



Annual Plan

Year ending 30 June 2016



GENERAL MANAGER'S SUMMARY

Flinders Council continues to work collaboratively towards improving the economy, our quality of life, environment, assets, infrastructure and governance processes and standards. It is the fundamental drive for improvement and greater engagement with our community that continues to inform our Annual Plan and Budget Estimates for 2015/16.

The 2015/16 Annual Plan and Budget Estimates set out what Council will deliver in terms of services, programs and projects for the financial year. The activities identified are aligned to Council's goals and objectives, and deliver on a new and comprehensive Strategic Plan. The document also brings together the priorities of a diverse range of policies, strategies and decisions adopted by Council over the past years that continue to inform actions in the period ahead.

The 2015/16 year will see Council continue to invest in the renewal of community assets such as the Lady Barron Hall, public toilet facilities and Whitemark boat ramp and jetty; and a further investment into the improvement of waste management services.

Council has a primary focus on growing the population of the Islands through a range of programs and initiatives. The year ahead will see a continued focus on community and economic development by improving engagement with and support to our community at a grass roots level. This is primarily based on the belief that our community can positively shape its own future through connected efforts and the sharing of responsibility between individuals, organisations, businesses and all levels of government.

Council will focus on advocating for telecommunication upgrades; tourism marketing and branding; exploring how to increase suitable housing options on island; assist entrepreneurs and niche business development and support the growth of our agricultural sector.

At an investment level, the year ahead is an exciting one for the Islands, with over \$30 million in capital projects to be constructed and other major projects well advanced in the planning stage. The impact of these investments on the island economy will be marked and builds further on the positive momentum evident in so many sectors of the economy and the community. Council will continue to work and advocate for major projects beyond those already planned for delivery in the year(s) ahead to ensure the pipeline of investment and momentum is maintained.

The State Government directive to have one State-wide planning scheme will see Council move quickly to implement a new interim planning scheme to meet their requirements in the coming year. Much work has already been completed on this project and further development of local area plans and supporting strategic land use planning work has refined the scheme for our local needs. The approval and

implementation of a new planning scheme will not be without challenges for staff and the local community and Council continues to explore how information, assessment and compliance can be undertaken in a more professional and cost effective manner.

The Federal Government has provided a significant injection of funding to the Roads to Recovery program for the year ahead. Having stockpiled road aggregates purchased last year and securing a major commitment from the State Government for reseals on the State Road, Council will invest in a new bitumen sealing truck and automated spreader boxes and embark on the largest reseal program seen in many years to improve the condition and life span of these core assets.

Our commitment to ongoing organisational and governance improvement and efficiencies is underlined by a number of initiatives within our 2015/16 Annual Plan. The refinement of the risk management framework, long term financial and asset management plans, business planning framework, records and financial management systems and the refinement of the integrated performance management and reporting system will further improve the delivery of responsible, transparent, effective, compliant and efficient services to our community. Building on this Council will also support the functions of a dedicated Audit Panel to independently assess the operations of Council as a whole.

Council has set a challenging budget with no staff cost increases above the preceding year and reductions in contractor and consultant costs. Finding further cost saving measures at an operational level while meeting these requirements will be exceptionally challenging. With the Auditor General directing that all Councils must work towards the delivery of an underlying operational surplus, the budget set by Council continues to work towards this goal by balancing efficiencies at a staff and program level, generating revenue for other non rate based sources and continuing to raise rate revenue to a sustainable level.

After many years of financial and organisational consolidation, the year ahead will be one based on the delivery of cost effective programs and services and much needed infrastructure upgrades for the community we serve. With a small but committed staff team and a cohesive Councillor leadership group, Council is well placed to deliver on the Annual Plan presented.



Raoul Harper
General Manager

FLINDERS COUNCIL ANNUAL PLAN

Flinders Council's Annual Plan for the 2015/2016 financial year has been prepared and adopted by Council in accordance with Section 71 of the *Local Government Act 1993* in that it:

- is consistent with Council's Strategic Plan;
- includes a statement of the manner in which Council is to meet the goals and objectives of the Strategic Plan;
- includes a summary of the budget estimates adopted by Council; and
- includes a summary of the major strategies to be used in relation to the Council's public health goals and objectives.

In 2015/16 Council will endeavour to meet the goals and objectives of the Strategic Plan in an inclusive manner with its community members.

Summary of the Estimates for the 2015/16 Financial Year

Estimated Revenue of the Council	\$5,441,184
Estimated Expenditure of the Council (Includes Depreciation Expense of \$ 1,470,356)	\$5,724,371
Estimated Borrowings by the Council	\$700,000
Estimated Capital Works of the Council	\$2,043,999

Our Vision for the Furneaux Community

To retain our lifestyle and unique landscapes through positive leadership that encourages innovation, population growth, asset attraction, partnerships, and improved health and wellbeing for our community.

FLINDERS COUNCIL

MAYOR

Cr Carol Cox

DEPUTY MAYOR

Cr Marc Cobham

COUNCILLORS

Cr Chris Rhodes

Cr Peter Rhodes

Cr Ken Stockton

Cr David Williams

Cr Gerald Willis

CORPORATE MANAGEMENT TEAM

Governance

Manager: Raoul Harper

Corporate Services

Manager: Sophie Pitchford

Community & Economic Development

Manager: Jana Harper

Development Services

Coordinator: Jacci Viney

Strategic Planner: Robyn Cox

Infrastructure

Works & Services Manager: Brian Barnewall

Airport Manager: Jeff Grace

OPERATIONAL PLANNING

INTRODUCTION

The *Local Government Act 1993* provides under Section 71 that Council must prepare operational plans for its area. The Annual Plan for the Flinders Council outlines the priority activities and projects that will be undertaken by the Council in the 2015/2016 financial year.

Your Council has determined these priorities after consideration of the Strategic Plan and the resources required to undertake the work. Council staff have considered Council's priorities and determined the actions, financial and other resources necessary to achieve the outcomes identified by the Council. The management group has coordinated these inputs into a single plan that was submitted to Council for approval. The approved Plan forms the basis for employee action, activity and performance management for the financial year ahead.

Responsibility and therefore accountability remains under the Act with the General Manager for the implementation of this Plan. Individual Managers are responsible for meeting functional targets identified by the Plan within the limitations imposed by resource allocation determined by the budget approved by Council.

PURPOSE OF THE PLAN

The Plan fulfills the purpose of the *Local Government Act 1993* by ensuring a disciplined approach is employed to efficiently and effectively use the resources available to Council. The Plan, of course, is subject to regular review. It will be the benchmark for senior management and Council to appraise organisational performance and strategic direction.

OUR STRATEGIC FOCUS AREAS

1. Population Growth

Focusing on strategies, projects and policy initiatives that support the community, economic development and investment attraction.

2. Infrastructure and Services

An Islands' specific based approach to planning and delivery to ensure community and environmental values are maintained.

3. Access and Connectivity

Work with service providers and other relevant stakeholders to improve security, reliability and cost effectiveness.

4. Strategic, Efficient and Effective Organisation

Responding to risks and opportunities.

5. Liveability

Protect, improve and promote the health and wellbeing of the Islands' communities.

STRATEGIC FOCUS AREAS AND OPERATIONAL PLAN

Strategic Focus Area 1: Population Growth

Strategic Outcome: Focusing on strategies, projects and policy initiatives that support the community, economic development, innovation and investment attraction.

Council has outlined a clear desire to grow the population to levels that will support greater sustainability, access to a greater range of choice for local services and goods; and increase ongoing service delivery for essential activities associated with health, education, employment and enterprise.

Underpinning an ambition to support population growth is a Council determination to assist in diversifying economic activity, building on the strengths of the Islands' primary resources and agriculture so that Island residents have opportunities for employment and to create their own economic futures. Opportunities to grow the tourism base are expected to contribute to the future of the Furneaux Islands' economy. To support business development there is a need for a targeted and strategic approach to overcome the limitations to innovation and broader entrepreneurial activity (e.g. remoteness) on the Furneaux Islands.

Council's role in supporting innovation and enterprise on the Islands must be clear and realistic. There is a need to undertake activities that support marketing, investment attraction and broader community economic development objectives in a coordinated manner. Council can play a leadership role in developing innovation on the Island and helping to establish a culture that is conducive to innovation. The most suitable and appropriate method to achieve this outcome will require investment and further investigation during the term of this Strategic Plan.

Supporting key industries, capturing and fostering innovation, maintaining community resilience and developing a diverse range of activities to derive income are key economic development challenges for Council. Ensuring access and connections (physical and digital) to markets for local firms is also considered a vital economic development activity.

Council has identified a need for strategies to support access to affordable and secure housing that enables population growth and promotes community and employment participation locally. Further assessment is required to identify priority housing needs and overcome development constraints to ensure new residents can securely relocate to the Islands.

Council recognises that our existing community, lifestyle and values are key attractors to new residents and need to be supported and valued if population growth is to be achieved.

Increased visitation to the Islands also provides significant local benefit. Tourism, business investment and seasonal visitors all provide opportunities for increased prosperity on the Islands.

Rationale

- While there has been a recent increase in 'working age' families and births during the current Census period, existing modelling and long term population forecasts suggest that ongoing reduction in population is likely to continue unless interventions are made. This brings into question the sustainability of the Council, as there is a correlation between the Islands' population and the financial sustainability of Council.
- It is clear that the Flinders Municipality benefits from strength of social, cultural and human capital, and it is these core assets that are impacted the most through population

decline. The population is also ageing – the median age for the Furneaux Group is 52, compared to 41 across regional Tasmania.

- Continued investment in community engagement to identify partnerships and delivery models that enable shared responsibility across Council, community partners and other agencies/organisations should be central to future project delivery.
- Housing and subdivision are key contributors to local land use planning, however, anecdotally housing supply, affordability and rental availability are all constraints for new residents to the Island. There is an inherent cost impost associated with building on the Island that drives up prices – and the general decline in population size is not driving centralised housing supply in existing settlements.
- Overcoming limitations to on-island financing and ensuring a co-ordinated environment to support local investment and small business is critical. Access to finance for personal and business investment is recognised as a significant constraint. While local businesses currently support existing banking structures, opportunities to identify partnerships that enable community development outcomes through banking and co-investment models and directly benefit the Furneaux Islands' population should be explored.
- The combination of production and value adding as a combined land use presents an economic development opportunity that supports diverse revenue streams for households, enables diverse primary production and enables increased rural living. Land use strategies that support a range of niche farming activities and rural living outcomes could be explored to support appropriate investment.
- Improving access to services (health services, waste management) presents a challenge to Council. Pressure to provide greater access and improved standards will increase with population growth.
- The reduction of population, coupled with an ageing population places pressure on the existing levels of volunteerism, results in reduced sporting groups and lower numbers of people who actively contribute to life on the Islands through a range of diverse activities. There is an opportunity to focus on 'regional returners' who are often within a working age of 25 – 44. This cohort value lifestyle, proximity to friends and family and access to schools, childcare and health services, housing affordability and reducing the overall cost of living.
- Industry development, economic development and associated enterprise activity is constrained by the cost of access to goods, markets and customers that is inherit to an island community.
- Flinders Island businesses are unlikely to ever develop sufficient scale to be able to compete on the basis of cost. Therefore, encouraging innovation and entrepreneurship that focuses on other avenues to developing sustainable enterprises, such as quality, security, brand, location and remoteness of production and experience is needed. A range of industry approaches including: niche marketing; cooperative business structures and branding; capability building; and process improvement should underpin regional innovation strategies and the future growth of the Islands.
- The agriculture and fishing sectors remain the largest employers in the Furneaux Island Group, representing 25% of the total workforce.
- Tourism, agriculture and agricultural value-added production and processing represents significant opportunities for economic development. Opportunities to embed innovation with existing economic activity on the Island should inform Council's economic strategy.
- Tourism sector generates \$4.3m in annual economic output and is estimated to support 24 jobs. This presents a low base to build upon in terms of overall economic contribution. Preliminary assessment of the local tourism industry indicates a disparate approach to the market. Broader assessment of the sport and recreation market and nature based market

as a source of tourism should be considered as part of the broader development of the Island's tourism offer.

- Recent analysis and spatial modelling of enterprise suitability mapping for the western coastal areas of Flinders Island indicate strong pre-conditions to support barley, blueberry, rye-grass and white wine production;
- The need to strengthen existing economic drivers through provision of suitable land use approval and associated infrastructure is important locally, in particular to support key growing employers including Flinders Island Meats and Markana Park;
- While strategies to arrest population decline will be important over the longer term, 'on-island' fluctuations in population from increased visitors provides an opportunity to access increased connections and create opportunities for investment, as well as providing the context around which further strategies can be developed.

Strategies

The strategies for achieving this policy outcome are:

- Increase the supply of affordable housing;
- Increase "the working age" population;
- Value-add to local commodities; and
- Foster and support entrepreneurial activity.

