

YORKE PENINSULA COUNCIL ANNUAL BUSINESS PLAN 2019-2020



Natural beauty.. rich agriculture.. spectacular coastline

ACKNOWLEDGEMENT OF COUNTRY

The Yorke Peninsula Council acknowledges the Narungga people, the traditional owners of this land and pay respect to their Elders past and present. We recognise and respect their cultural heritage, beliefs and relationship with the land.

We acknowledge that they are of continuing importance to the Nurungga people living here today.

Gynburra Festival
Port Victoria

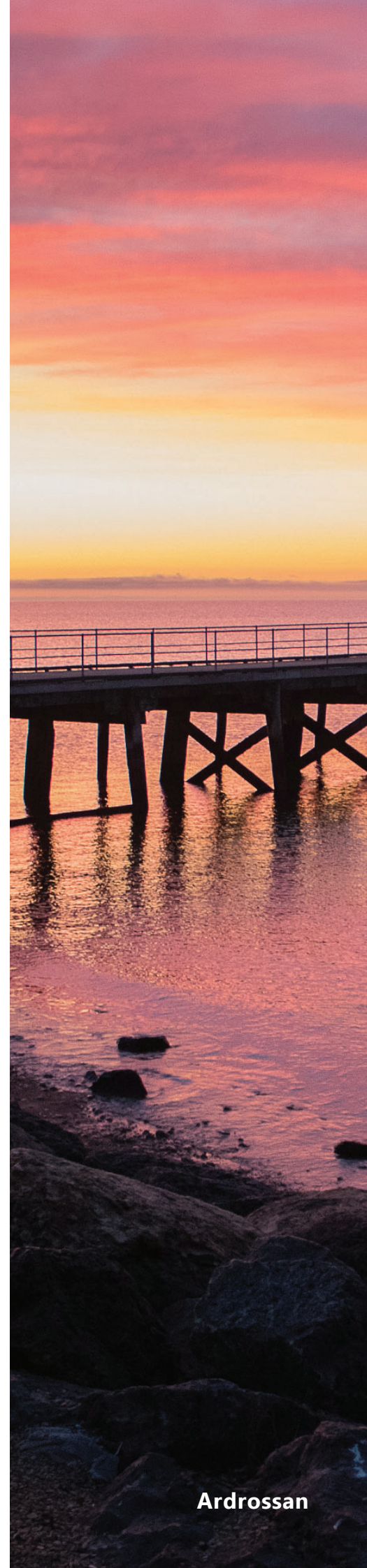


The 2019/20 Annual Business Plan can be downloaded from Council's website at www.yorke.sa.gov.au

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MAYOR'S FOREWORD

Welcome to Yorke Peninsula Council's 2019/20 Annual Business Plan and Budget.

Following the November Local Government elections, which sees five (5) new Councillors in the Chamber, a change of Mayor and Deputy Mayor, Yorke Peninsula Council's commitment to sound financial governance and long term financial sustainability remains unchanged. The first Annual Business Plan (The Plan) developed during my tenure has again been prepared with a clear intention to contain costs, balanced with the need to deliver core services, whilst continuing to maintain and renew our considerable community assets.

The Plan has been prepared to provide the community with a picture of the proposed projects that the Council plans to deliver in 2019/20. The planning process affords an opportunity for the general community to provide input in relation to Council projects and services for the forthcoming year.

In conjunction with the community, the Elected Members have been instrumental in proposing projects in consultation with, and on behalf of, their local communities.

The Plan for 2019/20 reflects the recently adopted 2020-2029 Long Term Financial Plan (LTFP) as closely as practical. The LTFP outlines the key financial strategies and income and expenditure parameters that will achieve financial sustainability in the short to medium term (1 – 5 years) and beyond. Much work has been completed (and is continuing) in the area of Service Level Reviews to ensure costs are kept to manageable levels, especially in light of less certainty around Federal and State Government grants in to the future.

One of the key targets of the LTFP is to ensure assets are being renewed in accordance with Council's Asset Management Plans and every effort is being made to address known backlogs in this area. To achieve this aim, 90% (approx. \$10m) of the planned capital works programme has been allocated to the renewal of existing assets with an Asset Sustainability Ratio of 101% being targeted for the year.

Some of the planned asset renewal projects for 2019/20 include:

- \$8.2m in renewal of transport infrastructure which includes:
 - \$2.25m for Patch Sheeting of unsealed roads in the North and South of the district;
 - \$500k for shoulder work throughout the district;
 - \$350k for bitumen Rehabilitation on Council sealed roads
 - \$836k to rebuild Nalyappa Rd from Gap Rd to Old Boundary Rd;
 - \$491k to rework Sturt Bay Rd between Murdock Rd and the cemetery bitumen;
 - \$624k to rebuild parts of Sandy Church Rd from Back Rd to Cunningham Rd and between Summer Track and Yorke Valley Rd;
 - \$812k for rework of Corny Point Rd from Corny Point bitumen to Hayes Rd and Hundred Line Rd to Brutus Rd; Rework of sections of Brutus Rd, Troubridge Hill Rd, Old Vincent Rd, Weavers North Rd, Sheoak Flat Rd, Melton South Rd, Gun Club Rd, Gap Rd and Pine Point Rd;
 - \$150k to replace spoon drains throughout the district that have become troublesome due to age and wear and tear;
- \$50k to replace deteriorating access stairs south of the Ardrossan jetty;

- \$50k to further rectify and stabilise impacts on Council infrastructure by plane trees in Robert St Maitland; and
- \$16k for extensions to the southern section of the boat ramp car park at Port Victoria.
- \$1.13m plant replacement (\$796k net after trade ins), including administration vehicles, minor and major plant replacements, and replacement of the YP Leisure Options (YPLO) bus (funded by YPLO); and
- \$309k for continued upgrade and development of community wastewater management schemes and water infrastructure.

The Federal Governments recent confirmation of Supplementary Local Roads funding for a further 2 years will now fund projects that were to be funded from general revenue and therefore affords the opportunity to allocate those general revenue funds to "new" infrastructure and projects over and above the LTFP provision for the current year only.

Funds from the recent sale of land sub-divided from the Ramsay Dump has also extended an opportunity to complete some projects that otherwise would remain unfunded at least for another year.

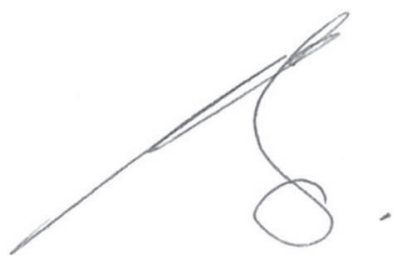
A major new infrastructure initiative this financial year is the bitumen sealing of the Yorketown Airstrip, a \$590k project which is fully grant funded.

Funding of \$123k has been budgeted to ensure the completion of the Ardrossan Stormwater Harvest project Whilst work will commence on the upgrade and development of the shopping precinct in Yorketown as proposed in the Urban Design Framework with an initial allocation of \$100k.

The complete list of capital projects planned can be found on page 27.

The Annual Business Plan is based on a balanced and responsible budget that ensures financial sustainability and compliance with the adopted goals of the LTFP whilst still maintaining consistent levels of service.

I hereby commend the 2019/2020 Annual Business Plan and Budget to you.



Mayor Darren Braund



EXECUTIVE SUMMARY

This Annual Business Plan and Budget sets out the Council's proposed services, programmes and projects for 2019/20. It aims to maintain efficient levels of service for the community and continues progress towards the longer term objectives for the Yorke Peninsula.

Our planning is based on a sustainable financial strategy aligned with Council's adopted 2020-2029 Long Term Financial Plan (LTFP). The development of Council's Annual Business Plan is an important element of our planning process as it links Council's Strategic Management Plan (long term goals and strategies) with the annual budgeting cycle. This assists Council to achieve its long term goals whilst ensuring the best mix of services, infrastructure and facilities for our community. Therefore, the specific objectives for 2019/20 are consistent with the Council's Strategic Management Plan, Long Term Financial Plan (LTFP) and Asset Management Plans (AMPs) to ensure the long term sustainability of the Council's financial performance and position.

The key parameters (consistent with LTFP) used in the development of the Budget were:

- Inflation (CPI) assumed to be 1.8%;
- No change in service levels provided;
- Appropriate spending on asset renewal at least in line with existing AMPs and funding in accordance with Council's LTFP to maintain and upgrade ageing infrastructure; and
- Emphasis on achieving financial sustainability in the short to medium term (1 to 5 years) in accordance with the LTFP.

Full details of Council's financial strategy going forward are available in the LTFP which is available on Council's web site or on request.

Additionally, the 2019/20 Budget has been prepared taking into account current economic conditions including reductions in discretionary grants available, cost pressures across levels of government and subsequent challenges.

To meet the continuing financial pressures placed on Council and our continued focus on renewing ageing community assets, an overall increase of approximately 3.5% to general rate income is proposed. The actual impact of the rate increase on individuals will be variable based upon the specific land use category (i.e. residential, industrial, commercial, vacant land or primary production) and the individual valuations of property provided by the State Valuation Office. Further information on Council's rating strategy can be found on page 15.

To counteract many of the external pressures on this year's budget, Council again undertook a 'zero based budgeting' approach for 2019/20 to determine the true cost of services delivered. All budgets started at zero and were then built up based on actual costs and known increases. All Council staff were required to justify every budget line. All Council staff were tasked with providing 2.0% minimum savings in discretionary areas to balance these external pressures.



Andrew Cameron
Chief Executive Officer



PUBLIC CONSULTATION AND REVIEW

The Draft 2019/20 Yorke Peninsula Council Annual Business Plan and Budget was exhibited for public consultation as prescribed by the Local Government Act 1999. During this time the public were invited to comment on the Draft Plan and Budget. The consultation period opened on Friday 10th May 2019 and concluded at 5pm Monday 3rd June 2019.

Interested persons were invited to make written submissions on the Annual Business Plan and Budget including any of the key strategies outlined in the Plan. Additionally, Council also consulted on the Draft 2019/20 Fees and Charges.

All feedback received was presented at the Council meeting on 12th June 2019. In total three (3) written submissions were received. The Community were advised that the opportunity to speak before Council at the 12th June 2019 Council Meeting on the Draft Annual Business Plan and Budget was available. Nil community members spoke to their submissions.

YOUR COUNCIL

MAYOR

Darren Braund

DEPUTY MAYOR

Cr Tania Stock

GUM FLAT WARD

Cr Naomi Bittner

Cr Jeff Cook

Cr Leanne O'Brien

KALKABURY WARD

DM Cr Tania Stock

Cr Richard Carruthers

Cr Roger Johns

Cr David Langford

INNES/PENTON VALE WARD

Cr Anthony Bennett

Cr Adam Meyer

Cr Kristin Murdock

Cr John Rich

(BACK L-R) Naomi Bittner, Kristin Murdock, Anthony Bennett, Andrew Cameron (CEO), Leanne O'Brien, Roger Johns, Adam Meyer

(FRONT L-R) David Langford, John Rich, Tanya Stock, Darren Braund, Jeff Cook, Richard Carruthers



BUDGET HIGHLIGHTS



\$11.32m

Roads



\$1.22m

Foreshore Maintenance



\$0.85m

Community Support



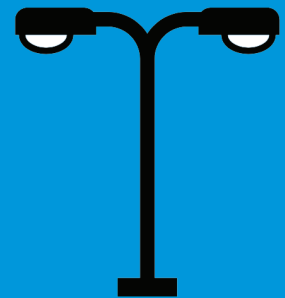
\$4.07m

Community Assets



\$2.47m

Waste Operations



\$0.36m

Street Lighting



\$1.63m

Parks & Gardens



\$0.20m

Youth Services



\$1.32m

CWMS & Water Schemes



\$0.52m

Street Cleaning and Cleaning of
Council Buildings



\$0.83m

Footpaths & Stormwater

These totals represent both operating and capital expenditure for 2019/20.

COUNCIL SUMMARY



District Statistics

11,303 Estimated population
1:1.9 Estimated population density
5,900 km² Total Council area
485km Total Council coastline



Council Statistics

12 Total Elected Members
8,770 Enrolled electors
13,981 Total rateable properties
116 Total full time Council staff



Other Activities

4 joint use libraries
8 depot libraries
5 swimming pools
2 toddler wading pools



Operating Revenue

\$23.2m Rates and Service Charges
\$0.40m Statutory Charges
\$3.8m User Pay Charges
\$3.1m Grants and Subsidies
\$0.6m Investment, Reimbursements
and Other Income



Operating Expenditure

\$9.2m Employee Costs
\$12.8m Materials, Contracts and Other
\$9.5m Depreciation
\$0.4m Finance Costs



Roads

3,890km of Roads
\$11.3m to improve the road network. Includes road
maintenance, road renewals and sealing.

Footpaths & Stormwater

25km of constructed footpaths and 28km length of
stormwater.
\$0.8m to upgrade and maintain assets to a standard that
meets community needs.

Major Expenditure



CWMS & Water Schemes

18 CWMS, 4 potable water (inc. Marion Bay desal plant)
and 3 stormwater reuse sites.
\$1.3m to maintain these critical assets on behalf of the
community

Caravan Parks

5 Council owned and managed parks
\$1.9m expenditure in caravan park operations including
capital upgrades.

STRATEGIC DIRECTION

The 2019/20 Annual Business Plan sets out the specific projects that the Yorke Peninsula Council proposes to deliver for its community. The Annual Business Plan, as required by Section 123 (2) (a) of the Local Government Act 1999, shows the alignment to Council's Strategic Management Plan.

The Strategic Management Plan sets out Council's vision for the future of the Peninsula and outlines what Council will do to contribute to the achievement of the vision and strategic directions sought for the Yorke Peninsula community.

Goal 1:

Economically Prosperous Peninsula

Create an environment that encourages and supports a strong, diverse economy that attracts more businesses, residents and visitors. Success will mean revitalisation of our towns and retaining young, active and working future generations.

Goal 2

Community Connected through Infrastructure

Maintain and expand the connectivity of our community through a sustainable road network and planning for the necessary infrastructure for every age group in the district.

Goal 3

Valued and Restored Environment

Council will be an investor, activator and custodian of our spectacular coastline and pristine environment. We will promote sustainable development and encourage the conservation of water, energy, the natural environment and buildings of local heritage significance and minimise waste.

Goal 4

Community Engaged and Supported

Council will continually seek innovative ways to engage and support our community and improve the quality of life on the Peninsula, Council will continue to work in partnership with Progress Associations and other key stakeholders to achieve this goal.

Goal 5

Responsible Governance

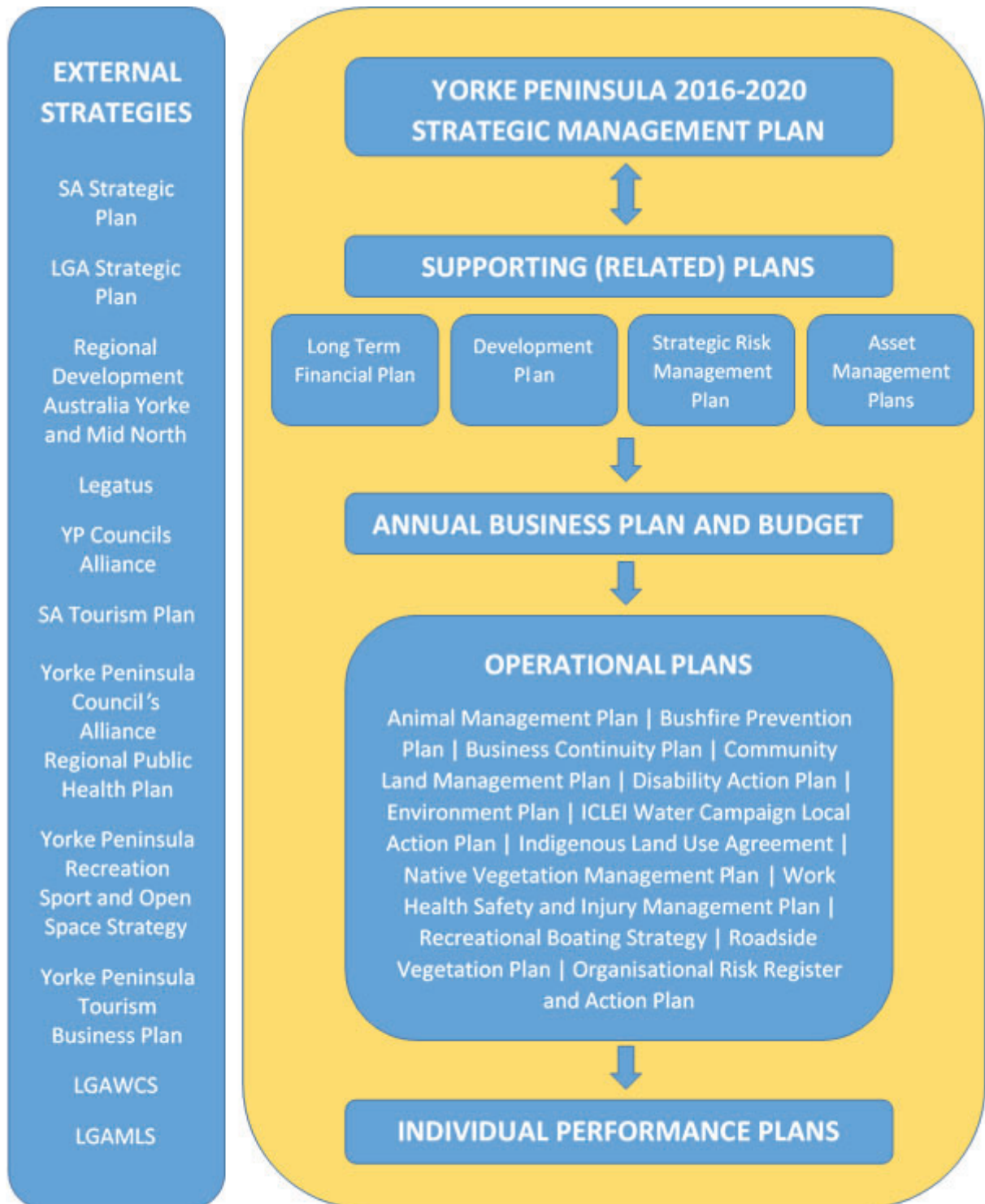
Council will demonstrate leadership, improve service delivery and ensure its business is conducted in a compliant, transparent, accountable, sustainable and efficient way using technology as an enabler.



Our Vision

“We will foster opportunities to support and enhance Yorke Peninsula which is valued for its natural beauty, rich agriculture, spectacular coastline and unique blend of seaside and rural lifestyles”

STRATEGIC PLANNING FRAMEWORK



How we monitor and report:

Annual Report | Internal and External Audits | Monthly and Quarterly Reviews | Financial Ratios | Individual Performance Reviews

LEGISLATIVE COMPLIANCE

Section 123 of the Local Government Act 1999 states that each Council must have a plan for each financial year. The Annual Business Plan must be adopted by Council between 31 May and 31 August for the ensuing year and must undergo a minimum of 21 days public consultation.

In addition, Council must at least provide for:

- a public notice in a local newspaper informing the public of the preparation of the draft annual business plan and inviting interested persons to:
- attend a Council meeting in relation to the plan at which members of the public may ask questions, and make submissions in relation to the matter for a period of at least 1 hour; and
- to make written submissions in relation to the matter within the 21 days as stated in the public notice.

The Council must also ensure that copies of the draft annual business plan are available:-

- for inspection at the principal office of the Council;
- for purchase at a fee fixed by Council from the Council's principal office; and
- on the Council's website.

Section 123 requires that the Yorke Peninsula Council Annual Business Plan includes the following:

- an outline of Council's objectives for the year;
- the activities that the council intends to undertake to achieve those objectives;
- the measures (financial and non-financial) that the Council intend to use to assess its performance;
- an assessment of the financial requirements of the Council for the financial year;
- a summary of its proposed operating expenditure, capital expenditure and sources of revenue;
- the rates structure and policies for the financial year; and
- the impact of the rates structure on the community, based on the modelling used.

The Annual Business Plan must also take into account the Council's long term financial plan and relevant issues relating to the management and development of infrastructure and major assets by the Council.

**Maitland
Anna Binna**



CONTINUING SERVICES

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

- Regulatory activities, such as maintaining voters' rolls and supporting the Elected Members of Council
- Setting rates, preparing an annual budget and determining longer term strategic management plans for the area
- Management of basic infrastructure including roads, footpaths, parks, public open space, street lighting and storm water drainage
- Street cleaning and rubbish collection
- Development planning and control, including building safety assessment
- Various environmental health services
- Protection of natural resources
- Animal management

The Yorke Peninsula Council also provides further important services and programmes to support the needs of the community, including:

- Library services
- Leisure Options
- Recreational reserves
- Community events
- Camping reserves
- Boat ramps
- Beach access facilities
- Walking trails
- Cemeteries
- Civic and community halls
- Recycling facilities
- Tourist facilities
- Sporting facilities
- Fire prevention
- Support for youth services

Yorke Peninsula Council also owns and manages five caravan parks on a fee for service basis.

Further information on Council's services can be found on the website www.yorke.sa.gov.au.

Maitland



INFLUENCES, PRIORITIES AND CHALLENGES

Current Economic Climate

There are many influences impacting on the development of the 2019/20 Annual Business Plan and Budget.

As much as practicable, Council strives to ensure the Annual Business Plan and Budget delivers financial sustainability in accordance with the adopted targets within the 2020-2029 Long Term Financial Plan (LTFP) and Council's Asset Management Plans. Therefore, this Plan delivers an increased spend in capital renewal to preserve and enhance deteriorating assets and commence addressing known back logs in this area.

This Plan has been developed using an estimate of 1.8% CPI increase which has been derived from observation and review of the latest government indexes. CPI levels will be monitored over time given the Reserve Bank recently declared its aim to keep CPI between 2% and 3% in the short to medium term. Council's LTFP assumes a CPI of 1.95% for the remaining 9 years of the forecast.

Council has, in the past few years, had to accommodate increases well above CPI for electricity, fuel, construction materials, waste management and IT software licencing as these commodities have proven to be quite volatile in pricing. For the 2019/20 Plan these have been assumed to increase by CPI unless governed by existing contracts. Council has however been successful in reducing costs in some areas through Service Level Reviews and retendering of some major contracts including Waste Management and Cleaning. In the past these cost savings have been quickly negated by the above mentioned price increases however savings realised in the past 12 months are now assisting in achieving the aim of a break even or positive Operating Surplus Ratio.

Council will continue to undertake these reviews during the coming financial year and Budget revisions will be updated to reflect any further cost savings as they are achieved or cost increases as they are encountered. All of the above cost pressures and impacts are also factored into Council's LTFP which is available on Council's website.

Regular funding levels from both State and Federal Governments have continued to decrease in relative terms. In addition to this, Council faces a number of key challenges and has available to it some opportunities which will impact its short to medium term financial position.

As detailed in the current LTFP they are:

- ensuring ongoing financial sustainability of Council;
- meeting ongoing expectations of our Community for increased or new services;
- maximising funding for renewal and replacement of ageing assets in line with improved asset management principles and practices;
- managing impact of cost shifting from other levels of Government;
- managing political and legislative changes and their impact;
- minimising the impact of economic and political instability;
- rationalisation of underutilised or surplus assets to provide one-off capital injections and reduce maintenance costs;
- use of debt to leverage funding for renewal and acquisition of assets;
- review of services to reduce expenditure, increase efficiency and effectiveness and increase value for money to ratepayers;
- use technology to reduce costs, increase productivity, efficiency and effectiveness; and
- explore ways to increase existing revenue streams and find new ones by taking a commercial approach to Council business.

INFLUENCES, PRIORITIES AND CHALLENGES - CONT

Budget Strategy

Council's 2020-2029 Long Term Financial Plan (LTFP) guides the development of the Annual Business Plan and Budget. The key goal of the LTFP is to ensure that Council achieves and maintains financial sustainability over the life of the plan while ensuring that at least the current levels of service and infrastructure are maintained for the Community.

Council's LTFP was reviewed in depth and the new LTFP was developed from the ground up using the 2018/19 December quarter revised budget estimates and the 2017/18 audited Annual Financial Statements as the base.

After a period of community consultation, the LTFP was adopted by Council in April 2019. The 2019/20 Annual Business Plan and Budget have been developed using the financial principles, strategies and parameters of the LTFP.

The key targets in the LTFP are:

- Positive Operating Surplus Ratio (OSR) i.e. operating surplus, in the short to medium term (1 - 5 years);
- Spending on asset renewal consistent with Asset Management Plan (AMP) identified needs, depreciation levels and Local Government recommended Asset Sustainability Ratio (ASR) minimum (100%) targets from Year 1 (2019/20) of the Plan;
- Net Financial Liabilities Ratio (NFLR) to be within the recommended Local Government target of 100% of Operating Income from Year 1 (2019/20) of the Plan;
- No new services or assets or increases to existing services to be introduced without consideration of the impact on the LTFP.

Continuing with the increased focus on renewal of existing assets, Council over the life of the 2020-2029 LTFP, proposes to allocate \$104.65m towards renewal of existing assets, with 82%, or \$86.31m, specifically for transport assets (mainly roads). An additional \$2m over ten (10) years is allocated for upgrades to existing assets and acquisition of new assets.

Ardrossan



INFLUENCES, PRIORITIES AND CHALLENGES - CONT

Setting the Rates

Consistent with previous years, rates income continues to be the major source of income for Council making up approximately 75% of operating income.

Each year the impact of rate increases is reviewed in line with Council's Strategic Management Plan and LTFP. In 2019/20 the total income from general rates will increase by approximately 3.5% or approx. \$640k. This is in line with Council's LTFP.

At the 8th May 2019 Council meeting, Elected Members debated multiple rating models (options). Council's decision was to address the growing inequity between the Primary Production land use category and other land use categories particularly Residential in terms of property valuations as provided by the State Valuation Office.

The structure of the rating system will remain consistent with previous financial years and includes:

- Continued use of a fixed charge of \$410;
- Differential rates for various land use categories which have been set based on modelling, to raise the budgeted total general rates income of approximately \$18.45m to provide the various Council services and infrastructure spend detailed in this plan. This has resulted in Residential ratepayers paying approximately 55% of the total general rates income, with Primary Production ratepayers paying approximately 34%;
- A comprehensive set of rebates.

A detailed explanation of the rates structure is described on page 17.



RATING STRATEGIES

Property rates are Council's main source of income. They are used to provide the funds to deliver services and maintain infrastructure required by the community.

Property value is the major determinant of how much each individual ratepayer contributes to general rates. Rates paid do not directly relate to the services used by each ratepayer. In general, the higher the value of the property the higher the rates paid.

Like most other Councils, Yorke Peninsula Council uses capital values provided by the State Valuation Office (SVO) to value all properties. The table below shows the change in capital valuations by land use category as at 9th June 2019. These final valuations will be used to adopt and set valuations and rates for 2019/20.

LAND USE CATEGORY	2019-20	2018-19	VARIANCE (\$)	VARIANCE (%)
Residential	\$2.38b	\$2.30b	+\$84m	+3.7%
Commercial	\$142.7m	\$142.4m	+\$300k	+0.2%
Industrial	\$20.0m	\$21.3m	-\$1.3m	-6.1%
Primary Production	\$3.71b	\$3.18b	+\$530m	+16.6%
Vacant Land	\$187.9m	\$195.1m	-\$7.2m	-3.7%
Other	\$32.8m	\$36.1m	-\$3.3m	-9.0%
TOTAL	\$6.47b	\$5.87b	+\$600m	+10.2%

It should be noted that 1,174 non-rateable assessments valued at approximately \$160m are not included in the table above.



RATING STRATEGIES - CONT

In applying the principles of taxation, it is important that the five principles of taxation (equity, benefit, ability to pay, efficiency and simplicity) are balanced against the policy objectives of taxation - that is the need to raise revenue and the effects of the tax upon the community.

In determining how rates are applied, Council uses a differential rating system with a fixed charge. Differential rates are applied depending on the use to which the land is put - whether it be residential, commercial, primary production, etc. The fixed charge is a declared amount all ratepayers contribute in addition to differential rates which are applied directly against the property capital value.

The rate-in-the-dollar to be applied each year is determined during the annual budget process. Put simply, the differential rate is calculated by dividing the required rates income by the total rateable capital value for the Council area, after accounting for the total fixed charge contribution from all properties. During this process the impact on all sections of the community is carefully considered and adjustments are made to correct obvious inequities.

Based on the principal use of each property, Council rates properties in six different categories.

For the financial year 2019/20 the rates determination is:

- The target is to raise approximately \$18.45m (before rebates and remissions) in general rate revenue, excluding the NRM levy, waste management, CWMS and water service charges.
- The amount represents an overall increase to total general rates income of approximately \$640k or 3.5% on the previous year
- This rate revenue will provide the desired level of funding to enable Council to meet its projected operating expenses and to fund its capital works programme.
- While rate increases for individual ratepayers will vary due to differing capital values, residential properties can expect to pay on average an extra \$31 (60 cents / week) per assessment, more than last year and primary production properties can expect to pay on average an extra \$140 (\$2.69 / week) more than last year. Commercial can expect a \$12 (23 cents / week) average increase, industrial a \$50 (96 cents/ week) average decrease, vacant land a \$17 (33 cents / week) average decrease and other a \$37 (71 cents / week) average decrease.
- The differential rates used to generate rate income on final valuations dated 9 June 2019 are:
 - Primary Production: 0.15855 cents in the dollar; and
 - Residential and all other categories: 0.27853 cents in the dollar.

Postponement of rates

In accordance with provisions of the Local Government Act 1999 (the Act), persons who hold a current Seniors Card could be eligible to postpone any amount in excess of \$500 (\$125 per quarter), less any concession entitlement. Interest will accrue on postponed balances as per Section 182A (12) of the Local Government Act 1999.

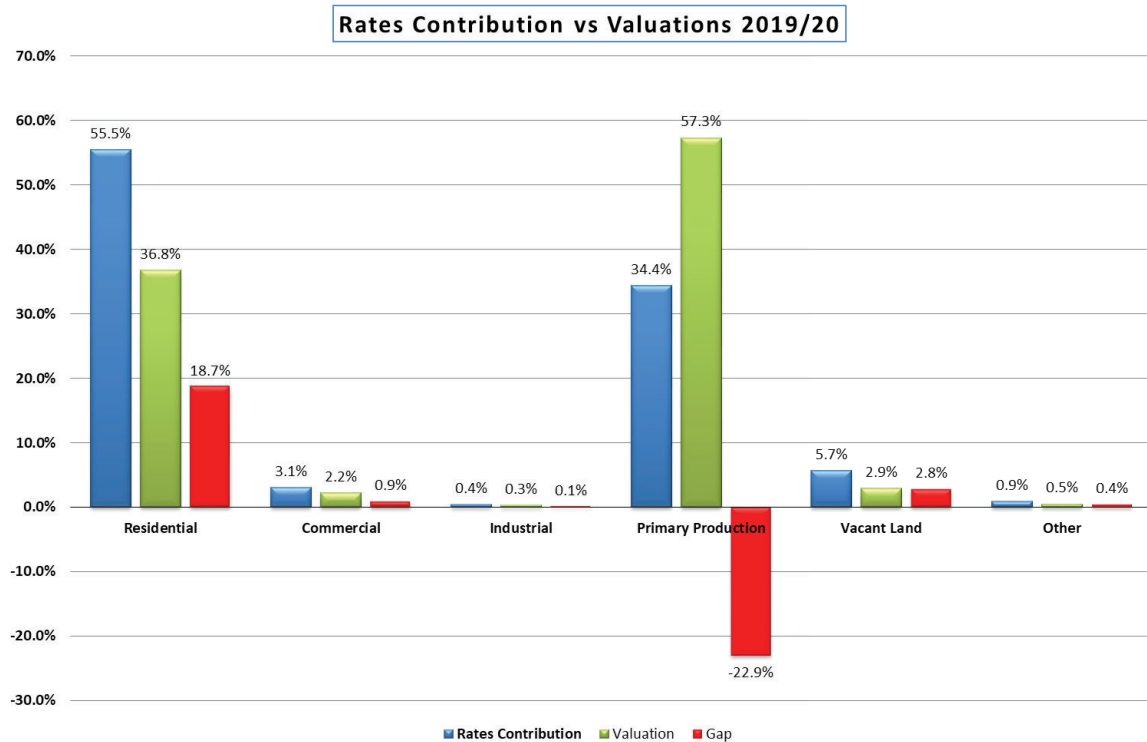
Hardship

Any ratepayer experiencing difficulties in meeting rates payments, or experiencing financial hardship, may be able to access payment plans tailored to meet the particular circumstances. All arrangements are strictly confidential.

RATING STRATEGIES - CONT

Valuation vs Rate Contribution

Based on total rateable capital value per rateable (land use) category against the rate contribution per rating (land use) category (rate contribution is the amount (or %) of the total general rate income that is raised from ratepayers in each rating (land use) category), this year's differential rates have been modelled to achieve an equitable spread across the rating categories. The following graphs and table represent the outcome of the 2019/20 rate structures.



Category	Assessments	Valuations	Rate Contribution	Valuations (% of total)	Variance
Residential	8,876	\$2.38b	55.5%	36.8%	18.7%
Commercial	470	\$142.7m	3.1%	2.2%	0.9%
Industrial	63	\$20.0m	0.4%	0.3%	0.1%
Primary Production	2,817	\$3.71b	34.4%	57.3%	-22.9%
Vacant Land	1,547	\$187.9m	5.7%	2.9%	2.8%
Other	217	\$32.8m	0.9%	0.5%	0.4%
TOTAL	13,990	\$6.47b	100%	100%	

Fixed Charge

Council has set a fixed charge for the 2019/20 year. The fixed charge has remained at \$410 and will be levied uniformly on all non-contiguous assessments.

The fixed charge is levied against the whole of an allotment (including land under a separate lease or licence) and only one fixed charge is levied against two or more pieces of adjoining land (whether intercepted by a road or not) if these are owned and occupied by the same owner. The reasons for imposing a fixed charge are:

- It is appropriate that all rateable properties make a base contribution to the cost of administering the Council's activities;
- It is appropriate that all rateable properties make a contribution to the cost of creating and maintaining the physical infrastructure that supports each property; and
- A fixed charge system generally creates a lesser burden on lower valued properties than a minimum rate system would.

RATING STRATEGIES - CONT

Waste Collection and Recycling

In May 2012 the State Government introduced regulations that determine how Council charges for its Waste Collection service based on distance from collection points. These regulations impact only on the rural 2 bin service offered by Council.

The regulations state that:

- A property which has a collection point within 500m of their primary access point will be charged the full service charge;
- Properties whose collection point is more than 500m but no more than 2km from their primary access point will pay 75% of the full service charge;
- Properties whose collection point is more than 2km but no more than 5km from their primary access point will pay 50% of their full service charge;
- Properties whose collection point is more than 5km to their primary access point will not pay a service charge unless a service is requested, and an appropriate service charge has been negotiated with Council.

For the purpose of the regulations a collection point is defined as the point on a waste collection route closest to the property's primary access point. The primary access point is defined as the same point as the rural property address for a property.

The service charge is set to recover the full cost of providing the Waste and Recycling Service. The 3 Bin service is not offered to rural ratepayers.

The annual charges for 2019/20 will be:

Service	Distance from rural collection point	2019/20 Charges \$	2018/19 Charges \$
3 Bins	(not offered to rural properties)	\$217.00	\$262.00
2 Bins	Up to 500m	\$171.00	\$210.00
2 Bins	Greater than 500m – 2km	\$128.25	\$157.50
2 Bins	Greater than 2km – 5km	\$85.50	\$105.00

These charges are driven by detailed modelling undertaken by Council based on contract terms including assumptions for price increases based on rise and fall variation in labour, fuel, materials etc. and an increase in the SA Government Solid Waste Levy and an increase in recycling charge per tonne due to change in arrangements.

The modelling includes: the cost of collection and disposal of refuse, recycling and green waste, cost of contamination audits, cost of purchasing bins and cost of staff time in service delivery. These costs are offset in part against the income generated from commercial pickups, additional/new services and the sale of bins.



Marion Bay Jetty

RATING STRATEGIES - CONT

Community Wastewater Management Schemes

Council operates 18 Community Wastewater Management Schemes (CWMS) that are situated in townships and holiday settlements throughout the district.

Income received via the CWMS annual service charges are a cost recovery fee to ensure that the costs of operating systems such as this, are recovered through user charges.

The CWMS annual service charges for 2019/20 are \$510 (compared to \$495 in 2018/19 and \$484 in 2017/18) for occupied properties and \$379 (compared to \$368 in 2018/19 and \$360 in 2017/18) for unoccupied properties.

The annual service charges are set in line with full cost recovery requirements as regulated by the Essential Services Commission of SA (ESCOSA) and using the LGA SA pricing model to determine full cost recovery of all schemes over a twenty (20) year period.

Full cost recovery under this model means that Council should be charging \$543 and \$396 respectively in 2019/20 and every year after that assuming no future increase to costs. The LGA SA pricing model looks to gradually increase the charge to achieve and maintain full cost recovery over the life of the model.

Water Charges

To enable communities to have access to a secondary water supply, Council maintains water supply schemes to three communities.

The annual service charges are set in line with full cost recovery requirements as regulated by the Essential Services Commission of SA (ESCOSA) and using the LGA SA pricing model to determine full cost recovery of all schemes over a twenty (20) year period. In addition, charges for water usage are recovered from users.

Fees for the Water Schemes operated by Council for 2019/20 are:

Location	2019/20
Black Point	\$205
Hardwicke Bay	\$205
Balgowan	\$205
Marion Bay Desal	User Charge Only

The fees in 2018/19 were \$199 per scheme, representing a \$6 (3%) increase.

Butlers Beach

Natural Resource Management Levy

The Yorke Peninsula Council falls within the Northern & Yorke Natural Resources Management Board area and as such Council is required, pursuant to the Natural Resources Management Act 2004, to raise funds by way of a levy to assist in funding the operations of the Board. The levy is imposed as a separate rate upon all properties within the area of the Board.

Council remits all revenue collected under this Act to the Board. The amount to be raised in 2019/20 is \$1.074m (including \$5k in rebates), representing a \$27k (2.6%) increase from 2018/19 (up from \$1.047m in 2018/19 and \$1.001m in 2017/18). This amount is based on advice from NRM received on 29 April 2019.

The amount payable in 2019/20 to the NRM Board is \$1,068,942.

Council effectively operates as a revenue collector for the board as the revenue from the levy is not retained by Council and Council does not determine how the revenue is spent.

Any queries regarding the NRM Levy should be directed to:

Northern & Yorke NRM Board
Board Offices 41-49 Eyre Road
PO Box 175 CRYSTAL BROOK SA 5523
Phone: (08) 8636 2361 Fax: (08) 8636 2371
Email: board@nynrm.sa.gov.au
Website: www.nynrm.sa.gov.au

Port Clinton



KEY FINANCIAL MEASURES

Council has adopted a set of key financial indicators (ratios) in line with the targets set in its recently adopted 2020-2029 Long Term Financial Plan.

These financial ratios have been calculated in accordance with Information Paper 9 – Local Government Financial Indicators prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia.

These financial ratios are a key measure in assessing Council's performance and financial sustainability.

	Budget	LTFP	Revised Budget
Year Ended 30 June:	2020	2020	2019
Operating Surplus Ratio	-2.7%	-0.4%	-7.0%
Net Financial Liabilities Ratio	25%	26%	21%
Asset Sustainability Ratio	101%	101%	107%

Operating Surplus Ratio

This is the operating surplus (deficit) expressed as a percentage of operating income.

A positive ratio indicates the percentage of operating income available to help fund proposed capital expenditure. A negative ratio indicates the percentage increase in operating income or the approximate decrease in operating expenses required to achieve a break-even operating result.

In 2019/20 this ratio is proposed to be -2.7% which when compared to Council's LTFP is 2.3% worse off. This is a result of various new and one-off expenditure items not factored into Council's LTFP. These items are:

- Dredging Point Turton boat ramp: \$600k;
- Dredging Ardrossan boat ramp: \$25k;
- Asset revaluations (legislated): \$100k;
- IT projects: \$68k;
- Business start-up grants: \$20k;
- Quarterly community newsletter/communication: \$10k;
- Youth events funding (additional): \$17k;

The minimum industry target for this ratio is 0% (breakeven). Council's adopted LTFP looks to achieve this by Year 2 (2020/21) of the Plan.

Net Financial Liabilities Ratio

The net financial liabilities ratio is calculated by expressing net financial liabilities at the end of a financial year as a percentage of operating income for the year. If the ratio falls, over time, this indicates that the Council's capacity to meet its financial obligations from operating income is strengthening.

Council's forecast for this ratio in 2019/20 is 25% which is well below the industry ceiling of 100% of total operating income. Compared to the LTFP this is 1% lower. Council's LTFP shows that if no new borrowings are undertaken this ratio will decrease over the next ten (10) years. This gives Council the capacity to borrow for capital projects especially focusing on renewal and replacement of existing assets which may be overdue for replacement.

No new loans are scheduled for 2019/20.



Asset Sustainability Ratio

This ratio indicates the extent to which existing assets are being renewed and replaced, compared with the asset renewal and replacement expenditure identified as warranted in Council's asset management plans. It is calculated by measuring capital expenditure on renewal or replacement of assets for a period, divided by the optimal level of such expenditure proposed in Council's Asset Management Plans. Alternatively where AMP's for all asset classes are not available or up to date, depreciation can be used as a comparison. Council currently uses depreciation as a measure.

The sector recommended target range is between 90% and 110%, assuming Council has no backlog of existing assets requiring replacement and renewal. Given that Council has a large backlog of asset renewal and replacement the LTFP looks to maintain at least 100% as a minimum target over the next ten (10) years, with any additional funding available to be directed to this purpose.

In 2019/20 the ratio is proposed to be 101% which is equal to the LTFP.

ANALYSIS OF OPERATING BUDGET

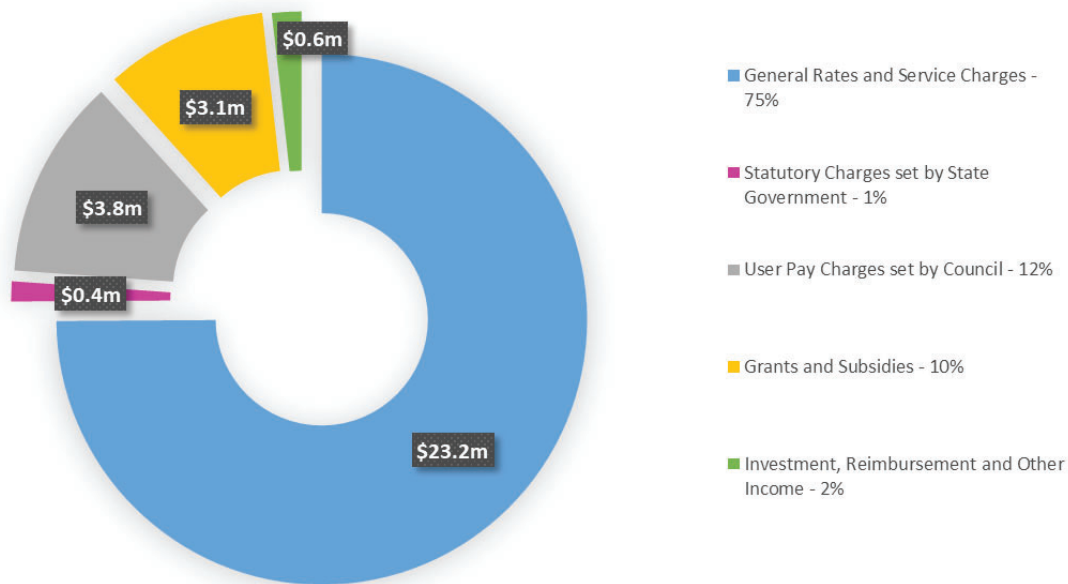
This section of the Annual Business Plan provides an analysis of the planned Council expenditure for the 2019/20 financial year and the sources of funding for the budget.

Operating Income

Council has budgeted for a total of approximately \$31.1m in operating income. This is approximately \$400k less than projected in Council’s LTFP.

The variation can be attributed to lower than forecast waste collection and disposal income. This is a result of costs for collection and disposal of waste, recycling and green organics being lower than forecast resulting in the annual service charge amount charged to users being lower.

A breakdown is summarised below by major category.

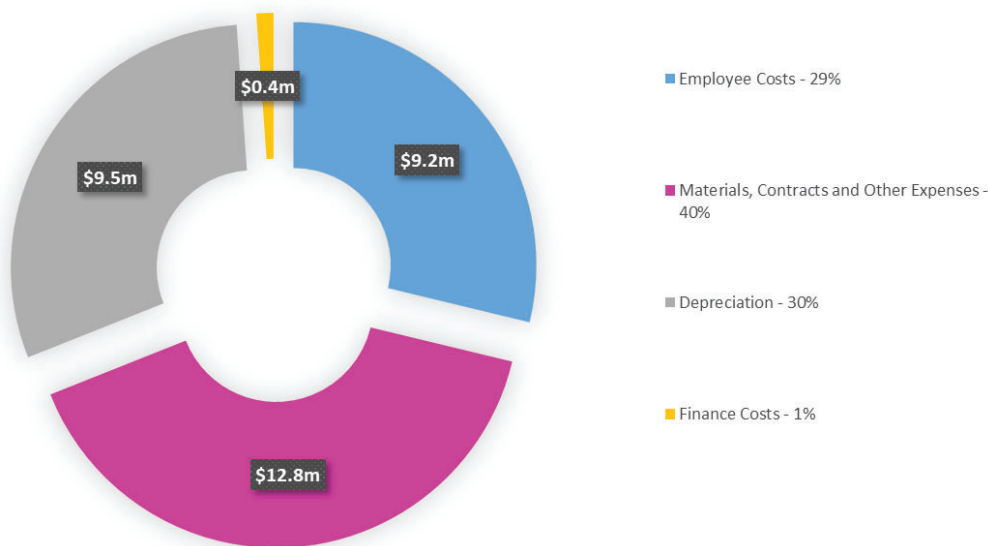


Descriptor	
General Rates and Service Charges	General rates on properties as well as service charges (i.e. sewerage, water and refuse/recycling charges).
Statutory charges set by State Government	Fees and charges set by State Government regulation and received by the Council for regulatory functions undertaken such as assessment of development and building applications and dog control management.
User Pay Charges set by Council	Charges for the Council’s fee based facilities and services such as caravan parks, community halls, cemeteries.
Grants and Subsidies	Council seeks to attract as much grant funding from other tiers of government as possible, thereby reducing the reliance on other revenue streams.
Investment, Reimbursements & Other Income	Interest received on Council’s internal cash reserves and deposits. Reimbursements for work undertaken and Other Income.

Operating Expenses

Operating expenses of \$31.9m budgeted for in 2019/20 are summarised below by major category. This is \$306k greater than the projected operating expenses within the LTFP.

The difference is the net variance between additional expenditure for new and one-off activities (not in the LTFP) as stated earlier in this Plan and waste collection and disposal costs being less than forecast in the LTFP. Savings from Service Level Reviews and other cost savings have to some extent neutralised some of the ongoing cost increases for existing services.

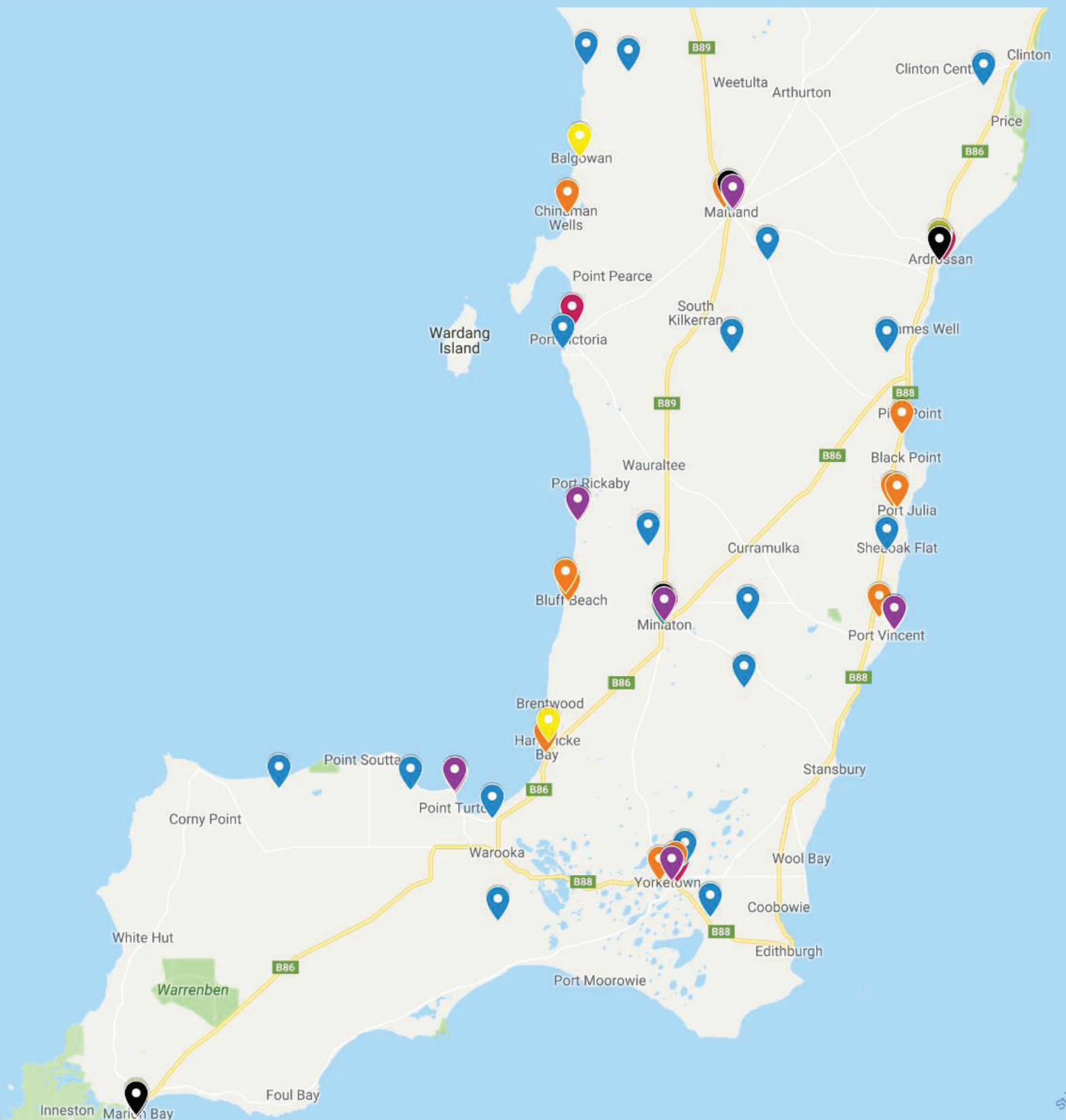


Descriptor	
Employee Costs	All labour related expenses such as wages and salaries, and on-costs such as allowances, leave entitlements, employer superannuation, workers compensation and income protection insurance.
Contractual Services	Payments for external provision of services. (incl. waste).
Materials & Others	Payments for physical goods such as water, fuel, energy, road materials, office consumables, stationery, insurances, postage, telephone, government levies, contributions and donations.
Depreciation	Annual consumption of Council’s fixed assets (e.g. infrastructure, equipment, buildings etc.) over their useful lives.
Finance Costs	Costs of financing Council’s activities through borrowings or other types of financial accommodation and merchant fees.



ANALYSIS OF CAPITAL WORKS BUDGETS

The following provides an approximate geographical view of where the key 2019/20 capital works projects will be delivered.



Transport Infrastructure

- Brutus Rd
- Corny Point Rd
- Corny Point Rd
- Gap Road
- Gun Club Rd
- Maitland Plane Trees - Stage 2
- Melton South Rd
- Nalyappa Rd
- Old Port Vincent Rd
- Pine Point Rd
- Port Victoria boat ramp parking bay extension
- Sandy Church Rd
- Sandy Church Rd
- Sheoak Flat Road
- Sturt Bay Rd
- Troubridge Hill Rd
- Weavers North Rd
- Yorke town Airstrip upgrade

CWMS

- Ardrossan - manhole rehabilitation
- Black Point - pump station 3
- Bluff Beach - WWTP
- Hardwicke Bay - pump station 4
- Chinaman Wells - WWTP
- Maitland - gravity drain replacement
- Port Julia - CWMS connection - stage 2
- Port Julia - pump station
- Port Vincent - WWTP waste tank & control shed
- Yorke town - Warooka Rd pump station
- Yorke town - WWTP - new control switchboard

Stormwater Drainage

- Ardrossan Stormwater Stage 3

Water Infrastructure

- Balgowan water supply scheme
- Hardwicke Bay water supply scheme
- Marion Bay Desal Plant

Land, Buildings & Structures

- Ardrossan Jetty - stairs & boardwalk upgrade
- MBCP - camp kitchen
- MBCP - power head upgrade
- Minlaton Council Office – replace carpet
- Port Rickaby CP - disabled access to amenities & lighting
- Port Rickaby CP - House – garage roller doors
- Port Rickaby CP - House - door frames & security doors x 2
- Port Rickaby CP - House - replace fence
- Port Rickaby CP - replace underground water pipes
- Port Victoria Cemetery niche wall
- PTCP - BBQ Area Shelter
- PTCP - Cabin Rain Water Tanks
- PTCP - Camp Kitchen
- PVFCP - Solar Lighting
- YCP - TV Points to sites

Furniture & Fittings (including I.T.)

- Ardrossan Community Library - Public Access Computers
- Council Office - furniture and fittings
- Council Office – I.T. hardware, phones & online development applications
- Maitland Community Library - Public Access Computers
- Minlaton Community Library - Public Access Computers
- MBCP – replace 5 x air-conditioners
- MBCP – replace cabin furniture
- PVFCP – replace 2 x camp kitchen fridges
- PVFCP – replace 4 x couches

Major Plant, Equipment, Vehicles & Minor Plant

- Council - 4x4 Weeds Unit, Combination Roller, Tractor, Prime Mover, Side Tipper, 4x4 Dual Cab Ute & Fleet Vehicles
- Yorke Peninsula Council Leisure Options Bus

Other

- Council - Additional Ezescan licence
- Council - Aerial Drone Photography
- Council Chamber - audio recording system
- Port Rickaby - jetty solar lighting
- PTCP - Sullage
- PVFCP - Sullage
- Yorke town - Charles St vacant land

The above excludes the below works which will be delivered across the Peninsula as determined by Council throughout the year, based on priority needs:

- Patch Work (\$2.2m)
- Disabled Access Townships (\$25k)
- Sealed Road Resealing and Rehabilitation Programme (\$215k)
- Sealed Road Shoulder Rework (\$500k)
- Bitumen Rehabilitation (\$350k)
- Bush Camping Infrastructure (\$50k)
- Spoon Drains (\$150k)
- Signs Renewal Programme (\$38k)
- Minor Plant Annual Renewal (\$20k)
- Landfill Rehabilitation (\$15k)

Complete Capital Works Programme

Over the past few years Council has been developing Asset Management Plans. These plans identify costs required to ensure that assets will be able to be maintained in a sustainable condition over the long term. There will always be a community desire for the provision of new and upgraded assets, however it is important that priority is given to the replacement and sustainable renewal of existing assets.

The following table provides a complete list of all capital projects funded in the 2019/20 budget.

Capital Works Programme 2019/20	Renewal / Replacement	New / Upgrade
Transport Infrastructure		
Bitumen Rehabilitation	\$350,000	\$0
Patch Work (North)	\$1,157,440	\$0
Shoulder Work	\$500,000	\$0
Reseal Allocation	\$215,000	\$0
Patch Work (South)	\$1,087,595	\$0
Pine Point Road - Back Rd to Cunningham Rd	\$352,226	\$0
Sandy Church Rd – Yorke Highway to Redding Rd	\$364,480	\$0
Sandy Church Road – between Summer Track and Yorke Valley Rd	\$260,000	\$0
Nalyappa Rd – Gap Rd to Old Boundary Rd	\$836,423	\$0
Melton South Rd – Clinton Rd 2km South	\$358,115	\$0
Corny Point Road – Hundred Line to Brutus Rd	\$365,222	\$0
Corny Point Road –bitumen to Hayes Rd	\$447,650	\$0
Gun Club Rd – Barkers Rocks Rd to Koolywurtie Church Rd	\$226,628	\$0
Sturt Bay Road – Murdock Rd to Cemetery Bitumen	\$491,005	\$0
Weavers North Road – Trig Rd to Burton Rd	\$167,284	\$0
Brutus Road – West Cowie Rd 2km East	\$178,690	\$0
Troubridge Hill Road – St Vincent Hwy 2.3km South	\$176,488	\$0
Old Port Vincent Road through Cook Rd intersection	\$145,820	\$0
Gap Road – from coast 2.8km inland	\$365,253	\$0
Yorke town Airstrip – upgrade to bitumen airstrip <i>(fully grant funded, therefore \$0 net Council funding required)</i>	\$0	\$590,404
Maitland Plane Trees Stage 2 – replace tree surrounds damaged by root intrusion, Robert St	\$50,000	\$0
Sheoak Flat Road – highway to Sheoak Flat access	\$116,791	\$0
Port Victoria boat ramp parking bay extension – southern end	\$0	\$16,000

Capital Works Programme 2019/20		Renewal / Replacement	New / Upgrade
Land, Buildings and Structures			
Bush Camping Infrastructure - Annual Allocation		\$50,000	\$0
Ardrossan Jetty Area – Southern Stairs and Boardwalk upgrade		\$50,000	\$0
Yorke town Caravan Park –TV reception to all sites		\$7,867	\$0
Port Vincent Foreshore Caravan Park – Solar Lighting Bollards		\$0	\$6,193
Disabled Access (Access Advisory Committee)		\$0	\$25,000
Point Turton Caravan Park – Deluxe Cabin BBQ area Shelter		\$0	\$8,800
Point Turton Caravan Park - Camp Kitchen upgrade		\$0	\$11,601
Point Turton Caravan Park - Replace Deluxe Cabin Rainwater Tanks		\$7,197	\$0
Marion Bay Caravan Park – extension of Camp Kitchen		\$0	\$21,851
Marion Bay Caravan Park – renewal of Power Heads		\$5,318	\$0
Port Rickaby Caravan Park Infrastructure Replacements		\$25,000	\$0
Port Rickaby Caravan Park – Amenities Disabled Access and Lighting Upgrade		\$0	\$15,000
Minlaton Office Carpet Replacement		\$15,000	\$0
Port Victoria Cemetery – New Niche Wall		\$0	\$8,500
Community Wastewater Management Systems			
Ardrossan CWMS - Manhole Rehabilitation Works		\$25,000	\$0
Black Point - Pump Station 3 upgrade		\$17,000	\$0
Hardwicke Bay - Pump Station #4 Switchboard Replacement		\$35,000	\$0
Maitland – Gravity Drain replacement/repair		\$35,000	\$0
Bluff Beach Waste Water Treatment Plant – replace and upgrade Decant Pump System		\$9,000	\$3,000
Port Julia CWMS Connection Stage 2		\$0	\$60,000
Port Julia Pump Station - replace Control and Alarm System		\$11,250	\$3,750
Port Vincent Waste Water Treatment Plant - replace collapsed Waste Tank Roof		\$15,000	\$0
Chinaman Wells Waste Water Treatment Plant - replace and upgrade Decant Pump System		\$9,000	\$3,000
Yorke town Warooka Road Pump Station – replace Control and Alarm System		\$15,000	\$0
Yorke town Waste Water Treatment Plant – replace Control Switchboard		\$35,000	\$0

Capital Works Programme 2019/20	Renewal / Replacement	New / Upgrade
Water Infrastructure		
Balgowan Water Scheme - House Connection Saddle Replacements	\$10,000	\$0
Hardwicke Bay Water Scheme – replacement of support for Tank 2 Roof	\$10,000	\$0
Marion Bay Desal Plant – Chemical Storage Shed	\$3,125	\$9,375
Stormwater Drainage		
Ardrossan Stormwater Harvest Project – Stage 3	\$0	\$123,000
Spoon Drains – Replacement throughout the district	\$150,000	\$0
Major Plant, Equipment, Fleet Vehicles and Minor Plant		
YP Leisure Options Bus <i>(less trade-ins of \$1k, net Council funding required = \$50k)</i>	\$51,000	\$0
4x4 Weed Spraying Unit <i>(less trade-ins of \$8k, net Council funding required = \$48k)</i>	\$56,000	\$0
Combination Roller <i>(less trade-ins of \$2k, net Council funding required = \$148k)</i>	\$150,000	\$0
Side Tipper <i>(less trade-ins of \$5k, net Council funding required = \$110k)</i>	\$115,000	\$0
Prime Mover <i>(less trade-ins of \$30k, net Council funding required = \$165k)</i>	\$195,000	\$0
4x4 Dual Cab Ute <i>(less trade-ins of \$2k, net Council funding required = \$40k)</i>	\$42,000	\$0
Fleet Vehicles <i>(less trade-ins of \$270k, net Council funding required = \$155k)</i>	\$425,000	\$0
Tractor <i>(less trade-ins of \$15k, net Council funding required = \$65k)</i>	\$80,000	\$0
Minor Plant	\$15,000	\$5,000
Furniture and Fittings		
Ardrossan Community Library - Public Access Computers	\$2,406	\$0
Minlaton Community Library - Public Access Computers	\$3,609	\$0
Maitland Community Library - Public Access Computers	\$3,609	\$0
Office Furniture	\$0	\$8,000
IT Hardware – Annual Computer replacements	\$54,600	\$0
IT Hardware – Screens etc required for on-line Development Applications	\$0	\$15,000
Mobile Phone Replacements (> 4 years old)	\$3,300	\$0
Marion Bay Caravan Park – Cabin Furniture replacement	\$28,918	\$0
Marion Bay Caravan Park – 5 x Air Conditioner replacements	\$7,500	\$0

Capital Works Programme 2018/19	Renewal / Replacement	New / Upgrade
Furniture and Fittings - cont.		
Port Vincent Caravan Park – replace 4 Couches in Cabins	\$6,000	\$0
Port Vincent Caravan Park - replace 2 Refrigerators	\$4,000	\$0
Other		
Landfill Rehabilitation	\$15,000	\$0
Aerial Drone Photography	\$6,000	\$0
Port Vincent Caravan Park – sullage line installation	\$0	\$30,182
Point Turton Caravan Park – sullage line installation	\$0	\$19,822
Second EzScan Licence – Document Management	\$0	\$15,000
Yorke town Shopping Precinct Development	\$0	\$100,000
Solar Lighting Port Rickaby Jetty	\$0	\$12,100
Minlaton Chamber Audio System	\$0	\$30,000
TOTAL CAPITAL EXPENDITURE	\$10,015,809	\$1,140,578

Note: The above totals represent total cost of projects exclusive of any external funding (e.g. grants, trade-ins etc.)
 Council's performance will be assessed by the timely completion of these projects within the stated budget.

Point Turton Playspace



ANALYSIS OF TOTAL BUDGET

The following table provides a breakdown of total expenditure (operating and capital) by function (excluding depreciation).

%	Function	Description
33.8%	Road Maintenance	Expenses relating to the cost of maintaining and renewing Council's road network, including materials, labour related expenses, patrol grading and vegetation management.
7.4%	Refuse Collection & Disposal	Contractual and local expenses, including materials and labour related expenses.
6.4%	Finance, Business, Corporate and Community Relations	Expenses relating to financial administration, business and community relations and corporate services, including labour related expenses.
5.8%	Caravan Park Operation	Expenses relating to the cost of running Council owned caravan parks, including capital expenditure and labour related expenses.
4.9%	Parks and Gardens	Expenses relating to the maintenance of all open space parks and gardens, including materials and labour related expenses.
4.8%	Governance	Expenses relating to governing the organisation, including organisational compliance and Elected Member related expenses and cost of office furniture.
4.2%	Environmental Management	Expenses relating all foreshore maintenance plus maintenance of walking trails, contribution to NRM projects, protection of crown lands and land rehabilitation.
4.2%	Development Services	Expenses relating to the cost of planning and development, including labour related expenses.
3.9%	CWMS and Water Schemes	Expenses relating to the cost of running water and waste-water management schemes, including materials and labour related expenses.
3.7%	People and Culture	Expenses relating to Human Resources, Payroll, Staff Training, Work Health & Safety and Risk Management.



Berry Bay
By Belinda Knight

%	Function	Description
3.2%	NRM Levy	A compulsory levy payable to the Northern and Yorke Natural Resources Management Board. Refer page 20.
2.8%	Information Services	Expenses incurred in providing information technology, including projects and labour related expenses.
2.5%	Community Support	Expenses relating to youth services, libraries, Leisure Options and other community support programmes (e.g. YP Community Transport, grants and donations), including materials and labour related expenses.
2.5%	Footpaths and Stormwater	Capital expenses relating to maintenance of existing footpaths and stormwater systems, including materials and labour related expenses
2.4%	Community Asset Maintenance	General maintenance costs, including materials and labour related expenses related to assets such sporting ovals, swimming centres, halls, airstrips, public conveniences, cemeteries and war memorials.
1.6%	Street Cleaning and Cleaning Council Buildings	Contractual and local expenses to clean all streets and Council buildings across the district.
1.5%	Regulatory, Animal and Fire Control Services	Includes expenses relating to fire safety and prevention, health inspections, dog control and impounding and other regulatory functions, including labour related expenses.
1.4%	Tourism and Economic Development	Expenses relating to tourism including the Visitor Information Provision and other economic development expenses (e.g. Regional Development Australia, Art Exhibition etc.), including labour related expenses.
1.1%	Street Lighting	Expenses relating to maintenance of street lighting, including materials and labour related expenses.
1.1%	Asset Management	Asset Management Systems, Asset Management Plans and Asset Condition Assessments, including labour related expenses.
1.0%	Plant and Equipment	Includes all expenses related to purchase/replacement of all plant and equipment, including fleet vehicles – offset by all trade-in income.

**In The Flinders
Barker Rocks**

2019/20 BUDGETED FINANCIAL STATEMENTS

Budgeted financial statement for 2019/20 on the following pages are:

A. Budgeted Statement of Comprehensive Income

This statement outlines:

- All sources of Council's income (revenue)
- All operating expenses. These expenses relate to operations and do not include capital expenditure although depreciation of assets is included.

The Net Operating Surplus / (Deficit) for the year is a measure of Council's financial performance. This figure is determined by deducting total operating expenses from total operating revenue.

B. Budgeted Statement of Financial Position

The Statement of Financial Position outlines what Council owns (assets) and what it owes (liabilities) at a point in time.

Council's net worth is determined by deducting total liabilities from total assets – the larger the net equity, the stronger the financial position.

C. Budgeted Statement of Changes in Equity

A statement of changes in equity shows the movements of equity in addition to accumulated earnings and losses for a reporting period. This statement summarises the change in Council's real worth throughout the financial year. Council's net worth can change as a result of:

- The net result as recorded in the Statement of Comprehensive Income; or
- An increase or decrease in the net value of non-current assets resulting from a revaluation of those assets.

D. Budgeted Statement of Cash Flows

This summarises the actual flows of cash for a period and explains the change in the cash balance held from the start of the period through to the end of the reporting period. This shows where Council received its cash from and then what it was spent on.

E. Budgeted Uniform Presentation of Finances

This is a high level summary of both operating and capital investment activities of the Council prepared on a simplified Uniform Presentation Framework basis.

All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis. The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.

A. Budgeted Statement of Comprehensive Income

Year Ended 30 June:	BUDGET 2020	LTFP 2020	REVISED 2019
	\$('000)	\$('000)	\$('000)
INCOME			
Rates	23,280	23,810	23,003
Statutory Charges	380	404	395
User Charges	3,792	3,636	3,640
Grants, Subsidies, Contributions	3,072	3,112	2,829
Investment Income	181	177	176
Reimbursements	148	123	167
Other Income	229	222	236
Total Income	31,083	31,484	30,446
EXPENSES			
Employee Costs	9,184	9,280	9,015
Materials, Contracts & Other Expenses	12,839	12,458	13,651
Depreciation, Amortisation & Impairment	9,543	9,522	9,428
Finance Costs	362	362	375
Total Expenses	31,928	31,622	32,469
OPERATING SURPLUS/ (DEFICIT)	(845)	(138)	(2,023)
Asset Disposal & Fair Value Adjustments	0	0	0
Amounts received specifically for new or upgraded assets	590	0	9
NET SURPLUS/ (DEFICIT)	(255)	(138)	(2,014)
TOTAL COMPREHENSIVE INCOME	(255)	(138)	(2,014)

Note: Totals may not add due to rounding

Bluff Beach



B. Budgeted Statement of Financial Position

Year Ended 30 June:	BUDGET 2020	LTFP 2020	REVISED 2019
	\$('000)	\$('000)	\$('000)
ASSETS			
Current Assets			
Cash & Equivalent Assets	2,074	1,966	4,401
Trade & Other Receivables	1,424	1,399	1,405
Inventories	738	716	785
Total Current Assets	4,236	4,081	6,591
Non-Current Assets			
Financial Assets	536	536	635
Infrastructure, Property, Plant & Equipment	295,541	294,949	294,261
Total Non-Current Assets	296,077	295,485	294,896
Total Assets	300,313	299,566	301,487
LIABILITIES			
Current Liabilities			
Trade & Other Payables	2,041	1,993	2,129
Borrowings	852	852	831
Provisions	2,104	2,149	2,104
Total Current Liabilities	4,997	4,994	5,064
Non-Current Liabilities			
Borrowings	6,620	6,620	7,472
Provisions	335	340	335
Total Non-Current Liabilities	6,955	6,960	7,807
Total Liabilities	11,951	11,954	12,871
NET ASSETS	288,361	287,612	288,616
EQUITY			
Accumulated Surplus	(14,129)	(14,878)	(13,874)
Asset Revaluation Reserve	300,901	300,901	300,901
Other Reserves	1,589	1,589	1,589
TOTAL EQUITY	288,361	287,612	288,616

Note: Totals may not add due to rounding

C. Budgeted Statement of Changes in Equity

Year Ended 30 June:	BUDGET 2020	LTFP 2020	REVISED 2019
	\$('000)	\$('000)	\$('000)
Balance at end of previous reporting period	288,616	287,750	290,630
Net Surplus / (Deficit) for Year	(255)	(138)	(2,014)
Total Comprehensive Income	(255)	(138)	(2,014)
EQUITY - BALANCE AT END OF PERIOD	288,361	287,612	288,616

Note: Totals may not add due to rounding

Port Rickaby



D. Budgeted Statement of Cash Flows

Year Ended 30 June:	BUDGET 2020	LTFP 2020	REVISED 2019
	\$('000)	\$('000)	\$('000)
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Operating Receipts	23,272	23,788	23,236
Statutory Charges	380	404	395
User Charges	3,793	3,636	3,640
Grants, Subsidies and Contributions	3,072	3,112	2,829
Investment Receipts	181	177	176
Reimbursements	155	122	386
Other Income	214	166	416
Payments			
Employee Costs	(9,172)	(9,220)	(8,936)
Materials, Contracts & Other Expenses	(12,893)	(12,501)	(13,671)
Finance Costs	(362)	(362)	(375)
Net Cash provided (or used in) Operating Activities	8,640	9,322	8,096
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts			
Amounts Received Specifically for New/Upgraded Assets	590	0	9
Sale of Renewed/Replaced Assets	333	325	347
Sale of Surplus Assets	0	0	590
Repayments of Loans by Community Groups	96	96	89
Payments			
Expenditure on Renewal/Replacement of Assets	(10,016)	(9,900)	(10,442)
Expenditure on New/Upgraded Assets	(1,140)	(200)	(903)
Loans Made to Community Groups	0	0	(127)
Net Cash provided by (or used in) Investing Activities	(10,137)	(9,679)	(10,437)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts			
Proceeds from Borrowings	0	0	1,327
Payments			
Repayments of Borrowings	(830)	(831)	(740)
Net Cash Provided by (or used in) Financing Activities	(830)	(831)	587
Net Increase/ (Decrease) in Cash held	(2,327)	(1,188)	(1,754)
plus: Cash & Cash Equivalents - beginning of year	4,401	3,154	6,155
Cash & Cash Equivalents - end of year	2,074	1,966	4,401

Note: Totals may not add due to rounding

E. Budgeted Uniform Presentation of Finances

Year Ended 30 June:	BUDGET 2020	LTFP 2020	REVISED 2019
	\$('000)	\$('000)	\$('000)
Operating Activities			
Operating Income	31,083	31,484	30,446
Less: Operating Expenses	31,928	31,622	32,469
Operating Surplus/(Deficit)	(845)	(138)	(2,023)
Capital Activities			
Net Outlays on Existing Assets			
Capital Expenditure on Renewal and Replacement of Existing Assets	10,016	9,900	10,442
Less: Depreciation, Amortisation and Impairment	9,543	9,522	9,428
Less: Proceeds from Sale of Replaced Assets	333	325	347
	140	53	667
Net Outlays on New and Upgraded Assets			
Capital Expenditure on New/Upgraded Assets	1,140	200	903
Less: Amounts Specifically for New and Upgraded Assets	590	0	9
Less: Proceeds from Sale of Surplus Assets	0	0	590
(Net Outlays) on New and Upgraded Assets	550	200	304
Net Lending / (Borrowing) for Financial Year	(1,535)	(391)	(2,994)

Note: Totals may not add due to rounding

Warooka





