



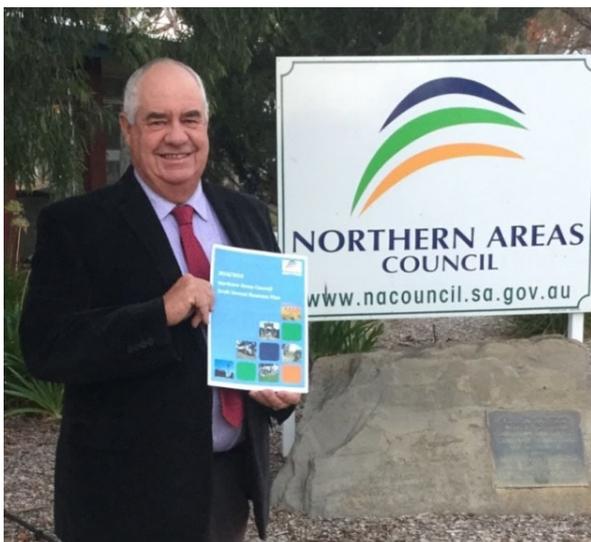
2019-20 Annual Business Plan Summary

The Annual Business Plan sets out the Council's proposed services, programs and projects for 2019-20. It aims to maintain efficient services for the community and continue progress towards the longer term objectives for the district as set out in the Strategic Management Plan adopted by the Council on 15th May 2018. Specific objectives for the year are proposed consistent with the Council's Long-term Financial and Asset Management Plans to ensure the long-term sustainability of the Council's financial performance and position.

Council relies heavily on rates and grant revenue as primary sources of income. The following table provides a summary of the Budgeted Operating Income and Expenditure for the 2019-20 year.

Operating Income	\$m	Operating Expenses	\$m
Rates	\$8.70	Employee costs	\$3.44
User/Statutory charges	\$0.28	Materials, Contract, Other	\$3.00
Grants	\$2.52	Finance costs	\$0.42
Other income	\$0.64	Depreciation	\$4.83
Total	\$12.13	Total	\$11.69

A full copy of the Annual Business Plan is available at www.nacouncil.sa.gov.au



Mayor Denis Clark

Project Priorities for the Year

In 2019-20 Council will undertake major Capital Works in excess of Council's Asset Management Plans. Capital works must at least be equivalent to Asset Management Plans in order to ensure the longevity of existing assets and statutory compliance.

Council is proposing capital expenditure of \$6.3 million of which \$1.0 million is allocated for new assets and the remaining \$5.3 million for renewal and upgrade of existing assets.

Civil

- Re-sealing of existing Sealed roads \$520,000;
- New Seal allowance \$200,000 (Loan funded) – the 2019-20 program will cover 6 streets in Jamestown and Spalding
- Infrastructure Renewal allowance \$500,000 (Loan funded)
- Unsealed road re-sheeting \$1,720,000;
- Bridges \$154,000; Footpaths \$104,000; Kerbs \$55,000;
- Laura Streetscape Upgrade \$150,000 (carried forward).
- Public Lighting \$40,000

Stormwater

- Jamestown Flood Mitigation \$310,000 (50% grants)
- Cross & Sixth Streets, Gladstone \$75,000 (carried forward)
- Inundation mapping (Spalding, Gladstone, Laura) \$75,000

Plant

- Plant replacement program of \$1,000,000 less trade values of \$100,000 - Loans of \$900,000;

Buildings

- Gladstone Pool Plant Upgrades \$55,000.
- Planned building maintenance \$61,000
- Various Hall compliance (Fire safety, Disability compliance) \$47,000
- Gladstone Depot Amenities \$100,000
- Solar Upgrades \$120,000
- Jamestown Depot Storage / Wash down \$170,000
- Various minor building projects \$110,000

Public Open Space

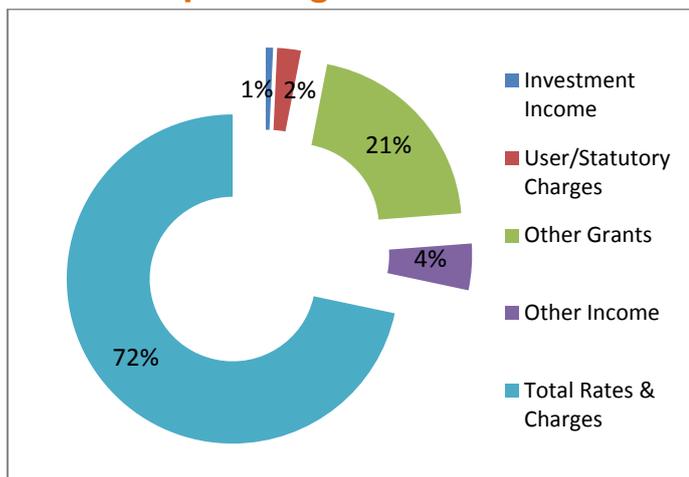
- Playgrounds \$50,000;

CWMS

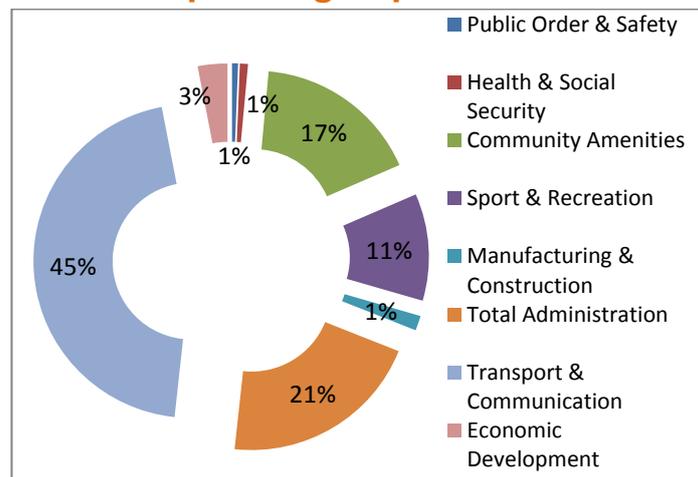
- CWMS projects \$346,000;



2019/20 Operating Revenue Mix



2019/20 Operating Expense Mix



Significant Influences and Priorities

A number of significant factors have influenced the preparation of the Council's 2019-20 Annual Business Plan. These include:

- Consumer Price Index increases on relevant goods and services of 1.3% for the year;
- Local Government Cost Index increases on relevant goods and services of 2.7% for the year;
- Council to make gradual improvements towards a financially sustainable operating position;
- Requirements to maintain and improve infrastructure assets to acceptable standards including roads, footpaths, lighting, stormwater drainage, street trees and plantings, open space and Council properties;
- Service and infrastructure needs for a changing population;
- Commitments to continuing projects and partnership initiatives over more than one year.
- New fees/changes imposed by other governments e.g Waste Levy, NRM Levy;

In response to these factors, and to minimise the burden on ratepayers, the Annual Business Plan has been prepared within the following guidelines:

- The Annual Business Plan will result in the total revenue raised through general rates increasing by 3.75% (including growth);
- Total operating expenses to be held within CPI and LGPI of the current year's level;
- Maintenance of service levels for continuing Council programs and activities;
- Continuing to pursue shared service opportunities with governmental agencies, other local government authorities and private enterprise;
- Improving Asset Management practices through the implementation of various Asset Management Plans and associated service level documents.



Reflecting on 2018-19

Highlights of the goals and outcomes achieved by Council during the 2018-19 financial year include:

Building Maintenance Program

Painting of Jamestown and Spalding Halls.

Events

Council continues to support a range of significant events in its communities. Events this year included the Laura Folk Fair, Jamestown Show and Jamestown Air Spectacular.

Other Operations

- Maintenance of roads and associated infrastructure including patrol grading, road patching and footpath/kerb repairs in the range of \$1.3M per annum.
- Public Open Space Maintenance (including Parks and gardens) of approx. \$700K per annum.
- Waste management, including Transfer Station operations and kerbside waste and recycling collection of approx. \$550K per annum.

\$1.7M Re-sheeting 76kms of various rural roads

A capital works program of \$7.6M, including \$6.6M for the replacement and renewal of existing assets and \$1M for new and upgraded assets

Major projects were:

- Re-sheeting approx. 76kms of unsealed roads to the value of \$1.6M
- Town Re-sealing and New Seal works to the value of \$0.75M
- Georgetown/Huddleston Crossing
- Major plant replacement program, Net \$700K
- Jamestown Museum Gopher Ramp
- \$1M of federal drought grant programs
- Broughton Valley Road Bridge replacement
- Spalding Pool relining and plant upgrade
- Kinnane Street Construction and Seal

What it means for rates in 2019-20

How does Council determine the rates payable?

Council adopts the capital values (as provided by the Office of the Valuer General) on all properties in the Council District. Council determines what revenue is required for Council operations in the district for each financial year in the form of the Annual Business Plan & Budget. The rate in the dollar and the fixed charge are then declared by Council for all properties in the area.

For example: A property has a capital value of \$200,000 and Council declares a rate in the dollar of 0.5595 cents. That property will pay $\$200,000 \times 0.5595 \text{ cents} = \$1,119.00 + \$390.00$ fixed charge for total of \$1,509.00.

In 2018-19 Council's general rate revenue was \$6,880,800. It is budgeted that in the 2019-20 financial year an average 3.25% increase will apply to existing rateable properties. New assessments will also add additional rate revenue of 0.5% bringing the gross expected rate income to \$7,145,000.

Overview

In setting its rates for the 2019/2020 financial year Council considered the following:

- The current economic climate and relevant factors such as inflation and interest rates;
- The specific issues faced by our community, including the effects of the drought and the previous impact of poor seasons for the farming community;
- The need to continue to replace and upgrade infrastructure and other assets including both plant and machinery and the road network;
- The objective of attracting and continuing to attract and support business activity to generate economic development;
- Council's Strategic Management Plan and the meeting of its objectives;
- The Budget for the 2019/2020 Financial Year and the Long Term Financial Plans;
- Household, businesses and farmers;
- Employed, unemployed & pensioners;
- The broad principle of achieving equity in the distribution of rates;
- Minimising the level of general rates required by levying user pays fees and charges for goods and services where possible;
- Setting fees and charges to recover the full cost of operating or providing the services of goods, with provision for concessions to those members of the community unable to readily meet the full cost;
- Taking into account increases on Council valuations by the Office of the Valuer General;
- Council's membership of Regional Development Australia which in turn supports small businesses in the Council area;
- Promoting Single Farm Enterprise benefit which has reduced the rate burden on primary production businesses.

Council conducts public consultation on a broad range of issues as required by its Public Consultation Policy. The draft Annual Business Plan was available to all ratepayers and community members who had the opportunity to provide written feedback and comments prior to adoption. Council also held a one hour public meeting on the 5th June 2019 for personal submissions.

Method Used To Value Land

Council may adopt one of three valuation methodologies to value properties in its area. They are:

- Capital Value – the value of the land and all improvements on the land;
- Site Value – the value of the land and any improvements which permanently affect the amenity of use of the land, such as

drainage works, but excluding the value of buildings and other improvements;

- Annual Value – a valuation of the rental potential of the property.

Council has decided to continue to use capital value as the basis for valuing land within its Council area. Council considers that this method provides the fairest method of distributing the rate burden across all ratepayers when applying the equity test of taxation.

Adoption of Valuations

Council will adopt the valuations made by the Office of the Valuer General as provided to the Council in April 2019.

A ratepayer may object to the Valuer-General in writing, within 60 days of receiving the notice of the valuation at the following address.

Office of the Valuer General
GPO Box 1354, Adelaide 5001
Email: lsgobjections@sa.gov.au
Phone: 1300 653 346.

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

General Rates

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 168 of the Local Government Act 1999), 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.

It is proposed to raise \$7,145,000 net general rate revenue in a total revenue budget of \$12,136,400. Council proposes to set a general rate of 0.3513 cents in the dollar for rural assessments and 0.5595 cents in the dollar for urban assessments to raise the necessary revenue.

Differential General Rates

Council proposes to impose differential general rates based on:

- Whether the land is rural or urban;
- General rate of 0.3513 cents in the dollar for rural assessments and 0.5595 cents in the dollar for urban assessments;
- Generating \$4,454,500 being raised from rural rates and \$2,690,500 being raised from urban rates.

Fixed Charge

Council proposes to impose a fixed charge on rateable properties of \$390. The fixed charge is levied against the whole of an allotment (including land under a separate lease or licence) and only one fixed charge is levied against two or more pieces of adjoining land, whether intercepted by a road or not, if the land is owned by the same owner(s) and occupied by the same occupier(s). Council believes that a fixed charge provides an equitable base for the rating system.

If two or more pieces of rateable land within the area of the Council constitute a single farm enterprise, only one fixed charge may be imposed against the whole of the land. The single farm enterprise provision allows for eligible farmers to achieve more equitable distribution of the fixed charge (which reflects the changing nature of farm holdings in the area).

Approval is subject to a written application and such evidence as Council may reasonably require. Applications must be received by June 30 to take effect in the following financial year.

Annual Service Charges

Council provides a Community Wastewater Management System (CWMS) to most properties in Jamestown, Laura, Gladstone and the Moyletown area of Jamestown. Council will recover the full cost of operating, maintaining and improving this service for this financial year (includes setting aside funds for the future replacement of the assets employed in providing the service and septic tank de-sludge on a 4-yearly cycle) through the imposition of an annual service charge of \$482.00 per occupied property unit and \$391.00 per unoccupied unit.

Any surplus of revenue over expense is kept in a dedicated reserve account for future replacement or upgrades of respective schemes.

Council provides waste collection services to townships within the Council area. This annual service charge will be calculated at 100% of anticipated costs of roadside waste collection and disposal for all areas having a pickup. The Waste Collection Annual Service Charge proposed for 2019/20 year is \$180.00 per unit (2 bin system).

Some rural properties voluntarily participate in the service and are invoiced through Council's debtor system. Please note that properties exempt from General Rates are not necessarily exempt from Annual Service Charges if applicable.

State Government Concessions

These concessions were formerly available to the holders of pensioner concession cards, veterans, low-income earners, unemployed, students, and self-funded retirees.

These concessions were all abolished by the State Government with effect from 30 June 2015. From 1 July 2015, the State Government has elected to replace these concessions with a single "cost-of-living payment" provided directly to those entitled. This payment may be used for any purpose, including offsetting Council rates. Note that not all former recipients of rates concessions will be entitled to the new payment. To check eligibility, contact the Department for Communities and Social Inclusion (DCSI) Concessions Hotline 1800 307 758 or email concessions@sa.gov.au or at www.sa.gov.au/concessions.

Also from 1 July 2017 the separate concession entitlements for Council Community Wastewater Management Systems (CWMS) were also handled directly by the State Government.

Postponement of Rates for State Seniors Card Holders

Section 182A of the Local Government Act 1999 provides for the option for State Seniors Card Holders to postpone part of the rates on a long term basis. A deferred amount is subject to a monthly interest charge with the accrued debt being payable on the disposal or sale of the property. Applications are subject to the same conditions as deferral or postponement of rates.

For further information and details please contact the Rates Officer; Northern Areas Council, PO Box 120 Jamestown SA 5491 or Phone 8664 1139 or email admin@nacouncil.sa.gov.au

Rate Capping

Council provides a rate cap upon application of 50% for the 2019/20 financial year. Rate capping does not apply to properties where the current ratepayer was not a ratepayer for that property prior to 1st July 2018 or where a building/development approval has been granted since 1st July 2018 valued at \$20,000 or more. Applications for the rebate must be received by 31 August 2019.

Payment of Rates

The Council has confirmed that the payment of rates will be by quarterly billing, due on the 6th September 2019, 6th December 2019, 6th March 2020 and 5th June 2020.

Difficulty in paying Rates

Any ratepayer who may, or is likely to experience difficulty with meeting the standard payment arrangements is invited to contact the Rates Officer, to discuss alternative payment arrangements. Council treats such enquiries confidentially.

Late Payment of Rates

The Local Government Act provides that Councils impose a penalty of a 2% fine on any payment for rates, whether due by instalment or otherwise that are unpaid after the due date. A payment that continues to be in arrears is then charged penalty interest at an interest rate, set each year according to a formula in the Act, for each month it continues to be late. Penalty fines allow the Council to recover some of the administration costs that arise because rates were not received by the due date.

Remission and Postponement of Rates

Section 182 of the Local Government Act, permits a 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 he/she is invited to contact the Rates Officer to discuss the matter. A ratepayer will be required to submit evidence of the hardship being suffered to benefit from the application of Section 182. Council treats such enquiries confidentially.

Rebate of Rates

The Local Government Act 1999, requires Councils to rebate the rates payable on some land. This includes a 100% rebate for hospitals, health centres, churches and cemeteries. A minimum rebate of 75% is applied for land used predominantly for educational purposes (subject to some qualifications). Applications for any other discretionary rebates should be in writing to the Manager Corporate Services, detailing the basis for applying for the rebate. Council will consider each application on merit.

Sale of Land for Non-Payment of Rates

Section 184 of the Local Government Act, provides that a Council may sell any property where the rates have been in arrears for three years or more. The Council is required to notify the owner of the land of its intention to sell the land; provide the owner with details of the outstanding amounts and advise the owner of its intention to sell the land if payment of the outstanding amount is not received within one month.

Natural Resource Management (NRM) (State Govt) Levy

The Natural Resources Management Act 2004 requires Council to raise a levy on behalf of the Northern & Yorke Natural Resources Management Board. This levy is shown separately on the rates notice. Council does not retain this revenue, nor determine how the revenue is spent. Council is required to raise \$287,635 in 2019/20, being an increase of \$7,600 or 3.0%. Council will recover this amount by applying a Levy of 0.01882 cents in the \$ against the capital value of every property in the area.

Any queries relating to the NRM Levy should be directed to:

Northern & Yorke NRM Board
155 Main North Road, Clare SA 5453
Phone: (08) 8841 3400
Email: DEW.NRNY@sa.gov.au

Rating Zones

All land zoned "Primary Production", "Rural Landscape Protection" and "Forestry" in Council's Development Plan consolidated 12th February 2015 will constitute the "rural" rating zone. All other land not zoned "Primary Production", "Rural Landscape Protection" and "Forestry" will be zoned "urban" for rating purposes.