

# 2023 2024



**District Council  
of Cooper Pedy**



# Annual Business Plan

2023-24

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## 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](http://www.facebook.com/cooberpedytogether)

## HAVE YOUR SAY

The District Council of Coober Pedy will invite feedback regarding the Draft Annual Business Plan 2023-24.

It is the community of Coober Pedy's opportunity to have their say about the services and activities Council will deliver over the next twelve months and to what level we provide them before the final budget is adopted.

Community consultation will commence on Wednesday 21 June 2023 and close at 5pm on Friday 14 July 2023.

Written submissions can be made by:

- emailing [dccp@cpccouncil.sa.gov.au](mailto:dccp@cpccouncil.sa.gov.au) ;
- visiting [www.cooberpedy.sa.gov.au](http://www.cooberpedy.sa.gov.au) ;
- mailing to Attn: Chief Executive Officer  
PO Box 425  
Coober Pedy SA 5723; or
- dropping them directly into our offices at Lot 773 Hutchison Street, Coober Pedy.

Verbal submissions can be made at the meeting on Wednesday 12 July 2023 beginning at 10am. The meeting will provide for attendance in person or online <https://us02web.zoom.us/j/82309262310>.

Following the completion of the community consultation, the Annual Business Plan might be updated and submitted for approval at the Council meeting on Wednesday 26 July 2023.

## A MESSAGE FROM THE ADMINISTRATORS

In early 2023 the term of the former Administrator (Mr Tim Jackson) concluded and an Interim Administrator (Mr Colin Davies) was appointed for a 6 week period pending the appointment of a new Administration team.

On 29 March 2023, the new Administration Team, appointed by the State Government of SA, commenced. This Team is a 3 person Team bringing a more diverse range of skills and expertise with considerable local Government experience.

The Administration Team consists of:

- A Principal Administrator – Mr Geoff Sheridan – who, with over 50 years of experience in local government has been a Chief Executive Officer at a number of regional councils including most recently the District Council of Elliston.
- One of two Administrators - Mrs Erika Vickery – a former Mayor of the Naracoorte Lucindale Council with over 22 years of experience as an elected member of the Council. Mrs Vickery has also served on a number of local government boards including being appointed as the President of the Local Government Association of SA.
- The second of two Administrators – Mr John Moyle – a former Chief Executive Officer of the City of Tea Tree Gully for the last nine years and has had over 40 years of local government experience at 3 different councils with formal qualifications in financial management and council works management.

The Administration Team was appointed to assist with the returning the District Council of Coober Pedy to being a sustainable council.

During 2022 the Minister for Local Government, the Hon Mr Geoff Brock MP, appointed an independent Financial Consultant (Mr John Comrie) to provide him a report on the financial situation of the Council. This initial report was received in early 2023 and the full report can now be found on Council's website at <https://www.cooberpedy.sa.gov.au/council/council-documents/reports>.

This report contained 12 separate recommendations which can be summarised as:

1. Adoption of several financial policies,
2. The separation of costs related to managing Council's essential services operations of:
  - a. Water Treatment and Supply
  - b. Community Wastewater Management System
  - c. Electricity distribution
3. Addressing Council's degree of debt and outstanding creditors to whom Council owes a relatively large amount of funds
4. Improved reporting to Council's Audit and Risk Committee
5. "That Council considers the capacity for real increases in general rates or reductions in operating costs as a means to eliminate its municipal operating deficit." *Recommendation 12*

The Interim Administrator also submitted a Report to the Minister in March 2023 which highlighted several specific areas of concern:

1. Council's current cashflow shortfall
2. Variations to Council's forecast financial position as at 30 June 2023 will impact on Council negatively
3. Council's current draft Long Term Financial Plan indicates a need for a substantial uplift in rates and/or a reduction in operating costs
4. The poor state of the Council owned Plant and Equipment.

<https://www.cooberpedy.sa.gov.au/council/council-documents/reports>

One of the challenges for the new Administration team is to address these issues, noting that most have not been fully addressed to date.

- One of the key initiatives has been to separate the expenditure of the various commercial operations from the general municipal or more routine council services. This work has commenced to the extent that Council can ensure that each of the commercial operations are self sufficient and not reliant on general rate revenue to support them which has been the case in the past. On the other hand some of the commercial revenue in the past has been used to fund the municipal operations which cannot occur moving forwards.

This means that the theme 5 above becomes a real challenge for the Council and the community of Coober Pedy.

This year's Annual Business Plan has been drafted on the basis of a substantial increase in rate revenue and a significant hold in council services in order to move the Council to be heading to become sustainable. It is recognised that this will not be achieved in the short term but a more long-term financial plan.

## FINANCIAL OVERVIEW

### Underlying Operating Surplus/Deficit

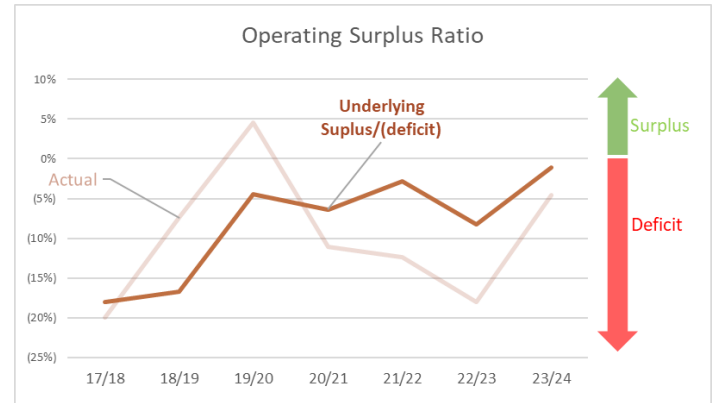
Historically the Council’s performance has been operating deficits. The reasons for this include not setting fees or rates at an adequate level to cover the costs of services, including the costs associated with replacing major plant and infrastructure.

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 2023-24 budget anticipates an underlying deficit of (\$0.19M). This is, however, dependent upon:

- Increasing rates revenue to by 20%
- Increasing Water access charge by 7.9% (CPI)
- Increasing Water usage charge by 30%
- Increase in Child Care financial assistance of \$260k
- Several cost reductions across the Business Units estimated at \$962k.

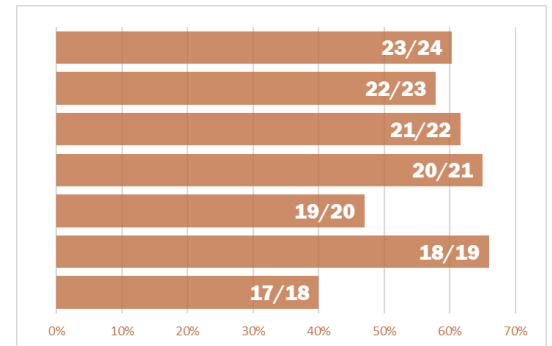


The generally accepted target for underlying operating surplus/deficit is between 0 and 10%.

### 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.

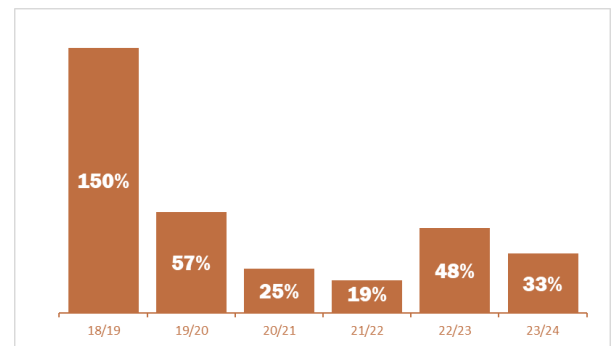


The Local Government Association’s Financial Information Paper No. 9 recommends a target between 0 and 100%.

### 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.



## SIGNIFICANT INFLUENCES

### Local Industry Growth

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 travelers.

### Political Landscape

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

Within South Australia, Local Council elections were held in November 2022. However, the state government again elected to retain an Administrator model in Coober Pedy.

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, 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

Over the last 12 months, since April 2022, interest rates have increased 11 times. During this time, the cash rate has increased by 3.75%.

## OUR ASSUMPTIONS

### Our Business Model

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 2023 was 7.9%. We have budgeted for known or likely price increases. We will endeavor 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 20% 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 by an average of 7.9% consistent with CPI.

We will be increasing the kL usage charge by an average of 30%.

### 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.

### Capital Expenditure

We will be undertaking capital expenditure where grant funding is available. We will be hiring any future plant and equipment instead of purchasing outright to assist in our cash flows and ensuring we have properly functioning equipment to carry out our services.



## OUR FOCUS

### Business Structure

Council has modified its business structure for 2023-24. In this budget each of the essential services businesses (Electricity, Water and Wastewater) are reported separately from Council's core Municipal Business.

### Financial Sustainability

The budget for 2023-24 has been drafted to ensure each of the individual Business Units are operating independently and sustainably. There has been a reduction in staffing levels to help reduce operating costs and minimize the need to increase rates further than the level proposed in this budget.

There is an application pending for grant funding for the Child Care center. If the application is unsuccessful the service would no longer be operating on a financial sustainable basis. Council would need to either review the fees payable by families or consider closing the service.

### Long Term Financial Plan

Council has prepared a Long-term financial plan based on the 2023-24 budget, which presents a plan to repay debt, reestablish cash balances and recommence asset renewal and replacement. More detail has been provided on this in the Long Term Financial Report.

### Debt Management and Cash Flow

As shown in the Long-term financial plan the budget for 2023-24 sets a foundation for future paydown of liabilities and generating cash balances with which to invest in infrastructure and plant.

### Asset Management

Council is currently hiring equipment until such time as there is sufficient cash available to reinvest in infrastructure and plant renewal and replacement.





## 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 held elections in November 2022. In October 2022, it was decided that Coober Pedy was staying under administration with the hope to return to an elected Council before the next elections. In February 2023, Colin Davies was appointed as interim Administrator to take over from Tim Jackson. On 9 March 2023, 3 Administrators were appointed. Geoff Sheridan was appointed as principal Administrator full time, along with 2 supporting Administrators, Erika Vickery and John Moyle.

### OUR SERVICES

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

The essential services (electricity, water and wastewater) make up over 68 per cent of the Council’s total operational

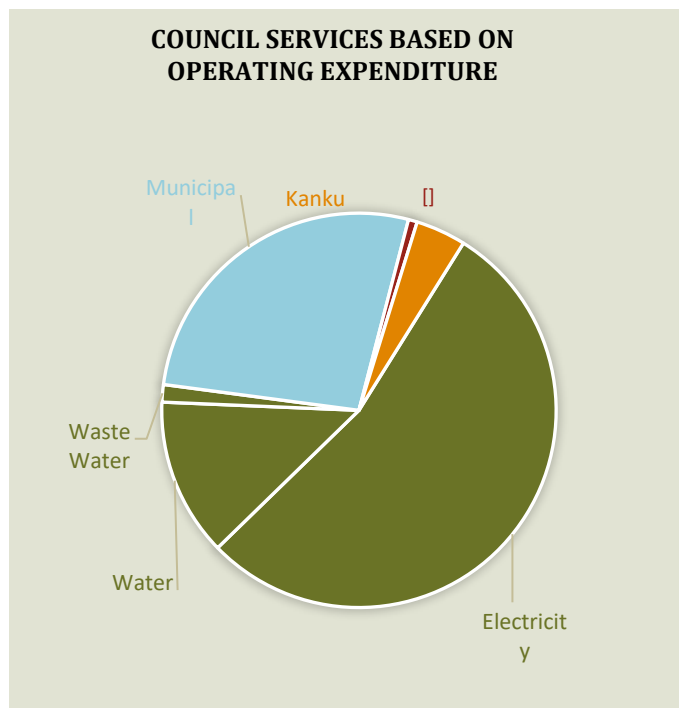
expenditure, including the associated overheads needed to manage it.

### 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.

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.

**COUNCIL SERVICES BASED ON OPERATING EXPENDITURE**



**COUNCIL EXPENSES BY BUSINESS UNITS**

Business Unit	Amount	Percentage
Electricity	10,734,726	54%
Municipal	5,354,836	27%
Water	2,581,379	13%
Wastewater	284,746	1%
Corporate	144,760	1%
Kanku-Breakaways	820,459	4%
<b>Total</b>	<b>19,920,907</b>	<b>100%</b>

# HIGHLIGHTS

**CAPITAL GRANT FLOOD MITIGATION AND KERBING (PENDING APPROVAL)**



**REPLACEMENT OF THE WATER DISPENSERS**



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



**INTRODUCING PREPAID ELECTRICITY BILLING**



**CAPITAL GRANT RENEWAL OF ROADS**



## 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 2023-24 annual business planning process, we have reviewed the resources required to ensure we deliver an appropriate level of essential and municipal services.

### POWER

Due to high competition in the electrical industry, Council has been unable to recruit two vacant linesman positions. These have been backfilled via contracting with another supplier until suitable applicants are found.



	Current Staff	Proposed Staff	Cost
Direct	7.17	4.00	(\$243,885)
Admin	1.93	2.05	\$46,876

Funded by: Electricity charges and RAES subsidy

### WATER

The decrease in staff has been due to the reduction in unplanned maintenance on the network. The team will be focused on replacing faulty meters and maintaining the existing network.

	Current Staff	Proposed Staff	Cost
Direct	7.51	5.54	(\$80,248)
Admin	1.20	1.15	\$8,828

Funded by: Water user charges and annual service charge

### WASTEWATER

Similar to our water activities staffing has reduced.

	Current Staff	Proposed Staff	Cost
Direct	0.87	0.79	\$11,718

Funded by: Wastewater annual service rate

### MUNICIPAL

In 2023-24, Council has also reviewed its staffing requirements in the Municipal areas. In addition, there has been an increase in the Administrators of 0.4 FTE, which has been offset by a \$150k subsidy from the state government.

	Current Staff	Proposed Staff	Cost
Direct	17.40	17.81	\$284,383
Admin	4.24	2.81	(\$124,511)

Funded by: General Rates

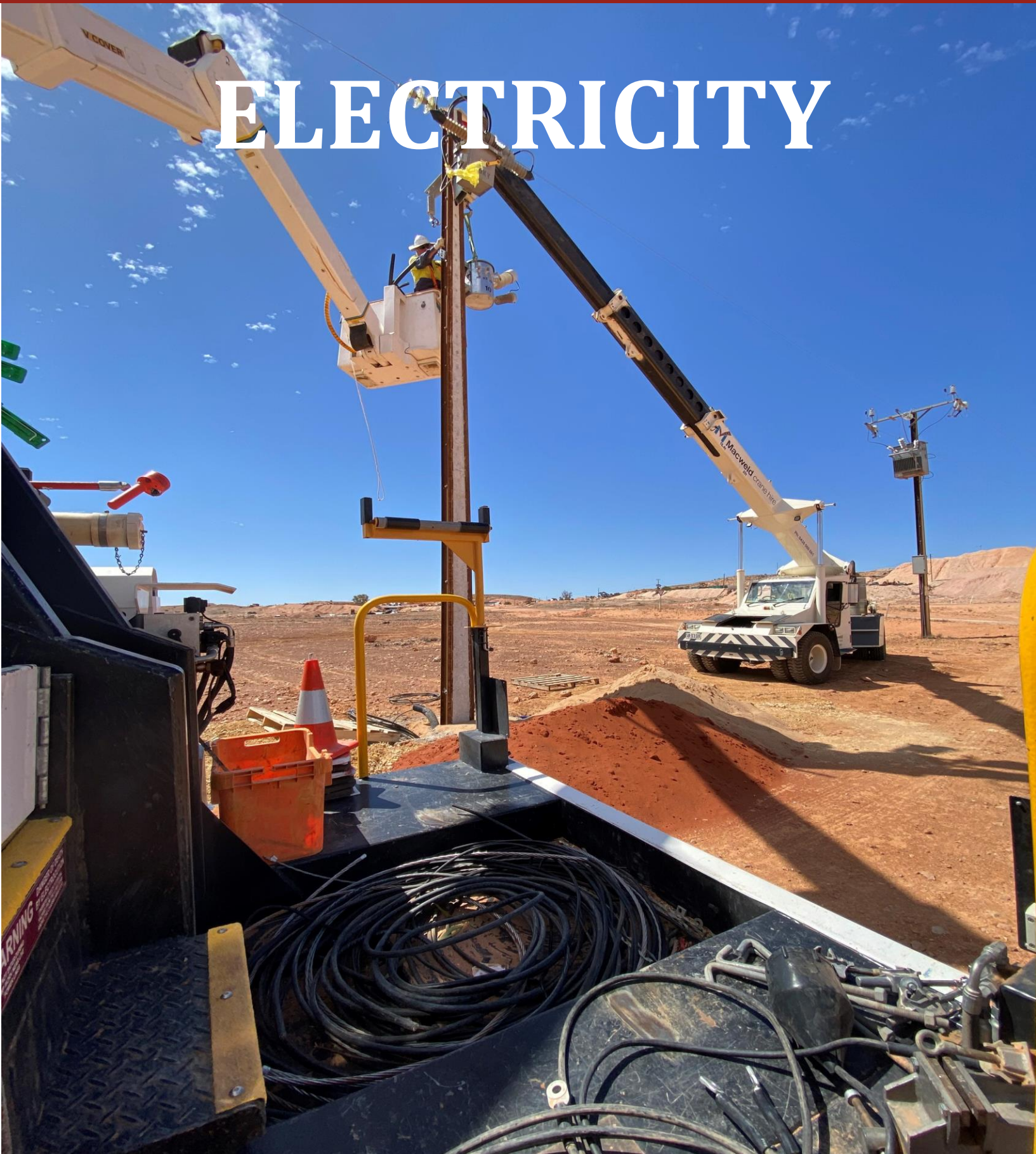
### CORPORATE

Within the corporate area we have undertaken a restructure and reduced the number of staff.

	Current Staff	Proposed Staff	Cost
Admin	9.9	6.21	(\$631,981)

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





# ELECTRICITY



## POWER

### What we do

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.

The Council maintains three-phase, single-phase and single-wire earth return (SWER) distribution systems, providing electricity to nearly 1,250 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.

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

In 2021, we replaced the majority of our electricity meters with Smart Meters. We can now remotely access usage data thereby reducing costs. In the second half of 2023, Council will be introducing the ability for prepayment of electricity accounts. This is in consultation with ESCOSA and Council is in the process of reviewing contracts and updating policies.

Council is replacing lighting with energy efficient LED bulbs, as part of the ongoing maintenance of the network.

### 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.

Due to staffing shortages and high competition, we have been unable to recruit two vacant positions. As such, we are contracting staff to fill the vacancies in these positions.

### 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 \$10.7 M on delivering electricity services to our community. It will also use the equivalent of 6.0 full-time staff.

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



PROJECTS AND PROGRAMS	
Purchase of crane	\$210,000



## WATER

### What we can do

We produce approximately 1,500 kL of potable water daily, distributed to nearly 1,550 residential, commercial and government premises via 90 kms of pipe network. This requires the operation and maintenance of four distribution pumps, one emergency pump, generator and numerous valves.

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 guarantee an uninterrupted supply of water to the town, something we believe is essential for our community. We have, however, experienced no major leak this past financial year, which is reflective of the work output by the water supply team.

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.

### Funding

Customer charges fully fund the production and supply of water. The following fees will apply for 2023-24 from September 2023:

<b>WATER ACCESS CHARGE</b> (Service Charge S155 LG Act)	
All land that the water service is provided to or made available to	\$302.75
<b>WATER USAGE CHARGE</b>	
Residential Tariff	
Tier 1 - First 35kL per quarter	\$8.36
Tier 2 - 35kL to 130kL per quarter	\$11.70
Tier 3 - Above 130kL per quarter	\$13.34
Commercial Tariff	
Tier 1 - First 35kL per quarter	\$8.36
Tier 2 - 35kL to 130kL per quarter	\$11.70
Tier 3 - Above 130kL per quarter	\$13.34
Wholesale Tariff	
Tier 1	\$8.36

### Costs

In 2023-24, delivering water to our community will cost \$2.6 M and require the equivalent of 6.7 full-time staff.

<b>PROJECTS AND PROGRAMS</b>	
Finalise the water tender process	\$80,000

**NO MAJOR LEAK  
THIS FINANCIAL  
YEAR**

**THE WATER  
TENDER PROCESS  
IS ON-GOING**



# WASTEWATER



## WASTEWATER

### What we can do

We manage a community wastewater management system (CWMS) and associated treatment plant. This involves the maintenance of dump points, three pumping stations and over 35km of wastewater 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 around the town every quarter.

### The challenges we face

We cannot currently provide wastewater 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 management of wastewater is fully funded by the Community Wastewater Service Charge (a service charge under the S155 of the Local Government Act). The following fees will apply for 2023-24:

<b>WASTEWATER SCHEME SERVICE RATE</b> (Service Rate S155 LG Act)	
All land the is service provided or made available to	0.6082 cents in the dollar

### Costs

In 2023-24, removing and treating wastewater for our community will cost \$0.22M and require the equivalent of 0.8 full-time staff.



# MUNICIPAL



## MUNICIPAL ACTIVITIES OF THE COUNCIL

Like most other South Australian 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 \$20M business, only a small proportion is related to its municipal activities.

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

INCOME	2023-24 BUDGET (\$)
Local Roads & Paths	11,840
Drainage Management	-
Environmental Management	-
Waste Management	160,120
Regulatory Services	9,000
Community Amenities	20,540
Social and Economic Development	-
Tourism	19,440
Private Works	229,960
Airport	189,850
Community Development	-
Cultural	2,100
Recreation	261,921
Children & Youth	122,240
Childcare	705,510
General Revenue & Financing	2,189,001
Governance	150,000
<b>Total Income</b>	<b>4,071,522</b>

EXPENSE	2023-24 BUDGET (\$)
Local Roads & Paths	968,181
Drainage Management	6,972
Environmental Management	119,490
Waste Management	487,914
Regulatory Services	79,339
Community Amenities	86,413
Social and Economic Development	146,441
Tourism	145,929
Private Works	221,699
Airport	280,944
Cultural	3,370
Recreation	625,361
Children & Youth	116,016
Childcare	637,302
General Revenue & Financing	656,033
Governance	773,431
<b>Total Expenses</b>	<b>5,354,835</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>	<b>(1,283,313)</b>

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.

### 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 on all properties regardless of their use
2. No fixed charge
3. A transition period over several years using a 10% cap on individual rate increases

Council is now in the fourth year of transitioning to this methodology. In the 2023-24 year general rate revenue will increase by 20%. More information regarding rates can be found on page 27.

## 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 runway and taxiway perimeters.

### Costs

In 2023-24, it will cost \$0.28M to operate the airport and the equivalent of 0.4 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 increased charges to a level more in line with the actual cost to provide the service.



## 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

It will cost \$0.64M to operate the childcare service during 2023-24 and the equivalent of 5.0 full-time staff.

### Funding

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



## 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 2023-24 council will incur \$0.22M of expenditure in private works, utilising the equivalent of 0.56 full-time staff.

### Funding

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

## 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.



### Costs

We will spend \$0.97M on maintaining our roads and paths using the equivalent of 3.8 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.

## 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 \$0.07M 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 and we do not provide a kerbside recycling service, 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 \$0.49M providing waste manager services using the equivalent of a 1.1 full-time staff member.

### Funding

Our waste collection is funded by:

Commercial Bin Collection	\$82,000
Tip Fees	\$21,960
MUNs Grant - Umoona Waste	\$53,160
Bin Sales	\$3,000
General rates & Deficit	\$327,795



## 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 or conserving indigenous flora and fauna to name a few.

### Costs

We will spend \$0.12M on operating our community amenities and use 0.6 of a staff member.

### 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 \$0.087M on operating our community amenities and use 0.2 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 meet the increasing costs related to vandalism and willful damage. Instead, we are developing strategies to reduce these incidences in our community.

### Costs

We will spend \$0.6M on maintaining our recreational facilities using the equivalent of 2.05 full-time staff.

### Funding

Nearly \$0.26M 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

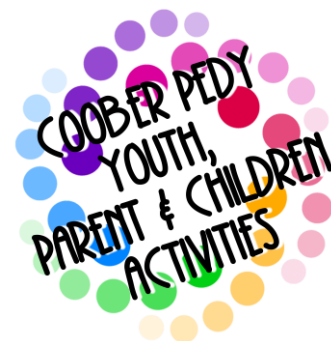
We enhance the social development and well-being of children, young people and families through the Children and Parenting Support Program (CaPS) and community facilities. This includes supporting families to build parenting skills, create community connections and implementing early intervention and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

### Costs

We will spend \$0.16M on the provision of the children and youth program employing 0.6 full-time staff member.

### Funding

Grant funding of \$0.12M will be utilised to deliver the service.



## 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 and animal control.

### Costs

We will spend \$0.08M on the provision of the regulatory services which contractors predominantly undertake.

We will raise \$0.01M 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, council & committee meetings, public participation in decision-making and public relations. It includes the cost of the Administrator and senior leadership team.

### Costs

We will spend \$0.77M on governance which includes 2.2 full-time equivalent staff members.

### Funding

Governance is funded through general rates.



## SOCIAL AND ECONOMIC DEVELOPMENT

### What we can do

Council supports the Coober Pedy Together initiative. Coober Pedy Together is about bringing change, lifting 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 \$0.15M on social and economic development in Coober Pedy.

### Funding

Social and Economic Development is funded through general rates.

## VISITOR INFORMATION CENTRE

We support the tourism industry in Coober Pedy by operating the Visitor Information Centre (VIC). 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.

Council and Tourism Industry Council of South Australia (TiCSA) are working together regarding service levels for the VIC to ensure that it meets the requirements to maintain accreditation.

### Costs

We will spend \$0.15M on assisting and developing the tourism industry in Coober Pedy. This includes utilising the equivalent 0.9 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. The balance is funded through general rates.



# 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.

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

INCOME	2023-24 BUDGET (\$)
Depot Maintenance	-
Rating & Valuations	10,320
Customer Service	720
Financial Services	27,480
Human Resources & Payroll	-
Risk Management and Work Health and Safety	-
Records Management	-
Property Asset Management	11,080
Information Technology	-
Municipal Operations	54,000
M. E. W. Ww Administration	-
Unallocated Corporate Overheads	41,160
<b>Total Income</b>	<b>144,760</b>

EXPENSE	2023-24 BUDGET (\$)
Depot Maintenance	-
Rating & Valuations	10,320
Customer Service	720
Financial Services	27,480
Human Resources & Payroll	-
Risk Management and Work Health and Safety	-
Records Management	-
Property Asset Management	11,080
Information Technology	-
Municipal Operations	54,000
M. E. W. Ww Administration	-
Unallocated Corporate Overheads	41,160
<b>Total Expenses</b>	<b>144,760</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>	<b>-</b>



## 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.

Council will continue to supplement its fleet with equipment hired from third party providers. This is due to Council’s lack of working capital and inability to source lending options. We will be undertaking a tender process to renew the current hire agreements. There will also be a review of the current equipment with a view to repair or dispose any excess equipment.

**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.**

### EXPENDITURE

Road Renewals	\$337,802
Water Tender	\$80,000
Crane Purchase (to be funded by RAES)	\$210,000



# 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 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	2023-24 BUDGET (\$)
Grants	737,459
User Charges	68,000
Sponsorship	15,000
<b>Total Income</b>	<b>820,459</b>

PROPOSED EXPENSES	2023-24 BUDGET (\$)
<b>RECURRENT EXPENSES</b>	
Salaries and Wages	311,532
Board Management	45,241
Maintenance	41,713
Depreciation	10,068
Internal Charges	29,760
Other expenses	50,145
<b>Total Recurrent Expenses</b>	<b>488,459</b>

PROPOSED PROJECTS	2023-24 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	19,000
<b>Total Project Expenses</b>	<b>331,000</b>



# 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.

### Equity

In developing the rating methodology, we have endeavored 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 fourth year of the transition we are moving closer to this methodology.

	2022-23	2023-24
<b>Average Residential Rate Increases</b>	\$62.03 4.62%	\$192.25 13.79%
<b>No. of residential properties with a 5-20% increase</b>	822 62%	664 55%
<b>No. of properties receiving capping</b>	654 41%	361 22%
<b>Commercial rate in the dollar compared to residential</b>	125%	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:

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



VALUATION ANALYSIS					
	2022-23		2023-24		
	No of Properties	CV Value	No of Properties	CV Value	\$
RESIDENTIAL	1208	\$103,045,073	1207	\$107,809,309	\$4,762,236
COMMERCIAL-SHOP	41	\$7,710,527	41	\$8,149,024	\$438,497
COMMERCIAL-OFFICE	11	\$3,438,200	11	\$3,284,600	(\$153,600)
COMMERCIAL-OTHER	47	\$19,053,655	47	\$20,497,558	\$1,443,903
INDUSTRY LIGHT	20	\$1,873,500	20	\$1,967,000	\$93,500
INDUSTRY OTHER	2	\$275,000	2	\$284,000	\$9,000
VACANT LAND	266	\$5,818,200	266	\$6,220,700	\$402,500
OTHER	12	\$1,412,500	12	\$1,479,717	\$67,217
<b>TOTAL</b>	<b>1,607</b>	<b>\$142,626,655</b>	<b>1,606</b>	<b>\$149,689,908</b>	<b>\$7,063,253</b>

### General Rates

The Council has determined that it will increase general rate revenue by 20% as we move towards financial sustainability.

TOTAL GENERAL RATE (excluding rebates and remissions on rates that are not discretionary)		
2022-23	2023-24	% Change
1,677,001	2,012,401	20%

### Discretionary Rebate

Council is applying a 100% discretionary rebate under Section 166 to the Non for Profit clubs domiciled, established and operating in the Coober Pedy township .

### 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 2023-24 financial year:

Land Use	Cents in the dollar
Residential	1.2915
Commercial—Shop	1.6144
Commercial—Office	1.6144
Commercial—Other	1.6144
Industry Light	1.6144
Industry—Other	1.6144
Vacant Land	1.2915
Other	1.6144

AVERAGE GENERAL RATE PER LAND CATEGORY			
Land use	2022-23	2023-24	Change
Residential	945.47	1,136.58	20.36%
Commercial—Shop	2,745.77	3,268.63	19.84%
Commercial—Office	4,498.25	4,914.69	9.40%
Commercial—Other	5,353.86	6,548.46	22.44%
Industry Light	1,414.72	1,673.98	19.20%
Industry—Other	2,034.84	2,392.52	17.57%
Vacant Land	319.29	369.49	17.47%
Other	569.10	678.85	19.28%

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 2023-24 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 25% above that of the previous year. The rate of the cap has been determined as the general rates increase for 2023-24 of 20%, plus 5% increase for changes in valuations.

The rate cap does not apply when there is a change in property ownership during the previous financial year, where valuations have increased due to property improvements or where there has been a change to the land use code as determined by the Valuer General's Office.

### 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 2023, the South Australian Arid Lands Landscape Board has transitioned to a common levy basis across Council.

The Regional Landscape Levy is now based on land-use. In 2023-24, Council will collect \$76,561 through a separate rate based on a fixed charge of:

REGIONAL LANDSCAPE LEVY	
Land use	Charge
Residential	\$45.35
Commercial—Shop	\$90.69
Commercial—Office	\$90.69
Commercial—Other	\$90.69
Industry Light	\$90.69
Industry—Other	\$90.69
Vacant Land	\$45.35
Other	\$45.35
Primary Production	\$226.73

The Council is also paid a small administration fee by the Landscape Board to cover any administration costs by the Council in the collection of this fee.

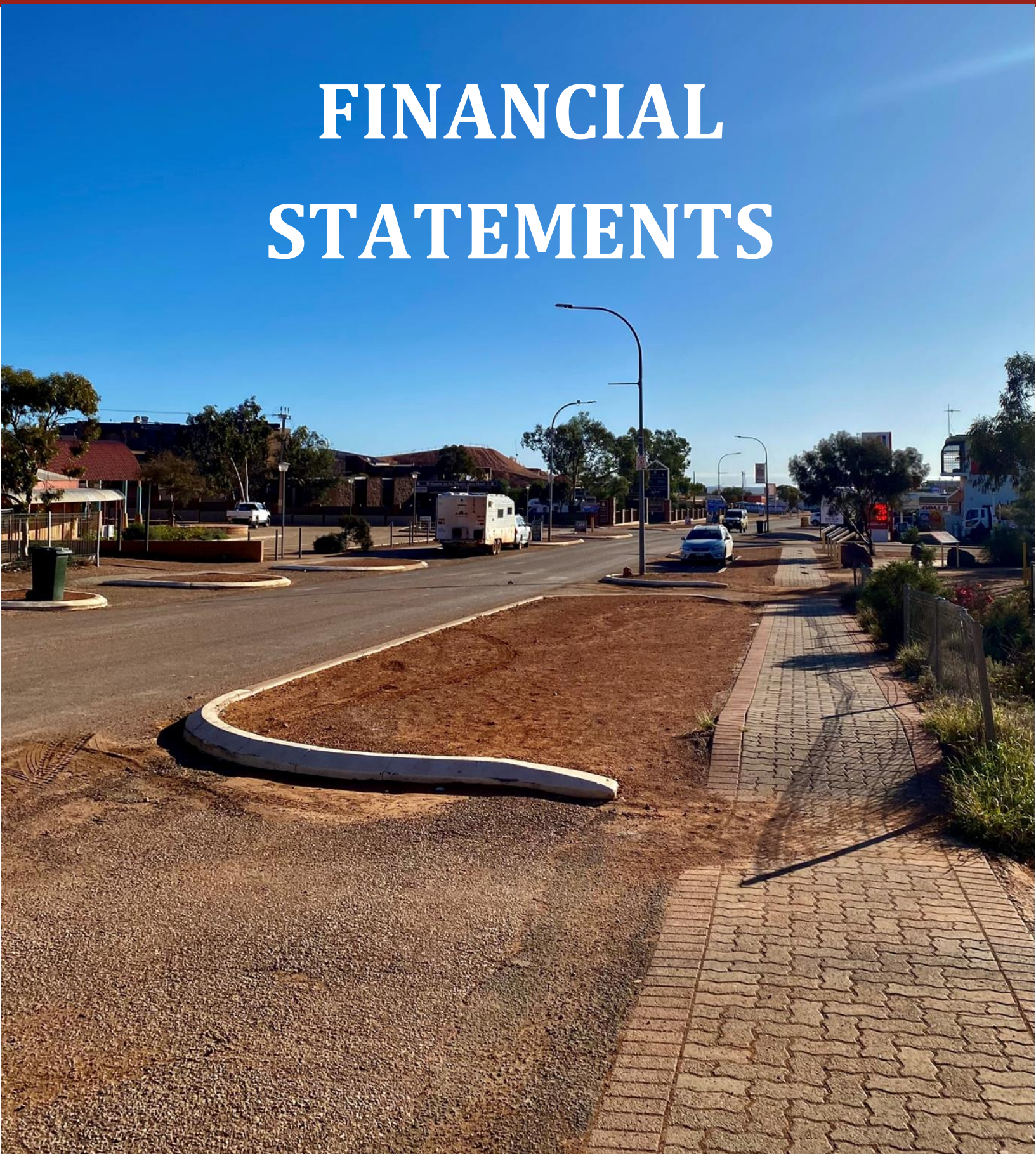
### Water Annual Service Charge

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 2023-24 the Council will raise \$531,621 through a water access fixed service charge of \$302.75.

### CWMS Service Rate

The Council applies a service rate in respect of all land within the Sewerage Service Scheme Area. In 2023-24, Council will raise \$285,057 through a CWMS Sewerage service rate of 0.6082 cents in the dollar.

# FINANCIAL STATEMENTS





## Draft Budgeted Statement of Comprehensive Income.

(For the period ending 30 June 2024)

	2021-22 Audited Actual \$	2022-23 Original Budget \$	2022-23 Forecast \$	2023-24 Draft Budget \$
<b>INCOME</b>				
Rates	2,264,616	2,627,500	2,580,210	2,925,639
Statutory charges	8,627	14,900	7,900	9,000
User charges	6,163,566	6,436,103	6,358,437	7,151,979
Grants, subsidies and contributions	6,216,756	8,086,473	8,380,884	7,235,012
Investment income	617	400	19,707	2,040
Reimbursements	202,821	161,833	141,633	231,381
Other income	96,948	243,300	276,200	100,200
<b>Total Income</b>	<b>14,953,951</b>	<b>17,570,509</b>	<b>17,764,971</b>	<b>17,655,251</b>
<b>EXPENSES</b>				
Employee costs (inc. oncosts)	4,572,344	5,478,221	5,471,584	5,042,082
Materials, contracts & other expenses	10,290,658	11,765,761	12,288,451	12,328,302
Power – fixed payments	(5,282,456)	(5,412,403)	(5,508,519)	(5,508,522)
Depreciation	1,096,581	1,037,361	1,152,143	1,115,276
Power – Asset Depreciation	4,101,175	3,944,237	4,365,279	4,365,279
Finance costs	201,373	266,500	126,700	471,900
Power – Lease interest	1,812,366	2,304,300	1,860,302	1,787,266
<b>Total Expenses</b>	<b>16,792,041</b>	<b>19,383,977</b>	<b>19,755,940</b>	<b>19,601,583</b>
<b>Total Internal Charges</b>	<b>8,784</b>	<b>2,800</b>	<b>(66,831)</b>	<b>(24,619)</b>
<b>OPERATING SURPLUS / (DEFICIT)</b>	<b>(1,846,874)</b>	<b>(1,816,268)</b>	<b>(1,924,138)</b>	<b>(1,921,713)</b>
Amounts specifically received for new or upgraded assets	-	150,000	537,255	337,814
Physical resources received free of charge	-	-	-	-
<b>NET SURPLUS/(DEFICIT) transferred to Equity Statement</b>	<b>(1,846,874)</b>	<b>(1,666,268)</b>	<b>(1,386,883)</b>	<b>(1,583,899)</b>
<b>Other Comprehensive Income</b>				
Changes in revaluation surplus -IPPE	(2,213,185)	-	-	-
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>(4,060,059)</b>	<b>(1,666,268)</b>	<b>(1,386,883)</b>	<b>(1,583,899)</b>
<b>UNDERLYING OPERATING SURPLUS/ (DEFICIT)</b>				
<b>OPERATING SURPLUS / (DEFICIT)</b>	<b>(1,846,874)</b>	<b>(1,816,268)</b>	<b>(1,924,138)</b>	<b>(1,921,713)</b>
Kanku Breakaways	323,463	394,534	414,323	-
Write off Bad Debts	(148,994)	-	1,276	-
LGFA Interest Waived	-	-	(223,300)	-
FA Grants – Prior and Current Year Net	(286,948)	-	(328,347)	1,050,000
Insurance claim Refund	(29,771)	-	(7,000)	-
RAES Subsidy Net	650,445	-	-	-
Power Right of Use Assets	631,085	836,134	717,062	644,023
<b>TOTAL UNDERLYING OPERATING SURPLUS/ (DEFICIT)</b>	<b>(707,594)</b>	<b>(585,600)</b>	<b>(1,350,124)</b>	<b>(227,689)</b>

## Draft Budget Statement of Financial Position

as of 30 June 2024

	2021-22 Audited Actual \$	2022-23 Original Budget \$	2022-23 Forecast \$	2023/24 Draft Budget \$
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	1,137,954	450,531	867,661	(919,084)
Trade & other receivables	3,023,482	2,171,994	2,995,596	2,995,596
Inventories	275,117	-	275,118	275,118
<b>Total Current Assets</b>	<b>13,874,232</b>	<b>2,811,667</b>	<b>4,138,376</b>	<b>2,351,630</b>
<b>Non-current Assets</b>				
Infrastructure, property, plant & equipment	106,618,265	108,632,714	112,061,024	107,208,251
<b>Total Non-Current Assets</b>	<b>106,618,265</b>	<b>108,632,714</b>	<b>112,061,024</b>	<b>107,208,251</b>
<b>TOTAL ASSETS</b>	<b>120,492,497</b>	<b>111,444,381</b>	<b>116,199,399</b>	<b>109,559,881</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Trade & other payables	5,029,256	3,519,047	5,665,840	4,486,766
Current Borrowings	11,607,275	7,756,517	11,601,462	11,647,544
Current Provisions	146,828	45,051	146,828	146,828
<b>Total Current Liabilities</b>	<b>16,783,359</b>	<b>11,320,615</b>	<b>17,414,130</b>	<b>16,281,138</b>
<b>Non-current Liabilities</b>				
Non-current Borrowings	86,167,375	81,476,940	82,630,390	78,707,762
Non-current Provisions	65,162	160,351	65,162	65,162
<b>Total Non-current Liabilities</b>	<b>86,232,537</b>	<b>81,637,291</b>	<b>82,695,552</b>	<b>78,772,924</b>
<b>TOTAL LIABILITIES</b>	<b>103,015,896</b>	<b>92,957,906</b>	<b>100,109,682</b>	<b>95,054,062</b>
<b>NET ASSETS</b>	<b>17,476,601</b>	<b>18,486,475</b>	<b>15,024,468</b>	<b>14,505,819</b>
<b>EQUITY</b>				
Accumulated Surplus	2,040,321	837,411	(411,813)	(930,463)
Asset Revaluation Reserves	15,411,634	17,624,419	15,411,634	15,411,634
Other Reserves	24,648	24,648	24,648	24,648
<b>TOTAL EQUITY</b>	<b>17,476,603</b>	<b>18,486,478</b>	<b>15,024,469</b>	<b>14,505,819</b>

## Draft Budget Statement of Cash Flows

as of 30 June 2024

	2021-22 Audited Actual \$	2022-23 Original Budget \$	2022-23 Forecast \$	2023/24 Draft Budget \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates - general & other	2,657,519	2,627,500	2,700,210	2,925,639
Fees & other charges	8,627	14,900	7,900	9,000
User charges	5,037,314	6,191,694	6,266,323	7,151,979
Investment receipts	617	400	19,707	2,040
Grants utilised for operating purposes	6,894,513	8,086,473	8,424,871	6,800,636
Reimbursements	202,821	161,833	141,633	231,381
Other revenues	96,848	243,300	276,200	100,200
<b>Payments</b>				
Employee costs	(4,632,006)	(5,478,221)	(4,878,987)	(5,042,082)
Materials, contracts & other expenses	(4,421,709)	(6,356,158)	(6,713,101)	(7,539,859)
Finance payments	(2,013,739)	(2,570,800)	(1,987,002)	(2,259,166)
<b>Net Cash provided by (or used in) Operating Activities</b>	<b>3,830,805</b>	<b>2,920,921</b>	<b>4,257,754</b>	<b>2,379,768</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Receipts</b>				
Amounts specifically for new or upgraded assets	-	100,000	537,255	337,814
Sale of replaced assets	-	-	-	-
<b>Payments</b>				
Expenditure on renewal/replacement of assets	(207,767)	(265,000)	(608,085)	(547,802)
Expenditure on new/upgraded assets	(137,051)	(143,202)	(526,372)	(79,980)
<b>Net Cash provided by (or used in) Investing Activities</b>	<b>(344,818)</b>	<b>(308,202)</b>	<b>(597,202)</b>	<b>(289,968)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Receipts</b>				
Proceeds from borrowings	-	-	15,400,000	7,700,000
<b>Payments</b>				
Repayment of borrowings	(91,583)	(168,887)	(15,568,887)	(7,772,374)
Repayment of finance lease liabilities	(3,549,047)	(3,183,450)	(3,761,958)	(3,804,172)
<b>Net Cash provided by (or used in) Financing Activities</b>	<b>(3,640,630)</b>	<b>(3,352,337)</b>	<b>(3,930,845)</b>	<b>(3,876,546)</b>
<b>NET INCREASE (DECREASE) IN CASH HELD</b>	<b>(154,643)</b>	<b>(739,618)</b>	<b>(270,293)</b>	<b>(1,786,746)</b>
Cash & cash equivalents at beginning of period	1,292,597	1,190,147	1,137,954	867,661
<b>Cash &amp; cash equivalents at end of period</b>	<b>1,137,954</b>	<b>450,529</b>	<b>867,661</b>	<b>(919,085)</b>



## Draft Statement of Changes in Equity

as of 30 June 2024

	Accumulated Surpluses \$	Asset Revaluation Reserve \$	Other Reserves \$	TOTAL EQUITY \$
<b>2021-22 AUDITED ACTUAL</b>				
Balance at end of previous reporting period	3,887,195	17,624,819	24,648	21,536,662
Net Surplus/(Deficit) for Year	(1,846,874)			(1,846,874)
<b>Other Comprehensive Income</b>				
Gain on revaluation of infrastructure, property, plant & equipment		(2,213,185)		(2,213,185)
<b>Balance at end of period</b>	<b>2,040,321</b>	<b>15,411,634</b>	<b>24,648</b>	<b>17,476,603</b>
<b>2022-23 ORIGINAL BUDGET</b>				
Balance at end of previous reporting period	2,503,679	17,624,419	24,648	20,153,146
Net Surplus/(Deficit) for Year	(1,666,268)			(1,666,268)
<b>Balance at end of period</b>	<b>837,411</b>	<b>17,624,419</b>	<b>24,648</b>	<b>18,486,878</b>
<b>2022/23 FORECAST</b>				
Balance at end of previous reporting period	2,040,319	15,411,634	24,648	17,476,601
Net Surplus/(Deficit) for Year	(1,386,883)	-	-	(1,386,883)
<b>Balance at end of period</b>	<b>653,436</b>	<b>15,411,634</b>	<b>24,648</b>	<b>16,089,713</b>
<b>2023/24 DRAFT BUDGET</b>				
Balance at end of previous reporting period	653,436	15,411,634	24,648	16,089,718
Net Surplus/(Deficit) for Year	(1,583,899)			(1,583,899)
<b>Balance at end of period</b>	<b>(930,463)</b>	<b>15,411,634</b>	<b>24,648</b>	<b>14,505,819</b>



## Draft Budget Uniform Presentation of Finances

For the period ending 30 June 2024

	2021-22 Audited Actual \$	2022-23 Original Budget \$	2022-23 Forecast \$	2023/24 Draft Budget \$
Income	14,953,951	17,570,509	17,764,971	17,655,251
Less Expenses	16,800,825	19,386,777	19,689,109	19,576,964
<b>Operating Surplus / (Deficit)</b>	<b>(1,846,874)</b>	<b>(1,816,268)</b>	<b>(1,924,138)</b>	<b>(1,921,713)</b>
<b>Net Outlays on Existing Assets</b>				
Capital Expenditure on renewal and replacement of Existing Assets	(207,767)	(265,000)	(608,085)	(547,802)
Depreciation, Amortisation and Impairment	5,197,756	4,981,598	5,517,422	5,480,555
Proceeds from Sale of Replaced Assets	-	-	-	-
	4,989,989	4,716,598	4,909,337	4,932,753
<b>Net Outlays on New and Upgraded Assets</b>				
Capital Expenditure on New and Upgraded Assets	(137,051)	(143,202)	(526,372)	(79,980)
Amounts received specifically for New and Upgraded Assets	-	100,000	537,255	337,814
	<b>(137,051)</b>	<b>(43,202)</b>	<b>10,883</b>	<b>257,834</b>
<b>Net Lending / (Borrowing) for Financial Year</b>	<b>3,006,064</b>	<b>2,857,128</b>	<b>2,996,082</b>	<b>3,268,874</b>



## Draft Budget Financial Indicators

for the period ending 30 June 2024

	2021-22 Audited Actual \$	2022-23 Original Budget \$	2022-23 Forecast \$	2023/24 Draft Budget \$
<b>OPERATING SURPLUS RATIO</b>	<b>-12.35%</b>	<b>-10.34%</b>	<b>-10.83%</b>	<b>-10.88%</b>

Operating Surplus	(1,846,874)	(1,816,268)	(1,924,138)	(1,921,713)
Total Operating Income	14,953,951	17,570,509	17,764,971	17,655,251

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

<b>UNDERLYING OPERATING SURPLUS RATIO</b>	<b>-2.81%</b>	<b>-3.33%</b>	<b>-7.60%</b>	<b>-1.29%</b>
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Operating Surplus	(420,646)	(585,600)	(1,350,124)	(227,689)
Total Operating Income	14,953,951	17,570,509	17,764,971	17,655,251

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

<b>NET FINANCIAL LIABILITIES RATIO</b>	<b>661.06%</b>	<b>514.13%</b>	<b>541.78%</b>	<b>526.63%</b>
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Net Financial Liabilities	98,854,460	90,335,381	96,246,425	92,977,550
Total Operating Income	14,953,951	17,570,509	17,764,971	17,655,251

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

<b>UNDERLYING NET FINANCIAL LIABILITIES RATIO</b>	<b>61.63%</b>	<b>51.23%</b>	<b>57.86%</b>	<b>60.92%</b>
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Net Financial Liabilities	9,215,374	9,001,131	10,278,257	10,577,554
Total Operating Income	14,953,951	17,570,509	17,764,971	17,655,251

*Underlying Net Financial Liabilities are defined as total liabilities (not including EDL lease) less financial assets. These are expressed as a percentage of total operating revenue*

<b>ASSET RENEWAL FUNDING RATIO</b>	<b>18.55%</b>	<b>20.83%</b>	<b>47.81%</b>	<b>39.13%</b>
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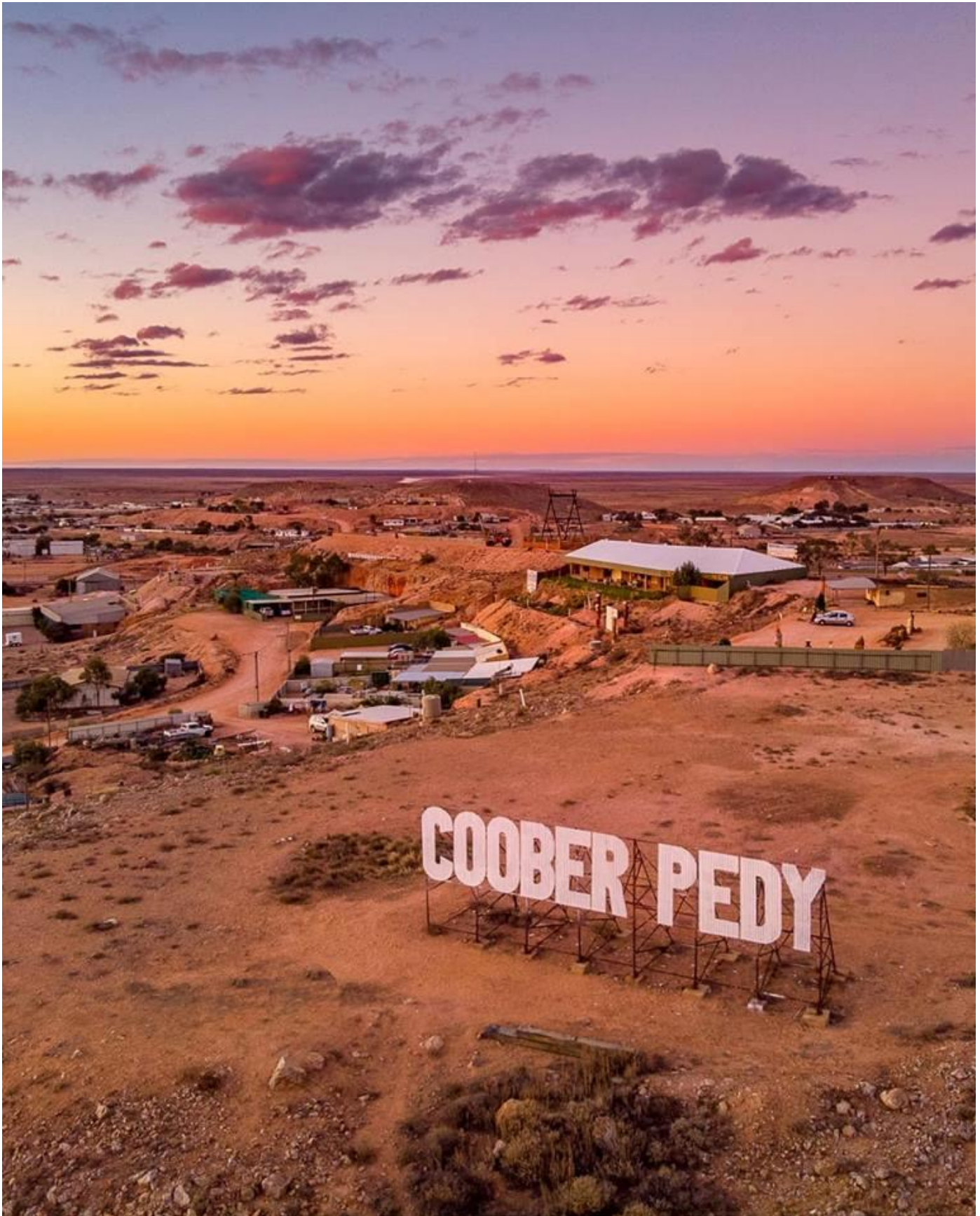
Net Asset Renewals	207,767	265,000	608,085	547,802
Infrastructure & Asset Management Plan required expenditure	1,119,923	1,272,000	1,272,000	1,400,000

*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

1. Water User charges adjustment to income – (\$22k) net decrease in operating deficit.
2. Regional Landscape Levy adjustment to fees based on new methodology- \$8k net increase in operating deficit (new allocation methodology now applied).
3. Financial Assistance Grants adjustment to forecast – (\$13k) net decrease in operating deficit.
4. Interest on borrowings adjustment to EDL interest based on opening balance and adjusted payment forecast – \$13k net increase in operating deficit.
5. Crane Purchase value increased from \$130,000 to \$210,000 per quote from supplier.







## CHIEF EXECUTIVE OFFICER'S STATEMENT OF FINANCIAL SUSTAINABILITY

At present, the financial situation of the District Council of Coober Pedy is challenging, and we need to take decisive actions to secure our future.

Based upon our current projections we will start the ten years of this long-term financial plan with a positive cash position of \$867,660, an EDL debt of \$3.47 million, and borrowings of \$7.7 million with the Local Government Finance Authority (LGFA). We anticipate that at the end of the 2022/23 financial year, we will have recorded an underlying deficit of \$1.4 million. We do not have the funds or access to borrowings to renew our failing infrastructure assets.

Based on this information, DCCP is financially unsustainable in the short and long term.

The Council will implement several measures in the 2023/24 Annual budget to set a course towards financial sustainability. These measures aim to return the District Council of Coober Pedy to a financially stable position. They include increasing general rate revenue by 20%, reducing annual operating costs by approximately \$1.0 million, and increasing water charges by 30%.

While these measures may appear drastic, they are necessary to ensure we can adequately fund our services in the 2023/24 financial year. Given our lack of available cash and limited access to additional borrowings, these actions are crucial to keeping our organisation operational.

However, our financial situation remains challenging even with these measures in place. By the end of the 2023/24 financial year, we anticipate a negative cash balance of \$0.92 million, which falls short of our target working capital of \$0.5 million. Our EDL debt is projected to be maintained at \$3.3 million, and we will still owe \$7.7 million to the LGFA.

Looking ahead, we must continue controlling costs to ensure long-term financial stability. We will need to increase general rate revenue at a rate higher than inflation in the coming years to address outstanding EDL arrears, renew aging infrastructure assets and critical plant, and reduce our loans with the LGFA.

While the road to financial sustainability may be challenging, we are committed to taking the necessary actions to ensure the long-term viability of the District Council of Coober Pedy. By implementing prudent financial strategies, closely monitoring our expenditures, and exploring opportunities for revenue generation, including grants from other levels of government, we aim to overcome our current financial difficulties and build a sustainable future for our community.

## THE PURPOSE OF THE PLAN

Long-term financial planning is a process to help ensure that Council can deliver its services and fund planned capital expenditure. It is a vital link between Council's Strategic Plan, Infrastructure and Asset Management Plan and Annual Business Plan.

This Long-term financial (LTFP) has its foundation in the recent financial history of the District Council of Coober Pedy (DCCP). We have experienced ongoing operating deficits, reducing cash balances, increasing unpaid debts to our electricity provider and no access to additional borrowings. This has resulted in reduced services to our community.

Following the appointment of the new Administrator Team in March 2023, they have implemented a significant undertaking to find a path forward for the District Council of Coober Pedy to eradicate its ongoing deficits, reduce debt and renew its large stock of infrastructure and vital plant and equipment assets. This Long-Term financial plan attempts to map out that path.

While the Council understands the importance of having a current and relevant Strategic Plan and Infrastructure Management Plan(IAMP)—Council's current strategic plan was developed in 2013 and its IAMP in 2020—to underpin a fully informed LTFP, its current financial precarity must take precedence. This LTFP effectively sets the 'goalposts' we must stay within to achieve ongoing financial sustainability. It will allow us to determine what we can afford when developing our new Strategic Plan and IAMPs.

## ASSUMPTIONS

We have prepared the 10-year LTFP using several assumptions that reflect an assessment of the economic climate and predictions on variables that will impact Council operations. In addition to external variables, the LTFP reflects several policy and service delivery changes. The LTFP is derived from our "best guess" estimate of future performance and economic conditions. Therefore, actual results are likely to vary from the LTFP. At times, these variations could be material.

This plan has been prepared on a real basis such that the effects of inflation have been removed for ease of understanding by the key stakeholders in interpreting the data.

**Table 1: Change in Indices Applied in LTFP**

	2024 Budget \$	2025 \$	2026 \$	2027 \$	2028 \$	2029 \$	2030 \$	2031 \$	2032 \$	2033 \$
Salaries and Wages increases	Actual and anticipated Enterprise Bargaining	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI
Other Operating Expenses	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI
Financial Assistance Grants	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI
Interest on CAD (real)		3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Interest on cash (real)		1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
Interest on O/S Creditor (real)		4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
Capital Expenditure	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI

Generally, Council endeavours to keep a cash balance of \$0.5 M, as it cannot access additional borrowings or working capital. While this situation is anticipated into the medium-longer term, the assumption has been retained.

### The Infrastructure Asset Management Plan (IAMP)

The DCCP’s current IAMP was adopted in 2020, and was developed when several of its water assets failed. Since then, some operational issues have been addressed, reducing the instances of pipe failures and providing a different assessment of the useful life of those assets.

Legislatively we are required to report an asset renewal funding ratio that compares our spending on the renewal and replacement of physical assets to the amount set out in our IAMP. We have done this; however, we have also provided a comparison against our more recent valuation data, including the assessment of useful lives.

**Table 2: Comparison of Asset Renewal and Replacement Amounts**

	2024 Budget \$	2025 \$	2026 \$	2027 \$	2028 \$	2029 \$	2030 \$	2031 \$	2032 \$	2033 \$
Adopted IAMP	1,400,000	5,947,000	6,286,000	701,000	836,000	706,000	-	-	-	-
Calculated required expenditure	1,445,019	713,969	1,564,648	742,003	956,596	1,366,184	875,764	1,600,444	1,140,168	949,775

### “EDL LEASE “ TRANSACTIONS

Council has a long-term contract with a third party for electricity supply. The Council takes this electricity and distributes it to electricity consumers within Coober Pedy. The electricity supply contract has fixed and variable payment components. Before July 2019 Council recorded all the electricity supply payments as an operating expense.

In the 2019/2020 financial year Council adopted a new Accounting Standard which changed how it accounted for the contractual obligations for the provision of electricity and leased plant. The variable component of the electricity contract continues to be treated as an operating expense, whilst the fixed component has been treated as if it were a lease payment. The new accounting treatment added \$86.7M in new assets to Council's balance sheet and a lease liability of \$87.8M. In addition, interest, depreciation, material & contractual expenses were significantly changed, affecting the Operating Surplus by approximately \$1.9M.

The following two tables illustrate the value of transactions excluded from the LTFP financial statements. These figures rely on a present value calculation and will change when current and future interest rates change.

**Table 3 - Impact on Income Statement of Electricity Lease**

	For the year ended 30/6/24	For the year ended 30/6/33
Reduction in Operating expenditure – removal of the fixed component of lease payments	5,508,519	5,508,519
Increase in Operating expenditure – lease finance charges	(1,787,266)	(1,011,707)
Increase in Operating expenditure – depreciation of lease assets	(4,365,279)	(4,365,279)
Increase /(Decrease) in Operating Surplus / Deficit	(644,026)	131,533

**Table 4 - Impact on Statement of Financial Position of Electricity Lease**

	30/6/23	30/6/33
Fair Value of Asset	83,185,665	83,185,665
Accumulated Depreciation	(18,083,840)	(54,251,520)
Closing Written Down Value	61,485,057	28,934,144
Lease Liability	70,881,388	37,395,672

Including these "lease" transactions distorts the underlying financial position of Council. The method used to calculate lease liabilities and the annual update of calculations results in the impact of these accounting entries changing every year, making year-on-year comparisons difficult.

### UNDERLYING OPERATING SURPLUS / (DEFICIT)

The financial statements use a measure titled "Underlying Operating Surplus" to present the undistorted financial performance of Council. This measure adjusts the Operating Surplus for items such as large non-recurring items (e.g. flood damage grants and related income), grants received in one period but related to another period (e.g. Financial Assistance Grants), and grants of a capital nature reported in operating income.

## FINANCIAL STRATEGY

### Our Current Situation

At the time of preparing this LTFP, we anticipated that on 1 July 2023 (the opening position), we would have

- a positive cash position of \$867,660 mainly due to the prepayment of the 2023/24 financial assistance grants.
- an EDL debt of \$3.5 M
- borrowings with the LGFA of \$7.7 M

In the 2022/23 financial year, we would have achieved an underlying deficit of \$1.4 M.

### Our Future Path

In the 2023/24 Annual budget, the Council has begun the process of returning DCCP to a financially sustainable position. This includes;

- increasing general rate revenue by 20%
- reducing annual operating costs by approximately \$1.0 M
- increase water charges by 30%

Each of these measures, while drastic, ensures that we can pay for the services we will deliver in the 2023/24 financial year. As we do not have any cash remaining and cannot access any additional borrowings, this is the only course of action to keep our doors open.

Even by doing this, we will, at the end of 2023/24 have

- a negative cash balance of \$ 0.92 M (we try to maintain a cash balance of \$0.5 M as working capital)
- an EDL debt of \$3.32 M
- borrowings with the LFGA of \$7.7 M

In the years following, if we continue to keep costs down, we will still need to increase general rate revenue higher than inflation so we can

- pay our EDL arrears as soon as possible
- begin to renew our aging infrastructure assets and critical plant
- reduce our loans with the Local Government Financial Authority.

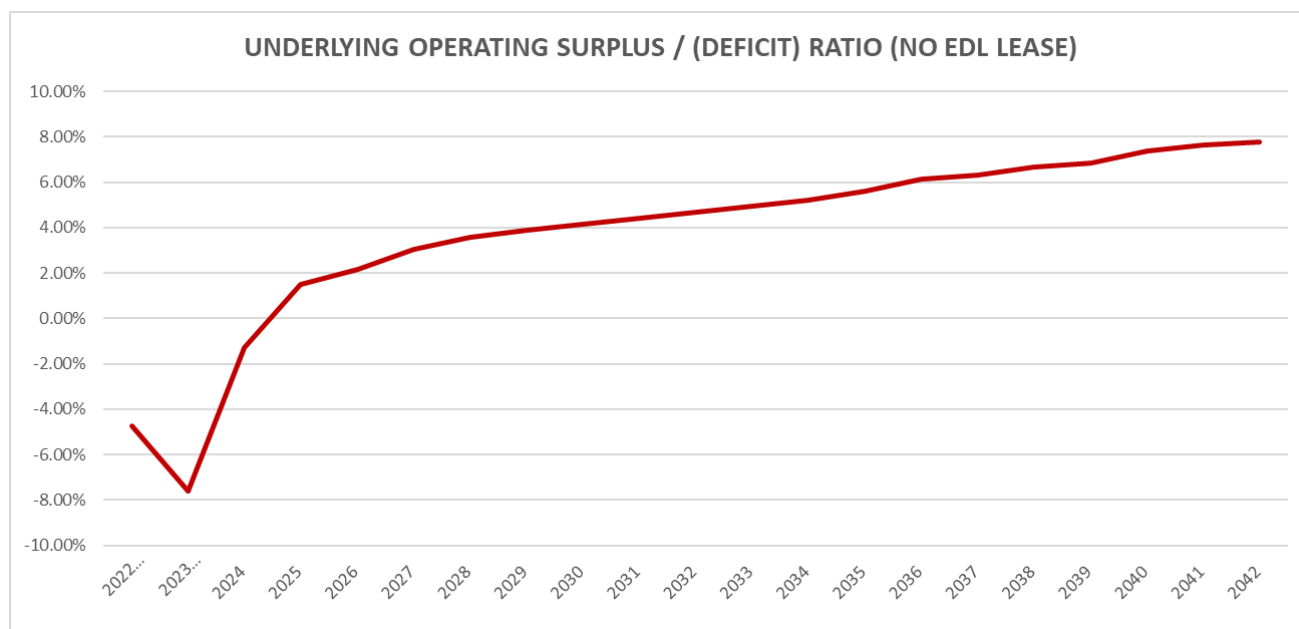
The general rate revenue increases over the life of the LTFP to achieve financial sustainability are as follows.

**Table 5: Projected General Rate Revenue Increases above Inflation**

	2024 Budget \$	2025 \$	2026 \$	2027 \$	2028 \$	2029 \$	2030 \$	2031 \$	2032 \$	2033 \$
General Rate Revenue Increase	20.00%	5.00%	5.00%	5.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Cumulative	20.00%	26.62%	31.90%	38.49%	41.26%	44.09%	46.97%	49.91%	52.91%	55.97%

Over the life of the plan, the Council would achieve an underlying small surplus in 2025, continuing to rise slightly as finance costs reduce from the extinguishment of outstanding EDL amounts and reduced borrowing with the LGFA.

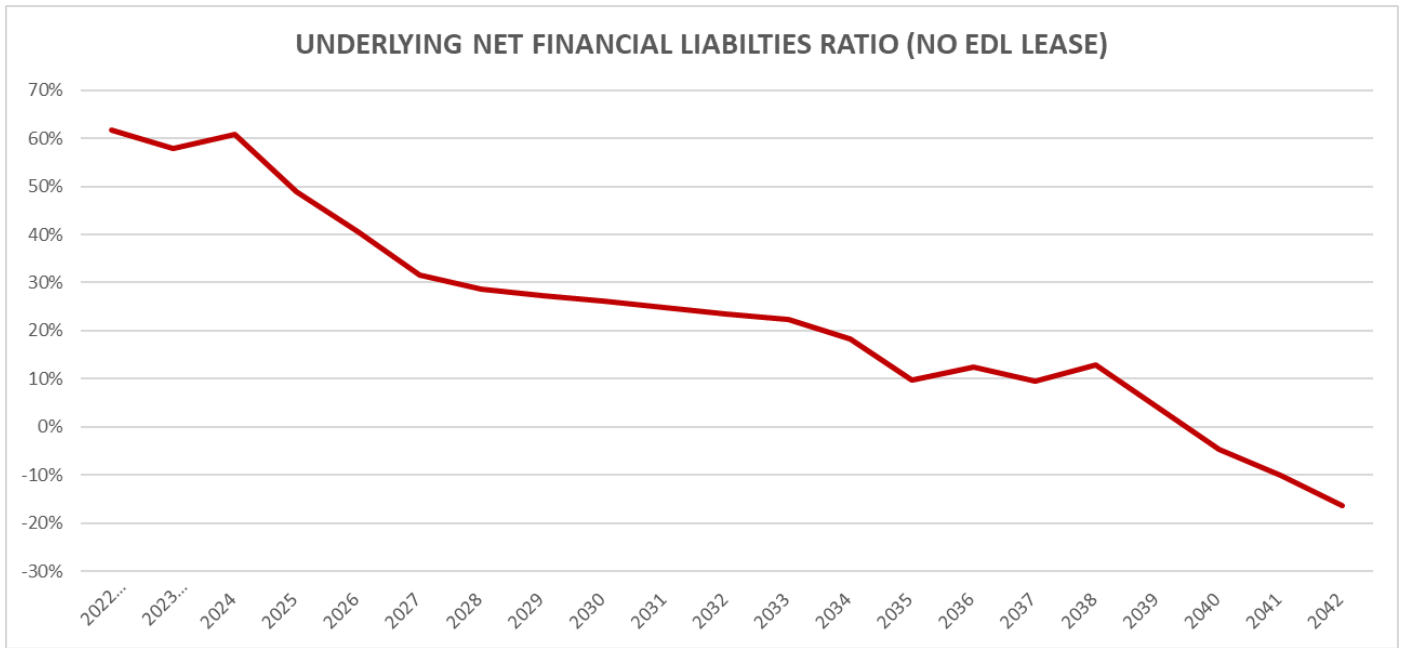
**Graph 1: Underlying Surplus / (Deficit) Ratio not including EDL Lease**



As Council achieves a small operating surplus, the cash raised for non-cash items (such as depreciation) will be applied to the immediate reduction of arrears owing to EDL. Once fully paid, all remaining cash will be applied to the backlog of assets requiring renewal and regular principal payments to the LGFA.

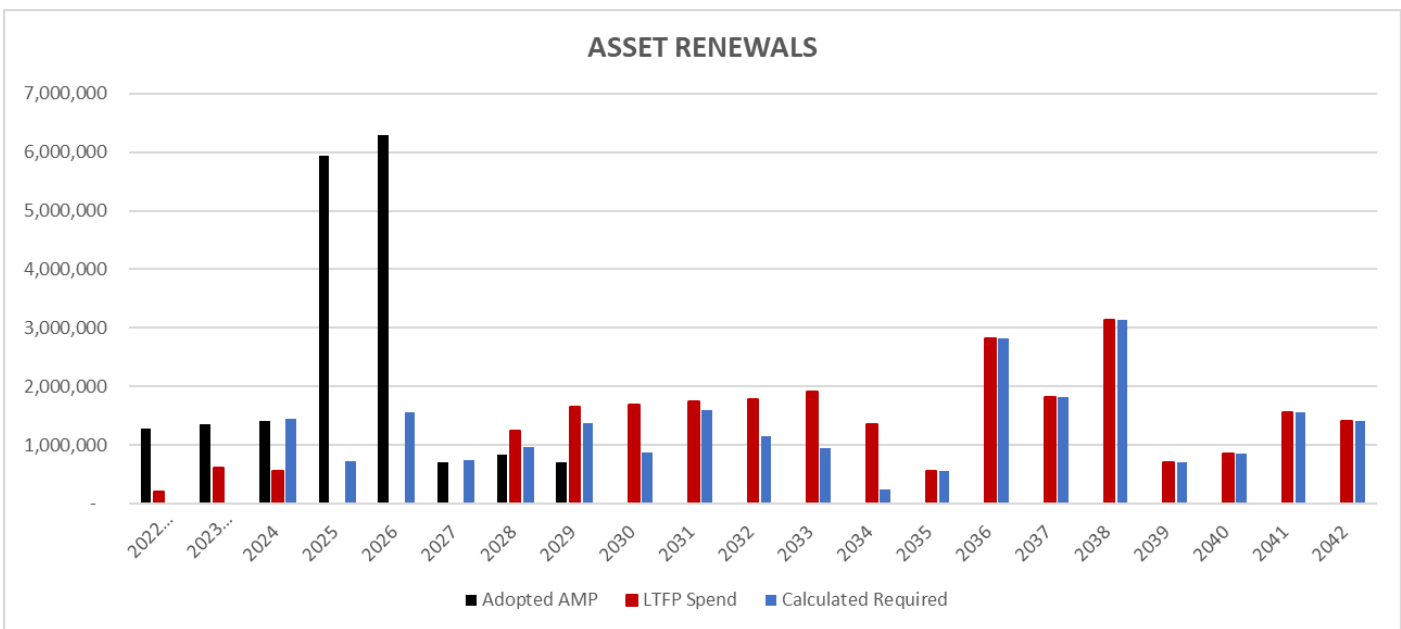
The effect of generating small ongoing operating surpluses on our net financial liabilities is shown in Graph 2 below. The graph also highlights that net financial liabilities rise again from 2036 to 2038 with the significant replacement of water infrastructure assets. However, it is kept at a reasonable level.

**Graph 2: Net Financial Liabilities Ratio not including EDL Lease**



Graph 3 illustrates that due to the limited cash available after paying any outstanding EDL amounts, Council cannot undertake any asset renewal until the 2026/27 financial year unless additional external funding can be sourced. In the following years, Council will apply any cash generated to address the backlog of assets until it catches up in the 2034/35 financial year.

**Graph 3 : Asset Renewal Funding**



Statement of Comprehensive Income.

(For the period ending 30 June)

	2024 Budget \$	2025 \$	2026 \$	2027 \$	2028 \$	2029 \$	2030 \$	2031 \$	2032 \$	2033 \$
<b>INCOME</b>										
Rates	2,925,639	3,026,259	3,131,910	3,242,844	3,289,436	3,336,960	3,385,434	3,434,878	3,485,311	3,536,752
Statutory charges	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000
User charges	7,151,978	7,151,979	7,151,978	7,151,978	7,151,978	7,151,978	7,151,978	7,151,978	7,151,978	7,151,978
Grants, subsidies and contributions	7,235,012	8,622,826	8,622,826	8,622,826	8,622,826	8,622,826	8,622,826	8,622,826	8,622,826	8,622,826
Investment income	2,040	(11,746)	7,901	9,540	9,540	9,540	9,540	9,540	9,540	9,540
Reimbursements	231,381	231,381	231,381	231,381	231,381	231,381	231,381	231,381	231,381	231,381
Other income	100,200	100,200	100,200	100,200	100,200	100,200	100,200	100,200	100,200	100,200
<b>Total Income</b>	<b>17,655,250</b>	<b>19,129,899</b>	<b>19,255,196</b>	<b>19,367,769</b>	<b>19,414,361</b>	<b>19,461,885</b>	<b>19,510,359</b>	<b>19,559,803</b>	<b>19,610,236</b>	<b>19,661,677</b>
<b>EXPENSES</b>										
Employee costs (inc. oncosts)	5,042,082	5,042,082	5,042,082	5,042,082	5,042,082	5,042,082	5,042,082	5,042,082	5,042,082	5,042,082
Materials, contracts & other expenses	12,328,299	12,328,299	12,328,299	12,328,299	12,328,299	12,328,299	12,328,299	12,328,299	12,328,299	12,328,299
Power – fixed payments	(5,508,519)	(5,508,519)	(5,508,519)	(5,508,519)	(5,508,519)	(5,508,519)	(5,508,519)	(5,508,519)	(5,508,519)	(5,508,519)
Depreciation	1,115,277	1,115,277	1,115,277	1,115,277	1,115,277	1,115,277	1,115,277	1,115,277	1,115,277	1,115,277
Power – Asset Depreciation	4,365,279	4,365,279	4,365,279	4,365,279	4,365,279	4,365,279	4,365,279	4,365,279	4,365,279	4,365,279
Finance costs	471,900	357,350	355,472	293,845	225,886	220,313	215,612	209,977	204,178	198,430
Power – Lease interest	1,787,266	1,685,551	1,607,180	1,527,203	1,445,586	1,362,295	1,277,298	1,190,558	1,102,040	1,011,707
Internal Charges	(24,620)	-	-	-	-	-	-	-	-	-
<b>Total Expenses</b>	<b>19,576,964</b>	<b>19,385,319</b>	<b>19,305,070</b>	<b>19,163,466</b>	<b>19,013,890</b>	<b>18,925,026</b>	<b>18,835,328</b>	<b>18,742,953</b>	<b>18,648,636</b>	<b>18,552,555</b>
<b>OPERATING SURPLUS / (DEFICIT)</b>	<b>(1,921,714)</b>	<b>(255,420)</b>	<b>(49,874)</b>	<b>204,302</b>	<b>400,471</b>	<b>536,858</b>	<b>675,031</b>	<b>816,850</b>	<b>961,600</b>	<b>1,109,123</b>
Amounts specifically received for new or upgraded assets	337,814	-	-	-	-	-	-	-	-	-
Physical resources received free of charge	-	-	-	-	-	-	-	-	-	-
<b>NET SURPLUS/(DEFICIT) transferred to Equity Statement</b>	<b>(1,583,900)</b>	<b>(255,420)</b>	<b>(49,874)</b>	<b>204,302</b>	<b>400,471</b>	<b>536,858</b>	<b>675,031</b>	<b>816,850</b>	<b>961,600</b>	<b>1,109,123</b>
<b>Other Comprehensive Income</b>										
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>(1,583,900)</b>	<b>(255,420)</b>	<b>(49,874)</b>	<b>204,302</b>	<b>400,471</b>	<b>536,858</b>	<b>675,031</b>	<b>816,850</b>	<b>961,600</b>	<b>1,109,123</b>
<b>UNDERLYING OPERATING SURPLUS/(DEFICIT)</b>	<b>(227,688)</b>	<b>286,891</b>	<b>414,066</b>	<b>588,265</b>	<b>702,817</b>	<b>755,913</b>	<b>809,089</b>	<b>864,168</b>	<b>920,400</b>	<b>977,590</b>

## Statement of Financial Position

as of 30 June

	2024 Budget \$	2025 \$	2026 \$	2027 \$	2028 \$	2029 \$	2030 \$	2031 \$	2032 \$	2033 \$
<b>ASSETS</b>										
<b>Current Assets</b>										
Cash and cash equivalents	(919,086)	390,728	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Trade & other receivables	2,995,596	2,995,596	2,995,596	2,995,596	2,995,596	2,995,596	2,995,596	2,995,596	2,995,596	2,995,596
Inventories	275,118	275,118	275,118	275,118	275,118	275,118	275,118	275,118	275,118	275,118
<b>Total Current Assets</b>	<b>2,351,628</b>	<b>3,661,442</b>	<b>3,770,714</b>	<b>3,770,714</b>	<b>3,770,714</b>	<b>3,770,714</b>	<b>3,770,714</b>	<b>3,770,714</b>	<b>3,770,714</b>	<b>3,770,714</b>
<b>Non-current Assets</b>										
Infrastructure, property, plant & equipment	107,208,251	101,727,695	96,247,139	90,850,989	86,949,100	83,127,742	79,326,775	75,573,707	71,876,799	68,317,446
<b>Total Non-Current Assets</b>	<b>107,208,251</b>	<b>101,727,695</b>	<b>96,247,139</b>	<b>90,850,989</b>	<b>86,949,100</b>	<b>83,127,742</b>	<b>79,326,775</b>	<b>75,573,707</b>	<b>71,876,799</b>	<b>68,317,446</b>
<b>TOTAL ASSETS</b>	<b>109,559,879</b>	<b>105,389,137</b>	<b>100,017,853</b>	<b>94,621,703</b>	<b>90,719,814</b>	<b>86,898,456</b>	<b>83,097,489</b>	<b>79,344,421</b>	<b>75,647,513</b>	<b>72,088,160</b>
<b>LIABILITIES</b>										
<b>Current Liabilities</b>										
Trade & other payables	1,170,730	1,170,730	1,170,730	1,170,730	1,170,730	1,170,730	1,170,730	1,170,730	1,170,730	1,170,730
EDL Creditor	3,316,036	3,316,036	1,946,558	550,000	550,000	550,000	550,000	550,000	550,000	550,000
Current Borrowings	7,824,576	7,700,000	7,700,000	7,529,532	7,343,781	7,187,072	6,999,239	6,805,934	6,567,605	6,395,941
EDL Lease Current	3,822,968	3,901,338	3,981,315	4,062,932	4,146,223	4,231,220	4,317,960	4,406,478	4,496,811	4,588,996
Current Provisions	146,828	146,828	146,828	146,828	146,828	146,828	146,828	146,828	146,828	146,828
<b>Total Current Liabilities</b>	<b>16,281,138</b>	<b>16,234,932</b>	<b>14,945,431</b>	<b>13,460,023</b>	<b>13,357,562</b>	<b>13,285,851</b>	<b>13,184,757</b>	<b>13,079,970</b>	<b>12,931,974</b>	<b>12,852,495</b>
<b>Non-current Liabilities</b>										
Non-current Borrowings	308,733	340,957	290,364	238,253	184,578	129,294	72,350	13,699	-	-
Non-current Provisions	78,399,029	74,497,690	70,516,374	66,453,441	62,307,217	58,075,996	53,758,035	49,351,556	44,854,744	40,265,747
EDL Lease Non-current	65,162	65,162	65,162	65,162	65,162	65,162	65,162	65,162	65,162	65,162
<b>Total Non-current Liabilities</b>	<b>78,772,924</b>	<b>74,903,809</b>	<b>70,871,900</b>	<b>66,756,856</b>	<b>62,556,957</b>	<b>58,270,452</b>	<b>53,895,547</b>	<b>49,430,417</b>	<b>44,919,906</b>	<b>40,330,909</b>
<b>TOTAL LIABILITIES</b>	<b>95,054,062</b>	<b>91,138,741</b>	<b>85,817,331</b>	<b>80,216,878</b>	<b>75,914,519</b>	<b>71,556,302</b>	<b>67,080,305</b>	<b>62,510,387</b>	<b>57,851,880</b>	<b>53,183,404</b>
<b>NET ASSETS</b>	<b>14,505,817</b>	<b>14,250,396</b>	<b>14,200,522</b>	<b>14,404,825</b>	<b>14,805,295</b>	<b>15,342,153</b>	<b>16,017,184</b>	<b>16,834,034</b>	<b>17,795,633</b>	<b>18,904,756</b>
<b>EQUITY</b>										
Accumulated Surplus	(930,462)	(1,185,882)	(1,235,756)	(1,031,454)	(630,986)	(94,128)	580,903	1,397,753	2,359,352	3,468,475
Asset Revaluation Reserves	15,411,634	15,411,634	15,411,634	15,411,634	15,411,634	15,411,634	15,411,634	15,411,634	15,411,634	15,411,634
Other Reserves	24,648	24,648	24,648	24,648	24,648	24,648	24,648	24,648	24,648	24,648
<b>TOTAL EQUITY</b>	<b>14,505,819</b>	<b>14,250,399</b>	<b>14,200,525</b>	<b>14,404,828</b>	<b>14,805,296</b>	<b>15,342,154</b>	<b>16,017,185</b>	<b>16,834,034</b>	<b>17,795,634</b>	<b>18,904,756</b>



Statement of Cash Flows

as of 30 June

	2024 Budget \$	2025 \$	2026 \$	2027 \$	2028 \$	2029 \$	2030 \$	2031 \$	2032 \$	2033 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Rates - general & other	2,925,639	3,026,259	3,131,910	3,242,844	3,289,436	3,336,960	3,385,434	3,434,878	3,485,311	3,536,752
Fees & other charges	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000
User charges	7,151,979	7,151,978	7,151,978	7,151,978	7,151,978	7,151,978	7,151,978	7,151,978	7,151,978	7,151,978
Investment receipts	6,800,636	8,622,826	8,622,826	8,622,826	8,622,826	8,622,826	8,622,826	8,622,826	8,622,826	8,622,826
Grants utilised for operating purposes	2,040	(11,746)	7,901	9,540	9,540	9,540	9,540	9,540	9,540	9,540
Reimbursements	231,381	231,381	231,381	231,381	231,381	231,381	231,381	231,381	231,381	231,381
Other revenues	100,200	100,200	100,200	100,200	100,200	100,200	100,200	100,200	100,200	100,200
<b>Payments</b>										
Employee costs	(5,042,082)	(5,042,082)	(5,042,082)	(5,042,082)	(5,042,082)	(5,042,082)	(5,042,082)	(5,042,082)	(5,042,082)	(5,042,082)
Materials, contracts & other expenses	(7,539,859)	(6,819,780)	(8,189,258)	(8,216,338)	(6,819,780)	(6,819,780)	(6,819,780)	(6,819,780)	(6,819,780)	(6,819,780)
Finance payments	(2,259,166)	(2,042,901)	(1,962,652)	(1,821,048)	(1,671,472)	(1,582,608)	(1,492,910)	(1,400,535)	(1,306,218)	(1,210,137)
<b>Net Cash provided by (or used in) Operating Activities</b>	<b>2,379,768</b>	<b>5,225,135</b>	<b>4,061,205</b>	<b>4,288,300</b>	<b>5,881,027</b>	<b>6,017,414</b>	<b>6,155,587</b>	<b>6,297,406</b>	<b>6,442,156</b>	<b>6,589,679</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Amounts specifically for new or upgraded assets	337,814	-	-	-	-	-	-	-	-	-
<b>Payments</b>										
Expenditure on renewal/replacement of assets	(547,802)	-	-	(84,406)	(1,578,667)	(1,659,197)	(1,679,589)	(1,727,488)	(1,783,649)	(1,921,203)
Expenditure on new/upgraded assets	(79,980)	-	-	-	-	-	-	-	-	-
<b>Net Cash provided by (or used in) Investing Activities</b>	<b>(289,968)</b>	<b>-</b>	<b>-</b>	<b>(84,406)</b>	<b>(1,578,667)</b>	<b>(1,659,197)</b>	<b>(1,679,589)</b>	<b>(1,727,488)</b>	<b>(1,783,649)</b>	<b>(1,921,203)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds from borrowings	-	-	-	-	-	-	-	-	-	-
<b>Payments</b>										
Repayment of borrowings	(72,374)	(92,352)	(50,593)	(222,579)	(239,426)	(211,993)	(244,777)	(251,957)	(252,028)	(171,664)
Repayment of finance lease liabilities	(3,804,172)	(3,822,969)	(3,901,339)	(3,981,316)	(4,062,933)	(4,146,224)	(4,231,221)	(4,317,961)	(4,406,479)	(4,496,812)
<b>Net Cash provided by (or used in) Financing Activities</b>	<b>(3,876,546)</b>	<b>(3,915,321)</b>	<b>(3,951,932)</b>	<b>(4,203,895)</b>	<b>(4,302,359)</b>	<b>(4,358,217)</b>	<b>(4,475,998)</b>	<b>(4,569,918)</b>	<b>(4,658,507)</b>	<b>(4,668,476)</b>
<b>NET INCREASE (DECREASE) IN CASH HELD</b>	<b>(1,786,746)</b>	<b>1,309,814</b>	<b>109,272</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash & cash equivalents at beginning of period	867,660	(919,086)	390,728	500,000	500,000	500,000	500,000	500,000	500,000	500,000
<b>Cash &amp; cash equivalents at end of period</b>	<b>(919,086)</b>	<b>390,728</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>

## Statement of Changes in Equity

as of 30 June

	2024 Budget \$	2025 \$	2026 \$	2027 \$	2028 \$	2029 \$	2030 \$	2031 \$	2032 \$	2033 \$
<b>ACCUMULATED SURPLUS</b>										
Balance at end of previous reporting period	653,438	(930,462)	(1,185,882)	(1,235,756)	(1,031,457)	(630,986)	(94,128)	580,903	1,397,753	2,359,352
Net Surplus / (Deficit)	(1,583,900)	(255,420)	(49,874)	204,302	400,471	536,858	675,031	816,850	961,600	1,109,123
Transfer to and (from) retained earnings	-	-	-	-	-	-	-	-	-	-
<b>Balance at end of period</b>	<b>(930,462)</b>	<b>(1,185,882)</b>	<b>(1,235,756)</b>	<b>(1,031,454)</b>	<b>(630,986)</b>	<b>(94,128)</b>	<b>580,903</b>	<b>1,397,753</b>	<b>2,359,352</b>	<b>3,468,475</b>
<b>ASSET REVALUATION RESERVE</b>										
Balance at end of previous reporting period	15,411,634	15,411,634	15,411,634	15,411,634	15,411,634	15,411,634	15,411,634	15,411,634	15,411,634	15,411,634
Other Comprehensive Income	-	-	-	-	-	-	-	-	-	-
Transfer to and (from) retained earnings	-	-	-	-	-	-	-	-	-	-
<b>Balance at end of period</b>	<b>15,411,634</b>	<b>15,411,634</b>	<b>15,411,634</b>	<b>15,411,634</b>	<b>15,411,634</b>	<b>15,411,634</b>	<b>15,411,634</b>	<b>15,411,634</b>	<b>15,411,634</b>	<b>15,411,634</b>
<b>OTHER RESERVES</b>										
Balance at end of previous reporting period	24,648	24,648	24,648	24,648	24,648	24,648	24,648	24,648	24,648	24,648
Net Result for the year	-	-	-	-	-	-	-	-	-	-
Transfer to and (from) retained earnings	-	-	-	-	-	-	-	-	-	-
<b>Balance at end of period</b>	<b>24,648</b>	<b>24,648</b>	<b>24,648</b>	<b>24,648</b>	<b>24,648</b>	<b>24,648</b>	<b>24,648</b>	<b>24,648</b>	<b>24,648</b>	<b>24,648</b>
<b>TOTAL EQUITY</b>	<b>14,505,819</b>	<b>14,250,399</b>	<b>14,200,525</b>	<b>14,404,828</b>	<b>14,805,296</b>	<b>15,342,154</b>	<b>16,017,185</b>	<b>16,834,034</b>	<b>17,795,634</b>	<b>18,904,756</b>

Uniform Presentation of Finances

For the period ending 30 June

	2024 Budget \$	2025 \$	2026 \$	2027 \$	2028 \$	2029 \$	2030 \$	2031 \$	2032 \$	2033 \$
Income	17,655,250	19,129,899	19,255,196	19,367,769	19,414,361	19,461,885	19,510,359	19,559,803	19,610,236	19,661,677
Less Expenses	19,576,964	19,385,319	19,305,070	19,163,466	19,013,890	18,925,026	18,835,328	18,742,953	18,648,636	18,552,555
<b>Operating Surplus / (Deficit)</b>	<b>(1,921,714)</b>	<b>(255,420)</b>	<b>(49,874)</b>	<b>204,302</b>	<b>400,471</b>	<b>536,858</b>	<b>675,031</b>	<b>816,850</b>	<b>961,600</b>	<b>1,109,123</b>
<b>Net Outlays on Existing Assets</b>										
Capital Expenditure on renewal and replacement of Existing Assets	(547,802)	-	-	(84,406)	(1,578,667)	(1,659,197)	(1,679,589)	(1,727,488)	(1,783,649)	(1,921,203)
Depreciation, Amortisation and Impairment	5,480,556	5,480,556	5,480,556	5,480,556	5,480,556	5,480,556	5,480,556	5,480,556	5,480,556	5,480,556
Proceeds from Sale of Replaced Assets	-	-	-	-	-	-	-	-	-	-
	<b>4,932,754</b>	<b>5,480,556</b>	<b>5,480,556</b>	<b>5,396,150</b>	<b>3,901,889</b>	<b>3,821,359</b>	<b>3,800,967</b>	<b>3,753,068</b>	<b>3,696,907</b>	<b>3,559,353</b>
<b>Net Outlays on New and Upgraded Assets</b>										
Capital Expenditure on New and Upgraded Assets	(79,980)	-	-	-	-	-	-	-	-	-
Amounts received specifically for New and Upgraded Assets	337,814	-	-	-	-	-	-	-	-	-
	<b>257,834</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Lending / (Borrowing) for Financial Year</b>	<b>3,268,874</b>	<b>5,225,136</b>	<b>5,430,682</b>	<b>5,600,453</b>	<b>4,302,359</b>	<b>4,358,217</b>	<b>4,475,998</b>	<b>4,569,918</b>	<b>4,658,507</b>	<b>4,668,476</b>

**Financial Indicators**  
for the period ending 30 June

	2024 Budget \$	2025 \$	2026 \$	2027 \$	2028 \$	2029 \$	2030 \$	2031 \$	2032 \$	2033 \$
<b>OPERATING SURPLUS RATIO</b>	<b>-10.88%</b>	<b>-1.34%</b>	<b>-0.26%</b>	<b>1.05%</b>	<b>2.06%</b>	<b>2.76%</b>	<b>3.46%</b>	<b>4.18%</b>	<b>4.90%</b>	<b>5.64%</b>
Operating Surplus	(1,921,714)	(255,420)	(49,874)	204,302	400,471	536,858	675,031	816,850	961,600	1,109,123
Total Operating Income	17,655,250	19,129,899	19,255,196	19,367,769	19,414,361	19,461,885	19,510,359	19,559,803	19,610,236	19,661,677

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

<b>UNDERLYING OPERATING SURPLUS RATIO</b>	<b>-1.29%</b>	<b>1.50%</b>	<b>2.15%</b>	<b>3.04%</b>	<b>3.62%</b>	<b>3.88%</b>	<b>4.15%</b>	<b>4.42%</b>	<b>4.69%</b>	<b>4.97%</b>
Operating Surplus	(227,688)	286,891	414,066	588,265	702,817	755,913	809,089	864,168	920,400	977,590
Total Operating Income	17,655,250	19,129,899	19,255,196	19,367,769	19,414,361	19,461,885	19,510,359	19,559,803	19,610,236	19,661,677

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

<b>NET FINANCIAL LIABILITIES RATIO</b>	<b>527%</b>	<b>459%</b>	<b>428%</b>	<b>396%</b>	<b>373%</b>	<b>350%</b>	<b>326%</b>	<b>302%</b>	<b>277%</b>	<b>253%</b>
Net Financial Liabilities	92,977,552	87,752,417	82,321,735	76,721,282	72,418,923	68,060,706	63,584,709	59,014,791	54,356,284	49,687,808
Total Operating Income	17,655,250	19,129,899	19,255,196	19,367,769	19,414,361	19,461,885	19,510,359	19,559,803	19,610,236	19,661,677

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

<b>UNDERLYING NET FINANCIAL LIABILITIES RATIO</b>	<b>61%</b>	<b>49%</b>	<b>41%</b>	<b>32%</b>	<b>31%</b>	<b>30%</b>	<b>28%</b>	<b>27%</b>	<b>26%</b>	<b>25%</b>
Net Financial Liabilities	10,755,555	9,353,389	7,824,046	6,204,909	5,965,483	5,753,490	5,508,714	5,256,757	5,004,729	4,833,065
Total Operating Income	17,655,250	19,129,899	19,255,196	19,367,769	19,414,361	19,461,885	19,510,359	19,559,803	19,610,236	19,661,677

*Underlying Net Financial Liabilities are defined as total liabilities (not including EDL lease) less financial assets. These are expressed as a percentage of total operating revenue.*

<b>ASSET RENEWAL FUNDING RATIO (adopted IAMP)</b>	<b>39%</b>	<b>0%</b>	<b>0%</b>	<b>12%</b>	<b>189%</b>	<b>235%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>
Net Asset Renewals	547,802	-	-	84,406	1,578,667	1,659,197	1,679,589	1,727,488	1,783,649	1,921,203
IAMP required expenditure	1,400,000	5,947,000	6,286,000	701,000	836,000	706,000				

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

<b>ASSET RENEWAL FUNDING RATIO (calculated useful life)</b>	<b>38%</b>	<b>0%</b>	<b>0%</b>	<b>11%</b>	<b>165%</b>	<b>121%</b>	<b>192%</b>	<b>108%</b>	<b>156%</b>	<b>202%</b>
Net Asset Renewals	547,802	-	-	84,406	1,578,667	1,659,197	1,679,589	1,727,488	1,783,649	1,921,203
Calculated required expenditure	1,445,019	713,969	1,564,648	742,003	956,596	1,366,184	875,764	1,600,444	1,140,168	949,775

*Net asset renewal expenditure is defined as net capital expenditure on the renewal and replacement of existing assets and excludes new capital expenditure on acquiring additional assets. It has been calculated using useful lives based on DCCP's current asset register.*