

ANNUAL BUSINESS PLAN
2026-2027

COMMUNITY | COURAGE | RESPECT

KINGSTON DISTRICT COUNCIL

ACKNOWLEDGEMENT OF COUNTRY

We ackowledge and pay respects to the Meintangk/Moandik people, the traditional custodians whose ancestral lands we gather on.

We acknowledge the deep feelings of attachment and relationship of the Meintangk/Moandik people to country and respect and value their past, present and ongoing connection to the land.



Image credit: Kym Gibbs



Contents

Your Voice	4
Changes Since Engagement	5
Message from the Mayor and CEO	7
Your Elected Members	9
Your Council Profile	11
Key Achievements 2025-2026	14
Strategic Direction	15
Strategic Planning Framework	16
Our Vision & Values	17
Influences, Priorities & Challenges	18
Continuing Services	19
Capital Projects for 2026-2027	21
Operating Projects for 2026-2027	23
Budget Summary	25
Your Rates at Work	31
What it Means for Rates & Ratepayers	32
Uniform Presentation of Expected Rate Revenue	37
Overview of Council's Service Charges	41
Assistance Available	42
Appendix 1 *2026-2027 Annual Budget & Financial Statements*	44
Appendix 2 *Key Financial Indicators & Uniform Presentation of Finances*	50
Appendix 3 *ESCOSA Recommendations*	53
Appendix 4 *Rating Policy*	73

Cover image credit: @ouroutbackodyssey

Your Voice

Council released its Draft 2026-2027 Annual Business Plan for community engagement following the 12 May 2026 Council Meeting. Community engagement was undertaken from 13 May to 5 June 2026.

Council officered a variety of engagement and information provision methods, including a newspaper advertisement, media statements, radio interviews, website (including online submission form), social media channels and circulation e-newsletters which has a subscription rate of over 1,500 email addresses.

Additionally the Chief Executive Officer was available for one-on-one appointments.

Council held a community information session on 26 May 2026, where three people attended. At the conclusion of the engagement period, one written submission was received.

The community feedback was considered at Council's 23 June Council meeting.



Changes Since Engagement

Section 123(6a) of the Local Government Act 1999, provides that:
(6a) If a council proposes to adopt an annual business plan with amendments, the council must include in the adopted business plan a statement -
(a) setting out any significant amendments from the draft annual business plan; and
(b) providing reasons for those amendments.

A number of changes have been made to the Annual Business Plan since engagement, summarised as follows:

Rating Adjustments

- Council's general valuation has increased from $2,829,501,160 to $2,843,427,160, resulting in an average valuation decrease across the district from -0.08% to 0.42%
- The number of properties in each land use category have changed
- Minor change to Mobile Garbage Bin service charge
- Movement between Mandatory and Discretionary rate rebates
- Minor changes to the Regional Landscape Levy for each Land Use category

The resulting changes are reflected in all tables contained in pages 32 through to 41.

Financial Adjustment to the 2026-2027 Budget:
Operating Income
A decrease of $445,345 in the operating revenue, which include:

- $2,647.40 in MGB Service charge
- ($873.36) Discretionary service charge rebate
- ($447,125) in Financial Assistance Grants due to brought forward payment in June 2026
- Minor rounding

Operating Surplus/Deficit
Due to changes highlighted above, the operating deficit changes from a deficit of $2,469,817 to a deficit of $2,915,162.

Financial Indicators
As a result of the above changes following adjustments are made to the financial indicators:

- The 'Operating Surplus/Deficit' ratio moves from a deficit of -21.84% to a deficit of -26.83%
- The 'Net Financial Liability' ratio moves from -6.49% to -6.77%

The financial adjustments above impact all of the financial data found on pages 25-28 and 45-52 including Appendix 1 and Appendix 2.



Image credit: Orbe Properties

Message from the Mayor & CEO



Jeff Pope
Mayor



Ian Hart
Chief Executive Officer

On behalf of Elected Members and staff of your Council, we are pleased to present to the Kingston District community Council's 2026-2027 Annual Business Plan (ABP).

The ABP is a summary of Council's planning and proposed position for income and expenditure decisions across the next financial year, aligned to proposed capital works and projects and delivery of the broad range of services undertaken on behalf of and to support the community.

Council has in the past year been refining its endeavours and progressing key issues to support community life, wellbeing and liveability, while juggling many aspirations against realistic financial projections, and in managing the cost of the ongoing delivery of services which form the structure of the ABP process for the year ahead.

The new rating system introduced in 2025-2026 continues with a percentage of overheads shared across the community through what is termed a 'Fixed Charge', and the balance then calculated against the capital values of properties. Rate capping is maintained at 12% (unless excluded from rate capping) to limit increases to any ratepayer to that extent. The proposed overall increase in rates for 2026-2027 is a 6.86% increase, made up of three components: 1. CPI, 2. factor percentage for growth, and 3. financial sustainability or budget repair to ensure Council can continue to operate solvently and maintain its assets, services and other programs to support the community within the context of a 10 year long term financial plan that is reviewed and revised annually.

It is important to note that the capital projects for the next 12 month period do not include significant new asset projects (and only those that are grant funded all or, to some extent). The program is largely centred around limited road renewals for community safety.

While large aspirations - jetty renewal, boat ramp/weir, coastal protection (levee), playground, and other community aspirations - further evaluations are being made, including financial, other impacts and how they may be funded.

Council has several challenges that are well known throughout the community. These include:

- Ongoing sand and other management issues at Cape Jaffa, as we strive to support new development in the area.
- Planning ahead for likely grant funding sources that will mitigate flooding/storm surge risk to Rosetown and other parts of our coastline.
- Progressing the proposed extension of the Community Wastewater Management System (CWMS) into Wyomi/Pinks Beach and Rosetown areas to address environmental and human health risks, and unlock new development.
- Gaining clarity about the status and outcome of the jetty insurance claim currently sitting with the State Government.

The signs of growth in our district are evident with new development proposals and building applications occurring, while catalytic growth stimulus projects such as the new Early Learning and Child Care Centre and sports infrastructure projects at Gall Park are now rapidly becoming a reality as building works continue and commence.

The scale of what Council is required to contend with and manage on behalf of the community should not be underestimated, which is achieved with a small team. The largest issue we are now facing is the escalation in capital material costs and the related rise in depreciation that is being seen from recent asset revaluations from updating a range of Council's Asset Management Plans and the Long Term Financial Plan implications.

Although perhaps not readily known by most of the community, the challenge for your Council is trying to balance three key components:

- Aiming to achieve a sustainable financial position against escalation in costs of materials and strict depreciation requirements of the many assets (roads, footpaths, buildings, marine, CWMS and other plant) that Council owns/manages.
- Meeting community expectations for general services and service levels and responding to community requests for amenity improvements in an environment of substantial compliance requirements under the Local Government Act (The Act).
- Limiting rate increases as much as possible despite the challenges of the first two points.

Depreciation is about placing an annual value of the use of an asset calculated across its estimated lifespan. Council has almost $171 million in assets. As an example, if say an asset (e.g. road, building, etc.) has a value of $1 million and an average lifespan of 50 years, the depreciation for that asset is set at $20,000 (or 2%) annually. When you do this calculation for every asset of Council in varying conditions and lifespans, you get the picture of the magnitude of the issue.

Under the current funding formula, the only place these increased costs can come from is rates. We are sure most in the community will then say, "well Council cut your costs!" That can happen, but only if the community will accept lower service levels, less mowing, less grading, less amenities, etc. The two rarely meet to satisfy. You can read more in this ABP about all of Council's services, some legislated and others discretionary: however, most, if not all, which are sought by the community as being maintained as core needs.

This Council has relatively low full-time equivalent staffing levels and one of the lowest staff cost to overhead as a percentage, benchmarked across the state and yet is constantly asked to do more with less, while we continue to analyse opportunities to create savings and efficiencies.

Put simply, small rural Councils with low density populations (Kingston is approximately 0.7 people/sq km) should be, in our view, funded more substantially to offset the growing costs and lack of revenue, simply to maintain what we currently have. Then add coastal issues and substantial costs in renewal of assets due to cost escalation of materials and other factors beyond Council's control, it is a perfect storm for unsustainability. This is a term you will hear more about, across many smaller Councils, including ours. The Federal Government has resumed its Senate enquiry into Local Government Sustainability, and we have made a submission with many points of relevance: however, to date, no clarity has eventuated from this enquiry.

The way it works – federal funding (known as Financial Assistance Grants) is allocated to each state and then provided through the state's Grants Commission to each of the 68 South Australian (SA) Councils. The formula is weighted heavily in favour of metropolitan areas with large populations and which don't have large geographical areas, unsealed roads and in many cases, no coastline they must actively manage.

Something needs to change to stop putting an unfair burden on small communities, which are missing out and will miss out on maintaining required and expected amenities, while delivering only basic service levels. The actual dollar allocations through the grants program continue to decline in real terms, and other untied funds for renewal of facilities and roads have largely been withdrawn in 2025-2026, yet, with no commitment to include them again.

These factors place our Council and community in a perilous situation. Local Government Councils, on average, deliver about 25% of all services (across the three tiers of government), yet with about 4% of the tax revenue. Think about that! Little wonder we are battling to consider an upgrade of an aged toilet block or playground in this environment, let alone bigger aspirations like boat ramps, jetty renewal and the ongoing costs associated. Things need to change, and even a small change in the formula would be impactful for communities like ours, without unduly negatively impacting any metropolitan community.

Despite all that, your Council continues to look at how we can perform our needed and wanted functions and services for the community, while continually reviewing how to potentially reduce operating expenditure and limit the annual increase in rates above inflation levels. The reality is that the majority of what Councils do is about delivering and sustaining day to day services and infrastructure to communities. That is where most of the risk, cost and community impact sits and where decisions really matter and are the most visible and valued.

You are welcome to contact your Elected Members and/or the CEO to arrange discussions on any matter of interest or concern.



Jeff Pope
Mayor



Ian Hart
Chief Executive Officer

Your Elected Members

Our Council comprises seven Elected Members,* as well as the Mayor. The Elected Members are responsible for policy and decision making that impacts the district, our community, our businesses and our environment.

Your Mayor and Elected Members are always available to take your feedback; you are invited to contact any members individually or collectively as detailed below.



Jeff Pope
Mayor

0407 114 700
jpope@kingstondc.sa.gov.au



Jamie Parkins
Deputy Mayor

0414 955 543
jparkins@kingstondc.sa.gov.au



William Armfield
Councillor

0417 827 521
warmfield@kingstondc.sa.gov.au



Tim Harding
Councillor

0409 673 050
tharding@kingstondc.sa.gov.au



Carol Koch
Councillor

0427 659 014
ckoch@kingstondc.sa.gov.au



Fiona Rasheed
Councillor

0418 831 107
frasheed@kingstondc.sa.gov.au



James Starling
Councillor

0467 902 443
jstarling@kingstondc.sa.gov.au

*Council is currently operating with six Elected Members, due to the passing of an Elected Member in September 2025. Council will increase to seven Elected Members at the next Local Government Elections.


Abey Stirling
Cutloose
ROBE

Your Council Profile

COUNCIL AREA SIZE
3,362KM²

POPULATION
2,375 *(2021 CENSUS)*

RATEABLE PROPERTIES
2,696

ROAD NETWORK
142KM SEALED
576KM UNSEALED

COASTLINE
100KM
25KM ACTIVELY MANAGED



Kingston SE is located on the Limestone Coast of South Australia and is approximately 300 km from Adelaide, South Australia's capital city. Kingston SE offers stunning safe beaches, a range of tourist facilities, well maintained parks, gardens, amenities and extensive sporting and recreational facilities. The district has many national parks, including the world recognised Coorong. Kingston SE also boasts a range of quality health and educational services and facilities, which include a modern medical centre, a 26-bed community hospital, aged care facilities, retirement villages and an R-12 community school and library. Prior to European settlement, several groups of First Nations people occupied the region, with the Meintangk most closely aligned to our district.

Kingston SE is characterised by its prime agricultural land and accessible underground water. It is home to a thriving and vibrant rural economy, featuring cattle and sheep farming for both wool and meat. Commercial fishing is also a significant industry within the district, with the local lobster fishing fleet operating out of Cape Jaffa, situated approximately 25km south of Kingston. Kingston is well known for its premium wine production from its Mount Benson Wine Region and is only a short drive to other well-known winegrowing regions, including Coonawarra, Padthaway and Wrattonbully. The district also supports a thriving forestry industry from its Mount Benson plantations.

The climate can be described as 'Mediterranean' with mild wet winters and warm to hot dry summers. Although there is recognition of four seasons, the principal seasonal contrasts are warm to hot, dry summers and cool to mild winters. The average annual temperature is 14.8°C with an average annual rainfall of 562 mm.

The official population count from the 2021 Census is 2,375, with 50.5% male and 49.5% female. This represents a population decrease of -0.33% since 2016. Of the 2,375 residents, 16.3% are 0-17 years, 50.9% are 18-64 years, and 32.8% are 65+ years. In 2024, the population is believed to have increased again as the region attracts more families and workers to the enviable lifestyle Kingston and its surrounds presents.





Image credit: South Australian Tourism Commission

Key Achievements 2025-2026

The past 12 months have been extremely busy and challenging for the Kingston District Council and we are very proud of the following key achievements delivered in 2025-2026:

- Resealed 6km of bitumen roads.
- 320m of footpath renewal works.
- Stormwater pits renewals - cnr Duncan and McFarlane Street, and cnr James and Stickland Street.
- Ongoing dredging operations at Cape Jaffa Marina and working in partnership with South East Coastal Care Initiative (SECCI) to deliver sand management projects at Cape Jaffa.
- Financial support of community groups and projects through the Community Assistance Program with 10 community groups benefiting to deliver a range of events, equipment & facility, community health & wellbeing, and club development projects.
- Participation in the Home Delivered Meals program for Kingston residents.
- Continued financial support of Kingston Community School Library.
- Support for major community development projects including upgrade of female sporting infrastructure at Gall Park, Gall Park oval lighting, and a new Kingston Early Learning Centre.
- Funding secured for detailed design of the Community Wastewater Management System extension to properties in Rosetown, Wyomi and Pinks Beach.
- Revalued Transport and Marine Assets.
- Developed individual Asset Management Plans for CWMS, Transport and Marine Assets.
- Commenced investigations and design works for flood mitigation strategies for Rosetown.
- Established a Maria Creek Management Working Group with a focus to consider options and obtain costs for improvements to creek health, a tidal gate/weir system to assist with managing creek flows/mitigating overtopping and design work for potential re-opening of a boat launching facility.
- New community transport program through Tailem Bend Community Centre.
- Two-day Men's Health event including guest speaker and free health checks.
- Completion of the Kingston Soldiers Memorial Hospital 'Brushstrokes for Better' mural project, including a successful community painting day (grant funded).
- Adoption of the updated Disability Access and Inclusion Plan 2026-2030.
- Summer activities provided including foreshore lawn games, movie nights in the District Hall, Mini Makers holiday programs, and the community treasure hunt.
- 'Leave no trace, only footprints' campaign established to encourage environmental responsibility on our beaches.
- Planting/revegetation and sand excess clean up at Wyomi Beach Rock Seawall and Marine Parade.
- Collaboration between staff and Elected Members with Kingston Community School students including the year 4 problem-based learning activity and senior Student Representative Council Executive Captains workshop.
- Completion of the Kingston Airport Doctor Patient Transfer Facility.
- Participation in South Australian Living Artists Festival.
- Free Tree Program.
- Grant funding secured for a swimming pontoon and all abilities access ramp at the Wyomi Beach Rock Seawall.
- Three new citizens welcomed to our community with Citizenship Ceremonies.
- Delivery of the much-loved community event, the Mayoral Christmas Parade.













Strategic Direction

The 2026-2027 Annual Business Plan sets out the specific projects that the Kingston District Council will deliver to its community. The Annual Business Plan, as required by Section 123(2)(a) of the Local Government Act 1999, shows the alignment to Council's Strategic Management Plan.

The 2023-2027 Strategic Plan sets our vision for the future of the Council area and outlines what we will do to contribute to achieving the vision and strategic directions sought for the Kingston District Council community. The Strategic Plan highlights seven key objectives which align to initiatives within the plan in order to achieve the community's vision. Each objective is supported by a series of outcomes which are as follows:



A PLACE TO CALL HOME

- A district that meets the needs of permanent residents as well as holiday makers
- A district that provides a range of housing and employment offerings
- A district that celebrates and protects its history, heritage and character



A VIBRANT AND DIVERSE DESTINATION

- A sought-after visitor and lifestyle destination of choice
- A vibrant, thriving town centre
- A district that promotes local art and culture



A RANGE OF WELL-PLANNED PUBLIC SPACES

- The use of carefully designed integrated spaces and places to enhance our beautiful region



A PROTECTED AND ENHANCED LANDSCAPE

- Preservation of the rural atmosphere, open spaces, beaches, and other natural resources
- Protection of the natural assets & infrastructure of the region by leveraging additional environmental programs that will protect the environment for future generations



AN ACTIVE, ENGAGED COMMUNITY

- A community with a shared sense of pride and common purpose
- A community that is knowledgeable and looks beyond its boundaries for inspiration and learning
- A community that is healthy & resilient
- A community that is provided with a range of opportunities to be engaged and involved



SUSTAINABLE GROWTH AND ECONOMIC PROSPERITY

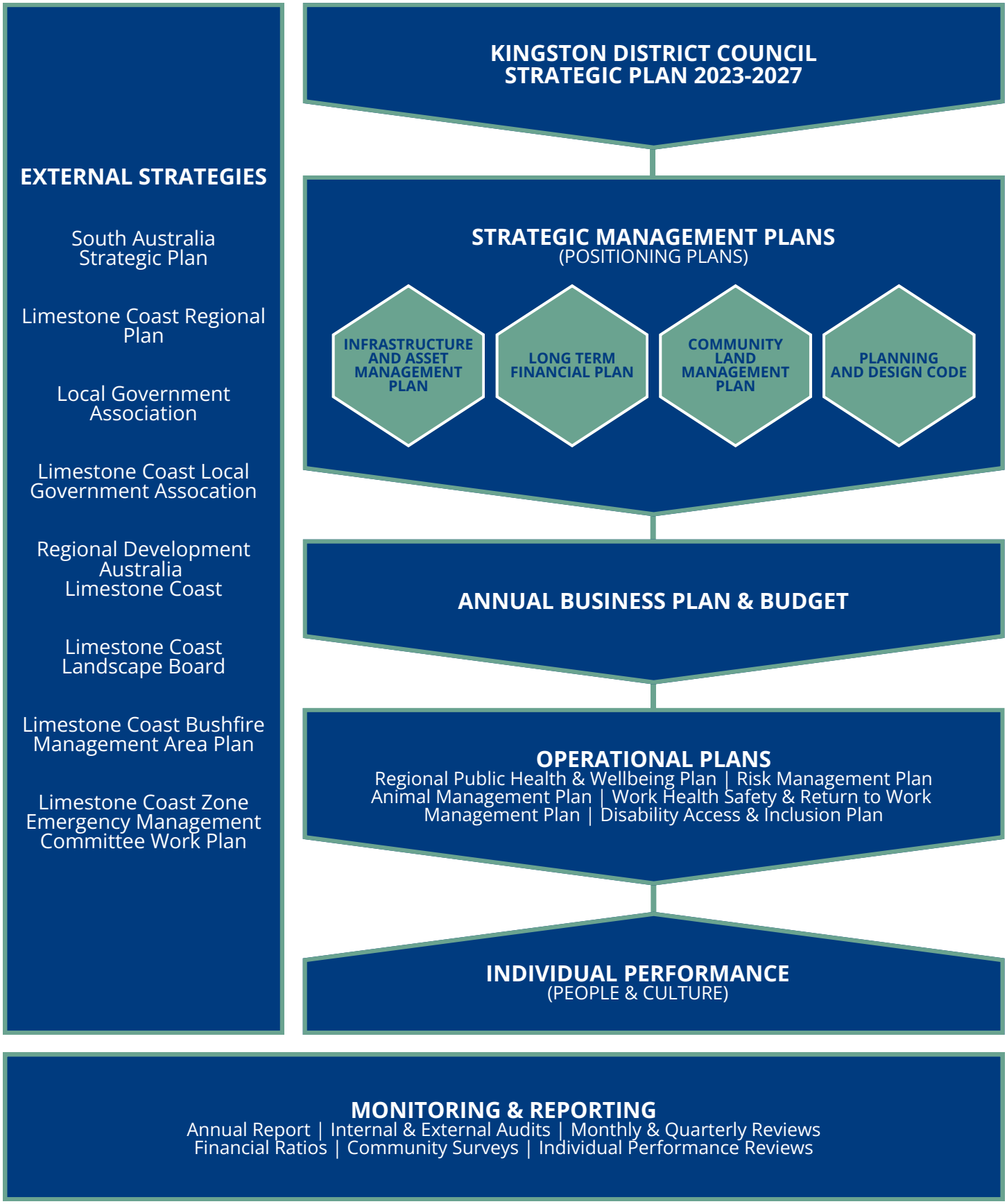
- A diverse range of prosperous local businesses and primary industry
- Best practice asset and infrastructure management
- Best practice in procurement and contract management



PROGRESSIVE AND RESPONSIVE LEADERSHIP

- Sustainable community finances and assets
- Responsible and compliant corporate governance
- Effective delivery of projects and services
- Open and transparent decision making
- Engagement of external stakeholders to leverage local opportunities
- Forward-thinking, open-minded, and people-centred
- Council is recognised as an employer of choice

Strategic Planning Framework



Our Vision

Our vision is simple.
We want to be a place to call home.

To achieve this, we will be a district of vibrant and engaged communities. Our residents, businesses and visitors will enjoy the relaxed lifestyle that our safe, family friendly beaches and rural location affords.

We will protect our pristine natural environment and boast a regional centre that has sustainable businesses, servicing the many facets of our community, including permanent and seasonal residents, visitors, and tourists.

Our Values

Community
As a community, with our community, for our community.

Courage
Empower leadership through creative innovation and informed, bold and confident decision making.

Respect
Encourage an inclusive and supportive culture, acting with empathy, integrity and honesty in everything we do.



Image credit: Kristal Baker

Influences, Priorities and Challenges

There are a number of significant factors which have influenced the preparations of Council's Annual Business Plan and Budget for 2026-2027. These include:

INFLUENCES

- Significantly increased depreciation costs due to revaluation of transport (roads, carparks, bridge, footpaths & kerbing) and marine assets.
- Commitment and contractual obligations at the Cape Jaffa Marina.
- Transition to rating by fixed charge, following a robust rating review process in 2025-2026 including community consultation.
- Negotiated Enterprise Bargaining Agreements.
- Cost increases due to the capital-intensive nature of goods and services purchased. Rising fuel prices are expected to significantly impact operating costs.
- Consumer Price Index (CPI) for all groups (Adelaide) was 3.3% for the quarter ended December 2025.

PRIORITIES

- A new Community Wastewater Management System (CWMS) is imperative for the future growth and environmental health of Kingston and presents as the largest and most expensive infrastructure project ever delivered by Council, supported by a large grant.
- Working to reduce the annual impact and cost of sand management (dredging) at Cape Jaffa and identify opportunities to stimulate new housing growth in the anchorage area.
- Identifying solutions and funding opportunities to mitigate Rosetown flooding and Maria Creek health.

CHALLENGES

- Ongoing requirement to manage natural sand drift at Cape Jaffa Marina.
- State government owned jetty, the long-term lease and impending insurance claim to rebuild the jetty.
- Climate change & coastal adaptation with costly defensive strategies to ensure coastal properties and infrastructure are protected.
- Understanding the condition of our infrastructure assets and having appropriate asset management plans.
- Requirements to maintain and improve infrastructure assets to acceptable standards, including a significant sealed and unsealed roads network, footpaths, buildings, stormwater drainage and Community Wastewater Management Scheme (CWMS).
- Worldwide economic uncertainty contributing to rising fuel prices with a flow on effect to procurement and service provision.
- Balancing community expectations with a small rate base within a relatively large geographical area, with a large rural road network and difficult marine & coastal issues.
- Continuing to reduce the budgeted operating deficit in the short term and working towards a balanced budget which is consistent with the Long-Term Financial Plans and its underlying assumptions.
- The lack of critical mass placing pressure on the existing small ratepayer base and pressure on maintaining community amenities.
- Continued increase in utility and insurance costs.
- Costs of compliance with State Government.
- The level of State and Commonwealth Government grant funding.



Image credit: Kym Gibbs

Continuing Services

Council has mandatory responsibilities under the Local Government Act 1999 and other relevant legislation. These include:

- Regulatory activities, e.g. maintaining the voters roll and supporting the elected Council.
- Setting rates, preparing an Annual Budget and determining longer-term strategic management plans for the area.
- Management of infrastructure, including roads, footpaths, parks, public open space, street lighting and storm water drainage.
- Management of Kingston Cemetery.
- Street cleaning and rubbish collection.
- Development planning and control, including building safety assessment.
- Establishing and monitoring compliance with Council's By-Laws (local laws).
- Various environmental health services.
- Animal Management.

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

- Community library services in-conjunction with the State Government as a shared facility at Kingston Community School.
- Childhood and school-based immunisation programs.
- Community, recreational and sporting club grants, other assistance, and support.
- Gall Park management and facilities support.
- Community transport vehicle.
- Community Participation & Wellbeing Program.
- Fire prevention services.
- Tourist facilities and the Visitor Information Outlet.
- District Hall and community buildings.

In all services, Council seeks to be responsive to changing needs. Community feedback and surveys are undertaken from time to time to check levels of satisfaction and areas for improvement.

Council provides the following facilities on a fee for service (but not necessarily at full cost recovery). These facilities provide important community benefits while also generating revenue for services and projects of benefit to the Kingston community. Services include:

- Medical Centre infrastructure.
- Community Wastewater Management Scheme.
- Recreational boating launching facility.
- Waste Transfer Station facility.











Capital Projects for 2026-2027

STRATEGIC PLAN OBJECTIVE	CATEGORY	NEW OR RENEWAL (N/R)	DESCRIPTION	2026-2027 BUDGET ($)	2026-2027 FUNDING / SALE OF ASSETS ($)	PERFORMANCE MEASURE/S
Sustainable growth and economic prosperity	Footpaths	N	Randall Lane – Pram Ramp	5,000		Tender process to commence in July 2026 and work to be completed by the end of June 2027.
Sustainable growth and economic prosperity	Buildings	R	Roller Door Replacement x2 (Depot Machinery Shed)	15,000		Project to be completed within budget prior to end of June 2027.
Sustainable growth and economic prosperity	Buildings	R	District Hall Door Replacement x4 – Including Lean to Shelter to Protect Doors from Weather	15,000		Project to be completed within budget prior to end of June 2027.
Sustainable growth and economic prosperity	Buildings	R	Senior Citizens – Power Board/Switch Upgrade	11,500		Project to be completed within budget prior to end of June 2027.
Sustainable growth and economic prosperity	Buildings	R	District Hall – Power Board/Switch Upgrade	11,500		Project to be completed within budget prior to end of June 2027.
Sustainable growth and economic prosperity	Buildings	N	All Access Ramp to Beach at Wyomi	90,000	(45,000)	Project to be completed within budget prior to end of June 2027.
Sustainable growth and economic prosperity	Roads Sealed	R	McFarlane Street (Segment 8, 9)	33,350		Tender process to commence in July 2026 and work to be completed by the end of June 2027.
Sustainable growth and economic prosperity	Roads Sealed	R	Stanley Avenue (Segment 1)	5,144		Tender process to commence in July 2026 and work to be completed by the end of June 2027.
Sustainable growth and economic prosperity	Roads Unsealed	R	Henry Creek Road (Segments 7,8)	148,710	(91,194)	Tender process to commence in July 2026 and work to be completed by the end of June 2027.
Sustainable growth and economic prosperity	Roads Unsealed	R	Petherick Road (Segment 14, 15)	170,864	(170,864)	Tender process to commence in July 2026 and work to be completed by the end of June 2027.
Sustainable growth and economic prosperity	Roads Unsealed	R	Bald Hill Road (Segment 1, 2, 3)	228,646	(228,646)	Tender process to commence in July 2026 and work to be completed by the end of June 2027.
Sustainable growth and economic prosperity	Bridges	R	Over Maria Creek (Near Groyne)	6,000		Project to be completed within budget prior to end of June 2027.
Sustainable growth and economic prosperity	Other infrastructure	N	Cemetery Expansion Planning	15,000		Project to be completed within budget prior to end of June 2027.

STRATEGIC PLAN OBJECTIVE	CATEGORY	NEW OR RENEWAL (N/R)	DESCRIPTION	2026-2027 BUDGET ($)	2026-2027 FUNDING / SALE OF ASSETS ($)	PERFORMANCE MEASURE/S
Sustainable growth and economic prosperity	Other infrastructure	R	Stormwater Pit – Young Street/Fergusson Street	9,000		Project to be completed within budget prior to end of June 2027.
Sustainable growth and economic prosperity	Other infrastructure	R	Stormwater Pit – James Street (Memorial Park)	9,000		Project to be completed within budget prior to end of June 2027.
Sustainable growth and economic prosperity	CWMS	R	Pump Station 10 – Electrical Fitting – (Simone Place)	20,376		Project to be completed within budget prior to end of June 2027.
Sustainable growth and economic prosperity	CWMS	R	Pump Station 3 – Electrical Fitting (South Terrace – Cnr Acraman)	10,812		Project to be completed within budget prior to end of June 2027.
Sustainable growth and economic prosperity	CWMS	R	Pump Station 3 – Mechanical Fitting (South Terrace – Crn Acraman)	3,054		Project to be completed within budget prior to end of June 2027.
Sustainable growth and economic prosperity	CWMS	R	Pump Station 6 – Mechanical Fitting (Smiths Lane)	1,046		Project to be completed within budget prior to end of June 2027.
Sustainable growth and economic prosperity	CWMS	R	Pump Station 8 – Electrical Fitting (East Terrace – Cnr Gough Street)	10,812		Project to be completed within budget prior to end of June 2027.
Sustainable growth and economic prosperity	CWMS	R	Treatment Plant – Mechanical Fitting (Smiths Lane)	6,822		Project to be completed within budget prior to end of June 2027.
Sustainable growth and economic prosperity	CWMS	N	CWMS Extension	25,000,000	(18,500,000)	Tender process to commence in July 2026.
Sustainable growth and economic prosperity	Plant & Equipment	R	Light Vehicle 1	51,000	(29,000)	Project to be completed within budget prior to end of June 2027.
Sustainable growth and economic prosperity	Plant & Equipment	R	Light Vehicle 2	70,000	(55,000)	Project to be completed within budget prior to end of June 2027.
Sustainable growth and economic prosperity	Plant & Equipment	R	Light Vehicle 3	51,000	(35,000)	Project to be completed within budget prior to end of June 2027.
			TOTAL	**25,993,492**	**(19,154,704)**	

Operating Projects for 2026-2027

STRATEGIC PLAN OBJECTIVE	DESCRIPTION	2026-2027 BUDGET ($)	PERFORMANCE MEASURE/S
Sustainable growth and economic prosperity	Line Marking	21,156	Project to be completed within budget prior to end of June 2027.
Progressive and responsive leadership	Elections Expenditure	40,000	Project to be completed within budget prior to end of June 2027.
Sustainable growth and economic prosperity	Telstra SE Regional Connectivity Program	53,280	Project to be completed within budget prior to end of June 2027.
Sustainable growth and economic prosperity	Asset Valuations, Condition Assessments and Asset Management Plans	80,000	Review to be undertaken within prescribed legislative requirements and timeframe for Stormwater, Office Equipment, Buildings, Plant and Equipment.
Progressive and responsive leadership	Strategic Plan Review	26,445	Review to be undertaken within prescribed legislative requirements and timeframe.
An active, engaged community	Library – Additional Funding	8,467	Funding to provide support to library services.
A Protected and enhanced lifestyle	Feasibility Study – Maria Creek	10,000	Project to be completed within budget by the end of June 2027.
A Protected and enhanced lifestyle	Dredging at Cape Jaffa	600,000	Project to be completed within budget by the end of June 2027.
Sustainable growth and economic prosperity	Develop Detailed Project Plan and Costings for HDPE Lagoon Liners	15,000	Project to be completed within budget by the end of June 2027.
Progressive and responsive leadership	Communications Upgrade at Depot	10,000	Project to be completed within budget by the end of June 2027.
Sustainable growth and economic prosperity	Insurance Valuations	10,000	Project to be completed within budget by the end of June 2027.
	TOTAL	874,348	



Essential Services Commission SA

The Annual Business Plan also provides commentary on the Essential Services Commission of South Australia (ESCOSA) Strategic Management Plan Advice Report, as well as our response to it (Appendix 3).

Budget Summary

In delivering services and programs contained within this Annual Business Plan, Council is targeting an operating deficit of $2,915,162 due to budgeted operating revenues of $10,863,681 and budgeted operating expenses of $13,778,843. The primary reason for this deficit is due to the significant impact of depreciation expense as a result of recent and upcoming revaluation of assets.

As part of Council's ongoing commitment to become financially sustainable, Council will undertake a review of all services and service levels, for example, grading and asset management.

As highlighted in Council's Long Term Financial Plan, Council is expected to remain in a deficit position until year 8.

This Annual Business Plan includes a total capital expenditure of $25,993,492 which consists of $883,492 to renew existing assets and $25,110,000 to be spent on new assets.

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

It should be noted that $447,125 of Financial Assistance Grants for the 2026-2027 year, was brought forward in June 2026. Accounting standards require Council to account for the money in the year it was received.

Council also source 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.

Council's net cash is expected to decrease from $9,398,506 at the end of 2025-2026 to $3,339,826 at the end of 2026-2027. The draw down in cash is due to the timing of implementing the indicative costs for the CWMS Extension project ($25 million in expenditure, $18.5 million in funding), that leaves a draw down in cash of $6.5 million in 2026-2027. Council will seek to take out a loan for $6.5 million in 2027-2028, coinciding with the implementation of individual repayments from the 651 CWMS Extension properties.

Council will monitor the implementation of the 2026-2027 budget via regular budget updates and reviews in accordance with the Local Government Act 1999 and Local Government (Financial Management) Regulations 2011.

LOAN BORROWINGS

It is not anticipated that any new borrowings will be required for 2026-2027. However, Council will consider borrowings if successful in obtaining grant funding for 'shovel ready' infrastructure projects.

LONG TERM FINANCIAL PLAN

Council's Long Term Financial Plan is a key tool to assist with long term decision making and forecasting while monitoring financial sustainability. It also provides transparency to the community regarding Council's projected financial position. This plan will be reviewed and updated annually.

Council is facing many challenges in managing infrastructure and other assets due to a range of issues, such as increasing community expectations, replacement of ageing infrastructure, revaluation of assets (and its impact on depreciation), new legislative requirements and the growing demands of an ageing population. One of the single largest issues is the immense and growing issues Council has in relation to marine infrastructure and coastal management.

Please refer to Appendix 2 for Council's estimated Uniform Presentation of Finances 2026-2036.

KEY FINANCIAL INDICATORS

Local Government in South Australia has adopted a set of Key Financial Indicators which provide an indication of the current financial health of Council and can also demonstrate the trend in Council's financial performance over time.

Operating surplus ratio

The operating surplus ratio highlights the operating surplus (deficit) as a percentage of operating income. The Council target range is between -10% and 10% in any one year, with a 5 year average of 0%.

Council's Operating Surplus Ratio, 5 year average is projected to be -19.04% and is outside the 5 year average target range.

Net financial liabilities ratio

The net financial liabilities ratio is calculated by expressing net financial liabilities at the end of a financial year as a percentage of operating income for the year. Council's target range is maximum of 100% in any single year.

Council's Net Financial Liabilities Ratio, 5 year average is projected to be -11.57% and outside the target range.

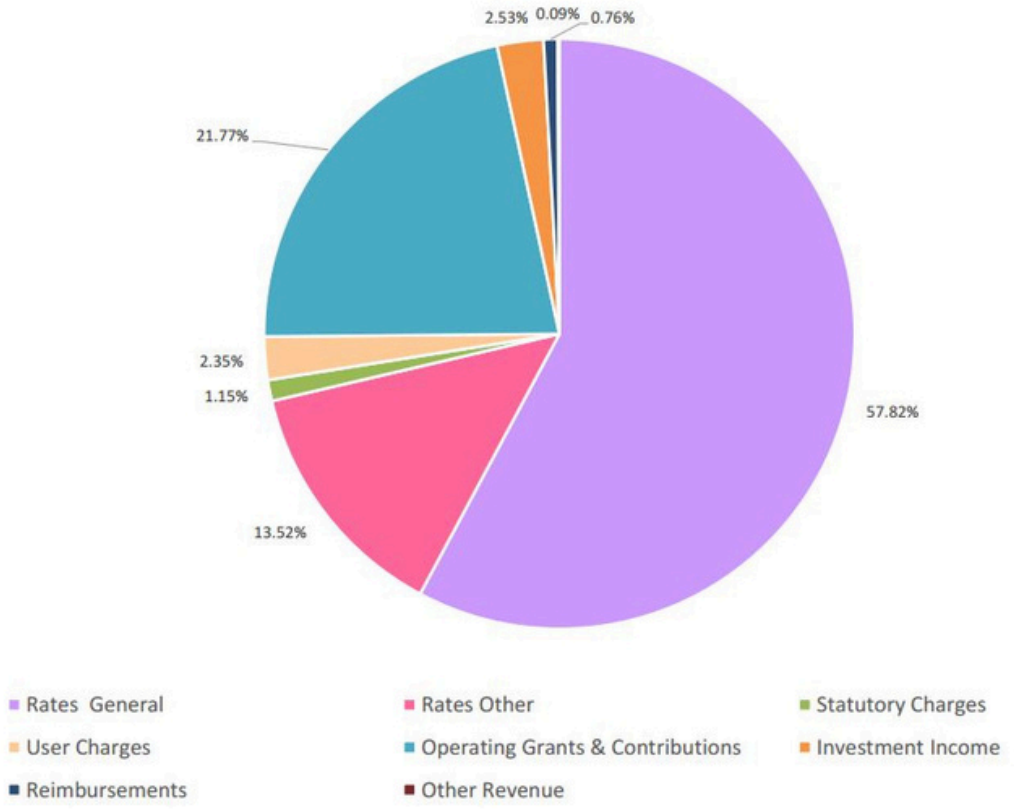
Asset renewal funding ratio

The Asset Renewal Funding Ratio is calculated by measuring capital expenditure on renewal or replacement of assets for a period, divided by the optimal level of such expenditure proposed in Council's Infrastructure and Asset Management Plan. The Council target range is between 90% and 110%, 5 year average of 100%.

Council's Asset Renewal Funding Ratio, 5 year average is projected to be 89.48% and is outside the target range.

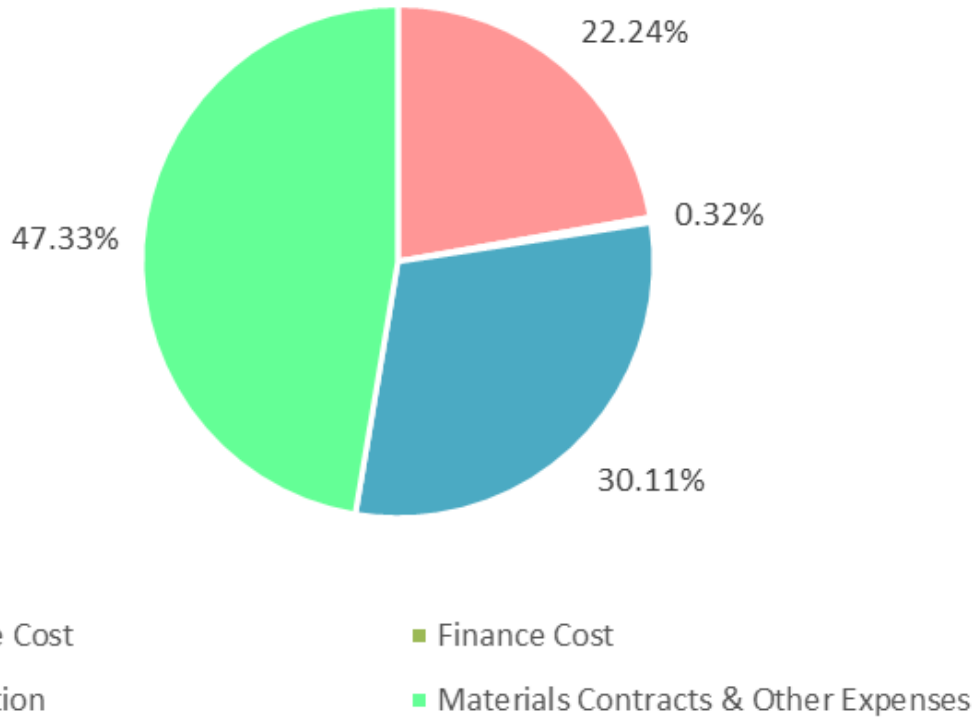
	TARGET RANGE IN ANY ONE YEAR	2025-26 FORECAST	2026-27 BUDGET	5 YEAR TARGET RANGE	5 YEAR AVERAGE
Operating surplus ratio	-10% to 10%	-7.86%	-26.83%	0%	-19.04%
Net financial liability ratio	Maximum 100%	-53.60%	-6.77%	Maximum 100%	-11.57%
Asset renewal funding ratio	90% - 110%	120.30%	47.39%	100%	89.48%

WHERE COUNCIL WILL SOURCE FUNDS IN 2026-2027



DESCRIPTION	
Rates General & Other	General rates on properties as well as service charges (i.e., Mobile Garbage Bin, Community Wastewater Management System) and the Regional Landscape levy.
Statutory Charges	Fees and charges set by State Government regulation and received by Council for regulatory functions undertaken such as assessment of development and building applications and dog control management.
User Charges	Income from the sale of goods and services or rent of a property/ facility. Such as cemeteries, waste transfer station and boat ramp.
Grants, Subsidies & Contributions	Council seeks to attract as much grant funding from other tiers of government as possible, thereby reducing the reliance on other revenue streams.
Investment Income	Income from financial investments or loans to community groups. It includes interest received from the Local Government Finance Authority, banks and loans to community groups.
Reimbursements	Amounts received as payment from work done by Council acting as an agent for other government bodies and property owners, organisations and individuals.
Other Income	Other income not classified elsewhere.

WHERE COUNCIL WILL SPEND FUNDS IN 2026-2027



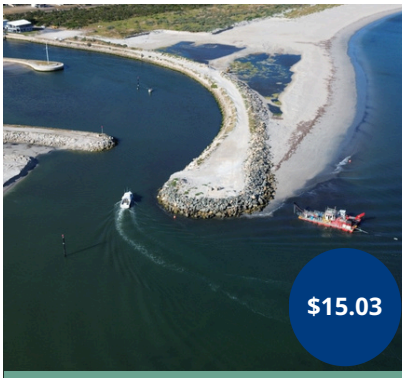
DESCRIPTION	
Employee Costs	Total costs of employing Council employees. Such as wages and salaries, leave expenses, superannuation, workers compensation, and income protection insurance.
Materials, Contracts & Other expenses	Payments for physical goods such as water, fuel, road materials, office consumables, insurances, and postage.
Depreciation	Annual consumption of Council's fixed assets (e.g. buildings and structures, plant and equipment, transport and infrastructure).
Finance Costs	Costs of financing Council's activities through borrowings or other types of financial accommodation and merchant fees.

Your Rates At Work

Operating expenditure per one hundred dollars ($100)
Excludes depreciation, full cost recovery expenditure (e.g. service changes and administration costs).



Unsealed Roads



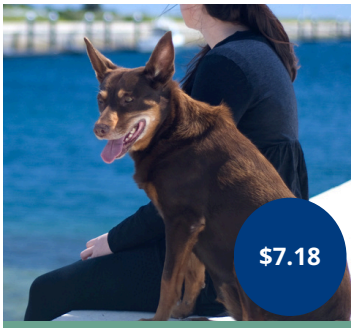
Dredging



Recreation (Parks & Gardens, Sport/Rec)



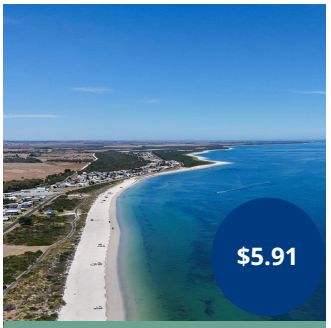
Sealed Roads



Inspection, Regulation & Control



Footpaths, Water Table, Traffic Control, Street Lighting



Foreshore/Marine



Waste Management



Communtiy Support/Buildings (Events, CAP)



Community Facilities (Public Toilets)



Cemetery



Aerodrome



Art & Tourism



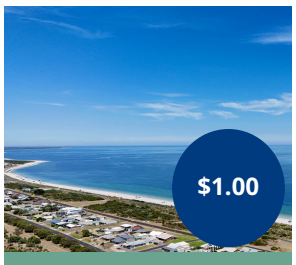
Land Development (Cooke Street)



Stormwater Drainage



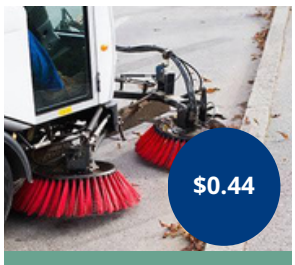
Library



Foreshore Protection



Fire Protection



Street Cleaning



Health & Services





What Does It Mean For Rates and Ratepayers?

WHY DOES COUNCIL COLLECT RATES?

Councils are tasked with providing a wide range of services to their communities, each of which has its own unique needs and priorities. To fund these services, Council's receive income from a number of sources, however revenue raised from Council rates is the largest contributor, currently representing approximately 71.34% of Council's total operating revenue.

Under the Local Government Act 1999 (the Act), Councils have the authority to levy rates and are provided with specified flexibility in how they do so. It is important for Councils to regularly assess and determine the most suitable approach to collecting rates from their ratepayers to ensure the method remains equitable, effective and relevant.

GENERAL PRINCIPLES OF RATING

Council's decisions regarding rating are underpinned by:

- Accountability, transparency and simplicity.
- Efficiency, effectiveness and timeliness.
- Equitable distribution of the rate responsibility across the community.
- Compliance with the requirements of legislation and accepted professional conventions and ethics.
- Consideration of strategic objectives, budget considerations, the current economic climate and the likely impacts on the community.
- Acknowledging that we are one community, and over time there will most likely be periods where expenditure is higher in one area than another and this should be balanced over time, as we collectively seek to provide services and infrastructure for the whole of the Council area.

PRINCIPLES OF TAXATION

Council is committed to balancing the main principles of taxation:

Benefits received (services required or resources consumed)
Reliance on this principle suggests that (all other things being equal) a person who received more benefits should pay a higher share of tax. The relative benefits received/available per property are effectively factored into property values.

Capacity to pay
This principle suggests that a person who has less capacity to pay should pay less; and that persons of a similar means should pay similar amounts.

Administrative simplicity
This principle refers to the costs involved in applying and collecting the tax and how difficult it is to avoid.

Economic efficiency
This refers to whether or not the tax distorts economic behaviour.

Policy consistency
The principle that taxes should be internally consistent, and based on transparent, predictable rules that are understandable and acceptable to taxpayers.

STRATEGIC FOCUS

Each year the impact of rate increases is reviewed in line with Council's Strategic Plan, Budget and Long Term Financial Plan. In addition, Council considers the current economic climate, specific issues faced by the community, the need to maintain and improve community infrastructure assets and the long-term financial sustainability of the Council.

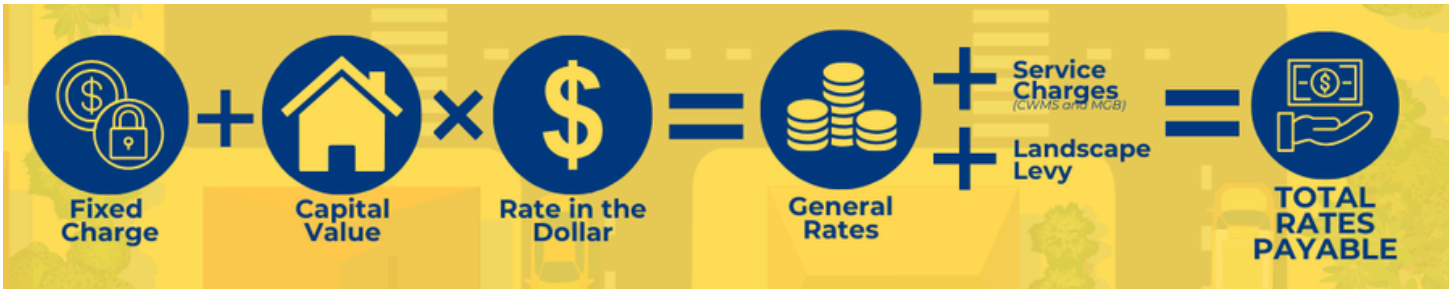
The issue of Council rates and the distribution of rates across communities is a difficult debate across many local government areas, and our district has not been immune to these debates. Many ratepayers in our community have seen the impacts of large capital valuation increases over several years. Council has used differential rating and rate capping as tools to balance the effects of steep valuation increases, however the principles of 'capacity to pay' and 'benefit received', i.e. that some services provided by Council do not directly benefit all ratepayers, continue to be emotive debates within our community.

The tables below represent the portion of the total capital valuation and corresponding contribution of rates across all land use categories since 2023-2024.

LAND USE CODE (LUC)	2023-2024			2024-2025		
	RATES %	CV %	GAP	RATES %	CV %	GAP
Residential	28.19%	20.74%	7.45%	29.53%	20.35%	9.18%
Commercial	1.70%	1.51%	0.19%	1.70%	1.43%	0.27%
Industrial	0.38%	0.17%	0.20%	0.40%	0.17%	0.23%
Primary Production	63.51%	74.88%	-11.37%	61.73%	75.20%	-13.47%
Vacant Land	5.99%	2.49%	3.50%	6.4%	2.65%	3.75%
Other	0.10%	0.11%	0.00%	0.11%	0.11%	0.00%
Marina Berth	0.13%	0.10%	0.00%	0.13%	0.09%	0.04%
Total	**100.00%**	**100.00%**		**100.00%**	**100.00%**	

LAND USE CODE (LUC)	CHANGE TO BASIS OF RATING	2025-2026			2026-2027		
		RATES %	CV %	GAP	RATES %	CV %	GAP
Residential		31.15%	23.35%	7.80%	33.24%	25.40%	7.84%
Commercial		1.70%	1.78%	0.08%	1.77%	1.79%	-0.02%
Industrial		0.40%	0.21%	0.19%	0.48%	0.25%	0.24%
Primary Production		60.32%	71.38%	-11.06%	57.63%	69.29%	-11.66%
Vacant Land		6.19%	3.04%	3.15%	6.68%	3.04%	3.65%
Other		0.12%	0.14%	0.02%	0.12%	0.14%	-0.02%
Marina Berth		0.08%	0.10%	0.02%	0.08%	0.09%	-0.02%
Total		**100.00%**	**100.00%**		**100.00%**	**100.00%**	

HOW RATES ARE CALCULATED



LAND VALUATION METHODOLOGY

Council will continue to use capital value as the basis for valuing land and will adopt the most recent valuations made by the Valuer General at the time of the annual declaration of rates.

The Valuer General has provided Council with a general revaluation for 2026-2027, being $2,843,427,160 (including current non-rateable properties valuations of $37,165,826).

The table below represents the 2026-2027 capital valuations by land use category and shows the movement in capital valuations when compared to the 2025-2026 year. The table outlines that most rating categories have experienced small increases in property numbers with mixed capital valuation changes. Non-Rateable, Residential, Industrial and Vacant Land have recorded capital valuation growth whilst Commercial and Primary Production capital valuations have declined. Overall, the combined movement across all rating categories results in a small reduction in total capital valuation

	2025-2026		2026-2027		INCREASE	
	PROPERTIES	CAPITAL VALUE ($)	PROPERTIES	CAPITAL VALUE ($)	CAPITAL VALUE ($)	% CV
Non Rateable	282	35,432,826	286	37,165,826	1,773,000	4.89%
Residential	1,426	653,028,000	1,434	712,908,000	59,880,000	9.17%
Commercial	74	49,779,234	71	50,334,234	555,000	1.11%
Industrial	28	5,859,000	30	6,901,000	1,042,000	17.78%
Primary Production	662	1,996,070,600	669	1,944,362,900	-51,707,700	-2.59%
Vacant Land	451	84,963,500	463	85,214,700	251,200	0.30%
Other	19	3,853,500	19	3,878,500	25,000	0.65%
Marina Berths	21	2,662,000	21	2,662,000	0	0.00%
	2,963	**2,831,648,660**	**2,982**	**2,843,427,160**	**11,778,500**	**0.42%**

FIXED CHARGE

Council uses the 'fixed charge' methodology as the basis of its rating structure. The Act allows Council's to collect a maximum of 50% rate revenue through the application of the fixed charge, noting that a fixed charge is only paid once in the case of a single farm enterprise and adjoining properties under the same ownership. In addition, a fixed charge is not applicable to marina berth properties in accordance with the Act.

Council has determined that it will collect approximately 33% of its rate revenue from the fixed charge, which is based on Council's net income as a percentage of total expenditure. The fixed charge for the 2026-2027 financial year is $962.50. The remaining 67% of general rates will be collected by the capital value component.

LOCALITY BASED LAND USE METHODOLOGY

At the request of Elected Members, a number of assumptions have been made to identify cost allocations on a locality based approach, namely the Kingston Township, Cape Jaffa and Rural. This has been provided as another assessment tool in how rating may be applied.

Firstly, a rationale was made to identify cost of services and overheads (and associated revenues), that were unable to be separated as only applicable or relevant to any discrete locality. This has informed the basis for arriving at a fixed charge of approximately 33% of the total of rates collected. Calculations were then requested to identify the extent of services provided that apply exclusively at each of those specific locations. The rationale for this analysis is to demonstrate the range/extent of the services delivered against rates paid by the locality approach.

From the calculations, the table below demonstrates the contribution of each locality against the notional expenditure. It is important to note that the revenue allocation shown as applied to each locality is mostly grant funding received, or items such as boat ramp fees (Cape Jaffa), which are additional income over and above to the rates paid for each locality.

	CAPE JAFFA	KINGSTON	RURAL	COST RECOVERY	OVERHEADS	TOTAL
Revenue	$45,315.00	$95,134.00	$517,329.00	$1,875,821.00	$584,983.25	$3,118,582.25
Rates - Other (MGB, LSL, CWMS)				$1,468,761.00		$1,468,761.00
Rates - General CV	$104,955.80	$741,966.85	$3,370,627.60			$4,217,550.25
Rates General - Fixed Charge 33%	$143,605.00	$1,595,290.55	$319,891.95			$2,058,787.50
TOTAL Revenue	**$293,875.80**	**$2,432,391.40**	**$4,207,848.55**	**$3,344,582.00**	**$584,983.25**	**$10,863,681.00**
TOTAL Expenditure	**$1,086,313.91**	**$2,091,338.87**	**$2,561,874.99**	**$3,319,102.34**	**$4,720,213.18**	**$13,778,843.29**
NET	**-$792,438.11**	**$341,052.53**	**$1,645,973.56**	**$25,479.66**	**-$4,135,229.93**	**-$2,915,162.29**

A substantial body of spreadsheet modelling underpins these calculations, including percentage allocations applied to each locality for a range of Council services. These allocations, and the assumptions used to derive them, are recognised as subjective and open to interpretation.

This analysis does not consider the distribution of overheads that would normally be applied across all localities/the whole community. These are now captured within the fixed charge calculations, with the table also highlighting the contribution of each locality to the fixed charge component of the rates collected, predominantly from Kingston residential ratepayers.

While the figures above indicate that rates paid within rural localities exceed the direct cost of services delivered in those areas, this is partly offset by the fixed charge component used to allocate overheads. The analysis also does not account for the broader benefits received by ratepayers, which will inevitably vary and be assessed subjectively. For example:

- Many rural residents regularly access facilities and services within the Kingston township.
- A significant number of residents not based at Cape Jaffa utilise the Cape Jaffa Marina.
- Township residents also use rural roads, which represent the largest cost centre under the locality based approach and within Council's budget.

The level of services accessed or valued varies across residents, ratepayers, and visitors. However, this analysis has informed Council's decision to reduce the proportion of rates collected against capital values for all ratepayers through the fixed charge mechanism. Under this approach, rural ratepayers contribute a lower proportion of rates relative to their capital values and the benefits they receive, while residential ratepayers contribute a higher proportion, reflecting their broader use of Council services.

While the full impact of these changes was not evident in the first year of the new rating system (2025–2026), largely due to rate capping provisions, the introduction of the fixed charge as part of the overall rating structure will progressively achieve this outcome over several years. Rate capping will continue to moderate impacts on individual ratepayers throughout the transition period.

Any future changes to the rating structure, including adjustments to the fixed charge, variations to the default 100 percent differentials applied to capital values across land use categories, or amendments to the capping provisions, will create new impacts for different classes of ratepayers. These impacts will also be influenced by annual movements in capital valuations, new property growth, and increases in the number of ratepayers within the district.

COUNCIL'S RATING POLICY

The rate revenue Council needs to collect for the 2026-2027 year to meet its strategic and long-term objectives is $6,321,262 (gross). For the 2026-2027 year, Council has implemented a rate increase of 6.86%. This figure includes CPI of 3.3%, plus a 'growth' factor of 0.56%, plus a component of 'financial sustainability' being 3%.

Council remains mindful of the impact of rates on its ratepayers and is committed to developing options to ease the rate burden, by continuing to look for possibilities to increase funding from other sources (grants) and striving for operational efficiencies.

DIFFERENTIAL GENERAL RATES

Under the fixed charged rating structure, Council has elected not to apply differential rates. All land use codes will be set at 100% as a principle, regardless of where the land is located or what it is used for. A single rate in the dollar will apply to all land use code, with the rate in the dollar for 2026-2027 being 0.177214.

This approach is designed to decrease debate that previously occurred when applying different differential rates for various land use codes.

RATE CAPPING REBATE

Council considers it appropriate to grant a rate capping rebate to 'smooth' the impact of rating increases payable as a result of Council's change to the basis of rating.

In accordance with section 166 (1)(l)(i) of the Act, Council will provide rate capping to limit the increase in rates payable by an individual property to 12%, when compared to general rates payable in the prior financial year. Council, through its Rating Policy, does apply some exclusions to rate capping where:

- The rate increase is due to capital improvements to the land.
- A property is granted a 100% rate rebate.
- A boundary realignment, subdivision, amalgamation or rezoning of the land has occurred.
- A change of ownership has occurred where the legal title to the land has been transferred through a transaction involving monetary consideration. Transfers that occur without payment, including those arising from wills, gifts, inheritance or other non-monetary arrangements, do not qualify as a change of ownership for the purposes of this clause.

Where a ratepayer is eligible to benefit from the application of rate capping, Council's policy is to reflect the rate cap on the rates notice when it is issued.

It is important to note that a rate cap is applied as a percentage increase and does not limit the quantum of revenue generated or result in less overall revenue. The application of rate capping essentially re-distributes the rates payable from some ratepayers to other ratepayers.

Uniform Presentation of Expected Rate Revenue

The following information has been provided as required under Local Government (Financial Management) Regulations 2011 (the Regulations), Regulation 6 as a result of Local Government Reform changes.

EXPECTED RATES REVENUE					
	2025-2026 (ACTUAL)	2026-2027 (AS ADOPTED)		CHANGE	COMMENTS
General Rates Revenue					
General Rates (existing properties)	$5,855,846	$6,290,028	*(a)*		For 26-27 Council will increase general rate income by 6.86%
General Rates (new properties)	$59,605	$31,234	*(b)*		
General Rates (GROSS)	**$5,915,451**	**$6,321,262**	*(c)*		
Less: Mandatory Rebates	($25,353)	($27,787)	*(d)*		
General Rates (NET)	**$5,890,098**	**$6,293,475**	*(e)*	**6.86%**	
	(e)=(c)+(d)				
Service and Other Charges					
Regional Landscape Levy	$298,443	$304,414	*(f)*	The Regional Landscape Levy is a State tax, it is **not retained** by council.	
Mobile Garbage Bin	$523,709	$538,281	*(g)*	Service provided on cost recovery basis.	
CWMS	$682,514	$626,064	*(h)*	Service provided on cost recovery	
Less Discretionary Rebates	$15,619	$17,137	*(i)*		
Expected Total Rates Revenue	**$7,080,702**	**7,440,683**	*(j)*	**5.08%**	Excluding the Regional Landscape Levy and minus Mandatory & Discretionary Rebates

ESTIMATED GROWTH IN NUMBER OF RATEABLE PROPERTIES

Number of rateable properties	**2,681**	**2,696**	*(k)*	**0.56%**
	Actual	*Estimate*		

'Growth' is defined in the regulations as where new properties have been created which has added rateable properties to council's ratepayer base. Growth can also increase the need and expenditure related to infrastructure, services and programs which support these properties and

ESTIMATED AVERAGE GENERAL RATES PER RATEABLE PROPERTY

Average per rateable property	**$2,205**	**$2,345**	*(l)*	**6.3%**

Councils use property valuations to calculate each rateable property's contribution to the required rate revenue total. Councils do not automatically receive more money because property values increase but this may alter how rates are apportioned (or divided) across each ratepayer (ie. some people may pay more or less rates, this is dependent on the change in value of their property relative to the overall valuation changes across the council area).

The total General Rates paid by all rateable properties will equal the amount adopted in the budget.

NOTES

(d) Councils are **required** under the Local Government Act to provide a rebate to qualifying properties under a number of categories:

Health Services - 100 per cent
Community Services - 75 per cent
Religious purposes - 100 per cent
Public Cemeteries - 100 per cent
Royal Zoological Society of SA - 100 per cent
Educational purposes - 75 per cent

The rates which are foregone via Mandatory Rebates are redistributed across the ratepayer base (ie. all other ratepayers are subsidising the rates contribution for those properties who receive the rebate).

(e) Presented as required by the *Local Government (Financial Management) Regulations 2011 reg 6(1)(ea)*

Please Note: The percentage figure in *(e) relates to the change in the total amount of General Rates revenue to be collected from all rateable properties, not from individual rateable properties (ie. individual rates will not necessarily change by this figure).*

(f) Councils are required under the *Landscape South Australia Act 2019 to collect the levy on all rateable properties on behalf of the State Government. The levy helps to fund the operations of regional landscape boards who have responsibility for the management of the State's natural resources.*

(h) Community Wastewater Management Systems

(i) A council **may** grant a rebate of rates or service charges in a number of circumstances. The rates which are foregone via Discretionary Rebates are redistributed across the ratepayer base (ie. all other

(j) Expected Total Rates Revenue excludes other charges such as penalties for late payment and legal and other costs recovered.

(k) 'Growth' as defined in the *Local Government (Financial Management) Regulations 2011 reg 6(2)*

EXPECTED RATES REVENUE

	TOTAL EXPECTED REVENUE			NO. OF RATEABLE PROPERTIES		AVERAGE PER RATEABLE PROPERTY				CENTS IN THE $
	2025-26	2026-27	Change	2025-26	2026-27	2025-26	2026-27		Change	2026-27
Land Use (General Rates - GROSS)										
Residential	$1,833,727	$2,096,663	14%	1426	1434	$1,286	$1,462	(m)	$176	0.177214
Commercial -	$119,570	$127,390	7%	74	71	$1,616	$1,794	(m)	$178	0.177214
Industry -	$23,766	$30,323	28%	28	30	$849	$1,011	(m)	$162	0.177214
Primary Production	$3,547,734	$3,619,676	3%	662	669	$5,355	$5,411	(m)	$56	0.177214
Vacant Land	$363,280	$420,056	16%	451	452	$806	$929	(m)	$124	0.177214
Other	$22,685	$22,437	-1%	19	19	$1,194	$1,181	(m)	-$13	0.177214
Marina Berth	$4,690	$4,717	1%	21	21	$223	$225	(m)	$1	0.177214
Total Land Use	$5,915,451	$6,321,262	6.86%	2,681	2,696	$2,206	$2,345	(m)	$138	

* Average percentage change is inclusive of properties excluded from rate capping provisions which results in the average increase being above the capping limit of 12 %

FIXED CHARGE

	Total Expected Revenue		Rate			
	2025-26	2026-27	2025-26	2026-27		Change
Fixed Charge	$1,938,380	$2,058,787	$905	$962.50	(n)	$57.50

2025-2026 is the first year a fixed charge will be implemented, therefore no comparative data is available.

ADOPTED VALUATION METHOD

Capital Value/Site Value/Annual Value

Council has the option of adopting one of two valuation methodologies to assess the properties in its area for rating purposes:

1. **Capital Value –** the value of the land and all improvements on the land;
2. **Annual Value –** a valuation of the rental potential of the property.

Council continues to use Capital Value as the basis for valuing land in the Council area.

NOTES

(m) Average per rateable property calculated as General Rates for category, including any fixed charge or minimum rate (if applicable) but excluding any separate rates, *divided by number of rateable properties within that category in the relevant financial year.*

(n) Where two or more adjoining properties have the same owner and are occupied by the same occupier, only one minimum rate is payable by the ratepayer.



Overview of Service Charges

COMMUNITY WASTEWATER MANAGEMENT SYSTEM SERVICE CHARGE

Regulatory Context

Council owns and operates a Community Wastewater Management System (CWMS), servicing the township of Kingston, for the collection, treatment and disposal of wastewater.

To fund the provision of this service Council imposes an annual service charge to recover the cost of establishing, operating, maintaining, improving and replacing CWMS infrastructure.

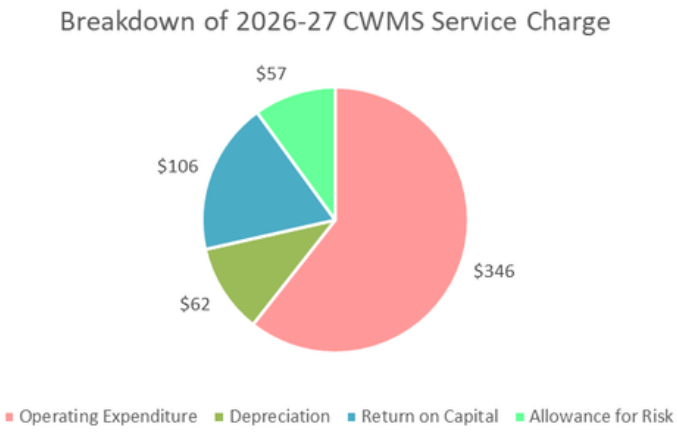
CWMS schemes are subject to a regulatory regime overseen by the Essential Services Commission of South Australia (ESCOSA). ESCOSA through its Price Determination, requires Council to adopt a number of the National Water Initiative Pricing Principles (Pricing Principles) when setting Service Charges for its CWMS network. The Pricing Principles encourage Councils to achieve full cost recovery. This means setting prices to reflect operations and maintenance costs, depreciation, cost of capital and an allowance for risk.

Setting the CWMS Service Charge in 2026-2027

Council engaged an independent consultant for the purposes of reviewing and setting the 2026-2027 Service Charge. As a result of this review, in 2026-2027 the service charge for CWMS customers will decrease from $624 to $571 for each occupied property unit. The service charge for unoccupied property will also decrease $253 to $225 for each unoccupied property unit.

2026-2027 Service Charge

The recovery of operating expenditure represents $346 of the Service Charge. Operating expenses include the direct costs of managing the CWMS including payments to maintenance staff and contractors. It also includes an overhead allocation charge to recognise the indirect costs of Council supporting the CWMS service including billing, collections, customer service costs and management.



The recovery of depreciation represents $62 of the Service Charge. Depreciation is a charge which relates to the consumption of the CWMS asset over its useful life. Over time, Council will use the money collected through this component of the Service Charge to implement a program to renew the CWMS assets when they reach end of life, consistent with Infrastructure and Asset Management Plans.

The return on capital represents $106 of the Service Charge and provides a financial return to Council (and general rate payers) for the historic financial investment Council has made towards funding construction of the CWMS network. The allowance of risk represents $57 of the Service Charge, which is a provision to cover unexpected costs of responding to issues or impacts not covered within existing expense budgets.

MOBILE GARBAGE BIN SERVICE CHARGE

To meet the costs associated with the collection and disposal of domestic and other garbage, Council has a Mobile Garbage Bin (MGB) Service Charge on all properties who have this service available to them.

The Mobile Garbage Bin Service Charge levied by Council will see a moderate increase from $284.30 to $291.12 for each service, which consists of a 240 litre fortnightly recycling bin and 140 litre weekly garbage bin service provided to the property.

REGIONAL LANDSCAPE LEVY

Kingston District Council is in the Limestone Coast Regional Landscape Board area and is required under the Landscape South Australia Act 2019 to collect the Landscape Levy. In 2026-2027, the Regional Landscape Levy will continue to be based on 'local government land use'. The total amount of $304,414 to be collected has been provided to Council. It is important to note that Council does not retain this revenue or determine how the revenue is spent.

Local Government Land Use Categories	Landscape Levy Per Rateable Property	
	2025-2026	2026-2027
Residential, Vacant & Other	$95.50	$97.00
Commercial	$143.00	$158.47
Industrial	$228.00	$225.22
Primary Production	$412.50	$403.61

Assistance Available

OBJECTION TO CAPITAL VALUATION

If a property owner is dissatisfied with a property valuation, an objection may be made to the Valuer General in writing, within 60 days of receiving notice of valuation (2026-2027 rates notice received in July 2026), explaining the basis for the objection.

SINGLE FARM ENTERPRISE

Primary producers are able to apply to be considered as a 'Single Farm Enterprise' for the purposes of the Landscape Levy and application of the fixed charge, in accordance with Section 152 of the Local Government Act 1999.

Application forms can be obtained from the Council office or Council's website. Council will inform the community of this provision on an annual basis. Applications must be received by 30 April to be applicable for the following financial year. This does not prevent Council from considering applications at any other time on its merits.

DISCRETIONARY AND MANDATORY REBATES

Council considers discretionary rebates of up to 100% of Council general rates to not-for-profit, sporting and community organisations upon application and in accordance with legislation and Council's Rate Rebate Policy. Applications must be made on an annual basis on the prescribed form by 30 April each year. Council provides these rebates in recognition and support of local groups and the positive social and community benefits they provide.

Additionally, Council applies mandatory rebates as required by legislation. For further information, please refer to the 'Rate Rebate Policy', which is available at the Council office or on Council's website via the following link www.kingstondc.sa.gov.au/our-council/governance/council-policies.

POSTPONEMENT OF RATES FOR SENIORS

As prescribed by the Local Government Act 1999, state seniors card holders can apply to Council for the postponement of payment of rates on their principal place of residence. If a postponement of the payment of rates occurs, interest will accrue on the amount affected by the postponement and a minimum contribution is still required. 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. For further discussion on postponement of rates, please contact the Council office.

ARRANGEMENT FOR FINANCIAL DIFFICULTY AND HARDSHIP

Council has adopted a 'Rates Hardship Policy' which provides information to ratepayers who may be experiencing difficulty in paying their rates as a result of financial hardship. Ratepayers who may be experiencing financial difficulty are encouraged to contact the Council office for a confidential discussion on what arrangements can be put in place to assist through difficult circumstances.

COST OF LIVING CONCESSIONS

The State Government provides a "cost of living concession" that is paid directly to pensioners and concession card holders, which replaced the previous pensioner concession amount which was deducted from rates. The payment is administered by State agencies who determine the eligibility of applicants. Please find further information via the following link https://www.sa.gov.au/topics/care-and-support/concessions/household-concessions/cost-of-living-concessions.

SOUTH AUSTRALIAN GOVERNMENT'S RURAL SUPPORT GRANTS

The South Australian Government's Rural Support Grants, administered by the Rural Business Support Relief Fund, provides up to $1,500 in financial assistance to eligible SA primary producers and rural small business owners experiencing significant financial hardship.

In conjunction with financial counselling through Rural Business Support (RBS), the grant helps cover essential costs such as utilities, council rates, groceries, medical bills, or other items identified by the financial counsellor and the individual as part of their recovery planning. Priority is given to those impacted by drought, market disruptions (such as in the wine grape industry), biosecurity incursions, and family-run rural small businesses concerned about their financial future.

Payments are made directly to suppliers upon invoice, with one grant available per family enterprise.

Farming families and rural small and family business owners can start their Financial Counselling journey by contacting Rural Business Support on 1800 836 211 or by emailing: enquiries@ruralbusinesssupport.org.au.



Image credit: Yiew Lee Siew

Appendix 1

2026-2027 Annual Budget and Financial Statements



Image credit: South Australian Tourism Commission

STATEMENT OF COMPREHENSIVE INCOME

Draft Budget 2026/27

$'000	Current Forecast 2025/26	Budget 2026/27
Income		
Investment Income	337	275
Grants, Subsidies and Contributions - Operating	3,975	2,365
Grants, Subsidies and Contributions -Capital	537	-
Other Income	32	10
Rates General & Other	7,381	7,751
Reimbursements	171	82
Statutory Charges	127	125
User Charges	234	255
Total Income	**12,794**	**10,863**
Expenses		
Depreciation, Amortisation & Impairment	3,757	4,148
Employee Costs	2,705	3,064
Finance Costs	45	45
Materials, Contracts & Other Expenses	7,292	6,521
Total Expenses	**13,799**	**13,778**
OPERATING SURPLUS/(DEFICIT)	**(1,005)**	**(2,915)**
Asset Disposal & Fair Value Adjustments		0
Amounts Received Specifically for New or Upgraded Assets	174	18,500
Physical Resources Receveid Free of Charge		
NET SURPLUS/(DEFICIT)	**(831)**	**15,585**
Other Comprehensive Income		
Changes in Revaluation Surplus	1,060	1,270
TOTAL COMPREHENSIVE INCOME	**229**	**16,855**

UNIFORM PRESENTATION OF FINANCES

Budget 2026/27

$'000	Current Forecast 2025/26	Budget 2026/27
Income		
Investment Income	337	275
Grants, Subsidies and Contributions - Operating	3,975	2,365
Grants, Subsidies and Contributions -Capital	537	-
Other Income	32	10
Rates General & Other	7,381	7,751
Reimbursements	171	82
Statutory Charges	127	125
User Charges	234	255
Total Income	**12,794**	**10,863**
Expenses		
Depreciation, Amortisation & Impairment	3,757	4,148
Employee Costs	2,705	3,064
Finance Costs	45	45
Materials, Contracts & Other Expenses	7,292	6,521
Total Expenses	**13,799**	**13,778**
OPERATING SURPLUS/(DEFICIT)	**(1,005)**	**(2,915)**
Less: Grants Subsidies and Contributions - Capital	(537)	-
Adjusted Operating Surplus /(Deficit)	**(1,542)**	**(2,915)**
Net Outlays on Existing Assets		
Capital Expenditure on Renewal/Replacement	(2,312)	(883)
Add back Depreciation, Amortisation and Impairment	3,757	4,148
Add back Grants Subsidies and Contributions - Capital	537	-
Add back Proceeds from Sale of Replaced Assets	85	119
Total Net Outlays on Existing Assets	**2,067**	**3,384**
Net Outlays on New and Upgraded Assets		
Capital Expenditure on New/Upgraded Assets	(703)	(25,110)
Add back Amounts received for New/Upgraded Assets	252	18,254
Add back Proceeds from Sale of Surplus Assets	36	
Total Net Outlays on New/Upgraded Assets	**(415)**	**(6,856)**
Annual Net Impact to Financing Activities (surplus/deficit)	**110**	**(6,387)**

STATEMENT OF FINANCIAL POSITION

Budget 2026/27

$'000	Current Forecast 2025/26	Budget 2026/27
ASSETS		
Current Assets		
Cash and Cash Equivalents	9,398	3,339
Trade & Other Receivables	880	658
Inventories	182	163
Total Current Assets	**10,460**	**4,160**
Non-Current Assets		
Financial Assets	3	-
Infrastructure, Property, Plant & Equipment	145,164	168,161
Total Non-Current Assets	**145,167**	**168,161**
TOTAL ASSETS	**155,627**	**172,321**
LIABILITIES		
Current Liabilities		
Trade & Other Payables	2,291	2,166
Borrowings	36	38
Provisions	402	402
Total Current Liabilities	**2,729**	**2,606**
Non-Current Liabilities		
Borrowings	516	478
Provisions	178	178
Total Non-current Liabilities	**694**	**656**
TOTAL LIABILITIES	**3,423**	**3,262**
NET ASSETS	**152,204**	**169,059**
EQUITY		
Accumulated Surplus	27,857	43,442
Asset Revaluation Reserve	124,341	125,611
Other Reserves	6	6
TOTAL COUNCIL EQUITY	**152,204**	**169,059**

STATEMENT OF CASH FLOWS

Budget 2026/27

$'000	Current Forecast 2025/26	Budget 2026/27
Cash Flows from Operating Activities		
Receipts		
Rates Receipts	7,089	7,767
Statutory Charges	134	125
User Charges	301	254
Grants, Subsides and Contributions (operating purpose)	4,031	2,387
Investment Receipts	353	276
Reimbursements	170	86
Other Receipts	35	11
Payments		
Payments to Employees	(2,713)	(3,055)
Payments for Materials, Contracts & Other Expenses	(6,929)	(6,644)
Finance Payments	(46)	(45)
Net (increase)/decrease in inventories	2,425	1,162
Net Cash provided by (or used in) Operating Activities	**2,425**	**1,162**
Cash Flows from Investing Activities		
Receipts		
Amounts Received Specifically for New/Upgraded Assets	252	18,254
Grants utliised for capital purposes	534	7
Sale of Replaced Assets	85	119
Sale of Surplus Assets	36	-
Repayments of Loans by Community Groups	428	428
Payments		
Expenditure on Renewal/Replacement of Assets	(2,312)	(883)
Expenditure on New/Upgraded Assets	(703)	(25,110)
Loans Made to Community Groups		
Net Cash provided by (or used in) Investing Activities	**(1,680)**	**(7,185)**
Cash Flows from Financing Activities		
Receipts		
Proceeds from Borrowings		0
Payments		
Repayments of Borrowings	(35)	(36)
Repyament of CAD		
Net Cash provided by (or used in) Financing Activities	**(35)**	**(36)**
Net Increase (Decrease) in Cash Held	**710**	**(6,059)**
Plus Cash & Cash Equivalents at beginning of period	8,688	9,398
Cash & Cash Equivalents at end of period	**9,398**	**3,339**

STATEMENT OF CHANGES IN EQUITY

Budget 2026/27

$'000	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves	Total Equity
2026/27				
Opening Balance	**27,857**	**124,341**	**6**	**152,204**
Net Surplus / (Deficit) for Year	**15,585**			**15,585**
Gain Loss on revaluation		1,270		1,270
Balance at the end of period	**43,442**	**125,611**	**6**	**169,059**
2025/26				
Opening Balance	**28,688**	**123,281**	**6**	**151,975**
Net Surplus / (Deficit) for Year	**(831)**			**(831)**
Gain Loss on revaluation		1,060		1,060
Transfers between Reserves				
Balance at the end of period	**27,857**	**124,341**	**6**	**152,204**

Appendix 2

Key Financial Indicators and Uniform Presentation of Finances



Image credit: Kristy-Ann Thompson

ESTIMATED KEY FINANCIAL INDICATORS 2026-2036

	Target range in any one year	2025-26 Forecast	2026-27 Budget	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36
Operating Surplus Ratio	-10% - 10%	-7.86%	-26.83%	-22.33%	-17.56%	-14.96%	-13.52%	-9.17%	-4.92%	-1.22%	1.36%	9.68%
Net financial Liability Ratio	Maximum 100%	-53.60%	-6.77%	-9.76%	-12.86%	-11.88%	-16.57%	-30.44%	-39.91%	-58.72%	-77.91%	-102.67%
Asset Renewal Funding Ratio	90% - 110%	120.30%	47.39%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Kingston District Council
10 Year Financial Plan for the Years ending 30 June 2036
UNIFORM PRESENTATION OF FINANCES - GENERAL FUND
Scenario: 6.86% (rolled over from last year's 24/25 LTFP V16) V1

	Actuals 2024/25 $	Current Year 2025/26 $	Projected Years 2026/27 $	2027/28 $	2028/29 $	2029/30 $	2030/31 $	2031/32 $	2032/33 $	2033/34 $	2034/35 $	2035/36 $
Income												
Rates	7,004,000	7,380,698	7,750,269	8,201,960	8,656,872	9,138,570	9,648,678	10,188,916	10,761,113	11,367,208	12,009,259	12,689,453
Statutory Charges	135,000	126,907	125,431	129,069	132,425	135,868	139,400	143,025	146,743	150,559	154,473	158,489
User Charges	814,000	233,599	255,336	262,740	269,572	276,580	283,772	291,150	298,719	306,486	314,455	322,631
Grants, Subsidies and Contributions - operating	1,648,000	3,975,153	2,365,186	1,095,490	1,111,215	1,127,348	1,143,901	1,160,884	1,178,309	1,196,186	1,214,529	1,233,348
Grants, Subsidies and Contributions - capital	68,000	536,685	-	-	-	-	-	-	-	-	-	-
Investment Income	348,000	337,061	275,067	193,721	432,979	427,324	426,713	463,938	511,798	582,347	694,908	831,964
Reimbursements	57,000	171,440	82,297	84,684	86,886	89,145	91,462	93,840	96,280	98,784	101,352	103,987
Other Income	41,000	32,482	10,095	10,388	10,658	10,935	11,219	11,511	11,810	12,118	12,433	12,756
Net gain - equity accounted Council businesses	-	-	-	-	-	-	-	-	-	-	-	-
Total Income	**10,115,000**	**12,794,025**	**10,863,681**	**9,978,053**	**10,700,606**	**11,205,771**	**11,745,146**	**12,353,264**	**13,004,774**	**13,713,687**	**14,501,409**	**15,352,629**
Expenses												
Employee Costs	2,677,000	2,705,383	3,064,237	3,156,164	3,235,068	3,315,945	3,398,843	3,483,815	3,570,910	3,660,184	3,751,689	3,845,481
Materials, Contracts & Other Expenses	4,250,000	7,292,000	6,521,601	4,521,135	4,518,464	4,659,957	4,939,416	4,925,148	4,914,121	4,981,626	5,229,068	4,612,434
Depreciation, Amortisation & Impairment	2,988,000	3,756,827	4,148,342	4,273,791	4,384,909	4,498,917	4,622,163	4,742,339	4,865,640	4,992,147	5,121,942	5,255,113
Finance Costs	56,000	45,565	44,663	255,431	441,183	407,892	372,436	334,673	294,509	247,545	201,791	153,062
Net loss - Equity Accounted Council Businesses	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses	**9,971,000**	**13,799,775**	**13,778,843**	**12,206,520**	**12,579,625**	**12,882,711**	**13,332,859**	**13,485,975**	**13,645,180**	**13,881,501**	**14,304,491**	**13,866,090**
Operating Surplus / (Deficit)	**144,000**	**(1,005,750)**	**(2,915,162)**	**(2,228,467)**	**(1,879,019)**	**(1,676,940)**	**(1,587,713)**	**(1,132,710)**	**(640,406)**	**(167,814)**	**196,919**	**1,486,538**
Timing adjustment for grant revenue	-	-	-	-	-	-	-	-	-	-	-	-
Less: Grants, subsidies and contributions – Capital	(68,000)	(536,685)	-	-	-	-	-	-	-	-	-	-
Adjusted Operating Surplus / (Deficit)	**76,000**	**(1,542,435)**	**(2,915,162)**	**(2,228,467)**	**(1,879,019)**	**(1,676,940)**	**(1,587,713)**	**(1,132,710)**	**(640,406)**	**(167,814)**	**196,919**	**1,486,538**
Net Outlays on Existing Assets												
Capital Expenditure on Renewal and Replacement of Existing Assets	(1,214,000)	(2,312,318)	(883,492)	(1,827,497)	(2,264,583)	(2,971,690)	(2,135,074)	(1,830,052)	(3,287,091)	(2,103,071)	(2,205,709)	(2,428,936)
Finance Lease payments for Right of Use Assets	-	-	-	-	-	-	-	-	-	-	-	-
add back Depreciation, Amortisation and Impairment	2,988,000	3,756,827	4,148,342	4,273,791	4,384,909	4,498,917	4,622,163	4,742,339	4,865,640	4,992,147	5,121,942	5,255,113
add back Grants, subsidies and contributions – Capital Renewal	-	536,685	-	-	-	-	-	-	-	-	-	-
add back Proceeds from Sale of Replaced Assets	143,000	85,454	119,000	382,000	160,347	108,429	224,619	34,775	491,647	142,363	137,717	137,717
Total Net Outlays on Existing Assets	**1,917,000**	**2,066,648**	**3,383,850**	**2,828,294**	**2,280,673**	**1,635,656**	**2,711,708**	**2,947,062**	**2,070,196**	**3,031,439**	**3,053,950**	**2,963,894**
Net Outlays on New and Upgraded Assets												
Capital Expenditure on New and Upgraded Assets (Including Investment Property & Real Estate Developments)	(3,517,000)	(703,988)	(25,110,000)	(411,731)	-	-	(501,883)	-	-	-	-	-
Finance lease payments for Right of Use Assets	-	-	-	-	-	-	-	-	-	-	-	-
add back Grants, subsidies and contributions – Capital New/Upgraded	68,000	-	-	-	-	-	-	-	-	-	-	-
add back Amounts Received Specifically for New and Upgraded Assets	1,203,000	252,403	18,254,072	248,272	-	-	-	-	-	-	-	-
add back Proceeds from Sale of Surplus Assets (Including Investment Property, Real Estate Developments & non-current assets held for sale)	791,000	36,069	-	-	-	-	-	-	-	-	-	-
Total Net Outlays on New and Upgraded Assets	**(1,455,000)**	**(415,516)**	**(6,855,928)**	**(163,459)**	**-**	**-**	**(501,883)**	**-**	**-**	**-**	**-**	**-**
Annual Net Impact to Financing Activities (surplus / (deficit))	**538,000**	**108,697**	**(6,387,240)**	**436,367**	**401,654**	**(41,284)**	**622,112**	**1,814,352**	**1,429,790**	**2,863,625**	**3,250,869**	**4,450,432**

Appendix 3

ESCOSA Recommendations



Image credit: Yiew Lee Siew

ESCOSA Recommendations & Council Response

Recommendation & Response	Implementation Timeline			
	2023-24	2024-25	2025-26	2026-27
Recommendation 1: Consider updating the LTFP from 2023/24 to include projections for: The statement of income in full, and A breakdown of proposed aggregated capital expenditure (including asset renewal expenditure) on different categories of infrastructure.				
Council's LTFP currently meets legislative requirements. Council will include a statement of income in full in future LTFP's. A breakdown of aggregated capital expenditure is included in Council's IAMP.	☺			
Recommendation 2: Consider better coordination of annual updates to LTFP projections with annual business plan and budget preparation to provide more transparency to the community about changes to forward projections, including rate projections, and the longer-term impacts of its short-term decisions.				
Recommendation noted. Future review of LTFP will be undertaken in conjunction with adoption of ABP.	☺			
Recommendation 3: Ensure that it's LTFP identifies whether it is in nominal or real terms and includes reasonable assumptions of annual inflation and other relevant inputs for its cost and revenue estimates, reflecting an annual review of these assumptions.				
Recommendation noted. Future LTFP's will include nominal terms and reasonable assumptions.	☺			
Recommendation 4: Focus on constraining cost growth more generally in its annual and projected budgeting, including related to employee and other contract related costs.				
Continue to consider and adjust human resource levels in response to adopted service level requirements, taking into account industrial agreements. Continue to responsibly manage cost growth for maintaining service levels and meeting community expectations while minimising the financial impact to ratepayers. There are no changes to employee levels for the life of the current LTFP.	✓	✓	✓	✓
Recommendation 5: Report its actual and projected cost savings in its annual budget, to provide evidence of constraining cost growth and achieving efficiency across its operations and service delivery.				
Continue to report on the progress of actual savings achieved in the Quarterly Performance Reports, along with report to Audit and Risk Committee titled Identified efficiencies and cost savings..	✓	☺		
Recommendation 6: Review the estimates of asset lives and valuations feeding into the forecast rate of asset consumption in its LTFP and IAMP				

LEGEND: ☺ **= Complete** ✓ **=Planned/ In Progress**

Continue 5 yearly revaluations of all asset classes and update LTFP and IAMP accordingly. Annual report provided to Audit and Risk Committee on status of Asset Revaluations.	✓	☺		
Recommendation 7: Adhere to the principals underpinning its LTFP projections to provide more funding to the renewal of its assets, rather than prioritizing initiatives which involve new or upgraded infrastructure.				
Continue quarterly review of all financial ratios to monitor target ranges as set out in the Financial Sustainability Targets and Ratios Policy. Annual review of Financial Targets and Ratios Policy in conjunction with review of LTFP. Consider impact of all new projects during Annual Business Plan deliberations.	✓	☺		
Recommendation 8: Monitor community priorities regarding desired service levels for different assets and include community engagement outcomes in its IAMP, as appropriate.				
Continue to consider community feedback from annual IAMP community engagement and include relevant comments in IAMP.	✓	☺		
Recommendation 9: Ensure that the next review of its IAMP caters for future Community Wastewater Management System infrastructure requirements.				
Recommendation noted. Waiting on costing for future expansion of CWMS. Once known, and if the project proceeds, future CWMS infrastructure requirements will be included in IAMP. CWMS IAMP updated in 2025/26, project costings for CWMS expansion still unknown.	✓	✓	✓	✓
Recommendation 10: Review and consider future increases above inflation on its rate levels, including for its more vulnerable members of the community, to help reduce affordability risk.				
Continue to responsibly manage cost growth for maintaining service levels and meeting community expectations while minimising the financial impact to ratepayers.	✓	✓	✓	✓
Recommendation 11: Focus on constraining cost growth to reduce the pressure on all rate levels, including consideration of the community's desired service levels, and proposed new capital expenditure and associated costs.				
Continue to responsibly manage cost growth for maintaining service levels and meeting community expectations while minimising the financial impact to ratepayers.	✓	✓	✓	✓

LEGEND: ☺ = Complete ✓ =Planned/ In Progress



Local Government Advice

Kingston District Council

February 2023

Enquiries concerning this advice should be addressed to:

Essential Services Commission
GPO Box 2605
Adelaide SA 5001

Telephone: (08) 8463 4444
Freecall: 1800 633 592 (SA and mobiles only)
E-mail: advice@escosa.sa.gov.au
Web: www.escosa.sa.gov.au

The Essential Services Commission is an independent statutory authority with functions in a range of essential services including water, sewerage, electricity, gas, rail and maritime services, and also has a general advisory function on economic matters. For more information, please visit www.escosa.sa.gov.au.

Table of contents

Glossary of terms ii
1 The Commission's key advice findings for the Kingston District Council 3
2 About the advice 5
2.1 Summary of advice 5
2.2 Detailed advice findings 8
2.2.1 Advice on material plan amendments in 2022-23 8
2.2.2 Advice on financial sustainability 9
2.2.3 Advice on current and projected rate levels 12
2.3 The Commission's next advice and focus areas 14

Glossary of terms

ABS	Australian Bureau of Statistics
AMP	Asset Management Plan (also called an IAMP)
Commission	Essential Services Commission, established under the *Essential Services Commission Act 2002*
CPI	Consumer Price Index (Adelaide, All Groups)
Council	Kingston District Council
ESC Act	*Essential Services Commission Act 2002*
F&A	Local Government Advice: Framework and Approach — Final Report
FTE	Full Time Equivalent
IAMP	Infrastructure and Asset Management Plan (also called an AMP)
LG Act	*Local Government Act 1999*
LGA SA Financial Indicators Paper	Local Government Association of South Australia, Financial Sustainability Information Paper 9 - Financial Indicators Revised May 2019
LGGC	Local Government Grants Commission
LGPI	Local Government Price Index (published by SACES)
LTFP	Long Term Financial Plan
Regulations	*Local Government (Financial Management) Regulations 2011*
RBA	Reserve Bank of Australia
SACES	The South Australian Centre for Economic Studies
SEIFA	Socio-Economic Indexes for Areas
SMP	Strategic Management Plan
SG	Superannuation Guarantee
The scheme or advice	Local Government Advice Scheme or Advice

1 The Commission's key advice findings for the Kingston District Council

The Essential Services Commission (Commission) finds the Kingston District Council's (Council's) current financial position at risk of being unsustainable based on a history of high-cost growth and forecast operating deficits. However, the Council is projecting more spending constraint and cost efficiency to move into a more sustainable position over time. The Council's eventual projected operating surplus results from forecast rates growth exceeding forecast cost growth, but there remain risks to its projections.

Acknowledging this outlook, the Commission considers that it would be appropriate for the Council to undertake the following steps to ensure that it budgets prudently and transparently, manages its cost base efficiently, plans its asset needs appropriately, renews its asset base to meet sustainable service levels, engages with its community about desired service levels for its asset base, and ultimately, reduces the affordability risk for higher rates among its ratepayers:

Budgeting considerations

1. Consider updating the long-term financial plan from 2023-24 to include projections for:
   - the Statement of Income in full, and
   - a breakdown of proposed aggregated capital expenditure (including asset renewal expenditure) on different categories of infrastructure.
2. Consider better coordination of annual updates to long-term financial plan projections with annual business plan and budget preparation to provide more transparency to the community about changes to forward projections, including rate projections, and the longer-term impacts of its short-term decisions.
3. Ensure that its long-term financial plan identifies whether it is in nominal or real terms and includes reasonable assumptions of annual inflation and other relevant inputs for its cost and revenue estimates, reflecting an annual review of these assumptions.

Providing evidence of ongoing cost efficiencies

4. Focus on constraining cost growth more generally in its annual and projected budgeting, including related to employee and other contract-related costs.
5. Report its actual and projected cost savings in its annual budget, to provide evidence of constraining cost growth and achieving efficiency across its operations and service delivery.

Refinements to asset management planning

6. Review the estimates of asset lives and valuations feeding into the forecast rate of asset consumption in its long-term financial plan and asset management plan.
7. Adhere to the principles underpinning its long-term financial plan projections to provide more funding to the renewal of its assets, rather than prioritising initiatives which involve new or upgraded infrastructure.
8. Monitor community priorities regarding desired service levels for different assets and include community engagement outcomes in its infrastructure and asset management plan, as appropriate.

9. Ensure that the next review of its infrastructure and asset management plan caters for future community wastewater management system infrastructure requirements.

Containing rate levels

10. Review and consider limiting future increases above inflation on its rate levels, including for its more vulnerable members of the community, to help reduce affordability risk.

11. Focus on constraining cost growth to reduce the pressure on all rate levels (as per Finding 4), including consideration of the community's desired service levels (as per Finding 8), any proposed new capital expenditure and associated costs.

2 About the advice

The Essential Services Commission (Commission), South Australia's independent economic regulator and advisory body, has been given a role by the State Government to provide advice on material changes proposed by local councils in relation to elements of their strategic management plans (SMPs) and on the proposed revenue sources, including rates, which underpin those plans.[1]

One of the main purposes of the Local Government Advice Scheme (advice or the scheme) is to support councils to make 'financially sustainable' decisions relating to their annual business plans and budgets in the context of their long-term financial plans (LTFPs) and infrastructure and asset management plans (IAMPs)[2] — both required as part of a council's SMP.[3] Financial sustainability is considered to encompass intergenerational equity,[4] as well as program (service level) and rates stability in this context.[5] The other main purpose is for the Commission to consider ratepayer contributions in the context of revenue sources, outlined in the LTFP.[6] In addition, the Commission has discretion to provide advice on any other aspect of a council's LTFP or IAMP it considers appropriate, having regard to the circumstances of that council.[7]

The first cycle of the scheme extends over four years from 2022-23 to 2025-26, and the Commission has selected 15 councils for advice in the first scheme year (2022-23), including the Kingston District Council (Council).

This report provides the Local Government Advice for the Kingston District Council in 2022-23.

The Council is obliged under the *Local Government Act 1999* (LG Act) to publish this advice and its response, if applicable, in its 2023-24 Annual Business Plan (including any draft Annual Business Plan) and subsequent plans until the next cycle of the scheme.[8] It does not need to publish the attachment to the advice (these will be available with the advice on the Commission's website[9]), nor is it compelled under the LG Act to follow the advice. The Commission thanks the Kingston District Council for providing relevant information to assist the Commission in preparing this advice.

2.1 Summary of advice

In general, the Commission finds the Kingston District Council's current financial position at risk of being unsustainable with forecast operating deficits resulting from its revenue base, including rates revenue, being stretched to meet the extent of recent infrastructure and cost growth.

The Council's operating cost growth has been significant, particularly related to its employee expense growth (despite limited additional staffing numbers) but also related to its other contract-related expenses. The Council has also received higher levels of grant funding in recent years but, with only a

1 Amendments to the *Local Government Act 1999* (s122(1c) to (1k) and (9)) specify the responsibilities for the Commission and local councils for the Local Government Scheme Advice. The Commission must provide advice to each council in accordance with the matters outlined in s122(1e), (1f) and (1g).
2 Commonly referred to as asset management plans.
3 The objectives of the advice with reference to a council's LTFP and IAMPs are presented under LG Act, s122(1g). LG Act s122(1) specifies the requirements of a council's SMP, including the LTFP and IAMPs.
4 'Intergenerational equity' relates to fairly sharing services and the revenue generated to fund the services between current and future ratepayers.
5 Commission, *Framework and Approach — Final Report*, August 2022, pp. 2-3, available at www.escosa.sa.gov.au/advice/advice-to-local-government.
6 LG Act s122(1f)(a) and (1g)(a)(ii).
7 LG Act s122(1f)(b) and (1g)(b).
8 LG Act s122(1h).
9 The Commission must publish its advice under LG Act s122(1i)(a).

small rates base, persistent cost growth has put pressure on ratepayers to help achieve its sustainability.

Over the next 10 years, the Council has projected a shift from past trends and has forecast a period of service consolidation, incorporating below-inflation level cost growth, including for its employee expenses, and operational efficiencies in its dredging responsibilities. It is also demonstrating a cautious approach to new capital spending and is only including those initiatives in its financial projections for which it has secured grant or other funding to help deliver. Its forward projections otherwise prioritise asset spending towards renewal and rehabilitation works.

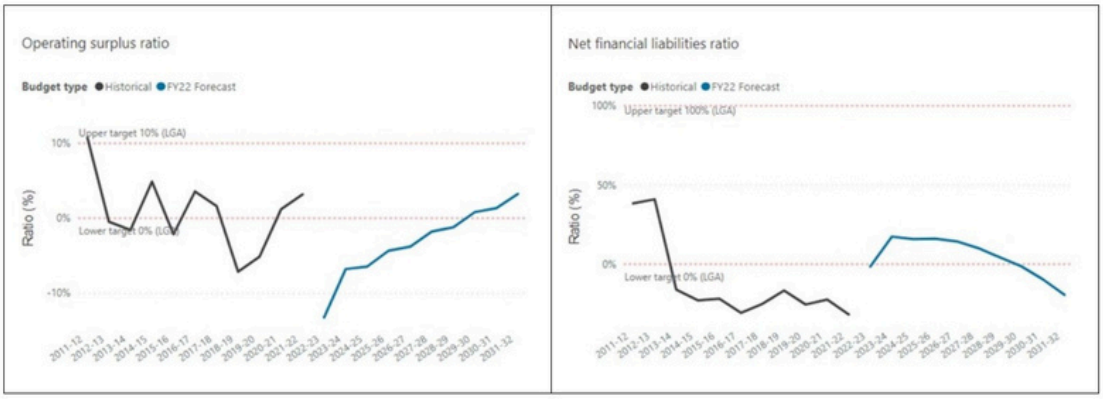
The Commission has some queries in relation to the Council's financial projections in its LTFP given the extent of the difference between estimates, including for rates, in its annual business plan for 2022-23, and the inflation forecasts that it has adopted. The Commission encourages the Council to reconsider the timing of when it adopts its LTFP to avoid these types of issues in the future.

The Commission further encourages the Council to:

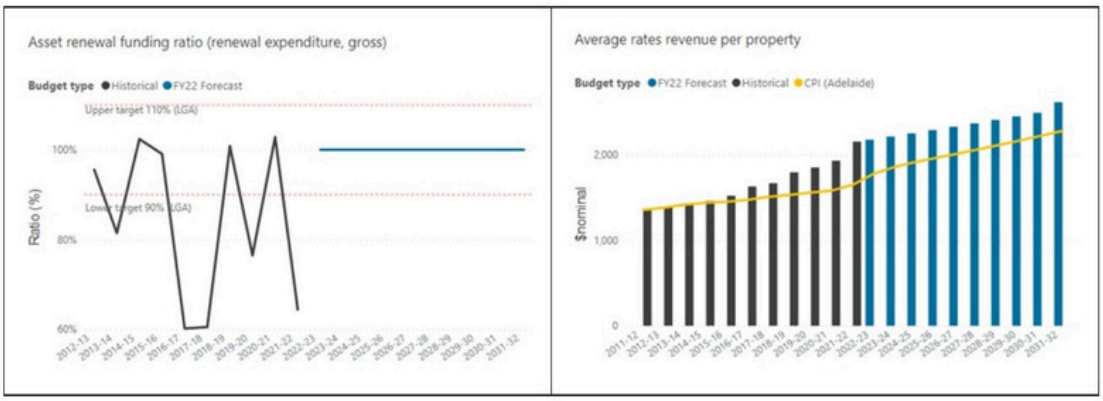
- engage its community about desired service levels for different assets and service priorities, with reference to costs and rate levels, as appropriate, and
- integrate these outcomes into its asset management and financial planning.

The charts below of the Council's past and projected operating surplus ratio, net financial liabilities ratio, asset renewal funding ratio, and average rate revenue per property, together support the Commission's findings.

The 'heat map' diagram over the page summarises the Commission's findings with reference to whether the Council has met the suggested Local Government Association (LGA) target ranges for the three main financial sustainability indicators[10] and the level of cost control and affordability risk identified for the Council over time.



[10] The suggested LGA target range for the ratios are discussed in more detail in the attachment.



Summary of the Kingston District Council's financial sustainability performance and the Commission's risk assessment

Financial sustainability indicators:	Last 10 years from 2011-12 (Actual performance)	2021-22 estimate	Next 10 years from 2022-23 (Council forecasts)	
Operating surplus ratio (target 0-10%)	Ratio generally met the target ——>		Forecast operating deficits with ratio target range not met ——>	Surpluses forecast from 2029-30 ——>
Net financial liabilities ratio (target 0-100%)	Target met first 2 years	Ratio below the target ——>	Ratio forecast to meet the target	Ratio forecast below target from 2029-30
Asset renewal funding ratio (target 90-110%)	Ratio marginally below the target on average		Ratio to meet target range in projections ——>	
Identified Risks:				
Cost control risk	Operating expenses per property average growth 5.0% p.a. to 2020-21 (CPI 1.7% p.a.) ——>		Operating expenses per property average growth projeced flat to 2031-32 (low Council inflation forecast 1.2% p.a.) ——>	
Affordability risk	Rate revenue per property average growth 4.0% p.a. to 2020-21 ——>		Rate revenue per property average growth projected 2.1% p.a. (with low inflation forecast) ——>	

Ratio outside suggested target range or higher risk

Ratio close to suggested target range or medium risk

Ratio within suggested target range or lower risk

The extent of rate increases historically by the Council presents an affordability risk which could be addressed:

- in part, by sharing the rate revenue requirement more equitably and charging larger increases on rates categories where the affordability risk is lower (based on lower comparative rate levels and the Council's own assessment)
- more comprehensively, through a greater focus by the Council on cost control and achieving tangible savings - this could then reduce the pressure on all rate levels.

2.2 Detailed advice findings

The next sections summarise the Commission's more detailed advice findings regarding the Council's material changes to its 2022-23 plans (compared with the previous year's plans), its financial sustainability (in the context of its long-term operating performance, net financial liabilities, and asset renewals expenditure) and its current and projected rate levels.

In providing this advice, the Commission has followed the approach it previously explained in the *Framework and Approach — Final Report* (F&A). The attachment explores these matters further.[11]

2.2.1 Advice on material plan amendments in 2022-23

The Commission has compared the Kingston District Council's projections in its 2022-23 LTFP with those from its 2021-22 LTFP and focused on the aggregate of the nine overlapping years' statistics: 2022-23 to 2030-31 to ensure a comparable analysis of material amendments.

The Council proposed relatively minor increases to its operating income and expenses (of 4 and 5 percent respectively) between its 2021-22 and 2022-23 LTFP estimates. These changes could be accounted for by some minor revisions to inflation, as well as other minor adjustments.

The Council does not publish its projections for its Income Statement, only for total income and expenses. While this meets its legislative requirements, it is not possible to determine the individual cost items such as employee expenses and rate revenue projections over time.

The Council has made other capital expenditure related amendments to its 2022-23 LTFP forward projections, compared with the 2021-22 LTFP forecasts,[12] including an increase of $6.8 million for estimated capital expenditure on renewal of assets (for revaluations) and a reduction of $1.3 million on new and upgraded asset expenditure (for lower grant funding and spending reallocations).[13]

However, the Council's LTFP does not provide a breakdown of its capital expenditure into specific asset classes (for example, buildings, roads, stormwater). To provide greater visibility to stakeholders on where the Council is spending its money, as well as trends in its expenditure, the Commission considers that it would be appropriate for the Council to:

1. Consider updating the long-term financial plan from 2023-24 to include projections for:
   - the Statement of Income in full, and
   - a breakdown of proposed aggregated capital expenditure (including asset renewal expenditure) on different categories of infrastructure.

The Kingston District Council adopted its annual business plan in June 2022, two months after it adopted its LTFP 2022-23 in April 2022. The Council proposed further material amendments to its 2022-23 estimates for the financial year, from those proposed in its LTFP (including a rates revenue increase of 8.9 percent, compared with 2.0 percent in its 2022-23 LTFP).[14]

While the outlook for inflation worsened from April to June 2022, the extent of the amendments to the budget for 2022-23, which is also the base year of the LTFP projections over 10 years, suggests that the financial projections published for its community and provided to the Commission to formulate the

[11] The attachment will be available on the Commission's website with the Advice.
[12] The overlapping forecast period in both LTFPs.
[13] As provided by the Council in the returned financial template.
[14] Applies to 'general rates and other' revenue as per the annual business plan. More specifically, general rates plus service charges (Mobile Garbage Bin charge, Regional Landscape Levy and community wastewater management system charge).

Council's advice from, may be inconsistent. For this reason, the Commission considers that it would be appropriate for the Council to:

2. Consider better coordination of annual updates to long-term financial plan projections with annual business plan and budget preparation to provide more transparency to the community about changes to forward projections, including rate projections, and the longer-term impacts of its short-term decisions.

The Council's 2022-23 LTFP is presented in nominal terms, however the Council has not published the inflation assumptions that underpin its LTFP. Further, while the 2022-23 and 2021-22 LTFPs both state that '*The content of the LTFP is based on real dollars values for all future years to make it easier to compare between years.*'[15] the Council has confirmed with Commission staff that the forecast financial items in the LTFPs are in nominal terms, not real terms.

The Council has informed the Commission that its inflation forecast in the 10 projected years is 1.2 percent per annum, but it adjusted its Consumer Price Index (CPI) forecast to 4.7 percent for 2022-23 in its annual business plan.[16] The Reserve Bank of Australia (RBA) currently forecasts the CPI (Australia-wide) to increase by 6.7 percent in the year to the June 2023 quarter, by 3.6 percent in the year to the June 2024 quarter and by 3.0 percent in the year to June 2025 quarter, with an anticipated return to long-run average from 2025-26 (with growth of 2.5 percent per annum).[17]

Notwithstanding the need for the Council to endeavour to find savings in real terms to reduce any inflationary impact on its community, it would be appropriate for it to:

3. Ensure that its long-term financial plan identifies whether it is in nominal or real terms and includes reasonable assumptions of annual inflation and other relevant inputs for its cost and revenue estimates, reflecting an annual review of these assumptions.

2.2.2 Advice on financial sustainability

Operating performance

For the past 10 years, the Council's operating surplus ratio[18] has displayed an underlying decreasing trend, from 11 percent in 2011-12 to 3 percent in 2021-22. It averaged a small surplus over the period, with the ratio averaging 0.6 percent. The Council's operating expense growth (which averaged 5.4 percent per annum) exceeded its operating income growth (which averaged 3.8 percent per annum), while both were substantially higher than CPI inflation growth (which averaged 1.7 percent per annum). Costs were driven largely by employee, contract-related and depreciation expenses, consistent with a period of service expansion, while rates growth led income growth.

---

15 District Council of Kingston District Council, *2022-32 Long Term Financial Plan 2022 - 2032*, April 2022, p. 7, available at https://www.kingstondc.sa.gov.au/__data/assets/pdf_file/0025/1139425/ADOPTED-Long-Term-Financial-Plan-2022-to-2032.pdf.

16 Kingston District Council, *Annual Business Plan 2022 - 2023*, June 2022, p. 7, available at https://www.kingstondc.sa.gov.au/__data/assets/pdf_file/0020/1170434/2022-23-Annual-Business-Plan-and-Budget-FINAL-ADOPTED.pdf.

17 RBA, Forecast Table - February 2023, available at https://www.rba.gov.au/publications/smp/2023/feb/forecasts.html.

18 The operating surplus ratio is defined as: Operating Surplus (Deficit) ÷ Total Operating Income. The general target is to achieve, on average over time, an operating surplus ratio of between zero and 10 percent (Local Government Association of South Australia, *Financial Sustainability Information Paper 9 - Financial Indicators Revised*, May 2019 (LGA SA Financial Indicators Paper, p. 6).

In the forward years, the Council is projecting a negative operating surplus ratio averaging negative 3 percent to 2031-32, with the ratio not forecast to be positive again until 2029-30. This is outside the suggested LGA target range for the ratio.

In the projected years in its LTFP, lower average operating income growth of 1.3 percent per annum and average expense growth of 0.6 percent per annum[19] are below the RBA-based average inflation forecast (2.8 percent).[20] This marks a shift from the Council's past operating performance when its employee expenses increased by 7.3 percent per annum (with net growth in staffing numbers from 18 to 19) and its 'materials, contracts and other' expenses increased by 4.9 percent per annum.[21]

Given the Council's inflation forecast is 1.2 percent per annum, it is effectively forecasting stable or reducing costs in real terms, although there are clear risks to the inflation forecasts, as was discussed in the previous section.

The Council has factored in future efficiencies from lower dredging costs at Cape Jaffa to be achieved from the 'dredge out of water' survey being completed (a one-off project in 2022-23), such that there will be a decrease of 8.7 percent in 'materials, contract and other' expenses in 2023-24. It is also assuming stable employee numbers.

Returning to a surplus position for the Kingston District Council relies on fiscal constraint and greater cost efficiency than the Council has achieved in the past, and the Commission encourages it to:

4. Focus on constraining cost growth more generally in its annual and projected budgeting, including related to employee and other contract-related costs.
5. Report its actual and projected cost savings in its annual budget, to provide evidence of constraining cost growth and achieving efficiency across its operations and service delivery.

Net financial liabilities

The Council has recorded a negative net financial liabilities ratio[22] with the 10-year average being negative 10 percent (from 2011-12 to 2020-21), and this is below the suggested LGA minimum target. The negative ratio has been largely due to an increase of $2.8 million for the Council's non-current financial assets[23] from 2013-14.

Cash and cash equivalents gradually increased from $2.2 million to $6.2 million between 2011-12 and 2021-22[24] but are projected to decrease to $1.5 million at the end of year 2022-23,[25] and remain on average at this level until 2031-32.

[19] Based on the compound average annual growth rate formula (which is the adopted approach to calculating average annual growth rates throughout the Commission's advice). From 2023-24, the Council's operating expense growth is forecast to average 1.1 percent per annum (noting the unreliability of the 2022-23 estimate).

[20] The forecast average annual growth in the CPI from 2022-23 to 2031-32 is estimated to be 2.8 percent based on the RBA forecasts for the CPI (Australia-wide) to June 2025 (and the Commission's calculations of average annual percentage growth) and the midpoint of the RBA's target range (2.5 percent) from 2025-26.

[21] The Commission notes the impact of the increase in the solid waste levy on councils' waste management costs over this period.

[22] The net financial liabilities ratio is defined as: Net financial liabilities ÷ Total operating income. This ratio measures the extent to which a council's total operating income covers, or otherwise, its net financial liabilities. The LGA target range is between zero and 100 percent of total operating income, but possibly higher in some circumstances (LGA SA Financial Indicators Paper, pp. 7-8).

[23] This can include long-term investments and other non-current financial assets.

[24] The reason for accumulating cash, as explained by the Council, is that '*historically we have had a very conservative Council, with belief in intergenerational equity for significant and ongoing coastal Issues.*'

[25] Please see attachment for the rationale of this sharp decrease.

The Council has estimated that its net financial liabilities ratio will become positive from 2023-24 but then decline and continue to be negative again from 2029-30. The projected 10-year average for the ratio is 5 percent, which is at the lower end of the suggested LGA target range and suggests that the Council might have further income capacity for higher borrowing levels in future years (if needed for yet to be defined projects), although further borrowing costs would also add to its operating expenses.

The Council has not disclosed the assumptions underpinning its borrowing forecasts in its LTFP (such as interest rates and loan facilities and/or terms, if applicable),[26] and the Commission recommends greater transparency to the community regarding its LTFP assumptions, as in Finding 2. The Commission notes that, with continued operating deficits, if the Council's financial projections are not achieved (for example, because interest rates are higher than anticipated), the Council's financial sustainability could be further impacted, creating a need for more rate increases. This risk should be monitored by the Council in its LTFP reviews each year.

Asset renewals expenditure

Between 2012-13 and 2021-22, the asset renewal funding ratio[27] (under the 'IAMP-based' approach) varied between 60 and 103 percent, with the average being 87 percent, which is close to but below the lower end of the suggested LGA target range. From 2022-23 to 2031-32, the ratio is forecast to be 100 percent and remain consistently within the LGA target range. Average annual spending on renewal or rehabilitation of assets is projected to increase from $1.3 million to $2.3 million. Annual spending on new or upgraded capital projects is forecast to average $250,000 to 2031-32 with a single allocation of $2.5 million for foreshore development works in 2023-24.

The Council has forecast that its depreciation expenses, which should represent the average rate of asset consumption over time, will continue to exceed spending on the renewal or rehabilitation of assets across the forward projections.[28] There can be legitimate reasons why depreciation expenses will exceed asset renewal expenditure at various times, but if depreciation expenses are overstated (perhaps because assets have longer lives than assumed), then this will result in higher than necessary operating expense estimates. In turn, this can create further pressure on the need for rate increases or worsen the operating position.

To ensure a closer alignment between depreciation expenses and asset renewals expenditure over the longer term, it would be appropriate for the Council to:

6. Review the estimates of asset lives and valuations feeding into the forecast rate of asset consumption in its long-term financial plan and asset management plan.

Considering the extent of continued operating deficits already forecast in its forward budgets and the potential for new assets to add to its operating requirements, the Commission considers it appropriate for the Council to:

7. Adhere to the principles underpinning its long-term financial plan projections to provide more funding to the renewal of its assets, rather than prioritising initiatives which involve new or upgraded infrastructure.

[26] The Council has provided the assumptions to the Commission in correspondence.

[27] The IAMP-based method is the current industry standard whereby asset renewal/replacement expenditure is divided by the recommended expenditure in the IAMP (or AMP). Ideally, this will show the extent to which a council's renewal or replacement expenditure matches the need for this expenditure, as recommended by the plan. The suggested LGA target range for the ratio is 90 to 110 percent (LGA SA Financial Indicators Paper, p. 9).

[28] Annual asset renewal/replacement expenditure is forecast to average 82 percent of annual depreciation expenses from 2022-23 to 2031-32.

The Council has indicated it did not have access to the predictor module from its asset management system when it drafted the most recent IAMP, but its renewal program does reflect its 30 June 2021 revaluation.[29] In the IAMP, the Council plans to conduct a condition assessment of 'unsealed road depths' for the next four years from 2022-23. The Commission otherwise observes that there is limited information in the Council's IAMP regarding desired services by the community for different assets. The Commission encourages the Kingston District Council to:

8. Monitor community priorities regarding desired service levels for different assets and include community engagement outcomes in its infrastructure and asset management plan, as appropriate.

New assets expenditure

From 2011-12 to 2020-21, the expenditure on new/upgraded assets averaged around $0.9 million each year but, in its future projections, the Council has allocated $2.5 million in expenditure for the 'foreshore development project' (which is subject to 50 percent grant funding).

There are two new capital projects — Wyomi Beach Seawall and community wastewater management system (CWMS) ponds that have not been incorporated in the 2022-23 LTFP projected figures but may result in an increase in capital expenditure in the short to medium term.

Further, the Council identified in May 2022 an issue with onsite wastewater systems (OWS) within its area. In response, the Council has stated *'Council can effectively consider that the only viable solution is an extension to the existing CWMS in Kingston and that this is vital to encourage and support new residential development.'*[30] It is estimating the issue could affect 80 to 90 percent of the 525 allotments in the Kingston township not currently connected to the existing CWMS.[31]

The Council's IAMP includes the Wyomi Beach Seawall project indicative cost estimate[32] and identifies that it will need to engage engineers to undertake a condition assessment of the CWMS ponds,[33] although it does not yet include requirements for the additional allotments due to the OWS issue. To this end, it would be appropriate for the Council to:

9. Ensure that the next review of its infrastructure and asset management plan caters for future community waste management system infrastructure requirements.

2.2.3 Advice on current and projected rate levels

The Council's rate revenue growth has averaged 4.0 percent, or $54 per annum for each property over the past 10 years,[34] compared with average annual CPI growth of 1.7 percent over this period.

The Council has budgeted for an average rates revenue increase of 5.3 percent or $95 per property in 2022-23. The rates increase reflects higher short-term inflation (anticipated by the Council to be 4.7 percent in 2022-23), and an additional 0.6 percent rate increase. The estimated growth in rates revenue

[29] Kingston District Council, *Infrastructure & Asset Management Plan 2022/23 - 2031/32*, April 2022, p. 9, available at https://www.kingstondc.sa.gov.au/__data/assets/pdf_file/0026/1139426/ADOPTED-Infrastructure-Asset-Management-Plan-2022-23-2031-32.pdf.

[30] Kingston District Council, *Special Council Meeting Agenda — 9 August 2022*, p. 6, available at https://www.kingstondc.sa.gov.au/__data/assets/pdf_file/0023/1191434/9-August-2022-SCM-Agenda-PRESS-COPY-FULL.pdf.

[31] Kingston District Council, *Special Council Meeting Agenda — 9 August 2022*, p. 32.

[32] Kingston District Council, *Infrastructure & Asset Management Plan 2022/23 - 2031/32*, April 2022, p. 10.

[33] Kingston District Council, *Infrastructure & Asset Management Plan 2022/23 - 2031/32*, April 2022, p. 12.

[34] From 2011-12 to 2020-21.

(6.1 percent) also incorporates 0.8 percent growth in rateable properties.[35] Minimum rates, which are often paid by the more vulnerable members of the community, will increase by 6.2 percent or $37 (to $635).[36]

To 2031-32, the Council's average projected growth in rates revenue is 2.7 percent per annum, which was intended to comprise 1.5 percent growth in real terms (the Council assumed CPI inflation to average 1.2 percent per annum,[37] whereas RBA-based forecast inflation is now 2.8 percent from 2022-23 to 2031-32).[38]

Affordability risk among the community for the further rate increases exists based on a range of factors, including the existing rate levels,[39] current forecasts of inflation, an assessment of the economic resources available to the community[40] and the community concerns expressed about the past proposed increases.[41]

Ultimately, it will be the balance of rates revenue required to fund any gaps in grants income for the major seawall (planned but not yet allocated), and any additional projects, which will present further risk to ratepayers, especially given the Kingston District Council's relatively small rates base and limited alternative revenue-raising options.

To minimise the affordability risk to the Council's ratepayers and in the context of the period of service consolidation it has now forecast, it would be appropriate for the Council to:

10. Review and consider limiting future increases above inflation on its rate levels, including for its more vulnerable members of the community, to help reduce affordability risk.

11. Focus on constraining cost growth to reduce the pressure on all rate levels (as per Finding 4), including consideration of the community's desired service levels (as per Finding 8), any proposed new capital expenditure and associated costs.

---

35 Kingston District Council, *Annual Business Plan 2022 - 2023*, June 2022, p. 34. Individual rate level changes may be higher or lower depending on the rates category and property value.

36 Kingston District Council, Annual Business Plan 2022- 2023, June 2022, p. 39.

37 The Council's inflation forecast in the projected years of 1.2 percent annually is based on the South Australian Centre for Economic Studies forecast in March 2021.

38 See footnote 20.

39 Average residential rates (which incorporates the discretionary rate and average property values) are relatively low whereas average 'non-residential' rates (including primary production rates) are relatively high. (Refer to Councils in Focus rates data for 2019-20 by rate category available at https://councilsinfocus.sa.gov.au/councils/kingston_district_council.) On the other hand, Kingston District Council's discretionary rates (the rate in the dollar by land-use category) are such that 'residential' and 'other' categories of land use have the highest rates while 'primary production' have the lowest. In general, the historical and projected rate increases by the Council has primarily guided the Commission in its advice.

40 The Kingston District Council area is ranked 39 among 71 South Australian *'local government areas'* (including Anangu Pitjantjatjara and Maralinga Tjarutja Aboriginal community areas and 'unincorporated SA') on the Australian Bureau of Statistics Socio-Economic Indexes for Areas Index of Economic Resources (2016), where a lower ranking (eg, 1) denotes relatively lower access to economic resources in general, compared with other areas, available at https://www.abs.gov.au/ausstats/subscriber.nsf/log?openagent&2033055001%20-%20lga%20indexes.xls&2033.0.55.001&Data%20Cubes&5604C75C214CD3D0CA25825D000F91AE&0&2016&27.03.2018&Latest.

41 The Council has demonstrated its willingness to establish community engagement and act upon stakeholders' feedback. In the draft 2022-23 annual business plan, the Council proposed to decrease the differential base rate of primary production ratepayers from 75 percent in 2021-22 (the residential rate is 100 percent) to 73 percent in 2022-23. After receiving 50 written submissions that expressed concerns about the proposed increase in the differential rate on primary production, the Council revised this rate to 70 percent in the finalised budget. (Kingston District Council, *Special Council Meeting Agenda — 16 June 2022*, p. 6, available at https://www.kingstondc.sa.gov.au/__data/assets/pdf_file/0028/1162099/16-June-2022-SCM-Agenda-FULL-COPY.pdf).

2.3 The Commission's next advice and focus areas

In the next cycle of the scheme, the Commission will review and report upon the Council's:

- assumptions in its LTFP projections and ongoing performance against its LTFP estimates
- general demonstration of the focus on cost constraints
- achievement and reporting of specific cost savings and efficiencies (including operational savings), and its reporting of these achievements
- actions to address any misalignment between the capital expenditure and depreciation estimates in its LTFP and IAMP
- its expenditure on the renewal of its asset base and inclusion of relevant CWMS infrastructure in its IAMP
- monitoring and reporting of the desired levels of service by the community for its various service assets in its IAMP, and
- how it has sought to address affordability risks.



The Essential Services Commission
Level 1, 151 Pirie Street Adelaide SA 5000
GPO Box 2605 Adelaide SA 5001
T 08 8463 4444
E escosa@escosa.sa.gov.au | W www.escosa.sa.gov.au

Appendix 4

Rating Policy



Rating Policy

Classification:	Council Policy
Version Number:	9
Review Frequency:	Annually
Last Reviewed:	March 2026
Review Due:	March 2027
Responsible Officer:	• Chief Executive Officer • Director Corporate Services • Rates and Property Officer
Applicable Legislation:	• Local Government Act 1999 • Local Government (General) Regulations 2013 • Landscape South Australia Act 2019 • Valuation of Land Act 1971
Related Policies/Procedures:	• Rate Rebate Policy • Rates Hardship Policy • Debt Management Policy • Mobile Garbage Bin Collection and Disposal Service Policy • Internal Financial Controls Policy/Procedure • Delegation Register

1. INTRODUCTION

Council's are required to raise revenue for governance, administration and the delivery of goods and services to the community. Council's major source of revenue is Rates, derived as a tax on land within the Council area. All ratepayers receive benefits from paying rates, but those benefits are consumed in different quantities and types over the life of the ratepayer.

This document sets out the policy of Council for setting and collect rates from its community.

2. PURPOSE:

The purpose of this policy is to outline Council's approach towards rating its community and to meet requirements of the Local Government Act 1999 (the Act).

3. LEGISLATIVE CONTEXT:

Council's powers to raise rates is found in Chapter 10 of the Local Government Act 1999. The Act provides the framework within which the Council must operate and provides the rating options available.

All land within a council area, except for land specifically exempt (e.g. Crown land, Council occupied land and other land prescribed in Section 147 of the Local Government Act), is rateable.

The Local Government Act provides for a council to raise revenue for the broad purposes of the council. Rates are not fees for services. They constitute a system of taxation for Local Government purposes.

In addition to rates, the Council can also raise revenue through:

- Service rates or charges for specific services (eg waste service charge);
- Optional user charges (eg hire of community facilities); and
- Expiation fees (eg parking infringements).

Section 123 of the Act, requires Councils to prepare an Annual Business Plan and Budget, which must set out the rating structure and policy for the financial year. A summary of the Annual Business Plan must be included with the first rates notice.

4. SCOPE:

In determining a suitable Rating Policy, Council has taken into consideration the following strategic documents:

- Strategic Management Plan
- Long Term Financial Plan
- Annual Business Plan and Budget
- Infrastructure and Asset Management Plan.

5. POLICY STATEMENT:

5.1 General Principles

Council's decisions regarding rating are underpinned by:

- accountability, transparency and simplicity;
- efficiency, effectiveness and timeliness;
- equitable distribution of the rate responsibility across the community
- compliance with the requirements of legislation;
- consideration of strategic objectives, budget considerations, the current economic climate and the likely impacts on the community; and
- acknowledging that we are one community, and over time there will most likely be periods where expenditure is higher in one area than another, and this should be balanced over time as we collectively seek to provide services and infrastructure for the whole of the Council area.

5.2 Principles of Taxation

This Policy represents the Council's commitment to balancing the main principles of taxation:

Benefits received (services required or resources consumed)
Reliance on this principle suggests that (all other things being equal) a person who received more benefits should pay a higher share of tax. The relative benefits received/available per property are effectively factored into property values.

Capacity to pay
This principle suggests that a person who had less capacity to pay should pay less; and that persons of a similar means should pay similar amounts.

Administrative simplicity
This principle refers to the costs involved in applying and collecting the tax and how difficult it is to avoid.

Economic efficiency
This refers to whether or not the tax distorts economic behaviour.

Policy consistency
The principle that taxes should be internally consistent, and based on transparent, predictable rules that are understandable and acceptable to taxpayers.

5.3 Valuation of Land

A council is permitted to adopt the following valuation methodologies to value the properties in its area:

- Capital Value – the value of the land and all the improvements on the land. The value reflects, among other things, the relative availability of and access to Council services. This applies to all types of land use, and to land in all locations.
- Annual Value – a valuation of the rental potential of the property.

Council will continue to use capital value as the basis for valuing land. The Council considers that this method provides the fairest way to distribute the rate burden across all ratepayers on the following basis:

- the 'capacity to pay' 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;
- property value is a relatively good indicator of wealth (when lifetime incomes, including incomes from capital gains, are taken into account). Capital value, which closely approximates the market value of a property, provides the best indicator of overall property value.

The Council will adopt the most recent valuations made by the Valuer- General at the time of the annual declaration of rates.

5.4 Objections to Valuation

If a ratepayer is dissatisfied with the valuation made by the Valuer-General then the ratepayer may object to the valuation referred to in the rate notice by writing served personally or by post on the Valuer-General within 60 days after the date of service of the first quarter notice, provided they have not:

(a) previously received a notice or notices under the Local Government Act 1999 referring to the valuation and informing them of a 60-day objection period; or

(b) previously had an objection to the valuation considered by the Valuer-General.

The Valuer-General may extend the 60-day objection period where it can be shown that there is reasonable cause to do so by a person entitled to make an objection to a valuation.

Objections can be submitted to the Office of the Valuer-General via:
Online: www.valuergeneral.sa.gov.au
Email: OVGobjections@sa.gov.au
Post: GPO Box 1354, Adelaide 5001
Fax: 08 8115 5709
In Person: Land Services SA, Level 9, 101 Grenfell Street, Adelaide

The Council has no role in this process. The lodgement of an objection does not change the due date for the payment of rates.

Pursuant to the provisions of the Local Government Act 1999, Council shall refund any rate amount overpaid as a result of an objection, review or appeal in respect of a valuation.

5.5 Notional Values

Certain properties may be eligible for a "notional value" under the Valuation of Land Act 1971. This may apply if the property is the principal place of residence, and its value is enhanced by unrealised subdivision potential or a different potential land use. A notional value is generally less than the capital value and therefore would result in reduced rates.

Application by the ratepayer for a notional value must be made to the Office of the Valuer-General.

5.6 Fixed Charge

Section 151(10) of the Act allows councils to apply a fixed charge as part of general rates but limited the amount that can be raised from a fixed charge to 50% of total rate revenue.

Council recognises that many services are made available uniformly to all ratepayers, irrespective of property value, and that property values are influenced by factors beyond the level of Council service provision. On this basis, it is considered equitable to recover a portion of costs through a uniform fixed charge, consistent with the benefit principle, while also ensuring appropriate regard is given to the capacity to pay principle.

To balance both these principles, Council will limit proportion of general rate revenue collected through the fixed charge to approximately 33%. This approach reflects the weighting between capacity to pay and benefits received, while also recognising a fixed charge cannot be levied onto some properties due to legislative constraints, including marina berths, adjoining properties, and single farm enterprises.

In accordance with the act, only one fixed charge will apply where two or more adjoining properties are owned by the same ratepayer, and only one fixed charge will apply to a single farm enterprise. A fixed charge is not applicable to marina berth properties.

Council will therefore collect approximately 33% of general rate revenue through the fixed charge, based on Council's net income as a portion of total expenditure. The fixed charge amount will be outlined on the rates notice.

5.7 Differential Rates

The Council has elected not to apply differential rates. A single rate on the dollar will apply to all land uses and localities.

All land use codes will be set at 100% as a principle. Differential rates can be reviewed and adjusted annually, specifically to deal with unexpected factors influencing rating or capital value movements.

5.8 Landscape Levy

The Council is required under the Landscape South Australian Act 2019 to make a specified contribution to the Limestone Coast Regional Landscape Board. It does so by imposing a separate rate against all rateable properties.

This separate rate is effectively a State Government tax that councils are required to collect, and return to a State Government agency, the local Landscape Board. Even though it appears on the Council's rates notice, enquiries about this component should be directed to the Limestone Coast Regional Landscape Board, www.landscape.sa.gov.au or phone 08 8735 1177.

5.9 Service Charges

Section 155 of the Act allows a Council to impose a service charge on rateable land within its area for a prescribed service. A prescribed service is described as treatment or provision of water, collection, treatment or disposal of waste, a

television transmission service or any other service prescribed by the regulations for the purposes of this definition.

Council has adopted the following service charges:

Mobile Garbage Bin Collection and Disposal Service
Council will recover the cost of providing a kerbside waste and recycling collection to serviced properties in accordance with legislation and Council's 'Mobile Garbage Collection and Disposal Service Policy'.

Community Wastewater Management Charge
Council will recover the cost of providing a Community Wastewater Management System (CWMS) to defined properties within the Kingston township. Council aims to recover the cost of operating and maintaining the service through the imposition of a service charge, which is declared against vacant and occupied land.

CWMS service charges will be levied in accordance with the Local Government Act 1999 and the '*Code for Establishing and Applying Property Units as a Factor for the Imposition of Annual Service Charges for Community Wastewater Management Systems*' as prescribed in Regulation 12 of the Local Government (General) Regulations 2013.

5.10 Rate Capping

Council considers it appropriate to grant pursuant to Section 166 (1)(l)(i) of the Act a rebate to provide relief against what would otherwise amount to a substantial change in rates payable by a ratepayer due to a redistribution of the rates burden within the community arising from the change in the basis of rating.

A rebate will be granted to cap the increase in the general rates to no more than 12% above the general rates payable from the previous financial year.

Ratepayers are not eligible for a rebate under Clause 5.10 in the following circumstances:

(a) The rate increase is due to capital improvements to the land;
(b) A property is granted a 100% rate rebate;
(c) A boundary realignment, subdivision, amalgamation or rezoning of the land has occurred; or
(d) A change of ownership has occurred where the legal title to the land has been transferred through a transaction involving monetary consideration. Transfers that occur without payment, including those arising from wills, gifts, inheritance or other non-monetary arrangements, do not qualify as a change of ownership for the purposes of this clause.

Where a ratepayer is eligible to benefit from the application of rate capping, the Council's policy is to reflect the rate cap on the rates notice when it is issued.

5.11 Remission of Rates

The Council has a discretion to partially or wholly remit (i.e. waive) rates on the basis of hardship. If you are suffering financial hardship, you may contact the Council office to discuss the matter. Such inquiries are treated confidentially, and any application will be considered on its merits.

5.12 Postponement of Rates

Any person holding a State Seniors Card issued by the State Government may make application to Council for a postponement of the prescribed proportion of rates for the current or future financial years. All applications of postponement will need to be considered in accordance with the relevant legislative provisions.

5.13 Cost of Living Concessions

The State Government has replaced rate concessions with a 'cost of living concession' that is paid directly to pensioners and concession card holders.

Information is available at:
Online: www.sa.gov.au/topics/care-and-support/concessions/household-concessions/cost-of-living-concessions
Email: concessions@sa.gov.au
Phone: 1800 307 758 - 9:00 am to 5:00 pm, Monday to Friday

5.14 South Australian Government's Rural Support Grants

The South Australian Government's Rural Support Grants, administered by the Rural Business Support Relief Fund, provides up to $1,500 in financial assistance to eligible SA primary producers and rural small business owners experiencing significant financial hardship.

In conjunction with financial counselling through Rural Business Support (RBS), the grant helps cover essential costs such as utilities, council rates, groceries, medical bills, or other items identified by the financial counsellor and the individual as part of their recovery planning. Priority is given to those impacted by drought, market disruptions (such as in the wine grape industry), biosecurity incursions, and family-run rural small businesses concerned about their financial future.

Payments are made directly to suppliers upon invoice, with one grant available per family enterprise. Farming families and rural small business owners can start their financial counselling journey by contacting Rural Business Support on 1800 836 211 or by emailing enquiries@ruralbusinesssupport.org.au

5.15 Mandatory Rebates

The Local Government Act 1999 requires councils to rebate the rates payable on some land uses.

A 100% rebate must be applied to land used for:

- Health services;
- Religious purposes;
- Public cemeteries; and
- The Royal Zoological Society.

A 75% rebate (or more, at the Council's discretion) must be applied to land used by:

- Community service organisations; and
- Schools and universities.

5.16 Discretionary Rebates

The Local Government Act 1999 enables the Council (upon application and subject to certain eligibility criteria) to grant discretionary rebates of up to 100% for land used for the purposes, such as:

- Securing proper development of an area;
- Assisting or supporting a business;
- Preservation of historically significant places;
- Facilities or services for children or young persons;
- Accommodation for the aged or persons with disability; or
- Other purposes.

Upon receipt of your application, the Council will take into account:

- Why there is a perceived need for financial assistance through a rebate;
- The level of rebate being sought;
- The extent of financial assistance, if any, being provided and/or in respect of The land by Commonwealth or State agencies;
- Whether, and if so to what extent, you are or will be providing a service within the Council area;
- Whether you are a public sector body, a private not for profit body or a private or profit body;
- The nature and extent of Council services provided in respect of the land, in comparison to services provided elsewhere in the Council's area;
- The community need, if any, that is being met by activities carried out on the land;
- The extent to which activities at the land provide assistance or relief to disadvantaged persons;
- Consideration of the full financial consequences of the rebate for the Council;
- The time the application is received;
- Whether you may be eligible for a Council community grant; and
- Any other matters and policies of the Council, which the Council considers relevant.

If you or your organisation wishes to apply for a discretionary rate rebate, you may apply by contacting the Council Office.

5.17 Single Farm Enterprise

Primary producers are able to apply to be considered as a 'Single Farm Enterprise' for the purposes of the Landscape Levy and application of the fixed charge, in accordance with Section 152 of the Local Government Act 1999.

Application forms can be obtained from the Council office or Council's website. Council will inform the community of this provision on an annual basis. Applications must be received by 30 April to be applicable for the following financial year. This does not prevent Council from considering applications at any other time on its merits.

5.18 Payment of Rates

The Council will collect rates quarterly on the dates to be specified on the rates notice, generally during the following months:

- September
- December
- March
- June

Rate notices will be issued quarterly however the total outstanding balance of rates may be paid at any time.

Rates may be paid via the following methods:
Online: www.kingstondc.sa.gov.au
Telephone: 08 8767 2033
In person: 29 Holland Street, Kingston SE
BPay: refer to rates notice
Direct debit: refer to rates notice
Secure online payment: refer to rates notice
Post: PO Box 321, Kingston SE SA 5275

Any ratepayer who may, or is likely to, experience difficulty with meeting the standard instalments and due dates can contact the Council to discuss alternative payment arrangements. Fines and interest on overdue amounts will be applied in accordance with the Act.

5.19 Late Payment of Rates

The Local Government Act provides that Councils impose a penalty of 2% on any late payment for rates, whether instalment or otherwise. A payment that continues to be late is then charged an interest rate, set each year according to a formula in the Act, for each month it continues to be late. Interest charged on late payments is charged on both the amount of the rate arrears and any interest that has previously been imposed. The purpose of this penalty is to act as a genuine deterrent to ratepayers who might otherwise fail to pay their rates on time, to allow the Council to recover the administrative cost of following up unpaid rates and to cover any interest cost the Council may incur because it has not received the rates on time.

The Council imposes late payment penalties strictly in accordance with the Local Government Act. The ability to remit penalties in whole or part is a power vested in Council. Each case will be considered on its merit based on the information provided.

When Council receives a payment in respect of overdue rates the Council applies the money received in accordance with Section 183 of the Local Government Act, as follows:

1. To satisfy any costs awarded in connection with court proceedings;
2. To satisfy any interest costs;
3. In payment of any fines imposed; and
4. In payment of rates, in date order of their imposition (starting with the oldest account first).

5.20 Waiving of Fines

Fines for late payment of rates may be waived upon application made to Council in writing by a ratepayer in the following circumstances:

- Financial difficulties due to unemployment, sickness or sudden hospitalisation of the principal income earner;
- Where there is a regular payment arrangement in place and the ratepayer shows a genuine attempt to pay the outstanding rates;
- The property has been sold and settlement is imminent; or

- Whilst probate on an estate is being settled.

The following reasons are not considered acceptable for waiving of fines:

- Loss of cheques for payment of rates via post;
- Incorrectly completed cheques;
- Late receipt of payments due to postal or electronic delay;
- Absenteeism from the area due to business or vocational purposes;
- Simple oversight and no explanation provided;
- Failure to provide Council with written notification of a change of address resulting in non-receipt of rates notice;
- Non-receipt of a rates notice that was correctly issued by Council, whether sent by post or electronically; or
- Intentional late payment as an objection from alleged non-receipt of expected services.

5.21 Outstanding Rates

Council will apply prudent debt collection practices in the recovery of outstanding rates in compliance with the Act and follow an ongoing assessment of arrears and systematic approach to debt recovery.

In accordance with the Act, if an instalment of rates is not paid by the due date, Council will:

1. Issue a reminder to the principal ratepayer advising that the outstanding rate balance is overdue; and
2. Commence recovery of the outstanding balance, which may include legal proceedings.

5.22 Sale of Land for Non-Payment of Rates

The Local Government Act provides that a Council may sell any property where the rates have been in arrears for three years or more. The Council is required to provide the principal ratepayer and the owner (if not the same person) with details of the outstanding amounts and advise the owner of its intention to sell the land if payment of the outstanding amount is not received within one month.

5.23 Changes to Assessment Records

All changes to postal address of ratepayer/owner and changes of ownership of a property must be notified promptly to Council in writing.

5.24 Disclaimer

A rate cannot be challenged on the basis of non-compliance with this policy and must be paid in accordance with the required payment provisions. Where a ratepayer believes that the Council has failed to properly apply this policy it should raise the matter with the Council.

6. AVAILABILITY OF THE POLICY:

This policy will be available for inspection at the Council's principal office, 29 Holland Street Kingston SE, during ordinary business hours and on Council's website: www.kingstondc.sa.gov.au. Copies will also be provided to interested members of the community upon request.



Contact Us

IN PERSON
29 Holland Street, Kingston SE

IN WRITING
PO Box 321
KINGSTON SE SA 5275

BY PHONE
08 8767 2033

BY EMAIL
info@kingstondc.sa.gov.au

WEBSITE
www.kingstondc.sa.gov.au

FACEBOOK
facebook.com/KingstonDistrictCouncil

KINGSTON DISTRICT COUNCIL