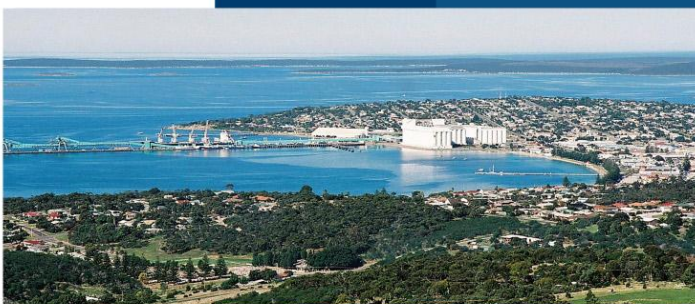
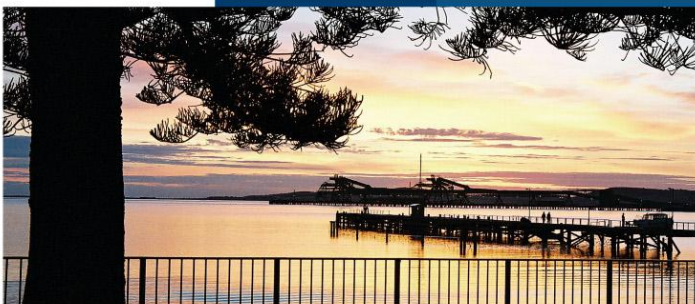
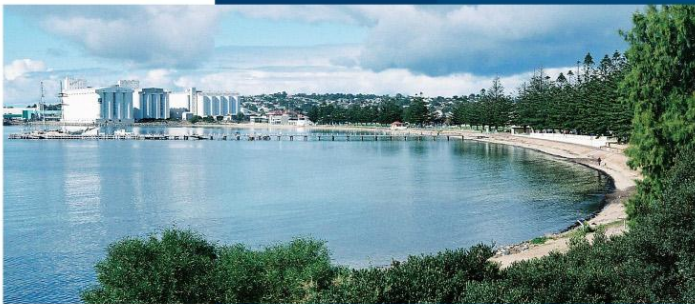




City of Port Lincoln



Annual Business Plan

2013-2014

Adoption

3rd June 2013

N2013661

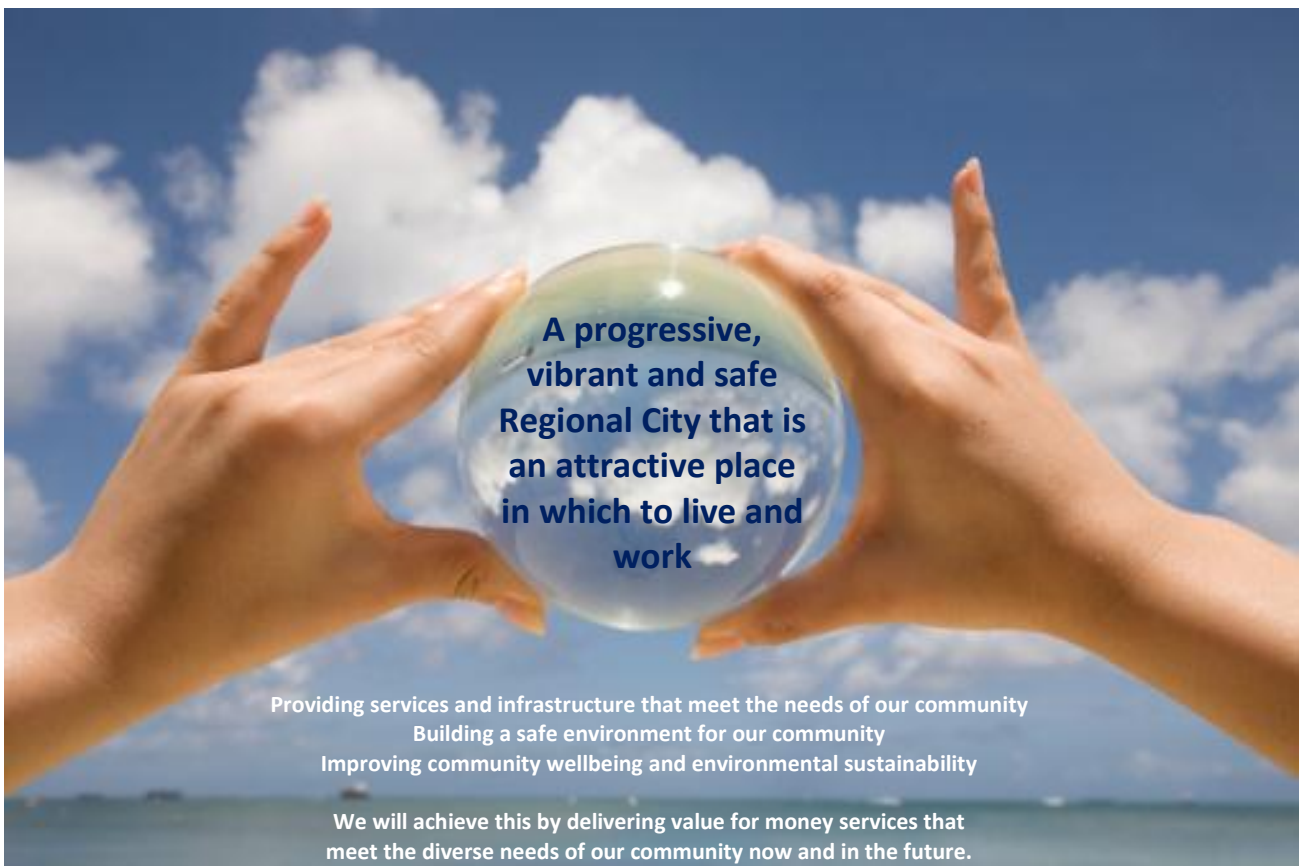


Introduction

Section 123 of the Local Government Act 1999 (the Act), requires Councils to develop a budget for each financial year. Councils must prepare, as part of the budget development process, an Annual Business Plan.

The Annual Business Plan sets out the City of Port Lincoln's proposed services, programs and projects for 2013-2014. It aims to maintain efficient services for the community and continue progress towards the longer term objectives for the City of Port Lincoln as set out in Council's "**Strategic Directions**". Specific objectives proposed for the year are consistent with Council's "**Strategic Directions**" and draft long term financial plan and asset management plans, to ensure the long term sustainability of the Council's financial performance and position.

This Annual Business Plan has been developed to ensure consistency with Council's vision, which is:



Prior to adoption of the Annual Business Plan, the Act requires Council to undertake a public consultation process that, as a minimum, meets the requirements of Section 123(4) of the Local Government Act, 1999.

1. Context Statement

The City of Port Lincoln is a Regional City which is experiencing moderate growth and economic activity. The City is located at the base of Eyre Peninsula, on one of the world's largest protected natural harbours, and the most picturesque areas of South Australia. The lifestyle opportunities of the area are without parallel.

The jewel in Port Lincoln's crown is sparkling blue Boston Bay, which stretches from the Port Lincoln National Park to Point Boston. The bay covers an area more than three and a half times the size of Sydney Harbour and is home to the biggest tuna fishing fleet in the southern hemisphere.

Port Lincoln continues to experience growth in both commercial and residential development, and demand is expected to be boosted by both tourism and industry, (including exploration and development of the region's mineral deposits,) in coming years. Significant growth in residential and industrial development directly adjacent to City boundaries, (located in District Council of Lower Eyre Peninsula,) is generating additional demand for facilities and infrastructure.

Port Lincoln's population exceeds 14,500 and has over 8,000 rateable assessments covering 3,800 hectares with a site value of almost \$1.1 billion.

The City of Port Lincoln was proclaimed a City on the 30th January 1971 and Council currently employs 50 employees in administration, library, and outside work crews.

Primary production including 50% of South Australia's total production of wheat, barley and oil seeds – and having the deepest natural harbour and largest commercial fishing fleet in Australia makes Port Lincoln perhaps the nation's biggest combined agricultural and fishing centre. Together with extensive mining exploration on the Eyre Peninsula, it is anticipated that there will be a continuing requirement to upgrade and develop Community facilities and infrastructure that will support the industries and their employees.

The fishing industry is divided into five major fisheries – tuna, prawns, lobster, shellfish and scale fish. Lincoln-based tuna boats ply the rough Southern Ocean waters west of Eyre Peninsula and may steam nearly to Esperance, chasing the Bluefin tuna.

Port Lincoln is host to various festivals and events throughout the year which keeps a national focus on our town. They include Tunarama, which celebrates the City's association with the sea and the tuna fishing industry, the Adelaide to Port Lincoln Yacht Race, the Lincoln Cup horse racing week, Eyre Peninsula Farmers & Fishermen's Market and the Mortlock Shield Football Carnival.



2. Our Future

Council reviewed its Strategic Plan in 2012, resulting in the “**Strategic Directions**” document, which was adopted in July 2012 following a community survey and extensive public consultation.

To meet Council’s core functions, service levels and community expectations, Council endeavours to set annual budgets that are responsible, achievable and underpinned by long term asset and financial planning.

Council is currently reviewing its Long Term Financial Plan and Asset Management Plans. Given some of the major projects proposed for the next ten years, Council may need to undertake borrowings in the future or investigate other non-traditional sources of revenue; however there is no need to borrow funds for the projects proposed within this Annual Business Plan.

It is anticipated that with moderate operating surpluses adopted by Council in the next few years, consolidation of identified assets together with prudent budgeting, future borrowing for significant community facilities will be minimised, therefore lessening the impact on maintaining and replacing existing assets in the future.

Council will strive to meet its strategic performance targets through continuous review of program efficiency, core asset consolidation and improvement programs and maximizing supporting grants from the State and Federal Governments.

Council’s Strategic Plan focuses on seven key areas, being:

Recreation and Open Space	<ul style="list-style-type: none"> •Build a healthy community through the provision of both structured and non structured recreation and sporting activities, quality facilities & open spaces.
City Image	<ul style="list-style-type: none"> •Enhance the image and encourage community pride and investment in the City of Port Lincoln by providing a clean, green and attractive environment.
Infrastructure	<ul style="list-style-type: none"> •Provide quality public infrastructure and amenities that are safe, functional, welcoming and appealing to the local community, visitors, tourists, industry and commerce.
Transport Network	<ul style="list-style-type: none"> •Raise the capacity and efficiency of the City's transport network.
Environment	<ul style="list-style-type: none"> •Effective management and protection of the City's natural and built environs to ensure ecological sustainability.
Community Projects	<ul style="list-style-type: none"> •Provide facilities, activities and services that support our community.
Economic Development	<ul style="list-style-type: none"> •Encourage and support economic development initiatives for the City.

3. SIGNIFICANT INFLUENCES AND PRIORITIES

A number of significant factors have influenced the preparation of the City of Port Lincoln Annual Business Plan 2013-2014. These include:

3.1 Cost increases

The increase in the Consumer Price Index (CPI) for Adelaide was 2.1% for the year ended 31 December 2012 however councils typically face higher cost increases due to the capital intensive nature of the goods and services purchased. The Local Government Price Index, which measures the increase in costs to Local Government, was 2.8% for the year ended 31 December 2012.

3.2 Infrastructure

Council conducted a **community survey** in 2011, with the majority of respondents highlighting **public toilets** as being below expectation, together with **road and footpath maintenance**.

Council also needs to **maintain and improve other infrastructure assets** to acceptable standards including street lighting, storm water drainage, streetscaping, halls, sporting facilities and the city's open space areas.

Service and infrastructure needs for an increasing population, (such as improved **CBD car parking** and planning for **commercial development**,) are a priority for Council to be able to provide for longer term growth of the City.

Impending closure of the Leisure Centre **swimming pool and stadium** has prompted Council to investigate options for replacement facilities. Continuing participation with the community in developing these facilities will be encouraged.

3.3 Waste Management

Council continues to deal with the **increasing cost of waste disposal and recycling**, driven by legislation requiring the community to increase the diversion of waste from landfill and increase the proportion of recycled material.

Stringent Environmental Protection Policy on waste disposal and Zero Waste requirements has required significant capital investment in the Hassell Road Resource Recovery Centre (RRC).



No capital investment is required at the Hassell Road RRC in 2013-2014, with capping of cell 3 expected to occur in 2014-2015. While capital costs will diminish as the site is rehabilitated and converted to a transfer station, increasing operational costs for the processing and transport of waste to the new Regional Waste Facility will be on-going.

The operational cost to the community of providing waste and recycling services is approximately \$3 million per annum, or 21% of Council's total operational cost.

The waste and recycling levy of \$175, introduced in 2011/12, plus gate charges recoup approximately 70% of total waste and recycling costs.

A significant cost Council currently is required to pay is a solid waste levy to the State Government of \$21 per ton buried at landfill, the levy has been foreshadowed to rise to \$50 per ton. On current tonnage delivered to landfill this will equate to Council's payment increasing from \$250,000 annually to approximately \$600,000 if applied as foreshadowed.

Together with general cost increases, waste and recycling services will continue to be a significant component of council expenditure. It is proposed that over the next six years full cost recovery of waste and recycling costs is achieved through gate prices increasing by at least CPI and the service charge increasing by approximately 15% per annum.

It is proposed that inclusive of the 15% increase in the waste and recycling service charge, total rate increases will not exceed 7.5% on the previous year's revenue, excluding additional properties serviced.

Proposed Waste and Recycling service charges per serviced property for years 2013/14 to 2018/19 are as follows:

2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
\$175	\$200	\$230	\$265	\$305	\$350	\$405

Proposed service charge increases would be qualified against previous year actual cost incurred, revenues received and the quantum of Solid Waste Levy imposed by the State Government.

The increased service charges are for operational cost recovery and do not include any additional capital programs required at the Resource Recovery Centre, These funds would be sourced from general rate revenue or borrowings. Site rehabilitation together with the capping of cell 3 is estimated to cost \$800,000, No time frame has been determined as yet, but it is likely to be undertaken within the next two budget periods.

3.4 CBD Land purchase

Council will continue to investigate opportunities to purchase strategic property within the Central Business District for future use. If suitable property does become available, funding for purchase could be sourced from reserves, borrowings and potential consolidation and sale of existing land assets.

3.5 Supply of Recycled Water

As Council supplies recycled water to other entities, it is now required to be licenced by the Essential Services Commission of South Australia (ESCOSA) and **conform to ESCOSA codes and guidelines**. The cost of meeting these requirements will either need to be reflected in the pricing of recycled water or absorbed into operating costs.

3.6 Compliance



Council elected members and employees need to be able to meet increased **accountability measures** with the introduction of the Independent Commission Against Corruption (ICAC) Act, and to comply with more **rigorous regulatory and reporting requirements**.

In addition, Council must undertake a risk assessment of, and document, its **Internal Financial Controls**, in accordance with Sections 125 and 129 of the Local Government Act 1999. Adherence to **financial sustainability** principles, by adopting Asset Management Plans and a Long Term Financial Plan are also key priorities.

Council has made good progress toward the implementation of an **organisation wide risk management framework** and needs to ensure that it meets the requirements of the harmonised **Work Health and Safety Act (SA) 2012**.

Increasing **fees and charges imposed by other levels of government and utilities service providers**, e.g. EPA, EPNRM, electricity & water, must be absorbed into Council's operating costs and put further pressure on the ability to deliver services and infrastructure to the community.

3.7 Response

In response to these factors, and to minimise the burden on rate-payers, the Annual Business Plan has been prepared within the following guidelines:

- The Annual Business Plan will result in the total revenue raised through general rate and the waste and recycling service charge increasing by no more than 7.5% above the 2012-2013 revenue raised against existing assessments plus the rate revenue generated from new assessments
- Total operating expenses to be held, where possible, within levels of the previous financial years and adjusted by the Local Government Price Index.
- Additional revenue sources to rates, fees and charges such as commercial property rental and advertising income will be investigated.
- Consolidation and upgrade of community facilities such as halls to obtain better patronage and reduce expenses to community groups will be investigated.
- Community leases over council property will be reviewed to ensure cost recovery is achieved from tenants and maintenance and capital replacement provisions are in place.
- To ensure that any new services provided by council are established on a cost recovery basis and financial risk is understood.

4. Priorities for 2013-2014

The City of Port Lincoln's priorities for 2013-2014 include:

- Continuation of the programs for road constructions and reseals, footpaths and walking trails within the city;
- Continued work on fire prevention activities;
- Continued upgrade of playgrounds to bring up to Australian Standards;
- Completion of Bligh Street toilets, contribution to Centenary Oval grandstand toilets & planning for replacement/upgrade to the foreshore lawns toilet block (Yacht Club end)
- Completion of Tennyson Terrace tennis fencing, drainage & clubroom upgrade,
- Completion of depot upgrade to address identified health and safety issues and non-compliances,
- Maintenance and renewal of storm water infrastructure;
- Undertake planning and public consultation for new swimming facilities;
- Town jetty swim enclosure upgrade/replacement; and
- Construction of Heritage Trail from Springfield Drive to Stuart Terrace.



5. CONTINUING SERVICES

Responsibilities under the Local Government Act 1999 and other legislation require Council to provide and maintain:

- Regulatory activities, such as maintaining the voters roll 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, and
- Animal management.

In response to the community’s needs, the City of Port Lincoln also provides or makes significant contributions to further services and programs including:



The City of Port Lincoln is a progressive organisation which strives for Best Practice Customer Service and Satisfaction and to be responsive to the community’s changing needs. Feedback from the community is sought through Council’s website or Customer Service Feedback Form, (which is available at Council’s office and the Library) and is used to identify opportunities for improvement.

Further information on Council’s facilities and services can be found on Council’s website

www.portlincoln.sa.gov.au

6. MEASURING PERFORMANCE & PROJECT PRIORITIES

The major projects, initiatives and capital works subject to budget consideration and Council approval, which will be given consideration in the 2013-2014 financial year, as identified in Council's "Strategic Directions" include:

6.1 Recreation and Open Space

Activity	Performance Outcome
Replace existing Town Jetty swimming enclosure with floating pontoon system	Swimming environment rated as satisfactory
Heritage trail – continue construction (grant funding received)	Linear trail from Springfield Drive to Stuart Terrace established
Final concepts & engineering designs for Parnkalla Trail foreshore extension from Tasman Terrace to Axel Stenross Maritime Museum	Develop multi-use pedestrian trail from Tasman Terrace to Axel Stenross Maritime Museum
Poole Oval – seal roadways & improve drainage, (could be split over 2 years – separate car parks from Matthew Place & St Andrews Terrace)	Improved facilities at sporting grounds
Whaite Reserve - upgrade playground as per playground strategy & asset management plan	Increased community use of council playground areas
Construct second shelter over existing barbecue at Wellington Square to cater for increased patronage	
Tennyson Terrace tennis court fencing – complete remaining fencing as per strategy	Improved facilities for regional sport
Tennyson Terrace clubrooms upgrade & asbestos removal	

6.2 City Image

Activity	Performance Outcome
Undergrounding of overhead cables on Napoleon Street, from Mortlock Terrace to Adelaide Place (PLEC project)	CBD upgrade program implemented and arterial road network amenity improved
CBD enhancement (second stage of PLEC project) – Napoleon Street from Porter Street to Mortlock Terrace – replace kerb, pave footpaths, asphalt road, one way traffic	Traffic flow and movement throughout the City meets the needs of a growing community
CBD enhancement (second stage of PLEC project) – Coorong Street footpath paving & asphalt road from Napoleon Street to Liverpool Street	Increased number of CBD Parking Spaces CBD upgrade program implemented and arterial road network amenity improved
Install 371 metres chain mesh fence along railway corridor from Dublin Street to LeBrun Street	City entrances and main access road streetscapes improved
Western Approach Road entry statement and shelter	
Complete fit out of Bligh Street toilet (carry forward from 2012-2013)	Public amenities improved to a high standard
Centenary Oval grandstand toilets in lieu of rebuild of Southern toilets	
Design new public toilet facility (to replace existing facility)	

on foreshore lawns Yacht Club end)	
North Shields cemetery – construct new burial rafts, remove asbestos & renovate office	Standard of cemetery facilities maintained & improved

6.3 Infrastructure

Activity	Performance Outcome
Construct stormwater drainage from Marino Avenue to Mallee Park detention basin	Stormwater infrastructure is adequate and disruption to community is minimised in heavy downfalls
Design stormwater drainage for Flinders Highway, Hallett Place and Tennyson Terrace from Nigel Street to Hallett Place	Plans in place to enable project to be costed for proposed construction in 2014-2015
Stormwater management controls Grantala Road	Stormwater discharge from Lincoln Heights subdivision and surrounding catchment managed
Prepare preliminary designs for Mallee Park detention basin	Stage 2 of design phase completed to enable engineering drawings to be completed in 2014-2015
Residential footpath program	Service levels meet the needs of the community
Road reseal program	Service levels meet the needs of the community
Laguna Beach off-street car park	Off-street car parks constructed & sealed where appropriate

6.4 Transport

Activity	Performance Outcome
Reconstruct road and kerb right hand side of Verran Terrace from LeBrun Street to Bel-Air Drive	Road network maintained to serviceable standard
Construct base and spray seal Grantala Road from Nootina Road to Western Approach Road	Plan to seal fringe roads being implemented

6.5 Environment

Activity	Performance Outcome
Maintain firebreaks and vegetation on Council land	Risk of fire to the City minimised
Install solar electricity system at depot	Reduced energy consumption has flow on effect of financial savings for Council
Investigate options to implement a foreshore sand relocation program and seek approval from the Coastal Protection Board	Foreshore beach amenity maintained throughout the year

6.6 Community Projects

Activity	Performance Outcome
Develop strategy for community recreation facility inclusive of swimming pool	Swimming pool strategy developed with the needs of the wider community identified & considered
Redevelopment of Nautilus Theatre upstairs area (dependant on successful grant funds for 50% of the project) possibly over two budget periods	Facilities redeveloped to encourage greater community utilisation & benefit
Construct and fit out new animal shelter, (deferred from 2012-2013)	New animal shelter and kennel facility established
Purchase and install state-wide One Card Library Management system	Improved circulation, seamless delivery and sharing of resources and economic benefits
Library shelving replacement program & purchase furniture for community room	Increased utilisation of library services
Investigate future library services including requirements for layout design to meet new 'e' era	Future plans developed for library services
Complete depot upgrade to address identified safety issues and non-compliances, (Chemical storage, plant shed, toilets, perimeter fencing)	Improved safety and utility of Council buildings & facilities
Continued investigations and negotiations in relation to Strategic CBD Land Purchase for future Civic Centre	Strategic parcel/s of land in the CBD to meet future needs of community
Investigate options for a Community Pier at the Marina for the use of Tacoma Preservation Society and other community groups.	Plans developed for multi-purpose Community Pier

6.7 Economic Development

Activity	Performance Outcome
Prepare base and seal of Kooyonga Avenue from St Andrews Terrace to commercial service area to accommodate new development in the area	Increased number of new businesses and industry
Ongoing sponsorship and promotion of events to attract tourists and visitors to the City - Tunarama, Yacht Week, Port Lincoln Show, Race Week & Cruise Ships and financial support to Visitor Information Centre	Increased number of visitors to Port Lincoln Improved quality and accessibility of visitor information and increased number of visitors to Port Lincoln
Continuing financial contribution to RDA Whyalla and Eyre Peninsula	Increased number of businesses established and employment generated

7. ACHIEVEMENTS FOR 2012-2013

7.1 Recreation & Open Space

Activity	Performance Outcome	Progress
Heritage Trail (between Springfield Drive & Stuart Terrace) construction – Stage 1	Increased number of multi-use trails	Due to commence in May
Parnkalla Trail Extension - seal trail between foreshore and wharf	Increased number of multi-use trails	Under construction
Centenary Oval facilities – upgrade seating	Sporting ground brought up to standard	Completed
Wellington Square Reserve playground	Playground upgraded to meet current standards	Completed
Tennyson Terrace Tennis clubroom upgrade and tennis court fencing	Sporting facilities brought up to standard	Fencing completed, clubrooms still in planning stage
Fish cleaning facilities at Axel Stenross and Billy Lights Point boat ramps	Recreational boating facilities improved	
Construct new floating pontoons at Billy Lights Point boat ramp	Recreational boating facilities improved	Tenders awarded, construction to commence in May
Town jetty – swim enclosure design	Swimming environment rated as satisfactory	

7.2 City Image

Activity	Performance Outcome	Progress
PLEC – Napoleon Street – Porter Street to Mortlock Terrace	City of Port Lincoln CBD Upgrade completed and arterial road network amenity improved	
Redevelopment of Bligh Street public toilets	Public amenities improved to a high standard	Currently out to tender, construction expected to start May/June

7.3 Infrastructure

Activity	Performance Outcome	Progress
Stormwater Management Plan update	Stormwater management plan implemented	
Stormwater Upgrade - Verran Terrace and Luke Street	Stormwater infrastructure meets growing needs	

Stormwater Design - Flinders Highway/Hallett Place	Stormwater infrastructure meets growing needs	
Footpath – residential	Footpaths constructed on residential streets to meet service levels	
Road reseals & road construction	Road reconstruction and reseat program implemented and residential roads sealed to meet service levels	

7.4 Transport Network

Activity	Performance Outcome	Progress
Investigate opportunities for CBD car parking	Increased number of CBD parking spaces	Additional car parks created along Eyre Street

7.5 The Environment

Activity	Performance Outcome	Progress
Resource Recovery Centre - transfer station shed	Limited landfill within the City for the future	

7.6 Community Projects

Activity	Performance Outcome	Progress
Develop plans for joint use Community Civic centre	Multi function Community Civic Centre which may incorporate services such as Tourist Information Centre, Library, Community Centre and Interpretive Centre	Pending further investigation and negotiations of possible CBD land purchase
Ongoing development of Civic Hall– upstairs and balcony structural repairs	Expanded and improved facilities of Nautilus Theatre and Galleries	Deferred to 2013-2014, to be included in major redevelopment of upstairs area
Upgrade pound facilities at Hassell Road site	Adequate shelter and kennel facility established	Deferred to 2013-2014

7.7 Economic Development

Activity	Performance Outcome	Progress
Ongoing sponsorship and promotion of events to attract tourists and visitors to the City - Tunarama, Yacht Week, Port Lincoln Show, Race Week & Cruise Ships	Increased number of visitors to Port Lincoln	Ongoing
Contribute to Visitor Information Centre	Increased number of visitors to Port Lincoln	Ongoing

Other activities undertaken in 2012-2013 that support the objectives of Council's Strategic Plan are:

- ✓ *Sponsorship of Port Lincoln Art Prize*
- ✓ *Installation of additional doggy bag dispensers and dog watering points on walking trails*
- ✓ *New aluminium seating at Centenary Oval*
- ✓ *New fencing at Tennyson Terrace tennis courts*
- ✓ *Sponsorship of Community Night Bus*
- ✓ *Formation of a swimming facilities working group*
- ✓ *Establishment of a public art policy and working group*
- ✓ *Purchase & installation of new seating and bin enclosures for Tasman Terrace and the foreshore*
- ✓ *Review of Community Funding Assistance program to support community, sporting and cultural projects, events and activities occurring within the City*
- ✓ *Review of Asset Management Plans*
- ✓ *Review, and implementation, of timed car parking in the CBD*
- ✓ *Review of services and management model of Civic Hall Management Board Inc. for Nautilus Theatre*
- ✓ *Continued negotiation with TAFE SA Regional on location and provision of Library Services*
- ✓ *Sponsorship of Community House and Operation Flinders Youth Program*
- ✓ *Investigation of Shared Services opportunities with District Councils of Lower Eyre Peninsula and Tumby Bay*
- ✓ *Installation of solar panels on Artheyrea*
- ✓ *Contribution to Regional Tourism Officer role*
- ✓ *Implementation of "One System" safety management system*
- ✓ *Purchase and installation of TV & computer games for library to encourage youth*
- ✓ *Ongoing partnerships with Regional Development Australia, Eyre Peninsula Local Government Association and Provincial Cities Association*

Further information about these, or other objectives identified in Council's Strategic Plan, can be viewed on Council's website, which is www.portlincoln.sa.gov.au

8. FUNDING THE BUSINESS PLAN

Consistent with the review of the City of Port Lincoln's draft 10 year financial plan, a moderate operating surplus is budgeted in 2013-2014 to give capacity to meet any unforeseen circumstances. This follows a significant operating surplus in 2011/12, of which \$647,500 is attributable to the early payment of Financial Assistance Grant in 2011/12 by the federal government. The City of Port Lincoln's long-term financial sustainability is dependent on ensuring that, on average over time, its expenses are less than or equal to its revenue, and this is the position taken in the long term financial planning process. To be updated when 2012/13 results can more accurately be predicted.

Operating Surplus Ratio (Target 0% ≤ 15%)

2006 - 2007	8%	2009 - 2010	7%	2012-2013	-6%
2007 - 2008	-13%	2010 - 2011	2%	2013-2014	-5%
2008 - 2009	5%	2011 - 2012	16%		

Council's proposes 2013-2014 revenue required to fund operations will be raised from a 4%¹ increase on general rates, (excluding the Recycling and Waste Service Charges and NRM Levy) from the previous year. This is an increase of \$345,080 above general rates generated in 2012-2013 plus the revenue generated by new assessments created during 2012-13², bringing total Rate Revenue to be raised of \$9,068,434.

Other sources of revenue for the City of Port Lincoln are:

User Pays Charges set by Council – these charges are mainly for Council's Resource Recovery Centre, but also include private works and other use of Council's facilities.

Statutory Charges set by State Government – these are fees and charges set by regulation and collected by the Council for regulatory functions such as assessment of development applications and dog registrations. Revenues generally off-set the cost of the service.

Grants, Subsidies and Contributions – The Council normally seeks to attract as much grant funding as possible from other levels of government, and major projects of wider State benefit are usually jointly funded in partnership with the State Government and other relevant parties.

Investment Income – Council invests funds for future maintenance and capital projects in interest bearing accounts.

¹ The ABP for consultation had flagged a 5% increase which following consideration of submissions and comments received throughout the process, Council has responded with a 4% increase implemented. On 8101 properties the average rate would = \$1,107.52, up \$42.57 on the 2012-13 average rate of \$1,064.95

² Additional Properties = 87 @ average rate of \$1,107.52 = \$96,354.24

9. IMPACT ON COUNCIL'S FINANCIAL POSITION

It has been identified that the planned capital expenditure for 2013-2014 can be met from committed reserve funds and operational revenue, without undertaking any borrowings. Accordingly Council's net financial liabilities ratio is expected to be in the positive for the 2013-2014 financial year.

(Net financial liabilities ratio is a key indicator of the City of Port Lincoln's financial position. It measures Total Liabilities less Financial Assets, i.e. what the Council owes to others less money the Council has or is owed.)

10. WHAT IT MEANS FOR RATES

The City of Port Lincoln has decided to continue to use **site value** as the basis for valuing land within the council area for the 2013-2014 financial year. The Council considers that this method of valuing land provides the fairest method of distributing the rate burden across all ratepayers on the following basis:

- The fairness principle of taxation which suggests that individuals should make similar contributions to the cost of providing local government services as they in turn receive similar benefits, in terms of those services provided;
- The efficiency principle, which generally assumes large swings in the value of property, is less likely under the site valuation method.

Within the budget a total general rate income is anticipated to amount to **\$9,068,434**, which includes revenue from new assessments created in 2012-2013.

Council's rating structure is as follows:

10.1 Rates

Council proposes to declare a rate in the dollar on the site valuation of land within the City of Port Lincoln (Valuations still to be received from Valuations SA) in the 2013-2014 financial year together with a fixed charge per rateable property to raise the required amount of general rate income. (Was 0.5740 cents in the dollar on the site valuation in 2012-2013.)

10.2 Fixed Charge

The Council has elected to impose a fixed charge system, rather than a minimum rate, which tends to distort the equity principles of taxation. Council proposes a fixed charge of \$350 in the total of rates generated, (was \$340 in 2012-2013).

The fixed charge for 2013-2014 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 occupies and owns them.

The reasons for imposing a fixed charge are:

- The Council considers it appropriate that all rateable properties make a contribution to the cost of administering the Council's activities and maintaining the physical infrastructure that supports each property
- The fixed charge system has a lesser proportionate impact on lower income earners than a minimum rate system
- The fixed charge system is more readily understandable than a minimum rate system

10.3 Waste and Recycling Service Charge

A service charge pursuant to Section 155 of the Local Government Act 1999 will be declared for waste and recycling. The Waste and Recycling service charge is based on the nature of the service in respect of all land within the area of the City of Port Lincoln to which it provides waste and recycling collection service (i.e. excludes vacant land and marina berths) and is proposed to be **\$200** per eligible assessment in 2013-2014.

10.4 Natural Resources Management Levy

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

The City Council is required to collect this revenue and pay the amount collected to the Board. It does not retain this revenue or determine how the revenue is spent, nor does it determine the amount of the levy to be collected. The amount of the levy per property is set by the total amount of funds Council are required to raise for the Eyre Peninsula Natural Resource Management Board (EPNRM). Council has been advised that the required contribution will be \$506,590. Based on the quantum for the region the levy will be \$62.10 in 2013-2014 (was \$62.00 in 2012-2013).

Any queries regarding the NRM Levy should be raised with the Eyre Peninsula Natural Resource Management Board – telephone 8682 7555 or website

www.epnrm.sa.gov.au

11. PAYMENT OF RATES

Payment of rates for the year ending 30th June 2014 are proposed to be in quarterly payments with the first due on the **second** Friday of September and the following on the **First Friday** of each quarter being;



A quarterly rates notice will be sent to ratepayers at least 30 days prior to each due date. A ratepayer may also pay their rates in a single instalment due by the 13th September 2013.

To make bill paying more convenient for customers, the City of Port Lincoln provides the following services for the payment of the rates notice:

- BPAY service using the telephone or Internet. BPAY is available 24 hours a day, 7 days a week. Contact your Bank or financial institution for further details.
- Payment through the mail by posting a cheque with the 'tear off' remittance advice to the City of Port Lincoln
- Payment in person at Council's Offices, Level 1 Civic Centre, 60 Tasman Terrace, Port Lincoln. Cheque, cash and EFTPOS facilities are available
- Payment in person at the Library, 2 London Street – cheque or cash only. EFTPOS facilities not available
- Payment via Council Website – www.portlincoln.sa.gov.au

11.1 Incentive for Early Payment of Rates

Council are proposing to offer a 2% discount for payment of rates received in full on or before Friday the 13th September 2013.

11.2 Rate Concessions

The State Government, in providing equity across SA in this area, funds a range of concessions on Council rates. The concessions are administered by various State Agencies who determine eligibility and pay the concession directly to Council on behalf of the ratepayer. Concessions are available only on the principal place of residence.

Ratepayers who believe they are entitled to a concession should not withhold payment of rates pending assessment of an application by the State Government as penalties apply to overdue rates. A refund will be paid to an eligible person if council is advised that a concession applies and the rates have already been paid.

Ratepayers can obtain further information about Council Rate concessions by:

- Telephoning the Department for Communities and Social Inclusion Concession Hotline on 1800 307 758
- Phone: 8226 6789 (TTY)
- Email: concessions@dcsi.sa.gov.au
- Visiting the website: <http://www.dcsi.sa.gov.au/pub/Home/Financialsupportandgrants/Concessions/tabid/209/Default.aspx> for information or to apply online.

11.3 Remission and Postponement of Rates

Where a ratepayer is suffering hardship in paying rates, they may apply under Section 182 and 182A of the Local Government Act 1999 to partially or wholly remit rates or to postpone rates.

In assessing each confidential application Council will give consideration to the following:

- Previous documented Council decisions
- The ratepayer's ability to pay
- The financial circumstances of the applicant where extreme hardship can be demonstrated.

Should a postponement be granted by Council, interest shall accrue on the amount of rates affected by the postponement, at a rate to be determined by Council.

11.4 Rebate of Rates

The Local Government Act 1999 requires Councils to rebate the rates payable on some land. Specific provisions are made pursuant to Section 160 to 165 for land used for health services, community services, religious purposes, public cemeteries, and educational institutions. This rebate is not applicable to rateable properties owned or managed by community groups holding a licence pursuant to the Liquor Licensing Act 1997.

An application for rebate shall only be required upon establishment of a property which meets the criteria as outlined in the Local Government Act 1999 and the rebate will continue to be applied annually unless Council is notified, or becomes aware, of a change in circumstances.

11.5 Policy 7.63.8 Rates Concession Scheme

As per Section 166 and policy 7.63.8 Rates Concession Scheme, Council also provides some rebates of rates to developers as incentives to encourage continuing building activity and land development in the City. These are in relation to developments in excess of \$1,000,000 being eligible for concession up to 50% of the rate paid in the year following completion. Also subdivision development including strata and community title developments can be eligible for up to 50% rate rebate on unsold new allotments.

11.6 Impact on Ratepayers

The City of Port Lincoln has experienced significant growth in property values in recent years, from \$267 million in June 2002 to almost \$1.1 billion at June 2012.

Council staff undertakes Rates Modelling, based on the total amount of rates revenue Council proposes to raise, applied over the number of assessments, and with varied Fixed Charges.

Council consider and adopt as part of the budget process, the model which they believe is fair and equitable to all residents and ratepayers. The City of Port Lincoln does not proportionally raise rates on new developments throughout the financial year.

Property valuations will increase or decrease if the land use of the property has changed or if there has been any development on the property, including significant renovations.

12. Public Consultation

Before Council adopts an Annual Business Plan, a draft Annual Business Plan must be issued for Public Consultation as per Section 123 (4) of the Local Government Act, and Council policy 2.63.1. Council endorsed the Draft ABP (DRAFT20137) at its meeting of 15th May 2013.

Council must also set aside at least 1 hour at a Council Meeting for members of the public to ask questions and make or speak to their submissions. This time was set aside at the Council Meeting held Monday 20th May 2013.

The Act requires that public consultation is undertaken for at least 21 days prior to that meeting. Council policy 2.63.1 requires 28 days consultation, so comments were received up to 5pm on Monday 13th May 2013.

Council also provided facilities on our website for the asking and answering of questions and for submissions to be made.

A total of 16 responses were received via the online survey on the website, with a further 4 written responses and 2 verbal submissions (refer N2013612 for summary report)

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