



## **Draft Annual Business Plan & Budget 2023/24 – Frequently Asked Questions**

### **1. Why is Council generating an additional 6% in General Rate Revenue? What does this mean?**

*This means that Council is collecting 6% additional general rate revenue than it budgeted for in the 2022/23 year. For the average residential ratepayer, they should expect an increase equivalent to \$2.12 weekly.*

*As with many households and businesses, Council has also experienced increased costs associated with business undertakings in line with current levels of CPI. In addition, new budget submissions, intended to deliver a range of initiatives, have been incorporated into the rate increase.*

*Furthermore, the current financial position of Council is that it operates at a financial deficit, that is, Council's expenses far exceed its income. For 2023/24, Council's proposed operating deficit exceeds \$1.8 million. Council has a legislative obligation to be financially responsible and ultimately, a rate increase of 6% ensures Council commits to the minimum parameters of its Long Term Financial Plan and towards its journey to achieving financial sustainability at some point in the future.*

### **2. Will my rates go up considerably?**

*Council is continuing to 'phase in' the change in the basis of rating by setting a cap on the increase from the general rates paid in 2021/22 to the general rates to be paid in 2023/24 on some properties. Therefore, those properties whose rates that would have increased significantly will be capped at a maximum increase of 10% for residential land use and 20% for all other land uses.*

*An exclusion to this is the assessments where the land use has changed from the 2022/23 rating year to the 2023/24 rating year. For example, if an assessment was vacant land in the 2022/23 rating year but is now residential land use as a house has been put on the vacant land, then the assessment will not be capped at 10% in general rates for the 2023/24 rating year. The capital value of the assessment will have increased due to the house now being on the land.*

### **3. What do rates pay for?**

*Council rates are a system of taxation and Council determines how and where they are spent. Your rates help Council to deliver a wide range of services to benefit individuals and the wider community. Every single dollar of rates collected is used to fund the delivery of services and infrastructure works outlined in the Draft Annual Business Plan and Budget.*

*A list of services and infrastructure works is detailed within the Annual Business Plan and Budget.*

**4. Why are Port Augusta City Council rates higher than neighboring councils?**

*It is difficult to directly compare rates with other councils because each council is unique and has its own requirements. Some of the factors that influence rates include ratepayer base, services, programs and facilities provided.*

**5. Can ratepayers have a say on annual council rates and what programs and services council provides?**

*In accordance with the Local Government Act, Council must undertake formal public consultation with its community on the Draft Annual Business Plan and Budget.*

*Ratepayers can review the draft document and provide their feedback via a formal submission.*

*Council is required to consider all submissions received during the public consultation period and considers all formal feedback prior to finalising the Annual Business and Budget.*