



2023/2024
ANNUAL BUSINESS PLAN
Adopted 20 June 2023



DISTRICT COUNCIL OF TUMBY BAY

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DISTRICT COUNCIL of TUMBY BAY

Introduction

The Annual Business Plan (Plan) sets out the Council's proposed services, programs, and projects for 2023/2024. It aims to maintain efficient services for the community and continue progress towards the longer-term objectives of the Council. After considering community feedback and various requests throughout the past year along with Council's reviewed Long-Term Financial Plan and Asset Management Plans, Council prepared an Annual Business Plan and 2023/2024 Budget for public consultation.

The Plan aims to maintain efficient and appropriate services and facilities for the community, without imposing an unrealistic rate burden on ratepayers. The provision of services by Council reflects both meeting Council's obligations under legislation and making policy choices on behalf of the community to achieve Council's longer-term goals.

Profile

The District Council of Tumby Bay is located 45km north of Port Lincoln, and 630km from Adelaide, and covers an area of 266,907 hectares with an estimated population of 2,817 (2021 Census). *Tumby Bay* is the major centre of the district, *Port Neill* a small coastal town 40km northeast of Tumby Bay, *Ungarra* a small agriculturally based town located 28km northwest of Tumby Bay and *Lipson* a small historic farming town located 12km northwest of Tumby Bay.

It is an agricultural district farming cereal, oil seed and pulse crops along with sheep and cattle, some fishing activity and tourism industries. There are also two private companies currently exploring opportunities for the establishment of future port facilities along the coast north of Tumby Bay.

Council is committed to strong and sustainable economic growth to ensure that the opportunities afforded by the twenty first century are fully realised and that its district and the Eyre Peninsula is enhanced as an attractive destination for productive long-term investment.

The potential for mining operations and port facilities on Eyre Peninsula along with renewable energy enterprises have the potential for significant long-term economic impacts, particularly on Tumby Bay and Port Neill as well as for the region in general. Residential and industrial land development will play a critical role once port facilities are developed, particularly in catering for the land and housing needs.

Infrastructure will become critical with further development (e.g., industrial land, transport systems, port infrastructure, housing and related businesses, recreation, and soft infrastructure like children's services – childcare and education and health facilities).

Council has undertaken a Master Planning exercise to assist it to plan for the future and minimise risks associated with increased population. The Master Plan is an overarching spatial and built form framework which sets out the broad land use, infrastructure, and development intent for the study area over a set period of time. Its intention is to provide clear design and planning outcomes that can form the basis for future Code Amendments. The Master Plan will guide the planning and delivery of services and infrastructure, such as transport, health, schools, and community facilities, while ensuring the protection of productive agricultural and environmentally significant land. With reference to the objectives of the Region Plan, the purpose of the Master Plan is to create vibrant places that are competitive, liveable, and sustainable.

Our Future

Strategic Plan

The District Council of Tumby Bay 2020-2030 Strategic Plan was adopted in September 2019.

Our Vision

We are a district of vibrant, engaged communities. Our residents, businesses and visitors enjoy a relaxed lifestyle that our seaside and rural location affords, a pristine natural environment and a regional centre that is not compromised in character or services.

Our Values

Balanced

We recognise the need to retain the qualities that define our district, while providing opportunities for our communities to grow, excel and thrive in an inclusive environment.

Responsive

We are responsive and adaptable to new, emerging and changing needs.

Responsible

We are financially responsible and transparent in our decision making to ensure the sustainability of our Council and services.

Excellence

We continuously explore ways to improve how we deliver services and infrastructure efficiently and sustainably.

Our Strategic Themes

Theme 1 - A Harmonious Balance between Lifestyle & Growth

Theme 2 - Connected, Vibrant & Empowered Communities

Theme 3 - A Strong & Diverse Local Economy

Theme 4 - Quality Services & Infrastructure

Each theme includes several strategic advantages and strategies; details of which are available on Council's website www.tumbybay.sa.gov.au or the Council office.

Changes to Annual Business Plan

Following the Annual Business Plan public consultation, Council met on 7th June 2023 to consider community feedback and executive comments. Executive staff were then requested to make the following changes to the draft Annual Business Plan and budget: -

- Based on estimates received allocated an additional \$20,000 for the Strategic Plan review process.
- Following finalisation of infrastructure asset valuations increased the provision for depreciation by \$89,400 to equal the updated estimates for the various assets within this class.
- Following investigations into the likelihood of obtaining a quality second hand community bus that would be fit for purpose, provided an additional \$179,600 to allow for the replacement of this asset with a new bus fitted with wheelchair lifter.
- Increased the amount of reserve funds required to fund the revised budget by an additional \$161,300.
- Adjustments to the 2023 projected budget and reserve fund movements to reflect the additional funding allocation for Port Neill jetty restoration in 2022/2023.

Significant Influences and Priorities

Several significant factors have influenced the preparation of the Council's 2023/2024 Annual Business Plan. These include:

- All Groups Consumer Price Index increases on goods and services for Adelaide of 7.9% for the past twelve months ended March 2023.
- Enterprise Bargaining Agreements and employment contracts.
- Asset Management Plans for all Council assets, aimed at maintaining and providing the essential asset services required by the community.
- Long-Term Financial Plan aimed at ensuring the long-term sustainability of the Council.
- Provision of an extensive range of services and facilities in line with ratepayer expectations.
- Responsibility to meet the requirements of the Work Health and Safety Act & Regulations.

In response to these factors, the Annual Business Plan has been prepared within the following guidelines:

- The Annual Business Plan will result in the total revenue raised through general rates increasing by an amount of 11.5%, excluding revenue from new rates.
- Several services will be provided on a user pays system.
- Prudent use of Government Grant funding for the provision and maintenance of Council's extensive infrastructure network.
- Commitment to pursue additional grant funding for both capital and operational programs, wherever possible.
- Continued investigations and implementation of resource sharing activities with various Eyre Peninsula councils.

Continuing Services

All Councils have basic responsibilities under the *Local Government Act 1999* and other relevant legislation. These include:

- Regulatory activities e.g., maintaining the voters roll and supporting the elected Council.
- Setting rates, preparing an annual budget, and determining longer-term strategic management plans for the area.
- Management of infrastructure and other assets including roads, footpaths, parks, public open space, street lighting, wastewater, and stormwater drainage.
- Street cleaning and rubbish collection.
- Development planning and control, including building safety assessment, and various environmental health services.
- Risk management.

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In response to community needs the Council also provides further services and programs including:

- Community Library
- Youth support
- Economic development
- Environmental programs
- Community development
- On-street parking management to maximise use of kerbside space
- Sealed airstrip
- Boat ramps and jetties
- Community Wastewater Management Systems
- Cemeteries
- Citzenships
- Dog and cat management
- Event management
- Fire prevention
- Mosquito control
- Public conveniences

In all services the Council seeks to be responsive to changing needs. The Council also operates several facilities on a fee for service basis. These provide important community benefits while also generating revenue for services and projects of benefit to the district.

- Community Wastewater Management Systems
- Township Waste Management – Collection, Treatment and Disposal
- Boat Ramps
- Campgrounds

The business units (e.g., CWMS and Waste) which have separate service charges must have their surplus funds quarantined for future capital and/or operational expenditure. These surplus/reserve funds **cannot** be used for general expenditure (i.e., this is a legislative requirement).

Work Health and Safety

The District Council of Tumby Bay aims to provide and promote a healthy and safe working environment to minimise the risk of injury or illness for all staff while at work.

Council has a broad risk profile associated with its work in the community and within the organisation and is committed to providing a workplace that:

- Is safe and healthy for all employees, volunteers, contractors, and visitors.
- Minimises, manages and controls risks within the work environment.
- Minimises the risk of injury and ill health at work.
- Complies with the Work Health & Safety Act 2012 and the Performance Standards for Self-insured Employers.

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Project Priorities for the Year

For Council to meet the many objectives outlined in its Strategic Plan provision has been made for the delivery of services and facilities within the following areas:

Governance	\$630,500	Council Members, reporting, policies, legislative requirements, Audit Committee
Administration	\$1,154,100	Operations, policy & legislative commitments, procedural matters, internal controls, records management, information technology, training, compliance, payroll, accounts payable, accounts receivable
Public Order & Safety	\$149,300	General inspection, fire prevention, dog control
Health	\$72,200	Inspectorial duties, immunisations, mosquito control, AED servicing
Social Security & Welfare	\$90,200	Rate rebates, youth welfare
Housing & Community Affairs	\$2,241,600	Planning, urban stormwater, public conveniences, Landscape South Australia levy, street lighting, waste management, CWMS, cemeteries
Recreation & Culture	\$1,192,400	Hall, Excell Museum, regional development, community events, libraries, parks, playgrounds, recreational jetties, sporting facilities
Agricultural Services	\$2,700	Pest control, agricultural land
Mining, Manufacture & Const	\$117,400	Building inspection
Transport & Communication	\$3,016,100	Airstrip, boat ramps, private works, parking, roads, footpaths, traffic control, community bus
Economic Affairs	\$148,100	Tourism, community development, economic development
Other Purposes	\$781,600	Operations, plant maintenance, Bluewater Beach Café, loan interest

Council has also planned several capital works projects including:

Plant Replacements	\$1,453,000	2 graders, 1 backhoe, 1 community bus & 1 wagon
Tumby Bay CWMS	\$139,400	Asset renewals in accordance with IAMP
Office Equipment	\$26,000	Back-up power facility for Council Office
Marina Footpaths	\$64,400	Paving uncompleted footpaths in marina precinct
Car Park Reseals	\$71,800	Tumby Bay boat ramp & Tumby Bay oval
Road Sealing Program	\$277,800	Re-sealing in accordance with IAMP
Unsealed Road Construction	\$921,600	Re-sheeting in accordance with IAMP

Measuring Performance - Objectives for the Year

The Annual Business Plan has been prepared to deliver the following Council objectives for the year:

A Harmonious Balance between Lifestyle & Growth

Strategy - Demonstrate strong and proactive community leadership on opportunities and issues for the district.

Actively pursue economic stimulus opportunities with both Federal and State Government to assist our local and regional economy to recover from the effects of the recent pandemic.

Strategy – Investigate options for the permanent protection of foreshore infrastructure

Continue foreshore adaptation planning to find a sustainable long term protection strategy for the Tumby Bay foreshore precinct.

Strategy – Encourage and promote community pride.

Hosting of Australia Day Breakfast including presentation of Australia Day Awards.

Strategy – Partner with State Government in securing the long-term retention of, as well as improvements to, recreational jetties in Tumby Bay and Port Neill.

Council officers are working with an LGA Working Group and DIT to develop and implement a state-wide Jetties Strategy to determine management and financial arrangements for jetty maintenance.

Continue working with DIT to develop various options for the potential replacement/refurbishment of the Tumby Bay jetty.

Continue to make annual contributions to the Jetties Reserve Fund to undertake essential works and to assist with leveraging grant opportunities for jetty upgrades.

Connected, Vibrant & Empowered Communities

Strategy – Maintain, develop, and enhance productive relationships with Progress Associations across the district.

Council delegates nominated for local Progress Associations with executive staff attendance at meetings as necessary.

Staging of 2023 Colour Tumby Festival in collaboration with Tumby Bay Progress Association and other community interest groups.

Provide additional support for Port Neill's Under the Pines Event.

Strategy – Deliver and continuously improve our mechanisms for communication and engagement with community.

Hosting of a monthly Council meeting in Ungarra and Port Neill throughout the year.

Community consultation on several activities including Strategic Plan review, Capital Value Rating review, new 15-year Infrastructure Asset Management Plans and Long-Term Financial Plan, Tumby Bay jetty proposal and Tumby Bay foreshore adaptation planning.

Strategy - Support Council and community events that cater to the diverse needs of our community.

Continue to support, promote, and host a variety of community events throughout the district including the Colour Tumby Festival and Port Neill under the Pines.

Strategy – Encourage and promote new and interesting community events

Position the district as a regional festival hub, including attracting new festival opportunities and events.

Strategy – Recognise, protect, and promote local heritage and history.

Provide ongoing support funding for Excell Museum and provision of rate rebates for local museums.

Strategy – Provide and maintain open space and recreation facilities that cater to the diverse needs of our community

Continue to maintain Council's extensive parks, gardens and coastal locations to a standard that encourages community participation in outdoor activities.

Implementation of a regionally consistent online booking system for campsite locations.

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Strategy - Encourage the provision of childcare services to support families working in the district.
Working with the EPLGA to understand the current and future needs for childcare on the Lower Eyre Peninsula.

A Strong & Diverse Local Economy

Strategy – Actively engage with local industry and business to encourage and support economic development and job opportunities.

Continue to work with the Tumby Bay Business Group and other industry groups to facilitate information sharing and identify needs and opportunities for economic development.

Strategy – Enhance Council's relationship with the RDAEP in pursuit of economic development opportunities for the region.

Continue with financial support of Regional Development Australia Eyre Peninsula to achieve local government focussed outcomes.

Strategy – Leverage Council's ownership of local land to encourage and facilitate economic development.

Investigate options for the provision of additional commercial/industrial/residential land in Tumby Bay township.

Strategy – Represent the best interest of the community in considering major economic development.

Continue to work closely with the proponents of major developments to ensure the interests of Council and community are represented throughout the processes.

Strategy – Partner with SA Tourism and other State and regional agencies to promote tourism across the district.

Continue engagement with the EPLGA Tourism Advisory Committee to maximise tourism opportunities across the local district and region.

Completion of three-year regional event funding agreement with SATC for Colour Tumby Festival.

Quality Services & Infrastructure

Strategy - Ensure new and improved infrastructure meets the needs of the community by consulting with community on needs and expectations

Community involvement in the development of new 15-year Infrastructure Asset Management Plans.

Strategy – Continue to develop and review asset management plans and the long-term financial plan to ensure effective management of assets over the short and long term.

Development of new 15-year Infrastructure Asset Management Plans and Long-Term Financial Plan.

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Impact on Council's Financial Position

Council's current loan situation is as below: -

Council Loans

As at 1/7/22

<u>Loans repaid by Council</u>	Start Date	End Date	Principal	Annual Cost
Tumby Bay CWMS	15/01/2016	15/01/2026	\$361,951	\$129,672
Port Neill CWMS	15/06/2016	15/06/2036	\$773,329	\$78,276
TB Stormwater Project Land	15/12/2017	15/12/2027	\$138,110	\$34,043
TB Stormwater Project Const	15/10/2018	15/10/2028	\$928,115	\$191,559
Graham Smelt Causeway	15/11/2021	15/11/2036	\$1,210,608	\$111,854
			\$3,412,113	\$545,404
<u>Loans repaid by Clubs</u>				
Port Neill Bowling Club	17/08/2015	17/08/2025	\$43,677	\$18,614
Port Neill Community Sports Club	15/10/2021	15/10/2026	\$56,867	\$16,934
			\$100,544	\$35,548

TOTAL LOANS

All loans are through the Local Government Finance Authority.

\$3,512,657 \$580,952

The current loan situation is (as of 30 June 2023): - \$3,512,657 outstanding loan principal with an annual cost in 2023/2024 of \$580,952 (Principal and interest repayments).

Funding the Business Plan

An operating loss of \$750,300 including \$3.05 million in depreciation is forecast for the 2023/2024 financial year. Council's long-term financial sustainability is dependent on ensuring that, on average over time, its operating expenses are met by its operating revenue. Council has considered this in adopting its 2023 review of the 2020-2030 Long-Term Financial Plan and is aiming to reach an operating position of break even or better by the 2025/2026 financial year.

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Councils proposed Income Statement for the 2023/2024 financial year is as follows:

2023/2024 Income Statement

	2023	2024
	PROJECTED	BUDGET
REVENUE	\$	\$
Rates	5,940,500	6,613,600
Statutory charges	128,200	90,000
User charges	282,100	236,100
Other Grants, Subsidies & Contributions	925,200	1,185,600
Investment Income	101,900	73,800
Reimbursements	9,000	12,900
Other Revenues	23,100	10,000
TOTAL REVENUES	7,410,000	8,222,000
EXPENSES		
Employee Costs	2,148,800	2,337,300
Materials, contracts & other services	4,941,500	3,446,900
Finance Costs	150,800	133,300
Depreciation, Amortisation & Impairment	2,936,200	3,054,800
TOTAL EXPENSES	10,177,300	8,972,300
OPERATING SURPLUS/(DEFICIT)	(2,767,300)	(750,300)
Asset Disposals & Fair Value Adjustments	496,900	408,000
Amounts Specifically for New or Upgraded Assets	44,500	-
TOTAL COMPREHENSIVE INCOME	(2,225,900)	(342,300)

The Council's estimated operating revenue in 2023/2024 includes an estimate of \$6,613,600 to be raised from all rates; with a general rates component of \$5,082,000.

Other sources of revenue for the Council are:

- User pay charges set by Council.
- Fees and charges for Council services.
- Statutory charges set by other levels of Government: - These are fees and charges set by regulation and collected by the Council for regulatory functions such as assessment of development applications. This revenue generally helps off-set the cost of the service delivered.

Capital Expenditure

Capital expenditure on infrastructure and assets in 2023/2024 totals \$2,957,100 of which \$2,863,600 is specifically for asset renewals. The amount of budgeted asset renewals is approximately \$80,100 more than Council's targeted asset renewal program.

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Council's Reserves situation is as follows:

<u>Reserve Funds</u>			
	30/6/22 Actual	30/6/23 Estimates	30/6/24 Estimates
Tumby Bay Marina	\$117,900	\$136,400	\$156,200
Jetty Maintenance	\$306,034	\$0	\$38,500
Future Projects	\$880,800	\$1,344,500	\$566,400
CWMS	\$91,586	\$175,286	\$224,486
Township Garbage Collection	(\$16,329)	(\$20,729)	(\$9,729)
Tumby Bay Youth Advisory Committee	\$2,703	\$2,703	\$2,703
Tumby Bay Library	\$13,011	\$13,011	\$13,011
Open Space Contributions	\$8,547	\$8,547	\$8,547
Uncompleted Activities	\$34,000	\$0	\$0
Grants in Advance	\$1,126,206	\$0	\$0
Colour Tumby	\$8,300	\$11,900	\$11,900
Total	\$2,572,758	\$1,671,618	\$1,012,018

What it means for Rates

In setting its rates for the 2023/2024 financial year the Council has considered the following:

- Strategic Plan and other plans.
- Infrastructure Asset Management Plans.
- Long-Term Financial Plan and the Council's long-term financial sustainability.
- the current economic climate including:
 - significantly high inflation.
 - compliance costs.
 - continued impact of legislative compliance issues (risk management, records management, WHS, Local Government reform, internal controls, waste levy etc).
- the specific issues faced by our community including:
 - seasonal conditions that may be affecting the area.
 - local economic development.
 - age and condition of major infrastructure (i.e., roads & related infrastructure, CWMS, town jetties).
 - social issues.
- the impact of rates on the community including:
 - different levels of service and infrastructure required by the townships of Tumby Bay Port Neill, Lipson, and Ungarra ratepayer base.
 - the ability to pay by ratepayers.
 - equity in rating.
 - possible rate deferrals for landowners.
- consideration of the issue of equity in imposing differential rates for different categories of ratepayers.
- consideration of community feedback achieved through, policies and programs such as public consultation, customer service standards, media relations (print and radio), and general community interaction with elected members and executive staff.

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:

- The equity of the distribution of the rate burden between classes of ratepayers including the levels of service and infrastructure provided in different areas of the district such as the individual townships and rural areas.
- The change in site value across the four differential categories used by Council.
- Any new rates (growth in rateable properties) created during 2022/2023 and not rated in that year are excluded from the calculations of the rate increase for 2023/2024.
- Specific Council projects for the coming year including:
 - continuation of infrastructure renewal in line with Infrastructure Asset Management Plans.
 - major machinery replacements programmed for the year.
 - completion of paving in the Tumby Bay marina precinct.
 - implementation of various requirements around Local Government reform.
 - improving Council's overall compliance with various legislation.
- Council's long-term sustainability
- Significant future projects not included in long-term plans at this time.

Measurement of Council's performance will be assessed through the following:

- Performance Evaluation Reviews of Chief Executive Officer and staff.
- Reviewing the Strategic Plan and other operational plans for meeting of timelines.
- Strategic Plan objectives achieved.
- Timely compliance with various governance requirements.
- WHS & Risk management audits.
- Internal control audits.
- External financial audits.
- Additional grants received.
- Budget performance (i.e., actual compared against budget).

The Annual Report will address these performance measures.

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 Local Government Act – refer Section 147 of the Act), is rateable. The Local Government Act provides for a Council to raise revenue for the broad purposes of the Council through 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 considering the cost of the service provided and any equity issues.

The list of applicable fees and charges is available at:

The Council Administration Centre,
Mortlock Street, Tumby Bay

Or at the Council website: - www.tumbybay.sa.gov.au

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Differential General Rates

Council will have 4 differential general rates for the 2023/2024 financial year with the rates to be applied:

- (a) according to the use of the land; or
- (b) according to the locality of the land.

The four differential categories will be:

- (1) rateable land within all the Townships in the Council's area excluding any such land with a land use Commercial-Shop, Commercial-Office, Commercial-Other, Industry-Light, and Industry-Other.
- (2) all rateable land with a land use Commercial-Shop, Commercial-Office, Commercial-Other, Industry-Light, and Industry-Other.
- (3) all rateable land within the Employment (Bulk Handling) Zone under the Planning and Design Code (the code).
- (4) all other rateable land.

Council believes the provision of the four differential rating categories provides the flexibility within the rating system to ensure an equitable spread of annual rates imposed.

In considering how to collect the additional 11.5% in general rate revenue (ie fixed charge and differential rate income), Council have created an Annual Business plan that will result in the following increases across the four differential rating categories: -

- Category 1 – 11.5% increase in total general rates collected (Excluding any new rates)
- Category 2 – 11.5% increase in total general rates collected (Excluding any new rates)
- Category 3 – 11.5% increase in total general rates collected (Excluding any new rates)
- Category 4 – 11.5% increase in total general rates collected (Excluding any new rates)

Note – there will be no increase applied to the fixed charge for the 2023/2024 financial year.

In reaching this decision the following items were taken into consideration: -

- Change in site valuations across the district.
- Legislative requirement for Council to move from Site Value to Capital Value for the basis of rating, by no later than the 2024/2025 financial year.
- Council's plans to conduct a full review into its rating methodologies over the 2023/2024 financial year, a process that will include a robust public consultation process with a view to moving to Capital Value as the basis for rating in the 2024/2025 financial year.

Site Valuations

Current	
Category 1	\$160,027,300
Category 2	\$15,324,200
Category 3	\$877,000
Category 4	\$1,138,424,400
Total	\$1,314,652,900
Future	
Category 1	\$191,675,050
Category 2	\$18,294,710
Category 3	\$1,047,000
Category 4	\$1,477,439,100
Total	\$1,688,455,860

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Statement on Expected Rate Revenue

Please note: These figures represent a considered estimate of Expected Rate Revenue based on the most current information available at the time of preparing the final DRAFT Annual Business Plan and Budget (ABP&B) for Council consideration and adoption.

Expected Rates Revenue				
	2022/23 (as adopted)	2023/24 (estimated)	Change	Comments
General Rates Revenue				
General Rates (existing properties)		\$5,055,473 (a)		For 2023/24 an expected General Rate rise of around 11.5% is projected plus estimated growth (refer l) of 0.6% from new properties that have been created over the last year.
General Rates (new properties)		\$26,527 (b)		
General Rates (GROSS)	\$4,534,083	\$5,082,000 (c)		
Less: Mandatory Rebates	(\$22,722)	(\$25,504) (d)		
General Rates (NET)	\$4,511,361	\$5,056,496 (e)	12.1%	
	(e)=(c)+(d)			
Other Rates (inc. service charges)				
Regional Landscape Levy	\$196,705	\$212,187 (f)		The Regional Landscape Levy is a State tax, it is not retained by council.
Waste Collection	\$390,565	\$432,588 (g)		\$282 for each 140 litre bin.
CWMS	\$798,060	\$866,398 (h)		\$611 for each property unit.
Separate and Special Rates	\$7,900	\$8,500 (i)		All rateable land in the Port Neill Townshp and the Hundred of Dixon for Port Neill Soldiers Memorial Hall.
	\$5,904,591	\$6,576,169		
Less: Discretionary Rebates	(\$21,313)	(\$23,310) (j)		
Expected Total Rates Revenue	\$5,686,573	\$6,340,672 (k)	11.5%	Excluding the Regional Landscape Levy and minus Mandatory & Discretionary Rebates.
	(k)=(e)+(g)+(h)+(i)+(j)			

Estimated growth in number of rateable properties

Number of rateable properties:	2,399	2,420	(l)	0.9%	
	<i>Actual</i>	<i>Estimate</i>			
'Growth' is defined in the regulations as where new properties have been created which has added rateable properties to council's ratepayer base. Growth can also increase the need and expenditure related to infrastructure, services and programs which support these properties and residents.					Growth is expected to account for around 0.6 per cent of the estimated increase in General Rates to be collected.

Estimated average General Rates per rateable property

Average per rateable property:	\$1,890	\$2,100	(m)	11.1%	
	(m)=(c)/(l)				
Councils use property valuations to calculate each rateable property's contribution to the required rate revenue total. Councils do not automatically receive more money because property values increase but this may alter how rates are apportioned (or divided) across each ratepayer (ie. some people may pay more or less rates, this is dependent on the change in value of their property relative to the overall valuation changes across the council area). The total General Rates paid by all rateable properties will equal the amount adopted in the budget.					These averages are based on the total of all rateable properties and therefore not necessarily indicative of either the rate or change in rates that all ratepayers will experience.

Notes

(d) Councils are **required** under the Local Government Act to provide a rebate to qualifying properties under a number of categories:

Health Services - 100 per cent	Religious purposes - 100 per cent	Royal Zoological Society of SA - 100 per cent
Community Services - 75 per cent	Public Cemeteries - 100 per cent	Educational purposes - 75 per cent
The rates which are foregone via Mandatory Rebates are redistributed across the ratepayer base (ie. all other ratepayers are subsidising the rates contribution for those properties who receive the rebate).		

(e) Presented as required by the *Local Government (Financial Management) Regulations 2011* reg 6(1)(ea)

Please Note: The percentage figure in (e) relates to the change in the total amount of General Rates revenue to be collected from all rateable properties, not from individual rateable properties (ie. individual rates will not necessarily change by this figure).

(f) Councils are required under the *Landscape South Australia Act 2019* to collect the levy on all rateable properties on behalf of the State Government. The levy helps to fund the operations of regional landscape boards who have responsibility for the management of the State's natural resources.

(g) Township Waste Management - Collection, Treatment and Disposal.

(h) Community Wastewater Management Systems

(j) A council **may** grant a rebate of rates or service charges in a number of circumstances. The rates which are foregone via Discretionary Rebates are redistributed across the ratepayer base (ie. all other ratepayers are subsidising the rates contribution for those properties who receive the rebate).

(k) Expected Total Rates Revenue excludes other charges such as penalties for late payment and legal and other costs recovered.

(l) 'Growth' as defined in the *Local Government (Financial Management) Regulations 2011* reg 6(2)

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Statement on Expected Rate Revenue

Please note: These figures represent a considered estimate of Expected Rate Revenue based on the most current information available at the time of preparing the final DRAFT Annual Business Plan and Budget (ABP&B) for Council consideration and adoption.

Expected Rates Revenue

	Total expected revenue			No. of rateable properties		Average per rateable property			Cents in the \$
	2022/23	2023/24	Change	2022/23	2023/24	2022/23	2023/24	Change	2023/24
Differential Rate Categories (General Rates - GROSS)									
Category 1	\$1,857,022	\$2,076,829	11.8%	1389	1393	\$1,337	\$1,491 (n)	\$154	0.5517000
Category 2	\$137,845	\$153,697	11.5%	108	109	\$1,276	\$1,410 (n)	\$134	0.4466600
Category 3	\$73,183	\$81,600	11.5%	4	4	\$18,296	\$20,400 (n)	\$2,104	7.5719500
Category 4	\$2,466,033	\$2,769,874	12.3%	898	914	\$2,746	\$3,030 (n)	\$284	0.1596600
GRAND TOTAL (GROSS)	\$4,534,083	\$5,082,000	12.1%	2,399	2,420	\$1,890	\$2,100 (n)	\$210	

Council uses a differential rating system, using a combination of Land Use Codes, Locality and Zoning as the factors to apply such differential rates - (See details of each Differential Rating Category below).

In applying differential general rates, council has considered and is satisfied that the rating system addresses the issue of consistency and comparability across all council areas, particularly as it relates to the various sectors of the business and wider community.

Category 1 - Rateable land within all the townships in the council's area excluding any such land with a land use Commercial-Shop, Commercial-Office, Commercial-Other, Industry-Light, and Industry-Other.

Category 2 - All rateable land with a land use Commercial-Shop, Commercial-Office, Commercial-Other, Industry-Light, Industry-Other.

Category 3 - All rateable land within the Employment (Bulk Handling) Zone under the Planning and Design Code (the code).

Category 4 - All other rateable land.

Fixed Charge

	Total expected revenue			Charge		
	2022/23	2023/24	Change	2022/23	2023/24	Change
Fixed Charge	\$1,499,238	\$1,504,656	0.4%	\$774	\$774 (o)	\$0

A Fixed Charge ensures all rateable properties pay a base rate amount to the cost of administering council activities and maintaining the services and infrastructure that support each property. Rates based on values are then applied in addition to the fixed charge. Council is limited to the amount that can be raised by the fixed charge in that it cannot raise more than 50% of its general rate revenue from the fixed charge component. In 2023/24 council proposes to raise approximately 30% of its general rate revenue by way of the fixed charge. This revenue amount is **included** in the General Rates GROSS figure at (c).

Adopted valuation method

Site Value

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

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

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

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

The council has decided to use site value as the basis for valuing land within the council area. Whilst no valuation method is considered perfect the site value method is considered the most equitable because it accords with the taxation principles, that people should contribute to the community's social and physical infrastructure, in accord with their assumed capacity to pay, as measured by property wealth.

Notes

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

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

Pensioner Concessions & Self-Funded Retirees

Pensioner Concessions on Council rates are no longer administered by Local Government.

Payment of Rates

Payment of rates will be available to ratepayers by way of four approximately equal instalments on 13 September 2023, 13 December 2023, 13 March 2024 and 12 June 2024.

Cash, cheque, money order, credit card, BPay and EFTPOS may be used to pay rates. In-person payments at the Council offices can be made at the Council Administration Centre, Mortlock Street, Tumby Bay, with the opening hours being 8.30am - 4.30pm Monday to Friday.

Ratepayers can register to receive their rate notices through the EzyBill service at tumbybay.ezybill.com.au.

Late Payment of Rates

The Local Government Act provides that Council's impose a penalty of 2% 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 according to a formula in the Local Government Act 1999, 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 Council's 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.

When the Council receives a payment in respect to 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 date order of their imposition (starting with the oldest account first).

Remission & Postponement of Rates

Section 182 of the Local Government Act permits a Council, on the application of the 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 encouraged in the first instance to obtain a copy of "Policy 5.28 – Rates Customer Hardship", available on Council's website and complete the relevant application form. All applications are strictly confidential and will be assessed in a timely manner. Should you require assistance in completing the necessary application form, please contact Council's Finance Officer for assistance on (08) 86882101.

Policy 5.28 – Rates Customer Hardship

- Application for Hardship Assistance
- Application for Hardship Assistance – Pandemic

Rebate of Rates

The Local Government Act 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. Under Section 166 of the Act, the Council may apply discretionary rebates. Council is proposing to provide the following rate rebates in the 2023/2024 financial year:

- | | |
|-------------------------|----------|
| • Discretionary Rebates | \$23,300 |
| • Mandatory Rebates | \$25,500 |

Lists and information of all property rebates are available from the Finance Officer on (08) 8688 2101.

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 provide the principal ratepayer and the owner (if not the same person) 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.

Discounts & Early Payment Incentives

Section 181(11) of the Local Government Act 1999 provides that a Council may grant discounts or other incentives in order to encourage early or prompt payment of rates. For the year ending 30 June 2024 Council will not provide an early rate payment incentive.

Rating Policy

Council "Policy 5.22 – Rating" was most recently reviewed by Council in March 2022 and a copy has been included with the Annual Business Plan as Attachment 1.

Disclaimer

A rate cannot be challenged on the basis of non-compliance with the rating policy and must be paid in accordance with the required payment provisions.

Where a ratepayer believes that the Council has failed to properly apply this policy, he/she should raise the matter with the Council. In the first instance contact Dion Watson, Deputy Chief Executive Officer (08) 8688 2101 to discuss the matter. If, after this initial contact, a ratepayer is still dissatisfied they should write to Rebecca Hayes, Chief Executive Officer, District Council of Tumby Bay, PO Box 61, Tumby Bay SA 5605 explaining the nature of their concern.

**REBECCA HAYES
CHIEF EXECUTIVE OFFICER**