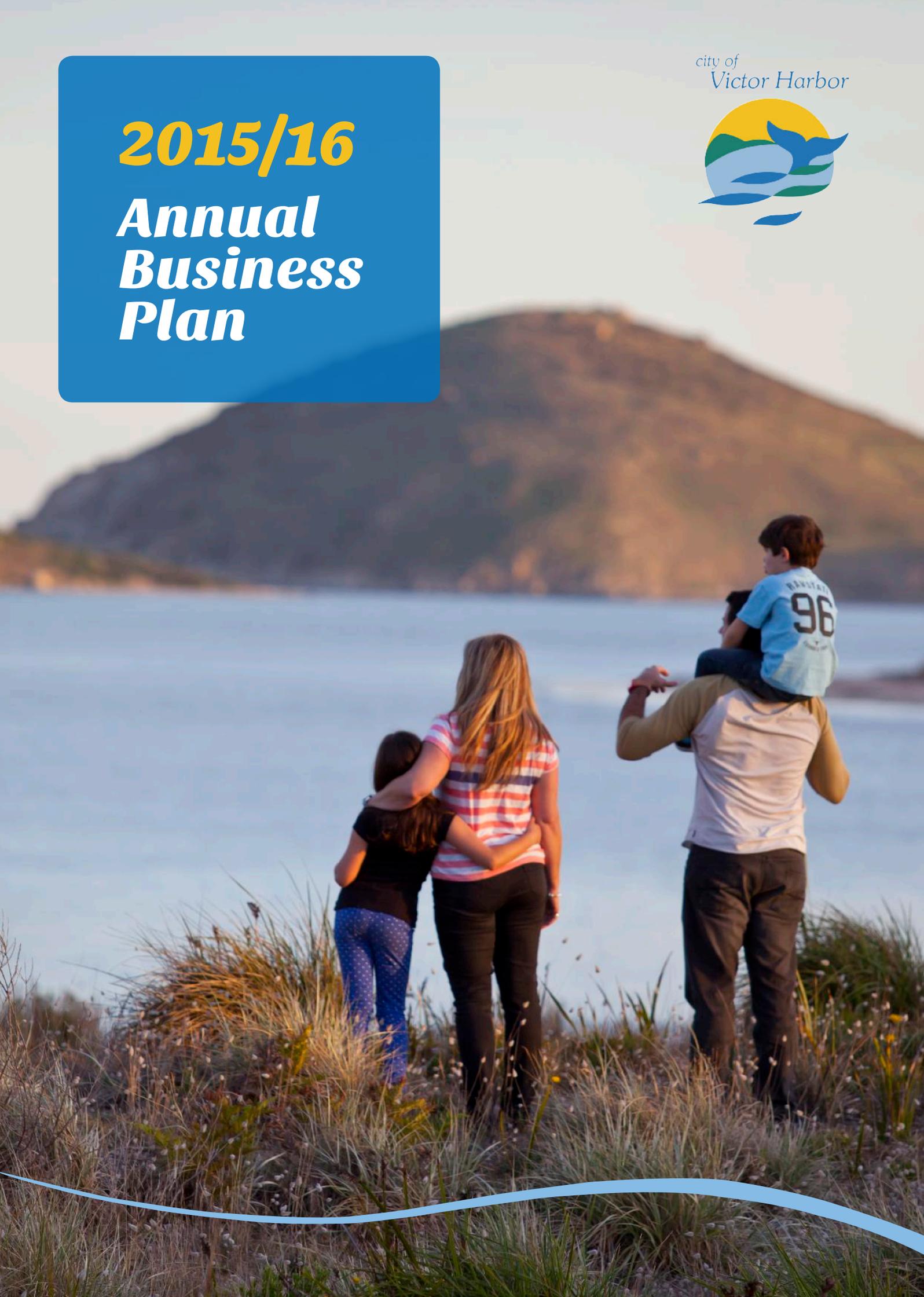


city of
Victor Harbor



2015/16 Annual Business Plan



ABOUT THIS PLAN

Section 123 of the Local Government Act 1999 requires Council to prepare an Annual Business Plan and Budget which provides a summary of Council's long term objectives and the activities that Council intends to undertake to achieve these objectives. It also provides an outline of how Council plans to measure its performance against its objectives, and takes into account the Long Term Financial Plan and Asset Management Plans.

The Act also requires the Annual Business Plan to set out proposed operating and capital expenditure, sources of revenue, the proposed rate structure, and the impact of the proposed rate structure on the community.

The 2015/16 Annual Business Plan was adopted by the City of Victor Harbor on Monday, 6 July 2015.

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OUR VISION

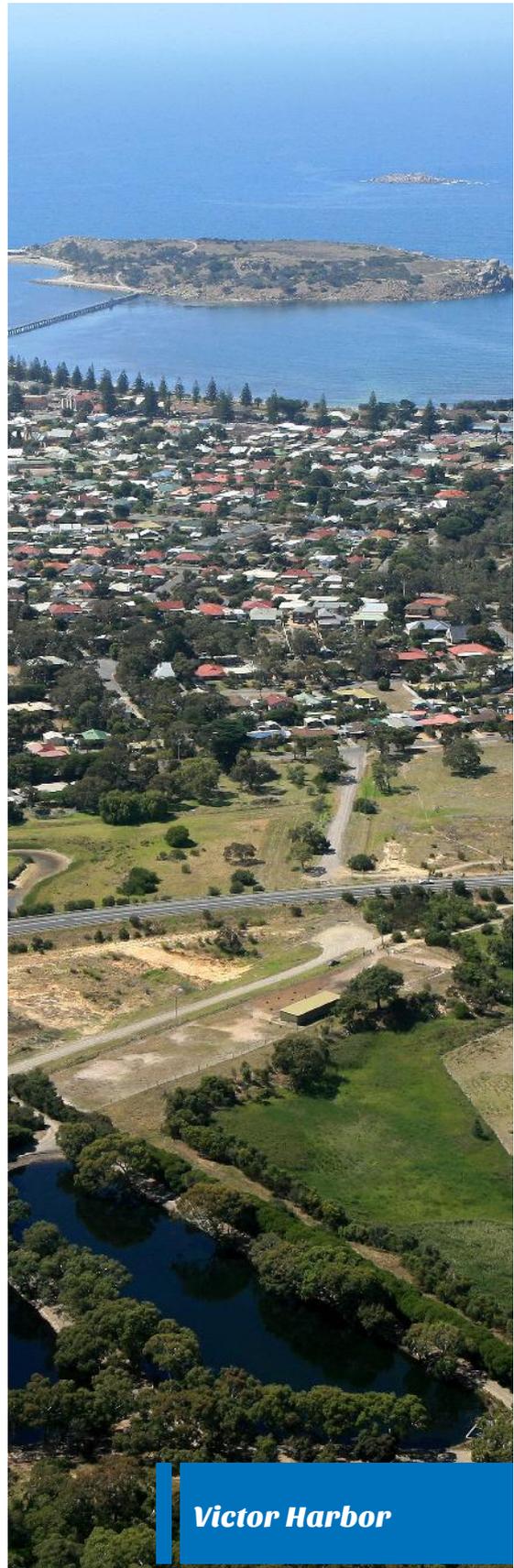
Council's vision describes what we want Victor Harbor to be like in the future:

A thriving and sustainable regional coastal centre offering a wide range of attractive, high amenity lifestyle choices to our local community, the wider Fleurieu region, our visitors and future generations.

The vision acknowledges the needs of current and future residents and visitors, and recognises Victor Harbor's role as the regional retail, commercial, educational and service centre of the Southern Fleurieu.

To achieve this vision, Council has identified four broad objectives which indicate what differences we hope to make:

1. A strong economy and supportive business environment.
2. The sustainable provision of physical infrastructure and community services.
3. Environment and lifestyle protected against the pressures of projected population growth.
4. Leadership, service delivery and organisational management that underpins our strategic directions.



Victor Harbor

2015/16 BUDGET AT A GLANCE

The 2015/16 Annual Business Plan shows how Council will allocate its budget and what services, programs and projects will be delivered in the coming financial year to contribute to achieving the community's long term objectives.

The major components of the 2015/16 Annual Business Plan are outlined in the table below.

Council will develop and maintain essential infrastructure such as roads, footpaths, storm water drainage and open space. It will also provide regulatory services such as planning and development, parking regulation and food hygiene, and provide other key services such as waste collection, a library, community services and environmental management.

Key Planned Activities	<ul style="list-style-type: none">• 134 Key Planned Activities have been identified to contribute towards achieving Council's long term objectives
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Capital Budget	<ul style="list-style-type: none">• Net \$10.5 million of capital works• Major projects include Bluff Boat Ramp Car Park Extension, Mainstreet Precinct Redevelopment (Stage 1) and Fleurieu Regional Aquatic Centre
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Operating Budget	<ul style="list-style-type: none">• Operating surplus of \$61,700
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Loans	<ul style="list-style-type: none">• No fixed term loans planned until significant completion of the Fleurieu Regional Aquatic Centre in 2015/16 – cash advance debentures will be used to cover shortfalls in cash flow up to a maximum of \$5.5 million
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Rates	<ul style="list-style-type: none">• Rate revenue increase of 4%• Average rate increase of 3.4%• Average residential rate increase of 2.6%• Fixed charged increased to \$325
--------------	--

Rating Policy	<ul style="list-style-type: none">• Differential rate component on commercial and industrial properties to be maintained at current levels and used for economic development activities• Differential rate discount on primary production properties to be reduced from -11.25% to -10%• Differential rate on vacant properties to be maintained at current level to encourage development
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Financial Sustainability	<ul style="list-style-type: none">• Operating Surplus Ratio of 0.3% compared to an estimated 3% surplus in the Long Term Financial Plan (LTFP)• Net Financial Liabilities Ratio of 75.6% compared to an estimated 56% in the LTFP• Asset Sustainability Ratio at 124.7% compared to the 100% estimate in the LTFP
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WHERE MONEY WILL BE SPENT

For every \$100 of council operating expenditure in 2015/16



MAJOR CAPITAL PROJECTS

In 2015/16 the City of Victor Harbor has a capital expenditure budget of just over \$22 million. This is offset by capital grants and contributions totalling close to \$12 million. The diagram below outlines a selection of major projects.



*Includes grant funding and contributions.

SIGNIFICANT ACTIVITIES IN 2015/16

Parks Reserves and Sporting Facilities

Regular upgrades to outdoor furniture, barbeques and paving are proposed at various locations including increasing playground disability access.

Significant projects include the redevelopment of Soldiers Memorial Gardens, construction of the Fleurieu Regional Aquatic Centre, construction of a pontoon at the Bluff Boat Ramp, and replacement of roofing, flooring and fittings at the Recreation Centre. The cost of capital works to parks, reserves and sporting facilities is expected to be \$14.8 million (offset by grants totalling \$9.3 million).

Roads and Footpaths

A total road construction allocation of \$2.3 million (offset by grants of \$1.2 million) includes the major sealing and re-sheeting programs and Stage 1 of the Ocean Road reconstruction.

The allocation to footpaths and kerbing totals \$696k (offset by grants of \$150k) and includes the stage 3 of the Foreshore Promenade, Prime Boulevard, and regular replacement of various footpaths and kerbs in line with Asset Management Plans and condition ratings.

Car Parks

An extension of the Bluff Boat Ramp Car Park, including stormwater, lighting and bitumen works, has been programmed totalling \$750k (offset by a grant of \$160k).

An upgrade to parking ticket machines is also included at a cost of \$23.5k to increase payment options available.

Mainstreet Precinct

The implementation of Stage 1 of the Mainstreet Precinct Master Plan (Ocean Street and Coral Street intersection) is included at a cost of \$960k subject to grant funding of \$480k.

Other Projects

Other capital projects include the refurbishment of the youth area at the library (\$15k), cemetery development (\$60k), beach access and coastal protection (\$97k), stormwater drainage (\$96k), bridge works (\$40k), traffic management upgrades (\$342k) as well as regular replacements of office and depot equipment.



Strategic Management Planning

Council's Building and Asset Management Plan will be updated and Council's Long Term Financial Plan will be reviewed to align with the Asset Management Plans.

In 2015/16 Council will complete the Centres Review Development Plan Amendment (DPA), Better Development Plan DPA and undertake a Residential Land Supply Study and DPA. Council will commence a built form heritage study to inform a future Heritage DPA.

Council will also commence a major review of the Community Plan 2022; undertake a traffic and parking management strategy including town centre car parking; review and update the Victor Harbor 2000 Strategic Bicycle Plan; complete the Economic

Development Strategy; and develop the Victor Harbor Climate Adaptation Plan following finalisation of Regional Climate Change Adaptation Strategy.

Grants and Contributions

Council will support local businesses and community organisations by providing a range of grant opportunities through community, sport and recreation, heritage and mainstreet façade grants.

In 2015/16 Council will introduce an arts and culture community grants scheme to support the development of arts and culture in the community.

Community Services and Facilities

Council will continue to assist transport disadvantaged people to access essential services; encourage programs that support isolated residents to develop connection with their community; support young people to develop, implement and participate in arts and cultural events; and develop strategies that promote and facilitate coordinated services for young people and families.

Sport and Recreation Grants



ROLE OF COUNCIL

While Council derives its principal powers from the Local Government Act, there are more than 50 Acts of Parliament which also assign roles and responsibilities to Local Government. Council's role within the community will vary depending on the nature of the service or activity.

Council's role	
Lead	Provide leadership by setting directions to meet the current and future needs, usually through policies, strategies and plans.
Plan	Plan for the development and future requirements of the area.
Manage	Manage community assets including buildings, facilities, public space, reserves and the natural environment.
Regulate	Undertake a regulatory role in response to specific legislation.
Communicate	Act as an information provider including developing resources to enhance community understanding and inform decision making.
Advocate/Influence	Advocate, liaise and lobby on behalf of the community.
Initiate/Facilitate	Bring together community groups and stakeholders to stimulate action and connect those with similar interests and goals.
Provide/Respond	Directly or indirectly provide a service or respond to a need for the community.

KEY PLANNED ACTIVITIES

Council has identified **134 Key Planned Activities** to be undertaken in 2015/16.

Key Planned Activities illustrate what Council will focus on over the next 12 months to contribute towards achieving our objectives.

Key Planned Activities are generally activities that are reasonably defined and measurable and include key tasks, significant activities or special projects for the next 12 months.

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 the Council's long term objectives, ensure legislative requirements are met, and respond to community expectations.

The following pages outline Council's ongoing activities, as well as its Key Planned Activities. The activities are listed under objectives and strategies, which in broad terms explain how to achieve our objectives.

Key Planned Activities may not be listed under every strategy in every year and it is not intended that every activity of Council is included.



Footpath renewal

OBJECTIVE ONE ACTIVITIES

A strong economy and supportive business environment

Ongoing Activities

- Building assessment and inspection
- Bus shelters
- Community transport
- Construction and maintenance of bridges
- Construction and maintenance of car parks
- Construction and maintenance of footways and cycle tracks
- Construction and maintenance of roadway infrastructure
- Development assessment
- Economic development
- Event management
- Horse drawn tram service
- Internet accessibility
- Land use planning
- Parking control and enforcement
- Private works
- South Australian Whale Centre
- Street and public lighting
- Street signage
- Tourism promotion, servicing and development
- Traffic control and statutory signage
- Visitor Information Centre



Key Planned Activities 2015/16

Employment and Economic Development

1.1 *Support an increase in appropriate business investment and employment opportunities*

Facilitate planning for Sculpture Encounters at Victor Harbor in 2017 (1.1.1)

Complete the Economic Development Strategy and implement priority initiatives (1.1.2)

Implement priority initiatives under the Mainstreet Precinct Action Plan (1.1.3)

Complete the Centres Review Development Plan Amendment (1.1.4)

Deliver Mainstreet Precinct Master Plan on-site Civil works for Stage 1 (1.1.5)

Prepare Mainstreet Precinct Master Plan brief to undertake the design and documentation for the next stage/s (1.1.6)

Prepare an Economic Development Policy "The way we do business with business" (1.1.7)

1.2 *Promote Victor Harbor's competitive advantages in order to encourage new businesses and industries*

Implement the Digital Economy Strategy (1.2.1)

Promote combined tourism advertising packages (1.2.2)

1.3 *Plan for an improved range of, and access to, services*

Evaluate the trial public access agreement with local caravan parks for a free public accessible RV and caravan effluent disposal point and investigate further opportunities for the establishment of Victor Harbor as an RV friendly town (1.3.1)

Provide "Pop Up" activities on Granite Island to maintain the Island as a key tourist attraction (1.3.2)

Work with State Government and other stakeholders to secure the long term future of Granite Island as a key tourist attraction (1.3.3)

1.4 *Encourage improved reputation and business climate*

Organise and stage the 2016 WhaleTime PlayTime Festival (1.4.1)

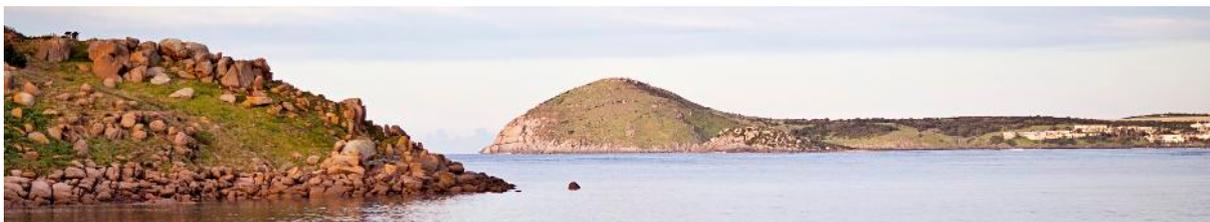
Organise and stage the 2015 Rock 'n' Roll Festival (1.4.2)

Organise and stage the 2016 South Australian Whale Season Launch (1.4.3)

Maintain and update the Whale Trail (1.4.4)

Consistent with Council's Major Events Policy, consider opportunities that encourage improved reputation and business climate (1.4.5)

Host a Stage finish in the 2016 Santos Tour Down Under and the Bupa Challenge Tour (1.4.6)



centre car parking (1.10.1)

1.5 *Support business linkages through partnerships and collaboration*

Develop national, regional and state economic development networks by hosting the 2015 Australian Regional Tourism Network Conference and the 2016 Mainstreet SA Conference (1.5.1)

Participate in the Fleurieu Peninsula Tourism Committee, regional tourism plan and activities (1.5.2)

Population and Housing

1.6 *Plan for appropriate housing stock and diversity to meet current and projected needs*

Complete the Better Development Plan DPA (1.6.1)

1.7 *Encourage an increase in the proportion of permanent residents*

Connectivity

1.8 *Support improved information communication technology services*

Work with the NBN Co, the community, key business partners and neighbouring councils to maximise the potential of the NBN to deliver Council services (1.8.1)

1.9 *Negotiate for improved regional transport connections*

1.10 *Integrate transport services and land use planning*

Undertake a traffic and parking management strategy including town

1.11 *Develop and maintain safe road, cycle and pedestrian corridors and networks*

Review and Update Victor Harbor 2000 Strategic Bicycle Plan (1.11.1)

Undertake road and drainage design work for Wattlebury Road (1.11.2)

Finalise design and installation of traffic devices at Investigator College (1.11.3)

Complete bridge maintenance as identified from condition assessments and associated Asset Management Plan (1.11.4)

Construct a modified T-junction at the intersection of Swains Crossing and Pages Road (1.11.5)

Complete kerb and channel maintenance and replacement as identified from condition assessments and associated Asset Management Plan (1.11.6)

Undertake design work for Greenhills Road drainage and road design (1.11.7)

Undertake Stage 1 of the Ocean Road Reconstruction (1.11.8)

Undertake Stage 3 of the Foreshore Promenade Bikeway Development project linking the Causeway Plaza to the Esplanade, subject to external grant funding (1.11.9)

Undertake Harbour View Terrace road reconstruction (1.11.10)

Undertake Hindmarsh Road footpath construction to accommodate the

recently constructed pedestrian refuge (1.11.11)

Undertake construction of the Bluff Boat Ramp carpark extension (1.11.12)

Provide a temporary boat / vessel holding area off the Bluff breakwater (1.11.13)

Commence Stage 1 of the Torrens Street / Crozier Road intersection round about design and specifications for construction subject to funding contribution from the Department of Transport, Planning and Infrastructure (1.11.14)

1.12 *Advocate for improved public and community transport services*

Provide the Southern Communities Transport Scheme in partnership with Alexandrina Council to assist transport disadvantaged people to access essential services (1.12.1)

Secure sustainable funding for Community Transport Services beyond October 2015 (1.12.2)

Community

1.13 *Advocate for expanded options to access higher education and skills development.*



OBJECTIVE TWO ACTIVITIES

The sustainable provision of physical infrastructure and community services

Ongoing Activities

- Abandoned vehicles
- Cemeteries
- Community and charitable donations
- Community grants
- Community information
- Community services for aged, families, youth and disadvantaged
- Drainage infrastructure
- Disability support
- Dog and cat control and enforcement
- Dog registration
- Garbage collection and disposal
- Green waste collection and processing
- Halls and community buildings
- Health and preventative services
- Immunization
- Litter inspection and enforcement
- Livestock impounding
- Sharps/needle collection service
- Playgrounds
- Boat ramp provision and maintenance
- Public conveniences
- Parks, gardens and reserves
- Sport and recreation facilities
- Recycling
- Septic tank approval and inspection
- Street furnishing
- Street sweeping
- Stormwater management
- Supported residential facilities licensing
- Venue hire
- Vermin eradication



Key Planned Activities 2015/16

Physical Infrastructure

- 2.1 *Stage release of residential land ahead of growth and in line with staged services*
- 2.2 *Plan for and encourage reduced waste generation and increased recovery and reuse of waste*
Trial “Solar Big Belly Bin” enclosure to improve waste collection pick up cycles and waste recycling (2.2.1)
- 2.3 *Improve stormwater management through retention, detention, and reuse*
Construct stormwater upgrades as identified in the Urban Stormwater Master Plan and Stormwater Asset Management Plan including Yandra Terrace and coastal storm water upgrades (2.3.1)
- 2.4 *Maximise reuse of treated wastewater*
Commence the Victor Harbor Water Reuse Plan, Stage 2 investigations considering the Foreshore Caravan Park and Kent Reserve (2.4.1)
- 2.5 *Encourage reduced energy consumption through energy efficient development*
- 2.6 *Encourage increased use of sustainable energy sources*
- 2.7 *Encourage water sensitive urban design and water consumption reduction*

Community

- 2.8 *Facilitate meeting places responsive to community needs*
Encourage initiatives to develop meeting places responsive to community needs, including investigating extension of the lease on the Old School Building Community Centre (2.8.1)
Support the development of the Victor Harbor Men’s Shed (2.8.2)
- 2.9 *Encourage coordination, collaboration and the effective provision of, and access to health and community services in the local area and region*
Consider funding models and opportunities to sustain the Southern Fleurieu and KI Positive Ageing Taskforce beyond October 2015 in order to encourage collaboration of service providers, and services that respond to the needs of older people (2.9.1)
Partner with the City of Onkaparinga in the delivery of school based immunisations (2.9.2)
Review and progress the Encounter Lakes and Franklin Island water testing program (2.9.3)
Review the delivery of Council’s European Wasp Management Program (2.9.4)

Investigate and implement as appropriate improved evidence based performance evaluation and productivity tools, including Results Based Accountability, to more effectively measure the outcomes of community service projects (2.9.5)

Support the Families Taskforce to develop strategies that promote and facilitate accessible, targeted, and coordinated services for young people and families with children (2.9.6)

In partnership with other member councils of the Southern Hills Local Government Association (SHLGA) commence implementation of a Regional Health Plan as required by the Public Health Act 2011 (2.9.7)

Utilise information from Youth Forums conducted in 2015 to inform service delivery for young people (2.9.8)

2.10 *Promote safe communities through appropriate infrastructure, urban design, crime prevention and police services*

Instigate Coastal Safety Signage Stage 4 (final) in line with Coastal Safety Signage Strategy (2.10.1)

Consider, and where appropriate implement, recommendations of the Coroner's enquiry into the drownings at Petrel Cove and Depledge Beach (2.10.2)

2.11 *Plan for the appropriate location of children's services, facilities for the aged, recreation and sporting facilities, education services and cemeteries*

Complete the 2015/16 playground development and upgrade program and renewal of existing playgrounds (2.11.1)

2.12 *Improve access, lifestyle and information services for people with a disability*

Provide improved disability access by identifying and upgrading problem footpath areas, and areas requiring additional car parks for disabled permit holders (2.12.1)

Consider playground improvements that provide improved access for children with a disability (2.12.2)

2.13 *Ensure high quality open space and recreation facilities are provided and maintained*

Continue Urban Forests Program with a focus on the revegetation of Hicks Reserve as per Hicks Reserve Development Plan and Revegetation Plan, with assistance from volunteers (2.13.1)

Establish a regional model for the Star Club Field Officer to deliver improved support to local sporting clubs and enhanced support to Council on a range of recreation and sport matters (2.13.2)

Complete 2015/16 Reserve Development Program focussing on Stage 1 of the landscape upgrade of Brandwood Reserve to neighbourhood level reserve in consultation with neighbourhood residents (2.13.3)

Redevelop central plaza area of Soldiers Memorial Gardens (SMG) in accordance with SMG Landscape Design Plan(2.13.4)

Undertake John Crompton Reserve beach access project (2.13.5)

Provide Recreation and Sport Small Grants Program (2.13.6)

Complete Stage 2 of the Victor Harbor Dog Park (2.13.7)

Replace the Recreation Centre stadium one floor and upgrade emergency exits (2.13.8)

Upgrade the Recreation Centre including carpeting, curtains, window replacement and roller doors (2.13.9)

In cooperation with the Alexandrina Council, coordinate year 1 of the construction for the Fleurieu Region Aquatic Centre (2.13.10)

Upgrade the tennis/netball courts at the Victor Harbor Oval to provide safe playing facilities meeting current safety standards (2.13.11)



**Fleurieu Regional
Aquatic Centre**

OBJECTIVE THREE ACTIVITIES

Environment and lifestyle protected against the pressure of projected population growth

Ongoing Activities

- Animal and pest plant control
- Coastal protection
- Community events
- Community information
- Cultural services and events
- Disaster management
- Environmental management
- Foreshore maintenance
- History recording and preservation
- Local history collection
- Monuments and plaques
- Public art works
- Quarries
- Tree planting and maintenance
- Volunteer support and assistance



Key Planned Activities 2015/16

Environment

3.1 *Protect ecological values and biodiversity*

Undertake priority works as identified in the 2015/16 Coastal and Estuarine Action Plan Program in partnership with the Adelaide and Mount Lofty Ranges Natural Resource Management Board, focusing on weed management at the Hindmarsh and Inman River estuaries (3.1.1)

3.2 *Identify and protect heritage, landscape and townscape values*

Provide a Mainstreet Facade Grant Program (3.2.1)

Commence built form Heritage Study to inform future Heritage DPA (3.2.2)

Complete design documentation and negotiation for development of the Railway Turntable Site, Eyre Terrace (3.2.3)

Complete Stage 4 and commence Stage 5 of Heritage Plaques, and design/delivery of heritage interpretive trail guide/s (3.2.4)

Work with the local Aboriginal community to support the protection and knowledge of Aboriginal heritage through environment, recreation and open space projects (3.2.5)

Establish a historical photos program at the Victor Harbor Library (3.2.6)

3.3 *Protect and enhance the coastal environment*

Undertake priority works as identified in the Victor Harbor Coastal Management Study for the 2015/16 financial year, and identify options and seek funding to assist completion of these works (3.3.1)

3.4 *Plan for appropriately designed and located mixed density housing which caters to the needs of the community*

Complete Residential Review and commence a Residential DPA (3.4.1)

Develop Victor Harbor Climate Adaptation Plan following finalisation of Regional Climate Adaptation Strategy (3.5.1)

3.6 *Encourage development controls which reflect principles of ecologically sustainable development*

Community

3.7 *Encourage a vibrant community culture*

Establish Arts and Culture Community Grant Scheme (3.7.1)

Organise and stage a New Years Eve community celebration event (3.7.2)

Support local community celebrations during NAIDOC Week (3.7.3)

3.8 *Promote Council services and activities*

Grow community subscription to Council's e-newsletter "Victor Viewpoint" (3.8.1)

3.9 *Encourage community interaction including participation in sport and recreation opportunities*

Refurbish the youth area in the Victor Harbor Library (3.9.1)

3.10 *Promote concepts of “Connected Communities” and “Communities for All”*

Support the Southern Fleurieu Youth Advisory Committee including the provision of youth leadership and opportunities for young people to develop, implement and participate in arts and cultural activities including Fusion youth music event and Wet Paint youth theatre (3.10.1)

Work with the Child Friendly Cities Pilot Project Team to further establish the Child Friendly Project (3.10.2)

Encourage the Caring Neighbourhood Program and other programs that support isolated residents, especially aged people, to develop connection with their community (3.10.3)

Position the Caring Neighbourhood Program to maximise opportunities associated with reforms relating to the implementation of the Commonwealth Home Support Program (3.10.4)

3.11 *Ensure a planned response to the impacts of fire, flooding and other emergencies*

Participate in the Fleurieu Bushfire Management Committee in development of the regional bushfire plan (3.11.1)

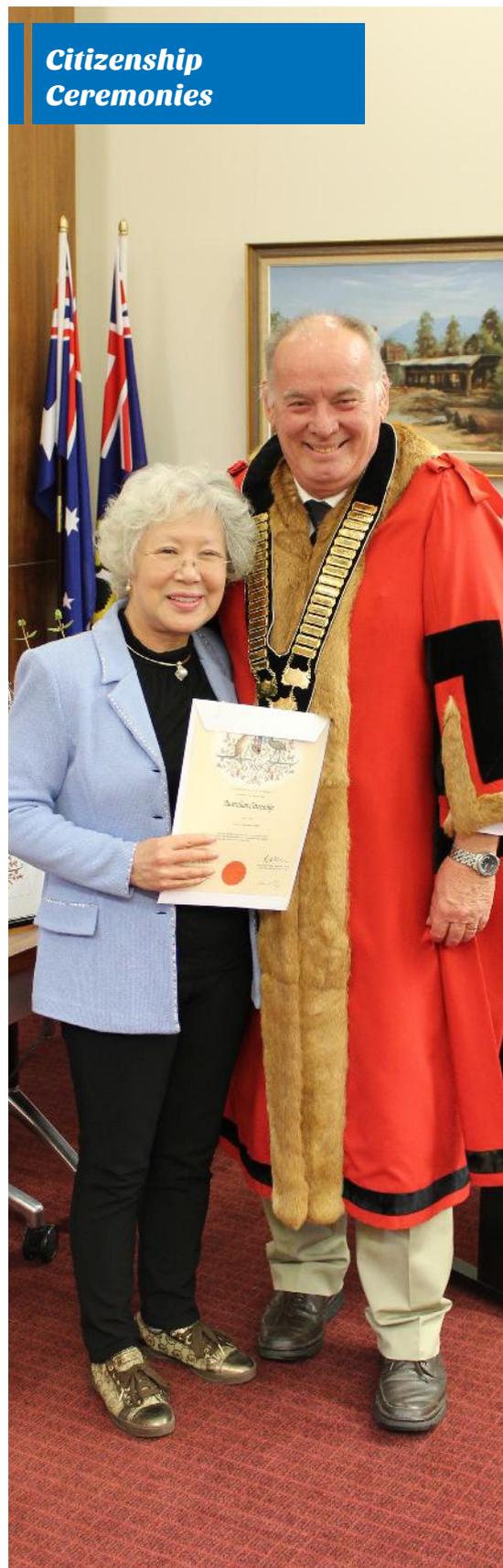


OBJECTIVE FOUR ACTIVITIES

Leadership, service delivery and organisational management that underpins our strategic directions

Ongoing Activities

- Administration and finance
- Advocate on behalf of the community
- Amusement and market licensor
- Asset management
- By-laws
- Civic functions
- Citizenship
- Community educator
- Contract administration
- Council elections
- Council news
- Employer of human resources
- Investment
- Industrial relations
- Landlord and tenant
- Library services
- Lobbyist
- Local data and statistical collection
- Local governance
- Local services contact
- Maintainer of civic and community records
- Mediator
- Policy initiator
- Property leases and rentals
- Provision and maintenance of plant and equipment resources
- Rate levying and collection
- Risk management
- Statutory fees and charges
- Strategic planning
- Training facilitator and provider
- Work Health Safety



Key Planned Activities 2015/16

Governance and Community Leadership

4.1 *Support elected members to fulfil their role as the governing body of Council*

Provide training to Elected Members to facilitate the effective governing of Council and operation of Council's Section 41 and other committees (4.1.1)

4.2 *Ensure efficient legislative compliance*

Introduce an Encroachment (Council Land) Permit System for permanent structures (4.2.1)

Provide training in the implementation of the SynergySoft Agendas and Minutes module to increase legislative compliance and provide workflow efficiencies (4.2.2)

Introduce an email archiving system to assist with compliance with legislative requirements (4.2.3)

Work with Elected Members in development of policies to address gaps in Council's policy structure to meet Council's strategic objectives (4.2.4)

Review existing policies as per legislative requirements and to reflect any legislative changes (4.2.5)

Implement the 'Private Structures Licence' system for private jetty and pontoon facilities in the Encounter Lakes and Franklin Island reserves (4.2.6)

In cooperation with the Alexandrina Council, establish a section 43 regional subsidiary for the operation of the Fleurieu Regional Aquatic Centre (4.2.7)

Review Council's By-laws (4.2.8)

4.3 *Increase participation of the community in local government planning, operations, and elections*

4.4 *Ensure that the community receives clear and concise plans, reports and guidelines, and reasonable response time for all processes that invite public consultation*

4.5 *Develop inter-governmental and regional relationships*

Participate in investigations into regional collaborative structures in line with the objectives of the Local Government Excellence Program (4.5.1)

4.6 *Ensure that Council operates in a strategically planned environment*

Commence a major review of Council's Community Plan 2022, including community engagement (4.6.1)

4.7 *Foster and demonstrate community leadership*

Service Delivery

4.8 *Engage with the community to identify their needs and expectations*

Coordinate the content and maintenance of Council's website to ensure up to date information and maximise consultation exposure to the community (4.8.1)

Coordinate and maintain Engagement HQ portal as a hub for Council consultations and engagement (4.8.2)

In line with the "Your Council Your Say" campaign provide a series of listening posts to increase community engagement with Elected Members (4.8.3)

4.9 *Ensure a high and efficient level of service delivery across the organisation*

Expand and further implement Customer Service Module in the organisation (4.9.1)

Reduce the backlog of sentencing and disposal of records within the records management service (4.9.2)

Undertake review of current procedures for processing off-site daily banking (4.9.3)

Undertake review of customer service initiatives such as an 'Information Helper' to greet customers on arrival and to assist with enquiries and on-line Council services/directories (4.9.4)

Continue improvement of development assessment help guides to reflect legislative changes and planning reforms (4.9.5)

Review and update development compliance and enforcement procedures (4.9.6)

Review and update internal procedures at the Victor Harbor Library (4.9.7)

Complete new file structure rollout for organisation wide records management (4.9.8)

Work towards Australian Service Excellence Standards (ASES) Accreditation for Fleurieu Families (4.9.9)

Financial and Operational Sustainability

4.10 *Undertake long term financial planning*

Review Council's Long Term Financial Plan to align with Council's Asset Management Plan (4.10.1)

4.11 *Manage Council's financial assets to improve financial sustainability*

Review and further develop internal budget procedures using the recently implemented PowerBudget software (4.11.1)

Implement improved software solution for Financial Statements (4.11.2)

Reduce property backlog and improve process for issuing leases and permits (4.11.3)

4.12 *Continue infrastructure and asset management planning*

Update Council Building and Asset Management Plan (4.12.1)

Introduce two (2) new horses into service on the Horse Tram (4.12.2)

Consider options/strategies for the sustainable management of Council's art collection (4.12.3)

4.13 *Investigate and develop opportunities to diversify Council's income stream to reduce reliance on ratepayers for services and operations*

Expand range of products available through Booking Office at the Visitor Information Centre, including combined and packaged ticketing opportunities (4.13.1)

Expand range of items available in the retail store at the Visitor Information Centre including but not limited to local/regional produce (4.13.2)

Implement advertising packages and the online booking system at the Visitor Information Centre (4.13.3)

Explore and develop marketing opportunities and delivery options for the children's education programs at the SA Whale Centre including children's parties (4.13.4)

Continue development of a framework for preparation of an Infrastructure Contributions Strategy/Plan (4.13.5)

Train volunteers on Victor Harbor / Fleurieu Peninsula information packages, designed to increase visitor length of stay in Victor Harbor (4.13.6)

4.14 *Assess opportunities within an effective risk management framework*

Organisational Development and Workforce

4.15 *Provide a safe and healthy workplace*

Address all non-conformances from 2014 Local Government Association WHS Audit (4.15.1)

Develop and implement WHS staff induction workflow (4.15.2)

Implement Year 2 of the Work Health Safety and Injury Management Plan with a focus on developing a "Safety Always Matters" organisational culture (4.15.3)

4.16 *Develop an adaptable, skilled and satisfied workforce*

Further develop electronic staff training database with linkages to WHS, personal and professional development, and specific job requirements (4.16.1)

Populate data and commence initial utilisation of SynergySoft HR module (4.16.2)

Scope development of training program with linkages to WHS, personal and professional development in the SynergySoft HR module (4.16.3)

4.17 *Plan for future workforce needs*

4.18 *Apply appropriate technology and information systems that enhance service delivery and efficiency*

Complete SynergySoft Records module improvements rollout (4.18.1)

Provide additional staff training to improve skill base and knowledge to maximise use of technology and information systems (4.18.2)

Complete the optic fibre cabling program to interconnect Council sites and provide for future growth and connectivity of information and communication technology (4.18.3)

4.19 *Develop planning, business and resource management processes to support continuous improvement, innovation and excellent service delivery*

Implement priority outcomes from the Economic and Tourism Development Service Review (4.19.1)

OUR MEASURES OF SUCCESS

The following methods will be used to measure the performance of Council against its objectives over the financial year.

1. Completion of 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 complete at least 90% of the listed Key Planned Activities.

2. 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 review and reporting of financial performance. See page 35 for further information on financial indicators.

3. Levels of Service Delivery

Council will report on the levels of services it provides to the community, including comparisons with levels of service in previous years where appropriate. Measurable levels of service can include things such as library membership, total number of visitors to the Visitor Information Centre, or number of development approvals. Council's performance target is to achieve annual improvements in each area of service delivery. Where individual performance targets have been determined these are included as strategic indicators.

4. Strategic Indicators

A series of strategic indicators have been identified to inform Council of its performance against its long term objectives. These indicators show how effective Council has been in making a difference in order to achieve its vision. It is not intended that the indicators reflect a complete picture of every aspect of every objective. Rather, they reflect a trend towards a desired outcome and a desired direction. Data sources include the Australian Bureau of Statistics (ABS), internal Council data, and data from government agencies.

As a part of a review of the City of Victor Harbor's Community Plan 2022, Council will develop other strategic indicators to support non financial reporting against Council objectives and strategies.

Council will report on their performance against those indicators for which data is available on an annual basis for inclusion in Council's Annual Report.

Objective 1: A strong economy and supportive business environment

Indicator	Measure	Trend / Target	2015/16
Business investment	Number of local businesses (id stats, Economic Profile)	Maintain at current level or increase target	1,000 or more
Workforce participation	Workforce participation (id stats, ABS Data)	Maintain at current level or increase	42% or higher
	% of population unemployed (is stats)	Maintain at current level or decrease	7.7% or lower
	Number of people employed in local business (is stats, NIEIR Data)	Maintain at current level or increase	4,700 or more

Objective 2: The sustainable provision of physical infrastructure and community services

Indicator	Measure	Trend / Target	2015/16
Energy Efficient Development	% of buildings with solar panels (Council Data, biannual)	43% or greater	43% or greater
Stormwater and wastewater reuse	Quantity of storm water and waste water reused by Council (Internal Council Data)	Maintain at current level or increase	20,000 kL



Objective 3: Environment and lifestyle protected against the pressures of projected population growth

Indicator	Measure	Trend / Target	2015/16
Community involvement	Number of young people participating in Council youth activities and events (Council Data)	Maintain or increase	650 or more
	Number of volunteers registered with Council Programs (Council Data)	Maintain or increase	450 or more
Community culture and access (Various indicators)	Number of visits to Council's library (Council Data)	Maintain or increase	150,000 or more



Objective 4: Leadership, service delivery and organisational management that underpins our strategic directions

Indicator	Measure	Trend / Target	2015/16
Transparent decision making	Number of council decisions made in confidence	Less than 5%	Less than 5%
Legislative compliance	Good Governance Assessment Audit (Internal)	Rating score of 'Good or better'	Rating score of 'Good or better'
Financial sustainability	Operating surplus ratio (Council annual financial statements)	3% or greater	0% or greater
	Net financial liabilities ratio (Council annual financial statements)	Less than 75%	Less than 76%
Asset sustainability	Asset sustainability ratio (Council annual financial statements)	Greater than 80% of Asset Management Plan	Greater than 80% of Asset Management Plan
Effective Risk Management	Risk management processes audit rating (LGMLS Risk Management Audit)	To be determined	Average overall performance of 90% or greater
Safe and healthy workplace	Number of lost time claim injuries (WH&S Injury Management Statistics)	5% lower than the average from previous three years	8
	Compliance with WH&S Risk Management Legislation (WH&S self audits, LG Workers Compensation Scheme KPI Audits, WorkCover Audits)	Achieve greater than or equal to 30% penalty rebate	Greater than or equal to 30% penalty rebate

SIGNIFICANT INFLUENCES

The two-fold pressures of increased demand for higher standards of living and services, and a rapidly ageing community offer considerable challenges for Council. The provision of infrastructure and services needs to be balanced with the pressures of growth while still maintaining our lifestyle and strong sense of community.

The seasonal population changes provide further challenges for small businesses and the provision of public infrastructure, while the declining workforce participation rates will have implications for the economic sustainability of the council area.

Additional challenges also include low lying coastal settlements and coastal eco-systems that are vulnerable to the impacts of climate change.

Federal and State government cost shifting to Local Government continue to impact on our ability to resource Council operations.

There are also increases in costs associated with new statutory and risk management requirements.

Other significant factors:

- Further decline in development activity and a slower property market will see little growth in valuation within our overall assessment.
- Freeze on indexation applied to Commonwealth Financial Assistance Grants for three years and removal of Supplementary Roads Funding.
- Implementation of Council's Coastal Management Strategy to mitigate the impact of climate change on beaches.
- The Consumer Price Index of 1.3% (March 2015) and Local Government Price Index of 1.4% (March 2015).
- Fees/charges imposed by other levels of government.
- Significant increases in the cost of utilities (power and water) and emergency services levy.

- Increased demand for Information Communication Technology (ICT) supported customer service delivery.
- A staffing complement increase of a 0.6 full-time equivalent (FTE) Events Officer position and a temporary (6 months) Property Officer position (0.5FTE).
- Commitments to continuing projects and partnership initiatives over more than one financial year.

This Annual Business Plan has been prepared within the following parameters:

- The budget will reflect the proposals contained in the Long Term Financial Plan, which seeks to deliver financial sustainability.
- The budget includes an increase in average rates of 3.4%.
- Major projects will maximise funding partnership opportunities (i.e. Federal, State, Local Government, private).
- Loan borrowings will be in accordance with Council's Treasury Policy, with a greater emphasis on variable loans to cover shortages in cash flow through Cash Advance Debentures with the Local Government Finance Authority.
- Subject to stability within the range and level of services provided, and assuming Council acquires no new responsibilities, staffing levels will be contained within long term planning objectives.
- All legislative obligations will be met.
- There is an assumption that Council will continue to be supported by a large group of community volunteers in areas including parks and gardens, environmental management, visitor information services, community transport, library services, community services, committee participation, recreation and tourism activities.

FUNDING OUR PLAN

Operating expenses of \$24,541,300 will be funded by revenue of \$24,603,000, resulting in an operating surplus of \$61,700 in 2015/16.

The Council's long term financial sustainability is dependent on ensuring that, on average over time, its operating expenses are less than or equal to its revenue. The Council's operating income consists of the following elements.

Rates (\$19.2 million)

Rates are set by the Council in accordance with the Rating Policy. The major components are:

- General Rates (\$19 million)
- Natural Resource Management Levy (\$0.4 million)
- Rebates and Remissions (-\$0.2 million)

User Pay Charges (\$2.2 million)

Fees and charges are set by the Council and include:

- Horse Drawn Tram fares
- SA Whale Centre fees, sales and tours
- Town Hall hire fees
- Indoor Recreation Centre hire fees
- Cemetery fees
- Foreshore car parking fees
- Beachfront Holiday Park lease fees
- Boat launching fees
- Community transport contributions
- Visitor Information Centre souvenir and booking service sales
- Lease and licence fees

Revenues received are used to assist to maintain and upgrade Council's facilities, or offset the cost of providing these services.

Statutory Charges (\$0.4 million)

Fees and charges are set by the State Government through legislation and collected by the Council for regulatory functions such as:

- Development lodgement and assessment fee

- Dog registration, expiation and impounding
- Parking expiation
- Septic tank fees
- Property search fees

Revenues received are used to assist to offset the cost of providing these services.

Grants and Partnerships (\$1.8 million)

Council seeks to attract grant funding for identified project priorities from other levels of Government, sometimes in partnership with other parties. Operating grants are received from the SA Local Government Grants Commission and are also expected for the following activities:

- Community Service projects
- Library services
- Tourism events
- Environmental projects
- Street scaping projects
- Road construction

Other Revenue (\$1 million)

Council receives revenue from a range of other sources such as:

- Investment income
- Donations and sponsorships
- Reimbursements from the community, government and other councils

Capital Revenues (\$11.6 million)

Council receives income from grants, asset sales and contributions from developers to fund future asset construction. These funds are applied to new and replacement assets in accordance with the Long Term Financial Plan.

Loans

Borrowings will be in line with Council's Treasury Policy and will be assessed throughout the financial year dependent on cash flow requirements. Cash advance debentures which operate on a variable interest rate will be utilised rather than fixed term loans.

BUDGET OVERVIEW

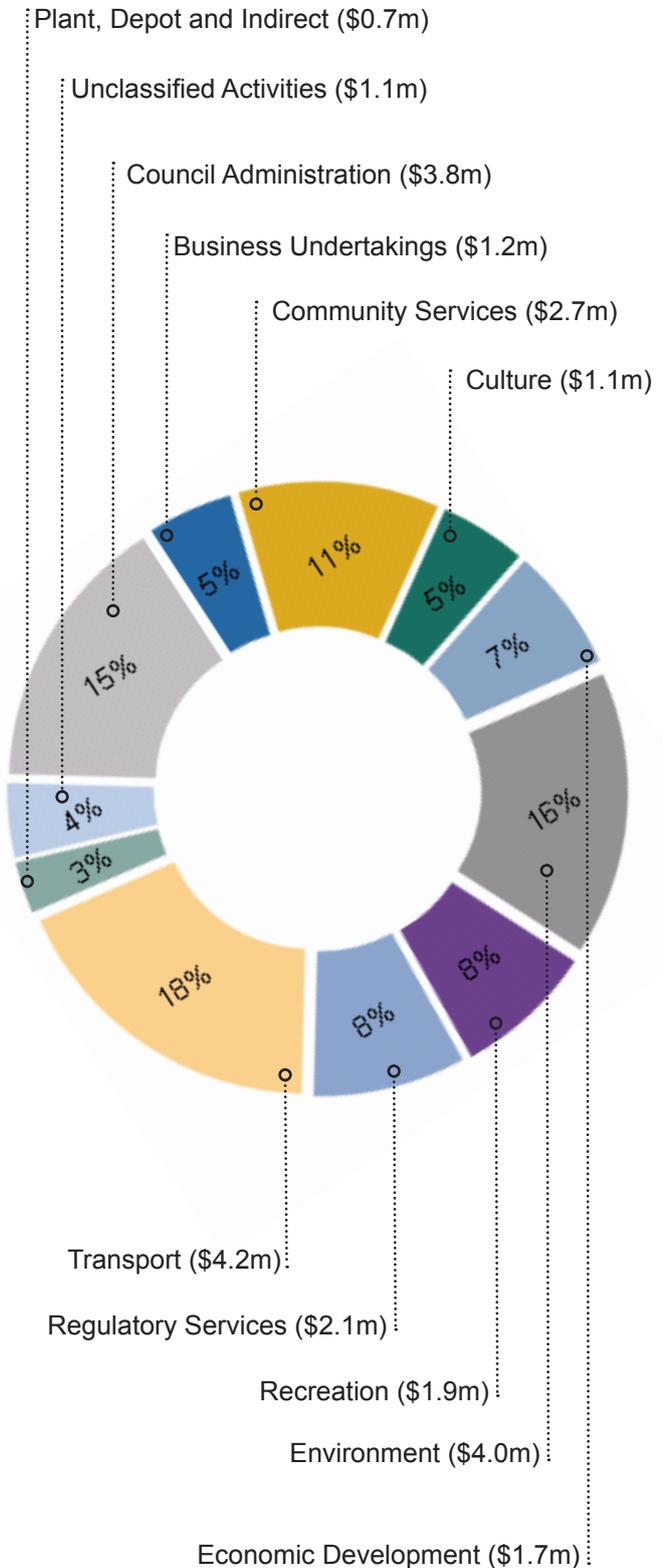
Revenue from rates, fees, charges, grants and other sources total just over \$24.6 million. Operating expenses totalling just over \$24.5 million will be funded from this revenue with a resulting surplus of \$61,700.

The following graph shows the percentage of revenue that is expended on the various activity areas of Council.

Information on the program areas included within each activity area are provided in the 'Budget Overview' table provided on the following page.

Budgeted Financial Statements are provided in **Appendix A**.

Expense Breakdown by Category



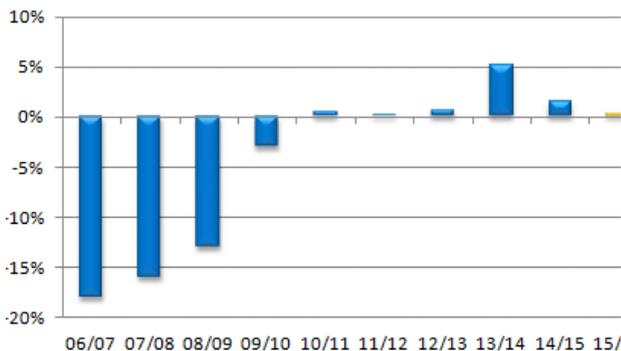
MAJOR CATEGORY	PROGRAM	CAPITAL			OPERATING		
		REVENUE	EXPENSES	RESULT	REVENUE	EXPENSES	RESULT
BUSINESS UNDERTAKINGS	CARAVAN PARK	0	0	0	-239,500	87,100	-152,400
	PRIVATE WORKS	0	0	0	-10,000	10,100	100
	HORSE TRAM	-6,000	193,000	187,000	-447,000	669,000	222,000
	WHALE CENTRE	-15,000	187,000	172,000	-216,700	433,700	217,000
COMMUNITY SERVICES	CRIME PREVENTION	0	0	0	0	92,200	92,200
	FIRE PROTECTION	0	0	0	-10,000	77,300	67,300
	HEALTH SERVICES	0	0	0	-1,000	7,800	6,800
	SENIOR CITIZENS FACILITIES	0	0	0	0	22,400	22,400
	COMMUNITY ASSISTANCE	0	0	0	-9,100	505,800	496,700
	AGED SERVICES	0	0	0	-80,000	78,200	-1,800
	YOUTH DEVELOPMENT	0	0	0	-122,900	126,700	3,800
	FLEURIEU FAMILIES	0	0	0	-286,000	304,900	18,900
	STAR CLUB	0	0	0	-141,000	140,400	-600
	CARING NEIGHBOURHOOD	0	0	0	-191,100	187,300	-3,800
	COMMUNITY TRANSPORT - HACC	0	0	0	-56,000	58,500	2,500
	COMMUNITY TRANSPORT - SCOTS	0	0	0	-418,900	419,600	700
	OLD SCHOOL BUILDING	0	0	0	-6,000	42,200	36,200
	CEMETERY	0	60,000	60,000	-93,000	223,400	130,400
	PUBLIC CONVENIENCES	0	0	0	0	266,700	266,700
CARPARKING	-160,000	750,000	590,000	-131,800	136,400	4,600	
CULTURE	LIBRARY	-53,000	99,000	46,000	-67,500	1,009,900	942,400
	TOWN HALL	0	0	0	-16,000	94,200	78,200
	OTHER CULTURAL SERVICES	0	0	0	-4,500	36,600	32,100
ECONOMIC DEVELOPMENT	TOURISM MARKETING	0	0	0	-48,000	343,700	295,700
	VISITOR INFORMATION CENTRE	0	4,000	4,000	-556,400	911,300	354,900
	OTHER ECONOMIC DEVELOPMENT	0	0	0	-84,400	443,700	359,300
ENVIRONMENT	WASTE COLLECTION/RECYCLING	0	0	0	-10,000	1,312,400	1,302,400
	WASTE DISPOSAL FACILITY	0	0	0	0	268,400	268,400
	COASTAL PROTECTION	0	97,000	97,000	-30,000	291,900	261,900
	OTHER ENVIRONMENTAL PROJECTS	0	0	0	0	506,700	506,700
	STORMWATER DRAINAGE	0	96,000	96,000	0	540,600	540,600
	STREET CLEANING	0	0	0	0	99,000	99,000
	STREET LIGHTING	0	0	0	0	387,100	387,100
	STREETSCAPING	-480,000	988,700	508,700	-5,000	559,300	554,300
RECREATION	PARKS AND GARDENS	-20,000	606,800	586,800	-21,000	1,281,100	1,260,100
	OUTDOOR SPORTS FACILITIES	-9,275,700	13,938,800	4,662,300	-43,000	372,000	329,000
	RECREATION CENTRE	0	292,400	292,400	-106,700	282,600	175,900
REGULATORY SERVICES	DOG AND CAT CONTROL	0	101,500	101,500	-76,900	176,700	99,800
	BUILDING CONTROL	0	0	0	-60,700	377,600	316,900
	TOWN PLANNING	0	0	0	-142,400	1,106,900	964,500
	HEALTH INSPECTION	0	0	0	-12,400	217,900	205,500
	PARKING CONTROL	0	23,500	23,500	-96,000	153,500	57,500
	OTHER REGULATORY SERVICES	0	0	0	-15,000	61,900	46,900
TRANSPORT	SEALED ROADS	-1,223,700	2,203,400	979,700	-380,000	1,936,100	1,556,100
	UNSEALED ROADS	0	140,000	140,000	0	648,700	648,700
	KERBING AND FOOTPATHS	-150,000	695,700	545,700	-25,000	639,200	614,200
	BRIDGES	0	40,000	40,000	0	351,200	351,200
	TRAFFIC MANAGEMENT	0	341,700	341,700	-77,500	553,400	475,900
	COMMUNITY BUS SERVICE	0	0	0	-8,500	70,500	62,000
PLANT, DEPOT & INDIRECT	PLANT AND MACHINERY	-191,500	531,800	340,300	0	3,300	3,300
	DEPOT	0	29,500	29,500	-500	338,500	338,000
	INDIRECT WORKS	0	0	0	-3,000	377,000	374,000
UNCLASSIFIED ACTIVITIES	OTHER PROPERTY	0	3,000	3,000	-113,700	283,200	169,500
	LOANS	0	0	0	-53,000	775,000	722,000
	INTEREST	0	0	0	-105,000	0	-105,000
COUNCIL ADMINISTRATION	ADMINISTRATION NEC	0	32,000	32,000	0	702,500	702,500
	ELECTED MEMBERS	0	0	0	-500	345,500	345,000
	ORGANISATIONAL	0	0	0	-151,300	2,066,800	1,915,500
	ACCOUNTING/FINANCE	0	0	0	-200	200	0
	PAYROLL	0	0	0	0	0	0
	HUMAN SERVICES	0	0	0	0	0	0
	INFORMATION TECHNOLOGY	0	622,300	622,300	-1,500	1,500	0
	COMMUNICATION	0	3,500	3,500	0	0	0
	RATES ADMINISTRATION	0	0	0	-66,500	361,400	294,900
	RECORDS	0	0	0	-100	100	0
	OCCUPANCY	0	0	0	-5,000	5,000	0
REVENUE	CUSTOMER SERVICE	0	0	0	0	357,500	357,500
	GENERAL RATES	0	0	0	-19,195,800	0	-19,195,800
	LG GRANTS COMMISSION	0	0	0	-560,000	0	-560,000
Totals		-11,574,900	22,079,800	10,504,900	-24,603,000	24,541,300	-61,700

KEY FINANCIAL INDICATORS

Key Financial Indicators provide a robust assessment of financial performance and sustainability. The following graphs show the three key financial indicators, with previous years' results as well as estimates for 2014/15 and 2015/16.

Operating Surplus (Deficit) Ratio

This ratio expresses the operating surplus (deficit) as a percentage of general and other rates, net of the NRM Levy. A positive ratio indicates that all operating expenses are being fully funded by operating revenue sources and that assets are being replaced at their rate of consumption. An operating surplus ratio of 0.3% is projected for 2015/16 below the target set by Council of 3%.



Net Financial Liabilities Ratio

This ratio expresses total liabilities less financial assets as a percentage of total operating revenue. This ratio indicates the percentage of debt in comparison to operating revenue. A high ratio indicates funding for significant capital projects and may be reflective of a growing community. Council has set a target of less than 75% with the 2015/16 projection just above at 75.6%. The trend for this ratio is high due to major capital projects over the past years including the Civic Centre, Ring Road and Causeway Plaza Upgrade. A \$5.5 million loan has been included in the 2015/16 budget for construction of the Fleurieu Regional Aquatic Centre.

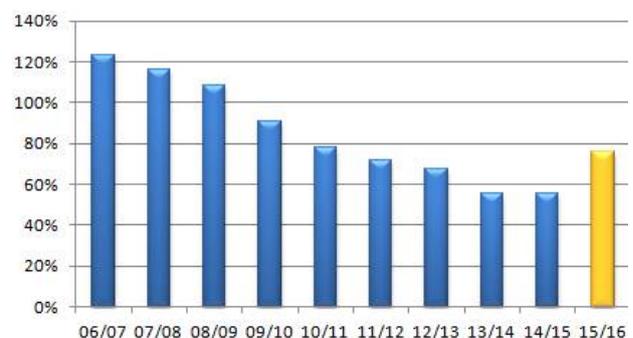
This has resulted in an increase to the Net Financial Liabilities ratio for 2015/16. Loan requirements will be reviewed in the third quarter of 2015/16 to assess the amount required and minimise increases to borrowings.



Asset Sustainability Ratio

Prior to 2013/14, the ratio has expressed net capital expenditure on the renewal and replacement of existing assets as a percentage of annual depreciation.

Comprehensive Asset Management Plans have been developed and from 2014/15, the ratio will be calculated based on the renewal and replacement of existing assets as a percentage against the Asset Management Plans with a target of greater than 80%. This method allows for peaks and troughs normally associated with infrastructure consumption. The estimate for 2015/16 is 124.7% due to the number of projects that will be uncompleted as at 30 June 2014.



WHAT IT MEANS FOR RATES

Rates are a tax levied on properties according to their capital value. Property valuations are determined by the Valuer General. The rates which a property owner pays are primarily calculated by multiplying the property valuation by a rate in the dollar.

To determine the rate in the dollar Council must identify, through its budget deliberations, what services will be provided and what works need to be carried out, and then calculate the cost of those works and services.

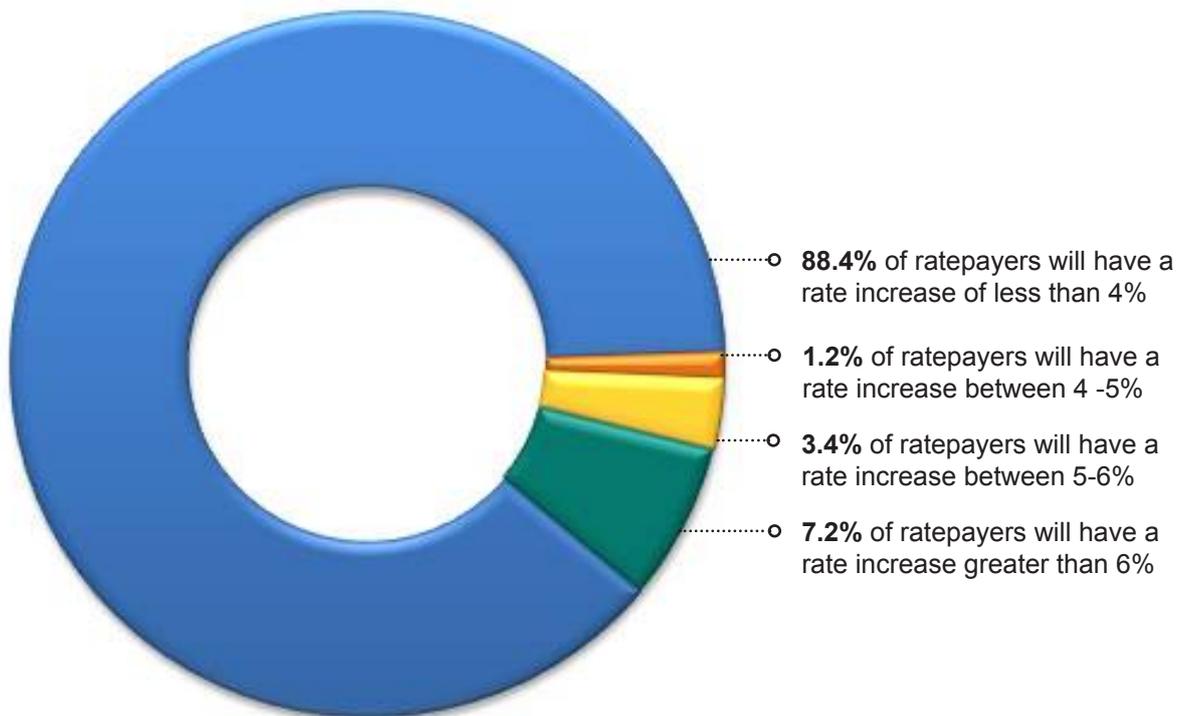
Once Council has determined its budget requirement it then estimates the revenue it will receive from fees and charges, grants and loans. The shortfall of revenue to balance the budget will come from property rates. The Council sets a fixed charge and range of rates to calculate the amount an individual property owner will pay based on the property valuation that has been supplied to the Council by the Valuer General.

Rates and Valuation Summary

Council has received Capital Valuations from the Valuer General showing an increase of 0.34% since last year.

Council has adopted a two tiered rating structure comprising of fixed charge component and several differential rates according to categories of land use. Commercial, industrial and vacant properties will have a higher differential applied than the base residential rate, while primary production properties will pay a lower rate. Rate capping is available to provide relief for residential ratepayers, where valuations have caused substantial rate increases under certain conditions.

In total, Council is proposing that ratepayers will pay an average rate increase across all categories of approximately 3.4% more on average than last year. The average residential rate increase is 2.6%.



RATING POLICY 2015/16

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.

Council has decided to continue 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

Council has adopted the valuations made by the Valuer General as provided to the Council.

If a ratepayer is dissatisfied with the valuation made by the Valuer General then the ratepayer may object to the Valuer General in writing, within 60 days of receiving the rate notice. The ratepayer must explain the basis for the objection provided they have not:

1. Previously received a notice of this valuation under the Local Government Act, in which case the objection period is 60 days from the receipt of the first rate notice, or
2. Previously had an objection considered by the Valuer General.

The address of the Office of the Valuer General is:
State Valuation Office
GPO Box 1354
ADELAIDE SA 5001

Telephone: 1300 653 345
Email: lsgobjections@sa.gov.au

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:

- Council consultation with the Victor Harbor Business Association, and Regional Development Australia - Adelaide Hills, Fleurieu and Kangaroo Island.
- Council consultation with the broader business and primary production sectors.
- 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 co-ordination 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. While the present economic climate has been influenced by the effects of the global financial crisis of 2008 and beyond, the prospect is good for a continuation of relatively low interest rates and steady inflation rates in the near future.
- Changes in the valuation of commercial and industrial properties from the previous financial year.
- Specific Council sponsored events in the coming financial year that will solely or principally benefit business include the WhaleTime PlayTime Festival, Rock n Roll Festival, Rotary Art Show, Schoolies Festival and New Years Eve festivities.
- 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, accommodation and food services, and education and training. Places of employment range from sole owner/operators through to large national companies employing many people.

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 has identified that its business rating structure has been deficient in raising the necessary revenue to offset related costs and has maintained the differential rating component on Commercial and Industrial Land Use categories. The proportion of differential rates above the base rate, anticipated to be about \$300,000 per annum, 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.

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.

With regard for this, Council first introduced a discount differential of -10% to this land use category in 2004/05. The discount was increased to -20% in 2007/08 to recognise hardship caused by severe drought. The discount has been reduced in stages over the following years with the aim to return to the -10% discount without imposing significant increases in any one year. In 2015/16 the final reduction will occur, reducing the discount from -11.25% to -10% of the base residential rate.

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 2015/16 land use categories, the respective differential general rates to apply and approximate revenue to be raised will be as shown in the table below.

Category	Cents in the \$	Base differential	Revenue
Residential	0.3995	Base rate	\$14.44 million
Commercial Shop	0.5194	Base + 30%	\$0.70 million
Commercial Office	0.5194	Base + 30%	\$0.12 million
Commercial Other	0.5194	Base + 30%	\$0.58 million
Industrial Light	0.4594	Base + 15%	\$0.05 million
Industrial Other	0.4594	Base + 15%	\$0.04 million
Primary Production	0.3596	Base - 10%	\$1.40 million
Vacant Land	0.5993	Base + 50%	\$1.44 million
Other	0.3995	Base rate	\$0.05 million

In determining the rates in the dollar for Council rates, Council has considered the likely rate of inflation for the next twelve months, increased insurance, power and water costs on Council properties, greater expectations of Council in water and natural resource management issues, increasing waste management requirements, impacts of growth and development, expanded legislative responsibilities and the continuing decline of general purpose grants and other external funding opportunities.

Fixed Charge

A council may impose a fixed charge on every property in its area, provided that it has not also imposed a minimum rate. 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 impose a fixed charge on rateable properties of \$325. The main reason for imposing a fixed charge is to establish a minimum base payment for each assessable property within the Council area. In determining the fixed charge amount, Council has decided to recover 20% of its total rate revenue through this method, with the remaining 80% of rate revenue to be funded via differential rating.

Separate Rate - Natural Resources Management Levy

The State Government requires Council to impose a separate rate pursuant to Section 95 of the Natural Resources Management Act 2004 and Section 154 of the Local Government Act 1999. The total amounts will be payable to regional boards less the amount prescribed under the Natural Resources Act for establishment and collection costs.

The rate will be based on the capital value of all rateable properties as follows:

- Rateable properties located within the area of the Council and of the Adelaide and Mount Lofty Ranges Natural Resources Management Board:
 - 0.00979 cents in the dollar to raise a total of \$365,671.
- Rateable properties located within the area of the Council and of the SA Murray Darling Basin Natural Resources Management Board:
 - 0.011010 cents in the dollar to raise a total of \$1,651.

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 2015/16 financial year and will grant to the principal ratepayer of an assessment where the residential property is the owner's principal place of residence, a rebate of the amount by which the general rate amount payable exceeds the 2014/15 general rate payable by 15%.

The rebate would not apply where:

- the property has been acquired by the ratepayer or has become their principal place of residence after 1 January 2014;
- the increase in general rate payable is due in whole or in part to an increase in valuation of the property attributable to improvements;
- the increase in general rate payable is due in whole or in part to an increase in valuation of the property attributable to a change in the zoning of the land under the Development Act 1993.

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.

Rate Concessions - State Government

Until this year, the State Government funded concessions on Council rates. These concessions were formerly available to the holders of pensioner concession cards, veterans, low-income earners, unemployed, students, and self-funded retirees. These concessions were all abolished by the State Government with effect from 30 June 2015. From 1 July 2015, the State Government has elected to replace these concessions with a single "cost-of-living payment" provided directly to those entitled. This payment may be used to offset Council rates. Note that not all former recipients of rates concessions will be entitled to the new payment. To check eligibility, contact the Department for Communities and Social Inclusion (DCSI) Concessions Hotline 1800 307 758 or at www.sa.gov.au/

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 further information may be obtained by contacting the Rates and Assessment Officer on 8551 0500.

Remission and postponement of rates
Section 182 of the Local Government Act 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 he/she is invited to contact the Rates and Assessment Officer on 8551 0500.

The 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 that is due on the 8 September 2015, or by quarterly instalment payments due on the following dates:

Instalment	Due Date
1st Instalment	8 September 2015
2nd Instalment	8 December 2015
3rd Instalment	8 March 2016
4th Instalment	8 June 2016

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;
- 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;
- by post, with all cheques or money orders made payable to the City of Victor Harbor;
- online at www.victor.sa.gov.au/;
- 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 A: FINANCIAL STATEMENTS

Uniform Presentation of Finances

For Year Ending 30 June 2016

	2013/14 AUDITED ACTUAL \$'000	2014/15 DECEMBER REVIEW \$'000	2015/16 DRAFT BUDGET \$'000
Operating Revenues	22,426	23,552	24,603
less Operating Expenses	21,551	23,287	24,541
Operating Surplus / (Deficit) before Capital Amounts	875	265	62
Less Net Outlays on Existing Assets			
Capital Expenditure on Renewal/Replacement of Existing Assets	3,090	3,434	5,760
less Depreciation, Amortisation and Impairment	(4,995)	(5,142)	(5,454)
less Proceeds from Sale of Replaced Assets	(219)	(145)	(198)
	(2,124)	(1,854)	108
Less Net Outlays on New and Upgraded Assets			
Capital Expenditure on New and Upgraded Assets	2,028	3,503	16,320
less Proceeds from Sale of Surplus Assets	0	(51)	0
less Amounts received specifically for new/upgraded assets	(664)	(1,316)	(11,377)
	1,364	2,136	4,943
NET LENDING / (BORROWING) FOR FINANCIAL YEAR	1,635	(17)	(4,989)
FINANCIAL INDICATORS			
Operating Surplus Ratio			
<i>This ratio expresses the extent that the major controllable income source varies from day to day expenses. It is calculated as the operating surplus or deficit, as a percentage of rates, net of the NRM levy. (TARGET = 3%)</i>	5.1%	1.5%	0.3%
Net Financial Liabilities Ratio			
<i>This ratio expresses what is owed to others, less money held, invested or owed to Council. It is calculated as total liabilities less cash and receivables, as a percentage of total operating revenue less the NRM levy. (TARGET = < 75%)</i>	55.6%	55.3%	75.6%
Asset Sustainability Ratio			
<i>This ratio expresses to what extent assets are being replaced at the rate they are wearing out. It is calculated as the amount of expenditure on replacement / renewal of assets less sale proceeds, as a percentage of depreciation. (TARGET = >80%)</i>	73.4%	74.3%	124.7%

Statement of Comprehensive Income For Year Ending 30 June 2016

	2013/14 AUDITED ACTUAL S'000	2014/15 DECEMBER REVIEW S'000	2015/16 DRAFT BUDGET S'000
OPERATING INCOME			
Rates	17,468	18,450	19,216
Statutory charges	426	407	432
User charges	2,086	2,127	2,172
Grants, subsidies and contributions	1,203	1,495	1,768
Investment income	178	201	187
Reimbursements	591	419	540
Other revenues	434	453	278
Net Gain - Equity Accounted Council Businesses	40	0	10
Total Income	22,426	23,552	24,603
OPERATING EXPENSES			
Employee costs	7,899	7,956	8,389
Materials, contracts and other expenses	7,788	9,373	9,923
Depreciation, amortisation and impairment	4,995	5,142	5,454
Finance costs	869	816	775
Total Expenses	21,551	23,287	24,541
OPERATING SURPLUS / (DEFICIT)	875	265	62
Asset Disposal and fair value adjustments	(3,460)	(840)	(800)
Amounts specifically for new or upgraded assets	664	1,316	11,377
Physical resources received free of charge	69	1,960	528
	(2,727)	2,436	11,105
NET SURPLUS / (DEFICIT)	(1,852)	2,701	11,167

Statement of Financial Position

For Year Ending 30 June 2016

	2013/14 AUDITED ACTUAL \$'000	2014/15 DECEMBER REVIEW \$'000	2015/16 DRAFT BUDGET \$'000
ASSETS			
Current Assets			
Cash and Cash Equivalents	3,308	365	453
Trade and Other Receivables	998	1,178	1,230
Inventories	302	256	256
Total Current Assets	4,608	1,799	1,939
Non-Current Assets			
Financial Assets	845	845	845
Equity Accounted Investments in Council Business	172	0	172
Infrastructure, Property, Plant and Equipment	256,038	270,800	290,000
Other Non-Current Assets	344	200	200
Total Non-Current Assets	257,399	271,645	291,017
TOTAL ASSETS	262,007	273,444	292,956
LIABILITIES			
Current Liabilities			
Trade and Other Payables	1,973	2,329	2,454
Borrowings	1,271	1,299	1,299
Provisions	1,798	700	700
Total Current Liabilities	5,042	4,328	4,453
Non-Current Liabilities			
Borrowings	11,495	10,196	15,695
Provisions	891	700	700
Total Non-Current Liabilities	12,386	10,896	16,395
TOTAL LIABILITIES	17,428	15,224	20,848
NET ASSETS	244,579	258,220	272,108
EQUITY			
Accumulated Surplus	52,816	55,096	65,906
Asset Revaluation Reserve	189,815	200,755	203,476
Other Reserves	1,948	2,369	2,727
TOTAL EQUITY	244,579	258,220	272,108

Statement of Changes in Equity For Year Ending 30 June 2016

	Accumulated Surplus	Asset Revaluation	Other Reserves	TOTAL EQUITY
2013/14 AUDITED ACTUAL	\$'000	\$'000	\$'000	\$'000
Balance at end of previous reporting period	55,134	170,163	1,482	226,779
Net Surplus / (Deficit) for Year	(1,852)	-	-	(1,852)
Gain on revaluation of infrastructure, property, plant & equipment	-	19,652	-	19,652
Transfers between Reserves	(466)	-	466	-
Balance at end of period	52,816	189,815	1,948	244,579
	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves	TOTAL EQUITY
2014/15 DECEMBER REVIEW	\$'000	\$'000	\$'000	\$'000
Balance at end of previous reporting period	52,816	189,815	1,948	244,579
Net Surplus / (Deficit) for Year	2,701	-	-	2,701
Gain on revaluation of infrastructure, property, plant & equipment	-	10,940	-	10,940
Transfers between Reserves	(421)	-	421	-
Balance at end of period	55,096	200,755	2,369	258,220
	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves	TOTAL EQUITY
2015/16 DRAFT BUDGET	\$'000	\$'000	\$'000	\$'000
Balance at end of previous reporting period	55,096	200,755	2,369	258,220
Net Surplus / (Deficit) for Year	11,167	-	-	11,167
Gain on revaluation of infrastructure, property, plant & equipment	-	2,721	-	2,721
Transfers between Reserves	(358)	-	358	-
Balance at end of period	65,906	203,476	2,727	272,108

Cashflow Statement

For Year Ending 30 June 2016

	2013/14 AUDITED ACTUAL \$'000	2014/15 DECEMBER REVIEW \$'000	2015/16 DRAFT BUDGET \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Operating Receipts	22,426	22,473	23,485
Investment Receipts	178	201	187
Payments			
Operating Payments to Suppliers and Employees	(15,390)	(19,205)	(16,605)
Finance Payments	(872)	(816)	(775)
Net cash provided by (or used in) operating activities	6,342	2,653	6,292
CASHFLOWS FROM INVESTING ACTIVITIES			
Receipts			
Grants specifically for new or upgraded assets	664	1,316	11,377
Sale of replaced assets	219	145	198
Sale of surplus assets	0	51	0
Repayments of loans by community groups	145	100	100
Payments			
Expenditure on renewal/replacement of assets	(3,090)	(3,434)	(5,760)
Expenditure on new/upgraded assets	(2,028)	(3,503)	(16,320)
Loans made to community groups	(230)	0	0
Net cash provided by (or used in) investing activities	(4,320)	(5,324)	(10,405)
CASHFLOWS FROM FINANCING ACTIVITIES			
Receipts			
Proceeds from borrowings	230	1,000	5,500
Payments			
Repayments of borrowings	(1,379)	(1,272)	(1,299)
Net cash provided by (or used in) financing activities	(1,149)	(272)	4,201
NET INCREASE (DECREASE) IN CASH HELD	873	(2,943)	88
Cash & cash equivalents at beginning of period	2,435	3,308	365
CASH & CASH EQUIVALENTS AT END OF PERIOD	3,308	365	453



city of
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