



Business Plan 2024/2025

ADOPTED 26 JUNE 2024



District Council of
**ORROROO
CARRIETON**

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Our District

A clean living experience founded on Agriculture

Situated in the Mid North of South Australia at the base of the spectacular Flinders Ranges, Orroroo is a historic service centre town that retains much of its 1880's village charm. It is situated approximately three hours' drive north of Adelaide and one hour to the east of Port Augusta, ideally located at the intersection of two major road transport routes from the Eastern States and the Northern Territory and Western Australia. The district is also home to smaller communities including Carrieton, Morchard, Pekina and Black Rock.

Prior to non-Indigenous settlement, Orroroo was the home of the Ngadjuri people whose domain was the area to the east of the Flinders Ranges. The first settlers, John and James Chambers arrived in 1844, when they took up the 'Pekina Run' pastoral property that covered 320 square miles. The name 'Orroroo' was first used by an early pioneer, Charlie Easter, who conducted a nearby coaching house which served travelers on the Burra-Blinman track. The true meaning of the word is uncertain with a variety of interpretations possible. This name was officially given in 1875 by the famous South Australian surveyor-general, George Goyder in 1875 when the town was first surveyed.

The first land sales occurred in 1876. The town was granted its own local council, the District Council of Orroroo, in 1887. The town was connected by the Peterborough-Quorn railway line to Peterborough and Quorn in 1881 and rail services continued to 1987. An early irrigation scheme was formed after damming the Pekina Creek and creating the Pekina Reservoir. Water from here was supplied to over 50 dairy farms. Orroroo had its own flour mill, several bakeries, carriage manufacturer and a butter factory.

**"We are a proud community
and our vibrancy makes us resilient.
Our residents, businesses and visitors prosper
from our beautiful landscape, healthy environment
and well serviced regional centre."
*District Council of Orroroo Carrieton***

Today Orroroo is a strong and well serviced regional centre for a predominantly farming community whose main focus are grains, sheep and cattle. The community is also evolving into a significant tourism centre with its central location to so many local and regional heritage, cultural and environmental attractions.

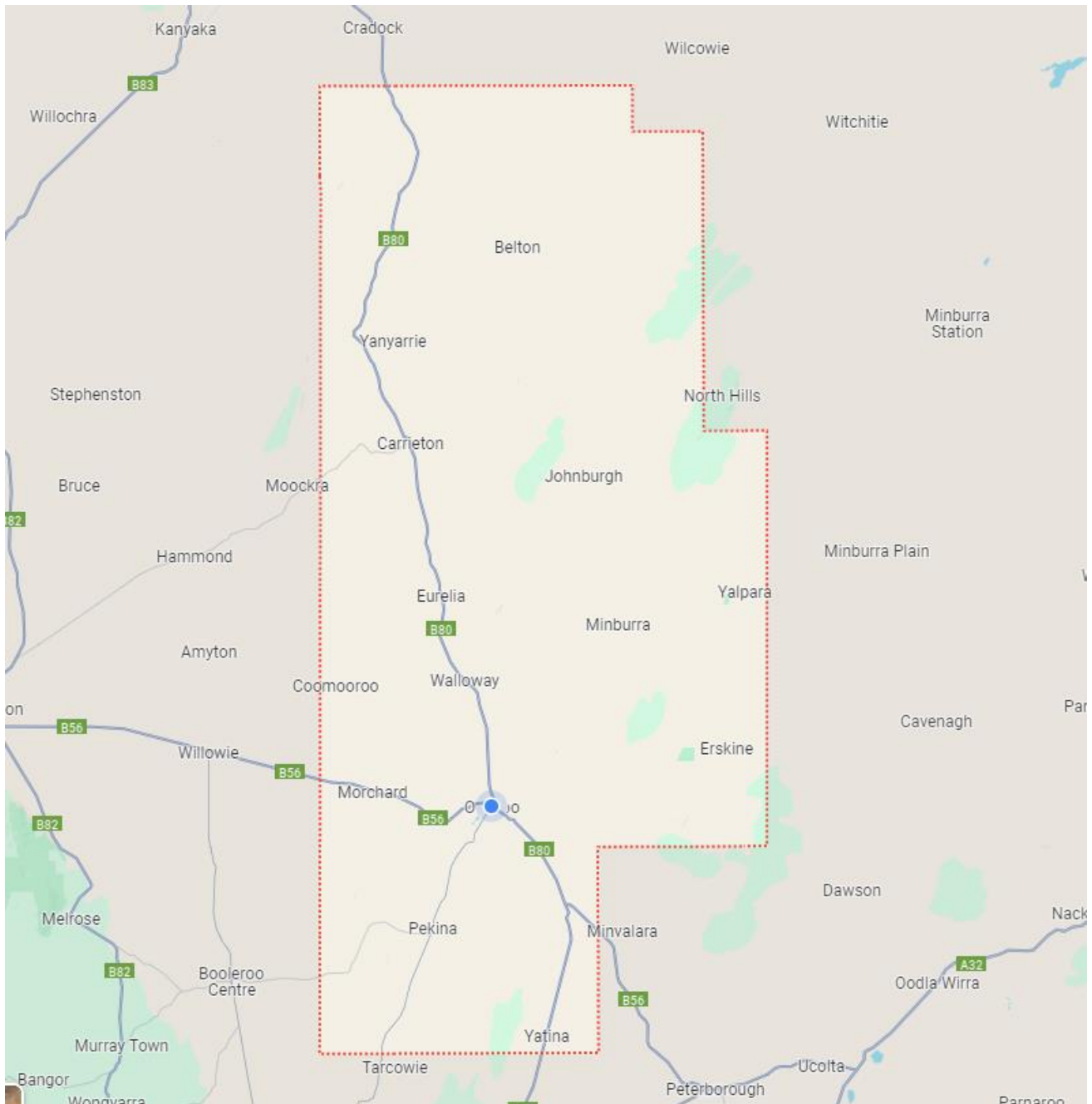
'Goyder's Line' traverses the district, a line drawn up in 1865 by Surveyor General Goyder which indicated the edge of the area suitable for agriculture. Drought is a common experience for the Orroroo farming area, and with increased climate uncertainty, the district's communities are strongly committed to creating a resilient and sustainable future through innovation, adaption and local leadership.

Orroroo is the major service centre, maintaining a range of essential services such as a major Hospital, Health Centre, Area School, Library, Aged Care facility, a variety of community and culture associations, and sporting facilities/clubs that are well supported and extremely competitive. The town centre hosts a range of business which support the district including a post office, supermarket, pharmacy, newsagent, hardware, hotels and cafes.

The District is situated at the base of the Flinders Ranges, and is a popular tourism destination for visitors, retaining much of its unique 1880's charm and heritage.

The primary commerce in the region is agriculture, with the predominant agricultural commodity being food (cereal grains, legumes, meat) and wool.

Council works across all levels of government, industry sectors including primary production, mining and engineering, energy, tourism and social services to ensure the opportunities in these areas are maximised and that new business opportunities are supported.



Introduction

Mayor Grant Chapman

On behalf of elected members and staff, I present to you the 2024/2025 Annual Business Plan. This Plan outlines the District Council of Orroroo Carrieton's planned services, projects and major expenditures for the 2024-25 financial year.

Council has recently prepared and endorsed a 2023-2033 Strategic and Community Plan where this process incorporated extensive consultation with the community. This annual business plan and budget is reflective of the priorities as determined by the community, they are aligned with the projects and expenditure of the annual business plan and budget.

After taking into account additional feedback from community groups and various requests throughout the past year along with Council's Long-Term Financial Plan and Asset Management Plans, Council has prepared this draft Plan, including the proposed annual budget, for public consultation.

The Plan aims to maintain efficient services currently provided for the community and continue the progress towards the longer-term objectives of the Council including financial sustainability.

This business plan and budget has placed a large focus on the basic services of Council and focuses on those services that are at the core of Council delivery to the community.

The services provided by our Council is a reflection of meeting Council's obligations under legislation and making decisions on behalf of the community to achieve Council's long-term strategic goals.

This year's rate increase is difficult due to the external financial impacts, however the proposed total general rate income increase of 10% is significant, however it is essential to ensure our sustainability. These are hard decisions that are not taken lightly, as always we only seek to fund our basic services.

Of course, Council administration work very hard on our efficiency in all areas of the business to ensure Council only increases rates to a necessary level.

We are proud that we have ensured the rates levels and the expenses have been minimized over many years, however recent increases in depreciation associated with our 50 million dollars in assets has meant that our operational income must rise more steeply than before to maintain pace with inflationary impacts.

Our recent reviews and benchmarking against the other small rural councils using the LG Grants Commission dataset in fact reinforces that we have the lowest expenses and rate revenue per rateable property than any other small rural Council.



Grant Chapman
Mayor

Our Council

Elected Membership of Orroroo Carrieton



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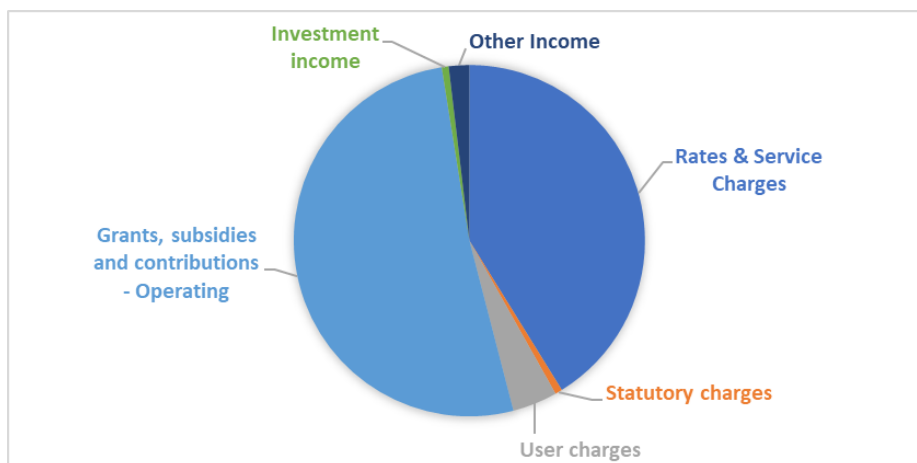
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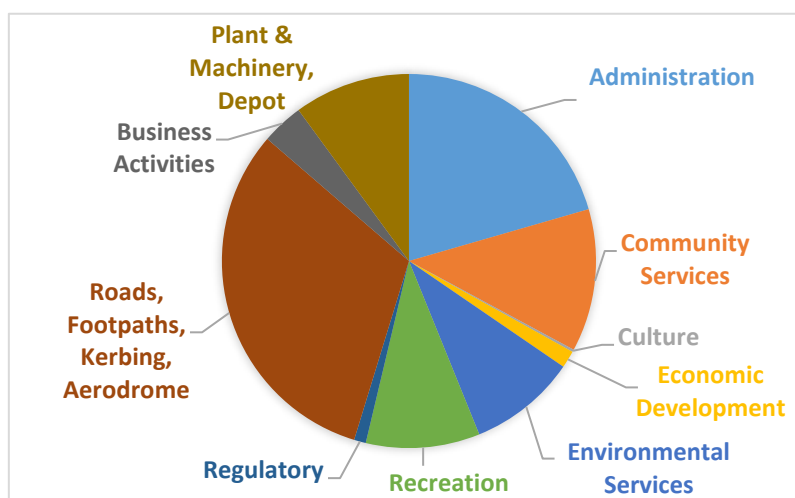
Budget in Brief

2024/2025 Financial Year

OPERATING INCOME	Budget 2023/24	Budget 2024/25
Rates & Service Charges	\$1,494,000	\$1,624,000
Statutory Charges	\$20,000	\$26,000
User Charges	\$163,000	\$163,000
Grants Subsidies & Contributions	\$2,069,000	\$2,031,000
Investment Income	\$10,000	\$25,000
Reimbursements & Other	\$43,000	\$74,500
TOTAL OPERATING INCOME	\$3,799,000	\$3,943,500



OPERATING EXPENSES	Budget 2023/24	Budget 2024/25
Administration	\$837,000	\$884,000
Community Services	\$344,000	\$531,000
Culture	\$22,000	\$9,000
Economic Development	\$135,000	\$64,000
Environmental Services	\$382,000	\$401,000
Recreation	\$412,000	\$424,000
Regulatory	\$33,000	\$44,000
Roads, Footpaths, Kerbing, Aerodrome	\$1,239,000	\$1,360,000
Business Activities	\$99,000	\$156,000
Plant & Machinery, Depot	\$339,000	\$432,500
TOTAL OPERATING EXPENSES	\$3,840,000	\$4,305,500
OPERATING SURPLUS / (DEFICIT)	(\$41,000)	(\$362,000)



Note: Administration includes Leave, ICT, Governance, Financial Management, Elected Members & Legal

CAPITAL WORKS	Budget 2023/24	Budget 2024/25
<i>Roads</i>	\$1,289,000	\$479,000
<i>Land. Buildings & Other structures</i>	\$408,000	\$722,000
<i>Community Wastewater Management System</i>	\$200,000	\$0
<i>Other assets, Fixtures & Fittings</i>	\$46,000	\$122,000
<i>Plant and Machinery</i>	\$270,000	\$465,000
TOTAL CAPITAL EXPENSES	\$2,213,000	\$1,788,000

Strategic Influences & Priorities

Prosperity & Resilience 2023-2033

Strategic Direction

Council adopted a 10 year Strategic & Community Plan in October 2023: *Prosperity and Resilience 2023 - 2033*. This Strategic and Community Plan is the centre piece of Council's suite of strategic management documents which also includes Council's Long Term Financial and Asset Management Plans and Annual Business Plan.

The Strategic and Community Plan is a tool for defining the direction of the district. By identifying a vision, themes, strategies and key projects, Council is creating a roadmap for 2023 – 2033.

Throughout the 10 year lifetime, the Plan will be regularly reviewed to ensure it remains relevant to the Orroroo Carrieton community and district.

Our Vision

We are a proud community and our vibrancy makes us resilient. Our residents, businesses and visitors prosper from our beautiful landscape, healthy environment and well serviced regional centre.

Strategic Pillars

The Plan is built upon four key themes:

Prosperity | A strong and diversified local economy

Lifestyle | Healthy, connected and empowered communities with the services they need

Leadership | Informed decision making, strong advocacy and adaptive with change

Landscape | A healthy, productive environment supported by best practice

In working towards its goals in the development of this Business Plan, Council considered a long-term view of its financial situation. Through the 2024-2034 Long Term Financial Plan Council is committed to ensuring its long-term financial sustainability, which is dependent on ensuring that, on average over time, Council's expenses are within the targeted range.



Operational Outlook

Service Provision 2024-2025

Function	Mandatory	Traditional	Elective
Business, Administration & Regulatory Services	Administration & HR Governance Financial Management WHS & Risk Rate Admin Asset Management Dog & Cat Management Development Services Environmental Health	Council House	Private Works Carrieton Water Supply
Community & Recreation Services	Cemeteries WHS & Risk Development Services Website	Passenger Service Public Conveniences Community Library Community Halls Recreation Grounds Parks, Trails & Gardens Swimming Pools Culture	Health and Wellbeing Addison Court Goyder's Line Gazette Community Events Grants and Program/s Historical Society Early Settlers Cottage
Economic Development			Planning & Advocacy Business Assistance Tourism Development Visitor Information Grant Submissions
Environment	Fire Prevention Hazard Management Street Lighting	Waste Collection Recycling Management Stormwater Management Drum Muster	Cropping land Grant submissions Pekina Reservoir Walking Trails
Transport and Infrastructure	WHS & Risk	Road Maintenance Footpaths & Kerbing Aerodromes	Planning & Advocacy Grant Submissions

Strategic New/Upgrade Projects 2024/2025

In addition to the service provision detailed above, Council has committed to continuing delivery of specific key initiatives all of which play a significant role in achieving the long-term goals of Council's Strategic & Community Plan 2023-2033.

The following list describes those initiatives currently known, however pursuant to the Long Term Financial Plan, Council may determine to undertake other projects throughout the financial year.

Project	Description	Estimate Cost 2024/25
CAPITAL WORKS		
Sale of Units	Costs related to the Addison Court unit sub-division	\$30,000
Sub Development (land purchase)	Purchase of land for land sub-division	\$267,000
Sub Development (development cost)	Cost to develop sub-development land for sale	\$375,000
Carrieton Water Supply	Investigation of water supply and possible extension	\$50,000
Carrieton Township Beautification	Minor main street beautification	\$50,000
OPERATIONS		
Street Tree Planting	Develop and implement a tree planting program and Orroroo and Carrieton	TBC
Orroroo Recreation Ground Master Plan	Review the Orroroo Recreation Ground Master Plan in conjunction with user groups	TBC
Community Land Management	Review Councils Community Land Management Plan in accordance with legislative requirements	TBC
Shared Services	Instigate and implement shared services with neighbouring and regional Councils	TBC

Capital Outlook

Road Construction Renewal Program 2024/2025

Council's road construction program is prepared in alignment with Council's 10 year Asset Management Plan. The state and condition of Council's road network is routinely assessed by independent experts and Council's own staff.

In 2024/25 Council's program consists of sealed road, footpath and kerbing maintenance. It also includes resheeting and rip & reform of unsealed roads.

Resheeting	Distance (m)	Total Budget (\$)
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Road Name

To be confirmed after asset condition assessment

Rip & Reform	Distance (m)	Total Budget (\$)
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Road Name

To be confirmed after asset condition assessment

Total R&R -

Total Unsealed Roads	\$279,000
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Other components	Total Budget (\$)
Sealed Road Shoulder/edges	\$200,000
Total	\$200,000

Key Capital Expenditure 2024/2025

The planned capital expenditure also includes a number of key components such as the replacement of machinery, and capital purchases relating to buildings and other infrastructure.

Other Assets		Total Budget (\$)
Plant and Machinery Renewal	Truck, Tractor & Vehicle	465,000
Outdoor Dining Platforms		25,000
Fixtures & Fittings	Various	47,000
Total		537,000

People safety and risk management

The Council aims to provide and promote a healthy and safe working environment to minimise the risk of injury or illness for all staff while at work. Council has a broad risk profile associated with its work in the community and within the organisation and is committed to providing a workplace that:

- Is safe and healthy for all employees, volunteers, contractors and visitors.
- Minimises, manages and controls risks within the work environment.
- Minimises the risk of injury and ill health at work.
- Complies with the Work Health & Safety Act 2012 and the Performance Standards for Self-insured Employers.

Influences on the Budget

In the development of the Annual Business Plan we look at the external commercial, economic, political, ecological, social and technological influences that have an impact on our District.

Significant Influences

Tourism Industry Growth

With increased tourism growth comes increased servicing and maintenance of existing assets including our public facilities.

External Commercial / Economic / Political

Council has taken a proactive approach to advocacy at both state and federal levels to leverage support for the delivery of essential infrastructure projects in the District.

International conflict and other disruption have contributed to global resource demands, which have exacerbated existing materials and labour shortages. This impacts on delivery of infrastructure projects and the ability to buy plant and equipment.

Pricing increases that include climbing oil prices, electricity, local suppliers with stock shortages, and labour shortages are just a few key issues that have been felt by Council and our community.

Council purchases a range of goods and services as part of its annual capital program. Over the last 12 months the persistent disruption to supply chains and distribution network and their ongoing effects on prices has provided uncertainty. This has impacted on project delivery, tendering, pricing being received, and the availability of contractors.

Extreme Weather

Effects of our changing climate are already being felt by our community. With an increasing frequency of extreme weather events there has been a need to adjust programs that react to the increased frequency of flooding, severe/extreme fire danger and a longer fire season.

Other Influences

There are also other annual items that we consider when setting rates and deciding on Council's program of works. These include:

- Absorbing cost pressures where possible to minimise increases in rates and fees and charges.
- Overall sustainability and meeting target ratios.
- Forecast Consumer Price Index of 4% for the 2024/25 year, based on the CPI Adelaide All Groups of 4.3% as at the March 2024 quarter.
- Significant increases in excess of 9.6% for annual depreciation costs due to the cycle of revaluations as required under the LG Act.
- Provision of Enterprise Bargaining Agreements which, for some staff, determine conditions of employment and provide for annual salary and wages increases above CPI.
- Maintaining asset management (renewal) expenditure in line with Council's endorsed Infrastructure & Asset Management Plan
- Significant cost increases within the waste management stream.
- Increase in Council's administrative pressures including but not limited to risk management, Work Health and Safety, increased legislative compliance requirements, government reporting and future Essential Services Commission of SA (ESCOSA) reporting requirements.
- State Government cost shifting to local government in many areas.

Funding the Plan

Budget 2024/2025

The long-term financial sustainability of Council is dependent on ensuring that on average expenses are less than income, in accordance with the Long Term Financial Management Plan and Financial Strategy.

Council's income in 2024/25 includes \$1,338,700 raised from general rates, including rebates. This is based on an increase of 10.0%. Total rates income includes General Property Rates, Service Charges for CWMS, Waste Collection, Landscape Levy, Rate Fines, Rate Rebates and Write-offs from Objection to valuations.

Other sources of income are:

- User pay charges set by Council.
- Reimbursements & Other.
- Statutory charges set by other levels of Government: These are fees and charges set by regulation and collected by the Council for regulatory functions such as assessment of development applications. This income generally helps off-set the cost of the service delivered.

Grant Funding

Local Government receives the following main ongoing types of grant funding:

General Purpose & Local Roads Financial Assistance Grants (Federal)

Council has complete discretion as to expenditure of funds received. Council's 2024/25 budget assumes that the Federal Government financial assistance grants (both general purpose and local roads components) will be received.

Supplementary Road Funding (Federal)

The funding program was reintroduced by the Australian Government for South Australian Councils, to assist with maintaining local road networks on a two year term. Council has full discretion as to the expenditure of the funds received.

Other – External Grants

Council will continue to participate in competitive and/or opportunistic grant programs where proposed outcomes align with the intent and purpose of the Strategic and Community Plan 2023-2033 and the Council's Financial Strategy in accordance with the current Long Term Financial Plan.

Grant Funding Summary 2024/25

The following table shows a summary of the operating grants that have been included in the 2024/25 Budget. The amounts are based on the full allocation as the amount of any prepayment has not yet been advised and on the same amounts as the in the previous year with a portion of CPI added.

Grant Funding – Operating	Amount \$'000
Local Roads (Grants Commission)	\$343
General Purpose (Grants Commission)	\$1,224
Supplementary Roads (Grants Commission)	\$132
Roads to Recovery (estimated annual allocation)	\$312
Other grants and subsidies	\$20
Total Operating Grants and Subsidies Funding	\$2,031

Grant Funding Income - Capital (specifically for new of upgrade of assets)

Grants relating to capital works include \$412,000 for the Sub Development of land, Regional Housing Initiative Program

Financial Sustainability / Financial Performance Measures

All Councils pursuant to the Local Government Act 1999 are required to develop and maintain Long Term Financial Management and Asset Management Plans to ensure sound strategic planning principles to assist with decision making are in place.

Council is committed to ensuring its long-term financial sustainability and this is dependent on ensuring that, on average over time, its expenses are at least matched by its income level.

In addition, the focus of capital expenditure should be on existing infrastructure and other assets and be in accordance with the Infrastructure and Asset Management Plan so as to minimise whole-of-life-cycle costs of assets.

Financial Sustainability Performance

Ratio	Budget 2024/25	LTFP target range
Adjusted Operating Surplus Ratio	(8%)	0% - 15%
Net Financial Liabilities Ratio	(67)%	(50%) – 50%
Asset Renewal Funding Ratio	100%	90 – 110%

Operating Surplus Ratio (OSR)

“Is Council covering its operating expenditure and depreciation charge from its operating income?”

The operating surplus ratio expresses the operating surplus / (deficit) as a percentage of total operating income. A result of greater than 0% would indicate that Council is covering its operating expenditure and depreciation charge from its operating income.

The operating deficit is \$362,000 from the proposed budgeted activity for the year. The adjusted operating deficit, excluding depreciation from non replaced assets is \$302,000 which gives a result of (8%).

This result arises because operating income is budgeted to be \$362,000 less than Council’s operating expenses for the year. Council has recently undertaken asset revaluations in line with legislative timeframes, with large increases in depreciation expense impacting on Councils operating position.

Asset Renewal Funding Ratio (ARFR)

“Is Council replacing its assets at the same rate the assets are wearing out?”

The Asset Renewal Funding Ratio indicates whether the Council is renewing or replacing existing nonfinancial assets at the same rate as its overall stock of assets is wearing out. The ratio is calculated by measuring capital expenditure on renewal and replacement of assets relative to Council’s Asset Management Plan.

The forecast asset renewal funding ratio for the 2024/25 is 100%, within the LTFP target range.

Net Financial Liabilities (NFL) and Net Financial Liabilities Ratio

“Does Council have a manageable level of debt and other liabilities when considering its available income and other cash reserves?”

Net financial liabilities is a comprehensive measure of the indebtedness of the Council as it includes items such as employee long-service leave entitlements and other amounts payable as well as taking account of the level of Council's available cash and investments.

Specifically, net financial liabilities equals total liabilities less financial assets, where financial assets for this purpose includes cash, cash equivalents, trade and other receivables, and other financial assets, but excludes equity held in Council businesses, inventories and land held for resale.

The ratio of (67%) indicates that Council is in a strong financial position and has no borrowings or debt included in the budget.

Overall Assessment of Council's Financial Sustainability

The above ratios indicate that the Annual Business Plan and the associated Budget that underpins it, is currently financially unsustainable over the following 12 months, however proposes to reach an operating surplus and improve its financial sustainability as indicated within the Long Term Financial Management Plan and Strategy.

Uniform Presentation of Finances 2024/2025

The Uniform Presentation of Finances together with the Key Financial Indicators provide a summarised report that focuses on Council's finances at a strategic level. The Uniform Presentation of Finances report highlights the operating surplus/(deficit) measure which is considered the most critical indicator of a Council's financial performance.

The last line, or rather the result of this report, is the movement in Annual Net Impact to Financing Activities for the year based on Council's planned capital and operating budgets for that year. Achieving a zero result in any one year essentially means that the Council has met all its expenditure (both operating and capital) from the current year's income (with income including amounts received specifically for new/upgraded assets).

The result of (\$749,000) reported below indicates that Council is effectively proposing to use its own cash reserves to fund the movement in net financial liabilities identified below for the year ending 30 June 2025. Positive cash reserves are essential to ensure the future replacement and renewal of assets can be funded when this expenditure falls due.

UNIFORM PRESENTATION OF FINANCES

	2023/24 at BR#3 \$'000	2024/25 Budget \$'000
Income	4,416	3,943
Expenses	(4,022)	(4,306)
	394	(362)
Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	(1,100)	(1,121)
add back Depreciation, Amortisation and Impairment	1,449	1,588
add back Proceeds from Sale of Replaced Assets	6	-
	355	467
Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets	(874)	(667)
add back Amounts received specifically for New and Upgraded Assets		412
add back Proceeds from Sale of Surplus Assets	453	900
	421	645
Annual Net Impact to Financing Activities (surplus/(deficit))	328	749

Rating Strategy

Rating Arrangements 2024/2025

Council's ability to generate income

This Business Plan aims to strike a balance between the level of services for the community and the need to ensure the long-term financial sustainability of Council.

Council has limited options to generate the income required to pay for services which it provides to the community. Apart from the Federal and State Government grants mentioned earlier, some income can be raised through user charges, investment of surplus cash, hire of community facilities and other minor receipts. However, the primary source of income for Council is a property-based tax rate.

Rate income is generated by the broad application of fundamental principles of taxation (fairness and equity, simplicity, ability to pay and efficiency) with a view to achieving an equitable distribution of the rates burden among ratepayers.

Capital Value as a basis for Rating

Council has adopted the capital value method to value properties in its area in common with most other South Australian Councils. This method values the land and all of the improvements on the land.

No valuation method is considered perfect for rating purposes, however the capital value method is generally considered to be the most equitable.

In making a final decision about setting rates for the 2024/25 financial year, Council will carefully consider the impact of rates on the community, including:

- ✓ The equity of the distribution of the rate burden between householders, businesses and primary producers;
- ✓ The broad principle that the rate in the dollar should be the same for all properties except where there is clearly a different level of services available to ratepayers or some other circumstance which warrants variation from the broad principle;
- ✓ Minimising the level of general rates required by levying fees and charges for goods and services on a user pays basis, where that is appropriate to recover the full cost of operating or providing the service or goods, with provision for concessions to those members of the community unable to meet the full cost;
- ✓ Community feedback on this Annual Business Plan.

The following table summarises capital value movements for the past 12 months across the Orroroo Carrieton Council District (based on data received on 17th of June 2024):

Land use	Total No. Properties	Capital Value (\$)	% difference in CV
Non Rateable	354	9,364,541	8%
Residential	344	64,428,166	21%
Commercial/ Industrial	46	7,454,234	5%
Primary Production	773	348,721,460	10%
Vacant land	154	2,628,000	39%
Other	22	944,879	6%
Total	1,693	433,541,280	12%

Adoption of Valuations

To ensure independency of valuations, Council has continued to adopt the valuations made by the South Australian Valuer General, in accordance with Section 167(2)(a) of the Local Government Act 1999.

Pursuant to Section 167(3)(a)(i) of the Local Government Act, Council has adopted the most recent capital valuations provided by the Valuer General applied to land within the Council area to be used as the basis for calculating rates.

For the financial year ending 30 June 2025, the most recent capital valuations for the Council area total \$433,541,280 of which \$424,176,739 is rateable. The final rating applied is based on property valuations received from the Valuer-General up to 17 June 2024.

Should any ratepayer be dissatisfied with a property valuation then they are to contact the Office of the Valuer General, GPO Box 1354, Adelaide, SA 5001, lsg.objections@sa.gov.au or call 1300 653 346.

Note - the lodgment of an objection to a valuation does not change the due date for the payment of rates and must be paid in accordance with the rate notice, unless otherwise advised by Council.

Setting Rates

Apart from the need to ensure sufficient income to meet its expenditure needs, Council is mindful of the impact of rates to the community, both residential and business, and regularly makes comparison of its rates across Council areas.

Council is also mindful of its ongoing forecasted operating deficit and the desire to achieve financial sustainability. Rates increases above the Consumer Price Index (CPI) are required to ensure that the Council can reduce the gap between operating revenue and operating expenditure over time. A revised Long Term Financial Plan has been prepared in accordance with the 2024/25 budget, which shows that rate increases above CPI will be required until 2027/28 in order to reach a positive operating position.

Rates Modelling

The differential rating system based on land use will continue to be used as a basis for calculating general rates. Council determined that this provided the most effective means of distributing the impact of the abnormal valuation differentials between residential and non-residential, whilst still reflecting the impact of increased capital values across the non-residential sector.

Maintaining the differential rating system, Council has undertaken rates modelling exercise of three options to determine the impact of each and how the rate in the dollar will be set. Models were prepared and discussed at Council for the following scenarios;

- ◆ 12% plus CPI
- ◆ 7% plus CPI
- ◆ 5% plus CPI
- ◆ 4% plus CPI
- ◆ Maintain existing fixed charge rate, with changes to the differential rates in the dollar

The final model is based on a 10% increase (6% plus CPI).

General Rates

Council will aim to raise a total of \$1,338,700 in general rate income in the 2024/25 financial year, including rebates. This is an increase of 10.0% from the previous year.

Council, having considered the general principles of rating in Section 150 of the Local Government Act 1999, and the requirements of Section 153 (2) the Local Government Act 1999 and pursuant to Section 152 (1)(c) of the Local Government Act 1999, declares that the general rate in respect of rateable land within the Council area for the year ending 30 June 2025 will be a rate consisting of two components:

- (a) one being the value of the rateable land
- (b) the other being a fixed charge

That pursuant to Section 153 (1)(b) and Regulation 14 of the Local Government (General) Regulations 2013, determines that the following rates for the year ending 30 June 2025, be declared on rateable land within its area, based upon the capital value of the land.

Differential Rate

Indicative differential rates for each land use type are:

- (a) 0.2300 cents in the dollar for Primary Production land located within the Council area.
- (b) 0.3499 cents in the dollar for all other land use types located within the Council area.

Fixed Charge

For 2024/25, Council plans to impose a fixed rate of \$370, which is an increase from the previous year of \$12. As a component of general rates, the fixed charge is paid by each ratepayer as an equitable rate base for each property.

Council considers it appropriate that all rateable properties make a base level contribution to the cost of Council's activities, including the cost of maintaining the physical infrastructure that supports each property. The fixed rate is one of the lowest in the State following an analysis of comparable Councils.

The fixed charge shall apply to all rateable properties, unless the principal ratepayer has applied for and been granted the benefit of a Single Farm Enterprise, then only one fixed charge is applied to that Farm Enterprise.

The fixed charge shall be levied against the whole of an allotment (including land under a separate lease or license). One fixed charge is levied against two or more pieces of adjoining land (whether intercepted by a road or not) if they are owned by the same owner and occupied by the same occupier.

Regional Landscape Levy (formerly Natural Resource Management Levy)

The Landscapes South Australia Act 2019 requires Council to raise a levy on behalf of the Northern and Yorke Regional Landscape Board. This levy is shown separately on the rates notice. Council has no influence in the determination of the levy to be collected, as it remains a decision made by the Regional Landscape Board and the Minister for Environment.

The declared amount to be collected during the 2024/25 year in accordance with Section 154 of the Local Government Act 1999 and the Landscape Act 2019, for the purpose of reimbursing amounts contributed to the Northern and Yorke Natural Landscape Board is \$44,832, which is to be collected at a separate rate of 0.010680 cents in the dollar. This is an increase from the previous year of 4.9%.

Northern & Yorke Regional Landscape Centre - Clare (head office), 155 Main North Road, Clare SA 5453
Phone: (08) 8841 3400. Monday to Friday from 9am til 5pm.

Website: <https://landscape.sa.gov.au/ny/home>

Service Charges

Waste Management Collection

Council will need to raise approximately \$165,800 in service charges to recover costs associated with the kerb-side waste and recycling collection services. Council will collect this charge through an annual service charge to all residences and businesses in the Council area where a refuse collection service is provided.

The Council will charge \$398 per household, for each property provided with the waste management collection service (2 bin). This is an overall reduction of \$52 from the 2023/24 rate.

An additional Service Charge of \$170 shall be applied for each additional bin collected from the property for which the service is provided.

CWMS

Unit charges are based on individual property usage. The charge per unit will increase from \$1600 to \$1670 an increase of \$70 from the previous year for each connected property.

Impact Statement

The Council has proposed that the total rate income, fixed charges, Service Charges (excluding the Landscapes Levy and Carrieton water supply charges) and rate rebates in the 2024/25 budget will need to be approximately \$1,572,700 (including the service charge for CWMS).

The following provide examples of the impact on Rates on the various sectors. The example uses averages and includes the anticipate changes in capital valuation of each type of property.

- Impact to **householders with a house with a capital value of \$188,000 in Orroroo** is an increase of \$133.00 or a 12.98% increase.
- Impact to **a Single Farm Enterprise with a capital value of \$1,425,000** is an increase of \$357.00 or a 9.87% increase.
- Impact to **owners of vacant land with a capital value of \$21,500** is an increase of \$37.00 or a 8.68% increase.

- Impact to **owners of a commercial/industrial property with a capital value of \$143,000** is an increase of \$42.00 or a 4.86% increase.

Business Impact Statement

Council has considered the impact of rates on all forms of business and industry within the community including primary production. In considering the impact the Council considered:

- The elements of Council's development and the equity of the distribution of the rate burden between ratepayers;
- Council's policy on facilitating local economic development and current local, state and national economic conditions;
- Specific Council projects for the coming year and specific infrastructure maintenance issues that will benefit businesses and primary producers.

Payment of Rates – Quarterly Billing

Payment of rates may be made in quarterly instalments due in September, December, March and June each year. Rate notices will be issued prior to each quarterly instalment. Payment methods are described on the reverse of the rate notice.

Seniors Postponement of Rates

Residential property owners with a Seniors Card may apply to postpone payment of rates until the property is sold. Postponed Rates are a charge on the land. Statutory interest will continue to be charged on Postponed Rates but will be payable on sale of the property.

Remissions, Discretionary Rebates and Rebates

The Local Government Act 1999 enables Council to grant discretionary rebates up to 100% for land used for the purposes of a community benefit.

Concessions

The South Australian Government provides concessions with a single "cost-of-living concession" to those eligible. Those who receive this concession can decide whether to use it to offset part of their Council rates, or for other purposes.

Payment of Rates

Rates may be paid by way of four quarterly instalments with the due dates being 15th September 2024, 15th December 2024, 15th March 2025 and 15th June 2025.

Rates may be paid,

- in person at the Council Office during business hours;
- by mailing a cheque or money order to the District Council of Orroroo Carrieton, PO Box 3, Orroroo SA 5431;
- by using Bpay and EFT online transfer, or by telephone payment on 08 8658 1260.

Late Payment of Rates

The Local Government Act provides that Council imposes an initial fine of 2% on any payment of rates, whether by instalment or otherwise, that is received late. A payment that continues to be late is then charged a prescribed interest rate on the expiration of each month that it continues to be late.

Should Council refer the debt to a debt collection agency for collection, then any debt collection charges will be recoverable from the ratepayer. When the Council receives a payment in respect of overdue rates Council applies the money received as follows,

- to satisfy any costs awarded in court proceedings to satisfy any interest costs
- payment of any fines imposed, and
- payment of rates, in chronological order, starting with the oldest account first

Remission and Postponement of Rates

The Local Government Act permits Council, on the application of a ratepayer, to remit rates partially or wholly or to postpone rates, on the basis of hardship.

Should a ratepayer experience hardship in paying rates they are invited to contact the Council to discuss the matter, with all such inquiries being treated confidentially.

Pursuant to Council's Hardship Policy, Council will make available extended payment arrangements by entering into a payment agreement where the payment of rates will cause a ratepayer demonstrable hardship.

Recovery of Outstanding Rates

The Council has adopted a Debtor Management Policy that provides a policy and procedure approach to the recovering of outstanding rates.

Reminder notices are issued when a rate instalment is unpaid and further notice after two rate instalments remain unpaid. If the rate instalments outstanding remain unpaid after the reminder notice payment date, then the outstanding amount is referred to Council's debt collection agent for recovery action.

Sale of Land for the nonpayment of Rates

The Local Government Act provides that a Council may sell any property where the rates have been in arrears for three years or more.

The Council is required to notify the owner of the land of its intention to sell the land, provide the owner with details of the outstanding amount[s], and advise the owner of its intention to sell the land if payment is not received within one month.

Consultation

The statutory Public Consultation of the Strategic Management Plans included the following:

Consultation commenced on 23rd May 2024 and concluded on Monday 17th June 2024. Public forums were held at the following locations:

Tuesday 4 th June 2024	Pekina Recreation Complex	8 attendees + 8 EMs / Staff
Wednesday, 5 th June 2024	Carrieton Recreation Ground	13 attendees + 7 EMs/ Staff
Wednesday, 12 th June 2024	Orroroo Town Hall	53 attendees + 9 EMs / Staff

The consultation and submission process was advertised in the Council's Goyder Line Gazette publication, on noticeboards and Council's Facebook page.

Copies of the Plan were available at:

- Council Office, Orroroo
- Carrieton General Store, Carrieton
- Council's website

Submissions were invited in the following ways:

- Posted to DC of Orroroo Carrieton PO Box 3, Orroroo SA 5431
- Emailed to council@orroroo.sa.gov.au
- Facsimile 08 8658 1413

Financial Statements

2024/2025

STATEMENT OF COMPREHENSIVE INCOME

	Previous Year Actual 2022/2023 \$'000	Budget Review 3 2023/2024 \$'000	Proposed Budget 2024/2025 \$'000
INCOME			
Rates & Service Charges	1,386	1,494	1,624
Statutory Charges	26	22	26
User Charges	104	184	163
Grants, subsidies and contributions - operating	1,258	1,657	2,031
Grants, subsidies and contributions - capital	1,151	876	-
Investment Income	32	53	25
Other Income/Reimbursements	176	130	75
TOTAL INCOME	4,133	4,416	3,943
EXPENSES			
Employee Costs	1,077	1,013	1,111
Materials, contracts & other expenses	1,903	1,555	1,606
Finance Charges	5	5	2
Depreciation, amortisation & impairment	1,364	1,449	1,588
TOTAL EXPENSES	4,349	4,022	4,306
Operating Surplus/(Deficit) *	(216)	394	(362)
Asset disposal & fair value adjustments	192	6	900
Amounts received specifically for new or upgraded assets	62	453	412
Physical resources received free of charge	14	-	
NET SURPLUS/(DEFICIT)	52	853	974
(transferred to Equity Statement)			
<i>Depreciation for Non Replaced Assets</i>			61
*ADJUSTED OPERATING SURPLUS/(DEFICIT)			(302)

*figures above subject to rounding

STATEMENT OF FINANCIAL POSITION

	Previous Year Actual 2022/2023 \$'000	Budget Review 3 2023/2024 \$'000	Proposed Budget 2024/2025 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	1,965	2,218	2,968
Trade and other receivables	98	99	128
Other	385	385	397
Total Current Assets	2,448	2,702	3,493
Non-current Assets			
Financial Assets	33	107	81
Infrastructure, Property, Plant and Equipment	35,144	35,670	35,870
Other non-current assets	-	-	-
Total Non-Current Assets	35,177	35,777	35,950
TOTAL ASSETS	37,625	38,479	39,443
LIABILITIES			
Current Liabilities			
Trade and other payables	250	250	257
Borrowings	25	25	25
Provisions & Other	235	235	242
Total Current Liabilities	510	510	524
Non-current Liabilities			
Borrowings	-	-	-
Provisions	16	16	17
Total Non-Current Liabilities	16	16	17
TOTAL LIABILITIES	526	526	541
NET ASSETS	37,099	37,953	38,902
EQUITY			
Accumulated Surplus	10,828	11,682	12,632
Asset Revaluation Reserve	26,217	26,217	26,217
Other Reserves	54	54	54
TOTAL EQUITY	37,099	37,953	38,902

*figures above subject to rounding

STATEMENT OF CASH FLOWS

	Previous Year Actual 2022/2023 \$'000	Budget Review 3 2023/2024 \$'000	Proposed Budget 2024/2025 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
<u>Receipts</u>			
Operating Receipts	4,668	4,362	3,915
Investment Receipts	32	53	25
<u>Payments</u>			
Operating Payments to suppliers & employees	(2,848)	(2,568)	(2,713)
Finance Payments	(3)	(5)	(2)
Net Cash provided by (or used in) Operating Activities	1,849	1,842	1,225
CASH FLOWS FROM INVESTING ACTIVITIES			
<u>Receipts</u>			
Amounts specifically for new or upgraded assets	62	453	412
Sale of Surplus Assets	248	6	900
Repayments of loans by community groups	-	13	-
<u>Payments</u>			
Expenditure on renewal/replacement of assets	(1,576)	(1,100)	(1,121)
Expenditure on new/upgraded assets	(1,338)	(874)	(667)
Loans made to community groups	-	(87)	-
Net Cash provided by (or used in) Investing Activities	(2,604)	(1,589)	(476)
CASH FLOWS FROM FINANCING ACTIVITIES			
<u>Receipts</u>			
Proceeds from Borrowings	-	-	-
<u>Payments</u>			
Repayment of Borrowings	(88)	-	-
Net Cash provided by (or used in) Financing Activities	(88)	-	-
 Net Increase (Decrease) in cash held	 (843)	 253	 749
 Cash & cash equivalents at beginning of period	 2,808	 1,965	 2,218
Cash & cash equivalents at end of period	1,965	2,218	2,968

*figures above subject to rounding

STATEMENT OF CHANGES IN EQUITY

	Previous Year Actual 2022/2023	Budget Review 3 2023/2024	Proposed Budget 2024/2025
	\$'000	\$'000	\$'000
Accumulated Surplus			
Balance at end of previous reporting period	10,814	10,828	11,682
Net Surplus / (Deficit) for Year	52	855	950
Transfers between reserves	(38)	-	-
Balance at end of period	10,828	11,683	12,632
 Asset Revaluation Reserve			
Balance at end of previous reporting period	26,217	26,217	26,217
Revaluation Adjustments During Year	-	-	-
Balance at end of period	26,217	26,217	26,217
 Other Reserve			
Balance at end of previous reporting period	16	54	54
Transfers between reserves	38	-	-
Balance at end of period	54	54	54
 TOTAL EQUITY AT END OF REPORTING PERIOD	37,099	37,954	38,902

*figures above subject to rounding

Statement on Expected Rate Revenue

Expected Rates Revenue				
	2023/24 (as adopted)	2024/25 (as adopted)	Change	Comments
General Rates Revenue				
General Rates (existing properties)	\$1,237,254	\$1,359,476 (a)		The Council is adopting an 10% increase in general rate revenue (including rebates) for 2024/25
General Rates (new properties)		(b)		
General Rates (GROSS)	\$1,237,254	\$1,359,476 (c)		
Less: Mandatory Rebates	(\$18,543)	(\$18,887) (d)		
General Rates (NET)	\$1,218,711	\$1,340,589 (e)	10.00%	
(e)=(c)+(d)				
Other Rates (inc. service charges)				
Regional Landscape Levy	\$42,738	\$44,838 (f)		The Regional Landscape Levy is a State tax, it is not retained by council.
Waste collection	\$182,730	\$166,030 (g)		There is a separate service charge for Waste Management Collection charged to applicable properties
Water supply		(h)		
CWMS	\$48,000	\$67,635 (i)		There is a separate service charge for Community Wastewater Management Schemes charged to applicable properties
Separate and Special Rates		(j)		
Electricity Supply		(k)		
	\$1,492,179	\$1,619,092		
Less: Discretionary Rebates	(\$1,746)	(\$1,826) (l)		
Expected Total Rates Revenue	\$1,447,695	\$1,572,429 (m)	8.6%	Excluding the Regional Landscape Levy and minus Mandatory & Discretionary Rebates.
(m)=(e)+(g)+(h)+(i)+(j)+(k)+(l)				
Estimated growth in number of rateable properties				
Number of rateable properties	1,337	1,340 (n)	0.2%	No growth in the number of Rateable properties has been factored in to the budget for 2024/25
	Actual	Estimate		
'Growth' is defined in the regulations as where new properties have been created which has added rateable properties to council's ratepayer base. Growth can also increase the need and expenditure related to infrastructure, services and programs which support these properties and residents.				
Estimated average General Rates per rateable property				
Average per rateable property	\$925	\$1,015 (o)	9.6%	
(o)=(c)/(n)				
Councils use property valuations to calculate each rateable property's contribution to the required rate revenue total. Councils do not automatically receive more money because property values increase but this may alter how rates are apportioned (or divided) across each ratepayer (ie. some people may pay more or less rates, this is dependent on the change in value of their property relative to the overall valuation changes across the council area). The total General Rates paid by all rateable properties will equal the amount adopted in the budget.				
Notes				
(d) Councils are required under the Local Government Act to provide a rebate to qualifying properties under a number of categories: Health Services - 100 per cent Religious purposes - 100 per cent Royal Zoological Society of SA - 100 per cent Community Services - 75 per cent Public Cemeteries - 100 per cent Educational purposes - 75 per cent The rates which are foregone via Mandatory Rebates are redistributed across the ratepayer base (ie. all other ratepayers are subsidising the rates contribution for those properties who receive the rebate).				
(e) Presented as required by the <i>Local Government (Financial Management) Regulations 2011</i> reg 6(1)(ea) Please Note: The percentage figure in (e) relates to the change in the total amount of General Rates revenue to be collected from <u>all</u> rateable properties, not from <u>individual</u> rateable properties (ie. individual rates will not necessarily change by this figure).				
(f) Councils are required under the <i>Landscape South Australia Act 2019</i> to collect the levy on all rateable properties on behalf of the State Government. The levy helps to fund the operations of regional landscape boards who have responsibility for the management of the State's natural resources.				
(i) Community Wastewater Management Systems				
(l) A council may grant a rebate of rates or service charges in a number of circumstances. The rates which are foregone via Discretionary Rebates are redistributed across the ratepayer base (ie. all other ratepayers are subsidising the rates contribution for those properties who receive the rebate).				
(m) Expected Total Rates Revenue excludes other charges such as penalties for late payment and legal and other costs recovered.				
(n) 'Growth' as defined in the <i>Local Government (Financial Management) Regulations 2011</i> reg 6(2)				

Statement on Expected Rate Revenue

Expected Rates Revenue									
	Total expected revenue			No. of rateable properties		Average per rateable property			Cents in the \$
	2023/24	2024/25	Change	2023/24	2024/25	2023/24	2024/25	Change	2024/25
Land Use (General Rates - GROSS)									
Residential	\$311,611	\$351,228	13%	344	344	\$906	\$1,021	(p)	\$115
Commercial - Other	\$41,354	\$42,731	3%	46	46	\$899	\$929	(p)	\$30
Primary Production	\$828,396	\$908,248	10%	771	773	\$1,074	\$1,175	(p)	\$101
Vacant Land	\$48,544	\$49,523	2%	154	155	\$315	\$320	(p)	\$4
Other	\$7,349	\$7,746	5%	22	22	\$334	\$352	(p)	\$18
Total Land Use	\$1,237,254	\$1,359,476	9.9%	1,337	1,340	\$925	\$1,015	(p)	\$89
GRAND TOTAL (GROSS)	\$1,237,254	\$1,359,476	9.9%	1,337	1,340	\$925	\$1,015	(p)	\$89

Fixed Charge							
	Total expected revenue			Charge			
	2023/24	2024/25	Change	2023/24	2024/25	Change	
Fixed Charge	\$289,964	\$296,356	2%	\$358	\$370	(q)	\$12

Council is proposing to increase the fixed charge to \$370 in 2024/25

Adopted valuation method

Capital Value/Site Value/Annual Value

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

Capital Value – the value of the land and all improvements on the land;

Site Value – the value of the land and any improvements which predominantly affect the amenity of use of the land, such as drainage works, but excluding the value of buildings and other improvements (Note: Site Value will cease to be an option from 1 Sept 2023); or

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

Council is continuing to rate on Capital Value in 2024/25

Notes

(p) Average per rateable property calculated as General Rates for category, including any fixed charge or minimum rate (if applicable) but excluding any separate rates, *divided* by number of rateable properties within that category in the relevant financial year.

(q) A fixed charge can be levied against the whole of an allotment (including land under a separate lease or licence) and only one fixed charge can be levied against two or more pieces of adjoining land (whether intercepted by a road or not) if they are owned by the same owner and occupied by the same occupier. Also if two or more pieces of rateable land within the area of the council constitute a single farm enterprise, only one fixed charge may be imposed against the whole of the land.

(r) Where two or more adjoining properties have the same owner and are occupied by the same occupier, only one minimum rate is payable by the ratepayer.