NORTHERN AREAS COUNCIL

2014/15
ANNUAL BUSINESS PLAN

Approved for Consultation on 20th May 2014
Adopted 15 July 2014
Introduction

The Northern Areas Council (formed in May 1997 through the amalgamation of the District Council of Jamestown, Rocky River District Council and the District Council of Spalding), is a Local Government authority situated within the heartland of the northern agricultural area of South Australia, approximately 200 kilometres north of Adelaide. The Council district is substantially within the traditional lands of the Nadjuri Aboriginal people. The Northern Areas Council has a population of approximately 4500 residents with the majority of the population based in 4 major townships. The Council area is divided into 4 Wards: Jamestown - 4 Elected Members; Rocky River - 3 Elected Members; Yackamoorundie - 1 Elected Member; Spalding - 1 Elected Member. The Council covers an area of 3070km2, and has a total of 2197km in road length (133km of sealed road length and 2064km formed/unformed).

Council's district is an area that has enjoyed prosperous times based on the traditional cereal and grazing pursuits of the farming community complimented by forestry operations and in more recent years, tourism. The Northern Areas Council district is a strategic link for visitors commuting to or from the popular Flinders Ranges and can cater for drive through tourists with excellent caravan parks in Gladstone, Laura and Jamestown and accommodation at hotels in each town. A number of bed and breakfast accommodation options are available throughout the area. The district hosts a number of significant events, including the Jamestown Fly-In and Air Spectacular, Laura Folk Fair, Spalding Rodeo and Jamestown Show.

Preamble

The purpose of this Annual Business Plan is to address the activities Council intends to undertake in the ensuing 2014/2015 financial year to achieve the objectives contained in Council’s Strategic Management Plans and the measures both financial and non-financial it will use to achieve this.

The Council will measure performance against objectives by the successful completion of all projects on time and within budget.

Council’s future goal will be to concentrate on core council business. Council has a large stock of existing assets which requires maintenance and renewal. This has to be done keeping in mind Council’s limited human and financial resources. As such Council needs to continue to provide value for money and effectiveness of service delivery.

Council is continuing to develop a suite of long term management plans which supplement and extend Council’s Strategic Management Plan. These complimentary plans are the Long Term Financial Management Plan and the Infrastructure and Asset Management Plan. These plans are both ten year plans. The plans will assist Council in renewed/replacing its major assets and infrastructure and the Long Term Financial Management Plan will help Council adequately fund assets now and in to the future, ensuring Council’s financial sustainability.

Financial sustainability of Local Government

An independent inquiry into the sustainability of the long-term financial performance and position of local government in South Australia has been completed with 62 recommendations for changes to improve local government’s short and long term financial sustainability. Northern Areas Council, like many other rural councils, was rated “unsustainable” based on 2003/04 Financial Reports. Council now believes it has made significant policy changes to gradually improve it’s classification to “sustainable”. Council’s revenue from general rates makes up approximately 52.1% of annual revenue, while reliance on external operating grants has reduced to 22.3% (general rate revenue makes up 63% of revenue for most other Councils in the central region).

Further implementation of the Inquiry’s recommendations will enhance Council’s present financial position and aid long term sustainability.

Significant Influences and Priorities

A number of significant factors have influenced the preparation of Council’s 2014/15 Annual Business Plan. These include:

- Council to make gradual improvements towards a financially sustainable operating position.
- requirements to maintain infrastructure assets to acceptable standards including roads, footpaths, lighting, storm water drainage, street trees and plantings, open space and Council properties
- service and infrastructure needs for a changing population
- reduction/removal of State grant funding for services deemed to continue
- removal of Commonwealth Supplementary road funding for South Australia
- new fees/changes imposed by other government agencies e.g waste levy, NRM levy

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

- the annual business plan will result in the total revenue raised through general rates increasing by 8.0% (excluding growth)
- reduction of a range of discretionary spending to reflect a need to “tighten our belts”.
- maintenance of service levels for continuing Council programs and activities
- continuing to pursue shared service opportunities with governmental agencies, other local government authorities and private enterprise.
- Improving Asset Management practices.
Continuing Services

All Councils have basic responsibilities under the Local Government Act 1999 and other relevant legislation. These include:

- regulatory activities e.g. maintaining the voters roll and supporting the elected Council
- setting rates, preparing an annual business plan and budget and determining longer-term strategic management plans for the area
- management of basic infrastructure including roads, footpaths, parks, public open space, street lighting and storm-water drainage
- street cleaning and rubbish collection and waste management
- development planning and control, including building safety assessment
- various environmental health services

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

- Library services
- Economic development
- Environmental programs
- Community support programs
- Dog and cat management
- Immunisation program

In all services Council seeks to be responsive to changing needs. Community consultation may be undertaken to check levels of satisfaction and areas for improvement.

Council also operates a number of facilities on a fee for service basis. These provide important community benefits while also generating revenue for services and projects of benefit to the community and include:

- Swimming pools
- Hydropool & gym
- Waste Transfer Services
- Community halls

How does Council determine what services it will provide?

Council’s Strategic Management Plan and 10 Year Long Term Financial Plan outline the longer-term objectives and priorities for the community. These Plans plus the Annual Business Plan & Budget, determine the infrastructure needs and services Council will provide, including the costs required to deliver those services.

Council adopted the Strategic Management Plan 2011 - 2016 on 20th September 2011 following extensive community consultation. This document has the following vision, goals and outcomes as its basis:

Vision

The Northern Areas Council will be a well-managed, financially sustainable council that meets community expectations for effectiveness and transparency.

The key goals contained in the Strategic Management Plan 2011 - 2016 are:

Goal 1  Financial Sustainability

Outcome 1: Operate at break even by 2018 and achieve cash surplus by 2022

Outcome 2: Prudent and effective financial management

Goal 2  Effective management of infrastructure, assets and built environment

Outcome 1: Road (including footpaths and kerbing) repair program continues at an achievable level

Outcome 2: All non-road assets owned by Council (e.g. buildings and recreation facilities) are used effectively by the community

Outcome 3: Stormwater projects are delivered as scheduled

Goal 3  Deliver a high standard of service to our community on an equitable basis

Outcome 1: Council aspires to meet community expectations regarding equitable development, management and maintenance of community services

Outcome 2: Better delivery of the Community Projects Budget

Outcome 3: Planning processes encourage appropriate development and provide timely responses

Outcome 4: Support regional partnerships

Goal 4  Council recruits and retains highly skilled staff

Outcome 1: Staff are capable, approachable and have a high level of skills and knowledge about Local Government

Outcome 2: Staff have a 'can do' attitude and work as a united team

Outcome 3: Safe, efficient work systems and community safety
The full list of the achievements from the previous year are available in Council’s Annual Report available from Council’s office or at www.nacouncil.sa.gov.au.

Council’s Key Planned Activities for the 2014/2015 financial year

In accordance with Goal 2 Effective management of infrastructure, assets and built environment

The following activities and works are planned:-

The regular replacement of Council plant & machinery will be in accordance with the 10 year Infrastructure and Asset Management Plan which is part of the Strategic Management Plan suite and will be reviewed annually as part of the Annual Business Plan.

Regular timely replacement of the plant will ensure maximum efficiency to complete Council’s works program on time and within budget.

In accordance with Goal 2, Outcome 1: Road (including footpaths and kerbing) repair program continues at an achievable level

Council will undertake 60km of re-sheeting works at a cost of $1,393,000 within the Council area, this will be partially funded by the Local Roads component of the Grants Commission Federal Grant allocation of $390,000 and Roads to Recovery grant of $295,000.

Council will take out $500,000 of loan borrowings to re-seal a priority list of roads.

In accordance with Goal 2, Key Action 12: Implement Council’s Waste Strategy key recommendations

Council has recently established waste transfer stations at Jamestown, Gladstone and Spalding.

In accordance with Goal 3, Outcome 2: Better delivery of the Community Projects Budget

Council bi-annually considers requests for support of projects submitted by the various community groups via the Community Project Fund. As such Council will make a $50,000 budget allocation for this purpose in the 2014/15 budget.

Council will also continue to review it’s support of community groups for costs such as utilities and repairs and maintenance as well as annual donations due to the marked discrepancies between various sporting groups, community associations and special interest groups in the whole Northern Areas Council region.

Councils Operating Expenditure

Northern Areas Council allocates revenue for expenditure based on community need. In 2014/15 the allocations will be 43.5% for Transport & Communication (Roads & Stormwater), 18.3% for Community Amenities (Halls, Waste Management, CWMS, etc), 11.5% for Sport & Recreation, 1.8% for Mining and Construction, 20.6% for Governance, Compliance, Insurance and Administration, 2.9% for Economic Development, 0.8% for Public Order & Safety and 0.6% for Health & Social Security as shown in the following chart.

How does Council pay for all these Services?

Council has limited options to pay for those services it wishes to undertake. It receives State and Federal grants and subsidies and can raise income by some fee paying activities (eg hire of community facilities, maintenance fees, private works and rentals). Council can also borrow money to finance large projects or capital Items. However, Council’s primary source of raising income is a property-based tax - council rates.

Council’s Revenue

Council’s revenue from general rates makes up approximately 52.1% of annual revenue. Other sources of income include service rates and charges 15.7%, government grants 22.3%, investments 0.3%, user charges 1.6%, statutory fees 1.3%, other 6.7% & reimbursements of 1.9%.

How does Council determine the rates payable?

Council adopts the capital values (as provided by the State Government’s Valuation SA Department) on all properties in the Council District. Council determines what revenue is required for Council operations in the district for each financial year in the form of a council budget. The rate in the dollar and the fixed charge are then declared by Council for all properties in the area.

For example - : a property has a capital value of $200,000 and Council declares a rate in the dollar of 0.3625 cents. That property will pay $200,000 x
0.3625 cents = $725.00 + $320.00 Fixed Charge for total of $1,045.00

Since 1st July 2003, capital value on properties in the Council area have risen by 103%. This does not mean that the Council rates have increased by this percentage. Council reduces or increases the rate in the dollar to meet revenue requirements. The increase in rates since 1st July 2003 is only 67%.

In 2013/2014 Council’s rate revenue was $4,541,000. It is budgeted that in the 2014/2015 financial year a 8.0% average general rate increase apply to existing rateable properties. New assessments will also add additional rate revenue of 0.5% bringing the gross expected rate income to $4,930,200.

Revenue and Rates Revenue for financial years 20010/11 to 2012/13 and estimated for 2013/14 and proposed for 2014/15

Rating Policy Information for 2014/2015

In setting its rates for the 2014/2015 financial year Council considered the following:

- The current economic climate and relevant factors such as inflation and interest rates.
- The specific issues faced by our community, including the effects of the drought and the previous impact of poor seasons for the farming community.
- The need to continue to replace and upgrade infrastructure and other assets including both plant and machinery and the road network.
- The objective of attracting and continuing to attract and support business activity to generate economic development.
- Council’s Strategic Management Plan and the meeting of it’s objectives.
- The budget for the 2014/2015 financial year and the long-term financial plans.
- Householders, businesses and farmers.
- Employed, unemployed & pensioners.
- The broad principal of achieving equity in the distribution of rates.
- Minimising the level of general rates required by levying user pays fees and charges for goods and services where possible.
- Setting fees and charges to recover the full cost of operating or providing the services of goods, with provision for concessions to those members of the community unable to readily meet the full cost.
- Taking into account increases on Council valuations by the State Valuation Office.
- Council’s membership of Regional Development Australia which in turn supports small businesses in the Council area.
- Promoting Single Farm Enterprise benefit which has reduced the rate burden on primary production businesses

Council conducts public consultation on a broad range of issues as required by its Public Consultation Policy. The draft Annual Business Plan will be available to all ratepayers and community members who will have the opportunity to provide written feedback and comments prior to adoption. Council will hold a one hour public meeting during June 2014 for personal submissions.

Method Used To Value Land

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

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

Council has decided to continue to use capital value as the basis for valuing land within its Council area. Council considers that this method provides the fairest method of distributing the rate burden across all ratepayers on the following basis:

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

Adoption of Valuations

Council will adopt the valuations made by the State Valuation Office as provided to the Council in May 2014. If a ratepayer is dissatisfied with the valuation made by the State Valuation Office then the ratepayer may object to the State Valuation Office in writing, within 60 days of receiving the notice of the valuation (1st quarter rates notice) explaining the basis for the objection, provided they have not:

- previously received a notice of this valuation under the Local Government Act 1999, in which
The Single Farm Enterprise only one fixed charge may be imposed against the rateable properties of $320, calculated as approximately 50% of the previous two year average actual administration & governance costs. The fixed charge is levied against the whole of an allotment (including land under a separate lease or licence) and only one fixed charge is levied against two or more pieces of adjoining land, whether intercepted by a road or not, if the land is owned by the same owner(s) and occupied by the same occupier(s). Council believes that a fixed charge provides an equitable base for the rating system.

If two or more pieces of rateable land within the area of the Council constitute a single farm enterprise, only one fixed charge may be imposed against the whole of the land. The Single Farm Enterprise provision allows for eligible farmers to achieve more equitable distribution of the fixed charge (which reflects the changing nature of farm holdings in the area). Approval is subject to a written application and such evidence as Council may reasonably require. Applications must be received by June 30 to take effect in the following financial year.

**Annual Service Charges**

At its meeting of 17th April 2007, Council resolved to increase Community Wastewater Management Systems (CWMS) (formerly called STEDS) Annual Service Charges in line with SA Water Sewer Charges. Due to the very low charges set in Jamestown, Moyletown and Laura in the past, Council phased in this increase over a 5 year period. Council made this decision so that it will have sufficient funds in its CWMS reserve to finance the replacement of the schemes when necessary. Council will not receive any financial assistance from the State Government for replacement of existing schemes.

Council provides a CWMS, to most properties in Jamestown. Council will recover the full cost of operating, maintaining and improving this service for this financial year through the imposition of an annual service charge of $388.00 per occupied property unit and $338.00 per unoccupied unit.

Council provides a CWMS, to most properties in Laura. Council will recover the full cost of operating, maintaining and improving this service for this financial year through the imposition of an annual service charge of $388.00 per occupied property unit and $338.00 per unoccupied unit.

The Council provides a CWMS, to all properties in the Moyletown area of Jamestown. Council will recover the full cost of servicing the construction loan, operating, maintaining and improving this service for this financial year through the imposition of a service charge of $388.00 per occupied property unit and $338.00 per unoccupied unit.

At its meeting of 17th April 2007, Council received the Rating Discussion Paper which outlined proposed changes to Council’s rating methodology. Council resolved to introduce a new Annual Service Charge for waste collection where Council currently has a waste pickup. This annual service charge will be calculated at 100% of anticipated costs of roadside waste collection and disposal for all areas having a pickup. The Waste Collection Annual
Service Charge proposed for 2014/15 year is $205.00 per unit (2 bin system). Increases in recent years are as a result of recycling commencement and new EPA requirements affecting how Council disposes of waste collected.

Please note that properties exempt from General Rates are not necessarily exempt from Annual Service Charges if applicable.

Pensioner Concessions

Eligible pensioners may be entitled to a concession on rates, if not currently receiving one. Application forms, which include information on the concessions, are available from the Council at the Jamestown, Gladstone and Spalding offices. They are also available from Department for Communities and Social Inclusion (DCSI) which administers the concession scheme on behalf of the State Government (Concession Hotline 1800 307 758). You must have a current Pensioner Concession Card or Dept of Veterans’ Affairs (DVA) Gold Card (TP,EDA,WW) or receive an eligible Centrelink Allowance, or hold a State Senior Card or are a low income wage earner who meets DCSI low income threshold.

The applicant must also be responsible for the payment of rates on the property for which they are claiming a concession. Payment of rates must not be withheld pending assessment of an application by the State Government as penalties apply to unpaid rates. A refund will be paid if Council is advised that a concession applies and the rates have already been paid.

State Seniors Card Ratepayer (Self Funded Retiree)

Self-funded retirees who currently hold a State Seniors Card may be eligible for a concession toward Council rates. In the case of couples, both must qualify, or if only one holds a State Seniors Card, the other must not be in paid employment for more than 20 hours per week. If applicants have not received a concession on their rates notice, or would like further information, please contact the Revenue SA Call Centre on 1300 366 150.

Other Concessions

The Department for Communities and Social Inclusion may assist eligible persons receiving State and Commonwealth allowances with the payment of Council rates for their principal place of residence (remissions are not available on vacant land or rental premises). Please contact the Concessions Hotline on 1800 307 758.

Postponement of Rates for Seniors

Section 182A of the Local Government Act 1999, allows eligible senior ratepayers to postpone a proportion of their council rates each financial year commencing 2008/09 subject to application and provides for a threshold amount of rates that cannot be postponed. The threshold is set at $500.00 or if a full pension concession is provided it would be reduced to a $310.00 threshold annually. Council can impose eligibility criteria at its discretion, and Council decision is final. The postponed and outstanding rates will continue to attract interest (ie the scheme is non-concessional) and will remain a charge on the property until the property is sold or that person no longer lives on the property or becomes ineligible to continue the postponement. For further information and details please contact the Rates Officer, at Northern Areas Council:

PO Box 120 Jamestown SA 5491 or 8664 1139.

Rate Capping

Council has previously capped any increase in rates paid for all properties from the 2005-06 financial year to the 2008-09 financial year at 10%. This was replaced by a rate cap upon application of 50% from the 2009/10 financial year. Rate capping does not apply to properties where the current ratepayer was not a ratepayer for that property prior to 1st July 2013 or where a building/development approval has been granted since 1st July 2013 valued at $20,000 or more. Applications for the rebate must be received by 31 August 2014. The removal of the 10% rate cap has resulted in a fairer redistribution of the rates burden in line with property capital values.

Payment Of Rates

The payment of rates will be by four equal or approximately equal instalments, with the instalments falling due on the following dates:

- First instalment – 1st September 2014
- Second instalment – 1st December 2014
- Third instalment – 1st March 2015
- Fourth instalment – 1st June 2015

If the payment due date is not a business day, the rates are due on the next business day following the non-business day on which the payment falls due.

Rates may be paid:
- By post
- BPAY
- By Direct Deposit into Council’s Bank Account:
  NAB - Jamestown, BSB: 085-645, Account No: 68 199 9824 Account Name: Northern Areas Council
  Please use your assessment number as the reference number
- In person at the Council offices at:
  - 94 Ayr Street, Jamestown during the hours of 9:00am to 5:00pm Monday to Friday
  - 14 Fifth Street, Gladstone during the hours of 9:00am to 1:00pm and 1:30pm to 5:00pm Monday to Friday
  - 11 Main Street, Spalding during the hours of 10:00am & 2:30pm Tuesdays & 9:00am to 1:00pm and 1:30pm to 5:00pm on Thursdays.
Via Australia Post - In person at any Post Office, By Phone on 13 18 16 using Visa or Mastercard or go to postbillpay.com.au

**Difficulty in paying Rates**

Any ratepayer who may, or is likely to experience difficulty with meeting the standard payment arrangements is invited to contact the Rates Officer, to discuss alternative payment arrangements. Council treats such inquiries confidentially.

**Late Payment Of Rates**

The Local Government Act 1999 provides that Councils impose a penalty of 2% on any late payment for rates. A payment that continues to be late is then charged an interest rate, set by the Local Government Act 1999, for each month it continues to be late. The purpose of this penalty is to act as a deterrent to ratepayers who might otherwise fail to pay their rates on time and to allow Council’s to recover the administrative cost of following up unpaid rates and to cover any interest cost the Council may meet because it has not received the rates on time.

Council imposes late payment penalties strictly in accordance with the Local Government Act 1999. When Council receives a payment in respect of overdue rates Council applies the money received as follows:

- first – to satisfy any costs awarded to or recoverable by Council in connection with court proceedings;
- second – to satisfy any interest costs;
- third – in payment of any fines imposed;
- fourth – in payment of rates, in date order of their imposition (starting with the oldest account first).

**Remission And Postponement Of Rates**

Section 182 of the Local Government Act 1999, permits a Council, on the application of the 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 Rates Officer to discuss the matter. A ratepayer will be required to submit evidence of the hardship being suffered to benefit from the application of Section 182. Council treats such inquiries confidentially.

**Rebate Of Rates**

The Local Government Act 1999, requires Councils to rebate the rates payable on some land. This includes a 100% rebate for hospitals, health centres, churches and cemeteries. A minimum rebate of 75% is applied for land used predominantly for educational purposes (subject to some qualifications).

Applications for any other discretionary rebates should be in writing to the Manager Corporate Services, detailing the basis for applying for the rebate. Council will consider each application on merit.

**Sale of Land for Non-Payment of Rates**

Section 184 of the Local Government Act 1999, 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; 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.

**Natural Resource Management (NRM) (State Government) Levy**

Councils are required, by the State Government, to collect an amount specified as the Northern & Yorke NRM Levy on all rateable properties. Collection occurs on behalf of the State Government via the Northern & Yorke NRM Board, which uses the funds to manage natural resources. The NRM Levy replaces the previous Water Catchment Levy (did not apply in Northern Areas Council area), the Soil Board Contribution (did not apply in the Northern Areas Council area), and the Animal & Pest Plant Contribution (previously included as a component of Council’s budget).

The Northern & Yorke NRM Board levy payable by Northern Areas Council is $188,324. Capital Value will be used as the basis of allocating the NRM Levy.

Council proposes to set a Separate Rate for the Northern & Yorke NRM Board Levy of 0.0140 cents in the $ for those properties within the Northern & Yorke NRM Board area to recover the $188,324.

Any queries relating to the NRM Levy should be directed to:

Northern & Yorke NRM Board
Unit 2, 17 Lenard St, Clare SA 5453
Phone: (08) 8841 3400
Email: DEWNR.nynrmboard@sa.gov.au

**Rating Boundary Changes**

Council at the meeting held on 17th April 2007, considered a report on rating boundaries for rating localities. Council has realigned rating boundaries in line with Development Plan town boundaries. This will bring Council into line with the intent of Section 156(7) of the Local Government Act 1999. This means for the Northern Areas Council area, all land zoned “Primary Production”, “Rural Landscape Protection” and “Forestry” in Council’s Development Plan consolidated 17th January 2013 will constitute the “rural” rating zone. All other land not zoned “Primary Production”, “Rural Landscape Protection” and “Forestry” will be zoned “urban” for rating purposes.
Disclaimer

A rate cannot be challenged on the basis of non-compliance with Council policy and must be paid in accordance with the required payment provisions.

Consultation on changes to Council's method of Rating:

Council is required under Section 151 & Section 156 of the Local Government Act, 1999, to consult the public on any changes to rating methodologies. There are no proposed changes in rating methodologies for 2014/15 and therefore consultation is not required.

Suggestions and Feedback on the 2014/2015 Annual Business Plan

Feedback and suggestions on Council’s Annual Business Plan were called for during June 2014 with submissions invited addressed to the Chief Executive Officer PO Box 120 Jamestown SA 5491. Council held a public meeting on the 27th June 2014 for Residents or Ratepayers to address the Council on the above Annual Business Plan.

Annual Business Plan and Budget

A full copy of the Annual Business Plan is available for inspection at no charge at the principal office 94 Ayr Street Jamestown SA 5491 or can be downloaded from Council’s website at www.nacouncil.sa.gov.au
# Northern Areas Council

## Budget Income Statement

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<td>8,054,600</td>
<td>7,446,500</td>
<td>6,883,100</td>
<td>5,755,200</td>
<td>4,833,400</td>
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<tr>
<td>Other non-current liabilities</td>
<td>6,119,633</td>
<td>6,512,300</td>
<td>7,887,200</td>
<td>7,990,800</td>
<td>8,054,600</td>
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<td>6,883,100</td>
<td>5,755,200</td>
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<td>4,084,600</td>
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<tr>
<td>Total Non-current Liabilities</td>
<td>6,119,633</td>
<td>6,512,300</td>
<td>7,887,200</td>
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<td>8,054,600</td>
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<td>6,883,100</td>
<td>5,755,200</td>
<td>4,833,400</td>
<td>4,084,600</td>
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## NORTHERN AREAS COUNCIL

### BUDGET STATEMENT OF CASH FLOWS
#### 2015/2024

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### CASHFLOWS FROM OPERATING ACTIVITIES

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### CASH FLOWS FROM INVESTING ACTIVITIES

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### CASH FLOWS FROM FINANCING ACTIVITIES

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<td>700,000</td>
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<td>700,000</td>
<td>700,000</td>
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<tr>
<td>Proceeds from of Aged Care Facility deposits</td>
<td></td>
<td></td>
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<tr>
<td>Net Cash provided by (or used in) Financing Activities</td>
<td>451,000</td>
<td>185,500</td>
<td>123,700</td>
<td>(436,300)</td>
<td>(608,000)</td>
<td>(763,800)</td>
<td>(927,900)</td>
<td>(921,700)</td>
<td>(748,900)</td>
<td>(581,700)</td>
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<td>Net Cash provided by (or used in) Financing Activities</td>
<td>(490,100)</td>
<td>(85,500)</td>
<td>197,300</td>
<td>31,400</td>
<td>194,500</td>
<td>259,300</td>
<td>436,200</td>
<td>598,300</td>
<td>1,242,700</td>
<td>1,742,700</td>
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<tr>
<td>Cash &amp; cash equivalents at beginning of period</td>
<td>388,839</td>
<td>(91,261)</td>
<td>(176,761)</td>
<td>20,539</td>
<td>51,939</td>
<td>246,439</td>
<td>505,739</td>
<td>941,939</td>
<td>1,540,239</td>
<td>2,782,939</td>
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<tr>
<td>Cash &amp; cash equivalents at end of period</td>
<td>(91,261)</td>
<td>(176,761)</td>
<td>20,539</td>
<td>51,939</td>
<td>246,439</td>
<td>505,739</td>
<td>941,939</td>
<td>1,540,239</td>
<td>2,782,939</td>
<td>4,525,639</td>
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<tr>
<td>Operating Surplus (Deficit) before Capital Revenues</td>
<td>achieve operating breakeven</td>
<td>(876,000)</td>
<td>(833,633)</td>
<td>(731,145)</td>
<td>(473,749)</td>
<td>100,211</td>
<td>290,763</td>
<td>479,823</td>
<td>686,970</td>
<td>930,557</td>
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<td>Operating Surplus Ratio  (=Adjusted Operating Surplus / Rates General &amp; Other)</td>
<td>0% - 15%</td>
<td>(14%)</td>
<td>(13%)</td>
<td>(11%)</td>
<td>(6%)</td>
<td>1%</td>
<td>3%</td>
<td>5%</td>
<td>7%</td>
<td>9%</td>
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<tr>
<td>Net Financial Liabilities</td>
<td>No more than annual operating revenue</td>
<td>9,991,200</td>
<td>10,309,733</td>
<td>10,283,778</td>
<td>9,866,927</td>
<td>9,100,716</td>
<td>8,116,653</td>
<td>6,793,831</td>
<td>5,310,761</td>
<td>3,345,904</td>
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<tr>
<td>Net Financial Liabilities Ratio  (=Net Financial Liabilities / Total Operating Revenue)</td>
<td>0% - 100%</td>
<td>108%</td>
<td>106%</td>
<td>100%</td>
<td>91%</td>
<td>79%</td>
<td>67%</td>
<td>54%</td>
<td>40%</td>
<td>24%</td>
</tr>
<tr>
<td>Net Financial Liabilities Ratio excl CWMS  (=Net Financial Liabilities excl CWMS / Total Operating Revenue excl CWMS)</td>
<td>0% - 100%</td>
<td>84%</td>
<td>84%</td>
<td>81%</td>
<td>73%</td>
<td>64%</td>
<td>54%</td>
<td>42%</td>
<td>30%</td>
<td>15%</td>
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<tr>
<td>Interest Cover Ratio  (=Net Interest Expense / Total Operating Revenue)</td>
<td>0% - 10%</td>
<td>4.9%</td>
<td>4.9%</td>
<td>4.7%</td>
<td>4.6%</td>
<td>4.4%</td>
<td>4.1%</td>
<td>3.6%</td>
<td>3.1%</td>
<td>2.6%</td>
</tr>
<tr>
<td>Asset Sustainability Ratio  (=Net Asset Renewals / Depreciation Expense)</td>
<td>90% - 110% of depreciation</td>
<td>100%</td>
<td>87%</td>
<td>82%</td>
<td>80%</td>
<td>85%</td>
<td>85%</td>
<td>83%</td>
<td>84%</td>
<td>81%</td>
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Northern Areas Council  **Key Activities for 2014/2015**

**GOAL 1**  
**FINANCIAL SUSTAINABILITY**

**Desired outcomes**
- 1.1 Operate at break even by 2018 and achieve cash surplus by 2022
- 1.2 Prudent and effective financial management

**Key Actions**

1. **Raise** enough income to cover expenditure and maintain Council assets  *(FINANCE)*
   - Understand that our rating levels have been too low and are approximately 14% below the State country average.
   - Increase rates by 8% in 2014/15 to continue in long term process towards the required total 30% rate increase from 2011/12 to 2016/17.
   - Current long term financial plan indicates a cash surplus by 2019.

2. **Identify and communicate** forward planning about rate policies to achieve financial goals  *(FINANCE)*
   - Review content and format of annual business plan and summary 2014/15
   - Continue required consultation processes

3. **Secure other sources** of funding  *(ALL, Ongoing)*
   - Actively pursue other sources of funding for Council and community initiated projects
   - Lobby other levels of Government (State and Federal) and support Local Government Associations (CLGR, LGA and ALGA) to increase grant funding for Local Government

4. **Identify and implement efficiency gains** across Council operations  *(ALL, Ongoing)*
   - Implement organisational review of administration and works operations
   - Continue to review Council’s use of technology for staff and elected member efficiency
     - Upgrade office phone system, computer hardware/software upgrades
     - Continue to implement efficiencies for ‘on-road’ services ie staff access to technology while out of the office (iPads)

5. **Change the culture about how we spend** to achieve a more sustainable balance between immediate and on-going costs  *(ALL, Ongoing)*
   - educate staff regarding ’continuous improvement’ through policy compliance and teamwork.

6. **Strive to exceed** expectations  *(ALL, Ongoing)*
GOAL 2
EFFECTIVE MANAGEMENT OF INFRASTRUCTURE ASSETS AND BUILT ENVIRONMENT

Desired Outcomes

- 2.1 Road (including footpaths and kerbing) repair program continues at an achievable level
- 2.2 All non-road assets owned by Council (e.g. buildings and recreation facilities) are used effectively by the community
- 2.3 Stormwater projects are delivered as scheduled

Key Actions

1. A) Review the road network and determine maintenance standards of all roads (ENGINEERING)
   - Bitumen sealed road network review for reseal priority (including Jamestown Airstrip)
   - Unsealed roads – assess condition in determined segments.
   - Kerbing/Causeway/fjords/Culverts - assess condition in determined segments
   - Bridges – Implement recommendations in Tonkin report as per budget allocation.

B) 2014/2015 Road maintenance and reseal-resheet program. (ENGINEERING)
   - Undertake a target quantity of road maintenance.
   - Continue with re-sheeting high priority list with target yearly kilometres consistent with Asset Management Plan.
   - Continue with road resealing programme.

   - Specific Projects
     - Laura Main Street Footpaths
     - Laura Drainage
     - Spalding Community Sporting Hub
     - Jamestown Toilets

2. Develop a road renewal/maintenance plan under an Asset Management Plan
   - Implement preferred Asset Management model and commence gathering information as above G2.2.1A).

3. Actively seek funding to accelerate road maintenance and upgrades (ENGINEERING)
   - Monitor funding opportunities such as Roads to Recovery and Special Local Roads.
   - Lobby State and Federal Government to allocate increased road funding

4. Continue Audit of Council’s non-road assets and use of assets (2014/15) (FINANCE/ENVIRONMENTAL)
   - Review use and lease of Council owned facilities and non-road assets
   - Capital
     - Various Halls – fire safety $8,000.
     - Jamestown Hall Kitchen Ceiling $25,000
- Swimming Pool Plant Audits $12,000

5. Consult with community to determine criteria for retention and disposal of non-road assets (2014/15) (FINANCE/ENVIRONMENTAL)

6. **Communicate with the community** regarding rationalisation of non-road assets (2014/15) (FINANCE/ENVIRONMENT)

7. **Rationalise non-road assets** that are not the core business of Council (2014/15) (FINANCE/ENVIRONMENT)

8. Generate an **Asset Management Plan** for retained non-road assets (refer G2.2) (FINANCE/ENVIRONMENT)

9. **Stormwater projects currently** underway are completed as scheduled (ENGINEERING)
   - Commence implementation of Laura Stormwater project (subject to budget considerations). (2014/15) (ENGINEERING)

**We will continue to:**

10. **Maintenance programs** – Playgrounds, Park and gardens. (ENGINEERING)
    - Playgrounds
      - Capital - $27k capital line for existing playgrounds. Not allocated.
      - Maintenance -
    - Parks and Gardens
      - Capital -
      - Maintenance - Continue with scheduled mowing, tree trimming and spraying.

11. **Review and continue purchase and replacement of fleet** in line with Council’s Plant Replacement Program. (ENGINEERING)
    - continue with recommendations

12. **Waste Management**
    - Implement Council’s Waste Strategy key recommendations (ENGINEERING)
      - Develop transfer stations in line with EPA requirements
    - Continue to lead community in recycling (ENGINEERING)
      - Monitor kerbside recycling collections
      - Continue to support Drum Muster
      - Relocate cardboard and newspaper recycling from Jamestown Council Depot to transfer station
    - Provide and manage Community Wastewater Management Systems (CWMS) and utilise treated effluent as a resource (ENVIRONMENTAL)
      - Develop maintenance and management plan to include quarterly and bi-annual inspections
      - Engage contract to undertake flushing of drains (every four years)
      - Access Chamber replacement in Jamestown (4 at $8000) $32,000
      - Continue to investigate upgrades needed at Jamestown & Gladstone
12. Planning and zoning
   – Forward plan for growth in residential zoned areas with input into the Asset Management Plan road infrastructure.
   – Undertake a Strategic Directions review $12,000
   – Keep abreast in developments in Windfarm Industry and potential impacts for Council.

14. Jamestown Airstrip
   - Continue with general maintenance including weekly check of strip lights and fencing as well as mowing as required.
   - Annual inspection with Airport Services to maintain compliance.
   - Ensure surface is rolled as required.
GOAL 3
DELIVER A HIGH STANDARD OF SERVICE TO OUR COMMUNITY ON AN EQUITABLE BASIS

Desired Outcomes

- 3.1 Council aspires to meet community expectations regarding equitable development, management and maintenance of community services
- 3.2 Better delivery of the Community Projects Budget
- 3.3 Planning processes encourage appropriate development and provide timely responses
- 3.4 Support regional partnerships

Key Actions

1. Review electricity and water provided through Council meters to identify cost savings and provide equitable services (June 2013) (FINANCE/CEO)

2. Review Section 41 Committees to identify core and non-core activities (Complete, Outcomes are Ongoing) (CEO)

3. Continue to administer the Community Projects Budget through an open and transparent grant process bi-annually (COMMUNITY) $50,000

4. Empower our staff to contribute to be proactive and be responsive in their consideration of planning application. (ENVIRONMENTAL/PLANNING)

5. Facilitate opportunities for commercial and industrial growth. (ENVIRONMENTAL/PLANNING)

6. A) Monitor, participate in, and where appropriate facilitate regional partnerships to achieve Council and Community goals. (COMMUNITY/CEO)
   - Tourism - Southern Flinders Regional Tourism Authority $12,000
   - Healthy Lifestyle - Healthy Communities Initiative, Obesity Prevention and Lifestyle Program $6,000
   - Sport and Club development - Mid North StarClub Field Officer $6000
   - Transport – Northern Passenger Transport Network $13,000
   - Regional Development Australia, Central Local Government Region

   B) Monitor opportunities for shared service arrangements with neighbouring Councils.

We will continue to deliver these services:

7. Build community capacity and opportunities (COMMUNITY)
   A) VOLUNTEERS Promote and support the effective use of volunteers and their organisations to maintain and improve upon the quality of community services
      • resource centre,
      • support and recognise our community’s achievements through Australia Day Awards and other opportunities.

   B) COMMUNITY partnerships with community development boards and community groups
• event support through road closures and event supplies such as bunting and signage.

C) YOUTH Continue to support and develop youth
• Support the Northern Areas Council Youth Advisory Committee (NACYAC) to manage youth related projects and advise Council on youth related issues.

D) LIBRARY AND INFORMATION:
• support the learning, recreational and cultural needs of our communities through supporting the Jamestown Community Library and Flinders Mobile Library.

8. Regulatory Services
- DOG AND CAT MANAGEMENT (ENVIRONMENTAL)
  • Identify priority recommendations in Council’s Animal Management Plan 2010 and commence implementation.
  - develop off leash areas within the community.
  • Adopt and implement procedures and forms for the management of dogs

- FIRE PREVENTION (ENGINEERING)
  • implement program to ensure yards are clear of any excess vegetation that may fuel a fire (Fire and Emergency Services Act 2005)
  • issue permits during fire danger season
  • Fire hazard reduction on Council owned land
    - Spalding Primary School roadside pine tree removal
    - Pine Plantation adjacent Mitre 10 on Jamestown-Caltowie Road
  • Erect fire danger season information signage in Council area.
  • Continuation of slashing at Laura, Jamestown, Spalding, Mannararie and town buffer zones.

- PUBLIC HEALTH AND SAFETY (ENVIRONMENTAL)
  • Immunisation
    - provide immunisations annually at pre-schools, annually to staff and monthly at community clinics at Gladstone and Jamestown. ONGOING
  • Food Act – undertake minimum requirements to meet Statutory Requirements under Food Act
  • Building Inspections – implement policy requirements to inspect 10% of residential and 30% of non-residential building applications.
  • Implement appointment system for pre-building meetings.
  • Reticulated water supply – install two return valves on Council water metres per annum as per SA Water requirements. (ongoing to completion)

9. Empower our staff to continue to deliver a high level of service to the community
- Engage with community to identify their needs and expectations of service through local media, Council newsletter and web page.
  • Develop a community engagement policy
  • Continue to review content on Webpage
  • An informative newsletter is collated quarterly as an engagement, consultation and communication tool
- Monitor and review Council’s complaints handling procedures including informal and formal options

10. GOVERNANCE
   • Review policies annually
   • Periodically conduct reviews of progress towards actions highlighted in the Strategic Management Plan.
GOAL 4
COUNCIL RECRUITS AND RETAINS HIGHLY SKILLED STAFF

Desired Outcomes

- 4.1 Staff are capable, approachable and have a high level of skills and knowledge about Local Government
- 4.2 Staff have a ‘can do’ attitude and work as a united team
- 4.3 Safe, efficient work systems and community safety

Key Actions

1. Continue to provide training and development to build and maintain skills and support continuous improvement. (ALL)
   - Adopting professional development activities aligned to the roles and responsibilities of staff
   - Ongoing development of Human Resource policies
   - Investigate methods of conducting a cultural survey of staff with the view to drive positive cultural changes through the organisation (CEO)
   - Manager’s skills to be assessed in the area of employee management and appropriate training provided.

2. Recruit the right people (CEO)
   - Implement and monitor the adopted recruitment policy and procedure
   - Update position descriptions
   - Implement and monitor the induction process
   - Develop and implement a workforce plan (including provision for succession planning and ageing workforce)

3. Provide regular, structured performance reviews (CEO/MANAGEMENT)
   - Staff appraisals including training needs analysis are undertaken annually.

4. Recognise and celebrate achievements (ALL)
   - Assist to promote in the community and actively support through applications to regional awards such as the Southern Flinders Business, Employment & Training Awards.

5. Maintain Risk and Work Health & Safety management systems for Council operations and assets (CEO)
   - WHS
     - Develop, adopt, Implement & Monitor WHS and Injury Management Plan to address hazards and risks ensuring accountability and responsibility
     - Improve Safety Culture across the organisation by effectively planning, consultation, communication & training
     - Improve the capacity of leaders to manage hazards effectively
     - WHS is incorporated into the Budget e.g. training, plant/ equipment etc
   - Purchase first aid kits for Council owned community venues
   - Works Staff training: Rail Safety training; emergency first aid training, forklift training and licences and elevated work platform training
- Risk Management
  - Implementation of a Risk Management Framework integrated throughout council operations
  - Implementation of emergency planning programs

We will continue to:

RECORDS MANAGEMENT (FINANCE/ADMINISTRATION)
- Implement the recommendations and action plan outlined in the Records Management Assessment Survey Report including
  - staff awareness and training in the capture of electronic records
  - Implement the Local Government Thesaurus for the classification of all official records
  - Responsibility for creation of records at a whole of agency level.