



Wudinna District Council

2020-2021

Annual Business Plan and Budget



FINAL – adopted 4 August 2020

Wudinna District Council
11 Burton Terrace, WUDINNA
www.wudinna.sa.gov.au

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Community Consultation

In accordance with Section 123 of the Local Government Act 1999, Council released its Draft 2020-21 Annual Business Plan for a period of Community Consultation from **8 July to 29 July 2020**.

This document was advertised within local media and on Council's website and Facebook page. This document was also available for download from Council's website at www.wudinna.sa.gov.au.

Hard copies of this document are also available on request from Council's administration office, 11 Burton Terrace, Wudinna.

Submissions

No written submissions regarding this draft plan were received.

Introduction

The Annual Business Plan is intended as a public statement of the Council’s proposed program for the year and the factors shaping it, as required by the Local Government Act. It sets out the Council’s proposed services, programs and projects for 2020-21 and is used as a basis for the preparation of the financial year budget.

Council aims to maintain efficient services for the community and continue to progress towards the longer term objectives of the “Wudinna District Community Plan” and the “Wudinna District Council Corporate Plan”.

Required content as set out in Section 123(2) of the Local Government Act and Regulations include the following elements:

- A summary of the Council’s longer term objectives, as set out in the strategic management plans;
- Significant influences for the year including financial factors, asset renewal needs and progress on continuing projects;
- The Council’s specific objectives for the next year against which performance is to be measured;
- The activities (services and projects) that Council intends to undertake to achieve these objectives;
- A summary of the proposed sources of revenue for the year; and
- The approach taken to rating for the year and its implications for ratepayers.

Context of the Annual Business Plan



District Profile and Demographics

Wudinna District Council is located on central Eyre Peninsula, South Australia. It encompasses the townships of Warrambo, Kyancutta, Wudinna, Yaninee and Minnipa. The district's main service centre is Wudinna. Wudinna is located on the Eyre Highway, 693 kilometres east of the South Australian/Western Australian border and 580 kilometres west of Adelaide. The total area of the district covers 5,394 square kilometres.

The total population of the district from the 2016 census was 1,250.

The Strategic Management Plan

The Wudinna District Council Community Plan provides the context for delivering outcomes to the community over the coming years.

VISION

“A viable, motivated, rural community which offers an economically diverse, environmentally sustainable and rewarding lifestyle.”

Our Community Goals

- To create a cohesive thriving community with a strong sense of identity in the Wudinna district.
- To provide appropriate services and facilities to sustain the health, safety and wellbeing of the community.
- To foster and support a range of activities and facilities to enhance the recreational and cultural pursuits of the community.
- To facilitate the provision of resources to meet the educational needs of the community.
- To actively promote an environment that fosters and supports business and commercial opportunities and activities in the area.
- To ensure a built environment that provides for the diverse needs of the wider community.
- To provide appropriate infrastructure to meet the needs of the community and foster economic activity.
- To sustainably manage and utilise the natural environment.
- To recognise, preserve and promote the history and heritage of the area.
- To efficiently and effectively utilise all available resources to meet community requirements.
- To provide a customer focused administration.

It is this vision of a sustainable community that forms the basis of the Council's Corporate Plan (Wudinna District Council Corporate Plan).

The Corporate Plan

The Corporate Plan and the Corporate Action Plan are living documents that recognises the changing needs of the Wudinna District. It is based on nine key community functions that provide a frame work within which corporate directions and more detailed objectives can be expressed.

MISSION

As an elected level of government, the Wudinna District Council will provide leadership, representation and advocacy for its community.

It will be accessible and work with the community to identify and provide for its needs efficiently and meet its aspiration.

The Council will operate with integrity and be open and accountable to the community in all its activities.

Key Result Areas, Goals and KPI's

Key Result Area (Strategic Focus)	Goal
Governance and Administration	<i>A consultative Council providing proactive leadership, good governance and quality, cost effective services.</i>
Public Order and Safety	<i>Public order and the safety of residents, visitors and property.</i>
Health	<i>Services and facilities are provided to sustain the health and wellbeing of the community.</i>
Social Security and Welfare	<i>Quality of life for aged, disabled and disadvantaged sectors of our community.</i>
Housing and Community Amenities	<i>A built environment that provides for the diverse needs of the community.</i>
Recreation and Culture	<i>A range of activities and facilities which enhance the recreational and cultural pursuits of the community, and to recognise, preserve and promote the history and heritage of the area.</i>
Natural Resource Management	<i>A natural environment that is utilised and sustainably managed.</i>
Transport and Communication	<i>Infrastructure that meets the needs of the community and which fosters economic activity.</i>
Economic Affairs	<i>An environment that fosters and supports business and commercial opportunities and activities.</i>

Specific Actions, Steps and Key Performance Indicators (KPIs) are detailed in Council's Corporate Action Plan 2018-2022 which can be viewed here: <http://www.wudinna.sa.gov.au/page.aspx?u=145>.

Summary of Services Provided to the Community

Strategic Focus	Services Provided
Governance and Administration	<ul style="list-style-type: none"> • District Management • District Services Management • Strategic and Corporate Management • Communications • Finance • Governance and Administration • Information Technology • Infrastructure Management
Public Order and Safety	<ul style="list-style-type: none"> • Animal Management • Fire Protection • Nuisance & Litter Control
Health	<ul style="list-style-type: none"> • Public and Environmental Health
Social Security and Welfare	<ul style="list-style-type: none"> • Aged Homes • Home & Community Care • Community Bus Service • Aged/Community Service Support Programs • Youth
Housing and Community Amenities	<ul style="list-style-type: none"> • Council Housing • Town Planning • Sanitation and Garbage • Community Wastewater Management System • Stormwater • Public Conveniences • Cemeteries • Street Lighting
Recreation and Culture	<ul style="list-style-type: none"> • Libraries • Cultural Art Events • Gawler Ranges Cultural Centre (Wudinna Hall) • Sport and Recreation Support Programs • Parks and Gardens
Natural Resource Management	<ul style="list-style-type: none"> • Levy Collection for the Eyre Peninsula Natural Resources Management Board
Mining, Manufacturing & Construction	<ul style="list-style-type: none"> • Development Control • Planning & Building Approvals
Transport and Communication	<ul style="list-style-type: none"> • Road Construction, Maintenance and Traffic Control • Footpaths • Aerodromes
Economic Affairs	<ul style="list-style-type: none"> • Tourism • Business/Community Development • Economic Development

Influences and Assumptions for 2020-21

Council has developed an integrated long-term financial model to examine the potential impact of its decisions over the long term and to determine what can be afforded in terms of the level of rates, debt and services.

The model provides a high-level budget framework to provide targets when preparing the budget detail. To assist with financial sustainability over the long term, Council will use the financial indicators adopted by the Local Government Association arising from the independent review of Local Government financial sustainability.

The main principles and assumptions that have been used in its approach to developing the annual budget are as follows:

- Two year Enterprise Bargaining Agreements were finalised in late 2012 under the SA Fair Work Act. These Agreements provide for a minimum 19% above award arrangement for all works employees (Local Government Employees Award) and 23% above award for administration under the SA Municipal Salaries Award and with increased margins for Functional Managers. The agreement provides for annual wage adjustments annually to be increased in line with award changes the National Wage Increase via the Fair Work Commission. The Fair Work Commission has announced an increase of 1.75% from the 1 July 2020.
- The CPI (Consumer Price Index – All Groups Index for Adelaide) which is a measure of the change in the price of a basket of goods and services purchased by households, increased by 2.4% for the 12 months ending 31 March 2020 - Adelaide Consumer Price Index.
- The LGPI (Local Government Price Index) which provides Councils with a useful reference regarding the inflationary effect of price changes of goods and services consumed by Local Government. Since its introduction on average the LGPI has been higher than the CPI. This year the LGPI was 1.6% (for the 12 months ending 31 March 2020).
- Maintenance and improvement of infrastructure assets to acceptable standards including roads, footpaths, lighting, street trees and Council properties.
- Infrastructure backlog (including roads, footpaths, open space) identified and being addressed.
- Local Government financial sustainability and measures.
- State/Commonwealth grant funding for services deemed to continue.

2020-21 Capital Projects

Renewal / Replacement of Assets

Project	Budget (\$,000)	Comment
Road Construction		
Chewings Rd	209	9km – Pordia Rd to Pinbong Rd
Mamblin Hd Line Rd	144	6.2km – Eyre Hwy to Freds Flat Rd
Shepherdson Rd	169	7.3km – Boylan Rd to Red Brick House
Hardy Hill Rd	65	2.8km – Eyre Hwy to McEvoy Rd
Cocata Hill Rd	213	8.2km – Pinthaput Wells Rd to Mt Wedge Rd
Bedford Rd	122	4.7km – Standley Rd to Hynes Rd
DuBois Rd	128	5.5km – Standley Rd to Edmonds Rd
Road Resealing		
Camplin St	12	Tree Rd to Ballantyne St
Bartley St	19	Naylor Tce to End
DeLatour St	12	Burton Tce to Ballantyne St
Gooch Tce	18	Eyre Hwy to Medley Tce
Haines St	25	Naylor Tce to End
Symonds Rd	21	Richards Ave to End
Atkins St	21	Burton Tce to Medley Tce
Truck Parking Bay	23	Eyre Highway Wudinna (opposite Mobil)
Council/Hotel Carpark	31	Burton Tce
Wudinna Hall Carpark	20	Ballantyne St
Other		
Plant & Machinery Replacements	1,178	As per Council's replacement program (existing vehicles will be traded which will reduce the net cost).
Council Chambers redevelopment	120	Redevelopment of council offices and chambers.
Telephone system replacement	15	Replace outdated council office telephone system.
Total Renewal / Replacement	\$2,565k	

New / Upgraded Assets

Project	Budget (\$,000)	Comment
Planter Boxes/Bollards – Ballantyne Street	34	Install bollards and planter boxes in front of Wudinna Foodland and Wudinna Bakery to improve pedestrian safety.
Medical Centre Porch	35	Portico over the Wudinna Medical Centre entrance for weather protection.
Eyre Highway Irrigation & Landscaping	231	Irrigate and landscape along Eyre Hwy in Wudinna township to improve amenity.
Footpath - Naylor Tce	15	Between Ballantyne St and Medley Tce as per Council's footpath construction program.
Total New / Upgrade	\$315k	

TOTAL CAPITAL PROJECTS **\$2,880k**

Financial Sustainability/Performance Measures

Key Financial Indicators

Local Government in South Australia has adopted a set of Key Financial Indicators which provides an indicator of financial health (and hence Sustainability) and can also demonstrate the improving (or declining) trend in Council's Financial Position over time.

Operating Surplus Ratio

The operating surplus ratio expresses the operating surplus or (deficit) as a percentage of total operating revenue. A result greater than 0% would indicate that Council is covering its operating expenditure and depreciation charge from its operating revenue.

Council's Treasury Management Policy states that we aim for a 0 - 15% Operating Surplus Ratio over any five-year period.

For the 2020-21 financial year the Operating Surplus Ratio is calculated at **4%**. This is from a surplus of **\$264k** meaning that our projected operating income will exceed projected operating expenses.

2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Forecast	2020-21 Budget
25%	33%	(9%)	(2%)	4%

This 4% surplus makes the average Operating Surplus Ratio for the five-year period including this 2020-21 budget **10%**.

The reason for the budgeted surplus is purely due to one-off grants that are not expected to continue after the 2021, which will likely result in future operating deficits.

Asset Sustainability Ratio

The Asset Sustainability Ratio indicates whether Council is renewing or replacing existing non-financial assets at the same rate as its overall stock of assets is wearing out.

It is calculated by measuring capital expenditure on renewal/replacement of assets relative to its Asset Management Plan.

A result in the range of 90% to 110% indicates that Council is replacing its assets in a timely manner. The forecast Asset Sustainability Ratio for 2020-21 is 100%.

Net Financial Liabilities Ratio

Net financial liabilities is a comprehensive measure of the indebtedness of the Council as it includes liabilities such as employee leave entitlements and other amounts payable as well as taking into account the level of available cash and investments.

Specifically, net financial liabilities equals total liabilities less financial assets (cash, cash equivalents, trade and other receivables, but excludes equity held in Council businesses, inventories and land held for sale).

See below the calculation for the forecast 2020-21 Net Financial Liabilities.

Calculation of Net Financial Liabilities	2020-21 Budget \$,000
Gross borrowings	290
Less: Cash and investments	(8,059)
Equals: Net debt	(7,769)
Add: Trade and other payables	384
Add: Provisions for employee entitlements	585
Less: Trade and other receivables	(175)
Equals: Net financial Liabilities	(6,975)
Operating Income	5,966
Net Financial Liabilities / (Assets) Ratio	(117%)

A negative Net Financial Liabilities Ratio indicates that Council's cash and investments exceed its borrowings. Council is in a comfortable financial position to be able to draw on its cash and investments to fund any future high-cost capital projects.

Given that our district has a potential major mine development looming, significant infrastructure projects will be needed to sustain a population growth.

Even without a population growth due to mining, Council's aging infrastructure will likely need major spend to renew (or potentially upgrade to a higher standard).

Due to Council's limited rate base and little to no growth, it is difficult to raise rates to cover additional projects and expenditure, so we are relying on these reserves more and more.

Overall Assessment of Council Financial Sustainability

The above ratios indicate that the proposed Annual Business Plan and the associated Budget that underpins it, is financially sustainable over the next 12 months, in accordance with the Long-Term Financial Plan.

Non-Financial Performance Measures 2020-21

In addition to the legislative financial performance measures, Council is required to develop non-financial performance measures. The following are performance measures that will be used to assess Councils' 2020-21 achievements as outlined in this plan.

- Completion of operating and capital projects within established time frames.
- Key services continued to be delivered to the community at the same or improved level.
- Legislation compliance associated with key measures including adoption of Annual Business Plan and Budget, Budget Reviews and updates, preparation and adoption of Annual Financial Statements, adoption of Annual Report and preparation of Council meeting Agendas and Minutes.
- Revise, update and adopt Strategic Management Plans by June 2021, including the Long-Term Financial Plan, Infrastructure and Asset Management Plan and Corporate Plan.

Funding the Annual Business Plan

An operating surplus of **\$259k** is forecast for 2020-21.

Depreciation costs are estimated to be **\$1,615k** (28% of operational expenditure) for 2020-21. Significant work has already been undertaken to ensure that asset valuations are accurate and useful lives accurately reflect circumstance. Work continues to ensure that depreciation levels are accurate.

Grant Funding

General Purpose & Local Roads Financial Assistance Grants

Received from Federal Government, Council has complete discretion on how this money is expended.

These funds are usually paid to Council in four quarterly instalments, and in recent years, part of the allocation (50%) has been prepaid in the preceding financial year. This distorts financial statements as we have to recognise the income within the year that it is received, not the year it was intended for.

Roads to Recovery Grants

Received from Federal Government, funds received are to be spent on road projects but Council has complete discretion on whether the spending is on maintenance, renewal or upgrading of roads. This funding has to be matched with Councils own source funds.

Supplementary Local Road Funding

Additional funding from the Federal Government which is based on a formula to calculate the distribution amongst all local governments in South Australia.

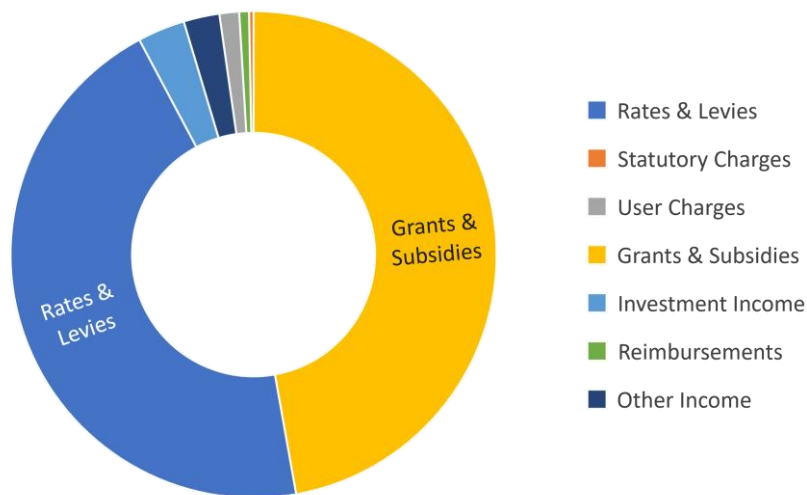
Grant Funding – Operating	Amount \$,000
General Purpose Financial Assistance Grant	1,258
Local Roads Grant	514
Local Roads and Community Infrastructure Grant	485
Roads to Recovery	604
Other (Libraries, Youth, etc)	3
Drought Community Funding	400
Total Operating Grants	\$3,264k

Rate Revenue Components

Rates & Levies	Amount \$,000
General Rates	1,897
CWMS Levy	125
Waste Levy	98
EPNRM Levy	75
Rebated Rates	-26
Aged Homes Separate Rate	3
Rate Fines & Interest	7
Total Anticipated General & Other Rates	\$2,180k

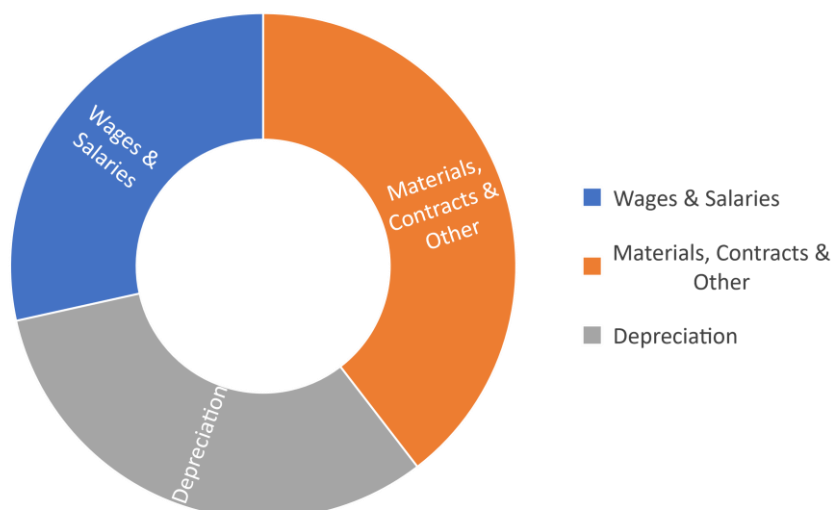
Operating Income

Revenue Type	Proposed Budget \$,000	% of Total
Rates & Levies	2,180	36%
Statutory Charges	20	0%
User Charges	65	1%
Grants & Subsidies	3,264	55%
Investment Income	160	3%
Reimbursements	121	2%
Other Income	156	3%
Total	\$5,966k	100%



Operating Expenditure

Expenditure Type	Proposed Budget \$,000	% of Total
Wages & Salaries	1,532	27%
Materials, Contracts & Other	2,560	45%
Depreciation	1,615	28%
Total	\$5,707k	100%



Rating Policy 2020-21

Strategic Focus

In setting its rates for the 2020-21 financial year the Council has considered the following:

- Its current strategic plans, the Community Plan and Corporate Plan. The Strategic Plan was developed following an extensive community consultation program;
- The current economic climate and relevant factors such as inflation and interest rates;
- The specific issues faced by our community, which are:
 - An appropriate level of support to assist Councillors to undertake their responsibilities as community representatives.
 - Facilitate the development and maintenance of buildings and other Council structures in a manner that adds to the aesthetics of the area.
 - The provision and maintenance of parks, gardens and street scaping.
 - Maintaining a construction/maintenance program for sealed and unsealed roads.
 - Ongoing development of a program for re-use of water resources i.e. stormwater.
 - Effectively administer requirements in relation to public and environmental health.
 - Provide incentives for business development in the area.
 - An appropriate range of active and passive recreational and cultural facilities for use by the community and visitors.
- The budget for the 2020-21 financial year;
- The impact of rates on the community, including:
 - Householders, businesses and primary producers.
 - The broad principle that the rate in the dollar should be the same for all properties except where there is clearly a different level of services available to ratepayers, or some other circumstance which warrants variation from the broad principle.

For the 2020-21 financial year the Council's plan is to increase general rates by **2%**. We aim to strike a balance between the level of services for the community and the need to ensure long-term financial sustainability of Council.

Method Used to Value Land

Of the three valuation methodologies available (*Capital, Site or Annual Value*), the Council has decided to use Capital Value as the basis for valuing all land within the Council Area.

- *Capital Value* – the value of the land and all of the improvements on the land.

The 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 ratepayers of similar wealth pay similar taxes and ratepayers of greater wealth pay more tax than ratepayers 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; and
- the distribution of property values throughout the Council area is such that few residential ratepayers will pay significantly more than the average rate per property.

Adoption of Valuations

The Council will adopt the most recent valuations from the Valuer-General made available to the Council prior to adoption of the budget, being valuations as at the 1 July 2020 - **\$352,952,300**.

If a ratepayer is dissatisfied with the valuation made by the Valuer-General then the ratepayer may object to the Valuer-General in writing, within 60 days of receiving the 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 1999, in which case the objection period is 60 days from the receipt of the first notice, (b) this 60 day objection period may be extended by the Valuer-General where it can be shown there is reasonable cause; or (c) previously had an objection to the valuation considered by the Valuer-General.

Objections can also be submitted via an online form at:

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

Contact details for the Valuer-General are:

State Valuation Office
GPO Box 1354, ADELAIDE SA 5001
Email: LSGObjections@sa.gov.au
Phone: 1300 653 346
Fax: (08) 8226 1428

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

Valuation Changes

The table below showing the changes to valuation trends do not include growth or significant developments (new houses, etc) as these distort the figures.

Primary Production Land		Residential & Other Land	
Average % Increase	Median Increase	Average % Decrease	Median Decrease
7%	8%	-3%	-1%

Market conditions in the Wudinna township have slowed over 2019 resulting in rating values being reduced in most cases. The rural market however, has continued to show good demand resulting in valuation increases.

The overall valuation increase from last year was **4.7% (\$15,357,500)**.

Notional Values

Certain properties may be eligible for a notional value under the Valuation of Land Act 1971 where the property is the principal place of residence of a ratepayer. This can relate to certain primary production land or where there is State Heritage recognition. A notional value is generally less than the capital value and this will result in reduced rates, unless the minimum rate already applies. Application for a notional value must be made to the State Valuation Office.

Business Impact Statement

The Council has considered the impact of rates on all businesses in the Council area, including primary production. In considering the impact Council assessed the following matters:

- Consultation with the community (Granite publication & mail out) and the Minnipa Progress Association;
- Those elements of the Council's strategic management plans relating to business development;
- The equity of the distribution of the rate burden – apart from the decision to provide a differential rate for primary production properties, as outlined under the heading "Differential General Rates", the Council considers that all ratepayers receive broadly comparable services and are generally similarly impacted upon by prevailing economic conditions;
- Council's policy on facilitating local economic development:
 - Providing incentives for business development in the area.
 - Preference for local suppliers where price, quality and service provision are comparable to suppliers outside the Council area.
 - Information from the Australian Bureau of Statistics on business and farm incomes, compared with average resident incomes.
- Current local, state and national economic conditions and expected changes during the next financial year. The general economic climate is unstable and appears unlikely to stabilise over the next twelve months. The major concern is the continued limited employment prospects for school leavers and other persons currently unemployed.
- Changes in the valuation of business and primary production properties from the previous financial year:
 - Wudinna Township – there was an overall decrease in property values, with some gains due to property improvements.
 - Commercial and industrial properties have reduced slightly in values.
 - Minnipa residential values have stayed constant.
 - Rural Properties – increases to broad acre land capital values are around 7%.

- Specific infrastructure maintenance issues that will benefit businesses and primary producers:
 - Re-sheeting of 43 kilometres of district roads (\$1,050k).
 - Resealing of some bitumen roads in the district are also programed (\$202k) to ensure that the surface does not deteriorate too much.
 - Continuation of increasing the footpath network in the Wudinna township.

Council's Revenue Raising Powers

All land within a council area, except for land specifically exempt (e.g. Crown land, Council occupied land and other land prescribed in the Section 147 of the Local Government Act 1999), is rateable. The Local Government Act provides for a council to raise revenue for the broad purposes of the council through a general rate, which applies to all rateable properties, or through differential general rates, which apply to classes of properties.

In addition, Council can raise separate rates, for specific areas of the council or service rates or charges for specific services. The Council also raises revenue through fees and charges, which are set giving consideration to the cost of the service provided and any equity issues.

Differential General Rates

Pursuant to Sections 153 and 156 of the Local Government Act 1999 (as amended) Council declares differential general rates on rateable land within its area where rates vary by reference to the locality of the land and its use. If a ratepayer believes that a particular property has been wrongly classified by the Council as to its land use, then they may object (to the Council) to that land use within 60 days of being notified. A ratepayer may discuss the matter with Selena Garnaut, Finance Manager on 08 8680 2002 in the first instance.

The Council will provide, on request, a copy of Section 156 of the Local Government Act 1999 which sets out the rights and obligations of ratepayers in respect of objections to a land use.

The Council will impose differential general rates by reference to locality:

Locality	Rate in \$	
	2019-20	2020-21
All land classified as being within the declared township areas	\$0.004980	\$0.00540
All other land	\$0.005702	\$0.00538

Council will raise differential rate revenue of **\$1,897,227**. As a result of this decision the Council will set a rate of **0.540 cents** in the dollar for all land other than primary production land to raise the necessary revenue. Council will set a rate of **0.538 cents** in the dollar for primary production land (outside the declared township areas).

Mix of Property Types	No. of Properties	% of Properties	General Rates \$	% of Rates	Values	% of Values
Rateable Primary Production Properties	544	40%	\$ 1,438,292	76%	\$ 263,566,200	75%
Other Rateable Properties	546	40%	\$ 458,935	24%	\$ 77,859,400	22%
Non-Rateable Properties	276	20%	\$ 0		\$ 11,526,700	3%
Total Properties	1366		\$ 1,897,227		\$ 352,952,300	

Objections to Land Use

Objections to the Council's decision may be lodged with Mr Alan F McGuire, Chief Executive Officer, Wudinna District Council, PO Box 6, Wudinna SA 5652. The objection must be made within 60 days of receiving notice of the land use and set out the basis for the objection and details of the land use that (in the opinion of the ratepayer) should be attributed to that property. This 60-day objection period may be extended by the Council where it can be shown there is reasonable cause. The Council may then decide on the objection as it sees fit and notify the ratepayer. A ratepayer also has the right to appeal against the Council's decision to the Land and Valuation Court. It is important to note that the lodgement of an objection does not change the due date for payment of rates.

Minimum Rate

A council may impose a minimum amount payable by way of rates, provided that it has not imposed a fixed charge. Where two or more adjoining properties have the same owner and are occupied by the same occupier, only one minimum rate is payable by the ratepayer. Where a Council imposes a minimum rate, it must not apply to more than 35% of properties in the Council area.

For 2020-21, Council will impose a minimum rate of \$470 and it will affect 246 (22.6%) rateable properties.

The reasons for imposing a minimum rate are:

- the Council considers it appropriate that all rateable properties make a base level contribution to the cost of administering the Council's activities; and
- the cost of creating and maintaining the physical infrastructure that supports each property.

Service Charges

Community Wastewater Management Systems

The Council provides a Community Wastewater Management Scheme (CWMS) to all properties in Wudinna for the removal, treatment and environmentally appropriate disposal of domestic waste water.

An annual CWMS Service Charge is applied to all properties serviced by the system to meet the establishment, refurbishment and ongoing operating costs of the service, under the provisions of Section 155 of the Local Government Act 1999 and the ensure that the charge complies with the National Water Initiative Pricing Principles as required by the Essential Services Commission of South Australia for the provision of Sewerage Retail Services.

Council applies Annual CWMS Service Charges to properties based on a "Unit Charge" system in accordance with the "Code for Establishing and Applying Property Units", as referred to in Section 155 of the LG Act 1999 and Regulation 12 of the Local Government (General) Regulations 2013.

This means that a normal residential property is charged one (1) CWMS Service Charge (one Unit), while a property which contributes larger volumes of effluent into the system than a domestic dwelling (eg. Hotel, Motel, Commercial facility) may be charged more than one Unit (determined by number of employees/accommodation capacity) to compensate for the greater level of use of the CWMS.

Council has determined that the service charge for 2020-21 will be **\$325** per unit for Occupied properties and **\$290** for Unoccupied properties (no change from last year) This will amount to **\$125,295** for the operation and maintenance of providing the service. Where the service is provided to non-ratable land, a service charge is levied against the land. Details on what constitutes a service charge for each property unit, and other information about the Scheme, are available from Selena Garnaut, Finance Manager on 08 8680 2002.

Waste Collection

The Council implemented a new waste collection service in 2018-19. An initial wheelie bin (140 litres) was provided for all properties that can receive the service, including businesses and community organisations.

An annual Waste Collection Service Charge of **\$220** (which is no change from last year) will be applied to all properties where the service is available, under the provisions of Section 155 of the Local Government Act 1999, raising a total of **\$98,340**.

If landowners outside of the 500 metre radius of bin bank sites wish to make use of the collection service, they may apply to council and a scaled service charge (as per Section 13(2) of the Local Government (General) Regulations 2013) will be applied according to the distance from their property to the bin bank site.

If anyone (including commercial/community organisations) require additional wheelie bins, they can apply to Council. These will be capped at a maximum of 2 bins per rateable residential property and 10 bins per commercial/community organisation property (unless special permission is granted by Council).

Commercial and community organisations who believe that they do not require the service may apply to Council to 'opt-out' of the service.

Remissions (in part) for Pensioners may be provided upon application (refer to 'Remissions & Postponement of Rates' section below).

For more information, refer to Councils Waste Collection & Disposal Service Policy or contact the Council office.

Separate Rates

Aged Home Units

In accordance with Section 154 (2)(b) of the Local Government Act 1999, and the prescribed authority of the Minister for Local Government, Council impose a separate rate to the Aged Home Units located within Portion 175, Hundred of Pygery (Wudinna). This levy is imposed to assist in covering the cost of expenditure incurred in the maintenance of the homes and the area. For 2020-21 the separate rate will be **\$176** (no change from last year).

Regional Landscape Levy

The Regional Landscape Levy is a State Government initiative under the Landscape South Australia Act 2019. The Levy provides additional funding to help take care of natural resources such as water, soil, animal and plant control sustainably developing and protecting natural resources for the benefit of communities and future generations living in the Franklin Harbour region.

Council levies an amount against each rateable property to collect the amount determined by the State Government.

For 2020-21 Council's annual contribution to the Eyre Peninsula Landscape Board is **\$74,993**.

Land Use	Rate \$	
	2019-20	2020-21
Residential, Vacant & Other	\$77.97	\$79.15
Commercial & Industrial	\$116.96	\$118.72
Primary Production	\$155.95	\$158.30

The Levy is imposed upon land that constitutes the whole of a single allotment and if two or more pieces of contiguous rateable land are owned or occupied by the same person only one Levy will apply against the whole of that land. Additionally, if two or more pieces of rateable land within the area of the Council constitute a Single Farm Enterprise only one fixed RL Levy will apply against the whole of the land.

Pensioner Concessions

The new State Government Cost of Living Concession for pensioners, low-income earners and self-funded retirees who hold a Commonwealth Seniors Health Card came into effect on 1 July 2015.

This means concessions will no longer be applied to council rates notices. The new concession will be paid directly to eligible residents by cheque or directly into their bank account.

Application forms for the concession can be obtained from the council or by downloading from www.sa.gov.au/concessions/costofliving or by contacting the Concessions Hotline on 1800 307 758.

Payment of Rates

Council has determined that pursuant to Section 181(2) of the Local Government Act 1999, rates will be payable in four equal instalments and that these instalments will be due and payable on:

1st Quarter	11 September 2020
2nd Quarter	11 December 2020
3rd Quarter	12 March 2021
4th Quarter	11 June 2021

Deferred Single Instalment

Council are no longer offering the deferred single instalment option.

Rates can be paid at any time during the year as long as at least the quarterly amount is paid before the quarter due date. E.g.: Total Rates of \$1200 (\$300 per quarter). Pay \$300 by the first due date (8 Sept) then pay the remaining \$900 before the second due date (Dec) OR Pay the full amount before the first due date, etc.

Payment Methods

Rates may be paid:

- In person by cash, cheque or Eftpos, at the Council office, 11 Burton Terrace, Wudinna during the hours of 9am to 5pm, Monday to Friday;
- By mail to Wudinna District Council, PO Box 6, Wudinna SA 5652;
- Via BPAY (telephone or internet banking) – contact your financial institution.

Any ratepayer who may, or is likely to, experience difficulty with meeting the standard payment arrangements is invited to contact Selena Garnaut, Finance Manager on 08 8680 2002 to discuss alternative payment arrangements. Such inquiries are treated confidentially by the Council.

The Council has adopted a policy that where the payment of rates will cause a ratepayer demonstrable hardship, the Council is prepared to make available extended payment arrangements subject to certain conditions.

Late Payment of Rates

The Local Government Act provides that councils impose a penalty of a 2% fine on any payment for rates, whether instalment or otherwise, that is received late. A payment that continues to be late is then charged an interest rate, set each year in accordance to a formula in the Act, for each month it continues to be late. The purpose of this penalty is to act as a genuine deterrent to ratepayers who might otherwise fail to pay their rates on time, to allow councils to recover the administrative cost of following up unpaid rates and to cover any interest cost the Council may meet because it has not received the rates on time.

The Council is prepared to remit penalties for late payment of rates where ratepayers can demonstrate hardship.

The Council issues a final notice for payment of rates when rates are overdue i.e. unpaid by the due date. Should rates remain unpaid more than 14 days after the issue of the final notice then the Council refers the debt to a debt collection agency. The debt collection agency charges collection fees that are recoverable from the ratepayer.

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

- first – to satisfy any costs awarded in connection with court proceedings;
- second – to satisfy any interest costs;
- third – in payment of any fines imposed;
- fourth – in payment of rates, in chronological order (starting with the oldest account first).

Remission & Postponement of Rates

Section 182 of the Local Government Act permits the Council, on the application of a ratepayer, to partially or wholly remit rates or to postpone rates, on the basis of hardship. Where a ratepayer is suffering hardship in paying rates he/she is invited to contact Selena Garnaut, Finance Manager on 08 8680 2002 to discuss the matter. Such inquiries are treated confidentially by the Council.

Council has deemed that the imposition of the new Waste Collection Service Charge during 2018-19 may cause hardship for pensioner ratepayers and are therefore offering a part remission of this charge to eligible applicants.

To apply for a remission, complete a Rate Remission Application Form and submit to Council as soon as possible.

To be eligible, the applicant must be:

- the owner/principal ratepayer; and
- the property must be the applicants principal place of residence;
- a recipient or eligible for a Cost of Living Allowance (current concession card holder)

For more information, contact Selena Garnaut, Finance Manager on 08 8680 2002.

Rebate of Rates

The Local Government Act 1999 requires councils to rebate the rates payable on some land. Specific provisions are made for land used for health services, community services, religious purposes, public cemeteries, the Royal Zoological Society and educational institutions. Discretionary rebates may be applied by the Council under Section 166 of the Act (i.e. recreation grounds etc.).

Any person or body eligible for a rebate may apply in writing (via Council's Discretionary Rates Rebate Application form), providing as much detail as possible to substantiate the grounds for a rebate in accordance with Section 166 of the Local Government Act 1999. Contact Selena Garnaut, Finance Manager for more information.

Sale of Land For Non-Payment Of Rates

The Local Government Act provides that a council may sell any property where the rates have been in arrears for three years or more. The Council is required to notify the owner of the land of its intention to sell the land, provide the owner with details of the outstanding amounts, and advise the owner of its intention to sell the land if payment of the outstanding amount is not received within one month.

Except in extraordinary circumstances, the Council enforces the sale of land for arrears of rates and a copy of the Council's policy is available from Selena Garnaut, Finance Manager on 08 8680 2002 or by writing to the Wudinna District Council, PO Box 6, Wudinna SA 5652.

Appendix 1

Explanation of Uniform Presentation of Finances

(example only for explanation purposes – left blank intentionally)

UNIFORM PRESENTATION OF FINANCES	2017-18 Forecast \$'000	2018-19 Budget \$'000
Income		
less Expenses		
Operating Surplus/(Deficit)	-	-
Less: Net Outlays on Existing Assets		
Capital Expenditure on Renewal/Replacement of Existing Assets		
less Depreciation, Amortisation and Impairment Expenses		
less Proceeds from Sale of Replaced Assets		
Net Outlays on Existing Assets	-	-
Less: Net Outlays on New and Upgraded Assets		
Capital Expenditure on New/Upgraded Assets		
less Amounts received specifically for New/Upgraded Assets		
less Proceeds from Sale of Surplus Assets		
Net Outlays on New and Upgraded Assets	-	-
Net Lending/(Borrowing) for Financial Year	-	-

Explanation/Examples of Components of Uniform Presentation of Finances

Operating Revenue and Expenditure: represent the totals from the relevant lines of the Statement of Comprehensive Income (operating statement) for the year being reported on.

Capital Expenditure on renewal and replacement of Existing Assets: e.g. Road Reseals, replacement tractor, building renovations, replacement computer hardware.

Proceeds from sale of replaced assets: e.g. trade in value of a tractor or motor vehicle being replaced.

Capital Expenditure on New and Upgraded Assets: e.g. constructing a new building, constructing a new catchment pond, purchasing a piece of machinery that was not previously on hand.

Amounts specifically for New or Upgraded Assets: e.g. Capital grants to partly fund a new CWMS, funds received to build new footpaths that did not previously exist.

Proceeds from Sale of Surplus Assets: Proceeds from the sale of a council building that was no longer required, sale of surplus land.

New/Upgraded vs Renewal/Replacement of Assets

The following definitions have been obtained from the South Australian Local Government Model Financial Statements.

A new asset is additional to Council's previous asset complement (e.g. roads constructed as part of a Council-owned subdivision are new assets. Similarly laying footpaths in areas where they did not previously exist are also new assets).

An upgraded asset replaces a previously existing asset with enhanced capability or functionality.

Renewal or replacement of an asset occurs where a previously existing asset is replaced without enhancement of the service capability except where this is incidental and unavoidable.

It is possible for capital expenditure to be a combination of renewal as well as upgrade.

The important point to understand is that if Council is not able to replace its existing assets in a timely manner then new assets should not be built unless essential. By building new assets Council is effectively building new liabilities as the assets usually don't generate revenue, cannot be sold, and will need to be maintained and eventually replaced.

Appendix 2 – Statutory Statements

Uniform Presentation of Finances

	Forecast 2019-20 \$,000	Budget 2020-21 \$,000
Operating Revenue	5,566	5,966
less Operating Expense	(5,657)	(5,707)
Operating Surplus / (Deficit) before Capital Amounts	(\$91)	\$259
less Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	1,902	2,565
less Depreciation, Amortisation & Impairment	(1,615)	(1,615)
less Proceeds from Sale of Replaced Assets	(197)	(405)
Total Net Outlays on Existing Assets	\$90	\$545
less Net Outlays on New & Upgraded Assets		
Capital Expenditure on New & Upgraded Assets	3,785	315
less Amounts specifically for new or upgraded Assets	0	(231)
less Proceeds from Sale of Surplus Assets	0	0
Total Net Outlays on New & Upgraded Assets	\$3,785	\$84
Net Lending/ (Borrowing) for Financial year	(\$3,966)	(\$370)

Key Financial Indicators

	Forecast 2019-20 \$,000	Budget 2020-21 \$,000
Operating Surplus Ratio		
<u>Operating Surplus</u>	(91)	259
Total Operating revenue (less NRM Levy)	5,566	5,966
	(2%)	4%
Net Financial Liabilities Ratio		
<u>Net Financial Liabilities</u>	(7,449)	(6,975)
Total Operating revenue	5,566	5,966
	(136%)	(117%)
Asset Sustainability Ratio		
<u>Net Asset Renewals</u>	1,705	2,160
Capital Renewal Expenditure as per asset management plan	1,639	2,160
	104%	100%

Statement of Comprehensive Income

	Forecast 2019-20 \$,000	Budget 2020-21 \$,000	Movement \$,000
INCOME			
Rates	2,142	2,180	38
Statutory Charges	20	20	0
User Charges	70	65	(5)
Grants & Subsidies	2,889	3,264	375
Investment Income	170	160	(10)
Reimbursements	121	121	0
Other Revenues	154	156	3
Total Operating Income	\$5,566	\$5,966	\$401
EXPENDITURE			
Employee Costs	1,451	1,532	81
Materials, Contracts & Other Expenses	2,591	2,560	(31)
Depreciation	1,615	1,615	0
Total Operating Expenditure	\$5,657	\$5,707	\$50
OPERATING SURPLUS/(DEFICIT)	(\$91)	\$259	\$350
Gain / Loss on Disposal of Assets	0	0	0
Amounts Received Specifically for New Assets	0	231	231
NET SURPLUS / (DEFICIT) transferred to Equity Statement	(\$91)	\$490	\$581

Statement of Financial Position

	Forecast 2019-20 \$,000	Budget 2020-21 \$,000
ASSETS		
CURRENT ASSETS		
Cash & Cash Equivalents	8,429	8,059
Trade & Other Receivables	175	175
Inventories	23	23
Total Current Assets	8,627	8,257
NON-CURRENT ASSETS		
Infrastructure, Property, Plant & Equipment	33,202	34,063
Total Non-Current Assets	33,202	34,063
TOTAL ASSETS	\$41,829	\$42,320
LIABILITIES		
CURRENT LIABILITIES		
Trade & Other Payables	206	206
Borrowings	290	290
Short Term Provisions	471	471
Total Current Liabilities	967	967
NON-CURRENT LIABILITIES		
Trade & Other Payables	178	178
Long Term Provisions	114	114
Total Non-Current Liabilities	292	292
TOTAL LIABILITIES	\$1,259	\$1,259
NET ASSETS	\$40,570	\$41,061
EQUITY		
Accumulated Surplus	370	861
Asset Revaluation Reserve	40,200	40,200
Other Reserves	0	0
TOTAL EQUITY	\$40,570	\$41,061

Statement of Cash Flows

	Forecast 2019-20 \$,000	Budget 2020-21 \$,000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts		
Operating Receipts	5,396	5,806
Investment Receipts	170	160
Payments		
Operating Payments to Suppliers & Employees	4,042	4,092
Finance Payments	0	0
Net Cash provided by (or used in) Operating Activities	\$1,524	\$1,874
CASH FLOWS FROM INVESTING ACTIVITIES		
Receipts		
Grants Specifically for new or upgraded assets	0	231
Sale of replaced Assets	197	405
Sale of surplus Assets	0	0
Repayments of loans by community groups	0	0
Payments		
Expenditure on renewal/replaced assets	1,902	2,565
Expenditure on new/upgraded assets	3,785	315
Net cash provided by (used in) Investing Activities	(\$5,490)	(\$2,245)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments		
Repayment of Borrowings	0	0
Net Cash Provided by (Used in) Financing Activities	0	0
Net Increase / Decrease in Cash	(3,966)	(370)
Cash and Cash Equivalents at start of reporting period	12,395	8,429
Cash & Cash Equivalents at the end of the reporting period	\$8,429	\$8,059

Statement of Equity

	Forecast 2019-20 \$,000	Budget 2020-21 \$,000
ACCUMULATED SURPLUS		
Balance at end of previous reporting period	461	370
Net Result for Year	(91)	490
Transfer from Reserves	0	0
Transfer to Other Reserves	0	0
Balance at end of period	\$370	\$861
ASSET REVALUATION RESERVE		
Balance at end of previous reporting period	40,200	40,200
Gain on Revaluation of Property Plant & Equipment	0	0
Balance at end of period	\$40,200	\$40,200
TOTAL EQUITY AT END OF REPORTING PERIOD	\$40,570	\$41,061