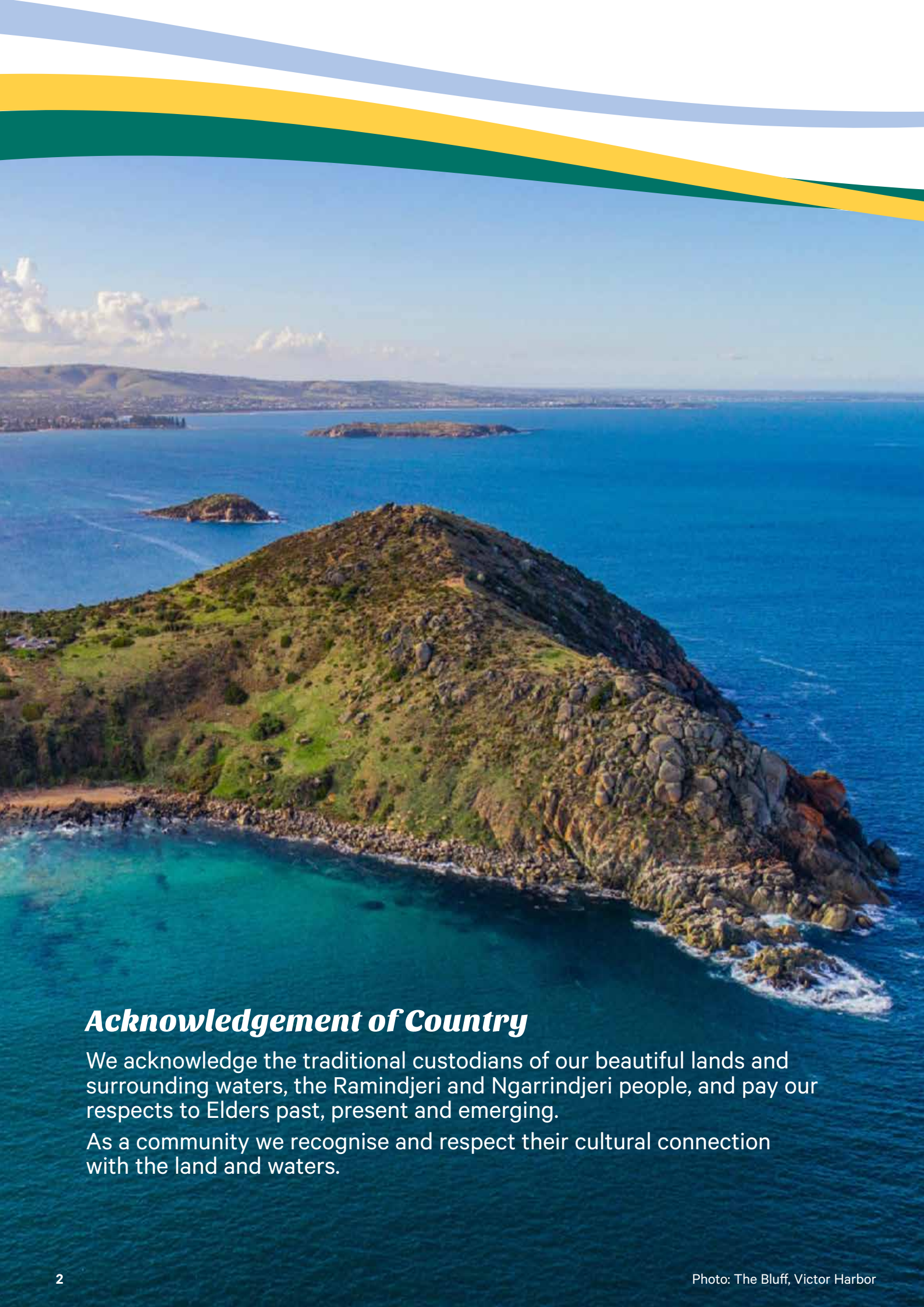




Annual Business Plan

2021/22



Acknowledgement of Country

We acknowledge the traditional custodians of our beautiful lands and surrounding waters, the Ramindjeri and Ngarrindjeri people, and pay our respects to Elders past, present and emerging.

As a community we recognise and respect their cultural connection with the land and waters.

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Cover Photo: Warland Reseve hosts Victor Harbor Fringe.



Annual Business Plan and Budget Adoption

The 2021/22 Annual Business Plan and Budget was adopted by the City of Victor Harbor on 2 August 2021.



Introduction

Under Section 123 of the Local Government Act 1999, Council is required to have a budget for each financial year. The budget must be considered as a part of Council's Annual Business Plan.

Before Council adopts its Annual Business Plan it must prepare a draft plan and undertake public consultation of the document. Public consultation on this plan was undertaken from Monday, 31 May 2021 until 5pm on Monday, 21 June 2021.

This Annual Business Plan shows how Council will allocate its budget and what services, programs and projects will be delivered in the coming year to achieve specific outcomes set by Council and the community.

The Annual Business Plan is a key component of Council's strategic planning framework (outlined in the diagram, right). It draws on various corporate plans including the Community Plan 2030, Asset Management Plans and Long Term Financial Plan.

The Annual Business Plan provides a summary of Council's long term aspirations for the City of Victor Harbor council area and the activities that will be undertaken in the coming year to help achieve them. It also sets out the budget, sources of revenue and rating policy, and shows how we intend to measure our performance.

This Annual Business Plan is divided into the following sections:

- Introduction (pages 5-7)
- About the City of Victor Harbor (pages 8-13)
- Delivering Council's Vision (pages 14-15)
- Financial Planning Process (pages 16-24)
- What We Will Do In 2021/22 (pages 25-40)
- Measuring Our Success (pages 41-43)
- 2021/22 Rating Policy (pages 44-49)

A budget summary table, Key Planned Activities and capital projects listing, and budgeted financial statements are also included as an attachment to this plan.

Diagram: Strategic Planning Framework



Budget at a Glance

The 2021/22 Annual Business Plan shows how Council will allocate its budget and what services, programs and projects will be delivered during the year to contribute to achieving the community's long term aspirations.

The key components of the 2021/22 Annual Business Plan are outlined in the table (right), and explained in more detail throughout this document.



Key Planned Activities	<ul style="list-style-type: none"> 15 key planned activities have been identified to contribute towards achieving the Council's long term aspirations
Capital Budget	<ul style="list-style-type: none"> Net expenditure of \$13,219,600
Operating Budget	<ul style="list-style-type: none"> Operating deficit of \$231,000
Rates	<ul style="list-style-type: none"> 2.5% increase on the differential rate and fixed charge (1.2% CPI* and 1.3% for maintenance of new assets)
Financial Sustainability	<ul style="list-style-type: none"> Operating surplus ratio (-0.8%) is within the Council's target range of a -2% to 2% surplus Net financial liabilities ratio (70.9%) is below Council's proposed target maximum of 80% Asset renewal funding ratio (97.7%) is within Council's target range of 90% to 110%

*this figure is based on CPI for March 2021. Please note CPI for June 2021 is 2.8%.

Financial Sustainability

The City of Victor Harbor is committed to long term financial sustainability. However, the impact of the once off rate freeze on the differential rate and fixed charge in 2020/21, the withdrawal of Alexandrina Council from regional community services programs, increasing community expectations and tourist visitation presents challenges for Council in 2021/22.

Message from the Mayor and CEO



After navigating uncharted events over the past year, the strength and resilience of the State's regions has shone through brightly. This is certainly the case for Victor Harbor and its surrounds.

Our city has proven itself as a great place to live with the flexibility of working away from a traditional office meaning people can choose our coastal lifestyle over the hustle and bustle of metropolitan areas.

Our proximity to Adelaide, access to services, fantastic schools and stunning natural environment are just a few elements of our city's appeal. It's not just residents relocating to Victor Harbor, we are seeing business recognise the potential on offer in the region and investing in our city.

While we are emerging as a flourishing regional centre, it is important to acknowledge the hard times and tough decisions that have enabled us to be in this favourable position.

Our 2021/22 Annual Business Plan helps us further enhance Victor Harbor's position as a place of choice to live, work, visit and invest in. It allows for the continuation of services for our community and development of significant infrastructure to support our growing region.

The budget forecasts a capital works program worth \$14.9 million, offset by grants and other revenue totalling \$1.8 million, and operating expenditure of \$30.6 million resulting in a modest deficit of \$231,000.

Some of the significant projects to be undertaken during 2021/22 include:

- construction works for stage four of the Mainstreet Precinct Upgrade which will see the transformation of Victor Harbor's tourism hub, the southern end of Ocean Street and Albert Place in the town centre
- in partnership with the private sector, planning will advance for car parking infrastructure in McKinlay Street
- completion of the concept design for the Victor Harbor Arts and Culture Centre
- upgrades at the Victor Harbor Library including addition of a mezzanine level to allow for a new sound proof children's area, addition of small meeting rooms, a social hub and more storage
- safety improvements to Waggon Road including increasing the roadway at bends, installation of guard rails and better signage
- environmental initiatives including climate change planning and investigation, and carbon data tracking to help reduce emissions
- development of a number of master plans that will provide for additional indoor sports facilities, a shared vision for The Bluff and future use of 44 Adelaide Road as a potential community centre.

In 2021/22 the average rate increase across all categories is 2.5%. This includes 1.2% CPI and a further 1.3% for maintenance of new assets.

While the budget forecasts a \$231,000 deficit, the Council will work hard during the year to help identify efficiencies and cost savings to bring this closer to a breakeven result.

Communication and collaboration remains our key focus going into 2021/22. The Council is committed to working collaboratively with our community, businesses, industry and other tiers of government to fulfil our vast and growing service delivery commitments to secure our city's bright future.

Moira Jenkins
Mayor

Victoria MacKirdy
CEO

About the City of Victor Harbor



Our Community

The coastal City of Victor Harbor is located on South Australia's Fleurieu Peninsula, about 80 kilometres south of the Adelaide CBD. It is the largest population centre in the Fleurieu region.

Covering around 38,510 hectares with a population of 15,465¹, the City of Victor Harbor offers a high standard of living with a lifestyle that is envied by many. The area boasts a striking, natural landscape where a rural vista wraps around the township and a world-class pristine coastline is anchored by Granite Island and The Bluff. The area's natural assets continually prove to be a large attraction for locals and visitors alike.

While Victor Harbor and its surrounds continue to grow, the pace of growth has slowed. Recent data forecasts our population will grow to 17,900 by 2031². This growth has implications for the provision of services and infrastructure, as well as how we protect our environment, heritage, lifestyle and sense of community, all of which are highly valued and integral to the city's appeal. Population growth in neighbouring councils also impacts the City of Victor Harbor which has firmly established itself as the service centre for the southern Fleurieu Peninsula region.

The average age of people in Victor Harbor is 58 years, with children aged 0-14 making up 13% of the population, while 39% are aged over 65 years old³. In its planning, the Council carefully considers the type and level of services required to support its ageing population, balancing this with the needs of young families who are being drawn to the area by a combination of Victor Harbor's lifestyle attributes and increasing capital investments by the two public and two private schools in the city.

Being a coastal destination within close proximity of Adelaide, Victor Harbor is a favoured holiday destination and in the summer months the population doubles. Attracting 1.2 million visitors annually, tourism is seen as the significant contributor to the local economy with visitors injecting \$163 million each year.

Victor Harbor is very much a coastal community with some of South Australia's best surf beaches, coastal outlooks and mediterranean climate favouring outside living. In the cooler months, between May and October, Encounter Bay frequently welcomes Southern Right Whale mothers and calves frolicking within its safe waters.

Like other coastal lifestyle regions, the City of Victor Harbor has a high level of unoccupied private dwellings. In fact, around 40% of our ratepayers do not live in the Council area. This presents significant challenges around securing grant funding which is generally based on resident population, and doesn't take into consideration the seasonal influx of residents and the associated demand for services and supporting infrastructure.

Victor Harbor has a welcoming, friendly and family focused community, which is underpinned by a strong volunteer culture. While around one in three people within the City of Victor Harbor volunteer in some capacity, the Council is fortunate to have a dedicated team of around 500 volunteers who assist with the delivery of Council services, programs and initiatives. In terms of a dollar value, it is estimated that this contribution is worth more than \$1 million each year.

The City of Victor Harbor's economy is heavily reliant upon income derived from tourism, and the Council has been focusing on the development of other key industry sectors including agriculture, building and construction, health and community services and manufacturing.

¹Australian Bureau of Statistics, www.abs.gov.au, 2019

²SA Government Department of Planning and Infrastructure, 2019

³2016 Census, Australian Bureau of Statistics, www.abs.gov.au, 2016

Our Location

The City of Victor Harbor is located on the Fleurieu Peninsula, 80 kilometres south of Adelaide. Neighbouring councils include the District Council of Yankalilla to the west, and Alexandrina Council to the east.



Your Elected Members



Dr Moira Jenkins
Mayor



Carol Schofield AM
Deputy Mayor



Brayden Mann
Councillor



Bryan Littlely
Councillor



Nick Hayles
Councillor



Tim Glazbrook
Councillor



Dr Marilyn Henderson
Councillor



Peter Charles
Councillor



David Kemp
Councillor



Andrew Robertson
Councillor

Role of Council

Everything Council does helps to shape the future of Victor Harbor. We want to see Victor Harbor continue to be a place of choice to live, work, visit and invest in.

Like all councils in South Australia, the City of Victor Harbor is established and empowered by the SA Government under the Local Government Act 1999. In addition to this, there are more than 50 Acts of legislation that assign roles, responsibilities and powers to Local Government.

We have a responsibility to create an environment for residents and visitors that is safe, healthy and contributes to the quality of life of the broader community. This is achieved by:

- Preparing and implementing policies and procedures that ensure that the development of the area is directed to the overall wellbeing of the community and the environment.
- Providing the community with an acceptable level of physical, environmental and economic services.

The provision of services is one way we respond to the needs of our community. Some of these services are statutory (we must do them) and are undertaken on behalf of the SA Government. Others are discretionary (we are not required to do them) and we choose to provide them for our community.

The principal roles of a council are to provide for government and management of its area at the local level. This can be done by:

- Providing **leadership** by setting directions to meet current and future needs, usually through policy, strategies, plans and reviews.
- **Planning** for the development and future requirements of the area.
- **Managing** community assets including buildings, facilities, public space, reserves and the natural environment.
- Undertaking a **regulatory role** in response to specific legislation.

- Acting as an **information provider** including developing resources to promote an understanding of the community and inform decision making.
- **Liaison, advocacy and lobbying** on behalf of the community.
- Acting as an **initiator or facilitator** to stimulate community action or bring stakeholders together.
- Providing **developmental support** to enhance the capacity of the community to identify and respond to its own needs.
- Being a **direct provider** of services, facilities and infrastructure.
- Being an **indirect provider or part funder** of services, facilities and infrastructure.
- Acting as an **agent** by providing service on behalf of another party that funds the services.

Many of our community's needs are outside the direct responsibility of Council, or cannot be achieved by Council alone, and require the involvement of other levels of government.

The City of Victor Harbor works closely with the South Australian and Australian Governments to plan for services and infrastructure that support the community, and protect the natural environment.

We will continue to advocate on behalf of our community.

Council is Part of Your Every Day

Most people are surprised when they learn about all of the things Council provides for the community. Have you thought about how your every day life is improved by the services provided by the City of Victor Harbor?

Below is a list of the things we do to make Victor Harbor a great place to live, work and play.

<p>Infrastructure & Asset Management</p> <p>Managing and maintaining roads, footpaths, bridges, bicycle paths, street furniture and cemetery</p> 	<p>Waste & Recycling</p> <p>Kerbside waste collection, recycling depot, street cleaning and graffiti removal</p> 	<p>Heritage</p> <p>Heritage advisory services and promotion of local heritage listed places</p> 	<p>Planning & Development</p> <p>Urban planning, building assessments, development assessments</p> 	<p>Customer Service & Information</p> <p>Responding to community requests, providing after hours call centre and community information</p> 
<p>Family, Youth & Children's Services</p> <p>Family support services, youth development programs and events, and immunisation program</p> 	<p>Aged & Disability Services</p> <p>Social support services and supporting planning for aged services</p> 	<p>Library Services</p> <p>Victor Harbor Library service, activities and events</p> 	<p>Tourism Marketing, Events & Attractions</p> <p>Festivals and events, visitor services and attraction, Horse Drawn Tram and SA Whale Centre</p> 	<p>Economic Development</p> <p>Economic development strategy delivery, investment attraction and supporting agribusiness</p> 
<p>Arts & Cultural Activities</p> <p>Victa Cinema, Artisan Markets, public art, arts and culture centre planning, Coral Street Art Space</p> 	<p>Parks & Recreation</p> <p>Maintaining parks, reserves, playgrounds, walking trails, street trees, aquatic centre, boating facilities</p> 	<p>Coastal Protection & Environment</p> <p>Foreshore and estuary maintenance, vegetation management, pest animal and plant control</p> 	<p>Compliance & Parking</p> <p>Dog and cat management, outdoor dining, nuisance and litter control, parking enforcement</p> 	<p>Transport</p> <p>Community transport services, advocating for improved public transport</p> 
<p>Public Health</p> <p>Regulating food safety, waste water systems, water quality, sanitation, swimming pools/spas, vermin control</p> 	<p>Emergency Planning</p> <p>Regional bushfire management plan, local and zone emergency management plans</p> 	<p>Administration</p> <p>Records management, FOI requests, council and committees support, maintaining the electoral roll</p> 	<p>Corporate Services</p> <p>Financial and risk management, HR, organisational development, computers and telecommunications</p> 	<p>Community Development</p> <p>Grant programs, community facilities and meeting places, advice, advocating on behalf of the community</p> 



Delivering our vision



Links With Our Community Plan

Our Community Plan is our roadmap to make sure our regional city remains a place of choice to live, work, visit and invest in. It describes what we want Victor Harbor to be like in the future, and how we plan to achieve this.

The Community Plan guides our decision making and centres around six broad aspirations that outline what we want Victor Harbor to be like in the future.

The aspirations include:



We are a caring, connected and active community



We have a culture of innovation, collaboration and creativity



We manage growth and change responsibly



We protect our environment



We have services and infrastructure that meet our community's needs



We are a financially sustainable and well-governed organisation

Strategic Planning and Resourcing

Our Community Plan sets out a number of high level aspirations and priorities for our city. We plan and resource our work in a variety of ways to align it with that vision.

Actions to drive strategic progress are developed through a range of corporate plans and other methods as appropriate. These actions, activities, services and programs form the basis for the direction of our 2021/22 Annual Business Plan.

These in turn are enabled by a Long Term Financial Plan which provides certainty in our ability to meet ongoing costs of services and capital works.

Key Planned Activities

Each year Council identifies a number of Key Planned Activities that set out what we will focus on in the coming year to help us achieve our aspirations for Victor Harbor.

In 2021/22 we have identified 15 Key Planned Activities. These are detailed on activity area budget pages 25-40, and a full list is provided on page 51.

As well as undertaking the identified Key Planned Activities, there are a number of ongoing activities that Council is responsible for. These ongoing activities also contribute towards achieving our objectives, ensuring legislative requirements are met, and respond to community expectations.

Developing our budget



Financial Planning Process

Council aims to meet the needs of the community whilst providing for a financially sustainable position. Our financial planning process involves the integration of a number of approaches in order to deliver our objectives.

The annual financial planning process includes:

- Business planning undertaken by Council staff in relation to budget requirements, new initiatives and emerging expenditure trends.
- Development of the capital budget based on Asset Management Plans, emerging areas of concern and community feedback.
- Development of the draft operating budget based on the continuation of current services.
- Preparation of operating budget proposals that represent either new services or activities, or an increase to current service levels.
- Preparation of the Annual Business Plan incorporating the budget, key planned activities, significant projects and the rating policy.

The documents are presented to Elected Members in workshops (Designated Informal Gatherings) held over several months. The process also includes a period of public consultation and the consideration of feedback received.

This approach allows Council to make decisions on the budget that provides for community and organisational needs, effective use of rate revenue and intergenerational equity.

Strategic Management Plans

Following the 2018 Local Government elections, the Council set out to undertake a review of all its strategic management plans, as required under the Local Government Act 1999. This process commenced with a review of the Community Plan, which was completed in August 2020. Following this, Council commenced the review and redevelopment of its Long Term Financial Plan and Asset Management Plans, documents which provide high level guidance to the Community Plan.

The work undertaken to review the plans to date has been extensive and is taken into consideration within this Annual Business Plan.

The review process will continue in the months following the adoption of the 2021/22 Annual Business Plan and Budget.

Asset Management Plans

The City of Victor Harbor is responsible for the management, operation and maintenance of a diverse asset portfolio including some that are unique to Victor Harbor. Asset Management Plans have been developed for major assets categories as below:

- Bridge, Stormwater, Kerb and Channel
- Roads, Footpaths, Traffic Devices and Car Parks
- Land Buildings and Open Space.

Our Asset Management Plans indicate the resources required for maintenance and renewal programs as well as opportunities for expenditure on new infrastructure. They allow Council to consider its strategic and legislative responsibilities whilst providing for the needs of our community.

Additional tools have been developed to assist Elected Members in the decision making process for projects. This will be utilised to further review and prioritise capital works projects to inform the update of Council's Asset Management Plans.

Long Term Financial Plan

The Long Term Financial Plan is designed to provide high level financial information and direction over a ten year period and enables Council to plan for the long term financial sustainability of the organisation.

It is informed by the Council's Asset Management Plans and based on a number of assumptions, market trends and known information.

The Council's Long Term Financial Plan will be updated following the review of the Asset Management Plans which will be undertaken early in 2021/22.

Current Services

The 2021/22 budget aims to maintain the current level of services both in terms of programs delivered but also maintenance and operations activities. The previous year's budget is used as a base and adjusted in line with actual expenditure, consumer price index and known increases where relevant.

In order to deliver the best value for money and provide for effective and efficient service delivery, Council also regularly undertakes service reviews. These reviews consider staffing levels, appropriate use of technology, procedural review and continuous improvement activities. Efficiencies and savings as a result of the service reviews are incorporated in the budget.

Any increase to current services that impacts overall expenditure requirements has been presented to Council as a new initiative through the budget bid process.

New Initiatives

Each year administration prepare budget bids for new or irregular initiatives that are not included in the maintenance of current services for Council's consideration. These bids may come from community feedback or requests, grant funding opportunities, activities identified by administration or provision of services previously supported by other levels of government.

Budget bids provide the purpose and outcomes expected from the inclusion of the activity, risk assessments, strategic linkages and costings.

Financial Sustainability

To ensure long term financial sustainability, Council sets targets for Key Financial Indicators.

These indicators help with Council's decision making process as it strives to:

- Achieve and maintain a surplus position over the long term
- Manage borrowings / debt level prudently
- Employ sound asset management principles
- Achieve intergenerational equity.

As a part of its Long Term Financial Plan review, Council is proposing new Key Financial Indicator targets. Council has adopted targets for 2021/22, as provided in the table below:

Key Financial Indicator	Proposed Target
Operating Surplus Ratio	-2% to 2%*
Net Financial Liabilities Ratio	80% maximum
Asset Renewal Funding Ratio	90% to 110%**

*To achieve a three year rolling average of 0%

**To achieve a three year rolling average of 100%

The Annual Business Plan and Budget is measured against the indicators to assess how the current budget is performing against Council's long term financial goals, in line with budget deliberations and Audit Committee recommendations. More information on the Financial Indicators for 2021/22 is provided on page 42.

Employees

This City of Victor Harbor is one of the city's major employers. Council employs 133 staff equalling 108 full time equivalents (FTE). This includes 79 full-time employees, 45 part-time employees and nine (9) trainees/apprentices.

Employee costs are impacted by a number of factors in 2021/22. There has been an overall increase in employee expenses due to:

- Council's Enterprise Bargaining Agreement and level increments
- An increase in the superannuation guarantee of 0.5%
- Increases to workcover due to the above

The increase in employee costs for the items above equates to approximately \$200,000.

It is also important to note that the Council is supported by around 500 volunteers who assist with activities such as visitor services, library, community services, graffiti removal programs, Coral Street Art Space, Southern Communities Transport Scheme, river and coastal protection initiatives.

Debt Levels

Council has a fixed term loan balance of \$3,964,124 as at 15 May 2021. Included in the balance amount are community loans to the Encounter Bay Bowling Club and Victor Harbor Bowling Club totaling \$164,754.

Council also has access to \$13 million Cash Advance Debenture facilities that work similar to a variable loan. This facility is used to manage cashflow requirements during the year. As at 15 May 2021 there was \$7,468,705 outstanding on Cash Advance Debentures.

Fixed term loan details as at 15 May 2021:

Date of Loan	Principal Amount	Interest Rate	Principal Outstanding	Maturity Date
15/09/2006	\$3,200,000	6.75%	\$1,331,907	15/09/2021
15/06/2011	\$700,000	6.70%	\$47,012	15/06/2021
15/06/2012	\$2,000,000	5.05%	\$367,100	15/06/2022
15/06/2012	\$60,000*	5.05%	\$11,013	15/06/2022
15/05/2014	\$230,000*	5.80%	\$153,741	15/05/2029
15/06/2017	\$2,500,000	4.40%	\$2,053,351	15/07/2032
Total	\$8,690,000		\$3,964,124	

*community loans

After significant infrastructure construction including the Civic Centre and the Ring Road that resulted in borrowings of over \$15 million by 2011/12, Council made a commitment to reducing debt levels.

This placed Council in a favourable position to finance major capital works in the past few years, as well as significant expenditure requirements in Asset Management Plans over the next two to three years.

One fixed term loan will mature in 2021/22 with a final repayment of \$1,331,907.

Total borrowings at the end of 2021/22 including both fixed term and cash advance debentures is forecast to be approximately \$16 million.

Community Involvement

Gathering community input is an important part of the preparation of the Annual Business Plan.

Each year Council consults with the community on a range of different issues and projects. The feedback obtained during these consultation initiatives is taken into consideration during the Council's annual business planning process.

In addition to this, the Council seeks the community's feedback on the draft Annual Business Plan. Consultation on the draft 2021/22 Annual Business Plan was undertaken from 31 May 2021 until 21 June 2021.

Members of the community were able to provide Council with their feedback by:

- completing a survey online at www.yoursay.victor.sa.gov.au or in hard copy;
- making a written submission and returning by email, post or hand delivering to the Civic Centre;
- attending a public meeting at the Civic Centre on Thursday, 17 June 2021 from 6.30pm to make an in-person representation.

The opportunity for the community to have input into the preparation of the Annual Business Plan was advertised in the Victor Harbor Times, Victor Viewpoint (Council's monthly e-newsletter), through social media channels, via a display in the Civic Centre, by direct email and at the non-resident ratepayer forum held in Adelaide on 2 June 2021.

Elected Members considered feedback from the community at a workshop held on 5 July 2021.

Subsidiaries

Council has a number of subsidiaries under Division 3, Section 42 and 43 of the Local Government Act 1999. A description of these subsidiaries and the Council's contribution in 2021/22 is outlined in the following pages.



Victor Harbor Horse Tram Authority (Section 42)

Council Contribution in 2021/22	
Operating	\$415,400
Capital	\$692,000

Established in 2018 by the City of Victor Harbor, this organisation is responsible for overseeing the operations, business development and marketing of the Horse Tram service to Granite Island. The operating budget allocation for this subsidiary is \$415,400 and is included in the Business Activities summary on page 35.

Under the Charter, the Victor Harbor Horse Tram Authority provides Council with recommendations for capital works each year as part of the budgeting process. Council has considered these recommendations and provided funding for a number of projects totalling \$692,000. These projects include:

- Construction of new stables \$150,000
- Replacement of Granite Island terminal \$45,000
- Tram line replacement \$350,000
- Tram office renovations and electrical upgrade \$95,000
- Horses and equipment \$27,000
- Minor plant and equipment \$25,000



Southern and Hills Local Government Association (Section 43)

Council Contribution in 2021/22	
Operating	\$15,200

This organisation undertakes regional coordination, representation and marketing on behalf of the member councils to improve the wellbeing of the region.

Member councils include City of Victor Harbor, Alexandrina Council, Kangaroo Island Council, District Council of Yankalilla, Mount Barker District Council and Adelaide Hills Council. The operating budget allocation for this subsidiary is \$21,300 and is included in the Administration summary on page 39.



**Fleurieu Regional Waste Authority
(Section 43)**

Council Contribution in 2021/22	
Operating	\$1,726,300

Established in 2010 by the City of Victor Harbor, Alexandrina Council, District Council of Yankalilla and Kangaroo Island Council, this organisation is responsible for the waste management function across the Fleurieu Peninsula and Kangaroo Island areas. The operating budget allocation for this subsidiary is \$1,726,300 and is included in the Waste Management summary on page 31.

Surpluses or losses incurred by the Fleurieu Regional Waste Authority after Council contributions are processed as either an increase or a reduction in Council's equity in the Authority. No budget allowance has been included with a breakeven position expected.



**Fleurieu Regional Aquatic Centre
Authority (Section 43)**

Council Contribution in 2021/22	
Operating	\$367,600
Reduction in equity	\$347,000

Established in 2015 by the City of Victor Harbor and Alexandrina Council, this organisation is responsible for the management of the Fleurieu Aquatic Centre. The operating budget allocation for this subsidiary is \$367,600.

Council originally contributed \$10.5 million to the construction of the Aquatic Centre and this is recognised in Council's Statement of Financial Position provided at Appendix 3 (Non-Current Assets - Equity Accounted Investments in Council Business). Surpluses or losses incurred by the Fleurieu Regional Aquatic Centre Authority after Council contributions are processed as either an increase or a reduction in Council's equity in the facility.

The budgeted loss for the Authority, and thus reduction in equity for 2021/22 is \$347,000. These amounts are included in Open Space and Recreation summary on page 32.

Budget Context

Influences that have been considered as part of the budget preparation include:

- Ongoing impact of a rates freeze in 2020/21
- Implementation with appropriate level of funding for maintenance and renewal of infrastructure assets
- Appropriate use of debt as a means of funding new capital expenditure
- Adherence to agreed financial indicator targets as per the Long Term Financial Plan and appropriate use of grant funding to bring forward projects that would otherwise have been planned for future years
- Managing the impact of cost shifting from other levels of government
- Managing the impact of changes to process and systems from other levels of government
- Provision for increases in staffing costs due to Enterprise Bargaining Agreement and superannuation guarantee
- Impact of increases in waste costs due to China Sword and Government Levies
- Use of the Consumer Price Index which measures price movements of goods and services typically consumed by households (such as food, alcohol, clothing, household equipment and transport costs) instead of the Local Government Price Index which measures price movements of goods and services that are relevant for councils:
 - Employee costs
 - Waste management
 - Plant and equipment leasing
 - Legal and accounting services
 - Cleaning services
 - Printing, publishing and advertising
 - Road, footpath, kerbing, bridge and drainage materials

Property Valuations

The City of Victor Harbor sets its council rates based on capital valuation data provided by the Valuer-General.

Revaluation Initiative

The Valuer General has undertaken a data collection and analysis project known as the Revaluation Initiative.

The Revaluation Initiative is an in-depth data collection and analysis program undertaken to improve the accuracy of the General Valuation.

It was anticipated that there would be a significant increase to the capital values of Primary Production properties. However, the anticipated increase (as a result of the Revaluation Initiative) has not been realised. An overall reduction of 0.06% to the Primary Production land use category attributable to the Revaluation Initiative.

Market and Development Growth

Each year property values are reviewed by the Valuer-General based on market movements and recent sales trends. Council's refer to increases in valuations as a result of this growth. Growth is a natural figure and is included as a general increase in revenue. The City of Victor Harbor, along with most councils, treat growth separate from its own rate increase.

The valuation file received from the Valuer-General shows an average increase in market and development growth of 2.8% for the City of Victor Harbor council area. This is an average of the increase in capital values and it may affect around 50% of rateable properties in varying degrees dependent on the capital values provided.

A rate capping allowance has been included in the 2021/22 budget to ensure that residential and primary production properties are not affected by capital valuation increases by more than 15% of the previous year's amount payable. See the Rating Policy on page 45 for more detail.

Funding Our Plan

Capital Budget

Capital expenditure of \$14,992,700 will be funded through grants, sale of replaced assets, reserves and loans.

Grants totaling \$1,526,100 have been included in the budget as well as \$247,000 for sale (trade-in) of plant and machinery.

Reserves and loan borrowings will be used to fund the remaining capital expenditure. Loan borrowings will be as per Council’s Treasury Management Policy, with cash advance debentures (similar to a variable loan / overdraft) used to minimise long term borrowings in accordance with cashflow requirements. All loans will be sourced through the Local Government Finance Authority.

Council has been successful in a grant funding for:

- Stage 4 of the Mainstreet Precinct Upgrade - the construction will be split across two financial years with \$334,400 of the grant allocated to project works in 2021/22 and \$3 million to 2022/23;
- Victor Harbor Public Library upgrade - \$600,000
- Encounter Bikeway widening - \$150,000
- Waggon Road safety improvements - \$441,700

Operating Budget

Operating expenses of \$30,568,300 will be funded by revenue of \$30,337,300 resulting in a deficit budget of \$231,000. Council receives revenue from a number of sources with rate revenue representing over 80% of total revenue. Rate revenue including rebates, Regional Landscape levy, remissions and fines totals \$24,665,700.

Remaining revenue sources include:

- User pay charges which relate to fees imposed for use of Council services (\$2.2 million)
- Statutory charges which apply to regulatory or compliance activities (\$0.5 million)
- Grants and contributions from other levels of government and developers (\$2 million)
- Other income such as donations, credit interest and reimbursements (\$1 million)

The following table shows general revenue sources that are used to deliver Council services and offset the net expenses in the activities on pages 26 to 40 of this plan.

Operating	Description	Revenue
General Rates	Rates, Regional Landscape Levy, Rebates, Remission and Fines	\$24,665,700
Interest	Bank and Reserve Credit Interest	\$33,000
LG Grants Commission	General Purpose and Local Roads Grants	\$650,000
Total General Revenue		\$25,348,700



Economic Development Differential

Council collects differential rates on commercial and industrial properties at 30% and 15% above the base rate respectively. The amount above the base rate is transferred to a cash reserve and used to fund activities that assist in supporting economic development activities.

Approximately \$380,000 will be raised in 2021/22. These funds will assist with the delivery of a portion of the Council's economic development initiatives. The investments by the Council into the area of economic development have been informed by the City's Economic Development Strategy. The strategy focuses on stimulating growth in local jobs, businesses and investment.

The projects supported through the differential rates collected through this budget will include:

- Final stages in the development of a new destination brand for Victor Harbor
- Business and community engagement relating to the new Victor Harbor destination brand
- Employment of a digital marketing officer to deliver on a Destination Marketing Strategy informed by the Victor Harbor destination brand
- Funds that support attracting and delivering major events including the SANFL Country Championships, Victor Harbor Rock N Roll Festival and the annual festivals and events grants program
- Development and implementation of a targeted investment attraction strategy in partnership with Business Victor Harbor
- A contribution to Business Victor Harbor to enable the appointment of an Executive Officer to deliver programs that support a strong local business community and assist with the implementation of Council's Economic Development Strategy
- Council's contribution to support regional organisations, including Regional Development Australia and Fleurieu Peninsula Tourism.

What we will do in 2021/22

For purposes of annual business planning, Council splits its budget activity areas into 15 broad categories. Categories do not necessarily align with departments or sections of the Council's organisation structure.

A brief overview of each category is provided on the following pages, indicating what we do and how it helps to achieve the aspirations outlined in our Community Plan 2030.

The expenditure amounts shown in the capital and operating budget summary tables reflect the estimated full cost of providing each activity area for 2021/22 and include a proportion of internal service costs.

The following pages also outline identified Key Planned Activities (KPA) that the Council will undertake in the next 12 months. The icons next to each KPA illustrate the strategic aspirations the activity helps Council achieve.

A full budget summary table is available at Appendix 2. Each line within the table includes a page reference to the budget activity area summary page.

Community Services



2021/22 Budget Summary

Activity area	Operating		
	Revenue	Expenses	Net result
Aged Services	91,800	91,800	0
Caring Neighbourhood Program	232,000	232,000	0
Community Assistance	600	759,300	(758,700)
Community Bus Service	16,000	70,200	(54,200)
Community Transport	586,000	586,000	0
Fleurieu Families	310,400	310,400	0
Youth Development	138,200	138,200	0
Total	1,375,000	2,187,900	(812,900)

Overview

Council supports a range of initiatives that aim to improve the quality of life, independence and wellbeing of residents by encouraging community participation, interaction and facilitating access to health, education and community services.

Council is actively involved in the planning, coordination, and development of community services, with many activities undertaken in partnership with community groups, agencies and neighbouring councils.

Activity areas include aged services, youth development, social inclusion initiatives, community transport, support for families and children, access and inclusion initiatives, volunteering and community grants programs.

Many of these programs rely on external funding.

Review of Community Services

The City of Victor Harbor has been undertaking a range of service reviews over the last several years to ensure adherence to best practice and to deliver the most effective outcomes for our community.

A review of community services was undertaken throughout 2020/21. It looked at the current services and activities, alternate service delivery models and the needs of the local community.

The 2021/22 budget has been prepared to allow for the continuation of current services, while recommendations from the service review are considered by Council and a plan is put in place for the implementation of any changes to service delivery.

It is expected that, once adopted by Council, recommendations from the community services review will be implemented throughout 2021/22 and beyond.



Community Facilities



Overview

Council provides a range of key community facilities that aim to encourage community participation and interaction. Activity areas include halls and community meeting places, such as the Town Hall, Recreation Centre and Old School Building Community Centre.

Council manages the Victor Harbor and Inman Valley Cemeteries with cemetery administration staff able to assist families to select the burial options for their loved ones.

Council also provides and maintains a number of public toilets including toilets accessible for people with disabilities, nappy services and sharps disposal service. A pump out station for recreation vehicles is also provided.

Council maintains spatial data to inform planning and operations, and supports the efficient use of its infrastructure assets through appropriate permits, licences and leases.

2021/22 Budget Summary

Capital			
Activity area	Revenue	Expenses	Net Result
Cemetery	0	0	0
Old School Building	0	0	0
Property & GIS	0	2,450,000	(2,450,000)
Public Conveniences	0	120,000	(120,000)
Recreation Centre	0	0	0
Senior Citizens Facilities	0	0	0
Town Hall	0	0	0
Total	0	2,570,000	(2,570,000)

Operating			
Activity area	Revenue	Expenses	Net result
Cemetery	153,700	201,500	(47,800)
Old School Building	7,000	27,000	(20,000)
Property & GIS	183,600	793,300	(609,700)
Public Conveniences	0	324,700	(324,700)
Recreation Centre	110,100	308,100	(198,000)
Senior Citizens Facilities	0	48,900	(48,900)
Town Hall	10,000	72,800	(62,800)
Total	464,400	1,776,300	(1,311,900)

Strategic Land Acquisitions

An allowance for strategic land purchases has been included in the budget for recreation and sports facilities. Purchases are still under investigation and may be subject to change. Details are currently held in confidence to ensure ratepayers receive the best value for money for the potential purchases.



— Community



— Innovation and Creativity



— Growth



— Environment



— Services and Infrastructure



— Governance

Roads, Footpaths and Bridges



Overview

Council develops and maintains local road, cycle and pedestrian networks, and works with the State and Federal Governments to improve local and regional transport networks and services.

Activities include the maintenance of sealed roads and bridges, shoulder maintenance of rural roads, maintenance and grading of unsealed roads, and the maintenance of footpaths, shared pathways, kerbing and kerb crossovers.

Council enhances scenic amenity by providing a street tree planting program, roadside and roundabout maintenance, and the provision and maintenance of street furniture.

The budget activity area, private works, includes expenses and income associated with the provision of crossover points for private residents and other private works.

A work plan for 2021/22 will be available for viewing on Council's website or at the Civic Centre.

2021/22 Budget Summary

Activity area	Capital		
	Revenue	Expenses	Net Result
Bridges	0	630,000	(630,000)
Kerbing & Footpaths	150,000	587,200	(437,200)
Private Works	0	0	0
Sealed Roads	0	430,000	(430,000)
Streetscaping	334,400	3,055,000	(2,720,600)
Unsealed Roads	0	160,000	(160,000)
Total	484,400	4,862,200	(4,377,800)

Activity area	Operating		
	Revenue	Expenses	Net result
Bridges	0	433,800	(433,800)
Kerbing & Footpaths	0	801,300	(801,300)
Private Works	7,900	6,200	1,700
Sealed Roads	273,600	2,833,800	(2,560,200)
Streetscaping	9,000	508,400	(499,400)
Unsealed Roads	0	744,800	(744,800)
Total	290,500	5,328,300	(5,037,800)

Key Planned Activities for 2021/22

Activity area	Description	Community Plan Links
CAPITAL		
Kerbing & Footpaths	Encounter Bikeway Widening of the Encounter Bikeway along Franklin Parade from Oakham Street to Tabernacle Road (\$300,000)*	
Streetscaping	Mainstreet Precinct Upgrade Stage 4 Construction works for Stage 4 which includes the southern end of Ocean Street and Albert Place (\$2,675,000)*	

*offset by grants

Car Parking and Traffic Management



Overview

Council maintains safe road and pedestrian networks through the provision of traffic management activities such as line marking, maintenance of road signs, and undertaking pedestrian, traffic and signage audits.

Council provides CCTV and street and public lighting infrastructure to enhance public safety.

Council develops and maintains a number of carparks with costs offset by car park fees, parking permits and boat launching fees.

Council makes provision for expenses resulting from vandalism and for graffiti removal.

2021/22 Budget Summary

Capital			
Activity area	Revenue	Expenses	Net Result
Car Parking	0	2,000,000	(2,000,000)
Crime Prevention	0	0	0
Street Lighting	0	0	0
Traffic Management	441,700	441,700	0
Total	441,700	2,441,700	(2,000,000)

Operating			
Activity area	Revenue	Expenses	Net result
Car Parking	152,300	174,200	(21,900)
Crime Prevention	0	59,400	(59,400)
Street Lighting	0	243,200	(243,200)
Traffic Management	0	355,600	(355,600)
Total	152,300	832,400	(680,100)

Key Planned Activities for 2021/22

Activity area	Description	Community Plan Links
CAPITAL		
Car Parking	McKinlay Street Over the years, Council has strategically acquired land in McKinlay Street to provide additional town centre car parking. In line with feedback received from the community, Council will explore opportunities with third party developers that involve the delivery of a car park at a reduced cost to ratepayers (\$2,000,000)	
Traffic Management	Waggon Road Safety Improvements Stage two of this project involves shoulder construction, drainage, increasing the roadway at bends, signage, line marking, guard rails and roadside vegetation removal (\$441,700)*	

*offset by grants

Coastal Protection and Environment



Overview

Council aims to ensure that our natural environment is protected and healthy by undertaking a range of natural resource management initiatives including coastal and estuarine management works, roadside vegetation management, and providing support for community groups involved in environmental projects.

Council also aims to ensure our community can better manage the impacts of climate change by working closely with regional councils in the implementation of our regional climate change adaptation plan.

Council develops and maintains stormwater infrastructure to improve waterway and coastal water quality by removing pollutants from stormwater and improve flood mitigation.

Council is required by the State Government to collect a regional landscape levy.

2021/22 Budget Summary

Capital			
Activity area	Revenue	Expenses	Net Result
Coastal Protection	0	60,000	(60,000)
Environmental Projects	0	0	0
Stormwater Drainage	0	0	0
Total	0	60,000	(60,000)

Operating			
Activity area	Revenue	Expenses	Net result
Coastal Protection	0	219,000	(219,000)
Environmental Projects	0	551,300	(551,300)
Stormwater Drainage	79,700	927,800	(848,100)
Total	79,700	1,698,100	(1,618,400)

Key Planned Activities for 2021/22

Activity area	Description	Community Plan Links
OPERATING		
Environmental Projects	Carbon Data Tracking This project involves the continuation of a carbon auditing data tracking system to measure energy use, greenhouse gas emissions and abatement actions (\$15,000)	

Waste Management



2021/22 Budget Summary

Activity area	Operating		
	Revenue	Expenses	Net result
Street Cleaning	0	122,800	(122,800)
Waste Collection*	500	1,793,200	(1,792,700)
Waste Disposal	0	313,300	(313,300)
Total	500	2,229,300	(2,228,800)

*Waste Collection includes \$1,726,300 for costs associated with the Fleurieu Regional Waste Authority (Section 43 Subsidiary).

Overview

Council aims to provide a sustainable waste management system by working with the Fleurieu Region Waste Authority who are responsible for providing and operating waste management services on behalf of the four constituent councils.

This includes the operation of the region’s waste transfer stations and the provision of waste, recycling and green waste kerbside collection services, as well as public litter and event bin collections.

Council provides a street cleaning program and also monitors and maintains the closed Victor Harbor landfill site in accordance with the Victor Harbor Landfill Environmental Management Plan and Environmental Protection Agency licence conditions.

Fleurieu Regional Waste Authority

The Fleurieu Regional Waste Authority’s Business Plan outlines a number of new initiatives that aim to achieve cost savings, educate the community, and improve recycling and diversion rates. These initiatives include:

- Development of a program to increase the number of kitchen caddies used by households across the region
- Investigating the feasibility of public place recycling within commercial centres and high tourist areas
- Looking at the suitability of solar powered bins to provide cost savings and amenity improvements in high use areas
- Reviewing the provision of additional services provided over the summer period with an aim to improve recycling and diversion rates
- Review the use of bin banks in rural areas and develop an improvement plan



Open Space and Recreation



Overview

Council provides and maintains open space and recreation facilities that aim to meet the needs of the community and encourage active recreation.

Activities include the development and maintenance of playgrounds, ovals and sporting facilities, the provision of a recreation and sport small grants program, the development and maintenance of parks and reserves and revegetation of key public open spaces.

Council also maintains the Encounter Lakes waterway, develops and maintains walking trails, undertakes pest plant and animal control and pine tree removal programs.

Council contributes to the operation of the Fleurieu Region Aquatic Centre, and supports the development of strong and sustainable sporting clubs through initiatives such as the STARClub Field Officer Program.

2021/22 Budget Summary

Capital			
Activity area	Revenue	Expenses	Net Result
Sports*	0	142,300	(142,300)
Parks & Gardens	0	156,500	(156,500)
STARClub	0	0	0
Total	0	298,800	(298,800)

Operating			
Activity area	Revenue	Expenses	Net result
Sports*	35,200	1,211,800	(1,176,600)
Parks & Gardens	6,000	1,701,800	(1,695,800)
STARClub	156,400	156,400	0
Total	197,600	3,070,000	(2,872,400)

*Sports includes \$367,600 for costs associated with the Fleurieu Regional Aquatic Centre Authority and an equity adjustment of \$347,000 (Section 43 Subsidiary).

Key Planned Activities for 2021/22

Activity area	Description	Community Plan Links
OPERATING		
Outdoor Sports	Regional Community, Sport and Recreation Facility Master Plan Completion of a Regional Community, Sport and Recreation Facility Master Plan that will provide additional indoor sports facilities to support the growing participation in sport and recreation activities (\$25,000)	
Parks and Gardens	The Bluff Master Plan Development of a Master Plan that outlines a shared vision for The Bluff, an iconic landmark and attraction for Victor Harbor (\$35,000)	
Parks and Gardens	Service Level Review of Reserves Council will review maintenance and service levels for its parks and reserves (\$5,000)	



— Community



— Innovation and Creativity



— Growth



— Environment



— Services and Infrastructure



— Governance

Plant and Depot



Overview

Council maintains a depot for storage of plant and machinery and to support the activities of staff, including a workshop, office building and nursery.

Employment and related costs for infrastructure staff are included under the Indirect Works budget line. Provision is made for the replacement, repair and maintenance of plant and machinery.

2021/22 Budget Summary

Capital			
Activity area	Revenue	Expenses	Net Result
Depot	0	39,000	(39,000)
Indirect Works	0	0	0
Plant and Machinery	247,000	1,018,000	(771,000)
Total	247,000	1,057,000	(810,000)

Operating			
Activity area	Revenue	Expenses	Net result
Depot	0	419,500	(419,500)
Indirect Works	0	1,597,400	(1,597,400)
Plant and Machinery	0	180,000	(180,000)
Total	0	2,196,900	(2,196,900)

Key Planned Activities for 2021/22

ACTIVITY AREA	DESCRIPTION	STRATEGIC PLAN LINKS
OPERATING		
Indirect Works	Climate Change Planning and Investigation Undertake planning and develop actions that allow Council to mitigate its impacts and adapt to the changing climate (\$50,000)	

Plant and Equipment Replacement

Plant and equipment is replaced in line with Council's Light Fleet, Plant and Heavy Vehicles Changeover / Replacement Policy which provides for optimum replacement timing. Optimum replacement timing is based on reducing downtime and repair expenses whilst maximising trade-in revenue and spreading capital costs.

The budget is increased in 2021/22 due to the deferral of a number of replacements in 2020/21.

Eleven (11) vehicles, a rear deck mower, backhoe, skidsteer, woodchipper, three trucks and a water pump are planned for replacement with an additional water cart also budgeted. The total cost in 2021/22 is \$1,018,000 offset by trade-ins of \$247,000.



— Community



— Innovation and Creativity



— Growth



— Environment



— Services and Infrastructure



— Governance

Tourism and Economic Development



Overview

Council supports the local economy through a range of initiatives that encourage a competitive environment for business growth, promote innovation and collaboration, and attract investment in our city.

Activity areas include things such as delivery of Economic Development Strategy actions, Mainstreet activation programs, business support, and contribution to the activities of Regional Development Australia – Adelaide Hills, Fleurieu and Kangaroo Island.

Activity areas that support and promote Victor Harbor as a year round tourist destination include festivals and events, tourism marketing activities and provision of the Victor Harbor Visitor Centre which incorporates the South Australian Whale Centre.

2021/22 Budget Summary

Activity area	Capital		
	Revenue	Expenses	Net Result
Economic Development	0	0	0
Tourism Marketing	0	0	0
Victor Harbor Visitor Centre	0	259,000	(259,000)
Total	0	259,000	(259,000)

Activity area	Operating		
	Revenue	Expenses	Net result
Economic Development	96,800	493,800	(397,000)
Tourism Marketing	30,600	394,100	(363,500)
Victor Harbor Visitor Centre	182,500	746,100	(563,600)
Total	309,900	1,634,000	(1,324,100)

Key Planned Activities for 2021/22

Activity area	Description	Community Plan Links
OPERATING		
Economic Development	Business Victor Harbor Partnership Funding contribution to Business Victor Harbor to enable continuation of the Executive Officer position to assist the organisation enhance its ability to support the local business community (\$100,000)	
Economic Development	Investment Attraction and Destination Marketing Project Commence work on an investment attraction strategy in collaboration with Business Victor Harbor (\$20,000*) and following the Victor Harbor brand revitalisation, deliver a destination marketing strategy (\$15,000)	
Tourism	Events and Festivals A commitment to facilitate a number of events that contribute to economic development and community vibrancy. These include the Rock N Roll Festival (\$46,700), New Year's Eve Celebration (\$38,000), Fringe Event (\$25,000), support for the SANFL Country Championships (\$35,000), and a Festivals and Events Grant Program (\$35,000)	

*offset by grants

Business Activities



Overview

Council undertakes business activities that build on Victor Harbor’s key environmental and cultural assets, and support and promote Victor Harbor as a year round tourist destination.

Council is the owner of the Beachfront Caravan Park which is leased to Australian Tourist Park Management who operate and manage the facility.

The Victor Harbor Horse Tram Authority is a subsidiary of Council and was established in October 2018 to oversee the operations, business development and marketing of the Victor Harbor’s iconic Horse Tram service.

2021/22 Budget Summary

Capital			
Activity area	Revenue	Expenses	Net Result
Caravan Park	0	0	0
Horse Tram	0	692,000	(692,000)
Total	0	692,000	(692,000)

Operating			
Activity area	Revenue	Expenses	Net result
Caravan Park	262,300	89,000	173,300
Horse Tram*	141,100	556,500	(415,400)
Total	403,400	645,500	(242,100)

*Horse Tram includes \$415,400 for costs associated with the Victor Harbor Horse Tram Authority (Section 42 Subsidiary).

Horse Tram Projects

A number of projects will be undertaken to support and enhance Victor Harbor’s iconic horse drawn tram service.

These projects include:

- Construction of new stables (\$150,000)
- Replacement of the terminal on Granite Island (\$45,000)
- Tram line replacement on Granite Island (\$350,000)
- Tram office renovations and electrical upgrade (\$95,000)
- Horses and equipment (\$27,000)
- Minor plant and equipment (\$25,000)



— Community



— Innovation and Creativity



— Growth



— Environment



— Services and Infrastructure



— Governance

Town Planning



Overview

Council provides for sustainable development and residential amenity by ensuring that development is in accordance with Council's Development Plan and the Development Act, including areas such as land divisions, residential dwellings, sheds and carport, swimming pools, fences and retaining walls, jetties and pontoons, and commercial, industrial and retail developments.

Council aims to create safe open spaces and public areas through good urban design and plan for appropriately zoned land to meet current and projected needs.

Council aims to identify and protect unique heritage character or built form, and supports property owners to maintain heritage listed items by providing a heritage advisory service and heritage incentive grants program.

2021/22 Budget Summary

Activity area	Operating		
	Revenue	Expenses	Net result
Town Planning	198,000	1,158,000	(960,000)
Total	198,000	1,158,000	(960,000)

Key Planned Activities for 2021/22

Activity area	Description	Community Plan Links
OPERATING		
Town Planning	Master Plan for 44 Adelaide Road Following the strategic purchase of 44 Adelaide Road, Council will undertake master planning for the future use of the site that considers Tuck Reserve and the broader neighbourhood (\$5,000)	



44 Adelaide Road, Hayborough

The Council purchased the property at 44 Adelaide Road in Hayborough in October 2019 as a strategic investment for potential community use or divestment. The budget allocation in 2021/22 allows for master planning to be undertaken for the site. This planning process will enable Council to seek views of property owners and businesses in the vicinity of the property and understand community appetite regarding potential uses, which council include community centre use.



— Community



— Innovation and Creativity



— Growth



— Environment



— Services and Infrastructure



— Governance

Public Safety



Overview

Council undertakes a number of regulatory functions to support the public health, safety and residential amenity of the community.

Activity areas include ensuring compliance with the minimum standards that apply to building and construction work, encouraging responsible dog and cat ownership, fire prevention, licencing of supported residential facilities, inspections of food premises, septic tank inspections, water quality testing, medical waste disposal, European Wasp control, immunisation programs and impounding livestock.

Council supports the amenity value of local areas through implementing the Local Nuisance and Litter Control Act and regulating Council parking areas.

2021/22 Budget Summary

Activity area	Operating		Net result
	Revenue	Expenses	
Building Control	81,000	443,800	(362,800)
Cat Control	17,100	26,500	(9,400)
Dog Control	140,700	147,900	(7,200)
Fire Prevention	9,000	91,600	(82,600)
Health Inspection	20,000	140,600	(120,600)
Local Nuisance & Litter	500	123,500	(123,000)
Other Regulatory Services	4,000	67,400	(63,400)
Parking Control	82,300	159,800	(77,500)
Total	354,600	1,201,100	(846,500)

Fire Prevention

Council officers from the public safety team engage with our community to support bushfire preparedness and ensure private land owners meet their responsibility to reduce bushfire hazards.

To help ensure this responsibility is met, each year in October the Council's public safety team undertakes inspections of vacant blocks within the township and some rural areas to identify where block clearing is required as a fire prevention measure. When a property is identified as requiring block clearing, a formal notice is sent by Council requesting the fire hazard be removed by a specific date.

Through its communication channels, the Council also promotes ways for residents to be bushfire ready and prepared for disasters.



Library and Cultural Services



Overview

Council cultivates a vibrant community culture by facilitating and supporting arts and cultural activities, festivals and events, activating streets and public spaces, and providing infrastructure that supports arts and cultural activities.

Activity areas include arts and culture community grants, artisan markets, digital art program and planning for a new Arts and Culture Centre.

Council provides a library service including various programs and events, a home delivery service, services for the visually impaired, outreach services, early childhood programs, school holiday programs, and local history programs.

2021/22 Budget Summary

Capital			
Activity area	Revenue	Expenses	Net Result
Cultural Services	0	60,000	(60,000)
Library	600,000	1,629,500	(1,029,500)
Victa Cinema	0	8,000	(8,000)
Total	600,000	1,697,500	(1,097,500)

Operating			
Activity area	Revenue	Expenses	Net result
Cultural Services	105,000	270,300	(165,300)
Library	135,400	1,187,200	(1,051,800)
Victa Cinema	783,000	821,200	(38,200)
Total	1,023,400	2,278,700	(1,255,300)

Key Planned Activities for 2021/22

Activity area	Description	Community Plan Links
CAPITAL		
Cultural Services	Arts and Culture Centre Following consultation in 2020/21, Council will complete the concept design for the Arts and Culture Centre (\$47,000)	
Library	Library Upgrade A mezzanine level will be added to the library to allow for the creation of a new children's area that will be a larger room of its own with sound proofing to enable programs to run without disturbing all patrons of the library. This upgrade will also include the addition of smaller meeting rooms, a social hub and more storage (\$1,601,500*)	

*offset by grant funding

Administration



2021/22 Budget Summary

Activity area	Operating		Net result
	Revenue	Expenses	
Customer Service	0	554,100	(554,100)
Elected Members	0	401,100	(401,100)
Loan Interest	12,300	298,700	(286,400)
Organisational*	28,900	2,650,700	(2,621,800)
Rates Administration	85,600	414,700	(329,100)
Total	126,800	4,319,300	(4,192,500)

Overview

Council aims to operate in a strategically planned environment, provide effective and efficient levels of service delivery and ensure governance and legislative compliance. Activity areas include customer service, rates and maintaining of assessment records, House of Assembly Roll and Council's Supplementary Roll.

Council provides cash and in-kind contributions to assist community groups to respond to local needs, engages with the boarder community, and recognises and celebrates community achievements.

Council maintains regional, state and national relationships and partnerships through membership of groups such as the Local Government Association (LGA) of SA, Southern and Hill LGA and Coastal Councils group. Elected members are supported to fulfil their role as the governing body of Council. This category includes interest payments on loans.

Preparing for Council Elections

Council elections are held every four years in accordance with the Local Government (Elections) Act 1999. The next general election will be held in November 2022.

In the next financial year, the Council will commence planning and preparations for the 2022 election. This will include inviting eligible voters to enrol on the Council's supplementary role through direct mail and an advertising campaign.

Further campaigns will be undertaken in 2022/23 to attract candidates to stand for Council and encouraging voting.



Corporate Services



2021/22 Budget Summary

Capital			
Activity area	Revenue	Expenses	Net Result
Accounting	0	0	0
Communication	0	7,500	(7,500)
Human Services	0	0	0
Information Technology	0	887,000	(887,000)
Occupancy (Office)	0	160,000	(160,000)
Payroll	0	0	0
Records	0	0	0
Total	0	1,054,500	(1,054,500)

Overview

Council maintains the Victor Harbor Civic Centre and provides a range of corporate services to support efficient and effective levels of service delivery.

Council undertakes annual and long term financial planning, various accounting functions, payroll services, management of incoming and outgoing records in accordance with the State Records Act, and information technology and communication services.

Council aims to provide a safe and healthy workplace and develop an adaptable, skilled and satisfied workforce.

Corporate Service costs are distributed across activity areas as FCA, or Full Cost Allocation.

Operating			
Activity area	Revenue	Expenses	Net result
Accounting*	0	818,800	(818,800)
Communication*	0	70,600	(70,600)
Human Services*	0	514,000	(514,000)
Information Technology*	2,000	772,600	(770,600)
Occupancy (Office)*	10,000	748,300	(738,300)
Payroll*	0	130,600	(130,600)
Records*	500	300,800	(300,300)
Total	12,500	3,355,700	(3,343,200)

*These figures are provided for information to show the costs associated with corporate service delivery. The amounts in the above activity areas are distributed throughout all other activities (full cost attribution) resulting in a net zero to corporate services.

Key Planned Activities for 2021/22

ACTIVITY AREA	DESCRIPTION	STRATEGIC PLAN LINKS
OPERATING		
Information Technology	<p>Corporate Systems Review</p> <p>Council's software system has been in use for 20 years and no longer meets the organisation's needs. This review looks at internal processes and include the investigation of opportunities to enhance the systems for efficiency savings, process improvements and increased customer engagement (\$805,500)^</p>	

(^cost split between operating and capital budget)



— Community



— Innovation and Creativity



— Growth



— Environment



— Services and Infrastructure



— Governance



Image: Artist impression of Victor Harbor Mainstreet Precinct Upgrade Stage Four

Measuring our success





Our Measures of Success

The City of Victor Harbor measures and monitors its performance on a regular basis to ensure delivery of Community Plan 2030 outcomes as well as the delivery of services and projects. There are a number of ways in which we do this, as outlined below.

Key Planned Activities

Council will undertake a mid-year and end of year review of its progress towards completing Key Planned Activities. Council's performance target is to substantially complete at least 90% of the listed Key Planned Activities. In 2021/22, 15 Key Planned Activities have been identified. The activities are outlined in the budget activity area pages of this plan (pages 26-40), and provided in full on page 51.

Levels of Service Delivery

Council will report on the levels of service it provides to the community, including comparisons with levels of service in previous years when appropriate. Council also monitors customer requests, complaints and other feedback.

Strategic Indicators

As a part of the development of the Community Plan 2030, Council identified desired outcomes and indicators of success for each aspirations. These indicators will show how effective Council has been in making a difference in order to achieve its vision.

Budget Reviews

Council undertakes three regular budget reviews throughout the year. The mid-year review involves a thorough review of all budget items, and the final review identifies any major changes to predict the end of year result. A number of service areas undertake monthly reviews and reporting of financial performance.

Annual Report with Audited Financial Statements

Council will report on its performance in its Annual Report. Annual Reports are available to the community and are provided to the State Government for tabling as the official annual record of the past year's activities and performance of Council.

Our Measures of Success

Key Financial Indicators

Key financial indicators provide a robust assessment of financial performance and sustainability. They provide a measurement and monitoring guide to assist in Council decision making.

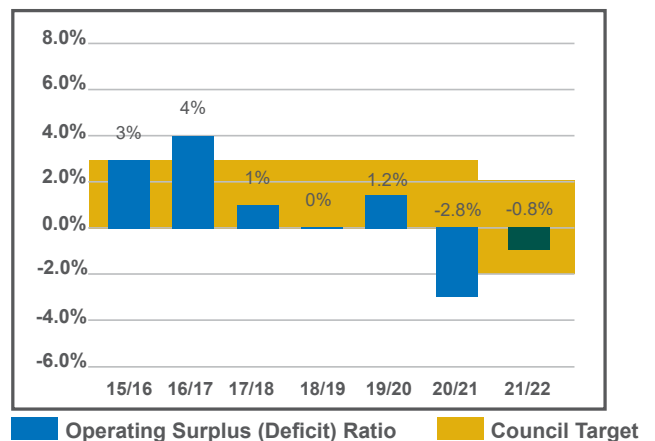
New targets have been developed during the review of the Long Term Financial Plan and Annual Business Plan and Budget development. This included Audit Committee review and the provision of recommended targets for the next iteration of the Long Term Financial Plan. While this plan is yet to be endorsed, Council has adopted targets for the 2021/22 budget.

Estimates and commentary is provided on the following pages in regards to these ratios.



Operating Surplus (Deficit) Ratio

This ratio expresses the operating surplus (\$) as a percentage of total operating revenue. A positive ratio indicates that all operating expenses are being fully funded by operating revenue and current ratepayers are meeting the costs of the services that they are using. Council has had positive ratios since 2011/12 with a current forecast of a deficit ratio of -2.8% for 2020/21 as demonstrated in the graph below:

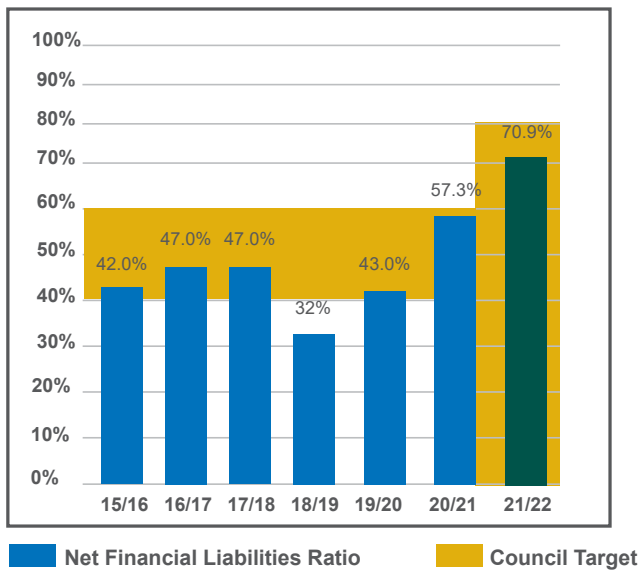


An Operating Deficit Ratio of -0.8% is projected in 2021/22 which is within Council's target of between -2% and 2%.

Net Financial Liabilities Ratio

This ratio expresses total liabilities less financial assets as a percentage of total operating revenue. The ratio indicates whether Council can meet its financial liabilities for the year from operating revenue. A higher ratio may indicate higher levels of debt whilst a lower ratio indicates stronger capacity to meet financial obligations.

Council's Net Financial Liability Ratio has fluctuated over the past ten years in line with major capital expenditure with a low of 32% in 2018/19 with a forecast ratio of 57.3% in 2020/21 as demonstrated in the graph below:



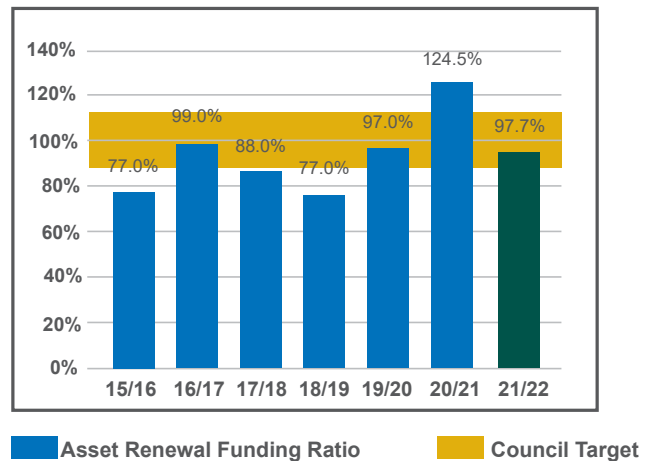
A Net Financial Liabilities Ratio of 70.9% is projected for 2021/22 which is below Council's maximum target of 80%.

Loan requirements will be assessed in the third quarter budget review to minimise loan borrowings. Cash Advance Debentures will be utilised to assist with cashflow.

Asset Renewal Funding Ratio

This ratio is based on expenditure on capital renewal (replacement) as a percentage of planned projects detailed in Council's Asset Management Plans. The ratio indicates whether assets are being renewed in line with Asset Management Plans with a ratio of 100% indicating the budget fully funds infrastructure requirements.

Whilst Council intends to fully budget for works required in the Asset Management Plans, the target range of 90% to 110% has been set to achieve an approximate 100% rolling average over a three year period. This allows for changing priorities and delays in completion of projects. It is expected that Council will meet the rolling three year target across the 2018/19 to 2020/21 financial years with a average ratio of 99.5% projected.



Expenditure on capital renewal projects in 2021/22 will provide an estimated ratio of 97.7% which is within Council's target range of 90% to 110%.

Rating Policy



2021/22 Rating Policy

Overview

Rating levels are influenced by a number of factors. This includes not only operational requirements for delivery of existing services, but also the impact of previous year's capital expenditure in terms of interest payments on borrowings and depreciation on new assets.

Council is currently considering the results of a Rating Review that may impact the structure and distribution of rates across the Council area. It is unlikely that broad changes will be made for the 2021/22 financial year.

The 2021/22 Annual Business Plan and Budget has been based on the existing Rating Structure.

Method Used to Value Land

Councils may adopt one of three valuation methodologies to value properties in its area, including:

- **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 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 City of Victor Harbor has decided to use Capital Value as the basis for valuing land and all of the improvements on the 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 equity principle of taxation requires that ratepayers of similar wealth pay similar taxes and ratepayers of greater wealth pay more tax than ratepayers of lesser wealth.
- Property value is a relatively good indicator of wealth, and capital value, which closely approximates the market value of a property, provides the best indicator of overall property value.

- The distribution of property values throughout the council area is such that, in percentage terms, few residential ratepayers will pay significantly more than the average rate per property.

Adoption of Values

Each year, the Valuer General values property as part of the annual General Valuation. This involves sales analysis and research so that values reflect the market as at the date of valuation. The City of Victor Harbor adopts valuations made by the Valuer General as provided to the Council.

In addition to the annual revaluation process, the Valuer General has also undertaken a Revaluation Initiative which involves in-depth data collection and analysis of individual properties to improve the accuracy of the valuations. For the City of Victor Harbor, this primarily impacts properties with a land use category of Primary Production.

Capital valuations as at 20 June 2021 for 2021/22 total \$4,553,830,640 of which \$4,415,752,691 is rateable.

If a ratepayer is dissatisfied with the valuation made by the Valuer General, then the ratepayer may object to the valuation in writing, served personally or by post on the Valuer-General, within 60 days after the date of service of the 1st quarter notice.

Please note:

1. if you have previously received a notice or notices under the Local Government Act 1999 referring to the valuation and informing you of a 60 day objection period, the objection period is 60 days after service of the first such notice;
2. you may not object to the valuation if the Valuer-General has already considered an objection by you to that valuation.

The Valuer-General may extend the 60 day objection period where it be shown there is reasonable cause to do so by a person entitled to make an objection to a valuation.

A written objection to valuation must set out the full and detailed grounds for objection and further information and objection packs (including a reply-paid envelope) are available on request by calling Land Services SA on 1300 653 346.

You can email, fax or post your written objection to the Office of the Valuer-General or electronically submit your objection using an online form.

- **Online:** Complete the online form at www.sa.gov.au/landservices
- **Email:** Send your objection, including any attachments to lsgobjections@sa.gov.au
- **Post to:** GPO Box 1354, Adelaide 5001
- **Fax:** 08 8115 5709
- **In Person:** 101 Grenfell Street, Adelaide.

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

Notional Values

Certain properties may be eligible for a notional value, where the property is the principal place of residence of a ratepayer, under the Valuation of Land Act 1971.

This relates to some primary production land or where there is State heritage recognition.

A notional value is generally less than the capital value and this will result in reduced rates. Application for a notional value must be made to the Office of the Valuer General.

Business Impact Statement

Council considers the impact of rates on all businesses in the Council area, including primary production. In considering the impact, council assesses the following matters:

- Feedback received as a part of the consultation process on the draft Annual Business Plan

- Those elements of the Council's strategic management plan relating to business development which includes:
 - the development and management of tourism to capitalise on the strengths of the region;
 - achieving effective development with respect to economic activity and employment;
 - identifying new areas of land suitable for industry and business development;
 - supporting existing businesses, whilst attracting appropriate new businesses to the region.
- The equity of the distribution of the rate burden between classes of ratepayers which is primarily based on the equity principle of taxation, where ratepayers of similar wealth pay similar taxes, and ratepayers of greater wealth pay more tax than ratepayers of lesser wealth. The rates are differentiated on the basis of land use. The rate in the dollar that is set for these land use categories has some regard to the services provided by the Council and used by the ratepayers who reside within these areas.
- Council's policy of facilitating local economic development, which is to encourage and assist in the provision and development of industry, commerce, training, strategic planning and coordination within the council area.
- Information from the Australian Bureau of Statistics and other data sources.
- Current local, state and national economic conditions and expected changes during the next financial year.
- Changes in the valuation of commercial and industrial properties from the previous financial year.

- Specific infrastructure maintenance issues that will significantly benefit businesses and primary producers will include the continuation of Town Centre Master Plan initiatives, CBD traffic infrastructure upgrades and the rural roads re-sheeting and re-sealing programs. Other projects include the vegetation clearance program for the trimming of trees on rural roads, the rural and urban storm water drainage programs and public car parking initiatives.
- The profile of businesses including size, range, type and level of employment provided. Victor Harbor has a broad cross section of employment by industry with the largest employment sectors being health care and social assistance, retail trade, construction, accommodation and food services, and education and training. Places of employment range from sole owner / operators through to large national companies employing many people.

Rating Structure

Council has adopted a two tiered rating structure comprising of a fixed charge component and differential rates, set according to land use categories that are applied to the capital value of the property.

Fixed Charge

Council has imposed a fixed charge on properties in its area to establish a minimum base payment for each assessable property. Where two or more adjoining properties have the same owner and occupier, or where there is a single farm enterprise comprising more than one property, only one fixed charge is payable by the ratepayer.

Council will increase the fixed charge by 2.5% from 2020/21 to \$400 per property. The fixed charge will recover approximately 18% of rate revenue with the remaining from differential rating.

Differential General Rates

The Council has imposed differential general rates based on the land use categories as permitted under the Local Government (General) Regulations. The differential rates have regard to the range of services provided, the standard of those services, whether there are any specific budget expenses which may be unique to or benefit a specific land use and new initiatives which may target a specific sector or sectors. Council will increase the differential rates for each land use category from the previous 2020/21 financial year by 2.5%.

Category	Fixed Charge	Cents in the \$	Base Differential	Revenue (Approx)
Residential	\$400	0.4458	Base rate	\$19.2 million
Commercial	\$400	0.5795	Base + 30%	\$1.8 million
Industry	\$400	0.5126	Base + 15%	\$0.1 million
Primary Production	\$400	0.4012	Base - 10%	\$1.9 million
Vacant Land	\$400	0.6687	Base + 50%	\$1.3 million
Other	\$400	0.4458	Base rate	\$0.2 million
TOTAL				\$24.5 million

Commercial and industrial properties will continue to attract a differential rate at 30% and 15% above the residential rate respectively. The proportion of differential rates above the base rate, anticipated to be about \$380,000, will be deposited into a fund and used exclusively for the purpose of delivering new and expanded promotional and economic development initiatives, consistent with the Economic Development Strategy. Further information in relation to this is provided on page 24.

Council has continued to recognise the economic and social importance of primary production to the district and therefore the need to support its long term viability by providing a discount differential of 10% to the base rate for primary production land.

Council also considers that vacant land creates a significant holding cost relating to constructed infrastructure and costs to administer the land, and seeks to encourage development and consolidation of these properties.

The importance of encouraging infill development to contain our environmental footprint is also recognised. Council has maintained the differential rate to be applied to the vacant land use category at 50% more than the base rate.

The 2021/22 land use categories, the respective differential general rates to apply and approximate revenue to be raised will be as shown in the table below. The revenue figure includes both the fixed charge and differential rates net of rebates, but excludes the Regional Landscape levy.

Separate Rate – Regional Landscape Levy

The Regional Landscape Levy, previously known as the Natural Resources Management (NRM) Levy, is a State Tax. Councils are required under the Landscape South Australia Act 2019 to collect the levy on all rateable properties on behalf of the State Government.

The total amount will be payable to the Hills and Fleurieu Landscape Board is \$408,808, with Council able to recover the amount prescribed under the Landscape South Australia Act 2019 for establishment and collection costs of \$5,373.

The rate collected is based on the capital value of all rateable properties as \$0.00009465 cents in the dollar.

Rebates (Rate Capping)

Council will provide relief against what would otherwise amount to substantial change in rates payable by the ratepayer due to substantive changes in valuation or changes to the basis of rating.

Council will apply rate capping to general rates for the 2021/22 financial year and will grant to the principal ratepayer of an assessment where the residential property is the owner's principal place of residence or a primary production property, a rebate of the amount by which the general rate amount payable exceeds the 2020/21 general rate payable by 15%.

The rebate would not apply where:

- the property has been acquired by the ratepayer (residential and primary production) or has become their principal place of residence (residential only) after 1 January 2020;
- the increase in general rate payable is due in whole or in part to an increase in valuation of the property attributable to improvements.

To access the rebate the principal ratepayer must make personal application to Council, providing supporting documents where necessary and stating the grounds on which the rebate is being sought.

Rates Postponement (State Seniors Card Holders)

Section 182A of the Local Government Act 1999 provides for postponement of rates on the principal place of residence for seniors. Application can be made by seniors who hold a current seniors card and meet the criteria. The amount which can be postponed is any amount greater than \$500 (\$125 per quarter).

In accordance with Section 182A (12), interest will accrue on the postponed balances at a rate which is 1% above the cash advance debenture rate. The accrued debt is payable on disposal or sale of the property.

Application forms and more information may be obtained by contacting Council on 8551 0500.

Remission and Postponement of Rates

Section 182 of the Local Government Act 1999 permits a Council, on the application of the 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 they are invited to contact Council on 8551 0500.

Council treats such inquiries confidentially.

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, the Royal Zoological Society and educational institutions.

Discretionary rebates may be applied by the Council under Section 166 of the Act.

Payment of Rates

One single payment is due on **30 September 2021**, or by quarterly instalment payments due on the following dates:

- 1st instalment – **30 September 2021**
- 2nd instalment – **8 December 2021**
- 3rd instalment – **8 March 2022**
- 4th instalment – **8 June 2022**

Rates will be accepted as follows:

- By **BPAY** or **BPAY VIEW**, using a telephone or internet banking system that has this facility, and ensuring that council's biller code number 918532 and the customer reference number are used;
- online at **www.victor.sa.gov.au**;
- by phoning **1300 276 468** and using VISA or Mastercard;
- by **post**, with all cheques or money orders made payable to the City of Victor Harbor and sent to PO Box 11, Victor Harbor SA 5211;
- by **Direct Debit** from your nominated bank account (forms are available on Council's website at www.victor.sa.gov.au or by contacting Council on 8551 0500);
- in **person at the Council Civic Centre** at 1 Bay Road, Victor Harbor. Payments of cash, cheque or money order and credit cards are acceptable and EFTPOS facilities are also available;
- at any **Australia Post branch** upon presentation of the original Council rate notice.

Any ratepayer who may, or is likely to, experience difficulty with meeting the quarterly instalment payments should contact Council on 8551 0500 to discuss a payment arrangement.

Appendix 1

Delivering our vision

2021/22 Key Planned Activities and
Capital Works Projects

2021/22 Key Planned Activities

Encounter Bikeway

Widening of the Encounter Bikeway along Franklin Parade from Oakham Street to Tabernacle Road (\$300,000)*

Mainstreet Precinct Upgrade Stage 4

Construction works for Stage 4 which includes the southern end of Ocean Street and Albert Place (\$2,675,000)*

McKinlay Street Car Parking

Over the years, Council has strategically acquired land in McKinlay Street to provide additional town centre car parking. In line with feedback received from the community, Council will explore opportunities with third party developers that involve the delivery of a car park at a reduced cost to ratepayers (\$2,000,000)

Waggon Road Safety Improvements

Stage two of this project will be undertaken including shoulder construction, improved drainage, increasing the roadway at bends, improved signage, line marking, installation of guard rails and roadside vegetation removal (\$441,700)*

Carbon Data Tracking

This project involves the continuation of a carbon auditing data tracking system to measure energy use, greenhouse gas emissions and abatement actions (\$15,000)

Regional Community, Sport and Recreation Facility Master Plan

Completion of a Regional Community, Sport and Recreation Facility Master Plan that will provide additional

indoor sports facilities to support the growing participation in sport and recreation activities (\$25,000)

The Bluff Master Plan

Development of a Master Plan that outlines a shared vision for The Bluff, an iconic landmark and attraction for Victor Harbor (\$35,000)

Climate Change Planning and Investigation

Undertake planning and develop actions that allow Council to mitigate its impacts and adapt to the changing climate (\$50,000)

Business Victor Harbor Partnership

Funding contribution provided to Business Victor Harbor to enable continuation of the Executive Officer position to assist the organisation enhance its ability to support the local business community (\$100,000)

Investment Attraction and Destination Marketing Project

Commence work on an investment attraction strategy in collaboration with Business Victor Harbor, pending grant funding (\$20,000)* and following the Victor Harbor brand revitalisation, deliver a destination marketing strategy (\$15,000)

Events and Festivals

Council continues its commitment to facilitating a number of events and festivals that contribute to economic development, tourism and community engagement. These include the Victor Harbor Rock N Roll Festival (\$46,700), New Year's Eve Celebration (\$38,000),

Fringe Event (\$25,000), support for the SANFL Country Championships (\$35,000), and a Festivals and Events Grant Program (\$35,000)

Master Plan for 44 Adelaide Road

Following the strategic purchase of 44 Adelaide Road, Council will undertake master planning for the future use of the site that considers Tuck Reserve and the broader neighbourhood (\$5,000)

Arts and Culture Centre

Following consultation in 2020/21, Council will complete the concept design for the Arts and Culture Centre (\$47,000)

Library Upgrade

A mezzanine level will be added to the library to allow for the creation of a new children's area that will be a larger room of its own with sound proofing to enable programs to run without disturbing all patrons of the library. This upgrade will also include the addition of smaller meeting rooms, a social hub and more storage (\$1,601,500)*

Corporate Systems Review

Council's software system has been in use for 20 years and no longer meets the organisation's needs. This review looks at internal processes and include the investigation of opportunities to enhance the systems for efficiency savings, process improvements and increased customer engagement (\$805,500)^

(*off-set by grant funding)

(^cost split between operating and capital budget)

Capital Works Projects

The following highlights some projects included in the 2021/22 capital budget:

Activity Area: Bridges	
Project	Cost
Keen Road Bridge	\$280,000
Franklin Island Bridge	\$350,000

Activity Area: Car Parks	
Project	Cost
McKinlay Street Car Park	\$2,000,000

Activity Area: Coastal Protection	
Project	Cost
Beach access ramp renewals	\$60,000

Activity Area: Cultural Services	
Project	Cost
Bay Road Mosaic Project	\$8,000
Finalise concept design for Arts and Culture Centre	\$47,000

Activity Area: Horse Tram	
Project	Cost
Commence construction of stables	\$150,000
Replacement of Granite Island terminal	\$45,000
Tram line replacement	\$350,000
Tram office renovation and electrical upgrade	\$95,000



Activity Area: Information Technology	
Project	Cost
Corporate Systems Replacement (Year 1)	\$634,000

Activity Area: Kerbing and Footpaths	
Project	Cost
Replacement of the Bridge Terrace railway chicane	\$25,000

Continuation of the Encounter Bikeway Upgrade (between Kent Reserve and The Bluff)	\$300,000
Hill Street Footpath	\$30,600
Footpath replacement program	\$111,600
Pram ramps and access improvements	\$25,000

Activity Area: Library	
Project	Cost
Library upgrade	\$1,601,500

Activity Area: Occupancy	
Project	Cost
WHS and safety upgrades to customer service counter	\$130,000

Activity Area: Sports	
Project	Cost
Sport and Recreation Precinct Master Plan	\$50,000
Fire egress compliance at the Victor Harbor Yacht Club	\$27,500
Grease arrestor and safety system for the Encounter Bay Sporting Clubs	\$64,800

Activity Area: Parks and Gardens	
Project	Cost
Wallage Reserve playground replacement	\$38,000
Design for new junior skate facilities	\$8,500

Activity Area: Property and GIS	
Project	Cost
Strategic land purchases	\$2,400,000
Fire safety compliance actions	\$50,000

Activity Area: Public Conveniences	
Project	Cost
Renovation of the Whalers Road Public Toilets	\$90,000
Replacement of watermain at Nangawooka Public Toilets	\$30,000

Activity Area: Streetscaping	
Project	Cost
Mainstreet Precinct Upgrade Stage 4 construction	\$2,675,000
Bus Shelters for Hindmarsh Road and Bay Road (near hospital)	\$15,000

Activity Area: Traffic Management	
Project	Cost
Waggon Road safety improvements	\$441,700

Activity Area: Visitor Centre	
Project	Cost
Continuation of renovations to the Railway Goods Shed	\$242,000

Appendix 2

2021/22 Budget Summary

2021/22 BUDGET SUMMARY TABLE

PROGRAM	Page Ref	CAPITAL			OPERATING		
		REVENUE	EXPENSES	RESULT	REVENUE	EXPENSES	RESULT
Accounting*	40	0	0	0	0	818,800	(818,800)
Aged Services	26	0	0	0	91,800	91,800	0
Bridges	28	0	630,000	(630,000)	0	433,800	(433,800)
Building Control	37	0	0	0	81,000	443,800	(362,800)
Car Parking	29	0	2,000,000	(2,000,000)	152,300	174,200	(21,900)
Caravan Park	35	0	0	0	262,300	89,000	173,300
Caring Neighbourhood Project	26	0	0	0	232,000	232,000	0
Cat Control	37	0	0	0	17,100	26,500	(9,400)
Cemetery	27	0	0	0	153,700	201,500	(47,800)
Coastal Protection	30	0	60,000	(60,000)	0	219,000	(219,000)
Communication*	40	0	7,500	(7,500)	0	70,600	(70,600)
Community Assistance	26	0	0	0	600	759,300	(758,700)
Community Bus Services	26	0	0	0	16,000	70,200	(54,200)
Community Transport - HACC	26	0	0	0	0	0	0
Community Transport - SCOTS	26	0	0	0	586,000	586,000	0
Crime Prevention	29	0	0	0	0	59,400	(59,400)
Cultural Services	38	0	60,000	(60,000)	105,000	270,300	(165,300)
Customer Service	39	0	0	0	0	554,100	(554,100)
Depot	33	0	39,000	(39,000)	0	419,500	(419,500)
Dog Control	37	0	0	0	140,700	147,900	(7,200)
Economic Development	34	0	0	0	96,800	493,800	(397,000)
Elected Members	39	0	0	0	0	401,100	(401,100)
Environmental Projects	30	0	0	0	0	551,300	(551,300)
Fire Prevention	37	0	0	0	9,000	91,600	(82,600)
Fleurieu Families	26	0	0	0	310,400	310,400	0
General Rates	-	0	0	0	24,665,700	0	24,665,700
Health Inspection	37	0	0	0	20,000	140,600	(120,600)
Horse Tram	35	0	692,000	(692,000)	141,100	556,500	(415,400)
Human Services*	40	0	0	0	0	514,000	(514,000)
Indirect Works	33	0	0	0	0	1,597,400	(1,597,400)
Information Technology*	40	0	887,000	(887,000)	2,000	772,600	(770,600)
Interest	39	0	0	0	33,000	0	33,000
Kerbing & Footpaths	28	150,000	587,200	(437,200)	0	801,300	(801,300)
LG Grants Commission	-	0	0	0	650,000	0	650,000
Library	38	600,000	1,629,500	(1,029,500)	135,400	1,187,200	(1,051,800)
Loan Interest	-	0	0	0	12,300	298,700	(286,400)
Local Nuisance & Litter	37	0	0	0	500	123,500	(123,000)
Occupancy (Office)*	40	0	160,000	(160,000)	10,000	748,300	(738,300)

PROGRAM	Page Ref	CAPITAL			OPERATING		
		REVENUE	EXPENSES	RESULT	REVENUE	EXPENSES	RESULT
Old School Building	27	0	0	0	7,000	27,000	(20,000)
Organisational	39	0	0	0	28,900	2,650,700	(2,621,800)
Other Regulatory Services	37	0	0	0	4,000	67,400	(63,400)
Sports	32	0	142,300	(142,300)	35,200	1,211,800	(1,176,600)
Parking Control	37	0	0	0	82,300	159,800	(77,500)
Parks & Gardens	32	0	156,500	(156,500)	6,000	1,701,800	(1,695,800)
Payroll*	40	0	0	0	0	130,600	(130,600)
Plant & Machinery	33	247,000	1,018,000	(771,000)	0	180,000	(180,000)
Private Works	28	0	0	0	7,900	6,200	1,700
Property & GIS	27	0	2,450,000	(2,450,000)	183,600	793,300	(609,700)
Public Conveniences	27	0	120,000	(120,000)	0	324,700	(324,700)
Rates Administration	39	0	0	0	85,600	414,700	(329,100)
Records*	40	0	0	0	500	300,800	(300,300)
Recreation Centre	27	0	0	0	110,100	308,100	(198,000)
Sealed Roads	28	0	430,000	(430,000)	273,600	2,833,800	(2,560,200)
Senior Citizens Facilities	27	0	0	0	0	48,900	(48,900)
Star Club	32	0	0	0	156,400	156,400	0
Stormwater Drainage	30	0	0	0	79,700	927,800	(848,100)
Street Cleaning	31	0	0	0	0	122,800	(122,800)
Street Lighting	29	0	0	0	0	243,200	(243,200)
Streetscaping	28	334,400	3,055,000	(2,720,600)	9,000	508,400	(499,400)
Tourism Marketing	34	0	0	0	30,600	394,100	(363,500)
Town Hall	27	0	0	0	10,000	72,800	(62,800)
Town Planning	36	0	0	0	198,000	1,158,000	(960,000)
Traffic Management	29	441,700	441,700	0	0	355,600	(355,600)
Unsealed Roads	28	0	160,000	(160,000)	0	744,800	(744,800)
Victa Cinema	38	0	8,000	(8,000)	783,000	821,200	(38,200)
Victor Harbor Visitor Centre	34	0	259,000	(259,000)	182,500	746,100	(563,600)
Waste Collection	31	0	0	0	500	1,793,200	(1,792,700)
Waste Disposal	31	0	0	0	0	313,300	(313,300)
Youth Development	26	0	0	0	138,200	138,200	0
*Adjustment for Corporate Costs distributed in activity areas (FCA)	-	0	0	0	0	(3,343,200)	3,343,200
		1,773,100	14,992,700	(13,219,600)	30,337,300	30,568,300	(231,000)

Appendix 3

Financial Statements

VICTA CIN

Uniform Presentation of Finances

For year ending 30 June 2022

	2020/21 MARCH BUDGET \$'000	2021/22 ADOPTED BUDGET \$'000
Operating Revenues	28,763	30,337
less Operating Expenses	(29,673)	(30,568)
Operating Surplus / (Deficit)	(910)	(231)
Net Outlays on Existing Assets		
Capital Expenditure on Renewal/Replacement of Existing Assets	(5,162)	(6,785)
add back Depreciation, Amortisation and Impairment	7,278	7,725
add back Proceeds from Sale of Replaced Assets	27	247
Subtotal	2,143	1,187
Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets	(8,897)	(8,208)
add back Amounts received specifically for new/upgraded assets	3,087	1,526
add back Proceeds from Sale of Surplus Assets	8	0
Subtotal	(5,802)	(6,682)
NET LENDING / (BORROWING) FOR FINANCIAL YEAR	(4,569)	(5,726)

FINANCIAL INDICATORS

Operating Surplus Ratio

Operating Surplus Ratio expresses the operating surplus or deficit, as a percentage of total operating revenue.

2021/22 DRAFT TARGET = (2%) to 2%

-3.2%

-0.8%

Net Financial Liabilities Ratio

Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council Business). These are expressed as a percentage of total operating revenue.

2021/22 DRAFT TARGET = Maximum of 100%

51.9%

70.9%

Asset Renewal Funding Ratio

Net asset renewals expenditure is defined as net capital expenditure on the renewal and replacement of existing assets, and excludes new capital expenditure on the acquisition of additional assets.

(DRAFT TARGET = 90% to 110%)

120.8%

97.7%

Statement of Comprehensive Income

For year ending 30 June 2022

	2020/21 MARCH BUDGET \$'000	2021/22 ADOPTED BUDGET \$'000
OPERATING INCOME		
Rates	23,542	24,666
Statutory charges	489	545
User charges	1,656	2,172
Grants, subsidies and contributions	1,883	2,002
Investment income	60	48
Reimbursements	860	707
Other revenues	273	197
Net Gain - Equity Accounted Council Business	0	0
Total Income	28,763	30,337
OPERATING EXPENSES		
Employee costs	10,280	10,453
Materials, contracts and other expenses	11,344	11,734
Finance costs	429	309
Depreciation, amortisation and impairment	7,278	7,725
Net loss - Equity Accounted Council Business	342	347
Total Expenses	29,673	30,568
	(910)	(231)
OPERATING SURPLUS / (DEFICIT)		
Asset Disposal and fair value adjustments	(1,000)	(1,000)
Amounts specifically for new or upgraded assets	3,199	1,526
Physical resources received free of charge	1,000	1,000
NET SURPLUS / (DEFICIT)	2,288	1,295
Other Comprehensive Income		
<i>Amounts which will not be reclassified subsequently to operating result</i>		
Changes in Revaluation Surplus - I, PP & E	3,024	4,915
Impairment / Recoupment Offset to Asset Revaluation Reserve	-	-
Total Other Comprehensive Income	3,024	4,915
Total Comprehensive Income	5,312	6,210

Statement of Financial Position

For year ending 30 June 2022

	2020/21 MARCH BUDGET \$'000	2021/22 ADOPTED BUDGET \$'000
ASSETS		
Current Assets		
Cash and Cash Equivalents	321	4
Trade and Other Receivables	236	1,084
Inventories	250	376
Total Current Assets	807	1,464
Non-Current Assets		
Financial Assets	370	256
Equity Accounted Investments in Council Business	9,782	9,440
Infrastructure, Property, Plant and Equipment	280,500	296,700
Other Non-Current Assets	1,000	1,000
Total Non-Current Assets	291,652	307,396
TOTAL ASSETS	292,459	308,861
LIABILITIES		
Current Liabilities		
Trade and Other Payables	2,574	4,432
Borrowings	1,746	330
Provisions	2,000	2,365
Total Current Liabilities	6,320	7,127
Non-Current Liabilities		
Borrowings	8,577	15,264
Provisions	400	456
Total Non-Current Liabilities	8,977	15,720
TOTAL LIABILITIES	15,297	22,847
NET ASSETS	277,162	286,014
EQUITY		
Accumulated Surplus	66,327	70,820
Asset Revaluation Reserve	210,215	214,316
Other Reserves	620	878
TOTAL EQUITY	277,162	286,014

Cashflow Statement

For year ending 30 June 2022

	2020/21 MARCH BUDGET \$'000	2021/22 ADOPTED BUDGET \$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts		
Operating Receipts	28,692	30,291
Investment Receipts	60	48
Payments		
Operating Payments to Suppliers and Employees	(20,483)	(20,908)
Finance Payments	(429)	(309)
Net cash provided by (or used in) operating activities	7,840	9,122
CASHFLOWS FROM INVESTING ACTIVITIES		
Receipts		
Amounts Received Specifically for New or Upgraded Assets	3,087	1,526
Sale of replaced assets	27	247
Sale of surplus assets	8	0
Repayments of loans by community groups	48	27
Payments		
Expenditure on renewal/replacement of assets	(5,162)	(6,785)
Expenditure on new/upgraded assets	(8,897)	(8,208)
Loans made to community groups	0	0
Net cash provided by (or used in) investing activities	(10,889)	(13,193)
CASHFLOWS FROM FINANCING ACTIVITIES		
Receipts		
Proceeds from borrowings	4,000	5,500
Payments		
Repayments of borrowings	(2,446)	(1,746)
Net cash provided by (or used in) financing activities	1,554	3,754
NET INCREASE (DECREASE) IN CASH HELD	(1,495)	(317)
Cash & cash equivalents at beginning of period	1,816	321
CASH & CASH EQUIVALENTS AT END OF PERIOD	321	4



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