



DISTRICT COUNCIL OF KIMBA

2021-2022 Annual Business Plan & Budget



District Council of Kimba

ANNUAL BUSINESS PLAN AND BUDGET

2021-22

Adopted 9th June 2021

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1. Introduction

This Annual Business Plan (the Plan) outlines the District Council of Kimba's (Council) planned services, projects and major expenditures for the 2021-22 financial year. After taking into account feedback from the community, Council has finalised the plan and fine tune the detailed budget for the corresponding period.

The plan aims to maintain efficient and desired services and facilities for the community, without imposing an unrealistic rate burden on ratepayers. The provision of services by Council is a reflection of both meeting Council's obligations under legislation and making policy choices on behalf of the community to achieve Council's longer-term goals. Council also has taken account of the current economic and seasonal conditions.

2. District Profile

The District Council of Kimba is located on the Eyre Highway, National Highway One, covers an area of approximately 3,500 square kilometres and has an estimated resident population of 1,083. Kimba is 475km from Adelaide, 155km west of Port Augusta and 315km east of Ceduna. Neighbouring towns are Cleve (69 km), Kyancutta (90 km), Cowell (90km) and Whyalla (145km). The district has an extensive road network, with some 1,716km of roads, 100km of which are sealed.

3. Strategic Direction

Council reviewed its suite of strategic management plans which were adopted at its Ordinary meeting held on 10th June 2020. Among other things, the strategic management plan considered regional, state and national objectives and strategies relevant to the social, physical, environmental development and management of Council's area of responsibility. This plan identifies the strategic objectives and principal activities that have informed the goals, objectives, activities and services included in this Annual Business Plan.

In reviewing this plan, Council adopted the following vision statement, believing it reflects Council's aspirations for the Kimba community.

VISION

Driving innovative and accountable leadership for a vibrant, sustainable Kimba.

MISSION

The District Council of Kimba is committed to bettering the lives of residents and ratepayers through leadership, advocacy and the high-quality delivery of services and programs that improve the social and economic standing of our community.

STRATEGIC OBJECTIVES

To support the development of the Kimba Township and district, Council has identified a range of strategic objectives and principal activities to focus its energies and resources on that will assist in supporting business growth and improving services to the community and its visitors. The goals are reflective of current and future issues and pressures facing the district of Kimba. The principal activities are identified in Council's strategic management plan and are shown on Council's website or are available from the Council office.

- 1. Provide relevant and sustainable community services**
- 2. Provide relevant and sustainable asset services**
- 3. Build local business capacity**
- 4. Be transparent, accountable & financially sustainable**
- 5. Strive to increase population levels**
- 6. Develop and support sustainable environmental strategies**

4. Significant Influences and Priorities

The 2021-22 financial year will be another busy period for Council on the back of a busy 12 months, during which a number of projects were delivered for the community. A comprehensive list of Council's achievements for the 2020-21 financial year can be found in Appendix C.

A number of other significant factors have influenced the preparation of the Council's 2021-22 Annual Business Plan.

These include:

- The global Covid 19 pandemic
- The selection for a National Radioactive Waste Management Facility to be housed within the Kimba district
- Council's current financial position and Long Term Financial Management Strategy
- Consumer Price Index increases on existing goods and services of 1% for the year (December quarter 2020)
- Requirements to maintain and improve infrastructure assets to sustainable standards
- Service delivery needs for the community
- Facilitating the future financial sustainability of Council by ensuring the financial operations remain within policy targets adopted for such purpose
- Provision of sufficiently qualified experienced and trained staff
- The need to establish sound Strategic Plans and policies to achieve long term sustainability

5. Continuing Services

The services provided by Council are separated into three categories being Mandatory, Traditional and Elective, with the table illustrating the allocation of services against the three categories.

Mandatory:- Services that are either required by legislation or required for operations

Traditional:- Services that are traditionally provided by Council to service the community needs

Elective:- Services that are provided based on previous community demands or request that over and above the traditional services provided by Council

Function	Mandatory	Traditional	Elective
Administration	Administration general		
	Governance		
	Financial management		
	Payroll		
	WHS and strategic risk		
	Rate administration		
	Asset management		
	Elected Member support		
Community Services	Cemetery	Public conveniences	Social media
			Website
			Community events
			Community Grants

Function	Mandatory	Traditional	Elective
Culture		Community library (financial assistance)	Advocacy for improved medical services and infrastructure
		Kimba Memorial Soldiers Institute	Kimba Pioneer Memorial Village (independent living facilities)
		Support of cultural events	
Economic Development			Tourism
			Visitor Information Centre
			Community and Economic Development Strategy
			Regional Development
			Silo art viewing platform
Environment	Fire prevention/hazard management	Waste management facility	
	Storm water and drainage	Weed spraying	
	Sewerage/CWMS	Waste management collection	
		Recycling depot	
		Drum Muster	
		e-waste collection	
		Street lighting	
Recreation		Recreation Reserve	Roora Walking Trail
		Parks and gardens	Whites Knob Lookout
		Playgrounds	
Regulatory Services	Animal management		
	Development		
	Environmental health		
Transport		Roads – rural sealed maintenance	Community bus
		Roads – town sealed maintenance	
		Roads – unsealed maintenance and patrol grading	
		Footpaths and kerbing	
		Storm damage	
		Aerodrome	
		Traffic management	
Business Activities			Private works
			Gravel pits/quarries
Plant and Machinery			
Depot and Indirect Expenditure			

5.1 Community Grants Program

As part of its annual budgeting process, Council allocates funding to facilitate its Community Grants Program which is intended to support local community groups to develop local projects of a community, cultural, recreational, environmental or sporting nature which demonstrate benefits to Kimba. Grants were available for up to \$5,000 to not-for profit and non-government organisations, with a total funding allocation of \$35,000 available for the 2021-22 financial year.

The funding recipients for 2021-22 are:

Buckleboo Farm Improvement Group	Governance Training	\$ 2,490.00
Kimba Tennis Club Inc.	Asset Upgrades	\$ 765.00
Kimba Combined Probus Club	EP Combined Rally	\$ 3,300.00
Kimba AH & F Society **	Entertainment for Centenary Show	\$ 5,000.00
Buckleboo Club Inc.	Recreation Reserve Oval Watering	\$ 5,000.00
Kimba Uniting Church	Church Ceiling Repairs	\$ 5,000.00
Kimba & Gawler Ranges Society Inc.	Insurance	<u>\$ 1,567.00</u>
TOTAL		<u>\$23,122.00</u> =====

** This grant is conditional on the acquittal from the 2020-21 grant process being provided.

6. Capital Expenditure – Work Program

Item	Budget 2021-22 \$,000	Comment
Renewal / Replacement		
Resheeting	389	per AMP
Resealing	280	per AMP
Office Equipment	20	per AMP
Minor Plant	20	per AMP
CAT Backhoe	180	Trade in \$35k
Street Sweeper	180	Trade in \$20k
Ford Ranger - WM's Vehicle	70	Trade in \$35k
Clark Forklift	40	Trade in \$5k
Aerodrome Resealing	320	\$107k State Govt and \$107K Fed Govt Contribution - subject to successful grant application
Total Renewal / Replacement	1,499	
New / Upgraded		
LTCIP	287	
Footways Construction	40	
Medical Centre	564	
KPMV Unit	230	
Natures Bike Track	16	
Total New / Upgraded	1,137	
Total Capital Expenditure	2,636	

7. Financial Sustainability/Financial Performance Measures

All Councils pursuant to the Local Government Act 1999 are required to develop and maintain Long Term Financial Management Plans and Asset Management Plans to ensure sound strategic planning principles to assist with decision making are in place.

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 the Infrastructure and Asset Management Plan so as to minimise whole-of-life-cycle costs of assets.

7.1 Operating Surplus Ratio (OSR)

"Is Council covering its operating expenditure and depreciation charge from its operating revenue?"

The operating surplus ratio expresses the operating surplus / (deficit) as a percentage of total operating revenue. A result of greater than 0% would indicate that Council is covering its operating expenditure and depreciation charge from its operating revenue.

The operating surplus ratio from the proposed budgeted activity for the year is a surplus of 9%. This result arises because operating income is budgeted to be \$393k more than Council's operating expenses for the year.

7.2 Asset Sustainability Ratio (ASR)

"Is Council replacing its assets at the same rate the assets are wearing out?"

The Asset Sustainability 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 Council's Asset Management Plan.

A result in the range of 90% to 110% would indicate that Council is replacing its assets in a timely manner. The forecast asset sustainability ratio for the 2021-22 is 100% which indicates that sufficient funds have been allocated to replace assets in the 2021-22 financial year.

7.3 Net Financial Liabilities (NFL) and Net Financial Liabilities Ratio

"Does Council have a manageable level of debt and other liabilities when considering its available revenue and other cash reserves?"

Net financial liabilities is 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 equal 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 the budget estimates as at 30 June 2022:

Calculation of Net Financial Liabilities Ratio	\$,000
Trade & Other Payables	488
Provisions	431
Total Liabilities	919
Less Financial Assets:	
Cash & Cash Equivalents	3,506
Trade & Other Receivables	211
Total Financial Assets	3,717
Equals: Net financial liabilities (Total liability minus financial assets)	(2,798)
Operating Income (Opinc)	4,300
Net Financial Liabilities Ratio (NFL divide Opinc)	(65%)

The current estimate of Council's net financial liabilities/ (assets) at 30 June 2022 is negative (\$2.8M) (i.e. the level of Council's cash and investments will exceed borrowings).

For many years, successive Councils at Kimba have taken an extremely prudent approach to the use of borrowings. Council is in a financial position to be able to either make more use of borrowings or draw on its cash and investments to fund any future high-cost new capital projects, as well as any outstanding infrastructure spending identified in its Infrastructure and Asset Management Plan. How these projects will be funded is assessed by Council on a case-by-case basis and considers whether utilising existing cash and investments, or undertaking a borrowing, represents the best value. At the same time, Council has a prudent policy in place of ensuring that net financial liabilities expressed as a percentage of operating revenue does not exceed an upper limit of 50 per cent.

7.4 Overall Assessment of Council's Financial Sustainability (based on the above ratios)

The above ratios indicate that the proposed Annual Business Plan and the associated Budget that underpins it, is financially sustainable over the following 12 months is in accordance with the Long Term Financial Plan (LTFP) and Strategy.

Councils ongoing financial strategy as identified in the long term financial plan will ensure that Council achieves an operating surplus on an ongoing basis.

The target Asset Sustainability Ratio of 100% is within the target ranges set by Council in the LTFP.

Councils Net Financial Liabilities are within the target ranges set by Council in the LTFP

8. Non-Financial Performance Measures – 2021-22

Deliver the following projects on time and within budget:

- Kimba Medical Centre upgrade, funding of \$749k from the Community Benefits Program. Target completion date May 2022. (Strategy 5.1).
- Kimba 'Future Workforce & Training Plan', funding of \$68k from the Community Benefits Program. Target completion date Mar 2022. (Strategy 3.3 & 3.5)
- Independent & aged accommodation new unit, funding of \$115k from the LGIPP. Target completion date April 2022. (Strategy 1.2)
- The employment of an 'economic development officer' in order to support the development of business and employment. Target completion date May 2022. (Strategy 3.2)
- Aerodrome Resealing (assuming funding application is successful) . Target completion date May 2022. (Strategy 2.1)

Target grant funding with the intention of furthering the following activities and strategic objectives:

- Improved internet and telecommunications services (Strategy 5.2)
- Extend & develop walking & cycling trails (Strategy 6.4)

Implement strategies from the 'Disability Access & Inclusion Plan 2022-24' including:

- Ensure the soon to be constructed independent living unit has appropriate disability access. (Strategy 1.4)
- Ensure that where possible the built environs and public spaces are accessible to people living with disability. (Strategy 1.4)

Ensure the ongoing involvement with the NEPHA to develop models of sustainable health services by attendance of meeting and engagement with the NEPHA project officer. (Strategy 5.1)

Lobby Australian Radioactive Waste Agency and the Minister for resources, Water & Northern Australia for grant funding promised as part of stage 2 of the establishment of the National Radioactive Waste Management Facility. (Strategy 3.1)

Take an active role in the advertising and recruitment of GP services for the town of Kimba. (Strategy 5.1)

Deliver the reports that comprise the strategic financial reporting cycle in line with the due dates included in section 1 of the Audit Committee work program. (Strategy 4.1)

Conducting a review of Elected Member training requirements. (Strategy 4.4)

Update the Infrastructure & Asset Management Plan and the ten year renewal programs as well as the Long Term Financial Plan to reflect the 2021-22 Annual Business Plan & Budget. (Strategy 2.2)

Assist in facilitating the Kimba group deliver the Art prize event planned for September 2021. (Strategy 1.2 & 5.4)

Develop a project implementation plan to deliver the most appropriate option as outlined in the recently completed small scale solar feasibility study should funding becomes available. Pursue funding as opportunities present. (Strategy 6.1)

Review and update fire prevention strategies and policies as required (Strategy 6.3)

9. Grant Funding

Council will receive the following grant funding in 2021-22:

- Financial Assistance Grants, both General Purpose and Local Roads Grants (sourced from Federal Government)
 - Council has complete discretion as to expenditure of funds received.
- Specific Purpose Grants (State and Federal Governments)
 - Which are to be spent on specific projects or programs.
- Special Local Roads Program (Federal Government)
- Roads to Recovery Grants (Federal Government)
 - While funds received are to be spent on road projects, Council has complete discretion on whether funding is applied towards maintaining, renewing or upgrading roads
- Capital Grants are amounts received by Council specifically to be used for capital purposes

Operating	Amount \$,000
Local Roads (Grants Commission)	333
General Purpose (Grants Commission)	986
Supplementary Local Road Funding	154
Roads to Recovery	307
CBP - Medical Centre Upgrade	40
CBP - Economic Development Officer	115
CBP - Kimba Future Workforce Plan	38
Other	3
Total Operating Grant Funding	1,976

Capital / Amounts Received specifically for New or Upgraded Assets	
LTIBP (project yet to be determined)	287
Aerodrome Sealing - State Govt	107
Aerodrome Sealing - Fed Govt	107
CBP - Medical Centre Upgrade	563
Local Government Infrastructure Partnership Program	115
Total Capital Grant Funding	1,179

10. Funding the Business Plan

A surplus operating result of \$393k is being forecast for 2021-22. The operating result 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 outlined in the LTFP.

Council's revenue in 2021-22 includes \$1.952M proposed to be raised from general and other rates which has been increased by the CPI of 1%. There is little forecast growth expected for the region. Accordingly, no increases to rates revenue have been factored in for growth.

Rate Revenue Components	\$,000
Rates	1,727
CWMS	107
Waste Management Levy	74
Natural Resource Management Levy	73
Rates Remitted	(24)
Rates Discount	(15)
Rates Fines	10
Total General and Other Rates	1,952

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 Finances

The Uniform Presentation of 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).

The result of \$123k indicates that Council cash reserves will increase by \$123k, as will net financial assets.

UNIFORM PRESENTATION OF FINANCES	Forecast 2020-21 \$000	Budget 2021-22 \$000
Operating Revenue	4,228	4,300
less Operating Expense	(3,922)	(3,907)
Operating Surplus / (Deficit) before Capital Amounts	306	393
less Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	2,286	1,499
less Depreciation, Amortisation & Impairment	(1,050)	(1,092)
less Proceeds from Sale of Replaced Assets	(200)	(94)
Less Capital Grants	(886)	0
Total Net Outlays on Existing Assets	150	311
less Net Outlays on New & Upgraded Assets		
Capital Expenditure on New & Upgraded Assets	485	1,137
less Amounts specifically for new or upgraded Assets	(422)	(1,179)
less Proceeds from Sale of Surplus Assets	0	0
Total Net Outlays on New & Upgraded Assets	63	(41)
Net Lending/ (Borrowing) for Financial year	93	123

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

12. Rating Arrangements 2021-22

The 2021-22 Annual Business Plan aims to strike a balance between the level of services for the community and the need to ensure the long-term financial sustainability of Council. Council has limited options to generate the income required to pay for services which it provides to the community. Apart from the Federal and State Government grants mentioned above, some income can be raised through user charges, investment of surplus cash, hire of community facilities and other minor receipts. However, the primary source of income for Council is a property-based tax rate.

Rate income is generated by the broad application of fundamental principles of taxation (fairness and equity, simplicity, ability to pay and efficiency) with a view to achieving an equitable distribution of the rates burden among ratepayers. Council has decided to continue to use site value as the basis for distributing Council's overall rate revenue target. Council considers this provides a fair and equitable method of distributing the rate burden across all ratepayers. A national report on Local Government revenue released during 2013 by the Australian Centre of Excellence for Local Government endorsed the use of site value by councils as the most appropriate basis for distribution of the rate burden.

In making a final decision about setting rates for the 2021-22 financial year, Council will carefully consider the impact of rates on the community, including:

- The equity of the distribution of the rate burden between householders, businesses and primary producers;
- the broad principle that the rate in the dollar should be the same for all properties except where there is clearly a different level of services available to ratepayers or some other circumstance which warrants variation from the broad principle;
- minimising the level of general rates required by levying fees and charges for goods and services on a user pays basis, where that is appropriate to recover the full cost of operating or providing the service or goods, with provision for concessions to those members of the community unable to meet the full cost;
- Community feedback on this draft Annual Business Plan.

Rate in the Dollar

Differential rate	2020-21 cents in \$	2021-22 cents in \$	2021-22 Revenue Raised
Bulk Handling Zone	18.50	18.68	\$60,616.60
Rural Zone	0.5807	0.4387	\$1,111,221.01
All Other Zones	3.802	3.804	\$537,044.92

Minimum Rate

A Council may impose a minimum amount payable by way of rates, provided that it has not imposed a fixed charge. Where two or more adjoining properties have the same owner and are occupied by the same occupier, only one minimum rate is payable by the ratepayer. Where a Council imposes a minimum rate it must not apply to more than 35% of properties in the Council area.

For 2021-22, Council plans to impose a minimum rate of \$300. Council considers it appropriate that all rateable properties make a base level contribution to the cost of Council's activities, including the cost of maintaining the physical infrastructure that supports each property. Kimba's minimum rate is one of the lowest in the State and significantly less than half of the average rate charged by other councils.

SERVICE CHARGES

Council provides services for the benefit of specific properties for which service rates and/or annual charges are levied. Where a service that is subject to a service charge is available to non-rateable land, a service charge is levied against that land. Service rates and/or charges may be raised to cover the cost of establishing, operating, maintaining, improving and replacing such services. Funds raised must not be utilised for any other purpose, noting that some funds may not be immediately required until future capital expenditure is required on renewing or replacing assets employed in the provision of the service.

Council plans to impose the following services rates and/or charges for the 2021-22 financial year:

Kimba Community Wastewater Management System (CMWS)

- All connected properties \$270

Council has elected to impose a flat fee for all CWMS properties and the planned fee involves a \$20 increase on that charged in 2020-21.

Waste Management fee

- All Township Properties \$205

Council charges all properties within the township of Kimba which are serviced by waste collection a base fee. The fee is chargeable regardless of whether the property is residential or commercial. This fee covers the collection costs of one green-lidded waste bin per property. Should further green-lidded bins be required, an additional amount of \$205 will be charged per bin per year through the rating system. Recycling bins will be collected free of charge regardless of the number of bins, however, only one bin will be provided to each property free of charge.

More detailed aspects of Council's rating structure and the policy currently adopted is shown on Council's website or is available from the Council office. That material includes:

- Method used to value land;
- Council's revenue raising powers;
- Use of Differential rates;
- Pensioner Concessions;
- Other Concessions;
- Remission and Postponement of rates;
- Postponement of rates for State Seniors (as a right);
- Rebate of rates.

Should Council refer the debt to a debt collection agency for collection, then any debt collection charges will be recoverable from the ratepayer. When the Council receives a payment in respect of overdue rates Council applies the money received as follows,

- to satisfy any costs awarded in connection with court proceedings to satisfy any interest costs
- payment of any fines imposed, and
- payment of rates, in chronological order, starting with the oldest account first

Remission and Postponement of Rates

The Local Government Act permits Council, on the application of a ratepayer, to partially or wholly remit Rates or to postpone Rates, on the basis of hardship. Where a Ratepayer is suffering hardship in paying Rates they are invited to contact the Council to discuss the matter, with all such inquiries being treated confidentially

As part of this Rating Strategy the Council will make available extended payment arrangements by entering into a payment agreement where the payment of Rates will cause a ratepayer demonstrable hardship.

Recovery of Outstanding Rates

The Council has adopted a Debtor Management Policy that provides a policy and procedure approach to the recovering of outstanding rates. The policy is based on the forwarding of reminder notices when a rate installment is unpaid, and a further reminder notice after two rate installments remain unpaid. If the rate installments outstanding remain unpaid after the reminder notice payment date then the outstanding amount is referred to Council's debt collection agent for recovery action.

Sale of Land for Non-Payment of Rates

The Local Government Act provides that a Council may sell any property where the Rates have been in arrears for three years or more. The Council is required to notify the owner of the land of its intention to sell the land, provide the owner with details of the outstanding amount[s], and advise the owner of its intention to sell the land if payment is not received within one month.

Hardship Policy

The District Council of Kimba is committed to assisting ratepayers who are experiencing financial hardship to manage their payments in a manner that best suits the customer and the District Council of Kimba.

The purpose of this policy is to identify ratepayers who are experiencing payment difficulties due to hardship and assist those customers to better manage their bills on an ongoing basis.

This policy sets out:

- processes to identify ratepayers experiencing payment difficulties due to hardship, including identification by us, self-identification by a ratepayer, identification by an accredited financial counsellor, or welfare agency, and
- an outline of a range of processes or programs that we will use, or apply, to assist our customers who have been identified as experiencing payment difficulties.

The following extract from the Hardship policy could apply to any ratepayers who have been adversely impacted in a financial sense from the Covid 19 restrictions:

Ratepayers who may be identified as experiencing temporary hardship are those who have experienced a short-term change in circumstances, such as serious illness, disability or death in the family, loss or change in income, separation, divorce or other family crisis, a loss arising from an accident, or some other temporary financial difficulty. These customers generally require flexibility and temporary assistance, such as an extension of time to pay or an alternative payment arrangement.

The type of assistance available is covered in the following extract from the hardship policy:

Where a ratepayer has been identified as experiencing financial hardship, we will offer the customer, as soon as is reasonably practicable, flexible and frequent payment options that have regard to the hardship customer's usage, capacity to pay and current financial situation. These options will include the following:

- an interest and fee free payment plan that complies with the intent of section 182 of the Local Government Act 1999,
- other arrangement, under which the customer is given more time to pay a bill or to pay in arrears,
- recognising that some ratepayers have a short-term financial hardship issue that may be resolved in the near to medium-term, where others may require a different type of assistance for ongoing financial issues.

We will engage in discussion with the hardship customer to determine a realistic payment option in line with the customer's capacity to pay.

A full copy of this policy is available on Council web site

APPENDIX A – EXPLANATION OF UNIFORM PRESENTATION OF FINANCES

(example only for explanation purposes – left blank intentionally)

UNIFORM PRESENTATION OF FINANCES	2017 Forecast \$'000	2018 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.

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 B-double 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	Budget 2021-22	Variance
	\$,000	\$,000	\$,000
INCOME			
Rates	1,899	1,952	53
Statutory Charges	21	17	(5)
User Charges	197	198	1
Grants & Subsidies	1,909	1,976	67
Investment Income	20	15	(5)
Reimbursements	110	60	(50)
Other Revenues	72	83	11
Total Operating Income	4,228	4,300	72
EXPENDITURE			
Employee Costs	1,224	1,372	149
Materials, Contracts & Other Expenses	1,648	1,443	(205)
Depreciation	1,050	1,092	42
Finance Charges	0	0	0
Total Operating Expenditure	3,922	3,907	(15)
OPERATING SURPLUS/(DEFICIT)	306	393	87
Amounts specifically for new or upgraded Assets	1,306	1,179	(128)
NET SURPLUS / (DEFICIT) transferred to Equity Statement	1,612	1,571	(41)

STATEMENT OF FINANCIAL POSITION	Forecast 2020-21	Budget 2021-22
	\$,000	\$,000
ASSETS		
CURRENT ASSETS		
Cash & Cash Equivalents	3,384	3,506
Trade & Other Receivables	211	211
Inventories	142	142
Total Current Assets	3,737	3,859
NON-CURRENT ASSETS		
Infrastructure, Property, Plant & Equipment	40,520	41,968
Other	182	182
Total Non-Current Assets	40,701	42,150
TOTAL ASSETS	44,438	46,009
LIABILITIES		
CURRENT LIABILITIES		
Trade & Other Payables	488	488
Provisions	413	413
Total Current Liabilities	901	901
NON-CURRENT LIABILITIES		
Provisions	18	18
Total Non-Current Liabilities	18	18
TOTAL LIABILITIES	919	919
NET ASSETS	43,519	45,091
EQUITY		
Accumulated Surplus	16,895	18,466
Asset Revaluation Reserve	26,351	26,351
Other Reserves	274	274
TOTAL EQUITY	43,519	45,091

STATEMENT OF CASH FLOWS	Forecast 2020-21	Budget 2021-22
	\$,000	\$,000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts		
Operating Receipts	4,208	4,285
Investment Receipts	20	15
Less: Operating Payments to Suppliers & Employees	2,872	2,815
Finance Payments	0	0
Net Cash provided by (or used in) Operating Activities	1,356	1,485
CASH FLOWS FROM INVESTING ACTIVITIES		
Receipts		
Amounts specifically for new or upgraded Assets	1,306	1,179
Sale of replaced Assets	200	95
Payments		
Expenditure on renewal/replaced assets	2,286	1,499
Expenditure on new/upgraded assets	485	1,137
Net cash provided by (used in) Investing Activities	(1,264)	(1,362)
Net Increase / Decrease in Cash	93	123
Cash and Cash Equivalents at start of reporting period	3,291	3,384
Cash & Cash Equivalents at the end of the reporting period	3,384	3,506

STATEMENT OF EQUITY	Forecast 2020-21	Budget 2021-22
	\$,000	\$,000
ACCUMULATED SURPLUS		
Balance at end of previous reporting period	15,282	16,895
Net Result for Year	1,612	1,571
Transfer from Reserves	0	0
Balance at end of period	16,895	18,466
ASSET REVALUATION RESERVE		
Balance at end of previous reporting period	26,351	26,351
Balance at end of period	26,351	26,351
OTHER RESERVES		
Balance at end of previous reporting period	274	274
Balance at end of period	274	274
TOTAL EQUITY AT END OF REPORTING PERIOD	43,519	45,091

Appendix C – Achievements 2020-21

Council considers it important that the Annual Business Plan for 2021-22 takes the opportunity to provide an assessment of the extent to which Council's objectives for 2020-21 are being attained. The following provides a progress report on the more significant items identified in the 2020-21 Annual Business Plan and Budget:

Council have been very proactive in the pursuit of grant funding to further its objectives as identified in its suite of strategic management plans. During the 2020-21 Council successfully applied for approximately \$2.7M in grant funding to deliver the numerous projects listed in the table below. It should be noted that these funds are in addition to Councils recurring grant revenue received from the financial assistants grants program and the roads to recovery grant programs.

Performance Measure	Achievement / Comment
The following drought community program (DCP) projects will be delivered to the community by the 31 December 2020:	Covid 19 restrictions led to the variations of completion dates for DCP projects
<ul style="list-style-type: none"> Town hall buildings & amenities Upgrade (Strategy 1.2) 	Complete
<ul style="list-style-type: none"> Kimba Recreation Reserve amenities block replacement (Strategy 1.3) 	Complete
<ul style="list-style-type: none"> Removal of sand drift from Poolgara-Panitya road, Parsons Road and Kimba -Cowell Road (Strategy 2.1) 	Complete
<ul style="list-style-type: none"> Community health & wellbeing event to build community morale (Strategy 1.4) 	Funds redistributed to institute and men's shed project. Event could not be held due to Covid 19 restrictions.
<ul style="list-style-type: none"> Training package to upskill farmers to gain employment in other sectors should the need arise (Strategy 3.1) 	On track to be completed prior to 30 June 2021
<ul style="list-style-type: none"> Additional footway paving community employment project (Strategy 3.1) 	Complete
<ul style="list-style-type: none"> Generator purchase and installation to service the town hall and the SES/CFS building (Strategy 2.1) 	Complete
<ul style="list-style-type: none"> Portable trailer mounted backup generator for community & Council use (Strategy 1.1 & 2.1) 	Complete
<ul style="list-style-type: none"> BBQ area including paving and camp kitchen alongside Men's' shed (Strategy 1.3) 	On track to be completed prior to 30 June 2021
<ul style="list-style-type: none"> Upgrading Pony Club Toilets (Strategy 1.1) 	Complete
Council is in the process of updating its suite of Strategic Management Plans. It is expected that these plans will have been adopted by Council prior to the 30 August 2020. (Strategy 4.2)	Complete
Implement a Covid 19 support package through an expanded community grants program that assists clubs and societies to operate through the Covid 19 restrictions. (Strategy 1.1)	Complete

Scope out and prepare a position description for an Economic Development Officer role in anticipation of attracting suitable funding to fulfill this role. (Strategy 3.2)	Complete
Identify and pursue opportunities to be involved in joint procurement activities with Councils throughout the region. (Strategy 4.5)	Received grant funding to secure a service review process in conjunction with the District Council of Tumby and Streaky Bay
<p>The Community Benefits Program will be open for grant applications in the near future. It is Council's intention to apply for funding in relation to a number of projects that will deliver on Councils strategic objectives. It is anticipated that additional Covid 19 Federal & State Government grants funding may also become available. (Various)</p> <p>The projects to be targeted for grant funding include:</p>	
<ul style="list-style-type: none"> The employment of an 'Economic Development Officer' in order to support the development of business and employment. (Strategy 3.2) 	Grant funding of \$184k obtained from Community Benefits Program
<ul style="list-style-type: none"> Aerodrome Resealing (Strategy 2.1) 	Applied for \$213k in grant funding which has now been approved.
<ul style="list-style-type: none"> Improved internet and telecommunications services (Strategy 5.2) 	Applied to Community Benefits Program, will be considered again in the 2021-22 financial year
<ul style="list-style-type: none"> Attract events that will entertain both locals and tourists (Post Covid 19 restrictions) (Strategy 5.4) 	Limited opportunities in 2020-21 due to Covid 19 restrictions
<ul style="list-style-type: none"> Extend & develop walking & cycling trails (Strategy 6.4) 	Deferred pending further funding opportunities
Deliver the reports that comprise the strategic financial reporting cycle in line with the due dates included in section 1 of the Audit Committee work program. (Strategy 4.1)	Complete
A number of other grants were successfully targeted in addition to those listed in the 2020-21 Annual Business Plan including:	
<ul style="list-style-type: none"> Kimba Medical Centre upgrade, funding of \$749k from the Community Benefits Program 	To further the objectives of strategy 5.1
<ul style="list-style-type: none"> Kimba 'Future Workforce & Training Plan', funding of \$68k from the Community Benefits Program 	To further the objectives of strategy 3.3 & 3.5
<ul style="list-style-type: none"> Independent & aged accommodation new unit, funding of \$115k from the LGIPP 	To further the objectives of strategy 1.2
<ul style="list-style-type: none"> Road resealing funding of \$389k from the LRCIP 	To further the objectives of strategy 2.4