



District Council of Cooper Pedy

**2020/21 ANNUAL BUSINESS PLAN
AND BUDGET**

ADOPTED 20 OCTOBER 2020

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1. EXECUTIVE SUMMARY

1.1 BACKGROUND

This document combines the 2020/21 Annual Business Plan (ABP) and Budget of the Coober Pedy District Council into one document.

The document contains all of the information required by the Local Government Act and associated Regulations with the exception of a summary of the Council's long-term objectives. Council's Strategic Management Plan lapsed in 2018. A new Strategic Management Plan containing Council's long term objectives will be prepared following the adoption of this ABP and Budget.

The ABP and Budget is one of the most important planning documents that Council produces. It sets out in detail the activities and initiatives that Council intends to undertake for the 2020/21 financial year, and the sources of income necessary to fund those activities. It provides a clear picture of Council's expected financial performance and position for the next 12 months.

The document continues the recent trend of improvements in accountability to the community and transparency in what Council does.

In January 2019 the Council was suspended by the Government, and an Administrator appointed in its place. Following an expensive nation-wide search, the Administrator appointed a new CEO who commenced on 1 October 2019. The Administrator and CEO have spent considerable time fixing '**legacy**' issues left by previous Councils. Legacy issues are activities that a properly functioning Council should be undertaking in the normal course of business, but are either not being undertaken or are being undertaken and need significant improvement. These legacy issues are complex, ingrained, and transverse all aspects of Council's operations. It will take a number of years to resolve all of these legacy issues to return Coober Pedy District Council to a fully functioning council that meets all of its statutory obligations and becomes truly financially sustainable. In total, **80 legacy issues have been identified**. Of those, 47 are funded across 19 of the 36 program areas, and 33 are unfunded as shown in Section 4. Each program area in Section 3 provides information about funded legacy issues. An attempt will be made in future financial reports to quantify some of the costs directly attributable to legacy issues.

Funded new initiatives are shown in each program with Section 3. Unfunded new initiatives are listed in Section 5. The unfunded legacy issues and new initiatives will form the starting point for the preparation of the following year's ABP and budget.

1.2 FORMAT OF REPORTING

A new Chart of Accounts was implemented on 1 July 2020 which is underpinned by a new reporting structure.

The new reporting format for the ABP and Budget has been designed to harmonise with the *CP30 Town Plan* framework and what is planned to be the framework for the new Council Strategic Management Plan. The *CP30 Town Plan* comprises three over-arching pillars, namely:

- Environment; Economic; and Social.

The draft budget has five Key Strategic Activities, namely:

- Environment; Economic; Social; Governance & Corporate; and Kanku Breakaways.

Within each key strategic activity, there are 36 budget programs that will form the backbone of budget monitoring and reporting. Section 3 below contains a detailed description of each program.

Section 7 shows the draft budget by key strategic activity, program, income/expenditure type, and business unit (municipal, water and electricity).

Kanku Breakaways has been separated as it is not part of Council's operations. Whilst the financial transactions go through Council's records, its activities are controlled by a board which is independent of Council.

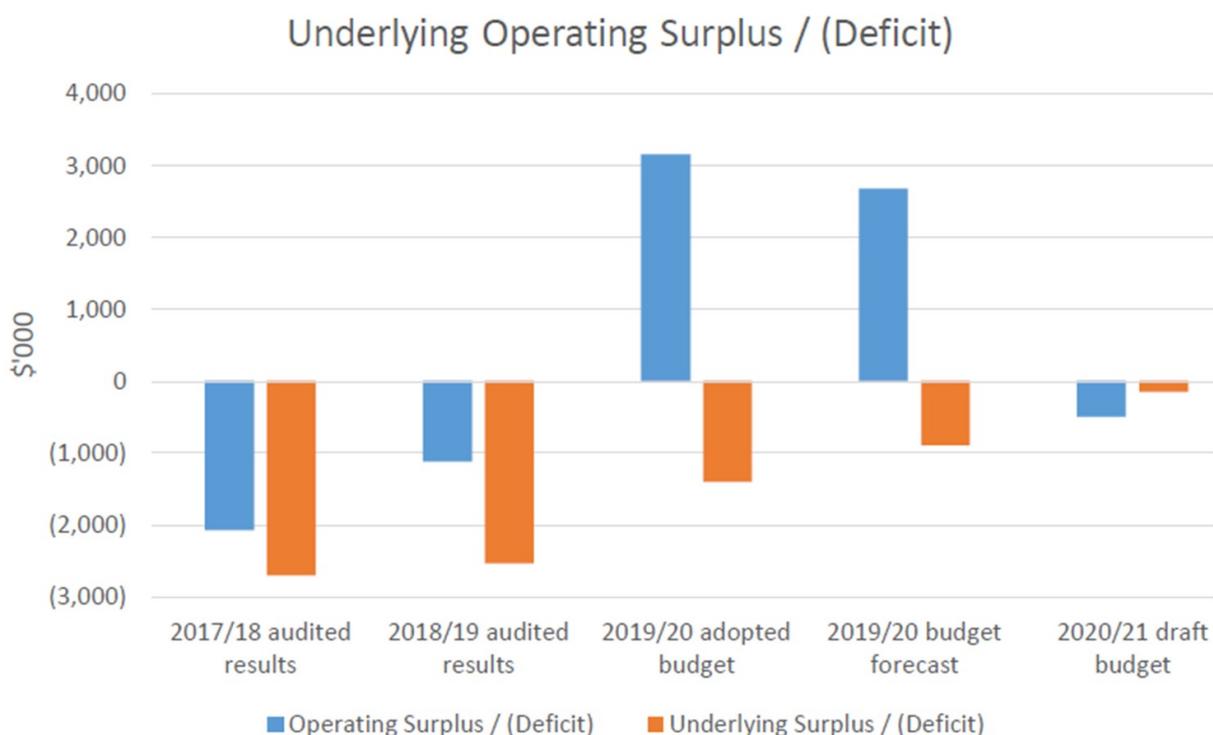
During the development of the ABP and budget, it became increasingly clear that legacy issues cause a significant constraint in all areas of Council's operations, and on its ability to operate in a financially sustainable manner. From an operational perspective, these include issues such as the reliance on machinery that is decades old, and the impact of continual unplanned maintenance required on assets due to their age and condition. Administratively, a significant amount of resources is dedicated to dealing with past issues which add significant cost to the organisation. For some positions, it is estimated that dealing with legacy issues consumes up to half of the available time.

1.3 BUDGET ANALYSIS

Operating Result

In a number of places, this report refers to Council's 'underlying' operating deficit. This simply means the annual surplus or deficit adjusted for one-off non-recurring items such as capital grants. Its purpose is to paint a more accurate picture of Council's true financial performance, usually by removing income that is not a normal part of Council's operations. The underlying result is not required in the published financial statements or annual budget.

	2017/18 audited results	2018/19 audited results	2019/20 adopted budget	2019/20 budget forecast	2020/21 draft budget
Operating Surplus / (Deficit)	(2,072)	(1,121)	3,159	2,678	(494)
Underlying Surplus / (Deficit)	(2,702)	(2,527)	(1,392)	(893)	(149)



Council has budgeted for an operating deficit of \$494k and an underlying deficit of \$148k. As the graph above illustrates, the actual underlying deficit for 2017/18 was \$2.7m. The Administrator inherited a 2018/19 budget underlying deficit of \$1.3m. The *actual* underlying operating deficit for that year was a \$2.5m deficit, an improvement of only \$200k on the year before. In respect of the 2019/20 year, the same graph shows a budgeted underlying deficit of \$1.4m. The forecast underlying deficit for that year is \$893k. The underlying budgeted deficit for 2020/21 is only \$149k. **This represents an improvement of \$2.55m since 2017/18.** Council’s independent Audit Committee met on 15 September 2020 to consider the draft budget. The committee thought that the turnaround was an excellent outcome, and resolved to “note the draft Annual 2020/21 Annual Business Plan and Budget and the continued financial improvement in Council’s underlying financial position.”

Despite this turnaround, there is still a long way to go. Council must return to an underlying operating surplus if it is to become financially sustainable in the long term. This can only be achieved through:

- Further savings in expenditure driven by efficiencies, cutting waste and reviewing services;
- Increasing existing sources of income and identifying new sources of income;
- Better management of Council’s budget through improved reporting and monitoring;

- Better accounting systems for recording expenditure as it is incurred, that is, through committal and accrual accounting on a monthly basis.
- Improvements in accounting methodology for calculating not only Council's *underlying operating result* but also the *underlying financial position* which is currently not captured.
- Further improvements in Council's internal control framework as identified by the Auditor-General.

Long-Term Financial Plan

Council adopted a LTFP on 25 February 2020 which forecast an underlying operating deficit of \$924k for the 2019/20 financial year. The latest forecast for the 2019/20 underlying deficit is \$893k.

The LTFP estimated an underlying deficit of \$97k for 2020/21. The 2020/21 underlying deficit shown in this budget is \$148k, a difference of only \$51k.

Once the budget is adopted and Council's 2019/20 financial statements finalised, a new LTFP will be developed which will incorporate the initiatives and transition plans.

Balance Sheet

Council's financial position, as represented by its balance sheet, is in a precarious position and will remain so until Council can return to an underlying operating surplus. Successive operating deficits over the last decade have eliminated Council's once-healthy cash reserves, and Council has virtually no capacity to increase its borrowings in the short term.

The budget predicts a cash balance of \$621k at 30 June 2021, an increase of only \$13k on the year before. One of the key objectives of this budget is to preserve cash. To that end, all non-essential capital expenditure has been deferred. This is not ideal in the long term because it runs the risk of essential infrastructure failing. Page 10 details the main items which have been excluded from the draft budget in an effort to preserve cash.

Borrowings

To fund \$270k worth of desperately-needed IT infrastructure, the budget moots utilising part of Council's unused CAD facility with the Local Government Finance Authority (LGFA). However, Council will not automatically use the CAD facility, but will explore alternative funding options including leasing. This information will be brought back to Council before proceeding.

The use of the CAD facility will reduce Council's access to additional funds should they be required. It is estimated that Council will have cash of \$620k and CAD facilities of \$127k available in June 2021. This is a very small value of financial reserves.

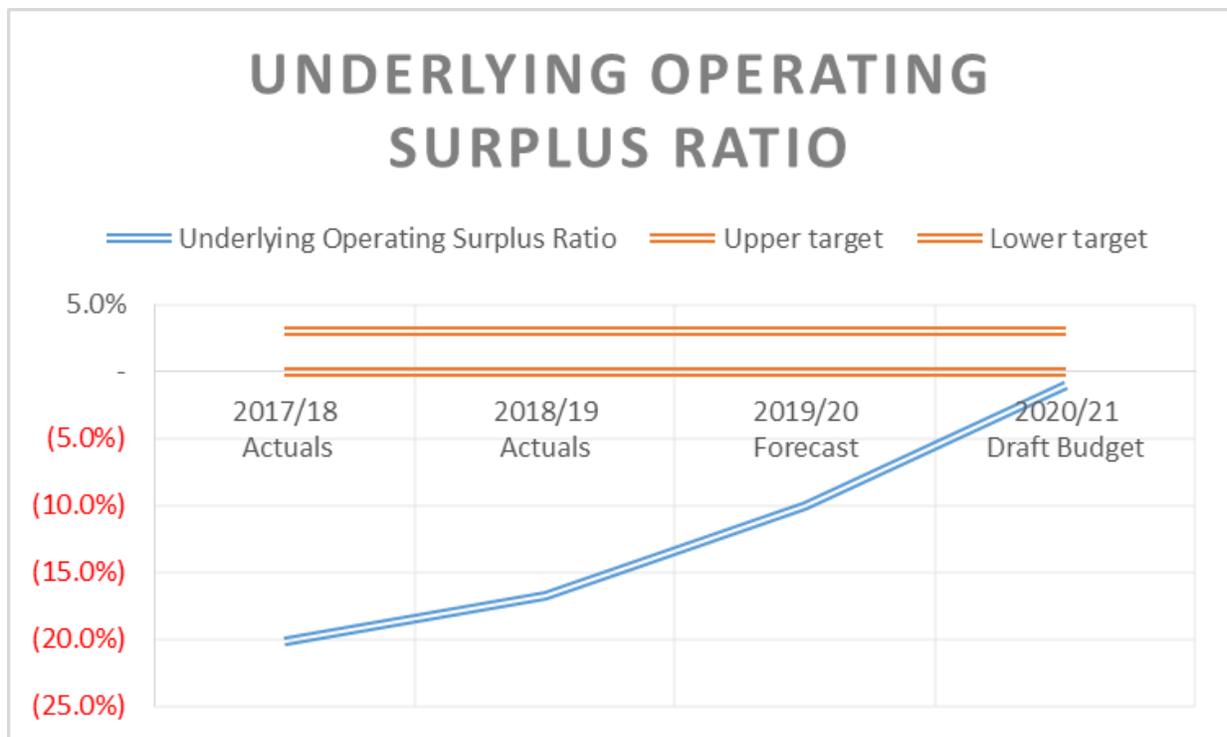
Council will pay \$139k in principal repayments during the year. Total borrowings at 30 June 2021 are expected to be \$8.2m plus a trade debt with electricity generator EDL of up to \$2m.

Key Financial Indicators and Trends

Below is an assessment of the degree to which the draft 2020/21 budget is consistent with the financial sustainability targets set by Council.

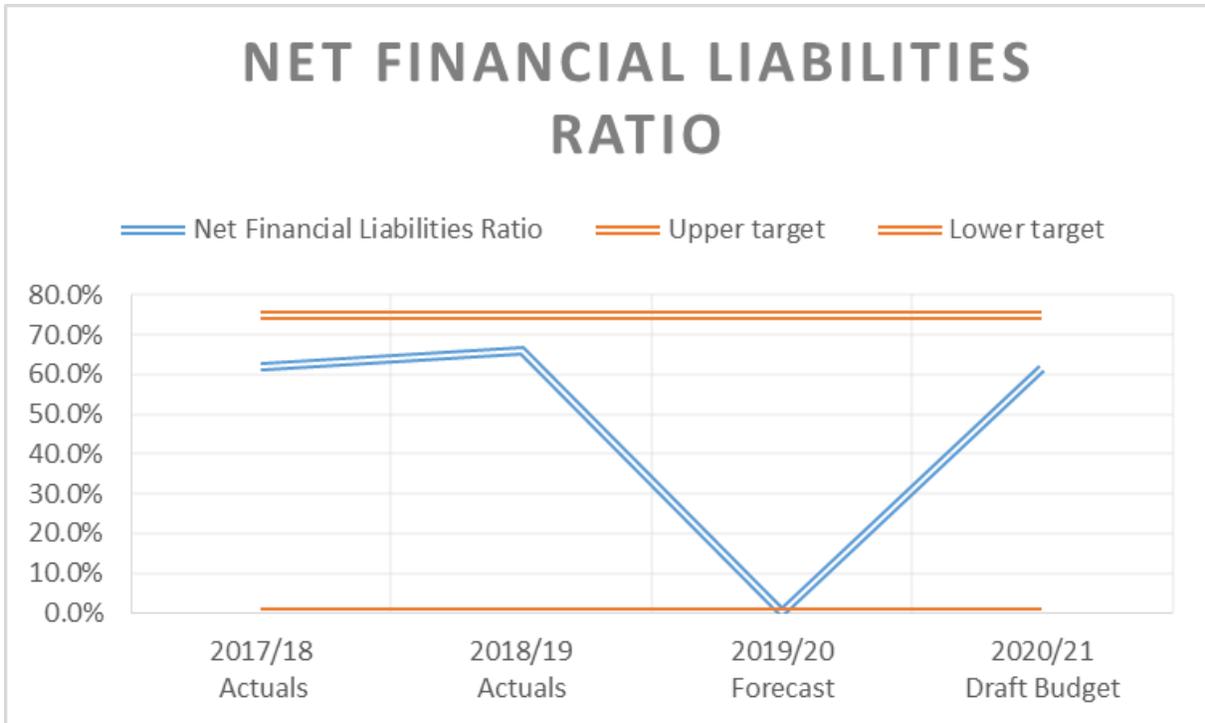
Council has adopted three financial targets: operating surplus ratio, net financial liabilities ratio, and asset sustainability ratio. Each of this is discussed below.

Operating Surplus Ratio: ratio of operating surplus/deficit to total income.



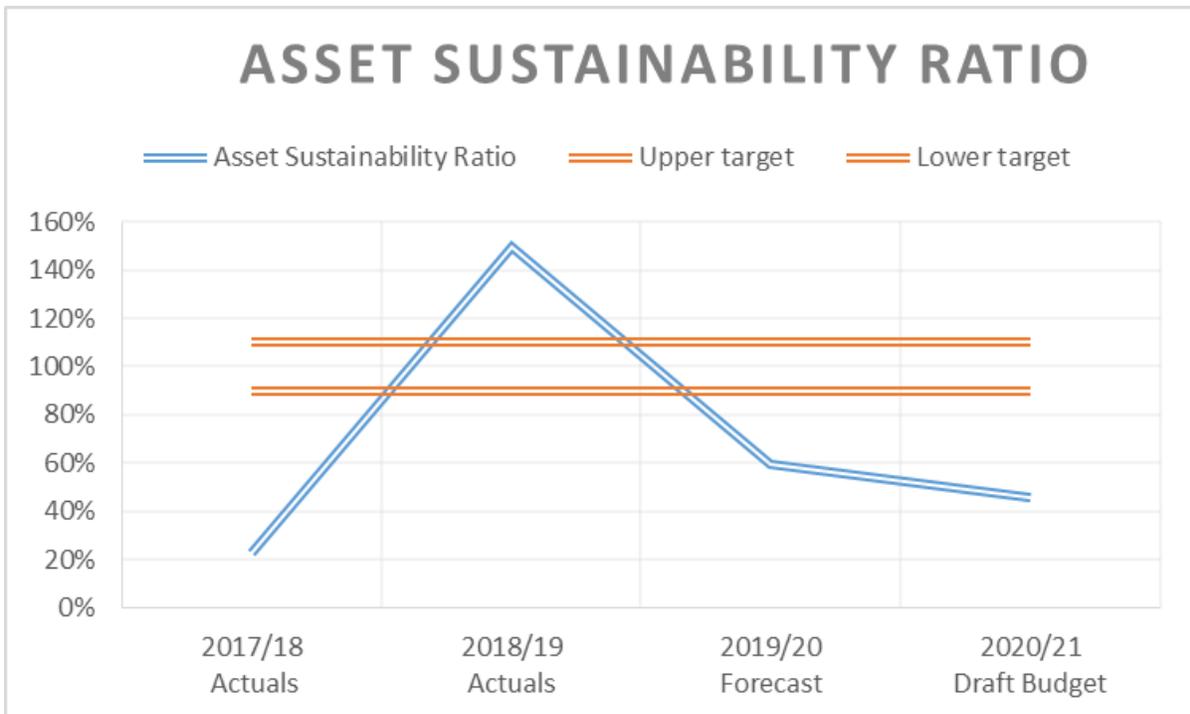
Council adjusts this measure to remove the influence of accounting anomalies. The adjustments are disclosed in the attached financial statements. Whilst this budget does not achieve an Operating Surplus there is a strong trend towards a surplus.

Net Financial Liabilities Ratio: ratio of net financial liabilities to operating revenue



The 2019/20 projected figure is unknown at the time of writing this report but it is expected to be around the 50 to 60% range. Net Financial Liabilities are within Council's target range.

Asset Sustainability Ratio: ratio of capital renewal expenditure to depreciation



Up until 2018/19, depreciation was used as the denominator for the calculation of this ratio. Now, the *renewal expenditure* shown in the *Infrastructure and Asset Management Plan* is used in the denominator.

The variations in this ratio are due to large swings in grant-funded projects. However, the underlying trend is that renewal expenditure is significantly less than Council's target range. This represents an ongoing risk in the long-term to Council's financial sustainability and capacity to deliver services, and needs to be carefully monitored. Having said that, the risk is significantly mitigated in the short-term because about \$5m was spent renewing Council roads in the last twelve months as a result of the 2016 flood.

2. BUDGET COMPONENTS

The operating deficit is made up of operating expenditure of \$15.5m and operating income of \$15m. The following section provides details about income and expenditure line items.

2.1 RATES

The total amount to be raised from rates will be \$2.3m comprised as follows:

Municipal Rates (net of rebates, legal fees and write-offs)	\$1,612k
Water Access Charge	\$379k
Waste Water Service Charge	\$195k
Regional Landscape Charge	\$112k
Total Rates	\$2,298k

The Local Government Act requires the ABP to assess the impact of the rates structure and policies on the community based on modelling that has been undertaken or obtained by the Council. On 6 October 2020, Council will run an information session that will outline the expected impact of various rating options on different property types.

Council's current rating structure consists of the following elements:

- A fixed charge of \$427.50 regardless of the valuation of the property. The fixed charge raises approximately 40% of rates revenue;
- A rate in the dollar for commercial properties that is 3.16 times the residential rate; and
- A rate in the dollar for vacant land that is 0.62 times the residential rate.

The three rating options that will be presented to the community on 6 October are:

- Same rate-in-the-dollar and no fixed charge;
- Same rate-in-the-dollar and 50% of total income from a fixed charge; and
- Commercial and industrial rate-in-the-dollar twice the residential rate-in-the-dollar and no fixed charge.

In setting its rates structure and policies, Council will give regard to the following principles of taxation:

- **Equity** - taxpayers with the same income pay the same tax (horizontal equity) and wealthier taxpayers pay more (vertical equity);
- **Benefit** - taxpayers should receive some benefits from paying tax, but not necessarily to the extent of the tax paid;
- **Ability to pay** - in levying taxes the ability of the taxpayer to pay the tax must be taken into consideration;

- **Efficiency** - if a tax is designed to change consumers behaviour, and the behaviour changes, the tax is efficient (e.g. higher differential rates on vacant land to discourage land holding and encourage development), and
- **Simplicity** – the tax must be understandable, hard to avoid, and easy to collect.

Whilst reviewing the 2019/20 budget a number of errors were identified in the setting of the 2019/20 rates. This resulted in ratepayers being charged \$34k more than was stated in the 2019 Annual Business Plan. To adjust for this, the 2020/21 rates will only be set at the amount of rates collected in 2018/19 adjusted for the CPI for 2019/20 and 2020/21. This results in an increase in general rates income of 0.72% from the amount of general rates raised in 2019/20.

2.2 GRANTS & SUBSIDIES

Grants are expected to come from the following sources.

Environment

Local Roads Grant	\$ 52,000
Fuel Tax Rebate: Depot	\$ 8,000

Economic

Operating Grants: Tourism	\$ 89,100
Operating Grants: Tourism	\$ 15,000
MUNS Grant – Umoona	\$ 51,600
Fuel Tax Rebate: Water Production	\$ 60,000
Operating Contributions: Water Production	\$ 5,000
Operating Grants: Wastewater	\$ 45,000
Energy Subsidy: Power Retail	\$ 3,647,000

Social

Contributions & Recoups: Community Develop't	\$ 80,000
Operating Grants: Cultural	\$ 10,000
Operating Grants: Recreation	\$ 12,000
Operating Grants: Children & Youth	\$ 114,057
Childcare Fees Subsidy: Children & Youth	\$ 208,000
Outreach Grants: Child Care	\$ 82,500
Child Care Transition Subsidy: Children & Youth	\$ 200,000
Operating Contributions: Child Care	\$ 20,800

Governance & Corporate

General Purpose Grant	\$ 815,100
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Kanku - Breakaways

Operating Grants: Breakaways	\$ 344,000
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Total Grants and Subsidies

\$ 5,859,157

The Kanku-Breakaways grant is significantly greater than expenditure as the board is using underspent funds from previous years. Similarly, the Childcare outreach grant expenditure is \$30,000 higher than the grant income as it uses the tied grant monies received but unspent in previous years.

2.3 FEES & CHARGES

84% of user charges are generated from electricity and water, and the income from these business units is discussed later in Section 3 below (programs 207 and 210).

Airport revenue has dropped significantly since COVID-19 and is not expected to improve during the year.

2.4 EMPLOYEE COSTS

Workforce planning has played a significant role in the development of the budget. During 2019/20 there was a contraction of staff numbers, and in August 2020 the CEO consulted the Council on his preferred organisational structure. The new structure includes a number of new roles which are designed to:

- Assist Council to **address legacy issues**;
- Enable management to better **support staff**;
- Attract **essential skills** that are currently lacking in the organisation;
- Implement improved **systems of delivering services**; and
- Lead the organisation in the **strategic direction** that will be adopted by Council;

The new roles include:

- Two second-level Directors;
- Records Management Officer;
- Human Resources Officer;
- Economic and Community Development Officer; and
- Electricity Liaison Officer (part-time).

During the development of the budget, it became obvious that not all of these positions could be afforded in 2020/21. Only one of the Director positions, the Economic and Community Officer and the Electricity Liaison Officer positions will be filled in 2020/21. The remaining new positions will be filled in 2021/22.

The budget for employee costs has decreased from \$4.65m in the adopted 2019/20 budget to \$3.87m, a saving of \$780k or 17%.

2.5 MATERIALS, CONTRACTS AND OTHER EXPENSES

Materials and contracts expenditure is driven by activities in the programs which are described in Section 3 below. Of note, allowance has been made for

- Planning legal fees \$140,000
- Tourism projects \$124,000
- Improvements in bore IT \$ 15,000
- Water meter replacement \$ 55,000
- Purchase of electricity \$6,499,600
- Consulting fees finance \$251,100
- Consulting fees HR \$ 55,000
- Consulting fees: records \$30,000
- Consulting fees: Asset Management \$50,000

2.6 DEPRECIATION

Depreciation expense will decrease by \$26k to \$1m from as many assets have reached the end of their useful lives and are fully depreciated.

2.7 DEBT SERVICING

Finance costs of \$280k includes an allowance for the interest associated with the drawdown of additional CAD facilities with the Local Government Finance Authority (LGFA).

Only 1.9 percent of total revenue is required to service debt.

2.8 CAPITAL EXPENDITURE

A capital expenditure budget of \$625k has been proposed. A list of all the projects are included at the end of Section 3.

The costliest item in the capital expenditure budget is \$270k for the replacement of Council IT infrastructure. Council has received independent advice from two different IT consulting groups that Council's IT infrastructure urgently requires replacing. The summary of a review of Council's IT infrastructure by Vintek made the following conclusion:

In summary, almost all the core IT network at Coober Pedy District Council is around 4-5 years overdue. Almost all critical product IT equipment has no warranty or vendor support.

- *No vendor warranty or support;*
- *High risk of hardware failure;*
- *Aging infrastructure that no longer meets requirements;*
- *Old equipment with high power requirements resulting in unrequired additional costs;*
- *No longer fits councils' requirements and is over-specified in terms of compute/performance;*
- *Mixture of vendors makes support and management difficult; and*
- *Low security profile – at risk of cyber security attacks.*

Failures of IT equipment over the past year support the conclusions reached by Vintek.

The proposed project would see the replacement of all server, firewall, switching infrastructure, plus associated licencing and professional services.

Additional expenditure is required in future years to complete the upgrade of the IT systems.

Prior to recommending this solution, Council staff investigated a cloud-based solution which has a lower capital cost and higher recurrent costs. This option had a higher net present value and a higher risk, and has therefore been ruled out.

A significant amount of capital expenditure identified by Council in its adopted *Infrastructure and Asset Management Plan* has been excluded from the budget because Council does not have the cash or borrowing capacity to fund it.

The major items which have been **excluded** from the draft budget are:

Sewerage Treatment Plant - HV Replacement	\$116,000
LED replacement	\$50,000
Replace Water Truck	\$120,000
Refurbish EWP	\$35,000
Utilities 2 per year	\$80,000
Vacuum Truck	\$100,000
Transportation asset renewal	\$566,000
	(\$100,00 included in draft budget)

Continuing to defer capital renewal of assets is not a good strategy in the long term as it will lead to higher renewal costs in the future and an increased risk of asset failure. Staff assess the water truck as having the greatest risk of failure in the coming 12 months.

3. ACTIVITIES & INITIATIVES

Key Strategic Activity: **ENVIRONMENT**

Note: Strategic objectives, performance measures and performance targets for all key strategic activities will form part of the development of Council's Strategic Management Plan.

Program 101: Local Roads & Paths

Program Description

Maintenance of 31 km of sealed roads and 127 km of unsealed roads and ancillary assets such as kerb and channel, footpaths, culverts, and drains.

Activities

- The major factor affecting the cost of this program is the investment in pavement preventative maintenance as the result of inclement weather conditions. The program assumes the grading of unsealed roads due to the loss of pavement three times a year which is either prompted by wet conditions or wear under dry conditions.
- An investment in preventative maintenance of sealed pavement by bitumen patching of shoulders and pothole repair. The most common seal failure is prompted by salt transmission under the seal and in the base course.
- An investment in maintenance of approximately 450 street lights and upgrades to luminaires. The rate set for this component is set by the Minister of Energy for unmetered installations and is underwritten by the State Government through the RAES subsidy.
- Line-marking and traffic control of one repaint per annum.
- Replacement of 49 stolen street signs.
- Grass cutting of roadside verges once per annum.
- Maintenance of footpaths and roadside shoulders.

Funded Legacy Issues

- The program assumes an investment in preventative maintenance of sealed pavement by bitumen patching of shoulders and pothole repair. The most common seal failure is caused by salt transmission under the seal and in the base course. The cost of this program is estimated to be \$60k.
- A key issue affecting the cost of sealed road maintenance is the past use of saline road pavement materials such as 'Tiger Park'. The reseal program which is designed to patch over this issue is costed in the capital works program at \$100k.

Funded New Initiatives

- Advocate to the State Government for William Creek Road to become a State Road.

Program 102: Drainage Maintenance

Program Description

Maintenance of shoulder drains where they are independent of the road carriageway, spoon drains and cleaning of culverts.

Activities

- An asset condition assessment revealed that spoon drains and 3.5 km of shoulder drains require repair.
- Crowder's Gully Road and some unsealed road drains were repaired in July and August 2020.

Funded Legacy Issues

- A poorly located and unlined spoon drain in Bryant Street next to a dugout was upgraded in July 2020 at a cost of approximately \$10k.

Program 103: Environmental Management

Program Description

Maintenance of the visual amenity of the town and support for initiatives aimed at improving environmental sustainability.

Activities

- Maintenance of the orchard.
- Oval maintenance using recycled water.
- Tree plantations at Kearns and Hutchison set and the triangle reserves.
- Verge grass cutting of approximately 5 km of verge.
- Weed spraying twice per annum.

Funded Legacy Issues

The construction of an orchard and oval in desert conditions is reliant on an adequate water supply. The use of potable water is cost-prohibitive, and these assets now receive a shandy of potable and non-potable water. The cost of supplying potable water to the orchard and oval is approximately \$30k.

Potential Projects

The following is a list of potential environmental projects under the **Environment Pillar of the CP30** planning process. **None of these projects are currently funded**, and not all of them will be Council-owned projects. Where appropriate, Council will seek grants and other funding sources, and collaborate with the community, to make them a reality.

1. Power
 - 100% Renewable Power
 - 100% use of "spilled" energy
2. Water
 - Upgrade water system
 - Create wetlands for waste water storage
3. Waste
 - Recycling collection service

- Recycling centre
4. Carbon Neutral
 - Zero emissions transport
 - Energy efficient built form
 - Carbon offsetting – *Plant a Tree Program*
 5. Landscape Conservation
 - Conserve indigenous flora and fauna
 - Clean up Australia Days
- Conserve opal mining heritage and landscape

Program 104: Waste Management

Program Description

Domestic and commercial bin collection, land fill operations and litter control.

Activities

- The domestic waste collection is provided weekly for approximately 1,400 properties.
- The commercial waste collection is provided for 966 properties.
- Hard waste collection is provided for paying customers via skip bin collections.
- Council recycles electrical items and abandoned cars.
- Council pays approximately \$25k in landfill fees per annum.
- Council has not budgeted for a recycling or green waste service.

Program 105: Regulatory Services

Program Description

Regulation of particular activities to maintain public health and safety.

Activities

- Inspection of buildings and dugouts.
- Assessment of development applications.
- Environmental health inspections.
- Fire prevention inspections and enforcement.
- Emergency services levy.
- Animal control, including annual registrations.

Funded Legacy Issues

- Review the regulation of underground buildings.

Funded New Initiatives

- Introduce the Planning and Design Code.

Program 106: Community Amenities

Program Description

Maintenance of the cemetery, public toilets, water standpipe and sullage point.

Activities

- Maintenance of two public toilets in Hutchison Street.
- Maintenance of two drinking fountains at the rotunda and playground.
- Maintenance of two community BBQs at the playground.
- Maintenance of the cemetery and digging of plots.

Program 107: Depot Maintenance

Program Description

Maintenance of the buildings and minor equipment at the depot in Hutchison Street, and management of stock.

Activities

- Retailing of approximately 500 tonne of road materials.
- Maintenance of approximately 30 items of minor plant.
- Maintenance of insert number of buildings relating to municipal operations.
- Maintenance of a public weighbridge located at the depot.

Key Strategic Activity: **ECONOMIC**

Program 201: Economic Development

Program Description

Activities aimed at increasing economic activity in Coober Pedy by supporting existing businesses and attracting new ones, including promoting Coober Pedy as the “Capital of the Far North”.

Activities

The following list of **potential** economic projects has been identified under the **Economic Pillar of the CP30** planning process. **None of these projects are currently funded**, and not all of them will be Council-owned projects. Where appropriate, Council will seek grants and other funding sources, and collaborate with the community, to make them a reality.

1. Accurate Data Collection and Monitoring
 - Publish annual *State of the Town Report*
2. Mining
 - Establish a Mining Committee.
 - Develop an Opal Mining Strategy.
 - Develop a Marketing Strategy for selling opals online.
 - Open new opal fields.
 - Attract new opal miners.
3. Trades and Services
 - Promote the town to attract new businesses and services.
 - Establish a business centre or entrepreneurial hub.
4. Education and Training
 - Elevate achievement levels at Coober Pedy School.
 - Establish suitable further education courses locally.

Funded Legacy Issues

- Advocate for improved funding of mining roads.
- Renegotiate arrangements with all airport users.

Funded New Initiatives

- Creation of a new full-time position in the organisational structure called Economic and Community Development Officer.
- Investigate the introduction of an economic development levy.
- Advocate for the opening up of the Old Stuart Highway opal field.
- Develop a position on providing dedicated parking for free recreational vehicles.
- Review the funding agreement with RDAFN.
- Contribute to the Outback Futures project.

Program 202: Tourism**Program Description**

Supporting the tourism industry in Coober Pedy by operating the Visitor Information Centre, supporting Council's Tourism Committee, and supporting tourism initiatives identified through the CP30 process.

Activities

- Operating the Visitor Information Centre (VIC) for 8 months of the year (between March and October).
- Adoption of new policies covering advertising, street signs, accommodation bookings and building Classifications (B & B Policy).
- Renegotiating the VIC accreditation.

Funded New Initiatives

- Sale of a wider range of merchandise at the VIC.
- Introduction of an accommodation booking system at the VIC.
- Ongoing support for the newly-established Tourism Committee.
- Refurbishment of the VIC with improved layout and displays, visitor count, and duress alarm

Potential Projects Nominated by the Tourism Committee	Potential Tourism Projects Identified through the CP30 Process
Heritage Trail	Upgrade VIC
Rotunda Signage	Succession plan for the CPRBTA
New Tourist Trails	Marketing strategy
Redundant Wind Turbine	Develop Aboriginal tourism products
RV Park	Develop tourism attractions
Wifi for Hutchison Street	Establish calendar of events and festivals
Jewellers Shop Road Noodling Area	RV Park/peak overflow facility
Visitor amenity to blower	Free wifi for Hutchison Street
Caravan and RV parking	
Walkway to Big Winch	
Improve pedestrian safety to upper section of Crowder's Gully Road	
Grant submission preparation	
Project Officer	
Town Presentation	
Banner mounts to street lighting	
Visitor amenities to Hutchison Street	
Welcome to Country signage	

Program 203: Private Works

Program Description

Civil engineering works including water, power, roadworks and drainage works undertaken by Council at a profit.

Activities

- Road and carpark construction and maintenance.
- Drainage construction.
- High-lift construction and access.
- Security light installations.
- Miscellaneous works

Program 204: Airport

Program Description

Maintenance of buildings, runways, emergency generators and fences to comply with Civil Aviation Safety Authority (CASA) regulations.

Activities

- Daily inspections of airside facilities.
- Cleaning of the terminal building.
- Pavement inspections.
- Leasing of facilities to private operators.
- CASA manages Avdata on Council's behalf.
- Communication and liaison between Council officers and pilots.
- Billing and data management.

Note: Council is not responsible for baggage handling, airport security or fuel supply. These services are undertaken by private contractors.

The economic downturn caused by the Covid-19 pandemic has significantly reduced the revenue that Council will derive from landing fees. At the time of preparing the budget, the number of Rex flights into Coober Pedy is three per week, down from seven per week prior to the pandemic. Council currently charges \$9 per passenger. Council will renegotiate a long-term contract with Rex Airlines in the 2020/21 financial year.

Funded New Initiatives

- Renegotiate arrangements with all airport users.

Program 205: Water Production

Program Description

Extraction of raw water from the bore field located 25km from Coober Pedy, pumping to the water treatment plant, treating and storing potable water.

Activities

- Maintenance of two bore pumps.
- Maintenance two diesel generators.
- Maintenance of 25 km of raw water rising mains from the bore to the treatment plant.
- Iron and metal extraction by dosing with chlorine and potassium permanganate.
- Salt removal by reverse osmosis.
- Acidity and alkalinity maintained at neutral.
- Chlorination to bring coli and pathogen levels to zero.
- Storage in three tanks and delivery to distribution system.
- Testing three times daily for chlorine, ph., residual chlorine.
- Testing monthly for E. coli and pathogens.
- Maintenance of communication system to bore and reverse osmosis system.
- Replacement of filters.
- Includes the license fee for water extraction.

Funded Legacy Issues

- Half of the water main from the bore is relatively new and the other half is very old. The old-section costs approximately \$20k per annum to maintain.
- The soft-start and program logic control (PLC) systems are very old and cost approximately \$24k per annum to maintain.
- Renewal of the reverse osmosis plant RO1 \$100k (capital expenditure).
- Renewal of dosing storage tanks \$25k.
- Upgrade of the bore communications system \$15k.

Program 206: Water Distribution

Program Description

Pumping of treated water via 90 km of distribution mains to 1,577 residential, commercial and government premises, and approximately 15 recreational premises.

Activities

- Maintenance of approximately 90 km of distribution pipes.
- Maintenance of four distribution pumps and one emergency pump and generator.
- Replacement of number of valves.
- Installation of a booster pump at Flinders Drive.
- Approximately 350 pipe repairs per annum.
- Connection and disconnection of water meters.
- Replacing approximately 100 water meters per annum.

Funded Legacy Issues

- Repair of leaks in the distribution mains estimated to be \$380k.
- Booster pump cost \$22k (capital expenditure) to supply the south east of the township.
- The renewal of water meters \$3k.

Program 207: Water Retail

Program Description

Meter reading, invoicing water bills, and handling customer inquiries.

Activities

- Quarterly meter reading and invoicing.
- Customer service and account inquiries.
- Processing approximately 60 rebates for water leaks per annum.

Customer Type	No. of Customers
Residential	1,407
Commercial	127
Internal	31
State & Federal Governments	12
Total	1,577

Council must set fees in compliance with the National Water Initiative (NWI) pricing principles. In recent years, Council has adopted the same rate of return agreed to by the State Government for electricity assets. From 1 July 2020, this rate of return has dropped from 6.5% to 3.84% resulting in a reduction of \$222k in revenue.

Council staff will undertake a further review on the most appropriate rate of return for water in the coming months and develop a pricing recommendation for consideration by Council later in the calendar year.

As foreshadowed in the water price consultation undertaken by Council in late 2019, the amount and method of calculating the water access charge will change. The proposed changes reflected the SA Water water supply charge framework. Since the consultation, SA Water has decreased its water supply charges from \$301.60 to \$271.40 and has moved away from property-based fees. Council will match this reduction in fees and remove a property value-based component of the fees for non-residential properties. The proposed water supply charges are:

Property Type	Current Supply Charges	Proposed Supply Charges
Residential	\$225.00	\$271.40
Non-Residential	Vacant Land \$179.00 Commercial Land \$444 and \$843.00	All non-residential land: \$271.40

Funded Legacy Issues

- Advocate to the State Government for water pricing equity
- Recover or write off bad debts.

Program 208: Waste Water

Program Description

Management of a common effluent drainage system and treatment plant.

Activities

- Grease trap inspections at approximately 20 sites as required.
- Maintenance of the Dump Point adjacent to the Council office in Hutchison Street.
- Maintenance of three pumping stations.
- Maintenance of approximately 35km of sewer.
- Primary, secondary and tertiary treatment of effluent.
- Aeration and sludge maintenance.
- Sludge drying.
- Pumping and chlorination of treated effluent to the oval, orchard and Kearns Reserve.
- Community Wastewater Management Scheme (CWMS) charges will be increased by 2.4% (i.e. Adelaide cpi increase for 12 months to March 2020).

Funded Legacy Issues

- Dump point maintenance is higher than it should be because it is not connected to the sewer. The estimated cost is \$10k p.a. The dump point could be upgraded for \$20k.
- Aerator replacement estimated to be \$10k
- Sewer upgrade design \$45k
- Chlorinator upgrade \$10k

Funded New Initiatives

- Sewer redesign, including wetland design and consultation, \$45k offset by a government grant of \$45k. This grant has already been approved.

Program 209: Power Distribution

Program Description

Distribution of power to 1,576 residential, commercial and recreational premises.

Activities

- Maintenance of three-phase, single-phase and single-wire earth return (SWER) distribution systems.
- Maintenance of approximately 450 luminaires and lights.
- Programed maintenance of 140 single phase transformers, switches and fuses.
- Re stringing of power lines.
- Earth return maintenance.
- Lighting strike repairs.
- Connection and disconnection of electricity meters.
- Replacing electricity meters.

Funded Legacy Issues

- Luminaire replacement estimated to be \$20k per annum.
- Power line restringing North West Ridge \$150k.
- Pole relocation above dugouts \$50k per annum.

Program 210: Power Retail

Program Description

Meter reading, invoicing power bills, and handling customer inquiries.

Activities

- Quarterly meter reading and invoicing.
- Customer service and account inquiries.

Customer Type	No. of Customers
Residential	1,366
Commercial	165
Internal	31
State & Federal Governments	14
Total	1,576

In July 2020 Council agreed to a five-year extension of the Deed which governs the Remote Area Energy Scheme (RAES). Under the new agreement, the rate of return that Council can charge for the assets employed in delivering electricity has decreased. This will result in a reduction in revenue to Council of approximately \$130k. The agreement, however, has a more favourable cash flow for Council with a large portion of the subsidy paid to Council at the start of the financial year.

The approved RAES budget includes an allowance of \$150k for bad debts. Council expected that most of this allowance would occur through the write-off of and reduction in Council's provision for doubtful debts. An allowance in the budget has been made for a part-time liaison officer position to assist in communication with some of our customers who have large outstanding debts.

Funded Legacy Issues

- Recover or write off bad debts.

Funded New Initiatives

- Investigate the desirability of introducing smart meters.

Key Strategic Activity: **SOCIAL**

Program 301: Community Development

Program Description

Supporting the development of the community through the CP30 Project, collaboration and engagement with community organisations, and better coordination of community events.

Activities

- Creation of a *CP30 State of the Town Report* and a *Town Plan*
- Identify grant opportunities and make grant applications.
- Support community organisations with better coordination of community events.
- Organise Council events, i.e. Australia Day/Citizen of the Year Awards

Funded Legacy Issues

- Contribute to a Youth Strategy
- Improve aboriginal and non-aboriginal relations.
- Review the Council's involvement in the provision of child care.

Funded New Initiatives

- Creation of a new full-time position in the organisational structure called Economic and Community Development Officer.
- Significant improvement in Council's Community Grants Program with financial support from Council, industry, government and not-for-profit organisations
- Advocate for better community housing.

Potential Projects

The following is a list of potential community projects under the **Social Pillar of the CP30** planning process. **None of these projects are currently funded**, and not all of them will be Council-owned projects. Where appropriate, Council will seek grants and other funding sources, and collaborate with the community, to make them a reality.

1. Community Spaces
 - Housing project.
 - Activities hub/redevelop Town Hall/Oval area.
 - Streetscape Hutchison Street (in conjunction with Tourism Committee).
 - Community garden.
2. Social Activities
 - Skills audit.
 - Activities audit.
 - Support events and groups.
3. Appropriate and Accessible Services
 - Create a directory of community organisations.
 - Support fundraising projects.

4. Safety

- Identify root causes of unlawful offences.
- Develop crime prevention strategy.

Program 302: Cultural

Program Description

Supporting and strengthen community through planning and implementing cultural activities and events. Celebrate national cultural events in partnership with interagency committee and community initiatives.

Activities

AUSTRALIA DAY

- Manage the planning and delivery of Australia Day activities.

NAIDOC WEEK

- Manage the planning and delivery of Council's NAIDOC activities.
- Take the lead in the opening and closing ceremony to be held at Council office.
- Support the interagency committee and community events through au spicing NAIDOC funding as necessary.
- Support interagency and community events through supporting staff to attend.
- Support staff to attend NAIDOC activities and the march.

RECONCILIATION WEEK

- Manage the planning and delivery of Council's Reconciliation Week activities.
- Attend community Reconciliation Week activities.

Program Description

Improving the health and wellbeing of residents by facilitating the development of healthy vibrant communities.

Activities

RECREATIONAL ACTIVITIES

- Grant license to community groups and organisations for the use of Council facilities.
- Support the development of community-based Committees of Management. (e.g. Breakaways Marathon, Sport and Recreation Committee, Little Athletics).

SWIMMING POOL

- Manage the operations of the Swimming Pool.

LIBRARY

- Contribute to the operating expense of the library.
- Create a Library Committee of Management.

PLAYGROUND & SKATE PARK

- Ongoing monthly inspections and maintenance of playgrounds and skate parks.
- Support for community groups to raise funds and expand on Council's existing playgroups.
- Upgrade recreational facilities at the Triangle (skate parks, bike track, labyrinth etc).
- Maintain softfall to all playgrounds (sand and bark chips).
- Maintenance of the toilet block at the Triangle.

WALKING TRACKS/TRAILS

- Maintenance of bicycle and walking paths/trails (eg Triangle).

OVAL

- Maintenance of oval includes mowing of oval, includes fertilizing, top dressing, aeration and weed control.

OTHER FACILITIES

- Maintenance of other Council owned buildings, eg. Youth Shed
- Weed spraying and minor emergency maintenance items.

Program 304: Children & Youth

Program Description

Enhancing the health, development and wellbeing of children, youth and families through providing holistic early intervention and prevention services.

Activities

Children and Parenting Program

- Manage the planning and delivery of Council's Children & Parenting Support program.
- Implement early intervention and prevention services aimed at improving children's development and wellbeing and support the capacity of those in a parenting role.
- Improve the health and wellbeing of families through increasing access to a range of quality universal and holistic children and family services.

Youth Services

- Support future youth programs and strategies developed by interagency committees and community.

Funded New Initiatives

- Contribute to a Youth Strategy.

Program 305: Child Care

Program Description

Enhancing the health and development of children and families through providing holistic quality Early Childhood Education at Mini Gems Children's Centre.

Activities

Mini Gems Childcare

- Manage Council's Mini Gems Children's Centre.
- Provide childcare services for families who are isolated or "at risk".
- Provide information, advice and services to families to support early childhood development.
- Utilise the funding to cover the high ongoing operating costs of providing care.
- Support transition of the service into a new financially sustainable business model.

Childcare Outreach

- Manage the planning and delivery of Council's Childcare Outreach program.
- Improve access and increase number of children attending childcare.
- Develop and implement an outreach service to support increased number of children attending childcare and better family engagement.
- Work with relevant stakeholders to identify and address the barriers that prevent families and communities from accessing childcare.
- Undertake promotional activities to encourage families and communities to access childcare.

Funded Legacy Issues

- Further operating efficiencies needed to return the centre to a surplus.

Key Strategic Activity: **GOVERNANCE & CORPORATE**

Program 701: General Revenue & Financing

Program Description

Corporate Rates and Financing.

Activities

- General Rates revenue (excludes separate rates for CWMS and Water but includes Regional Landscape Levy).
- Legal fees associated with recovery of General Rates.
- Grants Commission General Purpose Grant.
- Payment of Regional Landscape Levy collected.
- Finance charges on corporate borrowings (excluding finance charges on leases).
- Investment income.

Program 702: Rating & Valuations

Program Description

Raising and collection of rates.

Activities

- Raising and collection of rates (includes all rates, general and separate rates).
- Property revaluations (paid by Council but undertaken by the Valuer-General).
- Printing and postage of rate notices and overdue notices.
- Income from Property Information fees.
- Maintenance of property database.
- Income for collecting Regional Landscape Levy.

Funded New Initiatives

- Improved debt collection practices and policies.
- New position called Senior Revenue Officer, responsible for all aspects of rating and revenue collection
- Revenue the Council's Rating Policy.

Program 703: Customer Service

Program Description

Provision of Customer Services at Council Offices

Activities

- Provide information about Council services, road conditions and events.
- Process service requests for road repairs, etc
- Register dogs and cats.
- Process applications for water and electricity connections and disconnections.
- Provide passes to the Kanku Breakaways park.
- Supply tip passes.
- Receipt rates, utility and other bills.
- Assist with online development applications.

Program 704: Governance

Program Description

Activities that support good governance, Council elections and polls, public participation in decision-making, and public relations.

Activities

- Conduct citizen polls.
- Support Council's Administrator.
- Compile and distribute monthly Council newsletter.
- Support the CEO Oversight Committee.
- Support Council's Audit Committee.

Funded Legacy Issues

- Define the role of the Council.
- Develop a Strategic Management Plan.
- Develop KPIs for the Council.
- Review delegations from Council to the CEO.
- Prepare a report for the Council and the community on the data breach issue.
- Develop an annual governance calendar.

Funded New Initiatives

- Advocate for better community housing.
- Improve aboriginal and non-aboriginal relations, including the establishment of an Aboriginal Issues Committee.
- Support the CP30 and CP Partnership processes
- Develop an annual state of the Council report.
- Review Council oversight of the Kanku-Breakaways Conservation Park co-management arrangement
- Develop a Public integrity Policy.

Program 705: Financial Services

Program Description

Financial Management of Council and internal financial services to business units and the Breakaways Board.

Activities

- Accounting and budgeting.
- Financial reporting and monitoring.
- Accounts payable.
- Accounts receivable, including debt collection (not rates, water or electricity debtors).
- Significant expenditure on consultants required to bring Council's financial management systems to an adequate standard.
- Bank fees.

Funded Legacy Issues

- Develop a Fees and Charges Policy.
- Introduce monthly cash flow reporting.
- Introduce quarterly debtor reporting to the Council
- Introduce a contemporary internal control framework.

Funded New Initiatives

- Implement accrual and committal accounting to aid in the accuracy of financial reports and management of budgets.
- Review the annual budget bi-monthly.
- Review the Long Term Financial Plan quarterly.

Program 706: Human Resources & Payroll

Program Description

Management and payment of Council staff

Activities

- Management of Council payroll.
- Legal fees to support integrity of Council HR practices.

Funded Legacy Issues

- Improvements in Council's HR systems and practices covering recruitment, induction, employee performance appraisal and management, and training and development.
- \$10k for external expertise to develop Human Resource Management systems
- Implement the organisational structure.

Program 707: Risk Management & WHS

Program Description

Management of Council's Risk and Workplace Health & Safety.

Activities

- Maintenance and review of Council's Risk Register.
- Support for Council's WHS Committee.
- Identification and mitigation of risks to Council's operations.
- Includes allowance for an external support to develop a Risk Management framework for Council.
- Insurance premiums, including public liability, professional indemnity, industrial special risks, and cybersecurity.

Funded Legacy Issues

- Review of Council's emergency preparedness, including disaster recovery Plan and business continuity.
- Introduce quarterly occupational health and safety reporting to the Council.

Program 708: Records Management

Program Description

Management of Council's records including record creation, retrieval, archival and destruction.

Activities

- Compliance with the State Records Act.

Funded Legacy Issues

- \$30k for external records management expertise to assist setting up new systems and policies.
- Introduce a contemporary records management system.

Program 709: Asset Management

Program Description

Management of Council assets and maintenance of Council houses.

Activities

- Systems to manage and plan for the replacement of Council assets.
- Maintenance of Council houses.
- Includes funds required to revalue Stormwater, Electricity Distribution, Water and Wastewater Assets.

Program 710: Information Technology

Program Description

Provision of Information Technology and Communications for Council operations.

Activities.

- Licences for various systems including: Corporate Management System; Antivirus; Server licences; Backup systems; and Microsoft Office.
- Internet connections.
- Minor ICT purchases.
- Additional support and services for Corporate Management System.
- IT managed services.

Funded Legacy Issues

- Upgrade of Council IT hardware and related software (capital expenditure of \$270k).

Program 797: Unallocated Corporate Overheads

Program Description

This program includes the cost of corporate overheads that cannot be allocated directly to any of the above programs. Overheads include:

- Printing, postage, and stationery;
- Office cleaning, lighting and utilities; and
- General building maintenance and depreciation.

Program 798: Internal Plant Clearing

Program Description

This program includes the actual costs of operating heavy plant and machinery. The program also includes internal 'income' being the plant hire that is booked to program areas via employee timesheets. Any 'surplus' during the year is written back to reduce the cost of plant hire attributed to programs. Any deficit during the year is written back to increase the cost of plant hire to programs. This program must clear back to a net cost of zero at the end of each financial year.

Plant costs include fuel, depreciation, registration and insurance, repairs and servicing.

Program 799: Internal Labour Oncost Clearing

Program Description

This program includes the indirect costs of employing staff such as annual leave, long service leave, sick leave, superannuation, workcover premium, and PPE. The program also includes internal 'income' being the oncost that is booked to program areas via employee timesheets. Any 'surplus' during the year is written back to reduce the cost of labour attributed to programs. Any deficit during the year is written back to increase the

cost of labour to programs. This program must clear back to a net cost of zero at the end of each financial year.

Key Strategic Activity: **KANKU-BREAKAWAYS**

Program 801: **Kanku-Breakaways Conservation Park**

Program Description

To support the Kanku-Breakaways Conservation Park and Co-Management Board, including Tallaringa Conservation Park Advisory Committee, in line with the Co-Management Agreement, Park Management Plan and Funding Agreement.

Activities

The projects listed below for the 2020/21 financial year are in addition to our regular park works, events, ongoing maintenance and planned road resurfacing.

Project: Heritage Assessment

Expected Timing: August 2020

Anthropologists and AMYAC heritage team inspect park and provide report on proposed sites identified in infrastructure master plan.

Park Management Plan Reference –

Theme 1 - Welcoming people and supporting the Coober Pedy community

Objective - Provide opportunities for people to access and learn about the Kanku and Antakirinja Matu-Yankunytjatjara culture and the Coober Pedy community in a sustainable and culturally appropriate way.

Theme 2 – Keeping the Kanku strong

Objective - Protect and conserve the Kanku's natural values and rich Aboriginal cultural heritage.

Project: Interpretive signage story gathering (Infrastructure Master Plan)

Expected Timing: September/October 2020

Facilitation of workshops to gather stories about the park, flora, fauna, and appropriate cultural stories that could be told at the identified sites throughout the Kanku-Breakaways Conservation Park and through future technology innovations in storytelling the Board may choose to use.

Park Management Plan Reference –

Visitor Tourism Management Strategy

Communicate key aspects of Antakirinja Matu-Yankunytjatjara culture and appropriate visitor behavior to people through participation in cultural activities, a park brochure, on-site information, improved fee collection process, and improved definition of access tracks, car parks and lookouts.

Project Road and carpark changes (Infrastructure Master Plan)

Expected Timing: October/November 2020 and March/April 2021

The closing of vehicle access to sensitive sites within the park as identified in heritage assessments and in the infrastructure master plan. Facilitation of new car parking and pull over areas to allow for safe viewing of park while protecting sensitive areas.

Park Management Plan Reference -

Cultural Management Strategies

Close and rehabilitate the vehicle track to Angkata (Bearded Dragon) and Willy Wagtail (Figure 1) to protect the culturally sensitive area. Investigate alternative public access arrangements that provide an improved experience including a new car park, a walking trail and interpretation. Monitor the rehabilitation for erosion and success of plant establishment.

Rehabilitate particular sites of Aboriginal cultural significance in accordance with recommendations in the Aboriginal heritage survey report (ALRM and AARD 2006).

Project: Bio-survey

Expected Timing: October 2020

Baseline assessment of Kanku-Breakaways Flora and Fauna.

Park Management Plan Reference –

Biodiversity management strategies

Improve the scientific and cultural basis for management by integrating scientific and traditional land management concepts, identifying knowledge gaps, conducting research and monitoring the condition of key Kanku values.

Project: Tallaringa Conservation Park

Expected Timing: July – November 2020 and March – June 2021

Funding for on ground works in Tallaringa Conservation Park in line with Manta Palya plan for Tallaringa.

Funding Agreement reference –

5.2 The Annual Works Plan for the Funds Period, should it seek to apply funding to Tallaringa Conservation Park, describe that portion of funding to apply to Tallaringa Conservation Park

3.1 CAPITAL EXPENDITURE BY KEY STRATEGIC ACTIVITY

CAPITAL PROGRAM	
ACCOUNT DESCRIPTION	BUDGET 2020/21
ENVIRONMENT	
New Fences for tip	16,000
Small Plant replacement	20,000
Reseals	100,000
	136,000
SOCIAL	
Outreach Programme - IT Equipment	9,200
	9,200
ECONOMIC	
Replacement of RO Membranes	100,000
Booster pump water distribution	22,000
Aerator replacement	10,000
Chlorination Pump	10,000
Dosing plant renewal	25,000
	167,000
GOVERNANCE & CORPORATE	
New PCs for Customer Service	5,800
ICT upgrades	270,000
PC Replacement (5@\$1,500)	7,500
Furniture & Equipment	10,000
Office furniture and equipment for new positions	20,000
	313,300
Total Capital Expenditure	625,500

4. UNFUNDED LEGACY ISSUES

As stated in Section 1.1, legacy issues are activities that a properly functioning Council should be undertaking in the normal course of business, but are either not being undertaken or are being undertaken and need significant improvement. These legacy issues are complex, ingrained, and transverse all aspects of Council's operations. It will take a number of years to resolve all of these legacy issues to return Coober Pedy District Council to a fully functioning council that meets all of its statutory obligations and becomes truly financially sustainable. In total, **80 legacy issues have been identified**. Of those, 47 are funded across 19 of the 36 program areas, and 33 are unfunded as shown below.

4.1 MUNICIPAL OPERATIONS

Environment
Undertake a review of street number of properties.
Economic
Review the use of all Council owned or controlled land to ensure it complies with Native Title Act.
Renegotiate arrangements with all airport users.
Social
Develop an Alcohol Management Plan.
Develop an Aboriginal Reconciliation Action Plan.
Governance
Develop a Media Policy.
Review all current Council policies.
Develop a Council Delegates Policy.
Review the Regional Public Health Plan.
Develop a performance management system for all employees.
Conduct an independent statutory compliance audit.

5. UNFUNDED NEW INITIATIVES

5.1 MUNICIPAL OPERATIONS

Environment
Develop a directional signage strategy for the town.
Review vehicular speed limit limits.
Economic
Develop a capability statement for Coober Pedy.
Develop a master plan for the drive in.
Establish a Mining Committee of the Council.
Undertake a feasibility study on the establishment of a museum for movies shot in outback.
Investigate the expansion of the Community Employment Program to provide additional Council and other services.
Social
Develop a master plan for the triangle.
Develop a community leadership program.
Investigate the need for a men's shed.
Governance
Develop a Media Policy.
Conduct an employee survey.
Conduct a customer satisfaction survey.
Develop a Citizen Participation Policy.
Develop a Council Service Delivery Policy.
Document Council service levels.
Establish efficiency and effectiveness targets.
Explore resource sharing opportunities with Roxby Downs.
Develop a new residents welcome regime.
Investigate the feasibility of establishing a Coober Pedy Trust.

5.2 WATER OPERATIONS

Determine the long term future of the water system.
Investigate the need for an expanded sewerage system.

6. BUDGETED STATEMENTS

BUDGETED STATEMENT OF COMPREHENSIVE INCOME for the year ending 30 June 2021

	2017/18 Actuals \$'000	2018/19 Actuals \$'000	2019/20 Adopted Budget \$'000	2019/20 Forecast Result \$'000	2020/21 Draft Budget \$'000
INCOME					
Rates	2,144	2,224	2,195	2,395	2,298
Statutory charges	24	18	23	8	17
User charges	5,731	5,468	7,113	7,956	6,484
Grants, subsidies & contributions	5,029	7,032	8,989	8,747	5,859
Investment income	11	14	1	11	20
Reimbursements	68	82	-	29	1
Other income	362	243	119	257	370
Total Income	13,369	15,081	18,440	19,403	15,049
EXPENSES					
Employee costs	4,687	4,637	4,650	4,426	3,872
Materials, contracts & other expenses	10,036	10,115	9,108	11,070	10,389
Depreciation	1,131	1,173	1,133	1,026	1,001
Finance costs	217	277	390	203	280
Total Expenses	16,071	16,202	15,281	16,725	15,542
OPERATING SURPLUS / (DEFICIT)	(2,702)	(1,121)	3,159	2,678	(494)
The "technical" Operating Surplus / (Deficit) has been adjusted for					
Grant spending "catchup"	-	-	-	-	346
Grant for capital expenditure included in Income	-	(1,406)	(3,162)	(3,162)	-
Road repair expenditure	-	-	-	980	-
Once off contract income	-	-	(1,389)	(1,389)	-
Underlying Operating Surplus / (Deficit)	(2,702)	(2,527)	(1,392)	(893)	(148)

BUDGETED STATEMENT OF FINANCIAL POSITION
as at 30 June 2021

	2017/18 Actuals \$'000	2018/19 Actuals \$'000	2019/20 Adopted Budget \$'000	2019/20 Forecast Result \$'000	2020/21 Draft Budget \$'000
ASSETS					
Current Assets					
Cash and cash equivalents	1,693	1,147	968		621
Trade & other receivables	1,960	3,796	3,734		2,491
Inventories	305	267	300		173
Total Current Assets	3,958	5,210	5,002		3,285
Non-current Assets					
Infrastructure, property, plant & equipment	29,479	27,998	31,512		29,323
Total Non-current Assets	29,479	27,998	31,512		29,323
Total Assets	33,437	33,208	36,514		32,609
LIABILITIES					
Current Liabilities					
Trade & other payables	4,705	6,289	4,170		3,768
Borrowings	257	212	-		63
Provisions	86	27	244		104
Total Current Liabilities	5,048	6,528	4,414		3,935
Non-current Liabilities					
Trade & other payables					
Borrowings	6,725	8,048	7,687		8,153
Provisions	158	295	167		295
Total Non-current Liabilities	6,883	8,343	7,854		8,447
Total Liabilities	11,931	14,871	12,268		12,383
NET ASSETS	21,506	18,337	24,246		20,226
EQUITY					
Accumulated surplus	6,097	4,612	8,837		6,501
Asset revaluation reserves	15,384	13,700	15,384		13,701
Other reserves	25	25	25		25
TOTAL CAPITAL EQUITY	21,506	18,337	24,246		20,226

BUDGETED STATEMENT OF CASH FLOWS
for the year ending 30 June 2021

	2017/18	2018/19	2019/20	2019/20	2020/21
	Actuals	Actuals	Adopted	Forecast	Draft
	\$'000	\$'000	Budget	Result	Budget
			\$'000	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts					
Rates - general & other	2,050	2,163	2,195		2,298
Fees & other charges	26	18	23		17
User charges	5,510	3,903	7,113		6,484
Investment receipts	10	16	1		20
Grants utilised for operating purposes	5,406	7,032	8,989		5,859
Reimbursements	75	82	-		1
Other revenues	450	243	119		370
Payments					
Employee costs	(4,702)	(4,502)	(4,650)		(3,872)
Materials, contracts & other expenses	(7,204)	(8,762)	(9,608)		(10,389)
Finance payments	(217)	(277)	(390)		(280)
Net Cash provided by / (or used in) Operating Activities	1,404	(84)	3,792	-	508
CASH FLOWS FROM INVESTING ACTIVITIES					
Receipts					
Amounts specifically for new or upgraded assets	-	444	-		-
Payments					
Expenditure on renewal/replacement of assets	(264)	(1,620)	3,016		(548)
Expenditure on new/upgraded assets	-	(429)	-		(78)
Net Cash provided by / (or used in) Investing Activities	(264)	(1,605)	3,016	-	(626)
CASH FLOWS FROM FINANCING ACTIVITIES					
Receipts					
Proceeds from borrowings	-	1,400	-		270
Payments					
Repayments of borrowings	(201)	(211)	(506)		(76)
Repayment of finance lease liabilities	(16)	(46)	-		(63)
Net Cash provided by / (or used in) Financing Activities	(217)	1,143	(506)		131
Net Increase / (Decrease) in cash held	923	(546)	6,302		13
Cash & cash equivalents at beginning of period	770	1,693	698		608
Cash & cash equivalents at end of period	1,693	1,147	7,000		621

BUDGETED UNIFORM PRESENTATION OF FINANCES
for the year ending 30 June 2021

	2017/18	2018/19	2019/20	2019/20	2020/21
	Actuals	Actuals	Adopted Budget	Forecast Result	Draft Budget
	\$'000	\$'000	\$'000	\$'000	\$'000
Income	13,369	15,081	18,440		15,049
less Expenses	(16,071)	(16,202)	(15,281)		(15,542)
Operating Surplus / (Deficit)	(2,702)	(1,121)	3,159		(494)
less Net Outlays on Existing Assets					
Capital Expenditure on renewal and replacement of Existing Assets	(257)	(1,755)	(3,016)		(548)
Depreciation, Amortisation and Impairment	1,131	1,173	1,133		1,001
	874	(582)	(1,883)		454
less Net Outlays on New and Upgraded Assets					
Capital Expenditure on New and Upgraded Assets (including investment property & real estate developments)	(264)	(429)	-		(78)
Amounts received specifically for New and Upgraded Assets	-	444	-		-
	(264)	15	-		(78)
					-
Net Lending / (Borrowing) for Financial Year	(2,092)	(1,688)	1,276		(118)

**BUDGETED FINANCIAL INDICATORS
for the year ending 30 June 2021**

	2017/18 Actuals \$'000	2018/19 Actuals \$'000	2019/20 Adopted Budget \$'000	2019/20 Forecast Result \$'000	2020/21 Draft Budget \$'000	2020/21 Draft Budget \$'000
Operating Surplus Ratio						
<u>Operating Surplus / (Deficit)</u>	(20.2%)	(7.4%)	17.1%	13.8%	(3.3%)	(3.3%)
Total Operating Revenue						

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

<u>Underlying Operating Surplus Ratio</u>	(20.2%)	(16.8%)	(10.0%)	(10.0%)	(1.0%)	(1.0%)
<i>operating revenue.</i>						
<i>This provides an indication of Council underlying Operating Surplus.</i>						

Net Financial Liabilities Ratio

<u>Net Financial Liabilities</u>	61.9%	65.8%	41.0%	0.0%	61.6%	61.6%
Total Operating Revenue						
<i>expressed as a percentage of total operating revenue.</i>						

Asset Sustainability Ratio

LTFP renewals

<u>Net Asset Renewals</u>	23%	150%	266%	60%	46%	46%
Depreciation or IAMP renewals *				3,016	1,191,923	1,192

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.

* Depreciation is used as the denominator up until 2018/19 and IAMP renewals expenditure thereafter.

7. BUDGET BY KEY STRATEGIC ACTIVITIES, PROGRAMS & LINE ITEMS

2020/21 DRAFT BUDGET .. SUMMARY BY KEY STRATEGIC ACTIVITY			
ACTIVITY	INCOME	EXPENDITURE	SURPLUS/ (DEFICIT)
	\$	\$	\$
Operating			
Environment	215,900	1,486,600	(1,270,700)
Economic	11,504,200	10,498,900	1,005,300
Social	928,857	1,075,350	(146,493)
Governance & Corporate	3,659,200	3,426,600	232,600
Council Operations Surplus / (Deficit)	16,308,157	16,487,450	(179,293)
Kanku Breakaways	375,000	689,400	(314,400)
Total Surplus / (Deficit)	16,683,157	17,176,850	(493,693)

2020/21 DRAFT BUDGET .. SUMMARY BY BUSINESS UNIT			
ACTIVITY	INCOME	EXPENDITURE	SURPLUS/ (DEFICIT)
	\$	\$	\$
Operating			
Municipal	5,055,957	6,569,850	(1,513,893)
Water, and Wastewater	2,530,800	1,840,800	690,000
Electricity	8,721,400	8,076,800	644,600
Council Operations Surplus / (Deficit)	16,308,157	16,487,450	(179,293)
Kanku Breakaways	375,000	689,400	(314,400)
Total Surplus / (Deficit)	16,683,157	17,176,850	(493,693)

2020/21 DRAFT BUDGET .. CASH SUMMARY	
	\$
Council Surplus / (Deficit)	(493,693)
Add back depreciation	1,001,300
Less Capital Expenditure	(625,500)
Plus new loan	270,000
Less loan repayments	(139,000)
Cash Surplus / (Deficit)	13,107

2020/21 DRAFT BUDGET .. FINANCE AVAILABLE	
	\$
Cash at beginning of year	607,603
CAD facilities available beginning of year	397,000
	1,004,603
Cash Surplus / (Deficit)	13,107
CAD facilities available at end of year	127,000
Cash at end of year	620,710
Total finance available at end of year	747,710

KEY STRATEGIC ACTIVITY .. ENVIRONMENT				
PROGRAM		INCOME	EXPENDITURE	SURPLUS/ (DEFICIT)
		2020/21	2020/21	2020/21
		\$	\$	\$
101	Local Roads & Paths	52,000	624,100	(572,100)
102	Drainage Maintenance	-	52,900	(52,900)
103	Environmental Management	-	100,400	(100,400)
104	Waste Management	101,800	218,200	(116,400)
105	Regulatory Services	17,000	249,200	(232,200)
106	Community Amenities	37,100	80,100	(43,000)
107	Depot Maintenance	8,000	161,700	(153,700)
TOTAL		215,900	1,486,600	(1,270,700)

KEY STRATEGIC ACTIVITY .. ENVIRONMENT	
	BUDGET 2020/21
INCOME	\$
Rates	-
Statutory charges	17,000
User charges	138,900
Grants, subsidies and contributions	60,000
Investment income	-
Reimbursements	-
Other income	-
Total Income	215,900
EXPENSES	
Employee costs	449,400
Materials, contracts & other expenses	430,800
Depreciation	228,600
Finance costs	-
Internal electricity	148,900
Internal water	25,200
Internal Plant Hire	59,900
Labour oncosts	143,800
Total Expenses	1,486,600
OPERATING SURPLUS / (DEFICIT)	(1,270,700)

KEY STRATEGIC ACTIVITY .. ECONOMIC				
PROGRAM		INCOME	EXPENDITURE	SURPLUS/ (DEFICIT)
		2020/21	2020/21	2020/21
		\$	\$	\$
201	Economic Development	-	88,600	(88,600)
202	Tourism	123,400	282,400	(159,000)
203	Private Works	101,600	86,300	15,300
204	Airport	27,000	124,000	(97,000)
205	Water Production	65,000	781,800	(716,800)
206	Water Distribution	-	643,300	(643,300)
207	Water Retail	2,195,600	159,800	2,035,800
208	Wastewater	270,200	255,900	14,300
209	Power Distribution	350,000	1,320,700	(970,700)
210	Power Retail	8,371,400	6,756,100	1,615,300
TOTAL		11,504,200	10,498,900	1,005,300

KEY STRATEGIC ACTIVITY .. ECONOMIC	
	BUDGET 2020/21
INCOME	\$
Rates	573,900
Statutory charges	-
User charges	6,108,900
Grants, subsidies and contributions	3,912,700
Investment income	-
Reimbursements	-
Other income	370,000
Internal electricity	455,000
Internal water	83,700
Internal plant hire	-
Labour oncosts	-
Total Income	11,504,200
EXPENSES	
Employee costs	1,186,000
Materials, contracts & other expenses	7,835,200
Depreciation	657,500
Finance costs	15,700
Internal electricity	293,200
Internal water	21,500
Internal plant hire	131,700
Labour oncosts	358,100
Total Expenses	10,498,900
OPERATING SURPLUS / (DEFICIT)	1,005,300

KEY STRATEGIC ACTIVITY .. SOCIAL			
PROGRAM	INCOME	EXPENDITURE	SURPLUS/ (DEFICIT)
	2020/21 \$	2020/21 \$	2020/21 \$
301 Community Development	80,000	110,500	(30,500)
302 Cultural	10,000	24,300	(14,300)
303 Recreation	15,500	139,950	(124,450)
304 Children & Youth	120,057	85,900	34,157
305 Child Care	703,300	714,700	(11,400)
TOTAL	928,857	1,075,350	(146,493)

KEY STRATEGIC ACTIVITY .. SOCIAL	
	BUDGET 2020/21 \$
INCOME	
Rates	-
Statutory charges	-
User charges	201,500
Grants, subsidies and contributions	727,357
Investment income	-
Reimbursements	-
Other income	-
Total Income	928,857
EXPENSES	
Employee costs	549,300
Materials, contracts & other expenses	318,850
Depreciation	27,900
Finance costs	-
Internal Electricity	10,000
Internal water	36,500
Internal plant hire	2,000
Labour oncosts	130,800
Total Expenses	1,075,350
OPERATING SURPLUS / (DEFICIT)	(146,493)

KEY STRATEGIC ACTIVITY .. GOVERNANCE & CORPORATE				
PROGRAM		INCOME	EXPENDITURE	SURPLUS/ (DEFICIT)
		2020/21	2020/21	2020/21
		\$	\$	\$
701	General Revenue & Financing	2,608,300	425,800	2,182,500
702	Rating & Valuations	3,200	90,200	(87,000)
703	Customer Service	300	104,300	(104,000)
704	Governance	-	434,900	(434,900)
705	Financial Services	15,600	596,900	(581,300)
706	Human Resources & Payroll	1,000	144,800	(143,800)
707	Risk Management & WHS	-	14,700	(14,700)
708	Records Management	-	53,200	(53,200)
709	Asset Management	2,600	62,700	(60,100)
710	Information Technology	-	356,500	(356,500)
797	Unallocated Corporate Overheads	-	75,900	(75,900)
798	Internal Plant Hire	198,600	223,600	(25,000)
799	Internal Labour Oncosts	829,600	843,100	(13,500)
TOTAL		3,659,200	3,426,600	232,600

KEY STRATEGIC ACTIVITY .. GOVERNANCE & CORPORATE	
	BUDGET 2020/21
INCOME	\$
Rates	1,774,200
Statutory charges	-
User charges	3,500
Grants, subsidies and contributions	815,100
Investment income	19,600
Reimbursements	1,000
Other income	-
Internal electricity	-
Internal water	-
Internal plant hire	223,600
Labour oncosts	843,100
Internal administration charges	17,600
Total Income	3,697,700
EXPENSES	
Employee costs	1,532,900
Materials, contracts & other expenses	1,347,300
Depreciation	80,700
Finance costs	263,900
Rates	50,000
Internal electricity	1,900
Internal water	200
Internal plant hire	30,000
Labour oncosts	158,200
Total Expenses	3,465,100
OPERATING SURPLUS / (DEFICIT)	232,600

KANKU-BREAKAWAYS CONSERVATION PARK**BUDGET 2020/21****INCOME****\$**

Rates	-
Statutory charges	-
User charges	31,000
Grants, subsidies and contributions	344,000
Investment income	-
Reimbursements	-
Other income	-
Total Income	375,000

EXPENSES

Employee costs	154,400
Materials, contracts & other expenses	457,300
Depreciation	6,600
Finance costs	-
Internal Electricity	1,000
Internal Water	300
Internal Plant Hire	-
Labour oncosts	52,200
Internal administration charges	17,600
Total Expenses	689,400

OPERATING SURPLUS / (DEFICIT)**(314,400)**