

**ANNUAL BUSINESS PLAN – 2016/17**

**DISTRICT COUNCIL OF LOWER EYRE PENINSULA**



**Annual Business Plan – 2016/17**

**ADOPTED 15 JULY 2016**

# ANNUAL BUSINESS PLAN – 2016/17

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# ANNUAL BUSINESS PLAN – 2016/17

## 1. INTRODUCTION

The Annual Business Plan sets out the Council's proposed programs and projects for the 2016/17 year and aims to provide efficient services for the community. The plan continues progress towards the longer term objectives for the District set out in the Strategic Management Plan adopted by the Council on 29 April 2016. The Strategic Plan update is the first review by the new Council that was elected in November 2014 and will be next reviewed in 4 years time.

The Annual Business Plan has been developed to provide an overall operating profit of \$806,000 or 14.39% of General Rate revenue. It is noted that in the 2016/17 year Council will receive an additional \$385,500 from Roads to Recovery funding that needs to be reported as Operating Income even though the money is being spent on Capital projects, thus resulting in an inflated profit figure. This level of profit is considered to be sound within the Local Government Industry, and reflects the Council's Long Term Financial Plan which has been developed to ensure that the Council is financially viable over the next ten years.

The draft budget imposes an average rate increase of 2.8% across the Council district on the following basis:

- |  |       |
|--|-------|
| • Consumer Price Index change  | 0.70% |
| • Road funding increase based on 0.7% to service loans taken for road sealing projects and 0,35% for increased road maintenance effort | 1.05% |
| • Recovery of on costing by State Government by Imposition of a rubble royalty scheme  | 0.65% |
| • Asset Management program upgrade to ensure on-going viability in asset management  | 0.40% |

The Annual Business Plan is presented on a Full Cost Attribution (FCA) basis. FCA is used to allocate indirect costs to the various functions of Council, including capital projects and other operating activities. For example an administration employee is required to re-allocate some of their time to cemeteries expenditure based on the amount of time they spend dealing with cemetery related work. This process applies to all staff with the exception of outside works employees whose time is allocated directly to the jobs they work on.

A full summary of Business Activity initiatives is included in Section 8 of the Business Plan, including the Port Lincoln Airport, Coffin Bay Caravan Park, Cummins Homes and Community Waste Water Management Schemes.

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### **1. INTRODUCTION**

**cont'd**

Roads, Rubbish and Community Support continue to be a major focus of the Annual Business Plan and comment has been made in regard to significant initiatives in Section 9 of the plan.

Feed back from the Community during the public consultation process was appreciated to assist Council decision making in the formulation of the Annual Business Plan.

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### **2. COUNCIL PROFILE**

The District Council of Lower Eyre Peninsula is largely a rural community, interspaced with small country and coastal towns. The extensive east and west coasts of Council's boundaries provide magnificent fishing and surfing beaches, complimented by breathtaking views of rugged cliffs, idyllic picnic-spots and the beauty of the colour-changing Marble Ranges. The major industries of agriculture, aquaculture, fishing and tourism are recognised as being of primary significance to the State's economy. Mining proposals have the potential to provide significant economic benefit to the region.

The Council encompasses an area of 4,754 square kilometres with 709 km of coastline and the resident population is projected to grow to 5079 in the coming year. The population base in the Lincoln fringe area has continued to grow and together with steady growth in seaside townships is seen as a reflection of significant optimism in the future of our district.

Council is responsible for maintaining a road network of 1,345 km of which 143 km is sealed.

The most significant business activity owned and operated by Council is the Port Lincoln Airport, which plays a vital role in the transport system serving Eyre Peninsula. The airport has catered for approximately 185,000 passenger movements in the past 12 months and 16,000 aircraft movements annually.

Council owns and operates sixteen independent living units in Cummins for elderly citizens and also owns the Coffin Bay Caravan Park, with the operation of this facility leased to independent managers.

Council's head office is in Cummins and a branch office is maintained in Port Lincoln.

Works Depots and associated staff are located in Cummins and at the Port Lincoln Airport. Council has a work force of forty two employees and contracts out a number of specialised functions and major projects.

Council also maintains:

- Four boat ramps (North Shields, Coffin Bay, Dutton Bay and Farm Beach);
- The North Shields, Dutton Bay and Louth Bay Jetties;
- Numerous reserves;
- Investigator Trail (in conjunction with the City of Port Lincoln) and the Oyster Walk in Coffin Bay; and,
- Six playgrounds, being in Coffin Bay Foreshore, Louth Bay, Tulka, North Shields, Cummins Railway Triangle & the Lions Park near Port Lincoln.

Facilities provided by other organisations in the area include a Medical Clinic and Hospital with hostel accommodation at Cummins, provision for students from 3 months (Rural Care) to year 12 at Cummins Area School and Primary Schools at Lake Wangary and Poonindie, while a wide range of recreational and sporting facilities are maintained throughout the district.

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### 3. STRATEGIC MANAGEMENT PLAN

Council reviewed and adopted its Strategic Management Plan in April 2016 after engaging a consultant to assist with the process that included wide public consultation and input from the community.

In compiling the current strategic plan Council adopted the following Vision, Mission Statement and Core Values/Principles.

#### **Vision**

*“To promote and inspire safe, prosperous and inclusive rural and coastal communities.”*

#### **Mission Statement**

*“To assist our community achieve its economic and social potential through services, programs and advocacy and responsible management”*

### **STRATEGIC PLAN OBJECTIVES**

The Strategic Plan objectives are split into five key function areas;

#### **Objectives**

##### **1. Infrastructure & Services**

*Council recognises that appropriate Public infrastructure and assets are among the highest priorities that the community expects and demands from local government. Council will maintain and improve Councils infrastructure and assets to support economic and social development of the district.*

##### **2. Community Wellbeing**

*Council aspires to provide an appropriate level of amenity and support to maintain and improve the wellbeing of the community and recognises that the willingness of residents to live, work and recreate within the district is enhanced through the provision of quality health and educational institutions and the amenity of the area, including well maintained streetscapes, parks and reserves. Continued support and encouragement of local community groups and organisations to undertake their activities is seen as important by Council to assist in maintaining the attitude of self-help that has existed almost uniquely within the Lower Eyre Peninsula communities over many years.*

##### **3. Economic**

*Council will work to promote its area and provide a supportive framework to assist the development and expansion of private enterprise in recognition that small/medium enterprises are significant employers and are major contributors to the economic well being of the district.*

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### **4. Responsible Governance**

*Council will provide vision and leadership in a stable environment reflecting a high level of integrity and accountability to the community.*

*Operating within the State Government legislative framework, namely the Local Government Act 1999 and associated regulations, the Council will diligently discharge its duties in providing a range of services and advocating for facilities and services on behalf of the community and business sector.*

### **5. Statutory**

*The Council operates within a highly legislated and regulated environment that both influences and dictates its administrative functions and a range of services provided to the community.*

*Council will at all times discharge its statutory responsibilities to aid the safety of the community in a fair and courteous manner while enforcing the activities vested in the Council as outlined by the relevant legislation.*

The five key functions are each supported by further sub-headings that list the intended goal of the particular function, and the actions Council will undertake to achieve the goals. The full copy of the Strategic Plan is available on Council's website: [www.lowereyrepeninsula.sa.gov.au](http://www.lowereyrepeninsula.sa.gov.au)

The following table provides detail of the projects and services that will be delivered in the 2016/17 Annual Business Plan and Budget to meet the objectives set out in the Strategic Plan.

This detail includes comment on the following: -

- Council services specifically identified in the Strategic Plan, in particular where increased commitment from Council is identified in the plan
- Capital projects proposed in 2016/17 to meet the identified strategic objectives
- Existing Administration Resources used to address particular strategic plan objectives

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GOALS AND STRATEGIC ACTIONS		Mtce Expenditure / Capital Allocation	Capital Works Reference	Action	Measure / Comment
<b>INFRASTRUCTURE &amp; SERVICES</b>					
<b>I&amp;S1</b>	Maintain kerbside collection and Waste Transfer Stations in line with the Waste Management Level of Service Standards.	Mtce \$952,000	Nil	- Weekly Kerbside Waste Collection undertaken. - Waste transfer stations available in Cummins and Coffin Bay.	- Contractual arrangements in place for collection of kerbside waste. - Transfer stations operating in line with established procedures and operating times within budget constraints.
<b>I&amp;S2</b>	Explore opportunities for joint Council contracts for the collection and disposal of waste streams such as domestic and business waste, recyclable products and effluent.	Administrative Function	Nil	A review of Waste collection and disposal contracts is commenced in January 2017.	Review undertaken and consideration given to sourcing the best value product and cost for Council.
<b>I&amp;S3</b>	Implement Council's Rural Roadside Vegetation Management Policy.	Mtce \$115,000	Nil	Work is undertaken along rural roadsides in line with council policy.	Maintenance undertaken in line with Council budget.
<b>I&amp;S4</b>	Maintain and where practical improve the standard of Council owned rural roads in line with Council's Road Network Level of Service Standards and the Asset and Infrastructure Management Plan.	Mtce \$580,000 Capital \$1,043,000	E1	Resheeting and patrol grading programs are undertaken in line with the Capital Works Program and budget	- Patrol grading undertaken in line with established Road network service standards - Resheeting undertaken on identified roads in line with Council budget. \$339,500 carried over from 2015/16
<b>I&amp;S5</b>	Maintain and where required Improve the standard of urban roads by progressively sealing roads subject to high traffic volumes and supporting expanding residential populations.	Mtce \$329,000 Capital \$3,170,000	D9, D14, E2 D11, D12, E2	Sealing projects: - Wattle Drive, Tulka \$98,000 - Sanctuary Drive, Boston \$493,000 - Unallocated Capital Reseals \$362,000 Works carried over from 2015/16 and previous Strategic Plan - Flinders Highway Upgrade \$1,617,000 - Penmarric Lane Construction \$30,000 - Bratten Way Reseals \$231,000	A sealing program is in place which has been assessed using the Level of service for road network to ensure transparency in the assessment of prioritised roads and work has been undertaken in line with identified priorities in the Capital Works Program and budgetary allowances.
<b>I&amp;S6</b>	Expand staff knowledge and resources in the development and implementation of a best practice approach to the management of a quality road network .	Administrative Function	Nil	Internal workshops to create standardised processes and quality controls.	Training budget expended.



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GOALS AND STRATEGIC ACTIONS	Mtce Expenditure / Capital Allocation	Capital Works Reference	Action	Measure / Comment
<b>INFRASTRUCTURE &amp; SERVICES CONT'D:</b>				
<b>I&amp;S7</b> Develop a street scape amenity plan for each major town.	Capital \$36,000	F9	A street scape amenity plan was created for the Cummins Township in 2015/16 with a view to using as a template for other townships in future budgets. \$36,000 has been allocated in 2016/17 to carry out identified works in Cummins.	Plan created and implemented / budgeted.
<b>I&amp;S8</b> Maintain and upgrade Council reserves in accordance with the Community Land Management Plan.	Mtce \$120,000 Capital \$73,000	F2, F17, F22	<ul style="list-style-type: none"> <li>- Annual maintenance undertaken on reserves in line with Community Land Management Plans</li> <li>Capital Works</li> <li>- Upgrade seating and signage near boat ramp at Mount Dutton Bay \$12,000</li> <li>- Railway Triangle - Relocate Information board \$12,000</li> <li>Works carried over from 2015/16</li> <li>- Relocate Airport canopy to Coffin Bay Lookout \$30,000</li> <li>- Relocate Airport canopy to Tulka Reserve \$19,000</li> </ul>	<ul style="list-style-type: none"> <li>- Annual maintenance undertaken on reserves in line with budget.</li> <li>- Capital works completed.</li> </ul>
<b>I&amp;S9</b> Footpaths and trails maintained and developed in accordance with the Footpath Strategic Plan.	Mtce \$82,000 Capital \$129,000	I2, I6, I8, I9, I10	<ul style="list-style-type: none"> <li>Footpaths to be installed in 2016/17 at:</li> <li>- Coffin Bay, Jubilee Drive, Hotel to Morgan Road \$23,000</li> <li>- Cummins, Bruce Tce - Opposite Deli to secondary rail crossing, CWA house to Bratten Way \$46,000</li> <li>Carried over from 2015/16</li> <li>- Cummins, Hall Street \$12,000</li> <li>- Coffin Bay, Esplanade to Hotel \$48,000</li> <li>- A review of the Footpath Strategic Plan is due to commence in 2017/18.</li> </ul>	<ul style="list-style-type: none"> <li>- Annual maintenance undertaken on reserves in line with budget.</li> <li>- Capital works completed.</li> </ul>
<b>I&amp;S10</b> Maintain and upgrade public conveniences within Council townships and at important tourist locations.	Mtce \$117,000 Capital \$103,000	C3	<ul style="list-style-type: none"> <li>Carried over from 2015/16</li> <li>Public conveniences to be installed and landscaped at Sleaford Bay. \$103,000</li> </ul>	<ul style="list-style-type: none"> <li>- Annual maintenance undertaken on reserves in line with budget.</li> <li>- Capital works completed.</li> </ul>

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GOALS AND STRATEGIC ACTIONS	Mtce Expenditure / Capital Allocation	Capital Works Reference	Action	Measure / Comment
<b>INFRASTRUCTURE &amp; SERVICES CONT'D:</b>				
<b>I&amp;S11</b> Develop and implement a playground Strategic Plan.	Administrative Function	Nil	No action - Review of the Playground Strategic Plan is scheduled to be undertaken in 2017/18.	N/A
<b>I&amp;S12</b> Maintain and upgrade playgrounds in accordance with the Playground Strategic Plan.	Capital \$18,000	B9	Lions Park - Boston, additional equipment to be purchased and installed \$18,000 Existing playgrounds maintained and inspected regularly.	- Capital works completed - Existing playgrounds inspected quarterly and maintained in line with current budget.
<b>I&amp;S13</b> Street lighting standards are maintained or improved in accordance with the Street Lighting Strategic Plan.	Mtce \$70,000 Capital \$27,000	K6, K7	- Haigh Drive/Lincoln Hwy intersection, Titatukia \$5,000 - Hirchausen Road, Poonindie \$22,000 - The above capital installations commence implementation of the Street Lighting Strategic Plan.	- Annual maintenance undertaken on reserves in line with budget. - Capital works completed.
<b>I&amp;S14</b> Maintain and improve the standard of Council cemeteries in accordance with the Cemetery Management Plan	Mtce \$24,000 Capital \$40,000	M6	- Specific targeting of improvements to the grounds of Non operational cemeteries - Maintenance undertaken in line with budgetary allowances. Works carried over from 2015/16 - Cummins cemetery upgrade \$40,000	- Annual maintenance undertaken on reserves in line with budget. - Capital works completed.
<b>I&amp;S15</b> Enact administrative requirements in accordance with the Burial & Cremations Act 2013, and to ensure the dignified treatment of human remains by the allocation of sufficient resources.	Administrative	Nil	A suite of appropriate and compliant cemetery policies, procedures and forms will be in place to manage Council cemeteries.	Policies and procedures implemented.

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GOALS AND STRATEGIC ACTIONS	Mtce Expenditure / Capital Allocation	Capital Works Reference	Action	Measure / Comment
<b>COMMUNITY WELLBEING</b>				
<b>C1</b> Encourage the retention of, and where appropriate provide new access to the coastline for the local community and visitors alike, whilst working in conjunction with responsible State Government agencies to protect and ensure sustainable use of the extensive coastline of the Council area.	Capital \$25,000	F11	North Shields - Beach access to be constructed off Easton Road \$51,000	Capital works completed.
<b>C2</b> On Council's coastal reserves, ensure appropriate signage identifying known high risks and highlighting the conservation values to assist the community in protecting the habitat of those areas.	Administrative	Nil	Coastal signage audit is undertaken to identify areas requiring additional signage.	Signage installed and fit for purpose.
<b>C3</b> Participate in the development of a Coastal Access Strategy in conjunction with the EPLGA and RDAWEP.	Administrative Function	Nil	As opportunities arise.	
<b>C4</b> Review Council's Climate Change Adaption Report, and implement where necessary in the interests of community safety.	Administrative Function	Nil	No action identified for 2016/17	Review and enact recommendations from DCLEP Climate Adaptation Report scheduled for 2018/19
<b>C5</b> Monitor climate change impacts on Council's coastal towns and settlements and take the appropriate actions to reduce identified impacts where resources permit.	Administrative	Nil	No action identified for 2016/17	N/A
<b>C6</b> Mitigate the potential negative impact of stormwater run off from coastal towns or settlements.	\$55,000	J7	Stormwater drainage improvements to be completed in identified locations within the Boston Township	Works completed and successfully diverting stormwater to appropriate locations.
<b>C7</b> Continue to provide 'Community & Sports Groups Capital Grants' to assist with the upgrading of local facilities.	\$41,000	Nil	Community Capital and Reserves Grants available annually to community groups and organisations.	Grants allocated.
<b>C8</b> Support strategic upgrading of sporting, recreation and community facilities in the Council area.	Administrative Function	Nil	Provision of the services of a Community Development Officer to assist groups accessing funding.	Officer available to assist groups with funding applications.
<b>C9</b> Provide recycled water to improve community assets where feasible.	Nil	As Identified	Recycled water is made available to the Coffin Bay Golf Club & the Cummins Oval	

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GOALS AND STRATEGIC ACTIONS	Mtce Expenditure / Capital Allocation	Capital Works Reference	Action	Measure / Comment
<b>COMMUNITY WELLBEING CONT'D:</b>				
<b>C10</b> Provide a community bus in association with the Cummins & District Enterprise Committee and the Cummins Community Bank to provide a medium of transport for disadvantaged persons, business groups and the wider community for social events.	\$2,000	Nil	The community bus is administered by Council and made available for the use of the community in line with Council policy.	Bus available for community use and maintained to an appropriate standard.
<b>C11</b> Ensure annual budget allocations and staff cars are made available for Red Cross Community Transport Services.	\$2,000	Nil	A Memorandum of Understanding is entered into with the Red Cross Port Lincoln to enable access to vehicles for the purpose of patient transportation.	Memorandum signed and vehicles made available.
<b>C12</b> Promote local community groups and events through a range of services and funding initiatives.	Administrative Function	Nil	- Council highlights summarising the events of the Council meeting sent to community representative groups, and placed on web site - Promotion of events on Council facebook page	Facebook and council highlights advertise community groups and events.
<b>C13</b> Retain the position of a part time Community Development Officer to support local community groups.	\$8,000	Nil	Community Development Officer position continued.	Officer engaged.
<b>C14</b> Provide 'Community Reserves Support Grants' to assist with local initiatives.	\$15,000	Nil	Grants provided to the community annually.	Grants allocated.
<b>C15</b> Support the youth of our community through the Youth Advisory Committee.	\$3,000	Nil	Community Development Officer provides administrative / coordination support for the Youth Advisory Committee	Youth Advisory Committee are supported in their activities.
<b>C16</b> Work with the State Recovery Office to prepare an Emergency Response Plan for the Council area that will ensure a unified and appropriate response is planned and resourced ahead of an event to enable Council to support the community in the aftermath of a natural disaster.	Administrative Function	Nil	Subject to R&D Grant received from Local Government Association, a suitably qualified person shall be engaged to prepare a Community Recovery Plan for DCLEP through consultation with the community and stakeholders.	R&D grant prepared and Emergency response plan created for use amongst all Councils.

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GOALS AND STRATEGIC ACTIONS	Mtce Expenditure / Capital Allocation	Capital Works Reference	Action	Measure / Comment
<b>COMMUNITY WELLBEING CONT'D:</b>				
<b>C17</b> Facilitate the establishment of a committee to review support services and accommodation needs of the elderly aimed at enhancing the lives of older people living at home or in aged care. The terms of reference for the committee include but are not limited to assessment of existing and future services, public and private facilities and land availability where necessary in order to meet identified needs.	Administrative Function	Nil	investigate the needs of the elderly in communities covered by DCLEP, currently and into the future, leading to the development of a business case for financial investment in the needs of our elderly	A report identifying the future needs of DCLEP communities is prepared and made available to stakeholders.
<b>C18</b> Advocate for, and where appropriate provide reasonable resources to support the establishment of health facilities and to progress initiatives that will support improved health outcomes for the community.	Administrative Function	Nil	investigate the needs of the elderly in communities covered by DCLEP, currently and into the future, leading to the development of a business case for financial investment in the needs of our elderly	A report identifying the future needs of DCLEP communities is prepared and made available to stakeholders.
<b>C19</b> Implement actions from the Regional Health Plan within resourcing constraints.	Administrative Function	Nil	Review the plan to determine actions able to be implemented by Council.	Implement identified actions.

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<b>ECONOMIC DEVELOPMENT</b>				
<b>E1</b> Work cooperatively with the Department of Water, Environment and Natural resources, Eyre Peninsula Natural Resource Management Board, SA Water and other relevant Government agencies to pursue a quality, sustainable and expanded water supply.	Administrative Function	Nil	As opportunities arise.	
<b>E2</b> Support initiatives to improve power, water and telecommunication infrastructure for the region.	Administrative Function	Nil	As opportunities arise.	
<b>E3</b> Maintain & develop relationships with government, airlines and other stakeholder interests to ensure the prosperity of the airport.	Administrative Function	Nil	Airshow planned for October 2016, creating opportunities for stakeholders and airline relationship building.	Airshow event successful .
<b>E4</b> Advocate for initiatives that preserve and enhance the transport infrastructure of the region, including: · Rail retained and upgraded to be the principal mover of grain and mining produce across the region; · Highways upgraded to improve safety of road users; and · Reduce conflict between social and freight movements.	Administrative Function	Nil	As opportunities arise.	
<b>E5</b> Support the Eyre Peninsula Natural Resource Management Board, government agencies, agricultural interests and the community to ensure sustainable land management practices are utilised.	Administrative Function	Nil	As opportunities arise.	
<b>E6</b> Elected Members and relevant staff participate in appropriate land management forums conducted in the region.	Administrative Function	Nil	As opportunities arise.	
<b>E7</b> Actively support the establishment of locally based value added business initiatives.	Administrative Function	Nil	As opportunities arise.	

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GOALS AND STRATEGIC ACTIONS	Mtce Expenditure / Capital Allocation	Capital Works Reference	Action	Measure / Comment
<b>ECONOMIC DEVELOPMENT CONT'D:</b>				
<b>E8</b> Work with relevant agencies to encourage development of business activity and initiatives conducive to ensuring young residents have the option of remaining and working in the area e.g. RDAWEP	Administrative Function	Nil	As opportunities arise.	
<b>E9</b> Consider the social & environmental impacts on the DCLEP community of mining proposals while seeking to maximise economic benefits.	Administrative Function	Nil	As opportunities arise.	
<b>E10</b> Ensure that appropriate quantities and availability of industrial & residential land exists in key towns.	Administrative Function	Nil	Review Industrial land needs to support industry growth and development, and determine the approach of Council to accommodating such need for industrial land	The future need for Industrial land is assessed by Council and approach of Council to accommodating the land needs is determined
<b>E11</b> Utilise the Council website to provide links to businesses locally and regionally.	Administrative Function	Nil	Staff actively pursue articles for the website to promote business.	Links are installed on Council's website.
<b>E12</b> Support tourism opportunities by promoting the area, its facilities and attractions both locally and to the broader tourist market.	Administrative Function	Nil	As opportunities arise.	
<b>E13</b> Along with Eyre Peninsula Councils and other stakeholders assist with funding of a Regional Tourism Officer employed by Regional Development Australia Whyalla & Eyre Peninsula.	\$10,000	Nil	Continue to provide funding for regional Tourist Officer.	Budget consideration provided.
<b>E14</b> Engage with the South Australian Tourism Commission to explore opportunities for the airport to grow and expand its role as a visitor gateway to the Lower Eyre Peninsula.	Administrative Function	Nil	Meet with SATC Airport staff to discuss opportunities for the Port Lincoln Airport	Minimum of one meeting held between Council staff and SATC staff
<b>E15</b> Promote significant tourism destinations via Council website with links to regional websites.	Administrative Function	Nil	Links to regional websites are provided on the Council website.	Links are installed on Council's website.
<b>E16</b> Explore opportunities with the South Australian Tourism Commission to promote our region as an area of high quality coastal experiences.	Administrative Function	Nil	As opportunities arise.	

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<b>ECONOMIC DEVELOPMENT CONT'D:</b>				
<b>E17</b> Invest in tourism infrastructure at significant tourist locations including the Port Lincoln Airport and Council owned Caravan Parks and Camp grounds.	Refer to Long Term Financial Plan – Business Activities		Port Lincoln Airport - Runway Reseal \$611,000 - Road Upgrades \$53,000 - Taxiway extension \$205,000 - General Carpark extension \$52,000 - Lighting Upgrades \$15,000 Caravan Park and Camp Grounds - Coffin Bay Caravan Park, Install Fire Hose Reels \$58,000 - Farm Beach Camp Ground, Install concrete slab, tables and chairs at Gazebo \$7,000	Capital works completed.



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GOALS AND STRATEGIC ACTIONS	Mtce Expenditure / Capital Allocation	Capital Works Reference	Action	Measure / Comment
<b>GOVERNANCE</b>				
<b>G1</b> Undertake biennial reviews of Councils rating methodology, to ensure fairness for both built up and rural land owners.	Administrative Function	Nil	Undertake review of rating methodology taking into account all of the facilities provided to each township, interrogating the methodology of assessment , and giving appropriate consideration to the future needs of each community.	Review undertaken to ensure fairness in a transparent and fair manner.
<b>G2</b> Review Council business activities annually (Airport, Cummins Homes, Coffin Bay Caravan Park, Community Waste Water Management Schemes) to ensure they represent value to the ratepayers.	Administrative Function	Nil	Review LTFP Business activities (PLA, Caravan Park, Cummins homes)	Long Term Financial Plan reviewed annually.
<b>G3</b> Enact appropriate policies and procedures to ensure the financial transparency of Council, the minimisation of risk is sufficient and that Council is compliant with the Financial Regulations and codes.	Administrative Function	Nil	Internal controls are considered and where improvement is required, enacted.	Internal Controls are in place to the satisfaction of Council's auditor and in line with the provisions of the Local Government Act and associated regulations.
<b>G4</b> Review the Infrastructure & Asset Management Plan to ensure the asset figures are current and replacement of assets and infrastructure is planned and resourced sufficiently.	Administrative Function	Nil	A review of the Asset & Infrastructure management plan will be commenced in August 2016.	Review completed.
<b>G5</b> Review the Community Engagement Strategy on an annual basis to ensure it provides for flexibility in engagement options and remains tailored to the current needs of the community.	Administrative Function	Nil	A review of the Community Engagement Strategy will be carried out .	Review completed.
<b>G6</b> Review the make up of Community Reference Groups on an annual basis to assist in their effectiveness in representing their respective communities.	Administrative Function	Nil	Review of the community engagement strategy will include an update of contact details and consideration will be given to the effectiveness of each group.	Review completed and policy updated.
<b>G7</b> Encourage smaller communities to establish their own local resident 'data bases' and 'news feeds' to engender connection within individual areas and to provide a communication avenue for Council.	Administrative Function	Nil	Review of community engagement strategy to include updating contact details for community reference groups Consider alternative avenues for community consultation	Additional avenues for consultation are identified and utilised.

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GOALS AND STRATEGIC ACTIONS	Mtce Expenditure / Capital Allocation	Capital Works Reference	Action	Measure / Comment
<b>GOVERNANCE CONT'D:</b>				
<b>G8</b> Develop and implement the Customer Service Standards which outline the level of service customers can expect for a variety of Council's services.	Administrative Function	Nil	Implement DCLEP Customer Service Levels by December 2016.	Customer service levels are in place
<b>G9</b> Allocate internal resources for the review of Governance practices once in the term of the Council.	Administrative Function	Nil	Governance Review due in 2018/19.	N/A
<b>G10</b> Regularly review internal practices and procedures utilising independent parties where considered necessary.	Administrative Function	Nil	Manage Internal Controls in line with Council's auditor recommendations	Review undertaken, report considered and where appropriate, actions implemented.
<b>G11</b> Allocate sufficient resourcing to ensure the safety of our employees and compliance with the Work Health & Safety Act 2012 and to meet the required Performance Standards for Self Insured Entities.	Administrative Function	Nil	Annual budget allowances in training and the continued engagement of a Work Health & Safety Administration officer.	Training budget expended.
<b>G12</b> Represent and advocate for residents, community groups and business to other levels of government or agencies where regional, social or economic development activity is considered to be of benefit to the region or is consistent with the strategic objectives of Council.	Administrative Function	Nil	As opportunities arise.	
<b>G13</b> Elected Members and staff will participate in forums, meetings and other activities involving the Local Government Association, Eyre Peninsula Local Government Association or relevant government agencies.	Governance & Administrative Function	Nil	As opportunities arise.	
<b>G14</b> Actively engage in regional collaboration initiatives in conjunction with other Local Government entities for the betterment of our region.	Administrative Function	Nil.	EPLGA conference hosted by DCLEP in February 2017.	EPLGA Conference completed.
<b>G15</b> Maintain effective working relationships with State & Federal Governments and agencies.	Administrative Function	Nil	As opportunities arise.	

## ANNUAL BUSINESS PLAN – 2016/17

GOALS AND STRATEGIC ACTIONS	Mtce Expenditure / Capital Allocation	Capital Works Reference	Action	Measure / Comment	
<b>STATUTORY RESPONSIBILITY</b>					
<b>S1</b>	Maintain the current level of dog control and enforcement services in accordance with the Animal Management Plan.	\$34,000	Nil	Manage animal compliance in line with Councils Animal Management Plan	General inspector engaged.
<b>S2</b>	Review the Council's Animal Management Plan in 2017.	Administrative Function	Nil	No action due in 2016/17	Review of DCLEP Animal Management Plan due in 2017/18
<b>S3</b>	Undertake a Master Plan review of Cummins and Coffin Bay Townships between 2016/17 and 2018/19.	Administrative Function	Nil	Planning and budget provision has been considered and where appropriate, action commenced.	Where a need has been identified, review undertaken.
<b>S4</b>	Undertake a Section 30 review in line with requirements of the Development Act 1993, to ensure that the area is developed in an orderly and economically sustainable fashion.	Administrative Function	Nil	Strategic Directions Committee coordinate the review.	Review commenced / undertaken.
<b>S5</b>	Undertake Development Plan Amendments where a Section 30 review has identified the need for the rezoning of land.	Administrative Function	Nil	Dependant upon above action being undertaken and appropriate budgets.	Those Development Plan Amendments identified in the Section 30 review, commenced subject to resourcing availability.
<b>S6</b>	Assess the opportunity for the employment of specialist planning and development staff to support Councils across the region.	Administrative Function	Nil	In conjunction with the CoPL and DCTB Councils continue to work towards a streamlining of development practices.	Meetings held to discuss opportunities.
<b>S7</b>	Participate in the development and implementation of Bushfire Management Area Plans for our district and region.	Administrative Function	Nil	Provide active provision of comment and input in Regional and State plans where opportunities arise.	As opportunities arise.
<b>S8</b>	Implement recommendations of the Bushfire Management Area Plan by inclusion in Council annual budgets	\$80,000	Nil	Implement the works program associated with the LEP BMAP.	Identified works are undertaken.
<b>S9</b>	Support CFS Community Education initiatives which inform and assist landholders to be prepared for bushfires and to build community resilience.	Administrative Function	Nil	Share information on Council's website, newsletters, facebook page as available.	Information available on Council's website.
<b>S10</b>	Consider opportunities for retro-fitting road linkages to improve fire access / egress in township and rural living areas	Administrative Function	D28	Consider opportunity to retrofit roads in rural living area within budget constraints and subject to landowner willingness to discuss options.	Where possible, retrofitting undertaken.

## ANNUAL BUSINESS PLAN – 2016/17

GOALS AND STRATEGIC ACTIONS	Mtce Expenditure / Capital Allocation	Capital Works Reference	Action	Measure / Comment
<b>STATUTORY RESPONSIBILITY CONT'D:</b>				
<b>S11</b> Activate the Local Bushfire Prevention Committee to gain local knowledge and expertise from local CFS representatives	Administrative Function	Nil	Reform the DCLEP Bushfire Prevention Committee	Committee reformed and meeting.
<b>S12</b> Undertake Food Act inspections as required by legislation.	\$8,000	Nil	Annual inspections required.	Inspections undertaken.
<b>S13</b> Undertake an annual review of Council's Environmental Health resourcing arrangements to ensure they meet the needs of the Council.	Administrative Function	Nil	Review Environmental Health resourcing arrangements to ensure they meet the needs of Council	Environmental Health Officer engaged and enacting the requirements of the relevant legislation on behalf of Council.

## ANNUAL BUSINESS PLAN – 2016/17

### 4. SIGNIFICANT INFLUENCES AND PRIORITIES

A number of significant factors have influenced the preparation of the Council's 2016/17 Annual Business Plan, including: -

- Consumer Price Index increase of 0.7% based on the Adelaide CPI for the year ended March 2016
- Local Government Price Index (LGPI) for year ended March 2016 increased by 0.7%
- Strategic Plan developed in 2015/16 that sets out the proposed capital projects and service standards Council aim to deliver
- Enterprise Bargaining Agreements to provide for annual wages and salary rises
- Contract renewal tied to CPI movements
- New fees/charges/requirements imposed by other levels of government:  
eg Waste Management legislative requirements, Increased Governance standards
- Requirement to maintain and improve infrastructure assets to acceptable standards including roads, footpaths, street lighting, stormwater drainage, boat ramps, walking trails, reserves, garbage collection and Council properties
- Service and infrastructure needs of developing areas
- The cost of delivering core Council services such as waste management and road making

In response to these factors, and to minimise the burden on rate-payers, the annual business plan has been prepared within the following guidelines:

The annual business plan will result in the total revenue raised through general rates increasing by 2.8% on existing properties. This increase reflects the following factors:

- Movement in the Consumer price Index. 0.7%
- Strategic Objectives (as detailed in the Introduction) 2.1%
  - Increasing loan repayments on sealed road loan borrowings.
  - Increased expenditure on road maintenance etc.
  - Rubble royalties payable to the State Government.
  - Asset Management.

An additional \$75,200 of general rate revenue will be raised from new development which Council will be required to service. This new development consists of the creation of new subdivisions and building construction on properties.

## ANNUAL BUSINESS PLAN – 2016/17

### 5. COUNCIL SERVICES

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

- Governance activities
  - 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
- Regulatory Requirements such as animal management and fire prevention
- Management of basic infrastructure including roads, footpaths, parks, public open space, street lighting, storm-water drainage, walking trails and boat ramps
- Street cleaning and rubbish collection and disposal
- Development planning and control, including building safety assessment
- Various environmental health services

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

- Youth Services
- Aged & Disabled Services
- Community Development
- Cemetery management
- Provision of public conveniences
- Foreshore maintenance
- Library support
- Swimming Pool contribution
- Sport & Recreation support (including grants for Community groups)
- Drum Muster program
- Authorised Landing Areas
- Tourism contributions
- Camping Reserves
- Health Services
- Community Bus

## ANNUAL BUSINESS PLAN – 2016/17

### 6. COUNCIL SERVICES – CASH BUDGET (FCA not included)

The following is a summary of Council’s budgeted cash operating expenditure for the 2016/17 year by function.

#### Administration

Employee Costs	1,260,900	
Insurance	36,400	
Elected Member / DAP	142,000	
IT Licenses / Support	144,400	
Other Administration Expenses	457,400	2,041,100

#### Public Order & Safety

Fire prevention	35,000	
Dog Control	22,000	
Miscellaneous	2,500	59,500

#### Health

Immunisation	3,000	
Ambulance Contribution	2,000	
Food Act Compliance	8,000	
Miscellaneous	300	13,300

#### Social Security & Welfare

Youth Services	3,000	3,000
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#### Housing & Community Amenities

Cummins Homes Maintenance	68,700	
Town Planning		
- Section 30 Review	20,000	
- General Consultants including Appeal costs	97,000	
- Development Miscellaneous	5,500	
Community Development	94,000	
Sanitation & Garbage		
- Waste Management	675,500	
- Transfer Station Operations	146,000	
- Illegal Dumping Recovery	1,500	
- E-Waste Disposal	1,000	
- Street Cleaning	30,000	
Effluent Maintenance	451,400	
Stormwater Drainage		
- Stormwater Maintenance	40,000	
Other Community Amenities		
- Cemeteries	24,000	
- Standpipes	8,000	
- Street Lighting	97,000	
- Public Convenience Maintenance	116,700	1,876,300

## ANNUAL BUSINESS PLAN – 2016/17

### 6. COUNCIL SERVICES – CASH BUDGET

(cont'd)

#### Protection of the Environment

##### Foreshore Maintenance

- General	12,000	
Natural Resource Management Levy*	284,400	296,400

#### Recreation & Culture

##### Library

- Cummins Community Library	35,000	
- City of Port Lincoln Library	5,000	
- Community Information Grant	3,800	
- Insurance	1,100	
Australia Day Ceremony	1,300	

##### Sport & Recreation

- Cummins Swimming Pool	17,000	
- Community Bus	47,000	
- Reserves Support Grants	23,000	
- Reserves Maintenance	115,800	
- Walking Trails Maintenance	25,000	
- Halls (Cummins Institute, Big Swamp insurance)	41,000	
- Community Project Support	61,500	
- Brinkworth Reserve Contribution	5,000	
- Other Sport & Recreation	3,000	384,500

#### Agricultural Services

Aleppo Pine Removal	2,000	
Drum Muster	8,000	10,000

#### Mining Manufacturing & Construction

Building Rules Assessment	10,700	10,700
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#### Transport and Communication – Roads

Sealed Road Maintenance	255,000	
Unsealed Road Maintenance	620,000	875,000

#### Transport and Communication – Other

Bridges Maintenance	1,000	
Footpath Maintenance (General)	70,000	
Port Lincoln Airport	1,198,400	
Authorised Landing Area Maintenance	7,500	
Roadside Furniture	60,000	
Boat Ramp		
- General maintenance	20,000	
- Mount Dutton Bay upgrade	15,000	
Jetty Maintenance		
- General maintenance	10,000	
- Underwater Inspections	26,000	
- Mt Dutton Bay hand rail	10,000	1,417,900



**ANNUAL BUSINESS PLAN – 2016/17**

**6. COUNCIL SERVICES – CASH BUDGET**

(cont'd)

**Economic Affairs**

Tourism	21,400	
Caravan Park & Camping Grounds		
- Coffin Bay (Insurance & general maintenance)	8,400	
- Louth Bay (Insurance & general maintenance)	4,000	
- Cummins (Insurance & general maintenance)	1,500	
- Farm Beach (Insurance & general maintenance)	5,500	
- Farm Beach (Gazebo & BBQ area)	12,200	
Miscellaneous	100	53,100

**Unclassified Expenditure**

Council Radios	6,500	
Rental Property Maintenance	1,000	
Private Works	8,000	
Donations	8,300	
Insurance	8,000	
Works Dept Administration Salaries	347,200	
Works Dept Wages Overheads	392,700	
Other Works Dept Overheads	294,500	
Machinery Operating Costs	500,000	
SEPS	11,000	1,577,200

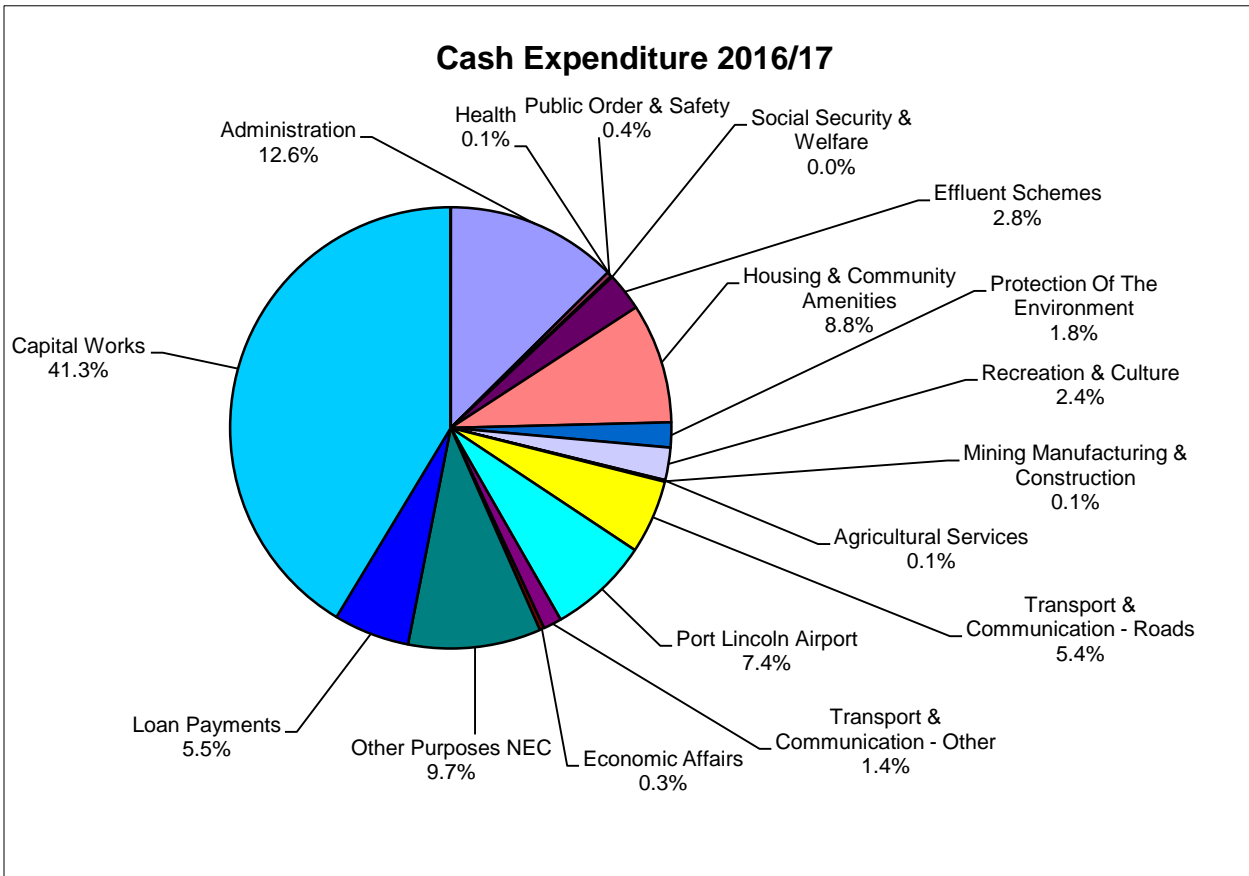
Loan Repayments	899,900	899,900
Capital Works	6,709,300	6,709,300
SEPS Contribution	0	0

**Total Cash Expenditure** **16,227,200**

\* Council collects revenue for the NRM Levy and forwards funds on to the NRM Board.

# ANNUAL BUSINESS PLAN – 2016/17

## 7. CASH EXPENDITURE GRAPH - 2016/17 FINANCIAL YEAR



## ANNUAL BUSINESS PLAN – 2016/17

### 8. SELF FUNDING ACTIVITIES

Council undertakes the following business activities on a fee for service basis which provide services to either specific groups or provide a benefit to the region as a whole:-

#### 8.1 *Port Lincoln Airport*

##### **Port Lincoln Airport**

Council continues to own and operate the Port Lincoln Airport as a self funding activity with user charges meeting the costs associated with the facility and providing reserve funds for future requirements.

The Master Plan for the airport was reviewed in 2015/16, while Council will be reviewing the Airport Business Plan in relation to management of the airport in coming years.

The following capital works have been budgeted to be completed in 2016/17;

- Main Runway Upgrade - \$611,000
- Taxiway Extension - \$205,000
- Upgrade existing roads - \$53,000
- General Carpark extensions - \$52,000
- Lighting Upgrades - \$15,000

Other minor capital works including plant & equipment have been budgeted at a cost of \$74,500

A return on Council's investment is taken from the Reserve amounting to six percent of the operating income for the year. In relation to the 2016/17 budget the return on investment for the Council is \$118,800.

The airport is budgeted to make an operating profit of \$202,000 in 2016/17.

## ANNUAL BUSINESS PLAN – 2016/17

### 8. SELF FUNDING ACTIVITIES

(cont'd:)

#### 8.2 *Coffin Bay Caravan Park*

Council has upgraded the two ablution blocks at the caravan park in recent years largely funded by loan borrowings being repaid over a 10 year period.

The caravan park is budgeted to have a deficit accumulated cash loss of \$166,000 at 30 June 2016, with no significant improvement of this position expected prior to pay out of the loans, the first of which will be finalised in the 2017/18 year.

The lease of the Caravan Park expires on 31 December 2016, with further Rights of Renewal being subject to a review of rent based on occupancy levels.

A Fire Hose Mains System is required to be installed throughout the park as required by the Building Fire Safety Committee. The total cost is \$90,000 to be completed over two years, with \$58,000 allocated in 2016/17 to complete the installation.

The Caravan Park is budgeted to make an operating profit of \$19,900 in the 2016/17 financial year.

## ANNUAL BUSINESS PLAN – 2016/17

### 8. SELF FUNDING ACTIVITIES

(cont'd:)

#### 8.3 *Cummins Homes for the Aged*

Council owns and operates sixteen rental accommodation units for aged and disabled people in Cummins. The Cummins Homes Committee is continually investigating options to make the units more appealing to tenants and their families.

A one bedroom unit has been converted into two bedrooms in 2015/16 and it is hoped that this will make the unit more appealing and dependant upon feedback and interest further upgrades may be considered in the future.

\$50,000 has also been allocated to renovate 2 bathrooms.

Previously one self contained unit was set aside to be utilised by families visiting tenants of the Cummins Homes or visiting family members in the Cummins hospital or hostel. Due to high demand this unit is now being rented on a permanent basis.

While the trend has been for elderly people to stay longer in their own homes it is pleasing for the operation of the homes that all units are currently occupied.

Council has budgeted in the 2016/17 financial year to transfer \$3,000 from the Cummins Homes Reserve to provide for the capital works being undertaken this year. The reserve will now have a deficit accumulated cash deficit of \$83,500 at 30 June 2017 however interest is being paid back to Council on this amount.

A small operating profit of \$1,500 is projected in the 2016/17 financial year.

**8. SELF FUNDING ACTIVITIES**

(cont'd:)

**8.4 Community Wastewater Management Scheme (CWMS)**

Council manages four Community Wastewater Schemes, which service Cummins, North Shields, Coffin Bay and a part of Tulka. The reserves for these schemes have been consolidated; however, financial records will continue to be recorded for each of the schemes to enable staff to monitor the performance of each scheme.

The effluent levy charged to landowners at each location is the same. This is on the basis that land owners in each location are provided with the same, or a very similar level of service for their money.

The Business Plan has been developed using an occupied levy of \$455, with an understanding that further increases may be required in the future to ensure the long term sustainability of the schemes. It is relevant that the subsidy provided through the State Government for new CWMS schemes is apportioned on the assumption that Councils are charging in line with the SA Water sewerage rate, and that this is the amount which Council's would need to charge to ensure viability of a new scheme. It is noted that Council's current effluent levy is significantly below both the SA Water sewerage rate and the Statewide average charge for CWMS connections.

Council considers the current fee charged for CWMS connections to be adequate based on current costs however the fee will be subject to yearly review.

In reviewing the future increases to CWMS levies, Council will make every endeavour to keep the levy to the minimum amount required for future replacement, operation and maintenance of the four schemes.

The enactment of the Water Industry Act 2012 caused local governments which provide Community Waste Water Treatment Systems (CWMS) and in some instances potable water supplies to be under the same provisions as those faced by SA Power Networks, SA Water and other large scale utility providers. The legislation effectively added the Essential Services Commission of South Australia (ESCOSA) and the Office of the Technical Regulator (OTR) to the list of government agencies that require routine reporting on CWMS and water supply and re-supply systems.

As a result of the state government legislation the District Council now is required to pay an annual licence fee of \$6,000 to ESCOSA. Whereas previously CWMS owners/operators reported to the Department of Health (DH) and the Environmental Protection Agency (EPA) the requirement for ESCOSA requires three reports on different aspects and the OTR requires an annual report plus the preparation and review of multiple documents.

Whilst any provider of services should look to progressive review and improvement, the net result of the legislation will not result in an improved CWMS service but rather an increase in administrative and operating costs that could lead to higher service charges.

## ANNUAL BUSINESS PLAN – 2016/17

### 8. SELF FUNDING ACTIVITIES

(cont'd:)

#### 8.4.1 Consolidated CWMS Schemes

The following details the capital works to be undertaken in 2016/17.

- Tulka CWMS Expansion and Upgrade - \$3,000
  - Creation of easements
  
- Cummins Pump Station Upgrades - \$289,000
  - Required to complete two pump upgrades, line relay at Bratten Way and relocate two flushing points.

Council has budgeted in the 2016/17 financial year to transfer \$194,100 from the CWMS Reserve giving a reserve closing balance of \$63,600.

The CWMS's have a budgeted operating loss of \$73,000 in the 2016/17 financial year, including loan interest payment of \$10,600. The CWMS Operating Loss includes significant de-sludging program of \$163,200 in 2016/17 as Council continues its catch up on a backlog in the program. A more normal de-sludging program would be in the vicinity of \$100,000.

## ANNUAL BUSINESS PLAN – 2016/17

### 9. OTHER SIGNIFICANT ISSUES

#### 9.1 Road Funding

The Plan includes new road sealing projects including Wattle Drive, Tulka at a cost of \$98,000 and Sanctuary Drive, Boston at \$493,000, both projects fully funded by loan borrowings.

The upgrade of Flinders Highway from Winter Hill to Wine Shanty Road has been carried over from 2015/16 with an estimated cost of \$1,617,000 budgeted to complete the works in 2016/17 (\$62,000 was spent in 2015/16). The cash only total (Non FCA) of \$1,490,000 over two years will be funded by a State Government SLRP grant of \$745,000, Roads to Recovery \$326,000 and \$419,000 loan borrowings.

A Second Coat Seal is also required on Penmarric Lane, Boston totaling \$24,000 as a follow up to the recently completed road sealing project. \$32,000 has also been carried over to complete the original construction works.

Due to pavement failures on the Bratten Way a portion of the routine re-sealing budget for 2015/16 was not expended and has been put towards a more significant project to repair Bratten Way pavement failure. The cash only total (Non FCA) of \$200,000 for this project is comprised of \$120,000 carried over from 2015/16 and \$80,000 reallocated from the normal annual re-sheeting budget.

\$1,043,000 has been allocated for re-sheeting in 2016/17 however of this amount \$339,500 has been carried over due to unfavourable weather conditions not allowing some roads to be completed in 2015/16. Due to the high amount of works required to be carried over staff resources will not be available for the full normal allocation of re-sheets in 2016/17, therefore as mentioned above \$80,000 has been reallocated from the re-sheeting budget to Bratten Way repair.

In addition Council will spend \$362,000 on new capital resealing works and a further \$1,024,000 on road maintenance for both sealed and unsealed roads.

#### 9.2 Waste Management

Waste Management is budgeted to cost Council \$824,000 (Non FCA) in 2016/17. Kerbside collection and disposal costs amount to \$675,000, while the Waste Transfer Station Operations cost \$149,000. This means that Council are cash subsidising the Transfer Station operations to the extent of \$96,000 in 2016/17. The total net cost to Council of waste management amounts to 14.7% of general rate revenue.

*(continued)*



## ANNUAL BUSINESS PLAN – 2016/17

### 9. OTHER SIGNIFICANT ISSUES

(cont'd)

#### 9.3 *Machinery Replacement*

Plant purchases with a total changeover cost of \$719,000 have been included in the draft budget, including one grader and one tractor to be purchased from the Plant Reserve. The withdrawal from the plant reserve is \$400,000 for the grader and tractor as against calculated average plant reserve expenditure of \$218,000.

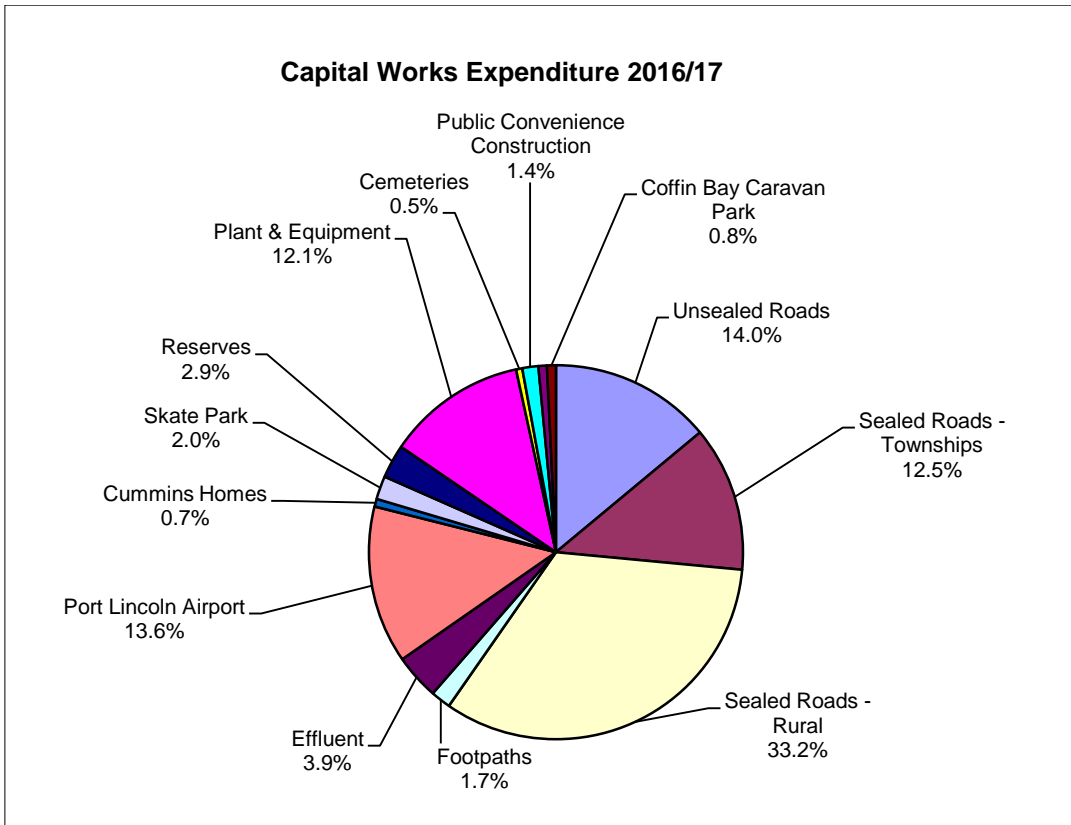
Other vehicle purchases include the acquisition of a new self propelled roller to Councils fleet to aid in future road construction works.

Council is also continuing the replacement of its utilities and light truck fleet as per its plant replacement program with two utilities and two trucks being replaced in 2016/17.

The plant reserve is budgeted to have a balance of \$38,000 at the end of the year.

# ANNUAL BUSINESS PLAN – 2016/17

## 10. CAPITAL WORKS EXPENDITURE GRAPH 2016/17



## **ANNUAL BUSINESS PLAN – 2016/17**

### **11. FUNDING THE BUSINESS PLAN**

Consistent with the aim of Council's long-term financial plan to be sustainable, an operating surplus of \$806,400 before Capital Amounts is budgeted in 2016/17. The operating surplus 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.

The operating surplus includes a combined operating profit of \$150,300 from self funding activities including the Port Lincoln Airport, Cummins Homes, Coffin Bay Caravan Park and the four Community Wastewater Management Schemes.

The net affect of this leaves an operating surplus of \$656,100 after deducting the profit from these specific self funding activities. It is noted that Council will receive a bonus payment from Roads to Recovery totalling \$385,500. This grant funding is required to be reported as Operating Income however the funds are spent on roads with the expenditure capitalised, resulting in an inflated operating surplus.

## ANNUAL BUSINESS PLAN – 2016/17

### 12. BUDGETED OPERATING STATEMENT

#### BUDGETED OPERATING STATEMENT FOR THE YEAR ENDED 30 JUNE, 2017

OPERATING REVENUE	2017 BUDGET \$	2016 ESTIMATE \$
Rates		
Rates General	5,599,500	5,373,300
Rates Other	1,020,900	943,900
Statutory Charges	163,400	199,900
User Charges	2,384,900	2,196,300
Operating Grants and Subsidies	1,610,800	1,793,800
Investment Income	66,500	76,000
Reimbursements	105,500	81,800
Gain on Disposal of Non-Current Assets		
Other	92,500	58,000
<b>TOTAL OPERATING REVENUE</b>	<b>11,044,000</b>	<b>10,703,000</b>
<b>OPERATING EXPENSES</b>		
Employee Costs	2,386,215	2,535,286
Materials Contractors & Other Expenses	4,577,828	4,175,167
Finance Charges	320,000	387,500
Depreciation Amortisation & Impairment	2,953,552	2,892,493
Loss on Disposal of Non-Current Assets		
<b>TOTAL OPERATING EXPENSES</b>	<b>10,237,594</b>	<b>9,990,446</b>
<b>Operating Surplus/Deficit before Capital Amounts</b>	<b>806,406</b>	<b>712,554</b>
<b>Net Gain (Loss) on disposal or revaluation of assets</b>		
<b>Amounts specifically for new or upgraded assets</b>	<b>308,000</b>	<b>1,024,000</b>
<b>Physical Resources received free of charge</b>		
<b>NET SURPLUS / DEFICIT</b>	<b>1,114,406</b>	<b>1,736,554</b>

## ANNUAL BUSINESS PLAN – 2016/17

### 13. SOURCES OF COUNCIL REVENUE

The Council's revenue in 2016/17 includes \$5.6 million proposed to be raised from general rates.

Other sources of revenue for the Council are:

**Service Charges.** The Community Waste Water Management Schemes (formerly known as STEDS) are used to collect funds for the operation and improvement of schemes to dispose of septic waste.

**Separate Rates.** Council collects the Natural Resource Management Levy on behalf of the Eyre Peninsula Natural Resource Management Board.

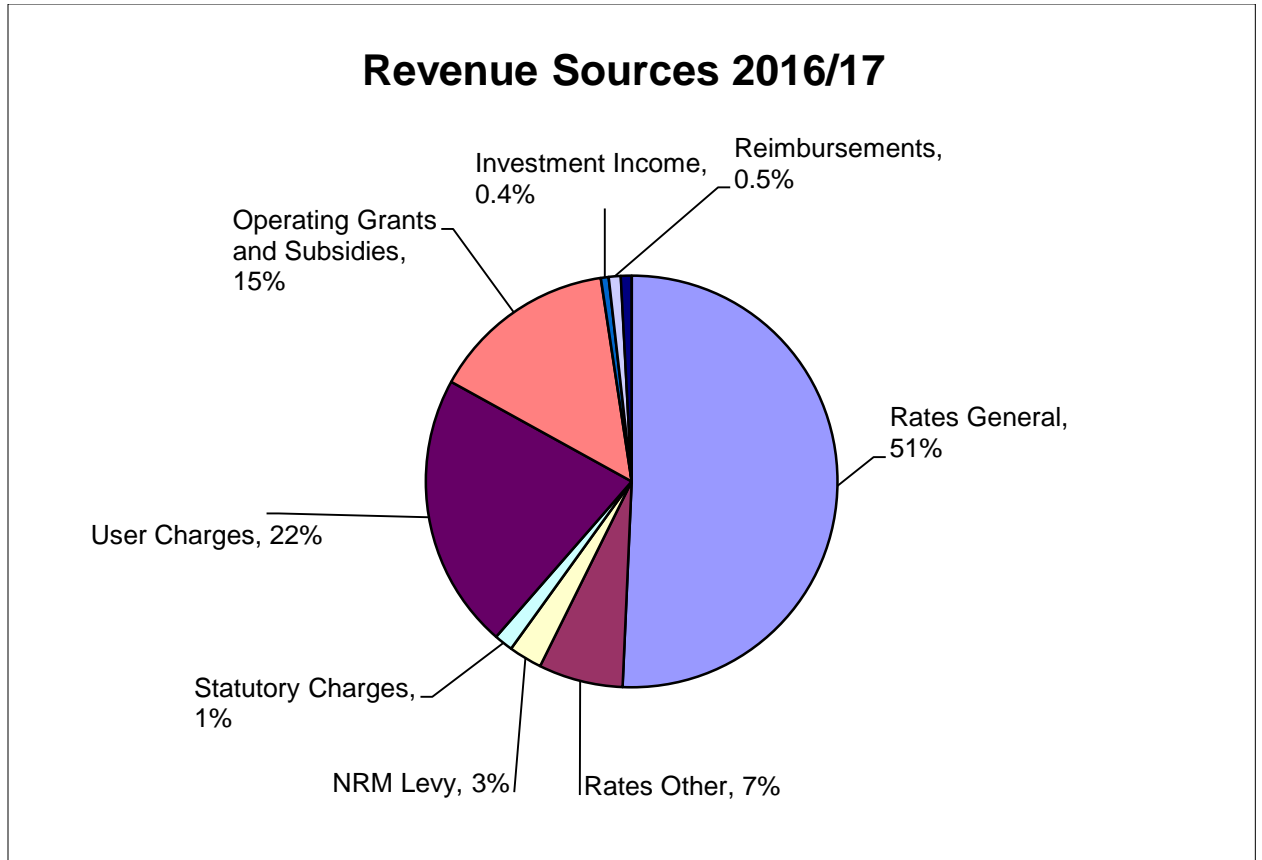
**User Pays charges set by Council.** These comprise charges for the Council's fee based facilities such as the Port Lincoln Airport, Cummins Homes, Caravan Parks and Camping Grounds, Cemeteries and Rental Properties.

**Statutory Charges set by State Government.** These are fees and charges set by regulation and collected by the Council for regulatory functions such as assessment of development applications. Revenues generally off-set the cost of the service.

**Grants and Partnerships.** The Council normally seeks to attract as much grant funding as possible from other levels of government, and major projects of wider State benefit are usually jointly funded in partnership with the State Government and other relevant parties.

**ANNUAL BUSINESS PLAN – 2016/17**

**14. GRAPH - REVENUE SOURCES FOR 2016/17 YEAR**



## ANNUAL BUSINESS PLAN – 2016/17

### 15. IMPACT ON COUNCIL'S FINANCIAL POSITION

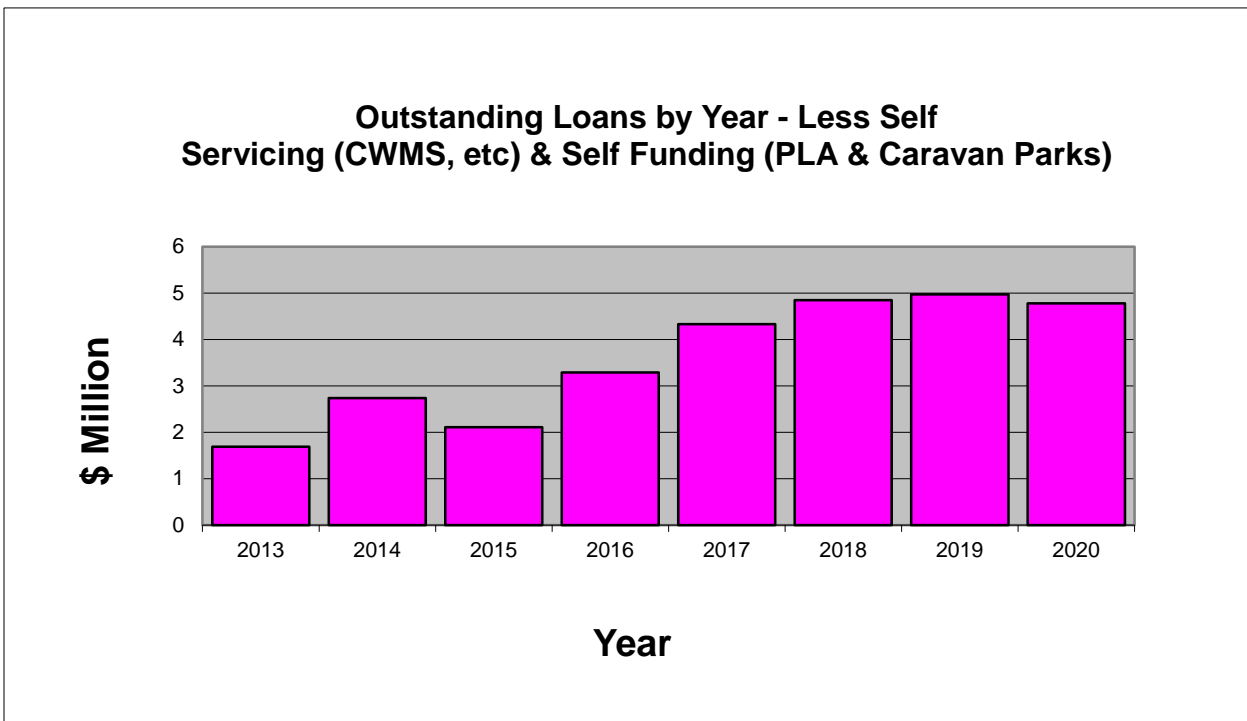
#### 15.1 Council Debt

To provide for the requirement to borrow for planned net outlays on existing and new assets in 2016/17, the Council's net borrowing in 2016/17 is expected to be \$1.45 million. Accordingly, the level of the Council's net borrowings is expected to increase by approximately \$433,000 to be \$7.75 million at 30 June 2017.

Of the \$7.75 million total borrowings, \$3.02 million is for a Cash Advance Debenture to support the Port Lincoln Airport Reserve in funding the recent Airport upgrade capital projects including the new Terminal, Land Acquisitions and Sullivan Drive realignment which is also funded by the Airport.

In addition, a significant component of Council's debt relates to other self servicing activities (eg Community Waste Water Management schemes or loans to community groups) or self funding activities (eg Port Lincoln Airport and Coffin Bay Caravan Park). After deducting loans related to these activities Council's projected debt as at 30 June 2017 is \$4.26 million.

The following graph also includes estimated borrowings to be taken in the 2018, 2019 & 2020 financial years to fund capital projects identified in Councils Strategic Plan.



## ANNUAL BUSINESS PLAN – 2016/17

### 15. IMPACT ON COUNCIL'S FINANCIAL POSITION

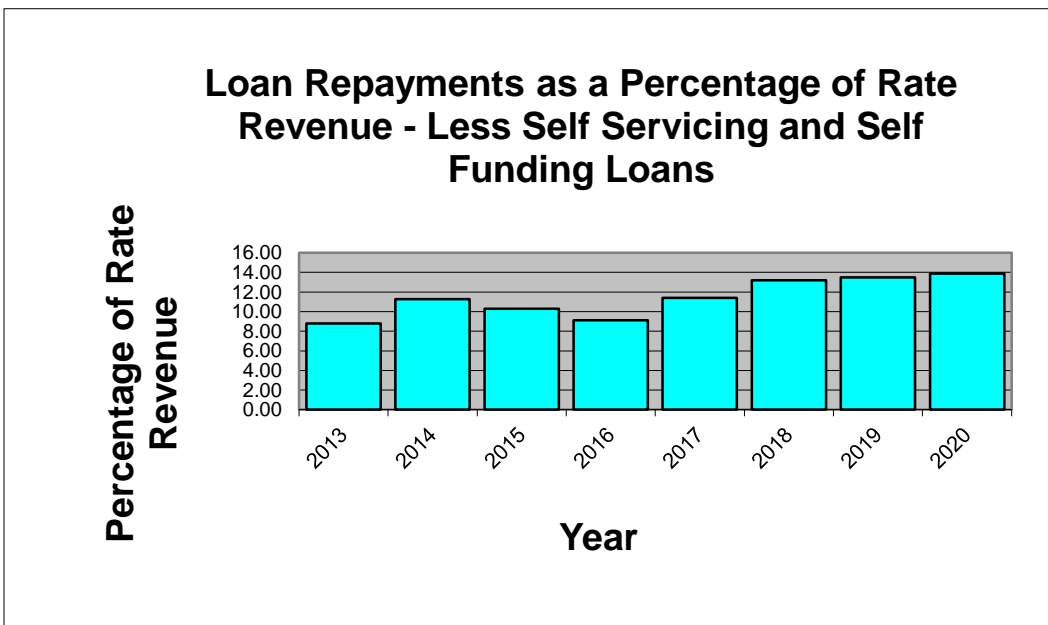
(cont'd:)

#### 15.1 Council Debt (cont'd:)

Excluding the Port Lincoln Airport Cash Advance Debenture (as this does not have fixed loan repayments, rather interest payable on outstanding debt with principal repaid resulting in the reduction of the debenture) the total amount of loan repayments as a percentage of general rate revenue is budgeted to be 16.03 percent for the 2016/17 financial year. After factoring in budgeted loan borrowings in the proposed budget the loan repayments as a percentage of general rate revenue are expected to be 15.39 percent in the 2017/18 financial year.

Again, a significant portion of these loans relate to self servicing or self funding activities and after deducting these loans the loan repayments as a percentage of general rate revenue is 11.39 percent in 2016/17 rising to 13.02 percent in the 2017/18 financial year.

As per the previous graph, this graph also includes estimated repayments to be made in the 2018, 2019 & 2020 financial years to fund capital projects identified in Councils Strategic Plan.



Council policy 13.04.01 states that:

*“Council endeavour to structure its borrowing program in order to maintain the annual debt servicing commitment at less than 15% of general rate revenue.*

*This policy is to apply only to those loans to be serviced by general rate income and does not include self servicing or self funding activities such as CWMS Schemes, Caravan Parks or Airports where income from the activity is expected to be available to meet the repayments.”*



## ANNUAL BUSINESS PLAN – 2016/17

### 15. IMPACT ON COUNCIL'S FINANCIAL POSITION (cont'd)

#### 15.1 *Council Debt* (cont'd:)

While the borrowing to service the proposed budget slightly increases the repayments as a percentage of general rate income, the percentage still fits within Council's loan borrowing policy.

Furthermore Council considers that the projects to be funded by the loan borrowings will add important infrastructure for the region with the level of borrowing being justified.

#### 15.2 *Net Financial Liabilities*

Net financial liabilities are a key indicator of the Council's financial position. It measures total liabilities less financial assets (i.e. what the Council owes to others, less money the Council has or is owed). The level of Council's net liabilities is expected to be \$7,446,000 at 30 June 2017 being 70% of budgeted operating revenue for 2016/17.

It is noted that a considerable amount of the loan borrowings relates to self servicing or self funding activities.

#### 15.3 *Interest Rate Cover*

The Interest Rate Cover Ratio refers to Council's net interest payments as a percentage of operating revenue.

This ratio indicates the extent to which a Council's operating revenues are committed to interest expenses. As with all financial indicators associated with measuring indebtedness and its associated costs, there is no right or wrong ratio. Council simply needs to manage this ratio within a range acceptable to it, giving regard to long term sustainability and its suite of Strategic Management Plans and Financial Management Policies.

DCLEP has a budgeted net Interest Rate Cover of 2.89% for the 2016/17 year which sits well within the LGA proposed target.

## ANNUAL BUSINESS PLAN – 2016/17

### 15. IMPACT ON COUNCIL'S FINANCIAL POSITION (cont'd)

#### 15.4 Depreciation

Local Government in South Australia has placed a significant emphasis on financial sustainability and much of this revolves around the depreciation of assets and their subsequent replacement. Councils should be spending the calculated depreciation attributable to assets on the replacement of such assets or alternatively placing an equivalent amount in a reserve for future replacement of the assets.

The District Council of Lower Eyre Peninsula re-valued all significant assets as at 1 July 2011.

Land was re-valued using the Valuer General's Capital valuations as supplied to Council on an annual basis. As no depreciation is charged on land this process will merely provide the basis for recognising Council's land assets.

Council owned buildings were re-valued by Maloney Field Services in October 2011.

Machinery was re-valued after seeking advice of the relevant dealerships on realistic valuations. Council has a plant replacement program for major items of plant as per the following table. A plant reserve is retained and amounts are either appropriated to the reserve or recouped from the reserve based on the budgeted expenditure for a particular year as against the depreciation which is charged in the particular year.

Infrastructure assets were re-valued using the experience of Council staff and experts where appropriate on 1 July 2011. As part of the process employees collected data in relation to rubble roads which form the basis of an Asset & Infrastructure Management Plan for this category of infrastructure. All assumptions and unit rates used are to be quantified by an engineer in line with advice received from Councils Auditor.

Council engaged a consultant to assist with the development of an Asset and Infrastructure Management Plan. The plan has been adopted by Council and provides a substantial benefit in the management of assets and decision making to ensure the financial sustainability of the Council.

All significant assets are due to be re-valued at 1 July 2016.

**ANNUAL BUSINESS PLAN – 2016/17**

**15. IMPACT ON COUNCIL’S FINANCIAL POSITION**

(cont’d)

**15.5 Plant Replacement Program**

<b>BUDGET YEAR</b>	<b>PLANT ITEM</b>	<b>PLANT DESCRIPTION</b>	<b>YEAR OF PURCHASE</b>	<b>REPLACEMENT YEAR</b>	<b>AGE AT REPLACEMENT</b>
Year 1	Tractor K	CASE - MX 215	2007/08	2016/17	9
	Patrol M	CAT 12H	2005/06	2016/17	11
Year 2	Nil		2008/09	2017/18	
Year 3	Patrol N	CAT 12M	2009/10	2018/19	9
	Loader F	CAT BACKHOE	2009/10	2018/19	9
Year 4	Nil		2010/11	2019/20	
Year 5	Loader I	JOHN DEERE 544K	2011/12	2020/21	9
	Patrol O	CAT 12M	2011/12	2020/21	9
Year 6	Loader H	KOMATSU WA65_6H	2012/13	2021/22	9
Year 7	Tractor L	CASE MAGNUM 235	2013/14	2022/23	9
Year 8	Tractor M	FARESIN 730C TELE/H	2014/15	2023/24	9
	Loader J	CAT 432F	2014/15	2023/24	9
Year 9	Patrol P	CAT 12M	2015/16	2024/25	9

**ANNUAL BUSINESS PLAN – 2016/17**

**15. IMPACT ON COUNCIL’S FINANCIAL POSITION**

(cont’d)

The following table represents Council’s performance in the proposed budget in funding the replacement of existing classes of assets. Self funding and self servicing assets have been removed for the purpose of this exercise as they are not funded by Council’s general rate revenue.

<b>Asset Category</b>	<b>Annual Depreciation Charged \$</b>	<b>Asset Replacement in 2016/17 Year \$</b>	<b>Reserve Adjustment Addition / (Reduction) \$</b>	<b>Comment</b>
Buildings	216,700	0	0	No building assets are being renewed in 2016/17
Machinery	150,000	400,000	(250,000)	The Plant Reserve is used to manage fluctuations from year to year in the purchase of major plant items (refer to plant replacement program).
Infrastructure	1,611,000	2,913,000	0	Major infrastructure being replaced in 2016/17 consists of: - <ul style="list-style-type: none"> <li>o Rubble roads \$703,000 (not including 2015/16 works carried over)</li> <li>o Re-Sealing roads \$593,000</li> <li>o Flinders Highway \$1,617,000</li> </ul>

Note: Roads form a major component of Council’s infrastructure and management of their condition is vitally important to Council’s long term sustainability.

A comparison of the Formed and Surfaced rubble road re-sheeting expenditure budgeted in 2016/17 has been made against the depreciation included in an engineer’s report completed in March 2016. The engineers report indicates Council should be spending \$717,000 per year on Formed and Surfaced rubble road re-sheeting. The 2016/17 budget has \$588,000 allocated, being 82% of the required amount (again noting this does not include \$339,500 of works carried over from 2015/16).

As noted previously the amount allocated for new re-sheeting works has been reduced to allow for a transfer of funds to complete urgent reseal works on Bratten Way (\$80,000). The reduced allocation provides a more realistic re-sheeting program/budget to be completed within the available resources of works staff.

## **ANNUAL BUSINESS PLAN – 2016/17**

### **16. WHAT IT MEANS FOR RATES**

This section sets out the requirements of the District Council of Lower Eyre Peninsula for setting and collecting rates from its community pursuant to Section 123(2)(d)(e) & (g) of the Local Government Act.

- 1 Strategic Focus
- 2 Business impact statement
- 3 Valuations
  - 3.1 Valuation Method
  - 3.2 Adoption of Valuations
  - 3.3 Notional Values
- 4 Differential general rates
- 5 Maximum Rates
- 6 Fixed charge
- 7 Separate Rates
- 8 Service charge
- 9 Community Equity
- 10 Rebate of Rates
  - 10.1 Discretionary Rebates
- 11 Payment of rates
- 12 Late payment of rates
- 13 Council's revenue raising powers
- 14 Concessions
- 15 Remission of rates
- 16 Postponement of rates
- 17 Debt collection procedures
- 18 Sale of land for non-payment of rates
- 19 Provision for supply of copies of documents
- 20 Local Government Inquiries
- 21 Significant Trends in Property Valuations
- 22 Predicted Rate Increase
- 23 Average Increase in General Rates

## **ANNUAL BUSINESS PLAN – 2016/17**

### **16. WHAT IT MEANS FOR RATES**

(cont'd)

#### **16.1 STRATEGIC FOCUS**

In setting its rates for the 2016/17 financial year, the Council has considered the following:

- 1 The District Council of Lower Eyre Peninsula Strategic Plan 2016/2025. The Strategic Plan has been reviewed in conjunction with an extensive community consultation program;
- 2 Asset & Infrastructure Management Plan.
- 3 10 Year Long Term Financial Plan
- 4 The budget for the 2016/17 financial year;
- 5 Legislative requirements;
- 6 The current economic climate and relevant factors such as inflation and interest rates; and
- 7 The need to balance appropriate service delivery and minimise the rate burden on the community.
- 8 The level of Federal Government Financial Assistance Grants (FAG's) to be received.
- 9 The abolishment of Federal Government Supplementary Roads Funding for SA Councils.

The strategic plan documents and the Council's budget are available for inspection at the Cummins and Port Lincoln Council offices, or on Councils website.

#### **16.2 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:

- 1 Those elements of the Council's strategic management plans relating to business development;
- 2 The equity of the distribution of the rate burden – Council has determined to apply differential general rates to reflect the provision of and access to certain Council services within specified major and minor gazetted townships and outside of gazetted townships. Apart from this, Council considers that all ratepayers receive broadly comparable services and are generally similarly impacted upon by prevailing economic conditions.

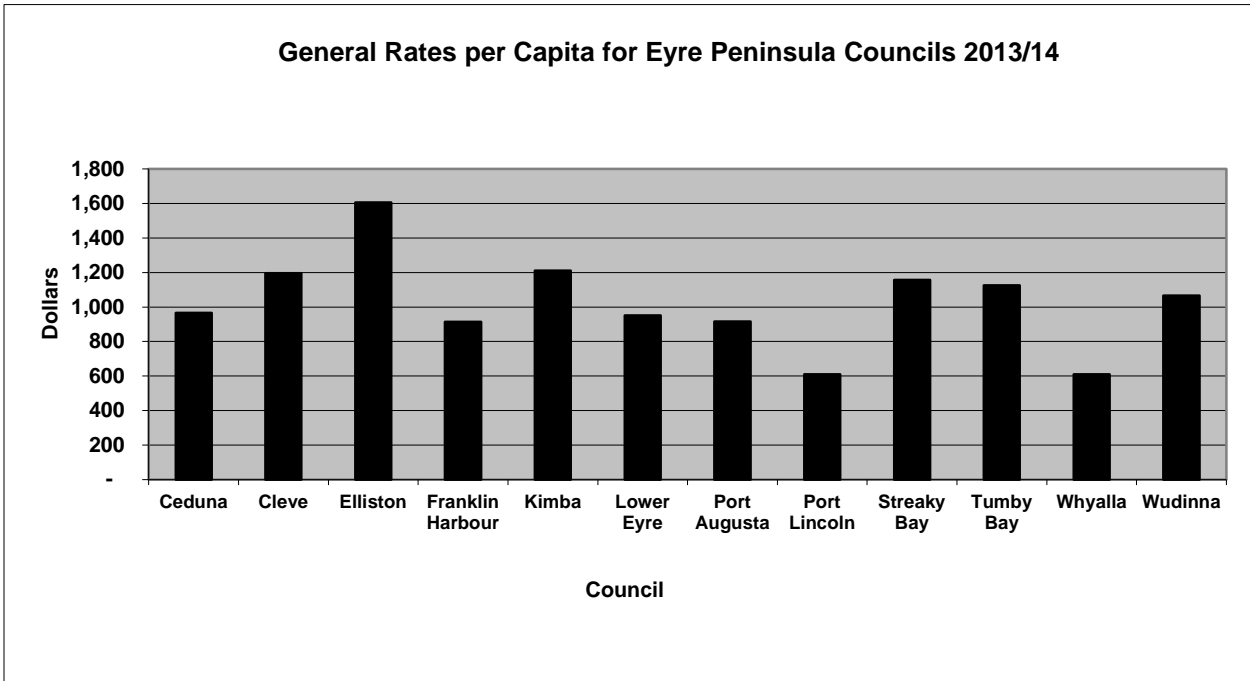
The following graphs provide valuable information in relation to rates per property, FAG's per property and increases in each of these revenue streams for Eyre Peninsula Councils over ten years to 2013/14.

## ANNUAL BUSINESS PLAN – 2016/17

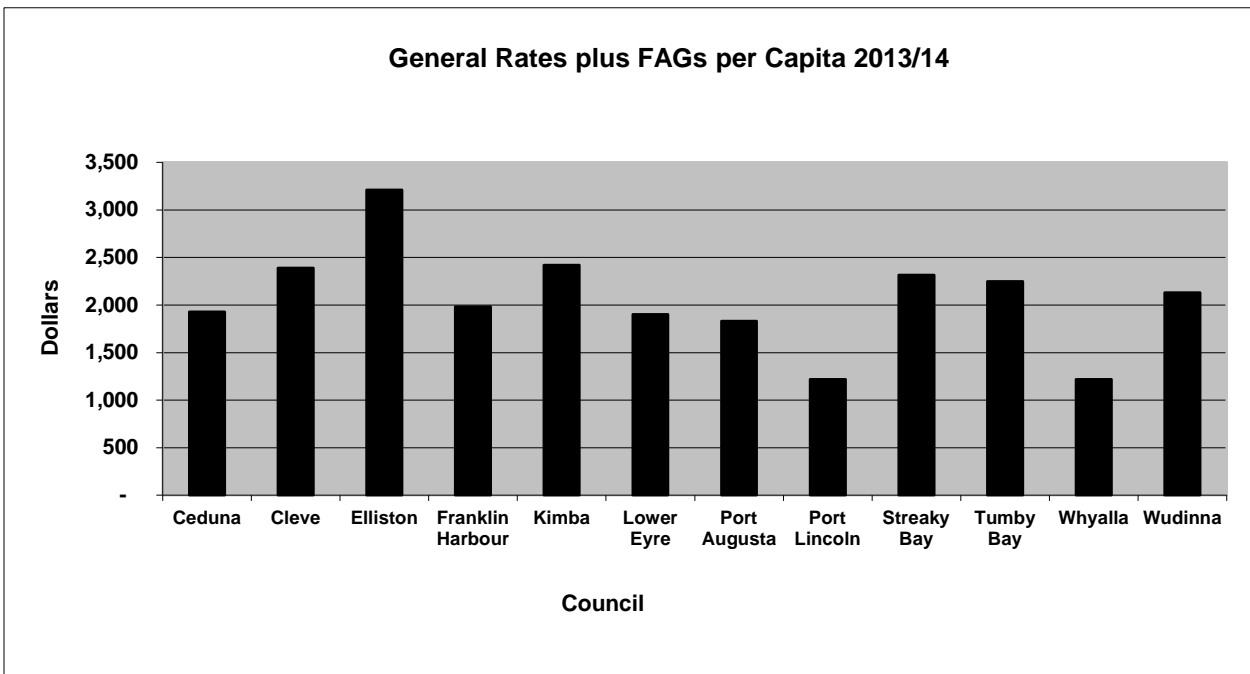
16. WHAT IT MEANS FOR RATES (cont'd)

16.2 BUSINESS IMPACT STATEMENT (cont'd)

**Graph 1 – Rates Per Capita For Eyre Peninsula Councils**



**Graph 2 – General Rates Plus FAG's Per Capita For Eyre Peninsula Councils**

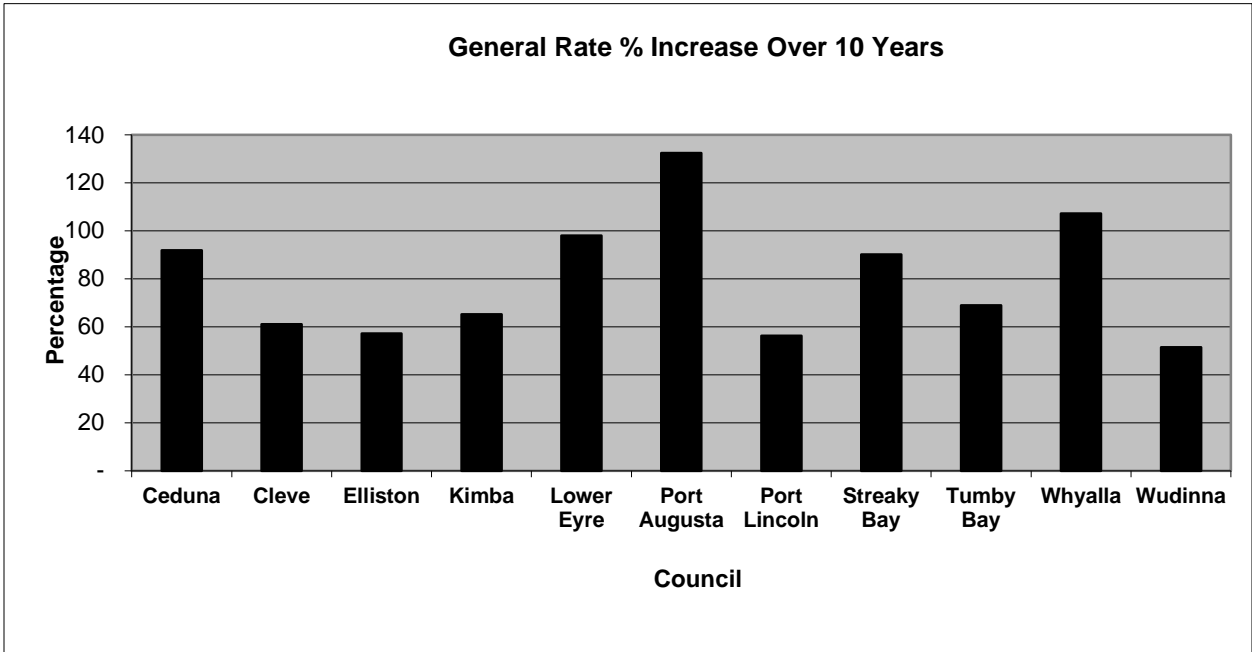


**ANNUAL BUSINESS PLAN – 2016/17**

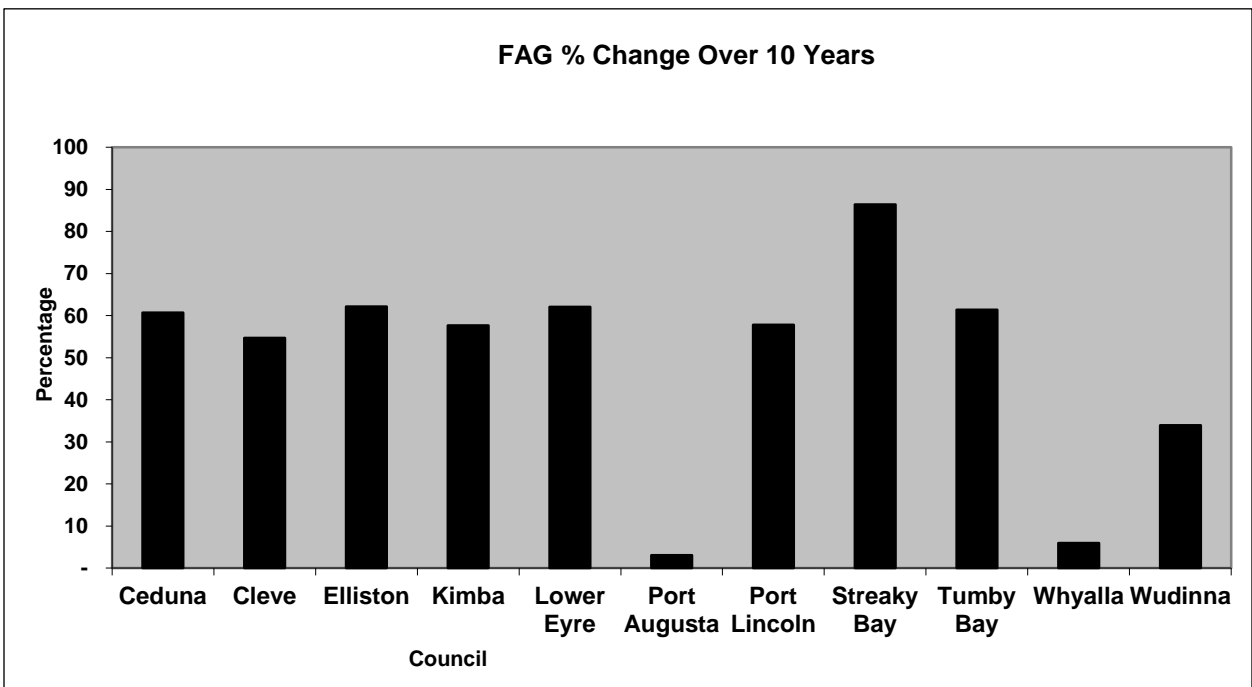
**16. WHAT IT MEANS FOR RATES** (cont'd)

**16.2 BUSINESS IMPACT STATEMENT** (cont'd)

**Graph 3 – General Rate Percentage Increase Over 10 Years  
Eyre Peninsula Councils**



**Graph 4 – Financial Assistance Grants (FAG'S) Percentage Change Over 10 Years – Eyre Peninsula Council's**



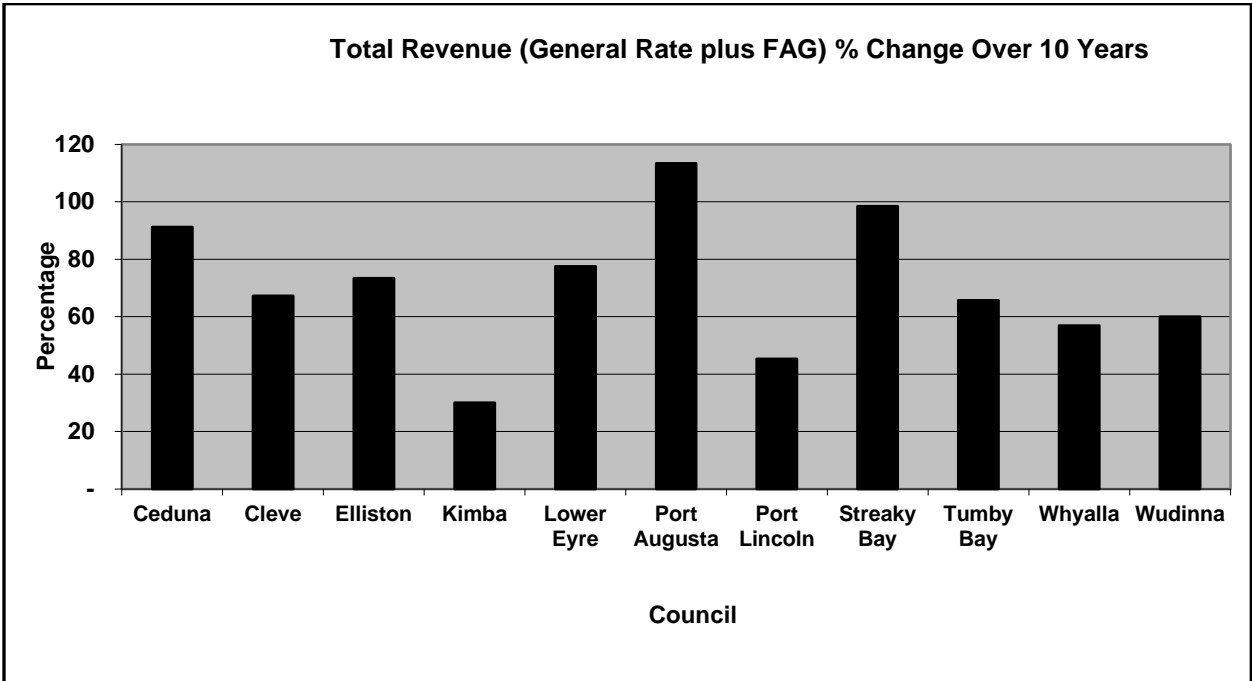


**ANNUAL BUSINESS PLAN – 2016/17**

**16. WHAT IT MEANS FOR RATES** (cont'd)

**16.2 BUSINESS IMPACT STATEMENT** (cont'd)

**Graph 5 – General Rate plus FAG's Percentage Increase over 10 Years  
Eyre Peninsula Councils**



## ANNUAL BUSINESS PLAN – 2016/17

### 16.3 VALUATIONS

#### 16.3.1 Valuation Method

Councils 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 the improvements on the land.

*Site Value* – the value of the land and any improvement which permanently affects 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 Council has decided to use capital value as the basis for rating 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:-

- 1 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;
- 2 Property capital value is considered to be a relatively good indicator of wealth.
- 3 The distribution of property values throughout the Council area is such that few residential ratepayers will pay significantly more than the average rate per property.

#### 16.3.2 Adoption of Valuations

The Council adopts the valuations made by the Valuer-General.

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 first receiving the notice of the valuation, explaining the basis for the objection, provided they have not:

- a) previously received a notice of this valuation under the Local Government Act, in which case the objection period is 60 days from the receipt of the first notice; or
- b) previously had an objection to the valuation considered by the Valuer-General.

## ANNUAL BUSINESS PLAN – 2016/17

**16. WHAT IT MEANS FOR RATES** (cont'd:)

**16.3 VALUATIONS** (cont'd:)

**16.3.2 Adoption of Valuations** (cont'd:)

The address and telephone number of the office of the Valuer General is:

State Valuation Office  
GPO Box 1354  
Adelaide SA 5001

General Enquiries	1300 653 346
Objections to Property Valuation	1300 653 345
Email Requests	<a href="mailto:lsgobjections@saugov.sa.gov.au">lsgobjections@saugov.sa.gov.au</a>

Council has no role in valuing land or processing objections to valuations of land. It is also important to note that the lodgement of an objection does not change the due date for the payment of rates.

If an objection, review or appeal results in the alteration of a valuation after rates are paid, and a refund is due, payment will be made as soon as possible to the ratepayer, and in the event that an additional amount is payable as a result of the objection, review or appeal, Council will not recover the additional amount from the ratepayer if the rate notice has been issued.

### **16.3.3 Notional Values**

Under the Valuation of Land Act 1971, where a property is the principal place of residence of a ratepayer, the property may be eligible for a notional value. This can relate to primary production land or State Heritage recognition. A notional value is generally less than the capital value. Application for a notional value must be made to the Office of the Valuer General.

## **16.4 MAXIMUM INCREASE OF RATES**

Under Section 153 of the Local Government Act, Council must determine whether it will fix a maximum increase in the general rate to be charged on any rateable land within its area that constitutes a principal place of residence of a ratepayer.

The effect of setting a maximum rate increase would ease the rate burden on properties which have had a significant increase in capital valuation (excluding as a result of development) and would increase the rate burden on remaining properties.

Council considers that the trends in property valuations provided by the Valuer General do not necessitate setting a maximum rate increase.

## ANNUAL BUSINESS PLAN – 2016/17

### 16. WHAT IT MEANS FOR RATES

(cont'd:)

#### 16.5 DIFFERENTIAL GENERAL RATES

A review of the Rating Locality Boundaries was conducted in 2007 which analysed:

- 1 The physical boundaries used to define the localities to which differential rates are applied;
- 2 The grouping of each locality into the three differential rate groups of gazetted major towns, gazetted minor towns and outside townships.

Following the review, Council altered the township boundaries of Coffin Bay and Boston, abolished Stamford Township and established the townships of Tulka, Tiatukia and Mount Dutton Bay.

The Council has decided to impose differential general rates, and has determined that:

- 1 The rate for land inside the gazetted townships of Cummins, Coffin Bay, North Shields, Louth Bay, Boston, Tiatukia and Tulka be 13% more than the differential rate for land outside gazetted townships; and
- 2 The rate for land inside the gazetted townships of Edillilie, Yeelanna, Coult, Mount Hope, Wanilla, Lake Wangary and Mount Dutton Bay be the same as the differential rate for land outside gazetted townships:

on the basis that the land outside gazetted townships and land inside gazetted townships of Edillilie, Yeelanna, Coult, Mount Hope, Wanilla, Lake Wangary and Mount Dutton Bay:

- 1 Tends to be remote from many of the services provided by Council (ie. less access to garbage collection, Council maintained reserves, etc.);
- 2 Does not have significant footpaths or street lighting;
- 3 Is mainly serviced by unsealed roads.

## ANNUAL BUSINESS PLAN – 2016/17

### 16. WHAT IT MEANS FOR RATES

(cont'd:)

#### 16.6 FIXED CHARGE

A Council may impose a fixed charge on every property in its area, provided that it has not imposed a minimum rate. Where two or more adjoining properties have the same owner and occupier, or where there is a single farm enterprise comprising more than one property, only one fixed charge is payable by the ratepayer.

The Council will seek information from ratepayers relating to exemptions from the fixed charge every year. Applications for an exemption from the fixed charge need to be made at the Offices of Council.

The Council has decided to impose a fixed charge on all rateable properties on the basis that all rateable properties:-

- 1 Make a base level contribution to the cost of administering the Council's activities; and
- 2 Contribute to the cost of creating and maintaining the physical infrastructure that supports each property.

#### 16.7 SEPARATE RATES

The whole Council area is in the Eyre Peninsula Natural Resources Management Board area and Council is required pursuant to the Natural Resources Management Act 2004 to raise funds by way of a fixed charge levy to assist in funding the operations of the board.

The Council is required to collect this revenue and pay the amount collected to the Board. The Council is simply operating as revenue collector for the Eyre Peninsula Natural Resources Management Board in this regard. The Council does not retain this revenue or determine how the revenue is spent.

The amount of the fixed charge per property for the 2016/17 financial year is set by the Eyre Peninsula Natural Resources Management Board (EPNRMB) and is proposed to be approximately \$72.50 per assessment.

The Council will seek information from ratepayers relating to exemptions from the natural resources management levy every year. Applications for an exemption from the natural resources management levy need to be made at the Offices of Council.

## ANNUAL BUSINESS PLAN – 2016/17

### 16. WHAT IT MEANS FOR RATES

(cont'd:)

#### 16.8 SERVICE CHARGES

The Council provides a septic tank effluent disposal scheme to properties contained in the townships of Cummins, North Shields, Coffin Bay and the settlement of Tulka. The cost of operating, maintaining and improving this service for this financial year is budgeted to be \$1,083,000.

This includes setting aside funds for the future replacement of the assets employed in providing the service.

The Council will recover these costs through the imposition of a service charge. Where a service that is subject to a service charge is available to non-rateable land, a service charge is levied against that land.

The service charge for each property to which the service is provided is budgeted to be:

Occupied Allotment Charge - Cummins Township	\$455
Vacant Allotment Charge - Cummins Township	\$305
Occupied Allotment Charge - North Shields Township	\$455
Vacant Allotment Charge - North Shields Township	\$305
Occupied Allotment Charge - Coffin Bay Township	\$455
Vacant Allotment Charge - Coffin Bay Township	\$305
Occupied Pump Reduction Charge - Coffin Bay Township	\$305
Vacant Pump Reduction Charge - Coffin Bay Township	\$135
Extra Pump Out Charge - Coffin Bay Township	\$ 45
Occupied Allotment Charge - Tulka Settlement	\$455
Vacant Allotment Charge - Tulka Settlement	\$305
Occupied Pump Reduction Charge - Tulka Settlement	\$435
Full Occupied Pump Reduction Charge - Tulka Settlement	\$305

The Council has decided to raise the revenue to fund septic tank effluent disposal schemes by means of a service charge after considering:

- 1 The nature of the service;
- 2 The user pays system;
- 3 The cost of establishing, operating, maintaining and replacing the service; and
- 4 The likelihood of an enhancement to the value of the property due to the availability of the service, whether or not the service is actually being used.

## ANNUAL BUSINESS PLAN – 2016/17

### 16. WHAT IT MEANS FOR RATES

(cont'd:)

#### 16.9 COMMUNITY EQUITY

Council has considered the impact of rates on the community, including:

- 1 Householders, businesses and primary producers;
- 2 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; and
- 3 Minimising the level of general rates required by levying fees and charges for goods and services on a user pays basis, where it is possible to recover some or all of the 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.

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. The list of applicable fees and charges is available at the Cummins Council office.

## ANNUAL BUSINESS PLAN – 2016/17

### 16. WHAT IT MEANS FOR RATES

(cont'd:)

#### 16.10 REBATE OF RATES

The Local Government Act 1999, as amended, requires Councils to rebate the rates payable on some land and allows Council to determine the level of rebates on certain other land.

Council may determine to provide a discretionary rebate of rates for a variety of reasons, including providing relief due to anomalies in valuations or rapid changes in valuations.

The effect of providing a rebate of rates eases the rate burden on the rebated properties and increases the rate burden on the non-rebated properties.

Council considers that the trends in property valuations provided by the Valuer General do not necessitate a rebate of rates based on anomalies in valuations or rapid changes in valuations.

#### 16.10.1 Discretionary Rebates

- 1 The Council has adopted the following guidelines for the rebate of general and separate rates for land used by organisations which in the opinion of Council, provide a benefit or service to the local community, in line with section 166(1)(j) of the Act.
  - (a) The Council has granted a rebate of 100% of general and separate rates levied for the following service clubs, community and/or sporting organisations which operate on property rated in their own name, under the provisions of part 1 above:-

<b>NAME OF ORGANISATION</b>	<b>ASSESSMENT NUMBER</b>
Kapinnie Hall Committee	213
Yeelanna Memorial Association	240
Yeelanna Memorial Association	249
Yeelanna Memorial Association	276
Karkoo Hall Committee	331
Mount Hope Soldiers Memorial Hall	353
Wanilla Progress Association	491
Coffin Bay Progress Association	616
Catholic Diocese of Port Pirie	743
Catholic Diocese of Port Pirie	745
Coffin Bay Yacht Club	940
Coffin Bay Yacht Club	1156
Masonic Lodge Sirius No. 133	1172
Cummins Memorial Rec Centre	1220



**ANNUAL BUSINESS PLAN – 2016/17**

- 16. WHAT IT MEANS FOR RATES** (cont'd:)
- 16.10 REBATE OF RATES** (cont'd:)
- 16.10.1 Discretionary Rebates** (cont'd:)

Cummins Memorial Rec Centre	1221
Cummins Memorial Rec Centre	1222
Cummins Memorial Rec Centre	1223
Cummins Memorial Rec Centre	1224
Cummins Community Opportunity Shop Inc	1227
Cummins-Yeelanna R.S.L. Sub Branch	1530
Marble Range Community Sports Centre Inc	1542
Coulta Memorial Hall Association	1791
Scout Association of Australia - S.A. Branch	2155
Port Lincoln Golf Club	2354
Cummins Memorial Rec Centre	2397
PE Jarrett, FJ Nelligan & RT Strudwick - (Edillilie Recreation Centre)	2508
Edillilie Memorial Progress Association	2540
White Flat Community Hall	2630
Port Lincoln Gun Club	2693
Port Lincoln Go Kart Club Inc	2759
Port Lincoln Sporting Car Club Inc	2760
Port Lincoln Pony Club Inc	2763
Trustees North Shields Hall	2855
Port Lincoln Motor Cycle Club	2948
Lions Club of Port Lincoln	3026

- (b) The Council has granted a rebate of 100% of general and separate rates levied on the following land for community service groups which operate on property rated in the name of the District Council of Lower Eyre Peninsula or the Crown, under the provisions of part 1 above:-

<b>NAME OF ORGANISATION</b>	<b>ASSESSMENT NUMBER</b>
Big Swamp Community Centre Incorporated	453
Wanilla Progress Association	503
Wanilla Progress Association	591
Coffin Bay Progress Association	1269
Cummins Memorial Recreation Centre	1736
Australian Boy Scouts Association	2043
Ravendale Park Pony Club	2117
Cummins & District Enterprise Committee	2149
Louth Bay Community Club Inc.	2535
Louth Bay Community Club Inc.	2674
Louth Bay Community Club Inc.	2678
North Shields Sports Association	2925
North Shields Sports Association	2926
Coffin Bay Sporting Association	3181

## ANNUAL BUSINESS PLAN – 2016/17

**16. WHAT IT MEANS FOR RATES** (cont'd:)

**16.10 REBATE OF RATES** (cont'd:)

**16.10.1 Discretionary Rebates** (cont'd:)

- (c) The Council has granted a rebate of 100% of general and separate rates levied on the following land leased and operated by community service groups, under the provisions of part 1 above:-

<b>OWNER</b>	<b>LESSEE</b>	<b>ASSESS NUMBER</b>
City of Port Lincoln	Rotary Club of Port Lincoln	2980

- 2 The Council has adopted the following guidelines for the rebate of general and separate rates for land used for agricultural, horticultural or floricultural exhibitions in line with Section 166(1)(e) of the Act:

- (a) The Council has granted a rebate of 100% of general and separate rates levied for the following organisation, under the provisions of part 2 above:-

<b>NAME OF ORGANISATION</b>	<b>ASSESSMENT NUMBER</b>
Cummins A. & H. Society	3041

The Council has given the above discretionary rebates to assist organisations who have limited income raising options and are considered by Council to provide a benefit to the local community.

Further information relating to rebates is available from the Cummins Council office.

## ANNUAL BUSINESS PLAN – 2016/17

### 16. WHAT IT MEANS FOR RATES

(cont'd:)

#### 16.11 PAYMENT OF RATES

The Council proposes that the payment of rates will be either:

- 1 In one instalment for the 2016/17 year falling due on 7 September 2016; or
- 2 In four equal (or approximately equal) instalments for the 2016/17 year falling due on the following days: 7 September 2016, 7 December 2016, 7 March 2017 and 7 June 2017.

Rates may be paid:

- 1 In person at: Cummins Office  
32 Railway Terrace  
Cummins SA 5631  
Port Lincoln Office  
38 Washington Street  
Port Lincoln SA 5606; or
- 2 Posted to the District Council of Lower Eyre Peninsula, PO Box 41 Cummins SA 5631; or
- 3 By telephone or internet banking using the BPay facility or E-Services.
- 4 Over the counter using Australia Post.

The Council is offering a discount of 2% for the payment of rates, in full, by 7 September 2016. The Council is prepared to allow three working days after the due date for rate payments as a grace period. Discount will be allowed by Council if the payment is received within the three working day grace period. Discount will not apply after the expiration of the grace period.

Ratepayers who take advantage of the discount offered by Council need to be aware that it is their responsibility to ensure that Council receives the payment for the full amount of rates on or before the due date for rate payments. Council will not grant discount on rates not received on or before the due date for rate payments (having regard to allowances provided for grace periods - see Sec 11 of these requirements) unless it is the Council's facilities that are at fault.

Ratepayers who use the BPay or Australia Post facility need to be aware that it is their responsibility to ensure that Council receives the payment for rates on or before the due date for rate payment and that the Council will not waive fines for rates not received on or before the due date for rate payments (having regard to allowances provided for grace periods - see Sec 19.12 of these requirements) unless it is the Council's facilities that are at fault.

## **ANNUAL BUSINESS PLAN – 2016/17**

### **16. WHAT IT MEANS FOR RATES**

(cont'd:)

#### **16.11 PAYMENT OF RATES**

(cont'd:)

Any ratepayer who may, or is likely to experience difficulty with meeting the standard payment arrangement is invited to contact Council staff to discuss and make alternative arrangements. Council encourages discussion with Staff relating to any payment difficulties and such enquiries are treated confidentially by the Council.

Rates owing of less than \$1.00 on any assessment at the time of raising rates will be written off. Credits on rate assessments in excess of \$50.00 will be refunded and credits on rate assessments of less than \$50.00 will be credited to the assessment.

#### **16.12 LATE PAYMENT OF RATES**

The Local Government Act 1999, as amended, provides that Councils impose a penalty of 2% on any payment for rates, whether instalment 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 the penalty is to act as a genuine deterrent to ratepayers who might otherwise fail to pay their rates on time, to allow Councils to cover 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 is prepared to allow three working days after the due date for rate payments as a grace period. Late payment penalties will not be applied by Council if the payment is received within the three working day grace period. Late penalties will be applied to rates as soon as possible after the expiration of the grace period and will apply from the due date for payment.

Where rates remain unpaid, interest will be added (following three working days grace period) at the prescribed interest rate as soon as possible after each full month.

Overdue notices will only be issued to any ratepayer in arrears in excess of \$10.00. Amounts less than \$10.00 will continue to be debited to the assessment and will attract interest until paid.

## ANNUAL BUSINESS PLAN – 2016/17

### 16. WHAT IT MEANS FOR RATES

(cont'd:)

#### 16.13 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, as amended – refer Section 147 of the Act), is rateable. The Act 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, which apply to classes of properties. In addition, Council can raise separate rates, for specific areas of the Council or service charges for specific services.

#### 16.14 CONCESSIONS

In previous years the State Government, in providing equity across SA in this area, funded a range of concessions on Council rates. The State Government ceased providing direct funding of Council rates concessions for eligible pensioners and self-funded retirees in 2015/2016 and introduced an alternative form of concession funding for eligible pensioners and self-funded retirees which can be applied to any need at the discretion of the recipient.

The eligibility for the new Cost of Living Concession (CLC) has been expanded to include pensioners and low-income earners who are tenants, which means an additional 45,000 people will receive an extra \$100 per year.

The following table details the changes to the payments introduced at 1 July 2015;

	Outgoing Council rate concession (\$ p/a)	New cost of living concession (\$ p/a)	Change (\$ p/a)
Pensioners and low-income earners who own their own home	\$190	\$200	+\$10
Pensioners and low-income earners who are tenants	\$0 (ineligible)	\$100	+\$100
Self-funded retirees who hold a Commonwealth Seniors Health Card* who own their own home	\$100	\$100	No change
Self-funded retirees who hold a Commonwealth Seniors Health Card who are tenants	\$0 (ineligible)	\$100	+\$100

\*Assumes recipients held a State Seniors Card.

The CLC is payable per household, not per individual.

## ANNUAL BUSINESS PLAN – 2016/17

### 16. WHAT IT MEANS FOR RATES

(cont'd:)

#### 16.14 CONCESSIONS

(cont'd:)

Application forms for the concession are available by contacting the State Government Concessions Hotline on 1800 307 758. All constituents should be directed to this hotline for further information on the CLC or to [www.sa.gov.au](http://www.sa.gov.au)

The CWMS concessions have remained unaffected by the abolition of concessions on Council rates.

#### 16.15 REMISSION OF RATES

Section 182 of the Local Government Act 1999, as amended, permits a Council, upon application by the ratepayer, to partially or wholly remit rates, on the basis of hardship. All ratepayers are invited to make written application setting out the relevant particulars.

#### 16.16 POSTPONEMENT OF RATES

Section 182 of the Local Government Act 1999, as amended, permits a Council, upon application by the ratepayer, to partially or wholly postpone rates, on the basis of hardship, to support businesses or to alleviate valuation anomalies.

Section 182A of the Local Government Act 1999, as amended, stipulates a Council, upon application by the prescribed ratepayer (a person who holds a *State Seniors Card* issued by the State Government), must postpone rates of any amount in excess of \$500.00 subject to the applicant meeting eligibility criteria.

Council considers that the postponement of rates is a fair and reasonable method of providing rate relief to identified groups of ratepayers, whilst providing equity across the rate-paying community.

All applications for postponement of rates must be made in writing and applications must meet all of the criteria contained in the Local Government Act.

No discount will be applied to any portion of the rates payable by a ratepayer in the event that an agreement is reached for the postponement of rates on a property.

## ANNUAL BUSINESS PLAN – 2016/17

### 16. WHAT IT MEANS FOR RATES

(cont'd:)

#### 16.17 DEBT COLLECTION PROCEDURES

Overdue notices are posted to ratepayers who have incurred fines and interest on unpaid rates.

Debt collection is commenced if the debt is 90 days in arrears and, if the amount of the debt is in excess of \$100.00, the following summarised list of procedures is followed in an attempt to collect outstanding rates.

Action Taken	Result
Seven Day Letter	Rates Paid / Payment Arrangement Established
Intention to Summons Letter	Rates Paid / Payment Arrangement Established
Referral to Collection Agency	Debt Recovered by Agency on Behalf of Council

Accounts with payment arrangements or which have been referred to Council's collection agency are monitored regularly.

The following is a detailed list of the procedures (as listed above) carried out by Council in an attempt to collect outstanding rates:

After the due date for any instalment of rates, a letter is issued to warn the ratepayer that legal action may be initiated if the Council is not contacted within seven days. If an arrangement is not made, an attempt to telephone all ratepayers with outstanding rates is made to discuss payment arrangements or particular circumstances which may affect the finalising of the rate account.

If contact is made by the ratepayer, an arrangement for the payment of rates is made. A letter to confirm this arrangement is forwarded to the ratepayer. Regular monitoring of these accounts is carried out to ensure that arrangements are being adhered to. Should a payment arrangement not be adhered to, a telephone call is made or a letter is forwarded to warn the ratepayer of possible legal action and as a reminder of the agreement. A revised arrangement can be made to suit the ratepayer's circumstances.

## ANNUAL BUSINESS PLAN – 2016/17

### 16. WHAT IT MEANS FOR RATES

(cont'd:)

#### 16.17 DEBT COLLECTION PROCEDURES

(cont'd)

If no contact is made by the ratepayer, a letter warning that the Council intends to summons the ratepayer is forwarded. This letter advises that legal action will be taken if no contact is made within seven days. An arrangement can be made if contact is made by the ratepayer.

If no contact is made by the ratepayer to the Council, a copy of the *Intention to Summons* letter is forwarded to Council's debt collection agency to engage their assistance in recovering the debt of unpaid rates.

Regular contact is made between the collection agency and the Council regarding the overdue account, including the addition of legal fees and any changes or payments made on the account.

#### 16.18 SALE OF LAND FOR NON-PAYMENT OF RATES

The Local Government Act 1999, as amended 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 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.

Should any rates be in arrears for three rating years or more, Council staff will advise Council that they have commenced proceedings to sell the property for non-payment of rates, in accordance with the Act. The Council will make the final decision regarding the sale of property should the proceedings lead to the actual auction of the land for the non-payment of rates.

#### 16.19 PROVISION FOR SUPPLY OF COPIES OF DOCUMENTS

Fees and charges apply for certified copies of any entry in the assessment record. The list of applicable fees and charges is available at the Office of Council.



**16. WHAT IT MEANS FOR RATES**

(cont'd:)

**16.20 LOCAL GOVERNMENT INQUIRIES**

The Local Government Act 1999, as amended provides that a person who has a defined interest in land within the Council area may request in writing, a certificate stating the amount of any liability for rates or charges and any amount received on account of rates or charges on the land. This information is produced by staff upon receipt of the relevant fee or when arrangements have been made for its payment.

Most commonly, land agents, conveyancers and solicitors request this type of information when the sale of land is imminent. The request for the Inquiry may be faxed to the Council Office and an invoice for the fee for the supply of the information can be issued upon request.

Updates to these Local Government Inquiries are granted within one month of the date of the original Inquiry, free of charge, provided that the request to provide such an update is made in writing and the update requested relates to the same financial year. The request for the update to the Inquiry may be faxed to the Council Office.

No updates relating to the liability for rates or charges and amounts received on account of rates or charges will be granted to any person who has not requested this information in writing.

Only ratepayers are able to access updates or information relating to their own liability for rates or charges and amounts received on account of rates or charges over the telephone; all other requests for such information will be supplied in writing, following the relevant request.

Any requests to update a Local Government Inquiry made after one month of the date of the original Inquiry or which relates to the following financial year, is treated as a new Inquiry, with the associated fee requested.

Land agents, conveyancers and solicitors are requested by Council to pay the total Council rates outstanding for the relevant financial year or years as soon as practicable after settlement following the sale or transfer of land to another party.

## ANNUAL BUSINESS PLAN – 2016/17

### 16. WHAT IT MEANS FOR RATES

(cont'd:)

#### 16.21 PREDICTED RATE INCREASE

The total general rate revenue is budgeted to amount to \$5.6 million for the 2016/17 year.

Council proposes that the average increase in general rates in the 2016/17 financial year will be 2.8% excluding rates from new development.

However, rate payers should be aware that changes in individual property valuations can vary from the average property valuation movements and this will result in a variation from the 2.8% average rate increase.

Development on a property will also result in an increase in capital valuation and a subsequent amendment to rates payable.