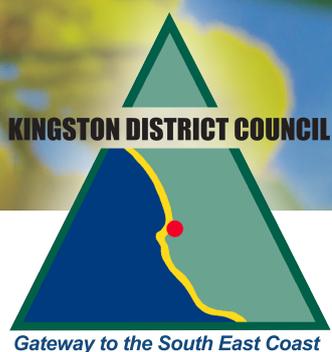


# Kingston District Council

## Annual Business Plan 2016/17



*Gateway to the South East Coast*  
[www.kingstondc.sa.gov.au](http://www.kingstondc.sa.gov.au)

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## Mayor's Message

Over the past two years your Elected Members and I have been working very hard to ensure that the community is well engaged in the business of Council and importantly, with the direction of our district over next 10 years.

I would like to take this opportunity to thank community members who took the time to review the 2016-2026 Strategic Plan and particularly, those who provided written submissions to Council. As a result of community feedback, Council made a number of changes and formally adopted the revised 2016-2026 Strategic Plan on Friday 22 April 2016. This Plan will inform key actions, budgets and decision making of Council over the next 10 years.

It is important to recognise that Council cannot achieve the 2016-2026 Strategic Plan on its own. Many of the actions contained within the Plan will rely on working in partnership with others and on the hard work, passion and dedication of the whole community.

Our Strategic Plan aims to transition the district into a vibrant destination where people want to live, raise their families, holiday and retire. The Plan also has a strong focus on preserving the rural atmosphere of our district, ensuring community infrastructure such as rural roads and other important community assets are well maintained and strongly advocating on behalf of our community to ensure our healthcare, aged care and educational facilities and services are of a high standard.

Over the next 12 months Council will work closely with its community to deliver the first year of the new Strategic Plan. Projects proposed for 2016/17 are:

- Continued delivery of Council's asset maintenance program.
- Engagement of an engineer to implement a new Asset Management System.
- Upgrade of main street lighting.
- Construction of rock wall to protect Wyomi Beach (subject to State funding).
- Delivery of the first stage of the main street upgrade project, including improved entrance and main street signage.

The upcoming year will be an exciting one for our community with a number of key projects proposed. The diversity of these projects will ensure all corners of our district benefit and that 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,



Reg Lyon  
Mayor

## Executive Summary

In 2016/17, Council will increase rates by 3% despite a relatively low CPI increase of 1.1% (as at December 2015). The key driver for this proposed increase is the State Government's recent decision to impose a rubble royalty tax on councils who raise road rubble. As a result, Kingston District Council is required to find an additional \$50,000 each year to ensure its road network continues to be maintained to the same standard.

To ensure rating equity is maintained across the district, Council will continue to use capital value and a differential rating system, based on Urban, Rural Living and Rural localities, to raise rates. This rating system recognises the differing levels of service and infrastructure enjoyed by respective localities; for example Urban properties generally have far greater access to bitumised roads, public lighting, footpaths and cycle tracks. In 2016/17 Council will recognise these differences by applying a rate in the dollar discount of 18.3% for Rural Living properties and 24.2% for Rural properties, when compared to the Urban rate in the dollar.

In 2016/17 Council will receive \$594,033 from the Federal Government under the Roads to Recovery Program. This is an additional \$414,146 compared to the standard annual grant of \$179,887. This bonus payment is due to the reintroduction of the Consumer Price Index-linked fuel excise by the Federal Government. Roads to Recovery funding will revert back to normal levels from 2017/18.

As a result of the additional Roads to Recovery funding, Council will see an operating surplus of \$315,707. Council will use these additional funds to increase its rural roads re-sheeting program from \$452,443 in 2015/16 to \$814,099 in 2016/17 and to allocate a capital budget of \$140,500 to upgrade Kingston's main street lighting.

Council will bring forward into 2016/17 the implementation of a new Asset Management System at a cost of \$150,000. This is an extremely important project as it will significantly improve Council's visibility of all future asset renewal requirements, inform Council's long term Asset Management Plan and most importantly, bring up-to-date Council's Long Term Financial Plan, particularly in relation to depreciation which is a significant portion of Council's total expenditure.

In 2015/16, Council engaged Civil & Environmental Solutions to investigate the cause of the ongoing erosion at Wyomi Beach and to make recommendations for a long term solution. A key recommendation by the consultant was the construction of a rock wall. Council has therefore allocated \$500K in the 2016/17 capital budget to progress this project, which will be subject to the State Government providing funding of \$300K.

Jensen Planning & Design was engaged during 2015/16 to investigate opportunities that will assist in transitioning our main streets into vibrant places that attract people and help sustain our local traders. Council and the community have shared initial thinking with the consultant and a draft report has been completed. This report will be formally presented to the community in August 2016. In anticipation of report recommendations, Council has allocated a capital budget of \$50,000 to progress initial improvements to our main streets.

To complement the work underway by Jensen Planning & Design, Council has established a \$20K consultancy budget to assist in the creation of a brand for the township of Kingston. This branding project will create quality signage designs and strategies for town entrances and main streets and will enhance Kingston's website presence. Council recognises the importance of this project to our local traders and will therefore aim to complete this work, including the installation of signage, before December 2016.

In 2016/17 Council will install 10 solar lights along the Marine Parade bike track from Hanson Street towards Thredgold Street. This project will support the activation of Kingston's foreshore and provide more opportunities for the community to remain active through greater use of Kingston's footpath and bike networks.

Council's major plant and equipment replacement program has scheduled one of four graders for replacement during the year at a cost of \$375,000. In addition, Council's Red Cross vehicle and two works utility vehicles are due for replacement at a cost of \$106,000. Council will progress its scheduled major plant replacement program in 2016/17.

During 2016/17 Council will continue to delivery core Council services and ongoing capital renewal programs. All activities within this Business Plan have a clear alignment to Council's new Strategic Plan. Details of this alignment can be found later in this document under the heading "Delivery of Council's 2016 to 2026 Strategic Priorities".

## **Council's Planning Framework**

### ***Strategic Direction 2016 to 2026***

Council adopted its 2016 to 2026 Strategic Plan at its April 2016 meeting of Council. Over the next ten 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)<br>A Thriving Destination  | Theme (2)<br>Best Practice In Planning  | Theme (3)<br>Excellence In Assets & Infrastructure  | Theme (4)<br>Strong Communities   |
|--|---|---|---|
| <p>OUTCOMES</p> <ul style="list-style-type: none"> <li>• A sought after visitor and lifestyle destination</li> <li>• A vibrant town centre</li> <li>• A sustainable and progressive Cape Jaffa Anchorage development</li> <li>• A diverse range of prosperous local businesses and primary industries</li> </ul> | <p>OUTCOMES</p> <ul style="list-style-type: none"> <li>• Integrated, spaces and places</li> <li>• Preserve the rural atmosphere, open spaces, beaches &amp; other natural resources</li> <li>• Preserve the heritage &amp; character of the district</li> </ul> | <p>OUTCOMES</p> <ul style="list-style-type: none"> <li>• Best practice asset and infrastructure management</li> <li>• Best practice in procurement and contract management</li> </ul> | <p>OUTCOMES</p> <ul style="list-style-type: none"> <li>• A community with a shared sense of pride and common purpose</li> <li>• A knowledgeable community that looks beyond its boundaries for inspiration and learning</li> <li>• A healthy &amp; resilient community</li> </ul> |

The fifth theme focuses on Council as an organisation and what is required for it to be effective in the various roles that it has to play in the community.

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

Within the Theme (5) 'Progressive Leadership', is an outcome '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 is reported in Council's Annual Financial Accounts.

## ***Long Term Financial Plan***

Council has developed a Long Term Financial Management Plan that will assist in the long term structure of Council's finances and drives linkages between the strategic and asset management processes and annual plans of Council. The plan will be updated during 2015/16 based on known information, but is likely to undergo a further review once Council completes its comprehensive review of its current Asset Management Plan and associated management systems.

## ***Asset Management Plan***

Council has developed an asset management plan that concentrates on the management of the 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 assists in the sustainable management of finances and strategic management of Council infrastructure.

Council's current asset management plan has successfully guided Council over a number of years, but during 2016/17 the Plan will undergo a significant review as Council verifies the condition and useful life of its asset classes and moves towards a more sophisticated IT based Asset Management System.

## ***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 type of actions to be undertaken and how Council will measure itself in achieving these tasks. This 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 tasks required of it legislatively and for the implementation of its Strategic Plan. Council's 2016/17 budget is provided in full detail later in this document.

## ***Key Partners***

It is important to recognise that Council cannot achieve the community's vision on its own. Many of the strategies contained in the plan will rely on working in partnership with the community and other organisations. Council may be able to take a supporting or facilitating role, however it knows that the plan cannot be achieved without the hard work, passion and dedication of others. 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"> <li>• Kingston District Community</li> <li>• Kingston SE Tourism</li> <li>• Local traders</li> <li>• Primary producers</li> </ul>  | 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"> <li>• Department of Health &amp; Ageing</li> <li>• Department of Education &amp; Child Development</li> <li>• Department of Planning, Transport &amp; Infrastructure</li> <li>• Department of Environment Water &amp; Natural Resources               <ul style="list-style-type: none"> <li>➢ South East Natural Resource Management Board</li> <li>➢ Zone Emergency Management Committee</li> <li>➢ South Australian Tourist Commission</li> <li>➢ Native Vegetation Council</li> </ul> </li> </ul> | 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"> <li>• Limestone Coast Local Government Association (LCLGA)</li> <li>• Local Government Association South Australia</li> </ul>   | Regional government that works for local government on regional issues<br><br>Local Government of SA – works for local government at a state level  |
| Regional <ul style="list-style-type: none"> <li>• Councils - Wattle Range, Tatiara, Robe, Grant, Mt Gambier, Naracoorte Lucindale, Coorong</li> </ul>   | 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 a number of matters because of its close proximity. |
| Federal Government <ul style="list-style-type: none"> <li>• Regional Development Australia Limestone Coast (RDALC)</li> </ul>   | 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 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.

All resolutions and reports are presented to Council for ratification and information so that all members of Council are informed of the attainment of Councils plans and management of resources. All resolutions and reports of Council are made available to the public from the Council office or Council website [www.kingstondc.sa.gov.au](http://www.kingstondc.sa.gov.au).

Council reports annually on the activities 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 Councils operations.

# Considerations in Framing Council's Business Plan & Budget

A number of general factors have influenced the preparation of Council's 2016/17 Annual Business Plan and Budget. These include:

1. Increase in general costs of 1.1% faced by Local Government as measured by the annual increase in the Consumer Price Index (Adelaide December 2015).
2. Increase in general costs of 1.0% faced by Local Government as measured by the annual increase in Local Government Price Index of 1.0% (September 2015).
3. Increases to insurance costs expected to be approximately 1%.
4. Increases in utility costs expected to be approximately 1%.
5. Fees and charges imposed by other governments expected to be approximately 1%.
6. Wage adjustments as provided for in workplace agreements will be 3.5%.
7. The level of capital and operational services required across the district.
8. Introduction of a Rubble Royalties Tax by the South Australian Government.
9. Sustainable settings of Council's Long Term and Strategic Planning documents.

In response to the above factors, Council has prepared the Annual Business Plan and Budget that will see general rates increase by 3.0%, excluding development growth. This increase is required as a direct result of declining government grants and the State Government's recent decision to introduce a Rubble Royalties Tax which will see road renewal costs increase by a minimum of \$50K per year.

To continue the current level of service Council must compensate for increasing State Government taxes and increasing operating and capital costs by raising rates above the 1.1% 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 2016/17 additional revenue from new development activities is expected to be in the vicinity of 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 system.
- 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 2016/17 financial year.

## **Key Activities For 2016/17**

Council has identified the following key Business Plan actions for the 2016/17 financial year:

1. Continued maintenance and re-sheeting of Council's rural road network.
2. Expansion of sheds at Council's main depot to provide a dedicated facility for Parks & Gardens.
3. Engagement of an engineering consultant to assist Council with the establishment of an IT based asset management system and a conditions audit of all assets.
4. Replacement of one (1) of Council's four (4) graders.
5. Replacement of Red Cross Vehicle and scheduled replacement of two (2) depot Utilities Vehicles
6. Reconstruction of Jarman Terrace (widening, kerbing and footpath)
7. Enhancement of the town's footpath network by completing the rebuild of the Agnes Street footpath from Young Street to Holland Street.
8. Installation of 10 solar lights along Marine Parade footpath/bike track from Hanson Street towards Thredgold Street.
9. Upgrade of main street lighting from Dowdy Street to Agnes Street (Princes Highway), from Agnes Street/East Terrace intersection to Agnes/Holland roundabout, from Holland Street/East Terrace intersection to Hanson Street and Marine Parade intersection.
10. Delivery of the first stage of the main street upgrade project (Parklets).
11. Engagement of a consultant to create a brand look and feel for entrance and main street signage and to upgrade Council's website.
12. Complete the installation of entrance and directional signage for the township of Kingston.

13. In partnership with the National Trust Kingston, install heritage information signage throughout the township promoting the history of Kingston.
14. Construction of rock wall to protect Wyomi Beach from erosion (subject to State funding).
15. Delivery of a school holiday activities program at the library.
16. Complete Cape Jaffa Anchorage LED Lighting Upgrade (14 lights)
17. Complete repairs to Kingston Jetty handrails
18. Minor upgrades to Thredgold and Old Cape Jaffa toilet facilities (tiles & painting)
19. Minor upgrade of Men's Shed facilities to establish a dedicated machinery area, including 3 phase power.
20. Replacement of Council IT Server (phase (2) of IT upgrade program)

## Budget Summary

In delivering services and programs contained within this Annual Business Plan, Council is targeting an Operating Surplus of \$315,707 in 2016/17, as a result of budgeted Operating Revenues of \$6,102,275 and budgeted Operating Expenses of \$5,786,568. The operating surplus is a direct result of an additional \$414,146 in Roads to Recovery Federal Government Grants for 2016/17 only.

This Annual Business Plan outlines a total Capital Expenditure budget of \$2,481,060. \$1,610,062 will be used to renew existing assets and \$871,000 will be spent on new assets. Significant new assets include the construction of Wyomi Beach rockwall and the upgrading of main street lighting.

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

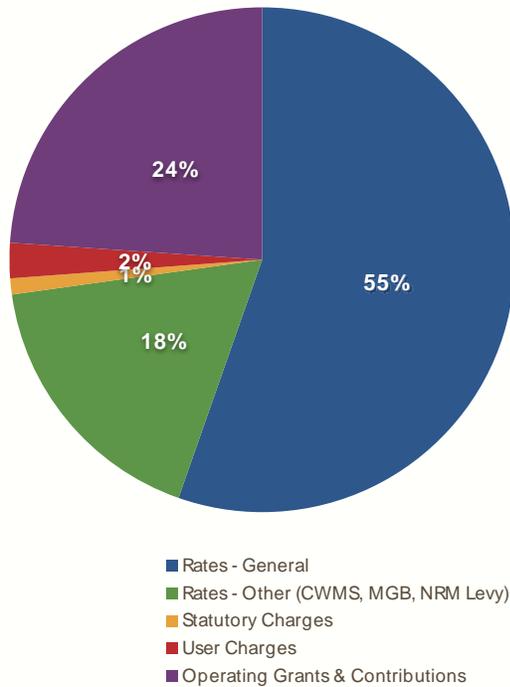
Council also sources income in the form of non-recurring grants from the State and Federal Governments. Usually this type of grant is for a specific project or initiative of Council.

The budgeted operating revenue for 2016/17 includes general rate revenue of \$3,218,174, annual service charges of \$761,419 (Community Waste Management System and Mobile Garbage Bin) and a separate rate on behalf of the State Government of \$251,390 (Natural Resource Management Levy).

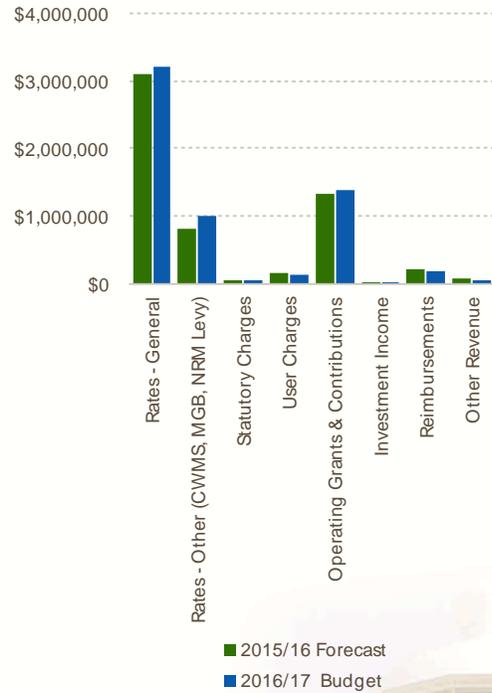
Details of Council's planned separate rates and annual service charges for 2016/17 can be found under section **'Overview of Council's Rating Structure'** and **'Overview of Council's Service Charges'** of this Business Plan.

# Where Does Council Source Funds

council's source of funds



2015/16 vs. 2016/17



Summary by Category

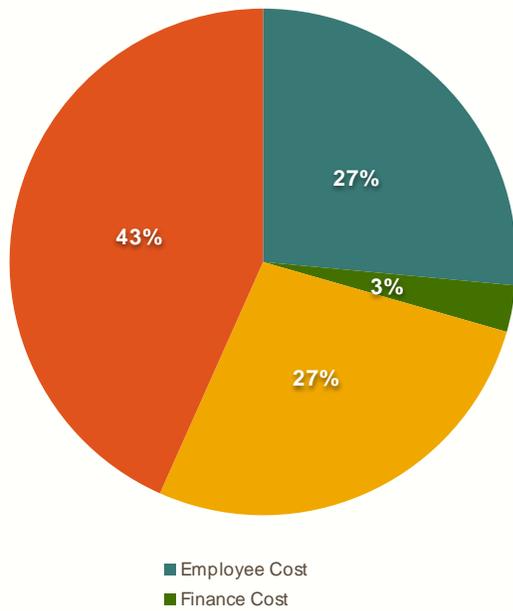
| Category                            | 2015/16 Forecast   | 2016/17 Budget     | Variance         | Notes |
|-------------------------------------|--------------------|--------------------|------------------|-------|
| Rates - General                     | \$3,109,499        | \$3,218,174        | \$108,675        | 1     |
| Rates - Other (CWMS, MGB, NRM Levy) | \$827,680          | \$1,012,809        | \$185,129        | 2     |
| Statutory Charges                   | \$64,854           | \$59,765           | -\$5,089         | 3     |
| User Charges                        | \$166,256          | \$131,243          | -\$35,013        | 4     |
| Operating Grants & Contributions    | \$1,342,324        | \$1,390,565        | \$48,241         | 5     |
| Investment Income                   | \$40,000           | \$40,000           | \$0              | 6     |
| Reimbursements                      | \$226,955          | \$182,058          | -\$44,897        | 7     |
| Other Revenue                       | \$92,910           | \$67,660           | -\$25,250        | 8     |
| <b>Total</b>                        | <b>\$5,870,478</b> | <b>\$6,102,274</b> | <b>\$231,796</b> |       |

## Notes

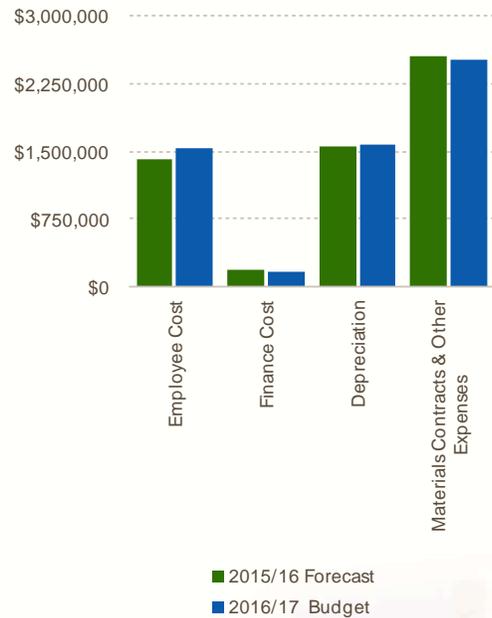
1. A 3% increase in rates and 0.5% rate base growth (anticipated new developments).
2. A 1% increase in Community Waste Management System Levy, 5% increase in Mobile Garbage Bin Levy and a \$165,492 increase in Natural Resources Management Levy.
3. A 3% increase in dog registration fees and minor decreases in land division fees.
4. A 3% increase in user charges and a decrease in cemetery and truck wash fees and a 50% reduction in Caravan Park rent for 2016/17 only.
5. Additional Roads to Recovery funding and a reduction in Special Local Roads and Coastal Protection Board grant funding.
6. No change.
7. The removal of private works reimbursement that occurred in 2015/16 and Robe District Council reimbursement for shared road works.
8. An increase in miscellaneous revenue such as photocopying, off-set by a reallocation of staff sharing arrangements to 'Reimbursements'.

# Where Does Council Spend Funds

council's spending of funds



2015/16 vs. 2016/17



Summary by Category

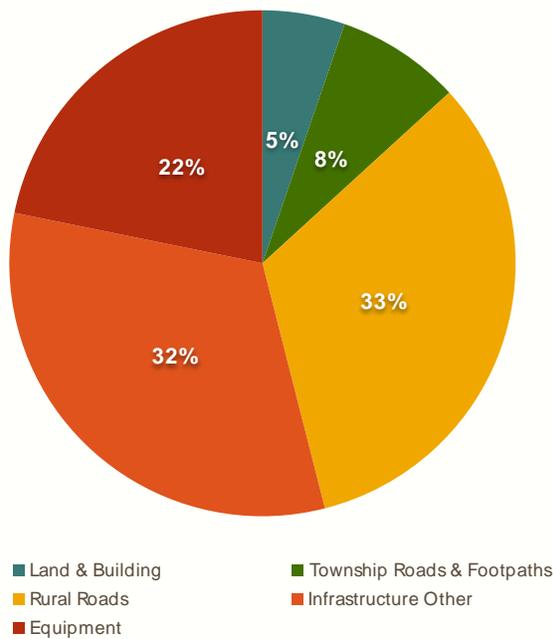
| Category                             | 2015/16 Forecast   | 2016/17 Budget     | Variance        | Notes |
|--------------------------------------|--------------------|--------------------|-----------------|-------|
| Employee Cost                        | \$1,416,380        | \$1,532,318        | \$115,938       | 1     |
| Finance Cost                         | \$181,133          | \$172,136          | -\$8,997        | 2     |
| Depreciation                         | \$1,549,500        | \$1,575,000        | \$25,500        | 3     |
| Materials Contracts & Other Expenses | \$2,553,296        | \$2,507,114        | -\$46,182       | 4     |
| <b>Total</b>                         | <b>\$5,700,309</b> | <b>\$5,786,568</b> | <b>\$86,259</b> |       |

**Notes**

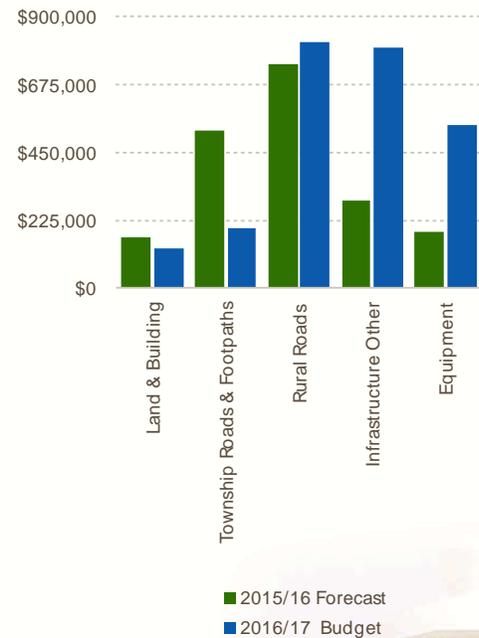
1. An increase in salaries & wages in accordance with Enterprise Agreements and \$30,000 additional costs for the succession of retiring Manager of Assets & Infrastructure. In addition, there was a reclassification of Rates & Finance Officers due to revised organisational structure which increased their salaries.
2. Retirement of existing loans off-set by \$490K in new loans for Wyomi Beach rockwall and new grader.
3. Increase due to construction of Wyomi Beach rock wall and purchase of new grader.
4. Reduction due to efforts to decrease operating expenditure.

# Where Does Council Spend Capital Works

council's capital allocation



2015/16 vs. 2016/17



Summary by Category

| Category                   | 2015/16 Forecast   | 2016/17 Budget     | Variance         | Notes |
|----------------------------|--------------------|--------------------|------------------|-------|
| Land & Building            | \$165,431          | \$130,500          | -\$34,931        | 1     |
| Township Roads & Footpaths | \$521,000          | \$197,463          | -\$323,537       | 2     |
| Rural Roads                | \$742,443          | \$814,099          | \$71,656         | 3     |
| Infrastructure Other       | \$288,387          | \$798,000          | \$509,613        | 4     |
| Equipment                  | \$187,000          | \$541,000          | \$354,000        | 5     |
| <b>Total</b>               | <b>\$1,904,261</b> | <b>\$2,481,062</b> | <b>\$576,801</b> |       |

## Notes

1. Additional cost for the installation of additional shedding at the depot and a reduction in 2015/16 Caravan Park capital works.
2. 2015/16 included \$420K for the sealing of Smiths Lane, in 2016/17 only \$101K has been allocated for town roads.
3. 2015/16 included \$240K for the sealing of Saltwell Road, \$452K for re-sheeting of rural roads, plus minor carry forwards from the previous year. During 2016/17 \$814K will be spend solely on re-sheeting of rural roads.
4. Additional capital works projects include Wyomi Beach rockwall and upgrade of main street lighting.
5. Scheduled replacement of Council's grader totalling \$375K is included in 2016/17.

# Council's Capital Works Program

|  | NEW       | RENEWAL   |
|--|-----------|-----------|
| <b>LAND &amp; BUILDINGS</b>  |           |           |
| <b>BUILDINGS</b>   |           |           |
| Buildings General  |           | \$5,000   |
| Caravan Park Buildings   |           | \$20,000  |
| Recreational Facilities  |           | \$5,000   |
| Old Cape Jaffa Toilet  |           | \$10,000  |
| Thredgold Beach Toilet   |           | \$12,500  |
| Depot Horticulture Shed  | \$60,000  |           |
| Dredge Shed Lighting   | \$3,000   |           |
| Men's Shed Building Upgrades   | \$15,000  |           |
| <b>TOWNSHIP ROADS &amp; FOOTPATHS</b>                                  |           |           |
| <b>TOWNSHIP</b>  |           |           |
| Jarman Terrace (reconstruction & widening)                             | \$35,000  | \$66,455  |
| Footways (Agnes Street - Young to Holland, over 2 years)               |           | \$51,008  |
| Bicycle and walking Track  |           | \$45,000  |
| <b>RURAL ROADS</b>   |           |           |
| <b>RURAL</b>   |           |           |
| Beaumaris Road (6km of 11km)   |           | \$106,049 |
| Bowaka Road (13km of 13km)   |           | \$213,106 |
| Brockhoffs Road (700m)   |           | \$15,706  |
| Dalkeith Road (1.2km of 1.2km)   |           | \$21,210  |
| Drabsch Hd Line (3.2km of 6.3km) 50% share with Robe                   |           | \$43,226  |
| Geues Road (0.7km of 0.7km)  |           | \$10,706  |
| Holmes Road (8.7km of 8.7km)   |           | \$138,771 |
| Toops Road North (1km of 1km)  |           | \$16,008  |
| Swedes Flat Road (5km of 5km)  |           | \$75,041  |
| Thomas Road (5km of 5km)   |           | \$85,041  |
| Nyroca Road (4km of 12km)  |           | \$59,033  |
| Road Other (Contingency)   |           | \$30,202  |
| <b>INFRASTRUCTURE OTHER</b>  |           |           |
| Information Bay Signage  |           | \$5,000   |
| Tourism Signage (Coastal Drive)  | \$5,000   |           |
| Cape Jaffa Anchorage Light Upgrade (14 lights)                         |           | \$20,000  |
| Kingston Jetty Repairs (200m post and rail)                            |           | \$30,000  |
| Wyomi Beach Rock Wall Construction (subject to \$300K grant from CPB)  | \$500,000 |           |
| Lighting Upgrade (Princess HWY, East Terrace, Agnes, Holland & Hanson) | \$140,500 |           |
| Main Street Improvements (Parklets)                                    | \$50,000  |           |
| Solar Lighting Along Marine Parade                                     | \$15,000  |           |
| Caravan Park Roads   |           | \$30,000  |
| Cemetery Signage   | \$2,500   |           |
| <b>EQUIPMENT</b>   |           |           |
| Light vehicle (x 1) Red Cross  |           | \$36,000  |
| Work Ute (x 2)   |           | \$70,000  |
| Grader Replacement   |           | \$375,000 |
| Computer Server Replacement  | \$45,000  |           |
| Sundry Work Plant & Equipment  |           | \$15,000  |

## ***Impact on Council's Financial Position***

Based on Council's budget, Council's direct borrowings will increase from \$390,000 at the end of 2015/16 to \$725,000 at the end of 2016/17. This increase is due to Council's plan to borrow for the Wyomi Beach rockwall project and the replacement of Council's grader.

Overall, key financial indicators are showing that Council's finances are on track for the 2016/17 financial year and beyond. The following provides an overview for 2016/17:

- Operating Surplus is at 5% against a long term target of greater than 0% and less than 15%.
- Net Financial Liability Ratio is at -17% against a target of greater than 0% and less than 100% of operating revenue (*the negative ratio is essentially showing that Council has more cash than borrowings*).
- Asset Sustainability Ratio is at 78% against a rolling target of greater than 80% and less than 100%, over a 3 year program. Council's 2016/17 Asset Management Project will review Council's Asset Management Planning and associated expenditure, to ensure that Council's asset renewal is on target.

*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 in a healthy position with net cash expected to increase from \$2,131,000 as at the end of 2015/16 to \$2,288,000 at the end of 2016/17.



# Overview Of Council's Rating Structure

## ***Method Used to Value Land***

The Council may adopt one of three valuation methodologies to value the properties in its area. They are:

### **Capital Value**

The value of the land and all of the improvements on the land.

### **Site Value**

The value of the land and any improvements which permanently affect the amenity and use of the land, such as drainage works, but excluding the value of buildings and other improvements.

### **Annual Value**

A valuation of the rental potential of the property.

Council is proposing to continue to use capital value as the basis for valuing land within the council area. Council considers that this method of valuing land provides the fairest method of distributing the rate burden across all ratepayers on the following basis:

- The equity principle of taxation requires that ratepayers of similar wealth pay similar taxes and ratepayers of greater wealth pay more tax than ratepayers of lesser wealth.
- Improved property value is a relatively good indicator of wealth and capital value, which closely approximates the market value of a property and provides the best indicator of overall property value and taxpayer wealth.

## ***Rating Methodology***

Council is proposing to continue to impose differential general rates on the following localities:

### **Urban**

Within the township of Kingston, Rosetown, and Cape Jaffa including the Cape Jaffa Anchorage known as 'Urban'.

### **Rural Living**

Within the Rural Living Zone (RuL) abutting the township of Kingston and Cape Jaffa, as identified in maps King/14, King/15, King/16, King/18, King/20, King/21, King/23, King/24, King/25 and King/26 of Council's Development Plan Consolidated 13 December 2012 known as 'Rural Living'.

### **Rural**

Within the remainder of the Council district known as 'Rural'.

The Annual Business Plan and Budget proposes to raise \$3,218,174 (net) in general rates to fund suggested strategies and services for the 2016/17 financial year. As a result, Council proposes the following rates in the dollar for the three differential rating localities:

### **Urban**

\$0.3575 cents in the dollar for rateable properties within the township of Kingston, Rosetown and Cape Jaffa including the Cape Jaffa Anchorage. It is forecast that rate collections for this group of ratepayers will be approximately \$1,512,700 based on the proposed valuation data;

### **Rural Living**

\$0.2920 cents in the dollar for rateable properties within the Rural Living Zone (RuL) abutting the township of Kingston and Cape Jaffa, as identified in maps King/14, King/15, King/16, King/18, King/20, King/21, King/23, King/24, King/25 and King/26 of Council's Development Plan Consolidated 13 December 2012. It is forecast that rate collections for this group of ratepayers will be approximately \$74,830 based on the proposed valuation data;

### **Rural**

\$0.2711 cents in the dollar for rateable properties within the remainder of the Council district. It is forecast that rate collections for this group of ratepayers will be approximately \$1,630,644 based on the proposed valuation data.

The Council proposes to continue to utilise a differential rating system based on locality to achieve rating equity across the Council district. The purpose of using locality is due to the differing level of services and infrastructure provision and maintenance provided in the respective localities. The differing level of services and infrastructure relate specifically between the urban and rural areas, which include greater access to infrastructure such as bitumised road infrastructure, public lighting, stormwater drainage, kerb and water table management, footpaths, cycle tracks, general access to community services and the like for urban localities.

In assessing its rating model and Annual Business Plan, Council will give due consideration to implementing mitigation strategies that may assist ratepayers with significant rate increases such as pegging (or capping) the maximum rate increase. Council is satisfied that the rate model and the distribution of the taxation burden does not require implementation of mitigation strategies, based on the 2016/17 budget.

### ***Minimum Rate***

A Council may impose a minimum amount payable by way of rates, provided that it has not imposed a fixed charge. 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 a 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 \$521.00 (an increase of 3.0% from the 2015/16 financial year). 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.

## Community Equity

For the purpose of assessing issues relating to equity within the community and the impact of rates across the area, Council reviews its discretionary rebates, rate concessions and hardship arrangements on an annual basis. Council also undertakes comparisons on the rates levied by other Local Government entities in the South East region.

With this information, Council is able to form the opinion that the Kingston District Council rates compared favourably with neighbouring Councils and Kingston District Council have formed the following conclusions:

- It is common between the Councils to have a lesser rate in the dollar in rural areas than in townships.
- The minimum rate of \$521.00 in this Council is one of the lower minimum rates applied by neighbouring Councils.
- Most Councils use capital valuations as a basis for rating purposes and Kingston District Council's reasons for using capital valuations is explained previously under the "Method Used to Value Land".

## Valuation Analysis

The Valuer General has provided Council with a valuation update, with Kingston District Council's total proposed Capital Value being \$1,083,397,460 (including current non-rateable properties valuations of \$50,077,960).

Council has undertaken an analysis of its proposed valuations of rateable property as provided by the State's Valuer General as at 12 June 2016.

### Rateable Properties Valuation Analysis 2016/17

| Line                                 | 2015-16    |               | 2016-17    |               | Changes    |            |         |
|--------------------------------------|------------|---------------|------------|---------------|------------|------------|---------|
|                                      | Properties | CV Value      | Properties | CV Value      | Properties | CV Value   | % CV    |
| Urban                                | 1,626      | 372,259,100   | 1,633      | 377,091,100   | 7          | 4,832,000  | 1.28%   |
| Rural                                | 687        | 593,142,800   | 685        | 592,806,300   | -2         | -336,500   | -0.06%  |
| Rural Living                         | 100        | 23,110,000    | 104        | 24,230,000    | 4          | 1,120,000  | 4.62%   |
| Rural Concession                     | 4          | 264,500       | 4          | 264,500       | 0          | 0          | 0.00%   |
| Urban Concession 100%                | 21         | 9,976,900     | 20         | 8,014,900     | -1         | -1,962,000 | -24.48% |
| Urban Concession 25%                 | 33         | 5,424,000     | 33         | 5,444,000     | 0          | 20,000     | 0.37%   |
| Rural - Adjoining other Council land | 2          | 88,700        | 2          | 88,700        | 0          | 0          | 0.00%   |
| Cape Jaffa 08-09 Properties          | 65         | 19,360,000    | 65         | 16,025,000    | 0          | -3,335,000 | -20.81% |
| Cape Jaffa 09-10 Properties          | 9          | 2,940,000     | 9          | 2,510,000     | 0          | -430,000   | -17.13% |
| Cape Jaffa 10-11 Properties          | 1          | 400,000       | 1          | 400,000       | 0          | 0          | 0.00%   |
| Cape Jaffa 11-12 Properties          | 4          | 1,760,000     | 4          | 1,760,000     | 0          | 0          | 0.00%   |
| Cape Jaffa 12-13 Properties          | 1          | 160,000       | 1          | 115,000       | 0          | -45,000    | -39.13% |
| Cape Jaffa 13-14 Properties          | 0          | 0             | 0          | 0             | 0          | 0          | 0.00%   |
| Cape Jaffa Marina Berths             | 20         | 1,520,000     | 20         | 1520000.00    | 0          | 0          | 0.00%   |
| Cape Jaffa 14-15 Properties          | 3          | 635,000       | 4          | 830,000       | 1          | 195,000    | 23.49%  |
| Cape Jaffa 15-16 Properties          | 0          | 0             | 1          | 115,000       | 1          | 115,000    | 100.00% |
| Cape Jaffa Other                     | 0          | 0             | 3          | 2,105,000     | 3          | 2,105,000  | 100.00% |
|                                      | 2,576      | 1,031,041,000 | 2,589      | 1,033,319,500 | 13         | 2,278,500  | 0.22%   |

A small movement in rural property valuations has occurred with valuations reducing 0.06%. Urban properties have had an increase in valuations of 1.28% or \$4.8 million. Overall total rateable capital values have increased by a nominal 0.22% from 2015/16.

The above table highlights movements in valuations and the number of ratable properties. Council has factored in valuation movements in developing its rate model and has

adjusted the collections for each location to reflect a consistent contribution from each locality to that of previous years, to the extent possible.

## **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 1% from the 2015/16 financial year, and are as follows:

- \$239.00 for each unoccupied property unit
- \$357.50 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, are 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***

Council provides a kerbside mobile garbage bin collection and disposal service across the townships of Kingston, Rosetown, Kingston South, Wyomi, Pinks Beach, and Cape Jaffa within the specified collection area in Council's policy. The details are available from the Council office.

For the purpose of 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.

Where the service is provided to non-rateable properties, a service charge is to be levied against the land.

The Mobile Bin Service Charge levied by Council is proposed to be \$254.50 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.

The SE NRM Board has adopted a revised Annual Business Plan, which outlines a significant increase to Council's contribution and levy rates. The land based levy has previously been a fixed charge per rateable property across the Council area. In 2016/17, the SE NRM Levy will be based on 'Local Government Land Use'. The total collection amount of \$251,390 is required to be collected. The following land use levies are applicable for 2016/17:

| Local Government Land Use Categories | NRM Levy Rate Per Rateable Property |
|--------------------------------------|-------------------------------------|
| Residential, Vacant & Other          | \$72.10                             |
| Commercial                           | \$137.50                            |
| Industrial                           | \$161.70                            |
| Primary Production                   | \$298.80                            |

***The Council is operating as a revenue collector for the South East Natural Resource Management Board in this regard and is allowed by legislation to charge a collection fee for this service. Council does not retain this revenue or directly determine how the revenue is spent.***

## Available Assistance

### ***Concession on Council Rates***

In 2015/16 Council rate concessions were no longer administered by Councils and were replaced by the 'Cost of Living Allowance', however the Community Wastewater Management System (CWMS) concession remained unchanged.

In 2016/17, Council will continue to administer the \$110.00 CWMS concession to eligible concession card holders as determined by the Department for Community and Social Inclusion in conjunction with SA Water.

### ***Discretionary Rebates***

Council provides discretionary rebates of up to 100% of Council rates to not-for-profit, sporting and community organisations under the Local Government Act, upon application. 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 the rebating of rates, please refer to policy FA005 'Rate Rebate Policy', which is available at the Council Office or on Council's website [www.kingstondc.sa.gov.au](http://www.kingstondc.sa.gov.au)

### ***Postponement of Rates for Senior Citizens***

As prescribed by the Local Government Act, State Senior Card holders are able to 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 2016-2026 identifies five (5) key themes and supporting outcomes, actions and targets. The table below highlights the key actions that Council will undertake during 2016/17 that align to the achievement of Council's overall strategy.

| THEME 1                       | OUTCOME  | STRATEGIC ACTION  | 2016/17 ACTION  | PERFORMANCE MEASURES   |
|-------------------------------|--|---|---|--|
| <b>A Thriving Destination</b> | <i>A sought after visitor and lifestyle destination</i>                      | <ul style="list-style-type: none"> <li>Partner with the community to promote the Kingston District</li> <li>Provide consistent, clear and relevant information to people visiting our town and district</li> <li>Provide in demand facilities and services to the community and visitors</li> </ul> | <p>Engagement of a consultant to develop a brand look and feel for the Kingston District and to improve Council's website presence.</p> <p>Complete the installation of quality tourism / directional signage to the entrance of the Kingston township and main streets.</p> <p>Delivery of a school holiday activities program at the library.</p> | <p>Work completed by 30 September 2016.</p> <p>Installation of tourism / directional signage before December 2016.</p> <p>Delivery of eight (8) school holiday program before 30<sup>th</sup> June 2017.</p>                                 |
|                               | <i>A vibrant town centre</i>   | <ul style="list-style-type: none"> <li>Create and maintain a vibrant retail hub in the centre of Kingston</li> <li>Attract new events to the township of Kingston</li> </ul>  | <p>Delivery of the first stage of the main street upgrade project.</p>  | <p>Expenditure of \$50,000 upgrading mainstreets in accordance with the Council endorsed main street concept plans before 30<sup>th</sup> June 2017.</p> <p>Upgrade of Agnes, Holland &amp; Hanson street lighting before December 2016.</p> |
|                               | <i>A sustainable and progressive Cape Jaffa Anchorage development</i>        | <ul style="list-style-type: none"> <li>Partner with Cape Jaffa Development Company to sustainably manage, promote, beautify and grow the Cape Jaffa Anchorage development</li> </ul>  | <p>Complete Cape Jaffa Anchorage LED Lighting Upgrade (14 lights)</p>   | <p>Installation of fourteen (14) LED lights at Cape Jaffa Anchorage before 30<sup>th</sup> June 2017.</p>  |
|                               | <i>A diverse range of prosperous local businesses and primary industries</i> | <ul style="list-style-type: none"> <li>Create an environment that encourages innovation and investment</li> </ul>   | <p>No specific actions scheduled for 2016/17</p>  | <p>N/A</p>   |

| THEME 2                       | OUTCOME  | STRATEGIC ACTION  | 2016/17 ACTION  | PERFORMANCE MEASURES  |
|-------------------------------|--|---|---|---|
| <b>Best Practice Planning</b> | <i>Integrated, spaces and places</i>   | <ul style="list-style-type: none"> <li>Review Council's key planning documents to ensure relevance and support of Council's Strategic Plan</li> <li>Engage external expertise to help shape the district's future planning</li> <li>Create connected places and usable spaces, that attracts a range of people (residents, visitors, new families and retirees)</li> <li>Create an accessible district for all ages.</li> </ul> | <p>Upgrade of main street lighting from Dowdy Street to Agnes Street (Princes Highway), from Agnes Street/East Terrace intersection to Agnes/Holland roundabout, from Holland Street/East Terrace intersection to Hanson Street and Marine Parade intersection.</p> <p>Install solar lighting along Marine Parade footpath / bike track.</p> <p>Reconstruction of Jarman Terrace (widening, kerbing and footpath)</p> <p>Enhancement of the town's footpath network by completing the rebuild of the Agnes Street footpath from Young Street to Holland Street.</p> | <p>Upgrade of main street lighting expending \$140,500 before 30<sup>th</sup> June 2017.</p> <p>Completion installation before 30<sup>th</sup> June 2017.</p> <p>Completion of rebuild before 30<sup>th</sup> June 2017.</p> <p>Completion of footpath from hospital to Agnes Street roundabout before 30<sup>th</sup> June 2017.</p> |
|                               | <i>Preserve the rural atmosphere, open spaces, beaches &amp; other natural resources</i> | <ul style="list-style-type: none"> <li>Ensure agricultural land is protected through appropriate land use zoning</li> <li>Promote the significance of primary industry within the district</li> <li>Preserve our coastline and beaches</li> </ul>   | <p>Construction of rock wall to protect Wyomi Beach from erosion (subject to State funding).</p>  | <p>Source \$300,000 of funding from Coastal Protection Board before 31<sup>st</sup> October 2016.</p> <p>Subject to above funding tender for the works before 30 December 2016.</p> <p>Complete construction of rockwall before 30<sup>th</sup> June 2017.</p>  |
|                               | <i>Preserve the heritage &amp; character of the district</i>                             | <ul style="list-style-type: none"> <li>Promote heritage buildings within the district</li> <li>Tell the historical story of the Kingston as a major southern port</li> <li>Tell the indigenous story of Kingston</li> </ul>   | <p>In partnership with the National Trust Kingston, install heritage information signage throughout the township promoting the history of Kingston.</p>   | <p>Installation of township heritage signage before 30<sup>th</sup> June 2017.</p>  |

| THEME 3  | OUTCOME   | STRATEGIC ACTION  | 2016/17 ACTION  | PERFORMANCE MEASURES   |
|--|---|---|---|--|
| <b>Excellence in Assets and Infrastructure</b> | <i>Best practice asset and infrastructure management</i>    | <ul style="list-style-type: none"> <li>Review all asset and infrastructure management processes, systems and methodology</li> </ul> | <p>Continued maintenance and re-sheeting of Council's rural road network.</p> <p>Engagement of an engineering consultant to conduct a conditions audit of Council assets and determine remaining useful life, the establishment of a new Fixed Asset Register and the implementation of an IT based Asset Management System.</p> <p>Replacement of one (1) of Council's four (4) graders.</p> <p>Replacement of Red Cross Vehicle and scheduled replacement of two (2) depot Utilities Vehicles.</p> <p>Expansion of sheds at Council's main depot to provide a dedicated facility for Parks &amp; Gardens.</p> <p>Complete repairs to Kingston Jetty handrails.</p> <p>Minor upgrades to Thredgold and Old Cape Jaffa toilet facilities.</p> <p>Minor upgrade of Men's Shed facilities.</p> <p>Replacement of Council IT Server.</p> | <p>Annual expenditure of \$814,099 before 30<sup>th</sup> June 2017.</p> <p>Establishment of a new Fixed Asset Register and adjusted depreciation based on useful life before 30<sup>th</sup> June 2017.</p> <p>Procurement of new grader before 30<sup>th</sup> June 2017.</p> <p>Procurement of new vehicles before 30<sup>th</sup> June 2017.</p> <p>Completion of new shed facility before 30<sup>th</sup> June 2017.</p> <p>Replacement of 200m of post &amp; rail before 30<sup>th</sup> June 2017.</p> <p>Repainting and retiling of both toilets before 30<sup>th</sup> June 2017.</p> <p>Completion of works to old school canteen to establish machinery shed, including installation of 3 phase power before 30<sup>th</sup> June 2017.</p> <p>Sever replaced before 30<sup>th</sup> June 2017.</p> |
|  | <i>Best practice in procurement and contract management</i> | <ul style="list-style-type: none"> <li>Review organisational wide procurement and contract management practices</li> </ul>          | No specific actions scheduled for 2016/17   | N/A  |

| THEME 4                   | OUTCOME  | STRATEGIC ACTION   | 2016/17 ACTION   | PERFORMANCE MEASURES  |
|---------------------------|--|--|--|---|
| <b>Strong Communities</b> | <i>A community with a shared sense of pride and common purpose</i>                             | <ul style="list-style-type: none"> <li>• Ensure transparency in Council's responsibilities and decision making</li> <li>• Develop a community engagement strategy that engages our community across all of aspects of Council operations, activities and services</li> <li>• Inform the community of Council's progress in the delivery of strategic objectives</li> </ul>                     | Inform the community of Council activities and progress through the following key mediums: <ul style="list-style-type: none"> <li>• Facebook Social Media.</li> <li>• Coastal Leader Newspaper</li> <li>• Engage Community face to face</li> </ul> | Ensure as a minimum of two (2) Facebook posts per week and one (1) monthly new paper spot.<br><br>Hold a minimum of one (1) Community Forum per year. |
|                           | <i>A knowledgeable community that looks beyond its boundaries for inspiration and learning</i> | <ul style="list-style-type: none"> <li>• Develop an ongoing community development program</li> <li>• Benchmark township and district's performance</li> </ul>  | No specific actions scheduled for 2016/17  | N/A   |
|                           | <i>A healthy &amp; resilient community</i>   | <ul style="list-style-type: none"> <li>• Advocate on behalf of the community for continued enhancement of healthcare, age care and educational facilities and services</li> <li>• Establish community support networks and programs</li> <li>• Provide facilities that encourage a physically active community</li> <li>• Facilitate the delivery of health and well-being programs</li> </ul> | Work with Gall Park Committee to activate Gall Park facilities   | A minimum of one (1) new activity/event at Gall Park facilities before 30 <sup>th</sup> June 2017.  |

| THEME 5                       | OUTCOME   | STRATEGIC ACTION  | 2016/17 ACTION  | PERFORMANCE MEASURES  |
|-------------------------------|---|---|---|---|
| <b>Progressive Leadership</b> | <i>Sustainable community finances and assets</i>                    | <ul style="list-style-type: none"> <li>• Manage Council funds according to long term financial plans</li> <li>• Plan for long term sustainability of Council's operations</li> </ul>  | Engagement of an engineering consultant to conduct a conditions audit of Council assets and determine remaining useful life, the establishment of a new Fixed Asset Register and the implementation of an IT based asset management system. | Establishment of a new Fixed Asset Register and adjusted depreciation based on useful life before 30 <sup>th</sup> June 2017.   |
|                               | <i>Effective delivery of projects and services</i>                  | <ul style="list-style-type: none"> <li>• Develop succession plan for Assets &amp; Infrastructure Team.</li> <li>• Up-skill Assets &amp; Infrastructure Team</li> <li>• Deliver projects on time and on budget</li> </ul>  | Recruit new Manager Assets & Infrastructure   | Commence recruitment process before 31 <sup>st</sup> August 2016 and appointment of new manager before 31 January 2017.   |
|                               | <i>Engage external stakeholders to leverage local opportunities</i> | <ul style="list-style-type: none"> <li>• Lobby state and federal government to attract more funding</li> </ul>  | Request \$300K from the State Government to support Wyomi Beach project   | Receipt of \$300K from State Government prior to November 2016.   |
|                               | <i>Organisational excellence</i>                                    | <ul style="list-style-type: none"> <li>• Meet all legislative requirements</li> <li>• Risk management fully embedded into organisational culture</li> <li>• Build an organisational culture that promotes productivity, efficiency and continuous improvement.</li> </ul> | <p>Continue to provide staff with training and development opportunities.</p> <p>Continue to conduct Work Health &amp; Safety (WH&amp;S) Operations Working Group meetings during 2016/17.</p>  | <p>Deliver of a minimum of 60% of the scheduled staff training program before 30<sup>th</sup> June 2017.</p> <p>Conduct a minimum of six (6) WH&amp;S Operations Working Group meetings during 2016/17.</p> |
|                               | <i>Council is an employer of choice</i>                             | <ul style="list-style-type: none"> <li>• Commitment to innovation and a "Can Do" attitude</li> <li>• Protect employees health in the workplace</li> <li>• A supportive environment that promotes a healthy work life balance</li> </ul>                                   | <p>Continue to keep employees involved in decision making (where appropriate) and the business of Council.</p> <p>Continue to conduct Work Health &amp; Safety (WH&amp;S) Operations Working Group meetings during 2016/17.</p>             | <p>Conduct as a minimum, fortnightly management meetings and monthly staff meetings.</p> <p>Conduct a minimum of six (6) WH&amp;S Operations Working Group meetings during 2016/17.</p>                     |

# Appendix 1: 2016/17 Annual Budget & Financial Statements

## Comprehensive Income Statement

| \$'000   | Actual<br>2014/15 | Original<br>Budget<br>2015/16 | Current<br>Budget<br>2015/16 | Budget<br>2016/17 |
|--|-------------------|-------------------------------|------------------------------|-------------------|
| <b>Income</b>  |                   |                               |                              |                   |
| Rates  | 3,766             | 3,924                         | 3,937                        | 4,231             |
| Statutory Charges  | 105               | 55                            | 65                           | 60                |
| User Charges   | 158               | 154                           | 166                          | 131               |
| Grants, Subsidies and Contributions                      | 1,285             | 1,156                         | 1,342                        | 1,391             |
| Investment Income  | 58                | 40                            | 40                           | 40                |
| Reimbursements   | 159               | 151                           | 227                          | 182               |
| Other Income   | 63                | 102                           | 93                           | 68                |
| <b>Total Income</b>                                      | <b>5,594</b>      | <b>5,582</b>                  | <b>5,870</b>                 | <b>6,102</b>      |
| <b>Expenses</b>  |                   |                               |                              |                   |
| Employee Costs   | 1,317             | 1,416                         | 1,416                        | 1,532             |
| Materials, Contracts & Other Expenses                    | 2,391             | 2,408                         | 2,553                        | 2,508             |
| Depreciation, Amortisation & Impairment                  | 1,572             | 1,550                         | 1,550                        | 1,575             |
| Finance Costs  | 41                | 181                           | 181                          | 172               |
| <b>Total Expenses</b>                                    | <b>5,321</b>      | <b>5,555</b>                  | <b>5,700</b>                 | <b>5,787</b>      |
| <b>OPERATING SURPLUS/(DEFICIT)</b>                       | <b>273</b>        | <b>27</b>                     | <b>170</b>                   | <b>315</b>        |
| Asset Disposal & Fair Value Adjustments                  | 6                 |                               |                              |                   |
| Amounts Received Specifically for New or Upgraded Assets | 180               | 76                            | 138                          | 300               |
| <b>NET SURPLUS/(DEFICIT)</b>                             | <b>459</b>        | <b>103</b>                    | <b>308</b>                   | <b>615</b>        |
| <b>Other Comprehensive Income</b>                        | <b>0</b>          | <b>0</b>                      | <b>0</b>                     | <b>0</b>          |
| <b>TOTAL COMPREHENSIVE INCOME</b>                        | <b>459</b>        | <b>103</b>                    | <b>308</b>                   | <b>615</b>        |

## Capital Works Budget

2016/17  
Budget

### Sub-Program: 1000 Administration

#### Capital Renewal/ Replacement

110008000 - Buildings General - Capital 5,000

**Total Act Type: Capital Renewal/ Replacement 5,000**

#### Capital New/ Upgrade

110009000 - Computer Server Replacement 45,000

**Total Act Type: Capital New/ Upgrade 45,000**

**Total Sub Programme: Administration 50,000**

### Sub-Program: 1350 Other Community Support

#### Capital New/ Upgrade

113504000 - Mens Shed Building Upgrade 15,000

**Total Act Type: Capital New/ Upgrade 15,000**

**Total Sub Programme: Other Community Support 15,000**

### Sub-Program: 1400 Cemeteries

#### Capital New/ Upgrade

114006000 - Cemetery Capital Expenditure New/ Upgrade 2,500

**Total Act Type: Capital New/ Upgrade 2,500**

**Total Sub Programme: Cemeteries 2,500**

### Sub-Program: 1420 Public Conveniences

#### Capital Renewal/ Replacement

114206000 - Thredgold Beach Toilet Upgrade 12,500

114207000 - Old Cape Jaffa Toilet Upgrade 10,000

**Total Act Type: Capital Renewal/ Replacement 22,500**

**Total Sub Programme: Public Conveniences 22,500**

### Sub-Program: 1630 Parks & Gardens

#### Capital New/ Upgrade

116304000 - Main Street Parklets and Trees Capital 50,000

116305000 - Bicycle/ Walking Track Solar Lighting 15,000

**Total Act Type: Capital New/ Upgrade 65,000**

**Total Sub Programme: Parks & Gardens 65,000**

**Sub-Program: 1632 Foreshore/ Marine****Capital Renewal/ Replacement**

116325000 - Kingston Jetty Repairs Capital 30,000

**Total Act Type: Capital Renewal/ Replacement 30,000****Capital New/ Upgrade**

116324000 - General Upgrades Recreational Facilities 5,000

116326000 - Wyomi Beach Rock Wall Construction Capital 500,000

**Total Act Type: Capital New/ Upgrade 505,000****Total Sub Programme: Foreshore/ Marine 535,000****Sub-Program: 1710 Street Lighting****Capital Renewal/ Replacement**

117103000 - Cape Jaffa Anchorage Lighting Upgrade Capital 20,000

**Total Act Type: Capital Renewal/ Replacement 20,000****Capital New/ Upgrade**

117104000 - Lighting Upgrade Capital 140,500

**Total Act Type: Capital New/ Upgrade 140,500****Total Sub Programme: Street Lighting 160,500****Sub-Program: 2010 Road Maintenance****Capital Renewal/ Replacement**

120101800 - Bicycle &amp; Walking Track Capital 45,000

120103000 - Roads/ Footpaths Capital Replacement/ Renewal

*BM01 - Beaumaris Road Capital 106,049**BO02 - Brockhoffs Road Capital 15,706**BW01 - Bowaka Road Capital 213,106**DA01 - Dalkeith Road Capital 21,210**DH01 - Drabsch Hd Line Capital 43,226**FW03 - Footways Angas Young Holland Capital 51,008**GE02 - Geue's Road Capital 10,706**HO01 - Holmes Road Capital 138,771**JT01 - Jarman Terrace Capital 101,455**NYR1 - Nyroca Road Capital 59,033**RO01 - Road Other Capital 30,202**SF02 - Swedes Flat Capital 75,041**TH01 - Thomas Road Capital 85,041**TN01 - Toops Road North Capital 16,008*

120103000 - Roads/ Footpaths Capital Replacement/ Renewal 966,560

**Total Act Type: Capital Renewal/ Replacement 1,011,560****Total Sub Programme: Road Maintenance 1,011,560****Sub-Program: 2110 Tourism**

|   |  |               |
|---|--|---------------|
| <b>Capital Renewal/ Replacement</b>                 |  |               |
| 121108000 - Information Bay Signage                 |  | 5,000         |
| <b>Total Act Type: Capital Renewal/ Replacement</b> |  | <b>5,000</b>  |
| <b>Capital New/ Upgrade</b>                         |  |               |
| 121109000 - Tourism Signage (Coastal Drive)         |  | 5,000         |
| <b>Total Act Type: Capital New/ Upgrade</b>         |  | <b>5,000</b>  |
| <b>Total Sub Programme: Tourism</b>                 |  | <b>10,000</b> |

**Sub-Program: 2210 Plant Operations**

|   |  |                |
|---|--|----------------|
| <b>Capital Renewal/ Replacement</b>                 |  |                |
| 122100000 - PLANT MACH PURCH CAPITAL                |  | 481,000        |
| 122101000 - Sundry Work Plant & Equipment Capital   |  | 15,000         |
| <b>Total Act Type: Capital Renewal/ Replacement</b> |  | <b>496,000</b> |
| <b>Total Sub Programme: Plant Operations</b>        |  | <b>496,000</b> |

**Sub-Program: 2220 Depot & Overhead Expenses**

|   |  |               |
|---|--|---------------|
| <b>Capital New/ Upgrade</b>                               |  |               |
| 122204000 - Depot Horticulture Shed Capital               |  | 60,000        |
| 122206000 - Dredge Shed Lighting Capital                  |  | 3,000         |
| <b>Total Act Type: Capital New/ Upgrade</b>               |  | <b>63,000</b> |
| <b>Total Sub Programme: Depot &amp; Overhead Expenses</b> |  | <b>63,000</b> |

**Sub-Program: 2320 Caravan Parks**

|   |  |                    |
|---|--|--------------------|
| <b>Capital Renewal/ Replacement</b>                 |  |                    |
| 123203000 - Caravan Park Capital Improvements       |  | 20,000             |
| 123205000 - Caravan Park Roads Capital              |  | 30,000             |
| <b>Total Act Type: Capital Renewal/ Replacement</b> |  | <b>50,000</b>      |
| <b>Total Sub Programme: Caravan Parks</b>           |  | <b>50,000</b>      |
| <b>Total Capital Surplus(Deficit):</b>              |  | <b>(2,481,060)</b> |

## Uniform Presentation of Finances

| \$'000   | Actual<br>2014/15 | Original<br>Budget<br>2015/16 | Current<br>Budget<br>2015/16 | Budget<br>2016/17 |
|--|-------------------|-------------------------------|------------------------------|-------------------|
| Income   | 5,594             | 5,582                         | 5,870                        | 6,102             |
| Less Expenditure                                   | (5,321)           | (5,555)                       | (5,700)                      | (5,787)           |
| <b>Operating Surplus/(Deficit)</b>                 | <b>273</b>        | <b>27</b>                     | <b>170</b>                   | <b>315</b>        |
| <b>Less Net Outlays on Existing Assets</b>         |                   |                               |                              |                   |
| Capital Expenditure on Renewal/Replacement         | 1,451             | 1,129                         | 1,314                        | 1,610             |
| Less Depreciation, Amortisation and Impairment     | (1,572)           | (1,550)                       | (1,550)                      | (1,575)           |
| Less Proceeds from Sale of Replaced Assets         | (117)             | (57)                          | (57)                         | (114)             |
| <b>Total Net Outlays on Existing Assets</b>        | <b>(238)</b>      | <b>(478)</b>                  | <b>(293)</b>                 | <b>(79)</b>       |
| <b>Less Net Outlays on New and Upgraded Assets</b> |                   |                               |                              |                   |
| Capital Expenditure on New/Upgraded Assets         | 233               | 572                           | 590                          | 871               |
| Less Amounts received for New/Upgraded Assets      | (180)             | (76)                          | (138)                        | (300)             |
| Less Proceeds from Sale of Surplus Assets          |                   | -                             |                              |                   |
| <b>Total Net Outlays on New/Upgraded Assets</b>    | <b>53</b>         | <b>496</b>                    | <b>452</b>                   | <b>571</b>        |
| <b>Net Lending/(Borrowing) for Financial Year</b>  | <b>458</b>        | <b>9</b>                      | <b>11</b>                    | <b>(177)</b>      |

## Statement of Cash Flow

| \$'000  | Actual<br>2014/15 | Forecast<br>2015/16 | Budget<br>2016/17 |
|---|-------------------|---------------------|-------------------|
| <b>Cash Flows from Operating Activities</b>                   |                   |                     |                   |
| <b><u>Receipts</u></b>  |                   |                     |                   |
| Rates Receipts  | 3,768             | 3,937               | 4,231             |
| Statutory Charges   | 105               | 65                  | 60                |
| User Charges  | 158               | 166                 | 131               |
| Grants, Subsidies and Contributions                           | 1,285             | 1,342               | 1,391             |
| Investment Receipts   | 58                | 40                  | 40                |
| Reimbursements  | 159               | 227                 | 182               |
| Other Receipts  | 348               | 93                  | 68                |
| <b><u>Payments</u></b>  |                   |                     |                   |
| Payments to Employees   | (1,186)           | (1,416)             | (1,532)           |
| Payments for Materials, Contracts & Other Expenses            | (2,665)           | (2,553)             | (2,508)           |
| Finance Payments  | (1)               | (181)               | (172)             |
|   | 2,029             | 1,720               | 1,890             |
| Net (increase)/decrease in inventories                        |                   | (90)                |                   |
| <b>Net Cash provided by (or used in) Operating Activities</b> | <b>2,029</b>      | <b>1,630</b>        | <b>1,890</b>      |
| <b>Cash Flows from Investing Activities</b>                   |                   |                     |                   |
| <b><u>Receipts</u></b>  |                   |                     |                   |
| Amounts Received Specifically for New/Upgraded Assets         | 180               | 138                 | 300               |
| Sale of Replaced Assets                                       | 117               | 57                  | 114               |
| Repayments of Loans by Community Groups                       | 0                 | 24                  | 24                |
| <b><u>Payments</u></b>  |                   |                     |                   |
| Expenditure on Renewal/Replacement of Assets                  | (1,451)           | (1,314)             | (1,610)           |
| Expenditure on New/Upgraded Assets                            | (233)             | (590)               | (871)             |
| Loans Made to Community Groups                                | (65)              | (15)                |                   |
| <b>Net Cash provided by (or used in) Investing Activities</b> | <b>(1,452)</b>    | <b>(1,700)</b>      | <b>(2,043)</b>    |
| <b>Cash Flows from Financing Activities</b>                   |                   |                     |                   |
| <b><u>Receipts</u></b>  |                   |                     |                   |
| Proceeds from Borrowings                                      | 90                | 15                  | 490               |
| <b><u>Payments</u></b>  |                   |                     |                   |
| Repayments of Borrowings                                      | (307)             | (212)               | (180)             |
| <b>Net Cash provided by (or used in) Financing Activities</b> | <b>(217)</b>      | <b>(197)</b>        | <b>310</b>        |
| <b>Net Increase (Decrease) in Cash Held</b>                   | <b>360 -</b>      | <b>267</b>          | <b>157</b>        |
| Plus Cash & Cash Equivalents at beginning of period           | 2038              | 2,398               | 2,131             |
| <b>Cash &amp; Cash Equivalents at end of period</b>           | <b>2,398</b>      | <b>2,131</b>        | <b>2,288</b>      |

## Statement of Financial Position

| \$'000                                      | Actual<br>2014/15 | Forecast<br>2015/16 | Budget<br>2016/17 |
|---|-------------------|---------------------|-------------------|
| <b>ASSETS</b>                               |                   |                     |                   |
| <b>Current Assets</b>                       |                   |                     |                   |
| Cash and Cash Equivalents                   | 2,398             | 2,131               | 2,288             |
| Trade & Other Receivables                   | 235               | 214                 | 214               |
| Inventories                                 | 5                 | 95                  | 95                |
| <b>Total Current Assets</b>                 | <b>2,638</b>      | <b>2,440</b>        | <b>2,597</b>      |
| <b>Non-Current Assets</b>                   |                   |                     |                   |
| Financial Assets                            | 2,927             | 2,939               | 2,915             |
| Infrastructure, Property, Plant & Equipment | 62,231            | 62,528              | 63,320            |
| <b>Total Non-Current Assets</b>             | <b>65,158</b>     | <b>65,467</b>       | <b>66,235</b>     |
| <b>TOTAL ASSETS</b>                         | <b>67,796</b>     | <b>67,907</b>       | <b>68,832</b>     |
| <b>LIABILITIES</b>                          |                   |                     |                   |
| <b>Current Liabilities</b>                  |                   |                     |                   |
| Trade & Other Payables                      | 350               | 350                 | 350               |
| Borrowings                                  | 210               | 180                 | 103               |
| Provisions                                  | 314               | 314                 | 314               |
| <b>Total Current Liabilities</b>            | <b>874</b>        | <b>844</b>          | <b>767</b>        |
| <b>Non-Current Liabilities</b>              |                   |                     |                   |
| Borrowings                                  | 3,317             | 3,150               | 3,537             |
| Provisions                                  | 90                | 90                  | 90                |
| <b>Total Non-current Liabilities</b>        | <b>3,407</b>      | <b>3,240</b>        | <b>3,627</b>      |
| <b>TOTAL LIABILITIES</b>                    | <b>4,281</b>      | <b>4,084</b>        | <b>4,394</b>      |
| <b>NET ASSETS</b>                           | <b>63,515</b>     | <b>63,823</b>       | <b>64,438</b>     |
| <b>EQUITY</b>                               |                   |                     |                   |
| Accumulated Surplus                         | 24,767            | 24,890              | 25,275            |
| Asset Revaluation Reserve                   | 37,424            | 37,424              | 37,424            |
| Other Reserves                              | 1,324             | 1,509               | 1,739             |
| <b>TOTAL COUNCIL EQUITY</b>                 | <b>63,515</b>     | <b>63,823</b>       | <b>64,438</b>     |

## Statement of Changes in Equity

| \$'000                           | Accumulated<br>Surplus | Asset<br>Revaluation<br>Reserve | Other<br>Reserves | Total<br>Equity |
|----------------------------------|------------------------|---------------------------------|-------------------|-----------------|
| <b>2016/17</b>                   |                        |                                 |                   |                 |
| Opening Balance                  | 24,890                 | 37,424                          | 1,509             | 63,823          |
| Net Surplus / (Deficit) for Year | 615                    |                                 |                   | 615             |
| Transfers between Reserves       | -230                   |                                 | 230               |                 |
| Balance at the end of period     | 25,275                 | 37,424                          | 1,739             | 64,438          |
| <b>2015/16</b>                   |                        |                                 |                   |                 |
| Opening Balance                  | 24,767                 | 37,424                          | 1,324             | 63,515          |
| Net Surplus / (Deficit) for Year | 308                    |                                 |                   | 308             |
| Transfers between Reserves       | -185                   |                                 | 185               |                 |
| Balance at the end of period     | 24,890                 | 37,424                          | 1,509             | 63,823          |
| <b>2014/15</b>                   |                        |                                 |                   |                 |
| Opening Balance                  | 24,486                 | 37,424                          | 1,146             | 63,056          |
| Net Surplus / (Deficit) for Year | 459                    |                                 |                   | 459             |
| Transfers between Reserves       | (178)                  |                                 | 178               |                 |
| Balance at the end of period     | 24,767                 | 37,424                          | 1,324             | 63,515          |

## Financial Indicators

| \$'000 | Actual<br>2014/15 | Original<br>Budget<br>2015/16 | Current<br>Budget<br>2015/16 | Budget<br>2016/17 |
|--------|-------------------|-------------------------------|------------------------------|-------------------|
|--------|-------------------|-------------------------------|------------------------------|-------------------|

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 methods of calculation are set out in the SA Model Statements

### Operating Surplus Ratio

**Target is >0 before Capital Revenues**

|   |    |    |    |    |
|---|----|----|----|----|
| Operating Surplus/(deficit)<br>divided by Operating Revenue | 5% | 0% | 3% | 5% |
|---|----|----|----|----|

### Net Financial Liabilities Ratio

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

|  |      |      |      |      |
|--|------|------|------|------|
| Total Liabilities less (Cash, Trade & receivables, financial assets)<br>Divided by Operating Revenue | -23% | -13% | -17% | -17% |
|--|------|------|------|------|

*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<br>Divided by Optimal level of such expenditure per Asset<br>Management Plans | 94% | 77% | 90% | 78% |
|--|-----|-----|-----|-----|