

ANNUAL BUSINESS PLAN 2012 - 2013



Berri Barmera
COUNCIL

Building a Better Community

Draft Adopted - 5 June 2012
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1 Introduction

This year the Council is faced more pointedly with what it can afford to pursue short and long term and put the structure of its operations and long term financial position in alignment. Council and the community will this year need to increase its services with the introduction of kerbside recycling to respond to the demands of government policy to reduce waste going to traditional landfill (buried). This will result in residents having three separate collections for recycling, green waste and residual domestic waste. The bin size and frequency will result in an increase in the service available to the community giving you more options to dispose of your waste. Council will have arrangements to dispose of paper, cardboard and plastics locally and green waste from the town areas disposed of at Monash.

These measures have been introduced because as all Riverland councils now have to cart waste out of the region at a large cost. Council has identified the cost for waste disposal separately from the rest of the rates and declared a service charge for this service to recover costs.

Council sold the Berri Direct building so as to not be in competition with private enterprise and also provide an opportunity for the long term development of that area of Berri after the closing of previous businesses on the site.

Council is focused on achieving the highest possible level of service for the community but is mindful of the ability of its residents to be able to pay the charges for those services. Council has dramatically improved its financial position in recent years and look forward to maintaining rating levels in line with inflation.

The Federal Government's decision to have a surplus in 2012/2013 has meant they have forward paid their financial assistance grant's first two payments in the 2011/2012 financial year. The effect is to increase the surplus in 2011/2012 but will force Council into a technical deficit in 2012/2013, though Council will have the same amount of funds at its disposal. This process is frustrating for the integrity of the Local Government financial statements of Council.



2 Our Community

The Berri Barmera Council is located in the Riverland region of South Australia with a population of 11,366 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

The Council's Strategic Plan includes the following vision and goals that respond to the aspirations of the Community and will make our district a great place to live in the future.

3.1 Our Vision

In 2025 the Berri Barmera Council shall be part of one regional community, which is sustainable, growing and prosperous; where residents are enjoying a lifestyle and environment second to none.

3.2 Our Goals

Our Economy

In 2025 the economy will be horticulture based but more diverse and vibrant, with a range of traditional and new businesses.

Our Environment

In 2025 the environment will be healthier and sustainable. Council will be a leader in holistic reuse of industry and community waste.

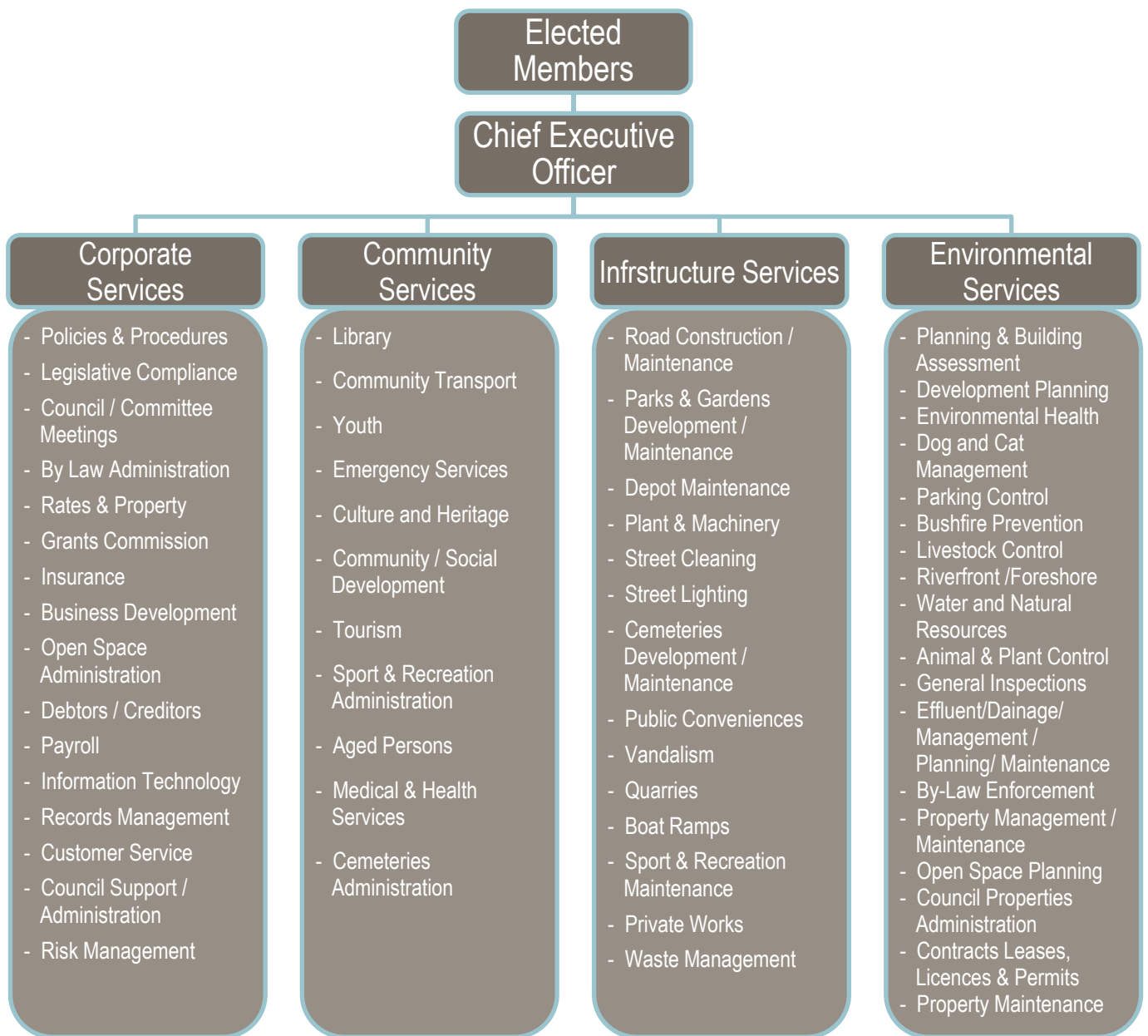
Our Community / Social

In 2025 our community will be diverse, healthy, sporting, safe, friendly, growing and with a sense of community self help and pride that supports the aged and youth.

The Strategic Plan focuses on a number of objectives that fall within each of the subjects listed above. These objectives are Council's responses 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 2010-2015.



3.3 Corporate and Functional Structure



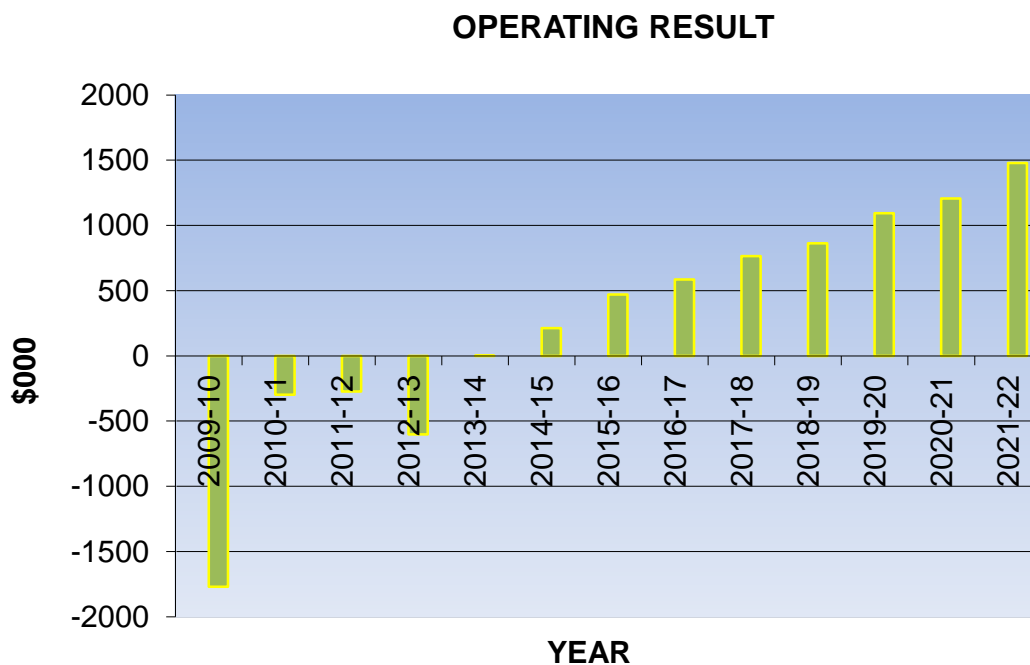
4 Financial Strategy Long Term Financial Plan

Council is required to prepare 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 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 incremental improvement of Council's operating result over the next 10 years.



5 Influencing Factors

As well as the influence of the Long Term Financial Plan and its outcomes there are a number of other influencing factors that have effected the way in which the Annual Business Plan has been structured and the resultant funding of the Annual Business Plan and Budget particularly with the impact of rate revenue.

The major influencing factors are listed below:

- The current economic environment, including the closure of significant industry within the district.
- 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.
- The review of Council's strategic and future direction to provide a sound basis for long term financial management and on-going financial sustainability of the Council.
- Considerable increases in waste management costs and the need to provide for future rehabilitation of waste sites.
- 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 - youth services, 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 2012/2013

7.1 Project Priorities For The Year

The redevelopment of the Berri Riverfront and relocation of the Berri Bowling Club to Glassey Park is progressing. Funding for this project has not been included in the Annual Business Plan as it is the preference of Council to have the development of the land and transfer of the Bowling Club to be facilitated by the Urban Renewal Authority (formerly Land Management Corporation).

Council has been successful in obtaining substantial grants for the upgrade of infrastructure. The major projects included in the Annual Business Plan and Budget for 2012/2013 as a result of receiving such funding are:

- Stormwater harvesting and infrastructure upgrades
- Upgrades to the Bonney Theatre Barmera

In addition, Council is hopeful its submission to the South Australian Boating Facility Advisory Committee for a grant towards the upgrade the Berri Riverfront Marina will be successful.

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	Budget
Governance		
Berri Town Centre Renewal	Economy	\$55,000
Riverland Resource Sharing **	Economy	\$25,000
Corporate Services		
Asset Management Plans	Corporate	\$25,000
Corporate Branding **	Corporate	\$10,000
Community Services		
Statewide Library Management System (part **)	Community/Social	\$42,521
Environmental Services		
Developer Facilitation Fund	Economy	\$10,000
Spot DPA Review	Economy	\$15,000
Heritage Survey and DPA	Community	\$30,000
Craggs Creek/VIC Building – Floorwork & Balustrade	Community/Social	\$35,000
Infrastructure Services		
Berri Cemetery Extension (part **)	Community	\$20,000
Barmera Cemetery Extension Planning	Community	\$2,500

Dump Rehabilitation – Loveday & Winkie **	Environment	\$29,000
Dump Rehabilitation, capping and gas monitoring – Monash	Environment	\$67,000
Hardwaste Collection	Environment Community	\$10,000
Landscaping Berri Approach **	Environment Community	\$20,000
Worman Street Reserve	Environment Community	\$10,000
Berri and Barmera Beautification Projects	Environment Community Social	\$20,000
Matthews Park, Berri - Turf	Environment Community	\$25,000
Mulching Parks and Street Verges	Environment Community	\$25,400
Rodeo Grounds Clean Up	Environment	\$5,000

7.1.2 Capital Projects

Project Description	Link to Strategic & Corporate Plan	Budget
Corporate Services		
IT Plant and Equipment	Corporate	\$35,000
Motor Vehicle Changeovers	Corporate	\$30,900
Community Services		
Berri and Barmera Library Furniture & Fittings, Plant & Equipment	Community Social	\$51,500
Swimming Pool Wheelchair Lift	Community/Social	\$10,000
Barmera Recreation Centre Upgrades	Community/Social	\$20,000
Community Transport Vehicle Changeover	Community/Social	\$55,000
Visitor Information Centre Plant & Equipment and Air Conditioning	Community	\$19,244
Environmental Services		
Fencing – Off Leash Dog Park	Environment Community/Social	\$10,000
Motor Vehicle Changeovers		\$30,000
CWMS Infrastructure Renewal	Environment	\$238,303
Martin Bend CWMS Upgrade	Environment Community/Social	\$35,000
Council Office Land & Building		\$10,000
Hall of Fame Office Renovations	Community/Social	\$10,000
Monash Playground Kiosk Upgrade	Community/Social	\$10,500
Bonney Theatre Upgrade – Stages 3 & 6	Community/Social	\$503,800
Infrastructure Services		
Cemetery Furniture/Vaults/Signage	Community/Social	\$44,000
Purchase Rubbish Bins	Environment	\$500,000
Waste Transfer Station Construction	Environment	\$350,000

Berri Marina Boatramp Upgrade	Environment Community/Social	\$380,000
Glasse Park Soccer Ground	Community/Social	\$50,000
Street Banners	Community/Social	\$5,000
Irrigation Automation	Environment	\$25,000
Park Development – Hill Street Barmera	Environment Community	\$10,000
Playground Equipment Replacement & Renewals	Community/Social	\$10,000
Monash Adventure Park Equipment Renewal	Community/Social	\$20,000
Road Reseals - Town and District	Community	\$212,180
Unsealed Road Resheeting	Community	\$169,744
Comley Road Upgrade	Community	\$33,000
Vaughan Terrace Reseal	Community	\$80,000
Kerbing & Crossover – Whitmore Avenue, Barmera	Community	\$13,000
Verge and Drainage – Anderson Street, Barmera	Community	\$55,000
Kerbing – Malaga Terrace, Berri	Community	\$90,000
Kerbing Renewal – Queen Elizabeth Drive, Barmera	Community	\$11,000
Kerbing Renewal – Cooper Street, Berri	Community	\$30,000
Gopher Route & Footpaths	Community	\$256,833
Bike Track/Footpath – Nookamka Terrace, Barmera	Community/Social	\$92,000
Stormwater Renewal - Glossop	Environment	\$42,000
Stormwater Retention Pond – Purchase Land	Environment	\$110,000
Stormwater Harvesting Project	Environment	\$1,364,580
Plant & Machinery Purchases	Community	\$258,614

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.

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 Bank SA, 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 Bank SA 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 utilised 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.
General	General reserve for the distribution of grant monies from SA Local Government Grants Commission and other Government bodies.

The following table illustrates the reserve movements and proposed final balances for the 2012/2013 year.

Reserve	Opening Balance	Appropriation To	Appropriation From	Closing Balance
Land Development	\$970,781	\$262,294	\$65,000	\$1,168,075
District STEDS	(\$527,793)	\$3,301,907	\$2,806,585	(\$32,471)
Open Space	\$14,918	-	-	\$14,918
Work In Progress	\$446,330	-	\$384,030	\$62,300
Total	\$904,236	\$3,583,726	\$3,255,615	\$1,232,347

8.3 Loans

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

	Balance 1 July 2012	Repayments	Closing Balance 30 June 2013
Total – Existing Council Loans	\$3,255,866	\$614,753	\$2,873,556

Proposed New Loans

Purpose	Amount	Repayments	Closing Balance 30 June 2013
Plant & Machinery **	\$350,000	-	\$350,000
Plant & Machinery	\$243,000	-	\$243,000
Bonney Theatre Upgrade **	\$410,000	-	\$410,000
Waste Management	\$350,000	-	\$350,000
Bins Purchase	\$500,000	-	\$500,000
Subsurface Irrigation **	\$700,000	-	\$700,000
Berri Marina Upgrade	\$210,000	-	\$210,000
Stormwater Harvesting Project	\$681,000	-	\$681,000
Total – New Loans	\$3,444,000	-	\$3,444,000
Total – ALL LOANS	\$6,699,866	\$614,753	\$6,317,556

**** New Loans for Plant and Machinery, Bonney Theatre Upgrade and Subsurface Irrigation are projects carried out in previous years and have been funded from cash reserves and grants until such time as loan funds are arranged.**

Proposed new loans will be negotiated within the second half of the financial year which means repayments will not fall due until 2013/2014.

9 Funding the Business Plan

9.1 Operating Revenues

To fund the Business Plan and Budget, Council will raise operating revenue of \$14,015,960 which includes general rates of \$6,994,222. 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 2012/2013. 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 will include 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 \$195 for the three bin collection and \$165 for the two bin collection. This charge will not come into affect until mid way through the financial year therefore the annual amount will be charged on a pro rata basis from the time the service commences.

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	\$55,000
	Developer Facilitation Fund	\$10,000
District STEDS Reserve	Community Wastewater Management Scheme	\$2,806,585

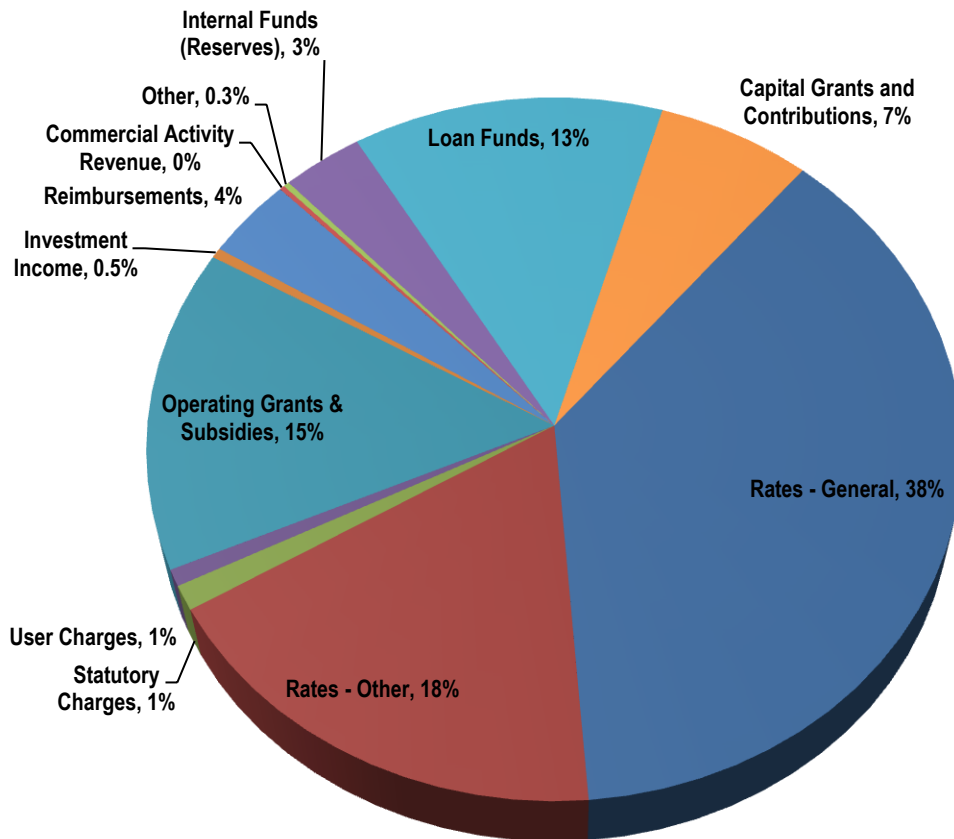
9.3 Loan Funds Used To Fund Projects

In accordance with Councils approach to major plant purchases, infrastructure projects and asset upgrades, the following projects and purchases will be funded with use of loan funds from the Local Government Finance Authority.

The use of debt as a means of funding asset renewal and rehabilitation is a common mechanism that reflects the residents that benefit from the assets pay for the assets.

Project / Purchase	Amount
Bonney Theatre Upgrade (c/fwd project)	\$410,000
Plant and Machinery	\$243,000
Waste Management (Transfer Station)	\$350,000
Bins Purchase	\$500,000
Berri Marina Upgrade	\$210,000
Stormwater Harvesting Infrastructure Upgrade (c/fwd project)	\$681,000
Total	\$2,394,000

The following chart shows the proposed cash sources of Council funding for 2012/2013



10 Community Waste Water 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. (formerly United Utilities Australia).

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 to 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.

Barmera's network alone is over 40 years old !

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

(the difference between day to day income and expenses for the period)

An operating surplus (or deficit) arises when operating revenue exceeds (or is less than) operating expenses for a period. A Council's long term financial sustainability is dependent upon ensuring that, on average, its expenses are less than its revenues. If a Council is not generating an operating surplus in most periods then it is effectively living beyond its means and is unsustainable. It will be inevitable the Council will be faced with a financial shock at some stage and be forced to either substantially raise its rates or not replace its assets and thus provide the community with a lower standard of service.

Council's Target – to progressively improve Council's annual result such that it breaks even, or better by year 2018/2019.

Indicator 2 – 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 incrementally achieve a ratio of 0% by year 2018/2019.

	2010/2011 Audited Annual Financial Statements	2011/2012 Adopted Budget	2012/2013 Proposed Budget
Indicator 1 Operating Surplus(Deficit)	(297,721)	(182,781)	(603,026)
Indicator 2 Operating Surplus Ratio	-3%	-2%	-6%

Indicator 3 – Net Financial Liabilities

(what is owed to others less money you already have or is owed to you)

Net financial liabilities is total liabilities less financial assets. Net financial liabilities is a broader and more appropriate measure of indebtedness than the level of borrowings as it includes all of Council's financial assets and obligations including employee entitlements and creditors. Often too much focus is placed on the level of a Council's borrowings without also considering the available financial assets (i.e. money in the bank). However, before considering an increase in its net debt a Council must recognise that interest associated with the debt will impact negatively on its operating result. A Council's indebtedness should be managed to ensure its liabilities and associated costs can be met comfortably from operating revenues.

Council's Target – to be not greater than operating revenue and not less than zero.

Indicator 4 – 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 be between 0% and 100% of operating revenue.

Indicator 5 – 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%

	2010/2011 Audited Annual Financial Statements	2011/2012 Adopted Budget	2012/2013 Proposed Budget
Indicator 3 Net Financial Liabilities	\$2,616,509	\$6,305,000	\$5,357,644
Indicator 4 Net Financial Liabilities Ratio	18%	46%	39%
Indicator 5 Interest Cover Ratio	1.1%	2%	1.2%

Indicator 6 – 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 recorded rate of depreciation of assets for the same period.

If capital expenditure on renewing or replacing existing assets is at least equal to depreciation on average over time then a council is ensuring the value of its assets is maintained. If capital expenditure on existing assets is less than depreciation it is likely it is under spending on renewal and replacement of assets and will eventually be confronted with failed assets and a significant renewal and replacement costs that cannot be accommodated for within a short period.

Council's Target – between 50% and 100% of depreciation.

Indicator 7 – Asset Consumption Ratio

(the average proportion of 'as new condition' left in assets)

This ratio shows the written down current value of Council's depreciable assets relative to their 'as new' value in up to date prices.

This ratio highlights the aged condition of Council's assets. If a council is responsibly maintaining and renewing and replacing its assets then the ratio would be relatively high. However, it makes no sense financially to replace perfectly serviceable assets just because they are old. Providing a council is operating sustainably it will be in a strong financial position to be able to fund the future renewal or replacement of assets when necessary.

Council's Target – between 40% and 80% (this represents the percentage of remaining useful life of assets)

	2010/2011 Audited Annual Financial Statements	2011/2012 Adopted Budget	2012/2013 Proposed Budget
Indicator 6 Asset Sustainability Ratio	62%	67%	81%
Indicator 7 Asset Consumption Ratio	61%	65%	64%

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.
- To maintain satisfaction levels above the State-wide Average and Regional (MMLGA) averages as reported in the LGA Comparative Performance Measurement Survey for all categories of Governance, Community Satisfaction, Finance and Asset Management and Quality of Life.
- Ensure a percentage of 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 table and information provides a breakdown of valuation movements within the Council area, separated in the respective Land Use Codes provided by the Valuer Generals Office. **Please make note that until the Annual Business Plan and Budget is adopted Council will continue to receive property valuation updates from the Valuer General. The final Annual Business Plan and Budget will include any changes received up until the date of adoption.**

Land Use Code	Valuation 11/12	Valuation 12/13	Variance (\$)	Variance (%)
Residential	754,869,000	764,288,000	9,419,000	1.25
Commercial (Shops)	46,892,000	47,581,500	689,500	1.47
Commercial (Offices)	14,239,000	14,127,000	-112,000	-0.79
Commercial (Other)	70,919,880	71,941,380	1,021,500	1.44
Industrial (Light)	6,442,500	6,582,500	140,000	2.17
Industrial (Other)	30,724,000	30,355,500	-368,500	-1.20
Primary Production	226,797,200	223,711,400	-3,085,800	-1.36
Vacant Land	25,537,240	24,746,740	-790,500	-3.10
Others	83,315,240	82,755,640	-559,600	-0.67
Total	1,259,736,060	1,265,929,660	6,353,600	0.50

The figures contained within the above table are provided by the Valuer Generals Office and demonstrates a minimal overall movements of valuations over the Council area.

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-ratable valuations are not included.

Land Use Code	Valuation 11/12	Valuation 12/13	Variance (\$)	Variance (%)
Residential Towns	481,328,828	483,677,282	2,348,454	0.49
Residential Rural	295,315,010	303,499,190	8,184,180	2.77
Primary Production	209,123,440	206,664,410	-2,459,030	-1.18
Rural Dry/Vacant	15,804,520	13,303,520	-2,501,000	-15.82
Other	23,706,088	28,295,450	4,589,362	19.36
Commercial Towns	112,027,360	107,354,844	-4,672,516	-4.17
Commercial Rural	19,060,790	17,117,140	-1,943,650	-10.20
Industrial Towns	6,273,000	10,182,176	3,909,176	62.32
Industrial Rural	26,099,100	25,111,100	-988,000	-3.79
Total	1,188,738,136	1,195,045,112	6,466,976	0.54

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 2012/2013. 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 locality of the land and its use, 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 localities and uses are as follows:

- 1) Township of Barmera, Berri, Cobdogla, Glossop, Loveday and Monash as defined, with land use categories including residential, commercial, industrial and other.
- 2) Outside of aforesaid Townships as defined, with land use categories including residential, primary production, vacant rural dry, other, commercial and industrial.

The Council is proposing to raise rate revenue of \$6,994,222 in a total revenue budget of \$14,015,960 and will continue to use the differential rating method as follows:

(1) *Townships of Barmera, Berri, Cobdogla, Glossop, Loveday and Monash as defined:*

(a)	Residential	0.5746	cents in the dollar on the capital value of such rateable property
(b)	Commercial	0.6102	“ “
(c)	Industrial	0.7487	“ “
(d)	Other	0.6413	“ “

(2) *Outside the aforesaid Townships as defined:*

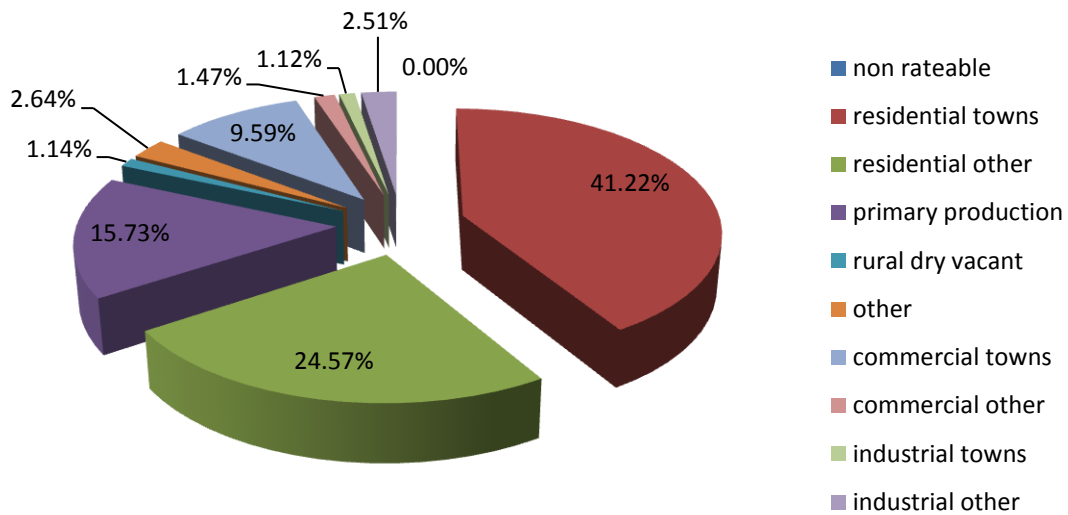
(a)	Residential	0.5651	cents in the dollar on the capital value of such rateable property
(b)	Primary Production	0.5264	“ “
(c)	Vacant	0.4672	“ “
(d)	Other	0.6413	“ “
(e)	Commercial	0.5924	“ “
(f)	Industrial	0.6914	“ “

Please note, until Council adopts the Annual Business Plan and Budget it will continue to receive property valuation updates from the Valuer General. Council have made the decision to keep rate revenue increases to approximately 3.9% for each class of property, therefore the above rate in the dollar applied to the capital value of rateable land may alter to keep the increase within the limits Council have approved.

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 class of property.

Class Description	Capital Value (CV)	% of total CV	No of properties	Proposed Rates	% of total rates levied
Non rateable	70,845,548	5.60	485	0	0
Residential	483,677,282	38.20	3142	2,882,943	41.22
Residential Other	303,499,190	23.97	1246	1,718,813	24.57
Primary Production	206,664,410	16.32	924	1,100,439	15.73
Rural Dry/Vacant	13,303,520	1.05	199	79,616	1.14
Other	28,295,450	2.23	71	184,635	2.64
Commercial Towns	107,354,844	8.48	352	671,009	9.59
Commercial Other	17,117,140	1.35	54	102,870	1.47
Industrial Towns	10,182,176	0.80	55	78,508	1.12
Industrial Other	25,111,100	1.98	37	175,389	2.51
Total	1,266,089,660	100	6565	6,994,222	100



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 \$589 which shall be applied to all rateable properties within the Council District. This will affect 17.37% of rateable properties and will raise \$626,107 of rate revenue for the 2012/2013 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 2012/2013 is budgeted to be \$3,686,430. Capital expenditure of \$238,303 for the replacement and renewal of pumps and other equipment is proposed for 2012//2013.

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 \$332.50 for each unoccupied property unit and \$665 for each occupied property unit

12.9 Service Charge – Waste Management

Pursuant to Section 155 of the Act, Waste Management Service Charges (pro rata) based on the nature of the service and varying according to the Waste Management system in accordance with Regulation 9B(1) of the Local Government (General) Regulations 1999 be declared and imposed on all land to which the Council provides or makes available the prescribed service for, in the first instance, the period 1st January 2013 and ending 30th June 2013, with the 1st January 2013 being the commencement date of the new service.. This includes the whole Council area in which waste management services are provided. The

annual service charge for the second half of the 2012-13 financial year for the waste management service will be \$195 for the three bin collection and \$165 for the two bin collection. Net income derived from the Waste Management charge for the 2012/2013 year is anticipated to be \$888,982 (excluding GST), which relates to the cost of the new expanded service. (See Appendix 3 - Report on Waste Management Service Charge prepared in accordance with Section 151 (6) of the Local Government Act).

Following the requirement by the Environment Protection Authority to close all Riverland waste management facilities by the end of 2012, the Councils are required to transport waste out of the region. As a consequence they have sought a joint contract to achieve the greatest efficiency. Councils are pursuing recycling and green waste collection to reduce waste going to landfill and the need to transport it all out of the region. This comes as a major cost to the Riverland community and Berri Barmera Council in particular with the overall waste management allocation increasing from \$701,000 in 2011/2012 to \$1,198,000 in 2012/2013, a massive 71% increase. To recover this amount Council is introducing a consistent service charge to all properties eligible to have their waste collected. The environmental benefits of less waste and greater recycling and re-use of material will ensure this community contributes to a more sustainable future.

The service will include –

- 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.

This will increase the allowance per property by 280 litres per fortnight and reduce the need for residents to go to the landfill facility with green waste but it will have to be sorted. To recover the extra expense an annual service charge will be set at \$195 for the three bin collection and \$165 for the two bin collection. Council will begin charging ratepayers for this service only when the new service arrangements begin, which is anticipated to be January, 2013.

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 levy funds ongoing NRM 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 2012/2013 the Berri Barmera Council are required to make payable to the SA Murray-Darling Basin Natural Resources Management Board an amount of \$119,125.

In order to recover this amount a separate rate of .000101 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

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 Retirees)

This concession is administered by Revenue SA. 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 Senior's 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 rate notice or would like further information please contact the Revenue SA Call Centre on 1300 366 150.

Pension Concession

If you are an eligible pensioner you may be entitled to a remission on your rates. Application forms (including information on the concessions) are available from the Council office or by phoning the DFC Concessions Hotline on 1800 307 758 or Council on 8582 1922.

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. The State Government administers the applications.

It is important to note that seeking a remission does not change the due date for payment of rates.

Unemployed Persons Concessions

The Department for Families and Communities (DFC) Department of Human Services (DHS) 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 the Concessions Hotline on 1800 307 758 or your nearest DHS office for details.

Concession on Waste Management Service Charge for Pensioners

For those ratepayers who are eligible for the above State Government Concessions, Council will remit a fixed amount of \$20 per annum against the newly introduced Waste Management Service Charge. This remission will be applied automatically at the same time the State Government Concessions are applied and will show separately on the rate notice. Please note, however that eligibility for this concession is determined by the various State Government Agencies who then notify Council.

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 2012/2013 are:

4th September, 2012
4th December, 2012
4th March, 2013
4th June, 2013

Council rates may be paid:

- by mail (cheque or money order)
- by telephone, using a debit or credit card, phone (08) 8582 1922
- by Bpay facility as detailed on the rate notice
- by internet as detailed on the rate notice
- in person at the Council Office locations - EFTPOS facilities are available for payments.
- by Australia Post billpay facility as detailed on the rate notice

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.

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 as from 1 July 2011. 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, 2011;
- Any such increase in the capital value of the rateable property is a result of improvements made on the property since 1 July, 2011 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 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.

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 to the Project Monitoring Committee. These reports are then provided to Council's Audit Committee for review and to formulate into a final Annual Business Plan and Budget Review Report with all required recommendations prior to final adoption of Council.

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. 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 and Riverland Weekly, advising of the date of a public meeting for making of submissions and asking of questions. A public meeting was held to ensure all members of the community had an opportunity to avail themselves of the information contained within the Annual Business Plan. The public meeting was held at the Town Hall, Berri at 7.00pm on Tuesday 3rd July 2012.
- Additionally a time was scheduled for a Special Council Meeting to be held to consider any written submissions and allowing the public to attend. The Special Council Meeting was held in the Berri Council Chambers at 5.30pm on Tuesday 10th July 2012.
- Notification of the availability of the Draft Annual Business Plan 2012/2013 on Council's website (www.berribarmera.sa.gov.au) within the Murray Pioneer and Riverland Weekly and reaffirming the location, time and date of the public meeting and Special Council meeting.
- Copies of the Draft Annual Business Plan and Budget were made available from Council's offices at 19 Wilson Street, Berri, Library and Customer Service Centre in Barwell Avenue Barmera, and Council's Library and Resource Information Centre Kay Avenue, Berri.
- Following consideration of submissions, and taking into consideration any changes required, the Annual Business Plan was endorsed by Council at its meeting of 10th July, 2012.

Appendix 1

2012-2013 Budgeted Financial Statements



**BERRI BARMERA COUNCIL
BUDGETED INCOME STATEMENT
FOR THE YEARS ENDED 30 JUNE 2013 -2015**

	Actual (Audited) 2010/2011 \$	Adopted Revised Budget 2011/2012 \$	Proposed Budget 2012/2013 \$	Proposed Budget 2013/2014 \$	Proposed Budget 2014/2015 \$
<u>OPERATING REVENUES</u>					
Rates - General	6,345,196	6,606,737	6,838,222	7,111,751	7,396,221
Rates - Other	2,415,484	2,550,553	3,232,820	3,813,778	3,942,476
Statutory Charges	141,942	201,628	207,677	213,907	220,324
User Charges	547,266	135,429	138,451	142,605	146,883
Operating Grants & Subsidies	3,738,968	3,302,865	2,674,001	3,338,510	3,549,665
Investment Income	72,031	89,615	84,026	84,096	84,245
Reimbursements	611,888	684,690	682,892	703,109	723,932
Commercial Activity Revenue	-	511,607	39,529	40,715	41,937
Other	483,939	44,873	46,219	47,606	49,034
TOTAL OPERATING REVENUE	14,356,714	14,127,997	13,943,837	15,496,076	16,154,717
<u>OPERATING EXPENSES</u>					
Employee Costs	3,985,747	3,581,484	3,546,763	3,760,190	3,880,074
Contractual Services	4,538,125	3,963,515	4,287,180	4,694,246	4,783,410
Materials	1,565,514	1,502,168	1,244,490	1,248,241	1,285,880
Finance Charges	237,521	290,984	248,004	418,655	440,651
Depreciation	2,958,430	3,096,480	3,207,925	3,299,512	3,393,847
Other	1,369,098	1,965,619	2,012,502	2,073,919	2,158,277
TOTAL OPERATING EXPENDITURE	14,654,435	14,400,250	14,546,863	15,494,764	15,942,140
OPERATING SURPLUS/(DEFICIT) Before Capital Revenue	(297,721)	(272,253)	(603,026)	1,312	212,577
<u>CAPITAL REVENUES</u>					
Asset Disposal & fair value adjustments	(36,185)	-	-	-	-
Capital Grants & Contributions	543,281	1,403,580	1,012,167	120,408	81,929
Physical Resources received free of charge	423,573	-	-	-	-
	930,669	1,403,580	1,012,167	120,408	81,929
<u>NET SURPLUS/(DEFICIT) RESULTING FROM OPERATIONS</u>	632,948	1,131,327	409,142	121,720	294,506

**BERRI BARMERA COUNCIL
BUDGETED BALANCE SHEET
FOR THE YEARS ENDED 30 JUNE 2013 - 2015**

	Actual (Audited) 2010/2011 \$	Adopted Revised Budget 2011/2012 \$	Proposed Budget 2012/2013 \$	Proposed Budget 2013/2014 \$	Proposed Budget 2014/2015 \$
<u>CURRENT ASSETS</u>					
Cash and Cash Equivalents	2,248,925	2,027,410	2,219,346	4,102,033	6,220,770
Trade and other Receivables	2,013,967	2,080,113	2,139,981	2,204,180	2,270,306
Other Financial Assets					
Inventory	126,608	131,039	135,626	140,373	145,286
TOTAL CURRENT ASSETS	4,389,500	4,238,561	4,494,952	6,446,586	8,636,361
<u>CURRENT LIABILITIES</u>					
Trade and Other Payables	1,776,433	1,829,726	1,884,618	1,941,156	1,999,391
Short Term Provisions	440,573	453,790	467,404	481,426	495,869
Short Term Borrowings	491,421	395,118	488,548	510,602	583,424
TOTAL CURRENT LIABILITIES	2,708,427	2,678,634	2,840,569	2,933,184	3,078,684
Net Current Assets/(Current Liabilities)	1,681,073	1,559,927	1,654,383	3,513,402	5,557,677
<u>NON CURRENT ASSETS</u>					
Financial Assets	300,368	238,069	193,785	140,275	92,088
Capital Works In Progress	1,170,193	-	-	-	-
Infrastructure, Property, Plant & Equipment	113,970,227	122,364,962	130,194,952	134,305,068	138,814,494
TOTAL NON CURRENT ASSETS	115,440,788	122,603,031	130,388,737	134,445,342	138,906,582
<u>NON CURRENT LIABILITIES</u>					
Long Term Provisions	815,475	839,939	865,137	891,092	917,824
Long Term Borrowings	3,655,867	4,305,173	6,205,049	6,095,972	6,173,972
TOTAL NON CURRENT LIABILITIES	4,471,342	5,145,112	7,070,187	6,987,063	7,091,796
NET ASSETS	112,650,519	119,017,846	124,972,933	130,971,681	137,372,463
<u>EQUITY</u>					
Retained Earnings	17,688,010	19,142,027	19,242,582	18,845,924	18,470,159
Asset Revaluation	93,735,583	98,971,583	104,517,529	110,394,557	116,500,833
Reserves	1,226,926	904,236	1,212,822	1,731,201	2,401,471
TOTAL EQUITY	112,650,519	119,017,846	124,972,934	130,971,681	137,372,463

BERRI BARMERA COUNCIL
BUDGETED STATEMENT OF CHANGES IN EQUITY
FOR THE YEARS ENDED 30 JUNE 2013 - 2015

	Actual (Audited) 2010/2011 \$	Adopted Revised Budget 2011/2012 \$	Proposed Budget 2012/2013 \$	Proposed Budget 2013/2014 \$	Proposed Budget 2014/2015 \$
<u>ACCUMULATED SURPLUS</u>					
Balance at beginning of period	15,859,208	17,688,010	19,142,027	19,242,582	18,845,924
Net Surplus (Deficit) resulting from Operations	632,948	1,131,327	409,142	121,720	294,506
Transfers from Reserves	4,462,917	3,486,112	3,255,615	2,902,806	2,870,704
Transfers to Reserves	(3,267,063)	(3,163,422)	(3,564,201)	(3,421,185)	(3,540,975)
BALANCE AT END OF PERIOD	17,688,010	19,142,027	19,242,582	18,845,924	18,470,159
<u>ASSET REVALUATION RESERVE</u>					
Balance at beginning of period	97,202,898	93,735,583	98,971,583	104,517,529	110,394,557
Transfer to Reserve from Accumulated Surplus	(3,467,315)	5,236,000	5,545,946	5,877,028	6,106,276
Transfers from Reserves to Accumulated Surplus					
Other					
BALANCE AT END OF PERIOD	93,735,583	98,971,583	104,517,529	110,394,557	116,500,833
<u>LAND DEVELOPMENT RESERVE</u>					
Balance at beginning of period	964,468	950,714	970,781	1,168,075	1,120,991
Transfers from Reserves to Accumulated Surplus	(18,373)	(65,000)	(65,000)	(60,000)	(60,000)
Transfer to Reserve from Accumulated Surplus	4,619	85,067	262,294	12,916	13,570
BALANCE AT END OF PERIOD	950,714	970,781	1,168,075	1,120,991	1,074,562
<u>DISTRICT STEDS RESERVE</u>					
Balance at beginning of period	(377,421)	(474,121)	(527,793)	(32,471)	532,991
Transfers from Reserves to Accumulated Surplus	(2,623,729)	(2,727,997)	(2,806,585)	(2,842,806)	(2,810,704)
Transfer to Reserve from Accumulated Surplus	2,527,029	2,674,325	3,301,907	3,408,268	3,527,405
BALANCE AT END OF PERIOD	(474,121)	(527,793)	(32,471)	532,991	1,249,692
<u>WORK IN PROGRESS RESERVE</u>					
Balance at beginning of period	1,815,592	735,415	446,330	62,300	62,300
Transfers from Reserves to Accumulated Surplus	(1,815,592)	(693,115)	(384,030)		
Transfer to Reserve from Accumulated Surplus	735,415	404,030	-		
BALANCE AT END OF PERIOD	735,415	446,330	62,300	62,300	62,300
<u>OPEN SPACE, STREET TREES, FOOTPATHS RESERVE</u>					
Balance at beginning of period	20,141	14,918	14,918	14,918	14,918
Transfers from Reserves to Accumulated Surplus	(5,223)				
Transfer to Reserve from Accumulated Surplus	-	-			
BALANCE AT END OF PERIOD	14,918	14,918	14,918	14,918	14,918
TOTAL EQUITY BALANCE AT END OF REPORTING PERIOD	112,650,519	119,017,846	124,972,934	130,971,681	137,372,463

**BERRI BARMERA COUNCIL
BUDGETED CASHFLOW STATEMENT
FOR THE YEARS ENDED 30 JUNE 2013 - 2015**

	Actual (Audited) 2010/2011 \$	Adopted Revised Budget 2011/2012 \$	Proposed Budget 2012/2013 \$	Proposed Budget 2013/2014 \$	Proposed Budget 2014/2015 \$
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>					
<u>Receipts</u>					
Operating Receipts	15,550,942	13,979,977	13,797,408	15,351,938	16,007,335
Investment Receipts	84,487	89,615	84,026	84,096	84,245
<u>Payments</u>					
Operating payments	(12,740,631)	(10,926,243)	(11,001,817)	(11,684,829)	(12,013,145)
Finance payments	(223,172)	(290,984)	(248,004)	(418,655)	(440,651)
NET CASH USED IN OPERATING ACTIVITIES	2,671,626	2,852,366	2,631,613	3,332,550	3,637,785
<u>CASHFLOWS FROM INVESTING ACTIVITIES</u>					
<u>Receipts</u>					
Amounts specifically for new or upgraded assets	543,281	1,403,580	1,012,167	120,408	81,929
Sale of replaced assets	147,788	-	-	-	-
Sale of surplus assets	73,207	75,000	250,000	350,000	-
Sale of real estate developments	-	-	-	-	-
Repayments of loans by community groups	93,031	54,559	46,819	49,354	45,197
<u>Payments</u>					
Expenditure on renewal/replacement of assets	(1,992,324)	(2,061,310)	(2,593,769)	(1,509,956)	(1,393,583)
Expenditure on new/upgraded assets	(2,414,427)	(3,098,713)	(3,148,200)	(372,644)	(403,413)
Development of real estate for sale	-	-	-	-	-
Loans made to community groups	-	-	-	-	-
NET CASH USED IN INVESTMENT ACTIVITIES	(3,549,444)	(3,626,884)	(4,432,983)	(1,362,839)	(1,669,870)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>					
<u>Receipts</u>					
Proceeds from Borrowings	1,253,735	1,050,000	2,394,000	407,100	667,000
<u>Payments</u>					
Repayments of Borrowings	(411,668)	(496,997)	(400,694)	(494,124)	(516,178)
NET CASH USED IN FINANCING ACTIVITIES	842,067	553,003	1,993,306	(87,024)	150,822
NET INCREASE (DECREASE) IN CASH HELD	(35,751)	(221,515)	191,936	1,882,687	2,118,737
CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD	2,284,676	2,248,925	2,027,410	2,219,346	4,102,033
CASH & CASH EQUIVALENTS AT END OF PERIOD	2,248,925	2,027,410	2,219,346	4,102,033	6,220,770

BERRI BARMERA COUNCIL
BUDGETED UNIFORM PRESENTATION OF FINANCES
FOR THE YEARS ENDED 30 JUNE 2013 -2015

	Actual (Audited) 2010/2011 \$	Adopted Revised Budget 2011/2012 \$	Proposed Budget 2012/2013 \$	Proposed Budget 2013/2014 \$	Proposed Budget 2014/2015 \$
Income	14,356,714	14,127,997	13,943,837	15,496,076	16,154,717
less Expenses	14,654,435	14,400,250	14,546,863	15,494,764	15,942,140
Operating Surplus/(Deficit)	<u>(297,721)</u>	<u>(272,253)</u>	<u>(603,026)</u>	<u>1,312</u>	<u>212,577</u>
less Net Outlays on Existing Assets					
Capital Expenditure on renewal and replacement of Existing Assets	1,992,324	2,061,310	2,593,769	1,509,956	1,393,583
less Depreciation	2,958,430	3,096,480	3,207,925	3,299,512	3,393,847
less Proceeds from Sale of Replaced Assets	147,788	-	-	-	-
	<u>(1,113,894)</u>	<u>(1,035,170)</u>	<u>(614,156)</u>	<u>(1,789,556)</u>	<u>(2,000,264)</u>
less Net Outlays on New and Upgraded Assets					
Capital Expenditure on New and Upgraded Assets	2,414,427	3,098,713	3,148,200	372,644	403,413
less Amounts received specifically for New and Upgraded Assets	543,281	1,403,580	1,012,167	120,408	81,929
less Proceeds from Sale of Surplus Assets	73,207	75,000	250,000	350,000	-
	<u>1,797,939</u>	<u>1,620,133</u>	<u>1,886,033</u>	<u>(97,764)</u>	<u>321,484</u>
Net Lending / (Borrowing) for Financial Year	(981,766)	(857,216)	(1,874,902)	1,888,632	1,891,357

Appendix 2

Budget Schedules by Council Function



**BERRI BARMERA COUNCIL
PROPOSED BUDGET BY FUNCTION
YEARS ENDING 30 JUNE 2013-2015**

Expenditure						Revenue					
Adopted Budget 2011/2012	Revised Budget 2011/2012	Function/Description	Proposed Budget 2012/2013	Proposed Budget 2013/2014	Proposed Budget 2014/2015	Adopted Budget 2011/2012	Revised Budget 2011/2012	Function/Description	Proposed Budget 2012/2013	Proposed Budget 2013/2014	Proposed Budget 2014/2015
		GOVERNANCE									
153,131	153,131	OH&S and Risk Management	122,112	125,775	129,549	153,131	153,131	OH&S and Risk Management	122,112	125,775	129,549
387,530	387,530	Administration	396,979	413,889	461,155	386,920	387,530	Administration	396,979	413,889	461,155
175,660	175,660	Elected Members	177,700	183,031	188,522	175,660	175,660	Elected Members	177,700	183,031	188,522
25,139	25,139	Public Relations	15,002	20,452	28,915	25,139	25,139	Public Relations	15,002	20,452	28,915
83,497	83,497	Economic Development	82,503	79,424	77,805	138,497	163,497	Economic Development	162,503	154,424	164,805
80,000	80,000	Projects	80,000	75,000	87,000	-	-	Projects	-	-	-
						2,285,697	2,285,697	LGGC - General Purpose	1,675,250	2,424,896	2,497,643
						146,653	214,974	Other General Purpose Revenue	188,000	194,340	200,898
						-	-	Sale of Residential Land	-	-	-
904,957	904,957	TOTALS GOVERNANCE	874,296	897,571	972,946	3,311,697	3,405,628		2,737,546	3,516,807	3,671,487
		CORPORATE SERVICES									
207,542	207,542	Financial Management	218,071	224,253	230,621	210,659	217,542	Financial Management	243,071	249,253	230,621
51,907	51,907	Human Resources	51,743	53,296	54,895	51,907	51,907	Human Resources	51,743	53,296	54,895
68,765	68,765	Payroll	72,992	75,182	77,437	68,765	68,765	Payroll	72,992	75,182	77,437
222,427	222,427	Information Technology	227,783	234,616	241,654	222,427	222,427	Information Technology	227,783	234,616	241,654
19,412	19,412	Communication	25,000	25,750	26,523	19,412	19,412	Communication	25,000	25,750	26,523
132,808	132,808	Rates Administration	138,221	142,367	146,638	132,809	132,808	Rates Administration	138,221	142,367	146,638
79,900	79,900	Records Management	70,890	73,017	75,207	79,900	79,900	Records Management	70,890	73,017	75,207
162,774	162,774	Customer Services	158,416	163,168	168,064	162,774	162,774	Customer Services	158,416	163,168	168,064
415,808	415,808	Other Support Services	420,061	432,663	445,643	425,809	425,808	Other Support Services	430,061	432,663	445,643
20,000	20,000	Projects	35,000	25,000	-						
						6,606,737	6,606,737	General Rates	6,838,222	7,111,751	7,396,221
						33,929	33,929	Other General Purpose Revenue	34,947	35,995	37,075
1,381,343	1,381,343	TOTAL CORPORATE SERVICES	1,418,177	1,449,312	1,466,681	8,015,128	8,022,009		8,291,346	8,597,058	8,899,978
		COMMUNITY SERVICES									
103,634	103,826	Youth Services	97,676	100,342	103,526	12,750	12,750	Youth Services	43,427	44,730	46,072
112,543	112,752	Other Community Amenities	83,238	85,510	88,224	-	-	Other Community Amenities	-	-	-
334,024	334,642	Barrera Library and Customer Service Centre	345,942	355,384	366,661	17,078	17,078	Barrera Library and Customer Service Centre	18,436	18,989	19,558
693,275	692,999	Berri Library	728,255	742,322	765,604	329,523	329,523	Berri Library	340,082	350,285	360,793
93,343	93,516	Sport and Recreation	80,258	76,729	73,267	40,612	40,612	Sport and Recreation	49,711	48,052	46,392
183,624	189,752	Swimming Centre	211,171	195,213	201,407	2,285	2,285	Swimming Centre	2,354	2,424	2,497
209,274	215,488	Community Events and Organisations	155,297	169,260	160,944	17,572	18,576	Community Events and Organisations	2,186	2,251	2,319
140,572	168,199	Barrera Recreation Centre	149,938	156,968	161,948	-	-	Barrera Recreation Centre	-	-	-
223,315	223,728	Transport Scheme	230,786	237,085	245,619	193,028	193,028	Transport Scheme	198,819	204,783	210,927
440,481	441,290	Tourism Visitor Information Centre	418,169	429,583	443,213	143,676	143,676	Tourism Visitor Information Centre	140,991	145,221	149,578

**BERRI BARMERA COUNCIL
PROPOSED BUDGET BY FUNCTION
YEARS ENDING 30 JUNE 2013-2015**

Expenditure						Revenue					
Adopted Budget 2011/2012	Revised Budget 2011/2012	Function/Description	Proposed Budget 2012/2013	Proposed Budget 2013/2014	Proposed Budget 2014/2015	Adopted Budget 2011/2012	Revised Budget 2011/2012	Function/Description	Proposed Budget 2012/2013	Proposed Budget 2013/2014	Proposed Budget 2014/2015
56,569	56,673	Tourism Other	93,475	52,852	54,528	15,000	15,000	Tourism Other	20,000	20,600	21,218
509,833	510,776	Berri Direct Outlet	-	-	-	453,200	453,200	Berri Direct Outlet	-	-	-
30,600	30,600	Projects	42,521	6,474	4,974	66,750	20,000	Projects	-	-	-
3,131,087	3,174,241	TOTAL COMMUNITY SERVICES	2,636,725	2,607,722	2,669,913	1,291,474	1,245,728		816,005	837,335	859,353
		ENVIRONMENTAL SERVICES									
127,887	136,006	Dog Management	139,876	144,677	149,342	74,364	77,208	Dog Management	79,494	81,540	84,209
49,625	52,052	Fire Protection	53,285	55,114	56,890	6,425	6,665	Fire Protection	6,824	6,899	7,191
50,560	51,697	General Inspection	53,415	55,248	57,029	6,138	6,222	General Inspection	6,427	6,491	6,770
18,271	18,683	Health and Immunisation Services	18,923	19,572	20,204	7,218	7,249	Health and Immunisation Services	7,427	7,604	7,863
226,323	231,417	Health Inspection	234,808	242,867	250,695	45,668	46,046	Health Inspection	46,992	47,833	49,641
30,423	31,108	Mosquito and Wasp Control	35,302	36,513	37,689	10,545	10,596	Mosquito and Wasp Control	12,748	13,045	13,492
3,643,815	3,725,830	Community Wastewater Management System	3,671,114	3,822,878	3,923,987	3,090,694	3,122,771	Community Wastewater Management System	3,301,907	3,408,268	3,527,405
274,951	294,624	Town Planning	283,355	288,630	296,283	119,086	121,328	Town Planning	115,253	119,743	122,940
422,483	420,909	Council Properties	433,697	444,999	453,268	72,989	69,794	Council Properties	73,222	67,001	66,553
39,020	39,898	Cemeteries	40,424	41,811	43,160	39,437	39,502	Cemeteries	38,245	39,294	40,538
195,193	199,586	Public Conveniences	204,831	210,229	215,329	23,697	24,022	Public Conveniences	24,647	24,698	25,564
351,569	340,310	Halls	348,861	396,316	408,830	49,571	50,126	Halls	53,146	56,218	58,480
233,313	238,565	Building Act	242,707	251,035	259,128	60,036	60,425	Building Act	61,867	63,134	65,414
15,945	15,620	Parking Control	16,431	17,054	17,613	18,160	16,108	Parking Control	16,625	17,085	17,623
161,463	161,166	Natural Resources Management	163,289	168,893	174,337	144,028	143,824	Natural Resources Management	147,807	151,846	156,661
180,350	132,686	Projects	112,000	65,450	40,914	26,750	5,000	Projects	-	-	-
6,021,191	6,090,157	TOTAL ENVIRONMENTAL SERVICES	6,052,317	6,261,287	6,404,698	3,794,806	3,806,886		3,992,632	4,110,699	4,250,344
		INFRASTRUCTURE SERVICES									
85,418	86,811	Cemeteries	86,716	85,035	88,041	13,133	13,313	Cemeteries	13,404	10,012	10,444
696,777	700,794	Waste Management	1,297,996	1,789,210	1,848,893	113,416	129,518	Waste Management	667,303	1,199,433	1,239,652
227,280	230,283	Street Cleaning	234,285	246,613	255,327	34,107	34,496	Street Cleaning	37,754	38,307	39,836
199,064	201,694	Public Lighting	206,051	215,385	221,428	24,799	25,140	Public Lighting	25,289	25,360	26,267
44,188	44,771	Foreshore Protection	43,597	52,792	60,664	12,410	12,485	Foreshore Protection	14,351	15,486	16,744
776,612	781,454	Parks and Gardens	816,133	904,150	928,532	106,582	107,066	Parks and Gardens	115,222	113,353	115,958
648,298	646,739	Sport and Recreation	658,509	693,160	717,653	80,764	80,611	Sport and Recreation	80,819	81,615	85,132
105,181	106,570	Quarries	108,735	114,458	118,502	13,103	13,283	Quarries	13,345	13,477	14,057
2,958,048	3,007,126	Road Maintenance	3,113,849	3,278,488	3,389,097	824,633	871,051	Road Maintenance	853,164	757,818	895,353
269,618	284,084	Stormwater Drainage	283,506	325,104	360,553	33,588	44,817	Stormwater Drainage	43,795	47,279	51,771
1,007,446	1,018,884	Plant Operations	1,027,666	1,094,564	1,139,401	931,687	932,253	Plant Operations	939,365	976,441	1,012,899
1,497,781	1,518,047	Depot and Overhead Expenses	1,590,810	1,674,521	1,733,689	1,386,114	1,407,088	Depot and Overhead Expenses	1,454,121	1,493,811	1,541,206
18,164	18,404	Vandalism	18,931	19,928	20,632	2,263	2,294	Vandalism	2,323	2,346	2,447
106,506	107,913	Other Purposes	137,402	144,633	149,742	110,870	111,053	Other Purposes	138,793	142,618	147,119

**BERRI BARMERA COUNCIL
PROPOSED BUDGET BY FUNCTION
YEARS ENDING 30 JUNE 2013-2015**

Expenditure						Revenue					
Adopted Budget 2011/2012	Revised Budget 2011/2012	Function/Description	Proposed Budget 2012/2013	Proposed Budget 2013/2014	Proposed Budget 2014/2015	Adopted Budget 2011/2012	Revised Budget 2011/2012	Function/Description	Proposed Budget 2012/2013	Proposed Budget 2013/2014	Proposed Budget 2014/2015
204,400	233,000	Projects	233,900	124,010	121,080	-	300	Projects	-	-	-
8,844,781	8,986,574	TOTALS INFRASTRUCTURE SERVICES	9,858,087	10,762,051	11,153,233	3,687,469	3,784,768		4,399,048	4,917,356	5,198,885
1,995,018	1,995,018	Less Non Cash Expenditure	2,061,819	2,133,600	2,202,354	1,995,018	1,995,018	Less Non Cash Revenue	2,061,819	2,133,600	2,202,354
18,288,341	18,542,254	TOTALS OPERATING BUDGET	18,777,783	19,844,343	20,465,117	18,105,556	18,270,001		18,174,757	19,845,655	20,677,694
		NON OPERATING - CAPITAL BUDGET									
21,000	21,000	Governance	-	23,000	-	587,000	87,000	Governance	262,000	112,000	12,000
195,000	195,000	Corporate Services	65,900	56,827	68,532	-	-	Corporate Services	-	-	-
131,720	131,720	Community Services	155,744	76,971	72,102	66,233	66,233	Community Services	71,877	68,408	69,929
1,422,745	313,544	Environmental Services	1,003,636	519,483	518,883	393,800	93,800	Environmental Services	-	250,000	-
6,213,315	4,498,759	Infrastructure Services	4,516,689	1,206,319	1,137,479	2,391,160	1,231,547	Infrastructure Services	928,290	40,000	-
7,983,780	5,160,023	TOTALS CAPITAL BUDGET	5,741,969	1,882,600	1,796,996	3,438,193	1,478,580		1,262,167	470,408	81,929
506,291	496,997	TOTALS NON OPERATING LIABILITIES	400,694	494,124	516,178	2,110,519	1,104,559		2,440,819	456,454	712,197
3,256,492	3,163,422	TOTALS EQUITY BUDGET	3,564,201	3,421,185	3,540,975	3,542,597	3,486,112		3,255,615	2,902,806	2,870,704
30,034,904	27,362,696	TOTAL EXPENDITURE	28,484,648	25,642,251	26,319,266	27,196,865	24,339,252	TOTAL REVENUE	25,133,358	23,675,322	24,342,524
3,096,480	3,096,480	Less Depreciation	3,207,925	3,393,847	3,393,847						
						258,441	73,036	Cash Surplus/(Deficit)	- 143,364	1,426,918	1,417,105

Appendix 3

Waste Management Service Charge



Report on proposed change to operation of Waste Management service

The failure of the Regional Waste Management Facility seriously affected Council's options for the long-term disposal of residual waste from its kerbside collection as well as materials from Waste Transfer Stations.

One positive effect from the regional facility failure is that all Riverland Councils have measured the importance of diverting waste from landfill and the advantages of implementing a 3 bin waste collection system, including recycling and green waste collection and disposal. It was also very evident that a regional approach is the most economically-viable option for waste management.

Consequently, the Council is proposing the introduction of a new and expanded waste management service which involves the introduction of a 3 bin collection and disposal of town waste and a 2 bin collection and disposal of rural waste. For an additional service charge of \$195 for the three bin collection and \$165 for the two bin collection the Council will achieve key waste management targets under the Strategic Management Plan, the community will benefit from improved waste disposal opportunities and the environment will benefit through additional reduction of waste going to landfill.

By adopting this approach the Council is acknowledging the current economic environment and significant influences that have impacted Council operations and as such it is consistent with its commitment to being fiscally responsible and maintaining Council's long term focus on financial sustainability.

Reasons for proposed change

Local Government makes a very significant investment in the management of waste in South Australia as it is committed to environmentally sound strategies and achieving the State Governments target for reducing waste to landfill. This investment includes the widespread adoption of the 3-bin kerbside collection system, substantially increased recycling, landfill rationalisation and the introduction of food waste collections, all of which are designed to achieve the State Government target of reduce waste to landfill.

The Local Government sector is achieving a 55% diversion rate from what is currently presented at the kerbside. All Councils are being encouraged to increase their efforts to achieve the objectives of the Zero Waste SA policy which focuses on separating resources to achieve the highest possible beneficial use of the resource.

Accordingly, Council is introducing a new and expanded waste management service which involves the introduction of a 3 bin collection and disposal of town waste and a 2 bin collection and disposal of rural waste. This improved service is in accord with the Council's environmental and economic strategic objectives and aligns with the development of a Riverland regional approach to waste management.

Relationship of the change to Council's overall rates structure and policies

In setting rates the Council gives consideration to strategic directions of the Council, the need to ensure long term financial sustainability, the current economic climate and the likely impacts on the community. Rates account for approximately half of Council income and each year and rating policies are set to ensure there is an equitable distribution of rate payments between the different categories of ratepayer. By imposing a service charge for the introduction of the new waste management service the Council is ensuring that the service charge is applied to that service and that it does not negatively impact on the provision of other essential services to the community.

In addition the Council has clear and articulated policy commitments to the protection of the environment. The Council's key strategic objective is that by 2025 the environment will be healthier and sustainable and Council will be a leader in holistic reuse of industry and community waste. With respect to Waste Management the Council strategies are to have a community that recycles, because that will reduce waste going to landfill and to develop a waste minimisation strategy.

Likely impact of proposal

It is estimated that the likely impact of the cost of \$195 for the three bin collection and \$165 for the two bin collection will be minimal compared with the improved benefits of increasing the opportunities for householders to dispose of more waste across the various waste streams and the ultimate improvement to the environment.

Equity issues

The Council's rating policies ensure there is an equitable distribution of rate payments between the different categories of ratepayer. Council has also elected to continue to use capital valuations as the basis for valuing land and distributing the rate burden within the council area. Council considers this methodology to be the better indicator of capacity to pay than the other valuation approaches available. In the event of financial difficulty the State Government provides for rating concessions and there are pensioner concessions available.