



DISTRICT COUNCIL
OF CLEVE

DRAFT

**ANNUAL BUSINESS PLAN
& ANNUAL BUDGET**

2021-2022

INDEX

	Page No.
1. Introduction and District Profile	3
2. Strategic Directions	3
3. Significant Influences and Priorities	7
4. Continuing Services	8
5. Capital Expenditure - Project Priorities for the Year	10
6. Financial Sustainability / Financial Performance Measures	12
6.1 Operating Surplus Ratio	
6.2 Asset Sustainability Ratio	
6.3 Net Financial Liabilities & Net Financial Liabilities Ratio	
6.4 Overall Assessment of Councils Financial Sustainability	
7. Non-Financial Performance Measures for 2021-22	17
7.1 Infrastructure	
7.2 Economy	
7.3 Built & Natural Environment	
7.4 Community & Culture	
7.5 Business Governance	
8. Non-Financial Performance Measures – Achievements 2020-21	19
9. Grant Funding	23
10. Funding the Business Plan	24
11. Uniform Presentation of Council Finances	24
12. Rating Arrangements 2021-22	26
13. Consultation	31
14. Council Contact	31
Appendix A – Explanation of Uniform Presentation of Finances	32
Appendix B – Statutory Statements	34
Appendix C – Services provided to the community by Council – Where your rates are spent	38

1. Introduction & District Profile

The District Council of Cleve was proclaimed on 4 May 1911, and has developed to the point where it is now considered to be the nucleus of one of the key agricultural areas of South Australia.

While the town of Cleve itself is located approximately half-way between Whyalla and Port Lincoln on the Eyre Peninsula, the District Council of Cleve encompasses the area from the coast of Spencer Gulf at Arno Bay west to the mountain ranges of Darke Peak. The area is characterised by panoramic views, cereal crops, sandy beaches and some of the best fishing in the country.

The District Council of Cleve covers an area of 501,885 hectares serving a population of approximately 1771 (2016 census) people and shares boundaries with Kimba, Franklin Harbour, Elliston and Tumby Bay Councils.

The District Council of Cleve includes the townships of Cleve, Arno Bay, Darke Peak and Rudall.

The region's prosperity has been largely attributed to the diverse farming activities of cereal grains, oilseeds and pulses, as well as livestock. The agricultural sector is a major employer within the district, with bulk grain-handling facilities situated in several towns.

The Eyre Peninsula is also currently experiencing a mining exploration boom, with opportunities available for the district in extraction of iron ore, dolomite, nickel and graphite.

Generous areas of foreshore reserve with sandy beaches and safe swimming are attractions of the coastal town of Arno Bay, along with an iconic jetty, mangrove boardwalk and superior boat launching facilities. Arno Bay provides arguably some of the best recreational fishing of target species King George Whiting and Snapper in Australia.

The total value of the Council's assets is approximately \$49 million and includes airport, roads, footpaths, effluent drainage, playgrounds and buildings such as community halls, to service the local constituents.

2. Strategic Directions

This Annual Business Plan & Annual Budget has been developed in line with the strategic objectives of the District Council of Cleve's Strategic Plan 2020-2025. This plan is currently in draft form and has been made available to the public by public consultation. Implementation of objectives within Council's Strategic Plan is reported in Council's Annual Report.

Our Vision

Council's vision is to be:

A thriving district of inclusive and supportive rural and coastal communities enjoying a safe, well-serviced and relaxed country lifestyle.

Our Mission

Council will support the pursuit of its Vision by:

- Providing leadership and working with our community to meet their expectations.
- Fostering a sense of community and inclusion.
- Delivering quality and community services and providing, maintaining and improving community facilities.
- Encouraging economic development and maintenance of a sustainable population.
- Engaging with community and working with stakeholders.
- Being financially responsible in its decision making.

Our Core Values

Efficient

We continuously explore ways to improve our efficiency in meeting community outcomes and be dependable in delivering quality services, infrastructure and facilities.

Consultative

We listen to our community's needs and aspirations and are consultative in our delivery.

Respectful

We demonstrate care and empathy in our processes, considerations and dealings within and beyond Council.

Integrity

We act with honesty and integrity in our dealings and are transparent in our decision making.

Innovative

We embrace innovation in pursuing quality and sustainable services, infrastructure and facilities.

Supportive

We embrace our role in supporting the community and fostering a sense of inclusion and pride.

Our Key Strategic Goals & Objectives

The following key strategic goals and objectives addresses the requirement of Section 123 (2) (a) of the Local Government Act 1999 by including a summary of the Council's long-term objectives, as set out in its strategic management plans.

2.1 A Connected, Resilient and Thriving Community

- 2.1.1 Develop a sense of community engagement and participation in district wide events and facilities.
- 2.1.2 Promote community assets or the benefit of all across the district.
- 2.1.3 Continue to support valuable community events.
- 2.1.4 Provide support to local sporting clubs, social clubs and committees.
- 2.1.5 Encourage and support healthy living and well-being through community programs and the provision of recreational facilities such as walking trails, playgrounds etc.

- 2.1.6 Partner with local mental health and wellbeing groups.
- 2.1.7 Continue council's commitment to Australia Day Awards.
- 2.1.8 Encourage and support a high level of volunteer participation.

2.2 **A Sustainable Population**

- 2.2.1 Advocate to all levels of Government and other stakeholders for retention and improvements to essential services.
- 2.2.2 Advocate for reliable power, water and telecommunications.
- 2.2.3 Advocate for improved aged care options.
- 2.2.4 Encourage the provision of in-home services under National Disability Scheme in the district.
- 2.2.5 Maintain township infrastructure, streetscapes, parks and open spaces to a high standard.
- 2.2.6 Identify measures to encourage and promote community pride.
- 2.2.7 Advocate for retained access to natural assets in manageable and sustainable manner.
- 2.2.8 Pursue meaningful ways to engaging with and supporting our youth population.
- 2.2.9 Continue to monitor community safety measures to mitigate extreme weather events and natural disasters.
- 2.2.10 Promote and support community safety initiatives including advocating for improved fire safety.
- 2.2.11 Encourage the development of public arts.
- 2.2.12 Enhance the unique identity and heritage of our townships through the development of their public spaces.
- 2.2.13 Advocate for the care, protection and recognition of environmental, heritage and cultural assets.

2.3 **Prosperous Local Economy**

- 2.3.1 Develop an economic development plan for the district.
- 2.3.2 Encourage and support economic development.
- 2.3.3 Continue to support economic initiatives provided by Regional Development Australia (RDA).
- 2.3.4 Support local businesses through networking events and the provision of demographic and economic data that Council accesses.
- 2.3.5 Explore measures to encourage retained spending within the local economy.
- 2.3.6 Investigate options for an Economic Development resource within Council.
- 2.3.7 Advocate for development of local mining to provide employment opportunities and investment in the district.
- 2.3.8 Ensuring more effective and efficient commitment of Council resources (monetary and other) in tourism initiatives and resources.

- 2.3.9 Work with local tourism operators to improve standard of tourism facilities.
- 2.3.10 Further development and enhance tourism infrastructure such as RV parks and camping facilities.

2.4 **Quality Services and Infrastructure**

- 2.4.1 Advocate to State and Federal Governments for greater financial assistance to support the maintenance and upgrading of the road network.
- 2.4.2 Advocate for local industry and educational institutions in support of funding and other opportunities.
- 2.4.3 Enhance facilities for youth such as the provision of a BMX track or trail through parks.
- 2.4.4 Further development of recreation areas and playgrounds.
- 2.4.5 Provide professional development for Council staff and Elected Members to foster continuous improvement in all aspects of Council's performance.
- 2.4.6 Continue the development, review and implementation of Council's infrastructure and asset management plans.
- 2.4.7 Advocate for retention of jetties.
- 2.4.8 Provide efficient and effective development services and wherever possible pursue development that is sympathetic to the region.
- 2.4.9 Pursue effective consultation and engagement measures when planning and implementing new services and infrastructure.
- 2.4.10 Continue to explore cost-effective means of resourcing within Council including via shared service arrangements with neighbouring Councils.
- 2.4.11 Exercise sound financial management that ensures effective planning for the short, medium and long term.
- 2.4.12 Drive continuous improvement in service delivery by collecting community and customer feedback on services.

2.5 **An Engaged Community**

- 2.5.1 Enhance and develop relationships within Government, Non-Governmental Organisation's and other Stakeholders in advocating for the community.
- 2.5.2 Utilise improved communication mediums appropriate to the diversity of our community and their needs to improve communication delivery and access.
- 2.5.3 Pursue broader engagement with Stakeholders in community utilising effective consultation and feedback mechanisms as well as improving access to ensure Council is attuned to the important issues and concerns.
- 2.5.4 Represent Council at schools to increase civic awareness and support the next generation of community leaders and volunteers.
- 2.5.5 Continue to pursue transparency and accountability in decision making through Council's policies, procedures and supported by the Audit Committee as an independent body.
- 2.5.6 Encourage greater diversity on Council.

2.5.7 Continue to support community groups through a range of means including Council's Community Grants Program.

3. Significant Influences and Priorities

The preparation of the Council's Annual Business Plan has been influenced by a number of significant factors.

3.1 Economic Development Strategy

Council have been actively working with Regional Development Australia (RDA) to help develop strategies to ensure the districts continued survival. RDA identified one of the "megatrends" in the Eyre Peninsula LGA & RDA Regional Strategic Plan 2019 is that "larger cities and towns...continue to draw population growth and economic activity away from many smaller towns". Population drift from regions to cities is a threat to Cleve (& SA's regional economies).

Therefore, Council has included projects totaling \$395k and employed and budgeted new staff totaling \$281k.

The following table summarises the financial impact on Councils operating activities (separately from the capital projects listed in section 5 below) over the next three years:

Economic Development 2022-2024	2021-22 Expense \$,000	2022-23 Expense \$,000	2023-24 Expense \$,000	2021-22 Income \$,000	2022-23 Income \$,000	2023-24 Income \$,000
Projects:						
Annual Music Event	50	50	50	25	25	25
4WD Event	20	20	20	10	10	10
Economic Transformational Opportunities Project Scoping	50	50	50	-	-	-
Main Street Shop Front Renewal Project	50	-	-	-	-	-
Population Housing Support	100	-	-	-	-	-
Career Showcase	10	10	10	5	5	5
Entrepreneurship in School (3yr Program)	15	-	-	-	-	-
Rebranding Council & Cleve District - Advertising & Marketing Strategy	100	100	100	-	-	-

Staffing:						
Economic Development Consultant (inc Accommodation)	129	129	-	-	-	-
Economic Development Staff (2 FTE)	152	152	-	-	-	-
Cost / Revenue per annum	676	511	230	40	40	40

The financial data from the above table is reflected in the 10 year Key Performance Indicator graphs that follow in section 6.

3.2 Other Influences & Factors

Other influences and factors include:

- the health crisis that is being experienced worldwide with the COVID-19 pandemic;
- Consumer Price Index/Local Government Prices Index increases on existing goods and services of 1% for the year (December quarter 2020);
- requirements to maintain and improve infrastructure assets to acceptable standards, including roads, footpaths, storm water drainage and community wastewater management systems;
- service delivery needs for a decreasing population;
- State/Commonwealth grant funding not keeping pace with the increase in associated service delivery costs;
- facilitating the future financial sustainability of Council by ensuring the financial operations remain within policy targets adopted for such purpose;
- continuation of Council's annual works program;
- closure of the Arno Bay Landfill Site by the Environment Protection Authority as at 30 June 2018; and
- provision of sufficiently qualified experienced and trained staff to meet service delivery demands.

4. Continuing Services

Councils have basic responsibilities under the Local Government Act 1999 and other relevant legislation. These include:

- regulatory activities (eg, Planning, Building & Development, Environmental Health Service, Fire Prevention, Cat & Dog Management);
- setting rates, preparing an annual budget and determining longer-term strategic management plans for the area;
- management of basic infrastructure including roads, footpaths, parks and gardens, public open space and community wastewater systems;

- street lighting and storm water drainage; and
- street cleaning, rubbish collection, recycling and waste management.

In response to community needs the Council also provides or funds further services and programs including:

- | | |
|-----------------------------------|-------------------------------------|
| ➤ Community Library | ➤ Food Safety Inspections |
| ➤ Economic Development | ➤ Traffic Management |
| ➤ Environmental Programs | ➤ Community Development Programs |
| ➤ Community Programs | ➤ Skate Park |
| ➤ On & Off Street Parking | ➤ Community Services |
| ➤ Airport Services | ➤ Tourism Information & Support |
| ➤ Boat Ramps & Jetties | ➤ Festivals & Events |
| ➤ Cemeteries | ➤ Local Museums & Heritage Support |
| ➤ Citizenship Ceremonies | ➤ Coast Care Programs |
| ➤ Aged Care | ➤ Walking & Cycling Tracks |
| ➤ Development Application Service | ➤ Recreational Facilities & Centres |
| ➤ Event Management | ➤ Ovals |
| ➤ Fire & Burning | ➤ Public Swimming Pools |
| ➤ Public Conveniences | ➤ Mosquito Control |

The Council also operates a number of facilities on a fee for service basis. These provide important community benefits while generating revenue used to provide the following service:

- Community Wastewater Management System - Cleve and Arno Bay
- Arno Bay Boat Ramp (launching fee applies)

The Community Wastewater Management Systems raise separate service charges which are used to maintain the operation of the system and any future capital expenditure required to upgrade the system. All surplus funds are reserved for future capital expenditure.

5. Capital Expenditure - Project Priorities for the Year

Description	Budget 2021-22 \$,000
Replacement / Renewal Expenditure	
Mangalo Road, Cleve – Reseal, line marking & guideposts	150
East Terrace, Cleve – Reseal, line marking	51
Airport Road, Cleve – Reseal, line marking	18
Heggaton Road – Resheet 5km	220
Kielpa / Kilroo Road – Resheet 5km	220
Kielpa / Gum Flat Road – Resheet 3km	132
Syversten Road – Resheet 4km	176
Ross Ramsey Road – Resheet 3km	132
Kielpa / Mangalo Road – Resheet 4km	176
Wharminda Road – Resheet 4km	176
Footpath Construction – East Terrace, Cleve	24
Upgrade Plant & Machinery – Isuzu Waste Compactor Truck	400
Upgrade Plant & Machinery – Price Water Tanker Trailer	100
Upgrade Plant & Machinery – Cat Vibe Roller	180
Cleve CWMS Relining Earthenware Pipe Network	120
Arno Bay Boat Ramp Replacement & Upgrade of Pontoons	106
Council Office – Replacement of Air Conditioning Units 1 & 4	23
Total Replacement / Renewal Expenditure	2,404
New / Upgrade Expenditure	
Local Roads & Community Infrastructure Project (yet to be allocated)	369
West Terrace, Cleve Turning Lane	85
Footpath Construction – Alexandria Terrace, Arno Bay	54
Upgrade Plant & Machinery – Rake Bucket Attachment for Loaders	10
New Recreation Area – Cleve Playspace (subsidised by \$1.268M grant funding)	2,537
Cleve RV Park Upgrade (subsidised by \$954k grant funding)	1,273
Construction of Boarding House Facilities (subsidised by \$2.192M grant funding)	2,924
Total New / Upgrade Expenditure	7,252
Total Capital Expenditure	9,656

Capital Economic Development Projects

The three major capital projects align strongly with Council's Strategic Plan and assists in securing a prosperous future for our towns, industry, businesses and our people through a strong local economy while ensuring we have a sustainable population.

New Recreation Area - Cleve Playspace

Council have been actively working with Regional Development Australia (RDA) to help develop strategies to ensure the districts continued survival. RDA identified one of the "megatrends" in the Eyre Peninsula LGA & RDA Regional Strategic Plan 2019 is that "larger cities and towns...continue to draw population growth and economic activity away from many smaller towns". Population drift from regions to cities is a threat to Cleve (& SA's regional economies).

One strategy is the improved provision of additional easy access open recreation spaces for all ages to retain existing population, increase participation, social inclusion, visitation/tourism and help attract new residents.

With a diverse population demographic the new outdoor recreation playspace will provide new, inclusive and varied opportunities for the inclusion of all ages co-located with the facilities.

The new recreation area will include an upgrade to the small existing skate park (constructed 2002), installation of a new "pump track" for scooters, skate boards and bikes and installation of a new playground (including slide structure, built in trampolines, parkour equipment, swings, hamster wheel) suitable for children aged two to fifteen to redevelop and further expand the opportunities available for the youth of the region and provide expanded opportunities for the visitor tourism industry.

Cleve RV Park Upgrade

Regional SA has been impacted by COVID19, bushfires and drought, creating population drift as locals seek jobs elsewhere. Reports show <40% of tourists are international, hence investment to stimulate jobs and tourism is priority. This "RV Park" project will attract additional visitation to the area, boost the economy and local businesses, increase Eyre Peninsula connectivity and improve town amenities. The project has many stakeholders support validating the consultation process, will engage local businesses, is investment ready, generates jobs during construction and ongoing.

This project compliments the recent Eyes on Eyre strategy completed by the Regional Development Australia Eyre Peninsula. The upgrade will provide 32 new recreational vehicle (RV) campsites, new potable water sites, RV wastewater dump point, 4 power outlets, shelters, BBQ's and a new amenities block with coin operated showers.

Construction of Boarding House Facilities

The District Council of Cleve is a globally recognized "centre of excellence" in dryland arid farming practices. Agriculture, grain and sheep exports contribute \$244.8M to SA's economy.

Cleve Area School hosts over 300 students, many of which study agriculture in an alliance with Sims Farm, an agricultural training farm. The national Motor Traders Association has an independent training facility in Cleve, currently training around 70 students/apprentices in two week blocks who require accommodation when training in Cleve.

Cleve Area School, Sims Farm (agricultural training school) and the Motor Traders Association jointly offer an 11 room boarding house in the Cleve township to support regional education programs. Both Cleve Area School and the Motor Traders Association have projected growth of up to 150 students but are currently unable to accommodate more than 11 students and are forced to turn students away.

Future demand projections based on the new industry based curriculum being developed with Cleve Area School and Sims Farm as the state hub, indicate around 40-50 new potential annual boarding house students being drawn from the Eyre Peninsula alone. Coupled with the national and international student potential, highlights the need for an expanded boarding house facility to 35 rooms. Additionally, the Motor Traders Association is planning to expand annual training to over 150 apprentices per year over the next three years.

This project will provide 35 students high quality, networked accommodation that will create additional economic and capacity building opportunities through the support of education and training in the region by providing expanded accommodation for the visitor-education economy across the region.

6. Financial Sustainability/Financial Performance Measures

Council is committed to ensuring its long term financial sustainability. Council's financial sustainability is dependent on ensuring that, on average over time, its expenses are at least matched by its revenue. In addition, capital expenditure on existing infrastructure and other assets should be optimised in accordance with Councils long term renewal programs as referenced in Council's Infrastructure & Asset Management Plan.

Regulation 7 of the Local Government (Financial Management) Regulations 2011 states:

*Pursuant to section 123(10)(b) of the Act, each budget of a council under the Act must -
... include estimates with respect to the council's operating surplus ratio, asset sustainability ratio and net financial liabilities ratio presented in a manner consistent with the note in the Model Financial Statements entitled Financial Indicators.*

Given the unusual economic environment Council finds itself in as well as the impact Councils' economic development strategies and projects will have on Councils finances an updated long term financial plan has been prepared that produces the following updated ten year graphs for the two key financial indicators that are most impacted on, being the Operating Surplus Ratio & the Net Financial Liabilities Ratio.

6.1 Operating Surplus Ratio

The operating surplus ratio expresses the operating surplus (deficit) expressed as a percentage of operating income.

This ratio answers the question: Is Council covering its operating expenditure and depreciation charge from its operating revenue?

The budgeted operating result of (\$552k) deficit indicates that for the 2021-22 year Council cannot cover its operating expenditure and depreciation charge from its operating revenue.

	Forecast 2020-21 \$,000	Budget 2021-22 \$,000	Mvmt
Operating Surplus <i>divide by</i>	(237)	(552)	(315)
Operating Revenue	6,222	6,321	99
Operating Surplus Ratio	(4%)	(9%)	(5%)

The operating deficit of (\$552k) has been forecast due to the Councils desire to play its role in stimulating the local economy as well as promoting tourism and attracting people to the region to live. A number of operating projects have been included that are outlined in the attached business plan being recommended to go to public consultation. The inclusion of the costs of these projects has resulted in the forecast operating deficit.

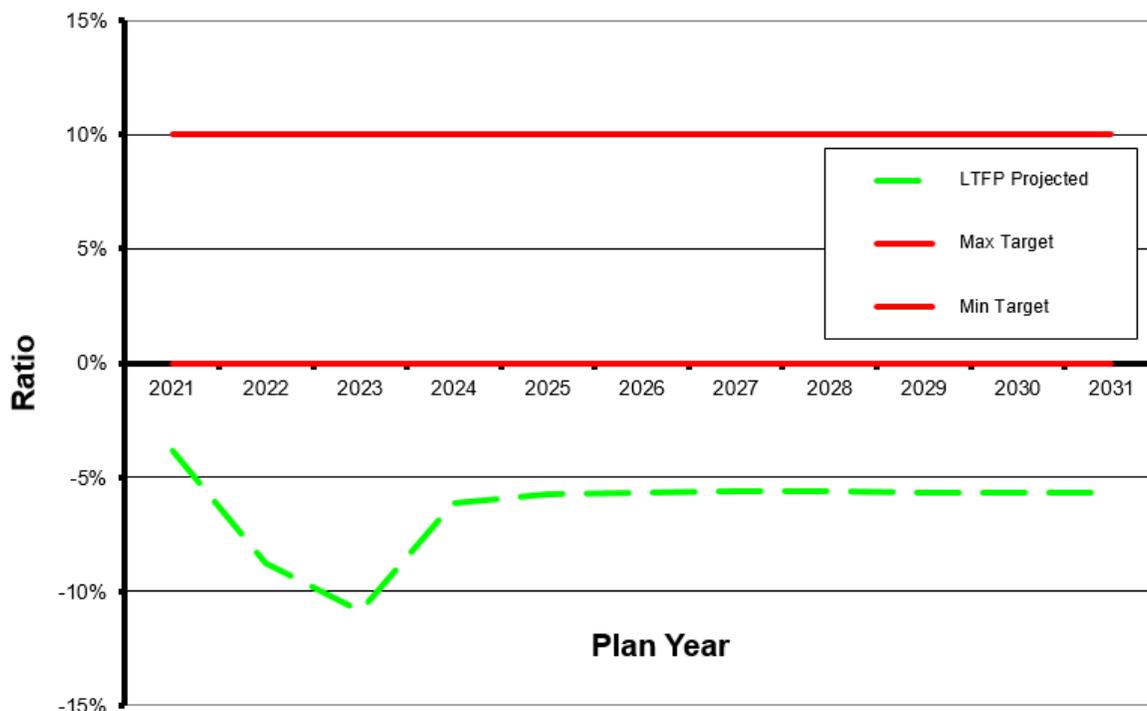
Council intends to fund this deficit from existing cash reserves and does not believe it will impact on its financial sustainability for the 2021-22 financial year.

The baseline long term financial plan has been updated to reflect the proposed Annual Budget 2021-22.

The following ten year operating surplus ratio graph forecasts an ongoing underlying deficit. Further work will be undertaken to address this issue with the intention of developing a financial strategy that will return Council to an operating surplus in the medium term. The capital projects involve the construction of new assets which will add to Councils inventories of existing assets and accordingly attract additional depreciation expenses. These additional depreciation expenses are a significant contributing factor to the ongoing deficits.

The next section of this report will look at Forecast Net Financial Liabilities (Assets). It should be noted that even if the operating deficits were not remedied via an improved financial strategy, Council could still fund the deficits from existing cash reserves although this will not be the preferred strategy.

Operating Surplus Ratio



The dip in the green line (the projected forecast for this ratio) has been caused by the combination of the economic development strategy operating component (relevant expenditure & income include in section 3.1 above) as well as the additional depreciation that will be incurred from the capital component of the economic development strategy.

The deficit reflected above from 2025 onwards reflects the additional depreciation charge as well as the expectation that roads to recovery grant funding will be decreased to the pre-2019 levels for the Local Government sector as a whole. This will result in a loss of approximately \$200k per annum with no corresponding automatic reduction in expenditure to offset the impact this will have on Councils operating result.

It should also be noted that the Supplementary Local Road funding has not been guaranteed from 2022 onwards however it is highly likely that this grant funding will continue so this has been factored into the 2021-22 budget and the updated long term operating surplus ratio forecast.

6.2 Net Financial Liabilities (Assets) Ratio

Net financial liabilities are a comprehensive measure of the indebtedness of the Council as it includes items such as employee long-service leave entitlements and other amounts payable as well as taking account of the level of Council's available cash and investments. Specifically, Net Financial Liabilities equals total liabilities less financial assets, where financial assets for this purpose includes cash, cash equivalents, trade and other receivables, and other financial assets, but excludes equity held in Council businesses, inventories and land held for resale.

The following table sets out revised estimates as of 30 June 2022:

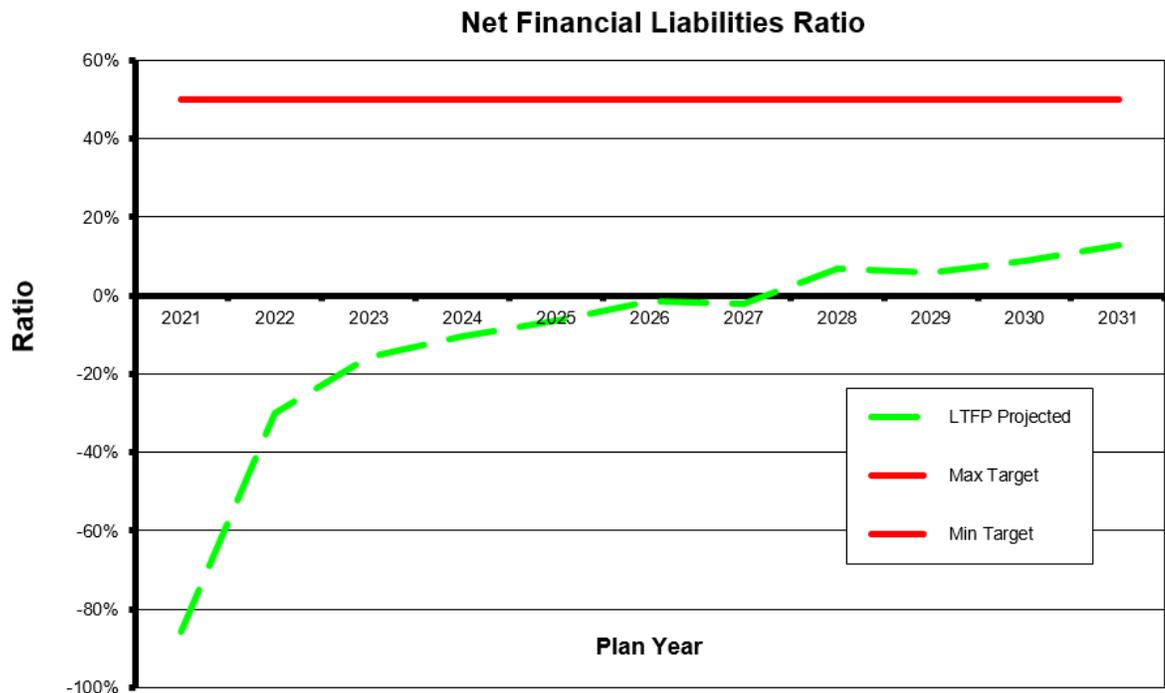
	Forecast 2020-21 \$,000	Budget 2021-22 \$,000	Mvmt \$,000
Net Financial Liabilities <i>divided by</i>	(5,336)	(1,899)	3,437
Operating Revenue	6,222	6,321	99
Net Financial Liabilities (Assets) Ratio	(86%)	(30%)	56%

The Net Financial Assets Ratio is forecast to decrease by 56% across the 2021-22 financial year. This reflects Councils' contribution to the capital projects identified in section 5 as well as the funding required to finance the forecast operating deficit.

When Council has more financial assets than total liabilities the Net Financial Liabilities ratio is reported as a negative ratio. An alternative description could fairly be, Council is in a Net Financial Assets position. This is the case for the District Council of Cleve both at the start of the 2021-22 year and throughout that year.

The ten year forecast graph for this ratio shows the ratio moving from a negative position to a small positive from the 2027 year onwards, i.e. from a net financial assets position to a net financial liabilities position. It should be noted however that Council still maintains cash reserves on hand through to 2030. As previously stated, the draft updated version of the long term financial plan does not reflect the soon to be developed financial strategy that will address the ongoing operating deficit issues identified in section 6.1.

When the financial strategy is developed and implemented the expectation is that Council will not move into a net financial liabilities position at any stage over the next ten years. Instead, Council will remain in a net financial assets position.



The steep movement in the green line from 2021 to 2023 can be attributed to the utilisation of cash reserves as identified in section 11 – The Uniform Presentation of Finances. In lay man’s terms Council is forecast to spend \$1.2M more than it receives in revenue for the 2020-21 financial year as well as forecasting to spend \$3.4M more than it receives in revenue for the 2021-22 financial year. Across these two years Council is forecast to spend \$4.6M of its reserves, hence the steep trajectory of the green line in the above graph across these years.

6.3 Asset Renewal Funding Ratio

The Asset Renewal Funding Ratio indicates whether the Council is renewing or replacing existing non-financial assets at the same rate as its overall stock of assets is wearing out.

The ratio is calculated by measuring capital expenditure on renewal and replacement of assets relative to the amount identified in Councils long term renewal programs as referenced in Council’s Infrastructure & Asset Management Plan for the 2021-22 financial year. Council is aiming to attain a result of 100% for the year ending 30 June 2022.

Council is committed to renewing its existing assets in a timely manner accordingly a ten year forecast graph of this ratio would show a consistent 100% being achieved.

6.4 Financial Sustainability Assessment – short, medium & long term

It can be argued that due to Councils existing level of cash reserves (forecast to be \$6.5M as of 30 June 2021) that even though Council is forecasting operating deficit from the 2020-21 financial year onwards, Council is still in a financially sustainable position as the deficits can be funded from these cash reserves.

The long term financial plan will be updated soon after the Annual Business Plan & Budget for 2021-22 is adopted. At this time Council will know if it has been successful in obtaining the grant funding it has applied for to subsidise the RV park and boarding house economic development focused capital projects.

The play space project has already had funding approval and will go ahead as indicated in the recently undertaken public consultation process conducted for this project.

The long term financial plan will also reflect a revised target range for the operating surplus ratio and a financial strategy that will return the operating result into a surplus as soon as possible, most likely by the 2023-24 financial year.

As Council has a reliable ten year asset renewal program that it is committed to funding on an annual basis and sufficient cash reserves to fund the forecast operating deficits it can claim that the Annual Business Plan & Budget for the year ending 30 June 2022 is financially sustainable.

7. Non-Financial Performance Measures – 2021-22

The following proposed non-financial performance measures for the financial year are linked to the District Council of Cleve Strategic Plan 2021-2025:

7.1 A Connected, Resilient and Thriving Community

- Provide grants to local community organisations through our community grants program.
- Provide ongoing support to the community library.
- Provide support and co-ordinate community events and civic functions including:
 - Seniors Week Luncheon 2021
 - Remembrance Service 2021
 - Cleve Christmas Pageant & Christmas Markets 2021
 - Australia Day Ceremony 2022
 - ANZAC Day Service 2022
 - SA Youth Week 2022 (if funding available).
- Host an Adelaide Guitar Festival Event in conjunction with the Adelaide Festival Centre to attract visitors to the district.
- Host an Annual Music Event to attract visitors to the district.
- Host a 4WD Event to attract visitors to the district.

7.2 A Sustainable Population

- Attract new families to the district with a population housing support package.
- Provide financial assistance to local shop owners to undertake upgrades of their shop fronts through a Main Street Upgrade Program.
- Provide a Public Arts Program.
- Provide ongoing support to youth activities when funding becomes available.
- Provide a Centrelink access point and services to the community.
- Provide Bank SA Agency services to the community.

7.3 Prosperous Local Economy

- RDAEP Economic Development Officer contracted to work with the Economic Development Team to investigate and pursue economic transformational opportunities.
- Jointly fund and co-host the inaugural Career Showcase annual event with the Department for Education and Cleve Area School / Sims Farm.
- Develop and deliver a new branding and marketing strategy for the district.
- Installation of a 24/7 Fuel Outlet in Arno Bay.
- Support regional economic initiatives provided by Regional Development Australia Eyre Peninsula.
- Continually promote our district through different media channels including visitor guides and social media.
- Provide support and co-ordinate local business development including the Business Networking Event 2022.
- Develop Carappee Hill Conservation Park and Hiking Trail.
- Seek funding to upgrade the Cleve RV Park.
- Construct new open space recreation and playspace in Cleve.
- Seek funding to construct and expand boarding facilities in Cleve.

7.4 Quality Services and Infrastructure

- Carry out profiling and edge repairs to Balumbah Kinnard Road.
- Reseal a section of Mangalo Road, Cleve including line marking and guide posts installed.
- Reseal a section of Airport Road, Cleve and East Terrace, Cleve including linemarking.
- Sealing of a turning lane at the corner of West Terrace and Birdseye Highway, Cleve.
- Re-sheet 28km of unsealed roads.
- Construct footpath on Alexandria Street, Arno Bay.
- Upgrade plant and machinery including:
 - Isuzu Waste Truck
 - Price Water Tanker Trailer
 - Cat Vibe Roller
 - Rake Bucket attachment for loaders
- Recommence the relining of the earthenware pipe network of the Cleve CWMS.
- Upgrade of the Arno Bay Boat Ramp including repairs and replacement of the pontoons and access ramp.
- Replacement of Council Office Air Conditioning Units 1 & 4.

7.5 An Engaged Community

- Fund a 3-year entrepreneurship training program with students at Cleve Area School.
- Host the 85th EPLGA Conference.
- Review all financial documentation, procedures and policies with consultant.
- Continual review and update of Council's policies and related procedures.
- Continue to update the Work Health & Safety (WHS) and Risk Management (RM) programs.
- Continue to update skills of elected members and staff through training.
- Utilise shared services with local councils when and where we can.
- Publish monthly Council newsletter and eNewsletter.
- Maintain regular updates on website and social media pages.

8. Non-Financial Performance Measures – Achievements 2020-21

The following proposed non-financial performance measures for the financial year are linked to the District Council of Cleve Strategic Plan 2021-2025:

Goal 1: A Connected, Resilient & Thriving Community	
Project	Comment
Community Grants Program (COVID-19 Assistance for 2020)	Complete
Public Arts Program: ➤ Fund the Adelaide Guitar Festival (<i>event to be held in July 2021</i>) ➤ Fund the deposit to secure Performing Artists for the Annual Music Event (<i>event to be held in October 2021</i>)	Complete
Provide ongoing support to the Community Library (Annual Council Contribution)	Complete
Seniors Week Luncheon - September 2020 (Cancelled due to COVID)	Cancelled
Remembrance Day Service - November 2020	Complete
Cleve Christmas Markets & Cleve Christmas Pageant - December 2020 (Cancelled due to COVID-19)	Cancelled
Australia Day Ceremony - January 2021	Complete
ANZAC Day Service - April 2021	Complete
RSL Display (Wartime Uniform Display & Memorial Signage Display on front of RSL Hall) – Projects funded from Saluting Their Service Commemorative Grants	Complete

Goal 2: A Sustainable Population	
Project	Comment
SA Youth Week (grant funding obtained)	Complete
Provide Centrelink Access Point and services to the community	Ongoing
Provide Bank SA Agency services to the community	Ongoing
Goal 3: Prosperous Local Economy	
Project	Comment
Support regional economic initiatives by RDAEP - EP Regional Trails Strategy & Regional Branding Strategy	Complete
Marketing & Advertising	Ongoing
Display and maintain District Banners in main streets of Cleve and Arno Bay (ANZAC, Christmas etc)	Ongoing
Tourism Signage Replacement	Ongoing
Spendmapp Annual Subscription (<i>budget redirected to signage</i>)	Removed
Cleve District Business Networking Event	Complete
Develop Carappee Hill Conservation Park & Hiking Trail	Complete
RV Park Concept Plan	Complete
Cleve Recreation Concept Plan	Complete
Public Art - "Bonnie" Metal Sculpture	Complete
Economic Development Plan	Complete
Goal 4: Quality Services & Infrastructure	
Project	Comment
Construction of Arno Bay Walking & Cycling Trail (<i>Funding received from Local Roads & Community Infrastructure for \$483,287</i>)	Complete
Mangalo Road, Cleve – Resealing, line marking & guideposts	Complete
Elson Subdivision – Resealing & line marking of Arno Bay Service Road, Price Street, Edwards Terrace, Forbes Street & Stubing Street	Complete
Footpath Construction – Alexandria Terrace, Arno Bay	Complete

Goal 4: Quality Services & Infrastructure	
Project	Comment
Resheeting 33 kms of sheeted road network, including: <ul style="list-style-type: none"> ➤ Dog Fence Road –3km ➤ Plane Road –6km ➤ Kielpa / Gum Flat Road – 4km ➤ Old Darke Peak Road – 4km ➤ Syversten Road – 4km ➤ Kielpa / Mangalo Road – 3km ➤ Wharminda Road – 6km ➤ Old Main Road – 3km 	Complete
Upgrade Cleve, Arno Bay, Darke Peak & Verran Cemeteries	Complete
Clean up the Cleve Township Entrance on Birdseye Highway	Complete
Upgrade of Plant & Machinery, including purchase of: <ul style="list-style-type: none"> ➤ John Deere 670GP Grader ➤ Massey Ferguson MF7614 Tractor ➤ Mitsubishi MR3W20 Triton 4x4 GLX Single Cab (Patrol) ➤ Mitsubishi MR3W20 Triton 4x4 GLX Single Cab (Patrol) ➤ Mitsubishi MR3W20 Triton 4x4 GLX Single Cab (Patrol) ➤ Mitsubishi MR4T40 Triton 4x4 GLX Double Cab (Maintenance) 	Complete
Council Office Computer Upgrades	Complete
Purchase new chairs for Council Office	Complete
Replacement of Air Conditioning Unit - No 3 in Council Office	Complete
Installation of privacy screening at public toilet block located at Cleve sporting grounds	Complete
Carry out electrical board upgrades and install RCDs at Cleve District Hall	Complete
Installation of new freestanding electrical distribution board in Turnbull Park, Arno Bay	Complete
Install Digital Projector & Cinema Equipment at the Cleve District Hall	Removed
Complete the Acoustic Tiles Replacement project at the Cleve District Hall	Complete
Concrete 3 bays in Works Implement Shed at Works Depot	Complete

Goal 4: Quality Services & Infrastructure	
Project	Comment
<p>Completed Drought Communities Programme – Extension Projects (<i>\$1M funding received</i>), including:</p> <ul style="list-style-type: none"> ➤ Water Harvesting & Catchment - Extension & lining of existing town and effluent dams at Traeger Street & Airport Road ➤ Installation of Solar Panels & Air-Conditioning Installed Cleve District Hall and re-roof with ridge capping to the north facing section ➤ Employ Drought Project Officer & create Advertise Event Plan ➤ Arno Bay War Memorial Hall – Installation of solar panels ➤ Cleve Playgroup & Lil Gym Building Upgrade including re-cladding of exterior building & re-wiring ➤ Mangalo Hall Kitchen Upgrade ➤ Wharminda War Memorial Hall Window Replacement ➤ Arno Bay Bowling Club Toilet Upgrade - Renovation to existing toilets to include a new disabled toilet ➤ Cleve Golf Club Irrigation System Extension – Installation of ground sprinklers on par 5 number one hole ➤ Darke Peak Golf Club Tee Blocks - Rebuild both the male (x10) and female (x4) tee blocks of the 9 hole golf course ➤ Darke Peak Playground shade sail installation over new playground ➤ Rudall Community Sports Club - Installation of solar panels 	Complete
Goal 5: An Engaged Community	
Project	Comment
Host the 84th EPLGA Conference in Cleve (with sponsorship income to offset expense)	Cancelled due to Covid-19
Review all financial documentation, procedures and policies with consultant	Ongoing
Continual review and update of Council's policies and related procedures	Ongoing
Continue to update the Work Health & Safety (WHS) and Risk Management (RM) programs	Ongoing
Continue to update skills of elected members and staff through training	Ongoing
Utilise shared services with local councils when and where we can	Ongoing

Goal 5: An Engaged Community	
Project	Comment
Publish monthly Council newsletter and eNewsletter	Ongoing
Maintain regular updates on website and social media pages	Ongoing

9. Grant Funding

Local Government receives four streams of recurrent grant funding being:

- **General Purpose Financial Assistance Grants**
- Identified Local Roads Financial Assistance Grants
- **Supplementary Local Roads Grants**
- **Roads to Recovery Grants**

Council's 2021-22 budgets assume that four quarterly instalments of Federal Government financial assistance grants (both general purpose and local roads components) will be received during 2021-22.

Grant Funding	Amount \$,000
General Purpose Financial Assistance Grant	1,056
Identified Local Roads Financial Assistance Grant	427
Supplementary Local Roads Grants	198
Roads to Recovery	401
Other Grants	5
Total Operating Grants	2,087
Local Roads & Community Infrastructure Project	369
Arno Bay Boat Ramp Upgrade (Dept of Infrastructure Marine Stimulus Funding)	50
Economic Development Project #1 – Cleve Playspace (LGIPP Grant Funding Obtained)	1,269
Economic Development Project #2 - RV Park (Dependent on Grant Funding)	954
Economic Development Project #3 - Boarding House (Dependent on Grant Funding)	2,193
Total Capital Grants	4,835
Total Grant Funding	6,922

10. Funding the Business Plan

A deficit of (\$522k) is being forecast for 2021-22. The operating deficit measures the difference between operating revenue and expenses for the period. The Council's long-term financial sustainability is dependent on ensuring that, on average over time, its expenses are less than its revenue. As covered in more detail in section 6.1 above Council intends to fund the shortfall in operating income from Council's existing cash reserves that are forecast to be \$6.5M as of 30 June 2021.

Council's revenue in 2021-22 includes \$3.593M proposed to be raised from general and other rates.

Other sources of proposed revenue for the Council are:

- user charges and commercial revenue
- statutory charges set by State Government
- grants
- other revenue

11. Uniform Presentation of Council Finances

The Uniform Presentation of Council Finances together with the results of the Key Financial Indicators provides a summarised report that focuses on Council's finances at a strategic level.

Readers are strongly encouraged to take the time to comprehend how this report is structured and what the implications of the various lines of this report are for the Key Financial Indicator calculations. Definitions and examples of the key components of this report are included in the glossary at the end of this document.

The Uniform Presentation of Finances report highlights the operating surplus/(deficit) measure which is considered the most critical indicator of a Council's financial performance.

The last line, or rather the result of this report, is the movement in Net Financial Liabilities (Net Lending/Borrowing) for the year based on Council's planned capital and operating budgets for that year.

Achieving a zero result on the net lending/(borrowing) measure in any one year essentially means that the Council has met all of its expenditure (both operating and capital) from the current year's income (with income including amounts received specifically for new/upgraded assets).

Uniform Presentation of Finances	Forecast 2020-21 \$,000	Budget 2021-22 \$,000
Operating Revenue	6,222	6,321
less Operating Expense	(6,459)	(6,874)
Operating Surplus / (Deficit) before Capital Amounts	(237)	(552)
less Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	2,506	2,404
less Depreciation, Amortisation & Impairment	(2,011)	(2,011)
less Proceeds from Sale of Replaced Assets	(70)	75
	425	468
less Net Outlays on New & Upgraded Assets		
Capital Expenditure on New & Upgraded Assets	1,757	7,252
less Amounts specifically for new or upgraded Assets	(1,176)	(4,835)
less Proceeds from Sale of Surplus Assets	0	0
	581	2,417
Net Lending/ (Borrowing) for Financial year	(1,243)	(3,437)

From the above reports it can be seen that Council is forecast to spend \$1.2M more than it receives in revenue for the 2020-21 financial year as well as forecasting to spend \$3.4M more than it receives in revenue for the 2021-22 financial year. Across these two years Council is forecast to spend \$4.6M of its cash reserves. Based on the estimates included in this plan it is anticipated that Council will still have cash reserves of \$3M as of 30 June 2022.

A full explanation of the components to the above Uniform Presentation of Finances is contained in Appendix A.

12. Rating Arrangements 2021-22

Service Charges:

Community Wastewater Management Systems – Service Charge

Pursuant to Section 155 of the Local Government Act 1999, the Council proposes to adopt an annual service charge for the financial year ending 30 June 2022, in respect of the prescribed service of effluent waste disposal, on all land to which the Council provides or makes available the service as follows:

- CWMS – Connected Allotments \$510
- CWMS – Unconnected Allotments \$340
- CWMS Arno Bay Foreshore Properties Separate Rate \$508.09

This separate rate is applied to 43 properties located on the Arno Bay Foreshore to recoup the capital contribution towards the construction of the Arno Bay CWMS and WWTP completed in 2019-20.

CATV – Service Charge

Pursuant to Section 155 of the Local Government Act 1999, the Council proposes to adopt an annual service charge for the financial year ending 30 June 2022, in respect of the prescribed service of the CATV, on all land to which the Council provides or makes available the service as follows:

- CATV Service – Cleve (Whyte Street/Cottages) \$116

Kerbside Bin Collection – Service Charge

Pursuant to Section 155 of the Local Government Act 1999, the Council proposes to adopt an annual service charge for the financial year ending 30 June 2022, in respect of the prescribed service of kerbside bin collection, on all land to which the Council provides or makes available the service as follows:

- Kerbside Bin Collection \$242
(Cleve, Arno Bay, Rudall & Darke Peak)

Method used to value land

The Council adopted to continue to use Capital Value as the basis for valuing land within the Council area. The Council considers that this method of valuing land 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 tax than ratepayers of lesser wealth;
- property value is a relatively good indicator of wealth and capital value, which closely approximates the market value of a property and provides the best indicator of overall property value; and
- the distribution of property values throughout the Council area is such that few residential ratepayers will pay significantly more than the average level of rates payable per property.

Adoption of valuations

The Council adopted the most recent valuations made by the Valuer-General that are made available to the Council at the time that the Council adopts the budget, being valuations as at the XXXXXXXX.

If a ratepayer is dissatisfied with the valuation made by the Valuer-General, you may object to the valuation referred to on the notice within 60 days after the date of service of receiving the notice of valuation.

- Note: (a) if you have previously received a notice under the Local Government Act 1999 referring to the valuation and informing you of a 60 day objection period, the objection period is 60 days after service of the first notice;
- (b) you may not object to the valuation if the Valuer-General has already considered an objection by you to that valuation.

The Valuer-General may extend the 60 day objection period where it be shown there is reasonable cause to do so by a person entitled to make an objection to a valuation.

A written objection to a valuation must set out the full and detailed grounds for objection. Objections can also be submitted via an online form at <http://www.sa.gov.au/landservices> and enter "Objecting to a Valuation" in the search field. Differential Rates (and or charges) imposed by rates (and or charges) are still due and payable by the due date even if an objection has been lodged.

Objections are to be forwarded to:

State Valuation Office
GPO Box 1354, ADELAIDE SA 5001
101 Grenfell Street, ADELAIDE SA 5000

E-mail: LSGObjections@sa.gov.au

Phone: 1300 653 346

Fax: 08 8226 1428

Business Impact Statement

The Council has considered the impact of rates on all businesses in the Council area, including primary production. In considering the impact, Council assessed the following matters:

- Council via elected members direct consultations with ratepayers;
- the equity of the distribution of the rate burden between classes of ratepayers receive broadly comparable services and are generally similarly impacted upon by prevailing economic conditions;
- Council's policy on facilitating local economic development preference for local suppliers where price, quality and service provision are comparable to suppliers outside the Council area; and
- current local, state and national economic conditions and expected changes during the next financial year. The general economic climate is stable and appears likely to continue to be stable over the next 12 months.

Council's Revenue Raising Powers

All land within a Council area, except for land specifically exempt (eg, crown land, Council occupied land and other land prescribed in the Local Government Act 1999 – refer to Section 147 of the Act), is rateable.

The Local Government Act 1999 provides for a Council to raise revenue for the broad purposes of the Council through a general rate, which applies to all rateable properties, or through differential general rates, based on either land use and/or locality of properties.

In addition, Council can raise separate rates, for specific areas of the Council or service rates or charges for specific services. The Council also raises revenue through fees and charges, which are set giving consideration to the cost of the service provided and any equity issues.

Differential General Rates *(rate in the dollar will be calculated when the final valuations have been received from the Valuer General's office)*

The Council adopted to impost differential general rates varying according to the locality of the land and its use.

All land use within the Commercial (Bulk Handling) Zone as described in Council's Development Plan as consolidated 1 December 2011, is set at XXXXXXX cents in the dollar.

Land outside the Commercial (Bulk Handling) Zone with the following land uses are set at:

- Residential XXXXXXX cents in the dollar
- Commercial XXXXXXX cents in the dollar
- Industry XXXXXXX cents in the dollar
- Primary Production XXXXXXX cents in the dollar
- Vacant Land XXXXXXX cents in the dollar
- Other XXXXXXX cents in the dollar

Council's budget contains general rate revenue of \$2.9M, net of rebates. This represents a 1% increase on total general rates raised (net of rebates) compared to 2020-21.

The average residential rates payable is budgeted to be XXXXXX.

Fixed Charge

The Council adopted a fixed charge of \$492. The fixed charge is levied against the whole of an allotment (including land under a separate lease or license). Only one fixed charge is levied against two or more pieces of adjoining land (whether intercepted by a road or not) if they are owned by the same owner and occupied by the same occupier. The reasons for imposing a fixed charge is the Council considers it appropriate that all rateable properties make a contribution to the cost of creating and maintaining the physical infrastructure that supports each property.

Pensioner Concessions, State Senior Card Ratepayer (Self-Funded Retiree) and Other Concessions

From 1 July 2015, the State Government elected to replace the concession on Council rates with the "cost of living payment" provided directly to those entitled. This payment may be used for any purpose, including offsetting Council rates. To check eligibility contact the Department for Communities and Social Inclusion Concessions Hotline 1800 307 758 or at www.sa.gov.au/.

From 1 July 2017, the State Government is providing an alternative method of delivering the CWMS pensioner concession. This concession will no longer be processed through the Council rates.

Postponement of Rates - Seniors

Ratepayers who hold a State Seniors Card (or who are eligible to hold a State Seniors Card and have applied for one) are able to apply to Council to postpone payment of rates on their principal place of residence. Postponed rates remain as a charge on the land and are not required to be repaid until the property is sold or disposed of. Interest (at the rate prescribed in the Local Government Act 1999) will be charged and compounded monthly on the total amount postponed, until the debt is paid.

Natural Resources Management Levy

The Natural Resources Management (NRM) Levy is a State Government initiative under the Natural Resources Management Act 2004.

The Levy provides additional funding to help take care of natural resources such as water, soil, animal and plant control sustainably developing and protecting natural resources for the benefit of communities and future generations living in the Cleve district.

Council levies an amount against each rateable property to collect the amount determined by the State Government.

The total levy to be collected for 2020-21 is approximately \$107,246. The levy is collected from all rateable land in Council's area within the board.

Rebate of Rates

The Local Government Act 1999 requires Councils to rebate the rates payable on some land. Specific provisions are made for land used for health services, community services, religious purposes, public cemeteries and educational institutions. Discretionary rebates may be applied by the Council under Section 166 of the Act.

Sale of Land for Non-payment of Rates

The Local Government Act 1999 (Section 184) provides that Council may sell any property where the rates have been in arrears for three years or more. The Council is required to provide the principal ratepayer and the owner (if not the same person) with details of the outstanding amounts and advise the owner of its intention to sell the land if payment of the outstanding amount is not received within one month.

Payment of Rates

Council rates are billed quarterly in accordance with the *Local Government Act 1999*.

Rates may be paid as follows:

- BPay by Internet Banking. Please pay each assessment in a separate transaction to ensure the amount is allocated correctly;
- Australia Post Billpay by paying in person at any Post Office, phone 131816 or go online to postbillpay.com.au;
- phone the District Council of Cleve on 08 8628 2004 during business hours to pay with Bankcard, Mastercard or Visa. Please quote your Assessment Number;
- post your bank cheque (marked payable to the District Council of Cleve) with your remittance to the District Council of Cleve, PO Box 36, Cleve SA 5640; or
- in person at the District Council of Cleve Office at 10 Main Street, Cleve SA 5640.

That pursuant to Section 181(1) of the *Local Government Act 1999*, all rates are payable in four equal or approximately equal instalments on or before the following dates:

- 15 September 2021
- 15 December 2021
- 15 March 2022
- 15 June 2022

and further that, pursuant to Section 181(11) of the *Local Government Act 1999*, Council determines that:

- ratepayers may apply to pay their rates and service charges in full by 15 December 2021;
- such applications must be lodged with Council by 15 September 2021;
- if rates in these circumstances are paid in full by 15 December 2021, fines and interest will not be applied for the September to December period.

Late Payment of Rates

The *Local Government Act 1999* provides that councils impose a penalty of 2% on any payment for rates, whether installment or otherwise, that is received late. A payment that continues to be late is then charged an interest rate, set each year according to a formula in the Act, for each month it continues to be late. The purpose of this penalty is to act as a genuine deterrent to ratepayers who might otherwise fail to pay their rates on time, to allow councils to recover the administrative cost of following up unpaid rates and to cover any interest cost the council may meet because it has not received the rates on time.

The Council imposes late payment penalties strictly in accordance with the *Local Government Act 1999*.

When the Council receives a payment in respect of overdue rates the Council applies the money received as follows:

- First – to satisfy any costs awarded in connection with court proceedings;
- Second – to satisfy any interest costs;
- Third – in payment of any fines imposed; and
- Fourth – in payment of rates, in date order of their imposition (starting with the oldest account first).

13. CONSULTATION

The Draft Annual Business Plan & Annual Budget was advertised in the Port Lincoln Times and on Southern Cross Classifieds.

Public consultation meetings were held at the following locations:

- Darke Peak Sporting Complex Monday, 10 May 2021
- Cleve Community Sporting Club Tuesday, 11 May 2021
- Arno Bay Community Sporting Club Wednesday, 12 May 2021

Copies of the Draft 2021/22 Annual Business Plan & Annual Budget are available on Council's website and at the Council Office at 10 Main Street, Cleve.

14. COUNCIL CONTACT

Council can be contacted by:

Person: 10 Main Street, Cleve SA 5640
Mail: PO Box 36, Cleve SA 5640
Email: council@cleve.sa.gov.au
Phone: 08 8628 2004
Website: www.cleve.sa.gov.au

Appendix A – Explanation of Uniform Presentation of Finances

(example only for explanation purposes – left blank intentionally)

UNIFORM PRESENTATION OF FINANCES	2019-2020 Forecast \$'000	2020-2021 Budget \$'000
Income		
/less Expenses		
Operating Surplus/(Deficit)	-	-
Less: Net Outlays on Existing Assets		
Capital Expenditure on Renewal/Replacement of Existing Assets		
/less Depreciation, Amortisation and Impairment Expenses		
/less Proceeds from Sale of Replaced Assets		
Net Outlays on Existing Assets	-	-
Less: Net Outlays on New and Upgraded Assets		
Capital Expenditure on New/Upgraded Assets		
/less Amounts received specifically for New/Upgraded Assets		
/less Proceeds from Sale of Surplus Assets		
Net Outlays on New and Upgraded Assets	-	-
Net Lending/(Borrowing) for Financial Year	-	-

Explanation/Examples of Components of Uniform Presentation of Finances

Operating Revenue and Expenditure: Represent the totals from the relevant lines of the Statement of Comprehensive Income (operating statement) for the year being reported on.

Capital Expenditure on renewal and replacement of Existing Assets: e.g. Roads reseals, replacement tractor, building renovations, replacement computer hardware.

Proceeds from sale of replaced assets: e.g. trade in value of a tractor or motor vehicle being replaced.

Capital Expenditure on New and Upgraded Assets: e.g. constructing a new building, constructing a new catchment pond, purchasing a piece of machinery that was not previously on hand.

Amounts specifically for new or upgraded Assets: e.g. Capital grants to partly fund a new CWMS, funds received to build new footpaths that did not previously exist.

Proceeds from Sale of Surplus Assets: Proceeds from the sale of a council building that was no longer required, sale of surplus land.

Appendix A – Explanation of Uniform Presentation of Finances (continued)

New/Upgraded vs Renewal/Replacement of Assets

The following definitions have been obtained from the South Australian Local Government Model Financial Statements (see <http://www.lga.sa.gov.au/site/page.cfm?u=769#e4291>).

A *new asset* is additional to Council's previous asset complement (e.g. roads constructed as part of a Council-owned subdivision are new assets. Similarly laying footpaths in areas where they did not previously exist are also new assets).

An *upgraded asset* replaces a previously existing asset with enhanced capability or functionality.

Renewal or replacement of an asset occurs where a previously existing asset is replaced without enhancement of the service capability except where this is incidental and unavoidable.

It is possible for capital expenditure to be a *combination of renewal as well as upgrade*. This is particularly prevalent in this Council region due to the increased volume of Restricted Access Vehicles (RAV) traffic experienced in recent times. This has required existing roads to be rebuilt to higher standards (e.g. the replacement of a road that was initially was a 6 metre wide sheeted surface with an 8 metre width sheeted surface can be considered part replacement and part upgrade).

The important point to understand is that if Council is not able to replace its existing assets in a timely manner then new assets should not be built unless essential. By building new assets Council is effectively building new liabilities as the assets usually don't generate revenue (e.g. roads), cannot be sold, and will need to be maintained and eventually replaced.

Appendix B - Statutory Statements

STATEMENT OF COMPREHENSIVE INCOME	Forecast 2020-21 \$,000	Budget 2021-22 \$,000
INCOME		
Rates	2,924	2,953
Rates Other	612	640
Statutory Charges	25	25
User Charges	250	235
Grants & Subsidies	2,158	2,087
Investment Income	30	23
Reimbursements	131	241
Other Revenues	92	117
Total Operating Income	6,222	6,321
EXPENDITURE		
Employee Costs	1,634	1,735
Materials, Contracts & Other Expenses	2,773	3,092
Depreciation	2,011	2,011
Finance Charges	41	35
Total Operating Expenditure	6,459	6,874
OPERATING SURPLUS/(DEFICIT)	(237)	(552)
Gain / Loss on Disposal of Assets	0	0
Amounts Received Specifically for New Assets	1,176	4,835
NET SURPLUS / (DEFICIT) transferred to Equity Statement	939	4,282

STATEMENT OF FINANCIAL POSITION	Forecast 2020-21 \$,000	Budget 2021-22 \$,000
ASSETS		
CURRENT ASSETS		
Cash & Cash Equivalents	6,537	2,942
Trade & Other Receivables	430	430
Inventories	8	8
Total Current Assets	6,976	3,380
NON-CURRENT ASSETS		
Financial Assets	308	308
Infrastructure, Property, Plant & Equipment	51,280	58,999
Other	754	754
Total Non-Current Assets	52,342	60,061
TOTAL ASSETS	59,318	63,442
LIABILITIES		
CURRENT LIABILITIES		
Trade & Other Payables	960	960
Borrowings	158	43
Short Term Provisions	479	479
Total Current Liabilities	1,597	1,481
NON-CURRENT LIABILITIES		
Long Term Borrowings	337	294
Long Term Provisions	6	6
Total Non-Current Liabilities	343	300
TOTAL LIABILITIES	1,940	1,781
NET ASSETS	57,378	61,660
EQUITY		
Accumulated Surplus	26,953	31,235
Asset Revaluation Reserve	29,551	29,551
Other Reserves	874	874
TOTAL EQUITY	57,378	61,660

STATEMENT OF CASH FLOW	Forecast 2020-21 \$,000	Budget 2021-22 \$,000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts		
Operating Receipts	6,192	6,298
Investment Receipts	30	23
Payments		
Operating Payments to Suppliers & Employees	4,407	4,828
Finance Payments	41	35
Net Cash provided by (or used in) Operating Activities	1,774	1,459
CASH FLOWS FROM INVESTING ACTIVITIES		
Receipts		
Grants Specifically for new or upgraded assets	1,176	4,835
Sale of replaced Assets	70	(75)
Payments		
Expenditure on renewal/replaced assets	2,506	2,404
Expenditure on new/upgraded assets	1,757	7,252
Net cash provided by (used in) Investing Activities	(3,017)	(4,896)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts		
Proceeds from Borrowings	0	0
Payments		
Repayment of Borrowings	228	158
Net Cash Provided by (Used in) Financing Activities	(228)	(158)
Net Increase / Decrease in Cash	(1,471)	(3,595)
Cash and Cash Equivalents at start of reporting period	8,008	6,537
CASH & CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD	6,537	2,942

STATEMENT OF EQUITY	Forecast 2020-21 \$,000	Budget 2021-22 \$,000
ACCUMULATED SURPLUS		
Balance at end of previous reporting period	26,014	26,953
Net Result for Year	939	4,282
Transfer from Reserves	0	0
Transfer to Other Reserves	0	0
Balance at end of period	<u>26,953</u>	<u>31,235</u>
ASSET REVALUATION RESERVE		
Balance at end of previous reporting period	29,551	29,551
Gain on Revaluation of Property Plant & Equipment	0	0
Balance at end of period	<u>29,551</u>	<u>29,551</u>
OTHER RESERVES		
Balance at end of previous reporting period	874	874
Transfers from Accumulated Surplus	0	0
Transfers to Accumulated Surplus	0	0
Balance at end of period	<u>874</u>	<u>874</u>
TOTAL EQUITY AT END OF REPORTING PERIOD	<u><u>57,378</u></u>	<u><u>61,660</u></u>

Appendix C - Services provided to the community by Council - Where your rates are spent

Following is a detailed explanation of the services provided by the Council to the community. The cash flows generated by the provision of these services are summarised in the budget for the financial year ending 30 June 2021. The services are broken up into the 5 organisational units of the council, being corporate services, community services, infrastructure services, environmental services and executive services.

CORPORATE SERVICES

There are 2 categories of governance, being organisational and elected member. Expenses incurred in this service include executive salaries, elected members expenses and allowance, member training, memberships, travel, conferences, public liability, insurance, administration and officer support to Council.

Administration

Administration services cover the following activities:

- Financial Services – provision of accounting services, record keeping, bill paying, payroll, insurance, financial reporting and management.
- Human Resources – compliance with occupational Work Health and Safety (WHS) policies and legislation, recruitment, rehabilitation and performance management.
- Information Technology – operation of the council's information technology systems, purchase of computer hardware.
- Communication – telephone and internet services.
- Rates Administration – administration and collection of rates and associated record keeping.
- Records Management – maintenance of records management system.
- Customer Service – customer support at the council office plus a range of community administration services.

Financing & Investing

Covers cash inflows and outflows associated with the Council's financing and investing activities.

COMMUNITY SERVICES

Aged Services

This service covers the following activity:

- Support of community health service
- Aged care feasibility study completed
- Seniors Week Luncheon
- Centrelink Agency

Youth Services

This service covers the following activities:

- Youth Week Event held (if funding available)
- Cleve Skate Park

Cultural & Arts

This service covers the following activities:

- Event support
- Civic functions
- Support community arts initiatives

Library Services

Council will work with DECS to ensure the library service will continue to meet the needs of the population. The services provided by libraries include:

- Books and magazines
- Free internet

INFRASTRUCTURE SERVICES

Community Waste Water Management System (CWMS)

This service covers maintenance and construction of the effluent scheme at Cleve and Arno Bay. Activities include repairing and replacing lines as required. Ongoing inspections of system connections are also conducted to ensure all connections have been installed and operating correctly.

The Cleve CWMS is currently undergoing a relining project of all the old earthenware pipes. This project is estimated to be completed in 2024/25. The Arno Bay CWMS expansion project was completed in 2019/20 and includes the remainder of the shacks, caravan park and parklands in Arno Bay.

Waste Management

This service includes collection of waste, operation of a waste transfer station at Cleve and Arno Bay, general litter collection and drum musters. The solid waste levy payable to the Environmental Protection Agency is also charged to this area.

Kerbside Rubbish & Recycling Collection

This service includes providing kerbside rubbish and recycling collection to Cleve, Arno Bay, Darke Peak and Rudall using the Council owned waste truck.

Roads & Footpaths

This service covers the following activities:

- Road and footpaths construction – annual works program and developer contributed works
- Road maintenance – fixing pot holes, reinstating trenches across roads, small patches of resealing and repairing and straightening rough edges (kerbing, water tables and traffic signage are also charged to this area)
- Ongoing upgrade and replacement of plant and equipment.
- Road maintenance of rural unsealed roads – grading, tree trimming and spraying of weeds
- Footpath maintenance and repairs
- Street sweeping in each of the townships
- Cleve Aerodrome – inspections and maintenance to runway lights, windsock and also maintaining the grass
- Street cleaning

- Car parking
- Works depots
- Walking and cycling tracks

Foreshore Protection

This service covers the management of coastal environment and provision of facilities to enable sustainable use of coastal areas including the provision of boat ramps and marina area at Arno Bay. Revegetation will be undertaken where required to ensure protection of the foreshores.

Stormwater Drainage

This service covers the storm water management and recycling including management and collection of street runoff and the development of capital schemes to enable the reuse of storm water.

Private Works

This service covers the infrastructure works performed by Council on behalf of individuals or the government. This work is charged out at commercial rates.

ENVIRONMENTAL SERVICES

Legislative Compliance

This service covers dog and cat management, traffic control, fire control, health control, noise, litter and emergency services as required under various pieces of legislation.

Parks and Gardens

This service covers the provision and maintenance of parks and recreational facilities including parks and reserves as well as playgrounds.

Planning

Planning includes the assessment of development applications under the Development Act to ensure compliance with the Council's development plan and the building code. It is a statutory requirement of Local Government to perform this function.

Cemeteries

Council operates cemeteries in each of the townships for the local and regional community. Expenditure includes the costs involved in locating, digging and backfilling of graves and general maintenance of the area.

Public Conveniences

The maintenance and cleaning of public conveniences is undertaken by Council on a regular basis. Council will continue to undertake maintenance and upgrades of these facilities as and when required. Public conveniences are inspected with basic plumbing, repairs and maintenance carried out as required.

Natural Resource Management

Council collects a levy on behalf of the State Government and the Natural Resource Management Board. Decisions relating to natural resource management are made by this Board independently from the Council.

EXECUTIVE SERVICES

Economic Development

Economic development activities include strategic land divisions, Regional Development Australia membership, encouraging industrial development as well as representing the Cleve district's interests at other levels of government.

Tourism

Tourism activities include increasing visitation by tourists through the district. This includes tourism signage, marketing and promotion through various forms of media, special events, development of tourism assets including walking and cycling trails, the RV friendly sites and camping grounds.

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