

City of Marion Annual Business Plan 2019-2020



Acknowledgement of Country

We acknowledge we are part of Kurna land and recognise the Kurna people as the traditional and continuing custodians of the land.

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Welcome

This Annual Business Plan 2019-20 outlines the services and projects that council will deliver over the next 12 months and the financial decisions that underpin them, so that we can progress the community's aspirations in the City of Marion Community Vision - 'Towards 2040' and the goals in the 10-year Strategic Plan 2017-2027.

The newly elected Council is committed to continuing to deliver value to our ratepayers. Our focus on prudent financial management and decision making will continue to identify on-going savings. This strong efficiency focus has enabled us to maintain the average rate increase at 1.8% while retaining current service levels.

During 2019-20, the City will continue to be improved through investment in projects including:

Mitchell Park Sports and Community Redevelopment

A multi -function community centre that accommodates regional recreation and a multi- purpose sports hub will be delivered to support greater use by residents and the community through a range of activities and services. This three year project has secured grant funding of \$5 million from the Federal Government with up to \$10 million committed by the City of Marion.

Edwardstown Employment Precinct

Activation of the Edwardstown and Melrose Park employment precinct will commence to explore opportunities to make the area an outstanding place for business, innovation and entrepreneurs to thrive, while simultaneously creating new jobs and attracting new industry.

Oaklands Precinct Project

Centred on the grade separation of the Oaklands railway crossing Council has committed to a \$5 million multi-year precinct development. Additional Smart Cities and Suburbs grant funding of \$867,500 from the Australian Federal Government will also support this project. The four-year project includes a reserve and playground upgrade, street infrastructure upgrades and art installations to support improved walking and cycling, connectivity, safety and community liveability.

Redevelop courts and build a multi-purpose facility at Seaview High School

Council will continue to progress the planning and delivery of new sports and community facilities. \$500,000 is committed from the Department of Education and Childhood Development. Outcomes of an additional funding application for \$1 million from the Office for Recreation, Sport and Racing is pending. The multi-purpose facilities will link with and enable community use of the school open space playing fields and support a number of growing sports clubs in Marion.

BMX Facility in partnership with the State Government and the City of Onkaparinga

Council will continue to progress the development of the Sam Willoughby BMX facility to be built to UCI standards, in partnership with the State Government and the neighbouring City of Onkaparinga.

Greening our Streets

Guided by our Streetscape Policy, Council will improve the attractiveness, amenity, character and functionality of streetscapes including some arterial roads. \$2.0m has been allocated in 2019-20, as part of an annual ongoing program, to improve the environment, amenity and add value to people's experience in the City.

Marion Outdoor Pool building and recreational facilities upgrade

Council will continue to progress the \$3.57 million 3 year multi-staged upgrade of the Marion Outdoor Pool with an allocation of \$1.930m in the 2019-20 budget. This upgrade will improve the facility to contemporary standards to ensure it remains as an attractive outdoor swimming and family recreation site for people of varying interests.

Morphettville Park Sports and Community Club

With funding support from the State Government (\$500k) and SANFL (\$50k), Council is investing \$3.15m towards improvements to club facilities and change rooms which will be undertaken to support a growing membership base. Expansion of the oval will also form part of the development. The total project cost is \$3.7m with an allocation of \$2.7m included in the 2019-20 budget.

Southern Soccer Facility

Council will contribute \$2.5m towards the development of at least two additional soccer pitches in the south to support growing membership. External funding of \$2.5m will bring this project up to a total of \$5 million.

Community Bus

An additional community bus will be provided in 2019-20 to enable better access to Neighbourhood Centre programs and other facilities and services at a cost of \$30,000 per annum over 2 years.

2. Our Purpose, Vision and Values

OUR PURPOSE (Why we exist)	To improve our residents' quality of life; continuously, smartly and efficiently
OUR COMMUNITY VISION (What we want to become)	A community that is Liveable, Valuing Nature, Engaged, Prosperous, Innovative and Connected
OUR VALUES	<p>With the community and safety at the forefront of everything we do, we value:</p> <p>Respect - Treating everyone as we want to be treated, where all contributions are valued</p> <p>Integrity - Fostering trust and honesty in all of our interactions</p> <p>Achievement - Enhancing our knowledge and performance to reach our shared goals, while being dedicated to supporting one another</p> <p>Innovation - Encouraging new ideas, and learning from our experience to do things better</p>

The six themes of our Community Vision represent the shared values and aspirations that guide how our city develops, towards 2040. These outcomes are important for this community now and into the future:



Engaged

By 2040 our city will be a community where people are engaged, empowered to make decisions, and work together to build strong neighborhoods.

Liveable

By 2040 our city will be well planned, safe and welcoming, with high quality and environmentally sensitive housing, and where cultural diversity, arts, heritage and healthy lifestyles are celebrated.

Valuing Nature

By 2040 our city will be deeply connected with nature to enhance peoples' lives, while minimizing the impact on the climate, and protecting the natural environment.

Prosperous

By 2040 our city will be a diverse and clean economy that attracts investment and jobs, and creates exports in sustainable business precincts while providing access to education and skills development.

Innovative

By 2040 our city will be a leader in embracing and developing new ideas and technology to create a vibrant community with opportunities for all.

Connected

By 2040 our city will be linked by a quality road, footpath and public transport network that brings people together socially, and harnesses technology to enable them to access services and facilities.

PLANS INTO ACTION



This Annual Business Plan 2019-20 is an integral part of Council's Strategic Management Framework that will enable strategic and operational plans, management systems and processes work together to effectively deliver the Community Vision.

3. Significant influences

In the development of the Annual Business Plan we undertake a review of our internal environment and broader external environment that includes political, economic, environmental, social and technological elements. This identifies key issues that help provide a context for the development of this plan.

The following broad trends impacting our city include:

Population growth

The City of Marion population is forecast to grow by 15% over the next 15 years. To facilitate growth in our community it is important to invest in our infrastructure to meet future needs.

This year we will invest in upgrades to the Marion Outdoor Pool to ensure that it continues to be a key recreational destination for families. We will also continue work to deliver the upgrade of Morphetville Sports and Community Facility to meet the current and future demands of growing membership.

Health, wellbeing and social isolation

Participation in physical activity has a strong linkage to improved health and wellbeing outcomes. Reported data for the City of Marion highlights key lifestyle challenges including increased sedentary lifestyles, and insufficient levels of physical activity and participation. Almost one third of our city residents live alone, indicating the potential for social isolation.

Providing facilities and services that promote healthy lifestyles, community participation and wellbeing will positively impact our community.

This year we will trial a third community bus to provide further opportunities for social participation in community activities and volunteering. Planning will continue for the delivery of a UCI standard BMX facility and new soccer pitches to encourage physical activity.

Environment

Climate projections indicate that by 2030 Southern Adelaide will experience an increased incidence of heatwaves exacerbating the urban heat island effect. The City of Marion remains committed to mitigate against climate change and to help our residents, businesses and local ecosystems to build resilience and adapt to the impacts of a changing climate through ongoing program delivery.

To further support our commitment to the environment we will deliver actions out of our Energy Efficiency and Renewable Energy Plan. We will also continue the roll out of our 'streetscape' program to improve our environment and enhance the City's walkability.

Waste management

In January 2018, China commenced restriction on the importation of recycled materials under its National Sword Policy. The introduced policy outlined strict contamination limits for recyclable materials. This has impacted the exportation of some industrial and household plastic categories to China.

The Southern Region Waste Resource Authority (SRWRA) established by the Cities of Marion, Onkaparinga and Holdfast Bay is a regional subsidiary that is responsible for providing and operating waste management services.

SRWRA is actively seeking a local solution in response to China's ban on contaminated recycling imports as well as the broader rising financial and environmental costs of disposal to landfill.

Technology and Communication

To ensure that we continue to operate an efficient business and remain responsive to the needs of our community we will continue to implement our ICT Digital Transformation Plan.

The roll out will enable us to improve our business operations through modern integrated systems that provide greater levels of information, informed decision making and improved customer service.

Economy

As a partner with the Southern Adelaide Economic Development Board regional priorities are being pursued to position Southern Adelaide as the best place to live, work, invest and do business.

Recent State Government major transport projects within our city will soon be nearing completion and will provide an opportunity to activate the Edwardstown area as a key employment precinct in our city.

Council will continue to work in partnership to enable options for faster city-wide internet services.

Innovation

Smart technologies are intended to create a better connected city and improved liveability. Understanding why, how and when people are moving to and from spaces will allow for a service offering aligned with people's movements.

The upgrade of the Oaklands Crossing has provided an opportunity to improve community connections between the railway station hub and key destinations including the Marion Cultural Centre, the State Aquatic and Leisure Centre, and Westfield Marion by implementing our first smart precinct area for the many commuters and visitors who travel through this area on a daily basis.

This project, funded through the Australian Government and Council, will include enhancements such as smart lighting, wayfinding technologies, smart irrigation, parking technology solutions, Wi-Fi and CCTV. The amenity of the area will also be enhanced through an upgrade of the Dwyer Road Reserve to include a basketball area and nature play to ensure the area is utilised as a connected precinct.

4. Framework of the Annual Business Plan

The Annual Business Plan 2019-20 has been prepared on the basis of a framework that aims to inform the community and hold the City of Marion accountable to its stakeholders. The key items in this framework are as follows:

Support the achievement of the City of Marion's Strategic Directions

This Annual Business Plan has been reviewed against the Community Vision – Towards 2040 to ensure that council's activities over the next 12 months make the best possible progress towards achieving the community's vision for the future City of Marion.

Address issues arising and opportunities identified from internal audit reviews, and business excellence assessments

Every year council undertakes a number of internal audits. These reviews and assessments have identified a number of key opportunities or requirements for council to improve its operations. This document includes the necessary resources to continue council's independent review process and implement recommendations accordingly.

Maintain, on average, a break-even or positive funding (cash) position over the Long Term Financial Plan

With a primary focus on cash flow and ensuring Council's asset renewal and upgrades are fully funded, this target is currently being met. To ensure ongoing financial sustainability Council monitors and reviews all its financial indicators together.

Continue to improve the maintenance of assets in accordance with Council's Asset Management Plans, with a priority on maintenance before renewal, and renewal before new when it is cost effective to do so

The Annual Business Plan has been prepared taking into consideration Asset Management Plan requirements, outcomes of recent infrastructure audits, targets set for renewal versus depreciation (95-100% as per Asset Management Policy) and a focus on maintaining council's asset base.

Review existing services and assets to ensure they meet prioritised community needs

The council continues its rolling process of Service Reviews, aimed at maximising community value through continuously improving its operating efficiency and service performance to the community. This Annual Business Plan has been prepared on the basis of continuing existing services, noting that a rolling program of review is being implemented.

Collaboration with other Councils will continue in order to build capacity for shared strategic opportunities, innovation and cost efficiencies and enables the ability to align processes and reduce duplication.

Council only approve new Major Projects where it has the identified funding capacity to do so

Council debt is forecast to increase from \$6.8m to \$15.6m between 30 June 2019 and 30 June 2020. With consideration given to its financial ratios, this means that Council has the funding capacity to consider new strategic Major Projects and is currently investigating partnerships to aid in the development of a number of sporting facilities.

The additional borrowings in 2019-20 relate to Council's contribution towards the Mitchell Park Sports & Community Centre. Any changes to the timing and scope of this project may reduce the funding and in turn requirement for borrowings currently factored into the 2019-20 Annual Business Plan.

Maintain Council's position for an average residential rate which remains among the lower rating metropolitan councils

Comparative 2018/19 data shows that council's average residential rate continues to remain among the lower rating metropolitan councils, with its current position ranking being the 5th lowest of 18 metropolitan councils.

5. Continuing and improving services

All councils have responsibilities under the *Local Government Act 1999* and other relevant legislation to deliver services for the community. Council is committed to maintaining all services including, but not limited to:

Ongoing Services	
Land use and development planning	Arts and cultural promotion and support
Development and building assessments	Library services
Facilitation of urban developments	Sports and recreation promotion and support
Local Government searches	Community capacity building and development
Economic planning and leadership	Inspection, regulation and control
Environmental planning and leadership	Emergency planning and response
Biodiversity management	Community care
Waste services	Immunisation services
Water management	Public health planning
Infrastructure management	Urban activation
Community facilities management	Customer Experience
Reserves, parks and gardens management	Increased levels of tree planting annually

Enabling Services	
Strategic management	Communications and marketing
Organisational excellence and innovation	Human resources and workforce planning
Strategic asset management	ICT & knowledge management
Financial management	Operational support
Governance support	

6. Project priorities

In 2019-20 Council plans to commence or continue working on the following strategic initiatives, as outlined in our 4 Year 2019-2023 Business Plan:

Continuing initiatives

Continuing Initiatives from prior years	Key Strategic Theme
Commence the Oaklands Precinct project to provide improved public amenity and connectivity	Liveable
Implement the Reconciliation Action Plan 2019-2023	Engaged
Continue planning for a UCI standard BMX facility in partnership with State Government and the City of Onkaparinga	Liveable
Continue the redevelopment of the Morphetville Park Sports and Community Centre	Liveable
Continue the Marion Outdoor Pool building and recreational facilities upgrade	Liveable
Continue to deliver the Volunteer Strategy 2019-2021	Engaged
Continue to plan and deliver courts and a multi-purpose facility at Seaview High School	Liveable
Continue planning for the Mitchell Park Sports and Community Club redevelopment	Liveable
Continue work on the Hallett Cove Foreshore redevelopment	Liveable
Implement the Coastal Climate Change Adaptation Plan	Valuing Nature
Implement the Energy Efficiency and Renewable Energy Plan	Valuing Nature
Develop a data platform 'Metrics that Matter' to enable improved service delivery	Innovative
Continue development of an online booking service for community managed facilities	Innovative
Develop a strategy and implement the enhancement and transformation of our business enterprise systems (including Asset Management system)	Innovative
Partner with key stakeholders to maximise the outcomes for the site of the Seacliff Park Development Plan Amendment	Prosperous
Continue planning for a coastal walkway to connect Heron Way Reserve with the Field River environs	Connected
Continue planning for a Southern Soccer Facility	Connected

New projects commencing in 2019-20

2019-20 Initiatives	Key Strategic Theme
Expand the number of netball courts at Cove Sports and Community Club	Liveable
Develop the City Property Strategic Asset Management Plan to meet community, sport and recreation needs	Liveable
Review Marion Cultural Centre Plaza designs and linkages to surrounding areas	Liveable
Determine the future of the Marion Golf Clubrooms	Liveable
Activate the Edwardstown and Melrose Park Employment Precinct	Prosperous
Expand the streetscape program to include arterial roads	Liveable
Commence a feasibility plan for a destination playground to attract users city-wide	Liveable
Implement the Social Media Strategy 2019-2023	Innovative
Partner to transition to the new Planning and Design code	Prosperous
Commence development of a City Transport Plan to enable ease of movement for people of all ages and abilities within and through the city	Connected
Trial a third community bus	Connected
Trial implementation of extended operating hours at Neighbourhood Centres	Connected
Develop and deliver a Disability Access and Inclusion Plan	Engaged
Engage a curator to manage the Marion Historic Village Museum	Liveable

7. Asset Management

The City of Marion currently owns and manages a large and diverse community asset portfolio, valued in excess of \$1 billion. These assets, including roads, footpaths, drains, community buildings, parks and reserves, play a vital role in the local community and on quality of life. Assets exist in order to provide services to the community and businesses for the benefit of current and future generations.

Large portions of Council's asset portfolio have been in existence for many years and continue to provide ongoing services. Council also receives a number of 'gifted' or 'donated' assets from developers. These assets attract ongoing operational and maintenance costs over their life.

At the same time, environmental change is challenging the capacity of existing assets to continue to provide an effective service. The community's expectations too are increasing, which affects the ability of existing assets to meet the changing needs of current and future residents. As community assets have a comparatively lengthy useful life, it is a complex task to monitor, maintain and program the timing of their renewal.

Asset management is a critical tool in ensuring appropriate provision is made for the long-term management of community assets, and their impacts on all areas of service planning and delivery.

The City of Marion's Asset Management Vision is:

'To maintain the City of Marion's assets to agreed levels of service which maximise community value throughout an asset's life'.

Council's Asset Management Plans detail information about our assets and define the services to be provided, how the services are provided, and identify the funds required to maximise the delivery of the services.

All City of Marion assets are audited annually and are frequently inspected on a rolling program.

8. Measuring our success

Monitoring performance is a critical element of strategic management. It is the mechanism for critically ensuring that Council is contributing to the achievement of its objectives in both the Strategic Plan and the 4-year Business Plan 2019-2023. Our Key Performance Indicator (KPI) dashboard for 2019-20 (provided in the table below) takes account of these objectives.

Key Performance Indicator	Core Target	Stretch Target
Financial Sustainability	Council maintains a break even or positive cash funding position in delivering its annual budget	No stretch target
Delivery of agreed projects identified in the Annual Business Plan and the first year targets in the 4 year Plan	Greater than or equal to 95%	No stretch target
Lost Time Injury Frequency Rate (An industry standard measure for injuries where a whole days work or more is lost due to a workplace injury).	Greater than or equal to 10% reduction from the previous year's result	Greater than or equal to 15% reduction from the previous year's result
Total employee costs (including agency staff)	Less than or equal to 3% increase in actual employee costs (including agency staff) against prior year's actual costs	Less than or equal to 2% increase in actual employee costs (including agency staff) against prior year's actual costs
Overall satisfaction with Council's performance	Greater than or equal to 75% rated as satisfied or above	Greater than or equal to 85% rated as satisfied or above
Asset Sustainability (A measure to assess that we are replacing community assets in a timely manner)	Asset Renewal Funding Ratio (previously called the Asset Sustainability Ratio) greater than or equal to 80%	Asset Renewal Funding Ratio greater than or equal to 90%
Delivery of Council's capital works program	Greater than or equal to 80% delivery of Council's planned capital works program (adjusted for extraordinary items)	Greater than or equal to 90% delivery of Council's planned capital works program (adjusted for extraordinary items)
Staff engagement	Achievement of an overall employee pulse survey result of 75%, based on 9 metrics (including Community, Values, Safety, Expectations, Valued, Empowerment, Development, Recognition, Happiness)	Achievement of an overall employee pulse survey result of 80%
Community engagement/communications	Project specific communications to the public should be timely and accurate	100%

We will report on our progress against our 2019-20 KPI dashboard quarterly at Council meetings and in our 2019-20 Annual Report.

9. Funding the Annual Business Plan

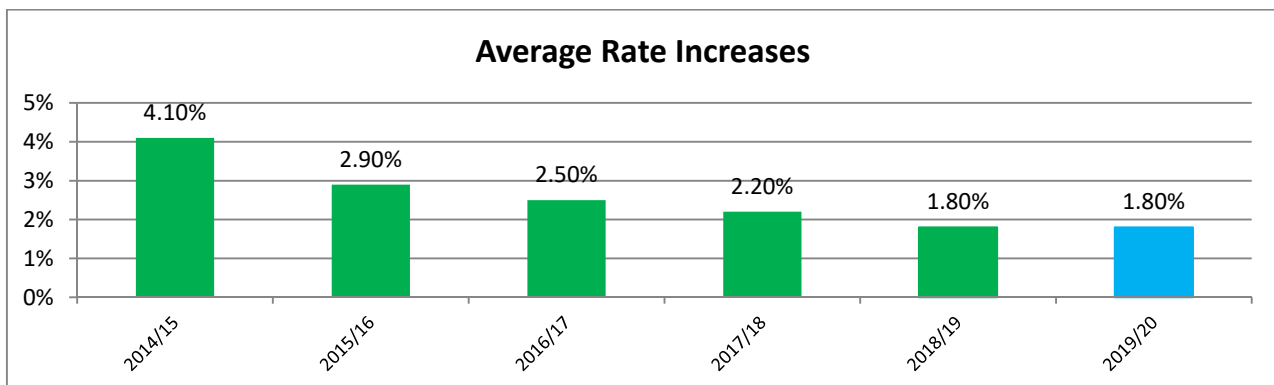
9.1 Your rates in 2019-20

The Annual Business Plan is based on an average rate increase of 1.8%. In setting rates for 2019-20, Council has forecast the revenue required to meet the costs of delivering the services and projects that will be provided to the community in 2019-20.

Rates account for 84% percent of council's operating revenue with others sources including fees, charges and grants. These revenues contribute to the necessary funding for planned capital renewal programs in 2019-20.

While the average rate increase is 1.8%, it is to be noted that actual rates payable by a rate payer will vary according to individual property valuations, the attributed land use, and whether there has been any new development or capital improvement at the land.

Over the past years, we have listened to your feedback and Council is aware of the impact of rate increases on the community. We are continually looking for opportunities that allow this burden to be reduced and as a result our rate increases have been decreasing steadily over the past six years. The 2019-20 rate increase has maintained the lowest in over 15 years, with councils focus still on keeping rates low.

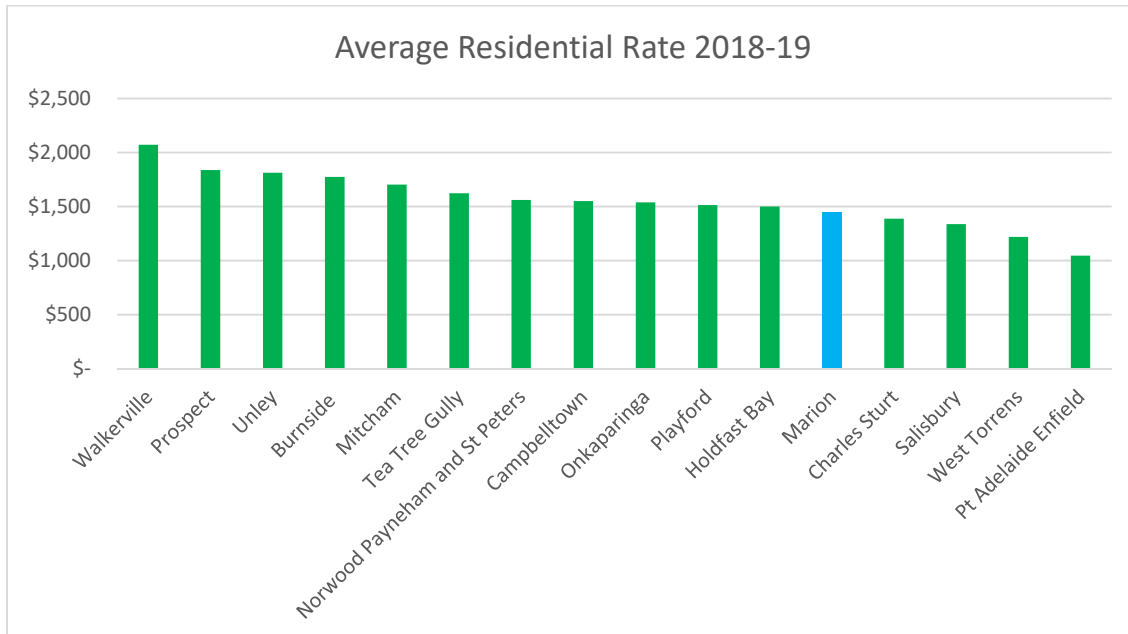


With changing community needs and other external influences impacting on the community, there is a need for council to consider how to plan more effectively, both for the longer term and more immediate community benefit. The rate increase is set at a level that provides confidence that services will be maintained and that a sufficient capital expenditure program is planned to maintain council's assets.

The outcomes of the community consultation, as well as a balance between achieving the strategic directions, maintaining services and assets, ensuring financial and environmental sustainability, supporting intergenerational equity and making provision for those in the community who are experiencing hardship, have been considered in setting the rate increase for the Annual Business Plan.

Comparative Rating Data

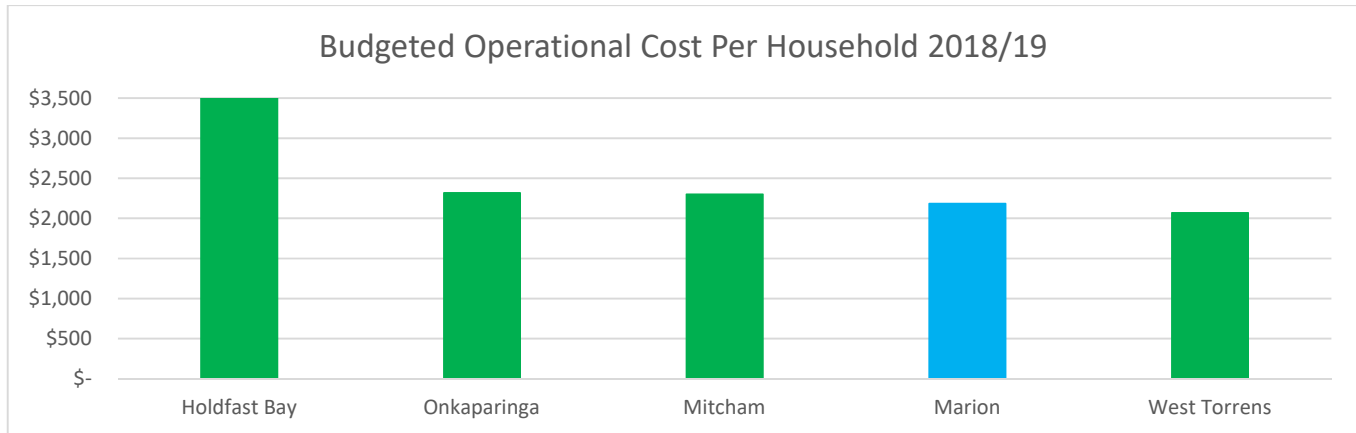
Average Residential Rate



With a rate rise of 1.8% the City of Marion's average residential rate is in line with Council's ABP framework and set to remain among the lower rating metropolitan councils. In 2018-19 Council had the 5th lowest average metropolitan residential rate.

Operational Cost per Household

Council's primary benchmark is to compare its average residential rate against other metropolitan councils as shown in the 'Average Residential Rate 2018-19' table above. The table below illustrates that council's operational costs per household compares favourably against that of our neighbouring councils. This does not take into account different councils' service levels, infrastructure renewal and revenue from grants.



9.2 Differential Rating

Council currently derives 18% (2018-19: 18%) of its rate revenue from the Commercial and Industrial sectors. Commercial and Industrial users consume a greater proportion of council resources than residential properties, particularly in regard to the use of roads, footpaths, traffic, parking, storm water drainage, public health and environment.

Council uses a differential rating system to raise revenue based upon its Land Use to ensure a fair and equitable distribution of rates within the City of Marion. The differential rate is charged in addition to the normal rate. In applying this approach, council will take into consideration all prevailing economic conditions and changes and adjust its differential rates accordingly, to ensure an appropriate and fair equalisation of rates across all land use categories. Differential rates to apply to land use are as follows:

Commercial	85%	(2018-19: 85%)
Industrial	70%	(2018-19: 70%)
Vacant Land	100%	(2018-19: 100%)

9.3 Budgeted Income Statement

An operating surplus of \$7.281m before capital revenues is forecast for 2019-20. The operating surplus is required to fund the renewal of existing infrastructure in accordance with council's asset management plans and to fund construction of new assets to deliver councils services.

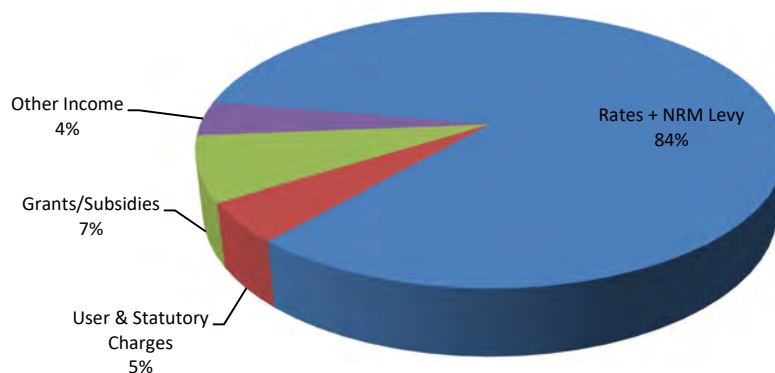
	3rd Review 2018/19 \$'000	Budget 2019/20 \$'000	Variance \$'000
Budgeted Income Statement			
Operating Revenue			
Rates - General	75,208	77,293	2,085
Rates - NRM Levy *	1,933	1,972	39
Statutory Charges	2,231	2,203	(28)
User Charges	2,381	2,210	(171)
Grants/Subsidies	7,932	7,180	(752)
Investment Income	1,165	708	(457)
Reimbursements	628	530	(98)
Other Revenue	1,127	1,361	234
Share of Profit/(Loss) Regional Subsidiaries	344	1,278	934
Total Operating Revenue	92,949	94,735	1,785
Operating Expenditure			
Employee Costs	34,807	35,905	1,098
Contractor Services	23,133	23,812	679
Materials	4,882	5,021	139
Finance Charges	467	397	(70)
Depreciation	15,123	15,056	(67)
Other Expenses	8,524	7,263	(1,261)
Total Operating Expenditure	86,936	87,454	518
Operating Surplus/(Deficit) before Capital Revenues	6,013	7,281	1,268
Capital Grants and Contributions	1,026	5,000	3,974
Asset Disposal and Fair Value adjustments	(97)	-	97
Net Surplus/(Deficit)	6,942	12,281	5,339

* Note: The NRM Levy is collected by Council on behalf of the Adelaide and Mt Lofty Ranges Natural Resources Management Board.

9.4 Operating Revenue

The main source of income for council is rate revenue; making up 84% of total council revenue in 2019-20, with other sources being government regulated fees for statutory services, an environment of diminishing levels of untied federal grant monies, as well as other grants from State and Federal government.

**Budgeted Operating Revenue
2019-20**



General Rates

Council's revenue in 2019-20 includes \$77.29m to be raised in general rates. The budget has been developed on the basis of an average rate increase of 1.8% (excluding new developments and capital improvements). In setting rates for 2019-20, council has forecast the revenue required to meet the costs of delivering the services and projects that will be provided to the community in 2019-20.

Growth for new developments and capital improvements is forecast at 1% for 2019-20. This predominantly is the result of new housing in Marion and property improvements as reported by the Valuer General. The revenue created by this growth will cover the increased costs of servicing a growing community which includes the requirement to maintain and provide for the replacement of infrastructure such as stormwater drainage and transport networks.

Other Sources of Revenue

- **User Charges set by council** – Relate mainly to the recovery of service delivery costs through the charging of fees to users of council's services. These include charges for the use of council's community facilities, swimming pool admission and the like.
- **Statutory Charges set by State Government** – Relate mainly to fees and fines levied in accordance with legislation and include development application fees, health act registrations and parking fines.

- **Grants and Subsidies** – Grants include all monies received from State and Federal sources for the purpose of funding the delivery of council's services to ratepayers and for the funding of the capital works program.

9.5 Operating Expenditure

Council's operating expenses are forecast to increase to \$87.454m in 2019-20. The following graph shows a breakdown of operating expenditure across council services for every \$100 spent:



Employee Costs

Employees are responsible for the provision of Council's key services, including the ongoing maintenance of open space areas, libraries, neighbourhood centres, the Marion Outdoor Pool, urban development, health and community care. Employees are either directly employed by council, or indirectly through an employment agency (i.e. agency staff) where temporary workforce requirements have arisen through seasonal demand or short-term vacancies of existing positions.

Employee costs are forecast to increase by \$1.098m primarily because of increases in Council's staff Enterprise Agreements (2.3%).

There are two Enterprise Agreements (EA's) covering our indoor and outdoor staff. The outdoor staff EA is negotiated with the Australian Workers Union and staff agreed to a 2.5% per annum increase, or March CPI if greater, for the 2 years to 30 June 2020.

The indoor staff EA is negotiated with the Australian Services Union (ASU). The ASU EA expires on 30 June 2019 and is currently being renegotiated (the previous 3 year EA has given average annual increases of 2.1%).

A reduction of \$892k has been incorporated into the budget to allow for positions that may be temporarily vacant during the year.

Contractor Services

Contractor services relate mainly to the provision of council services by external providers. Council uses contractors to assist in the provision of major services such as waste collection, and also where specialist services or advice is required where it is not warranted for Council to have permanent in-house resources. An increase of \$0.679m (2.9%) is forecast in the 2019-20 budget which predominantly relates to an increase in the waste dumping levy.

Materials

Council's Materials budget includes utilities, products utilised in the delivery of community services and maintenance of council's infrastructure, open space, and other assets, as well as fuel for the fleet of vehicles used to deliver services. An increase of \$0.139m (2.8%) in materials is forecast in the 2019-20 budget.

Other Expenses

Other Expenses have decreased by \$1.261m (14.8%) primarily relating to a \$1.0m contribution towards Oaklands Crossing Upgrade in 2018-19.

9.6 Capital Revenue

Capital Grants and Contributions

Council has forecast \$5.0m in capital grants and contributions towards new capital works planned in 2019-20. This includes forecast grant funding of \$5.0m from the Federal Government for Mitchell Park Sports & Community Club Redevelopment with a total project cost of \$15.0m (with the remaining \$10m coming from Council funds).

9.7 Budgeted Capital Expenditure

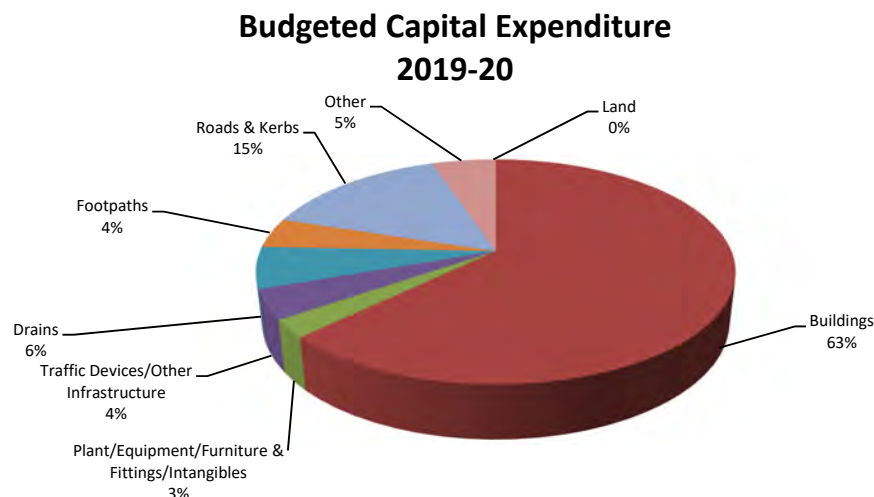
The 2019-20 Budgeted Statement of Capital Expenditure forecasts total capital expenditure of \$44.328m including \$12.063m renewal and \$32.265m new and upgrade.

The following table summarises council's planned Capital Works Program for 2019-20.

Capital Expenditure	3rd Review 2018/19 \$'000	Budget 2019/20 \$'000
Land	681	0
Buildings	13,240	27,989
Infrastructure:		
Roads & Kerbs	6,579	6,450
Drains	2,238	2,657
Footpaths	1,372	1,900
Traffic Control Devices	659	417
Other Infrastructure	5,079	1,484
Plant and Equipment	4,210	790
Furniture and Fittings	95	341
Other	1,309	2,301
Intangibles	9	0
Total Capital expenditure	35,469	44,328
Represented By:		
Capital Expenditure		
Assets - Renewal	21,775	12,063
Assets - New	13,694	32,265
	35,469	44,328

Funding for key capital projects included in the budget include Mitchell Park Sport and Community Club (\$15.0m), Morphetville Park Sports Club (\$2.7m), Southern Region Soccer Facility (\$2.5m), the Sam Willoughby UCI BMX Track (\$2.05m) and Marion Outdoor Swim Centre upgrades (\$1.930m). Variances in buildings are due to these sites, offset by the completion of Edwardstown Soldiers Memorial Oval Recreation Grounds in 2018-19.

Movements in Plant and Equipment relate to the LED Replacement project in 2018-19, and the adoption of a change to fleet utilisation that has resulted in a reduced funding requirement for the fleet replacement program in 2019-20.



9.8 Financing the Budget

Financing the budget refers to the use of borrowings or available cash balances to meet any shortfall between expenditure (both operating and capital) and revenue.

	3rd Review 2018/19 \$'000	Budget 2019/20 \$'000
Net Lending/(Borrowing)		
Operating Surplus/Deficit before Capital Amounts	6,013	7,281
<u>less: Net Outlay on Existing Assets</u>		
Capital expenditure on asset renewal/replacement	21,775	12,063
less Depreciation/Ammortisation	(15,123)	(15,056)
	6,652	(2,993)
<u>less: Net Outlay on New/Upgrade Assets</u>		
Capital expenditure on New & Upgrade Assets	13,694	32,265
less Capital Grants	(1,026)	(5,000)
	12,668	27,265
Adjustments		
(Gain)/loss on disposal of assets	955	-
Share of Equity - Regional Subsidiaries	(344)	(1,278)
	611	(1,278)
Net funding increase/(decrease)	(12,696)	(18,269)

The table above identifies the council's net funding result. Council's budget for 2019-20 is expected to result in a net decrease in funding of \$18.269m.

Financing transactions associated with accommodating the expected net lending result in 2019-20 are as follows:

	3rd Review 2018/19 \$'000	Budget 2019/20 \$'000
Financing Transactions		
New Borrowings	0	10,000
less: Repayment of Principal on Borrowings	(1,100)	(1,171)
less: Increase/(Decrease) in Cash & Investments		
Transfers from/(to) Reserves	15,253	9,440
Cash Drawdowns/(Investment)	(1,457)	-
Equals: Financing Transactions	12,696	18,269

Additional borrowings of \$10m are forecast for 2019-20, in addition to this, principal repayments of existing loans will result in a forecast balance outstanding as at 30 June 2020 of \$15.635m.

While not having a direct impact on the 2019-20 budget, Council's Long Term Financial Plan includes an allowance for borrowings of up to \$2.96m for the following projects:

Project	Year	\$000's
Administration building essential works - proposed	2020/21	2,960
Total new borrowings		2,960

These borrowings are indicative and will see Council's borrowings projected to peak at \$16.6 million in 2020-21, with its Debt Servicing Ratio peaking at 3.0% in 2020-21 against a maximum target of 5.0% and its Net Financial Liabilities ratio reaching 7.0% in 2020-21 against a target of up to 50%.

9.9 Financial Ratios

To assist council in meeting its objective of financial sustainability a series of financial indicators endorsed by the Local Government Association are provided. Where a council target has not been adopted, the recommended Local Government Association (LGA) target has been used. The following table details these financial indicators and whether or not the prescribed target has been achieved over the three years up to the end of 2019-20.

Ratio	Council Target	2019-20 Budget	3 Year Average
Operating Surplus	0% - 10%	7.69%	8.64%
Asset Renewal Funding Ratio <i>(formerly Asset Sustainability Ratio)</i>	95% - 100%	80.12%	99.6%
Asset Consumption	80% - 100%	76.15%	78.0%
Net Financial Liabilities	0% - 50%	1.46%	N/A
Debt Servicing	0% - 5%	1.7%	N/A

Council's Asset Renewal Funding and Asset Consumption ratios both fall outside of their targets. This indicates that Council's asset base requires further renewal, with continuing work on its Asset Management Plans and strategies relating to specific asset classes in progress to set a good foundation for improving this in future. There is scope for further prudent borrowing to finance future major projects.

All other ratios are within their targeted ranges. Meeting these targeted ranges is consistent with Council meeting its objective of long-term financial sustainability.

Appendix 1. Capital Works Program

STREETSCAPE PROGRAM 2019/20		
Road Name	Suburb	Ward
Bray Street	Plympton Park	Mullawirra
Sturt Road	Oaklands Park	Warracowie
Alawoona Avenue	Mitchell Park	Warriparinga
Birch Crescent	Tonsley	Warriparinga

OPEN SPACE & RECREATION WORKS PROGRAM 2019/20			
Location	Suburb	Ward	Description
Playground Implementation Program			
Skipper Close Reserve	Hallett Cove	Southern Hills	Construction
Alpine Drive Reserve	Seacombe Heights	Warriparinga	Construction
Christopher Grove Reserve	O'Halloran Hill	Southern Hills	Construction
Central Avenue Reserve	Hallett Cove	Coastal	Construction
Dwyer Road Reserve	Oaklands Park	Warracowie	Construction
Marion Outdoor Pool	Park Holme	Mullawirra	Construction
Various*	Various	Various	Remove Playground without replacement
* Council is currently finalising the exact locations for playground removals for 19/20			
Reserve Improvements			
Alpine Drive Reserve	Seacombe Heights	Warriparinga	Construction
Central Avenue Reserve	Hallett Cove	Coastal	Construction
Mostyn Road Reserve	Darlington	Warriparinga	Construction
Capella & Nannigai Reserve	Hallett Cove	Coastal	Design works
Shamrock Reserve	Hallett Cove	Coastal	Construction
Yanyarrie Avenue Reserve	Edwardstown	Woodlands	Construction
Bandon Terrace	Marino	Coastal	Construction
Ben Pethick Reserve	Marion	Warracowie	Construction
The Crescent Reserve	Edwardstown	Woodlands	Construction
Various*	Various	Various	Installation of shade sails
*Council is currently finalising the exact location for the provision of shade in 19/20			
Tennis & Netball Courts			
Cove Netball Club	Hallett Cove	Southern Hills	Additional courts
Seaview High School	Seacombe Heights	Warriparinga	Explore designs and development

PROPERTY/BUILDING WORKS PROGRAM 2019/20			
Location	Suburb	Ward	Description
Marion Golf Club	Seacliff Park	Coastal	Main building works to relocate golf club from atco huts
Koorana Gymnastics	Morphettville	Mullawirra	New kitchen, office and storage area and upgrade toilet/showers
Marion Sports & Leisure	Morphettville	Mullawirra	New air conditioner
Morphettville Park Sports Club	Morphettville	Mullawirra	Replacement of oval coaches boxes and oval fencing
Marion Outdoor Pool	Park Holme	Mullawirra	Chlorine chemical control system, pool cover and car park works
Park Holme Library	Park Holme	Mullawirra	Atrium refurbishment
Cove Sports Club	Hallett Cove	Southern Hills	New furniture
Marion Cultural Centre	Oaklands Park	Warracowie	Outdoor play equipment, pool table, table tennis
Marion Basketball Stadium	Marion	Warriparinga	Reconfigure toilets, changerooms, office and kitchen
Marion Bowling Club	Marion	Warriparinga	Kitchen replacement
Cooinda Neighbourhood Centre	Sturt	Warriparinga	Refurbishment of office
Edwardstown Soldiers Memorial Recreation Ground	Edwardstown	Woodlands	Seating and shade for grass areas and facility signage
Glandore Community Centre	Glandore	Woodlands	Ceiling replacement
Various	Various	Various	Signage
Various	Various	Various	Electrical board replacements
Various	Various	Various	Drainage works
Various	Various	Various	Carpet Replacement
Various	Various	Various	Air Conditioning
Various	Various	Various	Lighting upgrades

ROAD RESEAL PROGRAM 2019/20				
Road Name	Suburb	Ward	From	To
Falcon Avenue	Hallett Cove	Coastal	Pavana Avenue	Bounty Road
Oval Road	Hallett Cove	Coastal	Brooklyn Drive	Annabelle Drive
Pavana Avenue	Hallett Cove	Coastal	Medway Street	Sandison Road
Quailo Avenue	Hallett Cove	Coastal	Zeevalk Avenue	Zwerner Drive
Slade Crescent	Hallett Cove	Coastal	Corner #9	End
Sovereign Street	Hallett Cove	Coastal	Taeping Street	Constellation Street
Coolinga Road	Marino	Coastal	Paringa Avenue	Newland Avenue
Frank Street Marino	Marino	Coastal	Newland Avenue	Jervios Terrace
Jervios Terrace	Marino	Coastal	Newland Avenue	Paringa Avenue
Beadnall Terrace	Glengowrie	Mullawirra	Morphett Road	Joyce Street
Joan Avenue	Glengowrie	Mullawirra	Cliff Street	Frederick Street
Mulcra Avenue	Park Holme	Mullawirra	Weroona Avenue	Tiparra Avenue
Arthur Street Plympton	Plympton Park	Mullawirra	South Terrace	Wattle Terrace
Boucaut Street	Plympton Park	Mullawirra	Bray Street	Tarranna Avenue
Ferry Avenue	Plympton Park	Mullawirra	Bray Street	Wattle Street
Peake Street	Plympton Park	Mullawirra	Bray Street	Taranna Avenue
Matthew Street	O'Halloran Hill	Southern Hills	Lander Road	Cul-De-Sac
Gully Road	Seacliff Park	Southern Hills	West Street	End
Bella Drive	Sheidow Park	Southern Hills	Berrima Road	Alia Drive
Hamilton Court Sheidow	Sheidow Park	Southern Hills	Young Street	Cul-De-Sac
Hugh Johnson Boulevard	Sheidow Park	Southern Hills	Workmaster Avenue	Tapley Court
Morford Crescent	Sheidow Park	Southern Hills	Great Eastern Avenue	End
Navigatior Avenue	Sheidow Park	Southern Hills	Holdfast Drive	Marine Drive
Nolte Street	Sheidow Park	Southern Hills	Edward Beck Drive	Hugh Johnson Boulevard
Philipsen Crescent	Sheidow Park	Southern Hills	Montague Drive	Both Ends
Southbank Boulevard	Sheidow Park	Southern Hills	Worthing Drive	Holdfast Drive
Caroline Close	Trott Park	Southern Hills	Nari Drive	End
Hessing Crescent	Trott Park	Southern Hills	Tucker Court	Brack Court
Tyson Avenue	Trott Park	Southern Hills	Adams Road	Dridian Cres
Dover Court	Dover Gardens	Warracowie	Folkestone Road	Quintus Terrace
Dunedin Street	Dover Gardens	Warracowie	Scarborough Terrace	Quintus Terrace
Minchinbury Terrace	Marion	Warracowie	Eastern Cul-De-Sac	Western Cul-De-Sac
Perrin Street	Oaklands Park	Warracowie	Johnstone	Cul-De-Sac
Richman Street	Oaklands Park	Warracowie	Morphett	Finniss
Sweetwater Street	Seacombe Gardens	Warracowie	Kingston Avenue	Sutton Avenue
Windemere Street	Seacombe Gardens	Warracowie	Sutton Avenue	Shearer Avenue
Braeside Avenue	Seacombe Heights	Warracowie	Morphett Road	Truscott Avenue
Kara Road	Seaview Downs	Warracowie	Judith Court	Fowler Street
Addison Road	Warradale	Warracowie	Elgin Avenue	Struan Avenue
Dunrobin Road	Warradale	Warracowie	Diagonal Road	Boundary Hb
Kelvin Avenue	Warradale	Warracowie	Dunrobin Road	Ormonde Avenue
Saratoga Avenue	Warradale	Warracowie	Diagonal Road	Louise Avenue
Byron Avenue	Clovelly Park	Warriparinga	York Avenue	Windsor Avenue
Brenda Street	Mitchell Park	Warriparinga	Northern Cul-De-Sac	Southern Cul-De-Sac
Byard Terrace	Mitchell Park	Warriparinga	Lodge Street	Moreland Avenue
Lutana Crescent	Mitchell Park	Warriparinga	Marion Road	Cummings Crescent
Merchant Avenue	Mitchell Park	Warriparinga	Central Section	
Waterman Terrace	Mitchell Park	Warriparinga	Lodge Street	Geraldine Avenue
Plymouth Avenue	Sturt	Warriparinga	Diagonal Road	Torquay Road
Portland Avenue	Sturt	Warriparinga	Torquay Road	Miller Street
Torquay Road	Sturt	Warriparinga	Seacombe Road	Plymouth Avenue
Seymour Terrace	Ascot Park	Woodlands	John Street	Robert Street
Beaumont Street	Clovelly Park	Woodlands	Daws Road	Dpti Split
Beaumont Street	Clovelly Park	Woodlands	Harcourt Avenue	Norrie Avenue
English Avenue	Clovelly Park	Woodlands	York Avenue	Hendon Street
Hendon Street	Clovelly Park	Woodlands	Daws Road	English Avenue
Walker Avenue	Clovelly Park	Woodlands	Kensington Street	Celtic Avenue
Adelaide Terrace	Edwardstown	Woodlands	Furness Avenue	Flinders Street
De Laine Avenue	Edwardstown	Woodlands	South Road	Macklin Street
Karong Avenue	Edwardstown	Woodlands	Daws Road	Dpti Split
Lindfield Avenue	Edwardstown	Woodlands	Wooton Road	Dead End
Lindsay Avenue	Edwardstown	Woodlands	Adelaide Terrace	Boundary
Lindsay Way	Edwardstown	Woodlands	Furness Avenue	Lindsay Avenue
Railway Terrace	Edwardstown	Woodlands	Sixth Avenue	Cross Road
Service Lane	Edwardstown	Woodlands	Arabrie	Yanyarrie
Waverley Avenue	Edwardstown	Woodlands	Dunorian Road	Weaver Street
Jervois Street	South Plympton	Woodlands	Marion Road	Laurence Street
Nelson Street	South Plympton	Woodlands	Marion Road	Edgeworth Street
Raglan Avenue	South Plympton	Woodlands	Marion Road	Towers Terrace
Thomas Street	South Plympton	Woodlands	Marion Road	Dpti Split
Thomas Street	South Plympton	Woodlands	Gifford Street	Towers Terrace
Waterhouse Road	South Plympton	Woodlands	Marion Road	Towers Terrace

KERB & WATER TABLE PROGRAM 2019/20				
Road Name	Suburb	Ward	From	To
Grand Central Avenue	Hallett Cove	Coastal	Seaview Avenue	Marine Avenue
Sandison Road	Hallett Cove	Coastal	Pavana Avenue	Gledsdale Road
Sandison Road	Hallett Cove	Coastal	Bounty Road	Caswell Drive
Sandison Road	Hallett Cove	Coastal	Kalmia Court	Minnipa Drive
St Vincents Avenue	Hallett Cove	Coastal	Grand Central Avenue	Seaview Avenue
Harding Street	Glengowrie	Mullawirra	Diagonal Road	Filmer Avenue
Hardy Avenue	Glengowrie	Mullawirra	Diagonal Road	Mcgilip Avenue
Livingstone Street	Glengowrie	Mullawirra	Morphett Road	Wilkins Street
Bray Street	Morphettville	Mullawirra	Park Terrace	Hendrie Street
Lawson Avenue	Morphettville	Mullawirra	Morphett Road	Gordon Terrace
Bray Street	Plympton Park	Mullawirra	Hendrie Street	Marion Road
Ralli Street	Plympton Park	Mullawirra	Bray Street	Aldridge Avenue
William Webb Drive	Sheidow Park	Southern Hills	Railway Court	Steamranger Drive
Chifley Crescent	Trott Park	Southern Hills	Curtin Court	Holt Court
Hele Court	Trott Park	Southern Hills	Heysen Drive	Strutt Court
Crown Street	Dover Gardens	Warracowie	Morphett Road	Winchester Street
Dunedin Street	Dover Gardens	Warracowie	Scarborough Terrace	Quintus Terrace
Felix Street	Dover Gardens	Warracowie	Scarborough Terrace	Quintus Terrace
Folkestone Road	Dover Gardens	Warracowie	Dalkieth Avenue	Scarborough Terrace
Greenasche Grove	Seacombe Gardens	Warracowie	Gorda Place	Sutton Avenue
Avalon Road	Marion	Warriparinga	Marion Road	Betty Street
Inverness Avenue	Marion	Warriparinga	Pemberton Street	Boyle Street
Rathlin Avenue	Marion	Warriparinga	Alison Avenue	Fetlar Avenue
Stroma Road	Marion	Warriparinga	Andrew Avenue	Avalon Road
Bede Street	Seacombe Heights	Warriparinga	Karoona Crescent	Alpine Road
Karoona Crescent	Seacombe Heights	Warriparinga	Braeside Avenue	Bede Street
Brolga Place	Sturt	Warriparinga	Diagonal Road	Ralph Street
Miller Street	Sturt	Warriparinga	Seacombe Road	Diagonal Road
Hazel Street	Ascot Park	Woodlands	Daws Road	End
Wood Street	Ascot Park	Woodlands	Marion Road	John Street
Beaumont Street	Clovelly Park	Woodlands	Daws Road	English Avenue
Finchley Street	Clovelly Park	Woodlands	Norrie Avenue	English Avenue
Hendon Street	Clovelly Park	Woodlands	Daws Road	Norrie Avenue
Castle Street	Edwardstown	Woodlands	Railway Terrace	Theodore Street
Furness Avenue	Edwardstown	Woodlands	South Road	Russell Terrace
Robinson Street	Edwardstown	Woodlands	Navigator Avenue	Holdfast Drive
Waverley Avenue	Edwardstown	Woodlands	Weaver Street	Woodland Avenue
Woodlands Terrace	Edwardstown	Woodlands	Kenilworth Avenue	Adelaide Terrace
Walter Avenue	Mitchell Park	Woodlands	Daws Road	End
Castle Street	South Plympton	Woodlands	Harris Street	Chitral Terrace
Stuart Road	South Plympton	Woodlands	Marion Road	Towers Terrace
Thomas Street	South Plympton	Woodlands	Marion Road	Towers Terrace

RESIDENTIAL FOOTPATH PROGRAM 2019/20		
Road Name	Suburb	Ward
Proactive Footpath Works	Various	Various
Kumabinna Avenue	Hallett Cove	Coastal
Brooklyn Drive	Hallett Cove	Coastal
Airlie Mews	Hallett Cove	Coastal
Anna Court	Hallett Cove	Coastal
Buffalo Court	Hallett Cove	Coastal
Morphettville Renewal Project	Morphettville	Mullawirra
Ella Crescent	O'Halloran Hill	Southern Hills
Ocean Boulevard	Seacliff Park	Southern Hills
Tracy Street	Seacliff Park	Southern Hills
Adams Road	Sheidow Park	Southern Hills
Berrima Road	Sheidow Park	Southern Hills
Bendigo Close	Trott Park	Southern Hills
Latimer Crescent	Trott Park	Southern Hills
Morphett Road (south of the Oaklands Crossing)	Warradale	Warracowie
Geneva Court	Mitchell Park	Warriparinga

TRAFFIC DEVICES PROGRAM 2019/20

Road Name	Suburb	Ward	Description
Lighthouse Drive	Hallett Cove	Coastal	Indented parking bay
Duncan Avenue	Park Holme	Mullawirra	Angled car park for inclusive playspace
Western Avenue	Park Holme	Mullawirra	Indented parking bay
Addison Road	Warradale	Warracowie	Off-street parking at Warradale Railway Station
Exmoor Avenue	Oaklands Park	Warracowie	Parking within existing median
Dwyer Road	Oaklands Park	Warracowie	Indented parking bay

STORMWATER DRAINAGE PROGRAM 2019/20

Road Name	Suburb	Ward
Caprice Street / Mercedes Avenue	Hallett Cove	Coastal
Shaftesbury Terrace	Marino	Coastal
Lucretia Way Dam Design	Hallett Cove	Coastal
Coolah Terrace	Marion	Warracowie
Alison Avenue	Marion	Warriparinga
Warriparinga Wetlands (Pond 2)	Bedford Park	Warriparinga
Shetland Avenue	Marion	Warriparinga

IRRIGATION & WETLANDS PROGRAM 2019/20

Location	Suburb	Ward
Marion Golf Club - installation of low & high pressure pump set	Seacliff Park	Coastal
Central Avenue Reserve	Hallett Cove	Coastal
Elizabeth Ryan Reserve	Plympton Park	Mullawirra
Christopher Grove Reserve	O'Halloran Hill	Southern Hills
Skipper Reserve	Hallett Cove	Southern Hills
Crown Street Reserve	Dover Gardens	Warracowie
Hamilton Park Reserve	Warradale	Warracowie
Mitchell Park Oval & Reserve	Mitchell Park	Warriparinga
Warriparinga Wetlands	Bedford Park	Warriparinga
Alpine Road Reserve	Seacombe Heights	Warriparinga
Yanyarrie Reserve	Edwardstown	Woodlands

OTHER INFRASTRUCTURE PROGRAM 2019/20

Details	Suburb	Ward
Bus Shelters	Various	Various
Street Lighting	Various	Various
Signage	Various	Various
Walking & Cycling Pathways	Various	Various

Appendix 2. Budgeted Income Statement

CITY OF MARION Budgeted Income Statement			
Budget 2018/19 \$'000	3rd Review 2018/19 \$'000		Budget 2019/20 \$'000
		Operating Revenue	
75,231	75,208	Rates - General	77,293
1,942	1,933	Rates - NRM Levy	1,972
2,121	2,231	Statutory Charges	2,203
2,175	2,381	User Charges	2,210
8,658	7,932	Grants/Subsidies	7,180
704	1,165	Investment Income	708
540	628	Reimbursements	530
878	1,127	Other Revenue	1,361
344	344	Share of Profit/(Loss) SRWRA	1,278
92,593	92,949	Total Operating Revenue	94,734
		Operating Expenditure	
34,896	34,807	Employee Costs	35,905
20,518	23,133	Contractor Services	23,812
4,533	4,882	Materials	5,021
467	467	Finance Charges	397
17,105	15,123	Depreciation	15,056
10,680	8,524	Other Expenses	7,263
88,199	86,936	Total Operating Expenditure	87,453
4,394	6,013	Operating Surplus/(Deficit) before Capital Revenues	7,281
-	1,026	Capital Grants and Contributions	5,000
-	(97)	Asset Disposal and Fair Value Adjustments	-
4,394	6,942	Net Surplus/(Deficit) resulting from Operations	12,281

Appendix 3. Budgeted Statement of Financial Position

CITY OF MARION			
Budgeted Statement of Financial Position			
Budget 2018/19 \$'000	3rd Review 2018/19 \$'000		Budget 2019/20 \$'000
		<u>Current Assets</u>	
18,403	34,693	Cash	24,389
4,185	5,942	Receivables	6,823
255	270	Inventory	266
22,843	40,905	Total Current Assets	31,478
		<u>Current Liabilities</u>	
		Bank Overdraft	
9,820	10,927	Creditors	10,835
5,224	5,356	Provisions	5,356
1,170	1,170	Loans	2,049
16,214	17,453	Total Current Liabilities	18,240
6,629	23,452	Net Current Assets/(Liabilities)	13,238
		<u>Non-Current Assets</u>	
6,736	6,159	Investment in Regional Subsidiaries	7,437
1,175,985	1,160,752	Infrastructure, Property, Plant	1,189,920
1,182,722	1,166,911	Total Non-Current Assets	1,197,357
		<u>Non-Current Liabilities</u>	
716	766	Provisions	766
5,635	5,635	Loans	13,586
6,351	6,401	Total Non-Current Liabilities	14,352
1,183,000	1,183,962	Net Assets	1,196,243
		<u>Equity</u>	
409,490	403,848	Accumulated Surplus	425,569
773,510	780,114	Reserves	770,674
1,183,000	1,183,962	Total Equity	1,196,243

Appendix 4. Budgeted Statement of Changes in Equity

CITY OF MARION			
Budgeted Statement of Changes in Equity			
Budget 2018/19 \$'000	3rd Review 2018/19 \$'000		Budget 2019/20 \$'000
		Accumulated Surplus	
393,395	380,504	Balance at beginning of period	403,848
4,394	6,942	Net Surplus/(Deficit)	12,281
-	1,149	Other Comprehensive Income	-
12,060	20,252	Transfers from Reserves	9,959
(359)	(4,999)	Transfers to Reserves	(519)
409,490	403,848	Balance at end of period	425,569
		Asset Revaluation Reserve	
765,159	760,237	Balance at beginning of period	760,237
765,159	760,237	Balance at end of period	760,237
		Other Reserves	
20,053	35,130	Balance at beginning of period	19,877
(11,701)	(15,253)	Net change	(9,440)
8,352	19,877	Balance at end of period	10,437
773,511	780,114	Total Reserves	770,674
1,183,000	1,183,962	Total Equity	1,196,243

Appendix 5. Budgeted Statement of Cash Flows

CITY OF MARION			
Budgeted Statement of Cash Flows			
Budget 2018/19 \$'000	3rd Review 2018/19 \$'000		Budget 2019/20 \$'000
Cash Flows from Operating Activities			
94,330	92,667	<i>Receipts</i>	92,566
(71,206)	(73,391)	<i>Payments</i>	(72,373)
23,123	19,276	Net Cash Provided by Operating Activities	20,193
Cash Flows from Financing Activities			
<i>Receipts</i>			
-	-	Loans Received	10,000
<i>Payments</i>			
(1,100)	(1,100)	Principal	(1,170)
(1,100)	(1,100)	Net Cash (Used In) Financing Activities	8,830
Cash Flows from Investing Activities			
<i>Receipts</i>			
-	1,026	Capital Grants/Subsidies & Contributions/Investments	5,000
<i>Payments</i>			
(31,088)	(33,467)	Purchase of IPP&E	(44,328)
(31,088)	(32,441)	Net Cash (Used In) Investing Activities	(39,328)
(9,065)	(14,265)	Net Increase/(Decrease) in Cash Held	(10,305)
27,468	48,959	Cash at Beginning of Reporting Period	34,694
18,403	34,694	Cash at End of Reporting Period	24,389

Appendix 6. Budgeted Funding Statement

CITY OF MARION Budgeted Funding Statement			
Budget 2018/19 \$'000	3rd Review 2018/19 \$'000		Budget 2019/20 \$'000
Operating Revenue			
77,173	77,141	Rates	79,265
2,121	2,231	Statutory Charges	2,203
2,175	2,381	User Charges	2,210
8,658	7,932	Operating Grants & Subsidies	7,180
704	1,165	Investment Income	708
540	628	Reimbursements	530
878	1,127	Other	1,361
344	344	Net gain - SRWRA	1,278
92,592	92,949		94,734
Operating Expenses			
34,896	34,807	Employee Costs	35,905
20,518	23,133	Contractual Services	23,812
4,533	4,882	Materials	5,021
467	467	Finance Charges	397
17,105	15,123	Depreciation	15,056
10,680	8,524	Other	7,263
88,199	86,936		87,453
4,394	6,013	Operating Surplus/(Deficit) before Capital Revenues	7,281
Capital Revenue			
-	1,026	Capital Grants & Subsidies	5,000
-	(97)	Asset disposal and fair value adjustments	-
4,394	6,942	Net Surplus/(Deficit)	12,281
17,105	15,123	Depreciation	15,056
	1,052	(Gain)/Loss on disposal of assets	-
(344)	(344)	Share of Profit SRWRA	(1,278)
21,155	22,773	Funding available for Capital Investment	26,059
Capital			
18,394	21,775	less Capital Expenditure - Renewal	12,063
12,694	13,694	less Capital Expenditure - New	32,265
-	-	less Capital - contributed assets	-
-	-	add Proceeds from Sale of Surplus Land	-
(9,933)	(12,696)	Net funding increase/(decrease)	(18,269)
Funded by;			
Loans			
-		Loan Principal Receipts (Net)	10,000
1,100	1,100	less Loan Principal Repayments	1,170
(1,100)	(1,100)	Loan Funding (Net)	8,830
Movement in level of cash, investments and accruals			
668	1,457	Cash Surplus/(Deficit) funding requirements	-
(11,701)	(15,253)	Reserves Net transfer to/(transfer from)	(9,440)
(11,033)	(13,796)	Cash/Investments/Accruals Funding	(9,440)
9,933	12,696	Funding Transactions	18,269

Appendix 7. Rating Policy

RATING

(1) Valuation Methodology and Adoption

Council uses Capital Value as the basis for valuing land within the Council area. Capital Value is the value of the land and all of the improvements on the land. The Council also continues to adopt the capital valuations distributed by the Valuer-General.

(See Annexure 1)

(2) Differential General Rates

All land within a council area, except for land specifically exempt under section 147 (2) of the Act is rateable. The Act provides for a council to raise revenue through a general rate, which applies to all rateable land, or through differential general rates, which differentially apply to classes of rateable land. Council uses a differential rating system to raise revenue based upon Land Use to ensure a fair and equitable distribution of rates within the City of Marion. In applying this approach Council will take into consideration all prevailing economic conditions and changes and adjust its differential rates accordingly, to ensure an appropriate and fair equalisation of rates across all land use categories.

The differential general rate Land Use categories are as follows

- Category 1 Residential
- Category 2 Commercial – Shop
- Category 3 Commercial – Office
- Category 4 Commercial – Other
- Category 5 Industrial – Light
- Category 6 Industrial – Other
- Category 7 Primary Production
- Category 8 Vacant
- Category 9 Other

These differential rates will be used to determine the rates in the dollar for all properties within the City of Marion area for the financial year. These rates will be specified in Council's rate declaration for each financial year.

(See Annexure 1)

(3) Minimum Rate

A minimum amount payable by way of general rates is determined to apply to the whole of an allotment (including land under a separate lease or licence) and only one minimum amount is payable in respect of 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.

The Minimum Rate to apply to properties within the City of Marion will be detailed in Council's rate declaration for each financial year.

(See Annexure 1)

(4) Service Charge

The Council has decided not to impose any service charges for this financial year.

(5) Natural Resources Management (NRM) levy

The Council, under the Natural Resource Management Act 2004, is required to collect this levy. It does so by imposing a separate rate for all rateable properties within the Council area.

For each financial year, the levy for each property will be determined by the total capital valuation within the City of Marion. The calculation is as follows;

- Total Capital Value divided by the Total Amount Required, (set for the financial year by the NRM Board) determines an appropriate rate in the dollar, this rate in the dollar will then be adopted to each property. (See Annexure 1)

(6) Payment of Rates

The Council has determined that payment of rates for the 2019-20 financial year will be by four instalments, due on 2 September 2019, 2 December 2019, 2 March 2020 and 1 June 2020. However, the total amount of rates may be paid in full at any time.

Council has determined that rates may be paid by the following methods;

- Australia Post – Post Office, Telephone or Internet
- Bpay – Telephone or internet payments
- Centrepay – Deductions directly from Centrelink deductions
- Direct Debit – Direct from either a Cheque or Savings account
- Eservices – Direct through the Council's Internet system
- In person - At Council Offices
- By Mail - Locked Bag 1 Oaklands Park SA 5046

(7) Late Payment of Rates

Council imposes an initial penalty (a fine) of 2% as prescribed under the Act on any instalment that is received late. A prescribed interest rate (which includes the amount of any previous unpaid fine and interest) will apply on the expiration of each month that a balance remains unpaid.

When the Council receives a payment in respect of overdue rates the Council applies the money received in the order set out below in accordance with Section 183 of the Act,

- First – to satisfy any costs awarded in connection with court proceedings;
- Second – to satisfy any interest costs;
- Third – in payment of any fines imposed;
- Fourth – in payment of rates, in chronological order (starting with the oldest account first).

(See Annexure 1)

(8) Rebates and Postponement of Rates

(8.1) Rate Rebate Policy

Refer to the Rate Rebate Policy attached.

(8.2) Rate Capping

Section 166 (1) (i) (ii) of the Act provides for the discretionary rebate of rates where, among other things, there has been a rapid change in valuations.

Council will provide relief against a substantial increase in rates payable on residential land due to large increases in capital value by applying a rebate (capping) of general rates to eligible ratepayers.

For the current financial year, the rate cap is set at 12% with a \$20 minimum and a \$200 maximum (excluding new or improved properties) for ratepayers who meet the Qualifying Criteria set out below:

Qualifying Criteria:

- The property is the owner's principal place of residence.
- The property has not had more than \$20,000 of improvements.
- The property value has not increased due to zoning changes.
- The land use for rating purposes has not changed since 1st July of the previous financial year.
- The property has not sold since the 1st January of the previous financial year.

Rate capping will be applied automatically to properties that can be readily identified as being eligible. Where this rebate is not applied automatically, ratepayers who consider they could be eligible for rate capping may apply in writing to council. Applications will be assessed against the eligible criteria. Only applications for the current financial year will be accepted and must be received in the current financial year.

(8.3) Residential Construction on Vacant Land

Under Section 166 (1) (a) of the Act, and for the purpose of securing the proper development of the area, a discretionary rebate of general rates for the 2019-20 financial year will be granted in respect of an assessment classed as vacant land by the Council, where:

- The principal ratepayer of the assessment applies to the Council for the rebate prior to 30 June 2020, and
- The footings have been poured on the property by 30 June 2020

The amount of the rebate will be the difference between the general rate in the dollar applicable to Vacant land, and the general rate in the dollar applicable to Residential land. This is calculated by the number of days remaining between 1 July 2019 and 30 June 2020 from the date footings are poured for a residence on the land. Minimum Rate is still applicable.

(8.4) Postponement of Rates – Hardship

Section 182 of The Act permits the Council, on the application of the ratepayer, to partially or wholly remit rates or to postpone rates, on the basis of hardship. Where a ratepayer is suffering hardship in paying rates they may submit an application in writing to the Council's Team Leader Rating Services. The Council treats such inquiries confidentially.

(8.5) Postponement of Rates – Seniors

An Application may be made to Council by ratepayers who meet the criteria required for qualification for the postponement under Section 182A of The Act. (see Annexure 1 for criteria)

(9) Sale of Land for Non-Payment of Rates

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

(10) Concessions

Cost of Living Concession

Pensioners, low-income earners and self-funded retirees holding a Commonwealth Seniors Health Card can receive up to \$200 per year. Eligibility includes pensioners and low-income earners who are tenants. For further information contact the Concessions Hotline on 1800 307 758.

RATE REBATES

(1) Policy Statement

Council has decided to adopt a Rate Rebate Policy for all rateable land within the Council's area which is applied in accordance with Sections 159 to 166 of the Act. This Policy will assist the Council as a decision making function and is intended to provide guidance to the community as to the matters that the Council will take into account in deciding an application for a rebate.

The Policy also sets out the type of land use for which the Council must grant a mandatory rebate of rates and the percentage amount applicable, and those types of land use where the Council has the ability to grant a discretionary rebate of rates. Rebates will only be available when the applicant satisfies the requirements under both the Act and, where appropriate, the requirements of this Policy.

(2) Mandatory Rebates

Mandatory rate rebates will be granted by Council at the prescribed rate in accordance with Sections 159 to 165 of The Act.

S160 – Health Services 100% Rebate

S161 – Community Services (Including Housing Associations) 75% Rebate

S162 – Religious Purposes 100% Rebate

S163 – Public Cemeteries 100% Rebate

S164 – Royal Zoological Society of SA 100% Rebate

S165 – Educational Purposes 75% Rebate

Where the Council is satisfied from its own records, or from other sources, that a person or body meets the necessary criteria for a mandatory rate rebate, the Council will grant the rebate accordingly. Where the Council is not satisfied based upon the information in its possession or otherwise does not hold relevant information it will require the person or body to lodge an application in accordance with this Policy.

Where a person or body is entitled to mandatory rate rebate of 75% only, the Council may increase the rebate up to a further 25%. The Council may grant this further 25% rebate upon application.

Where an application is made to the Council for a rebate of up to a further 25% the application will be determined and written notice will be provided to the applicant of its determination of that application.

(3) Discretionary Rebates

A discretionary rate rebate may be granted by the Council at its absolute discretion up to and including 100% relief to any cases pursuant to Section 166 of the Act.

Any persons or bodies seeking a discretionary rebate, will be required to submit an application form to the Council and provide to the Council such information as stipulated on the application form and any other information that the Council may reasonably require.

(4) Application

The council will inform the community of the provisions for rate rebate under the Act by the inclusion of an advert in the local newspaper each year.

Application forms may be obtained from the Council office located at 245 Sturt Road, Sturt.

The Council will advise an applicant for a rebate of its determination of that application in due course, after receiving the application and receiving all information requested by the Council. The advice will state –

- if the application has been granted, the amount of the rebate; or
- if the application has not been granted, the reasons why.

(5) In regards to prescribed discretionary rate rebates the Council will take into account, in accordance with Section 166(1a) of the Act, the following matters –

- The nature and extent of Council services provided in respect of the land for which the rebate is sought, in comparison to similar services provided elsewhere in the Council area;
- The community need that is being met by activities carried out on the land for which the rebate is sought; and
- The extent to which activities carried out on the land, for which the rebate is sought, provides assistance or relief to disadvantaged persons; and
- Such other matters as the Council considers relevant.

(6) The Council may take into account other matters considered relevant by the Council including, but not limited to, the following–

- Why there is a need for financial assistance through a rebate;
- The level of rebate (percentage and dollar amount) being sought and why it is appropriate;
- The extent of financial assistance, if any, being provided to the applicant and/or in respect of the land by Commonwealth or State agencies;
- Whether the applicant has made/intends to make applications to another Council;
- Whether, and if so to what extent, the applicant is or will be providing a service within the Council area;
- Whether the applicant is a public sector body, a private not for profit body or a private for profit body;
- Whether there are any relevant historical considerations that may be relevant for all or any part of the current Council term;
- The desirability of granting a rebate for more than one year;
- Consideration of the full financial consequences of the rebate for the Council;
- The time the application is received;
- The availability of any community grant to the person or body making the application;
- Whether the applicant is in receipt of a community grant; and
- Any other matters and policies of the Council, which the Council considers relevant.

All persons or bodies wishing to apply to the Council for a discretionary rebate of rates must do so on or before 1 May in that financial year for which the rebate is sought.

- The Council may grant a rebate of rates on such conditions as the Council thinks fit.

- The Council may, for proper cause, determine that an entitlement to a rebate of rates under the Act no longer applies.
- Where an entitlement to a rebate of rates ceases or no longer applies during the course of a financial year, the Council is entitled to recover rates, or rates at the increased level (as the case may be), proportionate to the remaining part of the financial year.

It is an offence for a person or body to make a false or misleading statement or representation in an application, or to provide false or misleading information or evidence in support of an application made (or purporting to be made) under the Act.

The maximum penalty for this offence is \$5,000.

If a person or body has the benefit of a rebate of rates and the grounds on which the rebate has been granted cease to exist, the person or body must immediately inform the Council of that fact and (whether or not the Council is so informed) the entitlement to a rebate ceases. If a person or body fails to do so that person or body is guilty of an offence.

The maximum penalty for this offence is \$5,000.

(7) Delegation

The Council has delegated its power, pursuant to Section 44 of the Act, to grant applications for mandatory rebates that meet the requirements of the Act, to the Chief Executive Officer.

The Council has delegated its power, pursuant to Section 44 of the Act to determine applications and to grant a discretionary rebate of rates, to the Chief Executive Officer subject to the following condition:

- Where the discretionary rebate is not more than \$5,000.

(8) Review of Rebate

A person or a body aggrieved by a determination of the Council in respect of an application for a rebate may, within 14 days of the date of the notice of determination, seek a review of that decision in accordance with the Council's Internal Review of Council Decisions Policy.

(9) Community Grants

If an application for a rebate is unsuccessful, the Council has an absolute discretion to then treat the application as one for a community grant and to determine it in accordance with the Council's Community Grants Policy.

(10) Availability of Policy Documents

Policy documents are available for inspection at the Council offices and on the website at www.marion.sa.gov.au. Persons may obtain a copy of any Policy document upon payment of the fee set by the Council.

DISCLAIMER

A rate cannot be challenged on the basis of non-compliance with this Policy and must be paid in accordance with the required payment provisions.

Where a ratepayer believes that the Council has failed to properly apply this Policy they should raise the matter with the Council. In the first instance contact the Council's Team Leader – Rating Services on 8375 6617 to

discuss the matter. If, after this initial contact, a ratepayer is still dissatisfied they should write to the Chief Executive Officer, City of Marion, PO Box 21, Oaklands Park, SA 5046.

Annexure 1

1. Valuation Methodology and Adoption

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

- Capital Value – the value of the land and all of the improvements on the land.
- Site Value – the value of the land and any improvements which permanently affect the amenity 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

The Council considers that the Capital Value 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 ratepayers of similar wealth pay similar taxes and ratepayers of greater wealth pay more tax than ratepayers of lesser wealth;
- Property value is a relatively good indicator of wealth and capital value, which closely approximates the market value of a property, provides the best indicator of overall property value;
- The distribution of property values throughout the Council area is such that few residential ratepayers will pay significantly more than the average rate per property.

Any ratepayer dissatisfied with the valuation made by the Valuer General may object in writing to the Valuer General within 60 days of receiving a rate notice, explaining the basis for the objection. This is provided that ratepayer has not:

- (a) previously received a notice of this valuation under the Act, in which case the objection period is 60 days from the receipt of the first notice; or
- (b) previously raised an objection to that valuation.

The 60 day objection period may be extended by the Valuer-General where it can be shown there is reasonable cause to do so.

It is important to note that the lodgement of an objection does not change the payment of rates or the due date.

2. Differential General Rates

All land within a council area, except for land specifically exempt (e.g. crown land, council occupied land and other land prescribed under the Act – refer to Section 147), is rateable. The 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 that apply to all rateable properties within the council area.

Following a review of rating options available under the Act during the 2002/2003 financial year, the Council consulted extensively with the community on this issue and concluded that a differential rating system would improve the equity in rate distribution across the community. The review included a comparison of rating methods and rates by land use within the Adelaide metropolitan area.

Differential general rates are based on Land Use as determined in the Local Government (General) Regulations 2013 under the Act. If a ratepayer believes that a particular property has been wrongly classified by the Council as to its land use, then they may object (to the Council) to that land use within 60 days of being notified. A

ratepayer may discuss the matter with a Rates Officer, on 8375 6600 in the first instance. The Council will provide, on request, a copy of Section 156 of the Act which sets out the rights and obligations of ratepayers in respect of objections to a land use.

An objection to the land use:

- must be in writing
- must set out-
 - the grounds of the objection; and
 - the land use (being a land use being used by the Council as a differentiating factor) that should, in the objector's opinion, have been attributed to the land; and
- must be made within 60 days after the objector receives notice of the particular land use to which the objection relates.
- this 60 day objection period may be extended where it can be shown there is reasonable cause to do so.

The Council may then decide the objection as it sees fit and notify the ratepayer. A ratepayer also has the right to appeal against the Council's decision to the Land and Valuation Court. It is important to note that the lodgement of an objection does not change payment of rates or the due date.

3. Minimum Rate

The reasons for imposing a minimum amount payable by way of general rates are:

- The Council considers it appropriate that all rateable properties make a contribution to the cost of administering the Council's activities;
- The 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.

No more than 35% of properties will be subject to the minimum amount.

4. Natural Resource Management Levy

It is important to note that Council is required to collect this levy under the Natural Resource Management Act 2004 and operates as a revenue collector for the Natural Resources Management Board in this regard. It does not retain this revenue or determine how the revenue is spent.

For further information contact the board by phone 8273 9100, email reception@adelaide.nrm.sa.gov.au

5. Late Payment of Rates

Under the Act, the Council applies penalties (fines and interest) to arrears of rates (i.e. rates which are not paid on or before the due date). The Council issues a final notice for payment of rates when rates are overdue i.e. unpaid by the due date. If rates remain unpaid more than 21 days after the issue of the final notice then the Council may refer the debt to a debt collection agency for collection. This may result in legal proceedings with costs on-charged to the ratepayer.

The Council has adopted a policy to assist ratepayers experiencing difficulty in making their rate payment by the due date. The Council will consider approving extended payment provisions or, in circumstances where hardship can be demonstrated, deferring the payment of rates.

The Council may be prepared to remit penalties (fines and interest) for late payment of rates where ratepayers can demonstrate hardship or sufficient other reason for late payment.

All applications for remissions must be in writing, addressed to: Rating Services Section, City of Marion, PO Box 21, Oaklands Park, SA 5046.

6. Discretionary Rebate

The Act requires the Council to rebate the rates payable on certain land ('mandatory rebates'). The Act, at section 166, also empowers the Council to grant discretionary rebates of rates of up to 100% of the rates and/or charges payable. The Council, in considering discretionary rebates, must balance the benefits of providing rebates, with the impact that such rebates have on its overall income (and hence upon the general ratepayer base). To promote the transparency of this process the Council has adopted a Rate Rebate Policy. A copy of this Policy is available at the Council offices or on Council's website at www.marion.sa.gov.au.

7. Postponement of Rates – Seniors

The following criteria must be satisfied before the postponement is granted.

- The person is a prescribed ratepayer, or the spouse of a prescribed ratepayer;
- A prescribed ratepayer means the holder of a current State Seniors Card or a person eligible to hold such a card who has applied but is yet to be issued with a card.
- Rates are payable on the principal place of residence.
- 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 current mortgage over the property which was registered prior to 25 January 2007 will be no more than 50% of the Valuer-General's capital value of the property.

An application must be made in the prescribed manner and form and be accompanied by such information as the Council may require. Any rates which are postponed will become due and payable when:

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

A minimum amount of \$500 of the annual rates must be paid.

An entitlement to a remission will be applied to the proportion of the rates that has not been postponed, unless notice to the contrary is received in writing from the owner.

Interest will accrue on the amount postponed at the prescribed rate per month, under the Act until the amount is paid.

Should the entitlement to a postponement cease to exist, the owner of the land must inform the Council in writing, unless the rates and any interest have been paid in full.