

Kingston District Council

2018/19 Annual Business Plan & Budget Summary

In accordance with the Local Government Act 1999, Council is required to include a summary of the Annual Business Plan with the first rate notice

Over the past three and a half years council has continued 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.

The past few years have certainly been interesting with 'Mother Nature' dishing up a number of coastal challenges for council and the community to deal with. The majority of these coastal situations will soon be resolved with the arrival of a fit for purpose dredge and the completion of the Wyomi Beach rock seawall only weeks away. The Maria Creek boat launching facility will be dredged in 2018/19 and further reviewed once council has a better understanding of dredging results and material movement.

Our coastal conditions 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. Council's Long Term Financial Plan provides details of this strategy.

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.

Yours sincerely,



Reg Lyon Mayor

Message from the Mayor

Plans for the 2018/19 Financial Year

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.

Road Network

Council will invest \$149,655 resealing 1.6km of Taratap Road, 1.1km of Salt Well Road, 149m of James Street, 149m of Agnes Street and 403m of Railway Terrace. Council will further invest \$404,869 on rural roads re-sheeting 6.6km of Blackford Road, 4.8km of Tapfield Road and 5.3km of Woolumbool Road.

Council will increase its rural roads maintenance budget to \$733,448, an increase of 43.6% compared to the previous year. The benefits will be improved road maintenance across the year and greater productive use of council's plant and equipment.

Coastal Management

Council's new dredge will be fully operational and will dredge, as a minimum, 100,000 cubic metres of sand/seagrass at the Cape Jaffa Anchorage Marina and 20,000 cubic metres of sand/seagrass within the Maria Creek channel. The operational cost will total \$372,000.

Community Facilities

Council will continue to invest in public facilities including \$65,000 on buildings, \$7,000 improving the water supply for Wyomi Beach and Pinks Beach toilets, \$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

Plant & Equipment

Council will invest \$495,000 replacing a grader, parks and gardens mower and four (4) light work vehicles.

Economic Development

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 Park dump point within Kingston and Cape Jaffa - \$15,700
- Dedicated bin storage to house bins located at Lions Park Carpark and adjacent RV Park - \$10,000
- Installation of township entrance signage at the southern entrance - \$25,000
- Installation of event signage at township entrances - \$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 (bridge to bridge) - \$36,000*
- Installation of new footpaths on Gough Street (Agnes/James section) and Charles Street - \$50,000*

* 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 significant music festival on Kingston's foreshore. The event will take place during January 2019 and will specifically target families.

Kingston Foreshore Caravan Park

In 2018/19, the Kingston Foreshore Caravan Park will contribute a net profit of \$50,022 towards council's overall operation.

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

Rates and Charges Summary

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.

Rates & Service Charges

Council will raise \$3,690,688 [net] in general rates for the 2018/19 financial year. As a result, council adopted 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 in an aim to provide relief to those ratepayers who may be unfairly affected by significant rate increases where valuation movements (not related to development) have occurred.

Minimum Rate

The council will impose a minimum rate of \$570.50 per annum.

Community Wastewater Management System Levy

Council provides a Community Wastewater Management System [CWMS] to defined properties in the township of Kingston. Council will recover the cost of operating and maintaining the service through the imposition of a service charge.

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

Mobile Garbage Bin Levy

The Council provides a mobile garbage bin collection and disposal service within a defined area of the district. The service charge is levied in accordance with legislation and Council policy 'E008 – Mobile Garbage Collection and Disposal Policy', to recover the cost of providing this service.

- > \$218.50 for each service which shall consist of a 240 litre and 140 litre mobile garbage bin service provided to the property.

Natural Resource Management Levy

Council is required under the Natural Resource Management Act to collect the NRM levy on behalf of the South East Natural Resource Management Board. Council does not retain this revenue or determine how the revenue is spent. In accordance with the SE NRM Annual Business Plan, the NRM levy is applied based on land use. The following levies are applicable for 2018/19:

- > \$76.50 for Residential, Vacant and Other
- > \$116.50 for Commercial
- > \$182.50 for Industrial
- > \$331.00 for Primary Production

Assistance Available

Council rate concessions and Community Wastewater Management System [CWMS] concessions are no longer administered by Councils and have been replaced by the 'Cost of Living Allowance'. Please visit www.sa.gov.au/concessions for further information on State Government Concessions.

If you are having difficulty paying your rates, please contact the Council office for a confidential discussion regarding assistance and options available.

Further Information

The full Annual Business Plan and Budget documents can be obtained from the Council Office or on Council's website www.kingstondc.sa.gov.au.

2017/18 Financial Year Achievements

- ✔ 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 Boat Ramp Facility
- ✔ Installation of township entrance and heritage signage
- ✔ Tree removal on Southern Ports Highway
- ✔ Purchase and rebranding of the Kingston Caravan Park
- ✔ Increased RV Park stays from 24 to 48 hour and the installed a dedicated ticket machine
- ✔ Successfully secured \$775,000 in external grant funding
- ✔ Awarded Local Government Risk Services 'major risk award' for cultural change