



**DISTRICT COUNCIL OF
KIMBA**

**ANNUAL BUSINESS
PLAN & BUDGET
2023-2024**



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JUNE 2023

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1. Introduction

This Annual Business Plan (the Plan) outlines the District Council of Kimba's (Council) planned services, projects and major expenditures for the 2023-24 financial year. After taking into account feedback from the community, Council has finalised the plan and fine-tuned the detailed budget for the corresponding period.

The plan aims to maintain efficient and desired services and facilities for the community, without imposing an unrealistic rate burden on ratepayers. The provision of services by Council is a reflection of both meeting Council's obligations under legislation and making policy choices on behalf of the community to achieve Council's longer-term goals. Council also has taken account of the current economic and seasonal conditions.

2. District Profile

The District Council of Kimba is located on the Eyre Highway, National Highway One, covers an area of approximately 3,500 square kilometres and has an estimated resident population of 1,083. Kimba is 475km from Adelaide, 155km west of Port Augusta and 315km east of Ceduna. Neighbouring towns are Cleve (69 km), Kyancutta (90 km), Cowell (90km) and Whyalla (145km). The district has an extensive road network, with some 1,716km of roads, 100km of which are sealed.

3. Strategic Direction

Council reviewed its suite of strategic management plans which were adopted at its Ordinary meeting held on 10th June 2020. Among other things, the strategic management plan considered regional, state and national objectives and strategies relevant to the social, physical, environmental development and management of Council's area of responsibility. This plan identifies the strategic objectives and principal activities that have informed the goals, objectives, activities and services included in this Annual Business Plan.

In reviewing this plan, Council adopted the following vision statement, believing it reflects Council's aspirations for the Kimba community.

VISION

Driving innovative and accountable leadership for a vibrant, sustainable Kimba.

MISSION

The District Council of Kimba is committed to bettering the lives of residents and ratepayers through leadership, advocacy and the high-quality delivery of services and programs that improve the social and economic standing of our community.

STRATEGIC OBJECTIVES

To support the development of the Kimba Township and district, Council has identified a range of strategic objectives and principal activities to focus its energies and resources on that will assist in supporting business growth and improving services to the community and its visitors. The goals are reflective of current and future issues and pressures facing the district of Kimba. The principal activities are identified in Council's strategic management plan and are shown on Council's website or are available from the Council office.

1. **Provide relevant and sustainable community services**
2. **Provide relevant and sustainable asset services**
3. **Build local business capacity**
4. **Be transparent, accountable & financially sustainable**
5. **Strive to increase population levels**
6. **Develop and support sustainable environmental strategies**

4. Significant Influences and Priorities

The 2023-24 financial year will be another busy period for Council on the back of a busy 12 months, during which a number of projects were delivered for the community. A comprehensive list of Council's achievements for the 2022-23 financial year can be found in Appendix C.

A number of other significant factors have influenced the preparation of the Council's 2023-24 Annual Business Plan.

These include:

- The extensive storm damage to Council's transportation network from storms experienced in early 2022
- The global Covid 19 pandemic
- The selection for a National Radioactive Waste Management Facility to be housed within the Kimba district
- Council's current financial position and Long-Term Financial Management Strategy
- Consumer Price Index increases on existing goods and services. The March 2023 CPI of 7.9% has been used where relevant.
- Requirements to maintain and improve infrastructure assets to sustainable standards
- Service delivery needs for the community
- Facilitating the future financial sustainability of Council by ensuring the financial operations remain within policy targets adopted for such purpose
- Provision of sufficiently qualified experienced and trained staff
- The need to establish sound Strategic Plans and policies to achieve long term sustainability

5. Continuing Services

The services provided by Council are separated into three categories being Mandatory, Traditional and Elective, with the table illustrating the allocation of services against the three categories.

Mandatory:- Services that are either required by legislation or required for operations

Traditional:- Services that are traditionally provided by Council to service the community needs

Elective:- Services that are provided based on previous community demands or request that over and above the traditional services provided by Council

Function	Mandatory	Traditional	Elective
Administration	Administration general		
	Governance		
	Financial management		
	Payroll		
	WHS and strategic risk		
	Rate administration		
	Asset management		
	Elected Member support		
Community Services	Cemetery	Public conveniences	Social media
			Website
			Community events
			Community Grants

Function	Mandatory	Traditional	Elective
Culture			Advocacy for improved medical services and infrastructure
			Kimba Pioneer Memorial Village (independent living facilities)
		Community library (financial assistance)	
		Kimba Memorial Soldiers Institute	
		Support of cultural events	
Economic Development			Tourism
			Visitor Information Centre
			Community and Economic Development Strategy
			Regional Development
			Silo art viewing platform
Environment	Fire prevention/hazard management	Waste management facility	
	Storm water and drainage	Weed spraying	
	Sewerage/CWMS	Waste management collection	
		Recycling depot	
		Drum Muster	
		e-waste collection	
		Street Lighting	
		Emergency Services Support	
Recreation		Recreation Reserve	Roora Walking Trail
		Parks and gardens	Whites Knob Lookout
		Playgrounds	
Regulatory Services	Animal management		
	Development		
	Environmental health		
Transport		Roads – Rural sealed maintenance	Community Bus
		Roads – town sealed maintenance	
		Roads – unsealed maintenance and patrol grading	
		Footpaths and kerbing	
		Storm damage	
		Aerodrome	
		Traffic management	
Business Activities			Private works
			Gravel pits/quarries
Plant and Machinery			
Depot and Indirect Expenditure			

5.1 Community Grants Program

As part of its annual budgeting process, Council allocates funding to facilitate its Community Grants Program which is intended to support local community groups to develop local projects of a community, cultural, recreational, environmental or sporting nature which demonstrate benefits to Kimba.

The funding recipients for 2023-24 are:

Kimba and Gawler Ranges Historical Society Inc.	1924 Chev Truck Restoration	\$ 5,000.00
Waddikee Community Sports Club Inc.	Repairs and Storage	\$ 3,720.00
Workshop 26 Inc.	Rural Women's Day EP	\$ 5,000.00
Kimba AH & F Society Inc.	Pavilion Lighting Upgrade	\$ 3,979.36
Kimba Hospital Auxiliary Inc.	Confetti and Chaos Fundraiser	\$ 5,000.00
Buckleboo Club Inc.	Recreation Reserve Oval Watering	\$ 5,000.00
Kimba Men's Shed Inc.	Replace and Purchase Equipment	<u>\$ 2,882.15</u>
TOTAL		<u>\$30,581.51</u>

5.2 Local Business Grants

As part of its annual budgeting process, Council allocates funding to facilitate its Local Business Grants Program which is intended to support local businesses.

The funding recipients for 2023-24 are:

Alive and Well SA Trust	Point of Sale & Digital Enhancement	\$ 5,000.0
High Street Vintage	Billboard Promotion – 3 months	\$ 3,520.00
J & C Kemp Construction	New Office at Nugent Road	\$ 5,000.00
Kimba Accommodation/CML Trading Pty Ltd	Exterior renovations to Kimba Units	\$ 5,000.00
Kimba Motor Body Repairs	Driver Assistance Calibration Machine	\$ 5,000.00
Mark Enright- Gardening & Maintenance	New Purpose-Built Trailer	\$ 2,000.00
Arcus & Tucker P/L	External cladding to Nutrien Ag Building	<u>\$ 5,000.00</u>
TOTAL		<u>\$30,520.00</u>

6. Capital Expenditure – Work Program

Item	Budget 2023-24 \$,000	Comment
Renewal / Replacement		
Resealing	307	
Office Equipment	30	
Minor Plant	40	
CEO Prado	65	\$50k trade in
Town Ute	55	\$27k trade in
Chamber Chairs	8	
Garbage Compactor	350	\$100k trade in
Disaster Recovery Program	904	Estimate, will be updated on an ongoing basis

Total Renewal / Replacement	1,759	
New / Upgraded		
Footways Construction	30	
Doctors House Upgrade	70	
Bike Track	50	
Lot 30 Nugent Road	60	
LRCIP Projects – Phase 4	389	To be allocated in due course
Total New / Upgraded	599	
Total Capital Expenditure	2,358	

7. Financial Sustainability/Financial Performance Measures

All Councils pursuant to the Local Government Act 1999 are required to develop and maintain Long Term Financial Management Plans and Asset Management Plans to ensure sound strategic planning principles to assist with decision making are in place.

Council is committed to ensuring its long-term financial sustainability. Council’s financial sustainability is dependent on ensuring that, on average over time, its expenses are at least matched by its revenue. In addition, capital expenditure on existing infrastructure and other assets should be optimised in accordance with the Infrastructure and Asset Management Plan so as to minimise whole-of-life-cycle costs of assets.

7.1 Operating Surplus Ratio (OSR)

“Is Council covering its operating expenditure and depreciation charge from its operating revenue?”

The operating surplus ratio expresses the operating surplus / (deficit) as a percentage of total operating revenue. A result of greater than 0% would indicate that Council is covering its operating expenditure and depreciation charge from its operating revenue.

The operating surplus ratio from the proposed budgeted activity for the year is a surplus of 1%. This result arises because operating income is budgeted to be \$51k more than Council’s operating expenses for the year.

7.2 Asset Sustainability Ratio (ASR)

“Is Council replacing its assets at the same rate the assets are wearing out?”

The Asset Sustainability Ratio indicates whether the Council is renewing or replacing existing non-financial assets at the same rate as its overall stock of assets is wearing out.

The ratio is calculated by measuring capital expenditure on renewal and replacement of assets relative to Council’s Asset Management Plan.

A result in the range of 90% to 110% would indicate that Council is replacing its assets in a timely manner. The forecast asset sustainability ratio for the 2023-24 is 100% which indicates that sufficient funds have been allocated to replace assets in the 2023-24 financial year.

7.3 Net Financial Liabilities (NFL) and Net Financial Liabilities Ratio

“Does Council have a manageable level of debt and other liabilities when considering its available revenue and other cash reserves?”

Net financial liabilities are a comprehensive measure of the indebtedness of the Council as it includes items such as employee long-service leave entitlements and other amounts payable as well as taking account of the level of Council's available cash and investments. Specifically, net financial liabilities equal total liabilities minus financial assets, where financial assets for this purpose includes cash, cash equivalents, trade and other receivables, and other financial assets, but excludes equity held in Council businesses, inventories and land held for resale.

The following table sets the budget estimates as at 30 June 2024:

Calculation of Net Financial Liabilities Ratio	\$,000
Trade & Other Payables	429
Provisions	472
Total Liabilities	901
Less Financial Assets:	
Cash & Cash Equivalents	2,283
Trade & Other Receivables	245
Total Financial Assets	2,528
Equals: Net financial liabilities (Total liability minus financial assets)	(1,627)
Operating Income (Opinc)	6,654
Net Financial Liabilities Ratio (NFL divide Opinc) Face value	(24%)

The current estimate of Council's Net Financial Liabilities / (assets) on 30 June 2024 is negative (\$1.6M) (i.e. the level of Council's cash and investments will exceed borrowings).

For many years, successive Councils at Kimba have taken an extremely prudent approach to the use of borrowings. Council is in a financial position to be able to either make more use of borrowings or draw on its cash and investments to fund any future high-cost new capital projects, as well as any outstanding infrastructure spending identified in its Infrastructure and Asset Management Plan. How these projects will be funded is assessed by Council on a case-by-case basis and considers whether utilising existing cash and investments, or undertaking a borrowing, represents the best value. At the same time, Council has a prudent policy in place of ensuring that net financial liabilities expressed as a percentage of operating revenue does not exceed an upper limit of 50 per cent.

The Disaster Recovery Program included in this year's budget consists of the following initial estimates (these will be updated as required throughout the 2023-24 strategic financial reporting process):

Disaster Recovery Funding	\$ 2.9M
Operating Expenditure	\$ 2.4M
Capital Expenditure	\$ 904k
Net Cost to Council	\$ 397k

Council will be required to utilise significantly higher levels of working capital as the reimbursements will be paid in arrears. Typically, Council would need about \$200k to \$300k at any given time to fund working capital. For the following two years it will be more like \$800k to \$1M at any given time. As Council has strategically positioned itself with a reasonable level of cash reserves this additional working capital will be funded from these reserves instead of debt.

7.4 Overall Assessment of Council's Financial Sustainability (based on the above ratios)

The above ratios indicate that the proposed Annual Business Plan and the associated Budget that underpins it, is financially sustainable over the following 12 months is in accordance with the targets set in Council's Long Term Financial Plan (LTFP) and Strategy.

Council's ongoing financial strategy as identified in the long-term financial plan will ensure that Council achieves an operating surplus on an ongoing basis.

The target Asset Sustainability Ratio of 100% is within the target ranges set by Council in the LTFP.

Council's Net Financial Liabilities are within the target ranges set by Council in the LTFP

8. Objectives, Activities & Non-Financial Performance Measures – 2023-24

Deliver the following projects on time and within budget:

- Flood Damage Reconstruction Program for 2023-24 at a cost of \$3.3 million with funding of \$2.9 million through the Local Government Disaster Recovery Assistance Arrangement (Strategy 2.1).
- Road resealing program (Strategy 2.1)
- Deliver on the plant replacement program at a cost of \$510,000 with trade-ins of \$177,000 (Strategy 1.2)
- Development of a Tourism Strategy (Strategy 3.4)
- Development of a Bike Trail Strategy (Strategy 6.4)
- Development of an Economic Study (Strategy 3.3)
- Development of a Nature's Bike Track (Strategy 1.4)
- Undertake upgrades to the doctor's residence at 27 West Terrace (Strategy 2.1)

Deliver the following projects subject to funding through the National Radioactive Waste Management Program Community Benefits Program:

- Continued employment of an Economic Development Manager and the employment of a part-time Economic Development Officer to support the development of business and employment. (Strategy 3.2)
- Development of a Heritage & Arts Trail Strategy (Strategy 6.4)
- Development of a Kimba Branding & Marketing Strategy (Strategy 3.3)

Target grant funding with the intention of furthering the following and strategic objectives:

- Improved internet and telecommunications services (Strategy 5.2)

Implement strategies from the 'Disability Access & Inclusion Plan 2022-24' including:

- Ensure that where possible the built environs and public spaces are accessible to people living with disabilities. (Strategy 1.4)

Ensure the ongoing involvement with the NEPHA to develop models of sustainable health services by attendance of meeting and engagement with the NEPHA project officer. (Strategy 5.1)

Lobby State and Federal Governments for the delivery of sustainable health services to the Kimba Community. (Strategy 5.1)

Take an active role in the advertising and recruitment of GP services for the town of Kimba. (Strategy 5.1)

Identify and pursue opportunities for operational shared services and joint procurements (Strategy 4.5)

Deliver the reports that comprise the strategic financial reporting cycle in line with the due dates included in section 1 of the Audit & Risk Committee work program. (Strategy 4.1)

Deliver the Audit & Risk Committee work program items on an annual basis. (Strategy 4.2)

Conducting a review of Elected Member training requirements. (Strategy 4.4)

Update the Infrastructure & Asset Management Plan ten-year renewal programs as well as the Long Term Financial Plan to reflect the 2032-24 Annual Business Plan & Budget. (Strategy 2.2)

Deliver the key objectives of Councils Corporate Communication Strategy (Strategy 4.6)

Target NRWMF & other appropriate grant funding to support the development of business and employment (Strategy 3.1)

Investigate opportunities to develop long-term sustainable waste solutions to reduce landfill (Strategy 6.1)

9. Grant Funding

Council will receive the following grant funding in 2023-24:

- Financial Assistance Grants, both General Purpose and Local Roads Grants (sourced from Federal Government)
 - Council has complete discretion as to expenditure of funds received.
- Specific Purpose Grants (State and Federal Governments)
 - Which are to be spent on specific projects or programs.
- Roads to Recovery Grants (Federal Government)
 - While funds received are to be spent on road projects, Council has complete discretion on whether funding is applied towards maintaining, renewing or upgrading roads
- Capital Grants are amounts received by Council specifically to be used for capital purposes

Operating	Amount \$,000
Financial Assistance Grant – Local Identified Roads	393
Financial Assistance Grant – General Purpose (Grants Commission)	1,167
Financial Assistance Grant – Supplementary Road Funding	151
Roads to Recovery (Standard annual allocation)	307
Community Benefits Program	387
Library	12
Total Operating Grant Funding	2,416
Capital / Amounts Received specifically for New or Upgraded Assets	
Local Roads and Community Infrastructure Program – Phase 4	389
Total Capital Grant Funding	389

10. Funding the Business Plan

A surplus operating result of \$51k is forecast for 2023-24. The operating result measures the difference between operating revenue and expenses for the period. The Council's long-term financial sustainability is dependent on ensuring that, on average over time, its expenses are less than its revenue, as outlined in the LTFP.

Council's revenue in 2023-24 includes \$1.97M proposed to be raised from general rates which have been increased by 7.9% using the March 2023 CPI.

There is little forecast growth expected for the region. Accordingly, no increases to rates revenue have been factored in for growth.

Rate Revenue Components	\$,000
Rates	1,969
CWMS	120
Waste Management Levy	90
Natural Resource Management Levy	79
Rates Remitted	(27)
Rates Discount	(14)
Rates Fines	12
Total General and Other Rates	2,229

Other sources of proposed revenue for the Council are:

- User charges and commercial revenue
- Statutory charges set by State Government
- Grants
- Other revenue

11. Uniform Presentation of Finances

The Uniform Presentation of Finances together with the results of the Key Financial Indicators provides a summarised report that focuses on Council's finances at a strategic level.

Readers are strongly encouraged to take the time to comprehend how this report is structured and what the implications of the various lines of this report are for the Key Financial Indicator calculations.

Definitions and examples of the key components of this report are included in the glossary at the end of this document.

The Uniform Presentation of Finances report highlights the operating surplus/ (deficit) measure which is considered the most critical indicator of a Council's financial performance.

The last line, or rather the result of this report, is the movement in Net Financial Liabilities (Net Lending/Borrowing) for the year based on Council's planned capital and operating budgets for that year.

Achieving a zero result on the net lending/(borrowing) measure in any one year essentially means that the Council has met all of its expenditure (both operating and capital) from the current year's income (with income including amounts received specifically for new/upgraded assets).

The 2023-24 result of (\$40k) indicates that Council cash reserves will decrease by \$40k, as will net financial assets.

UNIFORM PRESENTATION OF FINANCES	Forecast 2022-23 \$000	Budget 2023-24 \$000
Operating Revenue	3,839	6,654
less Operating Expense	(4,674)	(6,603)
Operating Surplus / (Deficit) before Capital Amounts (Excluding impact of DRP)	(835)	51
less /add Disaster Recovery Program - net impact	(20)	507
Operating Surplus / (Deficit) before Capital Amounts (Including impact of DRP)	(855)	558
less Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	1,844	1,759
less Depreciation, Amortisation & Impairment	(1,183)	(1,194)
Less Capital Grants	(80)	(177)
Total Net Outlays on Existing Assets	580	388
less Net Outlays on New & Upgraded Assets		
Capital Expenditure on New & Upgraded Assets	329	599
less Amounts specifically for new or upgraded Assets	(870)	(389)
less Proceeds from Sale of Surplus Assets	0	0
Total Net Outlays on New & Upgraded Assets	(542)	210
Net Lending/ (Borrowing) for Financial Year	(893)	(40)

A full explanation of the components to the above Uniform Presentation of Finances is contained in Appendix A.

12. Rating Arrangements 2023-24

Review of the Basis of Rating

The Statutes Amendment (Local Government Review) Act 2021 (LG Reform Act) passed Parliament and received the Governor's assent on 17 June 2021.

S2—Commencement

(1) This Act comes into operation on a day to be fixed by proclamation.

The second stage of reforms commenced in a proclamation made on the 23rd of December 2021, which includes the following commencement dates for various sections of the amendment act as follows; 6 January 2022, 30 April 2022, 30 June 2022, 30 June 2023, 31 August 2023, 30 November 2023.

The marked-up extract S151 of the Local Government Act 1999 that follows is required to be implemented from the 31 August 2023, accordingly Kimba can no longer use site value to calculate the rates levied to its community.

151—Basis of rating

- (2) *The value of land for the purpose of rating is its capital value.*
- (3) *However, a council may declare rates on the basis of the annual value ~~or site value~~ of land if—*
- a. the council declared rates in respect of that land on that basis for the previous financial year; or*
 - b. the council declared rates in respect of that land on the basis of capital value for the previous three financial years.*

It needs to be understood that Council did not support this change to the legislation and had made it clear to the state government that such a change would unnecessarily redistribute the burden of tax amongst the community such that some portions of the community will pay more than they used to, whilst others will pay less.

Council engaged Adelaide based Chartered Accounting firm UHY Haines Norton to undertake a review of the rating system to cater for the mandatory changes imposed on Council by the state government. The review has had a strong focus on attempting to develop a new rating structure that minimises the level of redistribution of the incidence of the rating tax amongst the community.

A review of the basis of rating consultation paper was consulted on with the community over a similar time frame as the 2023-24 Annual Business Plan & Annual Budget.

The Community provided feedback on this paper available on Council's web site, from 16th May to 13th June 2023.

Other opportunities to provide feedback on the basis of rating consultation paper included:

Information Session at Council Chambers, Cross Street, Kimba

Presentation: Thursday 18th May 1.30 pm to 3.30 pm

Drop-In Sessions at Council Chambers, Cross Street, Kimba

Thursday 25th May 2.00 pm to 4.00 pm

Tuesday 30th May 5.00 pm to 7.00 pm

Public Meeting & Community BBQ at Council Chambers, Cross Street, Kimba

Wednesday 7th June 2023 12.30 pm to 1.30 pm

Differential Rating Principals

The 2023-24 Annual Business Plan aims to strike a balance between the level of services for the community and the need to ensure the long-term financial sustainability of Council. Council has limited options to generate the income required to pay for services which it provides to the community. Apart from the Federal and State Government grants mentioned above, some income can be raised through user charges, investment of surplus cash, hire of community facilities and other minor receipts. However, the primary source of income for Council is a property-based tax rate.

Rate income is generated by the broad application of fundamental principles of taxation (fairness and equity, simplicity, ability to pay and efficiency) with a view to achieving an equitable distribution of the rates burden among ratepayers.

In making a final decision about setting rates for the 2023-24 financial year, Council carefully considered the impact of rates on the community, including:

- The equity of the distribution of the rate burden between 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;
- minimising the level of general rates required by levying fees and charges for goods and services on a user pays basis, where that is appropriate to recover the full cost of operating or providing the service or goods, with provision for concessions to those members of the community unable to meet the full cost;
- Community feedback on this draft Annual Business Plan.

General Rate Revenue

Council is budgeting to generate an additional 7.9% of general rate revenue for the 2023-24 financial year. This is consistent with the March CPI and the financial strategy adopted by Council in its Long Term Financial Plan 2023-32. This will provide an additional \$144k to assist in covering the increased costs reflected in Council capital and operating budgets that have increased by more than 7.9% due to a range of influences.

2022-23 Rating Structure	ABP 2022-23	2023-24 Rating Structure	ABP 2023-24	\$ increase	% Increase
Bulk Handling Zone	\$64k	Residential	\$236k	na	na
Rural Zone	\$1.1M	Commercial	\$49k	na	na
All Other Zones	\$540k	Industrial	\$1k	na	na
		Vacant Land	\$42k	na	na
		Primary Production	\$1.5m	na	na
		Other	\$16	na	na
		Silos	\$74	\$9	13%
Total Expected revenue from General Rates (excluding rebates and remissions that are not discretionary rebates or remissions)	1.82M		1.964M	0.144	7.9%

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 2023-24, the minimum rate to be levied is yet to be finalised, the basis of rating consultation paper recommends an amount of \$590 per property an increase of \$275 from the amount charged in 2022-23. Council considers it appropriate that all rateable properties make a base level contribution to the cost of Council's activities, including the cost of maintaining the physical infrastructure that supports each property.

Service Charges

Council provides services for the benefit of specific properties for which service rates and/or annual charges are levied. Where a service that is subject to a service charge is available to non-rateable land, a service charge is levied against that land. Service rates and/or charges may be raised to cover the cost of establishing, operating, maintaining, improving and replacing such services. Funds raised must not be utilised for any other purpose, noting that some funds may not be immediately required until future capital expenditure is required on renewing or replacing assets employed in the provision of the service.

Council plans to impose the following services rates and/or charges for the 2023-24 financial year, these have been increased from the amount charged in 2022-23 by the March 2023 CPI of 7.9%:

Kimba Community Wastewater Management System (CWMS)

- All connected properties \$292

Waste Management fee

- All Township Properties \$243

Council charges all properties within the township of Kimba which are serviced by waste collection a base fee. The fee is chargeable regardless of whether the property is residential or commercial. This fee covers the collection costs of one green-lidded waste bin per property. Should further green-lidded bins be required, an additional amount of \$243 will be charged per bin per year through the rating system. Recycling bins will be collected free of charge regardless of the number of bins, however, only one bin will be provided to each property free of charge.

More detailed aspects of Council's rating structure and the policy currently adopted is shown on Council's website or is available from the Council office. That material includes:

- Method used to value land;
- Council's revenue raising powers;
- Use of Differential rates;
- Pensioner Concessions;
- Other Concessions;
- Remission and Postponement of rates;
- Postponement of rates for State Seniors (as a right);
- Rebate of rates.

Should Council refer the debt to a debt collection agency for collection, then any debt collection charges will be recoverable from the ratepayer. When the Council receives a payment in respect of overdue rates Council applies the money received as follows,

- to satisfy any costs awarded in connection with court proceedings to satisfy any interest costs

- payment of any fines imposed, and
- payment of rates, in chronological order, starting with the oldest account first

Remission and Postponement of Rates

The Local Government Act permits 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, they are invited to contact the Council to discuss the matter, with all such inquiries being treated confidentially

As part of this Rating Strategy the Council will make available extended payment arrangements by entering into a payment agreement where the payment of Rates will cause a ratepayer demonstrable hardship.

Recovery of Outstanding Rates

The Council has adopted a Debtor Management Policy that provides a policy and procedure approach to the recovering of outstanding rates. The policy is based on the forwarding of reminder notices when a rate installment is unpaid, and a further reminder notice after two rate installments remain unpaid. If the rate installments outstanding remain unpaid after the reminder notice payment date, then the outstanding amount is referred to Council's debt collection agent for recovery action.

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 amount[s], and advise the owner of its intention to sell the land if payment is not received within one month.

Hardship Policy

The District Council of Kimba is committed to assisting ratepayers who are experiencing financial hardship to manage their payments in a manner that best suits the customer and the District Council of Kimba.

The purpose of this policy is to identify ratepayers who are experiencing payment difficulties due to hardship and assist those customers to better manage their bills on an ongoing basis.

This policy sets out:

- processes to identify ratepayers experiencing payment difficulties due to hardship, including identification by us, self-identification by a ratepayer, identification by an accredited financial counsellor, or welfare agency, and
- an outline of a range of processes or programs that we will use, or apply, to assist our customers who have been identified as experiencing payment difficulties.

The following extract from the Hardship policy could apply to any ratepayers who have been adversely impacted in a financial sense from the Covid 19 restrictions:

Ratepayers who may be identified as experiencing temporary hardship are those who have experienced a short-term change in circumstances, such as serious illness, disability or death in the family, loss or change in income, separation, divorce or other family crisis, a loss arising from an accident, or some other temporary financial difficulty. These customers generally require flexibility and temporary assistance, such as an extension of time to pay or an alternative payment arrangement.

The type of assistance available is covered in the following extract from the hardship policy:

Where a ratepayer has been identified as experiencing financial hardship, we will offer the customer, as soon as is reasonably practicable, flexible and frequent payment options that have regard to the hardship customer's usage, capacity to pay and current financial situation. These options will include the following:

- an interest and fee free payment plan that complies with the intent of section 182 of the Local Government Act 1999,
- other arrangement, under which the customer is given more time to pay a bill or to pay in arrears,
- recognising that some ratepayers have a short-term financial hardship issue that may be resolved in the near to medium-term, where others may require a different type of assistance for ongoing financial issues.

We will engage in discussion with the hardship customer to determine a realistic payment option in line with the customer's capacity to pay.

A full copy of this policy is available on Council website.

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 and educational institutions. Discretionary rebates may be applied by the Council under Section 166 of the Act. An extract of the Local Government Act 1999 Section 166 is provided at Appendix D.

13. Amendments Post Public Consultation

Amendments to the Public Consultation Draft Annual Business Plan and Budget post public consultation S123(6) of the Local Government Act 1999:

(6a) However, if a council proposes to adopt an annual business plan with amendments, the council must include in the adopted business plan a statement— (a) setting out any significant amendments from the draft annual business plan; and (b) providing reasons for those amendments.

The public consultation version of the draft 2023-24 Annual Business Plan & Budget included an assumption that the amount of \$1.1M in relation to Financial Assistance Grants relating to the 2024-25 financial year will be prepaid again in June 2024 as has been the trend over many years now. Following the release of the draft plan for public consultation, the Federal Government's budget was released and reported that the prepayments for the Financial Assistance Grants (FAGs) that have paid to Councils for the past decade will no longer happen and will be paid within the applicable financial year.

Accordingly, the comparatives for the 2022-23 financial year have also been updated in the plan to reflect the changes made in the third budget review for 2022-23 that removed \$1.1M of income relevant to the 2023-24 financial year reported in the 2022-23 financial year.

Late Notice for Inclusion

Since the release of the Federal Government's Budget additional advice has been received that the payment of Financial Assistance Grants for the 2023-24 year has again been reviewed and 100% of this payment will be prepaid prior to the conclusion of the 2022-23 financial year contrary to what has been included above. As no formal notification has been received by Council the content of this document has not been amended at this time but will be considered as part of Budget Review #1 For the 2023-24 financial year.

APPENDIX A – EXPLANATION OF UNIFORM PRESENTATION OF FINANCES

(example only for explanation purposes – left blank intentionally)

UNIFORM PRESENTATION OF FINANCES	2022-23 Forecast \$'000	2023-24 Budget \$'000
Income		
less Expenses		
Operating Surplus/(Deficit)	-	-
Less: Net Outlays on Existing Assets		
Capital Expenditure on Renewal/Replacement of Existing Assets		
less Depreciation, Amortisation and Impairment Expenses		
less 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		
less Amounts received specifically for New/Upgraded Assets		
less 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. Roads 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*. This is particularly prevalent in this Council region due to the increased volume of B-double traffic experienced in recent times. This has required existing roads to be rebuilt to higher standards (e.g. the replacement of a road that was initially was a 6 metre wide sheeted surface with an 8 metre width sheeted surface can be considered part replacement and part 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 (e.g. roads), cannot be sold, and will need to be maintained and eventually replaced.

APPENDIX B - STATUTORY STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME	Forecast 2022-23	Budget 2023-24	Variance
	\$,000	\$,000	\$,000
INCOME			
Rates	2,064	2,229	165
Statutory Charges	28	24	(4)
User Charges	164	156	(8)
Grants & Subsidies	1,183	2,416	1,233
Investment Income	58	81	23
Reimbursements	225	1,657	1,432
Other Revenues	118	91	(27)
Total Operating Income	3,839	6,654	2,814
EXPENDITURE			
Employee Costs	1,608	1,797	189
Materials, Contracts & Other Expenses	1,883	3,612	1,729
Depreciation	1,183	1,194	11
Total Operating Expenditure	4,674	6,603	1,929
OPERATING SURPLUS/(DEFICIT)	(835)	51	886
Disaster Recovery Program - Net Impact	(20)	507	527
Amounts specifically for new or upgraded Assets	870	389	(481)
NET SURPLUS / (DEFICIT) transferred to Equity Statement	15	947	932

STATEMENT OF FINANCIAL POSITION	Forecast 2022-23	Budget 2023-24
	\$,000	\$,000
ASSETS		
CURRENT ASSETS		
Cash & Cash Equivalents	2,323	2,283
Trade & Other Receivables	245	245
Inventories	57	57
Total Current Assets	2,625	2,585
NON-CURRENT ASSETS		
Infrastructure, Property, Plant & Equipment	43,960	44,947
Other	442	442
Total Non-Current Assets	44,403	45,389
TOTAL ASSETS	47,027	47,974
LIABILITIES		
CURRENT LIABILITIES		
Trade & Other Payables	429	429
Provisions	448	448
Total Current Liabilities	877	877
NON-CURRENT LIABILITIES		
Provisions	24	24
Total Non-Current Liabilities	24	24
TOTAL LIABILITIES	901	901
NET ASSETS	46,126	47,073
EQUITY		
Accumulated Surplus	17,862	18,808
Asset Revaluation Reserve	27,848	27,848
Other Reserves	417	417
TOTAL EQUITY	46,126	47,073

STATEMENT OF CASH FLOWS	Forecast 2022-23	Budget 2023-24
	\$,000	\$,000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts		
Operating Receipts	7,662	9,482
Investment Receipts	55	81
Less: Operating Payments to Suppliers & Employees	5,289	7,812
Finance Payments	0	0
Net Cash provided by (or used in) Operating Activities	2,428	1,752
CASH FLOWS FROM INVESTING ACTIVITIES		
Receipts		
Amounts specifically for new or upgraded Assets	870	389
Sale of replaced Assets	80	177
Payments		
Expenditure on renewal/replaced assets	1,844	1,759
Expenditure on new/upgraded assets	329	599
Net cash provided by (used in) Investing Activities	(1,221)	(1,792)
Net Increase / Decrease in Cash	92	(40)
Cash and Cash Equivalents at start of reporting period	2,231	2,323
Cash & Cash Equivalents at the end of the reporting period	2,323	2,283

STATEMENT OF EQUITY	Forecast 2022-23	Budget 2023-24
	\$,000	\$,000
ACCUMULATED SURPLUS		
Balance at end of previous reporting period	17,847	17,862
Net Result for Year	15	947
Balance at end of period	17,862	18,808
ASSET REVALUATION RESERVE		
Balance at end of previous reporting period	27,848	27,848
Balance at end of period	27,848	27,848
OTHER RESERVES		
Balance at end of previous reporting period	417	417
Balance at end of period	417	417
TOTAL EQUITY AT END OF REPORTING PERIOD	46,126	47,073

Appendix C – Achievements 2022-23

Council considers it important that this draft Annual Business Plan for 2023-24 takes the opportunity to provide an assessment of the extent to which Council's objectives for 2022-23 are being attained. The following provides a progress report on the more significant items identified in the 2022-23 Annual Business Plan and Budget:

Performance Measure	Achievement / Comment
Deliver the following projects on time and within budget:	
<ul style="list-style-type: none"> Flood Damage Reconstruction Program at a cost of \$4.6 million with funding of \$4.1 million through the Local Government Disaster Recovery Assistance Arrangement (Strategy 2.1). 	Project on target to finish on time and within budget as allocated for the 2022-23 financial year following comprehensive planning.
<ul style="list-style-type: none"> Road re-sheeting and resealing program (Strategy 2.1) 	Project on target to finish on time and within budget.
<ul style="list-style-type: none"> Deliver on the plant replacement program at a cost of \$390,000 with trade-ins of \$45,000 (Strategy 1.2) 	Complete.
<ul style="list-style-type: none"> Development of a Childcare Strategy (Strategy 1.3) 	Project on target to finish on time and within budget.
<ul style="list-style-type: none"> Development of a Bike Trail Strategy (Strategy 6.4) 	This project was deferred to the 2023-24 financial years and the funds reallocated to extend the Heritage and Arts Trail Strategy.
<ul style="list-style-type: none"> Further Development of the Youth Activity Concept Plans (strategy 1.3) 	This project was not proceeded with based on Council feedback.
<ul style="list-style-type: none"> Aerodrome Lighting Upgrade. (Strategy 2.1) 	Complete.
Deliver the following projects subject to successful funding through the National Radioactive Waste Management Program Community Benefits Program:	
<ul style="list-style-type: none"> Attraction and Retention of GP's (Strategy 5.1) 	This grant was unsuccessful.
<ul style="list-style-type: none"> Continued employment of an Economic Development Manager and the employment of a part-time Economic Development Officer to support the development of business and employment. (Strategy 3.2) 	Project on target to finish on time and within budget in the 2023-24 financial year.
<ul style="list-style-type: none"> Development of a Heritage & Arts Trail Strategy (Strategy 6.4) 	Project on target to finish on time and within budget.
<ul style="list-style-type: none"> Development of a Kimba Branding & Marketing Strategy (Strategy 3.3) 	Project on target to finish on time and within budget in the 2023-24 financial year
<ul style="list-style-type: none"> Construction of an Independent & Aged Accommodation Unit at the Kimba Pioneer Memorial Village (Strategy 1.2) 	This grant was unsuccessful.

Target grant funding with the intention of furthering the following activities and strategic objectives:	
<ul style="list-style-type: none"> Improved internet and communication services. (Strategy 5.2) 	Working with NBN on improved telecommunication and internet services and investigating additional grant funding opportunities.
Implement strategies from the 'Disability Access & Inclusion Plan 2022-24' including:	
<ul style="list-style-type: none"> Ensure that where possible the built environs and public space are accessible to people living with disability (strategy 1.4) 	Ongoing
Ensure the ongoing involvement with the NEPHA to develop models of sustainable health services by attendance of meeting and engagement with the NEPHA project officer. (Strategy 5.1)	Significant work has been in this area and ingoing advocacy continues.
Lobby State and Federal Governments for the delivery of sustainable health services to the Kimba Community. (Strategy 5.1)	Ongoing.
Take an active role in the advertising and recruitment of GP Services for the town of Kimba. (Strategy 5.1)	Ongoing.
Deliver the reports that comprise the strategic financial reporting cycle in line with the due dates included in section 1 of the Audit Committee work program. (Strategy 4.1)	Complete
Conducting a review of Elected Member training requirements. (Strategy 4.4)	Complete as part of the Local Government Election process.
Deliver a transparent and accountable Local Government Election (Strategy 4.4)	Complete
Update the Infrastructure & Asset Management Plan ten. year renewal programs as well as the Long Term Financial Plan to reflect the 2022-23 Annual Business Plan & Budget. (Strategy 2.2)	Complete
Works with other Council's on the provision of a shared services model for building and planning services (Strategy 4.5)	Process complete with final implementation imminent.
Deliver the key objectives of Councils Corporate Communication Strategy (Strategy 4.6)	Ongoing. Waiting on the release of the Community Engagement Strategy as part of the Local Government Reform process.
Target NRWMF & other appropriate grant funding to support the development of business and employment (Strategy 3.1)	Awaiting the release of the Community Skill & Development Program Grant Funding.
Investigate opportunities to develop long-term sustainable waste solutions to reduce landfill (Strategy 6.1)	Ongoing.

166—Discretionary rebates of rates

(1) A council may grant a rebate of rates or service charges in any of the following cases (not being cases that fall within a preceding provision of this Division):

- (a) where the rebate is desirable for the purpose of securing the proper development of the area (or a part of the area);
- (b) where the rebate is desirable for the purpose of assisting or supporting a business in its area;
- (c) where the rebate will conduce to the preservation of buildings or places of historic significance;
- (d) where the land is being used for educational purposes;
- (e) where the land is being used for agricultural, horticultural or floricultural exhibitions;
- (f) where the land is being used for a hospital or health centre;
- (g) where the land is being used to provide facilities or services for children or young persons;
- (h) where the land is being used to provide accommodation for the aged or disabled;
- (i) where the land is being used for a residential aged care facility that is approved for Commonwealth funding under the *Aged Care Act 1997* (Cwlth) or a day therapy centre;
- (j) where the land is being used by an organisation which, in the opinion of the council, provides a benefit or service to the local community;
- (k) where the rebate relates to common property or land vested in a community corporation under the *Community Titles Act 1996* over which the public has a free and unrestricted right of access and enjoyment;
- (l) where the rebate is considered by the council to be appropriate to provide relief against what would otherwise amount to a substantial change in rates payable by a ratepayer due to—
 - (i) a redistribution of the rates burden within the community arising from a change to the basis or structure of the council's rates; or
 - (ii) a change to the basis on which land is valued for the purpose of rating, rapid changes in valuations, or anomalies in valuations;
- (m) where the rebate is considered by the council to be appropriate to provide relief in order to avoid what would otherwise constitute—
 - (i) a liability to pay a rate or charge that is inconsistent with the liabilities that were anticipated by the council in its annual business plan; or
- (ii) a liability that is unfair or unreasonable;

- (n) where the rebate is to give effect to a review of a decision of the council under Chapter 13 Part 2;
 - (o) where the rebate is contemplated under another provision of this Act.
- (1a) A council must, in deciding whether to grant a rebate of rates or charges under subsection (1)(d), (e), (f), (g), (h), (i) or (j), take into account—
- (a) the nature and extent of council services provided in respect of the land for which the rebate is sought in comparison to similar services provided elsewhere in its area; and
 - (b) the community need that is being met by activities carried out on the land for which the rebate is sought; and
 - (c) the extent to which activities carried out on the land for which the rebate is sought provides assistance or relief to disadvantaged persons,
- and may take into account other matters considered relevant by the council.
- (2) A rebate of rates or charges under subsection (1) may be granted on such conditions as the council thinks fit.
- (3) A rebate of rates or charges under subsection (1)(a), (b) or (k) may be granted for a period exceeding one year, but not exceeding 10 years.
- (3a) A rebate of rates or charges under subsection (1)(l) may be granted for a period exceeding one year, but not exceeding three years.
- (3b) A council should give reasonable consideration to the granting of rebates under this section and should not adopt a policy that excludes the consideration of applications for rebates on their merits.
- (4) A council may grant a rebate under this section that is up to (and including) 100 per cent of the relevant rates or service charge.