



COPPER COAST COUNCIL



Annual Business Plan

2019/2020

Introduction

It is a requirement through Section 123 of the Local Government Act 1999, that the Council must have an Annual Business Plan and Budget for each financial year. A Budget must be considered in conjunction with the Council's Annual Business Plan (and be consistent with that Plan, as adopted) and must be adopted before 31 August in each financial year.

The Council's Annual Business Plan must:

- include a summary of the Council's long-term objectives (as set out in its Strategic Management Plans);
- include an outline of;
 - the Council's objectives for the financial year;
 - the activities that the Council intends to undertake to achieve those objectives; and
 - the measures (financial and non-financial) which the Council intends to use to assess the performance of the Council against its objectives over the financial year;
- assess the financial requirements of the Council for the financial year and taking those requirements into account, set out a summary of its proposed operating expenditure, capital expenditure and sources of revenue;
- set out the rates structure and policies for the financial year;
- assess the impact of the rates structure and policies on the community based on modelling that has been undertaken or obtained by the Council; and
- take into account the Council's long-term financial plan and relevant issues relating to the management and development of infrastructure and major assets by the Council.

Before the Council adopts its final Annual Business Plan it must prepare a draft Annual Business Plan and undertake a public consultation process that, as a minimum, meets the requirements of Section 123 (4) of the Local Government Act 1999. During the public consultation period, copies of the Council's draft Annual Business Plan and any other associated documents must be made available for inspection and purchase by the public at the principal office of the Council.

Once adopted by the Council, copies of the final Annual Business Plan and Budget for the financial year, must be available for inspection or purchase at the principal office of the Council. A summary of the Annual Business Plan must be included with the first rates notice which is sent to ratepayers and available at the Council offices.

This document presents the Annual Business Plan and Budget for the Copper Coast Council for the 2019/20 financial year.

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THE YEAR IN FOCUS - *Mayor Roslyn Talbot*

The last year has seen a change in leadership. We have a new Mayor and a new CEO. It is a good time to review the achievements of the last twelve months and start to plan for the future.

We have seen many major projects come to fruition and completion over the last year. The Kadina CBD has had a major overhaul and the Copper Coast Sport and Leisure Centre's major upgrade has made it a facility that is to be envied by many. The Port Hughes boat ramp has been upgraded, the Wallaroo Shores link road is nearly completed along with upgrades to the Wallaroo Holiday Park and we are continuing with our reseal program and footpath renewals. The Kadina Town Hall also is undergoing a rejuvenation process which will ensure it remains a prominent piece of Kadina's history.

As we review the last year, we reflect on decisions that have been made and constantly review processes to look to improve the way forward.

Making good decisions is no small feat because decisions involve change, uncertainty, anxiety, stress and sometimes the unfavourable reactions of others. We sometimes question our decisions due to the unfavourable reaction of others but we move forward knowing the decisions were made fully informed, considering the opinions and viewpoints of others, recognising for every viewpoint there is someone with a conflicting viewpoint. We also have to consider other variables in our decision making such as budgetary constraints, Government legislation and environmental factors.

It is now time to plan for the next year which will be a year of "consolidation".

Planning includes the plan, the thought process, action, and implementation. Planning gives more power over the future. Planning is deciding in advance what to do, how to do it, when to do it, and who should do it.

We seek input into our plans and try to engage with the ratepayers on many levels. Hopefully after listening to all of the input, factoring in all variables and considering all ideas we make the correct decisions and good plans and the Copper Coast continues to build on the plans and decisions of the past.

THE AREA IN FOCUS

The Copper Coast is famous for having some of South Australia's best holiday beaches. Situated less than two hours' drive from Adelaide, this region of the Yorke Peninsula is rich in history and thriving with coastal developments. Its many attractions and accommodation make the Copper Coast an ideal tourist destination for both local and international visitors.

Located in the Copper Coast region are the Peninsula's three largest urban centres of Kadina, Moonta and Wallaroo. Smaller towns and settlements are located throughout the Council area including the coastal towns of Port Hughes, North Beach and Moonta Bay and the rural settlements of Cunliffe and Paskeville, home of the renowned Yorke Peninsula Field Days.

The Region's prosperity is largely attributed to the diversified arable farming activities based on cereal grains, oilseeds and pulses, together with livestock. The Yorke Peninsula and Wakefield Plains region encompasses some of South Australia's most fertile land and with recent advances in technology and effective crop diversification; the region has consistently achieved high yields.

The agriculture sector is a major employer within the region and is well supported by significant bulk grain handling and commodity facilities at the deep-sea port of Wallaroo which will see its first cruise ship visit in 2019/20. Growth in the manufacturing sector has been strong, due to increased production in the agriculture and associated value-adding industries. Other manufacturing activities within the region include the production of transport equipment, building, construction and other related services.

The region also hosts significant extractive industries, including limestone, granite, dolomite, gypsum and sand mining.

The Copper Coast has a healthy fishing industry supporting scale fish, prawn, crab and abalone fisheries. The region has well-developed transport and communication networks, together with a soundly established business and service infrastructure. In recent years there has been strong growth in the health and community services, clerical, sales and services, professional and associated professional occupation sectors.

Yorke Peninsula's retail sector is largely based around the Copper Coasts urban centres of Kadina, Wallaroo and Moonta. The Central Business Districts of each of these major towns offer a diversity of general and specialist stores supported by many smaller retail outlets and business services.

Extensive parklands have been established in the major townships of Kadina, Wallaroo, Moonta, Port Hughes and Paskeville that cater for a wide range of recreational and sporting activities. The redeveloped Copper Coast Sport and Leisure Centre is a major regional sporting venue which caters for indoor and ancillary pursuits.

The Victoria, Queen and Davies Town Squares of Kadina, Moonta and Wallaroo respectively continue to provide an important open space, reflecting the civic pride of each town community.

Generous areas of foreshore reserve, with their sandy beaches and safe swimming are set aside at Port Hughes, Moonta Bay, Wallaroo and North Beach. The Port Hughes, Moonta Bay and Wallaroo jetties provide popular recreational fishing venues. Boat launching facilities are provided at Wallaroo and at Port Hughes, including boat launching pontoons, a protective breakwater at Wallaroo, wash down facilities at both sites and extensive trailer parking. The protective breakwater and facilities at Port Hughes have recently undergone an upgrade which includes extensive parking. A major water play attraction named “Splashtown” is conveniently located on the foreshore at Moonta Bay and is a popular waterslide attraction for residents and tourists.

Numerous active and passive cultural pursuits are supported by the regions many facilities, including libraries, galleries, performing arts, historical buildings, local histories and museums. The Moonta Gallery of the Arts is housed in the heritage listed Moonta Town Hall and provides a small exhibition space. The Ascot Theatre in Kadina provides a modern venue for live and cinematic theatre and Art and Community Gallery display facilities have been developed in the former public library to provide a permanent home for the Kernewek Lowender Art Collection.

The Biennial Kernewek Lowender Festival of Cornish heritage is recognised as one of South Australia’s leading cultural events.

The Visitor Information Centre at Kadina is the gateway for the Kadina National Trusts’ Farm Shed Museum and provides excellent visitor information services, supporting the region’s tourism aspirations. This facility brings together some of the fascinating developments and practices of dry land farming and the exhibits show the hardships endured on the land throughout the ages.

The Copper Coast is fast emerging as a special place in which to live, conduct business and visit. Enjoying a Mediterranean ‘just right’ mild climate, the Council population, both permanent and visitors, continues to grow as people seek to enjoy the relaxed lifestyle and the regions many assets.

THE COUNCIL IN FOCUS

The Copper Coast Council is a progressive and successful Local Government Authority, committed to further developing the community's quality lifestyle by making living easy and ensuring that the Copper Coast is South Australia's lifestyle location of choice to live and visit. Council continues to strive to achieve the best outcome for its community through active facilitation of social, environmental, economic, cultural and governance initiatives in a high growth region.

Formed in May 1997 through the amalgamation of the District Council of Northern Yorke Peninsula and the Corporation of the Town of Wallaroo, the Council area is represented by a Mayor and nine Councillors.

Formally known as the District Council of the Copper Coast, the Council changed its name in July 2017 to the Copper Coast Council.

The Council covers an area of some 773 square kilometres, servicing a population of approximately 14,000 people and 400,000 visitors annually.

COUNCIL'S STRATEGIC PLAN - *Moving Toward 2029*

The Copper Coast Council acknowledges that a balanced, robust and well developed set of objectives will serve the Council and community well.

Focusing on the following five objectives, Council has developed a framework for its future strategic management plans.

- Social Objective – Wellbeing
- Environmental Objective – Sustainability
- Economic Objective – Prosperity
- Cultural Objective – Opportunity
- Governance Objective – Leadership

Annually through its Budget and Annual Plan, Council aligns budgets and programs against its key directions and strategies while periodically also reviewing its Strategic Plan. Council is currently undertaking a review of its Strategic Plan which will be adopted after a public consultation period.

DEFINING TARGETS AND MEASURING PROGRESS

As part of its Strategic Management Plans Council prepares a Budget and Works Program and an Annual Business Plan to deliver the specific outcomes that will make up and achieve its strategic management objectives.

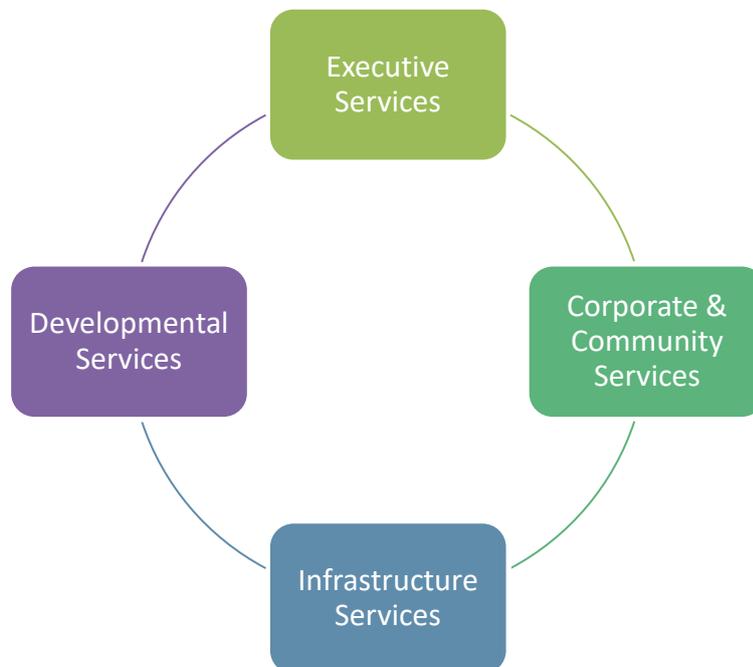
The annual process of defining targets and measuring progress is an integral part of the Council's Management Plan. By setting specific targets and measuring progress against the wider strategic objectives, achievement will be measured. These forms of measurement are a clear indication of progress, continuous improvement, program delivery and the performance of the Council as a whole.

STRATEGIC MANAGEMENT OBJECTIVES - Goals and Functions

Founded on the vision we see for the Copper Coast the Strategic Plan highlights our commitment, desire and capacity to deliver major projects, capital works and services to maintain and enhance the Council area over the next 10 years.

The Strategic Plan reflects Council's commitment to the Copper Coast community with its five interrelated objectives and goals.

The goals underpinning these objectives are supported by Council's functional service areas, Executive Services, Corporate & Community Services, Infrastructure Services and Developmental Services. The organisation is structured to deliver the key strategies through these functional service areas.



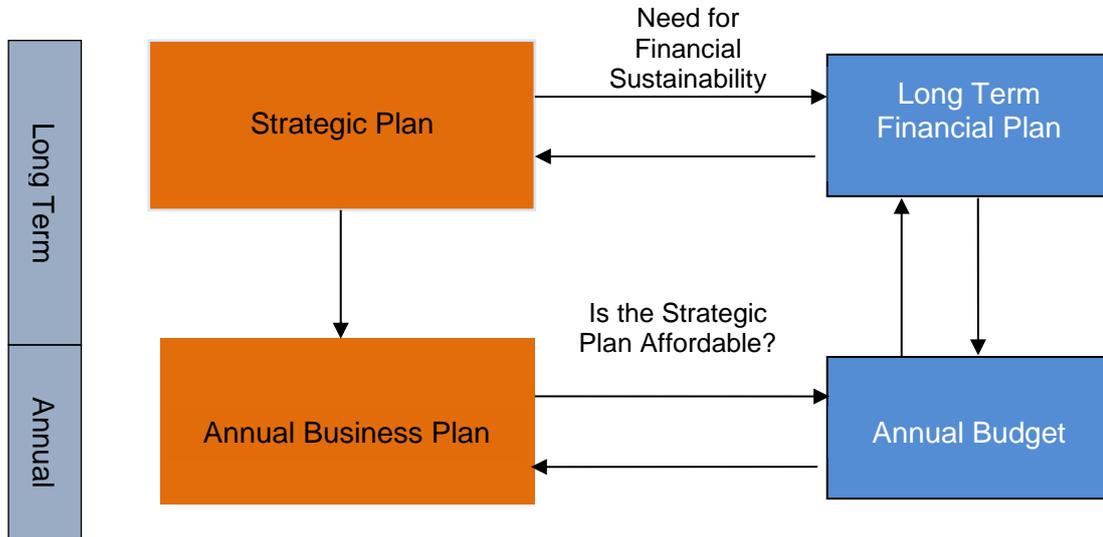
Objectives, Goals and Functions

The following table provides an overview of the Objectives, Goals and Functions for strategy and service delivery.

<u>Objective:</u>	<u>Goal:</u>	<u>Functions:</u>
<p>Social Objective Wellbeing</p>	<p>To enhance the quality of life of our community by encouraging health, wellbeing and safety.</p>	<p>Youth Aged Human Services Public Order and Safety Community Education Volunteers</p>
<p>Environmental Objective Sustainability</p>	<p>To responsibly manage the natural and built environment to ensure its sustainability and diversity to the community.</p>	<p>Natural Environment Infrastructure Services Health Management Waste Management Vegetation Water and Sewerage Foreshores Stormwater Public Facilities Council Property Traffic Corridors Alternative Transport Traffic Control Road Reserves Public Transport Planning Heritage Development Control Climate Change</p>
<p>Economic Objective Prosperity</p>	<p>To facilitate economic prosperity, balanced growth and the enhancement of the Copper Coast.</p>	<p>Investment Employment Tourism Area Promotion Industry Commerce</p>
<p>Cultural Objective Opportunity</p>	<p>To promote community identity by supporting rich lifestyle experiences including arts, heritage, culture and leisure activities.</p>	<p>Sport and Recreation Leisure Culture Arts Events</p>
<p>Governance Objective Leadership</p>	<p>To provide leadership and ensure community resources are managed efficiently and effectively.</p>	<p>Communications and Public Relations Finance Legislation Leadership Administration Risk Management</p>

STRATEGIC MANAGEMENT FRAMEWORK

The Annual Business Plan sets out the Council’s services, programs and projects for 2019/20. It sets the Council’s specific objectives for the year in the context of its forecast long term financial position to ensure that a sound financial position is maintained.



Infrastructure and Asset Management Plan

Given the asset-intensive sphere of Local Government, it is imperative that Councils have appropriate plans in place to effectively manage the considerable fixed asset stock under their control.

Council is continuing to work towards a comprehensive suite of Asset Management Plans guiding the programmed maintenance and replacement of its significant fixed asset stock.

As custodian of approximately net \$295M of fixed assets, ranging from the extensive road network infrastructure (including road pavement, kerb and footpaths, stormwater drainage) to sewerage treatment facilities, sporting ground facilities and community buildings such as libraries and town halls, there is an important need for such key plans.

With a robust improvement plan incorporated within the Asset Management Plan, the plan effectively acts as a ‘roadmap’ towards the effective management of Council’s fixed asset stock, including:

- Programmed maintenance schedules;
- Programmed asset replacement and renewal;
- Depreciation rates required to ensure that the consumption of such fixed assets is amortised over their effective useful lives.

The Infrastructure and Asset Management Plan which was adopted by Council at the December 2017 Council meeting foreshadows the funding required for such key activities, with such expenditure requirements incorporated in annual updates to Council’s Long Term Financial Plan and the Annual Budget.

Long Term Financial Plan

The preparation of the 2019/2020 budget has been formulated on the financial parameters and principles outlined in Council's Long Term Financial Plan together with the actual expenditure forecasted from 2018/19.

The Long Term Financial Plan effectively acts as a 'roadmap' to charter Council's financial operations in the longer term, and subsequently gives indicative future funding needs and requirements within an ever-changing economic environment.

The Long Term Financial Plan is not included within this document and is a separate document within Council's suite of strategic plans. This plan was significantly reviewed during 2017/18 and adopted by Council after a public consultation process in March, 2018. It is again currently under review as a result of the November 2018 Council Elections and will be presented to Council as soon as practical after the adoption of the 2019/2020 Annual Business Plan and Budget.

Council's suite of Strategic Management Plans include:

- Annual Business Plan and Budget
- Long Term Financial Plan
- Strategic Management Plan
- Infrastructure and Asset Management Plan

SIGNIFICANT INFLUENCES & PRIORITIES

A number of significant factors have influenced the preparation of the Copper Coast Council's Annual Business Plan for 2019/2020. These include:

- The increase in the Consumer Price Index (CPI) for all groups (Adelaide) was 1.6% for the year ended 31 December 2018. Councils however do face higher cost increases due to the capital intensive nature of the goods and services purchased. Consideration is given also to the Local Government Cost Index, which measures the increase in costs for Local Government and was 2.7% as at the December 2018 quarter.
- Council now understanding (through a thorough assessment of our assets) the true cost of maintaining, upgrading and replacing our assets. This amount is substantially higher than what Council had been working to historically.
- Negotiated Enterprise Bargaining Agreements.
- Increasing fees and charges imposed by other levels of Government especially in the area of Waste.
- Requirements to maintain and improve infrastructure assets to acceptable standards, including roads, footpaths, stormwater drainage and community wastewater management systems.
- Service delivery & infrastructure needs for a growing population.
- Significant increases to electricity and other utility charges
- State/Commonwealth grant funding not keeping pace with the increase in associated service delivery and asset maintenance costs.
- The long term underfunding of key community assets, such as; roads, footpaths and storm water due to the deficit budget.
- Storm damage to Council's foreshore assets.
- An operating deficit budget in the short term and working towards a balanced budget which is consistent with the Long Term Financial Plan
- To investigate and deliver changes to Waste Services where budgets allow

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

- The Annual Business Plan will result in the total revenue raised through general rates increasing by 3.2% plus revenue from newly developed properties.
- Total operating expenses to be held where possible, within levels of the previous financial years and adjusted by the Local Government Price Index allowing above indexation increases to be allocated directly to maintaining community assets, such as stormwater infrastructure, roads and footpaths.
- A year to consolidate on the previous capital intensive budgets and review the strategic direction of Council.

The Copper Coast Council's key priorities for 2019/2020 are:

- To work with the State Government (DPTI) for the reconstruction of Mines Road from Agery Road through to the 80km/hr signage past Martinga Road.
- Consultation regarding the design of Bay Road into Moonta Bay with the finalisation of the design and some commencement of works including improvements to the cycleway and stormwater (Note: this is a multi-year, multi-budget project);
- Application to the State Government for a road swap for the entrance road to Wallaroo so that this road can be upgraded.
- Application for funding to repair the Wallaroo Breakwater.
- To formalise ownership for the Wallaroo to Moonta Rail trail for walking and cycling.
- Continuous review of existing recurrent service levels provided to be undertaken in consultation with our community;
- To continue to work with the contractor (at their cost) to reinstate the pontoons and access within the Wallaroo Swimming Enclosure;
- Finalise the Moonta CBD Master plan and begin the implementation of minor works. (Note: this is a multi-year, multi-budget project);
- Repair the sea walls at Moonta Bay and Port Hughes. (Note: this is a multi-year, multi-budget project);
- Facilitating the future financial sustainability of Council by ensuring the financial operations remain within policy targets adopted for such purpose;
- Consolidation of Council's annual works program with a commitment to fund road reconstructions and reseals, footpaths, walking trails and foreshore developments;
- Continuation of the development of storm water management plans along with maintenance and renewal of storm water infrastructure.
- Review Waste Services to ensure sustainable operations into the future.

CONTINUING SERVICES

All Councils have basic responsibilities under the Local Government Act and other relevant legislation. These include:

- Regulatory activities e.g. maintaining the voters roll and supporting the elected Council;
- Setting rates, preparing an Annual Budget and determining longer-term strategic management plans for the area;
- Management of basic infrastructure including roads, footpaths, parks, public open space, street lighting and storm-water drainage;
- Community wastewater management systems;
- Street cleaning and rubbish collection;
- Development planning and control, including building safety assessment;
- Various environmental health services, and
- Animal Management.

In response to community needs the Council also provides further services and programs including:

- Library services (including a toy library in Kadina and a home delivery service);
- Town Halls and community buildings;
- Tourist facilities and the Visitor Information Centre;
- Cemetery management;
- Economic development;
- Fire prevention services;
- Environmental programs;
- Retirement units;
- Community & volunteer programs;
- Services for youth and the aged;
- Arts, culture and entertainment;
- Sporting and recreational facilities.

In all services, the Council seeks to be responsive to changing needs. Community feedback and surveys undertaken from time to time, check levels of satisfaction and areas for improvement.

The Council also operates a number of facilities on a fee for service basis (but not necessarily at full cost recovery). These facilities provide important community benefits while also generating revenue for services and projects of benefit to the Copper Coast. Services include:

- Caravan parks;
- Boat ramps;
- Copper Coast Resource Recovery Centre;
- Community Waste Management Schemes;
- Private infrastructure works, and
- Recreation Centre activities.

Further information on Council's facilities and services can be found on Council's website. www.coppercoast.sa.gov.au

Following is a detailed explanation of the services provided by the Council to the community. The cash flows generated by the provision of these services will be summarised in the budget for the financial year ending 30 June 2020. The services are broken up into the 4 organisational units of the Council being Corporate & Community services, Infrastructure services, Developmental services and Executive services.

CORPORATE & COMMUNITY SERVICES

1. Governance

There are 2 categories of governance being organisational and elected member. Expenses incurred in this service include executive salaries, elected members expenses and allowance, member training, memberships, travel, conferences, public liability, insurance, administration and officer support to Council.

2. Administration

Administration services cover the following activities:

- Financial services – provision of accounting services, record keeping, accounts payable, accounts receivable, payroll, insurance, taxation compliance, financial and management reporting.
- Human resources – compliance with Work Health and Safety (WHS) policies and legislation, recruitment, rehabilitation and performance management.
- Information technology – operation of the Council's information technology systems, management of computer hardware and software.
- Communication – telephone and internet services.
- Rates administration – setting and collection of rates and associated record keeping.
- Records management – maintenance of records management system.
- Customer service – customer support for the Council offices plus a range of community administration services.

3. Financing and Investing

Covers cash inflows and outflows associated with the Councils financing and investing activities.

4. *Aged Services*

This service covers the following activities:

- Aged Care Homes – maintenance of Council owned retirement units in Wallaroo (15) and Moonta (12) including McCauley Homes (10).
- YP Community Transport – provision of motor vehicles (including an 8 seater bus) as well as a contribution to the motor vehicle operating costs. These vehicles pick people up from different areas of Yorke Peninsula and take them to Adelaide and back for medical appointments. The contribution helps with covering the shortfall in funding provided from the State Government for this scheme.
- Community Bus Service – an initiative primarily funded by DPTI that allows community members to dial a bus as an intra-town service, operating 3 days per week. This service is performed by the Yorke Peninsula Transport Services.
- Doctors Housing – housing costs are subsidised by the Council to assist in attracting quality Doctors to the region.
- Community Visitors Scheme – this program has transitioned to align with Yorke Peninsula Community Transport.
- Volunteer Resource Centre – Responsibility for the preparation and printing of community newsletters has now been passed to the Moonta National Trust for an annual fee.

5. *Youth Services*

Supporting Youth programs including the Youth Advisory Committee and working with the education providers in the Council area.

6. *Cultural and Arts*

This service covers the following activities:

- Ascot Theatre – The Ascot Theatre houses the Kernewek Lowender Art Collection, a gift shop and monthly exhibitions. Statewide Cinema operates a cinema located in both the Ascot and at the Moonta Town Hall.
- Moonta Gallery of the Arts – The Gallery is run by a dedicated group of volunteers and hosts exhibitions free to the public on a monthly basis.

7. *Library Services*

Council ensure the library services at Kadina, Wallaroo and Moonta will continue to meet the needs of the growing population. Our libraries operate within the State Government Libraries Board one operating system which is consistent within the State.

The services currently provided by these libraries include:

- Mobile lending facilities,
- Public internet access,
- Toy library,
- Book bugs and other youth reading programs,
- History trust facilities as well as the regular book lending services
- Currently trialling “floating collections” which will increase and improve services to the community
- Electronic (E-Books).

Self Service Kiosks are now available in our Wallaroo & Kadina branches.

8. *Sports and Recreation*

Council provides and maintains a variety of sporting facilities and ovals/grounds as well as the Copper Coast Sports and Leisure Centre.

The services provided by Councils sports and recreation function include:

- Skate parks, picnic and BBQ areas;
- Jetties;
- Walking & Bike Trails;
- Splashtown Water Park;
- Sea based swimming enclosures and water play activities, and
- CCSLC Program pool

Council also supports local community sporting and recreation groups.

- Includes an annual allocation to assist sporting clubs and the funding of a YP Alliance Sports and Recreation STARCLUB Field Officer who works with the community to:
 - develop and maintain a strong vibrant sporting and active recreation culture;
 - increase community participation in sport and active recreation;
 - improve the quality of sport and active recreation opportunities;
 - develop and maintain well managed sustainable sporting and active recreation clubs and associations.

INFRASTRUCTURE SERVICES

1. *Community Waste Water Management System / CWMS*

The CWMS Infrastructure includes two mechanical waste water treatment plants and storage in Wallaroo and Moonta and facultative lagoons in Kadina as well as numerous pump stations and networks.

This service covers maintenance and construction of sewer and effluent schemes throughout the Council region. Activities include, amongst other things, repairs to pumps and electrical wiring for all systems as well as repairing and replacing pump and gravity lines as required. Ongoing inspections of system connections are also conducted to ensure all connections have been installed and operate correctly.

2. *Roads and Footpaths*

This service covers the following activities:

- Road and footpaths construction – annual works program and developer contributed works;
- Street cleaning and lighting;
- Car parking and public conveniences;
- Works depot;
- Road maintenance - fixing pot holes, reinstating trenches across roads, small patches of resealing and repairing and straightening rough edges. Kerbing, water tables and traffic signage are also charged to this activity.
- Ongoing upgrade and replacement of ageing plant and equipment.
- Road maintenance of rural unsealed roads – grading, tree trimming and spraying of weeds;
- Footpath maintenance - laying and rolling of crusher fines along the footpath, general footpath rolling, potholing and minor re-sheeting.
- Street sweeping in each of the towns - commercial areas periodically, footpath pavement, the picking up of litter by hand and contract management for the cleaning of bins.
- The Copper Triangle Aerodrome - inspections including checking of runway light functionality as well as the windsock. Maintenance also includes potholing and slashing of overgrowth.
- Footpath capital commitment ongoing

3. *Parks and Gardens*

This service covers the provision and maintenance of parks and recreational facilities including parks and reserves as well as playgrounds.

Parks and gardens include the town squares, reserves and roundabouts. Maintenance includes the trimming of trees, cutting of lawns, repairs to sprinkler systems, repairs to playgrounds, repairs to seating and benches as well as general maintenance to the numerous structures built within these parks and reserves. This will include an annual allocation of \$5,000 for two free trees per property.

4. *Foreshore Protection*

This service covers the management of coastal environment and provision of facilities to enable sustainable use of coastal areas including the provision of boat ramps. Revegetation will be undertaken where required to ensure protection of the foreshores. Foreshore maintenance will continue along the length of Councils beach front maintaining and repairing the retaining walls as needed. Minor maintenance issues will be attended to such as cleaning up of seaweed, fixing shelters and beach front seating.

5. *Stormwater Drainage*

This service covers the stormwater management and recycling, including management and collection of street runoff and the development of capital schemes to enable the reuse and treatment of stormwater. Stormwater management plans including the prioritising of works and developing a works program to enable the upgrade of the regions stormwater infrastructure will continue through 2019/2020.

6. *Private Works*

This service covers the infrastructure work performed by Council on behalf of individuals or the Government. This work is charged out at commercial rates.

7. *Cemeteries*

Council operates cemeteries in each of the townships for the local and regional community. Expenditure includes the costs involved in locating, digging and backfilling of graves and general maintenance.

General Maintenance involves repairs to fencing and gates, the emptying of bins, gardening, watering and mowing as and where required.

Repair work will continue as per the Council recommendation on the Kadina Cemetery Wall.

It is also intended for Cemetery Management Plans to be produced for the four Council cemeteries in Kadina, Moonta, Wallaroo and Greens Plains.

8. *Halls and Public Conveniences*

Council has main Town Halls in Kadina, Moonta and Wallaroo as well as other Council maintained buildings. The maintenance and cleaning of halls and public conveniences is undertaken by Council on a regular basis. Council will continue to undertake maintenance and upgrades of these facilities as and when required. Public conveniences are cleaned on a programmed basis with basic plumbing and other repairs and maintenance carried out as required.

9. *Disability Discrimination Access and Inclusion*

Council is continuing with the implementation of the Councils DDA Action Plan to ensure Council properties and facilities comply with DDA requirements to allow disabled access to services and community participation and integration.

- includes an annual allocation of \$40,000 for implementation of the Action Plan

DEVELOPMENTAL SERVICES

1. *Legislative Compliance*

This service covers dog and cat management, traffic control, fire control, health control and emergency services as required under various pieces of legislation.

2. *Planning*

Planning includes the assessment of development applications under the Development Act to ensure compliance with the Councils development plan and the building code. It is a statutory requirement of Local Government to perform this function.

3. *Natural Resource Management*

Council collects a levy on behalf of the State Government and the Natural Resource Management Board. Decisions relating to natural resource management are made by this Board independently from the Council.

4. *Environmental Health*

Council regulates, promotes and provides information in relation to food safety. We also assess, monitor, regulate and promote safe and responsible management of prescribed waste and wastewater systems.

Council also collects the information and services for the school immunisation program. Council also provides regulation, promotion and information in relation to activities that prevent environmental health hazards or transmission of disease.

5. *Compliance*

Council undertakes inspection and compliance in relation to Council By-laws and also the Management and compliance of parking offences.

Council provides safe and enjoyable open space, reserves and recreation areas where the community and domestic animals can co-exist.

Council also facilitates public order and safety by promoting, monitoring and enforcing domestic animal management controls.

6. *Fire Prevention*

Council is committed to educate the community and enforce fire prevention legislation and provide fire mitigation strategies to reduce community risk.

7. *Waste Management and Recycling*

Collection of waste, kerbside recycling, operation of waste disposal facility, general litter collection and drum musters. The solid waste levy (\$51.50 per tonne) payable to the Environment Protection Authority is also charged to this area, previously was \$50.00 per tonne in 2018/19. Council has been advised through the announcement of the State Government Budget that in fact the Levy will increase to \$55.00 as at 1 July 2019 and again to \$70.00 as at the 1st January 2020. These increases have not been factored into the budget at this late stage and will be the subject of further discussions at budget reviews.

Council facilitation of a resident free give-away day of surplus items will be continued in 2019/20. Council will continue to provide additional Garbage and Green waste services based on the rates set in the Fees and Charges Schedule and look to implement a free monthly garden green waste kerbside collection to residential properties as funds become available.

Council will also implement a green waste voucher system to allow residential ratepayers to deliver two domestic loads of free clean organic garden green waste per year to the Resource Recovery Centre under the supervision of staff.

A waste survey was distributed to the community in 2018/19 and the results have been collated and used to review the services and charges in this area. The State Government Budget however will put pressure on the Council to deliver the services as stated above.

EXECUTIVE SERVICES

1. *Economic Development*

Economic development activities include strategic land development divisions, Regional Development Australia membership, encouraging industrial development as well as representing the Copper Coast's interests at other levels of Government.

The budget includes an allocation to support the Regional Development Australia - Yorke and Mid North.

This year the Council will again continue its efforts into a two prong strategy with regards to economic development. Council's approach will firstly be to encourage locals to invest in, or take up opportunities to create new businesses and tourism products.

The economic and development marketing plan once adopted by Council, which was funded in the 2017/18 financial year will help our community to better understand our opportunities, to create a pathway forward and to advertise the region to enhance those opportunities.

In 2017/18 the Council adopted a unique selling point that was built in to the marketing strategy. It involved new job creating businesses being able to achieve a grant up to a level that is equivalent to the general rates they would pay from 2018 to 2021.

2. *Tourism*

Tourism activities include increasing visitation by tourists through the operation of visitor information centres, marketing and promotion, special events, development of tourism assets including the Farm Shed and Caravan Parks.

The budget includes an allocation to support the Yorke Peninsula Tourism staff with an ongoing increase at or around CPI.

With the arrival of the first cruise ship into Wallaroo in December 2019 a focus will be on ensuring the community is ready and able to welcome the visitors and ensure a positive experience and entice ongoing visitation.

CAPITAL & MAJOR PROJECT PRIORITIES FOR THE YEAR

During this year of consolidation, project priorities to be undertaken during the year ending 30 June 2020 are as follows:

- Finalise the designs and begin the consultation regarding the reconstruction of Bay Road and Frances Terrace including improvements to the cycleway and stormwater.
- Finalise the Moonta CBD Master plan and begin the implementation of minor works.
- Redevelopment of the access paths and walkways along the foreshore areas and reinstatement of seawalls in Port Hughes and Moonta Bay.
- Ongoing improvements to the Community Wastewater Management Systems
- Minor Equipment & Plant replacement.
- To work with the contractor (at their cost) to reinstate the pontoons and access within the Wallaroo Swimming Enclosure.
- Commitment to undertaking redevelopment & installation of footpaths throughout the Council area
- Walking and Cycling initiatives
- Complete the Stormwater Management Plan for Wallaroo

All uncompleted projects and their funding allocation currently included in the 18/19 budget will be reviewed and where relevant continue to form part of the 19/20 works program.

Following is a detailed explanation of the proposed project priorities to be undertaken by Council.

Governance

Community Grants - Council will continue to provide funding to various community groups each year through a grants program. The 19/20 allocation will be distributed in line with the Community Support Policy. This policy details the support that Council provides for the community through its grants programs, direct assistance, loans, waiving of fees, leasing of land or in kind support (\$110,000).

Funding has been budgeted for the contribution to the Copper Coast Sea Rescue Operations and Training Facility of \$135,000.

Sport and Recreation

Bicycle and Walking Tracks – Council will continue to construct and upgrade tracks in consultation with local community groups including schools, local businesses and clubs. These tracks could include surfaces such as rubble/hot mix, boardwalk and fencing to walking and bike tracks throughout the Council area.

A priority project will be the Bay Road section of the Port Hughes Road, Coast Road to Bay Road cycle way trail. The projects in this area will be supported by grant funding.

Waste Management & Recycling

Closure and capping of landfill sites – Continuing the implementation of the closure plans for our Wallaroo and Kadina Landfills in accordance with the requirements of the EPA.

Resource Recovery Centre – Implement a weigh in/weigh out system when funding becomes available.

Roads & Footpaths

Road Network – Councils re-sheeting of unsealed Rural and Urban roads which will be supported with a re-sealing and road works program. This currently includes the Roads to Recovery Allocation of \$226,400 in 19/20. The budget includes co-funding upgrades in accordance with the Council's Upgrade of Roads Policy. This budget will also focus on roads requiring reshaping and reconstruction in accordance with Councils Asset Management Plan.

Moonta CBD – Finalise the Moonta CBD Master plan and begin the implementation of minor works to address issues, such as heavy vehicles (using Blanche Terrace), parking, pedestrian crossings, stormwater, supermarket expansion and outdoor trading.

Income from the Blanche Terrace land sale will be used to create an access road at the corner of Blyth Terrace and Blanche Terrace which will activate the site and will create additional allotments for sale. Depending on the outcome of the Moonta Master Plan consultation, the intersection of this new access road with Blanche Terrace may be altered (the right of way) to change the flow of traffic through to Ellen Street to solve some of the heavy vehicle issues that have been previously identified by the community.

Major Road Reconstruction - Finalise the designs and undertake consultation regarding the reconstruction of Bay Road and Frances Terrace including improvements to the cycleway and stormwater.

Footpaths - Council has again committed to the construction of new or replacement footpaths within the Copper Coast towns.

Stormwater Drainage

Various Projects – Council is currently completing Stormwater Management Plans and this will enable projects to be prioritised for work.

Plant and Vehicles

Plant Replacement – Plant to be replaced in line with Council’s plant replacement schedule, including an allowance for minor plant.

Motor Vehicle Replacement – Motor vehicles are replaced in line with Council’s Motor Vehicle Policy.

Community Wastewater Management Systems

CWMS – The existing systems will continue to need work completed under maintenance programs which are funded through the operating budget. The replacement of pumps and other infrastructure however is a capital cost. Additional works will be undertaken on the system from augmentation funding received in addition to the budgeted allocation.

Work will begin on the Kadina treatment lagoons and the management of these within the Environmental Improvement Plan (EIP) endorsed by Council in 2018/19.

Council Buildings and Public Conveniences

Halls & Other Council Buildings - Council will continue to maintain the Town Halls and other Council buildings within the area through a series of minor works to ensure the facilities continue to meet community needs. Work will include the planning of works to the Moonta Town Hall.

Public Toilets – Council is to undertake a programmed upgrade of toilet facilities within the Copper Coast.

Cemeteries

Cemeteries – ongoing works to improve these areas. A key focus for this period will be to continue working towards a long term solution for the cemetery walls/fencing. The ongoing maintenance is budgeted through the operating budget.

It is intended for Cemetery Management Plans to be produced for the four Council cemeteries in Kadina, Moonta, Wallaroo and Greens Plains.

Public Spaces and Recreational Areas

Council maintains a variety of open space areas to cater for active and passive use depending on the needs of a particular area of the community. The foreshores are an important public space from both a recreational and economic perspective. Recent foreshore works have seen a rise in community engagement and interaction with these areas as well as an increased number of tourists and economic activity in the region. Additional works will be undertaken from developer's public open space contributions received in addition to the budgeted allocation.

Foreshore Redevelopment – Council is to continue with the program to upgrade and redevelop the foreshores, including the access paths, beach access stairs and seawalls.

Wallaroo Swimming Enclosure – Council will continue to work with the contractor (at their cost) to reinstate the pontoons and access within the Wallaroo Swimming Enclosure.

Playgrounds – ongoing works to improve the areas playgrounds, parks and reserves will be completed through the operating budget and supported by additional open space contributions provided by developments.

MEASURING PERFORMANCE

Council recognises the importance of regularly reporting its performance to the local community and embraces the ethos of transparency in governance.

Council have a number of mechanisms already in place to measure and assess the performance of its operations – from the production of statutory reports such as the Annual Report and Annual Financial Statements, to various Key Performance Indicators (KPIs) used to measure service delivery outcomes.

The Annual Business Plan has been prepared to deliver the following Council objectives:

KEY STRATEGY	OBJECTIVE	TARGET/OUTCOME
1.1 Youth	Support Agencies, and community groups to align youth programs with the State Government Youth Action Plan	Youth programs aligned with Youth Action Plan through Yorke Youth Services.
	Support, through the Community Support Policy, to provide youth related programs	One youth initiative funded annually through the Community Support Policy.
	Support lead agencies and community groups to identify infrastructure requirements specifically related to Youth.	Support to provide a Youth inspired infrastructure project
	Support an ongoing traineeship employment program within Councils workforce.	Recruit selection and appointment of trainees
1.2 Aged	Advocate and facilitate for the provision of support services to the aged in transport, public safety, housing, and aged care accommodation.	Support services and resourcing requirements identified through HACC.
	Facilitate ongoing support through the Mayor's Community Foundation to ensure the viability of public hospitals and aged care facilities within the Council area.	Active support and development of the Mayor's Community Foundation
1.3 Human Services	Advocate for the retention and increased provision of health services and facilities.	Lobby Government Departments and agencies for services and facilities

KEY STRATEGY	OBJECTIVE	TARGET/OUTCOME
	Investigate opportunities for better communication services, including broadband, mobile phone and television within the region	Improved communication services throughout the Copper Coast
	Actively support the retention or attraction to the region of Rural Doctor services	Lobby agencies and Government Departments for Rural Doctor services
	Ensure Council properties and facilities comply with DDA requirements to allow disabled access to services and community participation and integration.	Continue to implement priorities from the DDA action plan
1.4 Public Order and Safety	Ensure the Council's transport system of roads, streets and pathways allow safe reliable and efficient transport	Implement 2019/20 Works program, commitment to upgrade footpaths
	Provision of dog and cat management, pest control, and feral animal control.	Quarterly reports of actions to the Council
	Be actively involved in the development and implementation of a regional disaster plan.	Disaster Plan updated and implemented
1.5 Volunteers	Facilitate and continue to support the work of community service clubs and volunteer groups to reduce isolation and promote social capital.	Community service clubs, Volunteer Resource Centre promoted and volunteer groups actively supported by Council.
	Identify and provide recognition of the contribution to the community made by volunteers and community groups.	Community service clubs and volunteer groups recognised by Council.
ENVIRONMENTAL OBJECTIVE - SUSTAINABILITY		
2.1 Planning	Maximise the benefits and minimise the cost of the new Development Legislation.	Continue working towards the establishment of the joint Planning Board.
2.2 Vegetation	Liaise with appropriate Government agencies to identify areas of conservation significance	Support and be involved in agency action plans eg NRM Conservation Programs/Coastcare
	Demonstrate a best practice approach to conservation by actively preserving flora and fauna habitats and maintaining biodiversity	Identify and preserve areas of biodiversity significance

KEY STRATEGY	OBJECTIVE	TARGET/OUTCOME
	Implement a Roadside Management Strategy Program to ensure regular management of roadside areas and native vegetation in the Council area.	Road sides maintained to the required level for adequate fire control and public aesthetics
2.3 Cultural Heritage	Prepare and establish a maintenance priority listing for Council owned heritage assets	Priority listing prepared
2.4 Infrastructure and Services	Deliver Council's annual works program.	Works program delivered on Budget
	Review Councils' long term Asset and Infrastructure Management Plan	Plan prepared and adopted by Council.
2.5 Natural Environment	Prepare and implement Management Plans for the foreshores, parks, gardens and open spaces	Draft Management Plans prepared with initial stages implemented
	Ensure planning and building controls are sympathetic to the natural environment	Develop & implement policies that preserve flora and fauna habitats and maintain biodiversity
2.6 Health Management	Public food premises maintained to appropriate standards	Regular inspections undertaken as required.
2.7 Traffic Corridors	Lobby the State Government for road funds to upgrade roads	Actively seek and prepare applications for funding of road upgrades.
2.8 Alternative Transport	Continue Council's annual works program with a commitment to fund a footpath works program, develop a whole of region footpath implementation program.	Works program delivered on Budget
	Actively seek grant funds for the establishment of pedestrian and bicycle tracks	Apply for funds and implement works to comply with grant conditions
2.9 Traffic Control	Review speed limits and investigate the provision of traffic calming devices in town centres	Continuous monitoring and amending in conjunction with DPTI
2.10 Road Reserves	Reduce unauthorised uses carried out in road reserves	Reduced number of unauthorised activities
2.11 Public Transport	Provide adequate parking for public transport vehicles in appropriate locations.	Appropriate parking provided.

KEY STRATEGY	OBJECTIVE	TARGET/OUTCOME
	Investigate provision/linkage of public transport with a community bus service	Community Transport service operating
2.12 Sewerage & Waste	Continue to improve public health and environmental outcomes through the upkeep and establishment of CWMS in the Copper Coast.	Seek funding support for a CWMS scheme for the coastal properties in North Beach. Management of the Kadina Treatment Lagoons in line with the EIP.
	Major waste management processes to ensure EPA and SA Health compliance	Waste management processes reviewed and findings implemented
	Maximise community benefit through the reuse of treated effluent water	Monitor the use of reuse water and expand treatment and storage capacity
	Monitor and limit the impact of waste discharged onto foreshores and the marine environment	Monitor building site and Marina environments
2.13 Water Supply	Implementation of International Council for Local Environmental Initiatives (ICLEI) Water Campaign.	Milestones achieved
2.14 Foreshores	Actively seek external funding to enhance management and restoration of foreshore areas and coastal land	Continued improvement of foreshore areas and beach access.
2.15 Stormwater	Continue Council's annual works program with a commitment to fund maintenance and construction of storm water drainage systems	Works program delivered on Budget
	Development and implementation of "whole of area" Stormwater Management Plans.	Manage storm water through technically endorsed management plants (SMP's)

KEY STRATEGY	OBJECTIVE	TARGET/OUTCOME
2.16 Public Facilities & Council property	Continue Council's annual works program with a commitment to fund Parks & Reserves Maintenance	Works program delivered on Budget, with the inclusion of one toilet upgrade per year
ECONOMIC OBJECTIVE - PROSPERITY		
3.1 Investment & Employment:	Actively seek and facilitate the attraction of new industries that value-add to the local economy. Develop appropriate planning amendments to meet industrial/commercial demand.	Work in conjunction with the RDA to attract industry to the Copper Coast
3.2 Tourism & Area Promotion:	Upgrade and modernise the tourism attractions in each town, foreshores, car parks, parks and gardens, public amenities etc, by making Council's properties community and tourist friendly.	Works undertaken within Council budget allocation
3.3 Industry & Commerce:	Work with community leaders and lead agencies to identify and remove impediments to growth and development	Regularly meet with key stake holders in the community
CULTURAL OBJECTIVE - OPPORTUNITY		
4.1 Sport & Recreation:	Work with local sport and recreation groups to ensure the range of activities and venues provided is meeting the changing community needs.	Starclub Officer regularly meets with clubs to discuss opportunities.
4.2 Leisure:	Community has opportunity to access and enjoy open spaces	Works undertaken to improve open spaces within Council budget allocation
4.3 Cultural & Events:	Work with community groups to assist with the attraction and to provide facilitation of events and programs	Active Council involvement in events and program delivery
GOVERNANCE OBJECTIVE - LEADERSHIP		
5.1 Communications and Public Relations:	Facilitate opportunities for the community to become involved in decision making and advocacy on local issues.	Regular communication with Community Groups
5.2 Finance:	Review the Long Term Financial Plan	LTFP implemented and reviewed

KEY STRATEGY	OBJECTIVE	TARGET/OUTCOME
	Provide a sufficient level of financial resources and facilities to ensure the delivery of Council services	Council Budget delivered on time and on target
5.3 Legislation:	Provide training to ensure all Elected Members and staff are fully appraised of legislative responsibilities	Two Elected Member training sessions conducted, with provision for individual training as required.
	Review Council Policies and make available on Council website.	Policies reviewed within required timeframe.
5.4 Leadership:	Work with State and Australian Local Government Associations and neighbouring Councils to develop a campaign to deal with the issues of financial sustainability of Local Government, including the distribution of tax revenue, cost shifting, inadequate statutory fees and increasing service demand.	Active involvement with ALGA, LGA, Legatus and Yorke Peninsula Councils Alliance
	Facilitate and work with the community and representative groups to ensure sustainable growth and development	Meet regularly with key stake holders
5.5 Administration:	No qualifications on Financial Audit report	No unexplained qualifications on Audit reports
	Provide a responsive customer service that is relevant to the community's needs, undertake community satisfaction survey	No complaints upheld by Ombudsman
	Implement an appropriate Organisational Development structure supported by effective human resource management tools and practices	Organisational Development structure reviewed and efficient Organisational Development practices implemented
5.6 Risk Management:	Work with LG Risk Management Services to ensure all risks are identified and mitigated in an efficient manner	Risk Management framework reviewed
	Ensure safe work practices through implementation and management of the Work Health and Safety Policy and Risk Management Policies and Procedures.	Provision of a safe workplace with minimal Lost Time Injuries (LTI)

FUNDING THE BUSINESS PLAN

With regard to the Council's Long Term Financial Plan, an operating deficit (before capital income) of \$893,915 is budgeted in 19/20. The operating surplus/(deficit) measures the difference between operating revenue and expenses for the period. The Council's long term financial sustainability is dependent on ensuring that, on average over time, its expenses are less than its revenue.

The Council's 2019/20 revenue is budgeted to be \$29,533,604 of which approximately \$17,546,200 will be raised from general rates, (excluding the NRM Levy & CWMS Service Charges). This is an increase of 3.2% above general rates generated in 2018/19 plus the revenue generated by new or upgraded assessments created during 2018/19.

Separate Rates

Kadina CBD

The local traders in the Kadina Business District requested a separate rate to fund planning towards development in this area (\$30,000). This rate will continue under a new name and varied purpose and these funds will be transferred to the Kadina Chamber of Commerce who will administer them.

Port Hughes Golf Course (Dunes)

The Council introduced in the 2013/14 financial year a new separate rate to partly fund the maintenance of the Port Hughes Golf Course (Dunes). This replaced the existing annual development levy that each land owner agreed to pay to the developer of The Dunes Port Hughes. This will continue.

Riley Cove Community Corporation

During 2014/15 residents of the Riley Cove Community Corporation approached Council to adopt a separate rate to fund the internal road maintenance at the Riley Cove Village. This rate will continue for a period of 100 years and reviewed regularly during this period.

Moyle Street Kerbing

In the 2017/18 Budget Council adopted a separate rate for the residents adjoining Moyle Street for an upgrade to the road by installing kerbing which will be in place for a 5 year period. This will be the third year of the application of this rate.

Olive Parade Kerbing

At the Council meeting 6th September 2017 the Council supported the motion to install kerbing for properties adjoining Olive Parade, New Town in the 2018/19 budget at the rate of \$164 per allotment per certificate of title. This rate will be applied over a 5 year period ending in 2022/23. This is the second year of the application of this rate.

Other Economic Programs

To align with the State Governments Job Accelerator Scheme and to encourage the creation of the tourism products identified by the YP Tourism audit we will continue with grants for new job creating businesses. The grants will be up to a maximum that is equivalent to the general rates they would pay from 2018 to 2021. It will be assessed on a case by case basis in accordance with the adopted program guidelines. Part of the assessment considers any impact on existing Copper Coast businesses.

This three year initiative will encourage the development of new employment opportunities in the Copper Coast and will help offset some of the risk and additional costs faced by start-up businesses. It does not apply to service charges or other Council fees and charges such as planning fees.

Other sources of revenue for the Council are:

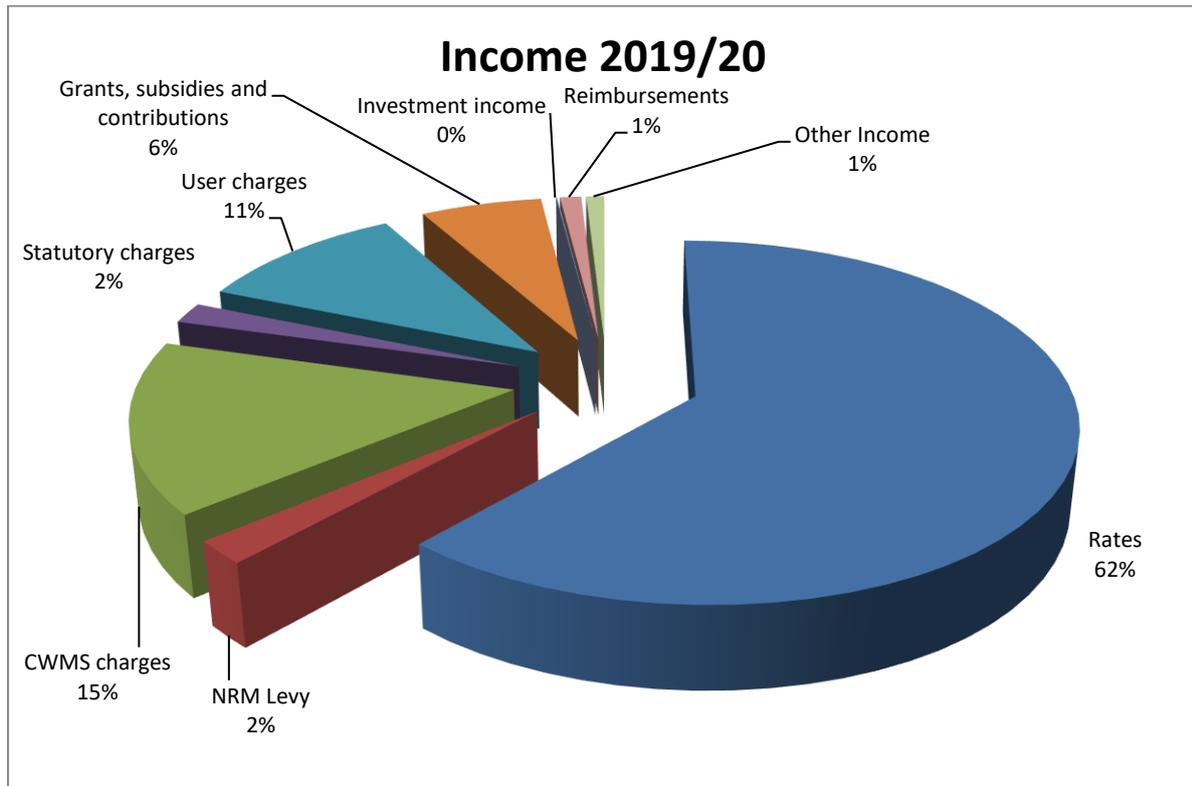
User Pay charges set by Council - these comprise charges for the Council's fee based facilities such as the boat ramps, caravan parks & waste management services.

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

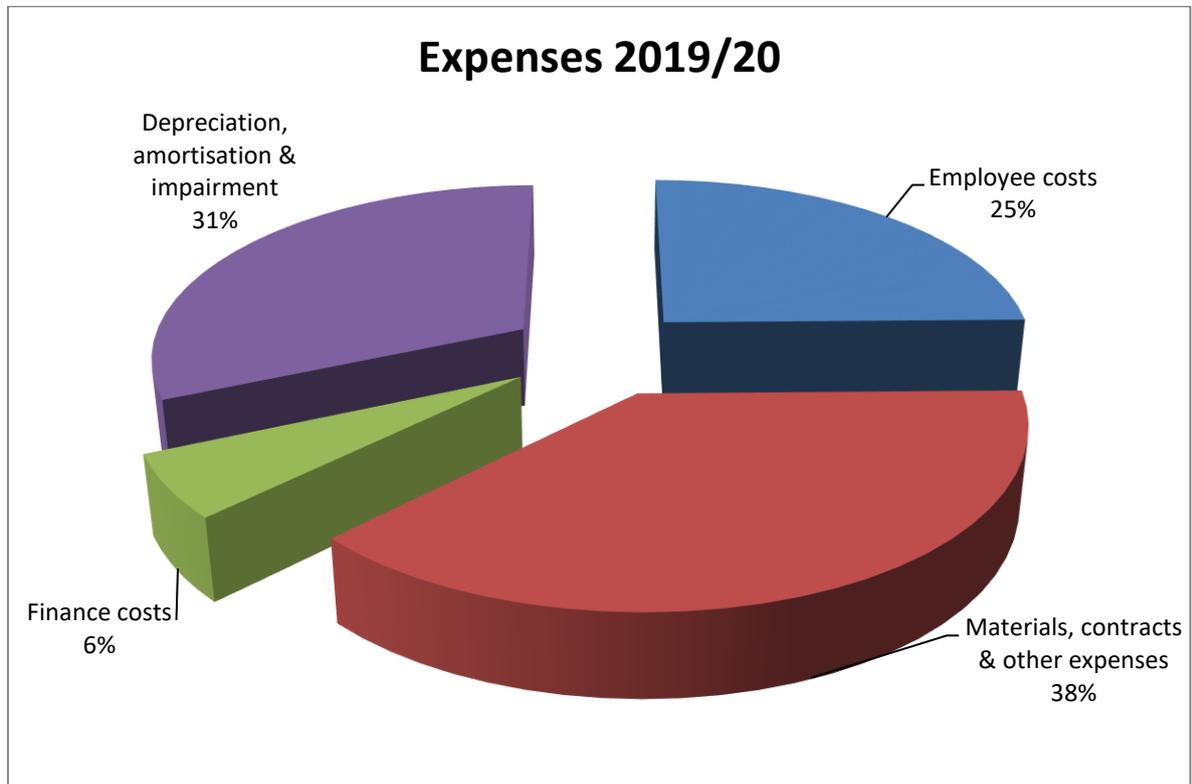
Grants, Subsidies and Contributions – the Council normally seeks to attract as much grant funding as possible from other levels of Government, and major projects of wider State benefit are usually joint funded in partnership with the State Government and other relevant parties.

Investment Income – Council invests funds for future maintenance and capital projects in interest bearing accounts.

Revenues for the 2019/20 financial year are budgeted to be sourced as follows:



Expenses for the 2019/20 financial year are budgeted to be incurred as follows:



IMPACT ON COUNCIL'S FINANCIAL POSITION

After taking account of planned net outlays on existing and new assets in 2019/20, the Council's net lending (net borrowing) in 2019/20 is budgeted to be \$7,731,485. Accordingly, the level of the Council's net financial liabilities (adjusted for retirement village bonds) is expected to be \$29,317,000 at 30 June 2020.

Net financial liabilities is a key indicator of the Council's financial position. It measures total liabilities less financial assets (i.e. what the Council owes to others, less money the Council has or is owed). The expected level of net financial liabilities at 30 June 2020 represents 99% of estimated operating revenue in 19/20.

WHAT IT MEANS FOR RATES

The Annual Business Plan for 19/20 aims to strike a balance between the level of services for the community and the need to ensure the long-term financial sustainability of Council. Council has limited options to generate the income required to pay for services which it provides to the community. The primary source of income for Council is a property based tax – rates.

In setting its rates for the financial year the Council needs to give primary consideration to strategic directions, budget considerations, the current economic climate and the likely impacts on the community.

To prepare the Annual Budget, rate income was projected in line with the key assumptions within the Long Term Financial Plan and will be adjusted accordingly when information is received from the Valuer General's Office regarding the capital values within the Council area.

Council considers the service delivery needs and related expenditure. Rate levels are then determined only after consideration of expenditure priorities in relation to the Strategic Plan and community needs.

There will continue to be economic pressures applying to the Council in a number of ways, which will have an impact on the Council's budget and therefore put pressure on rates, for example:

- as other tiers of Government re-assess their core business, it is likely that Local Government will be required to provide more services to fill gaps;
- there are fewer funds available to Council via grants from other tiers of Government;
- recent natural disasters impacting on the level of funding available;
- as households have less income, the community will become increasingly reliant on Local Government for the provision of additional services;
- State and Federal Governments are increasingly promoting a philosophy of user-pays for service provision and delivery;
- cost increases which are unavoidable, for example, waste, fuel and water.

There is pressure on Council to minimise rate increases. Rates represent Councils major source of income. In order to respond to the increased service demands and additional costs detailed above, increases in rates will be unavoidable to maintain services.

When projecting and proposing a draft budget, Council have assessed the following key principles:

1. That rates, represent a general tax levied on the basis of the value of land.
2. There is a commitment to the broad principle of fairness and equity in the distribution of rates across all ratepayers.
3. Capital value is used as the basis for valuing land within the Council area, as determined by the Valuer-General each year.
4. A differential rate applying to residential, vacant land, commercial, industrial, primary production, marina berths and other properties and a fixed charge will be applied as a means of raising taxation revenue within the community.
5. The Council will, as is required under the Natural Resources Management Act 2004, impose a separate rate to fund the operations of the Natural Resources Management Board.
6. The Council will continue to accept the payment of rates in full or by four instalments provided either choice is received in full on or before the due date shown on the front of the rate notice.
7. Pre-payment of rates may be made in instalment amounts. Payment can be made at the Council Office, by use of Bpay or the Internet.
8. The Council will impose late payment penalties strictly in accordance with the Local Government Act 1999.
9. The Council may enforce the sale of land for non-payment of rates after three years in accordance with the Local Government Act 1999.
10. The Council will consider any application from a ratepayer to partially or wholly remit rates or to postpone rates on the basis of hardship in accordance with Section 182 or Section 182A of the Local Government Act 1999.
11. The Council will apply mandatory rebates and may apply discretionary rebates in accordance with Chapter 10, Division 5 of the Local Government Act 1999.
12. The Council advises that a rate cannot be challenged on the basis of non-compliance with this policy and rates must be paid in accordance with the required payment provisions.

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), 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, applies to the use of properties. The Council also raises revenue through fees and charges, which are set, giving consideration to the cost of the service provided and any equity issues.

Method Used to Value Land

The Council will continue to use *capital value* as the basis for valuing 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. Capital value, which closely approximates the market value of a property, provides the best indicator of overall property value.

Adoption of Valuations

Council will adopt the valuations made by the Valuer-General as provided to the Council effective July 3rd, 2019.

If a person is dissatisfied with the valuation made by the Valuer-General then they may object to the Valuer-General in writing, within 60 days of receiving the notice of the valuation, explaining the basis for the objection - provided the person has not:

- (a) 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 notice; or
- (b) previously had an objection to the valuation considered by the Valuer-General. The 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 payment of rates.

The 60 day objection period may be extended by the Valuer-General where it can be shown there is reasonable cause.

Differential General Rates

The Council will continue to apply the differential general rates on properties within the Council area. Land use is used as the factor to levy differential rates. For all rateable land within the area of the Council which has a land use designated as:

- Category (a) - Residential, a rate of 0.2809 cents in the dollar. Expected revenue \$12.54 M;
- Category (b) - Commercial—Shop, Category (c) - Commercial—Office or Category (d) – Commercial-Other, a rate of 0.6173 cents in the dollar. Expected revenue \$1.67M;
- Category (e) – Industry-Light, Category (f) – Industry-Other, a rate of 0.6404 cents in the dollar. Expected revenue \$199k.
- Category (g) - Primary Production, a rate of 0.2428 cents in the dollar. Expected revenue \$1.60M;
- Category (h) - Vacant Land, a rate of 0.4754 cents in the dollar. Expected revenue \$1.78M;
- Category (i) - Other (any other land use not referred to in a previous category), a rate of 0.3166 cents in the dollar. Expected revenue \$129k; and
- for all rateable land within the area of the Council which has a land use designated as Marina Berths, a rate of 0.6173 cents in the dollar. Expected revenue \$18.2k.

Council believes that differential general rates are appropriate for reasons of equity and relative benefit between classes of ratepayers given the nature, mix and significant capital values in a coastal community like the Copper Coast.

Fixed Charge

The Council will impose a fixed charge system, rather than a minimum rate, which tends to distort the equity principals of taxation. Council will increase the fixed charge by 3.2% in the total of rates generated to \$607, (was \$588 in 2018/19).

The fixed charge is levied against the whole of an allotment (including land under a separate lease or licence) and only one fixed charge is levied against two or more pieces of adjoining land (whether intercepted by a road or not) if the same owner occupies and owns them.

The reasons for imposing a fixed charge are:

- The Council considers it appropriate that all rateable properties make a contribution to the cost of administering the Council's activities and the creation and maintenance of the physical infrastructure that supports each property
- The fixed charge system has a lesser proportionate impact on lower income earners than a minimum rate system
- The fixed charge system is more readily understandable than a minimum rate system

Separate Rates

Pursuant to Section 154 of the Act, a Council may declare a separate rate on rateable land within a part of the area of the Council for the purpose of planning, carrying out, making available, supporting, maintaining or improving an activity that is, or is intended to be, of particular benefit to the land, or the occupiers of the land, within that part of the area, or to visitors to that part of the area.

Separate Rate – Kadina CBD

In 12/13 the local traders in the Kadina Business District requested a separate rate to fund planning towards development in this area. It is now proposed that this rate will be continued to be raised against Kadina CBD businesses and will raise approximately \$30,000 to be transferred to the Kadina Chamber of Commerce who will administer the funds. All properties rated will gain immediate membership to the Chamber and be entitled to vote and be part of the decision making process for the funding. The area concerned is as per the diagram below.



Separate Rate – Port Hughes Golf Course (Dunes)

The Council introduced in the 13/14 financial year a new Separate Rate to partly fund the maintenance of the Port Hughes Golf Course (Dunes). This replaced the annual Development Levy that each land owner has agreed to pay to the developer of The Dunes Port Hughes. The Separate Rate will be ongoing and remain as an annual charge on properties rates notices as long as the course is open and operational and is indexed by CPI each year.

In 19/20 the proposed separate rate will be the 18/19 (\$712) rate indexed by the Consumer Price Index (All Groups) for Adelaide between the March Quarter to March Quarter of the year immediately preceding the financial year in which the Separate Rate is charged which is \$721.



If the additional 9 holes are established the Separate Rate would increase by 100% to reflect the intention of the current encumbrance and the initial intention to have a fully operational 18 hole golf course when the land was originally developed and purchased.

Separate Rate – Riley Cove Community Corporation

The Council was approached in 14/15 by the residents of the Riley Cove Community Corporation (20692) to assist with the maintenance of the internal roads owned by the Corporation for a period of one hundred (100) years to fund the replacement of the road seal, pavement and kerbing.

The proposal is to resurface the road every 10 years to minimise maintenance and protect the pavement and to allow for kerb replacement and maintenance over a 50 year cycle.

The Council has decided to implement a separate rate of \$265 to apply to each allotment per certificate of title for properties adjoining the Community Corporations internal roads (see map). This means it includes all properties that benefit from the road, not just those that are part of the Community Corporation 20692.

Should the project be completed for less than the amount stated, revisited every 10 years, the charge will be reduced by this amount over the remaining years.



Separate Rate – Moyle Street Upgrade

Council implemented a separate rate for the residents adjoining Moyle Street after their submission to Council was received requesting an upgrade to the road by installing kerbing. The proposal was that the residents will contribute 50% of the cost of the upgrade, estimated to be a total of \$80,000 over a 5 year period which will be set at \$195 per property allotment per annum. A total of \$975 contribution by each allotment adjoining the road as highlighted in the diagram below.



Separate Rate – Olive Parade Kerbing

At the Council meeting 6th September 2017 the Council supported the motion to install kerbing for properties adjoining Olive Parade, New Town in the 18/19 budget at the rate of \$164 per allotment per certificate of title. This rate was requested by Olive Parade residents to upgrade the road by the installation of kerbing. Olive Parade was due for a reseal and the greatest benefit would be provided to the residents if the kerbing was completed before the resealing works were undertaken.

This rate will be applied over a 5 year period ending in 22/23 and the properties to which this separate rate will apply is as highlighted in the diagram below.



Service Charge

Pursuant to Section 155 of the Act, Community Wastewater Management Annual Service Charges based on the nature of the service and varying according to the CWMS Property Units Code in accordance with Regulation 12(4)(b) of the Local Government (General) Regulations 2013 be declared and imposed on all land to which the Council provides or makes available the prescribed service for the financial year ending 30th June 2020. This includes the areas covered by the Kadina Community Wastewater Management Systems, the Wallaroo Community Wastewater Management Systems and the Moonta, Pt Hughes and Moonta Bay Scheme. The annual service charge for the 19/20 financial year is \$534 on each property unit for occupied allotment and \$534 on each vacant allotment.

NRM Levy

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

The Council is required to collect this revenue and pay the amount collected to the Board. It does not retain this revenue or determine how the revenue is spent, nor does it determine the amount of the levy to be collected. The amount of the levy per property is set by the total amount of funds Council are required to raise for the Northern and Yorke Natural Resources Management Board. The levy has increased to \$642,200 (\$625,318 for 18/19).

A separate rate of 0.0180 cents in the dollar has been declared in 19/2020 on all rateable land within the Council area within the area of the Northern and Yorke Natural Resources Management Board.

Any queries regarding the NRM Levy should be raised with the Northern and Yorke Natural Resources Management Board.

Head Office

Unit 2/17 Lennon Street

Clare SA 5453

Phone: (08) 8841 3400

Website: <http://www.naturalresources.sa.gov.au/northernandyorke/home>

Rate Concessions

State Government concessions

To check eligibility contact the Concessions SA Hotline 1800 307 758 or go to www.sa.gov.au/concessions

Should you be eligible for a State Government funded concession this will be paid directly to you by the Department of Human Services and is not provided via your rates notice.

Remission and Postponement of Rates

Section 182 of the Local Government Act and the Essential Services Commission of South Australia permit the Council, on the application of the ratepayer, to partially or wholly remit rates or to postpone rates and to partially or wholly remit or to postpone the service charge for CWMS services, on the basis of hardship. Where a ratepayer is suffering hardship in paying rates he/she is invited to contact the Council office to discuss the matter. The Council treats such inquiries confidentially.

Postponement of Rates for Seniors

Ratepayers who hold a State Seniors Card are now able to apply to Council to postpone payment of Council rates on their principal place of residence.

To be eligible for postponement of rates the applicants need to satisfy the following criteria:

- a State Seniors Card holder (or have applied for the card); and
- the property is the principal place of residence (where you live most of the time); and
- no other person, other than the applicant's spouse, has an interest as an owner of the property.

A minimum amount of \$500 of the annual rates must be paid.

The interest rate which will apply to the amount of rates postponed is prescribed in the Local Government Act (SA) 1999, Section 182A(12). Interest will be charged and compounded monthly on the total amount postponed, until the debt is paid.

The accrued debt including interest is payable at the time of disposal or sale of the property. However, there is an option for the payment of all or any part of the debt at an earlier time.

Payment of Rates

Council rates will be payable by quarterly instalments falling due on 1 September 2019, 1 December 2019, 1 March 2020 and 1 June 2020. The total outstanding balance of rates may be paid in full at any time.

Council rates may be paid:

- In person at any Post Office
- In person at the principal office of Council in Kadina
- By telephone at the ratepayers participating bank, credit union or building society using B-Pay
- By internet with ratepayers online banking using B-Pay
- By Post Billpay service
- By mail (by cheque or by credit card details advised on the Rate Account remittance advice).

(Methods of payment details are outlined on the reverse of the rates notice)

In addition, regular pre payments of Council Rates are allowed at any time and can be made at the principal Council office, via Bpay and via Australia Post.

Any ratepayer who may, or is likely to, experience difficulty with meeting the standard arrangements should contact the Rates Officer on 8828 1200 to discuss alternative payment arrangements. Such enquiries are treated confidentially by the Council.

Late Payment of Rates

The Council has determined that penalties for late payments will be imposed in accordance with the provisions of Section 181(8) of the Local Government Act 1999 and relevant Council procedures.

Late payment fines are levied in accordance with the provisions of Section 181(8) of the Act. These provisions are the only provisions available to the Council to ensure that all ratepayers pay promptly.

The Act provides that:

“If an instalment of rates is not paid on or before the date on which it falls due:

- a) the instalment will be regarded as being in arrears, and
- b) a fine of two (2) percent of the amount of the instalment is payable, and
- c) on the expiration of each full month from that date, interest of the prescribed percentage of the amount in arrears (including the amount of any previous unpaid fine but excluding interest from any previous month) accrues.”

Any ratepayer who may or is likely to, experience difficulty with meeting the standard instalments and due dates can contact the Council to discuss alternative payment arrangements. It should be noted that fines and interest are still levied in accordance with the Act under any payment arrangement.

Council will consider applications for remissions of fines in certain extenuating circumstances. A request for waiver of fines should be made in writing, setting out detailed reasons why a fine remission has been requested.

When the Council receives a payment in respect of overdue rates, the 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).

Recovery of Rates

In accordance with sound financial management principles, the Rates Officer will apply prudent debt management practices to Rate Debtors. This includes an ongoing review of rates in arrears and following a systematic debt recovery approach.

Rates, which remain in arrears for a period exceeding 30 days, will be subject to recovery action in accordance with the Councils normal debt recovery procedures.

Sale of Land for Non-payment of Rates

Section 184 of the Act provides that a Council may sell any property where the rates have been in arrears for three (3) 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 of the outstanding amount is not received within one (1) month. Except in extraordinary circumstances, the Council will enforce the sale of land for arrears of rates.

COPPER COAST COUNCIL

Annual Budget

2019/2020

Planning Framework

The 2019/20 Budget has been developed within the Council's overall planning framework. The Council's suite of Strategic Management Plans includes a 10-year Long-Term Financial Plan supported by an Infrastructure and Asset Management Plan. Council's Strategic Plan 2017-2027 and the Annual Report complete Council's suite of corporate documents.

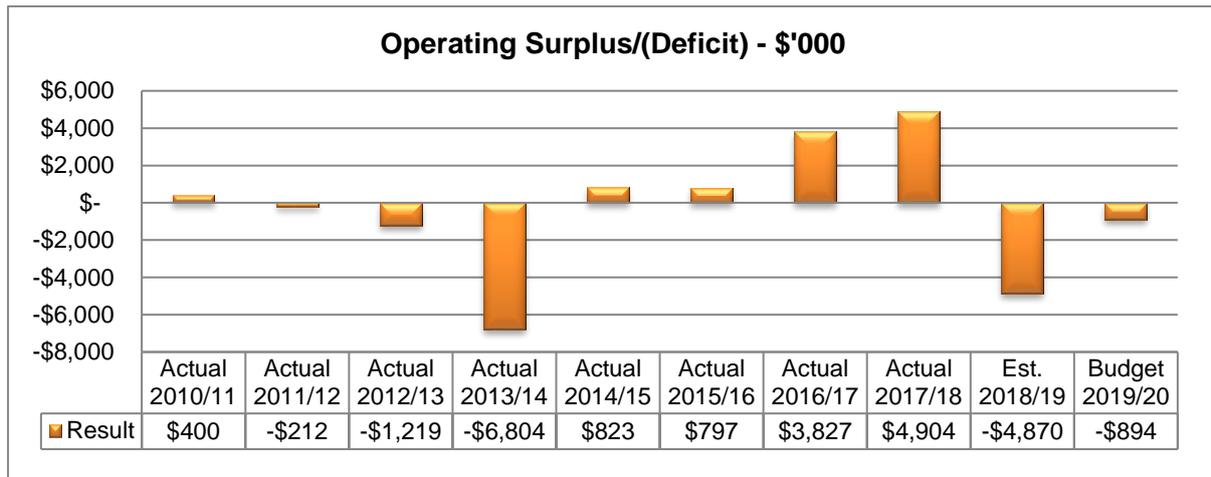
To guide the preparation of its Budget, the Council prepared and undertook community consultation on a draft Annual Business Plan. Council at its June meeting considered all written submissions received and heard verbal presentations from members of the community during the public meetings in May. Staff presented an Annual Business Plan and Budget to the Audit Committee meeting and to the July Council meeting for Elected Member consideration.

The Annual Business Plan as adopted provides a linkage between the Council's suite of Strategic Management Plans and its Annual Budget.

Summary of 2019-20 Budget

This summary provides information about the five key indicators of the Council’s financial performance and position and an analysis on each of the indicators is included with further explanatory notes on the indicators provided in the Glossary. As part of the Long Term Financial Planning process Council is required to set target ranges to operate within these ratios. These targets need to be appropriate and guide Council towards financial sustainability. Council considers these when reviewing the Long Term Financial Plan.

Operating Surplus / (Deficit)

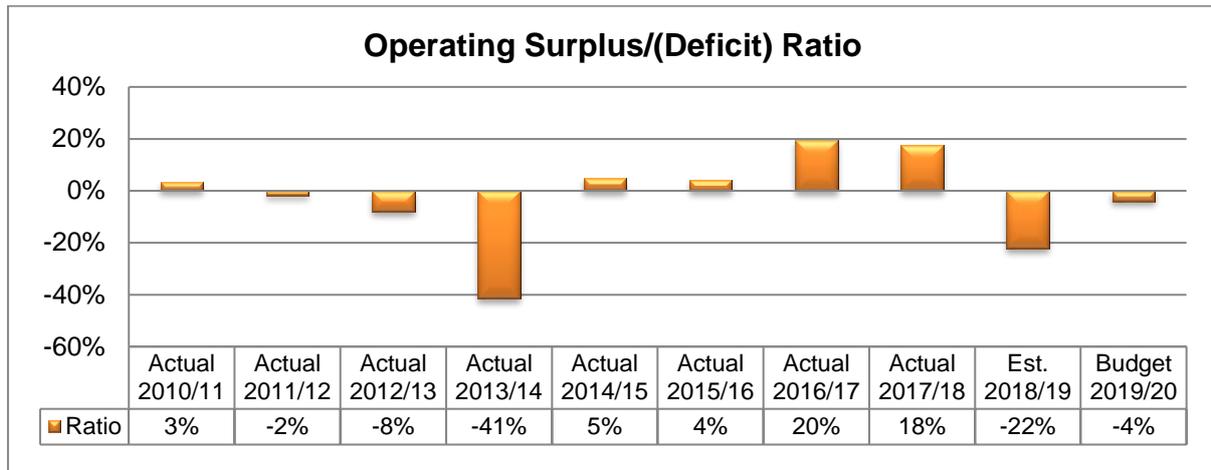


The anticipated operating deficit for 19/20 is \$893,915 before Capital income. The deficit result of 18/19 was the result of the carryover of the Wallaroo Shores Private Works project in which the rate revenue was recognised in 17/18 and the balance of the expenditure incurred in 18/19 (see below). This is reflected in the graph above over these years. There was also a 50% forward payment of the 18/19 Grants Commission income paid in 17/18 for the 18/19 year. It is Council’s long term plan to operate with a balanced budget currently estimated by 2020.

As mentioned above the operating result for 17/18 includes an amount raised for the Economic Development separate rate for the Wallaroo Shores Development (\$7M). This rate involved Council undertaking significant infrastructure works for a private developer and then recouping the cost of these works through the rating process over the land. As these works will not result in Council immediately owning the assets the works are not capitalised and are therefore expensed through the operating statement. These works were not completed as at 30 June 2018 and were carried forward into 18/19 hence the large estimated deficit.

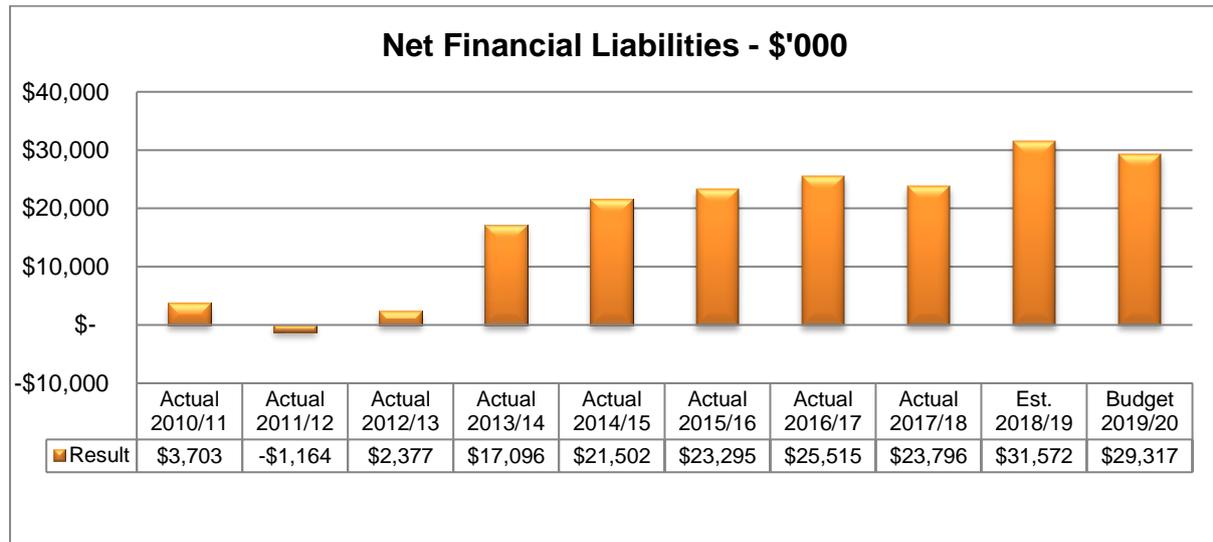
The outstanding balance of this rate is recognised in the Balance Sheet under Trade and Other Receivables. It was estimated that \$1,000,000 of this income will be received during the 17/18 year however as the project is incomplete no income was received in 17/18 and at the time of the preparation of this budget only \$56,000 plus interest has been received in 2018/19. It is estimated that \$500,000 will be received in the 19/20 budget.

Operating Surplus Ratio



The estimated operating deficit in 1/-20 expressed as a percentage of general and other rates (the operating surplus ratio) is estimated to be minus 4%. The estimated result for 18/19 reflects the expenditure incurred against the separate rate for the private works infrastructure project at Wallaroo that was raised in 17/18. As previously discussed the project was not completed at 30 June 2018 and the project was carried forward into 18/19.

Net Financial Liabilities



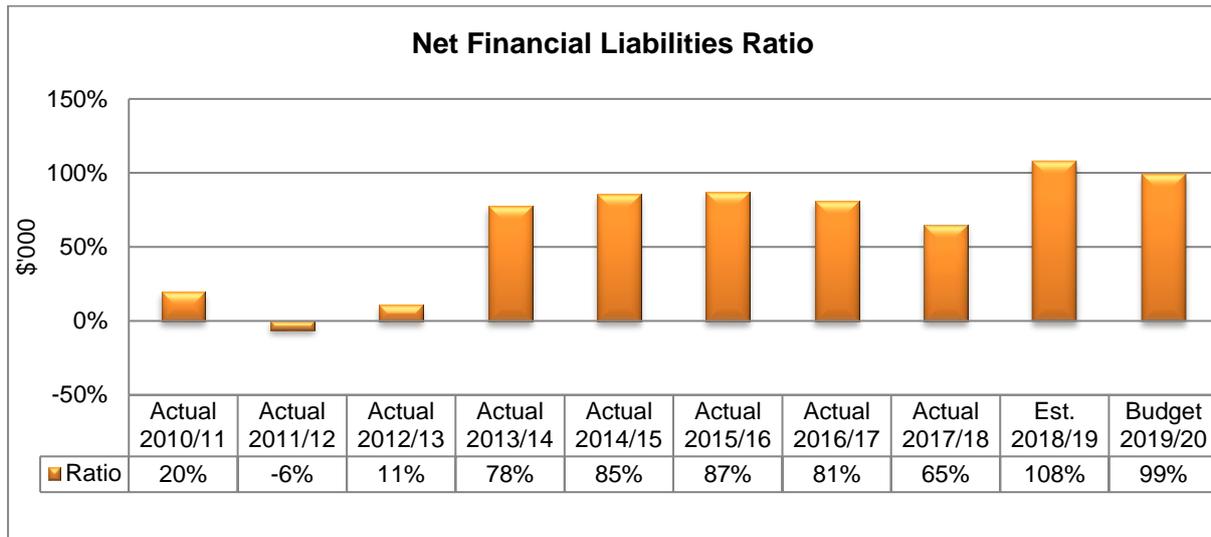
The Council’s stock of net financial liabilities is expected to be \$29.317 million at 30 June 2020. This represents a decrease of \$2.255 million on the estimated level of net financial liabilities as at 30 June 2019. The decrease reflects a budgeted reduction in the loan funds for the Wallaroo Shores Development of \$500,000 and loan repayments over the period. It is not anticipated at the preparation of the budget to draw down on the funds Council approved for the sporting & community groups during 19/20. The Council’s Long Term Financial Plan also summarises these commitments.

Council is continuing to manage the cash flow and balances internal borrowings against externally borrowed funds. A table summarising the purposes of the debt as at 31 May 2019 is outlined further into this report in Appendix F.

The net financial liabilities balance also includes the provision for the reinstatement of the landfill sites at Wallaroo and Kadina which was reduced in 16/17 to its current provisioned value of \$2.7935M and also the employee leave liabilities which are managed and reviewed each year.

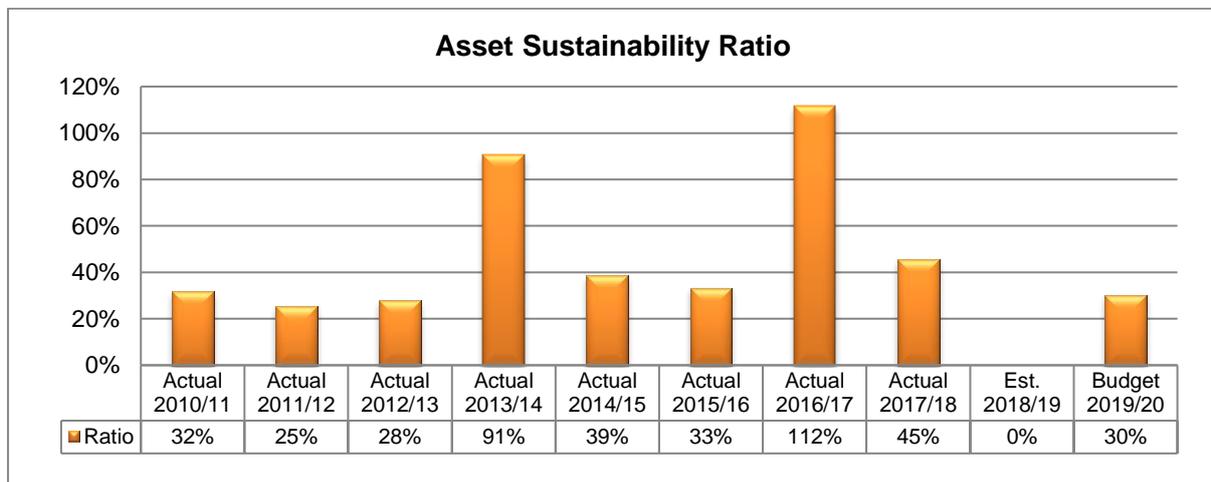
It should be noted that Council manages approximately \$4.03 million in loans from Retirement Village residents who purchase a license to occupy Council’s aged care residential units. These payments from residents are classified as loans and upon exiting the units they are repaid and new residents then purchase the license to occupy the vacant unit. Resident loans are interest free. These figures are adjusted to exclude these loans.

Net Financial Liabilities Ratio



The Council’s net financial liabilities at 30 June 2020 expressed as a percentage of estimated operating revenue in 19/20 (the net financial liabilities ratio) is expected to be 99%. This ratio is significant however as mentioned previously is incurred as a result of significant construction work in previous years and the inclusion of the reinstatement provision in the calculation. It is anticipated as evidenced in the Long Term Financial Plan that this ratio will reduce over the next few years.

Asset Sustainability Ratio



The Council’s asset sustainability ratio in 19/20 is expected to be 30% calculated by comparing planned capital expenditure on renewal and replacement of assets against depreciation expenses in 19/20. Council has a target range of between 90% and 110% and this is outside this range. Council has been focusing on new capital expenditure such as the Wallaroo Holiday Park Upgrades, CCSLC, CWMS & Treatment Plants, Kadina CBD and the Resource Recovery Centre and 19/20 will see the focus back onto existing assets and a year of consolidation finalising many projects.

Services provided to the community

The following table summarises the various types of cash flows associated with the services delivered to the community by the Council's organisational units. The Annual Business Plan gives a detailed explanation of the service as well as how the provision of each service satisfies goals and objectives specifically listed in the Council's Strategic Plan.

Organisational Unit / Service	Revenue \$'000	Operating Expense \$'000	Capital Contributions \$'000	Capital Expense \$'000	Surplus / (Deficit) \$'000
Corporate Services					
1. Governance	21	1,960	0	0	(1,939)
2. Administration	19,428	3,502	0	50	15,876
3. Financing & Investing	15	281	0	0	(266)
Community Services					
1. Aged Services	206	623	0	18	(435)
2. Youth Services	0	13	0	0	(13)
3. Cultural & Arts	19	149	0	0	(130)
4. Library Services	51	623	0	10	(582)
5. Sports & Recreation	119	1,860	0	100	(1,841)
Infrastructure Services					
1. Community Wastewater Management Scheme	4,896	3,566	0	400	930
2. Waste Management & Recycling	460	2,413	0	12	(1,965)
3. Roads & Footpaths	300	5,733	226	3,048	(8,255)
4. Foreshore Protection	0	77	0	99	(176)
5. Stormwater Drainage	0	448	0	600	(1,048)
6. Private Works	15	14	0	0	1
7. Other	801	2,328	0	490	(2,017)
Environmental Services					
1. Legislative Compliance	226	932	0	0	(706)
2. Parks & Gardens	0	1,776	0	0	(1,776)
3. Planning	149	406	0	0	(257)
4. Cemeteries	63	149	0	30	(116)
5. Halls & Public Conveniences	15	768	0	600	(1,353)
6. Natural Resource Management	642	642	0	0	0
Executive Services					
1. Economic Development	2,020	1,467	584	0	1,137
2. Tourism	89	697	0	20	(628)
Remove non-cash items	0	(9,565)	0	0	9,565
Total	29,535	20,862	810	5,477	4,006

Analysis of Operating Budget

The table below and following comments summarise the expected revenues and expenses of the Council for the 19/20 financial year. It also provides commentary on the budgeted operating result.

Operating Revenue

Revenue Types	Ref	2017-18 Actual \$'000	2018-19 Estimate \$'000	2019-20 Budget \$'000
Rates	4.1	28,462	22,714	23,462
Statutory Charges	4.2	558	560	561
User Charges & Commercial Revenue	4.3	2,890	3,259	3,096
Grants and Subsidies	4.4	3,461	1,757	1,812
Investment Income	4.5	149	67	15
Reimbursements	4.6	749	521	315
Other Revenue	4.7	486	379	274
Total Operating Revenue		36,755	29,257	29,535

Source: Appendix A

4.1 Rates

General rate revenue after rebates & bad debts is estimated at \$17.339 million for 19/20 which incorporates a 3.2% increase in the fixed charge and differential rates plus growth from new and upgraded properties.

Since 2012/13 the Kadina Business District Traders have requested a separate rate to fund improvements of the area and this is continued in 19/20 with the amount raised being approximately \$30,000. The Port Hughes Golf Club Separate Rate has been increased by the CPI for Adelaide as at the March quarter which was 1.3%.

A section of the Annual Business Plan includes a further discussion and analysis of rates to be levied in 19/20 together with summary information about the Council's rating structure.

Other rate revenue of \$5.3 million is estimated for 19/20. This represents service charges to residents for the various Community Wastewater Management Systems that the Council maintains. The balance of the Rate Revenue category of \$0.642 million is the NRM levy for which we collect and pass on directly to the State Government.

4.2 Statutory Charges

Statutory charges are fees for regulatory services. These fees are associated with the granting of a permit/licence or the regulation of an activity and include Development Act fees and parking fines.

4.3 User Charges and Commercial Revenue

User charges relate mainly to the recovery of service delivery costs through the charging of fees to users of Council's services. They include amongst other charges the hire of community facilities.

User charges and commercial revenue in 19/20 are projected to decrease over the estimated actual income received in 18/19. This decrease is based on income received trends and changes in Waste charges. The Council caravan parks are a substantial component of the commercial revenue derived in this category being estimated at \$2.1 million.

4.4 Grants and Subsidies

This item covers grants and subsidies from all sources but excludes amounts specifically received for new/upgraded assets. The following table summarises the main grants involved:

Grant Funding Types	2017-18 Actual \$'000	2018-19 Estimate \$'000	2019-20 Budget \$'000
LG Grants Commission – General Purpose Grant	2,133	990	1,400
LG Grants Commission – Identified Local Road Grant	453	163	300
Other	875	604	100
Total Grants and Subsidies	3,461	1,492	1,812

Overall, Local Government Grants Commission grants (representing funding provided by the Australian Government) are estimated to be \$1.4 million in 2019-20. The funding from the Local Government Grants Commission has been steadily decreasing over the past years with real terms in 18/19 and since 2011 being approximately a \$538,000 decrease.

The Commonwealth Government forward paid the 18/19 grant funding in 17/18 which is why it is significantly higher than expected in 17/18. This has become common practice over the past years and does have an impact on the resultant position at 30 June each year.

Roads to Recovery (\$226,400) funding is treated as an amount received specifically for new or upgraded assets in the Operating Statement and is therefore not specified in the table above.

4.5 Investment Income

Interest earnings on the investment of funds not immediately required and loans to community groups are estimated at \$15k in 19/20. Council has been working through major capital projects including the CCSLC, Kadina CBD and previously the CWMS at Moonta which have required the need to move from a position of having funds on hand to one of having debt as these projects are completed. Council will continue to manage the funds on hand to reduce the requirement to borrow and offset the interest paid and interest received whenever appropriate.

4.6 Reimbursements

Reimbursements are amounts received as payment for work done by the Council acting as an agent for others. Revenue of \$315k is estimated in 19/20.

4.7 Other Revenues

Other Revenue is revenue not separately classified in the income statement above. Of the estimated total revenue of \$29.5 million in 19/20, \$274k is attributable to other revenues which varies from year to year and includes small amounts of revenue from many sources. Other Revenues include search fees, the diesel fuel rebate, sundry permits as well as other miscellaneous income.

Operating Expenses

Expense Types	Ref	2017-18 Actual \$'000	2018-19 Estimate \$'000	2019-20 Budget \$'000
Employee Costs	4.8	7,005	6,711	7,487
Materials and Contractual Services	4.9	13,790	17,089	11,644
Finance Costs	4.10	1,573	1,248	1,731
Depreciation	4.11	9,482	9,079	9,565
Total Operating Expenses		31,850	34,127	30,427

Source: Appendix A

4.8 Employee Costs

Employee costs include all labour related expenses such as salaries and wages and on-costs such as allowances, leave entitlements and employer superannuation.

4.9 Materials, Contractual Services and Other Expenses

Materials include payments for physical goods consisting of consumables, water and energy. Contractual Services involve payments for the external provision of services. This may include indirectly provided labour and materials or sub-contractors which are part of a contract. Other expenses relate to expenses not separately classified.

4.10 Finance Costs

Finance costs cover the costs of financing the Council's activities through borrowings or other types of financial accommodation. The figures in the budget are based on the Council's debenture register and budgeted commitments in line with the Long Term Financial Plan.

4.11 Depreciation

Depreciation is an accounting measure which records the consumption of the Council's infrastructure, property, plant and equipment.

Operating Result

Operating Surplus/(Deficit)	2017-18 Actual \$'000	2018-19 Estimate \$'000	2019-20 Budget \$'000
Operating Revenue	36,755	29,257	29,534
less: Operating Expenses	31,850	34,127	30,428
Equals: Operating Surplus/(Deficit)	4,905	(4,870)	(894)

Source: Appendix A

As shown in the above table, the Council has budgeted for an operating deficit of \$893,915 in 19/20. This is outside the parameters that Council has set for financial sustainability as a key financial target of the Council is to achieve an operating surplus each year so as to ensure ongoing financial sustainability and therefore avoid future potential cuts to services and/or significant increases in rates. The result however is consistent with the Long Term Financial Plan which outlines estimates that Council is working towards over the next 10 years.

The 19/20 Budget operating deficit can again be attributed to historically undervaluing assets replacement costs, ongoing increases in operating expenses due to compliance with State and Commonwealth legislation around Waste Management and other legislative pressures. Council is continuing to work through these challenges to reach a balanced budget into the future.

It is important to note that included in the 17/18 operating budget was the income and expenditure for the Wallaroo Shores Development. This was private works that Council engaged a contractor to complete and at 30 June 2018, these works were not completed hence the estimated surplus. The balance of these funds were carried forward into the 18/19 financial year so that the project could be completed.

Analysis of Capital Expenditure

Refer to Appendix E for a detailed list of all Capital Expenditure Projects by Organisational Unit or Service Profile planned for 19/20 as well as the Annual Business Plan for additional information on each project.

Net Outlays on Existing Assets

The following table summarises capital outlays on existing assets:

Net Outlays on Existing Assets	2017-18 Actual \$'000	2018-19 Estimate \$'000	2019-20 Budget \$'000
Capital Expenditure on Renewal/Replacement of Assets	4,303	4,049	2,866
less: Depreciation	9,482	9,079	9,565
less: Proceeds from Sale of Replaced Assets	199	0	0
Equals: Net Outlays on Existing Assets	5,378	(5,030)	(6,699)

Source: Appendix D

The Asset Sustainability Ratio in 19/20 is expected to be 30% and has been calculated by comparing the capital expenditure on renewal and replacement of existing assets with depreciation expenses. Council is aiming to maintain assets at a sustainable rate and will look at increasing expenditure on existing assets.

Over a 10 year period this ratio should average out to 100% in a Council that is properly maintaining its existing assets.

Net Outlays on New and Upgraded Assets

The following table summarises capital outlays on new/upgraded assets:

Net Outlays on New and Upgraded Assets	2017-18 Actual \$'000	2018-19 Estimate \$'000	2019-20 Budget \$'000
Capital Expenditure on New/Upgraded Assets	14,381	8,181	4,360
less: Amounts received specifically for New/Upgraded Assets	5,069	273	226
less: Proceeds from Sale of Surplus Assets	687	0	0
Equals: Net Outlays on New & Upgraded Assets	8,625	7,908	4,134

Source: Appendix D

Analysis of Budgeted Statement of Financial Position

The table below summarises the estimated balance sheet movements between 30 June 2019 and 30 June 2020 and discusses the level of the Council's net financial liabilities (being the key measure of the Council's financial position).

	Ref	2017-18 Actual \$'000	2018-19 Estimate \$'000	2019-20 Budget \$'000
Current assets	6.1	13,628	10,209	9,669
Non-current Assets	6.2	295,448	298,983	296,645
Total Assets		309,076	309,192	306,314
Current Liabilities	6.3	11,191	6,464	6,464
Non-current Liabilities	6.4	30,543	39,536	36,742
Total Liabilities		41,734	45,600	43,206
Equity	6.5	267,342	263,192	263,108

Source: Appendix B

6.1 Current assets

Current assets in the budget for 19/20 are anticipated to remain relatively stable between 18/19 and 19/20 due to the separate rates receivable for the rates outstanding on the major development in Wallaroo. This will then start to reduce as land is sold and therefore decrease rate receivables accordingly. This has however not declined as steadily as first anticipated.

Other outstanding rates balances are being monitored closely and debt collection methods (including section 184 of the Local Government Act 1999) used at all times as this is an area that can impact on the cash flow of Council. Other debtor balances are not expected to change significantly and are at acceptable levels.

6.2 Non-current assets

The increase in non-current assets in 19/20 reflects the combined effect of all capital expenditure, the depreciation of existing assets, the book value of assets sold and the ongoing revaluation of infrastructure assets on a 'fair value' basis. There are no major capital projects budgeted for in the 19/20 year as it is a year of consolidation and finalisation of many projects.

6.3 Current liabilities

Current Liabilities have change in the estimates for 18/19 as a result of the drawn down borrowings for the Wallaroo Shores Development Private Works. This is a variable debenture. As reported above it is anticipated that this will be repaid over the next few years the balance of the liabilities being the accounts payable, balance due on loans and retirement village bonds. Emphasis on the prompt payment of accounts is in efforts to reduce the trade payables on a monthly basis.

In accordance with Accounting Standards, loans from retirement village residents who purchase a license to occupy Council's aged care residential units are classified as current liabilities. The payments from residents are classified as loans and upon exiting the units they are repaid and new residents then purchase the license to occupy the vacant unit. Resident loans are interest free.

6.4 Non-current liabilities

The increase in non-current liabilities in 19/20 (i.e. obligations that the Council must pay beyond 30 June 2020) is due to finalising the borrowings to fund the construction of the Infrastructure and Economic development project at Wallaroo Shores along with the project at the North Beach Caravan Park which has attracted grant funding also.

The CWMS facility has been funded through borrowings however repayments have and will be met from the previously charged separate rate and user charges collected into the future.

6.5 Equity

There is an immaterial change in equity between the estimated result for 18/19 and 19/20 as this a result of the budgeted net deficit after capital grants reported in the Budgeted Income Statement (see Appendix A) as well as the increase in fixed assets offset by the estimated decreases in the cash position along with budgeted loan borrowings with an increase in non-current fixed assets as the projects are completed.

General and Other Rates

This section summarises the Council's rating arrangements and describes the rate increases in 19/20.

Background

Excluding the NRM levy collected on behalf of the Natural Resource Management Board, general and other rates are expected to account for 77% of the Council's operating revenue in 19/20.

The Council's rating structure and policies are set out in the 19/20 Annual Business Plan. The rating structure is comprised of two key elements. These are:

- Property values, which generally reflect capacity to pay; and
- User pays component to reflect usage of some services provided by Council.

Striking a proper balance between these elements provides equity in the distribution of the rate burden across ratepayers.

Rate increases in 2019/20

The Department of the Valuer General has provided capital values for all rateable properties totalling \$3,608,663,697. This represents an increase of 3.84% over the values adopted in 2018/19.

The adopted Budget contains an overall average general rate increase (excluding new development & growth) of 3.2%.

Rates Other

Other rate revenue of \$4.586M is estimated for 19/20. This represents the service charges to residents who are connected, eligible to be connected and vacant blocks serviced by the various Community Wastewater Management Systems that the Council maintains. This excludes the NRM levy of \$642,200.

Fixed Charge

The fixed charge has increased from \$588 to \$607 for the 19/20 financial year, which is an increase of 3.2%.

Natural Resources Management (NRM) Levy

The NRM Board has advised that the contribution payable by the Council for the 19/20 year is \$642,200, which is an increase of \$16,882 on the 18/19 levy (2.63%). This levy is collected by Council on behalf of the NRM Board by way of a separate rate in the dollar declared on all rateable land within the Council area.

Rating structure

The following table summarises the general rates proposed to be adopted for the 2019/20 financial year.

Rate type		2018-19	2019-20
Residential	Cents in \$ of CV	0.2722%	0.2809%
Vacant Land	Cents in \$ of CV	0.4607%	0.4754%
Commercial	Cents in \$ of CV	0.5982%	0.6173%
Industrial	Cents in \$ of CV	0.6205%	0.6404%
Primary Production	Cents in \$ of CV	0.2353%	0.2428%
Other	Cents in \$ of CV	0.3068%	0.3166%
Marina Berths	Cents in \$ of CV	0.5982%	0.6173%
Kadina Business District (CDL)	Cents in \$ of CV	0.04195%	0.0410%
		\$50 min.	\$50 min.
Port Hughes Golf Course	\$ per property	\$712	\$721
Owen Terrace Verandah	\$ per lineal metre	\$195	N/A
Riley Cove Road Maintenance	\$ per property	\$265	\$265
Moyle Street	\$ per allotment	\$195	\$195
Olive Parade	\$ per allotment	\$164	\$164
Fixed Charge	\$ per property	\$588	\$607

APPENDIX A - Budgeted Statement of Comprehensive Income

	2017-18 Actual \$'000	2018-19 Estimate \$'000	2019-20 Budget \$'000
REVENUE			
Rates	28,462	22,714	23,462
Statutory Charges	558	560	561
User Charges & Commercial Revenue	2,890	3,259	3,096
Grants & Subsidies & Contributions	3,461	1,757	1,812
Investment Income	149	67	15
Reimbursements	749	521	315
Other Revenues	486	379	274
Total Operating Revenue	<u>36,755</u>	<u>29,257</u>	<u>29,535</u>
EXPENSES			
Employee Costs	7,005	6,711	7,487
Materials, Contracts & Other Expenses	13,790	17,089	11,644
Finance Costs	1,573	1,248	1,731
Depreciation	9,482	9,079	9,565
Total Operating Expenses	<u>31,850</u>	<u>34,127</u>	<u>30,427</u>
OPERATING SURPLUS / (DEFICIT)	4,905	(4,870)	(892)
Asset disposal & fair value adjustments	145	448	584
Amounts received specifically for new or upgraded assets	5,069	273	226
Physical resources received free of charge	648	0	0
NET SURPLUS / (DEFICIT)	<u>10,767</u>	<u>4,149</u>	<u>(82)</u>
Other Comprehensive Income			
Changes in revaluation surplus – infrastructure, property, plant & equipment	0	0	0
Total Other Comprehensive Income	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL COMPREHENSIVE INCOME	<u>10,767</u>	<u>4,149</u>	<u>(82)</u>

APPENDIX B- Budgeted Statement of Financial Position

	2017-18 Actual \$'000	2018-19 Estimate \$'000	2019-20 Budget \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	4,273	692	652
Trade & other receivables	8,980	9,048	8,548
Other Financial Assets	0		
Inventories	375	469	469
Total Current Assets	<u>13,628</u>	<u>10,209</u>	<u>9,669</u>
Non-current Assets			
Financial Assets	654	657	657
Infrastructure, Property, Plant & Equipment	294,794	298,326	295,988
Total Non-current Assets	<u>295,448</u>	<u>298,983</u>	<u>296,645</u>
Total Assets	<u>309,076</u>	<u>309,192</u>	<u>306,314</u>
LIABILITIES			
Current Liabilities			
Trade & Other Payables	3,432	393	393
Borrowings	6,007	4,031	4,031
Provisions	1,752	1,988	1,988
Other	0	52	52
Total Current Liabilities	<u>11,191</u>	<u>6,464</u>	<u>6,464</u>
Non-current Liabilities			
Borrowings	27,572	36,891	34,097
Provisions	2,971	2,645	2,645
Total Non-current Liabilities	<u>30,543</u>	<u>39,536</u>	<u>36,742</u>
Total Liabilities	<u>41,734</u>	<u>46,000</u>	<u>43,206</u>
NET ASSETS	<u>267,342</u>	<u>263,192</u>	<u>263,108</u>
EQUITY			
Accumulated Surplus	49,203	45,053	44,969
Asset Revaluation Reserve	218,139	218,139	218,139
Other Reserves	0	0	0
TOTAL EQUITY	<u>267,342</u>	<u>263,192</u>	<u>263,108</u>

APPENDIX C - Budgeted Statement of Cash Flows

	2017-18 Actual \$'000	2018-19 Estimate \$'000	2019-20 Budget \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Receipts from Operating Activities	32,711	29,101	30,034
Payments			
Payments from Operating Activities	<u>(22,405)</u>	<u>(27,865)</u>	<u>(20,863)</u>
Net Cash provided by (or used in) Operating Activities	10,306	1,236	9,171
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts			
Amounts specifically for new or upgraded assets	5,069	273	226
Sale of replaced & surplus assets	303	67	0
Sale of real estate developments	583	0	584
Repayment of loans by Community Groups	54	51	0
Payments			
Development of real estate for sale	(27)	0	0
Expenditure on renewal/replacement of assets	(4,303)	(4,049)	(2,866)
Expenditure on new/upgraded assets	(14,354)	(8,182)	(4,360)
Loans made to Community Groups	<u>0</u>	<u>0</u>	<u>0</u>
Net Cash provided by (or used in) Investing Activities	(12,675)	(11,840)	(6,416)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts			
Proceeds from Borrowings	0	7,344	0
Proceeds from Retirement Village deposits	240	0	0
Payments			
Repayment of Retirement Village deposits	(180)	0	0
Repayment of Borrowings	<u>(1,877)</u>	<u>(320)</u>	<u>(2,794)</u>
Net Cash provided by (or used in) Financing Activities	(1,817)	7,024	(2,794)
Net Increase (Decrease) in cash held	(4,186)	(3,580)	(39)
Cash and cash equivalents at beginning of period	8,458	4,272	692
Cash and cash equivalents at end of period	<u>4,272</u>	<u>692</u>	<u>653</u>

APPENDIX D - Uniform Presentation of Finances

	2017-18 Actual \$'000	2018-19 Estimate \$'000	2019-20 Budget \$'000
Operating Revenue	36,755	29,257	29,535
<i>less: Operating Expenses</i>	31,850	34,127	30,427
Operating Surplus/(Deficit) – (a)	4,905	(4,870)	(892)
Net Outlays on Existing Assets			
Capital Expenditure on renewal and replacement of Existing Assets	4,303	4,049	2,866
<i>less: Depreciation</i>	9,482	9,079	9,565
<i>less: Proceeds from Sale of Replaced Assets</i>	199	0	0
(b)	(5,378)	(5,030)	(6,699)
Net Outlays on New and Upgraded Assets			
Capital Expenditure on New and Upgraded Assets	14,381	8,181	4,360
<i>less: Amounts received specifically for New and Upgraded Assets</i>	5,069	273	226
<i>less: Proceeds from Sale of Surplus Assets</i>	687	0	0
(c)	8,625	7,908	4,134
Equals: Net Lending / (Borrowing) for Financial Year (a) – (b) – (c)	1,658	(7,749)	1,671

**APPENDIX E – Capital Expenditure by Organisation Unit & Service Profile
(excluding carried over projects)**

Capital Projects	Service Profile	Budget 2019-20 \$
Community Services		
Cemetery Infrastructure	Cemeteries	29,500
Town Hall & Other Hall Upgrades	Halls & Public Conveniences	600,840
Recreation/Sporting Facilities	Recreation & Sport	100,000
Disability Discrimination Projects	Community Services	40,000
Retirement Units	Aged Homes	18,400
Library	Libraries	10,000
Tourism Infrastructure	Tourism	19,500
Infrastructure Services		
Foreshore Projects	Foreshore Protection	99,200
Road Construction	Roads & Footpaths	2,507,180
Footpath Construction	Roads & Footpaths	500,000
Stormwater Management Projects	Stormwater	600,000
Plant, Motor Vehicles & Machinery	Other	450,000
Waste Transfer Station	Waste Management & Recycling	11,900
Depot	Infrastructure	40,000
CWMS System upgrades	Community Wastewater Management Scheme	400,000
Executive & Corporate Services		
Furniture & Fittings	Administration	13,100
Information Technology	Administration	36,870
Total New Capital Expenditure		5,476,490

NB: For a detailed explanation of each capital project please refer to the Annual Business Plan.

APPENDIX F – Council Borrowings Summary

	Deb. Number	Interest Rate	Date Facility Available	Amount Approved \$	Amount Borrowed \$	Date of Final Repayment	Balance 31/5/2019	Comments
General Borrowings								
Waste Transfer Station	20 CC	5.0%	15/01/2015	\$500,000	\$500,000	15/01/2030	\$399,940	
CCSLC Upgrade	23 CC	4.45%	15/05/2017	\$2,500,000	\$2,500,000	15/05/2032	\$2,254,010	
Wallaroo Shores	24 CC	Variable	15/8/2018	\$5,250,000	\$5,250,000		\$5,050,000	
Wallaroo Shores	26 CC	Variable	20/2/2019	\$1,750,000	\$1,750,000		\$0	
Total General Borrowings				\$10,000,000	\$10,000,000		\$7,703,950	
Sporting & Community Clubs								
Kadina Football Club	16 CC	5.3%	17/09/2012	\$500,000	\$500,000	17/09/2027	\$330,079	
Wallaroo Sailing Club	18 CC	5.6%	17/06/2013	\$200,000	\$200,000	17/06/2028	\$144,959	
Wallaroo Netball Club	21 CC	4.8%	18/04/2017	\$98,000	\$98,000	18/04/2032	\$88,596	
Wallaroo Mines Bowling Club	TBA			\$200,000	\$0		\$0	
CopperClub Golf & Community Assoc	TBA			\$500,000	\$0		\$0	
Kadina Hockey Club	TBA			\$300,000	\$0		\$0	
Moonta National Trust	TBA			\$500,000	\$0		\$0	
Total Sporting & Community Clubs				\$2,298,000	\$798,000		\$563,634	
CWMS Project								
CWMS Moonta	19 CC	6.0%	16/12/2013	\$9,754,000	\$9,754,000	16/12/2028	\$7,403,654	
CWMS Moonta	20 CC	5.0%	15/01/2015	\$12,000,000	\$12,000,000	15/01/2030	\$9,597,263	
CWMS Moonta	22 CC	4.45%	15/05/2017	\$3,246,000	\$3,246,000	15/05/2032	\$2,926,606	
Total CWMS Project				\$25,000,000	\$25,000,000		\$19,927,523	
General CWMS								
CWMS Plants & Pump Stations	17 CC	5.1%	15/11/2012	\$6,000,000	\$6,000,000	15/11/2027	\$3,940,698	
Total General CWMS				\$6,000,000	\$6,000,000		\$3,940,698	
Caravan Parks								
Wallaroo Holiday Park	17CC	5.1%	15/11/2012	\$500,000	\$500,000	15/11/2027	\$328,598	
Wallaroo Holiday Park	19CC	6.0%	16/12/2013	\$600,000	\$600,000	16/12/2028	\$455,422	
Wallaroo Holiday Park*	25CC	3.6%	15/08/2018	\$2,480,000	\$2,480,000	15/08/2028	\$2,375,883	
Total Caravan Parks				\$3,580,000	\$3,580,000		\$3,159,903	
Total Borrowings				\$46,878,000	\$45,378,000		\$35,295,708	

Note: All borrowings are with the Local Government Finance Authority and have a term of 15 years from the date the facility was made available and are all repayment of principal and interest.

GLOSSARY

Asset Sustainability Ratio

Asset Sustainability Ratio indicates whether the Council is renewing or replacing existing non-financial assets at the same rate as its overall stock of assets is wearing out. The ratio is calculated by measuring capital expenditure on renewal and replacement of assets relative to the level of depreciation. Where a Council has a soundly based Infrastructure and Asset Management Plan, a more meaningful asset sustainability ratio is calculated by measuring the actual level of capital expenditure on renewal and replacement of assets (or proposed in the Annual Budget) with the optimal level identified in the Plan.

Financial Assets

Financial Assets include cash, investments, loans to community groups, receivables and prepayments, but excludes equity held in Council businesses. Also, inventories and land held for resale are not regarded as financial assets.

Financial Sustainability

Financial Sustainability is where planned long-term service and infrastructure levels and standards are met without unplanned and disruptive increases in rates or cuts to services.

Net Financial Liabilities

Net Financial Liabilities equals total liabilities less financial assets, where financial assets for this purpose includes cash, investments, loans to community groups, receivables and prepayments, but excludes equity held in Council businesses, inventories and land held for resale.

Net Financial Liabilities Ratio

Net Financial Liabilities Ratio expresses Net Financial Liabilities as a percentage of total operating revenue. The ratio allows interested parties to readily equate the outstanding level of the Council's accumulated financial obligations against the level of one-year's operating revenue. Where the ratio is falling over time, it generally indicates that the Council's capacity to meet its financial obligations is strengthening.

Net Lending/(Borrowing)

Net Lending/(Borrowing) equals Operating Surplus/(Deficit), less net outlays on non-financial assets. The Net Lending (Borrowing) result is a measure of the Council's overall (i.e. Operating and Capital) budget on an accrual basis. Achieving a zero result on the Net Lending/(Borrowing) measure in any one year essentially means that the Council has met all of its expenditure (both operating and capital) from the current year's revenues.

Non-financial or Physical Assets

Non-financial or Physical Asset means infrastructure, land, buildings, plant, equipment, furniture and fittings, library books and inventories.

Operating Deficit

Operating Deficit is where operating revenues less operating expenses is negative and operating income is therefore not sufficient to cover all operating expenses.

Operating Expenses

Operating Expenses are operating expenses including depreciation but excluding losses on disposal or revaluation of non-financial assets.

Operating Revenues

Operating Revenues are operating revenues shown in the Income Statement but exclude profit on disposal of non-financial assets and amounts received specifically for new/upgraded assets, e.g. from a developer. For ratios calculated where the denominator specified is total operating revenue or rate revenue, Natural Resource Management (NRM) levy revenue is excluded.

Operating Surplus

Operating Surplus is where operating revenues less operating expenses is positive and operating revenue is therefore sufficient to cover all operating expenses.

Operating Surplus Ratio

Operating Surplus Ratio expresses the operating surplus (deficit) as a percentage of general and other rates.