

ANNUAL BUSINESS PLAN 2023/24



FACT SHEET

KEY OBJECTIVE



The key objective for the District Council of Tumby Bay (DCTB) Annual Business Plan 2023/24 is to move towards achievement and maintenance of the financial sustainability of the Council, without compromising existing services and assets.

Following several years of escalating costs to provide services and maintain assets, coupled with decreasing funding support, the Annual Business Plan 2023/24 is implementing the Long Term Financial Plan commitment to position the Council to fund the future needs of the DCTB community.

WHAT IS COUNCIL PROPOSING IN THE ANNUAL BUSINESS PLAN 2023/24?

A responsible pathway to ensure the Council returns to a financially sustainable position, whilst planning and preparing for the future.

To be in a breakeven / surplus position by the 2025/26 financial year.

An increase of 11.5% to the general rate revenue to support a return to financial sustainability

An approach that will allow Council to invest in upgrades or new infrastructure and services for the community.

To undertake preliminary planning and design of key open spaces, along with identifying council-owned land that can be leveraged to support growth.

STRATEGIC GOALS FOR COUNCIL

1

To provide for community amenity and open space development

2

To enable growth in housing and commercial opportunities

3

To enable strong, targeted and planned economic growth across the district

CHALLENGES FOR COUNCIL

Significant and ongoing decline in external grant funding

Reaching and maintaining financial sustainability and an operating surplus position

Retention of existing service levels given financial and non-financial impacts

Increased regulatory burden

Coastal inundation and foreshore impairment

Increased costs, in excess of CPI, in materials and services

Major development potential and need to plan for potential rapid growth



FINANCIAL PERFORMANCE INDICATORS

Indicator 1: Operating Surplus Ratio

Councils generally should seek to achieve, on average over time, a target range for an operating surplus ratio of between 0 per cent and 10 per cent.

Presently the Council has an operating deficit of 7.8%. Commitment to implementing the Long Term Financial Plan will bring this back to a breakeven position by FY 2026.

Indicator 2: Net Financial Liabilities Ratio

Councils generally seek to achieve a target range of between zero and 100 per cent, but higher than 100 per cent may be appropriate in some circumstances.

Under the proposed budget Council has a very solid (and low) Net Financial Liabilities Ratio at only 15.3%.

Indicator 3: Asset Renewal Funding Ratio

This indicator is a measure of whether a council is accommodating asset renewal and replacement in an optimal and cost-effective way relative to the service levels it wishes to maintain.

The Long Term Financial Planning aims for 100%, in the proposed budget the ratio for 23/24 is a healthy 97.1%. Council continues to meet its Long Term Financial Plan commitments to asset renewal.

IMPACT OF NOT ACHIEVING OPERATING SURPLUS

Where a council is not achieving an underlying operating surplus, or trending towards doing so in the medium term, then generally any capital expenditure on upgrading or expanding infrastructure needs to be modest and targeted, because it normally will lead to additional maintenance and depreciation costs.

This may lead to councils under-investing in infrastructure relative to what their operating revenue streams will allow. Their service levels will be lower as a result.

WHAT IS FINANCIAL SUSTAINABILITY IN LOCAL GOVERNMENT?

“A Council’s long-term financial performance and position is sustainable where planned long-term service and infrastructure levels and standards are met without unplanned increases in rates or disruptive cuts to services.”

WHAT DOES IT DELIVER FOR THE COMMUNITY?



PROGRAM STABILITY

Ensuring maintenance of Council’s high priority expenditure programs, both operating and capital.



RATE STABILITY

Ensuring a reasonable degree of stability and predictability in the overall rate burden.



INTERGENERATIONAL EQUITY

Promoting a fair sharing in the distribution of Council resources and the attendant taxation between current and future ratepayers.

In essence, this provides what the Community expects from Council:

Quality Services

Reasonable taxes to fund them

Sound long-term financial management

WHAT SERVICES DOES COUNCIL PROVIDE?

Council provides many services to households and businesses, some of which are required by State laws and others are provided based on needs and preferences of communities.

Whether a service is required by law or is chosen by an elected council, the Local Government Act 1999 requires that a council is “responsive to the needs, interests and aspirations of individuals and groups within its community...” and that it must “...seek to ensure that council resources are used fairly...”

Some of the services provided by Council include:



Libraries



Street Cleaning



**Sporting and
Recreation
Facilities**



**Parks, Gardens,
Playgrounds
and Public Toilets**



Street lighting



**Food safety
inspections**



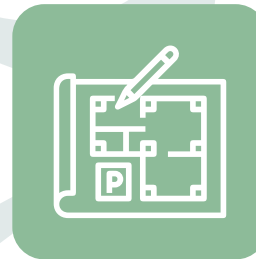
**Immunisation
programs**



**Rubbish
Collection**



**Stormwater
and drainage
maintenance**



**Town planning
and building
controls**



**Environment
protections,
public nuisance
and noise
management**



**Community
Wastewater
Management
System**



**Dog and Cat
Management**



Road Maintenance