



ANNUAL BUSINESS PLAN AND BUDGET 2016-2017

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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

Our Vision for the community

A viable, cohesive and dynamic community, which supports expanding economic opportunities in a sustainable manner without compromising the natural assets or quality of lifestyle of the community.

Our Mission

As a legislated business, the District Council of Elliston aims to provide leadership, representation, advocacy and prudent management for its communities and visitors, and to work with them to identify asset needs and improve services.

As a Council, we are committed to achieving financial sustainability.

We recognise the benefits and advantages of working with the regional stakeholders and our neighbouring Councils.

Our Core Values

The Elected Members and staff of the District Council of Elliston are guided by the following day-to-day principles to create a positive and dynamic organisational culture:

- Good governance
- Ethical behaviour
- Community focus
- Integrity
- Team Focus
- Openness and Accountability
- Responsibility
- Cohesiveness
- Positive Leadership
- Prudent financial management.

Our key strategic objectives

1. Economy

To actively encourage, support and promote opportunities to increase the prosperity and sustainable growth of the community

2. Infrastructure

To effectively and efficiently manage and improve our community infrastructure.

3. 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.

4. Community Services

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

5. Leadership and Governance

To provide progressive leadership and good governance which encourages confidence of the community in the Council, and conduct our business in a financially responsible manner.

3. Significant Influences and Priorities

A number of significant factors have influenced the preparation of the Council's 2016-17 annual business plan.

These include:

- Consumer Price Index/Local Government Prices Index increases on existing goods and services of 1.0% for the year (December quarter 2015)
- 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
- State/Commonwealth grant funding not keeping pace with the increase in associated service delivery costs
- Loss of Supplementary Local Roads Grant funding, which was part of the Commonwealth Financial Assistance Grants
- 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 development.
- 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 1999* and other relevant legislation.

These include:

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

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

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

4. Continuing Services con't

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	Budget 2016-17 \$	Comment
Replaced Assets:		
Council Houses / Buildings		
Fencing	20,000	House A & B
Replace Garage Roof	15,000	Replace corrosion on House B
	35,000	
Roads / Transport Assets:		
Unsealed		
Clementina Drive	14,365	
Stormbird Drive	10,774	
Spindrift Drive	15,562	
Barwell Road	218,003	
Sieberts Road	15,441	
Haimbidge Road	390,255	
Lally Road	35,913	
Sealed		
West Terrace (Lock)	15,000	
Sixth Street (Elliston)	6,484	
Dearman Street (Lock)	10,120	
Pygery Road (Pt Kenny)	109,050	
Sandham Street (Venus Bay)	18,578	
James Street (Venus Bay)	11,835	
South Terrace (Elliston)	5,100	
Bay Road (Venus Bay)	23,520	
Mt Wedge/Kyancutta (50% replacement)	185,000	Total Cost of \$370k split 50% replacement / 50% new. Partly funded from special Local Roads grant funding with the balance being funded from the road to recovery allocation.
	1,085,000	
Plant & Machinery		
Back Hoe/Loader	80,000	Replace unserviceable equipment
Prime Mover	45,000	Replacement due
Small Plant	15,000	Replacement due
Admin Ute	40,000	Replacement due
Lock Grader Ute	40,000	Replacement due
Elliston Grader Ute	40,000	Replacement due
Dr's Subaru Forester	40,000	Replacement due
	300,000	

5. Capital Expenditure - Project Priorities for the Year con't

Project	Budget 2016-17 \$	Comment
Other		
Staircase - Locks Well	100,000	Dependant on sustainability
Depot - Fuel Tank	20,000	Possible operation item if tanks are removed and fuel sourced locally
Elliston Transfer Station - upgrade (EPA compliance)	70,000	EPA compliance
Toilets Lock Caravan Park	55,500	Lions Club contribution \$25k
Toilets Elliston Visitor Centre	55,500	Replacement
Folding Machine	3,000	Replacement
Venus Bay Caravan Park Soakage	55,000	15/16 project not completed VBCP contribution \$30k
Welcome Walls - Elliston	30,000	15/16 project not completed
Talia Access Stairs	5,000	15/16 project not completed
	394,000	
Total Replacement Capital Expenditure	1,814,000	
New Assets:		
Coastal Trail - Interpretive signage	70,000	
Venus Bay - Playground & Car Park	80,000	Paving & sealing carpark & fencing playground
Depot - VHF Radios & Base Station	15,000	WHS initiative
Fencing / Landscaping - Bramfield Cemetery	15,000	Legislative requirement
Fencing - Pt Elliston Cemetery	30,000	Legislative requirement
Pergolas - Council Houses	7,000	Entertaining area
Mt Wedge/Kyancutta (50% new)	185,000	Total Cost of \$370k split 50% replacement / 50% new. Partly funded from special Local Roads grant funding with the balance being funded from the road to recovery allocation.
Tractor & Slasher	25,000	Roadside verge mowing
Townships - Street Banners	11,000	Christmas flags
Notebooks/ I-pads for E Members/staff	12,500	
Elliston Sports Ground - Shade/Landscaping	4,000	Protection for playground area at sports centre
Ramp at Venus Bay	16,000	15/16 project not completed
Total New Asset Capital Expenditure	470,500	
Total Capital Expenditure	2,284,500	

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.

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 Councils long term renewal programs as referenced in Councils draft Asset Management Plans

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

The operating surplus ratio expresses the operating surplus (deficit) as a percentage of general and other rates.

This ratio answers the question: Is Council covering its operating expenditure and depreciation charge from its operating revenue?

The budgeted operating result of \$388k surplus would indicate that for the 2016-17 year Council can answer yes to this question. It should be noted however that Council is receiving abnormally high levels of grant funding from both the roads to recovery program as well as the special local roads program. When this abnormal grant income is removed an underlying deficit of \$277k is reported. Council addresses the underlying deficit in the financial strategy that underpins the long term financial plan.

Calculation of Operating Surplus Ratio	Budget 2016-17
Operating Surplus (a)	388
Rates - general & other less NRM levy (b)	2108
Operating Surplus Ratio (a) / (b)	18%

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 the amount identified in Councils long term renewal programs as referenced in Councils draft Asset Management Plans for the 2016-17 year. Council is aiming to attain a result of 100% for the year ending 30 June 2017. This means that Council is funding capital replacement expenditure as identified in Council's draft Asset Management Plan.

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 2017:

Calculation of Net Financial Liabilities Ratio	Estimated 30/06/17 \$,000
Gross borrowings	0
Less: Cash and investments	512
Equals: Net debt	(512)
Add: Trade and other payables	150
Add: Provisions for employee entitlements	111
Less: Trade and other receivables	285
Equals: Net financial liabilities (a)	(536)
Total operating revenue less NRM Levy (b)	4,440
Net Financial Liabilities Ratio (a) / (b)	(12)%

The negative result indicates that Council is in a net financial assets position. The local government sector wide results for this financial indicator usually fall between 0% and 100%.

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 underlying operating deficit situation is acceptable only in the short term. The financial strategy that underpins the long term financial plan demonstrates that Council will achieve an operating surplus on an ongoing basis from the year ending 30 June 2021 onwards.

The target Asset Sustainability Ratio of 100% is within the range the local government sector usually operates within. Effectively, the asset renewals as identified in the roads and plant and equipment draft asset management plans are included in the Annual Business Plan and Annual Budget.

7. Non-Financial Performance Measures – 2016-17

The following proposed non-financial performance measures for the financial year are linked to the *District Council of Elliston Strategic Plan 2016-17 – 2020-21*:

7.1 Economy and Infrastructure

- Re-sheet unsealed roads
- Spray reseal of sealed roads
- Construct and seal 8.2kms Mt Wedge/Kyancutta Road
- Replace backhoe
- Replace 4 vehicles
- Purchase Prime Mover
- Purchase tractor and slasher
- Review the unsealed road network to cater for fit for purpose traffic usage
- Upgrade the staircase at Locks Well
- Facilitate a review of the Anxious Bay boat ramp
- Continue to upgrade the Council houses in Elliston

7.2 Environment

- Finalise the Better Development Plan process
- Continue to review waste management service levels and collection method as per the February 2016 Waste Management Service Levels Report.
- Upgrade the Elliston Transfer Station
- Review Port Kenny Water Supply

7.3 Community Services

- Upgrade the Venus Bay – playground & car park
- Fence the Pt Elliston Cemetery
- Fencing and landscaping the Bramfield Cemetery
- Elliston sports ground – shade/landscaping
- Township – street banners

7.4 Leadership and governance

- Finalise the review and updating of all Council policies and related procedures
- Review Councils leases & licences
- Continue to update of the work health safety (WHS) and injury management (IM) programs
- Facilitate plans for Council area emergency management & business continuity
- Facilitate a National Stronger Regions grant to improve telecommunication black spot areas
- Install VHF radios and base station
- Purchase notebook/ipads for staff & Elected Members

8. Non-Financial Performance Measures – Achievements 2015-16

8.1 Economy and Infrastructure	Comment
Re-sheet 35 km unsealed roads	Completed
Spray seal 20,000m ² of sealed roads	Completed
Pave 595 linear metres of town footpaths	Completed
Complete construction of the Elliston Coastal Trail project	70% Completed. Expected to be finished by June 2016.
Upgrade (asset renewal) of playgrounds at Port Kenny and Venus Bay	Completed
Purchase new truck and skid-steer combination	Completed
Demolish old toilet block at Venus Bay	Completed
8.2 Environment	Comment
Finalise the Better Development Plan process	Contractor appointed. In progress.
Review waste management service levels and collection method, and commence implementation of any changes.	First review report completed – Feb 2016. Report recommendations to be completed during 2016/17
8.3 Community Services	Comment
Provide ongoing support to youth activities and the Elliston RSL Memorial Children's Centre.	Completed
8.4 Leadership and governance	Comment
Commence a review of the Council's Strategic Plan	Due for completion June 2016
Finalise the review and updating of all Council policies and related procedures	Part completed. Key policies identified and updating commenced.
Finalise the Better Development Plan conversion	Completed
Continue implementation of the UHY Haines Norton financial review recommendations	Completed
Finalise updates of the asset management plan and long-term financial plan	Completed
Implement the recommendations of the records management report	Due for completion June 2016
Finalise the update of Council's website	Due for completion by May 2016
Continue Elected Member training	Ongoing
Publish quarterly Council newsletter	Ongoing

9. 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 2016-17 budgets assume that four quarterly installments of Federal Government financial assistance grants (both general purpose and local roads components) will be received during 2016-17.

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 \$,000
Local Roads Grant	397
Roads to Recovery (Extra \$384k allocated for 2016-17 year)	677
Special Local Roads Grant	281
General Purpose Financial Assistance Grant	737
Other Grants	68
Total Grant Funding	2,160

10. Funding the Business Plan

A surplus of \$388k is being forecast for 2016-17. The operating result measures the difference between operating revenue and expenses for the period. The Council's long-term financial sustainability is dependent on ensuring that, on average over time, its expenses are less than its revenue.

Council's revenue in 2016-17 includes \$2.108M proposed to be raised from general and other rates. There is little forecast growth expected for the region. Accordingly no increases to rates revenue have 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.

A review of service charges has been undertaken such that the Waste Service charged levied in relation to the Kerbside Collection service has been reduced in 2016-17. This reflects the savings incurred recently in the cost of delivering this service being passed on to the community.

Council is has also introduced a User Charge in relation to rubbish being dumped at the transfer stations. A significant degree of expenditure is being incurred by Council with no contribution being made by those dumping rubbish for free. Accordingly it could be argued that sections of the community are paying for services that other sections of the community are currently receiving for free.

Council staff have reviewed the amount that neighbouring Councils charge for similar services and based the fee to be charged to Elliston ratepayers on this. Elliston was one of the few Councils in South Australia that did not charge for dumping rubbish.

11. 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 2015-16	Budget 2016-17
	\$,000	\$,000
Operating Revenue	4,264	4,440
less Operating Expense	(4,207)	(4,052)
Operating Surplus / (Deficit) before Capital Amounts	57	388
less Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	1,854	1,814
less Depreciation, Amortisation & Impairment	(1,146)	(1,158)
less Proceeds from Sale of Replaced Assets	(55)	(50)
	653	606
less Net Outlays on New & Upgraded Assets		
Capital Expenditure on New & Upgraded Assets	1,765	471
less Amounts specifically for new or upgraded Assets	(874)	0
less Proceeds from Sale of Surplus Assets	0	0
	891	471
Net Lending/ (Borrowing) for Financial year	(1,488)	(688)

The above data indicates that Council will use \$688k of investments to fund the activities and projects outlined in this business plan. Current expectations are that Council will have \$1.190M in the bank as at 30 June 2016, accordingly the requirement to use \$688k to fund the cash shortfall in 2016-17 means that cash reserves are expected to reduce to \$501k by 30 June 2017.

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

12. Rating Arrangements 2015-16 (Items highlighted in yellow below will be updated in due course)

Service Charges

Community Wastewater Management Systems – Service Charge

Pursuant to Section 155 of the *Local Government Act 1999*, the Council proposes to adopt an annual service charge for the financial year ending 30 June 2017, 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:

- For all properties at Lock serviced by CWMS, an annual service charge of \$356 per property.

Water Supply – Service Charge

Pursuant to Section 155 of the *Local Government Act 1999*, the Council proposes to adopt an annual service charge for the financial year ending 30 June 2017, 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:

- For all properties at Port Kenny serviced by the Port Kenny Water Supply, an annual charge of \$83 per property.

Waste Management – Service Charge

Pursuant to and in accordance with Section 155 of the *Local Government Act 1999* in respect of the 2016 - 2017 financial year, the Council impose an annual service charge based on the level of usage of the service and, on all land to which the Council provides or makes available the prescribed service of the collection, treatment or disposal of waste via Council's waste management service as follows:

- 0-0.3m³ of waste per week on average - \$178 per annum
- 0.3-0.6m³ of waste per week on average - \$355 per annum
- 0.6m³ to 0.9m³ of waste per week on average - \$533 per annum

Provided on the basis that the sliding scale provided for in Regulation (13) of the Local Government (General) Regulations will be applied to reduce the service charge payable, as prescribed.

Single farm enterprises and adjoining allotments are only charged the annual service charge in respect of the assessment constituting the principal property.

That Council pursuant to Section 188 of the Local Government Act 1999 includes in its Fees and Charges Schedule a fee of \$4.00 per extra kerbside waste or recycling bin collection.

Method used to value land

The Council adopted 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 that are made available to the Council at the time that the Council adopts the budget, being valuations as at the 27 June 2016.

If a ratepayer is dissatisfied with the valuation made by the Valuer - General, you may object to the valuation referred to on the notice within 60 days after the date of service of receiving the notice of valuation.

Note:

- a) if you have previously received a notice under the Local Government Act 1999 referring to the valuation and informing you of a 60 day objection period, the objection period is 60 days after service of the first notice. ;
- b) you may not object to the valuation if the Valuer- General has already considered an objection by you to that valuation.

The Valuer-General may extend the 60 day objection period where it be shown there is reasonable cause to do so by a person entitled to make an objection to a valuation.

A written objection to a valuation must set out the full and detailed grounds for objection. Objections can also be submitted via an online form at <http://www.sa.gov.au/landservices> and enter "Objecting to a Valuation" in the search field. Differential Rates (and or charges) imposed by rates (and or charges) are still due and payable by the due date even if an objection has been lodged.

Objections are to be forwarded to:
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
Fax: 08 8226 1428

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 1999* 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 adopted to impost 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 1.0069 cents in the dollar.

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

- | | |
|------------------------|---------------------------|
| • Residential | .4130 cents in the dollar |
| • Commercial – Shop: | .4130 cents in the dollar |
| • Commercial – Office: | .4130 cents in the dollar |
| • Commercial – Other | .4130 cents in the dollar |
| • Industrial – Light | .4130 cents in the dollar |
| • Industrial – Other | .4130 cents in the dollar |
| • Primary Production | .4130 cents in the dollar |
| • Vacant Land | .4130 cents in the dollar |
| • Other | .4130 cents in the dollar |

Council's budget contains rate revenue of \$1.83M, net of rebates.

This represents a 4% increase on total general rates raised (net of rebates) compared to 2015-16.

The average residential rates payable is budgeted to be \$1,212.

Fixed Charge

The Council adopted a fixed charge of \$256. 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.

Pensioner Concessions, State Senior Card Ratepayer (Self-Funded Retiree) and Other Concessions

Until last year, the State Government funded concessions on Council rates. These concessions were formerly available to the holders of pensioner concession cards, veterans, low-income earners, unemployed, students and self-funded retirees. These concessions were all abolished by the State Government with effect from 30 June 2015. From 1 July 2015, the State Government has elected to replace these concessions with a single "cost of living payment" provided directly to those entitled. This payment may be used to offset Council rates. Note that not all former recipients of rates concessions will be entitled to the new payment. To check eligibility, contact the Department for Communities and Social Inclusion (DCSI) Concessions Hotline 1800 307 758 or at www.sa.gov.au/. The separate concession entitlements for Council Community Waste Water Schemes (CWMS) remain unchanged. Should you be entitled to the State Government funded concession on CWMS rates this will be reflected on the rate notice.

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.

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.

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

The total levy to be collected for 2016-17 is \$81,339 comprising of a fixed rate of \$79.20 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 23 September 2016, 16 December 2016, 24 March 2017, 23 June 2017.

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.

That pursuant to Section 181(1) of the Local Government Act 1999, all rates are payable in four equal or approximately equal instalments on or before the following dates:

- 23 September 2016
- 16 December 2016
- 24 March 2017
- 23 June 2017

and further that, pursuant to Section 181(11) of the Local Government Act 1999, Council determines that:

- ratepayers may apply to pay their rates and service charges in full by 16 December 2016;
- such applications must be lodged with Council by 23 September 2016;
- if rates in these circumstances are paid in full by 16 December 2016 fines and interest will not be applied for the September to December period.

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*.

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).

13 CONSULTATION

The Draft Annual Business Plan and Budget were advertised in the *Port Lincoln Times*, *West Coast Sentinel* and *EP Tribune* on 14th April 2016.

A public consultation meeting was held at the Elliston Council Chambers on the 12th May 2016.

Copies of the Annual Business Plan are 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.

14 COUNCIL CONTACT

Council can be contacted by:

Mail: PO Box 46, Elliston, 5670

Email: dce@elliston.sa.gov.au

Phone: 08 8687 9177

Website: www.elliston.sa.gov.au

Appendix A – Explanation of Uniform Presentation of Finances

(example only for explanation purposes – left blank intentionally)

UNIFORM PRESENTATION OF FINANCES		2015-16 Forecast \$'000	2016-17 Budget \$'000
Income			
/less Expenses			
Operating Surplus/(Deficit)		-	-
Less: Net Outlays on Existing Assets			
Capital Expenditure on Renewal/Replacement of Existing Assets			
/less Depreciation, Amortisation and Impairment Expenses			
/less Proceeds from Sale of Replaced Assets			
Net Outlays on Existing Assets		-	-
Less: Net Outlays on New and Upgraded Assets			
Capital Expenditure on New/Upgraded Assets			
/less Amounts received specifically for New/Upgraded Assets			
/less Proceeds from Sale of Surplus Assets			
Net Outlays on New and Upgraded Assets		-	-
Net Lending/(Borrowing) for Financial Year		-	-

Explanation/Examples of Components of Uniform Presentation of Finances

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

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

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

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

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

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

New/Upgraded vs Renewal/Replacement of Assets

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

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

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

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

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

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

Appendix B - Statutory Statements

STATEMENT OF COMPREHENSIVE INCOME	Forecast 2016	Budget 2017	Variance
	\$,000	\$,000	\$,000
INCOME			
Rates	2,112	2,108	(4)
Statutory Charges	14	17	3
User Charges	66	87	21
Grants & Subsidies	2,008	2,160	153
Investment Income	42	42	0
Reimbursements	17	22	5
Other Revenues	5	5	0
Total Operating Income	4,264	4,440	177
EXPENDITURE			
Employee Costs	1,122	1,230	108
Materials, Contracts & Other Expenses	1,933	1,665	(268)
Depreciation	1,146	1,158	12
Finance Charges	6	0	(6)
Total Operating Expenditure	4,207	4,052	(155)
OPERATING SURPLUS/(DEFICIT)	57	388	331
Gain/Loss on disposal & fair value adjustments	0	0	0
Amounts specifically for new or upgraded assets	874	0	874
Physical resources received free of charge	0	0	0
NET SURPLUS / (DEFICIT) transferred to Equity Statement	931	388	1,205

BALANCE SHEET	Forecast 2016	Budget 2017
	\$,000	\$,000
ASSETS		
CURRENT ASSETS		
Cash & Cash Equivalents	1,190	501
Trade & Other Receivables	285	285
Inventories	11	11
Total Current Assets	1,486	797
NON-CURRENT ASSETS		
Financial Assets	10	10
Infrastructure, Property, Plant & Equipment	39,440	40,517
Total Non-Current Assets	39,451	40,527
TOTAL ASSETS	40,937	41,325
LIABILITIES		
CURRENT LIABILITIES		
Trade & Other Payables	150	150
Borrowings	0	0
Short Term Provisions	105	105
Total Current Liabilities	255	255
NON-CURRENT LIABILITIES		
Long Term Borrowings	0	0
Long Term Provisions	6	6
Total Non-Current Liabilities	6	6
TOTAL LIABILITIES	261	261
NET ASSETS	40,676	41,064
EQUITY		
Accumulated Surplus	8,269	8,657
Asset Revaluation Reserve	31,545	31,545
Other Reserves	861	861
TOTAL EQUITY	40,676	41,064

STATEMENT OF CASH FLOWS	Forecast 2016	Budget 2017
	\$,000	\$,000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts		
Operating Receipts	4,222	4,398
Investment Receipts	42	42
Payments		
Operating Payments to Suppliers & Employees	3,055	2,894
Finance Payments	6	0
Net Cash provided by (or used in) Operating Activities	1,203	1,546
CASH FLOWS FROM INVESTING ACTIVITIES		
Receipts		
Grants Specifically for new or upgraded assets	874	0
Sale of replaced Assets	55	50
Payments		
Expenditure on renewal/replaced assets	1,854	1,814
Expenditure on new/upgraded assets	1,765	471
Net cash provided by (used in) Investing Activities	(2,690)	(2,234)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts		
Proceeds from Borrowings	0	0
Payments		
Repayment of Borrowings	0	0
Net Cash Provided by (Used in) Financing Activities	0	0
Net Increase / Decrease in Cash	(1,488)	(688)
Cash and Cash Equivalents at start of reporting period	2,677	1,190
Cash & Cash Equivalents at the end of the reporting period	1,190	501

STATEMENT OF EQUITY	Forecast 2016	Budget 2017
	\$,000	\$,000
ACCUMULATED SURPLUS		
Balance at end of previous reporting period	7,339	8,269
Net Result for Year	931	388
Transfer from Reserves	0	0
Transfer to Other Reserves	0	0
Balance at end of period	8,269	8,657
ASSET REVALUATION RESERVE		
Balance at end of previous reporting period	31,545	31,545
Gain on Revaluation of Property Plant & Equipment	0	0
Balance at end of period	31,545	31,545
OTHER RESERVES		
Balance at end of previous reporting period	861	861
Transfers from Accumulated Surplus	0	0
Transfers to Accumulated Surplus	0	0
Balance at end of period	861	861
TOTAL EQUITY AT END OF REPORTING PERIOD	40,676	41,064

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 2017. 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 Work Health and Safety (WHS) 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, at the appropriate time and providing that 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.

Stormwater 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 priority for the 2015-2016 financial year is the completion of a storm-water management plan to address flooding in Port Kenny and planning for required remediation works.

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 centre, marketing and promotion, special events, development of tourism assets including the foreshore, RV Friendly areas and campgrounds.