



District Council of Cooper Pedy

Annual Business Plan

2013/2014

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**

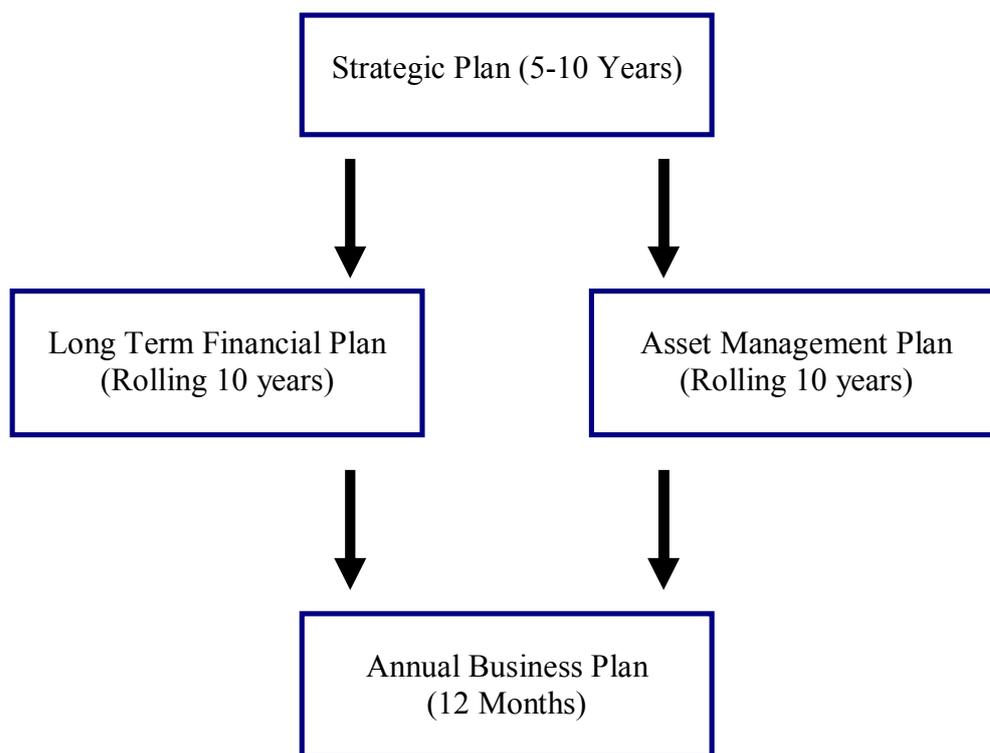
INTRODUCTION

Council each year is required 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 from its 10 year 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 focuses on costs, efficiency, effectiveness and risk management of assets.

During 2012/2013 Council reviewed its Strategic Plan, Long Term Finance Plans and Asset Management Plans. These plans is now current for five years and due for review in this financial year.

Each year the Long Term Financial plan and Asset Management Plan are reviewed to take account of any changes in service delivery or other circumstances.



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. This can be done within the Public Consultation period of the Budget process.

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. This ultimately means that we have to purchase more Capital Equipment to perform the services required.



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 Supply to the Community.

The Electricity Supply has many external pressures that cause the Council constant vigilance. Council essentially runs a "Balanced" Electricity budget, meaning that in broad details the calculation is as follows:

Reasonable Electricity Expenditure
Minus Customer Tariffs
Equals Subsidy from Minister for Energy

Included in reasonable expenditure are items such as Power Purchased from Energy Developments Ltd, repairs and maintenance on Distribution equipment, depreciation on assets, vehicle costs etc.

During the 2010/2011 year Council was able to sign a funding agreement for the Electricity Subsidy that gives us some certainty for the future. It also means that we can plan for future projects, such as renewal/upgrades to power lines and other needed infrastructure. With this added certainty we have developed Long Term Financial Plan and Asset Management Plans that can be used for future budget development.

Over the past 12 months Coober Pedy has seen some changes in Mining Developments affecting the town, with the continued development of a new mining camp \$60km south of Coober Pedy. This camp has been setup by Arrium Mining and now the camp uses less of Council's resources such as Raw and Potable water than it did in construction. Council has also seen a decrease in the Tourism sector which has been in part caused by the lack of water in Lake Eyre and high Australian dollar.

Council Members are as follows:

Mayor:	Steve Baines
Deputy Mayor:	Mike Maylin
Councillors:	David Bowman
	Rose Marie Berry
	Carmelo Crisa
	Robin Walker
	Steve Staines
	Paul Athanasiadis
	Boro Rapaic

Council Senior Staff are as follows:

Chief Executive Officer:	Phil Cameron
Finance & Admin Manager:	Damien Clark
Works Manager:	Jan van der Merwe
Water Supply Manager:	Phil Van Poorten
Electricity Distribution Supervisor:	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
- Child Community Links Officer
- Youth Services
- Swimming Pool Facilities
- School Community Library
- Economic Development with RDAFN
- Planning and Development
- Environmental Health Inspections

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

- Road construction and maintenance
- Parks & Gardens
- Plant repairs and maintenance
- Cemetery maintenance



District Council of Coober Pedy

- Waste Collection
- Rubbish Dump operations
- Airport maintenance

Electricity

- Provide electricity to the whole of the community via diesel generators (via contractor)
- 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 need to comply with 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 requirements.

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 2.5% as opposed to the CPI of 2.2% 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 spaces
- 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 (Recreational Hub, Oval, Skate Park etc)
- Visitor Information Centre
- Tourism Marketing support
- 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 to take on new services.



4. PROPOSED ACTIVITIES FOR 2013/2014

As with most Councils there is considerable Capital Infrastructure to construct, maintain or upgrade. These projects will fit within the Long Term Financial Plan and Asset Management Plans adopted in 2013.

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 an item 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 item 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.



Council Functions & Sub Functions

ADMINISTRATION				
Function	Revenue \$	Expenses \$	Net Oper \$	Capital Exp \$
Governance		364,977	-364,977	
Rates	1,297,323	51,301	1,246,022	
Finance/Support	1,708,249	893,075	795,174	117,000
Payroll		31,600	-31,600	
HR/OHS		77,243	-77,243	
TOTAL	3,005,572	1,418,196	1,587,376	117,000

New Initiatives for 2013/2014

- Laptop Replacement
- Planning for Office extension
- New Flag Poles

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	16,300	56,000	-39,700	
Library	13,000	43,700	-30,700	
Health		12,000	-12,000	
Community Services		40,002	-40,005	45,000
Swimming Pool	36,500	175,030	-138,530	31,000
Development/Planning	27,060	74,700	-47,640	
Tourism	2,650	125,050	-122,400	
Economic Development		13,700	-13,700	
Aged & Disabled	5,000	21,248	- 16,248	
Child Care Services	441,500	438,100	3,400	
Child Care Links	118,650	113,561	-5,089	
Youth Services	63,560	94,500	-94,500	
Breakaways Co-Man	260,000	260,000	0	
Alcohol Man Plan	0	182,000	0	
TOTAL	984,217	1,732,591	-748,374	76,000

New Initiatives for 2013/2014

- Pool Painting
- Pool Chair Lift
- Coober Pedy Museum Start-up
- Prepare Social Development Strategy
- Building Heritage Scheme

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	1,732,950	64,250	1,668,700	55,000
Reticulation		682,476	-682,476	
Production		525,650	-525,650	568,000
Raw Water/Bore		258,300	-258,300	13,000
TOTAL	1,732,950	1,530,676	202,274	636,000

New Initiatives for 2013/2014

- RO1 Pretreatment Upgrade
- RO1 Dosing Pumps
- RO1 Membrane
- RO2 VSD on Raw Water Pumps
- Air Conditioner @ Bore
- Potable Water @ Bore
- Replacement Vehicles

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	432,000	225,545	206,455	35,000
TOTAL	432,000	225,545	206,455	35,000

New Initiatives for 2013/2014

- Dump Point

Strategic Objectives:

- Continue to deliver essential local government services



WORKS				
Function	Revenue \$	Expenses \$	Net Oper \$	Capital Exp \$
Aerodrome	176,000	128,724	44,276	10,000
Garbage Collection	4,500	108,411	-103,911	330,000
Commercial Garbage	72,000	40,170	31,830	
Rubbish Dump Oper	35,000	202,000	-167,000	5,000
Other Works	168,500	160,480	8,020	
Plant Operations	415,000	417,127	-2,127	10,000
Roads	260,500	898,046	-627,046	351,170
Works Overheads	500,000	612,748	-112,748	
Sport & Rec (Parks)		219,349	-219,049	60,000
Other Community	4,500	38,418	-33,918	20,000
Housing	13,500	15,121	-2,121	
TOTAL	1,649,500	2,830,594	-1,181,094	786,170

New Initiatives for 2013/2014

- Hospital Rd Seal
- Bartrum St Seal
- Will St Seal
- Burke St Seal
- Sturt St Seal
- Brady St Seal
- Grund St Seal
- Street Kerbing
- Street Paving
- Acco Garbage Truck
- Lawn Tractor 40kw
- Convert old Dump truck
- Waste Transfer feasibility
- Town Hall revitalisation
- Revise Airport Master Plan

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	8,807,643	704,305	7,881,121	
Distribution		983,855	-983,855	759,500
PPA		6,945,250	-6,945,250	
Generation		96,512	-96,512	
TOTAL	8,807,643	8,729,922	77,721	759,500

New Initiatives for 2013/2014

- Transformer Upgrade
- Distribution ute
- North West Ridge HV & LV upgrade

Strategic Objectives:

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



5. MEASURING PERFORMANCE

STRATEGIC AIMS

Due to the challenges faced over the past 9 years with the Electricity Supply, Council is committed to increasing infrastructure within the town to meet the needs of the community.

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 indicates 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 2012/2013	Budget 2013/2014
Operating (Deficit)/Surplus		\$1,705,606	\$144,358
Operating Ratio		135%	12%
Interest Cover Ratio		0.9%	1.0%



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 a 3 year rolling period.

Council has many challenges to this end, the largest being the fuel price fluctuations 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 of diesel annually. This means that even a small increase in fuel price will have a large impact on Council's overall budget.

OPERATING RATIO

The Operating Ratio represents the ratio of surplus to Rates income.

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, not rate 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 Surplus of \$326,358 for the 2013/2014 financial year. Within this surplus is a capital grant income of \$84,250 from both the Federal Government.

The operating surplus is a measure of the difference between operating revenue and operating expenses. The surplus indicates that we have more operating revenue than operating expenditure 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 is vital in making sure that Council sustains 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 2013/2014 Year will be \$1,267,737. This represents an increase of 3% in the rates in the dollar.

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 or are able to be connected. 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 – Increase as per Government Gazette
- Dog Registrations – No increase
- Environmental Health Inspections – No increase
- Freedom of Information applications – No increase
- NRM Levy of \$60 per rateable property to be raised for Arid Lands NRM

USER CHARGES SET BY COUNCIL

Council sets the following charges:

- Water Access Fee – 3% increase
- Water Tariff - 3% increase
- Aerodrome Landing fees - No increase
- Cemetery Fees – \$500
- Child Care Fees – 7% increase
- Commercial Refuse Collection – Various increases
- Swimming Pool Fees – No 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 Supply Charge
- Electricity Tariff

GRANTS AND SUBSIDIES

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

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 cost variation in fuel prices can be quite volatile at times.

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

Council also receives funding from the Commonwealth's Financial Assistance Grants and administered by the SA Grants Commission. The amount is expected to be \$850,000 for the 2013/2014 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. We are required to borrow for all Electricity capital projects for the life of the asset. This will mean that we borrow for terms of up to 40-50 years. Currently the Local Government Finance Authority (LGFA) does not have facilities that extend to 40 or 50 years. They can provide a split facility (2 loans) that will extend over that period needed. All of these Electricity Loans will be accounted for in RAES Subsidy payment that Council receives.



SUMMARY OF REVENUE			
Indicators		Total \$	Total %
Rate Income		1,472,323	9.2
Statutory Charges		35,360	0.2
User Charges		7,852,448	49.3
Operating Grants & Subsidies		6,086,854	36.6
Investment Income		13,000	0.1
Other Income		747,958	4.6
TOTAL REVENUE		16,207,943	100.00



7. IMPACT ON COUNCIL'S FINANCIAL POSITION

After the proposed loans are taken out Council will have net debts of \$4,521,490

These will be the balances for the following departments:

Electricity	\$2,912,000 (Balance as at 30/6/14)
Works	\$809,490 (Balance as at 30/6/14)
Water	\$800,000 (Balance as at 30/6/14)

Net financial liabilities indicator is a key factor as previously discussed. This indicator looks at what financial assets are owed to Council as opposed 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 2014	Budget 2013/2014
OPERATING	
Operating Revenue	16,207,943
Operating Expenses	-16,063,586
Operating Surplus/(Deficit)	144,358
NET OUTLAYS ON EXISTING ASSETS	
Capital Exp on Renewal or Replacement	1,548,500
Less Depreciation	889,354
Less Proceeds from Sale of Assets	0
	659,146
NET OUTLAYS ON NEW ASSETS	
Capital Exp on New & Upgraded	861,170
Less Capital Grant	0
Less surplus from Sale of Surplus Assets	0
	861,170
Net Lending for Financial Year	1,375,958
FUNDING TRANSACTIONS	
Repayment of Principal	215,652
New Borrowings	1,450,000
Transfer to Reserves	0
Transfer from Reserves	0
Total Funding Transactions	1,234,348



INCOME STATEMENT	
For the year Ended 30 June 2014	Budget 2013/2014
OPERATING REVENUE	
Rate	
- General	1,297,323
- Other	175,000
Statutory Charges	35,360
User Charges	7,852,448
Operating Grants & Subsidies	6,086,854
Investment Income	13,000
Reimbursements	206,150
Gain on Disposal of Non-Current Assets	0
Other	747,958
TOTAL OPERATING REVENUE	16,207,943
OPERATING EXPENSES	
Employee Costs	4,373,400
Contractual Services	7,691,429
Materials	950,821
Finance Charges	89,483
Depreciation	889,354
Loss on Disposal of Non-Current Assets	0
Other	2,069,099
TOTAL OPERATING EXPENSES	16,063,586
Operating Surplus/(Deficit) before Capital Revenues	144,358
CAPITAL REVENUES	
Capital Grants, Subsidies and Monetary Contribution	
NET SURPLUS/(DEFICIT) RESULTING FROM OPERATIONS	144,358



BALANCE SHEET	
For the year Ended 30 June 2014	Budget 2013/2014
CURRENT ASSETS	
Cash & Cash Equivalents	187,587
Trade & Other Receivables	3,736,711
Other Financial Assets	0
Inventories	1,033,263
Non Current Assets held for Resale	
TOTAL CURRENT ASSETS	4,957,560
CURRENT LIABILITIES	
Trade & Other Payables	2,095,980
Current Portion of Long Term Borrowings	2,139,449
Short Term Provisions	323,687
TOTAL CURRENT LIABILITIES	4,559,115
NET CURRENT ASSETS	398,446
NON CURRENT ASSETS	
Trade & Other Receivables	0
Land	1,149,050
Buildings	5,698,388
Infrastructure	19,363,928
Plant & Equipment	2,041,808
Furniture & Fittings	199,276
TOTAL NON CURRENT ASSETS	28,452,450
NON CURRENT LIABILITIES	
Long Term Borrowings	846,418
Long Term Provisions	159,553
TOTAL NON CURRENT LIABILITIES	1,005,971
NET ASSETS	27,844,924
EQUITY	
Accumulated Surplus	14,862,131
Reserves	24,039
Asset Revaluation	12,958,755
TOTAL EQUITY	27,844,924



CHANGES IN EQUITY			
For the year Ended 30 June 2014		Budget 2013/2014	
ACCUMULATED SURPLUS			
Balance as at 1 July 2013		14,707,773	
Net Surplus (Deficit)		144,358	
Revaluation Increment			
Adjustments Previous Year			
Transfer from/(to) Reserves			
BALANCE AS AT 30 JUNE 2014		14,852,131	
RESERVES			
Breakaways Pass			
Balance as at 1 June 2013		24,039	
Transfer in/(out)			
Balance as at 30 June 2014		24,039	
Asset Revaluation Reserve			
Revaluation Increment		12,958,755	
TOTAL EQUITY			
		27,834,924	



STATEMENT OF CASHFLOWS	
For the year Ended 30 June 2014	Budget 2013/2014

**CASHFLOWS FROM OPERATING
ACTIVITY**

Receipts	15,695,336
Interest Received	19,799
Payments	14,756,452
Interest Payments	140,609

NET CASH PROVIDED BY OPERATING 818,074

**CASHFLOWS FROM FINANCING
ACTIVITY**

Loans Received	1,450,000
Less Loan Payments	

NET CASH PROVIDED BY FINANCING 1,450,000

CASHFLOWS FROM OTHER ACTIVITY

Capital Grants & Subsidies	
Less Purchase of Infrastructure	445,000
Less Purchase of Plant & Equipment	1,964,670

NET CASH PROVIDED BY OTHER ACTIVITY 2,409,670

NET INCREASE IN CASH HELD 141,596

Cash at Beginning of Year 329,183

CASH AT END OF YEAR 187,587



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 2013/2014 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. The strategic plan was developed following an extensive community consultation program;
- the Budget for the 2013/2014 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 Electricity Distribution system and town water 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 2013/2014 budgets, including the consolidation of Council's financial position following the continued reduction in the RAES subsidy payment.
 - ❑ The ongoing improvement of access to information technology.
 - ❑ Increase in Electricity and Water Tariffs
- 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 2013/2014 financial year the Council has decided to increase rates in the dollar by 3%, because this will provide the Council with sufficient additional revenue to meet cost increases and its desire to maintain services.

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 adopted the valuations made by the Valuer-General for the 2012/2013 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

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 and the mining venture by Western Plains Resources at Peculiar Knob will also provide significant opportunities now and in the not too distant future. The prospect is good for a continuation of a low rate of inflation and low interest rates.
- Slight 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 its administration, funding tourism marketing, Regional Development Australia Far North (RDAFN) 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 30th June 2013 and that the rates will vary according to the use of the land however it is proposed to apply a 3% increase. 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 proposed rate in the dollar for that particular land use:

Land Use 1	Residential	0.3074 cents in the dollar
Land Use 2	Commercial – shop	0.9415 cents in the dollar
Land Use 3	Commercial – office	0.9415 cents in the dollar
Land Use 4	Commercial – other	0.9729 cents in the dollar
Land Use 5	Industry – light	0.9729 cents in the dollar
Land Use 6	Industry – other	0.9729 cents in the dollar
Land Use 7	Primary Production	0.9729 cents in the dollar
Land Use 8	Vacant Land	0.1889 cents in the dollar
Land Use 9	Other	0.9729 cents in the dollar

and Council, pursuant to Section 152 of the Local Government Act 1999, also proposes that a fixed charge of \$ 350.00 will apply to all rateable properties.

At the budget meeting, following community Consultation, the Council will consider adopting the above rate model, raising rate revenue of \$1,297,323 in a total revenue budget of \$16,207,943.

AVERAGE RESIDENTIAL RATES (SA GRANTS COMMISSION)

2009/2010 State Average	\$952
2009/2010 Metro Average	\$1,560
2009/2010 Regional Rural Average	\$826
2011/2012 Coober Pedy Average	\$583

SEPARATE RATE

Pursuant to Section 154 of the Local Government Act 1999, Council will consider declaring a separate rate in that part of the District Council of Coober Pedy within the “Defined Area” (as adopted in the Budget for 2013/2014) for the purposes of the Coober Pedy Sewerage Scheme. That rate shall be 0.4327 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.



NRM LEVY

This year (2013/2014) is the third year that Council has had to collect the NRM levy from ratepayers, on behalf of the State Government. The levy will be \$60 per ratable property. It will be shown on the rate statement separately.

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 2013/2014 financial year and that the access charge is to be included on the rate notice.

Access Charges have been determined as follows:

- | | |
|---|----------|
| • Vacant Land (Land Use 8) | \$132.00 |
| • Residential(Land Use 1) | \$165.00 |
| • Business with usage last year less than 300 kilolitres (Land Use 2-7) | \$325.00 |
| • Commercial with usage last year over 300 kilolitres (Land Use 2-7) | \$615.00 |
| • Aged Pensioner Concession (Residential – Land Use 1) | \$90.00 |

Furthermore Council proposes via its Fees and Charges Schedule that water usage charges will be as follows:

- | | |
|-----------------------------------|-----------|
| • Up to 50 kilolitres | \$4.70/kl |
| • 50 kilolitres to 300 kilolitres | \$5.81/kl |
| • 300 kilolitres and over | \$7.00/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 direct 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 concession was introduced from 1st 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 or 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 SA Water and its District Offices or Families SA. 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 Families SA office for details.

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:

1 st Payment	Friday 20 th September 2013
2 nd Payment	Friday 13 th December 2013
3 rd Payment	Friday 14 th March 2014
4 th Payment	Friday 13 th June 2014

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 Jayde Frew, 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 2013/2014 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 2013/2014 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 Rates & Property 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 Jayde Frew, Rates & Property Officer on Ph: 08 8672 4600 or email: jfrew@cpcouncil.sa.gov.au to discuss the matter. If, after this initial contact, a ratepayer is still dissatisfied they should write to Mr Phil Cameron, Chief Executive Officer, District Council of Coober Pedy, PO Box 425, Coober Pedy SA 5723, or email pcameron@cpcouncil.sa.gov.au .

For further information:

Phil Cameron, Chief Executive Officer
PO Box 425
Coober Pedy SA 5723
08 8672 4600
pcameron@cpcouncil.sa.gov.au

