



2021/2022 Draft Annual Business Plan & Budget

Key Messages

- Council has changed the basis of rating for the 2021/2022 year with Capital Value now used as the basis of rating and introduced a Fixed Charge component of \$900. Total general rates are calculated by adding the Fixed Charge to the sum of the Capital Value multiplied by the rate in the dollar.

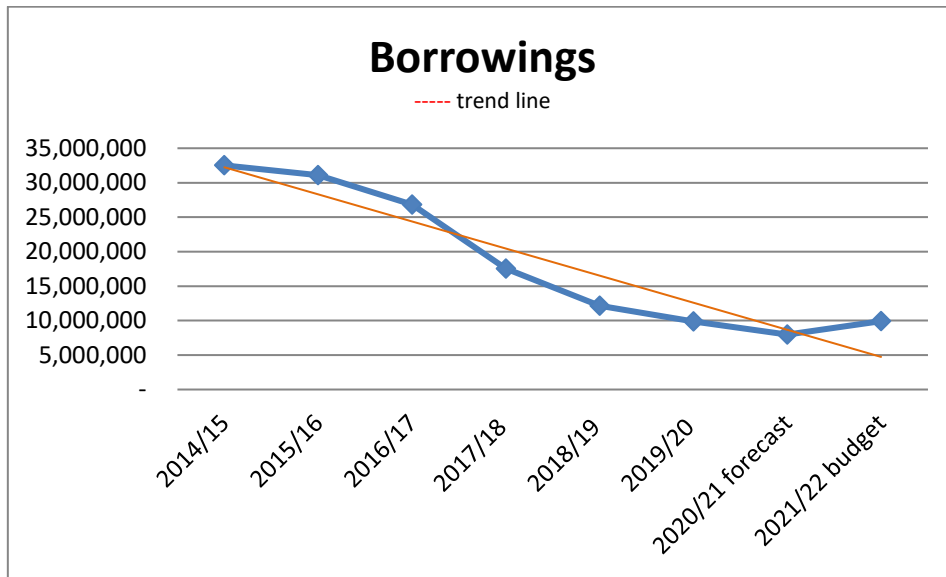
For example: $\$175,000 \times \$0.007725 = \$1352 + \$900 \text{ fixed charge} = \$2,252 \text{ general rates}$

- Individual ratepayers may pay more or less than 2020/2021 depending on the Capital Value of the property as well as its relativity to the previous site value.
- Differential rating percentages have also changed for the 2021/2022 rating year with, on average, relief provided to vacant land and commercial/industrial assessments.
- Increases to general rates payable in 2021/22 due to the change in basis of rating will be capped at 20% above the general rates payable in the 2020/21 year.
- The average residential general rate (including mandatory rebates) for 2021/2022 is \$1,942, an average increase of \$217.
- Council has budgeted for an increase in general rate revenue of 2.7% in 2021/2022 as per Council's Long Term Financial Plan 2021-2031.
- The operating deficit for 2021/2022 is budgeted at \$2,284,000 as per Council's Long Term Financial Plan (LTFP). This is a reduction of \$398,000 from 2020/2021 (\$2,682,000 in the 2020/2021 financial year).
- Service charges are imposed on a cost recovery basis:
 - Increase in Kerbside Waste Collection & Recycling Service Charge to \$295 per service (\$264 in 2020/21). Coastal Homes collection is \$148 per service (\$132 in 2020/21)
 - Increase in Community Wastewater Management Scheme (Effluent Drainage Schemes) Service Charge to \$493 per property unit (\$477 in 2020/21)
 - Increase in the Regional Landscape Levy (previously known as Natural Resource Management (NRM) Levy) collected on behalf of the State Government to \$39.00 (\$38.50 in 2020/21)
- To achieve breakeven by year 10 of the original LTFP (2027/2028) an additional average reduction in operating deficit of \$260,000 is required every year until 2027/2028.
- Across the City of Port Augusta, approximately 21% of assessments experienced a decrease in capital value, 13% of assessments had an increase in capital value and 66% remained static.

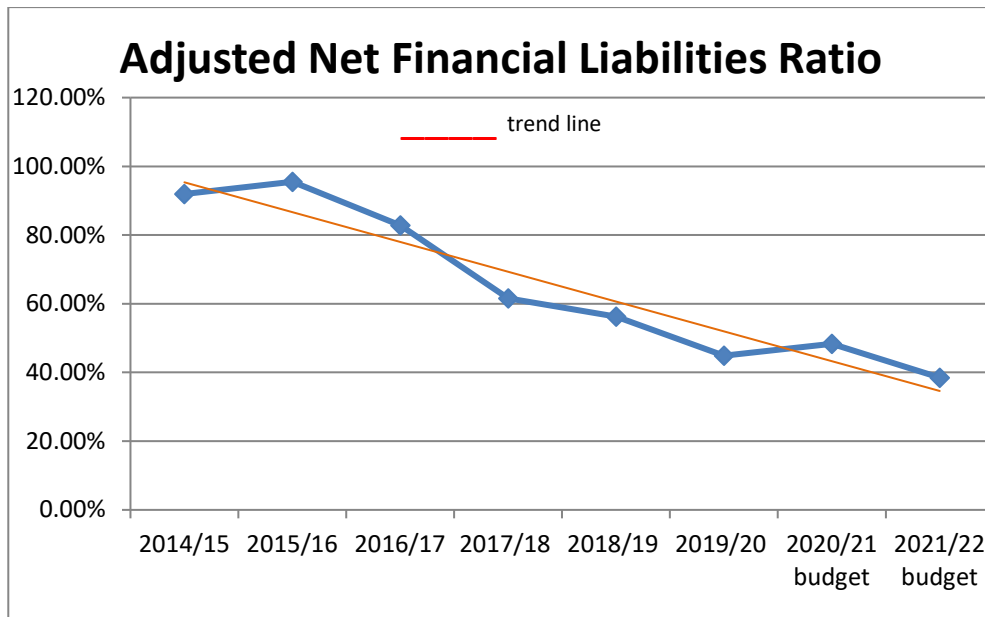
- All State Government concessions (Cost of Living Concession and Water and Sewerage Rate Concession) will be paid directly to eligible ratepayers' bank accounts by State Government.
- Focus areas for the 2021/2022 Annual Business Plan & Budget are based on Council's Strategic Directions 2019-2029 and 4 year priority action plan.
- \$5,299,000 to be spent on Capital expenditure for the 2020/2021 financial year based on information contained within Council's Asset Management Plans.
- Additional capital expenditure will be incurred with the commencement of the \$2,023,200 Ryan Mitchell Swim Centre upgrade with expenditure budgeted at \$1,011,600 for the 2021/2022 financial year with grant funding of \$505,800 scheduled to be received.

CAPITAL EXPENDITURE 2021/2022	
<i>ASSET MANAGEMENT PLANS EXPENDITURE</i>	
Transport Capital Renewal/Replacement of Assets Includes: <ul style="list-style-type: none"> • 7km road reseal • 1.5km kerb renewal 	\$714,000
Transport New Capital Works Includes: <ul style="list-style-type: none"> • Upgrade to heavy vehicle route (Zerna Road) • 3.7km paved footpaths 	\$915,000
Stormwater/CWMS Network Renewal Includes: <ul style="list-style-type: none"> • 450m CWMS network pipe relining 	\$268,000
Building & Land Improvement Renewal/Replacement (subject to current review of open space strategy). <ul style="list-style-type: none"> • Renewal of park furniture as identified across all public parks • Playground equipment upgrades: <ul style="list-style-type: none"> ○ Arthur Spring Memorial Park, ○ Keith Jones Memorial Park, ○ Sid A Welk Recreation Park, ○ Volunteer Park, ○ Christopher Street Park, ○ Northey Crescent Park, ○ Sid Gill Memorial Park, ○ Whiting Parade Reserve ○ Williams Street Park • Public toilet facilities upgrades • Minor building refurbishment 	\$2,622,000
Plant & Vehicles Renewal/Replacement	\$644,000
Furniture & Fittings Renewal/Replacement	\$136,000
TOTAL	\$5,299,000
<i>ADDITIONAL CAPITAL EXPENDITURE</i>	
Commencement of Ryan Mitchell Swim Centre Upgrade (50% grant funded)	\$1,011,600
TOTAL	\$6,310,600

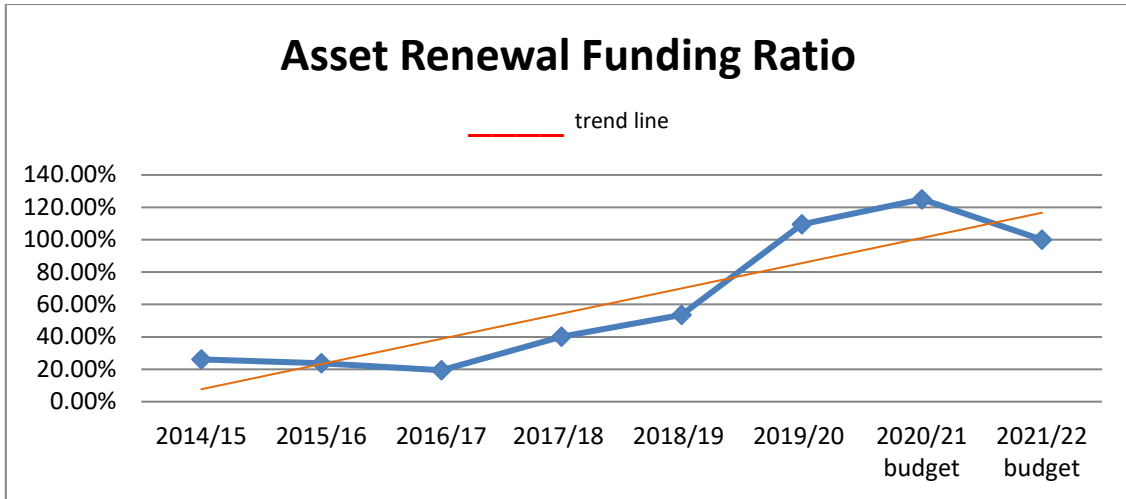
Snapshot of Council's Financial Performance:



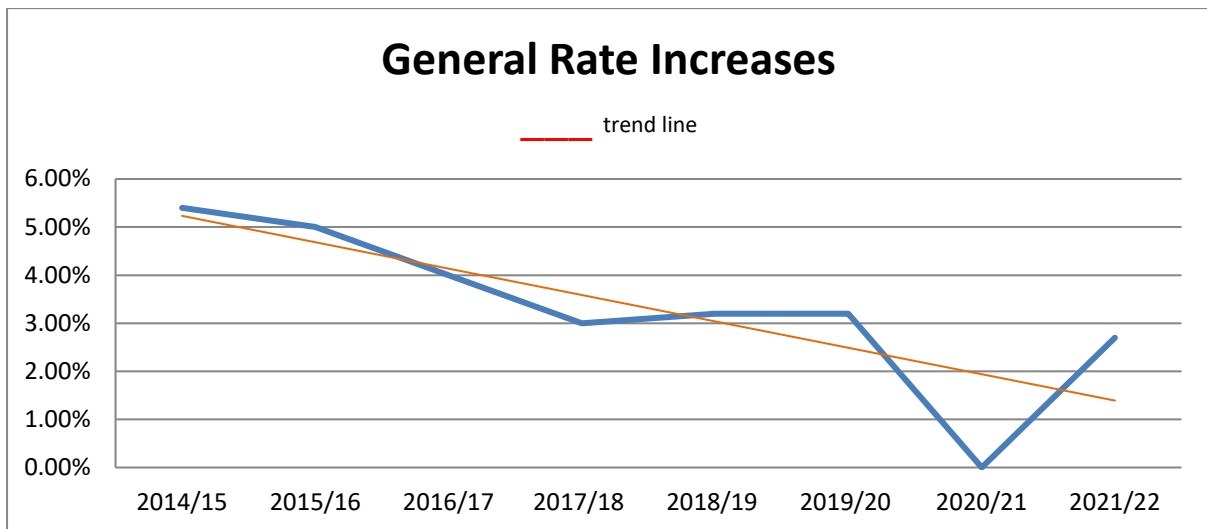
- Council's borrowings include \$2M as matching funds for Covid Stimulus Funding Packages which includes the proposed upgrade to the Ryan Mitchell Swim Centre.



- 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.

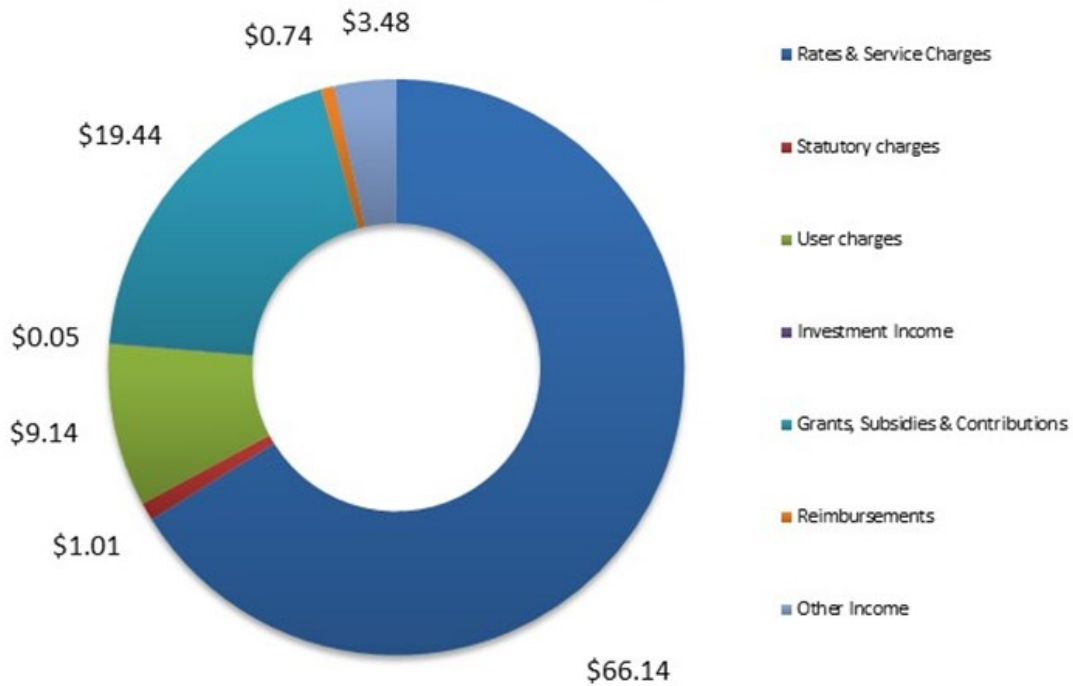


- The Asset Renewal Funding Ratio represents the level of capital expenditure on renewal and replacement of assets relative to the level of such expenditure identified in Council's Asset Management Plans.

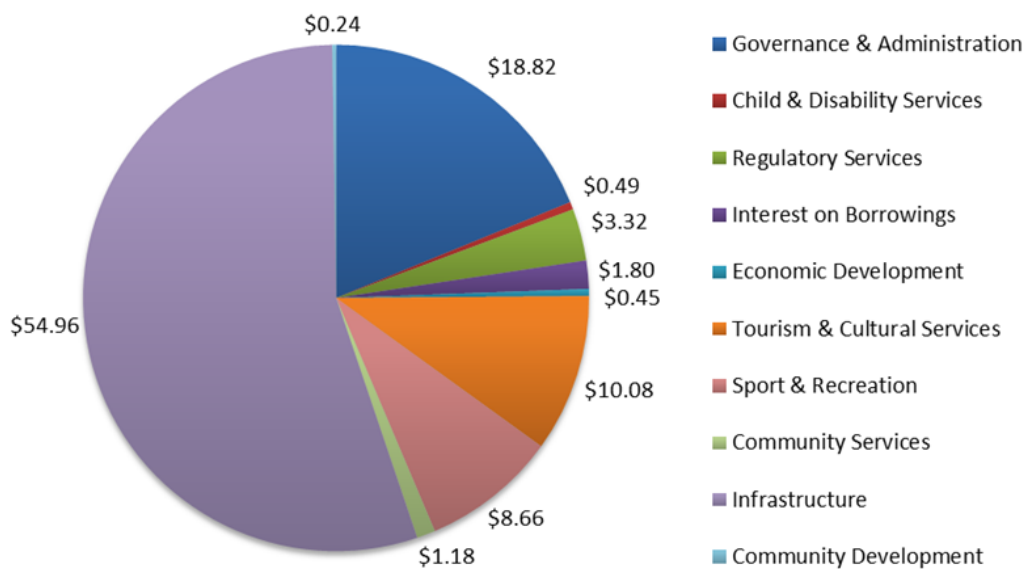


- Increases in general rate revenue have stabilised over recent years in line with Council's Long Term Financial Plan. Council resolved to have a 0% general rate increase in 2020/21 due to Covid-19.

For every \$100 of revenue Council will receive in 2021/2022:



How \$100 of your rates is put to use in 2021/2022:



Based on Council Operating Expenditure