

Long Term Planning

Last year Council adopted the following suite of long term plans to guide it over the next ten years:

- Long Term Financial Plan 2013-2023
- Asset Management Plan 2013-2023
- Capital Works Program 2013-2023
- 2013 Rating Strategy

These plans proposed a managed increase of rates (to retain an average residential rate less than the State, Regional and Provincial City averages over the entire decade), while delivering a substantial capital works program to address past backlogs of important roadworks and committing to new and exciting projects for the future.

Council continues to closely monitor these long term plans and to provide confidence to the community that stated works will be completed, services will be maintained and that there will be no unexpected rate increases.

The implementation of and compliance with these plans are the key to achieving ongoing sustainability of Council's operations and the delivery of desired levels of capital expenditure. The documents are available at www.pirie.sa.gov.au.

2013 Rating Review

Council is now entering the second year of the three year implementation of the 2013 Rating Review, which strives to achieve consistency by adjusting several principles of rating. These have seen the application of land use rating across the district, rather than just Port Pirie city.

The use of land now determines rates rather than location (recognising that valuations already allow for location and accessibility to services). As a result, previously subsidised business premises in rural areas and in towns will pay more and Port Pirie businesses less than previously, with full implementation over a three year period.

It should be noted that local residential rates and primary production rates are still generally lower than those charged by neighbouring and similar regional Councils.

Further information on the Review is provided on Council's website.

Council Achievements 2013/14

- ✓ Installation of a new Town Clock and display, with support from the Port Pirie Rotary Club;
- ✓ Construction of the Port Pirie CBD bicycle network and completion of the Crystal Brook skatepark;
- ✓ Construction and opening of the Solomontown Plaza, along with improved path lighting and security cameras;

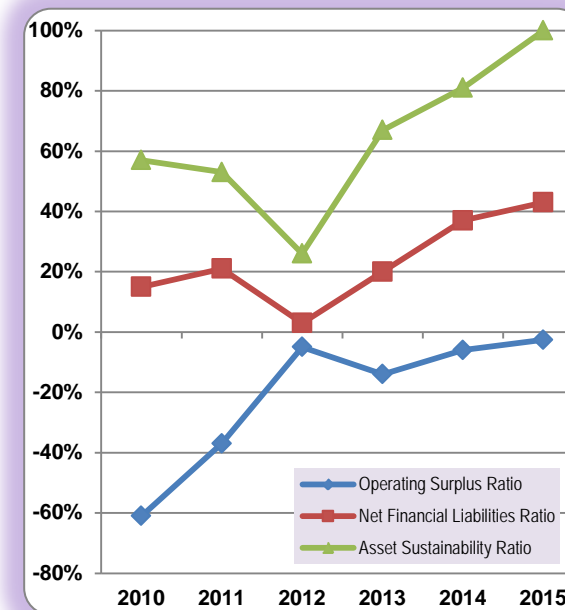


- ✓ Commencement of the duplication and upgrade of the Solomontown Boat Ramp facilities;
- ✓ Stormwater Drainage works in Crystal Brook and preparation for projects in Port Pirie, Redhill and Napperby;
- ✓ Various building, equipment and carpark improvements at the Port Pirie and Crystal Brook swimming pools;
- ✓ Upgrade of Senate Road and preparation of Abattoirs Road for major works in 2014/15;
- ✓ Significant and increased commitment to the resealing and resheeting of district roads;
- ✓ Construction of kerbing, footpaths and crossings at The Terrace, Frederick Road and David Street, and at Crystal Brook and Napperby;
- ✓ Construction of a new CWMS pond at Crystal Brook;
- ✓ Construction of improved road access to the Port Pirie Waste Transfer Station; remediation of the former landfill;
- ✓ Development of playgrounds and parks at Stanhope, Catherine Commons and Risdon Heights Reserves;
- ✓ Various improvements to community buildings and installation of additional bus shelters;
- ✓ Contributions to local sporting and community organisations and events;
- ✓ Planning for major Port Pirie CBD, Sporting Precinct and City entrance upgrades.

Performance and Sustainability

Council's operations and financial performance are measured by a series of sustainability indicators. In adopting the budget and setting rates, Council takes into account its financial history and its progress towards achieving its targets. Such reviews are critical in Council's strategy to reach a financially sustainable position in the near future.

The following provides an analysis of Council's actual results to 2013, Budget for 2013/14 and its adopted Budget for 2014/15.



- **Operating Deficit Ratio** (measuring annual operating deficit against rate revenue) is slowly improving towards a sustainable breakeven (0%) result;
- **Net Financial Liabilities Ratio** (capacity to fund net financial liabilities as a % of operating revenue) is temporarily increasing, but is still well within targets and acceptable industry levels; and
- **Asset Sustainability Ratio** (extent of replacement of existing assets) is improving towards a sustainable level.

Council has set targets for each ratio in its Long Term Financial Plan and will monitor progress of each to ensure that its objectives continue to be met.



2014/15 Annual Business Plan SUMMARY

A full copy of the Annual Business Plan is available from the Port Pirie Regional Council Administration Centre, Crystal Brook Rural Office and on Council's website www.pirie.sa.gov.au

Message from the Mayor

Last year, Council committed to a series of long term plans which have provided a firm and sustainable direction to meet the ongoing expectations of the community.

The 2014/15 Annual Business Plan and Budget has built on these plans, providing a range of service improvements as well as the renewal of existing and the provision of new infrastructure throughout the district.

A total of \$9.6 million will be spent on capital projects, including \$5million on road projects and almost \$2million on important drainage works. Council is also continuing detailed planning for both the CBD rejuvenation and Memorial Oval sporting precinct, in anticipation of major government funding in coming years.



Council continues to battle with increasing utility and construction costs, along with recent cuts of more than \$300k in Federal grants. However with the benefit of careful planning and allocation of its resources, Council has reduced these impacts and looks forward to continue its program to upgrade its wide range of services and facilities for the community.

Brenton Vanstone
MAYOR

Valuation and Rates

Council has adopted Capital Valuations, as provided by the Valuer-General, as the basis to raise its annual rates. The total valuation of the region is \$2251 million, of which \$2163 million is rateable.

Property valuations have generally increased and reduced by relatively small amounts. Valuations of some farming land have increased by 10-15%, while vacant land and some residential properties have reduced. Overall, the total Capital Valuation of the district has increased by 2.7%.

The rating structure includes various components which make up the rates payable, depending on the land use and location of property. The 2014/15 rates comprise of the following:

Fixed Charge (applicable to all properties)

@ \$415 per property (an increase from \$380)

+ Capital Valuation x Rate in \$

(differential rates determined by land use/locality)

Residential (All)	0.350 cents in the \$
Commercial/Industrial (Port Pirie)	0.753 cents in the \$
Commercial/Industrial (Other)	0.595 cents in the \$
Industrial (Smelter)	4.360 cents in the \$
Vacant (Port Pirie)	0.700 cents in the \$
Vacant (Other)	0.595 cents in the \$
Primary Production (All)	0.270 cents in the \$
Other (All)	0.350 cents in the \$

+ Waste Management Service Charge

(applicable to all residential properties in the district) @ \$228

+ CWMS Service Charge (per serviced property)

Crystal Brook Occupied \$180, Vacant \$135
Napperby Occupied \$420, Vacant \$315

+ NRM Levy (paid to the NYNRM Board)

(applicable to all properties) @ \$29.20 per property

= Total Rates Payable

A recent analysis has again identified that despite recent increases, Port Pirie's average residential rate is still well below the State average and less than all other Provincial Cities. It is also evident that the primary production rate in the dollar is generally lower than other rural areas.

This year, Council has also reviewed its CWMS charges and associated funds held and decided to reduce most fees for both Napperby and Crystal Brook. The waste management fee has risen by \$32 (a \$30 credit was provided last year).

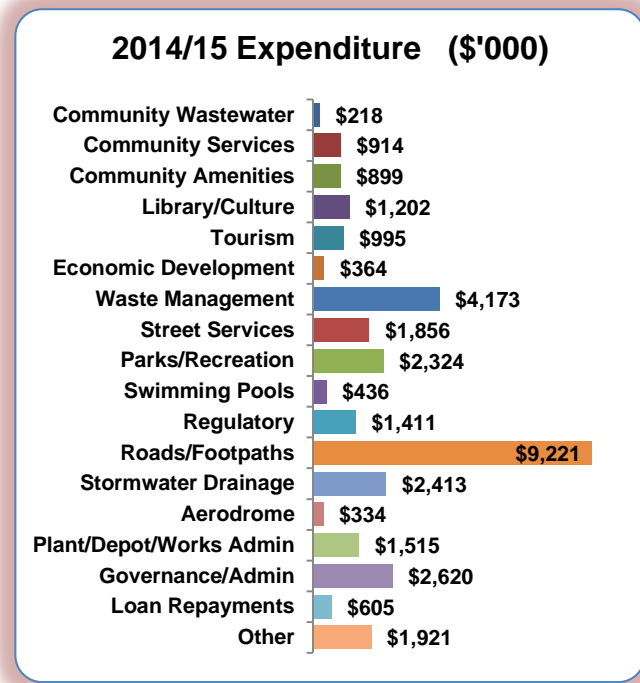
Rates may be paid in quarterly instalments on 12th September 2014, 12th December 2014, 13th March 2015 and 12th June 2015.

Further details on rates calculations, concessions and valuations are provided in the Annual Business Plan and on the reverse side of rate notices.

Budget and Activities

Council relies heavily on rate revenue as its primary source of income, representing 69% of its total operating revenue. Other sources include Government grants (21%), user charges (7%) and statutory charges (2%).

A breakdown of the combined capital and operating budget expenditure of \$33.4 million is provided below:



Further information including a full listing of budget allocations to Council activities is provided in the Annual Business Plan.

2014/15 ABP at a Glance

- **Capital Works** of \$9.6m, including \$7.3m allocated to the renewal of existing assets and \$2.3m for new assets;
- **Operating Deficit** of \$0.53m (a further improvement on previous years, and nearing a breakeven result);
- **New Loans** of \$3.5m, repayments of \$0.6m, resulting in a moderate increase to net debt position;
- **Average Residential Rates** increase of 5%-6%;
- Continuing implementation of the **2013 Rating Review**, to align business rates across the district and to increase primary production rates to a similar level as other Councils;
- Review of the **Community Wastewater Management System service charge** to recover the cost of annual operations and eventual replacement;
- **Asset Sustainability** improvement, by increasing funding allocations for the replacement/renewal of existing assets.

Significant Planning Year

2014/15 is an important year for Council, committing resources to plan various key projects for the coming years. These include:

- ✓ Sporting Precinct Masterplan
- ✓ Port Pirie CBD Masterplan
- ✓ Cemeteries Masterplan
- ✓ Street Tree, Parks and Marine strategies
- ✓ Port Pirie Pool Amenities upgrade
- ✓ Port Pirie Administration Centre refurbishment
- ✓ Various drainage and road designs
- ✓ Rural Living Development Plan Amendment

Each of these projects are included in Council's long term plans.

Federal Grant Reductions

The 2014/15 Federal Budget contained some negative impacts for Councils in South Australia. Locally, the withdrawal of Supplementary Road Funding has meant a reduction of \$195k, while pegging of financial assistance grants has cost an additional \$130k.

Council considered these impacts and whether to increase rates, increase borrowing or cut budget allocations. As a result, the annual resealing budget was reduced from \$1.8m to \$1.5m, given that its resealing budget had increased from \$0.7m to \$1.7m to restore local roads impacted by the February floods.

Major Projects for 2014/15

The new and upgraded **Solomontown Boat Ramp** will be soon completed. The area will be enhanced by construction of new **public conveniences** near the boat ramp and plaza, and installation of new street lights along Beach Road. Remedial work will be performed at **Fishermans Jetty** and **Port Davis boatramp**, along with dredging of the Port Pirie River.



New **entrance statements** will greatly improve the approaches to Port Pirie following receipt of Government grants. Various **community buildings** will benefit from major maintenance, **cemetery facilities** will be upgraded and minor works performed at the Port Pirie Aerodrome and at the Port Pirie and Crystal Brook swimming pools.

Major roadworks projects are planned in the region, including the upgrade of **Abattoirs Road** (\$1.1m) and resealing of district roads (\$1.5m). A total of \$1.7m will also be spent on resheeting, including reconstruction of storm damaged roads in the Napperby area. Various **footpath, kerbing and bridge works** (\$325k) are also planned throughout the district.

Stormwater drainage works are proposed for the Port Pirie CBD, Wandearah Road, Alpha Terrace lagoon, Napperby and Redhill, along with flood and tidal protection works.

Parks improvements will include playground upgrades at Flinders View Park, Threadgold Park and Napperby, whilst **new shade structures** will be installed at Solomontown Beach and Bowman Park. A **walking trail** is also proposed for Crystal Brook.

The carpark, shelter and entrance to the **Tourism & Arts Centre** will be upgraded, Council offices will be reviewed for minor renovations and its plant and machinery fleet will continue to be modernised to improve work efficiency.