



District Council of Franklin Harbour 2014 – 2015 Annual Business Plan



District Council of Franklin Harbour

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INTRODUCTION

The purpose of this Plan is to address the activities Council intends to undertake in the 2014/2015 financial year to achieve its objectives, and the measures both financial and non-financial it will use to assess this. The Council will measure performance against objectives by the successful completion of all projects on time and within Budget.

It has, and will continue to be a main goal of Council to expand the economic well being of the community and to provide quality services. At the same time this has to be done keeping in mind Council's limited human and financial resources. As such, Council needs to continue to provide value for money and effectiveness of service delivery.

This year the Mangalo/Heggaton Boundary Adjustment, along with the loss of the Supplementary Road funding and capping of the F.A.G.S formula grant, has created severe financial strain on Council to frame a balanced budget.

PROFILE

Located on the eastern side of the Eyre Peninsula and bordering the Spencer Gulf, the District Council of Franklin Harbour is home to an estimated population of 1,350 people and covers an area of 3,283 square kilometres. Cowell is the major centre in the district, which also comprises the holiday areas of Lucky Bay and Port Gibbon and the localities of Elbow Hill, Mitchellville and Mangalo.

STRATEGIC DIRECTIONS

The District Council of Franklin Harbour adopted its 2012-2017 Strategic Plan in December 2011. Amongst the obligations when adopting its Plan was the consideration of regional, state and national objectives and strategies relevant to the social, physical, environmental development and management of Council's area of responsibility. The plan identifies key issues and projects which will provide for a range of services and facilities while ensuring the ongoing sustainability and prosperity of Franklin Harbour. The plan is subject to regular review.

VISION

"A PROUD, GROWING AND UNIFIED COMMUNITY BENEFITING FROM A DIVERSE AND ENVIRONMENTALLY SUSTAINABLE ECONOMIC BASE."

CORE VALUES & PRINCIPLES

The values and principles which guide all of Council and which are reflected in the Strategic Plan are as follows:

We will deliver an excellent standard of essential services in an efficient manner

We will facilitate a growing and sustainable economy and employment base to ensure the long term survival and prosperity of the community

We represent the needs of our community to the wider population

We preserve and enhance our heritage and environment

We will ensure the long term financial security of the Council through excellent forward planning and management

STRATEGIC PLAN GOALS AND STRATEGIES

GOAL 1 - COMMUNITY WELLBEING

Maximise the benefit to the community from improved community services.

- 1.01** Ensure the delivery of appropriate health services to the community
- 1.02** Maximise the provision of aged care facilities and services
- 1.03** Provide high quality sporting and recreational facilities
- 1.04** Support the development and retention of the areas youth
- 1.05** Improve the educational opportunities available to the community
- 1.06** Facilitate improvements or increases in community services

GOAL 2 - ECONOMIC WELLBEING

To foster a diverse and growing economic base that results in an increase in employment and population

- 2.01** Maximise the potential of the tourism industry
- 2.02** Facilitate the further development of our mining sector
- 2.03** Support the growth of the aquaculture industry
- 2.04** Expand our aged care / retirement industry
- 2.05** Assist the expansion of the agricultural sector
- 2.06** Provide appropriate infrastructure for economic development
- 2.07** Development of seaside areas in a sustainable manner
- 2.08** Increase the size of our commercial and retail sector
- 2.09** Ensure the adequate provision of power and water supplies
- 2.10** Maximise the benefits to our community from relationships with appropriate organisations

GOAL 3 – NATURAL AND BUILT ENVIRONMENT

Maintain our high quality living environment

- 3.01** Effectively manage the waste of the area
- 3.02** Protect and enhance our foreshore, coast and marine areas
- 3.03** Preservation of the built and natural heritage of the area
- 3.04** Recognise and value the Indigenous heritage and culture of the area
- 3.05** Enhance the aesthetics of our townships environment
- 3.06** Provide high quality footpaths and roads
- 3.07** Ensure the public conveniences are located appropriately and are of a high standard
- 3.08** Increase the number and standard of parks and gardens in our area
- 3.09** Implement best practice stormwater management techniques

GOAL 4 – GOVERNANCE AND ORGANISATION

A professional, effective and customer oriented organisation playing the lead role in community development

- 4.01** Maximisation of Council service delivery
- 4.02** Improve the image and profile of Council through effective communication
- 4.03** Effective utilisation of Council plant and equipment
- 4.04** Encourage staff development in a safe working environment
- 4.05** Provide strong leadership to our community
- 4.06** Support and recognise the efforts of local volunteers

Council is currently developing a range of long term management plans which supplement and run alongside Council's five year Strategic Plan. These other complimentary plans are called the ten year Long Term Financial Management Plan and the ten year Infrastructure and Asset Management Plan. Such plans will assist Council in renewing/replacing its major assets and infrastructure and the long term Financial Plan will help Council adequately fund assets now and into the future. This will ensure Council's financial sustainability.

COUNCIL SERVICES AND RESPONSIBILITIES

Councils are required to provide certain services under various Acts of Parliament including the Local Government Act. The District Council of Franklin Harbour also provides a number of other services.

Required Services:

These are some of the services that Councils must provide for:

- Planning
- Building and Development
- Environmental Health Services
- Fire Prevention
- Dog and Cat Management

Other Services:

In addition to the above the District Council of Franklin Harbour provides the following types of services for the benefit of the ratepayers and the community:

- Street Lighting;
- Roads Construction and Maintenance;
- Waste Management Facilities;
- Health Services;
- School/Communities Libraries Support;
- Recreation Facilities;
- Reserves and Picnic Areas;
- Playgrounds;
- Accommodation;
- Town Rubbish Collection and Town Recycling;
- Tourism;
- Economic Development; and
- Cemeteries.

HOW DOES COUNCIL DETERMINE WHAT SERVICES IT WILL PROVIDE?

Council's Strategic and other Long Term Plans outline the longer-term objectives and priorities for the community. These Plans plus the Council Budget determine the infrastructure needs and services Council will provide, including the costs required to deliver these services.

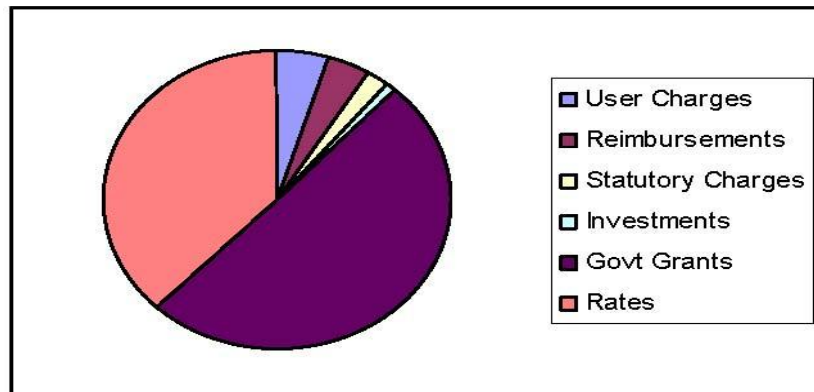
Council adopted the initial Strategic Plan in May 2002 following extensive Community consultation. A further comprehensive review of the Plan was completed in May 2009 and again in December 2011. The full list of the achievements from the previous year is available in Council's Annual Report available from the office or at www.franklinharbour.sa.gov.au.

HOW DOES COUNCIL PAY FOR THESE SERVICES

Council has limited options to pay for these services. It receives substantial State and Federal grants and subsidies. Council can raise income by some fee paying activities (eg hire of community facilities, maintenance fees, private works and rentals). However, Council's primary source of raising income is a property-based tax – Council Rates.

COUNCIL'S OPERATING REVENUE

Council rate revenue makes up approximately 45% of annual operating revenue. Other sources of income include government grants 44%, investments 1%, user charges 5%, reimbursements 1% and statutory charges 4%.



GRANT FUNDING

Local Government receives three (3) types of grant funding:

- GENERAL PURPOSE FINANCIAL ASSISTANCE (Federal)
 - Council has complete discretion as to expenditure of funds received
- SPECIFIC PURPOSE GRANTS (State and Federal)
 - Which are to be spent on specific projects or programs
- 'CORE' ROADS TO RECOVERY GRANTS (Federal)
 - While funds received are to be spent on road projects, Council has complete discretion on whether such spending is on maintaining, renewing or upgrading roads.

HOW DOES COUNCIL DETERMINE WHAT RATES IT WILL SET?

Rate income is generated by the broad application of fundamental principles of taxation (fairness and equity, simplicity, ability to pay and efficiency) with a view to achieving an equitable distribution of the rates burden amongst ratepayers, covering general cost movements, including labour and non-labour costs and being sufficient to cover new initiatives.

Following a comprehensive, independent review in early 2011, Council adopted Capital Values as provided by the State Government Valuer Generals Department on all properties in the Council District. Council determines what revenue is required for Council operations in the District for each financial year in the form of a Council Budget. Differential rates in the dollar are then declared by Council for all properties in the area. Differential rates will be based on land use and zoning of the property.

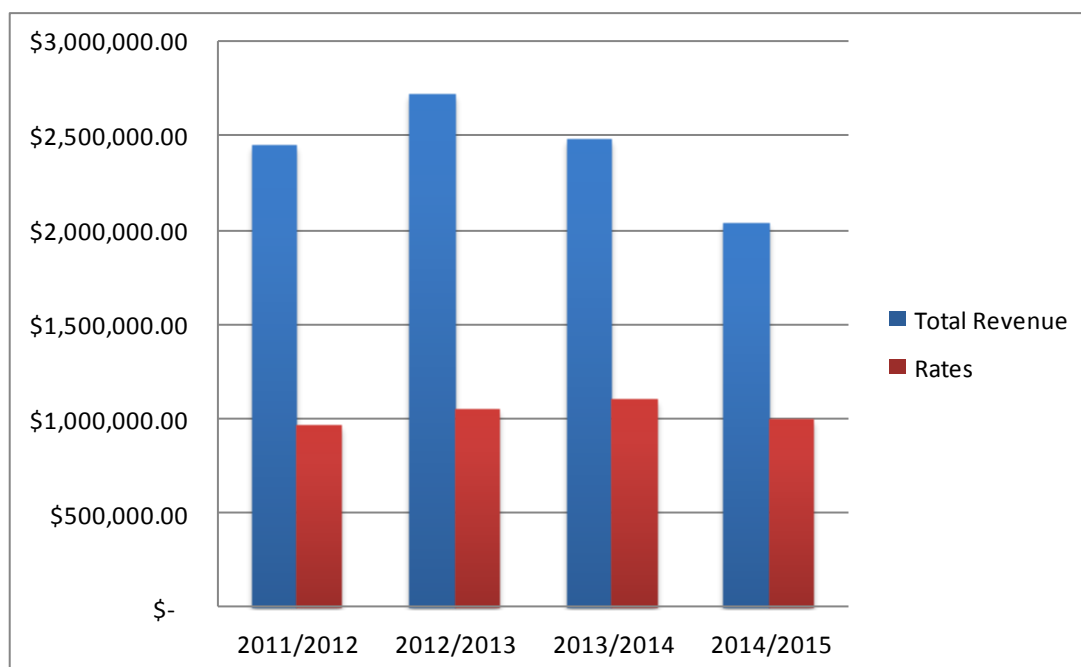
For example – a property has a capital value of \$100,000 and Council declares a rate in the dollar of 0.7800 cents, that property will pay $\$100,000 \times 0.0078\text{cents} = \780.00 .

Council reduces or increases the rate in the dollar to meet revenue requirements.

During the 2013/2014 Council was advised by the Boundary Adjustment Panel that the Hundreds of Mangalo and Heggaton were to be severed from Franklin Harbour. This has resulted in a decrease in rateable income of approximately \$200,000 per annum.

In 2013/2014 Council's rate revenue was \$1,122,272 and Council has resolved that in the 2014/2015 financial year an approximate 8% increase will apply to raise rate revenue of approximately \$995,587

Operating Revenue and Rates Revenue for financial years 2011/12, 2012/13, 2013/14 and 2014/2015



METHOD USED TO VALUE LAND

The Council may adopt one of three (3) valuation methodologies to value the properties in its area. They are:

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

The District Council of Franklin Harbour uses capital value as the basis for valuing land within its Council area. 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 provides a fair indicator of overall property value.
- The distribution of property values throughout the Council area is such that some ratepayers will pay more and some less depending on fluctuations of property value.

RATING INFORMATION FOR 2014/2015

In setting its rates for the 2014/2015 financial year the Council considered the following:

- The current economic climate and relevant factors such as inflation and interest rates.
- The specific issues faced by our community, which are the effects of seasonal variations for the farming community.
- The need to continue to replace and upgrade infrastructure assets that include both plant and machinery and our road network.
- The objective of attracting and continuing to attract and support business activity to generate economic development.
- Council's strategic plan and the meeting of those objectives.
- The budget for the 2014/2015 financial year and the long-term financial plans.
- Householders, businesses and primary producers.

- The broad principal of achieving equity in the distribution of rates.
- Minimising the level of general rates required by levying fees and charges for goods and services where that is possible.
- Setting fees and charges to recover the full cost of operating or providing the services of goods, with provision for concessions to those members of the community unable to readily meet the full cost.
- Taking into account changes to Council valuations by the Valuer-General.
- Submissions made during the Public Consultation process.

ADOPTION OF VALUATIONS

The Council will consider the valuations made by the Valuer-General effective as at 1st July 2014. 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 notification of the valuation, explaining the basis for the objection to **State Valuation Office, GPO Box 1354, ADELAIDE SA 5001** or email lsgobjections@sa.gov.au.

BUSINESS IMPACT STATEMENT

The Council has considered the impact of rates on all businesses in the Council area, and in particular primary production. Council has also considered the equity of the distribution of the rate burden between ratepayers; Council's policy on facilitating local economic development; current local, state and national economic conditions; changes in the valuation of business and primary production properties; and specific Council projects for the coming year and specific infrastructure maintenance issues.

COUNCIL'S REVENUE RAISING POWERS

All land within a Council area, except for land specifically exempt (eg Crown Land, Council occupied land and other land prescribed in the Local Government Act 1999 – refer Section 147 of the Act), is rateable. The Local Government Act provides for a Council to raise revenue for the broad purposes of the Council through a general rate, which applies to all rateable properties, or through differential general rates, which apply to classes of properties. In addition, Council can raise separate rates, for specific areas of the Council or services rates or charges for specific services. Council also raises revenue through fees and charges, which are set giving consideration to the cost of the service provided and any equity issues. The list of applicable fees and charges is available at the Council Office, 6 Main Street Cowell.

DIFFERENTIAL RATES

In accordance with the provisions of Section 153 of the Local Government Act 1999 Council has decided to impose differential general rates on the following properties, based on land use and zoning.

Land Use / Zone	Approximate Number of Properties
Residential	606
Commercial – Shop	14
Commercial – Other	30
Industry – Light	14
Industry – Other	2
Commercial (Bulk Handling) Zone	3
Primary Production	250
Vacant Land	172
Other	11

The use or zoning of the land is used as the factor to levy differential rates. If a ratepayer believes that a particular property has been wrongly identified by the Council as to its use or zoning then they may object to the Council within 21 days of being notified. A ratepayer may discuss the matter with the Chief Executive Officer on 8629 2019 in the first instance.

It is important to note that the lodgement of an objection does not change the due date for payment of rates.

FIXED CHARGE

Council over the past few years adopted a fixed charge as a part of its rating policy. This is calculated using 40% of the previous year's Administration costs. It is believed this is a fair way to recoup the basic costs of servicing everyone.

SERVICE CHARGE

In 2013/2014 Council reviewed its Waste Management Service and implemented the following:

- A standard waste service charge of \$190.00 for all occupied properties in Cowell, Port Gibbon and Lucky Bay. This entitles each property to one (1) 140L Mobile Garbage Bin with a weekly pickup service.
- A fee of \$135.00 for each additional 200L Mobile Garbage Bin
- A modest gate fee to be implemented at Cowell Waste Depot. (see Fees and Charges Register).

This year, Council will introduce three new service charges. These are:

- Port Gibbon – Water
- Port Gibbon – Effluent
- Lucky Bay – Water

Council will also be introducing a separate charge for the Lucky Bay ratepayers to pay for the Erosion Projection Investigation and Design Project.

REBATES (CAPPING)

Section 159 to 166 of the Local Government Act, 1999 pertain to the Rebate of Rates.

Council is required to provide statutory rebates to schools, churches, hospitals, and Commonwealth / State Government land under Section 159 to 165 of the Local Government Act, 1999.

Council has been applying a discretionary 25% capping rebate, under Section 166 (1) (l) of the Local Government Act, 1999 to lessen the increases in rates due to the effect of the change to capital values. Council only has the ability to provide this discretionary rebate for a period of 3 years. For the 2014/2015 Financial Year there will be no discretionary rebate provided.

LATE PAYMENT OF RATES

The Local Government Act provides that Councils impose a fine of 2% on any instalment unpaid after the due date. At the expiration of each full month from the due date, interest is charged at the prescribed percentage of the total in arrears and unpaid rates. This does not include interest from previous months.

Council issues a final notice for payment of rates when rates are overdue, ie unpaid by the due date. Should rates remain unpaid more than 21 days after the issue of the final notice, then the Council may refer the debt to a debt collection agency for collection. The debt collection agency charges collection fees that are recoverable from the ratepayer.

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

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

In order to raise the funds required for this year's Budget, Council will increase rate revenue by approximately 8%. Council collects and pays on behalf of the State Government a Natural Resources Management Levy that replaces the previous Eyre Peninsula Catchment Water Management Levy and the levy Council used to pay to the Animal and Plant Control Board. This levy is shown on the Council rate notice. Council has been advised and have budgeted \$56,976 for 2014/2015.

Council has considered the impact of the approximately 8% increase in rate revenue and weighed that up with the increasing costs of providing services.

RATE CONCESSIONS

Recipients of the following cards or income may be eligible for Council Rate concessions:

- Holders of current Centre Link or Veteran Affairs, Pension Cards Gold Card, (TPI, EDA, WW) and State Concession Card apply through Revenue SA on 1300 650 950.
- Self funded retirees who hold a current Senior's card apply through Revenue SA on 1300 366 150
- Centre Link allowances and low income earners who qualify can apply through their local CYFS Office.

Ratepayers should not withhold payment of Rates that are due as penalties apply to overdue rates. A refund will be paid to the eligible person if Council is advised that a concession applies and the Rates have already been paid.

POSTPONEMENT OF RATES FOR SENIORS

Section 182A of the Local Government Act 1999, that allows eligible Senior Ratepayers to postpone a proportion of their council rates each financial year commencing 2007/2008, provides for a threshold amount of rates that cannot be postponed. The threshold is set at \$500.00 or if a pension concession is provided that would be reduced to a \$310.00 threshold annually. The outstanding rates will attract interest (ie the scheme is non-concessional) and will remain a charge on the property until the property is sold or that person no longer lives on the property or becomes ineligible to continue the postponement. For further information and details please contact the Chief Executive Officer, District Council of Franklin Harbour PO Box 71, Cowell SA 5602 or on 8629 2019.

PAYMENT OF RATES

The Council has decided that payment of rates will be by four instalments due on 15 September 2014, 15 December 2014, 15 March 2015, and 15 June 2015.

Payment can be made at the Council Office, 6 Main Street, Cowell during normal office hours 9.00 am to 5.00 pm Monday to Friday, by cash, cheque or most credit cards, or can be made by post to PO Box 71, Cowell SA 5602 by cheque or money order payable to the District Council of Franklin Harbour. Payments may also be made by direct Bank Transfer.

SALE OF LAND FOR NON-PAYMENT OF RATES

The Local Government Act 1999 provides that Council may sell any property where the Rates have been in arrears for three years or more.

The council is required to notify the owner of the land of its intention to sell the land. Provide the owner with details of the outstanding amounts and advise the owner of its intention to sell the land if payment is not received within one month.

Except in extraordinary circumstances or approval has been granted for postponement of Rates, the Council enforces the sale of land for non-payment of Rates.

DIFFICULTY IN PAYING RATES

Rates are payable in full or by four separate quarterly instalments. However, Section 182 of the Local Government Act 1999 permits the Council on the application of a Ratepayer to partially or wholly remit Rates or to postpone Rates on the basis of hardship.

If any ratepayer is experiencing financial difficulties and would like to discuss an alternative agreeable payment plan this flexibility is also available.

Contact the District Council of Franklin Harbour on 8629 2019 for a confidential discussion.

COUNCIL'S MAIN OBJECTIVES FOR THE 2014/2015 FINANCIAL YEAR

In accordance with objective 2.06 – Provide appropriate infrastructure for economic development, the following major activities and works are planned – re-sheeting of various sections of the local road network identified in Council's five (5) year Works Plan, including Cowell-Mangalo Road, Glynn Road and Wilton Road.

In accordance with objective 3.01.04 – Promote waste minimisation and recycling within the Community, Council is required to meet the tough new guidelines introduced by the Environment Protection Authority (EPA) for the operation of Waste Disposal sites. Costs in this area have increased significantly in recent years. During 2014/2015 Council will continue to develop some recycling services to limit the amount of waste going into landfill. This will also extend the life of the Cowell Refuse site.

Objective 3.01.01 – Establish a community wastewater management scheme that includes the reuse of waste water, in 2010/2011 Council considered Concept Designs from our Consultants for the proposed Community Wastewater Management Scheme (CWMS) for the town of Cowell. Council anticipates making a decision on the proposed CWMS in the near future.

SUMMARY OF PLANNED INCOME, EXPENSES & CAPITAL EXPENDITURE

Major income expected in 2014 – 2015 is as follows:

Financial Assistance Grants	\$1,053,968
Rates Income	\$995,587
Waste Management Charges	\$140,000
Roads to Recovery and Local Road Grants	\$434,507

Major planned expenses or items additional to the normal operational amounts in 2014-2015 are:

Insurance	\$130,000
Land/Building Maintenance	\$294,000
Waste Pickup, Recycling & Refuse Depot	\$251,500
Parks & Gardens Maintenance	\$92,000

Council's planned capital expenditure for 2014 – 2015 is set out as follows:

Landfill – concrete floor in new shed	\$10,000
Depot – intranet connection	15,000
Council Office – photocopier, carpet (front office)	16,500
Vehicles	\$249,000
Road re-sheeting/Major repairs	\$562,989
Kerbing and Water Table	\$20,000