

2021/22

Draft Annual Business Plan &
Budget

Community Forum

15TH JUNE 2021



Port Augusta

CITY COUNCIL

Acknowledge of Country

“We would like to pay our respects to the traditional owners of the land on which we meet.

We acknowledge their ancestors and their sharing of their country. We also pay respect to the many Aboriginal groups and cultures that work, walk and live in Port Augusta”.



(artwork by Marli Macumba)

Introduction

Section 123 of the Local Government Act 1999 requires the council to develop an Annual Business Plan and budget for the financial year.

The Annual Business Plan and budget must deal with each principal activity of the council on a separate basis and be adopted before 31 August.

The Annual Business Plan & Budget is developed in the context of Council's strategic planning framework.

The budget must include:

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

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

2021/22 DRAFT BUDGET SNAPSHOT


14,102
Population
(ABS 2018)

Approx. 50
Programs / Services
Managed by Council


56%
Percentage of
residential
owner/occupier

Maintains
410km
Roads

Maintains
32km
Stormwater
Pipework

130
Council Staff
Average Full-Time
Equivalent

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

Maintains
125km
Footpaths

\$31,670,000
Operating Revenue

\$33,954,000
Operating Expenditure

\$5.299M
Capital Expenditure
Asset Management Plan

\$5.5M 
Loans
Budgeted Balance as at 30/6/2022

Capital Value
as the
Basis of Rating

7735
Rateable
properties

\$900
Fixed Charge

Budget Framework

Strategic Plan, Long Term Financial Plan and Asset Management Plans;

The current economic influences including;

- Continuing Covid-19 Emergency Provisions
- Known decreases or minimal increases in revenue sources from the Federal & State Governments;
- Levies imposed by other tiers of government including Regional Landscape Levy and EPA Waste Levy;
- Risk management framework and Work Health Safety;
- Impact of new Planning, Development & Infrastructure Act 2016

A focus on asset renewal and financial sustainability;

A desire to reach a 'break even' budget position by 2027/28 financial year;

Local Government Reforms currently before State Parliament;

Current legislation limiting rating of electricity generation and storage plant & equipment.

Budget Framework

- Based on Long Term Financial Plan
 - Increase in general rate revenue 2.7%
 - Operating deficit of \$2.284M
 - \$276k annual reduction in Operating Expenditure required to break even in 2027/28
 - \$2M borrowings for matching grant funds of Covid stimulus packages

CAPITAL EXPENDITURE 2021/2022	
<i>ASSET MANAGEMENT PLANS EXPENDITURE</i>	
Transport Capital Renewal/Replacement of Assets Includes: <ul style="list-style-type: none"> • 7km road reseal • 1.5km kerb renewal 	\$714,000
Transport New Capital Works Includes: <ul style="list-style-type: none"> • Upgrade to heavy vehicle route (Zerna Road) • 3.7km paved footpaths 	\$915,000
Stormwater/CWMS Network Renewal Includes: <ul style="list-style-type: none"> • 450m CWMS network pipe relining 	\$268,000
Building & Land Improvement Renewal/Replacement (subject to current review of open space strategy). <ul style="list-style-type: none"> • Renewal of park furniture as identified across all public parks • Playground equipment upgrades: <ul style="list-style-type: none"> ○ Arthur Spring Memorial Park, ○ Keith Jones Memorial Park, ○ Sid A Welk Recreation Park, ○ Volunteer Park, ○ Christopher Street Park, ○ Northey Crescent Park, ○ Sid Gill Memorial Park, ○ Whiting Parade Reserve ○ Williams Street Park • Public toilet facilities upgrades • Minor building refurbishment 	\$2,622,000
Plant & Vehicles Renewal/Replacement	\$644,000
Furniture & Fittings Renewal/Replacement	\$136,000
TOTAL	\$5,299,000
<i>ADDITIONAL CAPITAL EXPENDITURE</i>	
Commencement of Ryan Mitchell Swim Centre Upgrade (50% grant funded)	\$1,011,600
TOTAL	\$6,310,600

Annual Business Plan for 2021/22

Priority Action 1 - Community

- Indigenous Engagement Strategy activities
- Disability Access & Inclusion Plan activities
- Support for events
- Recognition programs
- Continue to lobby for increased aviation access to and from the City

Priority Action 2 – Economy

- AALBG Master Plan activities
- Stakeholder workshops to develop profile and prospectus to promote Port Augusta

Annual Business Plan for 2021/22

Priority Action 3 – Environment

- Waste Management Strategy & Education Program
- Review & communicate the Style Guide for the City
- Recognition programs

Priority Action 4 – Infrastructure

- CBD Master Plan
- Implement work as per Asset Management Plans
- Digital mapping of stormwater system (staged approach)
- Completion of Foreshore Strategy (includes Marine Assets)
- Consideration of end of life assets
- Open Space Strategy review

Annual Business Plan for 2021/22

Priority Action 5 – Governance & Financial Sustainability

- Review Long Term Financial Plan
- Continuous Improvement Program
 - Service Level & Range Review
 - Organisational efficiencies through IT
 - Legislative Compliance
 - Strategic Property Review
 - Implement change to basis of rating
- Implementation of new Planning Act & resulting processes
- Changes to Superannuation Guarantee as per legislation

Items included in 2021/22 Draft Budget

- Capital Renewal as per Asset Management Plan \$5.299M
- Stormwater Management Plan Stage 2 \$150k
- Commencement of the Ryan Mitchell Swim Centre upgrade \$2M (50% grant funded)
- Council asset utilization study
- Open Space Strategy review
- CBD Master Plan (subject to grant funding)
- Review of service levels to CBD & Foreshore
- Operational costs of new Planning Act
- Use of Information Technology to improve processes
- Increase in Superannuation Guarantee
- Sponsorship, grants, donations and discretionary rate rebates to Community groups (\$180k)
- Continued support of RDA Far North & Upper Spencer Gulf Cities Association
- Increased number of Traineeships
- Reduction in interest on debt

Rating Policy

- Capital Value
- Fixed Charge
- Differential Rates
- Service Charges (Kerbside Waste & Recycling, CWMS)
- Regional Landscape Levy (former NRM Levy)
- Rebate of Rates (rate capping percentages)
- Valuations from Valuer-General

What are the changes?

Port Augusta City Council is moving from site value being the basis of rating to capital value.

Port Augusta City Council changes from a minimum rate to a fixed charge, where everyone pays a base set amount plus a variable component based on capital value

Port Augusta City Council is reviewing the relativity of differential rates across land uses & locations to urban residential.

Why?

It is NOT to generate more rate revenue!

Limit on number of assessments on minimum rate

Fixed charge component to assist with equity

Review of differential percentages

Legislation change

Property Valuations

What is Capital Value?

It's the value of a parcel of land including improvements such as Buildings & structures, wells, dams & reservoirs and planting of trees for commercial purpose.

How is the Capital Value determined?

Port Augusta City Council receives property values from the Office of the Valuer-General.

Qualified valuers analyse property sales and market trends that occur to determine levels of value. Factors influencing property values include:

- Location - Views, aspects and elevations
- Site influences – Shape, topography, nearby uses and frontage
- Site details – Land classification, zoning, land area and heritage restrictions
- Site use – The highest and best use of the site
- The building – Size, age, condition, style, improvements and construction type

Differential Rates

Residential - Urban	100%	0.007725
Residential - Non Urban	80%	0.006180
Residential - Coastal Holiday Settlement	80%	0.006180
Commercial / Industrial	200%	0.015450
Primary Production	80%	0.006180
Vacant Land	150%	0.011588
Other	100%	0.007725

Note: These differential rates are subject to change if significant variances in valuations occur prior to declaration of rates. The proposed relativity is based on capital values.

The change in the basis of rating to Capital Value will see the relativity of vacant land values to residential (ie land and house) decrease and modelling has shown that, on average, there is likely to be a decrease in general rates for vacant land holders in the 2021/2022 rating year.

Coastal Home Settlement has been modelled at the same rate as non-urban residential due to similar aspects

Whilst the differential percentage for commercial/industrial assessments has increased from previous years, modelling has shown that the move to Capital Value is likely, on average, to see a decrease in general rates for commercial/industrial land use assessments in 2021/2022. It is also noted that, on average, there has been downward movement in Capital Value of commercial/industrial properties across Port Augusta in part due to consideration of impact of Covid-19 on Commercial/Industrial businesses by the Office of the Valuer General, further decreasing general rates for some assessments.

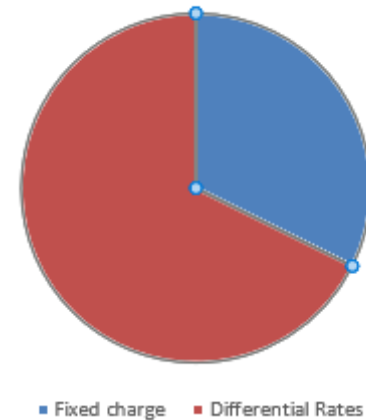
Fixed Charge

Various models presented to Council

Modelling ranged from \$400 to \$1100

\$900 Fixed Charge proposed (32%)

Total General Rates 2021/22



Modelling of Phasing in of change to basis of rating

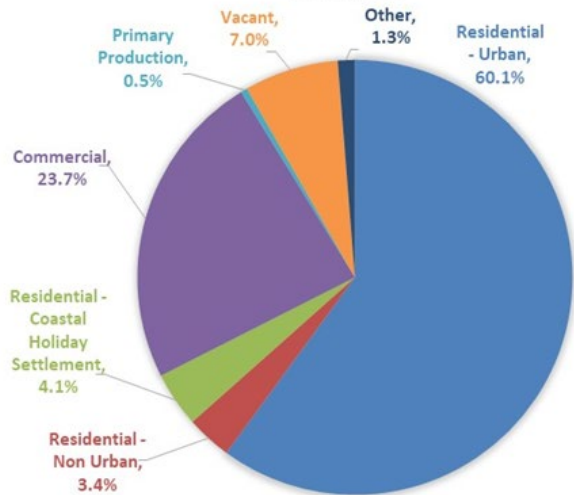
- **Consideration of impact on ratepayers**
- **Phasing in across no more than 3 years as per Act**
- **20% cap across all categories**

*Exclusions apply

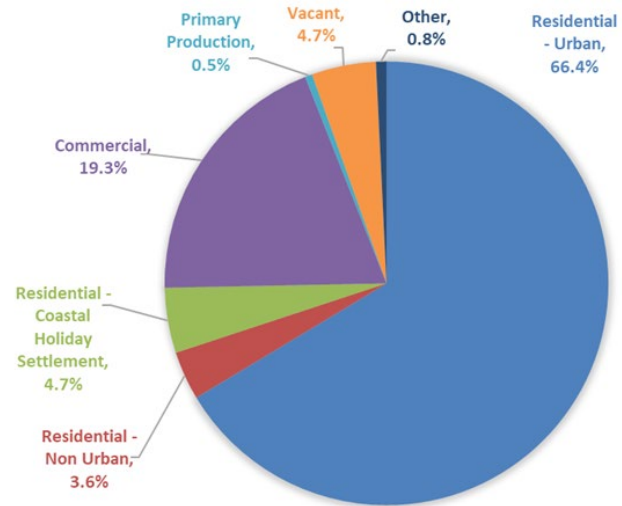
Phasing in of changes

Approximate Value of Capping	2021/2022	\$2.741M
Approximate Number of Assessments Capped in 2021/22		4132
Approximate Number of Assessments Capped in 2022/23		1883
Approximate Number of Assessments Capped in 2023/24		622

**PERCENTAGE OF RATE REVENUE BY CATEGORY
2020/21**



**PERCENTAGE OF RATE REVENUE BY CATEGORY 2021/22
INCLUDING REBATES & PHASING CAP 20% - FC \$900**



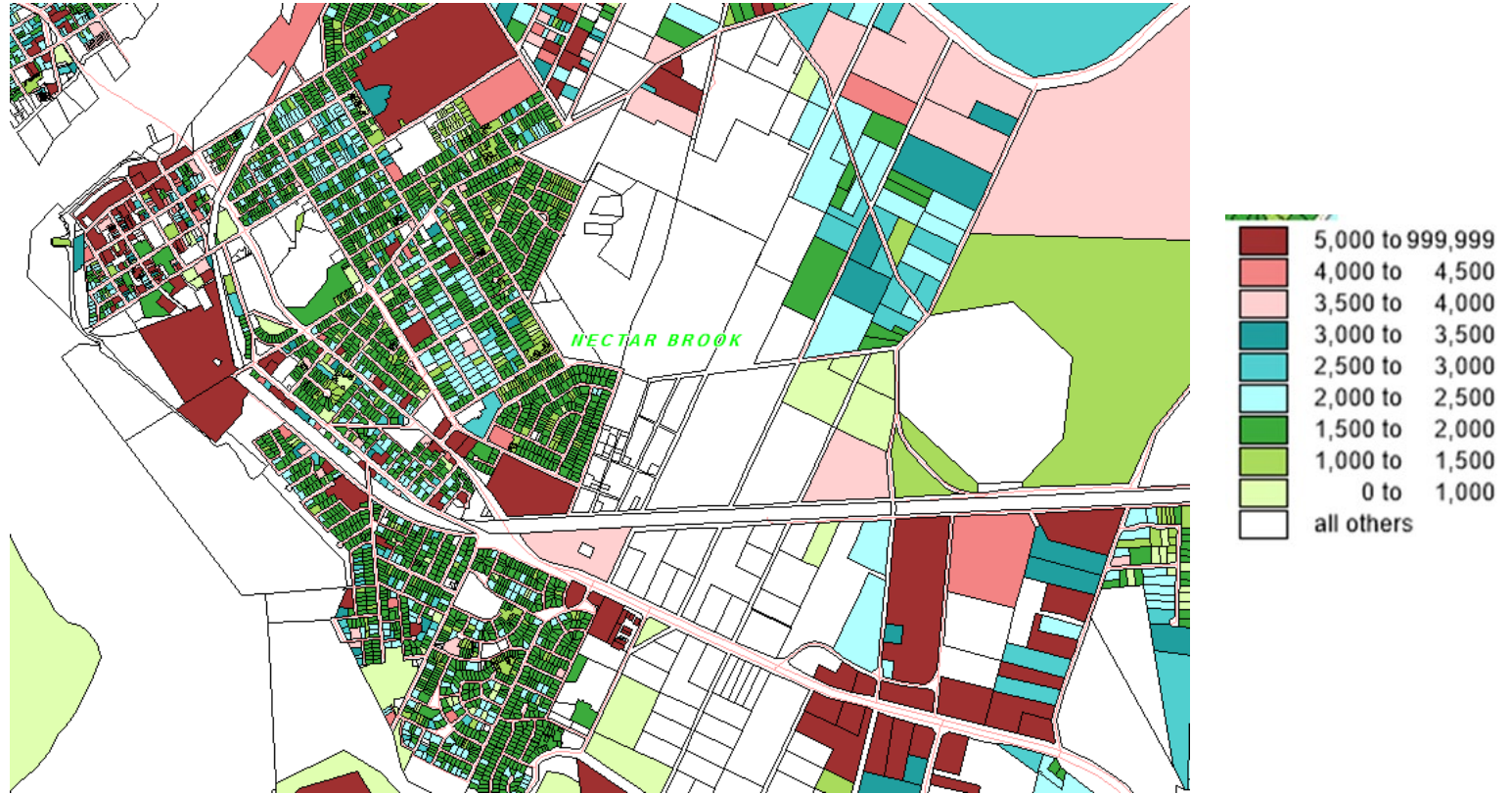
Indicative modelling of General Rates Payable as at 10/06/2021

* includes capping and rebates



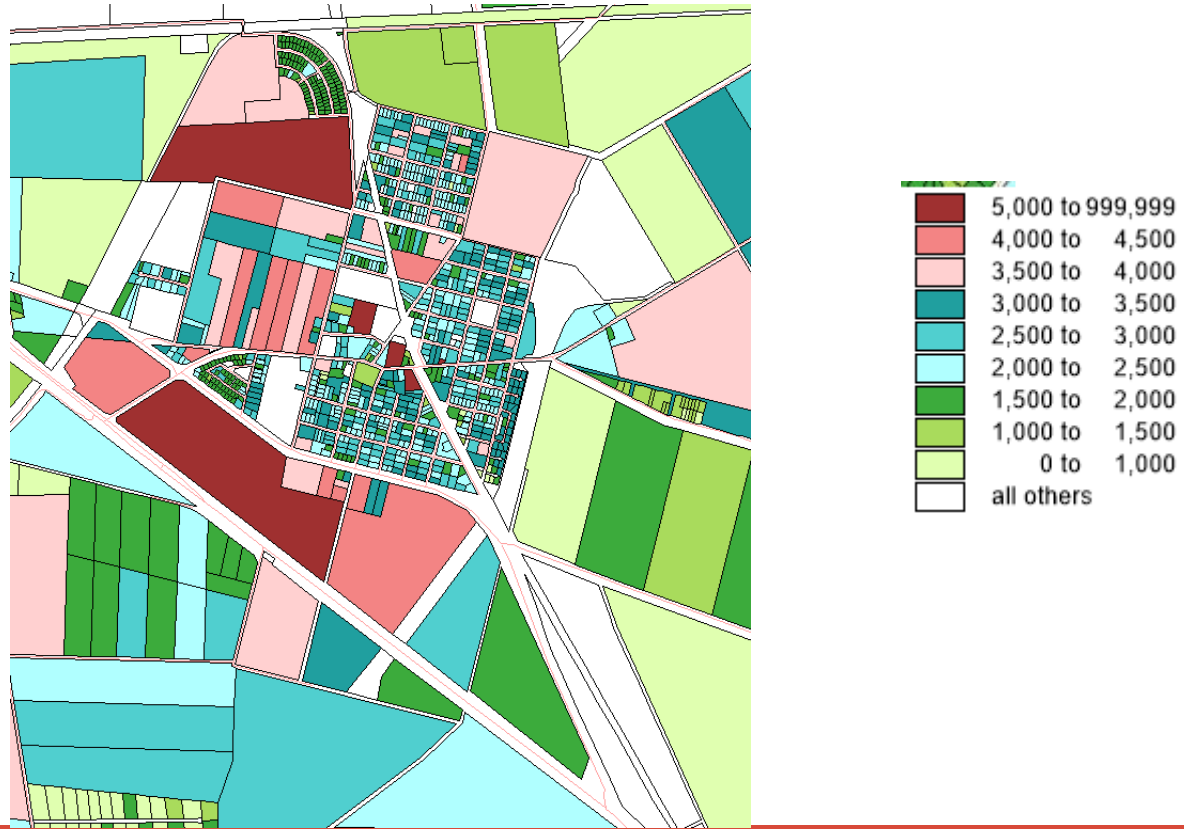
Indicative modelling of General Rates Payable as at 10/06/2021

* includes capping and rebates



Indicative modelling of General Rates Payable as at 10/06/2021

* includes capping and rebates



Service Charges

- **Service charges are imposed on a cost recovery basis:**
 - Increase in Kerbside Waste Collection & Recycling Service Charge to \$295 per service (\$264 in 2020/21). Coastal Homes collection is \$148 per service (\$132 in 2020/21)
 - Increase in Community Wastewater Management Scheme (Effluent Drainage Schemes) Service Charge to \$493 per property unit (\$477 in 2020/21)
 - Increase in the Regional Landscape Levy (previously known as Natural Resource Management (NRM) Levy) collected on behalf of the State Government to \$39.00 (\$38.50 in 2020/21)

Example Rates Notice



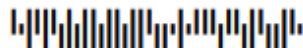
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Port Augusta, South Australia, 5700
Telephone (08) 8641 9100
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admin@portaugusta.sa.gov.au
www.portaugusta.sa.gov.au
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RATE NOTICE 2021/2022

Rates & Charges for period
1 July 2021 to 30 June 2022

Rates declared: 14/07/2021

1st Quarter Notice



048-5277 (1)

Ratepayer
Address
Address

Customer Reference No

1111

Date of Notice

04/08/2021

Quarterly Payment including any arrears

\$487.00

Due Date

10/09/2021



Property Details

Augusta Street PORT AUGUSTA SA 5700 Lot ** DP ** CT ****/***

Assessment No: 1111

Valuation Number: 66*****
Capital Value: \$215,000

Land Use: Residential
Zone: Suburban Neighbourhood

Example Rates Notice

COUNCIL RATES ARE EXEMPT FROM GST

Rates and Charges	Rate in \$	Valuation	Amount
General Rate	\$0.007725	\$215,000	\$1,660.88
Fixed Charge			\$900.00
- Capping			-\$952.88
Kerbside Collection/Recycling Service Charge			\$295.00
Regional Landscape Levy			\$39.00
Total Annual Rates & Charges 2021/2022			\$1,942.00

Fines apply for payments not received by the Council by the due date

1ST QUARTER	2ND QUARTER	3RD QUARTER	4TH QUARTER
\$487.00 10/09/2021	\$485.00 03/12/2021	\$485.00 04/03/2022	\$485.00 03/06/2022

HAVE YOUR SAY!



- Make a Payment
- Request a Service
- Dog & Cat Management
- Library Services
- Waste & Recycling
- Send Customer Feedback

Latest News

Port Augusta City Council 2021-2022 Draft Annual Business Plan & Budget Released for Community Feedback
03 June 2021
Port Augusta City Council is making a change to the basis of rating for the 2021/2022 rating year, which will see the rating system move from site to capital value.
[More](#)

Events

- 11 Jun Yoga Session
- 11 Jun Exhibitions - Memories of The Flinders Ranges & Fantasy Dolls
- 12 Jun Port Augusta Park Run
- 12 Jun Exhibitions - Memories of The Flinders Ranges & Fantasy Dolls
- 12 Jun Cartrua's Art Group - Photographers Session



Written Submissions



CLOSE 5pm
Wednesday 30th June
2021



All submissions tabled
at a Special Council
Meeting



Thursday 1st July 2021
at 6pm



Members of the community who wish to make a verbal submission to Council must register their interest with Ms Lisa Leonard, Acting Executive Assistant on 86419144 by Wednesday 30th June 2021 to enable arrangements to be made.