

**Port Pirie Regional Council**

**BUSINESS PLAN  
2022/23 – 2024/25**

**Adopted 4 August 2022**



August 2022  
Version : 8

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## Attachments

- Rating – differential rates by locality for 2022/23
- Rates Policy 2022/23
- Budget – Financial statements 2022/23 – 2024/25

# Introduction

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## 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 2022/23 to 2024/25.

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

## Opportunities to get involved

Council undertook public consultation on its draft Business Plan 2023/23 to 2024/25 from Monday 27 June 2022 until 5:00pm on Monday 25 July 2022 and provided the following opportunities for the community to have input:

- **A Public Meeting of Council** was held on Tuesday 19 July 2022 at 6pm in the Council Chambers, 115 Ellen Street, Port Pirie.
- **Public information sessions** were offered in collaboration with the Crystal Brook, Redhill and Koolunga Community Associations and the Pirie Districts Development Association and accepted by the Crystal Brook and the Pirie Districts Development Association.
- **Community Engagement** was offered to shoppers at both the Woolworths (14 July) and Primewest (15 July) shopping centers.
- **A Management** representative were available at the Crystal Brook Office on each Friday during the consultation period.

## Opportunities to have your Say

There were a number of ways for the community to provide feedback:

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

## About this Plan

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

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

# Mayor and CEO Message

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The 2022/23-2024/25 Business Plan and Budget sees Council continue with its commitment to undertake projects consistent with our Community Plan, with a continuing focus on enhancing the presentation of our communities, improving opportunities for access to public facilities, increasing participation in activities focused on community well-being and provision of an increased effort on our rural road network.

We are mindful of the opportunities for increased visitation and reputation that will come from the new \$10 million Southern Flinders National Park and also the \$6.2 million Silver to Sea Way project, both of which are expected to be well advanced by June 2023. Coupling these projects with the recently announced \$6.1m State Government funded Port Pirie Greening Program to be delivered over a 4 year period commencing this year, and the reimagining of Port Pirie via the State Government's Masterplan project, both of which involved Council has a key stakeholder, provides a very solid platform for increased optimism of a vibrant future for Port Pirie and its regional towns.

We will continue with the improvement of the entrances to Port Pirie, commence our focus on improved presentation of parks in Reed Street, Tennyson Street, Spencer Street, Spencer Estate, Stanhope Street and deliver the planned \$1.681m upgrade to the Solomontown Beach area. In conjunction with the Targeted Lead Abatement Program, we will seal the footpaths in the area of Solomontown known locally as "Church Circle" including installation of water sensitive urban design measures for the additional trees which will also be planted

With the benefit of \$759,000 from grant funding, we will deliver \$1.518m worth of improvements to council owned buildings, with a primary focus on ease of access. This is part of the implementation of the Disability Access Inclusion Plan we consulted on in late 2021.

Public art and opportunities for creative expression will feature in the Solomontown Beach upgrade and in selected areas in Norman Street. We will continue to tell and celebrate our community's stories through new short features displayed via our City Park projector.

In a key initiative for the coming year, and in collaboration with Regional Development Australia Yorke and Mid North, we will deliver the Solomontown Beach upgrade project in a way that will provide opportunities for local unemployed people to be involved in building elements of the project to enable them to gain valuable skills to enhance their future employment opportunities. With local industry finding it difficult to fill vacancies, this is one way that we can "grow our own" and in doing so create a sense of increasing pride and involvement of the community in the delivery of key community projects. We hope to be able to offer other key community building projects as career enhancement opportunities if this first effort is successful.

Via an expression of interest process, we will offer for development Council owned land zoned for tourism opportunities which overlooks the Port Pirie River, and as a signal to developers of residential land we will commit \$2m to Councils portion of the South West Drainage Scheme, subject to their complimentary commitments.

We recognise that our rural road network needs extra focus. In addition to our normal construction and maintenance programs, this year sees an additional financial allocation to extend our maintenance grading efforts into the drier months through the provision of water carting, together with additional allocation for fixing our unsealed network where sections of roads have significantly deteriorated. This year we will publish a construction and maintenance program on a month by month basis as a guide to the overall effort to lift the rural road network.

A summary of our major projects and primary funding sources is listed elsewhere in this Business Plan. There is also further information on 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 an overall rate increase of equivalent to the current Consumer Price Index measure, (March 2022 annual Consumer Price Adelaide All groups Adelaide), being 4.7%, (CPI March 2021 1.2%) which aligns to the planned increase in the Long Term Financial Plan 2010-31. 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.

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

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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”

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

## Our Mission

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

## Themes for our Future Direction

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

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

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

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

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

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

# Our Community Plan 2020-25

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

The Business Plan 2022/23 to 2024/25 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.

# Major Projects in 2022/23

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## Our Community

### Port Pirie Riverbank Precinct Construction

Budget \$1,681,000

Grant Funding \$1,111,000

Ratepayer Funded \$570,000

The Riverbank Precinct will be refreshed to be more accessible and family friendly and will incorporate elements such as walking/cycling trails and public art.

Total project cost is costed at over \$2M and the balance will be delivered over subsequent financial years.

### Disability Access & Inclusion Plan implementation planning

Budget \$1,518,000

Grant Funding \$759,000

Ratepayer Funded \$759,000

Upgrade to Disability access to public amenities and community facilities within the region.

### Southwest Drainage Scheme Flood mitigation

Budget \$2,000,000

Loan Funding \$2,000,000

Provision for construction of Council's portion of the Southwest Drainage Scheme to enable the development of land for residential purposes to the southern part of Port Pirie. Council's commitment is subject to the developers making a commitment to proceed with their land divisions and for their respective portions of the drainage scheme. The scheme is to follow an alignment through rural land to the west of the area and incorporating a potential storage area to the west of Port Davis Road. This scheme provides a stormwater management strategy to protect existing and future development in the area from the 100-year ARI flood event.

### Broughton River Flood mitigation

Budget \$250,000

Ratepayer Funded \$250,000

Following the 2016 flooding event of the Broughton River flood ways are to be constructed on the cattle track and the Koolunga – Redhill Road.

### Merriton Bridge

Budget \$495,000

Ratepayer Funded \$495,000

Replacement of the Merriton Bridge over the Rocky River with the installation of a floodway.

### Dog parks in Port Pirie and Crystal Brook

Budget \$30,000

Ratepayer Funded \$30,000

Continuation of the supply and installation of improvements to create a welcoming open space for local dogs and their owners.

### Port Davis Boat Ramp and Facilities

Budget \$1,539,059

Grant Funding \$1,239,059

Ratepayer Funded \$300,000

Upgrade of the Port Davis boat launching and retrieving facilities

## Our Economy

### Port Pirie Flinders Industrial Estate

Budget \$96,000

Ratepayer Funded \$96,000

Council have identified further land for Industrial division for the expansion of Industry in the region. These land parcels will be developed and offered for sale in the 2022/23 Financial Year.

### Development of tourism zoned land.

Budget \$0

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



## Major Projects in 2022/23 (cont'd)

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### Our Lifestyle

#### Footpaths

Budget \$600,000 TLAP funding \$600,000

In addition to our annual footpath renewal program, and with the financial assistance of the Targeted Lead Abatement Program (a partnership between the State Government and Nyrstar Port Pirie), Council will seal footpaths in the “Church Circle” area of Solomontown, being the area bounded by Three Chain Road, Main Road, Alpha Terrace and the railway line. This project will also include provision of further street trees.

#### Sealed Roads

Budget \$ 2,026,000 Loan Funding \$777,000 Ratepayer Funded \$1,388,000

In addition to the annual reseal programs Council will also construct and seal Boundary Road from Port Germein Road to Warnertown Road.

#### Unsealed Roads

Budget \$ 1,150,000 Ratepayer Funded \$1,150,000

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

#### Kerbing

Budget \$800,000 Ratepayer Funded \$800,000

Kerb replacement will be carried out in conjunction with the annual Re-sheeting program, as well as the Solomontown area to complement the sealing of paths.

#### FOGO – Food Organics Garden Organics

Council will continue to develop a feasibility study and options of Food Organics and Garden Organics. To present findings and a plan to Council by March 2023. Budget funding and Implementation of the approved plan is proposed for the 2023/24 Financial Year.

### Our Leadership

#### Plant and Vehicles

Budget \$1,242,000 Trade-in \$290,000 Ratepayer Funded \$952,000

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

#### Customer Services System

Budget \$30,000 Ratepayer Funded \$30,000

Implement new Customer Service module to enhance and streamline the receipt, actioning and reporting of Customer Requests.

#### Local Government Elections

Budget \$90,000 Ratepayer Funded \$90,000

Local Government Elections are held once in every 4 years with the election to be held in November 2022.

# 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	
<b>Inclusivity &amp; Diversity</b> <i>An active community that is connected and has opportunities to participate in community life.</i>	
Strategy	Projects & Actions
1.1.1 Leadership in the Community is valued, encouraged and supported	<ul style="list-style-type: none"> <li>Support Community development and key volunteer organisations to provide structured input into projects</li> <li>Continue Elected Member representation on external bodies.</li> <li>Support the Community Development Associations to review their Community Plans by March 2023.</li> </ul>
1.1.2 Volunteering is fostered for its contribution to the community and personal wellbeing	<ul style="list-style-type: none"> <li>Promote opportunities to increase the involvement of volunteers in Council initiatives and projects through collaboration with local Community based organisations by March 2023.</li> <li>Continue financial support of Community Associations.</li> </ul>
1.1.3 Community facilities and services are welcoming and accessible	<ul style="list-style-type: none"> <li>Incorporation of Artistic elements in the following key projects – Norman Street, Riverbank Precinct – stage 1.</li> <li>Incorporation of Access and Inclusion considerations in the following key projects – Riverbank Precinct – stage 1, Woodward Park and the replacement of Public Toilets and improvement to access to Community Buildings (see page # ). Participate in the Mid North Passenger Transport Network.</li> </ul>
1.1.4 The strong identity of a culturally rich community is celebrated	<ul style="list-style-type: none"> <li>Host a Winter Festival in conjunction with SALA (South Australian Living Artists) as a replacement for the COVID impacted NYE 2021 event.</li> <li>Host the 2022 New Year's Eve Event.</li> <li>Develop further short films for the City Park Projection including Caring for Country and the Culturally diverse communities that make up our region.</li> <li>Complete the Discovery Trails Project - Stage 2 by June 2023.</li> <li>Investigate opportunities for First Nation Youth to express Cultural significance through projects.</li> <li>Support Youth Week, NAIDOC and Reconciliation Week.</li> <li>Provide creative activities for Seniors through Creative Arts Program for Seniors throughout the Region.</li> <li>Undertake the preliminary research and process strategy for rebranding Port Pirie (RDA)</li> </ul>

Goal	
<b>Inclusivity &amp; Diversity</b> <i>An active community that is connected and has opportunities to participate in community life.</i>	
Strategy	Projects & Actions
1.1.5 Cultural and creative based organisations and activities are supported	<ul style="list-style-type: none"> <li>Facilitate the installation of the RSL Commemorative Mural at the aerodrome by December 2022.</li> <li>Deliver an exciting and varied Gallery Exhibition Program and arts activities by June 2023.</li> </ul>

Goal	
<b>Resilience</b> <i>A community that is able to unite and deal with adversity.</i>	
Strategy	Projects & Actions
1.2.1 Our community is supported through events that enhance community connectedness and build community pride.	<ul style="list-style-type: none"> <li>Support the planning of community based events by June 2023.</li> <li>Complete a review of the Events Strategy by March 2023.</li> <li>Attract events to the region with the assistance of Sports Marketing Australia</li> </ul>
1.2.2 Our community is prepared for and able to respond to emergency situations	<ul style="list-style-type: none"> <li>Partner with neighbouring Councils and Flinders University to identify opportunities for increased Community Resilience to drought.</li> <li>An Incident Operations Plan has been developed by Dec 2022.</li> <li>Participate in Zone Emergency Management Committee</li> </ul>
1.2.3 Lifelong learning underpins our mental wellbeing	<ul style="list-style-type: none"> <li>Implement Stage 1 priorities of the Port Pirie Libraries Plan.</li> <li>Support Uni-Hub Spencer Gulf through subsidised rental of the Council owned building.</li> <li>Investigate the opportunity and need for the "Paint Port Pirie REaD" program.</li> <li>Partner with RDA to implement the Upper Spencer Gulf Workforce and Skills Plan by June each year.</li> </ul>
1.2.4 Our community feels safe	<ul style="list-style-type: none"> <li>Finalise the Public Lighting strategy by December 2022.</li> <li>Implement the transition of public road lighting to LED by December 2022.</li> <li>Review the Dog &amp; Cat Management Plan by June 2023.</li> <li>Participate in Licensing Accord and a review of the Dry Zone areas will be completed by June 2023.</li> </ul>

Goal	
<b>Wellbeing</b> <i>A community that is physically and mentally healthy.</i>	
Strategy	Projects & Actions
1.3.1 A wide range of sporting and recreational opportunities are available	<ul style="list-style-type: none"> <li>• Deliver a Pump Track as part of the Riverbank Precinct Stage 1 project.</li> <li>• Plan for the incorporation of Walking and Cycling Paths as part of the greening of Phoenix Park.</li> <li>• Finalise the upgrade of Senate Road Sporting Complex including replacement of the public toilets.</li> </ul>
1.3.3 Community wellbeing is enhanced through positive health outcomes	<ul style="list-style-type: none"> <li>• Continue commitment and involvement to the LDAT (Local Drug Action Team) "Planet Youth" initiatives.</li> <li>• Install shelter, drinking fountain and fencing resulting from Community Consultation in each of the off-leash dog parks in Port Pirie and Crystal Brook by June 2023.</li> <li>• Support the Sport &amp; Recreation Club Development Program for 2022/2023.</li> </ul>
1.3.4 Co-ordinated initiatives and activities reduce lead exposure in the community	<ul style="list-style-type: none"> <li>• Commence delivery of Stage 1 of the four year \$6.1million "Port Pirie Greening Program" in collaboration with TLAP, Dept Environment and Water and SA Water.</li> </ul>
1.3.5 Open spaces are enhanced through well maintained and attractive landscaping providing opportunity for increased community activity	<ul style="list-style-type: none"> <li>• Active collaboration with TLAP on greening projects.</li> <li>• Work with the Army to deliver on-ground projects in conjunction with First Nations Youth.</li> <li>• Improve the appearance of the following key areas as part of the improvement of presentation initiative – Three Chain Road continuation into Solomontown Beach, Warnertown Road between Railway line &amp; Copinger Road, Grey Terrace, and parks in Reed Street, Tennyson Street, Spencer Street, Spencer Estate and Stanhope Street.</li> </ul>
1.3.6 Our townships and areas of significance are recognised by a strong sense of place and engenders community pride.	<ul style="list-style-type: none"> <li>• Complete the improvement in appearance of the Warnertown and Three Chain Road entrances to Port Pirie for greater visitor impact and community pride.</li> </ul>

### Our Economy

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

Goal	
<b>Business &amp; Industry</b> <i>Vibrant businesses and diversified industry sectors that grow the regional economy.</i>	
Strategy	Projects & Actions
2.2.1 Local businesses are supported to grow and expand.	<ul style="list-style-type: none"> <li>Investigate opportunity for increased Commercial activity of the Riverbank Precinct Stage 2.</li> <li>Provide financial support to Business Port Pirie as part of a multi-year agreement to June 2024.</li> </ul>
2.2.3 Opportunities to diversify our economic base into other sectors such as tourism, renewables and value added agriculture are pursued.	<ul style="list-style-type: none"> <li>Contribute to the definition of Stage 2 of the Gorges SA walks and commence gathering the supporting documentation for a future grant application. (RDA)</li> </ul>
2.2.4 New businesses are encouraged to invest and locate within the Council area.	<ul style="list-style-type: none"> <li>Concept planning of the next stage of Flinders Industrial Estate is completed by June 2023.</li> </ul>
2.2.5 There is an adequate supply of land zoned to accommodate industry, retail and other employment and economic generating activities.	<ul style="list-style-type: none"> <li>Active involvement in the State Government initiated "Port Pirie Master Plan" to ensure adequate future land provision for all required land users.</li> </ul>
2.2.6 Investment, additional infrastructure and employment opportunities are attracted to the region.	

## Our Key Actions 2022/23 to 2024/25 (continued)

### Our Economy (cont'd)

Goal	
<b>Tourism</b> <i>The natural beauty, unique history and attractions of our region and towns provide memorable experiences for increasing numbers of guests.</i>	
Strategy	Projects & Actions
2.3.1 Increased visitation leads to new and expanded tourism attractions and experiences.	<ul style="list-style-type: none"><li>Regional Development Australia Yorke &amp; Mid North and Council have developed a vision for Stage 2 of the National Park priorities and funding requirements by June 2023.</li><li>Discovery Trails stage 1 is completed by June 2023.</li><li>Expression of interest for Council owned land on Beach Road conducted and subject to outcome Commercial terms negotiated.</li><li>Bowman Park Masterplan completed by December 2022.</li></ul>
2.3.2. Our Region is increasingly recognised for its events and cultural experiences.	<ul style="list-style-type: none"><li>An Events Attraction Strategy has been developed by March 2023. (See 1.2.1)</li><li>Installation of the new "What's On" signage by December 2022.</li></ul>

### Our Lifestyle

Goal	
<b>Built Environment</b> <i>Our rich cultural and built heritage is valued, celebrated and enhanced by new developments.</i>	
Strategy	Projects & Action
3.1.1 Provide opportunity for a wide range of social, residential, retail, commercial and industrial activity and development.	<ul style="list-style-type: none"><li>In conjunction with the RDA continue to investigate options to provide support for the release of residential allotments by June 2023.</li><li>Offer for sale surplus council land as per Community consultation outcome by December 2022 .</li><li>Obtain commercial based advice and assistance from the RDA in the Expression of Interest process for the development of Council owned land on Beach Road Port Pirie. (RDA)</li><li>Obtain advice from the RDA regarding options for removal of barriers to a minimum of two housing development. (RDA)</li></ul>
3.1.2 Our unique character areas and iconic sites are identified, protected and promoted.	<ul style="list-style-type: none"><li>Implementation of the Riverbank Precinct Stage 1 has been completed by June 2023.</li><li>Options for replacement of Fisherman's Jetty have been considered by June 2023.</li></ul>
3.1.3 Our public spaces are inspiring, stimulating and welcoming and encourage social interaction, gatherings and activity.	<ul style="list-style-type: none"><li>The finalisation of the Memorial Park Masterplan is completed by June 2023.</li></ul>

## Our Key Actions 2022/23 to 2024/25 (continued)

### Our Lifestyle (cont'd)

Goal	
<b>Infrastructure</b> <i>Infrastructure is renewed and provided that meets current and potential future needs.</i>	
Strategy	Projects & Action
3.2.1 Township road networks support pedestrian, cycle and vehicle use.	<ul style="list-style-type: none"> <li>Completion of footpath strategy incorporating Walking and Cycling Paths Stage by June 2023.</li> <li>Sealing of footpaths in the “Church Circle” area of Solomontown bounded by Main Road, Three Chain Road, Alpha Terrace and Albert Terrace in partnership with TLAP, including increased greening.</li> </ul>
3.2.2 Regional transport networks are prioritised to support primary and other industrial use.	<ul style="list-style-type: none"> <li>Advocate for installation of electric vehicle charging points in Port Pirie and Crystal Brook is complete by June 2023.</li> <li>Expand the window of maintenance grading during dry periods, through increase provision of water.</li> <li>Increased focus on unsealed road construction and Maintenance including provision for patching sections of unsealed roads in addition to the annual re-sheeting program.</li> </ul>
3.2.3 Council provided assets are fit for purpose, proactively maintained and renewal recognises future demand.	<ul style="list-style-type: none"> <li>Implementation of building services plan and community consultation about potential future use is completed by June 2023.</li> </ul>

Goal	
<b>Sustainability</b> <i>Sustainability considerations form part of our planning and decision making.</i>	
Strategy	Projects & Action
3.3.1 Reduce water consumption and secure increased water supply.	<ul style="list-style-type: none"> <li>Develop a Water Sensitive urban design framework for implementation as part of the “Greening Port Pirie” program by June 2023.</li> </ul>
3.3.2 Adapt to and reduce impacts of climate change risk.	<ul style="list-style-type: none"> <li>Advocate for installation of electric vehicle charging points in Port Pirie and Crystal Brook is complete by June 2023.</li> <li>Planning and implementation of Broughton River Flood Mitigation actions has been completed by June 2023.</li> </ul>
3.3.3 New initiatives that maximise waste diversion and resource recovery are identified and supported leading to an increased recognition of Port Pirie as a Green Industrial City.	<ul style="list-style-type: none"> <li>Present findings of the feasibility study and options of implementation of a Food Organics and Garden Organics (FOGO) service to Council for consideration by March 2023.</li> <li>Expressions of interest for the installation of solar on Council buildings has been completed by June 2023.</li> </ul>
3.3.4 Energy generation and local use is increasingly environmentally sensitive.	<ul style="list-style-type: none"> <li>Continue to investigate a solar desalination plant to reclaim water for our parklands.</li> <li>Implement the transition of public road lighting to LED by December 2022.</li> </ul>

- Upgrade 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

3.4.1 Our natural landscapes are secured and form a significant part of the appeal of our region.

3.4.2 Our valuable coastal assets are supported and enjoyed sensitively.

## Projects & Action

- Consult on revision of Nelshaby Reserve Management plan.
- Identify and secure suitable locations for Native Vegetation offset.
- Bowman Park Management Plan is completed by June 2023.
- Roadside Vegetation Management Plan has been updated by June 2023.
- Finalise boundary realignment of access road to Port Davis Jetty.

## 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.

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

## Projects & Action

- Review Councils Communications Strategy.
- Conduct Council elections in November 2022.
- Provide mandatory and discretionary training for newly Elected Council.
- Refine Council's integrated planning and reporting software (Cascade).



### Our Leadership (cont'd)

Goal	
<b>Organisational Excellence</b> <i>We deliver what we promise and strive to continually improve.</i>	
Strategy	Projects & Action
4.2.1 One Council focussed on consistent quality services underpinned by transparent and accountable decision making.	<ul style="list-style-type: none"> <li>Implement automated Customer Service module by December 2022.</li> <li>Implement Office 365 bring enhanced feature sets, improved mobile security and improved mobile device management</li> </ul>
4.2.2 Deliver services which meet community need and priorities at the right price based on innovation and continuous improvement.	<ul style="list-style-type: none"> <li>Refine the Parks &amp; Recreation and Construction and Maintenance annual program.</li> <li>Develop an annual program for the Environmental Services team.</li> <li>Waste Transfer Station Review completed by March 2023.</li> <li>Determine service levels for Customer Service response interventions.</li> <li>Identify an integrated software package to transition the program and planning tool from the current spreadsheet application.</li> </ul>
4.2.3 Risk is understood and managed.	<ul style="list-style-type: none"> <li>Integrate the revised Risk Management Framework into Council's decision making process.</li> </ul>
4.2.4 Council will be financially responsible and sustainable across generations.	<ul style="list-style-type: none"> <li>Monitoring of project timelines and budget adherence is reported to Council at least four times by June in each year.</li> <li>At each annual review in October, the Financial performance achieved will be consistently within indicator target ranges in the Long Term Financial Plan.</li> <li>A review of the approach to Rating is completed by September each year.</li> </ul>
4.2.5 There is positive culture of leadership and empowerment across the Council.	<ul style="list-style-type: none"> <li>Review Council's Policy suite to ensure positive alignment to Council's Community Plan as policies become due for review.</li> <li>Progressively review Council's Delegation program.</li> <li>An Employee Survey is completed by May each year for 2022 and 2023.</li> </ul>

### Our Leadership (cont'd)

Goal	
<b>Partnerships</b> <i>We develop strong mutually beneficial partnerships to advance key aspects of this Community Plan.</i>	
Strategy	Projects & Action
4.3.1 Increase the opportunity for greater outcomes through mutually beneficial partnerships.	<ul style="list-style-type: none"><li>• Council &amp; TLAP advance community outcomes, planned projects delivered by June 2023.</li><li>• Define Council's role in the planning and delivery of the \$6.1 million "Port Pirie Greening Program."</li></ul>
4.3.2 Enhance Councils regional leadership through opportunities for resource sharing and service provision.	<ul style="list-style-type: none"><li>• 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 2022.</li><li>• Through the Flinders Alliance deliver a shared services positions for WHS coordinator, and investigate opportunity for further resource sharing including a provision of technical and financial support.</li></ul>

# Capital Works in 2022/23

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The proposed capital works program for 2022/23 is \$15.8 million in total, of which \$2.0 million is allocated for new assets and the remainder of \$13.8 million reflecting the commitment to the renewal and upgrade of existing assets.

## Roadworks Capital

- Road Reseal Program – Spray sealing and asphalt replacement of the sealed road network - \$1,000,000
- Road Reseal Program - Boundary Rd – construct and seal - \$916,000
- Road Reseal Program – Mundoorra Main Street - \$85,000
- Road Reseal Program – Design of intersection Mais/Mercowie - \$25,000
- Road Re-sheeting Program – throughout the rural area - \$1,100,000
- Tracks Upgrades - \$50,000
- Footpath Replacement Program – Replacement of spray sealed/asphalt/concrete/paved footpaths as per Footpath Strategy - \$250,00
- Kerb Replacement Program – Replacement of kerb that has reached the end of its useful life and/or part of the road reseal replacement program - \$650,000
- Kerb Upgrade Program - \$150,000
- Bridges – Merriton New culvert installation - \$495,000
- Bridges - Redhill Bitumen surface and approaches - \$35,000

## Projects

- Port Pirie Cemetery – Construction of a single lawn beam and other projects - \$30,000
- World War I gates at Memorial Oval Port Pirie – repair stone work - \$15,000
- Bowman Park - \$30,000
- Crystal Brook Institute Upgrades (Air-conditioning/ Stone work and Fire Safety improvements - \$110,000
- Stormwater drainage upgrades - \$2,220,000
- Norman Street project – pedestrian crossing & public art - \$120,000
- Port Pirie Pool projects - \$140,000
- Crystal Brook Swimming Pool - \$20,000
- Gymnastics Hall Air - Conditioning - \$150,000
- LED lighting partial transition - \$1,000,000  
(Council has approved to all SAPN provided street lights in 2021/22 using loan funds, to maximise potential savings sooner and reduce carbon footprint.)
- Stage 2 – off-leash dog parks upgrade - \$30,000
- Crystal Brook and Napperby CWMS - \$20,000
- Broughton River Flood mitigation - \$250,000
- Crystal Brook Cemetery Car Park improvement - \$50,000
- Upgrade to Port Pirie Council roof - \$100,000

## Capital Works in 2022/23 (cont'd)

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### Grant funded Projects

- Senate Road Sporting Complex toilets - \$160,000
- Carpark upgrade Port Pirie boat launch - \$35,000
- Woodward Park upgrades - \$40,000
- Solomontown Beach Foreshore redevelopment (see Major Projects)
- Upgrade to Disability access to public toilets and community buildings (see Major Projects)

### Projects in Collaboration

- Sealing of footpaths Solomontown - \$600,000 – collaboration with TLAP
- Mundoorra – Main Street improvements - \$85,000 – collaboration with Barunga West Council
- Shared Services – Council continue to support neighbouring councils through shared services agreement in the area of Environments, Health Services, Work Health and Safety and Finance.
- Port Pirie Greening Program – The State Government has announced a \$7.4 million Port Pirie Greening Program over four years commencing this year. At the time of writing this Annual Business Plan the details of Councils involvement is still being finalised. It is anticipated that Council will take a key role in the delivery of many of the elements of this program, with any involvement to be funded via the government allocation.

## Capital Purchases in 2022/23

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### Plant, Vehicle & Equipment Replacement Plans

- Utilities - \$122,000
- Vehicle - \$110,000
- Grader - \$420,000
- Elevated Work Platform - \$105,000
- Trucks – \$445,000
- Tractor - \$110,000

# Funding the Business Plan

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Funding of the Business Plan 2022/23 – 2024/25 is set out with a detailed description of the financial information for the coming year 2022/23 and a set of summary financial statements for the three years of the Plan.

## Annual Budget 2022/23 highlights:

❖ Operations	
○ Operating income	\$29.1 million
○ Operating expenses	\$28.9 million
○ Operating result (surplus)	\$0.2 million
○ Total Rates Income (excluding fines and write-offs)	\$20.3 million
○ Total Rates Income increase	4.7%
❖ Capital Works	
○ Works Program and Projects	\$15.8 million
○ Capital income	\$4.3 million
❖ Financial sustainability measures (forecast to be at 30 June 2022):	
○ Operating Surplus Ratio	1%
○ Net Financial Liabilities	33%
○ Asset Renewal Funding Ratio (Based upon 2018-2028 Asset Management Plan)	211%
○ Asset Renewal Funding Ratio (Based upon 2021-2031 Asset Management Plan Public Consultation)	100%

## Capital Works for 2022/23

A total of \$15.8 million will be spent on capital projects in the following service areas:

SERVICE AREA	AMOUNT (\$)
Community Services / Amenities	\$270,000
Culture / Library	\$55,000
Environment / Stormwater Drainage	\$2,570,000
Parks / Recreation / Marine	\$4,205,000
Street services / Lighting	\$1,538,000
Regulatory	\$30,000
Roads / Foot / Kerb / Bridges	\$5,457,000
Aerodrome	\$50,000
Plant/Depot/Works Admin	\$1,312,000
Governance/Admin	\$270,000

# Changes to the Business Plan Post Consultation

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## **Port Davis Boat Ramp**

During the consultation period there was a decision of Council which specifically authorised the updating of the draft Business Plan for 2022/23. The Council has received notification of the success of Grant funding of \$1,239,059 for the upgrade of the Port David Boat Ramp. The grant is from the South Australian Boating Facility Advisory Committee. Total Project cost is \$1,539,059 with the Council's contribution to the project being \$300,000. The project is of a capital nature and as such will not have any effect on the Operating Surplus in the 2022/23 Year.

## **Blackspot Funding Boundary Road**

Council has received notification on the 20<sup>th</sup> July that it has been unsuccessful in obtaining the \$139,369 Blackspot funding it had budgeted for the Boundary Road Warnertown Road. The grant was of a capital nature. The project will still proceed and could be funded using the Roads 2 Recovery grant funding. This will be assessed and presented to the Asset management committee for consideration.

## **Road 2 Recovery**

Roads 2 Recovery grant funding we omitted from the original budget. 2022/23 Road 2 Recovery funding has now been included in the budget \$473,636. Projects to be funded will be presented to the Asset Management Committee for consideration.

## **TLAP Contribution to Solomontown Footpaths**

Council have contacted TLAP for a formal notification for the funding support of \$600,000 being for the sealing of the Solomontown footpaths. The receipt of correspondence at the writing of this report was imminent.

## **Port Pirie Greening Program**

At the time of writing the draft Business Plan 2022/23 - 2024/25 Council's involvement in the four year, \$7.4M Port Pirie Greening Program was still being finalised. Council continues to work with Department Environment and Water (Lead Agency) and other partners on what Council's direct involvement will entail. Early indications are that Council will be a delivery partner on a number of the projects funded by the Greening Program on the basis that there will be no net negative impact to the 2022/23 operational budget. It is anticipated that a report outlining the activities to be delivered by Council under the Port Pirie Greening Program and associated budget allocation will be presented to Council for consideration in August 2022.

## **Organisational Review – Vehicle OM99/22**

As part of the Organisational review it was identified that a vehicle will be required for the newly created contract position of Project Manager. This was omitted from the original budget. OM99/22 dealt with the Vehicle cost of \$70,000. This cost is capital nature and will not affect our Operating result.

## **Sport Precinct Scoreboard Maintenance**

Council has received a quotation for the annual maintenance of the Sport Predicant Scoreboard. This cost was not known at the time of the budget preparation and has now been included. Annual expense \$13,600

### RATING STRATEGY

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

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

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

Council also considered the 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 2022 annual Consumer Price Adelaide All groups Adelaide (4.7%) (March 2021 Annual CPI 1.2%) and Local Government Price (4.5%) indices. The will result in an overall increase in general property rates of 4.7% which includes the net growth factor of -0.05%.

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

The Waste Collection service charge will increase by 0.4% for the coming year. The service charges for the Community Wastewater Management schemes at Crystal Brook and Napperby will increase by 2.0 which 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 2022/23 is \$435,783 which is an increase of 2.5% from 2021/22.

## Rates and Service Charges 2022/23 (continued)

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### RATES 2022/23

#### 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 7.34%, 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 -0.05%.

#### Total Rate Income

Council has determined to raise total rate income of \$20.3 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 2022/23 and to fund the capital works program. The amount represents an overall increase of \$0.61 million from the previous year which is an increase of 3.1%.

#### How General Property Rates are calculated

The method of calculation of rates is:

General Rates:

Fixed Charge (applicable to all rateable properties)

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



## Rates and Service Charges 2022/23 (continued)

The following table shows the total amounts for General Rates, Service Charges and Regional Landscape Levy, excluding rebates fines and interest for 2022/23 compared to the total amounts raised in 2021/22:

Rates revenue excluding rebates, fines and interest	2021/22 \$ (m)	2022/23 \$ (m)	2022/23 % increase
General Property Rates	17,262	18,079	4.7%
Waste Management Service Charge	2,138	2,158	0.9%
CWMS Service Charge	195	198	1.8%
Regional Landscape Levy	454	477	5.2%
<b>TOTAL</b>	<b>20,048</b>	<b>20,913</b>	<b>4.3%</b>

The rating components for 2022/23 are:

Fixed Charge	Differential Rates
\$565 (increase of \$15)	Average increase of 5.6%

### 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 \$18.1 million (excluding rebates) for 2022/23 will comprise of the following elements:

- Fixed Charge                \$5.53m    (approx. 31% of General Rates)
- Differential Rating        \$12.53m    (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 2021/22, for 2022/23 Council is to apply differential general rates based on the locality in which the rateable property is situated and the use to which the property is put. The Council will use the following factors as differentiating factors, in accordance with the *Local Government (General) Regulations 2013*:

## Rates and Service Charges 2022/23 (continued)

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

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

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

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

As part of its consideration of the impact of rates, Council modelled the effect of the proposed differential general rates for 2022/23 (not including annual service charges or the Regional Landscape levy) on the "average" valuation for each combination of land use code and locality. The average valuation is arrived at by calculating the total valuation for all properties with a particular combination of land use code and locality, and dividing that by the number of properties with that combination of land use code and locality. The proposed change, in percentage terms and whole dollars, from the previous year's annual rates are specified in the following table.

## Rates and Service Charges 2022/23 (continued)

Wherever different combinations of land use codes and localities are subject to the same rate (in both 2021/22 and 2022/23), they have been combined into a single line in the below table for the sake of brevity.

<b>Average Property Rates (not including rebates, service charges or regional landscape levy)</b>				
<b>Land use (and locality)</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Movement %</b>	<b>Movement \$</b>
Residential (all localities)	\$ 1,287	\$ 1,348	4.7%	\$ 61
Commercial - Shop (all localities)	\$ 4,387	\$ 4,662	6.3%	\$ 275
Commercial - Office (all localities)	\$ 3,695	\$ 4,041	9.4%	\$ 346
Commercial - Other (all localities)	\$ 6,198	\$ 6,515	5.1%	\$ 316
Industry - Light (all localities)	\$ 2,549	\$ 2,603	2.1%	\$ 54
Industry - Other (Strategic Employment – Significant Industry subzone)	\$ 346,919	\$ 363,211	4.7%	\$ 16,292
Industry - Other (all other localities except Strategic Employment – Significant Industry subzone)	\$ 3,654	\$ 3,957	8.3%	\$ 303
Primary Production (all localities)	\$ 2,327	\$ 2,422	4.1%	\$ 95
Vacant Land (all localities)	\$ 1,102	\$ 1,120	1.6%	\$ 18
Other (all localities)	\$ 1,848	\$ 2,017	9.1%	\$ 169

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

<b>Average Regional Landscape Levy</b>				
<b>Land use (and locality)</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Movement %</b>	<b>Movement \$</b>
Residential (all localities)	\$ 31	\$ 31	0.6%	\$ 0
Commercial - Shop (all localities)	\$ 79	\$ 81	2.8%	\$ 2
Commercial - Office (all localities)	\$ 64	\$ 69	6.4%	\$ 4
Commercial - Other (all localities)	\$ 116	\$ 118	1.4%	\$ 2
Industry - Light (all localities)	\$ 42	\$ 42	0.3%	\$ 0
Industry - Other (Strategic Employment – Significant Industry subzone)	\$ 1,598	\$ 1,610	0.8%	\$ 12
Industry - Other (all other localities except Strategic Employment – Significant Industry subzone)	\$ 134	\$ 153	14.0%	\$ 19
Primary Production (all localities)	\$ 13	\$ 14	10.2%	\$ 1
Vacant Land (all localities)	\$ 56	\$ 59	5.4%	\$ 3
Other (all localities)	\$ 45	\$ 46	2.2%	\$ 1

Based on the modelling, the average residential rates for 2022/23 will increase to \$1,348 from \$1,287 which is an increase of \$61 compared to an increase of \$33 in 2021/22.

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

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

### Contribution

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

## Rates and Service Charges 2022/23 (continued)

Again, wherever different combinations of land use codes and localities are subject to the same rate (in both 2021/22 and 2022/23), 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	\$1,445.25	\$10.80	60%
Commercial land use (all categories) – All localities	\$242.51	\$2.13	13%
Industry land use (all categories) – Strategic Employment – Significant Industry subzone	\$27.64	\$1.09	6%
Industry land use (all categories) – All other localities except Strategic Employment – Significant Industry subzone	\$27.16	\$0.28	2%
Primary Production land use – All localities	\$903.46	\$2.50	14%
Vacant Land land use – All localities	\$43.97	\$0.64	4%
Other land use – All localities	\$40.67	\$0.13	1%
<b>TOTAL</b>	<b>\$2,730.66</b>	<b>\$17.57</b>	<b>100%</b>

### 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 2022/23 as shown below:

CWMS	Crystal Brook			Napperby		
	2021/22	2022/23	% increase	2021/22	2022/23	% increase
<b>Vacant</b>	\$151	<b>\$154</b>	<b>1.99%</b>	\$352	<b>\$358</b>	<b>1.70%</b>
<b>Occupied</b>	\$201	<b>\$205</b>	<b>1.99%</b>	\$470	<b>\$478</b>	<b>1.70%</b>

## Rates and Service Charges 2022/23 (continued)

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### 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 2022/23 will total approximately \$26,300.

Total Waste Management service income will be approximately \$2.1 million (including rebates). The charge for 2022/23 will increase marginally.

Service Charge / Year	2021/22	2022/23
3 Bin Waste Collection Service Charge	\$257	\$258

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 \$435,783 (after rebates) in the 2022/23 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 0.01748 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 2022/23 the payment of Rates will fall due in September, December, March and June. The Rates Notices will be sent at least 30 days prior to the due date of the payment instalment.

## Rates and Service Charges 2022/23 (continued)

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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;
- Centrepay through Service Australia/Centrelink
- 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 2022.

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 2022/23

## BUSINESS SERVICES

The annual budget for 2022/23 has an operating surplus of \$0.196 million. This is an improved Operating result when compared to the forecast in the Long Term Financial Plan 2021-2031 and is due to some once-off grant income of \$600,000.

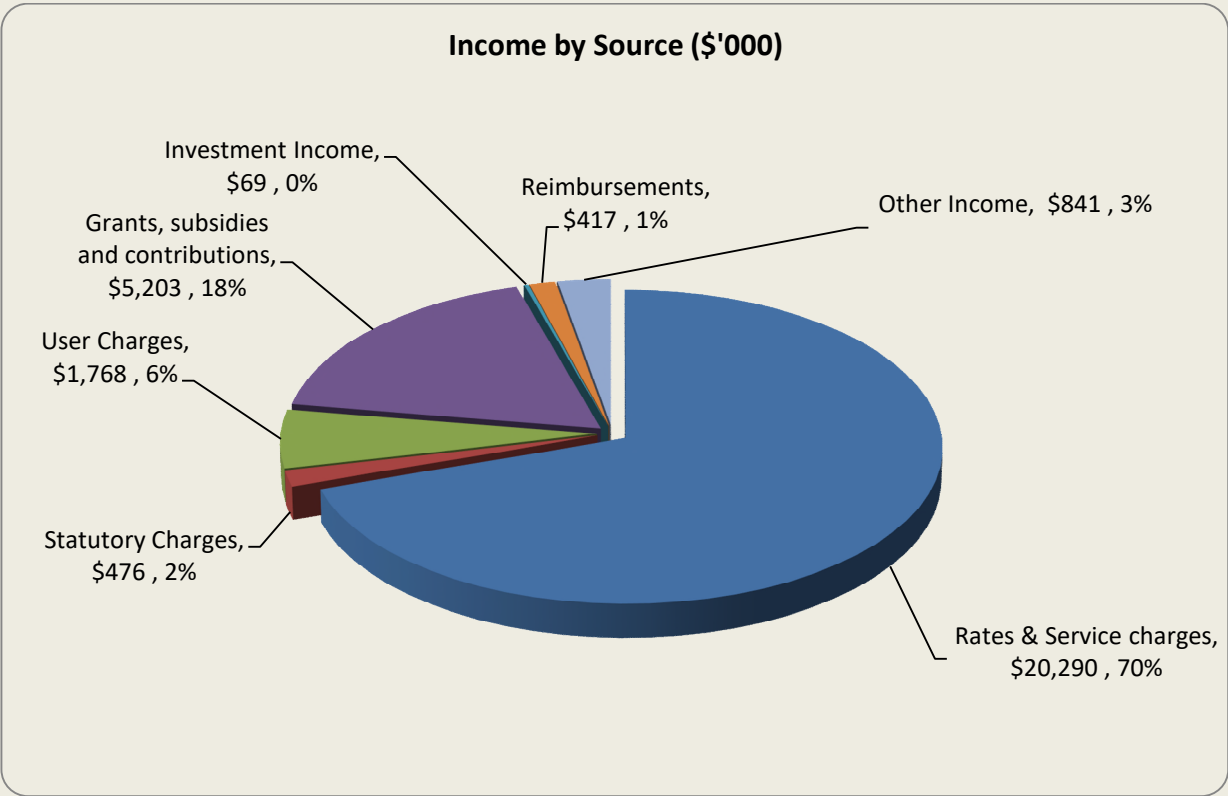
The underlying Operating result, adjusted for the grant funds is a deficit of \$0.23 million. This result is consistent with the forecast in the Long Term Financial Plan 2021-2031. The underlying operating result gives a better view of the normal operating situation for assessment of the long term financial sustainability of the council operations.

The capital program is proposed to be \$15.8 million, which is significantly more than the previous year due to the support of several grant funded programs, such as the Solomontown Foreshore upgrade and Disability Access to Community facilities along with major drainage project in the south of Port Pirie

### 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. Grant & subsidies includes 2022/23 Financial Assistance Grants contribution of which \$3.4m cash was received in prior financial year.

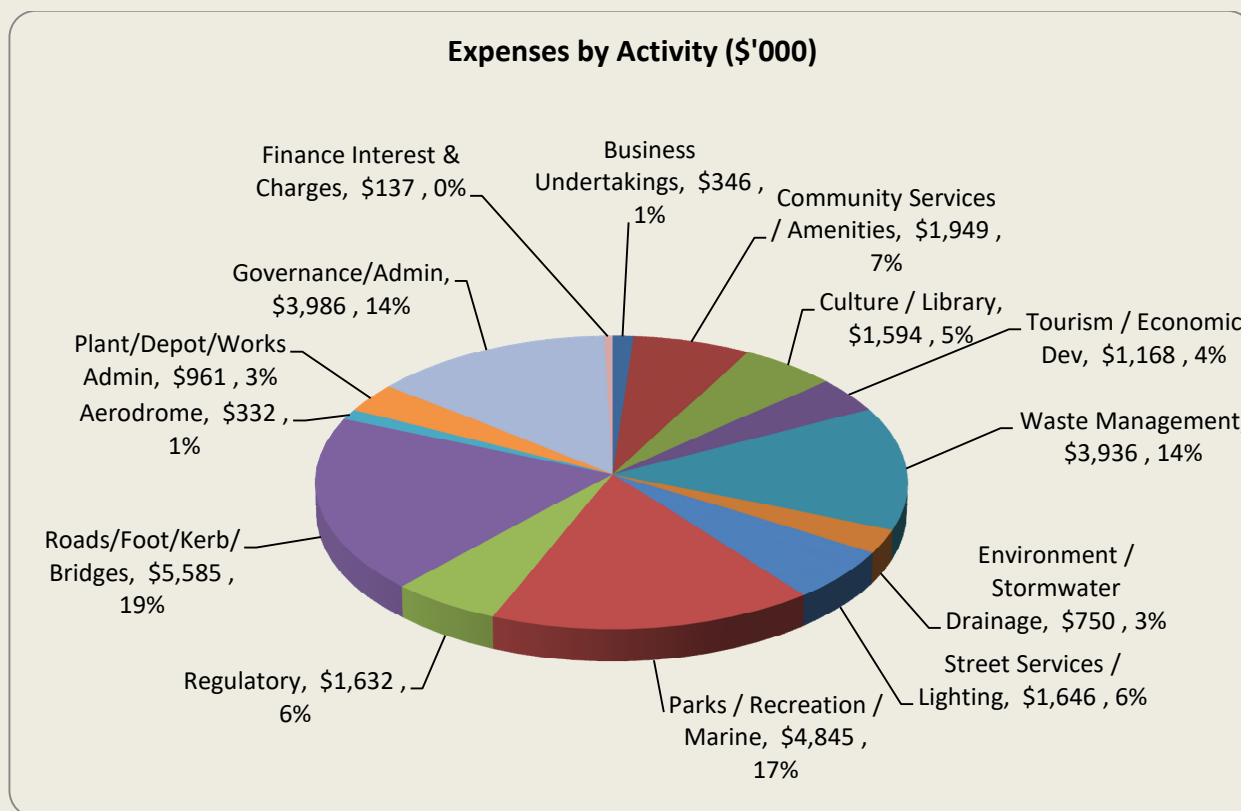
The total operating income for 2022/23 is estimated to be \$29.1 million. The diagram below shows the estimated income by source.



## Annual Budget 2022/23 (continued)

### Operating Expenses

The total operating expenses for 2022/23 are estimated to be \$28.9 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	2022/23 Budget	2023/24 Budget	2024/25 Budget	3 year average	LTFP Target Range
Operating Surplus Ratio (adjusted)	1%	1%	1%	1%	1-5%
Net Financial Liabilities Ratio	33%	23%	24%	25%	30-70%
Asset Renewal Ratio (Based on Asset management Plan 2018-28)	211%	97%	108%	111%	80-110%
Asset Renewal Ratio (Based on Asset management Plan 2021-31 in consultation)	100%	97%	108%	111%	80-110%



# Long Term Financial Plan 2021-31

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LTFP 2021-31 is added to the Business Plan for reference only. The LTFP 2021-31 was adopted by Council in 2021. The LTFP 2022-32 will be developed and presented to Council for consideration within three months of the adoption of the Business Plan 2022/23- 2024/25 and Budget 2022/23.

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

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

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

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

The LTFP has not been reviewed as part of this Budget and Business Plan cycle but will be addressed within 3 months of the adoption of the budget. In saying that the 2021-31 LTFP was consulted as part of the Budget setting to ensure the budget and the LTFP and consistent and 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 and the assumptions with regard to CPI, Asset Management, Capital Works remain relevant.

## 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.

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

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## Long Term Financial Plan 2021–2031 (cont'd)

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### Objectives of the Long Term Financial Plan:

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

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

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

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

**3. To review New Asset Requirements**

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

**4. To reduce Reliance on Borrowing**

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

**5. To achieve the Plan**

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

### Asset Management

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

The periodic asset revaluations are difficult to reliably estimate 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 revaluation 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.

## Long Term Financial Plan 2021–2031 (cont'd)

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### Capital Works Plan 2022-32

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.

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.

The LTFP proposes that Total Rate Income will increase by 3% each year for the period of the plan, 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. As we know the speed of the economy has resulted in higher CPI than that forecasted in the LTFP however it is expected that in the following years the CPI will return and stabilise to levels assumed in our modelling.

### 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 \$2 million proposed in the Plan, in 2023 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 loan portfolio to less than \$4 million by 2031.

## Long Term Financial Plan 2021–2031 (cont'd)

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### 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. As noted it is expected that the current high level of our CPI will moderate and return to the levels assumed by our LTFP.

### Operating Income:

#### General Property Rates

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

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

The five principles that apply are:

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

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

## Long Term Financial Plan 2021–2031 (cont'd)

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### Business Operations (Cont'd)

#### Operating Income (cont'd)

#### General Property Rates (cont'd)

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

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

#### Service Charges

#### Community Wastewater Management Schemes (CWMS)

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

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

#### Waste Management Service Charge (WMSC)

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

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

## Long Term Financial Plan 2021–2031 (cont'd)

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### ***Business Operations (continued)***

#### Operating Income (cont'd)

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

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

Landscape South Australia Northern & Yorke

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

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

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

#### Other Income

- Grant and subsidy income  
The Financial Assistance Grants includes an annual increase of 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.

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. This income type also includes community loan repayments.

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

## Long Term Financial Plan 2021–2031 (cont'd)

### Business Operations (continued)

#### Operating Expenses:

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

From 2019 a series of planned service reviews was commenced. Some of these efficiency gains have been realised and it is expected over time that further benefits will be identified in future years. 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 dependent on future EB negotiations however the increase has been modelled to reflect close to the movement of CPI. From 2023 there are further planned increases in the Superannuation Guarantee at the rate of 0.5% each year for 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.

<b>FINANCIAL INDICATORS</b>	<b>2022-32 average</b>	<b>LTFP Target Ranges</b>
<b>Operating Surplus Ratio</b>	1%	1–5 %
<b>Net Financial Liabilities Ratio</b>	31%	30-70%
<b>Asset Renewal Funding Ratio</b>	82%	80-110%

### Operating Surplus

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

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



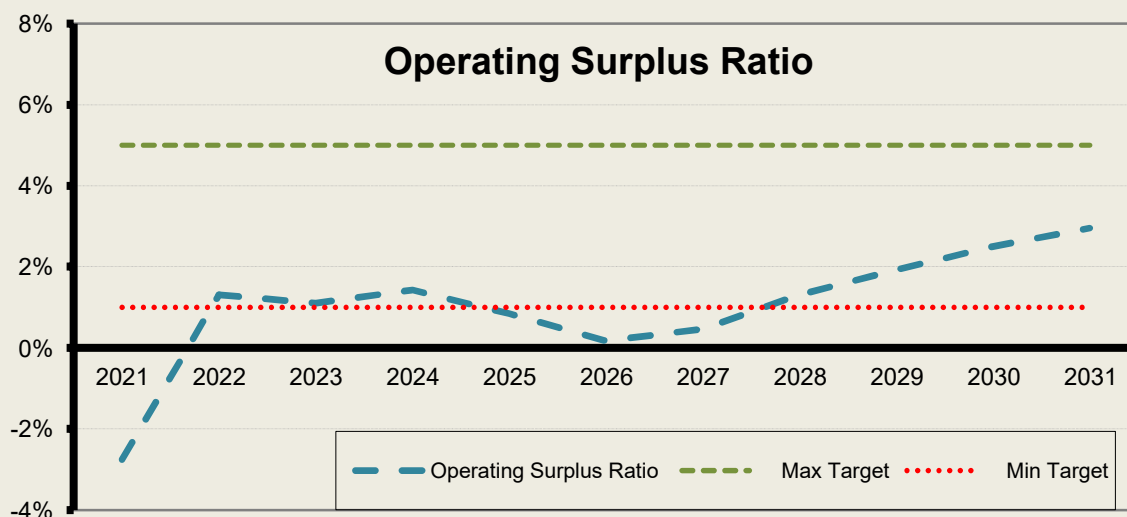
## Long Term Financial Plan 2021–2031 (cont'd)

### Business Operations (continued)

#### Operating Surplus (cont'd)

Commencing with a small surplus result in 2022/23 the position is forecast to remain stable until 2025 as the operating income includes the future potential rate income from the 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 known 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.

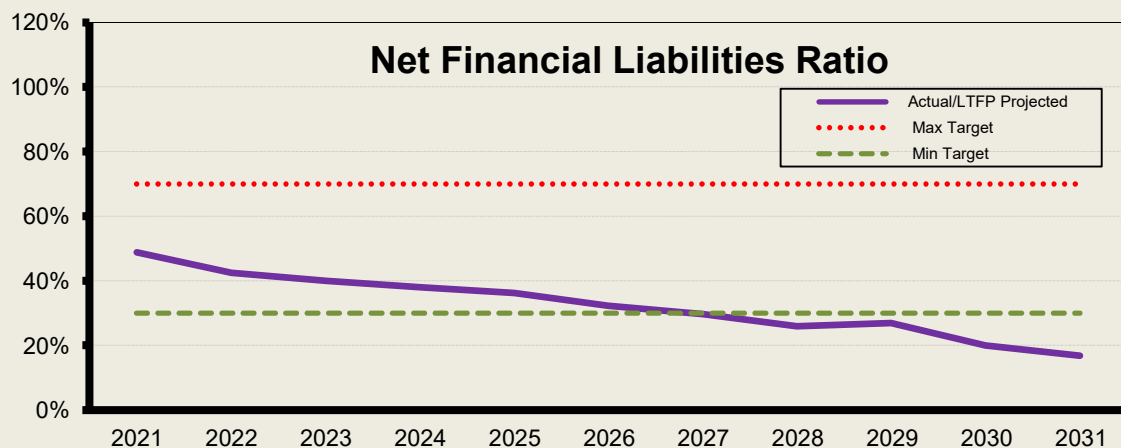
Calculation: 
$$\frac{\text{Net Financial Liabilities}}{\text{Total Operating Income}}$$

For 2022/23 the Financial Liabilities Ratio is forecast to be 29% 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.

## Long Term Financial Plan 2021–2031 (cont'd)

### Business Operations (continued)

#### Financial Liabilities (cont'd)



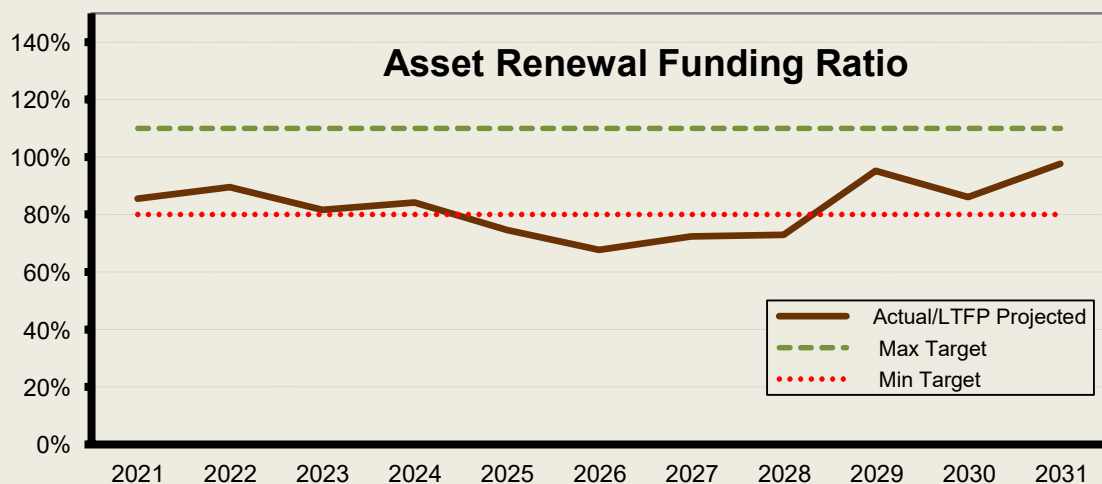
#### Asset Renewal Funding Ratio

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

Calculation:

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

The capital works program for 2022/23 has included projects to achieve a ratio of 140% 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.



# Port Pirie Regional Council

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