



LOWER EYRE COUNCIL



2023-24 ANNUAL BUSINESS PLAN



Working with our Rural & Coastal Communities

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FOREWORD

We are pleased to present our 23-24 Annual Business Plan and Budget which will continue to deliver the objectives of our 2020-2030 Strategic Plan whilst maintaining rates at acceptable levels to the community and future generations.

Given the last 12 months of high inflation and continuing supply chain challenges which are impacting the costs of delivering council services and programs, we believe that the budget, as presented in this Annual Business Plan, is fiscally and socially responsible. This has meant that a higher General Rate increase will need to be applied to ensure the Council's operating expenses continue to be funded from its revenue base.

We know that the cost of living is a challenge for everyone in our community and if you are experiencing hardship, please contact our offices so we can find ways to support you.

The draft 2023-24 Annual Business Plan and Budget demonstrates Council's proposed services, programs and projects which will deliver \$12.5M in capital works, \$8.06m in replacement and renewal programs and \$4.44M for new and upgraded infrastructure.

Other operating projects include the delivery of:

- outputs from the Cummins & Coffin Bay Masterplans
- continuing work on the Reconciliation Action Plan
- Review of the Council's Strategic Plan
- Development of the Economic Growth Strategy
- Camping area improvements
- Kerbside recycling for minor township

We are committed to running a lean, but innovative Council and are constantly reviewing our internal costs with a view to finding efficiencies and savings to keep rates low and affordable, while continuing to maintain and deliver high quality services for our community.

With this in mind Council has developed a new Growth & Strategy division with a focus on leveraging commercial assets, promoting and encouraging economic development, being innovative and having a focus investigating alternative revenue streams with the aim to ultimately reduce the reliance on rate revenue for providing council services.

I acknowledge the newly Elected Body for their commitment and due diligence in presenting this Annual Business Plan and Budget and their strong advocacy as representatives of their local community.

Delfina Lanzilli
Chief Executive Officer



EXECUTIVE SUMMARY

The Annual Business Plan sets out the Council's proposed programs and projects for the 2023/24 year and aims to achieve and/or progress the longer term objectives for the District that have been set out within Council's Strategic Plan, Long Term Financial Plan and Asset Management Plan.

The business plan projects an Adjusted Operating Deficit of \$277,200 and represents a deficit of 1.69% of Council's operating income for the 2023/24 year. This adjusted operating deficit is primarily attributed to the revaluation of Council's road assets as at 1 July 2021 which added \$111,800 and \$243,600 to Council's sealed and unsealed road depreciation respectively.

Council will further consider its operating position during the review of its Long Term Financial Plan with the aim to have a small annual Operating Surplus to ensure Council is able to meet the costs of general operations and replacement of assets when required.

Rates are proposed to increase by 9.64% to existing properties which is primarily due to recent high with the Consumer Price Index (CPI), of 8.6% for the December 2022 annual indexation period. Additionally, Council have proposed a small increase in rates for increased road grading activity and costs associated with the future replacement of assets constructed in 2022/23.

Council acknowledges recent increases in the cost of living and have aimed to set a plan that ensures Council can continue to provide the services to the community without adding further financial burdens on its ratepayers.

In the setting of the Annual Business Plan Council addressed increases in costs that are outside of its control, such as the Commonwealth's increase to the Superannuation Guarantee Rate for employees, electricity, fuel and insurance price increases and civil works contractor shortages which has increased the cost of civil construction projects.

The Annual Business Plan includes the receipt of \$6.02m in grant funding that will enable Council to repair and upgrade sections of Bratten Way, continue upgrading and improving its coastal campgrounds, replace and widen the Flinders Highway Bridge and continue renewing the districts sealed and unsealed road network.

Roads, rubbish and recycling continue to be a major focus of the Annual Business Plan and commentary has been provided within the plan to outline significant initiatives in these areas.

A full summary of Business Activities undertaken by Council are included within the Business Plan, covering the Port Lincoln Airport, Coffin Bay Caravan Park, Cummins Homes and Community Waste-Water Management Schemes.

\$277k

Adjusted
Operating
Deficit

\$2.7m

Total Debt

\$12m

Capital
Works

\$6.0m

Grants
Received

\$16.4m

Operating
Revenue

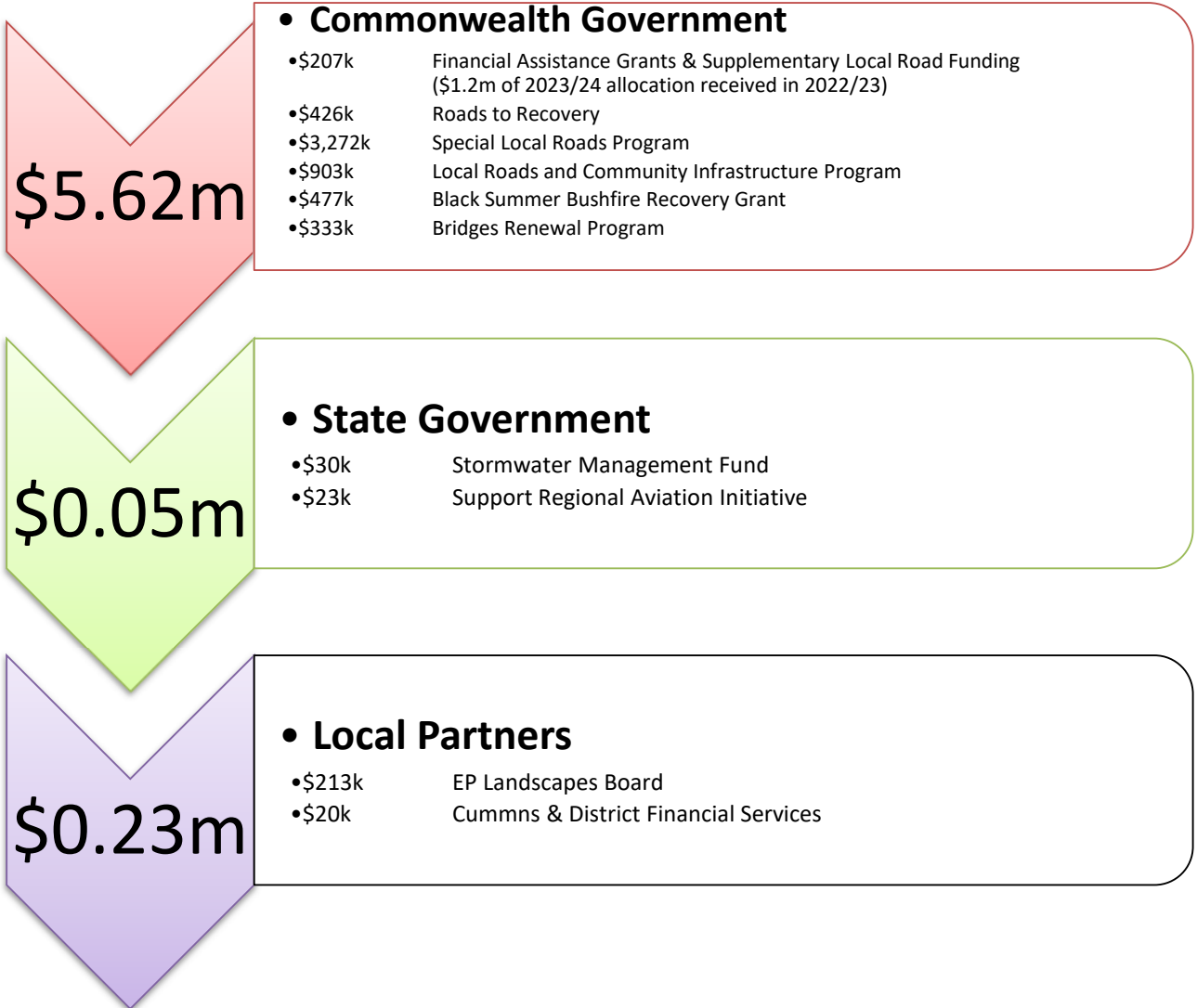
\$8.1m

Rate
Revenue

FUNDING ACKNOWLEDGEMENT

The Lower Eyre Council is budgeting to receive a total of \$6.00m in grant funding with key contributions from Australia's Commonwealth and State Governments. Council acknowledges the importance and value that this funding provides to the community in delivering services, maintaining assets and infrastructure and enhancing the amenity of the district.

Council is also fortunate to work with a number of local partners such as the Cummins and District Financial Services, EP Landscapes Board and Regional Development Australia EP who continue to support Council in progressing community focused initiatives and objectives.



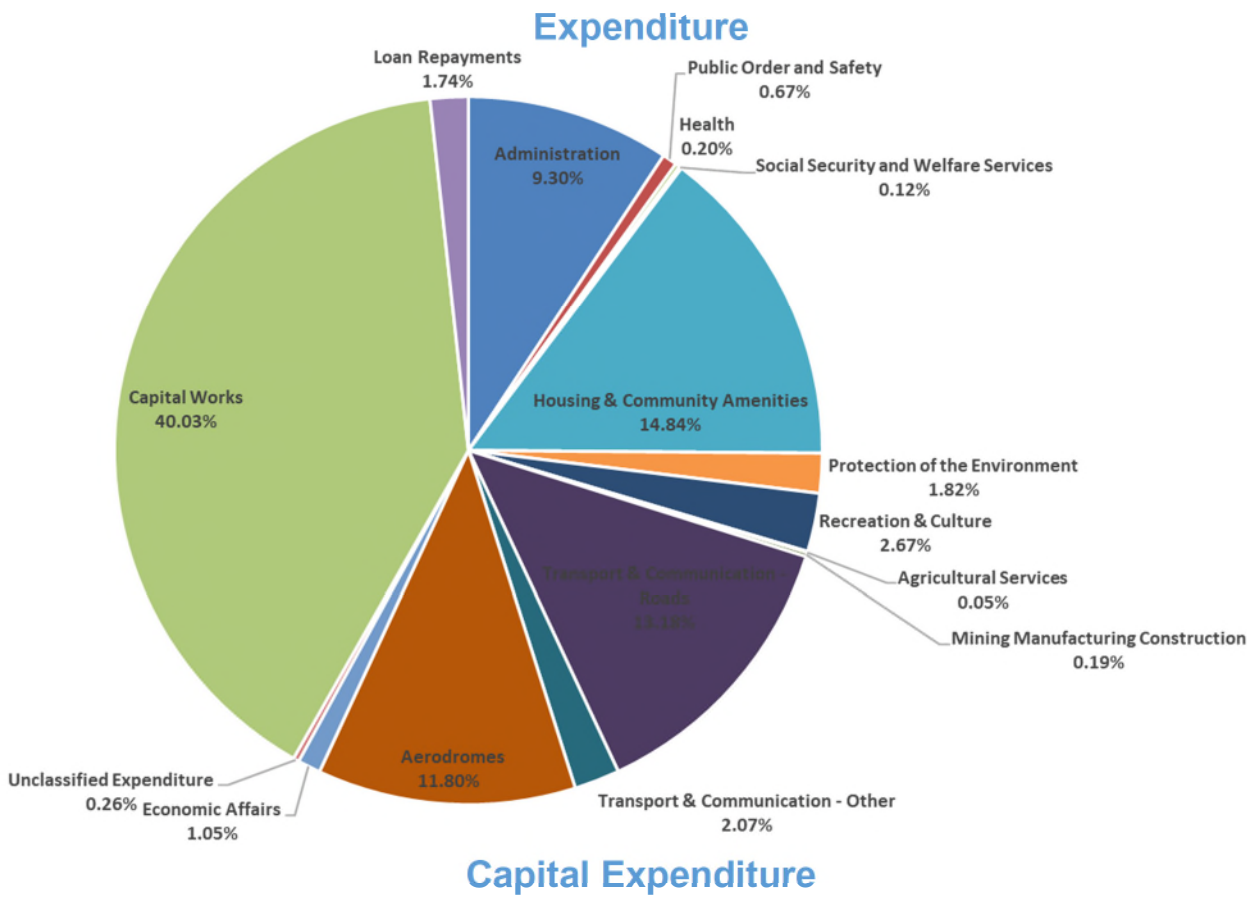
Government of
South Australia



Australian Government

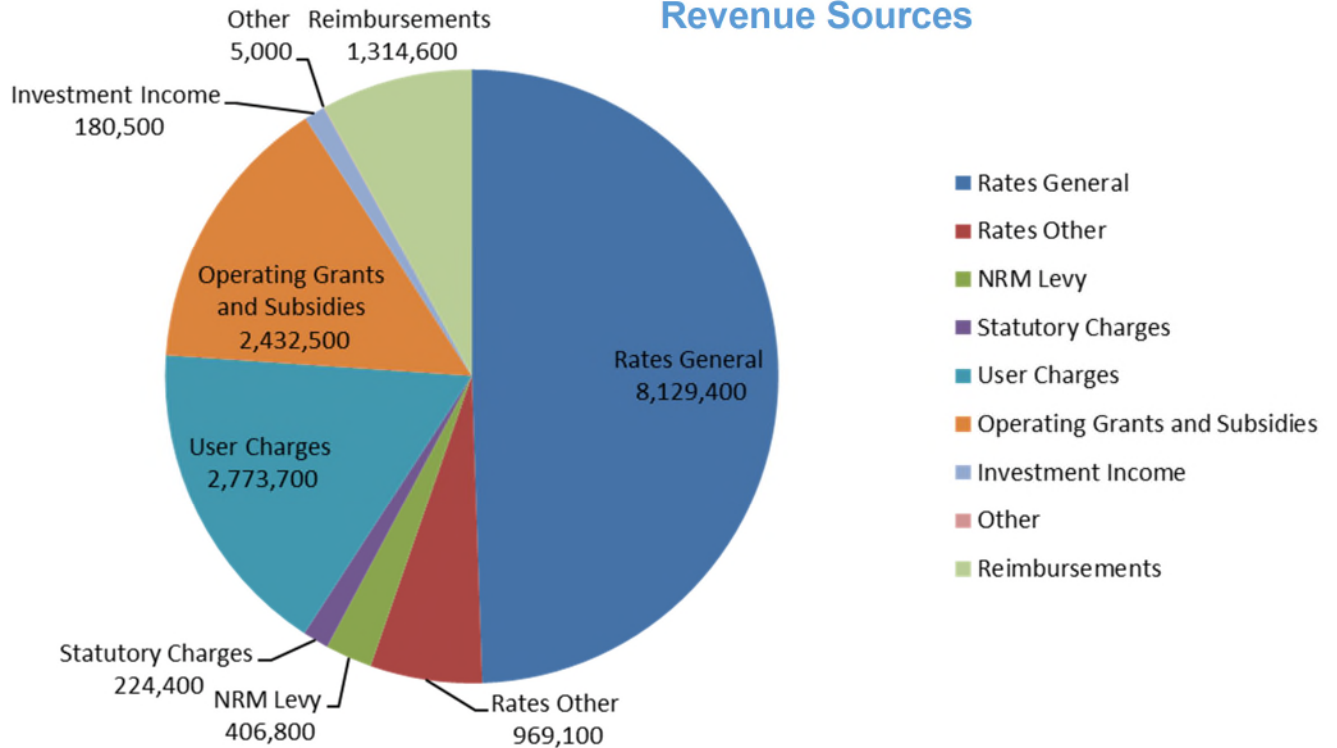


BUDGET SUMMARY

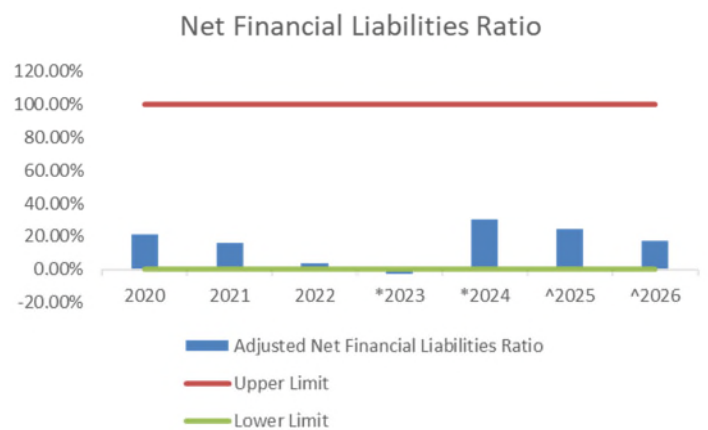
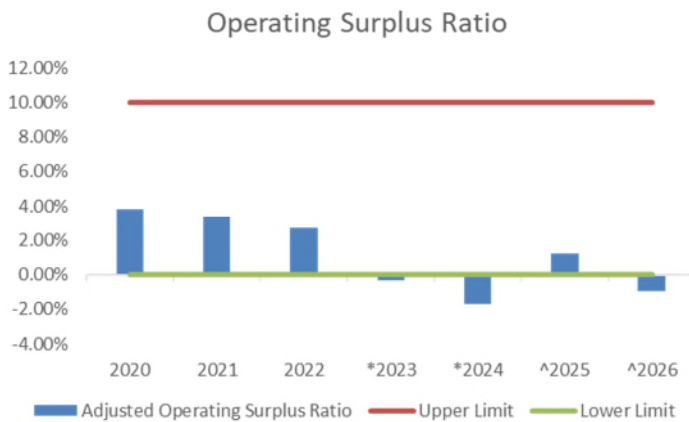


(\$'000)	Community Development	Buildings	Open Spaces	Commercial Activities	CWMS	Roads	Stormwater	Bridges	Plant & Equipment	Total
New / Upgrade	556	80	445	78	157	2,744	112	180	40	4,392
Renewal	0	106	132	150	1,950	4,843	23	321	664	8,189

Revenue Sources



Financial Indicators



Rating Levels

The Annual Business Plan will result in an average rate rise of 9.64% to existing properties and has been determined based on:

- 8.60% Consumer Price Index
- 0.54% New Asset Replacement Costs
- 0.50% Increased Unsealed Road Grading

* Budget Projections

^ Long Term Financial Plan Projections

STATEMENT OF EXPECTED RATE REVENUE

Statement on Expected Rate Revenue

Expected Rates Revenue				
	2022/23 (as adopted)	2023/24 (estimated)	Change	Comments
General Rates Revenue				
General Rates (existing properties)	\$7,456,256	\$8,182,523 (a)		For 2023/24 Council have proposed a General Rate Rise of 9.64% plus estimated growth (refer k) of 0.27% from new properties that have occurred over the 2022/23 year.
General Rates (new properties)	\$18,893	\$20,240 (b)		
General Rates (GROSS)	\$7,475,149	\$8,202,763 (c)		
Less: Mandatory Rebates	(\$21,132)	(\$23,161) (d)		
General Rates (NET)	\$7,454,017	\$8,179,602 (e)	9.7%	
(e)=(c)+(d)				
Other Rates (inc. service charges)				
Regional Landscape Levy	\$374,310	\$406,800 (f)		The Regional Landscape Levy is a State tax, it is not retained by council.
Kerbside Recycling	\$272,000	\$300,000 (g)		2023/24 Expansion of Service to include the Edillilie Township
CWMS	\$864,900	\$944,100 (h)		8.6% Increase to user charges plus new connections due to growth / development
	\$8,965,227	\$9,830,502		
Less: Discretionary Rebates	(\$51,050)	(\$52,482) (i)		
Expected Total Rates Revenue	\$8,539,867	\$9,371,220 (j)	9.7%	Excluding the Regional Landscape Levy and minus Mandatory & Discretionary Rebates.
(j)=(e)+(g)+(h)+(i)				
Estimated growth in number of rateable properties				
Number of rateable properties	3,794	3,814 (k)	0.5%	Growth is expected to account for around 0.5 per cent of the estimated increase in General Rates to be collected.
	<i>Actual</i>	<i>Estimate</i>		
'Growth' is defined in the regulations as where new properties have been created which has added rateable properties to council's ratepayer base. Growth can also increase the need and expenditure related to infrastructure, services and programs which support these properties and residents.				
Estimated average General Rates per rateable property				
Average per rateable property	\$1,970	\$2,151 (l)	9.2%	These averages are based on the total of all rateable properties and are therefore not necessarily indicative of either the rate or change in rates that all ratepayers will experience.
(o)=(c)/(n)				
Councils use property valuations to calculate each rateable property's contribution to the required rate revenue total. Councils do not automatically receive more money because property values increase but this may alter how rates are apportioned (or divided) across each ratepayer (ie. some people may pay more or less rates, this is dependent on the change in value of their property relative to the overall valuation changes across the council area). The total General Rates paid by all rateable properties will equal the amount adopted in the budget.				
Notes				
(d) Councils are required under the Local Government Act to provide a rebate to qualifying properties under a number of categories: Health Services - 100 per cent Religious purposes - 100 per cent Royal Zoological Society of SA - 100 per cent Community Services - 75 per cent Public Cemeteries - 100 per cent Educational purposes - 75 per cent The rates which are foregone via Mandatory Rebates are redistributed across the ratepayer base (ie. all other ratepayers are subsidising the rates contribution for those properties who receive the rebate).				
(e) Presented as required by the <i>Local Government (Financial Management) Regulations 2011</i> reg 6(1)(ea) Please Note: The percentage figure in (e) relates to the change in the total amount of General Rates revenue to be collected from <u>all</u> rateable properties, not from <u>individual</u> rateable properties (ie. individual rates will not necessarily change by this figure).				
(f) Councils are required under the <i>Landscape South Australia Act 2019</i> to collect the levy on all rateable properties on behalf of the State Government. The levy helps to fund the operations of regional landscape boards who have responsibility for the management of the State's natural resources.				
(h) Community Wastewater Management Systems				
(i) A council may grant a rebate of rates or service charges in a number of circumstances. The rates which are foregone via Discretionary Rebates are redistributed across the ratepayer base (ie. all other ratepayers are subsidising the rates contribution for those properties who receive the rebate).				
(j) Expected Total Rates Revenue excludes other charges such as penalties for late payment and legal and other costs recovered.				
(k) 'Growth' as defined in the <i>Local Government (Financial Management) Regulations 2011</i> reg 6(2)				

Statement on Expected Rate Revenue

Expected Rates Revenue									
	Total expected revenue			No. of rateable properties		Average per rateable property			Cents in the \$
	2022/23	2023/24	Change	2022/23	2023/24	2022/23	2023/24	Change	2023/24
Differential Rate Categories (General Rates - GROSS)									
Category 1	\$3,158,451	\$3,407,293	8%	2204	2218	\$1,433	\$1,536	(p)	\$103
Category 2	\$210,434	\$229,172	9%	220	221	\$957	\$1,037	(p)	\$80
Category 3	\$4,034,082	\$4,496,655	11%	1431	1436	\$2,819	\$3,131	(p)	\$312
GRAND TOTAL (GROSS)	\$7,402,967	\$8,133,120	9.9%	3,855	3,875	\$1,920	\$2,099	(p)	\$179

The District Council of Lower Eyre Peninsula applies a differential rate based on locality of the land and has determined that:

Category 1 - The rate for land inside the gazetted townships of Boston, Coffin Bay, Cummins, Louth Bay, North Shields, Poonindie, Tiatukia and Tulka be 20% more than the differential rate for category 2 land; and

Category 2 - The rate for land inside the gazetted townships of Edillilie, Yeelanna, Coult, Mount Hope, Wanilla, Wangary, Mount Dutton Bay, Little Douglas and Farm Beach be the base differential rate; and

Category 3 - The rate for land outside the gazetted townships be 92% of the Category 2 differential rate.

Fixed Charge							
	Total expected revenue			Charge			
	2022/23	2023/24	Change	2022/23	2023/24	Change	
Fixed Charge	\$2,274,450	\$2,654,375	16.7%	\$590	\$685	(q)	\$95

The Council has decided to impose a fixed charge on all rateable properties on the basis that all rateable properties:-

- 1 - Make a base level contribution to the cost of administering the Council's activities; and
- 2 - Contribute to the cost of creating and maintaining the physical infrastructure that supports each property.

Council under Section 151(10) of the Local Government Act are able to impose a fixed charge up to 50% of Council's General Rate Revenue with Council proposing to raise 31% of its General Rates from a Fixed Charge in 2023/24.

This revenue amount is **included** in the General Rates GROSS figure at (c).

Adopted valuation method	
Capital Value	
Council has the option of adopting one of three valuation methodologies to assess the properties in its area for rating purposes:	
Capital Value – the value of the land and all improvements on the land;	
Site Value – the value of the land and any improvements which predominantly affect the amenity of use of the land, such as drainage works, but excluding the value of buildings and other improvements (Note: Site Value will cease to be an option from 1 Sept 2023); or	
Annual Value – a valuation of the rental potential of the property.	
The Council has decided to use capital value as the basis for rating land within the Council area. The Council considers that this method of valuing land provides the fairest method of distributing the rate burden across all ratepayers	

Notes
(p) Average per rateable property calculated as General Rates for category, including any fixed charge or minimum rate (if applicable) but excluding any separate rates, <i>divided</i> by number of rateable properties within that category in the relevant financial year.
(q) A fixed charge can be levied against the whole of an allotment (including land under a separate lease or licence) and only one fixed charge can be levied against two or more pieces of adjoining land (whether intercepted by a road or not) if they are owned by the same owner and occupied by the same occupier. Also if two or more pieces of rateable land within the area of the council constitute a single farm enterprise, only one fixed charge may be imposed against the whole of the land.
(r) Where two or more adjoining properties have the same owner and are occupied by the same occupier, only one minimum rate is payable by the ratepayer.

COMMUNITY CONSULTATION

The draft Annual Business Plan was available for community feedback between Thursday 1 June 2023 and Friday 30 June 2023.

A range of consultation methods were utilised for the draft 2023/24 Annual Business Plan and Budget, including advertisements and media releases in the public newspaper, local radio advertising, Council's Fortnightly Focus, Facebook page and corporate website.

Copies of this document are available from the Council offices at 32 Railway Terrace, Cummins and 38 Washington Street, Port Lincoln at no cost; and online at Council's website lowereyrepeninsula.sa.gov.au/

Surveys were also available via Council's website, Facebook page and offices on the Annual Business Plan. All written submissions from the community closed on Friday 30 June 2023.

A Special Council Meeting of Council was held on 3 July 2023 for any member of the community wishing to address Council.

PUBLIC MEETING

A formal public meeting to present the draft 2023/24 Annual Business Plan and Budget and hear community representations was held on 8 June 2023 at Council's principal office 32 Railway Terrace, Cummins at 7:30pm and was live-streamed electronically for those unavailable to attend in person



AMENDMENTS FOLLOWING COMMUNITY CONSULTATION

At the conclusion of the community consultation process Council met on 3 July 2023 to review any submissions and hear from members of the community that wished to address Council on the 2023/24 Annual Business Plan.

At this meeting, Council made the following amendments to the 2023/24 Annual Business Plan following the latest review of 2022/23 Account allocations and receipt of Financial Assistance Grant information:

2023/24 Council Amendments - 3 July 2023

Amendment	\$ Was	\$ Now	\$ Change	Surplus / (Deficit)	Operating Movement	Cashflow Movement
Remove: Council Building Logo Update - Completed 2022/23	10,000	0	10,000	10,000	10,000	10,000
Increase: Emergency Management Plans and Coastal Adaptation Strategies	25,000	80,000	(55,000)	(55,000)	(45,000)	(45,000)
Add: Coastal and Estuarine Risk Mitigation Program Funding	0	60,000	60,000	60,000	15,000	15,000
Remove: Subscription Fee - Local Government Taxation Advice	1,000	0	1,000	1,000	16,000	16,000
Add: Adhoc Taxation Advice	0	500	(500)	(500)	15,500	15,500
Add: Utility 71 Replacement	0	20,000	(20,000)	(20,000)	15,500	(4,500)
Remove: Rollout Minor Township Recycling Bins	16,000	0	16,000	16,000	31,500	11,500
Reduce: Fortnightly Kerbside Recycling Service	310,000	300,000	10,000	10,000	41,500	21,500
Reduce: Kerbside Recycling Service Charge	310,000	300,000	(10,000)	(10,000)	31,500	11,500
Reduce: Financial Assistance Grants - Local Roads (received in advance in 2022/23)	525,900	0	(525,900)	(525,900)	(494,400)	(514,400)
Reduce: Financial Assistance Grants - General Purpose (received in advance in 2022/23)	670,800	0	(670,800)	(670,800)	(1,165,200)	(1,185,200)
Add: Local Roads & Community Infrastructure Program - Part B Funding	0	293,200	293,200	293,200	(872,000)	(892,000)
Add: North Shields Jetty Light Replacement	0	7,500	7,500	7,500	(864,500)	(884,500)
Reduce: CWMS Service Charge Revenue	986,800	944,100	(42,700)	(42,700)	(907,200)	(927,200)
Increase: Interest Earnings on Cash Held	132,100	180,000	47,900	47,900	(859,300)	(879,300)

Details regarding the more significant amendments to the draft 2023/24 Annual Business Plan are provided below:

(1) Emergency Management Plans

A \$25,000 allocation was included in the 2023-24 budget to develop Emergency Management Plans for two of Council's coastal townships.

Following the release of the 2023-24 Annual Business Plan for public consultation, Council Administration were advised of its successful Coastal and Estuarine Risk Management Program grant application that provides \$60,000 towards the development of coastal adaptation strategies and emergency management plans across three of Council's coastal townships.

This grant has increased the project cost from \$25,000 to \$80,000 with an offsetting \$60,000 grant, effectively improving Council's proposed cash on hand and operating result by \$5,000 whilst achieving a greater scope of works.

(2) Minor Township Kerbside Recycling

At the June 2023 Council meeting it was resolved to not proceed with the implementation of a fortnightly kerbside recycling service in minor townships (excluding Edillilie).

This resolution results in the removal of the \$16,000 allocation for the rollout of the service, a \$10,000 reduction to the annual collection and disposals costs and a \$10,000 reduction to the annual service charge collected to fund the proposed service.

In total this resolution provided a \$16,000 improvement to both Council's proposed cash on hand and operating result.

(3) Financial Assistance Grants

Council budgeted to receive a total of \$1,196,700 in Untied Financial Assistance Grants (FA Grants) in 2023-24 however received 100% of this grant allocation in advance in the 2022-23 financial year.

Whilst this payment received in advance increases Council's forecast operating deficit for 2023-24, Council accounts for this through publishing an adjusted operating surplus ratio that recognises the intended year of the grant and not the actual year the grant was received.

Essentially, this deficit is 'on paper' due to receiving funds in the 2022-23 year and expending the funds in the 2023-24 year and effectively results in an operating surplus in 2022-23, with a corresponding operating deficit in 2023-24. Due to the timing of funds received and the impact it has on Council's operating results, Council should analyse its operating result over the medium term (3-5 years) and ensure that over this period Council is achieving an operating profit as a measure of longer-term financial sustainability.

In summary, the receipt of the FA Grants in advance provides Council positive cashflow and the ability to increase its annual interest earnings, reduce the projected operating deficit and is considered a positive outcome for Council.

(4) Local Roads & Community Infrastructure Program – Part B

Council have previously been advised of an additional \$750m funding commitment to the Local Roads and Community Infrastructure Program (LRCIP) with Council allocated \$508,300 under Phase 4 of the Program which Council allocated to the continued Rehabilitation of Bratten Way.

Council has since been advised that it has been allocated an additional \$293,200 under Part B of Phase 4 LRCIP and has resulted in a \$293,200 improvement to Council's budgeted operating result and cash position pending a further report to Council.

Elected Members

The Lower Eyre Council comprises seven (7) Elected Members who are responsible for a variety of functions in accordance with the Local Government Act 1999 and other legislation. The Mayor is elected from within the Council membership.



Left to Right: Deputy Mayor S.Woolley, Mayor J.Quigley, Cr P.Mitchell, Cr M.Fahy, Cr B.Howell, Cr I.Taylor, Cr N.Trezise

OUR VISION 2030

We are a district of vibrant, inclusive and welcoming coastal and rural communities enjoying pristine natural environments and access to quality services and facilities.

Our Community



Working Class

58%

Aged between 20 to 64

1,416 under 20
1,483 20 to 44
1,720 45 to 64
886 older than 64

43

MEDIAN AGE



1,345kms Total Roads



FACEBOOK
FOLLOWERS

2,300

\$160m

Council is responsible for the annual maintenance and periodic replacement of \$160m of community assets



RECLAIMED
WATER

94 ML

Council supplied 94ML of reclaimed water to local sporting grounds

The Lower Eyre Council is largely a rural community, interspaced with small country and coastal towns. The extensive east and west coasts of Council's boundaries provide magnificent fishing and surfing beaches, complimented by breathtaking views of rugged cliffs, idyllic picnic-spots and the beauty of the colour-changing Marble Ranges.

FOOTHPATHS

11 km

2 WALKING
TRAILS



BOATRAMPs

4

Council maintains 4 boat ramps in Coffin Bay, Dutton Bay, Farm Beach and North Shields.



COUNCIL AREA

4,754 km²

170,000

Annual passenger movements through the Port Lincoln Airport



22 TOWNSHIPS

Coffin Bay	Cummins	North Shields	Louth Bay	Tulka	Boston
Poonindie	Mount Dutton Bay	Edillilie	Yeelanna	Coulta	Mount Hope
Wanilla	Stamford	Point Boston	Farm Beach	Karkoo	Little Douglas
	Wangary	Kellidie Bay	Tiatukia	Kapinnie	

STRATEGIC MANAGEMENT PLAN

The Strategic Plan is the overarching Strategic Document for a Council and sets the vision and direction for the term of the Council.

A review of the Strategic Plan commenced in late 2019 with a community survey and numerous workshops occurring throughout the district. Using the community input received through those avenues, the Council developed a new plan that was adopted by the Council on 17 July 2020. The Strategic Plan will be reviewed by Council in late 2023.

Key aspects of the Strategic Plan 2020-2030 include:

Vision 2030

We are a district of vibrant, inclusive and welcoming coastal and rural communities enjoying pristine natural environments and access to quality services and facilities.

As Council our values are:

Unity

Working together, supporting and encouraging each other to achieve quality outcomes for our district.

Responsibility

Taking ownership and being accountable for our decisions. Being transparent in our processes and decision making.

Integrity

Developing the trust and confidence of community and stakeholders through fairness, capability and delivery.

Inclusivity

Being open and approachable. Genuinely listening and considering. Being respectful of diversity.

Progressiveness

Being proactive. Continuously innovating and pursuing improvements in all respects. Embracing change.

Responsiveness

Adapting to new, emerging or changing needs and perspectives.

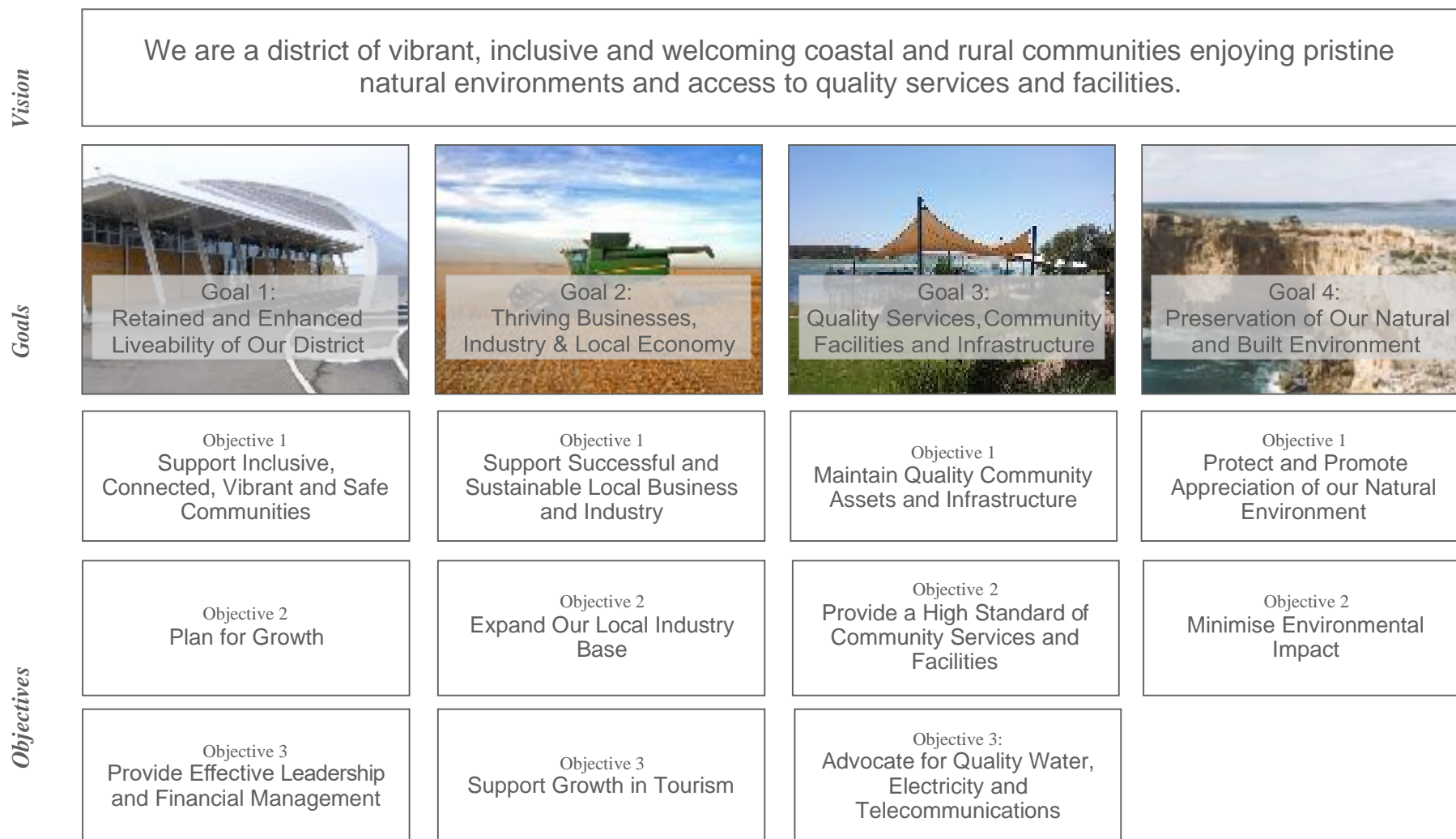
Collaboration

Pursuing effective relationships with stakeholders and partnering with them to deliver community outcomes.

A full copy of the Strategic Plan is available on Council's website:

www.lowereyrepeninsula.sa.gov.au

Structure of the Strategic Plan



SIGNIFICANT INFLUENCES AND PRIORITIES

A number of significant factors have influenced the preparation of the Council's 2022/23 Annual Business Plan, including: -

- Consumer Price Index increase of 8.60% based on the Adelaide CPI for the year ended December 2022.
- Local Government Price Index (LGPI) for year ended December 2022 increased by 6.90%.
- Strategic Plan developed in 2019/20 that sets out the service standards and long-term objectives that Council aims to deliver.
- Significant increase in contractor costs and reduced contractor availability
- 2021-2030 Long Term Financial Plan that sets out the capital works Council aims to undertake over the next ten years.
- 2023-2032 Asset Management Plan that identifies current assets that are nearing the end of their useful and serviceable life and require capital expenditure to return the asset to 'as new' condition
- Enterprise bargaining agreements to provide for annual wages and salary rises.
- Contract renewal tied to CPI movements.
- Requirement to maintain and improve infrastructure assets to acceptable standards including roads, footpaths, street lighting, stormwater drainage, boat ramps, walking trails, reserves, garbage collection and Council property.
- Service and infrastructure needs of developing areas.
- The cost of delivering core Council services such as waste management.
- Provision of significant levels of grant funding from Commonwealth and State Governments
- Commonwealth Government's staged Superannuation Guarantee percentage increase
- Increased visitation and tourist movements experienced on the Eyre Peninsula





COUNCIL SERVICES

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

- Governance activities
 - maintaining the voters roll and supporting the elected Council;
 - setting rates, preparing an annual budget and determining longer-term strategic management plans for the area
 - Complying with government
- Regulatory Requirements such as animal management and fire prevention
- Management of basic infrastructure including roads, footpaths, parks, public open space, street lighting, storm-water drainage, walking trails and boat ramps, camp grounds
- Street cleaning and rubbish collection and disposal
- Development planning and control, including building safety assessment
- Various environmental health services
- Community Waste-Water Management Schemes

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

- Youth Advisory Committee
- Creating connections programs and health service advocacy
- Community Development assistance and grants
- Cemetery management
- Provision of public conveniences
- Foreshore maintenance
- Library contributions and support
- Swimming Pool contribution
- Sport & Recreation support
- Drum Muster program
- Authorised Landing Areas
- Tourism contributions
- Camping Reserves
- Assistance with School immunisation program
- Port Lincoln Airport
- Independent Living Homes

COUNCIL SERVICES – OPERATING EXPENDITURE

The following is a summary of Council's budgeted operating expenditure for the 2023/24 year by function.

	\$'000	\$'000
Administration	2,879	2,879
Public Order and Safety	207	-
Dog Control	-	85
Fire Protection	-	80
Other	-	42
Health	61	-
Health Inspections	-	34
Health Other	-	27
Social Security and Welfare Services	36	-
Aged & Disabled Services	-	27
Families and Children	-	9
Housing & Community Amenities	4,596	-
Housing	-	155
Town Planning	-	322
Other Community Development	-	544
Sanitation & Garbage	-	1,658
Sewerage	-	1,041
Urban Stormwater Drainage	-	326
Other Community Amenities	-	550
Protection of the Environment	562	562
Recreation & Culture	828	-
Libraries	-	74
Other Cultural Services	-	16
Sport & Recreation	-	738
Fuel & Energy	-	-
Agricultural Services	17	17
Mining Manufacturing Construction	59	-
Building Act	-	59
Transport & Communication	-	-
Road Construction and Maintenance	4,082	-
Sealed Roads	-	1,569
Formed and Surfaced Roads	-	2,513
Bridges	21	21

	\$'000	\$'000
Footpaths	189	189
Aerodromes	3,654	3,654
Parking	-	-
Bus	-	-
Other Transport	432	432
Economic Affairs NEC	324	324
Other Purposes NEC	82	-
Public Debt Transactions	-	82
Other Purposes NEC	-	-
Total	18,029	18,029



BUSINESS ACTIVITIES

Port Lincoln Airport

Council own and operate the Port Lincoln Airport as a self-funding activity with user charges generally meeting the costs associated with running the facility and providing reserve funds for future requirements.

During the 2022/23 financial year the Port Lincoln Airport has experienced a resurgence to pre-COVID-19 passengers numbers and have anticipated 170,000 annual passenger movements in the 2023/24 financial year. This represents an increase of \$280,000 of income for the Airport on 2022/23.

The airport is projected to receive \$1.96m of revenue against \$1.66m of expenditure (exclusive of security screening operations) resulting in a net cash surplus of \$0.30m, however due to the high value and annual replacement cost of the airports assets the airport yields a net operating loss of \$445,800 in 2023/24. Given that the Port Lincoln Airport has recently received significant levels of grant funding for the replacement and upgrade of its assets a short-term operating loss is deemed manageable, however this will continue to be monitored to ensure sufficient funds are available for future operations and asset renewals.

\$138,000 of capital works have been included with a \$46,800 allocation for the replacement of current carpark lighting with a more modern and energy efficient LED lighting option in addition to the \$40,000 that has been allocated to reseal two of the landside sealed roads.

A return on Council's investment to rate payers is provided from the Port Lincoln Airport amounting to six percent of the Airports operating income for the year. In relation to the 2023/24 budget, the return on investment for the Council is \$117,500 and represents a 1.45% saving to ratepayers.

Changes to legislation have resulted in security screening being required from 1 July 2021 for some regular public transport (RPT) services. Council have engaged a contractor to undertake security screening operations on Council's behalf for all departing RPT flights with security screening equipment and baggage carousel systems having been installed in the terminal. External Funding received from the Federal Government to cover the operating costs of the security screening service has been exhausted and Council is required to cover these costs by recouping from carriers. This remains an ongoing concern for Council given the flow on impact for the community and implications on airfare prices and therefore advocacy to government is underway to revisit the legislation to ensure regions are not disproportionately disadvantaged.

As part of a continuous improvement philosophy Council is reviewing the governance and operational model of the Port Lincoln Airport to ensure it best serves the community and leverages the opportunities as a key gateway to the broader southern Eyre Peninsula and economic enabler as the Eyre Peninsula economy grows and transitions.

Coffin Bay Caravan Park Lease

The Caravan Park is Crown Land under the care and control of Council with Council currently leasing its operations to a third party. The caravan park is treated as a self-funding activity and is budgeted to have a \$6,300 cash surplus for the 2023/24 year and a closing cash position of \$56,900 as at 30 June 2024.

As the lessor of the Caravan Park the Council is responsible for specified capital improvements and financed the construction of two ablution blocks and a fire hydrant system in recent years, requiring Council to borrow funds and fund the loan repayments from revenue received from the Caravan Park lessee.

The plan includes \$102,000 to renew the fitout and add an ensuite to one of the accommodation units and repay \$12,500 in loan borrowings.

The annual lease fee was increased on 1 January 2018 based on a percentage of Caravan Park revenue, with CPI increases to occur on 1 January each year prior to the next full market review scheduled to occur in the 2023/24 financial year.

A return on Council's investment to rate payers is provided from this Reserve amounting to six percent of the Caravan Parks operating income for the year. In relation to the 2022/23 budget, the return on investment for the Council is \$8,600 and equates to a 0.11% saving to ratepayers.

Cummins Homes – Independent living for the Aged

Council owns and operates sixteen independent living rental accommodation units for aged and disabled people in Cummins. The Cummins Homes Committee is continually investigating options to make the units more appealing to tenants and their families.

During the 2023/24 year tenancy numbers have been budgeted to be at 85% of capacity which is reflective of the upgrades and modernisation of the units that continues to be undertaken.

The Cummins Homes Reserve has a budgeted total accumulated cash surplus of \$34,600 as at 30 June 2024 and includes no capital works in the 2023/24 year.

Community Wastewater Management Scheme (CWMS)

Council manages four Community Wastewater Schemes which service Cummins, North Shields, Coffin Bay and Tulka. The overall cash management of these schemes has been consolidated; however, financial records continue to be recorded individually to enable Council to monitor each scheme.

The effluent levy charged to landowners at each location is identical on the basis that land-owners in each location are provided with the same, or a very similar level of service for their money.

The Business Plan has been developed using an occupied levy of \$570, with an understanding that levies charged are aimed at ensuring the long-term sustainability of the schemes. It is relevant that the subsidy provided through the State Government for new CWMS schemes is apportioned on the assumption that Councils are charging in line with the SA Water sewerage rate, and that this is the amount which Council's would need to charge to ensure viability of a new scheme. It is noted that Council's current effluent levy is significantly below both the SA Water sewerage rate and the State-wide average charge for CWMS connections.

Council considers the current fee charged for CWMS connections to be adequate based on current costs, however the fee is subject to yearly review. Council will make every endeavour to keep the levy to the minimum amount required for future replacement, operation and maintenance of the four schemes.

The 2023/24 budget includes \$2.14m capital works to be undertaken on the four schemes with the replacement and upgrade of pump stations in Cummins, North Shields and Tulka at a cost of \$1.95m being a significant undertaking that aims meet current regulatory standards, reduce maintenance costs and enable offsite monitoring and fault detection.

The budgeted operational and capital activities will result in a net cashflow deficit of \$1.88m for the 2023/24 financial year and an overall cash deficit closing balance of \$1.30m for the CWMS Reserve. The CWMS's have a budgeted operating loss of \$134,000 in the 2023/24 financial year.

Whilst the CWMS reserve is projecting a deficit cash position as at 30 June 2024, annual service charges have been calculated based on whole of life costing and projected long term operational and capital expenditures. This enables annual fluctuations in the CWMS' reserve balance with the understanding that over the longer term the reserve will generate sufficient revenues to cover its expenditures (including any loan repayments).

OTHER SIGNIFICANT ISSUES

1.1 Road Funding

The Plan includes \$7.59m of capital works on Council's sealed and unsealed roads and includes the following sealed road capital works:

- Rehabilitation and upgrade of Flinders Highway	\$	649,600
- Rehabilitation of Bratten Way	\$	4,978,600
- Dodd Rd / Western Approach Rd Intersection Upgrade	\$	171,000
- Survey & Design for Future Road Construction & Sealing	\$	214,700
- Bruce Terrace, Cummins Widening & Kerbing	\$	358,100
- Cummins Township Road Construction & Sealing	\$	287,200

In addition, Council will spend \$1.08m on re-sheeting rural roads, \$422,100 on sealed road reseals and a further \$1.58m on general road maintenance.

1.2 Waste Management

Waste Management is budgeted to cost Council \$1.67m in 2023/24 with general waste and recyclable kerbside collection and disposal costs amounting to \$1.46m.

The operation of the Waste Transfer Stations of \$0.22m is off-set by income of \$0.06m. This means that the net cost to Council for Transfer Station operations is \$0.16m in 2023/24. The total net cost to Council of waste management general operations equates to approximately 20% of general rate revenue.

In 2023/24 Council will continue to waive disposal fees at the Waste Transfer Stations for recyclable glass, plastics and metal being products that can be on-sold by Council to cover the majority of receival costs.

1.3 Bratten Way

A consideration for Council in the formulation of this plan was the significant pavement failures that have been experienced along sections of Bratten Way and the significant funding that is going to be required to rehabilitate and upgrade the Bratten Way to a standard that will be able to cope with the roads current traffic volumes and load factors. The 2023/2 budget includes \$4.98m for year 4 of a 5 year Bratten Way rehabilitation project, funded on a 2:1 basis from the Commonwealth Special Local Roads Program (SLRP).

Council is aware of the significant role played by the Bratten Way in supporting the regional economy. It is estimated that 150,000 tonnes of grain is transported along the road every season to the Viterra strategic site at Cummins, with this grain coming from the north and west portions of the Council district, and from beyond the Council boundaries.

The changes in grain management practices to feed grain to the Viterra strategic site at Cummins instead of direct delivery into Port Lincoln, and the closure of the railway line between Kapinnie and Yeelanna have each contributed to Bratten Way being unable to cater for the grain transport task on the road.

Council will continue to pursue alternative means of funding any required works on the Bratten Way.

SERVICE DELIVERY INITIATIVES

1.1 Kerbside Recycling Service

In the 2022/23 financial year Council provided a kerbside recycling service in each of its major townships on a fortnightly basis. Since the implementation of the service in November 2021 over 320 tonnes of household recyclables have been diverted from landfill.

Given the success of the service Council proposes to expand kerbside recycling into Council's minor townships in 2023/24 with a service charge of \$157.20 per bin per annum to cover the cost of the service in both major and minor townships.

Consultation regarding the implementation of the kerbside recycling to the minor townships has been occurring since April 2023 and feedback will be presented to Council, prior to a decision being made to implement this additional service.

1.2 Coffin Bay Boat Ramp Permit System

The Coffin Bay Boat Ramp is a significant asset of Council's with the facility continually used by a large number of local and visiting recreational boat owners and commercial operators as part of an internationally renown aquaculture industry.

The Coffin Bay Boat Ramp costs approximately \$93,000 to maintain annually and to date has been fully covered through general rate revenue and Council are therefore proposing to implement a user pays permit fee system for the Coffin Bay Boat Ramp as follows:

Use Type	Non-Concession	Concession
<i>Recreational Use</i>		
Yearly	\$ 100.00	\$ 80.00
Monthly	\$ 55.00	\$ 44.00
Weekly	\$ 28.00	\$ 22.00
Daily	\$ 7.00	\$ 5.60
<i>Commercial</i>		
Yearly – 1 Boat	\$ 500.00	n/a
Yearly – Per Additional Boat	\$ 160.00	n/a

** N.B. The concession rate is calculated at 80% of the non-concession rate.

Consultation regarding the implementation of the permit systems and proposed fees is occurring with the community via an online survey separately to the Draft Annual Business Plan.

FUNDING THE BUSINESS PLAN

The 2023/24 Annual Business Plan provides for an adjusted operating loss of \$277,200 which equates to a (1.69%) Operating Deficit ratio and largely aligns with the depreciation increase seen in Council's sealed and unsealed road asset classes as at the 1 July 2021 revaluations.

These revaluations added an additional \$111,800 and \$243,600 for sealed and unsealed road depreciation respectively which is the majority of the shortfall in the annual operating result and will be considered by Council further during the review of its Long Term Financial Plan.

Given Council's recent history of operating surplus' and projected operating position within its Long-Term Financial Plan, a once off or short term operating deficit can be accepted, providing on average over any given 3-5 year period Council achieves an operating surplus result.

Total debt is projected to increase by \$161,000 with \$700,000 of new borrowings offsetting \$539,000 repayment of fixed term debenture principal. Despite the increase in total debt, Council debt (excluding business and self funded activities) decreases from \$2.50m to \$1.98m which aligns with Council's Long Term Financial Plan to have no new Council related borrowings till 30 June 2030.

A total general rate increase of 9.64% to existing properties has been included to raise \$8.13m in general rates and has been significantly impacted by high inflation with the Consumer Price Index for Adelaide's December 2022 quarter being 8.60%.

A service charge is again being proposed for the continuation of the major township fortnightly kerbside recycling collection service and is being proposed to be expanded in the 2023/24 financial year to Council's minor townships. The annual charge for the fortnightly services is estimated at \$157.20 per bin.

RATING

Valuation Method

Per section 151(2) of The Act the basis for rating land within the Council area is its capital value. This method of valuing land provides the fairest method of distributing the rate burden across all ratepayers on the following basis:-

- 1 The equity principle of taxation requires that ratepayers of similar wealth pay similar taxes and ratepayers of greater wealth pay more tax than ratepayers of lesser wealth;
- 2 Property capital value is considered to be a relatively good indicator of wealth.
- 3 The distribution of property values throughout the Council area is such that few residential ratepayers will pay significantly more than the average rate per property.

Differential Rates

The Lower Eyre Council applies a differential rate based on locality of the land and has determined that:

- 1 Category 1 - The rate for land inside the gazetted townships of Boston, Coffin Bay, Cummins, Louth Bay, North Shields, Poonindie, Tiatukia and Tulka be 20% more than the differential rate for land inside Category 2 gazetted townships; and
- 2 Category 2 - The rate for land inside the gazetted townships of Edillilie, Yeelanna, Coult, Mount Hope, Wanilla, Wangary, Mount Dutton Bay, Little Douglas and Farm Beach be the base differential rate; and
- 3 Category 3 – The rate for land outside gazetted townships be 92% of the Category 2 differential rate.

This is on the basis that the land outside gazetted townships and land inside gazetted townships of Edillilie, Yeelanna, Coult, Mount Hope, Wanilla, Wangary, Mount Dutton Bay, Little Douglas and Farm Beach:

- 1 Tends to be remote from many of the services provided by Council (i.e. less access to garbage collection, Council maintained reserves, etc.);
- 2 Does not have significant footpaths or street lighting;
- 3 Is predominantly serviced by unsealed roads.

Fixed Charge

A Council may impose a fixed charge on every property in its area, provided that it has not imposed a minimum rate. Where two or more adjoining properties have the same owner and occupier, or where there is a single farm enterprise comprising more than one property, only one fixed charge is payable by the ratepayer.

Ratepayers need to apply for an exemption from the fixed charge where multiple properties form a Single Farm Enterprise.

The Council has decided to impose a fixed charge on all rateable properties on the basis that all rateable properties:-

- 1 Make a base level contribution to the cost of administering the Council's activities; and
- 2 Contribute to the cost of creating and maintaining the physical infrastructure that supports each property.

The fixed charge for the 2023/24 is \$685 per rateable property.

Regional Landscapes Levy

The whole Council area is in the Eyre Peninsula Landscapes Region and Council is required to raise funds by way of a fixed charge Regional Landscapes Levy to assist in funding the operations of the Eyre Peninsula Landscape Board pursuant to the Landscape South Australia Act 2019.

In the 2023/24 the Board has advised Council that the amount of \$406,800 is required to be collected from ratepayers which Council will do so by imposing a separate rate based on the use of the land as follows:

- Residential	\$86.98
- Commercial	\$130.47
- Industrial	\$130.47
- Primary Producers	\$173.96
- Other & Vacant Land	\$86.98

The Landscapes Levy is effectively a State tax that Councils are required to collect, and return to a State Government agency, the Regional Landscapes Board. Council does not retain this revenue or determine how the revenue is spent.

Applications for an exemption from the Regional Landscapes Levy need to be made at the Council office.

Kerbside Recycling

In the 2022/23 financial year Council provided a kerbside recycling service in each of its major townships on a fortnightly basis. Since the implementation of the service in November 2021 over 320 tonnes of household recyclables have been diverted from landfill.

Given the success of the service Council proposes to expand kerbside recycling into Council's minor townships in 2023/24 with a service charge of \$155.60 per bin per annum to cover the cost of the service in both major and minor townships.

Community Wastewater Management Scheme

The Council provides Community Wastewater Management Systems (CWMS) to the townships of Coffin Bay, Cummins, North Shields and Tulka. To fund the provision of this service Council has decided to impose a service charge to recover the cost to the council of establishing, operating, maintaining, improving and replacing infrastructure after considering:

- 1 The nature of the service;
- 2 The user pays system;
- 3 The cost of establishing, operating, maintaining and replacing the service;
- 4 Consistency in the level of service provided to property owners in the four effluent schemes across the Council district; and
- 5 The likelihood of an enhancement to the value of the property due to the availability of the service, whether or not the service is actually being used.

Where a service that is subject to a service charge is available to non-rateable land, a service charge is levied against that land.

The service charge in the 2023/24 financial year for each property to which the service is provided is:

Occupied Allotment Charge	\$570
Vacant Allotment Charge	\$386
Extra Pump Out Charge (Small Tanks)	\$ 78
Occupied Pump Reduction Charge	\$543
Full Occupied Pump Reduction Charge	\$386

Rebate of Rates

The Local Government Act 1999, requires Councils to rebate the rates payable on some land and allows Council to determine the level of rebates on certain other land.

Council may determine to provide a discretionary rebate of rates for a variety of reasons, including providing relief due to anomalies in valuations or rapid changes in valuations.

The effect of providing a rebate of rates eases the rate burden on the rebated properties and increases the rate burden on the non-rebated properties.

Under section 166 of the Act, the Council may apply discretionary rebates. A full list of the discretionary rebates are provided within Council's Rates Policy FIN-POL-12 which is available on Council's website.

Community Equity

Council has considered the impact of rates on the community, including:

- 1 Householders, businesses and primary producers;
- 2 The broad principle that the rate in the dollar should be the same for all properties except where there is clearly a different level of services available to ratepayers or some other circumstance which warrants variation from the broad principle; and
- 3 Minimising the level of general rates required by levying fees and charges for goods and services on a user pays basis, where it is possible to recover some or all of the cost of operating or providing the service or goods, with provision for concessions to those members of the community unable to meet the full cost.

Fees and charges levied by Council are set giving consideration to the cost of the service provided and any equity issues. The list of applicable fees and charges is available on the Council website or can be provided by staff at the two offices of Council.

SOURCES OF COUNCIL REVENUE

The Council's operating revenue of \$16.44m in 2023/24 includes \$8.13 million proposed to be raised from general rates.

Other sources of revenue for the Council are:

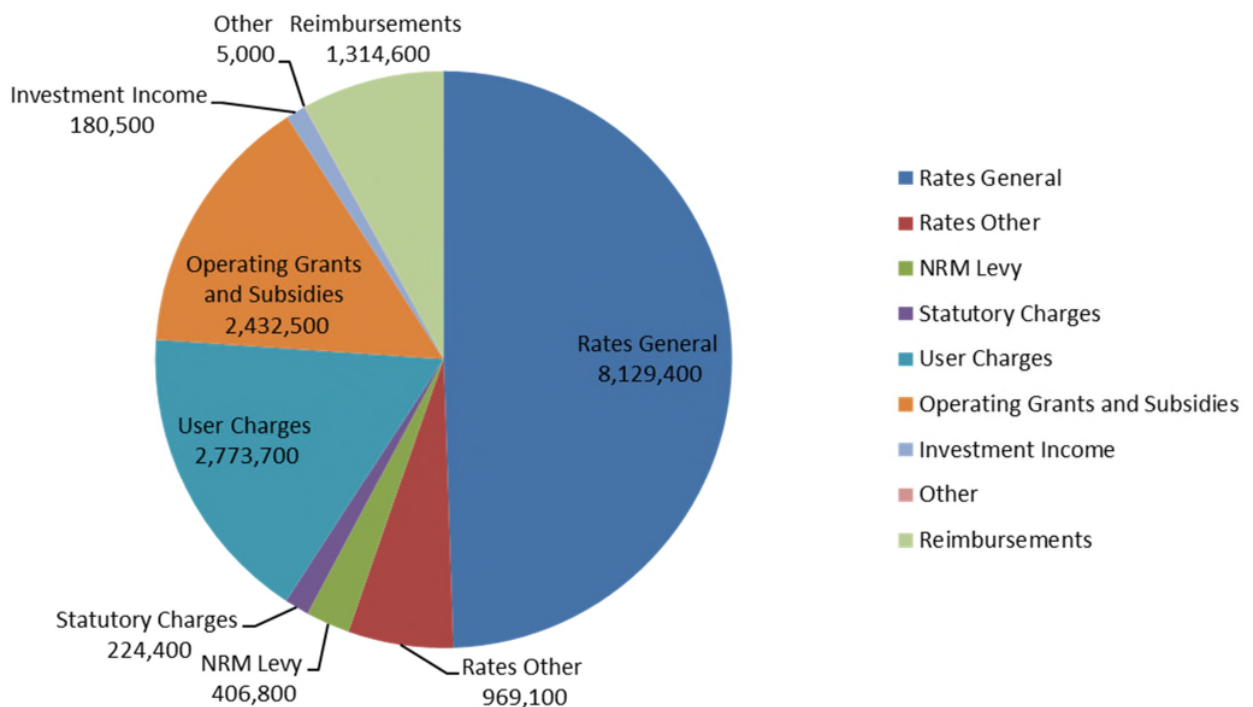
Service Charges. The Community Waste Water Management Schemes (formerly known as STEDS) are used to collect funds for the operation and improvement of schemes to dispose of septic waste.

Separate Rates. Council collects the Regional Landscapes Levy on behalf of the Eyre Peninsula Regional Landscapes Board.

User Pays charges set by Council. These comprise charges for the Council's fee for service facilities such as the Port Lincoln Airport, Cummins Homes, Caravan Parks and Camping Grounds, Cemeteries and Rental Properties.

Statutory Charges set by State Government. These are fees and charges set by regulation and collected by the Council for regulatory functions such as assessment of development applications. Revenues generally off-set the cost of the service.

Grants and Partnerships. The Council endeavours to attract as much grant funding as possible from other levels of government, and major projects of wider State benefit may be jointly funded in partnership with the State and Commonwealth governments and other relevant parties.



IMPACT ON COUNCIL'S FINANCIAL POSITION

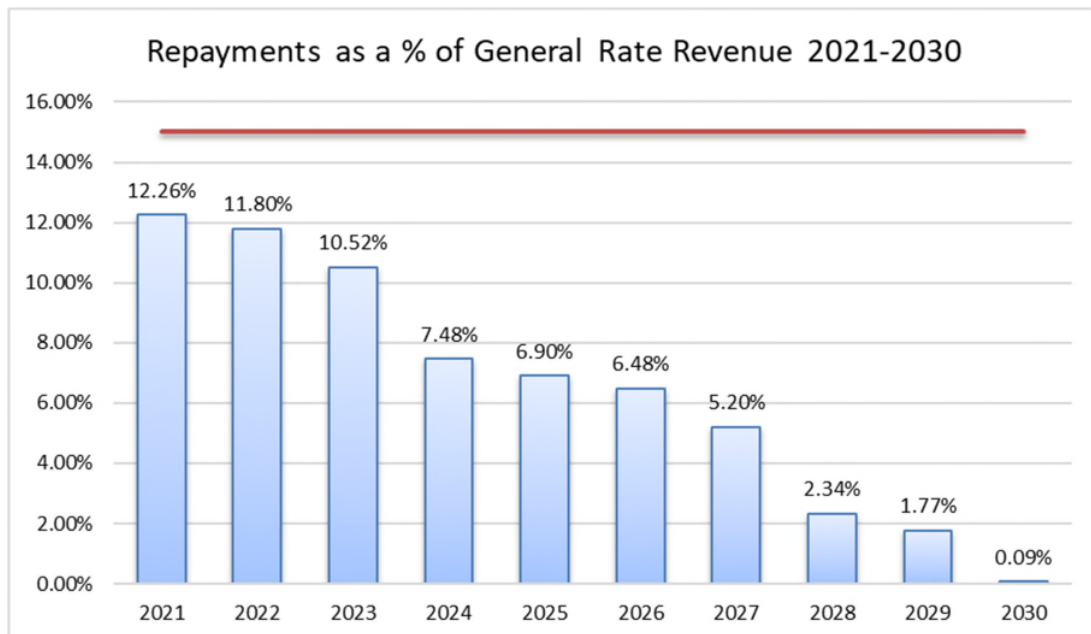
Council Debt

In 2023/24 Council plans to borrow \$700,000 associated with Port Lincoln Airport operations with total debt projecting to increase by \$161,000 to \$2.72m as at 30 June 2024.

Of the \$2.72 million total borrowings, \$0.74 million relates to other self-servicing activities (e.g. loans to community groups) or business activities (e.g. Coffin Bay Caravan Park, Community Waste Management Schemes). After deducting loans related to the airport and other self-servicing activities, Council's projected debt as at 30 June 2024 is \$1.98 million.

The total amount of fixed loan repayments as a percentage of general rate revenue is budgeted to be 7.48% percent for the 2023/24 financial year.

The following graph shows the predicted Council loan repayments for the period 2021 – 2030 based on Council's 2022/23 and 2023/24 budgets and the 2021-2030 Long Term Financial Plan which shows loan repayments decreasing over the coming financial years given no new Council borrowings are projected to the end of the 2029/30 financial year.



Council's Treasury Management Policy FIN-POL-03 states that:

"Council will endeavour to structure its borrowing program in order to maintain the annual debt servicing commitment at less than 15% of general rate revenue."

"This policy is to apply only to those loans to be serviced by general rate income and does not include self servicing or self funding activities such as CWMS Schemes, Caravan Parks or Airports where income from the activity is expected to be available to meet the repayments."

Loan borrowings as a percentage of general rate revenue are shown to decreasing over the ten year plan with the percentage of repayments not exceeding Council's loan borrowing policy in any one year and aligns with Council's recent change in treasury management practices to reduce borrowing requirements when it has sufficient cash on hand.

Net Financial Liabilities

Net financial liabilities are a key indicator of the Council's financial position. It measures total liabilities less financial assets (i.e. what the Council owes to others, less money the Council has or is owed). The level of Council's net liabilities is expected to be \$4.74m at 30 June 2024 being 30% of budgeted operating revenue for 2023/24 and is with Local Government target range of 0% - 100%.

Depreciation

Local Government in South Australia has placed a significant emphasis on financial sustainability and much of this revolves around the depreciation of assets and their subsequent replacement. Councils should be spending the calculated depreciation attributable to assets on the replacement of such assets or alternatively, placing an equivalent amount in a reserve for future replacement of the assets.

The Lower Eyre Council are required to re-value all significant assets every five years with the latest condition assessments and revaluations conducted as at 1 July 2021.

- Land was re-valued using the Valuer General's Capital valuations as supplied to Council on an annual basis. As no depreciation is charged on land this process merely provided the basis for recognising Council's land assets.
- Council owned buildings were re-valued by AssetVal.
- Infrastructure assets were re-valued using the experience of Council staff and expert consultants where appropriate on 1 July 2021. As part of the process employees undertook condition assessments of all sealed and unsealed roads, footpaths and stormwater drains. This data is being used to calculate the expected remaining useful lives of assets, and to set future works programs for the management and renewal of these asset classes. All assumptions and unit rates used have been quantified by an engineer in line with advice received from Councils Auditor.

Council has developed a draft 2023-2032 Asset Management Plan (AMP) utilising the asset valuation data from 1 July 2021 and is being released for public consultation in June 2023. The asset valuations and condition ratings included in the AMP have been used in the formulation of the 2023/24 Annual Business Plan.

Due to its routine and regular changeover machinery is not required to be re-valued inline with other Council assets.

Asset Renewal

Council aims to fund the replacement of its infrastructure and building assets in any given year to the extent of 90% of annual depreciation and to replace plant assets to the extent of 100% of annual depreciation.

In the 2023/24 financial year Council's targeted asset renewal spend based on its 2023-2032 Asset Management Plan is \$8.58m with the Annual Business Plan including \$8.06m of asset renewal works as follows:

• Bratten Way Rehabilitation	\$ 3,336,000
• Community Wastewater Management Scheme – Pump stations	\$ 1,950,000
• Unsealed road resheeting and drainage replacement	\$ 1,085,000
• Sealed road reseals	\$ 462,000
• Radio Network Replacement	\$ 236,000
• Plant & Machinery Replacement	\$ 388,000
• Flinders Highway Bridge Replacement	\$ 501,000
• Other	\$ 106,000
TOTAL	\$ 8,064,000

APPENDICES

Appendix 1 – Statement of Comprehensive Income for Year Ending 30 June 2024

	Actual 2021/22 \$'000	Budget 2022/23 \$'000	Budget 2023/24 \$'000
INCOME			
Rates	8,395	8,665	9,505
Statutory charges	226	201	224
User charges	2,215	2,398	2,774
Grants, subsidies and contributions	4,234	3,364	2,433
Investment Income	74	21	181
Reimbursements	77	100	1,315
Other income	16	6	5
Net gain - joint ventures & associates	0	0	0
Total Income	15,237	14,755	16,436
EXPENSES			
Employee Costs	3,854	4,027	4,858
Materials, contracts & other expenses	6,246	7,053	8,222
Finance Costs	167	140	176
Depreciation, amortisation & impairment	4,250	3,959	4,772
Net loss - joint ventures & associates			
Total Expenses	14,517	15,179	18,029
OPERATING SURPLUS/(DEFICIT)	720	(424)	(1,593)
Asset disposal & fair value adjustments	(1,734)	0	0
Amounts specifically for new or upgraded assets	449	3,992	3,584
Physical resources received free of charge	7	0	0
NET SURPLUS/(DEFICIT)	(558)	3,568	1,991

Appendix 2 – Balance Sheet as at 30 June 2024

	Actual 2021/22 \$'000	Budget 2022/23 \$'000	Budget 2023/24 \$'000
Assets			
Current Assets			
Cash and cash equivalents	6,479	1,430	399
Trade & other receivables	1,225	956	897
Other financial assets	0	0	0
Inventories	197	252	197
Total Current Assets	7,901	2,638	1,492
Non-Current Assets			
Financial Assets	14	0	11
Infrastructure Property, Plant and Equipment	91,296	112,412	121,093
Other Non-current Assets	836	0	837
Total Non-Current Assets	92,146	112,412	121,940
Total Assets	100,047	115,050	123,432
Liabilities			
Current Liabilities			
Trade & Other Payables	3,055	1,369	2,034
Borrowings	683	1,314	550
Provisions	1,033	944	1,159
Total Current Liabilities	4,771	3,627	3,743
Non-Current Liabilities			
Long -term Borrowings	2,560	4,330	2,170
Long-term Provisions	115	95	129
Total Non-Current Liabilities	2,675	4,425	2,299
Total Liabilities	7,446	8,052	6,042
Net Assets	92,601	106,998	117,390
Equity			
Accumulated Surplus	37,884	49,815	42,868
Asset Revaluation Reserve	54,739	61,054	75,542
Business Activities at End of Year	(22)	(3,871)	(1,020)
Total Equity	92,601	106,998	117,390

Appendix 3 – Statement of Cash Flows for the Year Ending 30 June 2024

	Actual 2021/22 \$'000	Budget 2022/23 \$'000	Budget 2023/24 \$'000
Cash Flows from Operating Activities			
Receipts			
Rates	8,568	8,666	9,505
Statutory charges	226	201	224
User charges	2,030	2,397	2,774
Grants, subsidies and contributions	4,378	3,364	2,433
Investment Income	71	21	181
Reimbursements	59	100	1,315
Other Income	188	6	5
Payments			
Employee costs	(3,759)	(3,994)	(4,756)
Materials, contracts & other services	(6,331)	(8,670)	(9,641)
Finance costs	(180)	(140)	(177)
Net Cash Provided by (or used in) Operating Activities	5,250	1,951	1,863
Cash Flows from Investing Activities			
Receipts			
Grants specifically for new or upgraded assets	2,161	3,992	3,584
Sale of replaced assets	494	20	188
Sale of surplus assets	73	0	0
Distributions received from associated entities	0	0	0
Repayments of loans by community groups	0	0	2
Payments			
Expenditure on renewal/replacement of assets	(3,278)	(6,799)	(8,104)
Expenditure on new/upgraded assets	(1,065)	(6,616)	(4,478)
Loans made to community groups	(346)	0	0
Net Cash Used in Investment Activities	(1,961)	(9,403)	(8,808)
Cash Flows from Financing Activities			
Receipts			
Proceeds from Borrowings	0	3,084	700
Payments			
Repayments of Borrowings	(2,993)	(684)	(539)
Net Cash from Financing Activities	(2,993)	2,400	161
Net Increase (Decrease) in Cash Held	296	(5,052)	(6,784)
Cash on Hand at Beginning of Year	6,183	6,482	7,183
Projected Cash on Hand at End of Year	6,479	1,430	399

Appendix 4 – Uniform Presentation of Finances for the Year Ending 30 June 2024

	Actual 2021/22 \$'000	Budget 2022/23 \$'000	Budget 2023/24 \$'000
Operating Revenues	15,237	14,755	16,436
<i>less</i> Operating Expenses	(14,517)	(15,179)	(18,029)
Adjusted Operating Surplus / (Deficit) before Capital Amounts	720	(424)	(1,593)
<i>less</i> Net Outlays on Existing Assets			
Capital Expenditure on renewal and replacement of Existing Assets	(3,278)	(6,799)	(8,104)
Add Back Depreciation, Amortisation and Impairment	4,250	3,959	189
Proceeds from Sale of Replaced Assets	494	20	4,772
	1,466	(2,820)	(3,143)
<i>less</i> Net Outlays on New and Upgraded Assets			
Capital Expenditure on New and Upgraded Assets	(1,065)	(6,616)	(4,478)
<i>less</i> Grants and Contributions specifically for New and Upgraded Assets	2,161	3,992	3,584
<i>less</i> Proceeds from Sale of Surplus Assets	73	0	0
<i>less</i> net movements in inventories	0	0	0
	1,169	(2,624)	(894)
Net Lending / (Borrowing) for Financial Year	3,355	(5,868)	(5,630)

Appendix 5 – Key Financial Indicators for the Year Ending 30 June 2024

	Actual 2021/22	Budget 2022/23	Budget 2023/24
Operating Surplus Ratio			
<u>Adjusted Operating Surplus</u>	2.70%	(2.95%)	(9.69%)
Total Operating Revenue less RL Levy			
Net Financial Liabilities Ratio			
<u>Net Financial Liabilities</u>	4%	39%	30%
Total Operating Revenue			
Asset Renewal Funding Ratio			
<u>Net Asset Renewals</u>	95%	357%	92%
Asset Management Plan Expense			