



2021/2022 Annual Business Plan & Budget

Key Messages

- Council has changed the basis of rating for the 2021/2022 year from Site Value to Capital Value 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 (Residential Urban):

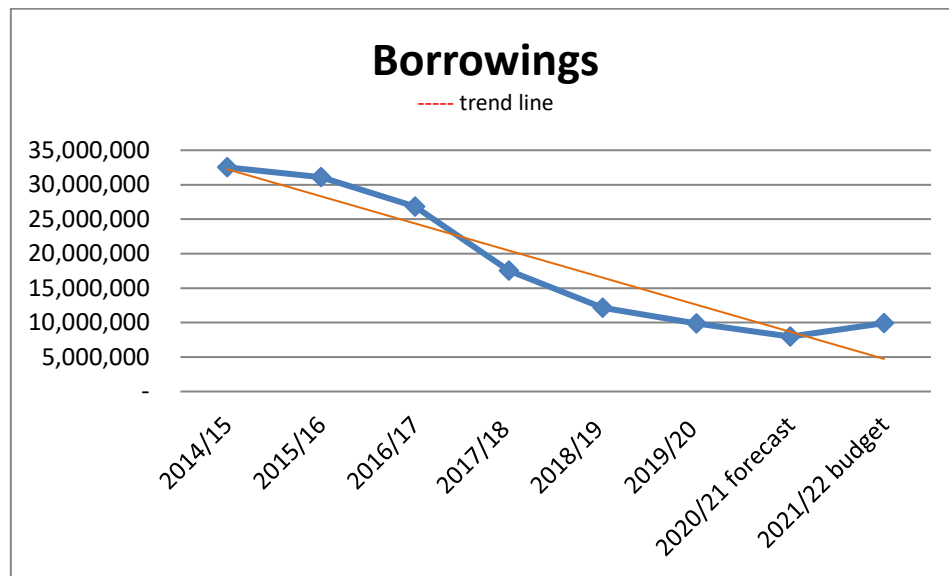
$\$175,000 \times \$0.006737 = \$1,179 + \$900 \text{ fixed charge} = \$2,079 \text{ general rates}$ (*capping may apply)

- 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.
- Increases to general rates payable in 2021/22 due to the change in basis of rating will be capped at 10% above the general rates payable in the 2020/2021 year for residential land use and 20% above the general rates payable in the 2020/21 year for all other categories of land use.
- Differential rating percentages have also changed for the 2021/2022 rating year with, on average, relief provided to vacant land and commercial/industrial assessments.
- The average urban residential general rate (including rebates and capping) for 2021/2022 is \$1,777, an average increase of \$52 from 2020/21.
- Council has budgeted for a decrease in general rate revenue of \$1.33M from the general rate revenue outlined for 2021/2022 in Council's Long Term Financial Plan 2020/21-2030/31.
- The operating deficit for 2021/2022 is budgeted at \$3,154,600, an increase of \$870,600 above the operating deficit stated in Council's Long Term Financial Plan (LTFP) for 2020/21-2030/31 and \$472,600 higher than the 2020/21 budgeted deficit.
- Service charges are imposed on a cost recovery basis:
 - Increase in Kerbside Waste Collection & Recycling Service Charge to \$270 per service (\$264 in 2020/21). Coastal Homes collection is \$135 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), Council would need to reduce operating expenditure by an additional \$870,600 in 2021/2022 before the end of the financial year, achieve an additional average reduction in operating deficit of \$276,000 every year until 2027/2028, based on rate revenue increases of 2.7% (CPI plus 1%).

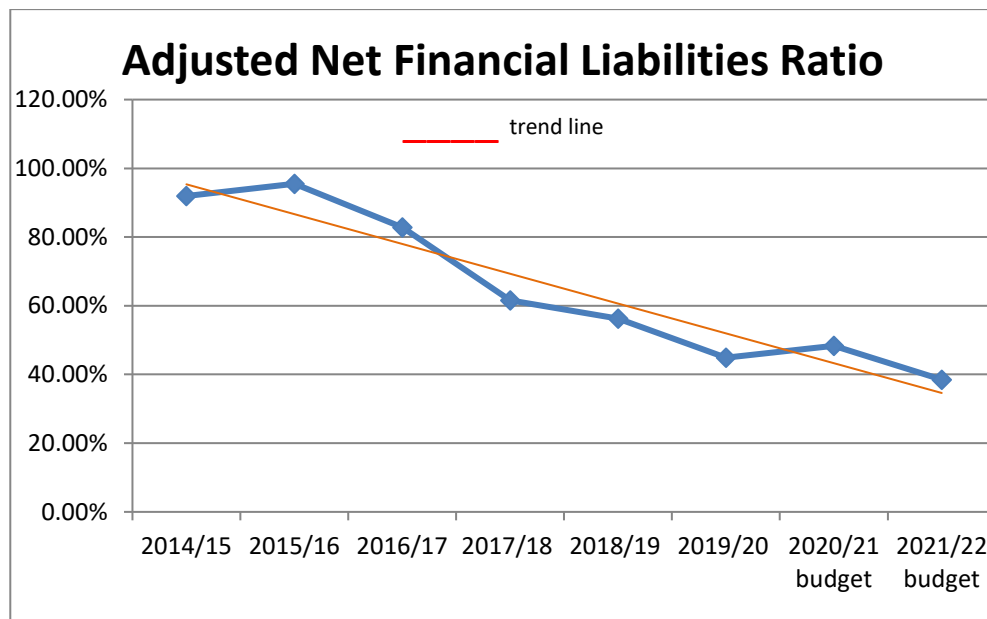
- Across the City of Port Augusta, approximately 21% of assessments experienced a decrease in capital value, 13% of assessments had an increase in capital value and 66% remained static.
- All State Government concessions (Cost of Living Concession and Water and Sewerage Rate Concession) will be paid 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.
- \$6,630,600 to be spent on Capital expenditure for the 2021/2022 financial year based on information contained within Council's Asset Management Plans and additional capital expenditure.
- 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.
- Additional capital expenditure of \$640,000 for an Airport apron resealing and LED lighting project will be undertaken with grant funding of 50% (\$320k) received through the Regional Airports Program Round 2 and 50% funded from the existing 2021/2022 capital works budget.

CAPITAL EXPENDITURE 2021/2022	
ASSET MANAGEMENT PLANS EXPENDITURE	
Transport Capital Renewal/Replacement of Assets includes: <ul style="list-style-type: none"> • 7km of road reseal • 1.5km of kerb renewal 	\$714,000
Transport New Capital Works includes: <ul style="list-style-type: none"> • Upgrade to heavy vehicle route (Zerna Road) • 3.7km of paved footpaths 	\$715,000
CWMS & Wastewater Renewal/Replacement of Assets Includes: <ul style="list-style-type: none"> • 450m of CWMS network pipe relining • Relocation of Watts Street pump 	\$264,000 \$200,000
Stormwater Renewal/Replacement of Assets <ul style="list-style-type: none"> • Expenditure on renewal/replacement of assets 	\$114,000
Stormwater New Capital Works <ul style="list-style-type: none"> • Flinders Terrace Stormwater network extension 	\$200,000
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 	\$1,992,000
Plant & Vehicles Renewal/Replacement	\$644,000
Furniture & Fittings Renewal/Replacement	\$136,000
	\$4,979,000
ADDITIONAL CAPITAL EXPENDITURE	
Commencement of Ryan Mitchell Swim Centre Upgrade (50% grant funded)	\$1,011,600
Airport apron resealing & LED lighting project (50% grant funded)	\$640,000
TOTAL CAPITAL EXPENDITURE	\$6,630,600

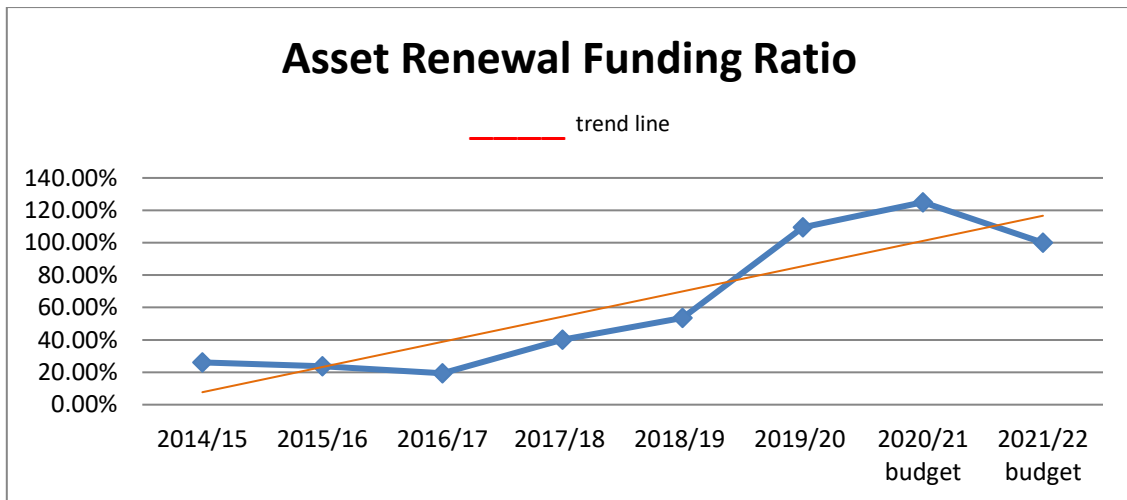
Snapshot of Council's Financial Performance:



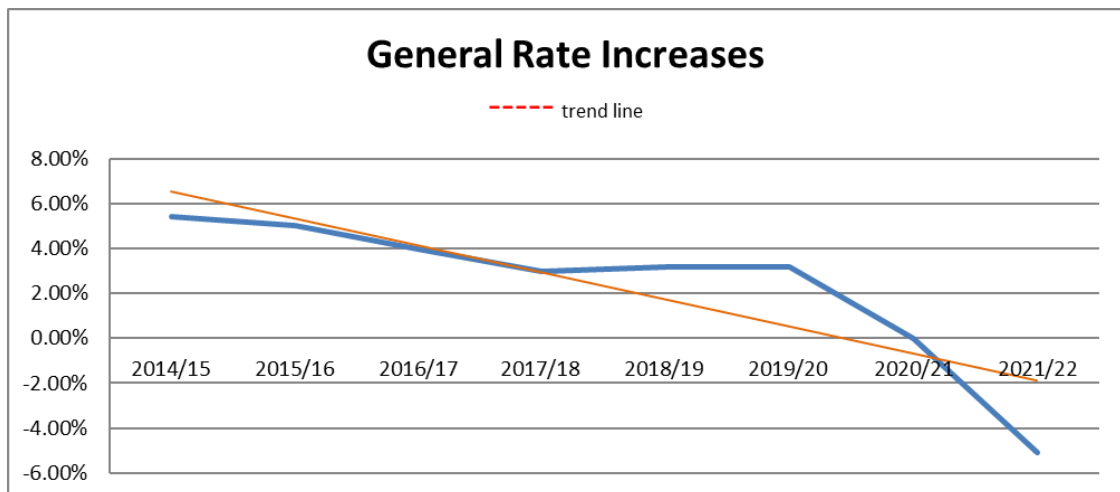
- Council's borrowings include \$2M as matching funds for Covid Stimulus Funding Packages which includes the proposed upgrade to the Ryan Mitchell Swim Centre.



- 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.

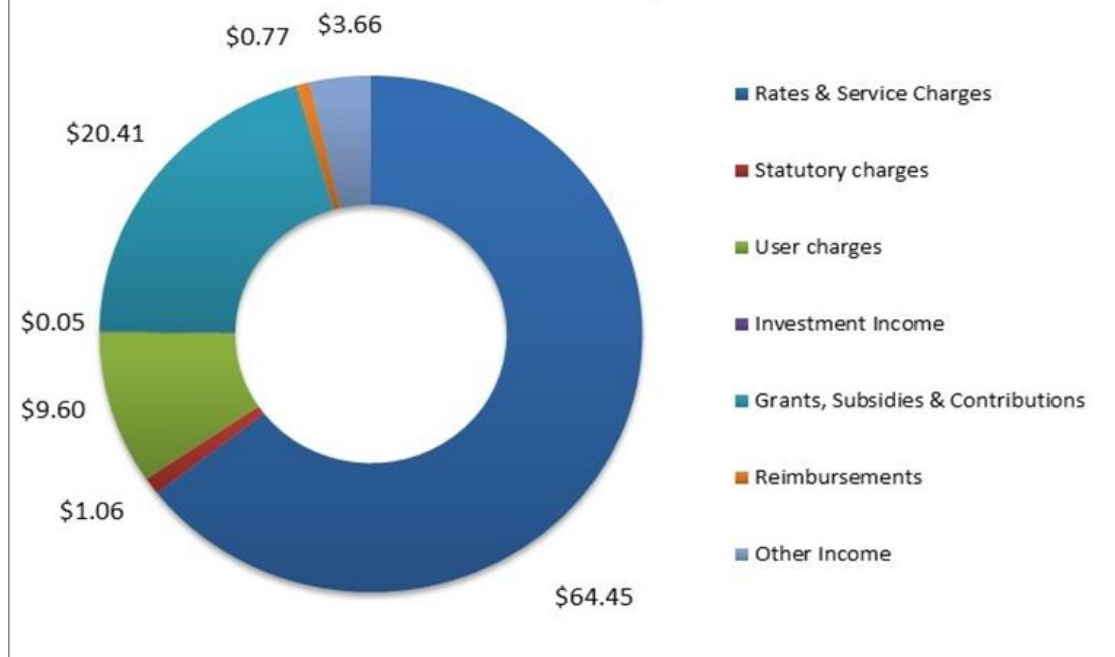


- The Asset Renewal Funding Ratio represents the level of capital expenditure on renewal and replacement of assets relative to the level of such expenditure identified in Council's Asset Management Plans.

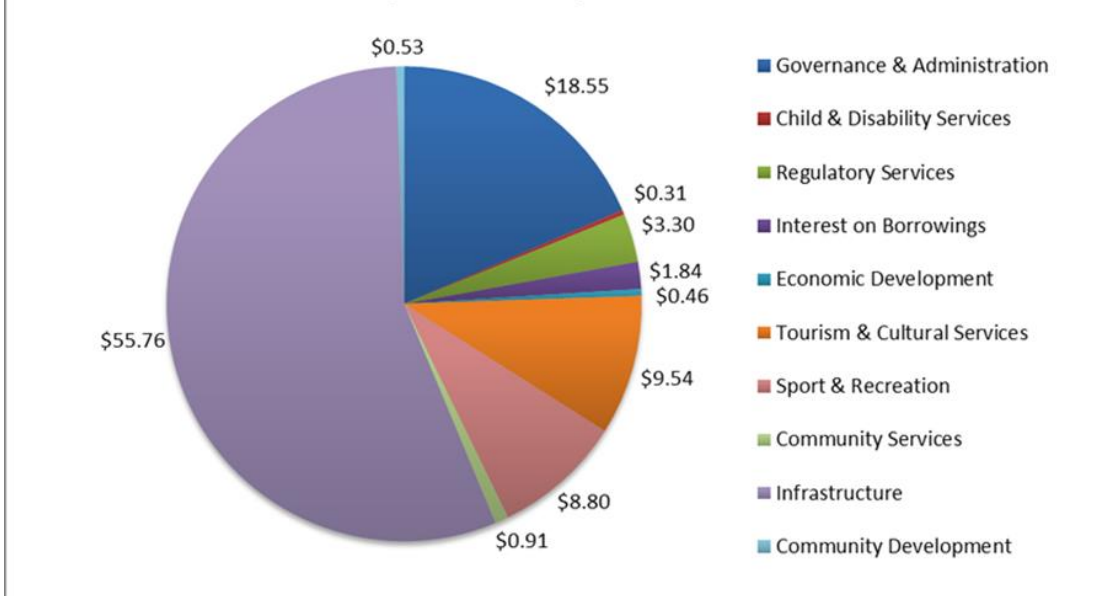


- Increases in general rate revenue have stabilised over recent years in line with Council's Long Term Financial Plan. Council resolved to have a 0% general rate increase in 2020/21 due to Covid-19 and to reduce general rate revenue by \$1.33M in 2021/2022 in response to community feedback.

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