

Port Pirie Regional Council

BUSINESS PLAN
2019/20 – 2021/22



August 2019
Version: 2.0

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Introduction

Purpose

The Business 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 2019/20 to 2021/22.

Council conducted a period of public consultation on its draft Business Plan 2019/20 – 2021/22 from 25 July 2019 to 21 August 2019 and provided the following opportunities for the community to have input:

- **A Special Meeting of Council** was held on Monday 19 August at 6pm in the Council Chambers, 115 Ellen Street, Port Pirie.
- **Public information sessions** were held in Crystal Brook, Redhill, Napperby and Koolunga in collaboration with the Crystal Brook, Redhill and Koolunga Community Associations and the Pirie Districts Development Association and also provided an information session for Business Port Pirie. These dates were arranged with the associations.
- **Information booths** were held at Prime West Plaza, Ellen Centre and Crystal Brook.
- **A Management** representative was also available at the Crystal Brook Library and Office on Friday 2, 9 and 16 August 2019.

Opportunities to have your Say

There were a number of ways to provide feedback:

- **Online** – complete the online feedback form at www.pirie.sa.gov.au/feedback
- **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.
- **Email** – send an email to council@pirie.sa.gov.au

All written submissions were considered by Council prior to the adoption of the Business Plan, on Friday 23 August 2019.

About this Plan

Section 123 of the Local Government Act 1999 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

Following a sustained period of capital investment, Council is looking to the next few years to generate returns to our communities from those investments, to refocus our efforts on maintenance, improve the liveability of our communities and undertake preparations for future projects aimed at making change to key areas of our economic base.

In this Business Plan you will see more detail on the range of either existing services, projects and initiatives where we have practically attempted to allocate resources in order to reflect the statements made above, however a few key items are.

- We have kept our total staff wages and salaries cost at slightly less than last financial year, primarily by not replacing some of the vacant positions where we have identified other ways to deliver those services;
- We have increased the focus towards our town maintenance to provide for better presentation of our streets, parks and gardens;
- We have sustained the commitment to existing events and increased resources to attract additional events designed at attracting visitors to our towns and provide opportunity for our hospitality and other retailers to capitalise on these regular periods of economic stimulus;
- In partnership with Business Port Pirie, this is the first year of a three year commitment to provide financial support on a 50 : 50 shared basis to engage a Business and Events Manager to provide active support to small and medium sized businesses in these difficult economic times, and to assist businesses to capitalise on the events mentioned above;
- An increasing focus on delivering key priorities from the (draft) district plans for Crystal Brook, Redhill, Koolunga and the Pirie District;
- Looking to the future, commencing the investigations and scope of plans to make better tourism and community use of our riverfront, and as one of an number of organisations starting to explore opportunities to attract tourists through the provision of new walking / biking trails in the Southern Flinders Ranges and we would also like to discuss options with the Crystal Brook Community Association and Bowman Park Committee about an expanded future for Bowman Park;
- We will commence a review of the services we provide and how we provide them, in an effort to ensure, through consultation with our communities, that we are providing what is required and in the most efficient manner. This is the first year of a sustained focus on this large body of work, with Council indicating it will begin by looking at the land and buildings we own and maintain;
- Our Business Plan does not include any new loans;
- Implementation of a process to review the commitments and projects promised by Council over recent years to determine if they are still required, and if so to what degree, or if they divert away from the strategic direction of Council and therefore should be abandoned. This process will mesh into the review of our Community Plan and will undergo an intensive consultation process if significant changes are proposed. The aim of this process is to ensure we know what we are promising to deliver and that we have capacity to meet those promises.

Following phase one of a rate review undertaken in 2018/19 Council has amended the rating strategy by adding increased flexibility in the relativity between the differential rates in the dollars for the various land uses. This has opened options to better manage the differing movements in valuations between land use codes which has been a constant factor over recent years.

For 2019/20 Council is to implement a differential rating model based on the locality of land and its use. This is to provide Council with an improved ability to impose rates in a manner that takes account of the unique and diverse nature of the places and activities across Council's community.

Council has recently been announced as an eligible area under the Federal Governments Drought Community Programme extension, meaning Council is able to access \$1m for stimulus projects in our communities. Council has consulted with our regional communities to identify potential projects. There has been no decisions on how it plans to spend the funding. Given the current level of uncertainty, the funding and associated projects will be brought to account during a budget review process during the course of the year.

The South Australian state budget recently handed down an unprecedented 40% increase in the Solid Waste Levy, which equates to an additional cost in this Annual Business Plan of \$74,000 based on current waste volumes. As this increased cost relates directly to general (putrescible) waste disposed to landfill, and is paid to the State Government, the increased cost has been added to the cost of kerbside collection and also entrance fees to our waste transfer stations.

Council has adopted a Business Plan consistent with our key financial performance indicators and our current Community Plan. It was presented for community input through the public consultations options set out earlier in this document. In addition to the mandatory consultation processes, Council met with our regional community associations and also Business Port Pirie to present the Business Plan in an effort to stimulate community discussion.

Our community's scrutiny and feedback is important.



Leon Stephens
Mayor



Peter Ackland
Chief Executive Officer

Planning approach

The Community Plan 2016 – 2025 was built with the community, for the community and provides the guidance for this Business Plan. The Community Plan will undergo a review process in 2019/20. It has been designed to ensure that a clear direction is mapped 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 as 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.

Our Vision

“Regional Leader – Economic Hub – Quality Lifestyle”

By 2025 the Port Pirie Region is the premier regional centre in South Australia where residents and visitors want to be

Our Mission

To progressively strive for excellence, lead with integrity and deliver positive outcomes for the community

Themes for our Future Direction

Community Wellbeing **Economic Prosperity** **Sustainability** **Leadership & Governance**

Our Aspirations

- ❖ **Be a region full of opportunities**
- ❖ **Be a regional economic hub**
- ❖ **Create and support a vibrant tourist industry**
- ❖ **Be a vibrant business community**
- ❖ **Pro-actively drive regional prosperity and continue to be the regional capital and leader**
- ❖ **Energise our community**
- ❖ **Provide quality services across the region**
- ❖ **Retain our commitment to accountable governance**
- ❖ **Provide first class recreation and sports facilities**
- ❖ **Enhance the lifestyle of residents**
- ❖ **Provide attractive places to live**

Link to Our Community Plan 2016-25

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 the region. To achieve this, Council plans to improve community facilities; the appearance of the City and regional towns; people's perspective of the region; as well as the region's economic base.

The 2019/20 – 2021/22 Business Plan 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
- Implementation status of the previous Business Plan
- Current economic environment
- Current achievement level of the planned goals commensurate with community and key stakeholder needs
- Effective and efficient use of Council's resources
- Ensure continued financial sustainability

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 community input 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.

Link to Our Community Plan 2016-25 (continued)

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 approach to rating and includes an assessment against the long term financial sustainability of the Council.

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



Our Key Actions 2019/20 – 2021/22

There are a number of actions planned to achieve each of the goals of the Community Plan for the remaining three years. These are shown for each of the strategic goals.

Community Wellbeing

Establish the Port Pirie Council area as the region of choice for residents, based on our strong sense of community, healthy lifestyle, economic prosperity and job opportunities for all, quality services and strong identity.

Goal & Strategy	Action	Accountability	Performance measure	Target
CW1.2	Develop guidelines to support volunteers	Corporate and Community	- Completion	- 100%
CW1.3	Review the approach to community engagement	Corporate and Community	- Completion	- 100%
CW2.4	Actively promote and deliver the STARClub program	Corporate and Community	- Achieve planned key performance measures	- 100%
CW3.4	Work with other sports group to increase facility utilisation.	Infrastructure	- Port Pirie Sporting Precinct use at or near capacity	- 100%
CW3.5	Implement the Parks strategy	Infrastructure	- Key actions implemented	- 100%
CW4.1	Deliver youth activities at Council's libraries	Corporate and Community	- Youth programs delivered - Number of reading challenge participants	- 30 - Greater than 60
CW4.1	Complete and maintain the public Wi-Fi in Port Pirie and Crystal Brook	Corporate and Community	- Wi-Fi available - Wi-Fi coverage optimised	- 90% - 100%
CW4.4	Review the delivery of community events	Corporate and Community	- Increase in attendance	- 10%

Our Key Actions 2019/20 – 2021/22 (continued)

Community Wellbeing (continued)

Goal & Strategy	Action	Accountability	Performance measure	Target
CW5.3	Provide Digital Literacy training to community members	Corporate and Community	- Deliver 40 sessions	- 100%
CW5.3	Deliver a variety of general interest sessions to encourage greater use of the Library	Corporate and Community	- Deliver 100 sessions - At least 50% participation	- 100% - 100%
CW7.1	Develop a strategy for the Riverbank Precinct from Solomontown Beach through to Berth 3.	Infrastructure	- Strategy endorsed for consultation by Council	- Consultation document complete
CW7.5	Develop and begin implementation of a plan for public art and sculptures across the region	Corporate & Community	- Plan drafted - Increase in types and amount of public art	- 2 new installations of public art
CW7.7	Implement the footpath strategy, incorporating cycling	Infrastructure	- Key actions implemented	- 100%
CW7.9	Maintain and develop Port Pirie CCTV system	Corporate and Community	- All cameras operational	- 90%

Our Key Actions 2019/20 – 2021/22 (continued)

Economic Prosperity

Build a sustainable economically thriving and competitive Council area.

Goal & Strategy	Action	Accountability	Performance measure	Target
EP1.3	Collaborate with Business Port Pirie	Chief Executive Officer	- Business and Events Manager engaged - Increased membership	- 30% increase in membership - Increased involvement in new events
EP1.8	Improve the appearance of Port Pirie's roundabouts	Infrastructure	- Number of roundabouts completed	- Four
EP1.8	Provide a pedestrian crossing point on Ellen Street between Mary-Elie and Norman Streets.	Infrastructure	- Works completed	- 100%
EP1.10	In partnership with Regional Development Australia Yorke & Mid North, implement the key actions from Aspire 2027	Chief Executive Officer	- Key actions implemented on time and within budget	- 100%
EP2.1	Investigate options to make greater use of the Pirie River for tourism and recreational activities.	Corporate and Community	- Prepare options report for consideration by Council	- Completed
EP2.4	Prepare a Street Tree and Park Strategy	Infrastructure	- Key actions Implemented	- 100%
EP2.5	Provide increased opportunities for RV's to park in Port Pirie	Corporate and Community	- Prepare options report for consideration by Council	- Completed
EP2.7	Attract and/or host major cultural and sporting events	Corporate and Community	- 4 major events per year	- 100%

Our Key Actions 2019/20 – 2021/22 (continued)

Sustainability

Manage our environment, minimise our ecological footprint and head towards sustainability in all endeavours.

Goal & Strategy	Action	Accountability	Performance measure	Target
S1.1	Community education on waste minimisation	Development and Regulation	- Reduction in the percentage of waste that is sent to landfill	- 5%
S3.5	Implement the updated Parks strategy	Infrastructure	- Key actions implemented on time and within budget	- 100%
S4.1	Continue to investigate a solar desalination plant to reclaim water for our parklands	Infrastructure	- Feasibility study undertaken and infrastructure planned (if feasible)	- 100%
	Investigate options for increased water taken from Nyrstar's reverse osmosis plant		- Options report for increased water availability completed	- 100%
S5.1	Prepare a Flood Plain Mitigation Study for Napperby	Infrastructure	- Study Report completed	- 100%
S6.5	In partnership with TLAP, implement key actions	Chief Executive Officer	- Key actions implemented on time and within budget	- 100%

Our Key Actions 2019/20 – 2021/22 (cont'd)

Leadership and Governance

Provide best practice governance and administration that are inclusive, innovative, sustainable, transparent and achievement/outcome focussed while providing regional leadership.

Goal & Strategy	Action	Accountability	Performance measure	Target
L&G1.1	Community Survey	Chief Executive Officer	- Survey completed and considered by Council	- 100%
L&G1.1	Review and update the Community Plan	Chief Executive Officer	- Review completed and adopted by Council	- 100%
LG1.2	Review approach to Rating	Corporate and Community	- Rating Strategy review complete	- 100%
LG1.4	Financial sustainability is performance is consistent with targets set in the Long Term Financial Plan	Infrastructure	- Performance measures are within target range	- 100%
LG1.5	Review land and buildings assets and make recommendations on their future use	Infrastructure	- Options report completed	- 100%
L&G1.6	Asset management strategy and plans are reviewed and updated	Infrastructure	- Revised plans adopted	- 100%
L&G1.7	Implement Injury Prevention and Fit 4 Work	Corporate and Community	- Solution implemented	- 100%
L&G1.8	Implement the Business Improvement Framework	Chief Executive Officer	- 2 services reviewed and considered by Council - At least 6 activities reviewed and implemented	- 100% - 100%

Our Key Actions 2019/20 – 2021/22 (cont'd)

Goal & Strategy	Action	Accountability	Performance measure	Target
L&G 2.1	Promote MyLocal Services App to increase use for customer requests	Chief Executive Officer	- Increased use to report issues	- 20% increase in online use
L&G 2.2	Elector Representation review	Chief Executive Officer	- Review completed and considered by Council	- 100%

Our Investment - 2019/20

In the development of this Plan the strategies and priorities of many other plans were considered. The key focus areas for 2019/20 and the related activities and initiatives for each will be:

Community Wellbeing	Build capacity and increase the effort to improve the presentation of our public spaces - \$40,000	New / Multi-year
	Community support: <ul style="list-style-type: none"> Assistance Fund - \$55,000 Concessions and subsidies - \$26,000 	Multi-year
	Starclub - sporting organisations support – collaboration of District councils of Mt Remarkable, Orroroo-Carrieton, Peterborough and Northern Areas Council - \$130,000	Multi-year
	Contribution to Friends of the Port Pirie Art Gallery - \$5,000 for 5 years	Multi-year
	Art & Culture projects – Picture Fest Wonderwall Mural \$20,000	Multi-year
	Art & Culture projects – Playground Sculpture \$30,000 (subject to matching funding)	New
	Community Events – continue to support existing community events (see Economic Prosperity for new initiatives)	Multi-year
	Parks, Swimming & Sporting facilities - \$3,152,000	Multi-year
	Disability Inclusion Action Plan – preparation - \$20,000	New
	Drainage cleaning program - The Terrace, Port Pirie - \$45,000	New
	Sealed roads maintenance – patching and potholing – \$293,000	Multi-year
	Medians and Roundabouts improvement of overall appearance - \$167,000	Multi-year
	Public convenience cleaning – continue current provision, increase frequency for high use areas and expand to Pirie West Oval - \$17,000	New / Multi-year
	Rural road maintenance – grading, potholing, patching, roadside verges - \$500,000	Multi-year
	Street cleaning in Port Pirie and rural towns - \$434,000	Multi-year
	Florence St public carpark - lease \$27,000	Multi-year
	Street Tree planting and maintenance - \$440,000	Multi-year
	Review delivery of community events and propose a new policy	New
Library & Internet suite – borrower services, digital literacy sessions & general interest activities for all ages - \$1,344,000	Multi-year	

Our Investment - 2019/20 (continued)

Economic Prosperity	Attract / Facilitate major sporting events <ul style="list-style-type: none"> • Bowls \$8,000 • Cricket \$10,500 • SANFL \$25,000 	New / Multi-year
	Business Port Pirie – annual investment for three years - \$10,000	Multi-year
	Come See Change contribution - \$30,000	Multi-year
	Visitor Centre - Shakka - install self guided tour - \$4,000	New
	Southern Flinders Ranges Photographic competition (year 2) - \$85,000	Multi-year
	Commence planning for Riverfront, Bowman Park, Gorges SA - \$20,000	New
	Develop an event attraction strategy	New / Multi-year
	Initiate delivery of selected projects from Council's Economic Development Strategy – Aspire - \$50,000	Multi-year
	Visitor experience research – final year - \$5,000	Multi-year
	Public Wi-Fi – extend the access for to Port Pirie Sport Precinct – part of grant funding to increase and upgrade CCTV coverage	Multi-year
	RV Park – explore options - \$40,000	New
	Visitor Information Centre Port Pirie - \$644,000	Multi-year

Sustainability	Broughton River Flood Plain – hydrology study to mitigate flooding - \$30,000	New
	Waste Strategy community education program, increase school participation - \$9,000	New
	Port Pirie Waste Transfer Station – re-arrange entrance with Boom gates, cards swipe - \$30,000	New
	Seek EOI for the installation of solar across major council buildings	Multi-year
	Implement new State Government Planning reform – portal contribution \$18,000	New / Multi-year

Our Investment - 2019/20 (continued)

Leadership & Governance	Conduct Community Survey to provide input in review of Community Plan - \$10,000	New
	Review and revise the Community Plan - \$20,000	New
	Implement automated Business intelligence system - \$70,000	New / Multi-year
	Review services – Land & Building - \$20,000	New
	Review an additional service (to be decided) - \$20,000	New
	Complete review of approach to Rating - \$20,000	Multi-year
	Implement Fit 4 Work (drug and alcohol testing) - \$10,000	New
	Finalise and implement Parks and Footpath strategies	Multi-year
	Community halls and buildings – maintenance - \$167,000	Multi-year
	Engage a business improvement coordinator to identify efficiencies in service delivery - \$125,000	Multi-year

Capital Projects in 2019/20

The capital works program for 2019/20 is \$5.9 million in total, of which \$1.2 million is allocated for new assets and the remainder of \$4.7 million for the renewal and upgrade of existing assets.

Irrigation, barbecues and rubbish bins will be installed in various parks and there will also be resources committed to kerbing and footpath improvements and other community amenities in the region.

Roadworks Capital

- Road Reseal Program – Spray sealing and asphalt replacement of approximately 6 km of the sealed road network including Wandearah Road rehabilitation, completion of Ingram Gap Road, Dunstall Road construction and seal - \$930,000
- Road Re-sheeting Program – Approximately 38 km throughout the rural area - \$900,000
- Track upgrades – sheeting of unmade roads in the rural area to improve access, 7.5 km to be upgraded - \$50,000
- Kerb Replacement Program – Replacement of kerb that has reached the end of its useful life and/or part of the road reseal replacement program - \$400,000 including a section of Ellen Street (north)
- Footpath Replacement Program – Replacement of spray sealed/asphalt/concrete/paved footpaths as per Footpath Strategy - \$220,000

Port Pirie Urban Projects

- Threadgold and Plenty parks irrigation – \$50,000
- IT CCTV upgrade - \$51,000 (fully funded by grant)
- Completion of street lights in Alexander Street between Gertrude Street and Florence Street - \$124,000
- Port Pirie Cemetery – Construction of a single lawn beam, War graves and irrigation system - \$106,000
- Replace air-conditioning in Art Gallery (portion carried over from 18/19) - \$575,000
- Pedestrian crossing point on Ellen Street - \$25,000
- World War I gates at Memorial Oval Port Pirie – repair stone work - \$16,000
- Waste CBD recycle bins - \$12,000
- Waste Transfer Station Port Pirie – upgrade waste bays - \$190,000
- Stormwater drainage Phoenix Park wetlands levee - \$100,000
- Improvements to the recycled water reticulation system - \$200,000
- Repairs to Solomontown Beach jetty - \$100,000
- Improvements to the rowing launch area - \$30,000

Capital Projects in 2019/20

Rural Area Projects

- Crystal Brook institute – exterior paint seal and height safety \$37,000
- Bowman Park – building gutters and fascia's - \$22,000
- Redhill Museum – building repairs \$20,000
- Redhill Institute – exterior painting \$20,000
- Koolunga, Bunyip Park public conveniences painting - \$5,000
- Koolunga Institute – kitchen upgrade \$20,000
- Bridges – Butlers Bridge overflow replace existing bridge with culverts - \$495,000
- Community Wastewater Systems improvement at Crystal Brook – \$10,000
- Crystal Brook Main street – completion - \$50,000 (additional to carry over from 18/19)
- Koolunga drainage – flood protection from Broughton River - \$71,000
- Aerodrome weather station improvements to meet CASA requirements - \$22,000
- Projects from Federal Government Drought Community Programme extension (yet to be identified) - \$1,000,000

Plant, Vehicle & Equipment Replacement Plans

- Utilities x 2 - \$75,000.
- Street sweeper - \$55,000
- Deck mower - \$45,000
- Water Tank– \$45,000
- Spray Motorbike – \$35,000
- Vehicles x 5 – \$180,000
- IT system integration upgrade, network & workstation replacement program - \$155,000

Funding the Business Plan

Funding of the Business Plan 2019/20 – 2021/22 is set out with a detailed description of the financial information for the coming year 2019/20 and a set of summary financial statements of the remaining years of the Plan.

Annual Budget 2019/20 highlights:

❖ Operating income	\$24.6 million
❖ Operating expenses	\$26.5 million
❖ Operating result	(\$1.9) million
❖ Operating result (Adjusted for the Grants partial pre-payment of \$2.1m)	\$0.03 million
❖ Rates Income (excluding fines and write-offs)	\$18.84 million
❖ Total Rates Income increase	3.2%
❖ Capital program	\$5.91 million
❖ Capital income	\$0.40 million
❖ Financial sustainability measures (forecast to be at 30 June 2020):	
○ Operating Surplus Ratio	(8%)
○ Operating Surplus Ratio (Adjusted for the Grants partial pre-payment)	0%
○ Net Financial Liabilities	51%
○ Asset Renewal Funding Ratio	65%

Capital Works for 2019/20

A total of \$5,912,000 million will be spent on capital projects in the following service areas:

Roads	\$1,905,000
Kerbing and footpaths	\$620,000
Bridges	\$495,000
Street Services	\$165,000
Parks and Recreation	\$172,000
Cemeteries	\$106,000
Community and Culture	\$731,000
Marine	\$130,000
Stormwater drainage and Environment	\$371,000
Waste management	\$217,000
Community Wastewater System	\$10,000
Equipment, Building Fittings & Furniture	\$223,000
Major Plant & Vehicles	\$435,000
Other	\$333,000

Rates and Service Charges 2019/20

REVIEW OF RATING STRATEGY

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.

As part of setting the rates, Council considered the 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. It took into account the goals of the community plan, comments received from community consultation and importantly the current economic conditions.

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.

During 2018/19, Council identified the need to review its Rating Strategy due to the impact of sustained changes in the rates burden between land use types resulting from valuation movements as the longer term trends did not readily align with the aims of the Rating Strategy.

The need for the review is demonstrated by the table below that shows the variable average valuation movement over the last four years.

Annual Valuation Increase by Land Use	2015/16	2016/17	2017/18	2018/19
Residential - All	1.16%	1.79%	-0.43%	1.30%
Commercial - All	0.20%	1.41%	6.50%	5.22%
Industry - All	0.00%	6.40%	1.00%	0.37%
Primary Production - All	1.06%	3.89%	8.85%	8.90%
Vacant Land - All	-2.85%	-3.69%	13.30%	-8.73%
Other - All	-1.35%	5.42%	4.23%	3.86%
Total	1.10%	2.30%	2.62%	3.27%

The variable movement in valuation per land use type had resulted in a change in distribution of contribution to the rating effort between the land use types, as depicted below:

Contribution by Land Use	2015/16	2016/17	2017/18	2018/19	Trend
Residential - All	57%	61%	59%	59%	↓
Commercial - All	12%	13%	13%	13%	↔
Industry - All	16%	9%	11%	10%	↓
Primary Production - All	10%	12%	12%	13%	↑
Vacant Land - All	4%	4%	4%	4%	↔
Other - All	1%	1%	1%	1%	↔
Total	100%	100%	100%	100%	

Rates and Service Charges 2019/20 (continued)

REVIEW OF RATING STRATEGY (Continued)

Prior to the review of the Rating Strategy, the relativity of the differential rates in the dollar between the various land use types were fixed, the residential differential was the base and all other differential rates in the dollar were a fixed percentage of that base.

As a result of the review, Council decided to amend its Rating Strategy by allowing greater flexibility in the relative relationship between the differential rates in the dollar for land use types. This change will provide increased opportunity to manage the impact of uneven valuation movements between the different land use types.

The Council decided 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 increase in General Rates for 2019/20 is to be more aligned to the March 2019 annual Consumer Price All groups (1.3%) and Local Government Price (2.7%) indices. This has resulted in an overall increase in general property rates of 2.9% which is inclusive of the net growth factor of 1.65%.

Service Charges are based on the expense to provide the service. This includes an annual review of the actual and forecast costs as a basis for the calculation of the service charge for Waste Collection and the Community Wastewater Management schemes.

Due to increased waste disposal costs, and particularly the unexpected 40% increase in the Solid Waste Levy resulting from the most recent State Government Budget, the Waste Collection service charge will increase by 5.5% or \$0.29 per week. The service charges for the Community Wastewater Management schemes at Crystal Brook and Napperby will increase by 2%.

The NRM levy is determined by the Northern and Yorke Natural Resources Management Board with Council required to collect the levy on the Board's behalf. The Board has advised that Councils share of its levy for 2019/20 has increased by 3.4%.

RATES 2019/20

Valuation

The Valuer-General has provided the property valuations that have been used as the basis for rating purposes. The overall total property valuation for the region across all land use types has increased by 3.36%, with differing variations movements 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 19/20 is 1.73%, however some of that increase is attributable to properties eligible for a rebate of rates, and therefore a net growth factor of 1.65% has been applied.

Rates and Service Charges 2019/20 (continued)

Total Rate Income

Council is to raise total rate income of \$19 million (after rebates and remissions, including fines) from property rates and service charges, including an estimated amount for fines and penalty interest. This will enable Council to deliver the planned activities and services in 2019/20 and to fund the capital works program. The amount represents an overall increase of \$0.59 million from the previous year which is an increase of 3.2%. The proposed increase is more aligned to the annual movements in the Consumer Price and Local Government Price indices and is less than the planned increase of 5% in the 2018 – 2028 Long Term Financial Plan. This approach will be reflected in the updated Long Term Financial Plan for 2019 - 29.

How General Property Rates are calculated

The method of calculation of rates is:

General Rates:

Fixed Charge (applicable to all properties)

+ Valuation x Rate in \$ (differential rates determined by land use and / or locality)

Service charges:

+ Waste Management Service Charge (applicable to all residential properties to which the services is available)

+ Community Waste Management Service Charge (applicable to Crystal Brook and Napperby properties where the service is available)

And Separate Area Rate:

+ Natural Resources Management Levy (applicable to all rateable properties)

= Total Property Rates Payable.

The following table shows the total amounts to be raised for General Property Rates, Service Charges and NRM Levy, including rebates for 2019/20 compared to the total amounts raised in 2018/19:

Rates including rebates (excluding fines)	2018/19 \$ (m)	2018/19 % increase	2019/20 \$ (m)	2019/20 % increase
General Property Rates	15.757	4.9	16.209	2.9
Waste Management Service Charge	1.899	4.3	2.013	5.5
CWMS Service Charge	0.181	1.8	0.186	3.1
NRM Levy	0.414	3.2	0.428	3.4
TOTAL	18.251	4.8	18.836	3.2

Rates and Service Charges 2019/20 (continued)

Fixed Charge

The rating structure will continue with the approach of a single fixed charge amount to be applied to all properties in the region, with the exception of contiguous properties and single farm enterprises which have only one fixed charge applied. The proportion of the total general rate income amount derived from the fixed charge component is 32% for 2019/20. The provisions of the Local Government Act prescribe that it must not exceed 50% of the total general rate income.

The total general rate income of **\$16.6 million** (excluding rebates) for 2019/20 is comprised of the following elements:

- Fixed Charge \$5.3m (all properties - approx. 32% of General Rates)
- Differential Rating \$11.3m (valuation based – approx. 68% of General Rates)

Changes to 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 to classes of properties.

Differential rates can be raised according to the locality of the land and its use, and are calculated using the capital valuation of a property multiplied by the rate in the dollar value applicable to the property's land use and locality, in order to raise the balance of general rate income.

Due to the need to balance the community's capacity to pay, for 2019/20 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:

- Locality – town planning zones (TPZ) including airfield, bulk handling, coastal conservation, commercial, commercial policy area (PA) 1, commercial PA 2, commercial PA 3, community, deferred urban, industry, industry PA 4, industry PA 5, industry PA 6, local centre, mixed use (MU), MU PA 7, MU PA 8, neighbourhood, primary production, regional centre (RC), RC PA 9, residential, residential PA 10, rural landscape protection (RLP), RLP PA 11, RLP PA 12, rural living (RL), RL PA 13, RL PA 14, RL PA 15, RL PA 16, RL PA 17, RL PA 18, town centre and township.
- Land use – prescribed land use codes (LUC) including residential, commercial-shop, commercial-office, commercial-other, industry-light, industry-other, primary production, vacant and other.

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

Rates and Service Charges 2019/20 (continued)

As part of its consideration of the impact of rates, Council has modelled the effect of the proposed changes to the differential general rate structure for 2019/20 based on the “average” valuation for each land use code. The average valuation is arrived at by dividing the total valuation for each land use code by the number of properties that comprise that code (as per the 2018/19 rating approach). The change, in percentage terms, from the previous year’s annual rates are specified in the following table.

Average Rates	2018/19	2019/20	Movement %
Residential - All	\$1,195	\$1,227	2.7%
Commercial - All	\$4,320	\$4,492	4.0%
Industry - All	\$14,992	\$13,813	-7.7%
Primary Production - All	\$2,050	\$2,214	8.0%
Vacant Land - All	\$1,075	\$1,144	6.4%
Other - All	\$1,464	\$1,709	16.7%

The average residential rates for 2019/20 will increase to \$1,227 from \$1,195 which is an increase of \$32 compared to an increase of \$45 in 2018/19. Individual property rates will vary; with some decreases and increases depending on the property capital value movement. The most recent information provided by the SA Local Government Grants Commission is for the year ended 30 June 2018 and shows that the State average residential rate was \$1,536. The current average residential rate in Port Pirie Regional Council is \$1,227 which is 20% less than the State average for 2017/18.

Contribution

As part of the rating review undertaken in 2018/19, and the changes to rating, greater flexibility will be created in the relative relationship between the differential rates in the dollar for each land use category.

This was done to allow Council the option to have greater influence over the total amount of general rates contributed by the various land use categories, relative to one another, given that over time there has been a change in the percentage of contribution due to varying movements in the valuation for particular land use codes.

The following table shows the average increase, the total general rates and the contribution level, noting the percentage for the current financial year includes the combined contribution from land use codes throughout the Council area.

LAND USE	AVERAGE INCREASE	TOTAL GENERAL RATES (Mill)	CONTRIBUTION TO TOTAL RATES
Residential - All	2.7%	\$9.85	59.1%
Commercial - All	4.0%	\$2.24	13.4%
Industry - All	-7.7%	\$1.46	8.8%
Primary Production - All	8.0%	\$2.26	13.5%
Vacant - All	6.4%	\$0.64	3.9%
Other - All	16.7%	\$0.21	1.3%
TOTAL GENERAL RATE INCOME		\$16.66	100%

Rates and Service Charges 2019/20 (continued)

The rating components for 2019/20 will be:

Fixed Charge	Differential Rates
\$510 (increase of \$20)	Average Increase of 1.7%

This will mean in an increase in general rates of up to 4% for 7,900 properties or 76% of total rateable properties, compared to 8,700 properties for 2018/19 while 1,324 properties would have a reduction in the rates compared to 398 in 2018/19. There are 246 properties that will have an average increase greater than 10% compared to 997 in 2018/19.

The increases and decreases in general rates will vary due to changes in an individual property's valuation. As a result some rates will decrease while others increase, dependant upon the movement in the valuation.

There are some properties that would experience an increase due to 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.

High increase percentages will show for low valued properties however the actual amount of the increase will be low in comparison to higher value properties.

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 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.

The charges include an amount as a contribution towards the cost of capital and risk.

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 2019/20 as shown below:

CWMS	Crystal Brook			Napperby		
	2018/19	2019/20	% increase	2018/19	2019/20	% increase
Property type						
Vacant	\$142	\$145	2%	\$331	\$338	2%
Occupied	\$189	\$193	2%	\$442	\$451	2%

Rates and Service Charges 2019/20 (continued)

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. The discounts are applied automatically to these properties and for 2019/20 will total approximately \$23,765.

Total Waste Management service income will be approximately \$2.013 million (including rebates). The charge for 2019/20 will increase by \$15.

Year	2018/19	2019/20
3 Bin Waste Collection Service Charge	\$230	\$245

The South Australian state budget recently handed down an unprecedented 40% increase in the Solid Waste Levy, which equates to an additional cost in this Business Plan of \$74,000 based on current waste volumes. As this increased cost relates directly to general (putrescible) waste disposed to landfill, and is paid to the State Government, proportion of the increased cost has been added to the cost of kerbside collection and also entrance fees to our waste transfer stations.

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

Natural Resources Management Levy

The Natural Resource Management Act 2004 requires Council to raise a levy on behalf of the Northern and Yorke Natural Resources Management 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.

Council is required to raise \$427,821 (after rebates) and recover this amount by applying a rate in the dollar of approximately 0.01825 against the capital value of every property.

Northern & Yorke Natural Resources

Natural Resources Centre - Clare (head office), 155 Main North Road, Clare SA 5453

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

Website: <http://www.naturalresources.sa.gov.au/northernandyorke>

Payment of Rates

The Council has decided that the payment of rates will be by quarterly billing. Consistent with s181 of the Local Government Act the payment of Rates 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 2019/20 (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 13 18 16;
- 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 Library at Crystal Brook available Monday to Friday from 10am to 4pm.

Late Payment of Rates *

The Local Government Act provides for Councils to impose a penalty of a 2% fine on any payment for rates, whether due by instalment or otherwise that are unpaid after the due date. A payment that continues to be in arrears is then charged penalty interest at an interest rate, set each year according to a formula in the 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.

*The rate is set by legislation and is reviewed each year in June.

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 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 are granted for land used for specific purposes. Applications for a discretionary rebate must be received no later than 30 September 2019.

Rate Concessions

The State Government has changed the concessions for general rates. They make the payment of a 'cost of living' allowance which will be paid directly to pensioners and concession card holders, to replace the former rates concession. The payment is administered by State agencies who will determine eligibility.

Further information is available from the Department of Communities and Social Inclusion on 1800 307 758 or by visiting the website <http://www.dcsi.sa.gov.au>

Rates and Service Charges 2019/20 (continued)

Exemption from Rates

Section 147(2) of the Local Government Act 1999 specifies those types of public properties that are exempt from rates. Section 147(2)(f) of the Local Government Act 1999 specifies that land occupied or held by the Council, except land held from a Council under a lease or licence, is exempt from rates. Some community owned land that is operated under lease or licence may be eligible for rates exemption subject to the requirements of the Recreational Grounds Act.

Postponement of Rates for State Seniors Card Holders

Section 182A of the Local Government Act 1999 provides for the option for State Seniors Card Holders to postpone part of the rates on a long term basis. A deferred amount is subject to a monthly interest charge with the accrued debt being payable on the disposal or sale of the property. Applications are subject to the same conditions as deferral or postponement of rates.

Remission of Rates

Section 182 of the Local Government Act permits the Council, on the application of a ratepayer, to partially or wholly remit rates or to postpone payment of rates, on the basis of hardship. The Council has a strategy that where the payment of rates will cause a ratepayer demonstrable hardship, the Council is prepared to make extended payment provisions or defer the payment of rates. Such inquiries are treated by Council as confidential.

Sale of Land for Non-payment of Rates

The Local Government Act provides that a Council may sell any property where the rates have been in arrears for three years or more. The Council is required to notify the principal ratepayer of the land of its intention to sell the land, provide the recipient with details of the outstanding amounts, and advise the owner of its intention to sell the land if payment of the outstanding amount is not received within one month.

Except where extraordinary circumstances can be demonstrated, the Council will enforce the sale of land where rates remain unpaid.

Further information

For further information refer to the Rates Policy available from the Council website.

Annual Budget 2019/20

BUSINESS OPERATIONS

This annual budget is based on continuing to provide the same degree of services at essentially the same level as was provided in the previous financial year, and which are identified in more detail in the Annual Business Plan.

The annual budget for 2019/20 has an operating deficit of \$1,945k. This is due to the partial prepayment of half of the Financial Assistance Grants (FAG's) funds of \$2.1 million for 2019/20, which were paid in June 2019.

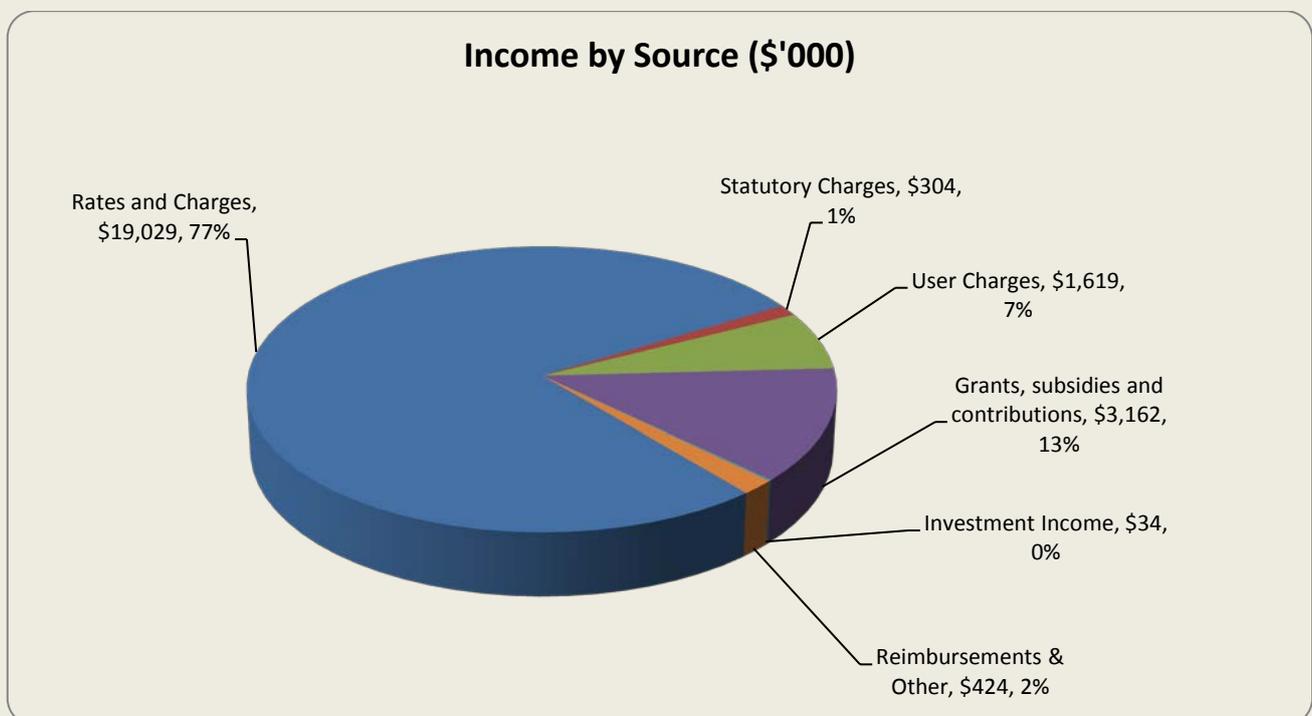
The Operating result, adjusted for the grant funds prepayment is a small surplus of \$55,000.

The capital program is to be \$5.9 million, which is significantly less than the previous year. Council has made a conscious decision to increase its focus on maintenance and operational activities over the new few financial years. The capital program is funded by general revenue with no new loans proposed.

Operating Income

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

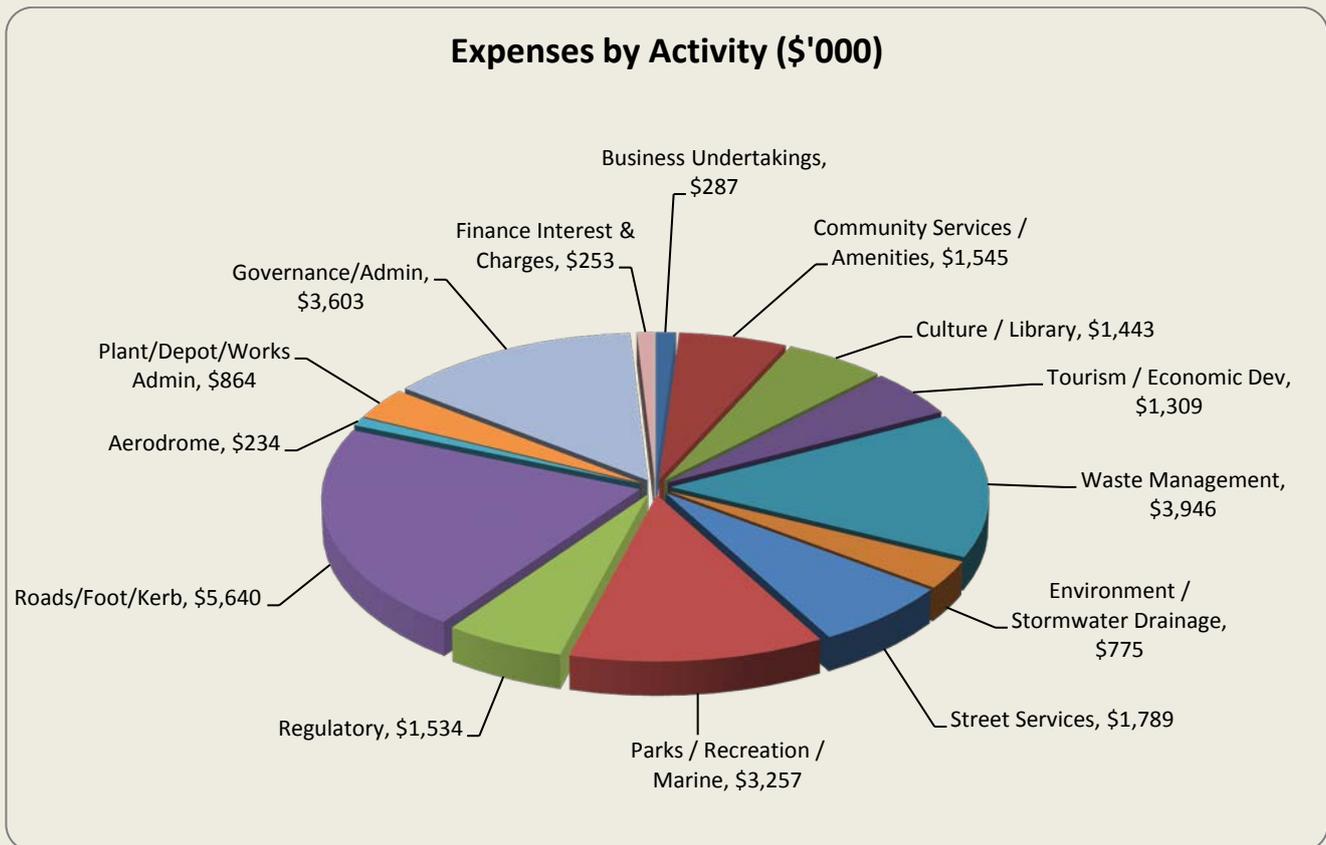
The total operating income for 2019/20 is estimated to be \$24.57 million.



Annual Budget 2019/20 (continued)

Operating Expenses

The total operating expenses for 2019/20 are estimated to be \$26.51 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 Ratio is below the target range for this three year period however it follows a period of high capital asset renewal and is projected to increase in future years to maintain a 10 year average within the target range.

Annual Budget 2019/20 (continued)

FINANCIAL PERFORMANCE (continued)

FINANCIAL SUSTAINABILITY RATIOS	2019/20 Budget	2020/21 Budget	2021/22 Budget	3 year average	LTFP Target Range
Operating Surplus Ratio*	0%	2%	2%	1%	1-5%
Net Financial Liabilities Ratio	51%	40%	39%	43%	30-70%
Asset Renewal Ratio	65%	63%	95%	74%	80-110%

*adjusted for financial assistance grant prepayments

Long Term Financial Plan 2019-29

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. The importance is recognised in that financial plans both long term and short term are a requirement of the Local Government Act.

The key documents required for successful long term planning are:

- Community Strategic Plan
- Asset Management Plan
- Capital Works Program
- Long Term Financial Plan

The Long Term Financial Plan (LTFP) sets out the projected income and expenses for the period from 2019 – 2029, using 2018/19 as the base year and includes 2017/18 to assist trend analysis.

Each year, as part of the development of the annual budget, the LTFP is reviewed to assess the potential impact of the planned service levels and service delivery on the future longer term financial position and whether the performance will be sustainable.

The LTFP is regularly reviewed during the year to ensure that the financial performance is monitored and compared with the planned targets.

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. In the longer term, seek to achieve and maintain consistent operating surpluses to reduce and eventually eliminate the need for regular borrowing to fund new assets and asset backlogs.

2. To fund Asset Renewal/Replacement of existing assets

Target an average Asset Renewal 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, including a number of major projects to be primarily funded by grants and future operating surpluses.

4. To reduce Reliance on Borrowing

Provide for new loans for major capital projects until the operating surpluses can be achieved to fund the capital program.

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.

Rating Strategy

The aim of the Rating Strategy is to describe the approach to the collecting of rates from properties across the council region, by applying objectives relating to equity, consistency, sustainability and simplicity, taking into consideration the composition and distribution of the general rates burden.

There is reference to the principles of taxation, because rates are a tax. The five principles that apply to the imposition of taxes on communities 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 in conflict with each other, there should be some effort of balance of the application of the principles, the policy objectives of taxation, the need to raise income and the effects of the tax on the community.

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.

During 2019 Council conducted a review of the Rating Strategy due to the impact of sustained changes in the rates burden between land use types resulting from valuation movements as the longer term trends did not readily align with the aims of the Rating Strategy.

As a result of the review, Council amended its Rating Strategy by allowing greater flexibility in the relative relationship between the differential rates in the dollars for land use types and localities. This change will provide increased opportunity to manage the impact of uneven valuation movements between the different land use types and provide for a distribution of rates commensurate with community capacity to pay. Further details of the changes to the proposed Rating Strategy for 2019/20 are outlined earlier in this document.

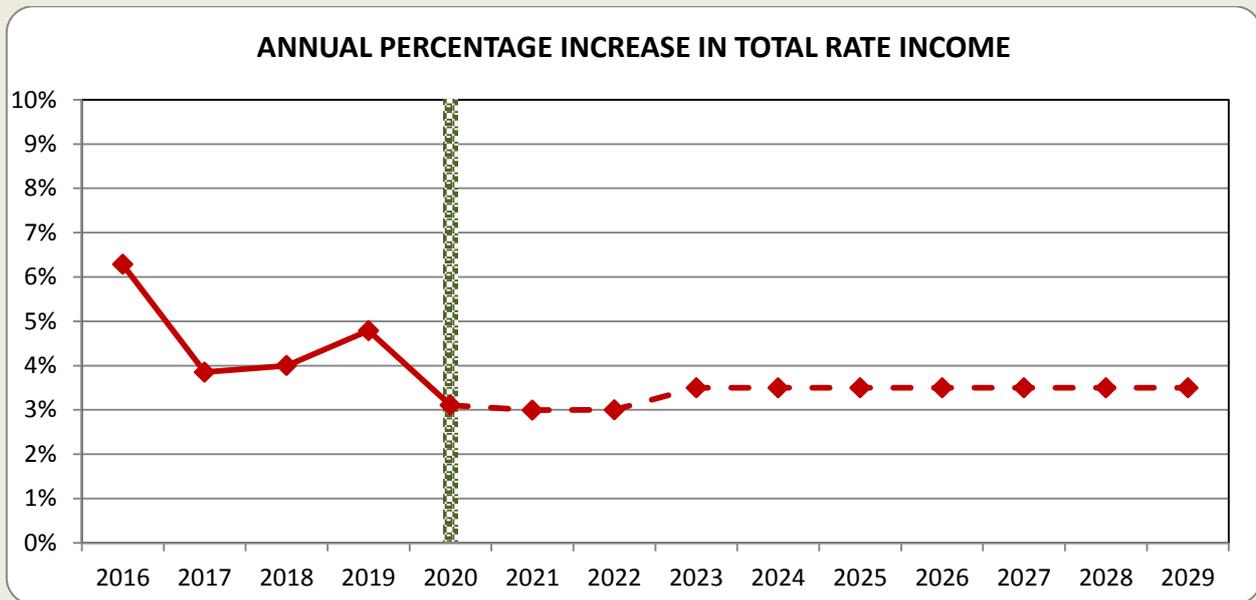
Long Term Financial Plan 2019–2029 (cont'd)

Total Rate Income

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

In the Rating Strategy the annual increase in Total Rate Income better reflects the current economic conditions. It is proposed that Total Rate Income will increase by 3% each year to 2022, then by 3.5% for the remaining period of the LTFP.

The graph below shows the history of rate increases from 2016 with the projected increases to 2029.



Capital Works Plan 2019-29

The 10 year Capital Works Plan (CWP) has been updated and added into the draft Long Term Financial Plan 2019-29. The CWP has gross expenditure of \$80.7 million over the ten year period commencing 2019/20. The CWP is to be funded from general income.

Capital Plan Summary 2019-29:

Component	\$ (m)
Total capex	\$80.7
• Renewal/Replacement	\$61.4
• New/Upgrade	\$19.3
Funded by:	
• General income	\$80.7

Long Term Financial Plan 2019–2029 (cont'd)

Capital Works Plan 2019-29 (continued)

There are also a number of unfunded 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.

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 new assets such as construction of new facilities or purchase of new 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. For 2019/20, the loan principal repayments of \$0.43 million will represent approximately 2.3% of total rate income which is well within acceptable levels of manageable debt. 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 principal outstanding each year by a minimum of \$600,000 so that the total balance of the loan portfolio would be \$4.1 million by the end of 2029.

There are no new loans proposed in the Plan.

Reserves

Council maintains several reserve funds for specific purposes.

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.

Long Term Financial Plan 2019–2029 (cont'd)

Financial Sustainability

The financial performance of the council business is monitored by three key indicators. Target ranges for each of these indicators are 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 average long term target 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.

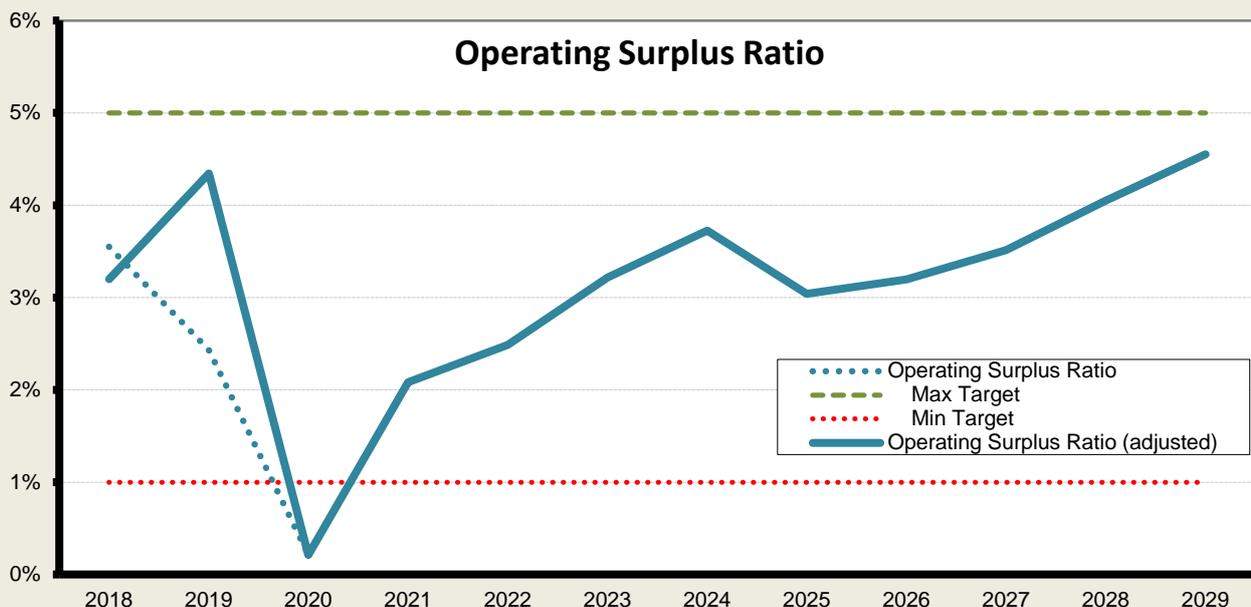
FINANCIAL INDICATORS	2019-29 average	LTFP Target Ranges
Operating Surplus Ratio *	3%	1–5 %
Net Financial Liabilities Ratio *	31%	30-70%
Asset Renewal Funding Ratio	90%	80-110%

- *Adjusted for Financial Assistance Grants prepayments*

Operating Surplus

The Operating Surplus Ratio expresses the Operating Surplus (or Deficit) as a percentage of Total Operating Income. Commencing with a small positive (adjusted) result in 2019/20 the position is forecast to gradually increase for the remainder of the LTFP to reach 4% by 2029 which is within the target range.

The following chart shows the annual operating result (adjusted for financial assistance grant prepayments/corrections) for the financial years from 2017/18 to 2028/29.



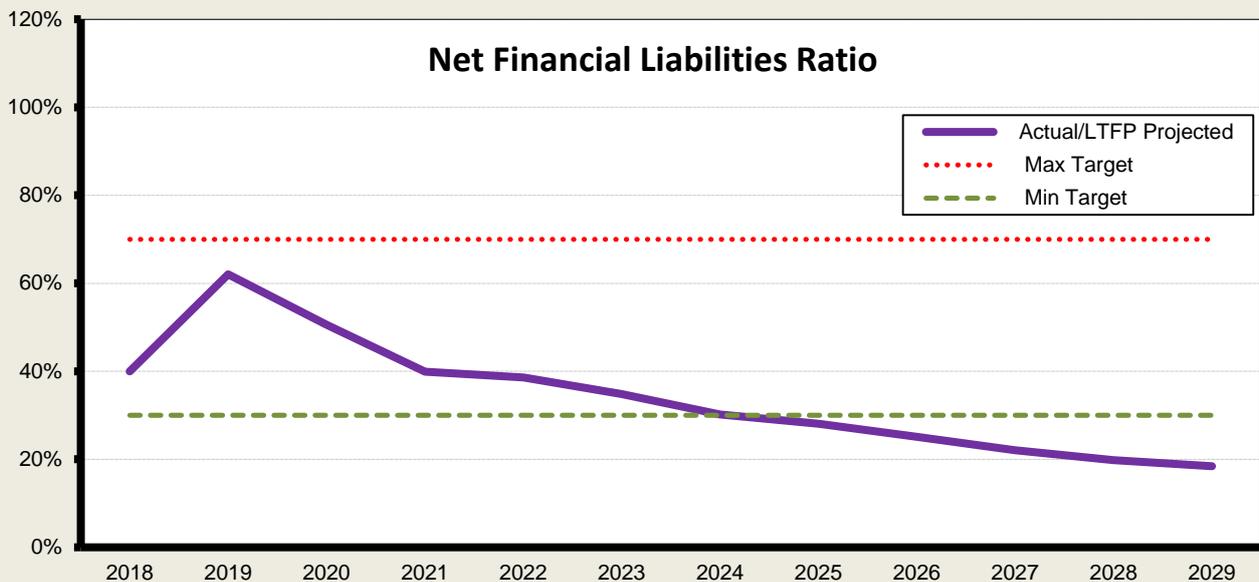
Long Term Financial Plan 2019–2029 (cont'd)

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.

For 2019/20 the Financial Liabilities Ratio is forecast to be 51% then decrease for the remainder of the LTFP to be below the minimum target range of 30% by 2025.



Asset Renewal Ratio

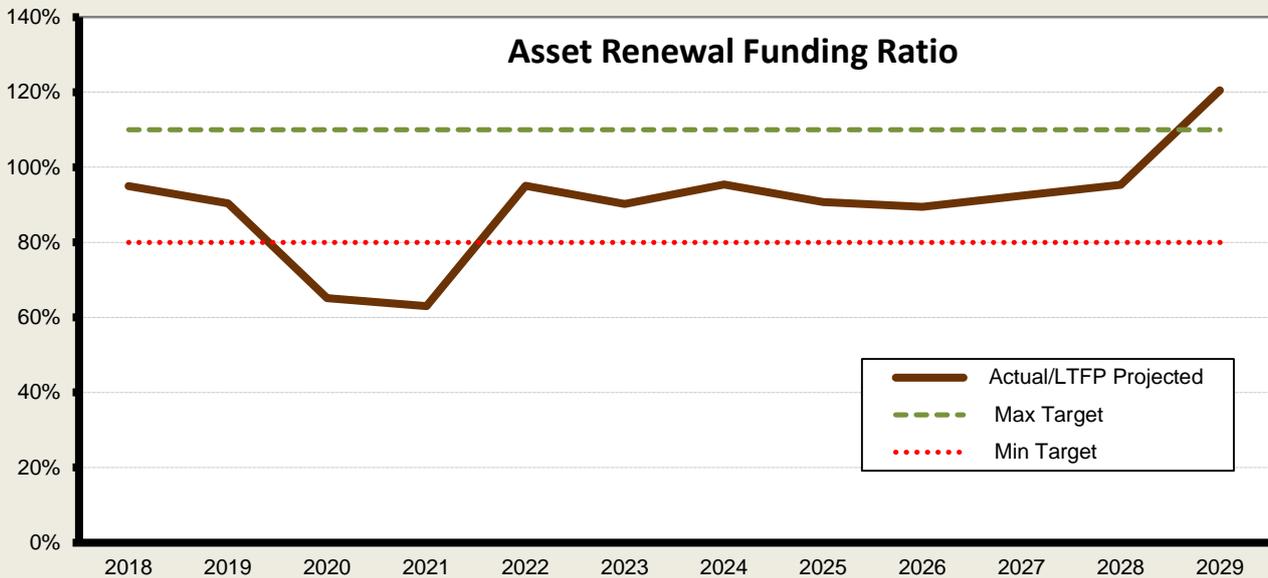
The Asset Renewal Ratio measures the extent to which existing assets are being renewed or replaced, compared to the planned Capital works in the Asset Management Plan/s. If the capital expenditure budget for the renewal or replacement of existing assets matches that projected in the Asset Management Plan/s, 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 high asset maintenance and replacement to restore the asset service level.

There is a medium size capital works program for 2019/20. The Budget has included projects to achieve a ratio of 65% and decrease in 2020/21 to 63% which is below the target range of 80% - 110%. This will be followed by an increased program and see the ratio increase and then stabilise in future years. The average over the life of the LTFP will be 90% which is within the target range for this indicator.

Long Term Financial Plan 2019–2029 (cont'd)

Asset Renewal Ratio (continued)

The review of the Asset Management Strategy and the Asset Management Plans will continue to improve the forward planning.



Business Operations

The Operations income and expenses reflect continuing service provision with adjustments for known circumstance changes and influences.

Operating Income:

The setting of the rates is guided by the Rating strategy. A basic principle for long term financial sustainability is for ratepayers to fund the services they consume, in short for a balanced operating position.

Total Rate Income is planned to increase by 3% each year until 2023 and then by 3.5% in the latter years of the LTFP. This assumption will be reviewed each year in light of Council planned programs and the potential influence of changing economic and socio-economic conditions on the capacity of the community to pay.

Grant and subsidy income has been adjusted to reflect the indexing of the Financial Assistance Grants and the current information of the Roads to Recovery grant program payments up to 2023/24 with increases in other income categories from 0 – 5% each year over the period of the LTFP. The LTFP assumes that the Financial Assistance Grants will be paid in each respective year so it does not include any forecast adjustment of prepayment of grants funds.

Long Term Financial Plan 2019–2029 (cont'd)

Business Operations (continued)

Other Income types:

- Fees & Charges including Licence fees – assumes an increase each year of between 2.5% and 5% 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.

Funds on hand are expected to be relatively low throughout the early years and with the current low interest rates expected to continue, the estimated income is lower than in later years of the plan. This income type also includes community loan repayments.

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.

This financial year sees Council commence a series of planned service reviews and also the process of how we provide these services. It is expected that these will provide efficiency gains over time and Council will then have the opportunity to determine of the capacity identified by these reviews is applied to lessen the rate burden, increase services or a combination of both.

A register will be developed to record savings and efficiencies gain through this process.

Adjustments include:

- Employee costs increase of between 2% - 2.5% per annum. This may vary in future years as it is dependant on future EB negotiations however the increase has been modelled to reflect close to the movement of CPI. From 2021 there are further planned increases in the Superannuation Guarantee at the rate of 0.5% each year for 4 years;
- Sport & Recreation: increase due to operation of new facilities (estimated);
- Depreciation: increase following asset revaluations and for new assets;
- Finance Charges: increase in 2019 to reflect the new borrowings;
- Other expenses: increase up to 2% each year;
- Specific events: LG Elections in 2022 and 2026;
- GST is excluded from all amounts.

Port Pirie Regional Council

Phone Number

(08) 8633 9777

Email

council@pirie.sa.gov.au

Postal Address

PO Box 45
Port Pirie SA 5540

Street Address

115 Ellen Street
Port Pirie SA 5540

PROPOSED DIFFERENTIAL RATES for 2019/20

Differential Rates - Indicative (cents in dollar)		LAND USE CODE (LUC)								
		Residential	Commercial – Shop	Commercial – Office	Commercial – Other	Industry – Light	Industry - Other	Primary Production	Vacant Land	Other
T O W N P L A N N I N G Z O N E S (T P Z)	Airfield	0.4097	0.8250	0.8250	0.8250	0.8250	0.8250	0.3185	0.8250	0.4097
	Bulk Handling	0.4097	0.8250	0.8250	0.8250	0.8250	0.8250	0.3185	0.8250	0.4097
	Coastal Conservation	0.4097	0.8250	0.8250	0.8250	0.8250	0.8250	0.3185	0.8250	0.4097
	Commercial	0.4097	0.8250	0.8250	0.8250	0.8250	0.8250	0.3185	0.8250	0.4097
	Commercial PA 1	0.4097	0.8250	0.8250	0.8250	0.8250	0.8250	0.3185	0.8250	0.4097
	Commercial PA 2	0.4097	0.8250	0.8250	0.8250	0.8250	0.8250	0.3185	0.8250	0.4097
	Commercial PA 3	0.4097	0.8250	0.8250	0.8250	0.8250	0.8250	0.3185	0.8250	0.4097
	Community	0.4097	0.8250	0.8250	0.8250	0.8250	0.8250	0.3185	0.8250	0.4097
	Deferred Urban	0.4097	0.8250	0.8250	0.8250	0.8250	0.8250	0.3185	0.8250	0.4097
	Industry	0.4097	0.8250	0.8250	0.8250	0.8250	0.8250	0.3185	0.8250	0.4097
	Industry PA 4	0.4097	0.8250	0.8250	0.8250	0.8250	4.8750	0.3185	0.8250	0.4097
	Industry PA 5	0.4097	0.8250	0.8250	0.8250	0.8250	0.8250	0.3185	0.8250	0.4097
	Industry PA 6	0.4097	0.8250	0.8250	0.8250	0.8250	0.8250	0.3185	0.8250	0.4097
	Local Centre	0.4097	0.8250	0.8250	0.8250	0.8250	0.8250	0.3185	0.8250	0.4097
	MU	0.4097	0.8250	0.8250	0.8250	0.8250	0.8250	0.3185	0.8250	0.4097
	MU PA 7	0.4097	0.8250	0.8250	0.8250	0.8250	0.8250	0.3185	0.8250	0.4097
	MU PA 8	0.4097	0.8250	0.8250	0.8250	0.8250	0.8250	0.3185	0.8250	0.4097
	Neighbourhood	0.4097	0.8250	0.8250	0.8250	0.8250	0.8250	0.3185	0.8250	0.4097
	Primary Production	0.4097	0.8250	0.8250	0.8250	0.8250	0.8250	0.3185	0.8250	0.4097
	RC	0.4097	0.8250	0.8250	0.8250	0.8250	0.8250	0.3185	0.8250	0.4097
	RC PA 9	0.4097	0.8250	0.8250	0.8250	0.8250	0.8250	0.3185	0.8250	0.4097
	Residential	0.4097	0.8250	0.8250	0.8250	0.8250	0.8250	0.3185	0.8250	0.4097
	Residential PA 10	0.4097	0.8250	0.8250	0.8250	0.8250	0.8250	0.3185	0.8250	0.4097
	RLP	0.4097	0.8250	0.8250	0.8250	0.8250	0.8250	0.3185	0.8250	0.4097
	RLP PA 11	0.4097	0.8250	0.8250	0.8250	0.8250	0.8250	0.3185	0.8250	0.4097
	RLP PA 12	0.4097	0.8250	0.8250	0.8250	0.8250	0.8250	0.3185	0.8250	0.4097
	RL	0.4097	0.8250	0.8250	0.8250	0.8250	0.8250	0.3185	0.8250	0.4097
	RL PA 13	0.4097	0.8250	0.8250	0.8250	0.8250	0.8250	0.3185	0.8250	0.4097
	RL PA 14	0.4097	0.8250	0.8250	0.8250	0.8250	0.8250	0.3185	0.8250	0.4097
	RL PA 15	0.4097	0.8250	0.8250	0.8250	0.8250	0.8250	0.3185	0.8250	0.4097
	RL PA 16	0.4097	0.8250	0.8250	0.8250	0.8250	0.8250	0.3185	0.8250	0.4097
	RL PA 17	0.4097	0.8250	0.8250	0.8250	0.8250	0.8250	0.3185	0.8250	0.4097
RL PA 18	0.4097	0.8250	0.8250	0.8250	0.8250	0.8250	0.3185	0.8250	0.4097	
Town Centre	0.4097	0.8250	0.8250	0.8250	0.8250	0.8250	0.3185	0.8250	0.4097	
Township	0.4097	0.8250	0.8250	0.8250	0.8250	0.8250	0.3185	0.8250	0.4097	
Not otherwise specified	0.4097	0.8250	0.8250	0.8250	0.8250	0.8250	0.3185	0.8250	0.4097	

RATES POLICY	
Type	Governance
Category	Corporate & Community
Responsible Officer	Director Corporate & Community
First Issued / Adopted	January 2009
Review Period	Annually
Last Reviewed	23 August 2019
Minutes Reference	SP45/19
Next Review Date	July 2020
Applicable Legislation	Local Government Act 1999, Local Government (Financial Management) Regulations 2011, Local Government (General) Regulations 2013
Related Documents	Nil
Public Consultation Required	Annually with draft Business Plan
File Reference	9.63.1.1
Purpose	To provide legislative requirements and policy guidelines for the setting of rates every year.

1. COUNCIL'S DUTIES AND POWERS

Council's powers to raise rates are found in Chapter 10 of the Local Government Act 1999 ("the Act"). The Act provides the framework within which the Council must operate, but also leaves room for the Council to make a range of policy choices. This document includes compulsory features of the rating system, as well as the policy choices that the Council has made on how it imposes and administers the collection of rates.

All land within a Council area, except for land specifically exempt (e.g. Crown Land, Council occupied land and a few other limited categories) is rateable.

Rates are not a fee for services. They constitute a system of taxation for Local Government purposes. Local Government functions are defined broadly in the Act. All systems of taxation try to balance various principles of taxation.

1. COUNCIL'S DUTIES AND POWERS (Cont'd)

In addition to general rates, Council also raises revenue through:

- Compulsory service charges on residential ratepayers for waste collection and disposal;
- Compulsory service charges on properties serviced by the community wastewater management scheme at Crystal Brook and Napperby;
- User charges (eg waste disposal, cemetery fees, leases and rentals); and
- Statutory charges (eg development fees, dog registrations, parking expiations).

2. PRINCIPLES OF TAXATION

This Policy represents the Council's commitment to balancing the five main principles of taxation:

- a) **Benefits received.** (i.e. services provided, or resources consumed). Reliance on this principle suggests that (all other things being equal) a person who received more benefits should pay a higher share of tax.
- b) **Capacity to pay.** This principle suggests that a person who has less capacity to pay should pay less; and that persons of similar means should pay similar amounts.
- c) **Administrative simplicity.** This principle refers to the costs involved in applying and collecting the tax and how difficult it is to avoid.
- d) **Economic efficiency.** This refers to whether or not the tax distorts economic behaviour.
- e) **Policy consistency.** The principle that taxes should be internally consistent, and based on transparent, predictable rules that are understandable and acceptable to taxpayers.

3. VALUATION OF LAND

Council is permitted to adopt one of three valuation methodologies to value the properties in its area. They are:

- *Capital Value* – the value of the land and all of the improvements on the land.
- *Site Value* – the value of the land and any improvements which permanently affect the amenity of use of the land, such as drainage works, but excluding the value of buildings and other improvements.
- *Annual Value* – a valuation of the rental potential of the property.

3. VALUATION OF LAND (Cont'd)

Council has decided to continue to use capital value as the basis for valuing land. Council considers that this method provides the fairest way to distribute the rate burden across all ratepayers on the following basis:

- the 'capacity to pay' 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;
- property value is a relatively good indicator of wealth (when lifetime incomes, including incomes from capital gains, are taken into account). Capital value, which closely approximates the market value of a property, provides the best indicator of overall property value.

Council has a choice whether to employ its own valuers, or accept the valuations made by the Valuer-General; i.e. the State Valuation Office. Council adopts the valuations made by the State Valuation Office as provided to the Council each year.

Objections to valuations may be made to the State Valuation Office. The Council has no role in this process. The lodgement of an objection does not change the due date for the payment of rates.

Certain properties may be eligible for a "notional value" under the *Valuation of Land Act 1971*. For example, this may apply if the property is the ratepayer's principal place of residence, and its value is enhanced by unrealised subdivision potential or a different potential land use. A notional value is generally less than the capital value and therefore would result in reduced rates. An application for a notional value must be made to the State Valuation Office.

A notional value will stay with the property until any of the conditions are no longer relevant to the property. (e.g. the owner sells the property to an investor who then rents the property out; therefore the property is then not being used as a primary place of residence so it's no longer applicable for a notional value)

4. COMPONENTS OF RATES

4.1 A Rate in the Dollar

The largest component of rates is the component that is calculated by reference to the value of the land. Every year, the Council officially "declares" what percentage of the value of land will be payable in rates. The Act allows councils to impose rates that differ (i.e. higher or lower) based on the locality of land, or the uses to which the land is put (residential, commercial, primary production, industrial, vacant, etc), or both.

Property values reflect, among other things, the relative availability of and access to Council services. Council will adopt a differential rating strategy where the quantum of the rate in the dollar is calculated with reference to both the locality of the land and its use.

4. COMPONENTS OF RATES (Cont'd)

4.1 A Rate in the Dollar (Cont'd)

Due to the need to balance the community's capacity to pay, for 2019/20 Council is proposing 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:

- Locality – town planning zones (TPZ) including airfield, bulk handling, coastal conservation, commercial, commercial policy area (PA) 1, commercial PA 2, commercial PA 3, community, deferred urban, industry, industry PA 4, industry PA 5, industry PA 6, local centre, mixed use (MU), MU PA 7, MU PA 8, neighbourhood, primary production, regional centre (RC), RC PA 9, residential, residential PA 10, rural landscape protection (RLP), RLP PA 11, RLP PA 12, rural living (RL), RL PA 13, RL PA 14, RL PA 15, RL PA 16, RL PA 17, RL PA 18, town centre and township.
- Land use – prescribed land use codes (LUC) including residential, commercial-shop, commercial-office, commercial-other, industry-light, industry-other, primary production, vacant and other.

Council has decided to apply the following differential rating strategies according to the locality of the land and its use, having regard to the principal use of the land:

- Council's differential rating structure is based on the assumption that residential properties across localities represent the majority number of properties (75%) and that other categories should be calculated as a percentage of this "base rate".
- Subject to the next dot point below, Council acknowledges that industrial and commercial businesses located in most localities in the area can generate a greater relative consumption of Council's infrastructure and services, therefore being a greater draw on Council's resources. A differential rate of 180%-220% of the base rate has been adopted for these land use categories across the majority of the district.
- A higher rate in the dollar is applied for industry – other land uses located within the Council's dedicated major special industrial, commercial and storage zone. Given the unique nature and intensity of the properties within this locality which are used for industry – other purposes, the special nature of the dedicated zone and a degree of subjectivity as to their capital values. A differential rate of 1080-1090% of the base rate has been adopted for this land use category in this locality.
- Council acknowledges the economic and social importance of primary production in localities across the district and wishes to support its long term viability. A differential rate of 70%-90% of the base rate has been adopted for this land use category in all localities.
- Council acknowledges that vacant land in any locality can incur a significant holding cost for constructed infrastructure (above what valuations would produce) and seeks to encourage its development or sale. A differential rate of 180%-220% of the base rate has been adopted for this land use category across all localities.

4. COMPONENTS OF RATES (Cont'd)

4.1 A Rate in the Dollar (Cont'd)

- Other land generally includes properties in any locality used by community groups and sporting associations, many of which are eligible and receive rebates from Council. A differential rate of 100% of the base rate has been adopted for this land use category in all localities.

4.2 Fixed Charge

Council has the discretion to apply either:

- a fixed charge (applying equally to all rateable properties); or
- a minimum rate (to lower-value properties)

(or neither) but cannot use both of these mechanisms.

To the extent that many (though not all) Council services are provided and available relatively uniformly to all ratepayers, and that property values vary because of a range of factors (not just the relative extent of Council services) the Council considers it is equitable, from the perspective of the benefit principle, to recover the costs of such services by way of a uniform fixed charge, set at an appropriate level. However, applying the benefit principle exclusively would not take account of the capacity to pay principle.

Council has discretion to collect up to 50% of its general rate revenue from a fixed charge.

Accordingly, to appropriately balance both the benefit principle and the capacity to pay principle, the Council's policy is to limit the amount collected by a fixed charge to approximately 32% of general rate revenue. The amount of the fixed charge is clearly indicated on the rates notice.

4.3 Service Charges

The Act allows Councils to apply a charge to ratepayers to recover the cost of dedicated services provided to specific properties. The use of such a charge is appropriate whenever beneficiaries can be identified and it is practical to do so. It helps service recipients appreciate costs involved and provide feedback on value to service providers. It also means that properties that don't receive the service aren't paying higher taxes to help fund its provision to others.

4.3.1 Community Wastewater Management Scheme (CWMS)

All Councils that provide CWMS services, levy affected properties with a charge to recover the actual operating and maintenance costs for the scheme, in addition to making provision for future upgrades and development.

Charges are made to both rateable and non-rateable properties in Crystal Brook and Napperby townships, according to the number of services connected to a property. A reduced amount is charged for vacant properties within the service area.

4. COMPONENTS OF RATES (Cont'd)

4.3 Service Charges (Cont'd)

4.3.1 Community Wastewater Management Scheme (CWMS) (Cont'd)

Any amounts recovered but unspent in any year are retained by Council in a dedicated reserve fund, from which future costs of the services will be recovered.

The annual service charge amount is reviewed annually in conjunction with a review of the long term operating, maintenance and replacement of each system.

4.3.2 Waste Management Service Charge

Many Councils directly charge residential ratepayers for their kerbside waste collection services. The total amount recovered must not exceed the cost of providing the service. The charge is reviewed annually, against the cost to provide the service.

NB: Commercial properties have voluntarily participated in the collection service and are invoiced through Council's debtor system, with no impact on rates.

Properties may receive a discounted charge where their property access point is more than 500 metres from their bin collection point. These discounts are applied automatically against these properties.

4.4 Natural Resources Management Levy

Council is required under the *Natural Resources Management Act 2004* to make a specified contribution to the Northern and Yorke Natural Resources Management Board. It does so by applying a rate in the dollar against the capital value of every property.

This separate rate is effectively a State tax that Councils are required to collect, and return to a State Government agency, the local NRM Board. Even though it appears on the Council's rates notice, enquiries about this component should be directed to the Northern and Yorke Natural Resources Management.

5. HELP WITH RATES

5.1 Concessions

The State Government has introduced the payment of a 'cost of living' allowance which will be paid directly to pensioners and concession card holders, and replaces the previous pensioner concession amount which was deducted from rates. The payment is administered by State agencies who determine the eligibility of applicants.

5. HELP WITH RATES (Cont'd)

5.1 Concessions (Cont'd)

Ratepayers awaiting the outcome of an application for one of these concessions should not delay in paying their rates, as penalties apply for late payment.

5.2 Remission of Rates

Council has a discretion to partially or wholly remit (i.e. waive) rates on the basis of financial hardship.

5.3 Postponement of Rates

Holders of a State Seniors Card are eligible (under certain conditions) to postpone on a long-term basis, a large component of the rates on their principal place of residence. The postponed amount is subject to a monthly interest charge, with the accrued debt falling due for payment only when the property is sold or transferred to someone else.

Persons other than the holders of a Seniors Card may also apply for postponement of rates. Council will consider each case on its merits, but any successful applicant should expect that any postponed rates would be subject to accruing interest charges in the same manner as the Seniors Rate Postponement Scheme.

5.4 Rebate of Rates

5.4.1 Compulsory Rebates

Councils are required to rebate (discount) the rates payable on some land.

A 100% rebate must be applied to land used for:

- health services;
- religious purposes;
- public cemeteries;
- the Royal Zoological Society.

A compulsory rebate of at least 75% (or more, at the Council's discretion) must be applied to land used by:

- community service organisations; and
- schools and universities.

5. HELP WITH RATES (Cont'd)

5.4 Rebate of Rates (Cont'd)

5.4.2 Discretionary Rebates

In addition, the Council is allowed a wide discretion to rebate any percentage of rates for a number of other purposes, such as:

- securing proper development of an area;
- assisting or supporting a business;
- preservation of historically significant places;
- facilities or services for children or young persons; or
- accommodation for the aged or persons with disability; or
- other purposes.

Each rebate that is granted either reduces the Council's revenue and its capacity to provide services, or else it effectively increases the amount that must be collected from other ratepayers.

In assessing applications for discretionary rebates, Council will take into account:

- why there is a perceived need for financial assistance through a rebate;
- the level of rebate being sought;
- the extent of financial assistance, if any, being provided to the applicant and/or in respect of the land by Commonwealth or State agencies;
- whether, and if so to what extent, the applicant is or will be providing a service within the Council area;
- whether the applicant is a public sector body, a private not for profit body or a private or profit body;
- the nature and extent of Council services provided in respect of the land, in comparison to services provided elsewhere in the Council's area;
- the community need, if any, that is being met by activities carried out on the land;
- the extent to which activities at the land for provide assistance or relief to disadvantaged persons;
- the desirability of granting a rebate for more than one year;
- consideration of the full financial consequences of the rebate for the Council;
- the time the application is received;
- whether the applicant may be eligible for a Council community grant;
- any other matters and policies of the Council, which the Council considers relevant.

After considering these matters, the Council may refuse to grant any rebate, or may grant a rebate of rates subject to specific conditions.

6. PAYMENT OF RATES

Rates are declared annually, and may be paid either in full by the due date in September, or in quarterly instalments that generally fall due in September, December, March and June. The exact date that rates fall due and various options for paying rates are clearly indicated on the rates notice.

6.1 Late Payment

Council will impose a penalty of a 2 per cent fine on any late payment for rates. This fine may be remitted (waived) in whole, or in part, at the Council's discretion. See under the heading "Remission of Rates" at 5.2 above.

A payment that continues to be late is then charged an interest rate (which is adjusted by legislation each year) for each month it continues to be in arrears, including the amount of any previous unpaid fine and including interest from any previous month. The purpose of this penalty is to act as a genuine deterrent to ratepayers who might otherwise fail to pay their rates on time, to allow Council to recover the administrative cost of following up unpaid rates and to cover any interest cost Council may meet because it has not received the rates on time.

Council issues a fines notice for payment of rates when rates are overdue i.e. unpaid by the due date. Should rates remain unpaid, debt collection will be commenced. This attracts additional fees that are recoverable from the ratepayer.

When Council receives a partial payment of overdue rates, the Council must apply the money as follows:

- first – to satisfy any costs awarded in connection with court proceedings (if applicable);
- second – to satisfy any interest costs;
- third – in payment of any fines imposed;
- fourth – in payment of rates, in chronological order (starting with the oldest account first).

6.2 Sale of Land for Non-Payment of Rates

Council may sell any property where the rates have been in arrears for three years or more.

Council is required to notify the principal ratepayer of the land of its intention to sell the land, provide the recipient with details of the outstanding amounts, and advise the owner of its intention to sell the land if payment of the outstanding amount is not received within one month. A copy of this notice is also sent to the registered mortgagee and, if the land is held from the Crown, a State government minister. If the principal ratepayer is not the owner, a copy is also sent to the owner.

7. FURTHER INFORMATION

This policy will be available for inspection at the Council offices listed below during ordinary business hours and available to be downloaded, free of charge, from Council's internet site: www.pirie.sa.gov.au

- Port Pirie Council Administration Centre, 115 Ellen Street, Port Pirie
- Crystal Brook Rural Office, Bowman Street, Crystal Brook.

Copies will be provided to interested parties upon request, and upon payment of a fee in accordance with Council's Schedule of Fees and Charges.

Port Pirie Regional Council

2019/20 Budget for the year ended 30 June 2020

Original Budget (draft)

UNIFORM PRESENTATION OF FINANCES

	Prev Year Current Budget \$'000	Draft Original Budget \$'000	Forecast 2020/21 \$'000	Forecast 2021/22 \$'000
Income	27,599	24,572	27,355	28,033
less Expenses	26,928	26,517	26,785	27,337
	671	(1,945)	570	696
less Net Outlays on Existing Assets				
Capital Expenditure on renewal and replacement of Existing Assets	6,312	4,706	3,976	5,572
less Depreciation, Amortisation and Impairment	6,883	6,883	6,928	7,176
less Proceeds from Sale of Replaced Assets	255	100	255	200
	(826)	(2,277)	(3,206)	(1,804)
less Net Outlays on New and Upgraded Assets				
Capital Expenditure on New and Upgraded Assets	7,885	1,207	754	1,396
less Amounts received specifically for New and Upgraded Assets	2,000	81	-	-
less Proceeds from Sale of Surplus Assets	130	-	-	-
	5,755	1,126	754	1,396
Net Lending / (Borrowing) for Financial Year	(4,258)	(795)	3,022	1,104

FINANCIAL INDICATORS

	Prev Year Current Budget	Draft Original Budget	Forecast 2020/21	Forecast 2021/22
Operating Surplus Ratio	2%	(8%)	2%	2%
<u>Operating Surplus</u> Operating Result / Total Operating Income				
Operating Surplus Ratio (adjusted)	4%	0%	2%	2%
Adjusted for Grant funds rec'd in advance				
Net Financial Liabilities Ratio	62%	42%	40%	39%
<u>Net Financial Liabilities</u> Financial Liabilities less Financial Assets / Total Income				
Net Financial Liabilities Ratio (adjusted)	57%	51%	40%	39%
Adjusted for Grant funds rec'd in advance				
Asset Renewal Ratio	90%	65%	63%	95%
<u>Net Asset Renewals (Cash)</u> Asset Management Plan required expenditure				

Port Pirie Regional Council

2019/20 Budget for the year ended 30 June 2020

Original Budget (draft)

STATEMENT OF COMPREHENSIVE INCOME

	Prev Year Current Budget	Draft Original Budget	Forecast 2020/21	Forecast 2021/22	Notes for Draft Original Budget 2019/20
	\$'000	\$'000	\$'000	\$'000	
INCOME					
Rates - general	18,433	19,029	19,599	20,187	3% increase
Statutory Charges	374	304	308	313	Fees & Fines
User Charges	1,625	1,619	1,726	1,777	Fees & Charges
Grants, subsidies and contributions	6,196	3,162	5,272	5,301	FAG's partial payment in June 2019, R2R reduced from 2019
Investment Income	27	34	22	22	
Reimbursements & Other	944	424	428	433	Cost recovery, Miscellaneous minor amounts
TOTAL INCOME	27,599	24,572	27,355	28,033	
EXPENSES					
Employee Costs	7,557	7,962	8,112	8,300	Operating Employee costs
Materials, contracts & other expenses	11,995	11,419	11,469	11,589	
Finance Charges	493	253	276	272	Loan interest
Depreciation, amortisation & impairment	6,883	6,883	6,928	7,176	
TOTAL EXPENSES	26,928	26,517	26,785	27,337	
Operating Surplus/(Deficit) before Capital Revenue	671	(1,945)	570	696	All surpluses directed to capital works
Operating Surplus/(Deficit) - Adjusted for FAG's	1021	55	-	-	
CAPITAL REVENUE					
Asset disposal & fair value adjustments		-			
Amounts received specifically for new or upgraded assets	2,000	81			CCTV, Public art
NET SURPLUS/(DEFICIT)	2,671	(1,865)	570	696	
transferred to Equity Statement					

Port Pirie Regional Council

2019/20 Budget for the year ended 30 June 2020

Original Budget (draft)

STATEMENT OF FINANCIAL POSITION

	Prev Year Current Budget \$'000	Draft Original Budget \$'000	Forecast 2020/21 \$'000	Forecast 2021/22 \$'000
ASSETS				
Current Assets				
Cash and cash equivalents	2,420	1,103	1,084	654
Trade and other receivables	1,653	1,040	1,050	1,050
Other	20	20	20	20
Total Current Assets	4,093	2,163	2,154	1,724
Non-current Assets				
Financial Assets	143	90	69	57
Infrastructure, Property, Plant and Equipment	268,924	267,854	266,401	267,193
Other non-current assets	1,200	1,200	700	500
Total Non-Current Assets	270,267	269,144	267,170	267,750
TOTAL ASSETS	276,359	271,307	269,324	269,474
LIABILITIES				
Current Liabilities				
Trade and other payables	3,691	3,049	2,049	2,551
Borrowings	5,518	1,555	1,050	1,072
Provisions	1,641	1,640	1,640	1,640
Total Current Liabilities	10,850	6,244	4,739	5,263
Non-current Liabilities				
Borrowings	7,865	9,282	8,234	7,164
Provisions	169	169	169	169
Total Non-Current Liabilities	8,034	9,451	8,403	7,333
TOTAL LIABILITIES	20,883	15,695	13,142	12,596
NET ASSETS	255,477	255,612	256,182	256,878
EQUITY				
Accumulated Surplus	69,379	69,474	70,059	70,755
Asset Revaluation Reserve	184,658	184,658	184,658	184,658
Other Reserves	1,440	1,480	1,465	1,465
TOTAL EQUITY	255,477	255,612	256,182	256,878

Port Pirie Regional Council

2019/20 Budget for the year ended 30 June 2020

Original Budget (draft)

STATEMENT OF CASH FLOWS

	Prev Year Current Budget	Draft Original Budget	Forecast 2020/21	Forecast 2021/22
	\$'000	\$'000	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
<u>Receipts</u>				
Operating Receipts	27,572	23,504	26,048	28,011
Investment Receipts	27	34	22	22
<u>Payments</u>				
Operating Payments to suppliers & employees	(17,621)	(17,890)	(19,581)	(20,225)
Finance Payments	(493)	(253)	(276)	(272)
Net Cash provided by (or used in) Operating Activities	9,485	5,395	6,213	7,536
CASH FLOWS FROM INVESTING ACTIVITIES				
<u>Receipts</u>				
Amounts specifically for new or upgraded assets	2,000	81	-	-
Sale of Replaced Assets	255	100	-	-
Sale of Surplus Assets	130	-	-	-
Repayments of loans by community groups	50	53	53	52
<u>Payments</u>				
Expenditure on renewal/replacement of assets	(6,312)	(4,706)	(3,976)	(5,572)
Expenditure on new/upgraded assets	(7,885)	(1,207)	(754)	(1,396)
Loans made to community groups	-	-	-	-
Net Cash provided by (or used in) Investing Activities	(11,762)	(5,679)	(4,677)	(6,916)
CASH FLOWS FROM FINANCING ACTIVITIES				
<u>Receipts</u>				
Proceeds from Borrowings	6,000	-	-	-
<u>Payments</u>				
Repayment of Borrowings	(2,412)	(1,033)	(1,555)	(1,050)
Net Cash provided by (or used in) Financing Activities	3,588	(1,033)	(1,555)	(1,050)
Net Increase (Decrease) in cash held	1,311	(1,317)	(19)	(430)
Cash & cash equivalents at beginning of period	1,109	2,420	1,103	1,084
Cash & cash equivalents at end of period	2,420	1,103	1,084	654

Port Pirie Regional Council

2019/20 Budget for the year ended 30 June 2020

Original Budget (draft)

STATEMENT OF CHANGES IN EQUITY

	Prev Year Current Budget \$'000	Draft Original Budget \$'000	Forecast 2020/21 \$'000	Forecast 2021/22 \$'000
Accumulated Surplus				
Balance at end of previous reporting period	66,699	71,380	69,474	70,059
Net Surplus / (Deficit) for Year	2,671	(1,866)	570	696
Transfers (to) from reserves	9	(40)	15	-
Balance at end of period	69,379	69,474	70,059	70,755
Asset Revaluation Reserve				
Balance at end of previous reporting period	184,658	184,658	184,658	184,658
Revaluation Adjustments During Year	-	-	-	-
Balance at end of period	184,658	184,658	184,658	184,658
Other Reserves				
Balance at end of previous reporting period	1,449	1,440	1,480	1,465
Tranfers to (from) reserves	(9)	40	(15)	-
Balance at end of period	1,440	1,480	1,465	1,465
TOTAL EQUITY				
Balance at end of previous reporting period	252,806	257,478	255,612	256,182
Net Surplus / (Deficit) for Year	2,671	(1,866)	570	696
Revaluation Adjustments During Year	-	-	-	-
Transfers between reserves	-	-	-	-
Balance at end of period	255,477	255,612	256,182	256,878

PORT PIRIE REGIONAL COUNCIL

2019/20 Budget for the year ended 30 June 2020

Original Budget (draft)

BUSINESS AREA	Proposed Expenses (\$'000)	Proposed Income (\$'000)	Proposed Budget (Net) (\$'000)	Notes
OPERATING Net Total				
BUSINESS ENTERPRISES	\$262	(\$32)	\$230	
CWMS	\$239	(\$15)	\$224	
PRIVATE WORKS	\$23	(\$17)	\$6	
PUBLIC SAFETY	\$227	(\$38)	\$189	
CRIME PREVENTION/VANDALISM	\$88	(\$24)	\$64	
FIRE PROTECTION	\$111	(\$12)	\$99	
LOCAL NUISANCE & LITTER	\$6	(\$1)	\$5	
OTHER PUBLIC SAFETY	\$8		\$8	
COMMUNITY HEALTH	\$14	(\$1)	\$13	
COMMUNITY DEVELOPMENT	\$1,343	(\$310)	\$1,033	
COMMUNITY HALLS	\$170	(\$2)	\$168	
SENIOR CITIZENS	\$55		\$55	
COMMUNITY DEVELOPMENT	\$170	\$0	\$170	
COMMUNITY BUS (CRYSTAL BROOK)	\$16	(\$5)	\$11	
INTERNET SUITE	\$160	(\$17)	\$142	
MASTERS GAMES	\$0	\$0	\$0	
STAR CLUB PROGRAM	\$156	(\$127)	\$29	
CEMETERIES	\$303	(\$148)	\$155	
PUBLIC CONVENIENCES	\$210		\$210	
CAR PARKS	\$78		\$78	
CARAVAN PARK	\$25	(\$10)	\$15	
CULTURE	\$1,468	(\$161)	\$1,307	
LIBRARY	\$1,186	(\$74)	\$1,112	
CULTURAL	\$282	(\$87)	\$196	
ECONOMIC SERVICES	\$1,309	(\$79)	\$1,229	
TOURISM AND ARTS CENTRE	\$620	(\$1)	\$619	
TOURISM BUSINESS ACTIVITIES	\$97	(\$72)	\$25	
TOURISM/LOCAL EVENTS	\$271	(\$6)	\$265	
ECONOMIC DEVELOPMENT	\$321	\$0	\$321	
ENVIRONMENT	\$6,584	(\$1,079)	\$5,505	
WASTE COLLECTION	\$1,093	(\$64)	\$1,029	
WASTE MANAGEMENT	\$2,927	(\$1,015)	\$1,912	
STORM WATER DRAINAGE	\$651	\$0	\$651	
STREET SERVICES	\$434		\$434	
STREET LIGHTING	\$361		\$361	
STREETSCAPING	\$994	\$0	\$994	
ENVIRONMENTAL PROTECTION	\$123		\$123	
RECREATION	\$3,250	(\$104)	\$3,145	
MARINE FACILITIES	\$165	(\$11)	\$155	
PARKS AND GARDENS	\$1,337	(\$9)	\$1,328	
SPORT AND RECREATION	\$1,308	(\$84)	\$1,224	
SWIMMING POOLS	\$440	(\$1)	\$439	
REGULATORY	\$1,534	(\$324)	\$1,209	
DOG CONTROL	\$276	(\$165)	\$111	
BUILDING CONTROL	\$171	(\$59)	\$112	
TOWN PLANNING	\$801	(\$85)	\$716	
HEALTH INSPECTION	\$159	(\$9)	\$150	
PARKING CONTROL	\$82	(\$6)	\$76	
BYLAWS	\$44	(\$1)	\$43	

PORT PIRIE REGIONAL COUNCIL

2019/20 Budget for the year ended 30 June 2020

Original Budget (draft)

BUSINESS AREA	Proposed Expenses (\$'000)	Proposed Income (\$'000)	Proposed Budget (Net) (\$'000)	Notes
TRANSPORT	\$5,829	(\$44)	\$5,786	
SEALED ROADS	\$2,509	\$0	\$2,509	
UNSEALED ROADS	\$1,569		\$1,569	
KERBING	\$646		\$646	
FOOTPATHS	\$417		\$417	
TRAFFIC MANAGEMENT	\$371		\$371	
BRIDGES	\$84		\$84	
AERODROME	\$234	(\$44)	\$191	
PLANT, DEPOT, WORKS ADMIN	\$1,236	(\$238)	\$998	
PLANT AND MACHINERY	\$48	(\$48)	(\$0)	
DEPOT	\$323	(\$2)	\$322	
WORKS/ADMINISTRATION	(\$281)	(\$41)	(\$322)	
ASSET MANAGEMENT	\$754		\$754	
PROPERTY	\$391	(\$147)	\$244	
GOVERNANCE	\$1,405	\$0	\$1,405	
ELECTED MEMBERS	\$412		\$412	
GOVERNANCE AND STRATEGY	\$994	\$0	\$994	
ADMINISTRATION	\$2,059	(\$176)	\$1,883	
ADMINISTRATION	\$904	(\$47)	\$857	
OFFICES	\$166			Full cost allocation applied against expenses
PEOPLE & CULTURE	\$368			Full cost allocation applied against expenses
HEALTH & WELLBEING	\$204			Full cost allocation applied against expenses
FINANCIAL SERVICES	\$607			Full cost allocation applied against expenses
INFORMATION TECHNOLOGY	\$615			Full cost allocation applied against expenses
COMMUNICATIONS	\$31			Full cost allocation applied against expenses
CUSTOMER SERVICES	\$143			Full cost allocation applied against expenses
RECORDS MANAGEMENT	\$242			Full cost allocation applied against expenses
RATES ADMINISTRATION	\$901	(\$115)	\$786	
LOANS	\$253	(\$9)	\$244	
INVESTMENTS		(\$4)	(\$4)	
RATES RECEIVABLE		(\$18,949)	(\$18,949)	
GRANTS COMMISSION		(\$2,707)	(\$2,707)	
OPERATING Net Total	\$26,517	(\$24,572)	\$1,945	

PORT PIRIE REGIONAL COUNCIL

2019/20 Budget for the year ended 30 June 2020

Original Budget (draft)

BUSINESS AREA	Proposed Budget (\$'000)	Notes
CAPITAL EXPENSE		
CARAVAN PARK	\$40	
CWMS CAPITAL	\$10	
CARPARKS CAPITAL	\$265	
CEMETERIES CAPITAL	\$106	
ENVIRONMENT CAPITAL	\$200	
HALLS CAPITAL	\$40	
T&A CAPITAL	\$17	
CULTURE CAPITAL	\$651	
PUBLIC SAFETY CAPITAL	\$51	
STORM WATER DRAINAGE CAPITAL	\$171	
MARINE FACILITIES CAPITAL	\$130	
PARKS AND GARDENS CAPITAL	\$122	
SPORT AND RECREATION CAPITAL	\$50	
STREET SERVICES CAPITAL	\$165	
WASTE MANAGEMENT CAPITAL	\$217	
SEALED ROADS CAPITAL	\$930	
UNSEALED ROADS CAPITAL	\$950	
TRAFFIC MANAGEMENT CAPITAL	\$25	
FOOTPATHS CAPITAL	\$220	
KERBING CAPITAL	\$400	
BRIDGES CAPITAL	\$495	
AERODROME CAPITAL	\$38	
WORKS CAPITAL	\$25	
PLANT AND VEHICLES CAPITAL	\$435	
ADMINISTRATION CAPITAL	\$5	
IT/COMMUNICATIONS CAPITAL	\$155	
CAPITAL EXPENSE Total	\$5,912	
Grand Total	\$5,912	
CAPITAL INCOME		
CRIME PREVENTION	(\$51)	CCTV
CARPARKS	(\$120)	Prests carpark
CULTURE	(\$30)	Playground sculpture
SEALED ROADS	(\$320)	Roads to Recovery
PLANT AND VEHICLES	(\$100)	Trade-ins
CAPITAL INCOME Total	(\$621)	
NET COST CAPITAL	\$5,291	



LONG TERM FINANCIAL PLAN

2019-2029

Port Pirie Regional Council - Long Term Financial Plan 2019-29

FINANCIAL STATEMENTS AND FINANCIAL INDICATORS

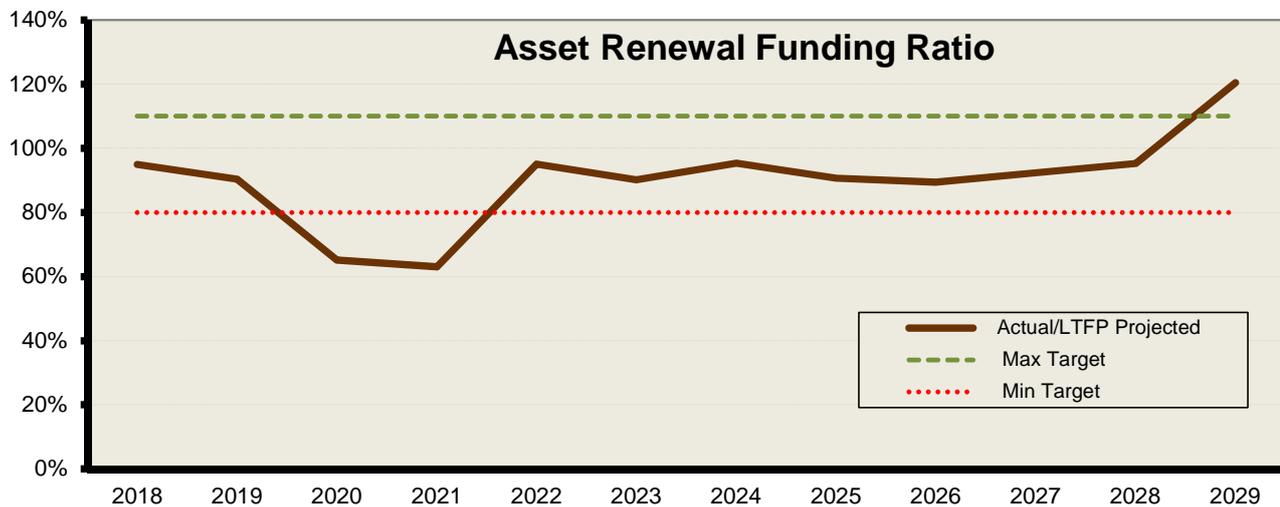
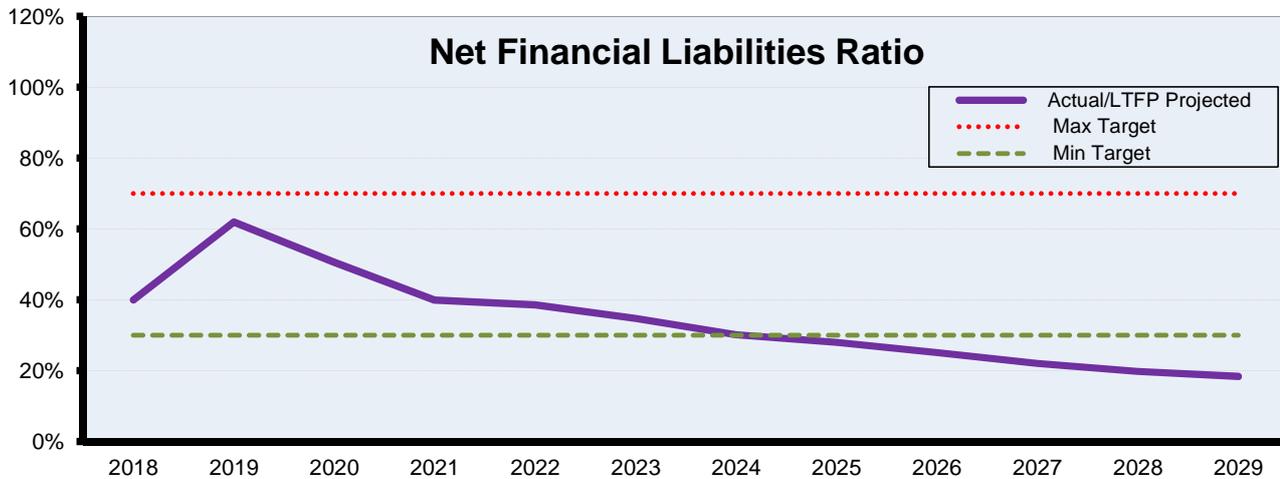
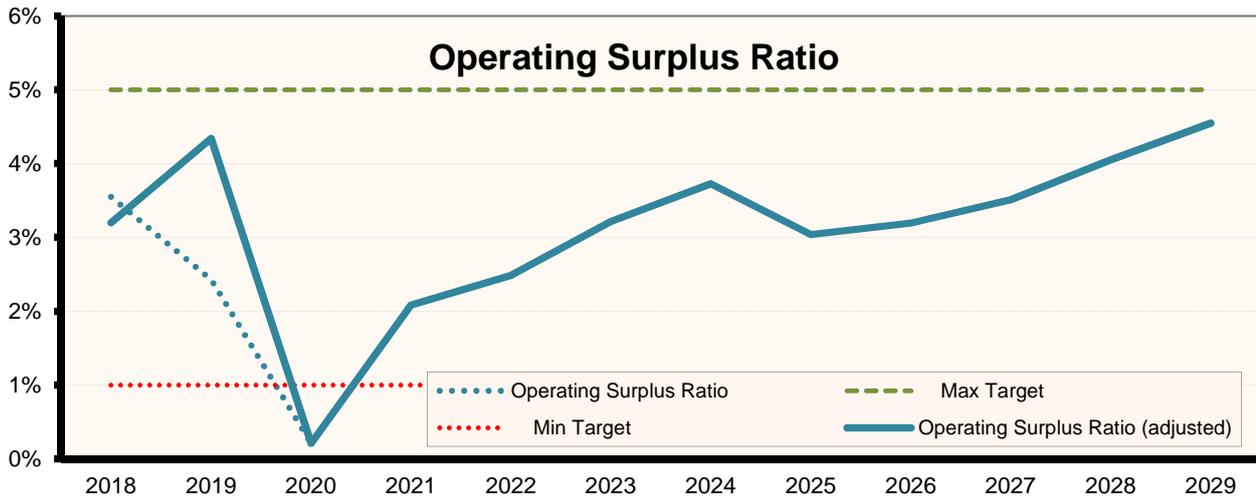
<u>STATEMENT OF COMPREHENSIVE INCOME</u>	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
	Actual	Year 0 Budget	Year 1 Plan	Year 2 Plan	Year 3 Plan	Year 4 Plan	Year 5 Plan	Year 6 Plan	Year 7 Plan	Year 8 Plan	Year 9 Plan	Year 10 Plan
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
INCOME												
Rates & Charges	17,540	18,433	19,029	19,599	20,187	20,894	21,625	22,382	23,165	23,976	24,815	25,684
Statutory Charges	332	374	304	308	313	318	324	330	335	341	347	353
User Charges	1,388	1,625	1,619	1,726	1,777	1,840	1,904	1,971	2,040	2,111	2,185	2,261
Grants, subsidies and contributions	5,952	6,196	5,162	5,272	5,301	5,331	5,362	4,992	5,023	5,054	5,085	5,116
Investment Income	59	27	34	22	22	18	13	14	14	13	17	15
Reimbursements and Other	481	944	424	428	433	437	441	446	450	455	459	464
TOTAL INCOME	25,752	27,599	26,572	27,355	28,033	28,838	29,669	30,134	31,027	31,950	32,908	33,893
EXPENSES												
Employee Costs	7,675	7,557	7,962	8,112	8,300	8,526	8,904	9,358	9,813	10,269	10,726	11,183
Materials, contracts & other expenses	10,540	11,995	11,419	11,469	11,589	11,878	12,033	12,203	12,375	12,589	12,765	12,942
Finance Charges	183	493	253	276	272	236	253	220	196	172	148	124
Depreciation, amortisation & impairment	6,440	6,883	6,883	6,928	7,176	7,270	7,374	7,438	7,652	7,798	7,937	8,102
TOTAL EXPENSES	24,838	26,928	26,517	26,785	27,337	27,910	28,563	29,218	30,035	30,828	31,575	32,351
Operating Surplus/(Deficit) before Capital Income	914	671	55	570	696	928	1,106	916	992	1,123	1,333	1,542
CAPITAL INCOME												
Asset disposal & fair value adjustments	(659)	-	-	-	-	-	-	-	-	-	-	-
Amounts received specifically for new or upgraded assets	3,201	2,000	81	-	-	-	-	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME	3,456	2,671	136	570	696	928	1,106	916	992	1,123	1,333	1,542

Port Pirie Regional Council - Long Term Financial Plan 2019-29

FINANCIAL STATEMENTS AND FINANCIAL INDICATORS

<u>STATEMENT OF FINANCIAL POSITION</u>	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS												
Current Assets												
Cash and cash equivalents	1,109	2,420	1,103	1,084	654	180	346	315	277	645	421	521
Trade and other receivables	1,653	1,653	1,040	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050
Other	20	20	20	20	20	20	20	20	20	20	20	20
Total Current Assets	2,782	4,093	2,163	2,154	1,724	1,250	1,416	1,385	1,347	1,715	1,491	1,591
Non-current Assets												
Financial Assets	193	143	90	69	57	45	36	28	22	15	8	-
Infrastructure, Property, Plant and Equipment	244,545	268,924	267,854	266,401	267,193	267,337	267,399	267,922	268,260	268,823	269,841	271,295
Other	18,428	1,200	1,200	700	500	500	500	500	500	500	500	500
Total Non-Current Assets	263,166	270,267	269,144	267,170	267,750	267,882	267,935	268,450	268,782	269,339	270,349	271,795
TOTAL ASSETS	265,948	274,360	271,307	269,324	269,474	269,132	269,351	269,835	270,129	271,054	271,840	273,386
LIABILITIES												
Current Liabilities												
Trade and other payables	1,084	3,691	3,049	2,049	2,551	2,351	2,251	2,551	2,451	2,651	2,501	2,901
Borrowings	7,970	5,517	1,555	1,050	1,072	830	838	600	600	600	600	600
Provisions	1,641	1,641	1,640	1,640	1,640	1,640	1,640	1,640	1,640	1,640	1,640	1,640
Total Current Liabilities	10,695	10,849	6,244	4,739	5,263	4,821	4,729	4,791	4,691	4,891	4,741	5,141
Non-current Liabilities												
Borrowings	2,278	7,865	9,282	8,233	7,163	6,335	5,499	4,901	4,303	3,705	3,107	2,509
Provisions	169	169	169	169	169	169	169	169	169	169	169	169
Total Non-Current Liabilities	2,447	8,034	9,451	8,402	7,332	6,504	5,668	5,070	4,472	3,874	3,276	2,678
TOTAL LIABILITIES	13,142	18,883	15,695	13,141	12,595	11,325	10,398	9,861	9,163	8,765	8,017	7,819
NET ASSETS	252,806	255,477	255,612	256,183	256,879	257,807	258,953	259,974	260,966	262,289	263,823	265,567
EQUITY												
Accumulated Surplus	66,699	69,379	69,474	70,060	70,756	71,684	72,790	73,706	74,698	75,821	77,154	78,696
Asset Revaluation Reserve	184,658	184,658	184,658	184,658	184,658	184,658	184,658	184,658	184,658	184,658	184,658	184,658
Other Reserves	1,449	1,440	1,480	1,465	1,465	1,465	1,505	1,610	1,610	1,810	2,011	2,213
TOTAL EQUITY	252,806	255,477	255,612	256,183	256,879	257,807	258,953	259,974	260,966	262,289	263,823	265,567

Port Pirie Regional Council: LTFP Financial Indicators 2018-2028



CAPEX	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Capital Renewal	\$6,312	\$4,706	\$4,476	\$6,572	\$6,206	\$6,555	\$6,236	\$6,154	\$6,354	\$6,545	\$8,595
Capital New	\$7,885	\$1,207	\$754	\$1,396	\$1,368	\$1,040	\$1,885	\$1,996	\$2,168	\$2,570	\$1,120
Capital Total	\$14,197	\$5,913	\$5,231	\$7,968	\$7,574	\$7,595	\$8,121	\$8,150	\$8,521	\$9,115	\$9,715

Assumptions

Total Rate Income increase	5.0%	3.1%	3.0%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
Total Loans	\$13,382	\$10,837	\$9,283	\$8,235	\$7,165	\$6,337	\$5,501	\$4,903	\$4,305	\$3,707	\$3,109
Loan Principal repayment - all loans			\$1,555	\$1,050	\$1,072	\$830	\$838	\$600	\$600	\$600	\$600

CAPITAL WORKS PROGRAM 2019-29

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	Total 2019-2029	NEW	RENEWAL
Asset Class														
Land	250											0	0	0
Buildings	450	662	207	170	200	170	170	270	170	20	520	2,320	238	2,083
Site Imp/Structures	3,880	1,424	849	442	598	740	665	530	475	215	215	5,160	1,956	3,204
CWMS	80	10		80	210		400					690	621	69
Drainage	110	171	30	1,400	225	1,415	3,000	2,920	1,000	900	900	11,961	6,405	5,556
Roads - Sealed	1,700	930	1,860	1,100	2,500	2,700	2,460	2,940	2,400	2900	2900	22,690	1,493	21,198
Roads - Unsealed	885	950	1,160	1,180	1,210	1,160	1,170	1,165	1,150	1370	1370	11,885	1,664	10,221
Kerb	300	400	400	400	400	400	400	450	450	450	450	4,200	1,463	2,738
Footpaths	50	220	200	550	500	500	500	200	100	100	100	2,970	1,485	1,485
Road ancillary			2									2	0	2
Bridges		495										495	0	495
Plant & Vehicles	865	435	1,080	870	1,460	910	1,220	640	720	970	1430	9,600	0	9,600
Equipment		0	16				16					32	0	32
Furniture & Fittings	48	5	70	10	10	65	10	10	10	15	10	215	73	143
IT / Equipment	215	211	70	115	130	135	110	25	46	145	20	987	196	791
Major Projects				3,000	3,000				1,500			7,500	3,750	3,750
Grand Total	8,833	5,913	5,944	9,317	10,443	8,195	10,121	9,150	8,021	7,085	7,915	80,707	19,342	61,365