

# Annual Plan

For the year ending 30 June 2012



# **ANNUAL PLAN 2011-2012**

CENTRAL COAST COUNCIL

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## **INTRODUCTION**

Under the *Local Government Act 1993* (as amended), all councils are required to prepare and adopt an Annual Plan together with Estimates of its revenue and expenditure for each financial year. The Estimates are to contain details of estimated revenue, expenditure, borrowings, capital works and any other detail required by the Minister. They must be adopted by 31 August each year, but cannot be adopted more than one month before the start of the financial year to which they relate.

The Annual Plan details the major actions the Council will undertake this financial year to work towards achieving the strategies outlined in the Council's Strategic Plan 2009-2014. The Annual Plan therefore forms the basis for the development of each Department's work plan and for monitoring the performance and measuring the success of the organisation on an annual basis. Ongoing operational activities, including payment of accounts, production of Council agendas and minutes etc., are not included in the Annual Plan, but are included in the Estimates for the year.

The last 12 months have been challenging and dynamic for the Council and local government in general. The staff were unexpectedly presented with the challenges of cleaning up from the flood event on 14 January 2011. This event saw significant infrastructure damage in the rural area, including four bridges being swept away. The access issues associated with this event certainly raised a different set of challenges for the staff to address. These recovery works will not be completed until this financial year.

The re-development of the Ulverstone Wharf precinct has also taken up considerable staff resources, and it is pleasing to see the commencement of the building works on the Wharf.

The Council's financial position is strong in terms of its cash, liquidity and recent performances against budget.

The Estimates are prepared in conjunction with the Annual Plan and explain how the Council will resource its operational and capital activities for the year.

In preparing the Estimates for 2011-2012, the Council has again been challenged in balancing the competing priorities of required services, the continuation of strategic directions/initiatives, maintaining a sound financial position and keeping rate increases to an acceptable level. Fees and charges have been increased to reflect the cost of service provision.

In the tough economic climate, it's crucial that the Council continues to provide core services for the community. It is also vital that we continue working on capital projects in our area.

I commend the Annual Plan presented to the Council and the community. The Senior Management Team and I believe we have presented for the Council's consideration a financially responsible Annual Plan and Estimates.

*Sandra Ayton, General Manager*

21 June 2011

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## STRATEGIC PLANNING FRAMEWORK

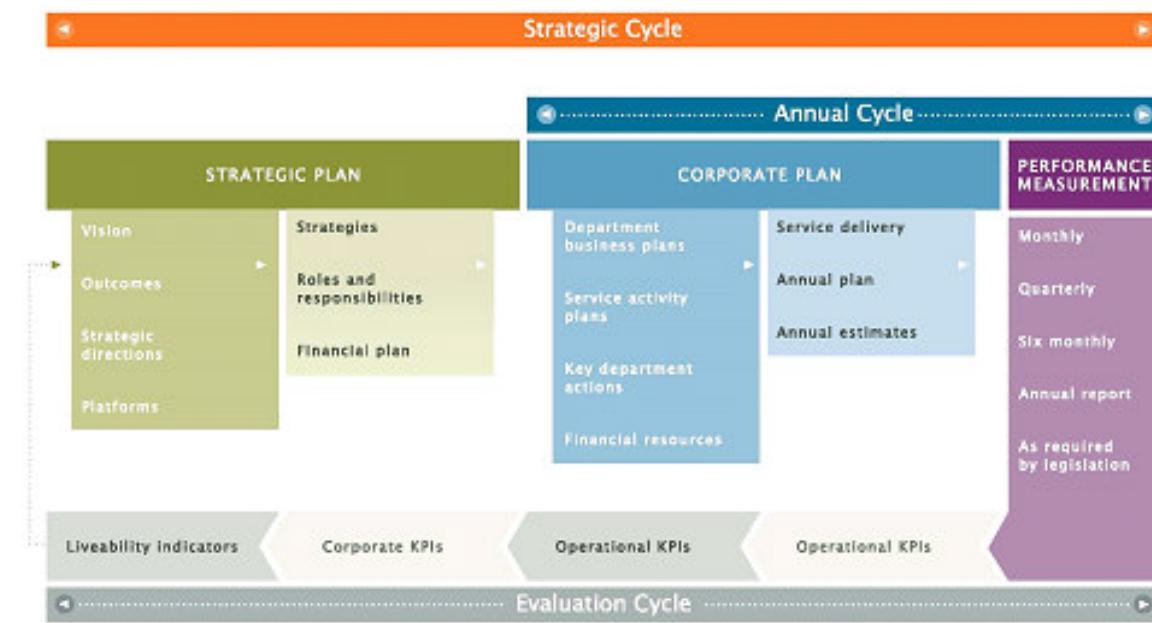
The Council adopted its Strategic Plan 2009-2014 in May 2009. The Strategic Plan identified the Council's priorities for 2009-2014, to be delivered through the Council's Annual Plan. The Strategic Plan focuses on the distinctiveness of our location, lifestyle and strengths to achieve the aspirations of local communities and to set the direction for the Council in determining how best to direct its resources and efforts.

The Strategic Plan summarises the key objectives, strategies and actions that the Council plans to pursue over the coming five-year period. The Annual Plan is an annual document that is framed within the Strategic Plan. It outlines the operating environment, key initiatives/actions and resource requirements for each of the Council's Service Activities. The Annual Plan then forms the basis of the Estimates.

Performance in achieving the strategic and key department actions outlined in this Annual Plan will be reported to the community through the Council's Annual Report for 2011-2012.

Additionally the Council will be developing a five-year corporate plan which includes the financial, asset, service delivery and organisation's capability to deliver priorities and ensure that day-to-day operations align with the identified strategic direction.

This diagram depicts the Council's strategic planning framework:



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The Annual Plan includes the initiatives and actions to be funded that will contribute to achieving the strategic objectives specified in the Strategic Plan.

'The Vision' and 'Our Values' in the Strategic Plan, along with the Strategic Directions, Strategies and Key Actions for the 2011-2012 year are reproduced below. These provide the basis for our directions for the year and are supported by the Estimates.

## **The Vision**

**Central Coast – living our potential**

We are a vibrant, thriving community that draws inspiration and opportunities from its natural beauty, land and people. Our clever industries and productive rural resources support economically viable communities as part of a thriving region, meeting all challenges with energy and innovation.

We are diverse coastal and rural communities, connected by a powerful sense of belonging to our place.

## **Our Values**

- Community spirit
- Effective customer service
- Open
- Respectful
- Innovative
- Responsive

## **The Shape of the Place**

*Improve the value and use of open space*

- Staged implementation of the Dial Regional Sports Complex Master Plan – investigate feasibility (2010-2014)
- Progress the development of the Ulverstone Wharf (2009-2012)

*Adopt an integrated approach to land use planning*

- Incorporate the Cradle Coast Regional Land Use Plan into the Planning Scheme
- Identify and promote appropriate land for industrial and commercial use

*Conserve the physical environment in a way that ensures we have a healthy and attractive community*

- Coordinate the implementation plan for the Penguin Urban Design Guidelines, Ulverstone Urban Design Guidelines, Forth Local Area Plan and the Turners Beach Local Area Plan

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## **A Connected Central Coast**

*Provide for a diverse range of movement patterns*

- Create a plan for a network of transport routes to connect communities and attractions throughout Central Coast

## **Community Capacity and Creativity**

*Community Capacity Building*

- Continue to develop the Coast to Canyon Brand/Experience

*Facilitate entrepreneurship in the business community*

- Commence staged implementation of the Ulverstone, Penguin and Forth Cultural Master Plans (2009-2012)

*Cultivate a culture of creativity in the community*

- Develop a management plan for the Ulverstone History Museum
- Develop an Events Brand for Central Coast

## **The Environment and Sustainable Infrastructure**

*Invest in and leverage opportunities from our natural environment*

- Investigate water collection/water management options
- Investigate the upgrade of the Leven River embankments

*Contribute to a safe and healthy environment*

- Participate in the Tasmanian water and sewerage reform process to achieve best practice water and sewerage services in Central Coast (2009-2014)
- Participate in State and regional emergency management (2009-2014)

*Develop and manage sustainable built infrastructure*

- Develop and implement Service and Asset Management Plans in accordance with the Council's Asset Management Improvement Strategy (2009-2014)
- Assist in the implementation of the Cradle Coast Regional Waste Management Strategy (2009-2014)
- Actively participate in ongoing development of the Dulverton Waste Management Authority (2009-2014)

*Contribute to the preservation of the natural environment*

- Promote and participate in regional, State and national climate change-related initiatives (2009-2014)
- Investigate and plan for the effects of climate change on the local area (2009-2014)

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- Implement suitable climate change adaptation and/or mitigation strategies (2009-2014)
- Provide support and assistance to community groups engaged in environmental activities in Central Coast, such as Coastcare and Rivercare (2009-2014)

## **Council Sustainability and Governance**

### *Improve corporate governance*

- Develop and implement a Strategic Human Resource/Organisational Development Plan (2009-2012)
- Develop initiatives to achieve the goal of 'zero injuries' across the Council (2009-2014)
- Implement strategic and operational risk management strategies in all Council activities (2009-2014)
- Review Emergency Management Plans (2009-2014)

### *Improve service provision*

- Identify, prioritise and complete key process and service reviews to achieve best value
- Review IT platform and software applications

### *Improve the Council's financial capacity to sustainably meet community expectations*

- Implement the Council's Sustainability Action Plan (2009-2012)
- Develop and implement an Economic Development Plan
- Complete the 10-year Financial Plan incorporating Asset Management Plans for all asset classes

### *Effective communication and engagement*

- Implement measures to promote community awareness of the *Strategic Framework for Settlement and Investment* and involvement in the land use planning process (2009-2014)
- Increase communication and community awareness of the Council's services and activities (2009-2015)
- Ensure effective communication with the Australian and State Governments on matters of importance to the Central Coast community (2009-2014)
- Develop a 'Community Engagement Resource Kit'

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## *Strengthen local-regional connections*

- Develop and enhance partnerships with governments, regional authorities, the private sector and community groups in achieving significant community goals (2009-2014)
- Actively participate in the development and implementation of regional strategies (2009-2014).

## **ESTIMATES PREPARATION**

The 2011-2012 Estimates presented in this report have been developed through a process of consultation and review with the Council and Council officers.

It is the view of the General Manager and Senior Management Team that the Estimates are financially responsible and support the strategies included in the Strategic Plan.

Nevertheless, the Estimates are considerably detailed and are proposed on the basis of comparison with the past financial year. This provides an excellent guide for analysis purposes but, in any case, care should be taken to ensure that all variables and procedural changes have been taken into account when comparing the past with the present.

These Estimates also include a description of all the Council's Service Activities to be funded and how they will contribute to achieving the strategic actions identified in the Strategic Plan 2009-2014. Key Department Actions have also been identified and included under the relevant Service Activities. They also include the capital works program to be undertaken and other financial information that the Council requires in order to make an informed decision about the adoption of the Estimates.

The Estimates forecast an operating surplus of \$2,883,000. The Council's financial position is positive due to its level of cash reserves. It will be necessary to achieve future revenue growth from other sources in order to achieve financial sustainability in the long term. To this end, the Council is continuing its sustainability project to look at other opportunities for raising revenue over the next few years.

## **INFLATION**

While the Consumer Price Index (CPI) is not particularly relevant when applied to the operations of local government, the March 2011 quarter announcement by the Australian Bureau of Statistics advises that the annual rate of inflation for Australia (Hobart) is 2.90%.

While the CPI is a benchmark for councils to look at in terms of groceries and other consumables, it is not appropriate in terms of the cost drivers of local government outlays as the business of councils has a broader range of impacts and extends to activities related to general construction in terms of infrastructure provision.

The Local Government Association of Tasmania has produced a council cost index to assist councils with their rate setting, and the Association is proposing that the average movement in costs for the average council in Tasmania would be in the vicinity of 3.18%.

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## **ESTIMATES 2011-2012**

The rates this year reflect changes in the operations of the Council, and increased costs due to increases in services and increases in costs from suppliers.

The major areas of increase are in waste management and non-household waste. It is important to note that there are continuing pressures on the overheads of the Council, commonly referred to as the cost of doing business. Unless the Council maintains a realistic approach to the development of its Estimates and therefore the levying of its rates, then the overheads (and any external influences) will start to bite into the level of works and services traditionally provided by the Council.

The removal of water and sewerage operations from the Council does have a consequential impact on the general rate, brought about because some of the Council's fixed administrative costs can no longer be spread over the water and sewerage operations. This, combined with no expectation of receiving a dividend from Cradle Mountain Water over the next couple of years, has made the budget setting process particularly challenging. Over the last two years the Council has been phasing out the impact of not receiving a dividend from Cradle Mountain Water and this is the first year that money is not being transferred from the Special Project Reserve to supplement the rates.

Local government is also facing huge challenges in relation to asset management and the development of strong financial management programs. To this end the Council will be completing a 10-year financial management plan as well as continuing with the implementation of its Sustainability Action Plan over the next few years.

Directors will have to ensure that all the programs, operations and finances of the Council are kept within budget in order that the Council continues to stay in a sound financial position.

The Estimates are presented with a recommended increase in the general rate of 3.70%.

There is an increase in the Waste Management Service Charge due to the Regional Waste Management contract. There is also an increase in the Fire Service Levy. The Fire Service Contribution has been calculated in accordance with recent amendments to the *Fire Service Act 1979* and Council returns. Changes to the *Fire Service Act 1979* included a smoothing out of spikes in valuations by adopting a six-year rolling average of assessed annual values.

The Council also allows a discount of 5% on the early payment of rates (rates being paid in full by 30 September 2011).

At this time, it would seem that the program as set out is achievable.

## **RATES AND CHARGES 2011-2012**

This year saw the two-year valuation adjustment factors applied by the Valuer-General. These adjustment factors were inconsistent through the municipal area ranging from no increase in commercial and industrial properties to 25% increases in primary production. In recognition of these fluctuations, and also that valuation adjustment factors are based on an average adjustment through land classes, the Council this year has elected to introduce a differential

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rate for the residential, primary production and vacant land classes. This will have the effect of ensuring consistent increases throughout the municipal area of all land use classes.

A schedule of rates and charges with comparative figures is set out at *Table 1*.

Examples of changes over the municipal area are listed in *Table 2*.

## **BORROWINGS**

The Capital Program for 2011-2012 is not being supported by borrowings. The Council limits its borrowings to those services/projects which are long-term investments and single high-cost developments which provide a peak within the Capital Program.

The Council's debt is also at a manageable level.

The 2011-2012 year has seen the Council pay out \$128,847 in loan principal. It is estimated that approximately \$126,454 will be paid out in the 2011-2012 year, leaving principal outstanding at 30 June 2012 estimated at \$2,214,488.

## **FEES AND CHARGES**

Fees and Charges for the 2011-2012 year are set out at the end of this document. Some of the fees are statutory and are therefore set by other authorities.

Fees and Charges have been updated in accordance with the current fees and charges policy and the community service obligations applied.

All fees and charges include GST unless otherwise indicated.

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**Table 1** - Schedule of rates and charges comparisons

Rates	2010-2011	2011-2012	Percentage change
General	8.69c	9.00c	+3.70
General – residential	8.69c	8.21c	+3.70
General – primary production	8.69c	7.02c	+3.70
General – vacant land	8.69c	7.00c	+3.70
Minimum Amount	\$185.00	\$200.00	+8.11
Waste Management Service Charge	\$160.00	\$170.00	+16.25
Fire Protection Service Rate			
Penguin and Ulverstone	0.43c	0.38c	-0.78
Forth, Leith, Heybridge and Turners Beach	0.43c	0.38c	-0.78
Other Areas	0.34c	0.28c	+1.59
Minimum Amount	\$34.00	\$35.00	+2.95

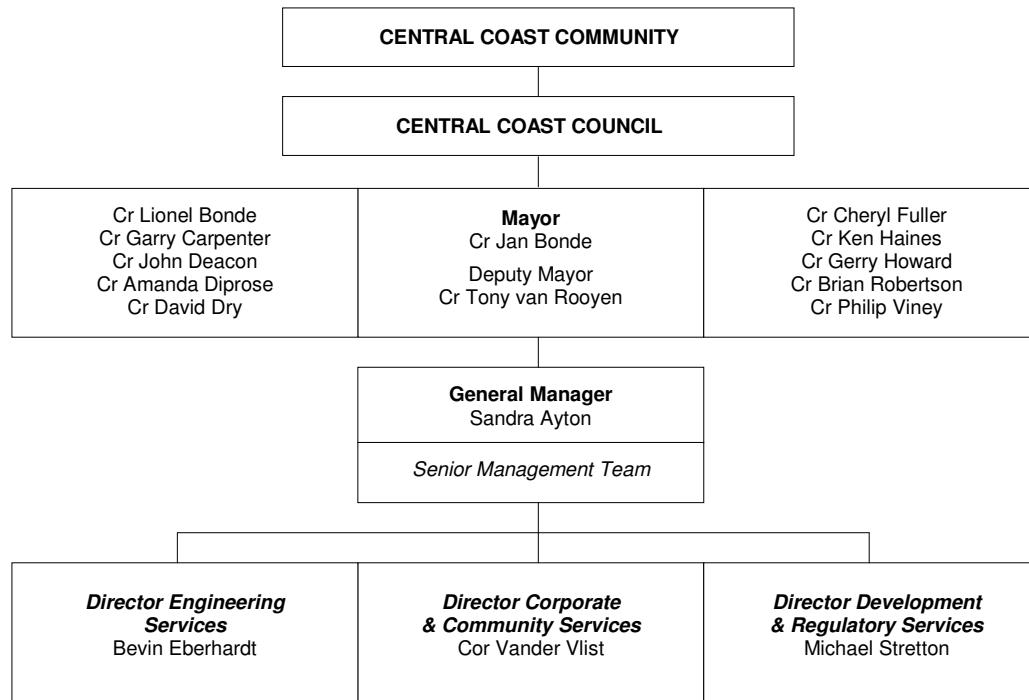
**Table 2** - Rate changes between years

Area	2010-2011	2011-2012	Percentage change
Rural (small farm)	\$1,251.55	\$1,300.86	+3.94
Rural (large farm)	\$3,792.60	\$3,942.00	+3.94
Ulverstone (residential medium)	\$899.81	\$935.03	+3.91
Ulverstone (residential large)	\$1,819.84	\$1,889.72	+3.84
Forth (rural/residential)	\$1,108.48	\$1,141.26	+2.96
Heybridge (residential)	\$862.78	\$896.61	+3.92
Ulverstone (CBD)	\$2,096.14	\$2,155.90	+2.85
Penguin (shopping centre)	\$1,636.13	\$1,682.77	+2.85
Vacant land	\$219.00	\$235.00	+7.31

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### ORGANISATIONAL CHART

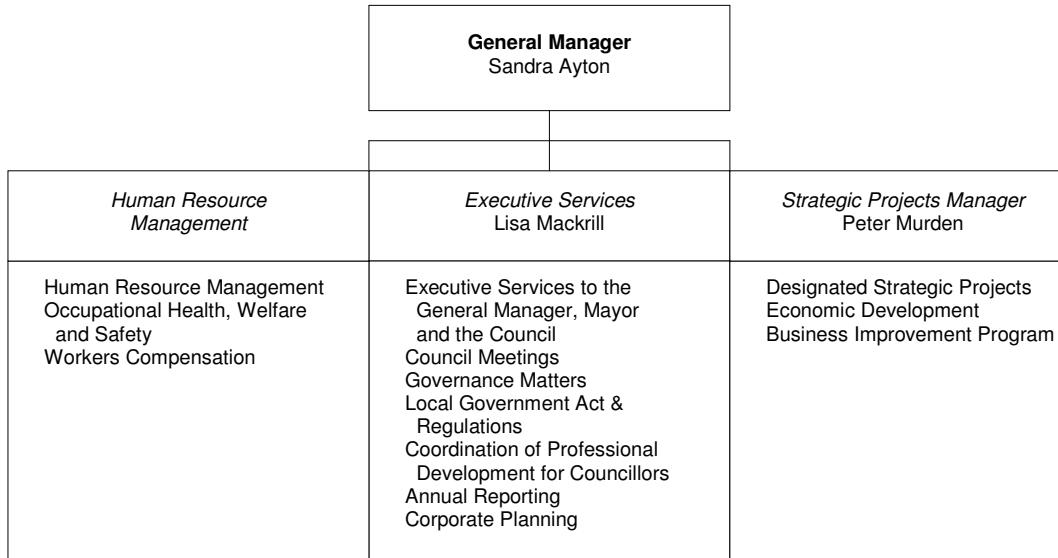


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### ORGANISATIONAL CHART - General Management

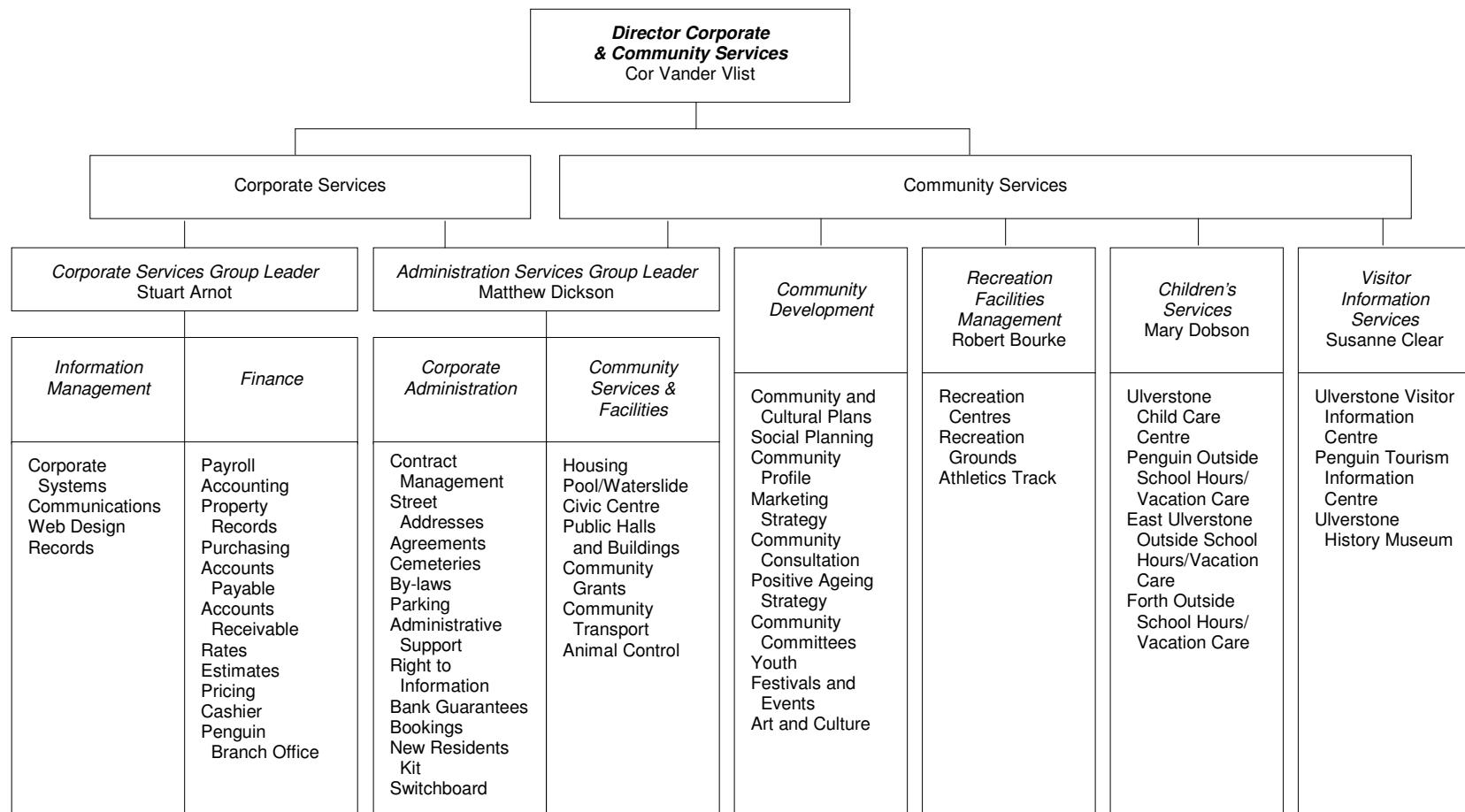


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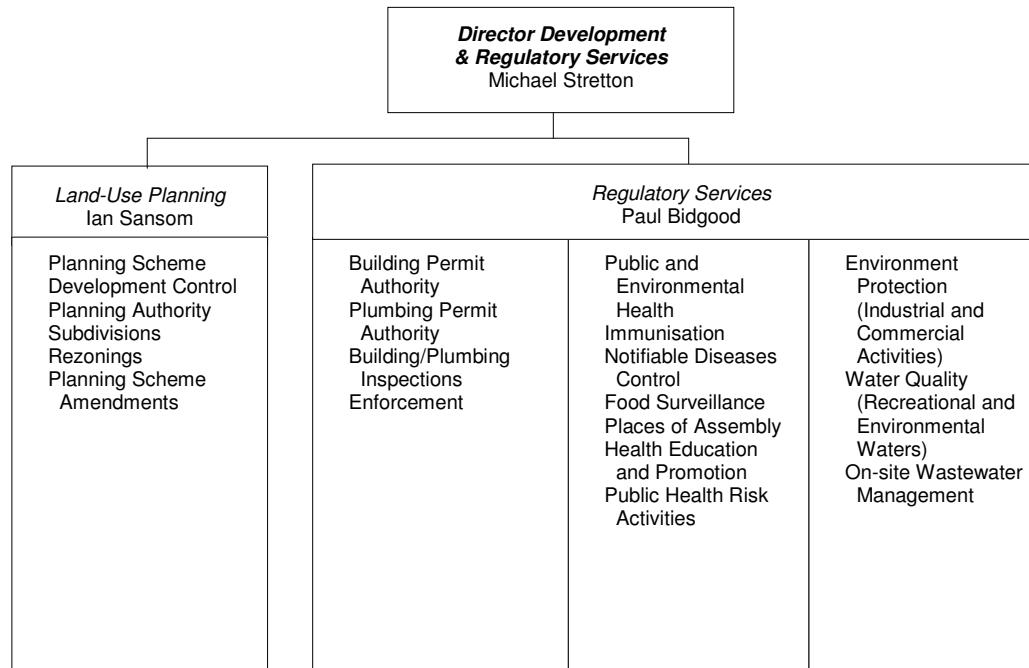
### ORGANISATIONAL CHART - Corporate & Community Services Department



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### ORGANISATIONAL CHART - Development & Regulatory Services Department

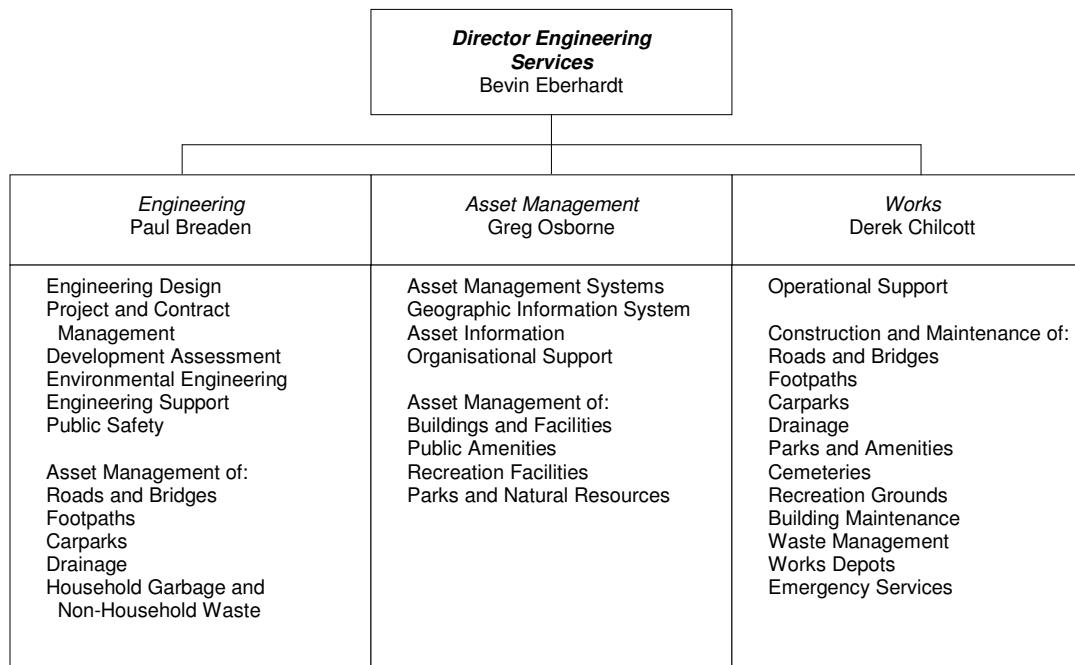


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## ORGANISATIONAL CHART - Engineering Services Department



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### **COUNCIL SPECIAL COMMITTEE STRUCTURE**

There are a number of special committees, i.e. committees comprising membership other than just Councillors.

All decisions of a policy nature are made by the Council, i.e. Councillors sitting in Council as a whole.



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### **MEMBERSHIP OF STATUTORY BODIES**

The Council is a member of the following statutory bodies:

<b>Body</b>	<b>Representatives</b>
Cradle Coast Authority	Cr J. Bonde (Mayor) Cr T. van Rooyen
Dulverton Regional Waste Management Authority	Cr C. Fuller Mr M. Stretton
Local Government Association of Tasmania	Cr J. Bonde (Mayor)
Mersey Region Emergency Management Planning Committee	Cr J. Bonde (Mayor) Central Coast Municipal Coordinator Central Coast Deputy Municipal Coordinator Central Coast Council Recovery Officer Central Coast Council Deputy Recovery Officer

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### **EMPLOYEE STATISTICS - STAFFING STRUCTURE**

Central Coast Council Staffing - Budgeted Employee Numbers

Department	Full-time equivalents			Total
	Full-time	Part-time	Casual*	
Total Workforce				
General Management	6	-	-	6
Engineering Services	71	5	1	77
Corporate & Community Services	25	31	44	100
Development & Regulatory Services	9	4	3	16
<b>Total</b>	<b>111</b>	<b>40</b>	<b>48</b>	<b>199</b>

\* Casuals include relief staff as required.

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### **GENERAL STATISTICS**

<b>Statistics</b>	<b>2009-2010</b>
Area	932km <sup>2</sup>
Population	21,732
Non Current Assets	\$348,944,289
Non Current Liabilities	\$3,623,184
Net Wealth of the Council	\$347,690,954
Revenue	\$24,127,243
Rates	\$10,914,164
Rates per Capita	\$502
Loan Debt	\$1,469,789
Cost of Debt Ratio	0.33%
Roads Length	670km
Roads Bridges	75
Rateable Properties	10,373
Planning and Building Applications	712
Rates Outstanding	2.66%
Electors (2009)	16,148

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### **SUMMARY OF THE ESTIMATES**

	<b>Estimated 2010-2011 (\$)</b>	<b>Projected 2010-2011 (\$)</b>	<b>Estimated 2011-2012 (\$)</b>
Recurrent Revenue	28,967,732	30,260,977	31,362,000
Recurrent Expenses	28,421,000	28,366,774	28,434,000
Reserves Revenue	1,146,000	1,112,592	1,079,000
Reserves Expenses	1,464,000	1,104,250	1,464,000
Capital Sources of Funding	12,862,921	10,799,090	12,884,118
Capital Funding	11,923,000	9,202,087	12,517,000