

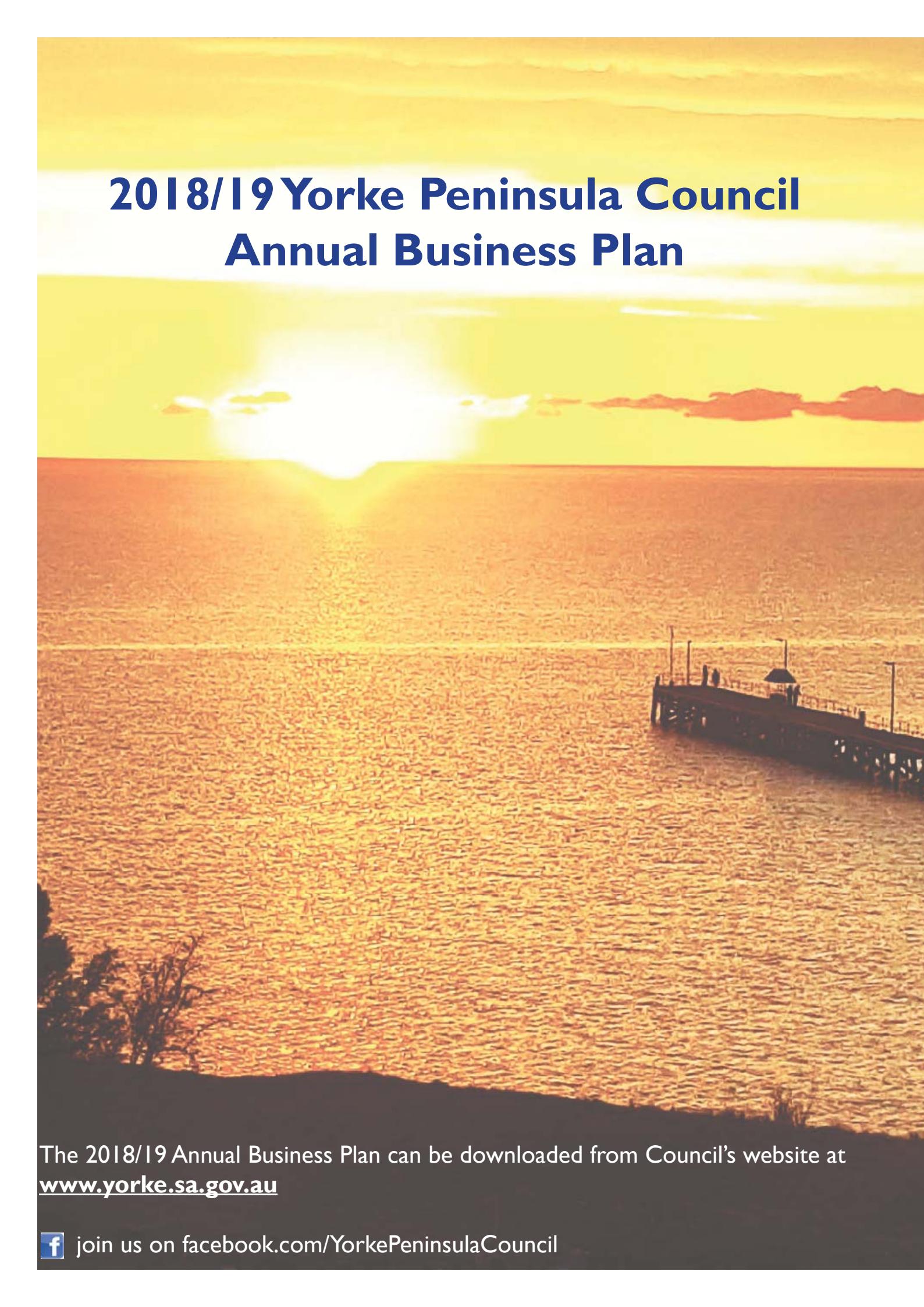
2018/19 YORKE PENINSULA COUNCIL



ANNUAL BUSINESS PLAN



Natural beauty....rich agriculture...spectacular coastline



2018/19 Yorke Peninsula Council Annual Business Plan

The 2018/19 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 2018/19 Annual Business Plan and Budget.

Yorke Peninsula Council remains committed to sound financial governance and long term financial sustainability. The Annual Business Plan has been developed with a clear intention to contain costs balanced with the need to deliver core services whilst continuing to maintain 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 2018/19. The planning process provides 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 and on behalf of their local communities.

The Plan for 2018/19 reflects the recently adopted 2019-2028 Long Term Financial Plan (LTFP). The LTFP outlines the key financial strategies and income and expenditure parameters that will achieve financial sustainability in the medium to long term (5 – 10 years). One of the key targets of the LTFP is to ensure assets are being renewed in accordance with Council's Asset Management Plans.

To achieve this, 98% (approximately \$9.0m) of the planned capital works programme has been allocated to the renewal of assets. Some of the planned asset renewal projects for 2018/19 include:-

- \$7.2m in transport infrastructure which includes:
 - \$1.5m for Pine Point Road (2 sections, Sandy Church Road to James Well Road and 4.5kms inland from Sandy Church Road)
 - \$1.2m in patching sheeting of existing roads (north)
 - \$0.7m in patch work of existing roads (south)
 - \$0.6m Waterloo Bay Road
 - \$0.5m for Nalyappa Road
- \$1.2m plant replacement, including fleet vehicles and minor and major plant replacements; and
- \$0.2m for continued upgrade and development of the community wastewater management schemes.

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 2018/19 Annual Business Plan to you.

A handwritten signature in black ink that reads "Ray Agnew".

Mayor Ray Agnew OAM

EXECUTIVE SUMMARY

This Annual Business Plan and Budget sets out the Council's proposed services, programmes and projects for 2018/19. 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 2019-2028 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 2018/19 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 draft Budget were:

- Inflation (CPI) assumed to be 2.3%;
- No change in service levels other than the Visitor Information Centre, the Community Grants Scheme and changes in operations at Council's Warooka and Minlaton Offices;
- Appropriate spending on asset renewal 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 accordance with the LTFP.

Additionally, the 2018/19 Budget has been prepared taking into account reductions in discretionary grants available, cost pressures and challenges and 'one off' projects.

To meet the continuing financial pressures placed on Council and our continued focus on renewing ageing community assets, an overall increase of 4.8% 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 13.

To counteract many of the external pressures on this year's budget, Council undertook a 'zero based budgeting' approach for 2018/19 to determine the true cost of services delivered. All budgets started at zero and were then built up based on actual historical 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 to balance these external pressures.

A handwritten signature in black ink that reads "Andrew Cameron".

Andrew Cameron
Chief Executive Officer

PUBLIC CONSULTATION AND REVIEW



The Draft 2018/19 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 Saturday 12th May 2018 and concluded at 5pm Monday 4th June 2018.

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 2018/19 Fees and Charges.

All feedback received was presented at the Council meeting on 13th June 2018. In total, Council received thirty-seven (37) written submissions (including one via social media - Facebook) mainly in relation to the proposed primary production rates.

The Community were advised that the opportunity to speak before Council at the 13th June 2018 Council Meeting on the Draft Annual Business Plan and Budget was available. One community member spoke to their submission as did the Member for Narungga, Fraser Ellis MP.

Billy Goat Flat



COUNCIL SUMMARY

District Statistics

11,286 is the estimated residential population per the latest ABS figures

1:1.9 is the current population density based on the estimated residential population

5,899.6km² Total area within the Council district

485km is the total length of coast within the Council area

Council Statistics

12 Elected Members (including the Mayor)

9,191 electors enrolled as at April 2018

13,892 is the current number of rateable properties

115.42 is the number of Council's full time equivalent staff

Other Council Activities

4 joint use libraries plus
8 depot libraries

5 swimming pools plus
2 toddler wading pools

Major Expenditure

Roads

3,890km of roads

\$10.2m to improve the road network. Includes road maintenance, road renewals and sealing of formed roads.

Footpaths & Stormwater

25km of constructed footpaths and 28km length of stormwater

\$0.5m to upgrade and maintain these assets to a standard that seeks to meet the needs of the community

CWMS & Water Schemes

18 CWMS sites, 4 potable water sites (inc. the Marion Bay desal plant) and 3 stormwater reuse sites

\$1.2m to maintain these critical assets on behalf of the community

Caravan Parks

5 Council owned and managed parks

\$1.7m expenditure in caravan park operations including capital upgrades

Operating Revenue

Council's Operating Revenue is made up of the following components:

- Rates and Service Charges **\$22.9m**
- Statutory Charges **\$0.4m**
- User Pay Charges **\$3.4m**
- Grants and Subsidies **\$2.8m**
- Investment, Reimbursements and Other Income **\$0.5m**

Operating Expenditure

Council's Operating Expenditure is made up of the following components:

- Employee Costs **\$9.0m**
- Materials, Contracts and Other **\$13.0m**
- Depreciation **\$9.4m**
- Finance Costs **\$0.3m**



BUDGET HIGHLIGHTS



\$10.22m
Roads



\$1.76m
Caravan Parks



\$0.67m
Community Support



\$1.26m
Community Assets



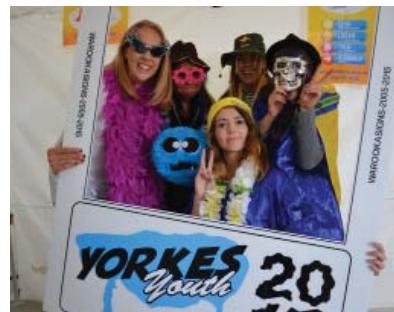
\$0.67m
Foreshore Maintenance



\$0.38m
Street Lighting



\$1.62m
Parks & Gardens



\$0.11m
Youth Services



\$1.24m
CWMS & Water Schemes



\$2.84m
Waste Operations



\$0.85m
Cleaning Council Buildings
and Public Conveniences



\$0.54m
Footpaths & Stormwater

These totals represent both operating and capital expenditure budgeted for in 2018/19.

YORKE PENINSULA COUNCIL

Council is made up of 12 Elected Members, including the Mayor, and all are elected by eligible voters.

In accordance with the Local Government (Elections) Act 1999, elections are held every four years, with the current Council being elected in November 2014. The next election is due 9 November 2018.

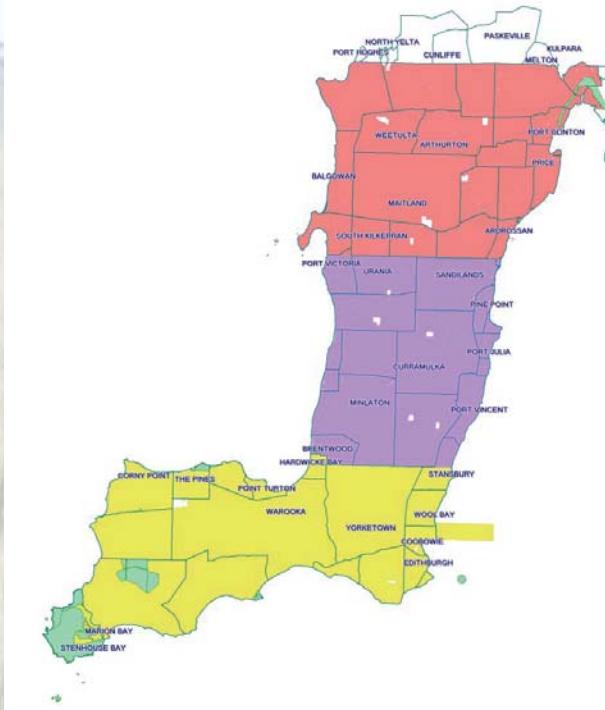
Kalkabury Ward



Cr. Trevor Davey



Cr. Alan Headon



Innes Pentonvale Ward



Cr. Adam Meyer



Cr. Darren Braund



Cr. David Langford



**Mayor
Ray Agnew OAM**



Cr. Veronica Brundell



Cr. Tania Stock

Gum Flat Ward



Cr. Jeff Cook



Cr. Naomi Bittner



Deputy Mayor Scott Hoyle



Cr. John Rich

STRATEGIC DIRECTION

The 2018/19 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.

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.

Our Strategic Plan

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.

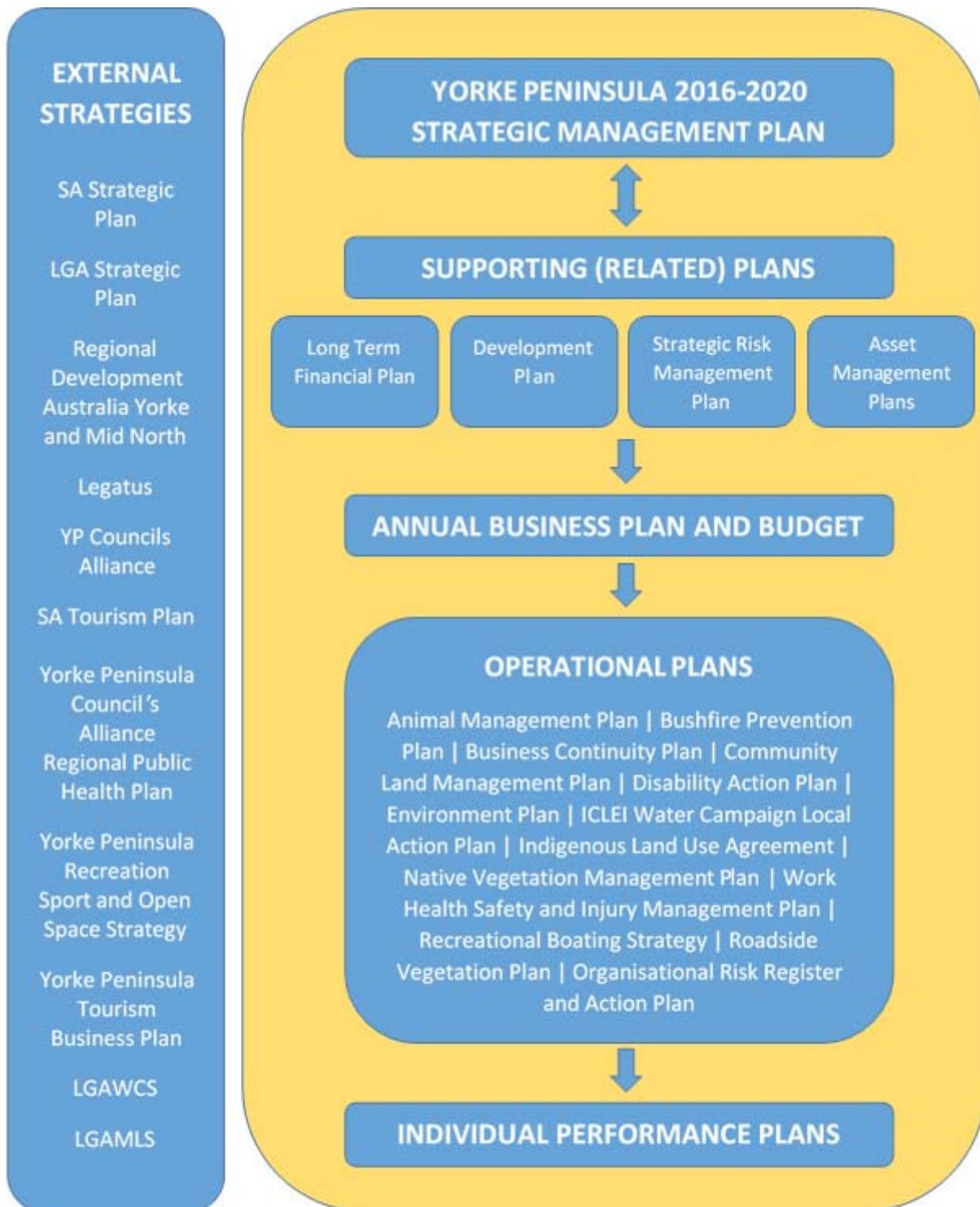
Goal 4 – Community Engaged and Supported

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.

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.

Gleesons Landing



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.

INFLUENCES, PRIORITIES AND CHALLENGES

Current Economic Climate

Many factors have influenced the development of the 2018/19 Annual Business Plan and Budget. Council identified pressures and potential impacts on its short and long term financial performance and budgeting.

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 2019-2028 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.

One of the most challenging external factors for Council is the rising cost of electricity. Across all services, Council has been required to fund an additional \$80k or 11% for electricity alone. Council has also had to accommodate increases well above CPI for fuel, construction materials, waste management and IT software licencing. Included in this Annual Business Plan and Budget is an extraordinary item (one-off cost) of \$60k for the Local Government elections. All of the above cost pressures and impacts also factor into Council's LTFP which is available on Council's website.

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. 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.

Budget Strategy

Council's 2019-2028 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 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 2017/18 September quarter revised budget estimates and the 2016/17 audited Annual Financial Statements as the base.

After a period of community consultation, the LTFP was adopted by Council in April 2018. The 2018/19 Annual Business Plan and Budget have been developed using the financial principles, strategies and parameters of the recently adopted 2019-2028 LTFP.

The key targets in the LTFP are:

- Positive Operating Surplus Ratio (OSR) i.e. operating surplus, in the medium to long term (5-10 years);
- Spending on asset renewal consistent with Asset Management Plan (AMP) identified needs, depreciation levels and Local Government recommended Asset Sustainability Ratio (ASR) minimum (90%) and maximum (110%) targets from Year 1 (2018/19) of the Plan;
- Net Financial Liabilities Ratio (NFLR) to be within the recommended Local Government target of 100% of Operating Income from Year 1 (2018/19) 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 2019-2028 LTFP, proposes to allocate \$94m towards renewal of existing assets, with 80%, or \$75.5m, 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.

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 76% of operating income.

Each year the impact of rate increases is reviewed in line with Council's Strategic Management Plan and LTFP. In 2018/19 the total income from general rates will increase by 4.8% or approx. \$816k. This is in line with Council's LTFP.

At the 9th May 2018 Council meeting, Elected Members debated multiple rating models (options). The options included total general rate income increases ranging from 4.8% (consistent with the LTFP) to 9.8%. After much discussion an increase of 6.8% was endorsed by Council. The reasons for the additional 2% (above the LTFP) were:

- Addressing the inequity between the Primary Production land use category and other land use categories particularly Residential. Further in this Plan there is detail about the disproportion that exists between these two land use categories in terms of the rates they contribute compared to their valuation as a percentage of total valuations in the Council area; and
- Additional funds to increase investment in renewal/replacement of existing assets in accordance with Council's Asset Management Plans and LTFP financial and asset sustainability requirements.

More information on the above Council decision can be found in the agenda and minutes of the May 2018 Council meeting available on Council's website at www.yorke.sa.gov.au. The additional \$338k which was to be raised from rates (over and above the LTFP) was proposed to be allocated to capital expenditure.

However, at the 13th June 2018 meeting Council reconsidered this decision. After taking into account public submissions on the matter and significant debate, Council endorsed a Total General Rate Revenue increase of 4.8% in 2018/19, resulting in Total General Rate Revenue of approximately \$17.8m. As a result the additional 2% or \$338k Rate Revenue that was to be raised under Council's previous decision will no longer be available.

Following on from Council's latest decision the Annual Business Plan has been amended to remove the additional rates income and total capital expenditure has been reduced by the same amount. The full financial impact to Council's financial position is detailed later in this Plan.

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

- Continued use of a fixed charge which will remain the same as 2017/18 at \$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 \$17.8m to provide the various Council services and infrastructure spend detailed in this plan. This has resulted in Residential ratepayers paying approximately 56.0% (\$9.9m) of the total general rates income, with Primary Production ratepayers paying approximately 33.3% (\$5.9m);
- 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. Final valuations received as at 18th June 2018 show the variations for 2018/19. The table below shows the variations by land use category. These valuations will be used for adopting and setting of valuations and rates in 2018/19.

LAND USE CATEGORY	2018-19	2017-18	VARIANCE (\$)	VARIANCE (%)
Residential	\$2.3B	\$2.2B	-\$20.0m	0.9%
Commercial	\$142.4m	\$139.8m	\$2.5m	1.8%
Industrial	\$21.4m	\$19.7m	\$1.7m	8.6%
Primary Production	\$3.1B	\$2.9B	\$250.0m	8.6%
Vacant Land	\$193.1m	\$186.0m	\$7.1m	3.8%
Other	\$36.1m	\$32.0m	\$4.1m	12.8%
TOTAL	\$5.85B	\$5.56B	\$290m	5.2%

It should be noted that 906 non-rateable assessments valued at approximately \$163m are not included in the table above.



Marion Bay

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 2018/19 the proposed rates determination is:

- The target is to raise approximately \$17,815,047 (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 \$816k or 4.8% from 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 \$47 (90 cents / week) per assessment, more than last year and primary production properties can expect to pay on average an extra \$107 (\$2.05 / week) more than last year. Commercial can expect a \$66 (\$1.26 / week) average increase, industrial a \$133 (\$2.56 / week) average increase, vacant land a \$32 (62 cents / week) average increase and other a \$70 (\$1.34 / week) average increase.
- The proposed differential rates used for current rates modelling to generate rate income on final valuations received from the SVO in June 2018 are:
 - Primary Production: 0.1736 cents in the dollar; and
 - Residential and all other categories: 0.2792 cents in the dollar.

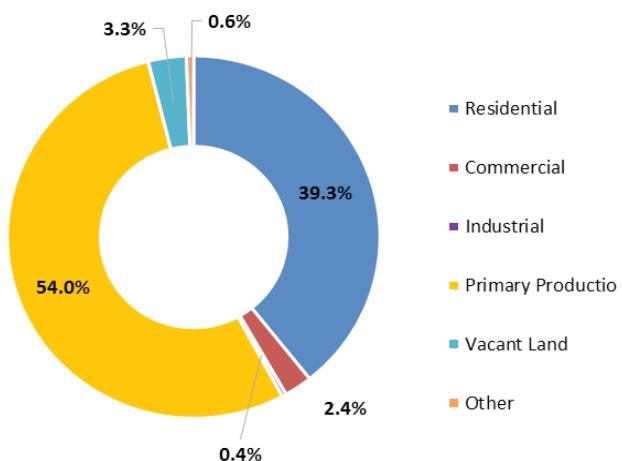


RATING STRATEGIES- Cont.

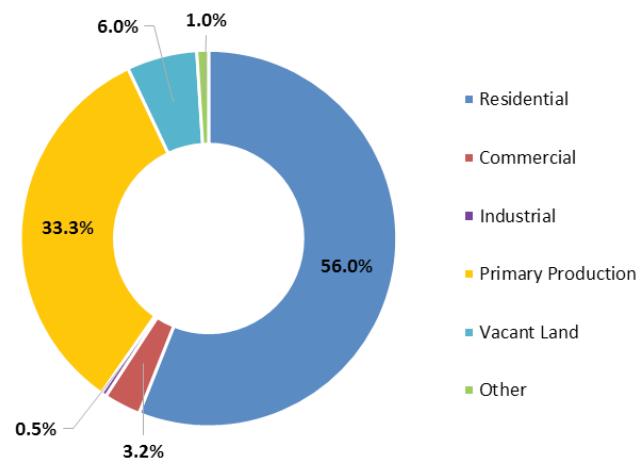
Valuation vs Rate Contribution

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 ensure an equitable spread across the rating categories. The following graphs and table represent the outcome of the 2018/19 proposed rate structures.

Valuations 2018/19



Rate Contribution 2018/19



Category	Assessments	Valuations	Rate Contribution	Valuations (% of total)	Variance
Residential	8,797	\$2.3B	56.0%	39.3%	16.7%
Commercial	460	\$142.4M	3.2%	2.4%	0.7%
Industrial	63	\$21.4M	0.5%	0.4%	0.1%
Primary Production	2,812	\$3.1B	33.3%	54.0%	-20.7%
Vacant Land	1,578	\$193.1M	6.0%	3.3%	2.7%
Other	227	\$36.1M	1.0%	0.6%	0.4%
TOTAL	13,937	\$5.85B	100%	100%	



Fixed Charge

Council will set a fixed charge for the 2018/19 year. Consistent with last year, the fixed charge has remained at \$410 (up from \$400 in 2016/17) 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.

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 Act (i.e. with a premium of 1% over the cash advance debenture rate).

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.



Sultana Point Mosaic Trail



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 2018/19 will be:

Service	Distance from rural collection point	2018/19 Charges \$	2017/18 Charges \$
3 Bins	(not offered to rural properties)	\$262	\$251
2 Bins	Up to 500m	\$210	\$204
2 Bins	Greater than 500m – 2km	\$158	\$153
2 Bins	Greater than 2km – 5km	\$105	\$102

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, the cost of collection and disposal of street bins, 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.



Coobowie



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 2018/19 are \$495 (compared to \$484 in 2017/18 and \$470 in 2016/17) for occupied properties and \$368 (compared to \$360 in 2017/18 and \$350 in 2016/17) 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 \$544 and \$396 respectively in 2018/19 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.

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 2018/19 is \$1.047m (including rebates), representing a \$46k (4.6%) increase from 2017/18 (up from \$1.001m in 2017/18 and \$960k in 2016/17).

Based on the NRM Board's Business Plan, Council's LTFP had anticipated an increase of \$1.091m (9%). The NRM Board only recently confirmed this lower amount. The necessary adjustments are reflected within this Plan.

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

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 2018/19 are:

Location	2018/19
Black Point	\$199
Hardwicke Bay	\$199
Balgowan	\$199
Marion Bay Desal	User Charge Only

The fees in 2017/18 were \$195 per scheme, representing a \$4 (2.1%) increase.

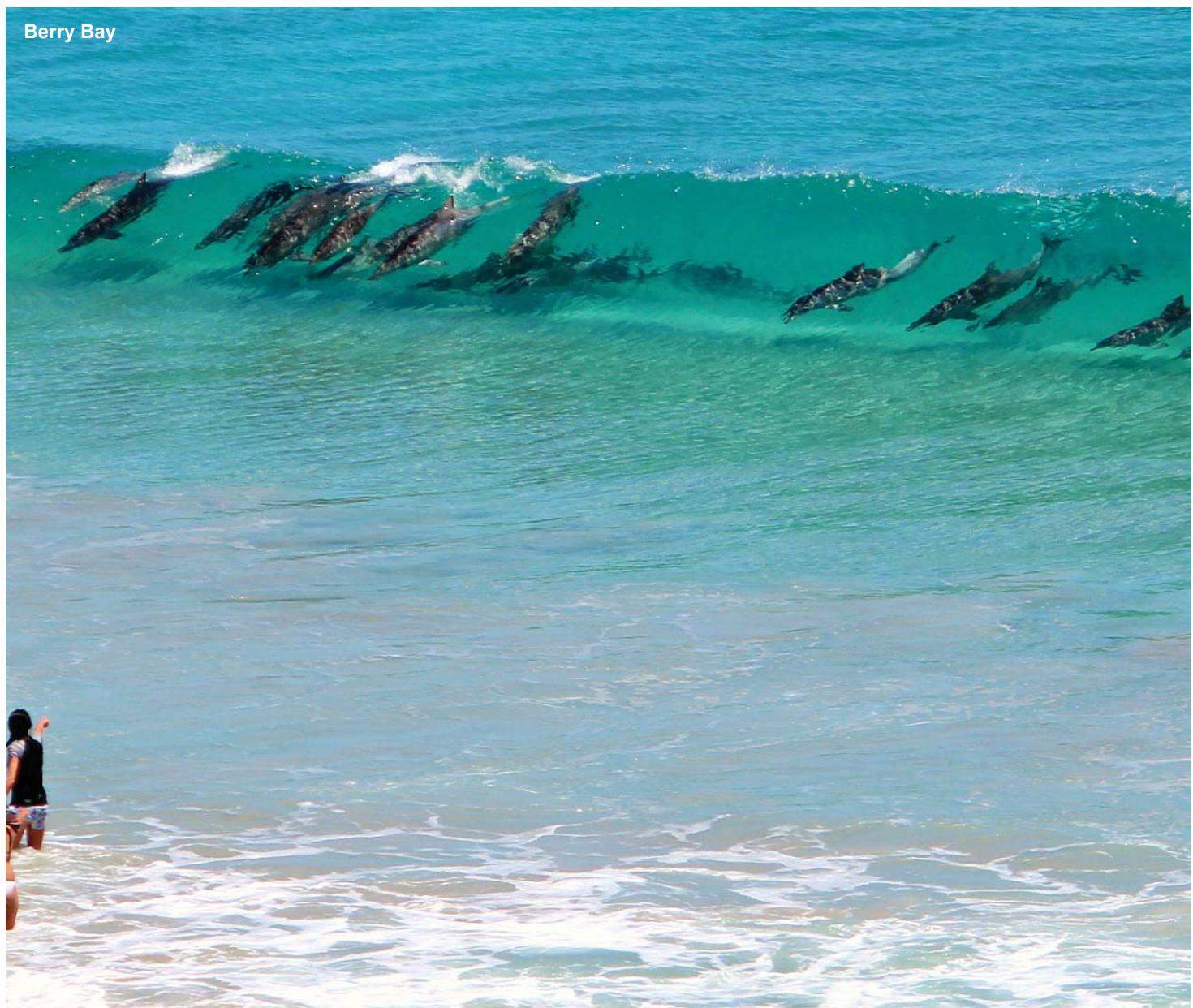
KEY FINANCIAL MEASURES

Council has adopted a set of key financial indicators (ratios) in line with the targets set in its recently adopted 2019-2028 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.

Year Ended 30 June:	Budget	LTFP	Revised Budget
	2019	2019	2018
Operating Surplus Ratio	(5.52)%	(6.40)%	(9.50)%
Net Financial Liabilities Ratio	29.01%	29.23%	26.00%
Asset Sustainability Ratio	92.34%	91.69%	85.00%



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 2018/19 this ratio is proposed to be -5.52% which when compared to Council's LTFP is an improvement of 0.88% and an improvement of 3.98% to that proposed in 2017/18.

The minimum industry target for this ratio is 0% (breakeven). Council's current LTFP looks to achieve this by Year 4 (2021/22) 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 2018/19 is 29.01% which is well below the industry ceiling of 100% of total operating income. Compared to the LTFP this is 0.22% lower and compared to 2017/18 budget it is 3.01% higher. The variation between the 2018/19 budget and the 2017/18 budget can be attributed primarily to the borrowing of \$1.2m for the footpath replacement programme, approved in 2017/18 but not being drawn down in the same year. The loan will be drawn down in 2018/19 (July 2018) impacting forecast end of year cash flow levels in both financial years and subsequently impacting this ratio.

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.

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.

The industry 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 aim is to ensure this ratio is consistently well above at least 100% if not 110%.

In 2018/19 the ratio is proposed to be 92.34% which is 0.65% more than the LTFP and 7.34% more than the 2017/18 proposed budget. Council's LTFP looks to maintain at least the 90% minimum target over the next ten (10) years, with any additional funding available to be directed to this purpose.

The annual "financial sustainability levy" included in the annual rate increase as modelled in Council's LTFP, will provide the ongoing additional funding to increase expenditure on renewal and replacement of existing assets. Increased funding will result in an increase to this ratio to achieve and then exceed the minimum Industry target.

ANALYSIS OF OPERATING BUDGET

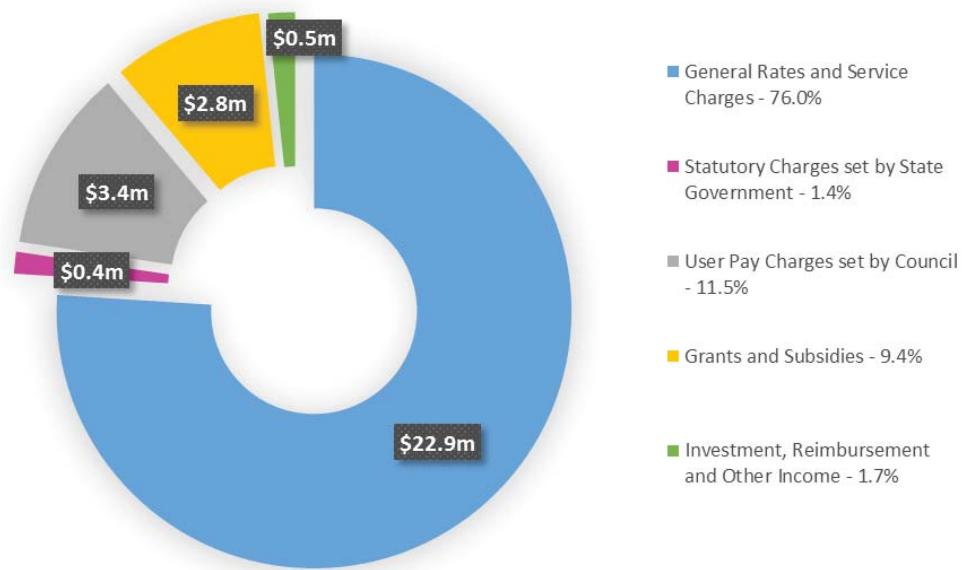
This section of the Draft Annual Business Plan provides an analysis of the planned Council expenditure for the 2018/19 financial year and the sources of funding for the budget.

Operating Income

Council has budgeted for a total of \$30.2m in operating income. This is higher (approximately \$145k or 0.5%) than projected in Council's 2019-2028 Long Term Financial Plan (LTFP).

The variation is primarily due to higher than forecast user charges mainly related to Council's caravan parks.

A breakdown is summarised below by major category.



Descriptor

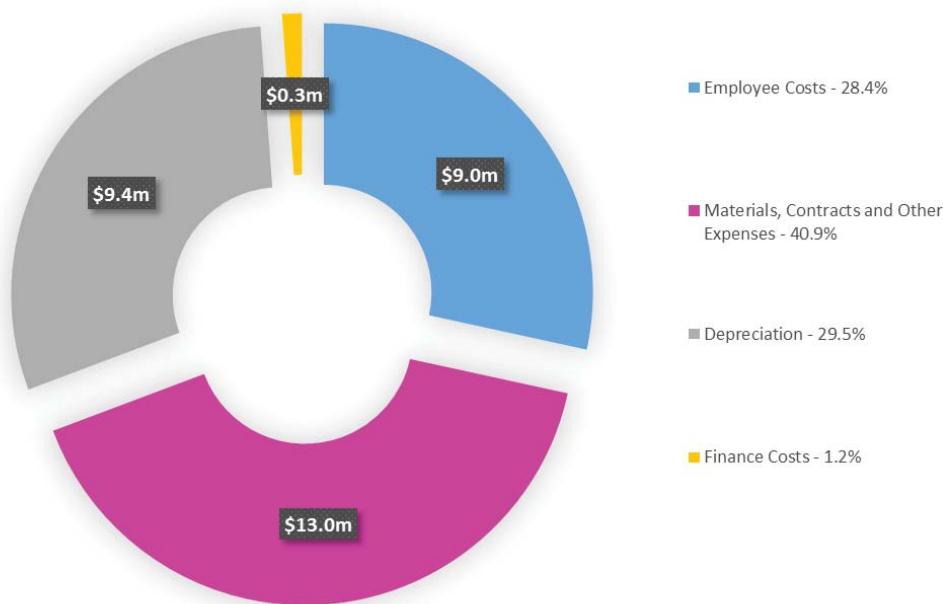
General Rates and Service Charges	General rates on properties as well as service charges (i.e. sewerage, water and refuse/recycling charges).
Statutory charges set by State Government	Fees and charges set by State Government regulation and received by the Council for regulatory functions undertaken such 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 2018/19 is summarised below by major category. This is \$110k or 0.3% less than the projected operating expenses within the LTFP.

\$77k of this is related to a Council decision to cap the amount allocated for Community Grants. The savings in Community Grants have been redirected to operating and capital expenditure.

\$25k has been allocated to roadside vegetation control, an additional \$17k to the township information signs renewals programme and a further \$34k allocated to the sealed road resealing programme.



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 BUDGET

The following provides an approximate geographical view of where the key 2018/19 capital works projects will be delivered.



Transport Infrastructure

- 📍 Brutus Road (2.4km)
- 📍 Clinton Road Pavement Rehabilitation
- 📍 Corny Point Road (1.6km)
- 📍 Dump Road (1.8km)
- 📍 Nalyappa Road (2.6km)
- 📍 North Coast Road (Rehabilitation)
- 📍 Old Coast Road (2.5km)
- 📍 Old Port Vincent Road (2km)
- 📍 Pine Point Road (5km + 4.5km)
- 📍 Point Turton Walking Trail
- 📍 South Coast Road (2km)
- 📍 Sturt Bay Road (3km)
- 📍 Troubridge Hill Road (2.4km)
- 📍 Waterloo Bay Road (4.5km)
- 📍 Weavers North Road (2km)

Furniture and Fittings

- 📍 Ardrossan Community Library - Public Access Computers
- 📍 Maitland Community Library - Public Access Computers
- 📍 Maitland – Council Projects (IT Hardware inc. computers, telecommunications, servers & switches)
- 📍 Maitland – Council Projects (Office Furniture)
- 📍 Minlaton Community Library - Public Access Computer
- 📍 Marion Bay Caravan Park - Furniture
- 📍 Point Turton Caravan Park - Desktop Computer
- 📍 Point Turton Caravan Park - Furniture
- 📍 Point Turton Caravan Park - Storage Improvements
- 📍 Yorketown Community Library - Public Access Computers

Plant and Equipment

- 📍 Maitland - Council Projects (Fleet Vehicles, Back Hoe/Front End Loader, Patrol Grader, Prime Mover, Side Tipper & Minor Plant Renewal)

Water Infrastructure

- 📍 Balgowan - Connections replacement
- 📍 Hardwicke Bay - Tank 2 roof replacement

CWMS

- 📍 Ardrossan - Chlorine Tank Monitoring
- 📍 Balgowan - Switchboard replacement
- 📍 Balgowan - Switchboard replacement
- 📍 Hardwicke Bay pump station #2 switchboard replacement
- 📍 Hardwicke Bay - Valving replacement
- 📍 Maitland - Chlorine Tank Monitoring
- 📍 Maitland - Gravity Drain Network Renewal
- 📍 Point Turton Waste - Pump station Replacement
- 📍 Port Julia - Improve Level Control and Pump Operation
- 📍 Port Vincent - Switchboard replacement
- 📍 Port Vincent - Valving Replacement
- 📍 Stansbury - Chlorine Tank Monitoring
- 📍 Yorketown - Valving Replacement

Lands, Buildings and Structures

- 📍 Curramulka Town Hall Gutter Replacement
- 📍 Marion Bay Caravan Park - CCTV & Motion Sensor Lighting
- 📍 Minlaton Council Office Refurbishment
- 📍 Point Turton Caravan Park - Amenities Upgrade
- 📍 Point Turton Caravan Park - Camp Kitchen Upgrade
- 📍 Point Turton Caravan Park - Grounds Upgrade
- 📍 Point Turton Public Toilet Walkway
- 📍 Port Julia - CWMS Compound Fence Replacement

Other

- 📍 Ardrossan Area - Stairs & Boardwalk Upgrade
- 📍 Aerial Photography - Ardrossan & Maitland GIS imagery
- 📍 Edithburgh Tidal Pool Restoration
- 📍 Maitland Plane Tree Root Control
- 📍 Sea Rise Protection - Price Caravan Park
- 📍 Upgrade Lawned Area- Cumberland Rd & Emeu St
- 📍 Marion Bay Caravan Park – Artificial Turf on Camping Sites

- 📍 Marion Bay Desal Plant - Pressure Pump Reconditioning

The above excludes 'Patch Sheeting' (\$1.1m), 'Disabled Access Townships' (\$25k), 'Sealed Road Resealing and Rehabilitation Programme' (\$134k), 'Sealed Road Shoulder Rework (\$250k), 'Patchwork" (\$712k), 'Bush Camping Infrastructure' (\$30k), 'Signs Renewal Programme' (\$38k), 'Minor Plant Annual Renewal'(\$20k) and 'Landfill Rehabilitation' (\$15k) which will be delivered across the Peninsula as determined by Council throughout the year based on priority needs.

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 2018/19 budget.

Capital Works Programme 2018/19	Renewal / Replacement	New / Upgrade
Transport Infrastructure		
Sealed Road Resealing and Rehabilitation Programme	\$134,846	\$0
Patch Sheeting (North)	\$1,168,177	\$0
Sealed Road Shoulder Rework	\$250,000	\$0
Clinton Road Pavement Rehabilitation	\$250,000	\$0
Patch Work (South)	\$712,817	\$0
Nalyappa Road (2.6km)	\$529,360	\$0
Pine Point Road (5km)	\$794,212	\$0
Pine Point Road (4.5km)	\$708,610	\$0
North Coast Road (Rehabilitation)	\$99,274	\$0
South Coast Road (2km)	\$376,394	\$0
Corny Point Road (1.6km)	\$199,865	\$0
Waterloo Bay Road (4.5km)	\$628,545	\$0
Sturt Bay Road (3km)	\$403,413	\$0
Brutus Road (2.4km)	\$215,107	\$0
Troubridge Hill Road (2.4km)	\$169,510	\$0
Old Coast Road (2.5km)	\$179,949	\$0
Old Port Vincent Road (2km)	\$142,759	\$0
Weavers North Road (2km)	\$123,057	\$0
Dump Road (1.8km)	\$148,739	\$0
Point Turton Walking Trail	\$11,000	\$0



Capital Works Programme 2018/19	Renewal / Replacement	New / Upgrade
Land, Buildings and Structures		
Bush Camping Infrastructure - Annual Allocation	\$30,000	\$0
Curramulka Town Hall - Gutter Replacement	\$6,040	\$0
Signs Renewal Programme - Stage 2	\$38,000	\$0
Disabled Access (Access Advisory Committee)	\$6,250	\$18,750
Marion Bay Caravan Park - CCTV & Motion Sensor Lighting	\$0	\$6,900
Minlaton Office Refurbishment	\$41,250	\$13,750
Point Turton Caravan Park - Amenities Upgrade	\$34,186	\$0
Point Turton Caravan Park - Camp Kitchen Upgrade	\$10,000	\$0
Point Turton Caravan Park - Grounds Upgrade	\$0	\$5,000
Point Turton Public Toilet Walkway	\$20,000	\$0
Port Julia CWMS Compound Fence Replacement	\$5,000	\$0
Community Wastewater Management Systems		
Ardrossan - Chlorine Tank Monitoring	\$5,500	\$0
Balgowan - Pump Station Switchboard Replacement	\$15,000	\$0
Balgowan - Wastewater Treatment Plant Switchboard Replacement	\$20,000	\$0
Hardwicke Bay - Pump Station #2 Switchboard Replacement	\$16,000	\$0
Hardwicke Bay - Pump Station #2 Valving Replacement	\$14,000	\$0
Maitland - Chlorine Tank Monitoring	\$5,500	\$0
Maitland - Gravity Drain Network Renewal	\$30,000	\$0
Point Turton - Wastewater Treatment Plant #2 Pump Station Replacement	\$50,000	\$0
Port Julia - Improve Level Control and Pump Operation	\$6,000	\$0
Port Vincent - Marina Pump Station Switchboard Replacement	\$16,000	\$0
Port Vincent - Marina Pump Station Valving Replacement	\$12,000	\$0
Stansbury - Chlorine Tank Monitoring	\$5,500	\$0
Yorketown - Memorial Drive Pump Station Valving Replacement	\$15,000	\$0



Hardwicke Bay

Capital Works Program me2018/19	Renewal / Replacement	New / Upgrade
Water Infrastructure		
Balgowan Water Scheme House Connection Saddle Replacement	\$10,000	\$0
Hardwicke Bay Water Scheme Tank 2 Roof Replacement	\$12,500	\$0
Marion Bay Desal Plant - Pressure Pump Reconditioning	\$7,000	\$0
Major Plant, Equipment, Fleet Vehicles and Minor Plant		
Fleet Vehicles	\$355,000	\$0
1 x Back Hoe/Front End Loader	\$160,000	\$0
1 x Patrol Grader	\$375,000	\$0
1 x Prime Mover	\$185,000	\$0
1 x Side Tipper	\$0	\$113,500
Minor Plant	\$15,000	\$5,000
Furniture and Fittings		
IT Hardware - Computers	\$38,950	\$0
IT Hardware - Servers & Switches	\$26,000	\$0
IT Hardware - Telecommunications	\$22,500	\$0
Ardrossan Community Library - Public Access Computers	\$4,500	\$0
IT Hardware - Elected Members	\$22,000	\$0
Maitland Community Library - Public Access Computers	\$1,500	\$0
Minlaton Community Library - Public Access Computer	\$1,500	\$0
Office Furniture - Annual Allocation	\$3,750	\$1,250
Point Turton Caravan Park - Desktop Computer	\$1,450	\$0
Yorketown Community Library - Public Access Computers	\$4,500	\$0
Point Turton Caravan Park - Furniture	\$0	\$4,000
Marion Bay Caravan Park - Furniture	\$0	\$2,000
Point Turton Caravan Park - Storage Improvements	\$0	\$2,000

Butlers Beach



Capital Works Programme 2018/19	Renewal / Replacement	New / Upgrade
Other		
Landfill Rehabilitation	\$15,000	\$0
Aerial Drone Photography	\$4,000	\$0
Ardrossan Jetty Area - Stairs and Boardwalk Upgrade (Southern Side - Stage 1)	\$50,000	\$0
Edithburgh Tidal Pool	\$30,000	\$0
Maitland Plane Tree Root Control	\$38,000	\$0
Sea Rise Protection	\$0	\$20,000
Marion Bay Caravan Park - Camping Sites	\$11,000	\$0
Upgrade Lawned Area - Cumberland Rd / Emeu St, Port Clinton	\$0	\$16,000
TOTAL CAPITAL EXPENDITURE	\$9,041,011	\$208,150

Council's performance will be assessed by the timely completion of these projects within the stated budget.



ANALYSIS OF TOTAL BUDGET

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

%	Function	Description
32.2%	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.
9.0%	Refuse Collection & Disposal	Contractual and local expenses, including materials and labour related expenses.
6.9%	Finance, Business, Corporate and Community Relations	Expenses relating to financial administration, business and community relations and corporate services, including labour related expenses.
5.6%	Caravan Park Operation	Expenses relating to the cost of running Council owned caravan parks, including capital expenditure and labour related expenses.
5.2%	Governance	Expenses relating to governing the organisation, including organisational compliance and Elected Member related expenses and cost of office furniture.
5.1%	Parks and Gardens	Expenses relating to the maintenance of all open space parks and gardens, including materials and labour related expenses.
4.4%	Development Services	Expenses relating to the cost of planning and development, including labour related expenses.
3.9%	People and Culture	Expenses relating to Human Resources, Payroll, Staff Training, Work Health & Safety and Risk Management.
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.
3.3%	NRM Levy	A compulsory levy payable to the Northern and Yorke Natural Resources Management Board. Refer page 18.



%	Function	Description
2.8%	Environmental Management	Expenses relating all foreshore maintenance plus maintenance of walking trails, contribution to NRM projects, protection of crown lands and land rehabilitation.
2.8%	Information Services	Expenses incurred in providing information technology, including projects and labour related expenses.
2.7%	Cleaning Council Buildings and Public Conveniences	Contractual and local expenses to clean Council buildings and all public conveniences across the district.
2.3%	Community Asset Maintenance	General maintenance costs, including materials and labour related expenses related to assets such sporting ovals, swimming centres, halls, airstrips, cemetaries and war memorials.
2.1%	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.
1.7%	Footpaths and Stormwater	Capital expenses relating to maintenance of existing footpaths and stormwater systems, including materials and labour related expenses
1.6%	Plant and Equipment	Includes all expenses related to purchase/replacement of all plant and equipment, including fleet vehicles – offset by all trade-in income.
1.6%	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.
1.2%	Street Lighting	Expenses relating to maintenance of street lighting, including materials and labour related expenses.
1.0%	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.
0.7%	Asset Management	Asset Management Systems, Asset Management Plans and Asset Condition Assessments, including labour related expenses.



2018/19 BUDGETED FINANCIAL STATEMENTS

Budgeted financial statement for 2018/19 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.

Budgeted Statement of Comprehensive Income

	BUDGET	LTFP	REVISED
Year Ended 30 June:	2019	2019	2018
	\$('000)	\$('000)	\$('000)
INCOME			
Rates	22,983	23,007	21,973
Statutory Charges	415	416	400
User Charges	3,474	3,318	3,270
Grants, Subsidies, Contributions	2,857	2,869	3,598
Investment Income	175	171	168
Reimbursements	114	106	196
Other Income	223	210	465
Total Income	30,242	30,097	30,070
EXPENSES			
Employee Costs	9,067	9,345	9,008
Materials, Contracts & Other Expenses	13,040	12,840	14,087
Depreciation, Amortisation & Impairment	9,428	9,461	9,461
Finance Costs	377	377	382
Total Expenses	31,912	32,023	32,938
OPERATING SURPLUS/ (DEFICIT)	(1,670)	(1,926)	(2,868)
Asset Disposal & Fair Value Adjustments	0	0	(21)
Amounts received specifically for new or upgraded assets	0	0	201
NET SURPLUS/ (DEFICIT)	(1,670)	(1,926)	(2,688)
TOTAL COMPREHENSIVE INCOME	(1,670)	(1,926)	(2,688)



Budgeted Statement of Financial Position

	BUDGET	LTFP	REVISED
Year Ended 30 June:	2019	2019	2018
	\$('000)	\$('000)	\$('000)
ASSETS			
Current Assets			
Cash & Equivalent Assets	2,393	2,423	2,695
Trade & Other Receivables	1,221	1,192	1,582
Inventories	852	839	920
Total Current Assets	4,466	4,454	5,196
Non-Current Assets			
Financial Assets	520	520	605
Infrastructure, Property, Plant & Equipment	295,322	295,090	295,836
Total Non-Current Assets	295,842	295,610	296,441
Total Assets	300,309	300,064	301,637
LIABILITIES			
Current Liabilities			
Trade & Other Payables	2,222	2,197	2,342
Borrowings	818	818	672
Provisions	2,037	2,079	2,038
Total Current Liabilities	5,076	5,094	5,052
Non-Current Liabilities			
Borrowings	7,361	7,361	7,043
Provisions	472	480	472
Total Non-Current Liabilities	7,833	7,841	7,515
Total Liabilities	12,909	12,934	12,567
NET ASSETS	287,400	287,130	289,070
EQUITY			
Accumulated Surplus	(14,420)	(14,690)	(12,750)
Asset Revaluation Reserve	300,690	300,690	300,690
Other Reserves	1,130	1,130	1,130
TOTAL EQUITY	287,400	287,130	289,070

Budgeted Statement of Changes in Equity

	BUDGET	LTFP	REVISED
Year Ended 30 June:	2019	2019	2018
	\$('000)	\$('000)	\$('000)
Opening Balance	289,070	289,055	291,758
Net Surplus / (Deficit) for Year	(1,670)	(1,926)	(2,688)
Total Comprehensive Income	(1,670)	(1,926)	(2,688)
EQUITY - BALANCE AT END OF REPORTING PERIOD	287,400	287,130	289,070



Budgeted Statement of Cash Flows

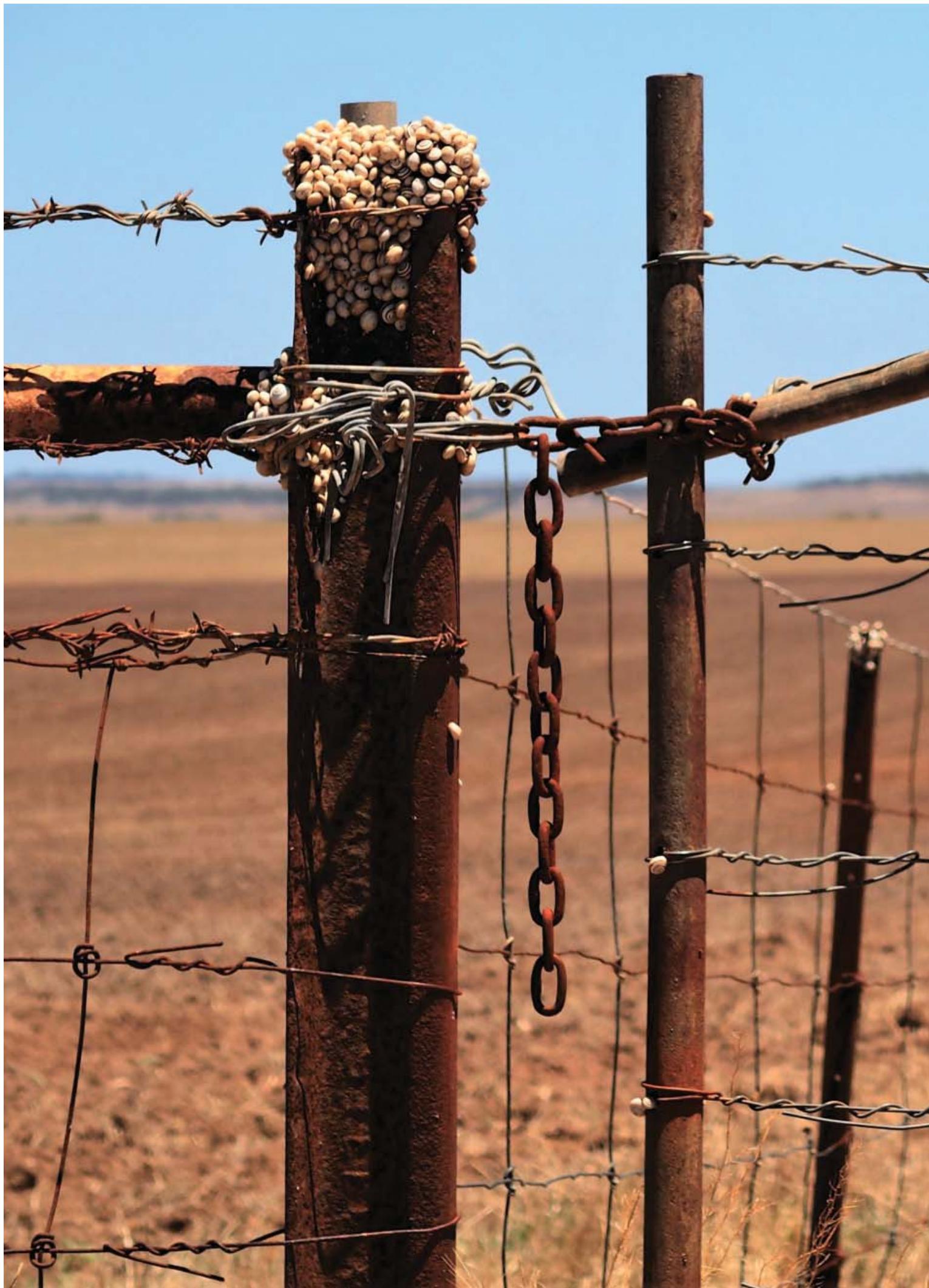
	BUDGET	LTFP	REVISED
Year Ended 30 June:	2019	2019	2018
	\$('000)	\$('000)	\$('000)
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates Receipts	22,960	22,983	22,068
Statutory Charges	415	416	400
User Charges	3,474	3,318	3,270
Grants, Subsidies and Contributions (operating purpose)	2,857	2,869	3,599
Investment Receipts	175	171	168
Reimbursements	143	112	386
Other	580	454	662
Payments			
Payments to Employees	(9,055)	(9,284)	(8,818)
Payments for Materials, Contracts & Other Expenses	(13,108)	(12,889)	(14,280)
Finance Payments	(377)	(377)	(382)
Net Cash provided (or used in) Operating Activities	8,065	7,775	7,073
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts			
Amounts Received Specifically for New/Upgraded Assets	0	0	201
Sale of Replaced Assets	335	325	440
Repayments of Loans by Community Groups	87	87	91
Payments			
Expenditure on Renewal/Replacement of Assets	(9,041)	(9,000)	(8,449)
Expenditure on New/Upgraded Assets	(208)	(200)	(3,114)
Net Cash provided by (or used in) Investing Activities	(8,827)	(8,788)	(10,831)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts			
Proceeds from Borrowings	1,200	1,200	182
Payments			
Repayments of Borrowings	(737)	(737)	(655)
Net Cash Provided by (or used in) Financing Activities	463	463	(473)
Net Increase/(Decrease) in Cash & Cash Equivalents	(300)	(550)	(4,231)
plus: Cash & Cash Equivalents - beginning of year	2,693	2,973	6,926
Cash & Cash Equivalents - end of year	2,393	2,423	2,695

Budgeted Uniform Presentation of Finances

	BUDGET 2019	LTFP 2019	REVISED 2018
Year Ended 30 June:	\$('000)	\$('000)	\$('000)
<u>Operating Activities</u>			
Income	30,242	30,097	30,070
/less Expenses	(31,912)	(32,023)	(32,939)
Operating Surplus/(Deficit)	(1,670)	(1,926)	(2,868)
<u>Capital Activities</u>			
<i>less: (Net Outlays) on Existing Assets</i>			
Capital Expenditure on Renewal and Replacement of Existing Assets	(9,041)	(9,000)	(8,449)
<i>add back</i> Depreciation, Amortisation and Impairment	9,428	9,461	9,461
<i>add back</i> Proceeds from Sale of Replaced Assets	335	325	440
	722	786	1,452
<i>less: Net Outlays on New and Upgraded Assets</i>			
Capital Expenditure on New/Upgraded Assets (including Investment Property & Real Estate Developments)	(208)	(200)	(3,112)
<i>add back</i> Amounts Received Specifically for New and Upgraded Assets	0	0	201
(Net Outlays) on New and Upgraded Assets	(208)	(200)	(2,911)
Net Lending / (Borrowing) for Financial Year	(1,156)	(1,340)	(4,328)



Warooka





Port Clinton