

Berri 
Barmera
COUNCIL Building a
Better Community



Annual *Business* Plan

2015-2016

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Adopted - 30 June 2015

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1. Introduction

Council has retained its desire to build a Sports Stadium for Berri and hopes to hear from the applications for grants to the Federal and State Governments, to make this a reality.

Council will also develop the Berri Riverfront precinct and will develop the land for sale this year. Council is also expecting sales from its joint venture in the development of the former Youth Camp in Barmera. The funds from land sales are to be directed to pay for the move of the Berri Bowling Club to Glassey Park and the land purchases.

"The Council has continued to remain committed to a low rate increase environment and still delivering the essential local services."

The Council has continued to remain committed to a low rate increase environment and still delivering the essential local services. Council has achieved this though there has been a reduction of Federal Government grants for our Council area. If the Federal Government had maintained levels of indexation the same as the previous 10 years a rate rise would not be required at all.

For residential ratepayers the 83.5% of properties who have not had a valuation increase will have rates go up by less than 1%.

I recommend the Annual Business Plan to all residents as it details the projects and endeavours we will undertake on your behalf.



SOUTH-WEST



FRONT ENTRY



NORTH-WEST

PROJECT NAME BERRI SPORTS STADIUM SITE ADDRESS MARGIE DR ROYCE GLASSEY PARK, BERRI SA 5343	REVISION DATE /	REVISION DESCRIPTION 16.11.13 FOR DEVELOPMENT APPROVAL	BERRI DRAFTING 16.11.13 FOR DEVELOPMENT APPROVAL PHONE 08 8533 8993 WWW.BERRIDRAFTING.COM.AU	ISSUED FOR FOR DEVELOPMENT APPROVAL	SHEET NUMBER 0408
	DRAWN BY AJD	CHECKED BY JCL		DATE 1.1.1	REVISION /

David Beaton
Chief Executive Officer

2. Our Community

The Berri Barmera Council is located in the Riverland region of South Australia with a population of 10,686 and was formed in 1996 as a result of an amalgamation of the District Council of Barmera and the District Council of Berri.

The Council incorporates the townships of Barmera, Berri, Cobdogla, Glossop, Loveday, Monash, Overland Corner and Winkie and covers an area of 50,845ha. The Council's economic base is driven by horticulture and viticulture and associated industries and has traditionally serviced the region for state and federal government services. The region has a well earned reputation for its tourism and outdoor lifestyle and sporting excellence.

As a local government body along the River Murray it is vital the health of the river is sustained to ensure the health of our economy, recreation and amenity.



3. Future Direction – Strategic Plan (Draft)

Council are currently reviewing its Strategic Plan. The following Vision, Mission and Goals are an expression of Council's response to the aspirations of the community and to ensure our district is a great place to live, now and into the future.

3.1 Our Vision

In 2030 the Berri Barmera Council will be a sustainable, prosperous, confident regional community throughout the Riverland of SA.

3.2 Our Mission

Our business is to work with the greater community of the Riverland to create opportunities, strengthen partnerships and build a vibrant, inclusive society.

3.3 Our Goals

Confident and Contributing Community

This goal focuses on creating opportunities for active contributions from the community and retaining the population. The goal encourages the community to participate. It is underpinned by an entrepreneurial spirit, partnerships and the region's future success and leadership.

Diverse Economy

This goal focuses on broadening the economic base of the region. It recognises that the region has successfully grown through horticultural and associated industries and that now is the time to create and attract new economic opportunities and talent.

Smart Infrastructure

This goal focuses on effectively managing assets and ensuring contemporary systems are in place to enhance community wellbeing, communication and access.

Valued Natural Environment/Resources

This goal focuses on protecting and enriching our natural resources for future generations. While the river is foundational to our identity and lifestyle, this goal extends beyond to the creation of 'closed loop' systems and by becoming self-reliant in many areas.

Strong Internal Capability and Capacity

This goal focuses on business practices for community benefit, accountability, good governance and clear decision making processes. Reduction in complexity, increased skill development of staff and Elected Members and resource sharing opportunities are pivotal to the goal.

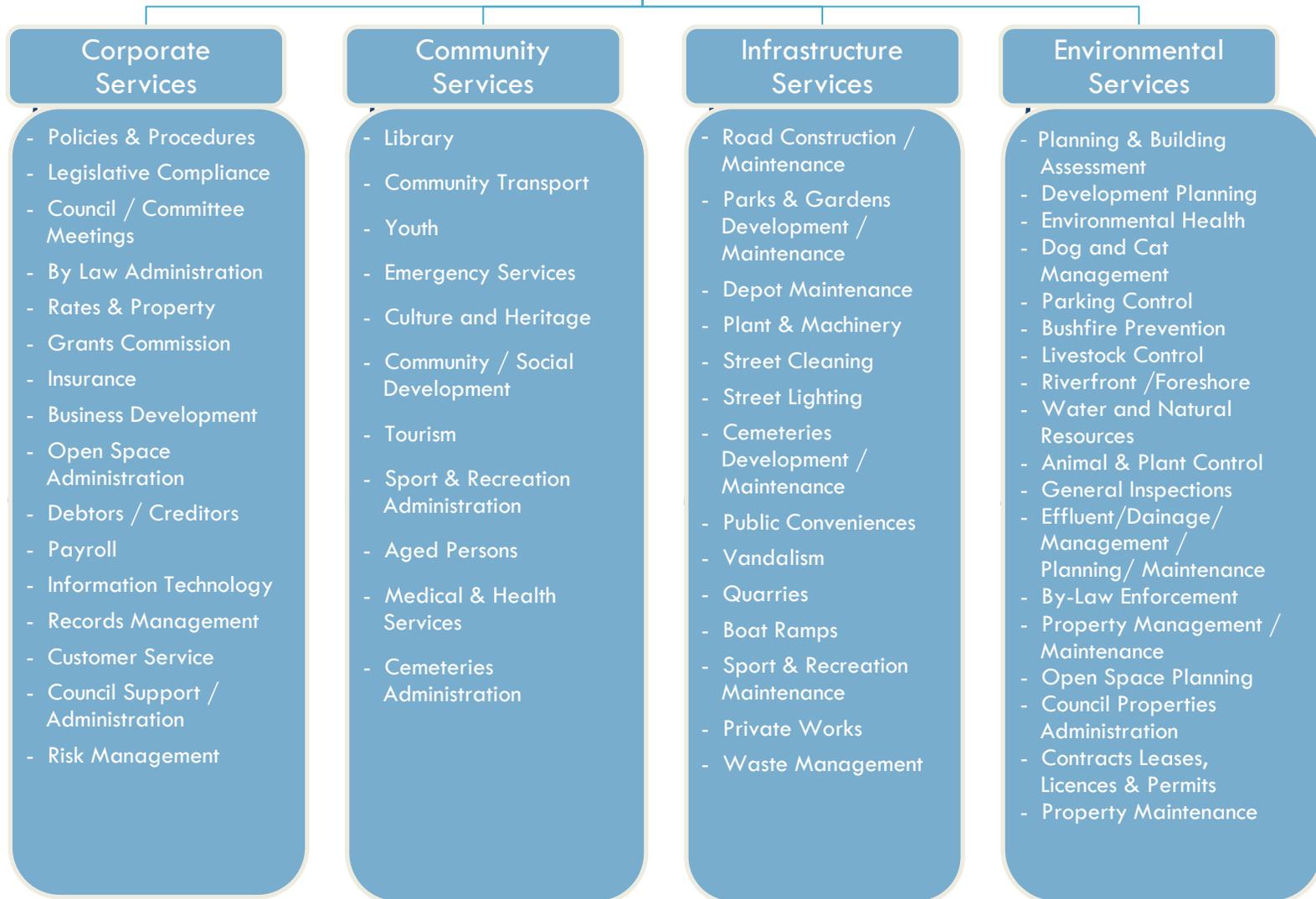
The goals outlined describe Council's objectives in being *ADVOCATES OF OPPORTUNITY*. They are Council's reply as to what it will do to combat the challenges that face the region in the foreseeable future. For further information regarding these objectives please refer to Council's Strategic Plan 2015-2018.



Elected Members

Chief Executive Officer

3.4 Corporate and Functional Structure



4. Financial Strategy - Long Term Financial Plan

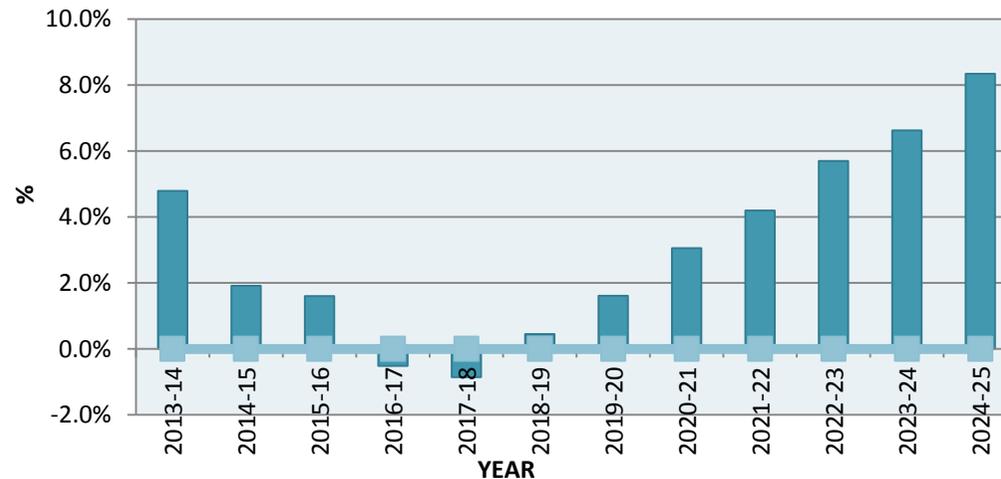
Council prepares a Long Term Financial Plan (LTFP) as part of their suite of Strategic Management Plans. The purpose of a LTFP is to examine the potential impact of its decisions over the long term and determining what the community can afford for its level of rates, debt and services. Similar to the annual budget the modeling provides a higher level framework to guide the preparation of the annual budget in detail and ensures an understanding of what impact the decisions made today have on the future.

The LTFP is a 'high level' summarised document which has been developed based on a number of key assumptions previously discussed and endorsed by Council. These assumptions are reviewed regularly and adjustments are made which reflect any external influences such as the financial instability recently experienced by our community.

It must be noted that information utilised within the LTFP is a 'best guess' estimate of future performance and actual results are likely to vary from the information contained in the LTFP.

This graph depicts the projected incremental improvement of Council's operating result over the next 10 years.

OPERATING SURPLUS RATIO



5. Influencing Factors

The Long Term Financial Plan is a major influencing factor as to how the Annual Business Plan is firstly developed and structured, however there are other influencing factors taken into consideration, particularly with regards to the impact on rate revenue.

The major influencing factors are listed below:

- Planning for future residential development and industrial / commercial development through the provision and need for key infrastructure to support such development and growth.
- The need to plan for future development within the townships of Berri and Barmera, including the future of the main town centres.
- Council is undertaking a major review of its Strategic Plan and the future directions it wishes to take to provide a sound basis for long term financial management and on-going financial sustainability of the Council.
- Requirements to maintain and improve infrastructure assets to acceptable standards including roads, footpaths, kerbing/guttering, stormwater drainage, parks and gardens and recreational reserves, council properties and the like.
- Increasing regulatory standards e.g. audit committee, risk management and occupational health and safety compliance.
- Local Government Cost Index increases on relevant goods and services.
- Enterprise bargaining agreements which provide for wages and salary increases. This includes the retention and recruitment of qualified and experienced staff.
- Cost increases higher than that of the published CPI, such as electricity charges, insurances, waste management charges and fuel and oil costs.
- The requirement to maintain the provision of services at the high level currently provided and expected of the community – yet striving towards an operating surplus position.



6. Council Activities and Services

All Councils have basic responsibilities under the Local Government Act and other relevant legislation. These include:

- Development planning and control, including building fire safety assessment
- Various environmental health services
- Dog and cat management
- Street cleaning and kerbside rubbish collection and disposal
- Management of basic infrastructure including roads, footpaths, parks and public open space, street lighting and storm water drainage
- Fire protection
- Parking control
- Effluent Drainage
- Natural Resources Management
- Cemeteries

- Financial management, e.g. setting rates, preparing annual business plan, long term financial plan, infrastructure management plans and strategic management plan
- Regulatory activities e.g. supporting elected members, maintaining the assessment records and voters roll.



Other services provided by this Council as a response to community needs include but are not limited to:

- 2 Libraries
- Visitor Information Centre
- Economic Development which includes tourism support
- Community Services – assistance to sporting and community groups, aged persons support, transport scheme
- Halls and other public buildings
- Sport and recreation grounds, swimming centre, recreation centre
- Parks and gardens
- Community Events which includes cash and ‘in-kind’ contributions
- Public conveniences
- Waste management depots
- Community Wastewater Re-Use Scheme
- Foreshore maintenance – Lake Bonney and River Murray
- Road maintenance, footpaths and kerbing maintenance
- Clean-up of vandalism

7. Project Priorities for 2015–2016

7.1 Project Priorities for the Year

The redevelopment of the Berri Riverfront along with the relocation of the Berri Bowling Club to Glassey Park commenced in 2014 and is well underway at the time of preparing this plan. Finalising of the Berri Bowling Club relocation is expected towards the end of the 2014/2015 year and the redevelopment and subsequent sales of allotments along the Berri Riverfront will commence in the latter part of 2015. Estimates of the land sales along the Berri Riverfront have been included in this budget and within the long term financial plan.

Council is continuing with upgrading the current facilities at its Swimming Centre concentrating during 2015/2016 on further safety and compliance requirements.

Council is continuing to work closely with various sporting groups to bring to fruition the construction of a Sports Stadium in Berri. Plans for this project are underway with input from the community and stakeholders. Application has been made to funding bodies for grants to assist with the cost of construction. Successful grant applications will provide Council and community with a greater prospect that the project will become a reality.

A priority project for 2015/2016 is the expansion of the Community Wastewater Management Scheme and Stormwater Infrastructure to the east of Berri. This will allow for future development within the industrial precinct located in this area.

Council plans to provide new public convenience facilities at the newly developed boatramp area in Berri and at Bruno Bay boatramp in Cobdogla. Recent feedback received by Council has indicated that both projects would be highly appreciated and utilised by locals and visitors to these areas.

It is important that Council maintains existing assets. Budget allocations have been made for renewal costs associated with various buildings and structures that are within Council's responsibility such as the Berri Town Hall, Bonney Theatre Barmera, Hall of Fame Barmera and the Senior Citizens Building in Berri.

Emphasis is also being placed on the timely renewal of Council assets such as roads, footpaths, kerbing and stormwater.

Council have been successful in obtaining grant funding from the Heavy Vehicle Safety and Productivity Program (Federal Government) for the upgrade of the intersection at Battams Road and Old Sturt Highway in Glossop. This project will address the wear and tear on the road surface caused by the heavy vehicle traffic utilizing the intersection and will also alleviate traffic problems associated with this intersection during times of heavy usage.

The following lists are the Project priorities for the year separated into Operational Projects and Capital Projects and recorded under each relevant department area. Projects listed below that are carried over from previous years are marked with ** and are funded from the 'works in progress' reserve.

7.1.1 Operating Projects

Project Description	Link to Strategic & Corporate Plan	Priority Rating	Budget
Governance			
Berri Town Centre Renewal	Economy	High	\$25,000
Riverland Resource Sharing	Economy	High	\$15,000
Housing for 21 st Century Project	Economy/Community	High	\$5,000
Environmental Services			
Developer Facilitation Fund	Economy	Medium	\$10,000
Spot DPA Review	Economy	Medium	\$25,000
Planning Records Storage and Archiving	Corporate	Low	\$10,000
Developer Facilitated DPA Review **	Economy	Medium	\$20,000
Regional Public Health Plan	Community	Medium	\$5,000
Vandal Proof Public Convenience Fixtures	Infrastructure	High	\$10,000
Heritage Survey and DPA	Community	Low	\$30,000
Loveday Hall Surrounds cleanup	Community	Low	\$5,000
Removal of Asbestos Council Buildings	Community/Environment	High	\$5,000
Removal Rainwater Tanks Council Properties	Infrastructure	Medium	\$8,000
Building Highworks Requirements	Infrastructure	Medium	\$10,000



7.1.1 Operating Projects cont.

Project Description	Link to Strategic & Corporate Plan	Priority Rating	Budget
Infrastructure Services			
Berri and Barmera Cemetery Beams	Community	Medium	\$12,000
Dump Rehabilitation Loveday, Gas Monitoring Monash	Environment	High	\$35,000
Tyre and Asbestos Removal Hardstand	Environment	Medium	\$30,000
Mulching Green Waste	Environment	Medium	\$20,000
Foreshore Gazebo Maintenance	Community/Infrastructure	Medium	\$9,000
Monash Median Strip Landscaping	Community/Infrastructure	Medium	\$21,500
Glossop Road Verge Landscaping	Community/Infrastructure	Medium	\$10,500
Street Decorations	Community	Low	\$5,000
Preparations for Tidy Towns Application	Community/Environment	Low	\$10,000
Berri and Barmera Beautification Committees Projects	Community/Environment	Medium	\$20,000
Matthews Park Berri – Turf **	Community	Medium	\$13,400
Martin Bend Recreation Area Committee Projects	Environment/Community	Low	\$10,000
Loveday Oval Shed & Pump Removal	Infrastructure	Medium	\$4,000
SA Water & CIT Water Meter Removal	Infrastructure	Low	\$10,000
Tree Root Removal (various roads) **	Infrastructure	Medium	\$58,000

7.1.2 Capital Projects

Project Description	Link to Strategic & Corporate Plan	Priority Rating	Budget
Corporate Services			
IT Plant and Equipment	Corporate	Medium	\$30,000
Motor Vehicle Changeover	Corporate	Medium	\$30,600
Community Services			
Berri and Barmera Libraries – Facilities improvements and Plant & Equipment purchases	Community	Low	\$34,650
Swimming Centre Upgrade & Plant & Equipment	Community	High	\$200,000
Barmera Recreation Centre Refurbishment	Community	High	\$19,000
Community Transport Vehicle Changeover	Community	Medium	\$65,000
Tourism Town Signage	Community	Low	\$55,000
Berri Visitor Information Centre Facilities improvements and Plant & Equipment	Community	Low	\$13,092



7.1.2 Capital Projects cont.

Project Description	Link to Strategic & Corporate Plan	Priority Rating	Budget
Environmental Services			
Dog Park Equipment	Community	Medium	\$2,000
Motor Vehicles Changeover	Corporate	Low	\$99,000
CWMS Infrastructure Renewal	Environment	High	\$188,000
CWMS Upgrade – Berri East	Economy/Environment	High	\$300,000
Barmera CWA Wall	Community	Low	\$10,000
Senior Citizens Allotment Retaining Wall	Community	Medium	\$22,000
Senior Citizens Building Toilet Renewal	Community	Medium	\$7,000
Toilets – Bruno Bay Cobdogla	Community/Infrastructure	Medium	\$40,000
Toilets – Berri Marina	Community/Infrastructure	High	\$40,000
Bonney Theatre – replacement chairs	Community	Low	\$20,000
Berri Town Hall – Curtains and Toilet Upgrade	Community	Medium	\$30,000
Buildings and Structures Renewals per Asset Management Plan	Community/Infrastructure	Medium	\$100,000
Bonney Theatre - Lighting	Community	Medium	\$20,000
Hall of Fame Interior Refurbishment	Community	Low	\$35,000

7.1.2 Capital Projects cont.

Project Description	Link to Strategic & Corporate Plan	Priority Rating	Budget
Infrastructure Services			
Cemetery Furniture and Equipment	Community	Medium	\$10,000
Recreation/Exercise Stations Barmera Lakefront & Berri Riverfront	Community	Low	\$36,000
Irrigation Upgrades and Automation	Infrastructure	Medium	\$37,400
Barmera Foreshore Irrigation Renewal	Infrastructure	Medium	\$10,000
Barmera Foreshore revitalization – Bluebird to Lake Vista	Environment/Community	Medium	\$20,700
Removal and substitute Pine Posts various parks	Environment/Community	High	\$50,000
Playground Equipment Renewals	Community/Infrastructure	Medium	\$10,350
Road Reseals	Infrastructure	High	\$555,000
Unsealed Road Resheeting	Infrastructure	High	\$316,000
Telfer Road East - Sealing	Infrastructure	High	\$60,500
Rawnsley Road – Realignment/Resheeting	Infrastructure	High	\$47,000
Renfrey Road Upgrade	Infrastructure	Medium	\$379,584
Wade Street Berri - Reconstruction	Infrastructure	Medium	\$38,000
Bike Track and Garrard Street Extension - Reseal	Community/Infrastructure	Medium	\$23,400
Shiraz Street Berri Laneway Upgrade	Infrastructure	Medium	\$17,000
Battams Road/Old Sturt Highway Intersection Upgrade	Infrastructure	High	\$208,440



7.1.2 Capital Projects cont.

Project Description	Link to Strategic & Corporate Plan	Priority Rating	Budget
Infrastructure Services cont.			
Kerbing replacement and renewal per Asset Management Plan	Infrastructure	High	\$190,000
Kerbing Renewal – Amey Street Cobdogla	Infrastructure	High	\$21,000
Gopher Route and Footpaths Berri and Barmera	Community/Infrastructure	High	\$166,769
Footpaths Renewal per Asset Management Plan	Infrastructure	High	\$24,500
Footpath Renewal – Ritchie Street Barmera (Tonkin to Dickerson)	Infrastructure	Medium	\$12,600
Footpath Renewal – Drogemuller Road Cobdogla	Infrastructure	Medium	\$7,000
Footpath Renewal – Streeter Avenue Glossop	Infrastructure	Medium	\$11,000
Footpath Renewal – Leonard Crescent Berri	Infrastructure	Medium	\$17,500
Footpath Renewal – Eyre Street Barmera	Infrastructure	Medium	\$15,500
Bike/Walking Track Cobdogla (Caravan Park to Bruno Bay)	Community/Infrastructure	Low	\$6,500
Extension Barmera Lakefront Path	Community/Infrastructure	Low	\$37,700
Paver Replacements Berri CBD	Infrastructure	High	\$49,904
Pram Ramps – Various locations	Community/Infrastructure	Medium	\$18,000
Stormwater Renewal – Hawdon Street Barmera	Environment/Infrastructure	Low	\$5,300
Stormwater Renewal per Asset Management Plan	Environment/Infrastructure	Medium	\$80,000
Stormwater Upgrade – Berri East	Environment/Economy	High	\$50,000
New Bowser at Depot	Corporate	Medium	\$6,500
Changeover of Motor Vehicle	Corporate	Low	\$30,000
Plant and Machinery Purchases	Corporate	Medium	\$572,220

8. Financial Management

8.1 Fund and Cash Management

To manage key grant funds, cash and reserve investments, the Council utilises the services of the Local Government Finance Authority to establish reserves and investments for specific purposes or that which are not required at the specific time of receiving through payments of rates or other income sources. The Local Government Finance Authority (LGFA) is a separate statutory authority that was established pursuant to the Local Government Finance Authority Act. The LGFA which is “government backed” borrows and invests in bulk on behalf of Councils which allows for cheaper rates on loans and higher returns on our investments.



Image SATC

To integrate between the Local Government Finance Authority and day to day operations, the Council also has general funds in its' general bank account at ANZ, Berri Branch.

The utilisation of the Local Government Finance Authority provides Council with an opportunity to receive an annual bonus as part of investing monies along with other Councils with the Authority, and also enables Council to receive competitive market rates for loans required by Council.

In accordance with Section 140 of the Local Government Act 1999, Council reviews the performance of its investments and cash management both with ANZ and Local Government Finance Authority on an annual basis to ensure that Council's funds are receiving the maximum return.



8.2 Reserve Fund Management

The Council holds the following reserves at the Local Government Finance Authority, which are for specific projects or purposes identified by Council. These funds are normally set aside to be used for the identified projects or to assist with management and development of assets and projects of an economic development nature.

The reserves held at the LGFA are as follows:

Reserve	Purpose
Open Space	Developers' contributions set aside towards the development of open space. The funds must be used for that specific purpose.
District STEDS	Reserve set up for the express purpose of funding Council's Community Wastewater Management Scheme which includes the maintenance of the scheme and upgrades as required.
Land Development	Reserve created for the specific use of funding certain economic development projects throughout the district.
Work In Progress	Reserve used to carry funds over from one year to the next for projects that are unfinished at year end and to be completed the following year.

The following table illustrates the reserve movements and proposed final balances for the 2015/2016 year.

Reserve	Opening Balance	Appropriation To	Appropriation From	Closing Balance
Land Development	\$430,316	\$785,642	\$35,000	\$1,180,958
District STEDS	\$240,091	\$3,046,055	\$3,311,222	(\$25,076)
Open Space	\$1,778	-	-	\$1,778
Work In Progress	\$52,400	-	\$52,400	-
Total	\$724,585	\$3,831,697	\$3,398,622	\$1,157,660

8.3 Loans

When required Council borrows all funds through the Local Government Finance Authority for specific projects that mainly relate to purchase of plant and equipment, development and renewal of infrastructure and assets, and the provision of funds from time to time to community groups also for the development of community facilities. The Council does not borrow funds for the purposes of operational or service delivery.

The total of fixed term loans held by Council, along with new loans to be negotiated during the year, are listed below.

	Balance 1 July 2015	Repayments	Closing Balance 30 June 2016
Total – Existing Council Fixed Term Loans	\$3,732,569	\$372,249	\$3,360,320

As well as the above fixed term loans, Council has in place with the LGFA a floating cash advance facility. This facility is used for cashflow purposes in line with Council's treasury management policy, and allows for more active management of day to day obligations in terms of debt management. The use of this facility fluctuates depending on the project and capital activities being undertaken by Council. Early repayments of principle drawdowns are repaid to minimise interest expense to Council.

Proposed New Loans

The following proposed new loans have been included within the 2014/2015 annual budget but have not yet been negotiated. Loan funds will not be negotiated until such time as the projects proceed and access to loan funds are required.

Purpose	Amount
Berri Riverfront Development	\$2,500,000
Berri Sports Stadium	\$2,500,000

9. Funding the Business Plan

9.1 Operating Revenues

To fund the Business Plan and Budget, Council will raise operating revenue of \$15,969,821 which includes general rates of \$7,286,486. Other sources of income to be raised by Council include:

Rates – Other

An annual service charge for a specific purpose such as the upgrade and maintenance of Council's Community Wastewater Management Scheme is included in Council's revenue for 2015/2016. This charge is specifically set aside for continual maintenance of the scheme.

An annual service charge is also included for the specific purpose of the collection and disposal of waste. The service includes a weekly domestic collection in a smaller 140 litre bin for all properties, a fortnightly recycling collection of a 240 litre bin for all properties as well as a fortnightly green waste collection of a 240 litre bin for town residential properties.

To recover the extra expense an annual service charge has been calculated at \$200 for the three bin collection and \$170 for the two bin collection.

The collection of the levy on behalf of the SA Murray-Darling Basin Natural Resources Management Board is included within the total of "Rates Other".

Statutory charges set by State Government

These are fees and charges set by regulation and collected by the Council for regulatory functions.

Such statutory charges include assessment of development applications, town planning fees, Building Act fees, dog registration and management fees and fines, parking fees and fines, litter fines, rates search fees, health related fees and environmental control fees and fines.

User Pay charges set by Council

These comprise of charges for the Council's fee based facilities such as hall hire, sporting facility fees, cemetery fees, waste collection and disposal and other sundry sales.

Grants and Subsidies

A significant portion of Council's revenue is derived from Commonwealth Financial Assistance Grants which is administered and distributed by the South Australian Local Government Grants Commission. The Commonwealth Local Government (Financial Assistance) Act 1995 governs the way in which the grants are distributed to each State and from there onto each Council.

In addition to the grant received from the SA Local Government Grants Commission the Berri Barmera Council actively seeks as much grant funding as possible from other levels of government.

Investment Income

Investment income is revenue from financial investments or loans to community groups.

Reimbursements

Reimbursements are amounts received as payment for work done, or expenses incurred, by the council acting on behalf of other government bodies, property owners, organisations or individuals.

Commercial Activity

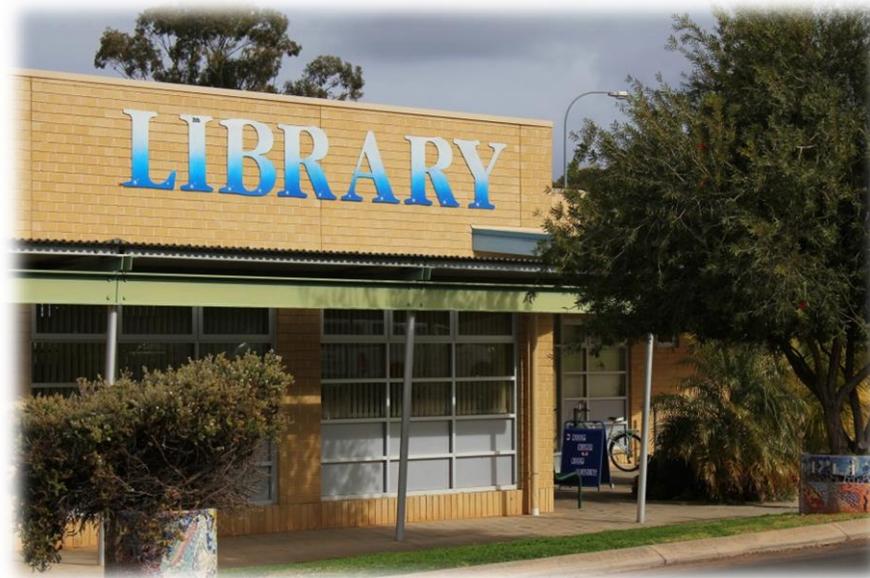
Income derived from commercial activities is income from activities carried out solely to generate revenue. Traditionally, it is not Council's intention to carry out activities solely to generate revenue however, activities such as the operation of the Visitor Information Centre generates a proportion of revenue from commercial activities.

9.2 Reserve Funds Used To Fund Projects

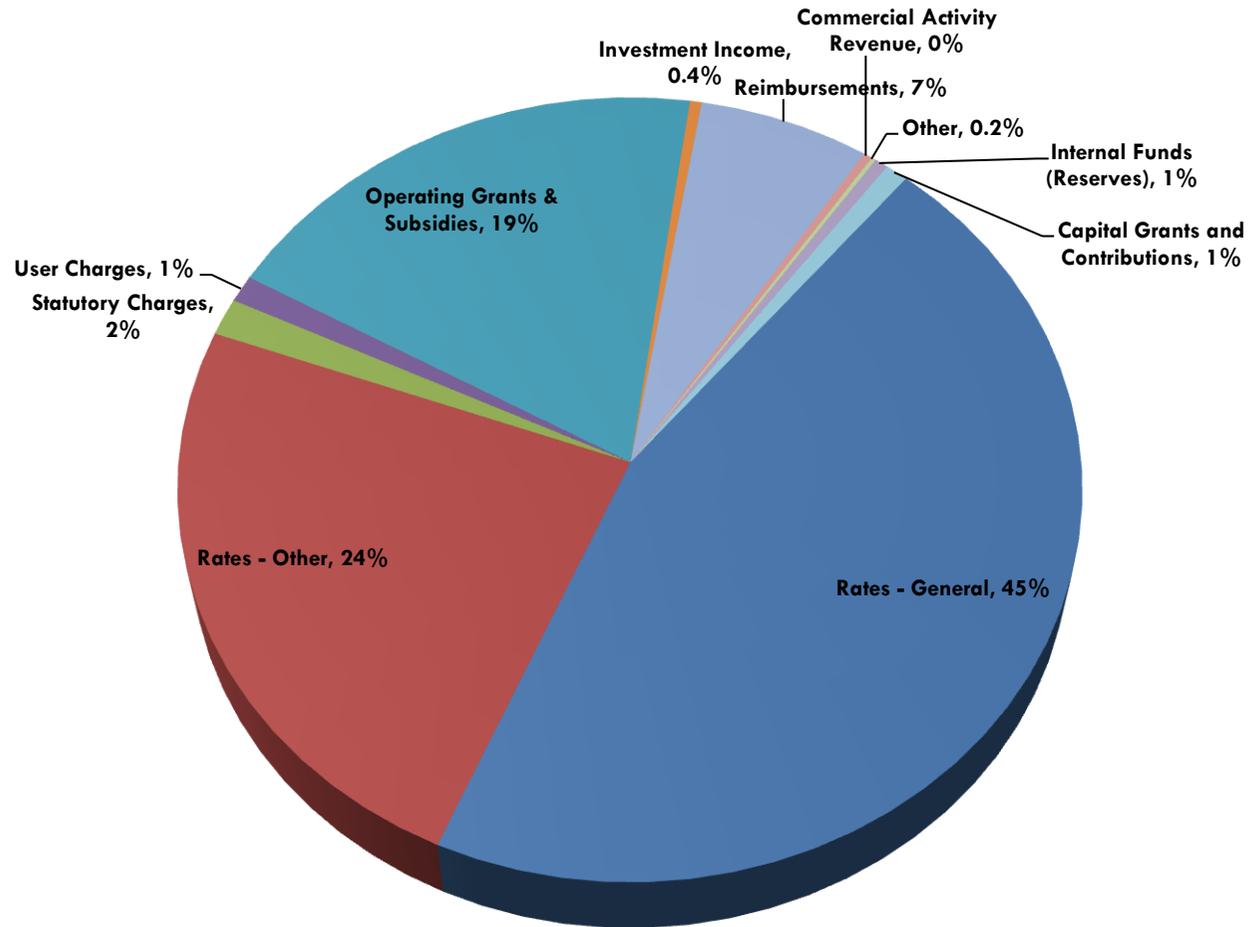
In addition to operating income used to fund the Business Plan, a number of Council's specific projects are funded from reserve funds that have been invested for specific purposes of Council.

The projects to be funded from reserves and the funding amounts are detailed in the table below:

Reserve Fund	Project	Amount
Land Development Reserve	Town Centre Renewal Project	\$25,000
	Developer Facilitation Fund	\$10,000
District STEDS Reserve	Community Wastewater Management Scheme	\$3,321,222
Work In Progress Reserve	Various operating projects carried forward from previous year.	\$52,400



The following chart shows the proposed cash sources of Council funding for 2015/2016



10. Community Wastewater Management Scheme

10.1 Wastewater Re Use Scheme

As mentioned in the previous section, a component of 'rates – other' income comes from the annual service charge for the upgrade and maintenance of Council's Community Wastewater Management Scheme (CWMS).

All properties within the townships of our district are serviced by a CWMS and the wastewater that is taken away for treatment and disposal ends up at the Berri or Barmera treatment lagoons. Once wastewater is treated it can be used to water certain parks and gardens and potentially supply commercial ventures in need of water.

A commercial agreement for the operations of the scheme on behalf of council is in place with Trility Berri Barmera Pty. Ltd.

The CWMS finances are managed separately to the other operations of Council where it has its own 'management fund'. There are different components of income and expenditure to consider which include:

Income -

- Payment from end users for supply of treated water
- Charges for new connections to the collection network
- Fixed service charge fees on a per allotment basis – (this is the service charge shown as 'Effluent Drainage' on your rates notice)

Expenditure –

- Costs to run and maintain the collection and pumping network, including desludging, power costs, repairs and pump replacements, callouts and depreciation.
- Charges by Trility which include availability and volumetric charges depending on flows received and treated and for maintaining and operating the Wastewater Re-use Scheme.

Infrastructure failures in CWMS occur around the 20 year mark in the life of a scheme and can include–

- Pump station structural faults due to the corrosive nature of effluent gases affecting concrete.
- Lagoons require desludging and re-lining due to loss of integrity of old clay liners over time.
- Pipe networks and rising mains begin to burst.

Parts of Council's CWMS infrastructure network are well past the 20 year mark and are monitored regularly to ensure required renewals and upgrades are budgeted for.

The development of the Berri Barmera Wastewater Re-Use Scheme has been a worthwhile and necessary project in order to deliver a sustainable and responsible solution to the effluent disposal problems.



11. Measuring Performance for the Year

11.1 Financial Measures

The following financial indicators have been used to analyse the past performance and project the future impact of proposed budget allocations for the upcoming financial year.

Financial results expressed within the context of performance measures delivers much more meaning if there are targets or goals of each indicator adopted by the Council.

Indicator 1 – Operating Surplus Ratio

(by what percentage does the major controllable income source vary from day to day expenses)

The operating surplus ratio is the operating surplus (or deficit) expressed as a percentage of general and other rates net of rate rebates and revenues from the NRM Levy.

A positive ratio indicates the percentage of rates available to fund capital expenditure. A negative ratio indicates the percentage increase required in rates to achieve a break-even operating result. If in the event of a positive ratio and that amount is not being required for that particular year, it can be held over for future capital works or can be used to reduce existing debt.

Council's Target – to be between 0% and 100% of operating revenue.

	2013/2014 Audited Annual Financial Statements	2014/2015 Adopted Budget	2015/2016 Proposed Budget
Indicator 1 Operating Surplus Ratio	5%	0.4%	1.6%

Indicator 2 – Net Financial Liabilities Ratio

(how significant is the net amount owed compared with income)

This ratio indicates the extent to which net financial liabilities of a council could be met by its operating revenue. Where the ratio is falling over time indicates that the council's capacity to meet its financial obligations from operating revenue is strengthening. However a council with a healthy operating surplus may decide to allow its net liabilities ratio to increase in order to provide additional services to its community through the acquisition of additional assets without detracting from its financial sustainability.

Council's Target – to incrementally achieve a ratio of 0% or better over the course of the 10 year plan.

	2013/2014 Audited Annual Financial Statements	2014/2015 Adopted Budget	2015/2016 Proposed Budget
Indicator 2 Net Financial Liabilities Ratio	15%	64%	65%

Indicator 3 – Interest Cover Ratio

(how much income is used in paying interest on loans)

This ratio indicates how much of Council’s operating revenues are committed to interest expense. There is no right or wrong ratio but a Council must be aware to manage this ratio within a range it is comfortable with.

Council’s Target – less than 10%

	2013/2014 Audited Annual Financial Statements	2014/2015 Adopted Budget	2015/2016 Proposed Budget
Indicator 3 Interest Cover Ratio	1.2%	1.5%	1.3%

Indicator 4 – Asset Sustainability Ratio

(are assets being replaced at the rate they are wearing out)

This ratio indicates whether Council is renewing or replacing existing non-financial assets at the same rate the assets are wearing out. It is calculated by measuring capital expenditure on renewal or replacement of assets relative to the optimal level of such expenditure proposed in Council’s infrastructure and asset management plans.

If capital expenditure on renewing or replacing existing assets is at least equal to the level proposed in the infrastructure and asset management plans, then Council is ensuring service levels derived from its existing assets are maintained. Any material underspending on the renewal and replacement of assets over the medium term is likely to adversely impact on service levels.

Council’s Target – between 90% and 110%.

	2013/2014 Audited Annual Financial Statements	2014/2015 Adopted Budget	2015/2016 Proposed Budget
Indicator 4 Asset Sustainability Ratio	36%	100%	100%

11.2 Non Financial Indicators

- Ensure a percentage of projects are completed within Timeframes where specified within Council’s Strategic and Corporate Plan, and meet all outcomes.
- Ensure that Policies, Codes and Registers required by the Local Government Act and other Legislation are developed, Implemented and maintained to Legislative Compliance.
- Ensure that all reporting requirements and other timeframes established under the Local Government Act are met for Financial Statements, Annual Reports and Annual Business Plan and Budget Reviews.
- Ensure the Infrastructure and Asset Management Plans are operational and linked appropriately with the Long Term Financial Plan of Council.



12. Valuation and Rating Analysis

12.1 Valuations Used For Rating

The following information relates to the valuation changes in each of the Land use Codes used by Council for rating purposes. The valuations displayed are valuations used for rating purposes, that is non-rateable valuations are not included.

Land Use Code	Valuation 14/15	Valuation 15/16	Variance (\$)	Variance (%)
Residential	\$796,074,597	\$808,358,917	\$12,284,320	1.54%
Primary Production	\$210,617,053	\$212,221,603	\$1,604,550	0.76%
Commercial	\$120,080,408	\$121,451,591	\$1,371,183	1.14%
Industrial	\$32,142,209	\$32,116,965	(\$25,244)	(0.08%)
Rural dry/Vacant	\$12,032,340	\$12,606,840	\$574,500	4.77%
Other	\$29,301,335	\$27,896,980	(\$1,404,355)	(4.79%)
Total	\$1,200,247,942	\$1,214,652,896	\$14,404,954	1.20%



Image Heidi Who Photography

12.2 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 or 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 taxpayers of greater wealth pay more tax than those 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.

12.3 Adoption Of Valuations

The Council proposes to adopt the valuations made by the Valuer-General as provided to the Council for the financial year 2015/2016. 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 notice of the valuation, explaining the basis for the objection, provided they have not:

- (a) previously received a notice of this valuation under the Local Government Act, 1999, in which case the objection period is sixty (60) days from the receipt of the first notice; or
- (b) This 60 day objection period may be extended by the Valuer-General where it can be shown there is reasonable cause;
- (c) you may not object to the valuation if the Valuer-General has already considered an objection by you to that valuation.

Objections are to be forwarded to:

State Valuation Office
GPO Box 1354
ADELAIDE SA 5001
Email: LSGObjections@sa.gov.au
Telephone: 1300 653 345.
Fax: (08) 8226 1428
Online:

http://www.landservices.sa.gov.au/1Public/Property_Values_and_Sales/ValuationObjection.asp

Please note that the Council has no role in this process. It is also important to note that the lodgment of an objection does not change the due date for the payment of rates.



12.4 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.

12.5 Council's Revenue Raising Powers

All land within a Council area, except for land specifically exempt (e.g. Crown Land, Council 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. Refer to Section 9 - Funding the Business Plan.



12.6 Differential General Rates

The Council has decided to impose differential general rates according to the land use of the property, pursuant to Section 156 (1)(c) of the Local Government Act 1999.

In applying Differential General Rates Council has considered and is satisfied that the rating system addresses the issue of consistency and comparability across all Council areas, particularly as it relates to the various sectors of the business and wider community. This satisfies the requirements of Section 153(2) of the Local Government Act 1999.

The differential general rates imposed by Council are separate and distinct from the service charges imposed for the Community Wastewater Management System and Waste Management. Details of the service charges are provided further in this document.

The Council is proposing to raise general rate revenue of \$7,286,486 in a total revenue budget of \$15,969,821 and will continue to use the differential rating method as follows:

(1)	<i>Land use as defined:</i>				
(a)	Residential	0.5976	<i>cents in the dollar on the capital value of such rateable property</i>		
(b)	Primary Production	0.5385	"	"	
(c)	Rural Vacant	0.4894	"	"	
(d)	Other	0.7613	"	"	
(e)	Commercial	0.6161	"	"	
(f)	Industrial	0.7661	"	"	

Land use is used as the factor to apply differential rates. If a ratepayer believes that a particular property has been wrongly classified as to its land use, then they may object to that land use within 60 days of receiving notice.

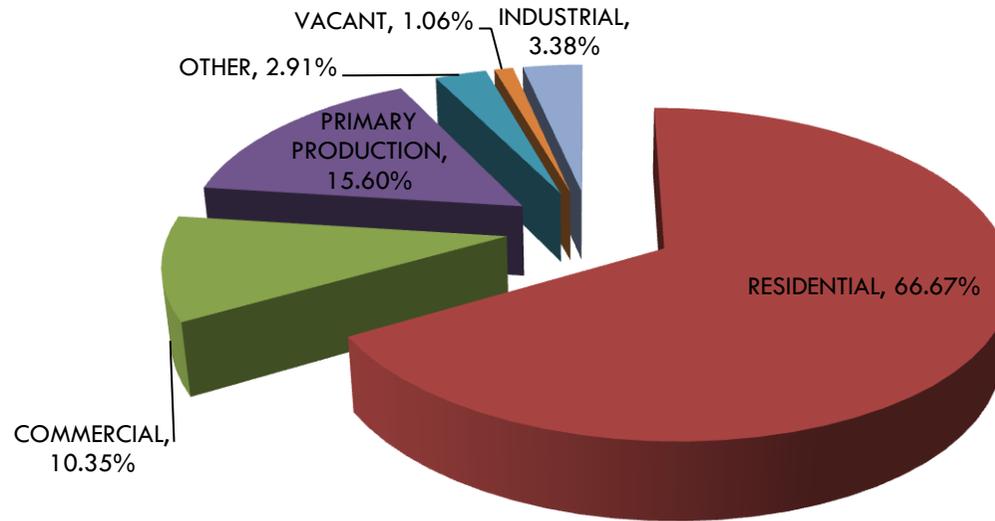
A ratepayer may discuss the matter with the Council's Rates Officer in the first instance and Council will provide a copy of Section 156 of the Local Government Act 1999 which sets out the rights and obligations of ratepayers in respect of objections to a land use.



The following table shows the proportion of general rates raised per category of land use

Land Use	Capital Value	% of total CV	No. of Properties	% of total Properties	Proposed Rates	% of rates levied
Non Rateable	\$ 73,549,684	5.71%	484	7.30%	\$ -	0.00%
Residential	\$ 808,358,917	62.75%	4478	67.51%	\$ 4,944,412.55	66.70%
Primary Production	\$ 212,221,603	16.47%	922	13.90%	\$ 1,156,318.05	15.60%
Commercial	\$ 121,451,591	9.43%	393	5.92%	\$ 767,541.05	10.35%
Industrial	\$ 32,116,965	2.49%	90	1.36%	\$ 250,604.90	3.38%
Vacant - Rural	\$ 12,606,840	0.98%	188	2.83%	\$ 78,559.00	1.06%
Other	\$ 27,896,980	2.17%	78	1.18%	\$ 215,655.85	2.91%
	\$ 1,288,202,580	100.00%	6633	100.00%	\$ 7,413,091.40	100.00%

Percentage of total rates raised by land use



12.7 Minimum Rate

A Council may impose a minimum amount payable by way of rates, provided that it has not imposed a fixed charge. Where two or more adjoining properties have the same owner and are occupied by the same occupier, only one minimum rate is payable by the ratepayer. Where a Council imposes a minimum rate it must not apply to more than 35% of properties in the Council area.

The Council proposes to set a minimum rate of \$617 which shall be applied to all rateable properties within the Council District. This will affect 16.88% of rateable properties and will raise \$640,446 of rate revenue for the 2015/2016 financial year. The reasons for imposing a minimum rate are:

- The Council considers it appropriate that all rateable properties make a base level contribution to the cost of administering the Council's activities;
- The cost of creating and maintaining the physical infrastructure that supports each property.

12.8 Service Charge – Community Wastewater Management System

Council may impose an annual service charge on rateable (and non rateable) land within its area for the provision of a prescribed service. A prescribed service is legislated as any of the following services:-

- The treatment or provision of water;
- The collection, treatment or disposal (including recycling) of waste;
- Any other service prescribed by the regulations (which includes the collection, treatment or disposal of wastewater or effluent).

The Council provides a community wastewater management system to properties in the townships of Barmera, Berri, Cobdogla, Glossop, Monash and Loveday. The full cost of operating and maintaining the service for the financial year 2015/2016 is budgeted to be \$3,961,755. Capital expenditure of \$488,000 for the replacement and renewal of pumps and other equipment is proposed for 2015/2016.

The service charge for CWMS is calculated using the Code for Establishing and Applying Property Units for the Imposition of Annual Services Charges for CWMS. The Council will recover the operating cost through the imposition of a service charge of \$345 for each unoccupied property unit and \$690 for each occupied property unit.

12.9 Service Charge – Waste Management

Council provides a recycling and green waste collection service in its district. The service includes -

- Weekly domestic collection in a smaller 140 litre bin for all properties
- Fortnightly recycling collection in a 240 litre bin for all properties
- Fortnightly green waste collection in a 240 litre bin for town residential properties.

To recover the cost of collection and disposal of waste Council will set an annual service charge of \$200 for the three bin collection and \$170 for the two bin collection.



12.10 Natural Resources Management Levy

The Natural Resources Management Act 2004 requires that the Berri Barmera Council collect on behalf of the SA Murray-Darling Basin Natural Resources Management Board a levy on all rateable properties within its Council area.

The SA Murray-Darling Basin NRM Board is responsible for distributing the levy collected by Council and is used to fund projects that are vital to the region to protect and manage precious natural resources such as water and soil and control pest plants and animals.

For the financial year 2015/2016 the Berri Barmera Council are required to make payable to the SA Murray-Darling Basin Natural Resources Management Board an amount of \$127,658.

In order to recover this amount a separate rate of .0107 cents in the dollar has been declared, based on the capital value of all rateable land within the Council area. A minimum separate rate of \$9.00 has also been declared for such rateable land.

12.11 Rate Concessions

Within South Australia, the State Government has been providing pensioners with concessions on Council rates each financial year.

This funding has previously been supported through a Federal Agreement (the National Partnership Agreement on Certain Concession Card and Senior Card Holders) which provided funding to the State Government to enable concessions to be paid to part pension concession holders on utilities, water and Council rates.

In 2014 the Commonwealth Government decided to cut the Agreement on Certain Concessions for Pensioner Concession Card and Senior Card Holders.

The State Government has recently announced they will no longer be funding Councils to provide this rebate. That means that pensioners and concession card holders will no longer receive a rebate on Council rates. Instead the State Government will introduce a "Cost of Living Concession (CLC)" payment which will be paid directly to the pensioner.

The following table shows the changes that will occur -

	Outgoing Council rate concession (\$/pa)	New Cost of Living concession (\$/pa)	Change (\$/pa)
Pensioners and low income earners who own their own home	\$190	\$200	+\$10
Pensioners and low income earners who are tenants	\$0 (ineligible)	\$100	+\$100
Self funded retirees who hold a Commonwealth Seniors Health Card who own their own home	\$100	\$100	No change
Self funded retirees who hold a Commonwealth Seniors Health Card who are tenants	\$0 (ineligible)	\$100	+\$100

Concession entitlements on Community Wastewater Management Schemes (CWMS) remain unchanged for those who are eligible.

In addition Council has resolved to remit a fixed amount of \$20 per annum of the general rates, \$20 per annum of the effluent drainage service charge as well as \$20 per annum of the waste management service charge.

Please see page 33 of this plan for information regarding eligibility to receive the above Council funded remissions.

12.12 Payment Of Rates

The Local Government Act 1999 requires that Council must provide an opportunity for all ratepayers to pay rates by quarterly instalments. These instalments are to be payable in the months of September, December, March and June.

It is not mandatory for ratepayers to pay by quarterly instalments, however it is an option that Council must make available to all ratepayers.

The due dates for the quarterly instalments of Council rates for 2015/2016 are:

- 1st September, 2015
- 1st December, 2015
- 1st March 2016
- 1st June, 2016

Council rates may be paid by:

- mail (cheque or money order)
- telephone, using a debit or credit card, phone (08) 8582 1922
- Bpay facility as detailed on the rate notice
- internet as detailed on the rate notice
- through Centrepay as detailed on the rate notice

- Australia Post billpay facility as detailed on the rate notice, or
- in person at the Council Office locations - EFTPOS facilities are available for payments.

Any ratepayer who may, or is likely to, experience difficulties with meeting the standard payment arrangements should contact the Rates Officer on (08) 8582 1922 to discuss alternative payment arrangements. Such enquiries are treated confidentially.



Image SATC/Photographer

12.13 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 not paid on or before the due date. A payment that continues to be late is then charged a prescribed 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 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 Council may meet because it has not received the rates on time.

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).



12.14 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, upon receipt of applications in accordance with Council's Rate Rebate Policy that deem to satisfy the criteria specified within this section. The Council under the discretionary rebate of rates, may grant a rebate in any of the following purposes and cases:

- Where the rebate is desirable for the purpose of securing the proper development of the area (or a part of the area).
- Where the rebate is desirable for the purpose of assisting or supporting a business in its area.
- Where the rebate will conduce to the preservation of buildings or places of historic significance.
- Where the land is being used for educational purposes.
- Where the land is being used for agricultural, horticultural or floricultural exhibitions.

- Where the land is being used for hospital or health centre.
- Where the land is being used to provide facilities or services for children or young persons.
- Where the land is being used to provide accommodation for the aged or disabled.
- Where the land is being used for a residential aged care facility that is approved for Commonwealth funding under the Aged Care Act 1997 (Cwlth) or a day therapy centre.
- 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.
- 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.
- 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 by a ratepayer due to –
 - A redistribution of the rates burden within the community arising from a change to the basis or structure of the council's rates, or
 - A change to the basis on which land is valued for the purpose of rating,

rapid changes in valuation, or anomalies in valuations.

- Any rebate over and above the legislated percentage provided by the Act, for mandatory rebates or discretionary rebates, will need to be considered by Council upon written application and in conjunction with the Rate Rebate Policy adopted by Council on 26th July 2005. Applications for such additional rebates are required on an annual basis.

12.15 Rate Capping

To address any potential inequities in how the rates are levied across the district, Council has decided to provide relief by way of rate capping. Where a ratepayer is levied an increase in general rates greater than 12% a rate cap will be applied to ensure no ratepayer will pay any more than 12% on the previous year's general rates. This rebate will not apply where:

- Ownership of the rateable property has changed since 1 July, 2014;
- Any such increase in the capital value of the rateable property is a result of improvements made on the property since 1 July, 2014 with a value in excess of \$10,000;
- There has been a change of land use, or there have been zoning changes which have contributed to the increase in valuation.

A copy of Council's Rate Capping Policy is available from its offices or on Council's website.

12.16 Remission And Postponement Of Rates

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 a ratepayer is suffering hardship in paying rates, it is recommended to contact the Rates Officer on (08) 85821922 to discuss the matter.

A ratepayer may be required to submit evidence of the hardship being suffered to benefit from the application of Section 182. Such enquiries are treated confidentially by the Council.

For those ratepayers who are on fixed incomes such as pensioners and self funded retirees, we propose to remit a fixed amount of \$20 per

annum of the general rates and \$20 per annum of the effluent drainage service charge as well as \$20 per annum of the waste management service charge to assist those ratepayers who may be experiencing hardship. To be eligible to receive the remission an application must be made to council and is subject to the following criteria:

- The property is the principal residence of the ratepayer and is the only property owned by the ratepayer;
- The property has been owned by the ratepayer and has been their principal residence for a minimum of 5 years;
- The ratepayer is able to produce one of the following identification cards;
 - Pensioner Concession Card – Centrelink
 - Pensioner Concession Car – Veteran Affairs
 - T.P.I. Card – Veteran Affairs
 - Or they can demonstrate to Council that they are a self funded retiree with an income of less than \$35,000 per annum.

Section 182A of the Local Government Act permits the Council, upon application by the ratepayer, to postpone payment of any amount of rates in excess of \$500.00 for the current or future financial year by:

- A (prescribed) ratepayer who holds a current State Seniors Card issued by the

State Government, 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 not other person has an interest, as owner, in the land.

Any rates that are postponed will become due and payable:

- When the title to the land is transferred to another person, or
- There is 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 less than 50% equity in the property.



12.17 Sale of Land For Non-Payment Of Rates

The Local Government Act (Section 184) 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.

12.18 Rate Impact Statement

The Council has considered the impact of rates on all classes of properties in its area.

In setting rates, Council has taken into account a number of factors including:

- The affects of the current economic climate.
- Imposed legislative changes.
- The need to manage, maintain and improve the community's infrastructure and other assets.
- The requirement to maintain current service levels to the community.
- The need to ensure long term financial sustainability of the Council.
- Cost increases that are over and above inflation.

Council takes into consideration the effect of rates on all ratepayers and is mindful of maintaining the balance between economic and community development.



Image SATC/Photographer

13. Budget Review Process

Section 9 (1) of the Local Government (Financial Management) Regulations 2011 sets out requirements of Council pertaining to the timing and extent of its Budget Reviews and essentially consist of the following:

1. Budget Update (at least twice per year)
2. Mid-Year Budget Review (once per year).

In addition to the abovementioned updates and reviews it is a requirement that an end of year report be presented to Council in order to review the financial year's budget performance against actual performance.

The process for reviewing the Annual Business Plan and Budget involves each manager reviewing their department and functional responsibility areas and reporting all progress and any required changes. A report is provided to Council's Audit Committee detailing any changes who then reviews and make further recommendations to Council prior to final adoption.

This process ensures a thorough review of Council's Annual Business Plan and Budget and to ensure that Council continues to meet all financial management targets and other key performance indicators and measures identified within the Annual Business Plan.



Image Grant Schwartzkopff

With the inclusion of the Audit Committee as part of the process, an independent view is then provided as to the performance of the Council during the year in accordance with all indicators and performance measures. This process will greatly assist in Council and the Community being satisfied that the review process and the overall Annual Business Plan and Budget are being managed in accordance with legislative requirements.



14. Community Consultation

To ensure the provisions of Section 123 of the Local Government Act 1999 were adhered to, the consultation process on the Draft Annual Business Plan and Budget included the following:

- The advertising of the Draft Annual Business Plan for consultation within *The Murray Pioneer*, advising of the date of a public meeting for making submissions and asking questions. A public meeting was held to ensure all members of the community were given an opportunity to avail themselves of the information contained within the Annual Business Plan. The public meeting was held in the Berri Council Chambers at 7.00pm on Tuesday 9th June, 2015.
- Notification of the availability of the Draft Annual Business Plan 2015/2016 on Council's website
- (www.berribarmera.sa.gov.au) within *The Murray Pioneer* and noted on Council's facebook site reaffirming the location, time and date of the public meeting and Special Council meeting.
- Copies of the Draft Annual Business Plan are made available from Council's offices at 19 Wilson Street, Berri, Library and Customer Service Centre at Barwell Avenue Barmera, and Council's Library and Resource Information Centre at Kay Avenue, Berri.
- Additionally a time was scheduled during a Council Meeting to consider any written submissions and allowing the public to attend. The Ordinary Council Meeting was held in the Berri Council Chambers on 23rd June, 2015.
- Following consideration of submissions, and taking into consideration any changes required, the Annual Business Plan was endorsed by Council at its special meeting on 30th June 2015.



Appendix 1

2015-2016 Budgeted Financial Statements



**BERRI BARMERA COUNCIL
BUDGETED INCOME STATEMENT
FOR THE YEARS ENDED 30 JUNE 2016 -2018**

	Actual (Audited) 2013/2014 \$	Revised Budget 2014/2015 \$	Proposed Budget 2015/2016 \$	Proposed Budget 2016/2017 \$	Proposed Budget 2017/2018 \$
<u>OPERATING REVENUES</u>					
Rates - General	7,061,135	7,110,584	7,286,486	7,541,513	7,843,174
Rates - Other	3,786,539	3,799,897	3,847,203	3,888,564	3,963,900
Statutory Charges	186,226	238,770	247,799	253,994	261,614
User Charges	185,998	195,385	179,004	183,486	188,990
Operating Grants & Subsidies	3,136,465	3,105,252	3,210,749	3,063,133	3,150,415
Investment Income	102,667	73,845	71,669	72,653	73,660
Reimbursements	606,535	1,007,093	1,045,654	1,069,500	1,100,667
Commercial Activity Revenue	-	52,798	53,772	55,116	56,770
Other	537,549	63,649	27,486	28,053	28,749
TOTAL OPERATING REVENUE	15,603,114	15,647,273	15,969,821	16,156,012	16,667,939
<u>OPERATING EXPENSES</u>					
Employee Costs	4,573,866	4,462,562	4,636,023	4,810,602	4,970,630
Contractual Services	4,593,083	4,939,663	4,987,093	4,994,513	5,073,138
Materials	1,446,091	1,420,347	1,445,003	1,456,682	1,534,776
Finance Charges	284,216	304,985	281,371	391,512	464,369
Depreciation	3,053,046	3,354,216	3,413,272	3,504,754	3,619,403
Other	1,137,526	958,607	1,030,143	1,055,712	1,105,240
TOTAL OPERATING EXPENDITURE	15,087,828	15,440,380	15,792,904	16,213,774	16,767,558
OPERATING SURPLUS/(DEFICIT) Before Capital Revenue	515,286	206,893	176,917	(57,762)	(99,619)
<u>CAPITAL REVENUES</u>					
Asset Disposal & fair value adjustments	78,834	-	-	-	-
Amounts Received for New/Upgraded Assets	320,450	1,464,500	139,000	-	-
Physical Resources received free of charge	312,000	-	-	-	-
	711,284	1,464,500	139,000	-	-
<u>NET SURPLUS/(DEFICIT) RESULTING FROM OPERATIONS</u>	1,226,570	1,671,393	315,917	(57,762)	(99,619)

**BERRI BARMERA COUNCIL
BUDGETED BALANCE SHEET
FOR THE YEARS ENDED 30 JUNE 2016 - 2018**

	Actual (Audited) 2013/2014 \$	Revised Budget 2014/2015 \$	Proposed Budget 2015/2016 \$	Proposed Budget 2016/2017 \$	Proposed Budget 2017/2018 \$
<u>CURRENT ASSETS</u>					
Cash and Cash Equivalents	3,454,135	488,902	(236,367)	(483,460)	9,899
Trade and other Receivables	2,426,286	2,499,075	2,549,056	2,612,782	2,704,230
Other Financial Assets					
Inventory	26,128	26,128	26,128	26,781	27,719
TOTAL CURRENT ASSETS	5,906,549	3,014,105	2,338,817	2,156,103	2,741,847
<u>CURRENT LIABILITIES</u>					
Trade and Other Payables	2,469,252	2,543,330	2,594,196	2,659,051	2,738,823
Short Term Provisions	1,062,814	1,094,698	1,100,592	1,122,550	1,144,893
Short Term Borrowings	285,772	430,587	419,920	551,516	483,894
TOTAL CURRENT LIABILITIES	3,817,838	4,068,615	4,114,709	4,333,117	4,367,609
Net Current Assets/(Current Liabilities)	2,088,711	(1,054,510)	(1,775,892)	(2,177,014)	(1,625,762)
<u>NON CURRENT ASSETS</u>					
Financial Assets	141,250	100,281	72,326	38,797	42,368
Capital Works In Progress	626,390	-	-	-	-
Infrastructure, Property, Plant & Equipment	116,036,794	131,777,554	136,225,361	141,552,560	147,235,339
TOTAL NON CURRENT ASSETS	116,804,434	131,877,835	136,297,686	141,591,357	147,277,707
<u>NON CURRENT LIABILITIES</u>					
Long Term Provisions	686,814	707,418	718,064	732,425	747,074
Long Term Borrowings	3,802,278	8,536,155	7,874,749	7,565,699	7,329,271
TOTAL NON CURRENT LIABILITIES	4,489,092	9,243,573	8,592,813	8,298,124	8,076,344
NET ASSETS	114,404,053	121,579,752	125,928,982	131,116,220	137,575,601
<u>EQUITY</u>					
Retained Earnings	20,168,966	22,434,066	22,316,909	21,674,636	20,825,819
Asset Revaluation	92,916,795	98,421,101	102,454,413	107,699,413	114,258,413
Reserves	1,318,292	724,585	1,157,659	1,742,170	2,491,369
TOTAL EQUITY	114,404,053	121,579,752	125,928,982	131,116,220	137,575,601

BERRI BARMERA COUNCIL
BUDGETED STATEMENT OF CHANGES IN EQUITY
FOR THE YEARS ENDED 30 JUNE 2016 - 2018

	Actual (Audited) 2013/2014 \$	Revised Budget 2014/2015 \$	Proposed Budget 2015/2016 \$	Proposed Budget 2016/2017 \$	Proposed Budget 2017/2018 \$
<u>ACCUMULATED SURPLUS</u>					
Balance at beginning of period	18,751,030	20,168,966	22,434,066	22,316,909	21,674,636
Net Surplus (Deficit) resulting from Operations	1,226,570	1,671,393	315,917	(57,762)	(99,619)
Transfers from Reserves	3,185,361	3,676,348	3,398,622	3,268,803	3,155,117
Transfers to Reserves	(2,993,995)	(3,082,641)	(3,831,697)	(3,853,314)	(3,904,316)
BALANCE AT END OF PERIOD	20,168,966	22,434,066	22,316,909	21,674,636	20,825,819
<u>ASSET REVALUATION RESERVE</u>					
Balance at beginning of period	93,028,955	92,916,795	98,421,101	102,454,413	107,699,413
Transfer to Reserve from Accumulated Surplus		5,504,306	4,033,312	5,245,000	6,559,000
Transfers from Reserves to Accumulated Surplus	(112,160)				
Other					
BALANCE AT END OF PERIOD	92,916,795	98,421,101	102,454,413	107,699,413	114,258,413
<u>LAND DEVELOPMENT RESERVE</u>					
Balance at beginning of period	1,289,692	1,165,660	430,316	1,180,958	1,941,885
Transfers from Reserves to Accumulated Surplus	(125,837)	(798,408)	(35,000)	(25,000)	(20,000)
Transfer to Reserve from Accumulated Surplus	1,805	63,064	785,642	785,927	786,227
BALANCE AT END OF PERIOD	1,165,660	430,316	1,180,958	1,941,885	2,708,112
<u>DISTRICT STEDS RESERVE</u>					
Balance at beginning of period	(110,334)	97,854	240,091	(25,076)	(201,492)
Transfers from Reserves to Accumulated Surplus	(2,729,224)	(2,824,940)	(3,311,222)	(3,243,803)	(3,135,117)
Transfer to Reserve from Accumulated Surplus	2,937,412	2,967,177	3,046,055	3,067,387	3,118,088
BALANCE AT END OF PERIOD	97,854	240,091	(25,076)	(201,492)	(218,521)
<u>WORK IN PROGRESS RESERVE</u>					
Balance at beginning of period	330,300	53,000	52,400	-	-
Transfers from Reserves to Accumulated Surplus	(330,300)	(53,000)	(52,400)	-	-
Transfer to Reserve from Accumulated Surplus	53,000	52,400	-	-	-
BALANCE AT END OF PERIOD	53,000	52,400	-	-	-
<u>OPEN SPACE, STREET TREES, FOOTPATHS RESERVE</u>					
Balance at beginning of period	-	1,778	1,778	1,778	1,778
Transfers from Reserves to Accumulated Surplus	-				
Transfer to Reserve from Accumulated Surplus	1,778				
BALANCE AT END OF PERIOD	1,778	1,778	1,778	1,778	1,778
TOTAL EQUITY BALANCE AT END OF REPORTING PERIOD	114,404,053	121,579,752	125,928,982	131,116,220	137,575,601

**BERRI BARMERA COUNCIL
BUDGETED CASHFLOW STATEMENT
FOR THE YEARS ENDED 30 JUNE 2016 - 2018**

	Actual (Audited) 2013/2014 \$	Revised Budget 2014/2015 \$	Proposed Budget 2015/2016 \$	Proposed Budget 2016/2017 \$	Proposed Budget 2017/2018 \$
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>					
<u>Receipts</u>					
Operating Receipts	16,025,491	15,500,637	15,848,171	16,019,633	16,515,898
Investment Receipts	102,667	73,845	71,669	72,653	73,660
<u>Payments</u>					
Operating payments	(12,865,290)	(11,663,504)	(12,028,739)	(12,217,116)	(12,567,284)
Finance payments	(240,983)	(304,985)	(281,371)	(391,512)	(464,369)
NET CASH USED IN OPERATING ACTIVITIES	3,021,885	3,605,993	3,609,730	3,483,657	3,557,904
<u>CASHFLOWS FROM INVESTING ACTIVITIES</u>					
<u>Receipts</u>					
Amounts specifically for new or upgraded assets	320,450	1,464,500	139,000	-	-
Sale of replaced assets	226,859	-	-	-	-
Sale of surplus assets	-	57,679	780,000	780,000	780,000
Sale of real estate developments	-	-	-	-	-
Repayments of loans by community groups	36,813	37,012	31,913	33,529	35,226
<u>Payments</u>					
Expenditure on renewal/replacement of assets	(1,321,181)	(2,545,991)	(3,040,018)	(2,646,078)	(2,644,049)
Expenditure on new/upgraded assets	(1,632,087)	(10,196,118)	(1,840,819)	(1,720,746)	(931,672)
Development of real estate for sale	-	-	-	-	-
Loans made to community groups	-	-	-	-	-
NET CASH USED IN INVESTMENT ACTIVITIES	(2,369,146)	(11,182,918)	(3,929,924)	(3,553,296)	(2,760,495)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>					
<u>Receipts</u>					
Proceeds from Borrowings	1,591,160	5,000,000	-	345,000	350,000
<u>Payments</u>					
Repayments of Borrowings	(1,008,138)	(388,308)	(405,075)	(522,454)	(654,050)
NET CASH USED IN FINANCING ACTIVITIES	583,022	4,611,692	(405,075)	(177,454)	(304,050)
NET INCREASE (DECREASE) IN CASH HELD	1,235,761	(2,965,233)	(725,269)	(247,093)	493,359
CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD	2,218,374	3,454,135	488,902	(236,367)	(483,460)
CASH & CASH EQUIVALENTS AT END OF PERIOD	3,454,135	488,902	(236,367)	(483,460)	9,899

**BERRI BARMERA COUNCIL
BUDGETED UNIFORM PRESENTATION OF FINANCES
FOR THE YEARS ENDED 30 JUNE 2016 - 2018**

	Actual (Audited) 2013/2014 \$	Revised Budget 2014/2015 \$	Proposed Budget 2015/2016 \$	Proposed Budget 2016/2017 \$	Proposed Budget 2017/2018 \$
Income	15,603,114	15,647,273	15,969,821	16,156,012	16,667,939
less Expenses	<u>15,087,828</u>	<u>15,440,380</u>	<u>15,792,904</u>	<u>16,213,774</u>	<u>16,767,558</u>
Operating Surplus/(Deficit)	515,286	206,893	176,917	(57,762)	(99,619)
less Net Outlays on Existing Assets					
Capital Expenditure on renewal and replacement of Existing Assets	1,321,181	2,545,991	3,040,018	2,646,078	2,644,049
less Depreciation	3,053,046	3,354,216	3,413,272	3,504,754	3,619,403
less Proceeds from Sale of Replaced Assets	<u>226,859</u>	<u>-</u>	<u>-</u>	<u>(858,675)</u>	<u>(975,354)</u>
	(1,958,724)	(808,225)	(373,254)		
less Net Outlays on New and Upgraded Assets					
Capital Expenditure on New and Upgraded Assets	1,632,087	10,196,118	1,840,819	1,720,746	931,672
less Amounts received specifically for New and Upgraded Assets	320,450	1,464,500	139,000	-	-
less Proceeds from Sale of Surplus Assets	<u>-</u>	<u>57,679</u>	<u>780,000</u>	<u>780,000</u>	<u>780,000</u>
	1,311,637	8,673,939	921,819	940,746	151,672
Net Lending / (Borrowing) for Financial Year	1,162,373	(7,658,821)	(371,648)	(139,833)	724,063



Appendix 2

Budget Schedules by Council Function

The following schedules are not the adopted budget but are best estimates of activity developed for information and operational purposes and are only to be used as a guide to the community as to where proposed income and expenditure will be applied.

BERRI BARMERA COUNCIL
PROPOSED BUDGET BY FUNCTION
YEARS ENDING 30 JUNE 2016 to 2018

Expenditure						Revenue					
Adopted Budget 2014/2015	Revised Budget 2014/2015	Function/Description	Proposed Budget 2015/2016	Proposed Budget 2016/2017	Proposed Budget 2017/2018	Adopted Budget 2014/2015	Revised Budget 2014/2015	Function/Description	Proposed Budget 2015/2016	Proposed Budget 2016/2017	Proposed Budget 2017/2018
		GOVERNANCE									
125,404	125,404	OH&S and Risk Management	174,014	177,698	181,670	125,404	125,404	OH&S and Risk Management	174,014	177,698	181,670
466,045	460,895	Administration	404,975	413,524	422,715	466,044	460,895	Administration	404,975	413,524	422,715
188,522	188,522	Elected Members	192,292	197,100	203,013	188,522	188,522	Elected Members	192,292	197,100	203,013
20,510	20,510	Public Relations	23,000	18,900	21,892	20,510	20,510	Public Relations	23,000	18,900	21,892
112,698	112,698	Economic Development	113,005	178,727	200,462	164,698	189,698	Economic Development	158,005	218,727	220,462
52,000	77,000	Projects	45,000	40,000	20,000	-	25,000	Projects	-	-	-
						2,448,101	2,448,101	LGGC - General Purpose	2,448,101	2,448,101	2,521,544
						201,311	251,120	Other General Purpose Revenue	229,387	235,647	242,474
965,179	985,029	TOTALS GOVERNANCE	952,287	1,025,949	1,049,752	3,614,590	3,709,250		3,629,775	3,709,697	3,813,771
		CORPORATE SERVICES									
227,710	227,710	Financial Management	241,373	246,389	251,704	227,710	227,710	Financial Management	241,373	246,389	251,704
54,858	54,858	Human Resources	55,685	56,826	58,017	54,857	54,857	Human Resources	55,685	56,826	58,017
75,593	75,593	Payroll	78,518	80,093	81,706	75,593	75,593	Payroll	78,518	80,093	81,706
251,662	251,662	Information Technology	263,000	269,575	277,662	251,662	251,662	Information Technology	263,000	269,575	277,662
38,790	38,790	Communication	35,000	35,875	36,951	38,790	38,790	Communication	35,000	35,875	36,951
143,640	143,640	Rates Administration	146,023	149,239	152,828	143,640	143,640	Rates Administration	146,023	149,239	152,828
75,424	75,424	Records Management	79,363	80,986	82,678	75,424	75,424	Records Management	79,363	80,986	82,678
176,505	176,505	Customer Services	175,530	179,052	182,656	176,505	176,505	Customer Services	175,530	179,052	182,656
446,324	446,324	Other Support Services	436,348	447,257	460,675	446,326	446,326	Other Support Services	436,348	447,257	460,675
-	-	Projects	-	-	-						
						7,110,584	7,110,584	General Rates	7,286,486	7,541,513	7,843,174
						40,819	40,819	Other General Purpose Revenue	43,129	44,208	45,534
1,490,506	1,490,506	TOTAL CORPORATE SERVICES	1,510,841	1,545,292	1,584,878	8,641,910	8,641,910		8,840,456	9,131,013	9,473,586
		COMMUNITY SERVICES									
185,285	185,456	Other Community Amenities	170,842	174,875	178,456	5,151	5,151	Other Community Amenities	4,500	4,613	4,751
380,642	380,993	Barmera Library and Customer Service Centre	357,530	366,382	373,430	16,816	16,816	Barmera Library and Customer Service Centre	17,162	17,591	18,119
776,228	689,514	Berri Library	567,212	581,193	594,299	355,536	298,322	Berri Library	222,456	228,026	234,867
74,879	74,957	Sport and Recreation	69,798	146,267	217,023	47,250	47,250	Sport and Recreation	45,842	45,205	44,713
174,939	188,395	Swimming Centre	191,877	197,257	231,957	618	618	Swimming Centre	630	646	666
159,076	159,223	Community Events and Organisations	158,193	150,602	166,390	2,320	2,320	Community Events and Organisations	-	-	-
108,560	108,660	Barmera Recreation Centre	117,814	117,822	127,570	34,296	34,296	Barmera Recreation Centre	32,880	33,702	34,713
254,862	255,096	Transport Scheme	241,842	247,984	253,946	254,007	254,007	Transport Scheme	251,985	256,440	264,133
415,243	415,626	Tourism Visitor Information Centre	392,940	398,068	414,392	157,957	157,957	Tourism Visitor Information Centre	161,116	165,144	170,098
122,284	122,397	Tourism Other	140,869	143,230	145,520	24,875	24,875	Tourism Other	25,275	25,785	26,412
10,000	10,000	Projects	-	-	-	-	-	Projects	-	-	-

**BERRI BARMERA COUNCIL
PROPOSED BUDGET BY FUNCTION
YEARS ENDING 30 JUNE 2016 to 2018**

Expenditure						Revenue					
Adopted Budget 2014/2015	Revised Budget 2014/2015	Function/Description	Proposed Budget 2015/2016	Proposed Budget 2016/2017	Proposed Budget 2017/2018	Adopted Budget 2014/2015	Revised Budget 2014/2015	Function/Description	Proposed Budget 2015/2016	Proposed Budget 2016/2017	Proposed Budget 2017/2018
2,661,998	2,590,317	TOTAL COMMUNITY SERVICES	2,408,918	2,523,679	2,702,982	898,826	841,612		761,846	777,152	798,471
		ENVIRONMENTAL SERVICES									
167,027	166,157	Dog Management	167,474	347,367	356,844	94,918	95,055	Dog Management	99,215	123,369	126,593
55,614	55,324	Fire Protection	55,596	57,378	59,167	7,261	7,306	Fire Protection	7,284	7,610	7,787
48,059	47,808	General Inspection	47,988	49,397	50,669	5,756	5,795	General Inspection	5,759	6,012	6,115
21,438	21,301	Health and Immunisation Services	22,508	23,180	23,765	8,630	8,652	Health and Immunisation Services	8,874	9,143	9,356
251,046	249,738	Health Inspection	252,974	262,201	266,743	51,836	52,042	Health Inspection	48,992	51,008	51,863
37,549	37,354	Mosquito and Wasp Control	37,386	38,560	39,713	13,497	13,528	Mosquito and Wasp Control	13,487	13,918	14,295
3,752,143	3,732,609	Community Wastewater Management System	3,961,755	4,093,130	4,229,761	3,416,552	3,419,637	Community Wastewater Management System	3,521,531	3,565,537	3,628,572
318,771	316,667	Town Planning	320,269	340,761	332,531	131,270	131,601	Town Planning	131,409	141,117	135,452
465,429	462,536	Council Properties	465,696	467,274	481,613	77,598	78,054	Council Properties	74,151	70,032	71,622
50,625	50,362	Cemeteries	51,312	53,014	54,784	42,263	42,305	Cemeteries	43,082	44,299	45,595
245,397	244,093	Public Conveniences	247,757	255,775	262,400	29,989	30,195	Public Conveniences	30,935	32,954	33,479
371,614	369,680	Halls	373,401	385,718	398,516	54,171	54,477	Halls	53,602	55,951	57,374
262,011	260,647	Building Act	258,724	266,891	274,951	65,680	65,895	Building Act	66,037	68,343	70,119
31,685	31,509	Parking Control	30,804	31,694	32,497	23,893	23,919	Parking Control	24,187	24,860	25,555
165,257	164,397	Natural Resources Management	167,030	172,569	178,330	149,051	149,187	Natural Resources Management	151,523	155,766	160,329
185,000	185,000	Projects	143,000	139,500	83,000	-	-	Projects	-	-	-
6,428,665	6,395,182	TOTAL ENVIRONMENTAL SERVICES	6,603,674	6,984,409	7,125,284	4,172,365	4,177,648		4,280,068	4,369,919	4,444,106
		INFRASTRUCTURE SERVICES									
95,118	94,282	Cemeteries	100,836	100,516	107,253	12,480	12,566	Cemeteries	13,631	12,341	14,530
1,450,206	1,454,083	Waste Management	1,438,476	1,475,662	1,521,994	1,153,678	1,165,937	Waste Management	1,164,188	1,193,189	1,226,929
212,781	211,016	Street Cleaning	221,467	228,306	235,752	35,888	36,069	Street Cleaning	36,493	38,012	39,006
218,607	216,627	Public Lighting	186,450	190,969	197,198	29,537	29,740	Public Lighting	22,524	23,446	24,026
55,641	55,014	Foreshore Protection	52,528	48,832	47,469	17,164	17,228	Foreshore Protection	15,389	14,150	14,184
1,008,755	1,010,498	Parks and Gardens	1,098,331	1,098,544	1,128,313	168,836	173,834	Parks and Gardens	173,998	167,662	170,475
828,354	833,801	Sport and Recreation	890,817	918,322	948,277	106,965	109,239	Sport and Recreation	113,614	118,896	121,873
114,293	113,345	Quarries	118,959	122,632	126,633	14,148	14,245	Quarries	14,371	15,056	15,429
3,166,836	3,091,890	Road Maintenance	3,326,379	3,404,541	3,511,652	768,774	765,418	Road Maintenance	928,397	783,845	800,077
361,770	361,840	Stormwater Drainage	371,861	374,686	377,563	44,783	45,477	Stormwater Drainage	44,922	46,002	46,002
1,051,294	1,042,571	Plant Operations	1,085,380	1,109,505	1,151,392	969,815	970,708	Plant Operations	980,678	999,711	1,034,104
1,656,537	1,660,175	Depot and Overhead Expenses	1,792,335	1,841,738	1,889,672	1,528,148	1,548,241	Depot and Overhead Expenses	1,619,436	1,659,484	1,697,178
19,898	19,733	Vandalism	20,711	21,350	22,047	2,463	2,480	Vandalism	2,502	2,621	2,686
141,817	140,641	Other Purposes	182,262	187,889	194,018	136,624	136,745	Other Purposes	173,039	177,865	183,080
350,280	441,080	Projects	275,900	95,000	97,000	-	16,175	Projects	-	-	-
10,732,187	10,746,596	TOTALS INFRASTRUCTURE SERVICES	11,162,691	11,218,494	11,556,233	4,989,303	5,044,102		5,303,183	5,252,280	5,389,577

**BERRI BARMERA COUNCIL
PROPOSED BUDGET BY FUNCTION
YEARS ENDING 30 JUNE 2016 to 2018**

Expenditure						Revenue					
Adopted Budget 2014/2015	Revised Budget 2014/2015	Function/Description	Proposed Budget 2015/2016	Proposed Budget 2016/2017	Proposed Budget 2017/2018	Adopted Budget 2014/2015	Revised Budget 2014/2015	Function/Description	Proposed Budget 2015/2016	Proposed Budget 2016/2017	Proposed Budget 2017/2018
2,151,837	2,165,837	Less Non Cash Expenditure	2,241,330	2,285,436	2,348,994	2,151,836	2,165,836	Less Non Cash Revenue	2,241,330	2,285,436	2,348,994
20,126,698	20,041,793	TOTALS OPERATING BUDGET	20,397,081	21,012,386	21,670,136	20,165,158	20,248,686		20,573,999	20,954,624	21,570,517
		NON OPERATING - CAPITAL BUDGET									
3,317,154	4,836,778	Governance	23,000	-	21,331	-	1,165,179	Governance	780,000	780,000	780,000
70,750	70,750	Corporate Services	60,600	161,365	67,306	-	-	Corporate Services	-	-	-
482,368	951,383	Community Services	354,547	413,509	241,286	63,061	63,061	Community Services	43,922	45,020	46,371
550,866	547,744	Environmental Services	1,017,644	729,364	589,755	20,000	20,000	Environmental Services	40,000	-	-
5,280,675	6,335,454	Infrastructure Services	3,425,046	3,062,587	2,656,043	15,000	337,000	Infrastructure Services	99,000	-	-
9,701,813	12,742,109	TOTALS CAPITAL BUDGET	4,880,837	4,366,825	3,575,721	98,061	1,585,240		962,922	825,020	826,371
388,308	388,308	TOTALS NON OPERATING LIABILITIES	405,075	522,454	654,050	5,304,012	5,037,012		31,913	378,529	385,226
2,972,562	3,082,641	TOTALS EQUITY BUDGET	3,831,697	3,853,314	3,904,316	3,592,940	3,676,348		3,398,622	3,268,803	3,155,117
33,189,381	36,254,851	TOTAL EXPENDITURE	29,514,690	29,754,979	29,804,223	29,160,171	30,547,286	TOTAL REVENUE	24,967,457	25,426,977	25,937,232
3,354,216	3,354,216	Less Depreciation	3,413,272	3,504,754	3,619,403						
						(674,994)	(2,353,349)	Cash Surplus/(Deficit)	(1,133,962)	(823,249)	(247,588)

Appendix 3

Rating Review



For Consultation

Last year as a response to some dissatisfaction amongst some ratepayers regarding the methodology used to calculate rates, Council conducted a rating review to test its current methods and to ensure its rating processes were equitable, fair and responsible.

Local Government Act

Council rates are a form of property tax where property values help determine how much each individual property owner contributes. Generally, and much like income tax is determined, the higher the value of the property the higher the amount to be paid in the form of rates. Valuations, however, do not determine the rates income but are only used to divide the total rates among the individual property assessments. The Local Government Act allows Councils to adopt one of three methods of property valuation – capital value, site value and annual value.

The Berri Barmera Council uses capital value as the valuation basis to determine how general rates are divided amongst individual property assessments.

The options available to Council to determine how rates will be structured include –

- Single general rate – the same rate in the dollar is applied to the value of all properties irrespective of what the land is being used for or where it is located.
- Differential general rate – a different rate in the dollar is applied depending

on what the property is used for such as residential, commercial as an example, its location in the council area being township or rural or a combination of both.

- Minimum rate – an amount is determined where lower valued properties pay not less than a flat minimum amount. No more than 35% of all rateable properties can attract a minimum rate, and only one minimum can be imposed on two or more adjoining properties with the same owner and occupied by the same occupier.
- Fixed charge – a fixed amount is first applied to each rateable property in order to ensure an equal base charge. The remaining revenue required is collected from all ratepayers based on the value of each property. A fixed charge can be used provided a minimum rate has not been imposed and as with the minimum rate only one fixed charge can be imposed for two or more adjoining properties with the same owner and occupier.

Currently the Berri Barmera Council rate using a minimum rate plus a differential rate in the dollar according to what the property is used for.

A council can also declare a separate rate, service rate or service charge in certain circumstances. A service charge may be imposed to recover the cost of any prescribed service

council provides such as community wastewater management schemes (CWMS) or waste management.

The Berri Barmera Council currently apply service charges to recover the costs of both CWMS and Waste Management.

Last year as part of the rating review process a public meeting was held to discuss with interested community members the rating methods used by Council and to clarify some misconceptions previously held. The public workshop was well attended with many responses received as well as some written submissions received by Council. The rating review committee spent considerable time working through various rating scenarios and rating models to examine the effects of applying different rating methods. Consideration was also given to the discussions held at the workshop and the submissions received from community members.

In particular the rate review committee looked at the effect of changing to a fixed charge method rather than a minimum rate that we currently have. Various scenarios were examined including models where the fixed charge amount aligned with that of our neighbouring councils. This option showed that regardless of the amount of the fixed charge, the impact of rate movement will be to reduce the rates charged to the higher end value properties yet will increase the rates charged to the properties valued at the lower end e.g. \$100,000 to \$200,000.

Recently Council have analysed its outstanding rates. The following table provides information regarding outstanding rates relating to Residential properties in its district as at 18 March 2015.

Residential Properties Only

Valuation Range	No. of RESIDENTIAL Properties	% of RESIDENTIAL Properties	TOTAL \$ Outstanding** ALL Properties	% of outstanding rates for ALL Properties	\$ Outstanding* RESIDENTIAL Properties	% of outstanding for RESIDENTIAL Properties
<100,000	756	17%	\$ 145,497.16	15%	124,131.16	17%
100-150,000	1251	28%	\$ 305,184.23	31%	277,246.99	37%
150-200,000	1047	23%	\$ 151,165.35	15%	118,059.66	16%
200-250,000	526	12%	\$ 125,300.24	13%	83,733.82	11%
250-300,000	371	8%	\$ 91,162.67	9%	67,449.51	9%
300-350,000	278	6%	\$ 38,941.95	4%	33,008.91	4%
350-400,000	141	3%	\$ 35,358.84	4%	15,131.21	2%
400,000+	92	2%	\$ 84,668.20	9%	24,530.19	3%
TOTAL	4462	100%	\$ 977,278.64	100%	743,291.45	100%

** total outstanding includes rates, NRM, CWMS and waste charges

The table above shows that the majority of residential ratepayers who are experiencing difficulties in paying their council rates come from properties that are valued between \$100,000 to \$200,000. During the rating review process the previous Council expressed its desire not to go down the path of a fixed charge method as it felt it would be unfair and inequitable to further burden the ratepayers who are finding it the most difficult to meet their obligations in paying council rates.

The option most preferred by the rating review committee and recommended to Council was the following –

- Retain capital value as the valuation basis – the capital value of the land provides a good indicator of the capacity of the ratepayer to pay tax because there is a high correlation between property value and income (the equity principle of taxation) Although there are instances where ratepayers can be “asset rich but income poor” they are of the minority and Council can apply a rebate or remission to assist such ratepayers. In some instances rate deferral arrangements are available.

- Retain minimum rate – applying a minimum rate ensures that every ratepayer makes a contribution to the cost of council services. The minimum rate affects under 18% of ratepayers, which is well within the limits imposed by the Local Government Act of 35%. Only one minimum can be imposed on two or more adjoining properties with the same owner and occupied by the same occupier.
- Retain differential rates – differential rates based on the following land uses
 - Residential
 - Primary Production
 - Commercial
 - Industrial
 - Vacant
 - Other
- It is Council's preference to align the rates in the dollar for commercial and industrial land use properties so that both classes incur the same charge. It is suggested that this be carried out over 5 years and that the adjustment be made downwards to the industrial rate in the dollar so that it eventually aligns with the commercial rate in the dollar. Making the adjustment over several years minimizes the impact to the budget whilst still achieving a more equitable outcome for these classes of properties.

- Retain rate capping – Council currently applies a cap to ensure no ratepayer will pay more than 12% on the previous year's general rates as long as the property has not changed ownership in the previous year, nor any increase in capital value of the property is a result of improvements made exceeding \$10,000, nor there being a change in land use from the previous year.

The reasons the Rate Review Committee and Council prefer the above option are-

- The model is revenue neutral, i.e. raising the same amount of revenue from general rates as previous financial years.
- The majority of property assessments will not suffer any adverse affects from a change in rating methodology, i.e. no winners and no losers.
- There are a total of 90 industrial land use properties within the Council district. A reduction to the rate in the dollar for these properties will result in a reduction to the rates charged to these properties and thus reducing in part barriers to future industry being attracted to this area.

A more thorough report has been prepared providing further detail and examples of rating scenarios and was distributed during the rating review process. A copy can be accessed from Council offices or downloaded online at

<https://www.berribarmera.sa.gov.au/>.

