



ANNUAL BUSINESS PLAN AND BUDGET 2015-2016

Adopted by Council at the meeting held on 23 June 2015

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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 2015-16 annual business plan. These include:

- Consumer Price Index/Local Government Prices Index increases on existing goods and services of 2.5% for the year (December quarter 2014)
- 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
- Loss of Special 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 developments (coastal trail project)
- 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 new information and communications technology (ICT) hardware, telephony and software systems
- Resourcing and implementing a range of other administrative systems and processes (e.g. record management system, land-use planning scheme review, asset management and long-term financial plan updates, etc.) 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:			
Venus-Bay Old Toilet Block Removal	20,000		
Office Toilets Upgrade	15,000	35,000	
Roads / Transport Assets:			
Unsealed			
McLachlan Way (146.3) From Todd Hwy - Huppatz Rd	81,920		
McLachlan Way (146.2) From Burrows Rd - Huppatz Rd	64,000		
McLachlan Way (146) From Birdseye Hwy - Owen Rd	125,440		
Sieberts Road (167.2) From Lally Rd - Reeds Rd	14,400		
Sieberts Road (167.1) From Hundred Line Rd - Lally Rd	103,680		
Barwell Road (165a) From Birdseye Hwy - 9.5km South of Birdsey Hwy	209,000		
Dog Fence Road (158) From Lally Rd - Murdinga Murlong Rd	58,000		
Fuss Road (156.1) From Tod Hwy-700m mark	15,500		
Sivour Rd from Murdinga-Murlong Road to Tooligie Hill exchange	100,000		
Hambidge Drive, from Zerk Road to Ridgeway Road	67,322		
Ucontichie Road (199) From Mt Damper Rd East to Wudinna Boundary	127,693	966,955	
Reseals			
Surface - Hawson Street (005) From Heron St to Terre St	8,995		
Surface - Hawson Street (010) From Terre St to West Tce	10,335		
Surface - Hawson Street (020) From Dearman St to Railway Tce	10,335		
Surface - Starke Street (015) From McLachlan St to Railway Tce	9,004		

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

Project	\$	\$	Comment
Surface - Terre Street (005) From North Tce to Hawson St	5,742		
Surface - Starke Street (010) From West Tce to McLachlan St	11,510		
Surface - Palkagee Street (005) From Starke St to McLachlan St	10,100		
Surface - Locks Well Road (015) From RRD 2000 End	72,227		
Surface - Silo Road (005) From Flinders Hwy Sundowner Dr	9,074		
Surface - Cheetina Terrace (005) From Flinders Hwy to Beach Tce	8,821		
Surface - Beach Terrace (005) From Murray St to Cheetina Tce	5,428	161,571	
Footpaths			
Memorial Drive, Elliston	20,000		
Dearman Street, Lock	25,000		
Matson Terrace, Venus-Bay	65,000	110,000	
Plant & Machinery			
4WD Dualcab	45,000		General Manager - 80,000km Trade \$25,000
Truck & Skid Steer Combo Unit	165,000	210,000	Trade or Sell Tandem tipper - \$20,000
Other			
Venus-Bay Caravan Park Soakage	60,000		
Folding Machine	2,000		
Welcome Walls - Elliston	30,000		
District Welcome Signs	7,000		
Talia Access Stairs	5,000		
Venus-Bay - Old Town Water Supply Tank	5,000		
Council Chamber Projector Upgrade	10,000		
Port Kenny Basketball Court Remediation	5,000	124,000	
Total Replacement Capital Expenditure		1,607,526	

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

Project	\$	\$	Comment
New Assets:			
Ute - Venus Bay - Pt Kenny Maintenance	40,000		
Lock Park Irrigation	11,400		
Formation of East Tce, Bramfield	16,000		
Ramp at Venus Bay	16,000		
Blinds for BBQ area Memorial Drive	5,000	88,400	
Other			
Elliston Coastal Trail		1,400,000	
Total New Asset Capital Expenditure		1,488,400	
Total Capital Expenditure		3,095,926	

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 developed a Long-term Financial Plan and is currently developing 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 2016.

The operating surplus ratio from the proposed budgeted activity for the year is (8%), (i.e. a slightly less than breakeven result). This result arises because operating income is budgeted to be \$163k 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 the amount identified in Asset Management Plans required to be spent on capital renewal for the 2015-16 year. Council is aiming to attain a result of 100% for the year ending 30 June 2016. 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 2016:

Calculation of Net Financial Liabilities

	Estimated 30/06/16 \$,000
Gross borrowings	0
Less: Cash and investments	90
Equals: Net debt	(90)
Add: Trade and other payables	126
Add: Provisions for employee entitlements	93
Less: Trade and other receivables	167
Equals: Net financial liabilities	(38)
Net Financial Liabilities Ratio	(1%)

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 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.

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 - 2015-16

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 35 km unsealed roads
- Spray seal 20,000m² of sealed roads
- Pave 595 linear metres of town footpaths
- Complete construction of the Elliston Coastal Trail project
- Commence planning for remediation works as recommended in the stormwater management plan for Port Kenny
- Purchase new truck and skid-steer combination
- Demolish old toilet block at Venus Bay
- Erect town entrance signs for Elliston
- Erect district welcome signs at the boundaries of the district on the major road entrances.

7.2 Environment

- Finalise the Better Development Plan process
- Review waste management service levels and collection method, and commence implementation of any changes.

7.3 Community Services

- Provide ongoing support to youth activities and the Elliston RSL Memorial Children's Centre.

7.4 Leadership and governance

- Commence a review of the Council's Strategic Plan
- Finalise the review and updating of all Council policies and related procedures
- Finalise the Better Development Plan conversion
- Continue implementation of the UHY Haines Norton financial review recommendations
- Finalise updates of the asset management plan and long-term financial plan
- Implement the recommendations of the records management report
- Finalise the update of the work health safety (WHS) and injury management (IM) programs
- Finalise the update of Council's website
- Finalise the Port Kenny and Venus Bay non-potable water supply schemes asset recording and condition assessments, develop asset and operational management plans, and implement those plans.

8. Non-Financial Performance Measures – Achievements 2014-15

8.1 Economy and Infrastructure

2014-15 Performance Measure Targets	2014-15 Performance Measure Achievements
Re-sheet 25 km unsealed roads	Re-sheeted 21 km unsealed roads
Spray seal 10,000m ² of sealed town streets	Project postponed due to loss of Financial Assistance Grant funding
Pave 240 linear metres of town footpaths	Paved 240 linear metres 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)	70% completed. Completing detailed design for final round of community consultation. Working drawings and tender documentation 80% completed. Cultural heritage survey completed
Upgrade (asset renewal) of playgrounds at Port Kenny and Venus Bay	Completed
Prepare storm water management plan for Port Kenny	Completed
Prepare feasibility study for Elliston storm water management/wetlands	Completed

8.2 Environment

2014-15 Performance Measure Targets	2014-15 Performance Measure Achievements
Proceed with the implementation of the Better Development Plan conversion	Contractor appointed. In progress
Finalise waste management review and commence implementation of changes	Review completed. Interim collection arrangements in place while service levels are reviewed.

8.3 Community Services

2014-15 Performance Measure Targets	2014-15 Performance Measure Achievements
Advocate for continued State government support for Elliston RSL Memorial Children's Centre	Completed
Distribute Elliston TV fund to not-for-profit community groups	Completed and recommendations implemented

8.4 Leadership and governance

2014-15 Performance Measure Targets	2014-15 Performance Measure Achievements
Commence review of the Council's Strategic Plan	Not commenced
Continue review of all Council policies and related procedures	Part completed. Key policies identified and updating commenced.
Continue implementation of UHY Haines Norton financial review recommendations	95% completed. Key recommendations implemented and or in progress
Implement an ICT maintenance program	Completed
Undertake new EBA process	Offer made to staff. In progress
Update asset management plan and long-term financial plan	Completed. Further reviews being undertaken
Implement recommendations of records management report	Part completed. Key tasks commenced. In progress
Finalise Port Kenny and Venus Bay non-potable water supply scheme asset recording and condition assessment, and develop management plans	Asset recording and condition assessment completed. In progress
Implement regional procurement scheme	Completed
Update work health and safety (WHS) and injury management (IM) programs	60% completed. Documentation and risk assessments ongoing

2014-15 Performance Measure Targets	2014-15 Performance Measure Achievements
Prepare specifications and tender documents, analyse tenders for ICT hardware, telecommunications equipment, software and hardware and software maintenance, select suppliers, and commence implementation	Completed. Contracts signed for hardware, telephony, and software. Implementation due for completion 30 June 2015
Undertake new elected member induction and training	Completed
Review and re-design Council's website	Redesign completed, currently populating content
Publish quarterly Council newsletter (not included in original Annual Business Plan)	First newsletter published and distributed in February 2015 and 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 2015-16 budgets assume that four quarterly installments of Federal Government financial assistance grants (both general purpose and local roads components) will be received during 2015-16.

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)	399
Roads to Recovery (Double payment in 2015-16)	587
General Purpose (Grants Commission)	742
Total Grant Funding	1,728

10. Funding the Business Plan

A deficit of \$163k is being forecast for 2015-16. 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 2015-16 includes \$2.108M proposed to be raised from general and other rates. This is based on an increase of 2.5%. There is little forecast growth expected for the region. Accordingly no increases to rates revenue 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.

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	Budget 2016
	\$,000	\$,000
Operating Revenue	3,705	4,016
less Operating Expense	(4,204)	(4,179)
Operating Surplus/(Deficit) before Capital Amounts	(499)	(163)
less Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	1,651	1,608
less Depreciation, Amortisation and Impairment	(1,146)	(1,146)
less Proceeds from Sale of Replaced Assets	(85)	(45)
	420	416
less Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets	612	1,488
less Amounts specifically for new or upgraded Assets	0	(874)
less Proceeds from Sale of Surplus Assets	0	0
	612	615
Net Lending/ (Borrowing) for Financial year	(1,531)	(1,194)

The above data indicates that Council will use \$1.19M 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 2015-16

Service Charges

Community Wastewater Management Systems – Service Charge

Pursuant to Section 155 of the *Local Government Act 1999*, the Council adopted that an annual service charge for the financial year ending 30 June 2016, 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 \$342 per property. (which is an increase due to inflation only)

Water Supply – Service Charge

Pursuant to Section 155 of the *Local Government Act 1999*, the Council adopted that an annual service charge for the financial year ending 30 June 2016, 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 \$78 per property. (which is an increase due to inflation only)

Waste Management – Service Charge

Pursuant to and in accordance with Section 155 of the *Local Government Act 1999* for the financial year ending 30 June 2016, the Council adopted to 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 - \$313 per annum
- 0.3-0.6m³ of waste per week on average - \$625 per annum
- Greater than 0.6m³ of waste per week on average - \$937 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 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 15 June 2015.

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 0.9612 cents in the dollar.

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

- | | |
|------------------------|----------------------------|
| • Residential | 0.3930 cents in the dollar |
| • Commercial – Shop: | 0.3930 cents in the dollar |
| • Commercial – Office: | 0.3930 cents in the dollar |
| • Commercial – Other | 0.3930 cents in the dollar |
| • Industrial – Light | 0.3930 cents in the dollar |
| • Industrial – Other | 0.3930 cents in the dollar |
| • Primary Production | 0.3930 cents in the dollar |
| • Vacant Land | 0.3930 cents in the dollar |
| • Other | 0.3930 cents in the dollar |

Council's budget contains rate revenue of \$1.76m, net of rebates.

This represents a 2.5% increase on total general rates raised (net of rebates) compared to 2014-15.

The average residential rates payable is budgeted to be \$1,172.

Fixed Charge

The Council adopted a fixed charge of \$256. This remains at the same level levied for 2014-15 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.

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

Until this 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 2015-16 is \$66,686 comprising of a fixed rate of \$67.50 on all rateable land in Council's area within the board.

Rebate of Rates

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

Sale of Land for Non-payment of Rates

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

Payment of Rates

Council rates are billed quarterly in accordance with the *Local Government Act 1999*. The installment due dates are 27 September 2015, 21 December 2015, 28 March 2016, 27 June 2016.

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*.

Ratepayers may apply to pay their rates and service charges in full by 21 December 2015; such applications must be lodged with Council by 27 September 2015; if rates in these circumstances are paid in full by 21 December 2015 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* on 5th May 2015.

A public consultation meeting was held at the Elliston Golf Club on the 28th May 2015.

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	2014-15 Forecast \$'000	2015-16 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 2015	Budget 2016	Variance
	\$,000	\$,000	\$,000
INCOME			
Rates	2,053	2,108	56
Statutory Charges	14	14	(0)
User Charges	61	66	5
Grants & Subsidies	1,441	1,728	287
Investment Income	90	83	(7)
Reimbursements	44	17	(27)
Other Revenues	2	0	(2)
Total Operating Income	3,705	4,016	311
EXPENDITURE			
Employee Costs	1,031	1,123	92
Materials, Contracts & Other Expenses	2,020	1,903	(118)
Finance Charges	6	6	0
Depreciation	1,146	1,146	0
Total Operating Expenditure	4,204	4,179	(25)
OPERATING SURPLUS/(DEFICIT)	(499)	(163)	336
Gain/Loss on disposal & fair value adjustments	0	0	0
Amounts specifically for new or upgraded assets	0	874	874
Physical resources received free of charge	0	0	0
NET SURPLUS / (DEFICIT) transferred to Equity Statement	(499)	711	1,210

BALANCE SHEET	Forecast 2015	Budget 2016
	\$,000	\$,000
ASSETS		
CURRENT ASSETS		
Cash & Cash Equivalents	1,260	66
Trade & Other Receivables	167	167
Inventories	6	6
Total Current Assets	1,433	239
NON-CURRENT ASSETS		
Financial Assets	24	24
Infrastructure, Property, Plant & Equipment	38,982	40,887
Total Non-Current Assets	39,006	40,911
TOTAL ASSETS	40,439	41,150
LIABILITIES		
CURRENT LIABILITIES		
Trade & Other Payables	126	126
Borrowings	0	0
Short Term Provisions	84	84
Total Current Liabilities	210	210
NON-CURRENT LIABILITIES		
Long Term Borrowings	0	0
Long Term Provisions	9	9
Total Non-Current Liabilities	9	9
TOTAL LIABILITIES	219	219
NET ASSETS	40,220	40,931
EQUITY		
Accumulated Surplus	7,507	8,218
Asset Revaluation Reserve	31,950	31,950
Other Reserves	763	763
TOTAL EQUITY	40,220	40,931

STATEMENT OF CASH FLOWS	Forecast 2015	Budget 2016
	\$,000	\$,000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts		
Operating Receipts	3,615	3,932
Investment Receipts	90	83
Payments		
Operating Payments to Suppliers & Employees	2,775	3,026
Finance Payments	6	6
Net Cash provided by (or used in) Operating Activities	925	983
CASH FLOWS FROM INVESTING ACTIVITIES		
Receipts		
Grants Specifically for new or upgraded assets	0	874
Sale of replaced Assets	85	45
Payments		
Expenditure on renewal/replaced assets	1,651	1,608
Expenditure on new/upgraded assets	612	1,488
Loans made to community groups		0
Net cash provided by (used in) Investing Activities	(2,178)	(2,177)
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	(1,253)	(1,194)
Cash and Cash Equivalents at start of reporting period	2,513	1,260
Cash & Cash Equivalents at the end of the reporting period	1,260	1,260

STATEMENT OF EQUITY	Forecast 2015	Budget 2016
	\$,000	\$,000
ACCUMULATED SURPLUS		
Balance at end of previous reporting period	7,691	7,507
Net Result for Year	(258)	711
Transfer from Reserves	74	0
Transfer to Other Reserves	0	0
Balance at end of period	7,507	8,218
ASSET REVALUATION RESERVE		
Balance at end of previous reporting period	31,950	31,950
Gain on Revaluation of Property Plant & Equipment	0	0
Balance at end of period	31,950	31,950
OTHER RESERVES		
Balance at end of previous reporting period	837	763
Transfers from Accumulated Surplus	0	0
Transfers to Accumulated Surplus	(74)	0
Balance at end of period	763	763
TOTAL EQUITY AT END OF REPORTING PERIOD	40,220	40,931

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 2016. 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.