



2022-23 ANNUAL BUSINESS PLAN



Acknowledgement of Country

Yorke Peninsula Council respects the fundamental role of Narungga (traditionally spelt Nharangga) people as the First Nation custodians of the Country now known as Yorke Peninsula and the surrounding seas. We pay respect to Narungga Elders past and present, to Country, and to their rich and vibrant culture.



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Mayor's Foreword

Thank you for taking the time to read through Yorke Peninsula Council's Annual Business Plan (ABP) 2022-23.

Council has approached this year's ABP with the community front of mind, opting to keep rate rises to 2.5% with an additional 2.5% for Primary Production land. The good news is our primary producers are still paying significantly lower rates than their neighbours in nearby Council regions, and 1% of this year's Primary Production rate increase will be used specifically for upgrading our rural roads.

This rate rise was chosen in an attempt to strike a balance between Council continuing to deliver services the community expects, and renewing community assets, without placing financial pressure on ratepayers. We understand that despite certain sectors booming at this time, for instance real estate and tourism, many locals still face cost-of-living pressures.

Thankfully, Council has been successful in winning numerous grants to complete projects and improve our region without spending ratepayer money. In the past financial year alone Council has secured \$7.6m in State and Federal grant funding. This success is headlined by a Black Summer Bushfire Recovery grant of \$2.25m to build a childcare facility in Minlaton, a project that will have immense and lasting social and economic benefits. More detail about grant-funded projects can be found within this ABP.

This ABP is based on a responsible and balanced Budget, in line with Council's Long Term Financial Plan and Asset Management Plans, which will help Council achieve financial sustainability whilst continuing to serve our community at a high level.



Darren Braund
MAYOR



Executive Summary

This ABP and Budget sets out Council's proposed services, programs and projects for 2022-23. This ABP has been created with consideration of Council's 2023-32 Long Term Financial Plan (LTFP) and our key financial intent to achieve an operating surplus whilst maximising funds for asset renewal.

The key parameters used in developing this ABP were:

- Inflation (CPI) estimated to be 5.1%
- No change in service levels other than due to Service Level Reviews endorsed by Council
- Appropriate spending on asset renewal in line with existing Asset Management Plans (AMPs) and funding in accordance with Council's LTFP to maintain and upgrade ageing infrastructure
- Emphasis on achieving financial sustainability in accordance with Council's recently revised LTFP
- Rate rises including an additional minor rise for Primary Production, 1% of the rates collected from which will be used specifically to improve rural roads

The program of capital works listed on pages 28-30 support the requirements of the AMPs. The proposed capital budget of \$12.03m is consistent with the LTFP and focuses on renewing existing assets. The Budget proposes \$11.4m to be spent renewing assets, rather than the more expensive and time-consuming approach of waiting until assets are in need of major repairs. The Budget also includes \$0.66m for new and upgraded assets.

Staff have again utilised a zero-based budgeting approach when developing this ABP. All budgets started at zero and were then built up using current quotes, historical known costs and current known increases relating to inflationary pressures.



Andrew Cameron
CHIEF EXECUTIVE OFFICER

Public Consultation

The draft 2022-23 Yorke Peninsula Council Annual Business Plan and Budget was exhibited for public consultation as prescribed by the Local Government Act 1999 from 31 May, 2022, to 5pm on 21 June, 2022. Council also consulted on the draft 2022-23 Fees and Charges during this time.

A minimum of one hour was allocated for verbal submissions at a Special Council Meeting on 29 June, 2022. During the public consultation period, Council received three written submissions, which were considered at the Special Council Meeting.

As a result of consultation, and updated information received by Council during this timeframe including the latest property valuations, the following changes have been made from the draft document to this final publication:

- 'Public Consultation and Review' section of the Plan updated (page 6)
- 'Setting The Rates' section on page 18 updated to reflect the latest rates modelling impacted by final valuation data
- 'Rating Strategies' section (pages 19 and 20) updated to reflect final valuations as at 27 June 2022 and recalculation of the Council endorsed rating model. The following changes have been made to the publicly advertised draft ABP:
 - o Update to valuations table on page 19;
 - Overall valuation increase to total rateable properties is now 15.1% compared to 14.8%. The additional 0.3% equates to approximately \$18.7m;
 - Residential property valuations increased a further 2.9% or \$70m due to properties previously classified as vacant or other, now classified as residential and revalued accordingly;
 - Primary Production property valuations decreased 1% (\$50m);
 - Vacant land valuations dropped by 8.2% (\$15m) while other land use valuations decreased by 3.6% (\$1.3m). Both were a result of completed dwellings reclassified as Residential land use;
 - o Rates in the dollar recalculated taking into account final valuations and updated on page 19 as follows:
 - Primary Production: 0.122610 cents in the dollar (0.8% increase to advertised draft ABP and 8.51% less than 2021-22);
 - All other land use categories: 0.277166 cents in the dollar (2.5% less than advertised draft ABP and 2.33% less than 2021-22).

Elected Members

Mayor
Darren Braund



Councillor
Richard Carruthers



Councillor
Roger Johns



Councillor
David Langford



Deputy Mayor
Tania Stock



KALKABURY WARD

Councillor
Naomi Bittner



Councillor
Michael Murdock



Councillor
Leanne O'Brien



GUM FLAT WARD

Councillor
Anthony Bennett



Councillor
Adam Meyer



Councillor
Kristin Murdock



Councillor
John Rich



INNES PENTON VALE WARD

COUNCIL SUMMARY



Operating Revenue

\$25.6m

Rates and service charges

\$4.7m

User pay charges

\$3.6m

Grants and subsidies

\$0.4m

Statutory charges

\$0.3m

Investment, reimbursements
and other income



Operating Expenditure

\$14.2m

Materials, contracts and other

\$11.1m

Depreciation

\$10.5m

Employee costs

\$0.3m

Finance costs

Other Activities

4

Joint use libraries

8

Depot libraries

5

Swimming pools

2

Toddler Wading pools

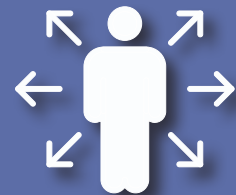


District Statistics



11,374

Estimated population



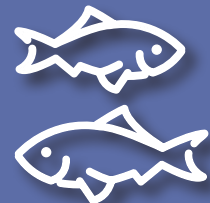
1.9/km²

Estimated population density



5,900 km²

Total Council area



485km

Council coastline



Council Statistics



12

Elected Members



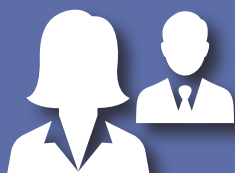
9,024

Enrolled Electors



14,119

Total rateable properties



119.9

Full-time equivalent Council staff

MAJOR EXPENDITURE



Roads

3,890km

of Council roads

\$12.56m

Road network improvements

(Maintenance, renewals and sealing)



Footpaths & Stormwater

23km

Constructed footpaths & sealed walking trails

28km

of pipes and drains

\$0.7m

To upgrade and maintain assets to a community standard



CWMS & Water Schemes

18

CWMS Sites

4

Potable water sites

(Including Marion Bay Desal Plant)

3

Stormwater Reuse Sites

\$1.24m

To maintain these community assets



Council Caravan Parks

6

Council owned and managed

\$2.68m / \$3.3m

Expenditure / Income

(Operations and capital upgrades)

BUDGET HIGHLIGHTS



\$12.56m
Roads



\$0.8m
Environment



\$2.63m
Waste Operations



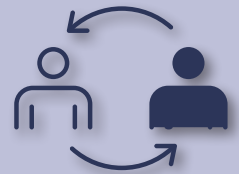
\$1.86m
Parks & Gardens

\$1.24m
CWMS & Water Schemes



\$0.57m
Foreshore Maintenance

\$0.59m
Community Support



\$0.29m
Street Lighting

\$0.64m
Footpaths & Stormwater



\$0.41m
Tourism & Economic
Development

\$0.6m
Cleaning of Council
Buildings, Toilets Etc



Strategic Direction

The 2022-23 Annual Business Plan sets out the specific projects Council proposes to deliver for its community.

The Annual Business Plan, as required by Section 123 (2) (a) of the Local Government Act 1999, must include a summary of the Council's long-term objectives per its Strategic Management Plan (SMP). Yorke Peninsula Council undertook a review of its SMP during 2019-20.

Council sought the community's input about their priorities. Council also reviewed its performance against the 2016-20 SMP and re-examined the internal and external challenges facing Council. Based on these outputs, it was agreed the SMP only needed a minor review - all previous goals and strategies were still essential and relevant.

The draft 2021-25 SMP was then put back for community feedback and then adopted by Council on 14 October 2020. The most significant change was the development of a new vision.

A summary of the 2021-25 strategic directions are provided on the following pages.

For a full copy of the 2021-25 SMP, visit the corporate publications section of our website, www.yorke.sa.gov.au. Please note, Council's Strategic Management Plan will be reviewed after the next South Australian Local Government elections in November 2022.



Strategic Direction

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 that allows our multi-generational community to learn, work and live here.

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 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 Yorke Peninsula. Council will continue to work in partnership with progress associations and other key stakeholders to achieve this goal.

Goal 5

Responsible Governance and Leadership

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.



Strategic Planning Framework



Legislative Compliance

Section 123 of the Local Government Act 1999 states 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 make written submissions in relation to the matter

The Council must also ensure 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 its principal office
- On the Council's website

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

- An outline of Council's objectives for the year
- The activities council intends to undertake to achieve those objectives
- The measures (financial and non-financial) Council intend to use to assess its performance

- An assessment of the financial requirements of 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

- The impact of the rates structure on the community, based on the modelling used

The Annual Business Plan must also take into account Council's Long Term Financial Plan and relevant issues relating to the management and development of infrastructure and major assets by the Council.

COVID-19 Response Plan

Since March 2020, Council undertook numerous actions to protect its community, staff and essential services as part of its COVID-19 response plan. The response plan aimed to slow the spread of the virus within the Yorke Peninsula community and the Council workforce, and as such Council implemented many cautionary steps to ensure we met our duty of care obligations.

Whilst initially this meant some limitations on services, Council continued with a "business as usual" approach within the limitations and restrictions as outlined by the Federal and State Governments.

Council will continually review its COVID-19 response, adapting to regulations and the realities of living with the virus.



Ongoing Services

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

- Regulatory activities (maintaining voters' rolls and supporting elected members)
- 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 stormwater drainage
- Street cleaning and rubbish collection

- Development planning and control, including building safety assessment

- Various environmental health services
- Protection of natural resources
- Animal management

Yorke Peninsula Council provides further services and programs to support the community, including:

- Beach access facilities
- Boat ramps
- Camping reserves
- Cemeteries
- Civic and community halls

- Community events
- Fire prevention
- Leasing of various other Council-owned assets
- Leisure Options
- Library services
- Recreational reserves and open spaces
- Recycling facilities
- Sporting facilities
- Support for youth services
- Tourist facilities
- Walking trails
- Six Council-owned and managed caravan parks on a fee for service basis



Influences, Priorities & Challenges

Current Economic Climate

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 2023-32 Long Term Financial Plan (LTFP) and Council's Asset Management Plans (AMPs). A key focus of the LTFP is to ensure there is appropriate spending on asset renewal in line with these AMPs.

Council's LTFP is based on a "business as usual" model as far as practicable, including any impacts of COVID-19, completed service level reviews, increased inflation, variations to current levels of service and Council's current asset stock. Based on the most recent ABS Census results for the Council area, it has been assumed growth in the area will be minimal.

Funding from State and Federal Governments has been inconsistent over the years and cannot be relied upon as a consistent substitute for other income streams. As an example, Council's general purpose grant allocation from the Local Government Grants Commission was reduced by \$96,000 (7%) in 2021-22 and Council has been advised that a further 5% cut annually is likely for the next four years. Additionally, no further supplementary local roads funding worth \$0.4m annually is anticipated after 2022-23.

Council has reduced costs in some areas through service level reviews and retendering of major contracts.

Electricity costs have been revised down due to more stable market

conditions and Local Government sectorwide procurement advantages. Renewal of Information Technology hardware and telecommunications contracts are also likely to result in savings in the short to medium term.

Cleaning of Council facilities has increased due to cleaning requirements of bush camping toilets, Council has received funding to install additional toilets at bush camping sites so this needs to be factored into future site cleaning. A significant increase in bush camping, while generating more revenue, has also meant increased costs for rubbish collection, and repairs and maintenance.

Increases in inflation greater than forecast in the LTFP continue to impact Council operations, in particular the cost of fuel, salaries and wages, cost of construction materials etc. Further, insurance costs continue to rise due to increased adverse weather events.

Council will continue to undertake reviews during the coming financial year and budgets will be updated to reflect any further cost savings or increases. Some of the above cost pressures and impacts are factored into Council's LTFP which is available on Council's website.

In addition, Council faces a number of key challenges and has some opportunities available which will impact its short to medium term financial position.

As detailed in the current LTFP these include:

- 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
- Improved data for Council's asset base and ongoing review of asset inventory
- COVID-19 and similar events and their impact on Council and its community
- Managing the impact of cost shifting from other levels of Government
- Managing political and legislative changes and their impact
- Minimising the impact of economic instability
- Monitoring the impact of decisions made outside the LTFP
- Rationalisation of underutilised or surplus assets to provide one-off capital injections and reduce maintenance and other operating costs
- Responsible use of debt to leverage funding for asset renewal and acquisition of assets
- Review of services to reduce expenditure, increase efficiency and effectiveness and increase value for money to ratepayers
- Investing in new technology to reduce costs, increase productivity, efficiency and effectiveness
- Explore ways to increase existing revenue streams and find new ones by taking a commercial approach to Council business
- Environmental impacts.

Influences , Priorities & Challenges

Budget Strategy

Council's LTFP guides the development of the Annual Business Plan and Budget. The key goal of the LTFP is to ensure Council achieves and maintains financial sustainability over the life of the plan while ensuring at least the current levels of service and infrastructure are maintained for the community.

Council's LTFP has been reviewed in detail and many factors considered such as current income and expenditure trends, forecast data, CPI and indexation factors, updated asset information, current environment, etc.

After community consultation, the LTFP was adopted by Council in April 2022.

Continuing with the increased focus on renewal of existing assets, Council over the life of the LTFP proposes to

allocate \$115m towards renewal and replacement of existing assets, with 79% or \$91m specifically for transport assets (mainly roads). An additional \$2.55m over 10 years is allocated for upgrades to existing assets and acquisition of new assets.

This plan represents Year 1 of the LTFP. It should be noted there have been some variations from the LTFP, to address recently identified inflationary cost pressures and priorities. It reflects current information and take up of recently announced grant funding opportunities.

The impacts of COVID-19 on this plan, and the 2022-23 Budget, are minimal compared to previous years. Council has almost completely returned to "business as usual". The 2022-23 Annual Business Plan and Budget is reflective of this.

Council's forecast operating deficit in 2022-23 is \$1.6m compared to \$1.8m in Council's LTFP. This is an improvement of \$0.2m and can be explained as the net impact of Council's operating expenditure being \$0.6m (2%) greater than the LTFP forecast while income is \$0.8m (2.5%) more. The primary reason for this is the net difference between grant, rates and other income being greater than forecast in the LTFP, various one-off operating projects not included in the LTFP and increased costs due to inflation being higher than forecast in the LTFP.

Detailed reasons for these variations are in the Key Financial Measures section on pages 24-25.

The LTFP is scheduled to be reviewed annually in October and will include strategies to continue to achieve the objectives of the LTFP.

Key Long Term Financial Plan targets



Positive Operating Surplus Ratio

Positive Operating Surplus Ratio (OSR) i.e. operating surplus, in the short to medium term.



Asset Renewal

Spending on asset renewal consistent with Asset Management Plan (AMP) identified needs and LTFP set Asset Renewal Funding Ratio (ARFR) minimum (100%) target.



Net Financial Liabilities Ratio

Net Financial Liabilities Ratio (NFLR) to be below Council's LTFP target of 100% of Operating Income.



Long Term Financial Plan

No new services or assets or increases to existing services to be introduced without consideration of the impact on the LTFP.

Influences , Priorities & Challenges

Setting the Rates

Consistent with previous years, rates income continues to be the major source of revenue for Council making up approximately 74% of operating income.

Each year the impact of rate increases is reviewed in line with Council's Strategic Management Plan and LTFP. In 2022-23 the increase to total general rate income will be 5% to deliver approximately \$20.26m in total general rate revenue to enable Council to provide services and infrastructure as detailed in this plan. This is an increase of approximately \$0.972m compared to 2021-22 and is 1.5% or approximately \$0.29m greater than that forecast in Council's LTFP. Council's LTFP forecast a total rate income increase of 3.5%.

Of the 5% increase in total rate income, 2.5% will be funded by all ratepayers, with the additional 2.5% paid entirely by Primary Production ratepayers. Of the 2.5% additional increase, 1% (\$0.193m) will be used to upgrade rural road intersections. The remaining 1.5% will be used to fund the 2022-23 Budget and the additional inflationary cost pressures

identified by Council post finalisation of its LTFP. The additional rate increase for Primary Production ratepayers will go some way towards reducing the inequity created by rising property values.

The upgrade of rural road intersections were identified in a report undertaken by HDS Australia. Between May 2019 and February 2022 Council sought independent consulting engineering risk identification and assessment of safety related deficiencies across the Council road network. HDS Australia was commissioned to provide informed data upon which to evaluate the need for change to the past Council decision currently allowing B-double access to all of Council's road network.

The report identified 167 Priority 1 (P1) locality risks and 380+ Priority 2 (P2) locality risks. If these risks are not addressed there is a strong possibility that part of the road network will need to be closed to B-Doubles.

To commence addressing the P1 risks in the report, a 1% additional increase to rates is proposed annually for the

next five years commencing in 2022-23.

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

- Continued use of a fixed charge of \$410 (unchanged since 2017-18);
- Differential rates for various land use categories which have been set based on modelling, to raise the budgeted total general rates revenue of approximately \$20.26m to provide the various Council services and infrastructure spend detailed in this plan. This has resulted in residential ratepayers paying approximately 53.4% of total general rates revenue, with primary production ratepayers paying approximately 37.2% which is 1.5% more than 2021-22;
- Reduction in differential rates (cents in the dollar) to adjust for increasing capital valuations to generate the required total general rate revenue;
- A comprehensive set of rebates.

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



Rating Strategies

Capital property value (value of land plus capital improvements) 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.

Council uses capital values provided by the Valuer General (VG) to value all properties. The table below shows the change in capital valuations by land use category for all rateable properties as at 27 June, 2022. These valuations are final and will be used to adopt and set valuations and rates for 2022-23. The valuations in the table below show that once again primary production valuations are forecast to increase significantly.

While capital valuations do not influence the total amount of rates that need to be raised, they do impact the amount of rates contributed by individual ratepayers and various land use categories.

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 revenue by the total rateable capital value for the Council area, after accounting for the total fixed charge contribution from all properties.

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

The key components of the rating model for 2022-23 are:

- To raise \$20.26m in total general rates (before rebates and remissions) excluding the Landscape levy, waste management, CWMS and water service charges;
- No change to the fixed charge of \$410;
- Compared to 2021-22, total rate contribution by ratepayers in the residential land use category to decrease by 1.3% while primary production will increase by 1.5%, with all other land use categories to remain almost unchanged;
- Adjustments to the 2021-22

differential rates to accommodate the variances in capital values to ensure the required amount of general rate revenue is raised;

- While rate increases for individual ratepayers will vary due to differing capital values, compared to 2021-22 residential properties can expect to pay on average an extra \$30 (58 cents/week) per assessment, primary production an extra \$230 (\$4.42/week) per assessment, vacant land an extra \$23 (44 cents/week) per assessment and other land use an extra \$46 (88 cents/week) per assessment. Commercial and industrial properties are likely to see either a very small increase or a decrease per assessment;

- Differential rate of 0.277166 cents in the dollar (2.33% less than 2021-22) for residential, commercial, industrial, vacant land and other land use categories;

- Differential rate of 0.122610 cents in the dollar (8.51% less than 2021-22) for primary production;

- 14,119 total rateable assessments of which 12,008 pay the fixed charge.

Mandatory and discretionary rebates for general rates (as specified in the Local Government Act 1999) totalling approximately \$0.143m have been provided for in the 2022-23 budget.

Land Use	2022-23	2021-22	Variance (\$)	Variance (%)
Residential	\$2.58b	\$2.43b	+\$150m	+6.1%
Commercial	\$142m	\$138m	+\$4m	+2.7%
Industrial	\$20.7m	\$20.3m	+\$0.4m	+1.9%
Primary Production	\$5.8b	\$4.8b	+\$1.0b	+20.3%
Vacant Land	\$194m	\$178m	+\$16m	+9.2%
Other	\$38.7m	\$36.3m	+\$2.4m	+6.8%
TOTAL	\$8.7b	\$7.6b	+\$1.1b	+15.1%

Rating Strategies

Fixed Charges

Council has set a fixed charge for the 2022-23 year. The fixed charge has remained at \$410 (unchanged since 2017-18) 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 include:

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

Valuation v Rate Contribution

While capital valuations do not influence the total amount of rates that need to be raised to fund Council's budget to provide services and infrastructure to the community,

they do impact the amount of rates contributed by individual ratepayers and various land use categories i.e. residential, primary production etc. Therefore, for the purposes of equity it is important that rates contributed by ratepayers as a whole in a particular land use category are generally consistent with the capital valuations for that land use category. This has not been the case over the last decade or so, due to the significant increase in primary production capital valuations.

While primary production valuations have seen on average double-digit growth over the last decade, the share of total rates paid by primary production ratepayers, as a whole, has remained fairly constant. This has meant residential and to a lesser extent other land use categories have picked up more than their fair share of annual rate increases. This is demonstrated by the increasing gap between valuations as a percentage of total Council valuations versus total rates paid by individual land use categories. The gap and subsequent inequity for 2022-23 is demonstrated in the table below.

In April 2021, representatives from the South Australian Local Government Grants Commission (SALGGC) presented to Elected Members. In their presentation, the SALGGC provided general information about the operations of the Commission and how Council's annual grant

funding is calculated. They also stated that Council's future General Purpose Financial Assistance grant will reduce annually. This is primarily due to Council being paid more than their share in previous years and Council's primary production valuations being relatively greater than the State average, hence its increased ability to raise additional rates from primary production ratepayers. It is the Commission's view that, based on the formula calculation for Council, Primary Production rates are at least \$10m less than what they should be.

Further, in a recently released newsletter the Commission stated the following: "In relation to General Purpose Grants, the Commission has continued its recent practice of proactively addressing changes in assessed need for assistance. Councils with increasing relative need have received increases in funding of up to 40% and Councils with decreasing relative need have seen decreases in general purpose grants of between 1% and 10%."

In line with the above statement, Council has had average reductions of 5% (\$76,000) annually in the General component of the Financial Assistance Grant over the last two years. An annual minimum 5% (\$60,000) reduction is forecast for the next four years in Council's LTFP based on advice from the Commission.

Category	Assessments	Rates Contribution	Valuations (% of Total)	Gap
Residential	9,000	53.4%	29.5%	+23.9%
Commercial	469	2.8%	1.6%	+1.2%
Industrial	62	0.4%	0.2%	+0.2%
Primary Production	2,851	37.2%	65.9%	-28.7%
Vacant Land	1,488	5.2%	2.2%	+3.0%
Other	249	1.0%	0.4%	+0.6%
TOTAL	14,119	100%	100%	

Rating Strategies

Hardship and Postponement of Rates

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

Government Act 1999.

Any ratepayer experiencing difficulties in meeting rates payments, or experiencing financial hardship, may be able to access payment plans tailored to meet their particular circumstances.

All arrangements are strictly confidential.

Council's PO060 Rates Relief Policy details the specific situation of when rebates or postponements can be applied.



Rating Strategies

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 two-bin service offered by Council.

The regulations state:

- A property which has a collection point within 500 metres of their primary access point will be charged the full service charge;
- Properties whose collection point is more than 500 metres but no more than two kilometres from their primary access point will pay 75% of the full service charge;
- Properties whose collection point is more than two kilometres but no more than five kilometres from their primary access point will pay 50% of their full service charge;
- Properties whose collection point is more than five kilometres 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 three-bin service is not offered to rural ratepayers.

These charges are driven by detailed modelling undertaken by Council based on a variety of costs such as fuel, labour, materials, collection and disposal, state government levies and taxes in particular the Solid Waste Levy etc.

Council completed this modelling and determined the annual charges for 2022-23 will need to increase in order to recover the full costs of delivering this service. These service charges have not increased since 2019-20, when Council was able to apply a significant decrease from previous years.

The annual service charges in 2022-23

are set out in the table below.

Community Wastewater Management Schemes

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

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

The CWMS annual service charges for 2022-23 are: \$547 (compared to \$536 in 2021-22) for occupied land and \$406 (compared to \$398 in 2021-22) for vacant land.

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 systems over at least a twenty year period.

Service	Distance from rural collection point	2022-23 Charges (\$)	2021-22 Charges (\$)
3 Bins	(not applicable)	\$235.00	\$217.00
2 Bins	Up to 500m	\$187.00	\$171.00
2 Bins	Greater than 500m-2km	\$140.25	\$128.25
2 Bins	Greater than 2km-5km	\$93.50	\$85.50

Rating Strategies

Northern and Yorke Landscape Region

The Yorke Peninsula Council falls within the Landscape South Australia Northern and Yorke region and as such Council is required, pursuant to the Landscape South Australia Act 2019, to raise funds by way of a Regional Landscape Levy (previously known as the NRM levy). The levy is imposed as a separate rate upon all properties within the area of the Region.

Council remits all revenue collected under this Act to the Board. The amount to be raised in 2022-23 is \$1.198m representing a \$29,000 or 2.5% increase from 2021-22. This amount includes \$1.194m to be paid to the Northern and Yorke Regional Landscape Board and \$3,800 in rebates provided by Council.

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.

Water Charges

To enable communities to have access to a secondary water supply, Council maintains water supply services 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 services over at least a twenty year period. In addition, charges for water usage are recovered from users.

Fees for the Water Services operated by Council for 2022-23 are displayed in the following table.

Location	2022-23
Balgowan	\$215
Black Point	\$215
Hardwicke Bay	\$215
Marion Bay desal	User Charge Only
Port Rickaby	User Charge Only



Key Financial Measures

Council has adopted a set of key financial indicators (ratios) in line with the targets set in its recently adopted 2023-2032 LTFP.

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

The LTFP is based on "business as usual" following the impact of COVID-19 in the past three financial years on Council's financial position, as taken into account in the revised LTFP adopted by Council in April 2022.

Operating Surplus Ratio (OSR)

The OSR 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 approximate decrease in operating expenses, required to achieve a breakeven operating result.

Council's forecast operating deficit in 2022-23 is \$1.6m compared to \$1.8m in Council's LTFP. This is \$0.2m better than the LTFP and is the net impact of Council's operating expenditure being \$0.6m (2%) greater than the LTFP forecast while income is \$0.8m (2.5%) more.

The primary reason for this is the difference between one-off grant funding, additional rates income and other additional income not forecast in Council's LTFP, and various one-off operating projects, factors outside Council's control such as higher than forecast inflation and subsequent CPI resulting in increased cost pressures, not included in the LTFP. More detail on this can be found below and also on pages 26-27. The additional rate income of \$0.29m (1.5%) was necessary to fund Council's draft 2022-23 Budget deficit (operating and capital) of approximately \$0.3m.

In 2022-23 this ratio is proposed to be -4.6% which compared to Council's LTFP is 0.7% better. Council's LTFP target for this ratio is between 0% (breakeven) and 10%. This is based on SA Local Government recommended sector targets.

The improvement in this ratio is a combination of various one-off and recurrent income and expenditure items not factored into Council's LTFP, adjustments required based on recent Council decisions and information made available to Council during the budget development process.

Significant items worth noting are:

- \$0.41m in Supplementary Local Road Funding not included in the LTFP due to notification not available at the time of update;
- \$0.29m in additional rates income compared to the LTFP to fund 2022-23 Budget deficit (operating and capital);
- \$100,000 was forecast in the LTFP for the following one-off projects that have been identified as essential in 2022-23:
 - o \$20,000: Walk The Yorke

Strategy Refresh;

- o \$50,000: Cormorant Management Strategy & Plan;
- o \$65,000: Additional Ranger for increased compliance;
- o \$10,000: Minlagawi Gum Flat Management Plan projects;
- o \$5,000: Ardrossan cliff erosion review;
- o \$40,000: Business Enhancement Program;
- o \$15,000: Reconciliation Action Plan;
- o \$24,500: Road Asset Condition Assessment System Unit (Yr 1 of 3);

o \$15,000: Balgowan kiosk fuel tank decommissioning;

o \$100,000: Stage 3 Minlaton & District Sports Complex contribution.

• \$42,000 Net reduction: Art Exhibition moved to 2023-24;

• Factors outside Council's control such as higher than forecast inflation (CPI) which have contributed to increased costs:

o \$150,000: Additional salary and wage expense related to the Enterprise Bargaining Agreement currently being negotiated and impacted by higher than forecast inflation and subsequent higher CPI;

o \$20,000: Local Government elections likely to cost more than previously forecast, as advised by the Electoral Commission;

o \$45,000: Insurance costs increased more than forecast. 2.5% average increase forecast, however, increases likely to be 5%;

o \$80,000: Diesel cost continues to increase. Current fuel excise reduction ending in September 2022 likely to put further upward pressure on costs;

o \$35,000: Reduction in ATO Fuel Tax Credits due to current reduction in the fuel excise.

	2022-2023 BUDGET	2023-2032 LTFP	2021-2022 REVISED BUDGET
Operating Surplus Ratio	(4.6%)	(5.3%)	4.2%
Net Financial Liabilities Ratio	22%	23%	17%
Asset Renewal Funding Ratio	43%	45%	148%

Key Financial Measures

Net Financial Liabilities Ratio (NFLR)

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 2022-23 is 22% which is well below Council's LTFP maximum target of 100% of total operating income. Compared to the LTFP it is 1% lower.

This ratio indicates Council has the capacity to borrow for capital projects especially focusing on renewal and replacement of existing assets which may be overdue as long as it can afford to pay back the loans and its operating bottom line is heading towards a surplus in the medium to long term.

One new loan for a total of \$0.756m is included to be drawn down in 2022-23, with repayments to commence in 2023-24 for a fixed five-year term. This new loan is Council's 50% contribution to the \$1.512m Gardner St and Fowler Tce, Price road upgrade project. The remaining 50% is grant funded. This project was originally going to commence in 2021-22 and budgeted accordingly, however, delays in getting suitable contractors have meant it has been deferred to 2022-23 and budgeted accordingly.

Asset Renewal Funding Ratio (ARFR)

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 (AMPs). It is calculated by measuring capital expenditure on renewal or replacement of assets for a period, divided by the level of such expenditure proposed in the AMPs. 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 levels of expenditure proposed in its AMPs as a measure.

Council's LTFP minimum target is 100% assuming Council has no backlog of existing assets requiring replacement and renewal. The LTFP forecasts a 45% renewal ratio in 2022-23; however, in the 2022-23 budget the ratio is forecast to be slightly less at 43%. This 2% variance can be attributed to a portion of funding available for capital renewal expenditure being used to fund capital upgrade and new projects based on priorities, thus reducing the amount being spent on renewal and replacement of existing assets.

Council's forecast of 43% is well below its LTFP minimum target of 100%. This is because the required expenditure on asset renewal in 2022-23 determined by Council's AMPs is approximately \$26m of which roads alone is \$20m. This required annual asset renewal expenditure is calculated through Council's asset management system and based on useful lives, condition and expiration of assets.

The ARFR is calculated using this annual asset renewal required expenditure target which tends to fluctuate significantly from one year to the next. Hence the ratio also tends to fluctuate significantly from year to year as there will be years when Council will not have enough funds to meet the asset renewal expenditure requirements of its AMPs and then in other years the required expenditure will be low, hence Council will spend more than is required that year.

For example, while in 2022-23 Council's ratio is forecast to be only 45% it is forecast at 70% and 88% in the next two years before hitting 145% in 2025-26. This ratio is best looked at as an average over the entirety of Council's ten year LTFP. The annual average is 119% and greater than the annual minimum target of 100% even though there will be significant peaks and troughs over the years. Council makes every effort to maximise funds

available for expenditure on renewal of existing assets in line with one of its key financial strategies of the LTFP. More detail on this can be found on page 13 of Council's LTFP.

In 2022-23 Council is proposing to spend \$12.03m on capital projects with \$11.37m of this to be spent on renewal and replacement of existing assets. The remaining \$0.66m is for upgrades to existing assets and acquisition of new assets.

Council's proposed total capital expenditure of \$12.03m in the 2022-23 budget is approximately \$0.23m more than provided for in the LTFP. This is the net difference of approximately \$0.175m forecast underspend on capital renewal/replacement and \$0.405m forecast overspend on capital new/upgrade expenditure when compared to funding provided for in Council's LTFP. This has created a cash shortfall of approximately \$0.23m compared to the LTFP. This shortfall has been funded by increasing total rates income by 1.5% more than the LTFP forecast.



Analysis of Operating Budget

Operating Income

This section of the Annual Business Plan provides an analysis of the planned Council expenditure for the 2022-23 financial year and the sources of funding for the budget.

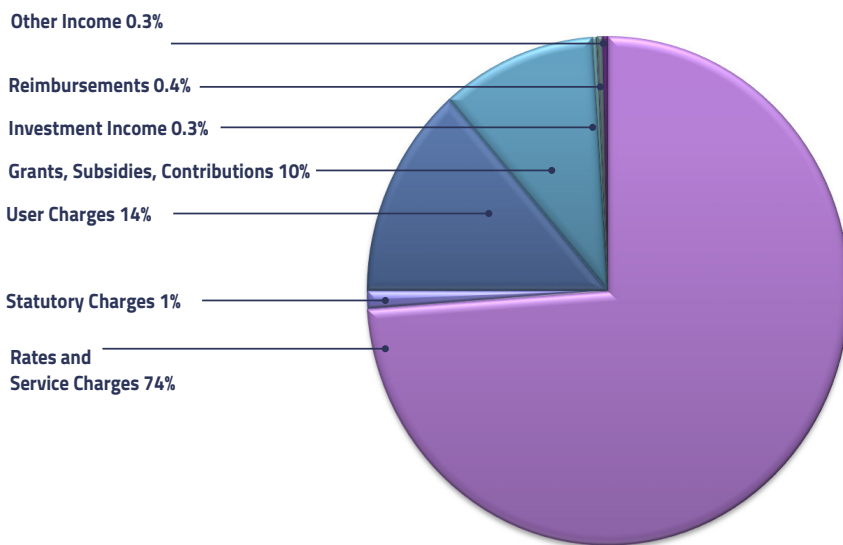
Council has budgeted for a total of \$34.5m in operating income. This is approximately \$0.8m or 2.5% more

than projected in Council's LTFP. The variation can be attributed to the following significant items:

- \$0.4m in Supplementary Local Road Funding not included due to notification not available at the time of update;
- Waste collection and disposal annual service charge income greater by approximately \$0.153m based

on full cost recovery modelling;

- \$70,000 additional bush camping income;
- \$0.29m additional rates income based on Council's decision to increase rates by 5% compared to the LTFP forecast of 3.5%. The additional rates income will fund increased expenditure not forecast in the LTFP but included in the draft 2022-23 Budget.



Totals

Rates & service charges: \$25.6m
Grants, subsidies & contributions: \$3.6m
User charges: \$4.7m
Statutory charges: \$0.4m
Other income: \$0.1m
Investment income: \$0.1m
Reimbursements: \$0.1m

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 animal control.
User Pay Charges set by Council	Charges for the Council's fee-based facilities and services such as caravan parks, community halls, cemeteries, bush camping etc.
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.

Analysis of Operating Budget

Operating Expenses

Operating expenses of \$36.1m budgeted for in 2022-23 are summarised below by major category. This is \$0.6m or 2% greater than the projected operating expenses within the LTFP.

As detailed on page 24 of this Plan the additional \$0.6m in operating expenses is primarily due to the following significant items:

- Additional costs compared to LTFP due to higher than forecast

inflation (CPI):

- o \$150,000: Additional salary & wage expense related to the Enterprise Bargaining Agreement currently being negotiated and impacted by higher than forecast inflation and subsequent higher CPI;

- o \$20,000: Local Government elections likely to cost more than previously forecast as advised by the Electoral Commission;

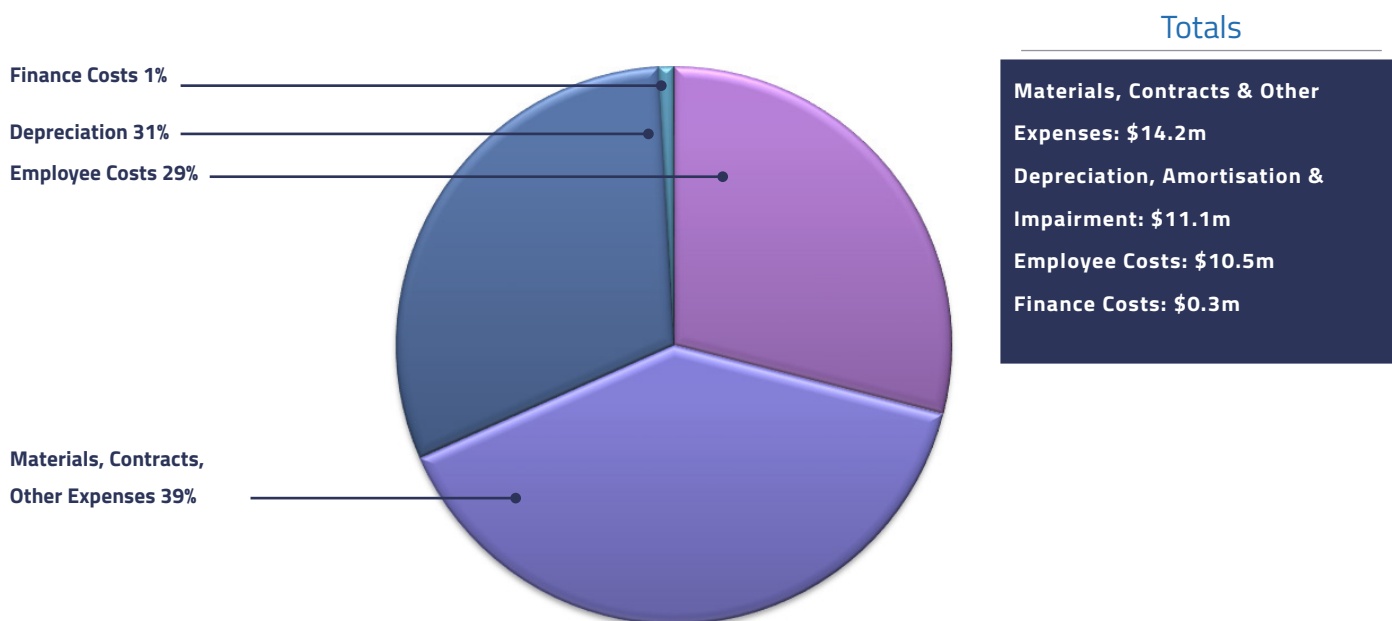
- o \$45,000: Insurance cost increased more than forecast. 2.5% average increase forecast, however, increases likely to be 5%;

- o \$80,000: Cost of Diesel

continues to increase impacting Council's forecast costs. Current fuel excise reduction will end in September 2022 likely to put further upward pressure on costs;

- o One-off projects worth approximately \$0.345m identified as essential in 2022-23 and included in the budget, however \$0.1m in funding provided in the LTFP. While reviewing the LTFP these one-off projects had not been individually identified, hence were not included. Refer to page 24 for a full list of projects;

- o Art Exhibition net savings resulting from deferment to 2023-24.



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 services provided by contractors i.e. waste collection and disposal, electrical and plumbing etc.
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.

Capital Works Program

Council has developed a suite of Asset Management Plans for the various categories of assets such as Community Wastewater Management Systems, stormwater infrastructure, transport, water infrastructure, major plant and buildings and other structures.

to ensure assets will 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.

complete list of all capital projects funded through the 2022-23 Annual Business Plan. Council's performance will be assessed by the timely completion of these projects within the stated budget.

Note: The below totals represent total cost of projects exclusive of any external funding (e.g. grants, trade-ins)

These plans identify costs required The following table provides a

CAPITAL WORKS PROGRAM 2022-23	RENEWAL/ REPLACEMENT	NEW/ UPGRADED
CARAVAN PARKS	\$188,005	\$122,858
Replace 6 air conditioners in cabins at Port Rickaby	\$16,602	\$0
Caravan Park emergency works	\$15,000	\$0
Resurface the upper level road at Port Vincent	\$45,000	\$0
Replace beds in 10 cabins at Port Vincent	\$12,000	\$0
New table for Villa at Port Vincent	\$2,000	\$0
Outdoor furniture for camp kitchen at Port Vincent	\$1,000	\$0
Replacement of bedroom curtains with blinds at Point Turton	\$6,000	\$0
Replace 10 rangehoods at Point Turton Deluxe Cabins	\$9,000	\$0
Storage shed and concrete slab at Yorketown	\$0	\$9,000
Refurbish amenities and replace hot water service at Marion Bay	\$57,000	\$0
Replace outdoor lounges at Point Turton	\$4,488	\$0
Install new facilities on the upper level at Point Turton (additional funding to top up \$113,962 budgeted in 2021-22)	\$0	\$113,858
Replace 9 air-conditioners at Point Turton	\$19,915	\$0
COMMUNITY WASTEWATER MANAGEMENT SYSTEMS	\$161,788	\$20,000
Upgrade Memorial Drive pump station control switchboard at Yorketown	\$23,000	\$0
Jacob Street switchboard replacement at Yorketown	\$23,000	\$0
Jetty pump station valve replacements at Port Julia	\$1,630	\$0
Pump station and alarm modem replacements at Port Victoria	\$4,829	\$0
Alarm modem and PLC upgrade at Port Vincent	\$4,829	\$0
Replace two treatment plant aerators at Maitland	\$29,000	\$0
Continual program of replacing/repairing damaged earthenware gravity drains in Maitland	\$30,000	\$0
Valving, valve chamber and new flow meter at Hardwicke Bay	\$12,500	\$0
Clean rising main and improve pump operation at Ardrossan	\$8,000	\$0
Preliminary design for connecting public toilets and camp ground to CWMS at Balgowan	\$0	\$20,000
Odour extraction system at Ardrossan jetty pump station	\$25,000	\$0

Capital Works Program

CAPITAL WORKS PROGRAM 2022-23	RENEWAL/ REPLACEMENT	NEW/ UPGRADED
FURNITURE AND FITTINGS	\$7,724	\$0
Office furniture replacement	\$7,724	\$0
INFORMATION TECHNOLOGY	\$73,425	\$35,691
Annual replacement - laptops	\$24,000	\$0
Annual replacement - desktops	\$3,600	\$0
Elected Members tablet replacement	\$20,000	\$0
Mobile phones replacement - outside staff	\$22,525	\$0
Monitor replacement	\$3,300	\$0
Drone and licencing for photography, videography, mapping, bird scaring etc	\$0	\$35,691
LAND, BUILDING AND STRUCTURES	\$20,000	\$40,400
Replace furniture at parks and reserves (picnic tables and chairs, bench seats, barbecues etc)	\$20,000	\$0
Two new niche walls at Ardrossan Cemetery	\$0	\$15,000
New interment wall for Port Vincent Cemetery	\$0	\$25,400
MAJOR PLANT, EQUIPMENT, FLEET VEHICLES AND MINOR PLANT	\$1,189,627	\$327,400
Fleet motor vehicles replacement x 6 (less trade-ins of \$202,729, net Council funding required = \$98,898)	\$301,627	\$0
New vehicle for additional weekend Council Ranger	\$0	\$37,400
Patrol grader (less trade-in of \$80,000, net Council funding required = \$350,000)	\$430,000	\$0
Additional semi water tanker - South	\$0	\$95,000
Additional vibration roller	\$0	\$195,000
Low loader	\$98,000	\$0
Jetpatcher bin replacement	\$40,000	\$0
Front end loader - South (less trade-in of \$60,000, net Council funding required = \$250,000)	\$310,000	\$0
Minor plant - magnet frame	\$10,000	\$0

Capital Works Program

CAPITAL WORKS PROGRAM 2022-23	RENEWAL/ REPLACEMENT	NEW/ UPGRADED
TRANSPORT INFRASTRUCTURE	\$8,167,034	\$0
Sealed Road Reseals	\$1,850,639	\$0
Unsealed Road Resheeting Patchwork - North	\$830,786	\$0
Unsealed Road Resheeting Patchwork - South	\$731,149	\$0
Unsealed Road Resheeting Nalyappa Rd - Spencer Hwy to Chapmans Rd	\$551,852	\$0
Unsealed Road Resheeting Sandy Church Rd - North South Rd to Yorke Valley Rd	\$442,478	\$0
Unsealed Road Resheeting Dowlingville Slant Rd - Mason Rd to Cook Rd	\$353,129	\$0
Unsealed Road Resheeting Melton South Rd - Westbrook Rd to Wayside Rd	\$429,654	\$0
Unsealed Road Resheeting Coringle Rd - Stansbury Rd to Weavers Rd	\$442,384	\$0
Unsealed Road Resheeting Micky Flat Rd - Curramulka to Powerline Rd	\$695,140	\$0
Unsealed Road Resheeting Corny Point Rd - West Cowie Rd to Turton Rd	\$712,444	\$0
Unsealed Road Resheeting Souttar Rd - North Coast Rd to Brutus Rd	\$188,965	\$0
Unsealed Road Resheeting New Honiton Rd - Edithburgh to Goldsmith Beach Rd	\$445,414	\$0
Unsealed Road Resheeting Unsealed Roads Intersection Upgrades	\$193,000	\$0
Unsealed Road Resheeting Rubble Raising - Unsealed roads	\$300,000	\$0
STORMWATER DRAINAGE	\$55,000	\$100,000
Drainage works at Park Terrace, Edithburgh	\$0	\$100,000
Gravity drain lining to stop seawater infiltration at Port Vincent Marina	\$25,000	\$0
Drainage works at Corny Point Road	\$30,000	\$0
OTHER	\$0	\$14,000
Solar Lighting for each of the board walks and boat ramp entrance at Port Rickaby	\$0	\$6,000
Strategic Coastal Risk Study - Rogues Point wall and revetment extension	\$0	\$8,000
GRANT FUNDED ONE-OFF PROJECTS	\$1,512,000	\$0
Gardner St & Fowler Tce, Price road upgrades (less grant funding of \$756,000, net Council funding required = \$756,000)	\$1,512,000	\$0
TOTAL CAPITAL EXPENDITURE	\$11,374,603	\$660,349

ANALYSIS OF TOTAL BUDGET

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

%	FUNCTION	DESCRIPTION
34.1%	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.
1.5%	Community Asset Maintenance	General maintenance costs, including materials and labour related expenses related to assets such as sporting ovals, swimming centres, halls, airstrips, public conveniences, cemeteries and war memorials.
7.3%	Caravan Park Operation	Expenses relating to the cost of running Council owned caravan parks, including capital expenditure and labour related expenses.
7.1%	Refuse Collection & Disposal	Contractual and local expenses, including materials and labour related expenses.
3.6%	Finance, Business, Corporate and Community Relations	Expenses relating to financial administration, business and community relations and corporate services, including labour related expenses.
5%	Parks and Gardens	Expenses relating to the maintenance of all open space parks and gardens, including materials and labour related expenses.
12.3%	Governance	Expenses relating to governing the organisation, including organisational compliance and Elected Member related expenses and cost of office furniture.
0.4%	Information Services	Expenses incurred in providing information technology, including projects and labour related expenses.
1.6%	Development Services	Expenses relating to the cost of planning and development, including labour related expenses.
2%	People and Culture	Expenses relating to Human Resources, Payroll, Staff Training, Work Health & Safety and Risk Management.
3.4%	CWMS and Water Schemes	Expenses relating to the cost of running water and waste-water management schemes, including materials and labour related expenses.
3.2%	Regional Landscape Levy	A compulsory levy payable to the Northern and Yorke Landscape Region Board. Refer page 23.

ANALYSIS OF TOTAL BUDGET

%	FUNCTION	DESCRIPTION
1.6%	Street Cleaning and Cleaning Council Buildings	Contractual and local expenses to clean all streets and Council buildings across the district including public conveniences.
2.3%	Environmental Management	Expenses relating all foreshore maintenance plus maintenance of walking trails, contribution to Northern and Yorke Landscape Region Board projects, protection of crown lands and land rehabilitation.
1.6%	Community Support	Expenses relating to youth services, libraries, Leisure Options and other community support programs (e.g. YP Community Transport, grants and donations), including materials and labour related expenses.
1.9%	Footpaths and Stormwater	Capital expenses relating to maintenance of existing footpaths and stormwater systems, including materials and labour related expenses
1.1%	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.
5.4%	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.
0.8%	Street Lighting	Expenses relating to maintenance of street lighting, including materials and labour related expenses.
0.8%	Asset Management	Asset Management Systems, Asset Management Plans and Asset Condition Assessments, including labour related expenses.
2.9%	Plant and Equipment	Includes all expenses related to purchase/replacement of all plant and equipment, including fleet vehicles – offset by all trade-in income.



2022-23 Budgeted Financial Statements

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 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.

D. 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.

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 all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.

Budgeted financial statements for 2022-23 can be found on the following pages.

2022-23 BUDGETED FINANCIAL STATEMENTS

A. Budgeted Statement of Comprehensive Income

	2022-2023 Budget	2022-2023 LTFP	2021-2022 Revised Budget (March Quarter)
	\$('000)	\$('000)	\$('000)
INCOME			
Rates	25,597	25,155	24,403
Statutory Charges	394	390	432
User Charges	4,641	4,595	4,499
Grants, subsidies, contributions	3,567	3,177	7,609
Investment Income	103	104	97
Reimbursements	139	147	192
Other Income	108	142	175
Total Income	34,549	33,710	37,407
EXPENSES			
Employee costs	10,472	10,223	9,860
Materials, contracts & other expenses	14,229	13,860	14,860
Depreciation	11,115	11,115	10,833
Finance Costs	314	309	287
Total Expenses	36,130	35,507	35,840
OPERATING SURPLUS/ (DEFICIT)	(1,581)	(1,796)	1,567
Asset disposal and fair value adjustments	0	0	0
Amounts received specifically for new or upgraded assets	756	756	3996
NET SURPLUS/ (DEFICIT)	(825)	(1,040)	5,563
Other Comprehensive Income			
Changes in revaluation surplus - I,PP&E	0	0	0
Total Other Comprehensive Income	0	0	0
TOTAL COMPREHENSIVE INCOME	(825)	(1,040)	5,563

NB: Totals may not add due to rounding

B. Budgeted Statement of Financial Position

	2022-2023 Budget	2022-2023 LTFP	2021-2022 Revised Budget (March Quarter)
	\$('000)	\$('000)	\$('000)
ASSETS			
Current Assets			
Cash & Equivalent Assets	3,170	2,922	5,166
Trade & Other Receivables	1,726	1,687	1,935
Inventories	424	411	438
Total Current Assets	5,320	5,020	7,539
Non-Current Assets			
Financial Assets	245	245	341
Infrastructure, Property, Plant & Equipment	286,416	282,187	285,839
Total Non-Current Assets	286,661	282,432	286,180
Total Assets	291,981	287,452	293,719
LIABILITIES			
Current Liabilities			
Trade & Other Payables	2,250	2,201	2,568
Borrowings	1,520	1,511	1,349
Provisions	2,342	2,341	2,342
Total Current Liabilities	6,112	6,053	6,259
Non-Current Liabilities			
Trade & Other Payables	22	30	37
Borrowings	6,364	6,357	7,116
Provisions	220	219	219
Total Non-Current Liabilities	6,606	6,606	7,372
Total Liabilities	12,718	12,659	13,631
NET ASSETS	279,263	274,793	280,088
EQUITY			
Accumulated Surplus	(10,789)	(15,217)	(9,964)
Asset Revaluation Reserve	286,700	286,700	286,700
Other Reserves	3,352	3,310	3,352
TOTAL EQUITY	279,263	274,793	280,088

NB: Totals may not add due to rounding

C. Budgeted Statement of Cash Flows

	2022-2023 Budget	2022-2023 LTFP	2021-2022 Revised Budget (March Quarter)
	\$(‘000)	\$(‘000)	\$(‘000)
CASH FLOWS FROM OPERATING ACTIVITIES			
<u>Receipts</u>			
Operating Receipts	25,553	25,126	24,249
Statutory Charges	396	389	435
User Charges	4,635	4,591	4,522
Grants, Subsidies, contributions	3,568	3,138	7,143
Investment Receipts	102	104	99
Reimbursements	141	148	198
Other Income	59	122	109
<u>Payments</u>			
Employee Costs	(10,456)	(10,206)	(9,771)
Materials, contracts & other expenses	(14,255)	(13,877)	(14,514)
Finance Costs	(314)	(309)	(287)
Net Cash provided by (or used in) Operating Activities	9,429	9,226	12,183
CASH FLOWS FROM INVESTING ACTIVITIES			
<u>Receipts</u>			
Amounts Specifically for New/Upgraded Assets	756	756	3,996
Sale of Renewed/Replaced Assets	343	292	405
Sale of Surplus Assets	0	0	108
Repayments of Loans by Community Groups	91	91	104
<u>Payments</u>			
Expenditure on Renewal/Replacement of Assets	(11,375)	(11,550)	(15,888)
Expenditure on New/Upgraded Assets	(660)	(255)	(5,875)
Net Cash Provided by (or used in) Investing Activities	(10,845)	(10,666)	(17,150)
CASH FLOWS FROM FINANCING ACTIVITIES			
<u>Receipts</u>			
Proceeds from Borrowings	756	756	2,387
<u>Payments</u>			
Repayments of Borrowings	(1,337)	(1,337)	(907)
Repayment of Finance Lease Liabilities	0	(3)	0
Net Cash provided by (or used in) Financing Activities	(581)	(584)	1,480
Net Increase/ (Decrease) in Cash held	(1,997)	(2,024)	(3,487)
plus: Cash & Cash Equivalents at beginning of period	5,166	4,946	8,654
Cash & Cash equivalents at end of period	3,170	2,922	5,166

NB: Totals may not add due to rounding

D. Budgeted Statement of Changes in Equity

	2022-2023 Budget	2022-2023 LTFP	2021-2022 Revised Budget (March Quarter)
	\$('000)	\$('000)	\$('000)
Balance at end of previous reporting period	280,088	275,833	274,526
Net Surplus/ (Deficit) for Year	(825)	(1,040)	5,563
Total Comprehensive Income	(1,115)	(1,040)	5,563
Balance at the end of period	279,263	274,793	280,088

NB: Totals may not add due to rounding

E. Budgeted Uniform Presentation of Finances

	2022-2023 Budget	2022-2023 LTFP	2021-2022 Revised Budget (March Quarter)
	\$('000)	\$('000)	\$('000)
Operating Income	34,549	33,710	37,407
<i>less Operating Expenses</i>	(36,130)	(35,507)	(35,840)
Operating Surplus/ (Deficit)	(1,581)	(1,796)	1,567
Net Outlays on Existing Assets			
Capital Expenditure on Renewal and Replacement of Existing Assets	(11,375)	(11,550)	(15,888)
<i>less Depreciation, Amortisation and Impairment</i>	11,115	11,115	10,833
<i>less Proceeds from Sale of Replaced Assets</i>	343	292	405
	83	(143)	(4,650)
Net Outlays on New and Upgraded Assets			
Capital Expenditure on New and Upgraded Assets	(660)	(255)	(5,875)
<i>less Amounts Specifically for New and Upgraded Assets</i>	756	756	3,996
<i>less Proceeds from Sale of Surplus Assets</i>	0	0	108
	96	501	(1,771)
Net Lending / (Borrowing) for Financial Year	(1,402)	(1,439)	(4,854)

NB: Totals may not add due to rounding