



Barunga West
Council

ANNUAL BUSINESS PLAN 2021/22





A MESSAGE FROM THE MAYOR

Welcome to Council's 2021/22 Annual Business Plan. The plan shows how Council proposes to spend its budget for the coming year, and includes its revised rate structure and policies.

This year's Annual Business Plan aims to build on the advances made last year in terms of increased capital investment and improved service levels.

A large part of the proposed plan focuses on our core business of maintaining and upgrading existing assets, providing essential services such as waste collection and maintaining our district's parks and gardens.

In 2021/22 Council will spend a record amount in capital totalling \$8.314 million including \$2.743 million on roads and footpaths, \$3.7 million on wastewater infrastructure, \$1.015 million on buildings and structures, and \$855,000 on plant and equipment.

This record spend will be funded by government grants and subsidies totalling \$5,155 million, \$700,000 in open space levies (from the freeholding project at Fisherman Bay), rates income and cash reserves.

The budget will also see the Bute Silo Art Work delivered from July 2021, a much anticipated project for the Barunga West Council and in particular the Bute community.

A range of other initiatives have been recommended as part of this Annual Business Plan including tourism and community activities and events, upgrades to the Alford Hall, improvements to the Muntoora RV Park and a masterplan process for the Tickera township.

The plan will also deliver a new Visitor Information Centre for the Top of the Yorke on Port Broughton's foreshore.

The Elected Body is looking forward to another exciting and productive year working with staff to ensure ratepayers are getting the services they pay for, and value for money.

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



**Leonie
Kerley**



**Peter
Button**



**Dave
Eason**



**Rebecca
Hewett**



**Rob
Locke**



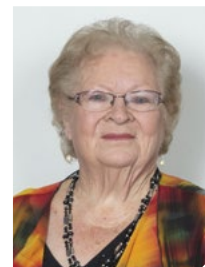
**Brian
Lockyer**



**Margaret
McDonald**



**Grant
Rowlands**



**Georgie
Simmons**

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 kilometres north of Adelaide.

The townships in the Council area are Alford, Bute, Fisherman Bay, Kulpara, Melton, Mundoora, Port Broughton and Tickera.

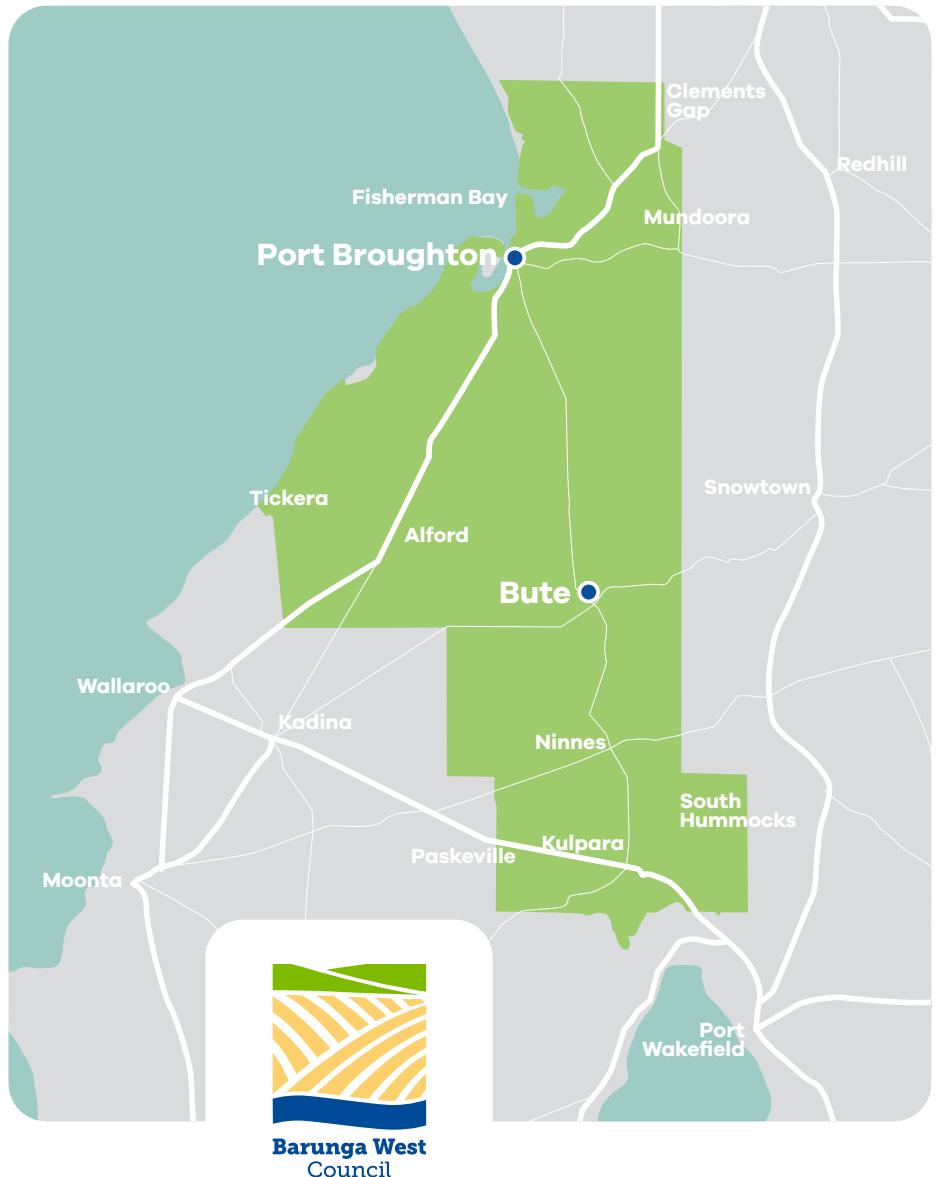
The Council covers an area of 1,590 square kilometres and has a total of 931 kilometres of roads. It has boundaries with Copper Coast Council, Yorke Peninsula Council, Port Pirie Regional Council and Wakefield Regional Council.

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 2016 Census data, the Council population is 2,544, an increase of 3.6% from the previous 2011 census data. The median age of the population is 55 (an increase from 51) compared to the State average of 40 (up from 39) and national average of 38 (up from 37). People aged 65 years and over make up 32.27% (up from 25.9%) 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.



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1. PURPOSE OF THE ANNUAL BUSINESS PLAN

The 2021/22 Annual Business Plan is the key annual operational and financial planning document for the 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.





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 unspoilt natural environment and relaxed country lifestyle.”

This draft 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:

- Major upgrades required to essential wastewater, infrastructure and roads
- Grant receipts of \$5.155 million in 2021/22 including grant funding from the State Government's Community Wastewater Management Scheme (CWMS) and the Local Government Infrastructure Partnership Program
- Receipt of an open-space contribution of \$700,000 from the Fisherman Bay freeholding project
- The effect of the 2020 and 2021 CPI increases (total approximately 3%) and subsequent cost increases for materials and wages
- Increases in capital values (11.14% in 2020/21 and 10.04% 2019/20) across the district as assessed by the Valuer-General
- Costs of additional staff and contractors to provide improved services, to deliver the significant grant-funded capital projects and to manage the enhanced assets.
- Asset Management Plans for Council infrastructure assets
- The Long-Term Financial Plan, aimed at ensuring the financial sustainability of the Council.

4. BUDGET AT A GLANCE

Council is targeting an operating surplus of \$946,000; a result of \$12.982 million in forecast operating income and \$12.036 million in forecast operating expenditure.

Capital expenditure for the year is forecast to be \$8.364 million which will be funded by operating income, capital income and accumulated cash reserves. A major factor in this increase of capital expenditure is the \$3.7 million upgrade to the Port Broughton and Bute CWMS facilities, \$1.176 million upgrade to Ninnes Road and \$0.705 million expenditure on Council's ageing plant and equipment.

Numbers at a glance

	Budget for 2021/22	Forecast for 2020/21
Budget operating income	\$12,982,000	\$7,379,000
Budget operating expenditure	\$12,036,000	\$7,498,000
Budget operating surplus / (deficit)	\$946,000	(\$119,000)
Budget grant income	\$5,155,000	\$1,776,000
Budget capital expenditure – new	\$5,037,000	\$971,000
Budget capital expenditure – renewal	\$3,277,000	\$1,339,000
Loans	No new fixed term Council loans budgeted	No new fixed term Council loans budgeted
Cash balances as at 30 June 2022	\$283,000	\$2,564,000

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 \$78.3 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 is \$12.982 million. This consists of the following:

Rates

Rates income for 2021/22 will provide \$5.172 million, a \$246,000 increase on the total rates to be collected in 2020/21 and will account for 40% of Council's operating income in 2021/22.

Statutory charges

Statutory Charges are set by State Government and are 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 \$91,000 in 2021/22.

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.

Council's schedule of fees and charges include an increase in the CWMS annual service fee for Port Broughton and Bute customers that will increase from \$450 to \$475. A CWMS annual services fee of \$550 is proposed for Fisherman Bay which is higher than Port Broughton and Bute systems because it will be a full sewage system requiring more maintenance by Council.

User charges will total \$845,000 and will account for 6.5% of revenue in 2021/22.

Grants

Grant income will provide \$5.155 million or 40% of Council's revenue for 2021/22. Known and committed grants for Council in 2021/22 are as follows:

- \$490,000 Financial Assistance Grant
- \$3 million from LGA administered CWMS Subsidy Fund
- \$197,000 from the Roads to Recovery Program
- \$811,000 from the Roads and Local Communities Programs
- \$588,000 from the Local Government Infrastructure Partnership Program¹ (Yorke Peninsula Alliance)
- \$49,915 from the Foundation for Rural and Regional Renewal Program
- \$19,000 other grants income

¹ This Grant income excludes \$1.978 million grant income received by Council on behalf of the Copper Coast and Yorke Peninsula councils.

Reimbursements

In 2021/22 Council will manage a grant allocation and associated payments to contractors for the Yorke Peninsula Alliance road works package which was successful in securing Local Government Infrastructure Partnership Program funding. The alliance is between Barunga West Council, Yorke Peninsula Council and Copper Coast Council and will fund a \$5.2 million upgrade of freight roads in the region.

A total of \$2.076 million will be received and paid via Council's accounts and is accounted for in Reimbursement Income. This reimbursement combined with the grant income above (\$4.054 million in total) is fully expended in Materials, Contractors and Other Expenses.

Reimbursements also include a corporate services charge of \$200,000 associated with contract and financial management of the Yorke Peninsula Alliance road works package.

Reimbursements will total \$2.317 million and will account for 18% of Council's revenue in 2021/22.

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 \$6,000 income is forecast to be received from these investment accounts in 2021/22.

Sundry Income

In 2021/22 a total of \$700,000 is expected to be received by Council in 2021/22 from Fisherman Bay Management for its open space contribution associated with the Fisherman Bay freehold project. This contribution will be made proportionally on a per allotment basis as each allotment is freehold and sold and relies on purchasers abiding by their sales contract.

7. EXPENDITURE

Council's expenditure is forecast to be \$12.036 million, representing 93% of its total operating income of \$12.982 million for the year.

Salaries and wages

Salaries and wages are forecast to cost \$2.835 million in 2021/22, a \$621,000 increase in costs from last financial year.

This figure includes superannuation, and workers compensation and leave entitlements. It also factors in the scheduled increase in salaries and wages for staff in accordance with Council's Enterprise Bargaining Agreements and allowances for Council to employ additional contract staff to assist with delivering priority initiatives and major projects outlined in section 8 of this plan.

Materials, contractors and other expenses

Materials, contractors and other expenses are forecast to be \$7.328 million in 2021/22. After allowing for the Yorke Peninsula Alliance Road Upgrades Project expenditure of \$4.054 million, expenditure on this expenditure category has decreased by \$252,000 from last year.

These expenses include budgeted expenditure for professional services (\$500,000), legal (\$75,000), information technology (\$188,000), and insurance (\$200,000).

The budget also accounts for contractor fees delivering capital projects including upgrades to Council's wastewater infrastructure, building projects and upgrades to Council's sealed road network. These projects are outlined in section 8 of this plan.

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 \$1.848 million 2021/22 following the latest asset revaluations.

Finance Costs

Council's outstanding loan balances continue to decline, as does Council's annual interest expense, which is forecast at \$25,000 in 2021/22.

The objective of reducing the outstanding loan principal is to place Council in a position where it can borrow funds, if required, in the future.

8. PRIORITY INITIATIVES AND MAJOR PROJECTS



ASSETS AND INFRASTRUCTURE

Main Streets – \$350,000

Council is finalising its main street planning process. While the outcomes of this planning work is still unknown, Council will allocate \$350,000 in 2021/22 to deliver the first stage of improvements to Council's main streets. Improvements to main streets are expected to be a staged program of works over a 5-10 year period and will require Council to allocate budgets annually.

Port Broughton coastal protection and flood mitigation – \$50,000

Council will continue to work with the Coastal Protection Board and the South Australian Councils Alliance to finalise a solution for coastal protection and flood mitigation at Port Broughton.

Upgrades to the Port Broughton and Bute Community Wastewater Management Systems (CWMS) – \$3.7 million

Council will deliver works to upgrade the Port Broughton CWMS to service over 400 residents in Fisherman Bay and to treat the wastewater to a standard where it can be used to irrigate parks, gardens and the remainder of the Port Broughton Golf Course. The upgrade will also provide for future growth in the Port Broughton district. Bute's CWMS system will also receive an upgrade and equipment that will allow for the reuse of wastewater and irrigation of the Bute sporting oval.

Upgrade to Alford Hall – \$50,000

Council has allocated money for minor improvements to the Alford Town Hall which will allow for painting and floor sanding, plus minor renovations to the kitchen and entry area.

Improvements to Mundoora RV Park – \$20,000

Council has allocated money to install a new BBQ, shade area, rainwater tank and dump point for the Mundoora RV Park.

Port Broughton foreshore – \$150,000

The Port Broughton foreshore will receive a beach access ramp, sea wall balustrade, tourism podiums, signage and a small new public amenity building and external shower and feet washing facility.



Top of the Yorke Visitor Information Centre – \$300,000

A coastal inspired accredited Visitor Information Centre is planned for Port Broughton’s foreshore containing new public toilets including disability conveniences, a visitor information lounge, staff and volunteer facilities. The total project will cost \$600,000 and relies on Council securing \$300,000 of matching funding from government grants.

Edmund Street upgrade and access improvements – \$150,000

Edmund Street will receive an upgrade including improvements to footpaths, parking, landscaping and general amenities (street furniture, access to and from road and recreational facilities).

CORPORATE AND COMMUNITY

Bute Silo Art project – \$50,000

Council will deliver the long-awaited silo art project at Bute as part of the successful Australian Silo Art Trail. The delivery of this project will cost up to \$50,000 and will help attract tourism to the region. Council had budgeted \$50,000 towards this project in 2020/21 which was subject to Council securing \$50,000 of matching grant funding to contribute to the project. Council in partnership with the Bute 2000 Onwards Progress Committee has secured matching grant funding from the Foundation for Rural and Regional Renewal Program to deliver the project in 2021/22.

Tourism and events – \$165,000

Up to \$165,000 of funding will be provided to support township tourism and events. In 2020/21 Council began investing in tourism programs and events for the district and in 2021/22 this will continue, including a concert planned for the sesquicentennial anniversary of Port Broughton. Other tourism and events expenditure to be considered during the financial year include supporting the 100th year anniversary of the Bute Soldiers Memorial Hall, markets, and Christmas and New Year celebrations.

Community Grants and Progress Association allocations – \$65,000

The community grant program and Progress Association allocations will continue in 2021/22 and will total \$65,000.

Tickera masterplan – \$50,000

Council will undertake a masterplan process, in consultation with the Tickera community and other stakeholders, to define a vision and general plan for the entire township of Tickera that will set the growth and development policies for the township. The masterplan process will address land use and infrastructure issues and project 20 years or more into the future.

9. FINANCIAL SUMMARY 2021/2022

Uniform Presentation of Finances	2019/20 Actual	2020/21 Estimated	2021/22 Budget
Operating Income	6,635	7,379	13,032
Less Operating Expenditure	(6,714)	(7,498)	12,086
Operating Surplus/(Deficit)	(79)	(119)	946
Less: Net Expenditure – Renewal/Replacement of Existing Assets			
Capital Expenditure – Renewal/Replacement of Existing Assets	(779)	(1,339)	(3,277)
Add: Depreciation, Amortisation and Impairment Expenses	1,763	1,731	1,848
Add: Proceeds – Sale of Replaced Assets	176	0	90
Net Expenditure on Existing Assets	1,160	392	(1,339)
Less: Net Expenditure – New & Upgraded Assets			
Capital Expenditure – New & Upgraded Assets	(311)	(971)	(5,037)
Less: Grants received specifically for New & Upgraded Assets	1,003	0	3,288
Add: Proceeds – Sale of Surplus Assets	0	0	0
Net Expenditure on New & Upgraded Assets	692	(971)	(1,749)
Net Lending (Borrowing) for Financial Year *	1,773	(698)	(2,142)

Council added to its Cash Reserves in 2019/20 while cash reserves reduced in 2020/21. Council is budgeting for cash reserves to reduce further in 2021/22.

10. LOAN PORTFOLIO

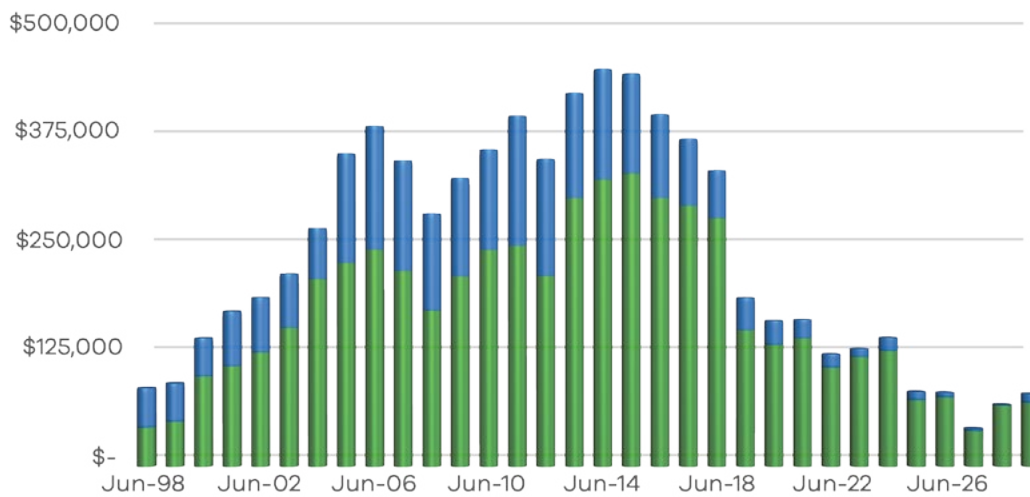
Council current loan portfolio at 30 June 2021:

Purpose	Type	Maturity	Balance
Patrol Grader	Council	15-07-22	\$114,820
PB Library Extensions	Council	17-03-23	\$34,755
PB Library Extensions	Community	17-03-23	\$5,266
PB Office Extensions	Council	17-05-25	\$206,419
PB Sporting Club	Community	15-02-26	\$80,000
TOTAL			\$441,260

No new fixed rate loans are budgeted in the 2021/22 financial year.

Interest expense for the year is \$25,000.

Annual Principal and Interest Repayments 1997-2030



11. RATES STRUCTURE AND POLICIES

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.

As a precaution against the impacts of COVID-19 the Council rating strategy for 2020/21 financial year determined that there was to be a freeze on rates and fixed charges for that year.

This has resulted in a pandemic cost to Council of over \$100k in 2020/21, which if not remedied in 2021/22 and future years will have a compounding detrimental effect on Council's finances (over \$1 million in the 10- year period over 2020-2030).

To help counter this situation Council approved a budgeted increase in general rates of 5.0% for 2021/2022 in its Long-Term Financial Plan and the rates structure and policies in this plan reflect this increase.

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

The full draft Rates and Rebates Policy 2021/22 a draft Fees and Charges schedule is attached.

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.

Capital values have increased significantly over the past two years 11.14% in 2020/21 and 10.04% 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 decreases in the differential rate values for 2021/22:

	Proposed rate values 2021/22		Rate values in 2020/21	
Residential Rate	100%	0.3395	100%	0.3468
Commercial – Shop	100%	0.3395	100%	0.3468
Commercial – Office	100%	0.3395	100%	0.3468
Commercial – Other	100%	0.3395	110%	0.3815
Industry – Light	100%	0.3395	110%	0.3815
Industry – Other	100%	0.3395	110%	0.3815
Primary Production	58%	0.1969	70%	0.2428
Vacant land Rate	150%	0.5093	120%	0.4162
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.

Council will apply a fixed charge per property of \$375 which has increased by \$25 from the fee imposed in 2019/20 (\$350).

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.

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 due for significant upgrades in 2021/22 and will include further technology and infrastructure to reuse the 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 2021/22 the service charge for each separate allotment in Port Broughton and Bute receiving or able to receive the service will increase by \$25, from \$450 to \$475, for a residential property and will increase \$15, from \$220 to \$235, for a vacant property.

It is anticipated that the Fisherman Bay system, which will be a full sewage system will be operational from the 2021-22 Budget year. A \$550 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 15 September 2021, 1 December 2021, 1 March 2022 and 1 June 2022.

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.

ATTACHMENT 1 – Annual Financial Statements

BARUNGA WEST COUNCIL		
STATEMENT OF BUDGETED COMPREHENSIVE INCOME		
for the budget year ended 30 June 2022		
	2022	2021
	Bud	Est
INCOME		
Rates	5,172	4,926
Statutory charges	91	75
User charges	845	481
Grants, subsidies and contributions	3,845	1,776
Investment income	6	12
Reimbursements	2,317	51
Other income	756	58
Total Income	13,032	7,379
EXPENSES		
Employee costs	2,835	2,214
Materials, contracts & other expenses	7,378	3,526
Depreciation, amortisation & impairment	1,848	1,731
Finance costs	25	27
Total Expenses	12,086	7,498
OPERATING SURPLUS / (DEFICIT)	946	(119)
Asset disposal & fair value adjustments	52	-
Amounts received specifically for new or upgraded assets	3,288	-
NET SURPLUS / (DEFICIT)	4,286	(119)
transferred to Equity Statement		
Other Comprehensive Income		
Changes in revaluation surplus - infrastructure, property, plant & equipment	-	-
Total Other Comprehensive Income	-	-
TOTAL COMPREHENSIVE INCOME	4,286	(119)

This Statement is to be read in conjunction with the attached Notes.

BARUNGA WEST COUNCIL

STATEMENT OF BUDGETED FINANCIAL POSITION
as at 30 June 2022

	2022 Bud	2021 Est
ASSETS		
Current Assets		
Cash and cash equivalents	283	2,564
Trade & other receivables	374	372
Inventories	100	100
Total Current Assets	<u>757</u>	<u>3,036</u>
Non-current Assets		
Financial assets	49	68
Infrastructure, property, plant & equipment	56,222	49,795
Total Non-current Assets	<u>56,271</u>	<u>49,863</u>
Total Assets	<u>57,028</u>	<u>52,899</u>
LIABILITIES		
Current Liabilities		
Trade & other payables	507	507
Borrowings	125	157
Provisions	586	586
Total Current Liabilities	<u>1,218</u>	<u>1,250</u>
Non-current Liabilities		
Borrowings	159	284
Provisions	50	50
Total Non-current Liabilities	<u>209</u>	<u>334</u>
Total Liabilities	<u>1,427</u>	<u>1,584</u>
NET ASSETS	<u>55,601</u>	<u>51,315</u>
EQUITY		
Accumulated Surplus	3,692	(894)
Asset Revaluation Reserves	50,794	50,794
Other Reserves	1,115	1,415
TOTAL EQUITY	<u>55,601</u>	<u>51,315</u>

This Statement is to be read in conjunction with the attached Notes.

BARUNGA WEST COUNCIL

STATEMENT OF BUDGETED CHANGES IN EQUITY for the budget year ended 30 June 2022

	Notes	Accumulated	Asset	Availabl	Other	Total	Minority	TOTAL EQUITY
		Surplus	Revaluati on Reserve	e for sale Financial Assets	Reserves	Council Equity	Interest Equity	
2022		Bud	Bud	Bud	Bud	Bud	Bud	Bud
Balance at end of previous reporting period		(894)	50,794	-	1,415	51,315	-	51,315
Adjustment due to compliance with revised Accounting Standards								
Adjustment to give effect to changed accounting policies								
Restated opening balance		(894)	50,794	-	1,415	51,315	-	51,315
Net Surplus / (Deficit) for Year		4,286	-	-	-	4,286	-	4,286
Other Comprehensive Income								
Transfers between reserves		300	-		(300)	-		-
Balance at end of period		3,692	50,794	-	1,115	55,601		55,601
2021								
Balance at end of previous reporting period		(775)	50,794	-	1,415	51,434	-	51,434
Net Surplus / (Deficit) for Year		(119)	-		-	(119)	-	(119)
Other Comprehensive Income								
Changes in revaluation surplus - infrastructure, property, plant & equipment								
Transfers between reserves								
Balance at end of period		(894)	50,794	-	1,415	51,315		51,315

This Statement is to be read in conjunction with the attached Notes

BARUNGA WEST COUNCIL
STATEMENT OF BUDGETED CASH FLOWS
for the budget year ended 30 June 2022

	Notes	2022 Bud	2021 Est
CASH FLOWS FROM OPERATING ACTIVITIES			
<u>Receipts</u>			
Rates - general & other		5,172	4,926
Fees & other charges		91	75
User charges		845	481
Investment receipts		6	12
Grants utilised for operating purposes		3,845	1,276
Reimbursements		2,317	51
Other revenues		756	58
<u>Payments</u>			
Employee costs		(2,835)	(2,214)
Materials, contracts & other expenses		(7,378)	(3,429)
Finance payments		(25)	(27)
Net Cash provided by (or used in) Operating Activities		2,794	1,209
CASH FLOWS FROM INVESTING ACTIVITIES			
<u>Receipts</u>			
Amounts specifically for new or upgraded assets		3,288	-
Sale of replaced assets		90	-
Sale of surplus assets		-	-
Sale of investment property		-	-
Net disposal of investment securities		-	-
Repayments of loans by community groups		18	2
<u>Payments</u>			
Expenditure on renewal/replacement of assets		(3,277)	(1,339)
Expenditure on new/upgraded assets		(5,037)	(971)
Net Cash provided by (or used in) Investing Activities		(4,918)	(2,308)
CASH FLOWS FROM FINANCING ACTIVITIES			
<u>Receipts</u>			
Proceeds from borrowings		-	-
<u>Payments</u>			
Repayments of borrowings		(157)	(150)
Net Cash provided by (or used in) Financing Activities		(157)	(150)
Net Increase (Decrease) in cash held		(2,281)	(1,249)
Cash & cash equivalents at beginning of period		2,564	3,813
Cash & cash equivalents at end of period		283	2,564

This Statement is to be read in conjunction with the attached Notes

BARUNGA WEST COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the budget year ended 30 June 2022

FINANCIAL INDICATORS

2022 2021 2020

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 in the SA Model Statements.

Operating Surplus Ratio

<u>Operating Surplus</u>	7%	(2%)	(1%)
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 the meantime. A negative ratio indicates the percentage increase in operating income or the approximate decrease in operating expenses required to achieve a break-even operating result."

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

Adjusted Operating Surplus Ratio	7%	(1%)	(1%)
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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>	6%	-19%	-33%
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>	111%	99%	47%
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 expenditure on renewal or replacement of assets, relative to the optimal level of such expenditure proposed in a Council's infrastructure and asset management plan.

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



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Council

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