ANNUAL PLAN & BUDGET ESTIMATES FY24/25

KING ISLAND COUNCIL

Annual Plan

The *Local Government Act 1993* (Act) requires Council to prepare an Annual Plan setting out the way Council will work to achieve its strategic goals and manage its operations and projects.

The Strategic Plan 2022-2032 sets out long-term (10-Year) strategic goals for each of the Council's roles and functions. The Annual Plan and Budget Estimates outlines the priorities to be addressed in 2024/25.

Strategies and Projects within this Plan are labelled as follows:

- Ongoing
- Priority for 2024-2025
- Priority in future years

The Plan can be amended or changed, due to operational requirements, significant change, or opportunities. Any changes need to be passed as a Council resolution.

Abbreviations are as follows:

Abbreviations	Full Title
AAMP	Airport Asset Management Plan 2022 - 2032
AMP	Airport Master Plan 2018
KICSP	King Island Strategic Plan 2022 - 2032
LTFP	Long Term Financial Plan 2022 - 2032
SAMP	Strategic Asset Management Plan 2022 - 2023
WMS	Waste Management Strategy 2019 - 2029

This Annual Plan presents the priorities for each of these functions for 2024/25, as follows:

Function 1 – Provisions of Essential Council Infrastructure

Local Roads, Bridges, Footpaths/Walking Tracks and Associated Assets
King Island Airport
Waste Management
Parks and Recreation Facilities
Council Buildings, Amenities and Structures

Function 2 – Administration of Statutory, Regulatory and Compliance Services

Statutory Land Use Planning and Development Assessment
Building and Plumbing
Public Health and Environmental Management
Dog and Animal Control
Emergency Management
Environmental Risks and Climate Change

Function 3 – Facilitation of Sustainability

Community and Social Development
Heritage, Arts and Cultural Development
Environmental and Resource Management
Economic Development
Sport and Recreation Development

Function 4 – Administration of Council Governance, Management and Operations

Governance, Management and Operations

Function 1:
Provision of Essential Infrastructure

Essential physical infrastructure and services provided by Council includes:

1.1 Local Roads, Bridges, Footpaths/Walking Tracks and Associated Assets

10-Year Goal

To ensure Council's local road and pedestrian networks and associated assets are fit-for-purpose and provide a safe and efficient standard for users and the community.

Strategies

Service, Maintenance and Compliance:

The following actions are ongoing:

1.1.1 Continue a program of regular road network and asset condition inspections and preventative maintenance and repairs to road surfaces, bridges, roadside drainage, and vegetation.

1.1.2 Continue a program of improving Council's strategic asset management capability through regular asset condition monitoring and management review, in order to:

- Effectively manage asset and public safety risks and implement suitable control measures within the resources available, and in conjunction with the Department of State Growth.
- Ensure expenditure on asset upgrades, renewal, and preventative maintenance programs is put to best use.
- Support long-term financial planning, asset accounting, and financial reporting requirements.
- Maintain asset information, including periodic valuations, to meet compliance requirements in state legislation and submit data returns to the Local Government Division, the State Grants Commission, and the Tasmanian Audit Office.

1.1.3 Regularly review and update the long-term asset management plan for the maintenance and upgrading of roads, bridges, drainage, footpaths/walking tracks, street lighting and street furniture.

Planning and Projects:

The following actions are ongoing:

1.1.4 Prioritise allocations of revenue from government grants and other sources in the long-term financial and asset management plans to progressively seal major local gravel roads, improve local roads used by heavy vehicles and upgrade roadside drainage and footpaths.

1.1.5 Negotiate with the State Government to have heavy vehicle registration fees collected on the island transferred to Council to upgrade local roads used by heavy vehicles.

The following action will be implemented in future years:

1.1.6 Negotiate with the State Government to review and rationalise the island's road network to clarify heavy vehicle routes to be managed by the State Government and local roads to be managed by Council.

1.2 King Island Airport

10-Year Goal

To maintain and develop the Airport as a safe, secure, and strategic gateway for King Island supporting growth in resident, air freight, business, and visitor travel.

Strategies

Service, Maintenance and Compliance:

The following actions are ongoing:

1.2.1 Continue regular monitoring and management of airport operations, including annual technical inspections and reporting requirements, to meet safety and security compliance standards.

1.2.2 Update the emergency management and recovery plan as per legislation, and be prepared to implement the plan, as and when required.

1.2.3 Undertake regular asset condition inspections and implement preventative maintenance programs and repairs.

1.2.4 Monitor and maintain commercial lease agreements and support the delivery of customer-driven and efficient business services at the Airport.

1.2.5 Maintain professional working relationships with the regular passenger transport and charter operators, the Royal Flying Doctor Service, general aviation, the King Island Aeroclub and businesses and agencies operating at the airport.

1.2.6 Strive to manage airport operations on a financial cash-neutral basis.

Planning and Projects:

The following actions are ongoing:

1.2.7 Continue to improve aircraft apron parking and landside traffic management, parking, and pedestrian safety.

1.2.8 Implement the long-term asset and financial management plan for the airport and prioritise allocation of external grants and other available funds for future asset renewals and upgrades.

The following actions are priorities for 2024-2025:

1.2.9 Finalise the drainage master plan and update the airport master plan.

1.2.10 Develop Aviation Destination Prospectus, as per Tourism Tasmanian funding.

1.2.11 Update the airport keying system to an electronic based system for controlling airside access.

1.2.12 Undertake Runway and taxiway pavement assessment and rehabilitation design (consultancy) to address pavement failures and in preparation for the runway upgraded to accommodate larger aircraft.

1.2.13 Installation of new apron floodlighting to address lack of lighting during the winter months. (dependant on external funding)

The following action will be implemented in future years:

1.2.14 Facilitate plans for the further development of private commercial services for the travelling public and freight handing.

1.3 Waste Management

10-Year Goal

To continue to improve environmental management of waste by minimising the volume and type of waste going to landfill and increasing resource recovery through sustainable, community-based recycling and reuse on-island.

Strategies
Service, Maintenance and Compliance:
The following actions are ongoing:

1.3.1 Comply with operational conditions and requirements in Environment Protection Notices (EPN) for the Parenna and Charles Street landfill sites, including environmental monitoring and reporting to the Environment Protection Authority (which includes pest management, monitoring and capping – directed by the EPN & EPA).

1.3.2 Continue to minimise waste going to landfill and maximise the capacity of both landfills to extend their useful life by three years to 2032.

1.3.3 Implement an efficient waste collection service, glass, tyre recycling initiatives and investigate other on-island recycling and reuse initiatives, such as cardboard processing/compaction.

1.3.4 Collaborate with the King Island District High School Green Team, the Lions Club, residents, businesses, and industry to further promote and develop island-based, sustainable recycling, reuse, and waste processing solutions and education.

Planning and Projects:
The following actions are ongoing:

1.3.5 Work with the State Government, its agencies, and contractors to ensure state-wide waste management reforms are cost effective, workable, and affordable, and generate income through grants.

1.3.6 Evaluate and prepare plans for waste management systems and other recommendations in the King Island Waste Management Strategy 2019/2029.

1.3.7 Implement the long-term asset and financial management plan for waste management and prioritise allocation of external grants and other available funds to improve reuse and recycling services.

The following action is a priority for 2024-2025:

1.3.8 Initiate the Recycling Modernisation Fund Project and Council Resolution regarding creating bays for recycling, plus Container Refund Scheme.

1.4 Parks and Recreation Facilities

10-Year Goal

To maintain and develop Council's recreation and sporting facilities, in conjunction with user groups, community organisation and other recreation providers, to support participation by residents of all ages in safe and healthy physical activities**.**

Strategies

Service, Maintenance and Compliance:
The following actions are ongoing:

1.4.1 Conduct annual audits of Council's parks, recreation and sporting facilities and areas to identify and address any non-compliance with safety standards.

1.4.2 Support recreation activities, sporting groups and events that encourage healthy active participation by the community.

1.4.3 Manage and maintain grounds and facilities in conjunction with lessees and agreed maintenance, budget, and safety programs.

1.4.4 Monitor and maintain lease agreements and user fees to maximise participation.

Planning and Projects:
The following actions are ongoing:

1.4.5 Continue to develop playground and recreational facilities in Currie, Grassy and Naracoopa that offer experience play areas, which engage and provide diverse spaces.

1.4.6 Progressively review recommendations in the Recreation Plan 2020-2029 and master plans, and prioritise projects to be included in the annual plan, in cooperation with community-based recreation groups, and sporting organisations.

1.4.7 Implement a system of rates, fees, and charges that supports and encourages community sporting and recreation groups.

1.4.8 Provide grants program to support community-based organisations with facilityimprovements, activities, and events.

The following action is a priority for 2024-2025:

1.4.9 Implement the Currie tennis court project.

The following action will be implemented in future years:

1.4.10 Support investment by State and Commonwealth Governments, the private sector and off- island stakeholders to improve the island's sporting and recreation facilities, coastal and in-land walking tracks and toilet and visitor facilities Island wide.

1.5 Council Buildings, Amenities and Structures

10-Year Goal

To continue to provide buildings, amenities and structures that are needed for Council operations and community use.

Strategies

Service, Maintenance and Compliance:

The following actions are ongoing:

1.5.1 Continue regular building condition inspections and implement preventative maintenance programs.

1.5.2 Maintain cleaning programs to protect the safety of users.

1.5.3 Monitor, manage and as required, update building leases.

1.5.4 Maintain clear, consistent, and fair provisions in leases across different properties and tenants.

1.5.5 Set rents and hire fees at levels which promote community use of Council-owned properties and recognises the efficiencies achieved by community groups delivering services and activities, which Council may otherwise provide.

Planning and Projects:

The following actions are ongoing:

1.5.6 Implement the long-term asset and financial management plan for Council's buildings, amenities, and structures and utilise external grant opportunities to upgrade current facilities.

1.5.7 Periodically review Council property holdings to ensure they are fit-for-purpose and efficiently managed.

Function 2:
Administration of Statutory, Regulatory and Compliance Services

Council is assigned responsibility in government legislation, regulations, and directions to administer the following:

2.1 Statutory Land Use Planning and Development Assessment

10-Year Goals

To continue to ensure land use and development applications comply with statutory land use and development plans and processes set out in the *Land Use Planning and Approvals Act 1993*, the Planning Scheme and other related legislation and regulation.

To continue to work with the State Government to ensure the Tasmanian Planning Scheme and other planning reforms take into account the island's land use and development circumstances and facilitate sustainable development, which include land clearing considerations and potential incentives to improve environmental stewardship by landholders.

To continue to monitor and update the King Island Land Use Plan to address changing land use and development trends and support future planning scheme amendments.

Strategies

Service and Compliance:

The following actions are ongoing:

2.1.1 Maintain efficient, timely and transparent systems to receive and process development applications consistent with Council's role as a statutory Planning Authority, planning legislation and the planning scheme.

2.1.2 Inform those initiating development applications and those potentially impacted by such applications, of the statutory rules and processes that govern planning decision making and appeal systems (where warranted include on-island assessments of biodiversity impacts associated with development proposals, such as advocating for sustainable development considerations such as inclusions of appropriate buffers between development and natural areas).

2.1.3 Maintain a professional relationship with applicants and those members of the community with an interest in particular development applications.

2.1.4 Monitor development construction works to ensure compliance with planning permits and, if necessary, commence enforcement procedures.

Planning and Projects:

The following action is ongoing:

2.1.5 Monitor development trends and as required, update Council's King Island Land Use Plan to support future amendments to the planning scheme.

The following actions are priorities for 2024-2025:

2.1.6 Work with the State Government to finalise a compliant draft King Island Local Provisions Schedule as part of the Tasmanian Planning Scheme and assist the Tasmanian Planning Commission with its assessment and community consultation.

2.1.7 Participate in the development of Tasmanian Planning Policies by the State Government and the review of the Cradle Coast Regional Land Use Strategy to ensure compatibility with the island's land use and development circumstances.

2.2 Building and Plumbing

10-Year Goal

To continue to ensure compliance with the *Building Act 2016* and building and plumbing regulations.

Strategies

Service and Compliance:

The following actions are ongoing:

2.2.1 Maintain and administer systems to receive, process and file applications and associated documentation related to building and plumbing works.

2.2.2 Administer building and plumbing systems in accordance with statutory processes and requirements.

2.2.3 Maintain a professional relationship with builders, plumbers, building surveyors and relevant stakeholders in administering building and plumbing permit systems.

2.2.4 Inform those initiating building and plumbing work of the statutory processes and requirements.

2.2.5 Support the Permit Authority with continual progress in order to meet plumbing licencing obligations.

2.3 Public Health and Environmental Management

10-Year Goal

To continue to ensure compliance in the implementation and enforcement of legislations meets our statutory public health and environmental health obligations.

Strategies

Service and Compliance:

The following actions are ongoing:

2.3.1 Develop and implement strategies to promote and improve public health.

2.3.2 Ensure that the provisions of the *Public Health Act 1997* and *Food Act 2003* and any guidelines are complied with and carry out any Minister or Director determinations.

2.3.3 Carry out any functions relating to Council obligations under the *Environmental Management and Pollution Control Act 1994.*

2.4 Dog and Animal Control

10-Year Goal

To facilitate and encourage responsible dog, and animal ownership in accordance with state legislation, regulations, and Council's policies.

Strategies

Service and Compliance:

The following actions are ongoing:

2.4.1 Provide ranger services to respond to dog and animal control complaints and issues in accordance with legislative requirements and Council's dog management plan.

2.4.2 Inform dog and stock owners of their responsibilities and communicate authorised information provided by relevant state government authorities, professionals, and community organisations.

2.4.3 Maintain good working relationships with state government authorities and community organisations regulatory stakeholders, including Natural Resources and Environment (NRE) Cradle Coast Authority (CCA) and Parks and Wildlife Service (PWS).

Planning and Projects:

The following actions are ongoing:

2.4.4 Maintain and implement the dog management policy and plan in consultation with the community.

2.4.5 Support King Island Land Care with the updating and implementation of the King Island Cat Management Plan.

2.5 Emergency Management

10-Year Goals

To continue to support emergency service authorities, professionals and community volunteers plan and prepare for, and respond and recover from, emergencies.

Work with state government authorities to inform the community of potential risks and appropriate actions to prepare for and take in the event of an emergency.

Strategies

Service and Compliance:
The following actions are ongoing:

2.5.1 Administer and maintain compliance with emergency management structures, systems and requirements in State and Commonwealth government legislation.

2.5.2 Maintain a strong network with state government authorities and community volunteers to coordinate emergency management planning, resource allocation, training, and services.

2.5.3 Inform the community of authorised emergency management information and encourage residents and businesses to prepare and act when an emergency event occurs.

Planning and Projects:
The following actions are ongoing:

2.5.4 Identify and raise awareness of the island's remoteness and the need for appropriate emergency management plans and resources.

2.5.5 Update the emergency management plan 2023-2026.

2.5.6 Facilitate cross agency training for emergency first responders on King Island to build maturity of internal processes and systems to operate systematically and collaboratively during a multi-agency incident.

2.5.7 Coordinate desk-top exercises to develop capability, embedding plans, processes, and procedures to enhance knowledge and experience.

2.5.8 Ensure governance structures and mechanisms for local information sharing and decision making are clearly defined and agreed between MEMC agencies.

The following actions are priorities for 2024-2025:

2.5.9 Develop 10 George Street as a fit-for-purpose emergency management and recovery centre.

2.5.10 Develop a program for planning and on-going maintenance of firebreaks, particularly in the town areas.

2.5.11 Review the MEMC Terms of Reference.

2.5.12 Continue to advocate for a new ambulance station, staffed with permanent paramedical personnel, and support the current volunteer ambulance service to attract, recruit and retain ambulance personnel and to upgrade its current interim accommodation.

2.6 Environment Risks and Climate Change

10-Year Goal

Council's operations in concert with Landcare and Biosecurity and other associated bodies incorporate environmental values that are important to the people of King Island and develop processes and procedures to better protect these identified values.

Strategies

Service and Compliance:
The following actions are ongoing:

2.6.1 Investigate and support mitigation measures and controls to be applied to minimise negative environmental impacts associated with Council assets.

2.6.2 Provide mechanisms for compliance and applicable policies, approval, licences, permits and legislation, where applicable.

2.6.3 Work together with Landcare, Industry groups and relevant State Departments in the development and implementation of management plans and programs, to address the threats to the natural environment on King Island, such as climate change initiatives, waterways, public spaces and weed management including on roadsides.

2.6.4 Investigate strategies to reduce Council's operational carbon footprint and emissions.

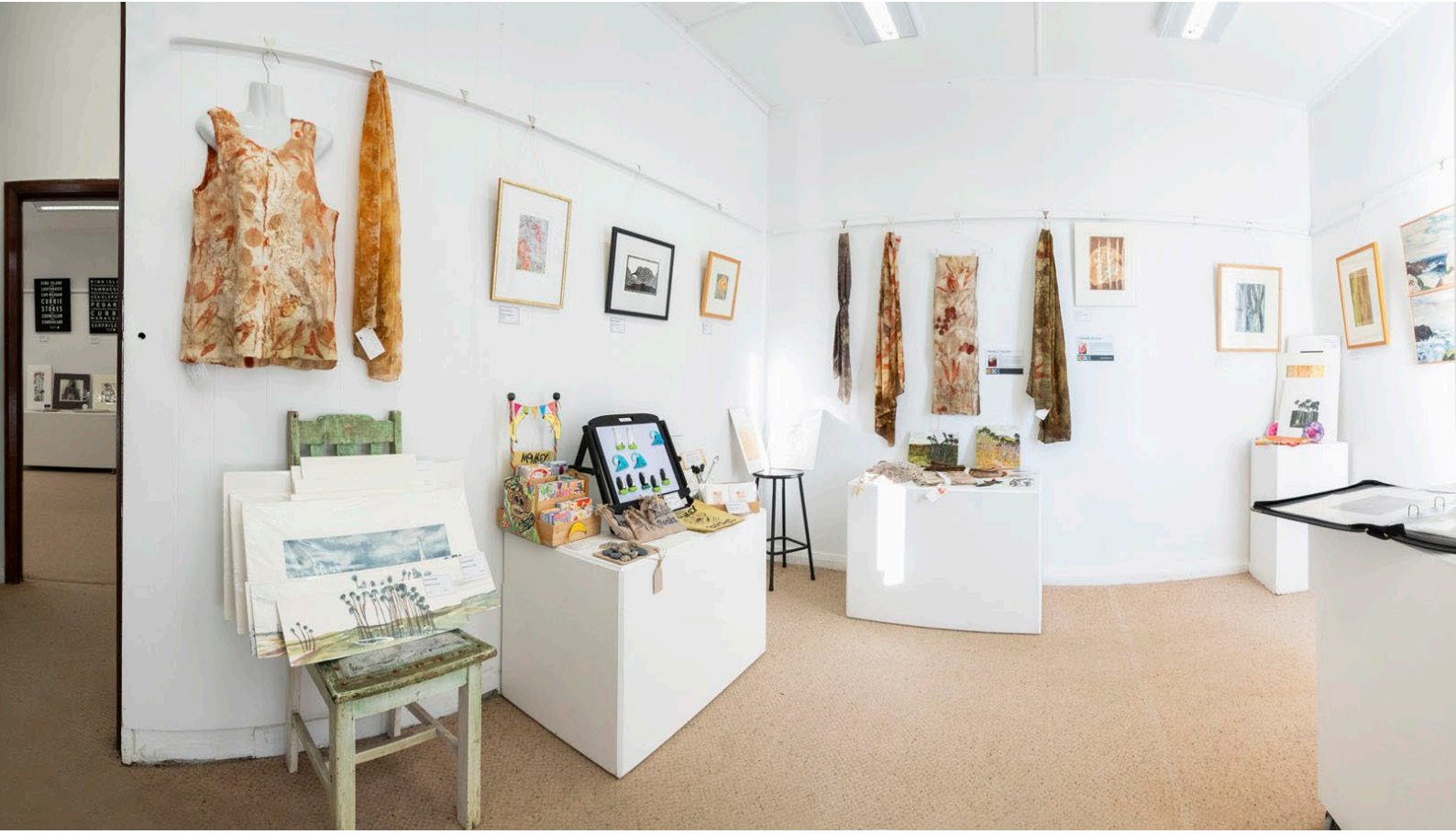
Planning and Projects:
The following action is ongoing:

2.6.5 Continue to support Landcare and advocate to government agencies for increased funding and resources.

The following actions will be implemented in future years:

2.6.6 Review the Biodiversity Management Plan.

2.6.7 Investigate the feasibility of employing an Environmental Officer.



Function 3:
Facilitation of Sustainability

Council plays a key role in facilitating, advocating, and supporting particular social, environmental, and economic issues of importance to the wellbeing of the community and the Island's economy. The main focus areas are:

3.1 Community and Social Development

10-Year Strategic Plan Goal:

Council's community development and social wellbeing aims to generate outcomes that enable the community to come together to be active, to participate, to engage and to be supportive and sustainable; to develop active environments in which people live, work, play and invest.

Strategies

Services and Compliance:

The following actions are ongoing:

3.1.1 Support and engage actively with community of all ages, interests, and abilities.

3.1.2 Continue the annual community assistance and sponsorship program to support community-based development activities and events.

Planning and Projects:

The following actions are ongoing:

3.1.3 Work collaboratively with government and non-government agencies to address dynamic and emerging needs for social support structures, services and programmes for all demographics of the community.

3.1.4 Build support for young people's voices project.

The following actions are priorities for 2024-2025:

3.1.5 Develop a Community Development and Social Wellbeing Plan for strengthening and connecting with the community.

3.1.6 Develop and support the Child and Youth Safe Organisation Committee in accord with the 2003 Act.

3.2 Heritage, Arts and Cultural Development

10-Year Strategic Plan Goal:

To encourage and support local arts, cultural and heritage activities to facilitate strong community and economic development outcomes for King Island.

Strategies:

Services and Compliance

The following actions are ongoing:

3.2.1 Facilitate partnerships with other agencies to bring arts and cultural resources to King Island.

3.2.2 Promote a community-driven program of arts and cultural activities and events, in accordance with the Community Volunteer Strategy.

3.2.3 Nurture the Islands dynamic and creative resources while raising awareness and inclusion for all abilities and age groups.

3.2.4 Support community and volunteer-led arts and culture activities, including the King Island Cultural Centre, King Island Historical Society, King Island Dramatic Society and the King Island Boathouse.

3.2.5 Facilitate the use of arts, culture and heritage in developing individual and community wellbeing by Council and other organisations.

Planning and Projects:

The following action is ongoing:

3.2.6 Continue the King Island Council Artist in Residency Annual Program.

3.3 Environmental and Resource Management

10-Year Strategic Plan Goal:

Collaborate with industry, state and federal government stakeholders to maintain the sustainability of King Island's environment and natural resources.

Strategies:

Services and Compliance

The following actions are ongoing:

3.3.1 Continue environment protection and compliance, with quarry, Environmental Protection Notices (EPNs) and Environmental Management Plans (EMPs).

3.3.2 Continue asset management and maintenance for quarry life plans, operations, including end of life and rehabilitation planning.

3.3.3 Work with the community and stakeholders to maintain requirements of rock and aggregate products to inform Council's forward planning and commercial services.

Planning and Projects

The following actions are priorities for 2024-2025:

3.3.4 Negotiate with the Group 6 Metals to develop an agreement which outlines for both parties, the safe, effective, and efficient provision and supply of aggregate supply and crushing for construction.

3.3.5 Form a committee to administer the G6 Trustee Fund.

3.4 Economic Development

10-Year Strategic Plan Goals:

Facilitate the growth and sustainability of the King Island economy across a diverse range of industries, thereby ensuring the long-term viability of the King Island community.

Support the further development of King Island as a destination for visitors and residents.

Protect and promote the King Island Brand to ensure the economic viability of our core industries.

Strategies:
Services and Compliance

The following actions are ongoing:

3.4.1 Gather and review data on economic drivers for King Island to identify priority areas for actions.

3.4.2 Advocate to make connections with relevant state and federal bodies to improve the Island's availability of suitable housing.

3.4.3 Facilitate increased access to on-island skills, training and development.

3.4.4 Promote, support and investigate opportunities to seek private sector investment opportunities on the island.

3.4.5 Protect and promote the King Island Brand to ensure the economic viability of our core industries.

3.4.6 Advocate for improvement to sea, air, logistics and state roads on King Island, including the adoption of a more equitable freight equalisation scheme.

3.4.7 Promote, support and facilitate worker attraction.

Planning and Projects

The following actions are ongoing:

3.4.8 Implement the recommendations of the King Island Tourism Strategy in partnership with West by Northwest and King Island Tourism Inc.

The following actions are priorities for 2024-2025:

3.4.9 Acquit Tourism Tasmania funding for King Island Incentive Scheme.

3.4.10 Continue development of the King Island Hub to support economic development on King Island.

3.4.11 Continue to provide advocacy and support, in conjunction with other organisations and government agencies, for the agricultural sector throughout the drought and subsequent economic recovery.

3.5 Sport and Recreation Development

10-Year Strategic Plan Goal:

Encourage and support active participation by residents of all ages, abilities and demographics and help facilitate the goals and strategic investment priorities in the King Island Recreation Plan: December 2019.

Strategies

Services and Compliance

The following actions are ongoing:

3.5.1 Advocate for adequate resourcing for recreation opportunities on Island.

3.5.2 Through Council policies improve participation and sports development opportunities.

3.5.3 Provide access to quality information and promotion of existing facilities and activities.

3.5.4 Continue to maintain the playing surfaces for Currie and Grassy Oval.

Planning and Projects

The following actions are ongoing:

3.5.5 Develop strategies and infrastructure for sustainable service provision as outlined in the Recreation Plan 2020-2029.

3.5.6 Progressively plan and deliver a network of well managed tracks and trails.

3.5.7 Incorporate high quality landscape amenity and functionality of streetscape and public spaces in future plans.

The following action is a priority for 2024-2025:

3.5.8 Review the related policies for sport and recreation for Council.

Function 4:
Administration of Council Governance, Management and Operations

The other main function of Council is to administer its affairs in accordance with legislative requirements and its own policies and procedures.

4.1 Governance, Management and Operations

10-Year Strategic Plan Goal:
For Council to have the required staffing levels to maintain statutory, compliance and legislative requirements, as well a team of highly skilled, innovative, and multi-disciplined staff members.

Strategies:

Services and Compliance
The following actions are ongoing:

4.1.1 Provide high quality professional governance, advocacy and leadership together with effective administration and governance.

4.1.2 Continue to achieve long-term financial viability and planning for the municipality.

4.1.3 Support, develop and employ skilled, experienced, accountable, community-minded motivated staff.

4.1.4 Actively facilitate the engagement of the community in setting council policy and strategic direction to inform decision making and implement processes that respond to the deferent needs of each group.

4.1.5 Continue to implement continuous improvement processes in service delivery.

4.1.6 Investigate and respond to service requests made by the community in a timely manner.

The following actions are priorities for 2024-2025:

4.1.7 Develop opportunities for succession planning for staff to ensure continuity of service.

4.1.8 Develop a Communications and Engagement Plan which outlines levels of public participation and decision-making of Council.

Planning and Projects

The following actions are ongoing:

4.1.9 Align strategic priorities with staff member's workplans.

4.1.10 Continue the implementation of the document management system.

4.1.11 Continue to update Council's policies and procedures.

4.1.12 Maintain a list of 'shovel-ready' road, bridge, drainage, and footpath/walking track projects suitable for funding under State or Commonwealth Government grant programs.

The following actions are priorities for 2024-2025:

4.1.13 Review of the adopted Mission, Vision and Values from 2022 with Councillors and staff.

4.1.14 Develop and implement an organisation-wide project management framework.

4.1.15 Implement telephone system update due to changes with the current system.

4.1.16 Review the current procurement policy and procedures and undertake procurement training.

4.1.17 Prepare and plan for the next Enterprise Agreement.

BUDGET ESTIMATES 2024 /25

KING ISLAND COUNCIL

2024/25 Budget Estimates

- ***Revenue***

  Total revenue for 2024/25 is estimated to be $15.566m. Similar to 2023/24, capital grants are the largest source of revenue.

  Estimated income from **General and Special Rates** is $3.223m, which is $0.180m higher than the 2023/24 estimate of $3.043m.

  General and Capital Grants are estimated to be at $9.033m (2022/23 $9.538m). While being similar to the prior year it is well above earlier years.

  The pre-dominant source of these grants is the funding for the major "HUB" project. This project will extend to the 2024/25 financial year with both funding and expenditures to be incurred.

  Another contributor to the large increase in grant funding, compared to the forecast 2023/24 is the budgeted payment arrangements for the Commonwealth Financial Assistance Grants (FAG). In the 2023/24 year approximately 95% of the FAG, referable to the 2023/24 financial year, had been received in the prior year. This amounted to $2.214m. No early payment of the FAG has been budgeted for.

  In the prior and current financial years, Council has been a beneficiary of a range of grant opportunities that have arisen from programmes offered by the Commonwealth Government to assist with the recovery from the COVID-19 pandemic. The timeframes to utilise these funds have been extended and additional tranches have been offered. There are also grants which have been offered in prior years and which have now reached a stage in the assessment and planning process such that it is considered appropriate to include them in the budget.

  Another revenue variation, of note, compared to the 2023/24 budget, is a higher estimate for **User charges** (25%). This is attributable to Waste management fees. Fees in this area are being increased to cover the cost of the Landfill levy which was introduced by the State Government on 1 July 2022. Previously, this levy had been recovered by a charge on rates assessments. With the landfill levy more than doubling, it is now considered appropriate to recover its cost from the different waste streams that contribute to it.

- ***Operating Expenses***

  Total operating expenses are estimated to be $11.083m which is 1% less than the level of expenses budgeted in 2023/24. This includes a non-cash depreciation book entry of $2.303m which is up 9% from $2.112m in 2023/24.

  Excluding depreciation and finance costs, budget 2024/25 expenses are 3 % less than the budget for 2023/24. The largest single item causing this decrease is the $0.813m for Council's contribution to the tele-communications upgrade project which was included in the 2023/24 budget. This amount was included in the Other expenses category. The removal of this item is offset by increases in other expenses.

  Employee costs have increased by approximately 7%, which includes the Fair Work Commission minimum wage increase. The budget maintains the existing workforce and assumes that all positions will be occupied. In the current financial year there have been multiple vacancies for extended periods which has resulted in a lower level of employee costs than originally budgeted for.

  Within the contracts expense category the more significant allowances are: replacements for senior staff while they are on unpaid leave, $145K resulting in a consequential decrease in employee costs; bridge maintenance works, $197K; consulting services for management of waste facilities, $220K; and, planning projects, $50K. These additional allowances are offset by the removal of $0.276m to complete the re-painting of the Currie lighthouse which is now completed.

Materials costs are down 13%, this, in part, reflects a movement of costs into the Contracts category.

The Other expenses category benefits from the removal of the $813K contribution to the tele-communications upgrade project referred to above. This is offset by higher insurance costs and some $80K for an increase in the State waste levy.

$180K is budgeted to be incurred on costs related to the rehabilitation of quarries. These costs will be charged against the provision for rehabilitation costs and do not impact on the operating results.

- ***Operating Deficits***

  A similar **Statutory Operating Surplus** of $4.483m has been estimated for 2024/25, compared to $4.469m for 2023/24. These results are under-pinned by the high levels of grant income. However, the **Net Underlying Cash Deficit**, which excludes depreciation but allows for the significant capital expenditure budget, is estimated at $3.590m. This figure from 2023/24 was a deficit of $2.999m.

- ***Capital Expenditure***

  Council's capital budget for 2024/25 is significantly impacted by Commonwealth and State Government grant commitments. There is also a large programme of works and necessary plant replacements which will be funded. At the time of preparing the budget, Council has either signed grant deeds or has written commitments for the following in 2024/25:

CDGP – King Island hub facilities ($5m in total)	$4,038K
CDGP – Tennis courts (formerly community gym)	$100K
Local Roads and Community Infrastructure Phase 4 – Tennis courts	$400K
State Government -Recycling Modernisation fund	$517K
State Government – Memorial Park and footpaths	$330K
Roads to Recovery	$515K
Other grant funding	$582K

These amounts have been included in the 2024/25 budget.

It is proposed that Council assign a further $3,647K to the 'Capital Works' program, add it to the grant funds and allocate, as follow:

Plant and Fleet – major items	$1,050K
Plant and Fleet – minor	$50K
Property purchase	$435K
Road resheeting	$388K
Road reseal programme	$246K
Other road, bridge and footpath works	$192K
Main Street redevelopment - stage 1	$120K
Roadside drainage and culverts	$34K
"HUB"	$330K
Airport drainage	$127K

Airport - other	$110K
Quarry expansion	$130K
Buildings	$115K
Sporting facilities	$115K
Memorial Park and footpaths	$87K
Corporate	$85K
Playgrounds	$33K
Total	**$3,647K**

Borrowings

No new borrowings are anticipated in 2024/25. Total loan balances are estimated to reduce from $0.632m at 30 June 2024 to $0.285m by 30 June 2025. The final "balloon" payment on one loan of $309K is budgeted to be made. Council has the option to re-finance this amount but the budget is assuming that this will not be taken up.

King Island Council
Budget Operating Statement
For Year Ending 30 June 2025

Statutory Operating Result	Note #	*Actual 22/23*	*Budget 23/24*	*Forecast 23/24*	*Budget 24/25*
Revenue					
Statutory Charges	1	119,551	104,496	108,558	100,392
User Charges	2	859,436	840,854	920,118	1,050,014
General Grants excluding FAG prepayment	3	665,880	2,389,932	306,942	2,636,948
FAG Prepayment received in current year	4	2,213,554	0	0	0
Capital Grants	5	1,249,074	7,148,152	2,184,689	6,396,029
Contributions Non-monetary assets	5	24,379	0	0	0
Interest	6	303,584	335,004	474,273	357,000
Private Works	7	724,215	1,052,904	882,340	1,027,500
Other Revenues	8	659,879	716,004	716,973	775,808
Rates & Special charges	9	2,884,504	3,042,616	3,071,699	3,222,663
Total Revenues		**9,704,056**	**15,629,962**	**8,665,592**	**15,566,354**
Expenses					
Employee Costs	10	-2,784,983	-3,409,608	-2,841,879	-3,636,835
Contracts	11	-1,901,744	-2,916,456	-2,931,038	-3,202,968
Materials	12	-1,702,512	-2,155,012	-1,750,071	-1,877,784
Internal (cost centre recharges)		831,948	1,538,336	1,136,911	1,454,988
Other Expenses	13	-1,152,960	-2,080,730	-2,002,413	-1,500,150
Finance Costs	14	-26,672	-24,924	-25,084	-17,412
Depreciation	15	-2,054,477	-2,111,880	-2,217,396	-2,303,064
Total Expenses		**-8,791,399**	**-11,160,274**	**-10,630,971**	**-11,083,225**
Statutory Surplus / (Deficit)	16	**912,657**	**4,469,688**	**-1,965,379**	**4,483,129**

Net Underlying Surplus/(Deficit)	Note #	*Actual 22/23*	*Budget 23/24*	*Forecast 23/24*	*Budget 24/25*
Statutory Surplus / (Deficit)		**912,657**	**4,469,688**	**-1,965,379**	**4,483,129**
Adjustments for FAG Prepayments					
Add FAG Prepayment for current year received in prior year	17	1,655,665	0	2,213,554	0
Less FAG Prepayment for subsequent year received in current year	18	-2,213,554	0	0	0
Capital Grant Income		-1,249,074	-7,148,152	-2,184,689	-6,396,029
Net Underlying Surplus/(Deficit)	19	**-918,685**	**-2,678,464**	**-1,936,514**	**-1,912,900**

Underlying "Cash" Result	Note #	Actual 22/23	Budget 23/24	Forecast 23/24	Budget 24/25
Net Underlying Surplus/(Deficit)		-918,685	-2,678,464	*-1,936,514*	-1,912,900
Add back					
Depreciation		2,054,477	2,111,880	2,217,396	2,303,064
Less					
Capital Expenditure		-1,457,167	-3,585,723	*-2,662,582*	-5,160,600
Deduct: Capital Grant Income		1,249,074	2,113,621	*1,222,842*	1,843,345
Net Capital Expenditure from Council sourced funds		-208,093	-1,472,102	*-1,439,740*	-3,317,255
Loan Repayments		-46,782	-48,552	*-48,552*	-347,250
Sub-Total "Cash" Surplus/(Deficit)		**880,917**	**-2,087,238**	***-1,207,410***	**-3,274,341**
"HUB"and Tennis court projects					
Capital Expenditure		-425,243	-5,946,304	*-564,213*	-4,868,211
Deduct: Capital Grant Income		0	5,034,531	*961,847*	4,552,684
Net Capital Expenditure from Council sourced funds		-425,243	-911,773	*397,634*	-315,527
Net Underlying "Cash" Surplus/(Deficit)		**455,674**	**-2,999,011**	***-809,776***	**-3,589,868**

King Island Council
Budget Statements of Financial Position
As at 30 June 2025

	Note	June 2023	Annual Budget 23/24	Forecast 23/24	Annual Budget 23/24
Assets					
Current assets					
Cash and cash equivalents		535,250	203,807	415,048	185,180
Investments		9,835,109	3,609,874	5,883,978	2,383,978
Trade and other receivables	1	307,073	360,508	338,014	338,014
Inventories		338,467	642,457	657,113	657,113
Other assets		145,847	169,652	183,111	183,111
Total current assets		**11,161,747**	**4,986,297**	**7,477,264**	**3,747,396**
Non-current assets					
Investment in water corporation		5,013,112	4,860,433	5,013,112	5,013,112
Property, infrastructure, plant and equipment		78,360,227	77,927,736	79,369,626	87,095,373
Total non-current assets		**83,373,339**	**82,788,169**	**84,382,738**	**92,108,485**
Total assets		**94,535,086**	**87,774,466**	**91,860,001**	**95,855,880**
Liabilities					
Current liabilities					
Amounts payable and other accrued expenses		(963,042)	(611,412)	(521,113)	(521,113)
Trust funds and deposits	2	(18,951)	(18,139)	(16,962)	(16,962)
Other Liabilities	3	(853,994)	(257,211)	(595,917)	(595,917)
Provisions	4	(525,333)	(526,786)	(540,498)	(580,498)
Interest-bearing loans and borrowings		(48,552)	(347,249)	(347,250)	(27,413)
Total current liabilities		**(2,409,871)**	**(1,760,797)**	**(2,021,741)**	**(1,741,904)**
Non-current liabilities					
Other Liabilities	3	-	-	-	-
Provisions	4	(1,475,500)	(1,511,668)	(1,501,176)	(1,321,176)
Interest-bearing loans and borrowings		(632,407)	(285,158)	(285,156)	(257,743)
Total non-current liabilities		**(2,107,907)**	**(1,796,826)**	**(1,786,332)**	**(1,578,919)**
Total liabilities		**(4,517,779)**	**(3,557,623)**	**(3,808,073)**	**(3,320,823)**
Net Assets		**90,017,307**	**84,216,843**	**88,051,929**	**92,535,058**
Equity					
Accumulated surplus		(29,477,516)	(35,243,622)	(30,956,296)	(35,644,925)
Asset Revaluation Reserve	5	(54,145,011)	(46,111,511)	(54,145,011)	(54,145,011)
Fair Value Reserve	6	(464,899)	(312,220)	(464,899)	(464,899)
Financial Policy Reserves - Restricted Funds	7	(5,929,880)	(2,549,490)	(2,485,722)	(2,280,222)
Total Equity		**(90,017,307)**	**(84,216,843)**	**(88,051,928)**	**(92,535,057)**

King Island Council
Budget Statement of Cash Flows
For Year Ending 30 June 2025

	June 2023	Budget 2023/24	Forecast 2023/24	Annual Budget 24/25
Cash Flows from operating activities				
Rates	2,928,929	3,042,616	3,071,699	3,222,663
User Charges	1,050,388	945,350	1,028,676	1,150,406
General Grants	3,513,164	2,389,932	306,942	2,636,948
Reimbursements	792,571	1,052,904	851,399	1,027,500
Interest	214,434	335,004	474,273	357,000
Investment revenue from water corporation	79,200	66,000	66,000	66,000
Other Revenues	714,113	650,004	650,973	709,808
Net GST refund/payment	264,788			
Payments to suppliers	(3,985,622)	(3,793,132)	(4,342,037)	(3,805,764)
Payments to employees	(2,717,069)	(3,409,608)	(2,801,038)	(3,596,835)
Finance costs	(26,672)	(24,924)	(25,084)	(17,412)
Other expenses	(73,463)	(2,080,730)	(2,002,413)	(1,500,150)
Net cash provided by (used in) operating activities	**2,754,761**	**(826,584)**	**(2,720,609)**	**250,164**
Cash flows from investing activities				
Payments for property, plant and equipment	(1,871,185)	(9,532,027)	(3,226,795)	(10,028,811)
Capital grants	1,249,074	7,148,152	2,184,689	6,396,029
Net cash provided by (used in) investing activities	**(622,111)**	**(2,383,875)**	**(1,042,106)**	(3,632,782)
Cash flows from financing activities				
Trust Funds and deposits	2,969	-	(260,066)	-
Repayment of interest bearing loans and borrowings	(46,782)	(48,552)	(48,552)	(347,250)
Proceeds from interest bearing loans and borrowings				
Net cash provided by (used in) financing activities	**(43,813)**	**(48,552)**	**(308,618)**	**(347,250)**
Net increase (decrease) in cash and investments	2,088,837	(3,259,011)	(4,071,333)	(3,729,868)
Cash and Investments at the beginning of the financial year	8,281,724	7,072,692	10,370,561	6,299,228
Cash and investments at the end of the financial year	**10,370,561**	**3,813,681**	**6,299,228**	**2,569,360**

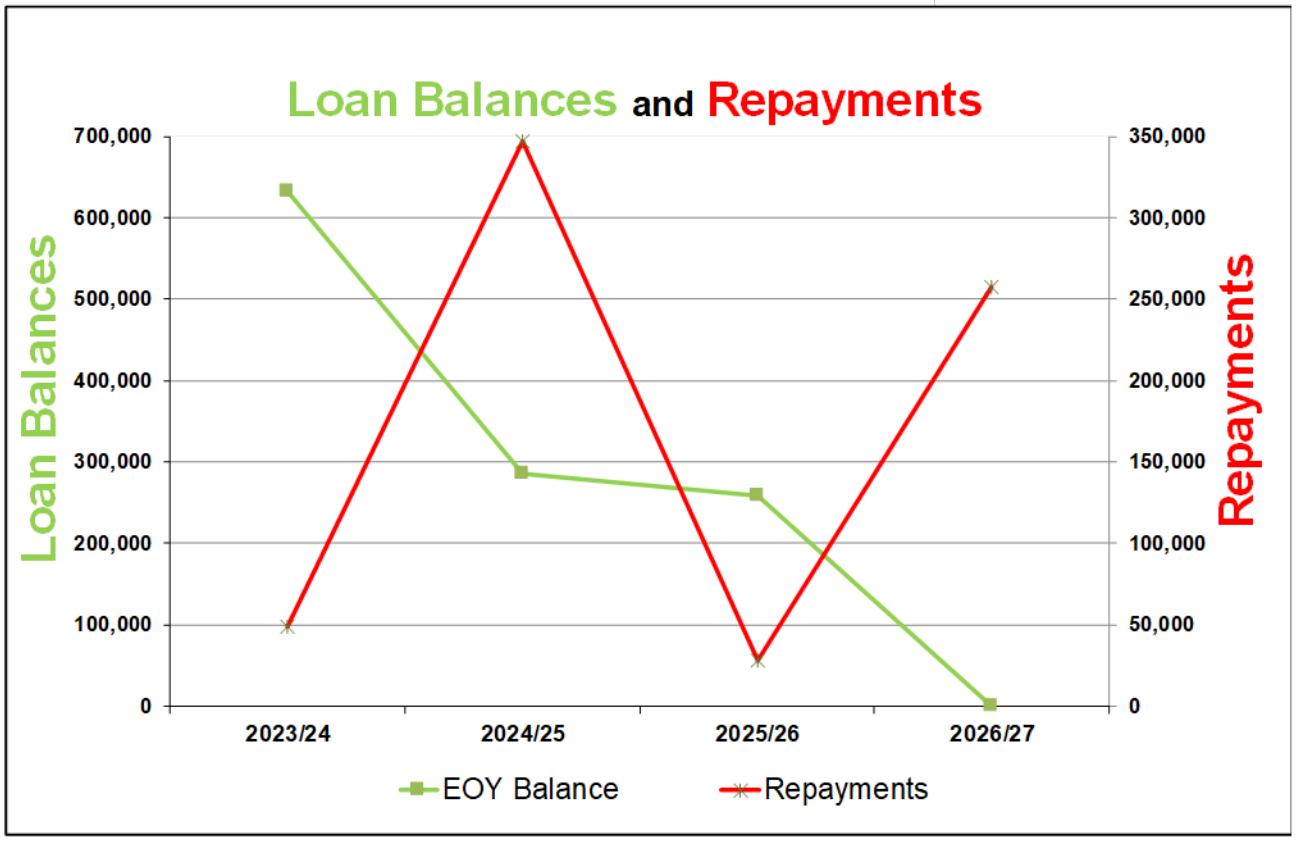
Restricted and unrestricted cash and investments	June 2023	Budget 2023/24	Forecast 2023/24	Annual Budget 24/25
Total cash and investments	**10,370,360**	**3,813,681**	**6,299,026**	**2,569,158**
Restricted cash and investments				
Financial policy reserves	5,929,880	2,549,490	2,485,722	2,280,222
Funds held in trust	18,951	18,139	16,962	16,962
Total	**5,948,831**	**2,567,629**	**2,502,684**	**2,297,184**
Unrestricted cash and investments at end of financial year	**4,421,528**	**1,246,053**	**3,796,342**	**271,974**

King Island Council

Budget Statement of Loans

For Year Ending 30 June 2025

Loan Balances - Tascorp					$	$	$	$	$
	Interest Rate	Principal Drawn Down	Year Drawn	Life	Balance 30 June 2023	Balance 30 June 2024	Repayments 2024/25	Repayments 2025/26	Repayments 2026/27
Loan 12 - Airport Terminal Upgrade	3.83%	500,000	2014/15	9	343,876	320,815	- 320,815	-	-
Loan 3 - Parenna Waste Management	3.47%	85,000	2016/17	10	37,541	28,634	- 9,218	- 9,541	- 9,875
Loan 5 - Waste Cell	2.97%	350,000	2016/17	5		-	-	-	-
Loan 9 - Grader	4.50%	275,000	2013/14	10		-	-	-	-
Loan Airport Apron Upgrade	3.78%	387,000	2016/17	10/20	299,542	282,958	- 17,217	- 17,873	- 247,868
Total					727,740	632,407	- 347,250	- 27,414	- 257,743



KING ISLAND COUNCIL