



**Barunga West  
Council**

# **ANNUAL BUSINESS PLAN** 2022/23



# 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.

# A MESSAGE FROM THE MAYOR

Welcome to Council's 2022/23 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 is focused on delivery of core services and infrastructure, dependent on rate revenue, borrowings and grants secured over the past 12 months.

It relies on a modest 5 percent increase in its total rate revenue to cover its costs of services and programs, despite rising prices in fuel, labour and materials.

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

In the coming year Council will oversee a multimillion dollar capital investment and construction program consisting of both private and public sector funding. The multimillion dollar program will see an influx of workers to our district, and will position our townships to attract more residents and holidaymakers.

The capital investment and construction program is being funded by State and Federal Government funding secured through grants, subsidies programs and annual financial assistance contributions, and private sector funding.

Approximately \$17 million of civil works being delivered by Bardavcol at Fisherman Bay in 2022/23 is being funded by private sector investment secured by Council through an Infrastructure Deed with the developers Fisherman Bay Management.

In addition to all of the construction works the local government elections will take place in November this year. This presents an opportunity for people to represent their communities and shape our district's future. I encourage anyone with the time and interest in Council business to nominate for election as becoming a Councillor is very rewarding.

I am proud to be part of Council and pleased to present Council's Annual Business Plan for 2022/23.

*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](http://www.barungawest.sa.gov.au/council/elected-members)



**Leonie  
Kerley**



**Peter  
Button**



**Dave  
Eason**



**Rebecca  
Hewett**



**Rob  
Locke**



**Brian  
Lockyer**



**Margaret  
McDonald**



**Grant  
Rowlands**



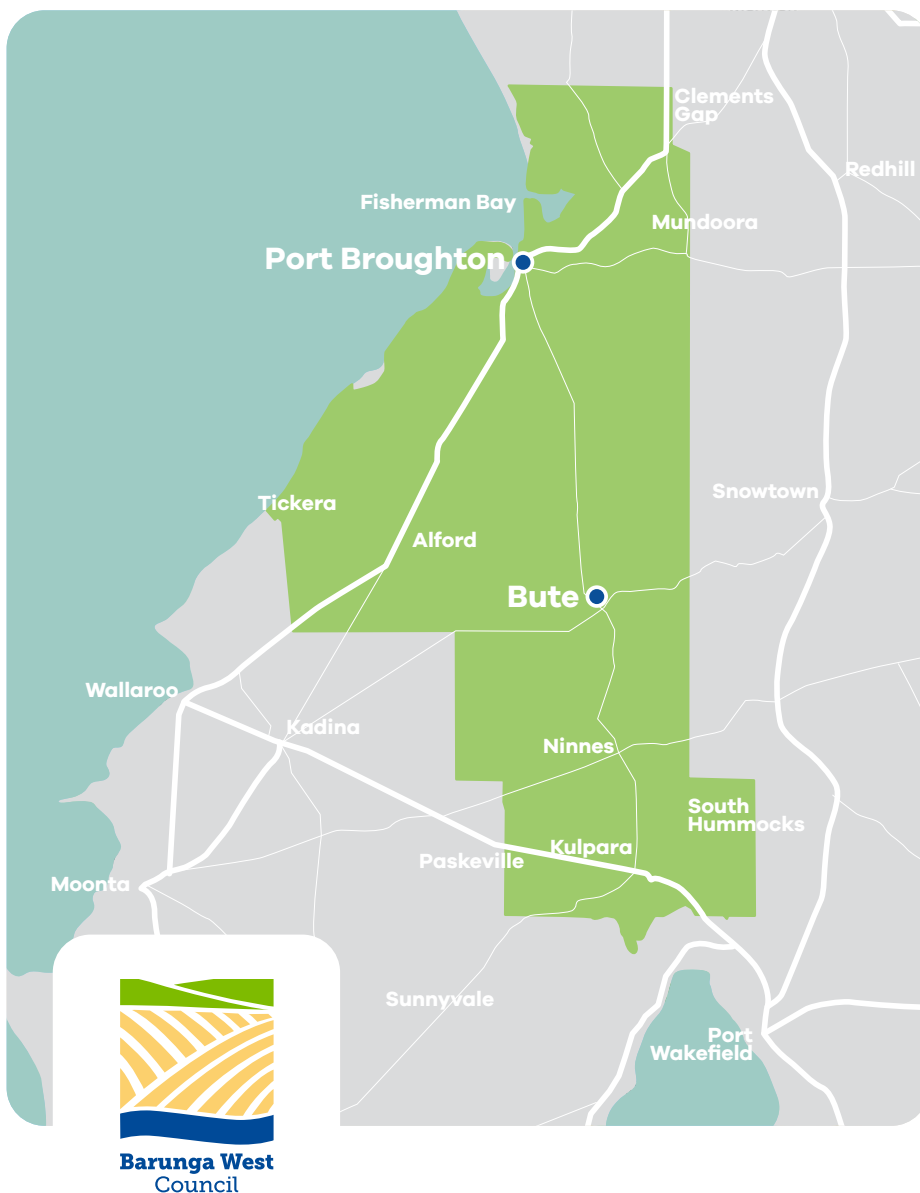
**Georgie  
Simmons**

In November 2022, the local government elections will take place. This presents an opportunity for people to step up and represent their communities and to influence the decisions of Council and the direction and success of the district over the next four years.

Leading up to the November 2022 elections, Council will hold a series of community information sessions, to help people understand more about the role of Councillors, the estimated time commitments and the nomination process. More information will be available from late August 2022.

# 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 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.

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# 1. PURPOSE OF THE ANNUAL BUSINESS PLAN

The 2022/23 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 expenditure to reduce back logs in asset management
- Investment required now to undertake urgent upgrades to essential wastewater infrastructure and roads which no longer meet standards
- Receipts of \$939,000 for grants and subsidies received from the Roads to Recovery and the Financial Assistance Grants programs
- CPI increases (5.1% in the March 2022 quarter) resulting in very high material and contractor costs
- An average increase in capital values of 23.30% in 2021/22 following consecutive average increases in values of 11.43% in 2020/21 and 10.04% in 2019/20
- The Long-Term Financial Plan, aimed at bringing Council's assets up to standards, and ensuring the financial sustainability of the Council, including reaching an operating surplus by 2028.



Fisherman Bay

## 4. BUDGET AT A GLANCE

As of 30 June 2022 Council's assets total \$57.543 million which includes infrastructure, property, plant and equipment of \$56.222 million and cash reserves of \$0.681 million.

Council liabilities at this time will total \$2.927 million which includes borrowings of \$1.784 million.

In 2022/23 Council will experience an operating deficit of \$284,000; a result of \$7.918 million in forecast operating income and \$8.202 million in forecast operating expenditure. This operating deficit will turn into an operating surplus in 2028 (as outlined in Council's Long Term Financial Plan) once an intensive program of capital works is complete to upgrade and replace Council's aging assets.

Capital expenditure for the year is forecast to be \$6.086 million which will be funded by operating income, capital income (grants) and borrowings. The major capital expenditure for 2022/23 is works to upgrade the Bute CWMS facilities, main street upgrades, fishing infrastructure (pontoon and toilet facilities), and new plant and equipment.

### Numbers at a glance

	Budget for 2022/23	Forecast for 2021/22
Budget operating income	\$7,918,000	\$11,837,000
Budget operating expenditure	\$8,202,000	\$12,082,000
Budget operating surplus / (deficit)	(\$284,000)	(\$245,000)
Budget grant income	\$939,000	\$1,776,000
Budget capital expenditure – new	\$3,497,000	\$5,037,000
Budget capital expenditure – renewal	\$2,589,000	\$3,277,000
Loans	\$4,034,000	\$1,784,000
Cash balances as at 30 June 2022	\$223,000	\$681,000

## 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 \$7.918 million. This consists of the following:

### Rates

Rates income for 2022/23 will provide \$5.442 million, a modest 5% increase in total rate revenue (equating to \$254,000) increase on the total rates to be collected in 2021/22 and will account for 69% of Council's operating income in 2022/23.

### 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 \$92,000 in 2022/23.

### 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 \$828,000 and will account for 10% of revenue in 2022/23.

### Grants

Grant income will provide \$939,000 or 12% of Council's revenue for 2022/23, with the majority of grant income for projects to be delivered in 2022/23, received in advance in 2021/22.

Announced and committed grants for Council in are as follows:

- \$450,000 Financial Assistance Grant
- \$279,118 Local Road Community Infrastructure Program
- \$197,022 from the Roads to Recovery Program
- \$117,000 from the Office of Recreation and Sport
- \$250,000 from Wellbeing SA
- \$400,000 from the Department of Primary Industries and Regions
- \$92,814 from the Stormwater Management Authority
- \$2,000 from the State Government for local library services
- \$11,000 from the Local Government Risk Services

### Reimbursements

In 2022/23 a total of \$500,000 is expected to be received from Fisherman Bay Management for its open space contribution associated with the Fisherman Bay freehold project (\$200,000 has already been received in 2021/22, totalling \$700,000). 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.

Council has also budgeted for \$54,000 of rebates on its insurance through the Local Government Risk Services and \$2,000 of other sundry reimbursements.

### 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 2022/23.

## 7. EXPENDITURE

Council's operating expenditure is forecast to be \$8.202 million, representing 105% of its total operating income of \$7.918 million for the year.

### Salaries and wages

Salaries and wages are forecast to cost \$2.909 million in 2022/23, a \$189,000 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 \$3.121 million in 2022/23. This expenditure category has decreased by \$4.368 million from last year. The substantial decrease is because last financial year Council delivered the Yorke Peninsula Alliance Road Upgrades Project – a large road improvement program delivered by Barunga West Council on behalf of three council areas.

These expenses include budgeted expenditure for professional services (\$70,000), legal (\$70,000), information technology (\$165,500), and insurance (\$242,700).

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 \$2.052 million in 2022/23 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 forecast to increase as Council borrows money to address the backlog of capital works. Council's annual interest expense is forecast at \$120,000 in 2022/23.



## 8. PRIORITY INITIATIVES AND MAJOR PROJECTS

### Port Broughton Main Streets \$417,000

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 \$210,000 of funds have been carried over to complete this project by October 2022. Staff have started planning the first stage of Bay Street and will deliver improvements within the remainder of this budget in 2022/23 financial year. Council has commenced discussions with Planning SA to access Planning and Development funding to help fund these projects.

### Roads, footpaths and kerbing \$1.636 million

Council will invest in over \$1.6 million in upgrading and maintaining its core assets including sealed and unsealed roads, footpaths and kerbing.

### Mundoora Main Streets \$172,814

Council has secured a \$92,814 grant from the Stormwater Management Authority following its Mainstreets planning study. The funding will be matched by funds from Council and the Port Pirie Regional Council, and will be used to improve the kerbing and landscaping along East Terrace.

### Connecting Bute's play spaces \$390,000

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. Council will contribute \$80,000 and in-kind services towards the project which will be completed by the end of 2022.

### Upgrades Bute Community Wastewater Management Systems (CWMS) \$500,000

Council will complete works started in 21/22 to finish the upgrade to Bute's CWMS system which will bring all facilities up to standards and will allow for the reuse of wastewater and irrigation of the Bute sporting oval.

### Port Broughton coastal protection sand replenishment works \$40,000

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.



**Upgrade to Old Chamber  
\$17,500**

Council has allocated money for urgent repairs to the Old Chamber to fix salt damp and the external facade.

**Community and Events  
Centre  
\$1,200,000 million**

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 will cost \$1,200,000 and relies on Council securing \$600,000 of matching funding from government. Negotiations for this grant funding have well progressed with Council applying for Building Better Regions funding in early 2022.

**Recreational fishing  
infrastructure  
\$535,000**

Council has received \$400,000 through the state government’s Recreational Fishing, Boating and Camping Facilities Grant Fund to be evenly split between building a fishing pontoon on the Port Broughton jetty and toilets by the boat ramp at Port Broughton. Council will contribute \$75,000 to the pontoon project which will extend the existing jetty T-piece by about 50 metres north to assist recreational fishing and give a greater tie-off area for boats. The public toilet funding will assist the installation of a permanent amenities block at the Port Broughton boat ramp, and Council will contribute \$60,000.

**Events  
\$36,000**

Council has allocated \$36,000 towards its events in 2022/23 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.

**Walking Trails and Signage  
\$35,000**

Council will continue its work to improve direction and wayfinding signage across the district including signage along its walking trails.

**Christmas Decorations  
\$10,000**

Council will add to its Christmas decorations this year including purchasing items for its smaller townships.

## 9. FINANCE SUMMARY 2022/2023

<b>Uniform Presentation of Finances</b>	<b>2020/21 Actual</b>	<b>2021/22 Estimated</b>	<b>2022/23 Budget</b>
Operating Income	7,257	11,837	7,918
Less Operating Expenditure	(8,024)	(12,082)	8,202
Operating Surplus/(Deficit)	(767)	(245)	(284)
<b>Less: Net Expenditure – Renewal/Replacement of Existing Assets</b>			
Capital Expenditure – Renewal/Replacement of Existing Assets	(2,413)	(3,277)	(2,589)
Add: Depreciation, Amortisation and Impairment Expenses	1,745	1,848	2,052
Add: Proceeds – Sale of Replaced Assets	0	0	0
Net Expenditure on Existing Assets	(668)	(1,429)	(537)
<b>Less: Net Expenditure – New &amp; Upgraded Assets</b>			
Capital Expenditure – New & Upgraded Assets	–	(5,037)	(3,497)
Less: Grants received specifically for New & Upgraded Assets	84	3,588	1,610
Add: Proceeds – Sale of Surplus Assets	87	90	0
Net Expenditure on New & Upgraded Assets	171	(1,359)	(1,887)
<b>Net Lending (Borrowing) for Financial Year *</b>	<b>(1,264)</b>	<b>(3,033)</b>	<b>(2,708)</b>



## 10. LOAN PORTFOLIO

Council current loan portfolio at 30 June 2022:

Purpose	Type	Maturity	Balance
Patrol Grader	Council	15-07-2022	\$38,958
PB Library Extensions	Council	17-03-2023	\$18,064
PB Library Extensions	Community	17-03-2023	\$2,737
PB Office Extensions	Council	17-05-2025	\$160,083
PB Sporting Club	Community	15-02-2026	\$64,553
Capital works program	Council	15-05-2025	\$500,000
Capital works program	Council	15-06-2032	\$500,000
Capital works program	Council	15-06-2032	\$500,000
<b>TOTAL</b>			<b>\$1,784,000</b>

New loans are budgeted in the 2022/23 financial year of \$2,250,000 to partly finance the capital works program for 2022/23.

Interest expense for the year is \$120,000.



Bute Caravan Park carpark

# 11. RATE 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.

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

The full draft Rating Policy 2022/23 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.

The district has experienced an average increase in capital values of 23.30% in 2021/22 following consecutive average increases in values of 11.43% 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 decreases in the differential rate values for 2022/23:

	Proposed rate values 2022/23		Rate values in 2021/22	
Residential Rate	100%	0.3220	100%	0.3395
Commercial – Shop	100%	0.3220	100%	0.3395
Commercial – Office	100%	0.3220	100%	0.3395
Commercial – Other	100%	0.3220	100%	0.3395
Industry – Light	100%	0.3220	100%	0.3395
Industry – Other	100%	0.3220	100%	0.3395
Primary Production	50.46%	0.1625	58%	0.1969
Vacant land Rate	175%	0.5635	150%	0.5093
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 \$394 which has increased by \$19 from the fee imposed in 2021/22 (\$375).

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 2022/23 the service charge for each separate allotment in Port Broughton and Bute receiving or able to receive the service will increase by \$25, from \$475 to \$500, for a residential property and will increase \$11.75, from \$235 to \$246.75, for a vacant property.

The Fisherman Bay system, which will be a full sewage system will be operational from late 2022-23 Budget year. A \$575 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 21 September 2022, 7 December 2022, 7 March 2023 and 7 June 2023.

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.



Tickera township

## ATTACHMENT 1 – Annual Financial Statements

**BARUNGA WEST COUNCIL**  
**BUDGET STATEMENT OF COMPREHENSIVE INCOME**  
For the Year Ended 30 June 2023

	2021/22 Estimated \$'000	2022/23 Budget \$'000
<b>INCOME</b>		
Rates	5,188	5,442
Statutory charges	85	92
User charges	367	828
Grants, subsidies and contributions	3,611	939
Investment income	9	6
Reimbursements	260	556
Other income	2,317	55
<b>Total Income</b>	<b>11,837</b>	<b>7,918</b>
<b>EXPENSES</b>		
Employee costs	2,720	2,909
Materials, contracts & other expenses	7,489	3,121
Depreciation, amortisation & impairment	1,848	2,052
Finance costs	25	120
<b>Total Expenses</b>	<b>12,082</b>	<b>8,202</b>
<b>OPERATING SURPLUS / (DEFICIT)</b>	<b>(245)</b>	<b>(284)</b>
Asset disposal & fair value adjustments	52	0
Amounts received specifically for new or upgraded assets	3,588	1,610
<b>NET SURPLUS / (DEFICIT)</b>	<b>3,395</b>	<b>1,326</b>
<b>Other Comprehensive Income</b>		
Changes in revaluation surplus - IPPE	0	0
Impairment	0	0
<b>Total Other Comprehensive Income</b>	<b>0</b>	<b>0</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>3,395</b>	<b>1,326</b>

**BARUNGA WEST COUNCIL**  
**BUDGET STATEMENT OF FINANCIAL POSITION**  
For the Year Ended 30 June 2023

	2021/22 Estimated \$,000	2022/23 Budget \$'000
<b>Current Assets</b>		
Cash and cash equivalents	681	223
Trade & other receivables	491	491
Inventories	100	100
<b>Total Current Assets</b>	<b>1,272</b>	<b>814</b>
<b>Non-current Assets</b>		
Financial assets	49	49
Infrastructure, property, plant & equipment	56,222	60,256
<b>Total Non-current Assets</b>	<b>56,271</b>	<b>60,305</b>
<b>Total Assets</b>	<b>57,543</b>	<b>61,119</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Trade & other payables	507	507
Borrowings	516	1,516
Provisions	586	586
<b>Total Current Liabilities</b>	<b>1,609</b>	<b>2,609</b>
<b>Non-current Liabilities</b>		
Borrowings	1,268	2,518
Provisions	50	50
<b>Total Non-current Liabilities</b>	<b>1,318</b>	<b>2,568</b>
<b>Total Liabilities</b>	<b>2,927</b>	<b>5,177</b>
<b>NET ASSETS</b>	<b>54,616</b>	<b>55,942</b>
<b>EQUITY</b>		
Accumulated Surplus	3,583	4,409
Asset Revaluation Reserves	50,794	50,794
Other Reserves	239	739
<b>TOTAL EQUITY</b>	<b>54,616</b>	<b>55,942</b>

**BARUNGA WEST COUNCIL**  
**BUDGET STATEMENT OF CHANGE IN EQUITY**  
For the Year Ended 30 June 2023

	2021/22 Estimated \$,000	2022/23 Budget \$'000
<b>ACCUMULATED SURPLUS</b>		
Balance at beginning of period	388	3,583
Net Surplus/(Deficit)	3,395	1,326
Transfers between reserves	(200)	(500)
<b>Balance at end of period</b>	<b>3,583</b>	<b>4,409</b>
<b>ASSET REVALUATION RESERVE</b>		
Balance at beginning of period	50,794	50,794
Net change this year	0	0
Transfers between reserves	0	0
<b>Balance at end of period</b>	<b>50,794</b>	<b>50,794</b>
<b>OTHER RESERVES</b>		
Balance at beginning of period	39	239
Net change this year	0	0
Transfers between reserves	200	500
<b>Balance at end of period</b>	<b>239</b>	<b>739</b>
<b>TOTAL EQUITY</b>	<b>54,616</b>	<b>55,942</b>

BARUNGA WEST COUNCIL  
BUDGET STATEMENT OF CASH FLOW  
For the Year Ended 30 June 2023

	2021/22 Estimated \$'000	2022/23 Budget \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<u>Receipts</u>		
Rates - general & other	5,188	5,442
Fees & other charges	85	92
User charges	367	828
Grants utilised for operating purposes	3,611	939
Investment receipts	9	6
Reimbursements	260	556
Other revenues	2,317	55
<u>Payments</u>		
Employee costs	(2,720)	(2,909)
Materials, contracts & other expenses	(7,489)	(3,121)
Finance payments	(25)	(120)
<b>Net Cash provided by (or used in) Operating Activities</b>	<b>1,603</b>	<b>1,768</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<u>Receipts</u>		
Amounts specifically for new or upgraded assets	3,588	1,610
Sale of replaced assets	90	0
Sale of surplus assets	0	0
Repayments of loans by community groups	18	0
<u>Payments</u>		
Expenditure on renewal/replacement of assets	(3,277)	(2,589)
Expenditure on new/upgraded assets	(5,037)	(3,497)
<b>Net Cash provided by (or used in) Investing Activities</b>	<b>(4,618)</b>	<b>(4,476)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<u>Receipts</u>		
Proceeds from borrowings	1,500	2,250
<u>Payments</u>		
Repayments of borrowings	(157)	0
<b>Net Cash provided by (or used in) Financing Activities</b>	<b>1,343</b>	<b>2,250</b>
<b>Net Increase (Decrease) in cash held</b>	<b>(1,672)</b>	<b>(458)</b>
Cash & cash equivalents at beginning of period	2,353	681
<b>Cash &amp; cash equivalents at end of period</b>	<b>681</b>	<b>223</b>



BARUNGA WEST COUNCIL  
BUDGET FINANCIAL INDICATORS  
For the Year Ended 30 June 2023

	2021/22 Estimated \$'000	2022/23 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 in the SA Model Statements.

**Operating Surplus Ratio**

<u>Operating Surplus</u>	(2%)	(4%)
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%.

<b>Adjusted Operating Surplus Ratio</b>	(1%)	(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>	14%	56%
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>	52%	73%
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%.

# ATTACHMENT 2 Statement on Expected Rate Revenue

## BARUNGA WEST COUNCIL STATEMENT ON EXPECTED RATE REVENUE For the Year Ended 30 June 2023

Expected Rates Revenue				
	2021/22 Estimated \$'000	2022/23 Budget \$'000	Change	Comments
<b>General Rates Revenue</b>				
General Rates (existing properties)	\$4,620	\$4,852 <sup>(a)</sup>		Council has budgeted for a modest increase in General Rates Revenue despite a significant increase in Capital Values of on average 23% through reducing the Cents in the Dollar.
General Rates (new properties)		<sup>(b)</sup>		
<b>General Rates (GROSS)</b>	<b>\$4,620</b>	<b>\$4,852</b> <sup>(c)</sup>		
Less: Mandatory Rebates	(\$53)	(\$56) <sup>(d)</sup>		
<b>General Rates (NET)</b>	<b>\$4,567</b>	<b>\$4,796</b> <sup>(e)</sup>	<b>5.0%</b>	
	$(e)=(c)+(d)$			
<b>Other Rates (inc. service charges)</b>				
Regional Landscape Levy	\$229	\$235 <sup>(f)</sup>	The Regional Landscape Levy is a State tax, it is <b>not retained</b> by council.	
CWMS	\$446	\$468 <sup>(i)</sup>		
	\$5,242	\$5,499		
Less: Discretionary Rebates	(\$54)	(\$57) <sup>(l)</sup>		
<b>Expected Total Rates Revenue</b>	<b>\$5,188</b>	<b>\$5,442</b> <sup>(m)</sup>	<b>4.9%</b>	Excluding the Regional Landscape Levy and minus Mandatory & Discretionary Rebates.
	$(m)=(e)+(g)+(h)+(j)+(k)+(l)$			

### Estimated growth in number of rateable properties

<b>Number of rateable properties</b>	<b>2,752</b>	<b>2,778</b> <sup>(n)</sup>	<b>0.9%</b>
	<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

<b>Average per rateable property</b>	<b>\$1,678.78</b>	<b>\$1,746.58</b> <sup>(o)</sup>	<b>4.0%</b>
	$(o)=(c)/(n)$		

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

<sup>(d)</sup>	Councils are <b>required</b> 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).
<sup>(e)</sup>	Presented as required by the <i>Local Government (Financial Management) Regulations 2011</i> reg 6(1)(ea) <b>Please Note:</b> The percentage figure in (e) relates to the change in the total amount of General Rates revenue to be collected from <u>all</u> rateable properties, not from <u>individual</u> rateable properties (ie. individual rates will not necessarily change by this figure).
<sup>(f)</sup>	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.
<sup>(i)</sup>	Community Wastewater Management Systems
<sup>(l)</sup>	A council <b>may</b> 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).
<sup>(m)</sup>	Expected Total Rates Revenue excludes other charges such as penalties for late payment and legal and other costs recovered.
<sup>(n)</sup>	'Growth' as defined in the <i>Local Government (Financial Management) Regulations 2011</i> reg 6(2)

## ATTACHMENT 2 Statement on Expected Rate Revenue

### BARUNGA WEST COUNCIL STATEMENT ON EXPECTED RATE REVENUE For the Year Ended 30 June 2023

#### Expected Rates Revenue

	Total expected revenue			No. of rateable properties		Average per rateable property			Cents in the \$	
	2021/22	2022/23	Change	2021/22	2022/23	2021/22	2022/23	Change	2022/23	
	\$'000	\$'000								
<b>Land Use (General Rates - GROSS)</b>										
Residential	\$1,804	\$1,869	4%	1560	1571	\$1,156	\$1,190	(p)	\$33	0.3220
Commercial - Shop	\$19	\$19	0%	20	20	\$950	\$950	(p)	\$0	0.3220
Commercial - Office	\$4	\$4	0%	8	8	\$500	\$500	(p)	\$0	0.3220
Commercial - Other	\$30	\$31	3%	42	40	\$714	\$775	(p)	\$61	0.3220
Industry - Light	\$2	\$2	0%	4	4	\$500	\$500	(p)	\$0	0.3220
Industry - Other	\$15	\$15	0%	11	11	\$1,364	\$1,364	(p)	\$0	0.3220
Primary Production	\$2,627	\$2,781	6%	910	914	\$2,887	\$3,043	(p)	\$156	0.1625
Vacant Land	\$119	\$131	10%	197	210	\$604	\$624	(p)	\$20	0.5635
<b>Total Land Use</b>	<b>\$4,620</b>	<b>\$4,852</b>	<b>5.0%</b>	<b>2,752</b>	<b>2,778</b>	<b>\$1,679</b>	<b>\$1,747</b>	<b>(p)</b>	<b>\$68</b>	
<b>Locality (General Rates - GROSS)</b>										
<b>Total Locality</b>	<b>\$0</b>	<b>\$0</b>	<b>#DIV/0!</b>	<b>0</b>	<b>0</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>(p)</b>	<b>#DIV/0!</b>	
<b>GRAND TOTAL (GROSS)</b>	<b>\$4,620</b>	<b>\$4,852</b>	<b>5.0%</b>	<b>2,752</b>	<b>2,778</b>	<b>\$1,679</b>	<b>\$1,747</b>	<b>(p)</b>	<b>\$68</b>	

Council has reduced the 'Cents in the Dollar' to reduce the impact on rates from significant increases in Capital Values.

#### Fixed Charge

	Total expected revenue			Charge		
	2021/22	2022/23	Change	2021/22	2022/23	Change
<b>Fixed Charge</b>	<b>\$909</b>	<b>\$955</b>	<b>5%</b>	<b>\$375</b>	<b>\$394</b>	<b>(q)</b> <b>\$19</b>

This revenue amount is included in the General Rates GROSS figure at (c).

#### Minimum Rate

	No. of properties to which rate will apply		Rate		
	2022/23	% of total rateable properties	2021/22	2022/23	Change
<b>Minimum Rate</b>		<b>0.0%</b>			<b>(r)</b> <b>\$0</b>

Council does not apply a minimum rate.

#### Adopted valuation method

##### Capital Value/Site Value/Annual Value

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 Value 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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