



District Council of Cooper Pedy

ANNUAL BUSINESS PLAN FOR THE 2019/20 FINANCIAL YEAR

INCORPORATING THE 2019/20 BUDGET



Contents

WELCOME	4
Organization Chart and Key Functions	5
Coober Pedy’s Challenges	6
Strategic Focus.....	7
SERVICES FOR 2019/20.....	9
1. Municipal Services.....	9
2. Electricity Services.....	10
3. Water and Sewerage Services	11
FUNDING THE BUSINESS PLAN.....	12
1. Expenses	12
2. Income	13
COUNCIL’S FINANCIAL SUSTAINABILITY	16
1. Financial Strategy	16
2. Key Financial Indicators.....	17
3. Assessment of Council’s Financial Sustainability.....	18
4. Long Term Financial Plan	18
RATING ARRANGEMENTS AND POLICIES.....	19
BUDGETED FINANCIAL STATEMENTS	27

Acknowledgement to Country

The District Council of Coober Pedy acknowledges that we meet on the traditional land of the Antakirinja Matu-Yankanytjatjara people and we pay our respects to Elders past and present. We recognise their cultural heritage, beliefs and relationship with the land and recognise that they are of continuing importance today.



WELCOME

Coober Pedy is an opal mining town located in the harsh Outback of South Australia, some 850 kilometres north of Adelaide and 680 kilometres south of Alice Springs. Coober Pedy is recognised as the largest producer of opal in the world with an estimated 70% of the world's precious opal being mined in the opal fields of the area.



The Coober Pedy Precious Stones Field, from which the opal is mined, covers an area of 4,954 square kilometres of which it is estimated that approximately 10% of the total area has been worked.

Although opal had been discovered elsewhere in Australia around the late 1800's and early 1900's, it was first discovered in this area by Willie Hutchinson, aged 15 years, in February 1915.

Following this discovery settlement began and subsequently developed into the modern town of Coober Pedy. After World War 1, returning soldiers started to drift here and introduced the unusual and unique method of living underground in "dugouts", as many had done in the trenches of France.

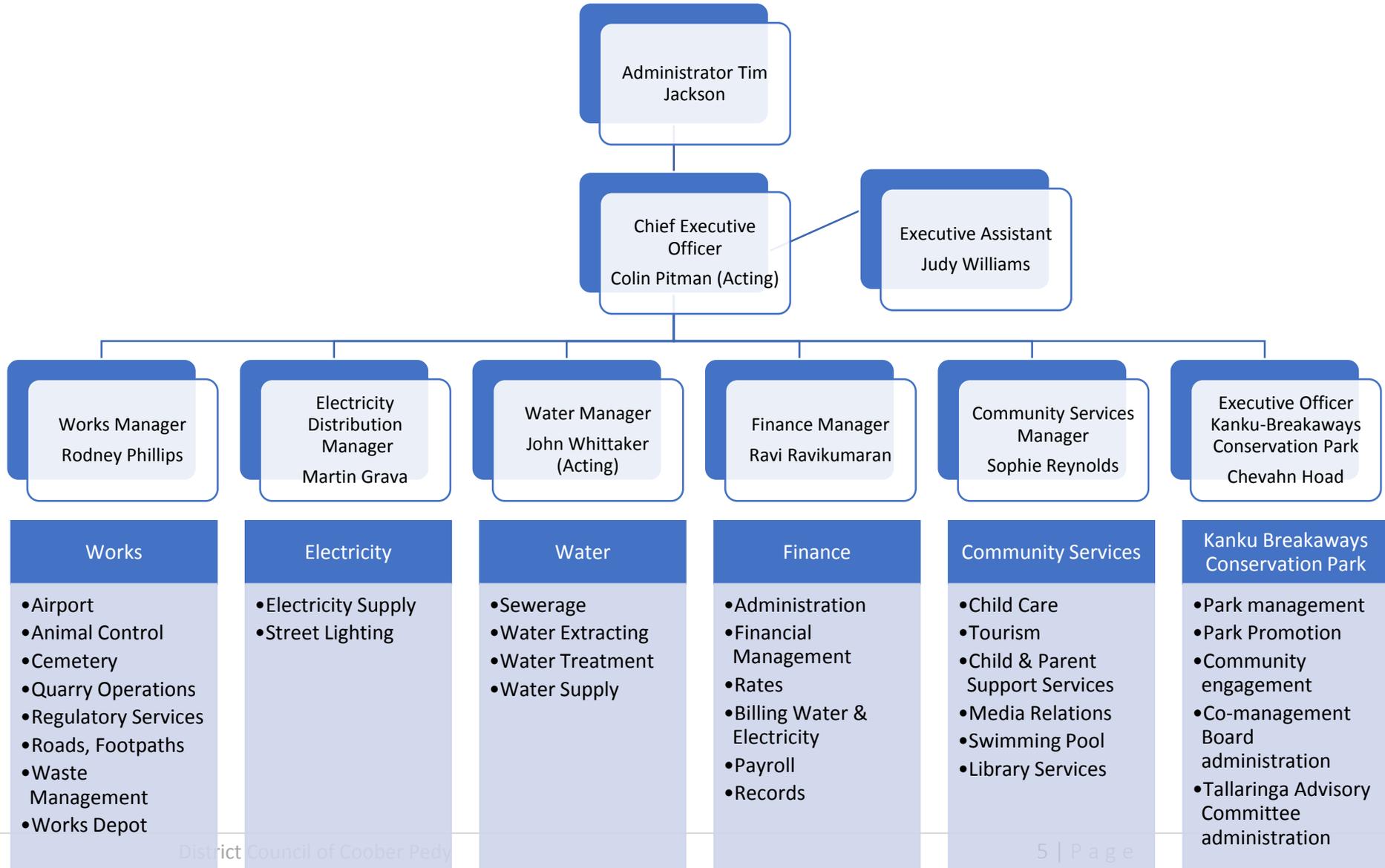
Today Coober Pedy has one of the most multicultural communities in Australia with an estimated 45 nationalities.

The current resident population is around 1800 people, but this number grows substantially in the tourist season as local and overseas tourists visit Coober Pedy to experience outback Australia and be fascinated by opals and underground living.

The District Council of Coober Pedy was proclaimed on 1 July 1986. Prior to that date municipal functions had been carried out by the Progress and Miners' Association.

The council is constituted of a mayor and eight councillors, with the most recent elections being held in November 2018. The council was suspended on 24 January 2019 for maladministration that occurred during the life of previous councils and an Administrator appointed for an initial period of twelve months.

Organization Chart and Key Functions



Coober Pedy's Challenges

This Council has many challenges that it must face on a day to day basis. They include:

- The isolation and distance from other regional communities and main population centres. This limits the opportunities to join in partnerships or find synergies with other Councils across the State. It means that the cost of goods and services required by the Council are significantly higher because of freight and access costs.
- The remote location makes it difficult to attract and retain good quality staff. A high staff turnover adds to training costs and results in the loss of corporate knowledge.
- The challenges of running electricity and water operations which are not traditional municipal functions in South Australia and with the remote location contributing to the magnitude of the challenges.
- A record of poor financial administration over a number of years which has resulted in continual deficits on council operations and increasing debt levels. The poor financial position and increased debt levels severely constrain the effective renewal and replacement of the assets needed to perform essential municipal services and the Council's ability to fund existing operations.
- A failure to engage with its community which is reflected in the poor relationship of the council with the community.
- Ageing infrastructure and operating assets which contribute to higher maintenance costs and unplanned service interruptions.
- Council needs to improve its compliance with the provisions of the Local Government Act, its record keeping and its financial management.

Strategic Focus

Council does not have an up to date strategic plan. The following goals and actions will be the strategic focus of Council for the 2019/20 financial year.

<i>Goals</i>	<i>Actions</i>
Determine the strategic direction of the Council	Develop and adopt by 31 October 2020, in consultation with the community, an updated realistic strategic plan for the five year period 1 July 2020 to 30 June 2026
Ensure compliance with Local Government Act (1999) and other relevant legislation such as: WHS Act and Regulations 2012, Return to Work Act and Regulations 2014.	<ol style="list-style-type: none"> 1. Prepare draft financial statements for 2018/19 by 23 August 2019 2. Develop an updated asset management plan by 30 September 2019 3. Update the long term financial plan by 31 October 2019 4. Prepare and adopt the 2020/21 budget by 16 June 2020
Review <u>all</u> services provided by Council and determine whether Council will continue to provide those services and, if so, determine how the service will be provided and the basis for any user charges associated with the service.	Identify and document <ol style="list-style-type: none"> a. every service provided by Council b. the resources required to provide the service (staff, equipment, funding) c. whether or not Council should provide the service d. the method of service provision e. the costs of service provision f. the basis for user charges, if applicable
Pursue the divestment of the water, sewerage and electricity businesses with the State government on the basis that charging for the services will be maintained at SA Water or state electricity pricing levels.	<ol style="list-style-type: none"> 1. Target the divestment of water, sewerage and electricity by 30 June 2020. 2. If water retained seek and achieve a subsidy to provide the service at SA Water pricing. 3. If sewerage retained seek and achieve a subsidy to provide the service at SA Water country pricing.
Ensure the effective operation of the Council's Audit Committee	<ol style="list-style-type: none"> 1. Implement a revised charter for the Audit Committee 2. Ensure that the Audit Committee meets at least four times in the 2019/20 financial year 3. Provide adequate resources to the Audit Committee to enable it to fulfil its charter
Ensure that Council's Internal Control Framework is fully implemented and maintained	<ol style="list-style-type: none"> 1. Continue the implementation of a revised Internal Control Framework as set out in the report received from Utintja Consulting in January 2019

	<ol style="list-style-type: none"> 2. Monitor the effectiveness of the revised internal controls and make any necessary changes.
Improve financial management practices	<ol style="list-style-type: none"> 1. Introduce a new Chart of Accounts from 1 July 2019 2. Ensure the 2019/20 budget is allocated on a month-by-month basis 3. Provide managers with monthly financial reports on a full cost basis – showing, as far as possible, commitments, overhead allocations and plant operating costs 4. Provide Council with a monthly financial report including explanations for variances from budget 5. Provide a report to council by 31 December 2019 comparing the audited financial results for 2018/19 with the budget estimates and explaining the reasons for variances 6. Comply with Regulation 9 of the LG Financial Management regulations regarding the provision of updated budget estimates and forecasts
Improve record keeping practices	<ol style="list-style-type: none"> 1. Develop a plan for the filing, retention and archiving of all documents, including relevant staff training. 2. Implement the plan for filing, retention and archiving of all documents.

SERVICES FOR 2019/20

The revenue and expenditure stated under each service area include internal charges related to overhead allocations, internal plant charges and internally billed electricity and water charges.

1. Municipal Services

Municipal Services is responsible for a wide range of activities. They include road construction and maintenance, parks and gardens, sport and recreation, refuse collection and rubbish dump, stormwater maintenance, street cleaning, cemetery and the aerodrome.

Also Council is responsible for providing tourism services including sponsorship of the Opal festival, co-management of the Kanku-Breakaways Conservation Park, dog control, childcare, child and parent support, school community library, planning and development and environmental health inspections.

Administration and Governance is responsible to co-ordinate the functions of the elected council including the Mayor's office, providing administration, financial management, human resources and information technology support to the whole council and managing and staffing the customer services function. It also includes the general rate revenue, and other general revenue components of the Council.



2019/20 CONTINUING OPERATIONS

REVENUE(\$000)	EXPENDITURE(\$000)	FULL TIME EMPLOYEES
\$8,587	\$5,642	31.61FTE

2019/20 PROJECTS

- **Storm Rectification Works \$4.5M**

Council has let a contract for the rectification of storm damage as a result of flooding in March 2016 with funding from the State government. The work has already commenced in June 2019 and have spent and invoiced \$1.3Mn in the 2018/19 financial year and \$3.2Mn of this project will be invoiced in 2019/20. This work will be carried out in 2019/20 and will be the focus of road maintenance and renewal for that period.

2. Electricity Services

Electricity Services provides electricity to the Coober Pedy community through diesel, wind turbine and solar generation. The electricity production is provided through a third party that the council has contracted with. Council also maintains the electricity distribution system and operates the retail electricity business.



2019/20 CONTINUING OPERATIONS

REVENUE(\$000)	EXPENDITURE(\$000)	FULL TIME EMPLOYEES
\$8,075	\$7,795	11.80FTE

3. Water and Sewerage Services

Water services processes water for the community from the Bore to the tap.
Provide sewerage treatment for the main street and other connected areas.

2019/20 CONTINUING OPERATIONS

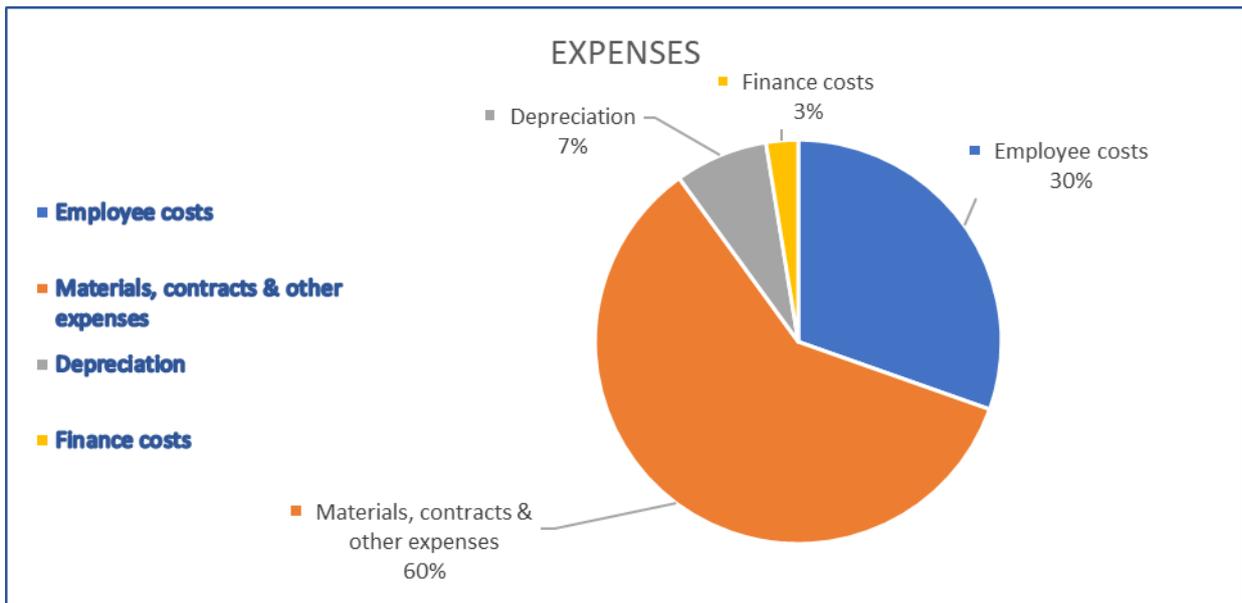
REVENUE(\$000)	EXPENDITURE(\$000)	FULL TIME EMPLOYEES
\$1,778	\$1,844	4.32FTE



FUNDING THE BUSINESS PLAN

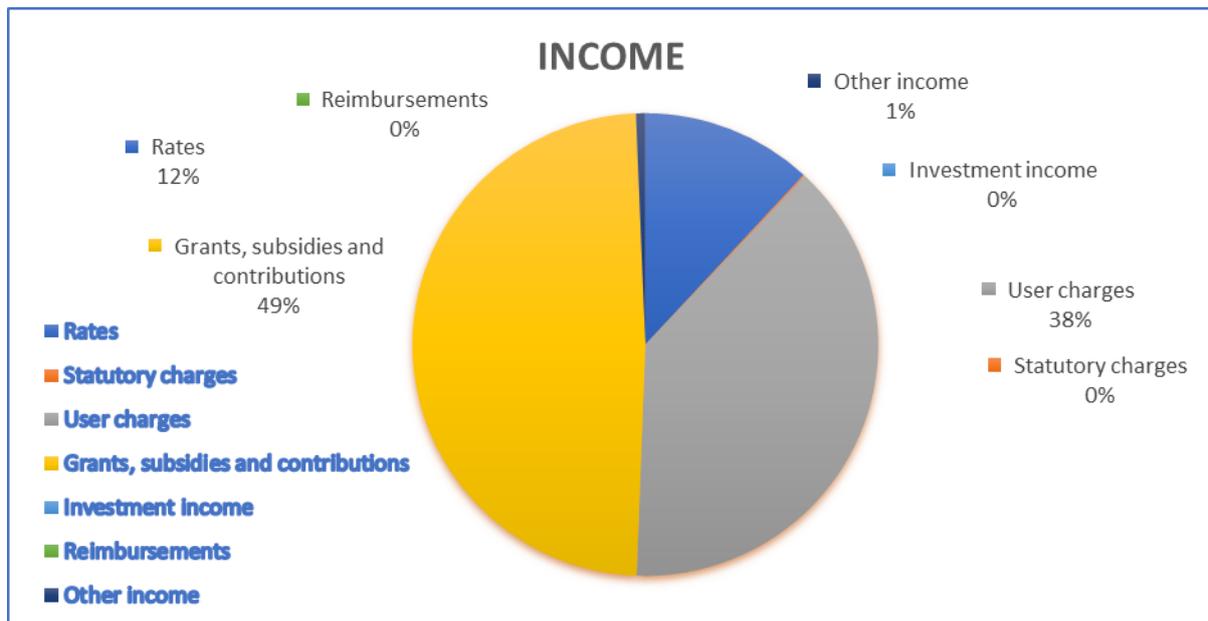
1. Expenses

Council will expend just over \$18.4m in operational items to deliver the services outlined in this plan. This includes \$4.65m in employee costs and Storm Damage Contract cost \$3.2m.



In terms of the services that council performs the Electricity Service is the largest component of expenditure with operating spending of over \$7.8m.

2. Income



To fund the services outlined within this Annual Business Plan the Council raises revenue from several sources.

Rate Revenue

Approximately 12% of Council’s income will be raised through rate revenue which includes general rates (\$1.57 m) an increase of 1.3% (CPI of 1.3%) over 2018/19, charges for water access (\$0.43m) an increase of 1.3 % (CPI of 1.3 %) over 2018/19 and community waste water (\$0.19m.) an increase of 1.3% (CPI of 1.3 %) over 2018/19.

Income from differential rates will be obtained from the following land uses.

Land Use	Rate Payers	Rate in \$	Amount to be Collected \$000
Residential	1,209	0.4471	957
Commercial - Shop	42	1.4107	125
Commercial - Office	11	1.4107	53
Commercial - Other	47	1.4107	274
Industry - Light	20	1.4107	34
Industry - Other	2	1.4107	5
Vacant Land	271	0.2756	122
Other	11	1.4107	2

Statutory Charges

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

- Development Applications;
- Dog Registrations;
- Environmental Health Inspections; and
- Freedom of Information applications.

User Charges Set by Council

User charges are 37 % of Council's revenue source with electricity charges approximately \$ 4.08 m and water supply \$ 1.12 m.

a) Water Supply

Price per KL	Actual 2019	Budget 2020
0 - to 50 KL pa	4.98	5.08
51 to 300 KL pa	6.66	6.79
301+ KL pa	7.82	7.97

Water tariff will be reviewed in December 2019 pending a decision by state government of water subsidy and sale of power and water asset.

b) Electricity

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. Tariffs have remained unchanged since 1 November 2017 and are not scheduled for review until 1 November 2019.

c) Childcare Fees

Previously council made significant contributions to fund Council's childcare centre. With the review of the service, previous year increases in charges and government assistance Council is no longer needing to appropriate its own revenue to keep the service running. To ensure the future viability of the centre Council will be applying an increase equivalent to the Consumer Price Index of 1.3%.

Charge	Current 2019	Budget 2020
Full Day Care (8.30am to 5.30pm)	\$78.00	\$79.56
School Day Care (8.30am to 3.00pm)	\$54.00	\$55.08
Late Afternoon Care (3.00pm – 5.30pm)	\$29.00	\$29.58
Casual Bookings Fee	\$3.00	\$3.06

d) Grants and Subsidies

Grant and Subsidies	Budget 2019/20 \$000
LGGC Grant	875
Electricity RAE's Subsidy and Fuel Rebate	3,982
Storm Damage Grant	3,016
Community - Childcare, Library	612
Breakaway Park Grant	325
Water Department - Fuel Rebate	33
	8,843

COUNCIL'S FINANCIAL SUSTAINABILITY

1. Financial Strategy

Strategy 1 Service Review

Council will continue the service review that was commenced in 2016/17 with the objective of identifying and reviewing every service that Council provides to the community.

The benefits to the community, the members of the community using the service, the revenue associated with and the expenses incurred will be identified and analysed for each service.

The information collected will then be used to allocate the service to one of the following categories with savings being quantified:

- those services that should be maintained at current levels;
- those that should be retained, however the extent of the service reduced;
- those services that should be put on hold for a period; and
- those services that should be permanently discontinued.

Strategy 2 Delay of non-essential capital renewal expenditure

This business plan and budget has been prepared on the assumption that only essential capital expenditure will be incurred.

Asset management plans and a ten-year asset renewal program will be completed in 2019/20. The development of this plan will consider this financial strategy and limit capital expenditure to only essential renewals in 2019/20 and then undertake a catch-up asset renewal program for 2020-2021 onwards.

Strategy 3 Maximise Available Revenue

Council is continuing its service costing reviews. It has become apparent that fee increases over the past few years have not kept pace with costs and that in some instances the costs are not being fully recovered, accordingly there are some fees charged for services that will increase significantly as Council can no longer afford to subsidise these services.

General rate revenue is also set to increase by 1.3% per annum.

2. Key Financial Indicators

The local government sector in South Australia measure financial sustainability through three (3) financial indicators.

As part of its annual budget process council must include estimates of these ratios.

Operating Surplus Ratio

The **operating surplus ratio** is the operating surplus (deficit) expressed as a percentage of operating income. Council has adopted the target range for the Operating Surplus Ratio be 0% to 3%. The Local government generally suggested target range of operating surplus ratio is between 0% and 10%.

Ratios	Target Range	LGA Range	2017/18 Actual(Un Audited)	2018/19 Actual(Draft)	2019/20 Draft Budget
Operating Surplus Ratio	0% - 3%	0% - 10%	(17%)	(5%)	17%
Normalised Operating Surplus Ratio			(17%)	(10%)	(10%)

Net Financial Liabilities Ratio

The **net financial liabilities ratio** is calculated by expressing net financial liabilities (total liabilities less financial assets) at the end of a financial year as a percentage of operating income for the year. Council has adopted the target range for the Net Financial Liabilities Ratio be 0% to 75%. The local government generally suggested range of net financial liabilities ratio is between zero and 100%.

Ratios	Target Range	LGA Range	2017/18 Actual(Un Audited)	2018/19 Actual(Draft)	2019/20 Draft Budget
Net Financial Liabilities	0% - 75%	0% - 100%	55%	57%	41%
Normalised Net Financial Liabilities			55%	57%	72%

Asset Sustainability Ratio

The **asset sustainability ratio** is calculated by measuring capital expenditure on renewal or replacement of assets for a period, divided by the optimal level of such expenditure proposed in a Council's I& or Council's depreciation where it does not have an asset management plan. Council has adopted the target range for the Asset Sustainability Ratio be 90% to 110%. The local government generally suggested range of Asset Sustainability Ratio ratio is between 90% and 110%.

Ratios	Target Range	LGA Range	2017/18 Actual(Un Audited)	2018/19 Actual(Draft)	2019/20 Draft Budget
Net Asset Renewals	90% - 110%	90% - 100%	24%	122%	266%
Normalised Net Asset Renewals			24%	0%	0%

3. Assessment of Council's Financial Sustainability

Financial sustainability is where a council's long term financial performance and position is sustainable where planned long-term service and infrastructure levels and standards are met without unplanned increases in rates or disruptive cuts to services.

The 2019/20 budget is only possible as a result of Council undertaking a once off \$1.3Mn contract over the 2018/19 and 2019/20 financial years to support the storm damage road repair project. Council's underlying Operating Deficit will need to be addressed in future years if Council is to continue providing that same levels of service that it currently provides.

4. Long Term Financial Plan

The Long Term financial plan is yet to be adopted by council. There are few options considered for Long term financial plan. The council hasn't made any decision yet and once the council made the decision it will go to Poll in new financial year. Once voted the council will go with the voted decision.

RATING ARRANGEMENTS AND POLICIES

Background

Rates are a tax levied on properties according to their capital value which are determined by the Valuer General (State Valuation Office). There are two components to rates – a uniform fixed charge which every ratepayer pays an amount derived by multiplying the property valuation by a rate in the dollar.

Strategic Focus

In setting its rates for the 2019/20 financial year the Council has considered the following:

- The challenges and strategic focus set out in this Annual Business Plan;
- The Council's draft Long Term Financial Plan;
- the Budget for the 2019/20 financial year;
- the current economic climate and relevant factors such as inflation and interest rates, employment opportunities, the downturn in the commodity mining industry, the fluctuating nature of the opal mining and tourism industries; and
- 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.

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, provides the best indicator of overall property value;

Adoption of Valuations

The Council will adopt the valuations made by Valuation SA for the 2018/19 financial year. If a ratepayer is dissatisfied with the valuation made by Valuation SA then the ratepayer may object to Valuation SA 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 Valuation SA. The contact details for the State Valuation Officer are:

State Valuation Office GPO Box 1354 ADELAIDE SA 5001

Email: lsg.objections@sa.gov.au Telephone: 1300 653 345

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 land where there is State heritage recognition. A notional value is generally less than the capital value and this will result in reduced rates. Application for a notional value must be made to the State Valuation Office SA.

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 draft Long Term Financial Plan
- 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 continued limited employment prospects for school leavers and other persons currently unemployed;
- The prospect for a continuation of a low rate of inflation and low interest rates;
- 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 – Differential Rating

That, having taken into account the general principles of rating contained in Section 150 of the Local Government Act 1999 and the requirements of Section 153(2) of the Local Government Act 1999, Council, pursuant to and in accordance with Sections 153(1)(b) and 156(1)(a) of the Local Government Act 1999, declares differential general rates on all rateable land within its area for the financial year ending 30th June 2020.

Council has previously decided that Commercial and Industrial Land ratepayers use a larger proportion of Councils funds when compared with residential land ratepayers.

Examples of costs incurred on behalf of commercial and industrial ratepayers include:

- Daily street cleaning
- Daily rubbish removal
- Public convenience maintenance
- Regulatory & inspection costs
- Hutchison Street maintained to a high standard
- Seventeen mile road constructed to a higher standard and maintained to a higher standard than residential roads
- Tourism initiatives. E.g. Tourism centre, festivals and other marketing

Total Revenue being \$1,572,174

Fixed Charge

The Council intends to impose a fixed charge of \$427.50 this is an increase of \$5.50 from the amount levied for the 2018/19 year. The fixed charge is levied against the whole of an allotment (including land under a separate lease or license). Only one fixed charge is levied against two or more pieces of adjoining land (whether intercepted by a road or not) if they are owned by the same owner and occupied by the same occupier. The reasons for imposing a fixed charge is the Council considers it appropriate that all rateable properties make a contribution to the cost of creating and maintaining the physical infrastructure that supports each property.

Total Revenue being \$689,557 which is equal to 44% of total rate revenue.

Sewerage Service Charge

Pursuant to Section 155 of the Local Government Act 1999, Council will consider declaring a service rate in that part of the District Council of Coober Pedy within the “Defined Area” (as adopted in the Budget for 2015/2016) for the purposes of the Coober Pedy sewerage scheme.

That rate shall be 0.004066 cents in the dollar of the capital value of the land, with the exception of those properties that cannot be connected to the system. The amount collected will only be expended on the operation and maintenance of the said sewerage scheme.

Total Revenue being \$189,248

NRM Levy

The NRM levy is collected from the ratepayers on behalf of the State Government. The levy will be \$63.95 per rateable property. It will be shown on the rate statement separately. This amount will be paid directly to the State Government.

Total Revenue being \$101,970

Service Charges

Pursuant to Section 155 of the Local Government Act 1999, Council proposes that a water service charge in the form of an access charge be set for the 2018/19 financial year and that the access charge is to be included on the rate notice.

The amount collected will only be expended on the operation and maintenance of the community water supply

Total Revenue being \$429,337

Discretionary Rebates

The following is an extract of Councils Rating Policy section # 4:

4. Discretionary Rebates

4.1 The Council may in its absolute discretion grant a rebate of rates or service charges in any of the following cases pursuant to Section 166 of the Act –

- 4.1.1 Where it is desirable for the purpose of securing the proper development of the area (or a part of the area);
- 4.1.2 Where it is desirable for the purpose of assisting or supporting a business in its area;
- 4.1.3 Where it will be conducive to the preservation of buildings or places of historic significance;
- 4.1.4 Where the land is being used for educational purposes;
- 4.1.5 Where the land is being used for agricultural, horticultural or floricultural exhibitions;
- 4.1.6 Where the land is being used for a hospital or health centre;
- 4.1.7 Where the land is being used to provide facilities or services for children or young persons;
- 4.1.8 Where the land is being used to provide accommodation for the aged or disabled;
- 4.1.9 Where the land is being used for a residential aged care facility that is approved for Commonwealth funding under the Aged Care Act 1987 (Commonwealth) or a day therapy centre;
- 4.1.10 where the land is being used by an organisation which, in the opinion of the Council, provides a benefit or service to the local community;
- 4.1.11 where the rebate relates to common property or land vested in a community corporation under the Community Titles Act 1996 over which the public has a free and unrestricted right of access and enjoyment; and
- 4.1.12 where the rebate is considered by the Council to be appropriate to provide relief against what would otherwise amount to a substantial change in rates payable due to a change in the basis of valuation used for the purposes of rating, rapid changes in valuations, or anomalies in valuations.

- 4.2 The Council may grant a rebate of rates up to and including 100% of the relevant rates or service charges. The Council may grant a rebate for a period exceeding one year, but not exceeding 10 years in respect of those cases identified at 4.1.1, 4.1.2 or 4.1.11 above.
- 4.3 The Council has an absolute discretion –
- 4.3.1 To grant a rebate of rates or service charges in the above cases; and
- 4.3.2 To determine the amount of any such rebate.
- 4.4 Persons who or bodies which seek a discretionary rebate will be required to submit an application form to the Council and provide to the Council such information as stipulated on the application form and any other information that the Council may reasonably require.

Payment of Rates

Payment of rates will 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 proposed due dates for each payment to be as follows:

- 27 September 2019
- 6 December 2019
- 6 March 2020
- 5 June 2020

Rates may be paid:

- In person, at the Council Offices during the hours of 8.30am to 4:30pm, 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 the Rates & Property Officer on 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 2019-20 financial year has not yet 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 2019- 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 Rates & Property Officer on 08 8672 4600 to discuss the matter. Council treats such inquiries confidentially.

Postponement of Rates – Senior's

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, the Rates & Property Officer on Ph: 08 8672 4600. If after this initial contact, a ratepayer is still dissatisfied they should write to the Chief Finance Officer, District Council of Coober Pedy, PO Box 425, Coober Pedy SA 5723, or email dccp@cpcouncil.sa.gov.au

For further information: PO Box 425

Coober Pedy SA 5723 08 8672 4600

BUDGETED FINANCIAL STATEMENTS

District Council of Coober Pedy

BUDGETED STATEMENT OF COMPREHENSIVE INCOME for the year ended 30 June 2020

	2017/18 Un Audited Actuals \$'000	2018/19 Draft Actual 30 Jun 2019 \$'000	2019/20 Draft Budget \$'000
INCOME			
Rates	2,149	2,227	2,195
Statutory charges	25	18	23
User charges	6,351	6,002	7,113
Grants, subsidies and contributions	5,028	6,683	8,989
Investment income	11	5	1
Reimbursements	68	67	-
Other income	353	414	119
Total Income	13,985	15,416	18,440
EXPENSES			
Employee costs	4,757	4,353	4,650
Materials, contracts & other expenses	10,270	10,360	9,108
Depreciation	1,120	1,109	1,133
Finance costs	216	337	390
Total Expenses	16,363	16,159	15,281
TOTAL COMPREHENSIVE INCOME	(2,378)	(743)	3,159
The "technical" Operating Surplus / (Deficit) has been adjusted for once off items such as capital grants and income to provide a more meaningful result.			
Operating Surplus / (Deficit)	(2,378)	(743)	3,159
Grant for capital expenditure included in Income		(1,356)	(3,162)
Poly Pipe Grant			
CWMS grant			
RAES		500	
Once off contract income performed by Council			(1,389)
Normalised Operating Surplus / (Deficit)	(2,378)	(1,599)	(1,392)

District Council of Coober Pedy

BUDGETED STATEMENT OF FINANCIAL POSITION for the year ended 30 June 2020

	2017/18 Un Audited Actuals \$'000	2018/19 Draft Actual 30 Jun 2019 \$'000	2019/20 Draft Budget \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	1,691	698	968
Trade & other receivables	2,305	3,992	3,734
Inventories	268	277	300
Total Current Assets	4,264	4,967	5,002
Non-current Assets			
Financial assets	11		
Infrastructure, property, plant & equipment	29,236	29,629	31,512
Total Non-current Assets	29,247	29,629	31,512
Total Assets	33,511	34,596	36,514
LIABILITIES			
Current Liabilities			
Trade & other payables	4,704	5,356	4,170
Borrowings	222	222	
Provisions	86	86	244
Total Current Liabilities	5,012	5,664	4,414
Non-current Liabilities			
Trade & Other Payables			
Borrowings	6,511	7,687	7,687
Provisions	158	158	167
Total Non-current Liabilities	6,669	7,845	7,854
Total Liabilities	11,681	13,509	12,268
NET ASSETS	21,830	21,087	24,246
EQUITY			
Accumulated Surplus	6,421	5,678	8,837
Asset Revaluation Reserves	15,384	15,384	15,384
Other Reserves	25	25	25
Total Council Equity	21,830	21,087	24,246

District Council of Coober Pedy

BUDGETED STATEMENT OF CASH FLOWS for the year ended 30 June 2019

	2017/18 Un Audited Actuals \$'000	2018/19 Draft Actual 30 Jun 2019 \$'000	2019/20 Draft Budget \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates - general & other	2,055	2,227	2,195
Fees & other charges	27	18	23
User charges	6,995	6,002	7,113
Investment receipts	12	5	1
Grants utilised for operating purposes	4,569	6,683	8,989
Reimbursements	75	67	-
Other revenues	406	414	119
Payments			
Employee costs	(4,772)	(4,353)	(4,650)
Materials, contracts & other expenses	(7,773)	(11,539)	(9,608)
Finance payments	(200)	(337)	(390)
Net Cash provided by (or used in) Operating	1,394	(813)	3,792
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts			
Amounts specifically for new or upgraded as	-		-
Sale of replaced assets	-		-
Sale of surplus assets	-		-
Payments			
Expenditure on renewal/replacement of asse	(264)	(1,356)	(3,016)
Expenditure on new/upgraded assets		-	-
Net Cash provided by (or used in) Investing A	(264)	(1,356)	(3,016)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts			
Proceeds from borrowings	-	1,176	-
Payments			
Repayments of borrowings	(202)		(506)
Repayment of finance lease liabilities	(6)		
Net Cash provided by (or used in) Financing A	(208)	1,176	(506)
Net Increase (Decrease) in cash held	922	(993)	270
Cash & cash equivalents at beginning of peri	769	1,691	698
Cash & cash equivalents at end of period	1,691	698	968

District Council of Coober Pedy

**BUDGETED UNIFORM PRESENTATION OF FINANCES
for the year ended 30 June 2019**

	2017/18 Un Audited Actuals \$'000	2018/19 Draft Actual 30 Jun 2019 \$'000	2019/20 Draft Budget \$'000
Income	13,985	15,416	18,440
less Expenses	16,363	16,159	15,281
Operating Surplus / (Deficit)	(2,378)	(743)	3,159
less Net Outlays on Existing Assets			
Capital Expenditure on renewal and replacement of Existing Assets	264	1,356	3,016
Depreciation, Amortisation and Impairment	(1,120)	(1,109)	(1,133)
	(856)	247	1,883
less Net Outlays on New and Upgraded Assets			
Capital Expenditure on New and Upgraded Assets (including investment property & real estate developments)	-		
Amounts received specifically for New and Upgraded Assets	-		-
	-	-	-
Net Lending / (Borrowing) for Financial Year	(1,522)	(990)	1,276

District Council of Coober Pedy

BUDGETED FINANCIAL INDICATORS for the year ended 30 June 2019

	2017/18 Un Audited Actuals \$'000	2018/19 Draft Actual 30 Jun 2019 \$'000	2019/20 Draft Budget \$'000
--	--	--	-----------------------------------

Operating Surplus Ratio

<u>Operating Surplus</u>	(17%)	(5%)	17%
Total Operating Revenue			

This ratio expresses the operating surplus as a percentage of total operating revenue.

In recent years the Federal Government has made advance payments prior to 30th June from future year allocations of financial assistance grants. The Adjusted Operating Surplus Ratio adjusts for the resulting distortion in the disclosed operating result for each year.

<u>Normalised Operating Surplus Ratio</u>	(17%)	(10%)	(10%)
---	-------	-------	-------

This ratio expresses the normalised operating surplus as a percentage of total operating revenue.

This provides an indication of Council underlying Operating Surplus.

Net Financial Liabilities Ratio

<u>Net Financial Liabilities</u>	55%	57%	41%
Total Operating Revenue			
Normalised	55%	57%	72%

Net Financial Liabilities are defined as total liabilities less financial assets. These are expressed as a

Asset Sustainability Ratio

<u>Net Asset Renewals</u>	24%	122%	266%
Depreciation expense			
Normalised	24%	0%	0%

Net asset renewals expenditure is defined as net capital expenditure on the renewal and replacement of existing assets, and excludes new capital expenditure on the acquisition of additional assets.

