

# TUMBY BAY AND PORT NEILL JETTIES

## FREQUENTLY ASKED QUESTIONS



### 1. Why are the jetties important to the community?

The jetties are important to the community for various reasons. They are valuable social and economic assets, providing numerous recreational and tourism opportunities. They are also significant features of the townships' identities and history.

### 2. What is the current status of the Tumby Bay and Port Neill jetties?

The Tumby Bay jetty has been closed since October 2022 due to structural issues, while the Port Neill jetty has recently undergone extensive remediation.

The District Council of Tumby Bay (Council) has specific responsibilities for the management of both jetties under a long-term lease agreement with the South Australian Government. The lease over the Tumby Bay jetty expires on 21 December 2024, with the Port Neill jetty lease expiring on 26 June 2025.

### 3. Why was the Tumby Bay jetty closed?

The jetty was closed due to unexpected and severe storm damage, which raised concerns about its structural integrity and safety. A concrete encased pile was damaged, leading to its closure for public safety.

The unexpected failure of the pile, categorised as level 4 under the Wharf Structures Condition Assessment Manual (WASCAM), raised concerns about the stability of the jetty. A subsequent assessment reclassified approximately 26 similar concrete wrapped piles as level 7 (end of life).

Any efforts to reopen the jetty would necessitate significant refurbishment of multiple components. Simply fixing the one failed component will not allow for the jetty's reopening.

### 4. What is being done to address the issues with the Tumby Bay jetty?

Over the past 12 months Council have worked towards gaining a thorough understanding of the various costs associated with a range of retention options for the provision of recreational jetties in Tumby Bay and Port Neill.

The Council has worked with maritime experts to develop a comprehensive plan for the Tumby Bay jetty's refurbishment or replacement. Various options have been considered, including applying for funding through the State Government's SA Jetties Renewals Program.

In February 2024 the Council provided direction to staff to prepare several long-term financing scenarios to include both the continued provision of two recreational jetties in the district, as well as the staged implementation of long-term foreshore mitigation for the Tumby Bay foreshore.

Council is now seeking feedback on these options, from ratepayers via the enclosed Survey. The Survey gives you an opportunity to indicate if you are willing to pay a Levy component equivalent to an increase in general rates of between 10% and 15% to reinstate the Tumby Bay jetty and provide ongoing maintenance to both the Tumby Bay jetty and Port Neill jetty.

### 5. What is the Tumby Bay Jetty Business Case?

The Tumby Bay Jetty Business Case was initiated by the State Government to assess costs and explore options for the jetty's refurbishment or replacement.

### 6. Why did the Council wait for the Business Case outcomes?

Officers from the Department for Infrastructure and Transport (DIT) recommended that the Council wait for the Business Case outcomes to ensure a sustainable, long-term solution that is in the community's best interest.

The Council did not receive the confidential Business Case until July 2023, at which time the Council was advised by DIT that the Business Case was to remain confidential. This decision by DIT created significant delays in Council's decision-making process.

**7. What was the outcome of the Business Case review?**

To overcome the confidentiality issue attached to the DIT Business Case, Council subsequently engaged an independent consultant. The consultant engaged by the Council reviewed the Business Case and recommended that replacing the jetty is the only sustainable option, aligning with the State Government's emphasis on a long-term solution.

Council understands the need to explore all options available to it, and whilst the most long-term sustainable option is the replacement of the Tumby Bay jetty, we are providing three (3) options for ratepayer consideration in the Survey.

**8. How did the Council fund the remediation of the Port Neill jetty?**

The Council allocated \$1.35 million to the Port Neill jetty remediation project, which included Federal Government funding. Additional funding of at least \$750,000 is expected to be needed to complete the full remediation. The Council has contributed financially to the recent remedial works and plans to seek additional government funding for further remediation works.

**9. Will the community be involved in the decision-making process for the jetties?**

Yes, the Council is committed to engaging with the community throughout the decision-making process.

Now that Council understands the short- and long-term cost impacts, the first step is to gain an understanding from ratepayers via the Survey as to your willingness to pay a Levy component as part of your rates.

Public consultations will be held to gather input and feedback on the future of the jetties following the outcome of the Survey.

**10. How can community members support the repair of the jetties?**

The Council recommends supporting the maintenance and preservation of the jetties through appropriate channels once a clear understanding of the costs and obligations involved is obtained. This could include fundraising initiatives or volunteering for relevant projects.

**11. What is the Council's long-term plan for maintaining the jetties?**

The Council is exploring alternative funding sources to cover works for the Tumby Bay jetty and the remaining remediation works for the Port Neill jetty. It is committed to seeking a sustainable and equitable funding arrangement to ensure the preservation of these structures. The Council is committed to finding a long-term, financially sustainable solution.

**12. How can I stay updated on the progress of the jetties?**

The Council keeps the community updated on jetty-related matters through various channels, including council meetings, and updates on the Council's website.

Residents can attend council meetings, participate in consultations, and stay informed through official channels. Regular updates are provided on the Council's website, newsletter, 'Community Connect' email and through public announcements.

**13. Who can I contact for more information about the jetties?**

For more information about the jetties, you can contact the District Council of Tumby Bay's CEO, Rebecca Hayes, or visit the Council's website for updates and announcements.

# TUMBY BAY AND PORT NEILL JETTIES

## OPTIONS – FINANCIAL BREAKDOWN



**NOTE:** The figures and dates provided are a **best possible guide ONLY**. This is a very complex financial model that has been simplified for the purposes of the Survey. These timelines may differ based upon funding availability, future works and successful application for loan funds, all of which may vary over time.

### OPTION 1 – New Predominantly Concrete Jetty 220m in Tumby Bay and Remediation of Port Neill Jetty

- Levy component equivalent to a 15% general rate increase equals approximately \$750K in year one.
- New Tumby Bay jetty planning and design completed in 2027/2028 – cost \$686K.
- New jetty construction completed in 2028/2029 – construction cost \$10.9M.
- \$6.5M Fixed Term Loan @ 5% over 15 years commencing 1/7/2028.
- Major remediation works on Port Neill jetty in 2025/26 and 2035/36.
- 30 June 2039 Balances:
  - Jetty Reserve = \$1.78M Deficit.
  - Loan Principal Outstanding = \$2.48M.
  - Total Cash on Hand = \$10.78M (Includes \$5.77M in CWMS reserve funds).
- Future cost projections associated with the Tumby Bay jetty to 2060:
  - Unindexed value = \$1.82M.

#### Key Financial Indicators – Option 1

Operating Surplus Ratio - (Local Government Finance Authority (LGFA) Target >(5%))	Peaks at (5%) in 2035/36 15 Year Average = 6.7%
Net Financial Liabilities Ratio - (LGFA Target <100%)	Peaks at 74.7% in 2028/2029
Interest Burden - (LGFA Target <10%)	Peaks at 3.0% in 2032/33
Net Financial Liabilities + Fully Drawn Cash Advance - (LGFA Target <120%)	Peaks at 99.1% in 2028/29
Debt to Income Ratio - (LGFA Target <100%)	Peaks at 66.8% in 2028/29

### OPTION 2 – Reactive Maintenance Full Length Jetty in Tumby Bay and Remediation of Port Neill Jetty

- Levy component equivalent to a 15% general rate increase equals approximately \$750K in year one.
- Remediation – Stage 1 completed in 2027/2028 – cost \$6.38M.
- \$4M Fixed Term Loan @ 5% over 15 years commencing 1/7/2027.
- Remediation – Stage 2 completed in 2034/2035 – cost \$7.71M.
- \$4M Fixed Term Loan @ 5% over 15 years commencing 1/7/2034.
- Major remediation works on Port Neill jetty in 2025/26 and 2035/36.
- 30 June 2039 Balances:
  - Jetty Reserve = \$3.73M Deficit.
  - Loan Principal Outstanding = \$2.44M.
  - Total Cash on Hand = \$9.06M (Includes \$5.77M in CWMS reserve funds).
- Future cost projections associated with the Tumby Bay jetty to 2060:
  - Unindexed value = \$13.28M.

### Key Financial Indicators - Option 2

Operating Surplus Ratio - (LGFA Target >(5%))	Peaks at (47.3%) in 2027/28 15 Year Average = 0.9%
Net Financial Liabilities Ratio - (LGFA Target <100%)	Peaks at 57.4% in 2027/2028
Interest Burden - (LGFA Target <10%)	Peaks at 1.8% in 2028/29
Net Financial Liabilities + Fully Drawn Cash Advance - (LGFA Target <120%)	Peaks at 82.1% in 2027/28
Debt to Income Ratio - (LGFA Target <100%)	Peaks at 49.4% in 2027/28

### **OPTION 3 – Reactive Maintenance 220m Jetty in Tumby Bay and Remediation of Port Neill Jetty**

- Levy component equivalent to a 10% general rate increase equals approximately \$500K in year one.
- Remediation – Stage 1 completed in 2027/2028 – cost \$3.06M.
- \$2M Fixed Term Loan @ 5% over 10 years commencing 1/7/2027.
- Remediation – Stage 2 completed in 2034/2035 – cost \$3.11M.
- \$2M Fixed Term Loan @ 5% over 10 years commencing 1/7/2034.
- Major remediation works on Port Neill jetty in 2025/26 and 2035/36.
- 30 June 2039 Balances:
  - Jetty Reserve = \$564K Deficit.
  - Loan Principal Outstanding = \$1.22M.
  - Total Cash on Hand = \$12.62M (*Includes \$5.77M in CWMS reserve funds*).
- Future cost projections associated with the Tumby Bay jetty to 2060:
  - Unindexed value = \$7.1M.

### Key Financial Indicators – Option 3

Operating Surplus Ratio - (LGFA Target >(5%))	Peaks at (20.2%) in 2027/28 15 Year Average = 3.5%
Net Financial Liabilities Ratio - (LGFA Target <100%)	Peaks at 49.8% in 2025/2026
Interest Burden - (LGFA Target <10%)	Peaks at 1.3% in 2026/27
Net Financial Liabilities + Fully Drawn Cash Advance - (LGFA Target <120%)	Peaks at 65.6% in 2027/28
Debt to Income Ratio - (LGFA Target <100%)	Peaks at 41.4% in 2025/26

## DEFINITIONS – FINANCIAL PERFORMANCE INDICATORS

### **Indicator 1: Operating Surplus Ratio**

Councils generally should seek to achieve, on average over time, a target range for an operating surplus ratio of between 0 per cent and 10 per cent.

### **Indicator 2: Net Financial Liabilities Ratio**

Councils generally seek to achieve a target range of between zero and 100 per cent, but higher than 100 per cent may be appropriate in some circumstances.

### **Indicator 3: Debt to Income Ratio**

This indicator is a measure of how much debt the Council owes compared to a years' worth of income. If the ratio falls, over time, this indicates that the Council's capacity to meet its financial obligations from operating income is strengthening.