

Port Pirie Regional Council

BUSINESS PLAN
2023/24 – 2025/26

Adopted 5 July 2023



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Introduction

Purpose

The Business Plan (the Plan) links the goals of Council's Community Plan with the services delivered, activities and projects to be undertaken by Council. It is a vital tool used in responsible management of council business. This Plan is a three-year rolling plan and covers the financial years from 2023/24 to 2025/26.

This Plan constitutes the Council's Annual Business Plan under section 123 of the *Local Government Act 1999*. Revision and consultation will be undertaken each year in accordance with the Act.

Opportunities to get involved.

Council will conduct a period of public consultation on its draft Business Plan 2023/24 to 2025/26 from and provide the following opportunities for the community to have input:

- **A Special Council Meeting** was held on 21 June 2023 at 6.00pm in the Council Chambers, 115 Ellen Street, Port Pirie.
- **Public information sessions** were offered in collaboration with the Crystal Brook Community Association and the Koolunga, Pirie Districts and Redhill Development Associations.
- **A Management** representative was available at the Crystal Brook Office each Friday during the consultation period.

Opportunities to have your Say

There are a number of ways to provide feedback:

- **Online** – complete the online feedback form at www.pirie.sa.gov.au/noticeboard/consultation
- **Email** – send an email to council@pirie.sa.gov.au
- **In writing** – address submissions to PO Box 45, Port Pirie SA 5540 or deliver in person to the Council Administration Centre, 115 Ellen Street, Port Pirie or our branch office in Bowman Street, Crystal Brook.

All written submissions will be considered by Council prior to the adoption of the Business Plan.

About this Plan

Section 123 of the *Local Government Act 1999* (the Act) requires Council to prepare a Business Plan and Budget which provides a summary of the long-term goals, the future activities planned and how Council intends to achieve them. It is also to provide an outline of how Council will measure its performance in achieving the objectives.

The Act requires the Business Plan to set out proposed operating and capital expenditure, taking into account the Long Term Financial Plan and Asset Management Plans, identify sources of income and describe the proposed rating structure, including an assessment of the impact on the community.

Mayor and CEO Message

During a community forum held as part of the State Government's Country Cabinet visit to the Upper Spencer Gulf Region on 14 September 2022, Premier Peter Malinauskas told the crowd present that not since the Playford era has South Australia been on the cusp of so many state building opportunities, and the Upper Spencer Gulf region is well positioned to play a significant part in realising these opportunities.

The Premier was not only referring to the region's competitive advantage in solar and wind renewable energy projects, but the opportunity to use that energy to produce green hydrogen, which he stated was a key to the decarbonization of the world's industry.

Residents in our area would be aware of Trafigura's investigation into its proposed H2P2 hydrogen plant, which if a decision to proceed is forthcoming expected to be later in 2023, is likely to be sited adjacent to one of the world's largest multi metals smelting facilities in Port Pirie.

Port Pirie not only has an opportunity to build on its core strengths of a long history of industrial activity, but to transform its reputation to one of a leader in clean, renewable energy production.

Consistent with that aim, Council has been partnering with the State Government on a range of projects which will continue to be a core focus in this year's business plan.

These include:

- Collaboration on a Masterplan which will set growth targets, review the availability of appropriately zoned land, and identify infrastructure needs to support both residential and business / industrial growth. Opportunities for community input was provided at the commencement of this project in late 2022, and the draft plan will be presented for further public comment during this financial year;
- The \$6.1m Port Pirie Greening Strategy to be delivered over 4 years – the primary aim of this strategy is to minimise lead exposure pathways, however as a significant portion of this program will be delivered by Council, this will ensure that the newly greened areas will provide increased presentation value of our city as well as assisting in our response to climate variation. This year's Business Plan will see approximately \$2.4m committed to the greening of Phoenix Park wetlands which will also include walking and cycling trails, and the greening of the Church Circle Solomontown precinct as part of the plan to seal the footpaths in that area;
- Feasibility investigations into the development of a lead soil storage facility in Port Pirie, which is hoped will provide a more cost effective option for removal of lead contaminated soils.

As our reputation as a city evolves, we expect to continue to see increasing numbers of tourists come to check us out. The completion of the Gorges Walks towards the end of 2023, which includes a trail head at Nelshaby as part of the new \$10m Southern Flinders Ranges National Park, will be a key driver in this regard.

We will be releasing Council land on Beach Road under an Expression of Interest process for a tourist related development and will commence discussions with the Royal Port Pirie Yacht Club about potential opportunities for the Council land they occupy on Main Road, seeking to preserve their usage rights but to explore opportunities for this key riverfront location. We also plan to build on the success of the inaugural Winterfest and compliment this with provision for up to three new events via a collaboration with Sports Marketing Australia. Events such as these create vibrancy in our area and help to provide opportunity for our local businesses.

We plan to deliver the Solomontown Beach upgrade before the end of 2023 which will see family friendly inclusions such as a pump track and half-court basketball court to encourage our residents and visitors to enjoy this beautiful area. The upgrade will include examples of local art and creative expression as well as being sensitive to the those in our community that experience mobility concerns.

We have also made provision to start work with a number of our sporting organisations involved in court-based sports to investigate the state of these recreation facilities and determine if there is need and opportunity for a multi-use facility to complement our existing high quality oval and pitched based facilities at Memorial Oval and Senate Road.

The Port Davis boat ramp upgrade will be delivered between August and December this year to provide recreational anglers the opportunity to access clean coastal waters. This \$1.5m project is a partnership between the State Government (\$1.2 funding from SA Boating Facilities Advisory Committee) with the balance from Council.

We have also recognised the extra effort needed on our unsealed road network and have allocated an additional \$790,000 over and above our usual allocation to accelerate this work, which represents close to 70% extra provision.

From an environmental sustainability perspective, we will introduce the new Food Organics and Garden Organics weekly collection service in 2024, which we predict will increase our diversion to landfill from 45.8% to 63%. This is the equivalent of avoiding 641 tonnes of carbon dioxide, removing 148 cars from the road, or planting 958 trees each year. This new service as well as our existing kerbside collection services will be able to be provided to each serviced property for \$1 more per annum.

This is a small sample of the projects and other services that we intend to deliver this year very much aligned to what Council considers is a key period in our history to make a significant difference in the facilities available to our residents and to begin to change our reputation.

To achieve the projects and services detailed in this Business Plan, we propose that general rates income increase by \$7.6%, which is less than the current consumer price index number of 7.9%. In this volatile economic climate, Council is also facing increasing costs in order to continue to provide our wide ranges of services consistent with previous years. This will result in the average residential ratepayer's general rate contribution increasing by approximately \$1.85 per week.

Council remains in a solid financial position, noting that this year's Business Plan predicts a small deficit, however our long term financial plan bears out our financially sustainable position.

We will be undertaking a review of our community plan and also its flow on effect to our long term financial plan later in 2023 and encourage you to have input to the assumptions underpinning this plan and the projects that we propose to deliver over the next ten year period.

There are a range of opportunities to become informed on what Council proposes to deliver in the 2023/24 year. These opportunities are set out elsewhere in this business plan and we encourage you to take advantage of these to inform us of your view on what we propose to deliver this year.



Leon Stephens
Mayor



Peter Ackland
Chief Executive Officer

Planning approach

The Community Plan 2020 – 2025 was built with the community, for the community. It provides guidance for this Business Plan. It has been designed to ensure that a clear direction is set which will lead to improved services and quality of life for residents and to ensure that Council will continue to provide leadership in a challenging and changing environment.

The Community Plan was developed from the responses to a detailed community survey in which over 600 residents informed us of their views to help us improve the services and facilities we provide to the community with their ideas and suggestions as to how we can improve the region.

The newly elected Council will review the Community Plan during the second half of 2023.

Our Vision

“Regional Leader – Economic Hub – Quality Lifestyle”

By 2030 the Port Pirie Region is the premier regional centre in South Australia where residents and visitors want to be

Our Mission

To be a progressive organisation that strives for excellence, leads with integrity and delivers positive outcomes for the community

Themes for our Future Direction

Our Community **Our Economy** **Our Lifestyle** **Our Leadership**

Delivery of the activities and services in the Business Plan link to the themes of the Community Plan as shown below:

Our Community
Arts, Culture & Library
Parks & Gardens
Sport & Recreation & Marine
Health Inspection
Swimming Pools
Animal Management (Dogs & Cats)
Community Development
Public Safety
Street Lighting

Our Lifestyle
Aerodrome
Environment
Waste Collection & Management
Stormwater Drainage
Roads, Footpaths, Kerbing
Streetscaping
Street Services
Bridges
Asset Management, Property matters

Our Economy
Caravan Park
Economic Development
Tourism
Fire protection
Bylaws
Parking
Town Planning
Events

Our Leadership
Plant, Depot, Works Administration
Rates administration
Administration & Records management
People & culture, Health & wellbeing
Risk Management
Financial Services
Information technology
Customer services

Our Community Plan 2020-25

Council has a strong vision for our region. It involves transforming Port Pirie into an attractive modern regional city that is supported by a prosperous region, with a view to attracting more investment in and attraction to the region. To achieve this, Council plans to improve community facilities; the appearance of the City and regional towns; influence people's perception of the region; as well as build the region's economic base.

The Business Plan 2023/24 to 2025/26 sets out the priorities and activities for the next three years which will assist the Council in achieving the aspirations identified in the Community Plan.

The Business Plan has been developed taking into consideration an appraisal of the current and emerging situation including:

- Alignment to our Community Plan that reflect, Council's commitment to communities in the Council area
- Contribution towards the achievement of the goals of our Community Plan
- Current achievement level of the planned goals commensurate with community and key stakeholder needs
- Effective and efficient use of available resources
- Impact of the current economic environment including but not limited to the measure of inflation and cost of living pressures
- Continued long term financial sustainability of Council

The Business Plan includes the delivery of current ongoing services and the key actions for the next three years.

Service responsibilities from the Local Government Act and other legislation include:

- Infrastructure construction and maintenance including roads & footpaths, street furniture, trees, stormwater draining, community wastewater facilities, open spaces, parks and sporting facilities
- Services including building safety, dog and cat management, bylaws and parking, development planning
- Collection services including garbage, green waste and recycling
- Governance support for elected members committee and council meetings.

In response to identified community needs, other services that are provided include:

- Community events, community grants to support local community, sporting associations and clubs
- Community services including fire prevention and control, public safety, public conveniences, cemeteries
- Cultural services including libraries, internet suite and art gallery
- Visitor Information Centre
- Support of economic development strategies.

The Business Plan describes the services and activities that are planned in the coming three years. This Plan includes the goals and priorities and the achievement measures, issues related to the management of our assets; particular infrastructure, the funding needed to provide the services and deliver the activities to an acceptable service quality, describes the proposed approach to rating and includes an assessment against the long term financial sustainability of the Council.

Major Projects in 2023/24 (cont'd)

Our Economy

Development of tourism zoned land.

Budget \$50,000

Funded from General Revenue \$25,000 balance from 2022/23

Council will undertake an Expression of Interest process to encourage proposals for the development of the tourism zoned land which fronts the Pirie River.

Stage 2 Riverfront Development investigations

Budget \$75,000

Funded from General Revenue \$75,000

Commence discussions with occupants of properties in the Stage 2 area with the view of approaching the market for development of tourism related facilities.

Port Pirie Masterplan

Budget funded by the State Government

Continued input and advocacy for sufficient supply of appropriately zoned land and supporting infrastructure to support the growth of Port Pirie

Our Lifestyle

Footpaths

Budget \$527,900

Funded from General Revenue \$527,900

In addition to our annual footpath renewal program.

Sealed Roads

Budget \$ 2,051,100

Grant Funded \$473,600

Funded from General Revenue \$1,577,500

In addition to the annual reseal programs Council will seal portions of Greer Street and Osbourne Street in Port Pirie and design and construct the intersection of Mais and Mercowie Roads, Crystal Brook.

Unsealed Roads

Budget \$ 1,940,600

Funded from General Revenue \$1,940,600

In addition to the annual Re-sheeting Program Council will include additional focus on patching sections of unsealed roads.

Kerbing

Budget \$596,900

Funded from General Revenue \$596,900

Kerb replacement will be carried out in conjunction with the annual Re-sheeting program. This budget spend includes targeted kerbing at Greer and Osbourne Streets.

FOGO – Food Organics Garden Organics

Budget \$115,000

Grant Funded \$95,000

Funded from General Revenue \$20,000

Council will implement the Food Organics and Garden Organics program. The plan is to increase our community's diversion of waste to landfill. Increasing food recycling rates and reduced our waste levy costs and in turn lower exposure to future increases in waste levy costs.

Our Leadership

Plant and Vehicles

Budget \$1,242,000

Trade-in \$250,000

Funded from General Revenue \$992,000

Vehicles to be replaced include Grader, Tractor, Elevated Work Platform, four Trucks and three Utility Vehicles

Community Plan Review

Budget – existing staff capacity

Review the Community Plan prior to the end of 2023

Our Priorities

There are a number of key projects and actions that are planned to make a positive contribution towards the achievement of the goals of the Community Plan. These are shown for each of the strategies. Progress on towards the completion of these projects and the achievement of these actions will be reported in the Annual Report.

Our Community

Goal	
Inclusivity & Diversity <i>An active community that is connected and has opportunities to participate in community life.</i>	
Strategy	Projects & Actions
1.1.1 Leadership in the Community is valued, encouraged and supported	<ul style="list-style-type: none"> Support Community development and key volunteer organisations to provide structured input into projects. Continue Elected Member representation on external bodies. Support the Community Development Associations to review their Community Priority Plans by September 2023.
1.1.2 Volunteering is fostered for its contribution to the community and personal wellbeing	<ul style="list-style-type: none"> Promote opportunities to increase the involvement of volunteers in Council initiatives and projects through collaboration with local Community based organisations by December 2023. Continue financial support of Community Associations.
1.1.3 Community facilities and services are welcoming and accessible	<ul style="list-style-type: none"> Incorporation of Artistic elements in the following key projects – Norman Street, Riverbank Precinct – stage 1. Incorporation of Access and Inclusion considerations in the following key projects – Riverbank Precinct – stage 1 Participate in the Mid North Passenger Transport Network.
1.1.4 The strong identity of a culturally rich community is celebrated	<ul style="list-style-type: none"> Host a Winter Festival in conjunction with SALA (South Australian Living Artists). Host the 2023 New Year's Eve Event. Develop further short films for the City Park Projection including Caring for Country and the Culturally diverse communities that make up our region. Complete the Discovery Trails Project - by June 2024. Support Youth Week, NAIDOC and Reconciliation Week. Provide creative activities for Seniors through Creative Arts Program. Undertake the preliminary research and process strategy for rebranding Port Pirie in conjunction with the RDA and TLAP
1.1.5 Cultural and creative based organisations and activities are supported	<ul style="list-style-type: none"> Facilitate the installation of the RSL Commemorative Mural at the aerodrome by December 2023. Deliver an exciting and varied Gallery Exhibition Program and arts activities by June each year.

Goal	
Resilience <i>A community that is able to unite and deal with adversity.</i>	
Strategy	Projects & Actions
1.2.1 Our community is supported through events that enhance community connectedness and build community pride.	<ul style="list-style-type: none"> • Support the planning of community based events by June 2024. • Complete a review of the Events Strategy by December 2023. • Attract events to the region with the assistance of Sports Marketing Australia
1.2.2 Our community is prepared for and able to respond to emergency situations	<ul style="list-style-type: none"> • Partner with neighbouring Councils and Flinders University to identify opportunities for increased Community Resilience to drought. • An Incident Operations Plan has been developed by December 2023. • Participate in Zone Emergency Management Committee.
1.2.3 Lifelong learning underpins our mental wellbeing	<ul style="list-style-type: none"> • Completion of the 2021-23 Port Pirie Libraries Plan. • Investigate the opportunity and need for the “Paint Port Pirie REaD” program. • Partner with RDA to implement the Upper Spencer Gulf Workforce and Skills Plan by June each year.
1.2.4 Our community feels safe	<ul style="list-style-type: none"> • Finalise the Public Lighting strategy by December 2023. • Review the Dog & Cat Management Plan by June 2023. • Participate in Licensing Accord.

Goal	
Wellbeing <i>A community that is physically and mentally healthy.</i>	
Strategy	Projects & Actions
1.3.1 A wide range of sporting and recreational opportunities are available	<ul style="list-style-type: none"> • Deliver a Pump Track as part of the Riverbank Precinct Stage 1 project by December 2023. • Plan for the incorporation Walking and Cycling Paths as part of the greening of Phoenix Park. • Commence investigations into the options and feasibility of a multi-use court based sports complex
1.3.2 Community facilities are vibrant and increasing multi use	
1.3.3 Community wellbeing is enhanced through positive health outcomes	<ul style="list-style-type: none"> • Continue commitment and involvement to the LDAT (Local Drug Action Team) “Planet Youth” initiatives. • Continue to implement and install shelter, drinking fountain and fencing at the off-leash dog parks in Port Pirie and Crystal Brook by June 2024.
1.3.4 Co-ordinated initiatives and activities reduce lead exposure in the community	<ul style="list-style-type: none"> • Commence delivery of Stage 2 of the four year \$6.1million “Port Pirie Greening Program” in collaboration with TLAP, Dept Environment and Water and SA Water. • Investigate options for feasibility of intermediate level lead contaminated soil cell at the Waste Transfer Station
1.3.5 Open spaces are enhanced through well maintained and attractive landscaping providing opportunity for increased community activity	<ul style="list-style-type: none"> • Active collaboration with TLAP on greening projects. • Work with the Army to deliver on-ground projects in conjunction with First Nations Youth. • Continue Playground Renewal • Continue to improve the appearance of the following key areas as part of the improvement of presentation initiative – Three Chain Road continuation into Solomontown Beach, Warnertown Road between Railway line & Copinger Road, Grey Terrace.
1.3.6 Our townships and areas of significance are recognised by a strong sense of place and engenders community pride.	<ul style="list-style-type: none"> • Continue the improvement in appearance of the Warnertown and Three Chain Road entrances to Port Pirie for greater visitor impact and community pride.

Our Economy

Goal	
Education & Jobs <i>A regional workforce with capacity to adapt, transition and thrive on changing circumstances and respond to structural challenges and opportunities</i>	
Strategy	Projects & Actions
2.1.1. State and Federal Governments partner to support local employment opportunities.	<ul style="list-style-type: none"> Workforce training opportunities have been delivered by June 2024, supported by Regional Development Australia Yorke & Mid North. Source and coordinate the work hardening / upskilling component for projects at the Phoenix Wetlands. (RDA)
2.1.2 Members of our community are increasingly work ready to fill the jobs created by local business and industry.	<ul style="list-style-type: none"> Deliver the Riverbank Precinct Stage 1 to provide opportunity to enhance work ready skills in local youth by December 2023.
2.1.3 The Region's population is stabilised and grows over time.	<ul style="list-style-type: none"> Participate in the develop of a plan for retaining young professionals in the region through a "Community connector/ambassador" initiative.
2.1.4 Facilities are available to support increased population participating in workforce.	<ul style="list-style-type: none"> With the assistance of the Regional Development Australia Yorke and Mid North (RDA) support the Crystal Brook Community Childcare group to finalise concept design and costs including cost benefit analysis to enable applications for funding.

Goal	
Business & Industry <i>Vibrant businesses and diversified industry sectors that grow the regional economy.</i>	
Strategy	Projects & Actions
2.2.1 Local businesses are supported to grow and expand.	<ul style="list-style-type: none"> Commence discussions with occupants of properties in the Stage 2 Riverfront area with the view of approaching the market for development of tourism related facilities. Provide financial support to Business Port Pirie as part of a multi-year agreement to June 2024.
2.2.3 Opportunities to diversify our economic base into other sectors such as tourism, renewables and value added agriculture are pursued.	<ul style="list-style-type: none"> Contribute to the definition of Stage 2 of the Gorges SA walks and commence gathering the supporting documentation for a future grant application. (RDA)
2.2.5 There is an adequate supply of land zoned to accommodate industry, retail and other employment and economic generating activities.	<ul style="list-style-type: none"> Active involvement in the State Government initiated "Port Pirie Master Plan" to ensure adequate future land provision for all required land users. Seek options to secure the land required to deliver the Southwest Drainage System

Our Key Actions 2023/24 to 2025/26 (continued)

Our Economy (cont'd)

Goal	
Tourism <i>The natural beauty, unique history and attractions of our region and towns provide memorable experiences for increasing numbers of guests.</i>	
Strategy	Projects & Actions
2.3.1 Increased visitation leads to new and expanded tourism attractions and experiences.	<ul style="list-style-type: none">• Discovery Trails are completed by June 2024.• Expression of interest for Council owned land on Beach Road conducted and subject to outcome Commercial terms negotiated.• Expressions of Interest are developed in line with the Bowman Park Masterplan by June 2024.
2.3.2. Our Region is increasingly recognised for its events and cultural experiences.	<ul style="list-style-type: none">• An Events Attraction Strategy has been developed by March 2024.

Our Lifestyle

Goal	
Built Environment <i>Our rich cultural and built heritage is valued, celebrated and enhanced by new developments.</i>	
Strategy	Projects & Action
3.1.1 Provide opportunity for a wide range of social, residential, retail, commercial and industrial activity and development.	<ul style="list-style-type: none">• Install services and offer for sale surplus council land on Senate Road
3.1.2 Our unique character areas and iconic sites are identified, protected and promoted.	<ul style="list-style-type: none">• Implementation of the Riverbank Precinct Stage 1 has been completed by December 2023.
3.1.3 Our public spaces are inspiring, stimulating and welcoming and encourage social interaction, gatherings and activity.	<ul style="list-style-type: none">• Seek indorsement from Council on the Memorial Park Masterplan by December 2023.

Our Lifestyle (cont'd)

Goal	
Infrastructure <i>Infrastructure is renewed and provided that meets current and potential future needs.</i>	
Strategy	Projects & Action
3.2.1 Township road networks support pedestrian, cycle and vehicle use.	<ul style="list-style-type: none"> Sealing of footpaths in the “Church Circle” area of Solomontown bounded by Main Road, Three Chain Road, Alpha Terrace and Albert Terrace in partnership with TLAP, including increased greening by December 2023.
3.2.2 Regional transport networks are prioritised to support primary and other industrial use.	<ul style="list-style-type: none"> Advocate for installation of electric vehicle charging points in Crystal Brook is complete by June 2024. Expand the window of maintenance grading during dry periods, through increase provision of water. Increased focus on unsealed road construction and Maintenance including provision for patching sections of unsealed roads in addition to the annual re-sheeting program.
3.2.3 Council provided assets are fit for purpose, proactively maintained and renewal recognises future demand.	<ul style="list-style-type: none"> Upgrade of the septic system at Bowman Park catering and dining facility.
3.2.4 Port Pirie’s Port facilities are increasing used and support economic diversification.	<ul style="list-style-type: none"> Investigate the replacement of wharf sheet piling wall

Goal	
Sustainability <i>Sustainability considerations form part of our planning and decision making.</i>	
Strategy	Projects & Action
3.3.1 Reduce water consumption and secure increased water supply.	<ul style="list-style-type: none"> Implement Water Sensitive urban design framework for implementation as part of the stage 2 “Greening Port Pirie” programs.
3.3.2 Adapt to and reduce impacts of climate change risk.	<ul style="list-style-type: none"> Advocate for installation of electric vehicle charging points in Crystal Brook is complete by June 2024.
3.3.3 New initiatives that maximise waste diversion and resource recovery are identified and supported leading to an increased recognition of Port Pirie as a Green Industrial City.	<ul style="list-style-type: none"> Implement Food Organics and Garden Organics program throughout Council Region Undertake education program with assistance from KESAB.

Goal	
Natural Environment <i>Our natural environment is retained, healthy and adds to the experience of the region.</i>	
Strategy	Projects & Action
3.4.1 Our natural landscapes are secured and form a significant part of the appeal of our region.	<ul style="list-style-type: none"> Identify and secure suitable locations for Native Vegetation offset.
3.4.2 Our valuable coastal assets are supported and enjoyed sensitively.	<ul style="list-style-type: none"> Roadside Vegetation Management Plan has been updated by December 2023.

Our Leadership

Goal	
Community Engagement <i>Council decision making is informed, transparent, accountable and reflective of the Community Plan with avenues for community input.</i>	
Strategy	Projects & Action
4.1.1. Increase participation in Council decision making processes.	<ul style="list-style-type: none"> Review Councils Communications Strategy. Review and implement Council Social Media Policy.
4.1.2 Ensure that Council's plans, projects and activities are aligned with the strategies of the Community Plan.	<ul style="list-style-type: none"> Refine Council's integrated planning and reporting software. Undertake a review of the Community Plan Support regional towns to review their Community Priorities Plans

Our Leadership (cont'd)

Goal	
Organisational Excellence <i>We deliver what we promise and strive to continually improve.</i>	
Strategy	Projects & Action
4.2.1 One Council focussed on consistent quality services underpinned by transparent and accountable decision making.	<ul style="list-style-type: none"> Implement enhanced feature sets, improved mobile security and improved mobile device management
4.2.2 Deliver services which meet community need and priorities at the right price based on innovation and continuous improvement.	<ul style="list-style-type: none"> Refine the Parks & Recreation and Construction and Maintenance annual program. Develop an annual program for the Environmental Services team. Waste Transfer Station Review completed by December 2023. Identify an integrated software package to transition the program and planning tool from the current spreadsheet application.
4.2.4 Council will be financially responsible and sustainable across generations.	<ul style="list-style-type: none"> Monitoring of project timelines and budget adherence is reported to Council at least four times by June in each year. At each annual review in October, the financial performance achieved will be consistently within indicator target ranges in the Long Term Financial Plan. A review the approach to Rating is completed by September each year.
4.2.5 There is positive culture of leadership and empowerment across the Council.	<ul style="list-style-type: none"> Review Council's Policy suite to ensure positive alignment to Council's Community Plan as policies become due for review. Progressively review Council's Delegation program.

Goal	
Partnerships <i>We develop strong mutually beneficial partnerships to advance key aspects of this Community Plan.</i>	
Strategy	Projects & Action
4.3.2 Enhance Councils regional leadership through opportunities for resource sharing and service provision.	<ul style="list-style-type: none"> Through the Flinders Alliance maintain a shared services positions for both a WHS coordinator and Environmental Health Officer and investigate opportunity for further resource sharing including a provision of technical and financial support.

Capital Works in 2023/24

The proposed capital works program for 2023/24 is \$11.22 million in total, of which \$3.69 million is allocated for new assets and the remainder of \$7.53 million reflecting the commitment to the renewal and upgrade of existing assets.

Roadworks Capital

- Road Reseal Program – Spray sealing and asphalt replacement of the sealed road network - \$1,945,600
- Road Re-sheeting Program – throughout the rural area - \$1,887,600
- Tracks Upgrades - \$53,000
- Footpath Replacement Program – Replacement of spray sealed/asphalt/concrete/paved footpaths as per Footpath Strategy - \$527,900
- Kerb Replacement Program – Replacement of kerb that has reached the end of its useful life and/or part of the road reseal replacement program - \$438,400
- Kerb Upgrade Program - \$158,500
- Footpath Replacement Program Solomontown Greer and Osborne Streets - \$141,500

Projects

- Port Pirie Cemetery – Construction of a single lawn beam and other projects - \$48,000
- Crystal Brook Cemetery– Car park and Roadworks - \$16,000
- Port Pirie Christmas Tree – \$26,500
- Drain Harris Road Catchment Magor Rd to Kingston Rd network upgrades - \$665,400
- Memorial Park Toilets - \$263,900
- Bowman Park upgrades - \$63,500
- Port Pirie Pool projects - \$549,400
- Crystal Brook Swimming Pool projects - \$47,500
- Stage 2 – off-leash dog parks upgrade - \$105,500
- Crystal Brook Meeting Room improvements- \$12,000
- Sports Precinct Memorial Oval projects including WW1 gates stone works - \$63,500
- Information Technology projects including Disaster Recovery upgrades - \$174,000
- Port Pirie Council Administration building upgrades - \$91,000
- Woodward Park Upgrade Kitchen and bike track- \$158,500
- Playground equipment - \$220,000
- Parks Shelters and Structures \$130,000

Capital Works in 2023/24 (cont'd)

Projects in Collaboration

- Crystal Brook Cemetery- \$26,500 – Crystal Brook APEX
- Shared Services – Council continue to support neighbouring councils through shared services agreement in the area of Environmental Health Services, Work Health and Safety and Finance.
- Port Pirie Greening Program – Stage 2 of the four year State Government supported \$7.4 million Port Pirie Greening Program.
 - Greening Phoenix Park Wetlands - \$1,130,000
 - Greening Water Sensitive Water Design - \$1,210,000

Capital Projects in 2023/24

Plant, Vehicle & Equipment Replacement Plans

- Utilities - \$32,000
- Vehicle - \$84,000
- Grader - \$420,000
- Loader - \$210,000
- Trucks – \$335,000
- Mowers/Roller/RTV - \$161,000

Funding the Business Plan

Funding of the Business Plan 2023/24 – 2025/26 is set out with a detailed description of the financial information for the coming year 2022/23 and a set of summary financial statements for the three years of the Plan.

Annual Budget 2023/24 highlights:

❖ Operations	
○ Operating income	\$31.98 million
○ Operating expenses	\$32.02 million
○ Operating result (deficit)	\$0.03 million
○ Total Rates Income (excluding fines and write-offs)	\$22.10 million
○ Total Rates Income increase	6.1%
❖ Capital Works	
○ Works Program and Projects	\$11.22 million
○ Capital income	\$1.85 million
❖ Financial sustainability measures	
○ Operating Surplus Ratio	0%
○ Net Financial Liabilities	36%
○ Asset Renewal Funding Ratio	101%

Capital Works for 2023/24

A total of \$11.22 million will be spent on capital projects in the following service areas:

SERVICE AREA	AMOUNT (\$)
Community Services / Amenities	\$480,900
Culture / Library	\$26,500
Environment / Stormwater Drainage	\$1,014,300
Parks / Recreation / Marine	\$2,643,600
Street services / Lighting	\$42,000
Roads / Foot / Kerb / Bridges	\$5,257,900
Plant/Depot/Works Admin	\$1,242,000
Governance/Admin	\$512,400
TOTAL	\$11,219,600

RATING STRATEGY

A large proportion of Council income is from property rates. Council is able to raise income through a general rate which applies to all rateable properties, or through a differential general rate which applies to rateable properties differently depending on their land-use and/or locality.

As part of setting the rates, Council has considered the:

- Progress towards the achievement of the goals of the Community Plan 2020-2025;
- Condition of our infrastructure and the community needs for our capital works program;
- Financial position and future sustainability of council service delivery; and
- Impact of potential rate increases on the different types of land use, being residential, business, including manufacturing and retail, service industry and primary production sectors, and also their location.

Council also considered the impact of the annual movement in the valuation of rateable properties, particularly at the aggregated land use level, as this may impact the distribution of the overall rate burden.

The Council is to apply differential general rates based on the locality in which the rateable property is situated and the use of the land. The Council has also determined that given the current economic conditions the annual average increase in rates is to be more aligned to the March 2023 annual Consumer Price Adelaide All groups Adelaide (7.9%) (March 2021 Annual CPI 4.7%) and Local Government Price (6.9% - December 2022) indices. This will result in an overall increase in general property rates of 7.6% which includes the net growth factor of 0.3%.

In addition to property rates, there are annual service charges. As in previous years, the Council has determined to apply an annual service charge for the Waste Collection Service and the Community Wastewater Management schemes. These annual service charges are calculated in order to recover the cost of providing the service. Each year there is an annual review of both the actual costs for the current year and the expected future costs which is used as a basis for the calculation of the service charge for the Waste Collection Service and the Community Wastewater Management schemes.

The Waste Collection service charge will increase by 0.6% for the coming year. The service charges for the Community Wastewater Management schemes at Crystal Brook and Napperby will increase by 5.2% which is consistent with the Crystal Brook and Napperby Community Wastewater Management Systems Pricing Schedule and Policy.

Additionally, the Council is legislatively required to impose the Regional Landscape levy (formerly the NRM Levy) and to pass the proceeds on to the Northern and Yorke Landscape Board in order to cover the costs of that Board. The Council collects the levy on behalf of the Northern and Yorke Landscape Board. The Board has advised that Council's required contribution for 2023/24 is \$352,124 which is a decrease of 22.2% from 2023/24.

For the 2023-24 budget year the Levy Transition Scheme and Landscape South Australia Act 2019 requires that the Board apply a common rate across the region from the 2023-24 financial year and beyond. This equalisation process has been applied by the Board resulting in a decrease in the levy applied for our Council region from \$435,783 in 2022/23 to \$352,124 in 2023/24.

Rates and Service Charges 2023/24 (continued)

RATES 2023/24

Valuation

The Council has adopted the property valuations provided by the Valuer-General as the valuations based on which rates will be assessed. The Council considers that the Valuer-General's valuations represent a contemporary and reliable source of information regarding property valuations for rating purposes and adopts the valuations made by the State Valuation Office as provided to the Council each year.

Consistent with previous years, capital value will be used rather than site value or annual value as the value on which rates will be assessed. The overall total property valuation for the region across all land use types in terms of capital value has increased by 9.22%, with differing variations in the valuations for each land use category.

The overall valuation increase comprises amendments to the value of existing properties and also growth from new developments, improvements to existing properties and the like. The growth factor for 2023/24 is 0.3%.

Total Rate Income

Council has determined to raise total rate income of \$21.59 million (after rebates and remissions) from property rates and service charges, which includes an estimation for fines and penalty interest. This will enable Council to deliver the planned activities and services in 2023/24 and to fund the capital works program. The amount represents an overall increase of \$1.25 million from the previous year which is an increase of 6.1%.

How General Property Rates are calculated

The method of calculation of rates is:

General Rates:

Fixed Charge (applicable to all rateable properties)

- + Valuation x Rate in \$ (differential rates determined by land use and locality)
- + Service charges:
 - Waste Management Service Charge (applicable to all residential properties to which the service is available)
 - Community Waste Management Service Charge (applicable to Crystal Brook and Napperby properties where the service is available)
- + Regional Landscape Levy (applicable to all rateable properties)
- = Total Property Rates Payable.

Rates and Service Charges 2023/24 (continued)

The following table shows the total amounts for General Rates, Service Charges and Regional Landscape Levy, excluding rebates fines and interest for 2023/24 compared to the total amounts raised in 2022/23:

Rates revenue excluding rebates, fines and interest	2022/23 \$ '000	2023/24 \$ '000	2023/24 % increase
General Property Rates	18,055	19,421	7.6%
Waste Management Service Charge	2,158	2,171	0.6%
CWMS Service Charge	199	209	5.2%
Regional Landscape Levy	477	370	-22.4%
TOTAL	20,889	22,171	6.1%

The rating components for 2023/24 are:

Fixed Charge	Differential Rates
\$590 (increase of \$25)	Average increase of 8.9%

Fixed Charge

The adopted rating structure continues with the approach of a single fixed charge amount to be applied to all rateable properties in the region, with the exception of certain contiguous properties, and single farm enterprises, which have only one fixed charge applied. The provisions of the Local Government Act prescribe that the proportion of the total general rate income amount derived from the fixed charge component must not exceed 50% of the total general rate income.

The total general rate income of \$19.42 million (excluding rebates) for 2023/24 will comprise of the following elements:

- Fixed Charge \$5.79m (approx. 30% of General Rates)
- Differential Rating \$13.63m (valuation based – approx. 70% of General Rates)

Differential Rates

The Local Government Act provides for a Council to raise revenue through a general rate which applies to all rateable properties, or through differential general rates which apply differently to different classes of properties. Differential rates can vary according to the locality of the land, the use of land, or both the locality and use of land. Differential general rates are calculated using the valuation of a property (generally capital value) multiplied by the rate in the dollar applicable to the property's land use and/or locality.

To achieve an equitable distribution of the rate burden and to balance the community's capacity to pay, and consistent with the approach taken in 2022/23, for 2023/24 Council is to apply differential general rates based on the locality in which the rateable property is situated and the use to which the property is put. The Council will use the following factors as differentiating factors, in accordance with the *Local Government (General) Regulations 2013*:

Rates and Service Charges 2023/24 (continued)

- Locality – zones and subzones under the Planning and Design Code, namely, Conservation, Conservation – Visitor Experience, Community Facilities, Deferred Urban, Employment, Employment (Bulk Handling), Infrastructure (Airfield), Local Activity Centre, Strategic Employment, Strategic Employment – Significant Industry, Tourism Development, Township Main Street, Rural, Rural Living, Suburban Neighbourhood, Suburban Activity Centre, Township, Urban Activity Centre and, Coastal Waters and Offshore Islands.
- Land use – prescribed land use codes (LUC) namely Residential, Commercial-Shop, Commercial-Office, Commercial-Other, Industry-Light, Industry-Other, Primary Production, Vacant Land and Other.

Table 1 in the Attachments to this draft Business Plan sets out the differential rate in the dollar for the zones/subzones and prescribed land use codes adopted for rating purposes.

The principles relevant to differentiating factors based on the locality of land allow differentiation according to zones and subzones set out in the Planning and Design Code under the *Planning, Development and Infrastructure Act 2016*, as well as zones, precincts and localities set out in the Council's former Development Plan under the *Development Act 1993*. The Council will continue differentiate according to zones and subzones set out in the Planning and Design Code. The reason that the Council considers it appropriate to continue to use zones and subzones set out in the Planning and Design Code is that the *Planning, Development and Infrastructure Act 2016* continues fully in force and the *Development Act 1993* remains repealed (and Council's Development Plan under the *Development Act 1993* is revoked).

Further details on the reasons and justifications for the differentiation are set out in the attached draft Rates Policy.

As part of its consideration of the impact of rates, Council modelled the effect of the proposed differential general rates for 2023/24 (not including annual service charges or the Regional Landscape levy) on the "average" valuation for each combination of land use code and locality. The average valuation is arrived at by calculating the total valuation for all properties with a particular combination of land use code and locality and dividing that by the number of properties with that combination of land use code and locality. The proposed change, in percentage terms and whole dollars, from the previous year's annual rates are specified in the following table.

Rates and Service Charges 2023/24 (continued)

Wherever different combinations of land use codes and localities are subject to the same rate (in both 2022/23 and 2023/24), they have been combined into a single line in the below table for the sake of brevity.

Average Property Rates (not including rebates, service charges or regional landscape levy)				
Land use (and locality)	2022/23	2023/24	Movement %	Movement \$
Residential (all localities)	\$ 1,349	\$ 1,445	7.1%	\$ 96
Commercial - Shop (all localities)	\$ 4,662	\$ 4,703	0.9%	\$ 40
Commercial - Office (all localities)	\$ 4,041	\$ 4,295	6.3%	\$ 253
Commercial - Other (all localities)	\$ 6,515	\$ 6,027	-7.5%	\$ -488
Industry - Light (all localities)	\$ 2,603	\$ 2,586	-0.7%	\$ -17
Industry - Other (Strategic Employment – Significant Industry subzone)	\$ 363,211	\$ 389,374	7.2%	\$ 26,163
Industry - Other (all other localities except Strategic Employment – Significant Industry subzone)	\$ 3,957	\$ 4,100	3.6%	\$ 143
Primary Production (all localities)	\$ 2,420	\$ 2,601	7.5%	\$ 181
Vacant Land (all localities)	\$ 1,054	\$ 1,128	7.0%	\$ 74
Other (all localities)	\$ 2,017	\$ 2,105	4.4%	\$ 88

The table below show the Average Regional Landscape levy based upon the “average” valuation for each combination of land use code and locality.

Average Regional Landscape Levy				
Land use (and locality)	2022/23	2023/24	Movement %	Movement \$
Residential (all localities)	\$ 32	\$ 25	-22.6%	\$ -7
Commercial - Shop (all localities)	\$ 83	\$ 57	-30.5%	\$ -25
Commercial - Office (all localities)	\$ 70	\$ 50	-28.8%	\$ -20
Commercial - Other (all localities)	\$ 121	\$ 85	-29.9%	\$ -36
Industry - Light (all localities)	\$ 43	\$ 30	-30.0%	\$ -13
Industry - Other (Strategic Employment – Significant Industry subzone)	\$ 1,646	\$ 1,145	-30.4%	\$ -501
Industry - Other (all other localities except Strategic Employment – Significant Industry subzone)	\$ 156	\$ 119	-24.1%	\$ -38
Primary Production (all localities)	\$ 13	\$ 9	-28.0%	\$ -4
Vacant Land (all localities)	\$ 60	\$ 43	-28.7%	\$ -17
Other (all localities)	\$ 47	\$ 33	-29.9%	\$ -14

Based on the modelling, the average residential rates for 2023/24 will increase to \$1,445 from \$1,349 which is an increase of \$96 compared to an increase of \$61 in 2022/23.

Individual property rates will vary, with some decreases and increases depending on the movement of the property capital value. Improvements to the property such as the completion of a new residence or building, or a land subdivision creating a land parcel which has previously not been rated, or where there is a change of land use, can also lead to increases in valuations and therefore increased property rates. Further, it is worth observing that high increase percentages will show for low valued properties however the actual dollar amount of the increase will be low in comparison to higher value properties (and vice versa).

The final rating applied is subject to amendment including based on the updated property valuations received from the Valuer-General up to the date of the formal rates declaration and the declaration will supersede anything in this report, which may be inconsistent with that declaration.

Contribution

The following table shows the total valuation of properties (in terms of capital value) for various combinations of land use type and locality, and the expected level of revenue to be raised by each corresponding differential rate.

Rates and Service Charges 2023/24 (continued)

Again, wherever different combinations of land use codes and localities are subject to the same rate (in both 2022/23 and 2023/24), they have been combined into a single line in the below table for the sake of brevity.

RATES CONTRIBUTIONS (including rebates)

Land use and locality	2022/23 Property valuation (mill)	2022/23 Total general rates (mill)	Contribution to total rates	2023/24 Property valuation (mill)	2023/24 Total general rates (mill)	Contribution to total rates
Residential land use – All localities	\$1,451.90	\$10.80	60.6%	\$1,619.44	\$11.62	60.4%
Commercial land use (all categories) – All localities	\$242.51	\$2.13	13.4%	\$248.48	\$2.34	13.6%
Industry land use (all categories) – Strategic Employment – Significant Industry subzone	\$27.64	\$1.09	6.0%	\$27.64	\$1.17	6.0%
Industry land use (all categories) – All other localities except Strategic Employment – Significant Industry subzone	\$27.16	\$0.28	1.6%	\$28.96	\$0.32	1.7%
Primary Production land use – All localities	\$903.56	\$2.50	13.8%	\$984.90	\$2.68	13.8%
Vacant Land land use – All localities	\$37.30	\$0.64	3.2%	\$38.81	\$0.61	3.1%
Other land use – All localities	\$40.67	\$0.13	1.4%	\$42.41	\$0.15	1.4%
TOTAL	\$2,730.74	\$17.57	100.0%	\$2,990.64	\$18.87	100.0%

Community Wastewater Management Schemes (CWMS)

Council provides effluent disposal systems service to identified properties in Crystal Brook and Napperby. The full cost of operating and maintaining the service is recovered through a charge to each property where the service is available, and this includes non-rateable properties. The charges include an amount as a contribution towards the cost of capital and risk.

The following principles are used in setting the charges:

- Each system is to be assessed independently, as each is of a different type and age;
- Total charges will reflect the average annual cost of operations (including depreciation);
- Charges on vacant properties will be 75% of occupied properties, reflecting pump out cost recovery from occupied properties;
- Ongoing Napperby irrigation costs to be treated as general Council and not a CWMS cost.

Any surplus of income over actual expenses (excluding annual depreciation) is set aside in a dedicated reserve account to be used for future replacement and upgrades of the respective schemes. The CWMS charges will increase for 2023/24 as shown below:

CWMS	Crystal Brook			Napperby		
	2022/23	2023/24	% increase	2022/23	2023/24	% increase
Vacant	\$154	\$162	5.19%	\$358	\$377	5.31%
Occupied	\$205	\$216	5.37%	\$478	\$502	5.02%

Rates and Service Charges 2023/24 (continued)

Waste Management Service Charge (WMSC)

A three bin waste collection service is provided for residential properties where the service is available. The setting of the charge is guided by legislation which does not allow Council to charge more than the actual cost of providing the service. A number of rural properties receive a discounted charge where their property access point is more than 500 metres from their bin collection point. The discounts are applied automatically to these properties and for 2023/24 will total approximately \$26,500.

Total Waste Management service income will be approximately \$2.20 million (including rebates). The charge for 2023/24 will increase marginally.

Service Charge / Year	2022/23	2023/24
3 Bin Waste Collection Service Charge	\$258	\$259

Many commercial properties voluntarily participate in the collection service and are invoiced by Council for this service, with no impact on rates.

Regional Landscape Levy (formerly Natural Resources Management Levy)

The Landscapes South Australia Act 2019 requires Council to raise a levy on behalf of the Northern and Yorke Regional Landscape Board. This levy is shown separately on the rates notice. Council does not retain this revenue or determine how the revenue is spent.

Council is required by the Northern and Yorke Regional Landscape Board to raise \$352,124 (after rebates) in the 2023/24 financial year and is required to recover this amount through a separate rate. The Council will accordingly recover this amount by applying a rate in the dollar of 0.012425 against the capital value of every rateable property.

Northern & Yorke Regional Landscape

Regional Landscape Centre - Clare (head office), 155 Main North Road, Clare SA 5453

Phone: (08) 8841 3400. Monday to Friday from 9am till 5pm.

Website: <https://landscape.sa.gov.au/ny/home>

Payment of Rates

The Council has decided that the payment of rates will be by 4 instalments, consistent with s181 of the Local Government Act. For 2023/24 the payment of Rates will fall due in September, December, March and June. The Rates Notices will be sent at least 30 days prior to the due date of the payment instalment.

Rates and Service Charges 2023/24 (continued)

The following payment services are available:

- BPAY through a bank or financial institution;
- Australia Post in person at a post office;
- Post Billpay Service using online facilities and a credit card;
- Telephone – call 131816;
- Online using Council website – www.pirie.sa.gov.au;
- Mail a cheque to PO Box 45, Port Pirie, 5540;
- In person using EFTPOS, cheque or cash at the administration office, Ellen St, Port Pirie available Monday to Friday from 9am to 5pm
- In person using EFTPOS or cheque at the Crystal Brook Regional Office available Monday to Friday from 10am to 4pm.

Late Payment of Rates

The Local Government Act provides for a 2% fine on any instalment of rates which is unpaid after the due date. An instalment that is in arrears is also charged interest at an interest rate set according to a formula in the Local Government Act, for each month it continues to be late. Penalty fines allow the Council to recover some of the administration costs that arise because rates were not received by the due date.

Rebate of Rates

The Local Government Act requires Councils to rebate the rates payable on certain land-use types. Specific provisions are made in the Local Government Act for statutory rebates for land used solely for health services, community services, religious purposes, public cemeteries, the Royal Zoological Society and educational institutions. Discretionary rebates may be granted for land used for specific purposes or in other specified circumstances. Applications for a discretionary rebate must be received no later than 30 September 2023.

Further details on the Council's policy on discretionary rebates are outlined in the Attached draft Rates Policy.

Other matters

The attached draft Rates Policy contains information regarding other matters including concessions, postponement and remission of rates.

Council also has a Hardship Policy for those that are experiencing financial difficulties and may not be able to meet the rates payment due dates. There are a number of options available including payment plans and waiving of rates under specific circumstances. A copy of the Policy is available from the Council website <http://www.pirie.sa.gov.au>.

Ratepayers can contact the Rates Officer on 8633 9734 for further information and to discuss their specific situation. All enquiries are confidential.

Annual Budget 2023/24

BUSINESS SERVICES

This annual budget is based on continuing to provide the current services at essentially the same level as was provided in the previous financial year.

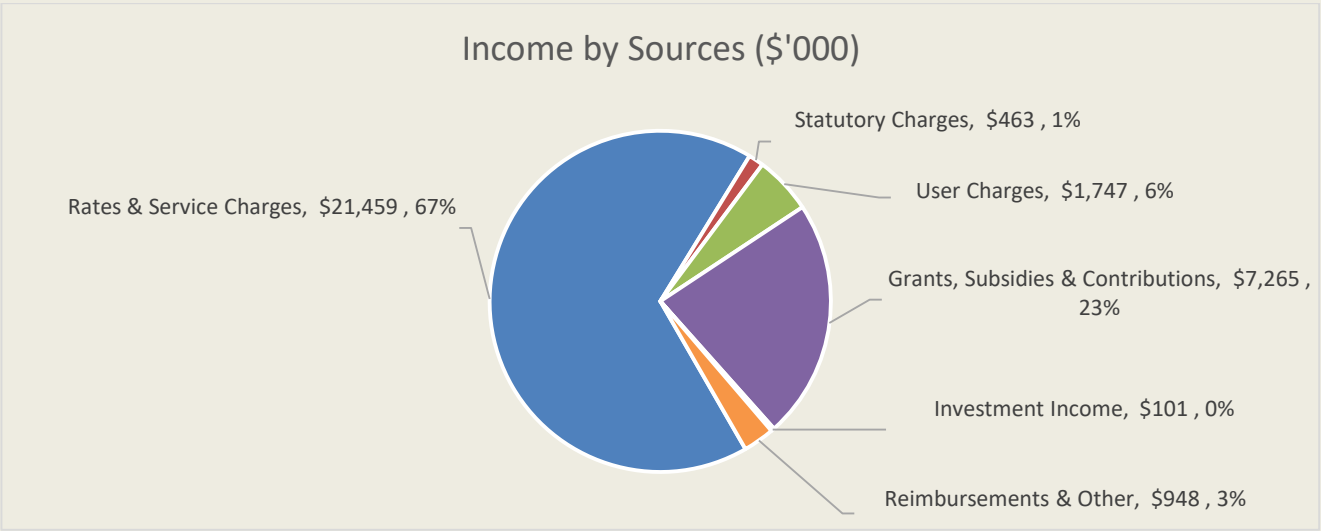
The annual budget for 2023/24 has an operating deficit of \$0.03 million.

The capital program is proposed to be \$11.2 million, which is approximately \$3.0 million less than the previous year. The capital program is support by grant funded programs, such the Port Pirie Greening Program (Capital of \$0.6 million).

Operating Income

Income is raised from property rates, fees and charges, grants & subsidies, investment income and other income including reimbursements and contributions, donations and sale of surplus assets.

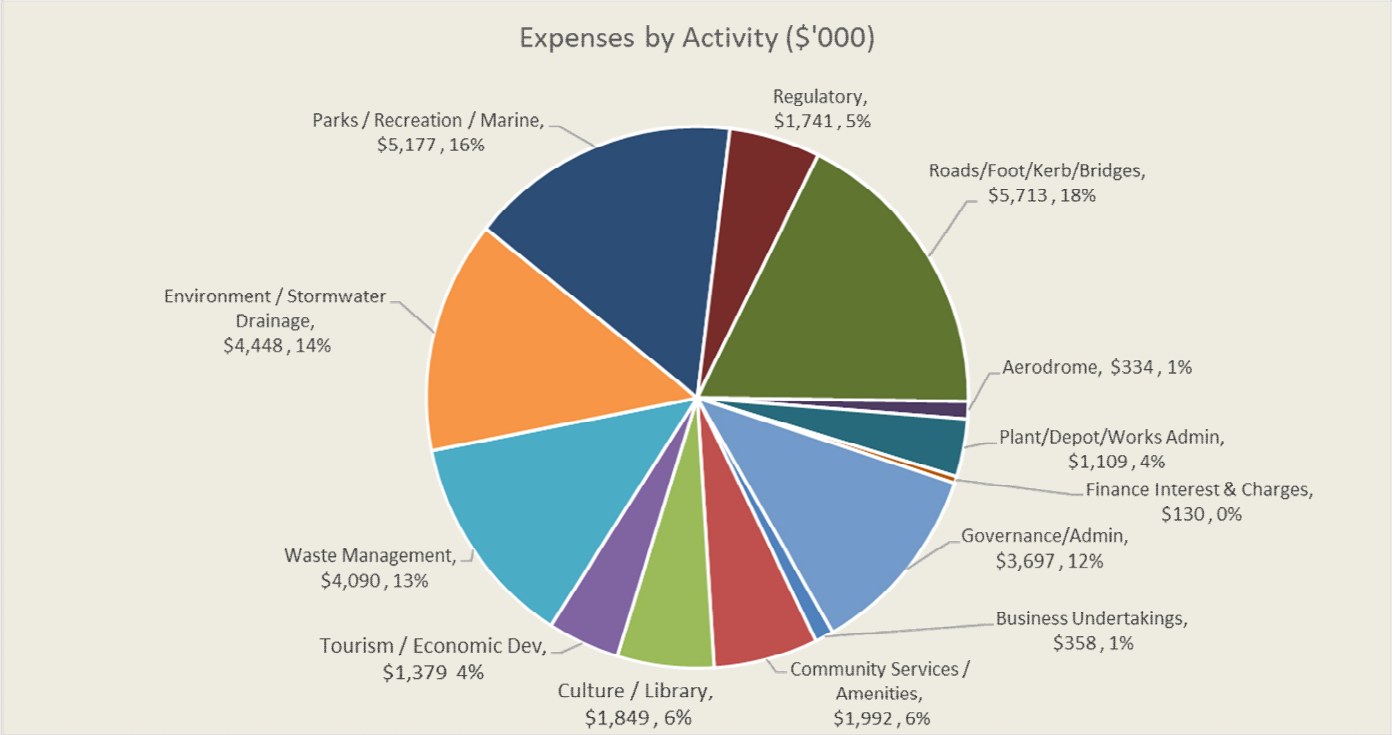
The total operating income for 2023/24 is estimated to be \$31.98 million. The diagram below shows the estimated income by source.



Annual Budget 2023/24 (continued)

Operating Expenses

The total operating expenses for 2023/24 are estimated to be \$31.32 million. Operating expenses include payments for employees, contractors, materials, plant & equipment maintenance, loan interest and an amount for asset depreciation.



FINANCIAL PERFORMANCE

The financial performance of the council business is monitored by three key indicators. The financial impact of all planned activities is assessed against the targets as part of the preparation and the quarterly review of the Budget. The forecast result is monitored to ensure that it is consistent with the long-term target for each indicator.

The table shows the recent actual and planned budget performance compared with the long-term target ranges for each of the indicators. The Asset Renewal Funding Ratio is within the average target range for this three year period. As the ratio is projected to remain stable in the future years and this will maintain a 10 year average of 100%.

FINANCIAL SUSTAINABILITY RATIOS	2022/23 BR3	2023/24 Budget	2024/25 LTFP	3 year average LTFP	LTFP Target Range
Operating Surplus Ratio	-4%	0%	0%	0%	1-5%
Net Financial Liabilities Ratio	34%	36%	35%	34%	30-70%
Asset Renewal Ratio	140%	101%	100%	100%	80-110%

Long Term Financial Plan 2023-33

Long term financial planning promotes thinking about the influence of changing circumstances on the decisions made about the service programs and the assessment of potential new projects and their impact on the future financial sustainability of council business. Financial planning is a guiding framework and so is an essential tool for responsible financial management. This importance is recognised in that financial plans both long term and short term are a requirement of the Local Government Act.

The key documents in the Council long term planning suite are:

- Community Strategic Plan
- Development Plan
- Asset Management Strategy and Plans
- Capital Works Plan
- Long Term Financial Plan

The Long Term Financial Plan (LTFP) sets out in financial terms, the resourcing needed for Council to achieve the goals of the Community Plan. It includes the projected income and expenses for a ten year period commencing with the budget year. It also uses prior year results to assist with trend analysis.

Financial Sustainability Measures:

The financial performance of the council business is monitored by three key indicators. Target ranges for each of these indicators have been set in the LTFP. The financial impact of all planned activities is assessed against the targets as part of the preparation of the draft Annual Budget and at each subsequent review of the Budget. The results should be consistent with the 10 year average for each indicator.

The table shows the projected financial sustainability indicators average for the term of the LTFP compared to the target ranges for each indicator. The forecast average is within the target range.

FINANCIAL INDICATORS	LTFP Target Ranges
Operating Surplus Ratio	1-5 %
Net Financial Liabilities Ratio	30-70%
Asset Renewal Funding Ratio	80-110%

Long Term Financial Plan 2023–2033 (cont'd)

Objectives of the Long Term Financial Plan:

1. To achieve and maintain an Operating Surplus

Aim for a breakeven operating position in the short to medium term which means that the community is paying to cover the costs of the existing levels of service. In the longer term, seek to achieve and maintain small, consistent operating surpluses to reduce the need for regular borrowing, except to fund new assets and asset backlogs.

2. To fund Asset Renewal/Replacement of existing assets

Target an average Asset Renewal Funding Ratio of 100% (measured against the planned Capital works program). This would mean that the existing assets are being renewed and replaced to maintain the existing services levels.

3. To review New Asset Requirements

Identify and include priority new works, and projects which should include an understanding of whole-of-life costs and the impact on our financial position both today and into the future and be primarily funded by grants and new loan borrowings.

4. To reduce Reliance on Borrowing

No new loan borrowings in the short term and only seek new loans for major capital projects and to fund new assets.

5. To achieve the Plan

The success of the LTFP is totally reliant on ongoing consistency with its objectives. The financial performance shall be reviewed at each budget review and annually when preparing the Business Plan and Budget to identify any issues which could negatively impact the successful achievement of the LTFP.

Asset Management

The Council is responsible for the management of infrastructure assets valued at more than \$267 million. This includes roads assets of local roads, footpaths, kerbing and infrastructure to protect our community such as stormwater drainage, assets for health and wellbeing including parks, recreation reserves, foreshore and marine structures and many sporting facilities, also numerous other assets such as buildings, street furniture and the community wastewater facilities. The ongoing maintenance and planned renewals and upgrades are included in the LTFP. These are based on the assumption of continuing to provide the current average level of service over the life of these assets.

The periodic asset revaluations are difficult to reliably estimate however an allowance has been made in the LTFP for increased depreciation each year. It is assumed that the cost of capital works will be a solid base for these values when added into the Asset Registers. Revaluations are completed periodically and the financial impact of these will be included in the updated LTFP as they become known. One of the known impacts is that the amount of annual depreciation expense will increase and there has been adjustment increase for this in the operating expenses in the specific years. Depreciation is an allocation of the cost of use of assets each year and is based on the most recent valuation, including capital works and it has been assumed that this will increase each year.

Long Term Financial Plan 2023–2033 (cont'd)

Capital Works Plan 2023-33

Provision is made for the renewal/replacement and new/upgrade of assets in the 10 year Capital Works Plan (CWP) which has been updated and added into the LTFP. The planned works are drawn from the Asset Management Strategy and supporting plans. Much of the CWP is undertaken by contractors. The CWP has gross expenditure of \$88.4million over the ten year period. The CWP is to be funded from general income.

There are also a number of proposed unfunded projects or strategic projects which will require further investigation of partnership funding, detailed costing and the expected Council contribution. The decisions about including these in the CWP will consider all aspects of each project and the influence on the future financial sustainability.

The Council is in a very good position to consider loan funding or co funding grants to undertake some of the strategic projects such as the upgrades to the Waste Transfer Station, Fisherman's Jetty, Aerodrome or Train Platform. Further Councils cash position is increasing over the second half of the LTFP again increasing its ability to finance these strategic projects.

Total Rate Income

The Total Rate Income includes General Property Rates, Service Charges for CWMS, Waste collection, Landscape levy, Rate fines and interest income, Rate rebates and Write-offs from Objection to valuations.

The LTFP proposes that General Property Rates will increase by 4.5% in 2024/25, 3.5% in both 2025/26 and 2026/27, 3.25% in 2027/28 and return to CPI levels thereafter. For the next financial years these rates are above CPI as Council need to correct the operating position from achieving deficit returns to achieving the targeted range of the Operating ratio of 1%-5%

Loans

Borrowing is an important strategy for Council to fund new assets. Responsible debt management in the long term should demonstrate assessment of the impact on financial performance. The borrowing options include overdraft, fixed term or combination of arrangements. Loan funding is used to meet the cost of the capital works program. This is to spread the cost of assets such as construction of facilities or purchase of equipment over a specific longer time frame to match the benefit and use of the assets.

The Loan portfolio includes a mix of fixed and variable interest loans and fixed and variable term loans. All the repayments for fixed interest loans of principal and interest payments are spread over the loan period. Interest payments are shown in operating expenses.

The repayment structure for the variable term loans is flexible and allows for the offset of funds which can be redrawn to meet commitments. The Council has committed to a plan to reduce the loan portfolio to less than \$4 million by 2031.

Long Term Financial Plan 2023–2033 (cont'd)

Reserves

Council maintains several reserve funds for specific purposes using the reserve accounting approach to identify the balance of the reserve at any time.

These include:

- Community Wastewater Management Scheme (CWMS) Reserves hold unspent rates paid by Crystal Brook and Napperby ratepayers which are used to provide for maintenance programs, repairs and capital upgrades and replacements.
- Fisherman's Wharf Reserve holds mooring fees used to provide future capital works to this area.
- Asset Revaluation Reserve is an unfunded record of changes in the fair value of Council's fixed assets.

Business Operations

The Operations income and expenses reflect continuing service provision with adjustments for known circumstance changes and influences. CPI assumption is 7.9% for the 2023/24 year 4% for the 2024/25 year and then 3% thereafter. As noted, it is expected that the current high level of our CPI will moderate and return to the levels assumed within the LTFP.

Operating Income:

General Property Rates

The approach to the collection of rates from properties across the council region takes into consideration the composition and distribution of the general rates burden by applying objectives relating to equity, consistency, sustainability and simplicity, with reference to the principles of taxation, because rates are a tax.

A basic principle for long term financial sustainability is for ratepayers to fund the services they consume, in short for a balanced operating position.

The five principles that apply are:

- *Equity* – taxpayers with the same income pay the same tax (horizontal equity), wealthier taxpayers pay more (vertical equity);
- *Benefit* – taxpayers should receive some benefits from paying tax, but not necessarily to the extent of the tax paid;
- *Ability-to-pay* – in levying taxes the ability of the taxpayer to pay the tax must be taken into account;
- *Efficiency* – if a tax is designed to change consumers behaviour and the behaviour changes, the tax is efficient (e.g., tobacco taxes), if the tax is designed to be neutral in its effect on taxpayers and it changes taxpayers behaviour a tax is inefficient; and
- *Simplicity* – the tax must be understandable, hard to avoid and easy to collect.

To some extent these principles can be at odds with each other, so there is an effort to balance the application of the principles, the policy objectives of taxation, the need to raise income and the effects of the tax on the community.

Long Term Financial Plan 2023–2033 (cont'd)

Business Operations (Cont'd)

Operating Income (cont'd)

General Property Rates (cont'd)

A further influencing factor is the long-term future financial sustainability of the Council. The importance of financial sustainability is to ensure that each generation 'pays their way', rather than leaving it to future generations to address the issue of repairing and replacing worn out infrastructure. To achieve this 'intergenerational equity', it is crucial that current ratepayers effectively fund the current net cost of services provided and community assets consumed. An operating deficit requires future generations to subsidise these costs.

Council is able to raise income through a general rate, which applies to all rateable properties, or through a differential general rate, which applies to property according to its land-use and the location. For the term of the LTFP it has been assumed that the current approach to rating will continue to apply however this is reviewed each year as part of the consideration of the draft Business Plan.

Service Charges

Community Wastewater Management Schemes (CWMS)

Council provides effluent disposal systems service to identified properties in Crystal Brook and Napperby. The full cost of operating and maintaining the service is recovered through a charge to each property where the service is available, and this includes non-rateable properties.

The charges include an amount as a contribution towards the cost of capital and risk. The annual charges are increased by CPI (approximately) each year. Any surplus of income over actual expenses (excluding annual depreciation) is set aside in a dedicated reserve account to be used for future replacement and upgrades of the respective schemes.

Waste Management Service Charge (WMSC)

A three bin waste collection service is provided for residences where the service is available. The setting of the charge is guided by legislation which does not allow Council to charge more than the actual cost of providing the service. A number of rural properties receive a discounted charge where their property access point is more than 500 metres from their bin collection point.

Many commercial properties voluntarily participate in the collection service and are invoiced by Council for this service, with no impact on rates.

Long Term Financial Plan 2023–2033 (cont'd)

Business Operations (continued)

Operating Income (cont'd)

Regional Landscape Levy (formerly Natural Resources Management Levy)

The Landscape South Australia Act 2019 requires Council to raise a levy on behalf of the Northern and Yorke Landscapes Board. This levy is shown separately on the rates notice. Council does not set this levy, retain this revenue, nor determine how the revenue is spent.

Landscape South Australia Northern & Yorke

Head office - Clare, 155 Main North Road, Clare SA 5453

Phone: (08) 8841 3400. Monday to Friday from 9am till 5pm.

Website: <https://landscape.sa.gov.au/ny/home>

Other Income

- Grant and subsidy income
The Financial Assistance Grants includes an annual increase of CPI through the model it is assumed that they will be paid in each respective year so there is no forecast adjustment of prepayment of grants funds.

The current Roads to Recovery grant program payments information is known to 2023/24.

Operating grants to support service delivery including the Library include an annual increase of CPI.

- Fees & Charges including Licence fees – assumes an increase each year of between 1.5% and 3% which also includes anticipated growth in the number of users of these services. (The methodology for Lease fees is based on property information.)

Interest income from funds on hand is monitored and reviewed each year depending on the level of anticipated funds and interest rate movements. This income type also includes community loan repayments.

- Other income including re-imbursements and income from various sources is relatively minor and it is assumed to remain at a low level.

Long Term Financial Plan 2023–2033 (cont'd)

Business Operations (continued)

Operating Expenses:

An underlying assumption of the LTFP is that current service levels and programmed activities would continue so the future estimated expenses are developed from the base year and adjusted to reflect known changes. This includes additional maintenance costs for new and upgraded assets and, also includes expected decreases where investment in infrastructure will mean improved efficiencies and reduced ongoing expenses.

From 2019 a series of planned service reviews was commenced. Some of these efficiency gains have been realised and it is expected over time that further benefits will be identified in future years.

Adjustments include:

- Employee costs increase of between 3% - 5% per annum. This may vary in future years as it is dependent on future EB negotiations however the increase has been modelled to reflect close to the movement of CPI. From 2023 there are further planned increases in the Superannuation Guarantee at the rate of 0.5% each year for 3 years;
- Depreciation: increase following planned asset revaluations and for replaced/new assets;
- Finance Charges: interest on current borrowings as per loan repayment schedule;
- All Other expenses: increase up to 3-4% each year mirroring CPI;
- Specific events: estimated amounts have been included for the LG Elections in 2026 and 2030;
- GST is excluded from all amounts.

Financial Performance

The table shows the projected financial sustainability indicators average for the term of the LTFP compared to the target ranges for each indicator. The forecast average is within the target range.

FINANCIAL INDICATORS	2023-33 average	LTFP Target Ranges
Operating Surplus Ratio	1%	1–5 %
Net Financial Liabilities Ratio	15%	30-70%
Asset Renewal Funding Ratio	100%	80-110%

Operating Surplus

The Operating Surplus Ratio expresses the Operating Surplus (or Deficit) as a percentage of Total Operating Income to measure the extent to which income covers the operational expenses and if any funds are available to fund the capital works.

Calculation:
$$\frac{\text{Operating Surplus/(Deficit)}}{\text{Total Operating Income}}$$

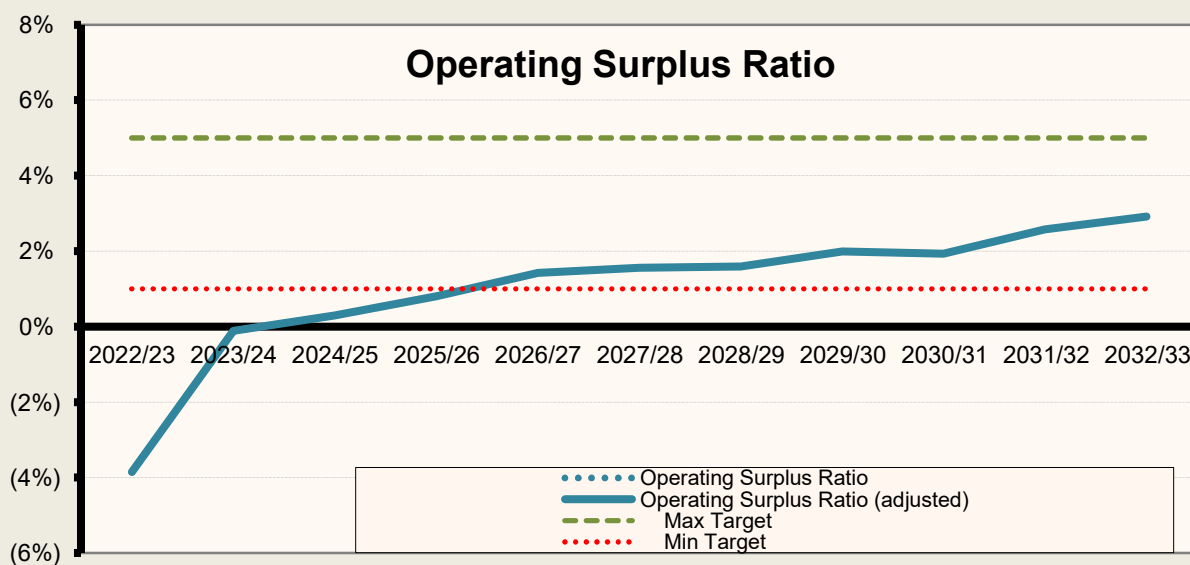
Long Term Financial Plan 2023–2033 (cont'd)

Business Operations (continued)

Operating Surplus (cont'd)

Commencing with a deficit result in 2023/24 the position is forecast to improve throughout the term of the ten year plan. It is noted that 2024 is the end of the Roads to Recovery funding program. While it is expected that there will be a new or continuing program this is not known so no allowance included in the LTFP. The result for each year varies however the average over the term of the LTFP is 1%.

The following chart shows the forecast annual operating result for the financial years from 2022/23 to 2032/33.



Financial Liabilities

The affordability of debt is measured by the net Financial Liabilities Ratio.

The Net Financial Liabilities are calculated as the difference between amounts owed and amounts held. The Net Financial Liabilities Ratio measures the net financial liability amount against total operating income. A ratio trend that is reducing indicates the improving capacity to meet financial obligations.

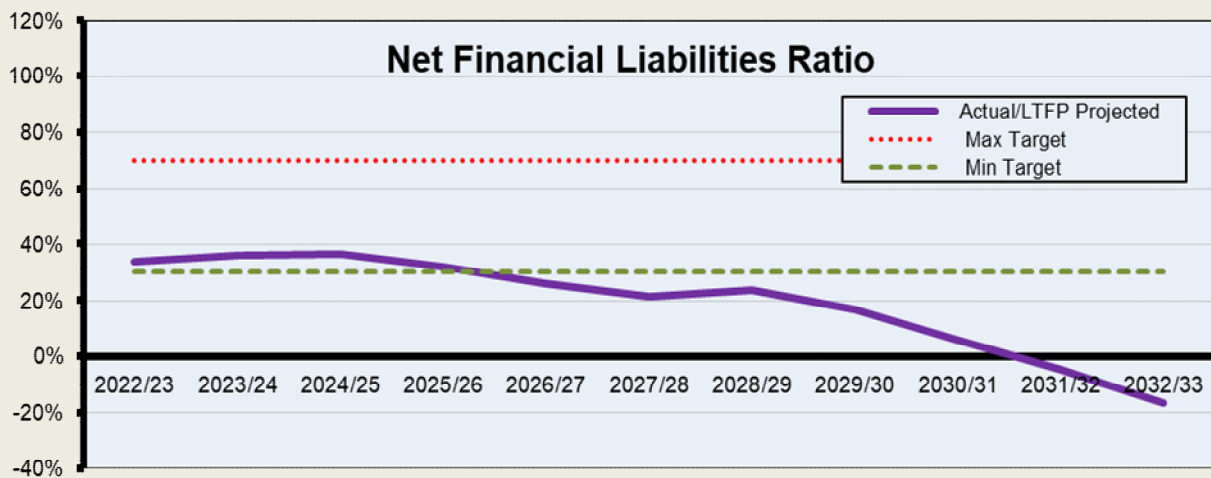
Calculation:
$$\frac{\text{Net Financial Liabilities}}{\text{Total Operating Income}}$$

For 2023/24 the Financial Liabilities Ratio is forecast to be 36% then decrease for the remainder of the LTFP to be below the minimum target range of 30% by 2026/27. This indicates a capacity to take on new loans to support the capital works program and improve the Asset Renewal Funding Ratio.

Long Term Financial Plan 2023–2033 (cont'd)

Business Operations (continued)

Financial Liabilities (cont'd)

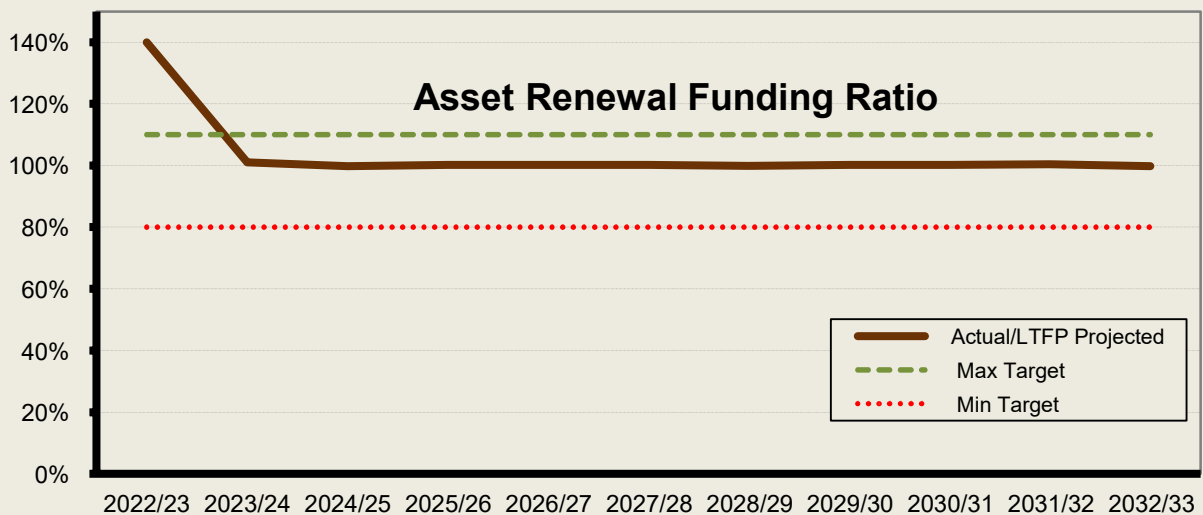


Asset Renewal Funding Ratio

The Asset Renewal Funding Ratio measures the extent to which existing assets are being renewed or replaced, compared to the planned Capital works in the Asset Management Plans (IAMP). If the capital expenditure budget for the renewal or replacement of existing assets matches that projected in the Asset Management Plans, then the ratio will be 100%. If the ratio is less than 100% for any extended period, this will lead to a deterioration of asset condition over time, leaving future generations of ratepayers to fund higher asset maintenance and replacement to restore the asset service level.

Calculation:
$$\frac{\text{Net Asset Renewal/Replacement}}{\text{Total Planned Renewal/Replacement (IAMP)}}$$

The capital works program for 2023/24 has included projects to achieve a ratio of 101% and stabilise at 100% for the remainder of the LTFP. The average across the LTFP is 100% which is the optimum target, representing that the renewal plan is matching the Asset Management Plan.



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