District Council of Franklin Harbour

ANNUAL BUSINESS PLAN AND BUDGET

2025-26

Adopted: 16 July 2025

Resolution #: **38/07/25**

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1. Introduction

This draft Annual Business Plan (the Plan) outlines the District Council of Franklin Harbours' (Council) planned services, projects and major expenditures for the 2025-26 financial year.

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 reflects 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

Located on the eastern side of the Eyre Peninsula and bordering the Spencer Gulf, the District Council of Franklin Harbour is home to an estimated population of 1,350 people and covers an area of 2,767 square kilometres with 749 kilometres of roads. Cowell is the major centre in the district, which also comprises the holiday areas of Lucky Bay and Port Gibbon and the localities of Elbow Hill and Mitchellville.

3. Strategic Direction

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. The plan identifies the strategic objectives and principal activities that have informed the goals, objectives, activities and services included in this Annual Business Plan.

Councils existing Strategic Management Plan 2024-2028 adopted the following vision and mission statements, believing it reflects Council's aspirations for the community.

VISION

A proud, growing and unified community benefiting from a diverse and environmentally sustainable economic base.

COMMUNITY ASPIRATIONS

- We are a strong, vibrant and resilient community that adapts to economic, environmental and social changes
- We live in a special place that we are very proud of
- We welcome visitors and value the different perspectives and vibrancy they bring
- We appreciate and look after our natural environment

STRATEGIC OBJECTIVES

Councils' Strategic Management Plan is based on five Strategic Focus Areas.

1. Pause, Prioritise, Plan, Implement
2. Grow for a more sustainable future
3. Think outside the square
4. Act with independent advice on climate change actions
5. Refine the organisations focus

4. Significant Influences and Priorities

The 2025-26 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 2024-25 financial year can be found in Section 9.

A number of other significant factors have influenced the preparation of the Council's 2025-26 Annual Business Plan.

These include:

- Consumer Price Index/Local Government Prices Index increases on existing goods and services of 2.4% for the March 2025 quarter.
- Council's current financial position and Long-Term Financial Management Strategy.
- Requirements to maintain and improve infrastructure assets to sustainable standards.
- Service delivery needs for the community.
- State/Commonwealth grant funding not keeping pace with the increased costs.
- 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

All councils have basic responsibilities under the Local Government Act 1999 and other relevant legislation.

These include:

- Regulatory activities, e.g. maintaining the voters roll and supporting the elected council
- Setting rates, preparing an annual budget and determining longer-term strategic management plans for the area
- Management of basic infrastructure including roads, footpaths, parks, public open space, community wastewater
- Street lighting and storm-water drainage
- Street cleaning, rubbish collection, recycling and waste management
- Development planning and control, including building safety assessment
- Various environmental health services.

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

- Libraries
- Community venues such as public halls and sporting grounds
- Economic development
- Tourist and historical venues, museum and sites
- Parks and gardens.

The Council also operates a number of facilities on a fee for service basis. These provide important community benefits while also generating revenue for services and projects of benefit to the district.

6. Capital Expenditure

Existing Asset Renewal & Replacement:	$,000	Comment
Replacement Assets		
Buildings	100	$60k - Council Building, $40k depot shed
Structures & Other Community Assets	50	Complex Shade Sail - $20k, WWTP Tank - $30k)
Solar Power Panels	300	
Reseals		
Robe Terrace	20	
Story Road	9	
Oyster Drive	19	
Kimba Road (Lincoln Hwy to Melrose)	40	
Fisher Street	8	
Williams Street	5	
Jacob Street	9	
Lucky Bay Access Road	22	
Resheeting		
Mitchellville Rd	307	
Plant & Equipment		
Skidsteer Loader (tracked	80	
Prime Mover	180	
Hilux Utility	40	
CEO vehicle	70	
CWMS - Pumps & Aerators	20	per AMP
Total Renewal & Replacement of Existing Assets	**1,279**	
New & Upgraded Assets:		
Cowell-Kimba Sealed Road Upgrade	1,965	66% Funded by SLRP grant
Marina Building Upgrade	200	Enclosing outdoor area for new tenant as well as purchase of kitchen equipment.
Farr St Sub Division	1,947	Refer commentary that follows
Total New & Upgraded Assets	**4,112**	
Total Capital Expenditure	**5,391**	

6. Capital Expenditure – Farr St Project

The Farr Street subdivision is a premium 37 block land release overlooking Franklin Harbour in Cowell.

Many years of research, planning and effort see this project now shovel ready, fully costed and backed with $779k of grant funding from the Office of Regional Housing (Renewal SA).

This project has many benefits including, alleviating our very limited supply of building blocks (during a period of unprecedented demand), it will contribute to increased population and economic prosperity, and given the premium nature of these blocks it is likely to raise not just housing stock quantity but also quality and therefore liveability and amenity. We anticipate the first 12 blocks will be sold and settled by the end of the 25/26 financial year, and all blocks will be sold in the following two financial years. We will require some short term debt to construct the infrastructure for this subdivision but by the end of year two the project will be cash flow positive/profitable.

This project will ultimately result in a welcome injection of funds to council, the fact that a large proportion of the construction work will be undertaken directly by council will greatly enhance this result. The much larger and ongoing financial benefit will be the generation of significant additional rate income into perpetuity. Once completed, this project will contribute greatly to the ongoing sustainability of this small regional council, and the economic prosperity of the area.

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 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.

	Forecast 2024-25 $,000	**Budget 2025-26 $,000**
Operating Surplus *divide by*	214	123
Operating Revenue	5,456	5,554
Operating Surplus Ratio	3.9%	2.2%

The operating surplus ratio from the proposed budgeted activity for the year is 2.2%, meaning that operating revenue is sufficient to cover operating expenses and depreciation. Management will review this throughout the year and look to generate additional revenue and reduce costs through implementing efficiencies where possible.

7.2 Asset Renewal Funding Ratio (ARFR)

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

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 Council's Asset Management Plan.

	Forecast 2024-25 $,000	**Budget 2025-26 $,000**
Net Asset Renewals *divided by*	505	1,279
Asset Renewals as per the Infrastructure & Asset Management Plan	964	1,279
Asset Sustainability Ratio	52%	100%

A result in the range of 90% to 110% would indicate that Council is replacing its assets in a timely manner. The asset renewal funding ratio for the 2025-26 is 100% which indicates that Council is replacing the same amount of assets as identified as being due for renewal in the asset management plan in the 2025-26 financial year.

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

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

Net financial liabilities are a comprehensive measure of the indebtedness of the Council as they include items such as employee long-service leave entitlements and other amounts payable as well as taking account of the Council's available cash and investments. Specifically, net financial liabilities equal total liabilities minus 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 of 30 June 2026:

Calculation of Net Financial Liabilities Ratio	**$,000**
Trade & Other Payables	142
Borrowings	6,017
Provisions	2,754
Total Liabilities	**8,914**
Less Financial Assets:	
Trade & Other Receivables	303
Total Financial Assets	**303**
Equals: Net financial liabilities (NFL)	**8,582**
Operating Income (Opinc)	5,554
Net Financial Liabilities Ratio (NFL divide Opinc)	**155%**

Net financial liabilities are forecast to be $8.2M as of 30 June 2026. There are some significant identifiable components included in this forecast, CWMS borrowings of approximately $2.2M as well as lease liabilities of $2.3M in relation to the Cowell cottages. The CWMS loan has an income stream that steadily repays this over several years whilst the Cowell cottage provisions have identifiable assets that offset these liabilities but are not recognised in the calculation of the NFLR.

It is anticipated that the Farr St Project will create a net cash surplus of Approx $2M. This will significantly reduce the forecast level of borrowings over the next few years. The project is expected to be completed by 2027, with all blocks having been sold by the end of 2027-28 financial year.

7.4 Overall Assessment of Council's Financial Sustainability

The Operating Surplus Ratio is within the target range of 0% to 10% of operating income.

The result of 100% in the Asset Renewal Funding Ratio indicates that sufficient funds have been allocated in this plan to renew Councils existing assets as identified in Council's asset data base.

Council's long term financial plan contains a financial strategy (refer section 11) that steadily allows Council to reduce borrowings over time without impacting on services provided to the community. An additional $2M cash surplus is expected from the Farr Street Project which will significantly reduce borrowings in due course.

Accordingly, this Annual Business Plan & Budget is financially sustainable.

8. Non-Financial Performance Measures – 2025-26

In addition to the legislative performance measures, Council is required to develop non-financial performance measures.

The strategy reference refers to the strategic objectives identified in Council's Strategic Management Plan.

Strategic Direction 1 – Pause, Prioritise, Plan, Implement

Review and build on the 2010 Masterplan for an updated plan with priorities and proposed scheduling developed in consultation with the community. (Strategy 1.2)

Strategic Direction 2 – Grow for a more sustainable future

- Identify the roles the Council can and will play in relation to economic development (including tourism and the visitor economy), then develop and implement a fit for purpose economic development plan, as recommended in the URPS 'Franklin Harbour Growth Strategy' of May 2023, that reflects the Council's roles (Strategy 2.2)
- Continue to identify opportunities to improve livability. Develop, maintain and prioritise a livability 'wish list', and continue striving to make this a region of choice, to live work and relax. (Strategy 2.3) – Farr Street redevelopment and Cowell Entry Statements and Landscaping

Strategic Direction 3 – Think outside the square

Engage specialist advisors to engage with Elected Members and staff to review costs recovery and pricing for utility functions (CWMS, waste management, potable water, road maintenance when affected by freight, Cowell Cottages) and also identify opportunities to broaden the Council's revenue base. (Strategy 3.2)

Strategic Direction 4 – Act with Independent Advice on Climate Change Actions

Develop and implement coastal hazard adaptation plans. (Strategy 4.1)

Strategic Direction 5 – Refine the Organisations Focus

Develop and implement an online customer action request system.

9. 2024-25 Annual Business Plan Achievements

Community Welfare

Identify appropriate community health services and lobby relevant government agencies - Maintain a strong relationship with Eyre Peninsula Far North Health Network and SA Health (Strategy 1.01)

Economic Development

- Assist with the provision of infrastructure to facilitate economic development - Continue with progressing the Foreshore Development to enhance the towns attractiveness and livability, attract new residents, and to provide a foundation for future business opportunities and investment in the local economy (Strategy 2.04) –Wetland area and large area of landscaping
- Ensure that Council has adequate land available to enable the town to grow and attract new residents (Strategy 2.04) – Grant funding to cover Infrastructure costs to enable land release.
- Establish fast venture at new foreshore site (Strategy 2.04) – Commercial Building at Foreshore listed with an agent for lease. – ongoing
- Develop and implement an appropriate tourism and economic development strategy (Strategy 2.01) – Complete earthworks/revegetation/signage and delineation of 23 new camping sites at Rangeview (Port Gibbon) and 8 sites at the Port Gibbon Caravan Park. These sites to be integrated with the online booking system

Natural & Built Environment

- Provide high quality footpaths and Roads (Strategy 3.06) – upgrade Cowell-Kimba Road - SLRP grant funding
- Provide high quality footpaths and roads (Strategy 3.06) – Repair / Rebuild Flood damaged road network
- Enhance the aesthetics of our township's environment (Strategy 3.05)– Cowell Entry Statements and landscaping (subject to grant funding approval)

Governance & Organisation

Ensure the ongoing review of Council's Strategic Plans (Strategy 4.01) – Update the Cowell Master Plan and Strategic Management Plan

10. Grant Funding

Council will receive the following grant funding in 2025-26:

- **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 Grants	**Amount $,000**
Financial Assistance Grants - General Purpose	1,222
Financial Assistance Grants - Identified Local Roads	309
Financial Assistance Grants - Supplementary Local Roads	109
Roads to Recovery	221
Libraries	3
Adapting to Change Grant	60
CWMS Solar Power Grant	150
Total Operating Grant Funding	**2,074**
Amounts received for new/upgraded assets	
Special Local Roads Program – Cowell Kimba Road	1,310
Renewal SA - Farr St Grant	507
Sale of Farr St Blocks	978
Total Capital Grant Funding	**2,795**
Total Grant Funding	**4,869**

11. Funding the Business Plan

The Council's long-term financial sustainability is dependent on ensuring that, on average over time, its expenses are less than its revenue.

Council's revenue in 2025-26 includes $2.477M proposed to be raised from general and other rates which have been increased by March 2025 CPI of 2.4% plus 0.6% above CPI.

CWMS charges are scheduled to increase by 3% plus $50 per unit in line with Councils ongoing strategy to reach a charge that allows full cost recovery as required by the Local Government Act 1999.

Other sources of proposed revenue for the Council are:

- User charges and commercial revenue
- Statutory charges set by State Government
- Grants
- Other revenue

12. 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).

UNIFORM PRESENTATION OF FINANCES	Forecast 2024-25 $000	Budget 2025-26 $000
Operating Revenue	5,456	5,554
less Operating Expense	(5,241)	(5,431)
Operating Surplus / (Deficit) before Capital Amounts	**214**	**123**
less Net Outlays on Existing Assets		
Capital Expenditure on Renewal and Replacement of Existing Assets	385	1,279
less Depreciation, Amortisation & Impairment	(1,348)	(1,598)
less Proceeds from Sale of Replaced Assets	0	(98)
Net Outlays on Existing Assets	**(963)**	**(268)**
less Net Outlays on New & Upgraded Assets		
Capital Expenditure on New & Upgraded Assets	883	4,112
less Amounts Specifically for New or Upgraded Assets	(377)	(2,795)
less Proceeds from Sale of Surplus Assets	0	0
Net Outlays on New & Upgraded Assets	**506**	**1,317**
Net Lending / (Borrowing) for Financial Year	**672**	**(777)**

The result of -$777k indicates that Council is receiving less income than it is spending when considering Council budget in aggregate. Therefore, the amount will be covered with borrowings.

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

13. Rating Arrangements 2025-26

Method used to value land

The Council may adopt one of three valuation methodologies to value the properties in its area. They are:

- Capital Value – the value of the land and all improvements on the land
- Site Value – the value of the land and any improvements which permanently affect the amenity of use of the land, such as drainage works, but excluding the value of buildings and other improvements.
- Annual Value – a valuation of the rental potential of the property.

The District Council of Franklin Harbour uses capital value as the basis for valuing land within its 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 provides a fair indicator of overall property value.
- The distribution of property values throughout the Council area is such that some ratepayers will pay more and some less depending on fluctuations of property value.

Rating information for 2025-26

In setting its rates for the 2025-26 financial year the Council considered the following:

- The current economic climate and relevant factors such as inflation and interest rates.
- The specific issues faced by our community, e.g. the effects of seasonal variations for the farming community.
- The need to continue to replace and upgrade infrastructure assets that include both plant and machinery and our road network.
- The objective of attracting and continuing to attract and support business activity to generate economic development.
- Council's strategic plan and the meeting of those objectives.
- The budget for the 2025-26 financial year and the long-term financial plan.
- Householders, businesses and primary producers.
- The broad principle of achieving equity in the distribution of rates.
- Minimising the level of general rates required by levying fees and charges for goods and services where that is possible.
- Setting fees and charges to recover the full cost of operating or providing the services of goods, with provision for concessions to those members of the community unable to meet the full cost.
- Considering changes to Council valuations by the Valuer-General.
- Submissions made during the Public Consultation process.

Adoption of valuations

The Council has considered the valuations made by the Valuer-General effective as at **29/06/25**. If a ratepayer is dissatisfied with the valuation made by the Valuer-General then the ratepayer may object to the Valuer-General in writing, within 60 days of receiving notification of the valuation, explaining the basis for the objection to State Valuation Office, GPO Box 1354, ADELAIDE SA 5001 or email lsgobjections@sa.gov.au.

Business impact statement

The Council has considered the impact of rates on all businesses in the Council area, and in particular primary production. Council has also considered the equity of the distribution of the rate burden between ratepayers; Council's policy on facilitating local economic development; current local, state and national economic conditions; changes in the valuation of business and primary production properties; and specific Council projects for the coming year and specific infrastructure maintenance issues.

Council's Revenue Raising Powers

All land within a Council area, except for land specifically exempt (e.g. Crown Land, Council occupied land and other land prescribed in the Local Government Act 1999 – refer Section 147 of the Act), is rateable. The Local Government Act provides for a Council to raise revenue for the broad purposed of the Council through a general rate, which applies to all rateable properties, or through differential general rates, which apply to classes of properties. In addition, Council can raise separate rates, for specific areas of the Council or services rates or charges for specific services. Council also raises revenue through fees and charges, which are set giving consideration to the cost of the service provided and any equity issues. The list of applicable fees and charges is available at the Council Office, 6 Main Street Cowell.

Differential rates

In accordance with the provisions of Section 153 of the Local Government Act 1999 Council has decided to impose differential general rates on the following properties, based on land use and zoning.

	ABP 2024-25 $,000	**ABP 2025-26 $,000**	**$,000 increase**	**% increase**
Residential	695	716	21	3%
Commercial – Shop	14	14	0	3%
Commercial – Other	35	36	1	3%
Industry – Light	11	11	0	3%
Industry – Other	41	42	1	3%
Commercial (Bulk Handling) Zone	66	68	2	3%
Primary Production	693	714	21	3%
Vacant Land & Other	144	148	4	3%
Total expected rate revenue from General Rates (excluding rebates and remissions that are not discretionary rebates or remissions)	**1698**	**1749**	**51**	**3%**

The use or zoning of the land is used as the factor to levy differential rates. If a ratepayer believes that a particular property has been wrongly identified by the Council as to its use or zoning, then they may object to the Council within 21 days of being notified.

It is important to note that the lodgement of an objection does not change the due date for payment of rates.

Fixed charge

Council over the past few years has adopted a fixed charge as a part of its rating policy. The fixed charge for 2025-26 will be $505, an increase of 3% from the 2024-25 fixed charge.

Service Charges

Community Wastewater Management Scheme

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 2026, in respect of the prescribed service of effluent waste disposal, on all land to which the Council provides or makes available the services as follows:

- CWMS Port Gibbon Maintenance Fee $551
- CWMS Cowell Maintenance Fee $525
- CWMS Cowell Capital Fee $460

Port Gibbon Water Supply 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 2026, in respect of the prescribed service of water supply, on all land to which the Council provides or makes available the Port Gibbon Water Supply as follows:

- Port Gibbon Water Supply $345

Lucky Bay Water Supply 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 2026, in respect of the prescribed service of water supply, on all land to which the Council provides or makes available the Lucky Bay Water Supply as follows:

- Lucky Bay Water Supply $345

Kerbside Bin Collection

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 2026, in respect of the prescribed service of one (1) Kerbside bin collection, on all land to which the Council provides or makes available the service as follows:

- Kerbside Bin Collection (140L Bin) $335
- Kerbside Bin Collection (240L Bin) $397

Additional Bin Collections

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 2026, in respect of the prescribed service of additional Kerbside bin collections, on all those that utilise the service as follows:

- Additional Bin Collections $258/bin

Rebates

Section 159 to 166 of the Local Government Act, 1999 pertains to the Rebate of Rates.

Council is required to provide statutory rebates to schools, churches, hospitals, and Commonwealth / State Government land under Section 159 to 165 of the Local Government Act, 1999.

Late payment of rates

The Local Government Act provides that Councils impose a fine of 2% on any instalment unpaid after the due date. At the expiration of each full month from the due date, interest is charged at the prescribed percentage of the total in arrears and unpaid rates. This does not include interest from previous months.

Council issues a final notice for payment of rates when rates are overdue, i.e. unpaid by the due date. Should rates remain unpaid more than 21 days after the issue of the final notice, then the Council may refer the debt to a debt collection agency for collection. The debt collection agency charges collection fees that are recoverable from the ratepayer.

When Council receives a payment in respect of overdue rates 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.

Fourth – in payment of rates, in chronological order (starting with the oldest account first).

Regional Landscape Levy

The Regional Landscape Levy is a State Government initiative under the Landscape South Australia Act 2019.

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 Franklin Harbour region.

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

For 2025-26, the Council's annual contribution to the Eyre Peninsula Landscape Board is $143,692.

Postponement of rates for seniors

Section 182A of the Local Government Act 1999, that allows eligible Senior Ratepayers to postpone a proportion of their council rates each financial year commencing 2007/2008, provides for a threshold amount of rates that cannot be postponed. The threshold is set at $500.00 annually. The outstanding rates will attract interest (i.e. the scheme is non-concessional) and will remain a charge on the property until the property is sold or that person no longer lives on the property or becomes ineligible to continue the postponement.

Payment of rates

Payment of rates will be in four instalments due September 2025, December 2025, March 2026, and June 2026.

Payment can be made at the Council Office, 6 Main Street, Cowell during normal office hours from 9:00am to 5:00pm Monday to Friday, by cash, cheque or most credit cards, or can be made by post to PO Box 71, Cowell SA 5602 by cheque or money order payable to the District Council of Franklin Harbour. Payments may also be made by direct Bank Transfer.

Sale of land for non-payment of rates

The Local Government Act 1999 provides that 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 amounts and advise the owner of its intention to sell the land if payment is not received within one month.

Except in extraordinary circumstances or approval has been granted for postponement of Rates, the Council enforces the sale of land for non-payment of Rates.

Difficulty in paying rates

Rates are payable in full or in four separate quarterly instalments. However, Section 182 of the Local Government Act 1999 permits the Council on the application of a Ratepayer to partially or wholly remit Rates or to postpone Rates on the basis of hardship.

If any ratepayer is experiencing financial difficulties and would like to discuss an alternative agreeable payment plan this flexibility is also available.

Contact the District Council of Franklin Harbour on 8629 2019 for a confidential discussion.

APPENDIX A – EXPLANATION OF UNIFORM PRESENTATION OF FINANCES

(example only for explanation purposes – left blank intentionally)

UNIFORM PRESENTATION OF FINANCES	2024-25 Forecast $'000	2025-26 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 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 2024-25 $,000	Budget 2025-26 $,000
INCOME		
Rates	2,375	2,477
Statutory Charges	40	37
User Charges	862	918
Grants, Subsidies & Contributions - Operating	1,922	2,074
Investment Income	14	10
Reimbursements	161	10
Other Revenues	82	28
Total Operating Income	**5,456**	**5,554**
EXPENDITURE		
Employee Costs	1,456	1,405
Materials, Contracts & Other Expenses	2,273	2,274
Depreciation	1,348	1,598
Finance Charges	163	153
Total Operating Expenditure	**5,241**	**5,431**
OPERATING SURPLUS/(DEFICIT)	**214**	**123**
Grants, Subsidies & Contributions - Capital	258	0
Amounts Received Specifically for New Assets	377	2,795
NET SURPLUS / (DEFICIT) transferred to Equity Statement	**849**	**2,918**

STATEMENT OF FINANCIAL POSITION	Forecast 2024-25 $,000	Budget 2025-26 $,000
ASSETS		
CURRENT ASSETS		
Cash & Cash Equivalents	0	0
Trade & Other Receivables	303	303
Inventories	29	29
Total Current Assets	**332**	**332**
NON-CURRENT ASSETS		
Infrastructure, Property, Plant & Equipment	50,994	54,688
Total Non-Current Assets	**50,994**	**54,688**
TOTAL ASSETS	**51,326**	**55,020**
LIABILITIES		
CURRENT LIABILITIES		
Trade & Other Payables	142	142
Borrowings	383	398
Short Term Provisions	763	763
Total Current Liabilities	**1,288**	**1,304**
NON-CURRENT LIABILITIES		
Long Term Borrowings	4,858	5,619
Long Term Provisions	1,991	1,991
Total Non-Current Liabilities	**6,849**	**7,610**
TOTAL LIABILITIES	**8,137**	**8,914**
NET ASSETS	**43,189**	**46,107**
EQUITY		
Accumulated Surplus	35,692	38,610
Asset Revaluation Reserve	7,462	7,462
Other Reserves	35	35
TOTAL EQUITY	**43,189**	**46,107**

STATEMENT OF CASH FLOW	Forecast 2024-25 $,000	Budget 2025-26 $,000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts		
Operating Receipts	5,660	5,544
Investment Receipts	14	10
Payments		
Operating Payments to Suppliers & Employees	3,921	3,679
Finance Payments	163	153
Net Cash Provided by (or used in) Operating Activities	**1,590**	**1,722**
CASH FLOWS FROM INVESTING ACTIVITIES		
Receipts		
Grants Specifically for New or Upgraded Assets	377	2,795
Sale of Replaced Assets	0	98
Payments		
Expenditure on Renewal/Replaced Assets	385	1,279
Expenditure on New/Upgraded Assets	883	4,112
Net Cash Provided by (or used in) Investing Activities	**(891)**	**(2,498)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts		
Proceeds from Borrowings	0	777
Payments		
Repayment of Borrowings	699	0
Net Cash Provided by (or used in) Financing Activities	**(699)**	**777**
Net Increase / Decrease in Cash	0	0
Cash and Cash Equivalents at start of reporting period	0	0
CASH & CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD	**0**	**0**

STATEMENT OF EQUITY	Forecast 2024-25 $,000	Budget 2025-26 $,000
ACCUMULATED SURPLUS		
Balance at end of previous reporting period	34,843	35,692
Net Result for Year	849	2,918
Transfer from Reserves	0	0
Transfer to Other Reserves	0	0
Balance at end of period	**35,692**	**38,610**
ASSET REVALUATION RESERVE		
Balance at end of previous reporting period	7,462	7,462
Gain on Revaluation of Property Plant & Equipment	0	0
Balance at end of period	**7,462**	**7,462**
OTHER RESERVES		
Balance at end of previous reporting period	35	35
Transfers from Accumulated Surplus	0	0
Transfers to Accumulated Surplus	0	0
Balance at end of period	**35**	**35**
TOTAL EQUITY AT END OF REPORTING PERIOD	**43,189**	**46,107**