

District Council of Karoonda East Murray

Annual Business Plan & Budget

2022 - 2023



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Introduction

This Annual Business Plan (the Plan) outlines the District Council of Karoonda East Murray's (Council) planned services, projects and major expenditures for the 2022-23 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.

This annual business plan delivers a deficit budget of \$24k in line with councils long term financial management requirements.

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.

The Community Vision 2040 documents the community's long term aspirations and goals encapsulates and summarised in document form. It identifies the six key themes that embody the values of our community and are 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. As we transition out of a period of elevated government grants, it is critical to re-establish 'everyday operations' to ensure the viability and longevity of council. The Community Vision 2040, the Long Term Financial Management Plan and the Economic Development and Tourism Strategy continue to underpin and provide direction for council. The volatility of the current economic environment continues to test these strategies with operational practices evolving to suit.

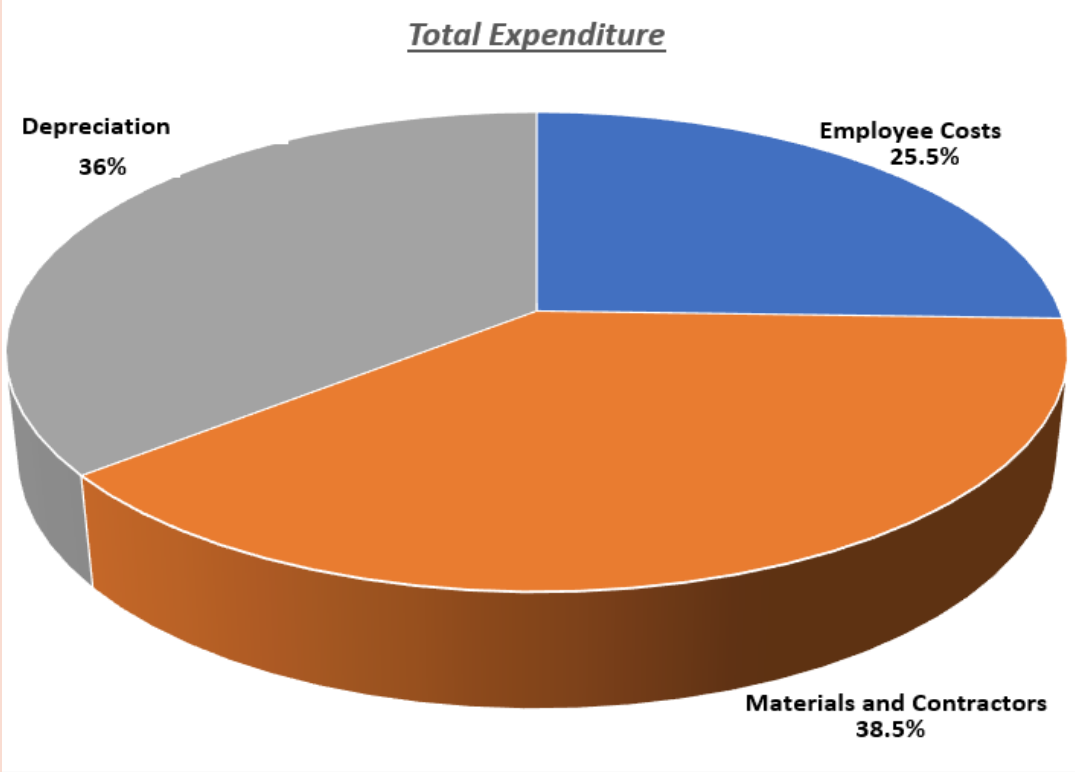
Engaging with our community will continue to focus and inform council operations and the networking with neighbouring councils, peak associations and the LGA will ensure best practice and a unified sector.

Continual analysis and review of service levels, operations and functions has resulted in a conservative 2022 - 23 budget that will continue to support our community as operations return to 'business as usual' levels.

The Tourist Park continues to enjoy increased patronage and the completion of the upgrades will provide yet further accommodation options for visitors to our region whilst supporting local businesses and the diversification of industry. The revitalisation of Apex Park has refreshed this space with new facilities for both the community and visitors.

Capital expenditure for the 2022-23 financial year will total \$1.997M and will include the following main projects:

- 25km of Unsealed Road Renewal \$938,000
- Plant and Equipment Replacement \$500,000
- Building and structure maintenance \$170,000
- Footpath upgrade \$150,000
- Council Chambers ceiling and IT upgrades \$70,000
- New Waste Cell \$50,000



Achievements 2021-22

Council considers it important that this Annual Business Plan for 2022-23 takes the opportunity to provide an assessment of the extent to which Council's objectives for 2021-22 are being attained.

The following provides a progress report on the more significant items identified in the 2021-22 Annual Business Plan and Budget.

LIVEABLE

Sustainably managing community infrastructure, advocating for continued and expanded services with both state and federal governments, developing a Transport Connections Plan and developing robust open space and reserve management plans. The following projects highlight how we are working towards and achieving this:

- Creation of relevant and appropriate by-laws
- Road Renewal works - Turners Well Road, Charleston Road, Township Seal Sandalwood/Marama Road, Peake Road and Knights Well Road all completed.
- Completion of stage 1 of the Karoonda Walking Trail
- Completion of the Karoonda Oval Irrigation Upgrade

CONNECTED

As a connected community we are striving to encourage and advocate for investment in technology infrastructure, develop a diverse calendar of community events including sport, art and cultural activities, support active community groups and advocate for expanded educational opportunities for the community. The following projects highlight how we are working towards and achieving this:

- Cemetery Upgrades
- Karoonda Farm Fair and Show sponsorship and in kind works
- Karoonda Youth Action Committee
- Mallee Business Association sponsorship and in kind support
- Karoonda SALA
- Karoonda art trail addition (sculpture)

ACTIVE

By providing an environment and infrastructure that leads to high participation through a wide range of sports will help achieve and create an active community. With an inclusive nature, spaces will be provided for exhibitions, cultural and historical interpretation, dance, theatre and other performing arts. The following projects highlight how we are working towards and achieving this:

- Support Pioneer Park to sustainably manage collection
- Karoonda Swimming Pool operations
- In kind work with Karoonda Sporting groups with facility upgrades and maintenance

Achievements 2021-22

OPPORTUNISTIC

An opportunistic community requires effective master planning processes for town, open spaces, reserves and facilities, as well as new and improved community facilities, combined with implementing community leadership and capacity building programs. The following projects highlight how we are working towards and achieving this:

- Continue to identify future shovel ready projects
- Industrial Services precinct development (connect services)
- Karoonda Farm Fair Exhibition Shed
- Engage with business owners to determine how they can be connected to Council's initiatives (QR coding)
- Karoonda Waste Station recycling shed

PROSPEROUS

To be a prosperous community we need to have a strong and capable economic outlook with local businesses supported by effective programs and networks. By developing an ambitious Economic Development Strategy, creating new and unique visitor experiences, supporting the local business associations, building and maintaining relationships with federal and state governments, enhancing linkages between schools, educational institutions and local industry. The following projects highlight how we are working towards and achieving this:

- Redesign Karoonda.com & booking system
- Karoonda Business Rebate Initiative
- Karoonda Tourist Park Upgrades
- Karoonda Housing Initiative Round 1 and development of Round 2

ECO FRIENDLY

With the goal to sustainably manage our environment and minimise the impacts of a changing climate, council and community will reduce its carbon footprint. The following projects highlight how we are working towards and achieving this:

- Create a waste facility strategy for Karoonda landfill
- Activate CWMS accreditation and water reuse opportunities
- Completion of Pest & Weeds R2
- Karoonda Tourist Park off grid cabins
- Review council landscaping opportunities for water wise plantings
- Review plant operations to reduce diesel use

Achievements 2021-22

GOVERNANCE & ORGANISATIONAL

Project Name	Comments
Develop Business Continuity Plan	Completed.
Implement Human Resources Action Plan	Completed.
Implement WHS & Injury Management Plan	Completed.
Develop Strategic Risk Register	In progress.
Council Meetings	Ongoing.
Audit Committee Meetings	Ongoing.
Youth Action Committee Meetings	Ongoing.
Grant Opportunities Meetings	Continually monitoring opportunities.

PLANT REPLACEMENT

Project Name	Comments
1 x Utility	Completed.
Skid Steer	Completed.
Town Tractor	Completed.
Minor Plant	Completed.



Significant Influences

Significant INFLUENCES & PRIORITIES

The 2022-23 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 2021-22 financial year can be found in Section 10.

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 is entrenched in our operations and has started delivering significant returns to both the community and business owners. The increase in patronage in the Tourist Park has exceeded expectations with occupancy rates exceeding the previous year.

Other incentives such as the Karoonda Business Incentive and Karoonda Housing Initiative continue to provide positive state wide exposure to the district in satisfaction of this strategy.

A number of other significant factors have influenced the preparation of the Council's 2022-23 Annual Business Plan.

These include:

- Global supply chain issues.
- Significant increases in service input costs.
- 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 5.1% for the year (March quarter 2022).
- Requirements to maintain and improve infrastructure assets to sustainable standards.
- Liaising with external agencies to ensure essential services are maintained such as Doctor and Hospital access.
- 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 new and review existing Strategic Plans and policies to achieve long term sustainability



Impact of Inflation on the Annual Budget and Rate Setting Process:

The 2022-23 financial year is the first year in a long time where current and forecast future inflation has been a material influence on the budget and rate setting process. The most recent Australian Bureau of Statistics Consumer Price Index figures from March 2022 measure inflation at 5.1% over the preceding twelve months.

The following graph demonstrates that since March 2015 inflation has on average been less than 2%. It can also be seen that inflation is spiking due to two main worldwide influences being the supply chain issues resulting from the Covid-19 pandemic as well as the impact on fuel prices due to the sanctions imposed on Russia in retaliation to Russia's invasion of Ukraine.

Council has adopted a Long Term Financial Plan that is underpinned by a financial strategy that returns Council to an operating surplus in the 2024-25 financial year.

The key plank in this strategy is to levy a 3% plus CPI increase in rate revenue for each of the years ending 30 June 2023 to 30 June 2025.

To comply with this strategy Council intends to increase rate revenue by 8.1% (CPI 5.1% plus 3%) for the 2022-23 financial year. This converts to an annual increase of \$125k of which \$79k is due to inflation and \$46k is due to the implementation of Council's financial strategy. In real terms rate revenue has increased by \$46k not \$125k.

Management have reviewed Council's operating expenditure and identified reductions where possible without impacting on the range and level of Council services provided to the community. It has become clear from this review that many expenses (for example fuel and transportation costs) have increased by more than 5.1% and are expected to continue to increase over the 2022-23 financial year.

The Budget produces a deficit of \$24k meaning Council is intending to spend more than it is receiving in operating income.

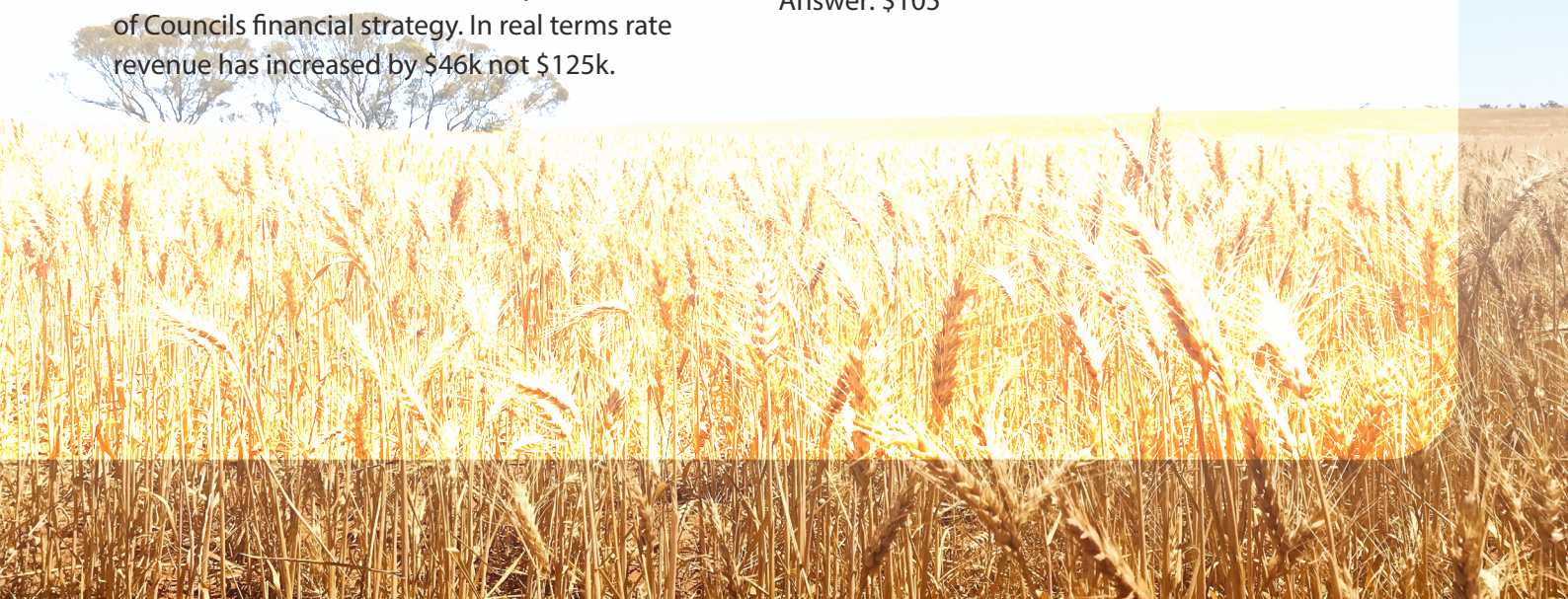
If Council were to ignore its financial strategy and not increase rate revenue in real terms by 3% then the deficit would be \$60k instead of \$24k. Council could not say it was operating in a sustainable manner.

A simple way of looking at inflation is to think of it as the purchasing power of a dollar. i.e. How much can a dollar buy today when compared to how much a dollar could buy a year ago. Consider the following hypothetical situation:

- The provision of a service costs \$100 on the 31 March 2021
- Inflation between 31 March 2021 & 31 March 2022 is 5%

Question: What would it cost to provide the same level of service on the 31 March 2022?

Answer: \$105

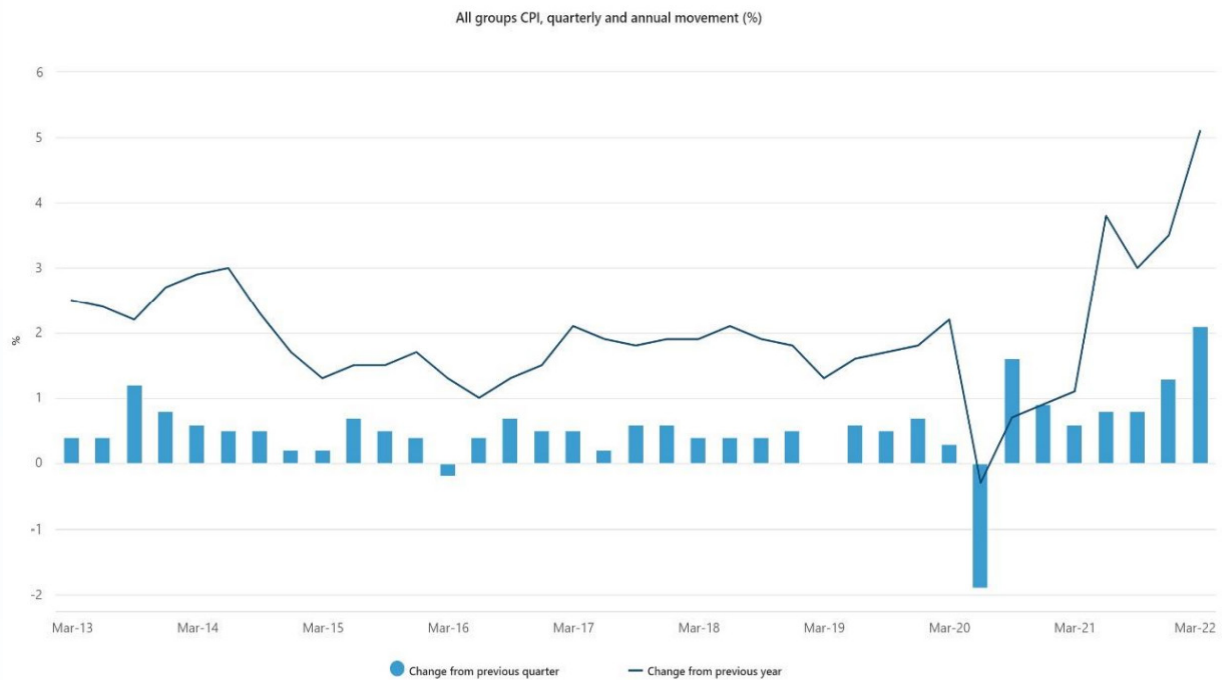


Another way of looking at this scenario is to conclude that \$100 could only purchase \$95 worth of services on 31 March 2022 when compared to how much a \$100 would have purchased a year earlier.

Based on the above example if inflation were to be 7.1% (instead of 5.1%) across the 2022-23 financial year, then Council would only be increasing rate revenue in real terms by 1% or \$15k as the cost of providing services would be 2% greater than budgeted for.

Council can only set their rates once, in June of each year, whereas suppliers can increase their prices throughout the year in line with inflation.

If inflation were to run at 7.1% across the 2022-23 financial year, the financial strategy would have not been implemented and Council is at risk of operating in an unsustainable manner. Hence it can be seen that even though rate revenue is proposed to increase by 8.1%, Council remains exposed as cpi may well be greater than 5.1% or alternatively the true cost of service delivery may well be more than cpi, ie cpi might not be a relevant yardstick to assess the local government sector with.



Source: Australian Bureau of Statistics, Consumer Price Index, Australia March 2022



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.

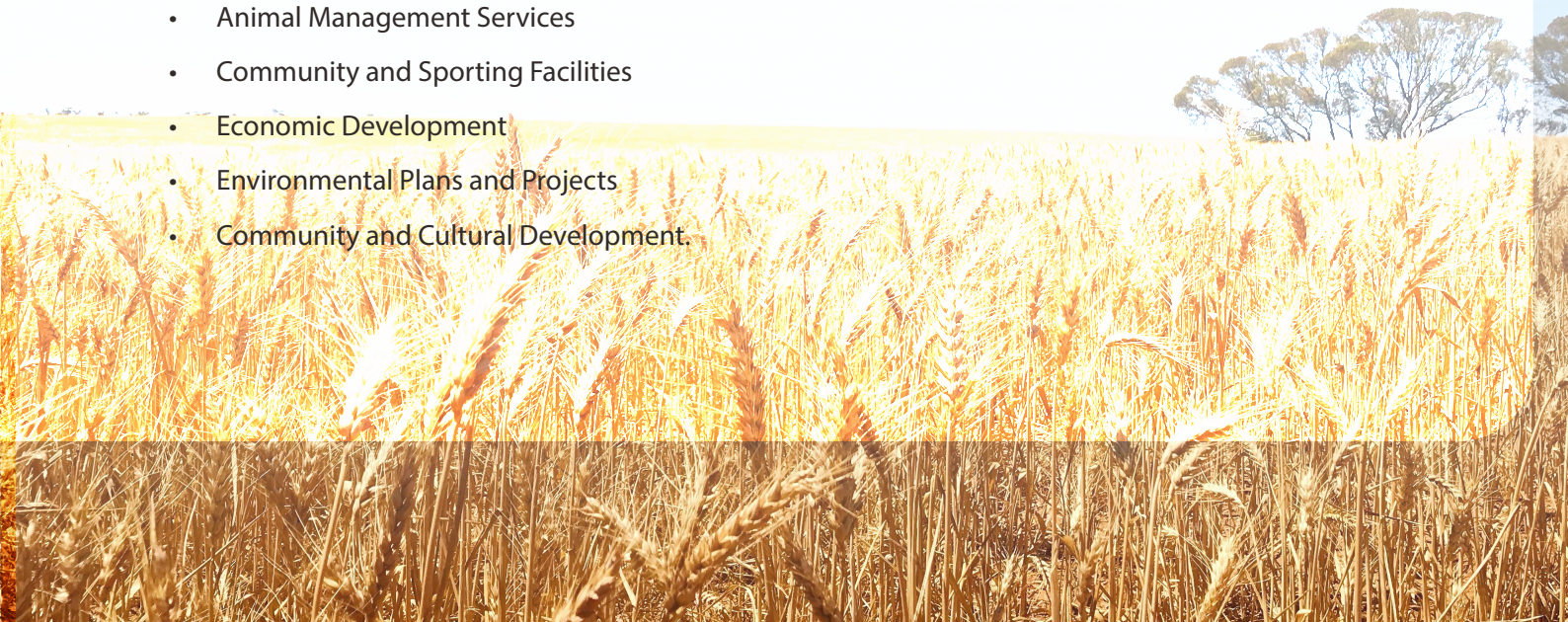
In response to community needs the Council also provides further services and programs including:

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

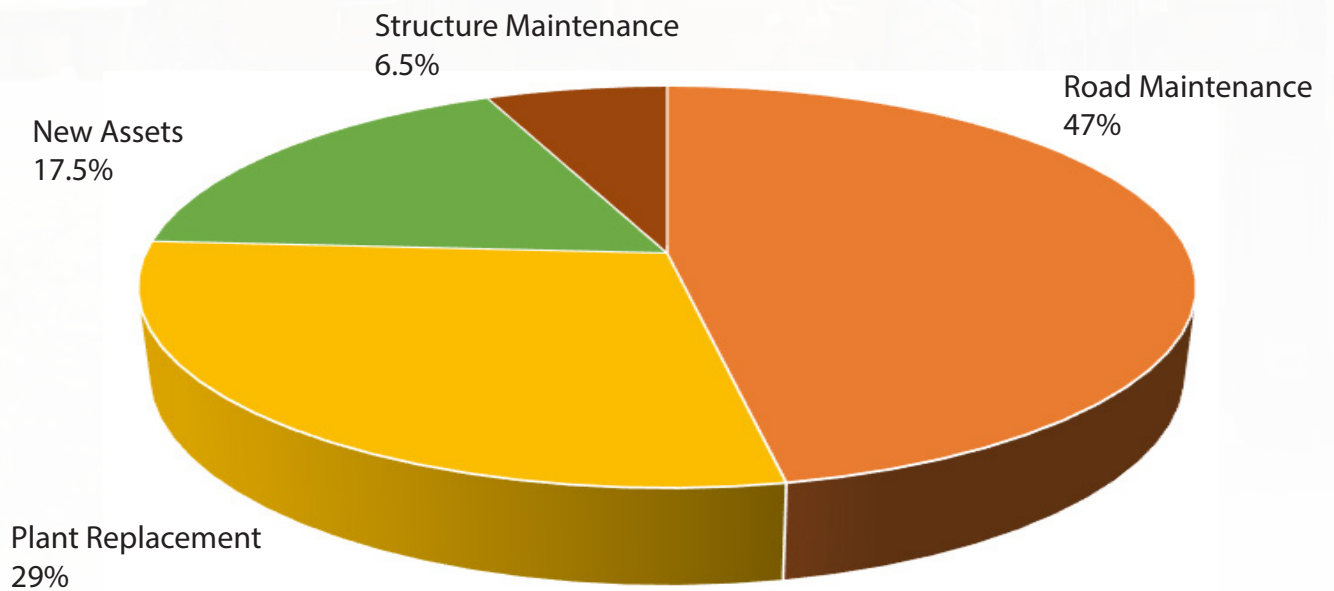
In all services the Council seeks to be responsive to changing needs. Regular community surveys are undertaken to check levels of satisfaction and areas for improvement. The Council also operates a number of facilities on a fee for service basis.

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.



Expense Breakdown



Capital Expenditure

Work Program

Statement of Capital Expenditure	Budget 2022-23 \$,000	Comments
Renewal:		
Unsealed:		
Church Rd	469	CAT 2 - 12.1 kms inclusive of required earthworks
Road yet to be confirmed	469	12.9 kms
Plant & Equipment:		
2 x Utes	120	Trade in: 2017 Toyota Hilux D/C (patrol), 2021 Landcruiser Workmate
1 x Grader	380	Trade in: existing grader - plant 43
1 x Ride on Mower	40	Trade in: existing mower - plant 46
Minor Plant	40	Allocation based on asset data renewal spends identified in LTFP.
Building and Structure Maintenance	103	Allocation based on asset data renewal spends identified in LTFP.
CWMS	26	Allocation based on asset data renewal spends identified in LTFP.
Total Renewal	1,647	
New		
Depot Toilet and changeroom	70	Options currently being considered by Council
New Flag Poles - main street	10	Replacement of existing poles - will reduce the need for ewp fire to change banners
Footpaths	150	New concrete footpaths
Replacement of chamber ceiling and speaker system	70	Existing ceiling and confrence system requires replacement
New Waste Cell	50	Existing cell has between 6 - 9 months useful life left
Total New	350	
TOTAL CAPITAL EXPENDITURE	1,997	

Financial Sustainability/Financial Performance Measures

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 income is budgeted to be \$24k more than Council's operating expenses for the year.

Council does not intend to operate in deficit on

an ongoing basis. The long term financial plan is underpinned by a financial strategy that will see Council back in surplus by the 2024-25 financial year.

ASSET SUSTAINABILITY RATIO (ASR)

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

The Asset Sustainability Ratio indicates whether the Council is renewing or replacing existing 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 2022-23 is 100% which indicates that sufficient funds have been allocated to replace assets in the 2022-23 financial year.

NET FINANCIAL LIABILITIES (NFL) AND NET FINANCIAL LIABILITIES RATIO

Does Council have a manageable level of debt and other liabilities when considering its available revenue and other cash reserves?

Net financial liabilities is a comprehensive

measure of the indebtedness of the Council as it includes items such as employee long-service leave entitlements and other amounts payable as well as taking account of the level of Council's available cash and investments. Specifically, net financial liabilities 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 2023:

Calculation of Net Financial Liabilities Ratio	Estimated \$,000
Trade & Other Payables	193
Provisions	204
Total Liabilities	397
Less Financial Assets:	
Cash & Cash Equivalents	1,145
Trade & Other Receivables	345
Total Financial Assets	1,490
Equals: Net financial liabilities (assets)	(1,093)
Operating Income (Opinc)	4,643
Net Financial Liabilities Ratio (NFL divide Opinc)	(24%)

The current estimate of Council's net financial liabilities on 30 June 2023 is negative \$1.093M (i.e. the level of Council's cash and investments will exceed liabilities). This results in a net financial liabilities ratio of (24%) which is within the target range established in Council's long term financial plan.

OVERALL ASSSSMENT OF COUNCIL'S FINANCIAL SUSTAIBILITY (based on the above ratios)

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 Performance Measures - 2022-23

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

Prosperous

- Embed the Economic Development and Tourism Strategy in both community and council operations
- 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
- Develop a region prospectus for potential investors
- Attract new investment in the Karoonda Industrial Estate

Liveable

- Review Mallee Kids operating model and growth opportunities
- Deliver a balanced capital works program prioritizing renewal and maintenance
- Complete the management plan and community access for District memorabilia in the new facility
- Complete the first build of round 2 of the Karoonda Housing Initiative
- Continue to support the management of Pioneer Park

Connected

- Develop achievable projects for the Youth Action Committee to lead
- Identify community members for mentorship opportunities
- Support Communities with local projects
- Continue to advocate for improved telecommunications

- Formalise a volunteer program
- Continue to actively participate in local and 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

- Continue to activate under-utilised open spaces
- Finalise a more cost effective operating model for community access and staffing for the Karoonda Area School Pool
- Complete the Walk of Remembrance
- Review and amend township maintenance plans for all communities
- Revise community space management plans

Eco Friendly

- Complete the Karoonda Waste Station shed development and management plan
- Provide greater opportunity for residents and businesses to dispose of recyclates
- Refit existing cabins at the caravan park to facilitate a lower carbon footprint
- Review fire prevention strategies and plans
- Implement roadside vegetation management activities
- Review council operations to identify efficiencies

Our Funding

FUNDING THE BUSINESS PLAN

Council intends to fund the 2022-23 Annual Business Plan with a revenue mix consisting of grant funding, statutory charges, user fees and rating revenue.

Council's revenue in 2022-23 totals \$4,643M which includes \$1.9M proposed to be raised from general and other rates. This constitutes 41% of Council's forecast income for 2022-23 with the remaining 59% 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 \$24K is being forecast for 2022-23, this should 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

Council has complete discretion as to expenditure of funds received.

Council's 2022 – 23 budget assumes that four quarterly instalments of the Federal Government financial assistance grants (both general purpose and local roads components) will be received during 2022 – 23.

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.

Source	Forecast 2021-22 \$,000	Budget 2022-23 \$,000
Financial Assistance Grant	1,674	1,733
Supplementary Local Roads Grant	170	170
Roads to Recovery Grant	345	345
Fuel Tax Credits	30	31
Other	2	2
Child Care	20	20
	2,241	2,301

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 \$96k indicates that Council is effectively proposing to increase cash reserves by \$96k to fund the movement in net financial liabilities identified below for the year ending 30 June 2023.

UNIFORM PRESENTATION OF FINANCES

	Forecast 2021-22 \$,000	Budget 2022-23 \$,000
Operating Revenue	5,045	4,643
less Operating Expense	(5,385)	(4,667)
Operating Surplus / (Deficit) before Capital Amounts	(340)	(24)
less Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	1,729	1,647
less Depreciation, Amortisation & Impairment	(1,638)	(1,674)
less Proceeds from Sale of Replaced Assets	(90)	(250)
Net Outlays on Existing Assets	1	(278)
less Net Outlays on New & Upgraded Assets		
Capital Expenditure on New & Upgraded Assets	1,251	350
less Amounts specifically for new or upgraded Assets	(1,394)	0
less Proceeds from Sale of Surplus Assets	0	0
Net Outlays on New & Upgraded Assets	(143)	350
Net Lending/ (Borrowing) for Financial year	(198)	(96)



Rating Arrangements 2022 – 2023

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 considering 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 11 June 2022.

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 \$1.669M net of rebates, a target rate revenue increase for 2022-23 of 3.0% plus CPI to help fund this Annual Business Plan.

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 2022 – 2023 being set at \$375.00.

	ABP 2021 - 22	ABP 2022 - 23	\$ Increase	% Increase
All Zones	\$1,544k	\$1,669k	\$125k	8.1%
Total Expected revenue from General Rates (excluding rebates and remissions that are not discretionary rebates or remissions)	\$1,544k	\$1,669k	\$125k	8.1%

RATING ARRANGEMENTS 2022 – 2023 – Continued

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 2022-23 Council's annual contribution to the Murraylands and Riverland Regional Landscape Board (SA Murray-Darling Basin NRM) is \$71,853.

The District Council of Karoonda East Murray is operating as a revenue collector for the Murraylands and Riverland Regional 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 2023, 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 \$515.00 per unit occupied land and \$485.00 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 2022 – 23 financial year will be \$165.00 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 2022
- 15 December 2022
- 15 March 2023
- 15 June 2023

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.

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

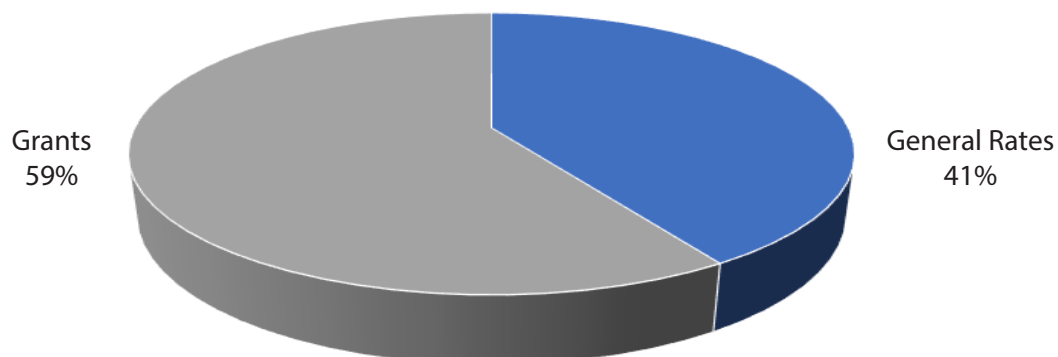
As part of this Rating Strategy the Council will make available extended payment arrangements by entering into a payment agreement where the payment of Rates will cause a ratepayer demonstrable hardship.

Recovery of Outstanding Rates

The Council has adopted a 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

Income Sources 2022/2023



STATEMENT OF COMPREHENSIVE INCOME

	Note	Forecast 2021-22 \$,000	Budget 2022-23 \$,000	Movement \$,000
INCOME				
Rates - General		1,544	1,669	125
Rates - Other		217	231	14
Statutory Charges		42	43	2
User Charges		327	325	(1)
Grants & Subsidies		2,842	2,302	(541)
Investment Income		18	18	0
Reimbursements		3	3	0
Other Revenues		52	52	0
Total Operating Income		5,045	4,643	(402)
EXPENDITURE				
Employee Costs		1,205	1,190	(15)
Materials, Contracts & Other Expenses		2,541	1,803	(738)
Depreciation		1,638	1,674	36
Total Operating Expenditure		5,385	4,667	(717)
OPERATING SURPLUS/(DEFICIT)		(340)	(24)	316
Amounts Recieved Specifically for New Assets		1,394	0	(1,394)
NET SURPLUS / (DEFICIT) transferred to Equity Statement		1,055	(24)	(1078)

STATEMENT OF FINANCIAL POSITION

	Forecast 2021-22 \$,000	Budget 2022-23 \$,000
ASSETS		
CURRENT ASSETS		
Cash & Cash Equivalents	1,241	1,145
Trade & Other Receivables	345	345
Inventories	6	6
Total Current Assets	1,592	1,496
NON-CURRENT ASSETS		
Financial Assets	0	0
Infrastructure, Property, Plant & Equipment	45,806	45,879
Other	657	657
Total Non-Current Assets	46,463	46,536
TOTAL ASSETS	48,056	48,032
LIABILITIES		
CURRENT LIABILITIES		
Trade & Other Payables	193	193
Borrowings	0	0
Short Term Provisions	194	194
Total Current Liabilities	387	387
NON-CURRENT LIABILITIES		
Long Term Borrowings	0	0
Long Term Provisions	10	10
Total Non-Current Liabilities	10	10
TOTAL LIABILITIES	397	397
NET ASSETS	47,659	47,635
EQUITY		
Accumulated Surplus	17,686	17,662
Asset Revaluation Reserve	29,973	29,973
Other Reserves	0	0
TOTAL EQUITY	47,659	47,635

Financial Statements 2022 - 2023 - continued

STATEMENT OF CASH FLOWS

	Forecast 2021-22 \$,000	Budget 2022-23 \$,000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts		
Operating Receipts	3,874	4,625
Investment Receipts	18	18
Payments		
Operating Payments to Suppliers & Employees	3,787	2,993
Net Cash provided by (or used in) Operating Activities	105	1,650
CASH FLOWS FROM INVESTING ACTIVITIES		
Receipts		
Grants Specifically for new or upgraded assets	1,394	0
Sale of replaced Assets	90	250
Payments		
Expenditure on renewal/replaced assets	1,729	1,647
Expenditure on new/upgraded assets	1,251	350
Net cash provided by (used in) Investing Activities	(1,496)	(1,747)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net Increase / Decrease in Cash	(1,391)	(96)
Cash and Cash Equivalents at start of reporting period	2,632	1,241
Cash & Cash Equivalents at the end of the reporting period	1,241	1,145

STATEMENT OF CHANGES IN EQUITY

	Forecast 2020-21 \$,000	Budget 2022-23 \$,000
ACCUMULATED SURPLUS		
Balance at end of previous reporting period	16,631	17,686
Net Result for Year	1,055	(24)
Balance at end of period	17,686	17,662
ASSET REVALUATION RESERVE		
Balance at end of previous reporting period	29,973	29,973
Gain on Revaluation of Property Plant & Equipment	0	0
Balance at end of period	29,973	29,973
TOTAL EQUITY AT END OF REPORTING PERIOD	47,659	47,635



KAROONDA EAST MURRAY ANNUAL BUSINESS PLAN & BUDGET 2022 - 2023

COMMUNITY CONSULTATION

Council welcomed feedback from our community on the proposed activities and funding arrangements. Community consultation ran from 12 May 2022 until 07 June 2022.

KEY DATES

12 May 2022	Community Consultation opened
07 June 2022	Community Consultation closed
14 June 2022	Council formally received submissions
14 June 2022	Adopted Annual Business Plan & Budget 2022-2023

PUBLIC MEETING

A formal public meeting to hear submissions on the draft Annual Business Plan and Budget 2022-2023 was held in conjunction with a Council Meeting on Tuesday 14 June 2022 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

