



District Council of Cooper Pedy

Draft Annual Business Plan

2007/2008

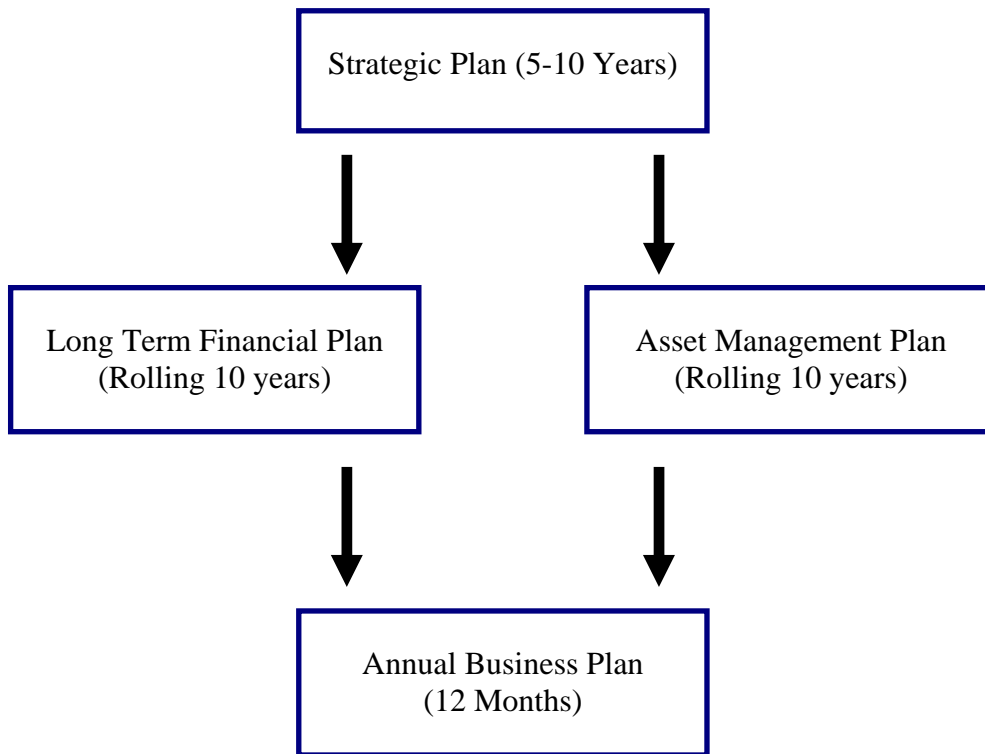
INTRODUCTION

Council each year has to develop a budget for the following financial year to determine services, programs and projects that it will deliver to the community. This budget is now going to be referred to as the “Annual Business Plan”.

It will set out the objectives of the Council for the ensuing 12 months. Council is also in the process of developing a long term financial plan which will set out the objectives of Council for a 10 year period. 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.

Currently Council is in the process of reviewing its Strategic Plan. This should be completed early in the 2007/2008 financial year.

In the future all budgets will relate to the Strategic Plan, Long Term Financial Plan and Asset Management Plan as shown below.



This draft 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 fuel cost for the electricity generation. The price 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:	Darren Zechner
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

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
- 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 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 initiatives.

Staffing for positions that require qualifications is still an issue especially in the Electricity Supply. We have the issue that there are not enough linesmen in Australia and so we are competing for a small pool of qualified staff to fill positions that we have. This has meant that over the past 2 years we have relied on contract staff to fill these positions.

There has been an increase in investment in the Park & Gardens infrastructure as the use of these facilities increase. There is still a need to have more investment in areas around the oval, Skate Park and playground.

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 4.2% as apposed to the CPI of 2.4% for the same period. This means that Council has to be prudent with all of its spending.

Over the next 12 months Council will continue on a course to creating the following reports:

Strategic Plan
Long Term Financial Plan
Asset Management Plan

Council will also continue to provide the 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 2007/2008

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 xxx 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		254,350	-254,350	42,000
Rates	886,742	64,768	821,874	
Finance/Support	1,374,750	532,631	842,119	81,000
Payroll		24,690	-24,690	
HR/OHS		67,993	-67,993	
TOTAL	2,261,492	994,432	1,317,060	123,000

New Initiatives for 2007/2008

- 10 Year Financial Plan
- 10 Asset Management Plan
- Vehicle Replacements
- IT Server Renewal
- Photocopier Replacement
- One additional finance staff member

Strategic Objectives:

- Develop a cohesive working relationship between community groups
- Position Council area as a major regional centre.
- Maximise the benefits to the Council through effective financial management and planning
- Promote OHS&W throughout Council.



COMMUNITY				
Function	Revenue \$	Expenses \$	Net Oper \$	Capital Exp \$
Dog Control	11,000	52,166	-41,166	
Library	11,500	36,055	-24,555	
Health		10,500	-10,500	
Community Services		28,500	-28,500	
Swimming Pool	33,000	152,620	-119,620	
Development/Planning	12,000	54,894	-42,894	
Tourism	17,500	128,838	-111,338	
Economic Development		45,500	-45,500	
Aged & Disabled	5,000	21,248	-16,248	
Child Care Services	303,500	292,500	11,000	
Child Care Links	105,000	97,561	7,439	
Youth Services	62,500	66,700	-4,200	
TOTAL	561,000	987,082	426,082	

New Initiatives for 2007/2008

- Youth Officer Position until 30 June 2008
- Child Care Links until 30 June 2008

Strategic Objectives:

- Provide services and guidance to our youth
- Maximise the economic impact of Tourism to the region
- Maximise the economic development opportunities through the mining industry.



WATER				
Function	Revenue \$	Expenses \$	Net Oper \$	Capital Exp \$
Retail	1,164,000	44,000	1,120,000	
Reticulation		594,553	-594,553	
Production		356,000	-356,000	63,000
Raw Water/Bore		165,000	-165,000	
TOTAL	1,164,000	1,159,553	4,447	63,000

New Initiatives for 2007/2008

- Software Upgrade for RO1 and RO2
- Vehicle Replacement

Strategic Objectives:

- Provide efficient and cost effective quality water for residents and industry.



WASTE WATER				
Function	Revenue \$	Expenses \$	Net Oper \$	Capital Exp \$
Waste Water	179,000	139,707	39,293	25,000
TOTAL	179,000	139,707	39,293	25,000

New Initiatives for 2007/2008

- Sewerage Mains Extension

Strategic Objectives:

- Extension of Sewerage Scheme
- Increase available re-treated effluent to sustain irrigation of town ovals



WORKS				
Function	Revenue \$	Expenses \$	Net Oper \$	Capital Exp \$
Aerodrome	66,000	65,724	276	60,000
Garbage Collection	3,100	96,356	-93,356	
Commercial Garbage	75,000	50,650	24,350	
Rubbish Dump Oper	2,500	109,000	-106,500	
Other Works	98,500	136,886	-38,386	15,000
Plant Operations	165,000	445,338	-280,338	278,000
Roads	210,000	683,418	-473,418	125,000
Works Overheads	395,000	522,650	-127,650	
Sport & Rec (Parks)		167,535	-167,535	227,250
Other Community	500	18,418	-17,918	
Housing	3,120	7,621	-4501	
TOTAL	941,220	2,143,946	-1,202,726	705,250

New Initiatives for 2007/2008

- Replacement Plant & Equipment
- New Oval Lights
- New Toilet Block @ Oval
- Reseal Airport Runway
- Alp Street Seal
- Koska Street Seal
- Workshop Hoist
- Water Truck Tank
- Parks & Gardens Vac Mower & Aerator
- Grader Scarifier
- Stockpile Bays
- Additional Administration Support (Part-time)
- Lights & Seating Walking Track Triangle

Strategic Objectives:

- Maximise the recreational option of the community.
- Develop a “whole of town” waste management strategy
- Provide a high standard of physical infrastructure to support economic development.



ELECTRICITY				
Function	Revenue \$	Expenses \$	Net Oper \$	Capital Exp \$
Retail	7,234,177	155,350	7,078,827	
Distribution		1,222,252	-1222,252	208,000
PPA		5,127,000	-5,127,000	
Generation		46,341	-46,341	
TOTAL	7,234,177	6,550,943	683,234	208,000

New Initiatives for 2007/2008

- Replacement Vehicles
- Distribution Upgrade

Strategic Objectives:

- Provide efficient, sustainable and cost effective power for the community
- Maintain efficient distribution network



5. MEASURING PERFORMANCE

STRATEGIC AIMS

Due to the challenges faced over the past 5 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:

- Seal Alp Street
- Seal Koska Street
- Sewerage Scheme extension
- Electricity High Voltage upgrade
- Radio Antennae replacement
- Toilet Bock at Oval
- Airport Runway Reseal

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
- Net Financial Liabilities
- Net Financial Liabilities Ratio
- Interest Cover Ratio
- Asset Sustainability Ratio
- Asset Consumption Ratio

The following table shows the comparative figures over two budgets:

FINANCIAL POSITION			
Indicators		Budget 2007/2008	Budget 2006/2007
Operating (Deficit)/Surplus		\$415,226	\$(63,069)
Operating Ratio		38%	(7)%
Interest Cover Ratio		0.5%	0.7%



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 -3.5million 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 Surplus of \$415,226 for the 2007/2008 financial year.

The operating surplus is a measure of the difference between operating revenue and operating expenses. 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 2007/2008 year will be \$842,242. This represents an increase of 3% which is just above CPI.

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.

STATUTORY CHARGES SET BY STATE GOVERNMENT

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

- Development Applications
- Dog Registrations
- Health Inspections
- Freedom of Information applications

USER CHARGES SET BY COUNCIL

Council sets the following charges:

- Water Access Fee
- Water Tariff
- Aerodrome Landing fees
- Cemetery Fees
- Child Care Fees
- Commercial Refuse Collection
- Swimming Pool Fees



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 receives \$3.01 million per year from the State Government. The money is to subsidise the price of electricity in Coober Pedy.

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 \$680,000 for the 2007/2008 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.

Council proposes to borrow a total of \$400,000 for the 2007/2008 year as follows:

- \$140,000 for the addition of lighting to the town oval
- \$260,000 for the replacement of the large loader (TCM)



SUMMARY OF REVENUE			
Indicators		Total \$	Total %
Rate Income			
Statutory Charges			
User Charges			
Operating Grants & Subsidies			
Investment Income			
Other Income			
Loan Funding			



7. IMPACT ON COUNCIL'S FINANCIAL POSITION

After the proposed loans are taken out Council will have net debts of \$xxx.

These were borrowed for the following departments:

Electricity \$554,234 (Balance as at 1/7/07)

Works \$689,840 (Balance as at 1/7/07)

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 2008	Budget 2007/2008
Operating	
Operating Revenue	11,228,389
Operating Expenses	11,024,517
Operating Surplus/(Deficit)	203,872
Net Outlays on Existing Assets	
Capital Exp on Renewal or Replacement	807,000
Less Depreciation	957,350
Less Proceeds from Sale of Assets	68,000
	-218,350
Net Outlays on New Assets	
Capital Exp on New & Upgraded	326,000
Less Capital Grant	105,000
Less surplus from Sale of Surplus Assets	0
	221,000
Net Lending for Financial Year	(235,478)
Funding Transactions	
Repayment of Principal	-241,366
New Borrowings	400,000
Transfer to Reserves	0
Transfer from Reserves	0
Total Funding Transactions	158,664



INCOME STATEMENT	
For the year Ended 30 June 2008	Budget 2007/2008
OPERATING REVENUE	
Rate	
- General	841,742
- Other	112,000
Statutory Charges	44,500
User Charges	4,694,777
Operating Grants & Subsidies	5,330,500
Investment Income	19,000
Reimbursements	0
Gain on Disposal of Non-Current Assets	0
Other	80,870
TOTAL OPERATING REVENUE	11,123,389
OPERATING EXPENSES	
Employee Costs	2,723,389
Contractual Services	5,564,580
Materials	982,743
Finance Charges	67,512
Depreciation	957,350
Loss on Disposal of Non-Current Assets	0
Other	728,943
TOTAL OPERATING EXPENSES	11,024,517
Operating Surplus/(Deficit) before Capital Revenues	98,872
CAPITAL REVENUES	
Capital Grants, Subsidies and Monetary Contribution	105,000
NET SURPLUS/(DEFICIT) RESULTING FROM OPERATIONS	203,872



BALANCE SHEET	
For the year Ended 30 June 2008	Budget 2007/2008
CURRENT ASSETS	
Cash & Cash Equivalents	396,780
Trade & Other Receivables	2178,554
Other Financial Assets	0
Inventories	1,043,560
Non Current Assets held for Resale	0
TOTAL CURRENT ASSETS	3,618,894
CURRENT LIABILITIES	
Trade & Other Payables	2,356,980
Current Portion of Long Term Borrowings	0
Short Term Provisions	0
TOTAL CURRENT LIABILITIES	11,024,517
NON CURRENT ASSETS	
Trade & Other Receivables	0
Land	662,812
Buildings	3,514,670
Infrastructure	12,340,889
Plant & Equipment	2,877,650
Furniture & Fittings	249,887
TOTAL NON CURRENT ASSETS	19,645,908
NON CURRENT LIABILITIES	
Long Term Borrowings	1,270,253
Long Term Provisions	85,450
TOTAL NON CURRENT LIABILITIES	1,355,703
EQUITY	
Accumulated Surplus	15,049,328
Reserves	24,648
Asset Revaluation	4,478,143
TOTAL EQUITY	19,552,119



CHANGES IN EQUITY		
For the year Ended 30 June 2008		Budget 2007/2008
ACCUMULATED SURPLUS		
Balance as at 1 July 2007		14,845,456
Net Surplus (Deficit)		203,872
Revaluation Increment		0
Adjustments Previous Year		0
Transfer from/(to) Reserves		0
BALANCE AS AT 30 JUNE 2008		15,049,328
RESERVES		
Breakaways Pass		
Balance as at 1 June 2007		24,648
Transfer in/(out)		0
Balance as at 30 June 2008		24,648
Asset Revaluation Reserve		
Revaluation Increment		4,478,143
TOTAL OPERATING EXPENSES		19,552,119



STATEMENT OF CASHFLOWS	
For the year Ended 30 June 2008	Budget 2007/2008
CASHFLOWS FROM OPERATING ACT	
Receipts	11,448,062
Interest Received	19,000
Payments	-10,946,598
Interest Payments	-67,512
NET CASH PROVIDED BY OPERATING	452,952
CASHFLOWS FROM FINANCING ACT	
Loans Received	400,000
<i>Less</i> Loan Payments	241,336
NET CASH PROVIDED BY FINANCING	158,664
CASHFLOWS FROM OTHER ACT	
Capital Grants & Subsidies	105,000
<i>Less</i> Purchase of Infrastructure	-496,000
<i>Less</i> Purchase of Plant & Equipment	-506,000
NET CASH PROVIDED BY OTHER ACT	-897,000
NET INCREASE IN CASH HELD	197,288
Cash at Beginning of Year	199,492
CASH AT END OF YEAR	396,780



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 2007/2008 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 17th June 2002. The strategic plan was developed following an extensive community consultation program;
- the Budget for the 2007/2008 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 2007/2008 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 2006/2007 financial year the Council has decided to increase rates by the State Consumer Price Index (CPI) (3.1% for the March quarter), 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 2007/2008 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 stable and appears likely to continue to be stable 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 progressing well and will provide significant employment opportunities for both the skilled and unskilled labour markets. Construction of the mine camp site is under way and Oxiana Pty Ltd has obtained a high profile in the community. Proposed development of the nearby Cairn Hill magnetite mining venture by Goldstream may 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 commercial properties from the previous financial year. Other than these increases, general property values are relatively stable, with only a small increase in valuation in most cases;
- 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 and Economic Development Officer – Emerging Industries, with the Northern Regional Development Board with both roles incorporating strategies for enhancing the opportunities in the region;
- Specific infrastructure maintenance and other relevant issues that will solely or principally benefit businesses in the Hutchison Street area.

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



District Council of Coober Pedy

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 2008 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	0.3125 cents in the dollar
Land Use 2	Commercial – shop	0.9580 cents in the dollar
Land Use 3	Commercial – office	0.9580 cents in the dollar
Land Use 4	Commercial – other	0.9900 cents in the dollar
Land Use 5	Industry – light	0.9900 cents in the dollar
Land Use 6	Industry – other	0.9900 cents in the dollar
Land Use 8	Vacant Land	0.1540 cents in the dollar
Land Use 9	Childcare Centre	0.9900 cents in the dollar
Land Use 10	Charity	0.9900 cents in the dollar

and Council, pursuant to Section 152 of the Local Government Act 1999, also declares that a fixed charge of \$ 290.00 will apply to all rateable properties.

At its meeting of 25th July 2007, the Council adopted the above rate model, raising rate revenue of \$813,523.00 in a total revenue budget of \$10,931,428.

AVERAGE RESIDENTIAL RATES (SA GRANTS COMMISSION)

2005/2006 State Average	\$843
2005/2006 Metro Average	\$910
2005/2006 Regional Rural Average	\$686
2006/2007 Coober Pedy Average	\$418

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 2007/2008) 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.

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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 2007/2008 financial year and that the access charge is to be included on the rate notice.

Access Charges have been determined as follows:

- | | |
|--|----------|
| • Vacant Land | \$110.00 |
| • Residential | \$135.00 |
| • Business with usage last year less than 300 kilolitres | \$270.00 |
| • Commercial with usage last year over 300 kilolitres | \$530.00 |
| • Pensioner Concession (residential) | \$110.00 |

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

- | | |
|-----------------------------------|-----------|
| • Up to 50 kilolitres | \$3.35/kl |
| • 50 kilolitres to 300 kilolitres | \$4.18/kl |
| • 300 kilolitres and over | \$5.10/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 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 the Council at the contact locations listed on the second page.



District Council of Coober Pedy

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 st Payment	Friday 7 th September 2007
2 nd Payment	Friday 7 th December 2007
3 rd Payment	Friday 7 th March 2008
4 th Payment	Friday 7 th June 2008

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 86 725 298 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 2007/2008 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 2007/2008 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 5298 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 86 725 298 or email: 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.

For further information:

Trevor McLeod, Chief Executive Officer
PO Box 425
Coober Pedy SA 5723
08 8672 6598
tmcleod@cpcouncil.sa.gov.au

