NOTICE OF SPECIAL COUNCIL MEETING

TO: Mayor
   Karen Redman
Councillors
   Cr Cody Davies
   Cr Diane Fraser
   Cr Kelvin Goldstone
   Cr David Hughes
   Cr Paul Koch
   Cr Paul Little
   Cr Brian Sambell
   Cr Nathan Shanks
   Cr Ian Tooley
   Cr Jim Vallelonga

NOTICE is hereby given pursuant to the provisions of Section 83(1) of the Local Government Act 1999, that the next Special Meeting of Council for the Town of Gawler will be held in the Council Chambers, Gawler Civic Centre, 89-91 Murray St, Gawler SA 5118, on Tuesday 16 July 2019, commencing at 7.00pm.

A copy of the Agenda for the above meeting is supplied as prescribed by Section 83(3) of the said Act.

Henry Inat
Chief Executive Officer
11 July 2019
Order Of Business

1 Statement of Acknowledgement

2 Attendance Record

3 Public Open Forum

4 Declarations of Interest

5 Officer Reports
   5.1 Strategic Rating Policy and Gawler East Development - Infrastructure Funding Policy adoption
   5.2 2019/20 Budget / Business Plan (incorporating Long Term Financial Plan) adoption
   5.3 2019/20 Declaration of Rates and Service Charges
   5.4 Adoption of 2019/20 Fees & Charges
   5.5 Connexus Memorandum of Understanding

6 Questions without Notice

7 Motions without Notice

8 Close

9 Next Ordinary Meeting

Tuesday 23 July 2019 commencing at 7:00pm
1 STATEMENT OF ACKNOWLEDGEMENT

We would like to acknowledge this land that we meet on today is the traditional lands for the Kaurna people and that we respect their spiritual relationship with their country. We also acknowledge the Kaurna people as the custodians of the greater Adelaide region and that their cultural and heritage beliefs are still as important to the living Kaurna people today.

2 ATTENDANCE RECORD

2.1 Roll Call
2.2 Apologies
2.3 Motinos to Grant Leave of Absence
2.4 Leave of Absence
   Cr Dianne Fraser - 13 July 2019 to 29 July 2019.
   Cr David Hughes - 06 July 2019 to 16 July 2019.
2.5 Non-Attendance

3 PUBLIC OPEN FORUM

(Limited to a total time of up to 20 minutes)

4 DECLARATIONS OF INTEREST
5 OFFICER REPORTS

5.1 STRATEGIC RATING POLICY AND GAWLER EAST DEVELOPMENT - INFRASTRUCTURE FUNDING POLICY ADOPTION

Record Number: CC19/319;IC19/403
Author(s): Paul Horwood, Manager Finance & Corporate Services
Previous Motions: Special Council, 07/05/19, Motion No: 2019:05:COU162; Special Council, 19/3/19, Motion No: 2019:03:COU081

OFFICER’S RECOMMENDATION

That Council:-
1. Notes the Strategic Rating Policy and Gawler East Development – Infrastructure Funding Policy Adoption report.
2. Notes no public submissions were received during the consultation period relating to the Strategic Rating Policy or the Gawler East Development – Infrastructure Funding Policy.
3. Adopts the Strategic Rating Policy and the Gawler East Development – Infrastructure Funding Policy.

SUMMARY
Tabling the Strategic Rating Policy and Gawler East Development – Infrastructure Funding Policy for adoption.

BACKGROUND
The annual review of the Strategic Rating policy commenced in March 2019, by way of a report tabled to the 19 March 2019 Special Council meeting. This report analysed key rating findings from other Councils for the 2018/19 financial year, based on the annual 2018/19 rates survey conducted by the Local Government Association of SA.

The key findings from the survey, as noted in the report at the time, were as follows:

- Minimum Rate (Metro Councils) – average Minimum Rate of $1,000 across fifteen Councils, ranging from $805 (City of Unley) to $1,200 (City of Prospect) (Town of Gawler minimum rate of $977);
- Percentage differential rate loading applied against Vacant Land when compared to Residential properties (Metro Councils) – average percentage loading of 80%, median of 60% (Town of Gawler percentage loading of 50%);
- Percentage differential rate loading applied against Commercial properties when compared to Residential properties (Metro Councils) – average percentage loading of 108%, median of 85% (Town of Gawler percentage loading of 119%, noting that this only applies to 1% of commercial properties in Gawler (those valued at $5m+) which do not receive a discretionary rate rebate under Council’s tiered rating structure. A differential rate loading of 31% applies to 67% of commercial properties which are valued less than $500,000); and
- Average residential property valuations across metropolitan Councils’ range from $238,000 to $811,000, with a median of $500,000 (Town of Gawler average equals $312,000). The wide ranging average property valuations, in addition to the fact that some Councils’ apply a Fixed Charge component of their General Rate instead of a Minimum Rate (noting both have totally different calculation means/outcomes), means any meaningful comparison of the actual Rate-in-the-$ applied by Councils is totally redundant.
The resolution passed at the 19 March 2019 Special Council meeting was as follows:

Moved: Cr D Fraser  
Seconded: Cr C Davies  
Motion No: 2019:03:COU081

That Council:
2. Endorse without change the existing Strategic Rating Policy be endorsed for the purpose of Public Consultation.
3. Endorse that the Discretionary Rate Rebates, as currently provided, be maintained for the 2019/20 financial year.
4. Endorse that Public Consultation on the Policy be undertaken as part of the 2019/20 Draft Budget / Business Plan consultation process.

At the 7 May 2019 Special Council meeting, a separate review was undertaken of the Gawler East Development – Infrastructure Funding policy and the Separate Rates Relief policy, with the Administration recommending that these two policies be consolidated into one, and that the consolidated policy then be the subject of public consultation, to be undertaken in conjunction with the public consultation of the Strategic Rating policy and Council’s draft 2019/20 Budget/Business plan.

The resolution passed at the 7 May 2019 Special Council meeting was as follows:

Moved: Cr D Hughes  
Seconded: Cr D Fraser  
Motion No: 2019:05:COU162

That Council:-
2. Notes the draft budget, as presented and recommended to be released for public consultation, represents an estimated end of 2019/20 financial year position of an underlying $71,000 surplus.
4. Undertake Public Consultation of the proposed Gawler East Development – Infrastructure Funding Policy in conjunction with consultation of the draft 2019/20 Budget / Business Plan, pursuant to Section 151 (8a) of the Local Government Act 1999.
5. Council consider any public submissions received relating to the draft 2019/20 Budget / Business Plan and the proposed Gawler East Development – Infrastructure Funding Policy at a subsequent Special Council to be scheduled, pursuant to Section 151(7) of the Local Government Act 1999, in advance of Council adopting the Rates and Charges for the 2019/20 financial year. This meeting will provide an opportunity for interested persons to appear before Council further to any written submissions received.

COMMENTS/DISCUSSION

No public submissions were received relating to the Strategic Rating Policy or the Gawler East Development – Infrastructure Funding Policy during the public consultation period.

Accordingly, Council is in a position to now formally adopt both policies.

The policies have been used to inform the adoption of the 2019/20 Rates and Charges, as separately tabled to this meeting.

COMMUNICATION (INTERNAL TO COUNCIL)

Chief Executive Officer  
Team Leader Finance
Rates Officers

CONSULTATION (EXTERNAL TO COUNCIL)
Public consultation on the policies was undertaken in conjunction with the public consultation of the draft 2019/20 Budget / Business Plan.

Whilst six submissions were received relating to the draft 2019/20 Budget, none of the submissions made reference to either the Strategic Rating or Gawler East Development – Infrastructure Funding Policy.

POLICY IMPLICATIONS
Strategic Rating Policy
Gawler East Development – Infrastructure Funding Policy

STATUTORY REQUIREMENTS
Local Government Act 1999 – Chapter 10 Rates and Charges

FINANCIAL/BUDGET IMPLICATIONS
The amount of Rates and Charges revenue required is determined via the separate annual budget process.

The Strategic Rating Policy merely indicates as to how the associated revenue required is apportioned across the community.

Similarly, the Gawler East Development – Infrastructure Funding Policy provides the principles underpinning the application of Separate Rates relative to the Gawler East development area.

COMMUNITY PLAN
Objective 5.2: Be recognised as a ‘best practice’ Local Government organisation
5.2 2019/20 BUDGET / BUSINESS PLAN (INTEGRATING LONG TERM FINANCIAL PLAN) ADOPTION

Record Number: CC19/319; IC19/404

Author(s): Paul Horwood, Manager Finance & Corporate Services

Previous Motions:
Audit Committee, 4/3/19, Motion No: 2019:03:AC008; Special Council meeting, 19/3/19, Motion No: 2019:03:COU079; Special Council meeting, 7/5/19, Motion No: 2019:05:COU162; Special Council meeting, 02/07/19, Motion No: 2019:07:COU259

Attachments: 1. 2019/20 Budget / Business Plan CR19/46220
2. 'Below the Line' Budget Bids - New Initiatives CR19/46520
3. 'Below the Line' Budget Bids - Capital Expenditure CR19/46523

OFFICER’S RECOMMENDATION

That Council:
1. Notes that it has considered the feedback received from the 2019/20 Budget / Business Plan consultation, as referenced within this report
2. Pursuant to Section 123 of the Local Government Act 1999, adopts the 2019/20 Budget / Business Plan as presented, incorporating the following statutory financial elements:
   a) Budgeted Statement of Comprehensive Income
   b) Budgeted Balance Sheet
   c) Budgeted Cash Flow Statement
   d) Budgeted Statement of Changes in Equity
   e) Budgeted Uniform Presentation of Finances
   f) Long Term Financial Plan update
3. Acknowledges that by adopting the above it has endorsed a budget for the 2019/20 financial year that:
   - Is forecast to achieve an operating surplus of $195k;
   - Is estimated to achieve an Operating Surplus Ratio of 0.64%, which is within Council’s financial policy target of 0-10%;
   - Is estimated to achieve a Net Financial Liabilities Ratio of 89.4%, which is within Council’s financial policy target of 0-100%;
   - Is estimated to achieve an Asset Renewal Funding Ratio of 100%, which is within Council’s financial policy target of 90-100%;
   - Adopts a 2.3% General rate increase from existing ratepayers and a 1.8% General Rate increase from new development growth;
   - Provides for the Solid Waste Levy increase of an additional $126,000 per year, funded by a $12 increase in the Waste Management Service Charge, which equates to a 0.6% increase in General rate revenue (Council’s estimated contribution to the Levy for 2019/20 is $715,000);
   - The average residential increase in total rates will equate to $48.
4. Notify the community of the adopted budget via appropriate media statement to be authorised by the Mayor and a Budget / Business Plan summary sheet to be included in the first rates notices issued for the 2019/20 financial year, pursuant to Section 123(9) of the Local Government Act 1999.

SUMMARY

Presenting the draft 2019/20 Budget / Business Plan for adoption.
BACKGROUND
Discussions with Council Members relative to the draft 2019/20 Budget and Long Term Financial Plan have occurred as per Table 1 below:

Table 1 – 2019/20 Budget & LTFP discussions chronology

<table>
<thead>
<tr>
<th>Date</th>
<th>Budget Bids</th>
<th>Recurrent Budget</th>
<th>Long Term Financial Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>4 December 2018</td>
<td>-</td>
<td>Budget Overview – Workshop No. 1</td>
<td>LTFP Overview – Workshop No. 1</td>
</tr>
<tr>
<td>14 February 2019</td>
<td>-</td>
<td>-</td>
<td>Workshop No. 2</td>
</tr>
<tr>
<td>4 March 2019</td>
<td>Audit Committee meeting</td>
<td>Audit Committee meeting</td>
<td>Audit Committee meeting</td>
</tr>
<tr>
<td>7 March 2019</td>
<td>Workshop No. 3</td>
<td>Workshop No. 3</td>
<td>-</td>
</tr>
<tr>
<td>19 March 2019</td>
<td>Special Council meeting</td>
<td>Special Council meeting</td>
<td>-</td>
</tr>
<tr>
<td>7 May 2019</td>
<td>Special Council meeting</td>
<td>Special Council meeting</td>
<td>Special Council meeting</td>
</tr>
<tr>
<td>2 July 2019</td>
<td>Special Council meeting</td>
<td>Special Council meeting</td>
<td>-</td>
</tr>
</tbody>
</table>

The resolutions that the Audit Committee and Council has previously passed, in chronological order, relative to the draft 2019/20 Budget / Business Plan and the Long Term Financial Plan are as follows:

4 March 2019 Audit Committee meeting

Moved: Mayor K Redman
Seconded: Mr P Fairlie-Jones
Motion No: 2019:03:4:AC008

That the Audit Committee recommends to Council that it consider the following feedback from this Committee regarding the 2019/20 draft budget:

1. that strategies be investigated that will result in the reduction of the forecast operating deficit.

Moved: Mayor K Redman
Seconded: Cr D Fraser
Motion No: 2019:03:4:AC009

That the Audit Committee recommends to Council that it consider the feedback from this Committee regarding the update of the Long Term Financial / Asset Management Plans, particularly in respect of the following matters:

1. that strategies be investigated that will result in the reduction of the forecast operating deficit and to reach breakeven operating result within the next five years.

19 March 2019 Special Council meeting

Moved Cr. D Fraser
Seconded Cr. B Sambell
Motion No: 2019:03:COU079

That Council notes the Long Term Financial Plan update report.

Moved Cr. D Hughes
Seconded Cr. P Little
Motion No: 2019:03:COU080
That Council:-
1. Notes the 2019/20 Draft Budget Update report.
2. Notes that the current estimated operating result for 2019/20 contained within the draft updated 2019/20 Budget, is an operating deficit of $294k.

Moved Cr D Fraser
Seconded Cr C Davies
Motion No: 2019:03:COU081

That Council:
2. Endorse without change the existing Strategic Rating Policy be endorsed for the purpose of Public Consultation
3. Endorse that the Discretionary Rate Rebates, as currently provided, be maintained for the 2019/20 financial year
4. Endorse that Public Consultation on the Policy be undertaken as part of the 2019/20 Draft Budget / Business Plan consultation process.

7 May 2019 Special Council meeting
Moved:Cr D Hughes
Seconded: Cr D Fraser
Motion No: 2019:05:COU162

That Council:-
2. Notes the draft budget, as presented and recommended to be released for public consultation, represents an estimated end of 2019/20 financial year position of an underlying $71,000 surplus.
4. Undertake Public Consultation of the proposed Gawler East Development – Infrastructure Funding Policy in conjunction with consultation of the draft 2019/20 Budget / Business Plan, pursuant to Section 151 (8a) of the Local Government Act 1999
5. Council consider any public submissions received relating to the draft 2019/20 Budget / Business Plan and the proposed Gawler East Development – Infrastructure Funding Policy at a subsequent Special Council to be scheduled, pursuant to Section 151(7) of the Local Government Act 1999, in advance of Council adopting the Rates and Charges for the 2019/20 financial year. This meeting will provide an opportunity for interested persons to appear before Council further to any written submissions received.

9 May 2019 Audit Committee meeting
Moved: Mayor K Redman
Seconded: Cr C Davies
Motion No: 2019:05:AC017

That the Audit Committee notes if there is no material information either contained within submissions as part of the public consultation or has since become available from external sources, that may impact the financial bottom line of the 2019/20 draft budget;
that submissions and the 2019/20 draft budget for decision will go direct to council without first being reviewed by the Audit Committee.

2 July 2019 Special Council meeting

Moved: Cr P Little
Seconded: Cr D Hughes
Motion No: 2019:07:COU258

That:-

1. The public submissions received regarding the 2019/20 Budget / Business Plan be noted.

2. Council give consideration to what changes, if any, should be made to the draft 2019/20 Budget / Business Plan as a result of the public submissions.

3. Those persons making the submissions be thanked for their submissions.

Moved: Cr D Hughes
Seconded: Cr P Little
Motion No: 2019:07:259

That:-

1. The 2019/20 Draft Budget and Long Term Financial Plan Update Report be noted.

2. Council endorses in principal the final preparation of the draft 2019/20 Budget / Business Plan based on the following key financial parameters:

   - An estimated operating surplus of $111k;
   - A 2.3% increase in General Rate revenue from existing ratepayers;
   - An increase of $126,000 ($12 per ratepayer relative to the Waste Management Service Charge) to cover the 40% increase in the State Government Solid Waste Levy (noting that this would otherwise equate to a 0.6% increase in General Rate revenue);
   - A net Capital works program of $5.979m, after excluding the $2.4m extraordinary payment to be paid to the State Government on practical completion of the Gawler East Link Road, which is within the recommended Capital works program threshold of $6m;
   - An Operating Ratio that is reflective of a 2.3% general rate revenue increase;
   - A Net Financial Liabilities Ratio that is reflective of a 2.3% general rate revenue increase
   - An Asset Renewal Funding Ratio of 100%, which is within Council’s financial policy threshold of 90-100%.

3. Council notes that a final report on the 2019/20 Budget / Business Plan will be presented to Council at a Special Council meeting to be held on Tuesday 16 July 2019.

Based on the resolution passed at the 2 July 2019 meeting, an updated draft 2019/20 Budget / Business Plan is now presented for consideration and adoption as Attachment 1 to this report.
COMMENTS/DISCUSSION

Proposed amendments to 2019/20 Budget (based on information that has become available since the 2 July 2019 meeting and/or Council resolutions at the 2 July 2019 meeting)

(a) Reduction in General Rate revenue from existing ratepayers from 3% to 2.3%

As noted earlier, the Council resolved at the 2 July 2019 meeting to reduce the percentage increase in General Rate revenue required from existing ratepayers from 3% to 2.3%. The effect of this has been to reduce the value of the operating surplus by $148,540.

(b) Increased new General Rate revenue from development growth

As also verbally reported at the 2 July 2019 meeting, recent weekly valuation/property updates received from the State Valuation Office has increased the estimated amount of new General Rate revenue from growth to 1.8% (a growth rate of 1.5% was incorporated in the budget update report tabled to the 2 July 2019 meeting). This value may yet further increase, based on weekly valuation/property updates received on 8 and 15 July 2019.

The result of the 0.3% increase in new General Rate revenue from growth (to 1.8%) has been additional revenue of $49k.

(c) Reduced interest costs

As verbally reported at the 2 July 2019 meeting, further estimated savings in interest costs have been realised as a result of the further interest rate cut announced by the Reserve Bank of Australia on the same day. The Local Government Finance Authority (LGFA) advised that they would be passing on the full interest rate cut of 0.25% as from the subsequent day.

Given that Council has the majority (73%) of its current debt with the LGFA as variable interest rate debt, as distinct from fixed interest rate debt which does not benefit from any interest rate reductions, the interest rate cut announced on 2 July 2019 will deliver interest savings estimated at $36k for the 2019/20 financial year.

Council’s only fixed-interest debt relates to fixed long term loans drawn down between 2007/08 and 2010/11. The first of these historic fixed-interest rate loans will be repaid in full in 2021/22.

The impact of the above items on the draft recurrent 2019/20 budget is reflected in Table 2 below.

Table 2 - Adjustments to draft 2019/20 Budget since 2 July 2019 Special Council meeting

<table>
<thead>
<tr>
<th>Description</th>
<th>Financial Impact</th>
<th>Affecting…</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Estimated 2019/20 Operating Result (as reported to 2/7/19 meeting)</strong></td>
<td></td>
<td></td>
<td>(259,634)</td>
</tr>
<tr>
<td>Finance Charges – further reduction in interest rate on Cash Advance Debentures from 3.35% to 3.1% (as announced on 2 July 2019)</td>
<td>Reduction in Expenditure</td>
<td>Finance Charges</td>
<td>(36,000)</td>
</tr>
<tr>
<td>Reduction in General Rate revenue from existing ratepayers from 3% to 2.3% (per Council resolution 2/7/19)</td>
<td>Reduction in Revenue</td>
<td>Rates</td>
<td>148,540</td>
</tr>
<tr>
<td>Increase in ‘new’ General Rate revenue from development growth – from 1.5% to 1.8%</td>
<td>Increase in Revenue</td>
<td>Rates</td>
<td>(49,199)</td>
</tr>
</tbody>
</table>

**Revised Estimated 2019/20 Operating Result** (196,293)

Gawler & District Netball Association Inc.

The Association advised the Administration on 30 June 2019 that it had been unsuccessful in its grant funding application from the Office for Recreation, Sport and Racing towards the resurfacing of its netball courts at Hallam Drive, Gawler.
The Council has previously agreed to provide a Community Loan of $50k to the Association towards the project, subject to the grant funding being received.

The Association has indicated that it will be resubmitting an application in the next round of funding, which is earmarked for later in 2019.

On this basis, it is proposed that the $50k funding contribution from Council, as provided for in the 2019/20 Budget, be retained pending the outcome of the Association’s subsequent grant application to the Office for Recreation, Sport and Racing.

**Long Term Financial Plan update**

The Statement of Comprehensive Income within the Long Term Financial Plan (LTFP) has been updated based on the increased Financial Assistance / Local Roads Grant funding (an increase of $100k for 2019/20 was reported to the 2 July 2019 Special Council meeting) and the two recent interest rate cuts of 0.25% announced by the Reserve Bank of Australia (which were immediately passed on in full by the Local Government Finance Authority).

The reduced increase in General Rate revenue for 2019/20 from existing ratepayers (from 3% to 2.3%, equating to approximately $148k) has also been factored into the LTFP, as this will have a nominal compounding effect on future years’ revenue.

Given that the reduction in General Rate revenue of $148k effectively offsets the increase in the grant funding and the reduced interest costs, the impact on the forward estimates is only marginally favourable, but nonetheless results in only two years of operating deficits being forecast from 2020/21 instead of three (noting that the forward estimate for 2022/23 has transitioned from a nominal deficit of $48k to a nominal surplus of $37k).

The nominal increase in Capital Expenditure for 2019/20 of $152k (as reported to the 2 July 2019 Special Council meeting) has resulted in only a minor adjustment (increase) in Council’s Net Financial Liabilities Ratio forward estimates, in the order of 1-2% each year. The updated forward estimates, which continue to be based on capped discretionary capital expenditure of an indexed $3m, continue to forecast an ongoing reduction in Council’s debt, such that incremental borrowing capacity is achieved towards part-funding Council’s next iconic asset investment project within the medium term. The forward estimates indicate that in 2023/24 Council would, all else being equal, realise an appropriate reduction in debt and a sufficient operating surplus such that it could potentially finance approximately $10m of new debt and also be able to fund within its operating surplus new operating costs (i.e. interest costs, depreciation, asset maintenance costs, etc.) that would emanate from the construction of a new major asset or major refurbishment of an existing asset as part of its next iconic asset investment, such as recreation / sporting improvements for the community.

The updated LTFP is incorporated within the 2019/20 Budget / Business Plan provided as Attachment 1.

**Completion of Projects from 2018/19 financial year**

Council’s financial year-end closes on 30 June each year.

Whilst there is the intent to deliver all projects within the financial year(s) that they are allocated, invariably there will always be a degree of cross-over from one year to the next to complete various projects.

The final expenses incurred against Capital Works or New Initiatives for the 2018/19 will not be known until all supplier invoices relating to works undertaken in June 2019 have been received and processed, which will not occur until at least the end of July 2019. Nonetheless, it is currently envisaged the unspent Capital Works funds from the 2018/19 could amount to the order of $1.5m.
A reconciliation of final actual costs for 2018/19 Capital Works and New Initiatives will be provided within the 2018/19 Financial Performance Summary Report to be presented to Council (via the Audit Committee), in conjunction with the 2018/19 General Purpose Financial Statements, in October 2018. This will then inform the Council’s future consideration of unspent project funds from the 2018/19 financial year to be consolidated into the 2019/20 Budget as part of the 1st 2019/20 Quarterly Budget Review – noting that such funds brought forward into the 2019/20 budget are effectively funded from unspent funds from the 2018/19 financial year and will consequently have no material impact on the closing financial position estimated as at 30 June 2020 within the 2019/20 Budget.

**Summary**

Following extensive consideration of the draft 2019/20 Budget over many months, Council has now realised a 2019/20 Budget that delivers the following key elements:

- A nominal operating surplus of $196k (which equates to an Operating Surplus ratio of 0.64%);
- A financially sound and responsible Capital works budget (noting that with the exclusion of the extraordinary $2.4m payment to the State Government on completion of the Gawler East Link Road, the net capital expenditure budget is within the $6m threshold established);
- An increase of $2.111m in debt which is informed by the $2.4m extraordinary payment to the State Government, and which will realise a nominal increase in Council’s Net Financial Liabilities ratio from 86.9% (30 June 2019 estimate) to 89.7% (30 June 2020 estimate), but which is still within Council’s financial policy threshold of 100%
- An Asset Renewal Funding Ratio of 100%, consistent with Council’s financial policy target

**COMMUNICATION (INTERNAL TO COUNCIL)**

Executive Management Team
Team Leader Finance
Financial Accountant

**CONSULTATION (EXTERNAL TO COUNCIL)**

Public Consultation regarding the draft 2019/20 Budget / Business Plan was undertaken during May-June 2019, with six written submissions being received and considered at the Special Council meeting held on 2 July 2019.

At the 2 July 2019 meeting, Mr. Brian Thom gave a verbal presentation relative to his written budget submissions. Mr. Thom sought Council’s consideration of funding towards:

- The application of a sealant for the Murray Street footpaths (with an indicative $100k, which the Administration has since indicated would provide for the sealing of one side of the footpath); and
- The cost of rental accommodation in Murray Street for the Gawler Community Gallery (indicative cost of $30-$40k).

The projects sought by Mr. Thom have been included in the ‘Below the Line’ budget bids provided as Attachment 2.

A media release will be forwarded to local media regarding the adoption of the 2019/20 Budget / Business Plan.

**POLICY IMPLICATIONS**

Public Consultation Policy
Budget Management Policy
Treasury Management Policy
Funding Policy
Asset Capitalisation Policy
Depreciation Policy
Service Range Policy
Various Service Level Policies
STATUTORY REQUIREMENTS
Section 122 and 123 of the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011

FINANCIAL/BUDGET IMPLICATIONS
The financial implications of the 2019/20 budget are outlined in Table 4 below.

Table 4 – Key Financial implications of 2019/20 Budget

<table>
<thead>
<tr>
<th>Item</th>
<th>2019/20 Draft Budget (as reported to 2/7/19 meeting)</th>
<th>2019/20 Draft Budget (updated since 2/7/19 meeting)</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Result (Surplus)</td>
<td>($259k)</td>
<td>($195k)</td>
<td>Refer Table 3 for a reconciliation of budget variations since 2/7/19</td>
</tr>
<tr>
<td>Adjusted Operating Result (Surplus)</td>
<td>($241k)</td>
<td>($177k)</td>
<td>Adjusted result after removing distortion caused by advance Federal Govt grant payments</td>
</tr>
<tr>
<td>Operating Ratio Result</td>
<td>0.85%</td>
<td>0.64%</td>
<td>Council policy target of achieving &gt;0%</td>
</tr>
<tr>
<td>Net Financial Liabilities Ratio</td>
<td>89.2%</td>
<td>89.7%</td>
<td>Council policy of 0-100%</td>
</tr>
<tr>
<td>Asset Renewal Funding Ratio</td>
<td>100%</td>
<td>100%</td>
<td>Council policy of 90-100%</td>
</tr>
<tr>
<td>Capital Expenditure – New / Upgraded assets</td>
<td>$7.410m</td>
<td>$7.410m</td>
<td></td>
</tr>
<tr>
<td>Capital Expenditure – Replacement / Renewal</td>
<td>$2.841m</td>
<td>$2.841m</td>
<td></td>
</tr>
<tr>
<td>TOTAL Capital Expenditure</td>
<td>$10.251m</td>
<td>$10.251m</td>
<td></td>
</tr>
<tr>
<td>Net Capital Expenditure</td>
<td>$8.379</td>
<td>$8.379m</td>
<td>After excluding $2.4m extraordinary payment due to State Govt on completion of the Gawler East Link Road, Net Capital Expenditure = $5.979m, which is within $6m threshold established</td>
</tr>
<tr>
<td>$ General Rate increase for average residential ratepayer</td>
<td>$47 (3% increase)</td>
<td>$36 (2.3% increase)</td>
<td>In 2019/20, every 1% of increase = approximately $16 for average residential ratepayer</td>
</tr>
<tr>
<td>$ increase in Waste Management Service Charge</td>
<td>$12 ($186 - $198)</td>
<td>$12 ($186 - $198)</td>
<td>Council previously consulted on the fact that the Service Charge would likely remain unchanged in 2019/20. The $12 increase now proposed is solely due to the 40% increase in the State Govt Solid Waste Levy. The unexpected burden on ratepayers has been offset by a 0.7% reduction in the General Rate increase</td>
</tr>
</tbody>
</table>
COMMUNITY PLAN

Funding incorporated within the Annual Budget / Business Plan enables Council to deliver, facilitate and progress many outcomes contained within the Community Plan.
5.3 2019/20 DECLARATION OF RATES AND SERVICE CHARGES

Record Number: CC19/319; IC19/405

Author(s): Paul Horwood, Manager Finance & Corporate Services

Previous Motions: Special Council, 19/3/19, Motion No: 2019:03:COU081; Special Council, 7/5/19, Motion No: 2019:05:COU162

Attachments:
1. Map of area captured by Gawler Business Development Group Town Centre Separate Rate CR19/46948
2. Map of properties captured by Gawler East Separate Rates CR19/46950
3. Impact on average ratepayer CR19/45634

The total properties valuation and various Rates-in-the-dollar recommendations contained within this report may be subject to change based on weekly valuation data received from the State Valuation Office on Monday 15 July 2019. A verbal update will be provided at the meeting if required.

OFFICER’S RECOMMENDATION

That Council :-

1. Notes, by declaring the 2019/20 General Rates contained within this report, it will realise the 4.1% increase in General Rate revenue required to fund the 2019/20 adopted Budget / Business Plan, and that the 4.1% increase is split between a 2.3% increase in revenue from existing ratepayers and a 1.8% increase from new development growth

2. Adoption of Valuation
   Adopts that Pursuant to Section 167(2)(a) of the Local Government Act 1999 the most recent valuations supplied by the Valuer General of the capital value of land within the Council’s area totalling $3,856,218,640 and that this figure be adopted for rating purposes for the financial year ending 30 June 2020.

3. Differential General Rates
   Adopts having taken into account the general principles of rating outlined in Section 150 of the Local Government Act 1999 and the requirements of Section 153(2) of the Local Government Act 1999, pursuant to Sections 153(1)(b) and 156(1)(a) of the Local Government Act 1999 and Regulation 14(1) of the Local Government (General) Regulations 2013 the following Differential General Rates be declared in respect of all rateable land in the Council’s area for the financial year ending 30 June 2020 varying on the basis of the use of the land:

   (a) Residential 0.51385 cents in the dollar
   (b) Commercial – Shop 1.09906 cents in the dollar
   (c) Commercial – Office 1.09906 cents in the dollar
   (d) Commercial – Other 1.09906 cents in the dollar
   (e) Industry – Light 1.09906 cents in the dollar
   (f) Industry – Other 1.09906 cents in the dollar
   (g) Primary Production 0.51385 cents in the dollar
   (h) Vacant Land 0.77078 cents in the dollar
   (i) Other 0.51385 cents in the dollar

4. Minimum Rate
   Adopts that pursuant to Section 158(1)(a) of the Local Government Act 1999 for the financial year ending 30 June 2020 a minimum amount payable by way of rates of $999, being a 2.3% increase from 2018/19, be fixed in respect of all rateable land in the Council’s area.
5. **Waste Management Annual Service Charge**
Adopts pursuant to Section 155 of the Local Government Act 1999 for the financial year ending 30 June 2020 an annual service charge of $198 based on the nature of the service be imposed on all occupied land in the Council’s area (excluding Primary production properties with no, or minimal, built form) to which the Council provides or makes available the prescribed service of waste collection, treatment and disposal.

Council notes that the $12 increase in the charge from 2018/19 is solely due to the 40% increase in the State Government Solid Waste Levy.

6. **Separate Rate for Town Centre Business Development and Marketing**
Adopts pursuant to Section 154 of the Local Government Act 1999, for the financial year ending 30 June 2020, a separate differential rate be declared for the purpose of business development and marketing in respect of all rateable land within the hatched area A defined within Attachment 2 of this report, and to which the following land uses have been attributed:
   a) Category 2 (Commercial - Shop),
   b) Category 3 (Commercial - Office),
   c) Category 4 (Commercial - Other),
   d) Category 5 (Industry - Light),
   e) Category 6 (Industry - Other)
of 0.065614 cents in the dollar based on the capital value of the land.

7. **Separate Rate for Non Town Centre Business Development**
Adopts pursuant to Section 154 of the Local Government Act 1999, for the financial year ending 30 June 2020, a separate differential rate be declared for the purpose of business development in respect of all rateable land within the Council area excluding the hatched area A as defined in Attachment 2 of this report, and to which the following land uses have been attributed:
   a) Category 2 (Commercial - Shop),
   b) Category 3 (Commercial - Office),
   c) Category 4 (Commercial - Other),
   d) Category 5 (Industry – Light),
   e) Category 6 (Industry - Other)
of 0.035023 cents in the dollar based on the capital value of the land.

8. **Separate Rate for Natural Resources Management Levy**
In accordance with Section 95 of the Natural Resources Management Act 2004 and Section 154 of the Local Government Act 1999 for the financial year ending 30 June 2020, in order to reimburse to the Council the amount of $366,464 contributed to the Adelaide & Mount Lofty Ranges Natural Resources Management Board, a separate rate of 0.009718 cents in the dollar based upon the capital value of rateable land, is declared on all rateable land in the Council area and within the Adelaide & Mount Lofty Ranges Natural Resources Management Board area.

9. **Separate Rate – Gawler East Transport Infrastructure**
Adopts pursuant to Section 154(2)(b) of the Local Government Act 1999, for the financial year ending 30 June 2020, a proportional separate rate be declared on the following land parcels for the purpose of securing developer contributions towards construction of the Gawler East Link Road and associated deferred infrastructure activities, which will be of direct benefit to the land and occupiers of the land:
<table>
<thead>
<tr>
<th>Assessment No.</th>
<th>Proportional Basis (developable land – hectares)</th>
<th>Infrastructure Charge per developable land (per hectare) $</th>
<th>Total $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Development Area – Springwood Communities:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>140744</td>
<td>48.69</td>
<td>37,702.87</td>
<td>1,835,752.74</td>
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<tr>
<td>40868</td>
<td>22.39</td>
<td>37,702.87</td>
<td>844,167.26</td>
</tr>
<tr>
<td>144467</td>
<td>29.05</td>
<td>37,702.87</td>
<td>1,095,268.37</td>
</tr>
<tr>
<td>145438</td>
<td>20.00</td>
<td>37,702.87</td>
<td>754,057.40</td>
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<tr>
<td>Development Area – Other Future Developers:</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>144572</td>
<td>1.601</td>
<td>67,664.26</td>
<td>108,330.48</td>
</tr>
<tr>
<td>144564</td>
<td>1.42</td>
<td>67,664.26</td>
<td>96,083.25</td>
</tr>
<tr>
<td>144556</td>
<td>2.10</td>
<td>67,664.26</td>
<td>142,094.95</td>
</tr>
<tr>
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<td>1.00</td>
<td>67,664.26</td>
<td>67,664.26</td>
</tr>
<tr>
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<td>67,664.26</td>
<td>67,664.26</td>
</tr>
<tr>
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<td>1.73</td>
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<td>117,059.17</td>
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<td>1.58</td>
<td>67,664.26</td>
<td>106,909.53</td>
</tr>
<tr>
<td>79776</td>
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<td>67,664.26</td>
<td>93,376.68</td>
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<td>282,159.96</td>
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<td>108,939.46</td>
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<tr>
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<td>1.00</td>
<td>67,664.26</td>
<td>67,664.26</td>
</tr>
<tr>
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<td>67,664.26</td>
<td>84,580.33</td>
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<td>67,664.26</td>
<td>106,909.53</td>
</tr>
<tr>
<td>144653</td>
<td>2.103</td>
<td>67,664.26</td>
<td>142,297.94</td>
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<td>132,621.95</td>
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<tr>
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<td>67,664.26</td>
<td>122,472.31</td>
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<td>261,860.69</td>
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<td>35,862.06</td>
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<tr>
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<td>165,777.44</td>
</tr>
<tr>
<td>67183</td>
<td>2.10</td>
<td>67,664.26</td>
<td>142,094.95</td>
</tr>
<tr>
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<td>71,047.47</td>
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<tr>
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<td>216,525.63</td>
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<td>104,879.60</td>
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<tr>
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<td>39,921.91</td>
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<tr>
<td>5262</td>
<td>1.13</td>
<td>67,664.26</td>
<td>76,460.61</td>
</tr>
<tr>
<td>144661</td>
<td>1.047</td>
<td>67,664.26</td>
<td>70,844.48</td>
</tr>
</tbody>
</table>
10. Separate Rate – Gawler East Community Infrastructure
Adopts pursuant to Section 154(2)(b) of the Local Government Act 1999, for the financial year ending 30 June 2020, a proportional separate rate be declared on the following land parcels for the purpose of securing developer contributions towards community infrastructure activities, which will be of direct benefit to the land and occupiers of the land:

<table>
<thead>
<tr>
<th>Assessment No.</th>
<th>Proportional Basis (developable land – hectares)</th>
<th>Infrastructure Charge per developable land (per hectare)</th>
<th>Total $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Development Area – Springwood Communities:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>140744</td>
<td>48.69</td>
<td>25,247.56</td>
<td>1,229,303.70</td>
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<tr>
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<td>25,247.56</td>
<td>565,292.87</td>
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<tr>
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<td>25,247.56</td>
<td>733,441.62</td>
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<tr>
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<td>20.00</td>
<td>25,247.56</td>
<td>504,951.20</td>
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<tr>
<td>Development Area – Other Future Developers:</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>144572</td>
<td>1.601</td>
<td>36,124.10</td>
<td>57,834.68</td>
</tr>
<tr>
<td>144564</td>
<td>1.42</td>
<td>36,124.10</td>
<td>51,296.22</td>
</tr>
<tr>
<td>144556</td>
<td>2.10</td>
<td>36,124.10</td>
<td>75,860.61</td>
</tr>
<tr>
<td>68584</td>
<td>1.00</td>
<td>36,124.10</td>
<td>36,124.10</td>
</tr>
<tr>
<td>68576</td>
<td>1.00</td>
<td>36,124.10</td>
<td>36,124.10</td>
</tr>
<tr>
<td>68802</td>
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<td>36,124.10</td>
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<tr>
<td>68827</td>
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<td>36,124.10</td>
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<tr>
<td>68819</td>
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<td>36,124.10</td>
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<tr>
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<td>36,124.10</td>
<td>47,322.57</td>
</tr>
<tr>
<td>88222</td>
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<td>36,124.10</td>
<td>57,076.08</td>
</tr>
<tr>
<td>79776</td>
<td>1.38</td>
<td>36,124.10</td>
<td>49,851.26</td>
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<tr>
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<td>36,124.10</td>
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<td>36,124.10</td>
<td>36,124.10</td>
</tr>
<tr>
<td>67434</td>
<td>1.25</td>
<td>36,124.10</td>
<td>45,155.13</td>
</tr>
<tr>
<td>71893</td>
<td>1.58</td>
<td>36,124.10</td>
<td>57,076.08</td>
</tr>
<tr>
<td>144653</td>
<td>2.10</td>
<td>36,124.10</td>
<td>75,968.98</td>
</tr>
<tr>
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</tr>
<tr>
<td>70808</td>
<td>1.81</td>
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<td>65,384.62</td>
</tr>
<tr>
<td>67086</td>
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<td>139,800.27</td>
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<td>88,504.05</td>
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<td>67183</td>
<td>2.10</td>
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<td>75,860.61</td>
</tr>
<tr>
<td>67175</td>
<td>1.05</td>
<td>36,124.10</td>
<td>37,930.31</td>
</tr>
<tr>
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<tr>
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<td>36,124.10</td>
<td>115,597.12</td>
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</tbody>
</table>
11. Separate Rate – Gawler East Traffic Interventions
Adopts pursuant to Section 154(2)(b) of the Local Government Act 1999, for the financial year ending 30 June 2020, a proportional separate rate be declared on the following land parcels for the purpose of securing developer contributions towards Gawler East traffic interventions infrastructure activities, which will be of direct benefit to the land and occupiers of the land:

<table>
<thead>
<tr>
<th>Assessment No.</th>
<th>Proportional Basis (developable land – hectares)</th>
<th>Infrastructure Charge per land developed (per hectare) $</th>
<th>Total $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Development Area – Springwood Communities:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>140744</td>
<td>48.69</td>
<td>52,607.26</td>
<td>2,561,447.49</td>
</tr>
<tr>
<td>40868</td>
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<td>52,607.26</td>
<td>1,177,876.55</td>
</tr>
<tr>
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<td>29.05</td>
<td>52,607.26</td>
<td>1,528,240.90</td>
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<tr>
<td>145438</td>
<td>20.00</td>
<td>52,607.26</td>
<td>1,052,145.20</td>
</tr>
<tr>
<td>Development Area – Other Future Developers:</td>
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<td></td>
<td></td>
</tr>
<tr>
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<td>24,050.69</td>
</tr>
<tr>
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</tr>
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<td>15,022.29</td>
<td>15,022.29</td>
</tr>
<tr>
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<td>1.00</td>
<td>15,022.29</td>
<td>15,022.29</td>
</tr>
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<td>15,022.29</td>
<td>19,679.20</td>
</tr>
<tr>
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<td>23,735.22</td>
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<tr>
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<td>15,022.29</td>
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<td>23,735.22</td>
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<td>15,022.29</td>
<td>7,961.81</td>
</tr>
</tbody>
</table>
12. **Residential Rates Cap**
Adopts pursuant to Section 153(3) of the Local Government Act 1999 the Council will (upon application from the principal ratepayer) fix a maximum increase in General rates to be charged on any rateable land that constitutes the principal place of residence of the principal ratepayer as follows:

- 10% - for self-funded retirees or those ratepayers whose primary income source is fixed government benefits
- 20% - for all other ratepayers

where the increase is as a result of significant valuation movements except where:

a) significant capital improvements have been made to the property; or
b) the basis for rating or rebates has changed from the previous year; or
c) new building work and/or development activity has occurred on the land; or
d) changes in land use, wholly or partially have occurred; or
e) changes in zoning have occurred; or
f) the ownership of the rateable property has changed from the previous year; or
g) the property is no longer the principal place of residence of the principal ratepayer; or
h) a correction has been made to a previously undervalued property by the Valuer General; or
i) the property is owned by a company or incorporated body.

13. **Alteration of General Rates for Commercial and Industrial properties**
Adopts pursuant to Section 158(1)(b) of the Local Government Act 1999, Council will alter the amount of General rates otherwise payable in respect of any rateable land with a land use of Category 2 (Commercial – Shop), Category 3 (Commercial – Office), Category 4 (Commercial – Other), Category 5 (Industry – Light) and Category 6 (Industry – Other) as follows:

<table>
<thead>
<tr>
<th>Property Valuation $</th>
<th>General Rate</th>
<th>Rebate %</th>
<th>Effective Net General Rate</th>
</tr>
</thead>
<tbody>
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<td>0 – 499,999</td>
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<td>500,000 – 749,999</td>
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<td>35%</td>
<td>0.0071439</td>
</tr>
<tr>
<td>750,000 – 999,999</td>
<td>0.0109906</td>
<td>30%</td>
<td>0.00769342</td>
</tr>
<tr>
<td>1,000,000 – 1,499,999</td>
<td>0.0109906</td>
<td>25%</td>
<td>0.0082430</td>
</tr>
<tr>
<td>1,500,000 – 1,999,999</td>
<td>0.0109906</td>
<td>15%</td>
<td>0.0093420</td>
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<tr>
<td>2,000,000 – 4,999,999</td>
<td>0.0109906</td>
<td>7.5%</td>
<td>0.0101663</td>
</tr>
<tr>
<td>5,000,000 +</td>
<td>0.0109906</td>
<td>-</td>
<td>0.0109906</td>
</tr>
</tbody>
</table>
14. Withholding of Discretionary General Rate Rebate for Commercial properties in the Town Centre in a state of neglect

Taking into consideration the determining factors outlined in Section 3.10 of the Strategic Rating Policy, Council not withhold any Discretionary Rate Rebates provided to commercial properties (pursuant to Section 158(1)(b) of the Local Government Act 1999), on the basis that Council has deemed that no commercial properties are currently in a state of neglect which detracts significantly from the amenity of their locality.

15. Payment of General Rates and Service Charges

Adopts pursuant to Section 181(2) of the Local Government Act 1999, rates and charges will be payable in four equal or approximately equal instalments falling due on:

- 9 September 2019;
- 2 December 2019;
- 2 March 2020; and
- 1 June 2020

SUMMARY

Adoption of Rates and Charges for the 2019/20 financial year.

BACKGROUND

At the 2 July 2019 Special Council meeting, the following resolution was passed:

RESOLUTION 2019:07:COU001
Moved: Cr D Hughes
Seconded: Cr P Little

That:-

1. The 2019/20 Draft Budget and Long Term Financial Plan Update Report be noted.
2. Council endorses in principal the final preparation of the draft 2019/20 Budget / Business Plan based on the following key financial parameters:
   - An estimated operating surplus of $111k;
   - A 2.3% increase in General Rate revenue from existing ratepayers;
   - An increase of $126,000 ($12 per ratepayer relative to the Waste Management Service Charge) to cover the 40% increase in the State Government Solid Waste Levy (noting that this would otherwise equate to a 0.6% increase in General Rate revenue);
   - A net Capital works program of $5.979m, after excluding the $2.4m extraordinary payment to be paid to the State Government on practical completion of the Gawler East Link Road, which is within the recommended Capital works program threshold of $6m;
   - An Operating Ratio that is reflective of a 2.3% general rate revenue increase;
   - A Net Financial Liabilities Ratio that is reflective of a 2.3% general rate revenue increase
   - An Asset Renewal Funding Ratio of 100%, which is within Council’s financial policy threshold of 90-100%.
3. Council notes that a final report on the 2019/20 Budget / Business Plan will be presented to Council at a Special Council meeting to be held on Tuesday 16 July 2019.
Accordingly, the proposed General rates-in-the-dollar incorporated within this report have been based on achieving the General rate revenue requirement outlined in the updated 2019/20 Budget / Business Plan, which incorporates a 2.3% increase in General Rate revenue from existing ratepayers and 1.8% new General Rate revenue from development growth.

In setting the reduced 2.3% General Rate revenue increase from existing ratepayers (from the previous 3% that was provided in the public consultation version document of the draft budget), the Council is cognisant of the separate 0.6% increase (represented by a $12 increase in the Waste Management Service Charge) that will now be incurred by ratepayers via the recent State Government decision to apply a massive 40% increase in the Solid Waste Levy (which is on the coattails of the per-tonne Levy having effectively doubled from $52 to $100 in the space of just four years).

Thus, the combined increase in a ratepayer’s total rates bill for 2019/20 will, on average, be 2.9%, which is consistent with the 2019/20 rate cap percentage increase that would have applied had the State Government’s Rate Capping legislation been passed in Parliament.

The proposed rates-in-the-dollar and associated charges included in this report have been determined consistent with the rating methodology disclosed in Council’s Strategic Rating Policy.

**COMMENTS/DISCUSSION**

1. **General Rate revenue**

Consistent with recent years, there has been new property development that has occurred within the Council area across the last twelve months, which will be subsequently captured as ‘new’ General Rate revenue in the 2019/20 financial year. On current property/valuation data, this has been calculated as 1.8% of General Rate revenue, which is only marginally ($42k) short of the 2% originally provided for in the 2019/20 draft budget.

This has predominantly been due to on-going residential land developments, albeit there has been a nominal amount of new commercial development within the last 12 months as well.

An analysis of valuation/property data for the 2019/20 financial year, as at the time of preparing the report (including a comparison to the current 2018/19 financial year), is provided in Table 1 below.

**Table 1 – Property/Valuation Data for rating purposes analysis (excl. non-rateable properties)**

<table>
<thead>
<tr>
<th>Land Use category</th>
<th>Average valuation</th>
<th>Rateable Property Nos.</th>
<th>% of properties with no Valuation Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>18/19 $</td>
<td>19/20 $</td>
<td>Movement (+ / -)</td>
</tr>
<tr>
<td>Residential, Primary Production, Other</td>
<td>313,000</td>
<td>314,000</td>
<td>+0.3%</td>
</tr>
<tr>
<td>Commercial &amp; Industrial *</td>
<td>330,000</td>
<td>337,000</td>
<td>+2.1%</td>
</tr>
<tr>
<td>Vacant Land*</td>
<td>151,000</td>
<td>154,000</td>
<td>+2.0%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>11,374</td>
<td>11,532</td>
<td></td>
</tr>
</tbody>
</table>

*As there are a handful of very high-valued properties that distort the average valuation, in addition to the relative small sample base when compared to residential properties, the median value has been used.

Based on property valuation data, and Section 3.2 (General Rates) of the Strategic Rating Policy, the proposed differential General rates-in-the-dollar for 2019/20 have been determined as per Table 2 below.
Table 2 – Determination of Differential General Rates for 2019/20 financial year

<table>
<thead>
<tr>
<th>Item</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>‘Base’ General Rate:</strong></td>
<td></td>
</tr>
<tr>
<td>Residential Rate-in-the-$ 2018/19</td>
<td>0.005023</td>
</tr>
<tr>
<td>Proposed ‘Base’ 2019/20 Residential General Rate-in-the-$</td>
<td>0.0051385</td>
</tr>
<tr>
<td>Pursuant to Clause 3.2.1.1 of the Strategic Rating Policy the ‘base’ General Rate is applied to properties contained within Residential, Primary Production, and Other land use categories. As 96% of properties captured by the ‘Base’ General rate have had no valuation change, it is appropriate that Council apply a 2.3% increase in the Rate-in-the-$ to achieve the required 2.3% General Rate revenue increase (from existing ratepayers) disclosed in the 2019/20 adopted Budget.</td>
<td></td>
</tr>
</tbody>
</table>

| Vacant Land General Rate: | |
| ‘Base’ General Rate-in-the-dollar 2019/20 | 0.0051385 |
| ADD 50% loading | 0.0025693 |
| Loading rate unchanged |
| Proposed Vacant Land General Rate-in-the-dollar 2019/20 | 0.0077078 |

| Commercial and Industrial General Rate: | |
| ‘Gross’ Commercial/Industrial General Rate-in-the-dollar 2019/20 | 0.0109906 |
| Given the median valuation for Commercial and Industrial properties has increased by 2.28%, (when valuation rounding in Table 1 is removed) it is appropriate that the Rate-in-the-$ be unchanged from 2018/19 to achieve the required 2.3% General Rate revenue increase (from existing ratepayers) disclosed in the 2019/20 adopted Budget. |
| a) Proposed Commercial/Industrial General Rate-in-the-dollar 2019/20 | 0.0109906 |
| b) | |

Based on current property and valuation data, the ‘new’ General rate revenue from new property development (e.g. new residential land developments, new commercial developments, etc.) is approximately 1.8% (which is consistent with the revised budget estimate).

Table 3 – Percentage Increases in General Rates by Land Use Code

<table>
<thead>
<tr>
<th>Land Use</th>
<th>No. of Rateable properties</th>
<th>% of Rateable properties</th>
<th>&lt;=1%</th>
<th>1.01-2.29%</th>
<th>2.3%</th>
<th>2.31-3%</th>
<th>3.01-4%</th>
<th>4.01-5%</th>
<th>&gt;5%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>10,141</td>
<td>87.9%</td>
<td>0.1%</td>
<td>-</td>
<td>96.6%</td>
<td>-</td>
<td>0.2%</td>
<td>0.3%</td>
<td>2.8%</td>
</tr>
<tr>
<td>Commercial &amp; Industrial</td>
<td>585</td>
<td>5.1%</td>
<td>8.5%</td>
<td>50.3%</td>
<td>4.9%</td>
<td>9.0%</td>
<td>2.3%</td>
<td>10.0%</td>
<td>15.0%</td>
</tr>
<tr>
<td>Primary Production</td>
<td>297</td>
<td>2.6%</td>
<td>-</td>
<td>-</td>
<td>95.2%</td>
<td>-</td>
<td>0.7%</td>
<td>-</td>
<td>4.1%</td>
</tr>
<tr>
<td>Vacant Land</td>
<td>471</td>
<td>4.1%</td>
<td>3.3%</td>
<td>0.6%</td>
<td>89.0%</td>
<td>-</td>
<td>-</td>
<td>0.6%</td>
<td>6.5%</td>
</tr>
<tr>
<td>Other</td>
<td>38</td>
<td>0.3%</td>
<td>-</td>
<td>-</td>
<td>68.4%</td>
<td>-</td>
<td>5.3%</td>
<td>15.6%</td>
<td>10.7%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>11,532</td>
<td>100%</td>
<td>0.6%</td>
<td>2.5%</td>
<td>91.7%</td>
<td>0.5%</td>
<td>0.3%</td>
<td>0.8%</td>
<td>3.6%</td>
</tr>
</tbody>
</table>

*Residential properties captured by an increase in General Rates greater than 5% include instances of where an incomplete new house under construction (as at 18/19 financial year) has now been completed (resulting in a material property valuation increase).
Based on Table 3 above, 91.7% of all ratepayers will incur a General Rate increase of exactly 2.3%, 3.1% will incur an increase less than this, and 5.2% will incur an increase above this. Individual property increases that apply will naturally be based on individual movements in property valuations.

Whilst Table 3 indicates 91.7% of all ratepayers will incur a 2.3% General rate increase, the volatility of movements in individual Commercial and Industrial property valuations has meant that 59% of such properties will incur an increase of less than 2.3%, whereas 25% of such properties will incur an increase above 4%. As noted in Table 2, given the median property valuation for all Commercial and Industrial properties has increased by 2.28% (which is effectively consistent with the 2.3% General Rate revenue increase required from existing ratepayers), it is appropriate that the Rate-in-the-$ levied for such properties remains unchanged from 2018/19.

Table 4 below outlines the movement in average residential property valuations by suburb.

**Table 4 – Movement in average residential property valuations by Suburb**

<table>
<thead>
<tr>
<th>Suburb</th>
<th>No. of residential properties</th>
<th>% Movement in average residential property valuation +/-</th>
</tr>
</thead>
<tbody>
<tr>
<td>Evanston</td>
<td>1,093</td>
<td>+1.1%</td>
</tr>
<tr>
<td>Evanston Gardens</td>
<td>867</td>
<td>+0.9%</td>
</tr>
<tr>
<td>Evanston Park</td>
<td>1,627</td>
<td>+0.2%</td>
</tr>
<tr>
<td>Evanston South</td>
<td>201</td>
<td>-3.0%</td>
</tr>
<tr>
<td>Gawler</td>
<td>302</td>
<td>+0.3%</td>
</tr>
<tr>
<td>Gawler East</td>
<td>2,185</td>
<td>+0.3%</td>
</tr>
<tr>
<td>Gawler South</td>
<td>1,213</td>
<td>+0.7%</td>
</tr>
<tr>
<td>Gawler West</td>
<td>486</td>
<td>0.0%</td>
</tr>
<tr>
<td>Hillier</td>
<td>41</td>
<td>-2.9%</td>
</tr>
<tr>
<td>Kudla</td>
<td>106</td>
<td>+1.7%</td>
</tr>
<tr>
<td>Reid</td>
<td>150</td>
<td>+0.7%</td>
</tr>
<tr>
<td>Willaston</td>
<td>1,556</td>
<td>+0.1%</td>
</tr>
</tbody>
</table>

*Source: State Valuation Office*

Whilst Table 4 indicates that there have been modest differences in the movement in the average residential property valuation by suburb, Table 1 indicates that, overall, 96% of residential properties have had no change in their property valuation from the 2018/19 financial year. It is important to note that the average property valuation movements by suburb do not automatically apply to all properties within the suburb.

Based on the 2.3% increase in the General rate-in-the-$, the 96% of residential properties that have had no change in the property valuation from 2018/19 will automatically incur a General Rate increase of 2.3%, consistent with the percentage revenue increase required to fund the 2019/20 Budget.

**2. Tiered Rating (Commercial and Industrial properties)**

A summary of the indicative amounts for 2019/20 under the ‘tiered’ rating methodology for commercial and industrial properties is provided in Table 5 below.
Table 5 – Indicative 2019/20 Discretionary Rate Rebates (Tiered Rating)

<table>
<thead>
<tr>
<th>Valuation Range</th>
<th>2018/19</th>
<th>2019/20</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of properties</td>
<td>$</td>
</tr>
<tr>
<td>0-499,999</td>
<td>378</td>
<td>414,095</td>
</tr>
<tr>
<td>500,000-749,999</td>
<td>82</td>
<td>187,694</td>
</tr>
<tr>
<td>750,000-999,999</td>
<td>42</td>
<td>116,980</td>
</tr>
<tr>
<td>1,000,000-1,499,999</td>
<td>33</td>
<td>110,387</td>
</tr>
<tr>
<td>1,500,000-1,999,999</td>
<td>8</td>
<td>22,643</td>
</tr>
<tr>
<td>2,000,000-4,999,999</td>
<td>13</td>
<td>30,396</td>
</tr>
<tr>
<td>5,000,000 +</td>
<td>7</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>563</strong></td>
<td><strong>882,195</strong></td>
</tr>
</tbody>
</table>

‘Tiered’ rating for Commercial and Industrial properties is applied pursuant to Section 158(1)(b) of the Local Government Act 1999, which prescribes that a Council can ‘alter the amount that would otherwise be payable by way of rates in respect of land that falls within a range of values determined by the council’.

3. Waste Management Charge

In accordance with Clause 3.7 of the Strategic Rating Policy, Council continues to apply a Waste Management Service Charge to recover the cost of providing kerbside waste collection and disposal services for the community.

The charge applied for 2019/20 will increase by $12 (6%) to $198.

This increase has solely been driven by the 40% increase in the State Government’s Solid Waste Levy, which was recently applied by the State Government without any prior consultation with the Local Government sector. The per-tonne levy rate, which will increase from $100 to $140, has recently effectively doubled from $52 (in 2014/15) within the space of just four years.

Council had previously consulted with its community, as part of the public consultation undertaken on the draft 2019/20 Budget / Business Plan, that it was not intending to increase the Waste Management Service Charge from the $186 applied in 2018/19.

In accordance with Section 155 of the Local Government Act 1999, the Council cannot collect revenue from the Service Charge which exceeds the cost of providing the kerbside service.

4. Gawler Business Development Group Separate Rate

As part of their 2019/20 Budget previously tabled to Council at the 19 March 2019 Special Council meeting, the Gawler Business Development Group (GBDG) is seeking funding of $175,870, which is funded from the Separate Rate applied against commercial and industrial properties. The funding sought is an increase of 1.9% from the 2018/19 financial year.

The recommended rates-in-the-dollar have been based on the levy being equitably distributed across both Town Centre and Non-Town Centre properties, as determined in consultation with the GBDG (per clause 3.3.4 of the Strategic Rating Policy). The area captured by the Town Centre element of the Separate Rate is outlined in Attachment 1.

5. Withholding of Discretionary Rate Rebates for Commercial properties in the Town Centre in state of neglect

The Strategic Rating Policy provides for Council to consider withholding discretionary rate rebates (provided under the tiered rating structure) for Commercial properties in the Town Centre in state of neglect (Section 3.10).

Item 5.3
Introduced from the 2015/16 financial year, this initiative has facilitated the recent upgrade of three commercial properties in the Town Centre that have previously had discretionary rate rebates withheld (being the old cinema at 27 Murray Street, the former ‘Simply Pine’ at 98 Murray Street, and ‘the Abbey’ at 8 Cowan Street). Consequently, this initiative has worked as originally intended.

Based on recent inspections undertaken by staff, no commercial properties in the Town Centre have been recommended for the withholding of discretionary rate rebates for the 2019/20 financial year.

6. Gawler East Separate Rates

The purpose of the Separate Rates is to act as a financial security mechanism to secure contributions from developers towards the provision of various transport and community infrastructure that will benefit the land, and occupiers of the land, within the Gawler East Development area. The area captured by the Separate Rate is disclosed in Attachment 2.

The Separate Rates specifically excludes properties that received development approval within the ‘Springwood’ and ‘Woodvale’ residential land developments prior to the initial implementation of the Separate Rates in 2017/18.

The Separate Rates applied are then immediately postponed, pending a trigger occurring for lifting of the postponement – the ‘trigger’ being the principal ratepayer of the land or any other person seeking to have a certificate under Section 51 of the Development Act 1993 issued for any division of the land involving the creation of one or more allotments intended for residential or commercial use; or otherwise obtaining development approval under the Development Act, 1993 for construction of a residential development involving more than one dwelling, or a commercial development, on the land, and either:

- payment has not already been made to the Council (or security provided to the Council’s satisfaction) in accordance with another mechanism (including under a deed) for an amount equivalent to the amount of the separate rate declared and payable in respect of the land; or
- in kind capital works have not been undertaken (or security provided to the Council’s satisfaction) which the Council is satisfied in its absolute discretion are equivalent to the amount of the separate rate declared and payable in respect of the land, in which case the postponement is revoked and ceases to operate.

The quantum of Separate Rates applied is reviewed on an annual basis, taking into consideration various cost increases and associated infrastructure works that have occurred in the intervening twelve months. The 2019/20 Separate Rates for Gawler East Transport Infrastructure and Traffic Interventions have been indexed by the Australian Bureau of Statistics Roads and Bridge Construction Index (ABS 6427.0 Table 17), consistent with the indexation factor outlined in the Gawler East Link Road Deed between Council and the Minister for Transport & Infrastructure (1.8% for the year ending March 2019).

Similarly, the 2019/20 Separate Rates for Gawler East Community Infrastructure has been indexed by the Local Government Price Index (2.1% for the year ending March 2019).

7. Impact on Average Ratepayer

The indicative impact of the above factors on the average ratepayer is summarised in Attachment 3.

COMMUNICATION (INTERNAL TO COUNCIL)

Executive Management Team
Team Leader Finance
Rates Officers
CONSULTATION (EXTERNAL TO COUNCIL)

Public consultation of the Strategic Rating Policy and the Gawler East Development – Infrastructure Funding Policy was undertaken in conjunction with consultation of the draft 2019/20 Budget / Business Plan during May-June 2019.

The six written submissions received, all relative to the 2019/20 draft Budget, were considered by Council at the Special Council meeting held on 2 July 2019.

POLICY IMPLICATIONS

All proposed rates/charges for 2019/20 have been determined consistent with the Strategic Rating Policy and the Gawler East Development – Infrastructure Funding Policy.

STATUTORY REQUIREMENTS

Chapter 10 (Rates & Charges) - Local Government Act 1999

FINANCIAL/BUDGET IMPLICATIONS

The revenue to be generated from the proposed rates and charges is consistent with Council’s targeted revenue contained in the 2019/20 Budget / Business Plan.

COMMUNITY PLAN

Objective 5.2: Be recognised as a ‘best practice’ Local Government organisation
5.4  ADOPTION OF 2019/20 FEES & CHARGES

Record Number:  CC19/319;IC19/406

Author(s):  Tony Amato, Team Leader Finance

Previous Motions:  Council, 26/03/2019, Motion No: 2019:03:COU091

Attachments:  1.  Draft 2019/20 Fees & Charges CR19/46635

OFFICER’S RECOMMENDATION

That Council adopts the 2019/20 Fees and Charges.

SUMMARY

Council’s Fees and Charges need to be reviewed on an annual basis as part of the Annual Business Plan and Budget process.

BACKGROUND

Council’s Fees and Charges need to be reviewed on an annual basis, being effective as the date of adoption for each financial year.

The draft fees and charges schedule was presented to the Ordinary Council meeting on 26 March 2019, at which the following resolution was passed:

Moved by Cr B Sambell
Seconded by Cr D Hughes
Motion No: 2019:03:COU091

That Council receives and notes the draft 2019/20 Fees and Charges, acknowledging that the fees and charges presented has informed the basis of Council preparations of the draft 2019/20 budget.

The purpose of this report is to seek Council adoption of the proposed fees and charges for the 2019/20 financial year.

A copy of the proposed 2019/20 Fees and Charges is provided as Attachment 1.

COMMENTS/DISCUSSION

The proposed fees and charges have been based on, and are consistent with, associated revenue targets identified in the draft 2019/20 budget. Where appropriate, the fee increases have been maintained at between 2%-3%, which is generally in line with forecast changes in the Consumer Price Index (CPI) and which will also ensure that, to the extent possible, existing cost recovery rates are maintained.

However, there have been notable changes to several fees and charges proposed for 2019/20, as per the commentary below.

Building Upgrade Finance Scheme

At the 23 October 2018 meeting Council resolved to participate in the Building Upgrade Finance Scheme from 1 July 2019. Accordingly, a number of new associated administrative fees and charges have been included, consistent with the proposed fees presented to the October 2018 meeting.
Civic Centre
As the Civic Centre was completed in January 2019 and opened for business in February 2019, a number of new associated fees and charges were introduced in 2018/19 relating to the use of the various facilities encapsulated therein – e.g. Business Innovation Hub, Multi-Functional Space, various meeting rooms, etc.

As the initial fee structure for 2018/19 was applicable from February 2019, Divisional staff have recommended that there be no increase for 2019/20.

It is noted that when Council endorsed the fees and charges structures for the Civic Centre in anticipation of it opening to the public, a decision was made to have the meeting rooms available to local community groups for free. This was considered an appropriate decision relative to wanting to make sure that local groups engaged with and booked rooms accordingly. However, a consequence of such a decision has resulted in no revenue being generated via such room bookings and also with other Council facilities, such that the Recreation and Community Centre is now experiencing cancellations in room bookings and/or booking rates reducing as the Civic Centre is offering free room hire.

It is considered appropriate that the free room hire arrangements at the Civic Centre be reviewed when Council reviews such hire charges as part of the 2020/21 budget relative to all council room facilities at all its community centres.

Dog and Cat Management
As from 1 July 2018, dog registrations across South Australia have been managed by the Dog & Cat Management Board. Accordingly, for 2018/19, many of the associated fees and charges were changed as a result of the simplification and centralisation of the processes and consolidation of classifications.

The registration fees for 2019/20, as advised to the Board, have been increased by 2.22%, consistent with the previous Fees & Charges report tabled to the 26 March 2019 meeting. Renewal notices for the 2019/20 registration year have recently been distributed by the Board.

Home Assist Program
The Gawler Home Assist Program significantly increased client fees and charges by 20% in 2018/19 so that additional community services could be provided on a subsidised basis. This initiative was designed to achieve the required funding outputs which are reported via the funding acquittal process. Additionally, periodic, but larger, increases also simplify the procedural aspects (i.e. invoicing, co-contribution collections, etc.) of the program. Accordingly, Divisional staff have recommended that there be no increase for 2019/20. The Home Assist Program is currently forecast to continue to be a cost neutral service within the draft 2019/20 budget (excluding indirect administrative support provided).

Library
Library fees and charges that relate to the provision of various services, programs and products / kits have been increased in line with CPI or to reflect market pricing. However, minor fees and low value charges that relate to administrative services such as printing, photocopying and laminating have remained unchanged from the previous year on the recommendation of Divisional staff.

Cemetery Fees
Cemetery fees and charges for 2019/20 have generally increased in line with CPI.

Aquatic and Recreation Services
Fees and charges associated with the community facilities managed by the Aquatic and Recreation Services team (Gawler Aquatic Centre, Gawler Sport & Community Centre and Gawler Elderly Centre) have been individually reviewed and adjusted. This process includes facility and service benchmarking, local environmental factors, as well as importantly recognising the impact of significant capital investment in these facilities.
Increases to individual fees and charges across the services provided from the Gawler Aquatic Centre, Gawler Sport & Community Centre and Gawler Elderly Centre are varied and are based on specific analysis and review. It should be noted that collectively the increase in fees and charges is as follows (excluding bond charges):

- Gawler Aquatic Centre (increase of 2.38%)
- Gawler Elderly Centre (increase of 2.32%)
- Gawler Sport & Community Centre (increase of 2.28%)

**Other Fees**

In addition to the above specific changes, other minor and/or appropriate business oriented $ increases / decreases have been made which, generally due to their small $ amounts, have resulted in percentage increases / decreases above / below CPI.

This report excludes various fees set by State Government regulation (e.g. Development fees, various Expiation fees, etc.) as noted in Attachment 1.

**COMMUNICATION (INTERNAL TO COUNCIL)**

Relevant Budget / Council Managers and Team Leaders.

**CONSULTATION (EXTERNAL TO COUNCIL)**

Once adopted, the Fees & Charges will be added to Council’s internet website and will be available for inspection at the Customer Service counter of the Gawler Administration Centre.

**POLICY IMPLICATIONS**

Funding Policy

**STATUTORY REQUIREMENTS**

Local Government Act 1999 Section 188 Fees and Charges

**FINANCIAL/BUDGET IMPLICATIONS**

The proposed fees and charges have been determined to be consistent, to the extent possible, with related revenue targets contained within the 2019/20 Budget.

**COMMUNITY PLAN**

Objective 5.2: Be recognised as a ‘best practice’ Local Government organisation

Objective 5.3: Deliver ongoing effective and efficient services, including support for regional collaboration
5.5 CONNEXUS MEMORANDUM OF UNDERSTANDING

Record Number: CC19/319;IC19/447
Author(s): David Barrett, Manager Business Enterprises and Communications
Previous Motions: Council 25/06/2019, Resolution 2019:06:COU222

OFFICER’S RECOMMENDATION

That Council authorises the Chief Executive Officer to execute the Memorandum of Understanding with Connexus Internet Services as presented.

SUMMARY

This report seeks Council’s authorisation of the proposed Memorandum of Understanding between Council and Connexus Internet Services with respect to the “Pay it Forward” Project.

BACKGROUND

Council has been approached by Connexus Internet Services (Connexus) regarding the facilitation of a local economic development project comprising participation in a documentary style television series and a business education program.

The proposal was first presented informally to Council at its 21 May 2019 Smart Cities Update Workshop. A formal report was then presented for Council’s consideration at the 25 June 2019 Council Meeting where the following was resolved:

RESOLUTION 2019:06:COU222
Moved: Cr N Shanks
Seconded: Cr P Koch

That Council:

1. Notes that Connexus Internet Solutions’ pilot initiative potentially provides an economic opportunity to benefit local businesses which if successful could be rolled out on a national basis with the proposal that Gawler becomes the preferred national head office location
2. Hold a Special Council meeting as soon as possible, where further information on the Connexus Internet Solutions initiative will be provided to the satisfaction of Council.

This report responds to the above resolution.

COMMENTS/DISCUSSION

When Council considered the Connexus proposal at its 25 June 2019 meeting feedback provided to Council Staff was that additional information regarding the proposal was required and that the Memorandum of Understanding needed to be time-bound. Council Staff contacted Connexus on 26 June 2019 requesting further information regarding the proposal and Connexus subsequently supplied a Frequently Asked Questions brochure (Attachment 1) and promotional video (https://vimeopro.com/mnfgroup/connexus) that were forwarded to Council Members on 10 July 2019. In addition, Council Staff discussed the requirement of time-bounding the Memorandum of Understanding and Connexus agreed to a 12-month agreement commencing 1 August 2019 and concluding 31 July 2020.
As previously reported to Council, the essence of the project is that Connexus provides local businesses with free telecommunications for 12 months and requests these businesses to “pay-forward” the saving that they make to other local businesses. For example, if a business spends $20 per week on telecommunications then the request is that this $20 being saved by the business by signing up to the program is spent within the local community instead - purchase a coffee at the local café or treat yourself to a meal or retail therapy.

Connexus is undertaking a baseline assessment of the local economy prior to the program commencing and, with assistance from qualified researchers, will be tracking the economic growth of the town throughout the program. If there is an economic uplift over the course of the program that appears commensurate with the program’s implementation then it could be assumed that the program delivered this uplift.

The documentary series as part of the project will be highlighting local businesses, the pay-it-forward model and the outcomes. It will also feature a business education program titled “Small Talks” (similar to TED-Talks) that will be run throughout the year. It is proposed that this series is filmed throughout Gawler but with a focus on the Gawler Civic Centre as the host site for the education program as well as for the program delivery personnel from Connexus and Pinstripe Media, the company being engaged to deliver the documentary and education program. A total of 3 persons are expected to occupy parts of the Business Innovation Hub for an average of 3-5 days per week.

The business education program is proposed to complement existing programs within the region delivered by organisations like the Gawler Business Development Group and Regional Development Australia Barossa Gawler Light Adelaide Plains. These organisations have been engaged in the discussions with Connexus and are excited by the opportunities that the program can facilitate. In addition, Gawler’s Business Innovation Hub is required to deliver business development programs and is currently formulating Memoranda of Understanding between all parties to ensure that programs are indeed complementary.

The “Small Talks” events being offered by this program will fill a gap in the current business program market and with multiple-organisation engagement there is opportunity for co-branding of these events. Also, with a collaborative program comes cost savings and opportunities to divert these savings into other deliverables from these organisations. Connexus has advised Council Staff that the “Small Talks” intend to be presented on a monthly basis during the project.

The request of Council for support with the program is in-kind being access to the Business Innovation Hub for Connexus and Pinstripe Media Staff and access to Gawler Civic Centre Meeting Rooms and Function Spaces for program delivery. As stated above, the Business Innovation Hub access is for 3 seats across the time of the project. These seats can be accommodated with no impact on current membership growth projections for the Hub.

Access to the Gawler Civic Centre Meeting Rooms and Function Spaces is expected to be once a month for Small Talks in the Function Spaces and adhoc Meeting Room use estimated at 3 hours per month. Both the use of Function Spaces and Meeting Rooms within the Gawler Civic Centre for the Project will have no impact on the availability of these spaces for community and/or commercial hire as it will only be provided where no such competing hire exists. As stated within the Memorandum of Understanding, access to Gawler Civic Centre Meeting Rooms and Function Spaces will only be made available via negotiation between Connexus and Council, is subject to advance notice being provided by Connexus to Council and may be cancelled by Council with a minimum seven days’ notice to Connexus.

In return for the above, Council will receive acknowledgement of its support in any marketing, promotion and media, the local business community will receive an education program and cost savings to their businesses and the Town of Gawler will receive extensive exposure via national media.

The Pay It Forward Project is a pilot project for both Connexus and Pinstripe Media. If the Project is successful then it has the potential to be replicated in other regions within Australia. Discussions with Connexus indicate that any future national roll-out of this model would prioritise Gawler as its base of operations. If this does eventuate then there will be local jobs created by the Project.
Connexus is a newly formed subsidiary company of the MNF Group and underwent a branding exercise in April 2019. The company is operating with an active digital media presence:


b) https://www.facebook.com/ConnexusBiz

c) https://www.instagram.com/connexusbiz/

Connexus estimates its investment in the Pay it Forward Project will be approximately $750,000 across the 12 month period.

The Pay it Forward Project has already gained traction with some early adopters in Gawler. Connexus reported that 40 users are either active or going through the activation process and an additional 15 have started the conversation. The partnership with Pinstripe Media is expected to be announced in late July/early August. It is at this time that the proposed partnership with Council will commence.

Council Staff have been working with Connexus to develop a Memorandum of Understanding (MOU) for the project for Council’s consideration – Attachment 2. This Memorandum of Understanding has been updated since Council first considered it in June with the inclusion of a defined time-period for the agreement being 12 months from 1 August 2019 to 31 July 2020.

Council’s in-kind support being considered within MOU is valued at approximately $15,000 which is broken down below:

a) Business Innovation Hub Membership – 3 seats at $250/month.

b) Gawler Civic Centre Meeting Rooms and Function Spaces – Small Talks at $425/month, occasional Meeting Room Hire at $75 per month.

In response to the Pay it Forward Project, Council Staff are discussing with Connexus how Council can directly benefit from the Project in the same way that local businesses will benefit. As Council is aware, digital wayfinding devices are soon to be installed at the Gawler Visitor Information Centre and Gawler Sports and Community Centre. These devices require telecommunications facilities, such as voice over internet protocol (VOIP), that Connexus is providing to local businesses free of charge during the Project period. The value of this service is estimated at $1,100 per annum. Council Staff are negotiating this provision as a free of charge supply by Connexus as part of the Pay it Forward Project.

COMMUNICATION (INTERNAL TO COUNCIL)

Executive Management Group
Team Leader Digital and Business Information Solutions

CONSULTATION (EXTERNAL TO COUNCIL)

Connexus Internet Services
Andrew Morris
Regional Development Australia Barossa, Gawler, Light, Adelaide Plains
Gawler Business Development Group

POLICY IMPLICATIONS

Nil

STATUTORY REQUIREMENTS

Nil
FINANCIAL/BUDGET IMPLICATIONS

If Council authorises the Memorandum of Understanding with Connexus, the cost to Council is estimated at $15,000 in-kind support for the period of the agreement. As this support is in-kind, it has no cash consequence to Council and can be absorbed within Council's 2019/20 recurrent budget related to the Business Innovation Hub and Gawler Civic Centre Operations accordingly.

COMMUNITY PLAN

Objective 1.4: Foster a vibrant and active, event-filled Council area

Objective 2.4: Manage growth through the real connection of people and places

Objective 2.5: Local economic activity to create local job opportunities and generate increased local wealth

Objective 3.4: Gawler to be an inclusive and welcoming community

Objective 5.1: Support and encourage community teamwork

Objective 5.3: Deliver ongoing effective and efficient services, including support for regional collaboration
6 QUESTIONS WITHOUT NOTICE

7 MOTIONS WITHOUT NOTICE

8 CLOSE

9 NEXT ORDINARY MEETING

Tuesday 23 July 2019 commencing at 7:00pm