



District Council of Yorke Peninsula

ANNUAL BUSINESS PLAN 2012-2013



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Message from the Mayor



The Annual Business Plan has been prepared to provide the community with a clear picture of the plans the District Council of Yorke Peninsula aims to achieve in 2012/2013. This planning process provides an opportunity for community involvement in determining priorities for Council projects and services for the forthcoming financial year.

The Annual Business Plan is a living document that will be updated each year to respond to the evolving needs of the community. As a result of a change in State Government regulations Council is required to change the structure of the Waste and Recycling Collection service charge. The changes are described in detail on page 21 of the plan.

The key focus of the Annual Business Plan for 2012/2013 is expenditure to renew our existing assets which equates to \$4.7 million, incorporating \$2.9 million to be spent on our unsealed road network.

Some key projects that have been included in the Annual Business Plan for 2012/2013 are:

- the first stage of the Ardrossan Stormwater Harvesting Project, with Council providing a \$130,000 contribution and an additional \$100,000 being provided by Ardrossan Progress Association;
- the upgrade and renewal of the Black Point Boat Ramp, subject to support from SABFAC for a 50% contribution of the costs of the \$700,000 project over two financial years;
- there will be a \$30,000 upgrade to public toilet facilities at Port Julia, in addition to the ongoing project from 2011/2012 for new public toilets at Wool Bay;
- a contribution of \$50,000 towards the Port Vincent Urban Design Framework project; and
- an upgrade to the electrical system at the Yorketown Town Hall, at an estimated cost of \$50,000.

Council continues to work closely with the community and the State Government on the establishment of the Marine Parks with the implementation of the Council's Marine Parks Reference Group and ongoing Council involvement in the Rex Minerals development with representation on the Community Consultative Group.

Council is always mindful of the balance required to deliver community expectations whilst ensuring financial sustainability.

I commend the Annual Business Plan 2012/2013 to you.

Ray Agnew OAM
MAYOR



Introduction

The development of Council's annual business plan is an important part of our planning process. It links the Strategic Plan 2012 - 2015 with the budget planning process to enable Council to achieve its goals while ensuring the best possible mix of services, infrastructure and facilities for its communities.

This year's budget development was supported by an independent review of Council's Financial Health. The review was undertaken by Mr. John Comrie, a leading figure in South Australian Local Government. Mr. Comrie has a wealth of experience as an elected member, a Council CEO and has held several senior positions within the Local Government Association and State Government Office of State/Local Government Relations.

Mr. Comrie worked closely with Council staff to develop a Long Term Financial Plan (LTFP) which achieves a steady and significant improvement in Council's financial position over the next 10 years.

The 2012 - 2013 budget is consistent with the strategy recommended by Mr. Comrie and has been influenced by a number of pressures such as:

- Reduction in state and federal government grants;
- Increases in water and electricity charges;
- Increases in waste disposal costs;

- Impact of the introduction of the carbon tax.

Consistent with our LTFP there is a focus on expenditure to renew existing assets, and expenditure in this area will increase from \$3.8m in 2011-12 to \$4.7m in 2012-13.

Council has committed a total of \$6.3m in capital expenditure, the highlights of which include:

- \$305,000 in upgrading the Community Wastewater Management Scheme infrastructure.
- \$214,500 in vehicle replacements.
- \$1,025,000 in Plant & Machinery purchases.
- \$250,000 for construction of new facilities at Yorketown Works depot.
- \$218,094 in improving the management of storm water.
- \$683,798 in sealing new roads.
- \$2.9m in unsealed road renewal.
- \$50,000 to continue the support of the Port Vincent Urban Design implementation framework.
- \$230,000 (net \$130,000) towards the Ardrossan Stormwater Project.
- \$350,000 towards the upgrade of Black Point boat ramp.

Further information on projects is detailed in later sections of the plan.



Our Vision and Strategic Goals

Our Vision

To be a thriving peninsula, proud of our heritage, lifestyle and diverse, vibrant communities. A great place to live, work and play.

Our Strategic Plan – Key Themes

Sustainable Communities

Sustainable Infrastructure—delivering and facilitating the provision of Infrastructure that is sustainable and supports our growth.

Progressive and Sustainable Development—providing a Development Plan that facilitates growth while safeguarding our environmental assets and community lifestyle.

Our Economy—encouraging and supporting a strong diverse economy that will provide employment opportunities for our community including our youth.

Economic Growth through Sustainable Industrial Development—managing the impact of mining and other major industry growth on Council assets and resources while at the same time enabling maximum benefit to our community.

Corporate Governance and Leadership

Progressive Communities through Strategic Planning—informed decision making; setting the direction to meet the current and future needs of our communities.

Organisation Efficiency & Resource Management—delivering efficient and effective services through strategic leadership of our people.

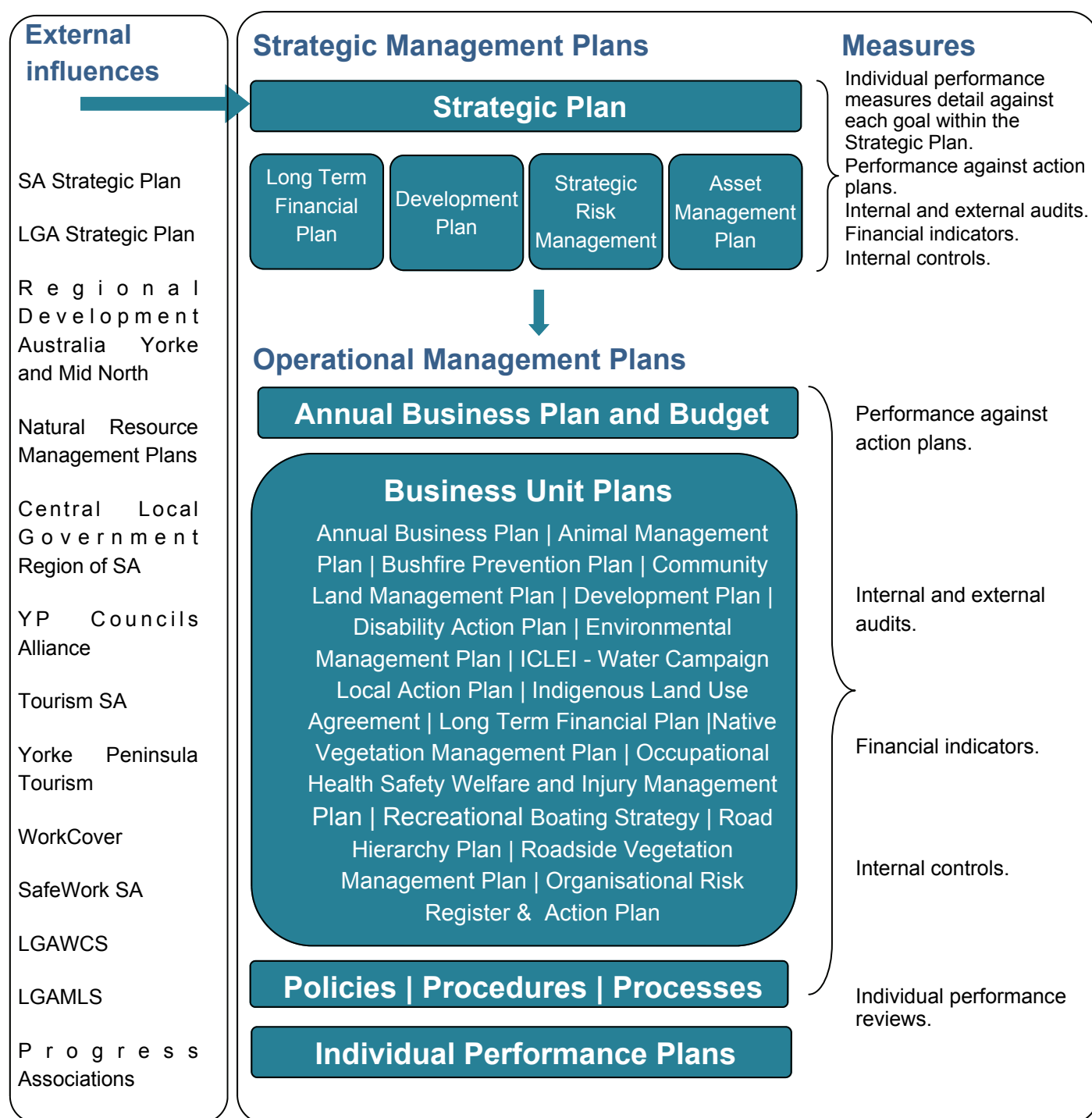
Community Engagement

Vitality and Connection—encouraging optimistic and thriving communities through positive participation in community life.

Sense of Ownership—facilitate a sense of community ownership through public participation and authentic communication with our community.



Strategic Planning Framework



The Strategic Plan has been developed in consultation with our communities and stakeholders. It guides Council activities at the highest level, outlining our priorities and what Council need to do over the next four years, to achieve its goals.

The Annual Business Plan has been developed based on the goals and activities outlined in the Strategic Plan. This process ensures that the Strategic Plan goals will be achieved over the period of the plan.

A great place to live, work and play.

Influences and Priorities

Current Economic Environment

In forming the business plan Council has identified pressures and potential impacts on its financial performance and budgeting.

Local Government cost increases continue to be above the general consumer inflation rate.

The economy is still being negatively affected by continuing uncertainty and instability of global financial markets. The slow-down in the local economy has not seen the reduction in costs that may have been expected.

Budget Strategy

The Long Term Financial Plan (LTFP) will continue to direct the development of Annual Business Plans in the future. The key goal of the LTFP is to ensure that Council is in a position to continue to provide a consistent level of services to the community without having to dramatically increase the cost of those services to ratepayers. It assumes:

- No change in the level or number of services provided;
- An increase in general rates to existing ratepayers of 3% above CPI each year;
- Spending on asset renewal to increase;
- Spending on new assets to be reduced.

The Annual Business Plan supports Council's strategic objectives, ensuring long term financial sustainability, responsible asset management, consistent service levels and a responsible level of rates.

Setting the Rates

Rates account for approximately 68% of the operating income and each year the impact of rates on different categories of ratepayers is reviewed. In 2012-13 the income from general rates from existing ratepayers will increase by 6.2%.

The structure of the rates is similar to that applied during 2011-12 with one major change:

- The State Government has changed legislation in relation to the Waste and Recycling Service Charge. Council is no longer able to levy a Waste and Recycling Service Charge for properties more than 5km away from a collection point. This has resulted in an increase in the levy for all other properties liable for the charge.

Apart from the change above, the structure of the rating system will remain the same:

- With continued use of a fixed charge;
- Differential rates for different land use categories have been maintained retaining a similar percentage of total revenue for each category whilst allowing for any growth;
- A comprehensive set of rebates.

A detailed explanation of the rates structure is described later in this plan.



Pt Vincent Marina

Delivering the Strategic Plan

Key Actions for 2012-2013

Listed in the following pages are the key actions from the Strategic Plan which we plan to deliver by 30th June 2013. The 2012-2013 Annual Report will record the status of these key actions.

A full copy of our Strategic Plan can be accessed on our website www.yorke.sa.gov.au.

1. SUSTAINABLE INFRASTRUCTURE

1.1 Provide infrastructure assets that are sustainable & safe

Key Actions to achieve our goal	Our Performance measures
Develop and implement a long-term road network maintenance program.	Long-term road network maintenance program developed and implemented by 2013.
Implement and maintain Council's Asset Management Plan.	Develop and implement an Asset Management Plan by 2013.
Advocate and work with the State Government to improve the quality of arterial roads on Yorke Peninsula.	Number of initiatives collaboratively established, planned and managed.

1.2 Effective expansion of water and power supplies

Advocate service providers and other authorities to maintain and improve water and power infrastructure and service delivery.	Number of initiatives to improve water and power infrastructure delivery.
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2. PROGRESSIVE & SUSTAINABLE DEVELOPMENT

2.1 Provide an effective & sustainable development plan

Key Actions to achieve our goals	Our Performance measures
Review, update and maintain Council's Development Plan to ensure it meets the changing needs of the community, facilitates growth, ensures sustainability and enhances safety through design.	Development plan to be reviewed by 2013.
Review Council's Development Plan to identify opportunities for rezoning land to facilitate new industries, business, tourism and housing development while protecting environmentally sensitive areas.	Review to be completed by 2013.
Identify the appropriate locations for accommodation to support mining and tourism and incorporate into Council's Development Plan.	Areas for accommodation identified and Council's Development Plan updated by 2013.
Establish coastal protection zones and implement planning and development strategies to protect property and infrastructure from the impact of sea level rise and other climate impacts.	Coastal Protection Zones established by 2013. Number of strategies implemented.

2.2 Streamlined development assessment process

Implement development application processes that are efficient, streamlined, customer focused and provide clear direction for all planning and development issues in line with State Planning principles.	Development application processes developed and implemented by 2013.
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3. OUR ECONOMY

3.1 Sustainable economic growth

Key Actions to achieve our goals	Our Performance measures
Work in partnership with Yorke Peninsula Tourism and the Regional Development Australia Yorke and Mid North to identify ways Council can support tourism and business growth.	Number of joint initiatives that support tourism and business growth. Tourist information and links on Council's website.
Identify and support initiatives for tourism related development including indigenous communities.	Number of joint initiatives that support the development of indigenous tourism.
Identify and support initiatives that will assist the development of sustainable agricultural industry including supporting and encouraging diversity and value adding in the industry.	Number of joint initiatives with the Regional Development Australia Yorke and Mid North.
Provide opportunities for home based and small scale activities via appropriate development plan principles.	Update Development Plan to include provisions for development of home based and small scale activities by 2013.
Advocate and work with the State Government in order to minimize any negative impacts of Marine Parks on tourism and commercial and recreational fishing in our community.	Number of initiatives collaboratively established, planned and managed.
Partner and build positive relationships with YP Tourism, Regional Development Australia Yorke and Mid North, government agencies and other key stakeholders.	Increase in the number of joint initiatives for economic development.

3.2 Increase access to employment opportunities for our communities

Work with Regional Development Australia Yorke and Mid North and major industries to undertake a study to identify skills required to support business needs.	Number of joint initiatives opportunities identified.
Support training and skills initiatives of the Yorke Region Employment and Skills Formation Network that will enhance skills required in tourism, agriculture and business.	Number of joint initiatives developed that will enhance skills, development in tourism, agriculture and business.

4. ECONOMIC GROWTH THROUGH SUSTAINABLE INDUSTRIAL DEVELOPMENT

4.1 Manage the impact of mining and other major industry growth on Council assets and Infrastructure

Key Actions to achieve our goals	Our Performance measures
Work with mining and other major industries in developing strategies to facilitate improvement to roads, drainage and other Council infrastructure required to support major industry.	Number of strategies collaboratively developed.
Identify the financial resources required to manage the increased costs associated with the establishment of mining and other major industry within the district.	Review to identify the additional financial resources required to be undertaken by 2013.

4.2 Encourage and advocate for infrastructure to support mining and other major industry growth on the Yorke Peninsula

Review and update Council's Development Plan to facilitate housing and accommodation for major industry employees .	Council's Development Plan updated to facilitate housing and accommodation for major industry employees by 2013.
Work with mining and other major industries in advocating and lobbying State and Federal Governments for transport infrastructure, including roads and ports to support major industry.	Number of initiatives collaboratively established, planned and managed.
Work with mining and other major industries and State and Federal Governments to identify transport corridors that will facilitate freight movements and provide ready access to Ports.	Number of transport corridors collaboratively identified, planned, established and managed.
Work with mining and other major industries and State and Federal Governments to ensure that our environment is protected during the development of infrastructure e.g. constraints on the development of ports to protect marine life, our coastline etc.	Council's Development Plan and Environmental Management Plan updated to include a process for environmental impact assessments during the development of infrastructure by 2013.

4. ECONOMIC GROWTH THROUGH SUSTAINABLE INDUSTRIAL DEVELOPMENT

4.3 Realise the benefits for our Community created through mining

Key Actions to achieve our goals	Our Performance measures
Support and encourage existing and new industries that support major industry to establish in the DC of Yorke Peninsula.	Number of new industries established on the Yorke Peninsula.
Increase access to employment opportunities for our communities through supporting and advocating for training and skills initiatives focused on the mining industry and other major industries.	Number of training and skill initiatives provided that focus on the mining industry.
Encourage mining companies and other major industry employers to employ local people.	Number of local people employed by major industries.
Lobby on behalf of the community for mining companies to provide support for community groups/programs.	Number of programs provided by mining companies to support community groups/programs.

1. PROGRESSIVE COMMUNITIES THROUGH STRATEGIC PLANNING

1.1 Strong, proactive leadership

Key Actions to achieve our goals	Our Performance measures
We will continue to develop relevant, dynamic and sustainable strategic plans and policies based on informed decision making through authentic communication with our community and key stakeholders.	<p>Evidence of current and relevant strategic plans and policies in place through internal audits.</p> <p>Evidence of authentic communication with the community and key stakeholders through internal audits.</p>

1.2 Knowledgeable and skilled decision makers

We will continue to provide Elected Members and staff with opportunities to develop knowledge and skills to support them in their decision making.	Training needs are identified through induction, performance review and by individuals and then captured into Council's Training and Development Plan. Evidenced by up to date induction and performance review documentation and a current Training and Development Plan.
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2. ORGANISATIONAL EFFICIENCY AND RESOURCE MANAGEMENT

2.1 Financially sustainable organisation

Key Actions to achieve our goals	Our Performance measures
Develop and implement a comprehensive rating strategy that balances the needs of Council with community interest.	Rating strategy developed and implemented by February 2013.
Identify alternative income streams within acceptable levels of risk in order to diversify Council's income base.	Alternative income streams identified and incorporate into Council's Long Term Financial Plan by June 2013.
Develop a new initiatives process, including risk management considerations.	New initiatives process to be developed and implemented by February 2013.

2.2 Efficient, effective and professional organisation

Key Actions to achieve our goals	Our Performance measures
Work with neighbouring councils and the YP Alliance to identify opportunities to work together to improve our effectiveness.	Number of joint initiatives identified.
Develop a comprehensive Workforce Plan that identifies what the DC of Yorke Peninsula will need in terms of size, type and quality of workforce to achieve its strategic and operational objectives.	Workforce Plan developed by 2013.
Undertake a comprehensive review of office accommodation in order to improve the effectiveness of Council operations while at the same time meeting the needs of the community.	Office accommodation review undertaken by May 2012.

2.3 Meet all legislative and compliance responsibilities

Develop and implement a process to continually monitor and evaluate new legislation, compliance requirements and the impact on the Council and its resources, including the financial implications.	Process developed and implemented by 2013.
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2.4 Effective Risk Management

Develop, implement and maintain an Organisational Risk Management Plan, incorporating OHSW&IM and internal controls.	Organisation Risk Management Plan in place by June 2013.
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1. VITALITY & CONNECTON

1.1 Develop and facilitate ongoing partnerships and relationships with Progress Associations, Tidy Towns and other key community groups

Key Actions to achieve our goals	Our Performance measures
Strengthen relationships with Progress Associations, Tidy Towns Committees and other key community groups by developing and implementing a communication strategy.	Communication strategy developed and implemented by 2012.
Develop and implement a satisfaction survey for Progress Associations, Tidy Towns Committees and other key community groups.	Satisfaction survey developed and implemented by October 2012. Satisfaction rating.
Support and encourage Country Health SA in developing, implementing and maintaining a youth program including a Youth Advisory Council.	Youth program to be developed and implemented by 2012. Youth advisory Council to be in place by 2012.

1.2 Offer a range of accessible community facilities, programs, events and activities.

Review Council services and programs to ensure they best meet the needs of our community.	Undertake a review of Council services and programs by February 2013.
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2. SENSE OF OWNERSHIP

2.1 Encourage a sense of ownership

Key Actions to achieve our goals	Our Performance measures
Develop and implement a public participation plan to facilitate authentic communication with our community and provide the opportunity for the public to have input into the decisions that affect them.	Public participation plan to be developed and implemented by December 2012.
Develop and implement a process to facilitate regular, credible reporting to the community. The process will incorporate legislative requirements and set out how and when reports are provided.	Process to facilitate regular, credible reporting to the community to be developed by December 2012.

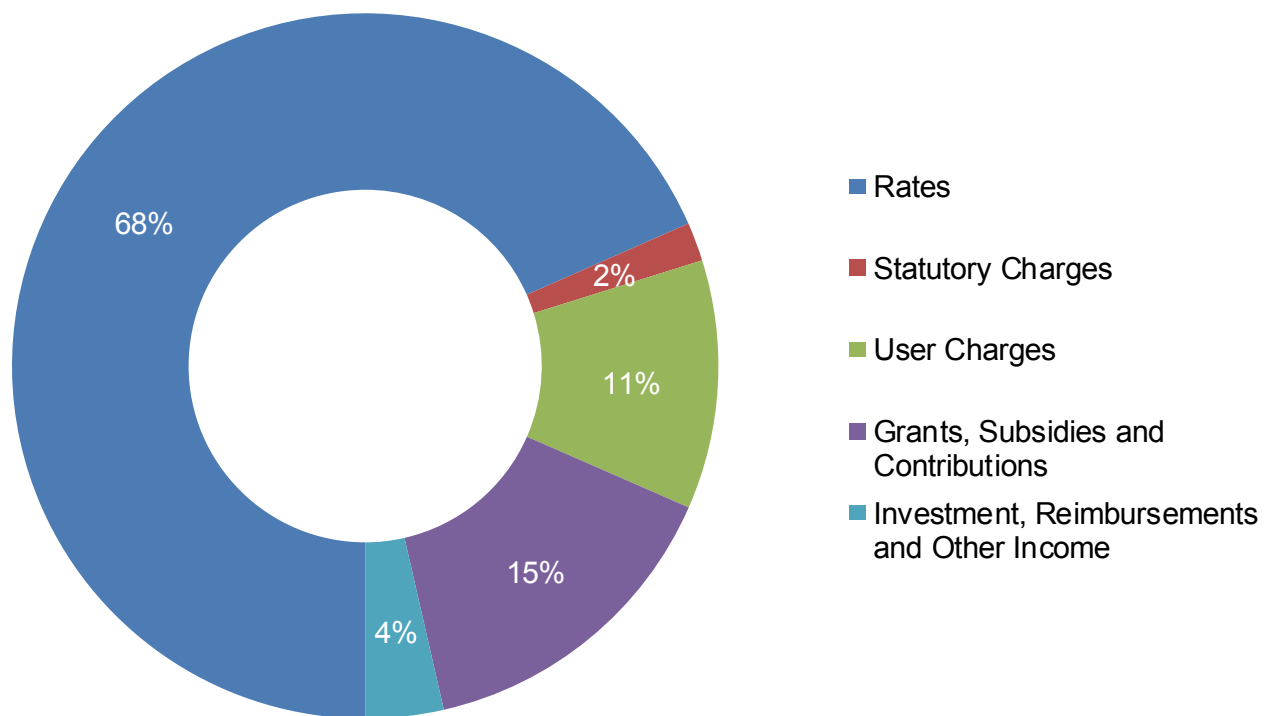
2.2 Our communities are well informed

We will provide easily accessible information to our community on key issues, strategic plans, programs and initiatives.	We will survey our community annually to measure how well we are communicating.
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Operating Budget

Operating Income

The 2012-2013 Budget provides for operating revenue to increase from \$23,070,568 (Adopted Budget) to \$24,006,719, an increase of 4.06%. Recurrent revenue streams of Council are demonstrated in the following graph.



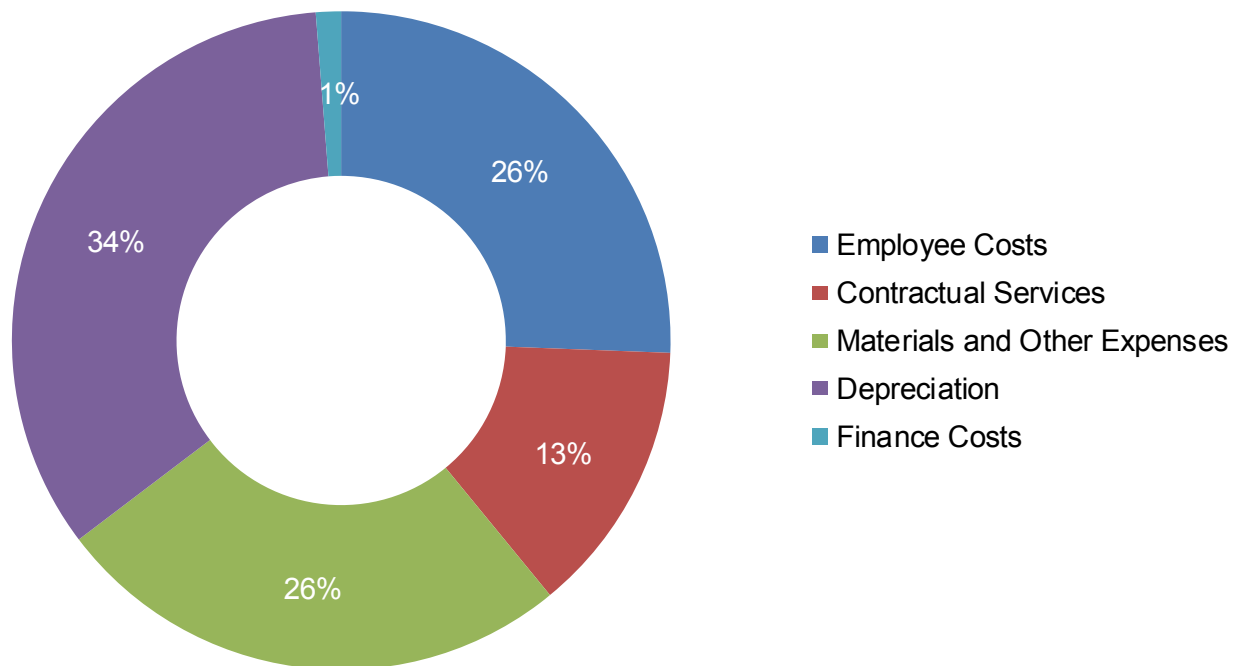
\$M	%	Type	Description
16.4m	68%	General Rates and Service Charges	General rates on properties as well as service charges (i.e. sewerage and refuse/recycling charges).
0.4m	2%	Statutory charges set by State Government	Fees and charges set by State Government regulation and received by the Council for regulatory functions undertaken such as assessment of development and building applications and dog control management.
2.7m	11%	User Pay Charges set by Council	Charges for the Council's fee based facilities and services such as caravan parks, community halls, cemeteries.
3.6m	15%	Grants and Subsidies	Council seeks to attract as much grant funding from other tiers of government as possible, thereby reducing the reliance on other revenue streams.
0.8m	4%	Investment, Reimbursements & Other Income	Interest received on Council's internal cash reserves and deposits, Reimbursements for work undertaken and Other Income.



Operating Budget

Operating Expenditure

The 2012-2013 Budget provides for operating expenditure to increase from \$25,455,059 (Adopted Budget) to \$27,481,770, an increase of 7.96%. Recurrent expenditures incurred by Council are demonstrated in the following graph.



\$M	%	Type	Description
7.0m	26%	Employee Costs	All labour related expenses such as wages and salaries, and on-costs such as allowances, leave entitlements and employer superannuation.
3.7m	13%	Contractual Services	Payments for external provision of services.
7.0m	26%	Materials & Others	Payments for physical goods such as water, fuel, energy, road materials, office consumables, stationery, insurances, postage, telephone, government levies, contributions and donations.
9.3m	34%	Depreciation	Annual consumption of Council's fixed assets (e.g. infrastructure, equipment, buildings etc) over their useful lives.
0.3m	1%	Finance Costs	Costs of financing Council's activities through borrowings or other types of financial accommodation.

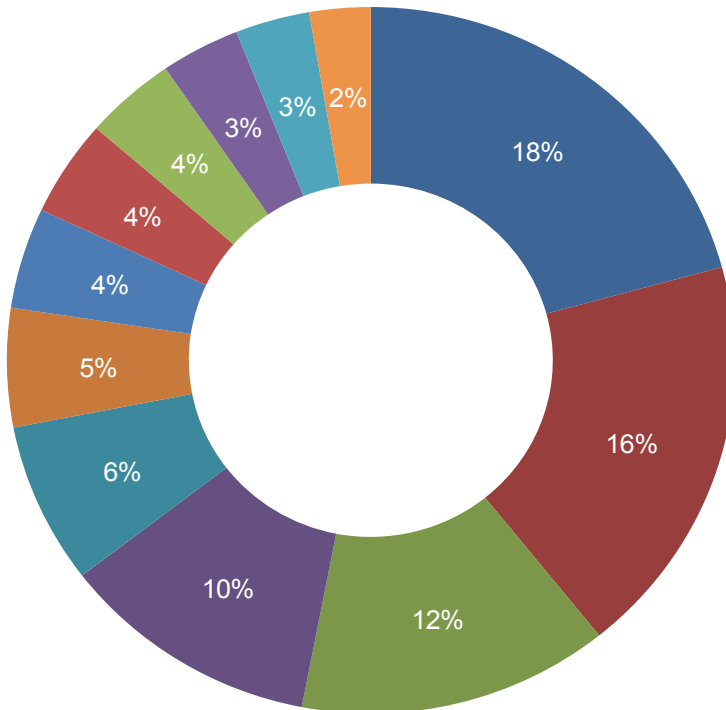
Borrowing

Consistent with our Treasury management policy, no new loans will be taken out while Council has funds to cover the cost of Council operations. The level of debt from outstanding loans is expected to reduce by \$0.96m from \$3.94m to \$2.98m.

Operating Budget

Breakdown of Operating Expenditure by Function

The following graph provides a detailed breakdown of the top twelve areas of Council's expenditure.



%	Function	Description
18%	Community Asset Maintenance	General maintenance costs, including materials and labour related expenses.
16%	Capital expenditure on existing assets	Capital expenses relating to existing community assets, including materials and labour related expenses.
12%	Road Maintenance	Expenses relating to the cost of maintaining Council's road network, including materials and labour related expenses.
10%	New Assets	Capital expenses relating to the cost of providing new assets, including materials and labour related expenses.
6%	Caravan Park Operation	Expenses relating to the cost of running Council owned caravan parks, including labour related expenses.
5%	Community Support	Expenses relating to libraries, tourism and other community support programs, including materials and labour related expenses.
4%	CWMS and Water Schemes	Expenses relating to the cost of running water and waste-water management schemes, including materials and labour related expenses.
4%	Development Services	Expenses relating to the cost of planning and development, including labour related expenses.
4%	Finance and Corporate Service	Expenses relating to finance and corporate service administration, including labour related expenses.
3%	Governance	Expenses relating to governing the organisation, including organisational compliance and Elected Member related expenses.
3%	NRM Levy	A compulsory levy payable to the Northern and Yorke Natural Resources Management Board.
2%	Information Services	Expenses incurred in providing information technology, including labour related expenses.

Continuing Services

All Councils have mandatory legislative responsibilities which include responsibilities under the Local Government Act, the Development Act, the Public Environmental Health Act and the Natural Resources Management Act.

Mandatory responsibilities include:

- Regulatory activities, such as maintaining voters' rolls and supporting the elected members of 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, street lighting and storm water drainage
- Street cleaning and rubbish collection
- Development planning and control, including building safety assessment
- Various environmental health services
- Protection of natural resources
- Animal management

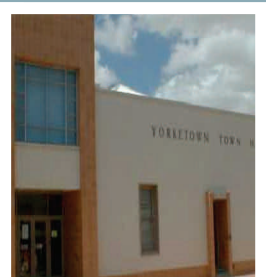
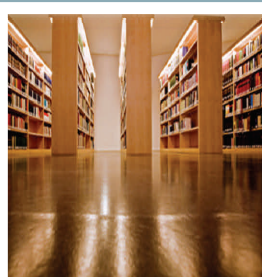
The District Council of Yorke Peninsula also provides further, important services and programs to support the needs of the community, including:

- Library services
- Leisure Options

- Community Transport
- Recreational reserves
- Playgrounds
- Community events
- Camping reserves
- Boat ramps
- Beach access facilities
- Walking trails
- Cemeteries
- Civic and community halls
- Recycling facilities
- Tourist facilities
- Sporting facilities
- Fire prevention
- Support for youth services

Council will continue to re-evaluate all service areas to achieve service excellence.

Further information on Council's services can be found on the website www.yorke.sa.gov.au



Project & Capital Works Budget

Over the past four years Council has been developing Infrastructure and Asset Management plans. These plans identify how much needs to be spent on our assets to ensure that they will be able to be maintained in a sustainable condition over the long term.

There will always be a community desire for the provision of new and upgraded assets, however it is important that priority is given to the replacement and renewal of existing assets.

Capital Works Program 2012-13		Renewal/ New/Upgrade Replacement
Council Capital Works Program (Total net cost shown)		\$2,139,391 \$4,388,190
Community Wastewater Management Systems		
Various Schemes	305,000	24,000
Water Schemes		
Marion Bay	7,000	
Road Infrastructure		
Reseal Allocation		348,750
Rubble Raising		51,917
Unsealed - South Coast Road		185,327
Unsealed - Schwartz Road		118,835
Unsealed - Cunningham Road		86,252
Unsealed - North South Road		152,211
Unsealed - Levens Road		287,843
Unsealed - Willing Road		161,173
Unsealed - Chinaman Wells Road		106,280
Unsealed - Micky Flat Road		95,590
Unsealed - Weavers Road		93,439
Unsealed - Waylands Road		113,784
Unsealed - Gap Road		53,636
Unsealed - Clinton Road		162,942
Unsealed - Sandy Church Road		119,747
Unsealed - Didlyamulka Road		99,579
Unsealed - Beegoodye Wells Road		147,492
Unsealed - Corny Point Road		340,334
Unsealed - Honner Road		84,012
Unsealed - Goldsmith Beach Road		97,545
Sealed - Ledger Street, Maitland	94,043	
Sealed - Aaron/Jarrett Street, Maitland	47,344	
Sealed - Horn Street, Port Clinton	122,926	
Sealed - Shore Street, Port Clinton	42,975	
Sealed - Moonta Terrace, Port Clinton	22,585	
Sealed - Chenoweth Crescent, Parsons Beach	50,482	
Sealed - Parsons Parade, Parsons Beach	54,508	
Sealed - Doreen Street, Parsons Beach	33,042	
Sealed - Leonard Court, Parsons Beach	29,018	
Sealed - Davit Dr, Esplanade, Swincer Avenue, Bluff Beach	110,917	
Sealed - Depot Road, Minlaton	75,960	

Project & Capital Works Budget

Capital Works Program 2012-13		New/Upgrade	Renewal/ Replacement
Footpaths & Stormwater			
Various		218,094	
Ardrossan Stormwater Harvesting		130,000	
Foreshore			
Port Vincent Open Space Works		25,000	
Black Point Boat Ramp Development		87,500	87,500
Recreational Facilities Renewal			25,000
Public Conveniences			
Port Julia Toilet Facilities			30,000
Wool Bay Toilet Facilities		50,000	
Halls			
Yorke town Hall - Electrical Upgrade			50,000
Machinery			
Equipment - Minor Plant			50,000
Works Vehicles			120,000
Plant and Machinery Purchases (net change over)		270,000	725,000
Indirect			
Yorke town Depot Facilities		250,000	
Maitland Depot Facilities			8,000
Administration			
Equipment - Office		5,000	5,000
Equipment - Computer		11,000	
Admin Vehicle Replacements (net change over)			214,500
Caravan Parks			
Port Vincent Caravan Park - Various		57,000	65,000
Point Turton Caravan Park - Various		40,000	30,000
Marion Bay Caravan Park - Various			22,500
Other Caravan Parks - Various			25,000

Rating

Rates are Council's main source of income. They are used to provide the funds to deliver services and maintain infrastructure required by the community.

Rates are a form of property taxation and property values play an important part in determining how much each individual ratepayer contributes. As it is a system of taxation, the rates paid may not directly relate to the services used by each ratepayer. Generally, the higher the value of the property the higher the rates paid.

Local Government rates are based on:

- The value of the property; and
- A rate (in the dollar).

Like most other Councils, District Council of Yorke Peninsula uses capital value to value all properties. Capital value is the value of the land and all improvements.

In applying the principles of taxation, it is important that the five principles of taxation (equity, benefit, ability to pay, efficiency and simplicity) are balanced against the policy objectives of taxation - that is the need to raise revenue and the effects of the tax upon the community.

Rates are a property tax that attempt to balance the five principles of taxation.

In determining how rates are applied, Council uses a differential rating system with a fixed charge. Differential rates allow us to set a different rate depending on the use to which the land is put - whether it be residential, commercial, primary production, etc. A fixed charge is a fixed, or flat

amount, that all ratepayers have to contribute to equally. Differential rates are calculated in addition to a fixed charge.

The rate-in-the-dollar is determined during the budget process. To calculate the rate-in-the-dollar we divide the amount to be collected by the property values. During this process the impact of the proposed new rates is carefully considered.

Based on the principal use of each property, Council uses six different categories. The six different categories used and the income raised from each category is:

Category	Revenue
Residential	\$7,100,000
Commercial	\$380,000
Industrial	\$50,000
Primary Production	\$3,750,000
Vacant Land	\$995,000
Other	\$160,000

This year general rates will increase by an average of approximately 6.2%. The rates payable for individual properties will vary from the average according to individual property valuations. For example, for a ratepayer with a residential property with a value of \$280,000, the increase is approximately \$50 and for a primary producer with a property valuation of \$875,000, the increase will be approximately \$95.



Rating

Fixed Charge

The Council has set a fixed charge rather than a minimum rate. The fixed charge will be set at approximately \$360.00 and will be levied uniformly on all non-contiguous assessments. The fixed charge is levied against the whole of an allotment (including land under a separate lease or licence) and only one fixed charge is levied against two or more pieces of adjoining land (whether intercepted by a road or not) if the same owner owns and occupies them. The reasons for imposing a fixed charge are:

- It is appropriate that all rateable properties make a contribution to the cost of administering the Council's activities;
- It is appropriate that all rateable properties make a contribution to the cost of creating and maintaining the physical infrastructure that supports each property; and
- A fixed charge system generally has a lesser burden on lower valued properties, than a minimum rate system.

Waste Collection and Recycling

In October 2008 Council introduced a new service charge to pay for the costs associated with a new Waste Collection and Recycling Service. In May 2012 the State Government introduced regulations that limits the way in which the service charge can be levied.

The new regulations state that:

- A property which has a collection point within 500m of their primary access point will be charged the full service charge;
- Properties whose collection point is between 500m and 2km away from their primary access point will pay 75% of the full service charge;
- Properties whose collection point is between 2km and 5km away from their primary access point will pay 50% of their full service charge;
- Properties whose collection point is more than 5km to their primary access point will not

pay a service charge.

For the purpose of the regulations Council is defining a collection point as the nearest point on a waste collection route to the property's primary access point. The primary access point is defined as the same point as the rural property address for a property.

The impact of these changes is that:

- Approximately 200 properties that are more than 5km from a collection point will no longer have to pay a Waste Collection & Recycling Service charge;
- Approximately 330 properties that are between 2km and 5 km from a collection point will pay 50% of the Waste Collection & Recycling Service charge;
- Approximately 270 properties that are between 500m and 2km from a collection point will pay 75% of the Waste Collection & Recycling Service charge;
- Approximately 8,920 properties will pay the full Waste Collection & Recycling Service charge.

The service charge is set to recover the full cost of providing the Waste & Recycling Service. With less properties contributing to the cost of the service and increased costs, the service charge will increase by approximately 11%.

The annual charges will be:

Service	Distance from collection point	Charges \$
3 Bins		\$219
2 Bins	Within 500m	\$200
2 Bins	500m to 2km	\$150
2 Bins	2km to 5km	\$100



Rating

Natural Resource Management Levy

The District Council of Yorke Peninsula falls within the Northern & Yorke Natural Resources Management Board area and as such Council is required, pursuant to the Natural Resources Management Act 2004, to raise funds by way of a levy to assist in funding the operations of the Board. The levy is imposed as a separate rate upon all properties within the area of the Board.

Once Council collects this revenue it is paid to the Board. Council does not retain this revenue. The amount of the levy per property is set by the total amount of funds Council is required to raise for the Northern & Yorke Natural Resources Management Board (NYNRM). The amount to be raised in 2012/2013 is to be \$704,226, an increase from \$667,854 in 2011/2012.

Any queries regarding the NRM Levy should be raised with:

Northern & Yorke Natural Resource Management Board
Board Offices 41-49 Eyre Road
CRYSTAL BROOK SA 5523
or
PO Box 175 CRYSTAL BROOK SA 5523
Phone: (08) 8636 2361 Fax: (08) 8636 2371
Email: board@nynrm.sa.gov.au
Website: www.nynrm.sa.gov.au

Community Wastewater Management Schemes

Council operates 16 Community Wastewater Management Schemes (CWMS) that are situated in townships and holiday settlements throughout the district.

The income and costs of the schemes are regularly reviewed and there is a policy of ensuring that all schemes are financially sustainable.

The CWMS fees are set at \$400 for occupied properties and \$305 for unoccupied properties.

Water Charges

To enable communities to have access to a secondary water supply, Council maintains water supply schemes to three communities.

Service charges are raised each year to cover the cost of operating the schemes. In addition, charges for water usage are made.

For each water scheme, Council maintains a separate financial reserve to ensure that money received from the property owners, is only used for the water scheme for which they contributed.

Fees for the Water Schemes operated by Council are:

Location	2012-2013 fees
Black Point	\$130
Hardwicke Bay	\$365
Balgowan	\$95



Hardwicke Bay tanks



Rating

Rate Capping

This opportunity provides relief when a ratepayer is levied an increase in rates greater than 17.5% (after considering other rebates) and ensures no ratepayer pays any more than a 17.5% increase on the previous year in rates. This rebate does not apply where:

- The increase is due to an increase in valuation as a result of improvements valued at greater than \$15,000 or due to a rectification of an "error of fact";
- The increase is a result of a change in land use;
- Ownership of the property has changed since 30 June 2010;
- The increase is applicable to land use categories of commercial, industrial, vacant land and other.

a current Seniors Card will be eligible to postpone any amount in excess of \$500 (\$125 per quarter), less any concession entitlement. Interest will accrue on postponed balances as per Section 182A (12) of the Act (i.e. with a premium of 1% over the cash advance debenture rate).

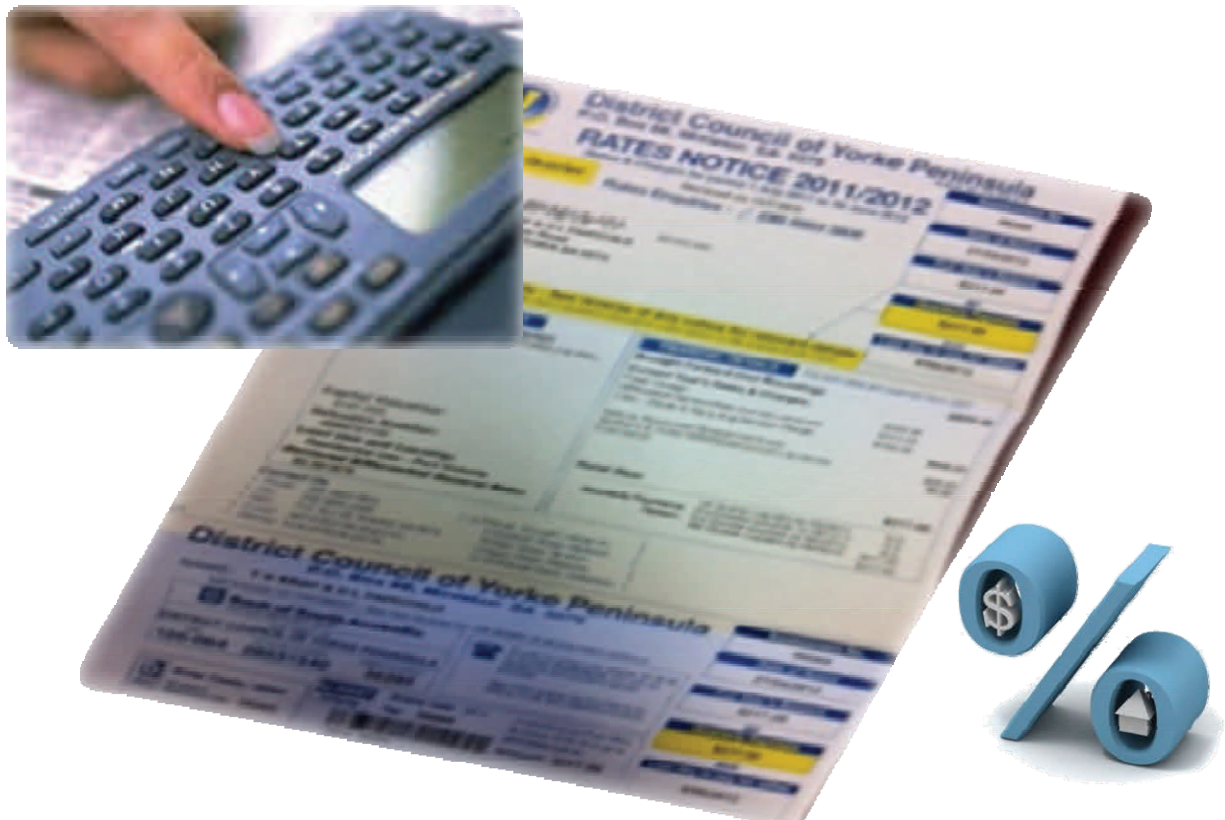
In addition, Council has adopted a Rates Postponement Scheme to provide relief to ratepayers for whom the payment of rates on the principal place of residence would cause extreme hardship.

Hardship

Any ratepayer experiencing difficulties in meeting rates payments, or experiencing financial hardship, will be able to access payment plans tailored to meet the particular circumstances. All arrangements are strictly confidential.

Postponement of rates

In accordance with provisions of the Local Government Act 1999 (the Act), persons who hold



Appendices

Statutory Financial Statements

Budgeted Comprehensive Income Statement

Budgeted Balance Sheet

Budgeted Statement of Changes in Equity

Budgeted Cash Flow Statement

A Budgeted Uniform Presentation of Finances

Budgeted Financial Ratios

Full Cost Attribution Statements

Budgeted Comprehensive Income Statement

	2012/2013 Budget	2011/2012 Adopted Budget
Rates	-\$16,457,865	-\$15,239,500
Statutory Charges	-\$425,776	-\$409,540
User Charges	-\$2,740,053	-\$2,253,971
Grants Subsidies Contributions	-\$3,581,192	-\$3,506,953
Investment Income	-\$254,000	-\$153,000
Reimbursements	-\$460,391	-\$876,743
Other Income	-\$153,628	-\$630,861
TOTAL REVENUES	-\$24,072,095	-\$23,070,568
Employee Costs	\$6,992,341	\$6,469,570
Materials Contracts & Other Expenses	\$10,839,203	\$10,069,120
Depreciation	\$9,313,584	\$8,603,449
Finance Costs	\$336,642	\$312,919
TOTAL EXPENSES	\$27,481,770	\$25,455,058
OPERATING DEFICIT BEFORE CAPITAL AMOUNTS	\$3,408,865	\$2,384,490
Asset Disposals	-\$21,158	\$0
Amounts Specifically for New Assets	-\$618,853	-\$101,450
NET DEFICIT	\$2,768,854	\$2,283,040

Budgeted Balance Sheet

	2012/2013 Budget \$'000	2011/2012 Budget \$'000
Current Assets		
Cash and Cash Equivalents	\$2,266	\$1,999
Trade and Other Receivables	\$882	\$787
Inventories	\$138	\$138
TOTAL CURRENT ASSETS	\$3,286	\$2,924
Non-Current Assets		
Financial Assets	\$606	\$297
Infrastructure, Property, Plant and Equipment	\$251,521	\$227,553
Other Non-Current Assets	\$103	
TOTAL NON-CURRENT ASSETS	\$252,230	\$227,850
TOTAL ASSETS	\$255,516	\$230,774
Current Liabilities		
Trade and Other Payables	\$1,782	\$1,693
Borrowings	\$728	\$9
Provisions	\$840	\$875
Other Current Liabilities	\$0	\$0
TOTAL CURRENT LIABILITIES	\$3,350	\$2,577
Non-Current Liabilities		
Borrowings	\$2,192	\$5,212
Provisions	\$279	\$236
TOTAL NON-CURRENT LIABILITIES	\$2,471	\$5,448
TOTAL LIABILITIES	\$5,821	\$8,025
NET ASSETS	\$249,793	\$222,749
Equity		
Accumulated Surplus	-\$16,473	-\$18,296
Asset Revaluation Reserve	\$264,571	\$236,256
Other Reserves	\$1,597	\$4,789
TOTAL EQUITY	\$249,695	\$222,749

Budgeted Statement of Changes in Equity

	Accumulated Surplus \$'000	Asset Revaluation Reserve \$'000	Other Reserves \$'000	TOTAL EQUITY \$'000
2012/2013 Budget				
Accumulated Surplus brought forward	-13,704	\$264,571	\$1,597	\$252,464
Net Surplus/(Deficit) for Year	-\$2,769			-\$2,769
Gain on Revaluation of Infrastructure, Property, Plant and Equipment		\$0		\$0
Transfers between Reserves	\$0	\$0		\$0
Total Equity at end of Budget Year	-\$16,473	\$264,571	\$1,597	\$249,695

Budgeted Cash Flow Statement

Receipts

Operating Receipts	\$23,819	\$23,421
Investment Receipts	\$254	\$319

Payments

Operating Payments to Suppliers and Employees	-\$17,567	-\$17,834
Finance Payments	-\$337	-\$313

NET CASH USED PROVIDED BY OPERATING ACTIVITIES

Cash Flows from Investing Activities

Receipts

Amounts Specifically for New or Upgraded Assets	\$619	\$679
Sale of Replaced Assets	\$155	\$133
Repayments of Loans by Community Groups	\$75	\$46

Payments

Expenditure on Renewal/Replacement of Assets	- \$4,656	- \$3,791
Expenditure on New/Upgraded Assets	- \$2,352	- \$3,182
Loans to Community Groups	- \$200	\$0

NET CASH USED IN INVESTING ACTIVITIES

Cash Flows from Financing Activities

Receipts

Proceeds from Borrowings	\$200	\$0
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Payments

Repayment of Borrowings	- \$944	- \$1,188
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NET CASH USED IN FINANCING ACTIVITIES

NET INCREASE/(DECREASE) IN CASH HELD

CASH AT BEGINNING OF REPORTING PERIOD	\$3,200	\$4,910
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CASH AT END OF REPORTING PERIOD	\$2,266	\$3,200
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Budgeted Uniform Presentation of Finances

	2012/2013 Draft Budget	2011/2012 Adopted Budget
Income	-\$24,072,905	-\$23,070,564
Less Expenses	\$27,481,770	\$25,455,059
Operating Deficit before Capital Amounts	\$3,408,865	\$2,384,491
Less Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	\$4,655,679	\$3,797,105
Less Depreciation, Amortisation and Impairment	-\$9,313,584	-\$8,603,449
Less Proceeds on Sale of Assets	-\$155,000	
	-\$4,812,905	-\$4,806,344
Less Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets	\$2,351,891	\$2,676,574
Less Amounts received specifically for New and Upgraded Assets	-\$618,853	-\$101,450
	\$1,733,038	\$2,575,124
NET(LENDING) / BORROWING FOR FINANCIAL YEAR	\$328,998	\$153,274

Budgeted Financial Ratios

	2012-2013 Budget	2011-2012 Budget
Operating Surplus/(Deficit)	-\$3,408,865	-\$2,384,495
Operating Surplus Ratio	-21.0%	-15.4%
Net Financial Liabilities	\$2,364,000	\$4,942,822
Net Financial Liabilities Ratio	9.8%	21.5%
Interest Cover Ratio	0.3%	0.7%
Asset Sustainability Ratio	48.0%	44.1%
Asset Consumption Ratio	59.0%	50.5%

Full Cost Attribution Statement

	Operating Income	Operating Expenditure	Net Operating (Surplus)/Deficit
Executive Services			
Elected Members	(200)	426,758	426,558
Governance	0	883,659	883,659
Human Resources	0	0	0
	(200)	1,310,417	1,310,217
Assets & Infrastructure Services			
Asset Co-Ordinator	0	124,946	124,946
Administration	0	(424,837)	(424,837)
Works	(1,977,653)	8,882,139	6,904,486
Operations	(2,636,231)	7,547,197	4,910,966
Infrastructure	(1,357,510)	1,491,058	133,548
Risk Administration	0	259,210	259,210
	(5,971,394)	17,879,712	11,908,318
Development Services			
Administration	0	958,993	958,993
Building & Development	(357,940)	393,946	36,006
Environmental Health	(80,496)	329,304	248,808
General Inspectors	(69,400)	387,839	318,439
Council Building Assets	(57,840)	1,459,959	1,402,119
	(565,676)	3,530,042	2,964,366
Corporate & Community Services			
Administration	(97,570)	97,570	0
Finance	(15,138,874)	804,392	(14,334,482)
Corporate Services	(2,451,480)	2,959,900	508,420
Information Services	(15,800)	15,800	0
YP Community Transport	(457,986)	686,435	228,449
YP Leisure Options	(147,778)	197,500	49,722
	(18,309,488)	4,761,598	(13,547,890)
Total	(24,846,758)	27,481,770	2,635,012