

## Long Term Planning

Council has adopted its Long Term Financial Plan 2013-2023, outlining its strategy to provide the services and infrastructure required and expected by the community in a financially responsible manner. The Plan considers Council's current financial position and builds on this information from its asset plans, rating strategies and intended service levels.

Council is planning to achieve and sustain an operating surplus from 2016, something it has failed to achieve for many years. This will improve Council's ability to maintain and increase the services and facilities provided for the community, and protect future ratepayers from unexpected rate increases and service reductions.

To achieve financial sustainability, Council needs to reduce services, raise rates or a combination of these. In addition to consolidation of some services and the pursuit of further efficiency gains, Council has planned for an overall rate revenue increase of 9% in 2013/14, followed by increases of 6% for the following four years and decreasing to 3% by the end of the Plan.

Throughout the period, Council's average residential rate will still be much less than the projected non-metropolitan equivalent.

Council has also adopted its Asset Management Plan 2013-2023 which provides a strategy to manage, renew and replace its vast range of community and other infrastructure, valued at over \$260m. The Plan provides a detailed analysis of asset categories, levels of service, age, condition and risk associated with these assets.

The Plan provides for a Capital Works Program valued at \$93m, mostly committed to the renewal and upgrade of Council's existing assets, in particular its road network.

The Program also provides for several exciting new projects (subject to grants), which will provide for a \$7m rejuvenation of the Port Pirie CBD, a \$10m redevelopment of the Memorial Oval precinct and a range of marine facility upgrades (all subject to grants). Major allocations are also proposed for stormwater drainage, footpaths, buildings and parks and reserves improvements.

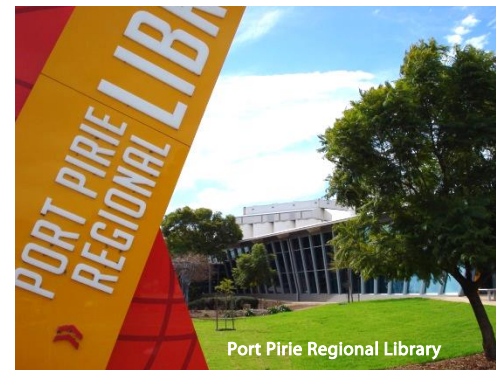
## 2013 Rating Review

Council has recently completed a full review of its rating structure, which strives to achieve consistency by adjusting several principles of rating. These will see the application of land use rating across the district, rather than just Port Pirie city.

The use of land will determine rates rather than location (recognising that valuations already allow for location and accessibility to services).

As a result, previously subsidised residential and business premises in rural areas and businesses in towns will pay more, to be implemented over a three year period. Business rates in Port Pirie will reduce to a lower level, while residential and primary production will still pay less than those charged by neighbouring and similar regional Councils.

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



Port Pirie Regional Library



Port Pirie Transfer Station

## Council Achievements 2012/13

- Review and public consultation on the Long Term Financial Plan, Asset Management Plan and Capital Works Program for 2013-2023;
- Review and public consultation of Council rating structure and Elected Member representation;
- Implementation of new asset management systems and strategies;
- Completion and commissioning of the water reuse scheme in conjunction with Nyrstar;
- Investigation of stormwater retention and reuse opportunities;
- Construction of a levee bank along the Pirie River to reduce risk of tidal flooding;
- Introduction of kerbside waste collections for recycling and green organics;
- Construction of the Port Pirie Waste Transfer Station and closure and continuing remediation of the landfill facility in accordance with EPA requirements;
- Replacement of roofing and air-conditioning at the Port Pirie Senior Citizens Centre;
- Purchase of a new community bus housed at Crystal Brook;
- Construction of niche wall at Warnertown Cemetery and upgrades at Port Pirie and Crystal Brook cemeteries;
- Upgrade of carparking, landscaping and lighting at the Port Pirie Regional Library;
- Construction of major stormwater drainage at Cunningham Street Crystal Brook and at Napperby;
- Development of parks and playgrounds at Anzac Reserve and Osborne Park;
- Construction of a skatepark and surrounds at Crystal Brook;
- Improvements to Port Pirie and Crystal Brook swimming pools;
- Major resealing and rural resheeting programs;
- Construction of kerbing and footpaths at Pelham Road, Mary Elie Street and rural areas;
- Contributions to local sporting and community organisations and events;
- Planning for major Port Pirie CBD, Sporting Precinct and City entrance upgrades.

## 2013/2014 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 website [www.pirie.sa.gov.au](http://www.pirie.sa.gov.au)*

### Mayor's Message



During the last 12 months, Council has placed significant emphasis on planning for the future and as a result, has adopted several long term planning documents. These plans provide Council with a firm and sustainable direction to ensure that services and facilities can be provided to meet the ongoing expectations of the community.

Council's 2013/14 Annual Business Plan and Budget provides a detailed account of the services and projects Council will provide over the coming year, as a first step towards achieving its longer term objectives.

In recent years, Council has undertaken very significant projects such as the new Library, a major upgrade of the Port Pirie Swimming Pool, the \$5m Water Re-Use Scheme (with Nyrstar) Florence Street underground power and most recently, a new Waste Transfer Station. It is also pleased to announce that all planned major projects were completed in 2012/13, and that there were no notable departures from the adopted budget.

Council now enters an exciting era for both new projects and planned consolidation, which will in turn provide for a bright and prosperous future for all residents and ratepayers of Port Pirie and the region.

*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 \$2193 million, of which \$2117 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 all properties in the district has increased by 1.4%.

The rating structure includes various components which make up the rates payable, depending on the land use and location of property. The 2013/14 rates comprise of the following:

### Fixed Charge (applicable to all properties)

@ \$380 per property (an increase from \$350)

### + Capital Valuation x Rate in \$

(differential rates determined by land use/locality)

*Residential (All)* 0.330 cents in the \$  
*Commercial/Industrial (Port Pirie)* 0.759 cents in the \$  
*Commercial/Industrial (Other)* 0.462 cents in the \$  
*Industrial (Smelter)* 4.000 cents in the \$  
*Vacant (Port Pirie)* 0.660 cents in the \$  
*Vacant (Other)* 0.462 cents in the \$  
*Primary Production (All)* 0.244 cents in the \$  
*Other (All)* 0.330 cents in the \$

### + Waste Management Service Charge

(applicable to all residential properties in the district) @ \$196 per residential property

### + CWMS Service Charge (per service)

(applicable to all Crystal Brook & Napperby properties)

*Crystal Brook Occupied* \$298, *Vacant* \$222  
*Napperby Occupied* \$479, *Vacant* \$274

### + NRM Levy

(applicable to all properties, paid to the NYNRM Board) @ \$28.50 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.

Rates may be paid in quarterly instalments on 13<sup>th</sup> September 2013, 13<sup>th</sup> December 2013, 14<sup>th</sup> March 2014 and 13<sup>th</sup> June 2014.

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

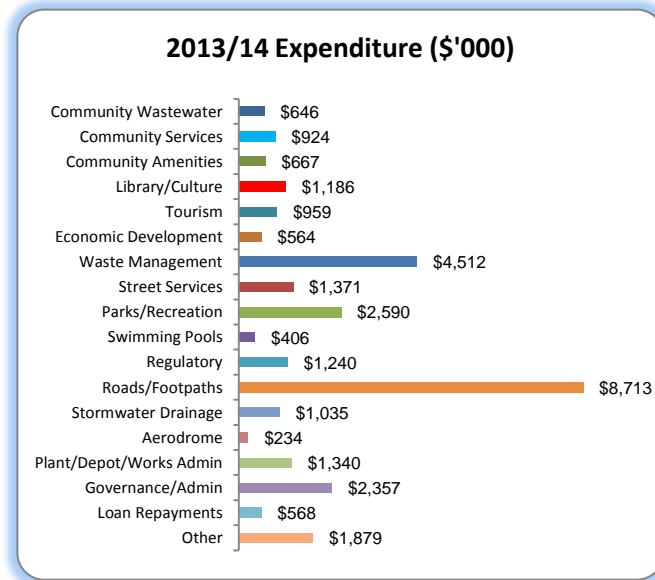
## Budget and Activities

Council relies heavily on rate revenue as its primary source of income. The following table provides a summary of Council's Income and Expenditure for the 2013/14 year:

Revenue	\$m	Expenses	\$m
Rates	\$14.16	Employee Costs	\$7.00
User/Statutory Charges	\$1.56	Material, Contract, Other	\$17.61
Grants	\$5.87	Finance Charges	\$0.21
New Loans	\$2.50	Loan Repayments	\$0.57
Other*	\$0.46	Depreciation*	\$5.80
<b>TOTAL INCOME</b>	<b>\$24.55</b>	<b>TOTAL EXPENSES</b>	<b>\$31.19</b>

\*Depreciation unfunded

A breakdown of the expenditure budget is provided below:

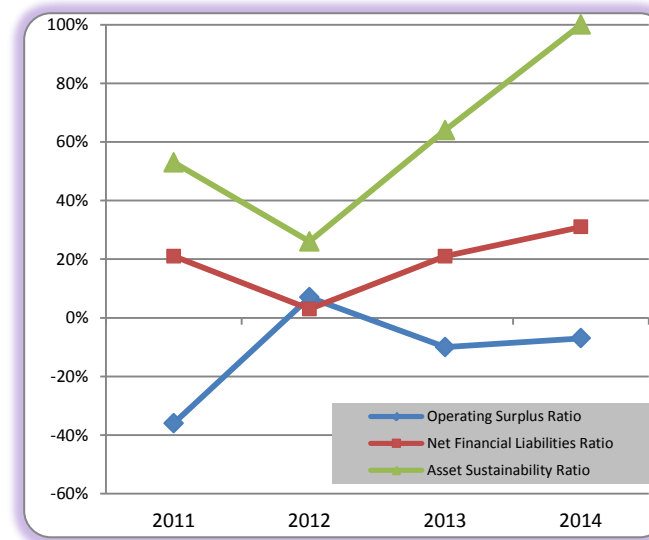


Further information including a full listing of budget allocations to Council activities is provided in the Annual Business Plan.

## 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 sustainability position in the next few years.

The following graph provides an analysis of Council's actual results to 2012, Budget for 2012/13 and its adopted Budget for 2013/14.



- 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 reducing, but is still well within targets and industry levels; and
- Asset Sustainability Ratio (extent of replacement of existing assets) is greatly 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.

## 2013/14 ABP at a Glance.....

- **Capital Works** of \$8.5m, including \$6m allocated to the renewal of existing assets and \$2.5m for new assets;
- **Operating Deficit** of \$0.96m (an improvement on previous years, and trending towards a breakeven result);
- **New Loans** of \$2.5m, repayments of \$0.57m, resulting in a moderate increase to net debt position;
- **Average Residential Rates** increase of 8.5% (excluding \$45 increase to waste management service charge);
- Review of the **Waste Management Service Charge** to recover the cost of collection/disposal of kerbside waste for a full year;
- **Asset Sustainability** improvement, by increasing funding allocations for the replacement/renewal of existing assets.

## Major Projects for 2013/14

The **Port Pirie Foreshore** will benefit by the construction of the **Solomontown Beach Plaza** and improved lighting of the walkway area. New **boat ramp pontoons** are also planned.

New **entrance statements** will improve the approaches to Port Pirie. Various **community buildings** will benefit from major maintenance, **cemetery facilities** will be upgraded and the Port Pirie **swimming pool carpark** resealed.

The **Port Pirie Waste Transfer Station** will be completed with improved road access and a washdown bay at a cost of \$550k.

**Major roadworks projects** are planned in the region, including sealing (\$1.7m), resheeting (\$700k) and reconstruction (\$1.0m), double that invested in the previous year. Various **footpath, kerbing and bridge works** (\$455k) are also planned.

Parks Improvements will include **new playgrounds** at Stanhope and Catherine Commons Reserves and various **irrigation upgrades** in reserves and Port Pirie cemetery.

Further funds are allocated to the **Crystal Brook skatepark and caravan park** and improvements are planned for the **Port Pirie CBD bicycle network, new bus shelters and town clock**.

**Stormwater Drainage** works are proposed in Port Pirie, Crystal Brook, Napperby and Redhill, along with flood and tidal protection works. A new CWMS pond will be constructed at Crystal Brook.