



Port Augusta

CITY COUNCIL



PORT AUGUSTA CITY COUNCIL
**ANNUAL BUSINESS PLAN
& BUDGET 2023/24**



CONTENTS

| | |
|--|----|
| Introduction | 2 |
| CEO Report on Financial Sustainability | 3 |
| Reconciliation Mission Statement | 4 |
| 2023/24 Budget Snapshot | 5 |
| Status of 2022/23 Key Priorities | 6 |
| Strategic Management Plans | 10 |
| Significant Influences and Priorities | 15 |
| Operating Expenditure | 16 |
| Capital Expenditure | 20 |
| Revenue Sources | 22 |
| Loans & Borrowing | 23 |
| Financial Performance Indicators | 24 |
| Rating | 27 |
| Budget Summary at Program Level | 35 |
| Budgeted Financial Statements | 36 |
| Statement of Comprehensive Income | |
| Statement of Financial Position | |
| Statement of Cash Flow | |
| Statement of Changes in Equity | |
| Uniform Presentation of Finances | |
| Appendix 1 – Rating Policy 2023/24 | |
| Appendix 2 - Rates Rebates Policy | |

INTRODUCTION

The Annual Business Plan and Budget sets out the Port Augusta City Council's services, programs, and projects for the 2023/24 financial year.

It is very challenging for Council to set a budget which ensures the mix of mandatory and discretionary services, as well as capital works, and meets the needs of the local community, businesses, and visitors to the region within current financial constraints. It is recognised that individuals, businesses, and community groups will have different views as to what services and programs Council should be providing as well as the level of service provided.

The 2023/24 Annual Business Plan and Budget aims to maintain mandatory and desired services and facilities for the community, whilst continuing progress towards the long-term sustainability of the Council's financial performance and position.

CEO REPORT ON FINANCIAL SUSTAINABILITY

There is an express statutory obligation of the position of the CEO to report as part of the annual review of the Long Term Financial Plan on the sustainability of the Council's long term financial performance and position, having considered the Annual Business Plan and Strategic Management Plans.

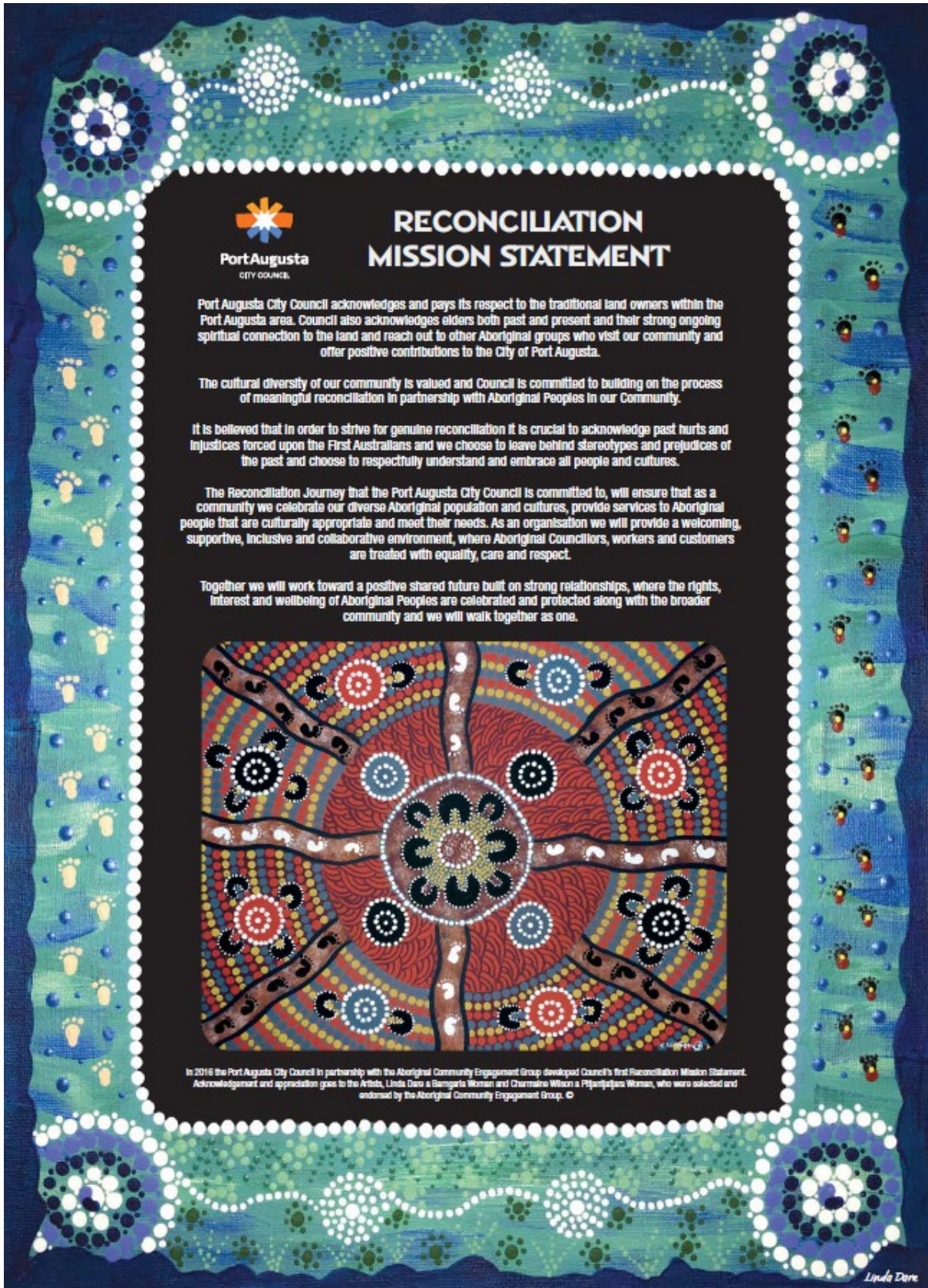
The Council has a responsibility to be financially sustainable and ensure that it can provide essential services to the community. By raising Council rates, reviewing service levels and rating policy, the Council can adjust its revenue and expenditure and better meet its financial obligations.

For the past three years, Council has raised rates at a level less than described in the Long Term Financial Plan and less than CPI. Notwithstanding, the Council has carefully considered the development of the Annual Business Plans and its ability to meet its financial obligations, and concern is expressed.

The substantive issues are:

- The prolonged operating deficit currently extending to 2031/32, noting that this requires savings to meet the Long Term Financial Plan which have not yet been identified in full.
- The financial operating position of Council is strained, and it will struggle to achieve its strategic objectives without external funding assistance which cannot be relied upon. The likelihood and negotiating position of Council to achieve external funding will be inhibited by Council's operating position.
- The achievement of Strategic Objectives compatible with expectations is essential to the community value proposition for the rates raised and can lead to lower levels of satisfaction with Council.

It is recommended that the 2023/24 Annual Business Plan and Budgets be drafted in accordance with the 2022/23 – 2032/33 Long Term Financial Plan.



RECONCILIATION MISSION STATEMENT

Port Augusta City Council acknowledges and pays its respect to the traditional land owners within the Port Augusta area. Council also acknowledges elders both past and present and their strong ongoing spiritual connection to the land and reach out to other Aboriginal groups who visit our community and offer positive contributions to the City of Port Augusta.

The cultural diversity of our community is valued and Council is committed to building on the process of meaningful reconciliation in partnership with Aboriginal Peoples in our Community.

It is believed that in order to strive for genuine reconciliation it is crucial to acknowledge past hurts and injustices forced upon the First Australians and we choose to leave behind stereotypes and prejudices of the past and choose to respectfully understand and embrace all people and cultures.

The Reconciliation Journey that the Port Augusta City Council is committed to, will ensure that as a community we celebrate our diverse Aboriginal population and cultures, provide services to Aboriginal people that are culturally appropriate and meet their needs. As an organisation we will provide a welcoming, supportive, inclusive and collaborative environment, where Aboriginal Councilors, workers and customers are treated with equality, care and respect.

Together we will work toward a positive shared future built on strong relationships, where the rights, interest and wellbeing of Aboriginal Peoples are celebrated and protected along with the broader community and we will walk together as one.



In 2016 the Port Augusta City Council in partnership with the Aboriginal Community Engagement Group developed Council's first Reconciliation Mission Statement. Acknowledgement and appreciation goes to the Artists, Linda Dore a Bangarla Woman and Charmaine Wilson a Pitjantjatjara Woman, who were selected and endorsed by the Aboriginal Community Engagement Group. ©

Linda Dore

2023/24 BUDGET SNAPSHOT



13,829
Population
(ABS 2021)

Maintains
32km
Stormwater
Pipework

\$750,000
State Government
Funding for the
Australian Arid
Lands Botanic
Garden

Maintains
410km
Roads

Maintains
128km
Footpaths

145
Council Staff
Average Full-Time
Equivalent

1,153km²
Size of Council
Area
(source:
RDAFN.com.au/our-region)

\$34,034,600
Operating Revenue

6% ↑
Increase to General
Rates Revenue

\$35,897,000
Operating Expenditure
(including Depreciation)

\$5.086M
Capital Works

\$3.7M 
Loans
Budgeted Balance as at 30/6/2024

Capital Value
as the
Basis of Rating

7765
Rateable
properties

\$900
Fixed Charge

Status of 2022/23 Key Priorities as at 31st March 2023

The 2022/23 financial year has presented ongoing challenges for Council due to several staff vacancies due to unplanned leave and departures from the organisation occurring across various departments and difficulties in attracting suitably qualified staff into key roles. This has caused some delays to planned works, including infrastructure projects.

Status Legend: **Near completion or completed**
 Work in progress
 Work yet to commence or delayed

| Operating Expenditure | Status | Comments |
|--|--------|--|
| Priority Action 1 - Community | | |
| Reconciliation Action Plan activities | | Reconciliation Plan has been endorsed with activities from the plan already commenced. |
| Disability Access & Inclusion Plan activities | | Disability Reference Group meeting was held 29/6/2022. The 41 st Council established the Disability Advisory Group with meetings to recommence in the near future. |
| Sponsorship program for Community Groups and Events | | <p>Council has provided support and Funding agreements have been entered into or funding provided to:</p> <ul style="list-style-type: none"> • Pt Augusta Golf Club Golf Week • Port Augusta Racing Club • Port Augusta Calisthenics Club • Port Augusta Gun Club • Anderson Dancers • Cancer Council SA Relay for Life • SA HOG Rally • Various groups for the Christmas event • Lions Club Australia Day event <p>Clean Up Australia Day event was held on 12th March 2023. Two Outdoor Cinema Events were held at Central Oval.</p> |
| Recognition programs | | <p>End of school year awards offered to all Port Augusta Primary Schools and PASS and Caritas College Year 12 awards.</p> <p>Academic Achiever Award for 2022 was awarded to Miss Louise Hunter.</p> |
| Increased Christmas Decorations to provide festive atmosphere in CBD | | A new Christmas tree was displayed at Central Oval. Red bows were placed on trees and shopfronts around the CBD, Gladstone Square, East & Westside Foreshore. In addition, a number of Christmas related events also took place coordinated by Council. |

Priority Action 2 – Economy

| Operating Expenditure | Status | Comments |
|---|--------|--|
| AALBG Master Plan activities | | Refer to AALBG Committee Reports for further information in which master plan activities are deliberated. |
| Promotion of tourism opportunities in Port Augusta & Region | | An updated Visitor Information Guide is in progress. An application was submitted to host the 2025 SA Masters Games which would provide tourism promotion for Port Augusta. |
| Promotion of Arts & Culture opportunities | | Grants and sponsorship continue to be actively sought to deliver local opportunities with significant funds secured to date. |
| Airport Operational Assessment recommendations | | Airport Operational Assessment recommendations have been implemented. |

Priority Action 3 – Environment

| Operating Expenditure | Status | Comments |
|---|--------|--|
| Waste Management Education Program | | Suitable service provider engaged and delivering programs to local schools and community events and organisations. |
| Clean Up Australia Day activities | | Activities were undertaken in March 2023 with 12 organisations participating. |
| Free waste disposal event for residents | | Free waste disposal event held in conjunction with Clean Up Australia Day in March 2023. A Free Household Chemical and Paint Drop-Off Day occurred on the 6th May 2023. |

Priority Action 4 – Infrastructure

| Operating Expenditure | Status | Comments |
|---|--------|--|
| Implement work as per Asset Management Plans | | Planning and tendering in progress to deliver the Asset Management Plans. |
| Digital mapping of stormwater system stage 3 | | Digital mapping is complete. |
| Strategic Property Review | | A report was submitted to Council in February 2023 with resourcing options to undertake review. Current activities include Tiver Street land currently for sale and Council is progressing with the Retirement Village Scheme revocation for Poinsettia Village. |
| Completion of Ryan Mitchell Swim Centre upgrade | | Works completed and reopened to the community in February 2023. |

Priority Action 5 – Governance & Financial Sustainability

| Operating Expenditure | Status | Comments |
|---|--------|---|
| Review Long Term Financial Plan | | The LTFP was adopted by Council in November 2022. |
| Continuous Improvement Program <ul style="list-style-type: none"> • Service Level & Range Review • Organisational efficiencies through IT | | Service Level and Range Review will be considered by the newly elected Council. IT efficiencies to date have included automating workflows using Smartforms and ongoing roll out of electronic timesheets across business units. This continues to be developed and expanded across Council. |
| Implementation of Local Government Reforms | | Updates on Local Government Reforms are continually monitored and implemented when required. |
| Changes to Superannuation Guarantee | | Superannuation Guarantee changes have been made and future increases have been included in Long Term Financial Plan. |
| Local Government Elections & Elected Member training | | Several Elected Member mandatory trainings have now been conducted with further training sessions upcoming. |

Asset Management Plan Expenditure

| Asset Expenditure | Status | Comments |
|--|--------|---|
| Transport Capital Renewal/ Replacement of Assets | | Surfacing renewal works has been awarded with works planned for May 2023. Footpath renewal works underway with completion estimated for June 2023. Gravel sheeting program underway with completion projected for June 2023. |
| Transport New Capital Works | | Zerna Road upgrade to be advertised May 2023 with works extending into 2023/24. New Footpath works are underway with an estimated completion date in June 2023. |
| CWMS & Wastewater Renewal/Replacement of Assets | | Project re-scoped to design and construct the Watt Street Pump as a gravity drain to SA Water Sewer. |
| Stormwater Renewal/Replacement of Assets | | Flinders Terrace drainage project rescoped with different methodology. Negotiations are in progress with preferred tenderer. Work to start June 2023 and extend into 2023/24. Renewal of Frome Street pumps complete. |
| Building & Land Improvement Renewal/Replacement | | Successful tenderer selected for playground replacement at 5 parks. Works anticipated to extend until August 2023 due to product and installation lead-in times. The Rotary toilet block and the Civic Centre toilets are complete. |
| Plant & Vehicle Renewal/ Replacement | | New fleet vehicles have been delayed by the supplier. Tender specifications being developed for further purchases in preparation for 2023/24. |
| Furniture & Fittings Renewal/ Replacement | | Successful tenderer selected for carpet replacement in various locations. Works commencing May 2023. |
| Ryan Mitchell Swim Centre Upgrade | | Works completed and reopened to the community in February 2023. |
| Renewal of IT server and Disaster Recovery Site hardware | | ICT Production Server upgrade tender completed with successful vendor commencing work. Upgrade is expected to be completed on schedule for 30 June 2023. Following this, the Disaster Recovery Site hardware will be refreshed and will be considered as part of the 2023/24 budget deliberations. |

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 2022, the 41st Council of the Corporation of the City of Port Augusta will focus on developing a new Strategic Plan setting objectives for the period of the Council.

The current '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.

Council's Strategic Directions 2019-2029 sets the long-term directions for Port Augusta and each year the Council develops a business plan to outline the priority activities being undertaken in the year ahead that align with Council's Strategic Directions.



Long Term Financial Plan

Council has adopted a Long Term Financial Plan (LTFP) for the period 2022/23-2032/33. The purpose of a LTFP 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 Plans. 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 continues to be reviewed by Council in consideration of the current operating deficit.

The 2022/23 – 2032/33 LTFP incorporates the following:

- Adopted Budget 2022/23
- Adopted Audited Annual Financial Statements 2021/22
- Revised Asset Management Plan (AMP) capital expenditure for CWMS and Wastewater, Stormwater, Transport Assets and Building and Land Improvements
- The Transport AMP includes a limited amount of new capital expenditure for the continuation of the footpath connectivity program and re-sheeting of unsealed roads
- CPI forecast of 2.5%
- Wage increases for 2023/24 in line with Enterprise Bargaining Agreements, and future year annual wage increases of 2.5% (CPI)
- Annual rate revenue increases of 3.5% (CPI + 1%)
- Inclusion of Roads to Recovery grant funding throughout the life of the plan at current levels
- Inclusion of externally funded programs budgeted in 2022/23 throughout the life of the plan, with corresponding revenue and expenditure
- Legislative increases in the Superannuation Guarantee
- Changes to the methodology of Depreciation in relation to asset revaluations
- Contribution of the State Government Funding for the Australian Arid Lands Botanic Gardens for the life of the plan.

This version of the LTFP does not include or consider the financial impacts relating to:

- Growth in the number of rateable properties or capital values (Council has not experienced any material growth for a number of years)
- Outcomes from further Service Level and Range Reviews

- Proposed outcomes from the Local Government Reforms
- Results of future Enterprise Bargaining Agreements
- New strategic objectives to be developed by the new elected Council following the local government elections.

The plan aims to achieve a break-even result at year 2031/2032 which is four years past the original ten-year target established in the 2017/2018 Long Term Financial Plan. This LTFP and break-even target is predicated on annual savings from operating efficiencies of \$136,000 being achieved. If Council does not achieve this level of savings, there will be resulting negative impacts to financial sustainability. Based on this LTFP model, with rates projected at CPI plus 1%, if the savings target is not achieved, there will be no break-even point within the ten year period, and a resultant debt balance of \$4.5 million. The Council may also be unable to secure funding from the Local Government Finance Authority to assist with cashflow requirements or to fund additional capital projects, and unable to meet financial sustainability targets as required under the Local Government Reforms.

Council's Audit and Risk Committee has noted that in the latest version of the Long Term Financial Plan (LTFP) an Operating Surplus will only be achieved in 2031/32 if annual savings of \$136,000 are achieved. It further noted that the annual savings target is without a plan on how these savings will be identified, finding it difficult to envisage how Council will achieve all its financial sustainability targets.

Council's Audit and Risk Committee recommended that Council develops detailed plans as a matter of priority on how an Operating Surplus can be achieved during the life of the Long Term Financial Plan.

Asset Management Plans

Asset Management Plans catalogue the physical and financial aspects of Council's assets. They record the condition and predict the maintenance and capital renewal expenditure to provide the assets that support Council's services at existing service levels. They will also consider future demand and if appropriate, plan for new assets to meet that demand.

They therefore provide key input into the Long Term Financial Plan.

Asset Management Plans are living documents and as they are reviewed and updated with different condition information, or if previously unrecorded assets are identified, the new renewal and maintenance expenditure information is reflected in revisions of Council's Long Term Financial Plan.

Council developed the 2023/24 financial year capital work program using the information within these plans and considering aspects like access to grant funding, economies of scale, or availability of contractors.



Level of Service

Port Augusta City Council has continued its commitment to seeking efficiencies and reductions in expenditure during the 2022/23 financial year. Examples of these are provided below:

Activities undertaken during 2022/23 include:

- Revised fee structure and collection process for airport long-term parking
- Ongoing implementation of new Lease & Licence fees
- Drafted plans incorporating strategies to achieve financial sustainability
- Continued sale processes for Council properties surplus to requirements
- Council resolution to consider a Strategic Property Review
- Review of vacant roles to align to organisation priorities
- Transitioned banking service provider after tender process and Bank Fees and Charges benchmarking exercise
- Continuation of roll out of electronic timesheets project
- Successful application for grant funding to support art programs
- Utilisation of Local Government Infrastructure Partnership Program (LGIPP) funds towards infrastructure projects
- Utilisation of Local Roads & Community Infrastructure Project funds towards infrastructure projects.

During the 2023/24 financial year, Council will continue to seek efficiencies and reductions in expenditure.

Significant Influences and Priorities for 2023/24

In preparing the 2023/24 budget, Council has considered:

- 2019-2029 Strategic Directions
- 2022/23-2032/33 Long Term Financial Plan
- Adopted Asset Management Plans
- The current economic influences including:
 - The March 2023 Adelaide Consumer Price Index (CPI) rising 7.9% annually and in the preceding 12 months, Council has experienced increased costs for utilities, salaries and wages and contractors and materials. In some instances, these costs have far exceeded CPI increases.
 - Revenue sources from Federal and State Governments.
 - Levies imposed by other tiers of government including Regional Landscape Levy and EPA Waste Levy.
 - Risk Management Framework and Work Health & Safety
- The need for Council to be financially sustainable
- A continuing focus on asset renewal
- Legislative changes through Local Government Reforms
- Community sentiment regarding the level of general rates in Port Augusta
- Lost revenue due to 0% general rate increases in previous 3 years
- The ESCOSA Local Government Rates Oversight Scheme

Key Decisions

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

- An increase in general rate revenue for the 2023/24 rating year of 6.0% to:
 - Operate in accordance with Council's Long Term Financial Plan
 - Deliver a range of new initiatives
 - Address the sustainability of Council's financial position.
- Capital Value as the basis of rating with a fixed charge of \$900.
- No change to differential rates percentages from 2022/23.
- Continuation of the phasing in of the impact to general rates on ratepayers from the change in basis of rating in 2021/22 through rating policy.
- Sponsorship to community groups.
- Support for community events.
- Continuation of service level and range reviews.
- Continued focus on asset renewal as per the Asset Management Plans.
- Continued lobbying for legislative change in rating of renewable energy projects and mandatory rate rebates.

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 2023/24 financial year are listed below including the following measures to track progress.

| Priority Actions | Performance Measure |
|---|--|
| Priority Action 1 – Community | |
| Reconciliation Action Plan activities | On track against plan |
| Disability Access and Inclusion Plan activities | On track against plan |
| Sponsorship program for Community Groups and Events | Sponsorship budget allocation utilised |
| Family and Youth Activities and Events | Increased Family and Youth events |
| Priority Action 2 – Economy | |
| CBD Master Plan | Plan adopted |
| AALBG Master Plan activities | On track against plan |
| Promotion of tourism opportunities | Increased visitation numbers |
| Promotion of Arts and Culture opportunities | Increased grants |
| Priority Action 3 – Environment | |
| Waste Management Education Program | Program delivered |
| Clean Up Australia Day activities | Event supported |
| Priority Action 4 – Infrastructure | |
| Implement work as per Asset Management Plans | On track against plan |
| Digital mapping of stormwater system | Plan delivered |
| Strategic Property Review | Report delivered |
| Westside Jetty Design | Design adopted |
| Priority Action 5 – Governance & Financial Sustainability | |
| Implement measures towards achieving financial sustainability | LTFP annual savings target achieved |
| Review Strategic Plan and Priorities | Plan adopted |
| Continuous Improvement Program <ul style="list-style-type: none"> • Service Level & Range Review • Organisational efficiencies through IT | New improvements implemented |

Reporting against the 2023/24 objectives will include budget reviews in accordance with legislation to Council's Audit and Risk Committee, quarterly budget comparison reports to Council as well as activities highlighted through Council's E-newsletter and website and media opportunities. Council's Annual Report including Audited Financial Statements also provides information regarding activities of the Council.

Key New Operating Initiatives

While much of Council's focus for 2023/24 involves ongoing service delivery, the list below outlines new operating initiatives that have been identified to be undertaken in 2023/24 to continue to deliver upon Strategic Directions 2019-2029.

| NEW OPERATING INITIATIVES 2023/24 | | |
|--|---|------------------|
| Initiative | Planned Activities | Budget |
| Stormwater Management Plan Stage 2 | To develop the strategic plan for managing stormwater across Port Augusta including catchment analysis to determine flows and modelling of existing systems and creeks to assess capacity from which Officers can prioritise a forward works plan and schemes. | \$160,000 |
| Westside Jetty | Delivery of a concept plan for the Westside Jetty. Works includes geotechnical investigation, engineering, community consultation, design, and specification ready to contract for works and seek grant funding. | \$150,000 |
| Strategic Property Review | Preparation of a report which will gather and review data to allow Council to identify the facilities required to meet current and future needs. The report will identify current use of facilities and the maintenance and operating costs, to assist with determining those that could be better utilised, and surplus properties suitable for disposal. | \$65,000 |
| Beach Revitalisation Stage 1 | Replenish sand at the east side beach with white sand to increase vibrancy and appeal to the community to uptake beach use. It is anticipated that the Beach Vibrancy initiative will occur over 3 years to include the westside beaches. | \$50,000 |
| Engagement and Communication | Re-establish Council's media and communication budget to enable advertising and promotion of Council's services, achievements, and events through various mediums. Includes the development of a Welcome to Country Video in 2023/24 in conjunction with Barngarla and Nukunu people, which will be utilised in significant events and forums and furthers Council's Reconciliation Action Plan activities. | \$30,000 |
| TOTAL NEW OPERATING INITIATIVES | | \$455,000 |

Sponsorship and Events

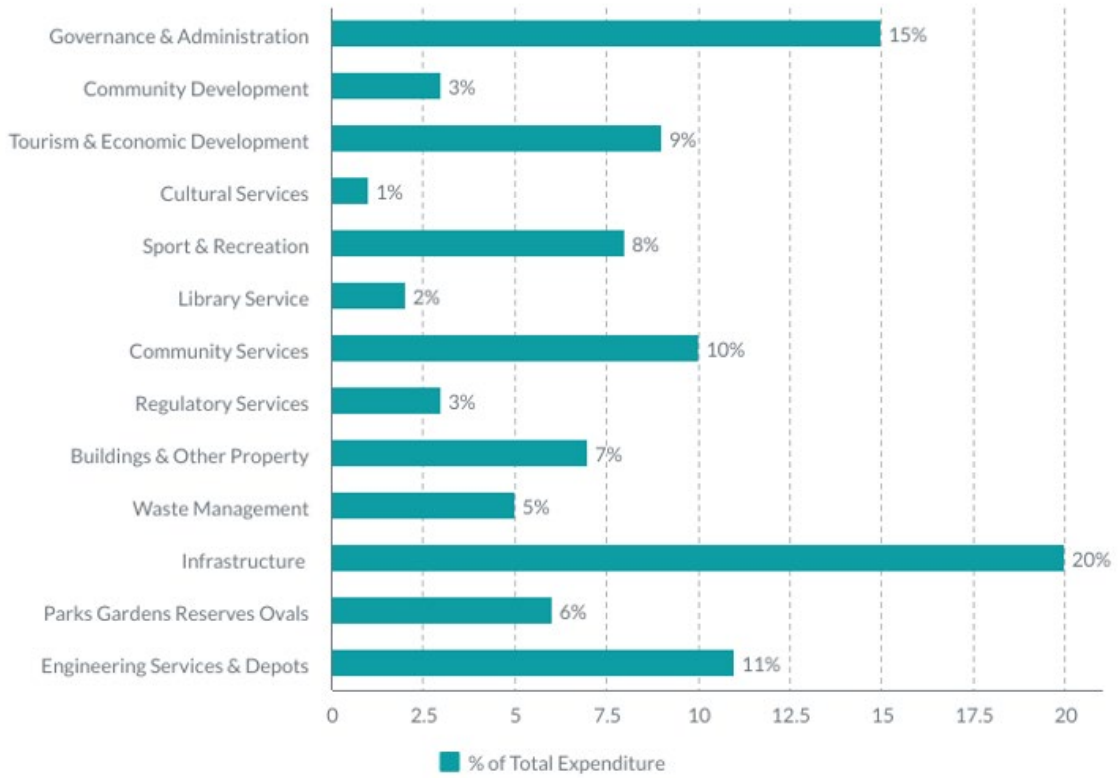
Council will continue to provide a Sponsorship Program in 2023/24 to Community and Sporting Groups. Council has budgeted \$215,600 for sponsorship, grants, and donations to community groups in 2023/24. This includes \$128,200 towards Council and Community events to be held during the 2023/24 financial year:

- Port Augusta Racing Club
- Port Augusta Golf Club - Golf Classic
- Port Augusta APEX Club - Wharfest
- Port Augusta Calisthenics Club - Annual Display Concert
- Anderson Dancers - Annual Pantomime
- Dance Explosions – Annual Display Concert
- Port Augusta Performing Arts – ‘Unsung’ Cabaret Show
- Rotary Port Augusta - Christmas Pageant
- Port Augusta Lions Club - Australia Day Breakfast
- Port Augusta Basketball Association - Junior Carnival
- Port Augusta Christian Ministers Association - Community Christmas Carols
- Umeewarra Media – NAIDOC Week
- Northern District Motorsport Association – Show ‘n’ Shine
- Australian Navy Cadets – Come ‘n’ Try
- School Award sponsorship including Year 12 Academic Achiever Award
- Pichi Richi Marathon
- Community Christmas Party
- Clean Up Australia Day
- Outdoor Cinema
- National Youth Week
- Business Port Augusta Annual Business Awards
- Other Events

External funding has been sourced to support the following events to occur in the 2023/24 financial year:

- NAIDOC week
- Reconciliation week
- MALKA art prize
- Sun and Solar – Sculptural Event.

Where Council Spends its Funds 2023/24



**based on budgeted operating expenditure, including depreciation*

Capital Expenditure

Capital Renewal Program

Council’s Asset Management Plans include the following capital expenditure in the 2023/24 financial year.

| CAPITAL EXPENDITURE 2023/24 | |
|--|--------------------|
| ASSET MANAGEMENT PLANS EXPENDITURE | |
| Transport Capital Renewal/Replacement of Assets Includes: <ul style="list-style-type: none"> • Footpaths • Sealed Surface • Unsealed Surface • Kerbs | \$1,530,000 |
| Transport New Capital Works Includes: <ul style="list-style-type: none"> • Footpath Connectivity Program • Other Roads | \$630,000 |
| CWMS & Wastewater Renewal/Replacement of Assets Includes: <ul style="list-style-type: none"> • Pump infrastructure | \$49,000 |
| Building & Land Improvement Renewal/Replacement <ul style="list-style-type: none"> • Land improvements • Buildings and structures | \$621,000 |
| Plant & Vehicles Renewal/Replacement | \$676,000 |
| Furniture & Fittings Renewal/Replacement | \$143,000 |
| Asset Management Plan | \$3,649,000 |

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

New Capital Projects

The following list outlines the specific new capital projects that have been identified to be undertaken in 2023/24 in addition to asset renewal program.

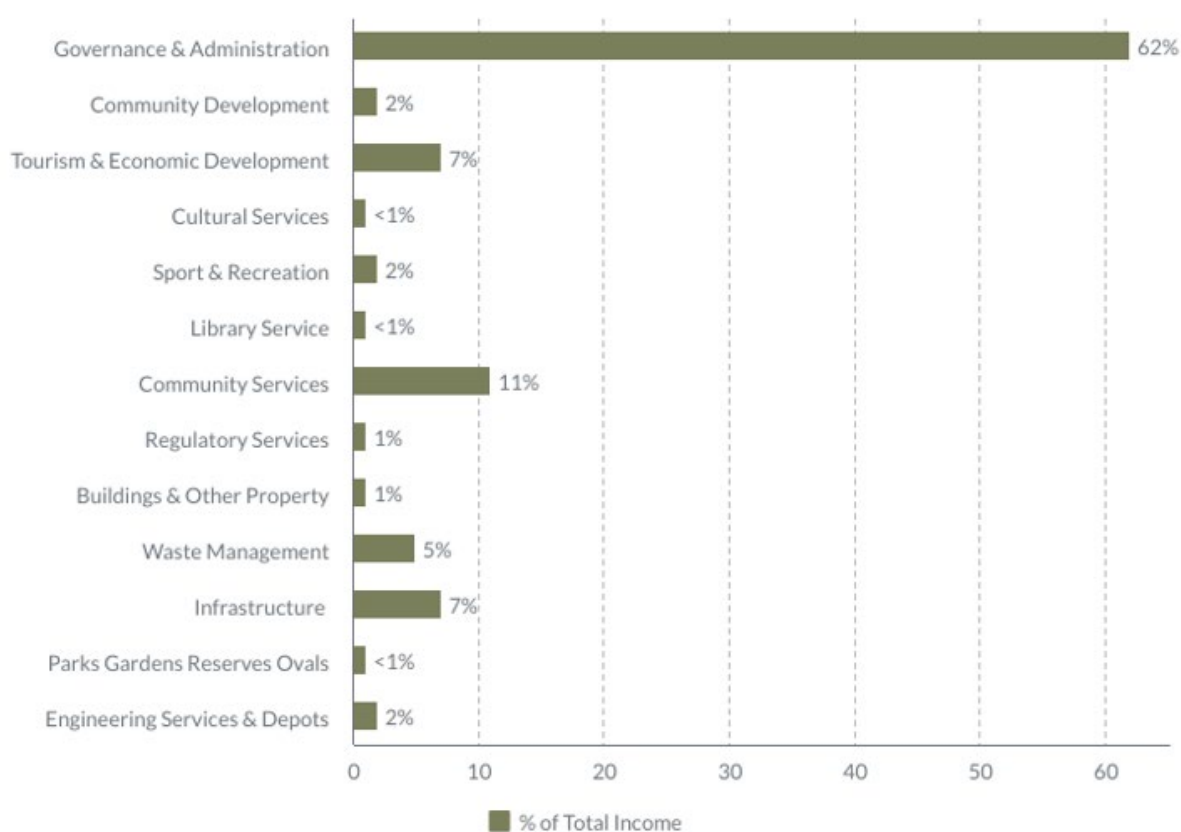
| NEW CAPITAL PROJECTS 2023/24 | | |
|---|--|--------------------|
| Initiative | Planned Activities | Budget |
| Stormwater - Flinders Terrace | Project to install a new pipe and ocean outfall on Flinders Terrace which will address ongoing flooding issues to adjacent properties. | \$350,000 |
| Depot Creek Road – Construction Stage 1 | Construction of Depot Creek Road from the end of the seal to Winton Road, raising the road approximately 600mm to lift it above the level of the flooding of Mundallio Creek. The project is dependent on the successful outcome of an additional \$612,000 grant funding under the Special Local Roads Program. | \$306,000 |
| Energy Efficiency | Initiative to reduce electricity costs through installation of solar panels at Council facilities aimed at Central Oval, Civic Centre and Wadlata. | \$260,000 |
| Stormwater – Stirling North to Saltia | Stormwater pipe installation in the open drain from Quorn to Saltia to address erosion undermining private property. | \$200,000 |
| Core Distribution Network | Project to deliver an upgrade to Council’s core IT network switches. The upgrade is required to replace aged infrastructure to ensure that all Council sites can communicate with Council’s core system. | \$150,000 |
| Port Augusta Airport Stormwater | Delivery of stormwater enhancements to the Port Augusta Airport. Council has secured \$86,000 of additional grant funding for the project. | \$86,000 |
| AALBG Garden Toilet | Installation of an external toilet facility for visitors outside of the Visitor Centre opening hours. Friends of the AALBG are contributing 50% to the overall project cost. | \$65,000 |
| Commercial Road Public Sound System | Project to replace the public sound system along Commercial Road to enhance vibrancy in the CBD. | \$20,000 |
| TOTAL NEW CAPITAL PROJECTS | | \$1,437,000 |

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, Roads to Recovery, Substance Misuse Services, Health Focus, the Men’s Shed and the Australian Arid Lands Botanic Garden.
- User fees for services/programs including Port Augusta Childcare Centre, Health Focus, Men’s Shed program, Ryan Mitchell Swim Centre, Wadlata Outback Centre, AALBG Café, lease and licence fees, hire of Council facilities, and entrance fees to sporting facilities etc.
- Statutory Charges such as Planning and Building fees
- General Rates and Service Charges

Where Council Sources its Funds 2023/24



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

No new Long Term Credit Foncier loans are anticipated in the 2023/24 financial year. Council has a total of \$9,850,000 available in cash advance debentures (CADs) in the 2023/24 financial year, however minimal use of CADs is anticipated. A review of Cash Advance Debentures during the 2023/24 year may result in closure of some CAD facilities.

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 2023/2024 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 Plans.

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 on average over the medium term.

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

| RATIO | 2022/2023 (Budget) | 2023/2024 (Budget) |
|--------------------------------------|-------------------------------|-------------------------------|
| Adjusted Operating Surplus/(Deficit) | (6.9%) | (5.5%) |
| Net Financial Liabilities | 22.7% | (4.5%) |
| Asset Renewal Funding | 100.0% | 100.0% |

Operating Deficit

Council’s Strategic Directions 2019-2029 includes the desired outcome of being in a surplus financial operating position. The projected break-even point is in the 2031/32 financial year in the most recently adopted Long Term Financial Plan.

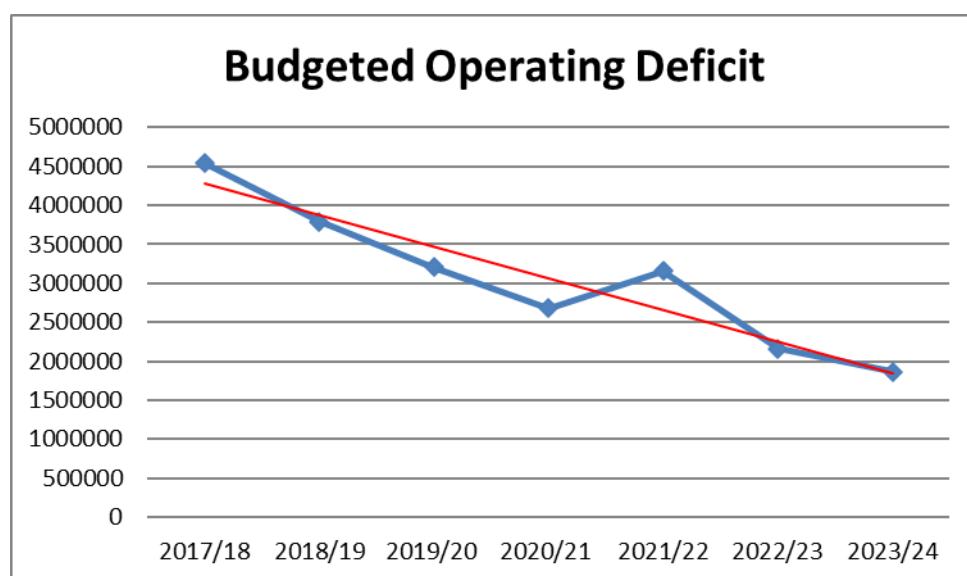
Council’s adopted Long Term Financial Plan indicates a deficit of \$1,892,600 for the 2023/2024 financial year (down from \$2,161,000 from the adopted budget for the 2022/2023 financial year). The Long Term Financial Plan target deficit for 2023/24 including the efficiency amount to achieve financial sustainability, is \$1,756,600.

A general rate revenue increase of 6% will enable Council to meet the projected deficit for the 2023/24 financial year.

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 Audit and Risk Committee has recommended that Council develop detailed plans as a matter of priority on how an Operating Surplus can be achieved during the life of the Long Term Financial Plan.

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

Legislation passed by State Parliament includes a mandate for all South Australian Councils to move to Capital Value as the basis of rating. Following a comprehensive review, Council moved to Capital Value from Site Value as its basis of rating from the 2021/22 financial year to bring Council in line with the majority of other Councils in South Australia.

Capital Value provides the fairest method of distributing the rate burden across all ratepayers on the following basis:

- The equity principle of taxation requires taxpayers of greater wealth pay more tax than those of lesser wealth.
- Property value is a reasonable indicator of wealth and capital value, which closely approximates the market value of a property and provides the best indicator of overall property value.

The *Local Government Act 1999* 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 for Rural Shack Settlement, Rural Living, Conservation, Rural, and Rural Neighbourhood within Residential Land Use.

Council has budgeted to increase general rate revenue by 6% in 2023/24. This does not mean that each individual ratepayer will see an increase of 6% in general rates in comparison to the previous financial year due to the phasing in of the impact of the change in the basis of rating from site value to capital value. The following table outlines the percentage of assessments by scale of variation and the relevant rate increase.

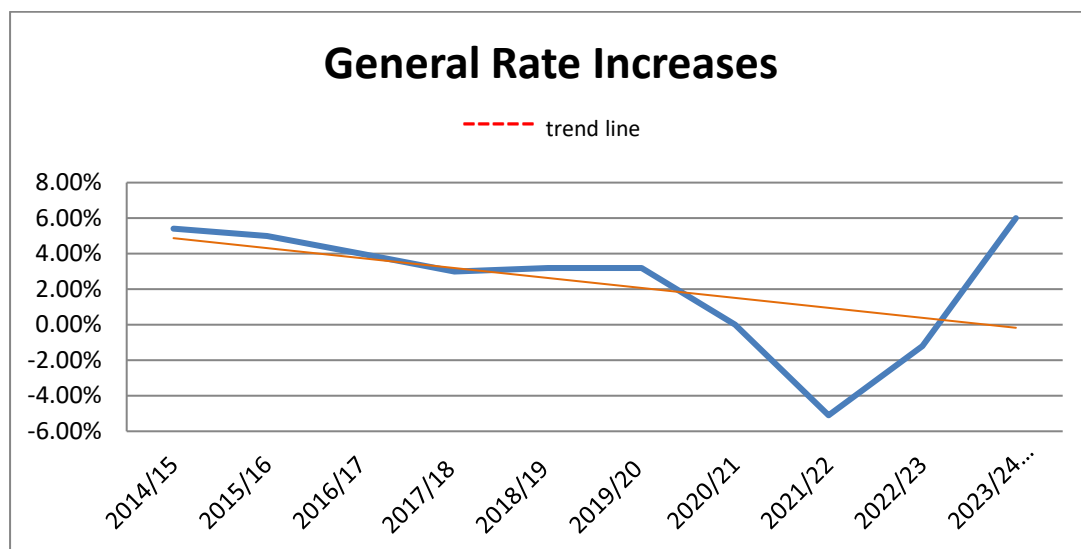
| Percentage of Rate Increase | No. of Assessments | Percentage of Assessments |
|-----------------------------|--------------------|---------------------------|
| Less than 0% | 108 | 1.4% |
| 0% to 5% | 4,616 | 59.6% |
| 5% to 10% | 2,887 | 37.3% |
| Greater than 10% | 132 | 1.7% |

A substantial number of ratepayers will experience an increase in general rates for 2023/24, however the level of increase will be capped to minimize the impact on individual ratepayers, whilst others will see a decrease in their general rates. 61% of all assessments will incur a rate increase of 5% or less.

Changes in capital values for the 2023/24 rating year as advised by the Office of the Valuer General may also impact on general rates payable.

General Rates are calculated by multiplying the set rate in the dollar for the relevant rating category by property capital values as determined by the Office of the Valuer General. A fixed charge is also applied to each assessment as part of the General Rates (excluding contiguous properties).

General Rate Revenue does not include service charges for Kerbside Waste Collection & Recycling or Community Wastewater Management Schemes which are based on cost recovery, or the Regional Landscape Levy collected on behalf of the State Government.



Fixed Charge

Council has imposed a fixed charge as it considers it appropriate that all rateable properties contribute towards the cost of administering the Council's activities and to the cost of creating and maintaining the physical infrastructure that supports each property.

Council is limited to the amount that can be raised by the fixed charge in that it cannot raise more than 50% of its general rate revenue from the fixed charge component. In 2023/24, Council has retained a fixed charge of \$900. This equates to 37% of general rate revenue.

A fixed charge is levied against the whole of an allotment (including land under a separate lease or licence) and only one fixed charge is levied against two or more pieces of adjoining land (where 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.

Rating Policy

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

Due to the change in the basis of rating that occurred in the 2021/22 rating year, Council has determined under Section 166(1)(i) of the *Local Government Act 1999* to continue applying a discretionary rebate to limit the increase in rates from the 2021/22 and 2022/23 rating years to the 2023/24 rating year to provide relief against what would otherwise amount to a substantial change in rate payable by a ratepayer due to the redistribution of the rates burden within the community.

For 2023/24, the increase in the general rate payable will be limited to 10% over the general rates payable in the 2022/23 financial year for all assessments with a residential land use*. The increase in the general rates payable will be limited to 20% over the general rates payable in the 2022/23 financial year for assessments in all other categories of land use*.

*Exclusions apply where the land use has changed from the 2022/23 rating year to the 2023/24 rating year or where the ratepayer is granted any other rebate of rates for 2023/24 under the *Local Government Act 1999* sections 159 to 166.

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.

Council has set differential general rates in the dollar to raise the necessary revenue, by way of utilizing specific locations within Residential Land Use and the 9 different categories of land use incorporated under the Local Government (General) Regulations.

| | |
|-----------------------------------|-------------|
| Residential - Urban | 100% |
| Residential - Non Urban | 80% |
| Coastal Holiday Settlement | 80% |
| Commercial / Industrial | 200% |
| Primary Production | 80% |
| Vacant Land | 150% |
| Other | 100% |

Service Charges

Council provides specific services for the benefit of properties, for which service charges are applied on the whole of life cost recovery basis. 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 2023/24 financial year are imposed:

Kerbside Waste Collection & Recycling Charge

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.

In 2023/24 financial year, the service charge is \$226 per service (\$230 per service in 2022/23).

In areas where the kerbside waste collection is only available on a fortnightly basis such as Blanche Harbour and Miranda, the service charge is \$113 per service (\$115 per service in 2022/23).

Port Augusta City Council continues work with the other Upper Spencer Gulf Cities in relation to waste management strategies in an endeavour to minimise costs to ratepayers.

Community Wastewater Management Scheme (Effluent Drainage Scheme)

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

All revenue raised from the CWMS service charge must be used to cover the cost to the Council of establishing, operating, maintaining, improving, and replacing (including by future capital works) the service. The service charge for CWMS is calculated using the Local Government Association's Code for Establishing and Applying Property Units for the Imposition of Annual Services Charges for CWMS.

In the 2023/24 financial year, the CMWS service charge is \$514 per property unit (\$505 in 2022/23) on all land to which the Council provides or makes available the service.

**Additional charges may apply where non-biodegradable products are found within a septic tank during a desludging process resulting in additional work to be undertaken.

Regional Landscape Levy (previously known as NRM Levy)

Council collects the Regional Landscape Levy for the SA Arid Lands Landscape Board under the *Landscape South Australia Act 2019* to enable the board to manage the land, water, pest animals and plants, and biodiversity in the Region. The SA Arid Lands Landscape Board has determined Council's contribution for 2023/24 as \$366,124. The total revenue will be generated from a service charge applied to all rateable properties.

The SA Arid Lands Landscape Board have advised of the levies for 2023/24 financial year:

- Residential / Vacant / Other \$45.35
- Commercial / Industrial \$90.69
- Primary Production \$226.73

The above levies are an increase from \$39.70 per assessment in 2022/23.

Valuation Movement

Each year, Council receives data from the Office of the Valuer General which it uses for rating purposes.

Across the City of Port Augusta area, there has been an increase in capital values of approximately 6.72% from the 2022/23 to the 2023/24 rating year. The Primary Production land use has experienced the highest increase at 46.46% with Residential the next highest at 6.01%. Port Paterson has experienced a higher percentage of increases in capital values than the other areas of Port Augusta.

There has been minimal growth in the number of rateable properties for the 2023/24 rating year.

As at 6th May 2023, the Valuer General has advised the following Capital Values for 2023/24:

| Local Government Land Use Codes | Proposed Capital Value 2023/2024 |
|------------------------------------|-------------------------------------|
| Residential | \$ 1,358,648,500 |
| Commercial - Shop | \$ 66,252,000 |
| Commercial - Office | \$ 30,916,000 |
| Commercial - Other | \$ 153,127,000 |
| Industry - Light | \$ 28,080,000 |
| Industry - Other | \$ 19,919,100 |
| Primary Production | \$ 84,694,400 |
| Vacant Land | \$ 56,801,600 |
| Other | \$ 175,687,800 |
| Total | \$ 1,974,126,400 |

For the 2023/24 financial year, Council must adopt, pursuant to Section 167(2) (b) of the *Local Government Act 1999*, the valuations of the Valuer-General of capital values for all rateable property in the area of the Council.

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 11th July 2023.

As part of the Local Government reforms, a uniform presentation of rating information is now to be included in Councils' Annual Business Plan and Budget. The table below provides this uniform information.

Statement on Expected Rate Revenue

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

| Expected Rates Revenue | | | | |
|---|--------------------------------|-------------------------------|---------------|---|
| | 2022/23 (as adopted) | 2023/24 (estimated) | Change | Comments |
| General Rates Revenue | | | | |
| General Rates | \$17,445,700 | \$18,495,000 (a) | | For 2023/24, an expected increase in total General Rates revenue of around 6 per cent is projected. |
| General Rates (GROSS) | \$17,445,700 | \$18,495,000 (c) | | |
| Less: Mandatory & Discretionary Rebates | (\$516,000) | (\$588,600) (d) | | |
| Less: Capping Rebates | (\$896,000) | (\$910,700) (e) | | |
| General Rates (NET) | \$16,033,700 | \$16,995,700 (f) | 6.0% | |
| | (f)=(c)+(d)+(e) | | | |
| Other Rates (inc. service charges) | | | | |
| Regional Landscape Levy | \$296,800 | \$366,100 (g) | | The Regional Landscape Levy is a State tax, it is not retained by council. \$226 per household, business and occupancies that receive or are capable of receiving a service, \$113 for Coastal Holiday Settlements \$514 per property unit on all land to which the Council provides or makes available the service. N/A - Council does not currently use any separate or special rates |
| Kerbside Waste Collection & Recycling | \$1,635,100 | \$1,619,200 (h) | | |
| CWMS | \$829,600 | \$852,000 (i) | | |
| Separate and Special Rates | \$0 | \$0 (j) | | |
| | \$18,795,200 | \$19,833,000 | | |
| Expected Total Rates Revenue | \$18,498,400 | \$19,466,900 (l) | 5.2% | Excluding the Regional Landscape Levy. |
| | (l)=(f)+(g)+(h)+(i)+(j)+(k) | | | |

Estimated growth in number of rateable properties

| Number of rateable properties | 7,749 <i>Actual</i> | 7,765 <i>Estimate</i> | (n) | 0.2% | |
|--|-------------------------------|---------------------------------|------------|-------------|--|
| '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. | | | | | Minimal 'Growth' is expected in the 2023/2024 rating year (refer b). |

Estimated average General Rates (NET) per rateable property

| Average per rateable property | \$2,069 | \$2,189 | (o) | 5.8% | |
|--|----------------|----------------|------------|-------------|---|
| | (o)=(f)/(n) | | | | The estimated 'average' is based on the total of all rateable properties and is therefore not necessarily indicative of either the rate or change in rates that individual ratepayers will experience. |
| Councils use property valuations to calculate each rateable property's contribution to the required rate revenue total. Councils do not automatically receive more money because property values increase but this may alter how rates are apportioned (or divided) across each ratepayer (ie. some people may pay more or less rates, this is dependent on the change in value of their property relative to the overall valuation changes across the council area). The total General Rates paid by all rateable properties will equal the amount adopted in the budget. | | | | | |

Notes

| |
|---|
| (d) Councils are required under the Local Government Act to provide a rebate to qualifying properties under a number of categories: Health Services - 100 per cent Religious purposes - 100 per cent Royal Zoological Society of SA - 100 per cent (N/A) Community Services - 75 per cent Public Cemeteries - 100 per cent (N/A) 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). |
| (f) Presented as required by the <i>Local Government (Financial Management) Regulations 2011</i> reg 6(1)(ea) Please Note: The percentage figure in (f) relates to the change in the total amount of General Rates revenue to be collected from <u>all</u> rateable properties, not from individual rateable properties (ie. individual rates will not necessarily change by this figure). |
| (g) 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. |
| (i) Community Wastewater Management Systems |
| (k) A council may grant a rebate of rates or service charges in a number of circumstances, including a redistribution of the rates burden within the community arising from a change in the basis of rating. The rates which are foregone via Discretionary Rebates are redistributed across the ratepayer base (ie. all other ratepayers |
| (l) Expected Total Rates Revenue excludes other charges such as penalties for late payment and legal and other costs recovered. |
| (n) 'Growth' as defined in the <i>Local Government (Financial Management) Regulations 2011</i> reg 6(2). 'Minimal 'Growth' is expected in the 2023/2024 rating year (refer b). |

Statement on Expected Rate Revenue

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

Expected Differential Rates Revenue

| | Total expected revenue | | | No. of rateable properties | | Average per rateable property | | | Rate in \$ | |
|---|------------------------|---------------------|-------------|----------------------------|--------------|-------------------------------|----------------|------------|--------------|-----------|
| | 2022/23 | 2023/24 | Change | 2022/23 | 2023/24 | 2022/23 | 2023/24 | Change | 2023/24 | |
| Land Use (General Rates - GROSS) | | | | | | | | | | |
| Residential | \$10,455,300 | \$11,110,800 | 6% | 5844 | 5836 | \$1,789 | \$1,904 | (p) | \$115 | \$0.00568 |
| Commercial / Industrial | \$2,948,000 | \$3,129,900 | 6% | 506 | 514 | \$5,826 | \$6,089 | (p) | \$263 | \$0.01136 |
| Primary Production | \$161,800 | \$174,000 | 8% | 81 | 81 | \$1,998 | \$2,148 | (p) | \$151 | \$0.00454 |
| Vacant Land | \$772,700 | \$789,900 | 2% | 539 | 538 | \$1,434 | \$1,468 | (p) | \$35 | \$0.00852 |
| Other | \$146,000 | \$158,100 | 8% | 79 | 91 | \$1,848 | \$1,737 | (p) | -\$111 | \$0.00568 |
| Total Land Use | \$14,483,800 | \$15,362,700 | 6.1% | 7,049 | 7,060 | \$2,055 | \$2,176 | (p) | \$121 | |
| Locality (General Rates - GROSS) | | | | | | | | | | |
| Coastal Home Settlement | \$747,200 | \$781,500 | 5% | 340 | 340 | \$2,198 | \$2,299 | (p) | \$101 | \$0.00454 |
| Residential Non Urban | \$802,700 | \$851,500 | 6% | 360 | 365 | \$2,230 | \$2,333 | (p) | \$103 | \$0.00454 |
| Total Locality | \$1,549,900 | \$1,633,000 | 5.4% | 700 | 705 | \$2,214 | \$2,316 | (p) | \$102 | |
| GRAND TOTAL (GROSS) | \$16,033,700 | \$16,995,700 | 6.0% | 7,749 | 7,765 | \$2,069 | \$2,189 | (p) | \$120 | |

Council uses a differential rating system, using Land Use Codes and Locality as the factor to apply such differential rates. In applying differential general rates, council has considered and is satisfied that the rating system addresses the issue of consistency and comparability across all council areas, particularly as it relates to the various sectors of the business and wider community.

Fixed Charge

| | Total expected revenue | | | Charge | | |
|---------------------|------------------------|-------------|--------|---------|---------|---------|
| | 2022/23 | 2023/24 | Change | 2022/23 | 2023/24 | Change |
| Fixed Charge | \$6,845,400 | \$6,858,900 | 0.2% | \$900 | \$900 | (q) \$0 |

A Fixed Charge ensures all rateable properties pay a base amount to the cost of administering council activities and maintaining the services and infrastructure that supports each property. Rates based on values are then applied in addition to the fixed charge. Council is limited to the amount that can be raised by the fixed charge in that it cannot raise more than 50% of its general rate revenue from the fixed charge component. In 2023/24 council proposes to raise 37% of its general rate revenue by way of the fixed charge. This revenue amount is **included** in the General Rates GROSS figure at (c).

Adopted valuation method

Capital 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 continues to use **Capital Value** as the basis for valuing land within the Council area. Council considers that this method of valuing land provides the fairest method of distributing the rate burden across all ratepayers on the following basis:

- The equity principle of taxation requires that taxpayers of greater wealth pay more tax than those of lesser wealth.
- Property value is a relatively good indicator of wealth and capital value, which closely approximates the market value of a property and provides the best indicator of overall property value.

Notes

(p) Average per rateable property calculated as General Rates for category, including any fixed charge 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.

| PROGRAM / ACTIVITY | 2023/24 DRAFT BUDGET | | 2023/24 DRAFT BUDGET | 2023/24 DRAFT BUDGET |
|---|-----------------------|-------------------|-----------------------------|----------------------|
| | OPERATING EXPENDITURE | OPERATING REVENUE | OPERATING SURPLUS / DEFICIT | DEPRECIATION |
| City Management | 1,767,500 | 3,288,200 | 1,520,700 | (10,000) |
| Economic Development | 134,800 | 9,700 | (125,100) | |
| Information Communications Technology | 467,600 | 28,000 | (439,600) | (118,300) |
| Records Management | 217,600 | | (217,600) | (400) |
| Venues & Events | 215,500 | | (215,500) | |
| Library Service | 540,000 | 59,200 | (480,800) | (11,800) |
| Yarta Purtli Cultural Centre | 258,100 | 116,700 | (141,400) | (129,100) |
| Substance Misuse & Sobering Up | 1,706,600 | 1,715,500 | 8,900 | (13,300) |
| Human Resources | 588,600 | 2,100 | (586,500) | (3,400) |
| WHS & Risk Management | 253,700 | | (253,700) | |
| Wadlata Outback Centre | 824,100 | 572,800 | (251,300) | (252,900) |
| Australian Arid Lands Botanic Garden | 1,716,300 | 1,771,400 | 55,100 | (166,700) |
| Finance & Customer Services | 1,774,300 | 17,608,100 | 15,833,800 | (4,100) |
| Treasury Management | 192,000 | 268,000 | 76,000 | |
| Central Oval Community Hub (including oval) | 1,008,400 | 368,100 | (640,300) | (861,800) |
| Sport & Recreation | 755,300 | 208,200 | (547,100) | (84,300) |
| Childcare Centre | 1,356,300 | 1,556,100 | 199,800 | (82,300) |
| Mens Shed | 55,500 | 56,500 | 1,000 | (1,000) |
| Health Focus | 325,100 | 325,300 | 200 | (200) |
| Community Development | 885,900 | 654,400 | (231,500) | (400) |
| Development Services | 606,100 | 91,500 | (514,600) | (500) |
| Environmental Health | 132,300 | 13,400 | (118,900) | (400) |
| General Inspection | 324,300 | 280,600 | (43,700) | (18,900) |
| Buildings | 404,300 | 54,900 | (349,400) | (502,200) |
| Other Property | 844,900 | 120,100 | (724,800) | (451,500) |
| Cemeteries | 237,800 | 201,500 | (36,300) | (13,300) |
| Waste Management | 1,745,300 | 1,622,300 | (123,000) | |
| Infrastructure | 3,559,900 | 2,225,200 | (1,334,700) | (4,394,100) |
| Parks Gardens Reserves Ovals | 1,618,100 | 13,200 | (1,604,900) | (448,400) |
| Engineering Services & Depots | 3,329,400 | 803,600 | (2,525,800) | (482,100) |
| DEPRECIATION | 8,051,400 | | (8,051,400) | |
| TOTAL | 35,897,000 | 34,034,600 | (1,862,400) | (8,051,400) |

**BUDGETED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2024**

| | FORECAST 2023 | BUDGET 2023 | BUDGET 2024 |
|--|--------------------------|------------------------|------------------------|
| | \$ | \$ | \$ |
| INCOME | | | |
| Rates & Service Charges | 19,012,200 | 19,000,200 | 20,043,200 |
| Statutory charges | 507,800 | 381,800 | 402,900 |
| User charges | 3,607,500 | 3,677,500 | 4,089,000 |
| Grants, Subsidies & Contributions | | 7,561,400 | 8,349,600 |
| | 6,912,100 | | |
| Investment Income | 246,100 | 49,000 | 268,000 |
| Reimbursements | 138,100 | 82,700 | 77,300 |
| Other Income | 763,900 | 788,800 | 804,600 |
| TOTAL INCOME | <u>31,187,700</u> | <u>31,541,400</u> | <u>34,034,600</u> |
| EXPENSES | | | |
| Employee Costs | 12,489,200 | 13,323,300 | 13,988,000 |
| Materials, Contracts & Other Expenses | 12,331,000 | 12,177,600 | 13,665,600 |
| Depreciation, Amortisation & Impairment | 7,955,200 | 7,955,200 | 8,051,400 |
| Finance Costs | 99,100 | 246,300 | 192,000 |
| TOTAL EXPENSES | <u>32,874,500</u> | <u>33,702,400</u> | <u>35,897,000</u> |
| OPERATING SURPLUS / (DEFICIT) | <u>(1,686,800)</u> | <u>(2,161,000)</u> | <u>(1,862,400)</u> |
| Amounts received specifically for new or upgraded assets | 1,206,600 | 1,749,600 | - |
| NET SURPLUS/(DEFICIT) transferred to Equity Statement | <u>(480,200)</u> | <u>(411,400)</u> | <u>(1,862,400)</u> |
| TOTAL COMPREHENSIVE INCOME | <u>(480,200)</u> | <u>(411,400)</u> | <u>(1,862,400)</u> |
| Financial Assistance Grant Payment Reallocation 21/22 Financial Assistance Grant Payment Reallocation 22/23 814,300 Adjusted Operating Surplus/(Deficit) (872,500) | | | |

PORT AUGUSTA CITY COUNCIL

**BUDGETED STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 JUNE 2024**

| | FORECAST 2023 \$ | BUDGET 2023 \$ | BUDGET 2024 \$ |
|---|---------------------------------|-------------------------------|-------------------------------|
| ASSETS | | | |
| Current Assets | | | |
| Cash and cash equivalents | 7,831,355 | 1,286,921 | 8,742,555 |
| Trade & other receivables | 1,275,400 | 1,164,500 | 1,196,400 |
| Inventories | <u>230,000</u> | <u>230,000</u> | <u>230,000</u> |
| Total Current Assets | <u>9,336,755</u> | <u>2,681,421</u> | <u>10,168,955</u> |
| Non-current Assets | | | |
| Financial Assets | 109,400 | - | 90,700 |
| Infrastructure, Property, Plant & Equipment | <u>220,221,900</u> | <u>223,536,400</u> | <u>217,138,700</u> |
| Total Non-current Assets | <u>220,331,300</u> | <u>223,536,400</u> | <u>217,229,400</u> |
| TOTAL ASSETS | <u>229,668,055</u> | <u>226,217,821</u> | <u>227,398,355</u> |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Trade & Other Payables | 2,863,500 | 2,863,500 | 2,793,000 |
| Borrowings | 342,800 | 1,042,800 | 3,764,000 |
| Provisions | <u>1,854,400</u> | <u>1,854,400</u> | <u>1,860,100</u> |
| Total Current Liabilities | <u>5,060,700</u> | <u>5,760,700</u> | <u>8,417,100</u> |
| Non-current Liabilities | | | |
| Borrowings | 3,764,000 | 3,764,000 | - |
| Provisions | <u>97,600</u> | <u>97,600</u> | <u>97,900</u> |
| Total Non-current Liabilities | <u>3,861,600</u> | <u>3,861,600</u> | <u>97,900</u> |
| TOTAL LIABILITIES | <u>8,922,300</u> | <u>9,622,300</u> | <u>8,515,000</u> |
| NET ASSETS | <u>220,745,755</u> | <u>216,595,521</u> | <u>218,883,355</u> |
| EQUITY | | | |
| Accumulated Surplus(Deficit) | (2,491,206) | (5,080,376) | (4,353,606) |
| Asset Revaluation Reserve | <u>223,236,961</u> | <u>221,675,897</u> | <u>223,236,961</u> |
| TOTAL EQUITY | <u>220,745,755</u> | <u>216,595,521</u> | <u>218,883,355</u> |

PORT AUGUSTA CITY COUNCIL

**BUDGETED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2024**

| | FORECAST 2023 \$ | BUDGET 2023 \$ | BUDGET 2024 \$ |
|---|---------------------------------|-------------------------------|-------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| <u>Receipts</u> | | | |
| Operating Receipts | 31,475,200 | 31,519,957 | 33,845,600 |
| Investment Receipts | 246,100 | 49,000 | 268,000 |
| <u>Payments</u> | | | |
| Operating Payments to suppliers & employees | (26,622,400) | (25,603,000) | (27,718,100) |
| Finance Payments | (99,100) | (246,300) | (192,000) |
| Net Cash provided by (or used in) Operating Activities | <u>4,999,800</u> | <u>5,719,657</u> | <u>6,203,500</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| <u>Receipts</u> | | | |
| Amounts specifically for new or upgraded assets | 1,206,600 | 1,749,600 | - |
| Sale of replaced assets | 103,000 | 103,000 | 105,000 |
| Sale of surplus assets | 253,300 | - | - |
| Repayments of loans by community groups | 10,500 | - | 10,700 |
| <u>Payments</u> | | | |
| Expenditure on renewal/replacement of assets | (5,183,800) | (6,964,000) | (3,019,000) |
| Expenditure on new/upgraded assets | (3,722,000) | (3,611,000) | (2,067,000) |
| Loans made to community groups | (120,000) | - | - |
| Net Cash provided by (or used in) Investing Activities | <u>(7,452,400)</u> | <u>(8,722,400)</u> | <u>(4,970,300)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| <u>Receipts</u> | | | |
| Proceeds from Borrowings | - | - | - |
| <u>Payments</u> | | | |
| Repayments of Borrowings | (292,314) | (1,823,300) | (322,000) |
| Repayment of Lease Liabilities | (14,800) | - | - |
| Net Cash provided by (or used in) Financing Activities | <u>(307,114)</u> | <u>(1,823,300)</u> | <u>(322,000)</u> |
| Net Increase (Decrease) in cash held | <u>(2,759,714)</u> | <u>(4,826,043)</u> | <u>911,200</u> |
| Cash & cash equivalents at beginning of period | <u>10,591,069</u> | <u>6,112,964</u> | <u>7,831,355</u> |
| CASH & CASH EQUIVALENTS AT END OF PERIOD | <u>7,831,355</u> | <u>1,286,921</u> | <u>8,742,555</u> |

PORT AUGUSTA CITY COUNCIL

**BUDGETED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2024**

| | ACCUMULATED SURPLUS | ASSET REVALUATION RESERVE | TOTAL EQUITY |
|--|------------------------|---------------------------------|--------------------|
| FORECAST 2023 | \$ | \$ | \$ |
| Balance at end of previous reporting period | (2,011,006) | 223,236,961 | 221,225,955 |
| Net Surplus/ (Deficit) for year | (480,200) | | (480,200) |
| Other Comprehensive Income | | | |
| Gain on revaluation of property, plant & equipment | - | | |
| Balance at end of period | <u>(2,491,206)</u> | <u>223,236,961</u> | <u>220,745,755</u> |
| BUDGET 2023 | \$ | \$ | \$ |
| Balance at end of previous reporting period | (4,668,976) | 221,675,897 | 217,006,921 |
| Net Surplus/ (Deficit) for year | (411,400) | | (411,400) |
| Other Comprehensive Income | | | |
| Balance at end of period | <u>(5,080,376)</u> | <u>221,675,897</u> | <u>216,595,521</u> |
| BUDGET 2024 | \$ | \$ | \$ |
| Balance at end of previous reporting period | (2,491,206) | 223,236,961 | 220,745,755 |
| Net Surplus/ (Deficit) for year | (1,862,400) | | (1,862,400) |
| Other Comprehensive Income | | | |
| Balance at end of period | <u>(4,353,606)</u> | <u>223,236,961</u> | <u>218,883,355</u> |

**BUDGETED UNIFORM PRESENTATION OF FINANCES
FOR THE YEAR ENDED 30 JUNE 2024**

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.

| | FORECAST 2023 \$ | BUDGET 2023 \$ | BUDGET 2024 \$ |
|--|---------------------------------|-------------------------------|-------------------------------|
| Income | 31,187,700 | 31,541,400 | 34,034,600 |
| <i>less</i> Expenses | <u>(32,874,500)</u> | <u>(33,702,400)</u> | <u>(35,897,000)</u> |
| | <u>(1,686,800)</u> | <u>(2,161,000)</u> | <u>(1,862,400)</u> |
| <i>less</i> Net Outlays on Existing Assets | | | |
| Capital Expenditure on renewal and replacement of Existing Assets | (5,183,800) | (6,964,000) | (3,019,000) |
| <i>add back</i> Depreciation, Amortisation and Impairment | 7,955,200 | 7,955,200 | 8,051,400 |
| <i>add back</i> Proceeds from Sale of Replaced Assets | 103,000 | 103,000 | 105,000 |
| | <u>2,874,400</u> | <u>(1,094,200)</u> | <u>5,137,400</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>) | (3,722,000) | (3,611,000) | (2,067,000) |
| <i>add back</i> Amounts specifically for New and Upgraded Assets | 1,206,600 | 1,749,600 | - |
| <i>add back</i> Proceeds from Sale of Surplus Assets (including investment property and real estate developments) | 253,300 | | |
| | <u>(2,262,100)</u> | <u>(1,861,400)</u> | <u>(2,067,000)</u> |
| Net Lending / (Borrowing) for Financial Year | <u>1,074,500</u> | <u>5,116,600</u> | <u>(1,208,000)</u> |



| RATING POLICY 2023/24 | |
|------------------------------|-----------|
| Statutory Policy | |
| TRIM Reference | AR22/5080 |
| First Issued | |
| Last Reviewed | |
| Next Review | July 2024 |

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
- Fixed Charge
- 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

Pursuant to Section 151 of the Local Government Act, Capital Value is utilised as the value of land for the purpose of rating.

3.2 ADOPTION OF VALUATIONS

The Council is required to adopt the most recent valuations made by the Office of the Valuer General for the 2023/24 financial year prior to declaration of rates.

If a principal 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 Office of the Valuer General are:

Post:
Office of the Valuer-General
GPO Box 1354
Adelaide SA 5001

Phone: [1300-653-346](tel:1300653346)
Email: OVGobjections@sa.gov.au
Website: www.valuergeneral.sa.gov.au

NOTE - The Council has no role in this process. It is also important to note that the lodgement of an objection does not alter the due date for payment of rates. Rates must be paid in accordance with the Rate Notice unless otherwise notified by the Council.

If an objection is upheld and a new value issued by the Office of 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

Notional values are concessional values based on the actual use of the land in certain circumstances and not the highest and best use of the land. It is a statutory value less than the market value of the property.

Certain properties may be eligible for a “notional value” under the Valuation of Land Act 1971 and may be applied to your property if it is your principal place of residence.

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”.
- b) The support provided for community groups and events through sponsorships and to Regional Development Australia Far North, which in turn support business operations in the City and adjoining areas.
- c) Council’s Procurement Policy, which provides preference for local suppliers if certain criteria are met.

- d) The equity of the distribution of the rate burden between classes of ratepayers based on land use and occupation.
- e) The provisions of the Local Government Act pertaining to mandatory rebates.
- f) Current local, state, and national economic conditions.
- g) Council's Strategic Directions 2019-2029, Asset Management Plans, and Long Term Financial Plan, and Council's desire to achieve financial sustainability by 2032.
- h) Funding committed by the SA Government towards the Australian Arid Lands Botanic Garden to provide rate relief to the Port Augusta Community.

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 or differential 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 utilising specific localities within Residential Land Use and the 9 different categories of land use incorporated under the Local Government (General) Regulations, namely:

| | | |
|-----------|---|---------------------|
| 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

Locality Rural Shack Settlement
 Rural Living
 Conservation
 Rural
 Rural Neighbourhood

e) The locality and the use of land govern differential rates. If a ratepayer believes that a property has been wrongly classified as to its land use, then an objection in writing to the Office of the Valuer-General may be made within 60 days of being notified of the land use classification.

lsgobjections@sa.gov.au or

Office of the Valuer-General
 GPO Box 1354,
 ADE:AIDE SA 5001.

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

Per Section 148(1) of the Act, Rates may be assessed against—

(a) any piece or section of land subject to separate ownership or occupation;

Where more than one occupancy exists on one valuation, Council will request the Office of the Valuer-General to create a tenancy apportionment to reflect the separate occupations.

Where more than one residency exists on one valuation, and they are both/all occupied by the owner’s children and/or their parent/s, Council will consider that the site is occupied by a single occupier being an extended family.

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 **FIXED CHARGE**

Section 152 of the Act permits a Council to impose a fixed charge.

A fixed charge is levied against the whole of an allotment (including land under a

separate lease or licence) and only one fixed charge is levied against two or more pieces of adjoining land (where 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.

Council has imposed a fixed charge as it considers it appropriate that all rateable properties contribute to the cost of administering the Council's activities and to the cost of creating and maintaining the physical infrastructure that supports each property.

As per the Act, Council is limited to the amount that can be raised by the fixed charge in that it cannot raise more than 50% of its general rate revenue from the fixed charge component. In 2023/24, Council has retained a fixed charge of \$900. This equates to approximately 37% of general rate revenue.

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 2023/24 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, with the exception of vacant land which may apply on request.

In 2023/24 financial year, the service charge will be \$226 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 \$113 per service.

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.

All revenue raised from the CWMS service charge must be used to cover the cost to the Council of establishing, operating, maintaining, improving, and replacing the service including, by future capital works. The service charge for CWMS is calculated using the Code for Establishing and Applying Property Units for the Imposition of Annual Services Charges for CWMS.

In the 2023/2024 financial year, the Community Wastewater Management Scheme (CWMS) service charge will be \$514 per property unit on all land to which the Council provides or makes available the service.

**Additional charges may apply where non-biodegradable products are found within a septic tank during a desludging process resulting in additional work to be undertaken.

3.8 **REGIONAL LANDSCAPE LEVY (previously Natural Resource Management Levy)**

Council collects the Regional Landscape Levy for the SA Arid Lands Landscape Board under the Landscape South Australia Act 2019 to enable the board to manage the land, water, pest animals and plants, and biodiversity in the Region. The SA Arid Land Landscape Board has determined Council's contribution for 2023/24 as \$366,124. The total revenue will be generated from a service charge applied to all rateable properties.

The SA Arid Lands Landscape Board has undertaken an equalisation process, with changes implemented from 2023/24. As a result, Port Augusta City Council is required to transition to three different Regional Landscape Levy amounts based on land use. As advised by the Landscape Board, the levies for 2023/24 are:

| | |
|------------------------------|----------|
| Residential / Vacant / Other | \$45.35 |
| Commercial / Industrial | \$90.69 |
| Primary Production | \$226.73 |

3.9 **CONCESSIONS**

Cost of Living Concession

A number of years ago, 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:

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

Please contact the State Government at:

Email: concessions@sa.gov.au

Phone: ConcessionsSA Hotline (9:00 am to 5:00 pm, Monday to Friday) - [1800 307 758](tel:1800307758)

Translations: to arrange an onsite or telephone interpreter, or to have a document translated, please call the [Interpreting and Translating Centre \(ITC\)](#) on [1800 280 203](tel:1800280203).

3.10 PAYMENT OF RATES

As required by Section 181(1) of the Act, ratepayers may pay their rates in four approximately equal instalments, payable in the months of September, December, March and June of the financial year for which the rates are declared. The total outstanding balance of rates may be paid in full at any time.

Separate notices relating to each instalment will be issued to the principal ratepayer at least 30 days prior to the due date of each instalment (unless paid in prior to the due date of the following instalment).

Rate Notices are issued to the principal ratepayer either by post, email, or Bpay View. 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.

It is the responsibility of the principal ratepayer to ensure receipt of the rate notice. If a rate notice is not received by the principal ratepayer, contact must be made with the Rates Department to facilitate a rate notice copy. Failure to make payment of an instalment by the due date will result in fines and interest being imposed in accordance with the provisions of Section 181(8) of the Act and this policy.

Ratepayers can lodge a complaint with Australia Post for mail not received via that method.

Council processes rate assessment record updates per weekly notification from Land Services SA. Notification is linked via the certificate of title pertaining to the land. It is an owners responsibility to ensure that postal address details are correct when dealing with Land Services as Council records will be amended to reflect advice received.

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. If a payment is received via cheque which is dishonoured, any fees incurred will be added to the rates assessment.

Rates may also be paid by: -

- Direct Debit

A ratepayer can provide Council with an authorisation to deduct regular payments of a fixed amount from a bank account. An administrative fee of \$5 will be incurred if a payment rejection occurs. Three consecutive rejections will result in cancellation of the direct debit arrangement. Any new direct debit arrangement requests following cancellation of a prior arrangement will be at the discretion of the Rates Coordinator with consideration of payment history.

- BPay and BPay View

Quote biller code 27961 and Customer Reference Number

- Council Website www.portaugusta.sa.gov.au
Select 'Make a Payment' from the Fast Find menu, then "Online Payments Transactions, then 'Rate Payment'.
- Centrepay
Ratepayers who receive a regular payment from Centrelink can elect to pay Council rate via Centrepay.
- Telephone
Contact **1300 276 468**, enter the Biller Code **1351915**, the Customer Reference Number, amount, and card details to complete the payment.
- Australia Post (Post Billpay)
Payment may be made in store at Australia Post or by phone on 13 18 16 quoting Billpay code 2808.

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 Department on 86419100 to discuss alternative payment arrangements. Such enquiries will be dealt with in confidence.

3.11 LATE PAYMENT OF RATES & DEBT RECOVERY

Council has determined that penalties for late payments will be imposed in accordance with the provisions of Section 181(8) of the Act and this policy.

The Act provides that, if an instalment of rates is not paid on or before the date on which it falls due:

- (a) the instalment will be regarded as being in arrears
- (b) a fine of two percent of the amount of the instalment is payable
- (c) on the expiration of each full month from that date, interest of the prescribed percentage of the amount in arrears (including the amount of any previous unpaid fine and including interest from any previous month) accrues.

Any ratepayer who may, or is likely to, have trouble with meeting the standard instalments and due dates can contact the Rates Department to discuss alternative payment arrangements. It should be noted that fines and interest are still incurred in accordance with the Act under any payment arrangement.

Council will consider applications for remission of fines in certain extenuating circumstances. A request for waiver of fines should be made in writing to the Rates Department, setting out detailed reasons why a fine remission has been requested 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 unpaid by the due date. Should rates remain unpaid for more than 14 days after the

issue of the overdue notice then the Council may refer 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 rate levy first).

3.12 REMISSION AND POSTPONEMENT OF RATES

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

Where a principal ratepayer is suffering hardship in paying rates, he/she is invited to contact the Rates Department on 8641 9100 to discuss the matter. Council treats such enquiries confidentially. 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 Rates - Hardship Policy

3.13 REBATE OF RATES

Division 5 of the Local Government Act requires Councils to rebate rates payable for certain land uses.

Please refer to Council's Rate Rebates Policy.

Community and recreational groups that previously received a discretionary rates rebate are encouraged to apply for sponsorship as per Council's Sponsorship Policy.

Rate Capping

For the 2023/24 financial year, Council considers it appropriate to grant pursuant to Section 166(1)(l)(i) of the Local Government Act a rebate to provide relief against what would otherwise amount to a substantial change in rates payable by a ratepayer due to a redistribution of the rates burden within the community arising from a change to the basis of the Council's rates from site value to capital value that occurred from the 2021/2022 year.

Consequently, rebates will be granted* to limit the increase of the 2023/24 general rate over the amount of the general rate payable in the 2022/23 financial year as follows:

- (a) increase in the general rate payable will be limited to 10% over the general rates payable in the 2022/23 financial year for all assessments with a residential land use.
- (b) Increase in the general rates payable will be limited to 20% over the general rates payable in the 2022/23 financial year for assessments in all other categories of land use.

*Exclusions apply where:

- the land use has changed from the 2022/23 rating year to the 2023/24 rating year
- the ratepayer is granted any other rebate of rates for 2023/24 under the Local Government Act 1999 sections 159 to 166
- a new valuation has been provided by the Valuer-General for the purpose of incorporating contiguous land
- tenancy cancellation from the 2022/23 rating year to the 2023/24 rating year resulting in merged assessments.

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 may 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 Department, 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 Department 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 and 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

Procurement Policy

Rebate of Rates Policy

Rates Hardship Policy

Sponsorship Policy



| RATES REBATE POLICY | |
|----------------------------|----------------|
| | Council Policy |
| TRIM Reference | AR19/17555 |
| First Issued | 16 July 1984 |
| Last Reviewed | |
| Next Review | July 2024 |

1. POLICY STATEMENT

- 1.1 Rate rebates in respect of any rateable land in the Council area will be available only when the applicant satisfies the requirements under the Local Government Act 1999 and where appropriate, the requirements of this Policy.

2. PURPOSE

2.1 Purpose

To provide guidance to the community, as to the grounds upon which a person or body is or may be entitled to a rebate of rates and the matters that the Council will take into account in deciding an application for a rebate.

2.2 Scope

The Local Government Act 1999 sets out in Chapter 10, Division 5 (Sections 159 to 166) those provisions applicable to the Council for granting rate rebates to persons or bodies (refer Application Form - Rate Rebate).

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

Strategic Objective 6 - We Achieve

(6.5) We use and manage our financial resources in the best interests of our community and it ensure financial sustainability and organisational efficiency, now and into the future.

3. PRINCIPLES

3.1 Mandatory Rebates

3.1.1 The Council must grant a rebate in the amount specified in respect of those land uses which the Act provides will be granted a rebate.

3.1.2 Rates on the following land will be rebated at **100%**

a) **Health Services**

Land being predominantly used for service delivery or administration by a hospital or health centre incorporated under the South Australia Health Commission Act 1976;

b) Religious Purposes

Land containing a church or other building used for public worship (and any grounds), or land solely used for religious purposes;

c) Public Cemeteries

Land being used for the purposes of a public cemetery;

d) Royal Zoological Society of SA

Land (other than land used as domestic premises) owned by, or under the care, control and management of, the Royal Zoological Society of South Australia incorporated.

3.1.3 Rates on the following land will be rebated at 75%

a) Community Services

Land being predominantly used for service delivery or administration (or both) by a community services organization. A “*community services organization*” is defined in the Act as a body that:

- Is incorporated on a not for profit basis for the benefit of the public; and
- Provides community services without charge or for a charge that is below the cost to the body of providing the services; and
- Does not restrict its services to persons who are members of the body.

It is necessary for a community service organisation to satisfy all of the above criteria to be entitled to the mandatory 75% rebate.

The Act further provides that eligibility for a rebate by a community services organisation is subject to it providing one or more of the following community services -

- Emergency accommodation;
- Food or clothing for disadvantaged persons (ie persons who are disadvantaged by reason of poverty, illness, frailty, or mental, intellectual or physical disability);
- Supported accommodation (ie residential care facilities in receipt of Commonwealth funding or accommodation for persons with mental health, intellectual, physical or other difficulties who require support in order to live an independent life);
- Essential services, or employment support, for persons with mental health disabilities, or with intellectual or physical disabilities;
- Legal services for disadvantaged persons;
- Drug or alcohol rehabilitation services; or

- The conduct of research into, or the provision of community education about, diseases or illnesses, or the provision of palliative care to persons who suffer from diseases or illnesses.

3.1.4 Educational Purposes

- Land occupied by a government school under a lease or licence and being used for educational purposes; or
- Land occupied by a non-government school registered under Part 5 of the Education Act 1972 and being used for educational purposes; or
- Land being used by a University or University College to provide accommodation and other forms of support for students on a not for profit basis.

3.1.5 Where the Council is satisfied from its own records or from other sources that a person or body meets the necessary criteria for a mandatory 100% or 75% rebate, the Council will grant the rebate of its own initiative. Where the Council is not so satisfied it will require the person or body to apply for the rebate in accordance with clause 3.3 of this policy.

3.1.6 Where a person or body is entitled to a rebate of 75% the Council may, pursuant to Section 159(4) of the Act, increase the rebate up to a further 25%. The Council may grant the further 25% rebate upon application or on its own initiative. In either case the Council will take into account those matters set out at clause 3.2 of this Policy

3.2 Discretionary Rebates

3.2.1 The Council may in its absolute discretion grant a rebate of rate or service charges in any of the following cases pursuant to Section 166 of the Act -

- a) where it is desirable for the purpose of securing the proper development of the area (or a part of the area);
- b) where it is desirable for the purpose of assisting or supporting a business in its area;
- c) where it will be conducive to the preservation of buildings or places of historic significance.
- d) where the land is being used for educational purposes;
- e) where the land is being used for agricultural horticultural or floricultural exhibitions;
- f) where the land is being used for a hospital or health centre;
- g) where the land is being used to provide facilities or services for children or young persons;
- h) where the land is being used to provide accommodation for the aged or disabled;
- i) where the land is being used for a residential aged care facility that is approved for Commonwealth funding under the Aged Care Act 1997 (Commonwealth) or a day therapy centre;

- j) where the land is being used by an organisation which, in the opinion of the Council, provides a benefit or service to the local community;
- k) where the rebate relates to common property or land vested in a community corporation under the Community Titles Act 1996 over which the public has a free and unrestricted right of access and enjoyment;
- l) where the rebate is considered by the Council to be appropriate to provide relief against what would otherwise amount to a substantial change in rates payable due to a redistribution of the rates burden within the community arising from a change to the basis or structure of the council rates or a change to the basis on which land is valued for the purpose of rating, rapid changes in valuations, or anomalies in valuations.
- m) where the rebate is considered by council to be appropriate to provide relief in order to avoid what would otherwise constitute a liability to pay a rate or charge that is inconsistent with the liabilities that were anticipated by the council in its annual business plan or a liability that is unfair or unreasonable;
- n) where the rebate is to give effect to a review of a decision of the council under Chapter 13 part 2 (section 270 and 271);
- o) where the rebate is contemplated under another provision of the Local Government Act 1999.

3.2.2 The Council may grant a rebate of rates up to and including 100% of the relevant rates or service charges.

3.2.3 The Council has an absolute discretion -

- a) to grant a rebate of rates or service charges in the above cases; and
- b) to determine the amount of any such rebate.

3.2.4 Persons who or bodies which seek a discretionary rebate will be required to submit an application form to the Council and provide to the Council such information as stipulated on the application form and any other information that the Council may reasonably require.

3.2.5 For the 2023/24 rating year, community groups and organisations that own land and receive a rates notice are eligible to apply for sponsorship as per Council's Sponsorship Policy.

3.2.6 For the 2023/24 rating year, community groups and organisations that are in a lease or licence arrangement with Council owned land which is required to be rated in accordance with the Act, may be granted a discretionary rebate for their General Rates.

3.3 Applications

3.3.1 The Council will inform the community of the provisions for rate rebate under the Local Government Act by publishing a copy of this policy on Council's website at www.portaugusta.sa.gov.au

- 3.3.2 Persons or bodies who seek a rebate of rates (and/or service charges) either
- a) pursuant to Section 159(4) of the Act and clause 3.1 of this policy; or
 - b) pursuant to Section 166 of the Act and clause 3.2 of this policy,
- must make written application to the Council pursuant to Section 159(1) of the Act in the manner and form determined by the Council and supplying such information as the Council may reasonably require.
- 3.3.3 All persons or bodies which wish to apply to the Council for a discretionary rebate of rates must do so on or before 1st May in the year of application. However, Applicants which satisfy the criteria for a mandatory rebate will be granted the rebate as per the Act at any time.
- 3.3.4 Application forms may be obtained from the Council office located at 4 Mackay Street, Port Augusta SA 5700 or on Council's website at www.portaugusta.sa.gov.au
- 3.3.5 The Council will take into account, in accordance with Section 159(5) of the Act, the following matters -
- a) the nature and extent of Council services provided in respect of the land for which the rebate is sought in comparison to similar services provided elsewhere in the Council's area;
 - b) the community need that is being met by activities carried out on the land for which the rebate is sought; and
 - c) the extent to which activities carried out on the land for which the rebate is sought provides assistance or relief to disadvantaged persons.
- 3.3.6 The Council may take into account other matters considered relevant by the Council including, but not limited to, the following -
- a) why there is a need for financial assistance through a rebate;
 - b) the level of rebate (percentage and dollar amount) being sought and why it is appropriate;
 - c) the extent of financial assistance, if any, being provided to the applicant and/or in respect of the land by Commonwealth or State agencies;
 - d) whether the applicant has made/intends to make applications to another Council;
 - e) whether, and if so to what extent, the applicant is or will be providing a service within the Council area;

- f) whether the applicant is a public sector body, a private not for profit body or a private for profit body;
- g) whether there are any relevant historical considerations that may be relevant for all or any part of the current Council term;
- h) the desirability of granting a rebate for more than one year in those circumstances;
- i) consideration of the full financial consequences of the rebate for the Council;
- j) the time the application is received;
- k) the availability of any community grant to the person or body making the application;
- l) whether the applicant is in receipt of other funding from Council; and
- m) any other matters, and policies of the Council, which the Council considers relevant.

3.3.7 The Council may grant a rebate of rates or charges on such conditions as the Council thinks fit.

3.3.8 Where an Organisation wishes to apply for a rebate of rates on a property they are leasing, the owner of the property must agree in writing to Council, for the Organisation to be listed as the principal rate payer to enable this to occur. A copy of the Lease must also be provided, indicating the Lessee's responsibility for the payment of rates.

3.3.9 If this application is for a portion of the land, you must contact the Office of the Valuer General to have the rebated area separately assessed before any rebate will be applied.

3.3.10 The Council may, for proper cause, determine that an entitlement to a rebate of rates under the Act no longer applies.

Where an entitlement to a rebate of rates ceases or no longer applies during the course of a financial year, the Council is entitled to recover rates, or rates at the increased level (as the case may be), proportionate to the remaining part of the financial year.

3.3.11 It is an offence for a person or body to make a false or misleading statement or representation in an application or to provide false or misleading information or evidence in support of an application made (or purporting to be made) under the Local Government Act 1999 Section 159.

The maximum penalty for this offence is \$5,000.

3.3.12 If a person or body has the benefit of a rebate of rates and the grounds on which the rebate has been granted cease to exist, the person or body must immediately inform the Council of that fact and (whether or not the Council is so informed), the entitlement to a rebate ceases. If a person or body fails to do so that person or body is guilty of an offence.

The maximum penalty for this offence is \$5,000

3.3.13 The Council will, in writing, advise an applicant for a rebate of its determination of that application within 20 business days of adoption of the Annual Business Plan & Budget and Declaration of Rates for the financial year. The advice will state -

- a) if the application has been granted, the amount of the rebate; or
- b) if the application has not been granted, the reasons why.

3.4 Delegation

A report including a summary of all mandatory and discretionary rate rebates applied for, including whether they are supported or not and the associated reasons will be tabled to Council for adoption at a Special Council Meeting to adopt the Annual Business Plan & Budget and Declaration of Rates in each year.

3.5 Availability of Policy

This policy is available for inspection at the Council offices and persons may obtain a copy of this policy upon payment of the fee set by the Council. The policy is also available on Council's website at www.portaugusta.sa.gov.au

4. RESPONSIBILITY & REVIEW

4.1 Responsible Officer

Director Corporate & Community Services

The Rates Coordinator will be responsible for advising applicants of the outcome of their rebate application and processing approved rebates in Authority.

4.2 Availability

4.2.1 A list of Rate Rebates approved by Council will be made available on Council's website.

4.2.2 This policy will be available on Council's website.

4.3 Review

4.3.1 This policy will be reviewed within 12 months of a General Election for Local Government, or as required to meet other obligations.

4.3.2 The annual rating process, including Council approval of rate rebates, is audited by Councils auditor each financial year.

4.3.3 A person who or a body which is aggrieved by a determination of the Council in respect of an application for a rebate may seek a review of that decision in accordance with the Council's Procedure for the Internal Review

of a Council Decision within 21 days of the date of the notice of determination.

5. REFERENCES

5.1 Legislation

Local Government Act 1999

5.2 Other References

Application Form - Discretionary Rate Rebate

Application Form - Mandatory Rate Rebate

Rating Policy 1.1.10

Sponsorship Policy AR21/10488