



District Council of Franklin Harbour 2018 – 2019 Annual Business Plan



District Council of Franklin Harbour

PO Box 71

COWELL SA 5602

www.franklinharbour.sa.gov.au

Phone: (08) 8629 2019

Fax: (08) 8629 2152

Email: council@franklinharbour.sa.gov.au

TABLE OF CONTENTS

INTRODUCTION	3
PROFILE	3
STRATEGIC DIRECTIONS	3
CORE VALUES AND PRINCIPLES	3
STRATEGIC PLAN GOALS AND STRATEGIES	3
COUNCIL SERVICES AND RESPONSIBILITIES	5
HOW DOES COUNCIL DETERMINE WHAT SERVICES IT WILL PROVIDE?	5
HOW DOES COUNCIL PAY FOR THESE SERVICES	5
COUNCIL'S OPERATING REVENUE	6
GRANT FUNDING	6
HOW DOES COUNCIL DETERMINE WHAT RATES I WILL PAY	6
METHOD USED TO VALUE LAND	7
RATING INFORMATION FOR 2018/2019	7
ADOPTION OF VALUATIONS	8
BUSINESS IMPACT STATEMENT	8
COUNCIL'S REVENUE RAISING POWERS	8
DIFFERENTIAL RATES	8
FIXED CHARGE	9
SERVICE CHARGE	9
LATE PAYMENT OF RATES	8
RATE CONCESSIONS	9
POSTPONEMENT OF RATES FOR SENIORS	9
PAYMENT OF RATES	10
SALE OF LAND FOR NON-PAYMENT OF RATES	10
REBATE OF RATES	10
DIFFICULTY IN PAYING RATES	10
COUNCILS MAIN OBJECTIVES FOR THE 2018/2019 FINANCIAL YEAR	10
SUMMARY OF PLANNED INCOME, EXPENSES & CAPITAL EXPENDITURE	11

INTRODUCTION

The purpose of this Plan is to address the activities Council intends to undertake in the 2018/2019 financial year to achieve its objectives, and the measures both financial and non-financial it will use to assess this. The Council will measure performance against objectives by the successful completion of all projects on time and within Budget.

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

PROFILE

Located on the eastern side of the Eyre Peninsula and bordering the Spencer Gulf, the District Council of Franklin Harbour is home to an estimated population of 1,350 people and covers an area of 2,767 square kilometres with 749 kilometres of roads. Cowell is the major centre in the district, which also comprises the holiday areas of Lucky Bay and Port Gibbon and the localities of Elbow Hill and Mitchellville.

STRATEGIC DIRECTIONS

The District Council of Franklin Harbour adopted its 2017-2021 Strategic Plan in January 2017. Amongst the obligations when adopting its Plan was the consideration of regional, state and national objectives and strategies relevant to the social, physical, environmental development and management of Council's area of responsibility. The plan identifies key issues and projects which will provide for a range of services and facilities while ensuring the ongoing sustainability and prosperity of Franklin Harbour.

VISION

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

CORE VALUES & PRINCIPLES

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

We will deliver a high standard of essential services in a sustainable manner

We will represent the needs of our community to the wider population

We will preserve and enhance our heritage and environment

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

STRATEGIC PLAN GOALS AND STRATEGIES

GOAL 1 - COMMUNITY WELLBEING

Maximise the benefit to the community from improved community services.

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

GOAL 2 - ECONOMIC WELLBEING

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

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

GOAL 3 – NATURAL AND BUILT ENVIRONMENT

Maintain our high quality living environment

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

GOAL 4 – GOVERNANCE AND ORGANISATION

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

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

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

COUNCIL SERVICES AND RESPONSIBILITIES

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

Required Services:

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

- Planning
- Building and Development
- Environmental Health Services

- Fire Prevention
- Dog and Cat Management

Other Services:

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

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

HOW DOES COUNCIL DETERMINE WHAT SERVICES IT WILL PROVIDE?

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

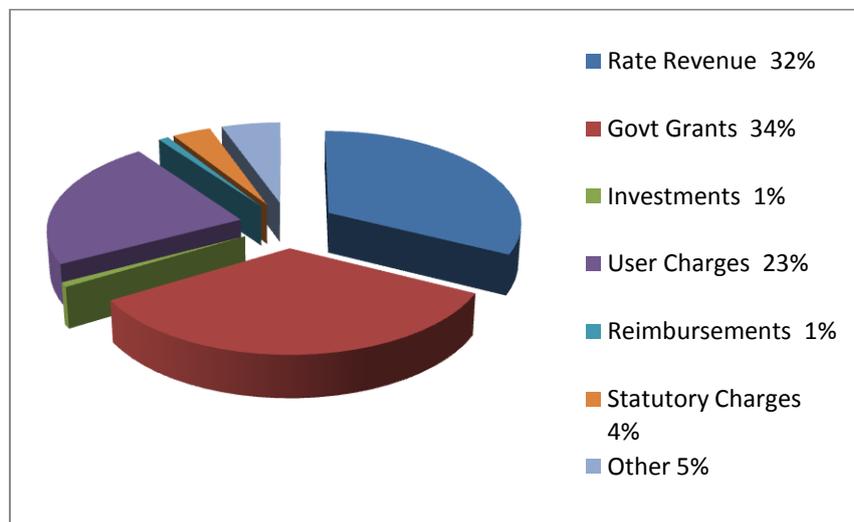
Council adopted the initial Strategic Plan in May 2002 following extensive Community consultation. Further comprehensive reviews of the plan were completed in May 2009, December 2011 and again in January 2017. The full list of the achievements from the previous year is available in Council’s Annual Report available from the office or at www.franklinharbour.sa.gov.au.

HOW DOES COUNCIL PAY FOR THESE SERVICES

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

COUNCIL’S OPERATING REVENUE

Council rate revenue makes up approximately 32% of annual operating revenue. Other sources of income include government grants 34%, investments 1%, user charges 23%, reimbursements 1%, statutory charges 4% and Other 5%.



GRANT FUNDING

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

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

HOW DOES COUNCIL DETERMINE WHAT RATES IT WILL SET?

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

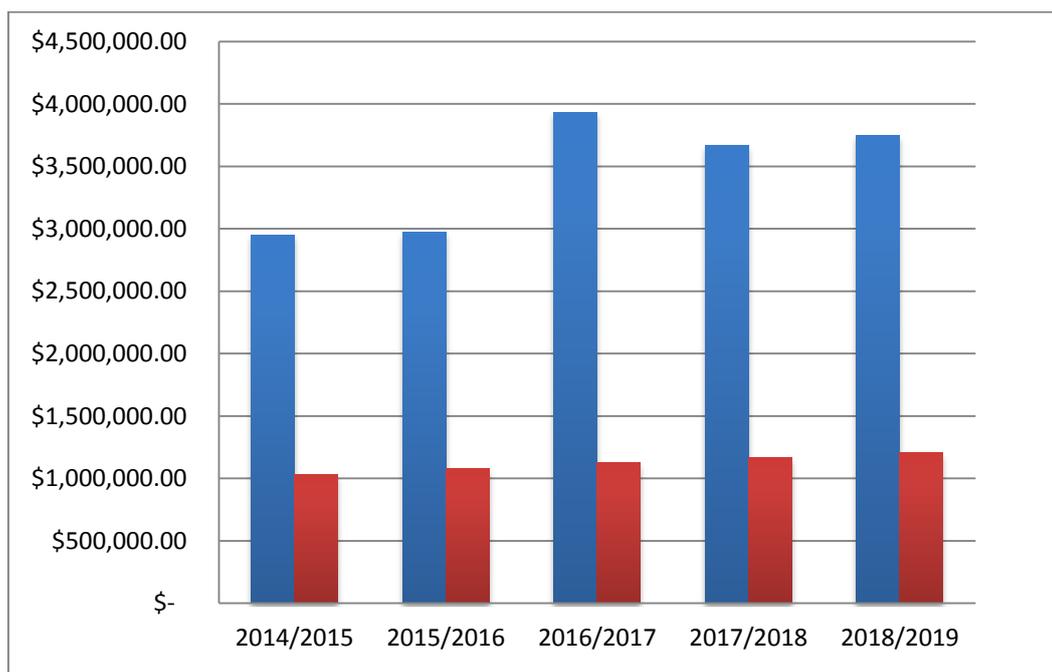
Following a comprehensive, independent review in early 2011, Council adopted Capital Values as provided by the State Government Valuer Generals Department on all properties in the Council District. Council determines what revenue is required for Council operations in the District for each financial year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

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

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

In 2017/2018 Council's rate revenue was \$1,172,766 and Council resolves that in the 2018/2019 financial year an approximate 2% increase will apply to raise rate revenue of approximately \$1,196,221.

Operating Revenue and Rates Revenue for financial years 2014/2015, 2015/16, 2016/17, 2017/18 & 2018/19



METHOD USED TO VALUE LAND

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

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

The District Council of Franklin Harbour uses capital value as the basis for valuing land within its Council area. Council considers that this method of valuing land provides the fairest method of distributing the rate burden across all ratepayers on the following basis:

- The equity principle of taxation requires that ratepayers of similar wealth pay similar taxes and ratepayers of greater wealth pay more tax than ratepayers of lesser wealth.
- Property value is a relatively good indicator of wealth and capital value provides a fair indicator of overall property value.
- The distribution of property values throughout the Council area is such that some ratepayers will pay more and some less depending on fluctuations of property value.

RATING INFORMATION FOR 2018/2019

In setting its rates for the 2018/2019 financial year the Council considered the following:

- The current economic climate and relevant factors such as inflation and interest rates.
- The specific issues faced by our community, which are the effects of seasonal variations for the farming community.
- The need to continue to replace and upgrade infrastructure assets that include both plant and machinery and our road network.
- The objective of attracting and continuing to attract and support business activity to generate economic development.
- Council's strategic plan and the meeting of those objectives.
- The budget for the 2018/2019 financial year and the long-term financial plans.
- Householders, businesses and primary producers.
- The broad principal of achieving equity in the distribution of rates.
- Minimising the level of general rates required by levying fees and charges for goods and services where that is possible.
- Setting fees and charges to recover the full cost of operating or providing the services of goods, with provision for concessions to those members of the community unable to readily meet the full cost.
- Taking into account changes to Council valuations by the Valuer-General.
- Submissions made during the Public Consultation process.

ADOPTION OF VALUATIONS

The Council will consider the valuations made by the Valuer-General effective as at 1st July 2018. If a ratepayer is dissatisfied with the valuation made by the Valuer-General then the ratepayer may object to the Valuer-General in writing, within 60 days of receiving notification of the valuation, explaining the basis for the objection to **State Valuation Office, GPO Box 1354, ADELAIDE SA 5001** or email lsgobjections@sa.gov.au.

BUSINESS IMPACT STATEMENT

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

COUNCIL'S REVENUE RAISING POWERS

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

DIFFERENTIAL RATES

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

Land Use / Zone	Approximate Number of Properties
Residential	632
Commercial – Shop	14
Commercial – Other	33
Industry – Light	14
Industry – Other	6
Commercial (Bulk Handling) Zone	3
Primary Production	266
Vacant Land	170
Other	10

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

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

FIXED CHARGE

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

SERVICE CHARGE

In 2017/2018 council increased the standard waste service charge for occupied properties in Cowell, Port Gibbon and Lucky bay to \$250 for the first service and \$200 for each additional service.

In 2014/2015 Council introduced three new service charges. These are:

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

Council also introduced a separate charge for the Lucky Bay ratepayers to pay for the Erosion Projection Investigation and Design Project. On request by the Lucky Bay ratepayers this was increased in 2017/2018 from \$59.93 to \$100 to help clear the debt.

In 2016/2017 Council introduced 2 new charges for ratepayers affected by the Community Wastewater Management Scheme. These are a fixed charge and a service charge.

In 2016/2017 ratepayers were only charged for 9 months of the year with the scheme becoming operational on the 1st October 2016.

In 2017/2018 Council began paying back the \$4,200,000 borrowed to complete this project. \$400,000 was paid as a lump sum, \$1,000,000 is in a principal and interest loan, and the remaining \$2,800,000 is set up as an interest only loan.

The charges to ratepayers for the CWMS for 2017/2018 were \$367.00 for the fixed charge and \$442.00 for the service charge. After conducting a review on the costs for maintenance for 2017/2018 the following charges are proposed for 2018/2019.

- \$367.00 - Fixed Charge – principal and interest component
- \$150.00 - Service Charge - labour, overheads, materials, electricity and depreciation.

For those ratepayers that wish to pay for the capital connection fee up front, the fee has been set as \$6,700.00.

REBATES (CAPPING)

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

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

LATE PAYMENT OF RATES

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

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

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

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

In order to raise the funds required for this year's Budget, Council will increase rate revenue by approximately 2%.

Council collects and pays on behalf of the State Government a Natural Resources Management Levy that replaces the previous Eyre Peninsula Catchment Water Management Levy and the levy Council used to pay to the Animal and Plant Control Board. This levy is shown on the Council rate notice. The rates set by the Eyre Peninsula Natural Resource Management Board for 2018/2019 are as follows

Residential - \$75.99
Commercial - \$113.98
Industrial - \$113.98
Primary Producers - \$151.98
Other & Vacant Land - \$75.99

POSTPONEMENT OF RATES FOR SENIORS

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

PAYMENT OF RATES

The Council is proposing that payment of rates will be by four instalments due on 1 September 2018, 1 December 2018, 1 March 2019, and 1 June 2019.

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

SALE OF LAND FOR NON-PAYMENT OF RATES

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

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

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

DIFFICULTY IN PAYING RATES

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

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

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

COUNCIL'S MAIN OBJECTIVES FOR THE 2018/2019 FINANCIAL YEAR

Council has budgeted an amount of \$50,000 in its operation budget for the Foreshore, this money will be used for detailed designs and plans for future development. In 2017/2018 Council was successful in gaining a grant in the amount of \$543,000 through the SLGIP funding for the foreshore. This amount was 20% of the funding required for the first stage of the project with Council having to source the remainder of the funds from elsewhere. As a result of receiving these funds from the Government Council has the ability to borrow the remainder of the funds(\$2,000,000) required at a lower interest rate through the Local Government Finance Authority (LGFA). Council is proposing to borrow these funds and place them in a reserve account pending receipt of other grant funding. Council are also awaiting confirmation that we have been successful in obtaining a grant of \$2,200,000 from SABFAC.

In accordance with objective 2.06 – Provide appropriate infrastructure for economic development, the following major activities and works are planned – re-sheeting of various sections of the local road network identified in Council's ten (10) year Works Plan, including Beach Road. Sealing works will also be carried out on the following

roads: Esplanade North (from Second Street to North Terrace), Venning Street (from Story Road to Warne Street) and the deviation on Beach Road.

SUMMARY OF PLANNED INCOME, EXPENSES & CAPITAL EXPENDITURE

Major income expected in 2018 – 2019 is as follows:

SABFAC GRANT & LOAN – FORESHORE REDEVELOPMENT	\$4,200,000
Financial Assistance Grants	\$1,042,851
Rates Income	\$1,207,949
Waste Management Charges	\$210,620
Local Road Grants	\$334,446

Council's planned capital expenditure for 2018 – 2019 is set out as follows:

FORESHORE REDEVELOPMENT	\$2,200,000
Road Construction – Unsealed	\$400,000
Road Construction – Sealed	\$116,000
Footpaths & Kerbing	\$50,000
Vehicles (2 water tankers, 2 light vehicles)	\$171,052
Institute Toilets Upgrade	\$30,000
Lucky Bay Water Line	\$100,000