

Kingston District Council Annual Business Plan 2017/18



Gateway to the South East Coast
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Mayor's Message

I am pleased to present to the community the 2017/18 Annual Business Plan and Budget. This Plan aims to deliver the projects and services outlined in Council's Strategic Management Plan.

The past 12 months have been extremely challenging for Council and the community, with the district suffering considerable damage and incurring significant unbudgeted costs due to severe winter storms. As a result, Council will need to invest significant capital funds in 2017/18 installing a rock seawall at Wyomi Beach and purchasing a dredge to manage the Cape Jaffa Anchorage Marina and Kingston Boat Launch Facility.

During the 2016/17 year, Council undertook a project involving the mandatory revaluation of all Council assets, including a review of depreciation expenses. This review, together with legislated changes in accounting standards and the acceptance of the Cape Jaffa Anchorage Marina walls, will result in a significant increase in Council's depreciation expenses in the 2017/18 year and beyond. This increase will put upward pressure on Council rates and will require Council to look at creating new revenue streams and exploring cost management initiatives, to ensure the long term financial sustainability of Council and ongoing success of the district.

It is important that Council and the community remains focused on its vision of transitioning the district into a vibrant destination, preserving our rural atmosphere and ensuring infrastructure such as rural roads and other community owned assets are well maintained. We must also ensure that we continue to advocate strongly for high standards in healthcare, aged care and educational facilities and services.

The upcoming year will be challenging but also very exciting and rewarding for Council and the community with several interesting and critical projects planned. The diversity of these projects will ensure the economics of the district continues to grow and the quality of our lives continues to improve.

I look forward to working with you, Elected Members and Council Staff over the coming year.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Reg Lyon', is placed within a white rectangular box.

Reg Lyon
Mayor

Executive Summary

The following provides a summary of primary considerations, projects and new initiatives incorporated into Council's 2017/18 Annual Business Plan and Budget. These are outlined below.

Rating Review

In 2016 Council undertook a comprehensive review of its method of rating to ensure rating equity across the district. The outcome of this review was Council's adoption of a new rating policy which moved away from rating based on locality, to rating based on land use. Council also determined through the review that a differential rate would be applied as follows:

- In recognition of the importance of 'Primary Production' to the district, a differential rate for 'Primary Production' was set at a reduced amount being 80% of the declared 'Residential' rate.
- To encourage the development of 'Vacant Land', a differential rate for 'Vacant Land' was set at an increased amount being 115% of the declared 'Residential' rate.
- To protect the community from significant rate increases due to large valuation changes or other unforeseen circumstances, a 'rate capping' to a maximum increase on rates of 10% will apply; excluding properties where the increase is due to development.

As part of the rating review process, Council compared its rates with the other six (6) councils across the Limestone Coast. The following table provides a comparison as of 01 July 2016:

Primary Production – Rate Comparison

Capital Value	Tatiara	Robe	Kingston	Wattle Range	Naracoorte Lucindale	Coorong
\$300,000	\$1,249.50	\$1,068.00	\$813.30	\$1,306.20	\$1,224.00	\$1,310.40
\$800,000	\$3,332.00	\$2,848.00	\$2,168.80	\$3,483.20	\$3,264.00	\$2,994.40
\$1,500,000	\$6,247.50	\$5,340.00	\$4,066.50	\$6,531.00	\$6,120.00	\$5,352.00
\$3,000,000	\$12,495.00	\$10,680.00	\$8,133.00	\$13,062.00	\$12,240.00	\$10,404.00
\$5,000,000	\$20,825.00	\$17,800.00	\$13,555.00	\$21,770.00	\$20,400.00	\$17,140.00

Residential / Urban – Rate Comparison

Capital Value	Tatiara	Robe	Kingston	Wattle Range	Naracoorte	Lucindale	Coorong
\$150,000	\$937.50	\$654.00**	\$536.25	\$870.75	\$991.50	\$945.00	\$894.30
\$300,000	\$1,875.00	\$1,068.00	\$1,072.50	\$1,741.50	\$1,983.00	\$1,890.00	\$1,488.60
\$450,000	\$2,812.50	\$1,602.00	\$1,608.75	\$2,612.25	\$2,974.50	\$2,835.00	\$2,082.90
\$650,000	\$4,062.50	\$2,314.00	\$2,323.75	\$3,773.25	\$4,296.50	\$4,095.00	\$2,875.30
\$800,000	\$5,000.00	\$2,848.00	\$2,860.00	\$4,644.00	\$5,288.00	\$5,040.00	\$3,469.60

**Indicates Minimum Rate Applied

The above comparison clearly shows that Kingston District Council rates are among the lowest in the Limestone Coast and that exceptional value is being provided to the community; something Council is extremely proud of. Council will however need to impose a larger than normal increase in rates in 2017/18, because of new cost pressures which will be explained within this Business Plan.

Impact of Depreciation

In 2017/18, Council will increase rates raised by 7% despite a relatively low CPI increase of 2.0% (as at March 2017). The driver of this increase is a \$374K rise in annual depreciation expenses, which is a direct result of a mandatory asset revaluation, changes in accounting standards and a \$14M addition to Council's total asset base due to Council's acceptance of the Cape Jaffa Anchorage Marina walls. The significant increase in Council's annual depreciation will result in Council operating in a deficit position for at least the next five (5) years. The 7% rate increase is a critical adjustment that is necessary to account for the above increases and to bring Council back to a surplus position over the coming years.

Mobile Garbage Bin Service

Residents who are provided Council's Mobile Garbage Bin Service will see their levy decrease from \$254.50 to \$169.50 in 2017/18. The \$85.00 reduction is a direct result of Council re-tendering the service and achieving significant savings for the community. The reduction is a result of savings achieved in the 2016/17 year and ongoing savings for the term of the contract.

Continued Focus on the Future

Despite a challenging past year and increased pressure on the district, it is important that Council and community continues to focus on its vision of creating a vibrant destination, improving the prosperity of the district and ensuring infrastructure across the community continues to be well maintained. With a continued focus on the future, Council will deliver the following key projects and activities over the next twelve (12) months:

Footpaths/Bike Tracks

Council will continue to develop and maintain the township's footpath and bike track networks by investing \$100K into the following projects:

- rebuilding Gough and Charles Street footpaths between Agnes St and James St.
- rebuilding the Wyomi Beach bike track lost during the 2016 storms.
- renewing a section of the Maria Creek bike track.

Sealed Roads

Council will invest \$224,331 maintaining twenty-five (25) sealed segments across twenty-one (21) sealed roads. Almost \$80,000 of this will be focused on Saltwell Road to ensure an acceptable standard is achieved for this important asset. Further information on the Roads Program is outlined in the Capital Works budget on page 27.

Unsealed Roads

Council will invest \$741,821 re-sheeting eighteen (18) 2km segments on eleven (11) rural roads which equates to more than 32km of Council's 615.8km road network. This represents almost 5% of the total network. Further information on the Roads Program is outlined in the Capital Works budget on page 27.

Major Projects

During 2017/18 Council will deliver a 350m rock seawall at Wyomi Beach at a cost of \$800K. Funding of approximately \$400K will be sought from the State Government to support the delivery of this critical infrastructure. In addition, Council will purchase a fit for purpose dredge at a cost of \$1.5M to support the ongoing sand management requirements at the Cape Jaffa Anchorage Marina and the Kingston Boat Launching Facility. Council intends to secure 50% of the dredge cost, and 50% of the sand management costs for the

Cape Jaffa Anchorage, from the Cape Jaffa Development Company over a five (5) year period.

Strategic Projects

Council will continue to deliver key strategic plan initiatives that will include:

- Heritage Signage (25 signs) \$45,000
- Coastal Drive Signage (Southern Ports Hwy and Pinks Beach Rd) \$15,000
- Maria Creek Footpath Solar Lighting (24 lights) \$36,000
- Main Street Planter Boxes & Trees \$15,000

Business Undertakings – Kingston Caravan Park

In July 2017, Council will take full ownership of the Kingston Caravan Park and will engage contract managers to work with Council to operate the business. In the short-term, any profits will be used to help improve park facilities. In time, profits will be directed towards Council's general revenue therefore helping to off-set operating expenditure.

The budget within this plan does not currently include the Kingston Caravan Park operational budget. The Park's operational budget will be considered by Council at its July 2017 meeting and incorporated into the Council budget as part of the first quarter budget review process.

RV Park Changes

Council's RV Park has been hugely successful for Kingston with many local traders boasting of the benefits visitors are making to their businesses. Many of these visitors have indicated that they would be willing to make a small donation to support Council in the provision of RV facilities. In response to this feedback, information from the Campervan Motorhome Club of Australia and recent feedback from the community, Council will increase the length of stay from 24 to 48 hours and will introduce a \$10 fee for the use of the RV Park for up to 48 hours. Council will install a ticket machine at the RV Park to collect the fee and to help monitor use of the Park. It is expected that the fee will generate \$15K to \$20K per year.

Tree Removal - Southern Ports Highway

Council will work in collaboration with SA Power Network to remove at risk tree along a section of the Southern Ports Highway. SA Power Network will arrange for the trees to be cut down and Council will remove the trees from site.

Light Up Larry the Lobster

Council will invest approximately \$8K installing LED lighting for Larry the Lobster. The aim is to allow visitor and residents to enjoy this recently renovated icon day and night.

The Year Ahead

The year ahead will undoubtedly be challenging for Council and the community. It will however be an exciting year with issues such as Wyomi Beach erosion and sand management concerns at Cape Jaffa Anchorage finally being resolved. Elected Members remain focused on the future and the long-term sustainability of the district, and with the support of the community, will continue to advance the economics of the district and improve the quality of lives to those that call Kingston home.

Council's Planning Framework

Strategic Direction 2016 to 2026

Council adopted its '2016 to 2026 Strategic Plan' at the April 2016 Council meeting. Over the coming years, the Plan aims to transition the Kingston District into a vibrant destination where people want to live, raise their families, holiday and retire. This Plan will inform key actions, budgets and decision making of Council and is focused on delivering the Community's Vision by 2026.

Our Vision

Kingston SE is recognised as a popular Limestone Coast tourist and lifestyle destination. The main streets, parks and beaches are abuzz with locals and holiday makers, all enjoying our beautiful environment, cafes, restaurants and local produce. Home-grown businesses and primary producers are thriving and the district is well known for its family friendly atmosphere. The community share a sense of pride and common purpose.

Our vision will be achieved by creating a 'Thriving Destination' that encourages tourism and lifestyle living, through 'Best Practice Planning' of public spaces and neighbourhoods, supported by 'Excellence in Assets & Infrastructure' and 'Strong Communities'.

Our organisation will be known for 'Progressive Leadership' in community engagement and management of community assets and finances.

Council's Strategic Plan has four key themes, which will achieve the community's vision. Each theme is supported by a series of outcomes which are as follows:

Theme (1) A Thriving Destination	Theme (2) Best Practice In Planning	Theme (3) Excellence In Assets & Infrastructure	Theme (4) Strong Communities
<p>OUTCOMES</p> <ul style="list-style-type: none"> • A sought-after visitor and lifestyle destination • A vibrant town centre • A sustainable and progressive Cape Jaffa Anchorage development • A diverse range of prosperous local businesses and primary industries 	<p>OUTCOMES</p> <ul style="list-style-type: none"> • Integrated, spaces and places • Preserve the rural atmosphere, open spaces, beaches & other natural resources • Preserve the heritage & character of the district 	<p>OUTCOMES</p> <ul style="list-style-type: none"> • Best practice asset and infrastructure management • Best practice in procurement and contract management 	<p>OUTCOMES</p> <ul style="list-style-type: none"> • A community with a shared sense of pride and common purpose • A knowledgeable community that looks beyond its boundaries for inspiration and learning • A healthy & resilient community

The fifth theme focuses on Council as an organisation and what is required for it to effectively and efficiently deliver for the community.

Theme (5) Progressive Leadership
<p>OUTCOMES</p> <ul style="list-style-type: none"> • Sustainable community finances and assets • Effective delivery of projects and services • Engage external stakeholders to leverage local opportunities • Organisational excellence • Council is an employer of choice

One of the outcomes within Theme (5) ‘Progressive Leadership’, is ‘Sustainable Community Finances and Assets’. Council measures the sustainability of its finances and assets through the following Key Financial Indicators:

Indicator	Target
Operating Surplus Ratio	>0% and <15% before capital revenues
Net Financial Liabilities Ratio	>0% and <100% of operating revenue
Asset Sustainability Ratio	>80% and <110% over a three-year rolling program

The above indicators are used in setting annual budgets and Council’s Long Term Financial Plan and results are reported in Council’s Annual Financial Accounts.

Long Term Financial Management Plan

Council has developed a Long Term Financial Management Plan to assist in the long term structure of Council’s finances and to drive linkages between the strategic and asset management processes and annual plans of Council.

The Plan was recently reviewed to reflect an increase in Council’s annual depreciation expenses of \$374K and the delivery of critical projects in 2017/18. These projects include the installation of a rock seawall at Wyomi Beach and the purchase of a dredge to support ongoing sand management needs at the Cape Jaffa Anchorage and Kingston Boat Launching Facility. Due to these changes, Council’s long term financial position has changed significantly and shows Council operating in a deficit position for several years.

In response, Council has examined the financial impact over the next ten (10) year period and has carefully considered several scenarios in relation to rates, new revenue streams and cost management initiatives. Strategies within this Annual Business Plan aim to return Council to a surplus position in the very near future and ensure the long term financial sustainability of Council.

Council will adopt a revised Long Term Financial Management Plan within the first quarter of the 2017/18 Financial Year.

Asset Management Plan

Council has an Asset Management Plan that outlines the management of major assets of Council. The Plan, like the Long Term Financial Management Plan, assists in the long-term and annual decision making of Council and supports the sustainable management of finances and Council infrastructure.

Over the past twelve (12) months Council has been working closely with an external asset management expert, Assetic. Assetic has comprehensively reviewed the condition of all Council's assets, mapped and recorded asset locations and developed an engineering based and data driven asset management program, that ensures community assets are maintained in the most cost effective and pro-active manner.

Council's new Asset Management Plan will be implemented in 2017/18 and in time, is expected to deliver higher and more consistent standards in road, building and public asset maintenance.

Annual Business Plan

Each year the Council develops an Annual Business Plan. The purpose of the Plan is to highlight those activities that will be undertaken in the financial year in support of the strategic goals of Council. The Annual Business Plan details the types of actions to be undertaken and how Council will measure itself in achieving these tasks. The Plan strives to achieve the long-term strategy targets of Council.

Annual Budget

The Budget forms part of the Council's annual planning documents and is critical to the delivery of services and the management of Council's financial sustainability and operations. The budget details the expected costs and revenues that Council will need to achieve the goals of the Annual Business Plan. Council's 2017/18 budget is provided in full detail later in this document for the community's consideration.

Key Partners

It is important to recognise that Council cannot achieve the community's vision on its own. Many of the strategies contained in this Annual Business Plan will rely on working in partnership with the community and other organisations. The following is a dynamic list of key partners who will assist Council in achieving the community's vision.

Who	What they Do
Local <ul style="list-style-type: none"> • Kingston District Community • Kingston SE Tourism • Local traders • Primary producers 	Local community, businesses and primary producers all working to enhance the Kingston District as the economic, cultural, tourism and environmental centre of the Limestone Coast
State Government <ul style="list-style-type: none"> • Department of Health & Ageing • Department of Education & Child Development • Department of Planning, Transport & Infrastructure • Department of Environment Water & Natural Resources <ul style="list-style-type: none"> ➢ South East Natural Resource Management Board ➢ Zone Emergency Management Committee ➢ South Australian Tourist Commission ➢ Native Vegetation Council 	The South Australian Government sets the overall direction for the state, through the South Australian Strategic Plan. It develops and maintains a legislative framework to protect, enhance and develop the state
Local Government <ul style="list-style-type: none"> • Limestone Coast Local Government Association (LCLGA) • Local Government Association South Australia 	Regional government that works for local government on regional issues Local Government of SA – works for local government at a state level
Regional <ul style="list-style-type: none"> • Councils - Wattle Range, Tatiara, Robe, Grant, Mt Gambier, Naracoorte Lucindale, Coorong 	Councils that are in the Limestone Coast Region often work in collaboration across the region. The Coorong Councils is not in LC LGA but works with the Limestone Coast Region on several matters because of its proximity.
Federal Government <ul style="list-style-type: none"> • Regional Development Australia Limestone Coast (RDALC) 	Enhance growth and strengthen regional communities

Council's Reporting Framework

Council recognises that any successful planning and governance framework translates into actions taken by those entrusted with managing the implementation of the plans and that the reporting system is an integral part of monitoring outcomes and performance.

Kingston District Council has a reporting framework that ensures that strategic and functional actions are being undertaken and reviewed periodically. This is achieved through monthly activity and financial reporting to Council's Management Team, through quarterly financial and business activity reporting to Council and through quarterly financial reporting to Council's Audit Committee.

Council reports annually on the achievements of the goals set out in the Annual Business Plan in its Annual Report.

These structure and reporting practices ensure adequate internal control and external reporting is in place to inform the community and interested parties on the Council's activities and bring a high level of accountability and transparency to Council's operations.

Considerations in Framing Council's Annual Business Plan & Budget

Several important factors have influenced the preparation of Council's 2017/18 Annual Business Plan and Budget. These include:

1. Increase in general costs of 2.0% incurred by Local Government as measured by the annual increase in the Consumer Price Index (Adelaide March 2017).
2. Increase in general costs of 1.6% incurred by Local Government as measured by the annual increase in Local Government Price Index of 1.6% (December 2016).
3. Increases to insurance costs expected to be approximately 2.0%.
4. A 23.7% increase in annual depreciation expenditure.
5. A significant increase in utility costs which is expected to be 50% for street and public lighting and 20% for general electricity.
6. Fees and charges imposed by other governments are expected to be between 1.6% and 2.0% (ie, Dog and Cat Management Board fees, Development fees).
7. Wage adjustments as provided for in workplace agreements is on average expected to be below 3%.
8. The level of capital and operational services required across the district.
9. Sustainable settings of Council's Long Term and Strategic Planning documents.
10. Installation of a rock seawall at Wyomi Beach estimated at \$800K.
11. Purchase of a \$1.5M dredge to allow the effective management of sand at the Cape Jaffa Anchorage Marina and the Kingston Boat Launch Facility.
12. Ongoing annual sand management costs at the Cape Jaffa Anchorage Marina.

In response to the above factors, Council has prepared the Annual Business Plan and Budget that imposes a general rate increase of 7.0%, excluding development growth.

To continue the current level of service Council must compensate for increases in operating and capital costs by raising rates above the 2.0% CPI. Council will continue to review the operating efficiency of the organisation and will remain focused on maintaining the current levels of service and infrastructure maintenance.

During 2017/18 additional rate revenue from new development activities is expected to be near 0.50%.

Continuity of Service

Council has responsibilities under various Legislative Acts. Broadly they include:

- Setting rates, preparing annual plans and budgets and determining longer term strategic plans for the district and reporting against these.
- Management of infrastructure including roads, footpaths, parks and gardens, public open space, street lighting, storm water drainage, jetty, airport and an effluent disposal systems.
- Street cleaning, rubbish collection and disposal.
- Development planning and control including building safety assessment.
- Environmental health.
- Regulatory services.
- Cemetery management.

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

- Library services in-conjunction with the State Government as a shared facility at the Kingston Community School.
- Pre-school baby bounce programs.
- Economic development programs that assist in stimulating economic growth across the district.
- Community, recreational and sporting club grants, other assistance and support.
- Gall Park management and facilities support.
- Red Cross transport vehicle.

Council provides the following facilities on a fee for service or contractual basis including:

- Truck wash facilities.
- Medical Centre infrastructure.
- Recreational boating facilities.
- Caravan Park.
- Waste transfer station facility.

Council does not propose to materially alter its mix of services and facilities during the 2017/18 financial year.

Key Activities for 2017/18

Council has identified the following key Business Plan actions for the 2017/18 financial year:

- Continued maintenance and re-sheeting of Council's unsealed road network.
- Continued maintenance and sealing of Council's sealed road network.
- Enhancement of the town's footpath network by installing new footpaths on Gough and Charles Streets, between Agnes Street and James Street.
- In partnership with the National Trust Kingston, installation of heritage information signage throughout the township promoting the history of Kingston.
- Installation of coastal drive signage on the corner of Southern Ports Highway and Pinks Beach Road.
- Installation of 24 solar lights around the Maria Creek footpath/bike track (bridge to bridge).
- Installation of large planter boxes and mature trees to help green and beautify Kingston's Main Streets.
- Tendering for the replacement of one (1) of Council's four (4) graders.
- The purchase of a \$1.5M dredge to manage sand movement at Cape Jaffa and Kingston (subject to guaranteed funding from Cape Jaffa Development Company).

- The installation of a 350M rock seawall at Wyomi Beach, including the reinstatement of the bike track.
- The introduction of a \$10 fee for up to 48 hours use of the Kingston RV Park.
- Purchase and operation of the Kingston Caravan Park.
- Removal of at risk trees from a section of the Southern Ports Highway
- Minor upgrades to Cape Jaffa Township toilet facilities.

Budget Summary

In delivering services and programs contained within this Annual Business Plan, Council is targeting an operating deficit of \$316,299 in 2017/18, due to budgeted operating revenues of \$6,011,618 and budgeted operating expenses of \$6,327,917.

The operating deficit is a direct result of an additional \$374K in depreciation expenses and increased borrowings for the Wyomi Beach rock seawall and the purchase of a dredge for Cape Jaffa and Kingston.

This Annual Business Plan outlines a total Capital Expenditure budget of \$4,145,152. \$1,249,152 will be used to renew existing assets and \$2,896,000 will be spent on new assets. Significant new assets include the construction of Wyomi Beach rock seawall, the procurement of the sand management dredge and the purchase of the Kingston Caravan Park.

Apart from rate revenue, operating revenue is generated by statutory charges (development and building fees and dog registrations), user charges (hall hire, cemeteries, and waste depot fees), investment income and State and Federal Government operating grants.

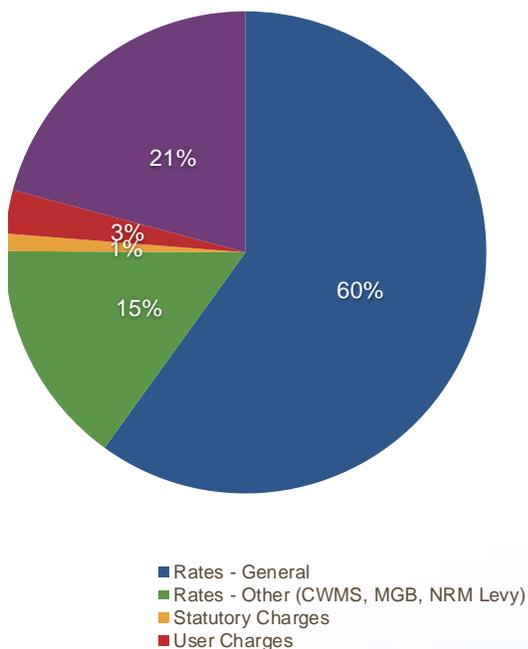
Council also sources income in the form of non-recurring grants from the State and Federal Governments. Usually this type of grant is for a specific project or initiative of Council.

The budgeted operating revenue for 2017/18 includes general rate revenue of \$3,451,902 and annual service charges of \$643,025 (Community Waste Management System and Mobile Garbage Bin). In addition, Council collects the Natural Resources Management Levy on behalf of the State Government, which is forwarded in its entirety to the Department of Water, Environment and Natural Resources.

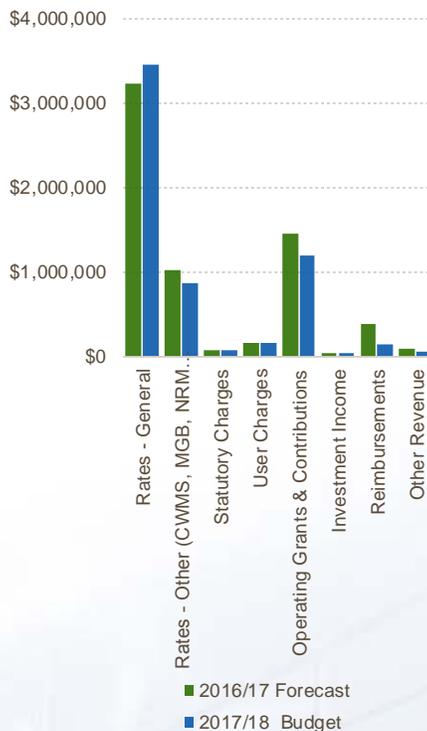
Details of Council's separate rates and annual service charges for 2017/18 can be found in the section entitled '**Overview of Council's Rating Structure**' and '**Overview of Council's Service Charges**' on pages 16-18 of this Annual Business Plan.

Where Does Council Source Funds

council's source of funds



2016/17 vs. 2017/18



Summary by Category

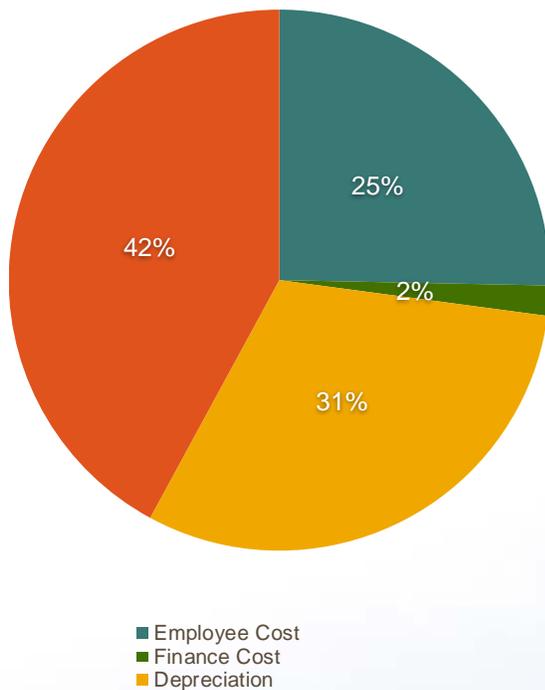
Category	2016/17 Forecast	2017/18 Budget	Variance	Notes
Rates - General	\$3,218,174	\$3,451,902	\$233,728	1
Rates - Other (CWMS, MGB, NRM Levy)	\$1,012,809	\$870,922	-\$141,887	2
Statutory Charges	\$66,523	\$67,002	\$479	3
User Charges	\$154,243	\$168,055	\$13,812	4
Operating Grants & Contributions	\$1,458,981	\$1,199,666	-\$259,315	5
Investment Income	\$44,089	\$43,077	-\$1,012	6
Reimbursements	\$384,748	\$146,056	-\$238,692	7
Other Revenue	\$90,160	\$64,938	-\$25,222	8
Total	\$6,429,727	\$6,011,618	-\$418,109	

Notes

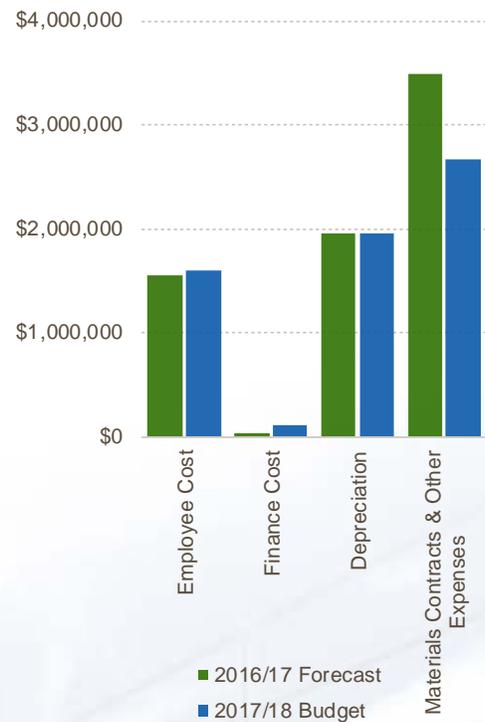
1. A 7% increase in rates and 0.5% rate base growth (anticipated new developments).
2. A 1.7% increase in Community Waste Management System Levy, a decrease in Mobile Garbage Bin Levy to reflect new contract savings and a \$26k decrease in Natural Resources Management Levy.
3. A 3% increase in dog registration fees.
4. A 7% increase in user charges, unless a contract price is present.
5. A reduction in Roads to Recovery, Special Local Roads and Coastal Protection Board grant funding. Plus anticipated funding contribution from CJDC for sand management and dredge purchase.
6. A decrease in community loan payments.
7. The removal of road works reimbursement from Robe District Council and removal of 2016/17 Kingston Jetty repairs.
8. The removal of risk award of \$22K received in 2016/17.

Where Does Council Spend Funds

council's spending of funds



2016/17 vs. 2017/18



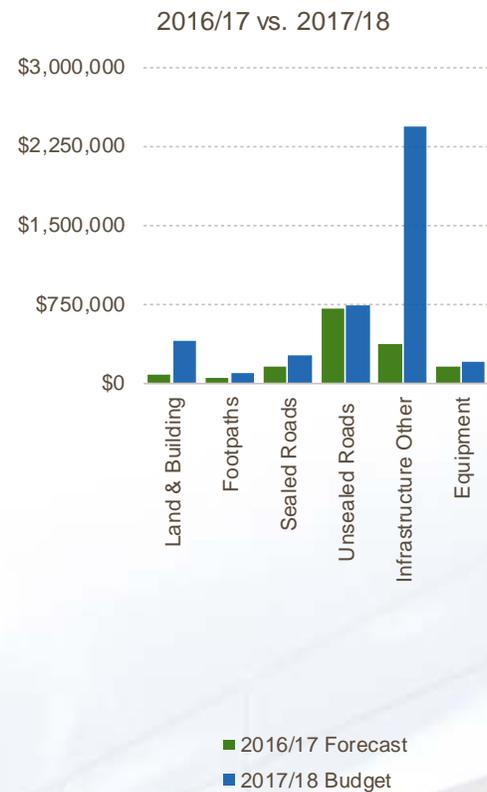
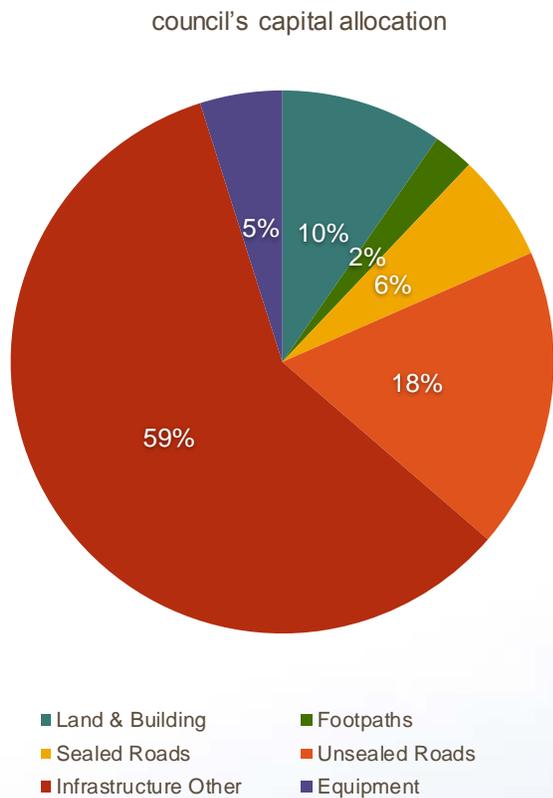
Summary by Category

Category	2016/17 Forecast	2017/18 Budget	Variance	Notes
Employee Cost	\$1,556,318	\$1,602,101	-\$45,783	1
Finance Cost	\$34,948	\$113,717	-\$78,769	2
Depreciation	\$1,949,272	\$1,949,272	\$0	3
Materials Contracts & Other Expenses	\$3,493,939	\$2,662,827	\$831,112	4
Total	\$7,034,477	\$6,327,917	-\$706,560	

Notes

1. An increase in salaries & wages in accordance with Enterprise Agreements.
2. Additional interest expense due to new loans for Wyomi Beach Rock Seawall and Dredge.
3. The original depreciation budget for 2016/17 was \$1.575M. This has been adjusted in the 2016/17 end of year forecast to \$1.949M. This adjustment reflects the movement in depreciation because of changes in accounting standards, asset revaluation and the accounting for \$14M of Cape Jaffa Anchorage Marina walls.
4. The reduction reflects the removal of storm damage costs incurred in 2016/17.

Where Does Council Spend Capital Works



Summary by Category

Category	2016/17 Forecast	2017/18 Budget	Variance	Notes
Land & Building	\$90,852	\$400,000	\$309,148	
Footpaths	\$51,008	\$100,000	\$48,992	
Sealed Roads	\$157,604	\$263,686	\$106,082	
Unsealed Roads	\$715,743	\$742,466	\$26,723	
Infrastructure Other	\$371,850	\$2,436,000	\$2,064,150	
Equipment	\$164,293	\$203,000	\$38,707	
Total	\$1,551,350	\$4,145,152	\$2,593,802	1

Notes

1. See 2017/18 Capital Works Program.

Impact on Council's Financial Position

Based on Council's budget, Council's direct borrowings will increase from \$245,000 at the end of 2016/17 to \$2,079,000 at the end of 2017/18. This increase is due to Council's plan to borrow for the Wyomi Beach rock seawall and sand management dredge.

Overall, key financial indicators show that Council's finances will be under pressure for 2017/18. This is expected to continue for the following four (4) years due to the establishment of proposed new loans in 2017/18. The following provides an overview for the 2017/18 financial year:

- Operating Surplus is at -5% against a long-term target of greater than 0% and less than 15%.
- Net Financial Liability Ratio is at 20% against a target of greater than 0% and less than 100% of operating revenue.
- Asset Sustainability Ratio is at 95% against a rolling target of greater than 80% and less than 100%, over a 3-year program.

For more details on the calculation method for Key Financial Indicators, see the Financial Indicators Section of this Business Plan.

Overall, Council's finances are under short-term pressure with net cash expected to decrease from \$1,898,000 as at the end of 2016/17 to \$1,514,000 at the end of 2017/18.

Overview of Council's Rating Structure

Method Used to Value Land

Council has adopted the use of capital value as the basis for valuing land. Council considers that this method is the fairest method to distribute the rate burden across the community.

In adopting capital value as the basis for valuing land, Council believes that this more appropriately addresses the principles of taxation and is a better indication of capacity to pay.

Council does not determine property valuations but chooses to exercise the right under Section 151 of the Local Government Act 1999 to adopt the capital valuations provided through the State Valuation Office on an annual basis.

Rating Methodology

Council is proposing to apply differential general rates by land use. Regulation 14 of the Local Government (General) Regulations 2013 provides for the following land use categories to be used for rating purposes:

- (1) Residential
- (2) Commercial – Shop
- (3) Commercial – Office
- (4) Commercial – Other
- (5) Industrial – Light
- (6) Industrial – Other
- (7) Primary Production
- (8) Vacant Land
- (9) Other
- (10) Marina Berths

The State Valuation Office determines the land use of each assessment based on the predominant use of the land.

The Annual Business Plan and Budget proposes to raise \$3,451,902 (net) in general rates for the 2017/18 financial year. As a result, Council will apply the following rates in the dollar for the differential land use categories:

Residential

\$0.3670 cents in the dollar for rateable properties with a land use of category (a) (*Residential*).

Commercial (Shop, Office, Other)

\$0.3670 cents in the dollar for rateable properties with a land use of categories (b) (*Commercial – Shop*), (c) (*Commercial – Office*) and (d) (*Commercial – Other*).

Industrial (Light, Other)

\$0.3670 cents in the dollar for rateable properties with a land use of categories (e) (*Industry – Light*) and (f) (*Industry – Other*).

Primary Production

\$0.2936 cents in the dollar for rateable properties with a land use of category (g) (*Primary Production*).

Primary Production rate is set at 20% less than the Residential rate in the dollar in accordance with Council's '*Rating Policy (FA018)*'. The reduced differential rate is to acknowledge the importance and significance of Primary Production to our community.

Vacant Land

\$0.4221 cents in the dollar for rateable properties with a land use of category (h) (*Vacant Land*).

Vacant Land rate in the dollar is set at 15% higher than the Residential rate in the dollar in accordance with Council's '*Rating Policy (FA018)*'. The increased differential rate is to encourage development of vacant land and reduce investment holdings.

Other

\$0.3670 cents in the dollar for rateable properties with a land use of category (i) (*Other*).

Marina Berth

\$0.3670 cents in the dollar for rateable properties with a land use of category (j) (*Marina Berth*).

Maximum Increase on Rates

Council will apply a maximum increase on general rates of 10% to all assessments within the Council area (except in circumstances as detailed in Council's '*Rating Policy (FA018)*').

This maximum increase has been set in an aim to provide relief to those ratepayers who may be unfairly affected due to the change to the basis of rating (implementation of 'land use' based rating), and to minimise significant rate increases where valuation movements (not related to development) have occurred.

Minimum Rate

Council may impose a minimum amount payable by way of rates. In accordance with legislation, if properties are adjoining and have the same ownership or are a Single Farm Enterprise, only one minimum rate is payable by the ratepayer. Where Council imposes a minimum rate, it must not apply to more than 35% of properties in the Council area.

The Council will impose a minimum rate of \$557.50. The reasons for imposing a minimum rate are:

- The Council considers it appropriate that all ratable properties make a base level contribution to the cost of administering the Council's activities.
- The cost of creating and maintaining the physical infrastructure that supports each property.

Valuation Analysis

The Valuer General has provided Council with a valuation update, with Kingston District Council's total proposed Capital Value being \$1,140,886,960 (including current non-rateable properties valuations of \$49,654,560).

Council has undertaken an analysis of its proposed valuations of rateable property as provided by the State's Valuer General as at 18 June 2017.

Rateable Properties Valuation Analysis 2017/18

Land Use Category	2016/17		2017/18		Change
	Properties	Capital Value	Properties	Capital Value	
01 Residential	1,281	353,897,500	1,308	362,324,500	8,427,000
02 Commercial - Shop	26	5,491,000	26	5,491,000	0
03 Commercial - Office	1	93,000	1	93,000	0
04 Commercial - Other	51	22,224,100	51	22,244,100	20,000
05 Industry - Light	13	1,758,000	13	1,758,000	0
06 Industry - Other	24	3,738,500	24	3,758,500	20,000
07 Primary Production	696	593,349,300	692	644,601,600	51,252,300
08 Vacant Land	536	81,337,900	513	78,597,000	-2,740,900
09 Other	190	19,586,160	210	20,499,260	913,100
10 Marina Berth	20	1,520,000	20	1,520,000	0
Capital Value Total	2,838	1,082,995,460	2,858	1,140,886,960	57,891,500

A revaluation of the Primary Production sector has occurred with capital valuations increasing by 8.64% as a direct result of property sales over the past 12 months. Residential properties have had an increase of 2.38%, with a large portion of this increase being due to the development of Vacant Land (and therefore subsequent land use change to 'Residential'). Due to the substantial increase in Primary Production values, Council's total capital value has increased by 5.35% from 2016/17.

Overview of Council's Service Charges

Community Wastewater Management System Levy

Council provides a Community Wastewater Management System (CWMS) to defined properties in the township of Kingston. Council proposes to recover the cost of operating and maintaining the service through the imposition of a service charge. The collected CWMS income is proposed to increase by CPI of 1.7% from the 2016/17 financial year, and will be as follows:

- \$243.00 for each unoccupied property unit
- \$363.50 for each occupied property unit

The occupied property unit includes an amount for future septic tank desludging (every 4 years for residential premises) but not exposure of the tank in preparation for desludging.

Where the service is provided to non-rateable land, a service charge is levied against the land. Details on what constitutes a service charge for each property unit, and other information about the scheme, is available from the Council office. A property unit is defined and charged in accordance with the Act and the document titled 'CWMS Property Units Code' prescribed in accordance with Regulation 9A of the Local Government (General) Regulations 1999.

Council charges separately for this service as it is specific to particular properties and is thus unreasonable to expect the total rate base to provide for its use, maintenance and replacement.

Mobile Garbage Bin Levy

For meeting the costs associated with the collection and disposal of domestic and other garbage, Council has a Mobile Garbage Bin (MGB) Service Charge on all serviced properties. The service charge is levied in accordance with Council policy 'E008 – Mobile Garbage Collection and Disposal Policy', and relevant legislation.

The Mobile Bin Service Charge levied by Council will be \$169.50 for each service which shall consist of a 240 litre and 140 litre mobile garbage bin service provided to the property.

Council charges separately for this service as it is specific to particular properties and it is unreasonable to expect the total rate base to provide for its use, maintenance and replacement.

Natural Resources Management Levy

Council is in the South East (SE) Region of the Natural Resource Management (NRM) framework and is required under the Natural Resource Management Act to collect the NRM levy on behalf of the South East Natural Resource Management Board.

In 2017/18, the SE NRM levy will continue to be based on 'Local Government Land Use'. The total amount of \$227,897 is required to be collected. The following land use levies are applicable for 2017/18:

Local Government Land Use Categories	NRM Levy Rate Per Rateable Property
Residential, Vacant & Other	\$75.50
Commercial	\$115.00
Industrial	\$180.00
Primary Production	\$328.50

It is important to note that Council is operating as a revenue collector for the South East Natural Resource Management Board. Council does not retain this revenue or directly determine how the revenue is spent.

Available Assistance

Concession on Council Rates

As of 2017/18, the \$110.00 Community Wastewater Management System (CWMS) concession will no longer be administered by Councils. This concession was previously applied to eligible concession card holders as determined by the Department for Community and Social Inclusion in conjunction with SA Water, and has been replaced by the 'Cost of Living Allowance' administered directly to concession holders through the State Government.

Discretionary Rebates

Council considers discretionary rebates of up to 100% of Council rates to not-for-profit, sporting and community organisations upon application and in accordance with legislation. Council provides these rebates in recognition and support of local groups and the positive social and community benefits they provide within the community.

For Council's policy related to rates rebates, please refer to policy 'Rate Rebate Policy (FA005)', which is available at the Council Office or on Council's website www.kingstondc.sa.gov.au.

Postponement of Rates for Senior Citizens

As prescribed by the Local Government Act, State Senior Card holders can apply to Council for the postponement of payment of Council rates on their principal place of residence. To apply to postpone payment of Council rates please contact the Council office. If a postponement of the payment of rates occurs, interest will accrue on the amount affected by the postponement. Rates charged remain as a charge on the land and must be paid upon sale, transfer or other such transactions that result in the prescribed rate payer and/or owner of the land no longer qualifying to receive a postponement of rates.

Community Hardship Arrangements

Council, by arrangement with the Chief Executive Officer, will allow for rates and charges to be paid by installment.

Should a person be suffering hardship, other arrangements can be catered for upon application to the Chief Executive Officer and provision of appropriate evidence to sustain the claim for hardship.

Delivery of Council's Strategic Priorities

Council's Strategic Plan 2016 to 2026 identifies five (5) key themes and supporting outcomes, actions and targets. The table below highlights the key actions that Council will undertake during 2017/18 that support the achievement of Council's overall strategy.

THEME 1	OUTCOME	STRATEGIC ACTION	2017/18 ACTION	PERFORMANCE MEASURES
A Thriving Destination	<i>A sought-after visitor and lifestyle destination</i>	<ul style="list-style-type: none"> Partner with the community to promote the Kingston District Provide consistent, clear and relevant information to people visiting our town and district Provide in demand facilities and services to the community and visitors 	<p>Continue the installation of quality tourism signage within the Kingston township.</p> <p>Delivery of a school holiday activities program at the library.</p>	<p>Installation before December 2017.</p> <p>Delivery of eight (8) school holiday programs before 30th June 2018.</p>
	<i>A vibrant town centre</i>	<ul style="list-style-type: none"> Create and maintain a vibrant retail hub in the centre of Kingston Attract new events to the township of Kingston 	Installation of large planter boxes and mature trees in Kingston's Main Streets.	Installation before December 2017.
	<i>A sustainable and progressive Cape Jaffa Anchorage development</i>	<ul style="list-style-type: none"> Partner with Cape Jaffa Development Company to sustainably manage, promote, beautify and grow the Cape Jaffa Anchorage development 	Purchase of sand management dredge in partnership with Cape Jaffa Development Company.	Operating before October 2017.
	<i>A diverse range of prosperous local businesses and primary industries</i>	<ul style="list-style-type: none"> Create an environment that encourages innovation and investment 	No specific actions scheduled for 2017/18.	N/A

THEME 2	OUTCOME	STRATEGIC ACTION	2017/18 ACTION	PERFORMANCE MEASURES
Best Practice Planning	<i>Integrated, spaces and places</i>	<ul style="list-style-type: none"> Review Council's key planning documents to ensure relevance and support of Council's Strategic Plan Engage external expertise to help shape the district's future planning Create connected places and usable spaces, that attracts a range of people (residents, visitors, new families and retirees) Create an accessible district for all ages. 	<p>Installation of large planter boxes and mature trees in Kingston's Main Streets.</p> <p>Install solar lighting along Maria Creek footpath / bike track.</p> <p>Enhancement of the town's footpath network by building new footpaths on Gough and Charles Streets between Agnes Street and James Street.</p>	<p>Installation before December 2017.</p> <p>Installation before December 2018.</p> <p>Completion construction before 30th June 2018.</p>
	<i>Preserve the rural atmosphere, open spaces, beaches & other natural resources</i>	<ul style="list-style-type: none"> Ensure agricultural land is protected through appropriate land use zoning Promote the significance of primary industry within the district Preserve our coastline and beaches 	Construction of rock seawall to protect Wyomi Beach from erosion.	Completion of construction before April 2018.
	<i>Preserve the heritage & character of the district</i>	<ul style="list-style-type: none"> Promote heritage buildings within the district Tell the historical story of the Kingston as a major southern port Tell the indigenous story of Kingston 	In partnership with the National Trust Kingston, install heritage information signage throughout the township promoting the history of Kingston.	Installation of township heritage signage before 30 th June 2018.

THEME 3	OUTCOME	STRATEGIC ACTION	2017/18 ACTION	PERFORMANCE MEASURES
Excellence in Assets and Infrastructure	<i>Best practice asset and infrastructure management</i>	<ul style="list-style-type: none"> Review all asset and infrastructure management processes, systems and methodology 	<p>Continued maintenance and re-sheeting of Council's unsealed road network.</p> <p>Continued maintenance resealing of Council's sealed road network.</p> <p>Continue to implement and fine-tune Council's new Asset Management System.</p> <p>Tender for the replacement of one (1) of Council's four (4) graders.</p> <p>Replacement of four (4) scheduled light vehicles.</p> <p>Minor upgrades to Cape Jaffa Township toilet facilities.</p>	<p>Annual capital expenditure of \$710,150 before 30th June 2018.</p> <p>Annual capital expenditure of \$263,686 before 30th June 2018.</p> <p>Ongoing.</p> <p>Successful tenderer appointed prior to 30th June 2018.</p> <p>Procurement completed by 30th June 2018.</p> <p>Repainting and retiling completed before 30th June 2018.</p>
	<i>Best practice in procurement and contract management</i>	<ul style="list-style-type: none"> Review organisational wide procurement and contract management practices 	Continued implementation and development of Council's tender assessment panels.	Ongoing.

THEME 4	OUTCOME	STRATEGIC ACTION	2017/18 ACTION	PERFORMANCE MEASURES
Strong Communities	<i>A community with a shared sense of pride and common purpose</i>	<ul style="list-style-type: none"> • Ensure transparency in Council's responsibilities and decision making • Develop a community engagement strategy that engages our community across all of aspects of Council operations, activities and services • Inform the community of Council's progress in the delivery of strategic objectives 	<p>Continue to inform the community of Council activities and progress through the following key mediums:</p> <ul style="list-style-type: none"> • Facebook Social Media. • Coastal Leader Newspaper. • Engage Community face to face. 	<p>Ensure a minimum of two (2) Facebook posts per week and one (1) monthly new paper spot.</p> <p>Hold a minimum of one (1) Community Forum per year.</p>
	<i>A knowledgeable community that looks beyond its boundaries for inspiration and learning</i>	<ul style="list-style-type: none"> • Develop an ongoing community development program • Benchmark township and district's performance 	No specific actions scheduled for 2017/18.	N/A
	<i>A healthy & resilient community</i>	<ul style="list-style-type: none"> • Advocate on behalf of the community for continued enhancement of healthcare, age care and educational facilities and services • Establish community support networks and programs • Provide facilities that encourage a physically active community • Facilitate the delivery of health and well-being programs 	Work with Gall Park Committee to activate Gall Park facilities.	Completion of Business Case for the development and activation of Gall Park Facilities before 30 th June 2018.

THEME 5	OUTCOME	STRATEGIC ACTION	2017/18 ACTION	PERFORMANCE MEASURES
Progressive Leadership	<i>Sustainable community finances and assets</i>	<ul style="list-style-type: none"> • Manage Council funds in accordance with Council's long term financial plans • Plan for long term sustainability of Council's operations 	<p>Investigate new revenue streams and explore cost management initiatives to ensure the ongoing long term financial sustainability of Council and success of the district.</p> <p>Implement Annual Business Plan & Budget for the Kingston Caravan Park that delivers an annual profit to Council.</p> <p>Closely monitor Council's budgets.</p>	<p>Ongoing.</p> <p>Implemented by 1st September 2017.</p> <p>Ongoing.</p>
	<i>Effective delivery of projects and services</i>	<ul style="list-style-type: none"> • Develop succession plan for Assets & Infrastructure Team. • Up-skill Assets & Infrastructure Team • Deliver projects on time and on budget 	Complete staff training on Council's new Asset Management System.	Completed by 30 th June 2018.
	<i>Engage external stakeholders to leverage local opportunities</i>	<ul style="list-style-type: none"> • Lobby state and federal government to attract more funding 	Secure \$400K from the State Government to support Wyomi Beach project.	Funding agreement in place for \$400K from State Government over five (5) years before 1 st September 2017.
	<i>Organisational excellence</i>	<ul style="list-style-type: none"> • Meet all legislative requirements • Risk management fully embedded into organisational culture • Build an organisational culture that promotes productivity, efficiency and continuous improvement. 	<p>Continue to provide staff with training and development opportunities.</p> <p>Continue to conduct Work Health & Safety (WH&S) Leadership Group meetings during 2017/18.</p>	<p>Deliver of a minimum of 60% of the scheduled staff training program before 30th June 2018.</p> <p>Conduct a minimum of four (4) WH&S Leadership Group meetings before 30th June 2018.</p>
	<i>Council is an employer of choice</i>	<ul style="list-style-type: none"> • Commitment to innovation and a "Can Do" attitude • Protect employee's health in the workplace • A supportive environment that promotes a healthy work life balance 	<p>Continue to keep employees involved in decision making (where appropriate) and the business of Council.</p> <p>Continue to conduct WH&S Leadership Group meetings during 2017/18.</p>	<p>Conduct as a minimum, fortnightly management meetings and bimonthly staff meetings.</p> <p>Conduct a minimum of four (4) WH&S Leadership Group meetings before 30th June 2018.</p>

Appendix 1: 2017/18 Annual Budget & Financial Statements

Comprehensive Income Statement

\$'000	Current		
	Actual 2015/16	Forecast 2016/17	Budget 2017/18
Income			
Rates	3,941	4,231	4,322
Statutory Charges	85	67	67
User Charges	172	154	168
Grants, Subsidies and Contributions	921	1,459	1,201
Investment Income	44	44	43
Reimbursements	251	385	146
Other Income	68	90	65
Total Income	5,482	6,430	6,012
Expenses			
Employee Costs	1,503	1,556	1,602
Materials, Contracts & Other Expenses	2,393	3,494	2,663
* Depreciation, Amortisation & Impairment	1,633	1,949	1,949
Finance Costs	71	35	114
Total Expenses	5,600	7,034	6,328
OPERATING SURPLUS/(DEFICIT)	- 118	- 604	- 316
Asset Disposal & Fair Value Adjustments	-5		
Amounts Received Specifically for New or Upgraded Ass	137	0	205
NET SURPLUS/(DEFICIT)	14	- 604	- 111
Other Comprehensive Income	0	0	0
TOTAL COMPREHENSIVE INCOME	14	- 604	- 111

***Note:**

The original depreciation budget for 2016/17 was \$1.575M. This has been adjusted in the 2016/17 end of year forecast to \$1.949M. This adjustment reflects the movement in depreciation because of changes to accounting standards, the addition of \$14M in Cape Jaffa assets and the revaluation of Council assets.

Capital Works Budget

2017/18 CAPITAL WORKS

		NEW	RENEWAL
LAND & BUILDINGS		\$390,000	\$10,000
Unique Asset ID	Asset Name		
NEW	KINGSTON CARAVAN PARK PURCHASE	\$350,000	
NEW	CARAVAN PARK ROADS	\$40,000	
BUILD00021	CAPE JAFFA TOWNSHIP TOILET UPGRADE		\$10,000
FOOTPATHS		\$50,000	\$50,000
Unique Asset ID	Asset Name		
NEW	GOUGH STREET (Agnes - James)	\$25,000	
NEW	CHARLES STREET (Agnes - James)	\$25,000	
-	MARIA CREEK (Family Tree Park)		\$25,000
-	WYOMI BEACH (Replacement)		\$25,000
SEALED ROADS		\$0	\$224,331
Unique Asset ID	Asset Name		
ROAD101801	CLARKE 1		\$27,348
ROAD102101	COULTHARD 1		\$2,045
ROAD103504	GOLFLINKS 4		\$432
ROAD105201	JOHN FUJNTS 1		\$180
ROAD106401	MARIA 1		\$2,027
ROAD106601	MARINE PARADE - BEACH ACCESS 1		\$2,385
ROAD107601	OLD SCHOOL 1		\$1,607
ROAD111803	WILHELMINA 3		\$3,053
ROAD100307	AGNES 7		\$9,767
ROAD100308	AGNES 8		\$9,767
ROAD101505	CAMERON 5		\$5,167
ROAD102701	EAST - WEST LANE 1		\$2,279
ROAD103701	GOUGH 1		\$9,069
ROAD104601	HUTCHINGS 1		\$9,877
ROAD104901	JAMES 1		\$8,068
ROAD105001	JANET 1		\$2,223
ROAD107301	MURRABINA 1		\$684
ROAD109109	SALTWELL 9		\$33,057
ROAD109111	SALTWELL 11		\$45,771
ROAD110402	STRICKLAND 2		\$9,139
ROAD110403	STRICKLAND 3		\$11,486
ROAD111501	VENN 1		\$8,855
ROAD111801	WILHELMINA 1		\$4,530
ROAD112002	YOUNG 2		\$9,970
ROAD112004	YOUNG 4		\$5,546
UNSEALED ROADS		\$0	\$741,821
Unique Asset ID	Asset Name		
ROAD201909	BLACKFORD 9		\$38,246
ROAD201910	BLACKFORD 10		\$37,763
ROAD202403	BUTCHERS 3		\$39,538
ROAD203226	COOKE 26		\$22,704
ROAD211508	TAPFIELD 8		\$42,892
ROAD205112	HENRY CREEK 12		\$39,612
ROAD206401	MAIL BRIDGE 1		\$38,089
ROAD206403	MAIL BRIDGE 3		\$33,871
ROAD206404	MAIL BRIDGE 4		\$33,436
ROAD206405	MAIL BRIDGE 5		\$33,890
ROAD208301	OLD COORONG 1		\$37,705
ROAD209104	PETHERICK 4		\$49,918
ROAD209110	PETHERICK 10		\$29,872
ROAD209109	PETHERICK 9		\$35,459
ROAD211101	STARLING 1		\$53,656
ROAD213201	WILLIAMS - NORTH LANE 1		\$39,994
ROAD213501	WOOLUMBOOL 1		\$58,487
ROAD213507	WOOLUMBOOL 7		\$41,688
	ROADS CONTINGENCY		\$35,000
INFRASTRUCTURE OTHER		\$911,000	\$38,000
	HERITAGE SIGNAGE x 25 sites	\$45,000	
	TOURISM SIGNAGE (Coastal Drive - Southports HWY and Pink Beach Road)	\$15,000	
	MARIA CREEK SOLAR LIGHTING (24 lights)	\$36,000	
	MAIN STREET PLANTER BOXES & TREES	\$15,000	
	WYOMI BEACH ROCK SEAWALL (\$400K grant from Coastal Protection Board over 5 years = 80	\$800,000	
	CWMS PROBE SENSOR REPLACEMENT		\$16,000
	CWMS CONTROL BOXES		\$22,000
EQUIPMENT OTHER		\$1,545,000	\$185,000
	LIGHT VEHICLE REPLACEMENT		\$170,000
	SLASHER DECK	\$18,000	
	SAND MANAGEMENT DREDGE (Subject to funding support from CJDC)	\$1,527,000	
	SUNDRY WORK PLANT & EQUIPMENT		\$15,000
2017/18 Totals		\$2,896,000	\$1,249,152

NOTE: Council's road network has been divided into segments to assist in the management of asset maintenance programs. Road segments within the township are from intersection to intersection and in rural areas segments are 2km in length.

Uniform Presentation of Finances

\$'000	Actual 2015/16	Current Forecast 2016/17	Budget 2017/18
Income	5,482	6,430	6,012
Less Expenditure	(5,600)	(7,034)	(6,328)
Operating Surplus/(Deficit)	(118)	(604)	(316)
Less Net Outlays on Existing Assets			
Capital Expenditure on Renewal/Replacement	1,404	1,060	1,249
Less Depreciation, Amortisation and Impairment	(1,633)	(1,949)	(1,949)
Less Proceeds from Sale of Replaced Assets	(84)	(29)	(87)
Total Net Outlays on Existing Assets	(313)	(918)	(787)
Less Net Outlays on New and Upgraded Assets			
Capital Expenditure on New/Upgraded Assets	322	491	2,896
Less Amounts received for New/Upgraded Assets	(137)		(205)
Less Proceeds from Sale of Surplus Assets		-	
Total Net Outlays on New/Upgraded Assets	185	491	2,691
Net Lending/(Borrowing) for Financial Year	10 -	177 -	2,220

Statement of Cash Flow

\$'000	Actual 2015/16	Current Forecast 2016/17	Budget 2017/18
Cash Flows from Operating Activities			
<u>Receipts</u>			
Rates Receipts	3,940	4,231	4,322
Statutory Charges	85	67	67
User Charges	172	154	168
Grants, Subsidies and Contributions	921	1,459	1,201
Investment Receipts	44	44	43
Reimbursements	251	385	146
Other Receipts	517	90	65
<u>Payments</u>			
Payments to Employees	(1,516)	(1,556)	(1,602)
Payments for Materials, Contracts & Other Expenses	(2,818)	(3,494)	(2,663)
Finance Payments	(77)	(35)	(114)
	<u>1,519</u>	<u>1,345</u>	<u>1,633</u>
Net (increase)/decrease in inventories		-	
Net Cash provided by (or used in) Operating Activities	1,519	1,345	1,633
Cash Flows from Investing Activities			
<u>Receipts</u>			
Amounts Received Specifically for New/Upgraded Assets	137	0	205
Sale of Replaced Assets	84	29	87
Repayments of Loans by Community Groups	9	24	17
<u>Payments</u>			
Expenditure on Renewal/Replacement of Assets	(1,404)	(1,060)	(1,249)
Expenditure on New/Upgraded Assets	(322)	(491)	(2,896)
Loans Made to Community Groups	-	-	-
Net Cash provided by (or used in) Investing Activities	(1,496)	(1,498)	(3,836)
Cash Flows from Financing Activities			
<u>Receipts</u>			
Proceeds from Borrowings	15	0	2330
<u>Payments</u>			
Repayments of Borrowings	(212)	(173)	(511)
Net Cash provided by (or used in) Financing Activities	(197)	(173)	1,819
Net Increase (Decrease) in Cash Held	- 174	- 326	- 384
Plus Cash & Cash Equivalents at beginning of period	<u>2398</u>	<u>2,224</u>	<u>1,898</u>
Cash & Cash Equivalents at end of period	2,224	1,898	1,514

Statement of Financial Position

\$'000	Current		
	Actual 2015/16	Forecast 2016/17	Budget 2017/18
ASSETS			
Current Assets			
Cash and Cash Equivalents	2,224	1,898	1,514
Trade & Other Receivables	145	145	145
Inventories	98	98	98
Total Current Assets	2,467	2,141	1,757
Non-Current Assets			
Financial Assets	2,915	2,891	2,874
* Infrastructure, Property, Plant & Equipment	62,235	75,808	77,917
Total Non-Current Assets	65,150	78,699	80,791
TOTAL ASSETS	67,617	80,840	82,548
LIABILITIES			
Current Liabilities			
Trade & Other Payables	318	318	318
Borrowings	169	179	511
Provisions	348	348	348
Total Current Liabilities	835	845	1,177
Non-Current Liabilities			
Borrowings	3,161	2,978	4,465
Provisions	92	92	92
Total Non-current Liabilities	3,253	3,070	4,557
TOTAL LIABILITIES	4,088	3,915	5,734
NET ASSETS	63,529	76,925	76,814
EQUITY			
Accumulated Surplus	24,717	23,883	23,686
Asset Revaluation Reserve	37,424	51,424	51,424
Other Reserves	1,388	1,618	1,704
TOTAL COUNCIL EQUITY	63,529	76,925	76,814

*Note:

The original non-current assets budget for 2016/17 has been adjusted from \$64.671M to \$78.699M to reflect \$14M of additional Cape Jaffa assets.

Statement of Changes in Equity

\$'000	Asset			Total Equity
	Accumulated Surplus	Revaluation Reserve	Other Reserves	
2017/18				
Opening Balance	23,883	51,424	1,618	76,925
Net Surplus / (Deficit) for Year	- 111		-	111
Transfers between Reserves	-86		86	
Balance at the end of period	23,686	51,424	1,704	76,814
2016/17				
Opening Balance	24,717	51,424	1,388	63,515
Net Surplus / (Deficit) for Year	- 604		-	604
Transfers between Reserves	-230		230	
Balance at the end of period	23,883	51,424	1,618	76,925

Financial Indicators

\$'000	Actual 2015/16	Current Forecast 2016/17	Budget 2017/18
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These Financial Indicators have been calculated in accordance with the Information Paper 9 - Local Government Financial Indicators prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia. Detailed

Operating Surplus Ratio

Target is >0 before Capital Revenues

Operating Surplus/(deficit) divided by Operating Revenue	-2%	-9%	-5%
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Net Financial Liabilities Ratio

Target is >0% and < 100% before Capital Revenues

Total Liabilities less (Cash, Trade & receivables, financial assets) Divided by Operating Revenue	-22%	-16%	20%
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The Net Financial Liabilities Ratio calculation excludes the community and Cape Jaffa Loans as these are owed back to Council and only considers Councils cash and loans. A negative ratio means that Council has more cash than loans.

Asset Sustainability Ratio

Target is > 80% and < 100% over a 3 year rolling program

Expenditure on net renewal/replacement of assets Divided by Optimal level of such expenditure per Asset Management Plans	95%	55%	95%
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