



# Annual Business Plan and Budget

2022/23



Renmark  
Paringa  
Council







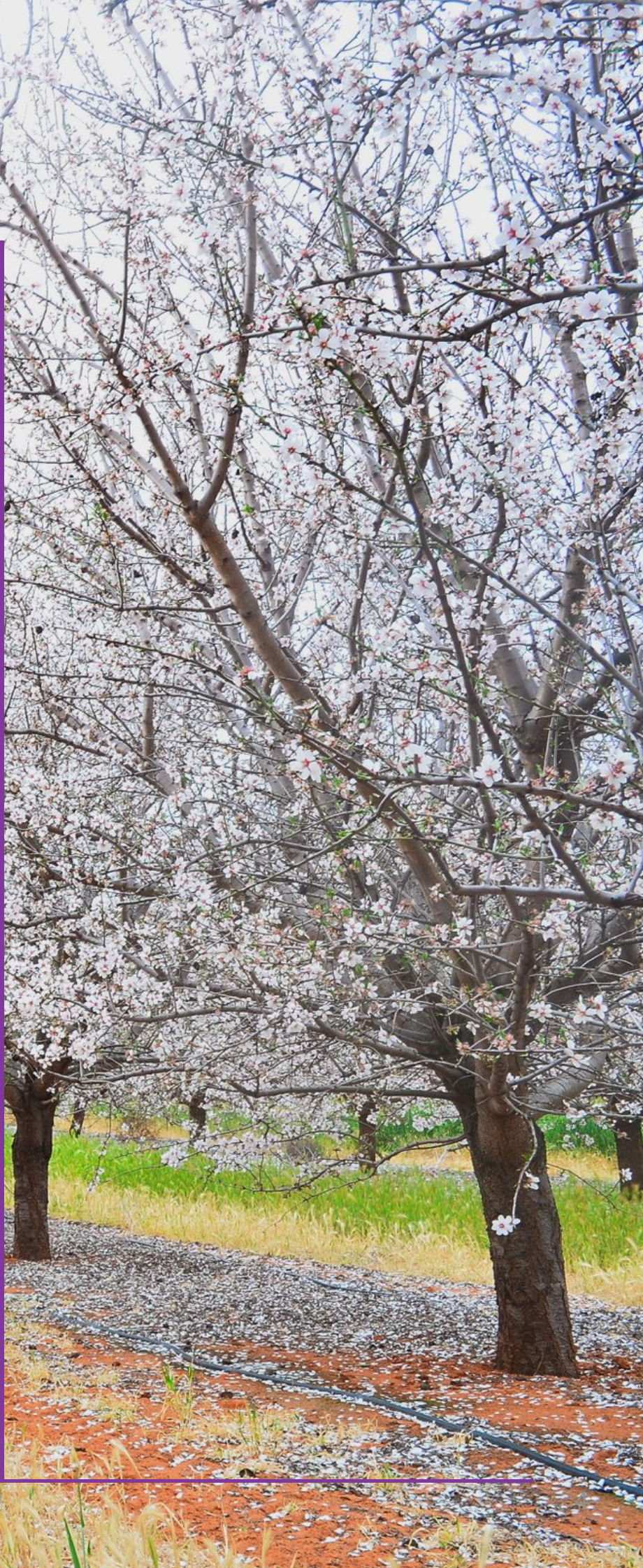






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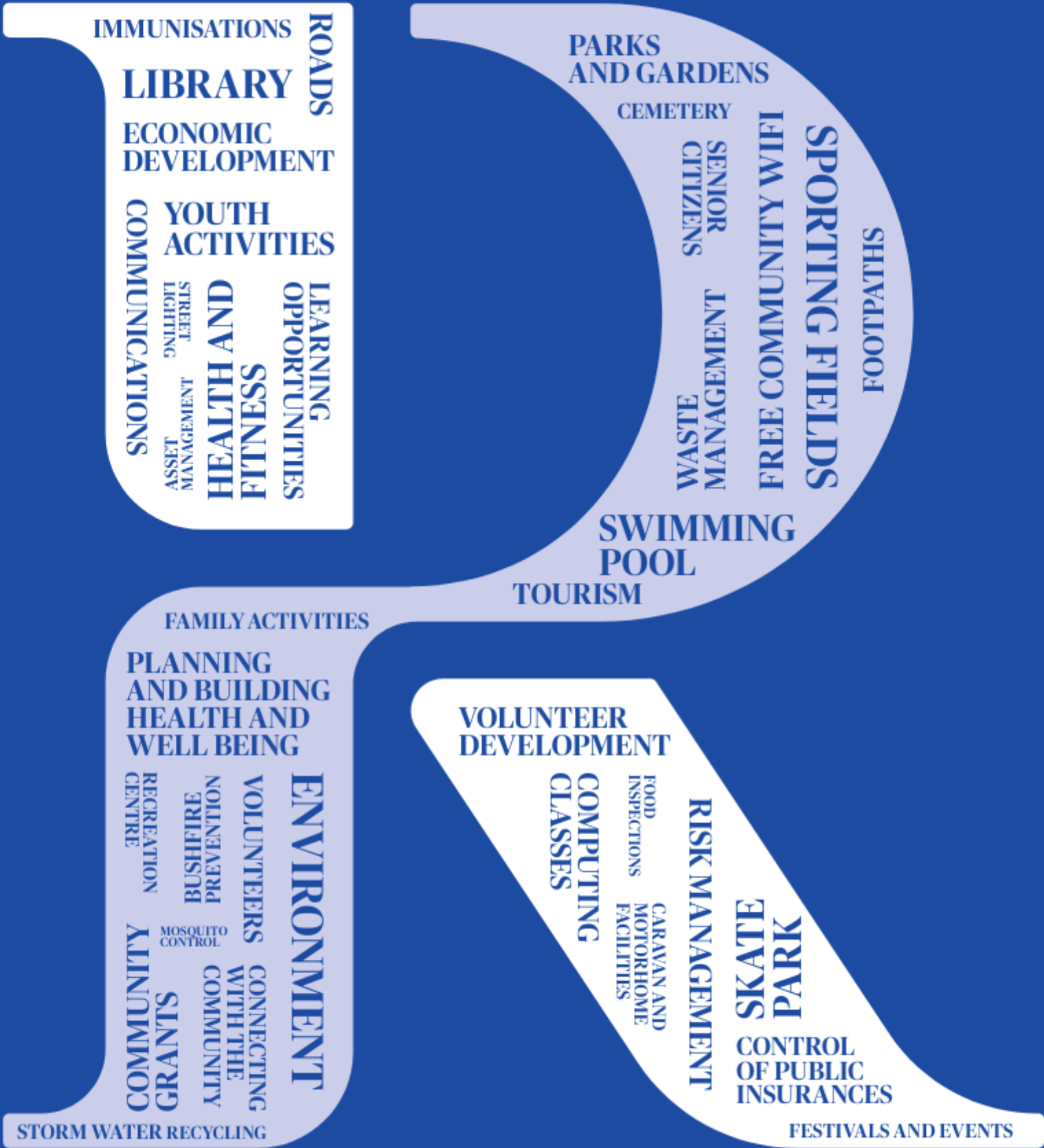


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Special thanks to valued community member Grant Schwartzkopff for supplying images.







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# Message from the Mayor

Dear

Residents and Ratepayers,

I am pleased to present Renmark Paringa Council's Annual Business Plan and Budget 2022-2023.

As I come to the end of my career in Local Government, of which I have been fortunate to sit on both sides of the fence in administration and an Elected Member, I reflect with great pride as to what has been achieved for the Renmark Paringa community. Our region has faced many challenges in those years with the Pandemic being the most recent but our strong community resilience ensures our sustainability. With our population growth strategy having commenced, I am confident that the expansion of the Renmark Town, through the Jane Eliza Project will entice even more people to not only visit but to call this little piece of paradise on the river home.

In 2022-2023 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 disciplined approach and have maintained rate rises at a sustainable level that is in line with our Long Term Financial Plan.

Our Annual Business Plan and Budget 2022/2023 is ambitious but deliverable and will ultimately guide us toward our vision '*To enhance the liveability, prosperity and sustainability of our community*'.

Yours faithfully,

Neil Martinson

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 2022/23 Council has significant expenditure on the renewal and upgrade of key assets including:

- Government Road
- Renmark Wharf
- Renmark Wastewater Treatment Plant

Some of these projects are multi-year projects that have already commenced and will carry over to 2022/23 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 2022/23 Annual Business Plan are outlined in the table below.

<b>Planned Projects</b>	20 Capital projects and 13 Operating projects have been identified to contribute towards achieving Council's long term objectives
<b>Capital Budget</b>	\$5,057 million of capital works, with \$10,199 million carry over from 2021/22 for multi year projects.
<b>Operating Budget</b>	Operating deficit of \$1.529 million. This is marginally above Council's Long Term Financial Plan target, further detail can be found on page 17.
<b>Loans</b>	An increase in loan borrowings of \$7.8 million to fund capital works
<b>Rates</b>	Average residential rate increase of \$58 Fixed charge is maintained at \$400.
<b>Rating Policy</b>	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.
<b>Financial Sustainability</b>	Operating surplus ratio of (9%) Net financial liabilities ratio of 46% Asset sustainability ratio of 408%



# Our Council

Renmark Paringa Council covers an area of approximately 407 square kilometres and is home to an estimated population of 9,475 (2016 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 \$143.8 million (33.6 percent), transport at \$29.8 million (7 percent), construction at \$28.4 million (6.6 percent), manufacturing at \$28.3 million (6.6 percent), retail at \$27 million (6.3 percent), and health care at \$23.1 million (5.4 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.



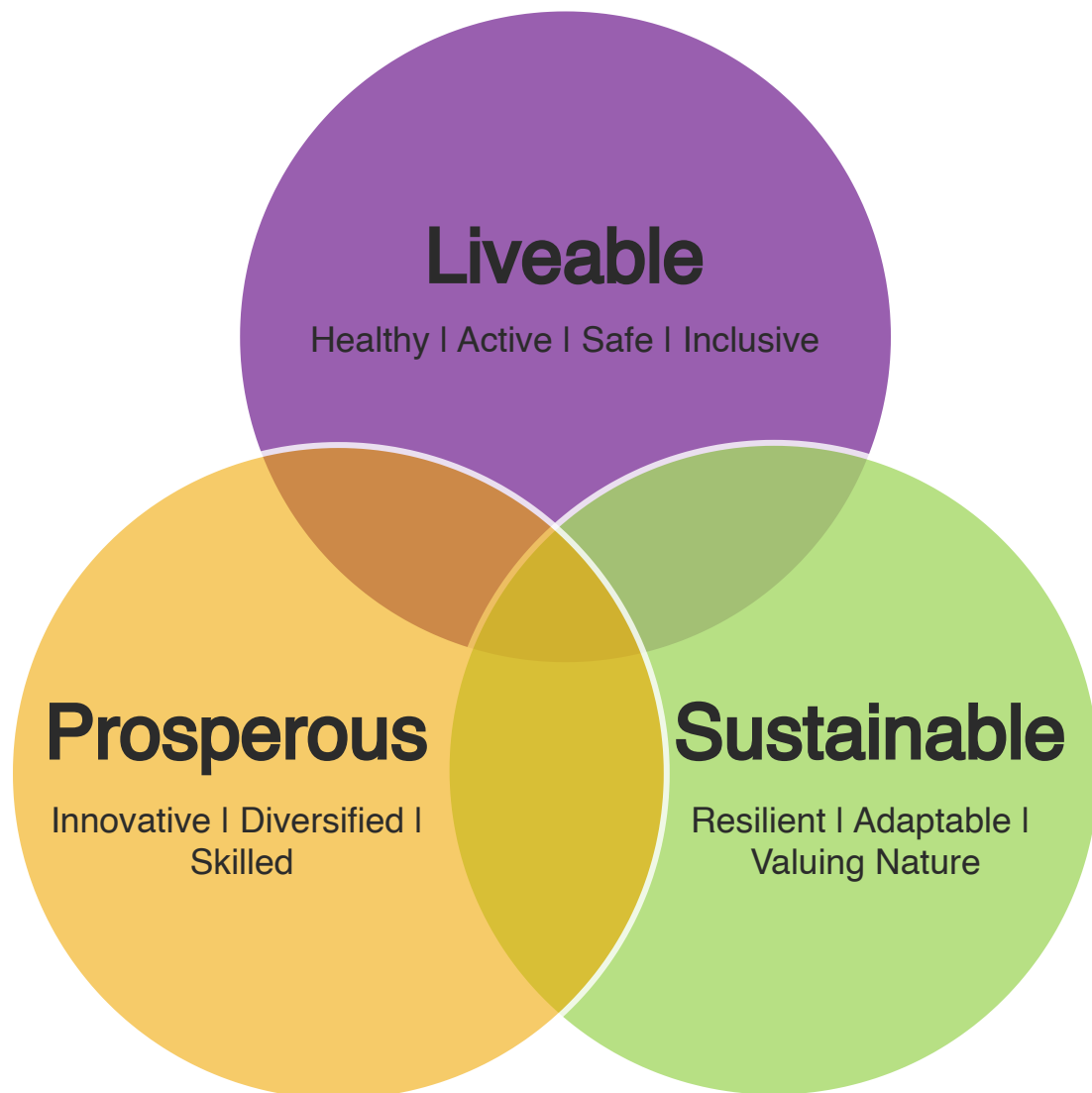
Council also operates a number of facilities on a fee for service basis. These provide community benefits while also generating revenue to offset (partially or fully) the cost to the community at large and include:

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



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# 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

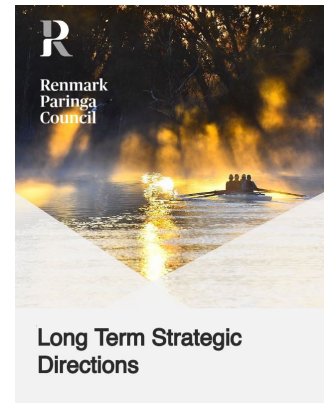
Renmark Paringa Council's Community Plan for 2021-2030 is our overarching strategic plan which charts our desired future for the coming decade.

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.





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# Significant Influences

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

## **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 into 2023. The revised legislation has benefits in terms of public transparency and accountability but it does also add financial costs to Councils.

## **Elections**

The 2022 State and Federal elections have recently occurred and have resulted in a change of government at both a State and Federal level. While these changes in government will likely have an effect on current and future programs and funding opportunities, it will likely take a while before policy changes are implemented.

The Local Government elections will occur in November 2022, which will deliver a new Council with a four year term.

## **Project Delivery Impacts**

Economic stimulus grants offered by the Federal and State Governments, particularly in the wake of Covid-19, have 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**

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 and global supply chain pressures, CPI has recently reached 4.7% (Adelaide All Groups - year ending March 2022). Whilst the Reserve Bank of Australia has commenced raising the cash rate which will likely soften inflation, it is likely that Council will need to re-visit the inflation assumption in the Long Term Financial Plan prior to the 2023/24 Annual Business Plan & Budget.

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](#).



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# Significant Projects for the 2022/23 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.

## **Urban Design Framework – Stages 2 and 5**

The planning of Stages 2 and 5 is likely to be completed in early 2022/23, with construction to begin soon after. Stage 2 is an upgrade to Murray Avenue to improve streetscape amenity as well as pedestrian safety and walkability and vehicular movement. This project will also improve signage/wayfinding and laneways/access to Murray Avenue from surrounding streets and car parking areas. Stage 5 is an upgrade to the Ral Ral/Renmark/Murray Avenue Intersection improving pedestrian safety and walkability, vehicular movement and the general streetscape.

## **Government Road**

The final stage of the Government Road Strategic Freight Route Upgrade will be completed in 2022/23. The conclusion of this project provides for a safer and wider connection from the Sturt Highway to Ral Ral Avenue, which removes large truck movements from the centre of Renmark and enables the Urban Design Framework projects to be delivered.

## **Renmark Wharf**

The planning for the upgraded Renmark Wharf is approaching completion, with works commencing in 2022/23.

The works will include approximately 230 metres of screw piling and a new footpath to be constructed. These upgrades will be tied in with the works to the lower end of the wharf to provide a wholly renewed asset for community use.

## **Renmark Wastewater Treatment Plant**

The Renmark Wastewater Treatment Plant will receive a number of upgrades in 2022/23. The changes 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.

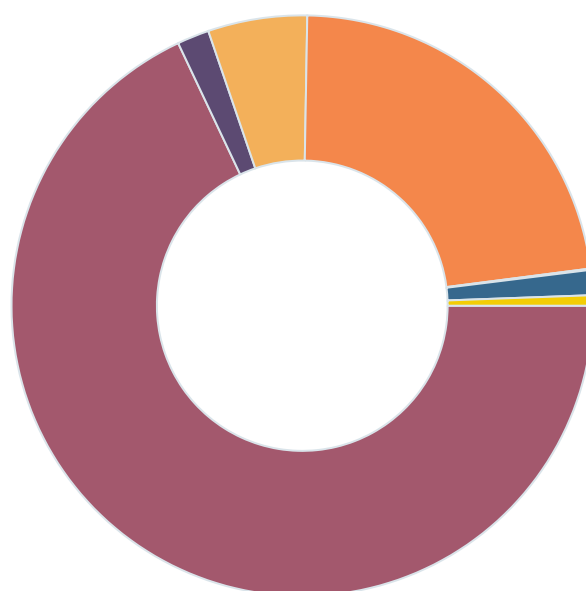
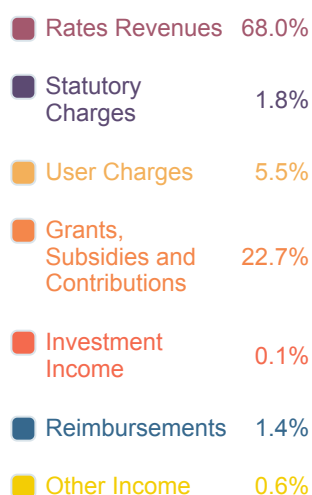
# Funding our ABP and Budget

Council has budgeted for an operating deficit of \$1.529m for 2022/23. 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	11,298
Statutory Charges	296
User Charges	916
Grants, Subsidies and Contributions	3,769
Investment Income	12
Reimbursements	232
Other Income	96
<b>Total Income</b>	<b>16,619</b>

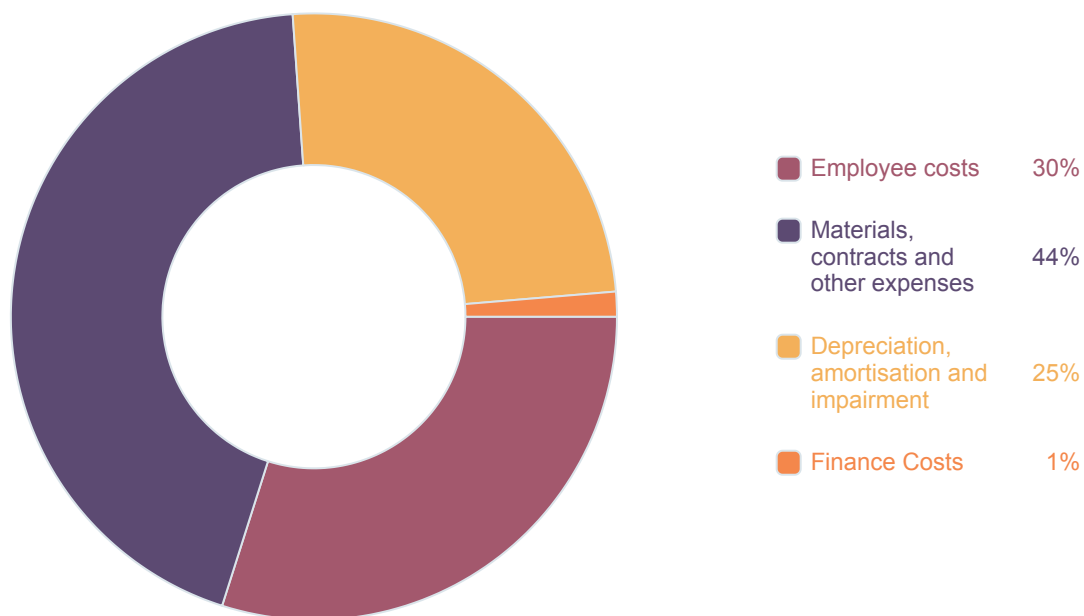


The income chart above has been prepared to provide a visual representation of the sources of revenue received by Council. As can be seen from this graph 68% of this revenue is received by way of rate income and 23% from grants.



The expenditure chart below shows that approximately 30% of costs are attributable to the payment of salaries and wages and approximately 44% is applied to materials, contracts and other expenses.

EXPENSES	\$'000
Employee costs	5,426
Material, contracts and other expenses	7,982
Depreciation, amortisation and impairment	4,500
Finance costs	240
<b>Total Expenses</b>	<b>18,148</b>



# Measuring our Performance

To enable both the Council and the community to assess Council's performance over the 2022/23 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 2022/23 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 2022/23 Council is budgeting for an operating deficit of \$1,529,000



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

Year	2021/22 Forecast	2022/23 LTFP Target	2022/23 Budget
Result	(843,000)	(1,863,000)	(1,529,000)
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	2021/22 Forecast	2022/23 LTFP Target	2022/23 Budget
Result	(5%)	(11%)	(9%)
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	2021/22 Forecast	2022/23 LTFP Target	2022/23 Budget
Result	(11%)	55%	46%
Status			

### ASSET SUSTAINABILITY RATIO

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%. The ratio's are above the target due to the delays in construction as a result of COVID-19, unexpected increase in external funding and internal capacity to deliver.

Year	2021/22 Forecast	2022/23 LTFP Target	2022/23 Budget
Result	152%	100%	408%
Status			

## NON-FINANCIAL PERFORMANCE

While financial performance measures are important in tracking the Council's financial sustainability and management of community assets, they are not the only performance measures that should be used to determine overall performance. Non-financial measures provide information on Council's capacity to deliver services to the community.

## COMMUNITY ENGAGEMENT BASED INDICATORS

Indicator	Council Target
Community satisfaction with the range and quality of services provided by Renmark Paringa Council.	A minimum of 75% of respondents report satisfaction with the range and quality of services provided. <i>Measure: LGA Community Satisfaction Survey</i>
Community satisfaction with the variety of opportunities to engage with Council.	A minimum of 70% of respondents report satisfaction with the opportunities to engage with Council. <i>Measure: LGA Community Satisfaction Survey</i>
Community perception that services and facilities provided by Renmark Paringa Council enhance quality of life.	A minimum of 70% of respondents report that services and facilities provided enhance their quality of life. <i>Measure: LGA Community Satisfaction Survey</i>
Community satisfaction with recreational and leisure facilities provided by Renmark Paringa Council.	A minimum of 80% of respondents report satisfaction with library services. <i>Measure: LGA Community Satisfaction Survey</i>
Community satisfaction with library services.	A minimum of 80% of respondents report satisfaction with library services. <i>Measure: LGA Community Satisfaction Survey</i>
Community perception of safety and security.	A minimum of 70% of respondents report that the safety and security provided by Council satisfactory. <i>Measure: LGA Community Satisfaction Survey</i>
Community satisfaction with Council's Performance.	A minimum of 70% of respondents report satisfaction with Council's overall performance. <i>Measure: LGA Community Satisfaction Survey</i>
Community satisfaction with council facilitation in promoting tourism, business development and growth.	A minimum of 70% of respondents report satisfaction with Council's tourism and business development and growth. <i>Measure: LGA Community Satisfaction Survey</i>



# 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 2022-23 and beyond, Council is forecasting to generate \$8,070,215 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 \$290,432.

2022/23 RPC Residential Average	\$1,086
2021/22 RPC Residential Average	\$1,028
2022/23 RPC average dollar value of rate increase for residential properties	\$58
2022/23 RPC average percentage rate increase for residential properties	5.6%

## 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 2021/22	Capital Value 2022/23	Capital Valuation	Rate (cents in the dollar) 2022/23	General Rates raised 2021/22	General Rates Raised 2022/23
Residential	1,000,335,963	1,136,620,655	13.62%	0.2362	3,948,573	4,225,671
Commercial (Shops)	47,292,134	48,704,411	2.99%	0.5011	301,353	301,855
Commercial (Office)	5,068,044	4,850,312	(4.30%)	0.5011	35,380	33,185
Commercial (Other)	53,008,951	57,563,761	8.59%	0.5011	319,995	334,450
Industrial (Light)	3,509,937	3,661,937	4.33%	0.5011	24,076	24,350
Industrial (Other)	36,149,579	41,240,543	14.08%	0.5011	207,784	227,469
Primary Production	535,088,504	589,843,708	10.23%	0.3524	2,298,017	2,434,105
Vacant Land	33,629,018	34,522,718	2.66%	0.7789	362,570	356,600
Other	11,602,825	19,263,992	66.03%	0.2362	112,117	132,530
<b>Totals</b>	<b>1,725,684,955</b>	<b>1,936,272,037</b>	<b>12.20%</b>		<b>7,609,865</b>	<b>8,070,215</b>

## 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 2022/23 Council raised 27% of its general rate revenue by way of the fixed charge.

The fixed charge proposed for 2022/23 is \$400. The fixed charge in 2021/22 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 2022/23 as \$376,436. This is an increase of 4% 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 proposed Regional Landscape Levy cents in the dollar for 2022/23 is \$0.01984.



## STATEMENT ON EXPECTED RATE REVENUE

Expected Rates Revenue				
	2021/22 (as adopted)	2022/23 (as adopted)	Change	Comments
General Rates Revenue				For 2022/23, 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)		\$7,997,583	(a)	
General Rates (new properties)		\$72,632	(b)	
General Rates (GROSS)	\$7,608,065	\$8,070,215	(c)	
Less: Mandatory Rebates	(\$48,555)	(\$59,625)	(d)	
General Rates (NET)	\$7,559,510	\$8,010,590	(e) 6.0%	
(e) = (c) + (d)				
Other Rates (Inc. service charges)				
Regional Landscape Levy	\$360,751	\$376,436	(f)	The Regional Landscape Levy is a State tax, it is <b>not retained</b> by council.
Waste collection	\$1,235,530	\$1,271,280	(g)	Two and Three Bin Collection Service
CWMS	\$1,642,660	\$1,722,668	(h)	Community Wastewater Management System Service
	\$10,798,451	\$11,380,974		
Less: Discretionary Rebates	(\$123,584)	(\$107,485)	(i)	
Expected Total Rates Revenue	\$10,314,116	\$10,897,053	(j) 5.7%	Excluding the Regional Landscape Levy and minus Mandatory & Discretionary Rebates.
(j) = (e) + (g) + (h) + (i)				

	2021/22 (as adopted)	2022/23 (as adopted)		Change	Comments
Estimated growth in number of rateable properties					
Number of rateable properties	5,803	5,853	(k)	0.9%	'Growth (as per Local Government Act 1999 Definition) is expected to account for approximately 0.9% 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	\$1,311	\$1,379	(l)	5.2%	'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 5.2% 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)		



## Statement on Expected Rate Revenue

	Total expected revenue			No. of rateable properties		Average per rateable property			Cents in the \$	
	2021/22	2022/23	Change	2021/22	2022/23	2021/22	2022/23	Change	2022/23	
<b>Land Use (General Rates - GROSS)</b>										
Residential	\$3,948,573	<b>\$4,225,671</b>	<b>7%</b>	3840	<b>3,892</b>	\$1,028	\$1,086	(m)	\$58	0.2362
Commercial - Shop	\$301,353	<b>\$301,855</b>	<b>0%</b>	147	<b>147</b>	\$2,050	\$2,053	(m)	\$3	0.5011
Commercial - Office	\$33,580	<b>\$33,185</b>	<b>-1%</b>	24	<b>23</b>	\$1,399	\$1,443	(m)	\$44	0.5011
Commercial - Other	\$319,995	<b>\$334,450</b>	<b>5%</b>	121	<b>119</b>	\$2,645	\$2,811	(m)	\$166	0.5011
Industry - Light	\$24,076	<b>\$24,350</b>	<b>1%</b>	16	<b>16</b>	\$1,505	\$1,522	(m)	\$17	0.5011
Industry - Other	\$207,784	<b>\$227,469</b>	<b>9%</b>	61	<b>60</b>	\$3,406	\$3,791	(m)	\$385	0.5011
Primary Production	\$2,298,017	<b>\$2,434,105</b>	<b>6%</b>	1054	<b>1,057</b>	\$2,180	\$2,303	(m)	\$123	0.3524
Vacant Land	\$362,570	<b>\$356,600</b>	<b>0%</b>	253	<b>237</b>	\$1,433	\$1,505	(m)	\$72	0.7789
Other	\$112,117	<b>\$132,530</b>	<b>17%</b>	287	<b>302</b>	\$391	\$439	(m)	\$48	0.2362
<b>Total Land Use</b>	<b>\$7,608,065</b>	<b>\$8,070,215</b>	<b>6.1%</b>	<b>5,803</b>	<b>5,853</b>	<b>\$1,311</b>	<b>\$1,379</b>	(m)	<b>\$68</b>	

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			
	2022/23	2021/22	2022/23	Change	
<b>Fixed Charge</b>	<b>\$2,208,000</b>	\$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.

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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.

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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.

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# 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 2022/23 is \$482 per property unit. The charge in 2021/22 was \$460. 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 proposed Waste Management Charge to be applied for 2022/23 is:

Area	Services Provided		Proposed Service Charge 2022/23	Service Charge 2021/22
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	\$75
		Green Waste (240 litre bin collected fortnightly)	\$80	\$75
		<b>TOTAL</b>	<b>\$320</b>	<b>\$310</b>
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	\$75
		<b>TOTAL</b>	<b>\$240</b>	<b>\$235</b>

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# 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 fulfil 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 2022/23 budget Council is proposing to borrow funds to support its Capital Works Program.

Reserve	Transactions 2022/23	Estimated Balance 1 July 2022 \$'000	Increase/ (Decrease) \$'000	Estimated Balance 30 June 2023 \$'000
Development	Jane Eliza Development	467	(372)	95
CWMS	CWMS Upgrades, CWMS Renewal, CWMS Management Options	4,419	(1,623)	2,796
Open Space		48		48

# Financial Statements

## STATEMENT OF COMPREHENSIVE INCOME for the year ended 30 June 2023

	Budget	Forecast
	2022/23	2021/22
	\$'000	\$'000
<b>INCOME</b>		
Rates	11,298	10,693
Statutory charges	296	319
User charges	916	777
Grants, subsidies and contributions	3,769	4,432
Investment income	12	53
Reimbursements	232	151
Other income	96	52
<b>Total Income</b>	<b>16,619</b>	<b>16,477</b>
<b>EXPENSES</b>		
Employee costs	5,426	5,319
Materials, contracts and other expenses	7,982	7,896
Depreciation, amortisation and impairment	4,500	4,102
Finance costs	240	3
<b>Total Expenses</b>	<b>18,148</b>	<b>17,320</b>
<b>OPERATING SURPLUS / (DEFICIT)</b>	<b>(1,529)</b>	<b>(843)</b>
Asset disposal and fair value adjustments	11	75
Amounts received specifically for new or upgraded assets	2,249	3,482
<b>NET SURPLUS / (DEFICIT)</b>	<b>731</b>	<b>2,714</b>
Transferred to Equity Statement		
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>731</b>	<b>2,714</b>

\*The 'Rates' income line includes General Rates, Landscape levy, CWMS Charge and the Waste Management Charge

**STATEMENT OF FINANCIAL POSITION**  
as at 30 June 2023

	Budget	Forecast
	2022/23	2021/22
	\$'000	\$'000
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	1,305	3,217
Trade and other receivables	950	1,000
Inventories	25	25
<b>Total Current Assets</b>	<b>2,280</b>	<b>4,242</b>
<b>Non-current Assets</b>		
Financial Assets	67	130
Infrastructure, property, plant and equipment	148,902	138,613
<b>Total Non-current Assets</b>	<b>148,969</b>	<b>138,743</b>
<b>Total Assets</b>	<b>151,249</b>	<b>142,985</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Trade and other payables	1,300	1,200
Borrowings	34	54
Provisions	1,020	1,000
<b>Total Current Liabilities</b>	<b>2,354</b>	<b>2,254</b>
<b>Non-current Liabilities</b>		
Borrowings	7,433	-
Provisions	101	101
<b>Total Non-current Liabilities</b>	<b>7,534</b>	<b>101</b>
<b>Total Liabilities</b>	<b>9,888</b>	<b>2,355</b>
<b>NET ASSETS</b>	<b>141,361</b>	<b>140,630</b>
<b>EQUITY</b>		
Accumulated Surplus	41,200	38,474
Asset Revaluation Reserves	97,222	97,222
<b>Other Reserves</b>	<b>2,939</b>	<b>4,934</b>
<b>TOTAL EQUITY</b>	<b>141,361</b>	<b>140,630</b>



**STATEMENT OF CHANGES IN EQUITY**  
for the year ended 30 June 2023

	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves	TOTAL EQUITY
<b>Budget</b>	\$'000	\$'000	\$'000	\$'000
<b>2023</b>				
Balance at end of previous reporting period	38,474	97,222	4,934	140,630
<b>Net Surplus / (Deficit) for Year</b>	731	-	-	731
Transfers between reserves	1,995	-	(1,995)	-
<b>Balance at end of period</b>	<b>41,200</b>	<b>97,222</b>	<b>2,939</b>	<b>141,361</b>
<b>Forecast</b>				
<b>2022</b>				
Balance at end of previous reporting period	35,195	97,222	5,499	137,916
<b>Net Surplus / (Deficit) for Year</b>	2,714	-	-	2,714
Transfers between reserves	565	-	(565)	-
<b>Balance at end of period</b>	<b>38,474</b>	<b>97,222</b>	<b>4,934</b>	<b>140,630</b>

**STATEMENT OF CASH FLOWS**  
for the year ended 30 June 2023

	Budget	Forecast
	2022/23	2021/22
	\$'000	\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<u>Receipts</u>		
Rates receipts	11,298	10,693
Statutory charges	296	319
User charges	916	777
Grants, subsidies and contributions (operating purpose)	3,769	4,432
Investment receipts	12	53
Reimbursements	232	151
Other receipts	96	52
<u>Payments</u>		
Payments to employees	(5,426)	(5,319)
Payments for materials, contracts and other expenses	(7,982)	(7,896)
Finance payments	(240)	(3)
<b>Net cash provided by (or used in) operating activities</b>	<b>2,971</b>	<b>3,259</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<u>Receipts</u>		
Amounts received specifically for new/upgraded assets	2,249	3,482
Sale of replaced assets	11	75
<u>Payments</u>		
Expenditure on renewal/replacement of assets	(6,647)	(4,895)
Expenditure on new/upgraded assets	(7,846)	(3,570)
<b>Net cash provided by (or used in) investing activities</b>	<b>(12,233)</b>	<b>(4,908)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<u>Receipts</u>		
Proceeds of borrowings	7,800	-
<u>Payments</u>		
Repayments of borrowings	(450)	-
Repayments of lease liabilities	-	(48)
<b>Net cash provided by (or used in) financing activities</b>	<b>7,350</b>	<b>(48)</b>
<b>Net increase (decrease) in cash held</b>	<b>(1,912)</b>	<b>(1,697)</b>
Cash and cash equivalents at beginning of period	3,217	4,914
<b>Cash and cash equivalents at end of period</b>	<b>1,305</b>	<b>3,217</b>

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2023

**Note - FINANCIAL INDICATORS**

Amounts	Indicator %	Indicator %
Forecast	2022/23	2021/22

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>	(1,529)	(9%)	(5%)
Total Operating Revenue	16,619		

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

**Net Financial Liabilities Ratio**

<u>Net Financial Liabilities</u>	7,600	46%	(11%)
Total Operating Revenue	16,619		

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	6,997	408%	152%
Infrastructure and Asset Management Plan required expenditure	1,714		

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 2023

### 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
	2022/23	2021/22
	\$'000	\$'000
Income	16,619	16,477
<u>less Expenses</u>	(18,148)	(17,320)
<b>Operating Surplus / (Deficit)</b>	<b>(1,529)</b>	<b>(843)</b>
<i>less Net Outlays on Existing Assets</i>		
Capital Expenditure on renewal and replacement of Existing Assets	(6,647)	(4,895)
Depreciation, Amortisation and Impairment	4,500	4,102
Proceeds from Sale of Replaced Assets	11	75
<b>Subtotal</b>	<b>(2,136)</b>	<b>(718)</b>
<i>less Net Outlays on New and Upgraded Assets</i>		
Capital Expenditure on New and Upgraded Assets	(7,846)	(3,570)
(including investment property and real estate developments)		
Amounts received specifically for New and Upgraded Assets	2,249	3,482
Proceeds from Sale of Surplus Assets		
(including investment property and real estate developments)		
<b>Subtotal</b>	<b>(5,597)</b>	<b>(88)</b>
<b>Net Lending / (Borrowing) for Financial Year</b>	<b>(9,262)</b>	<b>(1,649)</b>

# Capital Projects

## 2022/23

	Renewal	New	External Funding	Budget (Inc Contingency)
<b>Buildings</b>		\$46,000		\$46,000
Storage Shed - Council Depot				
<b>Transport</b>	\$422,684	\$517,500	\$225,000	\$940,184
Road Reseal Program <sup>1</sup>				
Kerb and Watertable New - various locations				
Fourteenth Street Carpark (Year 1 of 2)				
<b>CWMS</b>	\$69,000	\$920,000		\$989,000
Calperum Industrial Estate Evaporation Pond Detailed Designs and Investigations (Year 1 of 3)				
CWMS Upgrade at Renmark Caravan Parks - Construction (Year 1 of 2)				
<b>Stormwater</b>	\$103,500	\$304,750		\$408,250
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)				
<b>Irrigation</b>	\$207,000			\$207,000
Murray Avenue - Irrigation Pump Shed Replacement (Year 1 of 2)				
<b>Plant and Machinery</b>	\$396,750			\$396,750
Major Plant and Vehicle Replacement				

<sup>1</sup> Roads to Recovery 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

	Renewal	New	External Funding	Budget (Inc Contingency)
Land Improvements	\$115,000	\$1,698,830	\$1,597,482	\$1,813,830
New Renmark Cemetery - Masterplan (Year 1 of 2)				
Renmark Netball Court Renewal *				
Taylor Riverfront Precinct - Additional Lighting				
Paringa Town Centre Revitalisation - Project Delivery (Year 1 of 2)				
Bert Dix Park Boat Ramp (Year 1 of 2)				
UDF Stage 2 (Murray Avenue) Construction (Year 1 of 2)				
180 Murray Avenue - Open Space Development				
<b>ICT</b>		<b>\$255,875</b>		<b>\$255,875</b>
Deployment of Mobile Strategy, Standardisation of ICT systems, Review Asset Management / GIS utilisation, Adoption of digital first approach to the delivery of services, Hardware Replacement, Deployment of suitable AV equipment and video conference capabilities for internal / external conferencing				
* Will not proceed without External Funding				
<b>Grand Total</b>	<b>\$1,313,934</b>	<b>\$3,742,955</b>	<b>\$1,822,482</b>	<b>\$5,056,889</b>



# Operating Projects 2022/23

	External Funding	Total Budget
<b>Sustainable</b>		<b>\$220,000</b>
Irrigation Network Audit and Condition Assessment - Stage 1		
Stormwater Network Condition Assessment - Stage 1		
CWMS Network Management Options		
Land, Buildings and Structure Revaluation		
<b>Effective Governance</b>		<b>\$210,200</b>
Local Government Reform Bill Implementation		
Community Survey		
2022 Local Government Elections		
Library Space Design Plan		
Power BI IT Vision / Altus Reporting Suite		
Internet and Intersite Communications		
Development of GIS		
Standardisation of ICT Systems		
Enterprise Password Management		
<b>Grand Total</b>		<b>\$430,200</b>

# Carryover Projects from 2021/22

At the May and June 2022 Ordinary Council Meetings, 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 <sup>1</sup>

Resheet Runway 18/36 <sup>2</sup>

## CWMS

Renmark Wastewater Treatment Plant Renewal <sup>3</sup>

CWMS Upgrade at Renmark Caravan Parks – Design and Survey <sup>3</sup>

CBD CWMS Investigation and Detailed Design <sup>3</sup>

## Plant and Machinery

Major Plant & Vehicle Replacement <sup>4</sup>

## Land Improvements

Renmark Wharf Upgrades <sup>5</sup>

Urban Design Framework Stage 2 <sup>6</sup>

Urban Design Framework Stage 5 <sup>6</sup>

Jane Eliza Development

Wayfinding Strategy

Renmark Number 1 Oval Lighting Upgrade <sup>5</sup>

Lock 6 Boat Ramp Upgrade <sup>7</sup>

1 Special Local Road Program (SLRP) Funding

2 Regional Airports Program

3 CWMS Reserve

4 Plant Replacement Income

5 Local Government Infrastructure Partnership Program

6 Murray Darling Basin - Economic Development Program

7 South Australian Boating Facility Advisory Committee Funding





**Renmark  
Paringa  
Council**

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