



City of Port Lincoln

Annual Report 2003/2004

CITY OF PORT LINCOLN
Annual Report 2003/2004

PURSUANT TO THE LOCAL GOVERNMENT ACT 1999

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Mayors Message

Last financial year has seen a continuation of Council's strong commitment to building needed capital infrastructure and upgrading public facilities. Good examples of heavy expenditure include the Hassell Road rubbish dump, our lovely foreshore and the Ravendale Park sporting complex. Our Hockey Association now possess a world class playing surface; and in the coming months the Netball Association will gain similar superb facilities.

Both road and footpath construction occurred, the most obvious being St Andrews Terrace footpath, Pine Freezers Road, Nootina Road, Averis Road, Donnington Street and rebuilds of Normandy Place and Lindsay Avenue.

Council has continued to maintain its debt free position, (your Council is one of seven out of the State's 68 Councils). It continues to believe in maintaining community assets whilst operating within its cash flow. Council continues its self imposed 5% maximum growth in total rate revenue. Council is concerned with the diminishing annual F.A.G. grant and has made known its concern to the appropriate bodies. The effect of the diminishing annual grant and our self imposed rate rise control is to constrain our capacity to deliver all the desires of our community.

The range of smaller works like auto watering of reserves, Mundy's Mooring, burning Aleppo Pines continue together with our community donations program. There is constant demand for Council to deliver more elector services that are very difficult to meet. The local Ratepayers Association formed recently, is an indication of community dissatisfaction, but Council welcomes this body as we believe greater public scrutiny of our activities will result in better understanding of our limitations. Councillors and senior staff are available at all times and we welcome attendance at our Council meetings.

Council places on record the efforts of all its staff to deliver desired projects and services. Without dedicated, determined staff and contractors we could not produce the results clearly visible. There is much hard physical work as well as mental commitment behind any given responsibility and your Councillors salute our people; be they within the public library, our Administration Centre or Works Depot. Each person's effort is appreciated and valued. Our staff's efforts result in our enjoying a better lifestyle and we appreciate their commitment.

PETER W DAVIS
MAYOR

Chief Executive Officers Message

The 2003/04 financial year continued to be a capital works orientated period of development of community infrastructure in Port Lincoln.

The Council's works program included a number of ongoing projects inclusive of:

The Port Lincoln Foreshore
Ravendale Sporting Complex
Roads and Footpath improvement and provision

The foreshore project is indicative of what can be achieved within a planned approach to infrastructure improvement. These projects are ongoing as the total cost is unable to be met in one financial year, however they are shaping the continued commitment of the City Council to attending to infrastructure issues across the City.

The fringe areas road development project was completed within the 2003/04 year, which saw an additional 5 kilometres of roadways, upgraded and in a number of cases improved to a sealed standard.

The overall budget for this year saw a total of approximately 30% of total funds allocated to capital works. The City Council intends that this level of commitment will be continued into the future for the duration of the adopted strategic plan to 2007.

Development within the City continues to be focussed on residential, industrial and commercial activity with a number of residential allotments being released and new commercial and industrial facilities completed. The trends of the recent past continue to indicate growth within the City across many sectors. Positive population growth is also representative of this activity.

The City Council maintains a small but committed workforce across the Administrative, Public Library and Works functions, which are supplemented by use of local contractors on major projects. This mix has proven to be most beneficial in achieving projects, which could not be singularly completed. It also achieves employment outcomes for both the public and private sectors of the local community. As part of the City Council's ongoing employment objectives it has continued to engage trainees within its three workgroups, which provides local young adults with the very important employment start. We are proud of our trainees as we are of our total staff.

The outputs in infrastructure development is evidence of the committed work of the City Council which has been anticipated, planned and is now able to be achieved within a financial structure that is affordable.

I trust that the community acknowledges the performance and outcomes.

IAN BURFITT
CHIEF EXECUTIVE OFFICER

Members of Council

Mayor

Peter Woodley Davis

Councillors

Councillor Michael Bascombe

Councillor Malcolm Catt

Councillor Mark Goold

Councillor Henry Kop (*passed away December 2004*)

Councillor Susanne Macrae

Councillor Jim Papazoglov

Councillor Jillian Parker (Deputy Mayor)

Councillor Allan Reynolds

Councillor Robert Richardson

Councillor Eric Russell

Executive Officers

Chief Executive Officer

Ian Burfitt DIP LGA, DIP MAR, FIMM, AIPMM

Director Operations Services

Geoffrey Robert Dodd BENG

Director Corporate and Community Services

Geoffrey Philip Dodd ASSOC DIP ACCT, JP

Meeting Attendance

	<u>DAP</u>	<u>General Purposes</u>	<u>Council</u>
Total Meetings 2002/2003	13	11	15
Mayor Peter Davis	12	11	14
Michael Bascombe	10	9	14
Malcolm Catt	10	10	13
Mark Goold	10	6	11
Henry Kop	5	5	8
Susanne Macrae	8	10	14
Jim Papazoglov	13	10	14
Jill Parker	13	9	12
Allan Reynolds	10	10	13
Robert Richardson	13	11	15
Eric Russell	12	9	15

*DAP - Development Assessment Panel
Council - Ordinary & Special Council*

Sectional Reports

Administration and Finance

AUTHOR : KATRINA ALLEN

The Administration section is in many respects the “Face of Council” and this year, in line with the Strategic Plan, Customer Service Standards were developed and adopted across the organisation. Services provided by administration staff include:

- Cash receipting and customer enquiries
- Accounts payable and receivable
- The implementation and adoption of Records Management systems
- The development and maintenance of Council’s website
- Payroll and HR functions
- IT support
- The preparation and review of Budget documents
- Monthly and annual Financial Reports and Statements

Council’s website is now ‘live’ enabling easy public access to information on Council services, employment opportunities, documents and forms, including Development Applications, Information Sheets, Council Minutes, and links to associated websites.

The IT Committee meets regularly to discuss updates, maintenance and the future direction of the Website and Councils IT requirements. The cash receipting and payroll modules of Synergysoft will be implemented in September 2004, which almost completes the upgrade from Administrator.

In line with State Government Records Management requirements, a new system has been implemented, with staff undertaking training and developing policies and procedures. These requirements will also entail the restructuring of the electronic filing system in 2005, and the archiving of all pre-existing Council records.

Operations

AUTHOR : GEOFFREY R DODD

The 2003 – 2004 financial year saw a continuation of the City's 5 year Strategic Plan and projects undertaken were in line with this Plan.

Stage II of the Foreshore Redevelopment Project was complete and included the reconstruction of the Tasman Terrace roadway, parking area and footpaths between Adelaide Place and Eyre Street. This stage was completed with the introduction of the 40km/hr zone in September 2004. Off-road works included the upgrading of the foreshore playground, irrigation of the lawn area and extensive electrical works for the provision of adequate services for major events such as Tunarama.

As part of Council's continuing commitment to improve the road network in the fringe area Lindsay Avenue, Valley View Road and Donnington Street were upgraded and sealed. In addition Proper Bay Road, Pine Freezers Road, Normandy Place and Kurla Street were widened and kerbed and formed sections of Robertson Road, Nootina Road and Averis Road were upgraded and gravel pavement added.

The road resurfacing program included roads such as Volante Street, Ocean Avenue, Torrens Avenue and Gliddon Street to name a few as well as completing the finishing touches to some of the road widening projects above.

Council's footpath construction program continued with new concrete paths constructed adjacent St Andrews Terrace, Coronation Place and St Andrews Drive. With the section on Stamford Terrace completed in October 2004 this now completes a link from what will be Port Lincoln's premier sporting ground at Ravendale Oval with the Kirton Point and Marina areas.

Works at the Ravendale sporting complex commenced in earnest with the construction of a world class hockey pitch including a synthetic playing surface which is now the envy of other regions in South Australia. Preliminary works also commenced on the netball courts which will be completed during the 2004/2005 financial year.

Our parks and gardens also received a boost with automatic irrigation installed at Billy Lights Point, Eyre Park and Bishop Street and advanced trees planted along Windsor Avenue. Wellington Square received a face lift with the removal of the old tennis courts which was replaced with grass including an automatic irrigation system.

Council continued with the development of a third cell at the Resource Recovery Centre, Hassell Road with fencing of the site, removal of the limestone capping layer and bulk excavation completed in readiness for clay lining and associated works.

Human Resources

AUTHOR : ANGELA WHILLAS

EMPLOYEE RELATIONS - As at 30 June 2004 the breakdown of Council employees was as follows – Forty Seven employees covered by:

- *The Municipal Officers Award* 20 Administration & 9 Library
- *The Local Government Employees Award* 15 Outside staff
- *National Training Award* 2 Horticulture Trainees & 1 Administration Trainee

In line with both employee groups Enterprise Bargaining Agreements, salary increments were received as of July 1 as follows:

- Municipal Officers Award – 4.175%
- Local Government Employees Award – 5%

OCCUPATIONAL HEALTH & SAFETY - Council and employees have continued to maintain a very high standard of OHS in the workplace and as a result the number of work related injuries has declined significantly.

This has resulted from a greater focus on Risk Management, continuing safe work practices and procedures and ongoing worksite inspections.

EMPLOYEE DEVELOPMENT - Customer Service and IT training was conducted with Spencer Tafe utilising WELL (Workplace, English, Language & Literacy) funding. This has resulted in the adoption and implementation of Customer Service Standards by all Council employees.

Development and Inspectorial

Planning and Development

AUTHOR : STEVEN CHADWICK

The construction industry in Port Lincoln continues to defy state and federal industry forecasts. Residential development continues to increase, development approvals are up by approximately 6% over the 2002/2003 financial year. The average cost of a new build residential home project to 30 June 2004 was \$230,000.00.

We have achieved significant inroads into the composition of the new City of Port Lincoln Development Plan, it is customary to review sections of the existing development plan and make zone specific changes. However, in the current climate of increased economic and social growth Council needed to review a significant portion of the development plan to ensure that the planning system or planning guide is the best it can possibly be.

Council has an obligation to ensure balance and flexibility with planning and ensure that we promote innovative good development having regard to social, economic and environmental consideration, as well as providing certainty and efficiency. This in turn necessitates a responsive planning system to ensure policy is always relevant and amendment processes are transparent, accurate and efficiently followed.

During the 2003 / 2004 financial year Council approved 406 development applications with a total value of \$35,695,839.80. This includes approximately \$27.9 Million of residential development and approximately \$7.7 Million of commercial and industrial approved development.

Environmental Health

AUTHOR : RAI PASETTO

IMMUNISATION - An immunisation program was completed by the 13th of October this year with around 2,100 doses of vaccine administered in the school-based program. Meningococcal C vaccinations were offered to school children from years 1 to 9; DTP vaccine to year 9 students, and hepatitis B vaccine to year 8 students.

FOOD PREMISES INSPECTIONS - Emphasis has been placed on increasing skill levels in food handlers. Allstaff Training in Adelaide has been engaged to assist with this task. There have been two food safety training sessions during 2004. Local businesses are being encouraged to adopt food safety plans. This may pre-empt likely future legislation changes, however, the council considers this a best practice activity to be incorporated into any business plan. A number of alleged food poisoning cases have been followed up, together with other types of complaints. One improvement notice has been issued so far.

HAIR SALONS - Inspections of hairdressing salons and body piercers have been carried out. No serious issues have so far been identified. Proprietors are supplied with the Standards of Practice for Hairdressing from the DHS. Staff have been assessed informally regarding knowledge on the transmission of infectious diseases in salons, and so far, most staff appear to have a good understanding.

WASTE CONTROL - The environmental health officer has been working in conjunction with SA Water's trade waste division, to ensure that businesses that do not have a grease arrestor, and that need one, are installing them. The environmental health officer's role has more to do with promoting compliance with regular grease trap emptying.

A survey of septic tank systems should be underway next year in conjunction with Flinder's University's environmental health department. The results of the survey will be used to establish a risk management plan, and help obtain funding from various agencies.

DISEASE CONTROL - In addition to syringe recovery, swimming pool inspection, and vermin control, there have been investigations on behalf of the Department of Health's CDCB, and a risk communication session for council's depot workers on cryptosporidiasis

The council has applied for funding through the Department of Health to purchase one mosquito trap and sundry equipment, to assist in the trapping, identification and control of these flying vermin. Leaflet (educational material) drops in affected areas has been undertaken.

HEALTH PROMOTION - Health education/promotion has been undertaken at Port Lincoln High School and Rotary Club of Port Lincoln. Health education is regularly undertaken in food businesses, salons, and in the field when dealing with various complaints.

INSANITARY PREMISES - Two Notices were served for insanitary premises. In one case, the notice was revoked. Other investigations into insanitary conditions and substandard housing have also been undertaken.

Animal Management & General Inspectorial

AUTHOR : DAVID BOTHE

Council continues to provide a necessary service to the community in Animal Management and the General Inspectorial area. During the 2003/2004 year there where 2,540 dogs registered, 325 dogs where impounded and of these 240 where returned to their owners.

We, along with all other councils have gone through the biggest change in Animal Management in about 10 years, with the implementation of the changes to the Dog and Cat Management Act. Due to these changes registration renewal notices where issued later than usual, customers and staff have been very understanding and patient through this period.

We have had several calls in relation to abandoned vehicles this year, the majority of these have been moved by their owners, however several have been impounded by Council. Littering has raised its head again, several fines have been issued along with clean up fees where necessary.

Library

AUTHOR : VICKI JAMES

The Port Lincoln Library offers over 40,000 items for borrowing, with new items being added every month, so there is always something new. Recently, all new books to the library are now easily identified with a red sticker marked "New Book 2004" and this will be continued next year with a different coloured sticker. The collection includes, non fiction books, novels in normal and large print, hear-a- books, material in languages other than English, Magazines, Newspapers, language kits, CD's, Video's and DVD's. There is also a range of reference and local history material, a suite of 8 computers with free email and access to a number of databases. Both local residents and visitors to Port Lincoln very heavily use the computers.

The most obvious change to the library has been the new carpet through out. The library was closed for two weeks while this was completed and a book sale of old and deleted books were held during this time. The layout has also been changed and with the addition of new shelving this has enabled the creation of two lounge areas and a separate study area that takes advantage of the natural light. New lounges, chairs and bright coloured rugs have been purchased with money from the book sale and this has given the library a more welcoming appearance. The local history area has been expanded with all the copies of the old Port Lincoln Times from 1927 now stored in a separate room with some historical paintings now displayed in this area. The public has certainly indicated that they like these changes and feel it makes the library more user friendly.

The Library has 9,081 current borrowers with over 182,000 items being borrowed during the year. On average 351 people use the library every day that it is open. On the busiest day the library had over 800 people borrow 1,000 items in the one day.

Volunteers are a very valued part of the library. There are a number of volunteers who regularly borrow and deliver books to housebound residents, and other volunteers help on a weekly basis with a variety of tasks in the library. The dedication of the volunteers allows the library to provide additional services that would otherwise not be possible.

The library is open Monday to Friday from 9.00am to 5.00pm except Wednesday when it is open for two additional hours until 7.00pm and on Sunday residents can visit the library from 1.00pm to 4.30pm. Staff at the Port Lincoln Library looks forward to serving the community.

Community Services

COAST & CLEAN SEAS - Improving Water Quality through Sustainable Reuse

AUTHOR : JANET ROBERTSON

The Coast and Clean Seas reuse operation has been in operation since 2003 with the scheme's Ultraviolet Treatment plant (to produce Class 'A' reclaimed water) having treated over 70,000KL of treated water. This has been used for irrigation on the Ravensdale Sporting Complex (including the artificial hockey turf), the Port Lincoln Racecourse and in the building industry for dust suppression and compaction. The Port Lincoln Racecourse has signed a long term user agreement and a 10 year Supply Agreement for effluent for the irrigation scheme was signed between SA Water and the Port Lincoln City Council.

Funding from the Regional Development Infrastructure Fund for \$200,000 has been secured for the expansion of the reuse scheme (Stage 2). This will enable irrigation of most school ovals, Council ovals, parks and gardens. The tender for the design of Stage 2 has been selected with capital works to begin in the 2004/05 financial year. The total estimated cost of \$1.2M will be funded by the City Council (over a 2 year period). However, additional funding is being sourced from the Eyre Peninsula Catchment Water Management Board.

It is unlikely that funding for a half time position for the Coast and Clean Seas project officer through the Eyre Peninsula Natural Resource Management Group will be secured for an additional year.

ACTIVE COMMUNITIES PROJECT - Sport & Recreation Program

AUTHOR : MARK FISHER

The Active Communities Project has received funding through the Office for Recreation and Sport to continue in a regional role for the Eyre Peninsula. This funding is for a period of 3 years with seven councils of the Eyre Peninsula contributing funding. The City of Port Lincoln is also continuing the initial financial commitment to achieve local outcomes from the project.

Maintaining, improving and expanding strong partnerships with state sporting associations has resulted in a significant allocation of resources for projects and initiatives to Port Lincoln:-

- SACA- After School Have A Go Cricket Centre, Terms 1 & 4.
- Touch SA- Junior Development Workshop, Junior Competition.
- Hockey SA- Synthetic Pitch launch (visit by the Suns & Hotshots), Umpires Academy, Regional Carnival.
- SANFL- Umpires Academy.
- Basketball SA- School clinics with the Adelaide 36'ers.
- Office for Recreation and Sport- Grants (Netball, Ravensdale Community Sports Centre, Regional Field Officer, Active Club), Country Seminar, Risk Management Workshops.

The Ravensdale Complex continues to evolve with the Active Communities Field Officer continuing strong involvement in this exciting project.

Audited Financial Statements

See Appendix A.

Registers

Registers required to be kept under the *Local Government Act 1999* and available to the public are listed below:-

- Register of Interest – Members
- Register of Interest – Officers
- Register of Allowances and Benefits

The Code of Conduct or Practice as required under the *Local Government Act 1999* and is available to the public:-

- Policy C92 adopted on 16th July 2001 with the next review due on 1st July 2004 ‘Code of Practice for Access to Council Meetings, Council Committees and Council Documents’.
- Policy S30 adopted on 27th November 2000 with the next review due on 1st July 2004 ‘Code of Conduct – Council Members and Staff’.

Rating Policy

The current Rating Policy (R10) is due for review on the 1st July 2004. See Appendix B.

Policies of Council

The following is a list of all current policies adopted by the City of Port Lincoln:-

Advertising, Printing and Stationery

- A10 Banners – Community Promotion
- C40 Use of City Crest & Corporate Logo
- F05 Flying of Flags
- S20 Signage Tourism & Symbol

Awards

- A20 Awards Register
- C30 Citizen, Young Citizen & Community Event of the Year

Building and Development

- D15 Development Act Inspections
- D20 Development Fees - Concessions/Charitable Organisations

Caravan Parks

- C10 Kirton Point Caravan Park Relocation

Council Chambers

- C80 Hire of Council Chambers

Councillors and Council Meetings

- C85 Council Decisions Internal Review
- C90 Council Meeting Agendas – Availability to Media
- C92 Code of Practice
- C94 Confidential Documents
- C96 Officers Reports
- C98 Deputations – Hearing and Consideration
- C100 Petitions – Hearing and Consideration
- C120 Councillors Attendance of Seminars
Councillors Code of Conduct – Refer to S30, Staff Code of Conduct
- C122 Councillors Travelling Expenses
- C124 Single Casual Vacancy

Debts

- D01 Debt Collection Road and Rate Charges

Donations

- C70 Community Funding Assistance Program

Fire Protection

- B10 Burning within Council Boundaries

Footpaths

- F12 Construction/Council Contribution
- F14 Commercial Use for display etc
- F16 Laying Electrical Cable

Foreshore

- C73 Conditional Dry Zone
- F20 Guidelines for Use

Housing

- H10 Resident Funded Schemes – Kirton Court Aged Units

Insurance

- I05 Public Liability – Events & Functions

Internal Control Procedures

- I10 Accounts for Payment
- Bank Accounts
- Banking of Monies Received
- Debtors
- Depreciation
- Disbursements
- Employee Contributions
- Good & Services provided by Council
- Loan register
- Long Service Leave Reserve
- Loose Tools & Equipment
- Minor Plant
- Monies Received
- Officers Cash Advance

Petty Cash
Purchasing products
Receipt of Goods
Recovery of Overhead Charges
Salaries and Wages
Stores and Materials
Tenders

Libraries

L15 Guidelines for use of Library IT Suite & Internet Access
L20 Code of Conduct
L25 Visitors
L30 Unattended Children

Memorials

M05 Fishers Memorial

Occupational Health, Safety and Welfare

O10 Accident Investigation/Reporting
O12 Accident/Near Miss Reports Database
O14 AIDS
O16 Asbestos
O18 Consultation Procedure
O20 Consultative Committee – Constitution/Rules
O22 Contracting – OHS
O24 Design and Purchasing – OHS Guidelines
O26 Drug and Alcohol Policy and Procedures
O28 Electrical Cables and Equipment – Working On or Near
O30 Electrical Safety
O32 Emergency Procedure Manual
O34 Excavation
O36 Eye Protection
O38 Fire Wardens
O40 First Aid in the Workplace
O42 Hazardous Substances Audit
O44 Hazardous/Dangerous Substances Policy and Procedures
O48 Inclement Weather and Skin Cancer Prevention
O50 Injuries and Accidents which must be Reported
O52 Injury Management – Procedures
O54 Inspection/Hazard Control System
O56 Isolation Procedure – Lock Out and Tag System
O58 Jewellery – Wearing Of
O60 Manual Handling
O62 Needles/Sharps Injuries – Procedures
O64 No Smoking
O65 Occupational Health Safety and Welfare and Injury Management
O66 Policy Statement
O68 Road Works Signage – Audit Procedure
O70 Workstation Ergonomics – Adjustment Policy and Guidelines
O72 Dog Handling & Capture

Order Making

O80 Order Making Policy

Other

- F10 Food Van Licenses
- G05 Galah Culling

Ovals

Refer to R20 Reserves – Hire Charges and Guidelines

Planning

- P10 Planning Fees
- P15 Onsite Sewage Management Systems

Policies

- P20 Policy Amendments and Deletions

Private Works

- P30 Requests to Council

Public Consultation

- P40 Public Consultation

Purchasing

- C75 Contracts/Tendering/Purchasing
- N05 National Competition Policy

Rates

- R5 Concession Scheme
- R7 Fixed Charges Refund
- R10 Adoption of valuations
- Annual Adoption of the rating policy
- Application of the Policy
- Basis for raising rates
- Business Impact Statement
- Contact details for further information
- Council's revenue raising powers
- Differential General Rates
- Disclaimer
- Discounts for Early Payment
- Fixed Charge
- Introduction
- Late Payment
- Method used to value land
- Payment of rates
- Rate concessions
- Rebate of rates
- Remission and postponement of rates
- Sale of land for non-payment of rates
- Strategic approach
- Water catchment levy

Reserves

- R20 Hire Charges and Guidelines
- R22 Tennis Association Advertising Space
- R25 Playground Equipment

Sheds and Caravans

- S10 Living in Sheds and Caravans

Skatepark

Refer to R25 Reserves – Playground Equipment

Staff

- C25 Chauffer Cars - Conditions of Approval
- S30 Code of Conduct
- S32 Emails
- S34 Emergency Call Out
- S38 Equal Employment Opportunity
- S40 Equity
- S42 Leisure Centre Membership
- S44 Long Service Leave
- S46 Mobile Phone
- S48 Motor Vehicles – Private Use
- S50 Officers Travel
- S52 Recruitment & Selection
- S54 Removal Expenses
- S56 Retirement Gifts
- S58 Salary Sacrifice – Remote Area Rental
- S60 Telephone Costs
- S62 Training and Development
- S64 Vacancies – Reporting to Council

Stormwater Drains

- S70 Maintenance

Thefts or Vandalism

- T10 Thefts or Vandalism

Trees

- T20 Tree Management
- T30 Making Port Lincoln Green – Tree Supply

Walking Trails

- W05 Investigator Trail

Waste

- G10 Garbage Collection – Number of Bins
- G14 Garbage Collection – Concessional Fees
- W15 Waste Minimisation

Members Allowances

The Elected Members and the Mayor of the City of Port Lincoln are paid an allowance determined by Council resolution under Section 76 of the *Local Government Act 1999*.

The allowances paid to Elected Members and the Mayor to perform their functions and duties are reviewed annually.

The allowance paid quarterly in advance to an elected member for the period ending 30th June 2004 was \$1,500.

The allowance paid to the Deputy Mayor in addition to the Members Allowance for the period ending 30th June 2004 was \$2,000 paid quarterly in advance.

The allowance paid to the Mayor for the period ending 30th June 2004 was \$4,750 quarterly in advance.

Council Senior Executive Officers

The Senior Executive Officers of Council consist of the Chief Executive Officer, the Director of Corporate and Community Services and the Director of Operations. The Chief Executive Officer and Director of Corporate and Community Services both have five year employment contracts, the Director of Operations has a three year contract. The employment packages of these officers include salary, legislated superannuation benefits and both the Chief Executive Officer and Director of Operations are also provided with use of a designated Council vehicle. Details are recorded within Council's Register of Salaries.

Council's Representational Quota

Elector Representation Review

It was Gazetted on the 13th June 2002 that the City of Port Lincoln, in accordance with the requirements of Section 12(4) of the Local Government Act 1999 has reviewed its composition and elector representation arrangements.

Pursuant to Section 12(13)(a) of the said Act, the Electoral Commissioner has certified that the review undertaken by Council satisfies the requirements of Section 12 and may therefore now be put into effect as from the day of the first general election held after the expiration of five months from the publication of this notice.

The representation arrangements are as follows:-

- One Mayor
- 10 Councillors (at large representation)

No wards apply to the Council area.

The average representational quota for Councils of a similar size to Port Lincoln are as follows:

	No. of Electors	Total Members	Representation Quota
Port Lincoln	10177	11	925
Port Augusta	9603	10	960
Port Pirie	12354	13	950
Copper Coast	11631	11	1057
Murray Bridge	13354	10	1335
Whyalla	14628	11	1329

Strategic Plan “Towards 2005 and beyond”

Council adopted a new strategic management plan in July 2002. In planning for the future of the City of Port Lincoln Council has identified strategies and action plans that will direct Council’s operations. The plan includes annual financial budgets for the five year period and creates a renewed emphasis on the provision and maintenance of infrastructure.

This is the first fully costed strategic plan that has been created by the City Council. The second year of the five year strategic plan was incorporated into the Financial Management Plan for 2003/2004.

Some major achievements from the second year of the five year Strategic Plan were

- | | |
|--|-----------|
| • Redevelopment of the foreshore Stage 2 | \$626,000 |
| • Sport and recreation | \$560,000 |
| • Footpath and road construction program | \$769,500 |
| • Resource Recovery Centre – New Cell Construction | \$100,000 |
| • Parks & Gardens developments | \$95,300 |

Council has budgeted to spend in excess of twenty two million dollars over the five year period of the Strategic Plan on identified capital works.

Financial Management Plan 2003/2004

OBJECTIVES OF THE 2004/2005 FINANCIAL YEAR BUDGET FOR THE CITY OF PORT LINCOLN.

- To adopt a balanced Budget
- To implement a significant Capital Works program
- To maintain restraint on recurrent expenditure.
- To fund all expenditure from operational revenue without loan borrowings.
- To implement year three of Council’s five year Strategic Plan.
- To meet Council’s Policy of fully funding Staff leave liabilities.
- To maintain a cap on Rate increases of 5% on previous year.

ACTIVITIES ASSOCIATED WITH IMPLEMENTING COUNCIL OBJECTIVES

Allocation to Reserves

Long Service Leave Reserve

- The Long Service Leave fund balance as at 30th June 2003 is deemed sufficient to meet future leave liabilities inclusive of accrued annual leave for all current staff.

Axel Stenross Boat Ramp Reserve

- Balance of reserve of \$800,000 will be expended this financial year.

Work in Progress 2003/2004

- It is estimated that work in progress as at the 30th June 2004 to be carried forward into the 2004/2005 financial year and be funded from cash reserves will include the following significant items
- Resource Recovery Centre \$100,000
- Administration and IT purchases \$160,000
- Ravendale Community Sports Centre \$400,000
- Footpath Construction \$80,000

RECURRENT EXPENDITURE

The 2004/2005 Budget endeavours to maintain or reduce the level of recurrent expenditure associated with the entire operations of Council. There is a necessity to hold or reduce recurrent expenditure levels to allow sufficient Capital expenditure without incurring borrowings.

Council recognises that maintaining services at sustainable levels is preferable to incurring debt through unsustainable growth in service provision.

Council is creating a position of fiscal strength to meet the increasing financial demands of expanding services and infrastructure requirements of a vibrant local economy. By maintaining tight control over recurrent costs a balance can be maintained between nominal rate increases and the demands for capital expenditure.

SUMMARY

Summary of recurrent expenditure and revenues inclusive of grant funds and rate revenue received, plant hire and labour overheads.

	Revenue	Expenditure
Rates	\$5,877,000	
Other	\$4,461,409	
Expenditure		\$7,624,270
Less Depreciation		\$1,906,445
Total	\$10,338,409	\$5,717,825

Capital Works Program

In line with identified Strategic Plan priorities, Council is continuing its emphasis on a Capital Works program for the ongoing improvement to the City's infrastructure without undertaking loan borrowings.

All Capital Works to be undertaken this financial year are funded from operational revenue, inclusive of rate revenue and grant funds.

Information Technology

Administration & Library Computer System	\$87,000
Miscellaneous	\$23,000
Total	\$110,000

Library

Local Purchases	\$15,000
Carpet Replacement	\$30,000
Laminator	\$2,000
Total	\$47,000

Parks and Gardens

Flinders Park Playground	\$13,515
Train Playground	\$8,649
North Shields Cemetery	\$10,300
Coles Car park Toilet Upgrade	\$20,200
Total	\$52,664

Plant Replacements

Cat IT Broom Attachment	\$12,000
Liverpool Street Drainage Pump	\$6,600
Minor Plant	\$7,500
Total	\$26,100

Road Construction

Sarah/Walter	\$105,000
Altair Crescent	\$40,000
Martindale Crescent	\$55,000
St Andrews Terrace	\$50,000
Total	\$250,000

Footpath Construction

Sellen St – Tennant St to Cronin Ave	\$9,500
Duncan Ave – Tobruk Tce to New West Rd	\$16,000
Queen St – Stevenson St to Knott St	\$23,000
Kent Place – Knott St to Hindmarsh St	\$48,000
Marine Ave – Tobruk Tce to Baillie Dr	\$24,500
Shaen St – Lincoln Hwy to Hall St	\$33,000
Kurla St – Lincoln Hwy to Yardea St	\$24,000
Matthew Plc – Matthew Plc(end path) to Ansley	\$15,500
Telford Ave – Oxford Tce (High School)	\$6,500
Stamford Terrace	\$26,000
St Andrews Drive	\$8,000
Coronation Place	\$32,000
St Andrews Terrace	\$14,000
Total	\$280,000

Ravendale Development

Sports Club Contribution	\$400,000
Ravendale Arena	\$450,000
Ravendale Netball Courts	\$950,000
Total	\$1,800,000

Other Major Capital Items

Sanitation & Garbage Cell Construction	\$200,000
Resource Recovery Centre Gas Flare	\$250,000
Coast & Clean Seas Stage 2A	\$700,000
Tasman Terrace Redevelopment Stage 3	\$300,000
Car Park',- Whirley's & Snapper Rock	\$20,000
Road Reseals (as per program)	\$250,000
Washington Street PLEC	\$275,000
Axel Stenross Boatramp	\$1,600,000
Wellington Square Parking & Road sealing	\$22,500
Black Spot Verran Tce/LeBrun	\$35,000
Depot storage shed & concrete barriers	\$17,500
Skate Park	\$45,000
Total Capital Works 2003/2004	\$6,280,764

Loan Borrowings

As at 30th June 2004 there is no loan liability to the City of Port Lincoln.

Financial

Council Staff are required to employ methods of analysing costs and revenues associated with all operations of Council. The Financial system utilised by Council Staff documents adopted budgets and actual operational costs as they occur and are presented to Council in a monthly and quarterly reporting format. All project costs are available to relevant staff as required.

As required under the Local Government Act 1999 Accounting Regulations, comparison reports between actual and budget performance of all Council operations are presented to Council for the quarters ending September, December and March of each financial year. Adjustments to the budget projections are made within the quarterly reports to give an accurate estimation of the financial status of Council as at the forthcoming June 30th.

Council contracts the services of a qualified Auditing Company to oversee the procedures employed by Council Staff and the financial presentation of data to Council and the Public. Public perception and opinion are sought on major projects undertaken by Council.

Elected Member representation and Public Consultation Policy are utilised and considered in the decision making process of utilising Council finances.

Summary

The budget process utilised by Council endeavours to present accurate financial reports and forecasts of the financial status of Council throughout the year that are made available to all Elected Members, Staff, Ratepayers and interested parties.

Council welcomes enquiries from all interested parties on any items pertaining to the Budget process and Budget contents. Enquiries can be directed to Elected Members or to Council's Senior Staff.

Competitive Tendering and Cost Effective Services

Council continues to strive to give value for money in service delivery to the ratepayers of the City of Port Lincoln through the adoption and utilization of Purchasing and Procurement Policies.

In compliance with Section 49 of the *Local Government Act 1999*, Council has adopted policies encompassing the following.

- The contracting out of services
- Competitive tendering and the use of other measures to ensure that services are delivered cost-effectively
- The use of local goods and services
- The disposal of land or other assets surplus to maintaining efficient operations.

Examples of competitive tendering undertaken have been the tendering and contracting out of the following services.

- Recycling kerbside collection
- City bus service
- Audit services
- Road construction, surfacing and resurfacing
- Footpath and foreshore maintenance
- Public Toilet maintenance
- Electrical
- Plumbing
- Building Maintenance
- Tree trimming and removal
- Environmental monitoring of waste disposal system
- Paving
- Street Sweeping
- Material Carting

Further to the purchase of goods and services at the most cost effective price, Council also utilises local suppliers when price competitive as outlined in Section 13 of the City of Port Lincoln policy number C75 Contracts, Tendering and Purchasing.

BUY LOCAL POLICY & PREFERENCE TO RATEPAYERS

All purchases are to be made from the supplier offering the lowest price for an acceptable quality, having regard to all purchasing policies adopted by Council. Where price and quality offered by two or more suppliers are equal, preference is to be given to any supplier within the region.

Decision Making Structure of Council

Under the system of Local Government established by the *Local Government Act 1999*, Council is established to provide for the government and management of its area at the local level and in particular:-

- Act as a representative, informed and responsible decision-maker in the interests of its community

To enact the various roles and functions required of it, Council has adopted various objectives. Some of which are detailed as follows:-

- Provide open, responsive and accountable government;
- To be responsive to the needs, interests and aspirations of individuals and groups within its community;
- Seek to facilitate sustainable development and the protection of the environment and to ensure a proper balance within its community between economic, social, environmental and cultural considerations;
- To manage its operations and affairs in a manner that emphasises the importance of service to the community;
- To seek to provide services, facilities and programs that are adequate and appropriate and seek to ensure equitable access to its services, facilities and programs are available to all members of the community.

To reach these objectives, Council endeavours to hold all formal meetings in an open forum, with meeting agendas available to the public and advertised at least three clear days prior to the meetings being held.

All decisions taken by sub committees and working groups are required to be ratified by full Council following the circulation of minutes of all open meetings to the Public.

Council will hold all meetings in public except in special circumstances where the public may be excluded from attendance at so much of a meeting as is necessary to receive, discuss or consider in confidence any information or matter listed in subsection (3) of Section 90 of the *Local Government Act 1999*.

The number and type of meetings held by the elected members and the meetings where the public was excluded from part or all of that meeting are as follows.

COUNCIL

- 12 Ordinary Meetings and 3 Special Council Meetings, (7 from which the public were excluded)

GENERAL PURPOSES

- 11 Meetings, (3 from which the public were excluded)

Equal Employment Opportunity and Human Resource Management

Council utilises its adopted policies of Equal Employment Opportunity and Staff Training in all instances of new staff appointments, promotions and training opportunities.

The Council of the City of Port Lincoln is wholly committed to the principles of Equal Employment Opportunity.

In all policies and practices of the Council, there shall be no discrimination relating to sex, marital status, parenthood, race, colour, national origin, physical or mental impairment, religious or political affiliation.

Selection of individuals for employment, promotion or advancement training and staff development will be on the basis of personal merit in fair and open competition according to the skills, qualifications, knowledge and efficiency relevant to the position involved.

Council will utilise and develop the full potential of the Council's human resources and promote employee morale and motivation by establishing staff confidence in personnel practices and employment opportunities.

This policy on Equal Employment Opportunity reflects the Council's desire to enjoy a workplace free of discrimination where each person has the opportunity to progress to the extent of their ability.

Council endorses the following aims and principles when applying its training policy.

Aim Of Training And Development

Training and development aims at developing highly skilled, knowledgeable and committed employees and elected members which will result in benefits to the Council, its community and the individuals themselves.

This Policy is a statement of Council's intent regarding the attainment of this goal and aims to establish a working environment in which training is actively promoted, employees encouraged and opportunities for recognition and development provided.

To provide skills and knowledge to entry level employees.

Principles

Training is an investment in the skill development of employees and elected members, which should be directed at achieving the corporate objectives of the Council.

Training should be relevant to the services provided by the Council, meaningful to the participants and directed at improving performance on the job.

All employees and elected members should have access to appropriate training and development opportunities required to perform present and future jobs more competently and to ensure career development opportunities.

Council should be flexible in determining training programs and policies and will consult with employees and elected members on their individual training requirements.

Evaluation of training programs and activities will ensure the best use of resources and consistency standards.

Training must recognise and comply with legislative requirements, in particular, the Training Guarantee, Occupational Health, Safety, Welfare and Equal Employment Opportunity legislation.

Employee and elected members current and future training and development needs will be identified through an organisational and skills/training needs analysis and the development of individual training and development programs derived through a process of employee/manager consultation.

Training and development should form a key part of a strategic human resources plan which responds to present and future organisational needs.

Whereas, the responsibility for training and development rests with managers and individual employees, the Human Resources Department will fill a strategic role and will be the link for implementing, monitoring and evaluating training and development.

Council will allocate a proportion of its salaries and wages budget to training and development. Activities that are structured, evaluated, meet organisational, departmental or individual requirements and contribute to productivity will be funded from this allocation.

Management Plans for Community Land

Council recognises the requirement and need for management plans of its Community and Operational land. To date no management plans for Community land have been formulated for the approval of the Minister. It is envisaged that Management Plans for Community Land will be developed and presented to the community prior to the 2005/2006 Financial Year.

Rate Rebate Applications for Retirement Villages

Section 23(4) of the *Local Government (Implementation) Act 1999* sets out a requirement to provide specific information in relation to the receipt and treatment of rate rebate applications received from retirement villages.

For the financial year ending 30th June 2004, no applications were received under Section 166(1)(h) of the *Local Government Act 1999* for a rebate of rates levied.

Nil rate rebates were granted for the 2003/2004 financial period.

National Competition Policy

Under the requirements of the National Competition Policy and the requirement to report on its application to Council Business, it is reported that for the 2003/2004 financial year there were no significant business activities created, undertaken or ceased.

There were no complaints received by Council in its application of competitive neutrality in its business dealings.

By-Laws

During the 2002/2003 financial year, the City Council passed five by-laws which were Gazetted on the 1st May 2003.

- By-Law No.1 - Permits and Penalties
- By-Law No.2 - Moveable Signs
- By-Law No.3 - Roads
- By-Law No.4 - Local Government Land
- By-Law No.5 - Dogs

Freedom of Information Statement

Under Section 9 (1a) of the *Freedom of Information Act 1991 Publication of information concerning agencies* Council is required to publish in its Annual report an Information Statement pertaining to arrangements and functions Council has in place for the public to access information and documents to enable them to participate in Council's decision making processes and policy formation.

1. Structure and Functions of the Council

1.1 Council

The Council consisting of ten Councillors and the Mayor, is the decision making body on all policy matters. Ordinary meetings of the Council are held on the third Monday of every month at 7.30 p.m. (except public holidays when meetings are held on the following Tuesday)

All meetings are open to the public. A community question time is held at the beginning of each meeting when members of the public have the opportunity to ask a question to Members or Officers of the Council.

1.2 Standing Committees

Council has appointed the following Standing Committees to streamline Council business. The names of the Committees, meeting days and times are listed in the following schedule:

General Purposes Committee (second Monday) at 7.30pm
Development Assessment Panel (first Monday) at 7.30pm

These Committees make recommendations to Council, however the Development Assessment Panel has authority of decision-making and decisions are reported to the next available Council meeting.

All meetings are open to the public.

1.3 Agendas and Minutes

Agendas of all Council and Standing Committees are placed on public display no less than three days prior to those meetings. Minutes are placed on display within five days of the meeting being held.

1.4 Boards and Advisory Committees and Project Management Teams

Council has established a number of Boards and Advisory bodies, which comprise Elected Members, Staff, Government Officers and members of the public. These organisations act in a range of statutory, delegated and advisory roles and all report to Council on a regular basis. The current organisations are:

- Occupational Health and Safety Committee
- Marina Maintenance Advisory Committee
- International Relations and Friendship Committee
- Skateboard Working Party
- Disability Access Advisory Committee
- Bushfire Prevention Plan Committee
- Sport and Recreation Committee
- Tacoma Discovery Centre Working Party
- Library Management Committee
- Kirton Point Caravan Park Committee
- Port Lincoln Tourism Committee

The minutes of these meetings are included in the Agenda for the meetings of Council.

All reports, which form the basis of recommendations to Council, are also available to the public.

1.5 Delegations

The Chief Executive Officer and other officers have the delegated authority from Council to make decisions on a number of specified administrative and policy matters. These delegations are listed in the Policy Manual and are reviewed annually by Council.

In keeping with the legislative requirement:

- To determine policies to be applied by the Council in exercising its discretionary powers;
- To determine the type, range and scope of projects to be undertaken by the Council; and
- To develop comprehensive management plans, budgets, financial controls and performance objectives and indicators for the operations of the Council, the Council makes decisions, which direct and/or determine its activities and functions. Such decisions include the approval of works and services to be undertaken, and the resources, which are to be made available to undertake such works and services.

Decisions are also made to determine whether or not approvals are to be granted for applications from residents for various forms of development.

2. **Services for the Community**

The Council makes decisions on policy issues relating to services that are provided for members of the public. These services currently include:

Strategic Planning
 Cycle Tracks
 Community Governance
 Street Tree Planting
 Statutory Planning
 Public Seating
 Development Assessment
 On Street Parking
 Community Asset Management
 Off Street Parking
 Dog and Cat Management
 City Bus Service
 Fire Protection
 Transport Subsidy Scheme for

Immunisation Program
The Aged/Disabled
Environmental Health
Septic Tank Inspection
Accommodation for the Aged
Accommodation for the Disabled
Youth Program Support
Cemeteries
Public Conveniences
Garbage Collection
Waste Disposal
Waste Minimisation Program
Kerbside Collection of Recyclables
Waste Recycling Program
Litter Bins
Street Sweeping
Public Lighting
Development Control
Foreshore Protection
Civic Hall/Arts Centre
Public Library
Local History Collection
Parks and Gardens
Ovals and Sports Fields
Playgrounds
Boat Ramps
Foreshore Swimming Enclosure
Beach Cleaning
Parnkalla Walking Trail
Lower Eyre Peninsula Walking Trail
Economic Development
Caravan Park
Tourism Development
Tourist Information
Bus Shelters
War Memorials
Monuments and Plaques
Roads and Footpaths
Drainage Works
Traffic Control Devices

3. Public Participation

3.1 Council Meetings

Members of the public have a number of opportunities to put forward their views on particular issues before Council. These are:

- (1) Deputations - With the permission of the Committee Chairman or the Mayor, a member of the public can address a Committee or the Council personally or on behalf of a group of residents.
- (2) Presentations to Council - With prior notification and arrangement with the Mayor, a member of the public can address the Council on any issue relevant to Council.
- (3) Petitions - Written petitions can be addressed to the Council on any issue within the Council's jurisdiction.
- (4) Written Requests - A member of the public can write to the Council on any Council policy, activity or service.
- (5) Elected Members - Members of the public can contact their Elected Members of Council to discuss any issue relevant to Council.
- (6) Community Question Time - Members of the public can ask a question directly to the Council at the beginning of each monthly Council Meeting.

3.2 Community Consultation

The City of Port Lincoln consults with local residents on particular issues that affect their neighbourhood. Below are some examples:

- (1) Meetings of Electors - All residents and electors are eligible to attend meetings to decide leasing arrangements for Council reserves by local community groups, or meetings called by the Council on any matter of community concern.
- (2) Residents are notified of some Development Applications requiring the approval of Council. The Development Act exempts a number of applications from public notification. When an application is publicly notified, residents have the opportunity both to write to Council expressing their view of the application and to subsequently personally address the Council before a decision is made.
- (3) Reserve Development - Local residents may be consulted on the types of facilities and equipment during the design of some reserves.
- (4) Residents are notified of proposed policy amendments to the Development Plan and development proposals of Council wide significance and are invited to comment on such proposals.

4. Access to Council Documents

4.1 Documents Available for Inspection

The following documents are available for public inspection at the Council Office, Level One, Civic Centre, free of charge. Members of the public may purchase copies of these documents at the cost of \$0.20 per page.

Document

- Council Agenda
- Council Minutes
- Standing Committee Agendas
- Standing Committee Minutes

- Council Management Manual

The Council Management Manual includes:

- Guidelines for Council Meeting Effectiveness
- Council Management Plan
- Delegation of Council Authority
- Council Policy Manual
- Council Staff Manual
- Council By Laws
- Council Vision Statement
- The Budget Report
- The Adopted Budget Estimates
- The Budget and Business Plan
- Annual Financial Statements
- City of Port Lincoln Development Plan
- City of Port Lincoln Strategic Plan
- Development Application Register
- Register of Elected Members Allowances and Benefits
- Register of Employee's Salaries, Wages and Benefits
- Assessment Book
- Register of Public Streets and Roads
- Register of Fees and Charges levied by Council
- Any Report adopted by the Council

4.2 Other Information Requests

Requests for other information not included in Clause 4.1 above will be considered in accordance with the Freedom of Information Act provisions.

Under this legislation, an application fee and a search fee must be forwarded with the completed request form unless the applicant is granted an exemption.

Should the applicant require copies of any documents inspected pursuant to a Freedom of Information request, the charge set out in Clause 4.1 will apply.

Freedom of Information Request Forms should be addressed to:

City of Port Lincoln
PO Box 1787
PORT LINCOLN SA 5606

Forms are available at the Council Offices.

Applications will be responded to as soon as possible within the statutory 45 days of Council receiving the properly completed Freedom of Information Request Form, together with the application and search fees.

5. Amendment to Council Records

A member of the public may gain access to Council documents to make amendments concerning their personal affairs by making a request under the Local Government Act. A member of the public may then request a correction to any information about themselves that is incomplete, incorrect, misleading or out of date. To gain access to these Council records, a member of the public must enquire in the first instance to the Chief Executive Officer. It may be necessary to complete a Freedom of Information Request Form as indicated above outlining the records that he/she wishes to inspect.

Appendix A

Corporation of the City of Port Lincoln
Financial Statements for year ended 30 June 2004



City of Port Lincoln Annual Financial Report

- Statement of Financial Performance
- Statement of Cash Flows
- Statement of Financial Position
- Statement of Changes in Equity
- Notes to and Forming Part of the Financial Report
- Chief Executive Officer's Statement and Adoption Statement

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30th JUNE 2004**

		Actual	Actual
	Note	2003/2004	2002/2003
		\$	\$
OPERATING REVENUE			
Rates			
Rates General		5,598,080	5,479,018
Rates Other		270,498	-
Statutory Charges		260,548	241,438
User Charges		535,857	481,438
Operating Grants and Subsidies		1,289,909	1,562,477
Investment Income		169,192	80,924
Reimbursements		315,087	317,613
Gain on Disposal of Non-Current Assets		223,703	294,957
Other		274,588	253,337
TOTAL OPERATING REVENUE		<u>8,937,462</u>	<u>8,711,202</u>
OPERATING EXPENSES			
Employee Costs		1,919,525	2,281,676
Contractual Services		1,832,604	1,340,763
Materials		900,729	989,626
Finance Charges		0	0
Depreciation	3	1,479,473	1,589,076
Loss on Disposal of Non-Current Assets		0	135,264
Other	5	1,170,725	709,937
TOTAL OPERATING EXPENSES		<u>7,303,056</u>	<u>7,046,342</u>
Operating Surplus/(Deficit) before Capital Revenues		<u>1,634,405</u>	<u>1,664,860</u>
Capital Grants & Subsidies			
Roads to Recovery		152,761	-
Infrastructure Grants		-	-
Operating Surplus/(Deficit) after Capital Revenues		<u>1,787,166</u>	<u>1,664,860</u>
Extraordinary Items			
NET SURPLUS/(DEFICIT) RESULTING FROM OPERATIONS		<u>1,787,166</u>	<u>1,664,860</u>

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30th JUNE 2004**

	Note	2003/2004 \$	Inflows (Outflows)	2002/2003 \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating Receipts		8,772,858		8,274,965
Interest Received		169,192		80,924
GST Collected		96,859		154,477
GST Remitted by ATO		423,534		377,411
Total Operating Receipts		9,462,443		8,887,777
Operating Payments		(6,105,879)		(5,125,820)
GST Paid		(520,393)		(568,151)
Total Operating Payments		(6,626,272)		(5,693,971)
NET CASH PROVIDED BY OPERATING ACTIVITIES		2,836,171		3,193,806
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Loans Received		-		104,801
Loans from Community Groups		-		-
Payments				
Principal on Loans		-		-
NET CASH USED IN FINANCING ACTIVITIES		\$ -		104,801
CASH FLOWS FROM OTHER ACTIVITIES				
Receipts				
Capital Grants, Subsidies/Contributions		152,761		\$ -
Sale of Equipment				761,001
Sale of Other		285,000		
Payments				
Purchase of Land		(84,800)		
Purchase of Buildings		(287,610)		(139,350)
Purchase of Infrastructure		(2,213,778)		(3,058,549)
Purchase of Equipment		(107,247)		(20,396)
Purchase of Furniture and Fittings		(91,912)		(78,790)
Purchase of Library Books		(11,584)		(11,492)
NET CASH USED IN OTHER ACTIVITIES		(2,359,170)		(2,547,576)
Transfer to Reserves				
Transfer from Reserves				
NET INCREASE(DECREASE) IN CASH HELD		477,001		751,031
CASH AT BEGINNING OF REPORTING PERIOD		2,235,288		1,484,257
CASH AT END OF REPORTING PERIOD		2,712,289		2,235,288

**STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30th JUNE 2004**

	Note	Actual 2003/2004 \$	Actual 2002/2003 \$
CURRENT ASSETS			
Cash	7, 10	2,712,289	2,235,287
Receivables	8	228,564	247,369
Other Current Assets	11	25,070	168,646
Inventories	9	58,970	124,880
TOTAL CURRENT ASSETS		3,024,893	2,776,182
CURRENT LIABILITIES			
Bank Overdraft	12	0	0
Creditors & Accruals	13	347,732	668,974
Provisions	13	306,322	174,892
Loans	14	0	0
Housing Liability	22	32,500	
Lease Liability	14	155,281	32,387
TOTAL CURRENT LIABILITIES		841,835	876,253
NET CURRENT ASSETS		2,183,058	1,899,929
NON-CURRENT ASSETS			
Land	15	12,950,003	12,926,500
Buildings	15	10,813,448	10,532,675
Infrastructure	16,17	41,893,900	40,602,796
Equipment	18	993,088	1,042,347
Furniture and Fittings	19	623,128	615,169
Library Books	19	300,601	340,020
TOTAL NON-CURRENT ASSETS		67,574,168	66,059,507
NON-CURRENT LIABILITIES			
Provisions	21	83,182	169,510
Loans	22	-	-
Deferred Housing Liability	22	656,247	390,825
Lease Liability	22	-	168,470
TOTAL NON-CURRENT LIABILITIES		739,429	728,805
NET ASSETS		69,017,797	67,230,631
EQUITY			
Accumulated Surplus		19,273,469	17,686,094
Reserves		49,744,328	49,544,537
TOTAL COMMUNITY WEALTH		69,017,797	67,230,631

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30th JUNE 2004**

	2003/2004	2002/2003
Note	\$	\$
ACCUMULATED SURPLUS		
Balance at beginning of period	17,686,094	16,850,841
Change in financial position resulting from operations	1,787,166	1,664,860
Transfers from Reserves (Opening)	1,661,839	832,232
Transfers to Reserves (Closing)	<u>(1,861,630)</u>	<u>(1,661,839)</u>
Balance at end of period	<u>19,273,469</u>	<u>17,686,094</u>
ASSET REVALUATION RESERVE		
Balance at beginning of period	47,882,698	47,957,698
Transfers to Reserve		
-Revaluation increment		(75,000)
Transfers from Reserve	<u> </u>	<u> </u>
Balance at end of period	<u>47,882,698</u>	<u>47,882,698</u>
COMMITTED FUNDS RESERVES		
Open Space Contributions		
Reserves at Beginning of Year	0	
Transfers to Reserve	151,190	
Transfers from Reserve	<u>\$ -</u>	
Balance at end of period	<u>151,190</u>	
Plant Replacement		
Reserves at Beginning of Year	567,434	
Transfers to Reserve	161,072	
Transfers from Reserve	<u>(72,600)</u>	
Balance at end of period	<u>655,907</u>	
Coast & Clean Seas Stage 2		
Reserves at Beginning of Year	0	
Transfers to Reserve	201,041	
Transfers from Reserve	<u>\$ -</u>	
Balance at end of period	<u>201,041</u>	
Axel Stenross Boat Ramp		
Reserves at Beginning of Year	0	
Transfers to Reserve	804,164	
Transfers from Reserve	<u>\$ -</u>	
Balance at end of period	<u>804,164</u>	

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30th JUNE 2004**

	2003/2004	2002/2003
Note	\$	\$
Other Reserves		
Reserves at Beginning of Year	1,094,338	
Transfers to Reserve	15,927	
Transfers from Reserve	<u>(1,060,936)</u>	
Balance at end of period	<u>49,329</u>	
Reserves at Beginning of Year		832,232
Transfers to Reserve		1,661,839
Transfers from Reserve		<u>(832,232)</u>
Balance at end of period	<u>1,861,630</u>	<u>1,661,839</u>
TOTAL EQUITY	<u>69,017,797</u>	<u>67,230,631</u>

City of Port Lincoln
Notes to the Financial Statements
For the year ended 30th June 2004

1. SIGNIFICANT ACCOUNTING POLICIES

1.1. Basis of Accounting

These Financial Statements are prepared according to Australian Accounting Standards.

Except for certain assets shown at a written down current cost valuation, the report uses the historical cost convention. The accounting policies adopted are consistent with those of the previous year.

1.2. The local government reporting entity

All material Funds through which the Council controls resources to carry on its functions are in the Financial Statements.

In the process of reporting on the Council as a single unit all transactions and balances between those material Funds (for example, loans and transfers between Funds) have been eliminated.

1.3. Acquisitions of Assets

The cost method of accounting is used for the initial recording of all assets. Cost is determined as the fair value of the assets given as consideration plus costs incurred in preparing them for use.

Fair value means the amount for which an asset could be exchanged between a knowledgeable buyer and seller in an arm's length transaction.

1.4. Revaluations of Non-current Assets

All non-current assets, with the exception of receivables, land held for resale and investments, were re-valued to their current cost less accumulated depreciation at the date of each general revaluation of property within the Council area. The last such revaluation was at 30 June 2002. Revaluation increments were added directly to the asset revaluation reserve.

Current cost with an asset, means the lowest cost at which the gross service potential of that asset could be obtained in the normal course of operations.

Revaluations do not result in the value of non-current assets exceeding the net amount expected to be recovered through the net cash inflows arising from their continued use and subsequent disposal ("recoverable amount").

Where the value of a non-current asset is greater than its recoverable amount, the asset is devalued. The revaluation decrement is recognised as an expense in the operating statement except where it reverses a previous increment. In this situation the revaluation decrement is taken from the asset revaluation reserve.

The expected net cash flows included in determining recoverable amounts of non-current assets are discounted to their present values using a market determined, risk adjusted discount rate.

*City of Port Lincoln
Notes to Financial Statements
For the year ended 30th June 2004*

1.5. Depreciation of Non-current Assets

All non-current assets having a limited useful life are depreciated over their lives in a manner that reflects the consumption of the service potential. Land is not a depreciable asset.

Depreciation is recognised on a straight-line basis, using rates that are reviewed each reporting period.

1.6. Non-current Assets constructed by the Council

The cost of non-current assets constructed by the council includes the cost of all materials used in construction, direct labour on the project and a proportion of variable and fixed overhead.

1.7. Maintenance and Repairs

Maintenance, repair costs and minor renewals are expensed when incurred.

1.8. Employee Entitlements

Employee entitlements are accrued on a pro rata basis for annual leave and long service leave up to the reporting date. Such accruals are assessed having regard to the estimated future cash outflows discounted by an appropriate interest rate and other factors including experience of employee departures and their periods of service.

No accrual for sick leave has been made because it is non-vesting. The best estimate of the sick leave expense for the reporting period is the actual amount paid for the year.

The superannuation expense for the reporting period is the amount of the statutory contribution the council makes to the employees superannuation plan. Details of these arrangements are outlined in Note 25.

1.9. Inventory

Inventories are valued at the lower of cost and net realisable value.

1.10. Investments

Investments are valued at cost. Interest revenues are recognised as they accrue.

1.11. Land held for resale

Land bought for development valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development and finance charges interest and other holding costs incurred after completion are recognised as expenses.

Revenue arising from the sale of property is recognised in the operating statement as at the time of signing a binding contract of sale

1.12. Leases

A distinction is made between finance leases where the Council effectively owns the leased non-current assets, and operating leases under which the lessor retains ownership.

Where a non-current asset is acquired by means of a finance lease the asset is recorded at its fair value. A liability is recorded for the same amount. Lease payments are allocated between the principal component and the interest expense. Operating lease payments are charged to the operating statement in the periods in which they are incurred.

*City of Port Lincoln
Notes to Financial Statements
For the year ended 30th June 2004*

1.13. Rates, grants, donations and other contributions

Rates, grants, donations and other contributions are recognised as revenues when Council obtains control over the assets comprising the contributions. Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates. Control over assets received by way of grant(s) is normally obtained upon their receipt or upon prior notification that a grant has been secured. The timing of control commencement depends upon the arrangement between the grantor and Council.

Un-received contributions over which Council has control are recognised as receivables.

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in Note 6. That note also discloses the amount of contributions recognised as revenues in a previous reporting period that were obtained for Council's operations in the current period.

1.14. Joint Venture

The Council's interest in a joint venture has been recognised in the Financial Statements by including its share of any assets, liabilities, revenues and expenses within the relevant items reported in the statement of financial position and operating statement.

1.15. Cash

For the purposes of the Statement of Cash Flows, cash includes all monetary deposits that are readily convertible to cash on hand and which are used, or are available for use, in the cash management function on a day to-day basis, net of outstanding bank overdraft.

1.16. Impacts of Adopting Australian Equivalents to IFRS

For reporting periods beginning on or after 1 January 2005, the entity must comply with Australian equivalents to International Financial Reporting Standards ("IFRS") as issued by the Australian Accounting Standards Board.

This financial report has been prepared in accordance with Australian Accounting Standards and Urgent Issues Group Consensus Views ("Australian GAAP"). The entity's management, along with its auditors, are assessing the significance of these changes and preparing for their implementation. There are no differences between Australian GAAP and Australian Equivalents to IFRS identified to date as potentially having a significant effect on the entity's financial performance and financial position.

City of Port Lincoln
Notes to Financial Statements
For the year ended 30th June 2004

1.17. Full Cost Attribution

Accounts have been prepared on a Full Cost Attribution basis as per the Local Government (Financial Management) Regulations 1999 Part 3 8 (2)

2. FUNCTIONS/ACTIVITIES OF THE COUNCIL

FUNCTIONS / ACTIVITIES	TOTAL GRANTS	TOTAL OTHER	REVENUE TOTAL	EXPENSES TOTAL	OPERATIONS SURPLUS (DEFICIT)
Administration					
2003	775,291	5,620,050	6,395,341	115,889	6,279,452
2004	703,274	6,103,376	6,806,650	235,515	6,571,135
Public Order & Safety					
2003	0	52,681	52,681	140,715	(88,034)
2004		67,711	67,711	138,313	(70,602)
Health					
2003	0	14,949	14,949	102,176	(87,227)
2004		2,950	2,950	92,776	(89,826)
Social Security & Welfare					
2003	106,210	44,831	151,041	212,910	(61,869)
2004	82,606	25,877	108,483	459,226	(350,743)
Housing & Community Amenities					
2003	1,500	584,268	585,768	1,693,616	(1,107,848)
2004		802,120	802,120	1,521,405	(719,285)
Protection of the Enviro					
2003	0	131,615	131,615	100,946	30,669
2004	30,298	13,287	43,585	150,473	(106,888)
Sport & Rec					
2003	47,094	287,377	334,471	1,152,585	(818,114)
2004	116,302	239,259	355,561	1,153,317	(797,756)
Mining & Culture					
2003	0	45,734	45,734	199,685	(153,951)
2004		28,430	28,430	186,701	(158,271)
Transport & Comm					
2003	270,665	257,904	528,569	1,478,743	(950,174)
2004	306,812	171,512	478,324	784,506	(306,182)
Economic Affairs					
2003	0	65,681	65,681	438,914	(373,233)
2004		68,769	68,769	221,389	(152,620)
Other Purposes NEC					
2003	0	405,352	405,352	1,060,736	(655,384)
2004		1,006,247	1,006,247	683,010	323,237
Governance					
2003			0	349,427	(349,427)
2004			0	399,353	(399,353)
Other Costs					
Depreciation 2004			0	1,479,473	(1,479,473)
Unallocated 2004			0	706,284	(706,284)
TOTALS					
2003	1,200,760	7,510,442	8,711,202	7,046,342	1,664,860
2004	1,239,292	8,529,538	9,768,830	6,025,984	1,557,089

Note:

Comparatives may be distorted due to the change in accounting policy incorporating Full Cost Attribution to the accounts.

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**City of Port Lincoln
Notes to Financial Statements
For the year ended 30th June 2004**

3. DEPRECIATION AND AMORTISATION EXPENSE

Amortisation of plant and equipment under finance leases was \$32,387

Depreciation and amortisation expenses for the year was charged in respect of:

	2003/2004	2002/2003
Plant & Machinery	156,506	145,368
Office Equipment, Furn & Fittings	57,729	53,521
Library	26,223	30,864
Infrastructure	922,674	850,040
Buildings	265,337	451,308
Library Books	<u>51,003</u>	<u>57,975</u>
	1,479,473	1,589,076

4. INTEREST EXPENSE

Interest paid/payable on debentures	0	0
Bank Interest - No GST	0	0
Bank Interest - Including GST	0	0

5. OTHER EXPENSES

Other expenses reported in the Statement of Financial Performance include:

Finance charges relating to finance leases	32,387	32,387
Rental expense relating to operating leases	0	0
EP Water Catchment Levy	223,703	0

6. CONDITIONS ON GRANTS

Grants which were recognised as revenues in a previous reporting period and were expended during the current reporting period in the manner specified by the grantor were the Coast & Clean Seas Project.

7. CURRENT ASSETS-CASH

	2003/04	2002/03
Cash at bank and on hand	518,939	257,244
Investments (Note 10)	<u>2,193,350</u>	<u>1,978,043</u>
	<u>2,712,289</u>	<u>2,235,287</u>

The above amounts are reconciled to cash at the end of the financial year as disclosed in the statement of cash flows as follows:

Balances as above	2,712,289	2,235,287
Less: Bank Overdraft (Note 12)	<u>2,712,289</u>	<u>2,235,287</u>
Balances per statement of cash flows	<u>2,712,289</u>	<u>2,235,287</u>

City of Port Lincoln
Notes to Financial Statements
For the year ended 30th June 2004

8. CURRENT ASSETS-RECEIVABLES

Rates Receivable	119,476	105,207
Less: Provision for doubtful debts	<u>(15,000)</u>	<u>(15,000)</u>
	104,476	90,207
Loans and advances	0	0
Other debtors	129,732	162,762
Less: Provision for doubtful debts	<u>(5,645)</u>	<u>(5,600)</u>
	124,087	157,162
	<u>228,563</u>	<u>247,369</u>

9. CURRENT ASSETS-INVENTORY

Stores and materials	38,970	104,880
Stores Loose Tools	<u>20,000</u>	<u>20,000</u>
	<u>58,970</u>	<u>124,880</u>

10. CURRENT ASSETS-INVESTMENTS

Long Service Leave	331,720	316,204
Community Pier Fund	17,478	16,661
Pre-paid Burial Scheme	3,185	3,036
Kirton Court Maintenance	11,044	10,527
Parkalla Trail	159	152
Local Works of Art	0	67
Carried F/W WIP	0	1,050,130
Home Assist	751	715
Plant Replacement	655,906	567,434
Library	10,503	4,878
Clean Seas Stage 2	201,041	0
Cultural Centre	1,289	1,230
Skate Park	0	2,321
Open Space Contributions	151,190	0
Youth Council JJJ	4,919	4,688
Axel Stenross Boat Ramp	<u>804,165</u>	<u>0</u>
TOTAL	2,193,350	1,978,043

11. CURRENT ASSETS-OTHER

Accrued Interest	0	0
Accrued Revenues	25,070	168,646

12. CURRENT LIABILITIES-BANK OVERDRAFT

Bank Overdraft	0	0
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13. CURRENT LIABILITIES-CREDITORS AND PROVISIONS

Sundry Creditors & Accruals	347,731	668,975
Provision for Annual Leave	213,802	148,552
Provision for Long Service Leave	92,519	26,340
Housing Liability	<u>32,500</u>	<u>0</u>
	686,552	843,867

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City of Port Lincoln
Notes to Financial Statements
For the year ended 30th June 2004

14. CURRENT LIABILITIES-LOANS

Bank Loans	0	0
Other Loan	0	0
Lease liabilities	<u>155,281</u>	<u>32,387</u>
	155,281	32,387

15. NON-CURRENT ASSETS-LAND AND BUILDINGS

Land and Buildings - at cost	31,620,463	31,050,850
Less: Accumulated Depreciation	<u>7,857,012</u>	<u>7,591,675</u>
	23,763,451	23,459,175

16. STORM WATER DRAINAGE

Storm water at cost	1,213,095	1,206,438
Less: Accumulated Depreciation	<u>177,000</u>	<u>161,323</u>
	1,036,095	1,045,115

17. OTHER INFRASTRUCTURE

Infrastructure at cost	54,168,156	51,873,538
Less: Accumulated Depreciation	<u>13,310,352</u>	<u>12,403,357</u>
	40,857,804	39,470,181

18. NON-CURRENT ASSETS-PLANT AND EQUIPMENT

Plant and equipment - at cost	1,672,393	1,565,147
Less: Accumulated Depreciation	<u>834,586</u>	<u>710,468</u>
	837,807	854,679
Plant and equipment under finance lease at cost	338,000	338,000
Less: Accumulated Depreciation	<u>182,719</u>	<u>150,332</u>
	155,281	187,668
	<u>993,088</u>	<u>1,042,347</u>

19. NON-CURRENT ASSETS-OFFICE EQUIPMENT AND FURNITURE AND FITTINGS

Office equipment and furniture and fittings	1,061,447	969,536
Less: Accumulated Depreciation	<u>438,321</u>	<u>354,367</u>
	623,125	615,169
Library books at	855,725	844,142
Less: Accumulated Depreciation	<u>555,124</u>	<u>504,122</u>
	300,601	340,020
	<u>923,726</u>	<u>955,189</u>

Valuations were determined by John Morgan Consulting as at June 30 2002.

**City of Port Lincoln
Notes to Financial Statements
For the year ended 30th June 2004**

20. LOCAL GOVERNMENT ASSET MOVEMENT SCHEDULE

	Land	Buildings	Infrastructure	Plant and Equipment	Furniture and Equipment	Other	Library Books	Total
Balance at Beginning of Year	12,926,500	10,532,675	40,515,296	1,042,347	615,169	87,500	340,020	66,059,507
Additions	84,800	546,110	2,213,778	107,247	91,912		11,584	3,055,431
Disposals	61,297							61,297
Revaluation Increments / Decrements								0
Depreciation Expense	0	265,337	922,674	156,506	83,953		51,003	1,479,473
Balance at the End of the Year	12,950,003	10,813,448	41,806,400	993,088	623,128	87,500	300,601	67,574,168

21. NON-CURRENT LIABILITIES-CREDITORS AND PROVISIONS

Provision for Annual Leave	0	49,517
Provision for Long Service Leave	83,182	119,993
	83,182	169,510

22. NON-CURRENT LIABILITIES LOANS

Bank Loans	0	0
Other Loan- Debentures LGFA	0	0
Lease liabilities	0	168,470
Deferred Housing	656,247	390,825
	656,247	559,295

23. RESERVES

Unexpended specific purpose grants	
Axel Stenross Boat Ramp	800,000
Clean Seas	200,000
	1,000,000

24. COMMITMENTS FOR EXPENDITURE**24.1. Capital Commitments**

Coast & Clean Seas Project will continue during 2004/2005 with a budgeted expenditure for the financial year of \$700,000

The Ravensdale Sporting Complex redevelopment will continue during 2004/2005 with a budgeted expenditure of \$1,800,000

The Axel Stenross Boat Ramp redevelopment will commence in 2004/2005 with a budgeted expenditure of \$1,600,000.

City of Port Lincoln
Notes to Financial Statements
For the year ended 30th June 2004

24.2. Financial Lease Commitments

At the reporting date, the council had the following obligations under finance leases (the sum of which is recognised as a liability after deduction of future finance charges included in the obligation):

Lease Plan Australia - Garbage Compactor

	2004	2003
Payable within one year	163,107	51,437
	<u>0</u>	<u>163,107</u>
	163,107	214,544
Less future finance charges	<u>7,827</u>	<u>26,875</u>
	155,280	187,669

25. SUPERANNUATION

The Council contributes for its employees to a defined benefit superannuation Plan established for all local governments in the state. The Council contributes to the Local Super Scheme amounts as determined by the Plan. Assets accumulate in the Plan to fund members' benefits as they accrue. If the assets of the Plan were insufficient to satisfy benefits payable to its beneficiaries, the Council would be required to meet its share of the deficiency. No liability of the Council has been recognised as at the reporting date in respect of superannuation benefits for its employees.

The amount of superannuation contributions paid by the Council during the reporting period 2003/2004 was \$163,382 (2002/2003 \$179,851)

26. RECONCILIATION OF INCREASE IN NET ASSETS RESULTING FROM OPERATIONS TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2004	2003
Increase in net assets resulting from operations	1,787,166	1,664,860
Items not involving operating cash:		
Depreciation	1,479,473	1,589,075
Loss (Gain) on Disposal	<u>(223,703)</u>	<u>(159,693)</u>
	3,042,936	3,094,242
Provision for doubtful debts		
Government Grants	(152,761)	
Investing activity		
<i>Change in operating assets and liabilities</i>		
(Increase)/Decrease Receivables	18,805	
(Increase)/Decrease Other Current Assets	208,983	(96,619)
Increase/(Decrease) Creditors	(326,894)	265,843
Increase/(Decrease) Provision for employee ent.	<u>45,102</u>	<u>(69,660)</u>
Net cash inflow from operating activities	2,836,171	3,193,806

**City of Port Lincoln
Notes to Financial Statements
For the year ended 30th June 2004**

27. REGIONAL SUBSIDIARIES

The City of Port Lincoln is a member of the Eyre Peninsula Local Government Association which has as its objectives the provision of a forum for common action and information on a variety of local government issues. All Councils situated on Eyre Peninsula are members of the EPLGA. The total subscription amount paid to EPLGA in 2003/2004 was \$16,662 (net of GST).

28. MARINA MAINTENANCE FUND

The City of Port Lincoln holds funds in trust for the future maintenance of the Port Lincoln Marina being \$477,448.

29. FINANCIAL INSTRUMENTS

Council's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates, and the effective weighted average interest rates on applicable financial assets and liabilities at the end of the reporting period is as follows:

		FIXED INTEREST RATE					
	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	More than 5 Years	Non Interest Bearing	Total
	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets:							
Cash & Deposits	4.25%	2,193					2,193
Investments							
Receivables	4.0%	228					228
Financial Liabilities:							
Overdraft and Borrowings							
Creditors and Accruals	4.0%	347					347
Lease Liabilities	5.0%	32					32

The Council's financial assets and liabilities are recorded at amounts reflective of their respective net fair values within the financial statements. The net fair value of other monetary financial assets and financial liabilities is based on market price, where a market exists, or by discounting expected future cash flows by the current interest rates for assets and liabilities with similar risk properties.

DEAN NEWBERY & PARTNERS

CHARTERED ACCOUNTANTS

214 MELBOURNE STREET
NORTH ADELAIDE SA 5006

P O BOX 755
NORTH ADELAIDE SA 5006

TELEPHONE : (08) 8267 4777
FACSIMILE : (08) 8239 0895
Email: admin@deannewbery.com.au

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CORPORATION OF THE CITY OF PORT LINCOLN

SCOPE OF THE AUDIT

We have audited the Financial Statements being the Chief Executive Officer's Statement, Statement of Financial Performance, Statement of Financial Position, Statement of Changes in Equity, Statement of Cashflows and Notes to and forming part of the Financial Statements of The Corporation of the City of Port Lincoln for the year ended 30 June 2004. The Council's officers are responsible for the preparation and presentation of the Financial Statements and all of the information they contain. We have conducted an independent audit of the Financial Statements to express an opinion on them to the Elected Members of Council.

Our audit has been conducted according to Australian Auditing Standards to provide reasonable assurance that the Financial Statements are free of material mis-statement. Our audit procedures included examination on a test basis of evidence supporting the amounts and other disclosures in the Financial Statements together with an evaluation of accounting policies and significant accounting estimates.

Our audit procedures have also included an evaluation of compliance by Council with the Local Government Act 1999, together with the Local Government (Financial Management) Regulations 1999.

These procedures have been undertaken to form an opinion whether the Financial Statements present fairly according to Australian Accounting Standards, mandatory professional statements (Urgent Issues Group Consensus Views) and statutory requirements a view of the Council consistent with our understanding of its financial position and operations for the year ended 30 June 2004.

The audit opinion expressed in this report has been formed on the above basis.

AUDIT OPINION

In our opinion, the Financial Statements of The Corporation of the City of Port Lincoln are properly drawn up:

- (a) to give a true and fair view of:-
 - (i) the Council's state of affairs as at 30 June 2004, and the change in equity resulting from operations and cash flows for the year ended on that date.
 - (ii) the other matters required by the Local Government Act 1999 to be dealt with in the Financial Statements.
- (b) according to the Local Government Act 1999 and the Local Government (Financial Management) Regulations 1999; and
- (c) according to Australian Accounting Standards and mandatory professional statements.



DONALD JAMES VENN – FCA

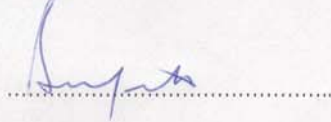
MANAGING PARTNER: DEAN NEWBERY & PARTNERS
CHARTERED ACCOUNTANTS

DATED at NORTH ADELAIDE this 3rd day of November 2004

City of Port Lincoln
Notes to Financial Statements
For the year ended 30th June 2004

CHIEF EXECUTIVE OFFICER'S STATEMENT

I, Ian L Burfitt, the person for the time being occupying the position of Chief Executive Officer of the Corporation of the City of Port Lincoln, do hereby state that the financial statements for the council for the 2003/2004 financial year are to the best of my knowledge presented fairly and in accordance with accounting procedures which have been maintained in accordance with the Local Government Act 1999 and the Local Government (Financial Management) Regulations 1999 made under that Act.



Ian Burfitt
CHIEF EXECUTIVE OFFICER

Dated : Tuesday, 2 November 2004

ADOPTION STATEMENT.

Laid before the Corporation of the City of Port Lincoln Council and adopted

on 15 November 2004



(Principal member of the council)

Appendix B

Corporation of the City of Port Lincoln
Rates Policy (R10)



P O L I C Y D O C U M E N T

Policy Name	Rates	
Policy No	R10	
Review Details	Date Adopted : 29 June 1998	
	Date Reviewed : 19 July 1999	COS 99/1403 ALTERATION
	17 July 2000	CO 00/0269 ALTERATION
	5 July 2001	COS 01/0004 ALTERATION
	24 June 2002	CO 02/0010 ALTERATION
	11 June 2003	CO 03/0164 ALTERATION
	16 August 2004	COS 04/0005 ALTERATION
	Next Review Date : 1 July 2005	

1. 2004/2005 RATING POLICY – CITY OF PORT LINCOLN

1.1. *Introduction*

This document sets out the policy of the City of Port Lincoln for setting and collecting rates from its community.

1.2. *Contact Details For Further Information*

City of Port Lincoln
 Address: Level 1, Civic Centre, 60 Tasman Terrace, Port Lincoln
 Postal Address: PO Box 1787, Port Lincoln SA 5606
 Phone 08 8682 3033 Fax 08 8682 6252 Email plcc@plcc.sa.gov.au

1.3. *Strategic Approach*

In setting its rates for the 2004/2005 financial years the Council has considered the following:

- Its goals and objectives contained in the strategic plan, "City of Port Lincoln – Towards 2005 and beyond". The strategic plan focuses on the following goals: -
 - To facilitate economic development opportunities to maximise ongoing economic growth;
 - To maintain and manage physical infrastructure in an efficient and effective manner;
 - To protect and improve our pristine natural environment;
 - To provide strategic planning and development guidelines that capitalise on economic opportunities whilst managing natural and built resources, environmental and social impacts;

- To provide accessible, appropriate and responsive community services;
 - To meet the sporting and recreational needs of the community; and
 - To serve and assist the development of the community with open and effective leadership.
- The current economic climate and relevant factors such as inflation and interest rates;
 - The budget for the 2004/2005 financial year, contains services that Council intends to carry out in accordance with the objectives of its Strategic Plan.

Strategic Budget Goals include:

- Allocate at least 30% of total budget to capital works
 - Ensure recurrent expenditure growth is within CPI increase
 - Proceed with capital works and service delivery without loan borrowing
 - Minimise rate increase
- Factors influencing the impact of rates on householders and businesses in the community:
 - The current economic climate in which the major factors are, moderate inflation and high expectations from other levels of Government and the community;
 - Reducing levels of Government funding and service provision;
 - The raising of levies against the value of rateable properties by the State Government to fund new and existing services.
 - The need to balance the communities capacity to pay with the needs and desires of the wider interests of our community;
 - Minimising the level of general rates required by levying fees and charges for goods and services that are undertaken on a user pays basis;
 - The need to apply rates in a consistent and comparable manner across the city area.
 - For the 2004/2005 financial year the Council has decided to increase rates so that there is sufficient income raised to meet the services that need to be provided to our community.

The Council regularly conducts public consultation on a broad range of issues relating to the future directions of the area. These opportunities are always advertised in the local paper. The Council also encourages feedback at anytime and such comments may be sent to:

Mr Ian Burfitt, Chief Executive Officer
City of Port Lincoln, PO Box 1787, Port Lincoln SA 5606

1.4. *Annual Adoption Of The Rating Policy*

Section 171 of the Local Government Act 1999 requires a Council to prepare and adopt each year, in conjunction with setting the rates, a rates policy. The policy must be available at the principal office of the Council and a summary version must be distributed with the rates notice.

1.5. *Method Used To Value Land*

The Council may adopt one of three valuation methodologies to value the properties in its area. They are:

- **Capital Value** – the value of the land and all of the improvements on the land.
- **Site Value** – the value of the land and any improvements which permanently affect the amenity of use of the land, such as drainage works, but excluding the value of buildings and other improvements.
- **Annual Value** – a valuation of the rental potential of the property.

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

- The 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.

1.6. *Adoption Of Valuations*

The Council has adopted the valuations made by the Valuer-General as provided to the Council for the 2004/2005 year. If a ratepayer is dissatisfied with the valuation made by the Valuer-General then the ratepayer may object to the Valuer-General in writing, within 60 days of receiving the notice of the valuation, explaining the basis for the objection, provided they have not: (a) previously received a notice of this valuation under the Local Government Act 1999, in which case the objection period is 60 days from the receipt of the first notice; or (b) previously had an objection to the valuation considered by the Valuer-General. The address of the Office of the Valuer-General is:

Address: Office of the Valuer-General, GPO Box 1354, Adelaide SA 5001

Phone: 1300 653 346 Email: objections@saugov.sa.gov.au

Please note that the Council has no role in this process. It is also important to note that the lodgement of an objection does not change the due date for the payment of rates.

1.7. Business Impact Statement

The Council has considered the impact of rates on all businesses in the Council area. In considering the impact, Council assessed the following matters:

- Those elements of the Council's strategic plan relating to business development.
- The equity of the distribution of the rate burden as the Council considers that all ratepayers receive broadly comparable services.
- Council's policy on facilitating local economic development:
 - To support the actions of the Eyre Regional Development Board to create economic development in the City;
 - To represent the interests of Port Lincoln strongly at the State and Federal Government level to favour economic development of the City;
 - To establish economic activity based on renewable energy and sustainable development principles;
 - Engage the broader community including business sectors in programs and projects to assist in the diversification of Port Lincoln's economic base;
 - Support local business and offer rate rebates for eligible new development.
- Specific Council projects for the coming year that will solely or principally benefit businesses include:
 - The provision of funding for the Economic Development Board. The Board assists small to medium enterprises with business advice and also assists start-up enterprises as well as promoting Port Lincoln as a location for major project development;
 - The continued cooperative working partnership with the Port Lincoln Chamber of Commerce and Tourism;
 - The support of and funding for the Foreshore Redevelopment and Central Business District projects.
 - The buy local campaign support.

1.8. Council's Revenue Raising Powers

All land within a Council area, except for land specifically exempt (e.g. crown land, Council occupied land and other land prescribed in the Local Government Act 1999 – refer Section 147 of the Act), is rateable.

The Local Government Act provides for a Council to raise revenue for the broad purposes of the Council through a general rate, which applies to all rateable properties, or through differential general rates, which apply to classes of properties. The Council also raises revenue through fees and charges.

1.9. Basis For Raising Rates

Council has declared the following rates.

- Pursuant to Section 151 of the Local Government Act, 1999, a General rate on all rateable land within its area based on two components
 - Value of the land subject to the rate; and
 - A fixed charge
- Pursuant to Section 154, a Separate Rate on all rateable land situated within the Port Lincoln Centre Retail Core (Area 1), Lincoln Place (Area 2) and Boston (Area 3) as delineated within the Port Lincoln Development Plan, for the purposes of making available additional off street parking spaces in the Port Lincoln City Centre Area, based on the value of the land subject to the rate. This rate applies to the Port Lincoln City Centre area only. Council has determined that a rate in the dollar of 0.04 cents will be applied to raise separate rate revenue of \$11,231.00 in 2004/2005 financial year.

1.10. Differential General Rates

At its meeting of July 1st 2004 Council declared its rates and decided to raise rate revenue of \$5,877,000 in a total revenue budget of \$10,338,409.

The Council has decided to apply differential rates based on the locality in which the rateable property is situated and described within the City of Port Lincoln Development Plan:

- A differential general rate of 0.7178 cents in the dollar on the valuation of land within the Lincoln Fringe – Area 18. The total rates to be raised from this rate is \$243,169; and
- A differential general rate of 0.7975 cents in the dollar on the valuation of all other areas in the City excluding the Lincoln Fringe – Area 18. The total amount to be raised from this rate is \$5,633,831.

1.11. Fixed Charge

The Council has decided to impose a fixed charge system, rather than a minimum rate, which tends to distort the equity principles of taxation. The fixed charge has been declared at \$260.00 and is levied uniformly on all non-contiguous assessments. The fixed charge is levied against the whole of an allotment (including land under a separate lease or licence) and only one fixed charge is levied against two or more pieces of adjoining land (whether intercepted by a road or not) if the same owner owns them and occupied by the same occupier. 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;

- The Council considers it appropriate that all rateable properties make a contribution to the cost of creating and maintaining the physical infrastructure that supports each property;
- 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;

1.12. Water Catchment Levy

The City area falls within the Eyre Peninsula Catchment Water Board and as such the City Council is required pursuant to the Water Resources Act to raise funds by way of 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 fixed charge per property for the 2004/05 financial year is \$31.50 Any queries regarding the Water Catchment Levy should be raised with the Eyre Peninsula Catchment Water Board – telephone 86825655.

1.13. Rate Concessions

The State Government, in providing equity across SA in this area, funds a range of concession 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.

1.13.1. State Seniors Card Ratepayer (Self Funded Retiree)

RevenueSA administers this concession. If you are a self-funded retiree and currently hold a State Seniors Cards you may be eligible for a concession toward Council Rates. In the case of couples, both must qualify, or if only one holds a State Senior's Card, the other must not be in paid employment for more than 20 hours per week. If you have not received a concession on your rates notice or would like further information please contact the RevenueSA Call Centre on 1300 366 150.

1.13.2. Pensioner Concession

An eligible pensioner must hold a Pension Card, State Concession Card or a Repatriation Health Card marked TPI Gold, EDA Gold or War Widow and may be entitled to a concession on Council rates (and water and effluent charges where applicable). Application forms, which include information on the concessions, are available from the Council, SA Water Corporation and its District Offices or the Department of Human Services. SA Water on behalf of the Department of Human Services administers this concession and further information can be obtained by telephoning SA Water. Contact SA Water by telephone 1300 650 950.

1.13.3. Other Concessions

The department of Family and Youth Services administer Council rate concessions available to a range of eligible persons receiving State and Commonwealth allowances. This includes, but is not limited to, ratepayers who are in receipt of: Austudy, Newstart, Parenting Payment, Partner Allowance, Sickness Allowance, Special Benefit, Widow Allowance, Youth Allowance, Abstudy, CDEP or a New Enterprise Initiative Scheme. It may also apply to ratepayers in receipt of a pension as a war widow under legislation of the United Kingdom or New Zealand and the holders of a State Concession Card issued by Family and Youth Services. All enquiries should be directed to your nearest branch office of Family and Youth Services.

1.14. Payment Of Rates

Payment of rates for the 2004/2005 financial year will be in quarterly payments due by 1 September 2004, 1 December 2004, 1 March 2005 and 1 June 2005. A quarterly rates notice will be sent to ratepayers 30 days prior to each due date. A ratepayer may also pay their rates in a single instalment due by the 1 September 2004.

To make bill paying more convenient for customers, The City of Port Lincoln provides the following services for the payment of your rates account.

- **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 cheque with the tear off remittance advice to City of Port Lincoln, PO Box 1787, Port Lincoln 5606.
- **Payment in person** at Council's Offices, Level 1 Civic Centre, 60 Tasman Terrace, Port Lincoln. Cheque or cash EFTPOS facilities are available.

1.15. Discount for Early Payment of Rates

Council is offering of a 2% discount for early payment of rates received in full on or before Monday the 9th August 2004. This discount is not applicable to the Water Catchment Board Levy.

1.16. Late Payment Of Rates

Section 181(8) of the Local Government Act provides that Councils impose a penalty fine of 2% on any late payment rates. A payment that continues to be outstanding is then charged an interest rate, set each year according to a formula in the Act, for each month it continues to be late. The purpose of this penalty is to act as a genuine deterrent to ratepayers who might otherwise fail to pay their rates on time, to allow Councils to recover the administrative cost of following up unpaid rates and to cover any interest cost the Council may meet because it has not received the rates on time.

Note: Council does not send out a "Notice of Unpaid Rates" for overdue amounts. Fines and interest levied will be shown on the next quarter's rate notice.

The Council is prepared to consider remission of penalties for late payment of rates where ratepayers can demonstrate hardship.

Rates, which continue to be overdue, are referred to a collection agency for collection. The debt collection agency charges collection fees that are recoverable from the ratepayer.

When the Council receives a payment in respect of overdue rates the Council applies the money received as follows:

- First – to satisfy any costs awarded in connection with court proceedings;
- Second – to satisfy any interest costs;
- Third – in payment of any fines imposed;
- Fourth – in payment of rates, in chronological order (starting with the oldest account first).

1.17. Remission and Postponement Of Rates

Section 182 of the Local Government Act permits the Council, on the application of a ratepayer, to partially or wholly remit rates or to postpone rates, on the basis of hardship. Where a ratepayer is suffering hardship in paying rates he/she is invited to contact the rates section on 86823033 to discuss the matter. Such enquiries are treated confidentially.

In accessing each 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.

1.18. Rebate Of Rates

The Local Government Act requires Councils to rebate the rates payable on some land. Specific provisions are made for land used for health services, community services, religious purposes, public cemeteries, and educational institutions. Council also provides some rebates of rates to eligible businesses 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. Also subdivision development including strata and community title developments can be eligible for up to 50% rate rebate. Information in relation to these incentives can be obtained by contacting the Council Office.

1.19. Sale of Land for Non-Payment of Rates

The Local Government Act provides that a Council may sell any property where the rates have been in arrears for three years or more. The Council is required to notify the owner of the land of its intention to sell the land, provide the owner with details of the outstanding amounts, and advise the owner of its intention to sell the land if payment of the outstanding amount is not received within one month.

1.20. Application Of The Policy

Where a ratepayer believes that the Council has failed to properly apply this policy, it should raise the matter with the Council. In the first instance, contact the rates section on 8682 3033 to discuss the matter. If a ratepayer is still dissatisfied they should write to Mr Ian Burfitt, Chief Executive Officer, City of Port Lincoln, PO Box 1787, Port Lincoln SA 5606.

1.21. Disclaimer

Pursuant to Section 171(5) of the Local Government Act 1999, a rate cannot be challenged on the basis of non-compliance with this policy and must be paid in accordance with the required payment provisions.

Date : 26/10/04Chief Executive Officer: 