



DISTRICT COUNCIL OF  
**ORROROO/CARRIETON**  
Southern Flinders Ranges • Established 1997



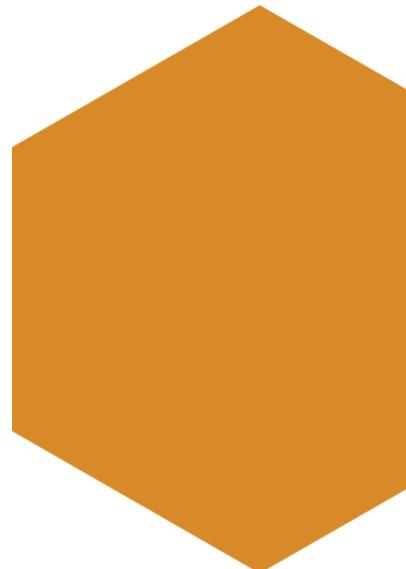
# Business Plan

2019 / 2020

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



Adopted: 24 July 2019

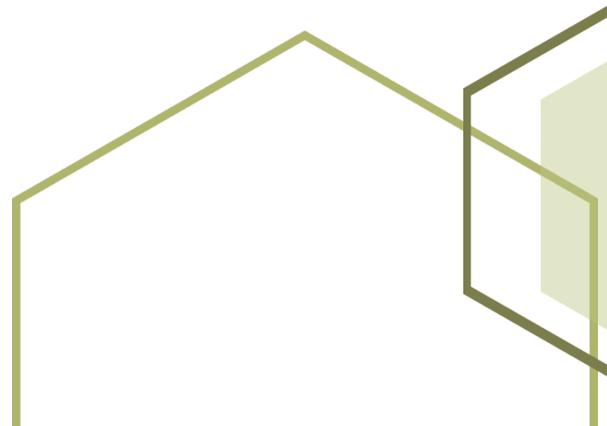


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# Our District

## Orroroo Carrieton

### Unique and steeped in history

Orroroo is located 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 on Australia and Northern Territory and Western Australia.

The district has two major towns, Orroroo and Carrieton, with smaller historical locations of Eureka, Black Rock, Morchard, Yatina, Pekina, Johnburgh and Belton. These are smaller farm townships originally surveyed in the 1800's.

Orroroo has a range of essential services including 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. Significant in South Australia's history, the district is home to the National Trust of Australia's heritage icon 'Goyder's Line' – where George Woodroffe Goyder mapped a line of demarcation to signify the end of the cereal-growing country and beginning of the pastoral zone.

The primary commerce in the region is Agriculture, with the predominant agricultural commodity being food (cereal grains, legumes, meat) and wool. These activities are conducted on relatively large holdings.

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



## Our District

### Orroroo Carrieton continued...

The region produces a variety of crops for grain, silage and feed, including wheat, oats, barley, beans, oilseeds, legumes, chickpeas, lentils, lupins and hay.

Council is working with industry and all tiers of government across sectors such as food production, mining and engineering, solar and alternative energy production, tourism and aged care facilities to ensure the opportunities in these areas are maximised and that new business opportunities can be supported with sound planning and investment in regional infrastructure.

Council is planning to support growth and opportunities for a competitive food industry, and is supportive of the Australian Government National Food Plan. Our region has strong prospects in the short and long term to contribute to the national food production targets, given our agricultural land, regional water resources, farm technology, and ease of access to national and export transport networks.

Council plans to build on its strengths in key growth commodities like beef, sheep and wheat production and new and emerging high intensive food production systems. To take advantage of these opportunities Council will work closely with our food producers, to ensure that we have new technology, skills to increase production, and the infrastructure to connect producers with consumers in the global market.



*150 year Goyder's Line Monument – “a line of reliable rainfall in South Australia”, separating land suitable for cropping and grazing*

# From the Chairman

## Kathie Bowman

On behalf of elected members and staff, I present to you the 2019/20 Annual Business Plan and Budget for the District Council of Orroroo Carrieton. This is the fourteenth budget I have been involved in as Chairman and I am proud of the projects we have achieved through the extended period. The stable financial position we are currently in, is a testament to the significant and invaluable work invested in our current Long-Term Financial Plan 2017-2027.



This great region of ours presents many benefits, our big sky, beautiful scenery, safety, peace and quiet, and our fabulous community people. Our Council area extends over 3,300 square kilometres and is shared by slightly more than 860 ratepayers. With minimal ratepayers sharing the rates burden for such a large area, Council must carefully balance the community needs while maintaining the rates requirements at an acceptable level. We must also consider the severity of seasonal conditions facing our primary producers and farmers, who are the backbone of our economy.

In 2017, Council adopted a five year Strategic and Community Plan, together with integrated Long Term Financial Management and Asset Management Plans. These plans form the basis of the Annual Business Plan and Budget for the 2019/20 year. Council endeavours to keep any increase in rates to a minimum. While continuing to raise rates less and less each year, through efficient operation we have brought the Council into a far more sustainable position, delivering an improved road maintenance program, a first stage community waste-water scheme, completed essential plant and machinery renewals, building maintenance, footpaths, and town gardens.

The 2019/20 Budget has been set with a rate which has not been increased beyond CPI increase in general rates of 1.3% for existing ratepayers. To minimise the rates burden for landowners whose property has increased in value, Council also will cap the increase at 2%.

In achieving this business plan we have consulted with the community more, listened to your requests and, where possible, we've delivered. There is always more to do, however in listening to the community we understand that keeping rates to a minimum has greater priority. We will continue to strive for the right balance.

Kathie Bowman  
**Chairman**



# From the Chief Executive

## Dylan Strong

I feel very privileged to be part of the development of the 2019/20 Business Plan. Having commenced as Council's CEO earlier this year, I am thoroughly enjoying my work with the Chairman, Elected Members, my staff and our broader community to continuing to develop our Council, within our planned financial parameters.

The Annual Business Plan and Budget for 2019/20 outlines what services, facilities and projects Council is planning to provide in the forthcoming financial year and how we plan to fund our work. The Annual Business Plan and Budget aligns with our current Strategic and Community Plan 2017-2020.

The review of Council's Strategic and Community Plan will commence in late 2019 and extensive community consultation will be undertaken to achieve the final Plan which will cover the period 2021-2025. This is an exciting piece of work as we have the opportunity to revisit the achievements made against our current plan, and reset the strategy needed to achieve our vision.

In the short few months between March and June 2019 we delivered \$1,000,000 of infrastructure projects made possible by the Australian Government's Drought Communities Programme. Although we cannot rely on measures such as spontaneous Government funding, these projects are an excellent example of our ability to drive every dollar further – maximising our return on investment.

We are the State's smallest Council, yet we achieve far more in our community with what we have than some of our bigger neighbours. There will be challenges ahead in continuing to provide certain services, facilities or projects given our revenue base. Nonetheless, by continuing to work together in delivering our strategies, I believe we can continue to build on the great outcomes we've achieved and deliver those most important to the community.



I look toward the 2019/20 financial year with energy and optimism, as Council strives to maintain our high level of local amenity and the services we all expect and enjoy, as well as providing for a safe, healthy and financially responsible future.

A handwritten signature in blue ink, appearing to read 'Dylan Strong'.

Dylan Strong

**Chief Executive Officer**

# Our Council



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# Achievements

## 2018/19

### Governance, Administration and Compliance

- ✓ Properties identified to be transferred to Council for non-payment of rates under Section 184 and Section 185 and proceedings commenced
- ✓ Continued review of Council policies ensuring legislative compliance
- ✓ Partnered Peterborough & Flinders Ranges Councils for WHS support
- ✓ Coordination of the local government elections 2018

### Community & Recreation Services

- ✓ Supported key community events including Australia Day Celebration, Remembrance Day, ANZAC service, and the Orroroo Christmas Pageant
- ✓ In collaboration with the Orroroo Caravan Park installed improved signage at the RV and Motorhome dump point in Orroroo
- ✓ Repairs to the Carrieton Institute including stone wall patching, and health and safety compliance equipment installation
- ✓ Upgraded Orroroo Swimming Pool including painting and line marking
- ✓ Installation of solar lighting on the Carrieton entrance signage
- ✓ Redevelopment of the Orroroo RSL building

### Cultural

- ✓ Orroroo Memorial Hall refurbishment including disability access, air-conditioning, energy efficient lighting and sound system
- ✓ Upgraded and repaired the Pekina Irrigation Scheme monument in the Orroroo Main Street, including new solar power system

### Economic Development

- ✓ Refurbished Visitor Information Centre in the Orroroo Memorial Hall including disability access, improved information displays and signage
- ✓ Essential repairs for the Carrieton Community Store including reroofing, painting, ceiling replacement and verandah repairs

### Environment

- ✓ Completion of Orroroo Community Wastewater Management System
- ✓ Provision of Trees for Life trees and shrubs to residents & landowners
- ✓ Upgrade and repair of Orroroo storm water harvesting system
- ✓ Installation of solar power systems on nine community facilities
- ✓ Improved water security by installation six emergency water tanks

This list represents some of the significant outcomes achieved in the past year. The Orroroo Carrieton district benefited in late 2018/19 from the support of the Australian Government's Drought Communities Programme – Extension. Without this support a number of the community infrastructure projects would not have been possible.



# Achievements

## 2018/19

### Regulatory Services

- ✓ Partnered Port Pirie RC for shared Environmental Health Officer
- ✓ Training of operations staff in dog management and certification of operations staff in community wastewater management systems
- ✓ Biannual Building and Fire Safety meeting held in the district benefiting multiple businesses responsible for public safety
- ✓ Successful Drum Muster (estimated 1000)

### Financial and Asset Management

- ✓ Continued collection of outstanding rate debtors
- ✓ Continued review of all operations to explore efficiencies, including best practice models for the efficient and cost effective delivery of services
- ✓ Finalised internal control systems to ensure compliance with accounting principles and Auditor requirements
- ✓ Ongoing review and development of financial management policies, procedures and systems

### Infrastructure and Services

- ✓ Practical completion of the Southern Flinders Business Services Growth Strategy Orroroo Community Waste Water Management Scheme.
- ✓ Continued review of standards and service levels for the efficient, effective and sustainable delivery of all Council's services and management of assets
- ✓ Reconstruct 2.2 km of Price Maurice road (Stage 2) resealed using Special Local Roads funding complete May 2019
- ✓ Re-sheeting:

Road Name	Distance Completed metres	Road Name	Distance Completed metres
Johnburgh Road	2500	East Tce - Carrieton	100
Pamatta Road	2100	Eurelia Streets	600
Cook Road	2600	Eurelia Cemetery Road	1200
Minburra Road	950	Seventh Street Orroroo	200
North Paratoo Road	3000	Lions Park road	350
Haynes Road	1200	Giant Gum Tree Road	400
Slaughterhouse Road	420	Tank Hill Road	400
Yatina Streets South, 5 <sup>th</sup> , 7 <sup>th</sup> , 4 <sup>th</sup> , 2 <sup>nd</sup>	1150	Cemetery Road Orroroo	500
Morchard Fourth Street	150	Wilmington Road	3100
No name road Morchard (Laskey)	700	Pekina Black Rock Road	2500

This list represents some of the significant outcomes achieved in the past year. The Orroroo Carrieton district benefited in late 2018/19 from the support of the Australian Government's Drought Communities Programme – Extension. Without this support a number of the community infrastructure projects would not have been possible.

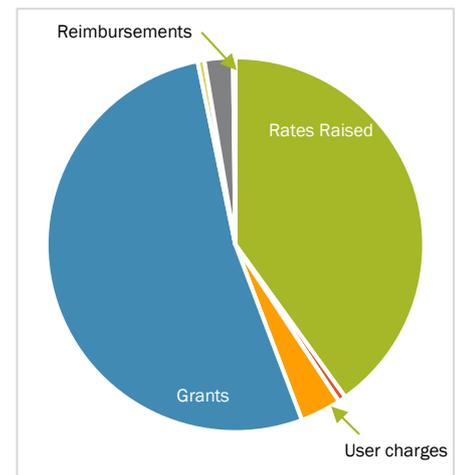


# Budget in brief

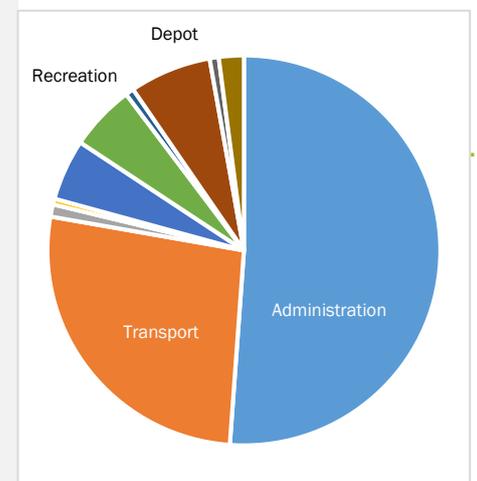
2019/20

OPERATING INCOME	Budget 18/19	Budget 19/20
Rates Raised	\$1,187,000	\$1,203,000
Statutory Charges	\$19,000	\$18,000
User Charges	\$104,000	\$107,000
Grants Subsidies & Contributions	\$1,554,000	\$1,568,000
Investment Income	\$17,000	\$17,000
Reimbursements	\$72,000	\$72,000
Other Income	\$6,000	\$5,000
<b>TOTAL OPERATING INCOME</b>	<b>\$2,960,000</b>	<b>\$2,989,000</b>
<b>OPERATIONAL EXPENDITURE</b>		
Administration	\$1,920,000	\$1,967,713
Community Services	\$100,000	\$126,749
Culture	\$38,000	\$30,000
Economic Development	\$18,000	\$117,627
Environmental Services	\$190,000	\$166,644
Recreation	\$204,000	\$205,099
Regulatory	\$26,000	\$23,000
Transport	\$253,000	\$279,213
Business Activities	\$28,000	\$27,591
Plant & Machinery	\$77,000	-\$21,806
Depot & indirect Expenditure	-\$21,000	\$116,170
<b>TOTAL OPERATIONAL EXPENSES</b>	<b>\$2,833,000</b>	<b>\$3,038,000</b>
<b>NET OPERATING SURPLUS / DEFICIT</b>	<b>\$127,000</b>	<b>\$48,000</b>
<b>CAPITAL EXPENDITURE</b>		<b>Budget 19/20</b>
Road Re-sheeting		\$415,000
Buildings		\$112,500
Footpath upgrades per Footpath Program		\$35,000
Swimming Pools		\$15,000
Playgrounds		\$35,000
Fixtures & Fittings		\$45,000
Plant and Machinery Purchases		\$80,000
<b>TOTAL CAPITAL EXPENSES</b>		<b>\$737,500</b>
<b>NET CAPITAL EXPENSES</b>		<b>\$737,500</b>

Operating Income



Operational Expenditure



# Strategic Influencers & Priorities

## 2017 - 2022

### Strategic Direction

Council adopted its Strategic & Community Plan in June 2017. The Strategic and Community Plan underpins the 2019/20 Business Plan. Among other factors, this plan considered regional, state and national objectives and strategies relevant to the social, physical, environmental development and management of Council's area of responsibility. The plan identifies key issues and projects which will provide for a range of affordable services and facilities, while ensuring the ongoing sustainability and prosperity of Orroroo Carrieton. In addition, it incorporates emerging challenges and opportunities. The 2017-2022 Strategic & Community Plan is next due for review in late 2019.

In adoption of its Strategic and Community Plan, Council has endorsed the following vision statement, believing it reflects Council's aspirations for the Orroroo Carrieton community.

### Our Motto

Strength from Resilience

### Our Vision

To ensure a sustainable future by building on the community's strengths and resilience.

### Our Mission

To achieve and maintain a sustainable Council that has the ongoing capacity to meet the community needs and that advocates for the improvement of the community.

### Key Principles

The Strategic and Community Plan is built upon a suite of strategic principles covering;

- ✓ Economic and Tourism Development
- ✓ Social and Community
- ✓ Environment
- ✓ Governance, Finance & Advocacy
- ✓ Financial Sustainability

In working towards its goals in the development of this Business Plan, Council considers a long-term view of its financial situation. Through its 2017-2027 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.

In addition, Council seeks to optimise both the timing and level of capital expenditure on existing infrastructure and other assets (in accordance with its Infrastructure and Asset Management Plan) so as to minimise whole-of-life-cycle costs of assets.



# Operational Outlook

## Services Provided 2019/20

Function	Mandatory	Traditional	Elective
<b>Business, Administration &amp; Regulatory Services</b>	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
<b>Community &amp; Recreation Services</b>	Cemeteries	Northern Transport Passenger Service Public Conveniences Community Library Community Halls - Recreation Grounds Parks & Gardens (Lions Park, Parklands etc.) Swimming Pools	Addison Court Goyder's Line Gazette / Website Communication Towers Community Events Grants Program/s Historical Society Early Settlers Cottage
<b>Economic Development</b>			Planning & advocacy Tourism development Visitor Information Grant submissions
<b>Environment</b>	Fire Prevention Hazard Management	Waste Management - Landfill Weed Spraying Waste Management Recycling Depot Drum Muster Street Lighting Main Street	Cropping Grant submissions
<b>Transport and Infrastructure</b>		Road Maintenance (Sealed and unsealed) Footpaths & Kerbing Flood Damage Aerodromes	

*The 2019/20 financial year will be an extremely busy period for Council. The services provided by Council are separated into three categories being Mandatory, Traditional and Elective, with the table illustrating the allocation of services against the three categories.*

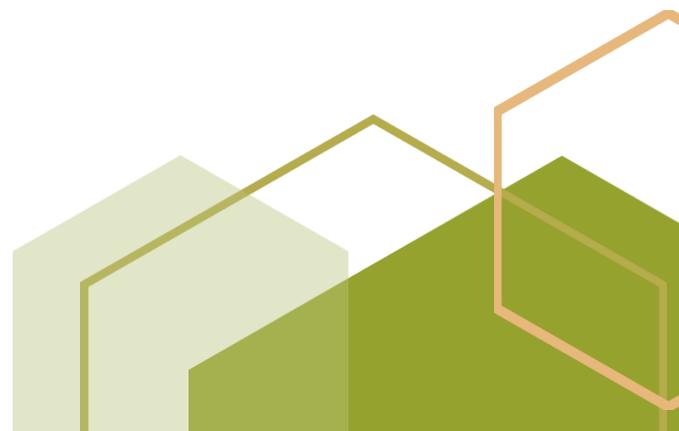
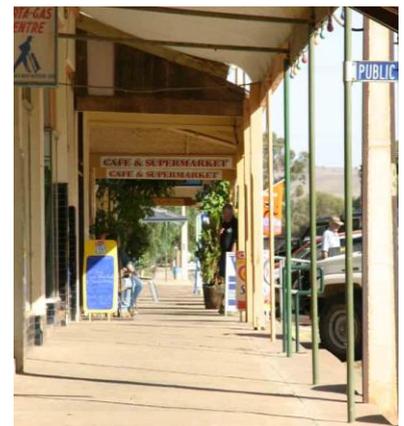


# Operational Outlook

## Strategic Planning Projects 2019/20

Project	Description	Amount
Governance, Finance & Asset Management		
Strategic & Community Plan 2020-25	Comprehensive review of Council's Strategic and Community Plan	10,000
Community Land Management Plans	Update all Community Land Management Plans in accordance with legislation.	5,000
IT Management	Upgrade to Server	20,000
Infrastructure and Services		
Heavy Vehicle Bypass	Complete final design and costing, include in regional transport plan, and submit application/s for funding	3,000
Orroroo Recreation Ground Development Plan	Overhaul the existing master plan for Orroroo Recreation Ground to stage and guide all future development and the upkeep of existing buildings	10,000
<b>Total Projects</b>		<b>48,000</b>

*In addition to the operational outlook, Council has committed to continuing delivery with a number of specific key infrastructure planning initiatives to be undertaken including review of the 2017-2022 Strategic and Community Plan, revision of the Orroroo Recreation Ground Master Plan, and the formation of a local Tourism Development Plan, all of which play a significant role in the sustainability and growth of the district.*



# Capital Works Program

## Capital Works Program 2019/20

Item	Amount \$	Comment
Road Re-Sheeting	\$415,000	Works in accordance with Asset Management Plan and Road Service Level Standards
Boolcunda Road		
Almerta Road		
Yackara Road		
Coomooroo Road		
Chapman Road		
Tilbrook Road		
Tarcowie Road		
Hogshead Road		
Gawler Drive		
Rip and Reform - Morchard Road		
Buildings	\$112,500	In accordance with Asset Management Plan
Footpath upgrades per Footpath Program	\$35,000	In accordance with adopted Footpath Program and Asset Management Plan
Swimming Pools	\$15,000	Repair to subsurface pipes and new change room doors at swimming pool
Playgrounds	\$35,000	Fencing, Shade & Relocation of Exercise Equipment
Fixtures & Fittings	\$45,000	Annual allocation
Plant and Machinery Purchases – 3.5 Canter	\$80,000	In accordance with Plant and Machinery Replacement Program
<b>Total Capital Expenditure</b>	<b>\$737,500</b>	

# Funding the plan

## Budget 2019/20

Council’s revenue in 2019/20 includes \$1,203k raised from general and other rates. This is based on an increase of 1.3%, equivalent to local government indexation (March ‘19).

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 2019/20 budget assumes that four quarterly installments of Federal Government financial assistance grants (both general purpose and local roads components) will be received.

#### Supplementary Road Funding (Federal)

The funding program has been 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 receive.

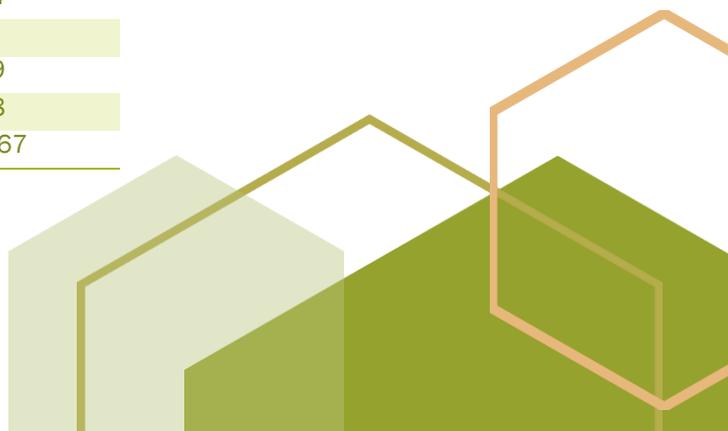
#### Roads to Recovery Grants (Federal)

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.

*An operating deficit of \$48k is being forecast for 2019/20. The operating deficit measures the difference between operating revenue and expenses for the period. The Council’s long-term financial sustainability is dependent on ensuring that, on average over time, its expenses are less than its revenue, in accordance with the Long Term Financial Management Plan and Financial Strategy.*

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

Grant Funding – Operating	Amount \$,000
Local Roads (Grants Commission)	\$266*
General Purpose (Grants Commission)	\$934*
Supplementary Road Funding	\$ -
Roads to Recovery (Standard annual allocation)	\$259
Other	\$108
<b>Total Operating Grant Funding</b>	<b>\$1,567</b>



# Funding the plan

## Budget 2019/20

### Council's Financial Sustainability Assessment

Ratio	18/19 Budget	19/20 Budget	LTFP target range
Operating Surplus Ratio	4%	(2%)	0% - 15%
Net Financial Liabilities Ratio	12%	1%	0 - 100%
Asset Renewal Ratio	154%	43%	90 - 110%

#### Operating Surplus Ratio (OSR)

The OSR is used to confirm that Council can cover its operating expenses (which includes depreciation charges) from its operating revenue. The operating surplus ratio from the budgeted activity for the year is a deficit of (2%). This result arises because operating income is budgeted to be \$48k less than Council's operating expenses for the year.

#### Asset Sustainability Ratio (ASR)

The ASR indicates whether the Council is renewing or replacing existing non-financial assets at the same rate as they wearing out. A result in the range of 90% to 110% would indicate that Council is replacing its assets in a timely manner. The forecast ASR is 43% which indicates that asset renewal is less than desirable levels for the 2019/20 financial year.

#### Net Financial Liabilities Ratio (NFL)

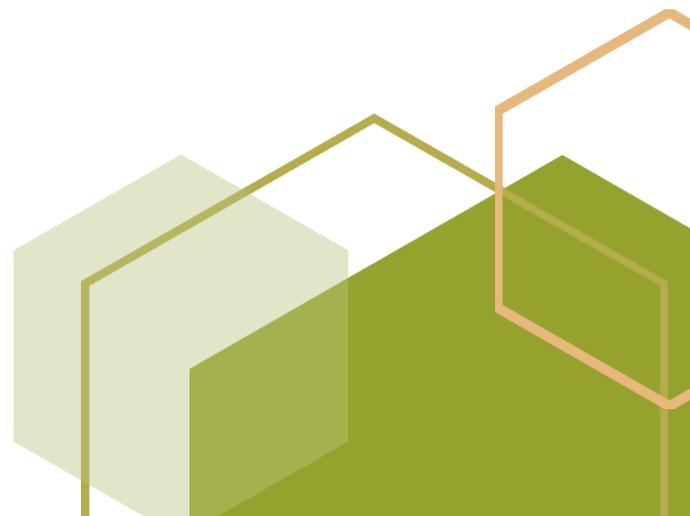
The NFL is a comprehensive measure of the indebtedness of Council including items (such as long-service leave entitlements) as well as taking account of the level of Council's available cash and investments. The ratio of 1% indicates that Council has a manageable level of Net Financial Liabilities.

#### 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.

In addition to the above ongoing grants received, Council endeavours to apply for and leverage external capital grants wherever an opportunity exists. No additional capital grants are forecast for the renewal of assets in 2019/20 year. However, 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 2017-2020.

*The update of the Long-term Financial Plan is currently occurring as part of the annual business planning process and ratios may be subject to change.*



# Funding the plan

## Budget 2019/20

### Non-Financial Performance Measures

In addition to the legislative financial performance measures, Council is required to develop non-financial performance measures. The following are the strategic measures integrated in the Strategic and Community Plan 2017 - 2022:

- ✓ Implementation of Key Strategic Principles
- ✓ Completion of operating and capital projects within established timeframes
- ✓ Completion of operating and capital projects and key services delivered to the community in accordance with developed standards and outcomes
- ✓ Legislation compliance associated with key measures including Adoption of Annual Business Plan and Budget, Review of Budgets, Preparation and Adoption of Annual Financial Statements, Adoption of Annual Report, and Preparation of Council meeting Agendas and Minutes





# Funding the plan

## Budget 2019/20

### Uniform Presentation of Council Finances

#### UNIFORM PRESENTATION OF COUNCIL FINANCES 2019/20

	2018/19	Budget 2019/20	Variance
	\$'000	\$'000	\$'000
Income	2,960	2,989	29
less Expenses	2,833	3,038	205
	127	(48)	(48)
<b>less Net Outlays on Existing Assets</b>			
Capital Expenditure on renewal and replacement of Existing Assets	2,752	738	(2,015)
less Depreciation, Amortisation and Impairment	948	948	-
less Proceeds from Sale of Replaced Assets	135	110	(25)
	1,669	(321)	(321)
<b>less Net Outlays on New and Upgraded Assets</b>			
Capital Expenditure on New and Upgraded Assets	2,264	-	(2,264)
less Amounts received specifically for New and Upgraded Assets	3,619	-	(3,619)
less Proceeds from Sale of Surplus Assets		-	-
	(1,355)	-	1,355
<b>Net Lending / (Borrowing) for Financial Year</b>	<b>(187)</b>	<b>272</b>	<b>459</b>

The Uniform Presentation of Council Finances together with the results of the Key Financial Indicators provides a summarised report that focuses on Council's finances at a strategic level.

# Rating Strategy

## Rating arrangements 2019/20

### Capital Value as a basis for Rating

The District Council of Orroroo Carrieton uses capital value as the basis for valuing land within its Council area. Council considers that this method of valuing land provides the fairest method of distributing the rate burden across all ratepayers on the following basis:

- ✓ The equity principle of taxation requires that ratepayers of similar wealth pay similar taxes and ratepayers of greater wealth pay more tax than ratepayers of lesser wealth.
- ✓ Property value is a relatively good indicator of wealth and capital value provides a fair indicator of overall property value.
- ✓ The distribution of property values throughout the Council area is such that some ratepayers will pay more and some less depending on fluctuations of property value.

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

Residential	340	46,056,500	341	46,290,500	0.51%
Commercial - Shop	11	1,066,000	11	1,066,000	0.00%
Commercial - Office	2	152,000	2	152,000	0.00%
Commercial - Other	31	6,963,500	32	7,029,000	0.94%
Industry - Light	3	244,000	3	184,000	-24.59%
Industry - Other	7	604,500	7	693,000	14.64%
Primary Production	813	155,368,600	810	188,039,260	21.03%
Vacant Land	330	2,105,100	330	2,150,300	2.15%
Other	130	4,084,000	130	4,053,700	-0.74%
<b>TOTAL:</b>	<b>1,667</b>	<b>216,644,200</b>	<b>1,666</b>	<b>249,657,760</b>	<b>15.24%</b>

### 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 2019, the most recent capital valuations for the Council area total \$249,657,760 of which approximately \$242,345,660 is rateable.

Should any ratepayer be dissatisfied with a property valuation then they are encouraged to make contact with the Office of the Valuer General, GPO Box 1354, Adelaide, SA 5001, E-mail [lsg.objections@sa.gov.au](mailto:lsg.objections@sa.gov.au) and or Telephone 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.

# Rating Strategy

## Rating arrangements 2019/20

### 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 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.

Council has undertaken rates modelling exercises for several options to determine how the rate in the dollar will be set as well as the need to cap rate increases to even out the impact of these unusual valuation trends across the community.

Models were prepared and discussed at Council for the following three scenarios:

- No rate capping
- Applying a 2% rate cap (the most a ratepayers rate will vary from the levied amount for the 2018-19 year will be 2%)
- Applying a 10% rate cap (the most a ratepayers rate will vary from the levied amount for the 2018-19 year will be 10%)
- Applying a 15% rate cap (the most a ratepayers rate will vary from the levied amount for the 2018-19 year will be 15%)

Based on the modelling undertaken it was decided that a cap of 2% was the fairest model to apply as this model best evened out 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.

The rate in the dollar has been set to generate an increase of 1.3% in rate revenue with rate variances capped at 2%.

### Rating Method

General Rates: Council will raise a total of \$1,203, 000 in general rate revenue.

Council, having taken into account 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 2020 will be a rate consisting of two components:

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

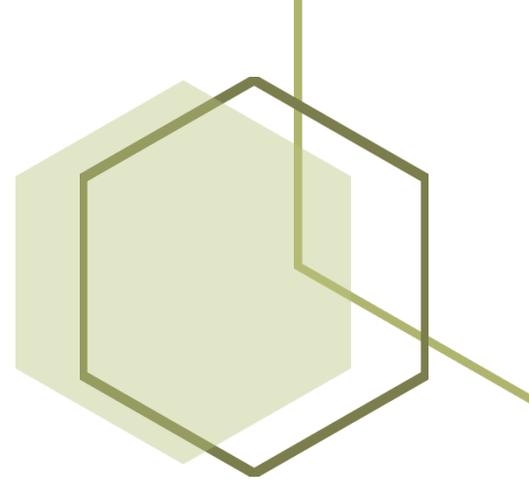
That pursuant to Section 153 (1)(b) and 156 (1)(b) of Local Government Act 1999, determines that the following rates for the year ending 30 June 2020, be declared on rateable land within its area, based up on the capital value of the land.

- (a) 0.004131 cents in the dollar for land located within the Council area.

# Rating Strategy

## Rating arrangements 2019/20

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### Fixed Charges

As a component of total rate income the 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. 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 \$252 will apply, being the same charge as declared for the previous year.

### Service Charges – Waste Management Collection

Council will raise approximately \$144,074 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 \$378 per household, for each property provided with the waste management collection service. An additional Service Charge of \$86 is applied for each additional bin collected from the property for which the service is provided.

### Natural Resource Management Levy

The Council's 2019/20 Rating Strategy provides for the collection of any Natural Resource Management Levy plus any administration costs associated with the collection of the Natural Resource Management Levy on behalf of the Northern and Yorke Natural Resource Management Board. The Rating Strategy provides for the distribution of any Natural Resource Management Levies that are collected less any administration costs incurred by the District Council of Orroroo Carrieton, in the collection of the levy, to the Northern and Yorke Natural Resource Management Board.

Council has no influence in the determination of the levy to be collected, as it remains a decision made by the NRM Board and the Department of Environment and Water.

The declared amount to be collected during the 2019/20 year in accordance with Section 154 of the Local Government Act 1999 and Section 95 of the Natural Resources Management Act 2004, for the purpose of reimbursing amounts contributed to the Northern and Yorke Natural Resource Management Board is \$35,984, to be collected at a separate rate of 0.0148 cents in the dollar. This is an increase of \$955 above the 2018/19 Levy amount of \$35,029.

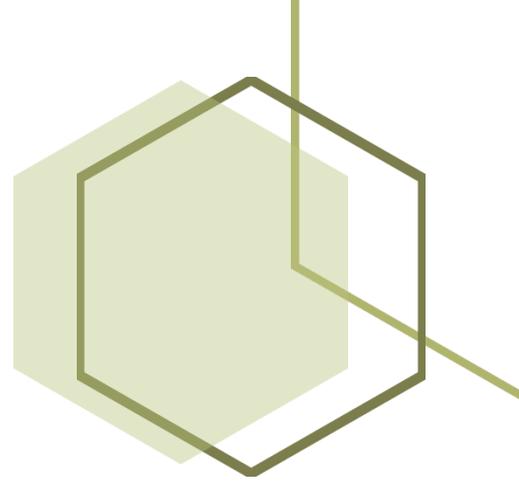
More information on Natural Resources Management Levies can be found at

[www.naturalresources.sa.gov.au/northernandyorke](http://www.naturalresources.sa.gov.au/northernandyorke)

# Rating Strategy

## Rating arrangements 2019/20

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### Impact Statement

The Council has proposed that the total rate revenue, fixed charges, and Service Charges, exclusive of the NRM Levy, generated in the 2019/20 budget will need to be approximately \$1.203M. This is an increase of \$15k or 1.3% over the total 2018/19 rate revenue raised.

### 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 solely or principally benefit businesses and primary producers

Any specific issues faced by our community, the budget for the 2019/20 financial year and the impact of rates in the community

### Payment of Rates – Quarterly Billing

Payment of rates may be made in quarterly installments due in September, December, March and June each year. Rate notices will be issued prior to each quarterly installment.

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

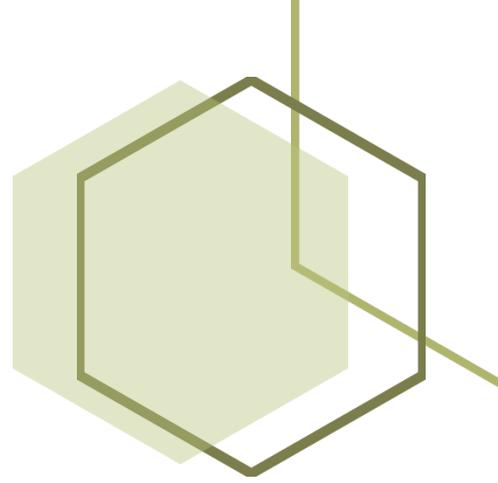
In the past, the State Government funded some concessions on Council rates. These concessions were formerly available to the holders of pensioner concession cards, veterans, low-income earners, unemployed, students, and self-funded retirees. However, these concessions were all abolished by the State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

# Rating Strategy

## Rating arrangements 2019/20

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### Payment of Rates

Rates may be paid by way of four quarterly installments with the due dates being 15<sup>th</sup> September 2019, 15<sup>th</sup> December 2019, 15<sup>th</sup> March 2020 and 15<sup>th</sup> June 2020.

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, 5431
- by using Bpay and EFT online transfer, or
- by telephone payment to 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 installment 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 partially or wholly remit Rates 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.

As part of this Rating Strategy the 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. The policy is based on the forwarding of reminder notices when a rate installment is unpaid, and a further reminder notice after two rate installments remain unpaid. If the rate installments 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 2019/2020 commenced on Thursday 20<sup>th</sup> June 2019 and concluded on Friday 12<sup>th</sup> July 2019 at 5.00pm, with the following public forums held as part of the process:

- Carrieton Recreation Centre – Tuesday 2<sup>nd</sup> July 2019 commencing at 6.30pm
- Pekina Recreation Centre – Wednesday 3<sup>rd</sup> July 2019 commencing at 6.30pm

The Draft Annual Business Plan and Budget 2019/2020 consultation and submission process was advertised in the Flinders News and in Council's Goyder Line Gazette publication.



### Copies of the Draft Annual Business Plan and Budget were available at

- Council Office 17 Second Street, Orroroo
- Carrieton General Store, Carrieton
- Council's website

### Submissions were invited to be made in the following ways

- Delivered to the Council Office, 17 Second Street, Orroroo
- Posted to DC of Orroroo Carrieton PO Box 3, Orroroo, SA, 5341
- Emailed to [council@orroroo.sa.gov.au](mailto:council@orroroo.sa.gov.au)

### Council can be contacted

Mail: PO Box 3, Orroroo SA 5431  
Email: [council@orroroo.sa.gov.au](mailto:council@orroroo.sa.gov.au)  
Phone: 08 8658 1260  
Website: [www.orroroo.sa.gov.au](http://www.orroroo.sa.gov.au)

*Contributions from the Community count. To ensure Council's Business Plan represented the voice of our community, there were many ways in which residents could become involved.*



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## 2019/20 Budget for the year ended 30 June 2020

### UNIFORM PRESENTATION OF FINANCES

	2018/19 \$'000	Budget 2019/20 \$'000	VARIANCE \$'000	NOTES
Income	2,960	2,989	29	Fag's prepayment in 19/20
less Expenses	2,833	3,038	205	
	127	(48)	(48)	
<b>less Net Outlays on Existing Assets</b>				
Capital Expenditure on renewal and replacement of Existing Assets	2,752	738	(2,015)	Planned capital works program
less Depreciation, Amortisation and Impairment	948	948	-	
less Proceeds from Sale of Replaced Assets	135	110	(25)	Trade-in proceeds
	1,669	(321)	(321)	
<b>less Net Outlays on New and Upgraded Assets</b>				
Capital Expenditure on New and Upgraded Assets	2,264	-	(2,264)	Decrease in new capital works
less Amounts received specifically for New and Upgraded Assets	3,619	-	(3,619)	
less Proceeds from Sale of Surplus Assets	-	-	-	
	(1,355)	-	1,355	
<b>Net Lending / (Borrowing) for Financial Year</b>	<b>(187)</b>	<b>272</b>	<b>459</b>	

## 2019/20 Budget for the year ended 30 June 2020

### FINANCIAL INDICATORS

	2018/19	Budget 2019/20	LTFP target range	Notes
<b>Operating Surplus Ratio</b>	4%	(2%)	0 - 15%	
<u>Operating Surplus</u> Operating Result / Total Operating Income				
<b>Net Financial Liabilities Ratio</b>	12%	1%	0 - 100%	
<u>Net Financial Liabilities</u> Financial Liabilities less Financial Assets / Total Income				
<b>Asset Renewal Funding Ratio</b>	154%	43%	90 - 110%	
<u>Net Asset Renewals (Cash)</u> Asset Management Plan required expenditure				



2019/20 Budget for the year ended 30 June 2020

STATEMENT OF COMPREHENSIVE INCOME

	2018/19	Budget	NOTES
	\$'000	2019/20	
		\$'000	
<b>INCOME</b>			
Rates - general	1,187	1,203	
Statutory Charges	19	18	
User Charges	104	107	
Grants, subsidies and contributions	1,554	1,568	
Investment Income	17	17	
Reimbursements	72	72	
Other Income	6	5	
<b>TOTAL INCOME</b>	<b>2,960</b>	<b>2,989</b>	
<b>EXPENSES</b>			
Employee Costs	830	932	
Materials, contracts & other expenses	1,028	1,131	
Finance Charges	26	26	
Depreciation, amortisation & impairment	948	948	
<b>TOTAL EXPENSES</b>	<b>2,833</b>	<b>3,038</b>	
<b>Operating Surplus/(Deficit) before Capital Revenue</b>	<b>127</b>	<b>(48)</b>	
<b>CAPITAL REVENUE</b>			
Asset disposal & fair value adjustments	-	-	
Amounts received specifically for new or upgraded assets	3,619	-	
<b>NET SURPLUS/(DEFICIT)</b>	<b>3,747</b>	<b>(48)</b>	
transferred to Equity Statement			

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2019/20 Budget for the year ended 30 June 2020

STATEMENT OF FINANCIAL POSITION

	2018/19	Budget
	\$'000	2019/20
		\$'000
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	949	1,158
Trade and other receivables	160	160
Other	59	-
<b>Total Current Assets</b>	<b>1,168</b>	<b>1,318</b>
<b>Non-current Assets</b>		
Financial Assets	24	24
Infrastructure, Property, Plant and Equipment	36,139	35,819
Other non-current assets	-	-
<b>Total Non-Current Assets</b>	<b>36,163</b>	<b>35,843</b>
<b>TOTAL ASSETS</b>	<b>37,332</b>	<b>37,161</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Trade and other payables	974	903
Borrowings	76	76
Provisions	309	309
<b>Total Current Liabilities</b>	<b>1,359</b>	<b>1,288</b>
<b>Non-current Liabilities</b>		
Borrowings	116	65
Provisions	27	27
<b>Total Non-Current Liabilities</b>	<b>143</b>	<b>92</b>
<b>TOTAL LIABILITIES</b>	<b>1,502</b>	<b>1,380</b>
<b>NET ASSETS</b>	<b>35,830</b>	<b>35,782</b>
<b>EQUITY</b>		
Accumulated Surplus	5,428	5,380
Asset Revaluation Reserve	30,402	30,402
Other Reserves	-	-
<b>TOTAL EQUITY</b>	<b>35,830</b>	<b>35,782</b>

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2019/20 Budget for the year ended 30 June 2020

STATEMENT OF CASH FLOWS

	2018/19 \$'000	Budget 2019/20 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<u>Receipts</u>		
Operating Receipts	2,993	2,970
Investment Receipts	17	17
<u>Payments</u>		
Operating Payments to suppliers & employees	(1,858)	(2,073)
Finance Payments	(26)	(26)
<b>Net Cash provided by (or used in) Operating Activities</b>	<b>1,125</b>	<b>888</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<u>Receipts</u>		
Amounts specifically for new or upgraded assets	3,619	-
Sale of Replaced Assets	135	110
Sale of Surplus Assets	-	-
Repayments of loans by community groups	-	-
<u>Payments</u>		
Expenditure on renewal/replacement of assets	(2,264)	(738)
Expenditure on new/upgraded assets	(2,752)	-
Loans made to community groups	-	-
<b>Net Cash provided by (or used in) Investing Activities</b>	<b>(1,262)</b>	<b>(628)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<u>Receipts</u>		
Proceeds from Borrowings	-	-
<u>Payments</u>		
Repayment of Borrowings	(88)	(51)
<b>Net Cash provided by (or used in) Financing Activities</b>	<b>(88)</b>	<b>(51)</b>
<b>Net Increase (Decrease) in cash held</b>	<b>(225)</b>	<b>209</b>
Cash & cash equivalents at beginning of period	1,174	949
<b>Cash &amp; cash equivalents at end of period</b>	<b>949</b>	<b>1,158</b>

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## 2019/20 Budget for the year ended 30 June 2020

### STATEMENT OF CHANGES IN EQUITY

		Budget 2019/20 \$'000
<b>Accumulated Surplus</b>		
Balance at end of previous reporting period	1681	5,428
Net Surplus / (Deficit) for Year	3747	(48)
Transfers (to) from reserves	-	-
<b>Balance at end of period</b>	<b>5,428</b>	<b>5,380</b>
<b>Asset Revaluation Reserve</b>		
Balance at end of previous reporting period	30,402	30,402
Revaluation Adjustments During Year	-	-
<b>Balance at end of period</b>	<b>30,402</b>	<b>30,402</b>
<b>Other Reserves</b>		
Balance at end of previous reporting period	-	-
Transfers to (from) reserves	-	-
<b>Balance at end of period</b>	<b>-</b>	<b>-</b>
<b>TOTAL EQUITY</b>		
Balance at end of previous reporting period	32,083	35,830
Net Surplus / (Deficit) for Year	3,747	(48)
Revaluation Adjustments During Year	-	-
Transfers between reserves	-	-
<b>Balance at end of period</b>	<b>35,830</b>	<b>35,782</b>