



Renmark Paringa Council

2016/17 Annual Business Plan and Budget







Renmark
Paringa
Council

Annual Business Plan and Budget 2016/17



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At a Glance

The Annual Business Plan and Budget – 2016/17 shows how Council will allocate its budget and what services, programs and projects will be delivered in the coming financial year to contribute to achieving the community's long term objectives.

The main focus for Council's capital expenditure is on asset renewal as identified in the Infrastructure and Asset Management Plan (IAMP).

Major spend areas include Sealed Road Renewal, Irrigation upgrades and Stormwater works.

Council will continue to maintain essential infrastructure such as roads, footpaths, storm water drainage and open space. It will also provide regulatory services such as planning and development, food hygiene, and provide other key services such as waste collection, a library, community services and environmental management.

The major components of the 2016/17 Annual Business Plan are outlined in the table below.

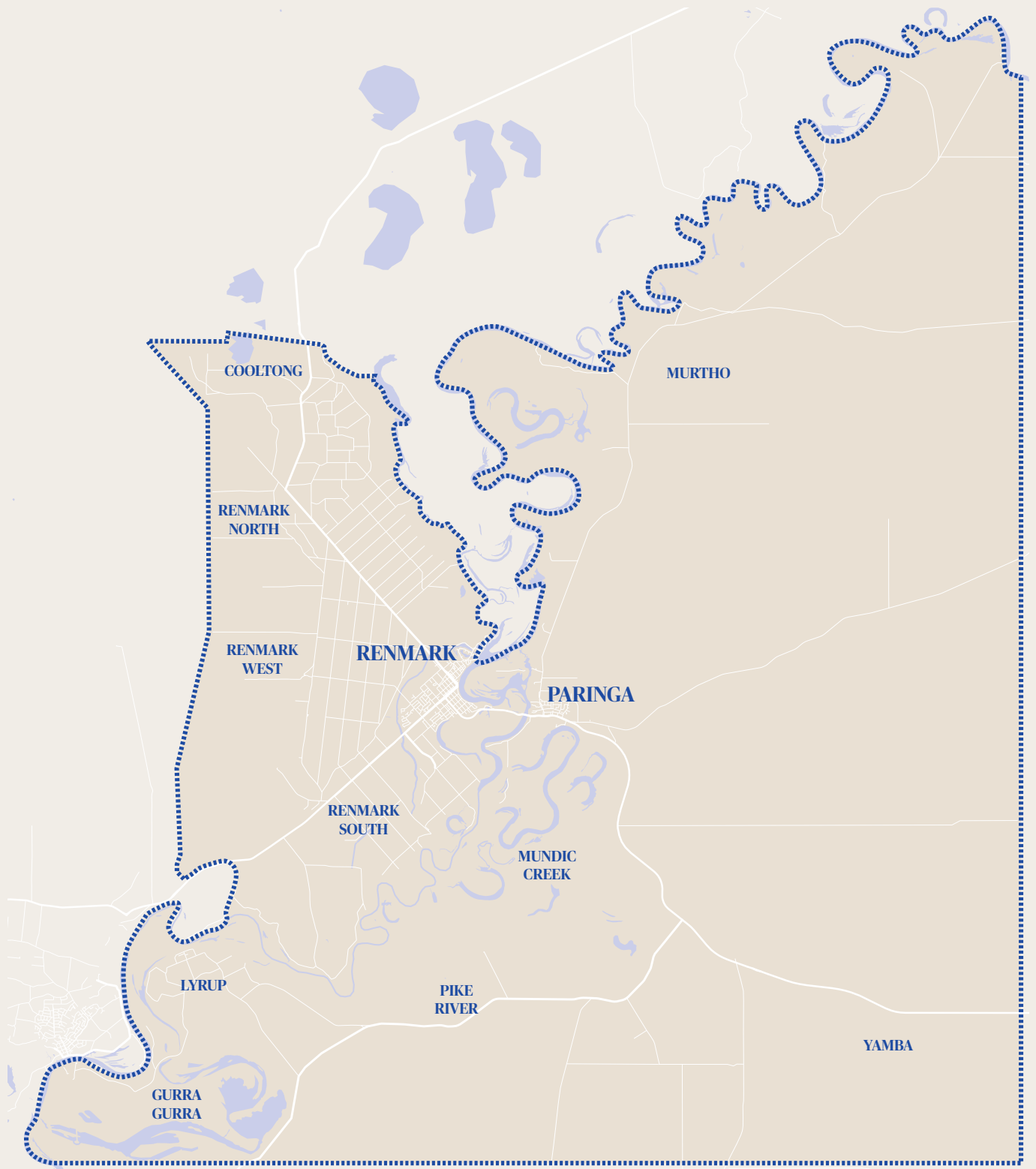
Planned Projects	38 Annual Business Plan and Budget projects have been identified to contribute towards achieving Council's long term objectives.
Capital Budget	<p>\$4.16million of capital works.</p> <p>Major projects include Road Reseal Program, 3IP (South Australian River Murray Sustainability Irrigation Industry Improvement Program) wastewater treatment and irrigation upgrades, Renmark Recreation Centre upgrades and Stormwater works.</p>
Operating Budget	Operating surplus of \$11,000. This is on target with Council's Long Term Financial Plan target.
Loans	A reduction in outstanding loan balances, from \$635,034 to \$384,100.
Rates	<p>Average residential Rate increase of \$29 (or 0.55c per week).</p> <p>Overall valuation (growth) increase of 3.46%.</p> <p>Residential valuation (growth) increase of 2.52%.</p> <p>Fixed charge increased to \$400. This is an increase of \$10 from 2015–16 fixed charge.</p>
Rating Policy	<p>Council continues to use Capital Value when rating properties.</p> <p>Council uses a differential rating system, using Land Use Codes as the factor to apply such differential rates.</p> <p>Highest differential rate is on vacant properties to encourage development.</p>
Financial Sustainability	<p>Operating Surplus Ratio of 0% compared to an estimated 0% Surplus in the Long Term Financial Plan (LTFP). Net Financial Liabilities Ratio of (37%) compared to an estimated (29%) in the LTFP.</p> <p>Asset Sustainability Ratio at 92% compared to the 97% estimate in the LTFP. All of these ratios are on target with the LTFP.</p>

Our Council

The Renmark Paringa Council covers an area of approximately 407 square kilometres and is home to an estimated population of 9,245 (2011 Census). The Council was formed in 1996 after the amalgamation of the Corporation of the Town of Renmark and the District Council of Paringa. The area has three major settlements being Renmark, Paringa and Lyrup.

The Renmark Paringa economy is centred on irrigated primary production, with viticulture being the major industry, supported by an expanding citrus and almond industry with stone fruit and vegetables. Dry land farming is also a major primary industry in the district. Tourism plays a major part in our economy with the River Murray the predominant tourist attraction.







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

- Management of basic infrastructure including roads, footpaths, parks, public open space, street lighting and storm-water drainage
- Waste management including kerbside collection and the Waste Transfer Station and the management of the Community Wastewater Management Schemes (CWMS)
- Development planning and control, including building fire safety assessment
- Various environmental health services
- Other legislative responsibilities such as animal control and bushfire prevention
- Cemeteries
- Regulatory activities such as supporting the elected Council, maintaining the assessment records and voters roll
- Setting rates, preparing an annual budget and determining longer-term strategic management plans for the area.

The Council also provides further services that are not required by legislation, but provide additional amenity and quality of life benefits to the community. Council has direct or indirect involvement in over 30 programs, projects or services that are incorporated in the following areas:

- Library
- Public Conveniences
- Visitor Information Centre
- Economic development including tourism support
- Sport and Recreation grounds
- Community services – including youth activities and Chaffey Community Centre
- Aged persons support
- Multicultural activities
- Halls
- Heritage (i.e. PS Industry and Argo Barge)
- Community events
- Environment (e.g. Renmark to the Border Local Action Planning, McCormick Centre, Clean up Australia Day, etc)
- Cooperating and collaborating with other agencies to gain the best outcomes for our community (including neighbouring Councils, industry groups, State and Federal departments).

The Council also operates a number of facilities on a fee for service basis. These provide community benefits while also generating revenue to offset (partially or fully) the cost to the community at large and include:

- Swimming pool
- Recreation Centre
- Cemeteries
- Aerodrome
- Houseboat marinas.



Council maintains over 3,500 rose bushes in various garden beds throughout Renmark and Paringa.

Our Future

COMMUNITY PLAN 2016-2020

In 2016, Council underwent a major review of its Community Plan. The Plan contains the Council's vision for the community, strategies, core activities, and emerging priorities. Council's Community Plan is available for viewing at www.renmarkparinga.sa.gov.au

COUNCIL'S VISION FOR ITS COMMUNITY IS:

Committed to a sustainable future

- Creating opportunities for change
- Facilitating innovation
- Informed decisions based on research, consultation and forward thinking
- Working together as a team
- Sustainable use of resources
- A focus on providing high quality service to our customers
- A genuine commitment to contribute to the well being of our community.

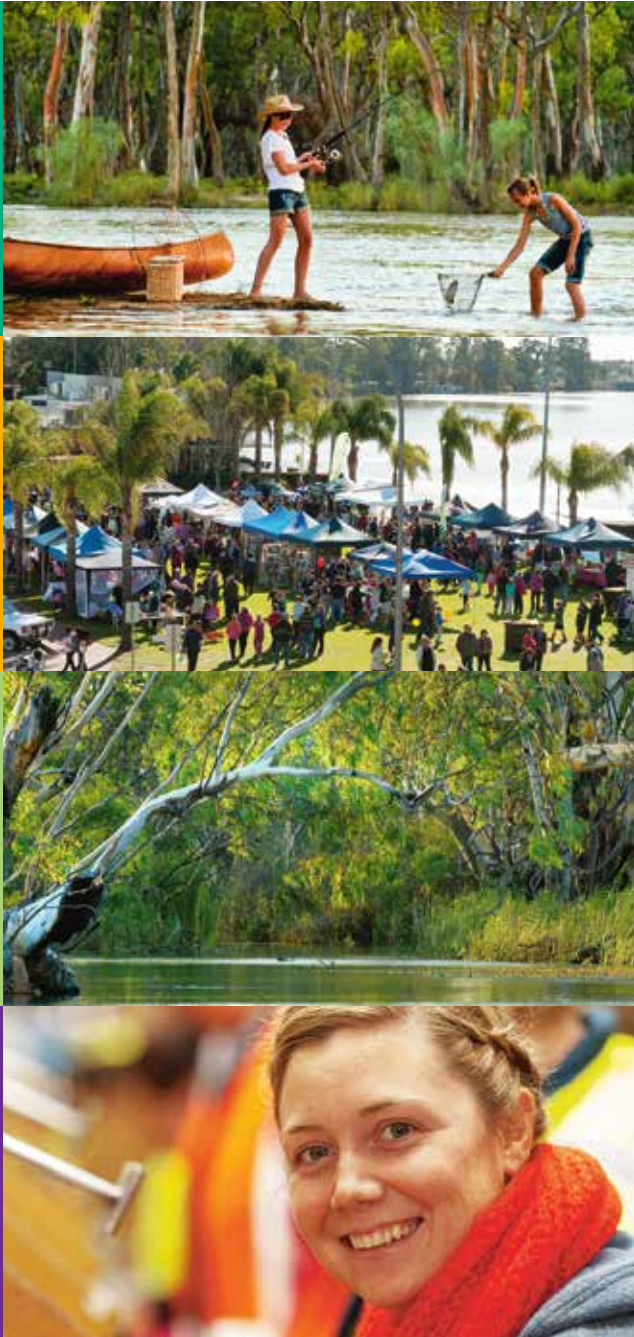


Council runs a range of programs in the community including school holiday activities, Youth Week, 'Older Adults' program, NAIDOC week celebrations and many more.

An ongoing program which the Library run is the Summer Reading Club.

Council has established four key strategic pillars which cover all of Council's major services and responsibilities.

The Strategic Pillars drive the detailed approaches/plans that Renmark Paringa Council have in place to achieve Council's broader strategic objectives.



Community Health and Well Being

An active and engaged community supported by services and facilities that enhance our quality of life.

A Vibrant Economy

A strong and sustainable economy built on diversifying our established industries and attracting new industries and investors through collaborative partnerships.

A Sustainable Region

The enhancement and protection of our natural and built environment and cultural heritage.

A Positive Experience

Council aspires to be recognised as a highly regarded and reputable organisation which achieves its goals and builds community trust and pride in our organisation.

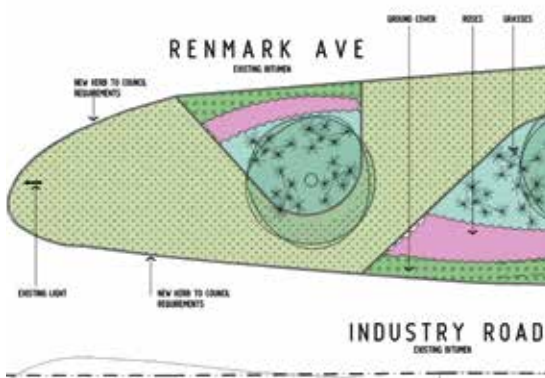
Significant Projects for the 2016/17 Year



DARNLEY TAYLOR PARK

During consultation on the Open Space Strategy in 2015, the creation of a masterplan for Darnley Taylor Park was identified as a priority by the community.

The project will involve the engagement of a consultant to develop an integrated masterplan and management plan for the whole of the Darnley Taylor Park site, which is jointly funded with the State Government.



REMARK SOUTH WEST GATEWAY

Council's Open Space Strategy highlights the importance of strong, bold and planned town entry statements.

As the Black Bottle site prepares for an opening it is an opportunity to create an entry statement to Renmark by landscaping the median between Renmark Avenue and Industry Road.



BUILDINGS – ROTUNDA

The project will involve removing the existing timber floor and inspecting the timber joints and beams to ensure their structural integrity and then installing new timber flooring or tiles.



BOOKMARK CREEK TRAIL

As part of its Tracks & Trails strategy, Council has identified that the trail to be completed in the 2016–17 financial year is Bookmark Creek Trail.

The proposal involves working with the Bookmark Creek Action Group and the Renmark to the Border Local Action Planning group to identify and implement upgrades and improvements that will enhance the experience of the trail.



URBAN DESIGN FRAMEWORK

The project is to engage a consultant to update the Urban Design Framework. Council will seek part funding from Places for People.



STORMWATER UPGRADES

This project will build a new storm water drainage system from the front of the SES building on Eighteenth Street finishing at Hisgrove Street.

Once implemented this project will reduce the impact of heavy rainfall events around Eighteenth Street from the roundabout to Para Street.

Significant Projects for the 2016/17 Year



3IP WWTP AND IRRIGATION UPGRADES

This project will continue to renew/upgrade some of Council's irrigation assets and expand treated wastewater reuse.

Additionally the project will reduce Councils reliance on water from the River Murray.



INDUSTRIAL AND TRANSPORT HUB EXPANSION

Funding allocated to progress the expansion of the Calperum Industrial Estate. Funding allocated to this project will be drawn from the Development Reserve.



RENMARK POOL ENGINEERING ASSESSMENT

A consulting engineering based company will provide a detailed evaluation of the Renmark Swimming Pool to Council that highlights the current condition of the pool with particular reference to leaking.

Significant Influences

A number of significant factors have influenced the preparation of the Council's 2016–2017 Annual Business Plan and Budget.

These include:

- Recognising the difficult current economic environment our community is facing
- Freeze on indexation applied to Commonwealth Financial Assistance Grants for three years and removal of Supplementary Roads Funding
- The Consumer Price Index of 1.3% (March 2016)
- Increase in the cost of utilities (power and water) and emergency services levy
- Council's intention to sustainably maintain existing services and assets
- Council enterprise bargaining agreements
- Working collaboratively with neighbouring Councils to identify financial and outcome based efficiencies (G3 Alliance)
- The need to provide opportunities for the economic well-being of the area
- 148% increase in the cost of the NRM Levy.

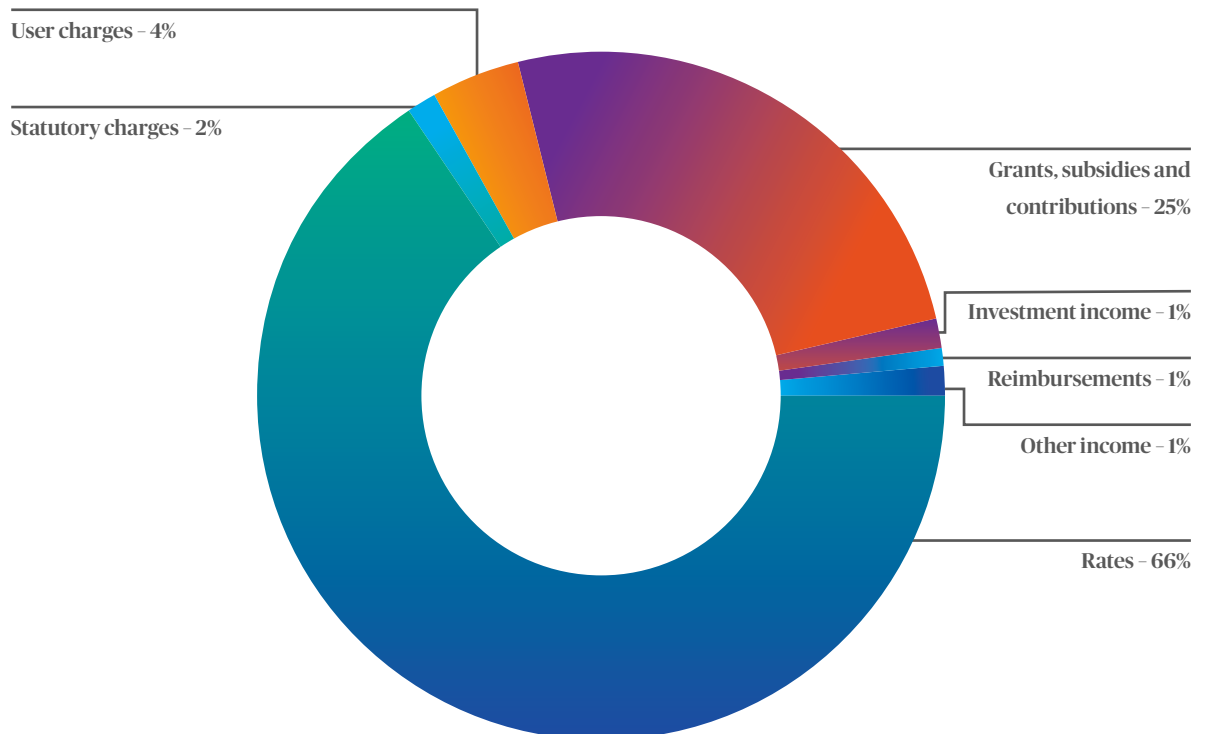


Funding our ABP and Budget

Council has budgeted for an operating surplus of \$11,000 in 2016–17. The operating surplus measures the difference between operating revenue and expenses for the period. The Council's long-term financial sustainability is dependent on ensuring that, on average over time, its expenses are less than its revenue.

The Council has developed a Long Term Financial Plan and Infrastructure and Asset Management Plan which provides a system for Council to meet its financial obligations into the future.

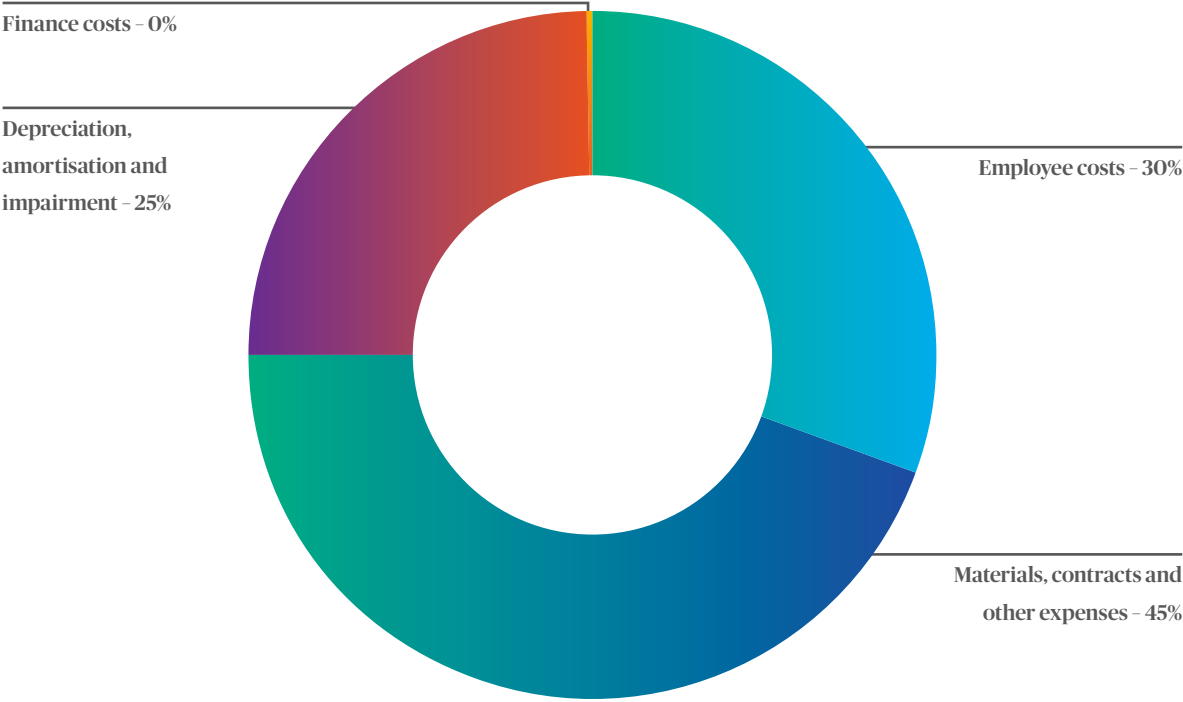
INCOME	\$'000
Rates	8,404
Statutory charges	184
User charges	539
Grants, subsidies and contributions	3,240
Investment income	159
Reimbursements	138
Other income	143
Total Income	12,807



The previous chart has been prepared to provide a visual representation of the sources of revenue received by Council. As can be seen from this graph over 66% of this revenue is received by way of rate income and 25% from grants.

The expenditure chart below shows that approximately 31% of costs are attributable to the payment of salaries and wages and approximately 45% is applied to materials, contracts and other expenses.

INCOME	\$'000
Employee costs	3,911
Materials, contracts and other expenses	5,701
Depreciation, amortisation and impairment	3,150
Finance costs	34
Total Expenses	12,796






Measuring our Performance

To enable both the Council and the community to assess Council’s performance over the 2016–2017 year, “Performance Targets” have been set for a number of selected activities as shown below.

These financial and non-financial “Performance Targets” will be reviewed throughout the year and at its conclusion a report on the performance outcomes will then be included in the 2016–2017 Annual Report.

FINANCIAL PERFORMANCE

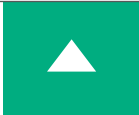

Council is required to report on defined Key Performance Indicators (KPI) which measures the impact of the Annual Budget on Council’s financial position and ultimately, its long term sustainability. Council’s Long Term Financial Plan (LTFP) establishes the target for a particular year into the future, combined with target ranges adopted by Council.

-  Indicates that Council is ahead of the KPI target from the LTFP for the corresponding year.
-  Indicates that Council is behind the KPI target from the LTFP for the corresponding year.
-  Indicates that the Council is on par with the KPI target from the LTFP for the corresponding year.

OPERATING RESULT



In 2016–17 Council is budgeting for an Operating Surplus of \$11,000. This is on target with the LTFP target for 2016–17.

To determine whether Council has achieved a successful result in 2016–17, the target is measured against the corresponding 2016–17 target from the LTFP.

Year	2015–16 Forecast (Adjusted)	2016–17 LTFP Target	2016–17 Budget
Result	290,801	5,000	11,000
Status			

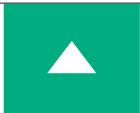
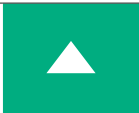
OPERATING SURPLUS RATIO

The Operating Surplus ratio expresses the projected Operating Result as a percentage of general rate revenue. The Operating Surplus Ratio is directly related to the Operating Result, and as such the target is to have a ratio of between 0% and 5%.

Year	2015-16 Forecast (Adjusted)	2016-17 LTFP Target	2016-17 Budget
Result	4%	0%	0%
Status			



NET FINANCIAL LIABILITIES RATIO

The Net Financial liabilities ratio expresses the projected Net Financial Liabilities as a percentage of total operating revenue for each year. Council has set a target range of between -50% and 50%.

Year	2015-16 Forecast (Adjusted)	2016-17 LTFP Target	2016-17 Budget
Result	(41%)	(24%)	(39%)
Status			

ASSET SUSTAINABILITY RATIO

This ratio indicates the extent to which existing non-financial assets are being renewed and replaced, compared with what is needed to cost-effectively maintain service levels. It is calculated by measuring capital expenditure on renewal or replacement of assets, relative to the optimal level of such expenditure proposed in Council's Infrastructure and Asset Management Plan. Council has set a target range of between 90% and 110%.

Year	2015-16 Forecast (Adjusted)	2016-17 LTFP Target	2016-17 Budget
Result	91%	97%	92%
Status			

Measuring our Performance

NON-FINANCIAL PERFORMANCE

While financial performance measures are important in tracking the Council's financial sustainability and management of community assets, they are not the only performance measures that should be used to determine overall performance. Non-financial measures provide information on Council's capacity to deliver services to the community.

COMMUNITY ENGAGEMENT BASED INDICATORS

Indicator	Council Target
Community satisfaction with the range and quality of services provided by Renmark Paringa Council.	A minimum of 75% of respondents report satisfaction with the range and quality of services provided. <i>Measure: LGA Community Satisfaction Survey</i>
Community satisfaction with the variety of opportunities to engage with Council.	A minimum of 70% of respondents report satisfaction with the opportunities to engage with Council. <i>Measure: LGA Community Satisfaction Survey</i>
Community perception that services and facilities provided by Renmark Paringa Council enhance quality of life.	A minimum of 70% of respondents report that services and facilities provided enhance their quality of life. <i>Measure: LGA Community Satisfaction Survey</i>
Community satisfaction with recreational and leisure facilities provided by Renmark Paringa Council.	A minimum of 80% of respondents report satisfaction with the recreational and leisure facilities provided. <i>Measure: LGA Community Satisfaction Survey</i>
Community satisfaction with library services.	A minimum of 80% of respondents report satisfaction with library services. <i>Measure: LGA Community Satisfaction Survey</i>
Community perception of safety and security.	A minimum of 70% of respondents report that the safety and security provided by Council is satisfactory. <i>Measure: LGA Community Satisfaction Survey</i>
Community satisfaction with Council's Performance.	A minimum of 70% of respondents report satisfaction with Council's overall performance. <i>Measure: LGA Community Satisfaction Survey</i>
Community satisfaction with council facilitation in promoting tourism, business development and growth.	A minimum of 70% of respondents report satisfaction with Council's tourism and business development and growth. <i>Measure: LGA Community Satisfaction Survey</i>

ACTIVITY BASED INDICATORS

Indicator	Council Target
Annual Business Plan initiatives.	A minimum of 85% of projects listed in the Annual Business Plan are completed in the financial year of adoption. <i>Measure: Annual Business Plan</i>
Amount of River Murray water used to irrigate public open space.	Annual reduction of River Murray water used to irrigate public open space. <i>Measure: Renmark Irrigation Trust data</i>
Residual Waste Reduction.	Reduce waste to landfill by 35% by 2020. <i>Measure: EPA and Zero Waste data</i>
Local Business Confidence.	A minimum of 70% of respondents report confidence in the economic development activities undertaken by Council. <i>Measure: LGA Community Satisfaction Survey</i>
Tourism Visitors.	Increase visitor numbers to the district by 5% per annum. <i>Measure: Visitor Information Centre Statistics</i>



Renmark Paringa has the longest running and one of the largest Heart Foundation Walking Groups in South Australia. Lyn Wilkinson has been the coordinator of the Happy Wanderers for over 11 years!

General Rates

Rates are a tax levied on properties according to their capital value which are determined by the Valuer General. After consideration of the influences and priorities forecast to be present in 2016–17 and beyond, Council is forecasting to generate \$5,655,199 in General Rate Revenue (after rebates). The table below highlights the change in average rates paid based on an average residential property value of \$221,206.

2015–2016 RPC Residential Average*	\$858
2016–2017 RPC Residential Average*	\$887
2015–2016 RPC average dollar value of rate increase for residential properties*	\$42
2016–2017 RPC average dollar value of rate increase for residential properties*	\$29

*These averages are exclusive of the CWMS and Waste Management Charge

VALUATION METHOD

Council has the option of adopting one of three valuation methodologies to assess the properties in its area for rating purposes:

- Capital Value – the value of the land and all improvements on the land
- Site Value – the value of the land and any improvements which predominantly 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 continues 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.

DIFFERENTIAL GENERAL RATES AND COMMUNITY EQUITY ISSUES

All land within a council area, except land specifically exempt (e.g. crown land, council occupied land and other land prescribed in the Local Government Act – 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 the imposition of a single general rate or through differential general rates, which apply to all rateable properties within the Council area.

Council uses a differential rating system, using Land Use Codes as the factor to apply such differential rates. 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.

The table below lists the proposed differentials and general rates to be raised.

Land Use	Capital Valuations 16–17	Capital Valuations 15–16	Capital Valuation Growth	Rate (cents in the dollar) 16–17	Rates Raised 16–17	Rates Raised 15–16
Residential	\$756,516,507	\$736,931,670	2.66%	0.2203	\$2,995,557	\$2,866,706
Commercial (Shops)	\$50,210,214	\$52,086,276	-3.60%	0.4671	\$290,729	\$290,250
Commercial (Office)	\$4,868,470	\$4,905,493	-0.75%	0.4671	\$30,802	\$30,250
Commercial (Other)	\$50,885,866	\$45,643,781	11.48%	0.4671	\$259,418	\$227,159
Industrial (Light)	\$2,962,500	\$2,992,500	-1.00%	0.4671	\$19,238	\$18,901
Industrial (Other)	\$22,670,118	\$22,750,118	-0.35%	0.4671	\$126,821	\$123,883
Primary Production	\$375,279,716	\$353,526,551	6.15%	0.3285	\$1,604,102	\$1,496,247
Vacant Land	\$26,409,720	\$27,826,320	-5.09%	0.7261	\$283,080	\$286,638
Other	\$16,850,990	\$16,841,892	0.05%	0.2203	\$45,453	\$44,403
Totals	\$1,306,654,101	\$1,289,075,480			\$5,655,199	\$5,384,437

FIXED CHARGE

A 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 they are owned by the same owner and occupied by the same occupier. Also 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 reasons for imposing a fixed charge are:

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

Council is limited to the amount that can be raised by the fixed charge in that it cannot raise more than 50% of its general rate revenue from the fixed charge component. In 2016–2017 Council proposes to raise 37% of its general rate revenue by way of the fixed charge.

The Fixed Charge proposed for 2016–2017 is \$400.

The charge in 2015–2016 was \$390.

SEPARATE RATE

Renmark Paringa Council is within the Murray Darling Basin Natural Resources Management Board area and is required under the Natural Resources Management Act 2004 to fund the operations of the board. It does so by imposing a separate rate for all rateable properties within the Council. The Council is required to act as a collection agent for the Natural Resources Management Board in this regard. Council does not retain this revenue, nor determine how it is spent.

The Natural Resources Management Board has determined Council's contribution for 2016–2017 at \$324,543. This is an increase of 148% on last years contribution. The total revenue will be generated by a rate in the dollar against the capital value of each rateable property.

The proposed NRM Levy rate in the dollar for 2016–2017 is \$.025385. This is an increase on approximately \$32 per year (for the average residential property owner).

Service Charges

Council may impose an annual service charge on land (both rateable and non rateable) within its area to which it provides or makes available 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
- A television transmission service
- Any other service prescribed by the regulations.

Council levies three (3) service charges; two Community Wastewater Management Schemes (CWMS) and a Waste Management Charge. The CWMS service charge is levied against all properties that currently are connected or have the ability to be connected to these schemes. The Waste Management Charge is levied against all properties that are eligible to receive the Council's Waste Collection Service.

The proposed Waste Management Charge to be applied for 2016–17 is:

All revenue raised from the CWMS charge must be used to cover the cost to the Council of establishing, operating, maintaining, improving and replacing (including by future capital works) the service. The service charge for CWMS is calculated using the Code for Establishing and Applying Property Units for the Imposition of Annual Service Charges for CWMS. The proposed CWMS Service Charge for 2016–2017 is \$410 per property unit. The charge in 2015–2016 was \$400.

The service charge for Waste Management is calculated based on the total cost to provide the service to relevant properties and the cost to dispose of that waste. The service is supplied to town residential and rural residential, with the service charge based on providing a three bin system for Town Residential properties and a two bin system for Rural Residential properties, as well as the appropriate disposal of the waste collected.

Area	Service Provided		Proposed Service Charge 16–17	Service Charge 15–16
Town Residential – this includes properties that are within the township boundaries of Renmark, Paringa and Lyrup	Collection and Disposal	General Waste (140 litre bin collected weekly)	\$135.00	\$128.00
		Recyclables (240 litre bin collected fortnightly)	\$65.00	\$60.00
		Green Waste (240 litre bin collected fortnightly)	\$58.00	\$52.00
		TOTAL	\$258.00	\$240.00
Rural Residential – this includes properties that exist outside of the township boundaries of Renmark, Paringa and Lyrup	Collection and Disposal	General Waste (140 litre bin collected weekly)	\$135.00	\$128.00
		Recyclables (240 litre bin collected fortnightly)	\$65.00	\$60.00
		TOTAL	\$200.00	\$188.00



Rebate of Rates

MANDATORY

The Local Government Act requires Councils to rebate the rates payable for certain land uses. This includes land used for health and community services, religious purposes, cemeteries and educational institutions. The rebates vary from 75% to 100%. People or bodies seeking a rebate must make an application to Council. Information and application forms can be obtained from the Council Office at Eighteenth Street, Renmark.

DISCRETIONARY

Council has the power to provide discretionary rebates in certain circumstances.

All discretionary rebates are only considered on application and must be received by 31st May for consideration in the following financial year.

In considering the current circumstances, the Council will consider a request for rebate from an applicant who accepted an Exit Package upon application. For more information and the circumstances in which a rebate may be granted contact Council on 8580 3000.

POSTPONEMENT OF RATES – HARDSHIP

Section 182 of the Local Government Act permits the Council, on the application of the ratepayer, to partially or wholly remit rates or to postpone rates, on the basis of hardship. Where the ratepayer is suffering hardship in paying rates they are invited to contact the Council's Rates Officer on 8580 3000 to discuss the matter. Council treats such inquiries confidentially.

POSTPONEMENT OF RATES – SENIORS

Application may be made to Council for a postponement of the payment of any amount of rates in excess of \$500.00, for the current or a future financial year by:

-
- A ratepayer who holds a current State Seniors Card issued by the State Government, (prescribed ratepayer) or spouse of a prescribed ratepayer, and
 - Where the rates are payable on the principal place of residence, and
 - Where the land is owned by the prescribed ratepayer, or the prescribed ratepayer and his or her spouse, and no other person has an interest, as owner, in the land.

Any rates which are postponed will become due and payable:

-
- When the title to the land is transferred to another person; or
 - There is a failure to comply with a condition of postponement.

Interest will accrue on the amount postponed at the prescribed rate per month until the full amount is paid. Postponement is available as a right and can only be refused when the applicant/s has less than 50% equity in the property.



Other Revenue

STATUTORY CHARGES SET BY STATE GOVERNMENT

These are maximum fees and charges set by regulation and collected by the Council for regulatory functions such as assessment of development applications, dog registrations, assessment of septic tank applications and freedom of information applications.

USER CHARGES SET BY COUNCIL

These comprise charges for the Council's fee based facilities such as hire of sporting and community venues.

INVESTMENT INCOME

This comprises income earned on investment of surplus funds during the year and is dependent on levels of Council's cash reserves. Revenue earned on specific reserves including CWMS reserves is allocated to those reserves.

RESERVES

Council currently has four reserve accounts. Funds in these accounts should only be used for works specific to the purpose the reserve account was created for.

Reserve	Transaction 2016/17	1/7/17 Balance	Increase/ (Decrease)	30/6/17 Balance
Development	Jane Eliza and Calperum Industrial Estate expenses	\$1,057,000	(\$95,000)	\$962,000
CWMS	Transfer to reserve, Madigan Reserve upgrades, Drying Lagoon upgrades	\$2,665,000	\$61,000	\$2,726,000
Open Space	Darnley Taylor Park plan, Bookmark Creek Track	\$47,945	(\$45,000)	\$2,945
Plant	Nil	\$0	\$0	\$0

GRANTS AND SUBSIDIES

Grants and subsidies are broken into two components being operating and capital. The major operating grant is the Commonwealth Financial Assistance Grants which is approximately \$2.6 million. Other operating grants include Grants Commission Road funding, library operations, immunisations, mosquito control, and Roads to Recovery funding. Capital Grants are typically for major projects and are usually jointly funded between Council and other levels of Government. Council is committed to seeking any external funding that is available in order to fulfil its funding needs.

OTHER REVENUE

Revenue received through sundry Council activities.

LOAN FUNDS

Council has the ability to borrow funds for major projects. In the 2016–17 budget, Council is not proposing to borrow any additional funds.

Council's Chaffey Community Centre has become the hub for Volunteers. The hub acts as the first point of call for any new volunteers who are interested in volunteering for Council.



Financial Statements

STATEMENT OF COMPREHENSIVE INCOME for the year ended 30 June 2017

	Budget	Forecast
	2017	2016
	\$'000	\$'000
INCOME		
Rates	8,404	7,831
Statutory charges	184	187
User charges	539	527
Grants, subsidies and contributions	3,240	3,553
Investment income	159	169
Reimbursements	138	118
Other income	143	151
Total Income	12,807	12,536
EXPENSES		
Employee costs	3,911	3,773
Materials, contracts and other expenses	5,701	5,324
Depreciation, amortisation and impairment	3,150	3,100
Finance costs	34	50
Total Expenses	12,796	12,247
OPERATING SURPLUS / (DEFICIT)	11	289
Asset disposal and fair value adjustments	42	225
Amounts received specifically for new or upgraded assets	363	14
NET SURPLUS / (DEFICIT)	416	528
transferred to Equity Statement		
TOTAL COMPREHENSIVE INCOME	416	528

STATEMENT OF FINANCIAL POSITION
as at 30 June 2017

	2017	2016
	\$'000	\$'000
ASSETS		
Current Assets		
Cash and cash equivalents	6,081	6,831
Trade and other receivables	350	350
Inventories	12	20
Total Current Assets	6,483	7,201
Non-current Assets		
Financial assets	73	123
Infrastructure, property, plant and equipment	141,862	140,871
Other non-current assets	–	–
Total Non-current Assets	141,895	140,994
Total Assets	148,378	148,195
LIABILITIES		
Current Liabilities		
Trade and other payables	750	732
Borrowings	238	251
Provisions	700	700
Total Current Liabilities	1,688	1,683
Non-current Liabilities		
Borrowings	146	384
Provisions	35	35
Total Non-current Liabilities	181	419
Total Liabilities	1,869	2,102
NET ASSETS	146,509	146,093
EQUITY		
Accumulated Surplus	33,480	32,985
Asset Revaluation Reserves	109,365	109,365
Other Reserves	3,664	3,743
TOTAL EQUITY	146,509	146,093

Financial Statements

STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2017

	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves	TOTAL EQUITY
Budget				
2017	\$'000	\$'000	\$'000	\$'000
Balance at end of previous reporting period	32,985	109,365	3,743	146,093
Restated opening balance	32,985	109,365	3,743	146,093
Net Surplus / (Deficit) for Year	416	–	–	416
Other Comprehensive Income				
Gain on revaluation of infrastructure, property, plant and equipment	–	–	–	–
Transfers between reserves	79		(79)	–
Balance at end of period	33,480	109,365	3,664	146,509
Forecast				
2016				
Balance at end of previous reporting period	33,237	109,365	2,963	145,565
Restated opening balance	33,237	109,365	2,963	145,565
Net Surplus / (Deficit) for Year	528	–	–	528
Other Comprehensive Income				
Changes in revaluation surplus – infrastructure, property, plant and equipment	–	–	–	–
Transfers between reserves	(780)		780	–
Balance at end of period	32,985	109,365	3,743	146,093

STATEMENT OF CASH FLOWS
for the year ended 30 June 2017

	Budget	Forecast
	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES	\$'000	\$'000
<u>Receipts</u>		
Rates – general and other	8,404	7,832
Fees and other charges	184	187
User charges	539	527
Investment receipts	99	169
Grants utilised for operating purposes	3,240	3,553
Reimbursements	138	118
Other revenues	143	701
<u>Payments</u>		
Employee costs	(3,911)	(3,774)
Materials, contracts and other expenses	(5,606)	(5,324)
Finance payments	(34)	(50)
Net Cash provided by (or used in) Operating Activities	3,196	3,939
CASH FLOWS FROM INVESTING ACTIVITIES		
<u>Receipts</u>		
Amounts specifically for new or upgraded assets	363	13
Sale of replaced assets	102	57
Sale of surplus assets	–	357
<u>Payments</u>		
Expenditure on renewal of assets	(1,745)	(2,285)
Expenditure on new/upgraded assets	(2,414)	(618)
Net Cash provided by (or used in) Investing Activities	(3,694)	(2,476)
CASH FLOWS FROM FINANCING ACTIVITIES		
<u>Payments</u>		
Repayments of borrowings	(251)	(262)
Net Cash provided by (or used in) Financing Activities	(251)	(262)
Net Increase (Decrease) in cash held	(749)	1,201
Cash and cash equivalents at beginning of period	6,830	5,629
Cash and cash equivalents at end of period	6,081	6,830

Financial Statements

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 15 – FINANCIAL INDICATORS

Budget	Forecast
2017	2016

These Financial Indicators have been calculated in accordance with Information Paper 9 – Local Government Financial Indicators prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia. Detailed methods of calculation are set out in the SA Model Statements.

Operating Surplus Ratio

Operating Surplus	0%	4%
Rates – general and other less NRM levy		

This ratio expresses the operating surplus as a percentage of general and other rates, net of NRM levy.

Net Financial Liabilities Ratio

Net Financial Liabilities	(37%)	(41%)
Total Operating Revenue		

Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses). These are expressed as a percentage of total operating revenue.

Asset Sustainability Ratio

Net Asset Renewals	92%	91%
Infrastructure and Asset Management		
Plan required expenditure		

Net asset renewals expenditure is defined as net capital expenditure on the renewal and replacement of existing assets, and excludes new capital expenditure on the acquisition of additional assets.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2017**

NOTE 16 – UNIFORM PRESENTATION OF FINANCES

The following is a high level summary of both operating and capital investment activities of the Council prepared on a simplified Uniform Presentation Framework basis.

All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.

The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances

	2017	2016
	\$'000	\$'000
Income	12,807	12,536
less Expenses	12,796	12,247
Operating Surplus / (Deficit)	11	289
<i>less</i> Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	1,745	2,285
Depreciation, Amortisation and Impairment	(3,150)	(3,100)
Proceeds from Sale of Replaced Assets	(102)	(57)
	(1,507)	(872)
<i>less</i> Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets (including investment property and real estate developments)	2,414	618
Amounts received specifically for New and Upgraded Assets	(363)	(13)
Proceeds from Sale of Surplus Assets (including investment property and real estate developments)	–	(357)
	2,011	248
Net Lending / (Borrowing) for Financial Year	(533)	913

Operating and Capital Projects

	Operating Budget		Capital Budget		
COMMUNITY HEALTH AND WELLBEING	Amount	Funding	New	Renewal	Funding
Swimming Pool Changeroom Renovation	\$0	\$0	\$0	\$230,000	\$0
Renmark Rec Centre Improvements	\$0	\$0	\$0	\$168,500	\$0
Rotunda Flooring Replacement	\$0	\$0	\$0	\$8,600	\$0
Plushs Bend Toilet Upgrades	\$0	\$0	\$40,000	\$0	\$0
Renmark Pool Engineering Assessment	\$15,000	\$0	\$0	\$0	\$0
Darnley Taylor Park Masterplan Development	\$30,000	-\$30,000	\$0	\$0	\$0
2017 Regional Soccer Round	\$8,000	\$0	\$0	\$0	\$0
Library Wifi and Event Space	\$0	\$0	\$12,320	\$0	\$0
Library Digital Project	\$0	\$0	\$5,500	\$0	\$0
Public Wifi		\$0	\$20,000	\$0	\$0
A VIBRANT ECONOMY	Amount	Funding	New	Renewal	Funding
Jane Eliza Masterplan	\$25,000	-\$25,000	\$0	\$0	\$0
Industrial and Transport Hub Extension	\$55,000	-\$55,000	\$0	\$0	\$0
Tourism Events Process Development	\$4,600	\$0	\$0	\$0	\$0
Buildings – Meals on Wheels	\$0	\$0	\$0	\$3,600	\$0
Pave Evans St Footpath	\$0	\$0	\$19,221	\$0	\$0
Bookmark Creek Trail upgrade	\$15,000	-\$15,000	\$0	\$0	\$0
VIC Popup Information Kiosk	\$3,300	\$0	\$0	\$0	\$0
Murray Avenue Placemaking Precinct	\$15,000	\$0	\$0	\$0	\$0

	Operating Budget		Capital Budget		
A SUSTAINABLE REGION	Amount	Funding	New	Renewal	Funding
Building Revaluation	\$25,000	\$0	\$0	\$0	\$0
Murtho Road – Special Local Roads Funding	\$0	\$0	\$45,000	\$0	\$0
Bitumen Reseal Program	\$0	\$0	\$0	\$1,138,523	-\$447,768
Government Road, Road Design	\$0	\$0	\$80,000	\$0	-\$40,000
3IP – Upgrade of Wastewater Treatment Plant and Recycled Water Distribution System	\$0	\$0	\$1,008,752	\$0	-\$363,375
Construction of New CWMS Sludge Drying Lagoon	\$0	\$0	\$336,109	\$0	-\$336,109
New CWMS Pump Station at Madigan Reserve	\$0	\$0	\$340,000	\$0	-\$340,000
Renmark South West Gateway	\$55,000	\$0	\$30,000	\$0	\$0
Storm Water Para and 18th Streets	\$0	\$0	\$400,000	\$0	\$0
Construct Kerbing and Stormwater SEP at Evans Street	\$0	\$0	\$12,916	\$0	\$0
Urban Design Framework	\$60,000	-\$30,000	\$0	\$0	\$0
Install a Gross Pollutant Trap next to the 21st Street Bridge	\$0	\$0	\$12,000	\$0	\$0
Reshape and reseal Evans Street	\$0	\$0	\$45,715	\$0	\$0
Evans St Irrigation	\$0	\$0	\$3,723	\$0	\$0
Thurk St Carparking	\$0	\$0	\$40,000	\$0	\$0
A POSITIVE EXPERIENCE	Amount	Funding	New	Renewal	Funding
Records Management Compliance and Education	\$16,550	\$0	\$0	\$0	\$0
IT Hardware Renewal	\$0	\$0	\$0	\$15,000	\$0
Plant Replacement	\$0	\$0	\$0	\$80,000	-\$15,000
Motor Vehicle Replacement	\$0	\$0	\$0	\$168,000	-\$87,000
Mobility Tools – Customer Requests/Dogs	\$0	\$0	\$7,750	\$0	\$0
Branding Implementation	\$17,000	\$0	\$0	\$15,000	\$0



**Renmark
Paringa
Council**




Contact Details

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Web www.renmarkparinga.sa.gov.au

Opening Hours

Monday	9am – 5pm
Tuesday	9am – 5pm
Wednesday	9am – 5pm
Thursday	9am – 5pm
Friday	9am – 5pm

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