



Port Victoria Sunset

# 2014–2015 ANNUAL BUSINESS PLAN



Minlaton

*Integrity, Innovation, Sustainable, Engaged*



Pondalowie Bay

## Our Vision

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



*Agriculturally rich~Naturally beautiful*

# Message from the Mayor



The Annual Business Plan has been prepared to provide the community with a picture of the proposed projects the Yorke Peninsula Council aims to achieve in 2014/2015. This planning process provides an opportunity for community involvement in identifying priorities for Council projects and services for the forthcoming financial year.

The Annual Business Plan for 2014/2015 has been prepared in accordance with the adopted Long Term Financial Plan (LTFP) and a key focus is to inject an additional \$3 million over the next two financial years to accelerate renewal of road infrastructure along with an additional \$3 million on the proposed expansion of the Maitland Principal Office, via low interest loan borrowings of \$6 million. The Council's current debt levels are below that required in the LTFP and with interest rates at the current level it is timely to take this action.

Some key projects that have been included in the Annual Business Plan for 2014/2015 are:

- Capital expenditure on renewal of unsealed (open surface) Council roads estimated at \$3.592 million;
- Capital expenditure in sealing of current unsealed (open surface) roads \$620,000, including \$327,000 for the Clinton Road development project;
- Continuation of the "Walk the Yorke" Project \$1.1 million with 50% grant funding from Australian Government ;
- Continued upgrade and development of Community Wastewater Management Systems (CWMS) \$270,000;
- Caravan Parks upgrade and renewal of facilities \$159,000;
- Capital expenditure on Halls \$92,000;
- Stormwater Management \$195,000;
- Development of cemeteries including funds to evaluate options in Port Vincent which has no further burial vacancies \$80,000.

Council has finalised the Elector Representation Review and as a result there will a slight alteration to the southern boundary of Kalkabury Ward and the locality of Hardwicke Bay to more evenly distribute electors.

2014 also is a year where Council Elections will be held with nominations closing in early September for the new Council term from November 2014 to November 2018.

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

Council encourages community engagement in the Annual Business Planning Process and looks forward to receiving your feedback.

I commend the Annual Business Plan 2014/2015 to you.

Ray Agnew OAM  
MAYOR

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# 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. This assists Council to achieve its goals while ensuring the best possible mix of services, infrastructure and facilities for its communities.

This year's budget development has been measured against the adopted Long Term Financial Plan (LTFP) whilst recognising the requirement for increased road infrastructure renewals and the expansion and renewal of the Principal office at Maitland.

The 2014/2015 budget looks to ensure Council's spend on renewal of existing assets is the primary focus in provision of service levels to the community.

In the 2014/2015 budget, over \$3.9m is allocated to renewal of transportation infrastructure and over \$1.3m on the renewal of plant and machinery. In addition, \$150k has been allocated for renewal of storm water and CWMS systems.

Expenditure on new assets, other than the planned office expansion, has been kept to a manageable level at \$2.865m.

The exciting Walk the Yorke project expenditure, totals \$1.1m (of which \$550k is secured from grant funding), which makes up a significant portion of the budget allocated to new assets.

Council has considered its current Transportation Infrastructure renewal program and has taken the view that acceleration of that program is needed. A total of \$3.918m (\$2.414m in 2013/14) is to be invested in the renewal program with accelerations of \$2.0m above current program forecasts planned for the 2015/16 financial year.

In addition Council has recently undertaken a review of its current office accommodation and has agreed that improvements are necessary to provide quality, cost-effective, modern and

accessible facilities to meet the growing needs of its community and staff.

Based on a number of opportunities and limitations, Council has considered its Principal Office at Maitland as the preferred location for a proposed office expansion to ensure that it can continue to operate efficiently, and effectively serve our community, now and into the future whilst allowing for future growth of office space for the next 15 years.

Further detail in regard to this project is supplied in the "Principal Office Proposed Expansion Project" brochure as an addendum to the Draft Annual Business Plan.

Should the draft Annual Business Plan be adopted, it is anticipated that loan borrowings of \$6.0m, at a fixed interest rate over 15 years, will be primarily used to fund both the road renewal program acceleration and the office expansion project. Council's very low current debt levels (forecast at \$1.587m at 30 June 2014 excluding community loans) together with very low current fixed interest rates available facilitates this initiative whilst ensuring risks to the Community are minimised.

The Long Term Financial Plan has been revisited to ensure that Council's long term financial aspirational targets are achieved.

Council will also consider in the future the sale of vacant land at Maitland, Balgowan and Yorketown, which could realise in excess of \$2million over the coming years. This will be undertaken as a separate process over the following financial years.

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



# Introduction

Council has overall committed a total of \$11.598m in capital expenditure, the highlights of which include:

- \$3.592m for renewal of unsealed local roads;
- \$620,000 in sealing of current unsealed roads. Including \$327,000 for the Clinton Road development project;
- \$325,453 for resealing of Council roads;
- \$1.1m to establish walking trails and facilities for the Walk The Yorke project (50% grant funded)
- \$1.0m to upgrade current Maitland office facilities;
- \$2.0m to extend the Maitland office to provide suitable accommodation for current Council staff and provide future expansion capabilities;
- \$986,000 (\$874,000 net after trade in allowances) for Plant & Machinery renewals and \$205,000 for the purchase of new plant and equipment;
- \$358,000 (\$191,000 net after trade in allowances) for the replacement of Council administration vehicles;
- \$270,000 for the continued upgrade and development of CWMS systems;
- \$195,000 for the continued improvement of storm water management;
- \$92,000 for the restoration and development of Town halls throughout the district;
- \$78,000 on essential IT infrastructure;
- \$71,000 on essential system updates including town planning, disaster recovery and GPS software
- \$80,000 on development of cemeteries including funds to evaluate options in Port Vincent which has no further burial vacancies;
- \$57,000 for the purchase of software required to ensure Council is compliant with electronic records management requirements



# 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 whilst at the same time enabling maximum benefit to our community.

### Corporate Governance and Leadership

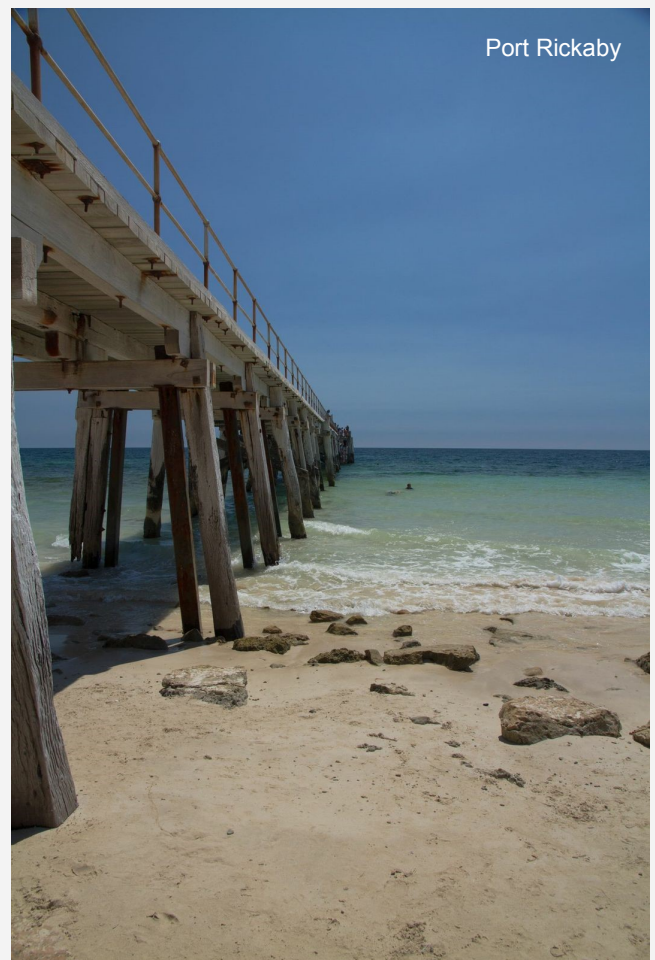
**Progressive Communities through Strategic Planning**—informed decision making; setting the direction to meet the current and future needs of our communities.

**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.

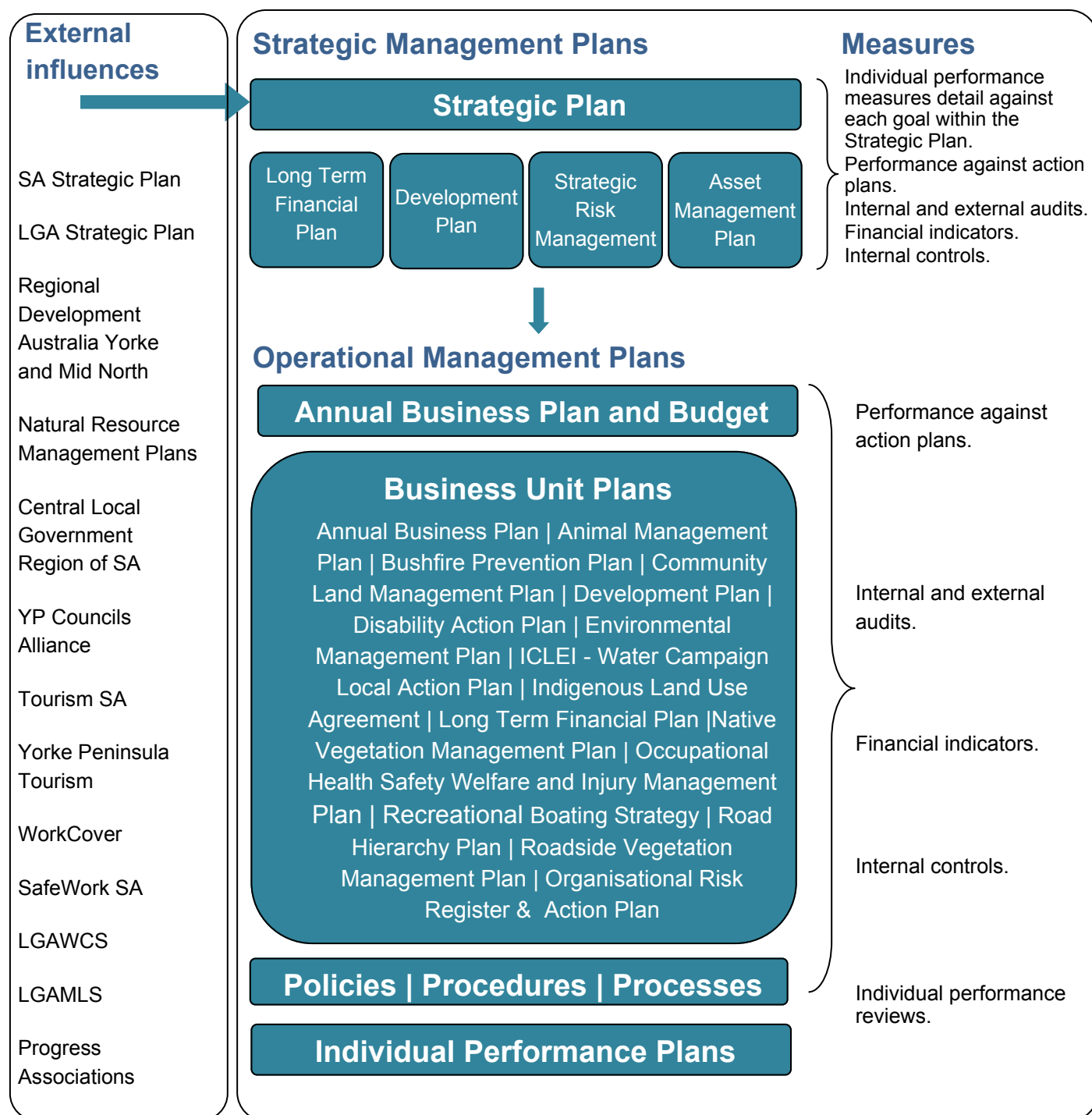
**Sense of Ownership**—facilitate a sense of community ownership through public participation and authentic communication with our community.



Port Rickaby

Corry Point

# 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.



# Influences and Priorities

## Current Economic Environment

In developing the Annual Business Plan, Council has identified pressures and potential impacts on its financial performance and budgeting.

Funding levels from both State and Federal Governments continue to decrease; the exception being the grant funding for the Walk the Yorke project.

Similar to 2013/2014 Local Government cost increases continue to be above the general consumer inflation rate.

The economy continues to be negatively affected by continuing uncertainty and instability of global financial markets. The decrease in the local economy has not seen a corresponding reduction in costs. Some services, for example cleaning and waste transfer stations are expected to increase. Costs incurred for water and power continue to increase proportionally higher than CPI with Council investigating strategies to control these.

Costs pressures for requirements relating to legislation, industry and accounting standards also continue to increase. These include:

- Fire prevention in Council owned caravan parks valuation of building assets;
- Condition assessments of CWMS systems;
- Road infrastructure evaluations.

## Budget Strategy

The Long Term Financial Plan (LTP) will continue to direct future Annual Business Plans. The key goal of the LTFP is to ensure that Council is in a position to continue to provide services, without dramatically increasing the cost of those services.

It assumes:

- No change in the level or number of services provided;
- A “Financial Sustainability” increase in general rates to existing ratepayers of 3% above CPI from 2014/2015 to align Council’s rating levels with the Local Government average;
- Increased spending on asset renewals to ensure Council maintains current service levels to the community;
- Spending on new assets in line with the “limited new services” strategy of the LTFP.

## Setting the Rates

Rates of all types continue to be the major source of operating income for Council making up approximately 72% (69% in 2013/2014) of operating income.

Each year the impact of rates increases is reviewed in line with Council’s strategic plan. In 2014-15 the income from general rates from existing ratepayers will increase by 6.2%.

The structure of the rating system will remain the same as 2013-2014:

- Continued use of a fixed charge;
- Differential rates for various 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.



# Delivering the Strategic Plan

## SUSTAINABLE COMMUNITIES

### 1. SUSTAINABLE INFRASTRUCTURE

#### 1.1 Provide infrastructure assets that are sustainable & safe

Key Actions to achieve our goal	Our Performance measures
Advocate and work with the State Government to improve the quality of arterial roads on Yorke Peninsula.	Ongoing - Number of initiatives collaboratively established, planned and managed.
Develop and implement a rationalisation program for identified roads.	Rationalisation program developed and implemented for identified roads by 2015.

#### 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.	Ongoing - Number of initiatives to improve water and power infrastructure delivery.
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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.	Ongoing - Number of joint initiatives that support tourism and business growth.
Identify and support initiatives for tourism related development including indigenous communities.	Ongoing - Number of joint initiatives that support the development of indigenous tourism.
Partner and build positive relationships with YP Tourism, Regional Development Australia Yorke and Mid North, government agencies and other key stakeholders.	Ongoing - 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.	Ongoing - 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.	Ongoing - Number of joint initiatives developed that will enhance skills, development in tourism, agriculture and business.



Brentwood

## 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.	Ongoing - Number of strategies collaboratively developed through regular meetings with Rex Community Consultative Group.
Identify the financial resources required to manage the increased costs associated with the establishment of mining and other major industry within the district.	Ongoing - additional financial resources required identified based on market pressures and development time frames.

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

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.	Ongoing - 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.	Ongoing - Number of transport corridors collaboratively identified, planned, established and managed.



SUSTAINABLE COMMUNITIES	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
	Work with Regional Development Australia Yorke and Mid North to support and encourage existing and new industries that support major industry to establish in the DC of Yorke Peninsula.	Ongoing - Number of new industries established on the Yorke Peninsula.
	Work with Regional Development Australia Yorke and Mid North to 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.	Ongoing - Number of training and skill initiatives provided that focus on the mining industry.
	Work with Rex Community Consultative Group to encourage mining companies and other major industry employers to employ local people.	Ongoing - Number of local people employed by major industries.
	Work with Rex Community Consultative Group to lobby on behalf of the community for mining companies to provide support for community groups/programs.	Ongoing - Number of programs provided by mining companies to support community groups/programs.

CORPORATE GOVERNANCE & LEADERSHIP	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.	Current and relevant strategic plans and policies in place. 2012-2015 Strategic Plan reviewed by June 2015.
	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.	Fully developed Training Needs Analysis and integrated Training Plan in place through up to date induction documentation and performance reviews.



## 2. ORGANISATIONAL EFFICIENCY AND RESOURCE MANAGEMENT

### 2.1 Financially sustainable organisation

Key Actions to achieve our goals	Our Performance measures
Identify alternative income streams within acceptable levels of risk in order to diversify Council's income base.	Ongoing - Alternative income streams identified and incorporate into Council's Long Term Financial Plan.
Review Council's Long Term Financial Plan to ensure long term financial sustainability	Long term financial plan reviewed by April 2015.

### 2.2 Efficient, effective and professional organisation

Work with neighbouring councils and the YP Alliance through regular, ongoing meetings to identify opportunities to work together to improve our effectiveness.	Ongoing - Number of joint initiatives identified.
Finalise office accommodation solution options in order determine the most effective way to improve Council operations while at the same time meeting the needs of the community.	Preferred office accommodation model endorsed by Council December 2013. Inclusion within the 2014/2015 Annual Business Plan.

### 2.3 Meet all legislative and compliance responsibilities

### 2.4 Effective Risk Management

Maintain a current Organisation Risk Management Plan, incorporating OHSW&IM and internal controls.	Review of the 2012-2015 Organisation Risk Management Plan in place by October 2014.
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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
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.	Communication strategy developed, including a process for regular, credible reporting to the community and implemented by December 2014.
Support and encourage Country Health SA in developing, implementing and maintaining a youth program. Participate in YP Youth Workers Network and annual youth event.	Successful annual youth event.

## 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.	Current policies, procedures and processes in place that meet the needs of the community.
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## 1.3 Encourage and support our community in artistic, cultural and creative pursuit.

Develop a strategy to advance arts and culture in our district.	Strategy to advance arts and culture in our district by September 2014.
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# 2. SENSE OF OWNERSHIP

## 2.2 Our communities are well informed

Key Actions to achieve our goals	Our Performance measures
We will provide easily accessible information to our community on key issues, strategic plans, programs and initiatives.	Results of the annual Community Satisfaction Survey.



Hardwicke Bay

# Operating Budget

## Operating Income

The 2014-2015 Budget provides for operating revenue to increase from \$25,980,000 (2013/2014 Adopted Budget) to \$26,321,000, an increase of 1.31%. Recurrent revenue streams of Council are demonstrated in the following table.

\$M	%	Type	Description
18.99m	72.1%	General Rates and Service Charges	General rates on properties as well as service charges (i.e. sewerage and refuse/recycling charges).
0.45m	1.7%	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.
2.94m	11.2%	User Pay Charges set by Council	Charges for the Council's fee based facilities and services such as caravan parks, community halls, cemeteries.
3.32m	12.6%	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.
0.62m	2.4%	Investment, Reimbursements & Other Income	Interest received on Council's internal cash reserves and deposits. Reimbursements for work undertaken and Other Income.

## Operating Expenditure

The 2014-2015 Budget provides for operating expenditure to increase from \$28,791,000 (2013/2014 Adopted Budget) to \$29,355,000, an increase of 1.96%. Recurrent expenditures incurred by Council are demonstrated in the following table

\$M	%	Type	Description
7.67m	26.0%	Employee Costs	All labour related expenses such as wages and salaries, and on-costs such as allowances, leave entitlements and employer superannuation.
5.62m	19.0%	Contractual Services	Payments for external provision of services.
6.71m	22.7%	Materials & Others	Payments for physical goods such as water, fuel, energy, road materials, office consumables, stationery, insurances, postage, telephone, government levies, contributions and donations.
9.15m	31.0%	Depreciation	Annual consumption of Council's fixed assets (e.g. infrastructure, equipment, buildings etc) over their useful lives.
0.20m	1.3%	Finance Costs	Costs of financing Council's activities through borrowings or other types of financial accommodation.

# Operating Budget

## Breakdown of Expenditure by Function (excluding Depreciation)

The following table provides a detailed breakdown of Council's major expenditure for 2014/2015.

%	Function	Description
10.6%	Road Maintenance	Expenses relating to the cost of maintaining Council's road network, including materials and labour related expenses.
12.2%	Renewal of Roads	Expenses relating to the cost of redeveloping Council's road network, including materials and labour related expenses.
2.2%	Sealing of Formed Roads	Expenses relating to the cost of resealing Council's unsealed road network, including materials and labour related expenses.
6.8%	Community Asset Maintenance	General maintenance costs, including materials and labour related expenses.
8.6%	Refuse Collection & Disposal	Contractual and local expenses, including materials and labour related expenses.
8.8%	Capital expenditure on existing assets	Capital expenses relating to existing community assets, including materials and labour related expenses (excluding roads).
4.3%	Caravan Park Operation	Expenses relating to the cost of running Council owned caravan parks, including labour related expenses.
6.5%	New Assets	Capital expenses relating to the cost of providing new assets, including materials and labour related expenses (excluding roads & Walk the Yorke).
3.3%	Development Services	Expenses relating to the cost of planning and development, including labour related expenses.
2.2%	Community Support	Expenses relating to libraries, tourism and other community support programs, including materials and labour related expenses.
4.4%	Finance and Corporate Service	Expenses relating to finance and corporate service administration, including labour related expenses.
2.5%	CWMS and Water Schemes	Expenses relating to the cost of running water and waste-water management schemes, including materials and labour related expenses.
3.9%	Governance	Expenses relating to governing the organisation, including organisational compliance, public liability insurance and Elected Member related expenses.
2.3%	NRM Levy	A compulsory levy payable to the Northern and Yorke Natural Resources Management Board.
2.5%	Information Services	Expenses incurred in providing information technology, including labour related expenses.
3.3%	Executive Services	Expenses relating to Human Resources, Staff Training, Workplace Health & Safety, Risk Management and Internal Audit.
0.9%	Asset Management	Asset Management Systems, Asset Management Plans & Asset Condition Assessments
3.4%	Special Projects	Walk the Yorke Project - 50% Grant Funded.



# Continuing Services

All Councils have mandatory legislative responsibilities which include requirements pursuant to:

- Local Government Act;
- Development Act;
- Public Environmental Health Act;
- Work, Health & Safety Act; and the
- Natural Resources Management Act.

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 Yorke Peninsula Council 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](http://www.yorke.sa.gov.au)



Sultana Point

# Project & Capital Works Budget

Over the past four years Council has been developing Infrastructure and Asset Management plans. These plans identify costs required to ensure that assets 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 2014-15	New/Upgrade	Renewal/ Replacement
<b>Council Capital Works Program</b>	<b>\$4,865,285</b>	<b>\$6,732,846</b>
<b>Community Wastewater Management Systems</b>		
Various Schemes	145,000	125,000
<b>Water Schemes</b>		
Black Point	12,000	
Marion Bay	15,000	
<b>Road Infrastructure</b>		
Reseal Allocation		325,453
Rubble Raising		285,000
Unsealed - Gap Road		97,045
Unsealed - Willing Road		63,046
Unsealed - Coleman Road		96,046
Unsealed - Nalyappa Road		152,040
Unsealed - Barnes Road		57,045
Unsealed - James Well Road		102,045
Unsealed - South Coast Road		209,052
Unsealed - Gun Club Road		124,043
Unsealed - Sparrow Road		129,044
Unsealed - Old Coast Road		171,044
Unsealed - Bittner Road		170,056
Unsealed - Coringle Road		123,047
Unsealed - Brutus Road		99,046
Unsealed - Daly Head Road		278,775
Unsealed - Pookawarowie Road		87,046
Unsealed - Honner Road		85,044
Unsealed - Clasholm Road		101,045
Unsealed - Cutline Road		162,541
Accelerated Road Renewal (additional injection)		1,000,000
Sealed - Clinton Road	327,000	
Sealed - Grainstack Road, Stansbury	140,802	
Sealed - Gulfview Road, Stansbury	119,002	
Sealed - Mills Gully Road, Stansbury	33,360	
Kerbing - Gulfview Road, Stansbury	70,306	
<b>Council Buildings</b>		
Maitland Office Project	2,000,000	1,000,000
<b>Cemeteries Management Capital</b>		
Various	50,000	30,000

# Project & Capital Works Budget

Capital Works Program 2014-15	New/Upgrade	Renewal/ Replacement
<b>Stormwater</b>		
Maitland	12,000	5,000
Minlaton	5,000	
Arthurton	23,000	
Wool Bay	150,000	
<b>Foreshore</b>		
Walk the Yorke (Grant Funding \$550,000)	1,100,000	
<b>Public Infrastructure</b>		
Minlaton Skate Park Security Lighting	16,000	
Federation Park Signage Renewal		3,200
Library Equipment	1,500	9,000
Landfill Rehabilitation		28,743
Disability Access	20,000	
Boardwalk and Viewing Platform Par-lake Yorketown (Grant Funding \$48,000)	95,000	
<b>Halls</b>		
Maitland Town Hall - Concrete Cancer		50,000
Yorketown Town Hall - Floor Resurfacing		16,600
Minlaton Town Hall - Floor Resurfacing		11,400
Ardrossan Town Hall - Floor Resurfacing		13,750
<b>Machinery</b>		
Equipment - Minor Plant		30,000
Plant and Machinery Purchases	205,000	956,500
<b>Indirect</b>		
Dump Points x 2	22,000	
Maitland Depot - New CWMS Shed	40,000	
<b>Administration</b>		
Equipment - Office	10,000	20,000
Computer Equipment & Software	163,815	47,900
Admin Vehicle Replacements		358,500
Business Improvement Infrastructure	40,000	
<b>Caravan Parks</b>		
Marion Bay Caravan Park - Various	9,500	51,500
Port Vincent Caravan Park		33,250
Other Caravan Parks - Various	40,000	25,000

# Rating

Property 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.

Property value is the major determinant of how much each individual ratepayer contributes to general rates. Rates paid do not directly relate to the services used by each ratepayer. In general, the higher the value of the property the higher the rates paid.

Like most other Councils, Yorke Peninsula Council uses capital value provided by the State Valuer-General to value all properties.

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.

In determining how rates are applied, Council uses a differential rating system with a fixed charge. Differential rates are applied depending on the use to which the land is put - whether it be residential, commercial, primary production, etc. The fixed charge is a declared amount all ratepayers contribute in addition to differential rates which are applied directly against property capital value.

The rate-in-the-dollar to be applied each year is determined during the annual budget process. Put simply the differential rate is calculated by dividing the required rates income by the total rateable capital value for the Council area after accounting for the total fixed charge contribution from all properties. During this process the impact on all sections of the community is carefully considered and adjustments are made to correct obvious inequities.

Based on the principal use of each property, Council rates properties in seven different categories.

For the financial year 2014/2015 the rates determination looks like this:

Category	Revenue
Residential	\$TBA m
Commercial	\$TBA m
Industrial	\$TBA m
Primary Production	\$TBA m
Vacant Land	\$TBA m
Marina Berths	\$TBA m
Other	\$TBA m

(TBA—to be updated when final valuations are received from State Valuer-General)

In 2014/2015 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 \$250,000, the increase is approximately \$TBA and for a primary producer with a property valuation of \$750,000, the increase will be approximately \$TBA.

## Fixed Charge

Council has set a fixed charge rather than a minimum rate for the 2014/2015 year. The fixed charge will be set at \$xxx 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 these are owned by the same owner. 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 creates a lesser burden on lower valued properties than a minimum rate system would.



# Rating

## Waste Collection and Recycling

In May 2012 the State Government introduced regulations that determine how Council charges for its Waste Collection service based on distance from collection points. These regulations impact only on the rural 2 bin service offered by Council.

The 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 from their primary access point will pay 75% of the full service charge;
- Properties whose collection point is between 2km and 5km 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 unless a service is requested, and an appropriate service charge is negotiated with Council.

For the purpose of the regulations a collection point is defined as the point on a waste collection route closest 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 service charge is set to recover the full cost of providing the Waste & Recycling Service.

The 3 Bin service is not offered to rural ratepayers.

The annual charges for 2014/2015 will be:

Service	Distance from rural collection point	Charges \$
3 Bins	(Not offered to rural properties)	\$255.00
2 Bins	Within 500m	\$235.00
2 Bins	500m to 2km	\$176.25
2 Bins	2km to 5km	\$117.50

## Natural Resource Management Levy

The Yorke Peninsula Council 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.

Council remits all revenue collected under this Act to the Board.

The amount to be raised in 2014/2015 is to be \$738,463, increasing from \$723,524 in 2013/2014.

Any queries regarding the NRM Levy should be directed to:

*Northern & Yorke NRM Board*

*Board Offices 41-49 Eyre Road*

*PO Box 175 CRYSTAL BROOK SA 5523*

*Phone: (08) 8636 2361 Fax: (08) 8636 2371*

*Email: [board@nynrm.sa.gov.au](mailto:board@nynrm.sa.gov.au)*

*Website: [www.nynrm.sa.gov.au](http://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 annual fees for 2014/2015 are \$450 for occupied properties and \$340 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 for 2014/2015 are:

Location	2014-2015 fees
Black Point	\$180
Hardwicke Bay	\$180
Balgowan	\$140

# 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 2013;
- The increase is applicable to land use categories of commercial, industrial, vacant land and other.

## Postponement of rates

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

## 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.



Port Clinton

# Appendices

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Budgeted Financial Ratios

## **Full Cost Attribution Statements**



Corny Point Lighthouse



# Budgeted Comprehensive Income Statement

	2014/2015 Budget \$'000	2013/2014 Revised Budget (2nd Q) \$,000
Rates	\$18,992	\$17,955
Statutory Charges	\$450	\$378
User Charges	\$2,941	\$2,956
Grants Subsidies Contributions	\$3,318	\$3,950
Investment Income	\$121	\$153
Reimbursements	\$344	\$494
Other Income	\$156	\$275
<b>TOTAL REVENUES</b>	<b>\$26,322</b>	<b>\$26,161</b>
Employee Costs	\$7,670	\$7,360
Materials Contracts & Other Expenses	\$12,335	\$11,998
Depreciation	\$9,153	\$9,067
Finance Costs	\$378	\$260
<b>TOTAL EXPENSES</b>	<b>\$29,536</b>	<b>\$28,685</b>
<b>OPERATING DEFICIT BEFORE CAPITAL AMOUNTS</b>	<b>\$3,214</b>	<b>\$2,524</b>
Gain/(Loss) on Asset Disposals	\$40	\$242
Amounts Received Specifically for New Assets	\$1,156	\$1,015
<b>NET DEFICIT</b>	<b>\$2,018</b>	<b>\$1,267</b>



# Budgeted Balance Sheet

	2014/2015 Budget \$'000	2013/20134 Revised Budget 2nd Q) \$'000
<b>Current Assets</b>		
Cash and Cash Equivalents	\$3,250	\$2,172
Trade and Other Receivables	\$1,168	\$1,164
Investments and Other Financial Assets	\$20	\$20
Inventories	\$887	\$887
<b>TOTAL CURRENT ASSETS</b>	<b>\$5,325</b>	<b>\$4,243</b>
<b>Non-Current Assets</b>		
Financial Assets	\$447	\$433
Infrastructure, Property, Plant and Equipment	\$279,395	\$274,825
Other Non-Current Assets	\$0	\$0
<b>TOTAL NON-CURRENT ASSETS</b>	<b>\$279,842</b>	<b>\$275,258</b>
<b>TOTAL ASSETS</b>	<b>\$285,167</b>	<b>\$279,501</b>
<b>Current Liabilities</b>		
Trade and Other Payables	\$1,984	\$1,916
Borrowings	\$510	\$805
Provisions	\$936	\$917
Other Current Liabilities	\$0	\$0
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$3,430</b>	<b>\$3,638</b>
<b>Non-Current Liabilities</b>		
Borrowings	\$6,921	\$1,431
Provisions	\$315	\$277
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>\$7,236</b>	<b>\$1,708</b>
<b>TOTAL LIABILITIES</b>	<b>\$10,666</b>	<b>\$5,346</b>
<b>NET ASSETS</b>	<b>\$274,501</b>	<b>\$274,155</b>
<b>Equity</b>		
Accumulated Surplus	-\$4,362	-\$2,344
Asset Revaluation Reserve	\$278,069	\$275,705
Other Reserves	\$794	\$794
<b>TOTAL EQUITY</b>	<b>\$274,501</b>	<b>\$274,155</b>

# Budgeted Statement of Changes in Equity

	Accumulated Surplus \$'000	Asset Revaluation Reserve \$'000	Other Reserves \$'000	TOTAL EQUITY \$'000
<b>2014/2015 Budget</b>				
Accumulated Surplus brought forward	-\$2,344	\$275,705	\$794	<b>\$274,155</b>
Net Surplus/(Deficit) for Year	-\$2,018			<b>-\$2,018</b>
Gain on Revaluation of Infrastructure, Property, Plant and Equipment		\$2,364		<b>\$2,364</b>
Transfers between Reserves	\$0	\$0		<b>\$0</b>
<b>Total Equity at end of Budget Year</b>	<b>-\$4,362</b>	<b>\$278,069,</b>	<b>\$794</b>	<b>\$274,501</b>

## Budgeted Cash Flow Statement

	2014/2015 Budget \$'000	2013/2014 Revised Budget 2nd Qtr \$'000
<b>Cash Flows from Operating Activities</b>		
<b>Receipts</b>		
Operating Receipts	\$26,201	\$26,004
Investment Receipts	\$121	\$153
<b>Payments</b>		
Operating Payments to Suppliers and Employees	-\$19,898	-\$19,322
Finance Payments	-\$378	-\$260
<b>NET CASH USED PROVIDED BY OPERATING ACTIVITIES</b>	<b>\$6,046</b>	<b>\$6,575</b>
<b>Cash Flows from Investing Activities</b>		
<b>Receipts</b>		
Amounts Specifically for New or Upgraded Assets	\$1,156	\$1,015
Sale of Replaced Assets	\$280	\$432
Repayments of Loans by Community Groups	\$0	\$0
<b>Payments</b>		
Expenditure on Renewal/Replacement of Assets	-\$6,733	-\$5,183
Expenditure on New/Upgraded Assets	-\$4,866	-\$2,881
Loans to Community Groups	-\$0	-\$0
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>-\$10,163</b>	<b>-\$6,617</b>
<b>Cash Flows from Financing Activities</b>		
<b>Receipts</b>		
Proceeds from Borrowings	\$6,000	\$0
<b>Payments</b>		
Repayment of Borrowings	-\$805	-\$748
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>\$5,195</b>	<b>-\$748</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>\$1,078</b>	<b>-\$790</b>
<b>CASH AT BEGINNING OF REPORTING PERIOD</b>	<b>\$2,172</b>	<b>\$2,962</b>
<b>CASH AT END OF REPORTING PERIOD</b>	<b>\$3,250</b>	<b>\$2,172</b>

# Budgeted Uniform Presentation of Finances

	2014/2015 Draft Budget	2013/2014 (2nd Q) Revised Budget
Income	-\$26,322	-\$26,161
Less Expenses	\$29,536	\$28,685
<b>Operating Deficit before Capital Amounts</b>	<b>\$3,214</b>	<b>\$2,524</b>
<b>Less Net Outlays on Existing Assets</b>		
Capital Expenditure on renewal and replacement of Existing Assets	\$6,733	\$5,183
Less Depreciation, Amortisation and Impairment	-\$9,153	-\$9,067
Less Proceeds on Sale of Assets	-\$280	-\$432
	<b>-\$2,700</b>	<b>-\$4,316</b>
<b>Less Net Outlays on New and Upgraded Assets</b>		
Capital Expenditure on New and Upgraded Assets	\$4,866	\$2,881
Less Amounts received specifically for New and Upgraded Assets	-\$1,156	-\$1,015
	<b>\$3,710</b>	<b>\$1,866</b>
<b>NET(LENDING) / BORROWING FOR FINANCIAL YEAR</b>	<b>\$4,224</b>	<b>\$74</b>



# Budgeted Financial Ratios

	2014/2015 Adopted Budget	2013/2014 Revised Budget 2nd Qtr
Operating Surplus/(Deficit) \$'000	<b>-\$3,214</b>	<b>-\$2,524</b>
Operating Surplus Ratio	<b>-17.0%</b>	<b>-14.0%</b>
Net Financial Liabilities \$'000	<b>\$5,743</b>	<b>\$1,523</b>
Net Financial Liabilities Ratio	<b>21.8%</b>	<b>5.8%</b>
Interest Cover Ratio	<b>1.0%</b>	<b>0.4%</b>
Asset Sustainability Ratio	<b>68.0%</b>	<b>52.0%</b>
Asset Consumption Ratio	<b>61.0%</b>	<b>62.0%</b>

# Full Cost Attribution Statement

	Income	Expenses	Net (Surplus)/Deficit
<b>Executive Services</b>			
Risk Administration	0	275	275
Elected Members	0	479	479
Governance	0	555	555
Human Resources	(28)	112	84
	<b>(28)</b>	<b>1,421</b>	<b>1,393</b>
<b>Assets &amp; Infrastructure Services</b>			
Asset Co-Ordinator	0	370	370
Administration	0	105	105
Works	(1,969)	8,279	6,310
Operations	(3,088)	8,954	5,866
Infrastructure	0	1,448	1,448
	<b>(5,057)</b>	<b>19,156</b>	<b>14,099</b>
<b>Development Services</b>			
Administration	0	1,090	1,090
Building & Development	(303)	472	169
Environmental Health	(70)	268	198
General Inspectors	(245)	421	176
Council Building Assets	(73)	1,410	1,337
	<b>(691)</b>	<b>3,661</b>	<b>2,970</b>
<b>Corporate &amp; Community Services</b>			
Administration	(67)	174	107
Finance	(18,667)	1,004	(17,663)
Corporate Services	(2,614)	3,057	443
Information Services	(19)	59	40
YP Community Transport	(448)	764	316
YP Leisure Options	(166)	233	67
	<b>(21,981)</b>	<b>5,291</b>	<b>(16,690)</b>
<b>Total</b>	<b>(27,757)</b>	<b>29,529</b>	<b>1,772</b>