



Wudinna District Council

2018-2019

Annual Business Plan and Budget



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

Adopted 17 July 2018

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Community Consultation

In accordance with Section 123 of the Local Government Act 1999, Council released its Draft 2018-2019 Annual Business Plan for the period of Community Consultation from 22 June to 16 July 2018.

This document was advertised within local media and on Council's website. This document was also available for download from Council's website at www.wudinna.sa.gov.au. Hard copies of this document were also available on request from Council's administration office, 11 Burton Terrace, Wudinna.

Submissions

Written submissions regarding this draft plan were welcome until 5pm 16 July 2018. No written submissions were received.

Public Question Time

One hour was allocated for verbal submissions by residents and ratepayers during 11am to 12pm on 17 July 2018. No submissions were received.

Introduction

The Annual Business Plan is intended as a public statement of the Council’s proposed program for the year and the factors shaping it, as required by the Local Government Act. It sets out the Council’s proposed services, programs and projects for 2018/19 and is used as a basis for the preparation of the financial year budget. Council aims to maintain efficient services for the community and continue to progress towards the longer term objectives of the “Wudinna District Community Plan” and the “Wudinna District Council Corporate Plan”.

Required content as set out in Section 123(2) of the Local Government Act and Regulations include the following elements:

- A summary of the Council’s longer term objectives, as set out in the strategic management plans;
- Significant influences for the year including financial factors, asset renewal needs and progress on continuing projects;
- The Council’s specific objectives for the next year against which performance is to be measured;
- The activities (services and projects) that Council intends to undertake to achieve these objectives;
- A summary of the proposed sources of revenue for the year; and
- The approach taken to rating for the year and its implications for ratepayers.

Context of the Annual Business Plan



District Profile and Demographics

Wudinna District Council is located on central Eyre Peninsula, South Australia. It encompasses the townships of Warrambo, Kyancutta, Wudinna, Yaninee and Minnipa. The district's main service centre is Wudinna. Wudinna is located on the Eyre Highway, 693 kilometres east of the South Australian/Western Australian border and 580 kilometres west of Adelaide. The total area of the district covers 5,394 square kilometres.

The total population of the district from the 2016 census was 1,250.

The Strategic Management Plan

The Wudinna District Council Community Plan provides the context for delivering outcomes to the community over the coming years.

VISION

“A viable, motivated, rural community which offers an economically diverse, environmentally sustainable and rewarding lifestyle.”

Our Community Goals

- To create a cohesive thriving community with a strong sense of identity in the Wudinna district.
- To provide appropriate services and facilities to sustain the health, safety and wellbeing of the community.
- To foster and support a range of activities and facilities to enhance the recreational and cultural pursuits of the community.
- To facilitate the provision of resources to meet the educational needs of the community.
- To actively promote an environment that fosters and supports business and commercial opportunities and activities in the area.
- To ensure a built environment that provides for the diverse needs of the wider community.
- To provide appropriate infrastructure to meet the needs of the community and foster economic activity.
- To sustainably manage and utilise the natural environment.
- To recognise, preserve and promote the history and heritage of the area.
- To efficiently and effectively utilise all available resources to meet community requirements.
- To provide a customer focused administration.

It is this vision of a sustainable community that forms the basis of the Council's Corporate Plan (Wudinna District Council Corporate Plan).

The Corporate Plan

The Corporate Plan and The Corporate Action Plan are living documents that recognises the changing needs of the Wudinna District. It is based on nine key community functions that provide a frame work within which corporate directions and more detailed objectives can be expressed.

MISSION

As an elected level of government, the Wudinna District Council will provide leadership, representation and advocacy for its community. It will be accessible and work with the community to identify and provide for its needs efficiently and meet its aspiration.

The Council will operate with integrity and be open and accountable to the community in all its activities.

Key Result Areas, Goals and KPI's

Key Result Area (Strategic Focus)	Goal
Governance and Administration	<i>A consultative Council providing proactive leadership, good governance and quality, cost effective services.</i>
Public Order and Safety	<i>Public order and the safety of residents, visitors and property.</i>
Health	<i>Services and facilities are provided to sustain the health and wellbeing of the community.</i>
Social Security and Welfare	<i>Quality of life for aged, disabled and disadvantaged sectors of our community.</i>
Housing and Community Amenities	<i>A built environment that provides for the diverse needs of the community.</i>
Recreation and Culture	<i>A range of activities and facilities which enhance the recreational and cultural pursuits of the community, and to recognise, preserve and promote the history and heritage of the area.</i>
Natural Resource Management	<i>A natural environment that is utilised and sustainably managed.</i>
Transport and Communication	<i>Infrastructure that meets the needs of the community and which fosters economic activity.</i>
Economic Affairs	<i>An environment that fosters and supports business and commercial opportunities and activities.</i>

Specific Actions, Steps and Key Performance Indicators (KPIs) are detailed in Council's Corporate Action Plan 2018-2022 which can be viewed here: <http://www.wudinna.sa.gov.au/page.aspx?u=145>.

Summary of Services Provided to the Community

Strategic Focus	Services Provided	Proposed Expenditure
Governance and Administration	<ul style="list-style-type: none"> • District Management • District Services Management • Strategic and Corporate Management • Communications • Finance • Governance and Administration • Information Technology • Infrastructure Management 	\$1,389,242
Public Order and Safety	<ul style="list-style-type: none"> • Animal Management • Fire Protection • Nuisance & Litter Control 	\$5,000
Health	<ul style="list-style-type: none"> • Public and Environmental Health 	\$97,547
Social Security and Welfare	<ul style="list-style-type: none"> • Aged Homes • Home & Community Care • Community Bus Service • Aged/Community Service Support Programs • Youth 	\$40,772
Housing and Community Amenities	<ul style="list-style-type: none"> • Council Housing • Town Planning • Sanitation and Garbage • Community Wastewater Management System • Stormwater • Public Conveniences • Cemeteries • Street Lighting 	\$648,665
Recreation and Culture	<ul style="list-style-type: none"> • Libraries • Cultural Art Events • Gawler Ranges Cultural Centre (Wudinna Hall) • Sport and Recreation Support Programs • Parks and Gardens 	\$284,249
Natural Resource Management	<ul style="list-style-type: none"> • Levy Collection for the Eyre Peninsula Natural Resources Management Board 	\$72,266
Mining, Manufacturing & Construction	<ul style="list-style-type: none"> • Development Control • Planning & Building Approvals 	\$29,031
Transport and Communication	<ul style="list-style-type: none"> • Road Construction, Maintenance and Traffic Control • Footpaths • Aerodromes 	\$2,054,417
Economic Affairs	<ul style="list-style-type: none"> • Tourism • Business/Community Development • Economic Development 	\$242,733

Influences and Assumptions for 2018/19

Council has developed an integrated long term financial model to examine the potential impact of its decisions over the long term and to determine what can be afforded in terms of the level of rates, debt and services. The model provides a high-level budget framework to provide targets when preparing the budget detail. To assist with financial sustainability over the long term, Council will use the financial indicators adopted by the Local Government Association arising from the independent review of Local Government financial sustainability.

The main principles and assumptions that have been used in its approach to developing the annual budget are as follows:

- The freezing of Federal government operating grants has been lifted after 3 years. Savings and structural changes to council operations are continually reviewed to manage the gap that the indexation freeze created.
- Two year Enterprise Bargaining Agreements were finalised in late 2012 under the SA Fair Work Act. These Agreements provide for a minimum 19% above award arrangement for all works employees (Local Government Employees Award) and 23% above award for administration under the SA Municipal Salaries Award and with increased margins for Functional Managers. The agreement provides for annual wage adjustments annually to be increased in line with award changes the National Wage Increase via the Fair Work Commission. No variation in the above award arrangement is possible in light of the FAG's funding freeze. Flow on increases to SA from Federal Wage Adjustments to award arrangements will however still apply to the level of **3.5%**.
- The CPI (Consumer Price Index – All Groups Index for Adelaide) which is a measure of the change in the price of a basket of goods and services purchased by households, increased by **1.9%** for the 12 months ending 31 December 2017 - Adelaide Consumer Price Index.
- The LGPI (Local Government Price Index) which provides Councils with a useful reference regarding the inflationary effect of price changes of goods and services consumed by Local Government. Since its introduction on average the LGPI has been higher than the CPI. This year the LGPI was **2.9%** (December 2017).
- Maintenance and improvement of infrastructure assets to acceptable standards including roads, footpaths, lighting, street trees and Council properties.
- Infrastructure backlog (including roads, footpaths, open space) identified and being addressed.
- Local Government financial sustainability and measures.
- State/Commonwealth grant funding for services deemed to continue.

2018-19 Capital Projects

Renewal/Replacement of Assets

Project	Budget	Comment
Roads		
Scholz Rd	\$69,602	Eyre Hwy to Smith Rd (3km)
Barns Rd	\$139,202	Best Rd to Council boundary (6km)
McKenna Rd	\$27,840	Grocke Rd heading east (1.2km)
Payne Rd	\$46,400	McKenna Rd to Chapman Rd (2km)
Ucontitchie Rd	\$178,696	Palabie Rd to Simpson Rd (7km)
Karger Rd	\$116,001	Pildappa Rd to King Rd (5km)
Reseals		
Rashleigh Rd	\$34,710	Eyre Hwy to Knight Rd
Standley Rd	\$42,000	Wudinna to Bartley Rd
Byrne Rd	\$24,810	Eyre Hwy to end
Vawser St	\$3,918	Medley Tce to Oswald St
Oswald St	\$9,990	Wilkins St to Camplin St
DeLatour St	\$16,536	Medley Tce to Burton Tce
Thomas St	\$31,800	Hayman St to Moseley Tce
Plant & Machinery		
Refer to Infrastructure & Asset Management Plan for a detailed list	\$685,000	Replacement of existing vehicles (existing will be traded which will reduce the net cost)
Other		
Tcharkulda Reserve Fencing	\$10,000	Replacement of existing/damaged fence
\$1,436,505		

New/Upgraded Assets

Project	Budget	Comment
Council Buildings		
Civic Centre Development	\$5,200,000	Redevelopment of existing hall to incorporate new council offices
Roads		
Mt Wedge Road	\$910,025	Sealing from the end of the last seal to council boundary (7km)
Footpaths		
Medley Tce	\$18,750	Cementing from DeLatour St to Adams Tce
Other		
Skate & Spray Park	\$750,000	Apex Park, Wudinna
\$6,878,775		

**Subject to grant funding*

TOTAL CAPITAL PROJECTS

\$8,315,280

Funding the Annual Business Plan

For the 2018/19 financial year the projected operating income will meet projected operating expenses. A surplus of **\$3.7m** is proposed subject to receipt of capital grant funding of \$4.074m (\$606k for the Mt Wedge Road, \$368k for a Skate/Spray Park and \$3.1m for Civic Centre development).

It must be noted that this is an Operating surplus and does not take into consideration the amounts expended on capital works (total capital works expense budgeted = \$8.315m).

Depreciation costs are estimated to be **\$1,693,334 (34.8%)** of operational expenditure for 2018/19. Significant work has already been undertaken to ensure that asset valuations are accurate and useful lives accurately reflect circumstance. Work continues to ensure that depreciation levels are accurate.

Grant Funding

General Purpose & Local Roads Financial Assistance Grants

Received from Federal government, Council has complete discretion on how this money is expended. These funds are usually paid to council in four quarterly instalments, and in recent years, part of the allocation has been prepaid in the preceding financial year. This distorts financial statements as we have to recognise the income within the year that it is received, not the year it was intended for.

Roads to Recovery Grants

Received from Federal government, funds received are to be spent on road projects but Council has complete discretion on whether the spending is on maintenance, renewal or upgrading of roads. This funding has to be matched with Councils own source funds.

Supplementary Local Road Funding

Additional funding from the Federal Government which is based on a formula to calculate the distribution amongst all local governments in South Australia. This funding may cease after 2018-19.

Special Local Roads Program

Through the Local Government Transport Advisory Panel (LGTAAP), we applied and were successful in receiving funding specifically for upgrading the Mt Wedge Road from the Eyre Highway to our Council boundary. The District Council of Elliston were also successful in receiving funding in order to upgrade the road so that a bitumen seal is continued through to Elliston. This has been received in stages since 2015/16. The 2018/19 year should see the project being completed.

Building Better Regions Fund

Council have applied to the Building Better Regions Fund for the building of the proposed Civic Centre. The result of this application is expected in July/August 2018. If funding is not successful, Council will revisit this project to determine the next steps.

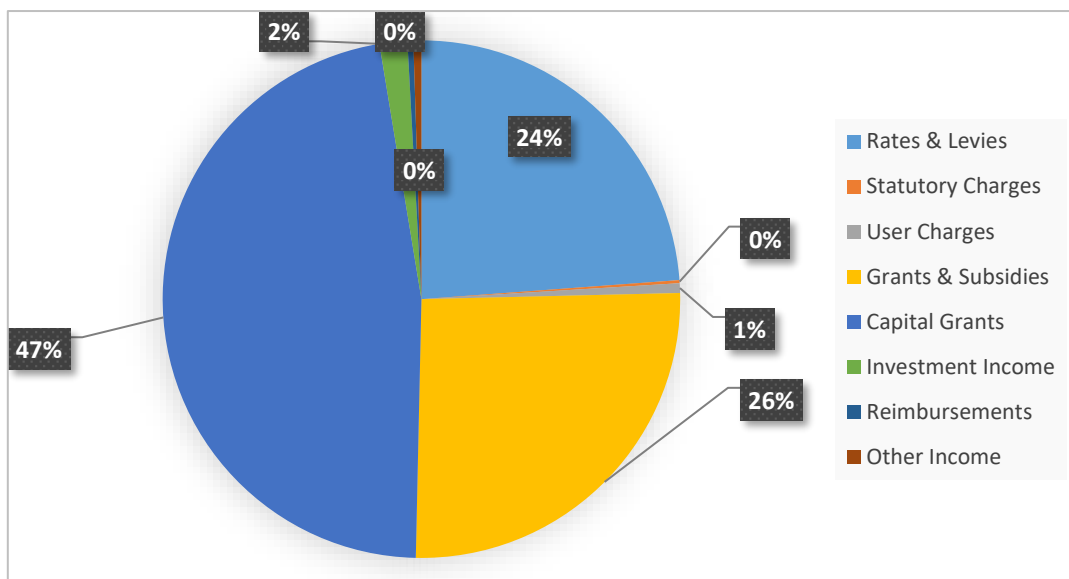
Office for Recreation and Sport

Council have applied to the Office for Recreation and Sport for the construction of a Skate and Spray Park facility at Apex Park, Wudinna. The result of this application is expected in July/August 2018. If funding is not successful, Council will revisit this project.

General Purpose Financial Assistance Grant	\$1,225,540
Local Roads Grant	\$404,601
Supplementary Road Grant	\$198,366
Roads to Recovery	\$393,565
Special Local Road Grant (Mt Wedge Rd)	\$606,667
Office for Recreation and Sport	\$368,000
Building Better Regions Fund	\$3,100,000
Other (Libraries, Youth, etc)	\$5,505
Total Anticipated Grants	\$6,302,248

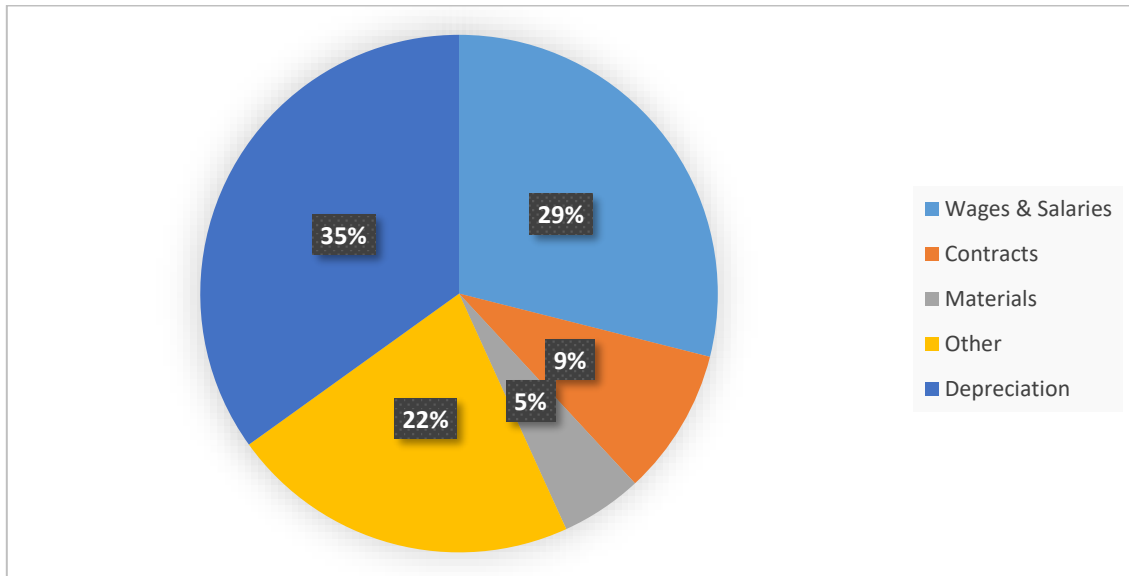
Operating Income

Revenue Type	Proposed Budget	% of Total
Rates & Levies	-\$2,063,017	23.8%
Statutory Charges	-\$ 16,640	0.2%
User Charges	-\$ 52,212	0.6%
Grants & Subsidies	-\$2,227,577	25.7%
Capital Grants	-\$4,074,671	47.1%
Investment Income	-\$ 150,000	1.7%
Reimbursements	-\$ 31,692	0.4%
Other Income	-\$ 43,190	0.5%
	-\$ 8,658,999	



Operating Expenditure

Expenditure Type	Proposed Budget	% of Total
Wages & Salaries	\$ 1,416,804	28.9%
Contracts	\$ 444,750	9.2%
Materials	\$ 247,354	5.1%
Other	\$ 1,061,679	21.9%
Depreciation	\$ 1,693,334	34.9%
	\$ 4,863,921	



Rating Policy 2018-19

Strategic Focus

In setting its rates for the 2018/2019 financial year the Council has considered the following:

- Its current strategic plans, *The Community Plan* and *Corporate Plan*. The Strategic Plan was developed following an extensive community consultation program;
- The current economic climate and relevant factors such as inflation and interest rates;
- The specific issues faced by our community, which are:
 - An appropriate level of support to assist Councillors to undertake their responsibilities as community representatives.
 - Facilitate the development and maintenance of buildings and other Council structures in a manner that adds to the aesthetics of the area.
 - The provision and maintenance of parks, gardens and street scaping.
 - Maintaining a construction/maintenance program for sealed and unsealed roads.
 - Ongoing development of a program for re-use of water resources i.e. stormwater.
 - Effectively administer requirements in relation to public and environmental health.
 - Provide incentives for business development in the area.
 - An appropriate range of active and passive recreational and cultural facilities for use by the community and visitors.
- The budget for the 2018/2019 financial year;
- The impact of rates on the community, including:
 - Householders, businesses and primary producers.
 - The broad principle that the rate in the dollar should be the same for all properties except where there is clearly a different level of services available to ratepayers, or some other circumstance which warrants variation from the broad principle.
- For the 2018/2019 financial year the Council has decided to increase rates collected by **4%** as this will provide the Council with sufficient additional revenue to meet cost increases.

Method Used To Value Land

Of the three valuation methodologies available (*Capital, Site or Annual Value*), the Council has decided to use Capital Value as the basis for valuing all land within the Council Area.

- *Capital Value* – the value of the land and all of the improvements on the land.

The Council considers that this method of valuing land provides the fairest method of distributing the rate burden across all ratepayers on the following basis:

- the equity principle of taxation requires that ratepayers of similar wealth pay similar taxes and ratepayers of greater wealth pay more tax than ratepayers of lesser wealth;
- property value is a relatively good indicator of wealth and capital value, which closely approximates the market value of a property and provides the best indicator of overall property value; and
- the distribution of property values throughout the Council area is such that few residential ratepayers will pay significantly more than the average rate per property.

Adoption of Valuations

The Council will adopt the most recent valuations from the Valuer-General made available to the Council prior to adoption of the budget, being valuations as at the 2nd July 2018 - **\$321,664,200**.

If a ratepayer is dissatisfied with the valuation made by the Valuer-General then the ratepayer may object to the Valuer-General in writing, within 60 days of receiving the notice of the valuation, explaining the basis for the objection, provided they have not: (a) previously received a notice of this valuation under the Local Government Act 1999, in which case the objection period is 60 days from the receipt of the first notice, (b) this 60 day objection period may be extended by the Valuer-General where it can be shown there is reasonable cause; or (c) previously had an objection to the valuation considered by the Valuer-General. Objections can also be submitted via an online form at:

<http://www.sa.gov.au/topics/planning-and-property/owning-a-property/objecting-to-a-property-valuation>

Contact details for the Valuer-General are:

State Valuation Office
GPO Box 1354, ADELAIDE SA 5001
Email: LSGObjections@sa.gov.au
Phone: 1300 653 346
Fax: (08) 8226 1428

Please note that Council has no role in this process. It is also important to note that the lodgement of an objection does not change the due date for the payment of rates.

Notional Values

Certain properties may be eligible for a notional value under the Valuation of Land Act 1971 where the property is the principal place of residence of a ratepayer. This can relate to certain primary production land or where there is State Heritage recognition. A notional value is generally less than the capital value and this will result in reduced rates, unless the minimum rate already applies. Application for a notional value must be made to the State Valuation Office.

Business Impact Statement

The Council has considered the impact of rates on all businesses in the Council area, including primary production. In considering the impact Council assessed the following matters:

- Consultation with the community (Granite publication & mail out) and the Minnipa Progress Association;
- Those elements of the Council's strategic management plans relating to business development;
- The equity of the distribution of the rate burden – apart from the decision to provide a differential rate for primary production properties, as outlined under the heading "Differential General Rates", the Council considers that all ratepayers receive broadly comparable services and are generally similarly impacted upon by prevailing economic conditions;
- Council's policy on facilitating local economic development:
 - Providing incentives for business development in the area.
 - Preference for local suppliers where price, quality and service provision are comparable to suppliers outside the Council area.
 - Information from the Australian Bureau of Statistics on business and farm incomes, compared with average resident incomes.
- Current local, state and national economic conditions and expected changes during the next financial year. The general economic climate is unstable and appears unlikely to stabilise over the next twelve months. The major concern is the continued limited employment prospects for school leavers and other persons currently unemployed.
- Changes in the valuation of business and primary production properties from the previous financial year:
 - Wudinna Township – a general increase of 2-3% of capital values in Wudinna with some minor variations up and down.
 - Commercial and industrial properties have generally increased by 1-2%.
 - Minnipa residential values have increased by 6%.
 - Rural Properties – increases to broad acre land capital values are around 7%.
- Specific infrastructure maintenance issues that will benefit businesses and primary producers:
 - Re-sheeting of 24.2 kilometres of district roads (\$ 577,741).
 - In addition we will continue work on the Kyancutta Mt Wedge construction/seal undertaking the final 7kms (\$910,025).
 - Resealing of some bitumen roads in Wudinna and Minnipa are also programed (163,764).

Council's Revenue Raising Powers

All land within a council area, except for land specifically exempt (e.g. Crown land, Council occupied land and other land prescribed in the Section 147 of the Local Government Act 1999), is rateable. The Local Government Act provides for a council to raise revenue for the broad purposes of the council through a general rate, which applies to all rateable properties, or through differential general rates, which apply to classes of properties.

In addition, Council can raise separate rates, for specific areas of the council or service rates or charges for specific services. The Council also raises revenue through fees and charges, which are set giving consideration to the cost of the service provided and any equity issues.

Differential General Rates

Pursuant to Sections 153 and 156 of the Local Government Act 1999 (as amended) Council declares differential general rates on rateable land within its area where rates vary by reference to the locality of the land and its use. If a ratepayer believes that a particular property has been wrongly classified by the Council as to its land use, then they may object (to the Council) to that land use within 60 days of being notified. A ratepayer may discuss the matter with Selena Garnaut, Finance Manager on 08 8680 2002 in the first instance. The Council will provide, on request, a copy of Section 156 of the Local Government Act 1999 which sets out the rights and obligations of ratepayers in respect of objections to a land use.

The Council will impose differential general rates by reference to locality:

Locality	Rate in \$	
	2017-18	2018-19
All land classified as being within the declared township areas	\$0.00472	\$0.004820
All other land	\$0.00605	\$0.005867

At its meeting on 17 July 2018 the Council will raise differential rate revenue of **\$1,794,212** in a total expenditure budget of **\$4,863,921**. As a result of this decision the Council will set a rate of **0.482 cents** in the dollar for all land other than primary production land to raise the necessary revenue. Council will set a rate of **0.5867 cents** in the dollar for primary production land (outside the declared township areas).

Mix of Property Types	No. of properties	% of Prop	\$	% of Rates
Rate-able Primary Production Properties	538	39%	\$1,361,291	75.8%
Other Rate-able Properties	547	40%	\$432,921	24.2%
Non-Rate-able Properties	284	21%	\$0	
Total Properties	1369		\$1,794,212	

Objections to Land Use

Objections to the Council's decision may be lodged with Mr Alan F McGuire, Chief Executive Officer, Wudinna District Council, PO Box 6, Wudinna SA 5652. The objection must be made within 60 days of receiving notice of the land use and set out the basis for the objection and details of the land use that (in the opinion of the ratepayer) should be attributed to that property. This 60 day objection period may be extended by the Council where it can be shown there is reasonable cause. The Council may then decide on the objection as it sees fit and notify the ratepayer. A ratepayer also has the right to appeal against the Council's decision to the Land and Valuation Court. It is important to note that the lodgement of an objection does not change the due date for payment of rates.

Minimum Rate

A council may impose a minimum amount payable by way of rates, provided that it has not imposed a fixed charge. Where two or more adjoining properties have the same owner and are occupied by the same occupier, only one minimum rate is payable by the ratepayer. Where a Council imposes a minimum rate it must not apply to more than 35% of properties in the Council area.

For 2018/2019, Council will impose a minimum rate of \$450 and it will affect 252 (23.2%) rateable properties. The reasons for imposing a minimum rate are:

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

Service Charges

Community Wastewater Management Systems

The Council provides a Community Wastewater Management Scheme (CWMS) to all properties in Wudinna for the removal, treatment and environmentally appropriate disposal of domestic waste water.

An annual CWMS Service Charge is applied to all properties serviced by the system to meet the establishment, refurbishment and ongoing operating costs of the service, under the provisions of Section 155 of the Local Government Act 1999 and the ensure that the charge complies with the National Water Initiative Pricing Principles as required by the Essential Services Commission of South Australia for the provision of Sewerage Retail Services.

Council applies Annual CWMS Service Charges to properties based on a "Unit Charge" system in accordance with the "Code for Establishing and Applying Property Units", as referred to in Section 155 of the LG Act 1999 and Regulation 12 of the Local Government (General) Regulations 2013.

This means that a normal residential property is charged one (1) CWMS Service Charge (one Unit), while a property which contributes larger volumes of effluent into the system than a domestic dwelling (eg. Hotel, Motel, Commercial facility) may be charged more than one Unit (determined by number of employees/accommodation capacity) to compensate for the greater level of use of the CWMS.

Council has determined that the service charge for 2018-19 will be **\$325** per unit for Occupied properties and **\$290** for Unoccupied properties (no change from last year) This will amount to **\$125,260** for the operation and maintenance of providing the service. Where the service is provided to non-rateable land, a service charge is levied against the land. Details on what constitutes a service charge for each property unit, and other information about the Scheme, are available from Selena Garnaut, Finance Manager on 08 8680 2002.

Waste Collection

The Council are implementing a new waste collection service to all occupied properties in the Wudinna and Minnipa townships as well as all those occupied properties within a 500 metre radius of bin bank sites located in Warrambo, Kyancutta, Pygery and Yaninee.

An initial wheelie bin (140 litres) will be provided for all properties that can receive the service, including businesses and community organisations.

The proposed annual Waste Collection Service Charge of **\$220** will be applied to all properties where the service is available, to meet establishment and ongoing operating costs, under the provisions of Section 155 of the Local Government Act 1999, raising a total of **\$93,720**.

If landowners outside of the 500 metre radius of bin bank sites wish to make use of the collection service, they may apply to council and a scaled service charge (as per Section 13(2) of the Local Government (General) Regulations 2013) will be applied according to the distance from their property to the bin bank site.

If anyone (including commercial/community organisations) require additional wheelie bins, they can apply to Council. These will be capped at a maximum of 2 bins per rateable residential property and 10 bins per commercial/community organisation property.

Commercial and community organisations who believe that they do not require the service may apply to Council to 'opt-out' of the service.

Remissions (in part) for Pensioners may be provided upon application (refer to 'Remissions & Postponement of Rates' section below).

For more information, refer to Councils Waste Collection & Disposal Service Policy or contact the Council office.

Separate Rates

Aged Home Units

In accordance with Section 154 (2)(b) of the Local Government Act 1999, and the prescribed authority of the Minister for Local Government, Council impose a separate rate to the Aged Home Units located within Portion 175, Hundred of Pygery (Wudinna). This levy is imposed to assist in covering the cost of expenditure incurred in the maintenance of the homes and the area. For 2018-19 the separate rate will be **\$176** (no change from last year).

Natural Resource Management Levy

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

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

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

For 2018-19 Council's annual contribution to the EPNRM is proposed to be **\$72,266**. This is an increase of 3.91% from 2017-18 contribution of \$69,549.

The EPNRM Board has advised that there will be a change to the methodology of raising the Levy. It will continue to be applied on a fixed charge basis but it will differ dependant on the land use of the property. The following table details the proposed EPNRM Separate Rate for the 2018-19.

Land Use	Rate \$	
	2017-18	2018-19
Residential, Vacant & Other	\$73.75	\$75.99
Commercial & Industrial	\$110.63	\$113.98
Primary Production	\$147.51	\$151.98

The Levy is imposed upon land that constitutes the whole of a single allotment and if two or more pieces of contiguous rateable land are owned or occupied by the same person only one Levy will apply against the whole of that land. Additionally, if two or more pieces of rateable land within the area of the Council constitute a Single Farm Enterprise only one fixed NRM Levy will apply against the whole of the land.

Pensioner Concessions

The new State Government Cost of Living Concession for pensioners, low-income earners and self-funded retirees who hold a Commonwealth Seniors Health Card came into effect on 1 July 2015.

This means concessions will no longer be applied to council rates notices. The new concession will be paid directly to eligible residents by cheque or directly into their bank account.

Application forms for the concession can be obtained from the council or by downloading from www.sa.gov.au/concessions/costofliving or by contacting the Concessions Hotline on 1800 307 758.

Payment of Rates

Council has determined that pursuant to Section 181(2) of the Local Government Act 1999, rates will be payable in four equal instalments and that these instalments will be due and payable on:

1st Quarter	7 September 2018
2nd Quarter	7 December 2018
3rd Quarter	8 March 2019
4th Quarter	7 June 2019

Deferred Single Instalment

Council are no longer offering the deferred single instalment option.

Rates can be paid at any time during the year as long as at least the quarterly amount is paid before the quarter due date. Eg: Total Rates of \$1200 (\$300 per quarter). Pay \$300 by the first due date (8 Sept) then pay the remaining \$900 before the second due date (8 Dec) OR Pay the full amount before the first due date, etc.

Payment Methods

Rates may be paid:

- In person by cash, cheque or Eftpos, at the Council office, 11 Burton Terrace, Wudinna during the hours of 9am to 5pm, Monday to Friday.
- By mail to Wudinna District Council, PO Box 6, Wudinna SA 5652.
- Via BPAY (telephone or internet banking)– contact your financial institution.

Any ratepayer who may, or is likely to, experience difficulty with meeting the standard payment arrangements is invited to contact Selena Garnaut, Finance Manager on 08 8680 2002 to discuss alternative payment arrangements. Such inquiries are treated confidentially by the Council.

The Council has adopted a policy that where the payment of rates will cause a ratepayer demonstrable hardship, the Council is prepared to make available extended payment arrangements subject to certain conditions.

Late Payment of Rates

The Local Government Act provides that councils impose a penalty of a 2% fine on any payment for rates, whether instalment or otherwise, that is received late. A payment that continues to be late is then charged an interest rate, set each year in accordance to a formula in the Act, for each month it continues to be late. The purpose of this penalty is to act as a genuine deterrent to ratepayers who might otherwise fail to pay their rates on time, to allow councils to recover the administrative cost of following up unpaid rates and to cover any interest cost the Council may meet because it has not received the rates on time.

The Council is prepared to remit penalties for late payment of rates where ratepayers can demonstrate hardship.

The Council issues a final notice for payment of rates when rates are overdue i.e. unpaid by the due date. Should rates remain unpaid more than 14 days after the issue of the final notice then the Council refers the debt to a debt collection agency. The debt collection agency charges collection fees that are recoverable from the ratepayer.

When the Council receives a payment in respect of overdue rates the Council applies the money received as follows:

- first – to satisfy any costs awarded in connection with court proceedings;
- second – to satisfy any interest costs;
- third – in payment of any fines imposed;
- fourth – in payment of rates, in chronological order (starting with the oldest account first).

Remission & Postponement of Rates

Section 182 of the Local Government Act permits the Council, on the application of a ratepayer, to partially or wholly remit rates or to postpone rates, on the basis of hardship. Where a ratepayer is suffering hardship in paying rates he/she is invited to contact Selena Garnaut, Finance Manager on 08 8680 2002 to discuss the matter. Such inquiries are treated confidentially by the Council.

Council has deemed that the imposition of the new Waste Collection Service Charge during 2018-19 may cause hardship for pensioner ratepayers and are therefore offering a part remission of this charge to eligible applicants.

To apply for a remission, complete a [Rate Remission Application Form](#) and submit to Council as soon as possible.

To be eligible, the applicant must be:

- the owner/principal ratepayer; and
- the property must be the applicants principal place of residence;
- a recipient or eligible for a Cost of Living Allowance (current concession card holder)

For more information, contact Selena Garnaut, Finance Manager on 08 8680 2002.

Rebate of Rates

The Local Government Act 1999 requires councils to rebate the rates payable on some land. Specific provisions are made for land used for health services, community services, religious purposes, public cemeteries, the Royal Zoological Society and educational institutions. Discretionary rebates may be applied by the Council under Section 166 of the Act (ie. recreation grounds etc).

Any person or body eligible for a rebate may apply in writing (via Council's Discretionary Rates Rebate Application form), providing as much detail as possible to substantiate the grounds for a rebate in accordance with Section 166 of the Local Government Act 1999. Contact Selena Garnaut, Finance Manager for more information.

Sale of Land For Non-Payment Of Rates

The Local Government Act provides that a council may sell any property where the rates have been in arrears for three years or more. The Council is required to notify the owner of the land of its intention to sell the land, provide the owner with details of the outstanding amounts, and advise the owner of its intention to sell the land if payment of the outstanding amount is not received within one month.

Except in extraordinary circumstances, the Council enforces the sale of land for arrears of rates and a copy of the Council's policy is available from Selena Garnaut, Finance Manager on 08 8680 2002 or by writing to the Wudinna District Council, PO Box 6, Wudinna SA 5652.

Financial Sustainability

Council remains financially secure with significant cash reserves. All significant liabilities (such as employee provisions) are underwritten via investment reserves. The Council has no borrowings at this time which remains available to Council should it wish to address any specific backlogs in infrastructure identified in our Infrastructure and Asset Management Plans.

One of the major challenges faced by Council is to deliver quality services to the community in a financially sustainable way. The Council attempts to meet this challenge by continually striving to develop and enhance its ability to respond to an ever changing environment. This environment is currently characterised by increasing service needs of the community, changing relationships with other spheres of government, uncertain economic conditions nationally and internationally with flow-on implications and the need to accommodate potential impacts on the community brought about by issues such as seasonal farming conditions, demographic and even climate change.

A continuous improvement plan has been developed which identifies a range of actions designed to further strengthen Council's financial sustainability and demonstrates a commitment to;

- provide services to the community efficiently and effectively through sound financial and asset management;
- comply with all relevant legislation relating to asset and financial management;
- have strong planning processes in place that involve consultation with the community and are based on meeting the needs of the community;
- proved accountability and transparency about Council decisions, service standards and operations;
- maintain policies that are focused on appropriate levels of service provision in the long term;
- embed long-term financial sustainability as a key measure of success in Councils service provision.

Key Financial Indicators

Local Government in South Australia has adopted a set of Key Financial Indicators which provides an indicator of financial health (and hence Sustainability) and can also demonstrate the improving (or declining) trend in Council's Financial Position over time.

Council have set its Corporate Key Performance Indicators relating to financial performance as below:

Corporate KPI's	KPI's relate to measuring achievement of the Strategic Objective
FINANCIAL PERFORMANCE	TARGET
Operating Surplus Before Capital Revenue	At least break even over any five (5) year period
Operating Surplus Ratio (by what % the major controllable income source varies from day to day expense)	At least an operating surplus ratio of between 0 – 15% over any five (5) year period.
<i>Proposed Budget ratio</i>	44%
Rate Revenue as a Percent of Operating Revenue	Not more than 85%
<i>Proposed Budget ratio</i>	23.9%
Net Financial Liabilities (money owed to others less money held, invested or owed to Council)	Not greater than its annual operating revenue and not less than zero.
Net Financial Liabilities Ratio (the significance of the net amount owed compared with income received)	Net financial liabilities ratio greater than zero but less than 50% of total operating revenue.
<i>Proposed Budget ratio</i>	-125%
Interest Cover Ratio (the level of income used to pay interest on loans)	Net interest is greater than 0% and less than 10% of operating revenue.
Asset Sustainability Ratio (the extent to which assets are being replaced at the rate they are wearing out)	Capital outlays on renewing/replacing assets net of proceeds from sale of replaced assets is greater than 90% but less than 110% of depreciation over a rolling three (3) year period.
<i>Proposed Budget ratio</i>	100%
Asset Consumption Ratio (the average proportion of 'as new condition' left in assets)	The average proportion of 'as new condition' left in assets is greater than 40% and less than 80%.

Appendix 1

Explanation of Uniform Presentation of Finances

(example only for explanation purposes – left blank intentionally)

UNIFORM PRESENTATION OF FINANCES	2017-18 Forecast \$'000	2018-19 Budget \$'000
Income <i>less</i> Expenses		
Operating Surplus/(Deficit)	-	-
Less: Net Outlays on Existing Assets		
Capital Expenditure on Renewal/Replacement of Existing Assets <i>less</i> Depreciation, Amortisation and Impairment Expenses <i>less</i> Proceeds from Sale of Replaced Assets		
Net Outlays on Existing Assets	-	-
Less: Net Outlays on New and Upgraded Assets		
Capital Expenditure on New/Upgraded Assets <i>less</i> Amounts received specifically for New/Upgraded Assets <i>less</i> Proceeds from Sale of Surplus Assets		
Net Outlays on New and Upgraded Assets	-	-
Net Lending/(Borrowing) for Financial Year	-	-

Explanation/Examples of Components of Uniform Presentation of Finances

Operating Revenue and Expenditure: represent the totals from the relevant lines of the Statement of Comprehensive Income (operating statement) for the year being reported on.

Capital Expenditure on renewal and replacement of Existing Assets: e.g. Road Reseals, replacement tractor, building renovations, replacement computer hardware.

Proceeds from sale of replaced assets: e.g. trade in value of a tractor or motor vehicle being replaced.

Capital Expenditure on New and Upgraded Assets: e.g. constructing a new building, constructing a new catchment pond, purchasing a piece of machinery that was not previously on hand.

Amounts specifically for New or Upgraded Assets: e.g. Capital grants to partly fund a new CWMS, funds received to build new footpaths that did not previously exist.

Proceeds from Sale of Surplus Assets: Proceeds from the sale of a council building that was no longer required, sale of surplus land.

New/Upgraded vs Renewal/Replacement of Assets

The following definitions have been obtained from the South Australian Local Government Model Financial Statements.

A new asset is additional to Council's previous asset complement (e.g. roads constructed as part of a Council-owned subdivision are new assets. Similarly laying footpaths in areas where they did not previously exist are also new assets).

An upgraded asset replaces a previously existing asset with enhanced capability or functionality.

Renewal or replacement of an asset occurs where a previously existing asset is replaced without enhancement of the service capability except where this is incidental and unavoidable.

It is possible for capital expenditure to be a combination of renewal as well as upgrade.

The important point to understand is that if Council is not able to replace its existing assets in a timely manner then new assets should not be built unless essential. By building new assets Council is effectively building new liabilities as the assets usually don't generate revenue, cannot be sold, and will need to be maintained and eventually replaced.

Appendix 2 – Statutory Statements

Uniform Presentation of Finances

Uniform Presentation of Finances	Forecast 2017-18 \$,000	Budget 2018-19 \$,000
Operating Revenue	5,949	8,659
less Operating Expense	(4,518)	(4,864)
Operating Surplus / (Deficit) before Capital Amounts	1,431	3,795
less Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	2,342	1,892
less Depreciation, Amortisation & Impairment	(1,693)	(1,693)
less Proceeds from Sale of Replaced Assets	0	(253)
Net Outlays on Existing Assets	648	(55)
less Net Outlays on New & Upgraded Assets		
Capital Expenditure on New & Upgraded Assets	1,642	6,424
less Amounts specifically for new or upgraded Assets	(468)	(4,075)
less Proceeds from Sale of Surplus Assets	(0)	0
Net Outlays on New and Upgraded Assets	1,174	2,349
Net Lending/ (Borrowing) for Financial year	(391)	1,501

Key Financial Indicators

	Forecast 2017-18 \$,000	Budget 2018-19 \$,000	Variance \$,000
Operating Surplus Ratio			
<u>Operating Surplus</u>	1,431	3,795	2,292
Total Operating revenue	5,879	8,587	2,685
	24%	44%	19%
Net Financial Liabilities Ratio			
<u>Net Financial Liabilities</u>	(9,191)	(10,691)	(1,529)
Total Operating revenue	5,879	8,587	2,685
	-156%	-125%	31%
Asset Sustainability Ratio			
<u>Net Asset Renewals</u>	2,342	1,639	(703)
Capital Renewal Expenditure as per asset management plan	2,342	1,639	(703)
	100%	100%	0%

Statement of Comprehensive Income

	Note	Forecast 2017-18 \$,000	Budget 2018-19 \$,000	Variance \$,000	Comment
INCOME					
Rates		1,907	2,068	161	
Statutory Charges		21	12	(9)	
User Charges		51	52	1	
Grants & Subsidies		3,741	6,302	2,562	FAGS - 1.8M (inc Sup), R2R - 394k, SLRP 607k, Library 3k, Youth 2.5k, skate/spray pk \$363k & 3.1m for civic centre
Investment Income		150	150	0	
Reimbursements		24	32	8	
Other Revenues		57	43	(14)	
Total Operating Income		5,949	8,659	2,710	
EXPENDITURE					
Employee Costs		1,199	1,417	218	
Materials, Contracts & Other Expenses		1,626	1,754	128	
Depreciation		1,693	1,693	0	
Finance Charges		0	0	0	
Total Operating Expenditure		4,518	4,864	346	
OPERATING SURPLUS/(DEFICIT)		1,431	3,795	2,346	
Gain / Loss on Disposal of Assets		0	253	253	
Amounts Received Specifically for New Assets		468	4,075	3,607	Civic Centre, skate park & Mt Wedge Rd
NET SURPLUS / (DEFICIT) transferred to Equity Statement		1,899	8,123	6,223	

Balance Sheet

	Forecast 2017-18 \$,000	Budget 2018-19 \$,000	Variance \$,000
ASSETS			
CURRENT ASSETS			
Cash & Cash Equivalents	9,979	11,480	1,501
Trade & Other Receivables	146	146	0
Inventories	26	52	26
Total Current Assets	10,152	11,678	1,526
NON-CURRENT ASSETS			
Infrastructure, Property, Plant & Equipment	30,156	36,752	6,596
Total Non-Current Assets	30,156	36,752	6,596
TOTAL ASSETS	40,307	48,430	8,122
LIABILITIES			
CURRENT LIABILITIES			
Trade & Other Payables	117	117	0
Borrowings	0	0	0
Short Term Provisions	455	455	0
Total Current Liabilities	571	571	0
NON-CURRENT LIABILITIES			
Trade & Other Payables	288	288	0
Long Term Provisions	75	75	0
Total Non-Current Liabilities	363	363	0
TOTAL LIABILITIES	935	935	0
NET ASSETS	39,373	47,495	8,122
EQUITY			
Accumulated Surplus	(1,085)	7,038	8,123
Asset Revaluation Reserve	40,457	40,457	0
Other Reserves	0	0	0
TOTAL EQUITY	39,372	47,495	8,123

Statement of Cash Flows

	Forecast 2017-18 \$,000	Budget 2018-19 \$,000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts		
Operating Receipts	5,799	8,509
Investment Receipts	150	150
Payments		
Operating Payments to Suppliers & Employees	2,825	3,171
Finance Payments	0	0
Net Cash provided by (or used in) Operating Activities	3,125	5,489
CASH FLOWS FROM INVESTING ACTIVITIES		
Receipts		
Grants Specifically for new or upgraded assets	468	4,075
Sale of replaced Assets	0	253
Sale of surplus Assets	0	0
Repayments of loans by community groups	0	0
Payments		
Expenditure on renewal/replaced assets	2,342	1,892
Expenditure on new/upgraded assets	1,642	6,424
Net cash provided by (used in) Investing Activities	(3,515)	(3,988)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments		
Repayment of Borrowings	0	0
Net Cash Provided by (Used in) Financing Activities	0	0
Net Increase / Decrease in Cash	(391)	1,501
Cash and Cash Equivalents at start of reporting period	10,370	9,979
Cash & Cash Equivalents at the end of the reporting period	9,979	11,480

Statement of Equity

	Forecast 2017-18 \$,000	Budget 2018-19 \$,000
ACCUMULATED SURPLUS		
Balance at end of previous reporting period	(2,984)	(1,085)
Net Result for Year	1,899	8,123
Transfer from Reserves	0	0
Transfer to Other Reserves	0	0
Balance at end of period	(1,085)	7,038
ASSET REVALUATION RESERVE		
Balance at end of previous reporting period	40,457	40,457
Gain on Revaluation of Property Plant & Equipment	0	0
Balance at end of period	40,457	40,457
TOTAL EQUITY AT END OF REPORTING PERIOD	39,372	47,495

Appendix 3 – Operating Statement by Function/Activity

Function	Wages	Contract s	Materials	Depn	Other	Total Expenses	Grants Operating	Grants Capital	User Charges	Reimburse ments	Stat Charges	Gen Rates	Rates Other	Inv Inc	Other Income	Total Revenue
Administration	631,053	83,100	57,800	285,000	332,289		-1,225,540		-500		-1,200	-2,063,017	-4,600	-150,000	-2,000	
Administration	631,053	83,100	57,800	285,000	332,289	1,389,242	-1,225,540		-500		-1,200	-2,063,017	-4,600	-150,000	-2,000	-3,446,857
Fire Protection			400		600											
Dog Control	500		800		200						-4,840				-250	
Nuisance & Litter Control					2,500											
Public Order & Safety	500		1,200		3,300	5,000					-4,840				-250	- 5,090
Health Inspection	54,697	1,000	4,000		700				-15,000		-2,000					
Other - Health		1,000	2,000		34,150										-240	
Health	54,697	2,000	6,000		34,850	97,547			-15,000		-2,000				-240	-17,240
Aged & Disabled Services		9,000	6,000		15,772					-23,772						
Other Welfare			800		3,200				-3,100							
Youth		5,000	500		500		-2,500									
Social Security & Welfare		14,000	7,300		19,472	40,772	-2,500		-3,100	-23,772						-29,372
Housing		8,000	3,000		2,342				-8,112							
Town Planning	23,031	8,000			4,000											
Other Community Dev	17,069	12,495	41,000		7,614				-6,310							
Sanitation & Garbage	76,026	116,472			88,052				-2,000						-3,000	
Sewerage	9,570	16,750	4,000	42,392	6,659											
Stormwater Drainage	5,502			119,990	4,718				-15,000							
Other Amenities (Public Conv, etc)	18,763	616	5,924		8,755				-1,290							
Housing & Com Amen	149,961	160,258	53,924	162,382	122,140	648,665			-32,712						-3,000	-35,712
Libraries					25,682		-3,005			-2,920						
Other Cultural Services		5,500			27,400			-3,100,000								
Sport & Cultural Services	107,487	13,833	35,155		69,192			-368,004	-500							
Recreation & Culture	107,487	19,333	35,155		122,274	284,249	-3,005	-3,468,004	-500	-2,920						-3,474,429
Natural Resource Management					72,266	72,266									-2,700	- 2,700
Building Act	23,031	5,000			1,000						-4,000					
Other																
Mining & Manufacturing	23,031	5,000			1,000	29,031					-4,000					-4,000
Sealed	21,101	6,919	9,527	160,000	2,878			-606,667								
Formed & Surfaced	311,177	139,141	43,681	1,085,952	238,108		-996,532			-5,000						
Road Const & Mtce	332,278	146,060	53,208	1,245,952	240,986	2,018,484	-996,532	-606,667		-5,000						-1,608,199
Aerodrome	12,064		6,267		17,602											
Transport & Comm	12,064		6,267		17,602	35,933										
Economic Affaris NEC	105,733	15,000	26,500		95,500	242,733			-400							-400
Other Purposes NEC															-35,000	-35,000
GRAND TOTAL	1,416,804	444,750	247,354	1,693,334	1,061,679	4,863,921	-2,227,577	-4,074,671	-52,212	-31,692	-12,040	-2,063,017	-4,600	-150,000	-43,190	-8,658,999