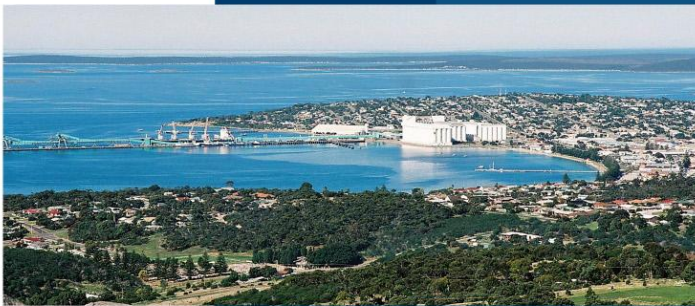
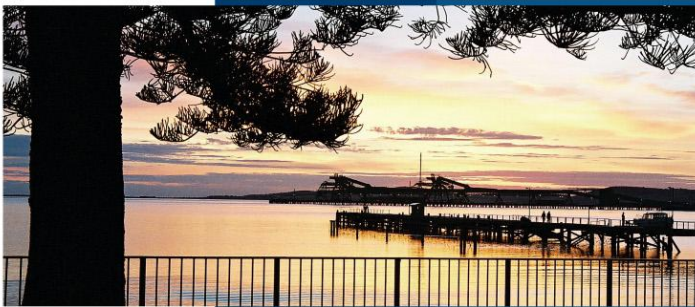




City of Port Lincoln



Annual Business Plan

2009 – 2010



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1. INTRODUCTION

The Annual Business Plan sets out the City of Port Lincoln's proposed services, programs and projects for 2009-2010. It aims to maintain efficient services for the community and continue progress towards the longer term objectives for the City of Port Lincoln as set out in the Strategic Plan 2007-2017. Specific objectives for the year are proposed consistent with Council's draft long term financial plan, to ensure the long term sustainability of the Council's financial performance and position.

2. OUR HISTORY

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

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

Port Lincoln has in recent times experienced a growth and building boom with some major new developments in the city.

Port Lincoln's population exceeds 14,000 and has over 8,200 rateable assessments covering 3,800 hectares with a site value of \$800 million.

The City of Port Lincoln was proclaimed a City on the 30th January 1971 and Council currently employs around 47 employees which includes the Library, Administration and outside work crews.

The production of lambs, wool and beef – coupled with 50% of South Australia's total production of wheat, oats and barley – and having the deepest natural harbour and largest commercial fishing fleet in Australia makes Port Lincoln perhaps the nation's biggest combined agricultural and fishing centre. Facilities for both of these primary industries have been provided and are being continually upgraded, as the industries expand.

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

Tuna, suitable for the sashimi market in Japan, is now largely exported. Today tuna are caught gently by purse seine nets, towed slowly back to Port Lincoln and housed in tuna farms. Fish processing is Port Lincoln's main secondary industry. There are various other smaller industries.

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

3. OUR FUTURE

Summary of Strategic Direction from the City of Port Lincoln Strategic Plan

To meet Council's core functions, service levels and community expectations Council has resolved to set annual budgets from the strategic plan that are responsible and achievable and are substantiated by long term asset and financial planning.

Over the ten years of the strategic plan council has budgeted to return an Operational Surplus each year, maintain a capital asset replacement and construction program of 35% of revenue and has foreshadowed that no borrowings will be required over the life of the plan.

To meet the communities expectations while recognizing the communities capacity to fund improved levels of service, Council will strive to meet its strategic performance targets by maintaining its current staff to population ratio, continuous review of program efficiency, core asset consolidation and improvement programs and maximizing supporting grants from the State and Federal Governments.

4. SIGNIFICANT INFLUENCES AND PRIORITIES

A number of significant factors have influenced the preparation of the City of Port Lincoln Annual Business Plan 2009 - 2010. These include:

- Cost increases – The increase in the Consumer Price Index (CPI) for Adelaide was 3.8% for the year ended 31 December 2008 however councils typically face higher cost increases due to the higher capital intensive nature of the goods and services purchased. The Local Government Price Index, which measures the increase in costs to Local Government, was 5.1% for the year ended 30 December 2008.
- Requirements to maintain and improve infrastructure assets to acceptable standards including roads, footpaths, lighting, storm water drainage, street scaping, and the city's open space areas.
- Service and infrastructure needs for a growing population
- Fees/charges imposed by other levels of government i.e. EPA

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

- The Annual Business Plan, in line with Councils Strategic Plan 2007-2017, will result in the total revenue raised through general rates increasing by no more than 4 % above the 2008 - 2009 rate revenue

- Total operating expenses to be held where possible, within levels of the previous financial years and adjusted by the estimated Local Government Price Index.

The City of Port Lincoln's priorities for 2009-2010 include:

- continuation of the proposed programs for road constructions and reseals, footpaths, and playgrounds within the city
- upgrade to Centenary Oval changerooms, public conveniences and canteen
- continued rollout of the water re-use scheme
- a commitment to improving the safety of our staff, contractors and volunteers
- CBD upgrades, including car parking and beautification.

5. CONTINUING SERVICES

Local Government have responsibilities under the Local Government Act 1999 and other legislation. These include:

- Regulatory activities, such as maintaining the voters roll and supporting the elected Council
- Setting rates, preparing an annual budget and determining longer-term strategic management plans for the area
- Management of basic infrastructure including roads, footpaths, parks, public open space, street lighting and storm water drainage
- Street cleaning and rubbish collection
- Development planning and control, including building safety assessment
- Various environmental health services and Dog & Cat Management

In response to the communities needs, the City of Port Lincoln also provides further services and programs including;

- Library services
- Cemetery
- Civic and Community Halls
- Immunization programs
- Recycling
- Tourist facilities

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

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

6. MEASURING PERFORMANCE & PROJECT PRIORITIES

Objectives for the Year 2009 - 2010

The major projects and capital works planned for the 2009 - 2010 financial year and the Annual Business Plan have been prepared to deliver the following Council objectives for the year as identified in the Strategic Plan 2007-2017.

See Councils Strategic Plan 2007-2017 for full details
www.portlincoln.sa.gov.au

Objectives for 2009 – 2010	Description	Estimated Cost \$'000	Measure
RECREATION & OPEN SPACE GOAL: Build a healthy community through the provision of both structured and non-structured recreation and sporting activities, quality facilities and open spaces	<u>Centenary Oval</u> Upgrade Centenary changerooms, canteen & toilets	250	improved facilities and safety at Community recreation and sporting venues
	<u>Tennis Courts</u> Undertake repairs to Tennyson Terrace tennis courts	100	
CITY IMAGE GOAL: Enhance the image and encourage community pride and investment in the City of Port Lincoln through providing a clean, green, pristine environment	<u>CBD Upgrade</u> Liverpool Street Hallet Place/Lincoln Hwy PLEC	195	improvements to streetscapes in CBD will enhance the image of the City
INFRASTRUCTURE & DEVELOPMENT GOAL: provide quality public infrastructure and amenities that are safe, functional, welcoming and appealing to the local community, visitors, tourists, industry and commerce	<u>Corporate Plans</u> Development and review of Council's Corporate Plans to develop a more integrated approach to managing Council's assets and service delivery	334	Plans reviewed and integrated
	<u>Storm water Drainage</u> Upgrades to Rodda Ave system; Mallee Park wetlands & Racecourse feasibility		Stormwater management plan implemented – city wide review undertaken

Objectives for 2009 – 2010	Description	Cost	Measure
TRANSPORT NETWORK GOAL: <i>raise the capacity and efficiency of the city's transport network</i>	<u>Footpath Program</u> Appendix A	400	Community satisfaction
	<u>Road Program</u> Appendix B	291	Progressive implementation of 10 year capital works programs as identified in the Strategic Plan 2007-2017
	<u>Road Reseals</u> Reseal Program	300	
THE ENVIRONMENT GOAL: <i>effective management and protection of the city's natural and built environs to ensure ecological sustainability</i>	<u>Water Re-use Scheme</u> further extension – Centenary Oval & Flinders Park	635	Reduction of water usage by the extension of the recycled waste water scheme
	<u>Resource Recovery Centre</u> Cell 4 clay lining	205	Improvement of facilities at RRC
COMMUNITY PROJECTS GOAL: <i>provide facilities, activities and services that support our community</i>	<u>Nautilus Theatre</u> Refurbish upstairs area	500	Improved comfort for patrons
	<u>North Shields Cemetery</u> Public Conveniences (deferred from 2008/09)	80	additional and improved public conveniences for the community and visitors

Achievements for the Year 2008 – 2009

Objectives for 2008 - 2009	Description & % Complete as at March 2009	Measure & Target by 30th June 2009
	50%	100%
RECREATION & OPEN SPACE	<u>Ravendale</u> Table Tennis Clubrooms Extension and Gymnastics Club Carpark	improved facilities for regional sport by extending Table Tennis facilities and upgrading Gymnastic Club carpark
	0%	100%
	<u>Playground Program</u> Highview Drive	continued implementation of the Playground program for improvement of overall standard and positive feedback from users
	20%	80%
	<u>Parnkalla Trail</u> Improvements to trail	Increased number of multi use trails <i>Comment: amendment to project scope due to outside influence</i>
	80%	100%
CITY IMAGE	<u>City Entrances</u> Lincoln Highway Aleppo Pine eradication	welcoming entrances improve 'first impressions', community pride in our city and 'tourist friendly'
	90%	100%
	<u>CBD Upgrade</u> Hallett Place - kerbing and paving	improvements to streetscapes in CBD will enhance the image of the City
	100%	100%
INFRASTRUCTURE AND DEVELOPMENT	<u>Asset Management Plans</u> The City of Port Lincoln's Asset Management Plans will be adopted during 2008-2009 for the management and development of Council's major assets and infrastructure.	Infrastructure and Council Assets rated satisfactory by community and LGMLS Strategic Plan reviewed inline with LTFP

	50%	50%
	<u>Long Term Financial Plan</u> The City of Port Lincoln's long term financial plan will be adopted during 2008-2009 for the sustainable management of council's finances.	LGA currently reviewing LTFP guidelines & support, expect to complete Oct/Nov 2009
	70%	100%
	<u>Storm water Drainage</u> Upgrades to Luke Street & Shaen Street	Stormwater management plan implemented – city wide review undertaken
	50%	90%
	<u>Footpath Program</u> Appendix A of 2008 – 2009 Annual Business Plan	Community satisfaction <i>Comment: some projects deferred until 2009/10 financial year due to budgetary constraints</i>
	80%	80%
	<u>Road Program</u> Constructions as identified in the Strategic Plan 2007-2017, including; Flinders Highway – between Happy Valley Road and Winter Hill	Progressive implementation of 10 year capital works programs as identified in the Strategic Plan 2007-2017 <i>Comment: Verran Terrace blackspot deferred – outside influence</i>
	90%	100%
	<u>Reseals</u> Reseal Program	Community satisfaction
	100%	100%
TRANSPORT NETWORK	<u>Bicycle Network</u> Flinders Highway	Improved safety for use of bicycle network by community
	0%	0%
THE ENVIRONMENT	<u>Water Re-use Scheme</u> extension of pipework to Centenary Oval	Water Resources - Reduction of water usage by the extension of the recycled waste water scheme to Centenary Oval <i>Comment: deferred to 2009/10 due to budgetary constraints</i>
	70%	100%
	<u>Resource Recovery Centre –</u> Infrastructure expansion (Recycling Shed)	Increased participation rates in waste minimisation by the

		introduction of kerbside recycling bins <i>Was completed prior to fire in January 2009, rebuild now complete</i>
	0%	0%
COMMUNITY PROJECTS	<u>Public Conveniences</u> North Shields Cemetery	additional and improved public conveniences for the community and visitors <i>Comment: deferred to 2009/10</i>

7. FUNDING THE BUSINESS PLAN

Consistent with the City of Port Lincoln's Strategic Plan 2007-2017, a small operating surplus, after Depreciation Add Backs, and Capital Expenditure and Revenue is being targeted in 2009 - 2010. The operating surplus measures the difference between operating revenue and expenses for the period. The City of Port Lincoln's long-term financial sustainability is dependent on ensuring that, on average over time, its expenses are less than its revenue.

Financial Indicator 2

Operating Surplus Ratio (Target 0% ≤ 15%)

2004-2005	14%
2005-2006	8%
2006-2007	8%
2007-2008	0%
Projected to June 2008	-1%
Budgeted 2009 – 2010	1%

The revenue in 2009 - 2010 includes a proposed \$7,320,144 to be raised from general rates.

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

User Pay charges set by Council - these comprise charges for the council's fee based facility - mainly Resource Recovery Centre

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

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

8. IMPACT ON COUNCIL'S FINANCIAL POSITION

It has been identified that the planned capital expenditure for 2009 - 2010 can be met from committed reserve funds and operational revenue, without undertaking any borrowings. Accordingly the level of Council's net financial liabilities ratio is expected to remain at -7% for the 2009 - 2010 financial year.

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

9. WHAT IT MEANS FOR RATES

The City of Port Lincoln has decided to continue to use **site value** as the basis for valuing land within the council area for the 2009 - 2010 financial year. The Council considers that this method of valuing land provides the fairest method of distributing the rate burden across all ratepayers on the following basis:

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

Within the budget a total general rate income is anticipated to amount to \$7,320,144. This is a 4% increase (\$281,544) on the total rate receipts from 2008-2009.

Council's rating structure is as follows:

Rates

Council will 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 0.4936 cents in the dollar on the site valuation of land within the Lincoln Fringe - Area 18.
- A differential general rate of 0.5484 cents in the dollar on the site valuation of all other land within the area of the City of Port Lincoln excluding the Lincoln Fringe - Area 18.

Fixed Charge

The Council has elected to impose a fixed charge system, rather than a minimum rate, which tends to distort the equity principles of taxation. The fixed charge shall be declared at \$300.00 and will be levied uniformly on all non-contiguous assessments. The fixed charge is levied against the whole of an allotment (including land under a separate lease or licence) and only one fixed charge is levied against two or more pieces of adjoining land (whether intercepted by a road or not) if the same owner occupies and owns them. The reasons for imposing a fixed charge are:

- The Council considers it appropriate that all rateable properties make a contribution to the cost of administering the Council's activities
- 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

Separate Rate – Parking Levy

Pursuant to Section 154, Council proposes to declare a separate rate varying according to the use of the land in respect of all rateable land in the Port Lincoln City Centre, for the purpose of maintaining off street parking spaces, at a rate of 0.0300 cents in the dollar. The areas to which the parking levy is applicable are as delineated in the Port Lincoln Development Plan, except land which has been attributed a land use of residential, as:

- Area 1 Port Lincoln Centre Retail Core
- Area 2 Lincoln Place
- Area 3 Boston

Kerbside Recycling Charge

A service charge pursuant to Section 155 of the Local Government Act 1999 will be declared for the Kerbside Recycling Service. The Recycling Annual Service Charge of \$35.00 is based on the nature of the service in respect of all land within the area of the City of Port Lincoln to which it provides the Recycling Service (i.e. excludes vacant land and marina berths). The service charge is a partial cost recovery of the expenses associated with the handling of recyclable materials.

Natural Resources Management Levy

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

The City Council is required to collect this revenue and pay the amount collected to the Board. It does not retain this revenue or determine how the revenue is spent, nor does it determine the amount of the levy to be collected. The amount of the levy per property is set by the total amount of funds Council are required to raise for the Eyre Peninsula Natural Resource Management Board (EPNRM). For the 2009-2010 financial year the levy is calculated at \$45.00.

Any queries regarding the NRM Levy should be raised with the Eyre Peninsula Natural Resource Management Board – telephone 8682 7555 or website www.epnrm.sa.gov.au

10. PAYMENT OF RATES

Payment of rates for the year ending 30th June 2010 are proposed to be in quarterly payments on the first Friday of each quarter being 4th September 2009, 4th December 2009, 5th March 2010 and 4th June 2010. A quarterly rates notice will be sent to ratepayers at least 30 days prior to each due date. A ratepayer may also pay their rates in a single instalment due by the 4th September 2009.

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

- BPAY service using the telephone or Internet. BPAY is available 24 hours a day, 7 days a week. Contact your Bank or financial institution for further details.
- Payment through the mail by posting a cheque with the 'tear off' remittance advice to the City of Port Lincoln
- Payment in person at Council's Offices, Level 1 Civic Centre, 60 Tasman Terrace, Port Lincoln. Cheque, cash and EFTPOS facilities are available
- Payment via Council Website - 'Council Services' Tab, select Property Search Requests and Online Transactions - www.portlincoln.sa.gov.au

Discount for Early Payment of Rates

Council are proposing to offer a 2% discount for payment of rates received in full on or before Friday the 21st August 2009. This discount is not applicable to the NRM Levy or the Recycling Service Charge.

Rate Concessions

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

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

To improve services for concession customers in 2009 - 2010 the Department for Families and Communities (DFC) have implemented a range of initiatives.

Ratepayers can obtain further information about Council Rate concessions by:

- Telephoning the DFC Concessions Hotline on 1800 307 758
- Emailing concessions@dfc.sa.gov.au
- Visiting the website: www.sa.gov.au/concessions where application forms may be downloaded

Remission and Postponement of Rates

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

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

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

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

Rebate of Rates

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

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

Impact on Ratepayers

The City of Port Lincoln has experienced significant growth in property values in recent years, from \$267 million in June 2002 to over \$978million at June 2009.

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

Council consider, and adopt as part of the budget process, the model which they believe is fair and equitable to the majority of residents, to apply differential rates based on the locality (fringe/other) in which the rateable property is situated and described within the City of Port Lincoln Development Plan:

The City of Port Lincoln does not raise rates on new developments throughout the financial year.

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

APPENDIX A
FOOTPATH PROGRAM

Day St(Dobbins St / Morgan St)	\$6,700.00
Flinders Hwy(Hilltop Drv / Normandy Pl)	\$20,100.00
Gloucester Tce(Flinders Hwy / Kemp Ave)	\$10,452.00
Gloucester Tce(Kemp Ave / 30m Sth Normandy Pl)	\$36,515.00
Gloucester Tce(30m Sth Normandy Pl / Normandy Pl)	\$2,412.00
Hilltop Drv(Ocean Ave / Flinders Hwy)	\$51,791.00
Kaye Drv(Flinders Hwy / Ocean Ave)	\$23,785.00
Kemp Ave(Gloucester Tce / Brockworth Rd)	\$17,219.00
Kemp Ave(Brockworth Rd / End Kemp Ave)	\$4,020.00
Mackarell St(Myers St / Kiama Ave)	\$14,740.00
Mason St(Marine Ave / Tobruk Tce)	\$9,983.00
McDonald Ave(Normandy Pl / Nth Bdy house no 23)	\$19,296.00
McDonald Ave(Nth Bdy house no 23 / Breton Pl)	\$16,549.00
Morgan St(Swan St / Tobruk Tce)	\$21,440.00
Normandy Pl(Flinders Hwy / Alexander Cres)	\$22,512.00
Shaen St(Lincoln Hwy / Flaxman St)	\$9,648.00
Shaen St(Flaxman St / Hall St)	\$29,748.00
Swaffer St(Mortlock Tce / Myers St)	\$21,708.00
Tennyson Tce(New West Rd / Flinders Hwy)	\$20,234.00
Yardea St(Yardea St / Miltalie Ave)	\$8,040.00
Yardea St(Kurla St / 26m sw Miltalie Ave)	\$18,090.00
Yardea St(26m sw Miltalie Ave / 10m w Sarah Cres)	\$15,276.00

APPENDIX B
ROAD CONSTRUCTION

STREET	From	To	Cost
Cronin	Mortlock	28 Cronin	\$ 103,510.00
Stevenson	Cardiff	London	\$ 48,910.00
Queen	Cook	Horrocks	\$ 25,062.00
Stevenson	Nth Bdy (Shops)	Queen	\$ 18,384.00
Baudin	Breton	Flaxman	\$ 95,222.00