



2022/2023 Draft Annual Business Plan & Budget

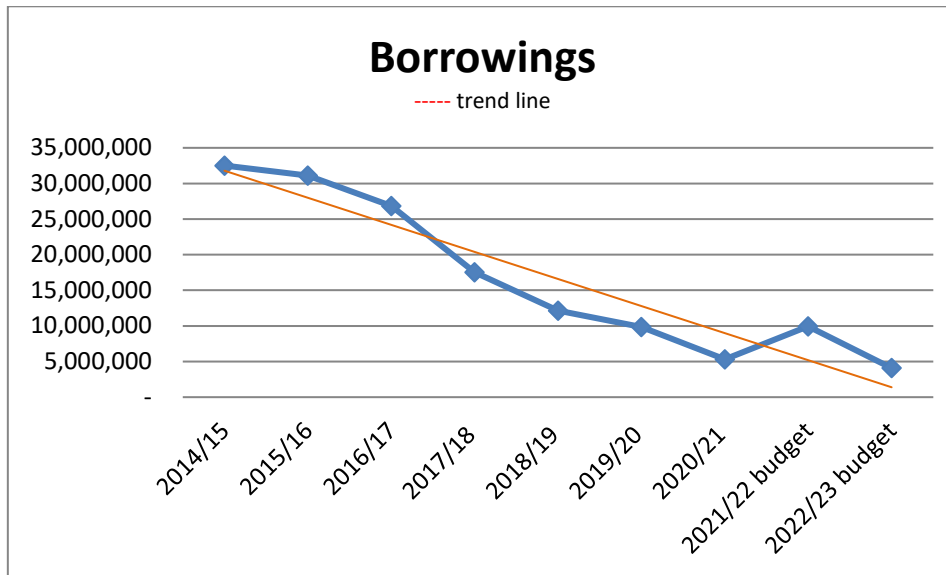
Key Messages

- General rates revenue will decrease from the 2021/2022 budgeted general rate revenue by 1.2% for the 2022/2023 rating year due to funding of \$750,000 per annum for 4 years being provided by the State Government to provide rate relief for operations of the Australian Arid Lands Botanic Garden.
- Council changed the basis of rating to Capital Value with a fixed charge in the 2021/2022 rating year and continues with that basis for the 2022/2023 rating year.
- Total general rates are calculated by adding the Fixed Charge to the sum of the Capital Value multiplied by the rate in the dollar.
For example: $\$175,000 \times \$0.005600 = \$980 + \$900 \text{ fixed charge} = \$1,880 \text{ general rates}$
(plus relevant service charges)
- Increases to general rates payable in 2022/23 due to the change in basis of rating will be capped at 10% above the general rates payable in the 2021/2022 year for residential land use and 20% above the general rates payable in the 2021/22 year for all other land uses* *exclusions apply.*
- Individual ratepayers may pay more or less than 2021/2022 depending on whether the assessment is still transitioning to the new basis of rating and whether the Capital Value of the property has changed from the 2021/2022 year.
- Differential rating percentages will remain the same in 2022/2023 as they were in 2021/2022.
- The average residential general rate (including mandatory rebates) for 2022/2023 is \$1,800, an average increase of \$23.
- The operating deficit for 2022/2023 is budgeted at \$2,161,000 as per Council's Long Term Financial Plan (LTFP).
- To achieve breakeven by year 10 of the original LTFP (2027/2028) an additional average reduction in operating deficit of \$272,000 is required every year until 2031/2032.
- Service charges are imposed on a cost recovery basis:
 - Kerbside Waste Collection & Recycling Service Charge of \$230 per service (\$270 in 2021/22). Coastal Homes collection is \$115 per service (\$135 in 2021/22)
 - Community Wastewater Management Scheme (Effluent Drainage Schemes) Service Charge of \$505 per property unit (\$493 in 2021/22)**additional charges may apply*
- Increase in the Regional Landscape Levy (previously known as Natural Resource Management (NRM) Levy) collected on behalf of the State Government to \$39.80 (\$39 in 2021/22)

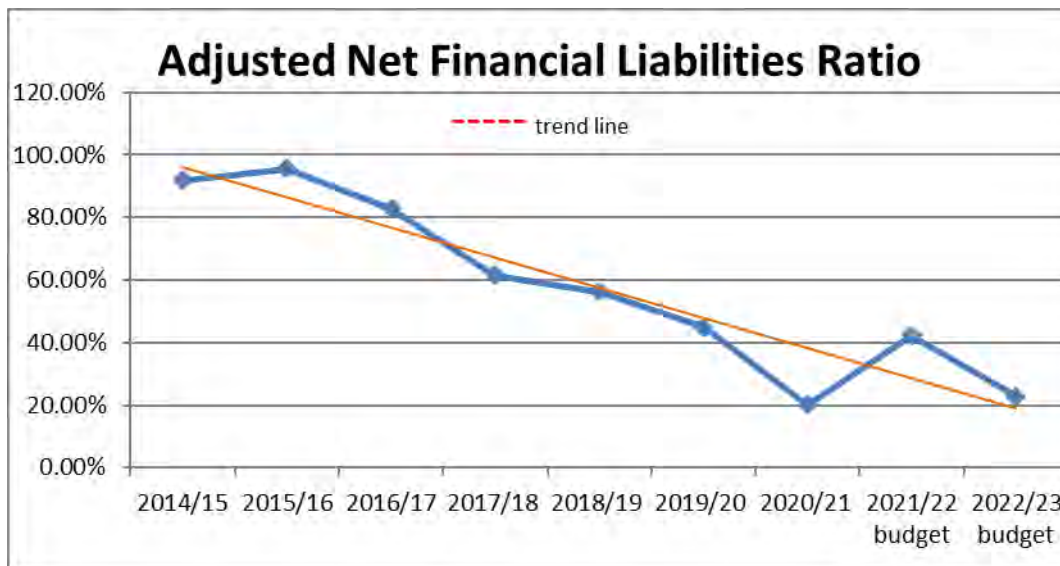
- Across the City of Port Augusta area, there has been an increase in capital values of approximately 4.93% from the 2021/2022 to the 2022/2023 rating year. Residential land use has experienced the highest increase at 6.27% with Commercial – Shop the next highest at 3.55%. Once again, Stirling North and Port Augusta West experienced a higher percentage of increases in capital values than the central area of Port Augusta.
- Focus areas for the 2022/2023 Annual Business Plan & Budget are based on Council’s Strategic Directions 2019-2029 and 4 year priority action plan.
- \$6,669,000 to be spent on asset renewal for the 2022/2023 financial year and \$721,000 on new capital works based on information contained within Council’s Asset Management Plans.
- Additional capital expenditure will be incurred with the Ryan Mitchell Swim Centre upgrade which is partially grant funded.

CAPITAL EXPENDITURE 2022/2023	
ASSET MANAGEMENT PLANS EXPENDITURE	
Transport Capital Renewal/Replacement of Assets <ul style="list-style-type: none"> • Pavement • Seal • Kerb • Footpath • Sheeted Roads 	\$3,698,000
Transport New Capital Works <ul style="list-style-type: none"> • Footpath Connectivity Program • Other Roads 	\$721,000
CWMS & Wastewater Renewal/Replacement of Assets <ul style="list-style-type: none"> • Pump infrastructure • Other 	\$267,000
Stormwater Renewal/Replacement of Assets <ul style="list-style-type: none"> • Minor infrastructure replacement <i>Note: external funding applications will be made during the 2022/2023 year to support recommendations of the Stormwater Management Plan once finalised</i>	\$4,000
Building & Land Improvement Renewal/Replacement <ul style="list-style-type: none"> • Land improvements • Buildings and structures 	\$1,901,000
Plant & Vehicles Renewal/Replacement	\$660,000
Furniture & Fittings Renewal/Replacement	\$139,000
Asset Management Plan	\$7,390,000
ADDITIONAL CAPITAL EXPENDITURE	
Ryan Mitchell Swim Centre Upgrade*	\$2,890,000
<u>Information Technology</u> Renewal of IT server and Disaster Recovery Site hardware	\$295,000
TOTAL CAPITAL EXPENDITURE	\$10,575,000

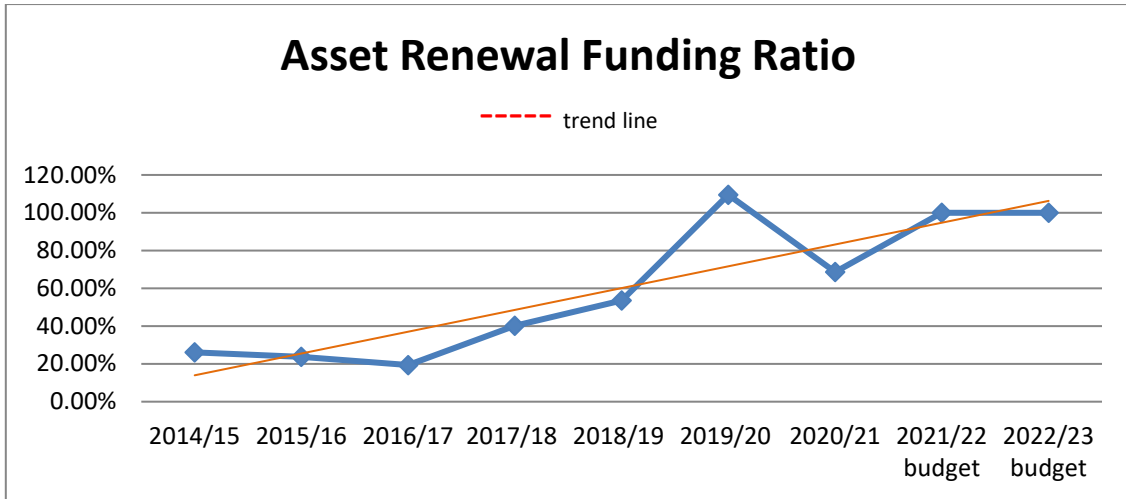
Snapshot of Council's Financial Performance:



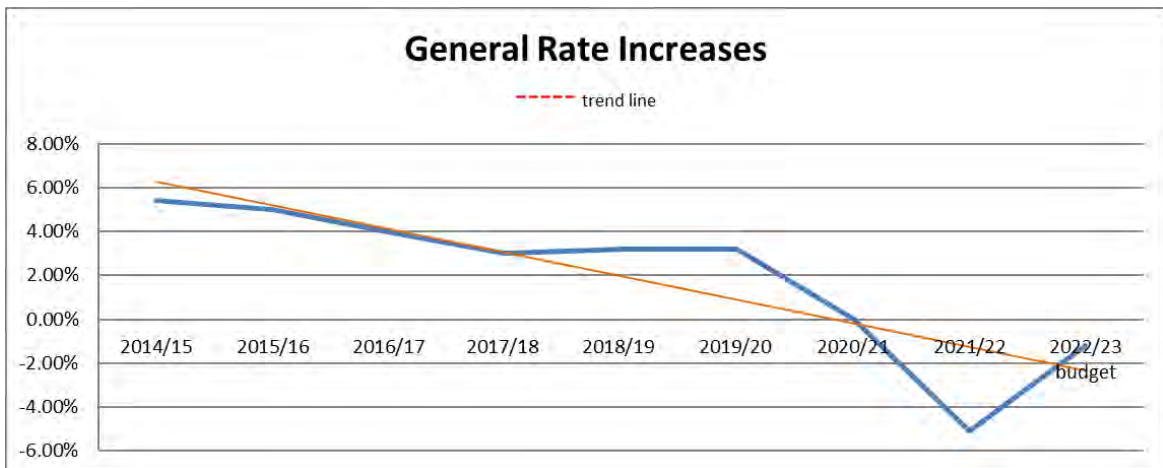
- Council's LTFP includes provision for \$2M as matching funds for Covid Stimulus Funding Packages which includes the proposed upgrade to the Ryan Mitchell Swim Centre.



- The Net Financial Liabilities Ratio is calculated by expressing net financial liabilities at the end of a financial year as a percentage of operating income for the year. If the ratio decreases over time, this indicates that the Council's capacity to meet its financial obligations from operating income is strengthening.

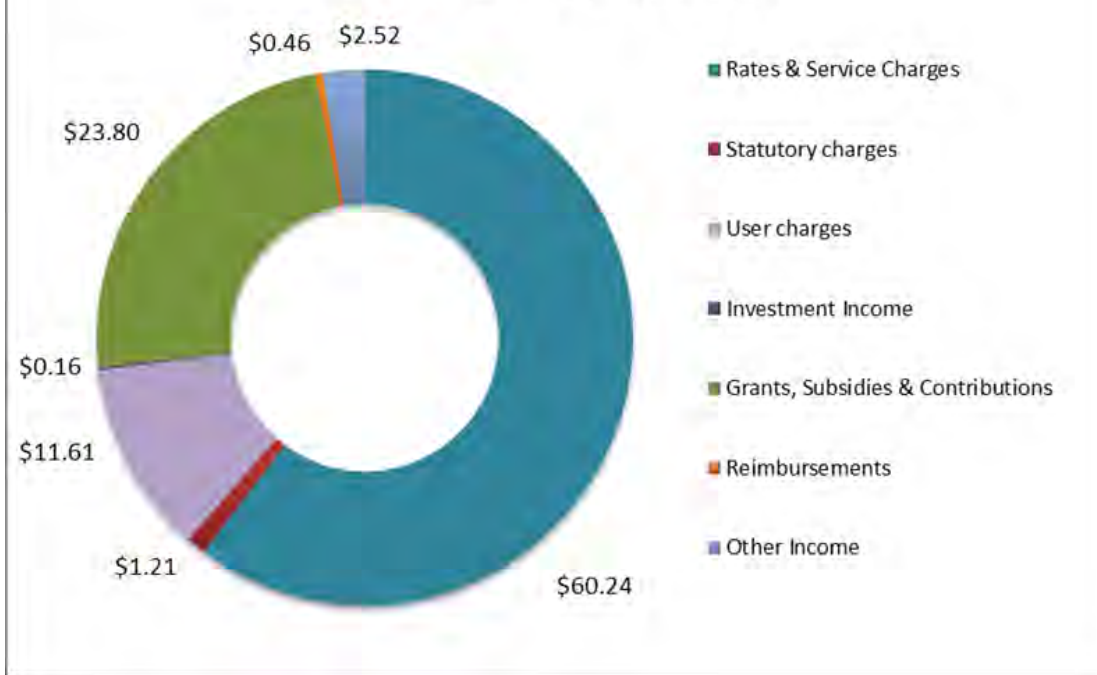


- The Asset Renewal Funding Ratio represents the level of capital expenditure on renewal and replacement of assets relative to the level of such expenditure identified in Council’s Asset Management Plans.

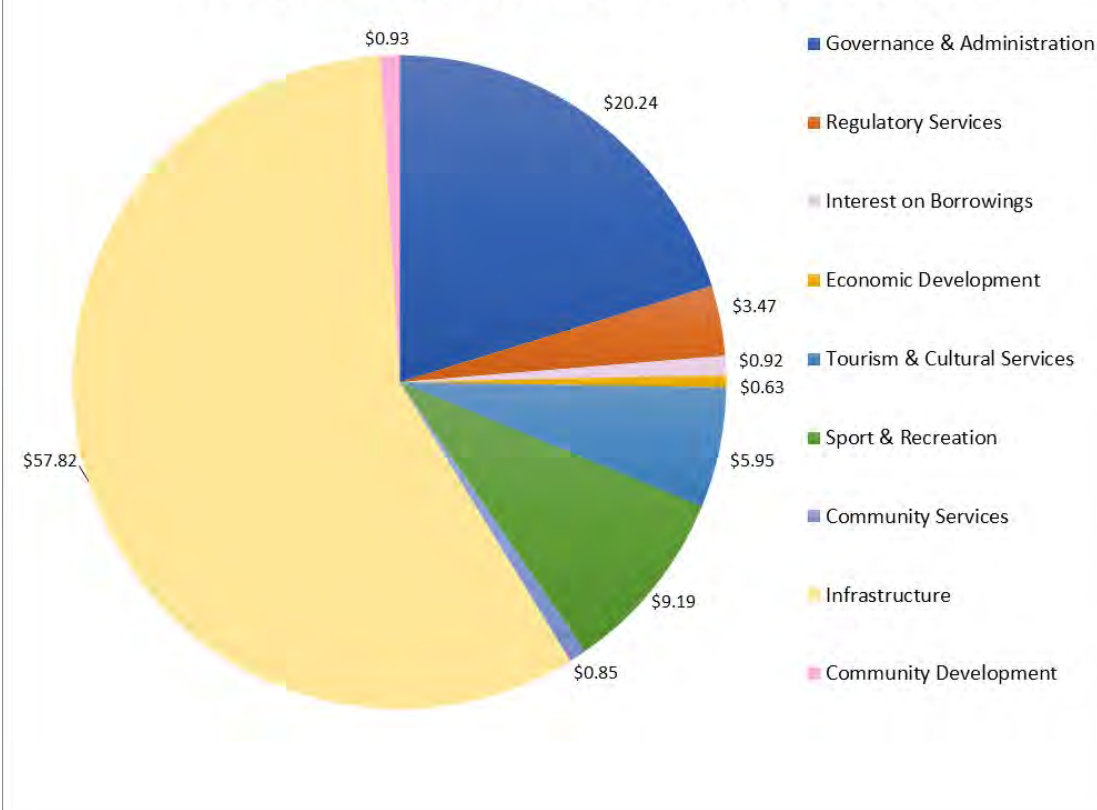


- Increases in general rate revenue have stabilised over recent years in line with Council’s Long Term Financial Plan. Council resolved to have a 0% general rate increase in 2020/21 due to Covid-19 and a reduction in general rates in 2021/22 due to the change in basis of rating impacting ratepayers. In 2022/23 a reduction in general rate revenue of 1.2% is proposed due to the SA Government committing \$750,000 funding for the Australian Arid Lands Botanic Garden to provide rate relief to the Port Augusta Community.

For every \$100 of revenue Council will receive in 2022/2023:



How \$100 of your rates is put to use in 2022/2023:



Based on Budgeted Council Operating Expenditure