



Port Augusta

CITY COUNCIL



PORT AUGUSTA CITY COUNCIL
**ANNUAL
BUSINESS PLAN & BUDGET
2020/2021**

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INTRODUCTION

The Annual Business Plan and Budget sets out the Port Augusta City Council's proposed services, programs and projects for the 2020/2021 financial year. It aims to maintain efficient and desired services and facilities for the community whilst continuing progress towards the long-term sustainability of the Council's financial performance and position.

The Covid-19 pandemic and resultant Federal and State Government restrictions have had a significant impact locally, nationally and internationally. Port Augusta City Council acknowledges that many ratepayers are being impacted by these Government restrictions. Council itself has not been immune to the impact and is also navigating its way through this unstable period.

Council recognises that the 2020/2021 Annual Business Plan and Budget comes at a period of uncertainty for many. Council is budgeting for a 0% average increase for ratepayers for the 2020/2021 rating year. To enable this to occur, and meet Council's objective of improving its long-term financial sustainability, a number of difficult decisions in relation to discretionary services have been made.

The Local Government Act

Section 123 of the Local Government Act 1999 requires the Council to develop an Annual Business Plan and Budget for the financial year. The Annual Business Plan and Budget must address each principal activity of the Council on a separate basis and be adopted before the 31st of August.

The Annual Business Plan and Budget is developed in the context of Council's Strategic Planning Framework.

The Budget for 2020/2021 must include:

- A forecast balance sheet, income and cash flow statement, prepared in accordance with Australian Accounting Standards.
- Capital projects and operating projects to be undertaken.
- Other financial information which Council requires in order to make an informed decision about the adoption of the budget.
- Information required to comply with the Local Government Financial Management Regulations.
- Financial Performance Indicators.

The Council must ensure that copies of its Annual Business Plan and Budget are available for inspection by the public.

Strategic Management Plans

Section 122 of the Local Government Act outlines the requirement for Council to develop and adopt plans (which may take various forms) for the management of its area, to be called collectively the Strategic Management Plans.

Following Local Government elections held in November 2018, the 40th Council of the Corporation of the City of Port Augusta has developed its '*Strategic Directions 2019-2029*' and '*Four Year Priority Action Plan*' setting objectives for the period of the Council. The '*Strategic Directions 2019-2029*' has four community focused themes and one enabling, organisationally focused theme.



The document details Council's aspirations, challenges and opportunities whilst also considering Council's position as a Leader, Enabler or Provider of services.

The relationship between Council's Strategic Management Plans and the 2020/2021 Annual Business Plan is outlined in the chart below:



Long Term Financial Plan

A Long Term Financial Plan (LTFP) for the period 2019-2029 has been developed incorporating information from Council's Infrastructure Asset Management Plan and with consideration to Theme 5 of Council's 'Strategic Directions 2019-2029'. The purpose of a Long Term Financial Plan is to guide the future direction of the Port Augusta City Council in a sustainable manner. The LTFP is to be linked with Council's objectives, goals and desired outcomes in financial terms derived from the Strategic Plan and Asset Management Plan. It is a high level plan and is not intended to provide low level detail of expenditures in specific programs and operational areas. It is a guideline for future action and encourages Council to think about the impact of decisions made today and its effect on Council's long-term sustainability.

A major driver for long term financial planning is financial sustainability; both in terms of service delivery and attention to the Council's asset base. Council provides a wide and diverse range of services, many of which are not normally provided by local government. This range of services is currently being reviewed by Council in an attempt to reduce the current operating deficit.

Council had adopted the 2019-2029 Long Term Financial Plan. The Long Term Financial Plan is based on an increase in general rate revenue of 1.9% in the 2020/2021 financial year, followed by 3.2% annual increases in general rate revenue for the remainder of the plan. The plan still aims to achieve a break even result at year 2027/2028 which was the ten year target established in the 2017/2018 Long Term Financial Plan. To accomplish this position, Council must achieve an additional annual reduction in operating expenditure of \$194,000. This needs to occur through a strategic approach.

Since adoption of the 2019-2029 Long Term Financial Plan, the Covid-19 pandemic has resulted in decisions not reflected by the current plan. Whilst the full impact of the pandemic is not yet known, Council has budgeted to achieve the same total operating deficit for 2020/2021 of \$2.682M as per the adopted LTFP, whilst achieving a 0% increase in General Rate Revenue. However, this will require an increased reduction in annual operating expenditure to \$205,000 every year until break even at 2027/2028.

Asset Management Plan

Council has developed an Infrastructure Asset Management Plan that sets out the capital project requirements of Council. A key objective of the Infrastructure Asset Management Plan is to maintain or preserve Council's existing assets at desired condition and service levels.

Council is using the information contained within these plans to inform the capital work required in the 2020/2021 financial year. This is also considered against the actual condition of the assets as well as potential economies of scale from conducting related work within a scheduled timeframe.

These Asset Management Plans are 'living documents' and as data collection and analysis systems mature, plans will be amended accordingly. Council's Asset Management Plan is a key input into the Long Term Financial Plan and therefore as the plan is updated, proposed expenditure will be reflected in future updates of Council's Long Term Financial Plan.

Level of Service

Port Augusta City Council has continued its commitment to seeking efficiencies and reductions in expenditure during the 2019/2020 financial year. Examples of these efficiencies are provided below:

Efficiencies achieved during 2019/20	Amount
Reduction in vehicles x 1	\$10,000
Introduction during year of 2 x hybrid vehicles to reduce fuel costs	\$1,000
Change of cleaning arrangements at Port Augusta Childcare Centre	\$5,000
Insurance Review (Great Western Bridge)	\$13,200
Further changeover of street lighting type to LED	\$11,000
Commencement of food waste into green bin strategy (initial savings)	\$11,000
Review of operating hours of Miriam High Special Needs Centre prior to closure	\$10,000
Public lighting charges review by LGASA for period 2010-2015	\$140,000
New Electricity Contract 2020-2023 through LGA Procurement	\$22,000

Reviews undertaken during the year have included:

- A review of leases and licences of Council premises
- An operational review of the Port Augusta Childcare Centre by GowrieSA
- A review of the AALBG Master Plan

The Covid-19 global pandemic has had a significant impact on the Port Augusta City Council's operations since March 2020 with several business units suspending activities due to Government imposed restrictions and other programs having to modify operations to meet physical distancing and hygiene requirements.

Status of 2019/2020 key activities as at 30th April 2020:

OTHER 2019/2020 HIGHLIGHTS (OPERATIONAL EXPENDITURE)	Status	Notes
Grading of Eastside Foreshore Beach Sand prior to Summer	Achieved	
Removal of Samphire Grass from Westside Foreshore area between bridges	Achieved	
Steam cleaning of pavers in Commercial Road area	In Progress	Quotes received over budget. Alternative solution being trialled
Increased amenity in CBD and Foreshore area	Achieved	
20% increase in amenity of green space (turf & garden beds) including Stirling North Garden Cemetery	Achieved	
Implementation of new Planning Development Infrastructure Act	In Progress	USG Regional Assessment Panel being formulated
Review of Disability Action Inclusion Plan	In Progress	Working with LGA Senior Policy Officer
Free Dump Day to coincide with Clean Up Australia Day	Achieved	
Media & Communications Role	Achieved	
CWMS Data Collection, Inspection and Condition Assessment	Achieved	
Stormwater Data Collection, Inspection and Condition Assessment	Achieved	
Marine Assets	Delayed	Council working with LGA & DPTI. Confirmation that wharf is under State Government ownership.
Support for various community events	80% Achieved	Majority of events completed prior to Covid19 restrictions
Support for RDA Far North	Achieved	
Support for Spencer Gulf Cities Association	Achieved	
Continuation of EPA required work at Tassie St ponds	In Progress	Work continuing. On track for completion as per budget
Completion of Council's Strategic Plan	Achieved	
Repairs to Wastewater Dam Wall	In Progress	Completion due by 30th June 2020

CAPITAL EXPENDITURE 2019/2020	Status	Notes
Infrastructure Capital Renewal	In Progress	Completion due by 30 th June 2020
New Footpath Connectivity	In Progress	Completion due by 30 th June 2020
Foreshore Upgrade	In Progress	New shelters, BBQs & pavers being installed by 30 th June 2020
Skate Park	Achieved	
Upgrade of CWMS system	In Progress	Completion of staged work due by 30 th June 2020
Plant & Vehicle Replacement	In Progress	Completion due by 30 th June 2020
Central Oval Turf Upgrade	Achieved	
Building Fire Safety Upgrades	In Progress	Completion due by 30 th June 2020
Roof Compliance Access & Re-certification	In Progress	Completion due by 30 th June 2020
Wind Vane Bearing Replacement	Delayed	Wind vanes removed for safety. Future options being considered
Institute Theatre Salt Damp Treatment Stage 2	In Progress	Completion due by 30 th June 2020
Replacement of Gutters & Downpipes	In Progress	Completion due by 30 th June 2020
Painting (staged work)	In Progress	Completion due by 30 th June 2020
IT Upgrades	In Progress	Completion due by 30 th June 2020
Additional CCTV Cameras	In Progress	Completion due by 30 th June 2020

Significant Influences and Priorities for 2020/2021

In preparing the 2020/2021 budget, Council has given consideration to:

- 2019-2029 Strategic Directions and Four Year Action Plan
- 2019-2029 Long Term Financial Plan
- Asset Management Plans
- The current economic influences including:
 - Covid-19 Emergency Provisions
 - Adelaide All Groups CPI of 2.4% as at March 2020 quarter
 - Known decreases or minimal increases in revenue sources from Federal & State Governments
 - Levies imposed by other tiers of government including Regional Landscape Levy and EPA Waste Levy
 - Risk Management Framework and Work Health & Safety
- A focus on asset renewal and financial sustainability
- The desire to reach a 'break even' budget position by 2027/2028 financial year.

Key Decisions

In response to these factors, the Annual Business Plan has been prepared within the following guidelines:

- 0% average increase for ratepayers for the 2020/2021 rating year
- consideration of movement in site values from the previous year
- continuation of rate capping and discretionary rebates through rating policy
- service level and range review
- continued focus on asset renewal and beautification of the City

SUMMARY OF PLANNED INCOME, EXPENSES AND CAPITAL EXPENDITURE

Operating Expenditure

Council's focus in relation to Operating Expenditure is based on the five themes of Council's Strategic Directions 2019-2029. Priority Actions during the 2020/2021 financial year are listed below.

Priority Action 1 - Community

- Develop Indigenous Engagement Strategy
- Disability Access & Inclusion Plan
- Completion of review of sponsorship & grants program
- Review Community Engagement framework
- Lobby for increased aviation access to and from the City
- Support for Community Events

Priority Action 2 – Economy

- AALBG Master Plan
- Lobby other tiers of Government regarding sealing of a section of Yorkey's Crossing Road adjacent to Davenport Community
- Facilitate tendering and 'meet the buyer' workshops for local business

Priority Action 3 – Environment

- Removal of samphire grass from Westside beach areas within permitted limits
- Develop Regional Waste Management Strategy
- Waterproofing the City Review
- Review & communicate the Style Guide for the City
- Participate in LGA Energy Audit
- Clean Up Australia Day including free dump session

Priority Action 4 – Infrastructure

- Develop long term CBD amenity program
- Asset Management Plan data collection
- Stormwater Management Plan (digital mapping, valuation)
- Commence Foreshore Strategy (includes Marine Assets)
- Scoping of work required Ryan Mitchell Swim Centre upgrade
- Scoping & Design – Civic Centre Air Conditioning upgrade

Priority Action 5 – Governance & Financial Sustainability

- Asset Revaluation (required by legislation every 5 years)
- Upper Spencer Gulf Joint Planning Board establishment
- Continued support for RDA Far North and Upper Spencer Gulf Cities
- Review Long Term Financial Plan
- Continuous Improvement Program
 - Service Level & Range Review
 - Organisational efficiencies
 - Legislative Compliance
 - Internal Staff Development Program
 - Rating Review

Council has allocated funding of \$96,100 for events to be held during the 2020/2021 financial year. It is acknowledged that, depending on Covid-19 pandemic restrictions, it is possible that some events may not proceed.

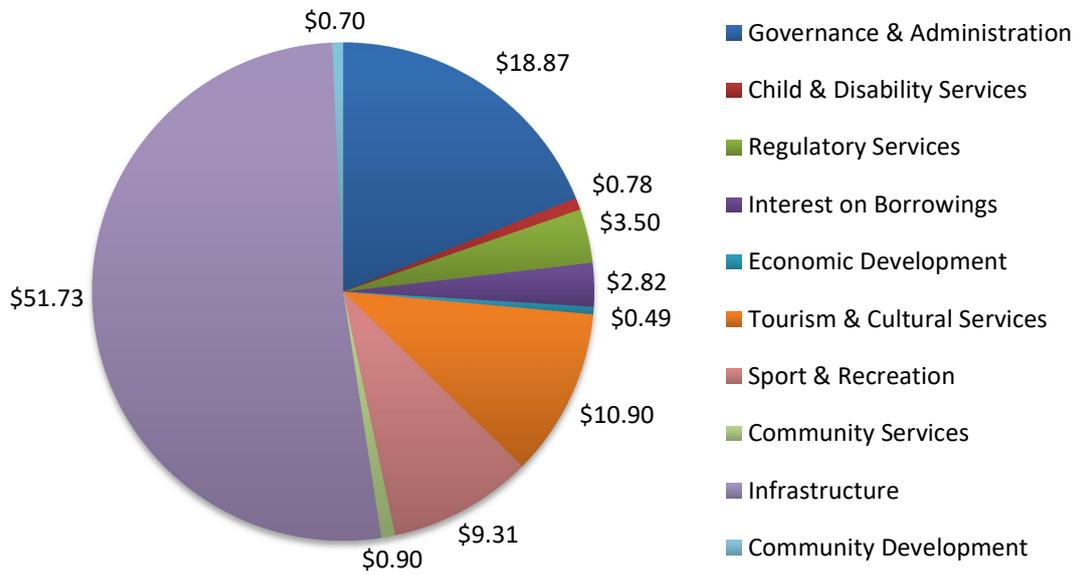
- Port Augusta Racing Club
- Port Augusta Country Music
- Port Augusta Golf Classic
- Calisthenics Annual Display Concert
- Anderson Dancers Annual Pantomime
- Dance Dance Evolution - ignite cheer
- Dance Explosions
- Rotary Christmas Pageant
- Lions Australia Day Breakfast
- Crossroads Music Festival
- Magic Cave
- Christmas Tree Festival
- Carols in the Park
- Wharfest/Port Augusta Show Day
- Pichi Richi Marathon
- Umee Live: Festival of Aboriginal Music
- Sci-World
- Port Augusta Markets
- NDMA Motor Show Event
- Welcome to Port Augusta BBQ
- Mid North Bridal Expo
- Green Power Festival
- Other Minor Events
- Community Christmas Party
- Christmas Street Decorations
- Clean Up Australia Day
- Outdoor Cinema
- National Youth Week
- Malka Fringe
- NAIDOC Week
- Reconciliation Week

Results of a recent Events Survey will be collated and used to guide future event planning.

Marine assets continue to be a high priority and funding has been allocated towards a Foreshore Strategy to guide staged development of this area. Council will continue to work with other Councils, the Local Government Association and State and Federal Governments to seek a positive outcome for the Community.

Progress towards 2020/2021 objectives will be included in budget comparison reports to Council as well as highlighted through Council's E-newsletter and website and media opportunities.

How \$100 of your rates is put to use in 2020/2021:



Based on Council Operating Expenditure

Capital Expenditure

The following Capital expenditure for the 2020/2021 financial year is based on information contained within Council's Asset Management Plans.

CAPITAL EXPENDITURE 2020/2021	
<i>ASSET MANAGEMENT PLAN EXPENDITURE</i>	
Transport Capital Renewal/Replacement of Assets	\$1,216,200
Transport New Capital Works	\$631,000
Stormwater/CWMS Network Renewal	\$470,000
Plant & Vehicles Renewal/Replacement	\$633,000
Building Renewal/Replacement	\$93,000
Structures & Site Improvements Renewal/Replacement	\$283,000
Furniture & Fittings Renewal/Replacement	\$134,000
TOTAL	\$3,460,200

Council is also planning to undertake additional capital work outside of the Asset Management Plan for 2020/2021. This includes:

Eastside Foreshore Walking Trail extension to Simms St (based on 50% external funding)	\$400,000
Cemetery Fencing at Port Augusta West, Carlton Parade and Stirling North Garden Cemeteries	\$135,000
Stormwater Basin Flinders Terrace (western end)	\$150,000
Digital Radio Network Upgrade (includes commissioning of new base station)	\$200,000
Security Monitoring System upgrades	\$15,000
Sewer Pump upgrades (stage 1)	\$125,000
Airport Apron Reseal	\$320,000
TOTAL	\$1,345,000

Council will use the percentage of Asset Management Plan work completed as the measure to assess the performance of the Council against its objectives for the financial year.

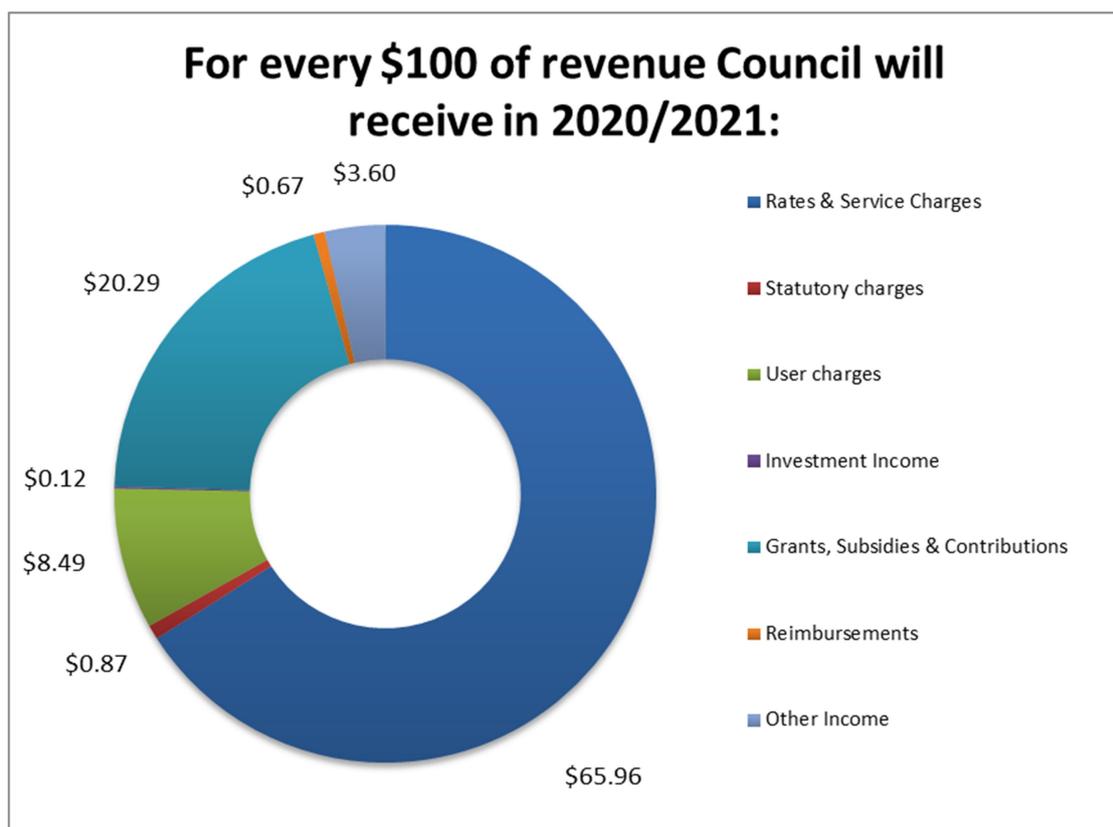
Council has applied for grant funding to upgrade a section of Depot Creek Road and Port Patterson Road. If successful, a co-contribution may be required from Council. Existing Cash Advance Debentures would be drawn on for this purpose, with a budget variation required for increased borrowing and depreciation expenses. If unsuccessful, Council would continue to maintain this road and undertake design work to be the basis of a budget submission for the 2021/2022 financial year.

Revenue Sources

Port Augusta City Council receives revenue from a number of sources including:

- External funding agreements with Federal and State Government Departments for various programs including Financial Assistance Grants
- User fees for services/programs including Port Augusta Childcare Centre, Health Focus, Men’s Shed program, Ryan Mitchell Swim Centre, Central Oval entrance fees etc.
- Statutory Charges such as Planning and Building fees
- General Rates and Service Charges

In 2020/2021, Council has budgeted for 65.96% of Council’s revenue to come from general rates and service charges.



Loans & Borrowing

Council's Treasury Management Policy provides clear direction to Management, Officers and Council in relation to the treasury function. It underpins Council's decision-making regarding the financing of its operations as documented in its annual budget and long-term financial plan and associated projected and actual cash flow receipts and outlays.

The Treasury Management Policy establishes a decision framework to ensure that:

- a) funds are available as required to support approved outlays
- b) interest rate and other risks (e.g. liquidity and investment credit risks) are acknowledged and responsibly managed
- c) the net interest costs associated with borrowing and investing are minimised on average over the longer term

The Council's Treasury Management Strategy is to restructure its portfolio of borrowings, as old borrowings mature and new ones are raised, to progressively achieve, and then maintain, not less than 30% of its gross debt on average in any year in the form of variable interest rate borrowings.

Longer term borrowing (15 years and greater) has been historically used for larger capital projects.

The use of loan funding has been set out in the Long Term Financial Plan (LTFP). At present, no new loans are envisaged in for the period 2019-2029 with Council utilising existing Cash Advance Debentures for capital work as required.

Debenture 233 was rolled over at a lower interest rate during the 2019/2020 financial year and is now shown as Debenture 240 in the table below.

Debenture 220 will be repaid during the 2020/2021 financial year.

	Authority	Drawn	%	Years	Amount	Budgeted Balance 30/6/2020	Received	Interest	Principal	Budgeted Balance 30/6/2021
Debenture 220	LGFA	15-Jun-06	6.70%	15	1,350,000	137,127		6,929	137,127	0
Debenture 229	LGFA	15-Jan-12	5.05%	10	1,424,000	344,245		15,292	167,831	176,414
Debenture 237	LGFA	15-Jul-15	4.25%	5	3,800,000	1,225,009		43,568	808,057	416,952
Debenture 240	LGFA	15-Jul-20	2.80%	19	5,000,000	5,000,000		137,941	296,227	4,703,773
						6,706,381		203,730	1,409,242	5,297,139
Cash Advance 223	LGFA		4.00%		3,500,000	1,500,000		210,000	200,000	1,300,000
Cash Advance 235	LGFA		4.00%		850,000	284,690		11,000	90,000	194,690
Cash Advance 236	LGFA		4.00%		4,000,000	1,743,214	1,345,000	254,670	200,000	2,888,214
						3,527,904	1,345,000	475,670	490,000	4,382,904

Financial Performance Indicators

As part of the Local Government Association Financial Sustainability Program, a number of Key Performance Indicators (KPI'S) have been developed for application across local government. The purpose of these KPI's is to provide consistency for the purposes of financial reporting and to provide the Council with a view of where it is currently placed in terms of financial sustainability.

The three major KPI's are:-

Adjusted Operating Surplus Ratio

Net Financial Liabilities Ratio

Asset Renewal Funding Ratio

Adjusted Operating Surplus Ratio

The Adjusted Operating Surplus Ratio is calculated as the percentage by which the annual operating surplus or deficit varies from total operating income.

The Ratio is adjusted to take into account the Commonwealth Government advance payments of the Financial Assistance Grants when required to prevent distortion of figures. The 2020/2021 budget assumes that four quarters of Financial Assistance Grants will be received.

Guidance material provided to Councils under the LGA's Financial Sustainability Program suggest that Councils generally should seek to achieve, on average over time, a target range for an operating surplus ratio of between 0 percent and 10 percent.

Where a Council is not achieving an underlying operating surplus or trending towards doing so in the medium term, then generally any capital expenditure on upgrading or expanding infrastructure needs to be modest and targeted, because it normally will lead to additional maintenance and depreciation costs.

Net Financial Liabilities Ratio

The Net Financial Liabilities Ratio represents the amount of money owed by the Council to others less money held, invested or owed to the Council.

It is the most comprehensive measure of the indebtedness of a Council as it includes items such as employee long service leave entitlements and other amounts payable as well as taking account of the level of a Council's cash and investments.

The Net Financial Liabilities Ratio is calculated by expressing net financial liabilities at the end of a financial year as a percentage of operating income for the year. If the ratio decreases, over time, this indicates that the Council's capacity to meet its financial obligations from operating income is strengthening.

Asset Renewal Funding Ratio

The Asset Renewal Funding Ratio represents the level of capital expenditure on renewal and replacement of assets relative to the level of such expenditure identified in a Council's Asset Management Plans.

This indicator is a measure of whether a Council is accommodating asset renewal and replacement in an optimal and cost effective way from a timing perspective relative to the risk it is prepared to accept and the service levels it wishes to maintain.

A suggested target for this indicator is greater than 90% but less than 110% of the level proposed in the Asset Management Plan.

There are operational and other reasons why the Asset Renewal Funding Ratio result may vary between years. This may not necessarily detract from asset management performance if a Council's target is achieved over the medium term.

The Contents, Plant and Vehicles asset class is not included in this Ratio as there is no Asset Management Plan for this class of assets.

The Ratio for 2020/2021 is above 100% due an increased level of asset renewal planned for the 2020/2021 financial year.

RATIO	2020/2021 (Budget)	2019/2020 (Budget)
Adjusted Operating Surplus/(Deficit)	(8.8%)	(10.8%)
Net Financial Liabilities	48.3%	59.8%
Asset Renewal Funding	125.0%	118.5%

Operating Deficit

Previous financial plans and budgets within Council have been predicated on the assumption that key events/projects within and around the area would inject necessary economic growth and funding, for example planned expansion of Olympic Dam, sale of land for residential housing projects and continued operation of the Augusta Power Stations. This has had a negative impact on Council's financial position.

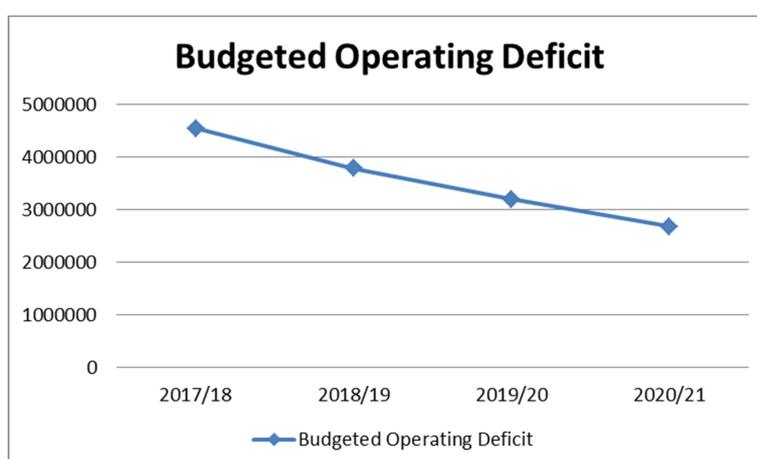
A structured program of activity is being undertaken to ensure the financial sustainability of the Council with a view to achieving a break even position by 2027/2028 financial year. This view is reflected in Council's 4 year priority action plan *"Review the current timeframe for extinguishing the financial operating deficit and a view to fast-tracking a balanced budget"*.

An improvement in Council's financial position through implementation of Council's Long Term Financial Plan and by committing to reducing the budget deficit will provide Council with the opportunity to make additional commitments to asset renewal without relying on borrowing funds. To achieve this, planned and methodical reduction in operating expenditure is required, whilst taking advantage of every possibility to increase operating revenues without materially increasing rates.

Council's Long Term Financial Plan indicates a deficit of \$2,682,000 for 2020/2021 financial year (down from \$3,201,400 in 2019/2020 financial year). Council has budgeted to achieve this deficit for the 2020/2021 financial year, reducing expenditure to enable the 0% increase in general rate revenue, rather than the 1.9% general rate revenue increase proposed in the Long Term Financial Plan.

To facilitate the 0% rate increase in 2020/2021 financial year and to achieve break even at 2027/2028 financial year, a reduction in expenditure of \$205,000 each year will need to be achieved from the 2021/2022 through to the 2027/2028 financial years.

The graph below demonstrates the reduction in budgeted operating deficit over recent financial years.



RATING

Chapter 10 of the Local Government Act 1999 sets out the legislative requirements for the setting of rates on land.

Rate income is generated by the broad application of fundamental principles of taxation (fairness and equity, simplicity, ability to pay and efficiency) with a view to achieving an equitable distribution of the rates burden amongst ratepayers.

Basis of Rating

The Local Government Act provides for three property valuation options for the purpose of setting rates;

- Capital Value – the value of the land and all of the improvements on the land.
- Site Value – the value of the land and any improvements which permanently affect the amenity of use of the land, such as drainage works, but excluding the value of buildings and other improvements.
- Annual Value – a valuation of the rental potential of the property.

Council has resolved to continue with the use of Site Value as the basis of rating for the 2020/2021 financial year but has committed to a review of the basis of rating for the 2021/2022 financial year.

The Local Government Act also provides for differential rating by location and land use. For the purposes of land use, Council has adopted the Local Government Land Use Codes;

- Residential
- Commercial - Shop
- Commercial - Office
- Commercial - Other
- Industry - Light
- Industry – Other
- Primary Production
- Vacant Land
- Other

Council has also adopted its Development Plan as the basis for differential rating by location.

Due to the Covid-19 pandemic impacting on the local, regional, state and national economies, Council has agreed to a 0% general rate increase in the 2020/2021 financial year.

It should be noted that this means that Council will aim to receive the same revenue from general rates in the 2020/2021 financial year as it received in the 2019/2020 financial year.

It does not mean that individual ratepayers will pay exactly the same in rates in 2020/2021 as the 2019/2020 financial year.

General Rates are calculated by multiplying the set rate in the dollar by property site values. As there has been sizeable downward movement in site values across the Port Augusta City Council for the 2020/2021 financial year, the rate in the dollar has been increased for Council to receive the same total general rate revenue for the 2020/2021 rating year. This will result in some ratepayers paying slightly more in 2020/2021 rating year and other ratepayers paying less in the 2020/2021 rating year, depending on the individual movement of site value for that property. However, the average increase for ratepayers is 0%.

Rating Policy

As part of developing its Annual Business Plan and Budget, Council reviews its policy for the setting of property rates.

Council has also reviewed the discretionary rebate applied to limit the increase in rates from one rating year to the next under Section 166 (1)(l) of the Local Government Act. This policy was put in place to provide a discretionary rebate for properties that were materially affected by large increases in property valuation from one rating year to the next. The policy has limited rate increases to a level determined by Council over the past 11 years.

The capping percentage has typically been between the range of 6% and 15% for residences and 10% and 20% for other properties. In 2015/2016 Council resolved to phase this policy out over the next four budget periods. However, significant variances in site values in 2016/2017 would have resulted in large increases in general rates for some ratepayers and additional discretionary rebates were applied. With the consideration of:

- a potential change in the basis of rating for future years expected to occur in the next financial year,
- the 0% increase in general rate revenue and
- impact of Covid-19 pandemic on the local community

For 2020/2021, the rate cap will be set at 6% for residential assessments and 15% for all other assessments. Some exclusions apply to the application of the capping rebate. These exclusions are outlined in the Rating Policy.

All State Government concessions ('Cost of Living Concession' as well as the 'Water and Sewerage Rate Concession') will be paid directly into eligible ratepayers' bank accounts by the State Government.

Minimum Rate

Council considers it appropriate that ratepayers in respect of all rateable land make a contribution to the cost of administering Council's activities and make a contribution to the cost of creating and maintaining the physical infrastructure that supports that land and the basic services provided to all ratepayers.

The minimum rate in 2020/2021 is \$1,340 (\$1,325 in 2019/2020). This represents an increase of \$15 (1.1%) on the minimum rate applied in 2019/2020.

Overall, the minimum rate will be applied to approximately 33% of all rateable properties. The maximum allowed for in the Local Government Act 1999 is 35%.

Service Charges

Council provides specific services for the benefit of properties, for which service charges are applied. Services charges may be raised to cover the cost of establishing, operating, maintaining, improving and replacing such services. Funds raised may not be immediately required until future capital expenditure is necessary for renewing or replacing assets used in the provision of the service.

The following service charges for the 2020/2021 financial year will be imposed:

Kerbside Waste Collection & Recycling Charge

In order to recover the cost to Council of establishing, operating and maintaining a kerbside waste collection/recycling service in its area, a service charge will apply to all households, businesses and occupancies that receive or are capable of receiving a service.

Port Augusta City Council was fortunate to avoid the increases in recycling costs in 2019/2020 that saw many other Councils have to re-work their budgets. However, the impact from the increase in recycling costs resulting from other countries now refusing exported recyclables, combined with an increase in EPA levies on waste will cause the kerbside waste collection service charge to increase well above CPI in 2020/2021.

In 2020/2021 financial year, the service charge will be \$264 per service.

In areas where the kerbside waste collection is only available on a fortnightly basis such as Blanche Harbour and Miranda, properties will be charged \$132.

Community Wastewater Management Scheme (Effluent Drainage Scheme)

In some areas in the City of Port Augusta, Council manages a Community Wastewater Management Scheme. Other areas are serviced and charged through SA Water on a quarterly basis for sewerage systems.

In 2020/2021 financial year, the Community Wastewater Management Scheme (CMWS) service charge will be \$477 per property unit on all land to which the Council provides or makes available the service (\$463 in 2019/2020).

Regional Landscape Levy (previously known as NRM Levy)

From 1 July, the new Landscape South Australia Act 2019 (the Act) will replace the Natural Resources Management Act 2004 as the new framework for managing the State's land, water, pest animals and plants and biodiversity.

The Act creates nine landscape management regions with NRM boards being replaced by eight new regional landscape boards and a metropolitan landscape board, Green Adelaide.

Port Augusta City Council is now within the SA Arid Lands Landscape Region.

Local Government will continue to play a key role in collection of the regional landscape levy (formerly 'NRM levy') with Port Augusta City Council collecting the levy from the Port Augusta community on behalf of the SA Arid Lands Landscape Region.

In 2020/2021 financial year, the levy will be \$38.50 per assessment (\$38 in 2019/2020).

Valuation Movement

Across the City of Port Augusta area, there has been a decrease in site values of approximately 3% from the 2019/2020 to the 2020/2021 rating year. The central area of Port Augusta experienced the largest percentage decrease in site values, with values dropping by approximately 3.8% in that area. Port Augusta West and areas of Stirling North also saw decreases in site values of approximately 3%. Other areas within the Port Augusta City Council boundaries were largely unchanged.

Across the City of Port Augusta, approximately 47.3% of assessments experienced a decrease in site value, 0.5% of assessments had an increase in site value and 52.2% remained static.

Local Government Land Use Codes	Site Value 2020/2021
Residential	\$ 394,031,000
Commercial - Shop	\$ 21,359,500
Commercial - Office	\$ 9,303,000
Commercial - Other	\$ 46,619,500
Industry - Light	\$ 8,891,000
Industry - Other	\$ 7,303,500
Primary Production	\$ 16,288,900
Vacant Land	\$ 53,997,300
Other	\$ 35,306,100
Total	\$ 593,099,800

For the 2020/2021 financial year, Council must adopt, pursuant to Section 167(2) (b) of the Local Government Act 1999, the valuations of the Valuer-General of site values for all rateable property in the area of the Council, which amounts to a value of \$593,099,800 for the area.

Council must specify a date upon which the adoption of such valuations of the Valuer-General shall become the valuations of the Council. This date is 2nd July 2020.

The following rate categories and rate in \$ (cents) apply for 2020/2021

Rate Categories		Rate in \$ (cents)	% Relativity	Assessments #
1	Urban Residence	0.031659	100%	5,987
2	Non-Urban Residence	0.021845	69%	228
3	Shack Site - Blanche Harbour	0.010132	32%	282
4	Shack Site - Miranda	0.010132	32%	61
6	Shack Site - Chinamens Creek	0.010132	32%	2
8	Vacant Land Urban	0.031659	100%	274
9	Other Use	0.031659	100%	74
10	Commercial/Industrial	0.050654	160%	494
11	Commercial/Industrial Non-Urban	0.050654	160%	13
20	Non-Urban Vacant Land	0.011397	36%	115
21	Non-Urban Other Use	0.021845	69%	8
30	Farmland	0.008231	26%	33
50	Non-Urban Vacant - Contiguous Land	0.011397	36%	34
51	Farmland - Contiguous Land	0.008231	26%	15
52	Vacant Land Urban - Contiguous Land	0.031659	100%	87
54	Other Use - Contiguous Land	0.031659	100%	1
55	Commercial/Industrial - Contiguous Land	0.050654	160%	7
56	Urban Residence - Contiguous Land	0.031659	100%	4
57	Coastal Conservation - Contiguous Land	0.021845	69%	1
				7,720

SUMMARY OF PROGRAMS AND SERVICES PROGRAM/ACTIVITY	OPERATING BUDGET		CAPITAL BUDGET		OPERATING SURPLUS/(DEFICIT)	DEPRECIATION
	2020/21 EXPENDITURE	2020/21 REVENUE	2020/21 EXPENDITURE	2020/21 REVENUE	20/21 BUDGET	20/21 BUDGET
City Management	1,631,300	3,059,000			1,427,700	15,600
Economic Development	120,800	8,800			(112,000)	
Information Communications Technology	274,100				(274,100)	101,700
Records Management	203,800				(203,800)	3,400
Venues & Events	198,100				(198,100)	300
Library & Information Service	657,800	59,500			(598,300)	21,400
Yarta Purtli Cultural Centre & Lea Theatre	291,700	88,500			(203,200)	260,900
Substance Misuse & Sobering Up	1,617,500	1,626,000			8,500	14,200
Human Resources	519,000	11,000			(508,000)	1,300
WHS & Risk Management	254,200	55,300			(198,900)	3,200
Wadlata Tourist Centre	915,600	610,400			(305,200)	302,300
Australian Arid Lands Botanic Garden	1,469,000	851,000			(618,000)	172,100
Financial & Customer Services	1,884,300	17,564,400			15,680,100	15,600
Interest on Borrowings	679,400	37,000	1,899,200		(642,400)	
Central Oval Community Hub (including oval)	935,900	391,900			(544,000)	967,800
Sport & Recreation	728,200	213,500			(514,700)	91,500
Childcare Services	1,002,300	948,200			(54,100)	95,600
Miriam High Special Needs Centre	9,800				(9,800)	19,100
Men's Shed Program	52,700	55,100			2,400	2,400
HACC Collaborative Project	73,300	73,300				
Health Focus Program	268,500	270,500			2,000	2,000
Community Development Programs	158,800				(158,800)	
City Planning	308,300	73,800			(234,500)	3,000
Building Inspection	245,700	23,000			(222,700)	9,000
Environmental Health	176,500	27,700			(148,800)	1,000
General Inspection	331,900	172,000			(159,900)	17,000
Buildings	314,300	45,500			(268,800)	358,200
Other Property	652,800	71,400			(581,400)	296,000
Cemeteries	252,800	152,900			(99,900)	14,500
Waste Management	2,026,900	1,881,000			(145,900)	
Infrastructure	3,149,500	1,442,100	4,805,200	200,000	(1,707,400)	3,719,200
Parks Gardens Reserves Ovals	1,529,100				(1,529,100)	269,500
Engineering Services & Depots	3,176,300	832,100			(2,344,200)	438,900
DEPRECIATION	7,216,700				(7,216,700)	
	33,326,900	30,644,900	6,704,400	200,000	(2,682,000)	7,216,700

PORT AUGUSTA CITY COUNCIL

BUDGETED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2021

	BUDGET 2021	FORECAST 2020
	\$	\$
INCOME		
Rates & Service Charges	20,212,000	19,891,500
Statutory charges	266,500	298,600
User charges	2,601,100	2,374,000
Grants, Subsidies & Contributions	6,221,200	5,815,200
Investment Income	37,000	18,400
Reimbursements	205,200	297,900
Other Income	<u>1,101,900</u>	<u>1,111,600</u>
TOTAL INCOME	<u>30,644,900</u>	<u>29,807,200</u>
EXPENSES		
Employee Costs	12,962,400	12,370,200
Materials, Contracts & Other Expenses	12,468,400	12,472,400
Finance Costs	679,400	969,400
Depreciation, Amortisation & Impairment	<u>7,216,700</u>	<u>7,127,200</u>
TOTAL EXPENSES	<u>33,326,900</u>	<u>32,939,200</u>
OPERATING SURPLUS / (DEFICIT)	<u>(2,682,000)</u>	<u>(3,132,000)</u>
Amounts received specifically for new or upgraded assets	<u>200,000</u>	<u>175,000</u>
NET SURPLUS/(DEFICIT) transferred to Equity Statement	<u>(2,482,000)</u>	<u>(2,957,000)</u>
TOTAL COMPREHENSIVE INCOME	<u>(2,482,000)</u>	<u>(2,957,000)</u>

PORT AUGUSTA CITY COUNCIL

BUDGETED STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 30 JUNE 2021

	BUDGET 2021 \$	FORECAST 2020 \$
ASSETS		
Current Assets		
Cash and cash equivalents	92,699	265,599
Trade & other receivables	1,154,100	1,000,000
Inventories	<u>230,000</u>	<u>230,000</u>
Total Current Assets	<u>1,476,799</u>	<u>1,495,599</u>
Non-current Assets		
Financial Assets	-	7,000
Infrastructure, Property, Plant & Equipment	<u>202,918,766</u>	<u>187,046,200</u>
Total Non-current Assets	<u>202,918,766</u>	<u>187,053,200</u>
TOTAL ASSETS	<u>204,395,565</u>	<u>188,548,799</u>
LIABILITIES		
Current Liabilities		
Trade & Other Payables	4,210,600	4,000,000
Borrowings	1,470,600	1,763,800
Provisions	<u>2,054,900</u>	<u>1,783,000</u>
Total Current Liabilities	<u>7,736,100</u>	<u>7,546,800</u>
Non-current Liabilities		
Trade & Other Payables		
Borrowings	8,209,400	9,058,500
Provisions	<u>108,200</u>	<u>92,000</u>
Total Non-current Liabilities	<u>8,317,600</u>	<u>9,150,500</u>
TOTAL LIABILITIES	<u>16,053,700</u>	<u>16,697,300</u>
NET ASSETS	<u>188,341,865</u>	<u>171,851,499</u>
EQUITY		
Accumulated Surplus(Deficit)	(12,317,122)	(9,835,122)
Asset Revaluation Reserve	<u>200,658,987</u>	<u>181,686,621</u>
TOTAL EQUITY	<u>188,341,865</u>	<u>171,851,499</u>

PORT AUGUSTA CITY COUNCIL

BUDGETED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2021

	BUDGET 2021 \$	FORECAST 2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
<u>Receipts</u>		
Operating Receipts	30,453,800	29,801,200
Investment Receipts	37,000	18,400
<u>Payments</u>		
Operating Payments to suppliers & employees	(24,932,100)	(24,070,200)
Finance Payments	(679,400)	(969,400)
Net Cash provided by (or used in) Operating Activities	4,879,300	4,780,000
CASH FLOWS FROM INVESTING ACTIVITIES		
<u>Receipts</u>		
Amounts specifically for new or upgraded assets	200,000	175,000
Sale of replaced assets	100,000	100,000
Repayments of loans by community groups	7,000	15,400
<u>Payments</u>		
Expenditure on renewal/replacement of assets	(3,544,000)	(2,575,800)
Expenditure on new/upgraded assets	(1,261,000)	(1,521,500)
Net Cash provided by (or used in) Investing Activities	(4,498,000)	(3,806,900)
CASH FLOWS FROM FINANCING ACTIVITIES		
<u>Receipts</u>		
Proceeds from Borrowings	1,345,000	580,500
<u>Payments</u>		
Repayments of Borrowings	(1,899,200)	(1,886,591)
Net Cash provided by (or used in) Financing Activities	(554,200)	(1,306,091)
Net Increase (Decrease) in cash held	(172,900)	(332,991)
Cash & cash equivalents at beginning of period	265,599	598,590
CASH & CASH EQUIVALENTS AT END OF PERIOD	92,699	265,599

PORT AUGUSTA CITY COUNCIL

**BUDGETED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021**

	ACCUMULATED SURPLUS	ASSET REVALUATION RESERVE	TOTAL EQUITY
BUDGET 2021	\$	\$	\$
Balance at end of previous reporting period	(9,835,122)	181,686,621	171,851,499
Net Surplus/ (Deficit) for year	(2,482,000)		(2,482,000)
Other Comprehensive Income			
Gain on revaluation of property, plant & equipment		18,972,366	
Balance at end of period	(12,317,122)	200,658,987	188,341,865
FORECAST 2020			
Balance at end of previous reporting period	(6,878,122)	181,686,621	174,808,499
Net Surplus/ (Deficit) for year	(2,957,000)		(2,957,000)
Other Comprehensive Income			
Balance at end of period	(9,835,122)	181,686,621	171,851,499

PORT AUGUSTA CITY COUNCIL

BUDGETED UNIFORM PRESENTATION OF FINANCES FOR THE YEAR ENDED 30 JUNE 2021

The following is a high level summary of both operating and capital investment activities of the Council prepared on a uniform and consistent basis. All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis. The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.

	BUDGET 2021 \$	FORECAST 2020
Income	30,644,900	29,807,200
<i>less</i> Expenses	<u>33,326,900</u>	<u>32,939,200</u>
	<u>(2,682,000)</u>	<u>(3,132,000)</u>
<i>less</i> Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	3,544,000	2,575,800
<i>less</i> Depreciation, Amortisation and Impairment	(7,216,700)	(7,127,200)
<i>less</i> Proceeds from Sale of Replaced Assets	<u>(100,000)</u>	<u>(100,000)</u>
	<u>(3,772,700)</u>	<u>(4,651,400)</u>
<i>less</i> Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets (<i>Including investment property & real estate developments</i>)	1,261,000	1,521,500
<i>less</i> Amounts specifically for New and Upgraded Assets	<u>(200,000)</u>	<u>(175,000)</u>
	<u>1,061,000</u>	<u>1,346,500</u>
Net Lending / (Borrowing) for Financial Year	<u>29,700</u>	<u>172,900</u>



1.1.10: RATING POLICY 2020/2021	
Statutory Policy	
TRIM Reference	AR20/18612
First Issued	2 July 2020
Last Reviewed	14 April 2020
Next Review	July 2021

1. POLICY STATEMENT

1.1 The Rating Policy sets out the guidelines that the Port Augusta City Council adheres to when setting and collecting rates from its community. Rates are not a fee for services. They constitute a system of taxation for Local Government purposes.

1.2 ANNUAL ADOPTION OF THE POLICY

1.2.1 Section 123 of the Local Government Act 1999 (the Act) requires a Council to prepare and adopt each year an Annual Business Plan and Budget. Section 123 (2)(d) of the Act, states the Annual Business Plan must set out the rates structure and policies for the financial year. A summary of the Annual Business Plan must be included with the first rates notice. The Annual Business Plan (as adopted) must be available for inspection (without charge) or purchase (on payment of a fee fixed by the Council).

This policy is available for inspection at the Customer Service Counter of the Council Office, 4 Mackay Street, Port Augusta SA 5700 or on Council's website www.portaugusta.sa.gov.au

2. PURPOSE

2.1 Purpose

To provide a clear understanding of the process for determining rates on an annual basis.

2.2 Scope

The policy covers:

- Method used to value land
- Adoption of valuations
- Notional values
- Rates impact statement
- Council's Revenue Raising Powers
- Minimum rate
- Service charges

- Regional Landscape Levy
- Concessions
- Payment of rates
- Late payment of rates & debt recovery
- Remission and postponement of rates
- Rebate of rates
- Sale of land for non-payment of rates

2.3 Definitions

In this Policy:

- 2.3.1 *Act* means *Local Government Act 1999* and reference to a *section(s.)* means a section of that Act.
- 2.3.2 *Council* means this Council.

2.4 Strategic Reference

5 Governance and Financial Sustainability

5.3 We are in a surplus financial operating position.

5.5 We meet or exceed legislative and accreditation requirements for all relevant programs.

3. PRINCIPLES

3.1 METHOD USED TO VALUE LAND

Councils may adopt one of three valuation methodologies to value the land in its area. They are:

- a) Capital Value - the value of the land and all of the improvements on the land;
- b) Site Value - the value of the land and any improvements which permanently affect the amenity of use of the land, such as drainage works, but excluding the value of buildings and other improvements;
- c) Annual Value - a valuation of the rental potential of the land.

Council has resolved to continue to use site value for the purpose of valuing land within the council area for the 2020/2021 financial year.

Council has proposed a change in its basis of rating from the 2021/2022 financial year from Site Value to Capital Value (subject to further consideration following public consultation).

3.2 ADOPTION OF VALUATIONS

The Council is required to adopt the most recent valuations made by the Valuer-General for the 2020/2021 financial year prior to declaration of rates.

If a ratepayer is dissatisfied with the valuation made by the Valuer-General then they may object to the Valuer-General in writing within 60 days of receiving the first notice of the valuation, explaining the basis for the objection - provided they have not:

- a) previously received a notice of this valuation under the Local Government Act, in which case the objection period is 60 days from the receipt of the first notice; or
- b) previously had an objection to the valuation considered by the Valuer-General.

Further information is available at:

<https://www.sa.gov.au/topics/planning-and-property/owning-a-property/objecting-to-a-property-valuation>

The contact details for the Valuer General are:

Office of the Valuer General

GPO Box 1354

ADELAIDE SA 5001

E-mail: LsgObjections@sa.gov.au

Telephone: 1300 653 346.

NOTE - The Council has no role in this process. It is also important to note that the lodgement of an objection does not change the due date for payment of rates.

If an objection is upheld and a new value issued by the Valuer-General, rates will be adjusted accordingly for the current financial year and an amended rate notice will be issued. Retrospective adjustments will not be made for prior financial years.

3.3 NOTIONAL VALUES

Certain properties may be eligible for a “notional value” under the Valuation of Land Act 1971. This may apply if the property is your principal place of residence and its value is enhanced by unrealised subdivision potential or a different potential land use. A notional value is generally less than the site value and therefore would result in reduced rates. An application for a notional value must be made to the Office of the Valuer-General.

3.4 RATES IMPACT STATEMENT

The Council has considered the impact of rates on business and associated activity in the area. In considering the impact, Council assessed the following matters:

- a) Council's Policy on "Rebates of Rates" (2.6.01).
- b) The support provided for Regional Development Australia Far North, which in turn support business operations in the City and adjoining areas.
- c) Council's Procurement Policy (1.1.09), which provides preference for local suppliers if certain criteria are met.
- d) Continuing Council support for the two major tourist facilities, the Australian Arid Lands Botanic Garden and the Wadlata Outback Centre, that provide broad economic benefit across the community and the region.
- e) The equity of the distribution of the rate burden between classes of ratepayers based on land use and occupation.
- f) Issues of equity that over a number of years has been created as a result of wide and varied fluctuations in land value across the various localities within the City.
- g) The provisions of the Local Government Act pertaining to mandatory rebates.
- h) Current local, state and national economic conditions, including the Covid-19 pandemic.
- i) Council's Asset Management Plans, Long Term Financial Plan and desire to achieve 'break even' at year 10 of the Long Term Financial Plan (2028).

3.5 COUNCIL'S REVENUE RAISING POWERS

The Local Government Act provides for a Council to raise revenue for the broad purposes of the Council through a general rate which applies to all rateable land. In accordance with the Local Government Act 1999 the following practices apply:

- a) All land within a council area is rateable, except for land specifically exempt (e.g. crown land, council occupied land and others as prescribed in the Local Government Act).
- b) The Local Government Act provides for rates to be assessed against any piece or section of land subject to separate ownership or occupation and

requires that the division of land for the purposes of establishing separate ownership and occupation be made fairly and in accordance with principles and practices that apply on a uniform basis across the area of the council.

- c) When determining the basis for rating, Council is required under the provisions of the Local Government Act to take into account the following principles:
 - i. that rates constitute a system of taxation for Local Government purposes;
 - ii. strategies to provide relief from rates where appropriate;
 - iii. take into account the financial effects of the decision on future generations.
- d) Council has set differential general rates in the dollar to raise the necessary revenue, by way of locality and utilising the 9 different categories of land use incorporated under the Local Government (General) Regulations, namely:

Locality - town planning zones including residential, residential (Davenport), Highway Services, Bulky Goods, Residential (Stables), Neighbourhood Centre, Urban Coastal, District Centre, Local Centre, Industry, Airport, Recreation, Public Purposes, Defence, Conservation, Rural Living, Coastal Conservation, Primary Industry, Coastal Holiday Settlement and All Other Areas.

Land use:	1	Residential
	2	Commercial - Shop
	3	Commercial - Office
	4	Commercial - Other
	5	Industry Light
	6	Industry Other
	7	Primary Production
	8	Vacant Land
	9	Other

- e) The locality and the use to which the land is put may govern the differential rate. If a land owner is of the opinion that the locality or land use attribution is incorrect, they may object. The objection must be in writing and lodged within 60 days after the objector receives notice of the attribution of the particular land use or locality to which the objection relates and addressed to:-

admin@portaugusta.sa.gov.au or

Port Augusta City Council,

PO Box 1704,

PORT AUGUSTA SA 5700.

It is important to note that the lodgement of an objection does not alter the due date for payment of rates.

Where there is a shed or structure located on otherwise vacant land, the land can no longer be deemed to be 'vacant' and the land use attributed will be 'other' provided that there is no commercial use of the land.

Where two residences exist on the one allotment and the residences are occupied by the occupiers children and/or their parent/s and additional or separate property services are not provided, Council will consider that the site is occupied by a single occupier being an extended family.

In addition, Council can raise separate rates, for specific areas of the Council or service rate or charges for specific services.

The Council also raises revenue through fees and charges, which are set giving consideration to the cost of the service provided and any equity issues. The list of applicable fees and charges is available at the Port Augusta City Council Civic Centre, 4 Mackay Street, Port Augusta or on Council's website at www.portaugusta.sa.gov.au . A Goods and Services Tax at a rate determined under the Goods and Services Tax Act 1999 will be charged on those fees not given exemption under the Act.

3.6 MINIMUM RATE

Section 158 of the Act permits a Council to impose a minimum amount payable by way of rates, provided that it has not imposed a fixed charge.

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

If 2 or more pieces of rateable land within the area of a council constitute a single farm enterprise, a minimum amount may only be imposed against 1 of the pieces of land. The owner of the land must apply to Council on the relevant form for this to be processed.

Where a Council imposes a minimum rate, it must not apply to more than 35% of the total number of properties in the Council area subject to the separate assessment of rates.

The Council has decided to continue with a minimum rate the reasons being:

- a) It is considered appropriate that all rateable land owners make a contribution to the cost of administering the Council's activities and creating and maintaining the physical infrastructure that supports land.
- b) Minimum rates have been applied for many years and their continuation together with the rating impacts/trends that apply provide a consistent approach to rating levels.

For the 2020/2021 financial year, Council has decided to impose a minimum rate of \$1,340 which will affect 33% of rateable properties.

3.7 SERVICE CHARGES

Council provides specific services for the benefit of specific properties for which service charges are applied. Services charges may be raised to cover the cost of establishing, operating, maintaining, improving and replacing such services. Funds raised may not be immediately required until future capital expenditure is necessary for renewing or replacing assets used in the provision of the service.

Council will impose the following service charges for the 2020/2021 financial year:

Kerbside Waste Collection & Recycling Charge

In order to recover the cost to Council of establishing, operating and maintaining a kerbside waste collection/recycling service in its area, a service charge will apply to all households, businesses and occupancies that receive or are capable of receiving a service.

Port Augusta City Council was fortunate to avoid the increases in recycling costs in 2019/20 that saw many other Councils have to re-work their budgets. However, the impact from the increase in recycling costs resulting from other countries now refusing exported recyclables, combined with an increase in EPA levies on waste will cause the kerbside waste collection service charge to increase well above CPI in 2020/21.

In 2020/2021 financial year, the service charge will be \$264 per service.

In areas where the kerbside waste collection is only available on a fortnightly basis such as Blanche Harbour and Miranda, properties will be charged \$132.

Community Wastewater Management Scheme (Effluent Drainage Scheme)

In some areas in the City of Port Augusta, Council manages a Community Wastewater Management Scheme. Other areas are serviced and charged through SA Water on a quarterly basis for sewerage systems.

In the 2020/2021 financial year, the Community Wastewater Management Scheme (CMWS) service charge will be \$477 per property unit on all land to which the Council provides or makes available the service.

3.8 REGIONAL LANDSCAPE LEVY (previously Natural Resource Management Levy)

From 1 July, the new Landscape South Australia Act 2019 (the Act) will replace the Natural Resources Management Act 2004 as the new framework for managing the State's land, water, pest animals and plants and biodiversity.

The Act creates nine landscape management regions with NRM boards being replaced by eight new regional landscape boards and a metropolitan landscape board, Green Adelaide.

Port Augusta City Council is now within the SA Arid Lands Landscape Region.

Local Government will continue to play a key role in collection of the regional landscape levy (formerly 'NRM levy') with Port Augusta City Council collecting the levy from the Port Augusta community on behalf of the SA Arid Lands Landscape Region.

In the 2020/2021 financial year, the levy will be \$38.50 per assessment.

3.9 CONCESSIONS

Cost of Living Concession

The State Government replaced rate concessions with a 'cost of living concession' that is paid directly to pensioners and concession card holders. Information is available at:

<http://www.sa.gov.au/topics/care-and-support/financial-support/concessions/cost-of-living-concessions>

E-mail: Costoflivingconcession@sa.gov.au

Phone: ConcessionsSA Hotline - 1800 307 758

If you have a hearing or speech impairment - TTY 8226 6789

If you require interpreting and translating services, please call 1800 280 203

Water and Sewerage Rate Concessions

Water and Sewerage Rate Concessions will also be paid directly by the South Australian Government to eligible pensioners and concessional card holders.

Further details are available at :

<http://www.sa.gov.au/topics/care-and-support/financial-support/concessions/water-and-sewerage-rate-concession>

Please contact the State Government at:

E-mail: concessions@sa.gov.au

Phone: ConcessionsSA Hotline - 1800 307 758

If you have a hearing or speech impairment - TTY 8226 6789

If you require interpreting and translating services, please call 1800 280 203

3.10 PAYMENT OF RATES

Rates levied for the year may be paid in four quarterly instalments, due and payable in the months of September, December, March and June of the financial year for which they are declared. Alternatively, the total amount of rates due may be paid in full at any time during the financial year. If the balance is paid in full after the due date of the first instalment fines (and interest) will apply.

Separate notices relating to each instalment will be issued to land owners at least 30 days prior to the due date of each instalment (unless paid in full by the due date of the first instalment).

Rate Notices are issued to the principal ratepayer either by post or by email to an address nominated by the Principal Ratepayer. To register to receive rates notices via email, ratepayers are required to log into: www.portaugusta.sa.gov.au and click on the ezybill portal.

Rates may be paid at the Civic Centre, 4 Mackay Street Port Augusta between the hours of 9am and 5pm, Monday to Friday. EFTPOS facilities are available. Payments by post can be made to PO Box 1704, Port Augusta SA 5700.

Rates may also be paid by:-

- Internet www.portaugusta.sa.gov.au

(Select 'Make a Payment' from the Fast Find menu, then "Online Transactions, then 'Rate Payment';

- Telephone on **1300 276 468**, enter the Biller Code **1351915**, your Customer Reference Number, amount and card details to complete the payment. At the end of the call they are provided with a unique payment receipt number.
- Australia Post (Post Billpay)
Payment may be made in store at Australia Post or by phone on 13 18 16 quoting Billpay code 2808;
- BPay and BPay View
Quote biller code 27961 and Customer Reference Number
- Centre Pay (if you receive a payment from Centrelink)
- Direct Debit (by providing council with an authorisation to deduct regular payments of a fixed amount from your bank account). An administrative fee of \$5 will be incurred when a payment rejection occurs.

If paying through an external agency, ratepayers need to be mindful that it can take up to 72 hours for funds to be transferred to Council. It is the ratepayer's responsibility to ensure payment is received and receipted by Council on or before the due date of each instalment.

Any ratepayer who may experience difficulty with meeting the standard payment arrangements is invited to contact the Rates Coordinator on 86419100 to discuss alternative payment arrangements. Such enquiries will be dealt with in confidence.

3.11 LATE PAYMENT OF RATES & DEBT RECOVERY

The Local Government Act provides that Councils impose a penalty of 2% on any late payment of rates. The initial fine will be applied to the outstanding balance three (3) business days after the due date. Each month thereafter interest is added to the arrears of rates balance. The interest rate is set each year according to a formula in the Local Government Act.

The purpose of this penalty is -

- to act as a genuine deterrent to ratepayers who might otherwise fail to pay their rates on time,
- to allow Councils to recover the administrative cost of following up unpaid rates, and,
- to cover any interest cost the Council may meet because it has not received the rates on time.

Written applications for remission of fines are to be forwarded to the Rates Coordinator. Each case will be considered on its merit based on the information provided.

When rates are in arrears Council pursues legal recovery of rates.

The Council first issues an overdue notice for payment of rates when rates are overdue i.e. unpaid by the due date. Should rates remain unpaid for more than 14 days after the issue of the overdue notice then the Council refers the debt to a debt collection agency for collection unless contact is otherwise made.

Should a ratepayer fail to either pay overdue rates on the debt collection agency demand notice, or establish a payment plan, the Council will commence legal action to recover the debt. Where legal action occurs, it is a requirement of Council that all costs associated with the debt recovery process be reimbursed by the principal ratepayer.

When the Council receives a payment in respect of rates the Council applies the money received as follows:

- a) first - to satisfy any costs associated with debt collection processes;
- b) second - to satisfy any interest costs;
- c) third - in payment of any fines imposed;
- d) fourth - in payment of rates, in chronological order (starting with the oldest account first).

Impact of Covid-19 on the ability of a ratepayer to pay rates

Council recognises the impact of Covid-19 on the ability of some ratepayers to pay Council rates during the period from July 2020 to September 2020. As such, the following measures will be implemented:

Ratepayers directly impacted by the Covid-19 situation are encouraged to lodge an application for hardship via an on line form on Council's website or telephone Council to discuss their situation.

1st quarter fines and interest will be applied, and then may be remitted on a case by case basis, based on an individual assessment of the ratepayer's situation.

Applications for hardship relating to the 1st quarter must be lodged prior to the 30th of September 2020. Approval will relate to the 1st quarter only and not apply retrospectively.

Assessment will include the following:

- Demonstrated impact of Covid-19 on the ratepayer (i.e. loss of employment, closure of business etc.)
- Eligibility of the ratepayer for a Government stimulus package
- Eligibility of the ratepayer for a Government income support benefit after 1st March 2020
- Willingness to enter into a payment arrangement
- Previous payment history

3.12 REMISSION AND POSTPONEMENT OF RATES

Section 182 of the Local Government Act permits a Council, on the application of the ratepayer, to partially or wholly remit rates or to postpone rates, on the basis of hardship.

Where a ratepayer is suffering hardship in paying rates he/she is invited to contact the Rates Coordinator on 8641 9100 to discuss the matter. Although arrangements for late payment of rates are negotiable, remission of rates in whole or in part is rarely approved due to the inequitable outcome for the rest of the community.

Separate provisions in the Local Government Act pertain to the postponement of rates for Seniors.

Also refer to policy 2.6.14 Rates - Hardship Policy

3.13 REBATE OF RATES

Division 5 of the Local Government Act requires Councils to rebate rates payable on some land. Mandatory rebate provisions are made for land used for health services, community services including community housing, religious purposes, public cemeteries, the Royal Zoological Society and educational institutions.

Discretionary rebates may be applied by the Council under Section 166 of the Act. Council currently provides discretionary rebates to a large number of sporting bodies and community organisations.

Council will consider on merit all applications made on the relevant form for rebate received under Section 166 of the Act.

Rate Capping

For the 2020/2021 financial year, Council considered it appropriate to grant pursuant to Section 166(1)(m)(ii) of the Local Government Act a rebate of the general rate in order to avoid what would otherwise constitute a liability that is unfair or unreasonable.

Consequently, rebates will be granted (subject to conditions) to limit the increase of the 2020/2021 general rate over the amount of the general rate payable in the 2019/2020 financial year as follows:

- (a) on residential land use - increase will be limited to 6% over the general rate payable in the 2019/2020 financial year
- (b) on all other land uses - increase will be limited to 15% over the general rate payable in the 2019/2020 financial year.

The conditions referred to above are as follows:

- (i) any such increase is not due in full or in part to the use of the land being different for rating purposes on the date the Council declared its general rates for 2019/2020 financial year than on the date Council declared its general rates for the 2020/2021 financial year; or
- (ii) the ownership of the rateable land has not changed in the preceding 12 months; or
- (iii) subdivision of the land has not occurred since 1st July 2019; or
- (iv) a notional value has not been assigned to the land by the Valuer-General; or
- (v) a new valuation number has not been provided by the Valuer-General for the purpose of incorporating contiguous land; or
- (vi) any such increase is not due to the cancellation of a tenancy apportionment.

3.14 SALE OF LAND FOR NON-PAYMENT OF RATES

Where rates have been in arrears for three (3) years or more, and Council has unsuccessfully pursued all reasonable attempts to secure payment, Council will invoke Section 184 of the Local Government Act 1999 to pursue recovery of outstanding rates through the sale of land. The Council will provide the principal ratepayer and the owner (if not the same person) and any registered mortgagee with details of the outstanding amounts, and advise them of its intention to sell the land if payment of the outstanding amount is not received within a given timeframe.

3.15 APPLICATION OF THE POLICY

A copy of this Council policy is available from the Rates Coordinator, either telephone on 8641 9100, by written request to the Port Augusta City Council, PO Box 1704, Port Augusta SA 5700, or via Council's website www.portaugusta.sa.gov.au

Where a ratepayer believes that the Council has failed to properly apply this policy it should raise the matter with the Council. In the first instance contact the Rates Coordinator on 8641 9100 to discuss the matter. If, after this initial contact, a ratepayer is still dissatisfied they should write to the Chief Executive Officer, Port Augusta City Council, PO Box 1704, Port Augusta SA 5700.

A rate cannot be challenged on the basis of non-compliance with this policy and must be paid in accordance with the required payment provisions.

4. RESPONSIBILITY & REVIEW

4.1 Responsible Officer

Director Corporate & Community Services

Rates Coordinator

4.2 Availability

This policy will be available on Council's website.

4.3 Review

Reviewed annually in June/July of each year.

5. REFERENCES

5.1 Legislation

Local Government Act 1999

5.2 Other References

Hardship Policy for Residential Customers of Minor & Intermediate Water Retailers
2.6.15

Procurement Policy - 1.1.09

Rebate of Rates Policy 2.6.01

Rates Hardship Policy 2.6.14