



ANNUAL BUSINESS PLAN AND BUDGET 2013-2014

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1. Introduction and District Profile

The District Council of Elliston covers an area of 669,300 hectares and is located on the western seaboard of South Australia on the Eyre Peninsula.

Within the District Council area, the two largest townships are the communities of Elliston and Lock with the six smaller towns being Port Kenny, Venus Bay, Bramfield, Sheringa, Tooligie and Murdinga.

Council's office is located in Elliston. Elliston is a delightful seaside town of about 300 people and is located 169 km northwest of Port Lincoln and 641 km west of Adelaide on the Flinders Highway.

Set between rolling hills and sheep and wheat country and within some of the most interesting and dramatic coastline on the Eyre Peninsula, it is a pleasant place for fishing, swimming, surfing and walking along the rugged sandstone cliffs. The nearby boat ramp at Anxious Bay delivers crayfish and a large percentage of the abalone exported from the Eyre Peninsula.

Within close proximity to the Elliston town centre is a sealed all weather registered aerodrome. The aerodrome is mainly used by the Royal Flying Doctor Service. An unsealed aircraft landing area is located near Lock; both sites are open to private craft.

The economy of the district is based upon primary production and the fishing and tourism industries. Primary production consists of mainly cereal grain (wheat, barley and oats) and wool. The extensive coastline is a productive fishing ground, which is consequently experiencing increased patronage in recreational fishing, tourism and aquaculture.

Tourism and other economic development opportunities are underdeveloped and significant potential for growth exists across the district.

2. Strategic Directions

The District Council of Elliston acknowledges that a balanced, robust and well developed set of objectives will serve the Council and community well.

Focusing on the following four objectives, Council has developed a framework for its future strategic management plans.

Our Economy and Infrastructure

To actively encourage, support and promote opportunities to increase the prosperity and sustainable growth of the community and effectively and efficiently manage and improve our community infrastructure.

Our Environment

To promote the enjoyment of our natural resources in a prudent and environmentally sustainable manner and ensure that our built environment effectively provides for the long term needs of our communities.

Our Community Services

To deliver a high standard of essential community services and show leadership in developing positive community spirit.

Our Leadership and Governance

To provide progressive leadership and good governance, which encourages confidence of the community in the Council.

Annually through its Budget and Annual Business Plan Council aligns budgets and programs against its key directions and strategies while periodically also reviewing its strategic plan. In 2012 Council undertook a full review of its Strategic Plan and has adopted a new strategic document "Moving Toward 2017".

3. Significant Influences and Priorities

A number of significant factors have influenced the preparation of the Council's 2013/14 annual business plan. These include:

- Consumer Price Index increases on existing goods and services of 2.5% for the year (current March quarter 2013)
- Enterprise Bargaining Agreements which provide for wages and salary increases
- Requirements to maintain and improve infrastructure assets to acceptable standards, including roads, footpaths, storm water drainage and community wastewater management systems
- Service delivery needs for a decreasing population, whilst recognizing that this trend could reverse with the success of mining exploration in neighboring areas
- State/Commonwealth grant funding not keeping pace with the increase in associated service delivery costs
- Review of existing recurrent service levels to be undertaken in consultation with our community
- The on-going implementation of improvement plans incorporated within Council's comprehensive Infrastructure and Asset Management Plans, Long Term Financial Plans and Strategic Plan
- Facilitating the future financial sustainability of Council by ensuring the financial operations remain within policy targets adopted for such purpose
- Continuation of Council's annual works program with a commitment to fund roads, footpaths, car parking and foreshore developments
- Provision of sufficiently qualified experienced and trained staff to meet service delivery demands.

4. Continuing Services

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

These include:

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

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

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

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

Fee for services include:

- Camping grounds
- Private infrastructure works
- Driveway crossovers
- Concrete pads
- Retaining walls
- Minor tree removal
- Landscape works
- Plant hire
- Water supply
- Printing, photocopying and scanning.

For a detailed explanation of the services provided by the Council to the community please refer to Appendix C at the end of this document.

5. Capital Expenditure - Project Priorities for the Year

Project	Note	\$	\$	Comment
Replaced Assets:				
Road Reseals				
Third Street	80 x 10m	12,000		Elliston - 800m2
Sixth Street	220 x 11m	25,000		Elliston - 2,420m2
Little Bay Road	260 x 12m	31,000		Elliston - 3120m2
Fourth Street	110 x 11m	11,000	79,000	Elliston - 1210m2
McLachlan Street	9 x 220m	19,800		Lock – 1,980m2
Starke Street	10 x 120m	12,000		Lock – 1,200m2 (Palkagee to West Terrace)
West Terrace	16.5 x 450m	74,250		Lock – 7,435m2 (South Terrace to North Terrace)
North Terrace	17.5 x 250m	43,750		Lock – 4,375m2 (West Terrace to Railway Terrace)
Line marking		4,000	153,800	Lock
Road Resheeting - Unsealed				
Rocky Valley Road	3.5km	52,500		Resheeting & Earthworks (Wilbers house East)
Mt Damper Road	5km	75,000		National Park - North towards new sheet
Colton Back Road	5km	75,000		Unsheeted section
Murdinga Murlong Road	3km	66,000		Clay
Hundred Line	5.6km	123,200		Clay
Eichner Road	5km	70,000		Patching & Sheeting
Toolgie, Fuss and Siebert Roads/Tod Highway intersections railway crossings		20,000		Build-up and re-sheeting
Sheringa Beach Road	4km	120,000	601,700	Resheeting
Footpaths				
Memorial Drive	0.14 x 2.2m		30,000	From existing new paving at shops to sixth Street
Kerb & Guttering				
Elliston Depot Cross-Over			3,000	Third St, Depot Double Cross-Over, Elliston

Project	Note	\$	\$	Comment
Plant & Machinery				
Grader		335,000		John Deere Replacement (10000 Hrs). Trade in \$80k.
4x4 Vehicle		60,000		CEO Vehicle. Trade in \$25k
4x4 High Rise ute		40,000		Replacement Lock Handyman - Tip tray 4x4. Trade in \$10k.
Spin Cut Mower		2,000	437,000	Elliston depot
Buildings				
Toilet Roof		4,000		Port Kenny roof renewal
26 Dearman St, Lock		25,000	29,000	Renewal & painting as per Building Report
Total Replacement Capital Expenditure			1,333,500	
New Assets:				
Footpaths				
Railway Terrace	1.6 x 48m 6 x 13m	15,480		Lock – 154m2 (Hotel to South Terrace)
North Terrace	1.6 x 120m	19,200		Lock – 193m2 (Railway Terrace to Dearman Street)
Pram ramps	3	2,324	37,004	Lock
Plant and machinery				
Ride on Mower		6,000		Elliston depot
Blower-Vac		500	6,500	Lock Depot
Parks Infrastructure				
Irrigation System			25,000	Triangle - Information Centre Corner & Memorial drive, Elliston

Project	Note	\$	\$	Comment
Foreshore Redevelopment			380,000	\$200k from Sports Rec paid to Council in 2012 will be spent on developing a coastal trail. Plus Councils contribution of \$180k as required. Needs to be refined when work program for 2013 is established in detail.
Lock Centenary Celebrations				
Welcome Wall Tod/Birdseye Hwy interesection		7,000		
Memorial Structure		26,400	33,400	
Cemetery				
Niche Wall			10,000	Bramfield
Total New Asset Capital Expenditure			491,904	
Total Capital Expenditure			1,825,404	

6. Financial Sustainability/Financial Performance Measures

Amendments to the *Local Government Act 1999* in 2005 combined with an independent review initiated by the Local Government Association of SA into the long term financial sustainability of South Australian councils clearly indicated that there was a need for councils to take a longer view into their financial planning and sustainability in working towards their goals. In 2013-14 Council intends to develop a Long-term Financial Plan, review its Strategic Plan and prepare an Infrastructure and Asset Management Plan.

Council is committed to ensuring its long term financial sustainability. Council's financial sustainability is dependent on ensuring that, on average over time, its expenses are at least matched by its revenue. In addition, capital expenditure on existing infrastructure and other assets should be optimised (in accordance with the soon to be developed Infrastructure and Asset Management Plan so as to minimise whole-of-life-cycle costs of assets).

Regulation 7 of the *Local Government (Financial Management) Regulations 2011* states: Pursuant to section 123(10)(b) of the Act, each budget of a council under the Act must— ... include estimates with respect to the council's operating surplus ratio, asset sustainability ratio and net financial liabilities ratio presented in a manner consistent with the note in the Model Financial Statements entitled Financial Indicators.

6.1 Operating Surplus Ratio

Operating Surplus Ratio expresses the operating surplus (deficit) as a percentage of general and other rates. Council's is aiming to make a small percentage deficit for the year ending 30 June 2014.

The operating surplus ratio from the proposed budgeted activity for the year is -6%, (i.e. a slightly less than breakeven result). This result arises because operating income is budgeted to be \$124k less than Council's operating expenses for the year.

6.2 Asset Sustainability Ratio

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

The ratio is calculated by measuring capital expenditure on renewal and replacement of assets relative to its level of depreciation. Council is aiming to attain a result of 119% for the year ending 30 June 2014. This means that Council is spending slightly more than the depreciation expenses on asset renewal.

6.3 Net Financial Liabilities and Net Financial Liabilities Ratio

Net financial liabilities is a comprehensive measure of the indebtedness of the Council as it includes items such as employee long-service leave entitlements and other amounts payable as well as taking account of the level of Council's available cash and investments. Specifically Net Financial Liabilities equals total liabilities less financial assets, where financial assets for this purpose includes cash, cash equivalents, trade and other receivables, and other financial assets, but excludes equity held in Council businesses, inventories and land held for resale. The following table sets out revised estimates as at 30 June 2014:

Calculation of Net Financial Liabilities

	Estimated 30/06/14 \$000
Gross borrowings	0
Less: Cash and investments	1,722
Equals: Net debt	-1,722
Add: Trade and other payables	226
Add: Provisions for employee entitlements	56
Less: Trade and other receivables	267
Equals: Net financial liabilities	-1,706
Net Financial Liabilities Ratio	-43%

The negative result indicates that Council is in a net financial assets position. The accumulation of cash on hand reflects the under delivery of capital expenditure programs prior to 30 June 2013. The local government sector wide results for this financial indicator usually fall between 0% and 100%.

A cash balance of \$1.706M indicates that Council has sufficient capacity to undertake an accelerated capital expenditure program should the soon to be developed asset management plan indicate that this is necessary.

6.4 Overall Assessment of Councils Financial Sustainability (based on the above ratios)

The above ratios indicate that the proposed annual business plan and the associated budget that underpins it, is financially sustainable over the following 12 months.

The operating deficit situation is acceptable only in the short term. The financial strategy that will underpin soon to be developed long term financial plan will ensure that Council achieves an operating surplus on an ongoing basis.

It is expected that the cash surplus will be run down in a strategic manner over time addressing and funding capital construction in a coordinated manner. Again the development of the long term financial plan will ensure that Council sets appropriate ranges for senior management to operate within.

The target Asset Sustainability Ratio of 119% is within the range the local government sector usually operates within.

7. Non-Financial Performance Measures for 2013-14.

The following proposed non-financial performance measures for the financial year are linked to the *District Council of Elliston Strategic Plan Moving Toward 2017*:

7.1 Economy and Infrastructure

- Re-sheet 25 km unsealed roads
- Spray seal 10,000m² of sealed town streets
- Pave 600 linear metres of town footpaths
- Install new irrigation system on the corner of Memorial Drive and Elliston Information Centre entrance
- Maintenance renewal works to Council property at 26 Dearman Street, Lock
- Replace roof at Port Kenny public toilets
- Commence construction of the Elliston Coastal Trail project (subject to receipt of Australian Government funding - RDAF)

7.2 Environment

- Commence section 30 Development Plan review
- Finalise waste management review

7.3 Community Services

- Investigate establishment of Men's Shed in Elliston
- Advocate for continued State government support for Elliston RSL Memorial Children's Centre

7.4 Leadership and governance

Finalise Phase 1 of the Asset Management Plan (road infrastructure)
Develop first draft of a Long-Term Financial Plan
Commence review of the Council's Strategic Plan
Commence review of all Council policies and related procedures
Prepare a risk register
Commence Phase 1 of a Risk Management Plan
Implement the OHS Essential Safety Platform program
Prepare and implement first phase of an Information Technology strategy
Determine and commence implementation of an electronic Records Management Plan
Finalise staff classification system and Enterprise Bargaining Agreement

8. Grant Funding

Local Government receives three types of grant funding:

General Purpose & Local Roads Financial Assistance Grants (Federal)

Council has complete discretion as to expenditure of funds received.

Council's 2013-14 budget assumes that four quarterly installments of Federal Government financial assistance grants (both general purpose and local roads components) will be received during 2013-14.

Specific Purpose Grants (State and Federal)

These are to be spent on specific projects or programs.

Roads To Recovery Grants (Federal)

While funds received are to be spent on road projects, Council has complete discretion on whether such spending is on maintaining, renewing or upgrading roads.

Grant Funding	Amount
Local Roads (Grants Commission)	\$460k
Roads to Recovery	\$297k
General Purpose (Grants Commission)	\$773k
RDAF funding for Elliston Coastal Trail (Carried Forward from 2013)	\$200k
Other Grants	\$6k
Total Grant Funding	\$1.736M

9. Funding the Business Plan

A deficit of \$124k is being forecast for 2013-14. The operating deficit measures the difference between operating revenue and expenses for the period. The Council's long-term financial sustainability is dependent on ensuring that, on average over time, its expenses are less than its revenue.

Council's revenue in 2013-14 includes \$1.681M proposed to be raised from general rates. This is based on an increase of 2.5%. There is little forecast growth expected for the region accordingly no increases to rates revenue has been factored in for growth.

Other sources of proposed revenue for the Council are:

- User Charges and Commercial Revenue
- Statutory Charges set by State Government
- Grants
- Other Revenue

10. Uniform Presentation of Council Finances

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

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

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

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

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

UNIFORM PRESENTATION OF FINANCES	Forecast 2013	Budget 2014	Variance
	\$,000	\$,000	\$,000
Operating Revenue	4,210	4,001	(210)
less Operating Expense	(3,758)	(4,124)	(366)
Operating Surplus / (Deficit) before Capital Amounts	452	(124)	(575)
less Net Outlays on Existing Assets			
Capital Expenditure on renewal and replacement of Existing Assets	1,134	1,334	199
less Depreciation, Amortisation & Impairment	(1,027)	(1,027)	0
less Proceeds from Sale of Replaced Assets	(62)	(115)	(53)
	45	192	147
less Net Outlays on New & Upgraded Assets			
Capital Expenditure on New & Upgraded Assets	254	492	238
less Amounts specifically for new or upgraded Assets	0	0	0
less Proceeds from Sale of Surplus Assets	0	0	0
	254	492	238
Net Lending/ (Borrowing) for Financial year	153	(807)	(960)

The above data indicates that Council will use \$807k of investments to fund the activities and projects outlined in this business plan.

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

11. Rating Arrangements 2013-14

Service Charges

Community Wastewater Management Systems – Service Charge

Pursuant to Section 155 of the *Local Government Act 1999*, the Council declared an annual service charge for the financial year ending 30 June 2014, in respect of the prescribed service of effluent waste disposal, on all land to which the Council provides or makes available the service as follows:

1. For all properties at Lock serviced by CWMS, an annual service charge of \$327 per property.

Water Supply – Service Charge

Pursuant to Section 155 of the *Local Government Act 1999*, the Council declared an annual service charge for the financial year ending 30 June 2014, in respect of the prescribed service of the provision of water, on all land to which the Council provides or makes available the service as follows:

1. For all properties at Port Kenny serviced by the Port Kenny Water Supply, an annual charge of \$75.00 per property.

Waste Management – Service Charge

Pursuant to Section 155 of the *Local Government Act 1999*, property within the kerbside collection route will be charged a rate of \$300 per year for the collection of one x 140 litre bin per week.

1. Vacant allotments within the kerbside collection route will be charged the same amount as residential allotments within the kerbside collection route; and
2. Single farm enterprises and adjoining allotments are only charged the annual service charge in respect of the assessment constituting the principal property.

Pursuant to Section 155 of the *Local Government Act 1999* and Regulation 9B of the *Local Government (General) Regulations 1999*, Waste Collection charges are applied on properties which are required to take their waste a distance to be collected.

The Waste Collection charges are then charged based on the following tiered rates for distances from the access point to the land

- | | |
|---|---------|
| • No more than 500 metres | 100% |
| • More than 500 metres but no more than 2km | 75% |
| • More than 2km but less than 5km | 50% |
| • More than 5km | No rate |

Commercial—Shop, Commercial—Office, Commercial—Other, Industry—Light, Industry—Other and Other land use within the kerb-side collection route:

- 0-0.3 m3 of waste per week on average \$300 per annum;
- 0.3-0.6 m3 of waste per week on average \$600 per annum;
- greater than 0.6 m3 of waste per week on average \$900 per annum.

Method used to value land

The Council has decided to continue to use Capital Value as the basis for valuing land within the Council area. The Council considers that this method of valuing land provides the fairest method of distributing the rate burden across all ratepayers on the following basis:

- the equity principle of taxation requires that ratepayers of similar wealth pay similar taxes and ratepayers of greater wealth pay more tax than ratepayers of lesser wealth
- property value is a relatively good indicator of wealth and capital value, which closely approximates the market value of a property and provides the best indicator of overall property value
- the distribution of property values throughout the Council area is such that few residential ratepayers will pay significantly more than the average level of rates payable per property.

Adoption of valuations

The Council adopted the most recent valuations made by the Valuer-General and available to the Council at the time that the Council adopted the budget (16 August 2013), which totalled \$371,801,620.00.

If a ratepayer is dissatisfied with the valuation made by the Valuer-General then the ratepayer may object to the Valuer-General in writing, within 60 days* of receiving 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 1999*, 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.

*Note this 60 day objection period may be extended by the Valuer-General where it can be shown there is reasonable cause.

The address of the office of the Valuer-General is:

State Valuation Office

GPO Box 1354, ADELAIDE SA 5001

101 Grenfell Street, ADELAIDE SA 5000

E-mail: LSGObjections@sa.gov.au

Phone: 1300 653 346

Please note that the Council has no role in setting valuations. It is also important to note that the lodgment of an objection does not change the due date for the payment of rates.

Business Impact Statement

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

- Council via elected members' consultations with ratepayers
- The equity of the distribution of the rate burden between classes of ratepayers receive broadly comparable services and are generally similarly impacted upon by prevailing economic conditions
- Council's policy on facilitating local economic development preference for local suppliers where price, quality and service provision are comparable to suppliers outside the Council area

- current local, state and national economic conditions and expected changes during the next financial year. The general economic climate is stable and appears likely to continue to be stable over the next twelve months.

Council's Revenue Raising Powers

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

The Local Government 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, based on either land use and/or locality of properties.

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

Differential General Rates

The Council has decided to impose differential general rates varying according to the locality of the land and its use.

All land use within the Commercial (Bulk Handling) Zone as described in Council's Development Plan as consolidated 1 December 2011 is set at 0.9900 cents in the dollar.

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

• Residential	0.3943 cents in the dollar
• Commercial – Shop:	0.3943 cents in the dollar
• Commercial – Office:	0.3943 cents in the dollar
• Commercial – Other	0.3943 cents in the dollar
• Industrial – Light	0.3943 cents in the dollar
• Industrial – Other	0.3943 cents in the dollar
• Primary Production	0.3943 cents in the dollar
• Vacant Land	0.3943 cents in the dollar
• Other	0.3943 cents in the dollar

Council's draft budget contains rate revenue of \$1,680,325, net of mandatory rebates

This represents an estimated 2.5% increase on total rates raised (net of rebates) compared to 2012/13.

Fixed Charge

The Council declared a fixed charge of \$256, an increase of \$6 from the amount of \$250 levied for 2012-13 year. The fixed charge is levied against the whole of an allotment (including land under a separate lease or license). Only one fixed charge is levied against two or more pieces of adjoining land (whether intercepted by a road or not) if they are owned by the same owner and occupied by the same occupier. The reasons for imposing a fixed charge is the Council considers it appropriate that all rateable properties make a contribution to the cost of creating and maintaining the physical infrastructure that supports each property.

State Seniors Card Ratepayer (Self Funded Retiree)

This concession was introduced from 1 July 2001 and is administered by Revenue SA. If you are a self-funded retiree and currently hold a State seniors Card you may be eligible for a concession toward Council Rates. In the case of couples, if only one person holds a State Seniors card, the other must be in less than 20 hours of paid employment per week.

If you have not received a concession on your rates notice or would like further information please contact the Revenue SA Call Centre on 1300 366 150

Pensioner Concessions

If you are an eligible pensioner you may be entitled to a remission on your rates. An eligible pensioner must hold a Pensioner Concession Card or State Concession Card or Department of Veterans' Affairs (DVA) Gold Card (TPI, EDA, WW) or receive a Centrelink Allowance. You must also be responsible for the payment of rates on the property for which you are claiming a concession.

Applications are administered by the State Government. Apply through your local Families SA office on 1800 307 758.

Payment of rates must not be withheld pending assessment of an application by the State Government as penalties apply to unpaid rates. A refund will be paid if Council is advised that a concession applies and the rates have already been paid.

Postponement of Rates - Seniors

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

Other Concessions

Department for Families and Communities (DFC) administers Council rate concessions available to range of eligible ratepayers receiving State and Commonwealth allowances. If you are a low income earner who meets the DFC threshold apply through the DFC Concessions Hotline 1800 307 758. For more information visit www.sa.gov.au/concessions

Natural Resources Management Levy

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

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

The total levy to be collected for 2013-14 is \$63,005 comprising of a fixed rate of \$63.90 on all rateable land in Council's area within the board.

Rebate of Rates

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

Sale of Land for Non-payment of Rates

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

Payment of Rates

Council rates are billed quarterly in accordance with the *Local Government Act 1999*. The installment due dates are 27 September 2013, 20 December 2013, 28 March 2014, 27 June 2014.

Pursuant to section 181(11) of the *Local Government Act 1999*, Council determined that ratepayers may apply to pay rates and service charges in full by 20 December 2013. Any such application must be lodged with the Council no later than 25 September 2013. If rates in these circumstances are paid in full by 20 December 2013, fines and interest will not be applied for the September 2013 to December 2013 period.

Rates may be paid as follows:

- Telephone/internet using the Bpay services through participating banks
- Phone the District Council of Elliston on 08 8687 9177 during business hours to pay with Bankcard, Mastercard or Visa. Please quote your Assessment Number
- Post Billpay – paying in person at any Post Office, phone 131816 or go to postbillpay.com.au
- Post your cheque (marked payable to the District Council of Elliston) with your remittance to the DC of Elliston, PO Box 46, Elliston SA 5670
- In person at the District Council of Elliston Offices at 21 Beach Terrace, Elliston SA 5670.

The due dates for quarterly payments are shown on the front of the rate notice. Ratepayers unable to pay their rates by the quarterly billing due dates may apply to the Council to arrange an alternative payment option in accordance with Chapter 10 of the *Local Government Act 1999*.

Late Payment of Rates

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

The Council imposes late payment penalties strictly in accordance with the *Local Government Act 1999*. The 2013-14 financial year prescribed interest rate is .66% per month.

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

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

Appendix A – Explanation of Uniform Presentation of Finances

(example only for explanation purposes – left blank intentionally)

UNIFORM PRESENTATION OF FINANCES	2012-13 Forecast \$'000	2013-14 Budget \$'000
Income		
less Expenses		
Operating Surplus / (Deficit)	-	-
Less: Net Outlays on Existing Assets		
Capital Expenditure on Renewal / Replacement of Existing Assets		
less Depreciation, Amortisation and Impairment Expenses		
less Proceeds from Sale of Replaced Assets		
Net Outlays on Existing Assets	-	-
Less: Net Outlays on New and Upgraded Assets		
Capital Expenditure on New / Upgraded Assets		
less Amounts received specifically for New / Upgraded Assets		
less Proceeds from Sale of Surplus Assets		
Net Outlays on New and Upgraded Assets	-	-
Net Lending / (Borrowing) for Financial Year	-	-

Explanation / Examples of Components of Uniform Presentation of Finances

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

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

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

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

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

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

New / Upgraded vs Renewal / Replacement of Assets

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

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

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

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

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

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

CONSULTATION

Council has undertaken two periods of consultation for the Annual Business Plan for 2013-14.

The first period of consultation commenced on 25 June 2013, and concluded on 16 July 2013.

Following a number of changes to the first draft of the Annual Business Plan, an additional consultation period (Phase 2) commenced on 18 July 2013, and concluded on 8 August 2013.

Public meetings were held on 15 July at Lock, Elliston and Port Kenny.

Public meetings were also held on 16 July 2013, and 20 August 2013, at 9.30am in the Council Chambers at 21 Beach Terrace, Elliston.

Copies of the Annual Business Plan were available:

- on Council's website
- Council's Office at 29 Beach Terrace, Elliston
- Lock Post Office
- Port Kenny Post Office
- Venus Bay General Store
- Sheringa Roadhouse

COUNCIL CONTACT

Council can be contacted by:

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Appendix B - Statutory Statements

STATEMENT OF COMPREHENSIVE INCOME	Forecast 2013	Budget 2014	Variance
	\$,000	\$,000	\$,000
INCOME			
Rates	1,964	2,013	49
Statutory Charges	27	28	1
User Charges	95	87	(8)
Grants & Subsidies	1,897	1,737	(161)
Investment Income	71	56	(15)
Reimbursements	103	76	(27)
Other Revenues	54	4	(49)
Total Operating Income	4,210	4,001	(210)
EXPENDITURE			
Employee Costs	932	1,049	116
Materials, Contracts & Other Expenses	1,792	2,042	250
Finance Charges	6	6	0
Depreciation	1,027	1,027	0
Total Operating Expenditure	3,758	4,124	366
OPERATING SURPLUS/(DEFICIT)	452	(124)	(575)
Gain/Loss on disposal & fair value adjustments	0	0	0
Amounts specifically for new or upgraded assets	0	0	0
Physical resources received free of charge	0	0	0
NET SURPLUS / (DEFICIT) transferred to Equity Statement	452	(124)	(575)

BALANCE SHEET	Forecast 2013	Budget 2014	Variance
	\$,000	\$,000	\$,000
ASSETS			
CURRENT ASSETS			
Cash & Cash Equivalents	2,529	1,722	-807
Trade & Other Receivables	267	267	0
Inventories	39	39	0
Total Current Assets	2,835	2,028	-807
NON-CURRENT ASSETS			
Financial Assets	0	0	0
Infrastructure, Property, Plant & Equipment	34,089	34,773	683
Total Non-Current Assets	34,089	34,773	683
TOTAL ASSETS	36,924	36,800	-124
LIABILITIES			
CURRENT LIABILITIES			
Trade & Other Payables	226	226	0
Borrowings	0	0	0
Short Term Provisions	34	34	0
Total Current Liabilities	260	260	0
NON-CURRENT LIABILITIES			
Long Term Borrowings	0	0	0
Long Term Provisions	22	22	0
Total Non-Current Liabilities	22	22	0
TOTAL LIABILITIES	282	282	0
NET ASSETS	36,642	36,519	-124
EQUITY			
Accumulated Surplus	7,027	6,903	-124
Asset Revaluation Reserve	28,809	28,809	0
Other Reserves	807	807	0
TOTAL EQUITY	36,642	36,519	-124

STATEMENT OF CASH FLOWS	Forecast 2013	Budget 2014	Variance
	\$,000	\$,000	\$,000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Operating Receipts	4,140	3,945	(195)
Investment Receipts	71	56	(15)
Payments			
Operating Payments to Suppliers & Employees	2,878	3,091	213
Finance Payments	6	6	0
Net Cash provided by (or used in) Operating Activities	1,326	903	(423)
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts			
Grants Specifically for new or upgraded assets	0	0	0
Sale of replaced Assets	62	115	53
Payments			
Expenditure on renewal/replaced assets	1,134	1,180	45
Expenditure on new/upgraded assets	254	646	392
Loans made to community groups	0	0	0
Net cash provided by (used in) Investing Activities	(1,326)	(1,710)	(384)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts			
Proceeds from Borrowings	0	0	0
Payments			
Repayment of Borrowings	0	0	0
Net Cash Provided by (Used in) Financing Activities	0	0	0
Net Increase / Decrease in Cash	(0)	(807)	(807)
Cash and Cash Equivalents at start of reporting period	2,529	2,529	0
Cash & Cash Equivalents at the end of the reporting period	2,529	1,722	(807)

STATEMENT OF EQUITY	Forecast 2013	Budget 2014	Variance
	\$,000	\$,000	\$,000
ACCUMULATED SURPLUS			
Balance at end of previous reporting period	6,575	7,027	452
Net Result for Year	452	(124)	(575)
Transfer from Reserves	0	0	0
Transfer to Other Reserves			0
Balance at end of period	7,027	6,903	(124)
ASSET REVALUATION RESERVE			
Balance at end of previous reporting period	28,809	28,809	0
Gain on Revaluation of Property Plant & Equipment			0
Balance at end of period	28,809	28,809	0
OTHER RESERVES			
Balance at end of previous reporting period	807	807	0
Transfers from Accumulated Surplus			0
Transfers to Accumulated Surplus			0
Balance at end of period	807	807	0
TOTAL EQUITY AT END OF REPORTING PERIOD	36,642	36,519	(124)

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

Following is a detailed explanation of the services provided by the Council to the community. The cash flows generated by the provision of these services are summarised in the budget for the financial year ending 30 June 2014. The services are broken up into the 5 organisational units of the Council being corporate services, community services, infrastructure services, environmental services and executive services.

Corporate Services

Governance

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

Administration

Administration services cover the following activities:

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

Financing and Investing

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

Community Services

Aged Services

This service covers the following activity:

- Support of community health service
- Aged accommodation strategy

Youth Services

This service covers the following activities:

- Support of the regional Youth Advisory Committee
- Skate park at Elliston
- Cultural and Arts
- This service covers the following activities:
 - Event support
 - Civic functions

Library Services

Council will work with DECS to ensure the library service at Lock will continue to meet the needs of the population.

The services provided by libraries include:

- Books and magazines
- Free internet
- Room hire

INFRASTRUCTURE SERVICES

Community Waste Water Management System (CWMS)

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

Council will investigate a scope of works for the future installation of a CWMS in the township of Elliston. This would only be proceeded with if significant grant funding is made available.

Waste Management and Recycling

Collection of waste, kerbside recycling, operation of waste disposal facility, general litter collection and drum musters. The solid waste levy payable to the Environment Protection Agency is also charged to this area.

Roads and Footpaths

This service covers the following activities:

- Road and footpaths construction – annual works program and developer contributed works;
- Street cleaning and lighting;
- Car parking and public conveniences;
- Works depots;
- Cycle and walking paths.
- Road maintenance - fixing pot holes, reinstating trenches across roads, small patches of resealing and repairing and straightening rough edges. Kerbing, water tables and traffic signage are also charged to this activity.
- Ongoing upgrade and replacement of plant and equipment.
- Road maintenance of rural unsealed roads – grading, tree trimming and spraying of weeds;
- Footpath maintenance - laying and rolling of crusher fines along the footpath, general footpath rolling, potholing and minor re-sheeting.
- Street sweeping in each of the towns - commercial areas twice per week, the cleaning of bins and footpath pavement and the picking up of litter by hand.
- The Elliston Aerodrome - inspected on a weekly basis including checking of runway light functionality as well as the windsock. Maintenance also includes slashing of overgrowth and weed spraying

Foreshore Protection

This service covers the management of coastal environment and provision of facilities to enable sustainable use of coastal areas including the provision of boat ramps. Revegetation will be undertaken where required to ensure protection of the foreshores. Foreshore maintenance will continue along the length of Councils beach front maintaining and repairing the infrastructure as needed. Minor maintenance issues will be attended to such as cleaning up of camp grounds, fixing access points and beach front furniture.

Storm water Drainage

This service covers the storm water management and recycling including management and collection of street runoff and the development of capital schemes to enable the reuse of storm water. A storm water Management Plan including the prioritising of works and developing a works program to upgrade the regions storm water infrastructure will continue through 2013 - 2014.

Private Works

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

ENVIRONMENTAL SERVICES

Legislative Compliance

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

Parks and Gardens

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

Parks and gardens include the town squares, reserves and traffic islands. Maintenance includes the trimming of trees, cutting of lawns, repairs to sprinkler systems, repairs to playgrounds, repairs to seating and benches as well as general maintenance to the numerous structures built within these parks and reserves.

Planning

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

Cemeteries

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

General Maintenance involves repairs to fencing and gates, the emptying of bins, gardening, watering and mowing as and where required.

Public Conveniences

The maintenance and cleaning of public conveniences is undertaken by Council on a regular basis. Council will continue to undertake maintenance and upgrades of these facilities as and when required.

Public conveniences are inspected twice per week with basic plumbing and other repairs and maintenance carried out as required

Natural Resource Management

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

EXECUTIVE SERVICES

Economic Development

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

Tourism

Tourism activities include increasing visitation by tourists through the support of visitor's information centres, marketing and promotion, special events, development of tourism assets including the foreshore, RV Friendly areas and campgrounds.