



Kingston District Council

Annual Business Plan 2018/19

KINGSTON DISTRICT COUNCIL



Gateway to the South East Coast

Gateway to the South East Coast
www.kingstondc.sa.gov.au

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Mayor's Message

Council has continued over the past three and a half years to build on the foundation laid by previous council members, which is assisting in the transformation of the Kingston district into a vibrant destination where people want to live, raise families, holiday and retire. This journey is in line with the community's ten (10) year strategic plan which aims to position our district as a popular tourist and lifestyle destination where home-grown businesses and primary producers are thriving, and the district is well known for its family friendly atmosphere.

In support of the community's vision, council has delivered the following key strategic projects over the past council term:

- ✓ Full conditions audit of all roads and community assets
- ✓ Implementation of an IT based asset management system
- ✓ Upgrade of main street lighting to LED (across the Kingston township)
- ✓ Adoption of a main street strategy and the commencement of detailed design
- ✓ Commencement of detailed design for the foreshore in front of Caravan Park
- ✓ Installation of township entrance, heritage and coastal drive signage
- ✓ Purchase and rebranding of the Kingston Foreshore Caravan Park

The above achievements have been delivered despite a challenging few years where 'Mother Nature' has dished up a number of coastal situations for council and the community to deal with. The majority of these conditions will soon be resolved with a fit for purpose dredge about to commence operations at Cape Jaffa and the completion of the Wyomi Beach rock seawall scheduled for June 2018. The Maria Creek boat launching facility will also be addressed in 2018 with approximately 20,000 cubic metres of sand and seagrass to be removed.

These coastal situations have presented a number of new and significant tasks and expenses for council and the community, which will have an ongoing financial impact. Collectively, these tasks will put council's budget under pressure and into an operating deficit for at least the next four (4) years. Council must therefore carefully implement a financial strategy that will provide a clear pathway back to surplus.

The forthcoming year will continue to be challenging with a new way of thinking necessary to ensure community services, facilities and infrastructure continue to be delivered to a high standard and strategically positioned to meet the future needs of the district and community.

On behalf of all elected members and staff, I would like to sincerely thank the community for its patience and support over the past twelve (12) months.

Yours sincerely,



Reg Lyon
Mayor

Executive Summary

Over many decades Kingston District Council has operated in a financially sustainable manner and generally only applied modest annual property rate increases. The past four (4) years have presented a number of new, ongoing and significant expenses that will have a large impact on council's financial position.

Additional expenses have largely resulted from ongoing coastal management issues and the necessary purchase of a cutter suction dredge in 2017/18. Collectively, these matters will put the organisation under financial pressure and into an operating deficit. Council must therefore ensure a strong financial management strategy is in place to return the organisation back to surplus.

The 2018/19 Annual Business Plan and Budget considers ongoing coastal management, the continued maintenance of existing community assets, sustained economic development of the district, returning the organisation back to surplus and importantly, the responsible management of property rates increases.

The following provides a summary of primary considerations, projects and new initiatives that have been incorporated into council's 2018/19 Annual Business Plan and Budget.

Coastal Management

Over the past four (4) years council has experienced a number of significant coastal issues including Cape Jaffa sand management, erosion at Wyomi Beach, sand build up at the Kingston Jetty and seagrass and sand influx into the Maria Creek recreational boat ramp facility. The combination of these issues will have a large and ongoing financial impact on council's operations.

In 2018/19 council will expense approximately \$372,000 dredging 100,000 cubic metres of sand and seagrass at the Cape Jaffa Anchorage Marina and 20,000 cubic metres of sand and seagrass within the Maria Creek channel.

Community Facilities

Over many decades council has built, or had volunteers build, a number of community assets such as toilet facilities, BBQ shelters, playgrounds, skate park facilities, groynes etc. These facilities have positively contributed to where Kingston is today but unfortunately, a number of these assets are reaching the end of their useful life and will soon require replacement or significant maintenance. This situation presents an opportunity for council to reconsider what community facilities it provides and where it provides them.

In 2018/19 council will continue to invest in public facilities which will include \$20,000 on general building maintenance, \$7,000 improving the water supply for Wyomi Beach and Pinks Beach public toilets, \$45,000 renewing existing buildings assets, \$20,000 replacing a section of the Maria Creek footpath, \$30,000* reinstating the Wyomi Beach foreshore footpath and \$24,000* upgrading community waste water management control sensors.

**Carryover project from 2017/18*

Road Network

Kingston District Council is well-known across the Limestone Coast for having a quality road network. However, it is acknowledged, particularly locally, that there are areas that require more attention.

Over the past twelve (12) months council has worked closely with Assetic (asset management company), to examine the condition of our district's road network and to review current capital work practices and maintenance regimes. It has become evident through this review process that council may have been over servicing its unsealed roads from a capital perspective (re-sheeting), but under servicing from a maintenance point of view (tyning, reshaping, grading etc.).

It is therefore prudent and timely, for council to adjust its roads program by increasing its maintenance budget and reinstating traditional upkeep programs. Council will increase its roads maintenance budget from \$510,448 in 2017/18 to \$733,448 in 2018/19. The benefits will be improved road maintenance across the year and greater productive use of council's plant and equipment (graders, trucks, loaders etc.).

In addition to general road maintenance council will invest \$149,655 resealing roads which will include 1.6km of Taratap Road, 149m of James Street, 149m of Agnes Street, 403m of Railway Terrace and the reconstruction and resealing of approximately 1.1km of Salt Well Road. Furthermore, council will invest \$404,869 on rural roads re-sheeting 6.6km of Blackford Road, 4.8km of Tapfield Road and 5.3km of Woolumbool Road.

Plant & Equipment

In 2018/19 council will invest \$495,000 to deliver its scheduled plant and machinery replacement program. Key investments include \$265,000 to replace a grader, \$50,000 to replace Parks & Gardens mower and \$180,000 to replace four (4) light work vehicles.

Economic Development

The community's 2016 to 2026 Strategic Plan has a vision of positioning Kingston as a popular Limestone Coast tourist and lifestyle destination. Council intends to deliver the community's vision by creating a **Thriving Destination** that encourages tourism and lifestyle living, through **Best Practice Planning** of Public Spaces and Neighbourhoods, supported by **Excellence in Assets & Infrastructure** and **Strong Communities**.

To achieve this vision, a continued focus on the development and improvement of the district and its available amenities and activities will be necessary. Best practice in the planning of public spaces, supported by excellence in assets and infrastructure, are two (2) critical objectives that must be realised. To achieve these objectives continued investment in **NEW** assets and **NEW** community events and activities will be necessary.

In 2018/19 Council will invest \$217,700 to deliver the following new works that directly support the community's strategic plan:

- Upgrade of Lions Park toilet septic system - \$55,000
- Installation of RV dump point within Kingston and Cape Jaffa - \$15,700

- Dedicated bin storage to house bins located at Lions Park carpark - \$10,000
- Installation of township entrance signage at the southern entrance - \$25,000
- Installation of entrance event signage (3) - \$10,000
- Installation of ticket machines for recreational boat launch facilities - \$16,000
- Installation of solar lighting on the northern section of the Maria Creek footpath/bike track (bridge to bridge) - \$36,000*
- Installation of new footpaths on Gough Street (Agnes/James section) - \$25,000*
- Installation of new footpath Charles Street (Agnes/James section) - \$25,000*

* Carryover project from 2017/18

In 2018/19 Council will also support an exciting new community event by providing \$10,000 seed funding. The event will be known as the Kingston Foreshore Festival which is a new and significant music festival on Kingston's foreshore. The event will take place during January 2018 and will specifically target families. Council's strategic objective is to grow the number of events held in Kingston which will attract new visitors to the district as well as provide the local community with an exceptional family event.

Kingston Foreshore Caravan Park

In 2016/17, Kingston District Council made a strategic decision to purchase the Kingston Caravan Park. Council took possession in July 2017 and over the past twelve (12) months has focused on providing honest clean facilities, supported by exceptional customer service. In addition, council has rebranded the park as the Kingston Foreshore Caravan Park. As a result of these activities and the hard work of park management, the park will deliver a net profit in 2018/19 of \$50,022 which will directly and benefit council's operation.

Council Rates

The following tables provide a comparison of other council rates across the Limestone Coast as at 01 July 2017:

Primary Production – Rate Comparison (as at 01 July 2017)

Capital Value	Tatiara	Robe	Kingston	Wattle Range	Naracoorte Lucindale	Coorong
\$300,000	\$1,230.00	\$1,083.00	\$880.80	\$1,321.50	\$1,233.00	\$1,420.10
\$800,000	\$3,280.00	\$2,888.00	\$2,348.80	\$3,524.00	\$3,288.00	\$3,203.60
\$1,500,000	\$6,150.00	\$5,415.00	\$4,404.00	\$6,607.50	\$6,165.00	\$5,700.50
\$3,000,000	\$12,300.00	\$10,830.00	\$8,808.00	\$13,215.00	\$12,330.00	\$11,051.00
\$5,000,000	\$20,500.00	\$18,050.00	\$14,680.00	\$22,025.00	\$20,550.00	\$18,185.00

Residential / Urban – Rate Comparison (as at 01 July 2017)

Capital Value	Tatiara	Robe	Kingston	Wattle Range	Naracoorte Lucindale	Coorong
\$150,000	\$914.25	\$669.00	\$557.50	\$880.80	\$996.00	\$979.40
\$300,000	\$1,828.50	\$1,083.00	\$1,101.00	\$1,761.60	\$1,992.00	\$1,608.80
\$450,000	\$2,742.75	\$1,624.50	\$1,651.50	\$2,642.40	\$2,988.00	\$2,238.20
\$650,000	\$3,961.75	\$2,346.50	\$2,385.50	\$3,816.80	\$4,316.00	\$3,077.40
\$800,000	\$4,876.00	\$2,888.00	\$2,936.00	\$4,697.60	\$5,312.00	\$3,706.80

The above tables show that Kingston District Council has contained annual rate increases when compared to other neighbouring councils. Council will however need to progress a program of considered rate increases to overcome ongoing coastal management costs and in time, return the organisation to surplus.

For the 2018/19 financial year the rate in the dollar across all land use categories will **increase by CPI or 2.3%** (December quarter). The objective is to ensure all rate payers are contributing in an equitable way to the revenue required to sustain the organisation.

As a direct result of capital valuation changes, particularly within the primary production category where land valuations have increased by 12.69% compared to the previous year, and development growth of 0.5%, council's total rate revenue will actually increase by 6.7%.

Mobile Garbage Bin Service

Residents who are provided council's mobile garbage bin service saw their levy decrease from \$254.50 in 2016/17 to \$169.50 in 2017/18. The \$85.00 reduction was a direct result of council re-tendering the service in 2016, which resulted in savings in 2016/17, as well as reduced contract costs in 2017/18. The 2018/19 service levy will be adjusted to \$218.50 which reflects direct cost recovery of providing the service, and ongoing savings achieved as a result of the current contract.

Hardwaste Collection

In 2018/19, Council will provide all rateable properties with a voucher which permits one free trailer load of waste to council's waste transfer station. For township properties, the voucher can be exchanged for a kerbside hard waste collection service. Specific details of this service will be provided to the community in the coming months.

Budget Summary

In delivering services and programs contained within this Annual Business Plan, council is targeting an operating deficit of **(\$565,000)** in 2018/19, due to budgeted operating revenues of **\$7,192,000** and budgeted operating expenses of **\$7,757,000**. The primary reason for such a large deficit is due to enormous dredging costs at Cape Jaffa and Maria Creek and an increase in council's roads maintenance program. Dredging costs are expected to decrease as council addresses the backlog of sand management requirements.

This Annual Business Plan outlines a total capital expenditure budget of **\$1,354,000**

Key Achievements in 2017/18

Council is extremely proud of the following key achievements in the 2017/18 financial year and will continue to build on these successes during the 2018/19 year:

- ✓ Conditions audit of all council's assets and the implementation of an IT based asset management system
- ✓ Construction of Wyomi Beach Rock Seawall
- ✓ Purchase of Cutter Suction Dredge for the Cape Jaffa Anchorage and Kingston recreational boat ramp facility
- ✓ Installation of township entrance, heritage and coastal drive signage
- ✓ Tree removal on Southern Ports Highway

- ✓ Purchase and rebranding of the Kingston Foreshore Caravan Park
- ✓ Increased RV Park stays from 24 to 48 hour and the installed a dedicated ticket machine
- ✓ Successfully secured \$725,000 in external grant funding
- ✓ Awarded Local Government Risk Services 'Major Risk Award' for cultural change

Council's Planning Framework

Strategic Direction 2016 to 2026

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

Our Vision

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

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

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

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

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

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

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

One of the outcomes within Theme (5) 'Progressive Leadership', is 'Sustainable Community Finances and Assets'. Council measures the sustainability of its finances and assets through the following key financial indicators:

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

The above indicators are used in setting council's Long Term Financial Plan and Annual Business Plan and Budget, with results are reported in council's annual financial accounts.

Long Term Financial Management Plan

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

The Plan has been comprehensively reviewed in line with council's 2018/19 Business Plan & Budget process. The full review was required as a result of significant additional operating expenses which have largely come from ongoing coastal management issues and the necessary purchase of a cutter suction dredge. Collectively, these matters will put the organisation under financial pressure and into an operating deficit for at least the next four (4) years. Council must therefore ensure a strong financial management strategy is in place to return the organisation back to surplus within the life of the Long Term Financial Plan.

Recommendations within this Annual Business Plan will initiate council's long term financial management strategy, which aim to return council to a surplus position over the next four (4) years. Council's draft 2017 to 2027 Long Term Financial Plan provides details of council's long term financial management strategy.

Asset Management Plan

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

Over the past two (2) years council has been working closely with an external asset management expert, Assetic. Assetic has comprehensively reviewed the condition of all council assets, mapped and recorded asset locations and developed an engineering based and data driven asset management program that ensures community assets are maintained in the most cost effective and pro-active manner.

Council's new Asset Management Plan is expected to deliver higher and more consistent standards in road, building and public asset maintenance.

Annual Business Plan

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

Annual Budget

The Budget forms part of the council's annual planning documents and is critical to the delivery of services and the management of council's financial sustainability and operations. The draft budget details the expected costs and revenues that council will need to achieve the goals of the Annual Business Plan. Council's 2018/19 draft budget is provided in full detail later in this document for the community's consideration.

Key Partners

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

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

Council's Reporting Framework

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

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

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

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

Considerations in Framing Council's Annual Business Plan & Budget

Several important factors have influenced the preparation of Council's 2018/19 Annual Business Plan and Budget. These include:

1. Increase in general costs of 2.3% incurred by Local Government as measured by the annual increase in the Consumer Price Index (Adelaide December 2017).
2. Increase in general costs of 2.9% incurred by Local Government as measured by the annual increase in Local Government Price Index (December 2017).
3. Increases to insurance costs expected to be at least 2.3%.
4. Continued increases in utility costs.
5. Fees and charges imposed by other governments are expected to be between 2.0% and 2.9% (i.e. Environmental Protection Authority, Dog and Cat Management Board fees, Development fees).
6. Purchase of a \$3M dredge to allow the effective management of sand and seagrass at the Cape Jaffa Anchorage Marina and the Maria Creek recreational boat launch facility.
7. Significant and ongoing annual dredging costs at the Cape Jaffa Anchorage Marina and the Maria Creek recreational boat launch facility.
8. Staff salaries and wages as provided in workplace agreements will increase by CPI.
9. The level of capital and operational services required across the district.
10. Sustainable settings of council's Long Term and Strategic Planning documents.

In response to the above factors, council has prepared this draft Annual Business Plan and Budget that sets a rate in the dollar increase of **CPI or 2.3%** (December quarter) across all land use categories. The objective is to ensure all rate payers are contributing in an equitable way to the revenue requirements of the organisation.

As a direct result of capital valuation changes, particularly within the primary production category where land valuations have increased by 12.69% compared to the previous year, and forecast development growth of 0.5%, council's total rate revenue will actually increase by 6.7%.

Continuity of Service

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

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

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

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

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

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

Council does not propose to materially alter its mix of services and facilities during the 2018/19 financial year.

Key Activities for 2018/19

Council has identified the following key actions for the 2018/19 financial year:

- Continued maintenance and re-sheeting of council's unsealed road network.
- Continued maintenance and resealing of council's sealed road network.
- Enhancement of the town's footpath network by installing new footpaths on Gough and Charles Streets, between Agnes Street and James Street.
- Installation of entrance signage at the southern entrance on the Southern Ports Highway.
- Upgrade of Lions Park toilets septic system.
- Install RV dump point within Kingston and at Cape Jaffa.
- Installation of ticket machines at recreational boat ramp facilities.
- Replacement of one (1) of council's four (4) graders.
- Replacement of four (4) of council's ten (10) light vehicles.
- Installation of 24 solar lights around the Maria Creek footpath/bike track (bridge to bridge)*.
- Installation of new footpaths on Gough Street (Agnes/James section)*.
- Installation of new footpath Charles Street (Agnes/James section)*.

* Carryover project from 2017/18

Budget Summary

In delivering services and programs contained within this Annual Business Plan, council is targeting an operating deficit of **(\$565,000)** in 2018/19, due to budgeted operating revenues of **\$7,192,000** and budgeted operating expenses of **\$7,757,000**. The primary reason for such a large deficit is due to enormous dredging costs at Cape Jaffa and Maria Creek and an increase in council's roads maintenance program. Dredging costs are expected to decrease as council addresses the backlog of sand management requirements.

This Annual Business Plan outlines a total capital expenditure budget of **\$1,354,000** **\$1,168,000** will be used to renew existing assets and **\$186,000** will 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 (Kingston Foreshore Caravan Park and RV Park, hall hire, cemeteries, and waste transfer station fees), investment income and State and Federal Government operating grants.

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

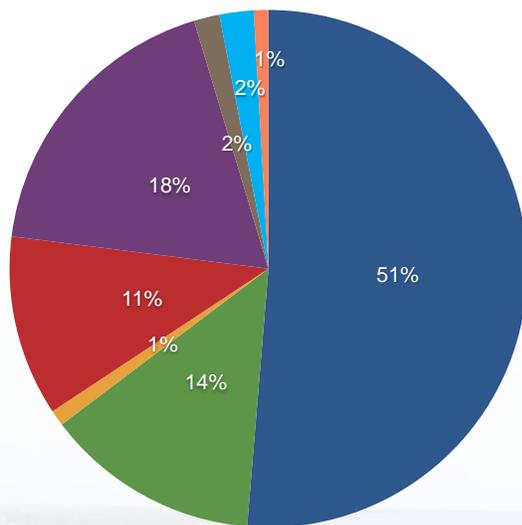
The budgeted operating revenue for 2018/19 includes general rate revenue of **\$3,690,688** (net) and annual service charges of **\$738,120** (Community Waste Management System and Mobile Garbage Bin). In addition, Council collects the Natural Resources Management Levy on behalf of the State Government, which is forwarded in its entirety to the Department of Water, Environment and Natural Resources.

Details of Council's proposed separate rates and annual service charges for 2018/19 can be found in the section entitled **'Overview of Council's Rating Structure'** and **'Overview of Council's Service Charges'** on pages 17-21 of this Annual Business Plan.

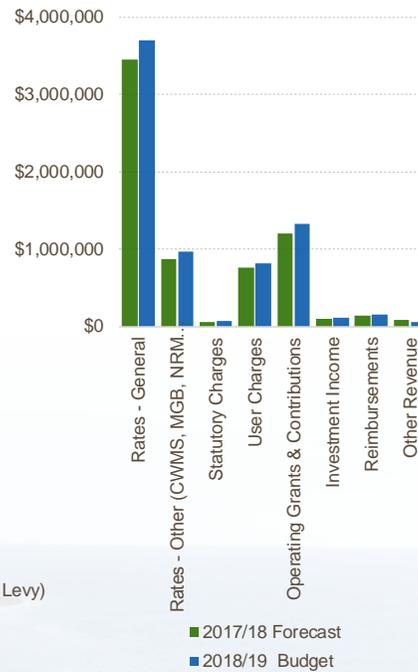
It should be noted that the Kingston Foreshore Caravan Park's 2018/19 budget is integrated into this Plan. The Kingston Foreshore Caravan Park's budget includes operating revenues of **\$637,071** and budgeted operating expenses of **\$587,049**. The Kingston Foreshore Caravan Park will contribute a net profit of **\$50,022** to council's overall operations.

Where Does Council Source Funds

council's source of funds



2017/18 vs. 2018/19



Summary by Category

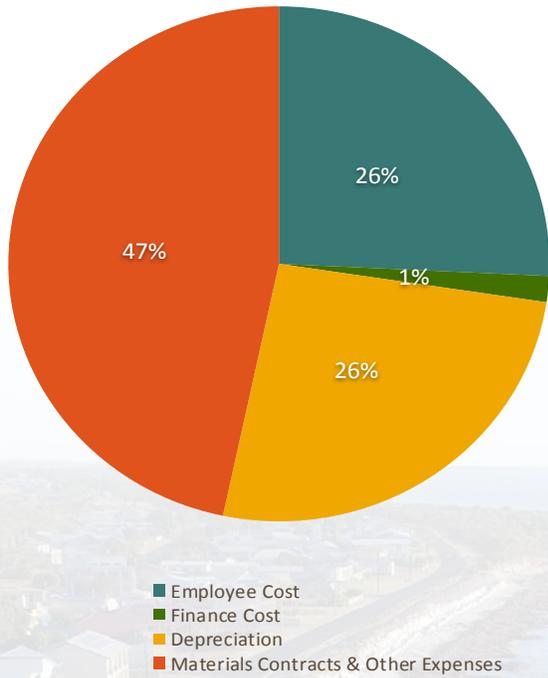
Category	2017/18 Forecast	2018/19 Budget	Variance	Notes
Rates - General	\$3,451,902	\$3,690,688	\$238,786	1
Rates - Other (CWMS, MGB, NRM Levy)	\$870,922	\$963,707	\$92,785	2
Statutory Charges	\$67,002	\$71,228	\$4,226	3
User Charges	\$765,709	\$811,949	\$46,240	4
Operating Grants & Contributions	\$1,202,352	\$1,320,975	\$118,623	5
Investment Income	\$103,667	\$114,986	\$11,319	6
Reimbursements	\$147,671	\$153,450	\$5,779	7
Other Revenue	\$85,042	\$65,385	-\$19,657	8
Total	\$6,694,267	\$7,192,368	\$498,101	

Notes

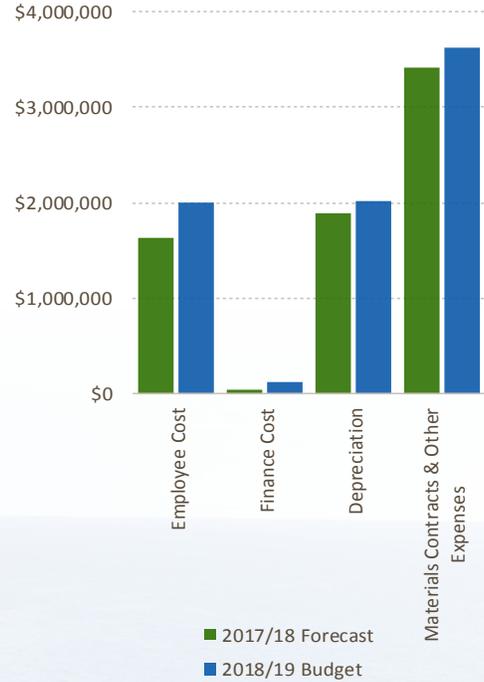
1. In 2018/19 the rate in the dollar across all land use categories will increase by CPI or 2.3%. As a direct result of capital valuation changes, particularly within the primary production category where land valuations have increased by 12.69% and forecast development growth of 0.5%, council's total rate revenue will actually increase by 6.7%.
2. A 2.3% CPI increase has been applied to the Community Waste Management System Levy and Natural Resources Management Levy. The Mobile Garbage Bin Levy has however be adjusted to reflect ongoing savings achieved as a result of the new service contract.
3. A 2.3% CPI increase has been applied to dog registration fees and all other statutory charges
4. The user charge budget is primarily revenue from the Kingston Foreshore Caravan Park, which is expected to increase in 2018/19 due to new business growth. Caravan Park fees will however remain at previous year rates. All other council user charges (e.g. cemetery, waste transfer station) will increase by 2.3% or CPI.
5. Government grants are expected to remain at 2017/18 levels. The year on year variation is due to the timing of grants recieved.
6. A slight increase in Caravan Park loan repayments back to council for the purchase of the Park.
7. Includes reimbursement of half costs for RV Dump point at Cape Jaffa.
8. The removal of \$15K received in 2017/18 for staff risk award.

Where Does Council Spend Funds

council's spending of funds



2017/18 vs. 2018/19



Summary by Category

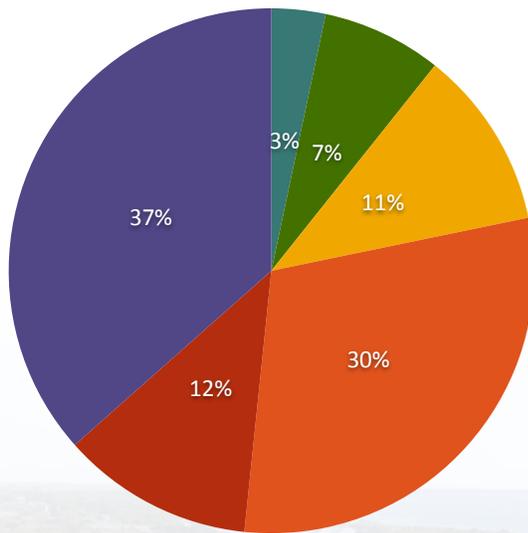
Category	2017/18 Forecast	2018/19 Budget	Variance	Notes
Employee Cost	\$1,628,218	\$1,997,452	\$369,234	1
Finance Cost	\$37,864	\$127,024	\$89,160	2
Depreciation	\$1,892,163	\$2,012,163	\$120,000	3
Materials Contracts & Other Expenses	\$3,411,783	\$3,620,671	\$208,888	4
Total	\$6,970,028	\$7,757,310	\$787,282	

Notes

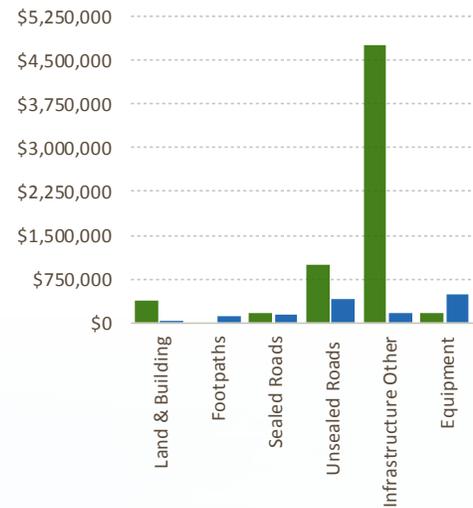
1. The year on year increase in employee costs is due to a \$37K CPI wages increase, \$79K reallocation of depot staff wages from capital to operating, \$18.5K caravan park casual cleaner, \$59K council casual cleaner, \$70K new Finance Officer position (partly off-set by operational savings), \$75K staff dredging costs and other minor adjustments due to 2018 staff restructure.
2. Additional interest expense is due to Local Government Finance Authority loans for the new dredge.
3. Increase in depreciation is due to taking on new assets (Wyomi Beach Rock Seawall and Dredge).
4. Increase is due to dredging at Cape Jaffa and Maria Creek, and annual operating projects such as line marking of township roads, hard waste collection and Local Government election expenses.

Where Does Council Spend Capital Works

council's capital allocation



2017/18 vs. 2018/19



■ Land & Building
■ Sealed Roads
■ Infrastructure Other
■ Footpaths
■ Unsealed Roads
■ Equipment

■ 2017/18 Forecast
■ 2018/19 Budget

Summary by Category

Category	2017/18 Forecast	2018/19 Budget	Variance	Notes
Land & Building	\$372,354	\$45,000	-\$327,354	1
Footpaths	\$0	\$100,000	\$100,000	2
Sealed Roads	\$165,065	\$149,655	-\$15,410	3
Unsealed Roads	\$989,163	\$404,869	-\$584,294	4
Infrastructure Other	\$4,756,594	\$160,000	-\$4,596,594	5
Equipment	\$164,532	\$495,000	\$330,468	6
Total	\$6,447,708	\$1,354,524	-\$5,093,184	

Notes

- Variance is due to the purchase of the Kingston Foreshore Caravan Park for \$350,000, plus other minor variations in 2017/18.
- Inclusion of Gough and Charles Street footpath construction projects, the renewal to a section of the Maria Creek footpaths/bike tracks and the replacement of the Wyomi Beach footpath/bike track in 2018/19.
- Minor variation as per council's Asset Management Plan.
- Reduced re-sheeting program as a result of 2017/18 road asset review.
- Variation is due to dredge purchase and Wyomi Beach rock seawall construction in 2017/18.
- Variation is due to scheduled replacement of a grader and parks and gardens mower in 2018/19.

Impact on Council's Financial Position

Based on council's budget, council's direct borrowings will decrease from \$972,917 at the end of 2017/18 to \$906,695 at the end of 2018/19. This decrease is due to council paying down borrowing during the financial year.

Overall, key financial indicators show that council's finances will continue be under pressure during 2018/19. This is expected to continue for the next four (4) years due to the large and ongoing coastal management costs.

- Operating Surplus is at -8% against a long-term target of greater than 0% and less than 15%.
- Net Financial Liability Ratio is at 22% against a target of greater than 0% and less than 100% of operating revenue.
- Asset Sustainability Ratio is at 87% against a rolling long-term target of greater than 80% and less than 100%, over a 3-year program.

For more details on the calculation method for key financial indicators, see the financial indicators section of this Business Plan.

Council's net cash expected to decrease slightly from \$1,334,000 as at the end of 2017/18 to \$1,279,000 at the end of 2018/19.

Overview of Council's Rating Structure

Method Used to Value Land

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

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

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*
- *consistency with council's strategic and financial directions and budgetary requirements*
- *compliance with the requirements of legislation and accepted professional conventions and ethics.*

Taxation Principles

In developing this policy council has also given consideration to the five main principles of taxation, being:

- *equity - taxpayers with the same income pay the same tax (horizontal equity), wealthier taxpayers pay more (vertical equity)*
- *benefit - taxpayers should receive some benefits from paying tax, but not necessarily to the extent of the tax paid*
- *capacity to pay - in levying taxes the ability of the taxpayer to pay the tax must be taken into account*
- *efficiency - if a tax is designed to change consumers behaviour and the behaviour changes, the tax is efficient. However, if the tax is designed to be neutral in its effect and it changes taxpayers behaviour than the tax is inefficient*
- *simplicity - the tax must be understandable, hard to avoid, easy to collect.*

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

Rating Methodology

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

- a) Residential
- b) Commercial – Shop
- c) Commercial – Office
- d) Commercial – Other
- e) Industrial – Light
- f) Industrial – Other
- g) Primary Production
- h) Vacant Land
- i) Other
- j) Marina Berths

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

The Annual Business Plan and Budget proposes to raise \$3,690,688 (net) in general rates for the 2018/19 financial year. As a result, council will apply the following rates in the dollar for the differential land use categories:

Residential

\$0.3755 cents in the dollar for rateable properties with a land use of category (a) (*Residential*).

Commercial (Shop, Office, Other)

\$0.3755 cents in the dollar for rateable properties with a land use of categories (b) (*Commercial – Shop*), (c) (*Commercial – Office*) and (d) (*Commercial – Other*).

Industrial (Light, Other)

\$0.3755 cents in the dollar for rateable properties with a land use of categories (e) (*Industry – Light*) and (f) (*Industry – Other*).

Primary Production

\$0.3004 cents in the dollar for rateable properties with a land use of category (g) (*Primary Production*).

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

Vacant Land

\$0.4318 cents in the dollar for rateable properties with a land use of category (h) (*Vacant Land*).

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

Other

\$0.3755 cents in the dollar for rateable properties with a land use of category (i) (*Other*).

Marina Berth

\$0.3755 cents in the dollar for rateable properties with a land use of category (j) (*Marina Berth*).

Maximum Increase on Rates

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

This maximum increase has been set to minimise significant rate increases where valuation movements (not related to development) have occurred.

Minimum Rate

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

The council will impose a minimum rate of \$570.50, being an increase by CPI of 2.3% from the 2017/18 financial year. The reasons for imposing a minimum rate are:

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

Valuation Analysis

The Valuer General has provided council with a valuation update, with Kingston District Council's total proposed capital value being \$1,224,914,960 (including current non-rateable properties valuations of \$50,571,360).

Council has undertaken an analysis of its proposed valuations of rateable property as provided by the Valuer General as at 17 June 2018.

Rateable Properties Valuation Analysis 2018/19

	2017/18		2018/19			
	Properties	CV Value	Properties	CV Value	CV Value	% CV
Non Rateable	295	49,726,560	294	50,571,360	844,800	1.70%
Residential	1,308	362,324,500	1,323	363,698,000	1,373,500	0.38%
Commercial	72	27,501,100	71	26,731,100	-770,000	-2.80%
Industrial	29	3,640,500	28	3,602,500	-38,000	-1.04%
Primary Production	672	642,296,300	659	723,827,500	81,531,200	12.69%
Vacant Land	470	50,816,500	480	51,903,000	1,086,500	2.14%
Other	22	3,061,500	22	3,061,500	0	0.00%
Marina Berths	20	1,520,000	20	1,520,000	0	0.00%
	2,888	1,140,886,960	2,897	1,224,914,960	84,028,000	7.37%

A revaluation of primary production properties has occurred with capital valuations increasing by 12.69% as a direct result of continued property sales over the past 12 months. Residential properties have had a minor increase of 0.38%, however a general revaluation has seen a reduction in property values in a specific portion of this category. Due to the substantial increase in primary production values, total capital valuation for Kingston District Council has increased by 7.37% from 2017/18.

Overview of Council's Service Charges

Community Wastewater Management System Levy

Council provides a Community Wastewater Management System (CWMS) to defined properties in the township of Kingston. Council proposes to recover the cost of operating and maintaining the service through the imposition of a service charge. The collected CWMS levy will increase by CPI of 2.3% from the 2017/18 financial year, and will be as follows:

- \$248.50 for each unoccupied property unit
- \$372.00 for each occupied property unit

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

Where the service is provided to non-rateable land, a service charge is levied against the land. Details on what constitute a service charge for each property unit, and other information about the system, is available from the council office. A property unit is defined and charged in accordance with the Local Government Act 1999 and the document titled '*Code for Establishing and Applying Property Unit as a Factor for the Imposition of Annual Service Charges for Community Wastewater Management Systems*' prescribed in accordance with Regulation 12 of the Local Government (General) Regulations 2013.

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

Mobile Garbage Bin Levy

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

The Mobile Bin Service Charge levied by council is proposed to be \$218.50 for each service which shall consist of a 240 litre and 140 litre mobile garbage bin service provided to the property.

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

Natural Resources Management Levy

Council is in the South East (SE) Region of the Natural Resource Management (NRM) framework and is required under the Natural Resource Management Act to collect the NRM levy on behalf of the South East Natural Resource Management Board. In 2018/19, the SE NRM levy will continue to be based on 'local government land use'. The total amount of \$225,587 to be collected has been provided to council and is subject to final gazettal by the minister.

Local Government Land Use Categories	NRM Levy Rate Per Rateable Property
Residential, Vacant & Other	\$76.50

Commercial	\$116.50
Industrial	\$182.50
Primary Production	\$331.00

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

Available Assistance

Concession on Council Rates

Concessions on council rates and CWMS are no longer administered by councils. This concession was previously applied to eligible concession card holders as determined by the Department for Community and Social Inclusion in conjunction with SA Water, and has been replaced by the 'Cost of Living Allowance' administered directly to concession holders through the state government.

Discretionary Rebates

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

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

Postponement of Rates for Seniors Citizens

As prescribed by the Local Government Act 1999, state senior card holders can apply to council for the postponement of payment of rates on their principal place of residence. To apply to postpone payment of rates please contact the council office. If a postponement of the payment of rates occurs, interest will accrue on the amount affected by the postponement. Rates charged remain as a charge on the land and must be paid upon sale, transfer or other such transactions that result in the prescribed rate payer and/or owner of the land no longer qualifying to receive a postponement of rates.

Community Hardship Arrangements

Council, by arrangement with the Chief Executive Officer, will allow for rates and charges to be paid by installment. Should a person be suffering hardship, other arrangements can be catered for upon application to the Chief Executive Officer and provision of appropriate evidence to sustain the claim for hardship.

Delivery of Council's Strategic Priorities

Council's Strategic Plan 2016 to 2026 identifies five (5) key themes and supporting outcomes, actions and targets. The table below highlights the key actions that council will undertake during 2018/19 that support the achievement of the community's overall strategy.

THEME 1	OUTCOME	STRATEGIC ACTION	2018/19 ACTION	PERFORMANCE MEASURES
A Thriving Destination	<i>A sought-after visitor and lifestyle destination</i>	<ul style="list-style-type: none"> Partner with the community to promote the district Provide consistent, clear and relevant information to people visiting our town and district Provide in demand facilities and services to the community and visitors 	<p>Continue the installation of quality tourism signage within the Kingston township (southern entrance).</p> <p>Delivery of a school holiday activity program at the library.</p> <p>Conduct a signage audit throughout the township and district, including visitor information bay and implement improvement plan supported by revised policies</p>	<p>Installation before December 2018.</p> <p>Delivery of eight (8) school holiday programs before 30th June 2019.</p> <p>Audit completed by 30 June 2019.</p>
	<i>A vibrant town centre</i>	<ul style="list-style-type: none"> Create and maintain a vibrant retail hub in the centre of Kingston Attract new events to the township of Kingston 	<p>Increase the number of sustainable events delivered within the township of Kingston by 25% before 2020</p>	<p>Partner with local traders to deliver the Kingston Foreshore Festival.</p> <p>Support local traders in the delivery of main street market.</p> <p>Continue to support annual community events</p>
	<i>A sustainable and progressive Cape Jaffa Anchorage development</i>	<ul style="list-style-type: none"> Partner with Cape Jaffa Development Company to sustainably manage, promote, beautify and grow the Cape Jaffa Anchorage development 	<p>Commence dredging within the Cape Jaffa Anchorage Marina.</p>	<p>100,000 cubic metres of sand/seagrass removed by 30 June 2019.</p>
	<i>A diverse range of prosperous local businesses and primary industries</i>	<ul style="list-style-type: none"> Create an environment that encourages innovation and investment 	<p>Increase the number of sustainable events delivered within the township of Kingston by 25% before 2020.</p>	<p>Partner with community to deliver the Kingston Foreshore Festival in January 2019.</p> <p>Support local traders in the delivery of main street market.</p> <p>Continue to support annual community events</p>

THEME 2	OUTCOME	STRATEGIC ACTION	2018/19 ACTION	PERFORMANCE MEASURES
Best Practice Planning	<i>Integrated, spaces and places</i>	<ul style="list-style-type: none"> Review Council's key planning documents to ensure relevance and support of Council's Strategic Plan Engage external expertise to help shape the district's future planning Create connected places and usable spaces, that attracts a range of people (residents, visitors, new families and retirees) Create an accessible district for all ages. 	<p>In partnership with the community adopt Main Streets (Agnes, Holland & Hanson) and foreshore detailed designs.</p> <p>Install solar lighting along Maria Creek footpath / bike track.</p> <p>Enhancement of the town's footpath network by building new footpaths on Gough and Charles Streets between Agnes Street and James Street.</p>	<p>Adoption before January 2019.</p> <p>Installation before December 2018.</p> <p>Completion construction before June 2019.</p>
	<i>Preserve the rural atmosphere, open spaces, beaches & other natural resources</i>	<ul style="list-style-type: none"> Ensure agricultural land is protected through appropriate land use zoning Promote the significance of primary industry within the district Preserve our coastline and beaches 	Investigate phase (2) coastal protection requirements for Wyomi Beach.	Conclude investigation before June 2019.
	<i>Preserve the heritage & character of the district</i>	<ul style="list-style-type: none"> Promote heritage buildings within the district Tell the historical story of the Kingston as a major southern port Tell the indigenous story of Kingston 	Promote Kingston's new heritage trail via local businesses and visitor information outlets.	Ongoing.

THEME 3	OUTCOME	STRATEGIC ACTION	2018/19 ACTION	PERFORMANCE MEASURES
Excellence in Assets and Infrastructure	<i>Best practice asset and infrastructure management</i>	<ul style="list-style-type: none"> Review all asset and infrastructure management processes, systems and methodology 	<p>Continued maintenance and re-sheeting of Council's unsealed road network.</p> <p>Continued maintenance resealing of Council's sealed road network.</p> <p>Replacement of four (4) scheduled light vehicles.</p> <p>Continue to implement and fine-tune Council's new Asset Management System.</p>	<p>Annual expenditure of \$1,020,901 before 30th June 2019.</p> <p>Annual expenditure of \$267,071 before 30th June 2019.</p> <p>Procurement completed by 30th June 2019.</p> <p>Ongoing.</p>
	<i>Best practice in procurement and contract management</i>	<ul style="list-style-type: none"> Review organisational wide procurement and contract management practices 	Continued implementation and development of Council's tender assessment panels.	Ongoing.

THEME 4	OUTCOME	STRATEGIC ACTION	2018/19 ACTION	PERFORMANCE MEASURES
Strong Communities	<i>A community with a shared sense of pride and common purpose</i>	<ul style="list-style-type: none"> • Ensure transparency in council's responsibilities and decision making • Develop a community engagement strategy that engages our community across all of aspects of council operations, activities and services • Inform the community of council's progress in the delivery of strategic objectives 	<p>Continue to inform the community of Council activities and progress through the following key mediums:</p> <ul style="list-style-type: none"> • Social media. • Coastal Leader Newspaper. • Engage community face to face. 	<p>Ensure a minimum of two (2) facebook posts per week and one (1) monthly new paper spot.</p> <p>Hold a minimum of one (1) community forum per year.</p>
	<i>A knowledgeable community that looks beyond its boundaries for inspiration and learning</i>	<ul style="list-style-type: none"> • Develop an ongoing community development program • Benchmark township and district's performance 	No specific actions scheduled for 2018/19.	N/A
	<i>A healthy & resilient community</i>	<ul style="list-style-type: none"> • Advocate on behalf of the community for continued enhancement of healthcare, age care and educational facilities and services • Establish community support networks and programs • Provide facilities that encourage a physically active community • Facilitate the delivery of health and well-being programs 	<p>Facilitate the establishment/strengthening of community support networks (e.g. suicide prevention, mental health, senior citizens, parenting support, youth support etc.) by 2024</p> <p>Activate the foreshore through the establishment of designated activity areas for residents and visitors (e.g. BBQ, shelters, fitness stations, playground, off-lead dog parks etc.) by 2020</p>	<p>Suicide prevention network up and running by 30th June 2019</p> <p>Adoption before January 2019</p>

THEME 5	OUTCOME	STRATEGIC ACTION	2018/19 ACTION	PERFORMANCE MEASURES
Progressive Leadership	<i>Sustainable community finances and assets</i>	<ul style="list-style-type: none"> • Manage council funds in accordance with council's long term financial plans • Plan for long term sustainability of council's operations 	<p>Investigate new revenue streams and explore cost management initiatives to ensure the ongoing long term financial sustainability of council and success of the district.</p> <p>Implement Annual Business Plan & Budget for the Kingston Caravan Park that delivers an annual profit to council.</p> <p>Closely monitor council's budgets.</p>	<p>Ongoing.</p> <p>Achieve a net profit of \$50,000 by 30th June 2019.</p> <p>Ongoing.</p>
	<i>Effective delivery of projects and services</i>	<ul style="list-style-type: none"> • Develop succession plan for Assets & Infrastructure Team. • Up-skill Assets & Infrastructure Team • Deliver projects on time and on budget 	Complete staff training on council's new asset management system.	Completed by 31 th July 2018.
	<i>Engage external stakeholders to leverage local opportunities</i>	<ul style="list-style-type: none"> • Lobby state and federal government to attract more funding 	Secure as a minimum \$1.876M of external funding to support the first stage delivery of Main Street and Foreshore upgrades in 2019/20.	Funding agreement in place for by 30 th June 2019
	<i>Organisational excellence</i>	<ul style="list-style-type: none"> • Meet all legislative requirements • Risk management fully embedded into organisational culture • Build an organisational culture that promotes productivity, efficiency and continuous improvement. 	<p>Continue to provide staff with training and development opportunities.</p> <p>Review and implementation of risk policy, framework and register</p> <p>Continue to conduct Work Health & Safety (WH&S) Leadership Group meetings during 2018/19.</p>	<p>Deliver of a minimum of 60% of the scheduled staff training program before 30th June 2019.</p> <p>Conduct a minimum of four (4) WH&S Leadership Group meetings before 30th June 2019.</p>
	<i>Council is an employer of choice</i>	<ul style="list-style-type: none"> • Commitment to innovation and a "Can Do" attitude • Protect employee's health in the workplace • A supportive environment that promotes a healthy work life balance 	<p>Continue to keep employees involved in decision making (where appropriate) and the business of Council.</p> <p>Continue to conduct WH&S Leadership Group meetings during 2018/19.</p>	<p>Conduct as a minimum, fortnightly management meetings and bimonthly staff meetings.</p> <p>Conduct a minimum of four (4) WH&S Leadership Group meetings before 30th June 2019.</p>

Appendix 1: 2018/19 Annual Budget & Financial Statements

Comprehensive Income Statement

\$'000	Current		
	Actual 2016/17	Forecast 2017/18	Budget 2018/19
Income			
Investment Income	37	104	115
Grants, Subsidies and Contributions	1,948	1,202	1,321
Other Income	87	85	65
Rates General & Other	4,233	4,323	4,654
Reimbursements	423	147	154
Statutory Charges	78	67	71
User Charges	162	766	812
Total Income	6,968	6,694	7,192
Expenses			
Depreciation, Amortisation & Impairment	1,889	1,892	2,012
Employee Costs	1,566	1,628	1,997
Finance Costs	32	38	127
Materials, Contracts & Other Expenses	3,233	3,412	3,621
Total Expenses	6,720	6,970	7,757
OPERATING SURPLUS/(DEFICIT)	248	(276)	(565)
Asset Disposal & Fair Value Adjustments	-161		
Amounts Received Specifically for New or Upgraded Ass	40	725	
NET SURPLUS/(DEFICIT)	127	449	(565)
Other Comprehensive Income	23,473	0	0
TOTAL COMPREHENSIVE INCOME	23,600	449	(565)

Capital Works Budget

	NEW	RENEWAL
LAND & BUILDINGS	\$0	\$45,000
BUILDINGS		
Building Renewal Works		\$45,000
TOWNSHIP ROADS & FOOTPATHS	\$50,000	\$50,000
TOWNSHIP		
Gough Street Footways (Agnes - James)	\$25,000	
Charles Street Footways (Agnes - James)	\$25,000	
Maria Creek Footpath/ Bike Track		\$20,000
Wyomi Beach Footpath/ Bike Track		\$30,000
ROADS	\$0	\$554,524
SEALED		
Taratap Road (1.6Km)		\$44,500
James Street (149m)		\$8,068
Agnes Street (149m)		\$9,767
Railway Terrace (403m)		\$12,694
Salt well Road (1.1Km)		\$74,626
UNSEALED		
Blackford Road (6.6km)		\$131,140
Tapfield Road (4.8km)		\$116,306
Woolumbool Road (5.3km)		\$157,423
INRASTRUCTURE OTHER	\$136,000	\$24,000
Maria Creek Solar Lighting	\$36,000	
Township entrance signage (Robe entrance)	\$25,000	
Dedicated bin storage - Lions Park	\$10,000	
Installation of RV Park dump point	\$10,000	
CWMS Sensor Upgrade		\$24,000
Upgrade Lions Park Toilets septic system	\$55,000	
EQUIPMENT		\$495,000
Grader		\$265,000
Ride on mower		\$50,000
Light Vehicle Replacement (4)		\$180,000
	2018/19 Totals	\$1,168,524
	\$186,000	\$1,168,524

Uniform Presentation of Finances

\$'000	Actual 2016/17	Current Forecast 2017/18	Budget 2018/19
Income	6,968	6,694	7,192
Less Expenditure	(6,720)	(6,970)	(7,757)
Operating Surplus/(Deficit)	248	(276)	(565)
Less Net Outlays on Existing Assets			
Capital Expenditure on Renewal/Replacement	1,249	1,768	1,168
Less Depreciation, Amortisation and Impairment	(1,949)	(1,892)	(2,012)
Less Proceeds from Sale of Replaced Assets	(87)	(87)	(207)
Total Net Outlays on Existing Assets	(787)	(211)	(1,051)
Less Net Outlays on New and Upgraded Assets			
Capital Expenditure on New/Upgraded Assets	2,896	4,679	186
Less Amounts received for New/Upgraded Assets	(205)	(725)	-
Less Proceeds from Sale of Surplus Assets		-	
Total Net Outlays on New/Upgraded Assets	2,691	3,954	186
Net Lending/(Borrowing) for Financial Year	(1,656)	(4,019)	300

Statement of Cash Flow

\$'000	Actual 2016/17	Current Forecast 2017/18	Budget 2018/19
Cash Flows from Operating Activities			
<u>Receipts</u>			
Rates Receipts	4,204	4,323	4,654
Statutory Charges	78	67	71
User Charges	162	766	812
Grants, Subsidies and Contributions	1,948	1,202	1,321
Investment Receipts	37	104	115
Reimbursements	423	147	154
Other Receipts	407	85	65
<u>Payments</u>			
Payments to Employees	(1,605)	(1,628)	(1,997)
Payments for Materials, Contracts & Other Expenses	(3,394)	(3,412)	(3,621)
Finance Payments	(37)	(38)	(127)
	2,223	1,616	1,447
Net (increase)/decrease in inventories		-	
Net Cash provided by (or used in) Operating Activities	2,223	1,616	1,447
Cash Flows from Investing Activities			
<u>Receipts</u>			
Amounts Received Specifically for New/Upgraded Assets	40	725	-
Sale of Replaced Assets	45	87	207
Repayments of Loans by Community Groups	24	17	16
<u>Payments</u>			
Expenditure on Renewal/Replacement of Assets	(853)	(1,768)	(1,168)
Expenditure on New/Upgraded Assets	(454)	(4,679)	(186)
Loans Made to Community Groups	-	-	
Net Cash provided by (or used in) Investing Activities	(1,198)	(5,618)	(1,131)
Cash Flows from Financing Activities			
<u>Receipts</u>			
Proceeds from Borrowings	0	2337	0
<u>Payments</u>			
Repayments of Borrowings	(170)	(80)	(371)
Net Cash provided by (or used in) Financing Activities	(170)	2,257	(371)
Net Increase (Decrease) in Cash Held	855	(1,745)	(55)
Plus Cash & Cash Equivalents at beginning of period	2,224	3,079	1,334
Cash & Cash Equivalents at end of period	3,079	1,334	1,279

Statement of Financial Position

\$'000	Actual	Current	Budget
	2016/17	Forecast 2017/18	2018/19
ASSETS			
Current Assets			
Cash and Cash Equivalents	3,079	1,334	1,279
Trade & Other Receivables	258	258	258
Inventories	63	63	63
Total Current Assets	3,400	1,655	1,600
Non-Current Assets			
Financial Assets	2,898	2,881	2,865
Infrastructure, Property, Plant & Equipment	84,920	89,388	88,523
Total Non-Current Assets	87,818	92,269	91,388
TOTAL ASSETS	91,218	93,924	92,988
LIABILITIES			
Current Liabilities			
Trade & Other Payables	533	533	533
Borrowings	80	80	371
Provisions	300	300	300
Total Current Liabilities	913	913	1,204
Non-Current Liabilities			
Borrowings	3,080	5,337	4,675
Provisions	96	96	96
Total Non-current Liabilities	3,176	5,433	4,771
TOTAL LIABILITIES	4,089	6,346	5,975
NET ASSETS	87,129	87,578	87,013
EQUITY			
Accumulated Surplus	24,683	25,046	24,395
Asset Revaluation Reserve	60,897	60,897	60,897
Other Reserves	1,549	1,635	1,721
TOTAL COUNCIL EQUITY	87,129	87,578	87,013

Statement of Changes in Equity

\$'000	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves	Total Equity
2018/19				
Opening Balance	25,046	60,897	1,635	87,578
Net Surplus / (Deficit) for Year	-	565	-	565
Transfers between Reserves				
Balance at the end of period	24,481	60,897	1,635	87,013
2017/18 - Forecast				
Opening Balance	24,683	60,897	1,549	87,129
Net Surplus / (Deficit) for Year	449			449
Gain Loss on revaluation				
Transfers between Reserves	-86		86	
Balance at the end of period	25,046	60,897	1,635	87,578

Financial Indicators

\$'000	Actual 2016/17	Current Forecast 2017/18	Budget 2018/19
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These Financial Indicators have been calculated in accordance with the Information Paper 9 - Local Government Financial Indicators prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia. Detailed

Operating Surplus Ratio

Target is >0 before Capital Revenues

Operating Surplus/(deficit) divided by Operating Revenue	-3%	-4%	-8%
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Net Financial Liabilities Ratio

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

Total Liabilities less (Cash, Trade & receivables, financial assets) Divided by Operating Revenue	31%	28%	22%
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The Net Financial Liabilities Ratio calculation excludes the community and Cape Jaffa Loans as these are owed back to Council and only considers Councils cash and loans. A negative ratio means that Council has more cash than loans.

Asset Sustainability Ratio

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

Expenditure on net renewal/replacement of assets Divided by Optimal level of such expenditure per Asset Management Plans	57%	134%	89%
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