



**DISTRICT COUNCIL OF
COOPER PEDY**

**ANNUAL
BUSINESS
PLAN**

2022 2023

Our Vision

Coober Pedy is a vibrant, empowered, inspired community of people working together with pride and respect to honour their heritage and seek opportunities for all.

Our Story

Our community is built from many different components, where we have created our own culture based on past knowledge and experience, of Aboriginal traditional knowledge, and with a mix of new nationalities who were drawn by the allure of precious opals. Today we are a welcoming regional hub of the far north, with a focus on business, tourism, and opal mining, with great opportunities for future development and employment.

Our focus for the future is for the needs of individuals to be recognised, and to develop and continually improve Coober Pedy to be a happy, healthy, safe, prosperous, harmonious, and united community for all ages.

The District Council of Coober Pedy would like to acknowledge the community of Coober Pedy and the work of the Coober Pedy Together initiative in reminding us of our rich past and setting out an inspiring future through this vision.

www.facebook.com/cooberpedytogether

A MESSAGE FROM THE ADMINISTRATOR

It is pleasing to be able to present this Annual Business Plan.

The last three and a half years have been extremely challenging for the Council. The volume of rectification work has been immense. I must at the outset thank our staff for their resilience and dedication. It has not been easy.

The Plan is an improvement on the last one which was an improvement on the one before that, as was the one before that. This Plan sits along the aspirations for the town expressed by the Coober Pedy Together initiative. This is an almost unique and bold example of putting the citizens of Coober Pedy in the “driver’s seat” in terms of setting the town’s future direction.

It would have been preferable to have prepared the Plan on a different basis but this has not been possible due to significant decisions not being made by the State Government. The recent change of government has opened up the possibility of a solution where the State Government acquires the Council’s electricity and water businesses. This would significantly impact the future municipal governance and financial model.

The next Local Government elections in South Australia are scheduled for November this year. As a result, the State Government will need to make some significant decisions in the coming months which will guide the future municipal governance and financial model.

I see four possible models for future municipal governance in Coober Pedy. These are outlined in the attached letter.

My preferred model is for the State Government to take on responsibility for electricity and water supply. This would result in a much smaller and simpler Council. It would reduce the Council’s annual expenditure from approximately \$17 million to \$4.5 million. It would require the State Government to purchase the Council’s electricity and water assets at their current value of approximately \$12 million. This would enable the Council to clear its debt obligations of approximately \$10 million.

In all models the possibility of again having an elected Council could be entertained next year. It might require a hybrid model in the first instance where an Administrator guides and mentors the new elected members as there would not have been an elected



Council for four years. Alternatively, the citizens may decide by a poll that they would prefer the continuation of an administrator.

While significant progress has been made on public integrity systems and processes and improving the financial position, little progress has been made on the future governance model. Consequently, the plan has been prepared on the basis of the status quo in terms of governance and functional responsibility.

The Plan is broken into three main segments – commercial, municipal and town. It is purposely prepared this way to enable any surpluses made on commercial activities to fund the town activities, which are discretionary. In contrast, municipal activities are funded by municipal rates, grants and user charges. At this point in time, there is a shortfall of approximately \$692k on the municipal fund.

There has been a real focus on ensuring our commercial activities provide an acceptable rate of return on investment to their owners, the citizens of Coober Pedy.

The renewal of municipal assets is still inadequate. It requires additional municipal rate revenue. Significantly reduced water charges as a result of the water business being acquired by State Government would provide an opportunity to increase municipal rate revenue. This should only occur as a result of a citizens’ poll.

The District Council of Coober Pedy has endured a long period of dysfunction and financial instability. This Plan is a statement of the progress made.

This will be my last Plan as the Administrator. While there is still a lot to do, I thank those who have assisted me with the financial turnaround of the Council and development of a model for sustainable local governance in Coober Pedy.

Tim Jackson

LETTER TO THE MINISTER FOR LOCAL GOVERNMENT



DISTRICT COUNCIL OF COOBER PEDY

"Opal Capital of the World"

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The Honourable Geoff Brock MP
Minister for Local Government
GPO Box 1533
Adelaide SA 5000

Dear Minister,

Congratulations on your recent appointment as Minister for Local Government. I look forward to working with you to progress the turnaround of Coober Pedy and its Council.

The purpose of this letter is to outline a proposed future municipal governance model for Coober Pedy.

It has been more than three years since the District Council of Coober Pedy was suspended. While significant progress has been made on public integrity systems and processes and improving the financial position, little progress has been made on the future governance model.

Due to the lack of interest or action by the previous Government, the water situation in Coober Pedy is now untenable. The rate of water leakage and bursts from the ageing infrastructure is at a point that between 30% and 50% of water is wasted each year. As a result, consumers pay three times what SA Water customers pay. This is inequitable and unacceptable. A petition signed by 900 citizens was tabled in the State Parliament in late 2019 calling on then government to recognise this inequity and to immediately introduce a subsidy to eliminate it. Nothing happened. The previous State Government's position was that it had no interest in assuming responsibility for the water system in Coober Pedy and that the Council should find a private sector investor and when found it would consider the issue of a subsidy. As a consequence, the Council sought expressions of interest from the private sector last year. The level of interest was good. Following this step, the Council called tenders for the purchase, investment, operation and transfer of the system to the Council at the conclusion of the term. This is commonly referred to as a BOOT Scheme.

Unfortunately, it was necessary to postpone the process due to inadequate documentation. The Council has engaged the City of Playford to manage the project, including the tender, on behalf of the Council. We should be in a position, if necessary, to reactivate the tender process in the next three months. In addition to this, the Council has been working on a subsidiary model under the Local Government Act to manage its commercial undertakings such as electricity and water, again should this be necessary.

The recent change of government has opened up the possibility of a solution where the State Government acquires the Council's electricity and water businesses. This would have a significant impact on the future municipal governance model.

As you know the next Local Government elections in South Australia are scheduled for November this year. As a result, the State Government will need to make some significant decisions in the coming months regarding the future municipal governance model for Coober Pedy.

After just under three and a half years as Administrator I see four possible models for future municipal governance in Coober Pedy.

Model One is for the State Government to take on responsibility for electricity and water supply. This would result in a much smaller and simpler Council. It would reduce the Council's annual turnover from \$16 million to \$4 million and would result in assets being reduced from \$30 million to \$18 million. It would require the State Government to purchase the Council's electricity and water assets at their current value of \$12 million. This would enable the Council to clear its debt obligations of approximately \$10 million. Four citizen polls were conducted in 2019 by the Australian Election Commission on a range of subjects. The possible sale of the electricity and water business were polled, and the majority of voters supported their sale provided it was financially prudent to do so.

LETTER TO THE MINISTER FOR LOCAL GOVERNMENT

Cont...

If the State Government decides not to acquire the electricity and water businesses, **Model Two** would require the State Government to agree to establish a separate entity to provide these activities along with other commercial activities such as the airport, childcare and private works etc. The subsidiary would operate independently of the Council with a skills-based Board. This solution may require legislation to ensure proper oversight of these activities. The entity would be responsible for retailing water. It would not be responsible for production or reticulation of water provided a private sector partner can be found.

If the State Government will not agree to take responsibility for electricity and water or establish a subsidiary, **Model Three** is for the Council to establish a committee under the Local Government Act to manage the commercial undertakings of the Council. The committee members would be required to have appropriate commercial experience and knowledge.

Model Four would involve the Council overseeing the municipal and commercial undertakings of the Council. This is the status quo.

In all models the possibility of again having an elected Council could be entertained possibly next year. It might require a hybrid model in the first instance where an Administrator guides and mentors the new elected members as there would not have been an elected Council for four years.

Alternatively, the citizens may decide by a poll that they would prefer the continuation of an administrator.

Minister, I request an urgent meeting with you to discuss my proposed model so the citizens of Coober Pedy have access to good local governance. Our local State member, Eddie Hughes, has been consulted on this model and should be present at our meeting.

I strongly support the **Model One**. This will require the following:

- The State Government to acknowledge the inequity that currently exists in Coober Pedy in terms of water pricing compared to SA Water customers and in so doing immediately provide a temporary subsidiary of \$1.3 million per annum to enable the Council to provide water at SA Water prices.
- The State Government to immediately guarantee the Council's borrowings from the Local Government Finance Authority until it acquires the electricity and water assets.
- The State Government to assume responsibility for electricity and water, including reuse water, and purchase the assets at their current written down value of approximately \$12 million.
- The Council to repay its borrowings of approximately \$10 million.
- The Council to conduct a poll of citizens to increase municipal rates by more than CPI to adequately fund its asset replacement program from revenue.
- The State Government to delay the next scheduled election in Coober Pedy.
- The Council to conduct a poll of citizens to determine their preference for the return of a voter elected Council.
- The Council to recruit a Transition CEO for a period of six to twelve months to manage the divestment of electricity and water.
- The Council recruit a CEO to lead the much smaller and simpler municipal operation once the divestment has been completed.

Many components of the recommended model have been raised unsuccessfully with the previous government at various times.

The regulator, ESCOSA, and the Local Government Finance Authority have been consulted during the development of these models.

Obviously, more detailed work will be required on some aspects of the model if it is supported in principle.

Coober Pedy has endured a long period of dysfunction and financial instability and this proposal presents a once in a life time opportunity to fix it.

Yours Sincerely

Tim Jackson



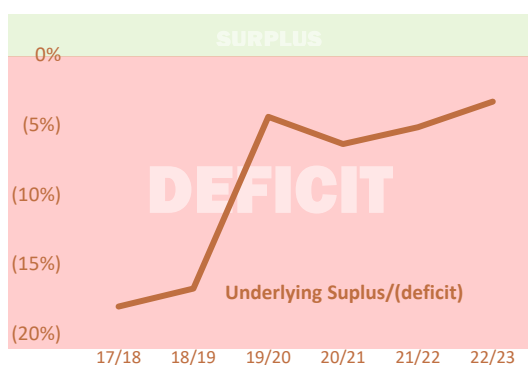
Administrator

FINANCIAL OVERVIEW

Underlying Operating Surplus/Deficit

Historically the Council has operated at an operating deficit. The reasons for this include not setting fees or rates at an adequate level to cover the costs of services, including the costs associated with replacing major plant and infrastructure.

To improve this situation, the Council must seek to achieve an operating surplus over the long term to replace assets at an adequate level and service its current loan portfolio.



Over the last few years, Council has been reviewing its operations to reduce this deficit situation by setting revenue at a level that will recover all costs and reduce its debt levels.

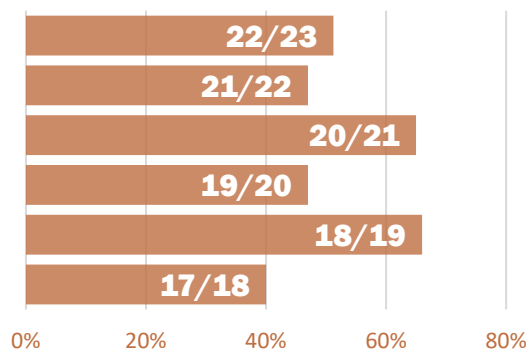
The 2022/23 budget anticipates an underlying deficit of \$0.59M. This is, however, dependent upon

- raising airport land fees and implementing other airport leasing fees from January 2023
- No longer operating a childcare facility after December 2022,
- Undertaking all private works with a margin of at least 7%.

Net Financial Liabilities

The net financial liabilities ratio measures the Council's indebtedness. While debt is not bad in the context of a council, the appropriate level of debt depends on many factors. Until the Council can move into long-term

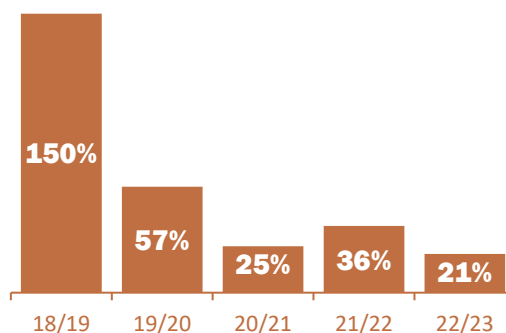
sustained operating surpluses, it cannot continue to increase its debt level.



Appropriate debt for the replacement of assets will be critical for the Council's future viability. The Council has been advised by its current lender that it will not provide any additional loans until significant financial improvements are achieved.

Asset Renewal Funding Ratio

This ratio analyses whether a council is replacing its assets when required to maintain their level of service. Anything less than 100% means a council's overall asset stock is declining.



The Council's assets continue to decline as it does not have the financial resources to fund their replacement. Available government grants to assist with this often require a council contribution that we cannot fund. The community is now feeling the effects of this situation with continued water supply interruption caused by leaks and sub-standard road conditions. The Council's aging plant is adding to this problem, unable to be used to deliver critical services.

LABOUR RESOURCING

Over the past few years, the Council has seen a reduction in the service levels it delivers to its community. The difficulty of attracting and employing staff in our remote location and the associated costs has contributed to this. As part of the 2022/23 annual business planning process, we have reviewed the resources required to ensure we deliver an appropriate level of essential and municipal services.

POWER

	Current Staff	Proposed Staff	Decrease Cost
Direct	7.18	7.17	(\$7,673)
Admin	1.15	1.93	(\$33,927)

Funded by: Electricity charges and RAES subsidy

Currently the manager and supervisor spend a considerable time undertaking day to day administrative tasks. To ensure they can commit to direct service delivery additional administrative support is required.

Due to the high level of unpaid power debts (\$1.5m) additional resources is required to increase the recovery of debts.

WATER

	Current Staff	Proposed Staff	Increase Cost
Direct	3.93	7.51	\$157,609
Admin	0.8	1.20	\$39,132

Funded by: Water user charges and annual service charge

The increase of staff providing direct water services will ensure we can undertake repairs and network improvements simultaneously something we are currently unable to do. It will also address managing the declining infrastructure, and workplace safety including excessive overtime. Additional administration resources will allow us to follow up on outstanding debts of \$0.89m increasing overall collectability.

WASTEWATER

	Current Staff	Proposed Staff	Increase Cost
Direct	0.42	0.87	\$31,323

Funded by: Wastewater annual service rate

Similar to our water activities additional staffing will allow us to manage the declining infrastructure and address workplace safety. Currently staff are working excessive amounts of overtime which will be reduced by these additional resources.



AIRPORT

	Current Staff	Proposed Staff	Increase Cost
Direct	0.15	0.20	\$3,610

Funded by: Airport user charges

While only a minor increase, it will ensure all required checks and maintenance are undertaken.

LABOUR RESOURCING Cont...

CHILDCARE

(Operating for 6 months only)

	Current Staff	Proposed Staff	Decrease Cost
Direct	7.06	3.02	(\$178,386)

Funded by: Childcare fees and related subsidies

Due to the reduced number of children attending the centre less staff will be required compared to the prior year. This service will be closed in December 2022.

PRIVATE WORKS

	Current Staff	Proposed Staff	Decrease Cost
Direct	0.73	0.55	(\$10,661)

Funded by: User charges

The resourcing of private works is dependent on the demand for such services. The proposed staffing is reflective of this.



MUNICIPAL

	Current Staff	Proposed Staff	Increase Cost
Direct	10.38	12.16	\$243,253
Admin	1.75	2.45	\$63,230

Funded by: General Rates

In 2022/23 the Council will require additional resources to undertake increased parks and gardens maintenance. It will also employ a works trainee.

The extra administrative staff will free up workers to also improve the ongoing maintenance of our infrastructure.

TOWN

	Current Staff	Proposed Staff	Increase Cost
Direct	1.51	1.96	\$13,054

Funded by: General Rates and Grant Income

The Council will employ an economic development manager to research grants and complete grant applications, project manage events such as economic development forums and connect with local SMEs with business support. This position is subject to obtaining grant funding of \$150,000.

CORPORATE

	Current Staff	Proposed Staff	Increase Cost
Admin	9.25	9.20	\$29,181.68

Funded by: Governance staff funded through General rates. Remaining costs allocated to all other services and funded through the related funding.

Within the corporate area we have anticipated delays in recruitment for unfilled positions as well as decreases in contracted hours and outsourced some roles.

SIGNIFICANT INFLUENCES

Local Industry Growth

As we emerge from the pandemic, we must take the opportunity to strengthen and grow our local industries, including tourism and mining.

Recently, we have seen a 22% increase in opal mining activity with new people arriving in town from interstate who are both purchasing property and trying opal mining.

The tourism industry is also bouncing back significantly following COVID-19 with visitor numbers improving and the return of international travellers.

Political Landscape

The change in government at the May 2022 federal election and state election in March 2022 has shifted the political landscape. Council is taking a proactive approach to advocacy at state and federal levels, ensuring the continuity of services to our community.

International conflict and other disruptions are contributing to global resource demands, exacerbating existing materials and labour shortages, impacting the delivery of infrastructure projects and purchasing plant and equipment.

Economic Conditions

General price increases, including rising oil prices, local suppliers with stock shortages, and skilled labour shortages, are just a few key issues being felt by the Council and our community.

The persistent disruption to supply chains and distribution networks and their ongoing effects on prices has created uncertainty that is likely to continue impacting tendering, pricing and availability of contractors.

Interest Rates

Indications from the Reserve Bank are that interest rates will continue to rise to combat inflation.

OUR ASSUMPTIONS

Our Business Model

As detailed in the Administrator's comments, we are currently exploring different operating models for the District Council of Coober Pedy. In preparing this business plan, however, we have assumed that council operations will continue in their current form.

Inflation

Inflation at March 2022 was 4.7%. We have budgeted for known or likely price increases. We will endeavour to absorb increasing costs where possible.

Enterprise Bargaining

At the time of preparing this plan, we are undergoing an enterprise bargaining process. We have factored the likely increase in salaries to accommodate this.

General Rate Revenue

A 4.7% increase in general rate revenue has been included in the budget in line with current inflation.

Water Service Charge and Usage Fees

We will be increasing the water access charge and kL usage charge by an average of 4.7% consistent with CPI.

Borrowings and Cash Position

With no access to new borrowings, we will be focusing on maintaining an adequate cash balance to fund operations during the year, as well as replacing critical plant when and if cash becomes available.

Capital Expenditure

We will be undertaking capital expenditure where grant funding is available. We will be leasing any future plant and equipment instead of purchasing outright to assist in our cash flows.

HIGHLIGHTS

**COOBER PEDY
TOGETHER**



**IMPROVED
PLAYGROUND
FACILITIES AND
MAINTENANCE**



**REPLACEMENT OF
MAJOR PLANT
THROUGH DRY-HIRE**



**UNDERTAKE A
TENDER PROCESS
FOR THE SALE OF
WATER ASSETS**



**REPAIR OF ROAD
SHOULDERS**



WHY WE ARE DIFFERENT

The Administrator

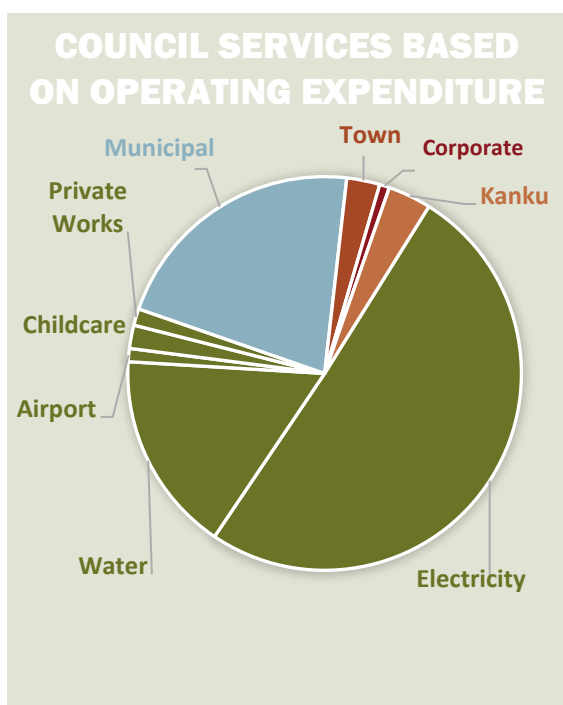
In January 2019, the Council—made up of nine elected members, including the mayor—was suspended by the government, and an administrator appointed in its place.

The Administrator has all the powers and responsibilities previously held by the Council.

South Australian local councils will hold elections in November 2022. It is yet to be determined by the state government whether the District Council of Coober Pedy will hold elections and return to having elected members.

Our Services

Unlike most councils in South Australia, the District Council of Coober Pedy provides core local government services such as roads, rates and rubbish and essential services such as the supply of electricity and water. The state government or commercial entities typically provide essential services.



The Commercial business unit makes up over 71 per cent of the Council's total operations,

including the associated overheads needed to manage it.

The Cost of Resources

Being in a remote location makes it difficult to attract and retain staff to resource all the services we deliver. We also pay a lot more for the goods and services we buy.

Business Unit	Amount	Percentage
Commercial	14,283,752	71%
Municipal	4,129,427	20%
Town	764,838	4%
Corporate	147,339	1%
Kanku-Breakaway	847,534	4%
Total	20,172,890	100%

Due to these issues, our community often pays more to receive services than their urban counterparts unless they can be subsidised by other funding sources such as grants from other levels of government.



COMMERCIAL

COMMERCIAL ACTIVITIES OF THE COUNCIL

The District Council of Coober Pedy operates several commercial activities that should operate at a surplus. Depending on the business, the Council has set its fees, charges and other revenues at a level that will provide a return on the investment or a margin for areas that do not require a significant investment in infrastructure.

2022/23 BUDGET (\$)	
INCOME	
Power	10,525,176
Water	2,429,126
Wastewater	326,200
Airport	353,400
Childcare	320,190
Private Works	321,046
Total Income	14,275,138
EXPENSE	
Power	11,143,077
Water	2,030,382
Wastewater	253,349
Airport	212,722
Childcare	345,761
Private Works	298,460
Total Expenses	14,283,751
OPERATING SURPLUS/(DEFICIT)	(8,613)

In the past, the fees for these services may not have been set at an adequate level and therefore been operating at a loss. This has contributed to the Council's overall poor financial situation.

It should be noted here that Council receives some of its funding for electricity from the Remote Area Subsidy Scheme (RAES). This means residential and business customers in Coober Pedy pay a charge comparable to that paid by those on the National Electricity Market in South Australia.

In the future all fees for commercial activities provided by the Council will be set at a level that results in a return on the value of assets invested in the activity. These funds will be applied to municipal and town activities to reduce the rate burden on our community.

Power	3.84% Return on Assets
Water	5.00% Return on Assets
Wastewater	5.00% Return on Assets
Airport	5.00% Return on Assets (from January 2023)
Childcare	None set
Private Works	7% Margin

POWER

What we do

The Council maintains three-phase, single-phase and single-wire earth return (SWER) distribution systems, providing electricity to nearly 1,600 residential, commercial and government customers. This requires us to maintain transformers, switches and fuses, restring power lines and connect and disconnect meters, and undertake unplanned maintenance from natural events such as lightning strikes.

COUNCIL MAINTAIN APPROXIMATELY 450 LUMINAIRES AND LIGHTS, AND 140 SINGLE PHASE TRANSFORMERS.

As part of this program, we also provide streetlights for the safety and convenience of our community.

Last year we replaced our electricity meters with Smart Meters. We can now remotely access usage data thereby reducing costs.

The challenges we face

We are not equipped to find high voltage underground faults. A high voltage underground fault may mean businesses or essential services are off-line for at least two days.

Funding

Council receives revenue from the following areas to fund the provision of electricity.

RAES Subsidy

Customer Charges

Sale of Carbon Credits

Other Income

The final amounts of revenue for each of these items will not be determined until the approval of the budget by the Minister for Energy and Mining.

Costs

Council will spend approximately \$11.1 M on delivering electricity services to our community. It will also use the equivalent of 9.1 full-time staff.

\$9.7 M IS INVESTED IN ELECTRICITY ASSETS ACROSS COOBER PEDY.

PROJECTS AND PROGRAMS

Purchase of a spare pad mount transformer to ensure continued supply for business and the Council's water operations	\$80,000
Replace Opal Inn Transformer	\$20,000
Replace high voltage pole near the Mud Hut Hotel	\$7,000
Additional lines worker	

WATER

What we can do

We produce approximately 1,350 kL of potable water daily, distributed to nearly 1,600 residential, commercial and government premises via 90 kms of pipe network. This requires the operation and maintenance of four distribution pumps, one emergency pump and generator and numerous valves.

WE ARE CURRENTLY REPAIRING 20 MAJOR LEAKS PER YEAR

The production of potable water requires us to maintain two bore pumps and two diesel generators as well as treating the water using various processes including dosing to remove iron and other metals and using a reverse osmosis process to remove salt.

We also test three times daily for chlorine, ph. levels and residual chlorine as well as monthly for E. coli and other pathogens.

We provide a standpipe for bulk water purchases

The challenges we face

The current state of the water infrastructure including the reticulation network, means we cannot promise an uninterrupted supply of water to the town, something we believe is essential for our community.

While we have not yet quantified the precise cost to reinstate the network to a reasonable standard, based on estimates we know we do not have the available funds to undertake the task.

Because of this, we are currently undertaking a process of private sector involvement but would prefer to see the business transferred to the state government, ensuring equitable retail water pricing for our community.

THE PROCESS OF SEEKING A PRIVATE SECTOR WATER PARTNER HAS BEGUN

Funding

Customer charges fully fund the production and supply of water. The following fees will apply for 2022/23 from September 2022.

WATER ACCESS CHARGE

(Service Charge S155 LG Act)

All land the service is provided or made available to	\$287.12
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WATER USAGE CHARGE

Residential Tariff

Tier 1 - First 35kL per quarter	\$6.43
Tier 2 - 36kL to 130kL per quarter	\$9.00
Tier 3 - Above 130kL per quarter	\$10.26

Commercial Tariff

All usage	\$9.00
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Costs

In 2022/23, delivering water to our community will cost \$2.0 M and require the equivalent of 8.7 full-time staff.

PROJECTS AND PROGRAMS

Undertake water tender	\$65,000
Water Filling Station Replacement including additional payment facilities	\$60,000

WASTEWATER

What we can do

We manage a common effluent drainage scheme and associated treatment plant. This involves the maintenance of dump points, three pumping stations and over 35km of sewer infrastructure.

The management of wastewater also includes primary, secondary and tertiary treatment of effluent, aeration and sludge maintenance. We also inspect approximately 20 grease trap sites every quarter.

The challenges we face

We cannot currently provide sewer services to all residential and commercial customers in our community. We do not accept disposal of grease waste from grease traps and are unable to supply treated effluent to community projects due to plant capacity and compliance restrictions. Use of treated effluent is limited to subsurface applications only.

Funding

The production and supply of water is fully funded by the Wastewater Service Charge (a service charge under the S155 of the Local Government Act). The following fees will apply for 2022/23

SEWERAGE SCHEME SERVICE RATE (Service Rate S155 LG Act)

All land the is service provided
or made available to

0.6675
cents in
the dollar

Costs

In 2022/23, removing and treating wastewater for our community will cost \$0.25M and require the equivalent of 0.87 full-time staff.

AIRPORT

What we can do

Council owns and operates the Coober Pedy Airport. Stringent safety standards are in place. This includes daily checks of the area and requires regular maintenance such as cleaning of lights, markings and markers, sweeping of the runway, taxiway and apron, as well as maintenance of buildings, grading, rolling, slashing and poisoning of vegetation within the airport runaway and taxiway perimeters.

Costs

In 2022/23, it will cost \$0.2M to operate the airport and the equivalent of 0.2 full-time staff.

Funding

The airport is funded through landing and passenger fees. In the past, these fees have not covered the cost of operating the airport. In 2022/23, the Council will be negotiating to set the fees and charges to fully recover the cost and provide a small return to the community.

PROJECTS AND PROGRAMS

Renegotiation of passenger and lease fees	n/a
Remote Airstrip Upgrade Program	\$150,000

CHILDCARE

What we can do

Council currently provides quality accredited childcare through the Mini Gems Children's Centre. It caters for children between the age of 6 weeks and six years.

The challenges we face

Council understands and appreciates the need for high equality early childhood education in terms of child development outcomes and the flow on effects to employment and community engagement and connection. It is continuing to do everything possible to find a viable alternative for children and families.

Costs

In 2022/23, only six months of childcare operations have been incorporated into the budget, with the facility either transferred to another operator or ceasing entirely. It will cost \$0.35M to operate the childcare service during that period and the equivalent of 6.0 full-time staff.

Funding

The Childcare centre is funded through fees, associated subsidies, and other government grants.

PROJECTS AND PROGRAMS

Transfer of childcare service to another operator

n/a

PRIVATE WORKS

What we can do

Council undertakes civil construction works on a fee for service basis as well the sale of various materials. This includes annual and one-off contracts across areas such as water, power, roadworks and drainage.

The challenges we face

While the Council would like to undertake more of these works to reduce the rate burden on its community further, the poor condition of the Council's major plant and difficulty in attracting staff have kept these works to a minimum.

Costs

In 2022/23 council will incur \$0.3M of expenditure in private works, utilising the equivalent of 0.55 full-time staff.

Funding

Private works are full funded by fee for service including a margin of approximately 7%.

PROJECTS AND PROGRAMS

Review of fees charges across all private works

n/a



MUNICIPAL

MUNICIPAL ACTIVITIES OF THE COUNCIL

Like most other South Australia councils, the District Council of Coober Pedy delivers core local government services to its community. These are the services typically funded by monies raised through general rates.

Even though the Council is a \$17M business, only a small proportion is related to its municipal activities.

	2022/23 BUDGET (\$)
INCOME	
Local Roads & Paths	55,535
Waste Management	140,600
Regulatory Services	15,400
Community Amenities	22,000
Recreation	180,184
Children & Youth	123,041
General Revenue & Financing	2,900,783
Governance	-
Total Income	3,437,543
EXPENSES	
Local Roads & Paths	1,167,594
Drainage Management	33,594
Environmental Management	292,927
Waste Management	519,640
Regulatory Services	99,899
Community Amenities	119,534
Recreation	534,363
Children & Youth	206,491
General Revenue & Financing	575,000
Governance	580,384
Total Expenses	4,129,426
OPERATING SURPLUS/(DEFICIT)	(691,883)

With limited financial resources, we often need to prioritise core services such as roads and waste management behind our essential services, such as water and electricity.

This means we cannot deliver all services at a level needed by our community. Our roads are of relatively poor standard, we cannot offer transfer waste services due to our remoteness and we provide only the basic community support.

With limited funds, essential services such as water and electricity take priority over core municipal activities like roads and waste collection.

General Rates

The Council funds its municipal and town activities through grants, returns on commercial activities and general rates.

In 2020/21, the Council reviewed how it levied general rates over properties in Coober Pedy. After consideration of all the issues, including those raised during a period of public consultation, it decided the most equitable method was:

1. A single rate in the dollar
2. No fixed charge
3. A transition period over several years using a 10% cap on individual rate increases.

Council is now in the third year of transitioning to this methodology.

In the 2022/23 year general rate revenue will increase by 4.7% (Adelaide annual CPI for the March 2022 quarter). More information regarding rates can be found on page 34.

LOCAL ROADS AND PATHS

What we can do

We maintain 31km of sealed roads, 127km of unsealed roads and various other related assets including kerbing, footpaths and culverts.

Our community experiences 3 to 4 significant rain events per year. The rainfall causes major damage to our road network. Council is required to repair the damage at a significant cost.

The replacement value of our transport network is \$10.7M.

The challenges we face

As many of our road pavements were constructed using saline soil the cost to maintain them are higher than they should be meaning more potholes and crumbling shoulders. We are currently unable to replace and repair roads to an adequate service level for our community.

The current state the Council's plant and equipment, also means we are unable to undertake all the needed repairs.



Costs

We will spend \$1.12M on maintaining our roads and paths using the equivalent of 2.0 full-time staff.

Funding

Local roads and paths are funded through our annual local roads funding from the SA Grants Commission, with the difference funded through general rates.

PROJECTS AND PROGRAMS

Repair of shoulders	n/a (maintenance)
---------------------	-------------------

DRAINAGE MAINTENANCE

What we can do

Our drainage network comprises of 0.7 km of stormwater pipe, 20 pits and 129 m of surface spoon drains.

Costs

We will spend \$0.03M on maintaining our drainage network.

Funding

Drainage maintenance is funded through general rates.

WASTE MANAGEMENT

What we can do

The Council collects approximately 1,400 domestic and 128 commercial bins every week, as well as operating a landfill site. It also provides hard waste collection on a fee basis and recycles electrical items and abandoned vehicles.



The challenges we face

We cannot provide our community with a waste transfer station, something that is now common practice across Australia. We believe

it is important to divert recyclable materials from landfill.

Our rubbish trucks are aging and will require replacement in the near future. We do not have the financial resources to replace them.

Costs

We will spend \$0.52M providing waste manager services using the equivalent of a 0.5 full-time staff member.

Funding

Our waste collection is funded by

	\$
Commercial Bin Collection	100,300
Tip Fees	25,300
Liquid Waste Collection	13,000
Bin Sales	2,000
General rates & Deficit	379,039

ENVIRONMENTAL MANAGEMENT

What we can do

The Council maintains the visual amenity of the town and supports initiatives aimed at improving environmental sustainability.

The challenges we face

We do not have funding for important projects such as upgrading the water system or creating a wetland to store wastewater, having a recycling collection centre of conserving indigenous flora and fauna to name a few.

Funding

The majority of funding for environmental management comes from general rates.

COMMUNITY AMENITIES

What we can do

We maintain the cemetery, including the preparation of burial plots. We also maintain public toilets, drinking fountains, and community barbecues.

Costs

We will spend \$0.12M on operating our community amenities and use 0.35 of a staff member.

RECREATION

What we can do

We improve the well-being of our community through recreation. This includes supporting community-based through our annual grant program, managing the swimming pool operations, contributing to the library's operating expenses, and maintaining the playground, oval, bicycle and walking paths and skatepark.

A playground and triangle action team, including Coober Pedy Together Facilitation Group members, residents, and DCCP Management has been formed. This group aims to ensure ongoing maintenance and future development of the playground and surrounding areas.

The challenges we face

We are unable to incur the increasing costs related to vandalism and wilful damage. Instead, we are developing strategies to reduce these incidences in our community.

Costs

We will spend \$0.53M on maintaining our recreational facilities using the equivalent of 1.97 full-time staff.

Funding

Nearly \$0.165M of recreation is funded by grants and reimbursements from other government organisations for the swimming pool and library. Facilities such as the playground, oval, bicycle and walking paths and skatepark are funded through general rates and returns from our commercial activities.

CHILDREN AND YOUNG PEOPLE

What we can do

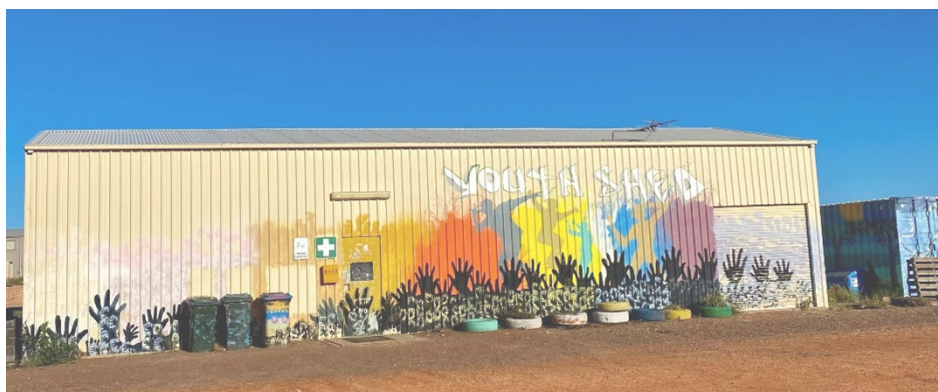
We enhance the social development and well-being of children, young people and families through the Children and Parenting Support Program (CaPS) and community facilities. This includes supporting families to build parenting skills, create community connections and implementing early intervention and prevention services.

Costs

We will spend \$0.2M on the provision of the children and youth program employing 1 full-time staff member.

Funding

Grant funding of \$0.12M will be utilised to deliver the service, with the Council funding the remaining \$0.08M through general rates.



REGULATORY SERVICES

What we can do

We undertake a variety of activities to maintain public health and safety including inspection of buildings and dugout construction sites, assessment of development applications, health and fire prevention inspections, parking compliance and animal control.

Costs

We will spend \$0.1M on the provision of the regulatory services which contractors predominantly undertake.

Funding

We will raise \$0.02M animal registrations and building and development fees. The remaining is funded by general rates.

GOVERNANCE

What we can do

These activities support the Council, including council elections and polls, public participation in decision-making and public relations. It includes the cost of the Administrator and senior leadership team.

Costs

We will spend \$0.58M on governance which includes 1.6 full-time equivalent staff members

Funding

Governance is funded through general rates.



TOWN

TOWN ACTIVITIES OF THE COUNCIL

Town encompasses those activities we are not required by legislation to provide but believe are essential to enhancing our community.

	2022/23 BUDGET (\$)
INCOME	
Economic and Social Development	181,000
Tourism	12,600
Total Income	193,600
EXPENSES	
Economic and Social Development	597,435
Tourism	167,402
Total Expenses	764,837
OPERATING SURPLUS/(DEFICIT)	(571,237)

The activities are funded through the returns we make from our commercial enterprises.

SOCIAL AND ECONOMIC DEVELOPMENT

What we can do

Council supports the Coober Pedy Together initiative. Coober Pedy Together is about bringing change, community spirit, community pride and a sense of purpose for the community of Coober Pedy. It's about creating a common plan and vision. It is about resourcing the community to be able to create the place in which they would like to live.

Further information can be found in the document titled Coober Pedy: Our Story, Our next Steps, Our Purpose.

The challenges we face

It is very difficult to have a strong economy without a strong sense of connection, safety and wellbeing within a local community, and vice versa. We need to work towards creating new opportunities for business and development, including vocational education and training pathways, employment opportunities, support for entrepreneurial efforts, and partnership with relevant stakeholders. We need to create a strategy to

support local industries including opal mining, honouring Coober Pedy as the Opal Capital of the World.

We need to work towards positioning Coober Pedy as the Far North Regional Hub of South Australia. This will bring additional opportunities and considerations from a wide range of sources for the community to consider.

Costs

We will spend \$0.6M on social and economic development in Coober Pedy. This includes the engagement of a full-time staff member whose task will involve applying for grants to benefit our community.

Funding

For Council to deliver this program, it will need to source grant funding of \$0.15M. The remaining costs will be funded by returns from our commercial activities.

POTENTIAL PROJECTS AND PROGRAMS

Position Coober Pedy as the Far North Regional Hub of SA

Advocate for and create an ongoing healthy relationship between all levels of government and the local community

Significant investment in further education, training, and employment pathways

Conversations with key stakeholders to increase collaboration in securing and development education and employment pathways

Creating environments for ongoing social and economic development

Work towards the creation of positions to further social and economic development as funding allows

Creation of a community hub and collaboration space

Facilitation of the Coober Pedy Together initiative, led by the Facilitation Group

Supporting the development of community leaders

Addressing needs in functional systems and supports such as health, education, and housing

Implementing strategies to create a safe, supportive, and welcoming community

ADOPTED PROJECTS AND PROGRAMS

Community/Sports/Recreation Triangle Masterplan	\$20,000
Drive-in Masterplan	\$30,000
Outback Film Centre Feasibility Study	\$25,000
Opal Mining Industry Support	\$88,000

VISITOR INFORMATION CENTRE

We support the tourism industry in Coober Pedy by operating the Visitor Information Centre. We have recently introduced accommodation and tour service booking that generates a commission for the Council, and these are used to offset the VIC's operating costs.



The challenges we face

With limited funds, we cannot deliver the potential tourism projects identified in the Coober Pedy together planning process. Where appropriate, the Council will seek grants and other funding sources, and collaborate with the community to turn our plans into reality.

Costs

We will spend \$0.17M on assisting and developing the tourism industry in Coober Pedy. This includes utilising the equivalent 1.2 full-time staff members during the financial year.

Funding

A small portion of the Tourism activity is funded by sales and commissions generated by the VIC with \$0.16M funded by returns from our commercial activities.

POTENTIAL PROJECTS AND PROGRAMS (Council may not be the agency to deliver)

Potential Projects nominated by the Tourism Committee

- Heritage Trail
- Rotunda Signage
- RV Park
- Wifi for Hutchison Street
- Jewellers Shop road Noodling Area
- Visitor amenity to blower
- Caravan and RV Parking
- Walkway to BigWinch
- Improve pedestrian safety to upper section of Crowders Gully Road
- Grant Submission preparation
- Project Officer
- Town presentation
- Banner Mounts to Street Lighting

Other Potential

- Upgrade VIC
- Succession plan for CPRBTA
- Marketing Strategy
- Develop aboriginal tourism products
- Develop tourism attractions
- Establish calendar of events and festivals
- RV Park peak overflow facility



CORPORATE

CORPORATE ACTIVITIES OF THE COUNCIL

The corporate activities of the Council are those functions that support the rest of the organisation to deliver services to the community.

This includes administration functions like paying suppliers and managing contractors as well as human resources and risk management, an area vitally important for the day-to-day operations of Council.

	2022/23 BUDGET (\$)
INCOME	
Depot Maintenance	57,100
Rating & Valuations	10,300
Customer Service	1,200
Financial Services	31,440
Human Resources & Payroll	1,000
Asset Management	26,100
Unallocated Corporate Overheads	20,200
Total Income	147,340
EXPENSES	
Depot Maintenance	57,100
Rating & Valuations	10,300
Customer Service	1,200
Financial Services	31,440
Human Resources & Payroll	1,000
Asset Management	26,100
Unallocated Corporate Overheads	20,200
Total Expenses	147,340
OPERATING SURPLUS/(DEFICIT)	-

EXPENDITURE

PC replacement	\$35,000
Security System replacement	\$20,000
Office extensions and external upgrade	\$20,000
Furniture and equipment for new positions	\$10,000
Dry-Hire of Plant and Equipment	\$510,000

All the costs incurred within the corporate activity are allocated to other service areas via a corporate overhead allocation.

FLEET AND PLANT MANAGEMENT

An area of great concern to the Council is the current condition of our major plant and equipment including our motor vehicles.

Of the 70 items listed in our plant register, 50 or over 70 per cent have reached the end of their useful life. A review of our plant has also seen many “tagged out” on the basis that they are no longer safe to operate by our staff.

Without these key items of equipment, we will not be able to undertake planned or emergency maintenance on our roads, electricity and water assets.

Over 70 % of council’s critical plant has reached the end of its useful life. We do not have the financial resources to replace them.

As a priority we will be using any financial resources that become available to dry-hire our plant in the future. We believe this approach will make sure we can continue to provide services to our community within our current cash constraints as well as provide a better approach to maintenance and future replacement.



KANKU BREAKAWAYS

KANKU BREAKAWAYS

Kanku-Breakaways Conservation Park covers almost 15,000 hectares featuring majestic arid scenery.

The area is home to almost 60 native flora species including acacias, mallee and eremophila. It is also home to a variety of wildlife, including red kangaroos, euro, echidna, numerous bird species and the fatted tailed dunnart (a mouse-like marsupial).

The Kanku-Breakaways Conservation Park forms part of the traditional country of the Antakirinja Matuntjara Yankunytjatjara people. It is owned by Antakirinja Matu-Yankunytjatjara Aboriginal Corporation (AMYAC).

The park is under a unique co-management agreement between the AMYAC, District Council of Coober Pedy and Department for Environment and Water (DEW).

Kanku Breakaways is not part of Council's operations. We process revenue and expenses on their behalf but activities are controlled by an SA Government appointed board which is independent of Council.

PROPOSED INCOME

	2022/23 BUDGET (\$)
INCOME	
Grants	368,000
User Charges	70,000
Sponsorship	15,000
Total Income	453,000

PROPOSED EXPENSES

	2022/23 BUDGET (\$)
RECURRENT EXPENSES	
Salaries and Wages	303,006
Board Management	38,000
Maintenance	75,700
Depreciation	7,028
Internal Charges	27,600
Other expenses	67,200
Total Recurrent Expenses	518,534

PROPOSED PROJECTS

	2022/23 BUDGET (\$)
Road Renewal	40,000
Signage	30,000
Road & Carpark Realignment	35,000
Tallaringa Conservation Park	20,000
Biodiversity Survey	40,000
Visitor Management Plan & Works	148,000
Breakaways Marathon	16,000
Total Project Expenses	329,000

RATES AND CHARGES

Note: The most recent valuations available to the Council at the time that the council adopts its budget under Section 167 of the Act will govern the assessment of rates for the financial year, this results in changes to the cents in the dollar figures provided in the document.



RATES AND CHARGES

Purpose

In developing a rating methodology, the Council must make political and professional judgement based on a few guiding principles and objectives. These are

Equity

In developing the rating methodology, we have endeavoured to ensure the rating responsibility is distributed in an equitable manner. To do this we aim to;

- improve equity in rate distribution across our communities
- prevent inequitable shifts in rate responsibility
- collect a base contribution from all rateable properties
- equally distribute the responsibility of rates across the community
- raise an equitable level of contribution from each land use sector.

Benefit

To achieve the principle of benefit we will wherever practicable charge the direct beneficiary for benefits through user charges, services charges, and separate rates.

Economic Development

Our methodology also seeks to support Council's economic development focus by facilitating a strong and vibrant economic environment, supporting the growth of business within the area, balancing the issue of consumption of resources with economic development objectives and encouraging development on vacant land.

Review of Rating Methodology

During the development of the 2020/21 annual budget the Council undertook a review of the methodology for levying general rates.

After consideration of the issues the Council adopted the following rating methodology

- A single rate in the dollar
- No fixed charge
- A transition over several years with a maximum cap of 10% on any individual rate increase.

Now in the third year of the transition we are moving closer to this methodology.

	2021/22	2022/23
Average Residential Rate Increase	\$64.71 4.93%	\$62.03 4.62%
No. of residential properties with a 5-10% increase	818 68%	822 62%
No. of properties receiving capping	639 38%	654 41%
Commercial rate in the dollar compared to residential	149%	125%

Valuation Methodology

The council uses the capital value determined by the Valuer-General as the basis for valuing land and calculating rates. We consider that the capital valuation method of valuing land provides the fairest method of distributing the rate burden across all ratepayers and that this is a reasonable indicator of capacity to pay.

If a ratepayer is dissatisfied with the valuation made by the Office of the Valuer-General, then the ratepayer may object to the Valuer-General in writing, within 60 days of receiving the notice of the valuation, explaining the basis for the objection, provided they have not:

(a) previously received a notice of this valuation under the Act, in which case the objection period is 60 days from the receipt of the first notice; or

(b) previously had an objection to the valuation considered by the Office of the Valuer-General.

VALUATION ANALYSIS					
	2021/22		2022/23		
	No of Properties	CV Value	No of Properties	CV Value	\$
RESIDENTIAL	1210	\$103,137,573	1208	\$103,043,573	(\$94,000)
COMMERCIAL-SHOP	41	\$7,710,527	41	\$7,710,527	-
COMMERCIAL-OFFICE	11	\$3,438,200	11	\$3,438,200	-
COMMERCIAL-OTHER	47	\$19,055,155	47	\$19,053,655	(\$1,500)
INDUSTRY LIGHT	20	\$1,873,500	20	\$1,873,500	-
INDUSTRY OTHER	2	\$275,000	2	\$275,000	-
VACANT LAND	267	\$6,106,500	266	\$5,818,200	(\$288,300)
OTHER	12	\$1,414,000	12	\$1,412,500	(\$1,500)
TOTAL	1,610	\$143,010,455	1,607	\$142,625,155	(\$385,300)

General Rates

The Council has determined that it will increase general rate revenue by 4.7% equivalent to inflation.

TOTAL GENERAL RATE (excluding rebates and remissions on rates that are not discretionary)		
2021/22	2022/23	% Change
1,604,529	1,679,941	4.7%

Differential Rating

While the Council has determined that it will move to a single rate in the dollar, it is applying differential rates during the transition period. We apply different rates based on land use as determined by the Local Government (General) Regulations 2013. The following differential general rates will apply for the 2022/23 financial year.

Land Use	Cents in the dollar
Residential	1.1257
Commercial—Shop	1.4072
Commercial—Office	1.4072
Commercial—Other	1.4072
Industry Light	1.4072
Industry—Other	1.4072
Vacant Land	1.1257
Other	1.4072

AVERAGE GENERAL RATE PER LAND CATEGORY			
Land use	21/22	22/23	Change
Residential	882.63	945.47	7.12%
Commercial—Shop	2682.01	2,745.77	2.38%
Commercial—Office	4388.65	4,498.25	2.50%
Commercial—Other	5163.88	5,353.86	3.68%
Industry Light	1425.52	1,414.72	-0.76%
Industry—Other	2042.63	2,034.84	-0.38%
Vacant Land	360.26	319.29	-11.38%
Other	568.17	569.10	0.16%

As part of the valuation assessment process the Office of the Valuer-General applies a land use to each assessment to identify the predominant use of the land. Council generally applies this land use for general rating purposes, however under the Act, Council is the authority that determines land use for rating purposes. As such the local government land use may vary from that used by other taxing authorities. If a ratepayer believes that a particular property has been wrongly classified as to its land use, then an objection may be made as detailed in the “Valuation Methodology” section.

Fixed Charge

While the Council has determined that it will not apply a fixed charge long term, it is applying a reduced fixed charge during the transition period. In 2022/23 the fixed charge will be set at \$100.

Rate Cap (Discretionary Rebate – Substantial Change in Quantum of Rates)

As the Council transitions to a single rate in the dollar it will provide relief to an individual ratepayer who experiences a significant change in their annual general rate charge. A ratepayer's annual rate increase will be capped at 10% above that of the previous year. The rate cap does not apply when there is a change in property ownership during the previous financial year or where valuations have increased due to property improvements.

Regional Landscape Levy

The Council is required under the Landscape South Australia Act 2019, to collect the Regional Landscape Levy on behalf of the SA Arid Lands Landscape Board. Council does not retain this revenue or determine how the revenue is spent. In 2022/23 the Council will collect \$107,564 through a separate rate based on a fixed charge of \$67.52 per rateable property.

Water Annual Service Charge

The Council applies an annual service charge on land within the Council's area to which the Council provides or makes available the provision of water. In 2022/23 the Council will raise \$505,900 through a water access fixed service charge of \$287.12.

CWMS (Sewerage) Service Rate

The Council applies a service rate in respect of all land within the Sewerage Service Scheme Area. In 2022/23 the Council will raise \$305,600 through a CWMS Sewerage service rate of 0.6675 cents in the dollar.

FINANCIAL STATEMENTS



Draft Budgeted Statement of Comprehensive Income.
For the period ending 30 June 2023.

	2020/21 Audited Actual \$	2021/22 Original Budget \$	2021/22 Forecast \$	2022/23 Draft Budget \$
INCOME				
Rates	2,431,000	2,409,300	2,276,018	2,627,500
Statutory charges	10,000	11,500	11,500	14,900
User charges	5,251,000	6,563,000	6,497,300	6,436,103
Grants, subsidies and contributions	5,862,000	5,357,300	5,206,700	8,086,473
Investment income	11,000	19,900	19,900	400
Reimbursements	301,000	186,400	186,400	161,833
Other income	40,000	386,100	417,100	243,300
Total Income	13,906,000	14,933,500	14,614,918	17,570,509
EXPENSES				
Employee costs (inc. oncosts)	3,981,000	4,690,700	4,446,972	5,478,221
Materials, contracts & other expenses	9,536,000	9,471,800	9,634,625	11,765,761
Power – fixed payments	(5,085,000)	(5,090,500)	(5,189,628)	(5,412,403)
Depreciation	5,024,000	5,023,900	5,194,873	4,981,598
Finance costs	1,987,000	2,035,000	1,973,595	2,570,800
Total Expenses	15,443,000	16,130,900	16,060,437	19,383,977
OPERATING SURPLUS / (DEFICIT)	(1,537,000)	(1,135,400)	(1,384,619)	(1,816,268)
Amounts specifically received for new or upgraded assets	-	330,000	-	150,000
Physical resources received free of charge	-	-	-	-
NET SURPLUS/(DEFICIT) transferred to Equity Statement	(1,537,000)	(805,400)	(1,384,619)	(1,666,268)
Other Comprehensive Income				
Changes in revaluation surplus -IPPE	3,924,000	-	-	-
TOTAL COMPREHENSIVE INCOME	2,387,000	(805,400)	(1,384,619)	(1,666,268)
UNDERLYING OPERATING SURPLUS/ (DEFICIT)				
OPERATING SURPLUS / (DEFICIT)	(1,537,000)	(1,135,400)	(1,384,619)	(1,816,268)
Kanku Breakaways	(24,000)	286,900	56,900	394,534
Write off Bad Debts	-	-	(145,000)	-
Umoona Private Works	-	-	(86,820)	-
Childcare outreach “catch-up”	-	118,000	118,000	-
Insurance claim Refund	-	-	(26,000)	-
Power Right of Use Assets	674,000	782,400	712,242	836,134
	(887,000)	51,900	(755,297)	(585,600)

Draft Budget Statement of Financial Position as of 30 June 2023.

	2020/21 Audited Actual \$	2021/22 Original Budget \$	2021/22 Forecast \$	2022/23 Draft Budget \$
ASSETS				
Current Assets				
Cash and cash equivalents	1,291,000	386,217	1,190,150	450,531
Trade & other receivables	2,074,000	2,207,107	1,927,585	2,171,994
Inventories	189,000	179,000	189,142	189,142
Total Current Assets	3,554,000	2,772,324	3,306,877	2,811,667
Non-current Assets				
Infrastructure, property, plant & equipment	117,840,000	107,322,300	113,206,111	108,632,714
Total Non-Current Assets	117,840,000	107,322,300	113,206,111	108,632,714
TOTAL ASSETS	121,394,000	110,094,624	116,512,988	111,444,381
LIABILITIES				
Current Liabilities				
Trade & other payables	3,520,000	675,000	3,569,047	3,519,047
Current Borrowings	11,348,000	7,866,400	11,395,164	7,756,517
Current Provisions	45,000	51,000	45,051	45,051
Total Current Liabilities	14,913,000	8,592,400	15,009,262	11,320,615
Non-current Liabilities				
Non-current Borrowings	84,786,000	84,465,017	81,190,630	81,476,940
Non-current Provisions	160,000	129,000	160,351	160,351
Total Non-current Liabilities	84,946,000	84,594,017	81,350,981	81,637,291
TOTAL LIABILITIES	99,859,000	93,186,417	96,360,243	92,957,906
NET ASSETS	21,535,000	16,908,207	20,152,745	18,486,475
EQUITY				
Accumulated Surplus	3,886,000	3,182,975	2,503,678	837,411
Asset Revaluation Reserves	17,624,000	13,700,584	17,624,419	17,624,419
Other Reserves	25,000	24,648	24,648	24,648
TOTAL EQUITY	21,535,000	16,908,207	20,152,746	18,486,478

Draft Budget Statement of Cash Flows as of 30 June 2023.

	2020/21 Audited Actual \$	2021/22 Original Budget \$	2021/22 Forecast \$	2022/23 Draft Budget \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates - general & other	2,388,000	2,409,300	2,421,018	2,627,500
Fees & other charges	10,000	11,500	11,500	14,900
User charges	5,487,000	6,563,000	6,497,300	6,191,694
Investment receipts	10,000	19,900	19,900	400
Grants utilised for operating purposes	6,196,000	5,357,300	5,206,700	8,086,473
Reimbursements	274,000	186,400	186,400	161,833
Other revenues	111,000	386,100	417,100	243,300
Payments				
Employee costs	(3,949,000)	(4,690,700)	(4,446,972)	(5,478,221)
Materials, contracts & other expenses	(4,555,000)	(6,320,000)	(4,383,397)	(6,356,158)
Finance payments	(1,983,000)	(2,035,000)	(1,973,595)	(2,570,800)
Net Cash provided by (or used in) Operating Activities	3,989,000	1,887,800	3,955,954	2,920,921
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Amounts specifically for new or upgraded assets	-	330,000	50,000	100,000
Sale of replaced assets	-	100,000	100,000	-
Payments				
Expenditure on renewal/replacement of assets	(279,000)	(1,532,000)	(456,000)	(265,000)
Expenditure on new/upgraded assets	-	(480,000)	(205,000)	(143,202)
Net Cash provided by (or used in) Investing Activities	(279,000)	(1,582,000)	(511,000)	(308,202)
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Proceeds from borrowings	7,800,000	2,650,000	-	-
Payments				
Repayment of borrowings	(7,489,000)	(91,583)	(91,584)	(168,887)
Repayment of finance lease liabilities	(3,348,000)	(3,228,000)	(3,455,819)	(3,183,450)
Net Cash provided by (or used in) Financing Activities	(3,037,000)	(669,583)	(3,547,403)	(3,352,337)
NET INCREASE (DECREASE) IN CASH HELD	673,000	(363,783)	(102,449)	(739,618)
Cash & cash equivalents at beginning of period	618,000	750,000	1,292,596	1,190,147
Cash & cash equivalents at end of period	1,291,000	386,217	1,190,147	450,529

Draft Statement of Changes in Equity as of 30 June 2023.

	Accumulated Surplus	Asset Revaluation Reserves	Other Reserves	TOTAL EQUITY
	\$	\$	\$	\$
2020/21 AUDITED ACTUAL				
Balance at end of previous reporting period	5,423,000	13,700,000	25,000	19,148,000
Net Surplus/(Deficit) for Year	(1,537,000)			(1,537,000)
Other Comprehensive Income				
Gain on revaluation of infrastructure, property, plant & equipment		3,924,000		3,924,000
Balance at end of period	3,886,000	17,624,000	25,000	21,535,000
2021/22 ORIGINAL BUDGET				
Balance at end of previous reporting period	3,988,375	13,700,584	24,648	17,713,607
Net Surplus/(Deficit) for Year	(805,400)			(805,400)
Balance at end of period	3,182,975	13,700,584	24,648	16,908,207
2021/22 FORECAST				
Balance at end of previous reporting period	3,988,375	17,624,819	24,648	21,537,365
Net Surplus/(Deficit) for Year	(1,346,619)	-	-	(1,384,619)
Balance at end of period	2,503,679	13,700,584	24,648	20,152,746
2022/23 DRAFT BUDGET				
Balance at end of previous reporting period	2,503,679	17,624,000	24,648	20,152,746
Net Surplus/(Deficit) for Year	(743,531)			(1,666,268)
Balance at end of period	1,760,148	17,624,419	24,648	18,486,478

Draft Budget Uniform Presentation of Finances.
For the period ending 30 June 2023.

	2020/21 Audited Actual \$	2021/22 Original Budget \$	2021/22 Forecast \$	2022/23 Draft Budget \$
Income	13,906,000	14,933,500	14,614,918	17,570,509
Less Expenses	15,443,000	16,068,900	15,999,537	19,386,777
Operating Surplus / (Deficit)	(1,537,000)	(1,135,400)	(1,384,619)	(1,816,268)
Net Outlays on Existing Assets				
Capital Expenditure on renewal and replacement of Existing Assets	(279,000)	(1,532,000)	(456,000)	(265,000)
Depreciation, Amortisation and Impairment	5,024,000	5,023,900	5,194,873	4,981,598
Proceeds from Sale of Replaced Assets	-	100,000	100,000	-
	4,745,000	3,591,900	4,838,873	4,716,598
Net Outlays on New and Upgraded Assets				
Capital Expenditure on New and Upgraded Assets	-	(480,000)	(205,000)	(143,202)
Amounts received specifically for New and Upgraded Assets	-	330,000	50,000	100,000
	-	(150,000)	(155,000)	(43,202)
Net Lending / (Borrowing) for Financial Year	3,208,000	2,306,500	3,299,254	2,857,128

Draft Budget Financial Indicators for the period ending 30 June 2023.

	2020/21	2021/22	2021/22	2022/23
	Audited Actual	Original Budget	Forecast	Draft Budget
	\$	\$	\$	\$
OPERATING SURPLUS RATIO	-11.05%	-7.60%	-9.47%	-10.34%
Operating Surplus	(1,537,000)	(1,135,400)	(1,384,619)	(1,816,268)
Total Operating Income	13,906,000	14,933,500	14,614,918	17,570,509

This ratio expresses the operating surplus as a percentage of total operating revenue.

UNDERLYING OPERATING SURPLUS RATIO	-6.38%	0.35%	-5.17%	-3.33%
Operating Surplus	(887,000)	51,900	(755,297)	(585,600)
Total Operating Income	13,906,000	14,933,500	14,614,918	17,570,509

This ratio expresses the normalised operating surplus as a percentage of total operating revenue.

NET FINANCIAL LIABILITIES RATIO	693.90%	606.64%	638.00%	514.13%
Net Financial Liabilities	96,494,000	90,593,093	93,242,508	90,335,381
Total Operating Income	13,906,000	14,933,500	14,614,918	17,570,509

Net Financial Liabilities are defined as total liabilities less financial assets. These are expressed as a percentage of total operating revenue.

ASSET RENEWAL FUNDING RATIO	24.91%	120.44%	35.85%	20.83%
Net Asset Renewals	279,000	1,532,000	456,000	265,000
Infrastructure & Asset Management Plan required expenditure	1,119,923	1,272,000	1,272,000	1,272,000

Net asset renewals expenditure is defined as net capital expenditure on the renewal and replacement of existing assets and excludes new capital expenditure on the acquisition of additional assets.

ANNUAL BUSINESS PLAN AMENDMENTS SINCE PUBLIC CONSULTATION

As prescribed by the Local Government Act the Council has adopted an annual business plan with significant amendments to the draft annual business plan that was provided for the purposes of public consultation. The following information is provided setting out those significant amendments and providing reasons for them.

1. The Remote Areas Energy Supply Scheme budget was adjusted following advice from the Department of Energy and Mining;
2. Corporate overheads were redistributed to all service areas. There was no overall impact on result;
3. The addition of a new project, community triangle master plan development (Council resolution #232 - 24 May 2022);
4. The addition of a new project, Drive-In Master Plan development (Council resolution 190 – 28 September 2021);
5. The addition of a new project, Outback Film Centre feasibility study;
6. The addition of community grants program FY23 absent in initial budget \$25,000 and rollover of residual funds from FY22 grants program of \$21,000 - \$41,000;
7. Capital expenditure program changes:
 - a. The removal of Managers Motor Vehicles
 - b. The removal of Plant replacement
 - c. The addition of Breakaways Motor Vehicle
 - d. The addition of replacement of water filling stations
8. The addition of dry hire expenditure for plant replacement
9. The addition of Opal Mining Industry support (Council Resolution #250 – 28 June 2022)
10. Net adjustment of water budget to hold tariff rates at current tariffs + CPI, decrease in surplus;
and
11. The addition of various line-item changes to Breakaways Budget.