



# ANNUAL BUSINESS PLAN 2022-2023

## OUR MISSION

**“To provide a range of services which meet the environmental, social and economic needs of our community.”**



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## 1. Introduction

The Annual Business Plan sets out the Council's proposed services, programs and projects for 2022-23. It aims to maintain effective services for the community and continue progress towards the long term objectives for the District Council of Grant as set out in our Strategic Management Plan 2020-2030.

Specific objectives for the year are consistent with Council's Long Term Financial Plan and Asset Management Plans to ensure the long term sustainability of Council's financial performance and position.

The District Council of Grant is the most southern local government area in South Australia. Situated on the south east coast it is bounded to the south and west by the Southern Ocean, the Victorian Border to the east and the Wattle Range Council to the north and west. The Council encircles the local government area of the City of Mount Gambier.

The Council is predominantly rural with a number of small townships, and serves a population of 8,619 and covers an area of 189,700 hectares. The area contains some of the richest and most productive agricultural land in South Australia. Dairying, beef, and sheep production, wool, seed and grain production, forestry and horticulture are the predominant agricultural activities.

## 2. Our Future

The Plan has been prepared on the basis of maintaining an appropriate level of services to the community, without imposing an unrealistic rate burden on ratepayers. The provision of services by Council is a reflection of meeting both Council's obligations under legislation and the community's desire for services and facilities.

Council adopted its 2020-2030 Strategic Management Plan (SMP) in September 2020. The Plan identifies key issues and projects which will provide for a range of services and facilities while ensuring the ongoing sustainability of Council.

When developing the Plan, Council identified its vision as being:

***"A district of welcoming, inclusive and vibrant coastal and rural communities within the Limestone Coast.***

***"With a pristine environment, relaxed rural lifestyle, quality services and a prosperous local economy, this is a great place to live, conduct business and an exciting destination to visit and stay."***

and mission as:

***"To provide a range of services which meet the environmental, social and economic needs of our community."***

Council is committed to providing BEST VALUE to its customers and community in the manner that it carries out its duties, functions, responsibilities and obligations. The following goals were set by Council to realise this objective:

GOALS	OUTCOMES
<p><b>Develop Vibrant &amp; Connected Coastal &amp; Rural Communities</b></p>	<ul style="list-style-type: none"> <li>• Inclusive communities that provide a sense of belonging for community members and foster a sense of 'a place where you want to be'</li> <li>• A strong sense of feeling connected to the individual community in which they live or feel most close to</li> <li>• Well-presented, attractive and maintained towns that contribute to a sense of community pride and ownership</li> <li>• A community that resonates a sense of safety and security</li> <li>• Retention and improvement of essential services across the district including medical and health services, Police, SES, CFS, SA Ambulance and schools</li> <li>• Vibrant, successful community events that are meaningful to locals as well as attracting visitors from outside the district</li> <li>• Empowered, well-managed and sustainable sporting clubs and community groups</li> <li>• A range of varied community assets that support health and well being for all</li> <li>• Embracing diversity within our community</li> <li>• A high standard of reliable power, water and telecommunications across the district</li> <li>• A high level of volunteer participation</li> <li>• Prevention, mitigation and management of public health risks in accordance with Council's responsibilities under the South Australian Public Health Act</li> <li>• A community engaging in a healthy lifestyle through utilisation of facilities and programs that promote health and wellbeing</li> </ul>
<p><b>Support a Prosperous Local Economy</b></p>	<ul style="list-style-type: none"> <li>• A prosperous local economy built around successful businesses and industry providing local employment opportunities and attracting investment that contributes to the sustainability and enhancement of the district</li> <li>• A sustainable population supporting sustainable businesses and services</li> <li>• Wide-recognition of the attractiveness of the district for new and further investment in local industries and businesses</li> <li>• A proactive and progressive Council that endeavours to support economic development and reduce excessive impost to doing business</li> <li>• A well-run, well-appointed local airport that serves as a gateway for domestic and national movement into</li> </ul>

	<p>and out of the region which meets community, business and tourist expectations/needs</p> <ul style="list-style-type: none"> <li>• Continued on-going investment and innovation in local industry supporting opportunities that contribute to greater diversification of our local economy</li> <li>• Development of new industries as well as industries that value add to our existing industries</li> <li>• Successful Mount Gambier and District Saleyards that effectively supports livestock transactions for the region</li> <li>• The district being recognized as an attractive tourist destination in its own right as a place to visit and stay another day</li> </ul>
<b>Retain &amp; Enhance our Natural &amp; Built Environments</b>	<ul style="list-style-type: none"> <li>• Preservation of the district's unique natural environment for current and future generations</li> <li>• Delivery of effective mechanisms that promote and manage sustainable use of natural assets</li> <li>• Development that is sympathetic to the characteristics and heritage of the district</li> <li>• A natural environment that is accessible in a managed way, without adverse impact</li> <li>• A Community that is environmentally aware and working to minimise environmental impact</li> <li>• Protection and enhancement of the unique natural and built and heritage characteristics of the district</li> <li>• Effective environmental management that ensures the natural beauty, characteristics and bio diversity of the district are retained</li> <li>• A community that is prepared-for, and adaptable to, a changing climate, extreme weather events and natural disasters</li> <li>• Best practice planning and development policies in accordance with relevant legislation, economic and community needs</li> </ul>
<b>Provide Quality Services &amp; Infrastructure</b>	<ul style="list-style-type: none"> <li>• A road network that services the needs of community, visitors and local business and our predominant industries</li> <li>• Sustainability in service provision to provide assurance to our community</li> <li>• Services that cater to the needs of our community</li> <li>• Attractive, well-maintained public spaces, parks and gardens that cater to the diverse needs of all age groups within our community</li> <li>• Sustainability of infrastructure and community assets for current and future generations</li> <li>• Business continuity planning to ensure continued provision of Council services and accessibility of infrastructure</li> </ul>

	<ul style="list-style-type: none"><li>• Provision of a high standard of customer experience and service</li><li>• Council is implementing measures to realise improvements to productivity and cost reduction</li><li>• Council is meeting its legislative obligations and policy review schedule</li></ul>
<b>Lead &amp; Engage with our Communities</b>	<ul style="list-style-type: none"><li>• Having the trust and confidence of the community</li><li>• Advocating passionately for the region and communities with all levels of Government and other Stakeholders</li><li>• A Council united in seeking to provide the best outcomes</li><li>• The brand values of Council are maintained and Council's reputation is enhanced amongst community and other stakeholders</li><li>• Being proactive in engaging with the community on important issues and opportunities</li><li>• Being responsive to community needs, issues and concerns</li><li>• A genuine desire to engage with community through accessibility openness, and a willingness to listen and consider</li><li>• Transparency in decision making</li><li>• Being accessible with a genuine willingness to listen to and acknowledge community and stakeholders issues, concerns and ideas</li><li>• Providing opportunities for all stakeholder groups within the community to engage with Council</li><li>• Meeting service standards in accordance with Council's Customer Service Charter</li></ul>

Action plans detailing major activities that Council will undertake to achieve these objectives can be found in the Strategic Management Plan. The current version being available to the public for inspection at the Council Office or on the website at <http://www.dcgrant.sa.gov.au>

### **3. Asset Management Plans**

Sound asset management is the key to financial sustainability. There is clearly a direct link between the development and implementation of Council's Asset Management Plans and its Long Term Financial Plan. Council expends considerable funds on the acquisition and management of assets. It will be exposed to financial risk over the longer term if budget processes have little regard for ongoing costs associated with the maintenance and renewal of these assets beyond the current budget period. It is incumbent on Council to carefully consider information about the stock of infrastructure and other assets and the contribution that current ratepayers are making to their consumption.

The plans help ascertain likely future maintenance and renewal needs and guide consideration of infrastructure needs to meet future community service expectations. Costs inherent in the Council's Asset Management Plans are reflected in Council's Long Term Financial Plan and both of these documents are integral to, and will be heavily influenced by, the Strategic Plan.

### **4. Significant Influences and Priorities**

A number of significant factors have influenced the preparation of Council's 2022-23 Annual Business Plan. These include:

- COVID-19 Pandemic
- Requirements to maintain infrastructure assets at acceptable standards
- The level of State and Commonwealth Government grant funding
- Fees/charges imposed by the State Government including the waste levy
- Cost of compliance with State Government reporting and accountability requirements
- CPI (3.3% December 2021 Adelaide)
- LGPI (local government price index) (3.5% December 2021)
- Employee Enterprise Agreements
- Continued increases in utility costs
- Increased Fuel costs and a decrease in Diesel Fuel Rebate
- The level of capital and operational services required across the district
- Sustainable settings of council's Long Term and Strategic Planning documents

In response to these factors, and to minimise the burden on rate-payers, the Annual Business Plan has been prepared within the following guidelines:

- General rate revenue is planned to provide for operating expenses.
- Maintenance and renewal of existing assets will be a matter of priority to ensure that the range and level of services being provided by Council's infrastructure is maintained at a reasonable level.
- A challenge for the District Council of Grant is to prioritise expenditures to meet the demand for services and facilities. Given the asset intensive nature of the Council's activities, assessing the long term capacity of the community to fund ongoing maintenance and rehabilitation of infrastructure assets is a crucial consideration.

## 5. Continuing Services

All Councils have basic responsibilities under the Local Government Act and other relevant legislation. These include:

- Regulatory activities e.g. maintaining the voters roll and supporting the Elected Members;
- Setting rates, preparing an annual budget and determining longer-term strategic management plans for the area;
- Management of basic infrastructure including roads, footpaths, parks, public open space, street lighting and storm-water drainage;
- Street cleaning and rubbish collection;
- Development planning and control, including building safety assessment;
- Various environmental health services.

In response to community needs the Council also provides further services and programs including:

- Libraries and Rural Transaction Centres
- Youth Development
- Public Health and Safety
- Animal Management Services
- Community and Sporting Facilities
- Economic Development
- Environmental Plans and Projects
- Community and Cultural Development

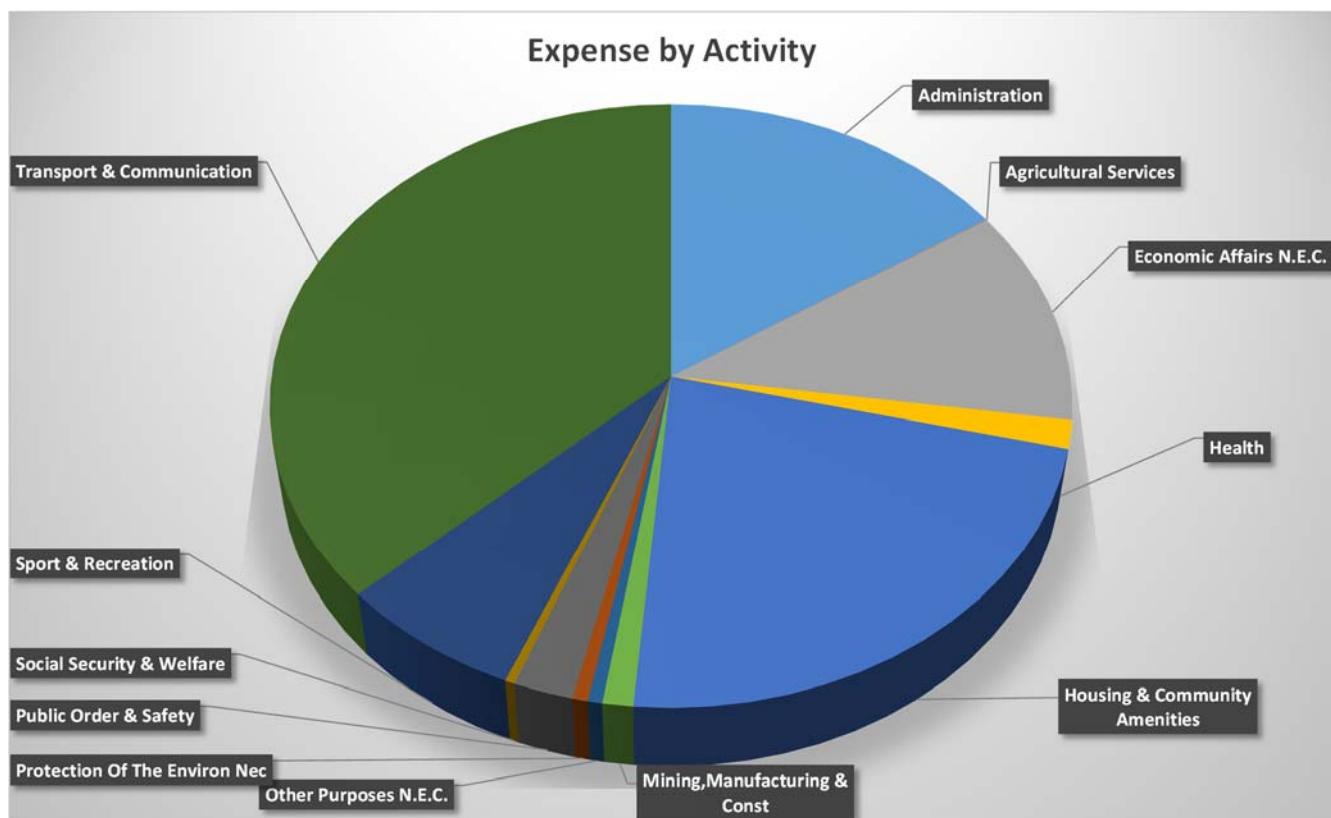
In all services the Council seeks to be responsive to changing needs. Regular community surveys are undertaken to check levels of satisfaction and areas for improvement.

The Council also operates a number of facilities on a fee for service basis. These provide important community benefits while also generating revenue for services and projects of benefit to the District Council of Grant:

- Animal management fees
- Property Information Searches
- Development Application fees
- Airport fees; including passenger levy, hangar rental and aircraft operating licence fees
- Saleyards fees
- Leases and licences associated with use of council buildings and property
- Road Rents
- Cemetery charges
- Rubbish Dump/Waste Transfer Station fees
- Mobile Food Vending Licence fees
- Fish buyers licences
- Private works carried out for ratepayers and other government departments

The Annual Business Plan does not propose to reduce our services or staff and will increase the service level provided to residents by a higher injection of funds in the road maintenance area.

Details of ongoing services provided to the community and activities of Council are shown in the graph below



<b>Summary by Category</b>	
<b>Category</b>	<b>Budget 2022/2023</b>
Administration	\$2,660,681
Agricultural Services	\$6,000
Economic Affairs N.E.C.	\$1,980,501
Health	\$257,511
Housing & Community Amenities	\$3,847,073
Mining, Manufacturing & Const	\$191,729
Other Purposes N.E.C.	\$91,126
Protection Of The Environ Nec	\$95,500
Public Order & Safety	\$378,668
Social Security & Welfare	\$61,746
Sport & Recreation	\$1,175,486
Transport & Communication	\$6,291,973
<b>TOTAL</b>	<b>\$17,037,994</b>

## 6. Project Priorities for the Year

Council's planned priorities for project expenditure in 2022-23 are set out in the table below.

<b>DISTRICT COUNCIL OF GRANT</b>	
<b>OPERATING PROJECTS</b>	
<b>2022-2023 BUDGET</b>	
Re-Zoning of Industrial / Residential Land	\$ 50,000
Inland towns and Communities Master Plan Progression	\$ 41,500
Assessment Manager - Shared Position with City Mtg, WR & DC Robe	\$ 15,000
Integrated Strategy around Natural Assets	\$ 40,000
Access and Inclusion Advisory Panel	\$ 3,000
Election Costs	\$ 50,000
Groundwater Monitoring	\$ 55,000
Port Mac Netball Club Contribution	\$ 10,000
Donovans Shack CWMS Study	\$ 5,000
WHS Contractor/Consultant	\$ 50,000
<b>TOTAL</b>	<b>\$ 319,500</b>

<b>DISTRICT COUNCIL OF GRANT</b>						
<b>CAPITAL PROGRAM - 2022/2023 BUDGET</b>						
<b>SUMMARY</b>						
DESCRIPTION		TOTAL	Renewal	New	Grants	Trade-In
Road Construction	Refer Roads Sheets	2,796,195	1,985,655	810,540	140,000	-
Plant Replacement	Refer Plant Sheets	1,800,145	1,800,145	-	-	855,065
Cape Douglas CWMS	Replacement Pumps	8,000	8,000	-	-	-
Allendale East CWMS	Electrical Upgrade	3,000	3,000	-	-	-
Donovans CWMS	Replacement Pumps	7,000	7,000	-	-	-
Tarpeena CWMS	Replacement Pumps	3,000	3,000	-	-	-
Port Mac Donnell CWMS	Replacement Pumps and Non Return Valve Installation	18,000	18,000	-	-	-
Council Offices	General Office Refurbishment (Painting and Carpet) Year 1 of 3 Year Program	50,000	50,000	-	-	-
Council Offices	Furniture Replacement	10,000	10,000			
Council Chambers	New Carpet, Painting and Artwork Mayors Office and Chambers	20,000	20,000			
Port MacDonnell Memorial Wall & Shipwreck W	Finishing off Works	10,000		10,000		-
Disability Access & Inclusions Projects		50,000		50,000		
Mount Gambier Saleyards	Fencing - Partial Replacement of Laneway Fencing	10,000	10,000			
Mount Gambier Saleyards	Eaves & Battons Administration Office	10,000	10,000			
Mount Gambier Saleyards	Saleyards Upgrade (once known)	-				
Port MacDonnell Community Complex	Building Re-Development Scoping Studies	20,000	20,000			
Port MacDonnell Community Complex	3D Printer	3,300		3,300		
Port MacDonnell Community Complex	Mobile Shelving Units over 3 years & Replacement of Furniture	15,000		15,000		
Port MacDonnell Community Complex	Relining Gallery, Lighting & Painting (Narelle)	90,000	40,000	50,000		
ICT	Hardware Replacment	100,000	100,000			
Tourism Signage	Tourism Board	5,000		5,000		
		<b>5,028,640</b>	<b>4,084,800</b>	<b>943,840</b>	<b>140,000</b>	<b>855,065</b>

**DISTRICT COUNCIL OF GRANT****WORKS CONSTRUCTION PROGRAM - 2022/2023 BUDGET****SUMMARY**

DESCRIPTION		No of KM's	TOTAL EXPENDITURE	FUNDING	Renewals	new
Lagoon Rd	Resheet Lagoon Rd 3100 x 6 x .150mm	3.10	<b>112,986</b>	-	112,986	
Dip Rd	Resheet 1750x 6 x .150 mm from Teal Rd	1.75	<b>62,839</b>	-	62,839	
Wood Rd	Resheet Wood Rd 3100 x 6 x .150mm	3.10	<b>117,799</b>	-	117,799	
Walker Rd	Rip and Relay 3100 x 6 ( Hinton rd to Riddoch Highway )	3.10	<b>33,523</b>	-	33,523	
Spain Rd	Rip & Relay 3400 meters ( Wандило Rd to Sunny brae Rd )	3.40	<b>28,882</b>	-	28,882	
Nick Lyon	Rip & Relay 1600 meters ( Sunnybrae to Riddoch Highway )	1.60	<b>13,863</b>	-	13,863	
Mitchell Rd	Reheet Mitchell Rd ( Megaw Rd to End 450 meters x 5 x .150	0.45	<b>16,317</b>	-	16,317	
Ellis Rd	Resheet 1700 meters x 6 x .200 mm 9 Settlers to Laslett Rd	1.70	<b>69,151</b>	-	69,151	
Wright Rd	Resheet 1700 x 5 x .200mm	1.70	<b>58,450</b>	-	58,450	
Vause Rd	Rip & Relay 2200 x 5	2.20	<b>25,608</b>	-	25,608	
Miles Rd	Resheet 1800 x 4.5 x 150mm	1.80	<b>61,056</b>	-	61,056	
McCorkindale Rd	Reconstruct & Seal 300 m x 7 x .200 mm ( Prevent washing	0.30	<b>49,262</b>	-	49,262	
Illman Rd	Rip & Relay 1400x 6	1.40	<b>21,971</b>	-	21,971	
Lock Rd	Reconstruct 1000 m x 8 x .200 mm	1.00	<b>146,085</b>	-	146,085	
Burnda Rd	Construct 600 meters for seal & Rip & Relay 1000 meters	0.60	<b>88,830</b>	-	88,830	
Boggy Lane	Resheet 1500 x 4 x .150 mm	1.50	<b>38,714</b>	-	38,714	
Parish Rd	Resheet 1700 x 5 x .200	1.70	<b>56,638</b>	-	56,638	
Firebreak Rd	Resheet 1500 x 5 x .150 mm ( Smiths Quarry )	1.50	<b>43,212</b>	-	43,212	
Peweena Rd	Reconstuct & sea 2100 meters x8 x .200mm	2.10	<b>277,501</b>	-	277,501	
Sewarts Road	Reconstruct and seal1100 x 8 x .200mm	1.10	<b>148,395</b>	-	148,395	
Reseals	-		<b>800,000</b>	-	800,000	
Kirby Rd	Resheet 1600 x6 x .200mm (Peweena rd to Dairy )	1.60	<b>70,467</b>	-	70,467	
Hinton Rd	Rip & relay 2 kms	2.00	<b>15,616</b>	-	15,616	
Gums Rd	Rip & Relay 3000 x 6	3.00	<b>25,037</b>	-	25,037	
Sisters Rd	Rip & Relay 5000 x 6	5.00	<b>44,003</b>	-	44,003	
Cafpirco Rd	Reconstruct Cafpirco Rd ( Railway line to 1.6 kms North )	1.60	<b>299,988</b>	140,000		299,988
Port Mac Bike track resurfacing	Re-seal 760 meters		<b>70,000</b>	-	70,000	
		<b>48.30</b>	<b>2,796,194.71</b>	<b>140,000.00</b>	<b>1,985,654.61</b>	<b>810,540.10</b>

<b>DISTRICT COUNCIL OF GRANT</b>						
<b>2022/2023 BUDGET</b>						
<b>CAPITAL PLANT PURCHASES</b>						
Asset ID	Asset Name	Current Vehicle Details	Qty	Total Cost	Income From Trade	Changover
<b>HEAVY PLANT REPLACEMENT</b>						
F.P335	Graders	Caterpillar 120 M Motor Grader	1	\$400,000	\$80,000	\$320,000
F.P352	Tractors	Case IH 110 Maxxum 4WD Tractor	1	\$120,000	\$30,000	\$90,000
F.P370	Case IH100 Maxxum 4 Cylinder 4WD Cabin Tractor		1	\$120,000		\$90,000
F.P363	Trucks - Izuzu NNR200 Medium Truck with Tipper and Bin Lifter		1	\$130,000	\$10,000	\$120,000
<b>LIGHT PLANT REPLACEMENT</b>						
F.001117	Kohler K Series Genset Trailer Mounted Generator			\$25,305		
F.P378	Kubota ZD362P-60 Zero Turn Ride on Mower			\$32,000	\$10,000	\$22,000
F.P405	Kubota F3690 Ride on Outfront Mower			\$32,000	\$10,000	\$22,000
<b>COMMERCIAL VEHICLE REPLACEMENT</b>						
F.002315	Toyota Hilux 4x4 Dual Cab Utility		1	\$42,000	\$30,000	\$12,000
F.002056	Toyota Hilux 4x4 Dual Cab Utility( Michael buy back)		1	\$45,240	\$34,000	\$11,240
F.002243	Toyota Hilux 4x4 Dual Cab Utility ( Mathew buy Back )		3	\$121,000	\$105,000.00	\$16,000
F.002316	Toyota Hilux 4x4 Dual Cab Utility ( Martin Buy back )		3	\$121,000	\$105,000.00	\$16,000
P428	Toyota 4 x 2 Dual cab P428		1	\$29,000	\$15,000.00	\$14,000
P429	Toyota 4 x 2 Dual cab P429		1	\$29,000	\$15,000.00	\$14,000
P 430	Toyota 4 x 2 Dual Cab P430		1	\$29,000	\$15,000	\$14,000
F.001926	Toyota Rav4 AWD Hybrid ( Gary Button Buy Back )			\$40,100	\$32,000	\$8,100
F.002050	Hyundai TL Tuscon ( Aaron Price )			\$34,000	\$25,000	\$9,000
F.002052	Toyota Corolla Hybrid ( John Best Buy Back )			\$25,500	\$14,000	\$11,500
F.002245	Mazda CX5 AWD Wagon ( Marianne )			\$33,000	\$23,000	\$10,000
F.002078	Honda ( Shannon )			\$30,000	\$18,000	\$12,000
F.002150	Ford Everest MY SUV ( Daryl )			\$52,000	\$38,000	\$14,000
F.002208	Hyundai Santa Fa ( Leith )			\$45,000	\$32,000	\$13,000
<b>MOUNT GAMBIER AIRPORT</b>						
F.002360	Mount Gambier Airport	Toyota Hilux 4x4 Dual Cab Utility	3	\$120,000	\$108,039	\$11,961
F.002244	Mount Gambier Airport	Toyota Hilux 4x4 Dual Cab Utility	2	\$80,000.00	\$72,026	\$7,974
<b>MOUNT GAMBIER SALEYARDS</b>						
F.002057	Mount Gambier Saleyards	Ford Ranger XLS	1	\$45,000	\$34,000	\$11,000
F.002358	Mount Gambier Saleyards	Tractor	1	\$20,000		
					<b>\$1,800,145</b>	<b>\$855,065</b>
						<b>\$869,775</b>

**Footnote:**

At the time of writing, the projects listed in this plan have been identified as priority projects based on Council's Asset Management Strategy, the condition assessment of individual assets and community needs assessment, together with reference to Council's Long Term Financial Plan and net funds available.

The order in which projects are undertaken may change due to changing circumstances.

Also, from time to time due to our dynamic environment such as the addition or withdrawal of grant funding, state government decisions, extreme weather events or change of focus, the Plan and the activities included may need to be amended.

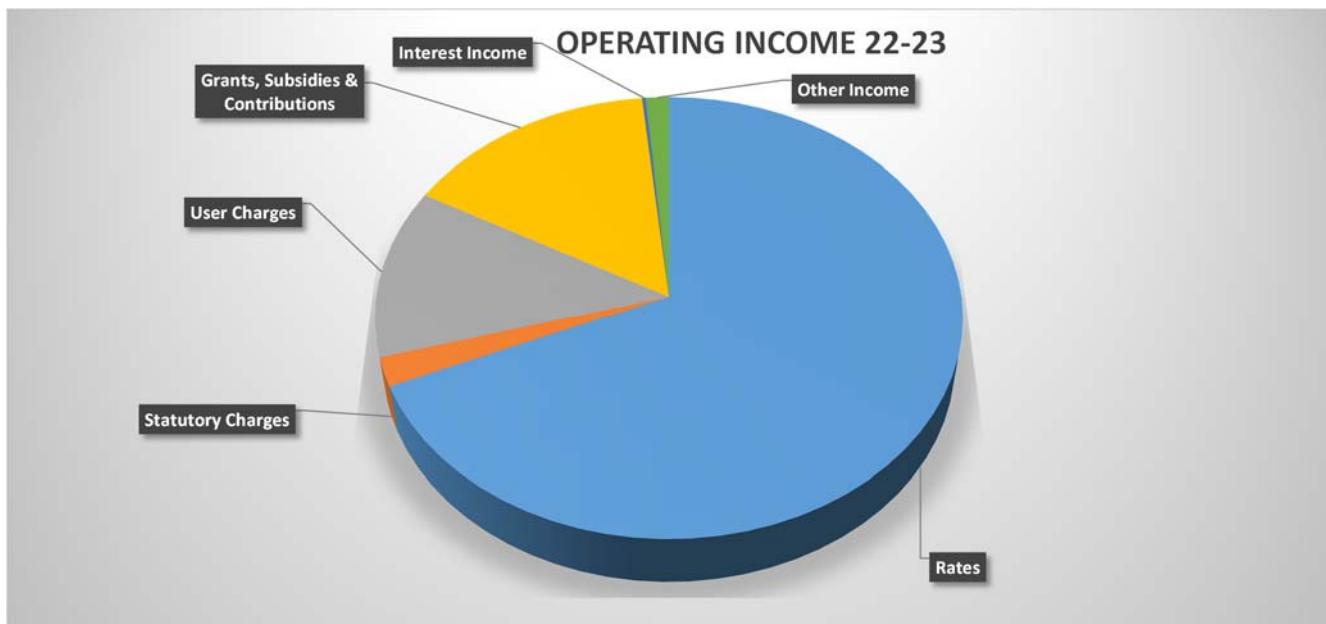
## 7. Funding the Business Plan

In delivering services and programs contained within this Annual Business Plan, Council is targeting an operating Surplus of \$6,424 in 2022-2023 as a result of

Operating Revenues	\$17,044,419
Less: Operating Expenditure	\$17,037,994
Net Operating Surplus	\$ 6,424

Council's annual operating revenue is considered sufficient to meet expected operating expenditure for the 2022-2023 year.

Council is granted the power to acquire funds under Section 133 of the Local Government Act 1999. Sources of funds include property rates, service charges, statutory and user charges, income from investments, commercial activities together with grants and subsidies. An indication of the proportion each of these makes up the total revenue of Council is depicted in the diagram below.



OPERATING INCOME	2022/2023 BUDGET
Rates	\$11,675,632
Statutory Charges	\$357,602
User Charges	\$2,130,959
Grants, Subsidies & Contributions	\$2,607,095
Interest Income	\$35,480
Other Income	\$237,650
<b>TOTAL INCOME</b>	<b>\$ 17,044,418.61</b>

**User Pay charges set by Council.** These comprise charges for the Council's fee based facilities such as CWMS, Garbage Collection, Saleyards and Airport. Most of the above mentioned facilities operate on a self-funded basis where revenues are offset by costs and any balance is kept in a reserve account.

**Statutory Charges set by State Government.** These are fees and charges set by regulation and collected by the Council for regulatory functions such as assessment of development applications. Revenues will generally off-set the cost of the service.

**Grants and Partnerships.** The Council normally seeks to attract as much grant funding as possible from other levels of government, and major projects of wider State benefit are usually jointly funded in partnership with the State Government and other relevant parties.

Council's Annual Business Plan has been prepared on the basis of maintaining the delivery of the current range and level of services to the community, whilst being mindful of the rate burden imposed on individual ratepayers.

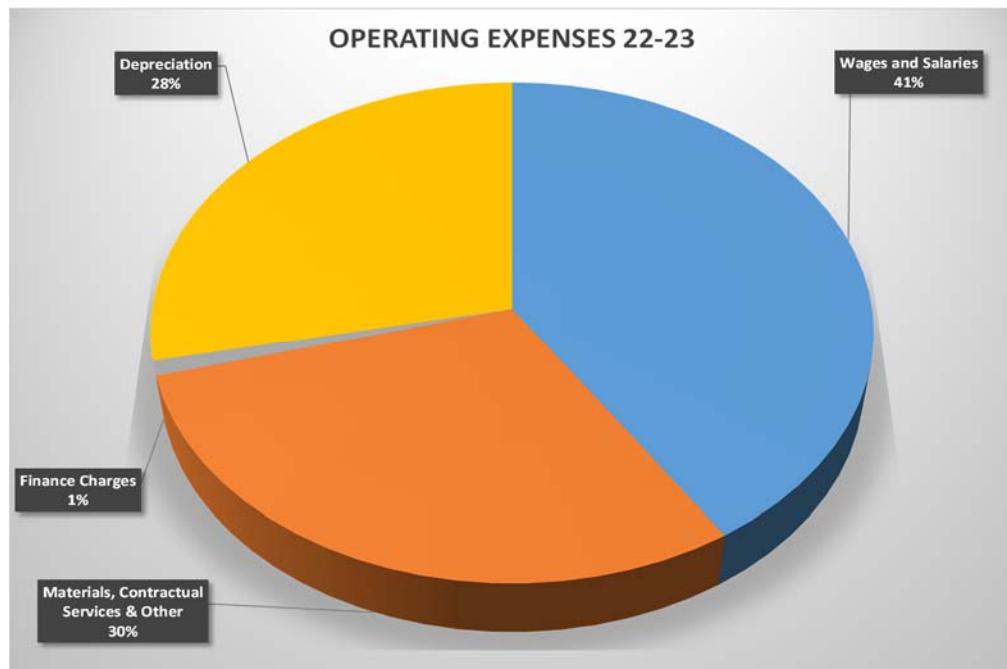
The plan aims to contribute to the long term financial sustainability of the Council through prudent and responsible financial management that will result on its operating expenses being less than its operating revenue, thereby producing a positive operating result. This budget does not achieve this but the Long Term Financial Plan forecasts what needs to be done to turn this around.

Council spends its funds in four main categories being employee costs, depreciation, finance costs and materials, contracts and other expenses.

Depreciation consumes 28% of Council's funds which should be then invested into capital spending.

This Annual Business Plan outlines a total capital expenditure budget of \$5,028,640. \$4,084,800 will be used to renew existing assets and \$943,840 will be spent on new assets.

The following chart and table provide a breakdown of the services for which expenditure is planned in 2022-23



OPERATING EXPENSES	2022/2023 BUDGET
Wages and Salaries	\$6,963,940
Materials, Contractual Services & Other	\$5,085,727
Finance Charges	\$163,522
Depreciation	\$4,824,805
<b>TOTAL EXPENSES</b>	<b>\$ 17,037,994.16</b>

## 8. Impact on Council's financial position

Based on Council's budget, Council's direct borrowings will decrease from \$2,371,000 at the end of 2021-2022 to \$1,963,000 at the end of 2022-2023. No new borrowings have been factored into the budget. This position may need to be reviewed depending on successful outcomes of pending grant funding.

Overall, key financial indicators show that Council's finances will continue to be sustainable with no significant rate burdens.

Operating Surplus is at 0.04% against a long-term target of 0% -15%

Net Financial Liabilities Ratio is at (7.15%) against a target of greater than 0% and less than 100% of operating revenue.

Asset Sustainability Ratio is at 120.92% against its Asset Management Plan.

*For more details on the calculation method for key financial indicators, see the financial indicators section of this business plan.*

## 9. What it means for rates and ratepayers

As depicted in the table above "Councils Source of Funds" the primary source of income for Council is the property based tax – "Council rates".

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

Council will implement a differential rating system using land use

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

As the factor to apply such differential rates. In applying differential rates, Council has considered and is satisfied that the rating system addresses the issues of consistency and comparability across all Council areas.

Council spends considerable time modelling the effect of valuation and rate increases on individual rate payers whilst at the same time ensuring it can raise sufficient funds to achieve a positive operating result and a balanced budget.

## RATING STRATEGY

### Method used to value land

Council adopts the valuations made by South Australian Valuer-General in respect of land within the Council's area for rating purposes. The basis of valuation of land used by Council is the capital valuation of land, that is, the value of the land including improvements thereon.

Council considers that the capital valuation method provides the fairest method of achieving an equitable distribution of the rates burden across the ratepayers within Council's area for the following reasons:

- 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 generally considered a relatively good indicator of wealth; and;
- capital value, which trends with the market value of a property, provides the best indicator of overall property value.

### Rating methodology

Council has assessed the need for a differential rate based on the varying levels of service delivery and degrees of access to urban services, such as waste management and footpaths.

Council is proposing to apply differential general rates by land use. In accordance with Regulation 14 of the Local Government (General) Regulations provides for the following land use categories to be used for rating purposes:

(1) For the purposes of sections 156 and 167 of the Act, the following categories of land use are declared as permissible differentiating factors:

- (a) Residential
- (b) Commercial—Shop
- (c) Commercial—Office
- (d) Commercial—Other
- (e) Industry—Light
- (f) Industry—Other
- (g) Primary Production
- (h) Vacant land

Council chooses to apply the land use of each property, as provided through the State Valuation Office on an annual basis, based on the predominant use of the land.

The Annual Business Plan will raise General Rate revenue of \$9.508M (which is a 4% increase plus new properties of 0.11%) in a total operating revenue budget of \$17.044M.

Council reviewed its basis of rating (as per its Rating Consultation Paper) to ensure all ratepayers are contributing in accordance with taxation principles. As a result, Council will apply the following cents in the dollar for the differential land use categories

**Residential**

\$0.2607 cents in the dollar for rateable properties with a land use of category (a) (Residential).

**Commercial (Shop, Office, Other)**

\$0.2607 cents in the dollar for rateable properties with a land use of categories (b) (Commercial – Shop), (c) (Commercial – Office) and (d) (Commercial – Other).

**Industrial (Light, Other)**

\$0.2607 cents in the dollar for rateable properties with a land use of categories (e) (Industry – Light) and (f) (Industry – Other).

**Primary Production**

\$0.2346 cents in the dollar for rateable properties with a land use of category (g) (Primary Production). Primary Production rate has been set at 10% less than the Residential cents in the dollar. The reduced differential rate is to acknowledge the importance and significance of Primary Production to our community and the significant valuation increases it has incurred over the past few years.

**Vacant Land**

\$0.2607 cents in the dollar for rateable properties with a land use of category (h) (Vacant Land).

**Minimum rate**

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

The minimum rate is levied against the whole of an Allotment. Only one minimum rate is levied against two or more pieces of adjoining land (whether separated by a road or not) if they are owned by the same ratepayer and occupied by the same occupier. This is described as contiguous land and only one minimum rate is payable by the ratepayer.

The minimum rate in 2022-2023 is \$635 (\$628 in 21/22)

This represents an increase of \$7 (1.11%) on the minimum rate applied in 2021-2022. Overall, the minimum rate will be applied to approximately 20.87% of all rateable properties well within the maximum of 35% allowed for in the Local Government Act 1999.

**Payment of rates**

The Council has resolved that the payment of all rates will be in four equal or approximately equal instalments due on:-

1<sup>st</sup> - 2<sup>nd</sup> September 2022

2<sup>nd</sup> - 2<sup>nd</sup> December 2022

3<sup>rd</sup> - 3<sup>rd</sup> March 2023

4<sup>th</sup> - 2<sup>nd</sup> June 2023

**Annual service charges****Community wastewater management systems**

As set out in Section 155(2) of the Local Government Act 1999, the Council imposes an annual service charge on properties for the Community Wastewater Management Schemes to meet the operational and capital cost of the schemes.

The Council will recover this cost through an annual service charge of:

- \$665 for each occupied property unit (\$640 in 2021-22) (3.76% Increase)
- \$565 for each unoccupied property unit (\$545 in 2021-22) (3.67% Increase)

Where the service is provided to non-rateable land, a service charge is levied against the land.

### **Waste management**

For the purpose of meeting the costs associated with the collection and disposal of domestic and other garbage, Council has a Mobile Garbage Bin service charge on all serviced properties. Where the service is provided to non-rateable properties, a service charge is to be levied against the land.

Charges for Waste Management for 2022-2023 will be:

- Bin Service: \$270.00 (\$260 in 2021-22) (3.85% Increase)

Council charges separately for this service as it is specific to particular properties and is thus unreasonable to expect the total rate base to provide for its use, maintenance and replacement.

### **Adjoining property**

Section 152 of the Act states that if two or more pieces of contiguous rateable land are owned by the same owner and occupied by the same occupier, only one minimum charge may be imposed against the whole of the land.

### **Regional Landscaping levy**

Council is required to collect a regional landscape levy on all rateable properties within its district. Council is operating as a revenue collector for the Board in this regard and does not retain this revenue nor determine how the revenue is spent.

Council will for 2022-2023 impose a separate rate against rateable properties based on the land use of the land and forward the amount to the Board to fund its activities.

Residential	\$82.00
Commercial	\$126.00
Industrial	\$198.00
Primary Production	\$352.00

### **Rebate of Rates**

District Council of Grant is committed to providing financial and other assistance to organisations and community groups which contribute to the wellbeing of the community. A rebate of rates or service charges in respect of any rateable land in the Council area will be made available only when the applicant satisfies the requirements under the Local Government Act 1999 and the requirements set out in Council's Rating Policy.

### **Mandatory**

The Local Government Act requires Councils to rebate the rates payable for certain land uses. This includes land used for health and community services, religious purposes, cemeteries and educational institutions. The rebates vary from 75% to 100%. People or bodies seeking a rebate must make an application to Council.

### **Discretionary**

Council has the power to provide discretionary rebates in certain circumstances and will consider rebates upon application.

**Postponement of Rates – Hardship**

Section 182 of the Local Government Act permits the Council, on the application of the ratepayer, to partially or wholly remit rates or to postpone rates, on the basis of hardship. Where the ratepayer is suffering hardship in paying rates they are invited to contact the Council's Rates Officer to discuss the matter. Council treats such inquiries confidentially.

**Postponement of Rates – Seniors**

Applications may be made to Council for a postponement of the payment of any amount of rates in excess of \$500.00, for the current or a future financial year by:

- A ratepayer who holds a current State Seniors Card issued by the State Government, (prescribed ratepayer) or spouse of a prescribed ratepayer, and
- Where the rates are payable on the principal place of residence, and
- Where the land is owned by the prescribed ratepayer, or the prescribed ratepayer and his or her spouse, and no other person has an interest, as owner, in the land.

Any rates which are postponed will become due and payable:

- When the title to the land is transferred to another person; or
- There is a failure to comply with a condition of postponement.

Interest will accrue on the amount postponed at the prescribed rate per month until the full amount is paid. Postponement is available as a right and can only be refused when the applicant/s has less than 50% equity in the property.

## Appendix 1: Budgeted Financial Statements 2022-23

### DISTRICT COUNCIL OF GRANT BUDGET 2022/2023

#### STATEMENT OF COMPREHENSIVE INCOME

2021/2022 FORECAST BUDGET	\$'000	INCOME	2022/2023 BUDGET	\$'000
11,188	Rates		11,676	
382	Statutory Charges		358	
1,794	User Charges		2,131	
3,413	Grants Subsidies and Contributions		2,607	
40	Investment Income		35	
69	Reimbursement		66	
304	Other			172
<hr/>				<hr/>
17,190	TOTAL REVENUES			17,044
		<b>EXPENSES</b>		
6,378	Employee Costs		6,964	
5,243	Materials, Contracts and Other Expenses		5,086	
173	Finance Costs		164	
4,791	Depreciation, amortisation & impairment		4,825	
<hr/>				<hr/>
16,586	Total Expenses			17,038
		<b>OPERATING SURPLUS/(DEFICIT)</b>		
604	<b>BEFORE CAPITAL AMOUNTS</b>			6
-	Net gain (loss) on disposal or revaluation of assets			-
1,813	Amounts specifically for new or upgraded assets			140
-	Physical resources received free of charge			-
<hr/>				<hr/>
2,417	<b>TOTAL COMPREHENSIVE INCOME</b>			<b>146</b>
<hr/>				<hr/>

**DISTRICT COUNCIL OF GRANT  
BUDGET 2022/2023**

**CASH FLOW STATEMENT**

<b>2021/2022 FORECAST BUDGET</b>		<b>2022/2023 BUDGET</b>
\$'000		\$'000
Inflows (Outflows)		Inflows (Outflows)
<b>CASHFLOWS FROM OPERATING ACTIVITIES</b>		
<b>RECEIPTS</b>		
17,150	Operating Receipts	17,009
40	Investment Receipts	35
(11,621)		
(173)		
<u>5,396</u>	<b>Net Cash provided by (or used in) Operating Activities</b>	<u>4,831</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>RECEIPTS</b>		
1,813	Grants specifically for new or upgraded assets	140
0	Repayments of Loans by Community Groups	0
745	Sale of Assets	855
(5,453)		
(1,907)		
<u>(4,802)</u>	<b>Net Cash provided by (or used in) Investing Activities</b>	<u>(4,034)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>RECEIPTS</b>		
-	Proceeds from Borrowings	-
(507)		
<u>(507)</u>	<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<u>(408)</u>
<b>NET INCREASE (DECREASE) IN CASH HELD</b>		
86		390
4,048		4,134
<u>4,134</u>	<b>CASH AT BEGINNING OF YEAR</b>	<u>4,524</u>
	<b>CASH AT END OF YEAR</b>	

**DISTRICT COUNCIL OF GRANT**  
**BUDGET 2022/2023**

**BALANCE SHEET**

<b>2021/2022 FORECAST BUDGET</b>		<b>2022/2023 BUDGET</b>
\$'000		\$'000
4,134		4,524
1,184		1,184
117		117
<b>5,435</b>		<b>5,825</b>
	<b>ASSETS</b>	
	<b>CURRENT ASSETS</b>	
	Cash and cash equivalents	4,524
	Trade & other receivables	1,184
	Inventories	117
	<b>TOTAL CURRENT ASSETS</b>	<b>5,825</b>
	<b>NON-CURRENT ASSETS</b>	
	Financial Assets	145
	Infrastructure, Property, Plant & Equipment	145,059
	<b>TOTAL NON-CURRENT ASSETS</b>	<b>145,204</b>
	<b>TOTAL ASSETS</b>	<b>151,030</b>
	<b>LIABILITIES</b>	
	<b>CURRENT LIABILITIES</b>	
	Trade & Other Payables	1,427
	Borrowings	507
	Short-term Provisions	1,152
	<b>TOTAL CURRENT LIABILITIES</b>	<b>3,086</b>
	<b>NON-CURRENT LIABILITIES</b>	
	Long-term Borrowings	1,456
	Long-term Provisions	92
	<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>1,548</b>
	<b>TOTAL LIABILITIES</b>	<b>4,634</b>
	<b>NET ASSETS</b>	<b>146,396</b>
	<b>EQUITY</b>	
	Accumulated Surplus	48,357
	Asset Revaluation	96,894
	Other Reserves	1,145
	<b>TOTAL EQUITY</b>	<b>146,396</b>

**DISTRICT COUNCIL OF GRANT**  
**BUDGET 2022/2023**

**STATEMENT OF CHANGES IN EQUITY**

<b>2021/2022 FORECAST BUDGET</b>		<b>2022/2023 BUDGET</b>
\$'000		\$'000
	<b>ACCUMULATED SURPLUS</b>	
45,793	Balance at end of previous reporting period	48,210
2,417	Net Result for Year	146
0	Transfer From Reserves	0
0	Transfer To Reserves	0
<hr/>	<b>BALANCE AT END OF PERIOD</b>	<b>48,357</b>
	<b>ASSET REVALUATION RESERVE</b>	
96,894	Balance at end of previous reporting period	96,894
0.00	Gain on revaluation of infrastructure, property, plant & equipment	0.00
0.00	Transfer to Accumulated Surplus on sale of infrastructure, property, plant & equipment	0.00
<hr/>	<b>BALANCE AT END OF PERIOD</b>	<b>96,894</b>
	<b>Other Reserves</b>	
1,145	Balance at Beginning of Period	1,145
-	Transfer to reserve from accumulated surplus	-
0	Transfer from reserve to accumulated surplus	0
<hr/>	<b>BALANCE AT END OF PERIOD</b>	<b>1,145</b>
<hr/> <b>146,249</b> <hr/>	<b>TOTAL EQUITY AT END OF REPORTING PERIOD</b>	<b>146,396</b>

**DISTRICT COUNCIL OF GRANT**  
**BUDGET 2022/2023**

**UNIFORM PRESENTATION OF FINANCES**

<b>2021/2022 FORECAST BUDGET</b>		<b>2022/2023 BUDGET</b>
\$'000		\$'000
17,190	Operating Revenues	17,044
(16,586)	less Operating Expenses	(17,038)
<u>604</u>	<b>Operating Surplus / (Deficit) before Capital Amounts</b>	<u>6</u>
	<b>Less Net Outlays in Existing Assets</b>	
5,349	Capital Expenditure on renewal and replacement of	4,085
(4,791)	Existing Assets	(4,825)
(745)	less Depreciation, Amortisation and Impairment	(855)
<u>(187)</u>	less Proceeds from Sale of Replaced Assets	<u>(1,595)</u>
	<b>Less Net Outlays on New and Upgraded Assets</b>	
1,907	Capital Expenditure on New and Upgraded Assets	944
(2,451)	less Amounts received specifically for New and Upgraded	(140)
-	Assets	-
<u>(544)</u>	less Proceeds from Sale of Surplus Assets	<u>804</u>
1,336	<b>Net Lending / (Borrowing) for Financial Year</b>	798

**DISTRICT COUNCIL OF GRANT**  
**BUDGET 2022/2023**

**FINANCIAL INDICATORS**

2021/2022

**FORECAST  
BUDGET**

**2022/2023  
BUDGET**

\$'000

604

**Operating Surplus**

*Being the Operating Surplus (Deficit) before Capital Amounts*

3.52%

**Operating Surplus Ratio**

Operating Surplus

Total Operating Income

*This ratio expresses the Operating Surplus as a percentage of Total Operating Income*

(422)

**Net Financial Liabilities**

*Net Financial Liabilities are defined as Total Liabilities less financial assets (excluding equity accounted investments in Council Businesses)*

-2.45%

**Net Financial Liabilities Ratio**

Net Financial Liabilities

Total Operating Income

103.68%

**Asset Sustainability Ratio**

Net Asset Renewals

Infrastructure & Asset Management Plan required expenditure

*Net Asset Renewals Expenditure is defined as Net Capital Expenditure on the renewal and replacement of existing assets, and excludes new Capital Expenditure on the acquisition of additional assets*

\$'000

6

0.04%

(1,220)

-7.15%

120.92%

## **Appendix 2: Local Government Financial Indicator Definitions**

### **Ratio Descriptions**

#### **Operating Surplus (Deficit) Ratio**

This ratio expresses the operating surplus (deficit) as a percentage of general and other rates, net of rebates. A negative ratio indicates the percentage increase in total rates required to achieve a break-even operating result. A positive ratio indicates the percentage of total rates available to fund capital expenditure over and above the level of depreciation expense without increasing Council's level of net financial liabilities. If this amount is not required for capital expenditure it reduces the level of net financial liabilities.

*Council's target is to achieve an operating surplus ratio between (0%) deficit and 10% surplus.*

Council's 2022-2023 budget aims to achieve an operating deficit ratio of 0.04%.

#### **Net Financial Liabilities**

Net financial liabilities measure Council's total indebtedness. Net financial liabilities is a broader measure than net debt as it includes all of Council's obligations including provisions for employee entitlements and creditors. The level of net financial liabilities increases when a net borrowing result occurs in a financial year and will result in a Council incurring liabilities and/or reducing financial assets. The level of net financial liabilities decreases when a net lending result occurs in a financial year and will result in a Council purchasing financial assets and/or repaying liabilities.

*Council's target is to maintain its net financial liability between zero and \$17.044m (Total operating revenue).*

Council's 2022-2023 Budget aims to achieve a net financial liability of (\$1.220m.)

#### **Net Financial Liabilities Ratio**

This ratio indicates the extent to which net financial liabilities of the Council can be met by the Council's total operating revenue. Where the ratio is falling it indicates the Council's capacity to meet its financial obligations from operating revenues is strengthening. Where the ratio is increasing it indicates a greater amount of Council's operating revenues is required to service its financial obligations.

*Council's target is to maintain its net financial liability ratio between zero and 100%.*

Council's 2022-2023 Budget aims to achieve a net financial liability ratio of -7.15%

#### **Asset Sustainability Ratio**

This ratio indicates whether the Council is renewing or replacing existing non-financial assets at the rate of consumption. On occasions the Council will accelerate or reduce asset expenditures over time to compensate for prior events or invest in assets by spending more now so that it costs less in the future to maintain.

*Council's target is to maintain its asset sustainability ratio between 90% and 110%.*

Council's 2022-2023 Budget aims to achieve an asset sustainability ratio of 120.92%.