



DISTRICT COUNCIL OF
KAROONDA EAST MURRAY
**ANNUAL BUSINESS
PLAN & BUDGET**

2019 – 2020

ADOPTED 18 JULY 2019

Table of Contents

03 The Year Ahead

04 Your Elected Members

09 Simplified Planning Framework

11 Draft Community Vision 2040
Key Themes

12 Performance Measures
2019 - 2020
Non-Financial Performance Measures

13 2018 – 2019 Achievements
(Non-Financial)

14 Significant Influences
Significant Influences & Priorities

15 Capital Projects 2019 – 2020
Capital Expenditure

16 Financial Statements
2019 - 2020
Uniform Presentation of Finances

17 Financial Statements
2019 - 2020
Statement of Comprehensive Income

18 Financial Statements
2019 - 2020
Balance Sheet

19 Financial Statements
2019 - 2020
Statement of Cash Flows

20 Financial Statements
2019 - 2020
Statement of Equity

21 Funding The Business Plan
Grant Funding

22 Financial Sustainability

24 Rating Arrangements
2019 – 2020

06 Map of District

07 Community Snapshot





The Year Ahead

SPECIAL Community Projects

In 2019 - 2020 Council is allocating funding to provide direct financial assistance to two major community projects which will come to fruition (subject to external funding guarantees) including a \$210K contribution to the Karoonda Area School Pool Redevelopment Project and a \$270K contribution to the Karoonda District Football Clubrooms Redevelopment Project.

After extensive lobbying of the state government, Council is confident that the School Pool Project will be completed in the coming year, and that Council's support will ensure that the project is delivered, meaning that the Karoonda school community will have access to a local pool for the first time since 2014.

Likewise, the contribution to the Karoonda Football Clubrooms will bring in additional state government funding for the project and will see the creation of new female and officials facilities and the addition of a gym for both community and sporting access.

Council views both of these projects as essential community projects as the facilities will be well utilised by a significant portion of our community.

In total, this equates to \$480K of direct funding to special community projects in the 2019 - 2020 financial year.

COUNCIL Projects and Initiatives

In addition to Council's business as usual operations there are a number of new initiatives planned for the 2019 - 2020 financial year including (but not limited to):

- Delivery of early childhood education and care service, 5 days a week.
- Establish a Youth Advisory Council and develop a Youth Action Plan.
- Support district businesses through developing an Economic Development and Tourism Strategy and providing a local support resource.
- Implement a 12 month regional Pest and Weeds Management program in conjunction with Southern Mallee and Loxton Waikerie Councils (\$306K federally funded).
- Redevelopment of Wanbi Playground and public space.
- Revised community grants program with a focus on grant writing support to bring in external funding.
- Review of Council Assets (particularly roads) to develop sustainable 10 year plans.
- Development of revised road, reserve and vegetation management plans.
- Implementation of new government software to create efficiencies and savings over next 3 to 5 years.

Your Elected Members



Caroline Phillips

Mayor

Resides in Wynarka.

First elected to Council in 2010.

Deputy Mayor (2014 - 2018)

Mayor (2018 - current)

Email: Mayor@dckem.sa.gov.au



Yvonne Smith JP

Deputy Mayor / Councillor

Resides in Bowhill.

First elected to Council in 2010.

Email: CrSmith@dckem.sa.gov.au



Darren Zadow

Councillor

Resides in Galga.

First elected to Council in 2014.

Email: CrZadow@dckem.sa.gov.au



Kevin Burdett OAM

Councillor

Resides in Karoonda.

First elected to Council in 1998.

Mayor (2001 to 2018)

Email: CrBurdett@dckem.sa.gov.au



Simon Martin

Councillor

Resides in Wynarka.

First elected to Council in 2018.

Email: CrMartin@dckem.sa.gov.au



Daryl Sparks

Councillor

Resides in Karoonda.

First elected to Council in 2014.

Email: CrSparks@dckem.sa.gov.au



Russell Norman

Councillor

Resides in Karoonda.

First elected to Council in 2018.

Email: CrNorman@dckem.sa.gov.au



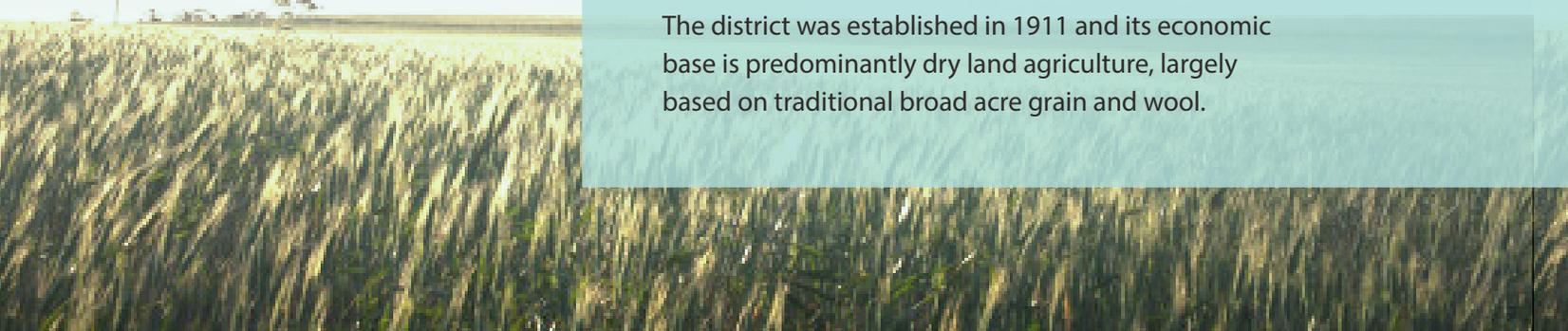
Located only 150km from Adelaide and 110km from Loxton, Karoonda is referred to as “the Heart of the Mallee”

Origins of Our Community

The first occupiers of the area were the Ngarkat tribe, whose lands roughly extended north beyond Copeville, south towards Coonalpyn, east to near the border and west to a few miles from the river. There were no Ngarkat surviving tribally by the mid 1800’s when the pastoralists moved in, mainly due to disease and wars with neighbouring tribes.

The land was taken up for grazing sheep on huge pastoral leases from 1859, when Chucka Bend (Bowhill) Station included where Karoonda stands today. However, these leases were not successful and were abandoned by 1900.

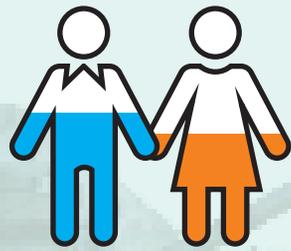
The district was established in 1911 and its economic base is predominantly dry land agriculture, largely based on traditional broad acre grain and wool.



Land Area
4,415
square kms

Population
1,090

Gender
Breakdown



51.8% **48.2%**

Median
Age



Annual
Rain Fall



294mm

Unemployment
Citizen



5.1%
(SA Average 7.5%)

Median
Household Income
(weekly)



\$871
(SA Average \$1206)

The district was unique in that the railways were established before close settlement began. Karoonda became a very important rail town, a hub serving sidings and towns in four directions at approximately 8km intervals. There were coaling and watering facilities and workshops and a barn for railcars stationed here.

With the introduction of the railways, settlers began taking up selections, clearing the dense scrub with horse drawn rollers. By 1930 about half the arable land was cleared.

Today's farming practices have seen significant change from the traditional practices of generations past. More sustainable practices have resulted in increased land productivity whilst protecting and enhancing our fragile natural environment.

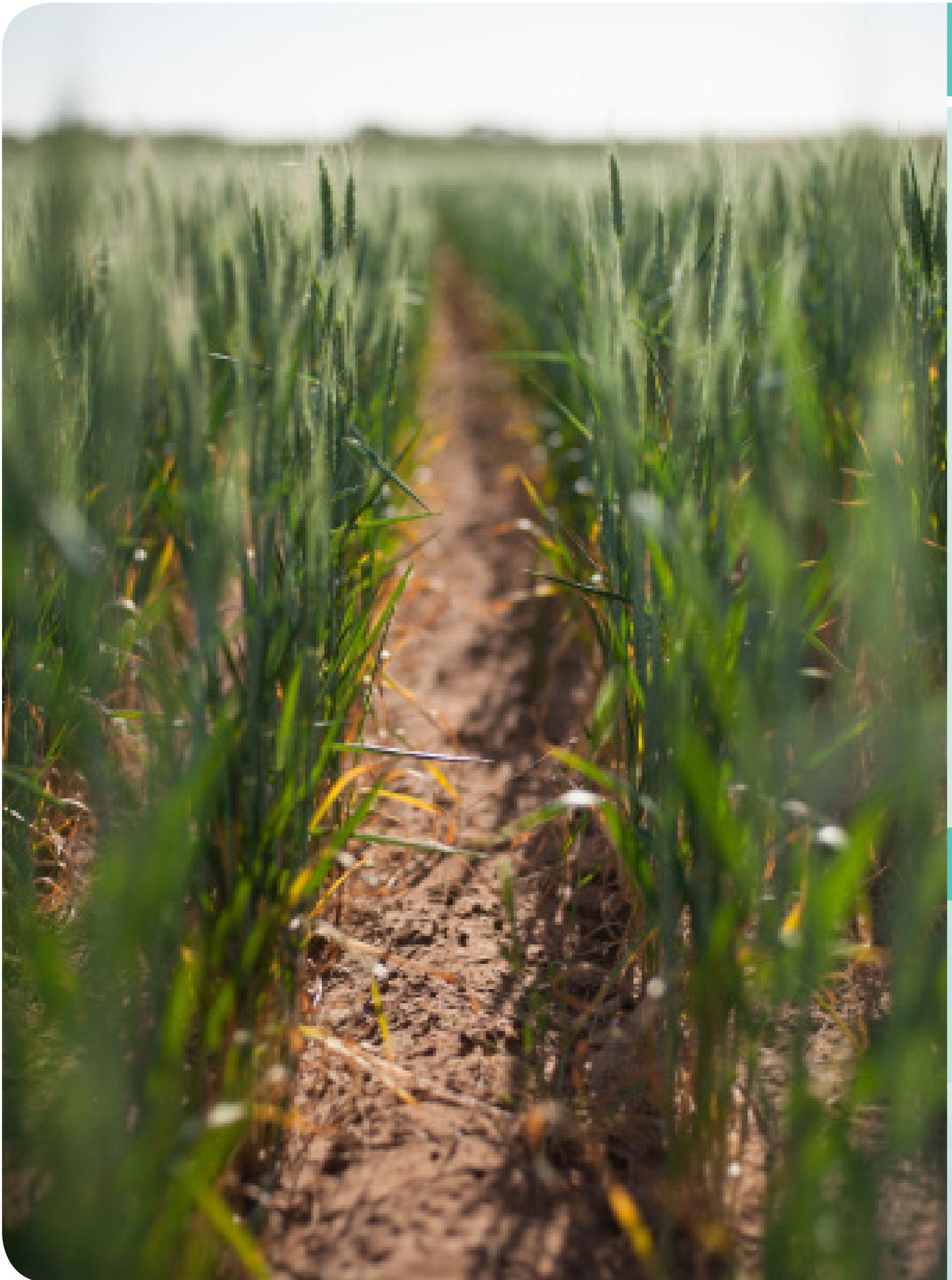
Karoonda is the major town in the area with a population of 350. The town offers a range of services including access to aged care services, a school, pre-school, café, hospital, ambulance, CFS, grocery store, newsagency, hotel, chemist and banking via agency and eftpos. Along with a range of businesses servicing the local and rural sector.



Simplified Planning Framework

Council is currently undergoing a process of developing a new and simplified planning framework which will be completed by July 2020. The new framework consists of the key documents as detailed in the diagram below.





Draft Community Vision 2040

By the year 2040,
we will be a thriving,
prosperous,
innovative
and connected
community.

We will have developed our people and infrastructure, exploited opportunities and worked relentlessly to create a sustainable future for all our citizens.

Open spaces and the natural environment will have been enhanced to foster healthy lifestyles and recreational activities.

Residents of Karoonda East Murray will have an enviable lifestyle and the district will be heralded as a place where people want to live, work, rest, visit and play.

KEY THEMES

These six key themes embody the values of our community and will be used as the basis to shape our future.



Performance Measures 2019 - 2020

NON-FINANCIAL Performance Measures

As Council is currently undertaking a detailed long term planning process including the development of a long term vision for the community, the '2040 Community Vision', the non-financial performance measures for the 2019 - 2020 financial year are based on themes from the draft community vision combined with elements of the existing Strategic Management Plan 2017 - 2020 which will shortly undergo a significant review itself.

What we will achieve in the coming year

PROSPEROUS

- Kick start district business alliance
- Review council industrial and residential land availability
- Develop an Economic development and Tourism Strategy

LIVEABLE

- Deliver a child care service operating up to 5 days a week
- Review Council Assets (particularly roads) including classification, standards and current condition and implement a routine system of inspection and reporting
- Provide an accessible model of retirement style housing in Karoonda
- Review Bushfire Management Plans and fire prevention activities

CONNECTED

- Develop a Youth Services Action Plan supported by the establishment of a youth advisory council
- Support and develop community based activities and events that bring people together
- Strengthen ties between Council and Ag industry organisations

OPPORTUNISTIC

- Commence review of land use and township zoning
- Implement a new Community grants program (supported grant writing)

ACTIVE

- Enhance Wanbi playground and local amenity
- Provide for historical interpretation, storytelling and memorabilia display through refurbishment of existing Council buildings
- Support development of new and improved sporting infrastructure

ECO-FRIENDLY

- Develop a Roadside Vegetation Management Plan
- Create a long term Waste and Recycling Management Strategy

GOOD GOVERNANCE

- Implement an elected member development and skills program
- Implement new local government and corporate software system to increase accuracy, reliability and timelines of data and reporting, streamline processes and customer service requests
- Implement various operating plans including WHS Action Plan and HR Action Plan and Risk Management Plan
- Redevelop the Business Continuity Plan

2018 – 2019 ACHIEVEMENTS (Non-Financial)

What we achieved last year

2018 - 2019 was a year of significant change and review across Council, including Council elections in November 2018, organisational changes and a renewed focus on aligning team structure to project delivery.

Council has commenced the process of developing a long term community vision in conjunction with the community, with the draft vision currently out for final consultation. Large elements and themes from this process have been used to inform the draft 2019 - 2020 Annual Business Plan and Budget as well as other Council planning.

Council has delivered the major elements of its capital works program which includes the re-sheeting of Anderson, Moorlands and Dowling Roads and Stage 4 of the Karoonda Stormwater Plan.

An agreement was also reached to ensure that the NRM continues to have a presence in our local area and will be co-located at the Council office in Karoonda.

Council has also delivered \$1M of special projects funded under the Drought Communities Program - Extended including:

- Development of a new child care centre and community hub
- Karoonda activation project including 'day and night' silo art project (paint and projection) and Colour Up Karoonda
- Various community upgrades including cool room and solar panels and the Karoonda Football Clubrooms, air conditioning and solar panels at the Karoonda Bowling Club and water tanks, pumps and solar panels at the Mantung Hall.

Several funding applications submitted by Council were successful, including from the Building Better Regions Fund (\$20K) to develop an Economic Development and Tourism Strategy, for a regional pest and weeds program (\$306K).

Council also funded grant writing for community groups, which saw the Mantung Hall receive \$19K for public toilet upgrades and the Karoonda Football Club receive \$59K of funding for kitchen and building upgrades through the FRRR's Tackling Tough Times Together Program.

In summary, the past year has been a time of change, review, planning and delivery. There have been some great outcomes for the community and the groundwork has been laid to ensure that outcomes are realised in the coming years, particularly where external funding is required.

Significant Influences

Significant INFLUENCES & PRIORITIES

A number of significant factors have influenced the preparation of the Council's 2019 – 2020 Annual Business Plan.

These include:

- Consumer Price Index increases on existing goods and services including increases to regional memberships and subscriptions of around 1.8% (December quarter 2018)
- Requirements to maintain and improve infrastructure assets to acceptable standards, including roads, footpaths, stormwater drainage and community wastewater management systems
- Planning service delivery needs for a decreasing population
- Diminishing State / Commonwealth grant funding.

While Council will continue to provide services to the community as required under the Local Government Act and other relevant legislation, 2019 – 2020 will be a period of strategic review of Council's long term financial position, with a particular focus on reviewing Council's asset base.

Capital Projects 2019 – 2020

Capital EXPENDITURE

It can be seen that a majority of this budget will be spent on road resheeting with a number of potential projects postponed to future years.

The completion of the asset data and service level review together with an updated asset

management and long term financial plans, will allow Council to bring additional projects on line in a more strategic manner, thus ensuring that it continues to operate in a financially sustainable manner.

Project	\$ 000
REPLACED ASSETS:	
Roads / Transport:	
Road Re-sheeting Projects (approx 31kms)	1,233
Includes Wingamin Road, Walker Flat Road, Goondooloo Road * and Gribble Bore Road*	
Other :	
Playground / Park (Wanbi Revitalisation)	60
Retirement Village Refurbishment	40
Plant & Machinery:	
Work Ute	50
Total Renewal & Replacement Expenditure	1,383
New & Upgraded Assets:	
Community Cinema Equipment	8
Memorabilia Refurbishment	30
Road Traffic Counter	5
P1 Program (Road Risk Mitigation Upgrades)	60
Total New Asset/ Upgraded Capital Expenditure	103
Total Capital Expenditure	1,486

* Subject to final scoping.

Financial Statements 2019 - 2020

UNIFORM PRESENTATION OF FINANCES

	Forecast 2018-19 \$,000	Budget 2019-20 \$,000
Operating Revenue	3,763	4,339
less Operating Expense	(4,035)	(5,229)
Operating Surplus / (Deficit) before Capital Amounts	(272)	(890)
less Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	1,661	1,383
less Depreciation, Amortisation & Impairment	(1,856)	(1,859)
less Proceeds from Sale of Replaced Assets	(15)	(155)
	(210)	(631)
less Net Outlays on New & Upgraded Assets		
Capital Expenditure on New & Upgraded Assets	1,433	103
less Amounts specifically for new or upgraded Assets	(913)	0
less Proceeds from Sale of Surplus Assets	0	(50)
	520	53
Net Lending/ (Borrowing) for Financial year	(582)	(313)



STATEMENT OF COMPREHENSIVE INCOME

	Note	Forecast 2018-19 \$,000	Budget 2019-20 \$,000	Variance \$,000
INCOME				
Rates - General & Other		1,544	1,590	46
Statutory Charges		14	13	(1)
User Charges		51	284*	233
Grants & Subsidies		2,003	2,376	372
Investment Income		36	25	(11)
Reimbursements		3	2	(1)
Other Revenues		110	49	(61)
Total Operating Income		3,763	4,339	576
EXPENDITURE				
Employee Costs		885	1,141**	256
Materials, Contracts & Other Expenses		1,294	2,229***	935
Depreciation		1,856	1,859	3
Finance Charges		0	0	0
Total Operating Expenditure		4,035	5,229	1,194
OPERATING SURPLUS/(DEFICIT)		(272)	(890)	(618)
Gain / Loss on Disposal of Assets		15	0	(15)
Amounts Recieved Specifically for New Assets		913	0	(913)
NET SURPLUS / (DEFICIT) transferred to Equity Statement		656	(890)	(1,546)

* includes estimated income from Mallee Kids Childcare Service.

** includes estimated salaries for Mallee Kids Childcare Service.

*** includes \$210k for School Swimming Pool construction, \$270k Football Club infrastructure and \$306k Pest & Weeds Grant expenditure.

Financial Statements 2019 - 2020 - continued

BALANCE SHEET			
	Forecast 2018-19 \$,000	Budget 2019-20 \$,000	Variance \$,000
ASSETS			
CURRENT ASSETS			
Cash & Cash Equivalents	1,819	1,336	(484)
Trade & Other Receivables	237	237	0
Inventories	30	30	0
Total Current Assets	2,087	1,603	(484)
NON-CURRENT ASSETS			
Financial Assets	0	0	0
Infrastructure, Property, Plant & Equipment	39,590	39,013	(578)
Other	346	346	0
Total Non-Current Assets	39,936	39,359	(578)
TOTAL ASSETS	42,023	40,962	(1,061)
LIABILITIES			
CURRENT LIABILITIES			
Trade & Other Payables	1,687	1,516	171
Borrowings	0	0	0
Short Term Provisions	123	123	0
Total Current Liabilities	1,810	1,639	(171)
NON-CURRENT LIABILITIES			
Long Term Borrowings	0	0	0
Long Term Provisions	23	23	0
Total Non-Current Liabilities	23	23	0
TOTAL LIABILITIES	1,833	1,662	(171)
NET ASSETS	40,190	39,300	(890)
EQUITY			
Accumulated Surplus	15,357	14,467	(890)
Asset Revaluation Reserve	24,833	24,833	0
Other Reserves	0	0	0
TOTAL EQUITY	40,190	39,300	(890)

STATEMENT OF CASH FLOWS

	Forecast 2018-19 \$,000	Budget 2019-20 \$,000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts		
Operating Receipts	4,016	4,143
Investment Receipts	36	25
Payments		
Operating Payments to Suppliers & Employees	2,179	3,370
Finance Payments	0	0
Net Cash provided by (or used in) Operating Activities	1,874	798
CASH FLOWS FROM INVESTING ACTIVITIES		
Receipts		
Grants Specifically for new or upgraded assets	913	0
Sale of replaced Assets	15	155*
Payments		
Expenditure on renewal/replaced assets	1,661	1,383
Expenditure on new/upgraded assets	1,433	103
Net cash provided by (used in) Investing Activities	(2,166)	(1,281)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments		
Repayment of Borrowings	0	0
Repayment of Finance lease Liabilities	0	0
Net Cash Provided by (Used in) Financing Activities	0	0
Net Increase / Decrease in Cash	(292)	(484)
Cash and Cash Equivalents at start of reporting period	2,111	1,819
Cash & Cash Equivalents at the end of the reporting period	1,819	1,336

* sale of assets to be replaced include a grader, dual cab ute and skidsteer.

Financial Statements 2019 - 2020 - continued

STATEMENT OF EQUITY

	Forecast 2018-19 \$,000	Budget 2019-20 \$,000
ACCUMULATED SURPLUS		
Balance at end of previous reporting period	14,701	15,357
Net Result for Year	656	(890)
Transfer from Reserves	0	0
Transfer to Other Reserves	0	0
Balance at end of period	15,357	14,467
ASSET REVALUATION RESERVE		
Balance at end of previous reporting period	24,833	24,833
Gain on Revaluation of Property Plant & Equipment	0	0
Balance at end of period	24,833	24,833
OTHER RESERVES		
Balance at end of previous reporting period	0	0
Transfers from Accumulated Surplus	0	0
Transfers to Accumulated Surplus	0	0
Balance at end of period	0	0
TOTAL EQUITY AT END OF REPORTING PERIOD	40,190	39,300



FUNDING THE BUSINESS PLAN

A net deficit of \$890K is being forecast for 2019 – 2020. The operating result 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.

Council's revenue in 2019 – 2020 includes \$1.59M proposed to be raised from general and other rates. There is little forecast growth for expected for the region. Accordingly, no increases to rates revenue have been factored in for growth (eg. number or value of rateable properties).

Other sources of proposed revenue for the Council are:

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

GRANT FUNDING

Local Government receives three 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 – 2020 budget assumes that four quarterly instalments of the Federal Government financial assistance grants (both general purpose and local roads components) will be received during 2019 – 2020.

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.

Grant Funding	Amount \$,000
Financial Assistance Grant	1,524
Supplementary Local Roads Grant	171
Roads to Recovery Grant	345
Other	336
Total Grant Funding	2,376

Financial Sustainability

FINANCIAL SUSTAINABILITY

Amendments to the Local Government Act 1999 in 2005, combined with an independent review initiated by the Local Government Association of SA into the long term financial sustainability of South Australian councils, clearly indicated that there was a need for councils to take a longer term view into their financial planning and sustainability in working towards their goals.

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 Councils long term renewal programs as reference in Council's Asset and Infrastructure Management Plan (which in itself will be subject to a detailed review in 2019 – 2020).

Regulation 7 of the Local Government (Financial Management) Regulations 2011 states:

Pursuant to section 123(10)(b) of the Act, each budget of a council under the Act must – include estimates with respect to the council's operating surplus ratio, asset sustainability ratio and net financial liabilities ratio presented in a manner consistent with the note in the Model Financial Statements entitled Financial Indicators.

OPERATING SURPLUS RATIO

The operating surplus ratio expresses the operating surplus (deficit) as a percentage of operating income.

This ratio answers the question: **Is Council covering its operating expenditure and depreciation charge from its operating revenue?**

The operating surplus ratio from the proposed budgeted activity for the year is a deficit of (21%). This result arises because operating income is budgeted to be \$890k less than Council's operating expenses for the year.

Calculation of Operating Surplus Ratio	\$,000
Operating Surplus (a)	(890)
Operating Revenue (b)	4,339
Operating Surplus Ratio (a)/(b)	(21%)

It should be recognised that operating expenditure includes two large one off contributions from Council to the following Community projects:

Football Club infrastructure upgrade	\$ 270k
School Swimming Pool construction	\$ 210k
Total abnormal expenditure	\$ 480k

When removing these items Councils underlying operating result improves to a deficit of (\$410k) or Operating Surplus Ratio of (9%).

ASSET RENEWAL RATIO

This ratio answers the question: **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 non-financial 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 2019 – 2020 is 100% which indicates that sufficient funds have been allocated to replace assets in the 2019 – 2020 financial year.

NET FINANCIAL LIABILITIES RATIO

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 hand for resale.

Calculation of Net Financial Liabilities Ratio	Estimated \$,000
Net financial Liabilities (a)	89
Total operating revenue (b)	4,339
Net Financial Liabilities Ratio (a)/(b)	(2%)

The result of 2% is well below the sector wide ceiling of 100% of operating revenue. Accordingly

Council can claim that it has a manageable level of Net Financial Liabilities.

SUMMARY ASSESSMENT OF COUNCIL'S FINANCIAL SUSTAINABILITY

Council is reporting a deficit operating result of (21%). It needs to be noted that this figure decreases to (9%) once abnormal items of expenditure are removed.

Council will be reviewing the asset data that underpins the asset management plan as well as the level and range of asset services it provides to the community. It is anticipated as a result of this review that depreciation will decrease to some extent and that the amount Council is required to spend on asset renewal should also decrease.

Council will also be developing a financial strategy as part of the upgrade planned for the Long Term Financial Plan 2020-2030. The strategy will target generating additional revenue as well as identifying more efficient ways of delivering services which would lead to a decrease in operating expenditure.

Council has sufficient cash reserves to operate in deficit in the short term with the intention of moving into an operating surplus position within the next 2 years.

Council has no debt and is replacing its assets in a timely manner.

Accordingly considering the above Council will be operating in a sustainable manner for the 2019–2020 financial year.

Rating Arrangements 2019 – 2020

BUSINESS IMPACT STATEMENT

The Council has considered the impact of rates on all businesses in the Council area, including primary production. In considering the impact, Council assessed the following matters:

- ◆ Council via elected members, consultations with ratepayers
- ◆ Council's policy on facilitating local economic development preference for local suppliers where price, quality and service provision are comparable to suppliers outside the Council area
- ◆ Current local, state and national economic conditions and expected changes during the next financial year. The general economic climate is stable and appears likely to continue to be stable over the next twelve months.

COUNCIL'S REVENUE RAISING POWERS

All land within a Council area, except for land specifically exempt (e.g. crown land, Council occupied land and other land prescribed in the Local Government Act 1999 – refer to Section 147 of the Act), is rateable.

The Local Government Act 1999 provides for a Council to raise revenue for the broad purposes of the Council through a general rate, which applies to all rateable properties, or through differential general rates, based on either land use and/or locality of properties.

In addition, Council can raise separate rates, for specific areas of the Council or service rates or charges for specific services. The Council also raises revenue through fees and charges, which are set giving consideration to the cost of the service provided and any equity issues.

METHOD USED TO VALUE LAND

The Council adopted to continue to use Capital Value as the basis for valuing land within the Council area. The 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, which closely approximates the market value of a property and provides the best indicator of overall property value
- ◆ The distribution of property values throughout the Council area is such that few residential ratepayers will pay significantly more than the average level of rates payable per property.

ADOPTION OF VALUATIONS

The Council adopted the most recent valuations made by the Valuer-General that are made available to the Council at the time that the Council adopts the budget, being valuations as at the 9 July 2019.

If a ratepayer is dissatisfied with the valuation made by the Valuer-General, you may object to the valuation referred to on the notice within 60 days after the date of service of receiving the notice of valuation.

Note:

- a) if you have previously received a notice under the Local Government Act 1999 referring to the valuation and informing you of a 60 day objection period, the objection period is 60 days after service of the first notice;

b) you may not object to the valuation if the Valuer-General has already considered an objection by you to that valuation.

The Valuer-General may extend the 60 day objection period where it be shown there is reasonable cause to do so by a person entitled to make an objection to a valuation.

A written objection to a valuation must set out the full and detailed grounds for objection. Objections can also be submitted via an online form at <http://www.sa.gov.au/landservices> and enter "Objecting to a Valuation" in the search field. Differential Rates (and or charges) imposed by rates (and or charges) are still due and payable by the due date even if an objection has been lodged.

Objections are to be forwarded to:

State Valuation Office
GPO Box 1354, ADELAIDE SA 5001
101 Grenfell Street, ADELAIDE SA 5000
E-mail: LSGObjections@sa.gov.au
Phone: 1300 653 346
Fax: 08 8226 1428.

GENERAL RATES

The largest component of rates levied is the component that is calculated by reference to the value of the property. Each year, the Council officially 'declare' what percentage of the value of the land will be payable in rates.

The Act allows councils to impose rates that differ (ie higher or lower) based on the location of the land, or uses to which the land is put (residential, commercial, primary production, industrial, vacant etc).

Property values reflect, among other things, the relative availability of and access to Council services. This applies to all types of land use, and to land in all locations.

The Council has decided not to differentiate between types of land uses or between

land locations in setting rates. Rather acknowledging the taxation principles of economic efficiency and policy consistency, the Council has chosen to adopt a single rate in the dollar to apply to all rateable land.

The Council's budget contains general rate revenue of \$1.59M, net of rebates, a target rate revenue increase for 2019-2020 of 1.2% plus CPI on the general rates to fund this Annual Business Plan. This represents a 3% increase on total general rates raised (net of rebates) compared to 2018 – 2019.

MINIMUM RATE

Council has the discretion to apply either:

- ♦ A fixed charge (applying equally to all rateable properties); or
- ♦ A minimum rate (to lower-value) properties
But cannot use both of these mechanisms.

Council has decided to continue to use the minimum rate method, with the minimum rate for 2019 – 2020 being set at \$325.00.

NATURAL RESOURCES MANAGEMENT LEVY

The District Council of Karoonda East Murray is within the area covered by the South Australian Murray-Darling Basin Natural Resources Management Board and is required under the Natural Resources Management Act 2004 to fund the operations of the Board

The Council satisfies this obligation by imposing a separate rate against rateable properties within its area based on the Capital Value of rateable land.

For 2019 – 2020 Council's annual contribution to the SA Murray-Darling Basin NRM is \$64,535.

The District Council of Karoonda East Murray is operating as a revenue collector for the South Australian Murray-Darling Basin Natural

RATING ARRANGEMENTS 2019 – 2020 – Continued

Resources management Board in this regard and has no input into the charges that are imposed.

Revenue from this levy is not retained by the Council, nor does the Council determine how the revenue is to be invested and acquitted.

SERVICE CHARGES

Community Wastewater Management System (CWMS) – Service Charge

Pursuant to Section 155 of The Local Government Act 1999, the Council adopted an annual service charge for the financial year ending 30 June 2020, in respect of the prescribed service of effluent waste disposal, on all land to which the Council provides or makes available the service within the Karoonda township.

The Council will recover this cost through an annual service charge of \$445.00 per unit occupied land and \$420.00 per unit vacant land per rateable assessment.

Where the service is provided to non-rateable land, a service charge is levied against the land.

Kerbside Waste Management – Service Charge

Council provides a kerbside waste management collection service, including a yellow recycling bin and a green general waste bin.

In order for Council to move towards financial sustainability, this service should be a self-funding cost system, however as it is not available across the whole district, only those benefitting from the service should be paying for it.

The annual service charge for the 2019 – 2020 financial year will be \$100.00 per property for those properties in receipt of the service and within the kerbside collection boundary.

Pensioner Concessions, State Senior Card Ratepayer (Self-Funded Retiree) and Other Concessions

From 1 July 2015, the State Government elected to replace the concession on Council rates with the “cost of living payment” provided directly to those entitled. This payment may be used for any purpose, including offsetting Council rates.

To check eligibility, contact :

Department for Communities and Social Inclusion Concessions

Hotline 1800 307 758 or

www.sa.gov.au/.

From 1 July 2017, the State Government is providing an alternative method of delivering the CWMS pensioner concession. This concession will no longer be processed through the Council rates.

Postponement of Rates – Seniors

Ratepayers who hold a State Seniors Card (or who are eligible to hold a State Seniors Card and have applied for one) are able to apply to Council to postpone payment of rates on their principal place of residence. Postponed rates remain as a charge on the land and are not required to be repaid until the property is sold or disposed of. Interest (at the rate prescribed in the Local Government Act 1999) will be charged and compounded monthly on the total amount postponed, until the debt is paid.

REBATE OF RATES

The Local Government Act 1999 requires Councils to rebate the rates payable on some land. Specific provisions are made for land used for health services, community services, religious purposes, public cemeteries and educational institutions. Discretionary rebates may be applied by the Council under Section 166 of the Act.

Sale of Land for Non-payment of Rates

The Local Government Act 1999 (Section 184) provides that Council may sell any property where the rates have been in arrears for three years or more. The Council is required to provide the principal ratepayer and the owner (if not the same person) with details of the outstanding amounts and advise the owner of its intention to sell the land if payment of the outstanding amount is not received within one month.

PAYMENT OF RATES

Council rates are billed quarterly in accordance with the Local Government Act 1999.

Rates may be paid as follows:

- Telephone/internet using the Bpay services through participating banks;
- Phone the District Council of Karoonda East Murray on 08 85781 004 during business hours to pay with Mastercard or Visa. Please quote your Assessment Number;
- Post your cheque (marked payable to the District Council of Karoonda East Murray) with your remittance to DCKEM, PO Box 58, Karoonda SA 5307;
- In person at the District Council of Karoonda East Murray, 11 Railway Terrace, Karoonda SA 5307.

That pursuant to Section 181(1) of the Local Government Act 1999, all rates are payable in four equal or approximately equal instalments on or before the following dates:

- 19 September 2019
- 19 December 2019
- 19 March 2020
- 19 June 2020

Late Payment of Rates

The Local Government Act 1999 provides that councils impose a penalty of 2% on any payment for rates, whether instalment or otherwise, that is received late. A payment that continues to be late is then charged an interest rate, set each year according to a formula in the Act, for each month it continues to be late. The purpose of this penalty is to act as a genuine deterrent to ratepayers who might otherwise fail to pay their rates on time, to allow councils to recover the administrative cost of following up unpaid rates and to cover any interest cost the council may meet because it has not received the rates on time.

The Council imposes late payment penalties strictly in accordance with the Local Government Act 1999.

When the Council receives a payment in respect of overdue rates the Council applies the money received as follows:

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

KAROONDA EAST MURRAY ANNUAL BUSINESS PLAN & BUDGET 2019 - 2020

COMMUNITY CONSULTATION

Council welcomed feedback from our community on the proposed activities and funding arrangements. Community consultation ran from 21 June 2019 until 16 July 2019.

KEY DATES

- 21 June 2019 Community consultation opened
- 16 July 2019 Community consultation closed
- 18 July 2019 Council formally received submissions
- 18 July 2019 Council adopted Annual Business Plan & Budget 2019-2020

PUBLIC MEETING

A formal public meeting to hear submissions on the draft Annual Business Plan and Budget 2019-2020 was held in conjunction with a Special Council Meeting on Thursday 18 July 2019 at the Council Chambers, 11 Railway Terrace, Karoonda.



District Council of Karoonda
East Murray

11 Railway Terrace
PO Box 58
Karoonda SA 5307
Tel: 08 8578 1004
Fax: 08 8578 1246
Email: council@dckem.sa.gov.au

Many of the images used throughout this document were kindly submitted by members of our community.