terminal Building
- Water Reticulation System Renew

**IMPACT ON COUNCIL’S FINANCIAL POSITION**

To remain financially sustainable Council is looking at indicators that help to plan for future budgets. The long term financial plan will indicate these as goals to work towards. The Annual Report will show the performance against that target.

The indicators are:

- Operating Result
- Operating Ratio
- Interest Cover Ratio

The following table shows the comparative figures over two budgets:

FINANCIAL POSITION			
Indicators		Budget 2008/2009	Budget 2009/2010
Operating (Deficit)/Surplus		\$550,081	\$(52,498)
Operating Ratio		57.99%	-10.48%
Interest Cover Ratio		0.5%	0.4%



## **OPERATING (DEFICIT)/SURPLUS**

The operating surplus/(deficit) represents the difference between the operating revenue and operating expenditure.

Council is aiming to remain in surplus over the average of 3 years.

Council has many challenges to this end, the largest being the fuel price changes for the generation of electricity. This is due to the fact that the Coober Pedy power station uses between 3.3 million -3.5 million litres annually. This means that even a small increase in fuel price will have a large impact on Council's overall budget.

## **OPERATING RATIO**

This ratio is one that does not truly show the position of the District Council of Coober Pedy. This is because the rate income is less than 10% of our total income.

Council is aiming for a 2-5% operating ratio of total revenue.

This will ensure that Council can move forward and keep its infrastructure up to the standards required.

## **INTEREST COVER RATIO**

As can be seen by the ratio we pay quite a small amount in interest on loans.

The interest is paid to the Local Government Finance Authority for loans on equipment and infrastructure.





## 6. FUNDING THE BUSINESS PLAN

Council is targeting an Operating Deficit of \$52,498 for the 2009/2010 financial year.

The operating deficit is a measure of the difference between operating revenue and operating expenses. The deficit indicates that we have more operating expenditure than operating revenue for this financial year. Council is aiming to remain in surplus on the average over the period of the long term financial plan.

This will help to ensure that Council remains sustainable well into the future.

The Asset Management Plan will be vital in making sure that Council can sustain the infrastructure it has now and that it can maintain what it plans to increase.

Council has many different ways in which it raises income. Rates income forms a relatively small part of Council income. The estimated Rate income for the 2009/2010 year will be \$1,014,802. This represents an increase of 8%.

### **OTHER RATES AND SERVICE CHARGES**

Council also sets a separate rate for the Coober Pedy Sewerage Scheme. This only applies to properties that are on the sewerage scheme. There is no increase on these rates.

### **STATUTORY CHARGES SET BY STATE GOVERNMENT**

Council collects the following charges pursuant to regulations set by the State Government. These include:

- Development Applications – 2 % Increase
- Dog Registrations – No increase
- Health Inspections – No increase
- Freedom of Information applications – No increase

### **USER CHARGES SET BY COUNCIL**

Council sets the following charges:

- Water Access Fee – 3-4% increase
- Water Tariff – Increase of 8% for tariff
- Aerodrome Landing fees – 20% increase
- Cemetery Fees – No increase
- Child Care Fees – 3 Increases over 7 months as set out in Fees & Charges Schedule
- Commercial Refuse Collection – No increase
- Swimming Pool Fees – 20% increase



## **USER CHARGES SET BY STATE GOVERNMENT**

Council receives a subsidy from the State Government to run the Electricity Supply which means that they determine the electricity tariff rate for Domestic, Commercial and Government organisations.

- Electricity Connections Fees
- Electricity Tariff

## **GRANTS AND SUBSIDIES**

Council receives a large percentage of its income in the form of ongoing grants and subsidies.

Council will now receive \$2.0 million per year from the State Government. The money is to subsidise the price of electricity in Coober Pedy. This is a reduction of \$1.0 Million from last year's subsidy.

The cost to produce electricity in an "off-grid" location is very expensive. This is because the fuel used here to produce "base load" electricity is diesel.

The State Government subsidy is used to reduce the tariff that the consumer in Coober Pedy pays.

Council also receives funding from the Commonwealth Financial Assistance Grant and administered by the SA Grants Commission. The amount is expected to be \$750,000 for the 2009/2010 year.

## **INVESTMENT INCOME**

This income comes from two sources. The first is interest from the LGFA investment account.

Secondly, Council also receives interest from the bank we use for day to day banking.

## **LOAN FUNDS**

Council is now in a position where it can proactively borrow money for capital projects.



SUMMARY OF REVENUE			
Indicators		Total \$	Total %
Rate Income		1,194,302	9.42
Statutory Charges		63,500	0.49
User Charges		6,039,578	47.63
Operating Grants & Subsidies		4,425,300	34.98
Investment Income		12,000	0.09
Other Income		934,870	7.39
<b>Total Revenue</b>		<b>12,669,550</b>	<b>100.00</b>



7. IMPACT ON COUNCIL'S FINANCIAL POSITION
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After the proposed loans are taken out Council will have net debts of \$1,186,058.

These were borrowed for the following departments:

Electricity      \$2,320,552 (Balance as at 1/7/09)  
 Works            \$49,700      (Balance as at 1/7/09)

Net financial liabilities indicator is a key factor as previously discussed. This indicator looks at what financial assets are owed to Council as apposed to what it owes.

The next statement shows how the capital items and operating items are being paid for.

NET LENDING/(BORROWING) STATEMENT	
For the year Ended 30 June 2010	Budget 2009/2010
Operating	
Operating Revenue	12,669,550
Operating Expenses	-12,722,048
Operating Surplus/(Deficit)	-52,498
Net Outlays on Existing Assets	
Capital Exp on Renewal or Replacement	45,000
Less Depreciation	1,099,515
Less Proceeds from Sale of Assets	0
	0
Net Outlays on New Assets	
Capital Exp on New & Upgraded	1,270,000
Less Capital Grant	0
Less surplus from Sale of Surplus Assets	0
	1,270,000
Net Lending for Financial Year	199,981
Funding Transactions	
Repayment of Principal	(197,520)
New Borrowings	500,000
Transfer to Reserves	0
Transfer from Reserves	0
Total Funding Transactions	302,480



<b>INCOME STATEMENT</b>	
For the year Ended 30 June 2010	Budget 2009/2010
<b>OPERATING REVENUE</b>	
Rate	
- General	1,059,302
- Other	135,000
Statutory Charges	63,500
User Charges	6,039,578
Operating Grants & Subsidies	4,425,300
Investment Income	12,000
Reimbursements	0
Gain on Disposal of Non-Current Assets	0
Other	934,870
<b>TOTAL OPERATING REVENUE</b>	<b>12,669,550</b>
<b>OPERATING EXPENSES</b>	
Employee Costs	3,026,181
Contractual Services	5,737,200
Materials	367,500
Finance Charges	234,208
Depreciation	1,002,107
Loss on Disposal of Non-Current Assets	0
Other	2,354,852
<b>TOTAL OPERATING EXPENSES</b>	<b>12,722,048</b>
Operating Surplus/(Deficit) before Capital Revenues	(52,498)
<b>CAPITAL REVENUES</b>	
Capital Grants, Subsidies and Monetary Contribution	
<b>NET SURPLUS/(DEFICIT) RESULTING FROM OPERATIONS</b>	<b>(52,498)</b>



<b>BALANCE SHEET</b>	
For the year Ended 30 June 2010	Budget 2009/2010
<b>CURRENT ASSETS</b>	
Cash & Cash Equivalents	570,405
Trade & Other Receivables	2,351,000
Other Financial Assets	0
Inventories	985,500
Non Current Assets held for Resale	0
<b>TOTAL CURRENT ASSETS</b>	<b>3,906,905</b>
<b>CURRENT LIABILITIES</b>	
Trade & Other Payables	2,397,215
Current Portion of Long Term Borrowings	0
Short Term Provisions	1,500,000
<b>TOTAL CURRENT LIABILITIES</b>	<b>3,897,215</b>
<b>NET CURRENT ASSETS</b>	<b>9,690</b>
<b>NON CURRENT ASSETS</b>	
Trade & Other Receivables	0
Land	662,812
Buildings	4,807,885
Infrastructure	10,954,811
Plant & Equipment	2,029,425
Furniture & Fittings	217,469
<b>TOTAL NON CURRENT ASSETS</b>	<b>18,672,402</b>
<b>NON CURRENT LIABILITIES</b>	
Long Term Borrowings	1,351,434
Long Term Provisions	91,360
<b>TOTAL NON CURRENT LIABILITIES</b>	<b>1,442,794</b>
<b>NET ASSETS</b>	<b>17,239,298</b>
<b>EQUITY</b>	
Accumulated Surplus	12,736,507
Reserves	24,648
Asset Revaluation	4,478,143
<b>TOTAL EQUITY</b>	<b>17,239,298</b>



CHANGES IN EQUITY		
For the year Ended 30 June 2010	Budget 2009/2010	
<b>ACCUMULATED SURPLUS</b>		
Balance as at 1 July 2009	12,789,005	
Net Surplus (Deficit)	(52,498)	
Revaluation Increment	0	
Adjustments Previous Year	0	
Transfer from/(to) Reserves	0	
<b>BALANCE AS AT 30 JUNE 2010</b>	<b>12,736,507</b>	
<b>RESERVES</b>		
<b>Breakaways Pass</b>		
Balance as at 1 June 2008	24,648	
Transfer in/(out)	0	
Balance as at 30 June 2009	24,648	
<b>Asset Revaluation Reserve</b>		
Revaluation Increment	4,478,143	
<b>TOTAL EQUITY</b>	<b>17,239,298</b>	



<b>STATEMENT OF CASHFLOWS</b>	
For the year Ended 30 June 2010	Budget 2009/2010
<b>CASHFLOWS FROM OPERATING ACT</b>	
Receipts	12,941,830
Interest Received	12,000
Payments	(11,726,716)
Interest Payments	(234,208)
<b>NET CASH PROVIDED BY OPERATING</b>	<b>992,906</b>
<b>CASHFLOWS FROM FINANCING ACT</b>	
Loans Received	500,000
<i>Less</i> Loan Payments	197,520
<b>NET CASH PROVIDED BY FINANCING</b>	<b>697,520</b>
<b>CASHFLOWS FROM OTHER ACT</b>	
Capital Grants & Subsidies	0
<i>Less</i> Purchase of Infrastructure	(45,000)
<i>Less</i> Purchase of Plant & Equipment	(1,270,000)
<b>NET CASH PROVIDED BY OTHER ACT</b>	<b>(1,315,000)</b>
<b>NET INCREASE IN CASH HELD</b>	<b>375,426</b>
Cash at Beginning of Year	195,078
<b>CASH AT END OF YEAR</b>	<b>570,504</b>





## 8. WHAT IT MEANS FOR RATES

### **BACKGROUND**

Rates are a tax levied on properties according to their capital value which are determined by the Valuer General. The rates which a property owner pays are calculated by multiplying the property valuation by a rate in the dollar.

To determine the rate in the dollar Council must identify, through its Strategic Planning and budget deliberations, what services will be provided and what work needs to be carried out, and then calculate the cost of these works and services.

Once Council has determined its budgeted expenditure it then estimates the revenue it will receive from fees and charges, grants, investment income, other income and loans. The shortfall of revenue to balance the budget will come from the ratepayers.

### **STRATEGIC FOCUS**

In setting its rates for the 2009/2010 financial year the Council has considered the following:

- the content included in its current strategic plan, The District Council of Coober Pedy Strategic Management Plans, which was adopted on 18th December 2007. The strategic plan was developed following an extensive community consultation program;
- the Budget for the 2009/2010 financial year;
- the current economic climate and relevant factors such as inflation and interest rates, employment opportunities, the fluctuating nature of the opal mining and tourism industries;
- the specific issues faced by our community, which are:
  - the ongoing challenge of funding maintenance and renewal of Council's infrastructure assets, in particular the water pipeline and town reticulation system.
  - Council's determination of the long-term electricity supply generation and distribution issues and subsequent financial implications.
  - some significant financial issues that Council will be seeking to address in determining their 2009/2010 budgets, including the unexpected recent Commonwealth cuts to the Roads to Recovery Program, anticipated increases in public liability insurance costs, and consolidation of Council's financial position following the significant unexpected expenditure associated with increasing fuel costs.
  - the ongoing improvement of access to information technology.
- the impact of rates on the community, including householders and businesses and the need to balance the community's capacity to pay with the needs and desires of the wider interests that form our community.



- For the 2009/2010 financial year the Council has decided to increase rates by 8.0%, because this will provide the Council with sufficient additional revenue to meet cost increases and its desire to consolidate.

## **METHOD USED TO VALUE LAND**

The 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.

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

- the equity principle of taxation requires that ratepayers of similar wealth pay similar taxes and ratepayers of greater wealth pay more tax than ratepayers of lesser wealth;
- property value is 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;
- the distribution of property values throughout the Council area is such that few residential ratepayers will pay significantly more than the average rate per property.

## **ADOPTION OF VALUATIONS**

The Council has adopted the valuations made by the Valuer-General for the 2009/2010 financial year. If a ratepayer is dissatisfied with the valuation made by the Valuer-General then the ratepayer may object to the Valuer-General in writing, within 60 days of receiving the Council's rate notice referencing the valuation, explaining the basis for the objection, provided they have not: (a) previously received a notice of this same valuation under the Local Government Act 1999, 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 address of the Office of the Valuer-General is:

Office of the Valuer-General  
GPO Box 1354  
ADELAIDE SA 5001  
Email: [objections@saugov.sa.gov.au](mailto:objections@saugov.sa.gov.au)

and the telephone number is 1300 653 345. Please note that the Council has no role in this process. It is also important to note that the lodgement of an objection does not change the due date for the payment of rates.



## **NOTIONAL VALUES**

Certain properties may be eligible for a notional value under the Valuation of Land Act 1971 where the property is the principal place of residence of a ratepayer. This can relate to certain primary production land or where there is State heritage recognition. A notional value is generally less than the capital value and this will result in reduced rates, unless the minimum rate already applies. Application for a notional value must be made to the Office of the Valuer-General.

## **BUSINESS IMPACT STATEMENT**

The Council has considered the impact of rates on all businesses in the Council area. In considering the impact, Council assessed the following matters:

- Council's policy on facilitating local and regional economic development;
- Current local, state and national economic conditions and expected changes during the next financial year. The general economic climate is quite unstable and appears likely to continue this way over the next twelve months. The major concern is the continued limited employment prospects for school leavers and other persons currently unemployed. The mining development at Prominent Hill is now in full production and is providing significant employment opportunities for both the skilled and unskilled labour markets. Development of the nearby Cairn Hill magnetite mining venture by IMX Resources (Termite Resources) and the proposed mining venture by Western Plains Resources at Peculiar Knob will also provide significant opportunities in the not too distant future. The prospect is good for a continuation of a low rate of inflation and low interest rates.
- Changes in the upward valuation of all property types continues from the previous financial year.
- Specific Council projects for the coming year that will solely or principally benefit the business and mining industries – Council will be committed to providing funds to the Coober Pedy Miners Association for assistance with the administration, funding tourism marketing, providing funding towards the employment of a Far North Economic Development Officer with the Northern Regional Development Board with this role incorporating strategies for enhancing the opportunities in the region.
- Specific infrastructure maintenance and other relevant issues that will benefit the whole of the community.

## **COUNCIL'S REVENUE RAISING POWERS**

All land within a Council area, except for land specifically exempt (e.g. crown land, Council owned/occupied land and other land prescribed in the Local Government Act 1999 – refer Section 147 of the Act), is rateable. The Local Government Act provides for a Council to raise revenue for the broad purposes of the Council through a general rate, which applies to all rateable properties, or through differential general rates, which apply to classes of properties. In addition, Council can raise separate rates, for specific areas of the Council or service rates or charges for specific services. The Council also raises revenue through fees and charges, which are set giving consideration to the cost of the service provided and any equity issues.



## GENERAL RATES

The Council has decided to impose general rates on properties within its area for the financial year ending 30<sup>th</sup> June 2010 and that the rates will vary according to the use of the land. The land uses which have been used are as defined in Regulation 10 (2) of the Local Government (General) Regulations 1999 and are as follows, including the rate in the dollar for that particular land use:

Land Use 1	Residential	0.2715 cents in the dollar
Land Use 2	Commercial – shop	0.8326 cents in the dollar
Land Use 3	Commercial – office	0.8326 cents in the dollar
Land Use 4	Commercial – other	0.8604 cents in the dollar
Land Use 5	Industry – light	0.8604 cents in the dollar
Land Use 6	Industry – other	0.8604 cents in the dollar
Land Use 8	Vacant Land	0.1672 cents in the dollar

and Council, pursuant to Section 152 of the Local Government Act 1999, also declares that a fixed charge of \$ 308.00 will apply to all rateable properties.

At its meeting of 31<sup>st</sup> of August 2009, the Council adopted the above rate model, raising rate revenue of \$1,014,802 in a total revenue budget of \$12,669,550.

## AVERAGE RESIDENTIAL RATES (SA GRANTS COMMISSION)

2005/2006 State Average	\$843
2005/2006 Metro Average	\$910
2005/2006 Regional Rural Average	\$686
<b>2008/2009 Coober Pedy Average</b>	<b>\$458</b>

## SEPARATE RATE

Pursuant to Section 154 of the Local Government Act 1999, Council has declared a separate rate in that part of the District Council of Coober Pedy within the “Defined Area” (as adopted in the Budget for 2009/2010) for the purposes of the Coober Pedy Sewerage Scheme. That rate shall be 0.4161 cents in the dollar of the capital value of the rateable land, with the exception of those properties that cannot be connected to the system.



## **SERVICE CHARGES**

Pursuant to Section 155 of the Local Government Act 1999, Council has declared that a water service charge in the form of an access charge be set for the 2009/2010 financial year and that the access charge is to be included on the rate notice.

Access Charges have been determined as follows:

- Vacant Land \$115.00
- Residential \$145.00
- Business with usage last year less than 300 kilolitres \$285.00
- Commercial with usage last year over 300 kilolitres \$550.00
- Aged Pensioner Concession (residential) \$90.00

Furthermore Council has resolved that water usage charges will be as follows:

- Up to 50 kilolitres \$3.80/kl
- 50 kilolitres to 300 kilolitres \$4.70/kl
- 300 kilolitres and over \$5.70/kl

## **RATE CONCESSIONS**

The State Government, in providing equity across SA in this area, funds a range of concessions on Council rates. The concessions are administered by various State Agencies 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.

### **STATE SENIORS CARD RATEPAYER (SELF FUNDED RETIREE)**

This new concession was introduced from 1<sup>st</sup> July 2001 and is administered by RevenueSA. If you are a self-funded retiree and currently hold a State Seniors Card you may be eligible for a concession toward Council rates. In the case of couples, both must qualify, or if only one holds a State Seniors Card, the other must not be in paid employment for more than 20 hours per week. If you have not received a concession on your rates notice or would like further information, please contact RevenueSA Call Centre on 1300 366 150 or email: [revsa@saugov.sa.gov.au](mailto:revsa@saugov.sa.gov.au) or [www.revenuesa.sa.gov.au](http://www.revenuesa.sa.gov.au)



## **PENSIONER CONCESSIONS**

An eligible pensioner may be entitled to a rebate on Council rates and water usage, where applicable. Application forms, which include information on the concessions, are available from the Council at the contact locations listed on the second page. They are also available from the SA Water Corporation and its District Offices or the Department of Human Services (Family & Youth Services). An eligible pensioner must hold a Pension Card, State Concession Card or be a T.P.I. Pensioner.

They must also be responsible for the payment of rates on the property for which they are claiming a concession. Concessions are available only on the principal place of residence.

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

## **UNEMPLOYED PERSONS CONCESSIONS**

The Department of Human Services may assist with the payment of Council rates for your principal place of residence (remissions are not available on vacant land or rental premises). Please contact your nearest Department of Human Services (Family and Youth Services) office for details.

## **PAYMENT OF RATES**

Payment of rates will now be by way of four (4) equal (or approximately equal) instalments per year notwithstanding that any rate account can still be paid in full following the issue of the first instalment account.

Rate accounts (30 day accounts) will be issued in respect of the four payments with the due dates for each payment to be as follows:

1 <sup>st</sup> Payment	Friday 2 <sup>nd</sup> October 2009
2 <sup>nd</sup> Payment	Friday 18 <sup>th</sup> December 2009
3 <sup>rd</sup> Payment	Friday 19 <sup>th</sup> March 2010
4 <sup>th</sup> Payment	Friday 18 <sup>th</sup> June 2010

Rates may be paid:

- In person, at the Council Offices during the hours of 8.30am to 5.00pm, Monday to Friday. EFTPOS facilities are available for payments.
- By post, to District Council of Coober Pedy, PO Box 425, Coober Pedy SA 5723
- By internet at <http://www.cooberpedy.sa.gov.au>

Any ratepayer who may, or is likely to, experience difficulty with meeting the standard payment arrangements is invited to contact Ms Sherill Wood, Rates & Property Officer, on Ph: 08 8672 4600 to discuss alternative payment arrangements. Such inquiries are treated confidentially by the Council.



The Council has adopted a policy that where the payment of rates will cause a ratepayer demonstrable hardship, the Council is prepared to make available extended payment arrangements.

### **LATE PAYMENT OF RATES**

The Local Government Act provides that Councils impose a penalty of a 2% fine on any payment for rates, whether instalment or otherwise, that is received late. A payment that continues to be late is then charged an interest rate, set each year according to a formula in the Act, for each month it continues to be late. The purpose of this penalty is to act as a genuine deterrent to ratepayers who might otherwise fail to pay their rates on time, to allow Councils to recover the administrative cost of following up unpaid rates and to cover any interest cost. The prescribed interest rate for 2009/2010 financial year has not been declared. When the interest rate is declared the Council will publish the rate and circulate this information by the most practical means at its disposal at the time.

The 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 21 days after the issue of the final notice then the Council refers the debt to a debt collection agency for collection. The debt collection agency charges collection fees that are recoverable from the ratepayer.

When the Council receives a payment in respect of overdue rates the Council applies the money received as follows:

- first – to satisfy any costs awarded in connection with court proceedings;
- second – to satisfy any interest costs;
- third – in payment of any fines imposed;
- fourth – in payment of rates, in chronological order (starting with the oldest account first).

### **REBATE OF RATES**

The Local Government Act requires Councils to rebate the rates payable on some land. Specific provisions are made for land used for health services, community services, religious purposes, public cemeteries and educational institutions. Discretionary rebates may be applied by the Council under Section 166 of the Act.

Council (by Policy) has agreed to grant other specific rate rebates pursuant to the said Act.

Council's Rate Rebate Policy for the 2009/2010 financial year is available for inspection at the Council Offices during normal business hours.



## **POSTPONEMENT OF RATES – HARDSHIP**

Section 182 of the Local Government Act permits the Council, on the application of the ratepayer, to partially or wholly remit rates or to postpone rates, on the basis of hardship. Where the ratepayer is suffering hardship in paying rates he/she is invited to contact the Council's Rating Officer on 08 8672 4600 to discuss the matter. Council treats such inquiries confidentially.

## **POSTPONEMENT OF RATES – SENIORS**

Application may be made to Council for postponement of the payment of any amount of rates in excess of \$500.00, for the current or a future financial year by –

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

Any rates which are postponed will become due and payable:

- When the title to the land is transferred to another person; or
- There is a failure to comply with a condition of postponement.
- Interest will accrue on the amount postponed at the prescribed rate per month until the full amount is paid.
- Postponement is available as a right and can only be refused when the applicant/s has/have less than 50% equity in the property.

## **SALE OF LAND FOR NON-PAYMENT OF RATES**

The Local Government 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, provide the owner with details of the outstanding amounts, and advise the owner of its intention to sell the land if payment of the outstanding amount is not received within one month.





## **APPLICATION OF THE POLICY**

Where a ratepayer believes that the Council has failed to properly apply this policy it should raise the matter with the Council. In the first instance contact Ms Sherill Wood, Rates & Property Officer on Ph: 08 8672 4600 or email: [swood@cpcouncil.sa.gov.au](mailto:swood@cpcouncil.sa.gov.au) to discuss the matter. If, after this initial contact, a ratepayer is still dissatisfied they should write to Mr Trevor McLeod, Chief Executive Officer, District Council of Coober Pedy, PO Box 425, Coober Pedy SA 5723, or email [tmcleod@cpcouncil.sa.gov.au](mailto:tmcleod@cpcouncil.sa.gov.au) .

For further information:

Trevor McLeod, Chief Executive Officer  
PO Box 425  
Coober Pedy SA 5723  
08 8672 4600  
[tmcleod@cpcouncil.sa.gov.au](mailto:tmcleod@cpcouncil.sa.gov.au)

