



Committed to a sustainable future

Renmark Paringa Council

2020/21 Annual Business Plan and Budget

Annual Business Plan and Budget 2020/21



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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 2020/21 Council has significant expenditure on the renewal and upgrade of key assets including:

- Installation of Solar Panels at the Alan Coulter Recreation Centre
- The Government Road Strategic Freight Route is entering the third stage of the project and includes upgrading and widening the road as well as
- Increasing the storage capacity of the Renmark Wastewater Treatment Plant

Some of these projects are multi year projects and have commenced in 2019/20 and will carry over to 2020/21. This ensures that Council achieves its long term goals through effective project management.

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, the library, community services and environmental management.

The major components of the 2020/21 Annual Business Plan are outlined in the table below.

Planned Projects	22 Annual Business Plan and Budget projects have been identified to contribute towards achieving Council's long term objectives.
Capital Budget	\$16.062 million of capital works (\$8.9 million carry over from 2019/20 for multi year projects; Taylor Riverfront Precinct, Government Road stages 1 & 2, Outdoor Swimming Pool).
Operating Budget	Operating deficit of \$592,000. This is below the target of \$225,000 surplus within Council's Long Term Financial Plan target, further detail can be found on page 22.
Loans	An increase in loan balances of \$6.9 million to fund the renewal of the Renmark Swimming Pool and Taylor Riverfront Precinct.
Rates	Average residential rate increase of \$70. 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%), below target of 2% in Council's Long Term Financial Plan. Net financial liabilities ratio of 24%, within target range in Council's Long Term Financial Plan. Asset sustainability ratio of 100%. On target with Council's Long Term Financial Plan.

Our Council



Renmark Paringa Council covers an area of approximately 407 square kilometres and is home to an estimated population of 9,825 (2016 Census).

The economy is centred on irrigated primary production, with viticulture being the major industry, supported by an expanding citrus and almond industry with stone fruit and vegetables. Dry land farming is also a major primary industry in the district. Tourism plays a major part in our economy with the River Murray the predominant tourist attraction.

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

- Management of basic infrastructure including roads, footpaths, parks, public open space, street lighting and storm-water drainage
- Waste management including kerbside collection, the Waste Transfer Station and the management of the Community Wastewater Management System (CWMS)
- Development planning and control, including building fire safety assessment
- Various environmental health services
- Other legislative responsibilities such as animal control and bushfire prevention
- Cemeteries
- Regulatory activities such as supporting the elected Council, maintaining the assessment records and voters roll
- Setting rates, preparing an annual budget and determining longer-term strategic management plans for the area.

Council also provides further services that are not required by legislation, but provide additional amenity and quality of life benefits to the community. Council has direct or indirect involvement in over 30 programs, projects or services that are incorporated in the following areas:

- Library
- Public conveniences
- Visitor Information Centre
- Economic development including tourism support
- Sport and recreation grounds
- Community development
- Multicultural activities
- Halls
- Heritage (i.e. PS Industry)
- Community events
- Environment (e.g. Renmark Paringa Landcare)
- Cooperating and collaborating with other agencies to gain the best outcomes for our community (including neighbouring Councils, industry groups, State and Federal departments).

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.

Our Council



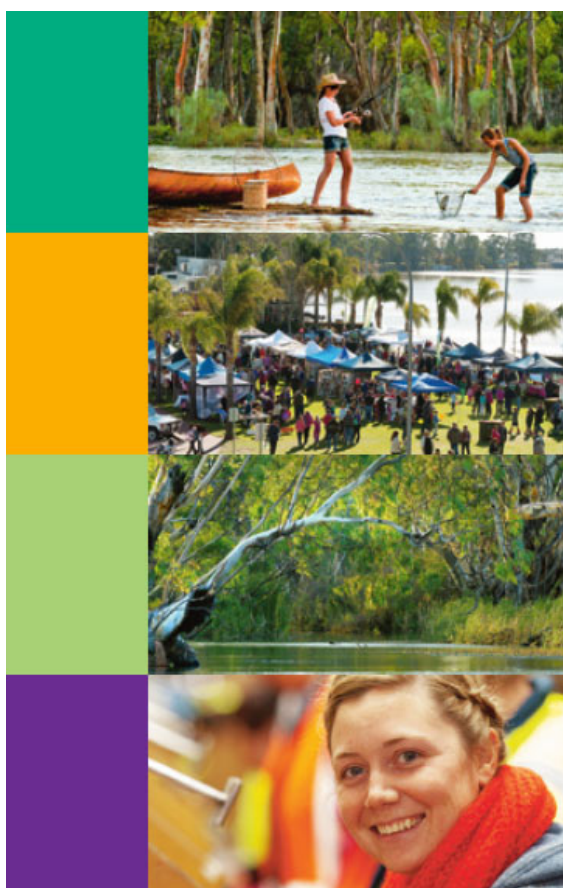
COMMUNITY PLAN 2016-2020

Committed to a sustainable future –through innovation, engagement and sustainably growing the community and business.

In 2016, Council underwent a review of its Community Plan. The Plan contains the Council's vision for the community, strategies, core activities, and emerging priorities.

Within the Community Plan 2016-2020, Council established four key strategic pillars which cover all of Council's major services and responsibilities.

Council has recently endorsed a new Strategic Framework and is in the process of reviewing the Community Plan 2016 –2020 . This will culminate in the development of a new ten year Community Plan, with a lifespan that matches Council's other strategic documents.



Community Health and Wellbeing

An active and engaged community supported by services and facilities that enhance our quality of life.

A Vibrant Economy

A strong and sustainable economy built on diversifying our established industries and attracting new industries and investors through collaborative partnerships.

A Sustainable Region

The enhancement and protection of our natural and built environment and cultural heritage.

A Positive Experience

Council aspires to be recognised as a highly regarded and reputable organisation which achieves its goals and builds community trust and pride in our organisation.

Significant Influences, Challenges and Opportunities



A number of significant factors have influenced the preparation of Council's draft Annual Business Plan and Budget 2020/21. These include:

- The challenge associated with continuing to deliver services during the COVID-19 pandemic, while also providing hardship options to ratepayers and community groups most affected.

- Maintaining Council's long term financial sustainability for the sake of future generations, while budgeting for an operating deficit (after numerous years of surplus or break even budgets) and still remaining the lowest rating Council in the Riverland by a significant margin.

- The stimulation of local economic growth through the allocation of \$70,000 (equivalent of approximately one percent of rates revenue in 2020/21) to the Renmark Paringa Business Network to provide targeted assistance to the local retail sector.

- Using Council's significant borrowing capacity to partially fund key capital projects, therefore spreading the financial cost over both current and future rate payers.

- Balancing the delivery of new infrastructure (with increased maintenance costs) with the maintenance of existing infrastructure for the benefit of the community.

- The implementation of the new Planning, Development and Infrastructure Act 2016, new Planning and Design Code and new e-Planning Portal form a major overhaul of the State Government's planning system replacing the Development Act and the Council's Development Plan. The new planning system has required Council to invest a lot of time and resources preparing for the implementation that will occur on 31 July 2020 and once in place we will need to monitor and review our new processes to ensure we are meeting the requirements of the new legislation and system. For the community this will mean lodging all new development applications online onto the portal which is managed by the Department of Planning, Transport and Infrastructure (DPTI).

Significant Projects for 2020/21

The following projects have been identified as significant for the 2020/21 year taking into consideration our Community Plan and significant influences. We have identified the below projects which support industry, reduce costs and promote sustainability.

LED Street Lighting Bulk Program

Upgrade of 448 SLUOS P Category streetlights to LED technology within the Renmark area to generate energy savings and overall promoting sustainability.

Alan Coulter Recreation Centre—Solar Power Installation

The operating costs for the ACRC have increased with the new air conditioning system for the indoor pool and the installation of solar panels should significantly reduce these costs.

Storage Capacity Increase—Renmark Waste Water Treatment Plant

This project is to be funded through the Federal Government Drought Funding and is closely linked to the renewal of the Wastewater Treatment Plant. This project will increase the storage capacity of the evaporation lagoons at the Renmark Wastewater Treatment Plant which will reduce our reliance on River Murray water.

Government Road

Stages 1 and 2 of strategic freight route upgrade were completed in 2019/20 with Stage 3 to be completed in 2020/21. This essential upgrade will facilitate a Strategic Freight Route for heavy vehicles from the Calperum Industrial Estate through to Cooltong and Chaffey areas.

Disability Access and Inclusion Plan

The development and implementation of this plan will demonstrate Council's recognition of the importance of inclusion and access for everyone. The implementation of the plan will ensure that we are aware of the needs of people living with a disability.

Buildings Condition Assessment, Utilisation and Functionality Review

The aim of this project is to investigate and obtain accurate data on the condition of our building assets, consider the use of Council building assets and develop a plan for ongoing maintenance, renewal and replacement. This review is considered a high priority due to the lack of information and plans Council have for the ongoing management of these significant assets.

Budget savings

Separate to the formalised projects, Council will also be proactively reviewing all areas of its operations over the course of 2020/21 in order to find efficiencies and savings. This process will ensure that the focus of our operations is on delivering the services and infrastructure that our community needs at a low cost.

Supporting Local Economic Recovery

Investment of \$70,000 into the Renmark Paringa Business Network to assist in the recovery of the local economy. The investment will enable the employment of a part time project officer, implementation of a 'buy local' voucher incentive program, the underwriting of two shared space shopfronts and the delivery of a new website.

ICT Strategy—Riverland Councils

The ICT Strategy is a joint project consisting of a five year workplan across the three Riverland Councils. Priorities include the transition to the cloud environment.

Lyrup Cemetery

Council allocated \$60,000 to upgrade the Lyrup Cemetery. This is a 2019/20 project that has been carried forward.



Community Capacity



Renmark Paringa Council is committed to the health and wellbeing of our community, ensuring that we have a vibrant economy, a sustainable environment and a positive experience for our community members, visitors and business affiliates. Council is passionate about assisting with the coordination and promotion of events and activities that enrich the wellbeing and inclusion of the whole community and to support industry growth to ensure we have a sustainable future.

As a Council, we host and support an array of events and activities to develop partnerships, increase promotion of the region and to help build the skills and capacity of our community.

Council also seeks to engage and consult with the community on a wide range of projects to ensure that goals and objectives are achieved through participation. Council communicates with the community utilising multiple platforms both traditional and digital. This allows Council to reach the many demographics in our community.

Some projects which the community will be aware of via Council's media platforms will continue into this financial year. An example is the Taylor Riverfront Precinct, which will deliver a high quality regional destination that will encourage people to stay, play and discover our beautiful riverfront. Council successfully obtained funding through State and Federal funding streams and has commenced development of this project, with completion expected by February 2021.

Work is underway to develop Council's first Disability Access and Inclusion Plan. We will seek to work with the community to ensure that we can begin to embed the principles of access and inclusion within our planning, decision making and budget processes.

In 2019/20 Council supported youth and community groups through our Community Grants Program which amounted in over \$10,000 being invested. This ensured that individuals and groups could participate in sporting competitions and could make vital upgrades to infrastructure to enable clubs to grow and attract further membership. Council also supported an array of events and activities through Council's Community Sponsorship Program which amounted to over \$60,000.

Renmark's Christmas on the Murray was to have been held in December 2019, although unable to be held due to extreme weather conditions, planning is underway for 2020.

Council's Elected Members and Staff work towards achieving long terms strategic goals to make our community not only a desirable place to visit but a truly vibrant and enriching place to live.

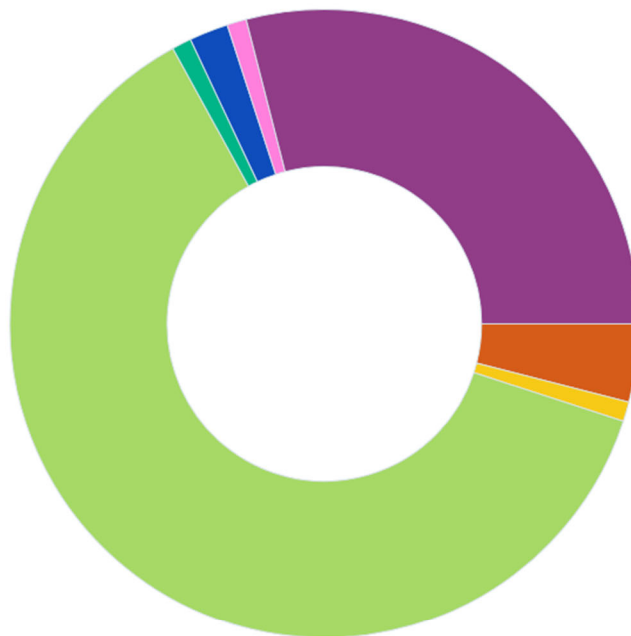
Funding our Annual Business Plan and Budget

Council has budgeted for an operating deficit of \$592,000 for 2020/21. The operating result measures the 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.

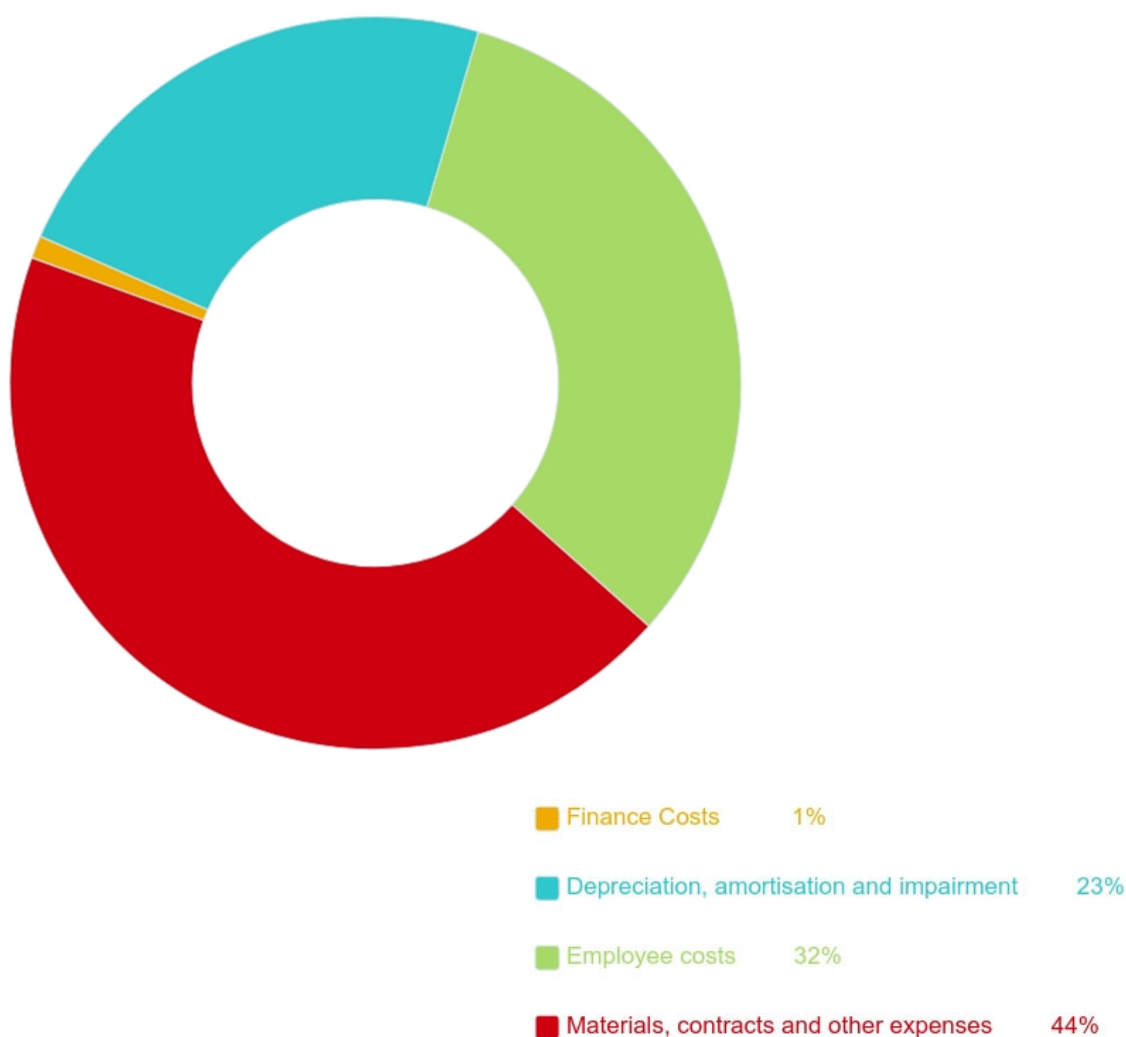
INCOME	\$'000
Rates Revenue	10,156
Statutory Charges	261
User Charges	684
Grants, Subsidies and Contributions	4,734
Investment Income	73
Reimbursements	306
Other Income	194
Total Income	16,408



The previous graph has been prepared to provide a visual representation of the sources of revenue received by Council. As can be seen from this graph 62% of this revenue is received by way of rate income and 29% from grants.

The expenditure graph below shows that approximately 32% 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	5,386
Material, contracts and other expenses	7,519
Depreciation, amortisation and impairment	3,900
Finance Costs	195
Total Expenses	17,000



Measuring our Performance

To enable both the Council and the community to assess Council's performance over the 2020/21 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 2020/21 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.



Indicates that Council is behind the KPI target from the LTFP.



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

OPERATING RESULT

In 2020/21 Council is budgeting for an operating deficit of \$592,000.

To determine whether Council has achieved a successful result in 2020/21, the target is measured against the corresponding 2020/21 target from the LTFP.

In recent years, Council has passed lower rate rises than forecast in the Long Term Financial Plan, in order to ease the burden on rate payers. Other factors that have contributed to the deficit, include:

Salary & Wages: Increased due to full staffing complement, Accounting Standards, Work Health and Safety standards, Long Service Leave provisions, Fringe Benefits Tax and Enterprise Bargaining increases.

Depreciation: Increased as asset revaluations are currently occurring which will increase depreciation expense.

Materials, Contractors & Other: Increased waste collection and disposal costs, Investment in Information Technology, Condition Assessments of Council Infrastructure.



Finance Costs – Cost for loans for Government Road, Swimming Pool and Taylor River Precinct.

Year	2019/20 Forecast	2020/21 LTFP Target	2020/21 Budget
Result	(373,000)	225,000	(592,000)
Status			

Measuring our Performance



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	2019/20 Forecast	2020/21 LTFP	2020/21 Budget
Result	(2%)	2%	(4%)
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	2019/20 Forecast	2020/21 LTFP Target	2020/21 Budget
Result	32%	10%	24%
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%. This ratio was slightly outside of target range in 2019/20 due to COVID-19 related delays in starting works projects.

Year	2019/20 Forecast	2020/21 TFP Target	2020/21 Budget
Result	86%	100%	100%
Status			

Measuring our Performance

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 the recreational and leisure facilities provided. <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 is 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>

Measuring our Performance

ACTIVITY BASED INDICATORS

Indicator	Council Target
Annual Business Plan initiatives	A minimum of 85% of projects listed in the Annual Business Plan are completed in the financial year of adoption. <i>Measure: Annual Business Plan</i>
Amount of River Murray water used to irrigate public open space	Annual reduction of River Murray water used to irrigate public open space. <i>Measure: Renmark Irrigation Trust data</i>
Residual Waste Reduction	Reduce waste to landfill by 35% by 2020. <i>Measure: EPA and Zero Waste data</i>
Local Business Confidence.	A minimum of 70% of respondents report confidence in the economic development activities undertaken by Council. <i>Measure: LGA Community Satisfaction Survey</i>
Tourism Visitors	Increase visitor numbers to the district by 5% per annum. <i>Measure: Visitor Information Centre Statistics</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 2020-21 and beyond, Council is forecasting to generate \$7,202,477 in General Rate Revenue (excluding CWMS and Waste Management Charge).

The table below highlights the change in average rates paid including (CWMS, Waste Management Charge and NRM Levy) based on an average residential property value of \$254,244.

2020/21 RPC Residential Average	\$1,823
2019/20 RPC Residential Average	\$1,752
2020/21 RPC average dollar value of rate increase for residential properties	\$71

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.

This table below lists the differentials and general rates to be raised:

Land Use	Capital Value 20/21	Capital value 19/20	Capital Valuation	Rate (cents in the dollar) 20/21	General Rates raised 20/21	General Rates Raised 19/20
Residential	920,584,651	830,698,815	10.82%	0.2428	3,748,549	3,372,086
Commercial (Shops)	50,000,820	49,552,612	0.90%	0.5150	317,303	305,597
Commercial (Office)	4,638,759	4,921,814	(5.75%)	0.5150	32,370	34,031
Commercial (Other)	55,667,249	54,935,617	1.33%	0.5150	333,219	324,602
Industrial (Light)	2,655,693	2,651,547	0.16%	0.5150	19,077	18,334
Industrial (Other)	33,594,173	29,553,951	13.67%	0.5150	194,903	170,239
Primary Production	475,350,406	422,682,668	12.46%	0.3622	2,094,661	1,864,516
Vacant Land	30,457,548	27,384,940	11.22%	0.8005	337,115	305,170
Other	10,341,792	9,790,160	5.63%	0.2428	125,281	123,450
Totals	1,583,291,091	1,432,172,124			7,202,477	6,518,026

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 2019/20 Council raised 32% of its general rate revenue by way of the fixed charge.

The fixed charge proposed for 2020/21 is \$400. The charge in 2019/20 was \$400.

SEPARATE RATE

REGIONAL LANDSCAPE LEVY

Renmark Paringa Council is within the South Australian Murray-Darling Basin Natural Resources Management Board region and is required under the Landscape 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 2020/21 as \$346,146. This is an increase of 3.6% 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 2020/21 is \$0.02219.

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 three (3) service charges; two Community Wastewater Management Schemes (CWMS) and a Waste Management Charge. 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 2020/21 is \$455 per property unit. The charge in 2019/20 was \$445.

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 2020/21 is:

Area	Service Provided		Proposed Service Charge 20/21	Service Charge 19/20
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)	\$155.00	\$155.00
		Recyclables (240 litre bin collected fortnightly)	\$75.00	\$75.00
		Green Waste (240 litre bin collected fortnightly)	\$64.00	\$64.00
		TOTAL	\$294.00	\$294.00
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)	\$155.00	\$155.00
		Recyclables (240 litre bin collected fortnightly)	\$75.00	\$75.00
		TOTAL	\$230.00	\$230.00

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 31st May for consideration in the following financial year.

Council also has in place the Residential Expansion Incentive Program 2019-2022, which offers a discretionary rate rebate of up to 75 percent for subdivisions of more than five allotments.

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 \$2.7 million. Other operating grants include Grants Commission Road funding, library operations, immunisations, mosquito control, 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 2020/21 budget Council is proposing to borrow funds for Renmark Swimming Pool upgrades, Government Road and Taylor Riverfront Precinct.

Reserve	Transaction 2020/21	1/7/20 balance	Increase/ (Decrease)	30/06/21 balance
Development	Jane Eliza Development	\$844,000	(\$166,000)	\$678,000
CWMS	CWMS Condition Audit, Renmark Wastewater Treatment Plant Renewal, CWMS Renewal	\$4,266,000	(\$1,223,000)	\$3,043,000
Open Space	Nil	\$48,000	Nil	\$48,000

Financial Statements

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2021

	Budget 2020/21 \$'000	Forecast 2019/20 \$'000
INCOME		
Rates ¹	10,156	9,468
Statutory Charges	261	247
User Charges	684	639
Grants, subsidies and contributions	4,734	3,999
Investment Income	73	113
Reimbursements	306	482
Other Income	194	424
Total Income	16,408	15,372
EXPENSES		
Employee Costs ²	5,386	4,805
Materials, contractors and other expenses	7,519	7,527
Depreciation, amorisation and impairment ³	3,900	3,395
Finance Costs	195	18
Total Expenses	17,000	15,745
OPERATING SURPLUS / (DEFICIT)	(592)	(373)
Asset Disposal and fair value adjustments	11	72
Amounts received specifically for new or upgraded assets	1,284	2,233
NET SURPLUS / (DEFICIT)	703	1,932
Transferred to Equity Statement		
TOTAL COMPREHENSIVE INCOME	703	1,932

¹The 'Rates' income line includes General Rates, Landscape Board Levy, Community Wastewater Management (CWMS) Charge and the Waste Management Charge.

² Employee Costs have increased due to full staffing complement, Accounting Standards, Work Health and Safety standards, Long Service Leave provisions, Fringe Benefits Tax and Enterprise Bargaining increases.

³ Depreciation has increased due to estimation of asset revaluation and significant increase in capital expenditure.

Financial Statements

STATEMENT OF FINANCIAL POSITION

For the year ended 30 June 2021

	Budget	Forecast
	2020/21	2019/20
	\$'000	\$'000
ASSETS		
Current Assets		
Cash and Cash Equivalents	4,382	6,154
Trade and other receivables	1,000	1,000
Inventories	25	25
Total Current Assets	5,407	7,179
Non-current Assets		
Infrastructure, property, plant and equipment	133,111	123,629
Total Non-current assets	133,111	123,629
Total Assets	138,518	130,808
LIABILITIES		
Current Liabilities		
Trade and other payables	1,200	1,200
Borrowings	50	54
Provisions	1,000	875
Total Current Liabilities	2,250	2,129
Non-current Liabilities		
Borrowings	6,900	14
Provisions	101	101
Total Non-current Liabilities	7,001	115
Total Liabilities	9,251	2,244
NET ASSETS	129,267	128,564
EQUITY		
Accumulated Surplus	38,705	36,613
Asset Revaluation Reserves	87,633	87,633
Other Reserves	2,929	4,318
TOTAL EQUITY	129,267	128,564

Financial Statements

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2021

	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves	TOTAL EQUITY
Budget	\$'000	\$'000	\$'000	\$'000
2021				
Balance at end of previous reporting period	36,613	87,633	4,318	128,564
Net Surplus / (Deficit) for Year	703			703
Other Comprehensive Income				
Gain on revaluation of infrastructure, property, plant and equipment				
Total Comprehensive Income	703			703
Transfers between reserves	1,389		(1,389)	
Balance at end of period	38,705	87,633	2,929	129,267
Forecast				
2020				
Balance at end of previous reporting period	34,181	87,633	4,818	126,632
Net Surplus / (Deficit) for Year	1,932			1,932
Other Comprehensive Income				
Gain on revaluation of infrastructure, property, plant and equipment				
Total Comprehensive Income	1,932			1,932
Transfers between reserves	500		(500)	
Balance at end of period	36,613	87,633	4,318	128,564

Financial Statements

STATEMENT OF CASH FLOWS for the year ended 30 June 2021

	Budget	Forecast
	2020/21	2019/20
CASH FLOWS FROM OPERATING ACTIVITIES	\$'000	\$'000
<u>Receipts</u>		
Rates receipts	10,156	9,468
Statutory charges	261	247
User charges	684	639
Grants, subsidies and contributions (operating purpose)	4,734	3,999
Investment receipts	73	113
Reimbursements	306	482
Other receipts	194	424
<u>Payments</u>		
Payments to employees	(5,386)	(4,805)
Payments for materials, contracts and other expenses	(7,519)	(7,527)
Finance payments	(195)	(18)
Net cash provided by (or used in) operating activities	3,308	3,022
CASH FLOWS FROM INVESTING ACTIVITIES		
<u>Receipts</u>		
Amounts received specifically for new/upgraded assets	1,284	2,233
Sale of replaced assets	11	72
Sale of surplus assets		
<u>Payments</u>		
Expenditure on renewal/replacement of assets	(8,353)	(3,974)
Expenditure on new/upgraded assets	(7,709)	(4,475)
Net cash provided by (or used in) investing activities	(14,767)	(6,144)
CASH FLOWS FROM FINANCING ACTIVITIES		
<u>Receipts</u>		
Proceeds of borrowings	6,900	
<u>Payments</u>		
Repayments of borrowings	(335)	
Repayment of Finance Lease Liabilities	(48)	(48)
Net cash provided by (or used in) financing activities	6,517	(48)
Net increase (decrease) in cash held	(4,942)	(3,170)
Cash and cash equivalents at beginning of period	9,324	9,324
Cash and cash equivalents at end of period	4,382	6,154

Financial Statements

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2021

Note—FINANCIAL INDICATORS

Amounts	Indicator	Indicator
Forecast	2020/21	2019/20

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>	(592)	(4%)	(2%)
Total Operating Revenue	16,408		

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

Net Financial Liabilities Ratio

<u>Net Financial Liabilities</u>	3,869	24%	(32%)
Total Operating Revenue	16,408		

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

<u>Net Asset Renewals</u>	8,353	100%	86%
Infrastructure and Asset Management Plan required Expenditure	8,353		

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.

Financial Statements

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2021

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.

	2020/21	2019/20
	\$'000	\$'000
Income	16,408	15,372
less expenses	(17,000)	(15,745)
Operating Surplus / (Deficit)	(592)	(373)
less Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	(8,353)	(3,974)
Depreciation, Amortisation and Impairment	3,900	3,395
Proceeds from Sale of Replaced Assets	11	72
	(4,442)	(507)
less Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets	(7,709)	(4,475)
(including investment property and real estate developments)		
Amounts received specifically for New and Upgraded Assets	1,284	2,233
Proceeds from Sale of Surplus Assets		
(including investment property and real estate developments)		
Subtotal	(6,425)	(2,242)
Net Lending / (Borrowing) for Financial Year	(11,459)	(3,122)

Capital Projects 2020/21

	Renewal	New	External Funding
Buildings			
Renmark Swimming Centre - Shelters	\$50,000		
Alan Coulter Recreation Centre (ACRC) - Solar Power Installation * ⁴		\$100,000	\$100,000
Library Outdoor Community Hub ⁷		\$180,000	\$180,000
Transport			
Beherendts Road Upgrade * ⁴		\$200,000	\$200,000
Road Reseal Program ¹	\$806,000		\$85,396
Road Resheeting Program - Taldra Road * ^{1 & 4}	\$384,300		\$384,300
Government Road - Stage 3 * ³		\$1,475,000	\$975,000
Community Wastewater Management System			
Renmark Wastewater Treatment Plant Renewal ²	\$1,600,000		
CWMS Renewal ²	\$180,000		
Storage Capacity Increase - Renmark WWTP * ⁴		\$300,000	\$300,000
Stormwater			
Evans Street Stormwater	\$160,000		
Gross Pollutant Trap at Bookmark Creek (Renmano Bridge)		\$25,000	
Plant and Machinery			
Major Plant and Vehicle Replacement	\$680,000		\$199,000
Land Improvements			
Replace Asbestos Fence at Renmark Cemetery	\$100,000		
Boat Ramps - Lock 6 * ⁵		\$220,000	\$110,000
Lyrup Sporting Complex Resurfacing Courts ⁷		\$80,000	\$80,000
Renmark Riverfront Lighting		\$50,000	\$50,000
LED Bulk Street Lighting Program		\$250,000	
ICT			
Implementation of G3 Riverland Council's ICT Strategy		\$254,000	
Deployment of Mobile Strategy across each of the businesses			
Standardisation of ICT systems			
Continued Development of Conquest Asset Management Usage			
Consolidated Organisational Management system			
Adoption of a 'digital-first' approach to the delivery of services			
Continued development of Web Site/s and Presence			
Ongoing Hardware Replacement Program			
Upgrade and consolidation of phone systems			
	\$3,960,300	\$3,134,000	\$2,663,696

TOTAL CAPITAL PROJECTS BUDGET \$7,094,300

¹ Roads to Recovery Funding

² CWMS Reserve

³ Special Local Road Program (SLRP) Funding

⁴ Drought Communities Funding

⁵ South Australian Boating Facility Advisory Committee

Funding

⁶ Other External Funding

⁷ Local Roads and Community

Infrastructure Funding

*Will not proceed without External Funding

Operating Projects 2020/21

	Budget
Community Health and Wellbeing	
Disability Access and Inclusion Plan	\$5,000
A Sustainable Region	
CWMS Condition Audit - Stage 3*	\$120,000
Buildings Condition Assessment, Utilisation and Functionality Review	\$40,000
Footpath Defect/Condition Audit	\$15,000
A Positive Experience	
Implementation of G3 Riverland Council's ICT Strategy	\$396,167
Realignment of G3 ICT Resourcing to address objectives of strategy.	
Development of GIS (MapInfo and Exponare) across all businesses	
Standardisation of ICT systems	
Enterprise Password Management	
ICT Asset Tagging	
IT Policy and Procedure Development	
Agendas and Minutes Management System	
Internet and Intersite Communications	
Upgrade and consolidation of phone systems	
Transition Server and Storage to Cloud Provider	
Transition Office Software to Office/365	
TOTAL OPERATING PROJECTS BUDGET	
	\$576,167

Carryover Projects from 2019/20

At the May and July 2020 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.

Taylor Riverfront Precinct Project (UDF Stage 1A)
Renmark Swimming Pool
Government Road Stages 1 and 2
Lyrup Cemetery Improvements
Paringa Football Club Kitchen Renewal
Bookmark Creek Pedestrian Access
Paringa Town Centre Revitalisation
Calperum Industrial Estate Evaporation Ponds
Number 1 Pump Station Upgrade
Wayfinding Strategy
Capital Project Designs
Crane Trailer Replacement
Library Toilet Disability Access Upgrade
Jane Eliza Development Strategy
Houseboat Management Plan Implementation



Renmark Paringa Council




Contact Details

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Opening Hours

Monday	9am - 5pm
Tuesday	9am - 5pm
Wednesday	9am - 5pm
Thursday	9am - 5pm
Friday	9am - 5pm

Social Media

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Committed to a sustainable future

