



District Council of Cooper Pedy

**2021-22 ANNUAL BUSINESS PLAN
AND BUDGET**

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1. EXECUTIVE SUMMARY

1.1 BACKGROUND

This document combines the 2021-22 Budget and Annual Business Plan (ABP) of the Coober Pedy District Council into one document.

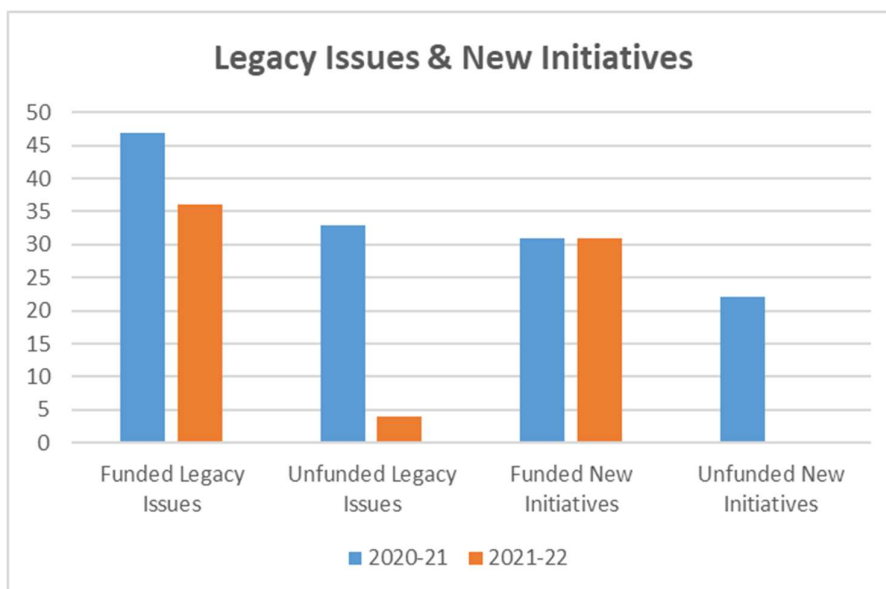
The document contains all of the information required by the *Local Government Act* and associated Regulations with the exception of a summary of the Council's long-term objectives. Council's Strategic Management Plan lapsed in 2018. A new Strategic Management Plan containing Council's long term objectives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

The ABP and Budget is one of the most important planning documents that Council produces. It sets out in detail the activities and initiatives that Council intends to undertake for the 2021-22 financial year, and the sources of income necessary to fund those activities. It provides a clear picture of Council's expected financial performance and position for the next 12 months.

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

In January 2019 the Council was suspended by the Government, and an Administrator appointed in its place. Following an extensive nation-wide search, the Administrator appointed a new CEO who commenced on 1 October 2019. The Administrator and CEO have spent considerable time fixing '**legacy**' issues left by previous Councils. Legacy issues are activities that a properly functioning Council should be undertaking in the normal course of business but are either not being undertaken or are being undertaken and need significant improvement. These legacy issues are complex, ingrained, and transverse all aspects of Council's operations. It will take a number of years to resolve all of these legacy issues to return Coober Pedy District Council to a fully functioning council that meets all of its statutory obligations and becomes truly financially sustainable. Last year's ABP identified 80 legacy issues. This year's ABP identifies 39, of which 36 are funded and 3 unfunded. Legacy issues that were unfunded in last year's ABP but are not funded are highlighted noted.

Unfunded legacy issues and unfunded new initiatives are summarized in Sections 4 and 5. The graph below shows the marked improvement in the number of legacy issues that Council addressed last year and will continue to address this year.



1.2 FORMAT OF REPORTING

A new Chart of Accounts was implemented on 1 July 2020 which is underpinned by a new reporting structure. The reporting format for the 2020-21 ABP and Budget was designed to harmonise with the *CP30 Town Plan* framework, namely Environment, Economic, and Social. *CP30 Town Plan* is a plan to be developed to reflect the towns aspirations and Council will develop and adopt a strategic plan which will give effect to some of those aspirations or goals which are under its control. The 2021-22 ABP has a new reporting format based on the following key strategic activities:

- **Municipal Activities** – traditional activities undertaken by local councils;
- **Town Activities** – activities that Council engages in for the greater good of the town; and
- **Commercial Activities** – includes profit-oriented business units.

Note: at the time of preparing this document, some of the schedules still refer to the old reporting structure. These schedules will be updated to the new reporting structure in the final document.

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

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

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

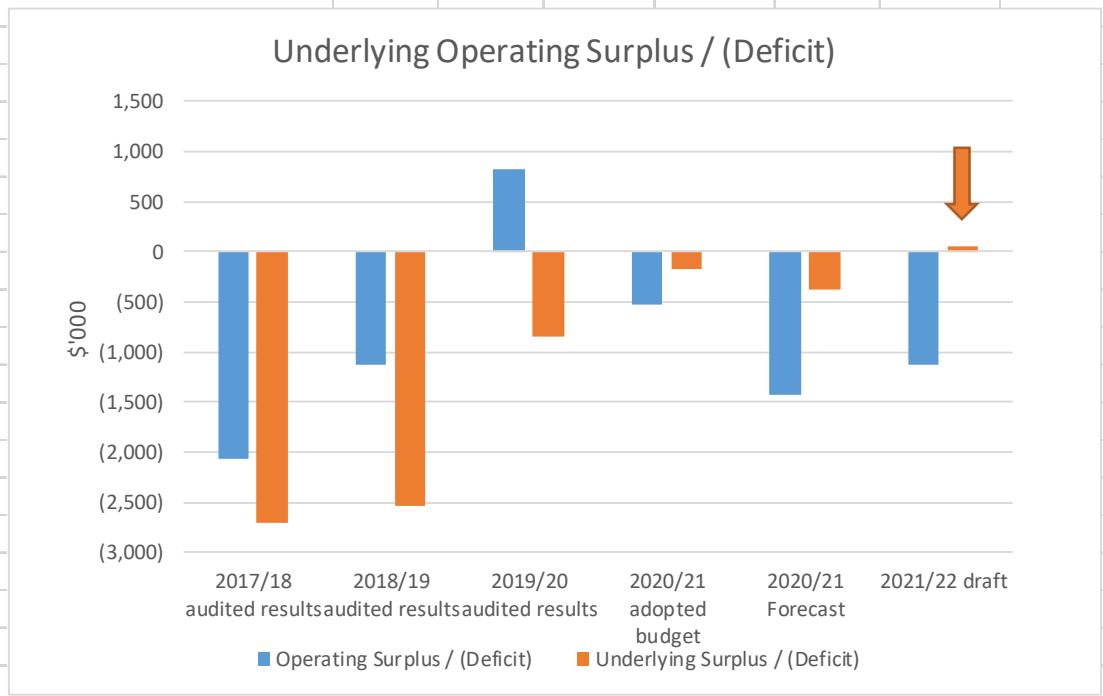
During the development of the ABP and budget, it became increasingly clear that legacy issues cause a significant constraint in all areas of Council's operations, and on its ability to operate in a financially sustainable manner. From an operational perspective, these include issues such as the reliance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

1.3 BUDGET ANALYSIS

Operating Result

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

Underlying Operating Surplus / (Deficit)							
	2017/18 audited results	2018/19 audited results	2019/20 adopted budget	2019/20 audited results	2020/21 adopted budget	2020/21 Forecast	2021/22 draft
Operating Surplus / (Deficit)	(2,072)	(1,121)	3,159	833	(519)	(1,434)	(1,135)
Underlying Surplus / (Deficit)	(2,702)	(2,527)	(1,392)	(848)	(173)	(367)	52



Council has budgeted for an operating deficit of \$1,135k and an underlying surplus of \$52k. As the graph above illustrates, the actual underlying deficit for 2017-18 was \$2.7m. The Administrator inherited a 2018-19 budget underlying deficit of \$1.3m. The *actual* underlying operating deficit for that year was a \$2.5m deficit, an improvement of only \$200k on the year before. In respect of the 2019-20 year, the same graph shows a budgeted underlying deficit of \$1.4m with the underlying forecast deficit for that year predicted to be \$367k.

For the first time in many years Council is expecting to achieve an underlying surplus. It is able to this whilst continuing to address numerous legacy issues. This result will represent an improvement of \$2.7m since 2017-18.

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

- Further savings in expenditure driven by efficiencies, cutting waste and reviewing services;
- Increasing existing sources of income and identifying new sources of income;
- Better management of Council's budget through improved reporting and monitoring;
- Better accounting systems for recording expenditure as it is incurred, that is,

through committal and accrual accounting on a monthly basis.

- Improvements in accounting methodology for calculating not only Council's *underlying operating result* but also the *underlying financial position* which is currently not captured.
- Further improvements in Council's internal control framework as identified by the Auditor-General.

Long-Term Financial Plan

Council adopted a LTFP on 25 February 2020 which forecast an underlying operating deficit of \$97k for the 2020-21 financial year. The latest forecast for the 2020-21 underlying deficit is \$367k which has been significantly impacted on by COVID19.

The LTFP estimated an underlying surplus of \$146k for 2021-22. The 2021-22 underlying surplus shown in this budget is \$52k, a difference of only \$94k.

Once the budget is adopted and Council's 2020-21 financial statements finalised, a new LTFP will be developed which will incorporate the initiatives and transition plans.

Balance Sheet

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

The budget predicts a cash balance of \$386k on 30 June 2022, a slight decrease from 2020-21 predicted balance.

Borrowings

The following new loans have been included in the 2021-22 budget.

Infrastructure renewal	\$400,000
Information Technology renewal	\$250,000
Reduce creditors	\$2,000,000

The budget includes an extensive capital works program. Despite Council's improved financial position, it is still not generating sufficient cash to fund its planned infrastructure renewal program. To be prudent, a minimum cash balance of \$300,000 has been allowed for and to enable the capital program to be include in the budget a loan of \$400,000 has been include in the budget. If the loan funds cannot be sourced the capital program would be adjusted to ensure Council maintains an adequate cash balance.

In 2020-21 \$250k was included in the budget to fund a desperately need upgrade of Council's Information Technology Infrastructure. This program of upgrades has been prepared by a firm of IT experts and reviewed by an experienced independent IT contractor. Council's IT infrastructure is operating beyond its technical life and represents a significant risk to Council.

This project was not able to be commenced in 2020-21 and has been rolled over to 2021-22. The project will be funded through loan funds, either a new loan facility or a lease.

In addition, a new loan of \$2m to fund Council's outstanding creditor has been included in the budget. This is subject to Council being able to have a loan provided for this amount. The new loan has the net impact of reducing Council's expenses by \$20,000. Should the loan not be able to be sourced, then this would add \$20,000 per year to Council's expenses.

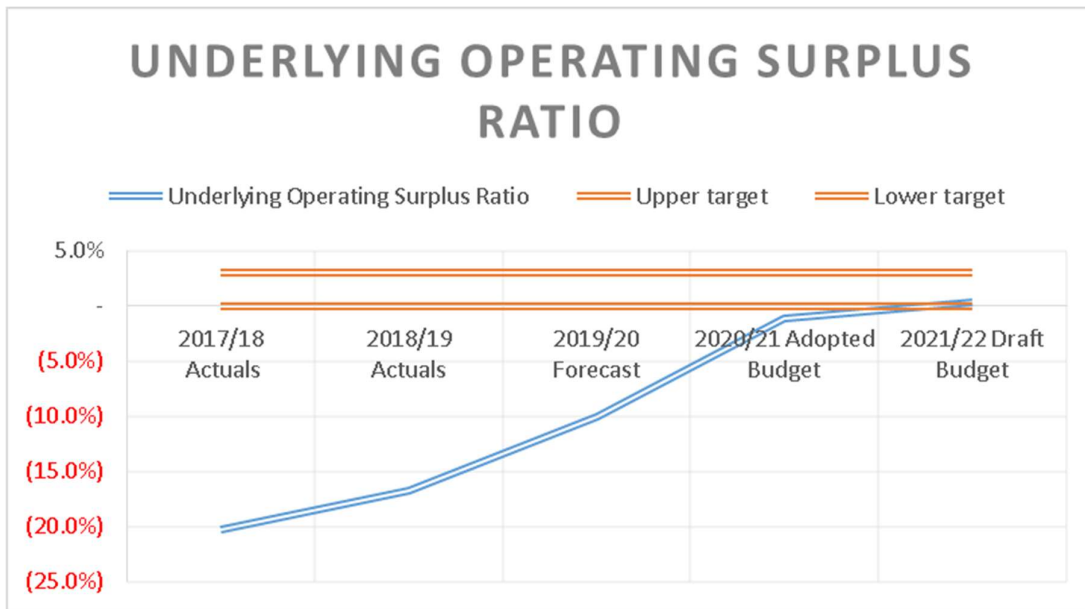
Following the completion of the 2020/21 financial statements application will be made to the Local Government Association for a new loan.

Key Financial Indicators and Trends

Below is an assessment of the degree to which the draft 2021-22 budget is consistent with the financial sustainability targets set by Council.

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

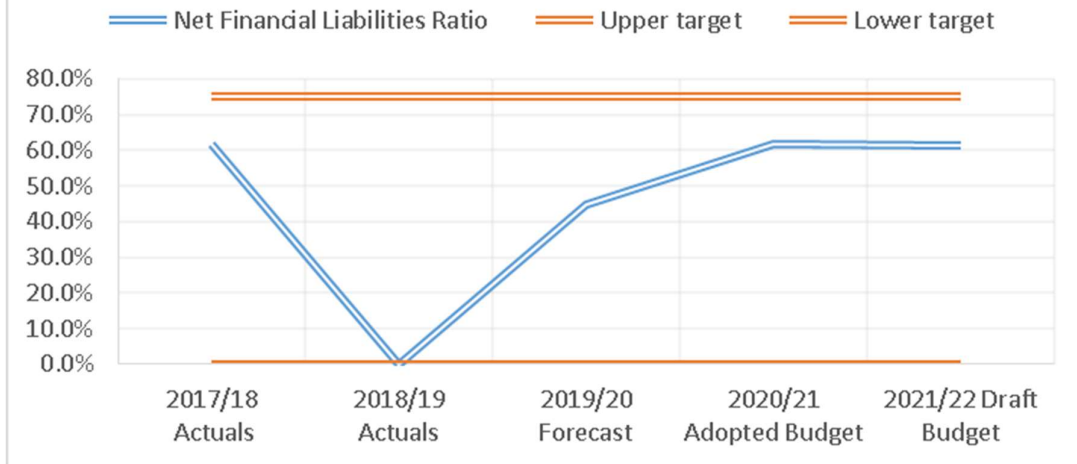
Operating Surplus Ratio: ratio of operating surplus/deficit to total income.



Council adjusts this measure to remove the influence of accounting anomalies. The adjustments are disclosed in the attached financial statements. The graph shows a strong upward trend.

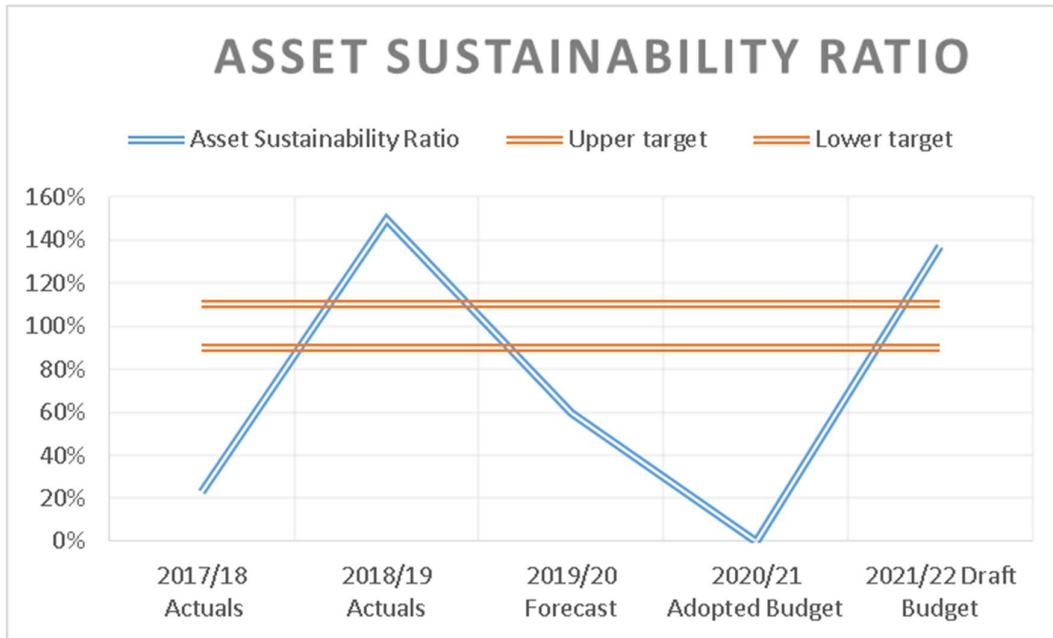
Net Financial Liabilities Ratio: ratio of net financial liabilities to operating revenue

UNDERLYING NET FINANCIAL LIABILITIES RATIO



Net Financial Liabilities are within Council's target range.

Asset Sustainability Ratio: ratio of capital renewal expenditure to depreciation



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

The 2021-22 figure includes planned expenditure from Council approved Long Term Financial Plan. The achievement of these capital projects is reliant on Council receiving adequate loan funding to be able to finance these projects. Without this funding essential capital renewal activities will not be able to be undertaken.

2. BUDGET COMPONENTS

The operating deficit is made up of operating expenditure of \$16.1m and operating income of \$14.9m. The following section provides details about income and expenditure line items.

2.1 RATES

The total amount to be raised from rates will be \$2.4m comprised as follows:

Municipal Rates (net of rebates, legal fees and write-offs)	\$1,638
kWater Access Charge	\$472k
Waste Water Service Charge	\$194k
Regional Landscape Charge	\$105k
Total Rates	\$2,409k

During the development of the 2020-21 budget Council undertook a review of the policy for levying general rates. This review incorporated the provision of information papers, several public meetings and the opportunity for the public to provide written feedback.

After consideration of all the issues Council adopted a rating of:

1. Single rate in the dollar;
2. No fixed charge; and

3. Transition over a number of years with a cap of 10% on individual rate increases. The first year of the transition occurred in the 2020-21 financial year and will continue into the 2021-22 financial year.

The Administrator has previously stated that general rates will increase by no more than inflation each year. This year, inflation for the 2021 March quarter was 1.2% and general rates will be increased by that percentage in the 2021-22 budget.

Upon receipt of updated property valuations and detailed modelling was undertaken.

Valuations

The latest valuations, and the variation from 2020-21 from the Valuations SA are summarised in the table.

Code	Land Use	Property Values								
		21/22 Variables				Variance				
		No of Properties	\$	Distribution %	Avg \$	No of Properties	\$	Distribution %	Increase %	Avg \$
1	RESIDENTIAL	1210	\$103,614,573	72%	\$85,915.90	4	\$312,072	0%	0.30%	\$258.77
2	COMMERCIAL-SHOP	41	\$7,710,527	5%	\$188,061.63	-	(\$157,523)	0%	-2.00%	(\$3,842.02)
3	COMMERCIAL-OFFICE	11	\$3,438,200	2%	\$312,563.64	-	(\$20,000)	0%	-0.58%	(\$1,818.18)
4	COMMERCIAL-OTHER	46	\$18,941,155	13%	\$411,764.24	-	(\$587,094)	0%	-3.01%	(\$12,762.91)
5	INDUSTRY LIGHT	20	\$1,873,500	1%	\$93,675.00	-	-	0%	0.00%	-
6	INDUSTRY OTHER	2	\$275,000	0%	\$137,500.00	-	-	0%	0.00%	-
8	VACANTLAND	267	\$6,131,500	4%	\$22,709.26	(3)	(\$68,100)	0%	-1.10%	(\$252.22)
9	OTHER	13	\$1,528,000	1%	\$127,333.33	1	\$218,000	0%	16.64%	\$18,166.67
	TOTAL	1,610	\$143,512,455	100%	\$89,138.17	2	(\$302,645)	0%	-0.21%	(\$299.08)

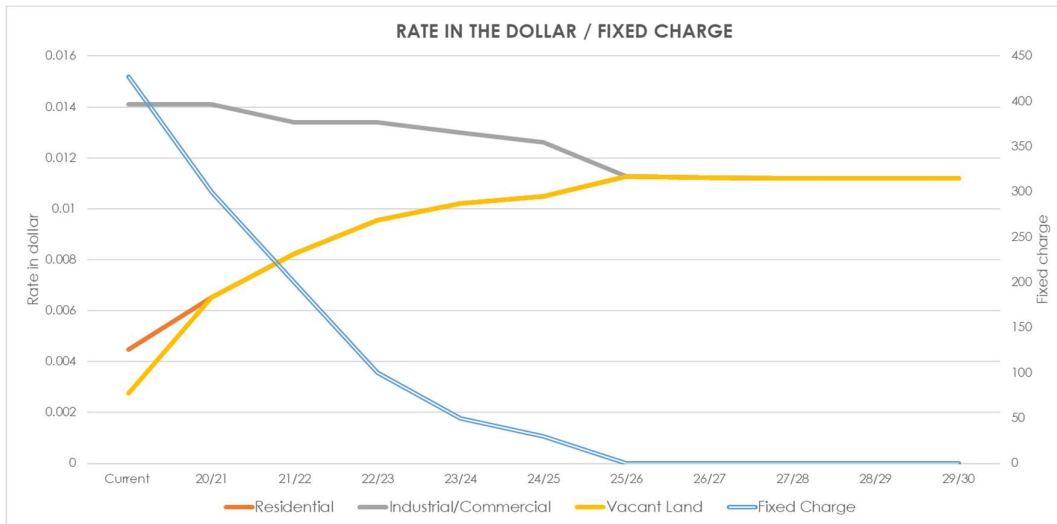
Residential valuations have remained unchanged. The small increase in valuations is due to four new residential properties.

Commercial properties have experienced a reduction in valuations. The largest reduction is in Commercial Other, which includes accommodation properties, which have seen their valuations reduce by around 5%. Industrial property valuations have not changed.

The average reduction in valuation for Commercial and Industrial properties is 2.3%.

Rates transition plan

In 2020-21 Council approved the transition to a new rates structure. The new rates structure was no fixed charge and all properties having the same rate in the dollar. Ratepayers who were to experience an increase in rates during the transition were to be protected by a rates cap ensuring that they pay no more than an additional 10% each year (subject to a few conditions). The resulting plan foresees the following change in the rate in the dollar and fixed charge.



In 2020-21, the first year of the transition, Council was able to equalise vacant and residential properties and reduce the fixed charge from \$425 to \$300.

The plan for 2021-22 was to reduce the fixed charge to \$200 and reduce the commercial / industrial rate in the dollar by 5%. Residential / vacant property rate in the dollar was adjusted to achieve the required rates revenue.

This plan assumed no change in valuations.

2021-22 Rates

After considering two options Council resolved to set rates in accordance to the transition plan. To ensure there is no undue negative impact on individual ratepayers a 10% cap on the increase in rates has been set. The resulting rates see:

Item	Impact	Notes
Average Residential rate increase	4.93% or \$64.71	All median value and above residential properties will have a 10% increase. Low value residential properties will have a reduction in rates.
No. of Residential properties with an increase between 5 and 10%	818 or 68%	
Number of properties benefiting from rates cap	639	38% of all properties rates increase would be capped to 10% under Option 1.
Commercial rate in dollar compared to Residential rate in \$	149%	The transition plan expected the figure to be 162%. Option 1 is accelerating the transition.

2.2 GRANTS & SUBSIDIES

Grants are expected to come from the following sources.

Municipal	
Local Roads Grant	\$ 54,300
Operating Grants: Recreation	\$ 9,000
Operating Grants: Children & Youth	\$ 186,100
General Purpose Grant	\$ 762,200
Town	
Tourism	\$ 20,000
Community Development	\$ 25,000
Cultural	\$ 5,000
Commercial	
MUNS Grant - Umoona	\$ 60,000
Fuel Tax Rebate: Water Production	\$ 65,000
Operating Contributions : Water Production	\$ 11,000
Operating Contributions : Water Distribution	\$ 2,500
Operating Grants: Waste Water	\$ 45,000
Energy Subsidy: Power Retail	\$ 3,450,200
Outreach Grant	\$ 82,500
Childcare Transition Subsidy	\$ 200,000
Operating Contributions: Child Care	\$ 11,000
Fuel Tax Rebate: Depot	\$ 9,500
Accident & Sickness Insurance (payroll deductions)	\$ 19,000
Kanku Breakaways	
Operating Contributions: Breakaways	\$ 340,000

Amounts Received for New Assets

Local Roads and Community Infrastructure – 2020-21 and 2021-22 - Capital	\$220,000
Roads to Recovery	\$110,000
Total Amounts Received for New Assets	\$330,000

2.3 FEES & CHARGES

91% of user charges are generated from electricity and water, and the income from these business units is discussed later in Section 3 below (programs 207 and 210).

Bin collection fees have been increased resulting in an additional \$47k.

A new service, collection of commercial waste is being offered to businesses and this is expected to raise \$13k.

Merchandise sales from the Visitor Information Centre will be increased, raising an additional \$13k.

To help offset the costs Council spends maintaining the airport runway, terminal and surrounds landing fees will be increased. The additional income is expected to be \$45k. Despite the increased fees, this draft budget has ratepayers subsidising the airport operations by \$74k a year. The Administrator has indicated that this situation should not continue beyond 1 January 2022. A significant increase in landing fees is required.

2.4 EMPLOYEE COSTS

Workforce planning has played a significant role in the development of the budget. Over the past two years there has been a significant contraction in staff numbers. In August 2020 the CEO consulted the Council on his preferred organisational structure. The new structure includes a number of new roles which are designed to:

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

The new roles include:

- Two second-level Managers (funded);
- Manager Corporate and Community Services (funded);
- Records Management Officer (unfunded);
- Human Resources Officer (unfunded);
- Economic and Community Development Officer (unfunded); and
- Part-time Electricity Liaison Officer (unfunded).

Unfortunately, four of these positions still cannot be afforded in 2021-22. The two second-level general managers have been filled and a Manager of Corporate and Community Services will be filled during the year.

The employee budget has also been impacted by an increase in superannuation expenses (\$130k), Workcover (\$89k), training (\$33k), an increase in wages rates (approximately \$64k).

The table below shows the number of full-time equivalent positions in the budget compared to the adopted budget in 2020-21.

	2021-22	2020-21
Municipal		
Works	8.90	9.9
Swimming Pool	2.32	
Governance	3.00	3
Town		
Tourism	1.06	1.72
Commercial		
Child Care outreach	0.16	0.58
Child Care	8.66	8.67
Water	4.71	4.2
Electricity	9.00	7.1
Corporate		
Corporate	2.50	4
Finance	7.05	6.5
Kanku Breakaways	3.28	2.6
Total	50.64	48.27

2.5 MATERIALS, CONTRACTS AND OTHER EXPENSES

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

- Economic development projects \$20,000
- Tourism projects \$ 20,000
- Water meter replacement \$ 40,000
- Purchase of electricity \$5,928,100
- Community engagement projects \$20,000
- Community grants \$50,000
- Consulting fees finance \$149,400
- Consulting fees HR \$ 10,000
- Consulting Fees: Asset Management \$15,000
- Outback Film Centre Feasibility Study \$25,000

Over the past two years Council has had to deal with a number of legacy issues which have required the engagement of legal advisors. These issues have now been finalised and one consequence is that budgeted legal expenses have reduced by \$150k.

On a similar theme, Council has budgeted significant amounts to buy in financial management assistance over the past years. With the appointment of a Finance Manager and General Managers and the improvement in Council's financial management, less resources are expected to be required in this area in the future. In 2021-22 a saving of \$100,000 is expected and a similar saving is hoped to be achieved in 2022-23.

2.6 DEPRECIATION

Depreciation expense is measure of the loss of value of the assets under Council's car and control. Over the past two years Council has revalued all of its infrastructure assets. The depreciation expense for 2021-22 is estimated to be \$5.0m and it is made up of asset from the following areas.

Local Roads & Paths	\$ 122,000.00
Drainage Maintenance	\$ 27,800.00
Waste Management	\$ 34,200.00
Community Amenities	\$ 29,500.00
Depot Maintenance	\$ 15,900.00
Airport	\$ 51,600.00
Water Production	\$ 118,900.00
Water Distribution	\$ 204,000.00
Wastewater	\$ 35,700.00
Power Distribution	\$ 258,300.00
Recreation	\$ 19,300.00
Children & Youth	\$ 2,900.00
Child Care	\$ 5,700.00
General Revenue & Financing	\$ 4,010,800.00
Governance	\$ 3,800.00
Financial Services	\$ 5,900.00
Asset Management	\$ 2,300.00
Unallocated Corporate Overhead	\$ 28,800.00
Internal Plant Clearing	\$ 39,900.00
Kanku - Breakaways	\$ 6,600.00

2.7 DEBT SERVICING

Borrowing costs include \$1,826k of interest related to the new electricity “lease”. The remaining borrowing costs of \$172k represent 1.2% of operating revenue.

2.8 CAPITAL EXPENDITURE

A capital expenditure budget of \$2,012k has been proposed. A list of all the projects is included at the end of Section 3.

The capital works program has been developed by assessing Council’s risks and incorporating projects identified in Council Long Term Financial Plan

3. ACTIVITIES & INITIATIVES

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

Key Strategic Activity:	MUNICIPAL ACTIVITIES
Program 101:	Local Roads & Paths

Program Description

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

Activities

- The major factor affecting the cost of this program is the damage to unsealed roads after heavy rain. The program assumes the grading of unsealed roads due to the loss of pavement about three times a year which is either prompted by wet conditions or wear under dry conditions.
- Preventative maintenance of sealed pavements by bitumen patching of shoulders and pothole repair. The most common seal failure is prompted by salt transmission under the seal and in the base course.
- Maintenance of approximately 450 street lights. All street lights were upgraded in 20 to energy-efficient luminaires. The cost of street lighting is partly subsidized by the Remote Area Energy Subsidy Scheme.
- Line-marking and traffic control of one repaint per annum.
- Replacement of 15 street signs.
- Grass cutting of roadside verges once per annum.
- Maintenance of footpaths and roadside shoulders.
- Council is entitled to \$235k of Roads to Recovery funding from the Commonwealth for the period July 2020 to June 2025. Nothing was claimed in 2019-20. The amount of \$235k will be allocated equally in 2021-22 and 2022-23, that is \$115k per year for the next two years. The funds will be used for road construction. A report will be presented to Council for endorsement prior to commencement of any works.

Funded Legacy Issues

The maintenance of sealed roads is higher than what it should be because road pavements were constructed using saline soil in the past. The use of saline soil results in the bitumen seal dislodging from the pavement resulting in potholes. The additional legacy cost is difficult to quantify.

When roads are sealed for the first time, or an existing sealed road is reconstructed, we now use a base consisting of fine crushed rock with low salinity levels.

Unfunded Legacy Issues

- Re-survey roads and implement new addressing system.

Funded New Initiatives: Nil

Program 102: **Drainage Maintenance**

Program Description

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

Activities

- Maintenance of 858km of shoulder drains.

Funded Legacy Issues: Nil

Unfunded Legacy Issues: Nil

Funded New Initiatives: Nil

Program 103: **Environmental Management**

Program Description

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

Activities

- Maintenance and irrigation of the orchard using recycled water.
- Oval maintenance using recycled water.
- Maintain tree plantations at Kearns Reserve, Hutchison Street and the Triangle.
- Grass cutting of approximately 5 km of road verge.
- Weed spraying twice per annum, mainly calthrop.

Having an orchard and oval in a desert environment relies on an adequate water supply. The use of potable water is cost-prohibitive, and for this reason, these assets receive recycled water. The cost of combining potable water with recycled water to improve the quality of the oval is approximately \$30k per annum, and this is not funded in the budget.

Funded Legacy Issues: Nil

Unfunded Legacy Issues: Nil

Funded New Initiatives: Nil

Potential Projects

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

1. Power
 - 100% Renewable Power
 - 100% use of “spilled” energy
2. Water
 - Upgrade water system
 - Create wetlands for waste water storage
3. Waste

- Recycling collection service
 - Recycling centre
4. Carbon Neutral
 - Zero emissions transport
 - Energy efficient built form
 - 7Carbon offsetting – *Plant a Tree Program*
 5. Landscape Conservation
 - Conserve indigenous flora and fauna
 - Clean up Australia Days
 - Conserve opal mining heritage and landscape

Program 104: **Waste Management**

Program Description

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

Activities

- Weekly domestic waste collection is provided weekly for approximately 1,400 properties.
- Weekly commercial waste collection of approximately 128 bins for 93 properties, making a total collection of 6,700 per annum.
- Hard waste collection is provided for paying customers via skip bin collections.
- Hard waste is also collected by Council by private agreement.
- Council recycles electrical items and abandoned cars.
- Council pays \$52,500 per annum in solid waste levies to the EPA .
- Council has not budgeted for a recycling or green waste service.
- Preparation of an *Environmental Management Plan* \$10k

Funded Legacy Issues: Nil

Unfunded Legacy Issues: Nil

Funded New Initiatives

Commercial waste collections will be billed annually instead of monthly to achieve operating efficiencies.

Program 105: **Regulatory Services**

Program Description

Regulation of particular activities to maintain public health and safety.

Activities

- Inspection of buildings and dugouts.
- Assessment of development applications.
- Environmental health inspections.

- Fire prevention inspections and enforcement.
- Emergency services levy.
- By-laws compliance.
- Car parking compliance.
- Animal control, including annual registrations.

Funded Legacy Issues: Nil

Unfunded Legacy Issues: Nil

Funded New Initiatives

Introduction of new By-Laws in October 2021.

Program 106:	Community Amenities
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Program Description

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

Activities

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

Program 303:	Recreation
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Program Description

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

Activities

Recreational Activities

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

Swimming Pool

- Manage the operations of the Swimming Pool.

Community Library

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

Playground & Skate Park

- Ongoing monthly inspections and maintenance of playgrounds and skate parks.
- Support for community groups to raise funds and expand on Council's existing playgroups.
- Maintenance of recreational facilities at the Triangle (skate parks, bike track, new

labyrinth etc).

- Maintain softfall to all playgrounds (sand and bark chips).
- Maintenance of the toilet block at the Triangle.

Walking Tracks & Trails

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

Oval

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

Other Facilities

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

Funded Legacy Issues: Nil

Unfunded Legacy Issues: Nil

Funded New Initiatives

Create a Library Committee of Management.

Program 304: **Children & Youth**

Program Description

Enhancing the social development and wellbeing of children, youth and families through the Commonwealth's Children and Parenting Support Program and the provision of community facilities. These services seek to identify issues that are or could impact on outcomes for families, and provide appropriate referrals before these issues escalate.

Activities

Children and Parenting Program

- Plan and deliver the Children and Parenting Support program to achieve the following objectives:
- Support families to build parenting skills.
- Provide support for better community connection
- Implement early intervention and prevention services aimed at improving children's development and wellbeing and support the capacity of those in a parenting role.
- Implement early intervention and prevention services aimed at improving children's development and wellbeing and support the capacity of those in a parenting role.
- Participate in Careers Week at the Coober Pedy Area School.

The purpose of the grant is to strengthen relationships, support families, improve children's well-being, and increase the participation in community life to strengthen family and community functioning and reduce the cost of family breakdown.

The program will provide a range of services focused on:

- strengthening relationships;
- building parenting and financial management skills;
- providing support for better community connections; and
- supporting newly arrived migrants to transition to life in Australia.

Funded Legacy Issues: Nil

Unfunded Legacy Issues: Nil

Funded New Initiatives:

Creation of a Youth Council to give young people a voice in the future direction and services provided by Council.

Program 701: **General Revenue & Financing**

Program Description

Corporate Rates and Financing.

Activities

- General Rates revenue (excludes separate rates for CWMS and Water but includes Regional Landscape Levy).
- Legal fees associated with recovery of General Rates.
- Grants Commission General Purpose Grant.

- Payment of Regional Landscape Levy collected.
- Finance charges on corporate borrowings (excluding finance charges on leases).
- Investment income.

Funded Legacy Issues: Nil

Unfunded Legacy Issues: Nil

Funded New Initiatives: Nil

Program 704:	Governance
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Program Description

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

Activities

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

Funded Legacy Issues

- Define the role of the Council. (unfunded in 2020-21)
- Develop a Strategic Management Plan. (unfunded in 2020-21)
- Develop KPIs for the Council. (unfunded in 2020-21)
- Prepare a report for the Council and the community on the data breach issue.
- Develop a Media Policy. (unfunded in 2020-21)
- Develop a Council Delegates Policy. (unfunded in 2020-21)
- Review one-third of Council policies. (unfunded in 2020-21)

Unfunded Legacy Issues

- Undertake an independent statutory compliance audit.

Funded New Initiatives

- Advocate for better community housing.
- Support the CP30 and CP Partnership processes
- Develop an annual *State of the Council* report.
- Review Council oversight of the Kanku-Breakaways Conservation Park co-management arrangement.
- Develop a *Public Integrity Policy*.

Key Strategic Activity: **TOWN ACTIVITIES**

Program 201: **Economic Development**

Program Description

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

Activities

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

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

Funded Legacy Issues

- Advocate for improved funding of mining roads.
- Renegotiate arrangements with all airport users. (unfunded in 2020-21)

Unfunded Legacy Issues: Nil

Funded New Initiatives

- Investigate the introduction of an economic development levy.
- Advocate for the opening up of the Old Stuart Highway opal field.
- Develop a position on providing dedicated parking for free recreational vehicles.
- Review the funding agreement with Regional Development Australia Far North.
- Contribute to the Outback Futures project.

Program Description

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

Activities

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

Funded Legacy Issues: Nil

Unfunded Legacy Issues: Nil

Funded New Initiatives

- Sale of a wider range of merchandise at the VIC.
- Introduction of an accommodation booking system at the VIC.
- Ongoing support for the newly-established Tourism Committee.
- Refurbishment of the VIC with improved layout and displays, visitor count, and duress alarm
- Construction of a noodling shed at Jeweller Shop Road.
- The projects in the table below, and their source

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

Banner mounts to street lighting	
Visitor amenities to Hutchison Street	
Welcome to Country signage	

Program 301: **Community Development**

Program Description

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

Activities

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

Funded Legacy Issues

- Review the Regional Public Health Plan. (unfunded in 2020-21)

Unfunded Legacy Issues

- Recruitment of a new full-time position in the organisational structure called Economic and Community Development Officer. Note: this position was vacated in 2020 and not replaced. Funding has been diverted to the new position of Corporate and Community Services Manager.

Funded New Initiatives

- Significant improvement in Council's Community Grants Program with financial support from Council, industry, government and not-for-profit organisations
- Advocate for better community housing.

Potential Projects

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

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

4. Safety

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

Program 302: Cultural

Program Description

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

Activities

AUSTRALIA DAY

- Manage the planning and delivery of Australia Day activities.

NAIDOC WEEK

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

RECONCILIATION WEEK

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

Funded Legacy Issues

- In conjunction with other agencies, participate in the development of an Alcohol Management Plan. (unfunded in 2020-21)
- In conjunction with the Aboriginal community, develop an Aboriginal Engagement Plan. (unfunded in 2020-21)

Unfunded Legacy Issues: Nil

Funded New Initiatives: Nil

Key Strategic Activity: **COMMERCIAL ACTIVITIES**

Program 203: **Private Works**

Program Description

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

Activities

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

Funded Legacy Issues: Nil

Unfunded Legacy Issues: Nil

Funded New Initiatives: Nil

Program 204: **Airport**

Program Description

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

Activities

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

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

The economic downturn caused by the Covid-19 pandemic has significantly reduced the revenue that Council will derive from landing fees. At the time of preparing the budget, the number of Rex flights into Coober Pedy is three or four per week, down from seven per week prior to the pandemic. Council currently charges \$9 per passenger. As of 1 January 2023, these fees will be set at a level that generates sufficient income to at least cover the costs. It is not appropriate that the airport be subsidised by ratepayers.

Funded Legacy Issues: Nil

Unfunded Legacy Issues: Nil

Funded New Initiatives

Renegotiate landing fees and lease charges with all airport users.

Program Description

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

Activities

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

Funded Legacy Issues: Nil

Unfunded Legacy Issues: Nil

Funded New Initiatives

Council has commenced a process of seeking private sector involvement and investment in Council's water operations. The two-step process involves (1) the seeking of expressions of interest and (2) a selective tender process. The ultimate objective is to reduce the cost of producing, distributing and retailing water to reduce water tariffs to Adelaide prices. The budget allows \$50,000 for project management to undertake this process.

Program 206: **Water Distribution**

Program Description

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

Activities

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

Funded Legacy Issues

The repair of leaks in the reticulation network is partly due to a failure of past administrations to invest in renewal. Provision has been made for the repair of leaks. The cost of this failure is impossible to quantify.

Unfunded Legacy Issues:

The cost of reinstating the reticulation network to a reasonable standard has not been able to be quantified.

Funded New Initiatives

See Program 205 above for details of outsourcing water operations.

Program 207: **Water Retail**

Program Description

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

Activities

- Quarterly meter reading and invoicing.
- Customer service and account inquiries.
- Processing approximately 26 rebates for water leaks per annum. In 20, about \$35k was rebated back to customers. Council only recovers the out-of-pocket costs of leaked water from customers.

Council services 1,554 meters comprised as follows:

Customer Type	No. of Customers
Residential	1,384
Commercial	125
Council meters	31
State & Federal Governments	14

Council must set fees in compliance with the National Water Initiative (NWI) pricing principles. In recent years, Council has adopted the same rate of return agreed to by the State Government for electricity assets. From 1 July 2020, the rate of return was 3.84% and this figure will be used in 2021-22.

The proposed water supply charges for 2021-22 are:

Property Type	Current Supply Charges	Proposed Supply Charges
<i>Residential</i>	\$271.40	\$
<i>Non-Residential</i>	\$271.40	All non-residential land: \$

Funded Legacy Issues

- Continue to write off bad debts. A provision for bad and doubtful debts arising from the current years billings has been made in the budget

Unfunded Legacy Issues:

- Council continues to recover bad debts from previous years. Should these debts prove to not recoverable, Council may need to write off further debts.

Funded New Initiatives

During the year, Council will consider removing the fixed water usage charge from rates notices and levying them on water bills instead.

Program 208: Waste Water

Program Description

Management of a common effluent drainage system and treatment plant.

Activities

- Grease trap inspections and cleaning at approximately 20 sites quarterly.
- Maintenance of the Dump Point adjacent to the Council office in Hutchison Street.
- Maintenance of three pumping stations.
- Maintenance of approximately 35km of sewer.
- Primary, secondary and tertiary treatment of effluent.
- Aeration and sludge maintenance.
- Sludge drying.
- Pumping and chlorination of treated effluent to the oval, orchard and Kearns Reserve.
- Community Wastewater Management Scheme (CWMS) charges will remain the same (i.e. Adelaide cpi increase for 12 months to March 2021).

Funded Legacy Issues

- Dump point maintenance is higher than it should be because it is not connected to the sewer. The dump point is being upgraded for a cost \$20k in 2021-22.

- Sewer upgrade design \$45k.

Unfunded Legacy Issues: Nil

Funded New Initiatives

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

Program 209:	Power Distribution
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Program Description

Distribution of power to approximately 1,600 residential, commercial and recreational meters.

Activities

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

Funded Legacy Issues.

- Power line restringing North West Ridge \$150k.
- Pole relocation above dugouts \$50k per annum.

Unfunded Legacy Issues: Nil

Funded New Initiatives: Nil

Program 210:	Power Retail
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Program Description

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

Activities

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

Customer Type	No. of Customers
Residential	1,329
Commercial	162
Council meters	31
State & Federal Governments	14
Total	1,536

In July 2020 Council agreed to a five-year extension of the Deed which governs the Remote Area Energy Scheme (RAES). Under the new agreement, the rate of return that

Council can charge for the assets employed in delivering electricity is 3.84%.

Funded Legacy Issues

- RAES provides limited funding for the write-off bad debts

Unfunded Legacy Issues:

- The funding from RAES for the write-off of old bad debts may not be sufficient to fully recognised the value of debts incurred many years ago. Council is working to recover as many debts as possible,

Funded New Initiatives

Installation of smart electricity meters. This project is being undertaken and funded by the Department of Energy through the Remote Area Energy Subsidy Scheme.

Program 305: Child Care

Program Description

Provision of quality, accredited care at the Mini Gems Children’s Centre.

Activities

Mini Gems Children’s Centre

- Provide quality care including adequate supervision for children aged zero to six.
- Conduct educational programs under the Early Years Learning Framework.
- Focus on children’s learning, wellbeing and fun.
- Provide information to families to support early childhood development.
- Support transition of the service into a new financially sustainable business model.
- Acknowledge the cultural diversity of families.
- Provide a safe place for all families.

Childcare Outreach

- Increase the number of children attending Mini Gems Children’s Centre by:
 - Promoting the service;
 - Organising special family days to showcase Mini Gems;
 - Proactively approach potential clients;
 - Provision of transport to and from the centre.
- Support Child Care Services to address barriers to childcare participation
- Support Mini Gems to operate viably and for their long-term sustainability.

Funded Legacy Issues

- Further operating efficiencies needed to return the centre to a surplus.
- Continue discussions with the State Government regarding Mini Gems’ long-term operating model.

Unfunded Legacy Issues: Nil

Funded New Initiatives: Nil

Key Strategic Activity: **CORPORATE OVERHEADS**

Program 107: **Depot Maintenance**

Program Description

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

Activities

- Sale of road materials.
Maintenance of minor plant, and depot buildings relating to municipal operations.
- Maintenance of a public weighbridge located at the depot.
- Storage of stock.

Funded Legacy Issues: Nil

Unfunded Legacy Issues: Nil

Funded New Initiatives: Nil

Program 702: **Rating and Valuations**

Program Description

Raising and collection of rates.

Activities

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

Funded Legacy Issues: Nil

Unfunded Legacy Issues: Nil

Program 703: **Customer Services**

Program Description

Provision of Customer Services at Council Offices

Activities

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

Funded Legacy Issues: Nil

Unfunded Legacy Issues: Nil

Funded New Initiatives: Nil

Program 705: **Financial Services**

Program Description

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

Activities

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

Funded Legacy Issues

- Introduce monthly cash flow reporting. (unfunded in 2020-21)
- Introduce quarterly debtor reporting to the Council. (unfunded in 2020-21)
- Continue to implement a contemporary internal control framework. (unfunded in 2020-21)

Unfunded Legacy Issues: Nil

Funded New Initiatives

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

Program 706: Human Resources & Payroll

Program Description

Management and payment of Council staff

Activities

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

Funded Legacy Issues

- Improvements in Council's HR systems and practices covering recruitment, induction, employee performance appraisal and management, and training and development. (unfunded in 2020-21)
- \$10k for external expertise to develop Human Resource Management systems(unfunded in 2020-21);
- Develop an Employee Performance Management and Appraisal System. (unfunded in 2020-21);
- Improve organisational culture (unfunded in 2020-21);
- Undertake the second staff survey in June 2022 (unfunded in 2020-21); and
- Establish a Staff Consultative Committee (unfunded in 2020-21).

Unfunded Legacy Issues: Nil

Funded New Initiatives: Nil

Program 707: Risk Management & WHS

Program Description

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

Activities

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

Funded Legacy Issues

- Review Council's Disaster Recovery Plan and Business Continuity Plan. (unfunded in 2020-21)
- Introduce quarterly occupational health and safety reporting to the Council. (unfunded in 2020-21)

Unfunded Legacy Issues: Nil

Funded New Initiatives: Nil

Program 708: **Records Management**

Program Description

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

Activities

Compliance with the *State Records Act*.

Funded Legacy Issues

- Investigate options for a contemporary records management system. (unfunded in 2020-21)

Unfunded Legacy Issues:

- External records management expertise to implement a new records management system.

Funded New Initiatives: Nil

Program 709: **Asset Management**

Program Description

Management of Council assets and maintenance of Council houses.

Activities

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

Funded Legacy Issues: Nil

Unfunded Legacy Issues: Nil

Funded New Initiatives: Nil

Program 710: **Information Technology**

Program Description

Provision of Information Technology and Communications for Council operations.

Activities.

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

Funded Legacy Issues

Upgrade of Council IT hardware and related software (capital expenditure of \$250k).

Unfunded Legacy Issues: Nil

Funded New Initiatives: Nil

Program 711: Other Corporate Overheads

Program Description

This program includes corporate overheads that cannot be allocated directly to any of the above-mentioned programs. It includes:

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

Funded Legacy Issues: Nil

Unfunded Legacy Issues: Nil

Funded New Initiatives: Nil

Program 798: Plant Clearing

Program Description

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

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

Sale of redundant plant items.

Funded Legacy Issues: Nil

Unfunded Legacy Issues: Nil

Funded New Initiatives: Nil

Program 799: Labour Oncost Clearing
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Program Description

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

Funded Legacy Issues: Nil

Unfunded Legacy Issues: Nil

Funded New Initiatives: Nil

3.1 CAPITAL EXPENDITURE BY KEY STRATEGIC ACTIVITY

CAPITAL PROGRAMME	
ACCOUNT DESCRIPTION	DRAFT BUDGET 2021/22
MUNICIPAL	
Dump Point sewer connection	20,000
Road renewal, including reseals	566,000
New roads (Road to Recovery funding)	110,000
LED Replacement	50,000
Sports Courts Resurfacing	50,000
	796,000
TOWN	
Drive-In Refurbishment	220,000
	220,000
COMMERCIAL	
Valve Replacement	40,000
MacKenzie Road Restringing	96,000
	136,000
CORPORATE	
Council Chambers audio equipment	20,000
ICT upgrades	250,000
Office furniture and equipment for new positions	20,000
Office extensions and grounds beautification	100,000
Plant purchases (including grade replacement)	470,000
	860,000
Total Capital Expenditure	2,012,000

4. UNFUNDED LEGACY ISSUES

As stated in Section 1.1, Legacy issues are activities that a properly functioning Council should be undertaking in the normal course of business but are either not being undertaken or are being undertaken and need significant improvement. These legacy issues are complex, ingrained, and transverse all aspects of Council's operations. It will take a number of years to resolve all of these legacy issues to return Coober Pedy District Council to a fully functioning council that meets all of its statutory obligations and becomes truly financially sustainable. Last year's ABP identified 80 legacy issues. This year's ABP identifies 39, of which 36 are funded and 3 unfunded.

4.1 Municipal Activities

101 Local Roads & Paths
Re-survey roads and implement new addressing system.
704 Governance
Undertake an independent statutory compliance audit.

4.2 Town Activities

301 Community Development
Recruitment of a new full-time position in the organisational structure called Economic and Community Development Officer. <u>Note</u> : this position was vacated in 2020 and not replaced. Funding has been diverted to the new position of Corporate and Community Services Manager.

4.3 Corporate Overheads

708 Records Management
External records management expertise to implement a new records management system.

5. UNFUNDED NEW INITIATIVES

5.1 Municipal Activities

101 Local Roads & Paths
Develop a directional signage strategy for the town.
Review vehicular speed limit limits.
303 Recreation
Develop a master plan for the triangle.
Investigate the need for a men's shed.
704 Governance
Conduct a customer satisfaction survey.
Develop a Citizen Participation Policy.
Develop a Council Service Delivery Policy.
Document Council service levels.
Establish efficiency and effectiveness targets.
Investigate the feasibility of establishing a Coober Pedy Trust.

5.2 Town Activities

201 Economic Development
Develop a capability statement for Coober Pedy.
Establish a Mining Committee of the Council.
Undertake a feasibility study on the establishment of a museum for movies shot in outback.
Investigate the expansion of the Community Employment Program to provide additional Council and other services.
Develop a master plan for the drive in.
301 Community Development
Develop a community leadership program.
Investigate the need for a men's shed.

5.3 Corporate Overheads

703 Customer Service
Develop a new residents welcome regime.

6. BUDGETED STATEMENTS

District Council of Coober Pedy STATEMENT OF COMPREHENSIVE INCOME for the Period Ending 30 June 2022

	2019/20	2020/21	2020/21	2021/22
	Audited Actuals	Adopted Budget	Forecast	Draft Budget
	\$'000	\$'000	\$'000	\$'000
INCOME				
Rates	2,395	2,298	2,446	2,409
Statutory charges	9	17	13	12
User charges	7,956	6,484	5,731	6,563
Grants, subsidies and contributions	8,411	5,859	5,710	5,357
Investment income	11	20	28	20
Reimbursements	69	1	201	186
Other income	322	370	352	386
Net Gain / Loss on Disposal of Assets	(27)			-
Total Income	19,146	15,049	14,480	14,934
EXPENSES				
Employee costs	4,434	3,872	3,709	4,657
Materials, contracts & other expenses	6,670	10,389	5,094	4,353
Depreciation	5,011	1,001	4,944	5,024
Finance costs	2,198	280	2,168	2,035
Total Expenses	18,313	15,542	15,915	16,069
OPERATING SURPLUS / (DEFICIT)	833	(519)	(1,434)	(1,135)
Amounts specifically received for new or upgraded assets	-	-	-	330
NET SURPLUS/(DEFICIT)	833	(519)	(1,434)	(805)
UNDERLYING OPERATING SURPLUS / (DEFICIT)				
The "technical" Operating Surplus / (Deficit) has been adjusted for once off items such as capital grants and income to provide a more meaningful result.				
Operating Surplus / (Deficit)	833	(519)	(1,434)	(1,135)
Kanku Breakaways		316	97	287
Grant spending "catchup" Childcare Outreach		30	-	118
Grant for flood damage repair	(2,880)	-	-	-
Expenditure on flood damage repairs	940	-	-	-
Once off contract income performed by Council	(1,389)	-	-	-
Grant not earned (Kanku - Breakaways)	369	-	-	-
Bond liabilities reinstated	223	-	-	-
Lease depreciation	3,943		3,943	4,011
Lease interest expense	1,995		1,932	1,862
Fixed component of EDL payments	(4,882)		(5,092)	(5,091)
Underlying Operating Surplus / (Deficit)	(848)	(173)	(367)	52

District Council of Coober Pedy
STATEMENT OF FINANCIAL POSITION
as at 30 June 2022

	2019/20 Audited Actuals \$'000	2020/21 Adopted Budget \$'000	2020/21 Forecast \$'000	2021/22 Draft Budget \$'000
ASSETS				
Current Assets				
Cash and cash equivalents	618	621	457	386
Trade & other receivables	2,716	2,491	2,500	2,207
Inventories	179	173	179	179
Total Current Assets	3,513	3,285	3,136	2,772
Non-current Assets				
Financial assets				
Infrastructure, property, plant & equipment	115,339	29,323	110,434	107,322
Total Non-current Assets	115,339	29,323	110,434	107,322
Total Assets	118,852	32,609	113,570	110,095
LIABILITIES				
Current Liabilities				
Trade & other payables	3,675	3,768	2,675	675
Borrowings	10,714	63	7,866	7,866
Provisions	51	104	51	51
Total Current Liabilities	14,440	3,935	10,592	8,592
Non-current Liabilities				
Trade & Other Payables				
Borrowings	85,135	8,153	85,135	84,465
Provisions	129	295	129	129
Total Non-current Liabilities	85,264	8,447	85,264	84,594
Total Liabilities	99,704	12,383	95,856	93,186
NET ASSETS	19,148	20,226	17,714	16,908
EQUITY				
Accumulated Surplus	5,423	6,501	3,988	3,183
Asset Revaluation Reserves	13,700	13,701	13,701	13,701
Other Reserves	25	25	25	25
Total Council Equity	19,148	20,226	17,714	16,908

District Council of Coober Pedy
STATEMENT OF CASH FLOWS
for the Period Ending 30 June 2022

	2019/20 Audited Actuals \$'000	2020/21 Adopted Budget \$'000	2020/21 Forecast \$'000	2021/22 Draft Budget \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates - general & other	2,354	2,298	2,446	2,409
Fees & other charges	9	17	13	12
User charges	7,966	6,484	5,947	6,563
Investment receipts	11	20	28	20
Grants utilised for operating purposes	9,482	5,859	5,710	5,357
Reimbursements	69	1	201	186
Other revenues	678	370	352	386
Payments				
Employee costs	(4,792)	(3,872)	(3,709)	(4,657)
Materials, contracts & other expenses	(9,296)	(10,389)	(6,094)	(6,353)
Finance payments	(2,198)	(280)	(2,168)	(2,035)
Net Cash provided by (or used in) Operating Activities	4,283	508	2,726	1,889
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Amounts specifically for new or upgraded assets	-	-	-	330
Sale of replaced assets	-	-	-	100
Sale of surplus assets	-	-	-	-
Payments				
Expenditure on renewal/replacement of assets	(1,712)	(548)	-	(1,742)
Expenditure on new/upgraded assets	-	(78)	(40)	(270)
Net Cash provided by (or used in) Investing Activities	(1,712)	(626)	(40)	(1,582)
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Proceeds from borrowings	-	270	400	2,650
Payments				
Repayments of borrowings	(150)	(76)	(87)	(92)
Repayment of finance lease liabilities	(2,950)	(63)	(3,160)	(3,228)
Net Cash provided by (or used in) Financing Activities	(3,100)	131	(2,848)	(670)
Net Increase (Decrease) in cash held	(529)	13	(161)	(363)
Cash & cash equivalents at beginning of period	1,147	608	618	750
Cash & cash equivalents at end of period	618	621	457	386

District Council of Coober Pedy
UNIFORM PRESENTATION OF FINANCES
for the Period Ending 30 June 2022

	2019/20	2020/21	2020/21	2021/22
	Audited Actuals	Adopted Budget	Forecast	Draft Budget
	\$'000	\$'000	\$'000	\$'000
Income	19,173	15,049	14,480	14,934
less Expenses	(18,313)	(15,567)	(15,915)	(16,069)
Operating Surplus / (Deficit)	860	(519)	(1,434)	(1,135)
Net Outlays on Existing Assets				
Capital Expenditure on renewal and replacement of Existing Assets	(1,712)	(2)	-	(1,742)
Depreciation, Amortisation and Impairment	5,011	1,001	4,944	5,024
	3,299	1,000	4,944	3,282
Net Outlays on New and Upgraded Assets				
Capital Expenditure on New and Upgraded Assets (including investment property & real estate developments)				(270)
Amounts received specifically for New and Upgraded Assets	-	-	(40)	-
	-	-	(40)	(270)
Net Lending / (Borrowing) for Financial Year	4,159	481	3,470	1,877

District Council of Coober Pedy
BUDGETED FINANCIAL INDICATORS
for the Period Ending 30 June 2022

	2019/20 Audited Actuals \$'000	2020/21 Adopted Budget \$'000	2020/21 Forecast \$'000	2021/22 Draft Budget \$'000
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Operating Surplus Ratio

<u>Operating Surplus</u> Total Operating Revenue	4.4%	(3.4%)	(9.9%)	(7.0%)
<u>Underlying Operating Surplus Ratio</u>	(10.0%)	(1.1%)	(2.5%)	0.3%

This ratio expresses the normalised operating surplus as a percentage of total operating revenue. This provides an indication of Council underlying Operating Surplus.

Net Financial Liabilities Ratio

<u>Net Financial Liabilities</u> Total Operating Revenue	503.3%	61.6%	641.6%	606.6%
Balance EDL lease Underlying	87,802 44.8%	84,641 61.6%	84,641 57.0%	81,413 61.5%

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

Asset Sustainability Ratio

LTFP renewals

<u>Net Asset Renewals</u> Depreciation or IAMP renewals *	60%	0%	0%	137%
	3,016	1,192	1,192	1,272

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.

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

The following tables show the draft 2021-22 budget and compare it to the 2020-21 budget. The 2021-22 figures include a distribution of overhead costs where the cost of support services (e.g. financial administration, risk management, etc.) are reallocated to the cost of services (e.g. Roads, Water, etc.). This reallocation of overhead costs has only been undertaken for 2021-22 and not 2020-21. Care needs to be taken when comparing the results on different areas as on year has overhead reallocations and another year does not.

BUDGET SUMMARY.... ACTIVITIES			
ACTIVITY	ADOPTED BUDGET 2020/21 \$'000	FORECAST BUDGET 2020/21 \$'000	DRAFT BUDGET 2021/22 \$'000
Operating			
Municipal	(1,271)	(243)	(473)
Commercial	1,005	612	68
Town	(146)	(229)	(114)
Corporate	233	(1,479)	-
Council Operations Surplus / (Deficit)	(179)	(1,338)	(519)
Kanku Breakaways	(314)	(97)	(287)
Total Surplus / (Deficit)	(494)	(1,434)	(805)
Capital	641	656	2,012

MUNICIPAL ACTIVITIES			
	ACTIVITY	ADOPTED BUDGET 2020/21 \$'000	DRAFT BUDGET 2021/22 \$'000
101	Local Roads & Paths	(572)	(638)
102	Drainage Maintenance	(53)	(56)
103	Environmental Management	(100)	(89)
104	Waste Management	(116)	(214)
105	Regulatory Services	(232)	(70)
106	Community Amenities	(43)	(108)
303	Recreation	-	(280)
304	Children & Youth	-	(50)
701	General Revenue & Financing	170	1,455
704	Governance	(78)	(423)
	TOTAL	(1,024)	(473)

MUNICIPAL ACTIVITIES			
		ADOPTED BUDGET 2020/21 \$'000	DRAFT BUDGET 2021/22 \$'000
	INCOME		
	Rates	-	1,744
	Statutory charges	-	12
	User charges	-	187
	Grants, subsidies and contributions	-	1,122
	Investment income	-	19
	Reimbursements	-	185
	Other income	-	50
	Total Income	0	3,318
	EXPENSES		
	Employee costs	-	632
	Materials, contracts & other expenses	-	(4,328)
	Depreciation	-	4,250
	Finance costs	-	2,035
	Internal electricity	-	152
	Internal water	-	92
	Internal Plant Hire	-	140
	Labour oncosts	-	170
	Overheads	-	649
	Total Expenses	0	3,791
	OPERATING SURPLUS / (DEFICIT)	176	(473)

TOWN ACTIVITIES			
	ACTIVITY	ADOPTED BUDGET 2020/21	DRAFT BUDGET 2021/22
		\$'000	\$'000
201	Economic Development	(89)	(26)
202	Tourism	(159)	44
301	Community Development	(31)	(92)
302	Cultural	(14)	(39)
	TOTAL	(292)	(114)

TOWN ACTIVITIES			
		ADOPTED BUDGET 2020/21	DRAFT BUDGET 2021/22
	INCOME	\$'000	\$'000
	Rates	-	-
	Statutory charges	-	-
	User charges	-	25
	Grants, subsidies and contributions	-	270
	Investment income	-	-
	Reimbursements	-	-
	Other income	-	-
	Total Income	-	295
	EXPENSES		
	Employee costs	-	103
	Materials, contracts & other expenses	-	179
	Depreciation	-	-
	Finance costs	-	-
	Internal Electricity	-	-
	Internal water	-	1
	Internal plant hire	-	4
	Labour oncosts	-	17
	Overhead allocation	-	105
	Total Expenses	0	409
	OPERATING SURPLUS / (DEFICIT)	(8)	(114)

COMMERICAL ACTIVITIES			
	ACTIVITY	ADOPTED BUDGET 2020/21	DRAFT BUDGET 2021/22
		\$'000	\$'000
203	Private Works	15	(15)
204	Airport	(97)	(75)
205	Water Production	(717)	(983)
206	Water Distribution	(643)	(855)
207	Water Retail	2,036	2,021
208	Wastewater	14	54
209	Power Distribution	(971)	(1,737)
210	Power Retail	1,615	1,954
305	Childcare	(11)	(295)
	TOTAL	1,242	68

COMMERICAL ACTIVITIES			
		ADOPTED BUDGET 2020/21	DRAFT BUDGET 2021/22
	INCOME	\$'000	\$'000
	Rates	-	666
	Statutory charges	-	-
	User charges	-	6,227
	Grants, subsidies and contributions	-	3,927
	Investment income	-	-
	Reimbursements	-	-
	Other income	-	301
	Internal electricity	-	424
	Internal water	-	107
	Internal plant hire	-	-
	Labour oncosts	-	-
	Total Income	0	11,652
	EXPENSES		
	Employee costs	-	1,635
	Materials, contracts & other expenses	-	7,168
	Depreciation	-	674
	Finance costs	-	-
	Other income	-	(35)
	Internal electricity	-	233
	Internal water	-	12
	Internal plant hire	-	71
	Labour oncosts	-	526
	Overheads	-	1,302
	Total Expenses	0	11,584
	OPERATING SURPLUS / (DEFICIT)	-	68

CORPORATE ACTIVITIES			
	ACTIVITY	ADOPTED BUDGET 2020/21	DRAFT BUDGET 2021/22
		\$'000	\$'000
107	Depot Maintenance	(154)	-
702	Rating & Valuations	(87)	-
703	Customer Service	(104)	-
705	Financial Services	(581)	-
706	Human Resources & Payroll	(144)	-
707	Risk Management & WHS	(15)	-
708	Records Management	(53)	-
709	Asset Management	(60)	-
710	Information Technology	(357)	-
797	Unallocated Corporate Overheads	(76)	-
798	Internal Plant Hire	(25)	-
799	Internal Labour Oncosts	(14)	-
TOTAL	TOTAL	(1,669)	-
CORPORATE ACTIVITIES			
		ADOPTED BUDGET 2020/21	DRAFT BUDGET 2021/22
	INCOME	\$'000	\$'000
	Rates	-	-
	Statutory charges	-	-
	User charges	-	57
	Grants, subsidies and contributions	-	29
	Investment income	-	1
	Reimbursements	-	1
	Other income	-	-
	Internal electricity	-	-
	Internal water	-	-
	Internal plant hire	-	-
	Labour oncosts	-	-
	Internal administration charges	-	18
	Total Income	0	106
	EXPENSES		
	Employee costs	-	2,116
	Materials, contracts & other expenses	-	990
	Depreciation	-	93
	Finance costs	-	-
	Rates	-	-
	User charges	-	-
	Internal electricity	-	39
	Internal water	-	3
	Internal charges other	-	-
	Internal plant hire	-	(283)
	Labour oncosts	-	(797)
	Overheads	-	(2,056)
	Total Expenses	0	106
	OPERATING SURPLUS / (DEFICIT)	-	(0)