



## **2023/24 Draft Annual Business Plan and Budget**

### **Key Messages**

- Council will generate an additional 6% General Rates Revenue for the 2023/24 rating year. The increase in rate revenue will:
  - address the increasing costs of business undertakings in line with the Adelaide Consumer Price Index (CPI) rising 7.9% annually (as at the March 2023 quarter)
  - enable Council to continue to provide essential services to the community
  - deliver new key operating and capital initiatives.
- The average residential urban general rate (including mandatory rebates) for 2023/24 is \$1,904, an average increase of \$110 annually and equivalent to a weekly increase of \$2.12.
- Individual ratepayers may pay more or less than 2022/23 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 2022/23 year.
- Increases to general rates payable in 2023/24 due to the change in basis of rating will be capped at:
  - 10% above the general rates payable in the 2022/23 year for residential land use
  - 20% above the general rates payable in the 2022/23 year for all other land uses

\* exclusions apply.
- 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:  $\$176,823 \times \$0.005678 = \$1,004 + \$900 \text{ fixed charge} = \$1,904 \text{ general rates}$   
*(plus relevant service charges)*
- The operating deficit for 2023/24 is budgeted at \$1,862,400 which is within expectations of Council's Long Term Financial Plan (LTFP).
- To achieve breakeven by year 9 of the original LTFP (2027/28) an additional average reduction in operating deficit of \$136,000 is required every year until 2031/32.
- Service charges are imposed on a cost recovery basis:
  - Kerbside Waste Collection & Recycling Service Charge of \$226 per service (\$230 in 2022/23). Coastal Homes collection is \$113 per service (\$115 in 2022/23).
  - Community Wastewater Management Scheme (Effluent Drainage Schemes) Service Charge of \$514 per property unit (\$505 in 2022/23)\*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 from \$39.80 in 2022/23 to:
  - Residential / Vacant / Other \$45.35
  - Commercial / Industrial \$90.69
  - Primary Production \$226.73
- Across the City of Port Augusta area, there has been an increase in capital values of approximately 6.72% from the 2022/23 to the 2023/24 rating year. Primary Production land use has experienced the highest increase at 46.46% with Residential the next highest at 6.01%. Port Paterson has experienced the higher percentage of increases in capital values than other areas of Port Augusta.
- Focus areas for the 2023/24 Annual Business Plan and Budget are based on Council’s Strategic Directions 2019-2029 and 4 year priority action plan.
- Council will deliver new operating budget initiatives to be undertaken in 2023/24 to continue to deliver upon Strategic Directions 2019-2029.

<b>NEW OPERATING INITIATIVES 2023/24</b>		
<b>Initiative</b>	<b>Planned Activities</b>	<b>Budget</b>
Stormwater Management Plan Stage 2	To develop the strategic plan for managing stormwater across Port Augusta including catchment analysis to determine flows and modelling of existing systems and creeks to assess capacity from which Officers can prioritise a forward works plan and schemes.	\$160,000
Westside Jetty	Delivery of a concept plan for the Westside Jetty. Works includes geotechnical investigation, engineering, community consultation, design, and specification ready to contract for works and seek grant funding.	\$150,000
Strategic Property Review	Preparation of a report which will gather and review data to allow Council to identify the facilities required to meet current and future needs. The report will identify current use of facilities and the maintenance and operating costs, to assist with determining those that could be better utilised, and surplus properties suitable for disposal.	\$65,000
Beach Revitalisation Stage 1	Replenish sand at the east side beach with white sand to increase vibrancy and appeal to the community to uptake beach use. It is anticipated that the Beach Vibrancy initiative will occur over 3 years to include the westside beaches.	\$50,000
Engagement and Communication	Re-establish Council’s media and communication budget to enable advertising and promotion of Council’s services, achievements, and events through various mediums. Includes the development of a Welcome to Country Video in 2023/24 in conjunction with Barngarla and Nukunu people, which will be utilised in significant events and forums and furthers Council’s Reconciliation Action Plan activities.	\$30,000
<b>TOTAL NEW OPERATING INITIATIVES 2023/24</b>		<b>\$455,000</b>

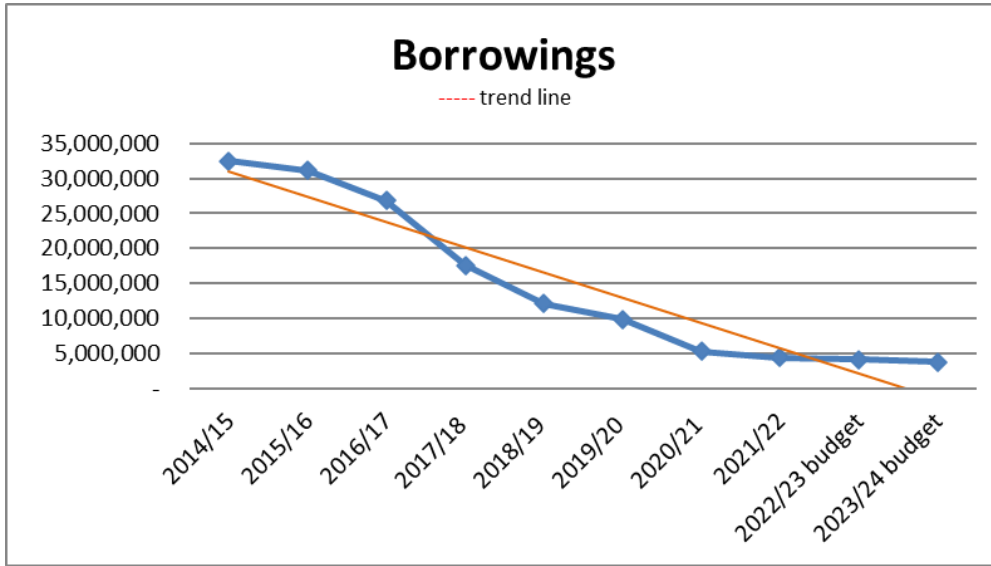
- \$3,649,000 to be spent on asset renewal and new capital works based on information contained within Council's Asset Management Plans.

<b>CAPITAL EXPENDITURE 2023/24 – Asset Management Plan</b>	
Transport Capital <b>Renewal/Replacement</b> of Assets <ul style="list-style-type: none"> <li>• Footpaths, Sealed Surface, Unsealed Surface &amp; Kerbs</li> </ul>	\$1,530,000
Transport <b>New</b> Capital Works <ul style="list-style-type: none"> <li>• Footpath Connectivity Program</li> <li>• Other Roads</li> </ul>	\$630,000
CWMS & Wastewater Renewal/Replacement of Assets <ul style="list-style-type: none"> <li>• Pump infrastructure</li> </ul>	\$49,000
Building & Land Improvement Renewal/Replacement <ul style="list-style-type: none"> <li>• Land improvements</li> <li>• Buildings and structures</li> </ul>	\$621,000
Plant & Vehicles Renewal/Replacement	\$676,000
Furniture & Fittings Renewal/Replacement	\$143,000
<b>Asset Management Plan</b>	<b>\$3,649,000</b>

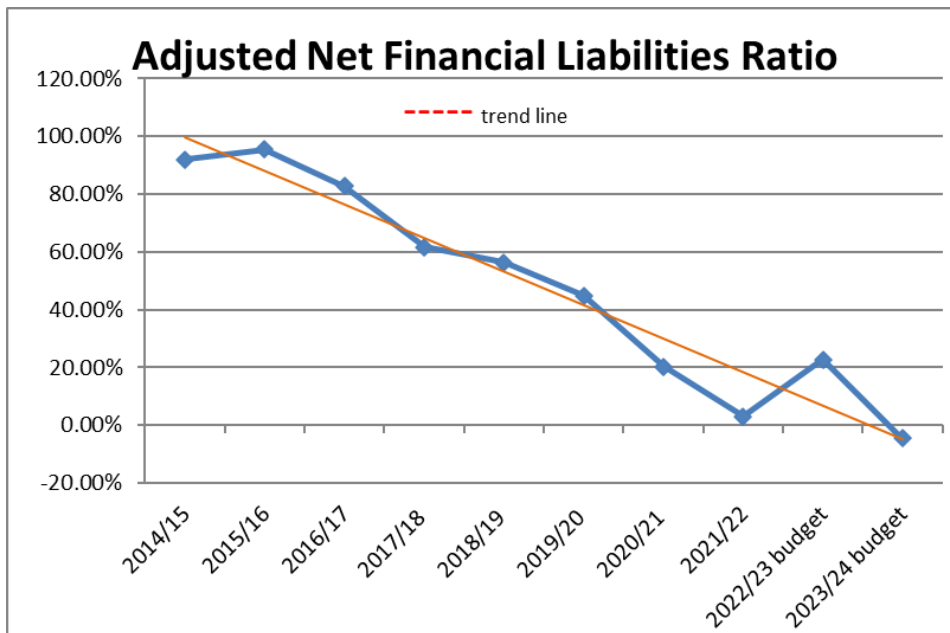
- Additional capital expenditure will be incurred across a variety of new capital projects with some reliant on the successful outcome of grant funding.

<b>NEW CAPITAL PROJECTS 2023/24</b>		
<b>Initiative</b>	<b>Planned Activities</b>	<b>Budget</b>
Stormwater - Flinders Terrace	Project to install a new pipe and ocean outfall on Flinders Terrace which will address ongoing flooding issues to adjacent properties.	\$350,000
Depot Creek Road – Construction Stage 1	Construction of Depot Creek Road from the end of the seal to Winton Road, raising the road approximately 600mm to lift it above the level of the flooding of Mundallio Creek. The project is dependent on the successful outcome of an additional \$612,000 grant funding under the Special Local Roads Program.	\$306,000
Energy Efficiency	Initiative to reduce electricity costs through installation of solar panels at Council facilities aimed at Central Oval, Civic Centre and Wadlata.	\$260,000
Stormwater – Stirling North to Saltia	Stormwater pipe installation in the open drain from Quorn to Saltia to address erosion undermining private property.	\$200,000
Core Distribution Network	Project to deliver an upgrade to Council's core IT network switches. The upgrade is required to replace aged infrastructure to ensure that all Council sites can communicate with Council's core system.	\$150,000
Port Augusta Airport Stormwater	Delivery of stormwater enhancements to the Port Augusta Airport. Council has secured \$86,000 of additional grant funding for the project.	\$86,000
AALBG Garden Toilet	Installation of an external toilet facility for visitors outside of the Visitor Centre opening hours. Friends of the AALBG are contributing 50% to the overall project cost.	\$65,000
Commercial Road Public Sound System	Project to replace the public sound system along Commercial Road to enhance vibrancy in the CBD.	\$20,000
<b>TOTAL NEW CAPITAL PROJECTS 2023/24</b>		<b>\$1,437,000</b>

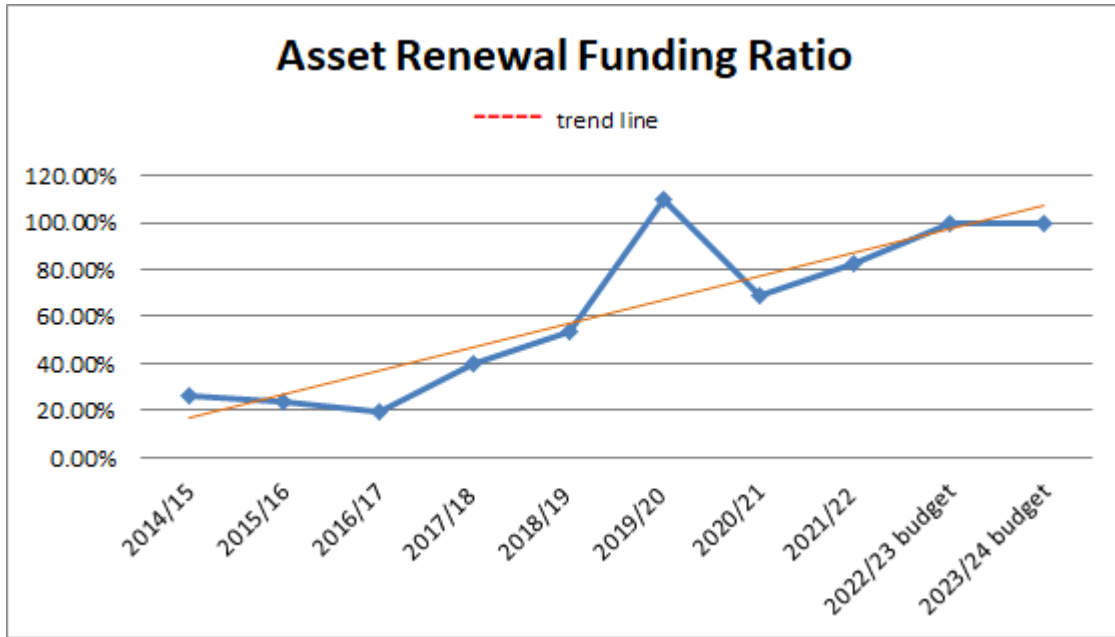
## Snapshot of Council's Financial Performance:



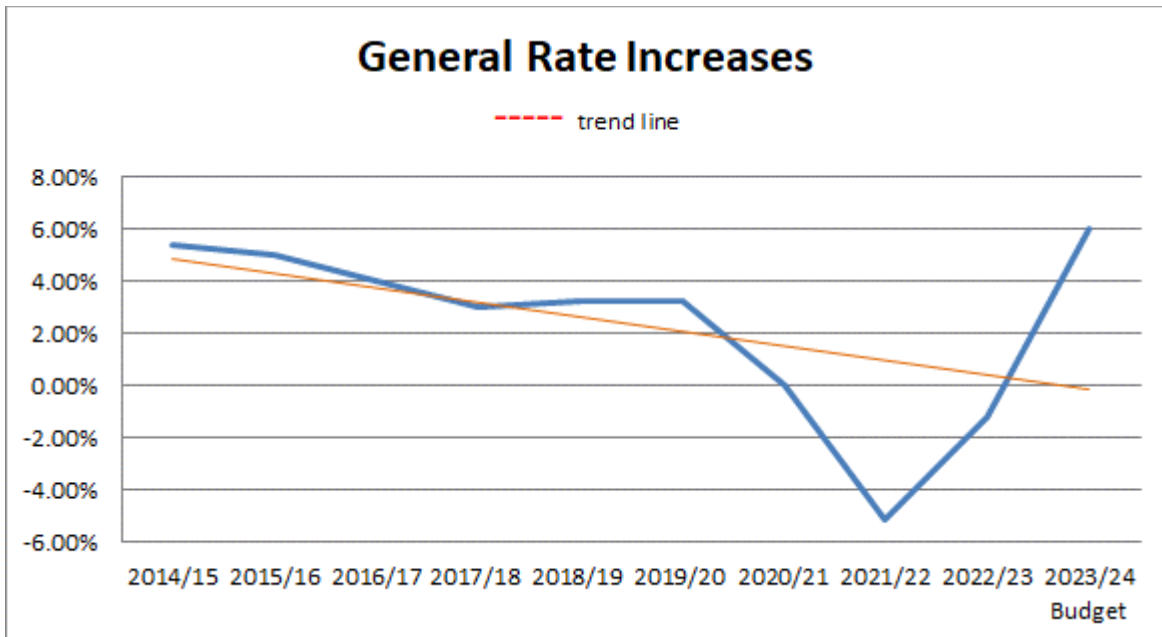
- Council's borrowings continue to trend downwards. No new borrowings are proposed for 2023/24.



- 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.

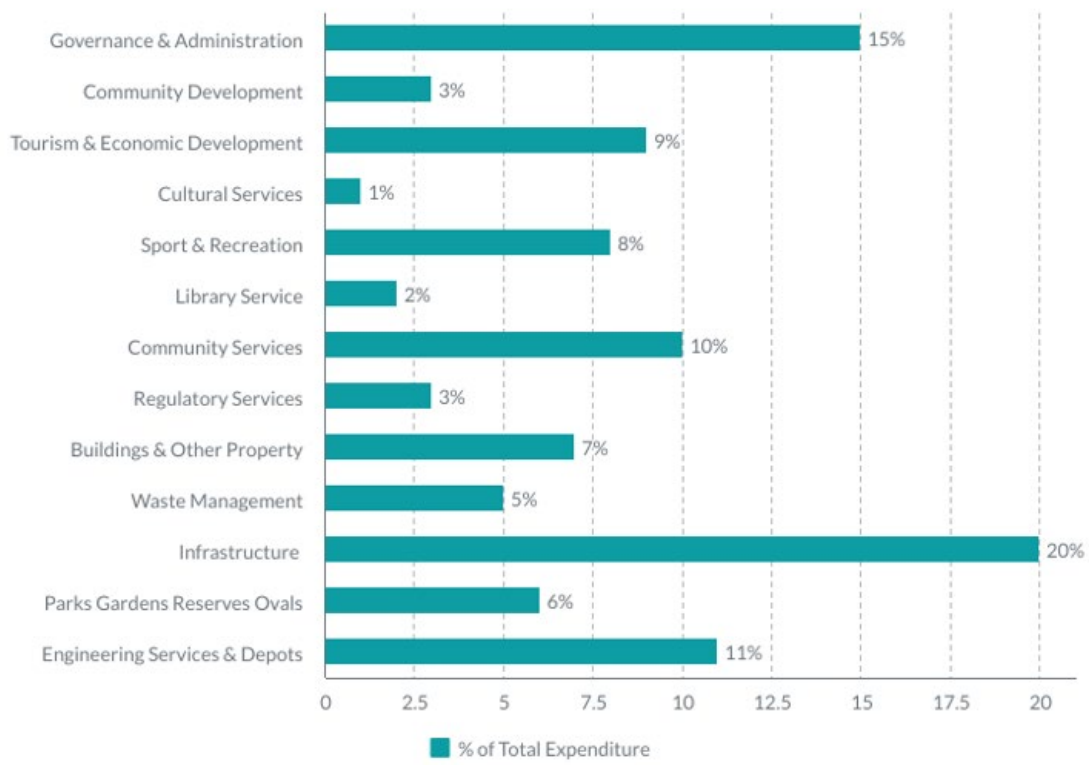


- The Asset Renewal Funding Ratio represents the level of capital expenditure on renewal and replacement of assets relative to the level of such expenditure identified in Council’s Asset Management Plans.



- Increases in general rate revenue have stabilised over recent years in line with Council’s Long Term Financial Plan. Over the past three years Council has resolved 0% general rate increases. In 2023/24, an increase in general rate revenue of 6% is proposed.

### Where Council Spends its Funds 2023/24



*\*based on budgeted operating expenditure, including depreciation*

### Where Council Sources its Funds 2023/24

