The Barossa Council

ANNUAL BUDGET & BUSINESS PLAN 2022/23

Incorporating the annual review of the Long Term Financial Plan 2022/23 to 2031/32

CONTENTS

ACKNOWLEDGEMENT OF COUNTRY

The Barossa Council acknowledges the Ngadjuri, Peramangk and Kaurna people and their ancestral connection to land and pays respects to Elders past, present and emerging.

FROM THE MAYOR

The Barossa is a unique and highly desirable tourism destination, and a community with strong underpinning values and a pride in its heritage. As a Council we are prepared to maximise opportunities to work together with the community to enhance our unique lifestyle, heritage and community spirit while creating a strong future for the region.

Our 2022-23 budget proposes a net 3.75% increase in general rate revenue to existing ratepayers to deliver expanded services, additional road infrastructure and The Big Project activities.

Additionally, in recognition of the State-wide revaluation initiative of the Valuer-General our budget includes a second round of rate caps for those valuations have been significantly impacted by this initiative, in particular our primary producers, of approximately $140,000. Council also acknowledges this rate cap may need to be retained for one further year to allow the valuation impacts to be eased in over a three-year period.

Highlights within our 2022/23 budget include:

- New funding to deliver expanded and improved community development support in areas like support to heath networks, recreation and sport, youth, arts and culture
- Additional resourcing to better manage our relationship with our facility users and funding to address growing maintenance costs
- Over $3.7m for road sheeting, construction, sealing and resealing
- $1.1m for the first instalment of accelerated rural road sealing for Goldfields Road, Cockatoo Valley; Valley Road, Angaston; and Yaldara Drive, Lyndoch
- $1.9m for stormwater projects
- $19.32m in project funding for projects under The Big Project some subject to obtaining successful grant allocations and third-party contributions. Continuing and newly funded works included in this figure are (the figures reflect the 2022/23 costs not the total project costs):
    - Nuriootpa Centennial Park - soccer club and change rooms project estimated at $1.5m
    - Talunga Park - caravan park upgrade estimated at $2.2m
    - Tanunda Recreation Park - club and change rooms estimated at $3.5m
    - Tanunda Recreation Park – inclusive playground, junior oval, cricket nets relocation estimated at $1.2m
    - Barossa rugby ground, club and change rooms estimated at $2.6m
- $1.8m in 2022/23 and an estimated $6m over 5 years to upgrade capacity of wastewater treatment system in Nuriootpa to cater for town expansion

The 2022/23 year will see the second year of additional grassroots staff resourcing of approximately $400,000 for our business-as-usual work. Key areas continue to be asset management, depot operations such open space, tree management and general maintenance activities in response to growing demands, new development and increased population.

The Annual Budget and Business Plan incorporating the annual review of the Long Term Financial Plan is available on our website and at the Customer Support desk at our principal office located at 43-51 Tanunda Road, Nuriootpa.

Mayor Bim Lange OAM

The Barossa Council

HAVE YOUR SAY

Verbal submission can be made at the Nuriootpa Council Chambers on Wednesday 6 July 2022 at 7.30pm for 1 hour, and/or written submissions from 22 June to 12 July 2022 via:

yoursay.barossa.sa.gov.au

facebook.com/thebarossacouncil

barossa@barossa.sa.gov.au

PO Box 867, Nuriootpa SA 5355

CONTACT US

You are welcome to contact Council if you have questions regarding the Annual Budget and Business Plan 2022/23, or would like further information regarding the finances of Council.

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Principal Office: 43-51 Tanunda Road, Nuriootpa (Monday – Friday, 9am – 5pm)

Phone: 8563 8444

Version	Status	Date
Version 1.0	Draft Council adopted for Public Consultation	14 June 2022
Version 1.1	Council adopted following Public Consultation	19 July 2022
Version 1.2	Final Adopted Version	20 July 2022

OUR VISION


Enhancing our premium wine, food and tourism region and its unique lifestyle, heritage and community spirit.

OUR VALUES

A commitment to our **land and place,** by valuing our identity for the benefit of future generations.

A commitment to our **community,** embracing a culture of mutual respect, inclusion, safety and security.

A commitment to **leadership,** inspiring vision, courage and enterprise.

A commitment to **achievement,** encouraging and celebrating successes that enrich and strengthen our community.

OUR BAROSSA

The Barossa is a rich and diverse region and home to the internationally renowned Barossa wine region.

Prior to European settlement, the Barossa region was inhabited by the Peramangk, Ngadjuri and Kaurna people. Colonel William Light first visited the area in 1837, naming the Barossa Range from which the region derives its name. The settlement of the Barossa region began in 1840, with settlers originating from the British Isles, Prussia and Silesia. Lyndoch was the first township to be settled in 1837.

Early farmers of the Barossa established vineyards in the 1840s and 1850s to supplement their primary activities of wool and livestock production and crop farming. In the late 1880s and 1890s there were substantial increases in the production of wine in the region which resulted in the establishment and subsequent expansion of a number of cellars. The wine industry has continued to grow from these early beginning and is the major source of income for the region, with the cultural landscape of present day Barossa being reflective of the influence of the early British and German settler's influence.

The tourism industry has become a major focus for the continued development of the region with the Barossa acknowledged as one of the five most recognised wine regions in the world.

The Barossa Council was originally formed in 1996 after the amalgamation of the District Councils of Barossa, Tanunda and Angaston. The majority of the District Council of Mount Pleasant was later amalgamated in 1997. The Council covers an area of approximately 912 square kilometres, is located approximately 70 kilometres north east of Adelaide, adjacent to the town of Gawler, and is home to a population of 23,558 people.

Distance of Principal Office from Adelaide CBD....................70 km

Area of Council.................... 893.5 km^2

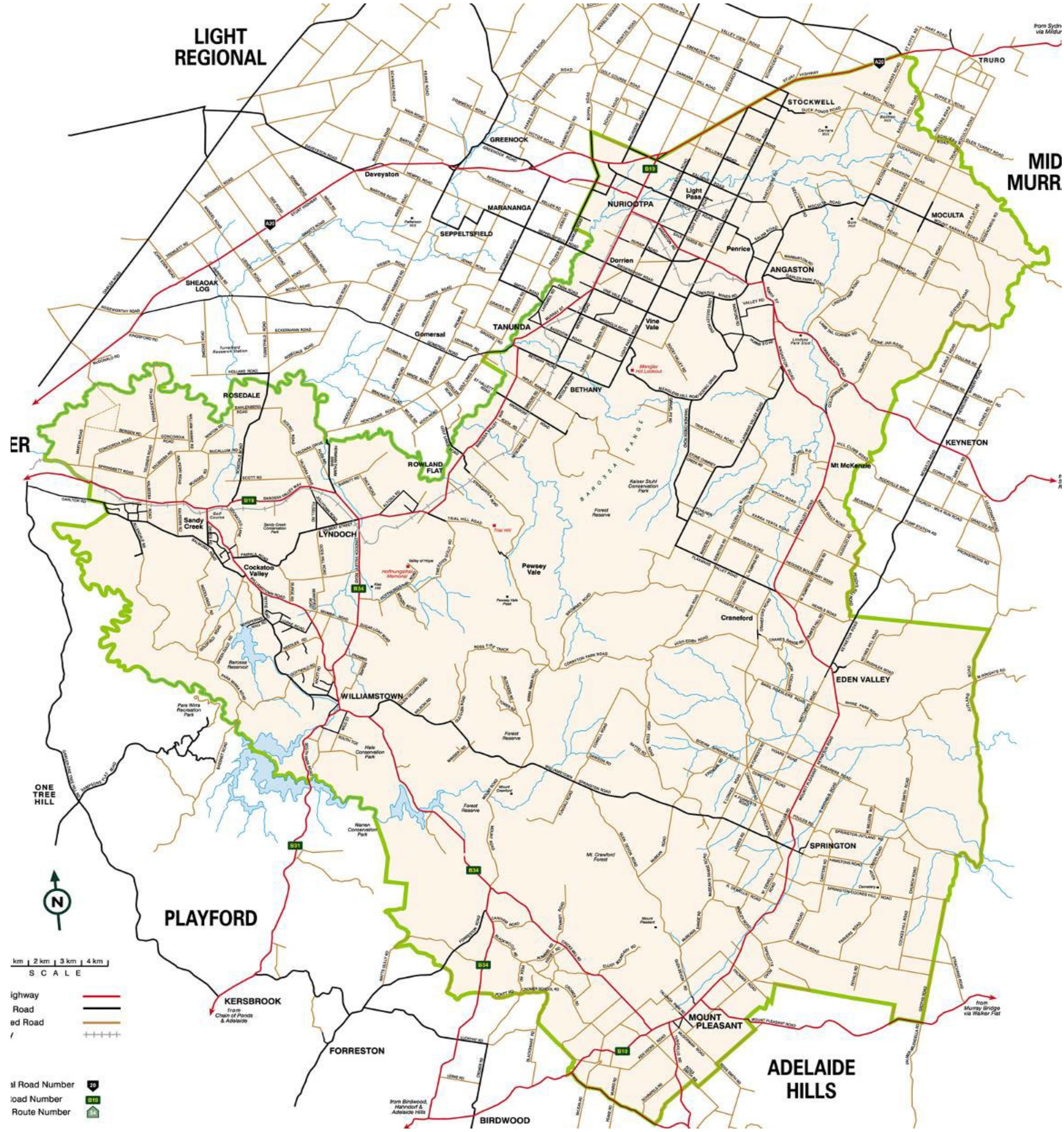
Number of Rateable Assessments 13,222

Number of Non-Rateable Assessments.................... 542

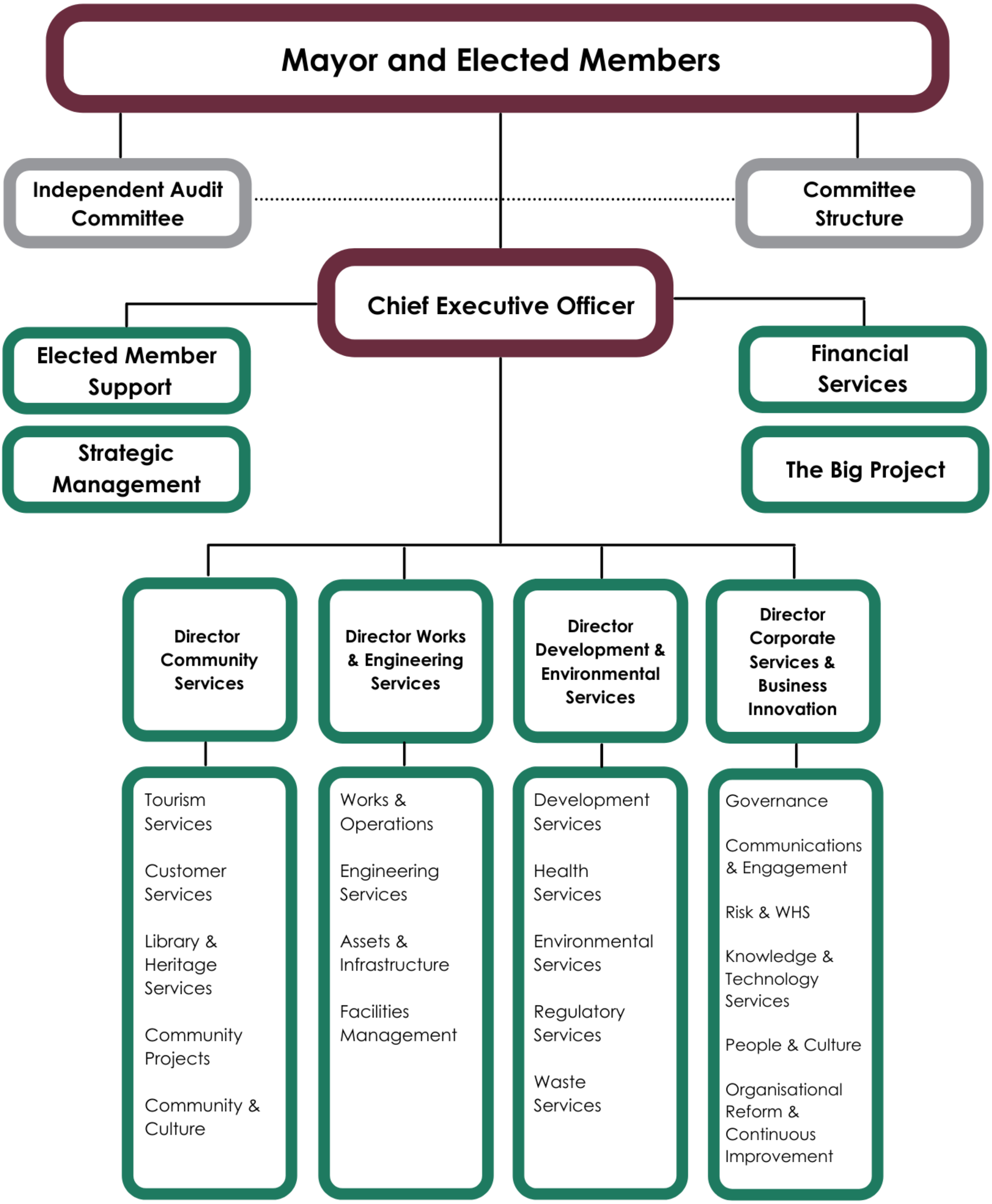
OUR TOWNSHIPS

Altona, Angaston, Barossa Goldfields, Bethany, Cockatoo Valley, Concordia, Craneford, Cromer, Dorrien, Eden Valley, Flaxman Valley, Kalbeeba, Krondorf, Light Pass, Lyndoch, Moculta, Mount Crawford, Mount McKenzie, Mount Pleasant, Nuriootpa, Penrice, Pewsey Vale, Rosedale, Rowland Flat, Sandy Creek, Springton, Stockwell, Tanunda, Taunton, Vine Vale, Williamstown and Wilton.

COUNCIL AREA MAP



ORGANISATIONAL STRUCTURE



OVERVIEW

2022/23 Budget at a glance

Net Rate Revenue	$35m	Capital Income	$ 7.2m
Other Operating Revenue	$ 6.7m	Capital Expenditure	$34.4m
Operating Expenditure	$43.9m	Loan Financing	$ 17.3m

The **Annual Budget and Business Plan** is The Barossa Council's statement of intended programs and outcomes for the coming financial year. This Plan has been developed through a rigorous process of consultation and review with Council Officers and Elected Members, and follows the **Business Planning Framework** outlined in the Strategic Directions area of this document. It includes both continuing services, programs, and follows the strategic directions outlined in Council's Community Plan 2020 - 2040, the Long Term Financial Plan (LTFP) – (the annual review is included in this document) and Long Term Infrastructure and Asset Management Plan.

Local Government is the most asset-intensive tier of government. The Barossa Council acts as custodian of approximately $394m of assets, including road infrastructure encompassing approximately 350 kilometres of sealed, 570 kilometres of unsealed roads and 70 kilometres of unformed roads. This presents Council with a number of complexities, including how to allocate resources in order to satisfy community demands for new and expanded services, whilst ensuring appropriate resources are provided for maintenance and future replacement of existing community assets.

Council is committed to ensuring that the wide variety of services and activities it provides to the community reflect financial sustainability. The key measure of financial sustainability is ensuring operating expenditure (inclusive of depreciation) is fully funded from recurrent operating revenue streams. This means that Council should generally have sufficient recurrent revenue funds generated over the long term financial plan in order to finance the programmed replacement of existing community assets at the end of their useful lives where services remain required. Refer to the section Financial Sustainability for details for this plan's forecast results.

2022/23 General Rate & Service Charges

General Rate (Exc. Growth 0.84%)	Net Revenue increase	3.75%
Refuse, Recycling and Green Organics	Service charge increase	8.8%
CWMS	Service charge increase	3.4%

Underlying assumptions

- General Rate and Service Charge revenue increase on existing ratepayers to ensure Council is sustainable; indexation above includes revenue from growth but not increases in service numbers for Waste and CWMS.
- All other income and expenditure has been increased in line with the current cost for providing those services and consideration of Council's Long Term Financial Plan (LTFP).
- Staffing costs increase in line with existing contracts, Enterprise Bargaining Agreements, Superannuation and current Legislation.
- The SA Local Government Price Index is 4.5% and the general Consumer Price Index for Adelaide all groups is 4.7% as at March 2022, change from previous year.
- Selected operating costs have been isolated from general expenditure, e.g. electricity, water, insurance premiums, waste collection and disposal service costs. The projected increases for these are higher than the base rate and range from 0% to 4%.

  For further information on rating and its impact please refer to the relevant areas within this document

Key features

A comprehensive capital works program of **$34.4m** (including carried forward works from previous year of **$11.9m**), noting some projects are subject to successful grant applications. The program includes **$6.7m** for transport assets (resealing and resheeting of roads, replacement footpaths), drainage and bridge works **$1.9m** and Community Wastewater Management Systems (CWMS) **$2.6m**. Expenditure of **$370k** for upgrade/renewal works on various buildings and structures,

Provision over the next four years of selected projects with The Big Projects (TBP) is subject to successful grant and third party funding contributions at **$31.4m**.

STRATEGIC DIRECTIONS

The Barossa Council's Community Plan 2020-2040 was adopted by Council on 17 November 2020. The Community Plan is an aspirational document and cornerstone for future investment. It will guide future decision making over the next 20 years through the delivery of highlighted strategies and targets. The Community Plan shows commitment to the values of Land and Place, Community, Leadership and Achievement and will drive performance through objectives within the key result areas of Natural Environment and Built Heritage, Community and Culture, Infrastructure, Health and Wellbeing and Business and Employment.

The Annual Budget and Business Plan outlines the annual program that delivers upon the Community Plan and its strategies as outlined in the following tables. Further the Community Plan has a supporting Corporate Plan which outlines key corporate actions to support the Community Plan and performance targets.

Council activity for 2022/23 is identified as one or more of the following four roles and relates to the Community Plan strategies as outlined in the following tables.

Natural Environment and Built Heritage

Goal	Strategies		Council Role
1. The Barossa has sustainable farmland providing diverse and stable returns, while protecting the unique natural environment and biodiversity of the region.	1.1	Ensure land use planning and resource use protects the quality of the natural environment, the existing character of rural landscapes, historic significance and the high value of agricultural land.	Provider/Regulator
	1.2	Support tourism development that is sensitive to the natural environment and ensures that the unique character of the rural landscape is appropriately managed and promoted.	Advocator Facilitator/Partner
	1.3	Build on the conservation of the region's natural heritage including bush eco-systems, grassy woodlands, agricultural landscapes and recreational green spaces.	Leader Advocator
2. The history of our region including aboriginal sites is reflected in our streetscapes and our historic buildings are maintained for future generations.	2.1	Continue to maintain streetscapes that reflect the character and heritage of the region and facilitate opportunities to repurpose or find alternative uses of built heritage.	Provider/Regulator
	2.2	Ensure clearly defined townships are maintained to manage residential and commercial development that is sensitive to the natural environment and areas of historical significance.	Provider/Regulator
3. We take a proactive approach in responding to key environmental challenges such as climate change, water security and waste management.	3.1	Support community based sustainability initiatives to help reduce the Barossa's contribution to the climate crisis and build on the capacity of local residents and industry to mitigate negative impacts.	Leader Facilitator/Partner
	3.2	Collaborate with partners and our community to support innovative approaches to waste minimisation, and increase reuse and recycling opportunities.	Advocator Facilitator/Partner
	3.3	Ensure long term confidence in the Barossa's capacity to access water to meet its industrial, domestic and environmental needs.	Facilitator/Partner Advocator

Community and Culture

Goal	Strategies		Council Role
4. The Barossa fosters community resilience, connection and wellbeing through its social planning, recreation, safety, education, preventative health and social strategies especially for our youth and vulnerable people.	4.1	Build on a strong sense of community pride with active community groups and individuals participating in local decision making and community building activities.	Leader Facilitator/Partner
	4.2	Continue creating strong and sustainable community networks, and support young people to actively participate in the community and develop the leaders of the future.	Leader Facilitator/Partner
	4.3	Embrace place-making principles when developing community infrastructure and regulate planning and development in public spaces and active recreation.	Provider/Regulator
5. We are a strong community that is welcoming, safe and enjoys a quality lifestyle that celebrates our local identities, diversities, cultures and histories including our Aboriginal heritage.	5.1	Support the development of activities that celebrate the history, art and culture of the Barossa and its people.	Leader Facilitator/Partner
	5.2	Create places where people want to live and plan for the future in a coordinated, affordable, appropriate and proactive way.	Leader Facilitator/Partner
	5.3	Create vibrant public spaces that provide places for creative development, cultural interaction and social connections.	Provider/Regulator
	5.4	Recognising and celebrating the community successes and learning from opportunities.	Leader Facilitator/Partner

Infrastructure

Goal	Strategies		Council Role
6. The Barossa maintains and develops infrastructure that meets the needs of the region and is efficient.	6.1	Advocate for and identify funding opportunities that support the development of community, cultural, health and other facilities and infrastructure to meet personal and commercial needs of residents and businesses.	Advocator
	6.2	Continue to ensure that infrastructure considers place-making is inclusive and accessible for all.	Provider/Regulator Facilitator/Partner
	6.3	The use of new and emerging technologies, alternative and renewable materials where appropriate and cost effective will be trailed.	Leader Facilitator/Partner
7. Community infrastructure planning is aligned to both current and the future needs of the community.	7.1	Build on sound asset management practices to deliver sustainable services to ensure that infrastructure is adequate to support the community.	Provider/Regulator
	7.2	Ensure both current and future infrastructure needs are met in a proactive rather than reactive way.	Provider/Regulator
8. To have a connected and safe transport network that meets the needs of our community.	8.1	Support opportunities to increase community transport and access to services and facilities.	Leader Advocator
	8.2	Ensure a high quality road, shared paths and footpath network throughout the Barossa in partnership with all levels of government.	Provider/Regulator Facilitator/Partner

Health and Wellbeing

Goal	Strategies		Council Role
9. Our community has fair and equitable access to the resources and services they need to lead a safe, healthy, inclusive and connected lifestyle.	9.1	Work towards combating loneliness and social isolation and ensuring that people enjoy a sense of inclusion and feel connected.	Leader Advocator
	9.2	Promote a healthy community through a planned approach to public health, and sustainable access to allied, primary and mental healthcare services and facilities.	Provider/Regulator Advocator
10. Our region enjoys the benefits of sustainable community groups, networks and facilities that encourage everybody to participate in the community.	10.1	Children and young people are supported to feel safe and to engage, thrive and feel empowered within the community.	Leader Advocator
	10.2	Advocate for and encourage services that ensure equity and support inclusion and at risk members of the community.	Leader Advocator
	10.3	Build on the capacity of community members to participate in cultural, creative, recreational, sporting and learning opportunities.	Leader Advocator

Business and Employment

Goal	Strategies		Council Role
11. The Barossa has a strong local economy that adapts, innovates and thrives on change and strives for a diverse industry base that provides a sustainable range of business and job opportunities for people.	11.1	Work closely with State Government, Federal Government and other key stakeholders to support economic growth, development and job creation.	Leader Advocator Facilitator/Partner
	11.2	Support proactive population growth that is incremental, well managed and is backed up by local planning and development opportunities.	Provider/Regulator Facilitator/Partner
	11.3	Promote the Barossa as a place for businesses to thrive, invest, innovate, take measured risks and prosper.	Provider/Regulator Facilitator/Partner
12. We are a visitor destination of choice.	12.1	Encourage and support the sector to further promote and develop tourism experiences including ecological, cultural and agricultural tourism.	Leader Facilitator/Partner
	12.2	Support economic development and destination awareness through events, festivals, creative enterprise and attractions.	Leader Facilitator/Partner
	12.3	Provide experiences and infrastructure that continue to support the needs of the tourism market.	Leader Facilitator/Partner
13. The Barossa is competitive and in a strong position to attract both private and public investment in the development of new and existing businesses, services and industry.	13.1	Foster small business and industry confidence and growth that translates into innovation and strong employment figures.	Leader Advocator Facilitator/Partner
	13.2	Attract investment for new and innovative industries, and facilitate business growth by supporting local industry and their capacity to compete for government contracts.	Leader Advocator Facilitator/Partner

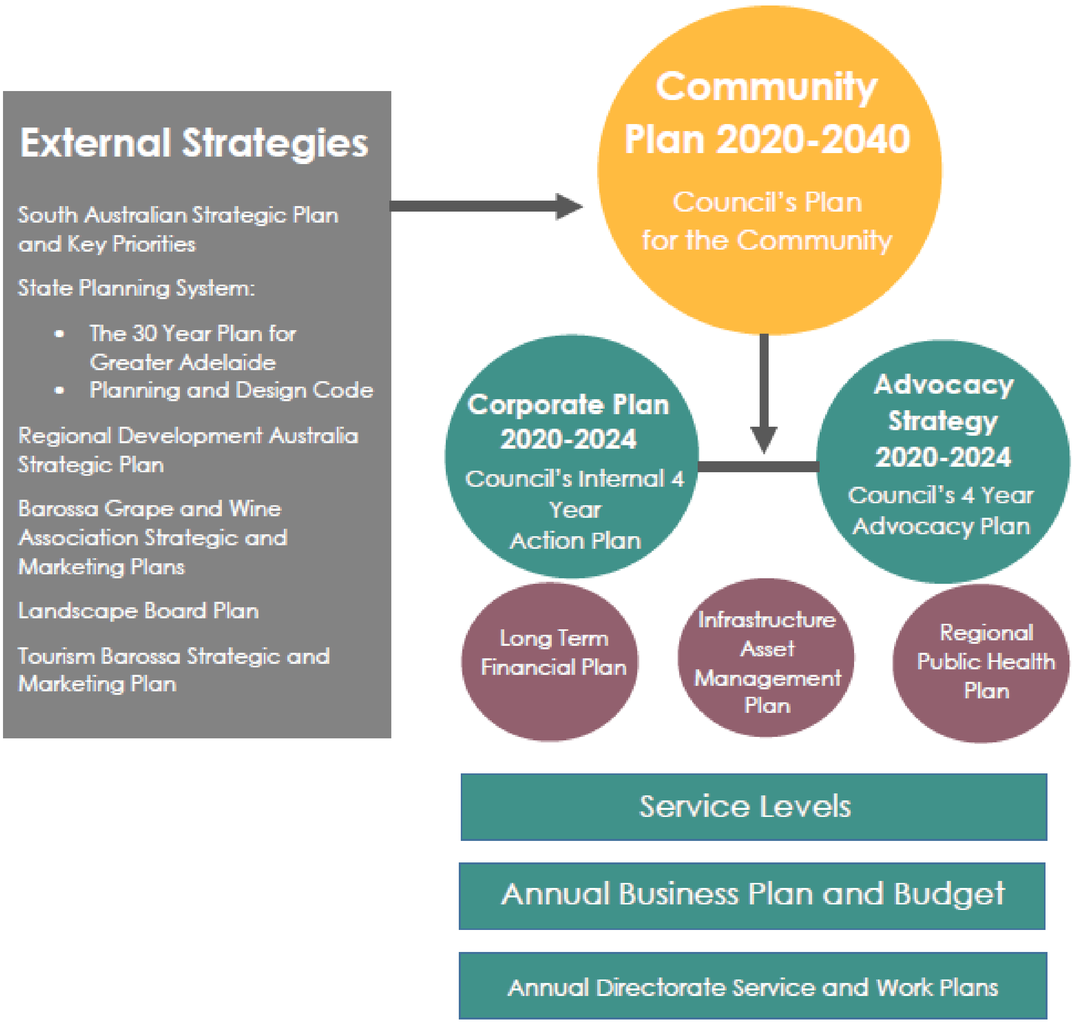
BUSINESS PLANNING FRAMEWORK

Council's Business Planning Framework describes how the Community Plan and its Key Result Areas, their associated Objectives and the Strategies reach these Objectives and provide guidance to the preparation of other Council long term and operational plans. These plans include:

- **Corporate Plan** which outlines key corporate actions to support the Community Plan and performance targets over four years;
- **Long Term Financial Plan** which provides financial directions for the next 10 years;
- **Long Term Infrastructure and Asset Management Plan** which provides the strategic upgrade, replacement and renewal programs for Council assets and infrastructure;
- **Annual Budget and Business Plan** which provides the annual financial and operational plans, objectives and performance targets for Council;
- **Regional Public Health Plan** provides a coordinated strategy across Council to the health and wellbeing of communities and helps inform decisions in both soft and hard infrastructure;
- **Local Economic Development Plan** which provide policy direction for the continued development of the Council area;
- **Infrastructure and Asset Management Plans** which describe the current programs of upgrade, replacement and renewal of assets and infrastructure.

The above framework has various internal and external reporting and accountability systems including:

- **Quarterly Business Plan and Budget Reviews** which outline financial performance against the Annual Budget and Business Plan;
- **Monthly Financial Reports** which regularly track the finances of Council;
- **Annual Report** which describes the performance of Council on objectives set in the Annual Budget and Business Plan, as well as disclosing statutory information regarding the status of Council and Council services;



JOINT VENTURES & ASSOCIATED ENTITIES

Nuriootpa Centennial Park Authority (NCPA)

Established as a subsidiary of Council pursuant to Section 42 of the *Local Government Act 1999*, the Nuriootpa Centennial Park Authority (NCPA) manages and maintains the Barossa Tourist Park and adjacent sporting and leisure facilities on behalf of Council.

To this end, and in accordance with the Authority's Charter, operating surpluses of the Tourist Park activities are utilised to maintain the Nuriootpa Recreation Park facilities (including tennis courts, 3 ovals and associated buildings and infrastructure), as well as the picturesque Coulthard Reserve located adjacent to the Tourist Park. Operating surpluses from the Tourist Park activities are also utilised to provide important funding for the programmed upgrade and replacement of the facility assets managed by the Authority.

The two ovals, a soccer pitch and eight tennis courts are extensively used by local sporting clubs. The four-star rated Tourist Park facilities include on-site cabins and vans, a camp kitchen, and various other standard amenities.

The projected 2022/23 Income Statement for the Authority is included within Council's financial statements contained within this document. The Authority's ten year business case has been reviewed and included within the Long Term Financial Plan financial forecasts in this document.

Central Local Government Association (LGA)

Established in 1998, this organisation is formed under Section 43 of the *Local Government Act 1999* and operates as a regional subsidiary of Councils included in the membership. An amount of $11,360 is included for the subscription.

Gawler River Floodplain Management Authority (GRFMA)

Established in 2002, this organisation is responsible for the construction, operation and maintenance of flood mitigation infrastructure in the Gawler River catchment. An amount of $35,774 is included for the operational and maintenance subscription. Council has a share in the Net Assets $2,224k as at 30 June 2021. An adjustment for the movement from last year's balance is not as yet reflected in the Financial Statements in this document.

SERVICE PROVISION FOR 2022/23

The following outlines the service provision provided by The Barossa Council for 2022/23:

Office of The Mayor and CEO

Australia Day Awards, Strategic Planning and Management, Organisational Reform and Leadership, Citizenship Ceremonies, Economic Development, Executive Support and Management, Advocacy, Governance, Strategic and Operational Financial Management, Rating Services, Taxation Management, Payroll, Creditor and Debtor Management,

The Big Project
Strategic Planning and Management of Community Buildings and Recreational Facilities, Project Management, Grant Management, Community Engagement, Contractor Management.

Community Services

Customer Support Services, Arts and Culture Facilities, Development and Programs, Volunteer Resourcing and Support, Community Development, Advocacy and Program Support, Community Transport, Home and Community Care, Library and Heritage Services, Youth Services, Event Support, Tourism and Visitor Services, Community Committee Support, Sport and Recreation Services and Facilities Management, Community Land Agreement Administration, Community Assistance Grant Administration.

Corporate Services and Business Innovation

Enterprise Systems, Records Management, Information Management, Advocacy, Governance, Organisational Development, Internal Audit, Human Resource Management, External and Internal Communications, Community Engagement and Consultation, Risk Management, Strategic and Operational Reform, Work Health and Safety, Grant Writing, Insurance Management, Organisational Performance Reporting and Procurement Advice, Property Management.

Development and Environmental Services

Planning and Building Assessment, Licensing, Dog and Cat Management, Safer Communities, Enforcement and Compliance Matters, Public Health, Fire Prevention and Safety, Safe Food Practices, Heritage Advice, Immunisation, Natural Resource Management, Parking and Traffic Controls, Strategic Land Use and Development Planning, Waste Management, Advocacy, Corporate and Service Level Planning, Shared Organisational Performance Reporting.

Works and Engineering Services

Building Asset Construction and Maintenance, Bridge Construction and Maintenance, Cemetery Management, Unmade Public Road Management, Road Closure Management and Approvals, Community Wastewater Management System Construction Operations and Maintenance, Treated Water Reuse Distribution System Construction, General Operations and Maintenance, Open Space Construction and Maintenance, Footpath and Bike Path Construction and Maintenance, Infrastructure Planning and Development, Asset Management, Advocacy, Recreational Oval Management, Public Lighting, Public Conveniences, Road Design Construction and Maintenance, Traffic Planning and Management, Road Safety Control, Event Support, Roadside Vegetation Management and Control, Tree Management, Stormwater Drainage and Construction and Maintenance, Engineering Development Assessment, Facilities (Buildings) Management, Quarry Operations and Resource Management, Waste (Transfer Station) Operations.

The Councils Corporate Plan provides extensive detail on the services provided, the levels of service provided and can be located at www.barossa.sa.gov.au .

KEY ACTIVITIES FOR 2022/23

Strategic Action	Community Plan Theme
Collaborate with the Aboriginal community to provide visibility of Aboriginal heritage to ensure that it is acknowledged and preserved.	Natural Environment and Built Heritage
Advocate for development policies that are responsive to housing needs (affordability and diversity of housing choice).	
Develop and Implement a Sustainability Strategy/Framework	
Commitment to a regional approach to waste management	
Development and implementation of creative industries engagement strategy and other initiatives to ensure continued engagement with groups, networks and local community to support and promote celebration, participation, awareness and economic development in heritage, cultural and creative opportunities.	Community and Culture
Continued planning and support for creative industries and positioning of the Barossa Regional Gallery as a hub for ongoing development and growth within this space.	
Investigate and implement a whole of Council Event Management Framework	
Manage stormwater and flood mitigation infrastructure and pursue plans and strategies to manage flood risks.	Infrastructure
Work with the community to improve disaster preparedness and climate change solutions and programs.	
Implement priorities from The Big Project.	
Maintain and improve wellbeing in the community through implementation of the identified 'Lighthouse' projects in the Regional Public Health Plan.	Health and Wellbeing
Facilitate social planning to identify and address critical health issues and community needs.	
Facilitate and partner with State Sporting Associations to provide a range of Sport, recreation and leisure opportunities in the Barossa.	
Implement the COVID-19 recovery plan.	Business and Employment
Drive support of economic development through a coordinated local economic development strategy and enabling land use policy.	
Develop Growth and Infrastructure Investment Strategy	
Partner with Barossa Australia to develop and implement a Destination Marketing plan for the region to drive visitation, build brand awareness and encourage tourism investment.	
Implement new Facilities Management Operating Model	Good Governance
Identify and prepare Operational Risk Profile for all Business Units	
Develop grants framework	
Develop Strategic Forward procurement plan for key areas of spend	

The Councils Corporate Plan provides extensive detail on the services provided, the levels of service provided and can be located at www.barossa.sa.gov.au .

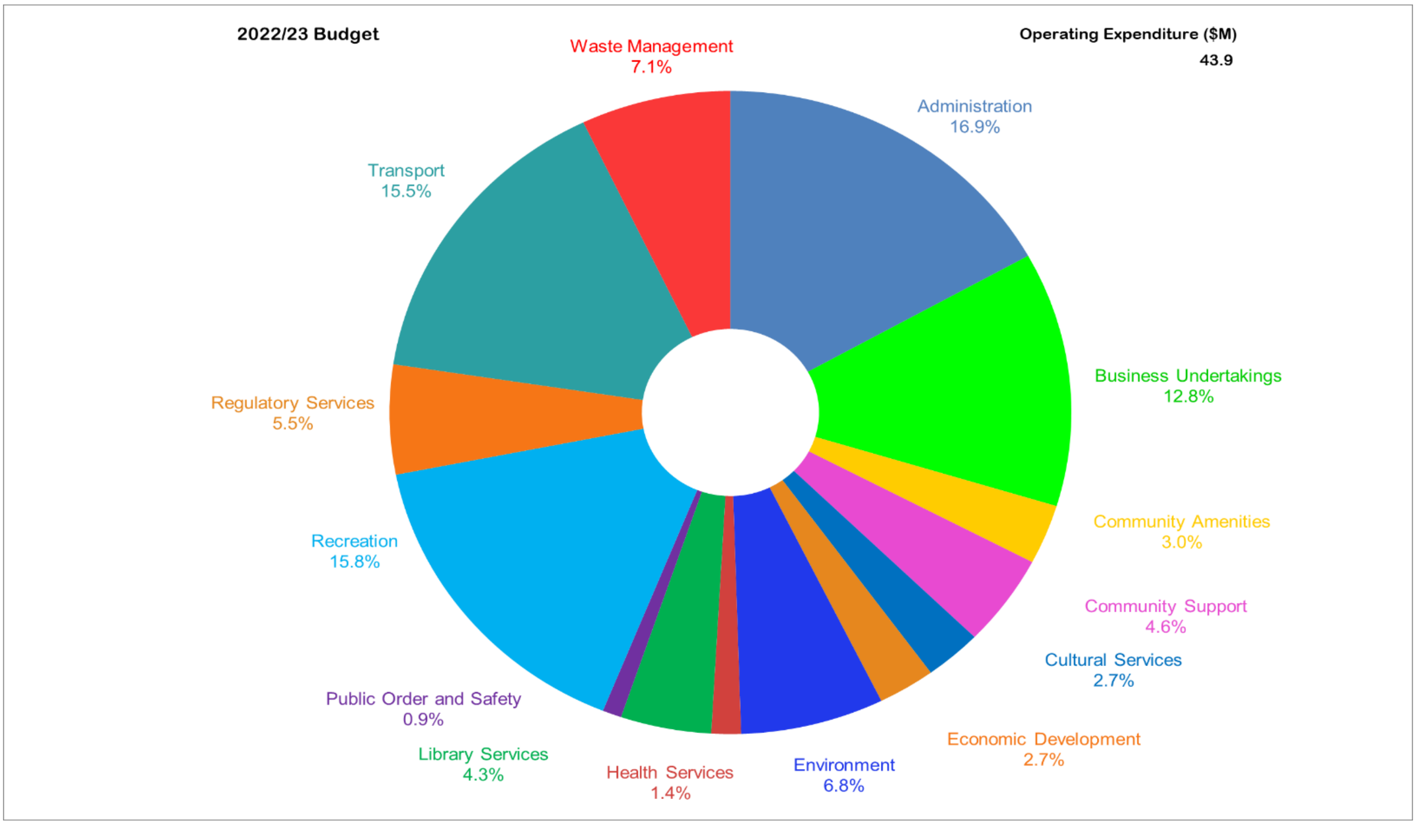
OPERATING EXPENDITURE

In support of service provision for 2022/23

The following graph shows operating expenditure for the 2022/23 year by the following functions in support of the provision of the services outlined. (Full Cost Attribution has been applied. This is an allocation of internal services to external services and does not affect the overall net result. It will be included in the final version of this plan for adoption after Public Consultation).

Functions

Administration, Business Undertakings, Community Amenities, Community Support, Cultural Services, Economic Development, Environment, Health Services, Library Services, Public Order and Safety, Recreation, Regulatory Services, Transport, Waste Management



**Administration costs are incurred in direct support of delivery of all services.*

CAPITAL INVESTMENT In support of service provision for 2022/23

Capital Program 2022/23	
Disclaimer: *The following capital items are subject to final approval of Council; alterations and additions to this list may occur*	
Description	**2022/23 Budget**
(Items noted as 'Carried Forward' are items transferred from 2022/23 Budget)	
COMMUNITY SERVICES AND THE BIG PROJECT	**20,566,178**
Community Transport Vehicles	55,000
Library books	86,161
Barossa Regional Gallery Air Conditioning (carried forward)	88,745
Creative Industries Centre (carried forward)	4,987,865
The Big Project - salary, design and preparation (subject to grant funding)(part carried forward)	589,988
Angas Recreation Park Tennis/Netball Courts (carried forward)	400,000
Rex Water Heaters	186,000
Barossa Rugby Park - The Big Project (Infrastructure Projects Grant Programs)(part carried forward)	2,560,500
Nuriootpa Soccer Clubrooms (carried forward)	1,533,104
Nuriootpa Soccer Civil Infrastructure (carried forward)	30,000
Nuriootpa Soccer Infrastructure Pitches (carried forward)	300,000
Talunga Caravan Park Facilities (carried forward)	2,230,109
Tanunda Recreation Park - Oval Widening (carried forward)	378,100
Tanunda Recreation Park Junior Sports Field (carried forward)	473,970
Tanunda Recreation Park Playground (carried forward)	592,246
Tanunda Recreation Park Cricket Nets (carried forward)	125,890
Tanunda Recreation Park Change/ Club Rooms	3,448,500
Lyndoch Recreation Park Change/ Club Rooms	2,500,000
DEVELOPMENT AND EVIROMENTAL SERVICES	**33,079**
Provision of Airconditioning at Barossa Bushgardens (NI)	33,079
CORPORATE SERVICES AND BUSINESS INNOVATION	**515,049**
ICT Software/Hardware - $223k + NI $100k and Finance Software - $61k and Chamber Technology $130k	515,049
NURIOOTPA CENTENNIAL PARK AUTHORITY	**20,000**
Minor internal road renewal	20,000
WORKS & ENGINEERING	**13,262,270**
Bridges and Guardrails	**1,148,133**
Moculta Road Bridge (SLRP) (subject to grant funding approval)(carried forward)	720,000
Smyth Road Tanunda Bridge (part carried forward)	400,000
Replacement footbridge - King St North Stockwell - Design Only	28,133
Buildings	**370,000**
Building Renewal and Replacement	300,000
General office improvement allocation	70,000
Footpaths	**192,561**
Project Management Salaries	106,931
College Street, Tanunda, footpath upgrade (NI)	85,630
Motor Vehicles, Plant and Equipment	**933,015**
Plant and Equipment	400,000
Minor Plant	50,000
Motor Vehicles Renewal - including Depot Utes (part carried forward)	445,515
General Inspector Vehicle	37,500

Capital Program 2022/23 (Continued)	
Disclaimer: The following capital items are subject to final approval of Council; alterations and additions to this list may occur	
Description	**2022/23 Budget**
(Items noted as 'Carried Forward' are items transferred from 2022/23 Budget)	
Parks and Gardens	**215,000**
Atze Park upgrade (NI)	35,000
Playground Equipment Renewal	30,000
Access and inclusion works - Nuriootpa Oval	80,000
Playground	70,000
Road Resheeting	**1,089,655**
Resheeting Budget Contingency	1,089,655
Road Construction, Sealing and/or Resealing	**5,312,898**
Road Reseal Program Budget (Spray and Asphalt)	2,462,682
Goldfields Road, Cockatoo Valley - upgrade and seal (Balmoral Road to Green Gully Road)	438,227
Valley Road, Angaston - upgrade and seal (Radford Road to 70m)	80,868
Yaldara Drive, Lyndoch - upgrade and seal (Barossa Valley Way to Fuss Road)	611,121
Moculta Road reseal and widening- Special Local Roads (subject to grant funding)	1,680,000
Mengler Hill Road Guard Rail Replacement	40,000
Stormwater	**1,295,153**
Project Management Salaries	76,413
Drainage Inlet Capacity Upgrade	50,000
Kerb and Gutter Upgrades - critical K&G works to be completed as part of road re-seal programme	500,000
Murray Street / Kalimna Road corner drainage upgrade	100,000
Centenary Avenue, Kalimna Creek flood levee	25,000
Baird Street, drainage upgrade - Design Only	25,000
Roendfeldt Street / Third Avenue / Homburg Street / Langmeil Road - Design Only	30,000
Elizabeth Street crossing and rear of allotment drainage upgrade - 18A Elizabeth Street	30,000
Basedow Creek Scour Protection	15,000
Old Talunga Park - Tennis Court / Men's Shed drainage	35,000
Yettie Road, Williamstown, footpath & drainage upgrade - stage 2 - Design Only (NI)	40,000
Calton Road to Hameister Court Drainage Kalbeeba (part carried forward)	368,740
Streetscaping	**82,800**
Streetscaping - townships- unallocated	82,800
Community Wastewater Management System (CWMS)	**2,623,055**
Nuriootpa Waste Water Treatment Plant - upgrades/improvements	1,800,000
Gravity Mains Asset Management	25,000
Operation Emergency Drain Repairs	10,000
Vehicle New Operators Technical Support	58,055
Williamstown Lagoon and Infrastructure	350,000
Lyndoch Bevalaqua pump Station Emergency Storage	350,000
Gravity Mains Operation Emergency IP and Manhole Repairs/Replacement	30,000
Budget Capital Total	**34,396,576**

Grants, Contributions and Asset Sales 2022/23	
Description	**2022/23 Budget**
COMMUNITY SERVICES AND THE BIG PROJECT	**(4,718,000)**
The Big Project - Grants (subject to grant funding approval)(carried forward)	(1,771,000)
Tanunda Recreation Park Junior Oval and Cricket Nets (Infrastructure Projects Grant Programs)	(1,149,500)
Barossa Rugby Development (Infrastructure Projects Grant Programs)	(497,500)
Barossa Rugby Development Contributions	(300,000)
Lyndoch Recreation Park Change/Clubrooms (carried forward)	(1,000,000)
WORKS & ENGINEERING	**(2,944,321)**
Special Local Roads Program	(1,200,000)
Local Roads and Community Infrastructure	(1,130,216)
Vehicle and Equipment Trade-in Sales - Motor Vehicles and Plant	(411,369)
Murray Street / Kalimna Road corner drainage upgrade	(10,000)
CWMS Developer Contributions	(50,000)
Open Space Developer Contributions	(142,736)
Grand Total	**(7,662,321)**

FUNDING OPERATING - 2022/23

Council is budgeting expenditure of $69m in 2022/23 on the delivery of services, programs, maintenance of assets (not including depreciation), replacement, new and upgraded assets and loan servicing. Full Cost Attribution has not been applied in this plan. Full cost attribution is an allocation of internal services to external services and does not affect the overall budget position of Council. It will be included in the final version of this plan for adoption after Public Consultation.

Operating Revenue

The Budget provides for operating revenue decrease from the 2021/22 third quarter Budget Update of $42.6m to $42.5m. Recurrent revenue streams of Council are:

$m	%	Type	Description
35.80	84.14%	General Rates and Service Charges	General rates on properties as well as service rates (i.e. sewerage and refuse/recycling rates)
3.20	7.52%	User Pay Charges set by Council	Charges for the Council's fee based facilities and services such as caravan parks, swimming pools, community halls, cemeteries and refuse dump fees
1.80	4.35%	Grants and Subsidies	Council seeks to attract as much grant funding from other tiers of government as possible, thereby reducing the reliance on other revenue streams
0.90	2.11%	Investment, Reimbursements and Other Income	Interest received on Council's internal cash reserves and deposits, Reimbursements for work undertaken and Other Income`
0.80	1.88%	Statutory Charges set by State Government	Fees and charges set by State Government regulation and received by the Council for regulatory functions undertaken such as assessment of development and building applications, and dog control management

Operating Expenditure

The Budget provides for operating expenditure to increase from the 2021/22 third quarter Budget Update of $42.5m to $44m. Full Cost Attribution has been applied - this is an allocation of internal services to external services and does not affect the overall net result. Recurrent expenditures incurred by Council are:

$m	%	Type	Description
17.90	40.68%	Contractual Services, Materials and Other Expenses	Payments for external provision of services Payments for physical goods such as water, fuel, energy, road materials, office consumables and administrative costs. Includes expenses not separately classified above such as insurances, postage, telephone, government levies, contributions and donations
16.50	37.50%	Employee Costs	All labour related expenses such as wages and salaries, and on-costs such as allowances, leave entitlements and employer superannuation
9.20	20.91%	Depreciation	Annual consumption of Council's fixed assets (e.g. infrastructure, equipment, buildings, etc) over their useful lives
0.40	0.91%	Finance Costs	Costs of financing Council's activities through borrowings or other types of financial accommodation

IMPLICATIONS FOR RATES

Council plans to raise a net sum of **$30m** from general rates in 2022/23 (which includes projected growth of 0.84%, but excludes service charges and the State Landscape Board levy).

Council recognises that ratepayers would like increases to their rates to be as low as possible, however it is necessary to ensure that current services are properly funded and can continue to be delivered without significantly impacting standards or passing on a financial burden to future ratepayers or cutting services utilised by the community. Current assets and infrastructure owned by Council deteriorate over time through wear and tear and must be replaced or renewed at appropriate intervals in order to prolong their lives and continue to deliver services to the community.

The increase in rate revenue will provide the necessary funding to meet the programmed upgrade, renewal and replacement plans in place as outlined in the Long Term Infrastructure and Asset Management Plan, ensuring that existing services to the community will be maintained.

The indexation applied to general rate revenue for 2022/23 proposed is 3.75% per annum. The growth in assessment numbers from last year is currently at 0.84%. An additional amount of $140k to provide a Revaluation Initiative General Rate Cap (further detail within this section) has been allocated. The SA Local Government Price Index is 4.5% and the general Consumer Price Index Adelaide all Groups is 4.7% as at March 2022, change from the previous year.

Council is aware of the impact on ratepayers and is committed to providing and developing options to ease the rate burden through increasing its own efficiency and by providing those under hardship with appropriate alternatives to suit their circumstances.

Rating Policy

Section 147 of the *Local Government Act 1999* provides Council with the power to rate all land within The Barossa Council, except for land specifically exempted, such as Crown land and land occupied by Council. Council is mindful of its responsibility to continually review its rating policy to ensure it is fair and equitable on its residents. The current Rating Policy is available for inspection at all Council branches and can be downloaded from Council's website at barossa.sa.gov.au (Council rates are exempt from GST).

Land Valuation Method

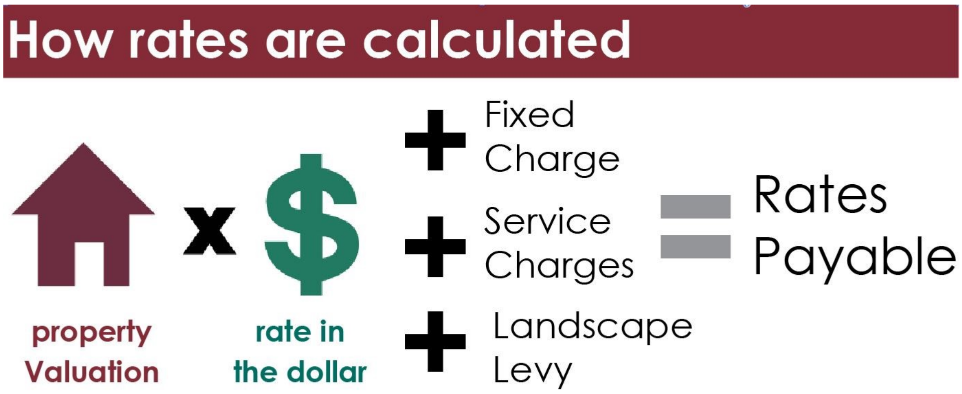
Council uses the capital value determined by the State Valuation Office as the basis for valuing land and calculating rates.

Council considers that this method provides the fairest method of distributing the rate burden across all ratepayers on the following basis:

- The equity principle of taxation requires that ratepayers of similar wealth pay similar taxes and ratepayers of greater wealth pay more taxes than ratepayers of lesser wealth;
- Property value is a relatively good indicator of market value of a property, providing the fairest method of calculating rates.

The total property rateable valuations provided by the State Valuation Office as at 1 July 2022 was $6,378,772,972 – an increase of 11.26% over last year, this includes growth in assessments of 0.84%. The table on the next page has the valuation movement by Local Government Category includes new assessments from growth.

Local Govt. Category	Total Valuation Movement
Residential	14.19%
Commercial	15.37%
Industry – Light	9.02%
Industry – Other	9.47%
Primary Production	5.22%
Vacant Land	-6.15%
Other	8.81%



Differential rates

Council applies differential general rates based on the land use of the property, as outlined in the Local Government Category and Land Use tables.

Revaluation Initiative and General Rates Capping

The Valuer-General (VG) has undertaken a state-wide Revaluation Initiative (RI) to improve the accuracy of the data that forms the basis of the annual General Valuation. For The Barossa Council this review has resulted in increases or decreases to Primary Production, Rural living - Rural Residential and other property values due to influencing factors such as rezoning and redevelopment. Further information about the Revaluation Initiative can be found on the OVG website. To assist principal property owners with the impact of the RI valuation movement Council is applying an automatic Revaluation Initiative - General Rate Cap (RI - GRC), calculated on general rate increases over 27% from last year's rates notice (not inc. Fixed Charge) on assessments meeting set criteria. To recover general rate revenue of $140k allocated for the automatic RI GRC, Council has increased the rate in dollar to the Residential and Primary Production.

Fixed Charge

As part of the general rates, Council applies a fixed charge component so that all rateable properties make a fixed contribution towards the cost of administering Council's activities. The fixed charge has increased from $380 to $400 per assessment.

Service Rates & Charges

Council provides various prescribed services pursuant to Section 155 of the *Local Government Act 1999* which includes community wastewater management systems, refuse collection and kerbside recycling service. The cost of these services, including a component for future capital works where appropriate, is recovered from those ratepayers utilising the service.

State Government Levies

Council collects a regional Landscape Levy on behalf of Northern and Yorke Landscape Board on all rateable properties. In this capacity, Council is operating as a revenue collector for the State Government and does not retain the revenue or determine how it is spent. Further information is available from the Board.

Mandatory Rebates

Council is required under the *Local Government Act 1999* to rebate rates payable on some land. Specific provisions are made for land used for specific purposes, e.g. health services, public cemeteries and educational institutions.

Discretionary Rebates

Discretionary rebates may be applied by the Council on land used for community purposes under Section 166 of the Act.

Residential Rate Capping

Council offers a rebate of general rates to the principal ratepayer where the increase in general rates levied upon a property exceeds the 2021/22 general rates levied by more than:

- 7.5% for ratepayers on fixed government incomes;
- 15% for other ratepayers

Rate rebate, remission, relief and capping application forms with eligibility criteria are available on-line on Council's website barossa.sa.gov.au, from Council's Principal Office or any branch office.

Concessions and Postponement

In order to support ratepayers who are in receipt of fixed incomes, there are concessions are available for eligible pensioners. The 'Cost of Living Concession Payment' is paid *directly to eligible concession holders by the State Government* and the concession for Community Wastewater Management System (CWMS), which will also be paid directly by the State Government. The Department of Human Services administer all State concessions and Council has no part in approving or providing these concessions. In accordance with the *Local Government Act 1999*, persons who hold a Seniors Card may apply to postpone payment for any amount in excess of $500 ($125 per quarter) for their principal place of residence.

Council encourages ratepayers who are experiencing difficulties in paying rates to contact Council on (08) 8563 8444 to discuss support that may be available to alleviate any financial hardship. Such enquiries are treated confidentially by Council.

Paying Your Rates

Council provides for quarterly payment of rates in September, December, March and June each year. Payments can be made via Council's website (barossa.sa.gov.au), B-Pay, Australia Post Billpay, by mail, allocated EFT payment or by cash/cheque/EFTPOS over the counter at the Nuriootpa or branch offices.

Service Charges

The adopted LTFP included an increase for Waste and CWMS service charges to ensure cost recovery and the service charge increase is rounded to the nearest dollar.

CWMS Services

The Residential CWMS Service charge will increase from last year at $350 to $362. The Non-Residential CWMS service rate for each of the townships is to be decreased from last year at $0.001156 to $0.001100. Many Springton properties are charged a capital contribution of $245 for a 15 year period. An annual service charge was increased to $85 for vacant allotments in Springton and an annual service charge remains at $110 for all other vacant allotments where a CWMS connection fee has been paid but no wastewater is being discharged. The CWMS rate service charges will raise $3,142k with other related revenue bringing the total for CWMS income to $3,429k for 2022/23. Operating expenditure at $3,435k, resulting in a deficit of $6k.

A CWMS reserve is held for future capital expenditure and to ensure the services are maintained and grow with service demands into the short to medium term. Total capital expenditure for CWMS is $2,623k.

Waste Services

Overall, the refuse, recycling and green organics collection service charge has been increased from last year at $227 to $247. The 140L Refuse Bin has increased from last year at $113 to $121, Recycling has increased from last year at $63 to $64 and Green Organics increased from $51 to $62. The refuse collection service rate for 240L bins, available to commercial premises to upsize to 240L, has increased from last year at $143 to $150. The service charges are based on cost increases for collection and disposal.

Impact on Ratepayers

The Annual Budget and Business Plan for 2022/23 for general rate revenue has been increased by 3.75%. Growth from new assessments of 0.84% is included in this budget.

For more information on the rate revenue increases please refer to the Long Term Financial Plan (LTFP) section in this document.

The information on the following pages incorporates the overall rating and its impact using **<u>average valuations</u>**; rate changes for individual assessments will vary from these amounts.

Statement on Expected Rate Revenue

Please note: These figures represent a considered estimate of Expected Rate Revenue based on the most current information available at the time of going out to consultation on the DRAFT Annual Business Plan and Budget (ABP&B). This information is updated regularly and therefore these figures may be subject to confirmation at the time of actual adoption of the ABP&B.

Expected Rates Revenue

	2021/22 (as adopted)	2022/23 (estimated)		Change	Comments
General Rates Revenue					
General Rates (existing properties)		$29,763,022	*(a)*		Rates calculation is based on valuations as at 1 July 2022, includes the fixed charge but does not include Discretionary rebates or the RI GRC
General Rates (new properties)		$316,505	*(b)*	1.11%	
General Rates (GROSS)	**$28,626,723**	**$30,079,527**	*(c)*	5.07%	
Less: Mandatory Rebates	($529,240)	($537,344)	*(d)*		
General Rates (NET)	**$28,097,483**	**$29,542,183**	*(e)*	**5.14%**	
	(e)=(c)+(d)				
Other Rates (inc. service charges)					
Regional Landscape Levy	$546,650	$560,694	*(f)*		The Regional Landscape Levy is a State tax, it is **not retained** by council.
Waste collection	$2,502,167	$2,728,898	*(g)*		Green organic bin expense $; new services
CWMS	$2,980,938	$3,141,596	*(h)*		Service cost increase - depreciation and resources added; new services
	$34,127,238	$35,973,371			
Less: Discretionary Rebates	($544,552)	($295,000)	*(i)*		In 21/22 a Revaluation Initiative General Rates Cap (RI GRC) was $408k, in 22/23 $140k has been provided
Expected Total Rates Revenue	**$33,580,588**	**$35,412,677**	*(m)*	**5.5%**	Excluding the Regional Landscape Levy and discretionary rebate
	(m)=(e)+(g)+(h)				

Estimated growth in number of rateable properties

Number of rateable properties	**13,124**	**13,235**	*(n)*	**0.84%**	Council rates are issued for Assessments not individual Properties
	Actual	*Estimate*			

'Growth' is defined in the regulations as where new properties have been created which has added rateable properties to council's ratepayer base. Growth can also increase the need and expenditure related to infrastructure, services and programs which support these properties and

Estimated average General Rates per rateable property

Average per rateable property	**$2,181**	**$2,273**	*(o)*	**4.19%**	Individual assessments will vary from this average; Selected assessments will also benefit from the GI-GRC, discretionary or mandatory rebates; and Includes the Fixed charge
	(o)=(c)/(n)				

Councils use property valuations to calculate each rateable property's contribution to the required rate revenue total. Councils do not automatically receive more money because property values increase but this may alter how rates are apportioned (or divided) across each ratepayer (ie. some people may pay more or less rates, this is dependent on the change in value of their property relative to the overall valuation changes across the council area).
The total General Rates paid by all rateable properties will equal the amount adopted in the budget.

Notes

(d) Councils are **required** under the Local Government Act to provide a rebate to qualifying properties under a number of categories:

Health Services - 100 per cent	Religious purposes - 100 per cent	Royal Zoological Society of SA - 100 per cent
Community Services - 75 per cent	Public Cemeteries - 100 per cent	Educational purposes - 75 per cent

The rates which are foregone via Mandatory Rebates are redistributed across the ratepayer base (ie. all other ratepayers are subsidising the rates contribution for those properties who receive the rebate).

(e) Presented as required by the *Local Government (Financial Management) Regulations 2011* reg 6(1)(ea)

Please Note: The percentage figure in *(e)* relates to the change in the total amount of General Rates revenue to be collected from all rateable properties, not from individual rateable properties (ie. individual rates will not necessarily change by this figure).

(f) Councils are required under the *Landscape South Australia Act 2019* to collect the levy on all rateable properties on behalf of the State Government. The levy helps to fund the operations of regional landscape boards who have responsibility for the management of the State's natural resources.

(i) Community Wastewater Management Systems

(l) A council **may** grant a rebate of rates or service charges in a number of circumstances. The rates which are foregone via Discretionary Rebates are redistributed across the ratepayer base (ie. all other ratepayers are subsidising the rates contribution for those properties who

(m) Expected Total Rates Revenue excludes other charges such as penalties for late payment and legal and other costs recovered.

(n) 'Growth' as defined in the *Local Government (Financial Management) Regulations 2011* reg 6(2)

Statement on Expected Rate Revenue

Please note: These figures represent a considered estimate of Expected Rate Revenue based on the most current information available at the time of going out to consultation on the DRAFT Annual Business Plan and Budget (ABP&B). This information is updated regularly and therefore these figures may be subject to confirmation at the time of actual adoption of the ABP&B.

Expected Rates Revenue

	Total expected revenue			No. of rateable properties		Average per rateable property				Cents in the $
	2021/22	**2022/23**	**Change**	2021/22	**2022/23**	2021/22	**2022/23**		**Change**	**2022/23**
Land Use (General Rates - GROSS)										
Residential	$12,149,215	**$12,831,741**	**6%**	9461	**9651**	$1,284	$1,330	*(p)*	**$45**	**0.003265**
Commercial	$1,895,784	**$2,069,824**	**9%**	632	**655**	$3,000	$3,160	*(p)*	**$160**	**0.005025**
Industry - Light	$95,967	**$97,209**	**1%**	48	**45**	$1,999	$2,160	*(p)*	**$161**	**0.005050**
Industry - Other	$3,802,233	**$3,918,168**	**3%**	92	**93**	$41,329	$42,131	*(p)*	**$802**	**0.014920**
Primary Production	$4,937,021	**$5,162,646**	**5%**	2190	**2184**	$2,254	$2,364	*(p)*	**$110**	**0.003235**
Vacant Land	$647,412	**$585,753**	**-10%**	558	**465**	$1,160	$1,260	*(p)*	**$99**	**0.006170**
Other	$342,250	**$351,386**	**3%**	143	**142**	$2,393	$2,475	*(p)*	**$81**	**0.005481**
Total Land Use	**$23,869,883**	**$25,016,727**	**4.8%**	**13,124**	**13,235**	**$1,819**	**$1,890**	*(p)*	**$71**	
GRAND TOTAL (GROSS)	**$23,869,883**	**$25,016,727**	**4.80%**	**13,124**	**13,235**	**$1,819**	**$1,890**	*(p)*	**$71**	

The above information is general rates for each Land Use, a rate notice also includes the fixed charge, Landscape Levy and w here relevant service charges. Service charges include Waste Services for Refuse, Recycling and Green Organice and Commuunity Wasterw ater Management Systems (CWMS).
Some Residential and Primary Production assessments w ill benefit from the RI GRC, the above calculations do not include that application

Fixed Charge

	Total expected revenue			Charge			
	2021/22	**2022/23**	**Change**	2021/22	**2022/23**		**Change**
Fixed Charge	$4,756,840	**$5,062,800**	**6%**	$380	**$400**	*(q)*	**$20**

This revenue amount is **included** in the General Rates GROSS figure at *(c)*.

Adopted valuation method

Capital Value/Site Value/Annual Value

Council has the option of adopting one of three valuation methodologies to assess the properties in its area for rating purposes:
Capital Value – the value of the land and all improvements on the land;
Site Value – the value of the land and any improvements w hich predominantly affect the amenity of use of the land, such as drainage w orks, but excluding the value of buildings and other improvements (Note: Site Value w ill cease to be an option from 1 Sept 2023); or
Annual Value – a valuation of the rental potential of the property.

Council uses the capital value determined by the State Valuation Office as the basis for valuing land and calculating rates.
Council considers that this method provides the fairest method of distributing the rate burden across all ratepayers on the follow ing basis:
•The equity principle of taxation requires that ratepayers of similar w ealth pay similar taxes and ratepayers of greater w ealth pay more taxes than ratepayers of lesser w ealth;
•Property value is a relatively good indicator of market value of a property, providing the fairest method of calculating rates.

Notes

(p) Average per rateable property calculated as General Rates for category, excludes any fixed charge and services charges w here applicable, *divided* by number of rateable properties w ithin that category in the relevant financial year.

(q) A fixed charge can be levied against the w hole of an allotment (including land under a separate lease or licence) and only one fixed charge can be levied against tw o or more pieces of adjoining land (w hether intercepted by a road or not) if they are ow ned by the same ow ner and occupied by the same occupier. Also if tw o or more pieces of rateable land w ithin the area of the council constitute a single farm enterprise, only one fixed charge may be imposed against the w hole of the land.

MEASURING OUR PERFORMANCE

Measuring and monitoring performance is important to ensure our objectives are achieved and services are delivered to our community. Council monitors financial performance through its **Business Planning Framework** (refer also to the section on "Strategic Directions"). This includes:

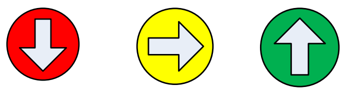
- **Monthly Financial Reports** which regularly track Council finances;
- **Quarterly Budget Reviews** which outline financial performance against the Annual Budget and Business Plan;
- **Audited Financial Statements** which are included in the **Annual Report** as required under the *Local Government Act 1999;*
- the **Annual Report** which describes the performance of Council on objectives set in the **Annual Budget and Business Plan**;
- Council's **Community Plan 2020-2040** includes the long term objectives and strategies Council is striving to achieve. The Community and Corporate plans are used to form the Annual Budget and Business Plan.

To provide advice and recommendations on financial and governance matters, Council has appointed an Audit Committee which includes independent members with qualifications and experience in related disciplines.

Key Performance Indicators

Council has a number of financial Key Performance Indicators (KPI's) which measure the impact of the annual budget on Council's financial position. Each of these indicators, together with associated comments, is outlined below:

Legend:	Target Not Met	Target At Risk	Target Met



Forecast is the third Budget Update (Q3)+ for the year, adopted by Council at the 1 June 2022 meeting and material financial information received since that time has been included.

Individual years are shown within the Long Term Financial Plan section in this document from including a rolling 3 year period on selected KPIs.

Key Performance Indicator 1: Operating Result ($'000)

Council has set the following target **- To achieve an operating break-even position, or better, over any ten year period. The operating result for 2022/23 is forecast as a deficit due to the Federal Government decision to pay $1,384k of the 2022/23 grants in April 2022. The cumulative ten year period operating surplus is forecast at $1,650k (if grants were not paid early this would have been an operating surplus of $3,034k) for more information refer to LTFP section within this plan.**

Year	2019/20 Actual	2020/21 Actual	2021/22 Forecast Q3+	2022/23 Budget
Result	1,511	2,745	216	(1,465)
Status				

Key Performance Indicator 2: Operating Surplus/(Deficit) Ratio

Expresses the projected Operating Surplus/(Deficit) result as a percentage of general rate revenue. Council has set the following target **- To achieve an operating surplus ratio of between -2% to 10%. This forecast is outside the range due to factors noted in KPI 1 but in the net year the ratio is within the range.**

Year	2019/20 Actual	2020/21 Actual	2021/22 Forecast Q3+	2022/23 Budget
Result	3.86%	6.7%	0.5%	(3.4%)
Status				

Key Performance Indicator 3-1: Net Financial Liabilities ($'000)

Council has set the following target **- Council's level of net financial liabilities is no greater than its annual operating revenue and not less than zero.**

Year	2019/20 Actual	2020/21 Actual	2021/22 Forecast Q3+	2022/23 Budget
Result	5,231	1,797	9,587	28,587
Status				

Key Performance Indicator 3-2: Net Financial Liabilities Ratio

Expresses the projected Net Financial Liabilities as a percentage of total operating revenue for each year. It is Council policy (and industry best practice) that this ratio shall not exceed 100%. Council has set the following target - **Net financial liabilities ratio is greater than zero but less than 100% of total operating revenue.**

Year	2019/20 Actual	2020/21 Actual	2021/22 Forecast Q3+	2022/23 Budget
Result	13%	4%	22%	67%
Status				

Key Performance Indicator 4: Asset Renewal Funding Ratio

Expresses the rate by which assets are wearing out and being replaced by comparing capital outlays on renewal/replacement to the Infrastructure Asset Management Plans. Council has set the following target: **Capital outlays on renewing/replacing assets net of proceeds from sale of replaced assets is greater than 80% but less than 110% of Infrastructure Asset Management Plans**. A substantial amount of 'Upgraded' asset work completed each year are partly renewing components of existing assets. The calculation to compile this ratio does not include any upgrade costs as it is not considered 'renewal/replacement'. This is then effectively understating the expenditure for asset replacement and the ratio is not then reflecting the true actual net asset renewals. It is expected the renewal spend information will be more accurate when the four year review of the IAMP's is undertaken and the improvement plans from that work provides these projections pa.

Year	2019/20 Actual	2020/21 Actual	2021/22 Forecast Q3+	2022/23 Budget
Result	92%	216%	86%	112%
Status				

NON-FINANCIAL PERFORMANCE MEASURES

Council continues to review its Key Performance Indicators (KPIs) to improve the measurement of performance. This is part of Council's Community Plan, as well as continuous improvement initiatives related to Council's Business Planning Framework. Indicators measuring the performance of Council in relation to the Annual Business Plan are show below.

They provide information with regards to Council's capacity to effectively deliver services to our community and the targets Council intends to meet. Council's performance against these indicators is then reported in the Annual Report each year.

Indicator	Description	Target
Theme 1 – Natural & Built Heritage		
Development Performance	% of development applications decided within timeframe	80%
Theme 2 – Community & Culture		
Library Visits	The number of library visits and participation within the Barossa Council Area	5 visits per capita
Theme 3 – Infrastructure		
Asset Spending Ratio	Ratio of asset expenditure on renewal, replacement and upgraded assets and maintenance on assets	Between 100% and 150% of Depreciation
Theme 4 – Health & Wellbeing		
Nuisance and Environmental Complaint Resolution Rate	Percentage resolved within due date	75%
Waste Disposal Rate	Percentage of waste disposed to landfill	Less than 65%
Recycling Rate	Percentage of waste recycled	More than 35%
Theme 5 – Business & Employment		
Tourism Customer Satisfaction with Visitor Information Services	Average Customer Satisfaction Rating	4 or above
Visitor Information Centre Bookings	Annual Booking Revenue (Accommodation/Tours/Tickets)	100% of Budget
How We Work – Good Governance		
LGA KPI Audit Action Plan	Percentage of KPI Audit Actions Complete	90%
LGA Risk Review	Percentage risk review conformance	90%
Customer Request Completion Rate	Percentage of Customer Requests Completed (On Time and Overdue)	85%
Customer Request Resolution Rate	Percentage of Customer Requests Resolved on Time	85%
Operational Expenditure Against Budget	Actual Operating Expenditure as a % of Budgeted Operating Expenditure	95%-100%
Capital Expenditure Against Budget	Actual Capital Expenditure as a percentage of Budgeted Capital Expenditure as adjusted	90%
Staff Development - Training	Percentage of staff with an approved training needs analysis	85%
Staff Development – Performance Partnering	Percentage of staff who have completed performance partnering	85%
Staff Retention	Percentage of employees retained	90%

BUDGETED FINANCIAL STATEMENTS 2022/23

BUDGETED FINANCIAL STATEMENTS

The following pages contain Council's budgeted financial statements, **including the Nuriootpa Centennial Park Authority (NCPA),** in a format consistent with the requirements of Regulation 5B of *the Local Government (Financial Management) Regulations*, comprising for the year ending 30 June 2023:

- **Statement of Comprehensive Income**
- **Statement of Financial Position**
- **Statement of Changes in Equity**
- **Statement of Cash Flows**
- **Uniform Presentation of Finances**

Please note: the format of the following Financial Statements is based on the 2020 Model Financial Statements.

STATEMENT OF COMPREHENSIVE INCOME

For the year ending 30 June 2023

	2021/22 Original Budget ($'000)	2021/22 Revised Budget* ($'000)	2022/23 Budget ($'000)
Income			
Rates	33,650	33,671	35,759
Statutory Charges	741	747	797
User Charges	3,157	3,087	3,200
Grants, Subsidies and Contributions	2,212	3,983	1,857
Investment Income	96	111	88
Reimbursements	41	41	61
Other Income	793	1,053	722
Net Gain – Joint Ventures and Associates	0	0	0
TOTAL REVENUES	40,690	42,693	42,484
Expenses			
Employee Costs	14,512	14,748	16,493
Materials, Contracts and Other Expenses	17,698	18,402	17,878
Depreciation, Amortisation and Impairment	8,848	8,848	9,159
Finance Costs	479	479	419
Net Loss – Joint Ventures and Associations	0	0	0
TOTAL EXPENSES	41,537	42,477	43,949
Operating Surplus / (Deficit)	(847)	216	(1,465)
Asset Disposal & Fair Value Adjustments	(621)	(892)	(821)
Amounts Received Specifically for New or Upgraded Assets	7,387	7,036	7,251
Physical Resources Received Free of Charge	282	282	0
Net Surplus / (Deficit)	6,201	6,642	4,965
Transferred to Equity Statement	0	0	0
Other Comprehensive Income	0	0	0
Changes in revaluation surplus - infrastructure, property, plant & equipment	0	0	0
Total Other Comprehensive Income	0	0	0
Total Comprehensive Income	6,201	6,642	4,965

* Revised Budget is the Third Budget Update for the year, adopted by Council at the 1 June 2022 meeting and material financial information received since that time has been included.

STATEMENT OF FINANCIAL POSITION

For the year ending 30 June 2023

	2021/22 Original Budget ($'000)	2021/22 Revised Budget* ($'000)	2022/23 Budget ($'000)
Assets			
Current Assets			
Cash and Cash Equivalents	92	4,667	88
Trade and Other Receivables	2,728	2,436	2,463
Other Financial Assets	0	0	0
Inventories	375	218	218
Subtotal	3,195	7,321	2,769
Non-Current Assets Held for Sale	0	0	0
Total Current Assets	3,195	7,321	2,769
Non-current Assets			
Financial Assets	1,323	1,157	1,358
Equity Accounted Investments in Council	2,299	2,286	2,286
Infrastructure, Property, Plant and Equipment	423,438	410,919	438,860
Other Non-Current Assets	0	0	0
Total Non-current Assets	427,060	414,362	442,504
Total Assets	**430,255**	**421,683**	**445,273**
Liabilities			
Current Liabilities			
Trade and Other payables	3,341	6,236	4,589
Borrowings	9,558	1,064	8,356
Provisions	2,422	2,521	2,521
Total Current Liabilities	15,321	9,821	15,466
Non-Current Liabilities			
Borrowings	10,774	6,657	15,701
Provisions	1,164	1,330	1,330
Total Non-current Liabilities	11,938	7,987	17,031
Total Liabilities	**27,259**	**17,808**	**32,497**
Net Assets	**402,996**	**403,875**	**412,776**
Equity			
Accumulated Surplus	97,132	98,176	104,602
Asset Revaluation Reserve	294,334	293,269	297,205
Other Reserves	11,530	12,430	10,969
Total Equity	**402,996**	**403,875**	**412,776**

* Revised Budget is the Third Budget Update for the year, adopted by Council at the 1 June 2022 meeting and material financial information received since that time has been included.

STATEMENT OF CHANGES IN EQUITY

As at 30 June 2023

	Accumulated Surplus ($'000)	Asset Revaluation Reserve ($'000)	Other Reserves ($'000)	Total Equity ($'000)
Balance at end of previous reporting period 30 June 2022 (Original Budget 2021/22)	97,132	294,334	11,530	402,996
Restated opening balance (Revised Budget)	98,176	293,269	12,430	403,875
Net Surplus / (Deficit) for year	4,965			4,965
Other Comprehensive Income	0	0	0	0
Gain on revaluation of infrastructure, property, plant	0	3,936	0	3,936
Transfer to accumulated surplus on sale of infrastructure, property, plant and	0	0	0	0
Transfer between reserves	1,461	0	(1,461)	0
Balance at the End of Period	104,602	297,205	10,969	412,776

* Revised Budget is the Third Budget Update for the year, adopted by Council at the 1 June 2022 meeting and material financial information received since that time has been included.

STATEMENT OF CASH FLOWS

As at 30 June 2023

	2021/22 Original Budget ($'000)	2021/22 Revised Budget* ($'000)	2022/23 Budget ($'000)
Cash Flows from Operating Activities			
Receipts			
Operating Receipts	40,594	42,312	42,396
Investment Receipts	96	111	88
Payments			
Operating payments to Suppliers and Employees	(32,347)	(33,150)	(34,371)
LandFill rehabilitation expense	(362)	(362)	0
Finance Payments	(479)	(479)	(419)
Net Cash Provided by (or Used in) Operating Activities	7,502	8,432	7,694
Cash Flows from Investing Activities			
Receipts			
Amounts Specifically for New or Upgraded Assets	7,387	5,677	5,604
Sale of Replaced Assets	252	252	411
Repayments of Loans by Community Groups	72	72	73
Payments			
Expenditure on Renewal / Replacement of Assets	(6,491)	(7,739)	(7,266)
Expenditure on New / Upgraded Assets	(23,881)	(16,363)	(27,131)
Net Purchase of Investment Securities	0	0	0
Loans made to Community Groups	(650)	(430)	(300)
Net Cash Provided by (or Used in) Investing Activities	(23,311)	(18,531)	(28,609)
Cash Flows from Financing Activities			
Receipts			
Loans Received	13,100	430	17,300
Proceeds from Internal Borrowings	700	0	1,450
Payments			
Repayments of Borrowings	(1,410)	(1,410)	(908)
Repayment Lease Liabilities	(42)	(55)	(56)
Repayment of Internal Borrowings	(700)	0	(1,450)
Net Cash Provided by (or Used in) Financing Activities	11,648	(1,035)	16,336
Net Increase / (Decrease) in Cash Held	(4,161)	(11,134)	(4,579)
Cash and Cash Equivalents at Beginning of Period	4,253	15,801	4,667
Cash and Cash Equivalents at End of Period	92	4,667	88

* Revised Budget is the Third Budget Update for the year, adopted by Council at the 1 June 2022 meeting and material financial information received since that time has been included.

UNIFORM PRESENTATION OF FINANCES

For the year ending 30 June 2023

The following is a high level summary of both operating and capital investment activities of the Council prepared in a uniform and consistent basis.

All Councils in South Australia voluntarily have agreed to summarise annual budgets and long term financial plans on the same basis.

The arrangement ensures that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.

	2021/22 Original Budget ($'000)	2021/22 Revised Budget* ($'000)	2022/23 Budget ($'000)
Income	40,690	42,693	42,484
Less Expenses	(41,537)	(42,477)	(43,949)
Operating Surplus / (Deficit)	(847)	216	(1,465)
Less Net Outlays on Existing Assets			
Capital Expenditure on Renewal and Replacement of Existing Assets	(6,491)	(7,739)	(7,266)
Less Depreciation, Amortisation and Impairment	8,848	8,848	9,159
Less Proceeds from Sale of Replaced Assets	252	252	411
	2,609	1,361	2,304
Less Net Outlays on New and Upgraded Assets			
Capital Expenditure on New and Upgraded Assets	(23,881)	(16,363)	(27,131)
Less Amounts Received Specifically for New and Upgraded Assets	7,387	5,677	5,604
Less Proceeds from Sale of Surplus Assets	0	0	0
	(16,494)	(10,686)	(21,527)
Net Lending / (Borrowing) for Financial Year	(14,732)	(9,109)	(20,688)

* Revised Budget is the Third Budget Update for the year, adopted by Council at the 1 June 2022 meeting and material financial information received since that time has been included.

LONG TERM FINANCIAL PLAN
2022/23 - 2031/32

ASSUMPTIONS AND FINANCIAL INDICATORS

Under the *Local Government Act 1999*, Councils are required to have a **Long Term Financial Plan (LTFP)** (for a minimum period of 10 years). This Long Term Financial Plan (LTFP) has been declared by The Barossa Council as a Strategic Management Plan pursuant to Section 122(8) of the *Local Government Act 1999*. This document subsequently reflects an annual review of Council's Long Term Financial Plan and acts as a starting reference point in the formulation of Council's Annual Budget and Business Plan 2022/23.

The Long Term Financial Plan is designed as a 'high-level' document that summarises the future planning of Council's financial operations – particularly in relation to key components such as rate movements, service levels to our community, major infrastructure asset replacement/renewal, loan indebtedness and internal cash reserves.

On this basis and given the 'high-level' nature of the document, the Plan has been developed based on a number of key assumptions previously discussed and endorsed by Council. Further, Council has also previously endorsed a number of strategic financial policies which have also driven the formulation of the Plan.

Section 122 of the *Local Government Act 1999* also prescribes that Councils must have a Long Term Infrastructure and Asset Management Plan to guide the future replacement, renewal and maintenance of our significant fixed asset base. Council's Infrastructure and Asset Management Plan (IAMP) was adopted by Council in February 2022, with an ongoing review process to provide improved asset data and information.

Consequently, in recognition of this, it is appropriate that a cautious and conservative approach be undertaken with financial modelling as part of the update to the Long Term Financial Plan.

With a significant fixed asset base being predominantly comprised of major community infrastructure such as roads, footpaths, stormwater drainage and community wastewater management systems, it is imperative that there is an appropriate link and consistency between the Infrastructure and Asset Management Plan and the Long Term Financial Plan, towards ensuring that the Long Term Financial Plan provides for the necessary capital outlays (as identified in the Infrastructure and Asset Management Plan) for the renewal and replacement of existing community assets – herein referred to as 'non-discretionary' capital expenditure.

General Assumptions

- Long term financial plans have been prepared to measure and check financial sustainability for: CWMS; Waste; Nuriootpa Centennial Park Authority (NCPA); all other Council operations and a consolidated LTFP.
- The NCPA revised LTFP will be adopted by the NCPA Board in June and is incorporated into this LTFP.
- The LTFP reflects existing recurrent service levels to our community being maintained. Council's budget process considers on-going service delivery and commitments and new expenditure items or initiatives.
- For most new initiatives, a Due Diligence Report is prepared to assess the financial commitment in order that current and future budgets are accurate and that Council has full information regarding the financial risks of their decisions. This draft budget contains a number of new initiatives.
- All new initiatives were then assessed using a Bid Analysis Tool and given a score against set criteria.

Operations

- General Rate Revenue and Service Charges increments have been reviewed to ensure funding and service level provision is maintained in line with sustainability requirements.
- Operating Costs for Employee, Contractors and Materials have been based on a zero based method for this budget year.
- Rubble raising is not required in 2022/23 as sufficient stock is held from 2021/22.
- Selected costs have been isolated from general expenditure, eg. energy use for electricity, water costs, insurance premiums and waste collection and disposal service costs; projected increases from 1% to 4%.
- Depreciation has been calculated on existing asset classes, structures, valuation and condition rating; asset componentisation has been included as appropriate to selected asset types. A review of useful lives of all assets and components is an ongoing task refining the data.
- In June 2022 the Federal Budget allocated $476k for Supplementary Road Funding for use as $238k in both 2021/22 & 2022/23 these amounts are allocated to project(s) within the existing budget program.
- The Roads to Recovery (RTR) grant funded program will continue until 2023/24 at $483k per annum and then to $383k for the remaining years in the LTFP.

- A prepayment in 2021/22 of the 2022/23 Financial Assistance Grant funding payment $1,384k was received in April 2022, resulting in an operating deficit in the 2022/23 budget and impacting KPI 1s in the LTFP.
- Staff levels have been increased for the adopted Business Case – Sustainable Resourcing Model and other changes have been made for grant funding programs ending and overall increases are projected to be in line with current Enterprise Bargaining Agreements.
- Full Cost Attribution - an allocation of internal services to relevant charge areas has been allocated in the LTFP. This allocation from internal to external service areas does not affect the overall net result.

Capital

- Asset Renewal and/or Replacement expenditure is provided for on various buildings, recreation, transport, stormwater, bridge and CWMS assets.
- The Big Project capital expenditure program over the next five years is $31m.
- The discretional capital expenditure allocation is listed in the remaining 5 years of the LTFP discretionary spend has been included at $500k pa.
- Capital grants and contributions in this review include CWMS developer contributions $50k pa, other developer contributions $142k pa for two years. Infrastructure programs for roads, bike path, bridges, carpark and footpath program $2.3k, along with The Big Project funding at $9.9m over the next five years (Note: the majority of these projects are subject to funding approval).

Loan Principal and Interest Repayments

- The internal loan from Council to Nuriootpa Centennial Park Authority (NCPA) is included in the LTFP and is to be repaid at $130k pa - the remaining balance is currently at $260k. The NCPA also has an established fixed loan as at 30 June 2022.
- Council's loan debt is predicted to peak at $27.3m in 2024/25. The net loan balance outstanding as at 30 June 2022 will be $7.7m and a projected balance of $12.9m by 30 June 2032.
- An internal loan (funded from the CWMS operations reserve) of $9m will be required to ensure Council's general operations meet financial sustainability indicators. No interest is charged as funding is for all Council services.
- There is a scheduled balloon payment for $2.9m on an existing loan in the year 2024/25 at which time Council will assess its loan requirements and re-finance if/as needed.
- Loan financing is a mix of fixed loans and Cash Advance Debenture (CAD) in 2022/23 $17.3m, 2023/24 $6.3m, 2024/25 $4.5m and in 2028/29 $1.2m.

Financial Sustainability Performance Chief Executive Officer Report

- KPI 1: Operating Surplus a deficit for years 2022/23 to 2026/27; accumulative surplus by year 2030/31 The general rate increases for years for 2022/23 is 3.75% and the remaining years in the LTFP are 3% plus growth in assessments and service nos. to recover the revenue and return to an operating surplus in 2027/28.
- KPI 2: Operating surplus ratios average 3 years. Council's forecast retrospective results range from (2.5%) to 2.9%; Annual ranges from (3.4%) to 3.6%.
- KPI 3: The forecast is 67.3% in 2022/23 peaks at 71.5% or $33.2m in 2024/25 and by year 2031/32 is projected to be at 31.8% or $18.5m.
- KPI 4: The target is being met over the ten year period, the average being 100.4% and within previously IAMP spend requirements. IAMP renewal spend information will be updated when the improvement plans are updated for future spend requirements. A selection of TBP builds will upgrade and replace a considerable amount of assets; these works will be identified and then re-assigned as appropriate to renewal works and therefore will improve this ratio.
- Council has reviewed its financial parameters for the LTFP including the indexation used for forward projections on income and expenditure.
- In line with Council Policy a regular review of Council's treasury management will be required to ensure a positive cash position is maintained.

It should be noted that not all KPI's are within the target ranges but Council attains a financially sustainable position within the 10 year period of the LTFP. With the inclusion of TBP grant funding and loan financing, Council has the capacity to undertake TBP asset construction, operational costs and other minor additional projects along with consideration of other major works in future years.

FINANCIAL SUSTAINABILITY

The Barossa Council is committed to the principles of financial sustainability. The importance of this is to ensure that each generation 'pays their way', rather than any generation 'living off their assets' and leaving it to future generations to address the issue of repairing worn out infrastructure. Such issues are frequently referred to as 'intergenerational equity'.

With community infrastructure such as roads, footpaths and stormwater drainage comprising a major proportion of Council's balance sheet, it is important that Council implement appropriate strategies towards the effective maintenance and renewal of such assets to ensure it is fairly and equitably funded from current ratepayers (general rate income) and future ratepayers (long term loan borrowings).

Given the importance of ensuring financial sustainability of operations in the longer term, it is a legislative requirement that Council adopt Long Term Financial Management and Infrastructure and Asset Management Plans (minimum 10 years) as part of future planning.

The Long Term Financial Plan is designed as a 'high-level' summarised document towards the future planning of Council's financial operations; particularly in relation to key components such as rate movements, service levels to our community, major infrastructure asset replacement/renewal, loan financing and internal cash reserves. Council conducts an annual review of its Long Term Financial Plan each year.

The financial sustainability of Council is measured by the surplus/deficit (before capital revenues) disclosed in the Income Statement; with a consistent breakeven or operating surplus result indicative of a Council that is financially sustainable in the long term. Other financial sustainability indicators are separately included within this report.

Funding Plan

Council uses a mix of service, user and statutory charges, grants, commercial, other income and loan financing as a means of funding both operating and capital expenditure. Refer to the appendix for funding the long term indexation, financial assumptions and estimates and the review of financial indicators.

To assist in keeping rates affordable, Council is limiting general rates income to an increase per annum to provide required service levels to the community over the life of this Plan. Selected services areas use services charges and service rates to recover the cost, including - Waste services for Refuse, Recycling and Green Organic with future years ranging from 2% to 3%; and CWMS future years ranging from 0.5% to 2.25%.

Council is planning to spend an average of $16.2m per annum (including indexation and The Big Project) on capital projects and an average of $41.9m per annum on day to day essential services (operational expenditure, excluding interest and depreciation but including indexation) over the next 10 years.

Our Financial Principles

As part of its commitment to financial sustainability, Council operates under the following key financial principles in preparing the Annual Business Plan:

- Ongoing education and training such that all Council Members and Staff understand and fulfil their financial governance responsibilities
- Policies and practices that support decision making and assessment of performance
- Budget and financial information is presented at a strategic level, succinct and easy to follow
- Budget and financial information is based on the Long Term Financial Plan
- The Asset Management Plans are maintained and reflect whole of life costs
- The Rating strategy is equitable and generates sufficient revenue to meet financial needs
- Financial performance is managed using suitable financial indicators and targets
- A robust audit and internal control process is in place to ensure effective financial and governance compliance
- Information provided to the community is open, transparent and relevant.

APPENDIX

APPENDIX 1: Key Performance Indicators and Financial Parameters

A1 Consolidated Results: Key Performance Indicators and Financial Parameters		2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Draft Bud - next years draft; LTFP = Long Term Financial Plan		**Budget $'000 or %**	**LTFP $'000 or %**	**LTFP $'000 or %**	**LTFP $'000 or %**	**LTFP $'000 or %**	**LTFP $'000 or %**	**LTFP $'000 or %**	**LTFP $'000 or %**	**LTFP $'000 or %**	**LTFP $'000 or %**
Key Performance Indicators (KPI's) - Summary	Adopted target										
KPI 1 - Operating Surplus cumulative forward 10 year period*	**Surplus year 10**	(1,465)	(2,203)	(3,328)	(4,365)	(4,472)	(3,956)	(3,212)	(1,926)	(452)	1,650
Operating Surplus - Annual		(1,465)	(738)	(1,125)	(1,037)	(107)	516	744	1,286	1,474	2,102
KPI 2 - Operating Surplus Ratio - Rolling 3 year - retrospective avera	**(2%) to 10%**	1.3%	(1.5%)	(2.5%)	(2.1%)	(1.6%)	(0.5%)	0.7%	1.6%	2.1%	2.9%
KPI 2 - Operating Surplus Ratio - Annual		(3.4%)	(1.6%)	(2.4%)	(2.2%)	(0.2%)	1.0%	1.4%	2.3%	2.6%	3.6%
KPI 3 - Net Financial Liabilities ratio	**0-100%**	67.3%	69.3%	71.5%	65.8%	59.5%	53.0%	52.1%	45.0%	39.8%	31.8%
KPI 4 - Asset Renewal Funding Ratio - Annual	**80% to 110%**	112.0%	104.8%	95.7%	87.7%	88.8%	92.2%	103.7%	107.8%	108.6%	102.6%
Financial parameters - Indexation											
RATE REVENUE INCREASES											
General - Rate Revenue Net Increase (excl growth)		3.75%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Growth -22/23 Development - General rates 0.75%; Service nos. - CWMS 1-1.5% & W		0.75%	0.75-1.5%	0.75-1.5%	0.75-1.5%	0.75-1.5%	0.75%	0.75%	0.75%	0.75%	0.75%
CWMS - Service Charge & Rates Increase (+ growth 1-1.5%)		4.00%	0.50%	1.75%	2.25%	2.00%	2.00%	2.25%	1.50%	1.00%	1.00%
Refuse, Recycling and Green Organic Services Charge Net Increase (excl growth)		8.80%	3.00%	2.00%	2.25%	2.25%	2.00%	2.00%	2.00%	2.00%	2.00%
OPERATING REVENUE											
Operating Grants		2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Statutory Charges		2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
User Charges		2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Investment Income		1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%
Reimbursements		2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Other Revenue		2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
OPERATING EXPENDITURE											
Service Cost Natural Growth** (Waste, CWMS, NCPA growth is 1% all years)		1.0%	0.0%	0.0%	0.0%	0.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Employee Costs		2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Contracts, Materials & Other		***	2.5%	2.5%	2.5%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Energy Costs		2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Water Costs		2.1%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Debenture & Cash Advance Loan interest rate		4-4.5%	4-4.5%	4-4.5%	4-4.5%	4-4.5%	4-4.5%	4-4.5%	4-4.5%	4-4.5%	4-4.5%
Insurance		2.1%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Asset Revaluation Increments											
Land Assets		3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Building Assets		0.0%	6.0%	0.0%	0.0%	6.0%	0.0%	0.0%	6.0%	0.0%	0.0%
Recreation Assets		0.0%	6.0%	0.0%	0.0%	6.0%	0.0%	0.0%	6.0%	0.0%	0.0%
Infrastructure Assets		0.0%	0.0%	6.0%	0.0%	0.0%	6.0%	0.0%	0.0%	6.0%	0.0%
CWMS		7.0%	0.0%	0.0%	0.0%	7.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Stormwater Assets		0.0%	0.0%	0.0%	6.0%	0.0%	0.0%	6.0%	0.0%	0.0%	6.0%
Asset Renewal Expenditure Increments											
Infrastructure renewal increments		3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
Office fleet vehicles		3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%

**** All amounts in KPI 1 are in $'000***

***** Growth index included where relevant to Employee Costs and Contracts, Materials & Other for additional service requirements***

******2022/23 the operating expenditure is based on last years budget unless a contract or agreement(s) applies or where actual costs are higher to provide the current service level then no index was added to actual for the budget $***

APPENDIX 2: Long Term Plan Financial Statements 2022/23 to 2031/32

A2-1 Consolidated Results: Budgeted Statement of Comprehensive Income	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	Budget	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
REVENUES										
Rates	35,759	37,049	38,400	39,807	41,257	42,752	44,311	45,899	47,525	49,211
Statutory Charges	797	813	830	846	863	880	898	916	934	953
User Charges	3,200	3,264	3,330	3,397	3,465	3,534	3,605	3,677	3,751	3,826
Grants, subsidies and contributions	1,857	3,057	3,002	3,055	3,109	3,164	3,221	3,278	3,337	3,397
Investment Income	88	94	95	96	98	99	100	102	103	104
Reimbursements	61	63	44	20	48	43	38	33	29	24
Other Income	722	745	760	775	791	807	823	839	856	873
Net Gain - Joint Venture	0	0	0	0	0	0	0	0	0	0
TOTAL INCOME	42,484	45,085	46,461	47,996	49,631	51,279	52,996	54,744	56,535	58,388
EXPENSES										
Employee Costs	16,493	17,032	17,444	17,920	18,399	18,814	19,365	19,932	20,515	21,116
Materials, Contracts & Other expenses	17,878	17,972	18,614	19,385	19,540	19,868	20,478	21,092	21,821	22,238
Depreciation, Amortisation & Impairment	9,159	9,781	10,246	10,617	10,782	11,162	11,467	11,622	12,007	12,390
Finance Costs	419	1,038	1,282	1,111	1,017	919	942	812	718	542
Net Gain - Joint Venture	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENSES	43,949	45,823	47,586	49,033	49,738	50,763	52,252	53,458	55,061	56,286
OPERATING SURPLUS / (DEFICIT)	(1,465)	(738)	(1,125)	(1,037)	(107)	516	744	1,286	1,474	2,102
Asset disposal & fair value adjustments	(821)	(663)	(622)	(840)	(762)	(913)	(876)	(960)	(1,009)	(1,014)
Amounts specifically for new or upgraded assets	7,251	3,043	2,127	323	50	50	50	50	50	50
Physical Resources received free of charge	0	1,953	2,010	1,908	1,930	1,985	2,032	2,072	2,102	2,154
Operating result from discontinued operations										
NET SURPLUS / (DEFICIT)	4,965	3,595	2,390	354	1,111	1,638	1,950	2,448	2,617	3,292

APPENDIX 2: Long Term Plan Financial Statements 2022/23 to 2031/32(Continued)

A2-2 Consolidated Results: Budgeted Statement of Financial Position	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	Budget	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
ASSETS										
Current Assets										
Cash and cash equivalents	88	140	129	157	178	214	277	317	351	388
Trade & other receivables	2,463	2,443	2,402	2,481	2,476	2,459	2,458	2,456	2,446	2,364
Other financial assets	0	0	0	0	0	0	0	0	0	0
Inventories	218	218	218	218	218	218	218	218	218	218
	2,769	2,801	2,749	2,856	2,872	2,891	2,953	2,991	3,015	2,970
Non-Current Assets held for Sale	-	-	-	-	-	-	-	-	-	-
Total Current Assets	2,769	2,801	2,749	2,856	2,872	2,891	2,953	2,991	3,015	2,970
Non-Current Assets										
Financial Assets	1,358	1,278	1,239	1,122	1,010	914	820	727	645	645
Equity accounted investments in Council businesses	2,286	2,286	2,286	2,286	2,286	2,286	2,286	2,286	2,286	2,286
Infrastructure, Property, Plant & Equipment	438,860	451,325	466,215	471,107	479,801	490,851	499,737	506,381	518,428	524,656
Other Non-Current Assets	0	0	0	0	0	0	0	0	0	0
Total Non-Current Assets	442,504	454,889	469,740	474,515	483,097	494,051	502,843	509,394	521,359	527,587
TOTAL ASSETS	445,273	457,690	472,489	477,371	485,969	496,942	505,796	512,385	524,374	530,557
LIABILITIES										
Current Liabilities										
Trade & Other Payables	4,589	4,546	4,546	4,546	4,546	4,546	4,546	4,546	4,546	4,546
Borrowings	8,356	9,813	11,444	10,712	9,532	7,937	9,052	6,659	5,132	1,741
Provisions	2,521	2,525	2,529	2,533	2,538	2,542	2,547	2,551	2,556	2,561
Total Current Liabilities	15,466	16,884	18,519	17,791	16,616	15,025	16,145	13,756	12,234	8,848
Non-Current Liabilities										
Borrowings (External)	15,701	16,888	15,894	15,082	14,251	13,514	12,862	12,304	11,722	11,130
Provisions	1,330	1,330	1,330	1,330	1,330	1,330	1,330	1,330	1,330	1,330
Total Non-Current Liabilities	17,031	18,218	17,224	16,412	15,581	14,844	14,192	13,634	13,052	12,460
TOTAL LIABILITIES	32,497	35,102	35,743	34,203	32,197	29,869	30,337	27,390	25,286	21,308
NET ASSETS	412,776	422,588	436,746	443,168	453,772	467,073	475,459	484,995	499,088	509,249
EQUITY										
Accumulated Surplus	104,602	108,133	111,174	111,431	112,821	113,900	116,774	118,474	121,421	123,882
Asset Revaluation Reserve	297,205	303,418	315,190	321,259	330,754	342,419	348,857	355,945	367,419	374,285
Other Reserves	10,969	11,037	10,382	10,478	10,197	10,754	9,828	10,576	10,248	11,082
TOTAL EQUITY	412,776	422,588	436,746	443,168	453,772	467,073	475,459	484,995	499,088	509,249

APPENDIX 2: Long Term Plan Financial Statements 2022/23 to 2031/32(Continued)

A2-3 Consolidated Results: Budgeted Statement of Cash Flows	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	Budget	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**
	$ '000	**$ '000**	**$ '000**	**$ '000**	**$ '000**	**$ '000**	**$ '000**	**$ '000**	**$ '000**	**$ '000**
CASH FLOWS FROM OPERATING ACTIVITIES										
Receipts:										
Operating receipts	42,396	44,993	46,365	47,899	49,532	51,180	52,895	54,643	56,432	58,284
Investment receipts	88	94	95	96	98	99	100	102	103	104
Payments:										
LandFill rehabilitation expense	0	0	0	0	0	0	0	0	0	0
Operating payments to suppliers & employees	(34,371)	(34,999)	(36,054)	(37,301)	(37,935)	(38,678)	(39,838)	(41,019)	(42,331)	(43,348)
Finance payments	(419)	(1,038)	(1,283)	(1,111)	(1,017)	(919)	(942)	(812)	(718)	(542)
Net cash provided by (or used in) Operating Activities	7,694	9,050	9,123	9,583	10,678	11,682	12,215	12,914	13,486	14,498
CASH FLOW FROM INVESTING ACTIVITIES										
Receipts:										
Amounts specifically for new or upgraded assets	5,604	3,001	2,127	323	50	50	50	50	50	50
Sale of replaced assets	411	436	600	454	468	539	802	526	536	546
Repayment of loans by community groups	73	99	79	39	118	112	96	94	93	82
Payments:										
Expenditure on renewal/replacement of assets	(7,266)	(6,251)	(6,775)	(7,253)	(6,998)	(8,715)	(10,745)	(9,256)	(9,667)	(9,783)
Expenditure on new/upgraded assets	(27,131)	(8,927)	(5,802)	(1,574)	(2,283)	(1,300)	(2,818)	(1,336)	(2,355)	(1,374)
Net Purchases of Investment securities	0	0	0	0	0	0	0	0	0	0
Loans made to community groups	(300)	0	0	0	0	0	0	0	0	0
Net cash provided by (or used in) Investment Activities	(28,609)	(11,642)	(9,771)	(8,011)	(8,645)	(9,314)	(12,615)	(9,922)	(11,343)	(10,479)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts:										
Proceeds from borrowings	17,300	5,100	4,550	0	0	0	1,200	0	0	0
Proceeds from internal borrowings (CWMS)	1,450	600	1,000	1,200	1,730	2,060	700	0	0	0
Payments:										
Repayment of borrowings	(908)	(2,407)	(3,899)	(1,537)	(2,012)	(2,332)	(737)	(2,952)	(2,109)	(3,982)
Repayment of Lease	(56)	(49)	(14)	(7)	0	0	0	0	0	0
Repayment of internal borrowings (CWMS)	(1,450)	(600)	(1,000)	(1,200)	(1,730)	(2,060)	(700)	0	0	0
Net cash provided by (or used in) Financing Activities	16,336	2,644	637	(1,544)	(2,012)	(2,332)	463	(2,952)	(2,109)	(3,982)
Net Increase/(Decrease) in Cash held	(4,579)	52	(11)	28	21	36	63	40	34	37
Cash at beginning of period	4,667	88	140	129	157	178	214	277	317	351
CASH AT END OF PERIOD	88	140	129	157	178	214	277	317	351	388

APPENDIX 2: Long Term Plan Financial Statements 2022/23 to 2031/32(Continued)

A2-4 Consolidated Results: Budgeted Uniform Presentation of Finances	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	Budget	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**
	$ '000	**$ '000**	**$ '000**	**$ '000**	**$ '000**	**$ '000**	**$ '000**	**$ '000**	**$ '000**	**$ '000**
Operating Revenues	42,484	45,085	46,461	47,996	49,631	51,279	52,996	54,744	56,535	58,388
less Operating Expenses	(43,949)	(45,823)	(47,586)	(49,033)	(49,738)	(50,763)	(52,252)	(53,458)	(55,061)	(56,286)
Operating Surplus / (Deficit)	(1,465)	(738)	(1,125)	(1,037)	(107)	516	744	1,286	1,474	2,102
less **Net outlays on existing Assets**										
Capital expenditure on renewal and replacement of existing assets	(7,266)	(6,251)	(6,775)	(7,253)	(6,998)	(8,715)	(10,745)	(9,256)	(9,667)	(9,783)
less Depreciation, Amortisation and Impairment	9,159	9,781	10,246	10,617	10,782	11,162	11,467	11,622	12,007	12,390
less Proceeds from Sale of Replaced Assets	411	436	600	454	468	539	802	526	536	546
	2,304	3,966	4,071	3,818	4,252	2,986	1,524	2,892	2,876	3,153
less **Net outlays on New and Upgraded Assets**										
Capital expenditure on New and Upgraded Assets	(27,131)	(8,927)	(5,802)	(1,574)	(2,283)	(1,300)	(2,818)	(1,336)	(2,355)	(1,374)
less Amounts received specifically for New and Upgraded Assets	5,604	3,001	2,127	323	50	50	50	50	50	50
less Proceeds from Sale of Surplus Assets	0	0	0	0	0	0	0	0	0	0
	(21,527)	(5,926)	(3,675)	(1,251)	(2,233)	(1,250)	(2,768)	(1,286)	(2,305)	(1,324)
Net Lending / (Borrowing) for Financial Year	(20,688)	(2,698)	(729)	1,530	1,912	2,252	(500)	2,892	2,045	3,931

APPENDIX 3: Capital Expenditure

A3 Consolidated Results: Budgeted Capital Expenditure	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	Budget	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**
	$' 000	**$' 000**	**$' 000**	**$' 000**	**$' 000**	**$' 000**	**$' 000**	**$' 000**	**$' 000**	**$' 000**
Renewal/Replacement Capital summary: Non-Discretionary										
Land	0	0	0	0	0	0	0	0	0	0
Buildings	576	529	617	550	655	984	1,024	994	1,104	1,149
Recreation	430	132	91	93	96	398	811	730	730	730
Transport - Roads & Footpaths	4,199	4,000	4,035	4,179	4,719	4,885	5,058	5,236	5,421	5,613
Stormwater, Bridges & Floodplain	478	300	300	300	300	300	1,000	300	300	300
CWMS	123	195	271	990	50	759	800	658	748	600
Equipment - Plant & Vehicles	1,460	1,095	1,460	1,140	1,178	1,388	2,052	1,338	1,364	1,392
Other Assets	0	0	0	0	0	0	0	0	0	0
	7,266	6,251	6,774	7,252	6,998	8,714	10,745	9,256	9,667	9,784
New/Upgrade Capital summary: Discretionary										
Land	0	0	0	0	0	0	0	0	0	0
Buildings (includes TBP program)	15,031	7,351	1,713	732	50	550	550	550	550	550
Recreation (includes TBP program)	5,026	172	1,997	78	80	83	86	89	92	95
Transport - Roads & Footpaths	3,019	85	90	182	190	198	206	214	223	232
Stormwater, Bridges & Floodplain	1,425	330	334	337	341	345	349	353	358	362
CWMS	2,500	1,373	2,062	478	1,857	390	1,893	403	1,406	414
Equipment - Plant & Vehicles	0	0	0	0	0	0	0	0	0	0
Other	130	103	105	108	110	113	115	118	120	123
	27,131	9,414	6,301	1,915	2,628	1,679	3,199	1,727	2,749	1,776
Total Capital Expenditure	34,397	15,665	13,075	9,167	9,626	10,393	13,944	10,983	12,416	11,560
Note: includes internal allocations										