



ANNUAL BUSINESS PLAN AND BUDGET 2014-2015

Adopted 15th July 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 - *District Council of Elliston Strategic Plan Moving Toward 2017*.

3. Significant Influences and Priorities

A number of significant factors have influenced the preparation of the Council's 2014-15 annual business plan. These include:

- Consumer Price Index/Local Government Prices Index increases on existing goods and services of 2.3% for the year (December quarter 2013)
- Enterprise Bargaining Agreement, which provides 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 recognising 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
- 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
- Resourcing and implementation of the recommendations of the *Assessment Of The Financial Position, Financial Reporting And Financial Processes of The District Council of Elliston June 2013* prepared by UHY Haines Norton
- Resourcing and implementing the recommendations of the *ICT Strategic Plan 20 January 2014* prepared by Loftus
- Resourcing and implementing a range of other administrative systems and processes (e.g. record management system) to bring Council up to an acceptable standard and, where required, compliant.

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.

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	\$	\$	Comment
Replaced Assets:			
Buildings:			
Council Office Toilets	5,000		Tile and paint
House A Side Fence	5,000	10,000	Renewal
Roads/Transport Assets:			As identified in Asset Management Plan
Unsealed			
Unallocated Funds	69,501		
Unsealed - Sieberts Road (167) From Tod Highway - Hundred Line Road	172,800		
Unsealed - Hundred Line Road (178) From Wills Road - Popes Road	84,480		
Unsealed - Roberts Road (177.1) From Tooligie Hill Road - Tooligie Road	76,419		
Unsealed - Zerk Road (143.3) From Haimbidge Drive - Skinner Road	192,000		
Unsealed - Sieberts Road (167.3) From Reeds Road to Woore Road	140,800		
Reseals			
Surface Pygery-Port Kenny Road (015) From RRD 2200 RRD 2750	60,961		
Surface Pygery-Port Kenny Road (010) From RRD 1160 RRD 2200	61,083		
Surface Pygery-Port Kenny Road (005) From Flinders Highway RRD 1160	51,826	909,870	
Footpaths			
Memorial Drive	35,000		
Lock	35,000	70,000	
Plant and Machinery			
Grader	350,000		Carry-over 2013/14 John Deere Replacement (11000 Hrs). Less Trade in \$80,000
4x4 High Rise ute	45,000		Replacement Elliston Handyman No 2 - Tip tray 4x4. Less trade \$5,000
Power Pruner	3,000		Elliston Depot Replacement
Chainsaw	2,500	400,500	Elliston Depot Replacement

5. Capital Expenditure - Project Priorities for the Year

Project	\$	\$	Comment
Other			
Venus Bay Caravan Park Soakage Pit	60,000		
Port Kenny Playground	50,000		Replacement and installation
Venus Bay Playground	50,000	160,000	Replacement and installation
Total Replacement Capital Expenditure		1,550,370	
New Assets:			
Roads/Transport Assets:			
Venus Bay Paving		50,000	
Other			
			Design and construction and upgrade of a 14 km coastal walking and cycling trail from Little Bay Cliff Top Drive to Cape Finniss, Elliston
Foreshore Redevelopment	1,030,000		
Stormwater Management Plan - Pt Kenny	15,000		Options for flooding
Niche Wall	10,000	1,055,000	Bramfield - Carried forward 2013/14
Total New Asset Capital Expenditure		1,105,000	
Total Capital Expenditure		2,655,370	

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 2014-15, 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 is aiming to make a small percentage deficit for the year ending 30 June 2015.

The operating surplus ratio from the proposed budgeted activity for the year is (10%), (i.e. a slightly less than breakeven result). This result arises because operating income is budgeted to be \$204k 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 100% for the year ending 30 June 2015. 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 2015:

Calculation of Net Financial Liabilities

	Estimated 30/06/15 \$,000
Gross borrowings	0
Less: Cash and investments	1,222
Equals: Net debt	(1,222)
Add: Trade and other payables	126
Add: Provisions for employee entitlements	93
Less: Trade and other receivables	167
Equals: Net financial liabilities	(1,170)
Net Financial Liabilities Ratio	(31%)

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%. It is expected however that these amounts of cash on hand will be spent in a strategic manner over the next few years.

A cash balance of \$1.222M indicates that Council has sufficient capacity to undertake an accelerated capital expenditure program should the soon to be completed 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 the soon to be completed 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 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 - 2014-15

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
- Paving of town footpaths
- Complete second stage of Elliston Coastal Trail project (detailed design, working drawings, specifications, statutory approvals, tenders, commence construction, and Aboriginal cultural heritage survey, consultation, sculpture design and manufacture)
- Upgrade (asset renewal) of playgrounds at Port Kenny and Venus Bay
- Prepare storm water management plan for Port Kenny
- Prepare feasibility study for Elliston storm water management/wetlands.

7.2 Environment

- Proceed with the Better Development Plan process
- Finalise waste management review and commence implementation of changes.

7.3 Community Services

- Advocate for continued State government support for Elliston RSL Memorial Children's Centre.
- Distribute Elliston TV fund to not for profit community groups

7.4 Leadership and governance

- Commence review of the Council's Strategic Plan
- Continue review of all Council policies and related procedures
- Continue implementation of UHY Haines Norton financial review recommendations
- Implement an ICT maintenance program
- Undertake new EBA process
- Update asset management plan and long-term financial plan
- Implement recommendations of records management report
- Finalise Port Kenny and Venus Bay non-potable water supply scheme asset recording and condition assessment, and develop management plans
- Implement regional procurement scheme
- Update work health and safety (WHS) and injury management (IM) programs
- Prepare specifications and tender documents, analyse tenders for ICT hardware, telecommunications equipment, software and hardware and software maintenance, select suppliers, and commence implementation
- Undertake new elected member induction and training.

8. Non-Financial Performance Measures – Achievements 2013-14

8.1 Economy and Infrastructure

2013-14 Performance Measure Targets	2013-14 Performance Measure Achievements
Re-sheet 25 km unsealed roads	Re-sheeted 26.1 km unsealed roads
Spray seal 10,000m ² of sealed town streets	Spray sealed 24,302m ² of sealed town streets
Pave 600 linear metres of town footpaths	Paved 535 linear metres of town footpaths (Council removed 308m ² of paved footpath from the works program)
Install new irrigation system on the corner of Memorial Drive and Elliston Information Centre entrance	Council deleted the project from the works program
Maintenance renewal works to Council property at 26 Dearman Street, Lock	Not completed – Council to determine whether this work is to proceed
Replace roof at Port Kenny public toilets	Completed
Commence construction of the Elliston Coastal Trail project (subject to receipt of Australian Government funding - RDAF)	Contract executed and Phase 1 (design) commenced

8.2 Environment

2013-14 Performance Measure Targets	2013-14 Performance Measure Achievements
Commence section 30 Development Plan review	Council has resolved 'in principle' agreement to proceed with the Better Development Plan option
Finalise waste management review	Review well advanced

8.3 Community Services

2013-14 Performance Measure Targets	2013-14 Performance Measure Achievements
Investigate establishment of Men's Shed in Elliston	Council property leased to Elliston Mens Shed Association and establishment works agreed
Advocate for continued State government support for Elliston RSL Memorial Children's Centre	Issue raised with local member, Mr Peter Treloar MP, Member for Flinders

8.4 Leadership and governance

2011-14 Performance Measure Targets	2013-14 Performance Measure Achievements
Finalise Phase 1 of the Asset Management Plan (road infrastructure)	Completed
Develop first draft of a Long-Term Financial Plan	Completed
Commence review of the Council's Strategic Plan	Not commenced
Commence review of all Council policies and related procedures	Commenced
Prepare a risk register	Not commenced
Commence Phase 1 of a Risk Management Plan	Not commenced
Implement the OHS Essential Safety Platform program	Completed. One System Implementation Program implementation well-advanced.
Prepare and implement first phase of an Information Technology strategy	Completed an IT Infrastructure Review (May 2013), an ISP Analysis Report (August 2013), and an ICT Strategic Plan (20 January 2014). Tenders called for supply and installation of ICT hardware and software
Determine and commence implementation of an electronic Records Management Plan	Completed review of records management system, developed implementation plan and commenced records sentencing and lease register editing
Finalise staff classification system and Enterprise Bargaining Agreement	Prepared position descriptions for all staff and finalised Enterprise Agreement

2011-14 Performance Measure Targets	2013-14 Performance Measure Achievements
	Completed review of Council delegations
	Reviewed and implemented changes to align meeting agenda formats and content, and meeting procedures, with legislative requirements
	Reviewed and amended Council's organisational structure
	Commenced a review of two non-potable water supply schemes at Port Kenny and Venus Bay to plot infrastructure, determine asset condition, and develop management plans

9. Grant Funding

Local Government receives three types of grant funding:

General Purpose & Local Roads Financial Assistance Grants (Federal)

The Federal Government has amended this area in the recent budget; Council is awaiting advice on the final arrangements for the 2014-15 year. This section will be updated in due course as part of Council's first budget review for the 2014-15 financial year.

Council has complete discretion as to expenditure of funds received.

Council's 2014-15 budgets assume that four quarterly installments of Federal Government financial assistance grants (both general purpose and local roads components) will be received during 2014-15.

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 \$,000
Local Roads (Grants Commission)	580
Roads to Recovery	297
General Purpose (Grants Commission)	732
Other Grants	5
Total Grant Funding	1,614

10. Funding the Business Plan

A deficit of \$204k is being forecast for 2014-15. 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 2014-15 includes \$2.057M proposed to be raised from general and other rates. This is based on an increase of 2.2%. 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.

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 2014	Budget 2015
	\$,000	\$,000
Operating Revenue	3,961	3,885
less Operating Expense	(3,926)	(4,089)
Operating Surplus/(Deficit) before Capital Amounts	35	(204)
less Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	1,477	1,550
less Depreciation, Amortisation and Impairment	(1,151)	(1,154)
less Proceeds from Sale of Replaced Assets	(115)	(85)
	211	312
less Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets	646	1,105
less Amounts specifically for new or upgraded Assets	0	(306)
less Proceeds from Sale of Surplus Assets	0	0
	646	799
Net Lending/ (Borrowing) for Financial year	(822)	(1,315)

The above data indicates that Council will use \$1.315M 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.

12. Rating Arrangements 2014-15

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 2015, 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 \$334 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 2015, 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 \$76 per property.

Waste Management – Service Charge

Pursuant to and in accordance with Section 155 of the *Local Government Act 1999*, the Council imposed 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 - \$306 per annum
- 0.3-0.6m³ of waste per week on average - \$613 per annum
- Greater than 0.6m³ of waste per week on average - \$920 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.

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, being valuations as at the 14th July 2014.

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 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 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 0.9600 cents in the dollar.

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

• Residential	0.3905 cents in the dollar
• Commercial – Shop:	0.3905 cents in the dollar
• Commercial – Office:	0.3905 cents in the dollar
• Commercial – Other	0.3905 cents in the dollar
• Industrial – Light	0.3905 cents in the dollar
• Industrial – Other	0.3905 cents in the dollar
• Primary Production	0.3905 cents in the dollar
• Vacant Land	0.3905 cents in the dollar
• Other	0.3905 cents in the dollar

Council's adopted budget contains rate revenue of \$1.71M, net of mandatory rebates.

This represents a 2.2% increase on total rates raised (net of rebates) compared to 2013-14.

The average residential rates payable is budgeted to be \$1,162.

Fixed Charge

The Council has imposed a fixed charge of \$256. This remains at the same level levied for 2013-14 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 2014-15 is \$65,000 comprising of a fixed rate of \$66 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 26 September 2014, 19 December 2014, 27 March 2015, 26 June 2015.

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 2014-15 financial year prescribed interest rate is .6458% 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).

13 CONSULTATION

One hour was available for public presentations to Council prior to the Council meeting at on the 17 June 2014, at 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.

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	2013-14 Forecast \$'000	2014-15 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 2014	Budget 2015	Variance
	\$,000	\$,000	\$,000
INCOME			
Rates	2,013	2,057	44
Statutory Charges	13	28	14
User Charges	87	82	(6)
Grants & Subsidies	1,746	1,614	(132)
Investment Income	56	90	34
Reimbursements	38	13	(25)
Other Revenues	4	2	(2)
Total Operating Income	3,961	3,885	(76)
EXPENDITURE			
Employee Costs	1,049	1,031	(17)
Materials, Contracts & Other Expenses	1,719	1,898	179
Finance Charges	6	6	(1)
Depreciation	1,151	1,154	2
Total Operating Expenditure	3,926	4,089	163
OPERATING SURPLUS/(DEFICIT)	35	(204)	(239)
Gain/Loss on disposal & fair value adjustments	0	0	0
Amounts specifically for new or upgraded assets	0	306	306
Physical resources received free of charge	0	0	0
NET SURPLUS / (DEFICIT)	35	102	67
transferred to Equity Statement			

BALANCE SHEET	Forecast 2014	Budget 2015	Variance
	\$,000	\$,000	\$,000
ASSETS			
CURRENT ASSETS			
Cash & Cash Equivalents	2,513	1,198	(1,315)
Trade & Other Receivables	167	167	0
Inventories	6	6	0
Total Current Assets	2,686	1,371	(1,315)
NON-CURRENT ASSETS			
Financial Assets	24	24	0
Infrastructure, Property, Plant & Equipment	37,988	39,404	1,417
Total Non-Current Assets	38,011	39,428	1,417
TOTAL ASSETS	40,697	40,799	102
LIABILITIES			
CURRENT LIABILITIES			
Trade & Other Payables	126	126	0
Borrowings	0	0	0
Short Term Provisions	84	84	0
Total Current Liabilities	210	210	0
NON-CURRENT LIABILITIES			
Long Term Borrowings	0	0	0
Long Term Provisions	9	9	0
Total Non-Current Liabilities	9	9	0
TOTAL LIABILITIES	219	219	0
NET ASSETS	40,478	40,580	102
EQUITY			
Accumulated Surplus	7,691	7,867	176
Asset Revaluation Reserve	31,950	31,950	0
Other Reserves	837	763	-74
TOTAL EQUITY	40,478	40,580	102

STATEMENT OF CASH FLOWS	Forecast 2014	Budget 2015
	\$,000	\$,000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts		
Operating Receipts	3,914	3,795
Investment Receipts	56	90
Payments		
Operating Payments to Suppliers & Employees	2,946	2,929
Finance Payments	6	6
Net Cash provided by (or used in) Operating Activities	1,017	949
CASH FLOWS FROM INVESTING ACTIVITIES		
Receipts		
Grants Specifically for new or upgraded assets	0	306
Sale of replaced Assets	115	85
Payments		
Expenditure on renewal/replaced assets	1,477	1,550
Expenditure on new/upgraded assets	646	1,105
Loans made to community groups	0	0
Net cash provided by (used in) Investing Activities	(2,008)	(2,265)
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	(991)	(1,315)
Cash and Cash Equivalents at start of	3,504	2,513
Cash & Cash Equivalents at the end of the reporting period	2,513	1,198

STATEMENT OF EQUITY	Forecast 2014	Budget 2015
	\$,000	\$,000
ACCUMULATED SURPLUS		
Balance at end of previous reporting period	7,656	7,691
Net Result for Year	35	102
Transfer from Reserves	0	74
Transfer to Other Reserves	0	0
Balance at end of period	7,691	7,867
ASSET REVALUATION RESERVE		
Balance at end of previous reporting period	31,950	31,950
Gain on Revaluation of Property Plant &	0	0
Balance at end of period	31,950	31,950
OTHER RESERVES		
Balance at end of previous reporting period	837	837
Transfers from Accumulated Surplus	0	0
Transfers to Accumulated Surplus	0	74
Balance at end of period	837	763
TOTAL EQUITY AT END OF REPORTING PERIOD	40,478	40,580

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 2015. 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, 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.

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 priority for the 2014-2015 financial year is a storm-water management plan to address recent flooding in Port Kenny.

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.

