

2019/2020
Financial Year
ending
30 June 2020

ANNUAL BUSINESS PLAN AND BUDGET

MUNICIPAL COUNCIL
OF ROXBY DOWNS



ACKNOWLEDGEMENT TO COUNTRY

The Municipal Council of Roxby Downs acknowledges the Kokatha peoples, the traditional owners of the land on which the township of Roxby Downs is based and pay respect to the Elders past and present, and extend that respect to other Aboriginal and Torres Strait Islander people who are present within our community.



roxbypower
a division of roxby council



roxbywater
a division of roxby council



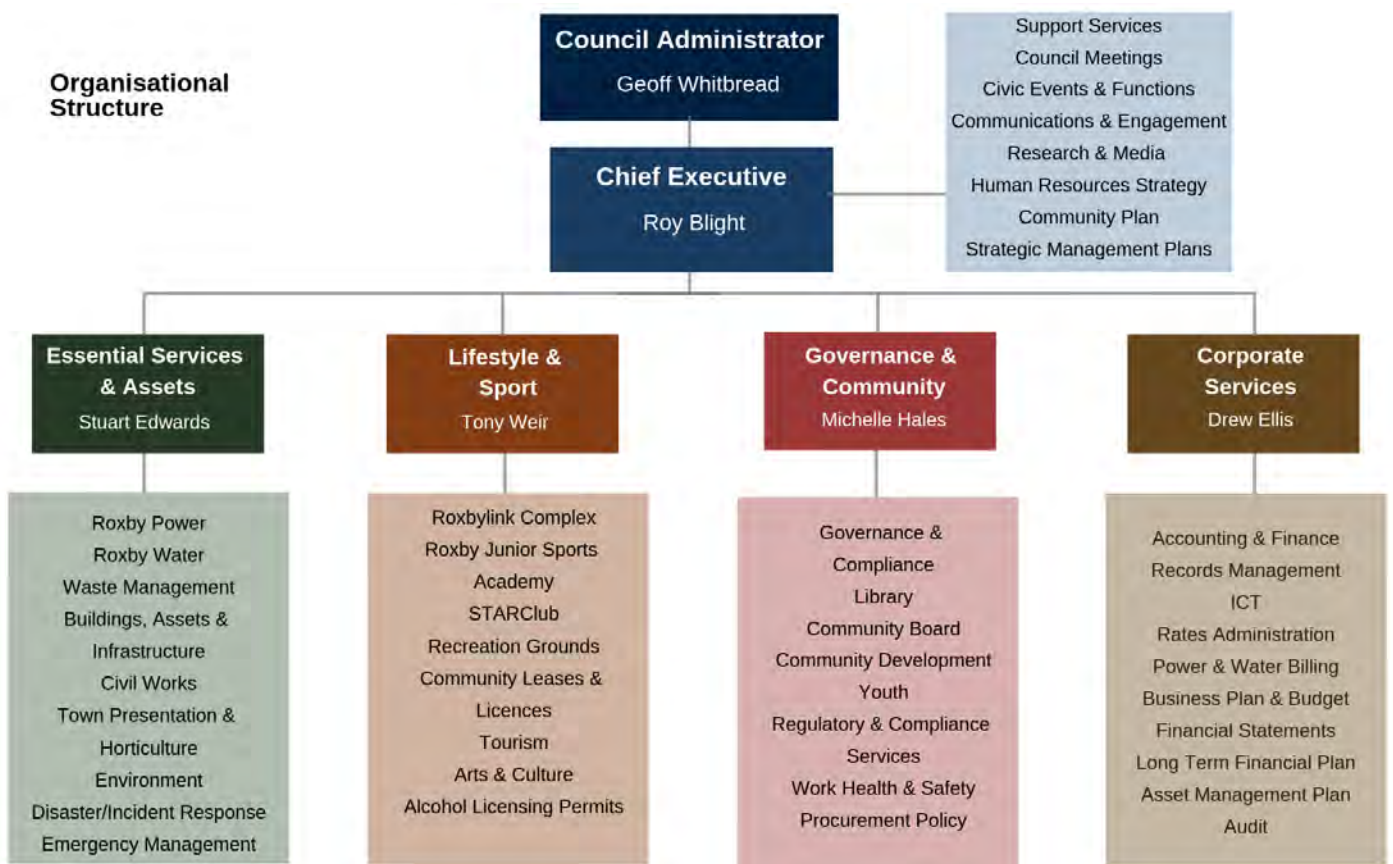
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Council's operations and responsibilities are grouped into four key elements: Essential Services & Assets, Lifestyle & Sport, Governance & Community, and Corporate Services.

Essential Services & Assets:

The Essential Services & Assets group is responsible for the operation and maintenance of a wide range of infrastructure and other assets and services. These include buildings, roads and footpaths, stormwater infrastructure, water supply, sewerage, electricity, waste management, and parks and gardens.

Lifestyle & Sport:

The Lifestyle & Sport group provides leisure, recreation, and cultural support and services to the community. Roxbylink provides important community health and wellbeing benefits whilst also generating revenue for services and projects. The Lifestyle & Sport group is also responsible for recreation grounds and playgrounds, community land sporting leases and licenses, events, tourism, arts and culture and plays a significant role in supporting local sporting clubs.

Governance & Community:

This portfolio works to develop and implement governance processes, protocols, and policies that enable Council to meet its legislative responsibilities. Compliance, public health planning, and Work Health and Safety. Staff are also responsible for managing and delivering projects, events, and initiatives that support community life. Community development and community engagement goals foster an inclusive, participative, and active community. Areas covered include the library, Community Board and forums, Community Foodies, and youth development.

Corporate Services:

Council's Corporate Services group encompasses the finance, customer service, information communication and technology, records management and payroll teams. Each of these teams supports Council in its various activities.

Introduction

The activity of the Council over the past three years has been characterised by a ‘steady as you go’ approach characterised by stability and consolidation. A concentration on systematically reviewing each service the Council provides, internal restructuring and refocusing the future direction have been and will continue to be the priorities. The Council remains debt free, committed to good governance practice and is appropriately **managed. The Council’s objective is to provide quality, value for money services** and facilities for all stakeholders. This has underpinned the development the Draft Annual Business Plan and Budget 2019/20 (FY20).

Continuing the theme of the past three years, the Draft Annual Business Plan and Budget FY20 will be austere, promoting a balanced budget, no overall increase in rates and charges and a balance sheet that continues to be free of long-term debt. **The budget will focus on renewal and preservation of the community’s existing assets. It will consolidate on the previous years’ efforts**, and continue to provide quality and reliable essential services such as electricity, water and sewerage. Council will also work to ensure that residents of Roxby Downs continue to not simply have an existence, but the opportunities for a diverse, supportive and active lifestyle.

Roxby Downs is one of **Australia’s most highly regarded mining towns** - our multicultural and family oriented community is well supported by a range of quality cultural and recreational facilities. Council is committed to continue working with BHP, the State Government, and the local community to make Roxby Downs a town that people will continue to enjoy and be proud to live and work in. Your comments, thoughts, ideas and feedback about this draft plan and budget are welcome – there will be several avenues available via our community consultation program.

Geoff Whitbread
Administrator

Community Consultation

Pursuant to the provisions of Section 123 of the Local Government Act 1999, each Local Government Authority is required to develop an Annual Business Plan and Budget for each financial year. Council has released the Draft Annual Business Plan and Budget 2019/20 for a period of Community Consultation from 9am Monday 8 April 2019 to 6.30pm Monday 29 April 2019.

This document will also be available for download from Council's website www.roxbydowns.sa.gov.au. Hard copies of this document are also available from the Council Office at 6 Richardson Place, Roxby Downs and the Community Library in the Roxbylink Complex.

The Draft Annual Business Plan and Budget outlines Council's priorities and program of works for the next 12 months. It allocates funding for key projects and services, and shows how your rates are invested.

Council welcomes your feedback on this draft version, which will be formally considered by Council before adoption of the final Annual Business Plan and Budget 2019/20 in June 2019.

Community information session

An informal community information session will also be held at the Community Youth Centre on Tuesday 9 April 2019 commencing at 6.00pm.

Facebook Live session

The Roxby Council Facebook page will also broadcast a Facebook Live session on Tuesday 16 April 2019 beginning at 7.00pm.

Both the community information and Facebook live sessions will be presented by the Chief Executive, Roy Blight, who will provide an overview of the proposed Draft Annual Business Plan and Budget 2019/20, as well as inviting members of the public to make representations and ask questions.

Written Submissions

Written submissions for the Council's consideration in regards to this document will be accepted from residents and ratepayers until 6.30pm on Monday 29 April 2019. **All correspondence in regards to Council's Draft Annual Business Plan and Budget 2019/20** should be addressed to:

Postal

Roxby Draft Annual Business Plan & Budget 2019/20
Municipal Council of Roxby Downs
PO Box 124
Roxby Downs SA 5725

Email

Consultation@roxbycouncil.com.au

Online form

www.roxbydowns.sa.gov.au/currentconsultations

Verbal Submissions

Residents and ratepayers will have an opportunity to make verbal submissions at a public meeting to be held in the Council Boardroom, 6 Richardson Place, Roxby Downs on Wednesday 29 May 2019 at 6.30pm where a minimum of one (1) hour has been allocated to hear these submissions.

Strategic Direction

Council's strategic and other long term plans outline the longer term objectives and priorities for the community. These plans, together with the Annual Business Plan and Budget, determine the infrastructure **needs and services Council will provide, including the costs required to deliver those services.** Council's strategic objectives are being updated as part of a review of its Strategic Management Plan. The strategic objectives contained in this document are drawn from work with the State Government of South Australia and BHP on the long term objectives for Roxby Downs.

Providing Services to the Community

All councils in South Australia have statutory responsibilities defined under the Local Government Act (1999), the Planning Development and Infrastructure Act (2016), the Public Health Act (2011), Natural Resources Management Act (1984), and many other relevant legislations. For Roxby Downs, the Roxby Downs (Indenture Ratification) Act (1982) is also significant.

Services provided by Council include:

- Corporate activities such as: preparing annual budgets and determining longer-term strategic management plans for the area; maintaining property ownership database; revenue collection for municipal rates, electricity, water, sewerage; and overall governance
- Management of infrastructure including: Council buildings; roads; footpaths; ovals; parks; playgrounds, public open space; street lighting; stormwater drainage; use of treated waste water for irrigation; power, water, and sewerage, including effluent re-use
- Street cleaning, rubbish collection, and recycling
- Regulatory activities including development planning and control, building and fire safety assessment, and dog and cat management
- Environmental health services including health standards inspections
- Protection of natural resources

Council also provides a variety of discretionary programs and services to the Community which enhance the health, wellbeing and prosperity of our community. These include:

- Roxbylink
- Community development
- Visitor Information Centre
- Library
- Festival and event support
- Recreation development and assistance to local sporting organisations
- Youth services
- Volunteer opportunities
- Art exhibitions and cultural programs
- Healthy Community programs

Council operates the Roxbylink cultural and recreation centre which provides important community benefits. Roxbylink comprises an auditorium, cinema, library, visitor information centre, Dunes Café, art gallery, indoor stadiums, gymnasium, squash courts, swimming pools, splash pad and a community youth centre.

Significant Influences and Trends

Federal Election

A Federal Election is due in the first half of 2019. The Council receives funding in the form of grants through the Australian Government. The policies adopted by the Government after the election may have an effect on the Council.

Olympic Dam Operation

BHP's Olympic Dam operation remains the single largest commercial driver for the township and together with the State Government of South Australia, underpins the Council's operation. Over financial years 2017 and 2018, BHP engaged more than 350 suppliers and invested more than \$650 million in capital programs at Olympic Dam to support a number of key infrastructure and maintenance programs on site. This included projects such as the Smelter Campaign Maintenance (SCM17) program, water storage and raise bores and other services into the expanding, underground southern mine area.

Over this time, BHP has continued to recruit and grow its SA-based workforce to support key projects and development as the operation stabilises and grows incrementally. Earlier this year, the State Government also declared Olympic Dam's **Resource Development Strategy, including the Brownfields Expansion Project (BFX) a Major Development**. This was an early and important step in the approval and regulatory process required to grow Olympic Dam over the longer term.

As part of the process, BHP will be required to assess the expected environmental, social and economic effects of the potential development required to lift Olympic Dam production from 200ktpa to up to 350ktpa over time. BHP recently provided an update on the project, indicating that the first phase of growth is expected to produce between 240kt and 300kt of copper per annum with BHP aiming for Board approval for the capital investment in late 2020.

BHP is also working on a number of workforce initiatives. In early 2019, BHP undertook an Expression of Interest (EOI) process to gauge interest in the introduction of BHP-funded flights for its existing commuting workforce between Adelaide and Olympic Dam. The project is called Safe Travels, and is aimed at reducing fatigue-related safety risks associated with commuting long distances by road.

The first phase of Safe Travels is available to non-residential BHP employees who already drive or bus to and from the Adelaide region. Some residential employees expressed an interest in accessing flights; these expressions of interest will be considered in a second phase of the program later this year. BHP will continue to support residential employment, and to offer a financial incentive to encourage employees to live locally.

In late 2020, the BHP Board is expected to make a decision regarding the proposed Brownfield Expansion (known as BFX). If approved, BFX would expand Olympic Dam's surface and underground operations, increase annual copper production in a staged approach, initially between 240 to 300ktpa. This could result in new employment opportunities at Olympic Dam and potentially more workers and families relocating to Roxby Downs.

Indenture Agreement

The provisions of the Roxby Downs (Indenture Ratification) Act 1982 in large part determines the financial operation of Council. **As part of these considerations, the Council's budget is also required to be submitted to the State Government and BHP for approval, with both parties contributing to any shortfall in the funding of Council's municipal operations.**

Roxby Downs Housing Market

The ownership of housing within Roxby Downs is shared relatively evenly across owner-occupier, private investors and BHP. Demand for housing in Roxby Downs is predominantly driven by employment opportunities associated with the Olympic Dam operations

Local Cost Factors

Costs associated with major works and projects are significantly higher than for most other councils. This is primarily due to the remoteness of the location, high labour costs, transport expenses, intensity of works, and competing for resources (such as local contractors) with the Olympic Dam operation. This is reflected in the budget for any expenditure items requiring external resources.

Consumer Price Index

The increase in the Consumer Price Index (CPI) was 1.8% (Australia) and 1.6% (South Australia) for the year ending 31 December 2018. Councils, however, do sometimes face higher cost increases due to the capital intensive nature of the goods and services purchased, and the high level of fixed costs. Consideration is also given to the Local Government Price Index, which measures the increase in costs for local government. The Local Government Price Index rate was 2.9% for SA based on the December 2018 quarter.

The Council forecasts that for the 2020/21 financial year Council rates and utility charges will increase by an amount equivalent to the Consumer Price Index.

Property Valuations

General rates are calculated based on property valuations as determined by the South Australian Valuer-General. Property valuations (across the entire portfolio) are expected to increase by approximately 1.4%. This marginal **overall increase is expected to be the net of a small increase on 'residential' properties (about 2.6%), and a decline across the various non-residential properties (about minus 2.5%).**

It should, however, be noted that this change in valuations across the whole portfolio does not provide any indication of valuation movement for any individual property. Within the portfolio of properties, some will increase, some will decrease, and those that change will do so by different amounts proportionately.

Waste Management Costs

Overall cost savings have been achieved by Council under the new waste management contract which covers the **collection and disposal of household waste and recyclables, Council's contribution to the operation of the BSH** recycling facility and the Opal Road EPA licensed facility. The solid waste levy for waste disposal is set by the State Government. This will be increasing from \$50 per tonne to \$55 per tonne, and further increasing to \$70 per tonne from 1 January 2020.

The volatility of the market for recyclable products does create uncertainty around the future disposal path and costs for such items. The Local Government sector across South Australia is monitoring this situation carefully and is seeking to develop new sustainable markets. Roxby Downs is actively considering the options available for optimising the value from recyclable products and minimising costs to the community.

Other Influences

- Independent strategic review of the Roxby Downs Community Board and the development of a new Community Plan. Any changes adopted may influence future projects, initiatives and spending priorities for Council.
- Remuneration increases associated with the Municipal Council of Roxby Downs Enterprise Agreement (2017) which is due for renegotiation in January 2020.
- **Council's increasing focus on asset renewal (i.e. the investment in existing assets over time to preserve their value and quality)** and long term commitment to investing in improved systems and technological solutions.
- Greater focus on sourcing available State of Federal Government grant funding.
- **Further growth in the Far North Region as a result of Oz Minerals' Carrapateena project, located north of Port Augusta.**
- A 15 year programmed maintenance and renewal and replacement expenditure plan for Roxbylink recommended by independent consultants.
- All new projects are dependent upon a business case defining business and community benefit and the validation of proposed costings.

Objectives and Activities for 2019/2020

Proposed Council Investments in Key Projects

The following is a list of major expenditure items. It includes both capital expenditure (CAPEX) and operating expenditure (OPEX) items. It should not be read as a complete list of Council's expenditure items. Projects are subject to a business case development and approval.

A brief contextual statement regarding these items can be found in the Appendix 2.
All amounts rounded to the nearest \$1,000.

Item	Amount	
<i>Community/recreational projects</i>		
Hermit St Playground – construction of new toilets and fencing	\$120,000	*
Oval – fertigation system	\$50,000	*
Community Centre (CYC) improvements – Roof over pergola, replace couches and activity items. Complete rebranding.	\$20,000	◆
<i>Roxbylink projects</i>		
Pool – replace & repair main pump & filters	\$90,000	*
Pool – construction of additional shade	\$23,000	*
Indoor Pool – modification of building to provide an internal link to the change rooms and toilets.	\$120,000	*
Pulse Gym – replace fitness equipment & group fitness sound system	\$25,000	*
Courts – construction of shade over netball courts	\$7,000	*
Air conditioner replacement (1 unit)	\$16,000	
Leisure centre - painting	\$50,000	
Cinema – painting & ceiling work	\$25,000	
Leisure Centre and Dunes Café toilets/change rooms repair and refurbishment	\$35,000	◆
Leisure centre LED Lighting (\$150k over 2 years)	\$75,000	*
<i>Infrastructure projects</i>		
Road reseals, including: Scheduled reseals based on most recent condition assessments (\$300,000) and specific treatment of cracking Arcoona/Pioneer & Olympic/Pioneer (\$200,000)	\$500,000	
Road line marking	\$60,000	
Unsealed road maintenance	\$35,000	
Richardson Place upgrade, including: Tables & chairs replacement (\$20,000) Toilets – additional refurb to complement new toilets (\$50,000) Additional bike and scooter racks (\$2,000)	\$72,000	*
Replacement of pine log railings at key road interchanges and school crossings	\$50,000	
Footpaths – various scheduled works	\$100,000	
Plastics to Fuel Project - equipment	\$75,000	*

* Project approval to be supported by a business case defining business and community benefit and the validation of proposed costings.

◆ Project supported by a detailed project plan

Proposed Council Investments in Key Projects (continued)

<i>Roxby Power projects</i>		
Street lighting investment, including: LED upgrades (\$111,000) Street light pole replacement (\$22,000) Walkway lights (\$5,000)	\$138,000	◆
High Voltage switches replacement	\$162,000	◆
High Voltage switches & transformers – scheduled maintenance (\$260,000) and upgrade transformer bases (\$75,000)	\$335,000	◆
Low Voltage maintenance	\$125,000	
Power meter replacements	\$96,000	
<i>Roxby Water projects</i>		
Trailer/crane replacement	\$25,000	*
Stormwater upgrade – increase capacity & setup system on SCADA (remote monitoring system)	\$25,000	*
Sewerage upgrade – transfer channels between ponds (includes \$10,000 c/f)	\$30,000	
<i>IT & Systems</i>		
IT projects, including: Asset Management System and hardware replacement	\$195,000	*
Drone Technology	\$6,000	*
<i>Items carried forward from 18/19 financial year**</i>		
Hermit St Playground upgrade	\$50,000	*
Lions and Skate Park upgrade, including: (\$120,000 carried forward from previous year) -Skate bowl General improvements (\$30,000) (Cost of skate bowl to be offset by grant funding of \$120,000)	\$270,000	*
Emu Walk (balance of work- Grant carried forward)	\$200,000	*
Multipurpose change room facilities***	\$1,000,000	*
Sewerage upgrade - airolator for sewerage ponds	\$60,000	*
Roxby water – backup generator	\$129,000	
Multi-purpose Pump Track (funding from grants/contributions \$450,000)*	\$500,000	
Off Leash Dog Park	\$60,000	
Richardson Place Public Amenities upgrade	\$100,000	
Town Entrance Signage x 3 (BHP funding \$70,000)	\$100,000	
Public Art Work	\$60,000	*
Townscape Horticulture Plan (including \$20,000 carried forward)	\$40,000	*
<i>Deferred Projects</i>		
Gym – conversion to 24 hour operations	Deferred	
Community Engagement project – ‘Your Say’ (online engagement platform)	Deferred	

* Project approval to be supported by a business case defining business and community benefit and the validation of proposed costings.

**A stocktake of projects for 2018/19 will be conducted at 30 June 2019. Progress on implementation of these projects will be reflected in the final budget considered by Council.

***Council will be seeking grant funding support for the Multipurpose change room facilities.

◆ Project supported by a detailed project plan

Statement of Comprehensive Income

The following summarises the budgeted operating income and operating expenses by major categories. 'Operating' activities relate to what Council does on a day to day basis but does not include activities around many large projects, especially relating to the construction or renewal of assets (these are 'Capital' or 'CAPEX').

All amounts rounded to the nearest \$1,000.

	Previous year 2017/2018 Audited Actuals \$'000	Current year 2018/2019 Adopted Budget \$'000	Proposed 2019/2020 Draft Budget \$'000
OPERATING INCOME			
Rates	5,463	5,473	5,433
Statutory charges	66	44	49
User charges	11,504	10,652	11,579
Grants, subsidies and contributions	441	191	203
Investment income	52	40	84
Municipal Deficit Funding	600	600	600
Other income	122	165	88
TOTAL INCOME	18,248	17,165	18,036
OPERATING EXPENSES			
Employee costs	4,665	4,715	5,223
Materials, contracts and other services	8,253	9,131	9,624
Depreciation, amortisation and impairment	3,074	3,171	3,184
Finance costs	29	44	2
TOTAL EXPENSES	16,021	17,061	18,033
OPERATING SURPLUS / (DEFICIT)	2,227	104	3
Net gain (loss) on disposal or revaluation of assets	(3)	0	40
Physical resource received free of charge	0	0	0
Amounts specifically for new or upgraded assets	45	1,760	570
NET SURPLUS / (DEFICIT)	2,269	1,864	613

In addition to the reshaping of Council's operations and the cost savings that have been achieved the program for FY2019/20 reflects an increased recruitment focus and corresponding investment in workplace, health and safety, and risk management, improved financial controls, establishment of an integrated Council wide asset management and reporting system, and resources for Roxby Power. These roles require specialised subject knowledge and expertise. Council expects that these initiatives will result in improved services, and cost benefits.

Summary of Capital Expenditure

Long-term asset management is vital to ensuring that public buildings and improvements, together with community infrastructure are fit for purpose and meet safety and security standards. Historically several of the assets under the care and control of the Council (including those of Roxbylink, Roxby Power and Roxby Water) were originally established with minimal consideration/provision to the future costs of ongoing operations, maintenance and replacement needs. Many of these assets are now approaching the later years of their useful life (approaching 30 years) and require renewal/replacement to ensure adequate on-going services. An effective long-term asset management plan will effectively improve reliability and quality of assets together with improved cost control driven by a scheduled renewal and replacement program.

	Previous year 2017/2018 Audited Actuals \$'000	Current year 2018/2019 Adopted Budget \$'000	Proposed 2019/2020 Draft Budget \$'000
RECEIPTS			
Amounts specifically for new or upgraded assets	45	1,760	570
PAYMENTS			
Expenditure on renewal/replacement of assets	722	2,666	2,083
Expenditure on new/upgraded assets	283	1,222	2,971
NET CAPITAL EXPENDITURE	960	2,128	4,844

How will Council fund the Annual Business Plan

In delivering the services and projects outlined in this Draft Annual Business Plan, Council has budgeted to achieve an Operating Surplus of \$3,000 resulting from Total Operating Income of \$18,036,000 and Total Operating Expenses of \$18,033,000.

(In addition, Council has budgeted to receive \$570,000 in Capital Income. This will be used to partly offset budgeted Capital costs.)

Operating Income

Council has budgeted to receive Operating Income of \$18,036,000. All amounts have been rounded to the nearest \$1,000.

Operating Income (continued)

Rates and Charges

Council has budgeted to collect \$5,433,000 from its various rates sources. The following breakdown shows expected revenues and any change from 2018/2019 adopted budget:

Source	Budget	Change from 2018-19 adopted budget
Rates	4,690,000	0%
Rates rebates	(202,000)	0%
NRM levies	114,000	0%
Rates fines	20,000	33%
Debt collection fees	4,000	(84%)
Direct debit fees	600	(40%)
Garbage rates	807,000	1%

User Charges - Utilities

The Roxby Downs (Indenture Ratification) Act 1982 requires Council to supply residents of Roxby Downs with electricity, water and sewerage services. Charges (tariffs) for these utilities are reviewed each year in July.

Roxby Power

- Electricity tariffs - No change
- Solar buy-back rate - No change

Total expected revenues for Roxby Power is \$4,810,000.

Roxby Water

- Water tariffs (usage) - No change
- Water supply - No change
- Sewerage supply - No change

Total expected revenues for Roxby Water is \$5,032,000.

The income generated from the sale of power and water is difficult to predict accurately in the context of seasonal variability and volume demand fluctuations. Council attempts to predict and budget based on broad assumptions and the analysis of actual usage patterns, however key drivers of future demand such as population and temperature are subject to uncertainty.

Operating Income (continued)

User Charges – Roxbylink

Roxbylink reviews its fees and charges annually. In determining an appropriate pricing structure, Roxbylink attempts to balance the following two underlying philosophies:

- **Roxbylink entities should be run on a commercial basis to minimise the extent to which Council's ratepayers need to subsidise Roxbylink operations, and**
- Roxbylink delivers community services with a social value which cannot be measured in commercial terms

The balancing of these two philosophies remains a constant challenge for Council.

Total budgeted income from Roxbylink (all sources excluding grants) is \$1,727,000.

Statutory Charges

Council's statutory charges are derived principally from dog and cat registration fees, development and building fees, regulatory fees and expiations. Council is budgeting for the collection of \$49,000 in Statutory Charges in 2019/2020.

Grants

Council attempts to take advantage of grant funding as a way of reducing the financial burden on its ratepayers. There are different types of grants – tied (i.e. those that are for a specific purpose) and untied (which are general and Council has relatively more flexibility around how to spend it).

As with all local government authorities nationally, Council receives untied Federal Government funds from the Grants Commission which can be spent according to local priorities. A component of this must also be utilised in the upkeep of local roads.

Council also receives an annual grant from the South Australian Public Library Services which is used towards partially offsetting the cost of providing library services to the community.

In addition, Council attempts to secure various grant funding on an ongoing basis. New grants are announced by Government from time to time, and Council applies for these grants whenever appropriate as a way to leverage the funding of various new projects.

Council has budgeted to receive Total Income from Grants (for Operating purposes) of \$203,000 and (for Capital purposes) of \$570,000.

Other Income

Other income is expected to come from the following sources:

- Rate search income \$3,000
- Insurance refunds \$18,000
- Service SA agency fees \$65,000
- Youth Other Income \$1,000
- Other Community Services Income \$1,000

The total Other Income is budgeted to be \$88,000.

Loan Borrowings

Council is currently debt free and does not expect to take out any new loans in 2019/2020.

Municipal Deficit Support

The Roxby Downs (Indenture Ratification) Act 1982 requires contributions from both the State Government and BHP toward the Municipal deficit.

The total amount budgeted from this source is \$600,000.

Operating Expenditure

In 2019/2020 Council has budgeted for a total operating expenditure of \$18,033,000. All amounts have been rounded to the nearest \$1,000.

Employee Costs

Aside from salaries and wages costs, Council's 'employee costs' include various operating costs associated with the employment of its workforce. Such costs include leave related expenses (e.g. Annual, Long Service and Public Holiday leaves), as well as workers compensation and income protection insurance, allowances, staff training and work health and safety.

The total employee costs are budgeted to be \$5,223,000 in 2019/2020. The expected total employee costs factor in the following considerations:

- An expected increase of 1.5% based on the Municipal Council of Roxby Downs Enterprise Agreement 2017
- Increment movements via reclassifications (if applicable) in accordance with the Municipal Council of Roxby Downs Enterprise Agreement 2017
- Step increases on anniversary date (if applicable) in accordance with the Municipal Council of Roxby Downs Enterprise Agreement 2017
- Assumption that every employee will be in place for the full year
- The employment of an additional employee for Roxby Power

Operating Expenditure (continued)

Materials, Contractors and Other Expenses

Council is budgeting for a total of \$9.624 m or 53% of operating expenditure that relates to:

- The delivery of Council contracts (e.g. Horticulture, waste management, etc.)
- Asset maintenance (e.g. Buildings, facilities, vehicles, etc.)
- Delivery of community services
- Purchases of power and water from BHP

There are some projects from 2018/2019 that have been carried forward and are included in the budget for 2019/2020.

Depreciation

As Council's various assets age and their useful life diminishes their value depreciates. Council recognises the depreciation expense every year in accordance with required accounting and local government reporting standards. Council has budgeted for a total depreciation expense across all classes of assets of \$3.184 m in 2019/2020.

Finance Costs

Finance costs include any interest charges that Council incurs and has budgeted \$2,000 for finance costs in 2019/2020.

Considerations in the setting of Rates and Charges

Income derived from the charging of municipal rates is a significant income source. When determining the rates for 2019/2020, Council will consider the following factors:

- Current expenditure needs
- Future assets renewal needs
- Current economic climate
- Community expectations
- Legislative responsibilities

Method Used to Value Land

As with most local government authorities, Council uses the capital valuation method as the basis for valuing each land holding and improvements in the council area. Valuations are determined by the State Government Valuer-General and are independent.

The capital value method of valuing land provides the fairest method of distributing the rates across all ratepayers because:

- Property value is a relatively good indicator of market value of a property and, therefore, it is the most appropriate measure of relative capacity to pay of property owners.

-
- It corresponds with the taxation principle which states that people should contribute to community, social, and physical infrastructure in accord with their capacity to pay, as measured by property held.

Council will be adopting the valuations made by the Valuer-General application for the financial year commencing 1 July 2019. The proposed valuations have been received and are currently being evaluated together with rate modelling applied. If a property owner is dissatisfied with their property valuation, an objection may be made to the Valuer-General in writing, within 60 days of receiving notice of the valuation, explaining the basis of the objection.

Rate Rebates

Council provides rates rebates in accordance with Chapter 10, part 1, Division 5 of the Local Government Act 1999. The following mandatory 100% rebates are provided for the following properties:

- Roxby Downs Hospital
- Catholic Church
- Lutheran Church
- Community Church

Discretionary rebates are provided for the following properties:

- Roxby Downs Area School
- **St Barbara's Parish School**

Council regularly reviews the discretionary elements of these rebates. No changes are anticipated for 2019/2020.

Details relating to Government Council Rate Concessions, Rebates, Capping Rebates and provisions for **assisting in cases of hardship in the payment of rates and Council's rights to sell land for the non-payment of rates** can be found in Appendix 2.

Council may consider providing a capping rebate whereby eligible ratepayers can apply for a partial rebate if their 2019/2020 rates increase by more than a threshold percentage over 2018/2019 rates. **Council's commitment to, and specific parameters relating to this rebate, are yet to be confirmed.**

Differential General Rates

Much of the community amenity that is provided by Council is funded through the collection of rates. The Local Government Act 1999 allows councils to differentiate rates based on the property use. As in previous years Council has opted to differentiate on this basis. **The composition of Council's rates charged by the various use categories is indicated by the following:**

- Residential - 73% of total
- Commercial - 21% of total
- Light Industrial & Other - 3% of total
- Vacant Land - 3% of total

(Based on 2018/2019 actuals – these proportions are not expected to materially change for 2019/2020.)

Fixed Charge

Council considers it appropriate that all rateable properties make a base level contribution to the cost of **administering Council's activities, and to the cost of creating and maintain the physical infrastructure that supports each property. Approximately a quarter of Council's general rate revenue is calculated** via the fixed charge portion.

Service Charges

This charge is applied directly to the cost of waste management. There are two principal components to the cost of waste management: rubbish bin collections and waste management/transportation. Council attempts to recover the cost of the first component (rubbish bin collections) only. Recovery is via a service charge of \$466 **to every 'residential' account only. (Decisions about extending the service charge to cover the other waste management costs, and about whether the recovery of these costs should be absorbed into the general rates or kept as a separate charge, are subject to review by Council for future years.)**

Natural Resources Management Levy

The Natural Resource Management (NRM) Levy is a State Government tax legislated under the Natural Resources Management Act 2004. Council collects the levy on behalf of the SA Arid Lands Natural Resources Management Board. The levy is a fixed charge and is shown as a separate charge on the rates notice. Council is operating as a revenue collector only and does not keep this revenue or determine how it is spent.

Business Impact Statement

Council has considered the impact of rates on all businesses in the Council area. In considering the impact, Council will assess the following matters:

- **Those elements of the Council's Strategic Management Plan relating to business development**
- The current and forecast economic climate
- **Council's recent development approval trends**
- The operating and capital projects and new programs for the coming year that will principally benefit industry and business development
- Valuation changes

Council recognises the importance of supporting and encouraging a diverse and healthy business sector.

Measuring Performance

The Council measures its achievements and financial performance through the following processes:

- Monthly review of account management reports by the Council presented to the Chief Executive
- Budget reviews to the Council in accordance with legislation
- Regular reporting to the external Audit Committee
- Production of the Annual Report with audited financial statements
- Customer request and complaint systems
- Presentation of a six monthly (1/2 yearly) report card to Council on the performance achieved in implementing the Annual Business Plan and Budget.

Financial Indicators

Council uses three main measurement ratios to assess the success of its budget against specific strategic objectives. The three ratios have been developed by the local government sector as a simple way of indicating the extent of the financial sustainability of the Council. The three ratios are:

Operating Surplus/Deficit Ratio

The desired level is between 0% and 10% on average over the long term. Council's Budget Management

Policy provides for a short term target between -2% and 0%. The operating surplus ratio is the operating surplus (deficit) expressed as a percentage of income. A positive ratio indicates the percentage of operating income available to help fund proposed capital expenditure. A negative ratio indicates the percentage increase in operating income or the appropriate decrease in operating expenses required to achieve a breakeven operating result.

Net Financial Liabilities Ratio

The desired level is greater than 0% but not more than 100% on average over the long term. Council's short term target is between 0% and 50%. This ratio indicates the extent to which the net financial liabilities of the **Council or its total indebtedness can be met by Council's total operating revenue. It is a broader measure than** net debt as it includes all of a council's obligations, including provisions for employee entitlements and creditors. The ratio is calculated by expressing net financial liabilities at the end of a financial year as a percentage of operating income for the year. When the ratio is increasing, it indicates that a greater amount of **a council's operating revenues is required to service its financial obligations.**

As Council continues to be debt free and have sufficient reserves to meet many of the future commitments on maintenance and capital expenditure projects the Net Financial Liabilities Ratio is reflected as a negative figure. For Roxby Downs this reflects good financial health as many Councils would be carrying at least some debt into their budget.

Asset Sustainability Ratio

The desired level is greater than 90% but less than 110% on average over the long term. This ratio measures whether Council is renewing or replacing existing physical assets (roads, footpaths, stormwater drainage, buildings, plant and equipment, furniture and fittings etc.) at the same rate as these assets are wearing out. The ratio is calculated by measuring actual capital expenditure on renewal or replacement of assets, relative to **the expenditure on renewal or replacement of assets as per Council's Infrastructure and Asset Management Plans.**

	2017-2018 Audited Actual	2018-2019 Adopted Budget	2019-2020 Proposed Budget
Ratio			
Operating Surplus Ratio	12%	0.6%	0%
Net Financial Liabilities Ratio	(41%)	(31%)	(41.7%)
Asset Sustainability Ratio	127%	100%	100%

Long Term Financial Plan

Council has an indicative Long Term Financial Plan - a tool to help plan its future budget parameters. The purpose of the **Council's Long Term Financial Plan** is to express, in financial terms, the activities that it proposes to undertake over the medium to longer term to achieve its stated objectives.

BHP's program for the Olympic Dam operation is based on a 5 year planning cycle. Changes at Olympic Dam have flow on effects impacting local economic conditions and therefore the **Council's budget**. The **ten year forward view of the Long Term Financial Plan** assumes that **Council's will have a measure of control and sufficient time for planning and policy change** in relation to significant budget factors.



Images clockwise from top left – resurfaced residential street; community centre front with oval and tennis courts in background, aerial shot of several of Roxby Downs outdoor leisure sites, library.

Appendix 1: **Commentary regarding Council's Rating Policy**

Due to restrictions around land use, there has been no proposed construction of new buildings or houses in Roxby Downs. This has implications for Council as natural growth in the number of rateable properties, which commonly occurs in other local government area, cannot be factored into revenue streams.

Payment of Rates

Annual rates can be paid in full at the first instalment in September or in four equal instalments due in September, December, March and June. The outstanding balance can be paid in full at any time. Council will send out instalment notices to ratepayers advising them of their next instalment due date at least 30 days prior to the due date. Council also provides a range of payment options – BPAY through participating banks, credit card or cash/cheque.

Late Payment of Rates

The Local Government Act 1999 requires that Councils impose a penalty of 2% on any payment for rates, whether instalment or otherwise, that is received late. The purpose of this penalty is to act as a deterrent to ratepayers who might otherwise fail to pay their rates on time, to allow Councils to recover the administrative cost of following up unpaid rates, and to cover any interest cost the Council may incur because it has not received the rates on time. Rates remaining unpaid will be charged interest each month, set each year in accordance with Section 181(8)(c) of the Act. Council may at its discretion remit penalties for late payment of rates where ratepayers can demonstrate hardship.

Council issues an overdue notice for payment of rates unpaid by the due date. Should rates remain unpaid more than 21 days after the issue of the overdue notice, the Council may refer the debt to a debt collection agency. The debt collection agency charges collection fees that are recoverable from the ratepayer.

When the Council receives a payment in respect of overdue rates, the Council applies the money received as follows:

- First – to satisfy any costs awarded in connection with court proceedings
- Second – to satisfy any interest costs
- Third – in payment of any fines imposed
- Fourth – in payment of rates, in chronological order (starting with the oldest amount owing)

Penalties

Penalties do apply to outstanding rates. Any ratepayer who may experience difficulty with meeting the standard payment requirements, or is planning an extended absence at the time rates are due, is encouraged to contact our Rates Officer on 8671 0010 to discuss alternative payment arrangements.

Hardships

Ratepayers experiencing hardship may seek assistance from Council. If you are concerned about the payment of your Council rates, please contact Council on 8671 0010 to discuss your personal circumstances and organise alternative payment arrangements before the payment is due.

Postponement of Rates – Hardship

Under Section 182 of the Local Government Act 1999, you can apply to postpone your rates if payment would cause you hardship. You need to meet the following criteria:

- That hardship can be proven (such as by providing a statement of income and expenses)
- You agree to pay interest on the amount at the cash advance debenture rate, calculated monthly and published by the Local Government Finance Authority for 1 July each year
- The property is your principal residence and is the only property you own
- You have owned the property and used it as your principal residence for a minimum of 1 year
- You can produce your Pensioner Concession Card from Centrelink or Veterans Affairs, or you can demonstrate that you are a self-funded retiree with a household income of less than \$25,000 a year

Postponement of Rates – Seniors Card

Pursuant to Section 182A of the Local Government Act 1999, if you hold a State Government Seniors Card, you can apply to postpone part of your council rates for the current or a future financial year. The deferred amount will still incur a monthly interest charge, and the accrued debt will become payable when your property is sold or disposed of. As a South Australian Seniors Card holder, you can only apply for postponement if:

- The property is your principal place of residence
- No other person other than your spouse or domestic partner has an interest as owner of the property

Rebates – Non-discretionary

The Local Government Act 1999 provides that the Council must grant a rebate of Council rates in specified circumstances. The rebates relate to:

- Land used by a not for profit community service organisation for specified services (pursuant to Section 161).
- Land containing a church or other building used for public worship and land used solely for religious purposes (pursuant to Section 162)
- Land used for specified educational purposes (pursuant to Section 165)

Rebates – Discretionary

Section 166 of the Local Government Act 1999 sets out the circumstances in which Council can grant discretionary rebates of up to 100%. Rebates are approved on an annual basis.

Council offers a capping rebate on differential general rates granted to the Principal Ratepayer on assessments under Section 166 (1) (L) of the Act. The capping rebate amount is calculated from the difference between the amount of differential general rates raised during the current financial year, and the amount of differential general rates for the previous financial year, plus 10.0%. For the capping rebate to be granted, the following criteria must apply:

- The land use of the property is residential
- There has been no improvements on the land over \$20,000 since the start of the previous financial year

-
- The zoning of the land has not changed since the start of the previous financial year The Land Use has not changed since the start of the previous financial year
 - The capping rebate amount exceeds \$10, and
 - **Council receives the “Rate Capping Rebate Application Form” from the Principal** Ratepayer prior to the due date of the first instalment.

Enquiries can be made through our Rates Officer on 8671 0010.

Sale of Land for Non Payment of Rates

Section 184 of the Local Government Act 1999 provides that a Council may sell any property where the rates have been in arrears for three years or more. The Council is required to notify the owner of its intention to sell the land if payment of the outstanding amount is not received within one month, and must provide the owner with details of the outstanding amounts. Except in extraordinary circumstances, the Council enforces the sale of land for arrears of rates.

Appendix 2: Objectives and Activities for 2019/20: Context and Progress –

Hermit St Playground – New - toilets and fencing for the development of the playground to a nature play space have been introduced into the FY19/20 budget in response to the community consultation which took place in November 2018.

Oval Fertigation System - Convert the current manual fertilizing/water system to an automatic fertigation system to help improve water retention, drainage and fertilizing. Aim to enhance water use efficiency and reduce labour costs.

Community Centre (CYC) improvements – Roof over pergola, replace couches and activity items. Complete rebranding. A range of items in the centre have been heavily used and require replacement. Roof covering over the pergola to provide increased sun-safety and opportunity for outdoor activities. Rebranding from Community Youth Centre to Community Centre to identify the centre as a facility for all community activities and meetings.

Pool – replace and repair main pump and filters – The primary pump that services both the indoor and outdoor pools require extensive maintenance and replacement of new filter media. Costs include plumbing works associated with the project.

Pool – Construction of additional shade.

Indoor Pool – modification of building to provide an internal link to the change rooms and toilets – Currently swimmers from either the outdoor or indoor pool need to traverse through the central Leisure Centre entrance (which is also a thoroughfare to the Indoor Courts, Gym, Crèche, Kiosk, Cinema and Library). Wet floors from swimmers is a hazard to the users of these other facilities.

Pulse Gym – replace fitness equipment and group fitness sound system – Replacement and renewal of old, dated and damaged equipment. Projected cost will reduce over the next 5-6 years as all equipment renewed.

Netball Courts – Construction of shade over spectator area.

Air-Conditioner Replacement – Leisure Centre - Previous reconditioning of air-conditioning identified need to replace system in Stadium 1.

Leisure Centre – Interior Painting – The original section of the Leisure Centre complex is nearing 20 years old and requires re-painting.

Cinema – Painting and Ceiling Work – Interior requires maintenance and renewal.

Leisure Centre and Dunes Café toilets/change rooms repair and refurbishment – The toilets/change rooms in the leisure centre and Dunes Café require extensive repair and refurbishment. Original tile work and fittings broken or absent in places. These are high use facilities which currently do not meet acceptable standards.

Leisure Centre LED Lighting (\$150,000 over 2 years) - Much of the lighting and associated fittings in the centre is from the original build. Stadium 1 is now over 25 years old. Replace current lighting over a 2 year plan to increase energy efficiency and cost savings.

Road reseals – Continuation of the road resealing program as per Council's five year road plan. Funding has also been allocated to address cracking on roads in the light industrial area and resurfacing of the intersection of Arcoona and Pioneer, and Burgoyne and Olympic Way.

Road line marking – where line marking has faded.

Unsealed road maintenance - Grading roads on Opal Road and the sewer lagoon road. Grading of the edges along Olympic Way, Axehead Road, and the entrance to the golf club car park. This is required maintenance to minimise erosion.

Richardson Place upgrade - Tables and chairs replacement at Eastern end, toilets refurbishment of current block to complement and match new unisex disabled toilets. Additional bike and scooter racks.

Objectives and Activities for 2019/20: Context and Progress (cont.)

Replacement of pine log railings at key road interchanges and school crossings – The current pine log railings and posts at key road intersections and school crossings are aged, damaged and present some hazards. Council is planning a 5 year project to replace all of these pine log railings across town.

Footpaths – Various scheduled works. Repairs and maintenance to minimise broken and lifting areas and trip hazards.

Plastics to fuel Project – equipment – 2018/19 will see the completion of a Plastics to fuel feasibility study. Phase 2 will now involve a pilot project for converting Polypropylene (PP), Polyethylene (PE) and Polystyrene or Styrofoam (PS) type plastics into fuel oil. This will reduce our reliance on landfill and explore the viability of waste-to-energy solutions for Roxby Downs.

Street Lighting - Continuation of the upgrade of existing lighting to more energy efficient and longer life LED lights thereby reducing maintenance costs in the future. Includes LED upgrades (\$111,000), street light pole replacement (\$22,000) and walkway lights (\$5,000)

High Voltage (HV) Switches Replacement - Replacing switches on high voltage network equipment as current switches have reached their end of life.

HV switches and transformers - Scheduled maintenance and upgrade transformer bases - mandatory maintenance and upgrades to land around transformers. This is to improve safety around transformers.

Low Voltage (LV) power maintenance – Ensuring availability of materials and equipment to undertake repairs where damage may occur throughout the financial year (for example replacement of broken pillars, cabling damage).

Power meter replacements - Provision for meters that need replacing as they reach their end of life.

Trailer/crane replacement - Current trailer crane reaching end of useful life.

Upgrade stormwater capacity and set up stormwater system on SCADA – To provide remote monitoring and access to detailed status information regarding the stormwater network, allowing improved management of the network.

Sewerage upgrade - Upgrade transfer channels between ponds to reduce ongoing maintenance costs within the waste water recycling system.

IT projects, including: Asset Management System and hardware replacement - Council is advancing in its strategic goal of improved management of its assets through the implementation of a computerised asset management system.

Drone Technology- To utilise drone technology to work smarter and reduce costs for activities such as building maintenance, environmental management, visual assessment of assets and infrastructure.

ITEMS CARRIED FORWARD:

The following items were outlined in the 2018/19 Business Plan and Budget and progress is as follows:

Hermit Street Playground –Nature Play Space. A community consultation regarding the Hermit Street Playground took place in November 2018. Community response indicated strong desire for the development of a Nature Play Space to replace the current dated, damaged playground. Selection of the design company has now taken place and Council is awaiting a detailed project plan. Estimated timeline has been established and it is now anticipated that the design company will present a final Concept Plan to Council by 29 May 2019.

Lions Park upgrade and Skate Bowl - The Lions Park and skate park are well utilised by the community and require updating and expansion to cater for growing use. Addition of a Skate Bowl to cater for higher level users. This skate bowl addition will be largely dependent upon at least \$120,000 in grant funding. Council is carrying forward \$120,000 from the previous financial year. Also general improvements to the Lions Park area.

Objectives and Activities for 2019/20: Context and Progress (cont)

Emu Walk – balance of work and carried forward grant – Further works planned for the Emu Walk project include trail upgrade and extension, entrance way upgrade, signage and markings, lighting, waste bins, a rest area and mine lookout. Footpath works related to the Emu Walk project are complete (Blanche Court).

Multipurpose change room facilities (formerly referred to as Female Changing rooms) – Currently, there is one clubroom (two rooms) at the main oval which is part of the central sporting precinct. These rooms are antiquated, built by Western Mining Company in 1990 (28 years ago), do not meet current AFL facility guidelines, and are not suitable for our female or junior sporting population. It is home for the Far North Football League with over 200 senior players and the Roxby Downs Junior Football Association (149 members in 2017 -including male and females) and the Roxby Districts Cricket Association (69 members in 2017). Each utilising the change rooms for all trainings and competition. The change rooms are not family friendly and do not cater for the increased female participation in AFLW, rugby league, soccer, and cricket. It has open shower facilities, urinals, and no separate change or treatment areas. Council in collaboration with the Sport and Recreation Forum have, thus far, applied for two Government grants without success. Council will continue to seek funding through grants.

Sewerage upgrade - airolator for sewerage ponds - Wind power aeration equipment to reduce the incidence of blue green algae. This was deferred to 2019/20 pending investigation into renewable power aeration equipment.

Roxby water – backup generator - A backup generator to provide power to the town water supply in the event of an outage. Project was deferred pending the outcome of an analysis of the viability of renewable backup power as an alternative.

Multi-purpose Pump Track (funding from grants/contributions \$450,000) – This project continues and remains dependent upon funding from grants/contributions with Council committing \$50,000 toward the project for which total cost is expected to be \$500,000. A final concept design package has been approved by Council and the Sport and Recreation Forum. The detailed design phase has commenced and will include civil works and technical specifications.

Off-Leash Dog Park - Site plan developed with design concept. Risk management plan currently under development. Project progress is now dependent upon final written approval from BHP, the land owner. Expected to be complete in the first half of 2019/20 financial year.

Richardson Place Public Amenities Upgrade - The Roxby Council Annual Business Plan and Budget for the 2018/2019 financial year set aside a budget of \$100,000 to provide disabled and baby change facilities and improve accessibility for residents and visitors with disabilities and those who are frail and/or aged. A community consultation took place in February 2019. Works are anticipated to commence shortly.

Town Entrance Signage x 3 – Sites selected, BHP funding received, and Council is currently awaiting Kokatha assessment of sites to comply with any heritage significance. Kokatha artistic components are to be incorporated.

Public Art Work –Investigating community and artist interest in Richardson Place public arts projects.

Townscape Horticulture Plan – Develop a whole-of-town plan for vegetation and planting across the township such that hardy, arid suitable plantings replace less hardy, high water demanding plantings. Aiming to minimise the loss of public land plantings and reduce water requirements.

Deferred Projects:

Gym – investigation & preparatory work re 24 hour use – Investigation into the safety and security requirements and building modifications necessary to advance this project have identified significant cost concerns. This project is to be deferred.

Community Engagement project – **'Your Say' (online engagement platform)** –In light of the BHP-CSIRO Local Voices Project, Council has decided to defer the implementation of an online engagement platform.

Appendix 3:
Consolidated Financial Statements— pages 27-31

COUNCIL - CONSOLIDATED

	2017/2018 Audited Actuals \$'000	2018/2019 Adopted Budget \$'000	2019/2020 Draft Budget \$'000
Statement of Comprehensive Income			
Income			
Rates	5,463	5,473	5,433
Statutory charges	66	44	49
User charges	11,504	10,652	11,579
Grants subsidies and contributions	441	191	203
Municipal deficit funding	600	600	600
Investment income	52	40	84
Other income	122	165	88
Total Income	18,248	17,165	18,036
Expenses			
Employee costs	-4,665	-4,715	-5,223
Materials contracts & other expenses	-8,253	-9,131	-9,624
Finance Costs	-29	-44	-2
Depreciation amortisation & impairment	-3,074	-3,171	-3,184
Share of profit - equity accounted Council businesses	0	0	0
Total Expenses	-16,021	-17,061	-18,033
OPERATING SURPLUS / (DEFICIT)	2,227	104	3
Municipal Distribution	0	0	0
Adjusted Net Surplus / (Deficit)	2,227	104	3
Asset disposal and fair value adjustments	-3	0	40
Physical Resources Received Free of Charge	0	0	0
Amounts specifically for new or upgraded assets	45	1,760	570
NET SURPLUS / (DEFICIT)	2,269	1,864	613
transferred to Equity Statement			
Other Comprehensive Income			
Changes in revaluation surplus	1,862	0	0
Impairment (expense) offset to Asset Revaluation Reserve	-26	0	0
TOTAL COMPREHENSIVE INCOME	4,105	1,864	613

COUNCIL - CONSOLIDATED

	2017/2018 Audited Actuals \$'000	2018/2019 Adopted Budget \$'000	2019/2020 Draft Budget \$'000
Statement of Financial Position			
ASSETS			
Current Assets			
Cash & cash equivalents	7,184	4,810	6,857
Trade & other receivables	3,115	3,336	3,336
Inventories	30	21	21
Total Current Assets	10,329	8,167	10,214
Non-Current Assets			
Infrastructure, property, plant & equipment	120,014	119,779	122,711
Total Non-Current Assets	120,014	119,779	122,711
Total Assets	130,343	127,946	132,925
LIABILITIES			
Current Liabilities			
Trades & other payables	-1,182	-1,325	-1,325
Provisions	-458	-258	-259
Total Current Liabilities	-1,640	-1,584	-1,584
Non-Current Liabilities			
Non-current provisions	0	0	0
Other non-current liabilities	-1,184	-1,230	-1,230
Total Non-Current Liabilities	-1,184	-1,230	-1,230
Total Liabilities	-2,824	-2,814	-2,814
NET ASSETS	127,519	125,132	130,111
EQUITY			
Accumulated Surplus	26,234	25,683	28,826
Asset Revaluation Reserve	101,285	99,449	101,285
TOTAL EQUITY	127,519	125,132	130,111

COUNCIL - CONSOLIDATED

2017/2018 Audited Actuals \$'000	2018/2019 Adopted Budget \$'000	2019/2020 Draft Budget \$'000
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Statement of Changes in Equity**ACCUMULATED SURPLUS**

Balance at end of previous reporting period - AS	23,965	23,819	28,213
Net result for year	2,269	1,864	613
Balance at end of period	26,234	25,683	28,826

ASSET REVALUATION RESERVE

Balance at end of previous reporting period - ARR	99,449	99,449	101,285
Gain on revaluation of infrastructure, property plant & equipment	1,836	0	0
Transfer to accumulated surplus on sale of infrastructure, property, plant & equipment	0	0	0
Balance at end of period	101,285	99,449	101,285

TOTAL EQUITY AT END OF REPORTING PERIOD

127,519	125,132	130,111
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COUNCIL - CONSOLIDATED

2017/2018 Audited Actuals \$'000	2018/2019 Adopted Budget \$'000	2019/2020 Draft Budget \$'000
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Statement of Cash Flows**CASH FLOWS FROM OPERATING ACTIVITIES**Receipts

Rates - general and other	5,533	5,473	5,433
Fees and other charges	66	44	49
User charges receipts	11,418	10,652	11,579
Grants utilised for operating purposes	497	191	203
Municipal deficit funding receipts	600	600	600
Investment receipts	52	40	84
Reimbursement receipts	0	0	0
Other revenues receipts	380	165	88
Changes in Net Assets	0	0	0

Payments

Employee costs payments	-4,704	-4,715	-5,223
Materials, contracts & other payments	-8,290	-9,131	-9,624
Finance payments	-29	-44	-2

Net Cash provided by (or used in) Operating Activities

	5,522	3,275	3,187
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CASH FLOWS FROM INVESTING ACTIVITIESReceipts

Amounts specifically for new or upgraded assets	45	1,760	570
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Payments

Expenditure on renewal/replacement of assets	-722	-2,666	-2,083
Expenditure on new/upgraded assets	-283	-1,222	-2,971

Net Cash provided (or used in) Investing Activities

	-960	-2,128	-4,484
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CASH FLOWS FROM FINANCING ACTIVITIESReceiptsPayments

Net Cash provided by (or used in) Financing Activities	0	0	0
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Net Increase / (Decrease) in cash

	4,562	1,147	-1,297
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Cash & equivalents at beginning of period

	2,622	3,663	8,154
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Cash & equivalents at end of period

	7,184	4,810	6,857
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COUNCIL - CONSOLIDATED

2017/2018 Audited Actuals \$'000	2018/2019 Adopted Budget \$'000	2019/2020 Draft Budget \$'000
----------------------------------------	---------------------------------------	-------------------------------------

Uniform Presentation of Finances

Income	18,248	17,165	18,036
<i>less Expenses</i>	<i>-16,021</i>	<i>-17,061</i>	<i>-18,033</i>
Operating Surplus / (Deficit)	2,227	104	3

less Net Outlays on Existing Assets

Capital Expenditure on renewal & replacement of existing assets	722	2,666	2,083
less Depreciation amortisation & impairment	<i>-3,074</i>	<i>-3,171</i>	<i>-3,184</i>
less Proceeds from sale of replaced assets	0	0	0
	-2,352	-505	-1,101

less Net outlays on New and Upgraded Assets

Capital Expenditure on new or upgraded assets	283	1,222	2,971
less Amounts received specifically for new & upgraded assets	<i>-45</i>	<i>-1,760</i>	<i>-570</i>
less Proceeds from sale of surplus assets	0	0	0
	238	-538	2,401

Net Lending / (Borrowing) for Financial Year	4,340	1,147	-1,297
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Statutory Financial Indicators

Operating Surplus Ratio <i>Being the operating surplus (deficit) as a percentage of revenue</i>	12.2%	0.6%	0.0%
Net Financial Liabilities Ratio <i>Being the net financial liabilities / total operating revenue</i>	-41%	-31%	-41%
Asset Sustainability Ratio <i>Capital expenses on renewal/ replacement assets less sale of replaced assets divided by Infrastructure Asset Management Plan required expenditure</i>	127%	100%	100%

MUNICIPAL

	2017/2018 Audited Actuals \$'000	2018/2019 Adopted Budget \$'000	2019/2020 Draft Budget \$'000
Statement of Comprehensive Income			
Income			
Rates	5,463	5,473	5,433
Statutory charges	67	44	49
User charges	1,763	1,546	1,727
Grants subsidies and contributions	441	192	203
Municipal deficit funding	600	600	600
Investment income	52	40	84
Other income	122	165	98
Total Income	8,508	8,060	8,194
Expenses			
Employee costs	-4,394	-4,374	-4,759
Materials contracts & other expenses	-3,762	-4,978	-6,195
Finance Costs	-29	-30	0
Depreciation amortisation & impairment	-1,719	-1,726	-1,834
Total Expenses	-9,904	-11,108	-12,788
OPERATING SURPLUS / (DEFICIT)	-1,396	-3,048	-4,595
Municipal Distribution	0	1,050	1,050
Adjusted Net Surplus / (Deficit)	-1,396	-1,998	-3,545
Asset disposal and fair value adjustments	-3	0	40
Amounts specifically for new or upgraded assets	45	1,760	570
NET SURPLUS / (DEFICIT)	-1,354	-238	-2,935
transferred to Equity Statement			
Other Comprehensive Income			
Changes in revaluation surplus	0	0	0
Impairment (expense) offset to Asset Revaluation Reserve	-26	0	0
TOTAL COMPREHENSIVE INCOME	-1,380	-238	-2,935

ROXBY POWER

	2017/2018 Audited Actuals \$'000	2018/2019 Adopted Budget \$'000	2019/2020 Draft Budget \$'000
Statement of Comprehensive Income			
Income			
Rates	0	0	0
Statutory charges	0	0	0
User charges	4,726	4,431	4,810
Grants subsidies and contributions	0	0	0
Municipal deficit funding	0	0	0
Investment income	0	0	0
Reimbursements	0	0	0
Other income	0	0	0
Total Income	4,726	4,431	4,810
Expenses			
Employee costs	-145	-174	-297
Materials contracts & other expenses	-2,364	-2,361	-2,117
Finance Costs	0	-14	-2
Depreciation amortisation & impairment	-769	-815	-769
Total Expenses	-3,278	-3,364	-3,185
OPERATING SURPLUS / (DEFICIT)	1,448	1,067	1,625
Municipal Distribution	0	0	0
Adjusted Net Surplus / (Deficit)	1,448	1,067	1,625
Asset disposal and fair value adjustments	0	0	0
Physical Resources Received Free of Charge	0	0	0
Amounts specifically for new or upgraded assets	0	0	0
NET SURPLUS / (DEFICIT)	1,448	1,067	1,625
transferred to Equity Statement			
Other Comprehensive Income			
Changes in revaluation surplus	0	0	0
TOTAL COMPREHENSIVE INCOME	1,448	1,067	1,625

ROXBY WATER & SEWERAGE

	2017/2018 Audited Actuals \$'000	2018/2019 Adopted Budget \$'000	2019/2020 Draft Budget \$'000
Statement of Comprehensive Income			
Income			
Rates	0	0	0
Statutory charges	0	0	0
User charges	5,015	4,675	5,032
Grants subsidies and contributions	0	0	0
Municipal deficit funding	0	0	0
Investment income	0	0	0
Reimbursements	0	0	0
Other income	0	0	0
Total Income	5,015	4,675	5,032
Expenses			
Employee costs	-127	-167	-167
Materials contracts & other expenses	-2,127	-1,791	-1,311
Finance Costs	0	0	0
Depreciation amortisation & impairment	-586	-629	-580
Total Expenses	-2,840	-2,587	-2,058
OPERATING SURPLUS / (DEFICIT)	2,175	2,088	2,974
Municipal Distribution	0	-1,050	-1,050
Adjusted Net Surplus / (Deficit)	2,175	1,038	1,924
Asset disposal and fair value adjustments	0	0	0
Physical Resources Received Free of Charge	0	0	0
Amounts specifically for new or upgraded assets	0	0	0
NET SURPLUS / (DEFICIT) transferred to Equity Statement	2,175	1,038	1,924
Other Comprehensive Income			
Changes in revaluation surplus	1,862	0	0
TOTAL COMPREHENSIVE INCOME	4,037	1,038	1,924

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