DRAFT FOR CONSULTATION

Business Plan 2022/23

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 Easther, 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 with industry and all tiers of government across major sectors to ensure opportunities are maximised and that new business opportunities can be supported through sound planning and investment in regional infrastructure.

Introduction

Mayor Kathie Bowman

On behalf of elected members and staff, I present to you the 2022/2023 Annual Business Plan (the Plan). This Plan outlines the District Council of Orroroo Carrieton's (Council) planned services, projects and major expenditures for the 2022-23 financial year.

After taking into account 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 for the community and continue progress towards the longer-term objectives of the Council, without imposing an unrealistic rate burden on ratepayers.

The provision of services by Council is a reflection of both meeting Council's obligations under legislation and making policy choices on behalf of the community to achieve Council's longer-term goals.

Council has undergone a number of recent changes, including a change in senior leadership. In a time of local adaptation and continuing pandemic conditions, Council has endeavoured to ensure it is well advanced in the essential planning and due diligence for the coming financial year.

In the past two years rate increases have been limited to inflation, meaning the real increase for these years was nil. This year's rate increase is proposed to be 3.5% or CPI whichever is greater. Of course, we continue to work very hard on our efficiency in all areas to ensure Council can continue to keep rate increases to a minimum.

Kathie Bowman
Mayor

Our Council

Elected Membership of Orroroo Carrieton

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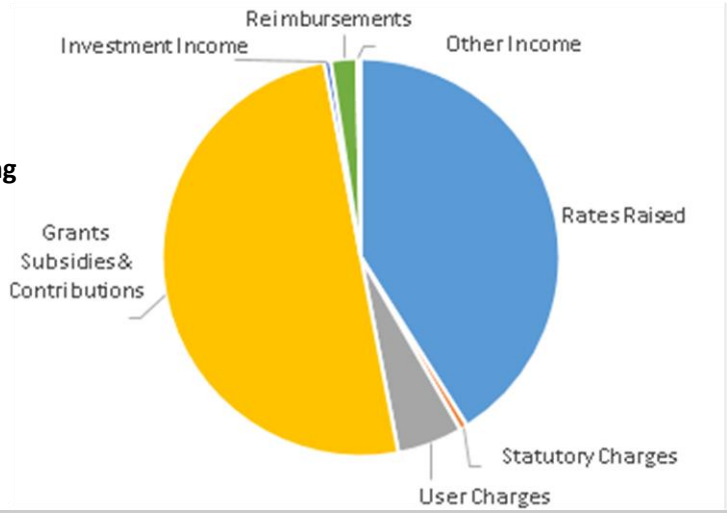
Budget in Brief

2022/2023 Financial Year

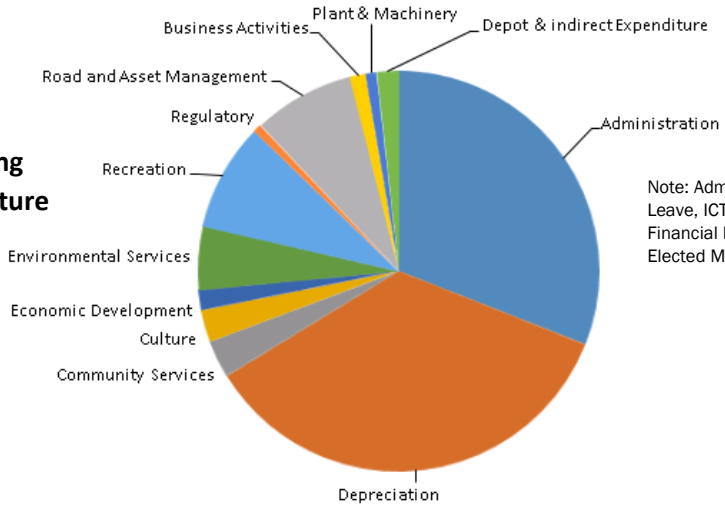
OPERATING INCOME	Budget 21/22	Budget 22/23
Rates Raised	$1,288,000	$1,333,000
Statutory Charges	$17,000	$20,000
User Charges	$177,000	$173,000
Grants Subsidies & Contributions	$3,132,000	$1,626,000
Investment Income	$17,000	$17,000
Reimbursements	$28,000	$69,000
Other Income	$51,000	$10,000
TOTAL OPERATING INCOME	**$4,711,000**	**$3,248,000**

Operating Income



OPERATIONAL EXPENDITURE		
Administration	$1,056,869	$1,063,705
Depreciation	$1,045,000	$1,211,000
Community Services	$138,517	$104,787
Culture	$48,500	$88,249
Economic Development	$47,477	$56,352
Environmental Services	$210,171	$174,540
Recreation	$268,442	$298,902
Regulatory	$22,920	$22,920
Road and Asset Management	$264,711	$281,935
Business Activities	$45,454	$43,820
Plant & Machinery	$78,650	$28,083
Depot & indirect Expenditure	-$28,500	$58,919
TOTAL OPERATIONAL EXPENSES	**$3,198,211**	**$3,433,212**
NET OPERATING SURPLUS / DEFICIT	**$1,512,789**	**-$185,212**

Operating Expenditure



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

CAPITAL EXPENDITURE	Budget 22/23
Road Re-sheeting	$327,000
Heavy Vehicle Bypass	$900,000
Town Streets Seal including AMP	$335,196
Settlers Trail	$100,000
Footpath upgrades per Footpath Program	$35,000
Mobile Tower / Cemeteries	$85,000
Rec Ground Changerooms	$290,000
Fixtures & Fittings	$46,000
Plant and Machinery Purchases	$250,000
TOTAL CAPITAL EXPENSES	**$2,368,196**

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Strategic Influences & Priorities

Prosperity & Resilience 2020-2030

Strategic Direction

Council adopted a 10 year Strategic & Community Plan in June 2020: *Prosperity and Resilience 2020 - 2030*. This Strategic and Community Plan is the centrepiece 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 2020 – 2030.

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 2020-2030 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 at least matched by its revenue.

Operational Outlook

Service Provision 2022-2023

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 Development	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 Management Weed Spraying Recycling Depot Drum Muster	Cropping land Grant submissions Pekina Reservoir Walking Trails
Transport and Infrastructure	WHS & Risk	Road Maintenance Footpaths & Kerbing Flood Damage Aerodromes	Planning & Advocacy Grant Submissions

Operational Outlook

Strategic Projects 2022-2023

In addition to the service provision detailed above, Council has committed to continuing delivery of several specific key initiatives all of which play a significant role in achieving the long-term goals of Council's Strategic & Community Plan 2020-2030. The following list best 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 22/23 FY
Settler's Trail	Practical completion 30th Sep 2022. Includes paving, irrigation, landscaping, interpretation and marketing. Funded in partnership with the Foundation of Rural and Regional Renewal. Total project value $0.5M.	**$100,000**
Orroroo Heavy Vehicle Bypass (Stage 2)	Practical completion of Stage 2 of Bypass, including sections of existing Bypass and Northern and Southern intersections of RM Williams Way by 31st Oct 2022. Funded in partnership with the Australian Government's Special Local Roads and Local Roads and Community Infrastructure programs. Total project value $2.9M.	**$900,000**
Town Streets & Footpaths – Orroroo	Streets, footpaths and kerbing associated with the Orroroo Heavy Vehicle Bypass above completion 31st Dec 2022. Funded in partnership with the Australian Government's Local Roads and Community Infrastructure program. Total project value $0.3M.	**$285,196**
ORG Community Complex (Stage 2)	Practical completion of Stage 2 including 2x universal changerooms and public access toilets by 31st Dec 2022. Funded in partnership with the Australian Government, the SA Government and local sporting clubs and associations. Total project value $0.6M.	**$290,000**
Morchard Cemetery Memorial Wall	Contribution to the installation of a columbarium wall at the Morchard Cemetery. Practical completion 30th June 2023 in partnership with the Morchard Sporting and Community Association.	**$5,000**

Operational Outlook

Road Construction Program 2022-2023

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 2022/23 Council's program consists of sealed road, footpath and kerbing maintenance. It also includes resheeting and rip & reform of unsealed roads.

Resheeting	Road class	Distance (m)	Width (m)	Total Budget ($)
Road Name				
Johnburgh Road	C3	1950	5	39,000
Wilmington Road	B	1600	7	39,000
Coomooroo Road	C4	2100	4	32,000
O'Dea Road	C3	450	5	9,000
Morchard Eurelia Road inc Amyton Road culvert	C3	800	5	16,000
Melrose Road	C4	1500	4	23,000
Gorge Road	C4	500	4	9,000
Circuit Road	C4	950	4	18,000
Stock Road	C4	1400	4	23,000
North Paratoo Road	C2	3000	6	54,000
Total		**14250**		**262,000**

Rip & Reform	Road Class	Distance (m)	Width (m)	Total Budget ($)
Road Name				
Cottrell Road	C3	1700	5	11,000
Amyton Road	C3	3500	5	21,000
Melrose Road (Duffys)	C4	300	4	2,000
McKay Road	C3	2400	5	17,000
Pekina Black Rock	B	2000	7	14,000
Total		**9900**		**65,000**

Other components				Total Budget ($)
Sealed Roads				30,000
Footpaths (Townships)				35,000
Kerbing (Townships)				20,000
Total				**85,000**

Key Capital Expenditure 2022-2023

In 2022/23 Council's capital expenditure also includes a number of key components such as the replacement of machinery, and capital purchases relating to buildings and infrastructure.

Other components		Total Budget ($)
Plant and Machinery Renewal	Asset No. 107 Isuzu Truck	250,000
Fixtures & Fittings	In accordance with Asset Management Plan	46,000
Total		**290,000**

People safety and risk management

The District Council of Orroroo Carrieton 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.

Funding the Plan

Budget 2022-2023

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

Council's revenue in 2022/23 includes $1,371,755 raised from general and other rates. This is based on an increase of 3.5% inclusive of CPI.

Other sources of revenue for the Council are:

- User pay charges set by Council.
- Fees and charges for Council services.
- 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 revenue 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 2022/23 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, currently due to expire 30th June 2023. 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 2020-2030 and Council's Financial Strategy specified in the LTFP.

Grant Funding Summary 2022/23

The following table summarises the operating or ongoing grants currently considered in Council's 2022/23 Budget.

Grant Funding – Operating	Amount $,000
Local Roads (Grants Commission)	$340*
General Purpose (Grants Commission)	$1,020*
Supplementary Road Funding	$128
Roads to Recovery (Standard annual allocation)	$259
Total Operating Grant Funding	$1,747

** local roads and general purpose grants include prepayment amounts*

Capital Grants - External
Other capital grants relating to the strategic projects detailed earlier herein include Local Roads and Community Infrastructure Fund (Australian Government), the Foundation for Rural and Regional Renewal (Australian Government) and the Office of Sport, Recreation and Racing (SA Government) totaling $205k in 2022/23.

Financial Sustainability / Financial Performance Measures

All Councils pursuant to the Local Government Act 1999 are required to develop and maintain Long Term Financial Management Plans 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. Council's financial sustainability is dependent on ensuring that, on average over time, its expenses are at least matched by its revenue.

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

Council's Financial Sustainability Assessment

Ratio	22/23 Budget	LTFP target range
Operating Surplus Ratio	(6%)	0% - 15%
Operating Surplus Ratio (adj)	(8%)	0% - 15%
Net Financial Liabilities Ratio	(24%)	(50%) – 50%
Asset Renewal Ratio	50%	90 – 110%

Operating Surplus Ratio (OSR)

"Is Council covering its operating expenditure and depreciation charge from its operating revenue?"

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

The operating surplus ratio from the proposed budgeted activity for the year is a deficit of 6%. When this is adjusted for capital income received for infrastructure projects the ratio is a deficit of 8%.

This result arises because operating income is budgeted to be $185k less than Council's operating expenses for the year, due mainly to the 75% prepayment of 2022/2023 FAG's made in April 2022.

Asset Sustainability Ratio (ASR)

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

The Asset Sustainability 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 sustainability ratio for the 2022-23 is 50%, below the LTFP target due mainly to the high capital spend in the last few years.

Net Financial Liabilities (NFL) and Net Financial Liabilities Ratio

"Does Council have a manageable level of debt and other liabilities when considering its available revenue 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 (24%) indicates that Council is in a strong financial position and can adequately service its level of debt.

Overall Assessment of Council's Financial Sustainability

The above ratios indicate that the Annual Business Plan and the associated Budget that underpins it, is financially sustainable over the following 12 months is in accordance with the Long Term Financial Management Plan and Strategy.

Uniform Presentation of Finances 2022-2023

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 Net Financial Liabilities (Net Lending/Borrowing) for the year based on Council's planned capital and operating budgets for that year. Achieving a zero result on the net lending/(borrowing) measure 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 ($1,044k) reported below indicates that Council is effectively proposing to use $1,044,000 of cash reserves to fund the movement in net financial liabilities identified below for the year ending 30 June 2023. This result is well anticipated due to the significant revenue (external grants) received for capital projects in previous financial years and the prepayment of 75% of 2022 /23 FAG's received in April 2022.

UNIFORM PRESENTATION OF FINANCES

	2021/22 at BR#2 $'000	2022/23 Budget $'000
Income	4,953	3,248
less Expenses	3,416	3,433
	1,537	(185)
less Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	3,416	1,326
less Depreciation, Amortisation and Impairment	1,211	1,211
less Proceeds from Sale of Replaced Assets	90	90
	2,115	25
less Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets	1,752	1,043
less Amounts received specifically for New and Upgraded Assets	1,484	209
less Proceeds from Sale of Surplus Assets	-	-
	268	834
Net Lending / (Borrowing) for Financial Year	(847)	(1,044)

Rating Strategy

Rating Arrangements 2022-2023

Council's ability to generate income

The 2022/23 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 2022/23 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 :

Land use	Total No. Properties	Capital Value ($)	% difference in CV
Non Rateable	354	8,016,220	
Residential	343	48,534,500	5.19%
Commercial Residential	44	6,686,900	4.34%
Primary Production	764	269,641,560	22.47%
Vacant land	161	1,663,200	6%
Other	23	854,200	23.45%
Total	1689	335,396,580	

The information provided above is based on valuation data dated 28th March 2022 and may be subject to change.

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 2023, the most recent capital valuations for the Council area total $335,396,580 of which approximately $327,380,360 is rateable.

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

Given models have been structured on a 3.5% increase inclusive of CPI, the budget should remain unchanged regardless of valuation movements. Changes may however be made to the rate in the dollar, the impacts this may have on varies sectors and the valuation base used for calculations.

Setting Rates

Apart from the need to ensure sufficient revenue 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 uses the Consumer Price Index (CPI) each year as its benchmark of movements in the community's capacity to pay and endeavors to contain the rate increase to around this level, subject to significant cost pressures or income losses that cannot be otherwise accommodated, or service level increases desired by the community.

The changes in capital valuations over the previous twelve months have varied greatly between residential and non-residential properties as demonstrated in the table included on the previous page.

Rates Modelling

In the 2020/21 financial year Council implemented a differential rating system based on land use. 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 adopted last year, Council has undertaken rates modelling exercises for several options to determine how the rate in the dollar will be set. Models were prepared and discussed at Council for the following scenarios;

- 3.5% including CPI
- 3% plus CPI

The proposed model is a minimum of 3.5% or CPI whichever is greater.

General Rates

Council will raise a total of $1,120,347 in general rate revenue in the 2022/23 financial 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 2022 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 156 (1)(b) of Local Government Act 1999, determines that the following rates for the year ending 30th June 2023, be declared on rateable land within its area, based upon the capital value of the land.

(a) 0.24370 cents in the dollar for Primary Production land located within the Council area.

(b) 0.37580 cents in the dollar for all other forms of land located within the Council area.

The rate in the dollar has been set to generate an increase of 3.5% inclusive of CPI in rate revenue.

Fixed Charge

For 2022/23, Council plans to impose a fixed rate of $330, which is unchanged from the 2021/22 financial year. As a component of total rate income, the fixed charge shall be uniformly paid by each ratepayer and to assist in forming an equitable total rate for each property.

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 the fixed charge of $330 will apply.

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. Orroroo Carrieton's fixed rate is one of the lowest in the State following an analysis of comparable Councils.

Regional Landscape Levy (formerly Natural Resource Management Levy)

The Council's 2022/23 Rating Strategy provides for the collection of any Regional Landscape Levy plus any administration costs associated with the collection of the Regional Landscape Levy on behalf of the Northern and Yorke Landscape Board. The Rating Strategy provides for the distribution of any Landscape Levies collected less any administration costs incurred by Council in the collection of the levy, to the Northern and Yorke Landscape Board.

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 2022/23 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 still to be provided. Council has estimated a figure of $51,791, to be collected at a separate rate based on last year's rate of 0.016020 cents in the dollar. This is an increase of $8,088 above the 2021/22 Levy amount or 18%. This is based on maximum assumptions and the rate in the dollar will be lowered accordingly when received. More information on Regional Landscape Levies can be found at https://www.landscape.sa.gov.au/ny/about-us/nrm-levy

Service Charges

Waste Management Collection

Council will raise approximately $154,328 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 is provided.

The Council will charge $390 per household, for each property provided with the waste management collection service.

An additional Service Charge of $89 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 has increased from $1,315 to $1,533 for each connected property.

Impact Statement

The Council has proposed that the total rate revenue, fixed charges, and Service Charges (excluding the Landscapes Levy and Carrieton water supply charges) generated in the 2022/23 budget will need to be approximately $1,320,675 (including the service charge for CWMS). This is an increase of $40,892 or 3.5% over the total 2021/22 rate revenue raised.

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 $147,266 in Orroroo** where its value increased the equivalent of the sector the average of 5.19% is an increase of $27.33 or a 3.19% increase.
- Impact to **a Single Farm Enterprise with a capital value of $1,224,000** where its value increased the equivalent of the sector average of 22.4% is an increase of $146.90 or a 4.63% increase.
- Impact to **owners of vacant land with a capital value of $10,500** where its value increased the equivalent of the sector the average of 6% is an increase of $2.14 or a 0.5% increase.

- Impact to **owners of a commercial/industrial property with a capital value of $120,000** where its value increased the equivalent of the sector average of 4.34% is an increase of $18.8 or a 2.46% increase.

The examples provided above are based on valuation data dated 28th March 2022 and may be subject to change.

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 2022, 15th December 2022, 15th March 2023 and 15th June 2023.

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

Have your say on the Plan

The Public Consultation on the Annual Business Plan and Budget 2021/22 will commence on Thursday 28th April 2022 and conclude Friday 20th May 2022 at 11am.

Council invites feedback on the draft Plan and will be hosting the following information sessions to give the community every opportunity to engage with us:

- Community Information Session 1
  Pekina Recreation Ground
  Monday 9th May 2022
  7pm – 8pm

- Community Information Session 2
  Carrieton Recreation Ground
  Tuesday 10th May 2022
  7pm – 8pm

Copies of the plan will be made available via the website on www.orroroo.sa.gov.au or at the Council Office.

Submissions are invited to be made in the following ways:

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

It's your community. It's your future. Have your say!

Financial Statements

DRAFT 2022-2023

STATEMENT OF COMPREHENSIVE INCOME

	Previous Year Actual 2020/2021 $'000	Budget Review 2 2021/2022 $'000	Proposed Budget 2022/23 $'000
INCOME			
Rates - general	1,223	1,271	1,333
Statutory Charges	19	20	20
User Charges	110	167	173
Grants, subsidies and contributions	1,619	3,379	1,626
Investment Income	10	17	17
Other Income/Reimbursements	102	98	79
TOTAL INCOME	**3,083**	**4,953**	**3,248**
EXPENSES			
Employee Costs	95	1,037	1,048
Materials, contracts & other expenses	1,054	1,159	1,165
Finance Charges	10	9	9
Depreciation, amortisation & impairment	1211	1,211	1,211
TOTAL EXPENSES	**3,225**	**3,416**	**3,433**
Operating Surplus/(Deficit) before Capital Revenue	**(142)**	**1,537**	**(185)**
Operating Surplus/(Deficit) - Adjusted for once-off grants		*83*	*(272)*
CAPITAL REVENUE			
Asset disposal & fair value adjustments	131	-	-
Amounts received specifically for new or upgraded assets	2,229	1,484	209
NET SURPLUS/(DEFICIT) transferred to Equity Statement	**2,218**	**3,022**	**25**

*figures above subject to rounding

STATEMENT OF FINANCIAL POSITION

	Previous Year Actual 2020/2021 $'000	Budget Review 2 2021/2022 $'000	Proposed Budget 2022/23 $'000
ASSETS			
Current Assets			
Cash and cash equivalents	1,958	1,029	1,485
Trade and other receivables	413	413	413
Other	53	53	53
Total Current Assets	**2,424**	**1,495**	**1,951**
Non-current Assets			
Financial Assets	16	33	20
Infrastructure, Property, Plant and Equipment	33,100	36,966	36,123
Other non-current assets	-	-	-
Total Non-Current Assets	**33,116**	**36,999**	**36,143**
TOTAL ASSETS	**35,540**	**38,495**	**38,093**
LIABILITIES			
Current Liabilities			
Trade and other payables	732	775	775
Borrowings	66	-	5
Provisions	352	309	309
Total Current Liabilities	**1,150**	**1,084**	**1,089**
Non-current Liabilities			
Borrowings		-	15
Provisions	24	24	24
Total Non-Current Liabilities	**24**	**24**	**39**
TOTAL LIABILITIES	**1,174**	**1,108**	**1,128**
NET ASSETS	**34,366**	**37,387**	**36,965**
EQUITY			
Accumulated Surplus	8,149	11,170	10,748
Asset Revaluation Reserve	26,217	26,217	26,217
Other Reserves	-	-	-
TOTAL EQUITY	**34,366**	**37,387**	**36,965**

*figures above subject to rounding

STATEMENT OF CASH FLOWS

	Previous Year Actual 2020/2021 $'000	Budget Review 2 2021/2022 $'000	Proposed Budget 2022/23 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Operating Receipts	3,031	4,936	3,231
Investment Receipts	10	17	17
Payments			
Operating Payments to suppliers & employees	(1,666)	(2,196)	(2,213)
Finance Payments	(10)	(9)	(9)
Net Cash provided by (or used in) Operating Activities	**1,365**	**2,748**	**1,026**
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts			
Amounts specifically for new or upgraded assets	2,229	1,484	209
Sale of Replaced Assets	114	90	90
Sale of Surplus Assets	50	-	-
Repayments of loans by community groups	-	8	13
Payments			
Expenditure on renewal/replacement of assets	(2,942)	(3,416)	(1,326)
Expenditure on new/upgraded assets	(1,116)	(1,752)	(1,043)
Loans made to community groups		(25)	-
Net Cash provided by (or used in) Investing Activities	**(1,665)**	**(3,611)**	**(2,056)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts			
Proceeds from Borrowings	-	-	-
Payments			
Repayment of Borrowings	(63)	(66)	(5)
Net Cash provided by (or used in) Financing Activities	**(63)**	**(66)**	**(5)**
Net Increase (Decrease) in cash held	(363)	(929)	(1,035)
Cash & cash equivalents at beginning of period	2,321	1,958	2,520
Cash & cash equivalents at end of period	**1,958**	1,029	**1,485**

*figures above subject to rounding

STATEMENT OF CHANGES IN EQUITY

	Previous Year Actual 2020/2021 $'000	Budget Review 2 2021/2022 $'000	Proposed Budget 2022/23 $'000
Accumulated Surplus			
Balance at end of previous reporting period	5,931	8,149	10,725
Net Surplus / (Deficit) for Year	2,218	3,021	24
Transfers (to) from reserves	-	-	-
Balance at end of period	**8,149**	**11,170**	**10,748**
Asset Revaluation Reserve			
Balance at end of previous reporting period	27,915	26,217	26,217
Revaluation Adjustments During Year	(1,698)	-	-
Balance at end of period	**26,217**	**26,217**	**26,217**
TOTAL EQUITY			
Balance at end of previous reporting period	33,846	34,366	36,942
Net Surplus / (Deficit) for Year	2,218	3,021	24
Revaluation Adjustments During Year	(1,698)	-	-
Transfers between reserves	-	-	-
Balance at end of period	**34,366**	**37,387**	**36,965**

*figures above subject to rounding