



**Port Pirie Regional Council**

**BUSINESS PLAN**

**2021/22 – 2023/24**

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Rating – differential rates by locality for 2021/22

Rates Policy 2021/22

Budget – Financial statements 2021/22 – 2023/24

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Community Wastewater Management Systems Policy 2021/22



# INTRODUCTION

## Purpose

The Business Plan (the Plan) links the goals of Council's Community Plan with the services delivered, activities and projects to be undertaken by Council. It is a vital tool used in responsible management of council business. This Plan is a three year rolling plan and covers the financial years from 2021/22 to 2023/24.

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

## About this Plan

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

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

## Opportunities to get involved

Council conducted a period of public consultation on its draft Business Plan 2021/22 to 2023/24 from Monday 26 July 2021 until 5:00pm on Monday 23 August 2021 and provided the following opportunities for the community to have input:

**A Public Meeting of Council** was held on Tuesday 17 August 2021 at 6pm in the Council Chambers, 115 Ellen Street, Port Pirie.

**Public information sessions** was offered in collaboration with the Crystal Brook, Redhill and Koolunga Community Associations and the Pirie Districts Development Association.

**A Management** representative was available at the Crystal Brook Office on each Friday during the consultation period.

## Opportunities to have your Say

There are a number of ways to provide feedback:

**Online** – complete the online feedback form at [www.pirie.sa.gov.au/feedback](http://www.pirie.sa.gov.au/feedback)

**Email** – send an email to [council@pirie.sa.gov.au](mailto:council@pirie.sa.gov.au)

**In writing** – address submissions to PO Box 45, Port Pirie SA 5540 or deliver in person to the Council Administration Centre, 115 Ellen Street, Port Pirie or our branch office in Bowman Street, Crystal Brook.

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

# MAYOR AND CEO MESSAGE

The 2021/22-2023/24 Business Plan and Budget sees Council begin to implement our recently updated Community Plan, with a range of new projects designed to assist our communities capture the economic and social benefit that we anticipate will come from increased visitation to our area from the new \$10 million Southern Flinders National Park and also the \$6.2 million Silver to Sea Way project.

With the recent shortage of housing for purchase and rental, this year's business plan includes a staged release of more serviced land for residential and industrial purposes both in the short and medium term, as well as land for tourism related purposes.

Together with the current service providers in Port Pirie, we will work towards the development of a Wellbeing Strategy, with the aim to improve the quality of life for residents of our area. This will be a long term plan and will involve Council forming greater collaboration with the Targeted Lead Abatement Program and other providers of primary and allied health services. Whilst Council is not a direct provider of health related services, we can play our part in providing infrastructure to improve our community's level of activity via new cycling and walking trails, increase the potential for developing and attaining work related skills through delivering some of our projects differently, provide opportunities for volunteering and include support for the expression of local art and sculptures in our public spaces.

We will also commence the process of improving the visual attractiveness of the main entrances to Port Pirie, as well as our Central Business District, by the staged removal of high maintenance low amenity value plantings and replacing them with low maintenance high visual impact plantings. In this way, we endeavour to positively influence the image of Port Pirie to the new visitors that we anticipate will use Port Pirie as a base for the Southern Flinders National Park and Silver to Sea Way projects, both due to be completed in late 2023.

A summary of the main projects, their timing and primary funding sources are listed on the following page. There is further Information on these and other projects later in this Business Plan and these will be explained in some detail during our consultation process.

The delivery of the Business Plan is based on a reasonable rate increase of 2.6% overall, which closely aligns to the planned increase in the Long Term Financial Plan 2020-30. Unfortunately, costs for delivering services have not stopped increasing but we are endeavouring to keep rate increases to a minimum whilst still maintaining the same breadth and degree of services.



PROJECT	BRIEF DESCRIPTION	ANTICIPATED TIMING AND FUNDING
Upgrade Main Entrances to Port Pirie	Staged program of upgrading plantings to increase visual impact Warnertown Road – Railway to Roundabout Three Chain Road – Roundabout to overpass (one side)	Primarily grant funded 2021 2022
Inclusion of shared walking / cycling paths	Stage 1 to be included in the upgraded main entrances and link through to the riverfront precinct	Primarily grant funded, to commence in 2021/22
Upgrade the Riverfront Precinct	Stage 1 to be the Solomontown Beach area to include family friendly free attractions such as a pump track, nature playspace, new BBQ amenities. Project to be undertaken in a way to support under-employed people to participate and gain work experience and qualifications Stage 2 planning (only) to commence for replacement of Fisherman's Jetty	Detailed planning to commence in 2021/22, to be delivered late in this financial year and into 2022/23
New electronic "Whats on" sign"	To be included as part of the upgrade of the entrances, likely to be in the vicinity of the intersection of Three Chain and Warnertown Road	2021/22
Tourism attraction / land	With the community, develop a Masterplan for commercial investment at Bowman Park Release an Expression of Interest in the Council owned land on Beach Road adjacent the Port Pirie Beach Caravan Park	2021/22 2021/22
Residential land availability	Consult the community on the release of surplus community land for residential purposes Work with identified land owners regarding potential for release of residentially zoned land	2021/22 2021/22 and beyond
Increased level of sustainable operations	Investigate feasibility of Food Organics and Garden Organics (FOGO) waste separation Commence process to change main street lights to LED Conduct Expression of Interest into installation of solar panels on Council buildings	2021/22 Grant funded to commence 2021/22 Subject to an EOI process, expected to be self-sustaining.

Council has drafted a Business Plan consistent with our key financial performance indicators and our current Community Plan. It will be presented for community input through the public consultation options set out earlier in this document.

We are excited about the opportunities that will come to our region over the next few years, and we have proposed a Business Plan to undertake key projects to be ready to capture the increased benefit we anticipate will come. We aim to undertake these key projects primarily from grant funding, and will continue to Investigate ways to maintain our level of services and manage the impact of rates on our community.

**Leon Stephens**  
Mayor



**Peter Ackland**  
Chief Executive Officer



# PLANNING APPROACH

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

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

## Our Vision



Regional Leader



Economic Hub



Quality Lifestyle

## Our Mission

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

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



# PLANNING APPROACH CONT.

## Themes for our Future Direction



**Our Community**



**Our Economy**



**Our Lifestyle**



**Our Leadership**

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

OUR COMMUNITY	OUR LIFESTYLE
Arts, Culture & Library	Aerodrome
Parks & Gardens	Environment
Sport & Recreation & Marine	Waste Collection & Management
Health Inspection	Stormwater Drainage
Swimming Pools	Roads, Footpaths, Kerbing
Animal Management (Dogs & Cats)	Streetscaping
Community Development	Street Services
Public Safety	Bridges
Street Lighting	Asset Management, Property matters

OUR ECONOMY	OUR LEADERSHIP
Caravan Park	Plant, Depot, Works Administration
Economic Development	Rates administration
Tourism & Events	Administration & Records management
Fire protection	People & culture, Health & wellbeing
Bylaws	Risk Management
Parking	Financial Services
Town Planning	Information technology
	Customer services

# OUR COMMUNITY PLAN 2020-25

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

**The Business Plan 2021/22 to 2023/24 sets out the priorities and activities for the next three years which will assist the Council in achieving the aspirations identified in the Community Plan.**

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

- Alignment to our Community Plan that reflect, Council's commitment to communities in the Council area
- Contribution towards the achievement of the goals of our Community Plan
- Current achievement level of the planned goals commensurate with community and key stakeholder needs
- Effective and efficient use of available resources
- Impact of the current economic environment
- Continued financial sustainability of Council

The Business Plan includes the delivery of current ongoing services and the key actions for the next three years. Service responsibilities from the Local Government Act and other legislation include:

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

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

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



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





# OUR PRIORITIES

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



## Our Community

### GOAL

#### Inclusivity & Diversity

An active community that is connected and has opportunities to participate in community life.

Strategy	Projects & Actions
1.1.1 Leadership in the Community is valued, encouraged and supported	Support Community development and key volunteer organisations to provide structured input into projects by June 2021. Continue Elected Member representation on external bodies. Support the Community Development Associations to review their Community Plans by March 2022.
1.1.2 Volunteering is fostered for its contribution to the community and personal wellbeing	Develop a strategy to increase the involvement of volunteers in Council initiatives and projects through collaboration with local Service Clubs by March 2022.
1.1.3 Community facilities and services are welcoming and accessible	Commence the implementation of Public Art Plan 2021-2025 by December 2021. Complete the next stage of the Disability Access & Inclusion Plan by June 2022. Review the DDA Bus Stop Plan by December 2021. Participate in the Mid North Passenger Transport Network.
1.1.4 The strong identity of a culturally rich community is celebrated	Complete a review of the support for Community based events by December 2021. Complete the Discovery Trails Project - Stage 2 by June 2022. Develop an Aboriginal Engagement Policy by June 2022.
1.1.5 Cultural and creative based organisations and activities are supported	Complete the Projection Lighting in City Park by September 2021. Facilitate the installation of the RSL Commemorative Mural at the aerodrome by May 2022. Deliver an exciting and varied Gallery Exhibition Program and arts activities by June 2022.

# OUR PRIORITIES CONTINUED



## Our Community cont.

### GOAL

#### Resilience

A community that is able to unite and deal with adversity.

Strategy	Projects & Actions
1.2.1 Our community is supported through events that enhance community connectedness and build community pride.	Support the planning of community based events by June 2022. Review of Community Assistance for projects and events has been completed by December 2021. Complete a review of the Events Strategy by March 2022.
1.2.2 Our community is prepared for and able to respond to emergency situations	A Community Resilience workshop has been conducted by December 2021. Planning of the implementation of Flood Mitigation actions has been completed by June 2022. An Incident Operations Plan has been developed by June 2022. Participate in Zone Emergency Management Committee by June 2022.
1.2.3 Lifelong learning underpins our mental wellbeing	The implementation of the Port Pirie Libraries Plan and Digitisation Plan has commenced by August 2021. Partner with RDA to implement the Upper Spencer Gulf Workforce and Skills Plan by June each year.
1.2.4 Our community feels safe	Review of the Public Lighting strategy has been completed by December 2021. The transition of street lighting to LED has commenced by January 2022. A strategy to deal with unsightly premises has been implemented by June 2022. Participate in Licensing Accord and a review of the Dry Zone areas has been completed by June 2022.

# OUR PRIORITIES CONTINUED



## Our Community cont.

### GOAL

#### Wellbeing

A community that is physically and mentally healthy.

Strategy	Projects & Actions
1.3.1 A wide range of sporting and recreational opportunities are available	Investigate the opportunity for a Pump Track by December 2021. A network of Walking and Cycling Paths Stage 1 has been planned by June 2022.
1.3.2 Community facilities are vibrant and increasingly multi-use	A needs analysis of sport and recreation facilities has been completed by December 2022. A refresh of significant Port Pirie medians and garden beds has been completed by December 2023.
1.3.3 Community wellbeing is enhanced through positive health outcomes	Regional Health Plan – implement a co-ordinated community wide strategy to address SEIFA indicators of social advantage by June 2022. Animal Management Plan - off leash dog areas improved in Port Pirie and Crystal Brook by June 2022. Support the Sport & Recreation Club Development Program for 2021/2022.
1.3.4 Co-ordinated initiatives and activities reduce lead exposure in the community	Active collaboration with TLAP on greening projects has commenced by September 2021.
1.3.5 Open spaces are enhanced through well maintained and attractive landscaping providing opportunity for increased community activity	Active collaboration with TLAP on greening projects has commenced by September 2021. Work with the Defence Force to support on-ground projects as part of local Indigenous development by June 2023.
1.3.6 Our townships and areas of significance are recognised by a strong sense of place and engenders community pride.	Improve the appearance of Warnertown and Three Chain Road entrances to Port Pirie for greater visitor impact and community pride by June 2023.



# OUR PRIORITIES CONTINUED



## Our Economy

### GOAL

#### Education & Jobs

A regional workforce with capacity to adapt, transition and thrive on changing circumstances and respond to structural challenges and opportunities

#### Strategy

#### Projects & Actions

2.1.1. State and Federal Governments partner to support local employment opportunities.

Workforce training opportunities have been delivered by June 2022, supported by Regional Development Australia Yorke & Mid North.

2.1.2 Members of our community are increasingly work ready to fill the jobs created by local business and industry.

Participation levels of social enterprise initiatives in the delivery of projects and activities has increased by June 2022.

2.1.3 The Region's population is stabilised and grows over time.

RDAYMN has completed an Attraction Campaign "Open for Business" by June 2022.

2.1.4 Facilities are available to support increased population participating in workforce.

Commencement of projects to support underemployed people to gain work experience and qualifications by June 2023.

# OUR PRIORITIES CONTINUED



## Our Economy cont.

### GOAL

#### Business & Industry

Vibrant businesses and diversified industry sectors that grow the regional economy.

Strategy	Projects & Actions
2.2.1 Local businesses are supported to grow and expand.	Shopfront improvements in Bowman Street, Crystal Brook is completed by December 2021 (See 3.1.2). A Feasibility Study of the uses of the John Pirie River Foreshore has been completed by June 2022.
2.2.2. The Region's traditional industrial and agricultural base is maintained and expanded.	The Port Pirie Industry Vision has been adopted by Council by June 2022, supported by Regional Development Australia Yorke & Mid North.
2.2.3 Opportunities to diversify our economic base into other sectors such as tourism, renewables and value added agriculture are pursued.	Regional Development Australia Yorke & Mid North has held an Economic Summit by June 2022.
2.2.4 New businesses are encouraged to invest and locate within the Council area.	Concept planning of the next stage of Flinders Industrial Estate is completed by June 2022.
2.2.5 There is an adequate supply of land zoned to accommodate industry, retail and other employment and economic generating activities.	A Port Pirie Masterplan to identify future needs has been completed by June 2022, supported by Regional Development Australia Yorke & Mid North.
2.2.6 Investment, additional infrastructure and employment opportunities are attracted to the region.	Research alternative housing models for residential development by June 2022, supported by Regional Development Australia Yorke & Mid North.

# OUR PRIORITIES CONTINUED



## Our Economy cont.

### GOAL

#### Tourism

The natural beauty, unique history and attractions of our region and towns provide memorable experiences for increasing numbers of guests.

#### Strategy

2.3.1 Increased visitation leads to new and expanded tourism attractions and experiences.

#### Projects & Actions

Regional Development Australia Yorke & Mid North and Council have developed a vision for Stage 2 of the National Park priorities and funding requirements by June 2022. Discovery Trails stage 1 is completed by December 2021. Complete investigation into release of land for tourism use, by June 2022. Bowman Park Masterplan completed by June 2022.

2.3.2. Our Region is increasingly recognised for its events and cultural experiences.

An Events Attraction Strategy has been developed by June 2022. (See 1.2.1) Installation of the new "What's On" signage by June 2022.

### GOAL

#### Built Environment

Our rich cultural and built heritage is valued, celebrated and enhanced by new developments.

#### Strategy

3.1.1 Provide opportunity for a wide range of social, residential, retail, commercial and industrial activity and development.

#### Projects & Action

Complete an investigation of options to release residential allotments south of Port Pirie by December 2021. Complete community consultation on proposal to sell surplus council land by December 2022.

3.1.2 Our unique character areas and iconic sites are identified, protected and promoted.

The Riverbank Precinct Masterplan has been prepared by December 2021. Shopfront improvements in Bowman Street, Crystal Brook is completed by December 2021. Implementation of the John Pirie Riverbank Masterplan has been completed by June 2023.

3.1.3 Our public spaces are inspiring, stimulating and welcoming and encourage social interaction, gatherings and activity.

The preparation of the Memorial Park Masterplan is completed by June 2022.



# OUR PRIORITIES CONTINUED



## Our Lifestyle

### GOAL

#### Infrastructure

Infrastructure is renewed and provided that meets current and potential future needs.

Strategy	Projects & Action
3.2.1 Township road networks support pedestrian, cycle and vehicle use.	A network of Walking and Cycling Paths Stage 1 has been planned by June 2022. Installation of a network of Walking and Cycling Paths Stage 1 has commenced by December 2022.
3.2.2 Regional transport networks are prioritised to support primary and other industrial use.	Planning for installation of electric vehicle charging points in Port Pirie and Crystal Brook is complete by June 2022.
3.2.3 Council provided assets are fit for purpose, proactively maintained and renewal recognises future demand.	Building services review to identify underperforming assets and community consultation about potential future use is completed by December 2021. Options for replacement of Fisherman's Jetty have been considered by June 2022.

### GOAL

#### Infrastructure

Infrastructure is renewed and provided that meets current and potential future needs.

Strategy	Projects & Action
3.2.1 Township road networks support pedestrian, cycle and vehicle use.	A network of Walking and Cycling Paths Stage 1 has been planned by June 2022. Installation of a network of Walking and Cycling Paths Stage 1 has commenced by December 2022.
3.2.2 Regional transport networks are prioritised to support primary and other industrial use.	Planning for installation of electric vehicle charging points in Port Pirie and Crystal Brook is complete by June 2022.
3.2.3 Council provided assets are fit for purpose, proactively maintained and renewal recognises future demand.	Building services review to identify underperforming assets and community consultation about potential future use is completed by December 2021. Options for replacement of Fisherman's Jetty have been considered by June 2022.

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# OUR PRIORITIES CONTINUED



## Our Lifestyle cont.

### GOAL

#### Sustainability

Sustainability considerations form part of our planning and decision making.

Strategy	Projects & Action
3.3.1 Reduce water consumption and secure increased water supply.	Irrigation monitoring equipment installed by December 2021. Turf conditioning implemented by December 2021.
3.3.2 Adapt to and reduce impacts of climate change risk.	Planning for installation of electric vehicle charging points in Port Pirie and Crystal Brook is complete by June 2022.
3.3.3 New initiatives that maximise waste diversion and resource recovery are identified and supported leading to an increased recognition of Port Pirie as a Green Industrial City.	An investigation of the feasibility of Food and Garden Organics has been completed by December 2021. Expressions of Interest for the installation of solar on Council buildings has been completed by June 2022.
3.3.4 Energy generation and local use is increasingly environmentally sensitive.	Continue to investigate a solar desalination plant to reclaim water for our parklands. Transition of public street lights to LED has commenced by January 2022. Complete the redesign of the roof of the Administration Office to accommodate rooftop solar by June 2023.

### GOAL

#### Natural Environment

Our natural environment is retained, healthy and adds to the experience of the region.

Strategy	Projects & Action
3.4.1 Our natural landscapes are secured and form a significant part of the appeal of our region.	Bowman Park Management Plan is completed by June 2022.
3.4.2 Our valuable coastal assets are supported and enjoyed sensitively.	Roadside Vegetation Management Plan has been updated by June 2022.

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# OUR PRIORITIES CONTINUED



## Our Leadership

### GOAL

#### Community Engagement

Council decision making is informed, transparent, accountable and reflective of the Community Plan with avenues for community input.

#### Strategy

4.1.1. Increase participation in Council decision making processes.

#### Projects & Action

Communications Strategy implemented by September 2021.  
Elector Representation review completed by October 2021.  
Preparation for Council elections in 2022 has commenced by January 2022.

4.1.2 Ensure that Council's plans, projects and activities are aligned with the strategies of the Community Plan.

Council's integrated planning and reporting software is fully implemented by September 2021.

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# OUR PRIORITIES CONTINUED



## Our Leadership cont.

### GOAL

#### Organisational Excellence

We deliver what we promise and strive to continually improve.

##### Strategy

4.2.1 One Council focussed on consistent quality services underpinned by transparent and accountable decision making.

4.2.2 Deliver services which meet community need and priorities at the right price based on innovation and continuous improvement.

4.2.3 Risk is understood and managed.

4.2.4 Council will be financially responsible and sustainable across generations.

4.2.5 There is positive culture of leadership and empowerment across the Council.

##### Projects & Action

Customer Request system review completed by December 2021 with improvements implemented by June 2022.  
IT mobility solutions have been implemented by December 2021.

Integrated Business Improvement Strategy Stage 1 Program & Planning Tool trial completed by December 2021.  
Cultural Precinct Review completed by August 2021.  
Waste Transfer Station Review completed by March 2022.

A review of the Risk Management Framework is completed and risk appetite agreed by June 2022.

Monitoring of project timelines and budget adherence is reported to Council at least four times by June in each year.  
At each annual review in October, the Financial performance achieved will be consistently within indicator target ranges in the Long Term Financial Plan.  
A review the approach to Rating is completed by September each year.

Information Technology mobility enhancements are implemented by December 2021.  
An Employee Survey is completed by May each year for 2022 and 2023.

# OUR PRIORITIES CONTINUED



## Our Leadership cont.

### GOAL

#### Partnerships

We develop strong mutually beneficial partnerships to advance key aspects of this Community Plan.

Strategy	Projects & Action
4.3.1 Increase the opportunity for greater outcomes through mutually beneficial partnerships.	Regional Development Yorke & Mid North review of Aspire completed by December 2021. Council & TLAP advance community outcomes, planned projects delivered by June 2022. Flinders Mobile Library review has been completed by June 2022. Wellbeing Masterplan developed with LDAT & ADAA based on Planet Youth initiative by June 2022.
4.3.2 Enhance Councils regional leadership through opportunities for resource sharing and service provision.	An alliance has been formed with the District Council of Mount Remarkable and Northern Areas Council to investigate opportunities for Stage 2 of proposed Remarkable Southern Flinders Ranges by December 2021.

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# MAJOR PROJECTS IN 2021/22



## Community

- Discovery trails visitor experience
- City park projection lighting
- Disability Access & Inclusion Plan implementation planning
- LED street lighting partial transition (full transition is to be considered)
- Dog parks in Port Pirie and Crystal Brook



## Our Economy

- Port Pirie Flinders Industrial Estate
- Shopfront improvements in Bowman Street Crystal Brook



## Our Lifestyle

- Port Pirie Riverbank Precinct Masterplan
- Port Pirie Memorial Park Masterplan
- Pedestrian & Cycling path network in Port Pirie
- Roadworks, Footpath & Kerbing programs
- Port Pirie Stormwater drainage



## Our Leadership

- Plant & Machinery replacement
- Information Technology equipment replacement/upgrade



# CAPITAL WORKS IN 2021/22

The proposed capital works program for 2021/22 is \$9.2 million in total, of which \$2.9 million is allocated for new assets and the remainder of \$6.3 million reflecting the commitment to the renewal and upgrade of existing assets.

## Roadworks Capital

<b>Road Reseal Program</b> Spray sealing and asphalt replacement of the sealed road network <b>\$1,400,000</b>	<b>Walking and Cycling Trails</b> network in Port Pirie <b>\$434,028</b>	<b>Kerb Upgrade Program</b> <b>\$150,000</b>
<b>Road Re-sheeting Program</b> throughout the rural area <b>\$250,000</b>	<b>Footpath Replacement Program</b> Replacement of spray sealed/ asphalt/concrete/paved footpaths as <b>per</b> Footpath strategy <b>\$250,000</b>	<b>Kerb Replacement Program</b> Replacement of kerb that has reached the end of its useful life and/or part of the road reseal replacement program <b>\$400,000</b>
<b>Unsealed Roads/Tracks Upgrades</b> <b>\$78,000</b>	<b>Bridges – Hopes Crossing, Koolunga</b> <b>\$35,000</b>	

## Port Pirie Urban Projects

<b>Port Pirie Cemetery</b> Construction of a single lawn beam and other <b>projects</b> <b>\$80,000</b>	<b>World War I gates at Memorial Oval Port Pirie</b> repair stone work <b>\$15,000</b>	<b>Stormwater drainage upgrades</b> <b>\$2,090,000</b>
Major upgrade to the visual appearance of entrances to Port Pirie along <b>Warnertown</b> Road <b>\$110,000</b>	<b>Public Art projects</b> Projection lighting Port Pirie City Park, RSL Mural Festival <b>\$24,000</b>	<b>Aquatic Centre projects</b> <b>\$285,000</b>
<b>Memorial Oval projects</b> <b>\$50,000</b>	<b>LED lighting partial transition</b> (Council has approved to all SAPN <b>provided</b> street lights in 2021/22 using loan funds, to maximise potential savings sooner and reduce carbon footprint.) <b>\$1,000,000</b>	<b>What's On light</b> <b>\$100,000</b>
<b>Senate Road Sporting Complex upgrade</b> <b>\$509,650</b>		<b>Carpark upgrades</b> <b>\$150,000</b>
<b>Off leash dog park upgrade</b> <b>\$30,000</b>		

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# CAPITAL WORKS IN 2021/22 CONT.

## Rural Area Projects

Aerodrome lighting upgrade to meet CASA requirements \$300,000	Crystal Brook Swimming Pool \$30,000	Bowman Park \$30,000
Crystal Brook Off leash dog park \$30,000	Crystal Brook Adelaide Square public conveniences \$40,000	Napperby CWMS \$70,000
Crystal Brook Institute \$20,000	Warnertown clubrooms \$25,000	

## Plant, Vehicle & Equip-

Utilities \$128,000	Vehicles \$78,000	Tractor/Loader \$380,000
Trucks \$170,000	IT system & software replacement program \$75,000	

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# FUNDING THE BUSINESS PLAN

Funding of the Business Plan 2021/22 – 2023/24 is set out with a detailed description of the financial information for the coming year 2021/22 and a set of summary financial statements for the three years of the Plan.

## Annual Budget 2021/22 highlights:

### Operations

• Operating income	\$28.7 million
• Operating expenses	\$28.3 million
• Operating result (surplus)	\$0.4 million
• Operating result (Underlying - Adjusted for all once-off grant receipts) (deficit)	(\$0.2) million
• Total Rates Income (excluding fines and write-offs)	\$19.6 million
• Total Rates Income increase	2.6%

### Capital Works

• Works Program and Projects	\$9.8 million
• Capital income	\$1.6 million

### Financial sustainability measures (forecast to be at 30 June 2022):

• Operating Surplus Ratio	1%
• Net Financial Liabilities	42%
• Asset Renewal Funding Ratio	90%

## Capital Works for 2021/22

A total of \$9.2 million will be spent on capital projects in the following service areas:

Service Area	Amount (\$)
Community Services / Amenities	\$465,000
Culture / Library	\$59,000
Tourism / Economic Development	\$162,000
Environment / Stormwater Drainage	\$2,090,000
Parks / Recreation / Marine	\$1,020,000
Street services / Lighting	\$1,000,000
Regulatory	\$60,000
Roads / Foot / Kerb / Bridges	\$3,616,000
Aerodrome	\$300,000
Plant/Depot/Works Admin	\$866,000
Governance/Admin	\$206,000
<b>Total</b>	<b>\$9,841,000</b>

# P25

Port Pirie Regional Council  
BUSINESS PLAN  
2021/22 – 2023/24



## Rating Strategy

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

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

- State of our local economy and the impact of COVID-19 restrictions;
- Progress towards the achievement of the goals of the Community Plan 2020-2025;
- Condition of our infrastructure and the community needs for our capital works program;
- Financial position and future sustainability of council service delivery; and
- Impact of potential rate increases on the different types of land use, being residential, business, including manufacturing and retail, service industry and primary production sectors, and also their location.

Council also considered the comments received from community consultation and importantly also considered the impact of the annual movement in the valuation of rateable properties, particularly at the aggregated land use level, as this may impact the distribution of the overall rate burden.

The Council is to apply differential general rates based on the locality in which the rateable property is situated and the use of the land. The Council has also determined that given the current economic conditions the annual average increase in rates is to be more aligned to the March 2021 annual Consumer Price Adelaide All groups Adelaide (1.2%) and Local Government Price (1.6%) indices. This will result in an overall increase in general property rates of 2.8% which includes the net growth factor of 0.35%. This results in an increase on Total Rate Income of 2.6% which closely aligns to the 2.4% proposed increase in the Long Term Financial Plan 2020-30.

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

The Waste Collection service charge will remain the same as last year. The service charges for the Community Wastewater Management schemes at Crystal Brook and Napperby will increase by 1.8% which is consistent with the Crystal Brook and Napperby Community Wastewater Management Systems Pricing Schedule and Policy.

Additionally, the Council is legislatively required to impose the Regional Landscape levy (formerly the NRM Levy) and to pass the proceeds on to the Northern and Yorke Landscape Board in order to cover the costs of that Board. The Council collects the levy on behalf of the Northern and Yorke Landscape Board. The Board has advised that Council's required contribution for 2021/22 is \$425,719 which is an increase of 3.5% from 2020/21.

# Rates 2021/ 2022

## Valuation

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

Consistent with previous years, capital value will be used rather than site value or annual value as the value on which rates will be assessed. The overall total property valuation for the region across all land use types in terms of capital value has increased by 2.82%, with differing variations in the valuations for each land use category.

The overall valuation increase comprises amendments to the value of existing properties and also growth from new developments, improvements to existing properties and the like. The growth factor for 2021/22 is 0.35%.

## Total Rate Income

Council has determined to raise total rate income of \$19.7 million (after rebates and remissions) from property rates and service charges, which includes an estimation for fines and penalty interest. This will enable Council to deliver the planned activities and services in 2021/22 and to fund the capital works program. The amount represents an overall increase of \$0.48 million from the previous year which is an increase of 2.5%.

## How General Property Rates are Calculated

The method of calculation of rates is:

General Rates:

Fixed Charge (applicable to all rateable properties)

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

The following table shows the total amounts for General Rates, Service Charges and Regional Landscape Levy, including rebates (but excluding fines and interest) for 2021/22 compared to the total amounts raised in 2020/21:  
The rating components for 2021/22 are:

Rates revenue including rebates (excluding fines and interest)	2020/21\$ (m)	2021/22 \$ (m)	2021/22 % increase
General Property Rates	16.321	16.782	2.8
Waste Management Service Charge	2.136	2.144	0.4
CWMS Service Charge	0.191	0.195	2.0
Regional Landscape Levy	0.411	0.425	3.5
<b>TOTAL</b>	<b>19.059</b>	<b>19.547</b>	<b>2.6</b>

Fixed Charge	Differential Rates
\$550 (increase of \$15)	Average increase of 2.2%

#### Fixed Charge

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

The total general rate income of \$17.2 million (excluding rebates) for 2021/22 will comprise of the following elements:

- Fixed Charge \$5.4m (approx. 31% of General Rates)
- Differential Rating \$11.8m (valuation based – approx. 69% of General Rates)

#### Differential Rates

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

To achieve an equitable distribution of the rate burden and to balance the community’s capacity to pay, and consistent with the approach taken in 2020/21, for 2021/22 Council is to apply differential general rates based on the locality in which the rateable property is situated and the use to which the property is put. The Council will use the following factors as differentiating factors, in accordance with the Local Government (General) Regulations 2013:



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

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

While the Council is to continue to differentiate according to the locality of the land and its use in 2021/22 (as it did in 2020/21), it is relevant to note that due to variations to the Local Government (General) Regulations 2013, the principles relevant to differentiating factors based on the locality of land now allow differentiation according to zones and subzones set out in the Planning and Design Code under the Planning, Development and Infrastructure Act 2016, as well as zones, precincts and localities set out in the Council's Development Plan under the Development Act 1993. The Council proposes to differentiate according to zones and subzones set out in the Planning and Design Code. The reason that the Council considered it appropriate to now use zones and subzones set out in the Planning and Design Code is that the Planning, Development and Infrastructure Act 2016 is now fully in force and the Development Act 1993 is now repealed (and Council's Development Plan under the Development Act 1993 is now revoked).

While the new planning framework has resulted in a rationalisation of zones and subzones under the Planning and Design Code versus zones, precincts and localities under the Council's former Development Plan (18 zone and subzones versus approximately 36 zones, precincts and localities), the manner in which the zones and subzones which apply under the new planning framework are to be utilised for the purposes of differential rating in 2021/22 is substantially similar to the manner in which zones, precincts and localities which applied under the old planning framework were utilised in 2020/21.

The Council's approach therefore will not have any significant impact upon the Council's overall rates structure and policies. It is unlikely that the approach will generally lead to discernible impacts on ratepayers. The Council does not consider that this approach gives rise to any issues concerning equity within the community. The Council has adopted this approach simply as a result of the reform of the State's planning framework, a reform which is now completed and which the Council considers should be reflected in its rates structure. Geographically speaking, the use of differentiating factors based on locality will be applied in a manner that achieves an equivalent or effectively equivalent approach to differentiation when compared to 2020/21.

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

As part of its consideration of the impact of rates, Council modelled the effect of the proposed differential general rates for 2021/22 (not including annual service charges or the Regional Landscape levy) on the “average” valuation for each combination of land use code and locality. The average valuation is arrived at by calculating the total valuation for all properties with a particular combination of land use code and locality, and dividing that by the number of properties with that combination of land use code and locality. The proposed change, in percentage terms, from the previous year’s annual rates are specified in the following table.

Average Property Rates (not including rebates, service charges or regional landscape levy)			
Land use and locality	2020/21	2021/22	Movement %
Residential land use – All localities	\$1,254	\$1,287	2.7
Commercial land use (all categories) – All localities	\$4,629	\$4,680	1.1
Industry land use (all categories) – Strategic Employment – Significant Industry subzone*	\$340,659	\$346,919	1.8
Industry land use (all categories) – All other localities except Strategic Employment – Significant Industry subzone*	\$2,533	\$2,586	2.1
Primary Production land use – All localities	\$2,261	\$2,327	2.8
Vacant Land land use – All localities	\$1,070	\$1,102	3.0
Other land use – All localities	\$1,774	\$1,848	4.2

Wherever different combinations of land use codes and localities are subject to the same rate (in both 2020/21 and 2021/22), they have been combined into a single line in the below table for the sake of brevity.

Based on the modelling, the average residential rates for 2021/22 will increase to \$1,287 from \$1,254 which is an increase of \$33 compared to an increase of \$27 in 2020/21.

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

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

### Contribution

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

Again, wherever different combinations of land use codes and localities are subject to the same rate (in both 2020/21 and 2021/22), they have been combined into a single line in the below table for the sake of brevity.

RATES CONTRIBUTIONS (including rebates)			
Land use and locality	Property valuation (mill)	Total general rates (mill)	Contribution to total rates
Residential land use – All localities	\$1,406.61	\$10.31	61%
Commercial land use (all categories) – All localities	\$234.39	\$2.03	12%
Industry land use (all categories) – Strategic Employment – Significant Industry subzone*	\$26.84	\$1.04	6%
Industry land use (all categories) – All other localities except Strategic Employment – Significant Industry subzone*	\$25.76	\$0.27	2%
Primary Production land use – All localities	\$770.90	\$2.39	14%
Vacant Land land use – All localities	\$38.62	\$0.61	4%
Other land use – All localities	\$38.38	\$0.13	1%
<b>TOTAL</b>	<b>\$2,541.50</b>	<b>\$16.78</b>	<b>100%</b>

\*Formerly Policy Area 4 of the Industry Zone in the Council's Development Plan

### Community Wastewater Management Schemes (CWMS)

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

The following principles are used in setting the charges:

Each system is to be assessed independently, as each is of a different type and age;  
Total charges will reflect the average annual cost of operations (including depreciation);

Charges on vacant properties will be 75% of occupied properties, reflecting pump out cost recovery from occupied properties;  
 Ongoing Napperby irrigation costs to be treated as general Council and not a CWMS cost.

Any surplus of income over actual expenses (excluding annual depreciation) is set aside in a dedicated reserve account to be used for future replacement and upgrades of the respective schemes. The CWMS charges will increase for 2021/22 as shown below:

CWMS	Crystal Brook			Napperby		
Property type	2020/21	2021/22	% increase	2020/21	2021/22	% increase
Vacant	\$148	\$151	1.8%	\$346	\$352	1.8%
Occupied	\$197	\$201	1.8%	\$462	\$470	1.8%

### Waste Management Service Charge (WMSC)

A three bin waste collection service is provided for residential properties where the service is available. The setting of the charge is guided by legislation which does not allow Council to charge more than the actual cost of providing the service. A number of rural properties receive a discounted charge where their property access point is more than 500 metres from their bin collection point. The discounts are applied automatically to these properties and for 2021/22 will total approximately \$26,000.

Service Charge / Year	2020/21	2021/22
3 Bin Waste Collection Service Charge	\$257	\$257

Total Waste Management service income will be approximately \$2.1 million (including rebates). The charge for 2021/22 will remain that same as in 2021/22.  
 Many commercial properties voluntarily participate in the collection service and are invoiced by Council for this service, with no impact on rates.

### Regional Landscape Levy (formerly Natural Resources Management Levy)

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

Council is required by the Northern and Yorke Regional Landscape Board to raise \$425,154 (after rebates) in the 2021/22 financial year and is required to recover this amount through a separate rate. The Council will accordingly recover this amount by applying a rate in the dollar of approximately 0.01786 against the capital value of every rateable property.

Northern & Yorke Regional Landscape  
 Regional Landscape Centre - Clare (head office), 155 Main North Road, Clare SA 5453  
 Phone: (08) 8841 3400. Monday to Friday from 9am till 5pm.  
 Website: <https://landscape.sa.gov.au/ny/home>



## **Payment of Rates**

The Council has decided that the payment of rates will be by 4 instalments, consistent with s181 of the Local Government Act. For 2021/22 the payment of Rates will fall due in September, December, March and June. The Rates Notices will be sent at least 30 days prior to the due date of the payment instalment.

The following payment services are available:

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

## **Late Payment of Rates**

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

## **Rebate of Rates**

The Local Government Act requires Councils to rebate the rates payable on certain land-use types. Specific provisions are made in the Local Government Act for statutory rebates for land used solely for health services, community services, religious purposes, public cemeteries, the Royal Zoological Society and educational institutions. Discretionary rebates may be granted for land used for specific purposes or in other specified circumstances. Applications for a discretionary rebate must be received no later than 30 September 2021.

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

## **Other matters**

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

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

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

# ANNUAL BUDGET

## 2021/22

### Business Services

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

The annual budget for 2021/22 has an operating surplus of \$0.37 million. This is an improved Operating result when compared to the forecast in the Long Term Financial Plan 2020-2030 and is due to some once-off grant income of \$600,000.

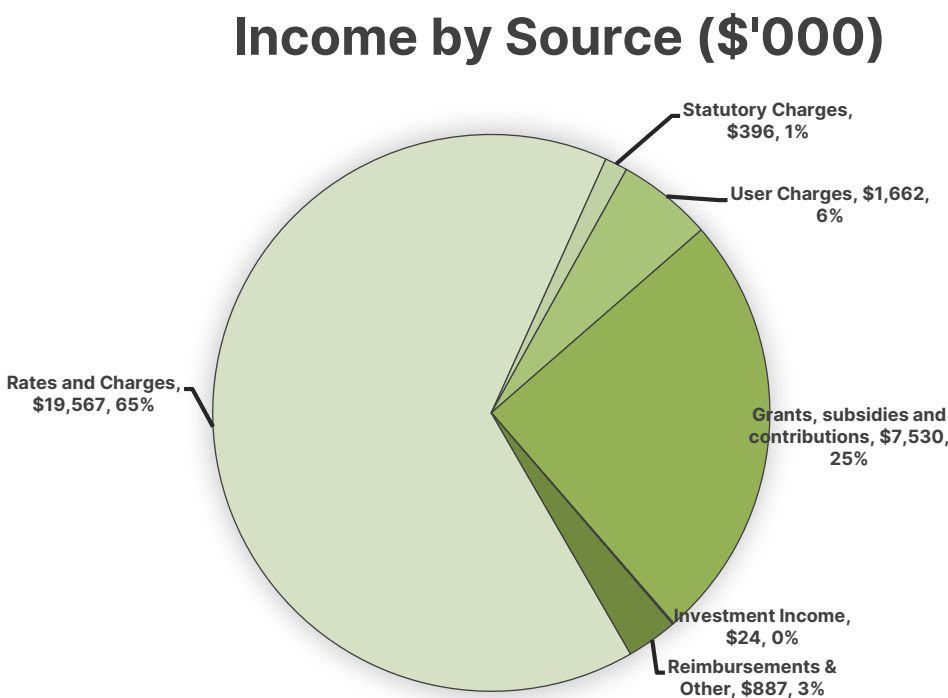
The underlying Operating result, adjusted for the grant funds is a deficit of \$0.23 million. This result is consistent with the forecast in the Long Term Financial Plan 2020-2030. The underlying operating result gives a better view of the normal operating situation for assessment of the long term financial sustainability of the council operations.

The capital program is proposed to be \$9.8 million, which is significantly more than the previous year due to the support of several grant funded programs, as part of the economic stimulus in response to the COVID-19 conditions.

### Operating Income

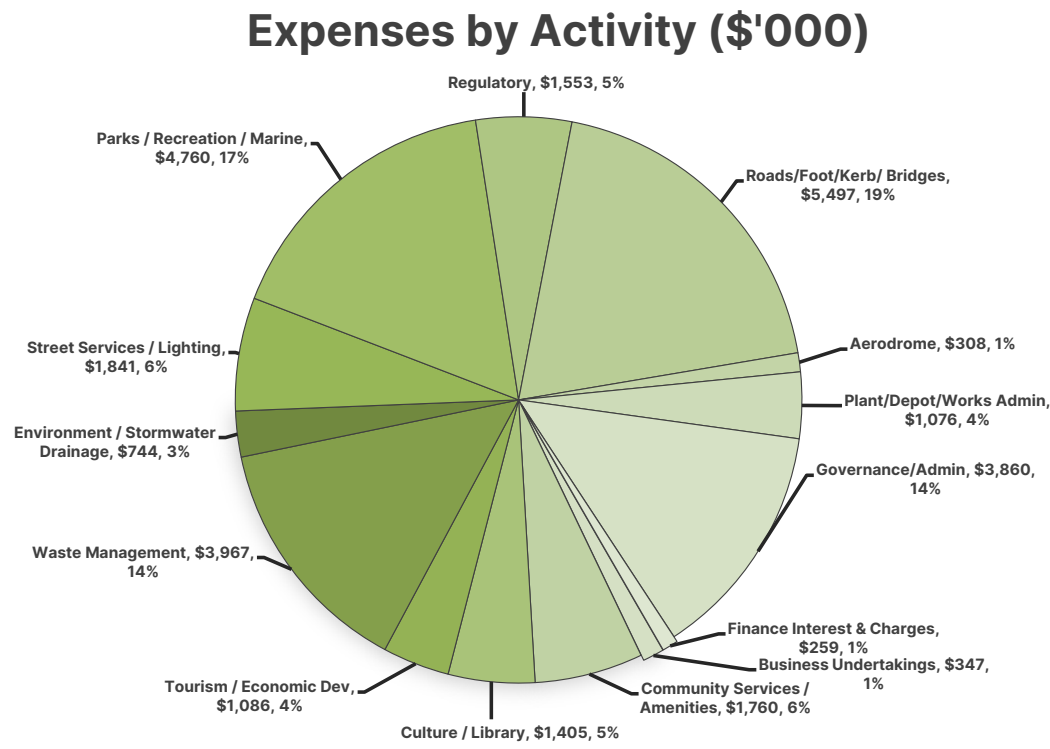
Income is raised from property rates, fees and charges, grants & subsidies, investment income and other income including reimbursements and contributions, donations and sale of surplus assets.

The total operating income for 2021/22 is estimated to be \$28.7 million. The diagram below shows the estimated income by source.



Operating Expenses

The total operating expenses for 2021/22 are estimated to be \$28.3 million. Operating expenses include payments for employees, contractors, materials, plant & equipment maintenance, loan interest and an amount for asset depreciation.



Financial Performance

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

The table shows the recent actual and planned budget performance compared with the long term target ranges for each of the indicators. The Asset Renewal Funding Ratio is within the average target range for this three year period. As the ratio is projected to remain stable in the future years and this will maintain a 10 year average of 80% which is at the lower margin of the target range.

FINANCIAL SUSTAINABILITY RATIOS	2021/22 Budget	2022/23 Budget	2023/24 Budget	3 year average	LTFP Target Range
Operating Surplus Ratio (adjusted)	1%	1%	1%	1%	1-5%
Net Financial Liabilities Ratio	42%	40%	38%	40%	30-70%
Asset Renewal Ratio	90%	82%	84%	85%	80-110%

# LONG TERM FINANCIAL PLAN 2021-31

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

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

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

The Long Term Financial Plan (LTFP) sets out in financial terms, the resourcing needed for Council to achieve the goals of the Community Plan. It includes the projected income and expenses for the period from 2021 – 2031, using 2020/21 as the base year and includes 2019/20 to assist with trend analysis.

Each year, as part of the development of the Business Plan and 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 updated during the year to ensure that the financial performance is monitored against with the planned targets.

## Financial Sustainability Measures:

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

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

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



## **Objectives of the Long Term Financial Plan:**

### **1. To achieve and maintain an Operating Surplus**

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

### **2. To fund Asset Renewal/Replacement of existing assets**

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

### **3. To review New Asset Requirements**

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

### **4. To reduce Reliance on Borrowing**

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

### **5. To achieve the Plan**

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

## **Asset Management**

The Council is responsible for the management of infrastructure assets valued at more than \$264 million. This includes roads assets of local roads, footpaths, kerbing and infrastructure to protect our community such as stormwater drainage, assets for health and wellbeing including parks, recreation reserves, foreshore and marine structures and many sporting facilities, also numerous other assets such as buildings, street furniture and the community wastewater facilities. The ongoing maintenance and planned renewals and upgrades are included in the LTFP. These are based on the assumption of continuing to provide the current average level of service over the life of these assets.

The periodic asset revaluations are difficult to reliably estimate and so these are not included in the LTFP. It is assumed that the cost of capital works will be a solid base for these values when added into the Asset Registers. Revaluations are completed periodically and the financial impact of these will be included in the updated LTFP as they become known. One of the known impacts is that the amount of annual depreciation expense will increase and there has been adjustment increase for this in the operating expenses in the specific years. Depreciation is an allocation of the cost of use of assets each year and is based on the most recent valuation, including capital works and it has been assumed that this will increase each year.

In the previous year there was a large increase in the amount of depreciation due to a re-valuation of the Roads and Buildings and Structures assets groups. A strategy to manage this, is that it be addressed in the medium term with the release of some council properties for residential purposes.

**Capital Works Plan 2021-31**

Provision is made for the renewal/replacement and new/upgrade of assets in the 10 year Capital Works Plan (CWP) which has been updated and added into the LTFP. The planned works are drawn from the Asset Management Strategy and supporting plans. Much of the CWP is undertaken by contractors. The CWP has gross expenditure of \$94.7 million over the ten year period. The CWP is to be funded from general income.

**Capital Plan Summary:**

Component	\$ (m)
Total capex	\$88.4
Renewal/Replacement	\$71.7
New/Upgrade	\$16.7

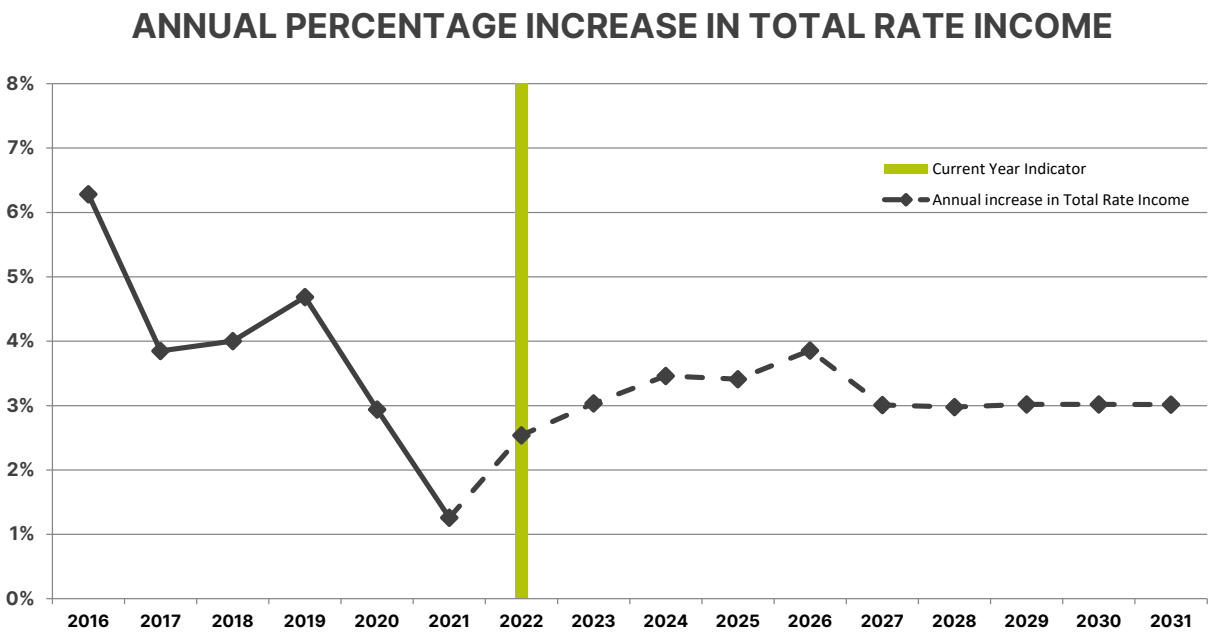
There are also a number of proposed unfunded projects which will require further investigation of partnership funding, detailed costing and the expected Council contribution. The decisions about including these in the CWP will consider all aspects of each project and the influence on the future financial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

**Total Rate Income**

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

It is proposed that Total Rate Income will increase by 3% each year for the period of the LTFP, except where there is projected growth due to new land releases or development. Some of this land is council owned and there has been a conservative increase for the potential future rate income.

The graph below shows the history of rate increases from 2019 with the projected increases to 2031.



**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. Interest payments are shown in operating expenses. There is one new loan of \$1 million proposed in the Plan, in 2022 to support the capital works program.

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 less than \$4 million by 2031.

**Reserves**

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

**These include:**

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

**Business Operations**

The Operations income and expenses reflect continuing service provision with adjustments for known circumstance changes and influences. CPI assumption is 2% until 2027 and then 3% has been used, unless otherwise stated.

**Operating Income:****General Property Rates**

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

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

The five principles that apply are:

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

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

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



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

## **Service Charges**

### **Community Wastewater Management Schemes (CWMS)**

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

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

### **Waste Management Service Charge (WMSC)**

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

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

### **Regional Landscape Levy (formerly Natural Resources Management Levy)**

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

Landscape South Australia Northern & Yorke  
Head office - Clare, 155 Main North Road, Clare SA 5453  
Phone: (08) 8841 3400. Monday to Friday from 9am till 5pm.  
Website: <https://landscape.sa.gov.au/ny/home>

## **Other Income**

### **Grant and subsidy income**

The Financial Assistance Grants includes an annual increase of 1% to 2024 then 2% and it is assumed that they will be paid in each respective year so there is no forecast adjustment of prepayment of grants funds.

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

# **P41**

Operating grants to support service delivery including the Library include an annual increase of 2%.

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

Interest income from funds on hand is monitored and reviewed each year depending on the level of anticipated funds and interest rate movements.

Funds on hand are expected to be relatively low throughout the early years and with the current low interest rates of 1 – 2% expected to continue, the estimated income is lower than in later years of the plan. This income type also includes community loan repayments.

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

### **Operating Expenses:**

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

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

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 2023 there are further planned increases in the Superannuation Guarantee at the rate of 0.5% each year for 4 years;
- Depreciation: increase following planned asset revaluations and for replaced/new assets;
- Finance Charges: interest on current borrowings as per loan repayment schedule;
- All Other expenses: increase up to 2-3% each year;
- Specific events: estimated amounts have been included for the LG Elections in 2022 and 2026;
- GST is excluded from all amounts.

Financial Performance

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

Operating Surplus

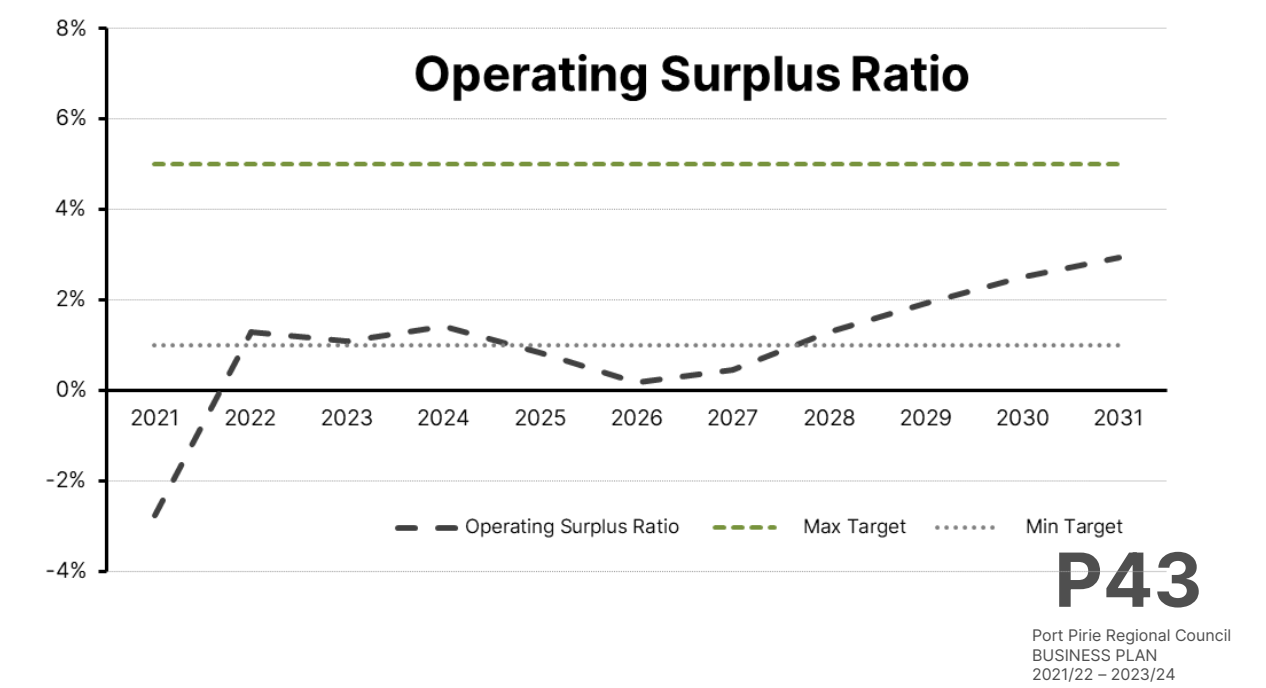
The Operating Surplus Ratio expresses the Operating Surplus (or Deficit) as a percentage of Total Operating Income to measure the extent to which income covers the operational expenses and if any funds are available to fund the capital works.

FINANCIAL INDICATORS	2021-31 average	LTFP Target Ranges
Operating Surplus Ratio	1%	1–5 %
Net Financial Liabilities Ratio	31%	30-70%
Asset Renewal Funding Ratio	82%	80-110%

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

Commencing with a small surplus result in 2021/22 the position is forecast to remain stable until 2025 as the operating income includes the future potential rate income from the re-release of council owned properties and also known private developments. The operating result deteriorates in 2026 due to the ending of the Roads to Recovery funding program. While it is expected that there will be a new or continuing program this is not know so no allowance included in the LTFP. From 2026 the operating result gradually improves for the remainder of the LTFP to reach 3% by 2031. The result for each year varies however the average over the term of the LTFP is 1% which is at the minimum of the target range.

The following chart shows the forecast annual operating result for the financial years from 2020/21 to 2030/31.



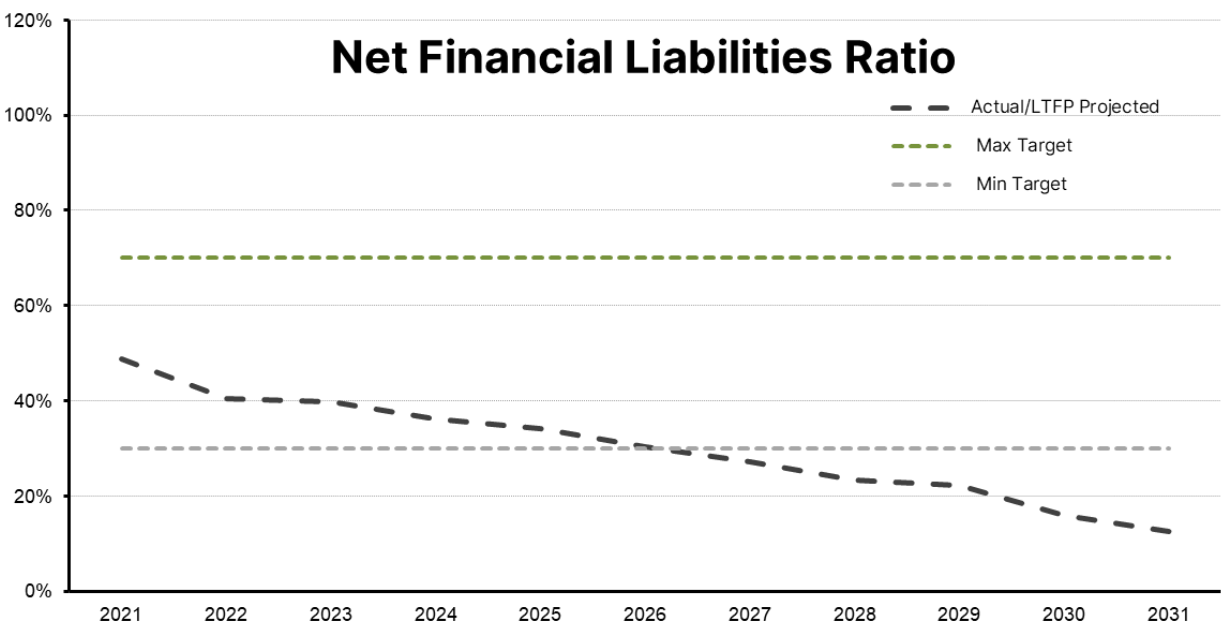
Financial Liabilities

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

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

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

For 2021/22 the Financial Liabilities Ratio is forecast to be 42% then decrease for the remainder of the LTFP to be below the minimum target range of 30% by 2027. This indicates a capacity to take on new loans to support the capital works program and improve the Asset Renewal Funding Ratio.



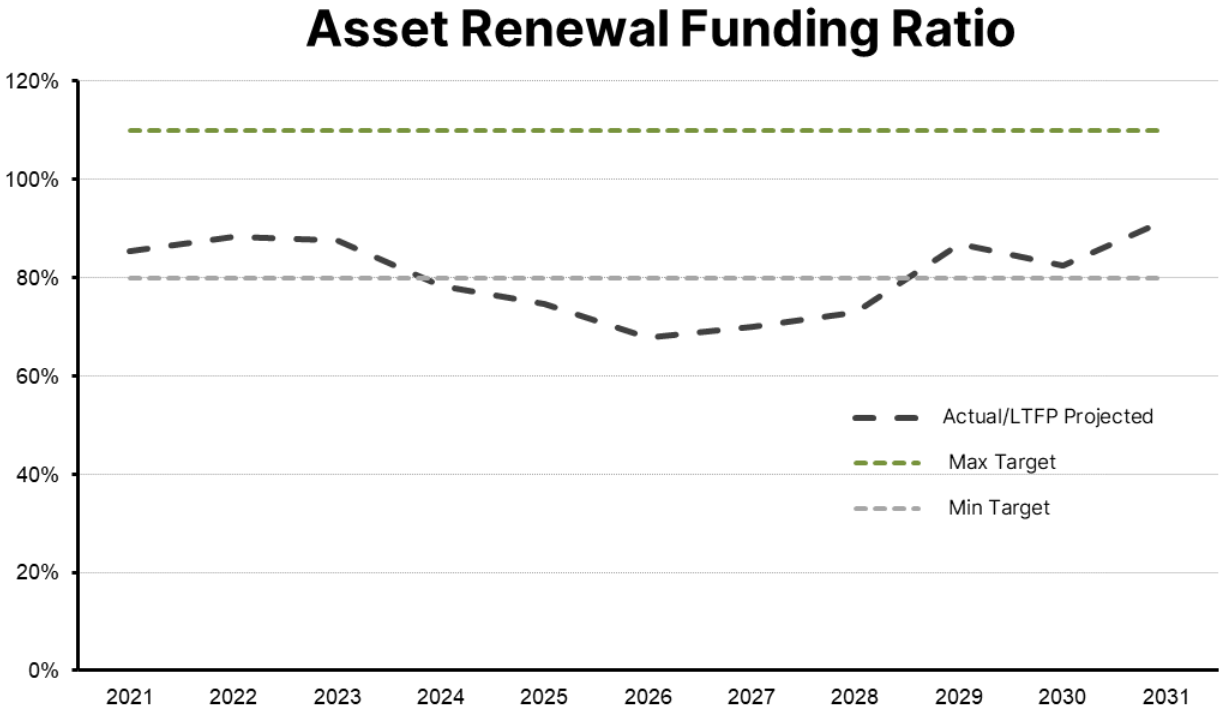
Asset Renewal Funding Ratio

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

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



The capital works program for 2021/22 has included projects to achieve a ratio of 90% and then it varies between 68% and 98% for the remainder of the LTFP. The average across the LTFP is 82% which is at the minimum of the target range and less than 100%. However from 2026, there is financial capacity to take new loans to support an increased capital works program to ensure that existing assets are being renewed or replaced as planned.





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