

District Council of Karoonda East Murray

Annual Business Plan & Budget

2021 - 2022



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This Annual Business Plan (the Plan) outlines the District Council of Karoonda East Murray's (Council) planned services, projects and major expenditures for the 2021-22 financial year.

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 by Council is a reflection of

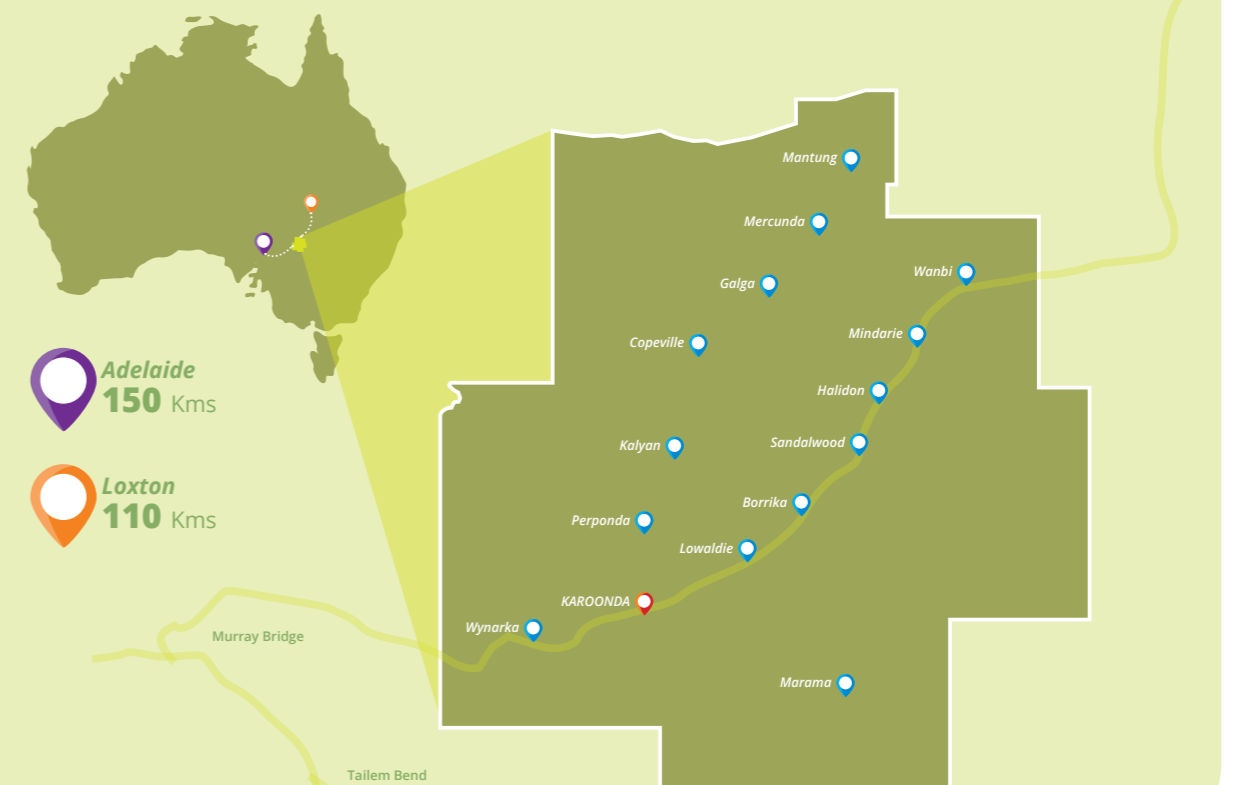
both meeting Council's obligations under legislation and making policy choices on behalf of the community to achieve Council's longer-term goals. Council also has remained responsive and respectful of the current economic and seasonal conditions.

District Profile

The District Council of Karoonda East Murray was established in 1911 and its economic base is predominantly dry land agriculture, largely based on traditional broad acre grain and wool.

The Council covers an area of approximately 4,415 square kilometres and has an estimated

population of 1,090. Located only 150kms from Adelaide and 110km from Loxton, Karoonda is referred to as 'the Heart of the Mallee'. The district has an extensive road network, with some 1,716km of roads, 100km of which are sealed.



Strategic Direction

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

With the completion of the Community Vision 2040, Council is now able to conduct its short and mid-term planning with a view to helping deliver on the long-term aspirations of the community.

The Community Vision 2040 documents the community's long term aspirations and goals encapsulates and summarised in document form. It identified the six key themes that embody the values of our community and will be used as the basis to shape our future. In reviewing this plan, Council adopted the following vision statement and key themes, believing it reflects Council's aspirations for the community.

KEY THEMES

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



The Year Ahead

The year ahead will see council continue to build the sustainability and resilience of its operations. With robust documents including the Community Vision 2040, the Long Term Financial Management Plan and the Economic Development and Tourism Strategy underpinning operations, council has never been more informed or prepared for the future.

Engaging with our community will focus and inform council operations and the networking with neighbouring councils, peak associations and the LGA will ensure best practice and a unified sector.

The executive leadership team has undergone several changes in terms of portfolios and responsibilities. With the most recent recruitment of the Manager of Assets, Infrastructure and Regulatory Services this team now represents a highly experienced, innovative group focussed on leading their teams in serving the community and achieving value in each activity.

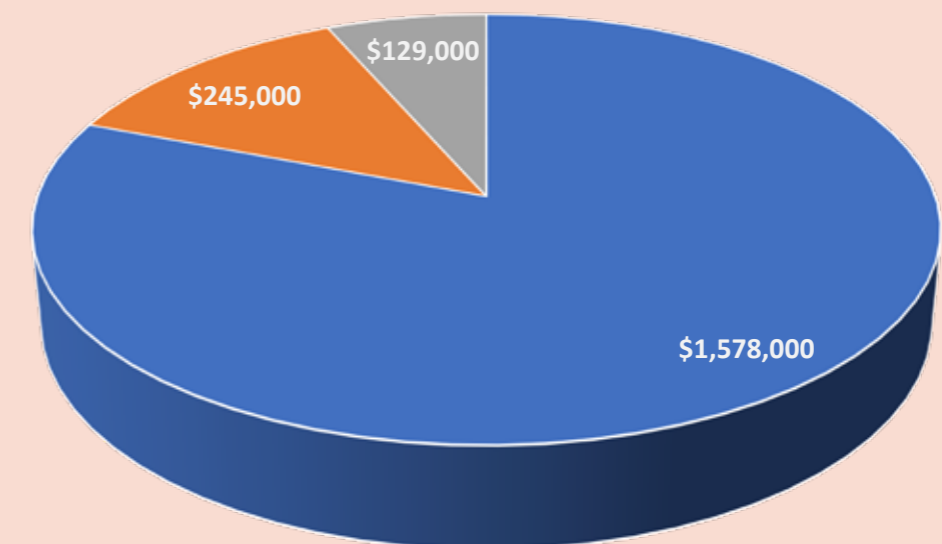
Continual analysis and review of service levels, operations and functions has resulted in a

conservative 2021 - 2022 budget that will accommodate and increase in FTE by 1 and a return to a second patrol grader for a portion of the year. Road maintenance during peak periods will continue to provide positive results with a construction program driven by the recent road audit.

New and continuing projects such as the walking trail and caravan park will look to build on the success of existing infrastructure to further enhance the district and the implementation of the Economic Development and Tourism Strategy will be a highlight.

A recent review of the Asset Management Plan will see increased value from council assets and have a nett positive impact on this plan of approximately \$150,000.

Capital expenditure for the 2021 - 2022 financial year will total \$2.76 m AUD and consist of the following:



- **28 km of Unsealed Road Renewal & Knights Well Road Reconstruction** Sandalwood/Marama Road 4,700 metres, Peake Road 16,100 metres and Berger Road 6,800 metres
- **Plant and Equipment Replacement** 1x utility, skid steer loader, front end loader
- **Building & Structure Maintenance** CWMS, Storm Water, Buildings/Structures

Achievements 2020-21

Council considers it important that this Annual Business Plan for 2021-22 takes the opportunity to provide an assessment of the extent to which Council's objectives for 2020-21 are being attained. The following provides a progress report on the more significant items identified in the 2020-21 Annual Business Plan and Budget.

LIVEABLE

Project Name	Comments
Develop Disability Access & Inclusion Plan	Completed
Create relevant and appropriate by-laws	Kelley Jones have been engaged to complete the bylaw reviews.
Road network gazettal statuses	Undertook training on the NHVR portal permit site, opportunities exist in application of commodity routes as opposed to gazetting which takes the permit application away for 3 year span. Further discussion with the CEO will establish which roads should be permitted.
Mallee Kids Child Care (review)	Completed
CP – Road Renewal – Gribble Bore Rd	Completed
CP – Road Renewal – Turners Well Rd	4 km of road has been carted and spread with rubble continuing to be raised.
CP – Road Renewal – Charleson Rd	Final scope and costings completed. Rubble raising to commence towards the end of June.
CP – Road Renewal – township seal	This project is in the final stages of completion – the road subsurface has been reinstated and is waiting on final trim and bitumen to be laid.
CP - Sealed Road Safety Project	Completed
CP – Karoonda Institute Refurbishment	This project is Completed. In what is fantastic example of reinvigorating an older building, the institute has been transformed into a three modern meeting spaces with all of the latest technology. As the primary space for both community and external groups to meet, this facility is definitely coming alive again.
CP – Karoonda Walking Trail	Stage one has been completed and we are actively looking for funding to complete stage three.
CP – Memorabilia Storage Conversion	Only remaining task outstanding is the installation of shelving which will be completed in the next few weeks.
CP – Footpath Design & Upgrade	The main street works have been completed. Hand rails have been installed vastly improving the accessibility of business premises. By the end of the financial year footpaths along Bodey Street, Peak Terrace and North Terrace will have been completed.

Achievements 2020-21

CONNECTED

Project Name	Comments
Cemetery Upgrades & Working Bees (Sandalwood Hall)	Project cut off date is 21 September 2021. Marama cemetery – awaiting supply of bark chips/mulch from DCKEM for next working bee. Sandalwood Hall – Original Lalira school located and will be scanned for updated sign. Tank and pump ordered awaiting delivery. Working bees for remaining cemetery projects to be organised in near future – list of interested parties to be contacted when dates confirmed. Access issues resolved for the Wynarka Cemetery.
Karoonda Festival of Sound (Mallee Summer Sounds)	Completed

PROSPEROUS

Project Name	Comments
Complete Economic Development & Tourism Strategy	Completed and in the initial stages of implementation.
Redesign Karoonda.com & booking system	Initial phone meeting with third party (Plastyks) held on 1 June 2021. Setting up workshop with YAC members to discuss project.
Drought Support & Resilience Project	Completed
CP – Toilet Block Refurbishment at Apex Park	Completed

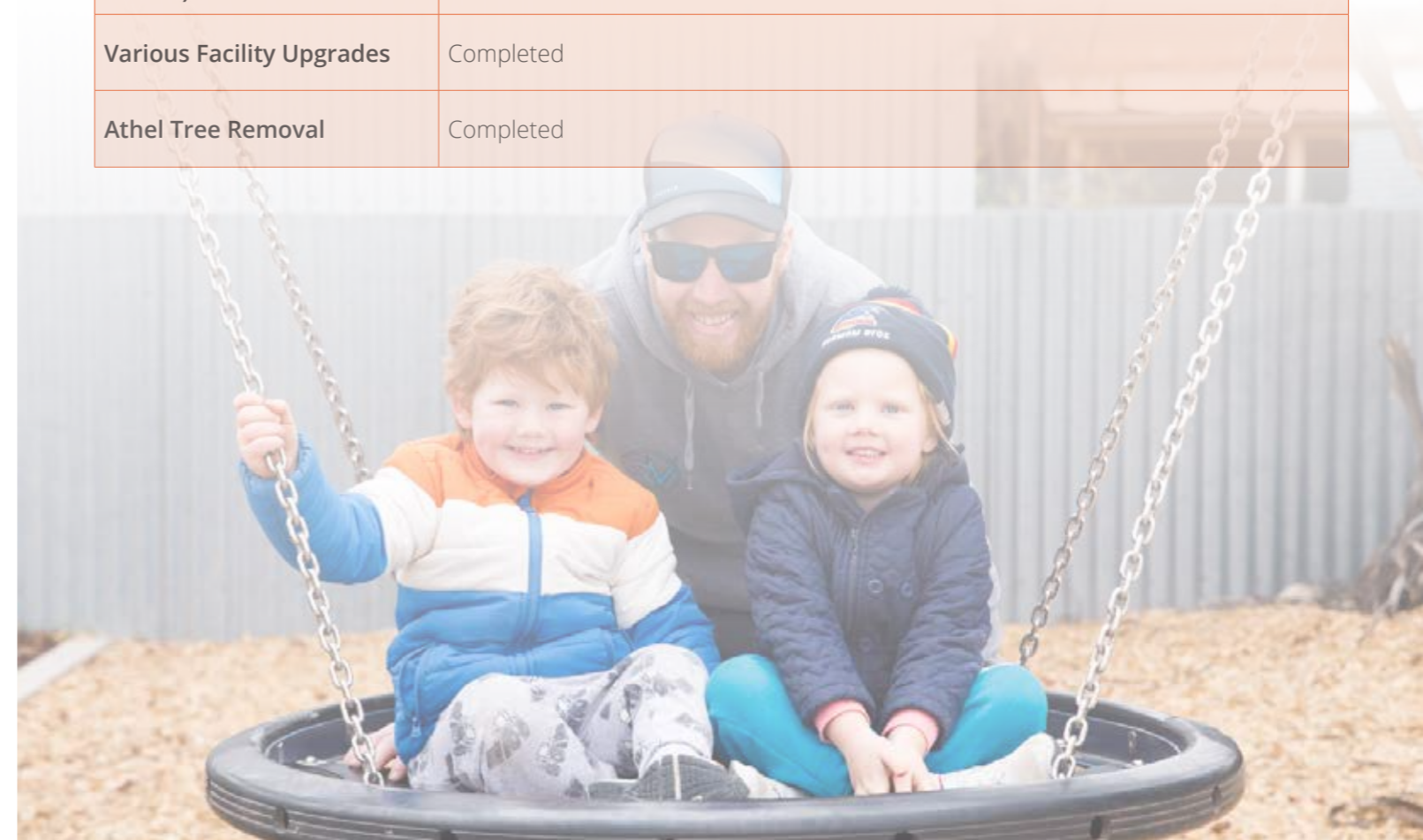
Achievements 2020-21

OPPORTUNISTIC

Project Name	Comments
Residential Development Initiatives	<p>Building Karoonda Initiative. Rebate application period ends on 30/06/2021. Five blocks settled (13/11, 25/11, 04/12, 29/01, 16/04). Settlement period deadline has now passed – no further sales/settlements pending.</p> <p>All development applications are in and pending approvals. At least one builder has made contact with Council to advise of difficulties with materials supply due to demand as a direct effect of the HomeBuilder Grant.</p> <p>Note: on 17 April 2021, the Australian Government announced it would extend the construction commencement requirements for the HomeBuilder Grant from 6 months to 18 months for all submitted applications (that is, for all contracts signed 4 June 2020 - 31 March 2021 inclusive).</p>
Secure access to EMAS site	<p>Continues access to this site has been confirmed for the sporting club. Waiting on a response from Crown Lands as to the future of the school infrastructure.</p> <p>A report has been generated at State Government level and it is likely that we will not see any response in the next 12 months.</p>
Transition Wanbi hall to private ownership	This project will not progress and is in the hands of the Wanbi Hall committee.
Identify future shovel ready projects	Potential projects list has been created and will establish a bi-monthly process of grant opportunity review and project alignments.
Develop Tourist Park Masterplan	Report has been included in the June Council agenda. The recent allocation of LRCI funding will provide council with an opportunity to commence this project.
Industrial Services (connect services)	SA Power networks providing costings for power. Discussions with local businesses as to interest/commitments.
Industrial Services	Installation of power and water to Lewis Road Industrial Land to increase possibility of investment / industry attraction by reducing infrastructure overheads for new development.
Karoonda Farm Fair Exhibition Shed	<p>Working through fire compliance/water supplies to achieve permanent certificate of completion/occupation.</p> <p>Opening date is pending this certification. KFF&S to be informed.</p>

ACTIVE

Project Name	Comments
Assist developing community access arrangements for KAS Pool	<p>KAS and Council have entered into an agreement for community use. Liaised with DECS Project Manager – still no opening date .</p> <p>Correspondence received from DECS that they are working towards finalizing a longer term agreement prior to the 2021 swimming season in November.</p>
Support Pioneer Park to sustainably manage collection	<p>Continuing to work with Karoonda Historical Society. CEO Attended AGM where a new president was elected.</p> <p>Correspondence sent re congratulations, and also seeking a project list to validate the budget allocation. Increased support to be provided to ensure that budget allocations are achieving value.</p>
Renew leases on reserves for key sporting groups	Completed
Mallee Playground Trail	Completed
Karoonda Cemetery (toilet & shed)	Completed
Various Facility Upgrades	Completed
Athel Tree Removal	Completed



Achievements 2020-21

ECO FRIENDLY

Project Name	Comments
Redevelop Roadside Vegetation Management Plan	Completed.
Increase frequency of kerbside recycling	Service levels improving – 3 month contract review to be completed upon commencement of MAIRS.
Create a waste facility strategy for Karoonda landfill	Have committed to participating in the procurement process under the MRLGA strategy.
Review underlying cost structures of CWMS	Have held a site meeting with Trility and now await corresponded for a plan and costing on an audit action plan with a view to full operation for irrigation purposes.
Pest & Weeds R1	Completed.
Pest & Weeds R2	Program currently underway. Regular monthly reports provided to the Pest and Weed – Round 2 Program Steering Committee. 2 x contract staff engaged. Budget review with Field supervisor. Program is on schedule. Currently out to tender for the construction of a boom sprayer. This program is at the half way mark and a review of the effectiveness of both streams to be completed prior to commencing the final half of the program.
Sand Drift Removal	Waiting on completion of Turners Road Works. Charleston Rd to have more sand drift removed from road verge. This will happen when working on re sheet, next project after Turners Well Rd.

Achievements 2020-21

GOVERNANCE & ORGANISATIONAL

Project Name	Comments
Develop Business Continuity Plan	Draft has been developed and will be presented to Leadership Team for comment.
Implement GIS Data Collection tool	Completed.
Implement Human Resources Action Plan	Draft HR Policy has been developed will be presented to staff at the next opportunity.
Implement WHS & Injury Management Plan	Consultant has been working with staff and should be finalised in the next few weeks.
Develop Strategic Risk Register	In progress, draft was presented at March Audit Committee meeting.
Council Meetings	
Audit Committee Meetings	
Youth Action Committee Meetings	The YAC has been established for 12 months now, all members expressed their interest in continuing their positions on the committee for a further 12 months.
Grant Opportunities Meetings	Continually monitoring opportunities. Most recent opportunity under the Commissioner for Children and Youth was successful.

PLANT REPLACEMENT

Project Name	Comments
Grader	Completed.
Roller	Completed
Work Ute	Completed
Work Ute	Delayed until 2021/22 Financial Year
Sand Drift Removal	Targeted sand drift removal from Council roads

Significant Influences

Significant INFLUENCES & PRIORITIES

The 2021-22 financial year will be another busy period for Council on the back of a busy 12 months, during which a number of projects were delivered for the community. A comprehensive list of Council's achievements for the 2020-21 financial year can be found in Appendix C.

The focus for council has and will continue to be on achievable value for money activities that are sustainable and provide long term benefits for residents and visitors. Council values of being a thriving, prosperous, innovative and connected community will continue to drive our decision making process and underpin our activities.

The Economic and Tourism Strategy has been a carefully considered and constructed road map with which to build on the successes of the past whilst looking to a vibrant future. As a key economic driver this will support the growth of our townships through an increased tourist spend and support businesses looking to invest or increase their services in our district.

A number of other significant factors have influenced the preparation of the Council's 2021-22 Annual Business Plan.

These include:

- The global Covid 19 pandemic
- State/Commonwealth grant funding not keeping pace with the increase in associated service delivery costs.
- Council's current financial position and Long Term Financial Management Strategy
- Consumer Price Index increases on existing goods and services of 1% for the year (December quarter 2020)
- Requirements to maintain and improve infrastructure assets to sustainable standards
- Service delivery needs for a decreasing population
- Facilitating the future financial sustainability of Council by ensuring the financial operations remain within policy targets adopted for such purpose
- Provision and retention of sufficiently qualified experienced and trained staff
- The need to establish sound Strategic Plans and policies to achieve long term sustainability

Continuing Services

Council SERVICES

All Councils have basic responsibilities under the Local Government Act and other relevant legislation. These include:

- Regulatory activities e.g. maintaining the voters roll and supporting the Elected Members;
- Setting rates, preparing an annual budget and determining longer-term strategic management plans for the area;
- Management of basic infrastructure including roads, footpaths, parks, public open space, street lighting and storm-water drainage;
- Street cleaning and rubbish collection;
- Fire prevention;
- Development planning and control, including building safety assessment;
- Various environmental health services.

In response to community needs the Council also provides further services and programs including:

- Youth Development
- Public Health and Safety
- Animal Management Services
- Community and Sporting Facilities
- Economic Development
- Environmental Plans and Projects

- Community and Cultural Development.

In all services the Council seeks to be responsive to changing needs. Regular community surveys are undertaken to check levels of satisfaction and areas for improvement. The Council also operates a number of facilities on a fee for service basis.

These provide important community benefits while also generating revenue for services and projects:

- Animal management fees;
- Property Information Searches;
- Development Application fees;
- Leases and licences associated with use of council buildings and property;
- Road Rents;
- Cemetery charges;
- Rubbish Dump/Waste Transfer Station fees;
- Mobile Food Vending Licence fees;
- Private works carried out for ratepayers and other government departments.



Capital Projects 2021 – 2022

Capital EXPENDITURE

Statement of Capital Expenditure	Budget 2021-22 \$,000	Comments
Renewal:		
Unsealed:		
Sandalwood/Marama Rd	151	From Pilchera Bore to Loller 4.7 kms
Peake Rd	628	From Kulkawurra to Gino 16.1 kms
Berger Rd	199	From Andriske to Walker Flat 6.8kms
Plant & Equipment:		
Ute	45	Trade in: 2017 Toyota Hilux D/C (patrol)
Tractor	80	Trade in: New Holland TD950 Tractor (FEL)
Skid Steer	80	Trade in: Cat 226B2 Skid Steer
Minor Plant	40	Allocation based on asset data renewal spends identified in LTFP.
Buildings	40	Allocation based on asset data renewal spends identified in LTFP.
Structures	12	Allocation based on asset data renewal spends identified in LTFP.
StormWater	16	Allocation based on asset data renewal spends identified in LTFP.
CWMS	26	Allocation based on asset data renewal spends identified in LTFP.
Other	35	Allocation based on asset data renewal spends identified in LTFP.
Total Renewal	1,351	
New		
LRCI Phase 2 Project	239	Options currently being considered by Council
LRCI Phase 3 Project	555	Options currently being considered by Council
Knights Well Road	600	Partially funded
Total New	1,394	
TOTAL CAPITAL EXPENDITURE	2,746	

Financial Sustainability

Financial SUSTAINABILITY

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.

OPERATING SURPLUS RATIO

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

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

The operating surplus ratio from the proposed budgeted activity for the year is a deficit of (1%). This result arises because operating expenses is budgeted to be \$27k more than Council's operating income for the year.

ASSET SUSTAINABILITY RATIO

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 2021-22 is 100% which indicates that sufficient funds have been allocated to replace assets in the 2021-22 financial year.

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 equal 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 following table sets the budget estimates as at 30 June 2022:

Calculation of Net Financial Liabilities Ratio	Estimated \$,000
Trade & Other Payables	1,346
Provisions	265
Total Liabilities	1,511
Less Financial Assets:	
Cash & Cash Equivalents	2,108
Trade & Other Receivables	288
Total Financial Assets	2,396
Equals: Net financial liabilities (Total liability minus financial assets)	(885)
Operating Income (Opinc)	4,755
Net Financial Liabilities Ratio (NFL divide Opinc)	(19%)

The current estimate of Council's net financial liabilities on 30 June 2022 is negative \$2.4M (i.e. the level of Council's cash and investments will exceed borrowings). This results in a net financial liabilities ratio of (19%) which is well within the target range established in Councils long term financial plan.

OVERALL ASSSSMENT 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 Plan (LTFP) and Strategy.

Councils ongoing financial strategy as identified in the long term financial plan will ensure that Council achieves an operating surplus on an ongoing basis.

The target Asset Sustainability Ratio of 100% is within the target ranges set by Council in the LTFP.

Councils Net Financial Liabilities are within the target ranges set by Council in the LTFP.



Non-Financial Performances Measures

The following proposed non-financial performance measures for the 2021-22 financial year are linked to the Community Vision 2040 strategy;

Prosperous

- Implement the Economic Development and Tourism Strategy
- Complete Stage 1 of the Karoonda Caravan Park redevelopment
- Provide support to community and industry groups to attract greater investment
- Continue to promote Karoonda as a great place to work live or visit
- Identify funding opportunities for current and new businesses
- Strengthen ties between peak industry associations such as the LGA and MRLGA
- Complete the implementation of the visitor information section of the council office

Liveable

- Complete the review of the provision of regulatory services
- Continue to build the independence and success of Mallee Kids
- Deliver a balanced capital works program prioritizing renewal and maintenance
- Formulate a management plan for District memorabilia in the new facility

Connected

- Develop achievable projects for the Youth Action Committee to lead
- Support Communities with local projects
- Continue to advocate for improved telecommunications
- Formalise a volunteer program
- Continue to actively participate in local & national forums to raise the profile of the district

Opportunistic

- Target grant funding opportunities to support shovel ready projects
- Continue to target funding to support community groups & provide grant writing support
- Facilitate investment through a reduction of red tape in planning applications
- Continue to review council owned residential and industrial land
- Maintain agility in council operations to increase value in each activity

Active

- Complete stage 1 & 2 of the walking trail plan
- Investigate activating underutilized open spaces
- Finalise community access and staffing for the Karoonda Community Pool
- Support the Karoonda Historical Society in managing the collection
- Formalise township maintenance plans for all communities

Eco Friendly

- Review waste transfer operations with a view to diverting a greater amount of refuse from landfill
- Provide greater opportunity for residents and businesses to dispose of recyclates
- Complete the CWMS review to utilize treated water on parks and gardens
- Refit existing cabins at the caravan park to facilitate a lower carbon footprint
- Review fire prevention strategies and plans
- Implement roadside vegetation management activities

Our Funding

FUNDING THE BUSINESS PLAN

Council intends to fund the 2021-22 Annual Business Plan with a revenue mix consisting of grant funding, statutory charges, user fees and rating revenue.

Council's revenue in 2021-22 totals \$4,755M which includes \$1.761M proposed to be raised from general and other rates. This constitutes 37% of Council's forecast income for 2021-22 with the remaining 63% coming from:

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

Council's long term financial sustainability is dependent on ensuring that, on average over time, its expenses are less than its revenue. Although a net operating deficit of \$27K is being forecast for 2021-22, this ought to be viewed in the context of Council's Long Term Financial Plan.

GRANT FUNDING

Local Government generally 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 2021 – 2022 budget assumes that four quarterly instalments of the Federal Government financial assistance grants (both general purpose and local roads components) will be received during 2021 – 2022.

Roads to Recovery Grants (Federal) & Supplementary Local Roads Grant

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	Capital Grant Funding	Amount \$,000
Financial Assistance Grant	1,674	LRCI Grant Phase 2	239
Supplementary Local Roads Grant	170	LRCI Grant Phase 3	855
Roads to Recovery Grant	345	LGIPP Grant	300
Pest and Weeds	328	Total Grant Funding	1,394
Youth Grant	5		
Other	30		
Total Grant Funding	2,552		

Uniform Presentation of Finances

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

Readers are strongly encouraged to take the time to comprehend how this report is structured and what the implications of the various lines of this report are for the Key Financial Indicator calculations. Definitions and examples of the key components of this report are included in the glossary at the end of this document.

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 of 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 \$247k indicates that Council is effectively proposing to increase cash reserves by \$247k to fund the movement in net financial liabilities identified below for the year ending 30 June 2022.

UNIFORM PRESENTATION OF FINANCES

	Forecast 2020-21 \$,000	Budget 2021-22 \$,000
Operating Revenue	6,067	4,755
less Operating Expense	(6,164)	(4,782)
Operating Surplus / (Deficit) before Capital Amounts	(97)	(27)
less Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	1,743	1,351
less Depreciation, Amortisation & Impairment	(1,485)	(1,535)
less Proceeds from Sale of Replaced Assets	(227)	(90)
	31	(274)
less Net Outlays on New & Upgraded Assets		
Capital Expenditure on New & Upgraded Assets	1,247	1,394
less Amounts specifically for new or upgraded Assets	(1,187)	(1,394)
less Proceeds from Sale of Surplus Assets	0	0
	60	0
Net Lending/ (Borrowing) for Financial year	(188)	247



Rating Arrangements 2021 – 2022

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.

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 6 July 2021.

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.

Council's budget contains general rate revenue of \$1.544M net of rebates, a target rate revenue increase for 2021-2022 of 3.0% plus CPI to help fund this Annual Business Plan. This represents a 4.0% increase on total general rates raised (net of rebates) compared to 2020 - 2021.

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 2021 – 2022 being set at \$375.00.

REGIONAL LANDSCAPE LEVY (PREVIOUSLY KNOWN AS THE NATURAL RESOURCES MANAGEMENT LEVY)

The District Council of Karoonda East Murray is within the area covered by the Murraylands and Riverland Regional Landscape Board and is required under the Landscape South Australia Act 2019 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 2021-22 Council's annual contribution to the Murraylands and Riverland Regional Landscape Board (SA Murray-Darling Basin NRM) is \$69,494.

The District Council of Karoonda East Murray is operating as a revenue collector for the Murraylands and Riverland Regional

RATING ARRANGEMENTS 2021 – 2022 – *Continued*

Landscape 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 adopt an annual service charge for the financial year ending 30 June 2022, 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 \$475.00 per unit occupied land and \$450 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 2021 – 2022 financial year will be \$150.00 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.

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:

- 15 September 2021
- 15 December 2021
- 15 March 2022
- 15 June 2022

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).

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.

Sale of Land for Non-payment 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 Debt Recovery Policy that provides a policy and procedure approach to the recovering of outstanding rates. If the rate installments outstanding remain unpaid then the outstanding amount can be referred to Council's debt collection agent for recovery action.

Statutory Statements

STATEMENT OF COMPREHENSIVE INCOME

	Note	Forecast 2020-21 \$,000	Budget 2021-22 \$,000	Variance \$,000
INCOME				
Rates - General		1,485	1,544	59
Rates - Other		204	217	13
Statutory Charges		34	42	8
User Charges		300	327	27
Grants & Subsidies		3,967	2,552	(1,415)
Investment Income		19	18	(1)
Reimbursements		2	3	1
Other Revenues		57	52	(5)
Total Operating Income		6,067	4,755	(1,312)
EXPENDITURE				
Employee Costs		1,216	1,205	(11)
Materials, Contracts & Other Expenses		3,463	2,041	(1,422)
Depreciation		1,485	1,535	50
Total Operating Expenditure		6,164	4,782	(1,382)
OPERATING SURPLUS/(DEFICIT)		(97)	(27)	70
Gain / Loss on Disposal of Assets		11	0	(11)
Amounts Received Specifically for New Assets		1,187	1,394	208
NET SURPLUS / (DEFICIT) transferred to Equity Statement		1,101	1,368	267

BALANCE SHEET

	Forecast 2020-21 \$,000	Budget 2021-22 \$,000	Variance \$,000
ASSETS			
CURRENT ASSETS			
Cash & Cash Equivalents	1,861	2,108	247
Trade & Other Receivables	288	288	0
Inventories	12	12	0
Total Current Assets	2,161	2,408	247
NON-CURRENT ASSETS			
Infrastructure, Property, Plant & Equipment	43,332	44,452	1,121
Other	331	331	0
Total Non-Current Assets	43,663	44,783	1,121
TOTAL ASSETS	45,824	47,191	1,368
LIABILITIES			
CURRENT LIABILITIES			
Trade & Other Payables	1,346	1,346	0
Borrowings	0	0	0
Short Term Provisions	150	150	0
Total Current Liabilities	1,496	1,496	0
NON-CURRENT LIABILITIES			
Long Term Borrowings	0	0	0
Long Term Provisions	15	15	0
Total Non-Current Liabilities	15	15	0
TOTAL LIABILITIES	1,511	1,511	0
NET ASSETS	44,313	45,680	1,368
EQUITY			
Accumulated Surplus	15,980	17,347	1,368
Asset Revaluation Reserve	28,330	28,330	0
Other Reserves	0	0	0
TOTAL EQUITY	44,313	45,680	1,368

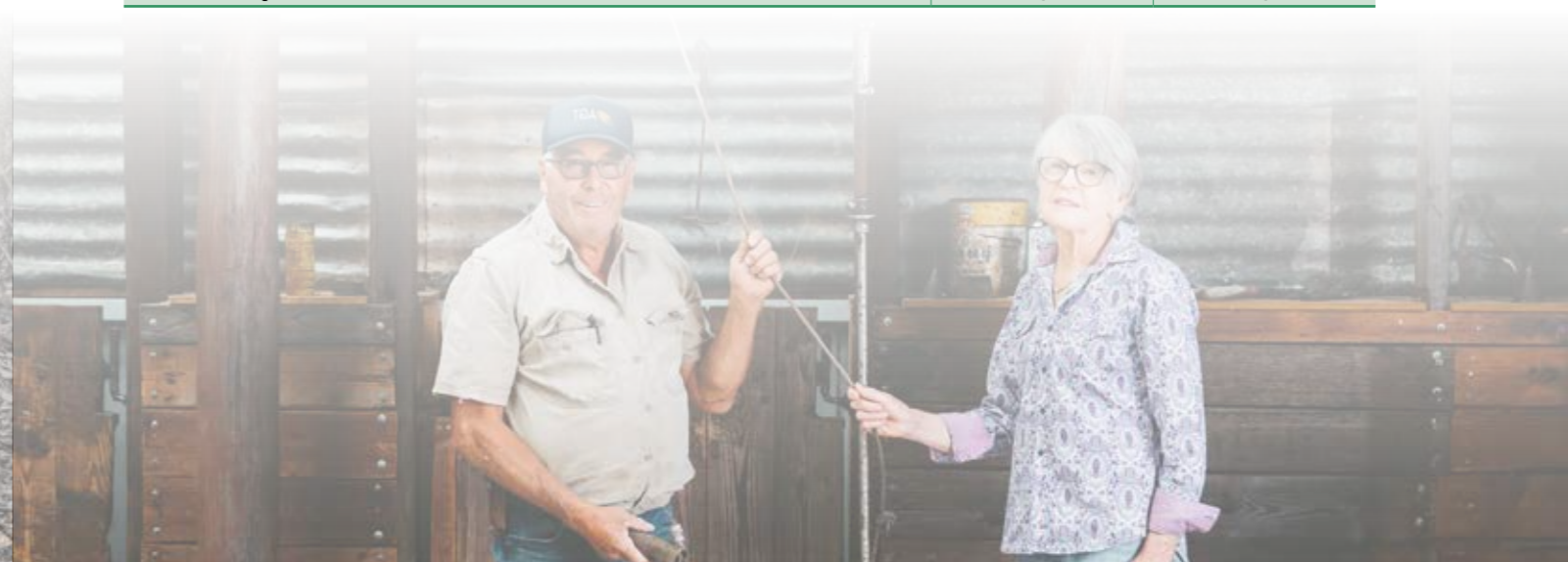
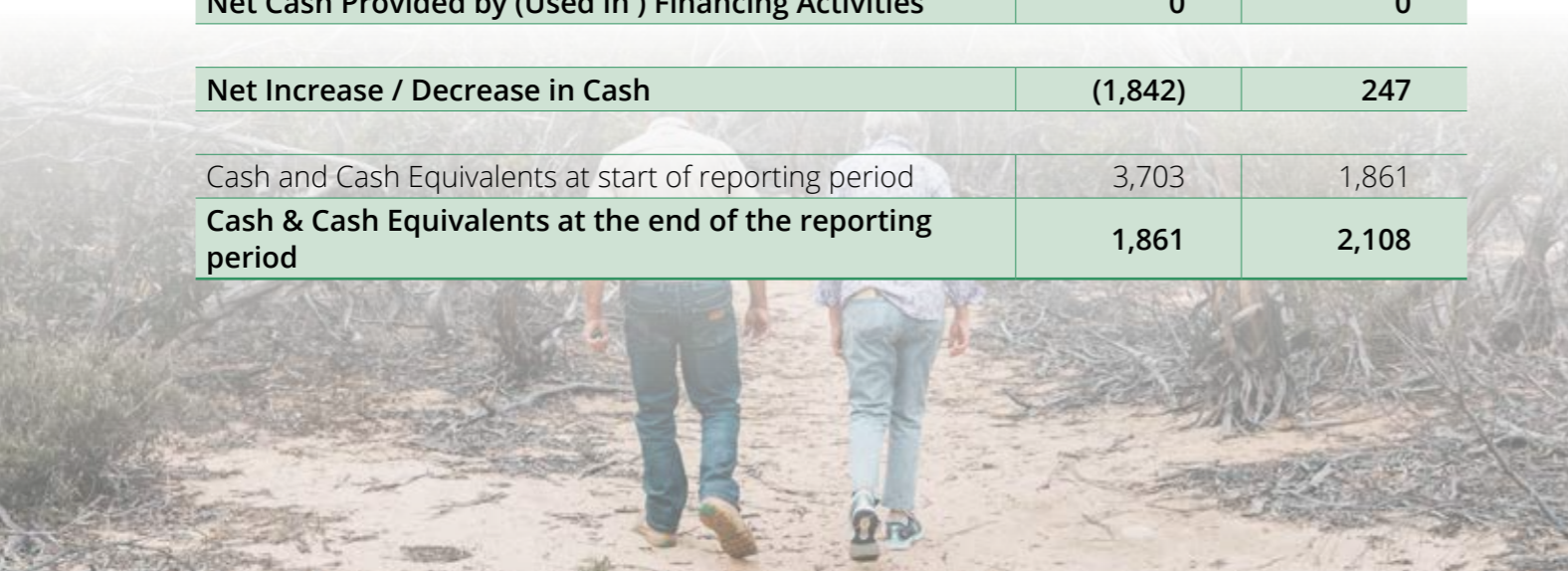
Financial Statements 2021 - 2022 - continued

STATEMENT OF CASH FLOWS

	Forecast 2020-21 \$,000	Budget 2021-22 \$,000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts		
Operating Receipts	4,394	4,737
Investment Receipts	19	18
Payments		
Operating Payments to Suppliers & Employees	4,679	3,247
Finance Payments	0	0
Net Cash provided by (or used in) Operating Activities	(266)	1,508
CASH FLOWS FROM INVESTING ACTIVITIES		
Receipts		
Grants Specifically for new or upgraded assets	1,187	1,394
Sale of replaced Assets	227	90
Payments		
Expenditure on renewal/replaced assets	1,743	1,351
Expenditure on new/upgraded assets	1,247	1,394
Net cash provided by (used in) Investing Activities	(1,576)	(1,261)
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	(1,842)	247
Cash and Cash Equivalents at start of reporting period	3,703	1,861
Cash & Cash Equivalents at the end of the reporting period	1,861	2,108

STATEMENT OF EQUITY

	Forecast 2020-21 \$,000	Budget 2021-22 \$,000
ACCUMULATED SURPLUS		
Balance at end of previous reporting period	14,879	15,980
Net Result for Year	1,101	1,368
Transfer from Reserves	0	0
Transfer to Other Reserves	0	0
Balance at end of period	15,980	17,347
ASSET REVALUATION RESERVE		
Balance at end of previous reporting period	28,333	28,333
Gain on Revaluation of Property Plant & Equipment	0	0
Balance at end of period	28,333	28,333
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	44,313	45,680



KAROONDA EAST MURRAY ANNUAL BUSINESS PLAN & BUDGET 2021 - 2022

COMMUNITY CONSULTATION

Council welcomed feedback from our community on the proposed activities and funding arrangements. Community consultation ran from 16 June 2021 until 7 July 2021.

KEY DATES

- 16 June 2021 Community Consultation opened
- 7 July 2021 Community Consultation closed
- 13 July 2021 Council formally received submissions
- 13 July 2021 Adopted Annual Business Plan & Budget 2021-2022

PUBLIC MEETING

A formal public meeting to hear submissions on the draft Annual Business Plan and Budget 2021-2022 was held in conjunction with a Council Meeting on Tuesday 13 July 2021 at the Council Chambers, 11 Railway Terrace, Karoonda.

District Council of Karoonda East Murray

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PO Box 58
Karoonda SA 5307
Tel: 08 8578 1004
Fax: 08 8578 1246

Email: council@dckem.sa.gov.au

