

ANNUAL BUSINESS PLAN

2017/18

UNEARTH A BRIGHT FUTURE FOR WHIYALLA

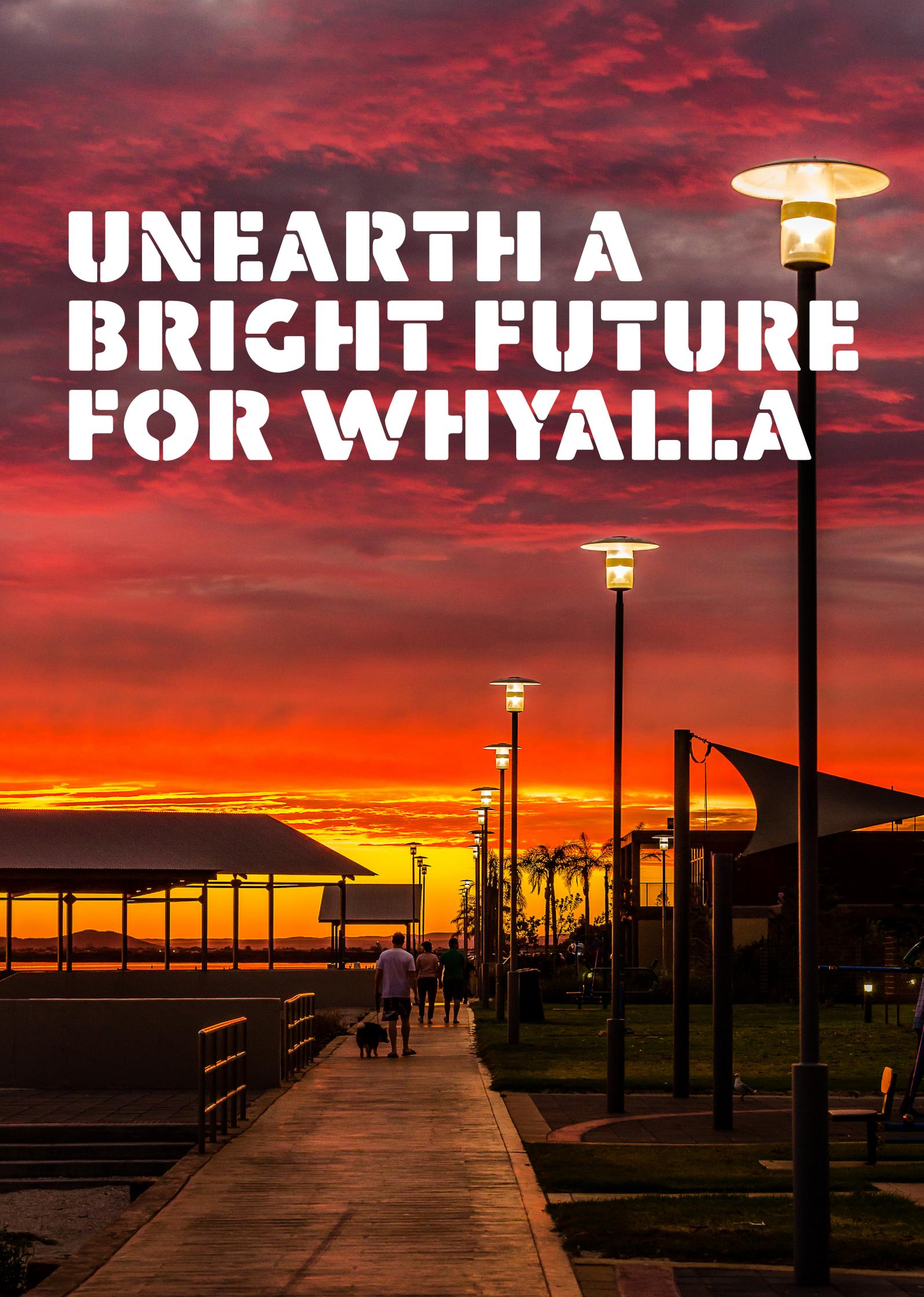


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INTRODUCTION

The Annual Business Plan sets out the Councils' proposed services, programs and projects for 2017/18. It aims to maintain efficient services for the community and continue progress towards the longer term objectives for the City of Whyalla as set out in the Strategic Plan reviewed in 2017.

The Annual Business Plan is Councils' key management document reflecting the work that Council needs to undertake over the next year to meet its Strategic Plan goals and objectives within the constraints of the revised Ten Year Financial Plan.

Councils' 2017/18 annual budget has been premised on its Strategic Planning priorities and aims to ensure financial sustainability objectives.

OUR CITY

The City of Whyalla is a culturally diverse regional community and is home to approximately 22,000 people. The Council area includes Eight Mile Creek and extends south of the city to Murninnie Beach and north of the Point Lowly shacks to the Army boundary fence.

Whyalla has an established industry and retail base, strong community spirit and its residents enjoy a comfortable lifestyle with sufficient amenities, events and activities.

The Annual Business Plan is an operational document, and as such, Council considers the current economic conditions and the environment in which it operates during the development and presentation of this Plan.

This Plan has been prepared on the basis of maintaining an appropriate level of services to the community, maintaining a Budget Surplus in 2017/18 and is based on a rating strategy of 0% in year 1 and 2% for years 2 to 10. The provision of services by Council is a reflection of Councils' obligations under legislation, the community's desire for more, and for a better level of service and infrastructure, including a wider range of facilities.



1. OUR FUTURE

The strategic plan for the Whyalla Community sets out the key goals and objectives of the council and the approach required to meet them.

GOAL

Unearth a bright future for Whyalla.

VISION

Whyalla will be a vibrant, attractive city offering the community a diverse range of sustainable economic, social, environmental and cultural opportunities.

VALUES

Integrity

Transparency

Accountability

Respect

Commitment to community

Good governance

Innovation

Fairness and equity

Safety

STRATEGIC DOCUMENTS AND PROGRAMS

Strategic Plan and our long term objectives

In accordance with Chapter 8 Section 122 of the Local Government Act 1999 (Strategic Management Plans), Council has reviewed its Strategic Plan in 2017.

This plan sets out the long-term aspirations of the Council (i.e. where do we want to be in the future) and how Council intends to achieve the vision within the period of the Plan.

Key objectives/outcomes are detailed along with those strategies necessary to achieve the outcome of each objective.

Key objectives

Our people

Embed a range of services and facilities which promote a safe and engaged community, which is healthy, culturally and socially rich.

Our places

Our natural and built environment supports the economic, social, and physical needs of the city.

Our image

Whyalla is well respected and recognised as a community of strength, whose people have a bright, positive and sustainable future.

Our future

We celebrate a culture of diversity and opportunity with a local and regional focus.

Key outcomes

- » Confident, engaged and proud community
- » Integrated education and training opportunities
- » Attractive city
- » Diverse economy
- » Integrated health, disability and aged care services

Ten year long term financial plan

This Plan balances the level of funding required to achieve the city's outcomes and is premised on an annual rate increase in 2017/18 of 0% then 2% for the life of the plan.

This document, along with the Strategic Plan, becomes the basis for the preparation of the Annual Business Plan and Budget for 2017/18.

The Plan has been updated to meet the Local Government Act 1999 and Financial Regulations requirements.

A major component of the Plan is the current focus on maintaining and delivering services in a financially sustainable way, accrual accounting and the effective management of Councils' assets.

The Long Term Financial Plan is intended to be a guide to predicted results for the next ten years based on a range of assumptions about future performance.

Where there is a change between past assumptions and subsequent realities, there will be a degree of variance between results and the output of the Plan.

Due to the revision of and changes to the Infrastructure Asset Management Plans of the Council, the Long Term Financial Plan has also undergone extensive review to ensure that the output of the plan represents our best estimate of future realities.

Each budget year should form the base year for the next ten year cycle.

Asset Management Plans (AMPs)

In accordance with Chapter 8 Section 122 of the Local Government Act 1999 (Strategic Management Plans), Council is required to adopt plans for each of its classes of assets.

These plans detail Councils' maintenance and renewal requirements for the next ten years.

The current funding needs based upon the requirements of the Asset Management Plan is approximately \$65 million over the next 10 years.

Key Financial Indicators

In accordance with Section 122 of the Local Government (Financial Management and Rating) Amendment Act 2005, Council is required to introduce measures to assess its performance over the financial year.

The table below sets out those measures that provide a reliable means of assessing our performance.

At a rate increase of 0%, Council is able to meet these sustainability targets in 2017-18.

Targets can be largely met in subsequent years at a rate increase level of 2% for the life of the plan, however the reliance on loan funding may increase.

Key financial indicators	2016 audited	2017 estimate	2018 Plan Year 1	2019 Plan Year 2	2020 Plan Year 3	2021 Plan Year 4	2022 Plan Year 5	2023 Plan Year 6	2024 Plan Year 7	2025 Plan Year 8	2026 Plan Year 9	2027 Plan Year 10
Operating surplus / (deficit) - \$'000	(1,266,805)	2,443,840	(1,675,564)	139,179	137,040	(315,768)	(69,308)	290,045	250,518	498,657	(56,622)	(232,643)
Operating surplus ratio - %	(7)%	12%	(8)%	1%	1%	(2)%	0%	1%	1%	2%	0%	(1)%
Net financial liabilities - \$'000	9,237,264	7,176,466	9,753,889	9,216,110	8,317,052	7,408,115	6,643,090	6,593,991	6,008,469	6,024,429	6,429,803	4,416,492
Net financial liabilities ratio - %	33.7%	22.4%	34.8%	30.4%	27.0%	23.6%	20.8%	20.3%	18.2%	17.9%	18.8%	12.7%
Asset sustainability ratio - %	59%	122%	91%	100%	156%	171%	147%	76%	85%	158%	127%	143%
Underlying Operating surplus / (deficit) - \$'000	(1,266,805)	266,609	501,667	139,179	137,040	(315,768)	(69,308)	290,045	250,518	498,657	(56,622)	(232,643)
Underlying Operating surplus ratio	(7)%	1%	3%	1%	1%	(2)%	0%	1%	1%	2%	0%	(1)%

Councils' Annual Budget is formulated to address the following key objectives from the Strategic Plan:

- » Our people
- » Our places
- » Our image
- » Our future

The Budget has been developed in conjunction with Councils' Ten Year Financial and Annual Business Plan documents.

This budget has been developed in light of financial information available at the time of drafting, the range of services required under legislation and that level of service desired by the community, all with a view to long-term financial sustainability.

Key performance indicators	Actual 30/6/2016	Adopted budget 2016/17	Projected budget 30/6/2017	Draft budget 30/6/2018	Target	Target achieved Y/N
Operating surplus / (deficit)	\$(1,266,805)	\$365,289	\$2,443,840	\$(1,675,564)	Deficit	No
Operating surplus ratio - %	-(5%)	2%	12%	-8%	2.5% to 7.5%	No
Net financial liabilities ratio - %	34.0%	39.2%	22.4%	34.8%	0% to 50%	Yes
Asset sustainability ratio - %	59.0%	114.0%	122.3%	91.0%	90% to 110%	Yes
Underlying operating surplus/deficit	\$935,371	\$365,289	\$266,609	\$501,667	Surplus	Yes
Underlying operating surplus ratio - %	3%	2%	1%	3%	2.5% to 7.5%	Yes

Capital Improvement Program

Council has developed a Capital Improvement Program to ensure that Councils' assets are protected, developed and maintained in a timely fashion and in accordance with the Infrastructure Asset Management Plan.

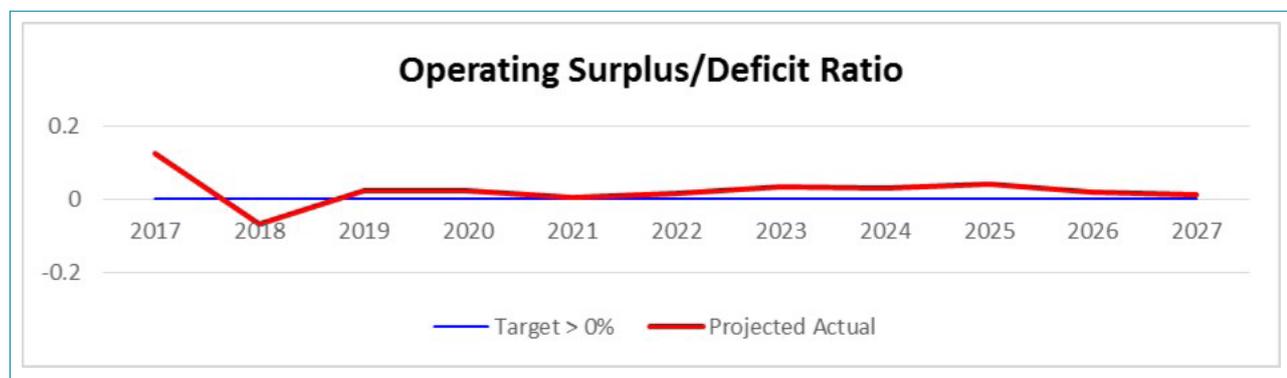
Annual Business Plan

The Annual Business Plan documents the actions required by each Service area of the Council to ensure that the desired outcomes of the Strategic Plan can be achieved.

Our progress toward achievement of the desired outcomes is monitored.

Operating surplus / (deficit)

At 0% rate increase in year 1 then 2% for the life of the Long Term Financial Plan and maintaining the current service mix and levels, the Council should be able to maintain steady surpluses for the life of the plan.



2. SIGNIFICANT INFLUENCES AND PRIORITIES

External factors

- » Uncertain economic conditions related to the possible closure or business restructure of Arrium/One Steel, including business closures and rising unemployment; and
- » Social issues including ageing population, youth disengagement, withdrawal of government services.

Internal factors

- » Fees and charges levied by other levels of Government but collected by Local Government (NRM Levy);
- » Requirements to maintain and renew infrastructure assets to acceptable standards including roads, footpaths, lighting, storm water drainage, recreational open space, street trees and plantings, public facilities and operational properties as highlighted in the reviewed Asset Management Plans;
- » Service programs and infrastructure needs for a changing population;
- » Maintaining the range and levels of services, including the cost of maintaining recently redeveloped reserves and Councils commitment to developing an Aged Friendly city.

In response to these factors, and to returning the Budget to Surplus, the Annual Business Plan has been prepared on the basis that for average residential properties the rate increase will be 0%.

Priorities for 2017/18

- » To undertake a Capital Works Program plus brought-forward projects of \$8,655,660 including \$5,619,160 for the replacement/renewal of existing assets and \$3,036,500 for new and upgraded assets. The program has a dual purpose:
 1. To address as far as practical, the asset renewal requirements as indicated in the AMP's.
 2. To ensure that Council continues to upgrade assets to a standard consistent with community expectations.
- » The program includes:
 - Development of new jetty
 - Renewal and upgrades of major infrastructure including road, footpath, street signs, storm-water and marine structures
 - Implementation of recommendations landscape upgrade works from the landscape Architectural Consultants, Oxigen and the Changing Place report titled Enhancing Opportunities for Whyalla Cemetery
 - Upgrading of Council buildings and facilities aimed at improving livability and quality of life

3. CONTINUING SERVICES

All Councils provide a range of services that address basic responsibilities under the Local Government Act and other relevant legislation and those services that are provided in response to changing community needs.

Whyalla City Council has 8 Key Service Areas. Council does not expect any change to the service delivery mix for the coming year.

External services

Environmental Services: Kerbside collections, management of Waste Landfill site at Mount Laura, clean-up of illegal dumping, street cleaning, and management and protection of local environments.

Planning and Development Services: Economic Development, Strategic Policy and Projects; Development Assessment and Compliance.

Regulatory Activities: Environmental Health Services, Traffic and Parking Control and Dog and Cat Management.

Community Service Activities: Cemetery and Cremations, Whyalla Public Library Services, Child Care Centre, Community Development, Visitor Information Centre and Airport Services.

Community Recreation and Leisure Activities: Public facilities and sport and recreation facilities, including public parks, open space recreation areas, leisure centre; and marinas, jetties, boat ramps and swimming enclosure.

Assets and Engineering Services: Design and project management, road maintenance and other infrastructure assets including the following: roads, footpaths, streetscape, street furniture and stormwater assets.

Internal services

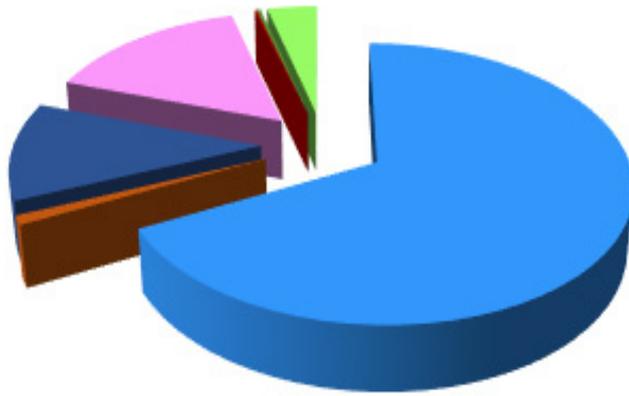
Governance: Executive office including Elected Members support and Local Government Relations.

Corporate Services: Community management and customer service, marketing and strategic events, human resources, corporate and financial management, information services, procurement and media and communications.

Council also provides for the operation of a number of facilities on a “fee for service” basis. These services and facilities provide important community benefits while generating revenue. Where possible, Council aims to set fees for these services on at least a cost recovery basis include:

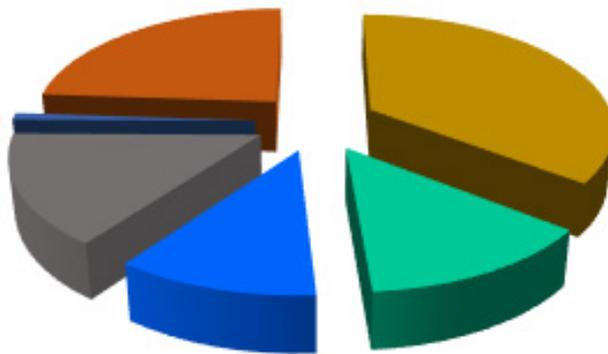
- » Child Care Centre;
- » Marinas and mooring facilities;
- » Airport;
- » Mount Laura Waste and Resource Recovery Centre;
- » Cemetery and crematorium

Budget Income 2017-18



- Rates
- Statutory Charges
- User Charges
- Grants/Subsidies
- Investment Inc
- Reimbursement
- Other Revenues

Budget Expenses 2017-18



- Wages
- Contract
- Materials
- Other
- Finance
- Depreciation



4. PROJECT PRIORITIES

This Annual Business Plan aims to achieve Council objectives through the following key actions.

Our people

Community Events: Christmas pageant support, Graeme Jose Awards, Youth Week, Volunteer Week, Naidoc Week, Christmas Carols, Art prize, Anzac Day

Community Development & Engagement: Bush Medicine & Indigenous development

Support Community Clubs and Groups: Community Assistance, Community Grants, Community Development Programs and Community Art Projects

Community Wellbeing Programs: Support for HACC, Star Club Activities, Youth Council, YAK shack and other Youth Programs and implementation of the "Aged Friendly Cities" initiatives. Support for Foodbank, Smith Family and Reserve Cadet Groups

Provision of Community Services: Child Care Centre, Whyalla Public Library, Whyalla Health & Leisure Centre and Cemetery & Crematorium services

Our places

To manage and protect our built and natural landscapes to ensure environments are protected and enhanced for community benefit (foreshore and other coastal).

To provide a waste management service that is environmentally sustainable and cost effective.

To manage and maintain our public spaces in order to provide passive and active recreation opportunities for the enjoyment of our citizens and visitors.

To manage and maintain our road, footpath, kerb, storm-water and building assets to an acceptable asset condition consistent with the community's expectations.

To undertake a comprehensive assessment of stormwater management throughout the City by development of a Stormwater Management Plan, investigation of stormwater harvesting and re-use opportunities and implementation of specific localised flood mitigation measures.

To manage and maintain our marine structures effectively in relation to potential threats from severe storm events.

To manage our airport as a key regional transport asset that can contribute to future economic growth.

To develop and implement annual maintenance programs, that reflects maintenance and risk priorities and delivers the desired level of service.

To undertake an Asset Renewal and upgrade program consistent with the desired level of service and in accordance with Asset Management plan requirements.

Expenditure amounts are outlined in the table below.

Assets	Total	Renewal	New/upgraded
Roads & footpaths	\$3,616,160	\$3,316,160	\$300,000
Stormwater	\$350,000	\$200,00	\$150,000
Buildings and facilities	\$790,000	\$490,000	\$300,00
Landscape master plan	\$215,000	\$215,000	-
Land improvements	\$1,437,000	\$712,000	\$725,000
Marina	\$1,400,000	\$300,000	\$1,100,000
Furniture & equipment	\$166,500	-	\$166,500
Plant & equipment	\$490,000	\$260,000	\$230,000
Street signs & tourist signs	\$126,000	\$126,000	-
Bike path & bus stops	\$65,000	-	\$65,000
TOTAL PROGRAM	\$8,655,660	\$5,619,160	\$3,036,500

Our image

To instil community pride.

To create an attractive city for the community, visitors and potential investors.

Our future

Review Long Term Financial Plan, Asset management Plans and Budgets in accordance with LG Act requirements and provide reporting internally to relevant officer, to the elected body and to external parties, to ensure sustainability objectives and reporting requirements are met.

Complete the framework for project management including links to Procurement, Due Diligence and WHS tools and templates to provide adequate control that ensures projects are managed in accordance with Budget and project outcomes match the stated objectives.

Develop a well-defined governance framework complete with document maps, policy & procedure review and reporting schedule and a monitoring and reporting regime, to ensure that Council operates in accordance with Local Government Act and other relevant legislation.

Review the Strategic Risk Profile to ensure that risks are identified, are reflective of the changing environment and that mitigation measures enable Council to adapt and respond to external shocks and manage and control risks.

Review employee management systems to support employee development that links to their roles in the achievement of council strategies to ensure that Council provides best practice systems and encourages the development of employee skills for the benefit of council and the community.

Develop and maintain systems that assist in the achievement of compliance with Performance Standards for Self-Insurers, including regular reporting and monitoring by the EMT to ensure that WHS becomes part of the Culture at Whyalla council.

Prepare and distribute a business prospectus that showcase's Whyalla's attributes for new and expanding business and the opportunities and potential this region offers.

Council will continue to facilitate employment generating activities and uses to the Whyalla Industrial Estate and our commercial zone precincts.

Advocate for unlocking the potential of under-utilised crown land adjacent to the Whyalla Foreshore for development. In addition continue investigations to facilitate the development of the Marina through an appropriate development delivery model as a recreational, fishing, commercial and residential area that is a showcase for Whyalla.

With the imminent completion of the Northern Coastline Master Plan enable and facilitate the implementation of study recommendations to expand the region's appeal to locals and visitors alike.

Council will continue to work towards the diversification of our local economy by facilitating an environment that encourages investment and enables tourism businesses to thrive and prosper. We will support the development of industry infrastructure, growth capacity and sustainability to ensure industry viability.

Working with local stakeholders Council aims to increase destination awareness and improve the visitor experience and enable the development of new and diverse tourism products in Whyalla.

5. MEASURING OUR PERFORMANCE

In order to report on outcomes and achievement of the Councils' strategic goals, our activities are monitored and reported as part of the quarterly budget review process.

Objective	Description	Actions	Performance outcome
Our Places: Our natural and built environment supports the economic, social and physical need of the city.	To create a city that is attractive and showcases our natural and built assets.	Upgrade the entrances to Whyalla to create an inviting, modern, visual impression for visitors arriving in the city.	Completed by 30 June 2018.
Our Places: Our natural and built environment supports the economic, social and physical need of the city.	To create a city that is attractive and showcases our natural and built assets.	Complete Signage Masterplan for Whyalla.	Completed by 30 June 2018.
Our Places: Our natural and built environment supports the economic, social and physical need of the city.	To protect our natural environment, minimise our ecological footprint and the impact of environmental issues on the City.	In partnership with EPNRM, actively promote, rehabilitate and conserve our natural environment and coastal areas.	Ongoing
Our People: to embed a range of services and facilities which promote a safe and engaged community, which is healthy, culturally and socially rich.	Unearth community pride within the city.	Regularly inform the community of council activities, decisions and actions. Promote positive stories, positive image. Articulate the positive approach the city takes. Social media, real time posts.	Updates via newsletters, Facebook and council website.
Our People: to embed a range of services and facilities which promote a safe and engaged community, which is healthy, culturally and socially rich.	To create a vibrant, diverse, actively engaged community with a sense of belonging.	Encourage the participation of our youth in our city by providing opportunities for leadership, social, community and economic participation.	Continue youth council, youth week events and ongoing support for youth activities.
Our People: to embed a range of services and facilities which promote a safe and engaged community, which is healthy, culturally and socially rich.	To improve the safety, health & wellbeing of our community.	Focus on the next stage of Living Well Aged and Disability Care Masterplan, with the goal of becoming recognised as the world's first Disability Friendly City.	Implement Aged and Disability Masterplan
Our Image: Whyalla is well respected and recognised as a community of strength whose people have a bright, positive and sustainable future.	Instil community pride.	Continue to promote Rebranding of Whyalla as per plan.	Ongoing
Our Image: Whyalla is well respected and recognised as a community of strength whose people have a bright, positive and sustainable future.	To create an attractive city for the community, visitors and potential investors.	Complete median strategy.	Ongoing

Objective	Description	Actions	Performance outcome
Our Image: Whyalla is well respected and recognised as a community of strength whose people have a bright, positive and sustainable future.	To create an attractive city for the community, visitors and potential investors.	Complete Mayor Keith Wilson Park upgrade.	Completed by 30 June 2018.
Our Future: We celebrate a culture of opportunity with a local and regional focus.	To create a diversified, sustainable and economically competitive city that leverages the economic potential of Eyre Peninsula and the Upper Spencer Gulf Region (USG).	Expand the visitor experience through the development of new and diverse tourism products in line with the Northern Coastline Masterplan.	Ongoing
Our Future: We celebrate a culture of opportunity with a local and regional focus.	To create a diversified, sustainable and economically competitive city that leverages the economic potential of Eyre Peninsula and the Upper Spencer Gulf Region (USG).	Focus on increasing Whyalla City Council participation and collaboration with Regional Development Australia Whyalla and Eyre Peninsula (RDAWEP), Spencer Gulf Cities, to ensure we generate more outcomes for Whyalla.	Ongoing
Our Future: We celebrate a culture of opportunity with a local and regional focus.	To create a diversified, sustainable and economically competitive city that leverages the economic potential of Eyre Peninsula and the Upper Spencer Gulf Region (USG).	Seek to grow the economic benefit of increased defence activity in the region.	Ongoing



6. FUNDING THE BUSINESS PLAN

Consistent with Councils' Long Term Financial Plan, an Operating Surplus is aimed for in each planning period. Council aims to achieve an Operating Surplus in the short to medium-term (one to five years) and long-term financial sustainability is dependent on ensuring that on average, over time, its operating expenses including depreciation are less than operating income.

Operating revenue and expenses for the 2017/18 year are summarised below:

Items	Revenue budget (excludes rates)	Expenditure budget	Net budget
Environmental Services	\$1,336,850	\$4,086,947	\$(2,750,097)
Planning and Development Services	\$151,500	\$1,213,894	\$(1,062,394)
Regulatory Services	\$297,740	\$737,388	\$(439,648)
Community Services	\$2,128,532	\$4,653,067	\$(2,524,535)
Community Recreation and Leisure	\$364,707	\$3,829,829	\$(3,465,122)
Assets and Engineering Services	\$801,791	\$8,747,437	\$(7,945,646)
Governance	\$2,400	\$905,801	\$(903,401)
Corporate Support Services	\$3,127,080	\$5,505,715	\$(2,378,635)
Rates revenue			(\$19,793,914)
OPERATING SURPLUS/(DEFICIT)			\$(1,675,564)

Councils' proposed revenues for 2017/18 include the following:

- General Rates and Rebates, Fines and Interest \$15,631,380
- NRM Levy: \$855,324
- Waste Management Levy (less remissions): \$3,309,210
- User Pay Charges: \$3,485,472 Service fees; Child Care, Maritime Museum, Airport and Landfill
- Statutory Charges: Set by other levels of Government: \$313,660 Fees and charges for services set by regulation and collected by Council and include, Development Act Fees, Town Planning fees, Parking Fines and Expiation fees, Health fines, Environmental Control fines, Litter Control fines, Septic Tank fees, license fees and fines. These are generally off-set by the cost of providing the service
- Interest Income: \$32,000 – Interest income will be affected by the timing of cash flows
- Grants and Subsidies: \$3,150,258: Council attracts an annual amount of funding based on factors determined by the Grants Commission. Council also seeks to attract additional grants and subsidies to provide for projects and programs run by Council
- Other Revenues: \$1,143,710 which includes \$696,395 One-Steel ex-gratia payment

Council's proposed expenditures for 2017/18 includes the following:

- Staff Costs \$10,609,346
- Contracts, Materials & Other \$11,689,743
- Finance Charges (Interest) \$ 277,333
- Depreciation \$ 7,103,656

COUNCIL'S ANNUAL CAPITAL IMPROVEMENT PROGRAM aims to ensure that existing assets are replaced and upgraded in a manner consistent with the outcomes of the draft Infrastructure Asset Management Plans. The 2017/18 program and funding sources are summarised below.

CAPITAL IMPROVEMENT PROGRAM	
Total works brought forward	\$500,000
Infrastructure	\$5,557,160
Total plant and equipment	\$490,000
Total buildings and facilities	\$790,000
Total land and improvements	\$1,152,000
Total furniture and equipment	\$166,500
Funded by	
Rates	\$6,888,245
Grants: Capital Projects	\$1,056,660
Transfers from reserves	\$250,000
Asset sales	\$110,755
Cash reserve	\$350,000

IMPACT ON COUNCIL'S FINANCIAL POSITION

Council budgets include a high-level summary of both operating and capital investment activities prepared on a uniform and consistent basis.

The primary objective of this arrangement is to ensure that Councils provide a common 'core' of financial information to enable more meaningful comparisons of each Council's finances.

Long Term Financial Plans and Annual Financial Statements are summarised on the same basis and are depicted in the table below.

SUMMARY REPORT OF OPERATING AND CAPITAL ACTIVITIES		
	PROJECTED BUDGET 30/06/2017	DRAFT BUDGET 30/06/2018
Income	\$31,999,504	\$28,004,514
Less: Expenses	\$29,555,664	\$29,680,078
A	\$2,443,840	\$(1,675,564)
Net outlays on existing assets		
Capital expenditure on renewal and replacement of existing assets	\$5,870,710	\$5,619,160
less depreciation	\$6,826,328	\$7,103,656
less proceeds from sale of replaced assets	\$57,297	\$110,755
B	\$(1,012,915)	\$(1,595,251)
Net outlays on new and upgraded assets		
Capital expenditure on new and upgraded assets (including investment property and real estate developments)	\$3,150,794	\$3,036,500
less amounts received specifically for new and upgraded assets	\$1,734,870	\$491,500
less proceeds from sale of surplus assets (including investment property and real estate developments)	\$-	\$-
C	\$1,415,924	\$2,545,000
Net lending / (borrowing) for financial year	\$2,040,831	\$(2,625,313)
(= A - B - C)		

7. RATES

The Council has considered the impact of rates on all businesses in the Council area. In considering the impact, Council assessed the following matters:

- Whyalla Strategic Plan;
- Long Term Financial Plan;
- South Australian Government Strategic Plan;
- Upper Spencer Gulf Common Purpose Group Strategic Plan;
- Whyalla and Eyre Peninsula Regional Development Board Strategic Plan;
- The equity of the distribution of the rate burden between classes of ratepayers; and
- Current local, State and National economic conditions and expected changes during the next financial year.

Method used to value land

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

- **Capital Value** – the value of the land and all the 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; and
- **Annual Value** – a valuation of the rental potential of the property.

As a result of a review carried out during 2014/15, Council decided on 9 June 2015 to continue to use **Site 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.

The fairness principle of taxation which suggests that individuals should make similar contributions to the cost of providing Local Government services as they in turn receive similar benefits, in terms of those services provided.

Adoption of valuations

The Council will adopt the valuations made by the Valuer-General as provided to the Council on 26 June 2017.

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

(a) previously received a notice of this valuation under the Local Government Act 1999, in which case the objection period is 60 days after service of the first notice; or

(b) previously had an objection to the valuation considered by the Valuer-General. The address of the Office of the Valuer-General is:

State Valuation Office

GPO Box 1354

ADELAIDE SA 5001

Email: LsgObjections@sa.gov.au

Telephone 1300 653 345

Please note that the Council has no role in this process. It is also important to note that the lodgement of an objection does not change the due date for the payment of rates.

Basis for raising rates

Council has declared the following rates:

Pursuant to Section 152 of the Local Government Act 1999, a General Rate on all rateable land within its area based on two components; the value of the land subject to the rate; and a fixed charge.

Pursuant to Section 155, a Service Charge on all rateable land within its area to which it provides a service of collection, treatment or disposal of waste.

Pursuant to Section 154, a Separate Rate on all rateable land situated in the area adopted by Council based on the value of the land subject to the rate. This rate applies to the City Plaza area only.

Pursuant to Section 154, a Separate Rate for the purpose of a Natural Resource Management Levy on all rateable land situated in the area adopted by Council based on a fixed charge as set by the State Government Natural Resource Management Act, shown separately on the rate notice.

Differential general rates

At its meeting of 26 June 2017, it is proposed that Council declare its rates and raise general rate revenue of \$15,694,644 in a total operating revenue budget of \$28,004,514.

Due to the need to balance the community's capacity to pay, the Council has decided to apply differential rates based on the locality in which the rateable property is situated and the use to which the property is put:

- Locality – town planning zones (TPZ) including residential, residential character, regional centre, caravan and tourist parks, commercial, district centre, local centre, town centre, open space, recreation, community, special industry (hydrocarbons), industry, light industry, deferred industry, coastal conservation, rural living, coastal settlement, settlement and remote area.
- Land use – prescribed land use codes (LUC) including residential, commercial-shop, commercial-office, commercial-other, industry-light, industry-other, primary production, vacant and other.

Summary of approximate general rates raised per rate category based on proposed 0% increase:

Category	Valuation	Cents in \$	Revenue	Fixed charge	Total \$	%
Business	\$34,111,362	3.7402	\$1,275,828	\$133,365	\$1,409,193	8.98%
Region Centre	\$6,625,000	4.4174	\$292,653	\$1,316	\$293,969	1.87%
Industry	\$24,038,500	3.7402	\$899,084	\$90,372	\$989,456	6.30%
Residential	\$522,292,938	1.4464	\$7,554,189	\$4,657,678	\$12,211,866	77.81%
Heavy industry	\$2,179,000	23.0626	\$502,534	\$439	\$502,973	3.20%
Rural living	\$15,950,000	0.4683	\$74,692	\$53,083	\$127,775	0.81%
Primary Production	\$2,347,500	0.0166	\$389	\$3,948	\$4,338	0.03%
Coastal living	\$29,108,000	0.2434	\$70,844	\$84,230	\$155,074	0.99%
TOTAL	\$636,652,300		\$10,670,213	\$5,024,431	\$15,694,644	100.00%

Council proposes to increase General Rate revenue by 0% (excluding growth).

Land use may be used as the factor to apply Differential Rates. If a ratepayer believes that a particular property has been wrongly classified by the Council as to its land use, then they may object (to the Council) to that land use within 60 days of being notified.

A ratepayer may discuss the matter with council's rates officer on 8640 3444 in the first instance. The Council will provide, on request, a copy of Section 156 of the Local Government Act 1999 which sets out the rights and obligations of ratepayers in respect of objections to a land use.

Objections to the Councils' decision may be lodged with the Chief Executive Officer, the Corporation of the City of Whyalla, PO Box 126, Whyalla SA 5600. The objection must be made within 60 days of receiving notice of the land use and set out the basis for the objection and details of the land use that (in the opinion of the ratepayer) should be attributed to that property. The Council may then decide the objection as it sees fit and notify the ratepayer. A ratepayer also has the right to appeal against the Councils' decision to the Land and Valuation Court. It is important to note that the lodgment of an objection does not change the due date for payment of rates.

Fixed charge

The Council has decided to impose a fixed charge system, rather than a minimum rate which tends to distort the equity principles of taxation. The fixed charge is proposed to remain to \$438.70 and is levied uniformly on all non-contiguous assessments. The fixed charge is levied against the whole of an allotment (including land under a separate lease or license) and only one fixed charge is levied against two or more pieces of adjoining land (whether intercepted by a road or not) if they are owned by the same owner and occupied by the same occupier. The reasons for imposing a fixed charge are:

- Council considers it appropriate that all rateable properties make a contribution to the cost of administering the Councils' activities and to the cost of creating and maintaining the physical infrastructure that supports each property;
- A fixed charge has lower proportionate impact on lower income earners than a minimum rate;
- The fixed charge is more readily understandable than a minimum rate system; and
- Anecdotal evidence appears to be in favour of a fixed charge which is uniformly paid by each ratepayer.

Service charge

The Council continues to provide a service of collection, treatment and disposal of waste in line with 2016/17 charges.

The charge per property will remain at \$323.25 for the 2017/18 financial year.

The Council will fund the full cost of maintaining, operating and providing for capital requirements relating to waste management services partially through the sale of recycled materials, gate fees, product sales and the waste service charge.

The operation and capital cost for the year totals \$3,669,460.

Natural Resource Management Levy

The Natural Resources Management Levy is a State Tax which Councils are obliged under the Natural Resources Management Act to impose and collect with the proceeds paid to one or more of the Natural Resources Management Boards which are State Government entities established on a regional basis under the Act. Any enquiries concerning this tax should be directed to Natural Resources Eyre Peninsula. This levy is shown as a separate item on all rate notices. In relation to the 2017/18 year, NRM charges on all rateable properties will be:

Land use type	Rate per land use
Residential	\$73.75
Commercial	\$110.63
Industrial	\$110.63
Primary producers	\$147.51
Other & vacant land	\$73.75

Rate concessions

Where the increase in amount payable causes financial stress for our pensioner ratepayers, Council has relief mechanisms available to them.

Refuse charge remissions

Council will continue to provide the waste service charge remission this will add approximately \$286,946 to the operating costs of Council. Eligible pensioners will need to apply for this rebate annually by completing the relevant form and providing supporting evidence of eligibility.

Postponement of rates - seniors

Ratepayers who hold a State Seniors Card (or who are eligible to hold a State Seniors Card and have applied for one) are able to apply to Council to postpone payment of rates on their principal place of residence. Postponed rates remain as a charge on the land and are not required to be repaid until the property is sold or disposed of. Contact Council on 8640 3444 for further information.



Payment of rates

Payment of rates for the 2017/18 financial year will be in quarterly payments due by:

- 1 September 2017;
- 1 December 2017;
- 2 March 2018;
- 1 June 2018

A quarterly rates notice will be sent to ratepayers 30 days prior to each due date. A ratepayer may also pay their rates in a single instalment due by the **1 September 2017**.

To make bill-paying more convenient and flexible for customers, the Whyalla City Council provides the following options for the payment of your rates account.

Payment by telephone via BPAY telephone bill paying service for ratepayers who belong to any of the participating banking institutions or Australia Post's bill paying service on 13 18 16;

Payment through the mail Cheques should be marked not negotiable and can be posted along with the remittance advice to Council at PO Box 126 Whyalla, SA, 5600.

Payment via the internet using BPAY or BPAY View through the ratepayers' financial institution (if available), Australia Post's bill paying service at www.postbillpay.com.au or Councils' web-site at www.whyalla.sa.gov.au; and

Payment in person at any Australia Post outlet with BillPay facilities, Whyalla Norrie or at Councils' Customer Service Centre located at, Darling Terrace, Whyalla. Major credit cards are accepted and EFTPOS facilities are available at these Centres.

Any ratepayer who may, or is likely to, experience difficulty with meeting the standard payment arrangements is invited to contact councils' rates officer on 8640 3444 to discuss alternative payment arrangements. Such enquiries are treated confidentially by the Council.

Late payment of rates

Section 181(8) of the Local Government Act provides that Councils' impose a penalty of a 2% fine on any payment for rates that are received late. A payment that continues to be late is then charged an interest rate, set each year according to a formula in the Act, for each month it continues to be late. The purpose of this penalty is to act as a genuine deterrent to ratepayers who might otherwise fail to pay their rates on time, to allow Council to recover the administrative cost of following up unpaid rates and to cover any interest cost of the Council because it has not received the rates on time.

The Council allows a further two working days after the due date for payment as a grace period. Fines are payable under the Local Government Act but Council will remit this amount if payment is received within the two days grace period. Thereafter, fines for late payment are fully imposed. Fines and interest levied will be shown on the next quarter's rate notice.

The Council is prepared to consider remission of penalties for late payment of rates where ratepayers can demonstrate hardship.

Rates which continue to be overdue are referred to a collection agency for collection. The debt collection agency charges collection fees that are recoverable from the ratepayer.

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

1. to satisfy any costs awarded in connection with court proceedings;
2. to satisfy any interest costs;
3. in payment of any fines imposed; and
4. in payment of rates, in chronological order (starting with the oldest account first).

Remission and postponement of rates

Section 182 of the Local Government Act permits the Council, on the application of a ratepayer, to partially or wholly remit rates or to postpone rates, on the basis of hardship. Where a ratepayer is suffering hardship in paying rates he/she is invited to contact the council's rates officer on 8640 3444 to discuss the matter. Such enquiries are treated confidentially by the Council.

In assessing each application, Council will give consideration to the following:

- » Previous documented Council decisions;
- » The ratepayer's ability to pay; and
- » The financial circumstances of the applicant where extreme hardship can be demonstrated.

Rebate of rates

Mandatory Rebates

The Local Government Act requires Councils to rebate the rates payable on some land. Specific provisions are made for land used for health services, community services, religious purposes, public cemeteries, the Royal Zoological Society and educational institutions.

Discretionary Rebates

Discretionary rebates may be applied by the Council under Section 166 of the Act. Councils' Rate Rebate Policy and Application Form are available at the Council Office.

Sale of Land for Non-payment of Rates

The Local Government Act provides that a 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, to 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 month.

Council voters role entitlement

Persons on the State House of Assembly Electoral Roll are automatically included in the Council Voters Roll and entitled to vote in Council elections. Others who are ratepayers may also be entitled to be enrolled on the Council Voters Roll and will need to apply for enrolment.

To be eligible to vote, prospective voters will need to complete the "Application for Enrolment on the Voters Roll" Form. If you have any queries or wish to obtain the form please contact the councils' financial services officer on 8640 3444.



Contact Details

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