



**Barunga West
Council**

ANNUAL BUSINESS PLAN 2023-2024



Port Broughton Seaside Markets

NARUNGGGA ACKNOWLEDGMENT

We acknowledge the traditional country of the Narungga (Nharangga) community and pay respect to Elders, past, present and future.

We recognise and respect their cultural heritage, beliefs and relationships with the land. We acknowledge that they are of continuing importance to the Narungga (Nharangga) people today.

MAYOR'S MESSAGE

Welcome to the Council's 2023-2024 Annual Business Plan.

In developing the plan Council has been focussed on completing existing projects, limiting the number of new projects, and maintaining the delivery of core services.

In the coming year Council will realise the completion of a multi-million-dollar capital investment and construction program, comprising both private and public sector funding.

This infrastructure will facilitate further growth of the Fisherman Bay and Bute settlements and will allow the reutilisation of wastewater within those townships.

This year, our staff will also conclude the upgrade of Port Broughton's Civic Square, which will feature the first water display of its kind in the Mid North and Yorke Peninsula.

The 'Connecting Bute's Outdoor Play Spaces' project is also set to be completed by late 2023.

Sand replenishment works will continue along Port Broughton's foreshore.

For 2023/24 Council has allocated funding for new projects in smaller townships, including the upgrading of parking, manoeuvring, and access area near the boat launching ramp in Tickera, and establishing a dump point and bin bank for the area.

Council's capital investment, which has been significant over the past three years, has stimulated growth in the area resulting in 69 new rate payers in 2022/23. This growth is set to continue with new subdivisions planned for Port Broughton, Bute, Tickera and Fisherman Bay.

This growth is vital as it helps spread the burden of rising costs on ratepayers.

The plan shows that a significant portion of Council expenditure and labour is allocated towards maintaining and upgrading existing roads, providing essential services such as waste collection, preserving the district's parks and gardens, and continuing its marketing and tourism program.

This year Council has had to contend with the sizeable impact on costs of rising interest rates and inflation, both of which are running at the highest level in more than a decade.

In addition it has taken into account a further jump in average capital values of 12%.

Balancing these factors, to limit the flow-on effect to ratepayers, while still raising enough revenue to fund the Council's works and functions, has been an onerous task for Council.

In response to these factors, rates will increase but even after rate increases Barunga West Council will still have one of the lowest rate structures in the region, compared to our neighbouring councils. Our differential rate and fixed charge remains low. Barunga West Council also remains one of few Councils who do not charge additional fixed fees to collect waste. This cost is covered in our fixed charge and it will remain that way for this term of Council.

I am proud to be part of Council and pleased to present Council's Annual Business Plan for 2023/24.

Mayor Leonie Kerley

COUNCILLORS

Council comprises the following eight Elected Members as well as the Mayor and is responsible for policy making and decisions that impact the district, community, businesses and the environment.

The roles of Councillors, as described by *Local Government Act 1999* are to:

- Participate in the deliberations and civic activities
- Review policies and procedures
- Review Council's resource allocation, expenditure and activities
- Represent the interest of residents and ratepayers

Elected Members have nominated to actively represent the townships within the council area. Elected Members are always available to take your feedback and you are invited to contact any member.

Elected member contact details can be found on Council's website at www.barungawest.sa.gov.au/council/elected-members



**Mayor
Leonie Kerley**



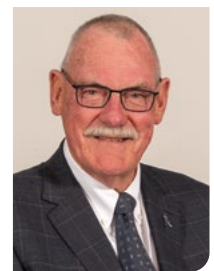
**Deputy Mayor
Peter Button**



**Councillor
Cynthia Axford**



**Councillor
Kevin Beinke**



**Councillor
Dave Eason**



**Councillor
Kim Gregory**



**Councillor
Brian Lockyer**



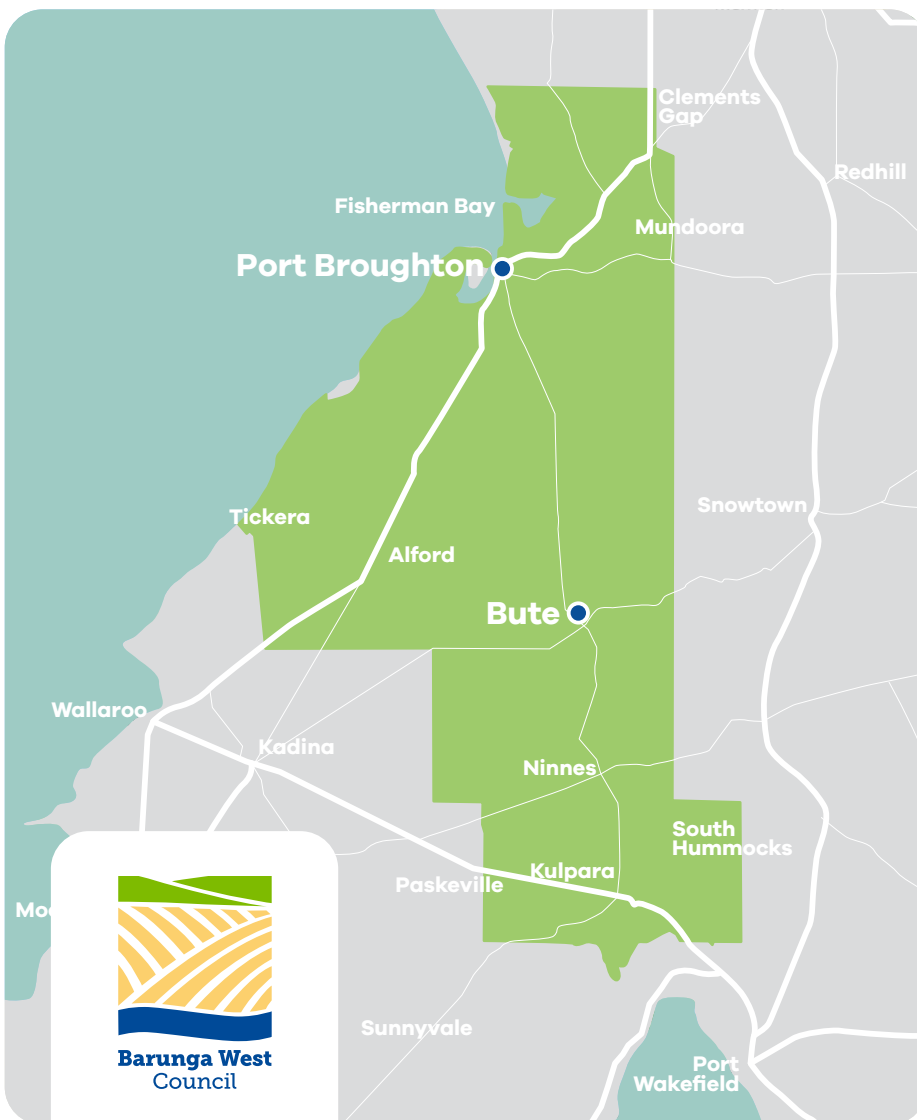
**Councillor
Margaret
McDonald**



**Councillor
Grant Rowlands**

PROFILE OF THE COUNCIL AREA

The Barunga West Council is located on the 'Top of the Yorke', adjacent to the Mid North of South Australia, with its southern-most boundary approximately 110 kilometers north of Adelaide. The townships in the Council area are Alford, Bute, Fisherman Bay, Kulpara, Melton, Mundoora, Port Broughton and Tickera.



The Council covers an area of 1,590 square kilometers and has a total of 931 kilometers of roads. It has boundaries with Copper Coast Council, Yorke Peninsula Council, Port Pirie Regional Council and Wakefield Regional Council.

The main industries in the Council area are agriculture, aged-care services, and recreational and commercial fishing. Engineering, mining and tourism are also highly relevant and influence Council decision-making.

The Council area has several retirement facilities, and these are expanding due to the amenity of life in the area and the central location of the Port Broughton Hospital and related medical services.

According to the 2021 Census data, the Council population is 2,619. The median age of the population is 57 (an increase from 55) compared to the State average of 41 (up from 40) and national average of 37 (down from 38). People aged 65 years and over make up 36% (up from 32.27%) of the population.

The increase in the average age of the population is expected to continue and Council is mindful of the infrastructure necessary to accommodate a growing population of elderly residents in addition to the robust needs of the agricultural and tourism sector.

Contents

1. PURPOSE OF THE ANNUAL BUSINESS PLAN	7
2. LINK TO THE STRATEGIC PLAN (2020-2030)	8
3. SIGNIFICANT INFLUENCES	9
4. BUDGET AT A GLANCE	10
5. CONTINUING ASSET MANAGEMENT AND SERVICES	11
6. REVENUE	12
7. EXPENDITURE	13
8. PRIORITY INITIATIVES AND MAJOR PROJECTS	14
9. FINANCE SUMMARY	16
10. LOAN PORTFOLIO	17
11. RATE STRUCTURE AND POLICIES	18
ATTACHMENT 1 – Annual Financial Statements	22
ATTACHMENT 2 – Statement on Expected Rate Revenue	28

1. PURPOSE OF THE ANNUAL BUSINESS PLAN

The 2023/24 Annual Business Plan is the key annual operational and financial planning document for Council.

It describes the budget allocation for the coming financial year and identifies the initiatives, projects and services that Council is planning to deliver to the community during the year.

Included in this plan is:

- A summary of Council's long-term vision and objectives
- A summary of Council's budget allocation that focuses on maintaining and upgrading its existing assets and providing ratepayers with essential services
- An outline of Council's priority initiatives and major projects
- A summary of Council's proposed operating expenditure, capital expenditure and sources of revenue
- The rates and fees and charges structure and policies

The goals and objectives in Council's Strategic Plan (Uniquely Barunga 2020-2030) provide the framework for this Annual Business Plan.



2021 Feast on the Foreshore

2. LINK TO THE STRATEGIC PLAN (2020-2030)

In the latter part of 2019, Council staff and its Elected Members developed a vision, values and a range of goals to be applied over a ten-year period. The Strategic Plan is based on community feedback received from a community survey undertaken in early 2019.

The following is the vision defined by Councilors:

“We are a vibrant, thriving, safe and welcoming coastal and agricultural community with an un-spoilt natural environment and relaxed country lifestyle.”

This Annual Business Plan summarises Council’s continuing operations and capital works program. The priority initiatives and projects link to and support the following goals and objectives in the Strategic Plan (2020-2023):

GOAL 1

An inclusive and connected community

OBJECTIVE 1

One community

OBJECTIVE 2

Retaining our coastal and rural character

OBJECTIVE 3

A safe, inclusive and active community

GOAL 2

Quality services, facilities and infrastructure

OBJECTIVE 4

Well maintained and sustainable local road network and community infrastructure

OBJECTIVE 5

Sustainable and accessible services

OBJECTIVE 6

Facilities that meet the needs of our community

GOAL 3

A Robust local economy

OBJECTIVE 7

Sustainable local businesses and industry

OBJECTIVE 8

Develop and promote our tourism proposition

OBJECTIVE 9

Develop and promote the area as a desirable place to live

GOAL 4

Preserve and enhance our natural and built environment

OBJECTIVE 10

Preserve our local flora and fauna

OBJECTIVE 11

Promotion and recognition of our local environmental treasures

OBJECTIVE 12

Well-presented towns of which we are proud

GOAL 5

Effective and community leadership

OBJECTIVE 13

An Informed and engaged community

OBJECTIVE 14

Effective leadership and engagement

OBJECTIVE 15

A financially sustainable council

3. SIGNIFICANT INFLUENCES

The following significant influences have been considered in the preparation of this Annual Business Plan:

- The Essential Services Commission advice as a result of the Local Government's Rates Overview Scheme completed in early 2023 including recommendations reviewing rates increases and inflation costs, to bring back an operational surplus as soon as practical.
- A history of relatively low rates including a freeze on rates in 2020/21 due to COVID.
- Major expenditure to reduce back logs in asset management.
- 69 new rate payers or \$119,256 in additional rate revenue as a result of subdivisions undertaken in 2022/23.
- Limited grant income.
- The need to enable the development and release of employment zone land in the district.
- Investment required now to finish projects already commenced in 2022/2023.
- Increases in the Adelaide Consumer Price Index (CPI) which was at 7.9% as at March 2023, resulting in very high material and contractor costs.
- An average increase in capital values of around 12.01% in 2022/23, following consecutive average increases in values of 23.27% in 2021/22, 11.14% in 2020/21 and 10.04% in 2019/20.
- The Long-Term Financial Plan to ensure the financial sustainability of the Council, including reaching an operating surplus by 2028.

Since releasing the 2023/24 Annual Business Plan (ABP) for consultation, Council has decided to investigate the acquisition and development of certain land, currently zoned industrial but used for farming purposes. This decision has been made to address the current lack of industrial land in the district.

Ratepayers are advised that the acquisition and development of this land, should it occur, is expected to result in additional net borrowings as at 30 June 2024.



Dunny Lane and Fisherman Bay

4. BUDGET AT A GLANCE

It is expected that Council's assets at 30 June 2023 will total \$60.770 million which includes infrastructure, property, plant and equipment of \$59.295 million and cash reserves of \$286,215.

Council liabilities at this time will total \$5.759 million which includes borrowings of \$3.352 million. In 2023/24 Council will experience an operating deficit of \$281,000; a result of \$8.292 million forecast operating income and \$8.573 million in forecast operating expenditure.

Capital expenditure for the year is forecast to be \$4.127 million which will be funded by operating income, capital income (grants) and borrowings.

The major capital expenditure for 2023/24 is works to upgrade the Port Broughton Civic Square, road upgrades, restoration works to the Old Chamber and traffic management and foreshore works at Fisherman Bay.

Numbers at a glance

	Forecast for 2022/23	Budget for 2023/24
Budget operating income	\$7,706,000	\$8,292,000
Budget operating expenditure	\$8,528,785	\$8,573,287
Budget operating surplus / (deficit)	(\$822,785)	(\$281,287)
Budget grant income	\$874,000	\$982,000
Budget capital expenditure – new	\$4,181,000	\$2,151,000
Budget capital expenditure – renewal	\$2,609,000	\$1,976,000
Loans	\$3,535,000	\$4,935,000
Cash & cash equivalents as at 30 June	\$286,215	\$160,392

5. CONTINUING ASSET MANAGEMENT AND SERVICES

Councils have responsibilities under the *Local Government Act (1999)* and other relevant legislation. These responsibilities include:

- Preparing an Annual Budget, Annual Business Plan, Long Term Financial Plan, Asset Management Plans and determining strategic management plans for the Council
- Setting rates
- Street cleaning
- Rubbish collection and waste management
- Management of infrastructure including roads, footpaths, parks, public open space, street lighting and storm-water drainage
- Development planning and control, including building safety assessment
- Various environmental health services
- Dog and Cat Management
- Pest control
- Community wastewater management systems
- Cemeteries
- Safety of food premises
- Native Vegetation and Roadside Vegetation Management
- Regulatory activities
- Supporting the Elected Members and business of Council
- Assessing Landscape Levy on all ratepayers, and collecting this levy on behalf of State Government

Council is responsible for approximately \$60 million of infrastructure, which it maintains on behalf of ratepayers.

Council also provides the following discretionary services and programs:

- RV and Caravan parks at Alford, Bute and Port Broughton on a fee for service basis
- Transport services for the elderly through the Yorke Peninsula Community Transport Scheme
- Library services through the Port Broughton Area School
- Assistance for progress associations and community groups, including cash contributions, grant application support and in-kind support
- Assistance with maintenance of ovals and other sporting facilities
- Support for the Visitor Information Centre
- Rural Transaction Centre in Port Broughton, principally Centrelink services
- Licensed Post Office in Bute
- Foreshore control and protection

These functions make up a significant amount of Council staff's administrative effort.

6. REVENUE

Council's total revenue sources are forecasted at \$8.339 million. This consists of the following key elements:

Rates income

General rates income for 2023/24 will provide \$5.301 million.

It includes a general rate increase of 8.6% (\$411,078) on existing rate payers, which accounts for 64% of Council's operating income in 2023/24.

It includes \$88,000 of annual Community Waste Management System (CWMS) service charges for Fisherman Bay, which will cover approximately 6 months of costs (operation, maintenance, depreciation) of the area's new network.

It also includes new rate revenue of 2.5% (\$119,256) as a result of subdivisions in 2022/23, resulting in 69 new rate paying properties.

Statutory charges

Statutory Charges are set by the State Government; fees and charges set by regulation and collected by the Council for regulatory functions such as assessment of development applications. This revenue generally offsets the cost of the service. The principal components are town planning, development applications and dog registration fees and are forecast to total \$122,000 in 2023/24.

User charges

User Pays charges are set by Council and cover a range of items including cemetery fees, caravan parks, boat ramps, and CWMS. These charges are adopted annually in Council's schedule of fees and charges.

User charges will total \$892,000 and will account for 11% of revenue in 2023/24.

Grants

Grant income will provide \$982,000 or 12% of Council's revenue for 2023/24 consisting of money from governments' annual programs such as the Financial Assistance Grants, Local Road Community Infrastructure Program and Roads to Recovery Program.

Reimbursements

Council has also budgeted for \$57,000 of rebates on its insurance through the Local Government Risk Services.

Investment income

Council maintains investment accounts for funds not immediately required for liquidity purposes. Council invests these funds in 24-hour at call accounts with the Local Government Finance Authority and the ANZ Bank. A total of \$8,000 income is forecast to be received from these investment accounts in 2023/24.

7. EXPENDITURE

Council's operating expenditure is forecast to be \$8.573 million, representing 103% of its total operating income of \$8.292 million for the year.

Salaries and wages

Salaries and wages are forecast to cost \$3.024 million in 2023/24, a \$155,000 increase in costs from last financial year.

This figure reflects a reduction of Full-Time Employees but includes a total increase in staff wages because of recent Enterprise Bargaining negotiations which awarded staff an annual wage increase of 3.5% per year. This amount also reflects superannuation, and workers compensation and leave entitlements.

Materials, contractors and other expenses

Materials, contractors and other expenses are forecast to be \$3.441 million in 2023/24.

Although materials and labour has increased significantly (up to 40% in some instances) as a result of inflation, this expenditure category has decreased by \$218,000 from last financial year because of staff implementing a range of cost saving measures including:

- A reduction in professional services as a result of engineering work now completed on projects associated with the Fisherman Bay Freehold Project and the Civic Square Project;
- A reduction in external cleaning costs as some of this work is now undertaken by Council staff; and
- A reduction in graphic design and communication costs as most of this work is now undertaken by in-house staff.

While Council has made significant efforts to reduce its variable costs in this expenditure category Council's budget accommodates reflects the following:

- Increases in material costs associated with Council's road maintenance and parks and gardens functions;
- Increases in Information Technology costs associated with Cyber Security;
- Increases in insurance costs;
- Increases in electricity costs;
- Increases in water costs;
- Increases in training costs for Elected Members – the training is a mandatory requirement;
- Costs associated with additional waste collection services for public holidays; and
- Costs associated with 5 yearly scheduled pump outs of Septics in Port Broughton.

Council continues to run open competitive tender processes to obtain goods or services at the best value.

Depreciation

Depreciation is an accounting method of allocating the cost of a tangible asset over its useful life.

Depreciation expenses are forecast to be \$1.862 million in 2023/24 following the latest asset revaluations and factoring in the additional depreciation of new assets including new plant and equipment and CWMS upgrades at Port Broughton and Bute.

Finance Costs

Council's finance costs are forecasted to increase as Council borrows money to address the backlog of capital works. Council's annual interest expense is forecast at \$210,000 in 2023/24.



Mayor Leonie Kerley, Steve Davey, Manager Assets and Infrastructure, Maree Wauchope CEO at the Civic Square in Port Broughton



Fisherman Bay Freehold Development

8. PRIORITY INITIATIVES AND MAJOR PROJECTS

Port Broughton Civic Square

Council is allocating \$319,000 per year to deliver improvements to Council’s main streets. Council commenced work on upgrading its Civic Square in 2021/22 and 2022/23.

Difficulties in securing workable designs and affordable materials and contractors to deliver the project has resulted in significant cost increases and delays.

The project has an approved total budget of \$916,850, which comprises a carryover of main street budgets from the two previous financial years, with some of the materials for the project purchased in 2022/23.

The project will be completed in the 2023/24 financial year.

Connecting Bute’s Play Spaces

Council has secured a \$250,000 grant from SA Wellbeing towards improving Bute’s open spaces including the installation of a bike track, a silo art viewing area and grassed play spaces.

Difficulties in securing materials and contractors to deliver the project has resulted in some delays. The project will be completed by the end of calendar 2023.

Roads and kerbing

Council will invest \$1.67 million in upgrading its sealed and unsealed roads and kerbing, reducing its maintenance backlog.

Upgrade to Old Chamber

Council has allocated \$62,000 for the second stage of urgent repairs to the Old Chambers building, to fix salt damp and the external façade.

Tickera improvements

Council has allocated \$40,000 to seal and vegetate the area near Tickera’s boat launching facility and upgrade the existing shelter. To help control waste and pollution in the community Council has also allocated \$5,000 to install a public bin bank and dump point near the foreshore toilets.

Events

Council has allocated \$40,000 towards its events in 2023/24 to run events for Australia Day, New Year’s Eve and Christmas (festival and pageant) and will continue delivering the annual Show’n’Shine, Feast of the Foreshore and Seaside Markets.

Fisherman Bay Freehold Development



Alford Sunflowers

The Premier, Council staff and Fisherman Bay Management Directors at Fisherman Bay



Port Broughton All Abilities Playground

Employment Zone

Council is unlocking industrial land along Hornby Road, Port Broughton. The subdivision will provide fifteen allotments with the first stage of allotments to be advertised for sale in the coming months.

Fisherman Bay improvements

Some minor works are required at Fisherman Bay on Council owned land and roads once the developers complete essential infrastructure works. Council has allocated \$70,000 to:

- Irrigate some of the foreshore and public spaces;
- provide beach access to and from the seawall along Whiting Road; and
- implement traffic management measures including line-marking and signage.

Port Broughton coastal protection works

Council will continue its sand replenishment program with another \$200,000 of sand to be deposited along Port Broughton’s foreshore in the 2023/24 financial year.

Bute Soldiers’ Memorial Hall improvements

Council has allocated \$16,000 to undertake urgent repairs including treating salt damp in the Bute Soldiers’ Memorial Hall’s supper room.

Kulpara improvements

Council will invest \$15,000 on improvements to the old school site at Kulpara including the installation of a public BBQ.

Port Broughton Street Light upgrade

Council will invest \$17,500 to install LED street lighting along Bay Street, Port Broughton to provide a reliable lighting solution with uniform levels of light, lower operational and maintenance costs.

Community and Events Centre

Council has designed a coastal-inspired Community and Events Centre for Port Broughton’s foreshore containing new public toilets including disability conveniences, a visitor information lounge, staff and volunteer facilities.

The total project is now estimated to be \$1.8 million, a significant increase on earlier costs estimates undertaken in 2021. Council has always been clear that for the project to go ahead would involve securing significant funding from another tier of government. In early 2022 Council applied for funding from the Building Better Regions program, which was cancelled in late 2022.

The Federal Government has now opened a new funding program called Greater Regions, and Council will submit the Community and Events Centre to be considered for funding as part of this program. If successful in securing grant funding for this project, Council will seek to amend its budget to accommodate any council contribution required to deliver this project. At this stage the budget presented in this Annual Business Plan does not accommodate this project.

9. FINANCE SUMMARY

BARUNGA WEST COUNCIL BUDGET UNIFORM PRESENTATION OF FINANCES For the Year Ended 30 June 2024

	2022/23 Estimated \$'000	2023/24 Budget \$'000	Variance
OPERATING ACTIVITIES			
Income	7,706	8,292	586
Less Expenses	(8,529)	(8,573)	(45)
Operating Surplus /Deficit	(823)	(281)	541
CAPITAL ACTIVITIES			
Less (Net Outlays) on Existing Assets			
Capital Expenditure on Renewal and Replacement	(2,609)	(1,976)	663
add back Depreciation, Amortisation and Impairment	1,862	1,862	0
add back Proceeds from Sale of Replaced Assets	0	0	0
(Net Outlays) on Existing Assets	(747)	(114)	633
Less (Net Outlays) on New and Upgraded Assets			
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	(4,181)	(2,151)	2,030
add back Amounts Received Specifically for New and Upgraded Assets	1,010	0	(1,010)
add back Proceeds from Sale of Surplus Assets (including Investment Property & and Real Estate Developments)	0	1,020	1,020
(Net Outlays) on New and Upgraded Assets	(3,171)	(1,131)	2,040
NET LENDING / (BORROWING) FOR FINANCIAL YEAR	(4,741)	(1,526)	3,215

10. LOAN PORTFOLIO

Council current loan portfolio at 30 June 2023:

Purpose	Type	Maturity	Balance
PB Office Extensions	Council	17-05-2025	\$110,399
PB Sporting Club	Community	15-02-2026	\$48,834
Capital works program	Council	31-12-2023	\$350,000
Capital Works program	Council	15-03-2028	\$1,000,000
Capital Works program	Council	15-04-2028	\$1,000,000
Capital works program	Council	15-06-2032	\$460,363
Capital works program	Council	15-06-2032	\$500,000
TOTAL			\$3,469,596



Farm operations at Alford

11. RATE STRUCTURE AND POLICIES

Overview

To fund the Council's work and its functions, rates will need to increase. A general rate increase of 8.6% will be applied to existing rate payers.

This increase is the result of rate increases across all classes of ratepayers but, due to varying growths in property values and other factors, the size of the increase will be different for each class.

The Valuer-General has advised that for 2023/24 property values across the Council area have increased by around 12%.

Rate increases

For 2023/24 rates will increase, as outlined below.

- Residential ratepayers on average will experience a 7.4% increase;
- Primary Production ratepayers on average will experience a 12.3% increase;
- Commercial (Shop) ratepayers on average will experience a 6.2% increase;
- Industry (Light) ratepayers on average will experience a 15.65% increase; and
- Vacant land ratepayers on average will experience a 42% increase.

Further, the rate increases for individual ratepayers will vary due to changes of capital values of each individual property. As a general guide only, the following are the rate increases the average ratepayer will experience.

- Residential properties can expect to pay an extra \$83 (\$1.60/week);
- Primary Production properties an extra \$370 (\$9.11/ week);
- Commercial properties an extra \$52.85 (\$1/ week);
- Industry (Light) properties an extra \$27.95 (55 cents/week); and
- Vacant Land properties an extra \$324 (\$6.25/ week).

Due to significant reductions in Financial Assistance Grants, which are largely driven by the increasing value of Primary Production land, a rate increase is essential to Council's financial sustainability.

Council will continue to charge a differential rate which will have an increase of rates consistent with increases in capital valuation of their property. Farmers will continue to be charged just over half of the base residential rate.

Council has increased its rates for Vacant land for a third year. The intent behind imposing a vacant land rating category is to discourage land-banking and incentivise land owners to develop and or release this land.

In Barunga West Council the holding of vacant land is prevalent in areas that are zoned for residential and employment (e.g. industrial) purposes.

Structure

There are two components to the general rates per property:

- a) The fixed charge applied to all properties; and
- b) The differential rate in the dollar which is applied to the capital valuation of the particular property.

These two amounts are summed to form the general rates per property.

Unlike adjacent Councils, the Barunga West Council does not charge a separate levy for waste collections. The costs associated with waste collection is covered by the general rates. As a result, Barunga West Council's general rates structure is recognised as one of the lowest in the Mid North and Yorke Peninsula region.

Council's rating policy sets out the rates structure and policies for the financial year.

Differential general rates in the dollar

Council uses a differential rate in the dollar model for determining annual general rates to ensure that the burden of the rate increases is shared across all rate categories.

The capital valuation of each property in the Council district is set by the Office of the Valuer General, which assesses a valuation based upon the Land Use of the property, and recent sales, amongst other factors.

The district has experienced an average increase in capital values of around 12.01% in 2022/23, following consecutive average increases in values of 23.27% in 2021/22, 11.14% in 2020/21 and 10.04% in 2019/20.

As a consequence, without Council decreasing the cents in the dollar rate in the differential general rate in the dollar model, rates would increase to a similar percentage to what capital values have increased.

Using the residential rate in the dollar as the base rate, Council has determined the following changes in the differential rate values for 2023/24:

	Rate values 2022/23		Proposed Rate values in 2023/24	
Residential Rate	100%	0.3220	100%	0.3010
Commercial – Shop	100%	0.3220	100%	0.3010
Commercial – Office	100%	0.3220	100%	0.3010
Commercial – Other	100%	0.3220	100%	0.3010
Industry – Light	100%	0.3220	100%	0.3010
Industry – Other	100%	0.3220	100%	0.3010
Primary Production	50.46%	0.1625	54.22%	0.1632
Vacant land Rate	175%	0.5635	242.50%	0.7300
Non-Rateable	0%	0.000	0%	0.000

Fixed charge

A Council may impose a fixed charge on each assessed property. Where two or more adjoining properties have the same owner and are occupied by the same occupier, only one fixed charge is payable by the ratepayer.

The reason for a fixed charge is to ensure that all residents/owners contribute towards the provision of basic services at a reasonable level. The balance of the general rates per assessment is determined by the capital valuation of the property.

Council will apply a fixed charge per property of \$415 which has increased by \$21 from the fee imposed in 2022/23 (\$394).

CWMS service charges

The Council provides septic effluent disposal, treatment and re-use systems in the townships of Port Broughton and Bute. The systems include a wastewater treatment plant at Port Broughton, storage lagoons at Port Broughton and an evaporation pond at Bute.

The systems at both Bute and Port Broughton are undergoing significant upgrades including further technology and infrastructure to reuse treated water for irrigation purposes.

Where a service that is subject to a service charge is available to non-ratable land, a service charge is levied against that land.

In 2023/24 the service charge for each separate allotment in Port Broughton and Bute receiving or able to receive the service will increase by \$25, from \$500 to \$525, for a residential property and will increase \$13.25, from \$246.75 to \$260, for a vacant property.

The Fisherman Bay system, which will be a full sewage system is expected to be operational from late 2023-24 Budget year. A \$600 annual service charge will apply for this service.

Pensioner concessions and self-funded retirees

Pensioner Concessions on Council rates are no longer administered by Local Government.

Payment of rates

Payment of rates will be available to ratepayers by way of four approximately equal instalments on 22 September 2023, 6 December 2023, 6 March 2024 and 5 June 2024.

Cash, cheque, money order, credit card, BPay and EFTPOS may be used to pay rates. In-person payments at the Council offices can be made at either Council Office in Bay St Port Broughton or Railway Terrace Bute.

BPay View is now available. There is a unique BPay View Registration Number on all rates notices which allows ratepayers to register and receive online bills. Council staff are available to assist with registration.

Late payment of rates

The *Local Government Act 1999* provides that Councils may impose a penalty on any payment for rates, whether an 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 Council to recover the administrative cost of following up unpaid rates and to cover any interest cost Council may incur because it has not received the rates on time.

Council imposes late payment penalties strictly in accordance with the *Local Government Act 1999*. The ability to remit penalties in whole or part is a power vested in Council and each case will be considered on its merits based on the information provided.

Remission and postponement of rates

Under *Section 182* of the *Local Government Act 1999*, a postponement of rates may be granted if Council is satisfied that the payment of rates would cause financial hardship.

Upon application, Council may request that the ratepayer substantiates the hardship, and request additional information pertaining to the relevant property. This information will help Council consider approval to postpone payment of rates, which will be provided on the condition that the ratepayer agrees to pay interest on the amount affected by the postponement at the Cash Advance Debenture rate.

All successful applications will require the full outstanding rates to be paid upon the completion of the postponement period or at the transfer of ownership settlement date, whichever occurs the earliest.

Sale of land for non-payment of rates

Section 184 of the Local Government Act provides that Council may sell any property where the rates have been in arrears for three years or more. 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. Council enforces the sale of land for non-payment of rates after 3 years or more in accordance with the provisions of the Act.

First Home Buyers Rebate

Barunga West Council has launched an innovative rebate scheme for 2023/24 and 2024/25 to entice new residents to the district. Catering specifically to first-time homeowners, the scheme offers a \$500 annual rebate on council rates over two years.



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ATTACHMENT 1 – Annual Financial Statements

BARUNGA WEST COUNCIL
BUDGET STATEMENT OF COMPREHENSIVE
INCOME
For the Year Ended 30 June 2024

	2022/23 Estimated \$'000	2023/24 Budget \$'000	Variance
INCOME			
Rates	5,511	6,166	655
Statutory charges	112	122	10
User charges	419	892	473
Grants, subsidies and contributions	874	982	108
Investment income	15	8	(7)
Reimbursements	615	57	(558)
Other income	160	65	(95)
Total Income	7,706	8,292	586
EXPENSES			
Employee costs	2,869	3,024	155
Materials, contracts & other expenses	3,696	3,477	(218)
Depreciation, amortisation & impairment	1,862	1,862	0
Finance costs	102	210	108
Total Expenses	8,529	8,573	45
OPERATING SURPLUS / (DEFICIT)	(823)	(281)	541
Asset disposal & fair value adjustments	0	763	763
Amounts received specifically for new or upgraded assets	1,010	0	(1,010)
NET SURPLUS / (DEFICIT)	187	482	295
Other Comprehensive Income			
Changes in revaluation surplus - IPPE	0	0	0
Impairment	0	0	0
Total Other Comprehensive Income	0	0	0
TOTAL COMPREHENSIVE INCOME	187	482	295

BARUNGA WEST COUNCIL
BUDGET STATEMENT OF FINANCIAL
POSITION
For the Year Ended 30 June 2024

	2022/23 Estimated \$'000	2023/24 Budget \$,000	Variance
Current Assets			
Cash and cash equivalents	286	160	(126)
Trade & other receivables	588	588	0
Inventories	224	224	0
Total Current Assets	1,098	972	(126)
Non-current Assets			
Financial assets	49	49	0
Infrastructure, property, plant & equipment	59,295	61,303	2,008
Total Non-current Assets	59,344	61,352	2,008
Total Assets	60,442	62,324	1,882
LIABILITIES			
Current Liabilities			
Trade & other payables	1,635	1,635	0
Borrowings	1,165	2,565	(1,400)
Provisions	552	552	0
Total Current Liabilities	3,352	4,752	(1,400)
Non-current Liabilities			
Borrowings	2,370	2,370	0
Provisions	37	37	0
Total Non-current Liabilities	2,407	2,407	0
Total Liabilities	5,759	7,159	(1,400)
NET ASSETS	54,683	55,165	482
EQUITY			
Accumulated Surplus	3,247	3,729	482
Asset Revaluation Reserves	50,697	50,697	0
Other Reserves	739	739	0
TOTAL EQUITY	54,683	55,165	482

BARUNGA WEST COUNCIL
BUDGET STATEMENT OF CHANGE IN EQUITY
For the Year Ended 30 June 2024

	2022/23 Estimated \$'000	2023/24 Budget \$,000	Variance
ACCUMULATED SURPLUS			
Balance at beginning of period	3,586	3,247	(339)
Net Surplus/(Deficit)	187	482	295
Transfers between reserves	(526)	0	526
Balance at end of period	3,247	3,729	482
ASSET REVALUATION RESERVE			
Balance at beginning of period	50,697	50,697	0
Net change this year	0	0	0
Transfers between reserves	0	0	0
Balance at end of period	50,697	50,697	0
OTHER RESERVES			
Balance at beginning of period	213	739	526
Net change this year	0	0	0
Transfers between reserves	526	0	(526)
Balance at end of period	739	739	0
TOTAL EQUITY	54,683	55,165	482

BARUNGA WEST COUNCIL
BUDGET STATEMENT OF CASH FLOW
For the Year Ended 30 June 2024

	2022/23 Estimated \$'000	2023/24 Budget \$'000	Variance
CASH FLOWS FROM OPERATING ACTIVITIES			
<u>Receipts</u>			
Rates - general & other	5,511	6,166	655
Fees & other charges	112	122	10
User charges	419	892	473
Grants utilised for operating purposes	874	982	108
Investment receipts	15	8	(7)
Reimbursements	615	57	(558)
Other revenues	160	65	(95)
<u>Payments</u>			0
Employee costs	(2,869)	(3,024)	(155)
Materials, contracts & other expenses	(3,373)	(3,477)	(105)
Finance payments	(102)	(210)	(108)
Net Cash provided by (or used in) Operating Activities	1,362	1,581	218
CASH FLOWS FROM INVESTING ACTIVITIES			
<u>Receipts</u>			
Amounts specifically for new or upgraded assets	1,010	0	(1,010)
Sale of replaced assets	0	0	0
Sale of surplus assets	0	1,020	1,020
Repayments of loans by community groups	0	0	0
<u>Payments</u>			0
Expenditure on renewal/replacement of assets	(2,609)	(1,976)	633
Expenditure on new/upgraded assets	(4,181)	(2,151)	2,030
Net Cash provided by (or used in) Investing Activities	(5,780)	(3,107)	2,673
CASH FLOWS FROM FINANCING ACTIVITIES			
<u>Receipts</u>			
Proceeds from borrowings	2,250	1,400	(850)
<u>Payments</u>			
Repayments of borrowings	0	0	0
Net Cash provided by (or used in) Financing Activities	2,250	1,400	(850)
Net Increase (Decrease) in cash held	(2,168)	(126)	2,042
Cash & cash equivalents at beginning of period	2,454	286	(2,168)
Cash & cash equivalents at end of period	286	160	(126)

BARUNGA WEST COUNCIL
BUDGET UNIFORM PRESENTATION OF
FINANCES
For the Year Ended 30 June 2024

	2022/23 Estimated \$'000	2023/24 Budget \$'000	Variance
OPERATING ACTIVITIES			
<u>Income</u>	7,706	8,292	586
<u>Less Expenses</u>	(8,529)	(8,573)	(45)
Operating Surplus /Deficit	(823)	(281)	541
CAPITAL ACTIVITIES			
<u>Less (Net Outlays) on Existing Assets</u>			
Capital Expenditure on Renewal and Replacement add back Depreciation, Amortisation and Impairment	(2,609)	(1,976)	633
	1,862	1,862	0
add back Proceeds from Sale of Replaced Assets	0	0	0
(Net Outlays) on Existing Assets	(747)	(114)	633
<u>Less (Net Outlays) on New and Upgraded Assets</u>			
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	(4,181)	(2,151)	2,030
<i>add back</i> Amounts Received Specifically for New and Upgraded Assets	1,010	0	(1,010)
<i>add back</i> Proceeds from Sale of Surplus Assets (including Investment Property & and Real Estate Developments)	0	1,020	1,020
(Net Outlays) on New and Upgraded Assets	(3,171)	(1,131)	2,040
NET LENDING / (BORROWING) FOR FINANCIAL YEAR	(4,741)	(1,526)	3,215

BARUNGA WEST COUNCIL
BUDGET FINANCIAL INDICATORS
For the Year Ended 30 June 2024

	2022/23 Estimated \$'000	2023/24 Budget \$'000
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These Financial Indicators have been calculated in accordance with *Information Paper 9 - Local Government Financial Indicators* prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia. Detailed methods of calculation are set out

Operating Surplus Ratio

<u>Operating Surplus</u>	(11%)	(3%)
Total Operating Revenue		

This ratio expresses the operating surplus as a percentage of total operating revenue.

"A positive ratio indicates the percentage of operating income available to help fund proposed capital expenditure. If the relevant amount is not required for this purpose in a particular year, it can be held for future capital expenditure needs by either increasing financial assets or preferably, where possible, reducing debt in

Council has an Operating Surplus Ratio target range of between +/- 10%.

Adjusted Operating Surplus Ratio	(11%)	(3%)
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*In recent years the Federal Government has made advance payments prior to 30th June from future year allocations of financial assistance grants, as explained in Note 1. The **Adjusted Operating Surplus Ratio** adjusts for the resulting distortion in the disclosed operating result for each year.*

Net Financial Liabilities Ratio

<u>Net Financial Liabilities</u>	63%	77%
Total Operating Revenue		

Net Financial Liabilities are defined as total liabilities less financial assets. These are expressed as a percentage of total operating revenue.

Council has a Net Financial Liabilities Ratio target range of between 0% and 100%.

Asset Sustainability Ratio

<u>Net Asset Renewals</u>	75%	106%
Infrastructure & Asset Management Plan required expenditure		

Net asset renewals expenditure is defined as net capital expenditure on the renewal and replacement of existing assets, and excludes new capital expenditure on the acquisition of additional assets. This ratio indicates the extent to which existing non-financial assets are being renewed and replaced, compared with the asset renewal and replacement expenditure identified as warranted in a Council's infrastructure and asset management plan. It is calculated by measuring capital

Council has an Asset Sustainability target range of 90% to 110%.

ATTACHMENT 2 – Statement on Expected Rate Revenue

Statement on Expected Rate Revenue

Please note: These figures represent a considered estimate of Expected Rate Revenue based on the most current information available at the time of going out to consultation on the DRAFT Annual Business Plan and Budget (ABP&B). This information is updated regularly and therefore these figures may be subject to confirmation at the time of actual adoption of the ABP&B.

Expected Rates Revenue				
	2021/22 (as adopted)	2022/23 (estimated)	Change	Comments
General Rates Revenue				
General Rates (GROSS)	\$4,867	\$5,398 (c)		All amounts are in \$000
Less: Mandatory Rebates	(\$25)	(\$25) (d)		
General Rates (NET)	\$4,842	\$5,373 (e)	11.0%	
	(e)=(c)+(d)			
Other Rates (inc. service charges)				
Regional Landscape Levy	\$236	\$252 (f)		The Regional Landscape Levy is a State tax, it is not retained by council.
CWMS	\$468	\$590 (i)		Inclusion of 6m Fisherman Bay Annual charge (\$100k)
Separate and Special Rates	\$28	\$28 (j)		SA Power Network - Pole relocation (Yr 2 of 4)
	<u>\$5,574</u>	<u>\$6,243</u>		
Less: Discretionary Rebates	(\$71)	(\$77) (l)		
Expected Total Rates Revenue	\$5,267	\$5,914 (m)	12.3%	Excluding the Regional Landscape Levy and minus Mandatory & Discretionary Rebates.
	(m)=(e)+(g)+(h)+(i)+(j)+(k)+(l)			

Estimated growth in number of rateable properties

Number of rateable properties	2,723	2,792 (n)	2.5%	
	<i>Actual</i>	<i>Estimate</i>		
'Growth' is defined in the regulations as where new properties have been created which has added rateable properties to council's ratepayer base. Growth can also increase the need and expenditure related to infrastructure, services and programs which support these properties and residents.				

Estimated average General Rates per rateable property

Average per rateable property	\$1,787	\$1,933 (o)	8.2%	
	(o)=(c)/(n)			
Councils use property valuations to calculate each rateable property's contribution to the required rate revenue total. Councils do not automatically receive more money because property values increase but this may alter how rates are apportioned (or divided) across each ratepayer (ie. some people may pay more or less rates, this is dependent on the change in value of their property relative to the overall valuation changes across the council area).				
The total General Rates paid by all rateable properties will equal the amount adopted in the budget.				

Notes

(d) Councils are required under the Local Government Act to provide a rebate to qualifying properties under a number of categories: Health Services - 100 per cent Religious purposes - 100 per cent Royal Zoological Society of SA - 100 per cent Community Services - 75 per cent Public Cemeteries - 100 per cent Educational purposes - 75 per cent The rates which are foregone via Mandatory Rebates are redistributed across the ratepayer base (ie. all other ratepayers are subsidising the rates contribution for those properties who receive the rebate).
(e) Presented as required by the <i>Local Government (Financial Management) Regulations 2011</i> reg 6(1)(ea) Please Note: The percentage figure in (e) relates to the change in the total amount of General Rates revenue to be collected from all rateable properties, not from individual rateable properties (ie. individual rates will not necessarily change by this figure).
(f) Councils are required under the <i>Landscape South Australia Act 2019</i> to collect the levy on all rateable properties on behalf of the State Government. The levy helps to fund the operations of regional landscape boards who have responsibility for the management of the State's natural resources.
(j) Community Wastewater Management Systems
(l) A council may grant a rebate of rates or service charges in a number of circumstances. The rates which are foregone via Discretionary Rebates are redistributed across the ratepayer base (ie. all other ratepayers are subsidising the rates contribution for those properties who receive the rebate).
(m) Expected Total Rates Revenue excludes other charges such as penalties for late payment and legal and other costs recovered.
(n) 'Growth' as defined in the <i>Local Government (Financial Management) Regulations 2011</i> reg 6(2)

Statement on Expected Rate Revenue

Please note: These figures represent a considered estimate of Expected Rate Revenue based on the most current information available at the time of going out to consultation on the DRAFT Annual Business Plan and Budget (ABP&B). This information is updated regularly and therefore these figures may be subject to confirmation at the time of actual adoption of the ABP&B.

Expected Rates Revenue

	Total expected revenue			No. of rateable properties		Average per rateable property			Cents in the \$	
	2022/23	2023/24	Change	2022/23	2023/24	2022/23	2023/24	Change	2023/24	
Land Use (General Rates - Net of Rebates)										
Residential	\$1,780	\$1,912	7%	1516	1586	\$1,174.27	\$1,205.42	(p)	\$31	0.3010
Commercial - Shop	\$18	\$19	6%	20	20	\$875	\$930	(p)	\$55	0.3010
Commercial - Office	\$7	\$7	1%	8	8	\$838	\$850	(p)	\$13	0.3010
Commercial - Other	\$37	\$40	7%	40	45	\$937	\$891.11	(p)	-\$46	0.3010
Industry - Light	\$3	\$4	16%	4	4	\$800	\$925	(p)	\$125	0.3010
Industry - Other	\$24	\$24	-2%	11	10	\$2,181.82	\$2,350	(p)	\$168	0.3010
Primary Production	\$2,727	\$3,062	12%	914	904	\$2,983.59	\$3,386.95	(p)	\$403	0.1632
Vacant Land	\$166	\$235	42%	210	215	\$788.10	\$1,093.95	(p)	\$306	0.7300
Total Land Use	\$4,762	\$5,302	11.3%	2,723	2,792	\$1,748.66	\$1,898.82	(p)	\$150	
GRAND TOTAL (GROSS)	\$4,762	\$5,302	11.3%	2,723	2,792	\$1,748.66	\$1,898.82	(p)	\$150	

Council has increased the 'Cents in the Dollar' to match CPI

Fixed Charge

	Total expected revenue			Charge			
	2022/23	2023/24	Change	2022/23	2023/24	Change	
Fixed Charge	\$955	\$1,024	7%	\$394	\$415	(q)	\$21

This revenue amount is **included** in the General Rates.

Adopted valuation method

Council has the option of adopting one of three valuation methodologies to assess the properties in its area for rating purposes:

Capital Value – the value of the land and all improvements on the land;

Site Value – the value of the land and any improvements which predominantly affect the amenity of use of the land, such as drainage works, but excluding the value of buildings and other improvements (Note: Site Value will cease to be an option from 1 Sept 2023); or

Annual Value – a valuation of the rental potential of the property.

Council adopts Capital Valuations as its rating methodology

Notes

(p) Average per rateable property calculated as General Rates for category, including any fixed charge or minimum rate (if applicable) but excluding any separate rates, *divided* by number of rateable properties within that category in the relevant financial year.

(q) A fixed charge can be levied against the whole of an allotment (including land under a separate lease or licence) and only one fixed charge can be levied against two or more pieces of adjoining land (whether intercepted by a road or not) if they are owned by the same owner and occupied by the same occupier. Also if two or more pieces of rateable land within the area of the council constitute a single farm enterprise, only one fixed charge may be imposed against the whole of the land.

(r) Where two or more adjoining properties have the same owner and are occupied by the same occupier, only one minimum rate is payable by the ratepayer.



Barunga West
Council

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