

2016/17 ANNUAL BUSINESS PLAN AND BUDGET SUMMARY

Annual Business Plan

The annual business plan and budget is Council's statement of its intended programs and outcomes for the year. It links the Council's longer term planning for the area, as set out in its strategic management plans, with the allocation of resources in its budget. It also establishes the basis for review of the Council's performance over the year included in its annual report.

The document includes the following elements:

- a summary of the Council's longer term objectives, as set out in its strategic management plans;
- significant influences for the year including financial factors, asset renewal needs and progress on continuing projects;
- the Council's specific objectives for the next year against which its performance will be measured;
- the activities (services and projects) that the Council intends to undertake to achieve its objectives;
- a summary of the proposed sources of revenue for the year;
- Council's proposed approach to rating for the year and what it means for ratepayers.

Council's Ten Year Long-term Financial and Asset Management Plans 2016-26 have been completed in conjunction with the annual business plan and budget, adopted by Council and are available at Council Offices in Burra or Eudunda or may be downloaded via the Council website www.goyder.sa.gov.au

How does the Annual Business Plan relate to the Budget?

The annual budget is Council's statement of:

- its intended operating and capital expenditure as well as revenue sources to give effect to its annual business plan; and
- its projected financial position.

Decisions in the annual business plan on matters such as project priorities and levels of service provision are subject to the funds available, as determined through the budget process and in the context of the Council's future long-term financial and asset management plans.

Significant Influences and Priorities

A number of significant factors have influenced the preparation of the Council's 2016/17 annual business plan and budget.

These include:

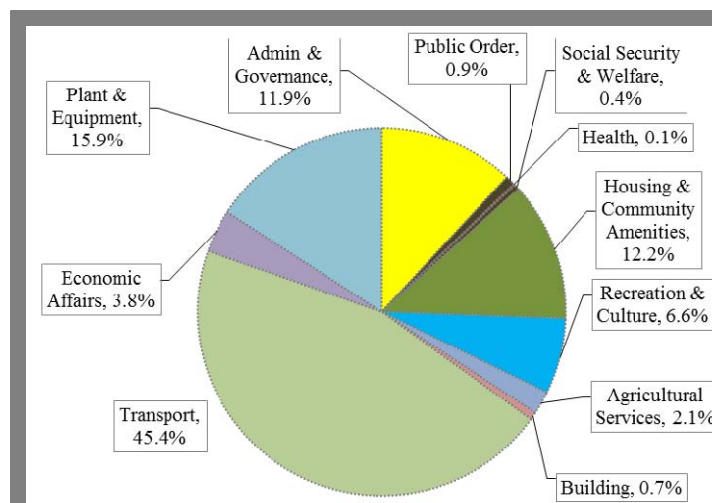
- Local Government Price Index and Adelaide CPI 1.0% for the year ended 31 December 2015
- requirements to maintain and improve infrastructure assets to acceptable standards including roads, footpaths, lighting, storm water drainage, street trees and plantings, open space and Council properties

- commitments to continuing projects and partnership initiatives over more than one year,
- Federal Government Grant funding for administration, services and local road funding to continue in 2016/17; grant funding for the Roads to Recovery Scheme forecast to June 2019. Total payment of \$1.6M in 2016/17
- changes imposed by State Government e.g. EPA waste levy, NRM levy, Landfill Closures
- Local Government Financial Sustainability guidelines and measures

In response to these factors, and to minimise the burden on ratepayers, the annual business plan and budget has been prepared within the following guidelines:

- Increase in total revenue raised through general rates of 2.5%

Expenditure



Project Priorities for the Year

Major capital & operating projects for 2016/17 include:

- **Buildings & Infrastructure:**
 - Burra - Town Hall landscaping \$25k, Council Office refurbishment \$110k, Control Joints \$30k
 - Burra Creek – replace concrete tank \$60k, new bore and pump \$50k
 - Playgrounds – Burra Oval Shade Sail \$19k
 - Public Toilets – Bower upgrade \$20k, Eudunda Oval \$50k
 - Brewery Cellars tunnel rendering \$25k
 - Eudunda - Thiele Hwy Parking Bay upgrade \$20k
 - Paxton Square Cottages Upgrade – Stages 1 and 2 \$320k
 - Town Entrance Signs \$40k
 - CWMS Burra & Eudunda – WHS upgrades \$60k
 - Burra Street tree replacement \$20k

- **Transport Infrastructure:**

1) Sealed Roads – Rural and Town Re Seals \$469k, RTR Booborowie Rd \$1.6M

2) Road Re Sheeting & Construction \$1.52M

3) Footpaths, Kerbing, Guttering, Storm Drains Construction:

- Floodways (flood damage funded) Booborowie Rd and Ngapala Rd \$180k, New Floodway - Camels Hump \$80k

- Burra – Allen St \$45k, Church St \$20k, View St \$150k, Burra Catchment Study \$200k - 67% grant funded

- Eudunda – Bruce St kerbing, parking & pedestrian crossing \$120k, Bruce St footpaths \$45k, Hannan St spoon drain \$30k, Drain A easement & earth drain \$100k, Weigall St drainage upgrade \$15k

- Farrell Flat Drainage – Railway Tce/Western Rd \$250k - 50% grant funded

- Bridge Upgrades – Burra Chapel St \$250k, Guardrail Ayers St/Thames St/Brady Creek \$50k

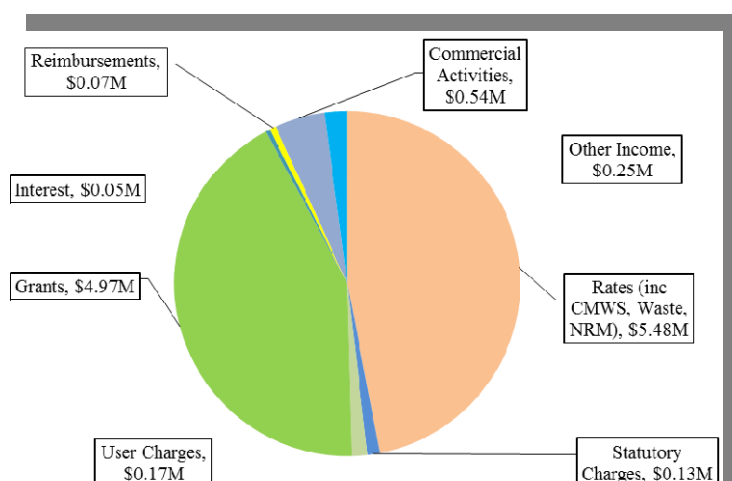
- **Plant & Equipment** - net Capital Expenditure of \$1.11M on new and replacement

Council Revenue

Funding the Business Plan

An operating surplus of \$1.589M is forecast for 2016/17. Council's revenue in 2016/17 includes \$4.5M to be raised from general rates. Other sources of revenue for the Council are Statutory Charges set by State Govt, User Pay charges set by Council and Grants and Partnerships. Council receives ongoing financial assistance funding from the SA Local Government Grants Commission estimated at \$3.4M for 2016/17.

Income



Impact on Council's Financial Position

Committed cash reserves will decrease by \$0.24M as the flood damage repair work has been scheduled for 2016/17. Council is forecast to complete this funded work by 2018/19.

Council's debt repayment ratio is forecast to be 3.4% in 2016/17 as Council plan to take out a loan of \$410k to fund the purchase of an additional Waste Compactor and \$320k to fund the upgrade of Paxton Square Cottages. This ratio is below the recommended limit of 10% as it reflects Councils low level of borrowings.

What it means for Rates in 2016/17

Council adopted a revised Rating Strategy at the March 2013 meeting which forecast a rate increase of 3.5% in 2016/17 (the Council adopted budget for 2016/17 is a 2.5% increase)

- Council considered the 2012 Rating Review Report recommendations of attaining rate parity between Burra and Eudunda towns by 2016/17 and this was achieved in 2015/16. The Rating Review recommended the rate distribution to be 66.7% rural and 33.3% urban. In consideration of the large rate increases in Burra and Eudunda townships in the 2005-2015 period and the subsequent impact on overdue rates Council have decided to distribute the rate burden 68% rural and 32% urban

- The Rate Review forecast a fixed charge of \$333 in 2016/17. Council reduced this charge to \$150 in 2015/16 and this charge remains at \$150 for 2016/17. This will provide relief to landholders of low value properties by allowing the valuation to have a greater impact on the rates to be levied. Council consider this a prudent move in order to alleviate the rate pressure on the owners of low value properties, and to achieve greater equity in the rate distribution.

- CWMS Service Charge based on property unit, - Waste Management Collection Service Charge - \$190 per service in 2016/17. NRM Levy Separate Rate based on the Capital Value of the land.

Rate Concessions

From 1 July 2015, the State Government elected to replace the concession on Council rates with the "cost of living payment" provided directly to those entitled. This payment may be used for any purpose, including offsetting Council rates. To check eligibility contact the Department for Communities and Social Inclusion (DCSI) Concessions Hotline 1800 307 758 or at www.sa.gov.au/.

The separate concession entitlements for Council Community Waste Water Schemes (CWMS) remain unchanged. Should you be entitled to the State Government funded concession on CWMS rates this will be reflected on the front of your rate notice.

Contact Us

Council welcomes feedback, comment and input into our Strategic Planning, Annual Business Plan and Budget processes as this assists Council in delivering outcomes expected by the community.

Telephone 08 8892 0100, Facsimile 08 8892 2467, Email council@goyder.sa.gov.au