

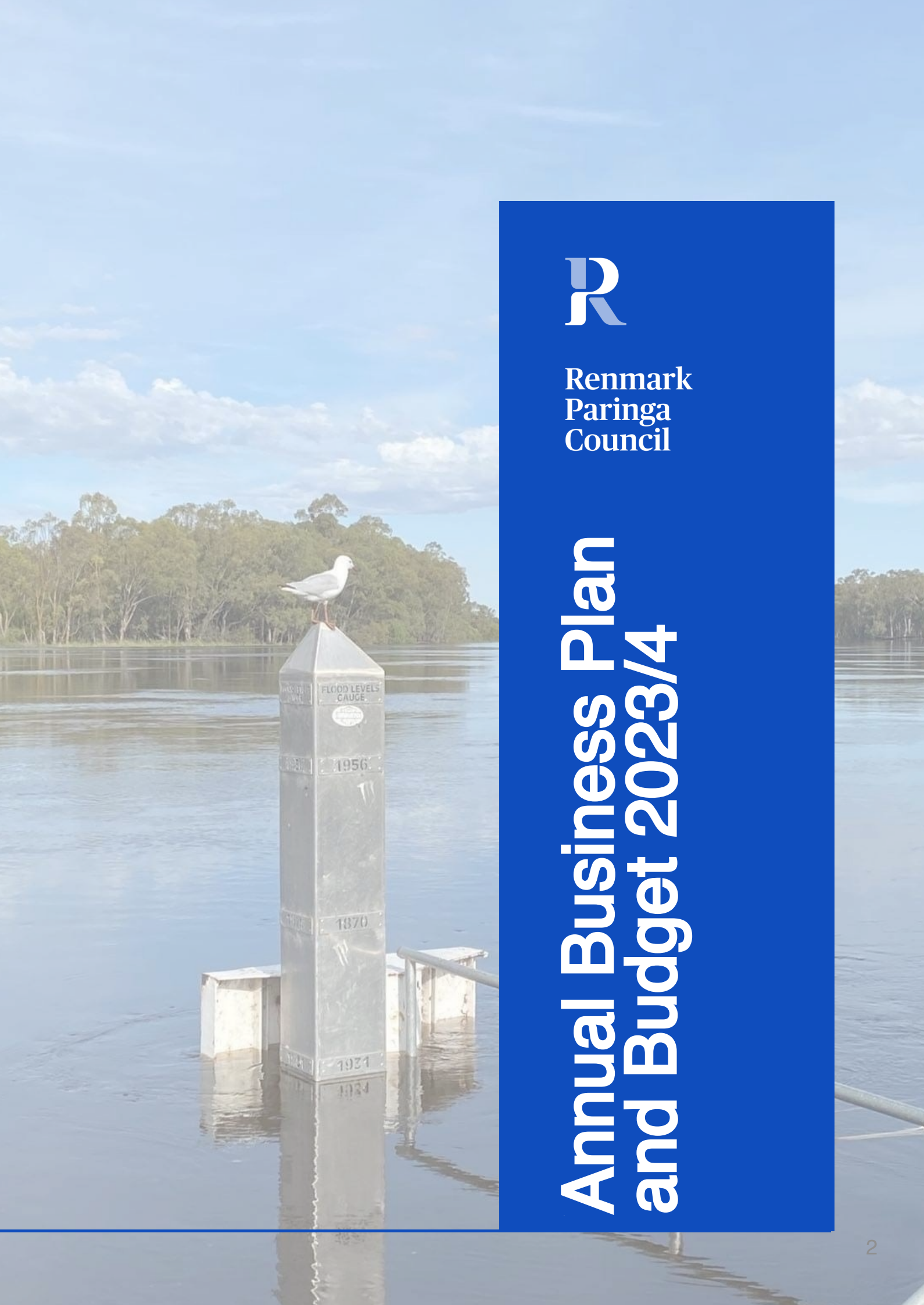


Annual Business Plan and Budget

2023/24



Renmark
Paringa
Council



Renmark
Paringa
Council

Annual Business Plan and Budget 2023/4



Table of Contents

Message from the Mayor	05.
At a Glance	06.
Our Council	07.
Our Services	08.
Strategic Outcomes	09.
Our Future	10.
Significant Influences	11.
Significant Projects for the 2023/24 Year	12.
Funding our ABP and Budget	13.
Measuring our Performance	15.
General Rates	17.
Service Charges	23.
Rebate of Rates	24.
Other Revenue	25.
Financial Statements	26.
Capital and Operating Projects	32.

Special thanks to valued community member Grant Schwartzkopff for supplying images.



Message from the Mayor

Dear Residents and Ratepayers,

I am pleased to present Renmark Paringa Council's Annual Business Plan and Budget for 2023/24.

I firstly want to start by thanking the community for electing me as your Mayor at the recent Local Government Elections. The commencement of my first term as Mayor has been nothing but momentous with the region experiencing the second largest River Murray Flood in 150 years. The challenges faced by our region were tremendous, but our community rallied together, and our townships remained safe and dry. We could not have undertaken the work required without the support of our local contractors and the wider community. I am truly honored and excited to be representing our beautiful region as we emerge resilient and with a stronger community spirit than ever before.

Unfortunately, due to the River Murray Flood, the majority of our capital projects from 2022/23 were placed on hold to allow staff to focus on vital flood preparation and recovery work. This means that in 2023/24 our proposed capital works program will consist predominately of these projects.

In 2023/24 we will continue to identify opportunities for new approaches and partnerships to support our community and enable our businesses and economy to grow and prosper. We will also deliver major strategic projects and programs to improve our environment, our community and our places, to bring us together and celebrate what we all enjoy about living, working and playing in the Renmark Paringa Council area. This plan includes capital expenditure programs that respond directly to calls from both the State and Federal Governments to partner with them to deliver major infrastructure projects to further stimulate the economy.

Our proposed capital works program will not only continue to maintain Renmark Paringa's public amenity but will also help stimulate the economy and create local jobs. We have thought carefully about the needs of our diverse community, not only over the next twelve months but for future generations as demonstrated in our suite of strategic documents.

In order to fund our Annual Business Plan we have taken a softer approach by endorsing a rate rise below CPI to offer some much needed relief given the current economic climate. Our approach ensures we are maintaining rate rises at a sustainable level in line with our Long Term Financial Plan.

Our Annual Business Plan and Budget for 2023/24 is ambitious but deliverable and will ultimately guide us towards our vision *'to enhance the liveability, prosperity and sustainability of our community'*.

Yours faithfully,
Peter Hunter
Mayor



At a Glance

The Annual Business Plan and Budget outlines how Council will allocate its budget and what services, programs and projects will be delivered in the coming financial year to contribute to achieving the community's long-term objectives.

In 2023/24 Council has significant expenditure on the renewal and upgrade of key assets including:

- Twenty First Street Bridge Replacement
- Renmark Wharf
- Renmark Wastewater Treatment Plant

Some of these projects are multi-year projects that have already commenced and will carry over to 2023/24 and beyond.

Council will continue to maintain essential infrastructure such as roads, footpaths, storm water drainage and open space. It will also provide regulatory services such as planning and development, food hygiene, and provide other key services such as waste collection, a library, community services and environmental management.

The major components of the 2023/24 Annual Business Plan are outlined in the table below.

Planned Projects	17 Capital projects and 4 Operating projects have been identified to contribute towards achieving Council's long term objectives
Capital Budget	\$4.941 million of capital works, with \$7.518 million carry over from 2022/23 for multi year projects.
Operating Budget	Operating deficit of (\$807,000), further detail can be found on page 15.
Loans	An increase in loan borrowings of \$1.606 million to fund capital works
Rates	Average residential rate increase of \$92.56. Fixed charge is maintained at \$400.
Rating Policy	Council continues to use capital value when rating properties. Council uses a differential rating system, using land use codes as the factor to apply such differential rates. Highest differential rate is on vacant properties to encourage development.
Financial Sustainability	Operating surplus ratio of (4.55%) Net financial liabilities ratio of 19.81% Asset renewal funding ratio of 102.74%

Our Council

Renmark Paringa Council covers an area of approximately 407 square kilometres and is home to an estimated population of 9,783 (2021 Census). The area has three major settlements being Renmark, Paringa and Lyrup.

In Renmark Paringa the top performing industries in terms of productivity (value added) are; agriculture at \$235.9 million (44.5 percent), construction at 53.7 million (10.1 percent), manufacturing at 34.4 million (6.5 percent), wholesale trade 29.1 million (5.5 percent), and health care at \$26.4 million (5 percent).

The true value of tourism is difficult to quantify, as it includes parts of numerous industries, however it is a significant and growing sector for our economy.



Our Services

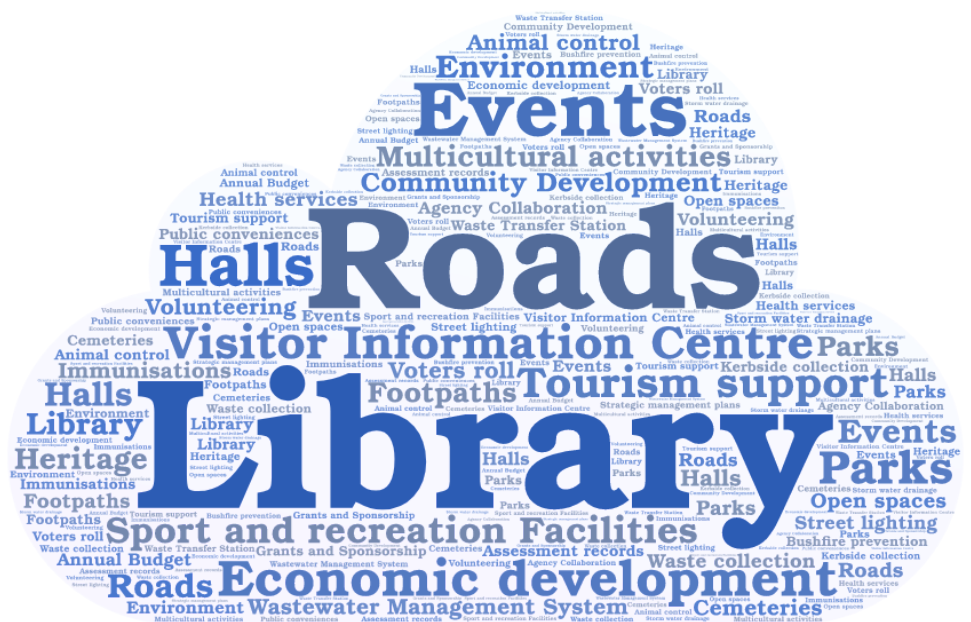
Renmark Paringa Council provides a range of services, programs and infrastructure to meet the needs of our community and to fulfil our legislative requirements under the Local Government Act 1999.

Under the Local Government Act 1999 and other relevant legislation, all councils have basic responsibilities, which include:

- Regulatory activities, including development planning and control, and fire safety
- Setting rates, preparing an annual business plan, including budgets, and developing longer term strategic management plans, asset management plans and financial plans
- Management of infrastructure and other assets, including roads, footpaths, parks, street lighting and storm water drainage
- Street cleaning and rubbish collection
- Environmental health services, including public health inspections, immunisation and pest control.

These services, programs and facilities provide important community benefits and generate revenue, which allows us to minimise rate increases while still providing funding for services and new initiatives that benefit our council area and community.

Council provides further services that are not required by legislation, but provide additional amenity and quality of life benefits to the community.



Council also operates a number of facilities on a fee for service basis. These provide community benefits while also generating revenue to offset (partially or fully) the cost to the community at large and include:

- Renmark Swimming Pool
- Alan Coulter Recreation Centre
- Cemeteries
- Renmark Airport
- Houseboat marinas

Strategic Outcomes



Effective Governance

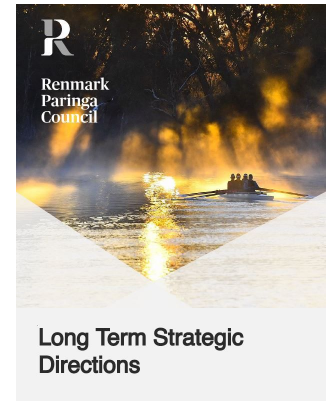
Efficient | Skilled | Accountable

Our Future

Long Term Strategic Directions

The role of the Long Term Strategic Directions is to provide an outline of the emerging trends that are likely to influence our community. It offers an indication of what the future may look like and what the evolving challenges and opportunities may be.

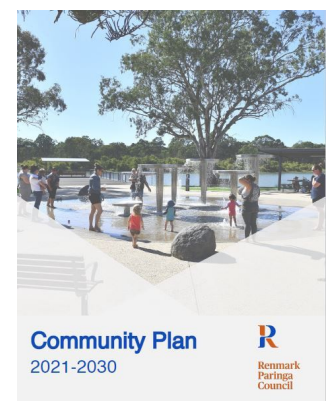
The Long Term Strategic Directions is not a strategic plan. It does however provide the foundation on which the Renmark Paringa Council Community Plan 2020-2030 is built upon. The Long Term Strategic Directions outlines the big picture challenges and opportunities that our community will likely encounter. The Community Plan 2020-2030 uses this context to define a clear vision and goals for what we want to achieve on behalf of our community, in response to the challenges and opportunities.



Community Plan 2021-2030

Renmark Paringa Council's Community Plan for 2021-2030 is our overarching strategic plan which charts our desired future for the coming decade.

The role of our Community Plan 2021-2030 is to present our community vision and also our aligned strategic outcomes. Our Community Plan 2021-2030 forms part of the 'strategic management plans' under Section 122 of the Local Government Act 1999. Whilst our Community Plan only legally needs to have a lifespan of four years, it is supported by our Long Term Financial Plan and Infrastructure and Asset Management Plan, both of which legally need to have a lifespan of ten years.



Corporate Plan 2021-2024

Renmark Paringa Council's Corporate Plan for 2021-2024 is our medium term plan for what Council will achieve on behalf of the community over the coming few budget cycles. It takes the Strategic Outcomes and Goals that are established within the Community Plan 2021-2030 and breaks down staged priorities. The intent is that these staged priorities will then cascade into and form the basis of each Annual Business Plan and Budget cycle.

These strategic documents are pioneering for Renmark Paringa Council. First and foremost they are born out of evidence. The Long Term Strategic Directions document identifies Council's challenges and opportunities and the following strategic documents cascade from that.



The Corporate Plan is due to be reviewed within two years of a Local Government Election, and will be reviewed in 2024.

Significant Influences

A number of significant factors have influenced the preparation of Council's Annual Business Plan and Budget 2023/24. These include:

2022 River Murray Flood

The 2022 Flood, was the second largest River Murray flood in 152 years. The flood preparation and subsequent recovery required the near full attention of Renmark Paringa Council's staff and contractors for many months. Council, with the assistance of a team of contractors, was successful in remediating 38 kilometres of levee banks, blocking/pumping 30 stormwater drains and proactively engaging with our local community. Our flood response was successful, with no levee bank breaches, no property damage within the levee banks and no loss of life, however it did mean that many scheduled capital and operating works needed to be postponed. This means that the focus of the 2023/24 Annual Business Plan needs to be catching up on works that were postponed and getting back to business-as-usual.

The South Australian and Australian governments have covered many of the costs that Council accumulated during the flood, there will be assets that will require ratepayer funding to repair.

Local Government Reform

The Statutes Amendment (Local Government Review) Bill was passed by the State Government in June 2021. Implementation of the revised legislation has commenced and is occurring through a series of tranches, which will continue through 2023. The revised legislation has benefits in terms of public transparency and accountability but it does also add financial costs to Councils.

Elections

The Local Government elections occurred in November 2022, which delivered a new Council with a four year term.

Project Delivery Impacts

The Australian economy has rebounded strongly in the wake of Covid-19, which has resulted in significant demand in the construction sector. The sector is currently facing a shortage of trades to deliver on work, increased pricing and shortages of materials, which is resulting in delayed time frames. Council is not immune to these impacts and will continue to be proactive in engaging with suppliers and contractors however it is expected that there may be ongoing impacts to the projected costs of projects and delivery schedules.

Long Term Financial Pressures

In accordance with the Long Term Financial Plan, Council needs to meet its obligations without leaving a significant financial impost for future generations.

Infrastructure Demands

The ongoing maintenance of existing infrastructure is required to ensure continued benefit to the community.

Inflation & Capital Valuation Growth

Council's Long Term Financial Plan currently assumes Consumer Price Index (CPI) to be at 2.5%. However, due to the strong post-Covid recovery of the economy, CPI has recently reached 7.9% (Adelaide All Groups - year ending March 2023). The Reserve Bank of Australia has aggressively raised the cash rate which will ultimately soften inflation. Similarly, property valuations have also significantly increased over the last 12 months. Council is therefore marginally reducing its rates in the dollar across all land use codes to soften the impact of both high inflation and increased capital values, while balancing the sustainability of its long term financial position on behalf of the community.

A broader and more long term view of our community's challenges and opportunities can be found within Renmark Paringa [Council's Long Term Strategic Directions](#).

Significant Projects for the 2023/24 Year

Jane Eliza Development

This project is significant for the region and is expected to act as a major economic driver across several industrial and property asset classes. The project has the potential to provide certainty for the long term growth and housing supply of Renmark and the broader Riverland.

The project will provide a mixed-use master planned estate including a high quality marina with both commercial and residential uses.

Renmark Wastewater Treatment Plant

With the detailed design process achieving completion in the 2022/23 financial year, 2023/24 will see the commencement of the construction for renewal of the Renmark Wastewater Treatment Plant. The upgrades will enable the system to run more efficiently and will also increase the capacity of the system, enabling the future population growth of our community.

180 Murray Avenue

The 180 Murray Avenue redevelopment will include the demolition of the old Westpac Bank building and the establishment of a high quality public open space area. This riverfront project further enhances walkability and access to the Renmark Riverfront and Town Centre by building upon the recent success of the Taylor Riverfront Precinct.

Paringa Town Centre Revitalisation

This project will deliver the first of a suite of upgrades for the Paringa town centre, envisaged by the community during the development of the Paringa Place Plan. The initial upgrades to be planned and delivered during this financial year include a new nature play space, upgraded public toilets with enhanced accessibility and improved barbeque and seating facilities within the median strip.

Twenty First Street Bridge Replacement

The Twenty First Street bridge experienced significant damage during the 2022/23 River Murray flooding event, resulting in the bridge requiring full reconstruction. The process to design and construct a replacement bridge will include improvements to the asset's flood resilience. This is a complex project that will take time to deliver with construction currently forecast to commence in the second half of 2024.

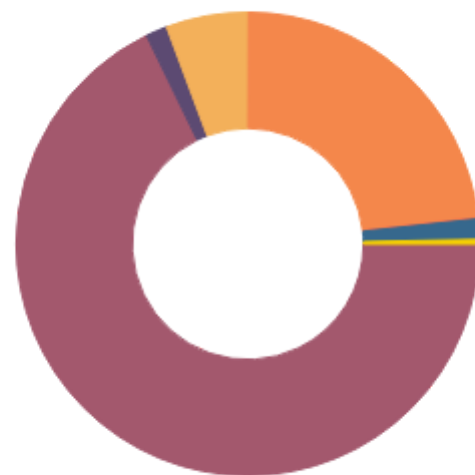
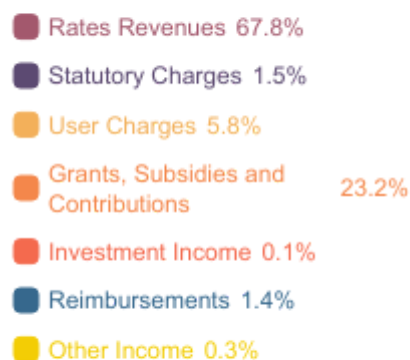
Funding our ABP and Budget

Council has budgeted for an operating deficit of \$807,000 for 2023/24. The operating result measures the difference between revenue and expenses for the period.

Council's long-term financial sustainability is dependent on ensuring that, on average over time, its expenses are less than its revenue.

Council has developed a Long Term Financial Plan and Infrastructure and Asset Management Plan which provides a system for Council to meet its financial obligations into the future.

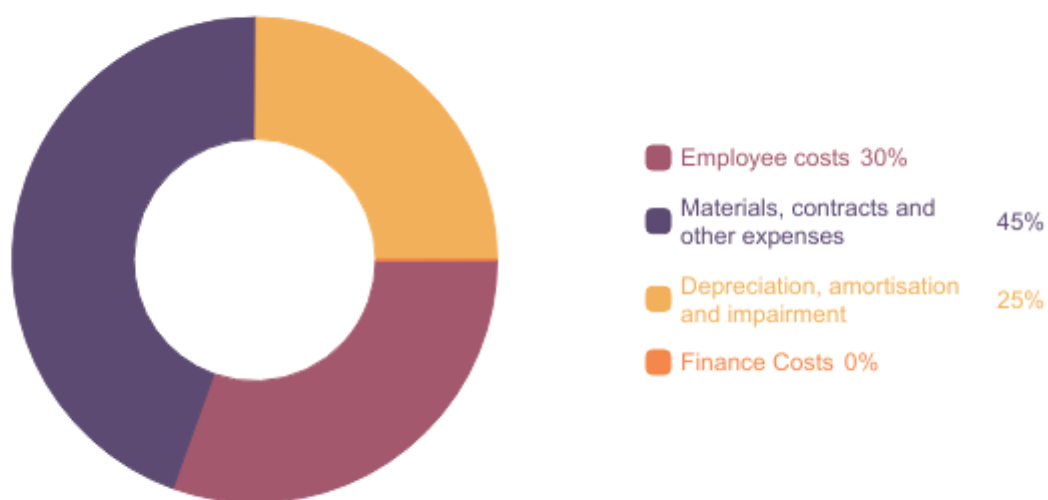
INCOME	\$'000
Rates Revenues	12,058
Statutory Charges	264
User Charges	1,018
Grants, Subsidies and Contributions	4,099
Investment Income	13
Reimbursements	250
Other Income	54
Total Income	17,756



The income chart above has been prepared to provide a visual representation of the sources of revenue received by Council. As can be seen from this graph 68% of this revenue is received by way of rate income and 23% from grants.

The expenditure chart below shows that approximately 30% of costs are attributable to the payment of salaries and wages and approximately 45% is applied to materials, contracts and other expenses.

EXPENSES	\$'000
Employee costs	5,662
Material, contracts and other expenses	8,280
Depreciation, amortisation and impairment	4,613
Finance costs	9
Total Expenses	18,564



Measuring our Performance

To enable both the Council and the community to assess Council's performance over the 2023/24 year, 'Performance Targets' have been set for a number of selected activities as shown below.

These financial and non-financial 'Performance Targets' will be reviewed throughout the year and at its conclusion a report on the performance outcomes will then be included in the 2023/24 Annual Report.

FINANCIAL PERFORMANCE

Council is required to report on defined Key Performance Indicators (KPI) which measures the impact of the Annual Budget on Council's financial position and ultimately, its long term sustainability.

Council's Long Term Financial Plan (LTFP) establishes the target for a particular year into the future, combined with target ranges adopted by Council.



Indicates that Council is ahead of the KPI target from the LTFP for the corresponding year.



Indicates that Council is behind the KPI target from the LTFP for the corresponding year.





Indicates that the Council is on par with the KPI target from the LTFP for the corresponding year.

OPERATING RESULT



In 2023/24 Council is budgeting for an operating deficit of \$807,000.

To determine whether Council has achieved a successful result in 2022/23, the target is measured against the corresponding 2023/24 target from the LTFP.

Year	2022/23 Forecast	2023/24 LTFP Target	2023/24 Budget
Result	(588,000)	(807,000)	(807,000)
Status			



OPERATING SURPLUS RATIO

The operating surplus ratio expresses the projected operating result as a percentage of general rate revenue. The operating surplus ratio is directly related to the operating result, and as such the target is to have a ratio of between 0% and 10%.

Year	2022/23 Forecast	2023/24 LTFP Target	2023/24 Budget
Result	(3.55%)	(4.55%)	(4.55%)
Status			



NET FINANCIAL LIABILITIES RATIO

The Net Financial liabilities ratio expresses the projected Net Financial Liabilities as a percentage of total operating revenue for each year. Council has set a target range of between -50% and 50%.

Year	2022/23 Forecast	2023/24 LTFP Target	2023/24 Budget
Result	(31.25%)	19.81%	19.81%
Status			

ASSET RENEWAL FUNDING

This ratio indicates the extent to which existing non-financial assets are being renewed and replaced, compared with what is needed to cost-effectively maintain service levels. It is calculated by measuring capital expenditure on renewal or replacement of assets, relative to the optimal level of such expenditure proposed in Council's Infrastructure and Asset Management Plan. Council has set a target range of between 90% and 110%.

Year	2022/23 Forecast	2023/24 LTFP Target	2023/24 Budget
Result	96.38%	102.74%	102.74%
Status			

General Rates

Rates are a tax levied on properties according to their capital value which are determined by the Valuer General. After consideration of the influences and priorities forecast to be present in 2023-24 and beyond, Council is forecasting to generate \$8,578,029 in General Rate Revenue (excluding CWMS and Waste Management Charge).

The table below highlights the change in average rates paid (excluding CWMS, Waste Management Charge and Landscape Levy) based on an average residential property value of \$328,479.

2023/24 RPC Residential Average	\$1,168
2022/23 RPC Residential Average	\$1,076
2023/24 RPC average dollar value of rate increase for residential properties	\$92.56
2023/24 RPC average percentage rate increase for residential properties	7.88%

VALUATION METHOD

Council has the option of adopting one of three valuation methodologies to assess the properties in its area for rating purposes:

- Capital Value – the value of the land and all improvements on the land.
- Site Value – the value of the land and any improvements which predominantly affect the amenity of use of the land, such as drainage works, but excluding the value of buildings and other improvements
- Annual Value – a valuation of the rental potential of the property.

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

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

DIFFERENTIAL GENERAL RATES AND COMMUNITY EQUITY ISSUES

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

Land Use	Capital Value 2022/23	Capital Value 2023/24	Capital Valuation Change %	Rate in Dollar %	General Rates raised 2022/23	General Rates raised 2023/24
Residential	1,136,620,655	1,290,922,909	11.95%	0.2350	4,225,671	4,589,445
Commercial Shops	48,704,411	54,416,616	10.50%	0.4920	301,855	325,727
Commercial Office	4,850,312	5,523,018	12.18%	0.4920	33,185	36,053
Commercial Other	57,563,761	62,598,423	8.04%	0.4920	334,450	353,383
Industrial Light	3,661,937	5,694,166	35.69%	0.4920	24,350	35,615
Industrial Other	41,240,543	54,511,308	24.34%	0.4920	227,469	288,809
Primary Production	589,843,708	612,319,996	3.67%	0.3450	2,434,105	2,465,986
Vacant Land	34,522,718	38,995,598	11.47%	0.6600	356,600	344,544
Other	19,263,992	22,214,467	13.28%	0.2350	132,530	138,467
Totals	1,936,272,037	2,195,640,880	11.81%		8,070,215	8,578,029

FIXED CHARGE

A fixed charge is levied against the whole of an allotment (including land under a separate lease or licence) and only one fixed charge is levied against two or more pieces of adjoining land (whether intercepted by a road or not) if they are owned by the same owner and occupied by the same occupier. Also if two or more pieces of rateable land within the area of the Council constitute a single farm enterprise, only one fixed charge may be imposed against the whole of the land.

The reasons for imposing a fixed charge are:

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

Council is limited to the amount that can be raised by the fixed charge in that it cannot raise more than 50% of its general rate revenue from the fixed charge component. In 2023/24 Council is forecast to raise 22% of its general rate revenue by way of the fixed charge.

The fixed charge for 2023/24 is \$400. The fixed charge in 2022/23 was also \$400.

SEPARATE RATE - REGIONAL LANDSCAPE LEVY

Renmark Paringa Council is within the South Australian Murraylands and Riverland Landscapes Board and is required under the Landscapes South Australia Act 2019 to fund the operations of the board. It does so by imposing a separate rate for all rateable properties within the Council. The Council is required to act as a collection agent in this regard. Council does not retain this revenue, nor determine how it is spent.

The Landscapes Board of SA has determined Council's contribution for 2023/24 as \$392,616. This is an increase of 4.65% on last years contribution. The total revenue will be generated by a rate in the dollar against the capital value of each rateable property.

The Regional Landscape Levy cents in the dollar for 2023/24 is \$0.01860.

STATEMENT ON EXPECTED RATE REVENUE

Expected Rates Revenue					
	2022/23 (as adopted)	2023/24 (as adopted)	Change		Comments
General Rates Revenue					For 2023/24, an expected increase in total general rates revenue of approximately 6% is projected. This increase is consistent with Councils adopted Long Term Financial Plan
General Rates (existing properties)	8,070,215	\$8,578,029	(a)		
General Rates (new properties)	72,632		(b)		
General Rates (GROSS)	\$8,070,215	\$8,578,029	(c)		
Less: Mandatory Rebates	(\$59,625)	(\$65,327)	(d)		
General Rates (NET)	\$8,010,590	\$8,512,702	(e)	6%	
(e) = (c) + (d)					
Other Rates (Inc. service charges)					
Regional Landscape Levy	\$376,436	\$392,616	(f)	The Regional Landscape Levy is a State tax, it is not retained by council.	
Waste collection	\$1,271,280	\$1,347,557	(g)	Two and Three Bin Collection Service	
CWMS	\$1,722,668	\$1,858,759	(h)	Community Wastewater Management System Service	
	\$11,380,974	\$12,111,634			
Less: Discretionary Rebates	(\$107,485)	(\$110,597)	(i)		
Expected Total Rates Revenue	\$10,897,053	\$11,608,421	(j)	6.13%	Excluding the Regional Landscape Levy and minus Mandatory & Discretionary Rebates.
(j) = (e) + (g) + (h) + (i)					

	2022/23 (as adopted)	2023/24 (as adopted)		Change	Comments
Estimated growth in number of rateable properties					
Number of rateable properties	5,853	5,889	(k)	0.61%	'Growth' (as per Local Government Act 1999 Definition) is expected to account for approximately 0.61% of the estimated increase in General Rates to be collected (refer b).
	Actual	Actual			
'Growth' is defined in the regulations as where new properties have been created which has added rateable properties to council's ratepayer base. Growth can also increase the need and expenditure related to infrastructure, services and programs which support these properties and residents.					
Estimated average General Rates per rateable property					
Average per rateable property	\$1,379	\$1,457	(l)	5.35%	'These 'averages' are based on the total Gross General Rates of all rateable properties and excluded Mandatory and Discretionary Rebates and are therefore not necessarily indicative of other the rate or change in rates that all ratepayers will experience. Being 5.35% plus 0.9% for new properties.
	(l) = (c)/(k)				
Councils use property valuations to calculate each rateable property's contribution to the required rate revenue total. Councils do not automatically receive more money because property values increase but this may alter how rates are apportioned (or divided) across each ratepayer (ie. some people may pay more or less rates, this is dependent on the change in value of their property relative to the overall valuation changes across the council area).					
The total General Rates paid by all rateable properties will equal the amount adopted in the budget.					

Notes			
(d)	Councils are required under the Local Government Act to provide a rebate to qualifying properties under a number of categories:		
	Health Services - 100 per cent	Religious purposes - 100 per cent	Royal Zoological Society of SA - 100 per cent
	Community Services - 75 per cent	Public Cemeteries - 100 per cent	Educational purposes - 75 per cent
	The rates which are foregone via Mandatory Rebates are redistributed across the ratepayer base (ie. all other ratepayers are subsidising the rates contribution for those properties who receive the rebate).		
(e)	Presented as required by the Local Government (Financial Management) Regulations 2011 reg 6(1)(ea)		
	Please Note: The percentage figure in (e) relates to the change in the total amount of General Rates revenue to be collected from all rateable properties, not from individual rateable properties (ie. individual rates will not necessarily change by this figure).		
(f)	Councils are required under the Landscape South Australia Act 2019 to collect the levy on all rateable properties on behalf of the State Government. The levy helps to fund the operations of regional landscape boards who have responsibility for the management of the State's natural resources.		
(h)	Community Wastewater Management Systems		
(i)	A council may grant a rebate of rates or service charges in a number of circumstances. The rates which are foregone via Discretionary Rebates are redistributed across the ratepayer base (ie. all other ratepayers are subsidising the rates contribution for those properties who receive the rebate).		
(j)	Expected Total Rates Revenue excludes other charges such as penalties for late payment and legal and other costs recovered.		
(k)	'Growth' as defined in the Local Government (Financial Management) Regulations 2011 reg 6(2)		

Land Use	Total expected revenue			Rateable properties		Average per rateable property					Cents in the \$ 2023/24
	2022/23	2023/24	Change	2022/23	2023/24	2022/23	2023/24		Change		
Residential	4225671	4,589,445	8.61%	3840	3930	\$ 1,086	\$ 1,168	(m)	\$ 82	0.2350	
Commercial Shops	301855	325,727	7.91%	147	146	\$ 2,053	\$ 2,231	(m)	\$ 178	0.4920	
Commercial Office	33185	36,053	8.64%	24	23	\$ 1,443	\$ 1,568	(m)	\$ 125	0.4920	
Commerical Other	334450	353,383	5.66%	121	118	\$ 2,811	\$ 2,995	(m)	\$ 184	0.4920	
Industrial Light	24350	35,615	46.26%	16	20	\$ 1,522	\$ 1,781	(m)	\$ 259	0.4920	
Industrial Other	227469	288,809	26.97%	61	59	\$ 3,791	\$ 4,895	(m)	\$ 1,104	0.4920	
Primary Production	2434105	2,465,986	1.31%	1054	1055	\$ 2,303	\$ 2,337	(m)	\$ 34	0.3450	
Vacant Land	356600	344,544	-3.38%	253	235	\$ 1,505	\$ 1,466	(m)	-\$ 39	0.6600	
Other	132530	138,467	4.48%	287	303	\$ 439	\$ 457	(m)	\$ 18	0.2350	
Total Land Use	8070215	8,578,029	6.29%	5803	5889	\$ 1,379	\$ 1,457	(m)	\$ 78		

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

Fixed Charge					
	Total expected revenue		Charge		
	2023/24		2022/23	2023/24	Change
Fixed Charge	\$2,220,800		\$400	\$400	(n) \$0

In addition to differential rating Council uses a fixed charge that ensures all rateable properties pay a base amount to the cost of administering Council activities and maintaining the services and infrastructure that supports each property.

This revenue amount is included in the General Rates GROSS figure at (c).

Capital Value / Site Value / Annual Value

Council has the option of adopting one of three valuation methodologies to assess the properties in its area for rating purposes:

Capital Value – the value of the land and all improvements on the land;

Site Value – the value of the land and any improvements which predominantly affect the amenity of use of the land, such as drainage works, but excluding the value of buildings and other improvements (Note: Site Value will cease to be an option from 1 Sept 2023); or

Annual Value – a valuation of the rental potential of the property.

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

Notes

Average per rateable property calculated as General Rates for category, including any fixed charge or minimum rate (if applicable) but excluding any separate rates, divided by number of rateable properties within that category in the relevant financial year.

A fixed charge can be levied against the whole of an allotment (including land under a separate lease or licence) and only one fixed charge can be levied against two or more pieces of adjoining land (whether intercepted by a road or not) if they are owned by the same owner and occupied by the same occupier. Also if two or more pieces of rateable land within the area of the council constitute a single farm enterprise, only one fixed charge may be imposed against the whole of the land.

Service Charges

Council may impose an annual service charge on land (both rateable and non rateable) within its area to which it provides or makes available a prescribed service. A prescribed service is legislated as any of the following services:

- The treatment or provision of water
- The collection, treatment or disposal (including recycling) of waste
- A television transmission service
- Any other service prescribed by the regulations

Council levies service charges for the Community Wastewater Management Schemes (CWMS) and Waste Management. The CWMS service charge is levied against all properties that currently are connected or have the ability to be connected to these schemes. The Waste Management Charge is levied against all properties that are eligible to receive the Council's Waste Collection Service.

All revenue raised from the CWMS charge must be used to cover the cost to the Council of establishing, operating, maintaining, improving and replacing (including by future capital works) the service. The service charge for CWMS is calculated using the Code for Establishing and Applying Property Units for the Imposition of Annual Service Charges for CWMS. The proposed CWMS Service Charge for 2023/24 is \$520 per property unit. The charge in 2022/23 was \$482. The service charge for Waste Management is calculated based on the total cost to provide the service to relevant properties and the cost to dispose of that waste. The service is supplied to town residential and rural residential, with the service charge based on providing a three bin system for Town Residential properties and a two bin system for Rural Residential properties, as well as the appropriate disposal of the waste collected.

The Waste Management Charge to be applied for 2023/24 is:

Area	Services Provided		Proposed Service Charge 2023/24	Service Charge 2022/23
Town Residential – this includes properties that are within the township boundaries of Renmark, Paringa and Lyrup	Collection and Disposal	General Waste (140 litre bin collected weekly)	\$160	\$160
		Recyclables (240 litre bin collected fortnightly)	\$80	\$80
		Green Waste (240 litre bin collected fortnightly)	\$80	\$80
		TOTAL	\$320	\$320
Rural Residential – this includes properties that exist outside of the township boundaries of Renmark, Paringa and Lyrup	Collection and Disposal	General Waste (140 litre bin collected weekly)	\$160	\$160
		Recyclables (240 litre bin collected fortnightly)	\$80	\$80
		TOTAL	\$240	\$240

Rebate of Rates

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. Information and application forms can be obtained from the Council Office at Eighteenth Street, Renmark.

DISCRETIONARY

Council has the power to provide discretionary rebates in certain circumstances.

All discretionary rebates are only considered on application and must be received by 30 April for consideration in the following financial year.

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 on 8580 3000 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.

Other Revenue

STATUTORY CHARGES SET BY STATE GOVERNMENT

These are maximum fees and charges set by regulation and collected by the Council for regulatory functions such as assessment of development applications, dog registrations, assessment of septic tank applications and freedom of information applications.

USER CHARGES SET BY COUNCIL

These comprise of charges for the Council's fee based facilities such as hire of sporting and community venues.

INVESTMENT INCOME

This comprises of income earned on investment of surplus funds during the year and is dependent on levels of Council's cash reserves. Revenue earned on specific reserves including CWMS reserves is allocated to those reserves.

RESERVES

Council currently has three reserve accounts. Funds in these accounts should only be used for works specific to the purpose the reserve account was created for.

GRANTS AND SUBSIDIES

Grants and subsidies are broken into two components being operating and capital. The major operating grant is the Commonwealth Financial Assistance Grants which is approximately \$2.8 million. Other operating grants include Grants Commission Road funding, library operations, immunisations, mosquito control, Local Roads and Community Infrastructure Funding and Roads to Recovery funding. Capital Grants are typically for major projects and are usually jointly funded between Council and other levels of Government. Council is committed to seeking any external funding that is available in order to fulfill its funding needs.

OTHER REVENUE

Revenue received through sundry Council activities.

LOAN FUNDS

Council has the ability to borrow funds for major projects. In the 2023/24 budget Council is proposing to borrow funds to support its Capital Works Program.

Reserve	Transactions 2023/24	Estimated Balance 1 July 2023 \$'000	Increase/ (Decrease) \$'000	Estimated Balance 30 June 2024 \$'000
Development	Jane Eliza Development	125	(125)	0
CWMS	CWMS Upgrades, CWMS Renewal, CWMS Management Options	5,477	(397)	5,080
Open Space		48		48

Financial Statements

STATEMENT OF COMPREHENSIVE INCOME for the year ended 30 June 2024

	Budget	Forecast
	2023/24	2022/23
	\$'000	\$'000
INCOME		
Rates	12,058	11,298
Statutory charges	264	245
User charges	1,018	944
Grants, subsidies and contributions	4,099	3,799
Investment income	13	12
Reimbursements	250	231
Other income	54	50
Total Income	17,756	16,579
EXPENSES		
Employee costs	5,662	5,225
Materials, contracts and other expenses	8,280	7,439
Depreciation, amortisation and impairment	4,613	4,501
Finance costs	9	2
Total Expenses	18,564	17,167
OPERATING SURPLUS / (DEFICIT)	(807)	(588)
Asset disposal and fair value adjustments		11
Amounts received specifically for new or upgraded assets		2,249
NET SURPLUS / (DEFICIT)	(807)	(1,718)
Transferred to Equity Statement		
CHANGE IN REVALUATION SURPLUS	451	2,430
TOTAL COMPREHENSIVE INCOME	(356)	4,149

*The 'Rates' income line includes General Rates, Landscape levy, CWMS Charge and the Waste Management Charge
Grants and Material, Contract & Other Expenses related to flood preparation and recovery have been excluded for comparative purposes.

STATEMENT OF FINANCIAL POSITION
as at 30 June 2024

	Budget	Forecast
	2023/24	2022/23
	\$'000	\$'000
ASSETS		
Current Assets		
Cash and cash equivalents	300	7,215
Trade and other receivables	811	854
Inventories	35	31
Total Current Assets	1,148	8,100
Non-current Assets		
Financial Assets	98	98
Infrastructure, property, plant and equipment	148,253	139,916
Total Non-current Assets	148,351	140,015
Total Assets	149,499	148,115
LIABILITIES		
Current Liabilities		
Trade and other payables	1,884	1,717
Borrowings	34	33
Provisions	1,069	1,069
Total Current Liabilities	2,987	2,819
NON CURRENT LIABILITIES		
Cash Advanced Debenture	1,606	0
Borrowings	0	33
Provisions	135	135
Total Non-current Liabilities	1,741	168
Total Liabilities	4,728	2,987
NET ASSETS	144,771	145,128
EQUITY		
Accumulated Surplus	37,856	38,664
Asset Revaluation Reserves	101,402	100,951
Other Reserves	5,513	5,513
TOTAL EQUITY	144,771	145,128

STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2024

	TOTAL EQUITY
Budget	\$'000
2023/2024	
Balance at end of previous reporting period	145,128
Net Surplus / (Deficit) for Year	(807)
Gain (loss) on reevaluation of assets	451
Balance at end of period	144,772
Forecast	
2022/2023	
Balance at end of previous reporting period	140,979
Net Surplus / (Deficit) for Year	1,719
Gain (loss) on reevaluation of assets	2,430
Balance at end of period	145,128

STATEMENT OF CASH FLOWS
for the year ended 30 June 2024

	Budget	Forecast
	2023/24	2022/23
	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
<u>Receipts</u>		
Rates receipts	12,063	10,559
Statutory charges	264	252
User charges	1,015	963
Grants, subsidies and contributions (operating purpose)	4,184	3,788
Investment receipts	13	13
Reimbursements	250	230
Other receipts	53	57
<u>Payments</u>		
Payments to employees	(5,653)	(5,148)
Payments for materials, contracts and other expenses	(8,170)	(7,759)
Finance payments	(9)	(2)
Net cash provided by (or used in) operating activities	4,010	2,953
CASH FLOWS FROM INVESTING ACTIVITIES		
<u>Receipts</u>		
Amounts received specifically for new/upgraded assets	0	2,295
Sale of replaced assets	15	11
<u>Payments</u>		
Expenditure on renewal/replacement of assets	(2,589)	(1,838)
Expenditure on new/upgraded assets	(9,925)	(2,542)
Net cash provided by (or used in) investing activities	(12,499)	(2,074)
CASH FLOWS FROM FINANCING ACTIVITIES		
<u>Receipts</u>		
Proceeds from Cash Advanced Debenture	1,606	-
<u>Payments</u>		
Repayments of borrowings	(33)	(32)
Repayments of lease liabilities	-	-
Net cash provided by (or used in) financing activities	1,573	(32)
Net increase (decrease) in cash held	(6,915)	(847)
Cash and cash equivalents at beginning of period	7,215	6,368
Cash and cash equivalents at end of period	300	7,215

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2024

Note - FINANCIAL INDICATORS

Amounts	Indicator %	Indicator %
Forecast	2023/24	2022/23

These Financial Indicators have been calculated in accordance with Information paper 9 – Local Government Financial Indicators prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia.

Operating Surplus Ratio

<u>Operating Surplus</u>	(807)	(4.55%)	(3.55%)
Total Operating Revenue	17,756		

This ratio expresses the operating surplus as a percentage of total operating revenue.

Net Financial Liabilities Ratio

<u>Net Financial Liabilities</u>	3,517	19.81%	(31.25)%
Total Operating Revenue	17,756		

Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses). These are expressed as a percentage of total operating revenue.

Asset Sustainability Ratio

Net Asset Renewals	2,589	102.74%	96.38%
Infrastructure and Asset Management Plan required expenditure	2,520		

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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2024

Note - UNIFORM PRESENTATION OF FINANCES

The following is a high level summary of both operating and capital investment activities of the Council prepared on a simplified Uniform Presentation Framework basis.

All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.

The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.

	Budget	Forecast
	2023/24	2022/24
	\$'000	\$'000
Income	17,756	16,579
<u>less Expenses</u>	(18,563)	(17,167)
Operating Surplus / (Deficit)	(807)	(588)
<i>less Net Outlays on Existing Assets</i>		
Capital Expenditure on renewal and replacement of Existing Assets	(2,589)	(1,838)
Depreciation, Amortisation and Impairment	4,612	4,500
Proceeds from Sale of Replaced Assets	15	11
Subtotal	2,038	(2,673)
<i>less Net Outlays on New and Upgraded Assets</i>		
Capital Expenditure on New and Upgraded Assets	(9,924)	(2,542)
(including investment property and real estate developments)		
Amounts received specifically for New and Upgraded Assets	0	2,295
Proceeds from Sale of Surplus Assets (including investment property and real estate developments)		
Subtotal	(9,924)	(247)
Net Lending / (Borrowing) for Financial Year	(8,750)	(1,838)

Capital Projects

2023/24

	Renewal	New	External Funding	Budget
Buildings				
Renmark Institute - Building Repairs				
Program Total inc Contingency	\$40,250			\$40,250
Transport				
Road Reseal Program ¹				
Road Pavement Rehabilitation				
Road Resheeting Program				
Twenty First Street Bridge Replacement* (Year 1 of 3)				
Program Total inc Contingency	\$1,118,519		\$225,000	\$1,118,519
CWMS				
Tapio St Pump Station - Replacement (Year 1 of 3) ²				
Calperum Industrial Estate CWMS Disposal (Year 1 of 3) ²				
Program Total inc Contingency	\$184,000		\$160,000	\$184,000
Stormwater				
Stormwater Upgrade - Twelfth Street (Year 1 of 2)				
Riverside Estate Stormwater Management Upgrade (Year 1 of 2)				
Calperum Industrial Estate Stormwater Infrastructure (Year 1 of 3)				
Program Total inc Contingency	\$216,200	\$235,750		\$451,650
Irrigation				
Murray Avenue - Irrigation Pump Shed Replacement (Year 1 of 2)				
Program Total inc Contingency	\$207,000			\$207,000
Plant and Machinery				
Major Plant and Vehicle Replacement ³				
Program Total inc Contingency	\$512,900		\$152,000	\$512,900

	Renewal	New	External Funding	Budget (Inc Contingency)
Public Domain Infrastructure				
Paringa Town Centre Revitalisation - Project Delivery (Year 1 of 2)				
Urban Design Framework Stage 1B (Year 2 of 2) 4				
Lock 5 Moorings - Funding and Bank Stabilisation Investigation				
Playground Replacements - Bert Dix Park and SS Ellen Park				
Program Total inc Contingency	\$241,500	\$1,526,615	\$922,423	\$1,768,115
ICT				
Implementation of the ICT Strategy				
Program Total inc Contingency		\$255,875		\$255,875
Grand Total	\$2,520,369	\$2,018,240	\$1,459,423	\$4,538,608

1 Roads to Recovery Funding

2 CWMS Reserve

3 Plant Replacement Income

4 Local Roads and Community Infrastructure

* will not process without external funding

Whilst budgets are developed for each project the figures provided in the Annual Business Plan and Budget are aggregated to a program basis to ensure that Council receives the best value for ratepayers while undertaking competitive procurement processes

Operating Projects 2023/24

Total Budget	
Sustainable	
Irrigation Condition Assessment (Year 2 of 2)	
Stormwater Condition Assessment (Year 2 of 4)	
Stormwater Management Plan	
Streetlight Audit	
Grand Total	\$260,000

Carryover Projects from 2022/23

At the 13 June 2023 Asset Committee Meeting, Council resolved to carry forward the below projects and associated unspent funds. These projects encountered significant delays due to approval process, contractor availability or revised project scoping.

Transport

Government Road - Stage 4 (Quarte St to Ral Ral)

CWMS

Renmark Wastewater Treatment Plant Renewal

CBD CWMS Investigation and Detailed Design ²

Plant and Machinery

Major Plant & Vehicle Replacement ³

Public Domain Infrastructure

Taylor Riverfront Precinct Additional Lighting

Renmark Wharf Upgrades ⁵

Urban Design Framework Stage 2 Design and Cost ⁴

Urban Design Framework Stage 1B (Year 1 of 2)

Lock 6 Boat Ramp Upgrade ⁶

1 Regional Airports Program

2 CWMS Reserve

3 Plant Replacement Income

4 Local Government Infrastructure Partnership Program

5 Murray Darling Basin - Economic Development Program

6 South Australian Boating Facility Advisory Committee Funding

7 Local Roads and Community Infrastructure



**Renmark
Paringa
Council**

Contact Details

Telephone	8580 3000
Email	council@renmarkparinga.sa.gov.au
Web	www.renmarkparinga.sa.gov.au