

ADOPTED JUNE 2021

Business Plan | 2021/22

The Business Plan sets out Council's proposed budget, services, programs and projects for the coming financial year.



District Council of
**ORROROO
CARRIETON**

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Our District

Unique and steeped in history.

Orroroo is in the mid north of South Australia, approximately 3 hours' drive north of Adelaide and one hour east of Port Augusta and intersects two major road transport routes from the eastern states in Australia and Northern Territory and Western Australia.

The district has two major towns, Orroroo and Carrieton, with smaller historical locations of Eurelia, Black Rock, Morchard, Yatina, Pekina, Johnburgh and Belton dating back to the 1800's.

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, green grocer, 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.

*A clean living
experience founded
on Agriculture, with
strong opportunities
for diversification
and growth in
tourism, energy and
resources.*



Introduction

From the Mayor

On behalf of elected members and staff, I present to you the 2021/2022 Annual Business Plan (the Plan). This Plan outlines the District Council of Orroroo Carrieton's (Council) planned services, projects and major expenditures for the 2021-22 financial year.

Our nation continues to endure a great deal of uneasiness and upheaval. In a time of prolonged drought and pandemic and the strategies to cope with such, it is comforting to know that your Council is still doing the necessary planning and due diligence for the coming financial year in a timely manner.

The Plan aims to maintain efficient and desired services and facilities for the community, without imposing an unrealistic rate burden on ratepayers. The provision of services reflects Council's statutory obligations and making policy choices on behalf of the community to achieve our longer-term goals.

Council has taken account of current economic and seasonal conditions, combined with Council's necessary outlay of one third of all costs associated with flood damage recovery.

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% + CPI in accordance with Council's long-term financial strategy. 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



Kathie Bowman
Mayor

From the Chief Executive Officer

I look toward the 2021/22 financial year with renewed optimism and confidence.

Amidst the many of the challenges of 2020 which continue to impact us, Council is committed to maintaining our high level of local amenity and the services we so desire in a financially responsible and sustainable way.



Dylan Strong
Chief Executive Officer

Our Council



Kathie Bowman
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Ralph Goehring
Councillor

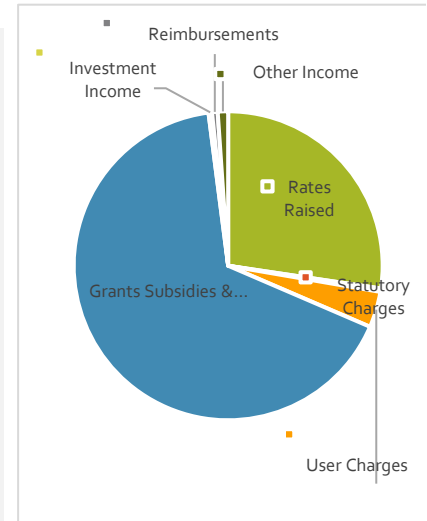
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Budget in brief

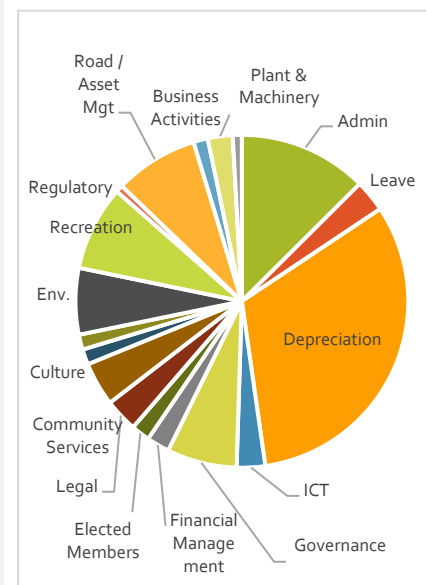
2021/22

OPERATING INCOME	Budget 20/21	Budget 21/22
Rates Raised	\$1,238,000	\$1,288,000
Statutory Charges	\$17,000	\$17,000
User Charges	\$113,000	\$177,000
Grants Subsidies & Contributions	\$2,090,000	\$3,132,000
Investment Income	\$17,000	\$17,000
Reimbursements	\$54,000	\$28,000
Other Income	\$8,000	\$51,000
TOTAL OPERATING INCOME	\$3,537,000	\$4,711,000
OPERATIONAL EXPENDITURE		
Administration	\$2,140,201	\$2,101,869
Community Services	\$106,920	\$138,517
Culture	\$54,893	\$48,500
Economic Development	\$54,509	\$47,477
Environmental Services	\$193,581	\$210,171
Recreation	\$231,423	\$268,442
Regulatory	\$18,920	\$22,920
Road and Asset Management	\$287,062	\$264,711
Business Activities	\$25,714	\$45,454
Plant & Machinery	\$2,933	\$78,650
Depot & indirect Expenditure	\$4,889	\$28,500
TOTAL OPERATIONAL EXPENSES	\$3,121,044	\$3,198,211
NET OPERATING SURPLUS / DEFICIT	\$415,956	\$1,512,789
Adjusted Surplus / Deficit		*\$123,000
<i>*adjusted for capital income specific to infrastructure projects</i>		
CAPITAL EXPENDITURE Budget 21/22		
Road Re-sheeting		\$288,040
Heavy Vehicle Bypass		\$1,912,000
Town Streets Seal		\$12,000
Footpath upgrades per Footpath Program		\$35,000
Flood Damage		\$903,300
Buildings		\$56,000
Wool Press		\$144,000
Public Conveniences		\$80,000
Fixtures & Fittings		\$45,000
PLEC		\$300,000
Plant and Machinery Purchases		\$285,000
TOTAL CAPITAL EXPENSES		\$4,060,340

Operating Income



Operational Expenditure



Strategic Influencers & 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 2021/22

Service Provision

Function	Mandatory	Traditional	Elective
Business, Administration & Regulatory Services	Administration Governance Financial Management Payroll WHS & Risk Rate Admin Asset Management Dog & Cat Mgt Development Services Environmental Health	Council House	Private Works Carrieton Water Supply
Community & Recreation Services	Cemeteries	Northern Transport Passenger Service Public Conveniences Community Library Community Halls - Recreation Grounds Parks & Gardens (Lions Park, Parklands etc.) Swimming Pools	Health and Wellbeing Addison Court Goyder's Line Gazette Website Communication Towers Community Events Grants Program/s Historical Society Early Settlers Cottage Grant Submissions
Economic Development			Planning & Advocacy Business Assistance Tourism Development Visitor Information Grant Submissions
Environment	Fire Prevention Hazard Management	Waste Management - Landfill Weed Spraying Waste Management Recycling Depot Drum Muster Street Lighting Main Street	Cropping land Grant submissions Pekina Reservoir Walking Trails
Transport and Infrastructure		Road Maintenance (Sealed and unsealed) Footpaths & Kerbing Flood Damage Aerodromes	Planning & Advocacy Grant Submissions

Operational Outlook 2021/22

Strategic Projects

In addition to the operational outlook, 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.

Project	Description	Estimated FY Cost
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Governance, Finance & Asset Management

Regional Health Plan	The project includes the review and update of Council's existing Regional Health Plan in accordance with Council's statutory requirements.	Total Project (\$) 5,000 Council cont. (\$) 5,000
Tourism Master Plan Implementation	Per TMP	Total Project (\$) 8,000 Council cont. (\$) 8,000
Release of land for development	Per Strategic & Community Plan 2020-2030 pursue release of Crown Land in Orroroo and develop a multi-use precinct for residential, indigenous retirement living and aged care facility.	Total Project (\$) TBD Council cont. (\$) TBD

Infrastructure and Services

Completion of Stage 1 and Stage 2 construction of the Orroroo Heavy Vehicle Bypass	Stage 1 of the Heavy Vehicle Bypass commenced in the 2020/21 financial year and will continue into the 2021/22 financial year. Stage 2 construction is subject to Special Local Roads Funding which Council anticipates confirmation no later than October 2021.	Total Project (\$) 1,912,000 External Funding (\$) 1,176,000 (plus 232,000 c/fwd) Council cont. (\$) 504,000 <i>Included in capital works program</i>
Black Rock Wool Press Rotunda and Heritage Trail development	The Black Rock Woolpress Rotunda commenced in the 2020/21 financial year and will continue into the 2021/22 financial year. Activities include project management, completed construction of rotunda, design of heritage trail, associated landscaping and interpretation installation.	Total Project (\$) 144,000 External Funding (\$) 117,000 Council cont. (\$) 27,000 <i>Included in capital works program</i>
Storm Water, Ground Water and Economic Development	Per Strategic & Community Plan 2020-2030 develop and document (feasibility, business case, project plan) increased storm-water capture, ground water reuse and sustainable economic development options.	Total Project (\$) 30,000 External Funding (\$) TBD Council cont. (\$) 30,000

Operational Outlook 2021/22

Capital Works Program

Item	Amount \$	Comment
Road Reconstruction	\$288,040	Road reconstruction in accordance with Asset Management Plan and current Road Service Level Standards
Belton Road		
Crotta Road		
Cottrell Road		
McCallum Road		
Laskey Road		
Old Tarcowie Road		
Coomooroo Road		
Morchard Road		
Stokes Creek Road		
Johnburgh Road (Rip & Reform)		
Belton Road (Rip & Reform)		
Kuerschner Road (Rip & Reform)		
Flood Damage Recovery Project	\$903,300	In accordance with approved Project Plan. Up to 70% of eligible expenditure is reimbursed through the LG Disaster Recovery Fund.
Orroroo Heavy Vehicle Bypass	\$1,912,000	In accordance with Asset Management Plan, External Funding (\$1.4M) Council contribution (\$.5M)
Sealed Township Roads	\$12,000	In accordance with Asset Management Plan
Black Rock Woolpress Rotunda	\$144,000	In accordance with approved Project Plan. External Funding (\$117k) Council contribution (\$27k)
Buildings	\$136,000	In accordance with Asset Management Plan
Footpath upgrades per Footpath Program	\$35,000	In accordance with Asset Management Plan
Fixtures & Fittings	\$45,000	In accordance with Asset Management Plan
Plant and Machinery renewal –	\$285,000	In accordance with Asset Management Plan. CAT Loader.
PLEC Project	\$300,000	In accordance with approved Project Plan. External Funding (\$200k) Council contribution (\$100k)
Total Capital Expenditure	\$4,060,340	

Funding the Plan

Budget 2021/22

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 2021/22 includes \$1,288,000 raised from general and other rates. This is based on a real increase of 3% plus CPI (1.2% equivalent to Adelaide consumer price index March 2021).

Other sources of revenue for the Council are:

- ◆ User charges and commercial revenue
- ◆ Statutory charges set by State Government
- ◆ Grants
- ◆ Other revenue

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 2021/22 budget assumes that four quarterly instalments of Federal Government financial assistance grants (both general purpose and local roads components) will be received.

Supplementary Road Funding (Federal)

The funding program was reintroduced as of 1st July 2019 by the Federal Government for South Australian Councils, to assist with maintaining local road networks for a further two years. Council has full discretion as to the expenditure of the funds received.

Roads to Recovery Grants (Federal)

While funds received are to be spent on road projects, Council has complete discretion on whether such spending is on maintaining, renewing, or upgrading roads.

Other - External

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.

Funding the Plan

Budget 2021/22

Grant Funding Summary 2021/22

The following table summarises the operating or ongoing grants currently considered in Council's 2021/22 Budget.

Grant Funding – Operating	Amount
	\$,000
Local Roads (Grants Commission)	\$271*
General Purpose (Grants Commission)	\$953*
Supplementary Road Funding	\$128
Roads to Recovery (Standard annual allocation)	\$259
Other – External (final DCP payment)	\$100
Total Operating Grant Funding	\$1,711

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

Capital Grants - External

In addition to the above ongoing grants received, the Annual Business Plan and Budget includes a capital grant via the Local Government Special Local Roads Program for the construction of the Orroroo Heavy Vehicle Bypass – Stage 1 of \$1.176M. Other capital grants relating to the Woolpress Rotunda construction and heritage trail development the Local Roads and Community Infrastructure Fund and the Foundation of Rural and Regional Renewal total \$117k in 2021/22.

Special Local Roads Program (SLRP) (Federal)

Each year the Local Government Technical Advisory Panel (LGTAP) calls for applications for SLRP funding from the Regional LGA's (Eyre Peninsula, Legatus, Limestone Coast, Murraylands and Riverland, Southern and Hills and Spencer Gulf) and the Greater Adelaide Region of Councils (GAROC) Committee.

Applications received via GAROC and Regional LGAs are then considered by the LGTAP and the LGTAP proposes an annual program (recommendations) of works across SA for the allocation of funding from the SLRP.

Funding the Plan

Budget 2021/22

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	21/22 Budget	LTFP target range
Operating Surplus Ratio	32%	0% - 15%
Operating Surplus Ratio (adj)	3%	0% - 15%
Net Financial Liabilities Ratio	18%	(50%) – 50%
Asset Renewal Ratio	99%	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 surplus of 32%. When this is adjusted for capital income received for infrastructure projects the ratio is 3%. This result arises because operating income is budgeted to be \$123k more than Council's operating expenses for the year.

Funding the Plan

Budget 2021/22

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.

A result in the range of 90% to 110% would indicate that Council is replacing its assets in a timely manner. The forecast asset sustainability ratio for the 2021-22 is 99% which indicates that sufficient funds have been allocated to replace assets in the 2021-22 financial year.

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 18% 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.

Funding the Plan

Budget 2021/22

Uniform Presentation of Finances

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 (\$468k) indicates that Council is effectively proposing to use \$468,000 of cash reserves to fund the movement in net financial liabilities identified below for the year ending 30 June 2022.

UNIFORM PRESENTATION OF FINANCES

	2020/21 at BR#3 \$'000	Adopted Budget \$'000
Income	3,075	4,711
less Expenses	3,064	3,198
	11	1,512
less Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	3,383	2,558
less Depreciation, Amortisation and Impairment	1,045	1,045
less Proceeds from Sale of Replaced Assets	114	90
	2,224	1,423
less Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets	1,541	1,502
less Amounts received specifically for New and Upgraded Assets	2,301	1,063
less Proceeds from Sale of Surplus Assets	-	-
	(760)	439
Net Lending / (Borrowing) for Financial Year	(1,454)	(350)

Rating Strategy

Rating Arrangements 2021/22

Council's ability to generate income

The 2021-22 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. While no valuation method is considered perfect for rating purposes, however the capital value method is considered to be the most equitable as it is a measure of relative wealth in the community. As a measure of wealth it most closely reflects the capacity to pay by property owners.

In making a final decision about setting rates for the 2021-22 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.

Rating Strategy

Rating Arrangements 2021/22

The following table summarises capital value movements for the past 12 months across the Orroroo Carrieton Council District:

Local Government Code	2021/22 No.	2020/21 CV Total	2021/22 CV Total	Overall CV % Change
Residential	342	46,863,000	46,952,000	0.19%
Commercial - Shop	11	1,066,000	1,036,000	-2.81%
Commercial - Office	2	152,000	152,000	0.00%
Commercial - Other	32	7,045,500	6,186,600	-12.19%
Industry - Light	3	184,000	184,000	0.00%
Industry - Other	7	693,000	693,000	0.00%
Primary Production	811	205,235,260	222,429,400	8.39%
Vacant Land	331	2,167,900	2,220,200	2.41%
Other	129	4,066,000	4,075,600	0.24%
TOTAL:	1,668	267,472,660	283,928,800	6.15%

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 2022, the most recent capital valuations for the Council area total \$283,928,800 of which approximately \$276,457,600 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.

Rating Strategy

Rating Arrangements 2021/22

Adoption of Valuations cont.

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% + CPI increase, 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.

Rating Strategy

Rating Arrangements 2021/22

Rates Modelling cont.

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;

- ◆ CPI (1.2%) increase only
- ◆ 3% including CPI
- ◆ 3% plus CPI

General Rates

Council will raise a total of \$1,082,396 in general rate revenue in the 2021/22 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 30 June 2020, be declared on rateable land within its area, based upon the capital value of the land.

- (a) 0.28360 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% + CPI in rate revenue.

Fixed Charge

For 2021/22, Council plans to impose a fixed rate of \$330, being an increase of \$30 from the 2020/21 financial year.

As a component of total rate income, Council has adopted a fixed charge that will be uniformly paid by each ratepayer and to assist in forming an equitable total rate for each property.

Rating Strategy

Rating Arrangements 2021/22

Fixed Charge cont.

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.

Service Charges

Waste Management Collection

Council will raise approximately \$151,501 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 is applied for each additional bin collected from the property for which the service is provided.

Rating Strategy

Rating Arrangements 2021/22

Community Wastewater Management Scheme

Council recently established a community wastewater management scheme to a number of commercial properties within the township of Orroroo. Council must cover the full cost of operating and maintaining the service. Council must also allow for the future capital replacement of the system. Council has committed to sustainable charging for CWMS which has been determined by the LGA and other external sources. Council will recover this cost through the imposition of a sustainable service charge per property unit as follows

- \$1,314 – per property unit

Property unit is determined by the “Code for Establishing and Applying Property Units as a Factor of the Imposition of Annual Services Charges for Community Wastewater Management Systems” published by the Local Government Association of South Australia, April 2006

Regional Landscape Levy (formerly Natural Resource Management Levy)

The Council’s 2021/22 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 2021/22 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 \$43,703, to be collected at a separate rate of 0.016020 cents in the dollar. This is an increase of \$433 above the 2020/21 Levy amount or 1.02%. More information on Regional Landscape Levies can be found at <https://www.landscape.sa.gov.au/ny/about-us/nrm-levy>

Rating Strategy

Rating Arrangements 2021/22

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 2021/22 budget will need to be approximately \$1,288 M, this includes the new service charge for CWMS. This is an increase of \$43,389 or 4.2% 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 \$140,000 in Orroroo where its value increased the equivalent of the sector the average of 0.19%; is an increase of \$18.18 or a 2.3% increase.
- Impact to a Single Farm Enterprise with a capital value of \$1,000,000, where its value increased the equivalent of the sector average of 8.39% is an increase of \$203.94 or a 6.37% increase.
- Impact to owners of vacant land with a capital value of \$9,500 where its value increased the equivalent of the sector the average of 2.41% is an increase of \$30.15 or an 8.96% increase.
- Impact to owners of a commercial/industrial property with a capital value of \$115,000 where its value decreased the equivalent of the sector average of \$-6.65% in a decrease of \$5.92 or a 0.8% reduction.

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.

Rating Strategy

Rating Arrangements 2021/22

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

In the past, the State Government funded some concessions on Council rates. These concessions were formerly available to the holders of pensioner concession cards, veterans, low-income earners, unemployed, students, and self-funded retirees. However, these concessions were all abolished by the State Government with effect from 30 June 2015.

From 1 July 2015, the State Government elected to replace these concessions with a single “cost-of-living concession” provided directly to those entitled. 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 2021, 15th December 2021, 15th March 2022 and 15th June 2022.

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

Rating Strategy

Rating Arrangements 2021/22

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 connection with 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. Where a Ratepayer is suffering 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 non-Payment 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 commenced on Thursday 27th May 2021 and concluded Friday 18th June 2021 at 11am in accordance with Council's adopted consultation strategy.

Council invited feedback on the Plan and hosted the following information sessions to give the community every opportunity to engage in the process:

Community Information Session 1

Monday, 31st May 2021

7pm – 8pm

Morchard Recreation Complex

Community Information Session 2

Tuesday, 1st June 2021

7pm – 8pm

Carrieton Recreation Ground

Community Information Session 3

Wednesday, 2nd June 2021

7pm – 8pm

Orroroo RSL

Copies of the plan were available via the website on www.orraroo.sa.gov.au or via Council's office.

Input was invited via speaking to Elected Members and Council staff or sending written feedback by 11am 18th June 2021 to:

- ♦ council@orraroo.sa.gov.au
- ♦ PO Box 3, Orroroo SA 5431

It's your community. It's your future.

STATEMENT OF COMPREHENSIVE INCOME

	2020/21 at BR#3 \$'000	Adopted Budget \$'000
INCOME		
Rates - general	1,252	1,288
Statutory Charges	17	17
User Charges	119	177
Grants, subsidies and contributions	1,597	3,132
Investment Income	17	17
Other Income/Reimbursements	72	79
TOTAL INCOME	3,075	4,711
EXPENSES		
Employee Costs	924	1,037
Materials, contracts & other expenses	1,086	1,107
Finance Charges	9	9
Depreciation, amortisation & impairment	1045	1,045
TOTAL EXPENSES	3,064	3,198
 Operating Surplus/(Deficit) before Capital Revenue	 11	 1,512
 <i>Operating Surplus/(Deficit) - Adjusted for FAG's</i>	 <i>11</i>	 <i>1,512</i>
 <i>Operating Surplus/(Deficit) - Adjusted for once-off grants</i>	 <i>11</i>	 <i>123</i>
 CAPITAL REVENUE		
Asset disposal & fair value adjustments	-	-
Amounts received specifically for new or upgraded assets	2,301	1,063
NET SURPLUS/(DEFICIT)	2,313	2,576
transferred to Equity Statement		

**figures above subject to rounding*

Annual Budget for the year ended 30 June 2022
Adopted Budget

STATEMENT OF FINANCIAL POSITION

	2020/21 at BR#3 \$'000	Adopted Budget \$'000
ASSETS		
Current Assets		
Cash and cash equivalents	809	373
Trade and other receivables	626	626
Other	42	42
Total Current Assets	1,477	1,041
Non-current Assets		
Financial Assets	16	37
Infrastructure, Property, Plant and Equipment	38,304	41,229
Other non-current assets	-	-
Total Non-Current Assets	38,320	41,266
TOTAL ASSETS	39,798	42,307
LIABILITIES		
Current Liabilities		
Trade and other payables	1,420	1,420
Borrowings	66	-
Provisions	309	309
Total Current Liabilities	1,795	1,729
Non-current Liabilities		
Borrowings	-	-
Provisions	31	31
Total Non-Current Liabilities	31	31
TOTAL LIABILITIES	1,826	1,760
NET ASSETS	37,972	40,547
EQUITY		
Accumulated Surplus	7,570	10,145
Asset Revaluation Reserve	30,402	30,402
Other Reserves	-	-
TOTAL EQUITY	37,972	40,547

*figures above subject to rounding

Annual Budget for the year ended 30 June 2022

Adopted Budget

STATEMENT OF CASH FLOWS

	2020/21 at BR#3 \$'000	Adopted Budget \$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
<u>Receipts</u>		
Operating Receipts	3,058	4,693
Investment Receipts	17	17
<u>Payments</u>		
Operating Payments to suppliers & employees	(2,010)	(2,144)
Finance Payments	(9)	(9)
Net Cash provided by (or used in) Operating Activities	1,056	2,557
CASH FLOWS FROM INVESTING ACTIVITIES		
<u>Receipts</u>		
Amounts specifically for new or upgraded assets	2,301	1063
Sale of Replaced Assets	114	90
Sale of Surplus Assets	-	-
Repayments of loans by community groups	5	5
<u>Payments</u>		
Expenditure on renewal/replacement of assets	(3,383)	(2,558)
Expenditure on new/upgraded assets	(1,541)	(1,502)
Loans made to community groups	-	(26)
Net Cash provided by (or used in) Investing Activities	(2,505)	(2,928)
CASH FLOWS FROM FINANCING ACTIVITIES		
<u>Receipts</u>		
Proceeds from Borrowings	-	-
<u>Payments</u>		
Repayment of Borrowings	(63)	(66)
Net Cash provided by (or used in) Financing Activities	(63)	(66)
Net Increase (Decrease) in cash held	(1,512)	(436)
Cash & cash equivalents at beginning of period	2,321	809
Cash & cash equivalents at end of period	809	373

**figures above subject to rounding*

Annual Budget for the year ended 30 June 2022

Adopted Budget

STATEMENT OF CHANGES IN EQUITY

	2020/21 at BR#3 \$'000	Adopted Budget \$'000
Accumulated Surplus		
Balance at end of previous reporting period	5,258	7,570
Net Surplus / (Deficit) for Year	2,312	2,575
Transfers (to) from reserves	-	-
Balance at end of period	7,570	10,145
Asset Revaluation Reserve		
Balance at end of previous reporting period	30,402	30,402
Revaluation Adjustments During Year	-	-
Balance at end of period	30,402	30,402
TOTAL EQUITY		
Balance at end of previous reporting period	35,660	37,972
Net Surplus / (Deficit) for Year	2,312	2,575
Revaluation Adjustments During Year	-	-
Transfers between reserves	-	-
Balance at end of period	37,972	40,547

**figures above subject to rounding*