



Annual Business Plan

For the year
ended 30th June
2016

Presented to Council for
Adoption 15th June 2015

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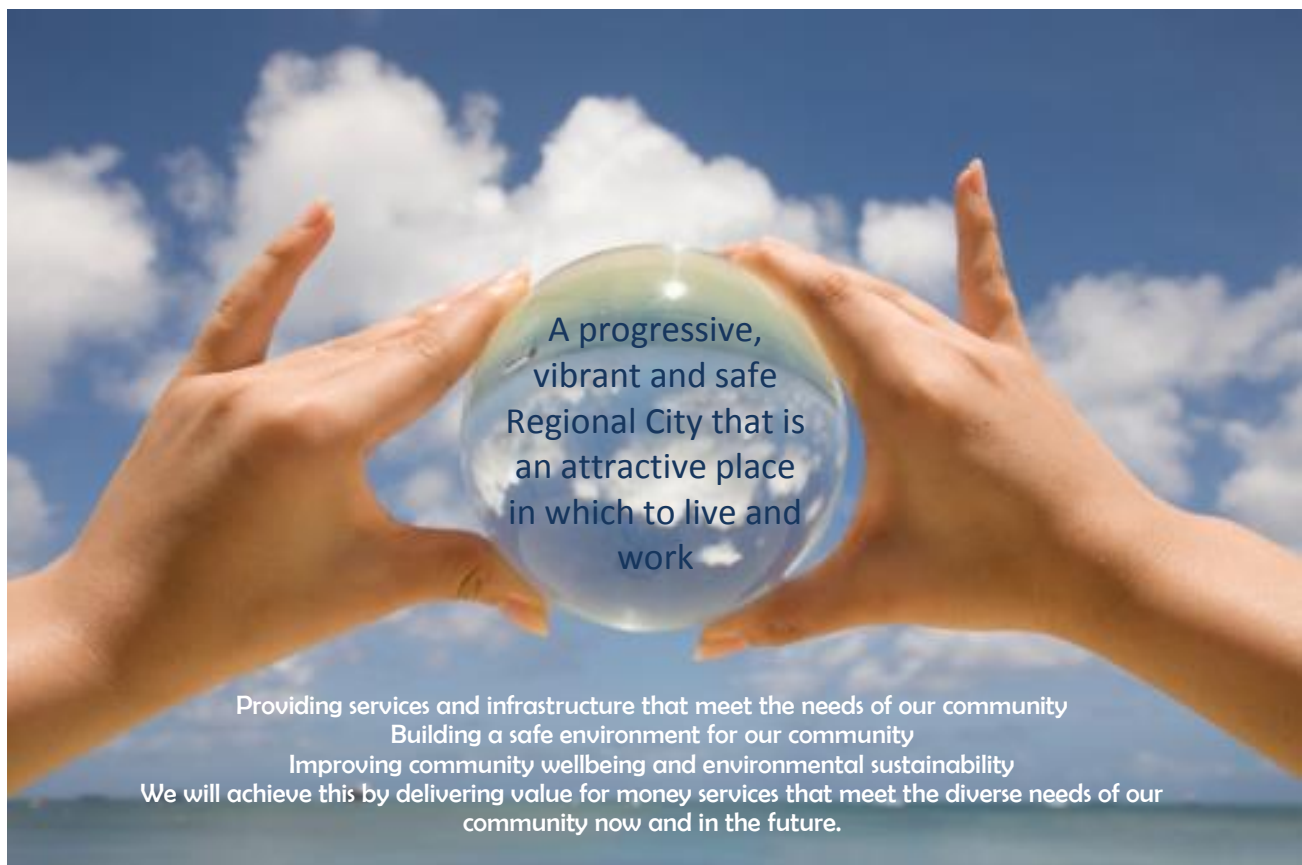
1. INTRODUCTION

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 2015-2016. Council 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**".

Local Government Elections were held in November 2014 with a new Council of Mayor and ten Councillors being elected to represent the Port Lincoln community. The Local Government Act 1999 Section 122 (4)(b) requires that a council undertake a comprehensive review of its strategic management plans within 2 years of a general election. A review of the City of Port Lincoln's strategic management planning document "**Strategic Directions**" has been commenced, however for the 2015-2016 budget process the specific objectives proposed for the year are consistent with current key objects and actions and the supporting **Long Term Financial Plan** and **Infrastructure & Asset Management Plan**.

This 2015-2016 Annual Business Plan has been developed to ensure consistency with Council's vision:



Prior to adoption of the Annual Business Plan (ABP), 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, including that a meeting of the Council be held with at least 1 hour set aside for members of the public to ask questions and make submissions in relation to the draft ABP in accordance with Section 123 (4)(a)(i)(B). Section 24 of this Plan sets out the consultation undertaken in relation to the draft ABP for 2015-2016 and the community responses that were subsequently taken into consideration before the Plan's adoption.

2. CONTEXT STATEMENT

The City of Port Lincoln is a Regional City which is experiencing moderate economic and urban growth. The City is located at the base of Eyre Peninsula, on one of the world's largest protected natural harbours, and amidst 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 will continue to experience growth in commercial and residential development, lead by both tourism and industry activity, including exploration and development of the region's mineral deposits and Great Australian Bight energy resources. Significant growth in residential and business development directly adjacent to the City's boundaries, located in District Council of Lower Eyre Peninsula, will also generate additional demand for facilities and infrastructure.

Port Lincoln's population exceeds 14,500 and the City has over 8,200 rateable assessments, covering 3,800 hectares with a site value of over \$1.1 billion.

The "Corporation of the City of Port Lincoln" Council was proclaimed a City on the 30th January 1971. The Council currently employs around 55 FTE staff in administration, development and regulatory functions, community facilities including library, Nautilus Arts Centre, and outside work crews undertaking civil and construction operations and maintaining the many parks, reserves, sporting grounds and community facilities.

Regional primary production including 50% of South Australia's total production of wheat, barley and oil seeds - supported by the deepest natural harbour and largest commercial fishing fleet in Australia - makes Port Lincoln perhaps the nation's biggest combined agricultural and fishing centre. As extensive mining exploration on the Eyre Peninsula continues and moves into production, there will be a continuing requirement to upgrade and develop community facilities and infrastructure that will support this new investment and the growing workforce and population.

The fishing industry is divided into five major sectors – 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, keeping 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 Port Lincoln Cup thoroughbred horse racing event, Eyre Peninsula Farmers & Fishermen's Market and the Mortlock Shield Football Carnival.

A growing program of major cruise ships visits adds to Port Lincoln's visitation numbers and establishes our City as a priority national tourist destination.

3. OUR LONG TERM OBJECTIVES

Council reviewed its Strategic Plan in 2012, adopting the “**Strategic Directions**” plan in July 2012 following a community survey and extensive public consultation.

The Council elected in 2014 has commenced a review of the key outcomes and actions of the Strategic Directions plan, and will be engaging with the community and stakeholders through a series of consultation opportunities throughout 2015.

The Strategic Directions plan focuses on seven key areas, summarised below.

To meet Council’s core functions, service levels and community expectations, Council will adopt Annual Business Plans and budgets that are responsible, achievable and underpinned by long term asset and financial planning.

Recreation and Open Space

- Build a healthy community through the provision of both structured and non structured recreation and sporting activities, quality facilities & open spaces.

City Image

- Enhance the image and encourage community pride and investment in the City of Port Lincoln by providing a clean, green and attractive environment.

Infrastructure

- Provide quality public infrastructure and amenities that are safe, functional, welcoming and appealing to the local community, visitors, tourists, industry and commerce.

Transport Network

- Raise the capacity and efficiency of the City's transport network.

Environment

- Effective management and protection of the City's natural and built environs to ensure ecological sustainability.

Community Projects

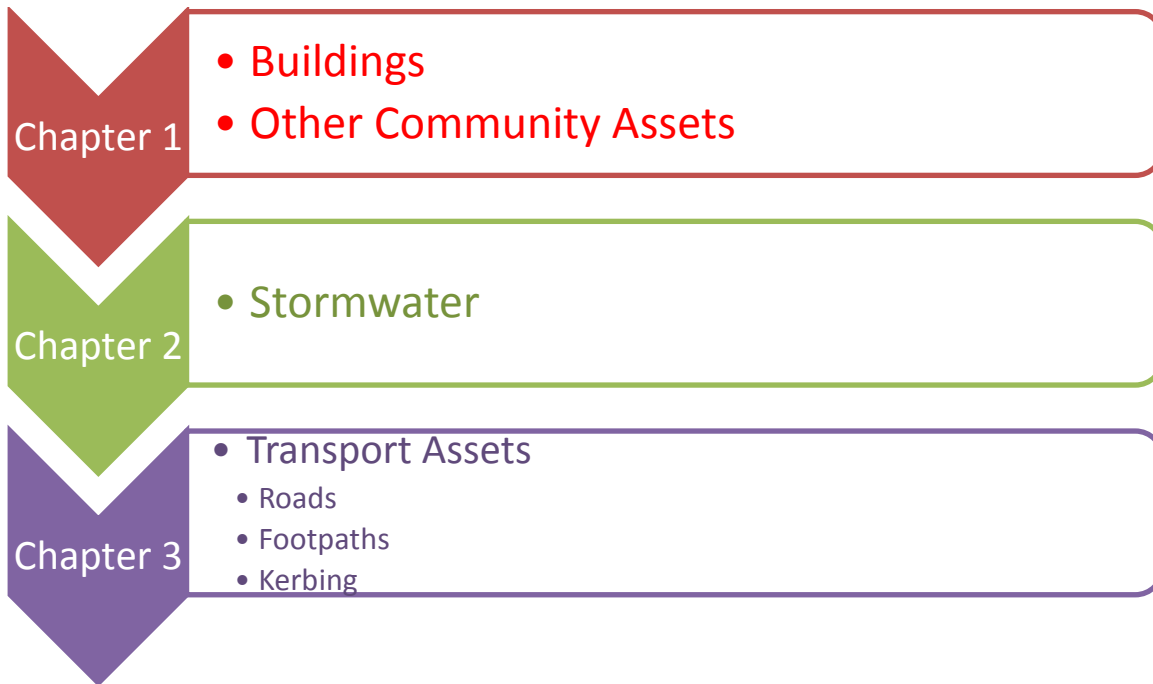
- Provide facilities, activities and services that support our community.

Economic Development

- Encourage and support economic development initiatives for the City.

4. FORWARD PLANNING FOR INFRASTRUCTURE & ASSET MANAGEMENT

During 2014 Council reviewed its Infrastructure and Asset Management Plans and refined what were previously four documents into one Infrastructure and Asset Management Plan (IAMP), with chapters relating to:



Each Chapter identifies standard service levels, maintenance expenditure trends and forecasts, and capital projects, including charts depicting Current vs Written down values, Consumption and Age profiles.

An Appendix to the IAMP indicates the new or upgrade infrastructure projects which have been identified through the Strategic Directions document and other decisions of Council for the 10 years to 2024.

The forecasts in the IAMP in relation to maintenance, renewal, new and upgraded assets have been reflected into the Long Term Financial Plan (LTFP).

Modelling of scenarios to develop a Long Term Financial Plan was undertaken including variations of rate increases, expense drivers, loan borrowings and possible grant funding opportunities. The final LTFP adopted by Council is considered to be financially sustainable and will enable Council to meet the service levels and demands of the community.

Both of these documents, as part of Council's suite of Strategic Management Plans, will be reviewed in conjunction with the 2015 Strategic Directions plan review. These plans are on a cycle for regular revision and update and will be used by Council as the guide for the on-going provision of services and well-managed infrastructure together with future Council decisions about new initiatives.

Continued control of operational expenses through prudent expenditure indexation, together with possible consolidation of identified assets, will provide the foundation for continuity of Council's core services and sustainable maintenance and replacement of existing assets.

Council has identified major capital projects that will help to deliver the Strategic Directions vision and objectives. It may be appropriate to undertake some borrowings in future years to meet these project costs, in particular the major commitment to purchase and refurbish the Leisure Centre and Indoor Aquatic Facility, having regard to inter-generational equity principles.

Council will strive to meet its performance targets through core asset consolidation and improvement programs, and will maximise partnership opportunities with other spheres of government and other stakeholders to leverage the best value from ratepayers' investment in priority projects.

5. INFLUENCING FACTORS

A number of factors, pressures, and influences - both external and internal - are considered when reviewing objectives and priorities, and making decisions in the preparation of the City of Port Lincoln Annual Business Plan.

5.1 External

Cost Increases

The Local Government Price Index (LGPI) measures price movements faced by Local Government in South Australia in respect of their purchases of goods and services. As the mix of goods and services purchased by Councils is quite different from that typically consumed by households, overall price movements faced by Councils may differ markedly from those faced by households. Overall price movements indicated by the Consumer Price Index (CPI) - which measures changes in the price of a 'basket' of goods and services that reflect a high proportion of the expenditure of metropolitan households - may therefore not accurately reflect price movements faced by Councils. **To the December 2014 quarter:**

- The increase in the Consumer Price Index for Adelaide was **1.7%**
- The Local Government Price Index was **1.9%**.

Above LGPI cost increases are forecast for certain expenditure areas including energy costs, waste management, insurances and salaries and wages.

Council revenue needs to keep pace with these underlying cost indices, simply to continue delivering current services, renewal programs and new project and initiative capacity.

Efficiencies

Council continually pursues efficiency improvements in its operations. In 2015/16 work will continue on the Shared Services program together with the District Councils of Lower Eyre Peninsula and Tumby Bay, to find effective and cost-efficient ways of delivering service and project outcomes across the region. Active participation in a Strategic Procurement initiative involving many of the Eyre Peninsula councils will also continue.

Government Funding - Pensioner Concessioner Changes

In 2014 the Commonwealth Government made a decision to stop funding State Governments through a Federal Agreement (*the National Partnership Agreement on Certain Concession Card and Senior Card Holders*). That Agreement had funded the SA Government to enable concessions to be paid to pension concession holders on utilities and water and Council rates. In South Australia for the 2013/2014 financial year, the Agreement provided approximately \$27.7 million in funding to cover all concessions.

For Port Lincoln Council, that has meant that the State Government has provided pensioners with a maximum concession of \$190 (\$100 for self-funded retirees) on Council rates within any financial year. The State Government agreed to fund pensioner and self-funded retiree rates concessions for the 2014/2015 financial year, however, it also announced that concessions on Council rates would cease as of June 2015.

The State Government has announced that from 2015/2016 it will fund an alternative form of slightly increased subsidy directly to eligible pensioners and self-funded retirees, to assist with costs of living, but not directly linked to Council rates or other charges. The previous concessions will no longer be deducted from eligible ratepayers' Rates Notices, and those property owners will be required to pay their Council rates in full, having regard to the State Government assistance that they will receive directly.

Licensing Requirements for Supply of Recycled Water

As well as using recycled water on some key ovals and reserves, Council supplies recycled water to other entities. Council is licensed by the Essential Services Commission of South Australia (ESCOSA) and must conform to ESCOSA operating and reporting codes and guidelines. The cost of meeting these requirements will be reflected in the pricing of recycled water and Council's reserves and open spaces operating costs.



Infrastructure priorities

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**.

The adopted Infrastructure and Asset Management Plan includes Council's commitment to the maintenance of assets at **satisfactory levels of service** and timely replacement and **renewal** of infrastructure assets. This will be a key priority in future budgets, across a wide range of community assets including street lighting, storm water drainage, street scaping, halls, sporting facilities and the city's open space areas.

In the draft ABP community consultation survey 77% of respondents indicated that they 'mostly agreed' or 'totally agreed' that it was more important for Council to look after existing community assets than it is to build new ones. Also, 80% of respondents 'mostly' or 'totally' agreed that Council is looking after community assets at about the level they would like.

Service and infrastructure planning to meet the needs of an increasing population will also be a priority for Council, to be able to provide for longer term growth of the City.

5.2 Internal Analysis

Review of Strategic Management Plans

The Local Government Act Sec 122 (1a) requires that a council must adopt a Long Term Financial Plan (LTFP) and Infrastructure and Asset Management Plan (IAMP) for a period of at least 10 years. These documents form part of Council's overall "Strategic Management Plans".

The IAMP and LTFP are part of the annual review program to assist Council with forward planning. The Local Government Act Section 122 (4)(a) requires that these plans be reviewed as soon as practicable after adopting the Annual Business Plan.

A comprehensive review of all of Council's "Strategic Management Plans" is required within 2 years after a general election. A financial allocation has been identified in this ABP to complete the review of the Strategic Directions plan and establish revised strategic priorities, programs and projects for the City.

This will include community engagement opportunities and be completed by early 2016, so that future Annual Business Plans and budgets will continue to be focused on the expectations and priorities of the community.

Port Lincoln Leisure Centre purchase and Indoor Aquatic Facility refurbishment

Council in August 2014 decided to purchase the Port Lincoln Leisure Centre in its entirety (for \$4 million) with the intention of refurbishing the swimming pool component – to a serviceable standard, with a budget of up to \$6 million – and maintaining on-going operation of the basketball stadium and other activities at the site.



This is expected to require capital expenditure funding of up to \$9.5 million in the 2015/16 year, with the scope and staging of refurbishment works to be decided prior to acquisition in August 2015 together with the future business operating model for the complex. The on-going operation of the complex is expected to require a nett operating expenditure of \$300,000 per year, funded by Council's rates revenue.

Council will give careful consideration to a specific financing strategy for the Leisure Centre purchase and Indoor Aquatic Facility refurbishment, which may include application of appropriate reserve funds, allocation of annual capital program funds, sale of existing assets, an increase in the Fixed Charge rates component, grant and partner funding, and borrowing (repaid over future years through rate revenue).

The Bendigo Community Bank has already made a significant commitment to this project by partnering with Council to fund the Feasibility Review and confirming a further commitment towards a component of the Indoor Aquatic Facility refurbishment. The Bank will also promote a 'community pledge program' for the project within the local Port Lincoln Branch.



Funding and Partnerships

Council will continue to pursue funding partnerships through a range of grant program and other opportunities, to maximise value for money from capital projects. This requires good preparation for project opportunities that are well aligned to Council's objectives, as well as preparedness to adapt priorities and identify funding solutions as possible partnerships evolve into deliverable projects.

Council works closely with Regional Development Australia Whyalla and Eyre Peninsula to align and prioritise partner project options to Government goals.

This ABP identifies a number of projects for which partner funding will either enable the full project scope to proceed or will reduce Council's nett expenditure for the planned outcome. Other opportunities may be identified during the 2015/16 year and Council will consider possible additional project and budget commitments as required, including careful consideration of our financial sustainability principles.

Waste Management

Council continues to deal with the **increasing cost of waste disposal and recycling**, driven by wider objectives 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 resulted in significant capital investment in the Hassell Road Resource Recovery Centre (RRC). The capping of cell 3 has been deferred for a number of years and is proposed to be undertaken in the 2015-2016 financial year at an estimated cost of **\$765,000**. While capital costs have diminished as the site is rehabilitated the operational costs as a transfer station 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 forecast around \$3 million in 2015/16, or 20% of Council's total operational expenditure.

Council's waste and recycling service charges introduced in 2011/12, plus RRC gate charges, recouped approximately 85% of operational costs in 2014/15. The service charges are forecast to recoup around 96% of total waste and recycling costs in 2015/16 if the combined service charges are increased to **\$264.00** in line with the planned transition to full cost recovery for the services as identified and adopted in the Long Term Financial Plan.

Council's solid waste levy payment to the State Government is currently \$26 per ton buried at landfill and likely to increase. On current tonnage delivered to landfill Council's payment is around \$278,782 annually, reflecting an 8% increase in the past two years.

Together with general cost increases, waste and recycling services will continue to be a significant component of Council expenditure. It is proposed in the LTFP that full cost recovery of waste costs and recycling costs¹ be achieved in 2016-17 through gate prices increasing by at least CPI and the service charges increasing by approximately 15% per annum.

(In 2014/15 the combined Council Waste Management Service Charges was \$230 - ie, Waste, \$188.00, and Recycling, \$42.00).



¹ full cost recovery for Waste and Recycling is reviewed and calculated annually as part of the ABP process in setting the service charge amount

Compliance

Council Elected Members and employees must fulfil high community **accountability standards**. This is highlighted by the new oversight of the Independent Commission Against Corruption (ICAC) and increasingly **rigorous regulatory and reporting requirements**.

Council has implemented the “**Control Track**” system to undertake 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 reviewing the Infrastructure and Asset Management Plan and the Long Term Financial Plan, is also a priority. Council’s **Financial Management Audit Committee** work plan will include the review of financial and other corporate documents for ‘good governance and compliance’ before making recommendation to Council.

Council will continue to progressively implement an **organisation wide risk management framework**. In recent years this has included transition to the harmonised **Work Health and Safety Act (SA) 2012**, use of risk management software for bushfire and emergency management planning and the management of internal controls using a risk-based software solution.



Strategic Land Purchases

The “Strategic Directions” plan confirms that Council will continue to investigate opportunities to purchase strategic properties within the Central Business District for future community use, including meeting requirements for car parking.

While no major purchases are anticipated in 2015/16, if strategic acquisition opportunities do become available, funding for purchase could be sourced from reserves, borrowings and potential consolidation and sale of existing land assets. The commercial opportunity for such purchases may present at a time outside of the annual budget setting process, however the Local Government Act 1999 Section 123 (13) requires that a Council reviews its budget in line with changes in circumstances at least 3 times throughout the financial year. It is at such a review that Council may consider a budget adjustment to reflect a commercial and strategic land purchase.

This Annual Business Plan identifies that there may be a requirement to purchase parcel/s of privately owned land to complete Stage 3 of the Heritage Trail, subject to the project proceeding.

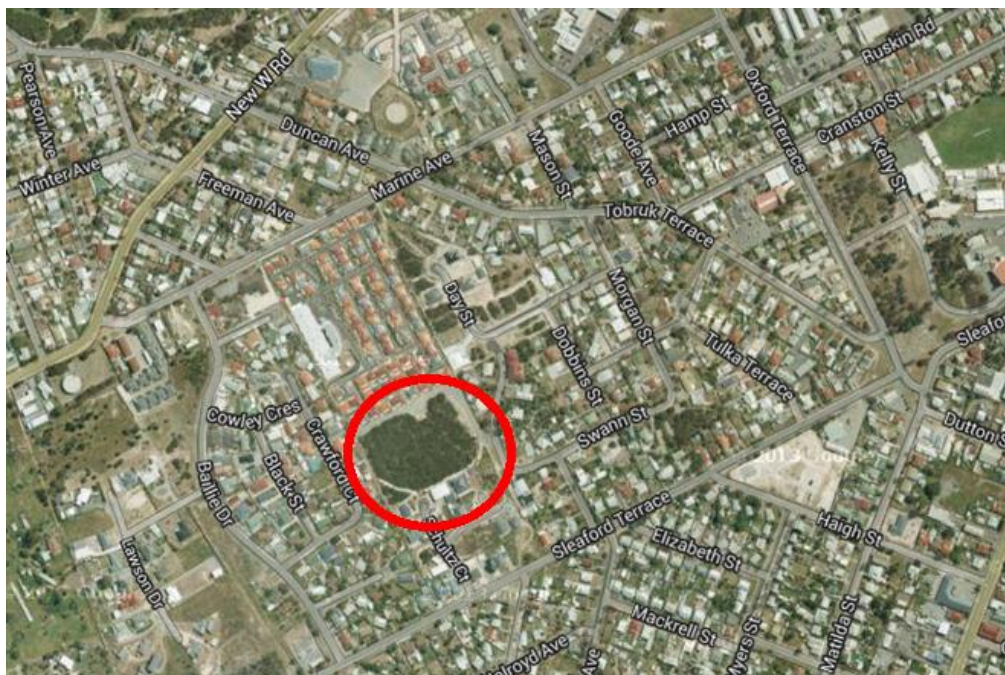
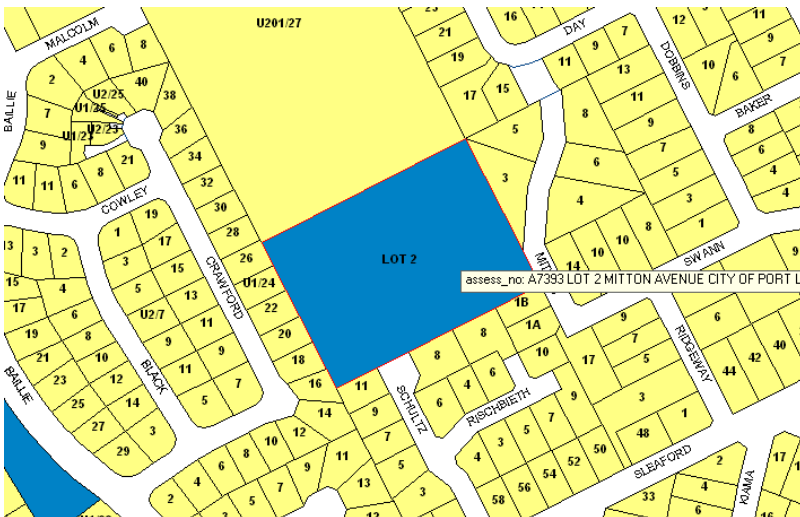
Strategic Land Disposals

Council has completed the required consultation processes and Ministerial approval to have the Community Land classification revoked for the following parcels of land. This enables Council to resolve one or more of those parcel/s of land to be surplus to community needs and that the equity in the land value would better serve the community invested in another community project.

To support a financing strategy for the Indoor Aquatic Facility refurbishment, the marketing and disposal of these parcels of land is proposed for investigation, and should sales be negotiated and capital revenues confirmed, budget amendments will be made accordingly.

1. Lot 2 Mitton Avenue

The parcel was the subject of a Section 194 report and revocation process in 2008 and 2009, under-going community consultation before being approved by the Minister to have the status of Community Land revoked. The area remains undeveloped reserve. The parcel is identified in the Greater City of Port Lincoln Bushfire Prevention Plan as a fire risk area with residential built-up surrounds, and is subject to an ongoing maintenance program of bushfire clearance breaks. The allotment is 1.87ha in size.



2. Seaview Park Area



These two parcels of land were originally identified and the Community Land classifications revoked to facilitate inclusion in an urban renewal project with Housing SA. The project did not progress when Housing SA withdrew from the Agreement in 2011.

A land division application had been prepared for Stage 1 of the project (Lot 58 the large parcel shown on the map) with up to 18 affordable housing allotments possibly being created.

Lot 58 has frontage to both Passat and Vigar Street. (Shown in white in the diagram below)

The second allotment has frontage to Casanova Street and would require a subdivision as it is currently part of a larger parcel of Council reserve land holding. (a small part marked in red of the area shown in blue in the diagram below).²

If Council was to proceed with a disposal, this would focus only on Lot 58 at this point in time. Lot 58 is 1.19ha in size.



² Sizes shown are not to scale and for demonstration purposes only

6. SERVICES, PROGRAMS AND PROJECTS

Taking into account the external and internal influences previously described, Council's services, programs and projects in the 2015-2016 Annual Business Plan have been determined based on the following prioritising principles:

Continuity of **services, maintenance and capital renewal programs** within the capacity of an indexed increase to rate revenue

Priority new and upgrade projects and initiatives, within a financially sustainable budget capacity

Any **new services** provided by Council will be either established on a cost recovery basis or based on identified community need and identified budget savings or new revenues, and having regard to long term financial implications and risks

Partnership opportunities will be explored to ensure value for money agreements are in place for the provision of services and projects to the community.

Significant factors shaping the 2015/16 Annual Business Plan will include:

- Continued transition towards full cost recovery for waste services and recycling collection (final year forecast for 2016-17 in the LTFP)
- Adoption of a strategy to fund the purchase of the Leisure Centre and refurbishment of the Indoor Aquatic Facility through a possible combination of reserve funds, revenue from disposal of community assets and loan borrowings
- New services or service levels, described in more detail in Section 7, for visitor information services, community facilities' opening hours, the operation of the Indoor Aquatic Facility and Leisure Centre, and significantly increased commitment to road reseal works.

7. CONTINUING SERVICES AND WORKS PROGRAMS

Council has responsibilities under the Local Government Act 1999 and other legislation to provide some services and activities. In response to the community's needs, the City of Port Lincoln provides a wide range of on-going operational services and capital works renewal programs, as shown below.

Continuation of Council's service programs and the capital programs for road renewals and reseals, building renewals and replacement, and footpaths replacement is met through these on-going programs.



New services or changes in service levels identified in the 2015/16 Annual Business Plan include:

- **NEW Visitor Information Services** – a change in the service delivery method for visitor information services for the City in 2015/16, from a private operator under a managed service agreement to a **Council operated** facility and service
- **TRANSITION of the Leisure Centre including Indoor Aquatic Facility** to Council's ownership and future management model/s
- **INCREASED opening hours for community facilities** – salary budgets will enable weekend and public holiday opening hours that are responsive to seasonal demand – this includes venues such as Nautilus Arts Centre, the Visitor Information Centre (linked to the new management approach above) and the Indoor Aquatic Facility
- **INCREASED program of work for road reseals** - based on updated asset condition assessment and engineering advice.

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



8. NEW AND UPGRADE CAPITAL PROJECTS AND OPERATIONAL INITIATIVES

In developing the Annual Business Plan Council has reviewed the major projects, initiatives and capital works from its source corporate documents.



The City of Port Lincoln's Annual Business Plan priorities for 2015-2016 include a number of new and upgrade capital works projects, together with priority new operating project initiatives, drawn primarily from Council's Strategic Directions plan, the IAMP and other adopted strategies and plans:

- + Settlement of purchase of Port Lincoln Leisure Centre inclusive of Indoor Aquatic Facility, Basketball Stadium, Gymnasium, offices and car parking areas
- + Continuation of project planning and refurbishment of the Indoor Aquatic Facility
- + Civil works to 'cap' the landfill Cell 3 at the Resource Recovery Centre
- + Key stormwater infrastructure upgrades identified in the Stormwater Management Plan
- + Continuation of local trail development projects - Heritage Trail and Parnkalla Trail
- + Continuing major investment in the power line undergrounding program and streetscape improvements in the CBD
- + Continued public art project/s based on the adopted Strategy
- + A program to develop community leadership skills
- + Pursuit of partnership opportunities to implement the Brennan's Wharf Master Plan to improve cruise ship arrival management, safety and visitor experience – unfunded pending partner options
- + Continuation and completion of the review of Council's Strategic Directions plan
- + Continued review and updating of Council's Development Plan, with focus on completing the current developer-funded DPA and progressing the Residential DPA to public and agency consultation
- + Preparation of an Open Space and Recreation Facilities Strategy
- + Finalisation of a Consolidated Enterprise Bargaining Agreement between City of Port Lincoln, District Council of Lower Eyre Peninsula and District Council of Tumby Bay
- + Continued investigations and advancement of Shared Services project priorities and efficiencies
- + Investigations into Local Government arrangements on Lower Eyre Peninsula including consideration of shared services, boundary changes and amalgamations.

9. FINANCIAL YEAR 2015/16 OBJECTIVES

The new and upgrade capital works projects and operational new initiatives identified in Council's "Strategic Directions" plan and other Corporate plans for the 2015/16 Annual Business Plan are shown in the following Tables.

The projects and initiatives included in the Annual Business Plan were considered having regard to community consultation responses and prioritised in light of financially sustainable budget settings, priorities from the Infrastructure & Asset Management Plans, risk management, and opportunities for partnerships and staged project continuity or completion.

The Tables do not include on-going service programs (outlined in Part 7) but do include renewal and replacement capital works program components derived from Council's IAMP, following a "desktop condition review" of built assets scheduled for renewal and prioritising of transport assets based on serviceability and maintaining optimum condition levels.

While asset renewal is a high priority relative to new/upgrade capital and operational new initiatives, if necessary, renewal works for 2015-2016 will be prioritised taking into account current asset condition, competing priorities and alignment to other projects.

The items coded **PURPLE** have been identified as assets for reaching the end of their useful lives in Councils IAMP document and the items coded **GREEN** are new projects from "Strategic Directions" as identified and costed in the LTFP.

6.1 Recreation and Open Space	BUDGETED COST			
	Operational, Renewal, Upgrade/New Project	Operational	Renewal	Upgrade/New Project
Billy Lights Point BBQ area	RENEWAL		10,000	
Indoor Aquatic Facility: Continue planning and implementation of refurbishment project	NEW			5,500,000
Indoor Aquatic Facility: Settlement of Purchase of Leisure Centre Facility	NEW			4,213,830
Parnkalla Trail: foreshore extension from Tasman Terrace to Axel Stenross Maritime Museum - advancement of concepts & engineering designs to 'shovel ready' stage	NEW			50,000
Heritage trail: continue construction (Section Margaret Ave to Stuart Tce) (subject to matching grant funds being secured)	NEW			180,000
Recreation and Open Space SUBTOTAL		-	10,000	9,943,830

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6.2 City Image	BUDGETED COST			
	Operational, Renewal, Upgrade/New Project	Operational	Renewal	Upgrade/New Project
CBD enhancement (linked to PLEC project) – Edinburgh Street (Porter St to Mortlock Tce), incl footpath paving, streetscaping, tree planting, onstreet parking	OPERATIONAL & RENEWAL	108,571	232,984	
Centenary Oval: demolition and reinstatement of shedding for water reuse infrastructure and storage	RENEWAL		56,000	
Undergrounding of overhead cables on Edinburgh Street, from Mortlock Terrace to Porter Street (PLEC project) work completed - Council contribution required in 15/16	OPERATIONAL	322,000		
City Image SUBTOTAL		430,571	288,984	-

6.3 Infrastructure	BUDGETED COST			
	Operational, Renewal, Upgrade/New Project	Operational	Renewal	Upgrade/New Project
Road reseal program – recurrent works	RENEWAL		550,000	
London Street Bridge - Feasibility study and design to be project ready for grant funding opportunities (est replacement cost \$3 to \$4 mill)	OPERATIONAL	150,000		
Residential footpath renewal program	RENEWAL		9,500	
Road Construction Program - Proper Bay Rd (Windsor Ave to Stables access road)	RENEWAL		166,730	
Residential footpath construction program	NEW			86,123
Stormwater Management Plan: 1) Flinders Highway/Tennyson/Hallett Place - reduce risk of flooding to properties on low side of Hallett Place: \$150k 2) Normandy Place Preliminaries and Designs: \$40k)	OPERATIONAL & NEW	40,000		150,000
Centenary Oval Car Park	RENEWAL		47,600	
Pioneer Cemetery	RENEWAL		10,000	
Lincoln Highway Drainage	RENEWAL		15,254	
Infrastructure SUBTOTAL		190,000	799,084	236,123

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6.4 Transport	BUDGETED COST			
	Operational, Renewal, Upgrade/New Project	Operational	Renewal	Upgrade/New Project
Plant Replacement Program: Ute replacements as per policy	RENEWAL		43,400	
Transport SUBTOTAL		-	43,400	-

6.5 Environment	BUDGETED COST			
	Operational, Renewal, Upgrade/New Project	Operational	Renewal	Upgrade/New Project
Waste: Capping of Cell 3 to meet EPA Requirements	NEW			765,338
Open Space and Recreation Facilities Strategy: continued investigations into development of a Strategy identifying surplus land holdings; playground strategy & audit; open space development; reserve maintenance; community land management plans	OPERATIONAL	30,000		
Environment SUBTOTAL		30,000	-	765,338

6.6 Community Projects	BUDGETED COST			
	Operational, Renewal, Upgrade/New Project	Operational	Renewal	Upgrade/New Project
Visitor Information Centre: Change in business operation from Private under management services agreement to Council operated (includes once-off transition costs)	OPERATIONAL	208,364		
CCTV Security - hardware & software and monitoring system (not cameras)	RENEWAL		33,000	
Port Lincoln Library: Replacement of public IT booking system	RENEWAL		14,000	
Dorset Place - Old Mill - Remediation of Stonework, upgrade to spiral staircase	RENEWAL		39,600	
Microchipping Day (subsidy, promotion and salaries)	OPERATIONAL	5,000		
Replacement/upgrade of Nautilus Arts Centre Gallery lighting – foyer & gallery only	RENEW		25,000	
Unregistered dog identification (door to door survey) – trial project	OPERATIONAL	8,000		
Public Art Projects: Matthew Flinders Precinct Project - rejuvenation of the Archway and plaque area including artwork gate access to NAC laneway, Statue and seating (Arts Council may contribute \$12k)	OPERATIONAL	10,000		

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Port Lincoln Library: Installation of RFID self checking resource system	NEW			35,000
Public Art Projects: Community Public Art Project with matched Grant Funding Opportunity	OPERATIONAL	10,000		
Boating Facilities: Proper Bay Road Boat Ramp upgrade (subject to grant funding of \$15K)	NEW			30,000
Community Leadership Development Program	OPERATIONAL	10,000		
Nautilus Arts Centre: Conference and function furniture and equipment	RENEWAL		35,000	
Boating Facilities: Billy Lights Point boat wash down bay as Stage 2 following fish cleaning station installation	NEW			28,700
Investigate the possibly of a permanent berthing and/or passenger access pontoon/wharf options for use by Tacoma Pres Society and/or marine tour operators (with partnership funding)	OPERATIONAL	20,000		
Building Families Partnership Event	OPERATIONAL	10,000		
Crime Prevention Partnership Strategies	OPERATIONAL	5,000		
International Engagement and Relations – Japan (Muroto) 25 th Anniversary	OPERATIONAL	5,000		
Community House (2014-15 \$5k)	OPERATIONAL	10,000		
Flagpole Refurbishment: installation of 2 new 6m flagpoles & LED spot lighting on Nautilus Arts Centre (subject to grant funding)	NEW			8,500
Community Projects SUBTOTAL		301,364	146,600	102,200

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6.7 Economic Development	BUDGETED COST			
	Operational, Renewal, Upgrade/New Project	Operational	Renewal	Upgrade/New Project
Review of the Strategic Directions plan	OPERATIONAL	20,000		
Administration: Shared Services Project - includes IT and Software investigations, jointly with DCLEP and DCTB	OPERATIONAL	20,000		
Investigations into Local Government arrangements on Lower Eyre Peninsula for public consultation in 2015/16, including consideration of shared services, boundary changes, and amalgamations	NEW	15,000		
Administration: Mapping software upgrades Exponare and MapInfo – scoping phase only	OPERATIONAL	10,000		
Strategic Land Purchases: Purchase properties for infrastructure construction. Site One (NIL) & Site Two (\$50K)	NEW			50,000
Develop and implement a communications and social media strategy including website redesign	OPERATIONAL	10,000		
Server Storage Array	NEW			24,960
Cisco Phone System	RENEWAL		39,500	
Economic Development SUBTOTAL		75,000	39,500	74,960

10. ACHIEVEMENTS FOR 2014-2015

The following table shows the project priorities from the adopted 2014-2015 Annual Business Plan and Budget, and their related performance outcomes and progress to June 2015.

6.1 Recreation and Open Space	Operational, Renewal, Upgrade/New Project	Performance Outcome	Progress to June 2015
Heritage trail – Stage 2 Duncan Ave to Margaret Ave (grant funding received)	NEW	540m shared use community trail	Completed
Poole Oval – seal roadways & improve drainage, (year 2 of project constructing car parks from Matthew Place & St Andrews Tce)	NEW	Boston Football Club requested kerbing works instead of sealed roadways to assist with drainage improvements	Complete by end of June
Whait Reserve Project – community car park	NEW	Improved parking facility revitalised reserve area community utilisation	Completed
Foreshore Playground – new soft fall and equipment	RENEWAL	Softfall upgraded to meet Australian Standards – new equipment installed to replace items that were unsafe and no longer met community needs	Completed
Fish Cleaning Station – Billy Light's Point	NEW	A new facility to recreational and tourism fishing sectors	Completed
Parnkalla Trail Construction - Yacht Club to Boston Hotel	UPGRADE	Improved foreshore access for community and Cruise ship visitors	Completed
Parnkalla Trail foreshore extension from Tasman Terrace to Axel Stenross Maritime Museum - Concepts & engineering designs	NEW	Design concepts advanced to engineering details, to enable approvals and funding opportunities to be pursued	Consultant engaged to liaise with land owners before progressing designs
Continue planning and initial implementation of Indoor Aquatic Facility	NEW	Final decisions on proceeding with an indoor aquatic facility project, and if so, progression of site acquisition and planning	Contracts negotiated for August 2015 settlement. Various consultancy engagements underway for key decisions
Preparation of an Open Space and Recreation Facilities Strategy	OPERATIONAL	To provide Council with information for future open space and recreation planning	Playground audit completed in May 2015 To be completed in 2015/16

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6.2 City Image	Operational, Renewal, Upgrade/New Project	Performance Outcome	Progress to Date
Centenary Oval – demolition and reinstatement of appropriate shedding for water reuse infrastructure and storage	UPGRADE	Carried forward to 2015-16 Annual Business Plan	Deferred in lieu of other upgrades to host the AFL NAB Cup game
North Shields cemetery – construct new burial rafts	NEW	Additional burial rafts available to meet community needs	Completed
Undergrounding of overhead cables on Edinburgh Street, from Mortlock Terrace to Porter Street (PLEC project)	OPERATIONAL	Improved aesthetics and street scaping	Underway, 2 nd part of project completion in 2015/16
CBD enhancement (linked to PLEC project) – Napoleon Street from Mortlock Terrace to Adelaide Place – replace kerb, footpaths, asphalt road.	RENEWAL & UPGRADE	Improved road surface and drainage	Completed
6.3 Infrastructure	Operational, Renewal, Upgrade/New Project	Performance Outcome	Progress to Date
Construct stormwater drainage along Marino Avenue from Seaton Avenue to Ravendale Road	NEW	Reduced flooding risk to properties in the area	Completed
Replace existing generator and electrical works in the Napoleon Street stormwater pump house	RENEWAL	Less risk of pump breakdowns and localised flooding of property and public places	Completed
Residential footpath program	RENEWAL & NEW		Ongoing annual program – to be completed
Road reseal program – recurrent works	RENEWAL		Ongoing annual program – to be completed
Lincoln Highway stormwater drainage - pipe extension	NEW	Divert stormwater run off and prevent further erosion of Lincoln Highway embankment	Deferred until 15/16

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6.4 Transport	Operational, Renewal, Upgrade/New Project	Performance Outcome	Progress to Date
Reconstruct road and kerb right hand side of Verran Terrace from Bel-Air Drive to Shepherd Avenue	RENEW & UPGRADE	Improved road surface condition and kerbing and drainage	Completed
Spray Seal of Windsor Avenue from Stamford Terrace to the end (adjacent to Navigator College)	NEW	All weather surface for school carpark access	Completed
Refurbish existing Marina footbridge - including rust removal, repainting and replacing balustrade	RENEWAL	Useful life of Bridge extended and aesthetic improvements	Completed
6.6 Community Projects	Operational, Renewal, Upgrade/New Project	Performance Outcome	Progress to Date
Upgrade of Civic Hall and Nautilus Theatre technical stage facilities	RENEWAL	Upgraded facilities to enable promoters to bring a wider variety of shows and productions for the community	Completed
Continue the Library shelving & community furniture replacement program as per the Library Services Strategy	RENEWAL	Improved patron access to resources, increased community visitation and satisfaction	Completed
Complete depot upgrade to address identified safety issues and non-compliances	RENEWAL	Sheds replaced to meet safety standards and remove manual handling issues	Completed
Investigate options for a Community Pier at the Marina for the use of Tacoma Preservation Society and other community groups.	OPERATIONAL	Completion of investigation and stakeholder consultation, for Council key decision/s to proceed or not	Staff report considered and further investigations resolved; partner funding secured for June 2015 report completion
ANZAC Memorial Upgrades	UPGRADE	Improved functionality for RSL events and improved aesthetics for City entry	Completed

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6.7 Economic Development	Operational, Renewal, Upgrade/New Project	Performance Outcome	Progress to Date
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	OPERATIONAL	Feedback of successful events from promoters. Visitor Information Centre review completed and Strategy for 2015-16 developed	Completed, including successful hosting of six cruise ship visits
Continuing financial contribution to RDA Whyalla and Eyre Peninsula	OPERATIONAL	Partnership to promote economic development and growth in the region	On-going
Review of the Strategic Directions plan after the Local Government elections in November 2014	OPERATIONAL	Start the review of the Strategic Directions plan	Initial Councillor workshops held. Carried forward to 2015/16

Other activities undertaken in 2014-2015 that supported the objectives of Council's Strategic Plan are:

- ✓ **Sponsorship of Port Lincoln Art Prize**
- ✓ **Continued upgrades to seating and bin enclosures for Tasman Terrace and the foreshore**
- ✓ **Continued implementation of business operations model and relaunch of new marketing name for the Civic Hall and Nautilus Theatre as the "Nautilus Arts Centre"**
- ✓ **Sponsorship of Community House and Operation Flinders Youth Program**
- ✓ **Continued Investigation of Shared Services opportunities and a combined Enterprise Bargaining Agreement with District Councils of Lower Eyre Peninsula and Tumby Bay**
- ✓ **Contribution to Regional Tourism Officer role**
- ✓ **Participation in the regional procurement project through EPLGA**
- ✓ **Offered a lead role in the development of a Regional Pre-qualified Contractor register**
- ✓ **Ongoing partnerships with Regional Development Australia, Eyre Peninsula Local Government Association and Provincial Cities Association**
- ✓ **Review of Visitor Information Services and development of a Strategy and new business model for 2015-2016**
- ✓ **Continued lead role in the facilitation and local community engagement for Cruise Ships and the economic benefits**
- ✓ **Draft Regional Public Health Plan endorsed for community consultation**
- ✓ **Implementation of Extranet and electronic Agenda and Minute platform for Elected Members**

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

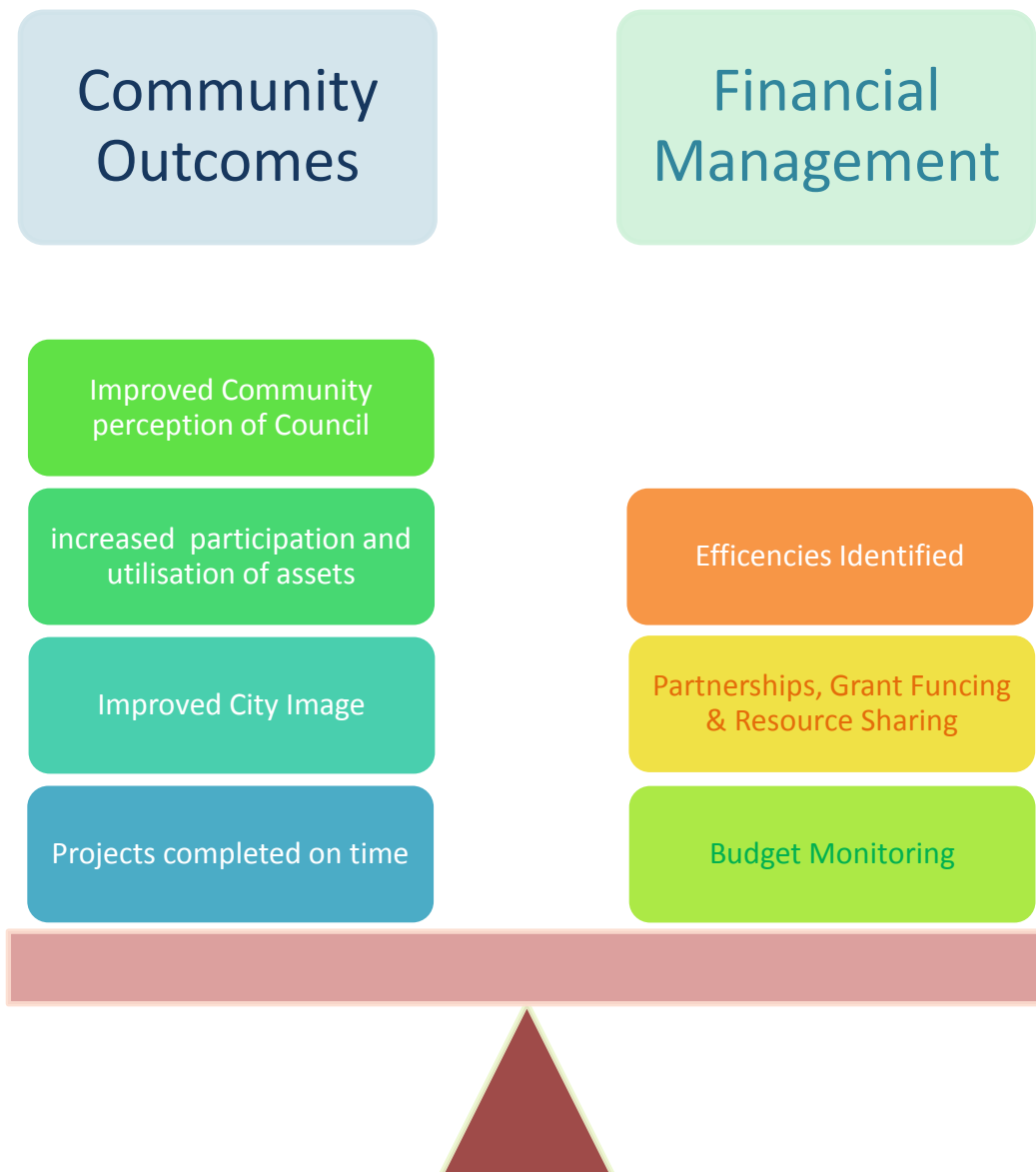
11. MEASURING PERFORMANCE

Council will measure both the financial and non-financial performance outcomes of its objectives outlined in this business plan.

The key forms of reporting Council's performance are:

- the Annual Report (published at the end of each calendar year) which reports on a wide range of statutory, governance, progress on Annual Business Plan objectives and financial outcomes for the recently completed financial year, and
- the reporting of budget performance and revisions through the statutory Budget Review process during the course of each financial year.

The review of the Strategic Directions plan, scheduled for 2015/16, will consider a framework for measurement, monitoring and reporting of Strategic Directions plan progress and Council's performance against the Annual Business Plan.

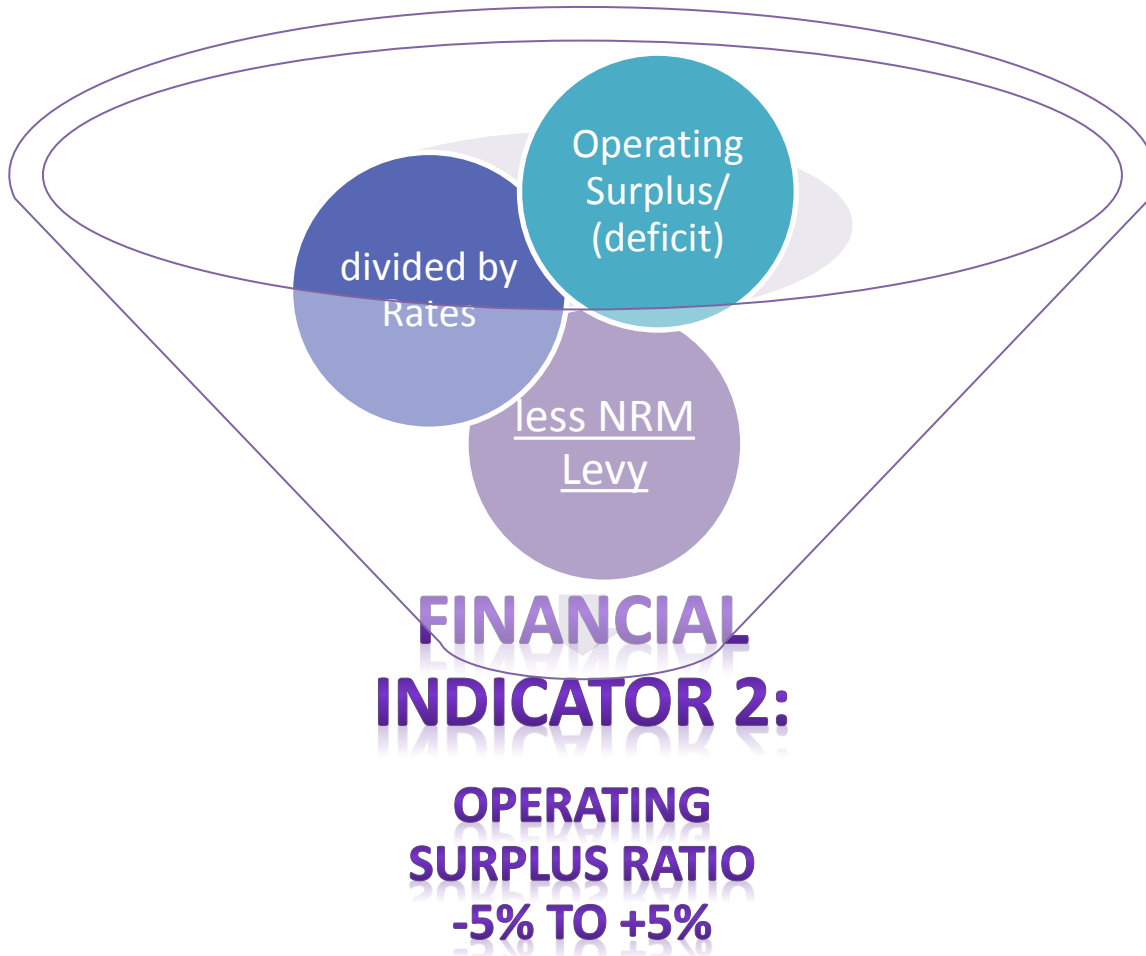


12.FUNDING THE BUSINESS PLAN

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. This is a key target in the long term financial planning process. The Long Term Financial Plan sets out Council's Financial Sustainability objective:

Council achieves a sustainable long-term financial performance and position where planned long-term service and infrastructure levels and standards are met without unplanned increases in rates or disruptive cuts to services.

This is supported by five Financial Sustainability principles.



Council considers that the adopted Annual Budget that is financially responsible to the community. The rate revenue increase will be kept to a level to enable funding of on-going operational expenses, renewal infrastructure works and priority new/upgrade capital and operational new initiatives – and return an Operational Result within the target range.

Council adopted its Long Term Financial Plan (LTFP) in June 2014, which forecast a total rate revenue increase for 2015-2016 of around **9.6%** in RATE REVENUE DOLLARS. The underlying assumption in the LTFP for the 2015-2016 rates revenue setting was **6%**. The overall LTFP rate revenue increase included an identified increase of **\$35** per assessment to fund the annual operating deficit of an Indoor Aquatic Facility.

General Rates

In the ABP consultation a target rate revenue increase of 3%³ on the **GENERAL RATES** 'rate in the dollar' component compared to the previous year was proposed, to fund this Annual Business Plan. This is less than is forecast in the LTFP. The percentage rate revenue increase applied in the ABP is in line with the projects, programs and services that Council has included in the adopted Annual Business Plan and Budget.

The general rate calculation increase is shown in the table below;

2014-2015 Rate in Dollar Revenue	3% Increase on Rate in the Dollar Revenue	Rate Revenue from Fixed Charge	46 New assessments @ calculated average per property excluding Fixed Charge	Total Rate Revenue for 2015-2016 Budget	Total Percentage Increase
\$6,814,973	\$204,449	\$3,222,585	\$39,281	\$10,281,289	6.48%

In **addition** to a general rate Council will raise income through **Service Charges** for **Recycling** and **Waste**.

Other Sources of Revenue

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.

Commercial Rental Income – in recent times Council has entered into a number of commercial leasing arrangements which has seen a new revenue source from commercial rental income from the Flinders Theatre Car Wash and the Nautilus Arts Centre.

³ The proposed increase percentage excludes the revenue generated by new assessments created during 2014-2015

13.SUMMARY OF RATE & SERVICE CHARGE REVENUE

The total rate revenue to be raised under this Annual Business Plan is explained from section 16 “Rating Structure Options”.

The 2015/2016 budget has been developed to enable Council to undertake the services, programs and projects that are planned, in line with its financial sustainability objective and principles.

In order to adopt a sustainable and responsible Annual Business Plan and Budget, Council has reviewed project priorities together with other key budget drivers, and will limit **any borrowing or reserve funds use to the funds required for the Indoor Aquatic Facility, demonstrating a clear nexus between any additional debt or reserves use and the community outcomes** to be achieved.

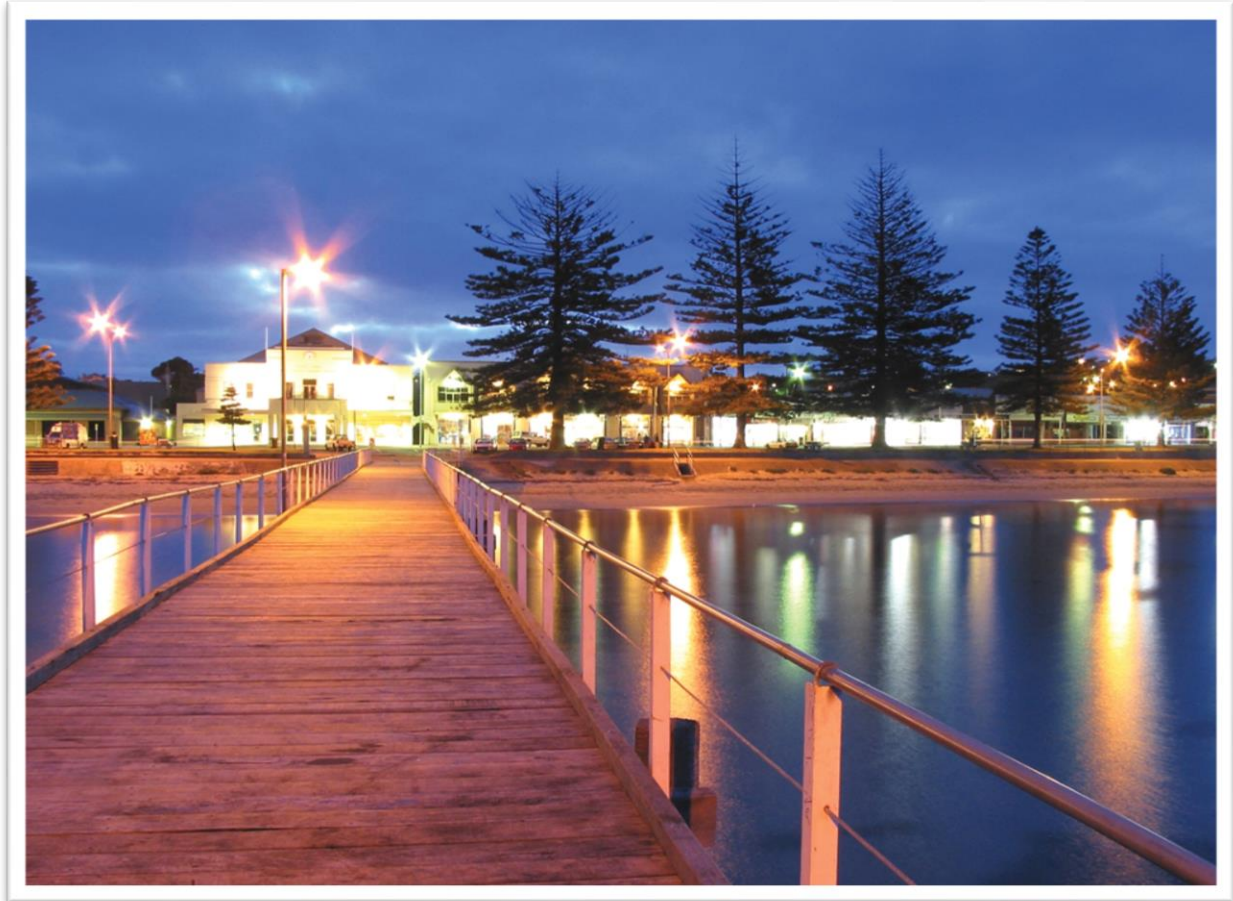
GENERAL RATES ON PROPERTY VALUE @ 3% + NEW ASSESSMENTS	\$7,058,704
FIXED CHARGE @ \$405	\$3,222,585
WASTE SERVICE CHARGE @ \$216	\$1,784,592
RECYCLING SERVICE CHARGE @ \$48	\$368,496
TOTAL RATE & SERVICE CHARGE REVENUE	\$12,434,377

The nett proceeds of rates received for budget purposes will also reflect additional revenues and expenses related to rates, including revenue for the NRM Levy, penalties for late payment, rates and legal costs recovered, less discretionary rebates, rate remissions and write-offs and the rates early payment discount.

14.IMPACT ON COUNCIL'S FINANCIAL POSITION

With the exception of the proposed Indoor Aquatic Facility refurbishment project, Council's planned operational and capital expenditure for 2015-2016 will be met from committed reserve funds, possible sale of surplus operational land and operational revenue.

The adopted budget, based on the ABP project and initiative priorities, will confirm Council's proposed loan borrowings and expected operating result and cash position.



15.RATING BASIS – SITE VALUE

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 2015-2016 financial year. While acknowledging that most councils in South Australia have adopted the 'capital value' basis, Council considers that the site value 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 that large variations in the value of property from one year to another are less likely under the site valuation method.

Council's Rating Structure Options
for 2015-2016

16. GENERAL RATES (s153 and s156)

General Rates – Rate in the Dollar

To raise **Rate Revenue** by a percentage as identified in the section 12 FUNDING THE BUSINESS PLAN, Council will declare a **rate in the dollar** based on the site valuation of land within the City of Port Lincoln together with a fixed charge per rateable property, to raise the required amount of **General Rate Revenue**.



General Rates - 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.

The reasons for imposing a combination of rate in the dollar and 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.

The fixed charge for 2015-2016 will be levied uniformly on all non-contiguous assessments excluding Marina Berths. 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.

Funding the Indoor Aquatic Facility

Council will take ownership of the Port Lincoln Leisure Centre in August 2015. The feasibility review and studies presented to Council have forecast the Indoor Aquatic Facility component of the Leisure Centre to run at an annual nett operational cost.

Council is yet to confirm a business management model for the Leisure Centre complex, however, the operating deficit for the Indoor Aquatic Facility is estimated to be approximately \$300,000 per annum.

The 2014-2015 Annual Business Plan identified that future business plans would need to consider the raising of additional revenue in the first operational year of the Indoor Aquatic Facility to fund the operating deficit associated with the introduction of this new service. An increase in rate revenue attributed to the operations of the Indoor Aquatic Facility was also reflected in the Long Term Financial Plan, with an increase of \$35 in the Fixed Charge per assessment projected for 2015-16.

This nett operational cost will require an additional income source. Council has previously identified two options for raising this additional revenue:

1. **3% increase to general rate revenue, or**
2. **An increase of \$35 to \$40 to the Fixed Charge rates component**

This Annual Business Plan, as identified in the LTFP, adopts the **FIXED CHARGE OPTION** as the most fair and equitable to ALL ratepayers, as EACH assessment would pay the SAME amount via an increase in the annual Fixed Charge rates component, to part-fund the introduction of this NEW SERVICE.

Fixed Charge

	2014-2015	2015-2016
Number of rateable properties	8220	8266
Less Adjoining properties	169	148
Marina berths	161	161
Adjusted number of properties fixed charge applicable to	7890	7957

	Fixed Charge component	Increased rates raised - Fixed Charge component
<i>Fixed Charge 2014/15</i>	\$360	\$2,840,400
Part 1 - Historical \$10 applied to adjusted number of properties		
	\$370	\$2,944,090
Part 2 - \$35 increase per property for Indoor Aquatic Facility		
Total 2015-2016 Fixed Charge	\$405	\$3,222,585
		\$382,185

(The Fixed Charge cannot exceed 50% of all General Rate revenue)

In the following year, 2016-17, it is anticipated – subject to future review and decisions by Council - that the Annual Business Plan would revert back to the previous pattern of \$10 increase per year in the Fixed Charge.

17. WASTE AND RECYCLING SERVICE CHARGES

Pursuant to Section 155 of the Local Government Act 1999 Council has adopted a service charge approach for its waste and recycling collection services.

The Waste 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 Council provides a waste collection service.

Vacant land and marina berths do not receive a recycling collection service and therefore do not attract the Recycling Service Charge.

To be equitable to all ratepayers, property owners should be charged for the services they are eligible to receive from Council. Therefore the 2015/2016 budget will continue the transition to a full cost recovery model for this service, as discussed earlier in the Annual Business Plan.

The revised model for **two Service Charges** for Waste and Recycling, totalling **\$264.00** where applicable, is shown in the table below:

Waste and Recycling Service Charges

	2014-2015	2015-2016
Number of rateable properties	8220	8266
Marina Berths	161	161
Vacant Land	463	424
Number of rateable properties recycling service charge applicable	7591	7677

The LTFP and past ABP have forecast an increase of 15% per annum to full cost recovery by 2016/2017

Waste Service Charge on all properties receiving the service	\$216	\$1,784,592
Recycling Service Charge to those properties receiving the service (excl vacant land and marina berths)	\$48	\$368,496
	\$264	\$2,153,088

18.IMPACT ON OVERALL RATING STRUCTURE

Although the City of Port Lincoln has experienced significant growth in property values in the past, from \$267 million in June 2002 to over \$1.1 billion at present, the property values have not continued to increase over the last 3 years.

The ABP assumed, conservatively, that there will be no major increase in assessment numbers between 2014/15 and 2015/16, although this growth could be between 0.5% and 1%. The final determination of rate revenue and rates setting considered the growth of the city and the rate base as reflected in new assessments advised by the Valuer-General.

Council staff have undertaken Rates Modelling as part of the budgeting process. The modelling system is based on the total amount of rates revenue Council needs to raise, including the Fixed Charge component, applied over the number of assessments. Modelling also reflects the other rating variations applicable to the property in regards to the Service Charges and the NRM levy.

In adopting the Annual Business Plan and subsequently the budget for 2015-2016, Council has determined the rating model considered to be the most fair and equitable to 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. This will in turn affect the relative General Rates amount applicable to any one assessment, when compared to the 'average'.

19. NATURAL RESOURCES MANAGEMENT LEVY

The City of Port Lincoln falls within the Eyre Peninsula Natural Resources Management Board area and as such the 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 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 is required to raise for the Eyre Peninsula Natural Resource Management Board (EPNRM). Based on the property data provided to the EPNRM in November 2014, the EPNRM Board have advised that the total NRM Levy payable for 2015-2016 for the City of Port Lincoln Council area will be \$524,389. Council has determined that this equates to a levy of \$64.60 per applicable assessment. (In comparison the amount required in 2014-15 was \$508,018 payable as a levy of \$63.10 per applicable assessment).

Any queries regarding the NRM Levy should be raised with the Eyre Peninsula Natural Resource Management Board – telephone 08 8688 3111 or website <http://www.epnrm.sa.gov.au/>



The Eyre Peninsula region covers a significant area of South Australia (80,000 square km / 8 million ha) and includes part of the upper Spencer Gulf, the City of Whyalla, stretches across the southern boundaries of the Gawler Ranges, past Ceduna to the edge of the Nullarbor Plain and south to the fishing hub of Port Lincoln.

This region supports a population of about 55,000 people. Eyre Peninsula's economic well being is almost entirely reliant on well managed and sustainable use of natural resources.



20. PAYMENT OF RATES

Payment of rates for the year ending 30th June 2016 is 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 **11 September 2015**.

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 the Council Office, Level 1 Civic Centre, 60 Tasman Terrace, Port Lincoln. Cheque, cash and EFTPOS facilities are available Monday to Friday 9am to 5pm
- ✓ Payment via Council Website – www.portlincoln.sa.gov.au at anytime

Incentive for Early Payment of Rates

Council has previously offered a 2% discount for payment of rates received in full on or before the September payment date, and has agreed to offer a 2% discount for payment of rates received in full on or before Friday 11 September 2015.

21. RATE CONCESSIONS

In the past, the State Government, in providing equity across SA in this area, has funded a range of concessions on Council rates. The State Government has announced that it will no longer directly fund Council rates concessions for eligible pensioners and self-funded retirees, in response to Commonwealth funding cuts, but instead the State Government will fund an alternative form of concession funding for eligible pensioners and self-funded retirees which can be applied to any need at the discretion of the recipient.

This will mean that the Council rates concession that was previously directly taken into account, will no longer be applied, and the full rates account will be payable.

Ratepayers can obtain further information about Council rates and other concessions by:

- Telephoning the Department for Communities and Social Inclusion Concession Hotline on 1800 307 758
- Email: concessions@dcsi.sa.gov.au
- Visiting the website: <http://www.dcsi.sa.gov.au>

22. 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 fixed by Council but not exceeding the cash advance debenture rate.

23. 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.

Policy 7.63.8 Rates Concession Scheme

As per Section 166 and Council's Policy 7.63.8 Rates Concession Scheme, Council also provides some rebates of rates to encourage continuing building activity and land development in the City. These are in relation to development construction with a value in excess of \$1,000,000 and subdivision development, including strata and community title developments, where there are unsold new allotments.

24. PUBLIC CONSULTATION

Consultation

Before Council adopts an Annual Business Plan, the 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 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.

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 following endorsement of the Draft by Council for this purpose.

The 2015-2016 Annual Business Plan includes a major capital project commitment for the Leisure Centre purchase and Indoor Aquatic Facility refurbishment, together with significant compliance requirements at the Resource Recovery Centre and a range of renewal works, new capital projects and operational new initiatives.

It is important that the community and ratepayers are informed and genuinely consulted as part of Council's determination of the final Annual Business Plan and budget. The community engagement process for this Annual Business Plan followed the guidelines of the International Association for Public Participation (IAP2) spectrum to ensure that the community was fully informed on the rating proposals in the plan. This exceeded the minimum consultation obligation as required under the Local Government Act 1999 Section 123(5).

As required under the Act, Council provided facilities on its website for the asking and answering of questions and for submissions to be made on the draft Annual Business Plan.

Community Response

The consultation period on the draft ABP was from Thursday, 23 April 2015 to Wednesday, 20 May 2015.

The public was invited to attend a Council meeting held on Monday 18 May 2015 to ask questions and make submissions. Seven members of the public attended and two community members addressed the meeting on the draft ABP.

When submissions on the draft ABP closed on 20 May 2015, Council had received a total of 176 submissions:

- 171 online surveys
- 3 hardcopy surveys
- 1 online submission form
- 1 written submission.

83 out of the 108 people who answered the question "Where did you find the Draft Annual Business Plan", said that they found the draft plan on the Council website, and 18 people from a family member, colleague or friend.

The majority of the community members who responded to the on-line survey agreed that Council is looking after the city's roads, paths, drainage, buildings, parks, ovals and other facilities at about the standard they would like, and they expect council to focus on the services, programs and projects as outlined in the Strategic Directions plan.



The community responses gave greatest priority to the following projects for the 2015/2016 financial year:

- Flinders Highway/Tennyson/Hallett Place – reduce risk of flooding
- Stormwater Flood Plain Modelling
- Open Space and Recreation Facilities Strategy
- Water Sensitive Urban Design Projects
- Proper Bay Road Boat Ramp
- Billy Light's Point Wash Down Bay
- CBD Streetscape and Urban Design Strategy

The community comments provided during the public consultation process were considered by Council in the finalisation of the Annual Business Plan.

