



2008-09

ANNUAL BUSINESS PLAN

*The Coorong District Council area will be recognised for its cohesive community,
prosperous economy and unique and highly valued environment.*

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1. INTRODUCTION

This Draft Annual Business Plan sets out the Council's proposed services, programs and projects for 2008-09. Council aims to maintain efficient services for the community and to continue progress towards the longer term objectives of the Coorong District Council as set out in the Strategic Management Plan 2008 - 2012 adopted by Council in June 2008. The Coorong District Council Strategic Management Plan 2008-2012 describes what Council believes must happen during the next 5 years to ensure that the District is developed according to community expectations and to provide a platform to become a 'Sustainable Region'.

A 'Sustainable Region' is one that recognises the current values of the community, the importance of the history of the Region and the character of its built environment. Based on this information the Region is then in a position to ensure that it has long term goals for maintaining, and moving further towards becoming a community that:

- Is caring, informed, connected and accessible.
- Pursues economic prosperity; provides social equity.
- Acts in an environmentally responsible way.

The Local Government Act 1999 Section 123 – 'Annual business plans and budgets' prescribes the content that must be included in this document and the subsequent process before adoption. Section 123, includes matters regarding:

- Required content in the annual business plan.
- Public consultation obligations of Council.
- The timing parameters relating to adoption (between May 31 & August 31).
- Communication requirements (back to the community) after adoption.

The ongoing development of the Coorong District Council community has always been a priority of Council, with all elected members and staff committed to The Coorong District Council being a progressive and vibrant Council. This plan sets out what Council wants to achieve in the next financial year.

Council will measure performance against the stated objectives via the achievement of project milestones, compliance requirements, budgetary parameters and other agreed targets.

Council has always welcomed community involvement in its many and varied projects and accordingly, we welcome any written comments on the contents of this document. The Draft Annual Business Plan will be on public consultation from 14 July to 6 August 2008. Council will consider any feedback received before finalising its Annual Business Plan and 2008/09 Budget which needs to be adopted at its meeting to be held on 12 August 2008.

Cr Roger Strother
Mayor

Tim Drew
Chief Executive Officer

1.1 Vision, Mission and Principles for the Annual Business Plan

The following Vision, Mission and Council's core values were adopted as part of The Coorong District Council Strategic Management Plan 2008-2012 in June 2008.

Vision Statement

Council's vision for the district.

The Coorong District Council area will be recognised for its cohesive community, prosperous economy and unique and highly valued environment.

Mission Statement

Council's business purpose and role in contributing to the Vision.

The Coorong District Council is committed to:

- Responsibly managing the natural and built environment with the aim of attaining **sustainability**.
- Facilitating economic **prosperity**, sustainable growth and employment throughout the district.
- Enhancing the quality of life for the community by encouraging health, **well being** and safety.
- Providing **leadership** for the community and ensuring efficient and effective management of the community's resources.

Council's Core Values

The principles, attributes and qualities Council will display and practice in the way we go about our business.

Council will be:

- Accountable and transparent
- Engaging (participatory, consultative and informative)
- Creative and innovative
- Responsible and responsive
- Equitable
- Proactive and progressive
- Committed to sustainability

2. **ABOUT THE COORONG DISTRICT COUNCIL**

2.1 **Community, District and Council Overview**

Key features:

- 8,836 square kilometres of mainly rural land.
- Main towns of Tailem Bend, Meningie, Tintinara and Coonalpyn plus other smaller settlements (Tailem Bend very accessible from Adelaide).
- Dukes Highway and the Princess Highway are key transport corridors.
- Large area of coastline and the environmentally renowned Coorong.
- Adjoins lower reaches of River Murray and encompasses Lake Albert and part of Lake Alexandrina.
- Strong diversified primary industry base.
- Council offices maintained at Tailem Bend, Meningie, and Tintinara.

Selected Council indicators (2005/06 information data unless otherwise specified)

Population	5,724
Rateable Properties	3,951
Roads Sealed	321 km
Roads Unsealed	1,563 km
Full time staff (FTEs)	60.2 (2008/09 Budget)
Total Assets	\$67m (forecast as at 30 June 2009)
Operating Expenses	\$8.9m (2008/09 Budget)
Operating Revenue	\$9.2m (2008/09 Budget)

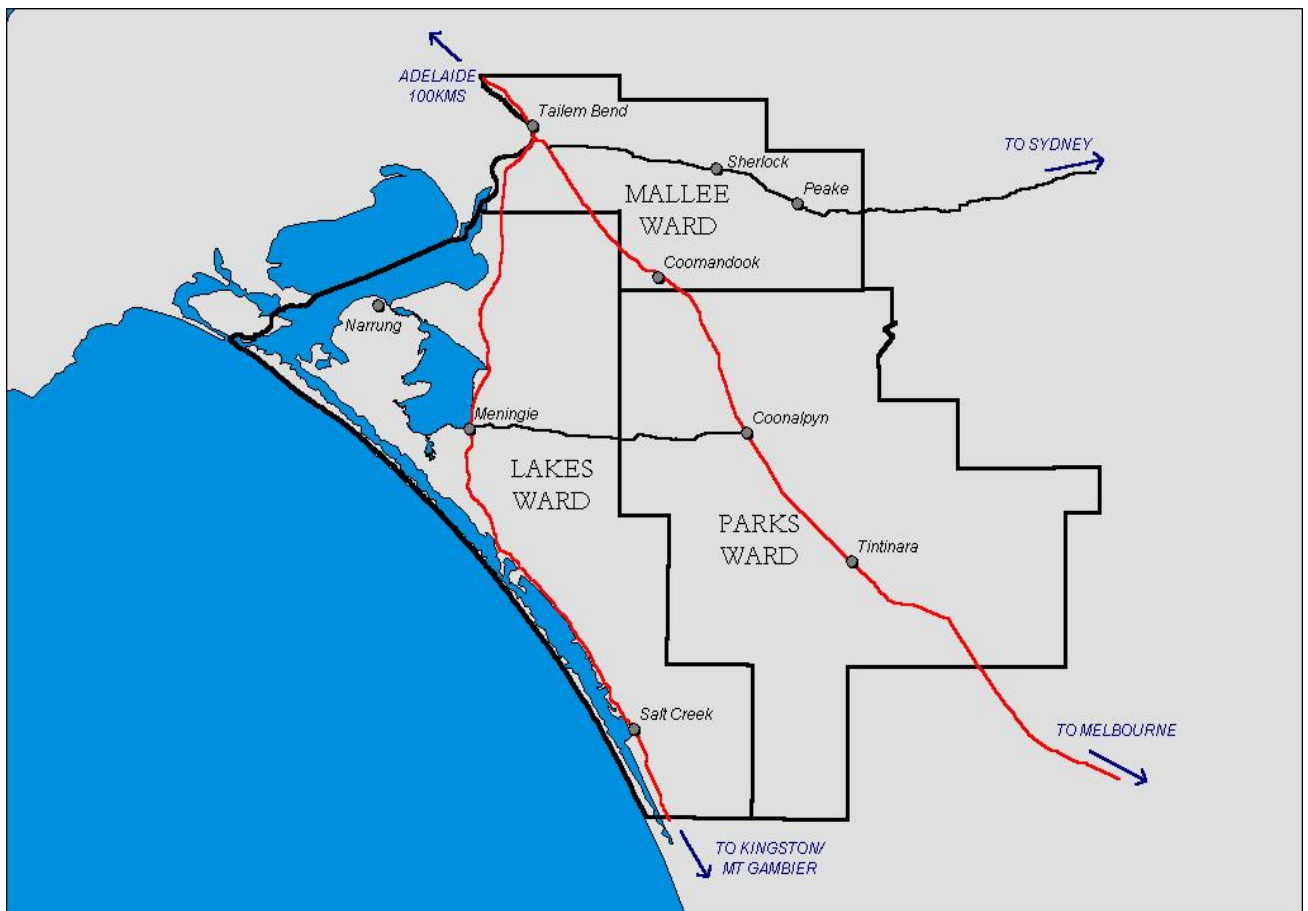
2.2 **Coorong Population Projections**

The population projections have been extracted from Statistical Division population projections used by State Government agencies.

The projections are based on population estimates from the 2001 ABS Census of Population and Housing and other relevant data. Demographic data required to produce a new set of population projections based on the 2006 ABS Census of Population and Housing will not be available until late 2008. Therefore, a 2006 set of population projections will not be available until 2009.

Year	Projected Population
2001	5917
2006	5721
2011	5587
2016	5425
2121	5248

2.3 Coorong District Map



3. **ACHIEVEMENTS FROM 2007-08 ANNUAL BUSINESS PLAN**

The new Coorong District Council Strategic Management Plan 2008-2012 was adopted in May 2008 and is a substantial improvement from the previous version.

The following achievements of the Annual Business Plan 2007/08 are set out in accord with the previous goals and objectives of the previous Strategic Management Plan. Also identified are items that will be carried over to the 2008/09 financial year.

GOVERNANCE

Action	Status
Consult with the community to develop new Strategic Plan	Coorong District Council Strategic Management Plan 2008-2012 adopted at May 2008 Council Meeting
Development of a Fraud & Corruption Policy	Draft policy prepared. To be reviewed by Audit Committee prior to Council adoption.
Conduct a review of Council's long term office requirements.	Council resolved in May 2008 to commence a review. To be completed in 2008/09.

CORPORATE SERVICES

Action	Status
Development and implementation of Customer Service Charter detailing the standards and levels of service that Council will provide to the community.	Project plan completed and project team appointed. Staff, elected member and community surveys completed. Project to be completed in October 2008 in accordance with project schedule.
Participate in LGA led review of Local Government Financial Sustainability.	Number of actions completed. Ongoing project.
Development of a Long Term Financial Plan to meet legislative requirements and guide Council's future budgeting and rating decisions.	Long Term Financial Plan development commenced. Project to be completed by November 2008.
Improve the management of debtors by implementing the bad debt module in Council's financial system.	Bad debt module installed.
Implementation of actions arising from development of Risk Management Policy	Risk Management Policy adopted in 2007.
Continue the provision of all immunisation programs for all elected members and staff	Program has continued.
Continue the provision of health screening eg skin cancer and vision checks	Program has continued

TECHNICAL SERVICES

Action	Status
Review the long term capital program in accordance with 2007/08 progress and other criteria	Review to occur in July 2008.
Preparation of annual works program	Annual program completed in August 2007
Ensure completion of capital projects for 2007/08	Capital program well advanced.
Expenditure of supplementary Roads to Recovery funding on identified projects	Completed.
Develop proposals to allow the reuse/recycling of wastewater and rainwater in Tailem Bend, Tintinara, Coonalpyn and Meningie.	Wastewater treatment projects are being developed for Meningie, Tailem Bend and Tintinara CWMS under the Statewide Wastewater Recycling Project..
Conduct a Productivity Review with members of the Technical Services Department.	Productivity Review Report forwarded to Leadership Team in May 2008.

DEVELOPMENT & ENVIRONMENTAL SERVICES

Action	Status
Use of the development approval register and allocate sufficient resources to inspect new and existing structures that have received Development Approval.	Building Inspection Policy adopted by Council in March 2008.
Development policies and procedures relating to inspections, processing of applications, legal advice and action.	Improved processes implemented and assessment times reduced.
Review of the Impounding Act in conjunction with State Government agencies to clarify roles and responsibilities.	Review completed and reported to Council in February 2008.
Review By Laws and Order Making Policy to address identified areas of weakness.	New Council By Laws adopted by Council in May 2008.
Development and implementation of Public & Environmental Health Management Plan (EHMP).	EHMP adopted by Council in May 2008.
Uniform delivery of the school immunisation program with appropriate contracts and reporting practices across Council.	New immunisation agreements executed with immunisation service providers.
Implement audit recommendations of Home and Community Care (HACC).	Agreement reached with service providers for amendment of HACC funding processes. Subject to state government approval.
Develop procedural policies for Home Maintenance and Modifications.	Home Modification and Maintenance Policy adopted by Council in May 2008.

Action	Status
Implementation of the Coorong District Local Action Plan.	Ongoing.
Implementation of the Tintinara Coonalpyn Land and Water Management Plan	Ongoing.
Implement the Bureau of Rural Science community stream sampling and salinity project.	Project commenced.

4. **PROJECT PRIORITIES FOR 2008/09**

The Annual Business Plan has an even combination of goals and actions that will positively impact services to the community and the environment and the internal business operations of Council, both of which act to meet the requirements of the current Coorong District Council Strategic Management Plan 2008-2012.

The Annual Business Plan document will be reviewed on a quarterly basis with updates and recommendations provided to Council. During the course of the financial year, available resources and organisational and community priorities (strategic & non strategic and financial & non financial) may change resulting in alteration to the overall plan.

The following table indicates the project priorities for the 2008/09 financial year with regard to the objectives and key activities as identified in the Coorong District Council Strategic Management Plan 2008-2012.

2007/08 PROJECT PRIORITIES

Environmental Objective Sustainability

CURRENT YEAR GOALS 2008/09	STRATEGY	ACTION	BUDGET IMPLICATION	TIME FRAME	PERFORMANCE ASSESSMENT	DEPARTMENT
1.1 GOAL – To have up to date Development Plan provisions that reflect the needs and aspirations of the community and ensure its development assessment processes reflect best practice principles and consistent decision making.	1.1.1 Improve the Development Plan	1.1.1.1 Undertake a Better Development Plan Conversion	\$30,000	Commence Project for completion in 2009	Completion of Conversion in 2009	Development and Environmental Services (DES)
		1.1.1.2 Commence a Section 30 Review of the Development Plan upon completion of the Murray Mallee Land Use Framework currently being undertaken by Planning SA.	\$15,000	2008	Completion of Section 30 Review in 2008 (subject to timing of completion of Murray Mallee Land Use Framework)	DES
1.3 GOAL – To responsibly manage the natural environment to ensure its sustainability and to implement natural resource management principles.	1.3.1 To establish and maintain policies and procedures to adequately protect and conserve our natural environment	1.3.1.1 Complete a Coorong Sustainability Plan	\$15,000	June 2009	Adoption of Coorong Sustainability Plan	DES
		1.3.1.3 Complete the Roadside Vegetation Policy	None	August 2009	Adoption of the Roadside Vegetation Policy	Asset Services (AS)
	1.3.2 To adopt Sustainability principles in all of Council's activities	1.3.2.2 Purchase 'green power' to meet a portion of Council's electricity needs.	None	April 2009	20% of energy needs met by purchase of green energy	Governance (GOV)

CURRENT YEAR GOALS 2008/09	STRATEGY	ACTION	BUDGET IMPLICATION	TIME FRAME	PERFORMANCE ASSESSMENT	DEPARTMENT
	1.3.3 To maintain Council's commitment to the Coorong Local Action Plan Committee and staff	1.3.3.4 Assess the feasibility and appropriateness of alternative funding sources.	None	October 2008	Policy to source alternative funding adopted	DES
1.4 GOAL – To have infrastructure planning that is adequately resourced, integrated with land use planning and minimises risk.	1.4.2 STEDS Recycled water reuse	1.4.2.1 Investigate feasibility of reuse of effluent water from Council Community Wastewater Management Schemes (CWMS).	\$1.3 million for Tailern Bend CWMS. \$267,500 for Meningie CWMS	February 2009	Investigations completed	AS
		1.4.2.2. Obtain funding support from LGA Water smart program.	None	September 2008	Funding submission successful	AS
1.5 GOAL – To establish an Asset Management System and plans to ensure the long term sustainability of Council's resources, plant, equipment, buildings and infrastructure.	1.5.1 Develop an Infrastructure & Asset Management Plan in accordance with legislative requirements	1.5.1.1 Complete the Asset Management Plan	\$30,000	November 2008	Asset Management Plan adopted and includes relevant information resultant of the above reviews and plans.	AS
1.6 GOAL – To implement sustainable programs and policies for the management of waste in The Coorong District Council.	1.6.1 Waste minimisation tied to maximum resource recovery	1.6.1.1 Investigate the feasibility of a Regional Landfill Strategy with participating Councils.	None	December 2008	Investigation into Regional Landfill Strategy completed	AS

Economic Objective Prosperity

CURRENT YEAR GOALS 2008/09	STRATEGY	ACTION	BUDGET IMPLICATION	TIME FRAME	PERFORMANCE ASSESSMENT	DEPARTMENT
2.1 GOAL – To attract new and support existing economic, industrial and commercial development opportunities to ensure the on going prosperity of the Coorong District Council district.	2.1.2 To develop and implement initiatives that will enhance the district's investment, commerce and investment potential.	2.1.2.1 Conduct a detailed assessment of the Coorong District economy.	\$5,000	April 2009	Assessment undertaken, population and demographic data completed	DES

Social Objective Wellbeing

CURRENT YEAR GOALS 2008/09	STRATEGY	ACTION	BUDGET IMPLICATION	TIME FRAME	PERFORMANCE ASSESSMENT	DEPARTMENT
3.1 GOAL – Enhancing the quality of life of the community by encouraging health, well being and safety.	3.1.3 To ensure Council's Environmental Health responsibilities are being met in a sustainable, efficient and appropriate manner.	3.1.3.3 Full utilisation of Health Manager software	None	June 2009	Health Manager being used appropriately to record all EH activities	DES
		3.1.3.4 Complete a Coorong Response Emergency Management (CERM) Plan	None	June 2009	CERM Plan adopted	GOV
	3.1.5 Further enhance Council's relationship with the local Indigenous Community	3.1.5.3 Enter an agreement and formulate a policy regarding construction works to ensure the protection and preservation of aboriginal heritage.	None	January 2009	Adoption of policy protecting aboriginal heritage and encouraging a positive relationship between Council and the local indigenous community.	GOV

Governance Objective Leadership

CURRENT YEAR GOALS 2008/09	STRATEGY	ACTION	BUDGET IMPLICATION	TIME FRAME	PERFORMANCE ASSESSMENT	DEPARTMENT
4.1 GOAL – Establish a ‘best practice’ governance framework.	4.1.1 Improve Council's governance performance & develop relevant policies and codes.	4.1.1.1 Nominate to participate in the LGA Good Governance Assessment Program	None	December 2008	Nomination submitted.	GOV
		4.1.1.2 Conduct an audit of governance procedures and practices.	None	December 2008	Audit completed.	GOV
	4.1.2 Position the Council Members to be successful	4.1.2.1 Ensure that training plans for elected members address governance issues as appropriate including roles and relationships of council members and staff.	None	February 2009	Induction and training plan established for new and existing elected members.	GOV
4.2 GOAL – To facilitate open and transparent relationships with the community and key stakeholders.	4.2.1 Improve Council's communication with the community and regional stakeholders	4.2.1.4 Participate in the Community Panel pilot project.	None	December 2008	Community Panel pilot project undertaken.	GOV

CURRENT YEAR GOALS 2008/09	STRATEGY	ACTION	BUDGET IMPLICATION	TIME FRAME	PERFORMANCE ASSESSMENT	DEPARTMENT
4.3 GOAL – To continuously strive for quality, responsive customer service and enhancement of the image of Council.	4.3.1 Develop and implement a Customer Service Charter	4.3.1.2 Ensure Customer Service Charter complies with the 'Service' section of the Local Government Service Quality Framework.	None	October 2008	Customer Service Charter complies.	Corporate Services (CS)
		4.3.1.3 Complete Customer Service Charter that includes best practice service standards to meet the needs of the community and Council.	\$7,500	October 2008	Service standards established.	CS
4.4 GOAL – To have a secure adequate revenue base to ensure an equitable level of services to meet the expectations of Council.	4.4.1 Review Council's rating policy	4.4.1.1 Review Council's rating policy integrating the review with current and future land use zonings.	\$20,000	December 2008	Review completed	GOV
4.5 GOAL – To ensure the Council's finances are managed to maintain financial sustainability.	4.5.1 Achieve financial targets that are appropriate to Council's circumstances and financial sustainability objectives	4.5.1.1 Review the LGA Financial Sustainability Information Paper No12.	None	October 2008	Paper reviewed and targets adopted.	GOV

CURRENT YEAR GOALS 2008/09	STRATEGY	ACTION	BUDGET IMPLICATION	TIME FRAME	PERFORMANCE ASSESSMENT	DEPARTMENT
	4.5.2 Implement long term financial planning strategies	4.5.2.1 Develop a Long Term Financial Plan (LTFP) in accordance with legislative requirements. 4.5.2.3 Ensure the LTFP adequately addresses the requirements of the Asset Management Plan. (Ref 1.5.1.8)	None	November 2008	Plan adopted.	CS
4.6 GOAL – To manage the business of Council through the responsible and efficient administration of finances to provide financial stability and the ongoing appropriate delivery of services for the community.	4.6.1 Improve Council's financial management practices	4.6.1.1 Review end of cycle management, including purchasing, receivables, cash management and other reporting services.	None	December 2008	End of cycle processes developed and documented.	CS
		4.6.1.2 Transition all creditor payments to electronic funds transfer.	None	December 2008	100% creditor payments by EFT.	CS
		4.6.1.3 Ensure the Internal Control Policy reflects the outcomes of 4.6.1.1.	None	December 2008	Internal Control Policy is amended and adopted.	CS
		4.6.1.4 Develop and adopt Debt Recovery Policy.	None	December 2008	Policy adopted and implemented	CS
4.7 GOAL – An Information Technology (IT) service that keeps pace with Council and community needs.	4.7.1 Ensure that Council's IT network is cost effective, reliable and fully utilised, delivering quality services to	4.7.1.1 Prepare an IT Development Program, including the following systems: o Fully integrated GIS o Website and intranet development. o Human	\$5,000 \$10,000 See 4.8.1.4	December 2008 March 2009	Development program adopted and implemented.	CS

CURRENT YEAR GOALS 2008/09	STRATEGY	ACTION	BUDGET IMPLICATION	TIME FRAME	PERFORMANCE ASSESSMENT	DEPARTMENT
	Council and the community.	Resources/Training Module (refer to 4.8.1.4 below)				
	4.7.2 Ensure Council's IT network had adequate risk protection whilst optimising IT resources.	4.7.2.1 Implement the agreement with Civica in relation to the provision of full managed services for a period of five years.	None	June 2009	Initiate transition to Civica Managed Services	GOV
	4.7.3 Develop and implement systems and processes to improve the management of Council's records & meet legislative requirements	4.7.3.1 Review & report on the current performance of Council's records management practices & software in relation to Council's needs & legislative compliance.	\$30,000	March 2009	Recommended outcomes, including implementation of appropriate Electronic Documents Management System completed	CS
4.8 GOAL – To develop and promote Council as an 'employer of choice', facilitating the attraction and retention of staff and promoting the principles of work life balance for employees.	4.8.1 Develop and implement human resource systems and processes to provide contemporary management of people and performance.	4.8.1.4 Implement a human resource information technology system that is fully integrated with corporate system and includes a training register (refer to 4.7.1.1).	\$20,000	March 2009	IT system implemented. Training register developed.	CS

CURRENT YEAR GOALS 2008/09	STRATEGY	ACTION	BUDGET IMPLICATION	TIME FRAME	PERFORMANCE ASSESSMENT	DEPARTMENT
4.10 GOAL – Have appropriate Organisational Capacity to ensure an effective and efficient organisation.	4.10.1 Optimally structured and resourced organisation to appropriately reflect its role and functions.	4.10.1.5 Conduct a review of Council's long term office requirements	\$15,000	December 2008	Adopt a plan to facilitate appropriate office accommodation for the long term future of the Council	GOV
4.12 GOAL – Engage the community in the election process, both as candidates and as voters.	4.12.1 Increase the level of voter participation	4.12.1.1 Assess the outcomes of the LGA 'LG elections review' with the aim to increase voter participation.	None	November 2008	Measures identified and documented to increase voter participation.	GOV

5. MEASURING PERFORMANCE – OBJECTIVES FOR THE YEAR

This Draft Annual Business Plan has been prepared to deliver the following Council objectives for the year:

- Complete projects allocated within the 2008/09 budget.
- Annual operating expenses maintained within budget.

The performance of the organisation will be reviewed quarterly and will be reported to Council. The performance is principally measured by the achievement of objectives and tasks stated in the Annual Business Plan and undertaking quarterly forecasts for the budget.

The Coorong District Council Audit Committee consists of 3 Elected Members and 2 independent members. The core function of the Committee is to provide independent advice and make recommendations to Council on matters relating to the corporate and financial governance of Council.

Council is planning to implement the use of key financial indicators in 2008/09 so that Council can:

- Compare our performance from year to year.
- Compare ourselves against other Councils.
- Aim for financial sustainability.

The Financial Indicators will be determined as part of the Long Term Financial Plan to be adopted by November 2008.

6. 2008-09 BUDGET

The methodology used to prepare the budget was determined by the parameters established in the '2008-09 Budget Guidelines' document adopted by Council at the February 2008 meeting.

These guidelines have been developed to provide Council, its staff and the community with a clear understanding of the principles underlying the preparation of the 2008/09 budget.

Council's aim is to have a consolidated and comprehensive budget presented to Council at its meeting to be held on 12 August 2008 meeting. A detailed timetable has been prepared to facilitate achievement of this goal.

The key points contained in the 2008/09 budget guidelines are as follows:

1. Strategic plan objectives will form the overall basis for budget preparation.
2. Projects will not be automatically 'carried over' unless tied to grant funding.
3. In the absence of a long-term financial plan, a small operating surplus or operating deficit is a key budget outcome for 2008-09.
4. The budget will be based on accrual accounting principles.
5. Indexation applied to revenue and expenditure items should be based upon the most reliable estimate of expected cost increases for the local government sector.
6. Revenue should only be included in the budget on the basis of a reasonable expectation it will be received or earned in the financial year. An overall rate increase of 3-5% would normally be considered 'minimal' and should be Council's preferred rate rise option.
7. In general, expenses should be budgeted to increase in line with expected changes in the Local Government Price Index (LGPI). There are instances in which some expenditure items will rise according to some other mechanism, for example, salaries and wages are increased according to enterprise bargaining agreements. Wherever possible increases in expenditure above LGPI should be offset by savings in other areas.
8. 2008-09 capital expenditure will be based upon priorities identified in the existing long term capital program and focused on maintaining existing assets.
9. Council, in conjunction with the Audit Committee, will review debt management targets & opportunities during 2008-09.

Key considerations regarding the drafting of the 2008-09 Budget, to date, are:

- The need to comply with ever increasing financial and regulatory demands from the State Government, including but not limited to changes to the Local Government Act and Development Act.
- Ageing infrastructure and assets.
- Funding constraints which affect the delivery of the range of services offered.
- Local government costs that increase at rates greater than CPI.

-
- The increasing difficulty in attracting all levels of staff to work in rural areas, resulting in Council needing to offer competitive wage and salary conditions through enterprise bargaining agreements.
 - The requirement 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;
 - Recognition that the district has been experiencing a severe drought in recent years.

The Council's priorities for 2008-09 include:

- Preparing 10 year Asset & Infrastructure and Financial Management Plans and enacting other recommendations coming from the Financial Sustainability enquiry
- Actively pursuing State and Commonwealth government grant funding to enable large capital projects within the district to proceed.
- Continuing to upgrade the heavier trafficked rural roads throughout the district and ensuring that sufficient maintenance funds are allocated to the sealed and unsealed road network.
- Continuing to replace Council's plant and machinery fleet in a timely manner to minimise downtime and maintenance expenses and ensure effectiveness and efficiency of Council's annual works program.
- Undertaking a major upgrade of stormwater management and streetscape improvements in the town centre of Meningie.
- Maintaining Council's commitment to the Statewide wastewater recycling project for Council's Community Wastewater Management Schemes in Tailem Bend, Meningie and Tintinara.
- Improving Council's administrative practices with regard to Records Management, Customer Service, Governance and Rating.
- Improving Council's Development Plan.

The budget delivers on a range of Council's stated objectives contained within its Strategic Management Plan, Annual Business Plan and other previous Council decisions.

Some of the more notable aspects of the budget are discussed below. However, it is important to note that a significant change in relation to allocating full costs across all of Council's activities has occurred in the 2008/09 budget setting process. Full cost attribution (FCA) is a legislative requirement for the purposes of external activity based reporting only. Whilst Council has allocated FCA in previous budgets, the lack of analysis and understanding of figures being allocated lead to problems for both Council and management in understanding and managing the budget in a meaningful manner.

For comparative purposes, the Annual Business Plan contains the 2007/08 budget figures without the FCA amounts. All comparative analysis contained in the Annual Business Plan is made in relation to the 2007/08 adjusted budget figures.

6.1 Operating Performance

Council is planning to deliver a surplus budget in 2008-09, with a small surplus of \$10,000. Council's long-term financial sustainability is dependent on ensuring that, on average over time, its expenses are less than its revenue.

6.1.1 Operating Revenue

Council's revenue in 2008-09 includes \$4,280,000 proposed to be raised from general rates, which is a 3.0% increase from 2007-08. In setting its rates for the 2008/2009 financial year, Council has considered the following:

- (a) The specific issues faced by our community, which are:
 - (i) The need to continue to maintain and upgrade the district's infrastructure which includes roads, buildings, drainage and parks.
 - (ii) The drought conditions that are affecting Council's community over recent years.
- (b) The budget for the 2008/2009 financial year.
- (c) The increase in costs and charges, such as insurance, fuel and utility costs, paid by Council.
- (d) The impact of rates on the community.

The Local Government Act provides for Council to raise revenue for the broad purposes of the Council through General Rates, Levies, Services Charges and Separate Rates.

When compared to the 2007-08 Budget, User Charges have remained the same, budgeted reimbursement income has increased by \$40,000. Proposed User Charges and Reimbursements revenues have been budgeted with regard to current financial year actual results. Revenue from Operating Grants and subsidies has reduced by \$281,000 while investment income has increased by \$20,000.

Budgeted proceeds on disposal of assets have increased by \$215,000.

Revenue - Governance

Governance has no budgeted revenue for 2008-09.

Revenue - Corporate Services

Corporate Services revenues will increase by \$320,000 in the 2008-09 Budget compared to the current 2007-08 Budget. This increase is attributed to an increase in rates revenue and grants commission grants. In addition to 'General Rates' the most substantial sources of revenue in 2007-08 are:

- Grants Commission - \$1,720,000, an annual 'untied' financial assistance grant from the federal government
- CED Rates - \$258,392, to cover the costs of the STEDS system.
- Interest on Investments - \$140,000.
- Natural Resources Management - \$66,576, which is collected by Council on behalf of the two applicable boards.

Revenue - Development & Environmental Services (DES)

Overall DES revenue, for 2008-09, is budgeted to decrease significantly from 2007-08. This decrease is attributed to the Open Space Contribution being removed from the revenue area for 2008-09, the contribution budgeted for in 2007-08 was \$337,000. The budgeting practice for the Landcare area has also been amended in 2008-09 as Council has budgeted for only those funding sources that are secured, not those that are proposed to be sought. There are no significant variations in other revenue areas. The most substantial sources of DES revenue in 2008-09 are:

- Landcare Grants - \$333,833. There are also several outstanding grant applications which may be successful in the coming financial year.
- Other Community Services - \$229,932, all of which is Home & Community Care (HACC) funding.
- Development Assessment - \$64,500. No increase in development activity is envisaged in 2008-09.
- Dog & Cat Management - \$50,320. Fees have not changed from 2007-08 to 2008-09.

Revenue - Asset Services

Overall operating revenue is budgeted to increase by 17% in 2008-09 versus the 2007-08 budget. The primary contributors to the increase are 'Road Grants', which increase by \$220,000 and receiving a fuel rebate of \$65,000. The most substantial sources of operating revenue in 2008-09 are:

- Road Grants - \$961,940.
- Tech Service/Infrastructure - \$77,740 (includes fuel rebate)
- Private Works - \$60,000.
- Sanitary & Garbage - \$55,750. Including Disposal fees of \$37,750, \$12,000 for drum muster and \$6,000 for sale of dump items.
- Coonalpyn Swimming Pool - \$17,800
- Water Supply Schemes - \$17,500.

6.1.2 Operating Expenditure

Employee expenditure has increased by \$196,000 principally due to Enterprise Bargaining Agreements requiring an increase in salaries and wages. There has been no substantial increase in the number of employees.

Materials and contractual services have decreased by \$721,000 as a result of detailed analysis being paid when forecasting the 2007/08 result and drafting the 2008/09 Budget.

Depreciation, as a percentage of total expenditure, has decreased slightly from 2007-08 due to the adjustment to the calculation of depreciation made in the 2007-08 Budget.

Operating Expenditure - Governance

Governance operating expenditure budget has increased by \$241,000 in 2008-09. The variance is due an increase in elected members allowances (\$14,626), Elected members travel (\$12,600), mayoral civic functions (\$4,000), drought & water issues (\$85,663) and CEO Office and Other Governance expenditure (\$119,981).

The major expenditure items are:

- CEO's Office & Other Governance - \$376,411.
- Elected Members Allowances - \$65,625.
- Councillors Travel Allowances - \$39,600.
- Public Relations/Functions - \$31,950.
- Elected Member Conferences and Training - \$25,000
- Local Government Memberships - \$23,000.
- Murraylands Regional Development - \$21,000.
- Strategic Planning - \$20,900, this includes a Rates Review that is part of the Strategic Planning Process that was commenced in 2007-08.
- Regional Tourism - \$20,840.

Operating Expenditure - Corporate Services

Corporate Services operating expenditure budget has decreased by \$15,500 in 2008-09. The major expenditure items are:

- General Administration - \$573,805.
- Records Management - \$120,900.
- IT Maintenance - \$145,712.
- Finance General - \$136,007.
- Administration Depreciation - \$98,306.
- Human Resources - \$82,306.
- Rate processing - \$77,197.
- Natural Resource Management Levy - \$66,576.
- Occupational Health & Safety - \$59,026.
- Risk Management - \$57,791.

Operating Expenditure - Development & Environmental Services (DES)

DES operating expenditure budget has decreased by \$102,000 in 2008-09. The major decrease is in Landcare expenditure which has reduced by \$155,644. There was an increase in expenditure of \$32,191 in Health Services which is attributed to a secondment arrangement with the City of Tea Tree Gully for Environmental Health support. The major expenditure items are:

- Landcare - \$590,901 for the implementation of various projects. This includes \$150,000 expenditure of carry forward funds.
- HACC - \$158,800. HACC funding passed onto Tailem Bend and Meningie Hospitals

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- Planning - \$140,371. Including \$3000 for new DA folders.
 - Administration – \$125,553. Including \$15,000 for Sustainability Plan.
 - Building - \$121,128.
 - Health Services - \$118,006. Includes \$25,000 secondment agreement with City of TTG for Environmental Health Services.
 - Development Policy - \$87,269. Including \$30,000 for BDP Conversion and \$15,000 for Section 30 Review.
 - Tailem Bend Community Centre - \$72,132. HACC funding towards salary and programs.
 - Dog & Cat Management - \$69,081.

Operating Expenditure - Asset Services

Asset Services expenditure has been reduced by approximately \$865,000 in 2008-09. A large proportion of this reduction can be attributed to depreciation.

The most substantial expenditure items in 2008-09 are:

- Depreciation - \$2,199,682.
- Plant and machinery maintenance - \$1,042,145. Includes \$539,484 for fuel.
- Unsealed roads maintenance - \$859,408. Includes \$638,122 towards patrol grading.
- Depot Expenses - \$268,163.
- Waste Depots and Transfer Stations - \$410,386.
- Sealed Road Maintenance - \$208,948.
- Other Sport & Recreation - \$138,950 (Meningie Bowling Club Synthetic Green)
- Parks & Gardens - \$130,073.
- Domestic Collection of Garbage - \$115,075.
- Public Conveniences - \$106,030.
- Street Lighting - \$65,800.
- Admin Property Management - \$60,419.

6.2 Capital Expenditure

The draft 'Annual Business Plan' demonstrates a strong focus on the improvement of business systems and processes within Council's operational practices to improve the level of efficiency & effectiveness when services are provided to the community. This is primarily achieved through the Corporate Services and Governance functions of Council.

The maintenance & development of services & infrastructure and the protection & improvement of the environment is primarily achieved through the Asset Services and Development & Environmental Services functions.

The total Capital Expenditure for 2008-09 is proposed to be \$8,373,131 which is a significant increase compared to \$6,599,800 in 2007-08. The most significant delivery of capital projects to the community is achieved through the Asset Services department which plans expenditure of \$6,730,471.

Capital Expenditure - Governance

The Capital Expenditure for Governance is \$1,498,000, including \$1,070,000 towards economic development and \$428,000 towards office accommodation.

Capital Expenditure - Corporate Services

The overall capital expenditure budget for Corporate Services decreased by approximately \$30,000 for the 2008-09 financial year. The total capital expenditure in Corporate Services is \$135,355.

Corporate Services capital projects for 2008-09 are all related to systems & process improvements. Projects, requiring capital expenditure allocation, have been identified in the following areas:

- Information Technology Capital - \$112,000, including \$60,000 towards a new phone system.
- Human Resources Management - \$21,473, including the upgrading and implementation of HR IT systems to improve effectiveness of performance, training, leave and payroll management.

The Manager Corporate Services position was re-established in January 2007 and since that date, the focus has been on business systems & processes improvement. It is envisaged that, to achieve The Coorong District Council's current vision regarding systems and processes, a further two to three years of business plan and budget focus will be required.

Capital Expenditure - Development & Environmental Services

Capital Expenditure for Development & Environmental Services totals \$12,305 includes \$10,700 towards a Dog Off Leash area in Meningie and \$1,605 toward aged care capital.

Capital Expenditure - Technical Services

The overall capital expenditure budget has increased by almost \$2,000,000 in 2008-09 versus the 2007-08 Budget. This increase is attributed to the increase in CED Capital expenditure in 2008-09. The most significant capital expenditure items in the 2007-08 Budget are:

- STEDS Scheme Capital - \$1,583,600. Upgrades of STEDS systems at Tailm Bend and Meningie through the Statewide Recycling Project.
- Unsealed Roads Capital - \$979,208.
- Sealed Roads Construction - \$768,368.
- Plant & Machinery Capital - \$794,063
- Sanitary & Garbage - \$370,000. Including closure plans and new Transfer Stations at Meningie, Tintinara and Coonalpyn.
- Vehicles Capital - \$1,408,260

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- Public Conveniences - \$181,900, including replacement of Public Toilet at Meningie.
 - Streetscape Capital - \$133,822, contribution towards the undergrounding of powerlines in the main street of Meningie.
 - Footpaths - \$63,384.

With specific regard to Sealed Road construction expenditure (\$424,569):

- Poltalloch Road - \$255,000
- Access to Washpool Estate - \$81,600
- Hutt Street Taillem Bend - \$20,000, the construction at Hutt Street will take three years to complete at this expenditure.
- Brock Road Tintinara - \$14,000
- Salt Creek Road - \$26,000
- Railway Crossings - \$64,720.

With specific regard to Sealed Roads major reconstruction (\$223,478):

- Design for road construction in Taillem Bend Town centre and reconstruction of Willow Street - \$130,100.
- Reconstruction of Tenth Street Taillem Bend - \$15,500
- Kerb and gutter repairs - \$37,000 and Major pavement repairs – \$37,000. Approximately 350 metres - Kerb and gutter repairs and major pavement repairs are an important part of an asset management policy. Such activities improve the life span of a particular road and help to maintain the asset value.

With specific regard to reseals (\$120,321):

- Old Dukes Highway - \$96,781
- Emu Springs Road - \$8,560
- Railway Terrace, Coonalpyn - \$14,980

With specific regard to Unsealed roads, the following roads are proposed to be resheeted (\$979,208):

- Cooke Plains Road
- Coombe Road
- Moorlands Road
- Culburra-Woodswell Road
- Frost Road
- Long Point Road
- Keith-Woodswell Road
- Prosser Road
- Malinong Road
- Martin Road, Taillem Bend
- Pascoe Road
- Bunbury Road
- Elwomple Road
- Richardson Road
- Blacketts Road
- Ware Road
- Lewis Road

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- Yarindale Road
 - Lutze Road
 - Gypsum Road
 - Goodale Road
 - Field Road

With specific regard to Major Plant, the budget includes allocations for 6 items of plant:

- Komatsu WA270-3 Loader - \$270,015
- Komatsu Grader, patrol grader at Peake - \$319,609
- Skid Loader - \$75,613
- Profiler for Skid Loader - \$30,087
- Trailer for Skid Loader - \$27,553
- Tip Truck for Community Facilities - \$71,637

Regarding other expenditure items, the following additional information is provided:

- Car Parking Construction - \$23,200, including the Coomandook Park (opposite shop) and at Policemans Point Hotel.
- Footpath Capital, \$63,384. This includes new footpaths in West Terrace Meningie (from Narrung Road to Jallarah Court), Coombe Terrace Coonalpyn (from Meningie Road to the Primary School) and Wendt Terrace Tintinara (Gully Street to High Street).

6.3 Rates Summary

Council has identified that a review of Council's Rating Policy is required through its Strategic Management Plan 2008-2012. A review of Council's Rating Policy is Strategy 4.4.1 of the Strategic Management Plan. At the Council meeting in April 2008, it was resolved to undertake the Rating Review in the 2008-09 Financial year. This review is proposed to be completed by December 2008.

Given the ongoing review of the policy, Council is using the existing structure to determine rates for the 2008-09 budget.

Council may adopt one of three valuation methodologies to value the properties in the 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 amenity improvements but excluding the value of buildings
- Annual Value – a valuation of the rental potential of the property.

Council has decided to continue to use the Capital Value method for the 2008/09 financial year on the basis that it provides the fairest method to distribute rate responsibility across the district.

The Local Government Act provides Councils with the choice to raise revenue for the broad purposes of the Council via a single general rate or through differential general

rates. Council has decided to continue to use a differential rating system in the 2008-09 financial year, using land value as the factor to apply differential rates.

As mentioned, a full review of the Rating Policy will commence in the 2008-09 financial year.

Property values have increased overall across The Coorong District Council area via the Valuation SA valuation process. However there has been a reduction in valuations on the Narrung Peninsula and other properties reliant on irrigation from Lake Albert.

6.3.1 General Rates

Council will use the most recent valuations from Valuations SA to determine the 'rate in the dollar' to source income that is aligned to the 2008-09 budget. Information regarding 2007-08 General Rates is:

- The total amount of revenue raised by General Rates in 2007-08 was \$4,155,320.
- The fixed charge in 2007-08 was \$295 per annum.
- The rate in the dollar in 2007-08 was 0.002999 (Urban) & 0.0025988 (Rural) – Rural pay 11.5% less than Urban
- The split between Urban and Rural in 2007-08 was 29.28% and 70.72%.

The proposal for 2008-09 General Rates is to have new rates in the dollar that reflect approximately the same percentage split between Urban & Rural with the fixed charge for 2008-09 remaining at \$295 per annum.

The 2008-09 General rates will be:

- The total amount of revenue raised by General Rates in 2008-09 will be \$4,280,271.
- The fixed charge for 2008-09 will be \$295 per annum.
- The rate in the dollar in 2008-09 will be 0.002827 (Urban) & 0.0024264 (Rural) – the Rural rate is 11.6% less than the Urban rate.
- The split between Urban and Rural in 2008-09 is proposed to be 29.31% and 70.69%.

This scenario would enable Council to achieve its budgeted revenue target for General Rates.

6.3.2 Service Charges

STEDS

The service charge exists to cover the costs associated with operating the Septic Tank Effluent Drainage Schemes (STEDS) and the water schemes at Wellington East, Narrung and Peake.

The cost, excluding depreciation, for maintaining the STEDS service in the 2008-09 Budget is \$50,221 for normal operations and \$30,000 for capital replacement. Council will recover the cost through a recommended service charge of:

- \$170 – STEDS, per occupied unit (there were 1,475 occupied units charged in 2007-08).
- \$34 – STEDS, per vacant allotment (there were 227 vacant allotments charged in 2007-08).

The total revenue raised from the proposed STEDS Service Charge would be \$258,000. The justification for this figure being greater than the combined costs associated with normal operations and capital replacement is to fund the cost of depreciation of the schemes. The recommended service charge for STEDS is a 3% increase on 2007/08.

Water Supply Systems

Council provides water supply systems to residential properties in Wellington East, Narrung and Peake. The cost, excluding depreciation, of maintaining these systems in the 2008-09 budget is \$18,154 for normal operating cost. Council will recover the cost through a range of recommended service charges:

- \$178.20 plus 93c per kilolitre for usage greater than 125 kilolitres per annum - Wellington East water supply
- \$129.80 plus 93c per kilolitre for usage greater than 125 kilolitres per annum - Peake water supply
- \$126 plus a water consumption charge for each connection of \$1.20 per kilolitre (GST exclusive) for water usage - Narrung water supply

The service charges for Wellington East and Peake has increased by 3% compared to 2007-08. The service charges for Narrung were set at a Special Council meeting in March 2008.

The total revenue raised from the proposed water supply charges would be \$23,229.

6.3.3 Natural Resource Management (NRM) Levy

Parts of the Council district are in the SA Murray Darling Basin NRM Board and the South East NRM Board area. Council is required to collect, under the Natural Resources Management Act, a levy to assist in funding the work of these boards.

These are not Council charges – the revenue is collected by Council on behalf of each board and passed on directly. The levy amount for each property will be itemised separately on Council rates notices.

7. PUBLIC SUBMISSIONS

The community is invited to make submissions about this plan in writing, to be received by Council by close of business on the 6th August 2008.