

Annual Business Plan

2016/17

city of
Victor Harbor



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 2016/17 Annual Business Plan was adopted by the City of Victor Harbor on Monday, 4 July 2016.

CONTENTS

Our Vision.....	4
At A Glance.....	5
Significant Activities.....	6
Major Capital Projects.....	8
Where Money Will Be Spent.....	9
Role of Council.....	10
Key Planned Activities.....	11
Our Measures of Success.....	25
Budget Overview.....	28
Funding Our Plan.....	29
Key Financial Indicators.....	33
What It Means For Rates.....	35
2016/17 Rating Policy.....	36
Attachment - Financial Statements	



OUR VISION

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

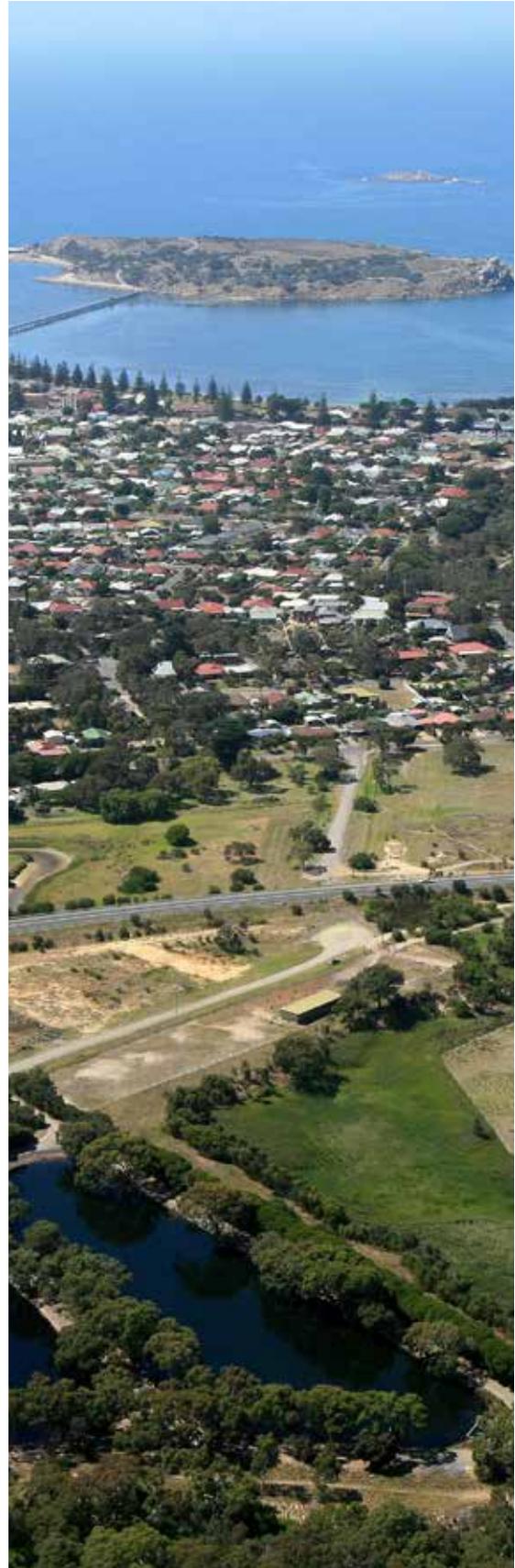
A vision for the City of Victor Harbor:

“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 residents and visitors (both current and future), 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 infrastructure and community services.
3. Environment and lifestyle protected against the pressures of population growth.
4. Leadership, service delivery and organisational management that underpins our strategic directions.



2016/17 BUDGET AT A GLANCE

The 2016/17 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 objectives.

The major components of the 2016/17 Annual Business Plan are outlined below.



-
- Key Planned Activities**
- 170 Key Planned Activities have been identified to contribute towards achieving Council's long term objectives

-
- Capital Budget**
- Net \$10.5 million of capital works
 - Major projects include Fleurieu Regional Aquatic Centre, Mainstreet Precinct Upgrade (Stage 1), Bluff Boat Ramp Car Park Extension, drainage works on Lamont Court and Yandra Terrace, roadworks on Greenhills Road and Ocean Road, and Kullaroo Road roundabout construction

-
- Operating Budget**
- Operating surplus of \$252,300

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- Loans**
- Cash Advance Debentures will be utilised to fund cash flow shortages. A fixed term loan will be negotiated upon completion of the Fleurieu Regional Aquatic Centre to ensure long term borrowings are minimised.

-
- Rates**
- Rate revenue increase of 3.1%
 - Average rate increase of 2%
 - Average dollar (\$) increase of \$36

-
- Rating Policy**
- Differential rate component on commercial and industrial properties maintained at current levels and used for economic development activities
 - Differential rate discount on Primary Production maintained at -10%
 - Differential rate on vacant properties to be maintained at current level to encourage development
 - Fixed charge to be increased to \$330 to raise approximately 20% of total rate revenue.

-
- Financial Sustainability**
- Operating Surplus Ratio of 1.3% compared to an estimated 3% surplus in the Long Term Financial Plan (LTFP)
 - Net Financial Liabilities Ratio of 60.1% compared to an estimated 63% in the LTFP
 - Asset Sustainability Ratio at 95.9% compared to the 100% estimated in the LTFP
-

SIGNIFICANT ACTIVITIES

In 2016/17 the City of Victor Harbor will undertake a number of activities that will help us achieve our vision for our city. The following outlines a selection of these activities. For the full listing refer to the listing of Key Planned Activities (page 11).



We will build a strong economy and supportive business environment by

- Completing Stage 1 of the Mainstreet Precinct Upgrade (Ocean Street and Coral Street intersection) and commencing civil works for Stage 2
- Designing a 'buy local' campaign to encourage people to support local businesses
- Delivering major events including the Whaletime Playtime Festival and Rock N Roll Festival
- Enhancing the vibrancy of the Mainstreet Precinct by implementing the Digital Art Program in Ocean Street
- Supporting our local farmers and food producers through the Agri-business Reference Group
- Constructing 2.8 kilometres of new footpaths on Sutherland Avenue, Mentone Road, Malen Avenue, Sinclair Street, Alexander Street, First Avenue and Harborview Avenue

- Investing \$2.5 million (offset by grants of \$637,000) in road construction
- Extending the Bluff Boat Ramp Car Park



We will ensure the sustainable provision of physical infrastructure and community services by

- Revising the Victor Harbor Recreation and Open Space Strategy
- Assisting with the sustainability of local sport and recreation clubs
- Continuing to investigate and analyse options for a new cemetery
- Partnering with the City of Onkaparinga to deliver a school based immunisations program
- Providing a community grants program to assist community groups to deliver services that improve the wellbeing of people within the council area
- Upgrading playgrounds at the Encounter Bay Recreation Ground and Victor Harbor Oval
- Delivering Stage 2 of the landscape upgrade of Brandwood Reserve
- Providing recreational fishing facilities at the Hindmarsh Reservoir (subject to grant funding)
- Continuing the construction of the Fleurieu Regional Aquatic Centre in collaboration with the Alexandrina Council



We will ensure our environment and lifestyle is protected against the pressures of population growth by

- Celebrating and protecting our heritage through initiatives including stage 1 the Railway Turntable Site upgrade (subject to grant funding), heritage incentives grant scheme and oral history project
- Protecting our coast by completing priority maintenance works including dune protection near King Street and the Esplanade
- Commencing a Residential Development Plan Amendment
- Encouraging a vibrant community through activities like the Arts and Culture Community Grants and artisan markets
- Organising the annual New Year's Eve celebration on Warland Reserve
- Supporting the Southern Fleurieu Youth Advisory Committee with a particular focus on arts and cultural opportunities
- Fostering the Caring Neighbourhood Program and other programs that support isolated residents to develop a connection with their community
- Developing a Victor Harbor Climate Change Adaptation Plan

- Encouraging local sport and recreation clubs to achieve Star Club status through the delivery of the STARClub Field Officer Program



We will provide leadership, service delivery and organisational management that underpins our strategic directions by

- Holding a series of listening posts and two community forums to help the community better connect with council
- Updating Council's Long Term Financial Plan and continuing the review of the Community Plan 2022
- Improving development assessment help guides to reflect legislative change and planning reforms
- Initiating a customer service review
- Undertaking a feasibility study into combining the SA Whale Centre and Visitor Information Centre (VIC) (at the current site of the VIC)
- Progressing the recommendations of the Horse Drawn Tram Service Review
- Contributing to the development of a local Emergency Management Plan

MAJOR CAPITAL PROJECTS

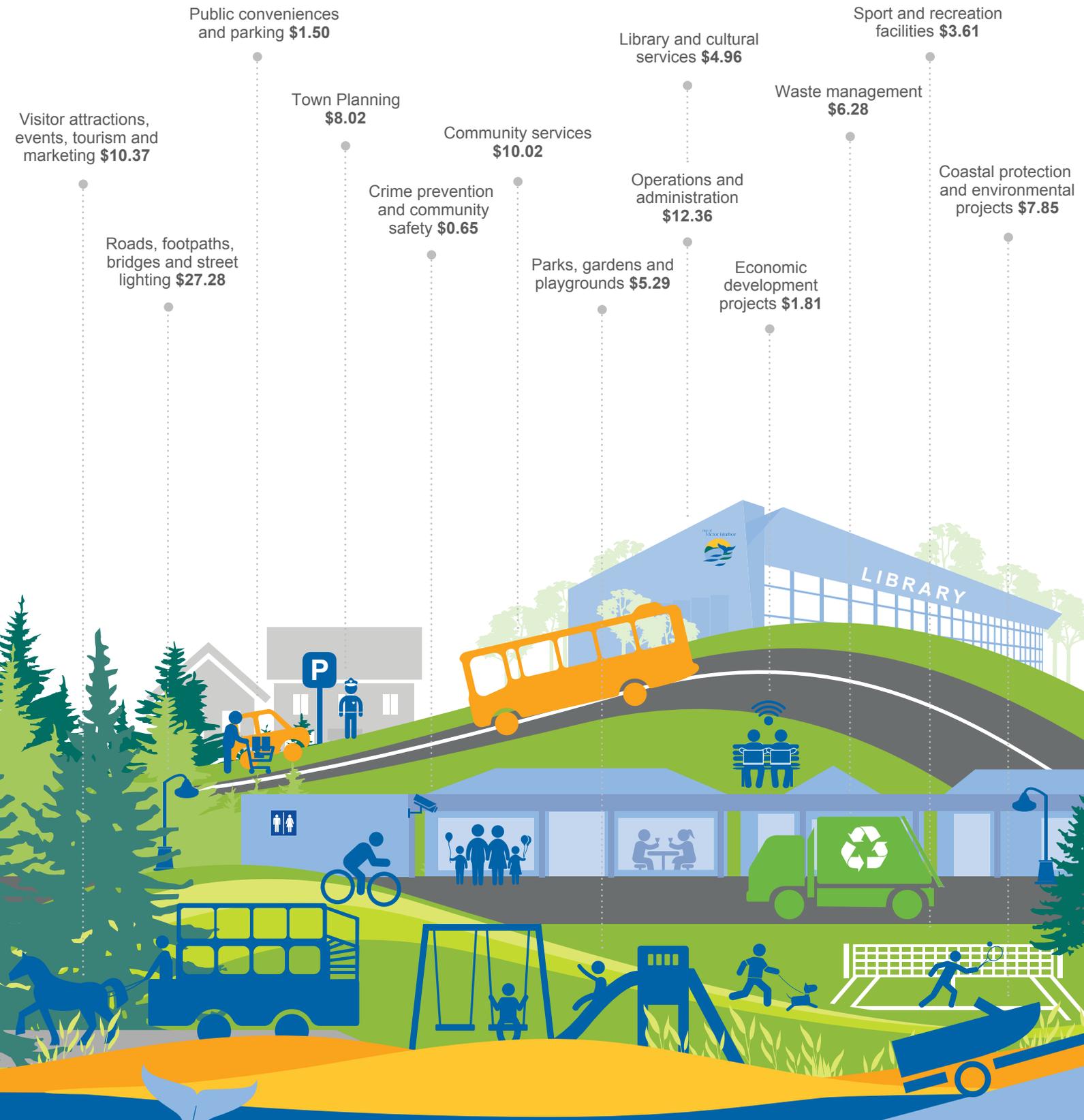


**Includes grant funding and contributions*

In 2016/17 the City of Victor Harbor has a capital expenditure budget of just over \$19.1 million. This is offset by capital grants and contributions totalling just over \$8.6 million. The diagram above highlights a selection of major projects to be undertaken during 2016/17.

WHERE MONEY WILL BE SPENT

For every \$100 of council operating expenditure in 2016/17



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 ACTIVITES

Council has identified 170 Key Planned Activities to be undertaken in 2016/17.

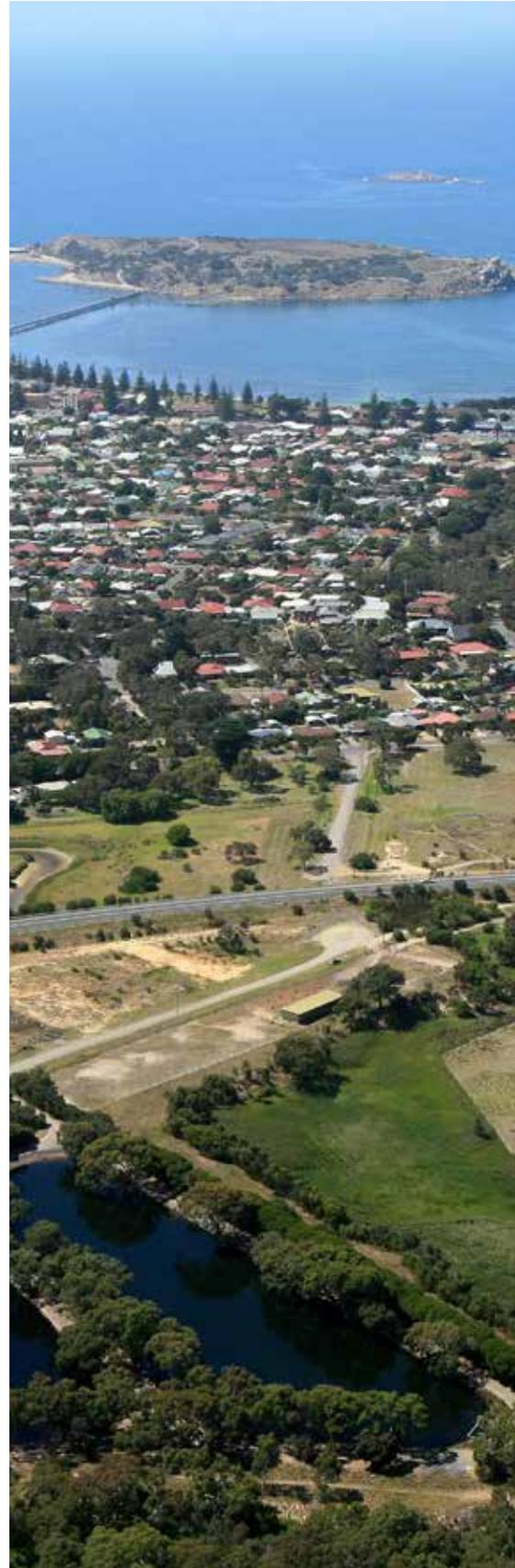
Key Planned Activities illustrate what Council will focus on over the next 12 months to contribute towards achieving our objectives.

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 we 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.



Objective One: A strong economy and supportive business environment

Desired Outcomes:

- A supportive environment for business
- A range of housing types
- Strong linkages locally, interstate and overseas
- Learning and training opportunities provided locally

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

Employment and Economic Development

1.1 Support an increase in appropriate business investment and employment opportunities

Facilitate planning for Sculptures Encounters at Victor Harbor (1.1.1)

Finalise the Economic Development Strategy (1.1.2)

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

Commence development of an Economic Development Policy (1.1.4)

Prepare a communication and business engagement plan (1.1.5)

Design a "Buy Local" campaign (1.1.6)

Investigate the feasibility of an Agri-Business Strategy (1.1.7)

Complete Stage 1 Mainstreet Master Plan civil works (1.1.8)

Commence Stage 2 construction works (Ocean Street North and South Nodes) for the Mainstreet Master Plan (subject to grant funding) (1.1.9)

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

Continue implementation of the Digital Action Plan (Stage 2) (1.2.1)

Work with Victor Harbor tourism operators to develop awareness of tours/experiences available in Victor Harbor and the region to increase visitor length of stay, and encourage bookings through the Visitor Information Centre (1.2.2)

Promote the Visitor Information Centre and its services to local residents (1.2.3)

Implement the Place Branding Strategy including roll out of the final stage of the redevelopment of the www.holidayatvictor.com.au website (1.2.4)

Update the economic development content on Council's website (1.2.5)

1.3 Plan for an improved range of and access to services

Advocate for Granite Island to be maintained as a key tourist attraction (1.3.1)

1.4 Encourage improved reputation and business climate

Organise and stage the Whale-Time PlayTime Festival (1.4.1)

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

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

Organise and stage the 2017 "Prints of Whales Photographic Competition" (1.4.4)

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

Subject to confirmation from SA Tourism Commission, host a Stage finish in the 2017 Santos Tour Down Under and the Bupa Challenge Tour (1.4.6)

Redevelop the mainstreet brand based on the Victor Harbor place brand and implement a new artistic entry statement signage based on the new brand (1.4.7)

Implement the Digital Art Program in Ocean Street (1.4.8)

1.5 Support business linkages through partnerships and collaboration

Support local farmers and food producers through the Agribusiness Reference Group (1.5.1)

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

Participate in the Regional Development Australia (Adelaide Hills, Fleurieu and Kangaroo Island) to support business linkages and regional economic development activities (1.5.3)

Population and Housing

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

See Key Planned Activity 3.4.1

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

See Key Planned Activity 1.12.3

1.10 Integrate transport services and land use planning

Investigate Town Centre Traffic and Car Parking Strategy recommendations and implications for Council's 10 Year Capital Works Program (1.10.1)

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

Finalise design for the reconstruction of Wattlebury Road (1.11.1)

Undertake Sutherland Avenue, Mentone Road, Malen Avenue, Sinclair Street, Alexander Street, First Avenue and Harborview Avenue footpath construction (1.11.2)

Complete bridge maintenance as identified from condition assessments and associated Asset Management Plan including Nettle Hill Road and Waitpinga Road (1.11.3)

Undertake Greenhills Road drainage and road reconstruction (1.11.4)

Undertake Stage 2 of the Ocean Road Reconstruction (1.11.5)

Upgrade the Victor Harbor Town Hall pedestrian walkway between the RSL and Town Hall buildings (1.11.6)

Undertake redesign and construction of traffic and pedestrian improvements to Kullaroo Road adjacent to the Victor Harbor High School (1.11.7)

Complete Stage 1 of design and reconstruction of Waitpinga Road (The Straight) (1.11.8)

Undertake construction of the Bluff Boat Ramp carpark extension (1.11.9)

Undertake priority projects and scope future projects from the Victor Harbor Bicycle Plan (1.11.10)

Complete road maintenance as identified from condition assessments and associated Asset Management Plan (1.11.11)

Complete kerb and channel maintenance and replacement as identified from condition assessments and associated Asset Management Plan (1.11.12)

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)

Seek sustainable funding for Community Transport Services beyond June 2017 (1.12.2)

Advocate for improved passenger transport services between Victor Harbor and Goolwa, and Victor Harbor and Adelaide (1.12.3)

Community

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

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

Desired Outcomes:

- Effective management of urban growth
- Sustainable developments that minimise dependence on resources and impacts on the natural environment
- Move towards self-sufficiency in water, wastewater, hard waste and energy
- Efficient and timely provision of health 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
- Waste management
- Halls and community buildings
- Health and preventative services
- Immunization
- Litter inspection and enforcement
- Livestock impounding
- Sharps/needle collection service
- Playgrounds
- Maintain and provide boat ramps
- Public conveniences
- Parks, gardens and reserves
- Sport and recreation facilities
- Septic tank approval and inspection
- Street furnishing and sweeping
- Stormwater management
- Supported residential facilities licensing
- Vermin eradication

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

2.3 Improve stormwater management through retention, detention, and reuse

Undertake Lamont Court, Yandra Terrace and Petrel Avenue stormwater construction upgrades (2.3.1)

Replace Encounter Lakes control gates (2.3.2)

Undertake a review and prepare detailed design documentation to allow reconstruction of the Bacchus Wetland in 2017/18 (2.3.3)

2.4 Maximise reuse of treated wastewater

Investigate viability of extending the current Victor Harbor Water Reuse Scheme (2.4.1)

Complete connection of groundwater from Bridge Terrace to Soldiers Memorial Gardens (2.4.2)

Undertake irrigation renewal and upgrade program as identified in the Open Space Asset Management Plan and Asset Register including Cliff Thorpe Reserve, Eric Ashby Reserve and Brian Spilsbury Reserve (2.4.3)

2.5 Encourage reduced energy consumption through energy efficient development

2.6 Encourage increased use of sustainable energy sources

Investigate options for vehicle recharge points for electric/hybrid vehicles (2.6.1)

Community

2.8 Facilitate meeting places responsive to community needs

Support the development of the Victor Harbor Men's Shed, including in-kind earthworks (subject to project funding / commencement) (2.8.1)

2.9 Encourage coordination, collaboration and the effective provision of and access to health and community services in the local area and region

Explore funding models and opportunities to sustain the Southern Fleurieu and KI Positive Ageing Taskforce beyond June 2017 in order to encourage coordination of service delivery and 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)

Collaborate with other agencies and services to develop strategies that promote and facilitate coordinated services for young people, and families with children (2.9.3)

Provide a European Wasp Management Program (2.9.4)

Investigate and implement as appropriate improved evidence based performance evaluation

and productivity tools, including Results Based Accounting, to more effectively measure the outcomes of community service projects (2.9.5)

Provide a community grants program to assist community groups in the planning, coordination and provision of community services to improve the wellbeing of people within the Victor Harbor community (2.9.6)

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

Utilise information from Youth Forums conducted in 2015 to develop a youth service strategy (2.9.8)

Implement changes in response to the amended Dog and Cat Management Act (2.9.9)

Implement changes in response to the Local Nuisance and Litter Control Act 2015 (2.9.10)

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

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

Revise the Victor Harbor Recreation and Open Space Strategy 2007 to provide strategic direction for open space and recreation programs and facilities (2.11.1)

Continue to investigate and analyse options for a future cemetery (2.11.2)

Support the further development of the Encounter Bay Sport and Recreation Precinct Draft Masterplan, including cost estimates and 3D visualisations (subject to grant funding) (2.11.3)

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

Undertake a review of Council's Outdoor Dining Policy (2.12.1)

Undertake a review of Council's Street Traders Policy (2.12.2)

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

Undertake Stage 2 of the landscape upgrade of Brandwood Reserve (2.13.1)

Prepare a of Soldiers Memorial Gardens and Soldiers Memorial Reserve Master Plan in consultation with the RSL, subject to external grant funding (2.13.2)

Upgrade the Victor Harbor Town Hall fire detection systems (2.13.3)

Provide Recreation and Sport Small Grants Program (2.13.4)

Subject to grant funding provide Hindmarsh Reservoir recreational fishing facilities (2.13.5)

Undertake Recreation Centre maintenance and upgrade including General Purpose Room floor replacement and stadium lighting (2.13.6)

In cooperation with the Alexandrina Council, coordinate year 2 of the construction for the Fleurieu Region Aquatic Centre (2.13.7)

Undertake landscape design and stormwater analysis for Ena Read Reserve (Tabernacle Road) (2.13.8)

Upgrade toilets at the Soldiers Memorial Reserve (2.13.9)

Upgrade playgrounds at the Encounter Bay Recreation Ground and Victor Harbor Oval to ensure compliance with current Australian Playground Standards (2.13.10)

Contribute to the upgrade of the Encounter Bay netball/tennis courts, subject to grant funding (2.13.11)

Partner with the Victor Harbor High School Pathways to Construction Program for construction of the shelter area at the Victor Harbor dog park (2.13.12)

Undertake renewal and upgrade of the foreshore tennis courts, subject to grant funding (2.13.13)

Contribute towards the cost of recent repair work to the clubhouse roofing structure of the Encounter Bay Bowling Club (2.13.14)



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

Desired Outcomes:

- Landscapes, townscapes and natural environment are protected, conserved and enhanced
- Ecologically sustainable urban design and development
- A sense of community ownership and involvement
- A culturally diverse and vibrant place to live

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

Environment

3.1 Protect ecological values and biodiversity

Review the Victor Harbor Environmental Management Plan 2010-2014, including the update of Environmental Action Plans (3.1.1)

Undertake 2016/17 Environmental Weed Control Program as per Environmental Management Plan and Natural Resource Management Act (3.1.2)

Develop interpretive signage, brochures and other materials to increase understanding of local environmental issues (3.1.3)

3.2 Identify and protect heritage, landscape and townscape values

Provide a Mainstreet Facade Grant Program (3.2.1)

Undertake Stage 1 of the Railway Turntable Site construction, subject to grant funding (3.2.2)

Expand heritage advisory services to include advice for State Heritage listed places (3.2.3)

Expand Heritage Incentive Grant Scheme to provide increased support for property owners to maintain local heritage listed items within the Council area (3.2.4)

Extend the oral history project at the library to include the development of "The Story of Victor Harbor" local history book (3.2.5)

3.3 Protect and enhance the coastal environment

Complete priority coastal maintenance as identified in the Victor Harbor Coastal Management Study including dune protection in the vicinity of King Street and the Esplanade (3.3.1)

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

Commence a Residential DPA (3.4.1)

Convene Council's Development Assessment Panel to determine development applications in accordance with the Development Act 1993, and provide advice to Council on development policy matters (3.4.2)

3.5 Adapt to impacts of climate change

Develop Victor Harbor Climate Change Adaptation Plan following finalisation of Regional Climate Change Adaptation Plan - Resilient Hills and Coasts 2016 (3.5.1)

3.6 Encourage development controls which reflect principles of ecologically sustainable development

Community

3.7 Encourage a vibrant community culture

Facilitate City Vibrancy (Arts and Cultural) activities including Arts and Culture Community Grants and artisan markets (3.7.1)

Organise and stage a New Year's Eve community celebration event (3.7.2)

Support local community celebrations during NAIDOC Week (3.7.3)

Prepare concept plans for future refurbishment of the library within the current building footprint, and for redevelopment of the library with allowance for expansion (3.7.4)

Develop a Festivals and Events Strategy (3.7.5)

3.8 Promote Council services and activities

Grow community subscription to Councils e-newsletter "Victor Viewpoint" (3.8.1)

3.9 Encourage community interaction including participation in sport and recreation opportunities

Collaborate with local sport and recreation clubs to increase the number of community sporting clubs with Star Club status through the delivery of the Star Club Field Officer Program (3.9.1)

Support the Fleurieu Festival of Sports to provide a community sports carnival in 2017 (3.9.2)

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)

Foster the Caring Neighbourhood Program and other programs that support isolated residents especially aged people, to develop further connections with their community (3.10.2)

Position the Caring Neighbourhood Program to maximise opportunities associated with the Commonwealth Aged Care Reforms (3.10.3)

Investigate processes for Child Friendly Cities Accreditation (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)

Contribute to the development of a local Emergency Management Plan (3.11.2)

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

Desired Outcomes

- Effective governance
- Legislative compliance
- Excellent customer service
- A financially sustainable organisation
- A safe working environment
- An adaptable, skilled and satisfied workforce

Ongoing Activities

- Administration and finance
- Advocate on behalf of the community
- Amusement and market licensor
- Asset management
- Civic functions
- Citizenship
- Contract administration
- Council elections
- Council news and information
- Human resources activities
- Investment
- Industrial relations
- Library services
- Local data and statistical collection
- Local governance
- Local services contact
- Maintainer of civic and community records
- Policy and by-law management
- 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

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)

Coordinate the assessing of Council Performance Surveys (Parts B and C) (4.2.2)

Work with Elected Members in development of policies, and to address gaps in Council's policy structure to meet Council's strategic objectives (4.2.3)

Review Council's policy framework (4.2.4)

Investigate systems to monitor legislative compliance (4.2.5)

Commence coordination of Council's Representation Review (4.2.6)

Review Council's By-laws (4.2.7)

Explore software options for delegations review (4.2.8)

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

Hold two community forums, including one as a part of Council's annual business plan and budget. (4.3.1)

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

In cooperation with Alexandria Council and District Council of Yankalilla, participate in the Fleurieu Futures Project (4.5.1)

4.6 Ensure that Council operates in a strategically planned environment

Undertake 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

Commence a content restructure of Council's corporate website to make it easier for people to find information (4.8.1)

In line with the "Your Council Your Say" campaign provide a series of listening posts to increase community engagement with Elected Members (4.8.2)

4.9 Ensure a high and efficient level of service delivery across the organisation with elected members

Restructure local computer drives to align with the new file structure (4.9.1)

Formulate a reporting procedure for records management performance (4.9.2)

Improve development assessment help guides to reflect legislative changes and planning reforms (4.9.3)

Review and update development compliance and enforcement procedures (4.9.4)

Review and update internal procedures at the Victor Harbor Library (4.9.5)

Provide training for staff on records management requirements and procedures (4.9.6)

Complete Australian Service Excellence Standards (ASES) Accreditation for Fleurieu Families (4.9.7)

Increase the uptake of Vendor Panel for procurement across the organisation and provide training to budget officers to ensure compliance with Council's Procurement Policy (4.9.8)

Commence a Customer Service Review (4.9.9)

Financial and Operational Sustainability

4.10 Undertake long term financial planning

Review and update Council's Long Term Financial Plan in line with 2015/16 actuals, 2016/17 budget and adopted Asset Management Plans (4.10.1)

4.11 Manage Council's financial assets to improve financial sustainability

Further develop internal budget procedures using PowerBudget software (4.11.1)

Upgrade SynergySoft Debtor Module to enable debtor invoices to be emailed direct from SynergySoft (4.11.2)

Upgrade SynergySoft Creditor Module to enable utility invoices to be imported directly into Synergy (4.11.3)

Transition internal audit capability from contracted service to internal service to coordinate strategic, financial and WHS risk assessments, including sample testing, internal audits, action plans and monitoring (4.11.4)

4.12 Continue infrastructure and asset management planning

Undertake full revaluations including condition assessments for asset classes identified in Council's Revaluation Schedule (4.12.1)

Develop an organisation wide building facilities management plan (4.12.2)

Commence development of a Road Permit Policy (4.12.3)

Develop an annual information sheet for sporting/community lease/licence holders (4.12.4)

Consider the infrastructure impacts associated with the Ministerial Residential and Centres Development Plan Amendment (4.12.5)

Prepare a Railway Interface Agreement (4.12.6)

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

Review the range of items available in Retail Store at the Visitor Information Centre including but not limited to local/regional produce (4.13.1)

Expand the number of products and accommodation operators involved with the Bookeasy online booking system and ensure that all accommodation operators have a Visitor Information System booking agreement in place (4.13.2)

Monitor the outcomes of the Planning Reform Bill regarding Infrastructure Contributions (4.13.3)

4.14 Assess opportunities within an effective risk management framework

Transition Council's risk management framework to meet Local Government Risk Services new requirements (4.14.1)

Organisational Development and Workforce

4.15 Provide a safe and healthy workplace

Progressively address non-conformances from 2015 Local Government Association WHS Audit (4.15.1)

Provide WHS refresher training for staff (4.15.2)

Implement Year 3 of the Work Health Safety and Injury Management Plan with a focus on developing a “Safety Always Matters” organisational culture (4.15.3)

Commence a review of staff induction processes, including WHS workflow (4.15.4)

Implement the “Take 5” project across the organisation (4.15.5)

Provide training in the preparation and implementation of Safe Work Method Statements (4.15.6)

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)

Complete new Enterprise Bargaining Agreement negotiations (4.16.2)

Develop a staff onboarding process that assists new staff to become productive and satisfied members of staff (4.16.3)

Develop and implement an annual employee training program (4.16.4)

Scope requirements for remote sites to utilise the Time Management System (TMS) (4.16.5)

Improve workflow of organisational payroll documentation including fortnightly reporting needs (4.16.6)

Undertake staff training in tree risk assessment, as per Tree Management Strategy (4.16.7)

4.17 Plan for the workforce needs for the future

Respond to statutory changes in areas of environmental nuisance management, and dog and cat management (4.17.1)

Undertake annual employee professional development reviews (4.17.2)

Implement priority outcomes from the HR Service Review (4.17.3)



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

Investigate Council business processes and identify and develop technology and information systems to provide improved efficiencies (4.18.1)

Provide additional staff training to maximise use of technology and information systems (4.18.2)

Upgrade Council's audio and video systems (4.18.3)

Review and develop ICT procedures (technical and customer) (4.18.4)

Develop electronic forms for use on the Intranet and portable devices (4.18.5)

Develop GIS systems and practices including documentation of procedures and technical notations (4.18.6)

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

Undertake a feasibility study into combining the SA Whale Centre and Visitor Information Centre at the current Visitor Information site, including but not limited to the feasibility of expansion of the Visitor Information Centre building for a marine interpretive centre (4.19.1)

Develop performance measures for Council's tourism and economic development activities (4.19.2)

Undertake an expression of interest process for the contracting out of the operation of the Horse Tram using the model identified in the Horse Tram Operation Review 2015 (4.19.3)



OUR MEASURES OF SUCCESS

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

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.

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 33 for further information on financial indicators.

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. 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.

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 the review of the City of Victor Harbor 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.

Council's strategic indicators are outlined on the following pages.



Objective 1: A strong economy and supportive business environment

Indicator	Measure	Trend / Target	2014/15 Result	2016/17 Target
Business investment	Number of local businesses	Maintain at current level or increase target	1,100	1,000 or more
Workforce participation	% of population unemployed	Maintain at current level or decrease	9.7%	9.6% or lower
	Number of people employed in local business	Maintain at current level or increase	4,800	4,600 or more

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

Indicator	Measure	Trend / Target	2014/15 Result	2016/17 Target
Asset sustainability	Asset sustainability ratio	Greater than 80% of Asset Management Plan	64%	95.9%
Stormwater and wastewater reuse	Quantity of storm water and waste water reused by Council	Maintain at current level or increase	18,000 kL	18,000 kL



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

Indicator	Measure	Trend / Target	2014/15 Result	2016/17 Target
Community involvement	Number of volunteers registered with Council Programs	Maintain or increase	New in 2015/16	450 or more
Community culture and access	Membership of library as a % of population	Maintain or increase	New in 2016/17	68% or higher
	Library visits per capita	Maintain or increase	New in 2016/17	10 or higher
Sport and recreation	Number of sporting clubs achieving Level 2 status in the StarClub Club Development Program	Maintain or increase	New in 2016/17	65

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

Indicator	Measure	Trend / Target	2014/15 Result	2016/17 Target
Transparent decision making	Number of council decisions made in confidence	Less than 5%	4.7%	Less than 5%
Effective Risk Management	Risk management processes audit rating	Year 1 Benchmark	New in 2016/17	Average overall performance of 50% or greater
Financial sustainability	Operating surplus ratio	3% or greater	9%	1.3% or greater
	Net financial liabilities ratio	Less than 75%	39%	60.1% or less
Safe and healthy workplace	Number of lost time claim injuries	5% lower than the average from previous three years	3	To be determined in July for following year
	Compliance with WH&S Risk Management Legislation	Greater than or equal to 30% penalty rebate	New in 2015/16	30% or greater

2016/17 BUDGET OVERVIEW

The 2016/17 budget has been prepared in line with the Consumer Price Index (CPI). In addition to CPI, there are a number of new services that Council will need to undertake as a result of cost shifting from other levels of Government which will require extra revenue.

Rate revenue has been calculated to increase by 3.1%.

This includes:

- Growth of 1.1% from subdivision and property improvements
- Rate increase of 2% (comprised of CPI (0.7% as per March 2016) and mandatory new services (1.3%))

Mandatory new services have an estimated impact of 1.9% on the budget as follows:

- Local Nuisance and Litter Control – 0.6%
- Cat Management – 0.3%
- State Heritage Advisory Service – 0.5%
- Planning reform – 0.5%

However, this has been capped to reduce the impact on ratepayers.

Community demand for new services has also been considered including allowances for discretionary projects such as the provision of infrastructure at the Hindmarsh Valley Reservoir for recreational fishing.

The budget also includes an allowance for the commencement of operations at the Fleurieu Regional Aquatic Centre in March 2017.

Proposals contained within the budget reflect Long Term Financial Plan, Asset Management Plans and additional proposals as determined by Council.

Major projects seek to maximise opportunities including Federal and State grant funding.

Council will continue to undertake service reviews to achieve efficiencies and provide cost effective service delivery solutions.

Loan borrowings will be in accordance with Council's Treasury Management Policy, with cash flow shortages covered through Cash Advance Debentures with the Local Government Finance Authority until final borrowing requirements are known upon completion of the Fleurieu Regional Aquatic Centre.

The budget assumes that Council will continue to be supported by a large group of community volunteers in areas such as parks and gardens, environmental management, visitor information services, community transport, library services, community services, committee participation, recreation and tourism activities.



FUNDING OUR PLAN

Operating Budget

Operating expenses of \$25,781,800 will be funded by revenue of \$26,034,100, resulting in an operating surplus of \$252,300.

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 (\$19.8 million)

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

- General Rates (\$19.6 million)
- Natural Resource Management Levy (\$0.4 million)
- Rebates and Remissions (-\$0.2 million)

User Pay Charges (\$2.3 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 and cat registration, expiation and impounding
- Parking expiation
- Septic tank fees
- Property search fees
- Local nuisance and litter expiation

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

Grants and Partnerships (\$2.4 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
- Streetscaping projects
- Road construction
- Recreation and sporting projects

Other Revenue (\$1.1 million)

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

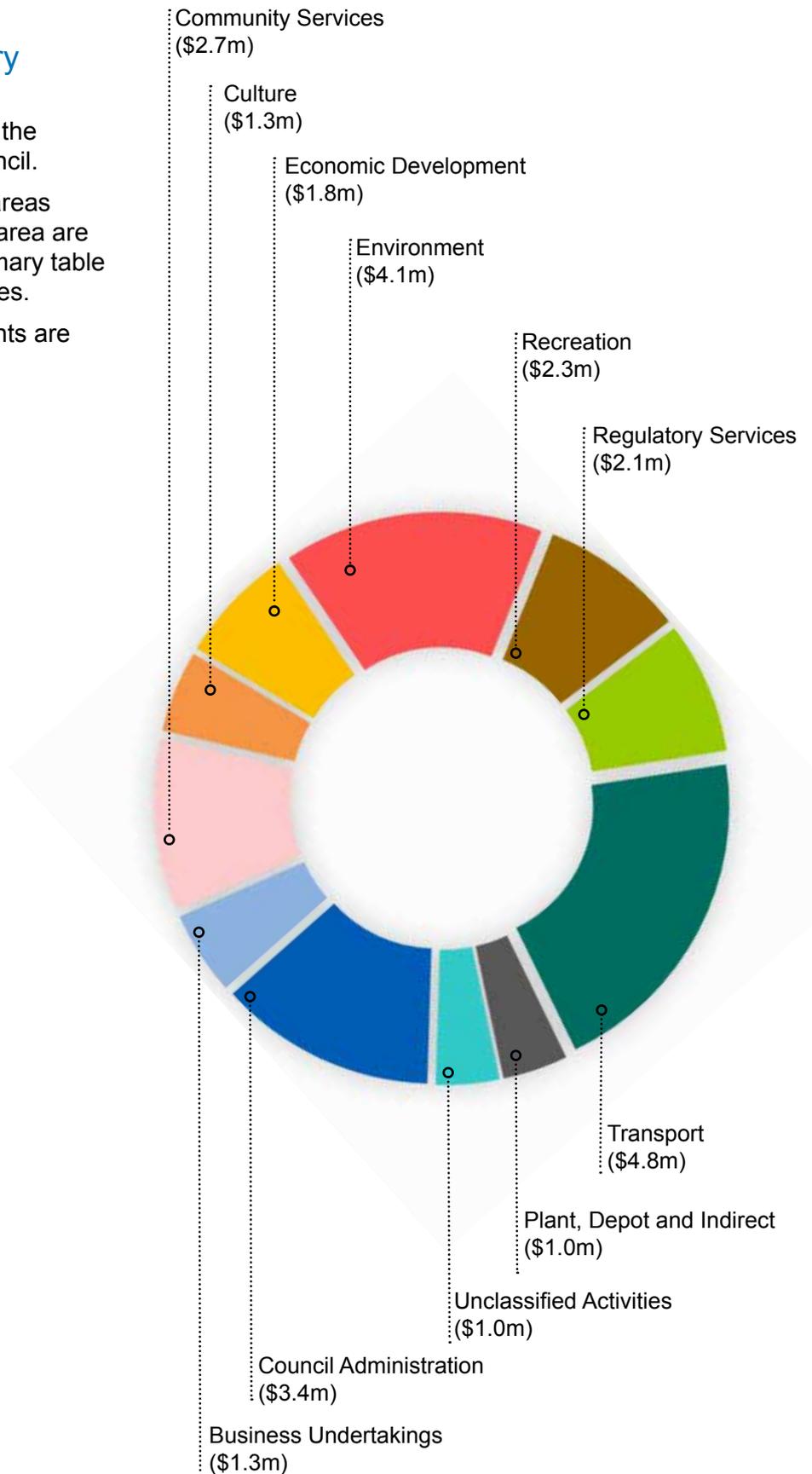
- Investment income
- Donations and sponsorships
- Reimbursements from the community, government and other councils

Operating Expense Breakdown by Category

The graph (right) shows the 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 Summary table provided in the following pages.

Budgeted Financial Statements are provided in **Attachment 1**.



Capital Budget

Capital expenditure of \$19,128,600 will be funded through grants and sale of replaced assets of \$8,621,000 resulting in net capital expenditure of \$10,507,600.

Capital Grants (\$8.5 million)

Council receives contributions from developers to fund future asset construction, and grants and other income for major projects such as the Fleurieu Regional Aquatic Centre.

These funds are applied to new and replacement assets in accordance with the Long Term Financial Plan and Asset Management Plans.

Capital Sales (\$0.1 million)

Replaced or surplus assets are sold in accordance with Council's Sale and Disposal of Land and Other Assets Policy and applied to funding new or replacement assets in accordance with the Long Term Financial Plan, Asset Management Plan and Council's Light Fleet, Plant and Heavy Vehicles Changeover Replacement Policy.

Depreciation (\$5.7 million)

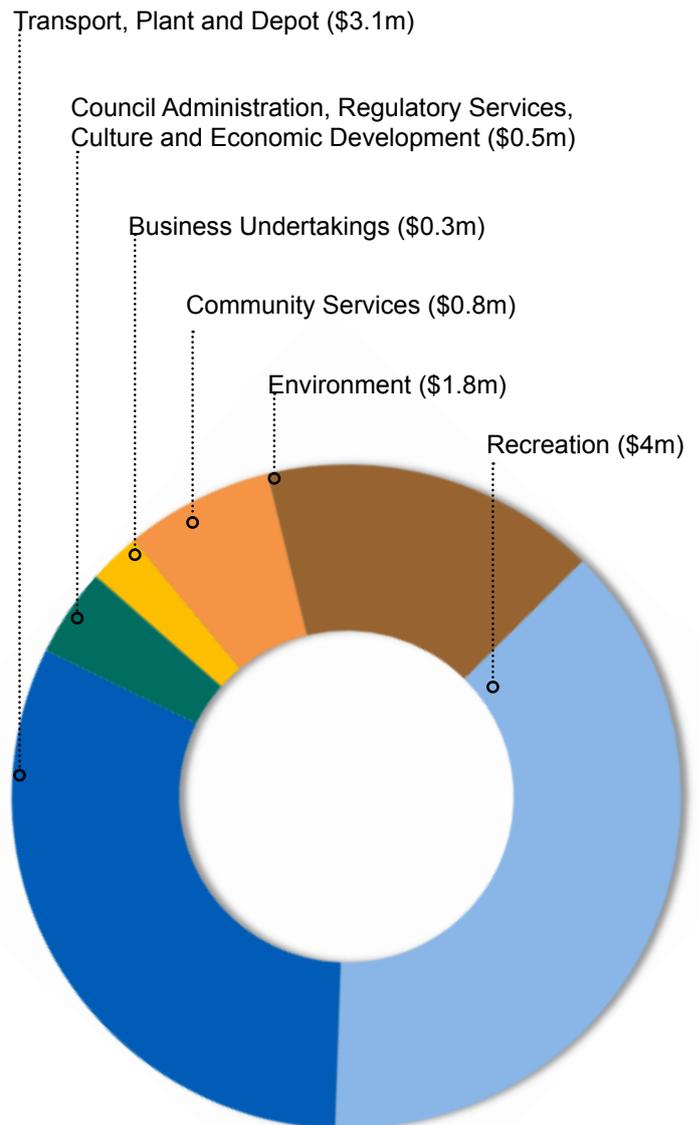
Depreciation raised through operating expenses will be used to fund replacement assets in accordance with the Long Term Financial Plan.

Loans

Borrowings will be in line with Council's Treasury Management 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 until completion of major projects such as the Fleurieu Regional Aquatic, to ensure long term borrowings are minimised.

Capital Expense Breakdown by Category

The graph (below) shows net capital expenditure by activity areas of Council.



Budget Summary

MAJOR CATEGORY	PROGRAM	CAPITAL			OPERATING			TOTAL BUDGET		
		REVENUE	EXPENSES	RESULT	REVENUE	EXPENSES	RESULT	REVENUE	EXPENSES	RESULT
BUSINESS UNDERTAKINGS	CARAVAN PARK	0	0	0	-241,400	79,300	-162,100	-241,400	79,300	-162,100
	PRIVATE WORKS	0	0	0	-6,700	11,300	4,600	-6,700	11,300	4,600
	HORSE TRAM	-6,000	125,600	119,600	-417,900	792,200	374,300	-423,900	917,800	493,900
	WHALE CENTRE	0	154,500	154,500	-191,400	425,100	233,700	-191,400	579,600	388,200
COMMUNITY SERVICES	CRIME PREVENTION	0	0	0	0	88,700	88,700	0	88,700	88,700
	FIRE PROTECTION	0	0	0	-10,100	73,600	63,500	-10,100	73,600	63,500
	HEALTH SERVICES	0	0	0	0	5,800	5,800	0	5,800	5,800
	SENIOR CITIZENS FACILITIES	0	0	0	0	21,600	21,600	0	21,600	21,600
	COMMUNITY ASSISTANCE	0	0	0	-8,100	490,200	482,100	-8,100	490,200	482,100
	AGED SERVICES	0	0	0	-82,600	87,100	4,500	-82,600	87,100	4,500
	YOUTH DEVELOPMENT	0	0	0	-122,900	135,000	12,100	-122,900	135,000	12,100
	FLEURIEU FAMILIES	0	0	0	-266,900	306,300	39,400	-266,900	306,300	39,400
	STAR CLUB	0	0	0	-146,000	152,000	6,000	-146,000	152,000	6,000
	CARING NEIGHBOURHOOD PROJECT	0	0	0	-164,500	200,700	36,200	-164,500	200,700	36,200
	COMMUNITY TRANSPORT - HACC	0	0	0	-56,000	61,600	5,600	-56,000	61,600	5,600
	COMMUNITY TRANSPORT - SCOTS	0	0	0	-419,500	435,600	16,100	-419,500	435,600	16,100
	OLD SCHOOL BUILDING	0	0	0	-7,000	43,700	36,700	-7,000	43,700	36,700
	CEMETERY	0	60,000	60,000	-101,100	214,100	113,000	-101,100	274,100	173,000
	PUBLIC CONVENIENCES	0	135,000	135,000	0	249,900	249,900	0	384,900	384,900
	CARPARKING	-160,000	750,000	590,000	-124,100	136,000	11,900	-284,100	886,000	601,900
CULTURE	LIBRARY	-58,000	80,000	22,000	-68,100	1,179,500	1,111,400	-126,100	1,259,500	1,133,400
	TOWN HALL	0	18,500	18,500	-18,800	70,800	52,000	-18,800	89,300	70,500
	OTHER CULTURAL SERVICES	0	0	0	-5,000	27,900	22,900	-5,000	27,900	22,900
ECONOMIC DEVELOPMENT	TOURISM MARKETING	0	0	0	-38,100	349,800	311,700	-38,100	349,800	311,700
	VISITOR INFORMATION CENTRE	0	16,000	16,000	-688,200	1,028,300	340,100	-688,200	1,044,300	356,100
	OTHER ECONOMIC DEVELOPMENT	0	35,500	35,500	-85,500	466,500	381,000	-85,500	502,000	416,500
ENVIRONMENT	WASTE COLLECTION/RECYCLING	0	0	0	-8,000	1,334,800	1,326,800	-8,000	1,334,800	1,326,800
	WASTE DISPOSAL FACILITY	0	0	0	0	283,200	283,200	0	283,200	283,200
	COASTAL PROTECTION	0	106,500	106,500	-30,000	189,600	159,600	-30,000	296,100	266,100
	OTHER ENVIRONMENTAL PROJECTS	0	0	0	0	547,500	547,500	0	547,500	547,500
	STORMWATER DRAINAGE	0	807,000	807,000	0	619,100	619,100	0	1,426,100	1,426,100
	STREET CLEANING	0	0	0	0	117,700	117,700	0	117,700	117,700
	STREET LIGHTING	0	0	0	0	495,200	495,200	0	495,200	495,200
	STREETSCAPING	-847,000	1,655,900	808,900	-4,500	551,100	546,600	-851,500	2,207,000	1,355,500
RECREATION	PARKS AND GARDENS	-20,000	220,000	200,000	-37,100	1,363,200	1,326,100	-57,100	1,583,200	1,526,100
	OUTDOOR SPORTS FACILITIES	-6,565,000	10,335,000	3,770,000	-176,100	684,300	508,200	-6,741,100	11,019,300	4,278,200
	RECREATION CENTRE	0	162,000	162,000	-103,600	247,500	143,900	-103,600	409,500	305,900
REGULATORY SERVICES	CAT CONTROL	0	10,000	10,000	-12,500	56,700	44,200	-12,500	66,700	54,200
	DOG CONTROL	0	0	0	-83,300	107,000	23,700	-83,300	107,000	23,700
	BUILDING CONTROL	0	0	0	-69,600	330,800	261,200	-69,600	330,800	261,200
	TOWN PLANNING	0	0	0	-136,400	1,056,300	919,900	-136,400	1,056,300	919,900
	HEALTH INSPECTION	0	0	0	-10,400	200,000	189,600	-10,400	200,000	189,600
	PARKING CONTROL	0	0	0	-103,000	148,900	45,900	-103,000	148,900	45,900
	NUISANCE & LITTER CONTROL	0	0	0	-800	106,500	105,700	-800	106,500	105,700
	OTHER REGULATORY SERVICES	0	0	0	-7,000	62,700	55,700	-7,000	62,700	55,700
TRANSPORT	SEALED ROADS	-837,000	2,305,100	1,468,100	-438,800	2,023,100	1,584,300	-1,275,800	4,328,200	3,052,400
	UNSEALED ROADS	0	140,000	140,000	0	674,500	674,500	0	814,500	814,500
	KERBING AND FOOTPATHS	0	559,000	559,000	0	652,200	652,200	0	1,211,200	1,211,200
	BRIDGES	0	76,000	76,000	0	368,700	368,700	0	444,700	444,700
	TRAFFIC MANAGEMENT	0	570,000	570,000	-714,000	989,000	275,000	-714,000	1,559,000	845,000
	COMMUNITY BUS SERVICE	0	0	0	-12,500	67,000	54,500	-12,500	67,000	54,500
PLANT, DEPOT & INDIRECT	PLANT AND MACHINERY	-128,000	407,000	279,000	0	44,300	44,300	-128,000	451,300	323,300
	DEPOT	0	40,000	40,000	-400	319,100	318,700	-400	359,100	358,700
UNCLASSIFIED ACTIVITIES	INDIRECT WORKS	0	0	0	-2,900	648,200	645,300	-2,900	648,200	645,300
	OTHER PROPERTY	0	0	0	-99,000	366,300	267,300	-99,000	366,300	267,300
	LOANS	0	0	0	-50,000	615,000	565,000	-50,000	615,000	565,000
COUNCIL ADMINISTRATION	INTEREST	0	0	0	-105,000	0	-105,000	-105,000	0	-105,000
	ADMINISTRATION NEC	0	0	0	0	0	0	0	0	0
	ELECTED MEMBERS	0	0	0	-500	381,500	381,000	-500	381,500	381,000
	ORGANISATIONAL	0	0	0	-171,900	2,213,300	2,041,400	-171,900	2,213,300	2,041,400
	ACCOUNTING/FINANCE	0	0	0	-9,800	9,800	0	-9,800	9,800	0
	PAYROLL	0	0	0	0	0	0	0	0	0
	HUMAN SERVICES	0	0	0	0	0	0	0	0	0
	INFORMATION TECHNOLOGY	0	279,500	279,500	-10,700	10,700	0	-10,700	290,200	279,500
	COMMUNICATION	0	2,000	2,000	0	0	0	0	2,000	2,000
	RATES ADMINISTRATION	0	0	0	-23,700	337,700	314,000	-23,700	337,700	314,000
	RECORDS	0	0	0	-400	400	0	-400	400	0
	OCCUPANCY	0	78,500	78,500	-15,500	15,500	0	-15,500	94,000	78,500
	CUSTOMER SERVICE	0	0	0	-42,500	410,800	368,300	-42,500	410,800	368,300
REVENUE	GENERAL RATES	0	0	0	-19,834,300	0	-19,834,300	-19,834,300	0	-19,834,300
	LG GRANTS COMMISSION	0	0	0	-450,000	0	-450,000	-450,000	0	-450,000
Totals		-8,621,000	19,128,600	10,507,600	-26,034,100	25,781,800	-252,300	-34,655,100	44,910,400	10,255,300

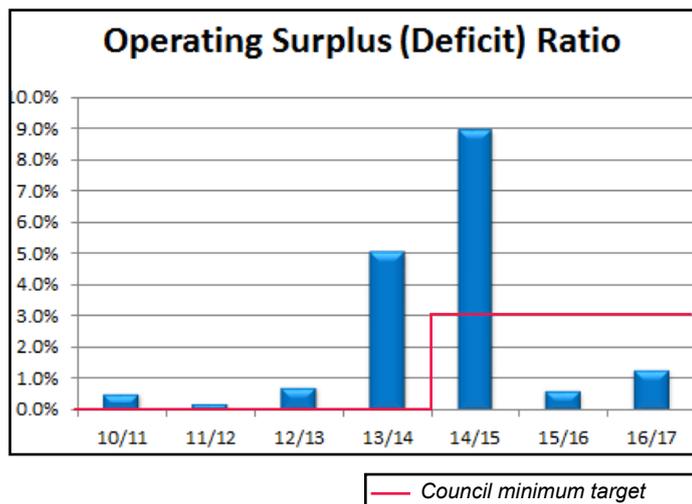
KEY FINANCIAL INDICATORS

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 2015/16 and 2016/17.

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 1.3% is projected in 2016/17 – below the Long Term Financial Plan estimate of 3% and Council's minimum target of 3% (0% prior to 2014/15).



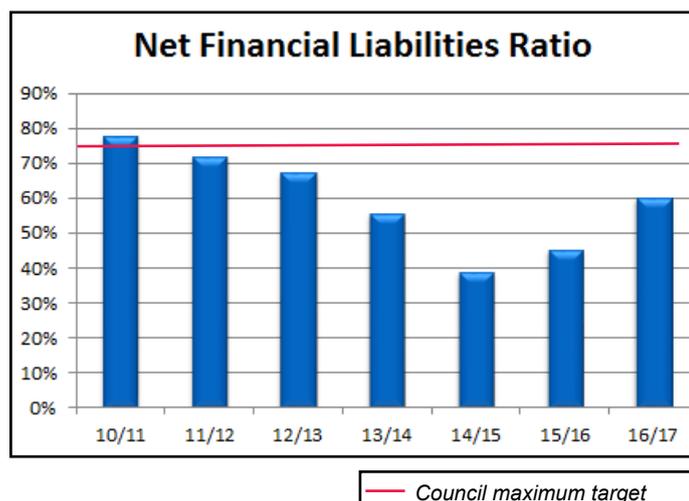
The ratio has been affected by legislative changes resulting in increased services as well as low property growth and development activity.

Net Financial Liabilities Ratio

This ratio expresses total liabilities less financial assets as a percentage of total operating revenue.

The ratio indicates the percentage of debt in comparison to operating revenue.

A high ratio may indicate funding required for significant projects. The ratio has increased over the past two years reflective of the inclusion of major projects such as the Fleurieu Regional Aquatic Centre and Mainstreet Precinct Upgrade.



A Net Financial Liability Ratio of 60.1% is projected for 2016/17 – below the Long Term Financial Plan estimate of 63% and well below Council's maximum target of 75%.

Loan requirements will be reviewed in the third quarter of 2016/17 to assess the amount required and minimise increases to borrowings.

KEY FINANCIAL INDICATORS

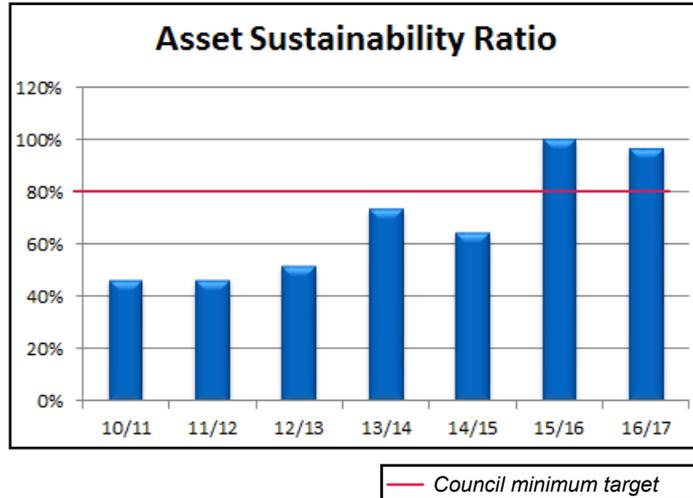
Asset Sustainability Ratio

Since 2014/15, the Asset Sustainability Ratio has been based on renewal and replacement of existing assets as detailed in the Long Term Financial Plan in conjunction with Asset Management Plans.

Council has set a minimum target of 80% rather than 100% to allow for projects that may be uncompleted at 30 June and/or projects that come in under budget due to effective procurement processes.

Projects may be uncompleted for a number of reasons including lack of resources, capacity, weather or delays in grant funding.

An Asset Sustainability Ratio of 95.9% is projected for 2016/17 – below the Long Term Financial Plan estimate of 100% but well above Council’s minimum target of 80%.



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 totalling \$3,972,673,700 of which \$3,842,857,690 is rateable.

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.

Growth from subdivision activity and property improvements totals 1.1%.

In total, Council is proposing that ratepayers will pay an average rate increase across all categories of approximately 2% more on average than last year. This equates to an average increase of \$36.



2016/17 RATING POLICY

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:

- 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
- 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.
- 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 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 construction, 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 \$350,000 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 with the final reduction to a discount of -10% of the base residential rate in 2015/16.

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 2016/17 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	0.4075	Base rate	\$15.1 million
Commercial Shop	0.5297	Base + 30%	\$0.7 million
Commercial Office	0.5297	Base + 30%	\$0.1 million
Commercial Other	0.5297	Base + 30%	\$0.6 million
Industrial Light	0.4686	Base + 15%	\$0.1 million
Industrial Other	0.4686	Base + 15%	\$0.1 million
Primary Production	0.3667	Base - 10%	\$1.4 million
Vacant Land	0.6112	Base + 50%	\$1.4 million
Other	0.4075	Base rate	\$0.1 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 \$330. 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:
 - 0.010000 cents in the dollar to raise a total of \$379,019
- Rateable properties located within the area of the Council and of the SA Murray Darling Basin Natural Resources Management Board:
 - 0.026550 cents in the dollar to raise a total of \$3,990.

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 2016/17 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 2015/16 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 2015;
- 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.

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 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 they are invited to contact the Rates and Assessment Officer 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 that is due on the 8 September 2016, or by quarterly instalment payments due on the following dates:

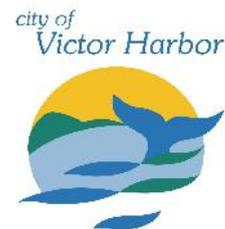
Instalment	Due Date
1st Instalment	8 September 2016
2nd Instalment	8 December 2016
3rd Instalment	8 March 2017
4th Instalment	8 June 2017

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;
- 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.

ATTACHMENT 1 - 2016/17 Budgeted Financial Statements



UNIFORM PRESENTATION OF FINANCES

For the Year Ending 30 June 2017

	2015/16 MARCH REVIEW \$'000	2016/17 LONG TERM FINANCIAL PLAN \$'000	2016/17 DRAFT BUDGET \$'000
Operating Revenues	24,871	25,162	26,034
less Operating Expenses	24,750	24,595	25,782
Operating Surplus / (Deficit) before Capital Amounts	121	567	252
Less Net Outlays on Existing Assets			
Capital Expenditure on Renewal/Replacement of Existing Assets	4,803	5,881	5,773
less Depreciation, Amortisation and Impairment	(5,749)	(5,568)	(5,679)
less Proceeds from Sale of Replaced Assets	(190)	(161)	(134)
	(1,135)	152	(40)
Less Net Outlays on New and Upgraded Assets			
Capital Expenditure on New and Upgraded Assets	15,802	5,640	13,356
less Proceeds from Sale of Surplus Assets	(11)	0	0
less Amounts received specifically for new/upgraded assets	(10,028)	(2,900)	(8,487)
	5,763	2,740	4,869
NET LENDING / (BORROWING) FOR FINANCIAL YEAR	(4,507)	(2,325)	(4,577)

FINANCIAL INDICATORS

Operating Surplus Ratio

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%)

0.6%	3.0%	1.3%
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Net Financial Liabilities Ratio

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%)

45.2%	63.0%	60.1%
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Asset Sustainability Ratio

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%)

99.9%	100.0%	95.9%
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ATTACHMENT 1 - 2016/17 Budgeted Financial Statements



STATEMENT OF COMPREHENSIVE INCOME

For the Year Ending 30 June 2017

	2015/16	2016/17	2016/17
	MARCH	LONG TERM	DRAFT
	REVIEW	FINANCIAL	BUDGET
	\$'000	\$'000	\$'000
OPERATING INCOME			
Rates	19,273	19,966	19,852
Statutory charges	476	431	410
User charges	2,273	2,238	2,277
Grants, subsidies and contributions	1,770	1,589	2,380
Investment income	183	146	180
Reimbursements	566	447	625
Other revenues	320	335	302
Net Gain - Equity Accounted Council Businesses	10	10	8
Total Income	24,871	25,162	26,034
OPERATING EXPENSES			
Employee costs	8,563	8,357	8,871
Materials, contracts and other expenses	9,708	9,783	10,617
Depreciation, amortisation and impairment	5,749	5,568	5,679
Finance costs	730	887	615
Total Expenses	24,750	24,595	25,782
OPERATING SURPLUS / (DEFICIT)	121	567	252
Asset Disposal and fair value adjustments	(1,000)	(800)	(1,000)
Amounts specifically for new or upgraded assets	10,028	2,900	8,487
Physical resources received free of charge	528	1,000	1,000
	9,556	3,100	8,487
NET SURPLUS / (DEFICIT)	9,677	3,667	8,739

ATTACHMENT 1 - 2016/17 Budgeted Financial Statements



STATEMENT OF FINANCIAL POSITION

For the Year Ending 30 June 2017

	2015/16 MARCH REVIEW \$'000	2016/17 LONG TERM FINANCIAL PLAN \$'000	2016/17 DRAFT BUDGET \$'000
ASSETS			
Current Assets			
Cash and Cash Equivalents	1,025	1,127	201
Trade and Other Receivables	1,244	1,258	1,302
Inventories	256	270	256
Total Current Assets	2,525	2,655	1,759
Non-Current Assets			
Financial Assets	845	528	689
Equity Accounted Investments in Council Business	225	172	225
Infrastructure, Property, Plant and Equipment	272,000	307,911	287,000
Other Non-Current Assets	200	600	200
Total Non-Current Assets	273,070	309,211	288,114
TOTAL ASSETS	275,595	311,866	289,873
LIABILITIES			
Current Liabilities			
Trade and Other Payables	2,475	2,300	2,578
Borrowings	4,174	1,463	1,370
Provisions	700	1,000	1,200
Total Current Liabilities	7,349	4,763	5,148
Non-Current Liabilities			
Borrowings	6,141	13,165	11,772
Provisions	700	700	700
Total Non-Current Liabilities	6,841	13,865	12,472
TOTAL LIABILITIES	14,190	18,628	17,620
NET ASSETS	261,405	293,238	272,253
EQUITY			
Accumulated Surplus	65,463	61,927	73,902
Asset Revaluation Reserve	193,919	229,363	196,028
Other Reserves	2,023	1,948	2,323
TOTAL EQUITY	261,405	293,238	272,253

ATTACHMENT 1 - 2016/17 Budgeted Financial Statements

STATEMENT OF CHANGES IN EQUITY

For the Year Ending 30 June 2017



	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves	TOTAL EQUITY
2015/16 MARCH BUDGET REVIEW	\$'000	\$'000	\$'000	\$'000
Balance at end of previous reporting period	56,144	192,144	1,665	249,953
Net Surplus / (Deficit) for Year	9,677	-	-	9,677
Gain on revaluation of infrastructure, property, plant & equipment	-	1,775	-	1,775
Transfers between Reserves	(358)	-	358	-
Balance at end of period	65,463	193,919	2,023	261,405

	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves	TOTAL EQUITY
2016/17 DRAFT BUDGET	\$'000	\$'000	\$'000	\$'000
Balance at end of previous reporting period	65,463	193,919	2,023	261,405
Net Surplus / (Deficit) for Year	8,739	-	-	8,739
Gain on revaluation of infrastructure, property, plant & equipment	-	2,109	-	2,109
Transfers between Reserves	(300)	-	300	-
Balance at end of period	73,902	196,028	2,323	272,253

ATTACHMENT 1 - 2016/17 Budgeted Financial Statements



CASHFLOW STATEMENT For the Year Ending 30 June 2017

	2015/16 MARCH REVIEW \$'000	2016/17 LONG TERM FINANCIAL PLAN \$'000	2016/17 DRAFT BUDGET \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Operating Receipts	23,762	24,971	24,873
Investment Receipts	183	146	180
Payments			
Operating Payments to Suppliers and Employees	(16,519)	(18,143)	(17,714)
Finance Payments	(730)	(887)	(615)
Net cash provided by (or used in) operating activities	6,696	6,087	6,724
CASHFLOWS FROM INVESTING ACTIVITIES			
Receipts			
Grants specifically for new or upgraded assets	10,028	2,900	8,487
Sale of replaced assets	190	161	134
Sale of surplus assets	11	0	0
Repayments of loans by community groups	123	112	133
Payments			
Expenditure on renewal/replacement of assets	(4,803)	(5,881)	(5,773)
Expenditure on new/upgraded assets	(15,802)	(5,640)	(13,356)
Loans made to community groups	0	0	0
Net cash provided by (or used in) investing activities	(10,254)	(8,348)	(10,375)
CASHFLOWS FROM FINANCING ACTIVITIES			
Receipts			
Proceeds from borrowings	1,200	3,500	7,000
Payments			
Repayments of borrowings	(1,318)	(1,463)	(4,173)
Net cash provided by (or used in) financing activities	(118)	2,037	2,827
NET INCREASE (DECREASE) IN CASH HELD	(3,676)	(224)	(824)
Cash & cash equivalents at beginning of period	4,701	1,351	1,025
CASH & CASH EQUIVALENTS AT END OF PERIOD	1,025	1,127	201

city of
Victor Harbor



STAY IN TOUCH

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www.victor.sa.gov.au



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