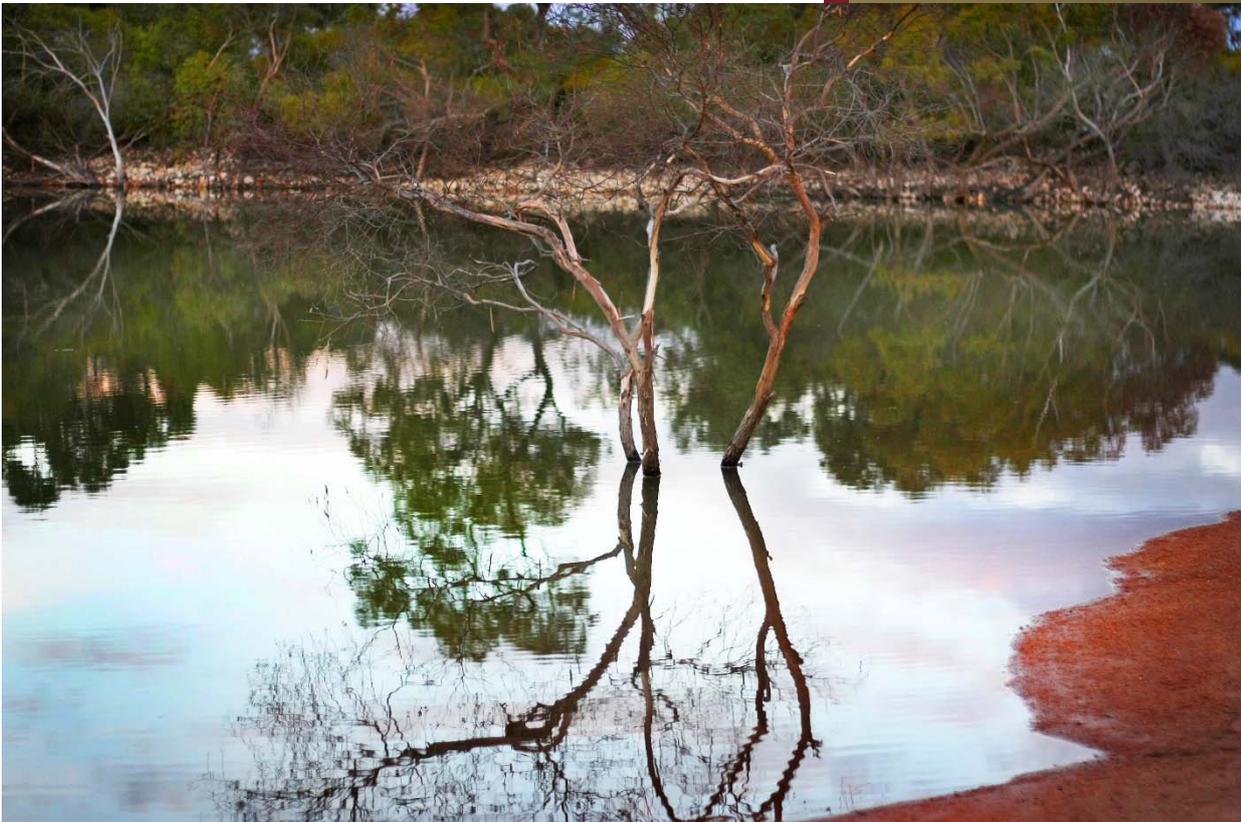




Wudinna District Council

2019-2020

Annual Business Plan and Budget



ADOPTED 16 JULY 2019

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

Contents

Community Consultation	4
Submissions	4
Public Question Time.....	4
Introduction	5
District Profile and Demographics	6
The Strategic Management Plan	6
Our Community Goals	6
The Corporate Plan	7
Key Result Areas, Goals and KPI's	7
Summary of Services Provided to the Community	8
Influences and Assumptions for 2019-20	9
2019-20 Capital Projects	10
Financial Sustainability/Performance Measures	11
Key Financial Indicators	11
Operating Surplus Ratio.....	11
Asset Sustainability Ratio	11
Net Financial Liabilities Ratio.....	11
Overall Assessment of Council Financial Sustainability.....	12
Non-Financial Performance Measures	12
Funding the Annual Business Plan	13
Grant Funding	13
Rate Revenue Components	13
Operating Income	14
Operating Expenditure	14
Rating Policy 2019-20	15
Strategic Focus.....	15
Method Used To Value Land	15
Adoption of Valuations.....	15
Valuation Changes	16
Business Impact Statement	16
Council's Revenue Raising Powers	17
Differential General Rates	17
Objections to Land Use.....	17
Minimum Rate	18
Service Charges.....	18
Separate Rates.....	19
Pensioner Concessions	19
Payment of Rates.....	19
Payment Methods	20
Late Payment of Rates.....	20
Remission & Postponement of Rates	20
Rebate of Rates	21
Sale of Land For Non-Payment Of Rates	21
Appendix 1	22
Explanation of Uniform Presentation of Finances.....	22

Appendix 2 – Statutory Statements	23
Uniform Presentation of Finances	23
Key Financial Indicators	24
Statement of Comprehensive Income	25
Balance Sheet	26
Statement of Cash Flows	27
Statement of Equity	28
Appendix 3 – Operating Statement by Function	29
Operating Expense by Function.....	30
Operating Income by Function	31

Community Consultation

In accordance with Section 123 of the Local Government Act 1999, Council released its Draft 2019-2020 Annual Business Plan for the period of Community Consultation from 20 June to 15 July 2019.

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 were also available on request from Council's administration office, 11 Burton Terrace, Wudinna.

Submissions

Written submissions regarding this draft plan were welcome until 5pm 15 July 2019. There were no written submissions received.

Public Question Time

One hour was allocated for verbal submissions by residents and ratepayers during 11am to 12pm on 16 July 2019. No members of the public attended and no submissions were made.

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 2019-20 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	Proposed Expenditure \$,000
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 	\$1,394
Public Order and Safety	<ul style="list-style-type: none"> • Animal Management • Fire Protection • Nuisance & Litter Control 	\$5
Health	<ul style="list-style-type: none"> • Public and Environmental Health 	\$109
Social Security and Welfare	<ul style="list-style-type: none"> • Aged Homes • Home & Community Care • Community Bus Service • Aged/Community Service Support Programs • Youth 	\$48
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 	\$633
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 	\$336
Natural Resource Management	<ul style="list-style-type: none"> • Levy Collection for the Eyre Peninsula Natural Resources Management Board 	\$75
Mining, Manufacturing & Construction	<ul style="list-style-type: none"> • Development Control • Planning & Building Approvals 	\$29
Transport and Communication	<ul style="list-style-type: none"> • Road Construction, Maintenance and Traffic Control • Footpaths • Aerodromes 	\$2,063
Economic Affairs	<ul style="list-style-type: none"> • Tourism • Business/Community Development • Economic Development 	\$373
TOTAL OPERATING EXPENDITURE		\$5,064

Influences and Assumptions for 2019-20

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:

- The freezing of Federal government operating grants has been lifted after 3 years. Savings and structural changes to council operations are continually reviewed to manage the gap that the indexation freeze created.
- 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. No variation in the above award arrangement is possible in light of the FAG's funding freeze. Flow on increases to SA from Federal Wage Adjustments to award arrangements will however still apply. The Fair Work Commission has announced an increase of **3%** from the 1 July 2019.
- 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 **1.3%** for the 12 months ending 31 March 2019 - 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 **2.1%** (for the 12 months ending 31 March 2019).
- 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.

2019-20 Capital Projects

Renewal/Replacement of Assets

Project	Budget (\$,000)	Comment
Roads		
Mt Wudinna Access Rd	\$139	5.5kms – Standley Rd to Edmonds Rd
Palabie Rd	\$128	5.7kms – Simpson Rd to Kappakoola Rd
Fred's Flat Rd	\$151	6kms – McKenna Rd to Eyre Hwy
Hynes Rd	\$50	4.3kms (rip & reform) – DuBois Rd to Bedford Rd
DuBois Rd	\$79	3.5kms – Standley Rd to Hynes Rd
Mt Damper Rd	\$207	8.2kms – Tarragon Tanks Rd to boundary
Chaplain Rd	\$59	2.6kms – Crabb Rd to Wendland's
Mildren Rd	\$113	5kms – Schmucker Rd towards boundary
Reseals		
McNamara Rd	\$17	Crabb Rd to Mt Damper Rd
Boylan St	\$5	Barns St to South Tce
Barns St	\$13	Boylan St to West Tce
Kimba Rd	\$4	Tod Hwy to 95m east
Colman St	\$9	New seal to Cocata Rd
Verco St	\$15	Railway Tce to James St
Minnipa Oval Access	\$2	Mosely Tce to ticket box
Heath St	\$11	Tree Rd to end
West Tce	\$3	Barns St to end
Woodrup Rd	\$24	Naylor Tce to end
Barns St	\$11	Tod Hwy to end
Hunt Tce	\$34	Eyre Hwy to Eyre Hwy
Clive St	\$24	Railway Tce to Travers Tce
Plant & Machinery		
Refer to Infrastructure & Asset Management Plan for a detailed list	\$521	Replacement of existing vehicles (existing will be traded which will reduce the net cost)
Other		
Recreation Reserve Fencing	\$10	Replacement of existing/damaged fence
Financial Software Implementation	\$70	Replacement of outdated financial software
\$1,699		

New/Upgraded Assets

Project	Budget (\$,000)	Comment
Council Buildings		
Medical Centre Porch	\$35	Weather cover over front doors.
Footpaths		
Medley Tce	\$15	Adams Tce to Naylor Tce
Other		
Skate & Spray Park	\$684	Apex Park, Wudinna (grant received in 18-19)
Eyre Highway Streetscape	\$2,900	Kerbing, verge sealing, drainage and foot/bike paths (partial grant received 17-18)
\$3,634		

TOTAL CAPITAL PROJECTS

\$5,333

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. The average operating surplus ratio over the past 5 years is 11.8%.

For the 2019-20 financial year the Operating Surplus Ratio is calculated at **(7%)**. This is from a deficit of **\$307k** meaning that our projected operating income will not meet projected operating expenses.

2015-16 Actual	2016-17 Actual	2017-18 Actual	2018-19 Forecast	2019-20 Budget
6%	25%	33%	(9%)	(7%)

This (7%) deficit makes the average Operating Surplus Ratio for the five-year period including this 2019-20 budget **9.6%**.

If it is an ongoing trend for Council to run with a continuing Operating Deficit, then investigations into reducing service levels, cost savings and significant rate increases will need to be undertaken.

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 2019-20 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 2019-20 Net Financial Liabilities.

Calculation of Net Financial Liabilities	2019-20 Budget \$,000
Gross borrowings	0
Less: Cash and investments	6,431
Equals: Net debt	(6,431)
Add: Trade and other payables	590
Add: Provisions for employee entitlements	585
Less: Trade and other receivables	175
Equals: Net financial Liabilities	(5,431)
Operating Income (<i>less NRM Levy</i>)	4,683
Net Financial Liabilities/(Assets) Ratio	(116%)

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 either make more use of borrowings or 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

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' 2019-20 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 2020, including the Long-Term Financial Plan, Infrastructure and Asset Management Plan and Corporate Plan.

Funding the Annual Business Plan

An operating deficit of **\$306k** is forecast for 2019-20.

Depreciation costs are estimated to be **\$1,615k (32%** of operational expenditure) for 2019-20. 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.

It is not ideal that Council continues to forecast a deficit, as it means that its reserves are being depleted gradually just to maintain day to day services.

However, for the past few years Council has recorded decent surplus', meaning that it has been contributing to the reserves which allow for the occasional deficit without affecting its long-term financial sustainability.

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.

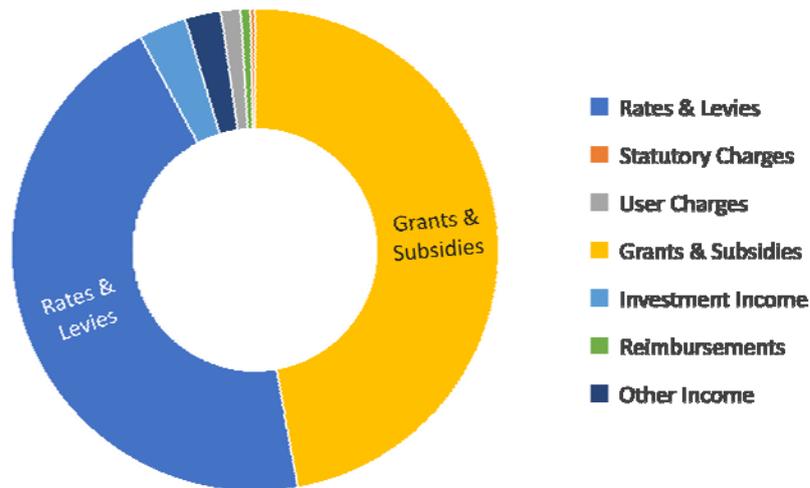
Grant Funding – Operating/Ongoing Budget 2019-20	Amount \$,000
General Purpose Financial Assistance Grant	(\$1,214)
Local Roads Grant	(\$421)
Supplementary Road Grant	(\$203)
Roads to Recovery	(\$402)
Other (Libraries, Youth, etc)	(\$5)
Total Anticipated Grants	(\$2,245)

Rate Revenue Components

Rates & Levies	Amount \$,000
General Rates	(\$1,860)
CWMS Levy	(\$125)
Waste Levy	(\$98)
EPNRM Levy	(\$75)
Rebated Rates	\$25
Aged Homes Separate Rate	(\$3)
Rate Fines & Interest	(\$6)
Total Anticipated Grants	(\$2,142)

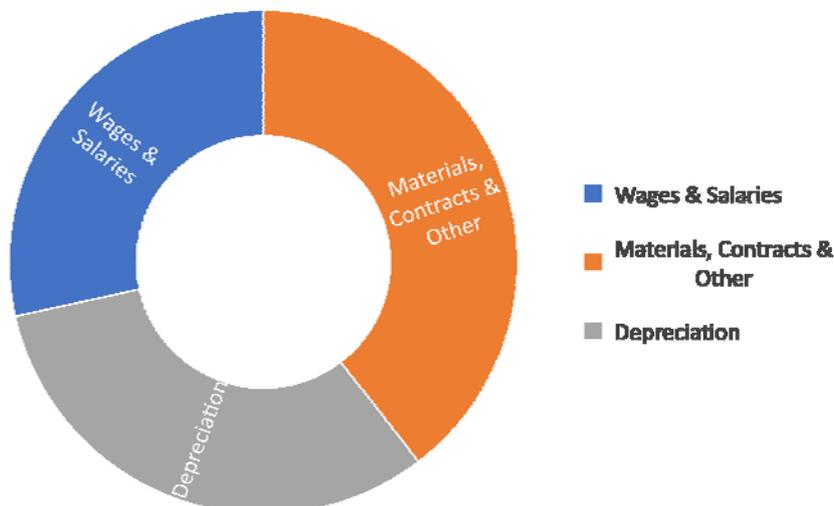
Operating Income

Revenue Type	Proposed Budget \$,000	% of Total
Rates & Levies	(2,142)	45.0%
Statutory Charges	(14)	0.3%
User Charges	(62)	1.3%
Grants & Subsidies	(2,245)	47.2%
Investment Income	(150)	3.2%
Reimbursements	(31)	0.6%
Other Income	(114)	2.4%
Total	(4,758)	



Operating Expenditure

Expenditure Type	Proposed Budget \$,000	% of Total
Wages & Salaries	1,451	28.6%
Materials, Contracts & Other	1,999	39.5%
Depreciation	1,615	31.9%
Total	5,064	



Rating Policy 2019-20

Strategic Focus

In setting its rates for the 2019-20 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 2019-20 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 2019-20 financial year the Council's plan is to increase general rates by **3.4%** (excluding growth, 0.2%). 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 2019 - **\$337,594,800**.

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 % Increase	Median Increase
5.59%	7.02%	0.03%	0%

The overall valuation increase from last year was **5.18%** (\$16,619,800).

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 very little valuation movement apart from properties that have had development completed.
 - Commercial and industrial properties have not had any notable increase.
 - Minnipa residential values have remained the same in general.
 - Rural Properties – increases to broad acre land capital values are around 5%.
- Specific infrastructure maintenance issues that will benefit businesses and primary producers:
 - Re-sheeting of 37.8 kilometres of district roads (\$ 922,941).
 - Resealing of some bitumen roads in Wudinna and Minnipa are also programed (\$ 173,340) to ensure that the surface does not deteriorate too much.
 - Continuation of increasing the footpath network in the Wudinna township.
 - Streetscaping works on the Eyre Highway within the 60km zone of Wudinna to improve amenity, stormwater, etc as well as linking the Eyre Highway businesses to the township with a shared foot/bike path.

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 \$	
	2018-19	2019-20
All land classified as being within the declared township areas	\$0.004820	\$0.00498
All other land	\$0.005867	\$0.005702

At its meeting on 16 July 2019 the Council will raise differential rate revenue of **\$1,860,079** in a total expenditure budget of **\$5,051,555**. As a result of this decision the Council will set a rate of **0.498 cents** in the dollar for all land other than primary production land to raise the necessary revenue. Council will set a rate of **0.5702 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	541	39%	\$1,409,615.90	75.8%	\$243,801,900	72.2%
Other Rateable Properties	547	40%	\$450,462.60	24.2%	\$82,435,100	24.4%
Non-Rateable Properties	283	21%	\$0	0.0%	\$11,357,800	3.4%
Total Properties	1371		\$1,860,078.50		\$337,594,800	

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 2019-20, Council will impose a minimum rate of \$460 and it will affect 253 (23.3%) 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 2019-20 will be **\$325** per unit for Occupied properties and **\$290** for Unoccupied properties (no change from last year) This will amount to **\$125,260** 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 **\$97,724**.

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 ratable 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 2018-19 the separate rate will be **\$176** (no change from last year).

Natural Resource Management Levy

Council is required to pay an annual contribution fee to the Eyre Peninsula Natural Resources Management (EPNRM) Board. The EPNRM Board spends this levy in managing and protecting priority water, land marine and biodiversity assets on the Eyre Peninsula.

Council is also required by legislation to subsequently reimburse itself for the Levy paid to the EPNRM Board, by imposing a separate rate on each rateable property within the Council area.

Council do not obtain any financial benefit from this separate rate as it is effectively acting as a revenue collector for the Board.

For 2019-20 Council's annual contribution to the EPNRM is proposed to be **\$74,932**. This is an increase of 3.69% from the 2018-19 contribution of \$72,266.

The EPNRM Board has chosen to continue applying the levy on a fixed charge basis but it will differ dependant on the land use of the property. The following table details the proposed EPNRM Separate Rate for the 2019-20.

Land Use	Rate \$	
	2018-19	2019-20
Residential, Vacant & Other	\$75.99	\$77.97
Commercial & Industrial	\$113.98	\$116.96
Primary Production	\$151.98	\$155.95

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 NRM 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	6 September 2019
2nd Quarter	6 December 2019
3rd Quarter	6 March 2020
4th Quarter	5 June 2020

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 (8 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 2018-19 \$,000	Budget 2019-20 \$,000
Operating Revenue	5,764	4,758
less Operating Expense	(6,263)	(5,064)
Operating Surplus / (Deficit) before Capital Amounts	(500)	(306)
less Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	2,383	1,699
less Depreciation, Amortisation & Impairment	(1,693)	(1,615)
less Proceeds from Sale of Replaced Assets	(253)	(197)
	436	(113)
less Net Outlays on New & Upgraded Assets		
Capital Expenditure on New & Upgraded Assets	1,315	3,634
less Amounts specifically for new or upgraded Assets	(975)	0
less Proceeds from Sale of Surplus Assets	0	0
	340	3,634
Net Lending/ (Borrowing) for Financial year	(1,276)	(3,827)

Key Financial Indicators

	Forecast 2018-19 \$,000	Budget 2019-20 \$,000
Operating Surplus Ratio		
<u>Operating Surplus</u>	(500)	(306)
Total Operating revenue (less NRM Levy)	5,692	4,683
	-9%	-7%
Net Financial Liabilities Ratio		
<u>Net Financial Liabilities</u>	(9,259)	(5,432)
Total Operating revenue	5,692	4,683
	-163%	-116%
Asset Sustainability Ratio		
<u>Net Asset Renewals</u>	2,130	1,502
Capital Renewal Expenditure as per asset management plan	1,639	1,502
	130%	100%

Statement of Comprehensive Income

	Note	Forecast 2018-19 \$,000	Budget 2019-20 \$,000	Variance \$,000
INCOME				
Rates		2,070	2,142	72
Statutory Charges		18	14	(4)
User Charges		66	62	(3)
Grants & Subsidies		3,130	2,245	(885)
Investment Income		150	150	0
Reimbursements		51	31	(20)
Other Revenues		279	114	(165)
Total Operating Income		5,764	4,758	(1,005)
EXPENDITURE				
Employee Costs		1,417	1,451	34
Materials, Contracts & Other Expenses		3,153	1,999	(1,154)
Depreciation		1,693	1,615	(78)
Total Operating Expenditure		6,263	5,064	(1,199)
OPERATING SURPLUS/(DEFICIT)		(500)	(306)	193
Gain / Loss on Disposal of Assets			0	0
Amounts Received Specifically for New Assets		975	0	(975)
NET SURPLUS / (DEFICIT) transferred to Equity Statement		475	(306)	(781)

Balance Sheet

	Forecast 2018-19 \$,000	Budget 2019-20 \$,000	Variance \$,000
ASSETS			
CURRENT ASSETS			
Cash & Cash Equivalents	10,259	6,432	(3,827)
Trade & Other Receivables	175	175	0
Inventories	23	23	0
Total Current Assets	10,457	6,630	(3,827)
NON-CURRENT ASSETS			
Infrastructure, Property, Plant & Equipment	30,433	33,954	3,521
Total Non-Current Assets	30,433	33,954	3,521
TOTAL ASSETS	40,890	40,584	(306)
LIABILITIES			
CURRENT LIABILITIES			
Trade & Other Payables	206	206	0
Borrowings	99	99	0
Short Term Provisions	471	471	0
Total Current Liabilities	776	776	0
NON-CURRENT LIABILITIES			
Trade & Other Payables	285	285	0
Long Term Provisions	114	114	0
Total Non-Current Liabilities	399	399	0
TOTAL LIABILITIES	1,175	1,175	0
NET ASSETS	39,715	39,409	(3,673)
EQUITY			
Accumulated Surplus	(530)	(836)	(306)
Asset Revaluation Reserve	40,245	40,245	0
Other Reserves	0	0	0
TOTAL EQUITY	39,715	39,409	(306)

Statement of Cash Flows

	Forecast 2018-19 \$,000	Budget 2019-20 \$,000	Variance \$,000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Operating Receipts	5,614	4,608	(1,005)
Investment Receipts	150	150	0
Payments			
Operating Payments to Suppliers & Employees	4,570	3,450	(1,121)
Finance Payments	0	0	0
Net Cash provided by (or used in) Operating Activities	1,194	1,309	115
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts			
Grants Specifically for new or upgraded assets	975	0	(975)
Sale of replaced Assets	253	197	(56)
Sale of surplus Assets	0	0	0
Repayments of loans by community groups	0	0	0
Payments			
Expenditure on renewal/replaced assets	2,383	1,699	(683)
Expenditure on new/upgraded assets	1,315	3,634	2,319
Net cash provided by (used in) Investing Activities	(2,470)	(5,136)	(2,866)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments			
Repayment of Borrowings			
Net Cash Provided by (Used in) Financing Activities	0	0	0
Net Increase / Decrease in Cash	(1,276)	(3,827)	(3,047)
Cash and Cash Equivalents at start of reporting period	11,535	10,259	(1,276)
Cash & Cash Equivalents at the end of the reporting period	10,259	6,432	(4,323)

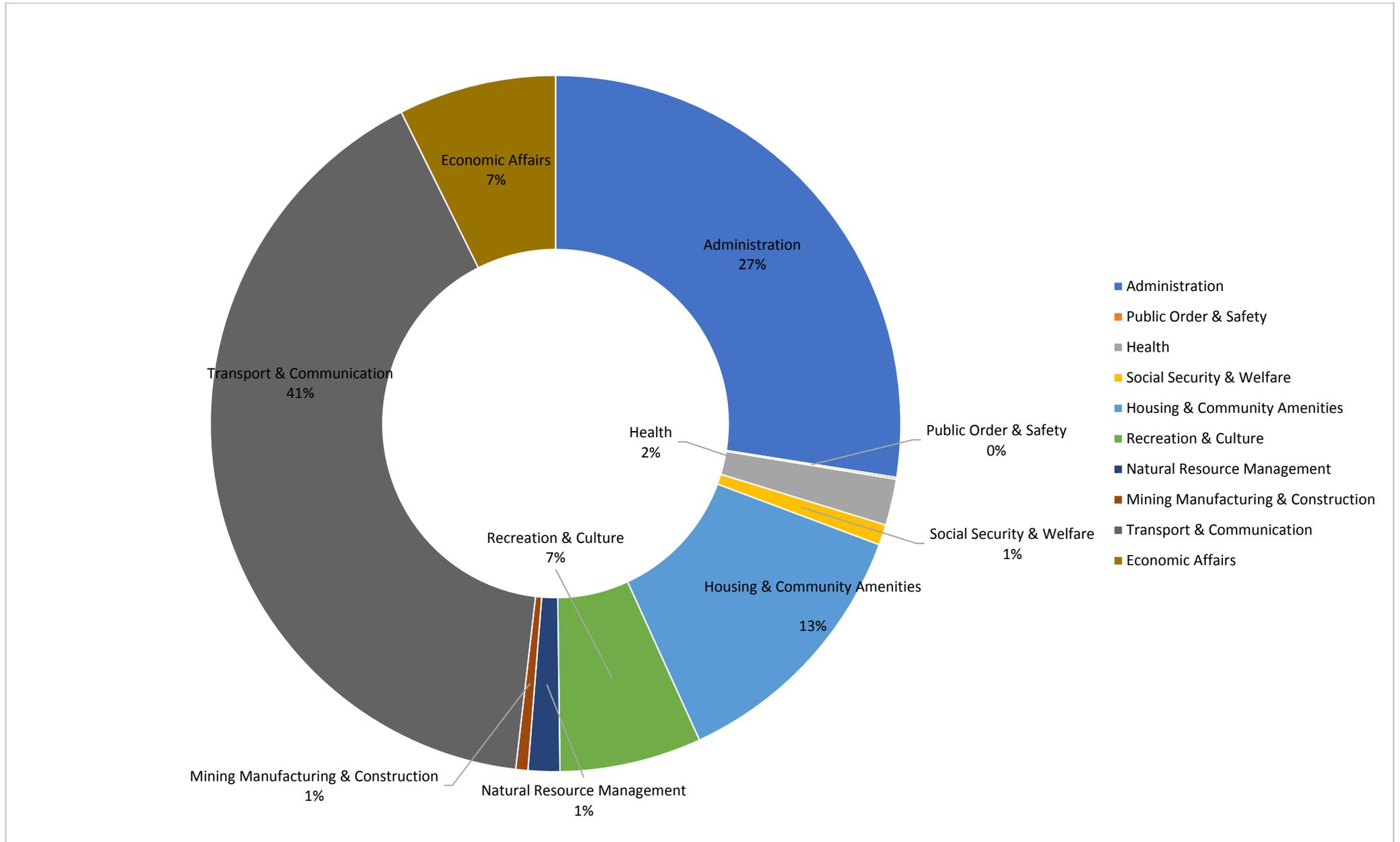
Statement of Equity

	Forecast 2018-19 \$,000	Budget 2019-20 \$,000	Variance \$,000
ACCUMULATED SURPLUS			
Balance at end of previous reporting period	(1,005)	(530)	475
Net Result for Year	475	(306)	(781)
Transfer from Reserves	0	0	0
Transfer to Other Reserves	0	0	0
Balance at end of period	(530)	(836)	(306)
ASSET REVALUATION RESERVE			
Balance at end of previous reporting period	40,245	40,245	0
Gain on Revaluation of Property Plant & Equipment			
Balance at end of period	40,245	40,245	0
TOTAL EQUITY AT END OF REPORTING PERIOD	39,715	39,409	(306)

Appendix 3 – Operating Statement by Function

	Employee Costs	Materials, Contracts & Other Expenses	Plant Hire	Depreciation	Total Expenses	Rates - General & Other	Statutory Charges	User Charges	Grants & Subsidies	Investment Income	Reimbursements	Other Revenues	Total Income	Net
Administration	653	526		215	1,394	(2,142)	(1)		(1,214)	(150)	(15)	(2)	(3,524)	(2,130)
Public Order & Safety		5			5		(5)						(5)	(1)
Health	56	53			109		(2)	(15)				(0)	(17)	92
Social Security & Welfare		48			48			(3)	(3)			(50)	(56)	(8)
Housing & Community Amenities	148	258	73	154	633			(43)				(1)	(45)	588
Recreation & Culture	117	178	41		336			(1)	(3)		(3)		(7)	329
Natural Resource Management		75			75						(3)		(3)	72
Mining Manufacturing & Construction	24	5			29		(6)						(6)	23
Transport & Communication	344	209	263	1,246	2,063				(1,026)		(10)		(1,036)	1,027
Economic Affairs	109	265			373			(0)				(60)	(60)	313
TOTAL	1,451	1,621	377	1,615	5,064	(2,142)	(14)	(62)	(2,245)	(150)	(31)	(114)	(4,758)	306

Operating Expense by Function



Operating Income by Function

