

Executive Summary

The District Council of Ceduna's Annual Business Plan for 2022/2023 provides an overview of the services, programs and strategic projects Council plans to deliver to the Community in 2022/2023. The Annual Business Plan has been prepared on the basis of Council focusing on the maintenance of existing assets and infrastructure within the Community. The services provided by Council reflect both its obligations under a range of legislation and the Community's expressed desire for specific services, facilities and infrastructure.

In developing the 2022/2023 Annual Business Plan, Council has given particular attention to the Council long term financial sustainability whilst continuing to provide all of its current services to the Community.

In the context of these circumstances, Council plans a 5.8% overall increase in Council's General Rate Revenue from existing assessments rated in 2021/2022, in addition to General Rate Revenue derived from new assessments. The planned increase is necessary as a result of four years of sustained low total general rate revenue increases along with reductions in Council's primary recurrent grant funding over this time.

Council plans to continue to utilise Differential Rates (rates in the dollar) applied to the site value of the land, for defined townships, rural and industrial locations which, Council will use in conjunction with a Fixed Charge to achieve its General Rate Revenue for 2022/2023. In addition, Council has planned to reduce the level of Differential General Rating for Rural and Ceduna Waters properties relative to Council's township differential rate in recognition of increased valuations or level of service provided to each location.

Council plans to apply a General Rate Cap of 15.8% and Pension rate cap of 10.8% to eligible assessments, to provide reasonable relief from significant valuation increases resulting in large increases in General Rates Payable in 2022/2023, relative to 2021/2022.

Key elements of the 2022/2023 Annual Business Plan include –

- \$1.992 Million Operating Deficit (before Capital Amounts), resulting from Total Operating Revenues of \$10.151 Million and Total Operating Expenses of \$12.143 Million
- Adjusted Operating Surplus of \$0.030 Million taking into consideration advance payment of 2022/2023 Financial Assistance Grants
- 5.8% increase in Total General Rate Revenue levied on existing assessments
- 15.8% General Rate Cap and 10.8% Pensioner Rate Cap for eligible assessments
- \$5.086 Million in Capital Expenditure for the refurbishment of existing assets

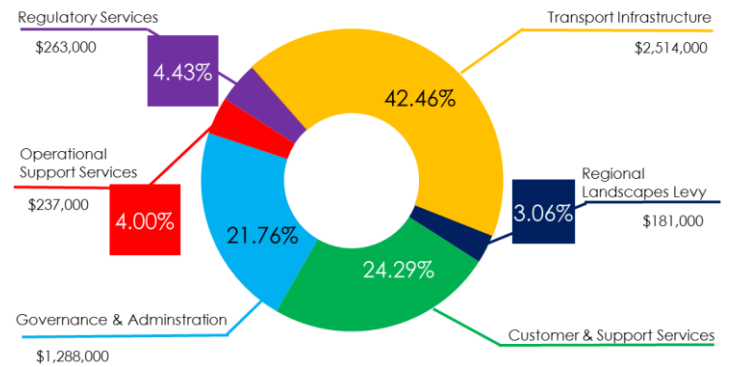
- \$1.281 Million in Capital Expenditure for the construction or purchase of new assets or upgrading of existing assets
- \$1.300 Million in new borrowings, with repayments of \$0.503 Million on existing borrowings.

Providing Services to the Community

Statutory Services

In 2022/2023, Council plans to commit \$5.920 Million or 48.75% of Total Operating Expenditure on the provision of Statutory Services.

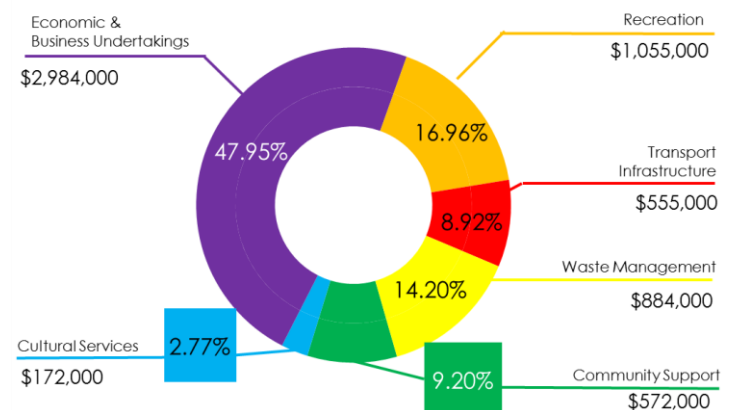
The following graph provides a functional breakdown of the services for which the 2022/23 operational expenditure is proposed.



Discretionary Services

In 2022/2023, Council plans to commit \$6.223 Million or 51.25% of Total Operating Expenditure on the provision of Discretionary Services. In many cases, expenditure is offset by user charges or service charges associated with delivery of the service.

The following graph provides a functional breakdown of the services for which the 2022/23 operational expenditure is proposed.



Capital Projects

In 2022/23 Council plans to undertake Asset Renewal Projects to the value of \$5.086 Million and undertake the construction and/or purchase of New Assets to the value of \$1.281 Million. The following is a list of planned Asset Renewal Projects and New Assets for 2022/23.

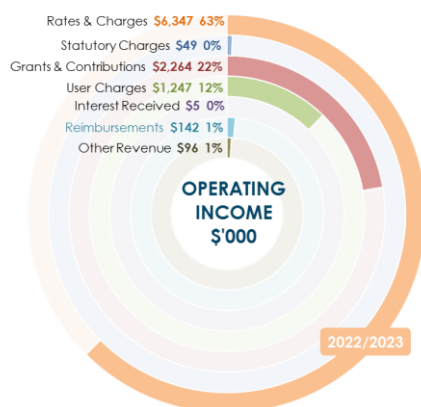
| Asset Renewals | |
|--------------------------------------|------------------------|
| Unsealed Roads Program | \$1,381,000 |
| Sealed Roads Program | \$702,000 |
| Cemeteries | \$70,000 |
| Plant Replacement | \$294,000 |
| Ceduna Wastewater Treatment Plant | \$320,000 |
| Open Spaces | \$77,000 |
| Ceduna Memorial Hall | \$30,000 |
| Smoky Bay Wastewater Treatment Plant | \$1,306,000 |
| Directional Traffic Signage | \$68,000 |
| Council Administration Building | \$54,000 |
| Business System Improvements | \$97,000 |
| Smoky Bay Revetment Wall | \$687,000 |
| New Assets | |
| Open Spaces | \$88,000 |
| Records Management | \$8,000 |
| Ceduna Aerodrome | \$50,000 |
| Smoky Bay Effluent Pumping | \$73,000 |
| CBD Upgrade | \$350,000 |
| Ceduna Safe Swimming Enclosure | \$559,000 |
| Thevenard Marine Offloading Facility | \$153,000 |
| TOTAL CAPITAL EXPENDITURE | \$6.367 Million |

Funding the Annual Business Plan

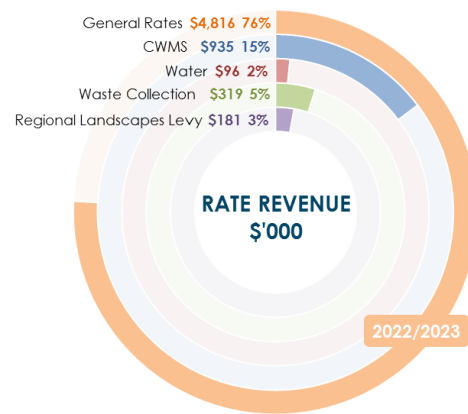
Council has budgeted to receive reportable Operating Income of \$10.151 Million in 2022/2023 which is a reduction of \$2.087 Million or 17.11% on Council's estimated 2021/2022 operating income. The significant reduction in revenue is due to additional operating grants received in 2021/2022 relative to forecast operating grants expected to receive in 2022/2023.

Council's operating income is derived from a number of different sources including Rates and Charges, Statutory and User Charges, Grants, Subsidies and Contributions, Investment Income and Other Income.

The following graph details the split in operating income categories for 2022/23.



The following graph details the revenue received from the different rates streams for 2022/23.



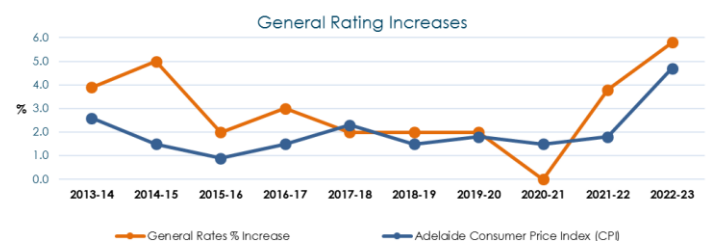
Council's Rates and Service Charges

Rate revenue is an integral part of the Council's financial resource base, the value of which is determined through Council's desire, on behalf of the community, to achieve the strategies articulated in Council's Strategic Plan and planned in the Annual Business Plan. Other rating considerations include the current economic climate, in which the major influencing factors are movements in inflation and interest rates, increased legislative responsibilities and the need to manage, maintain and improve the community's infrastructure assets.

Council over the years 2017/2018 – 2020/2021 restrained from increasing rates by more than CPI, whilst the costs associated with delivering and maintaining services have increased by more than CPI. In reviewing Council's long term operating outlook, Council's LTFFP recommends that Council's General Rate increases should be approximately 1.1% above CPI to maintain Council's current levels of services.

Council plans a 5.8% increase in total General Rate Revenue on existing rateable assessments, relative to General Rate Revenue in 2021/2022, whilst general rate revenue on new rateable assessment will be considered as additional revenue.

The graph below details Council's previous approved increases in general rates over the past seven years.



General Rates

The District Council of Ceduna has maintained a General Rates strategy by applying 7 Differential Rates in the dollar (according to locality and, to a minor extent, land use) applied to the Site Value for properties, in conjunction with a Fixed Charge payable on all properties in the defined 4 townships (Ceduna, Thevenard, Smoky Bay and Denial Bay), 2 defined locations (Ceduna Water and Industrial) and rural areas.

Differential Rates

The use of differential rates is an equitable means of distributing the rate burden between ratepayers based upon levels of service and infrastructure provided in different areas of the district.

Based on Council's planned 5.8% increase in General Rate Revenue the following table details the proposed rates in the dollar applied to each of the rating differentials for 2022/23.

| Location | Rate in \$ |
|---------------|------------|
| Ceduna | 1.54474 |
| Thevenard | 1.54474 |
| Smoky Bay | 1.54474 |
| Denial Bay | 1.54474 |
| Ceduna Waters | 1.08132 |
| Rural | 1.08132 |
| Industrial | 30.57185 |

Fixed Charges

Council considers it appropriate that all rateable properties make a contribution to Council's costs in providing services and amenities for the Community, including creating and maintaining the physical infrastructure that supports each property. Section 152 of the Local Government Act 1999 provides for the application of a Fixed Charge as a component of Council's General Rate Revenue.

A Council may impose a fixed charge on every property in its area, provided that it has not imposed a minimum rate. Where two or more undeveloped adjoining assessments have the same owner, or where there is a single farm enterprise comprising more than one property, only one fixed charge may be payable by the ratepayer. Council may not apply a fixed charge which equates to more than 50% of Council's total General Rate Revenue.

The Council plans no change in the fixed charge relative to the 2022/23 fixed charge of \$700 per rateable property, which equates to 29.6% of Council's total general rate revenue.

Rate Capping

Council will continue to apply separate General Rate Capping mechanisms to assist with offsetting unjust increases in General Rates levied from one year to the next.

Council will apply a Pensioner General Rate Cap of 10.8% to eligible pensioners, to provide relief from significant valuation increases resulting in large increases in General Rates payable in 2022/23.

In addition, Council will apply a General Rate Cap of 15.8% to eligible properties, to provide reasonable relief from significant valuation increases resulting in large increases in General Rates payable in 2022/23.

The application of both capping mechanisms will result in 192 assessments receiving general rate relief as a result of significant valuation increases from the previous financial year.

Regional Landscapes Levy

Following the introduction of the Landscape South Australia Act 2019 to replace the Natural Resources Management Act 2004, The Eyre Peninsula Landscapes Board (the Board) has now superseded the Eyre Peninsula Natural Resources Management (EPNRM) Board.

The District Council of Ceduna is also required by legislation to subsequently reimburse itself for the Levy paid to the Board, by imposing a Separate Rate by the deemed land use on each property, against all of the rateable properties within the Council area.

Council is effectively operating as a revenue collector for the Board in this regard, and receives minimal financial benefit from this separate rate. Following the release of the Board's Annual Business Plan, Council's contribution for 2022/2023 will reduce to \$180,903 as a result of reduced assessments that the separate rate is levied on.

The following table details the planned Regional Landscapes Levy Separate Rate for 2022/23.

| Land Use | Charge per Assessment | |
|----------------------------------|-----------------------|-----------|
| | 2021/2022 | 2022/2023 |
| Residential, Vacant Land & Other | \$ 79.43 | \$ 81.25 |
| Commercial & Industrial | \$ 119.14 | \$ 121.87 |
| Primary Production | \$ 158.86 | \$ 162.50 |

Waste Collection

Council currently provides a kerbside refuse collection and disposal service for all developed assessments within the townships of Ceduna, Thevenard, Smoky Bay, Denial Bay and other specifically designated locations within Council's boundaries.

Following increases in Council's Solid Waste Levy fees to the South Australian Government, Council service charge per applicable assessment for kerbside refuse collection will be \$188.78 per assessment.

Community Wastewater Management Systems

The District Council of Ceduna provides Community Wastewater Management Systems (CWMS) to the townships of Ceduna, Thevenard and Smoky Bay to provide for the removal, treatment and environmentally appropriate disposal of domestic waste water.

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

As a result of the planned upgrade to Smoky Bay Wastewater Treatment Plant and adjustments in the replacement intervals of key infrastructure within the Ceduna Wastewater Treatment Plant, Council is proposing an increase of 7.94% per Occupied CWMS unit for 2022/2023.

The following table details the CWMS Service Charges planned for 2022/23.

| CWMS Service Charge | Charge per Unit | |
|---------------------|-----------------|-----------|
| | 2021/2022 | 2022/2023 |
| Occupied | \$ 523.30 | \$ 529.90 |
| Vacant | \$ 392.50 | \$ 397.45 |

Water Service Charge

The Council has previously undertaken construction of infrastructure to provide a general water supply to the residents of defined rural properties and the Denial Bay Township as part of the Ceduna/Koonibba Water West Scheme.

Council plans to continue using two (2) differing service charges based on land use of assessments within Council's boundaries that are adjacent to the mains pipeline under the provisions of Section 155 of the Local Government Act 1999.

Additionally for all other connected users that do not meet the service charges provisions in accordance with Section 155 of the Local Government Act 1999, a Water Connection Fee per meter will be charged (See Council's planned 2022/23 Fees & Charges schedule for the planned Water Connection Fee).

The following table details the Water Service Charges per assessment planned for 2022/23.

| Land Use | Category | Charge per meter | |
|---------------------------------------|-------------|------------------|-----------|
| | | 2021/2022 | 2022/2023 |
| Residential, Vacant Land & Commercial | Connected | \$ 426.20 | \$ 440.52 |
| All Other Land Uses | Connected | \$ 728.40 | \$ 752.92 |
| | | | |
| All Land Uses | Unconnected | \$ 255.60 | \$ 264.20 |

Postponement of Rates for Seniors

Application may be made to Council for a postponement of the payment of any amount of rates in excess of \$500, for the current or a future financial year by:-

- A ratepayer who holds a current State Seniors Card issued by the State Government, (prescribed ratepayer) or the spouse of a prescribed ratepayer;
- The rates are payable on the principal place of residence;
- The land is owned by the prescribed ratepayer, or the prescribed ratepayer and his or her spouse, and no other person has an interest, as owner, in the land.
- Any rates which are postponed will become due and payable:-
- When the title to the land is transferred to another person; or
- Failure to comply with a condition of postponement.

Interest will accrue on the amount postponed at the prescribed rate per month until the amount is paid.

Postponement is available as a right and can only be refused when the applicants have less than 50% equity in the property and their mortgage was registered prior to 25 January 2007.

Payment of Rates

Instalment due dates are as follows:

1st Instalment - 2 September 2022

2nd Instalment - 2 December 2022

3rd Instalment - 3 March 2023

4th Instalment - 2 June 2023

Rates are due and payable in full, at the first instalment, or in quarterly instalments, with the last day for payment of each instalment being the first Friday of September, December, March and June of each financial year.

Council provides a broad range of options for the payment of rates. For more information, please refer to the reverse side of your rates notice or contact Council's Revenue Officer on (08) 8625 3407.

Any ratepayer who may, or is likely to experience difficulty with meeting the standard rate payment arrangements should contact the Revenue Officer to discuss options for alternative payment arrangements. Such enquiries are treated confidentially by the Council.

Contact Us

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