



# ANNUAL REPORT 2016/2017

# ACKNOWLEDGEMENT TO COUNTRY

The Municipal Council of Roxby Downs would like to acknowledge the Kokatha peoples, the traditional owners of the land on which we live today and pay our respect to the Elders past and present and extend that respect to other Aboriginal and Torres Strait Islander people who are present today.



**roxbypower**  
a division of roxby council



**roxbywater**  
a division of roxby council



**Municipal Council of Roxby Downs**  
Principal Office  
6 Richardson Place  
Roxby Downs, South Australia 5725

Postal: PO Box 124  
Roxby Downs, South Australia 5725

Telephone: (08) 8671 0010  
Fax: (08) 8671 0452  
Email: [roxby@roxbycouncil.com.au](mailto:roxby@roxbycouncil.com.au)  
Web: [www.roxbydowns.sa.gov.au](http://www.roxbydowns.sa.gov.au)

# CONTENTS

<b>MESSAGE FROM THE ADMINISTRATOR</b> .....	5
<b>ROXBY DOWNS PROFILE</b> .....	6
HISTORY .....	8
COUNCIL OVERVIEW .....	8
<b>OUR VISION</b> .....	9
<b>ACHIEVEMENTS</b> .....	10
<b>LEADERSHIP</b> .....	11
COUNCIL'S ROLE .....	11
COMMUNITY BOARD .....	11
EFFECTIVE DEVELOPMENT & PLANNING .....	12
EFFECTIVE CONSULTATION .....	13
EFFECTIVE COMMUNICATION .....	13
SUPPORTING COMMUNITY OWNED MEDIA.....	14
<b>CULTURAL VITALITY</b> .....	15
EVENTS.....	15
CULTURAL FACILITIES.....	16
COMMUNITY LIBRARY .....	18
<b>SOCIAL EQUITY</b> .....	19
COMMUNITY FACILITIES .....	19
OVALS.....	19
SPORT AND RECREATION .....	19
AQUATICS.....	20
PLAYGROUNDS .....	22
YOUTH DEVELOPMENT, PARTICIPATION & WELLBEING.....	22
PUBLIC HEALTH.....	23
ENVIRONMENTAL HEALTH.....	23
FOOD SAFETY.....	24
COMMUNITY HEALTH PROGRAMS.....	24
<b>ECONOMIC PROSPERITY</b> .....	25
AN ACTIVE BUSINESS COMMUNITY.....	25
TOURISM PROMOTION.....	25
<b>ENVIRONMENTAL SUSTAINABILITY</b> .....	26
EFFECTIVE AND RESPONSIVE DOG & CAT MANAGEMENT .....	26
WASTE MINIMISATION AND RECYCLING .....	26

GREEN ORGANICS.....	26
A SAFE COMMUNITY.....	27
A CLEAN AND ATTRACTIVE ENVIRONMENT.....	29
COMMUNITY GARDEN.....	29
ENVIRONMENTALLY INVOLVED COMMUNITY.....	29
<b>FINANCIAL PERFORMANCE.....</b>	<b>30</b>
FINANCIAL SUMMARY.....	31
PERFORMANCE AGAINST BUDGET.....	32
KEY FINANCIAL INDICATORS.....	32
RATING.....	33
AUDITOR REMUNERATION.....	33
<b>OUR PEOPLE.....</b>	<b>34</b>
<b>OUR GOVERNANCE.....</b>	<b>36</b>
DECISION MAKING STRUCTURE.....	36
COUNCIL MEETINGS.....	36
SECTION 270 REVIEWS.....	36
PRESCRIBED COMMITTEES.....	36
SUBSIDIARIES.....	36
FREEDOM OF INFORMATION.....	37
NATIONAL COMPETITION POLICY.....	37
COMPETITIVE TENDERING.....	37
COMMUNITY LAND.....	37
LOCAL NUISANCE AND LITTER COMPLAINTS.....	37
LOCAL LAWS.....	38
COUNCIL POLICIES.....	38
REGISTERS.....	38
<b>ROXBY WATER.....</b>	<b>39</b>
WATER SUPPLY.....	39
SEWERAGE OPERATIONS.....	40
EFFICIENT AND EFFECTIVE STORMWATER SYSTEM.....	40
<b>ROXBY POWER.....</b>	<b>41</b>
ELECTRICITY RETAIL.....	41
ELECTRICITY OPERATIONS.....	42
<b>FINANCIAL STATEMENTS.....</b>	<b>43</b>

# MESSAGE FROM THE ADMINISTRATOR

Welcome to the Annual Report for the Municipal Council of Roxby Downs for the financial year ending 30 June 2017.

In February 2017, I was officially appointed as Administrator of the Council by the State Government (by Instrument of the Minister for Mineral Resources & Energy) after acting in the role since May 2016. This 3 year appointment is the first step in improving the governance structure of the Council. The next stage will be the appointment of a Chief Executive in July 2017. These appointments will effectively separate governance and decision making from the day to day operations of the Council and lead to increased accountability.

Further reforms have been implemented with the first being the introduction of monthly Council meetings in September 2016. These meetings are open to the public with agendas and minutes published on the Council's website. The purpose is to bring decision making into the public realm and provide context and rationale to the choices we make about our operations. Council's governance structure is different from other councils but our meetings still follow the same protocols and statutory requirements.

This Annual Report details actual performance and highlights achievements for the period 1 July 2016 to 30 June 2017. FY17 has been a period of consolidation and review and has resulted in an encouraging operating financial surplus of \$1.4m.

Council was successful in securing a State Government grant for \$200,000 to support the redevelopment of the town's Emu Walk. Work begins in 2017/2018 on this important piece of community infrastructure. The redevelopment of the Toddler Pool into an interactive Splashpad was also supported by a State Government grant and since opening in February has proven to be a huge hit with local residents and visitors alike.

We are continuing to review and improve all our operations. Over the last 12 months we launched a new website, Facebook pages and the My Local Services App. These new communication methods provide our community with additional ways to engage with the Council. Due to the popularity of e-billing we have introduced this new service which we expect will result in substantial cost saving and improved efficiency.

I wish to record my thanks to Council staff (and particularly for their support for the necessary reforms), contractors and volunteers for their efforts, commitment and enthusiasm in helping develop and drive the programs, services and infrastructure that form the social, economic and physical fabric of our town. In collaboration with the State Government, BHP and the Community Board we will continue to work together to ensure that Roxby Downs remains a mining town of choice offering a great quality of life.

**Geoffrey Whitbread**  
Administrator

---



*Aerial view of Town Ovals and Roxbylink complex*

# ROXBYS DOWNS PROFILE

## Location

570 kms north-west of Adelaide in the Far North of South Australia.

## History

The Municipal Council of Roxby Downs was proclaimed on 26 May 1986 and the town was officially opened on 5 November 1988.

## Size of Municipality

110 km<sup>2</sup>

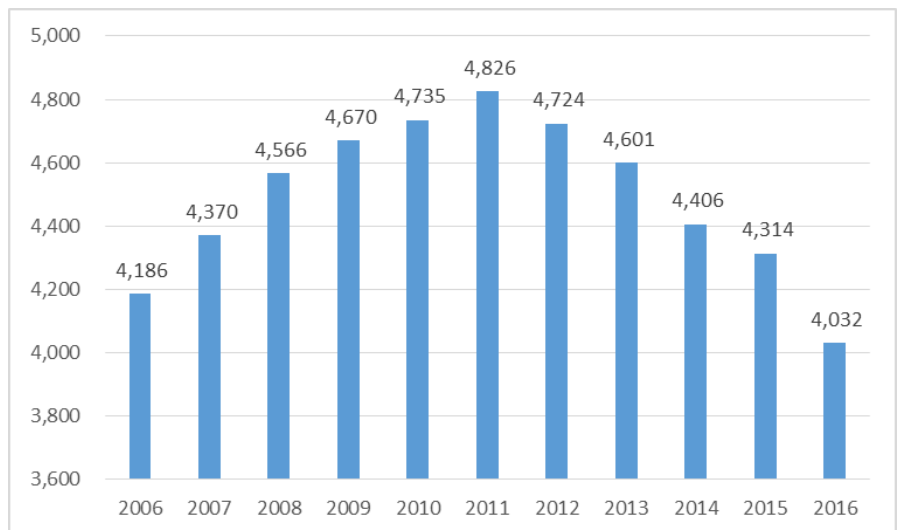
## Properties

1,727 residential properties  
1,879 rateable properties

## Population

4,032 (30 June 2016) as calculated by the Australian Bureau of Statistics

## Population Change



Source: Australian Bureau of Statistics, Regional Population Growth, Australia (3218.0). Compiled and presented by .ld the population experts

## Demographics – snapshot of our community

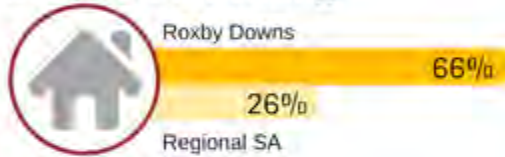
### Median Age of our Population



### Population who Volunteer



### Households Renting



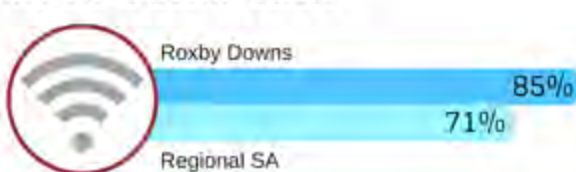
### Households with a Mortgage



### Households with Children



### Internet Connection



# OVERVIEW

## HISTORY

The Municipality was officially proclaimed by the State Government on 26 May 1986. The aim was to build a town that serviced the nearby Olympic Dam mine and provided a residential base for mine workers and their families. The main construction phase, which included the Area School, recreation centre, community club and Council office, occurred between 1987 and 1988. Both the Olympic Dam mine and township were officially opened on 5 November 1988. Roxby Downs is the most recent purpose built mining town in Australia.

The Olympic Dam Mine was originally a Joint Venture operation between Western Mining Corporation (WMC) and British Petroleum (BP). In the late 1980s WMC Resources acquired BP's share and operated the mine until BHP's successful acquisition in 2005.

Since 1988 the town has grown rapidly both in size and population. A major mine expansion in 1996 increased the town's population from 2,500 to a peak of nearly 5,000 by 2011. Between 2013 and 2015 restructuring at the mine reduced the workforce and the town's population fell to less than 4,000. The population has since stabilised and there are signs of growth again.

In addition to the residential population, a number of mine employees work on a fly in/fly out or drive in/ drive out basis. They are accommodated in two residential villages – one is located at Olympic Dam and the other in Roxby Downs.

With both population growth and decline the businesses and services offered have changed over time but continue to serve a large domestic base and that of the surrounding region. Demands for a fulfilling lifestyle remain. The facilities and

infrastructure are of high quality and the envy of most other towns. The community, however, faces many challenges as it is tied to the fortunes of Olympic Dam and the mining industry generally which is subject to the cycle of economic supply and demand.

## COUNCIL OVERVIEW

The *Roxby Downs Indenture Ratification Act (1982)* ("Indenture") is the Act of Parliament that governs the operations of the Municipality. This Act creates a governance structure that is unlike that of any other local government authority in South Australia.

While Council operates with all the powers, functions and duties of a traditional council in accordance with the *Local Government Act 1999*, the Indenture creates some exceptions.

These include:

- Suspension of the requirement to have elected Councillors.
- Appointment of an Administrator to perform all of the functions of Council.
- Responsibility for operating electricity and water authorities.
- Requirement that State Government and BHP approve the Council budget and fund an annual operating deficit.
- Use of external contractors to carry out most of Council's construction, maintenance, horticulture and waste management functions.

When the Municipality was established the intent of legislation was that the appointment of the Administrator would be only interim in anticipation of a possible future elected Council and population of around 9,000. This is the minimum number of residents considered necessary to financially sustain a fully independent and self-sufficient operation.

Over the years the expected growth in population was not achieved so governance by an Administrator remains in force today. The Administrator is appointed by the State Government and is an Officer of the Crown. The conditions of appointment of the Administrator are outlined in the Indenture. Any move to an alternative model would be a decision taken jointly by the State Government and BHP (as joint venture partners to the Indenture).

As well as providing electricity, water and sewerage services Council also delivers a wide range of traditional municipal services including roads, streets, footpaths, parks and gardens, and waste management. To support community life Council also manages various sport, recreation and cultural facilities including the Roxbylink complex, community ovals and associated buildings as well as providing significant community cultural development activities.

Council is acting in a pro-active manner to build the social capacity of the community through a range of unique community development strategies as well as traditional asset management and service delivery roles.

These roles are diverse and include: improving the quality of life of the community; planning at the local and regional level; local area environmental management; developing community resources; representing the interests of the wider community, and acting as a responsible decision maker.



# OUR VISION

A World Class Community to support a World Class Mine

## Our Mission

*To create a strong community focused, participative and financially independent council that assists all sectors to work cooperatively and to develop and set its own direction.*

## Our Strategic Pillars

To achieve this vision/mission we have identified five pillars, each supported by key objectives. These pillars create a quintuple bottom line which shapes our actions and decision making.

Leadership	Cultural Vitality	Social Equity	Economic Prosperity	Environmental Sustainability
In addition to performing and discharging the powers, functions and responsibilities under the Local Government Act and other Acts the Council is responsive to the needs and aspirations of individuals and groups and encourages community leadership	Cultural Vitality is the key ingredient to the town's liveability. It is the ingredient that makes global citizens choose our town over another and is key to winning in a competitive labour market	The provision and coordination of various public services and facilities where diversity and inclusion are the foundation and where no one is left behind. The community and resources are developed with the overall aim of improving the quality of life of all residents	The promotion of our town and provision of an attractive climate and location for the development of business, commerce, industry and tourism. Assisting businesses to help themselves and facilitate networks locally and within regional and state service bodies	Managing, protecting, restoring, enhancing and conserving the environment in an ecologically sustainable manner, to improve the amenity of the area,, and to protect from natural and other hazards and to mitigate the effects of such hazards

# ACHIEVEMENTS

A report on progress of actions outlined in the 2016/2017 Annual Business Plan

## Actions completed and other achievements for 2016/2017

- ✓ Improved communications: launch of Council and Roxbylink Facebook pages, My Local Services App and a new website
  - ✓ New Enterprise Agreement for staff negotiated
  - ✓ Roxbylink Splashpad completed
  - ✓ Implementation of 6 new by-laws
  - ✓ Governance Review completed and recommendations implemented
  - ✓ Sport and Recreation Masterplan completed
  - ✓ Electricity and water meter reading reforms delivering costs savings
  - ✓ Essential services maintained during a prolonged power outage in September 2016
  - ✓ Operational Review including Roxbylink completed
  - ✓ A formal Water Pricing Policy was developed in accordance with Essential Services Commission of South Australia (ESCOSA) Water Retailer Licence requirements
  - ✓ Ongoing systematic review of all costs
  - ✓ Gym equipment upgraded
  - ✓ Directional signage was installed throughout the Roxbylink complex
  - ✓ Analysers installed to auto dose both the main and indoor pools
  - ✓ Your Tutor program introduced to library services
  - ✓ Time capsule to mark the 25<sup>th</sup> Anniversary of Roxby Downs installed
  - ✓ Planning for upgrading to Richardson Place following community consultation
-

# LEADERSHIP

## A responsible consultative and inclusive body

### COUNCIL'S ROLE

Roxby Council, like other local government authorities, has many roles when serving the community. Council's financial commitment, therefore, varies according to the nature of the role and statutory responsibilities. In addition to being a direct provider of services and owner/custodian of facilities, Council is also an advocate and facilitator/initiator on behalf of the community.

Advocacy involves lobbying various tiers of government and BHP on issues that affect the community. As a facilitator/initiator Council brings together and/or engages with individuals, community groups and government agencies to address issues affecting the community and to initiate new programs.

Council staff are members of a range of stakeholder groups ensuring that they are part of important community discussions.

These committees include:

- Roxby Downs Community Board Inc.
- Roxby Downs Health Forum
- Roxby Downs Area School Governing Council
- Port Augusta, Woomera and Roxby Downs Health Advisory Council

### AGENT FOR GOVERNMENT SERVICES

To create additional income streams and to provide the community with access to government services locally, Council acts as a Service SA agent and key agent for Government Housing for the State Government.

#### Service SA

Council has a financial arrangement with the Department of Planning, Transport and Infrastructure to act as a rural agent for Service SA. Council's Customer Service Officers have delegated authority from the Minister for Transport to undertake Service SA transactions. Transactions that can be undertaken at the Council office include vehicle registration, licensing of drivers and learner tests. Interstate licensing and registration transactions occur regularly along with international drivers' licence transfers. Customer Service Officers are supported by staff at the Service SA branches located in Port Augusta and Port Pirie who are available to answer any queries by telephone.

#### Government Housing

Council's role as a key agent for the State Government's Building Management, Accommodation and Property Services division ensures there is a local presence for State Government employees (e.g. Police, Health and Education) moving into and out of government owned housing in Roxby Downs and Andamooka.

The Government Housing portfolio has grown from 52 houses in 2007 to the current allocation of 89 properties. In the 2016/2017 year 68 inspections were carried out, with most of these occurring during December

and January, when the arrival and departure of teachers is high.

Currently 16 properties are vacant. These houses require regular inspections and monitoring. During periods of vacancy the Government may carry out larger maintenance works (e.g. new kitchens). All maintenance reported from inspections is followed up and carried out by the Building Management Accommodation and Property Services (BMAPS) division's appointed contractors.

### COMMUNITY BOARD

Council has supported the Roxby Downs Community Board since it was established in 2006 as a separately incorporated Association. Support includes providing a staff member to act as Executive Officer of the Association to advise on governance and community development matters and to manage finances.

Council provides a small annual operating grant to the Board which assists with payment of public liability insurance, and administration expenses. In-kind support includes access to meeting spaces at no cost, assistance with publicity of events and activities and sharing of expertise from experienced staff.

Community Project Officers also act as a resource for some of the forums including: the Multicultural Forum; Health Forum; Environment Forum; Community Garden; and Sport and Recreation Forum.



Aerial view of Roxby Downs

## EFFECTIVE DEVELOPMENT & PLANNING

Council is required to assess all forms of development against the Roxby Downs (Municipality) Development Plan, as well as the Building Code of Australia under the *Development Act 1993* and associated Regulations.

This is carried out under long standing arrangements with both City of Salisbury (building assessment) and Stewart Payne planning consultant (planning assessment), who attend Roxby Downs as required, with supplementary support via phone, fax & email.

Development Activity	2015/16	2016/17
Dwellings	1	0
Additions/alterations to dwellings	1	1
Carports, Outbuildings Verandas	13	6
Signs	0	0
Swimming Pools	2	2
Flats/Units	0	0
Business/ Commercial	5	3
Industrial	2	5
Other - Community	0	2
Land Division	2	3
Demolition	1	3
<b>Total Applications</b>	<b>27</b>	<b>25</b>
<b>Estimated Expenditure</b>	<b>\$0.4m</b>	<b>\$0.98m</b>

Regulations establish procedures which Council must follow in its assessment of applications including what level of public notification is required, and where applications must be referred to external authorities, such as the Environment Protection Authority and the Development Assessment Commission for concurrence. Fees are set out via the Development Regulations 2008. These fees are standard across the State.

This year the State has commenced the process of rolling out the provisions for a new State planning system, with the passing of the new *Planning Development and Infrastructure Act 2016*, the introduction

of the State Commission Assessment Panel replacing the Development Assessment Commission. The SA Planning Portal is the first step towards a one stop destination for planning in South Australia. This system is in a transitional stage currently being rolled out progressively over a number of years to reduce costs for applicants, councils, ratepayers and delivering faster turn arounds, and tracking decisions.

Development activity in Roxby Downs has been subdued over the past 12 months flowing on from the 2015/16 application numbers.

Positive announcements concerning ongoing incremental expansion and maintenance to mining activity auger well for increased development activity in the town.

Redevelopment of industrial sites at Olympic Dam this year point to renewed confidence, while a number of sites within the Roxby Downs Industrial area underwent changes in use. St Barbara's School gained a new shade structure, whilst the approval of the Splashpad within the Roxbylink facility was issued.

## EFFECTIVE CONSULTATION



Council is committed to open, accountable and responsive decision making which is informed by effective communication and consultation between Council and the community.

Council staff regularly attend community meetings where they can listen to community concerns and discuss ideas. In addition Council also conducted formal community consultation sessions on the Draft Annual Business Plan.

### Draft Annual Business Plan

Each year Roxby Council releases an Annual Business Plan which highlights the strategic direction for the coming year across a range of key areas. Before the document is finalised the Draft Annual Business Plan is released to the public for consultation.

Council held two sessions this year, an information session and a public meeting. This model has been used in previous years and worked well. The Information Session provided the community with a chance to find out about the key elements of the draft plan and to meet and talk to Council staff. This session was followed three weeks later by a formal public meeting which is required under statute.

## EFFECTIVE COMMUNICATION

### Access to Information

Council's communication strategy involves using a number of touchpoints where the community can access Council information.

These include:

- A weekly page in The Monitor Newspaper which is used to report the latest news on Council activities
- Direct mail with information included in quarterly rates and utility notices
- Website
- Specific displays either in the Council office, Roxbylink or at events
- Council staff attending local community meetings
- The Vibe Radio show
- Council reports and updates provided to the Roxby Downs Community Board and associated forums.

### New Website

In late 2016 Council launched a new website which was created using the Local Government Association's Unity Content Management System. This website platform is used by councils across the state and creates a consistent approach to information delivery. At the same time each council can individually design how the information is presented. The website is an important link to Council and community related information and the first port of call for people thinking of moving to Roxby Downs or visiting. The website address is [www.roxbydowns.sa.gov.au](http://www.roxbydowns.sa.gov.au)

### Welcome Bag

New residents are provided with a Welcome Bag when they visit the Council Office for the first time. The Roxby branded calico bag contains information about a range of Council services as well as community information. The purpose of these bags is to connect new residents to the community by promoting important community information and contact numbers.

### Social Media

Facebook pages for both Council and Roxbylink were launched in September 2016. The aim is to promote and engage with the community throughout the year. The Council's Facebook page has grown to over 600 likes. This instant form of communication means information can be disseminated to a large audience quickly. This proved to be a critical factor during the state wide power blackout emergency.

### My Local Services App

Many councils across South Australia have implemented the My Local Services App. Council was keen to adopt this initiative given the highly connected nature of our community. The App alerts users to key dates including bin collection days, meeting times, and events. Reminders are sent direct to mobile phones. The App also has a feature to report issues that require Council attention.



## SUPPORTING COMMUNITY OWNED MEDIA

Council is a proud supporter of community owned media. Throughout the year Council provides both The Monitor Community Newspaper and RoxFM, which are independently incorporated not for profit associations, with in-kind assistance.

The Monitor Community Newspaper receives rent free space within the Council building and RoxFM is provided with space within the Roxbylink complex.

### The Vibe Radio Show

A key element of Council's communication strategy has been the development of a weekly one hour radio show at RoxFM called "The Vibe". Council staff have been trained to work on the air and in how to produce a radio show.

The Vibe airs every Friday at 1pm and highlights upcoming events and news. Guests from the local community groups are often invited to speak on air about their event or group in an effort to increase involvement and community participation.

The Vibe presenters also occasionally perform outside broadcasts during events.



*The Vibe Team on RoxFM*

# CULTURAL VITALITY

A strong sense of place and identity

## EVENTS

Council continued to provide in-kind support to a number of community events throughout the year. Council staff assist various forums with the planning and running of their events. This support includes providing event management advice and coordination, marketing and promotion, financial management, volunteer management and infrastructure management.

Roxby Power staff assist with electrical needs in Richardson Place while members of the Municipal Works team and external contractors ensure that the main street and other Council controlled event venues are well maintained before and after events in areas such as: waste management; road closures; rotating banners; and gardening. Staff at Roxbylink support events taking place in the various venues located within the Roxbylink cultural and recreation precinct. This includes AV support.



*New Australian Citizens*

At Christmas time Roxby Power staff install Christmas lights in the main street in time for the annual Christmas Pageant.

## Citizenship Ceremonies

Roxby Downs continues to welcome people from all over the world. The Administrator has a formal role in conducting Australian Citizenship ceremonies. There were 6 ceremonies held during the year with a total of 20 adults and 15 children becoming Australian citizens. These numbers are on par with the previous financial year.

## Australia Day Event and Awards

Council held the annual Australia Day Celebrations at the Roxby Downs Swimming Pool. This event includes the Australia Day Citizen of the Year Awards and Sport and Recreation Forum Sport Awards. We congratulate Citizen of the Year Deb Price and Young Citizen of the Year Kelly Reid as well as the Desert Dash for outstanding Community Event of the year.



*Australia Day Citizen of the Year Award and Roxby Downs Sports Awards recipients*

## CULTURAL FACILITIES

### OUTBACK CINEMA

Attendances at the 60 seat cinema increased by 1.8% during the financial year. There has been a lot more interest in small private events such as private screenings for parties and workshops.

Annual events included the Harmony Day short film screening and NAIDOC Black Screen presentation. During the year an antenna was installed which provides access to live events on the big screen including the AFL Grand Final. There are plans for many more live events next financial year.

### VISITOR INFORMATION CENTRE

A total of 4,644 visitors sought tourist and local information from staff at the VIC which was a slight decrease from the 4,719 visitors of the previous financial year. This figure is 5% higher than our average visitor numbers collected during the past five financial years.

The peak visitation period for the Roxby Downs region is April to September when the weather is much milder.

The Olympic Dam Discovery Tour has remained popular with 590 people attending, and is regularly booked out during peak tourist periods.

Arid Recovery's Sunset Tours were well attended this year with a 119% increase from last year.

With the updated Council website showing relevant information that is easy to access and with an active social media presence of Facebook we have been able to reach more people.

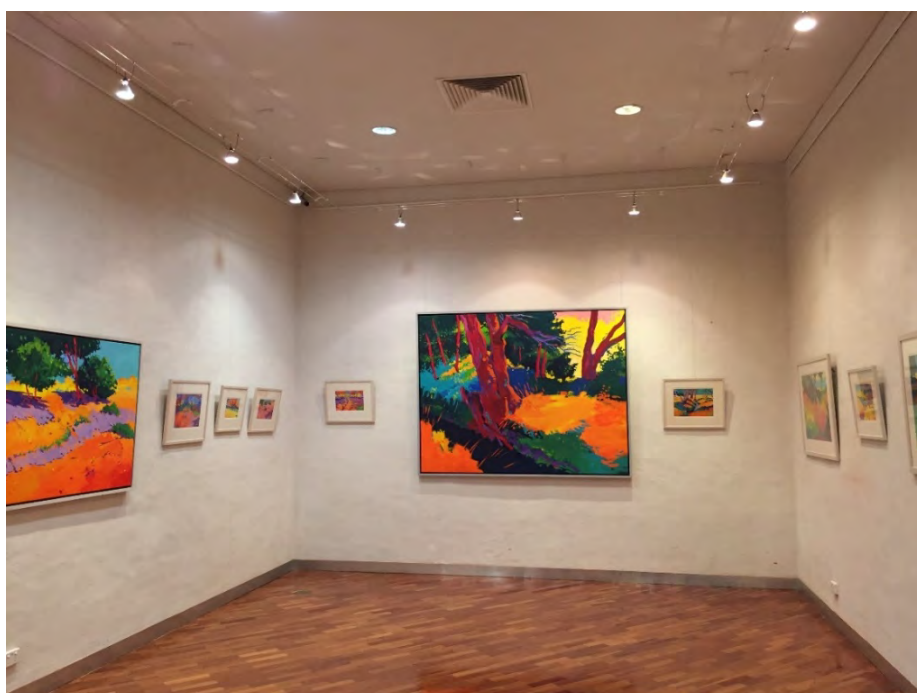
### ART GALLERY

The Art Gallery held eight exhibitions with a mix of local solo artist exhibitions and community exhibitions this financial year. The Gallery also had a much needed face lift in May where the walls were repainted and the hanging system updated.

The Art Gallery had a number of returning exhibitions this year. The Festival of Trees exhibition held over December-January is now in its fourth year. The senior students of Roxby Downs Area School exhibited their work for moderation. Local artist Alex Mendelssohn also held a returning exhibition. Two new local artists – Halley Miranda and Chris Gaston showcased their art for the first time.

Some of the highlights of the year included Arid Recovery celebrating 20 years and the Arts and Cultural Forum turning 10. Both celebrated with a community exhibition.

Four out of the eight exhibitions were by local community groups with works on display addressing a particular theme. This opportunity creates an outlet for local residents to connect with people of similar interests and for community groups to attract more members.



Roxbylink Art Gallery



## AUDITORIUM

The 350 seat Auditorium has capacity to host both large and small functions. The number of functions were down on last years' results. Roxbylink staff handle both event setup and catering for the annual BHP Service Awards.

Other notable events included Co-Opera's performance of Tchaikovsky's Eugene Onegin.

Lighting and sound systems were also updated during the year.

## DUNES CAFE

The Dunes Café is a friendly space where local residents and visitors can meet and eat in an informal setting. The Cafe provides a welcome cool respite during hot weather. The Café also includes a separate Play Café with play equipment for children.

The 'Grab and Go' fridges have been very successful and are working well for those customers on the run and do not have time to order and wait for food.

After hours the Dunes Café space is used by community groups for meetings as well as smaller functions.

## KIOSK

The Kiosk provides an alternative space for people visiting the recreation and pool complex, the library, and cinema to meet and eat in a casual setting.

Changes during the financial year included an improved hot food menu and healthy options range which offers fresh sandwiches, wraps and salads on a daily basis to meet the growing demands of our healthy and active community.

New equipment included a new washing machine, dryer, toaster and two small freezers has helped improve the efficiency of all cleaning, cooking and storage jobs for Kiosk staff.



*Roxbylink Play Cafe*



*Young library users*

## COMMUNITY LIBRARY

The library provides a variety of resources and programs to meet the literary, informational and social needs of the local community. There were 33,240 library users, which is an increase of 17% compared to the previous financial year. The public internet computers were well-utilised with 2,980 bookings. The library has 1,875 active users and there were 19,665 items borrowed or renewed throughout the financial period. The library's collection totals 11,527 items with resources evenly spread between adult and children's areas.

There were 5,067 participants in children's programs including holiday craft activities, toddler story time and kindergarten sessions. Toddler story time continues to be a popular program with sessions run as a joint program with Strengthening Our Families and Allied Health. Wednesday morning sessions are now run on Friday mornings to support Roxby Downs Kindergarten's change in timetable, with kindergarten sessions now occurring Wednesday mornings.

Staff changes were significant, with changes to the three permanent library positions. A junior library assistant was also employed on a casual basis.

The library hosted South Australian author Linda Boothe Stone and children's author Bernadette Cashel-Smith for book chats. Other library events included celebrating Roald Dahl's 100<sup>th</sup> birthday, Easter celebrations in the bilby cave, and Library Lover's Day.

The library is well known locally for its children's programs with 19 school holiday programs and activities held and attended by 566 participants during the year. There were 89 Toddler Story time sessions with 3,466 participants. These sessions are run as a joint program with Strengthening Our Families and involves story and craft activities. This program has both literacy and social aims.

Library staff continue to work closely with local schools and the kindergarten with 41 class and group visits held involving 1,402 attendees.

The meeting room space continues to be well utilized by sporting and community groups for afterhours committee meetings with 164 bookings during the year.

Other activities include a library book club which is a popular program for book lovers to meet and discuss a monthly themed book.

# SOCIAL EQUITY

Community and resources are developed in an equitable and socially just manner to create a healthy, active community

## COMMUNITY FACILITIES

### Community Youth Centre

The Community Youth Centre is home to the after school youth drop in, school holiday programs, Community Foodies Program, Multicultural Forum and Youth Advisory Committee. The space is a friendly, positive and safe environment for young people aged 10 years and over. Participation rates during school holidays often exceeds 50 children per day.

The Community Youth Centre space is utilised by both community groups and youth and has been booked by the general public for usage for functions, birthday parties and meetings.

### OVALS

The ovals have undergone significant changes since Council and the Roxby Downs Golf Club jointly appointed a Superintendent to manage both sites in 2014. During this period advice was sought from former Adelaide Oval groundskeeper Les Burdett to develop a management plan including aerating, scarifying, trimming the grass and regular sprinkler checks. This forms the basis for our ongoing management of these sites.

Upgrades of the current water storage tanks and irrigation control facilities were also completed resulting in the steady supply of irrigation water and ease of irrigation maintenance and repairs.

A Trainee was also employed to support the increasing amount of works to be carried

out. The ovals are now in pristine condition attracting a range of activities including soccer, rugby league, football, cricket, and Little Athletics.

West Adelaide Football club of the SANFL ran their under 18 internal trials at the main oval this year which generated positive feedback paving the way for a regional round to be possibly held in the future. The trial game was well supported by the community with some local players having the opportunity to compete.

## SPORT AND RECREATION

In 2015 Council signed a three year funding agreement with the Office of Recreation and Sport to support the employment of a Star Club Field Officer. This Officer, now in her second year, continues to work closely with local sporting organisations to build capacity through training programs and to strengthen management processes and governance of their operations to ensure sustainability. Part of this work includes promoting the Good Sports Program.

During 2016/2017 there were 18 training opportunities provided for local sport and recreation organisations including a Coach and Athlete excellence program. These have been well received with strong attendance by committee members, coaches and athletes.

The Officer has also assisted local organisations to apply for grants with a total of \$66,735 received from the Office for Recreation and Sport.

The Sport and Recreation Forum has also been re-established with the Star Club Field Officer acting as secretary of the Forum. The Officer is also coordinating the Roxby Junior Sports Academy which will start operating in 2018.

The vision of the Roxby Downs Junior Sports Academy is to provide select athletes born between 2001 and 2005 across all sports in Roxby Downs with additional sporting and training opportunities and to assist in identifying clear talent pathways at a local, State, National or International level.

## PULSE FITNESS

### Gym

Pulse Fitness started the financial year with 182 members and peaked at 238 in November and finished the year with 201 members. Junior membership increased throughout the year with staff dedicating time to assessing and writing programs for juniors. Their attendance peaked at 64 in February. Nine students from the Roxby Downs Area School completed 30 hours of gym experience as part of the studies in Certificate III in Fitness.

### Group Fitness

The range of fitness classes, times and availability provide a range of options for patrons. Classes include Aqua, Yoga, Pump, High Intensity interval training, Boxing and Circuit. The Royal Flying Doctor Service "Beat It" Group Fitness program ceased following a loss of funding but this was replaced by the RD Move It program.

## AQUATICS

Summer memberships were lower than the previous year. This was expected with the Splashpad development and with the continuing decline in population.

Installation of new analysers in the outdoor and indoor pool plant rooms has allowed for automatic dosing for both facilities. Bringing these systems up to the Guidelines for Safe Pool Operations Standard for chlorine disinfection and pH regulation.

As part of the maintenance program for the pools a major resurface of the outdoor and indoor pools is due. Funding was successfully sought for the resurface in 2017-2018 financial year.

The indoor pool has seen a rise in hydrotherapy over the last financial year mainly due to the inclusion of local schools special needs program and Roxbylink hydro therapy sessions.

The outdoor pools continue to be a perfect place for birthday parties, special events and Christmas shows between October and March.

## SWIM SCHOOL

The Swim School program caters for children aged 6 months up to 13 years and also adult group or private sessions.

Swim School numbers for term 2 were lower in comparison to last year. With the high demand for private lessons we have had to include additional private classes in the schedule.

There is a pattern developing with private lessons. If the child is over 3 or 5 years of age and has not done lessons before their parents are booking them into private sessions to catch up for a term or two. Swim School will be looking at targeting these age groups next financial year in an attempt to reduce the number of private classes and provide more spaces for children in group sessions.



*Learning to swim at the Roxbylink indoor pool*



*Roxbylink Splashpad*

## SPLASHPAD

The Splashpad is a 450 m<sup>2</sup> interactive facility which replaced the ageing toddler pool which was nearing the end of its expected life. The project construction cost \$791,000 which was partly offset by a \$200,000 State Government Regional Development Grant.

The Splashpad development included an upgrade of the existing barbecue facilities and the addition of a large shaded communal outdoor kitchen and a small amenity/change room. New glass fencing around the main pool area was also installed which allows the Splashpad to be open to the public all year round.

On 26 January 2017, a soft opening occurred in conjunction with the Australia Day celebrations. This was an opportunity to commission the Splashpad water elements and to provide a welcome break from the heat for families on the day. The feedback on the facility was overwhelmingly positive.

The remaining construction works, which included the barbecues, lawn and paving, were completed in April 2017.

Council used local contractors and builders with the bulk of the funds (\$565,000) paid out to local suppliers. The project provided a local economic stimulus generating work during construction as well as an increase in

jobs brought about by the change in operating requirements for the outside aquatic infrastructure. Further flow on effects include increased cleaning requirements which have been contracted to a local business, increased lawn/turfed area which will increase contracted horticulture resourcing.

## SPORT AND RECREATION MASTERPLAN

The Roxby Downs Sport and Recreation Master Plan was released in August 2016 following an extensive consultation period. The Master Plan is a vision for the development of sport and recreation facilities in Roxby Downs. The Plan carries no financial commitment from any of the identified stakeholders but provides a clear course of action for the whole community to sustainably develop facilities over the coming years.

The Plan acknowledges that sporting and recreation activities play a significant part in building community spirit in Roxby Downs. Formal structured participation is among the highest in Australia.

Whilst cost estimates were included many aspects of the plan cannot proceed without funding from external bodies or budget allocations. They are also subject to population trigger points at 5,000, 7,500 and 10,000.

## KIDS CLUB

### Crèche

The Roxbylink Crèche provides onsite support for parents attending Group Fitness classes, ladies netball and other recreation programs at the Roxbylink complex. This service caters for children aged 6 months to 5 years with an hour of care per child on Monday, Tuesday, Wednesday and Friday. A gold coin donation per child is encouraged.

The Crèche continued to have steady numbers over the last 12 months even though many regulars left town. Staff promoted healthy eating in the room which encourages parents to have appropriate snacks for their children.

### Nippy Gym

Nippy Gym creates a play environment where children aged 6 months to 5 years can develop socially, emotionally, cognitively and physically in a safe structure/unstructured and multisensory environment. Parents/Guardians are actively involved and responsible for the supervision and safety of their own children at all times.

Attendances fluctuated throughout the year with numbers unpredictable on a weekly basis. This in part was influenced by the new 7/7 roster for employees at Olympic Dam.

## PLAYGROUNDS

With improvements to the Curdimurka Street and Lions Park playgrounds completed in 2014/2015, the focus has been continued maintenance and safety. The playgrounds are inspected regularly and are a very popular gathering spot for families. The Roxby Downs Family Forum has been holding regular Neighbourhood Days at the Curdimurka Street Park.

## YOUTH DEVELOPMENT, PARTICIPATION & WELLBEING

Council's Community Project Officers provide support, advice and guidance to the Youth Advisory Committee which ran a number of events and fundraising activities during the year.



*Having fun at the Curdimurka Street Playground*

## PUBLIC HEALTH

### Public Health Plan

The *South Australian Public Health Act 2011* requires councils to prepare and implement a regional health plan. The Act recognises that councils provide leadership and public health in their regions and also influence the health of their communities by what they do and do not do.

Many local government activities have links to public health. These community activities include: waste management, environmental health; building inspections; planning and development approvals, infrastructure (footpaths, parks, shade); animal management, sport and recreation; community services; emergency management; and environment.

The Roxby Healthy Community Plan was adopted in 2014 with goals aligned with the State Public Health Plan. Council staff are active members of the Roxby Downs Health Forum, the Alcohol and Substance Abuse Forum and other health related community committees which facilitates a whole of community response to health.

### Public Health Campaigns

Council supported SA Health's Public Health awareness campaign relating to the dangers of button batteries. The campaign involved public display of brochures and posters at the Council Office and library and distribution of information via Facebook. This campaign was important for our community due to the high population of children aged under 5 years.

### Closing the Health Gap

Council joined forces with the Roxby Downs Health Service to host an event on National Close the Gap day (16 March). This initiative is to raise awareness of Indigenous Health inequality. Aboriginal and Torres Strait Islander people are expected to live 10-17 years less than non-Indigenous Australians due to the higher rate of preventable diseases like diabetes, kidney disease and heart disease.

## ENVIRONMENTAL HEALTH

Council's environmental health service is outsourced to the City of Salisbury with regular visits, inspections, investigations and training days conducted by Environmental Health Officers. Activities include:

- Health and food safety promotion with free literature on various subjects is available from the Council Office and the free on-line I'm Alert Food Safety Training Program is made available for food handlers
- Public and limited access swimming pools are monitored daily by the relevant pool operators and are inspected by Environmental Health Officers on a regular basis when the pools are open for use. Pools inspected include those in the Roxby township and at Olympic Dam
- Hairdressers and Beauticians are inspected pursuant to the Public Health Regulations
- Legislation pursuant to the *Public Health (Legionella) Regulations 2013* requires all councils to register High Risk Manufactured Water Systems (Cooling Water and Warm Water Systems). One Warm Water System has been registered with Council and is inspected for compliance on an annual basis (via third party audits). Roxby Downs does not have any Cooling Water Systems.



*Foodies Volunteers at workshop*

## FOOD SAFETY

The Council has 29 food businesses which are assessed for compliance with the *Food Act 2001* and the Food Safety Standards. A total of 57 food inspections were undertaken in the last financial year which included 5 follow up inspections. An increase in the number of food business notifications has resulted from more home businesses providing food at the market days.

## ROXBY DOWNS HEALTH FORUM

The Health Forum is a subcommittee of the Community Board and works in partnership with Country SA PHN to offer a whole of community approach to health and wellbeing. All stakeholders, including the Council, recognise the challenges faced by remote communities and the important role that health plays on community stability and sustainability. The Forum actively lobbies for additional health services. Council staff provide executive support to the Forum.

## COMMUNITY HEALTH PROGRAMS

### Healthy Eating Policies

A new Healthy Eating Policy was adopted with the aim of providing healthy food options across all of council's facilities. Council, though the Dunes Café, has also joined the South Australian Government's Healthy Kids menu initiative. The aim of this pilot program is to offer children's menus which include at least 50% healthy choices.

### Community Foodies

The Community Foodies program launched in early 2016 and is currently a partnership between Roxby Council and the SA Community Foodies program. The Foodies are volunteers and act as agents of change supporting locals to make healthy food choices. Foodies are trained in basic nutrition, food safety, group training and cooking skills and volunteer their time to promote healthy eating to community groups and schools and local residents.

The program is now running into its second year with a total of 14 Foodies actively involved in the community. Through various community programs the Foodies share their knowledge with the aim of promoting healthy lifestyles through healthy eating.

Recent Foodie activities include Kids in the Kitchen, school holiday activities, Market day stalls, Wellbeing Week, Happy Healthy Expo, Toddler story time sessions, cooking demos and supermarket tours with label reading.



*Kids in the Kitchen – A Foodie event*



# ECONOMIC PROSPERITY

Commonality of purpose between Council, BHP and local business to support continued economic growth and development

## AN ACTIVE BUSINESS COMMUNITY

Council is an active member of the Roxby Downs Business Forum which meets monthly. The Forum ensures that the needs of local businesses are understood and responded to. A key project initiated by this forum, with Council's support, is the Totally Locally Campaign which encourages locals to shop with local businesses.

Council is also a resource partner with Regional Development Australia Far North in order to explore opportunities for business services to be delivered from within Roxby Downs.

## TOURISM PROMOTION

Council operates an accredited Visitor Information Centre and staff promote local services and business to visitors to encourage them to stay longer in town. During the year the VIC increased its range of retail items which included locally made jewellery and gift ware.

The region is promoted through annual advertising and promotion in the South Australian Tourism Commission Flinders Ranges and Outback Visitor Guide.

*Roxbylink  
Visitor  
Information  
Centre*



# ENVIRONMENTAL SUSTAINABILITY

Responsible and cost effective management of our environment

## EFFECTIVE AND RESPONSIVE DOG & CAT MANAGEMENT

As part of Council's management responsibilities under the *Dog and Cat Management Act 1995* a range of formal activities and complaints were attended to. Figures are lower than previous years mostly influenced by population loss during the year.

Item	2016/17	2015/16
Dog Registrations	643	699
Dog Expiations	39	10
Dog Complaints	57	57
Dog Impoundments	39	37
Dog Attack reports	3	1
Dog Expiation Income	\$2,349	\$873
Dog Registration Fees	\$23,921	\$26,132
Cat Registrations *	0	111
Cat Expiations*	0	0
Cat Registration Fees*	0	\$3,607
Cat Nuisance Reports	2	20

\* The transition period between Cat by-laws resulted in no activity in this area.

## WASTE MINIMISATION AND RECYCLING

With the closure and capping of the landfill (dump) site in June 2015 Council's waste is now transported out of town to a landfill site at Inkerman (near Dublin) north of Adelaide. A resource recovery centre located in Gosse Street is open to the public for disposal and recycling of domestic waste.

### GREEN ORGANICS

Council's green waste collection was changed to a single collection day each month in January 2016. The town's green bins had previously been collected over a 4 day period. This change has proven to be more cost effective but there have been instances of contamination. Usage and compliance continues to be monitored and the future service may be reviewed again if contamination and underutilisation continues.

Roxby Council Waste Management

2016/2017



61,470

**Red Bins emptied**

1182 per week

24,418

**Yellow Bins emptied**

An average of 939 each fortnight

3,365

**Green Bins emptied**

An average of 280 each month

610

**Tonnes of waste recycled**



643 dogs are registered in Roxby Downs

## A SAFE COMMUNITY

### Roxby Roadsafes

Council is proud to support Roxby Roadsafes which is a community road safety forum. With representation from key stakeholder groups including police and emergency services the committee aims to raise awareness of local road safety issues as well as long distance travel.

### Footpaths and Road Crossings

During the year the annual reseal program continued. Road patching and reseals were completed for most of Stuart Road, Quandong Street, Clayton Court, Muloorina Street, Wattle Drive and Mulga Court. Selective line marking at schools and high traffic areas was also completed.

### Fire Prevention

The *Fire and Emergency Services Act 2005* stipulates that each rural Council must appoint a Fire Prevention Officer for its area. The Fire Prevention Officer's role includes the monitoring of residential and rural areas to ensure land owners take responsible steps to protect their property from fire, as required under the Act.

Inspections are carried out, leading up to and during the Fire Danger Season to assess compliance. Notices are issued where compliance has not been met. Section 105F Notices are issued pursuant to the Act, requiring landowners to maintain their properties to reduce the risk of fire. During 2016/2017 no Section 105F notices were issued.

Council also has the responsibility to ensure that reserves under its care and control are maintained to fire prevention standards.

Council's Fire Prevention Officer issued six Schedule 10 Permits and eight Schedule 9 permits during the year which authorise the lighting of fires in open air on total fire ban days and during the Bushfire Season.

### Building Fire Safety Committee

The Building Fire Safety Committee (BFSC) operates pursuant to the provisions of the *Development Act 1993* and its primary function is to:

- achieve a reasonable standard of fire safety for the occupiers of a building
- minimal spread of fire and smoke
- an acceptable fire-fighting environment

The Committee is made up of Brett Fennell, (BuildSurv- Building Surveyors & Certifiers), Jeff Shillabeer (City of Salisbury) and Colin Paton (South Australian Country Fire Service – Fire Safety Officer – Commercial).

The focus of the Committee over the past 12 months was bringing any non-compliances up to standard. Inspections in accordance with the meeting schedule held on site saw 9 commercial premises requiring action for non-compliances.

The BFSC generally meets at least once a year on site unless required otherwise with any follow up meetings as required (these are not necessarily held in Roxby Downs) per the "Terms and Reference of the Building Fire Safety Committee.



Pedestrian crossing Richardson Place

## Emergency Management

On Wednesday 28 September 2016, strong winds and storms damaged critical power lines and infrastructure in the Mid North of the state. The cascading failure of the electricity transmission network resulted in almost the entire state losing its electricity supply. Power was not fully restored to the Roxby Downs township until 7.20pm on Friday 30 September – a total of 51.5 hours.

In response to the loss of power the Roxby Downs Emergency Management Committee convened and activated emergency plans. Council staff and contractors mobilised to ensure the continuity of operations. A 400 kVA back-up generator installed at Roxbylink complex allowed the site to continue operating and act as a community refuge. The Council Office, supported by a backup generator, became a central call centre. Council sewerage pump stations were operated by mobile generators and the town water supply operated with a backup diesel pump.

Television and radio were supported with backup generators. The Hospital and Woolworths were able to keep operating with backup generators with the Council supplying diesel to the Hospital. The Olympic Dam mine site, however, was forced to shut operations.

During this period Council consumed 7,406 litres of fuel over the 51.5 hours. Due to the high demand for fuel BHP supported the township by supplying fuel to Council during the peak of the outage.

All Council staff, from Customer Services, to the team in the field and Roxbylink operations and communications rallied to support operations. Council received many positive comments from the community about the way Council worked with other organisations to ensure a safe outcome.

Council's Facebook pages proved to be an effective way of keeping the community up to date.



*Clearing storm damaged trees*

## A CLEAN AND ATTRACTIVE ENVIRONMENT

Council continues to include streetscape improvements in public spaces and ensures that streets and public areas are regularly clean and swept.

Ten cent refundable beverage container recycling bins in Richardson Place form part of our litter control strategy. The main street is regularly maintained and monitored by Council's horticultural contractor to ensure a clean and attractive environment.

Corellas continue to be a seasonal problem impacting on local trees and vegetation as well as causing noise issues and white stains on pavements and buildings. This problem is not easily solved. Council has initiated whip cracking to scare the birds with some partial success.

## COMMUNITY GARDEN

The Community Garden is located on the Council reserve linking Pioneer Drive, Mulgaria Crescent and Alberrie Street. Community Garden Volunteers, supported by Council's Community Projects Officer (Environment), have been very active over the last 12 months and significant progress has been achieved with the construction of raised garden beds, landscaping and new plantings.

The raised garden beds (wicking beds) are designed to draw water up from a reservoir below the soil "wicking" water directly to the plant roots. This style of garden bed is especially suited to the arid climate of Roxby Downs.

Labour, materials and plants have all been donated. These efforts are continuing to beautify this major pedestrian thoroughfare which forms part of the Emu Walk. The Community Garden continues to be used as a site for education with regular visits from local school students to participate in hands-on learning about the environment.

## ENVIRONMENTALLY INVOLVED COMMUNITY

### Buffel Busters

Buffel grass is a weed that was introduced in central Australia in the late 1800s with the arrival of Afghan camels. Buffel grass is highly flammable significantly increasing the likelihood of fire occurring and threatens local plants like Myall, Mulga and native pines in the area. It is a declared plant and is regulated under the *Natural Resources Management Act 2004*.

Buffel Busters is a group made up of various environmental stakeholders supported by Roxby Council. The initiative is a combined effort of residents, business and Council.

### Environment Forum

Council's Community Projects Officer (Environment) facilitates the Environment Forum on behalf of the Roxby Downs Community Board. This Forum is involved in a number of environmental projects including: Off Road driving, Wildlife Hotline and recycling programs.

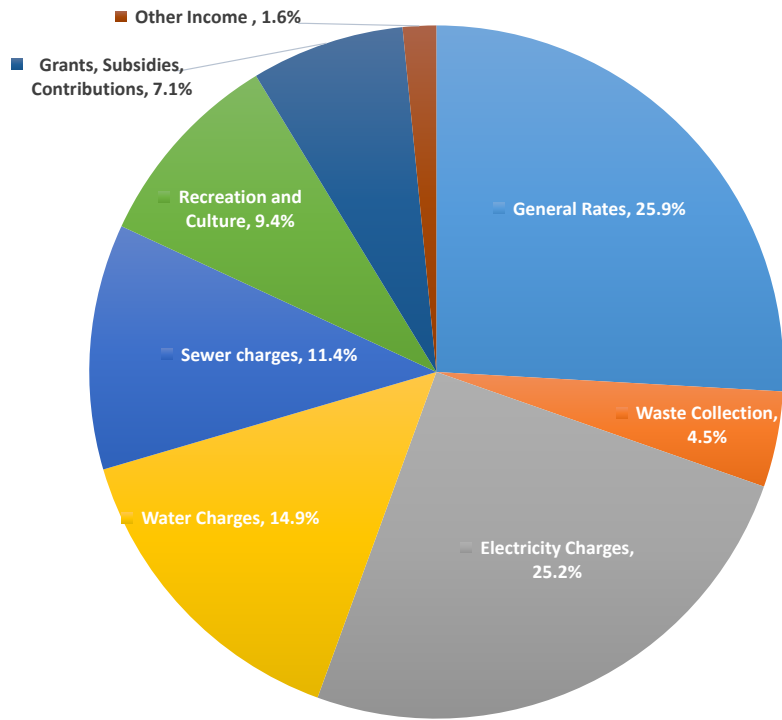


Horticultural work at the Lions Park

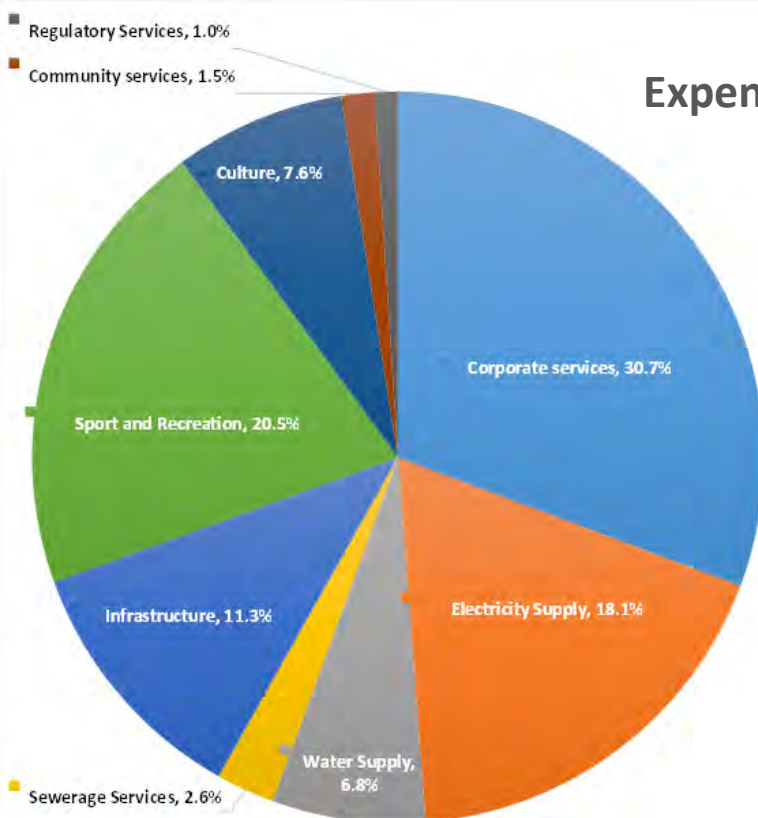
# FINANCIAL PERFORMANCE

A financially sustainable and independent Council

Sources of Income



Expenditure by Function



## FINANCIAL SUMMARY

The independent audit was conducted to form an opinion according to Australian Accounting Standards and other statutory requirements, as to whether the statements form a fair view of the operation and the financial position of Council for the year ended 30 June 2017. The full version of the 2016/17 Annual Financial Statements is attached to this Annual Report.

### Statement of Comprehensive Income

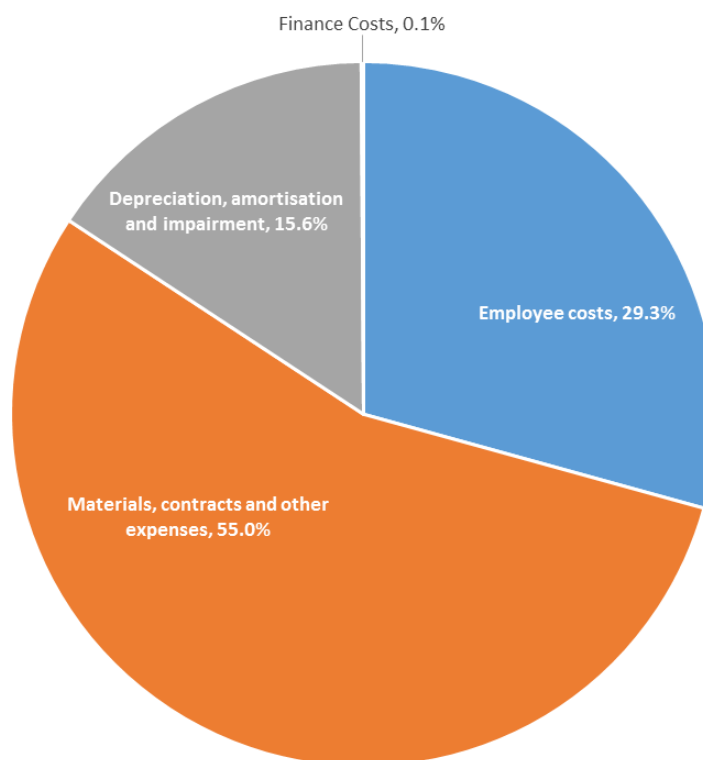
This year's total revenue of \$18.054m is 3% higher than the 2016 financial results. This, in part, was due to an increase in Commonwealth Government funding and State Government grants for new and upgraded assets. There was an increase in reimbursements from insurance claims and Workers Compensation reimbursements.

User charges, which comprise 61% of Council's total revenue base, were better than expected due to an increase in revenue from commercial activities including Functions, Cafe, Cinema, Gym and Pools. Revenue from water and electricity fell during the year. There has been an uptake of solar panels by residents and increased efficiencies in water use by both consumers and the Council.

Employee costs represented 29.0% of total income which is on par with the previous financial year and at a rate that is consistent with local government generally. Salary and Wages decreased by \$340K as a result of restructuring and natural attrition.

The decrease in contractor expenses of \$734K resulted from the reduction in the use of external consultants. Some major expenditure items including High Voltage Repairs and Maintenance were deferred until 2017/2018 which further contributed to the decrease in overall expenditure for materials, contracts and other expenses.

## Operating expenses



### Balance Sheet

The Council continues to have a strong Balance Sheet with high quality assets and no long term borrowings. The cash position of \$2.66m is the result of the combined effect of higher than expected income, lower than expected expenditure and the stricter application of debtor policies. Whilst this places Council in a good position with respect to its ability to meet its short term liabilities it must be viewed in the context of the longer term costs of fixed assets and the demands they will have on repairs and maintenance budgets and cash resources. Due to the much higher cash balances appropriate investment of surplus cash in accordance with the existing Investment Policy will be undertaken during FY 2018.

A fair value adjustment of \$6m is reported which principally represents a fall in valuation of the Roxbylink complex from \$11m to \$5m. This occurred largely as a result of the methodology employed by the contractors engaged to revalue Council's assets. Under normal circumstances, a fair value adjustment resulting in a devaluation would only be expected to reflect in the Balance Sheet. In this case, however, the scale of the devaluation exceeded the balance in the existing Revaluation Reserve. As a result the amount in excess had to be reflected in the Income Statement (as per AASB116).

A provision for doubtful debts of \$50K reflects Council's awareness of several power and water debts that are years old and, therefore, unlikely to be fully recovered. This is the first time that such a provision has been entered into the accounts and represents a stricter approach to the management of debtors.

## PERFORMANCE AGAINST BUDGET

Total Income (\$'000)	2016/17 Actual	2016/17 Budget	Variance	% variance
Rates	5,482	5,492	-10	0%
Statutory Charges	41	44	-3	-7%
User Charges	11,002	10,729	273	3%
Grants, Subsidies and Contributions	1,289	989	300	30%
Investment Income	7	25	-18	-72%
Reimbursements	163	-	163	
Other Income	70	168	-98	-58%
<b>TOTAL</b>	<b>18,054</b>	<b>17,447</b>	<b>607</b>	<b>3%</b>
<b>Operating Expenses (\$'000)</b>				
Employee Costs	4,875	5,037	-162	-3%
Materials, Contracts and Other Expenses	9,149	9,823	-674	-7%
Depreciation, Amortisation and Impairment	18	32	-14	-44%
Finance Costs	2,601	2,532	69	3%
<b>TOTAL</b>	<b>16,643</b>	<b>17,424</b>	<b>-781</b>	<b>-4%</b>
<b>NET OPERATING RESULT</b>	<b>1,411</b>	<b>23</b>	<b>1388</b>	

Council's budget is reviewed monthly and formally adopted each quarter to ensure targets are being met, cash flow is maintained and changes to the adopted budget are endorsed by Council. The above table identifies that as at 30 June 2017 Council achieved a 3% increase on projected income and 4% decrease on projected expenses. This positive outcome resulted in an operating surplus for the year of \$1.411m compared to the adopted budget of \$23K surplus.

## KEY FINANCIAL INDICATORS

The long term financial sustainability is measured by four key financial indicators.

Indicator	2017	2016	2015
Operating Surplus Ratio	8%	(3%)	(1%)

This ratio identifies indicates the extent to which operating revenue is sufficient to meet all operating expenses. A positive ratio indicates the percentage of total revenue available to fund capital expenditure over and above the level of depreciation expense without increasing Council's level of depreciation expense without increasing Council's level of net financial liabilities. A negative (-) ratio indicates the percentage increase in total rates that would be required to achieve a break-even operating result.

Adjusted Operating Surplus	7%	(3%)	(2%)
----------------------------	----	------	------

This ratio is similar to the Operating Surplus. In recent years the Federal Government has made advance payments prior to June 30 from future allocations of financial assistance grants. This ratio adjusts for the resulting distortion in the disclosed operating result each year.

Net Financial Liabilities Ratio	-17%	1%	-9%
---------------------------------	------	----	-----

The net financial liabilities ratio is a measure of total indebtedness and includes all Council's obligations including provisions for employee entitlements and creditors. This ratio indicates the extent to which the net financial liabilities can be met by total operating revenue. If the ratio is falling, it indicates that Council's capacity to meet financial obligations from operating revenues is strengthening.

Asset Sustainability Ratio	4%	13%	1%
----------------------------	----	-----	----

This ratio indicates the extent to which existing infrastructure assets are being renewed and replaced compared with depreciation provisions including operating expenses. This ratio excludes capital expenditure on the acquisition of new/additional assets.



**RATING**

All land within the Council area, except for land specifically exempted (e.g. unalienated Crown Land and Council occupied land) is rateable. Council continues to use capital value as the basis for valuing land within the Council area as this method is considered to provide the fairest method of distributing the rate burden across all ratepayers. There are 1,879 rateable properties within the municipality. Council raised \$5.482m in rates revenue for 2016/2017 which included general rates, waste collection, and the Natural Resource Management levy.

**AUDITOR REMUNERATION**

Bentleys Chartered Accountants were appointed as Council's Auditors for a five year term commencing on 1 July 2016. Bentleys have completed Council's audit as at 30 June 2017 and issued an unqualified opinion on the financial report of Council and on the Internal Controls maintained by Council. This means that the auditors are satisfied as to the Council's financial statements and systems under financial control. The total remuneration paid for undertaking the annual audit of Council's financial statements was \$59,000.



*Council Office in Richardson Place*

# OUR PEOPLE

Skilled and committed staff  
who work in a supportive  
environment

## WORKFORCE PROFILE

(As at 30 June 2017)

Type	Total	%	Male No.	%	Female No.	%
Full Time permanent	34	41%	14	41%	20	59%
Part Time permanent	3	4%	0	-	3	100
Fixed Term Contract	3	4%	2	67%	1	33%
Casuals	39	47%	5	13%	34	87%
Trainees*	2	2%	0	-	2	100%
School Based Trainees*	2	2%	1	50%	1	50%
Total**	83	100%	22	27%	61	73%

\*Trainees are employed via Career Employment Group (CEG)

\*\* Full Time Equivalent excluding trainees = 51 employees

## SENIOR MANAGEMENT TEAM

The Senior Management Team represents the Executive Leadership group and as at 30 June 2017 comprised:

- Administrator
- Manager Corporate Services and Community Board
- Finance Manager
- Manager Water and Electrical Operations
- Manager Business Systems and Effectiveness
- General Manager Roxbylink

The Administrator is an Officer of the Crown appointed by the State Government to fulfil this role. Senior managers are employed directly by the Council via performance based contracts. Salaries range from \$96,576 to \$124,905 per annum. Additional salary packaging includes superannuation, mobile phone, full housing and may include partial access to a motor vehicle.



Customer Service Officers

## Training & Development

Council continues to support training and development programs for staff despite the challenges of a remote location, lack of programs available locally and costs of travel.

## Enterprise Agreement

Staff conditions of employment are reflected in the Municipal Council of Roxby Downs Enterprise Agreement 2017 pursuant to Section 79 of the *Fair Work Act 1994*. This agreement maintains and refines various employment and welfare initiatives such as a Time off in Lieu (TOIL) system that provides staff with flexibility to combine work, personal and family commitments. The current agreement was renegotiated in January 2017 with modest increases ranging from 1.3% to 1.5% over the next 3 years.

## Code of Conduct

The Code of Conduct for Local Government Employees published by the Minister for Planning for the purpose of Section 110 (1) of the *Local Government Act 1999* outlines the principles that govern the conduct of council employees and details general behaviour and responsibilities.

## Health and Wellbeing

The Council aims to provide and promote safe and healthy work environment that minimises the risk of injury or illness for all employees. In conjunction with the Corporate Health Group a variety of programs reinforcing the importance of maintaining personal health were provided during the year. These included: skin cancer screens; fitness assessment; back care; blood pressure; heart risk profile; nutritional profile; blood glucose and cholesterol checks.

## Major Employer

As a major employer in town the Council provides a range of employment opportunities for the partners and family members of mine workers. Casual staff are employed to meet the seasonal demands of recreation and cultural services. Council is committed to providing career opportunities for young people and during the early part of 2016 embarked on a trial program of employing two School Based trainees to support the operations. Upon completion of these traineeships at the end of 2017 they will be considered for permanent employment.

## Staff Turnover

During 2016/2017 there was a net decrease of 12 full time permanent staff. Part time staff numbers remained unchanged. Three staff went on maternity leave during this period. Due to a review of operations and natural attrition some positions were not replaced when staff left the organisation.

## Regional Youth Traineeship Scheme

During 2015/2016 Council was successful in obtaining funding of \$29,000 from the State Government's Regional Youth Traineeship Scheme to support the employment of a Trainee aged under 24 years. This 2 year traineeship, which has focused on Business Administration, finishes in February 2018.

The trainee has had the opportunity work in Customer Services, Finance and the Works Department and as a result has developed a broad range of skills and experiences.

## External Expertise

Council has a longstanding agreement with the City of Salisbury to provide Environmental Health Services and Building Surveying Services. Similarly Council uses the expertise of an External Planning Consultant – Stewart Payne. This has proven to be a cost effective method of accessing expertise without having to employ locally based officers due to relatively low volume of work in these areas. These personnel regularly visit Roxby Downs and also provide advice when required via telephone.

## Equal Employment Opportunity

Council follows equal opportunity employment principles across the organisation and the principles of anti-discrimination in all dealings with its employees. This ensures that the workplace is free from all forms of unlawful discrimination and harassment. Selection to fill any vacancies is based on merit including skills, experience and aptitude for the position.

# OUR GOVERNANCE

A responsible consultative and inclusive body dedicated to good governance

## DECISION MAKING STRUCTURE

Under the provisions of the *Roxby Downs (Indenture Ratification) Act 1982* the position of 'Administrator' is an Officer of The Crown subject to the direction of the Minister of Mineral Resources and Energy.

BHP is also formally recognised and along with the State Government contributes equally to fund Council's Municipal deficit. Whilst both partners must approve Council's budget, they have no formal control of the day to day operations of Council which is an independent legal entity.

As a result, the Administrator is effectively a combined Chief Executive Officer/Mayor. Decisions of The Administrator become the decisions of The Council, like any other Council in South Australia. Compliance with the *Local Government Act 1999* and other relevant legislation is still required, with some minor variations as set out in the Indenture.

## COUNCIL MEETINGS

In September 2016 a program of monthly public council meetings commenced. Council meetings are scheduled for the last Wednesday of each month except on the following occasions:

- December 2016 when it was held on 13 December
- June 2017 when an additional meeting was held on 7 June to receive submissions for the draft Annual Business Plan 2017/2018

Council meetings are held at 4.00pm in the Council Boardroom. Members of the community are welcome to attend.

During this period there were no deputations or petitions made to Council.

### Confidentiality

Under the *Local Government Act 1999*, matters of a confidential nature may be discussed at closed Council meetings. During 2016/17 no meetings were held which excluded the public.

### Development Assessment Panel

In relation to some decisions under the *Development Act 1993*, this Council, like a number of smaller councils, has obtained an exemption from the Minister for Planning and Local Government to have a Development Assessment Panel. All of Council's decisions under the *Development Act 1993* as a relevant authority are made by the Administrator following independent advice from Council's Planning Officer.

## SECTION 270 REVIEWS

Council's Review of Council Decisions Procedure under section 270 of the Local Government Act 1999 provides a grievance process for any person wishing to have a council decision reviewed.

During 2016/2017 Council did not receive any requests for a review of a decision citing section 270 of the Local Government Act 1999.

## PRESCRIBED COMMITTEES

### Audit Committee

Subject to the overriding provisions of the Indenture, Council has established an Audit Committee pursuant to Section 126 of the *Local Government Act 1999*. This Committee is established to review financial reporting, internal controls and risk management systems and oversee the external audit. Council's current Audit Committee comprises independent members - David Powell (Chair), Trevor Starr and Warwick Koster.

The Administrator and Finance staff attend meetings but do not have a role in decision making. All decisions of the Audit Committee become recommendations to Council. All committee members are paid an allowance. The Audit Committee met on four occasions during the year.

## SUBSIDIARIES

Council has not formed any subsidiaries pursuant to Section 42 of the Local Government Act 1999.

## FREEDOM OF INFORMATION

Various Council documents and other information are available on Council's website without the need for a formal application under the *Freedom of Information Act 1991*. Some information may be available for viewing at no charge, whilst some items may be copied at a small charge, provided that copying does not infringe copyright. In some cases, where an extraordinary amount of staff time is required to comply with a request for information, charges may be imposed to recover costs. Requests for other information will be considered in accordance with the *Freedom of Information Act 1991*. Under this legislation, unless the applicant is granted an exemption, an application fee must be forwarded with the request to Council's Freedom of Information Officer.

### Information Statement

An Information Statement is published by the Council annually in accordance with the requirements of the Act and is available for viewing on Council's website [www.roxbydowns.sa.gov.au](http://www.roxbydowns.sa.gov.au)

### Amendment of Council Records

A member of the public may gain access to Council documents to make amendments concerning their personal affairs by making a request under the *Freedom of Information Act 1991*. A member of the public may then request a correction to any information about themselves which is incomplete, incorrect, misleading or out-of-date. To gain access to these Council records, a member of the public must complete a Freedom of Information application as detailed above, outlining the records that he/she wishes to inspect, and this application must be forwarded to Council.

### Freedom of Information Applications

During the 2016/17 year Council received three (3) Freedom of Information applications. Of these applications one (1) was released in full and two (2) were refused.

## NATIONAL COMPETITION POLICY

Council has an obligation under Clause 7 of the National Competition Policy to report on the application of competition principles. During 2016/2017 Council:

- has determined that it has no significant business activities as defined in the Clause 7 statement
- has no by-laws which place barriers on market entry, conduct or discriminates between competitors
- did not receive any complaints about our application of competitive neutrality
- is involved in public monopolies associated with the provision of electricity, water and sewerage services. These operate in accordance with the provisions of the *Roxby Downs (Indenture Ratification) Act 1982*.

## COMPETITIVE TENDERING

Council's Procurement Policy guides the practices and procedures for procuring goods services and works. The Policy ensures that procurement activities are conducted in accordance with five key principles which are:

- value for money
- probity, ethical behavior and fair dealing
- accountability, transparency and reporting
- risk management

Assessment criteria includes consideration of the impact of service delivery approaches on local businesses.

For significant tenders Council will engage a Probity Auditor to overview the process and selection evaluation through a panel who will provide a report and recommendation to the Administrator.

## COMMUNITY LAND

In accordance with Section 193 of the *Local Government Act 1999*, all local government land owned by Council or under our care and control (excluding roads) is classified as community land. Council has completed a classification process and prepared community land management plans for each identified parcel of community land. The Community Land Register and copies of relevant management plans are available from Council.

A review commenced on the community land management plans and the leases for Roxby Riding Club, Roxby Districts Racing Club, Roxby Downs Golf Club, Roxby Downs Bowling Club, Roxby Downs Motocross Club, Dirt Circuit and the Roxby Downs Dirt Kart Club. This review, which includes public consultation, will be finalized in the first quarter of 2017/2018.

## LOCAL NUISANCE AND LITTER COMPLAINTS

The Local Nuisance and Litter Control Act 2016 partially commenced on 1 February 2017, with litter control being passed across to Local Government for monitoring and enforcement at this time. Local nuisance provisions commence in 2017/2018.

No complaints of littering were received by the Council.

## LOCAL LAWS

Council engaged Kelledy Jones Lawyers to assist with the review of by-laws and draft new by-laws. The by-laws were reviewed in accordance with the requirements of Chapter 12 Part 1 of the *Local Government Act 1999* and consideration was given to the principles of the National Competition Policy with Kelledy Jones providing appropriate National Competition Reports to Council for consideration when adopting the new local laws. Following stakeholder and public consultation the by-laws were adopted by Council. All by-laws will expire on 1 January 2024 unless revoked or amended prior to that date. Copies of the by-laws are accessible from Council's website.

### 1. By-law No. 1 - Penalties and Permits

This by-law refers to the granting of permits and penalties associated with breaches of any bylaws

### 2. By-law No. 2 - Dogs.

This by-law relates to the management of dogs in the council area and limits the number of dogs kept on premises.

### 3. By-law No. 3 – Cats

This by-law relates to the management of cats in the council area, establishes a registration scheme for cats and limits the number cats kept on premises.

### 4. By-law No. 4 – Local Government Land

This by-law regulates the access to and use of Local Government land (other than roads) and certain public places.

### 5. By-law No. 5 – Moveable Signs

This by-law sets standards for moveable signs on roads and provides conditions for the placement of such signs.

### 6. By-law No. 6 – Roads

This by-law regulates certain activities on roads in the Council area.

### 7. By-law No. 7 – Waste Management

This by-law regulates the removal of domestic waste, recyclable and green organic waste from premises in the Council area.

## COUNCIL POLICIES

Council has adopted a wide range of policies to assist in decision making and administrative processes. Council policies are available for viewing on the Council website and/or at the Council office.

The following policies are held as required by legislation:

- Internal Review of Council Decisions
- Contract and Tenders Policy
- Order Making Policy
- Public Consultation
- Prudential Management

Additional policies comprise:

- Asset Accounting Policy
- Bad Debt Policy
- Budget Management Policy
- Building Inspection Policy
- Business Units Financial Accounting Policy
- Child & Vulnerable Persons Safe Environment Policy
- Children on Council Premises Policy
- Code of Conduct for Local Government Employees
- Credit Card Policy
- Customer Service Policy
- Maintenance of Road Verges Policy
- Dog and Cat Registrations Policy
- Equal Opportunity, Discrimination, Harassment and Workplace Bullying Policy
- Expiation Fines Policy
- Fee and Charges Guidelines Policy
- Financial Internal Control Policy
- Fitness For Work Drugs and Alcohol Policy
- Flag Flying Policy
- Food Hygiene Policy
- Fraud and Corruption Policy
- Gifts and Benefits Policy
- Grievance Policy
- Healthy Eating Roxbylink Café & Kiosk
- Induction of New Employee Policy
- Investment Policy
- Issue of Parking Expiation Notices Policy
- IT Electronic Communication Tools Policy
- Leases and Licences to Sporting and Community Organisations Policy
- Library Conditions of Use Policy
- Media Policy
- Microchip Scanner Use Policy
- Mobile Phone Policy
- Mobile Vendors Policy

- Municipal Rating Policy
- Order Making Policy
- Payroll System Policy
- Portable Computer and Storage Devices Policy
- Privacy Policy
- Prudential Management Policy
- Public Consultation Policy
- Rate Debt Recovery Policy
- Records Management Policy
- Recruitment and Selection Policy
- Register of Staff Salaries- Benefits
- Review of Council Decision Policy
- Risk Management Policy
- Roxby Council Dispute Resolution Procedure
- Roxby Council Municipal Rates Hardship Policy
- Roxbylink Policy
- Roxby Power Hardship Policy
- Roxby Water Hardship Policy
- Social Media Policy
- Street Tree Policy
- Town Oval Policy
- Travel and Accommodation Policy
- Vehicle Policy
- Volunteer Management Policy
- Waste Collection Policy
- Whistleblower Protection Policy

## REGISTERS

Local councils are required to maintain mandatory registers and Codes of Conduct and Codes of Practice. The following registers are maintained:

- Officers Register of Salaries
- Fees and Charges
- Community Land
- Public Roads
- By-laws.

The following items do not apply to this Council:

- Members Register of Interests
- Members Register of Allowances and Benefits
- Members Code of Conduct
- Code of Practice for Access to Meetings and Documents
- Code of Practice for Meeting Procedures.

# ROXBY WATER



## Efficient, reliable and cost efficient water supply and sewerage services

Council's appointment as a Water Distribution and Sewerage Authority for the Roxby Downs township arises as a result of Section 13 of the Schedule to the *Roxby Downs (Indenture Ratification) Act 1982*.

This Section requires Council to comply with standards normally applicable by SA Water, and specifies that Council should take practical efforts in sewerage effluent wastewater re-use, specifies how much we can pay for water and that profits can be transferred back to the Municipality. Council operates water and sewerage services under the Roxby Water banner as a separate business unit.

In January 2013 amendments to the *Water Industry Act 2012* came into effect with Council requiring and obtaining a Water Industry Retail Licence issued by the Essential Services Commission of South Australia (ESCOSA).

Water meters are read concurrently with electricity meters on a quarterly basis at the end of June, September, December and March each year.

### WATER SUPPLY

Water for Roxby Downs, Olympic Dam and the mine site is sourced from the Great Artesian Basin near the southern and eastern areas of Lake Eyre. Water is pumped 200km south to a desalination plant on the BHP mining lease and is then cooled, desalinated and stored for later distribution. Water for the township is then pumped 10km to a covered water supply dam on the outskirts of town.

Roxby Water purchases water from BHP, checks the quality against water quality

standards and, if needed, chlorinates the water before pumping to properties with the township via approximately 38km of pipe work.

Roxby's water quality is best described as being very soft, of high quality, having a small amount of natural fluoride and low in dissolved solids. Water has been tested and compared against a range of other urban water supplies and bottled water with favourable results.

In 2013 the *Safe Drinking Water Act* was introduced requiring all licensed water providers to develop and follow a Risk Management Plan. This ensures the water quality delivered to the customer meets Australian Quality Standards, that regular monitoring is carried out and to check that both operational and regulatory parameters are met. Council has developed a Risk Management Plan that has been approved by SA Health.

### Water Rates

Council operates a three tiered incentive-based pricing structure for water. Charges are based on allocated access units according to the size of the water meter serving the property.

Water charges are set per calendar year. Rates effective from January 2017 are as follows:

All Properties	Charges per access unit per quarter
Supply Charge	\$72.00
First 34 kl	\$2.00 per kl
34 – 120 kl	\$3.90 per kl
Over 120 kl	\$5.90 per kl

A formal Water Pricing Policy has been developed and is reviewed annually in accordance with ESCOSA Water Retailer Licence requirements.

### Water Consumption

Roxby Downs has very low rainfall and high and ever increasing number of domestic swimming pools. Water consumption, however, continues to be moderate and compares favourably with other regional communities.

Under the Indenture a minimum allowance of 650 litres of water per head per day plus a reasonably sufficient quantity for parks & gardens and community parks, needs to be provided to the Town. Current and historical consumption remains well within this allowance.

### Water Related Works

Various maintenance activities were carried out during the year including the following:

- Street fire hydrants were cleaned out and checked. Nil maintenance required.
- Four water main bursts, two due to tree roots, one due to joint failure and one due to contractor hitting water mains
- Bi-annual maintenance of the town water supply pumps and Chlorine injection system
- 43 water meter repairs
- Two water meters were removed from inside back yard to outside the fence for easy access for meter reading
- The rolling five year water replacement program continued with 208 meters changed out

*Treated water is used to irrigate the town ovals*



- Samples and data were taken and recorded for Sewer Lagoon Licence and independent verification checks
- New pump guide rails installed at Pump Stations A and B
- A new pump was purchased for Pump Station H

### Sewerage Charging

Since June 2000 Council has used the South Australian Local Government Association property unit system for the charging for sewerage. This followed a major review.

Sewerage charges effective from 1 January 2017 for all freehold properties abutting a sewerage main are \$241 per property unit per quarter (\$964 per annum).

## SEWERAGE OPERATIONS

Roxby Water also provides a full sewerage system to all properties within the township. Sewage and sullage are transported through 35km of sewerage mains, manholes and nine pump stations and pumped to a series of lagoons to the west of the township.

The effluent treatment system is continuously monitored for compliance with environmental and health regulations, allowing the processed water to be used for watering the Roxby Downs Golf Course. This provides a flexible method for recycled water disposal that is able to respond to seasonal fluctuations caused by a high level of evaporation and major rain events. Our high evaporation rate (approximately 3m per year), and reduced storage capacity means that sometimes re-used water needs to be restricted. Management issues can also arise when large influxes of storm water enter the primary dams.

Water intended for re-use (i.e. irrigation purposes of the golf course) is pre-treated to meet guidelines for re-use of water. Regular testing is carried out in accordance with the EPA licence and Department of Health requirements.

Over the past ten years with the growth of the town and increase in grassed areas, the use

of re-use water on Council's ovals has had to be rationalized. In 2012 all of Council's re-use water has been directed to the golf course. This allows for optimum and appropriate use with less possibility of public contact due to the nature of the use of the space.

### Sewerage Works

Sewerage works carried out during the year included the following:

- All Pump Station Chambers were cleaned four times during the year
- Eight blocked sewer mains were attended to during the year caused by tree root intrusion. Several sewer pumps were unblocked due to foreign objects such as hygiene products, underpants, tennis balls, parts of mop heads, tee shirts and fat intrusion.
- Section of sewer mains was replaced on Pioneer Drive
- Primary dam 1 at the Sewer lagoons was de-sludged
- Bi-yearly maintenance checks of all pump stations, sewer lagoon recycling area and irrigation shed were conducted. Chlorine injector and regulators were overhauled at the treatment shed
- Sewer Lagoons were treated with Copper Sulphate for algae control.

## EFFICIENT AND EFFECTIVE STORMWATER SYSTEM

Councils' storm water system comprises 240 storm water side entry pits connected to 12.5 km of various sized storm water pipes, 8.5km open drains, 10 storm catchments, detention and retention dams. The majority of the town is naturally drained but in some locations areas are drained with the aid of two small storm water pumping stations. The town has been well designed to ensure that for moderate storm events, storm water is contained within the storm water system. For larger rarer events some sections of road double as a minor floodway for short periods.

Annual clearing of silt and rubbish from pits and drains and storm water earth drains is undertaken. The challenge, however, is to manage debris associated with woodchip areas which from time to time are picked up into the storm water system and can cause minor blockages.



# ROXBY POWER

## Efficient power distribution and utility services



Council is the designated 'power distribution authority' for the Roxby Downs Township under the Indenture. Roxby Power is a division of Council that is responsible for two primary functions –

- maintaining the Town's electricity distribution infrastructure in collaboration with contract services providers to ensure a reliable, safe supply of electricity, and
- undertaking electricity retailing functions, including billing and customer service, assisted by the Finance and Customer Service departments of Council.

BHP owns 275kV and 132kV power lines that transmit electricity from the national grid at Port Augusta to Olympic Dam. A 33kV line then serves the Roxby township where Roxby Power takes control.

### Regulatory Environment

The National Electricity Market (NEM), which has been progressively implemented and evolved since 1998, has created a vastly different electricity supply environment to that existing at the time of the Indenture Act.

In addition to the authority provided by the Indenture Act, Council supplies and sells electricity under a number of subsequent authorisations relating to the NEM, namely –

- a Notice of Exemption from the National Energy Retail Market issued by the Minister for Mineral Resources and Energy; the exemption imposes conditions similar to a Retail Licence under the NEM legislation; and
- a Distribution Licence issued by the Emergency Services Commission of South Australia (ESCOSA).

The requirement for a Network Exemption issued by the Australian Energy Regulator (AER) is currently being investigated, but has not been enforced to date.

### ELECTRICITY RETAIL

#### Meter Reading

Electricity meters are read concurrently with water meters on a quarterly basis at the end of June, September, December and March each year. This function is performed by Council.

#### Audits and Annual Reports

Annual Safety and Operational Audit reports were completed for the Office of the Technical Regulator (OTR) and Essential Services Commission of SA (ESCOSA). Both the reports were accepted and approved.

#### Power Consumption

Total power consumption for 2016/2017 was 16,376 MWh. This was 8.8% less than the previous year (17,952 MWh).

#### Solar PV Capacity

From 1 July 2016 to 30 June 2017 Roxby Power connected 20 new domestic solar photo-voltaic (PV) systems and 3 commercial systems, ranging in size from 4 kW to 10 kW. The Town's installed solar PV capacity is now rated at 1,308 kW

#### Electricity Tariffs

Council reviews electricity charges in January of each year. The current schedule of rates and charges is published on the Council website -

<http://roxbydowns.sa.gov.au/roxbypower>

## ELECTRICITY OPERATIONS

The Roxby Downs electrical distribution system is highly reliable in its operation. It includes 6.5km of 11kV overhead mains, 19km of 11kV underground mains, 30.6km underground Low Voltage Mains, 35 x 11kV Pad mount Transformers and a range of township street lights.

### Electrical Works Undertaken

- A number of service pillars were damaged by vehicles and needed replacement
- Live Line – taps were installed on the RD1 11kv overhead line to assist in switching operations and eliminating the need for glove and barrier work to isolate the power. It can now be done quicker and safer.

### Street Lighting

Roxby Power undertook maintenance programs throughout the year. A combination of light fitting changes and globe replacements constituted the majority of the maintenance undertaken. The ongoing upgrade of walkway ball lights to LED also continued.

### Other Electrical Works

Other community projects included the provision and installation of Christmas lights in Richardson Place, and power supplies for the World Food and Music Festival and other main street events.

Planning is underway for the two-yearly maintenance of HV equipment as required under our distribution licence.

### Outages

The BHP township feeder suffered one outage during the year to facilitate maintenance. There were other general planned outages to connect new supplies, and undertake general maintenance on plant and equipment.

### Disruptions

Roxby Power representatives are available on call 24/7 to deal with any emergencies. At 9pm on Saturday 16 July 2016 there was an unexplained power outage affecting residents located on the western end of Maireana Circuit and Agonis Road. For some houses power was able to be restored the following day, however for other households a diesel generator was brought in as a temporary measure until the fault could be repaired. Power to the remaining houses was restored by Wednesday 20 July 2016. This work was all made possible due to the combined efforts of SA Power Networks, Coates Hire, MPS and Council staff.

On Wednesday 28 September 2016, strong winds and storms damaged critical power lines and infrastructure in the Mid North of the state. The cascading failure of the electricity transmission network resulted in almost the entire state losing its electricity supply. Power was not fully restored to the Roxby Downs township until 7.20pm on Friday 30 September – a total of 51.5 hours. During the outage Roxbylink and the Council Office continued to operate with backup diesel generators.

Roxbylink's diesel generator



# FINANCIAL STATEMENTS

---

# MUNICIPAL COUNCIL OF ROXBY DOWNS

## General Purpose Financial Reports for the year ended 30 June 2017

### TABLE OF CONTENTS

	<u>Page</u>
<b>Certification of Financial Statements</b>	1
<b>Principal Financial Statements</b>	
Statement of Comprehensive Income	2
Statement of Financial Position	3
Statement of Changes in Equity	4
Statement of Cash Flows	5
<b>Notes to, and forming part of, the Principal Financial Statements</b>	
Note 1 - Significant Accounting Policies	N1
Note 2 - Income	N6
Note 3 - Expenses	N9
Note 4 - Asset Disposal & Fair Value Adjustments	N11
Note 5 - Current Assets	N12
Note 6 - Infrastructure, Property, Plant & Equipment	N13
Note 7 - Liabilities	N17
Note 8 - Reserves	N18
Note 9 - Reconciliation of Cash Flow Statement	N19
Note 10 - Functions	N20
Note 11 - Financial Instruments	N22
Note 12 - Expenditure Commitments	N24
Note 13 - Financial Indicators	N25
Note 14 - Uniform Presentation of Finances	N26
Note 15 - Operating Leases	N27
Note 16 - Contingencies & Assets & Liabilities not Recognised	N27
Note 17 - Superannuation	N28
Note 18 - Related Party Transactions	N29
<b>Audit Report - Financial Statements</b>	
<b>Audit Report - Internal Controls</b>	
<b>Council Certificate of Audit Independence</b>	
<b>Audit Certificate of Audit Independence</b>	

# MUNICIPAL COUNCIL OF ROXBY DOWNS

## ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2017

### CERTIFICATION OF FINANCIAL STATEMENTS

We have been authorised by the Council to certify the financial statements in their final form. In our opinion:

- the accompanying financial statements comply with the *Local Government Act 1999, Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards.
- the financial statements present a true and fair view of the Council's financial position at 30 June 2017 and the results of its operations and cash flows for the financial year.
- internal controls implemented by the Council provide a reasonable assurance that the Council's financial records are complete, accurate and reliable and were effective throughout the financial year.
- the financial statements accurately reflect the Council's accounting and other records.



Geoffrey Whitbread  
ADMINISTRATOR



Roy Blight  
CHIEF EXECUTIVE

Date:

25 October 2017

**MUNICIPAL COUNCIL OF ROXBY DOWNS**  
**STATEMENT OF COMPREHENSIVE INCOME**  
for the year ended 30 June 2017

	Notes	2017 \$'000	2016 \$'000
<b>INCOME</b>			
Rates	2	5,482	5,335
Statutory charges	2	41	47
User charges	2	11,002	11,025
Grants, subsidies and contributions	2	1,289	855
Investment income	2	7	37
Reimbursements	2	163	119
Other income	2	70	122
<b>Total Income</b>		<u>18,054</u>	<u>17,540</u>
<b>EXPENSES</b>			
Employee costs	3	4,875	5,216
Materials, contracts & other expenses	3	9,149	10,326
Depreciation, amortisation & impairment	3	2,601	2,555
Finance costs	3	18	20
<b>Total Expenses</b>		<u>16,643</u>	<u>18,117</u>
<b>OPERATING SURPLUS / (DEFICIT)</b>		1,411	(577)
Asset disposal & fair value adjustments	4	(6,325)	21
Amounts received specifically for new or upgraded assets	2	401	14
<b>NET SURPLUS / (DEFICIT)</b>		<u>(4,513)</u>	<u>(542)</u>
transferred to Equity Statement			
<b>Other Comprehensive Income</b>			
<i>Amounts which will not be reclassified subsequently to operating result</i>			
Changes in revaluation surplus - infrastructure, property, plant & equipment	8	(1,430)	123
<b>Total Other Comprehensive Income</b>		<u>(1,430)</u>	<u>123</u>
<b>TOTAL COMPREHENSIVE INCOME</b>		<u>(5,943)</u>	<u>(419)</u>

This Statement is to be read in conjunction with the attached Notes.

## MUNICIPAL COUNCIL OF ROXBY DOWNS

### STATEMENT OF FINANCIAL POSITION as at 30 June 2017

	Notes	2017 \$'000	2016 \$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5	2,696	577
Trade & other receivables	5	3,336	2,827
Inventories	5	21	27
<b>Total Current Assets</b>		<u><b>6,053</b></u>	<u>3,431</u>
<b>Non-current Assets</b>			
Infrastructure, property, plant & equipment	6	120,250	129,501
<b>Total Non-current Assets</b>		<u><b>120,250</b></u>	<u>129,501</u>
<b>Total Assets</b>		<u><b>126,303</b></u>	<u>132,932</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & other payables	7	1,326	1,891
Borrowings	7	74	233
Provisions	7	259	273
<b>Total Current Liabilities</b>		<u><b>1,659</b></u>	<u>2,397</u>
<b>Non-current Liabilities</b>			
Provisions	7	1,230	1,178
<b>Total Non-current Liabilities</b>		<u><b>1,230</b></u>	<u>1,178</u>
<b>Total Liabilities</b>		<u><b>2,889</b></u>	<u>3,575</u>
<b>NET ASSETS</b>		<u><b>123,414</b></u>	<u>129,357</u>
<b>EQUITY</b>			
Accumulated Surplus		23,965	28,478
Asset Revaluation Reserve	8	99,449	100,879
<b>TOTAL EQUITY</b>		<u><b>123,414</b></u>	<u>129,357</u>

This Statement is to be read in conjunction with the attached Notes.

# MUNICIPAL COUNCIL OF ROXBY DOWNS

## STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2017

2017	Notes	Accumulated Surplus \$'000	Asset Revaluation Reserve \$'000	TOTAL EQUITY \$'000
Balance at end of previous reporting period		28,478	100,879	129,357
<b>Net Surplus / (Deficit) for Year</b>		<b>(4,513)</b>		<b>(4,513)</b>
<b>Other Comprehensive Income</b>				
Gain on revaluation of infrastructure, property, plant & equipment	8		(1,430)	(1,430)
<b>Balance at end of period</b>		<b>23,965</b>	<b>99,449</b>	<b>123,414</b>
<b>2016</b>				
Balance at end of previous reporting period		29,020	100,756	129,776
Restated opening balance		29,020	100,756	129,776
<b>Net Surplus / (Deficit) for Year</b>		<b>(542)</b>		<b>(542)</b>
<b>Other Comprehensive Income</b>				
Changes in revaluation surplus - infrastructure, property, plant & equipment			123	123
<b>Balance at end of period</b>		<b>28,478</b>	<b>100,879</b>	<b>129,357</b>

This Statement is to be read in conjunction with the attached Notes



# MUNICIPAL COUNCIL OF ROXBYP DOWNS

## STATEMENT OF CASH FLOWS

for the year ended 30 June 2017

		2017	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	Notes	<b>\$'000</b>	\$'000
<u>Receipts</u>			
Rates - general & other		5,492	5,266
Fees & other charges		44	51
User charges		11,440	12,668
Investment receipts		7	22
Grants utilised for operating purposes		1,417	919
Reimbursements		179	131
Other revenues		876	547
<u>Payments</u>			
Employee costs		(4,988)	(5,141)
Materials, contracts & other expenses		(11,407)	(12,270)
Finance payments		(75)	(20)
<b>Net Cash provided by (or used in) Operating Activities</b>		<b>2,985</b>	<b>2,173</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<u>Receipts</u>			
Amounts specifically for new or upgraded assets		401	14
Sale of replaced assets		66	-
Sale of surplus assets		-	48
<u>Payments</u>			
Expenditure on renewal/replacement of assets		(84)	(331)
Expenditure on new/upgraded assets		(1,090)	(3,432)
<b>Net Cash provided by (or used in) Investing Activities</b>		<b>(707)</b>	<b>(3,701)</b>
<b>Net Increase (Decrease) in cash held</b>		<b>2,278</b>	<b>(1,528)</b>
Cash & cash equivalents at beginning of period	5	344	1,872
<b>Cash &amp; cash equivalents at end of period</b>	5	<b>2,622</b>	<b>344</b>

This Statement is to be read in conjunction with the attached Notes

# MUNICIPAL COUNCIL OF ROXBY DOWNS

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

### Note 1 - SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### 1 Basis of Preparation

##### 1.1 Compliance with Australian Accounting Standards

This general purpose financial report has been prepared in accordance with Australian Accounting Standards as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board, Interpretations and relevant South Australian legislation.

The financial report was authorised for issue by certificate under regulation 14 of the Local Government (Financial Management) Regulations 2011 dated 27 September 2017.

##### 1.2 Historical Cost Convention

Except as stated below, these financial statements have been prepared in accordance with the historical cost convention.

##### 1.3 Critical Accounting Estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates, and requires management to exercise its judgement in applying Council's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are specifically referred to in the relevant sections of this Note.

##### 1.4 Rounding

All amounts in the financial statements have been rounded to the nearest thousand dollars (\$'000).

#### 2 The Local Government Reporting Entity

The Municipal Council of Roxby Downs was established under Roxby Downs (Indenture Ratification) Act 1982 and has its principal place of business at Richardson Place Roxby Downs.

These financial statements include the Council's direct operations and all entities through which Council controls resources to carry on its functions. In the process of reporting on the Council as a single unit, all transactions and balances between activity areas and controlled entities have been eliminated.

The principal activities and entities conducted other than in the Council's own name that have been included in these consolidated financial statements are: Roxby Power, Roxby Water and Roxby *Link*.

The Act prescribes requirements regarding the management of power and water assets, including for cost recovery from consumers (Refer Note 2 User Charges)

Power and Water assets owned by the Council are disclosed in Note 6 Infrastructure, Property, Plant and Equipment and revaluation increments are separately disclosed in Note 8 Reserves.

#### 3 Income recognition

Income is measured at the fair value of the consideration received or receivable. Income is recognised when the Council obtains control over the assets comprising the income, or when the amount due constitutes an enforceable debt, whichever first occurs.

## MUNICIPAL COUNCIL OF ROXBY DOWNS

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

#### Note 1 – SIGNIFICANT ACCOUNTING POLICIES (cont)

Where grants, contributions and donations recognised as incomes during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the amounts subject to those undischarged conditions are disclosed in these notes. Also disclosed is the amount of grants, contributions and receivables recognised as incomes in a previous reporting period which were obtained in respect of the Council's operations for the current reporting period.

In recent years the payment of untied financial assistance grants has varied from the annual allocation as shown in the table below:

	Cash Received	Payment	Annual Allocation	Difference	
2014/15	\$279,052		\$182,018	+ / -	\$97,034
2015/16	\$82,444		\$179,035	+ / -	-\$97,034
2016/17	\$271,228		\$178,917	+ / -	\$92,311

Because these grants are untied, the Australian Accounting Standards require that payments be recognised upon receipt. Accordingly, the operating results of these periods have been distorted compared to those that would have been reported had the grants been paid in the year to which they were allocated.

The Operating Surplus Ratio disclosed in Note 14 has also been calculated after adjusting for the distortions resulting from the differences between the actual grants received and the grants entitlements allocated.

The actual amounts of untied grants received during the reporting periods (including the advance allocations) are disclosed in Note 2.

#### 4 Cash, Cash Equivalents and other Financial Instruments

Cash Assets include all amounts readily convertible to cash on hand at Council's option with an insignificant risk of changes in value with a maturity of three months or less from the date of acquisition.

Receivables for rates and annual charges are secured over the subject land, and bear interest at rates determined in accordance with the Local Government Act 1999. Other receivables are generally unsecured and do not bear interest.

All receivables are reviewed as at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful.

All financial instruments are recognised at fair value at the date of recognition. A detailed statement of the accounting policies applied to financial instruments forms part of Note 12.

#### 5 Inventories

Inventories held in respect of stores have been valued by using the weighted average cost on a continual basis, after adjustment for loss of service potential. Inventories held in respect of business undertakings have been valued at the lower of cost and net realisable value.

## MUNICIPAL COUNCIL OF ROXBY DOWNS

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

#### Note 1 – SIGNIFICANT ACCOUNTING POLICIES (cont)

##### **6 Infrastructure, Property, Plant & Equipment**

###### **6.1 Land under roads**

Council has elected not to recognise land under roads acquired prior to 1 July 2008 as an asset in accordance with AASB 1051 Land under Roads. Land under roads acquired after 30 June 2008 has not been recognised as in the opinion of Council it is not possible to reliably attribute a fair value, and further that such value if determined would be immaterial.

###### **6.2 Initial Recognition**

All assets are initially recognised at cost. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition.

All non-current assets purchased or constructed are capitalised as the expenditure is incurred and depreciated as soon as the asset is held "ready for use". Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including architects' fees and engineering design fees and all other costs incurred. The cost of non-current assets constructed by the Council includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

Capital works still in progress at balance date are recognised as other non-current assets and transferred to infrastructure, property, plant & equipment when completed ready for use.

###### **6.3 Materiality**

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by Council for each type of asset. In determining (and in annually reviewing) such thresholds, regard is had to the nature of the asset and its estimated service life. Examples of capitalisation thresholds applied during the year are given in Note 6. No capitalisation threshold is applied to the acquisition of land or interests in land.

###### **6.4 Subsequent Recognition**

All material asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. For infrastructure and other asset classes where no active market exists, fair value is determined to be the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset. Further detail of existing valuations, methods and valuers are provided at Note 7.

###### **6.5 Depreciation of Non-Current Assets**

Other than land, all infrastructure, property, plant and equipment assets recognised are systematically depreciated over their useful lives on a straight-line basis which, in the opinion of Council, best reflects the consumption of the service potential embodied in those assets.

Depreciation methods, useful lives and residual values of classes of assets are reviewed annually.

Major depreciation periods for each class of asset are shown in Note 6. Depreciation periods for infrastructure assets have been estimated based on the best information available to Council, but appropriate records covering the entire life cycle of these assets are not available, and extreme care should be used in interpreting financial information based on these estimates.

# MUNICIPAL COUNCIL OF ROXBY DOWNS

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

### Note 1 – SIGNIFICANT ACCOUNTING POLICIES (cont)

#### 6.6 Impairment

Assets that have an indefinite useful life are not subject to depreciation and are reviewed annually for impairment. Assets carried at fair value whose future economic benefits are not dependent on the ability to generate cash flows, and where the future economic benefits would be replaced if Council were deprived thereof, are not assessed for impairment.

Other assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount (which is the higher of the present value of future cash outflows or value in use).

Where an asset that has been revalued is subsequently impaired, the impairment is first offset against such amount as stands to the credit of that class of assets in Asset Revaluation Reserve, any excess being recognised as an expense.

#### 7 Payables

##### 7.1 Goods & Services

Creditors are amounts due to external parties for the supply of goods and services and are recognised as liabilities when the goods and services are received. Creditors are normally paid 30 days after the month of invoice. No interest is payable on these amounts.

##### 7.2 Payments Received in Advance & Deposits

*Amounts received from external parties in advance of service delivery, and security deposits held against possible damage to Council assets, are recognised as liabilities until the service is delivered or damage reinstated, or the amount is refunded as the case may be.*

#### 8 Employee Benefits

##### 8.1 Salaries, Wages & Compensated Absences

Liabilities for employees' entitlements to salaries, wages and compensated absences expected to be paid or settled within 12 months of reporting date are accrued at nominal amounts (including payroll based oncosts) measured in accordance with AASB 119.

Liabilities for employee benefits not expected to be paid or settled within 12 months are measured as the present value of the estimated future cash outflows (including payroll based oncosts) to be made in respect of services provided by employees up to the reporting date. Present values are calculated using government guaranteed securities rates with similar maturity terms.

Weighted average discount rate	1.67% (2016, 1.71%)
Weighted average settlement period	1 year (2016, 1 years)

No accrual is made for sick leave as Council experience indicates that, on average, sick leave taken in each reporting period is less than the entitlement accruing in that period, and this experience is expected to recur in future reporting periods. Council does not make payment for untaken sick leave.

##### 8.2 Superannuation

The Council makes employer superannuation contributions in respect of its employees to the Local Government Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently. No changes in accounting policy have occurred during either the current or previous reporting periods. Details of the accounting policies applied and Council's involvement with the schemes are reported in Note 18.

## MUNICIPAL COUNCIL OF ROXBYP DOWNS

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

#### Note 1 – SIGNIFICANT ACCOUNTING POLICIES (cont)

##### 9 GST Implications

In accordance with UIG Abstract 1031 "Accounting for the Goods & Services Tax"

- Receivables and Creditors include GST receivable and payable.
- Except in relation to input taxed activities, revenues and operating expenditures exclude GST receivable and payable.
- Non-current assets and capital expenditures include GST net of any recoupment.
- Amounts included in the Statement of Cash Flows are disclosed on a gross basis.

##### 10 Pending Accounting Standards

Certain new accounting standards and UIG interpretations have been published that are not mandatory for the 30 June 2017 reporting period and have not been used in preparing these reports.

AASB 7	Financial Instruments – Disclosures
AASB 9	Financial Instruments
AASB 15	Revenue from Contracts with Customers
AASB 17	Leases
AASB 1058	Income of Not-for-Profit Entities

Standards containing consequential amendments to other Standards and Interpretations arising from the above - AASB 2010-7, AASB 2014-1, AASB 2014-3, AASB 2014-4, AASB 2014-5, AASB 2014-6, AASB 2014-7, AASB 2014-8, AASB 2014-9, AASB 2014-10, AASB 2015-1, AASB 2015-2, AASB 2015-3, AASB 2015-4, AASB 2015-5, AASB 2015-6 and AASB 2015-7.

(Standards not affecting local government have been excluded from the above list.)

Council is of the view that other than AASB 16 and AASB 1058, none of the above new standards or interpretations will affect any of the amounts recognised in the financial statements, but that they may impact certain information otherwise disclosed.

Accounting Standard AASB 16 Leases may have a material effect on the amounts disclosed in these reports, particularly in relation to Infrastructure, Property, Plant & Equipment, but does not commence until the 2019/20 financial period, and it is not Council's intention to adopt this Standard early.

Accounting Standard AASB 1058 Income of Not-for-Profit Entities may have a material effect on the amounts disclosed in these reports, particularly in revenues from grants & subsidies, but does not commence until the 2019/20 financial period, and it is not Council's intention to adopt this Standard early.

# MUNICIPAL COUNCIL OF ROXBYP DOWNS

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

### Note 2 - INCOME

	Notes	2017 \$'000	2016 \$'000
<b>RATES REVENUES</b>			
<u>General Rates</u>		4,672	4,548
Less: Mandatory rebates			
Less: Discretionary rebates, remissions & write offs		(156)	(115)
		4,516	4,433
<u>Other Rates</u> (including service charges)			
Natural Resource Management levy		112	103
Waste collection		807	768
		919	871
<u>Other Charges</u>			
Penalties for late payment		17	19
Legal & other costs recovered		30	12
		47	31
		5,482	5,335
<b>STATUTORY CHARGES</b>			
Development Act fees		9	11
Animal registration fees & fines		27	32
Parking fines / expiation fees		5	4
		41	47
<b>USER CHARGES</b>			
Commercial activity revenue		1,696	1,542
Landfill fees		0	17
Electricity charges		4,549	4,606
Water charges		2,690	2,841
Sewer charges		2,067	2,019
		11,002	11,025
<b>INVESTMENT INCOME</b>			
Interest on investments			
Local Government Finance Authority		7	37
		7	37

# MUNICIPAL COUNCIL OF ROXBYP DOWNS

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

### Note 2 - INCOME (cont)

	Notes	2017 \$'000	2016 \$'000
<b>REIMBURSEMENTS</b>			
- for insurance workcover		70	116
- for other		93	3
		163	119
 <b>OTHER INCOME</b>			
Sundry		70	122
		70	122
 <b>GRANTS, SUBSIDIES, CONTRIBUTIONS</b>			
Amounts received specifically for new or upgraded assets		401	14
Other grants, subsidies and contributions			
Untied - Financial Assistance Grant		271	61
Roads to Recovery		119	164
Youth		0	2
Library & Communications		28	28
Municipal Deficit Funding		871	600
		1,289	855
		1,690	869
 The functions to which these grants relate are shown in Note 11.			
 <b>Sources of grants</b>			
Commonwealth government		391	269
State government		865	300
BHP		434	300
		1,690	869



# MUNICIPAL COUNCIL OF ROXBY DOWNS

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

### Note 2 - INCOME (cont)

	Notes	2017 \$'000	2016 \$'000
<b><i>Conditions over grants &amp; contributions</i></b>			
Grants and contributions which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, are as follows:			
Amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions			
Heritage & Cultural Services - "Emu Walk"		201	
Subtotal		201	
Unexpended at the close of this reporting period		201	
Net increase (decrease) in assets subject to conditions in the current reporting period		201	

# MUNICIPAL COUNCIL OF ROXBY DOWNS

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

### Note 3 - EXPENSES

	Notes	2017 \$'000	2016 \$'000
<b>EMPLOYEE COSTS</b>			
Salaries and Wages		3,700	4,120
Employee leave expense		480	357
Superannuation - defined contribution plan contributions	17	337	379
Workers' Compensation Insurance		207	175
Other		151	185
<b>Total Operating Employee Costs</b>		<b>4,875</b>	<b>5,216</b>
<b>Total Number of Employees</b>		<b>52</b>	<b>61</b>
<i>(Full time equivalent at end of reporting period)</i>			
<b>MATERIALS, CONTRACTS &amp; OTHER EXPENSES</b>			
<u>Prescribed Expenses</u>			
Auditor's Remuneration			
- Auditing the financial reports		59	34
Bad and Doubtful Debts		47	-
Subtotal - Prescribed Expenses		<u>106</u>	<u>34</u>
<u>Other Materials, Contracts &amp; Expenses</u>			
Contractors		6,274	7,008
Landfill (capping Rehabilitation Refer Note 7 for provisions)			52
Purchase of Power		1,288	1,412
Purchase of Water		582	752
External Houses		239	363
Insurance		351	332
Legal Expenses		2	132
Levies paid to government - NRM levy		112	114
Sundry		195	127
Subtotal - Other Materials, Contracts & Expenses		<u>9,043</u>	<u>10,292</u>
		<b>9,149</b>	<b>10,326</b>

## MUNICIPAL COUNCIL OF ROXBY DOWNS

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

#### Note 3 - EXPENSES (cont)

	Notes	2017 \$'000	2016 \$'000
<b>DEPRECIATION, AMORTISATION &amp; IMPAIRMENT</b>			
<b>Depreciation</b>			
Buildings & Other Structures		<b>567</b>	545
Infrastructure			
- Roads		<b>400</b>	402
- Footpaths		<b>103</b>	105
- Kerbing and Guttering		<b>113</b>	114
- Car Parks		<b>14</b>	15
- Parks and Gardens		<b>86</b>	103
- Power Infrastructure		<b>621</b>	622
- Water Infrastructure		<b>186</b>	183
- Sewerage Infrastructure		<b>254</b>	215
- Stormwater Drainage		<b>78</b>	79
Plant and Equipment		<b>160</b>	152
Furniture & Fittings		<b>19</b>	20
		<u><b>2,601</b></u>	<u>2,555</u>
 <b>FINANCE COSTS</b>			
Interest		<u><b>18</b></u>	<u>20</u>
		<u><b>18</b></u>	<u>20</u>

# MUNICIPAL COUNCIL OF ROXBY DOWNS

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

### Note 4 - ASSET DISPOSAL & FAIR VALUE ADJUSTMENTS

	2017 Notes \$'000	2016 \$'000
<b>INFRASTRUCTURE, PROPERTY, PLANT &amp; EQUIPMENT</b>		
<i>Assets renewed or directly replaced</i>		
Proceeds from disposal	66	-
Less: Carrying amount of assets sold	<u>30</u>	<u>-</u>
<b>Gain (Loss) on disposal</b>	<u><b>36</b></u>	<u><b>-</b></u>
 <i>Assets surplus to requirements</i>		
Proceeds from disposal	-	48
Less: Carrying amount of assets sold	<u>129</u>	<u>27</u>
<b>Gain (Loss) on disposal</b>	<u><b>(129)</b></u>	<u><b>21</b></u>
 <b>FAIR VALUE ADJUSTMENTS</b>		
Revaluation decrements expensed	<u>(6,232)</u>	<u>-</u>
	<u><b>(6,232)</b></u>	<u><b>0</b></u>
 <b>NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS</b>		
	<u><b>(6,325)</b></u>	<u><b>21</b></u>

# MUNICIPAL COUNCIL OF ROXBY DOWNS

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

### Note 5 - CURRENT ASSETS

	Notes	2017 \$'000	2016 \$'000
<b>CASH &amp; EQUIVALENT ASSETS</b>			
Cash on Hand and at Bank		36	20
Deposits at Call		<u>2,660</u>	<u>557</u>
		<u><b>2,696</b></u>	<u><b>577</b></u>
 <b>TRADE &amp; OTHER RECEIVABLES</b>			
Rates - General & Other		370	380
Electricity Charges Outstanding		1,125	1,068
Water & Sewerage Charges Outstanding		1,178	1,098
Accrued Revenues		2	33
Debtors - general		710	185
GST Recoupment		(2)	53
Prepayments		2	
Refundable Expenses (Insurance Claims & Bonds)		1	10
Total		<b>3,386</b>	2,827
 Less: Allowance for Doubtful Debts		<u>50</u>	<u>-</u>
		<u><b>3,336</b></u>	<u><b>2,827</b></u>
 Refundable Expenses (Insurance Claims & Bonds)			
 <b>INVENTORIES</b>			
Roxby Leisure		<u>21</u>	<u>27</u>
		<u><b>21</b></u>	<u><b>27</b></u>
 <i>Amounts included in inventories that are not expected to be received within 12 months of reporting date.</i>		<i>0</i>	<i>0</i>

# MUNICIPAL COUNCIL OF ROXBYP DOWNS

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

### Note 6 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	Fair Value Level	2016 \$'000				2017 \$'000			
		AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT
		Land	2	7,657	-	-	7,657	1,387	-
Land	3	7,601	-	-	7,601	10,911	-	-	10,911
Buildings & Other Structures	2	4,191	-	(2,262)	1,929	4,145	-	(2,908)	1,237
Buildings & Other Structures	3	16,160	5,204	(8,233)	13,131	17,752	-	(10,466)	7,286
Infrastructure									
- Roads	3	23,227	2,946	(4,089)	22,084	25,173	-	(7,611)	17,562
- Footpaths	3	4,423	645	(762)	4,306	13,418	-	(3,052)	10,366
- Kerbing and Guttering	3	7,934	-	(997)	6,937	11,756	-	(1,595)	10,161
- Car Parks	3	787	213	(170)	830	738	-	(179)	559
- Parks and Gardens	3	1,523	1,687	(811)	2,399	3,074	-	(913)	2,161
- Power Infrastructure	3	34,176	3,768	(11,154)	26,790	39,833	-	(16,270)	23,563
- Water Infrastructure	3	16,843	666	(4,135)	13,374	18,924	-	(5,876)	13,048
- Sewerage Infrastructure	3	14,599	5,114	(3,558)	16,155	21,261	-	(5,513)	15,748
- Stormwater Drainage	3	6,289	32	(1,434)	4,887	6,726	-	(1,866)	4,860
Plant and Equipment		-	2,827	(1,874)	953	-	635	(201)	434
Furniture & Fittings		-	457	(382)	75	-	389	(341)	48
Capital Work in Progress		-	393	-	393	-	919	-	919
Reinstatement costs		-	-	-	-	-	-	-	-
<b>TOTAL INFRASTRUCTURE, PROPERTY, PLANT &amp; EQUIPMENT</b>		<b>145,410</b>	<b>23,952</b>	<b>(39,861)</b>	<b>129,501</b>	<b>175,098</b>	<b>1,943</b>	<b>(56,791)</b>	<b>120,250</b>
<b>Comparatives</b>		<b>145,464</b>	<b>20,210</b>	<b>(37,477)</b>	<b>128,197</b>	<b>145,410</b>	<b>23,952</b>	<b>(39,861)</b>	<b>129,501</b>

This Note continues on the following pages.

# MUNICIPAL COUNCIL OF ROXBY DOWNS

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

### Note 6 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT (cont)

	2016 \$'000	CARRYING AMOUNT MOVEMENTS DURING YEAR \$'000							2017 \$'000	
	CARRYING AMOUNT	Additions		Disposals	Depreciation	Impairment	Transfers		Net Revaluation	CARRYING AMOUNT
		New/Upgrade	Renewals				In	Out		
Land	7,657	-	-	-	-	-	-	-	(6,270)	1,387
Land	7,601	-	-	-	-	-	-	-	3,310	10,911
Buildings & Other Structures	1,929	-	-	-	(87)	(537)	-	-	(68)	1,237
Buildings & Other Structures Infrastructure	13,131	47	284	-	(480)	(5,695)	385	-	(386)	7,286
- Roads	22,084	-	154	-	(400)	-	-	-	(4,276)	17,562
- Footpaths	4,306	-	-	-	(103)	-	-	-	6,163	10,366
- Kerbing and Guttering	6,937	-	-	-	(113)	-	-	-	3,337	10,161
- Car Parks	830	-	-	-	(14)	-	-	-	(257)	559
- Parks and Gardens	2,399	-	-	(3)	(86)	-	-	-	(149)	2,161
- Power Infrastructure	26,790	-	-	(28)	(621)	-	-	-	(2,578)	23,563
- Water Infrastructure	13,374	-	-	-	(186)	-	-	-	(140)	13,048
- Sewerage Infrastructure	16,155	17	-	(3)	(254)	-	-	-	(167)	15,748
- Stormwater Drainage	4,887	-	-	-	(78)	-	-	-	51	4,860
Plant and Equipment	953	37	106	(117)	(160)	-	-	(385)	-	434
Furniture & Fittings	75	-	-	(8)	(19)	-	-	-	-	48
Capital Work in Progress	393	-	543	-	-	-	-	(17)	-	919
Reinstatement costs	-	-	-	-	-	-	-	-	-	-
<b>TOTAL INFRASTRUCTURE, PROPERTY, PLANT &amp; EQUIPMENT</b>	<b>129,501</b>	<b>101</b>	<b>1,087</b>	<b>(159)</b>	<b>(2,601)</b>	<b>(6,232)</b>	<b>385</b>	<b>(402)</b>	<b>(1,430)</b>	<b>120,250</b>
<i>Comparatives</i>	<b>128,197</b>	<b>3,529</b>	<b>234</b>	<b>(27)</b>	<b>(2,555)</b>	<b>-</b>	<b>963</b>	<b>(963)</b>	<b>123</b>	<b>129,501</b>

*This Note continues on the following pages.*

# MUNICIPAL COUNCIL OF ROXBY DOWNS

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

### Note 6 – INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT (cont)

#### Valuation of Assets

##### **General Valuation Principles**

*Accounting procedure:* Upon revaluation, the current new replacement cost and accumulated depreciation are re-stated such that the difference represents the fair value of the asset determined in accordance with AASB 13

*Fair Value Measurement:* accumulated depreciation is taken to be the difference between current new replacement cost and fair value. In the case of land, fair value is taken to be the current replacement cost.

*Highest and best use:* For land which Council has an unfettered right to sell, the "highest and best use" recognises the possibility of the demolition or substantial modification of some or all of the existing buildings and structures affixed to the land.

Much of the land under Council's care and control is Crown land or has been declared as community land under the provisions of the Local Government Act 1999. Other types of restrictions also exist.

For land subject to these restrictions, the highest and best use is taken to be the "highest and best use" available to Council, with a rebuttable presumption that the current use is the "highest and best use". The reason for the current use of a large proportion of Council's assets being other than the "highest and best use" relates to Council's principal role as the provider of services to the community, rather than the use of those assets for the generation of revenue.

For buildings and other structures on and in the land, including infrastructure, "highest and best use" is determined in accordance with the land on and in which they are situated.

*Fair value hierarchy level 2 valuations:* Certain land, and the buildings and structures thereon, are shown above as being based on fair value hierarchy level 2 valuation inputs. They are based on prices for similar assets in an active market, with directly or indirectly observable adjustments for specific advantages or disadvantages attaching to the particular asset.

*Fair value hierarchy level 3 valuations of land:* Valuations of Crown land, community land and land subject to other restrictions on use or disposal, shown above as being based on fair value hierarchy level 3 valuation inputs, are based on prices for similar assets in an active market, but include adjustments for specific advantages or disadvantages attaching to the particular asset that are not directly or indirectly observable in that market, or the number and / or amount of observable adjustments of which are so great that the valuation is more fairly described as being based on level 3 valuation inputs.

*Fair value hierarchy level 3 valuations of buildings, infrastructure and other assets:* There is no known market for these assets and they are valued at depreciated current replacement cost. This method involves:

The determination of the cost to construct the asset (or its modern engineering equivalent) using current prices for materials and labour, the quantities of each being estimated based on recent experience of this or similar Councils, or on industry construction guides where these are more appropriate.

The calculation of the depreciation that would have accumulated since original construction using current estimates of residual value and useful life under the prime cost depreciation method adopted by Council.

This method has significant inherent uncertainties, relying on estimates of quantities of materials and labour, residual values and useful lives, and the possibility of changes in prices for materials and labour, and the potential for development of more efficient construction techniques.

*Capitalisation thresholds* used by Council for a representative range of assets are shown below. No capitalisation threshold is applied to the acquisition of land or interests in land.

Buildings - new construction/extensions	\$10,000
Road construction & reconstruction	\$10,000
All other assets	\$5,000



# MUNICIPAL COUNCIL OF ROXBY DOWNS

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

### Note 6 – INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT (cont)

*Estimated Useful Lives:* Useful lives are estimated for each individual asset. In estimating useful lives, regard is had to technical and commercial obsolescence, as well as legal and other limitations on continued use. The range of useful lives for a representative range of assets is shown below, although individual assets may have an estimated total useful life of greater or lesser amount:

Plant, Furniture & Equipment	
Office Equipment	5 to 10 years
Office Furniture	10 to 20 years
Vehicles and Road-making Equip	3 to 8 years
Other Plant & Equipment	3 to 20 years
Building & Other Structures	
Buildings – masonry	20 to 60 years
Buildings – other construction	20 to 60 years
Playground equipment	5 to 15 years
Benches, seats, etc	5 to 15 years
Infrastructure	
Sealed Roads – Surface	18 to 38 years
Sealed Roads – Structure	20 to 99 years
Unsealed Roads	10 to 34 years
Paving & Footpaths, Kerb & Gutter	25 to 72 years
Drains	40 to 70 years
Flood Control Structures	6 to 60 years

#### Land & Land Improvements

Council being of the opinion that it is not possible to attribute a value sufficiently reliably to qualify for recognition, land under roads has not been recognised in these reports. Land acquired for road purposes during the year is initially recognised at cost, but transferred to fair value at reporting date, effectively writing off the expenditure.

Freehold land and land over which Council has control, but does not have title, is recognised on the cost basis. No capitalisation threshold is applied to the acquisition of land or interests in land.

Fair value level 2 land assets were valued by Maloney Field Services as at 30 June 2017. All other Land Assets were valued as at 30 June 2017 using the South Australian Valuer-General Valuation

#### Buildings & Other Structures

Fair value level 2 Building assets were valued by Maloney Field Services as at 30 June 2017.

Fair value level 3 Building assets were valued at written down replacement cost for 30 June 2017. These assets were revalued by Council staff using independently verifiable unit rates.

#### Infrastructure

All Infrastructure assets were valued at written down replacement cost for 30 June 2017. These assets were revalued by Council staff using independently verifiable unit rates.

#### Plant, Furniture & Equipment

These assets are recognised on the cost basis.

#### Work in Progress

These assets are recognised on the cost basis.

# MUNICIPAL COUNCIL OF ROXBY DOWNS

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

### Note 7 - LIABILITIES

	Notes	2017 \$'000		2016 \$'000	
		Current	Non-current	Current	Non-current
<b>TRADE &amp; OTHER PAYABLES</b>					
Goods & Services		878		1,096	
Accrued expenses - employee entitlements		84	-	261	-
Accrued expenses - other		133	-	303	-
Deposits, Retentions & Bonds		26	-	24	-
Other		205	-	207	-
		<u>1,326</u>	<u>-</u>	<u>1,891</u>	<u>-</u>
 <b>BORROWINGS</b>					
Bank Overdraft		74		233	
 <b>PROVISIONS</b>					
Employee entitlements (including oncosts)		259	108	273	56
Future reinstatement / restoration, etc		-	1,122	-	1,122
		<u>259</u>	<u>1,230</u>	<u>273</u>	<u>1,178</u>
 <i>Amounts included in provisions that are not expected to be settled within 12 months of reporting date.</i>		 1,230		 1,178	

# MUNICIPAL COUNCIL OF ROXBYP DOWNS

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

### Note 8 - RESERVES

<b>ASSET REVALUATION RESERVE</b>	1/7/2016	Net Increments (Decrements)	Transfers, Impairments	30/6/2017
Notes	\$'000	\$'000	\$'000	\$'000
Land	13,110	(2,960 )	-	<b>10,150</b>
Buildings & Other Structures	454	(454 )	-	<b>0</b>
Roads	19,422	(4,276 )	-	<b>15,146</b>
Footpaths	3,558	6,163	-	<b>9,721</b>
Kerbing & Guttering	6,696	3,337	-	<b>10,033</b>
Car Parks	893	(257 )	-	<b>636</b>
Parks & Gardens	1,698	(149 )	-	<b>1,549</b>
Power Infrastructure	26,231	(2,578 )	-	<b>23,653</b>
Water Infrastructure	13,328	(140 )	-	<b>13,188</b>
Sewerage Network	10,092	(167 )	-	<b>9,925</b>
Stormwater Drainage	5,397	51	-	<b>5,448</b>
<b>TOTAL</b>	<b>100,879</b>	<b>(1,430 )</b>	<b>-</b>	<b>99,449</b>
<i>Comparatives</i>	<i>100,756</i>	<i>123</i>	<i>-</i>	<i>100,879</i>

#### **PURPOSES OF RESERVES**

##### **Asset Revaluation Reserve**

The asset revaluation reserve is used to record increments and decrements arising from changes in fair value of non-current assets (less any subsequent impairment losses, where applicable).

# MUNICIPAL COUNCIL OF ROXBY DOWNS

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

### Note 9 - RECONCILIATION TO CASH FLOW STATEMENT

#### (a) Reconciliation of Cash

Cash Assets comprise highly liquid investments with short periods to maturity subject to insignificant risk of changes of value. Cash at the end of the reporting period as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:

	Notes	2017 \$'000	2016 \$'000
Total cash & equivalent assets	5	2,696	577
Less: Short-term borrowings	7	(74)	(233)
Balances per Cash Flow Statement		<u>2,622</u>	<u>344</u>

#### (b) Reconciliation of Change in Net Assets to Cash from Operating Activities

Net Surplus (Deficit)		(4,513)	(542)
Non-cash items in Income Statement			
Depreciation, amortisation & impairment		2,601	2,555
Fair value adjustments		6,232	
Net increase (decrease) in unpaid employee benefits		(139)	75
Change in allowances for under-recovery		50	
Non-cash asset acquisitions		-	
Grants for capital acquisitions treated as Investing Activity		(401)	(14)
Net (Gain) Loss on Disposals		93	(21)
		<u>3,923</u>	<u>2,053</u>
Add (Less): Changes in Net Current Assets			
Net (increase) decrease in receivables		(518)	410
Net (increase) decrease in inventories		6	(6)
Net increase (decrease) in trade & other payables		(388)	(251)
Net increase (decrease) in other provisions		(38)	(33)
<b>Net Cash provided by (or used in) operations</b>		<u>2,985</u>	<u>2,173</u>

#### (c) Financing Arrangements

Unrestricted access was available at balance date to the following lines of credit:

Bank Overdrafts	500	267
Corporate Credit Cards	26	10
LGFA Cash Advance Debenture facility	2,500	2,500

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice.

# MUNICIPAL COUNCIL OF ROXBY DOWNS

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

### Note 10 - FUNCTIONS

INCOMES, EXPENSES AND ASSETS HAVE BEEN DIRECTLY ATTRIBUTED TO THE FOLLOWING FUNCTIONS & ACTIVITIES										
INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)		
ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	
2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Corporate Services	5,652	5,182	3,113	6,546	2,539	(1,364)	194	635	22,410	25,766
Culture	-	541	258	1,155	(258)	(614)	28	-	1,849	3,026
Infrastructure	1,402	1,420	1,880	2,634	(478)	(1,214)	397	190	47,096	35,992
Community Services	161	26	246	446	(85)	(420)	-	-	594	3,601
Sport & Recreation/Leisure	990	859	1,018	2,314	(28)	(1,455)	200	30	1,737	4,614
Regulatory Services	41	46	169	145	(128)	(99)	-	-	91	-
Electricity Supply	4,549	4,606	3,008	2,883	1,541	1,723	-	-	23,563	30,344
Water Supply	2,690	2,841	1,127	1,317	1,563	1,524	-	-	13,217	15,016
Sewerage Services	2,066	2,019	431	677	1,635	1,342	-	-	15,748	14,573
	503		5,393		(4,890)	-	871			
<b>TOTALS</b>	<b>18,054</b>	17,540	<b>16,643</b>	18,117	<b>1,411</b>	(577)	<b>1,690</b>	855	<b>126,303</b>	132,932

Revenues and expenses exclude net gain (loss) on disposal or revaluation of assets, net gain (loss) from joint ventures & associated entities, amounts received specifically for new or upgraded assets and physical resources received free of charge.

# MUNICIPAL COUCNIL OF ROXBY DOWNS

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

### Note 10 - FUNCTIONS (cont)

The activities relating to Council functions are as follows:

#### **Corporate Services**

General operations, Council offices, rates, governance, participating in Local Government Associations, general grants.

#### **Culture**

Art Gallery, Visitor Information Centre, cinema, auditorium, Public Library, Cultural Centre administration.

#### **Infrastructure**

Roads and transport, Parks and Gardens, off road tracks, stormwater, footpaths, streetscaping, skate park and public street lighting, landfill & recycling, maintenance and disposal fees, garbage collection and charges, environmental protection, litter control, vandalism.

#### **Community Services**

Community Youth Centre operation and services, community development support, volunteer support, family support, festivals, community board activities, health, media, business support and tourism promotion.

#### **Sport and Recreation**

Operations and maintenance of Recreation Centre, swimming pool, tennis and netball courts, community ovals plus other support to sport and recreation groups.

#### **Regulatory Services**

Dog and cat control, Development Act, planning and building fees and charges, environmental health expenses, emergency services support.

#### **Electricity Supply**

Retail and distribution of electricity, power purchases and electricity infrastructure maintenance.

#### **Water Supply**

Retail and distribution of water, water purchases and water infrastructure maintenance.

#### **Sewerage Services**

Sewerage infrastructure and lagoons maintenance, treated waste water and sewerage service charges.

# MUNICIPAL COUNCIL OF ROXBY DOWNS

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

### Note 11 - FINANCIAL INSTRUMENTS

All financial instruments are categorised as *loans and receivables*.

#### Accounting Policies - Recognised Financial Instruments

<b>Bank, Deposits at Call, Short Term Deposits</b>	<p><b>Accounting Policy:</b> Carried at lower of cost and net realisable value; Interest is recognised when earned.</p> <p><b>Terms &amp; conditions:</b> Deposits are returning fixed interest rates between 1.5% and 1.75% (2016: 1.75% and 2.5%).</p> <p><b>Carrying amount:</b> approximates fair value due to the short term to maturity.</p>
<b>Receivables - Rates &amp; Associated Charges (including legals &amp; penalties for late payment)</b>	<p><b>Accounting Policy:</b> Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p>Note: These receivables do not meet the definition of "financial instruments" and have been excluded from the following disclosures.</p> <p><b>Terms &amp; conditions:</b> Secured over the subject land, arrears attract interest of 7.00% (2016: 7.25%) Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.</p> <p><b>Carrying amount:</b> approximates fair value (after deduction of any allowance).</p>
<b>Receivables - Fees &amp; other charges</b>	<p><b>Accounting Policy:</b> Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p><b>Terms &amp; conditions:</b> Unsecured, and do not bear interest. Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries.</p> <p><b>Carrying amount:</b> approximates fair value (after deduction of any allowance).</p>
<b>Receivables - other levels of government</b>	<p><b>Accounting Policy:</b> Carried at nominal value.</p> <p><b>Terms &amp; conditions:</b> Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest. All amounts are due by Departments and Agencies of State and Federal Governments.</p> <p><b>Carrying amount:</b> approximates fair value.</p>
<b>Liabilities - Creditors and Accruals</b>	<p><b>Accounting Policy:</b> Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.</p> <p><b>Terms &amp; conditions:</b> Liabilities are normally settled on 30 day terms.</p> <p><b>Carrying amount:</b> approximates fair value.</p>
<b>Liabilities - Finance Leases</b>	<p><b>Accounting Policy:</b> accounted for in accordance with AASB 117.</p>

## MUNICIPAL COUNCIL OF ROXBY DOWNS

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

#### Note 11 - FINANCIAL INSTRUMENTS (cont)

##### Liquidity Analysis

2017	Due < 1 year	Due > 1 year ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial Assets</b>					
Cash & Equivalents	2,696			2,696	2,696
Receivables	3,336			3,336	3,016
<b>Total</b>	<b>6,032</b>	-	-	<b>6,032</b>	<b>5,712</b>
<b>Financial Liabilities</b>					
Payables	1,328			1,328	1,109
Current Borrowings	74			74	74
<b>Total</b>	<b>1,402</b>	-	-	<b>1,402</b>	<b>1,183</b>
<b>2016</b>					
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial Assets</b>					
Cash & Equivalents	577			577	577
Receivables	2,447	-	-	2,447	2,447
<b>Total</b>	<b>3,024</b>	-	-	<b>3,024</b>	<b>3,024</b>
<b>Financial Liabilities</b>					
Payables	1,327	-	-	1,327	1,327
Current Borrowings	233	-	-	233	233
<b>Total</b>	<b>1,560</b>	-	-	<b>1,560</b>	<b>1,560</b>

The following interest rates were applicable to Council's borrowings at balance date:

	30 June 2017		30 June 2016	
	Weighted Average Interest Rate	Carrying Value	Weighted Average Interest Rate	Carrying Value
	%	\$'000	%	\$'000
Overdraft	0	74	3.75	233
		<u>74</u>		<u>233</u>

##### Net Fair Value

All carrying values approximate fair value for all recognised financial instruments. There is no recognised market for the financial assets of the Council.

##### Risk Exposures

**Credit Risk** represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of the Council is the carrying amount, net of any allowance for doubtful debts. Council investments are made with the SA Local Government Finance Authority which are guaranteed by the SA Government, and the National Australia Bank. Except as detailed in Note 5 in relation to individual classes of receivables, exposure is concentrated within the Council's boundaries, and there is no material exposure to any individual debtor.

**Market Risk** is the risk that fair values of financial assets will fluctuate as a result of changes in market prices. All of Council's financial assets are denominated in Australian dollars and are not traded on any market, and hence neither market risk nor currency risk apply.

**Liquidity Risk** is the risk that Council will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Management Policy (LGA Information Paper 15), liabilities have a range of maturity dates. Council also has available a range of bank overdraft and standby borrowing facilities that it can access.

**Interest Rate Risk** is the risk that future cash flows will fluctuate because of changes in market interest rates. Council has a balance of both fixed and variable interest rate borrowings and investments. Cash flow fluctuations are managed holistically in seeking to minimise interest costs over the longer term in a risk averse manner.



# MUNICIPAL COUNCIL OF ROXBY DOWNS

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

### Note 12 - EXPENDITURE COMMITMENTS

	<u>Notes</u>	2017 \$'000	2016 \$'000
<b>Capital Commitments</b>			
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:			
Splash Pad - shade sail		30	800
Richardson Place Redevelopment		55	180
Water Infrastructure		-	130
Electricity Infrastructure - Transformers		-	70
		<b>85</b>	<b>1,180</b>
These expenditures are payable:			
Not later than one year		85	1,180
Later than one year and not later than 5 years		-	-
Later than 5 years		-	-
		<b>85</b>	<b>1,180</b>
<b>Other Expenditure Commitments</b>			
Other non-capital expenditure commitments in relation to council-owned assets:			
Waste Management		1080	432
Other		600	1280
Audit		35	40
		<b>1,715</b>	<b>1,752</b>

# MUNICIPAL COUNCIL OF ROXBY DOWNS

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

### Note 13 - FINANCIAL INDICATORS

2017                      2016                      2015

These Financial Indicators have been calculated in accordance with *Information Paper 9 - Local Government Financial Indicators* prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia. Detailed methods of calculation are set out in the SA Model Statements.

The Information Paper was revised in May 2015 and the financial indicators for previous years have been re-calculated in accordance with the revised formulas.

#### **Operating Surplus Ratio**

<u>Operating Surplus</u>	8.0%	(3.0%)	(1.0%)
Total Operating Revenue			

This ratio expresses the operating surplus as a percentage of total operating revenue.

#### **Adjusted Operating Surplus Ratio**

	7.0%	(3.0%)	(2.0%)
--	------	--------	--------

In recent years the Federal Government has made advance payments prior to 30th June from future year allocations of financial assistance grants, as explained in Note 1. The **Adjusted Operating Surplus Ratio** adjusts for the resulting distortion in the disclosed operating result for each year.

#### **Net Financial Liabilities Ratio**

<u>Net Financial Liabilities</u>	-17%	1%	-9%
Total Operating Revenue			

Net Financial Liabilities are defined as total liabilities less financial assets. These are expressed as a percentage of total operating revenue.

#### **Asset Sustainability Ratio**

<u>Net Asset Renewals</u>	4%	13%	1%
Infrastructure & Asset Management Plan required expenditure (\$'000)	405	*	*
Depreciation Expense (\$'000)	n/a	2,555	2,563

Net asset renewals expenditure is defined as net capital expenditure on the renewal and replacement of existing assets, and excludes new capital expenditure on the acquisition of additional assets.

\* For the 2015 and 2016 financial years the Infrastructure and Asset Management Plan had not been adopted. As a result the denominator used in the Asset Renewal ratio for these years was the depreciation expense for the year.

# MUNICIPAL COUNCIL OF ROXBY DOWNS

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

### Note 14 - UNIFORM PRESENTATION OF FINANCES

The following is a high level summary of both operating and capital investment activities of the Council prepared on a simplified Uniform Presentation Framework basis.

All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.

The arrangements ensure that all Councils provide a common set of financial information, which enables meaningful comparisons of each Council's finances.

	2017 \$'000	2016 \$'000
Income	18,054	17,540
<i>less</i> Expenses	<u>16,643</u>	<u>18,117</u>
<b>Operating Surplus / (Deficit)</b>	<b>1,411</b>	<b>(577)</b>
 <i>less</i> <b>Net Outlays on Existing Assets</b>		
Capital Expenditure on renewal and replacement of Existing Assets	84	331
Depreciation, Amortisation and Impairment	(2,601)	(2,555)
Proceeds from Sale of Replaced Assets	<u>(66)</u>	<u>-</u>
	<b>(2,583)</b>	<b>(2,224)</b>
 <i>less</i> <b>Net Outlays on New and Upgraded Assets</b>		
Capital Expenditure on New and Upgraded Assets <i>(including investment property &amp; real estate developments)</i>	1,090	3,432
Amounts received specifically for New and Upgraded Assets	(401)	(14)
Proceeds from Sale of Surplus Assets <i>(including investment property and real estate developments)</i>	<u>-</u>	<u>(48)</u>
	<b>689</b>	<b>3,370</b>
 <b>Net Lending / (Borrowing) for Financial Year</b>	 <b><u>3,305</u></b>	 <b><u>(1,723)</u></b>

# MUNICIPAL COUNCIL OF ROXBYP DOWNS

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

### Note 15 - OPERATING LEASES

#### *Lease payment commitments of Council*

Council has entered into non-cancellable operating lease for a number of photocopier/printer units.

No lease imposes any additional restrictions on Council in relation to additional debt or further leasing.

Leases in relation to the above office equipment permit Council, at expiry of the lease, to elect to re-lease, return or acquire the equipment leased.

No lease contains any escalation clause.

Commitments under non-cancellable operating leases that have not been recognised in the financial statements are as follows:

	2017 \$'000	2016 \$'000
Not later than one year	23	23
Later than one year and not later than 5 years	35	57
Later than 5 years	-	-
	58	80

### Note 16 - CONTINGENCIES & ASSETS & LIABILITIES NOT RECOGNISED IN THE STATEMENT OF FINANCIAL POSITION

The following assets and liabilities do not qualify for recognition in the Balance Sheet but knowledge of those items is considered relevant to user of the financial report in making and evaluating decisions about the allocation of scarce resources.

#### **LAND UNDER ROADS**

As reported elsewhere in these Statements, Council is of the opinion that it is not possible to attribute a value sufficiently reliably for these assets to qualify for recognition, and accordingly land under roads has not been recognised in these reports. Land acquired for road purposes during the year is initially recognised at cost, but transferred to fair value at reporting date, effectively writing off the expenditure.

At reporting date, Council controlled 39 km of road reserves of average width 15 metres.

# MUNICIPAL COUNCIL OF ROXBY DOWNS

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

### Note 17 – SUPERANNUATION

The Council makes employer superannuation contributions in respect of its employees to Statewide Super (formerly Local Government Superannuation Scheme). There are two types of membership, each of which is funded differently. Permanent and contract employees of the South Australian Local Government sector with Salarylink benefits prior to 24 November 2009 have the option to contribute to the Accumulation section and/or Salarylink. All other employees (including casuals) have all contributions allocated to the Accumulation section.

#### Accumulation only Members

Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings and are no less than required by superannuation guarantee legislation (9.50% in 2016/17; 9.50% in 2015/16). No further liability accrues to the Council as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

#### Salarylink (Defined Benefit Fund) Members

Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member's contribution rate, number of years and level of contribution and final average salary. Council makes employer contributions to Salarylink as determined by the Fund's Trustee based on advice from the appointed Actuary. The rate is currently 6.3% (6.3% in 2015/16) of "superannuation" salary.

In addition, Council makes a separate contribution of 3% of ordinary time earnings for Salarylink members to their Accumulation account. Employees also make member contributions to the Salarylink section of the Fund. As such, assets accumulate in the Salarylink section of the Fund to meet the member's benefits, as defined in the Trust Deed, as they accrue.

The Salarylink section is a multi-employer sponsored plan. As the Salarylink section's assets and liabilities are pooled and are not allocated by each employer, and employees may transfer to another employer within the local government sector and retain membership of the Fund, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided by AASB 119.32(b), Council does not use defined benefit accounting for these contributions.

The most recent actuarial investigation was conducted by the Fund's actuary, A C Miller, FIAA, of Russell Employee Benefits Pty Ltd as at 30 June 2014. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to Council's contribution rates at some future time.

#### Contributions to Other Superannuation Schemes

Council also makes contributions to other superannuation schemes selected by employees under the "choice of fund" legislation. All such schemes are of the accumulation type, where the superannuation benefits accruing to the employee are represented by their share of the net assets of the scheme, and no further liability attaches to the Council.

# MUNICIPAL COUNCIL OF ROXBY DOWNS

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

### Note 18 - RELATED PARTY DISCLOSURES

#### KEY MANAGEMENT PERSONNEL

	2017 \$'000
Salaries, allowances & other short term benefits	-
Post-employment benefits	2
<b>TOTAL</b>	<b>2</b>

#### RELATED PARTIES AND KEY MANAGEMENT SERVICES

The Department of State Development, pursuant to the authority given to it in the Roxby Downs (Indenture Ratification) Act 1982 has significant influence over Municipal Council of Roxby Downs.

During 2016/17 the State Government of South Australia paid \$435,388 (\$300,000 in 2015/16) to Council to assist in funding the provision of municipal services.

During 2016/17 the State Government of South Australia provided Key Management Services to Council. Council paid \$667,377 (\$69,428 in 2015/16) for these services during the year.

#### OTHER DISCLOSURES

During the year BHP paid \$435,388 (\$300,000 in 2015/16) to Council to assist in funding the provision of municipal services.

Pursuant to the Roxby Downs (Indenture Ratification) Act 1982 BHP supplies electricity and water to Council as the distribution authority for which Council pays BHP. For properties within the township of Roxby Downs BHP pays Council for water, sewerage, electricity and rates.

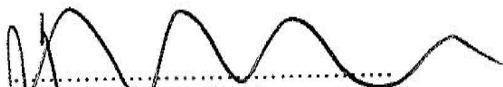
# MUNICIPAL COUNCIL OF ROXBY DOWNS

## ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2017

### CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Municipal Council of Roxby Downs for the year ended 30 June 2017, the Council's Auditor, David Papa, has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22(3) *Local Government (Financial Management) Regulations 2011*.



Roy Blight  
CHIEF EXECUTIVE



David Powell  
PRESIDING MEMBER  
AUDIT COMMITTEE

Date: 22 September 2017

## **INDEPENDENT ASSURANCE REPORT ON INTERNAL CONTROLS OF ROXBY DOWNS COUNCIL**

### **Opinion**

We have audited the compliance of Roxby Downs Council (the Council) with the requirements of *Section 125 of the Local Government Act 1999* in relation to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities for the period 1 July 2016 to 30 June 2017 are in accordance with legislative provisions.

In our opinion, the Council has complied, in all material respects, with *Section 125 of the Local Government Act 1999* in relation to Internal Controls, established by the Council in relation to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities so as to provide reasonable assurance that the financial transactions of the Council have been conducted properly and in accordance with legislative provisions for the period 1 July 2016 to 30 June 2017.

### **Limitation on Use**

This report has been prepared for the members of the Council in accordance with *Section 129 of the Local Government Act 1999* in relation to Internal Controls specified above. We disclaim any assumption of responsibility for any reliance on this report to any persons or users other than the members of the Council, or for any purpose other than that for which it was prepared.

### **Limitations of Controls**

Because of the inherent limitations of any internal control structure it is possible that, even if the controls are suitably designed and operating effectively, the control objectives may not be achieved so that fraud, error, or non-compliance with laws and regulations may occur and not be detected.

An assurance engagement on internal controls is not designed to detect all instances of controls operating ineffectively as it is not performed continuously throughout the period and the tests performed are on a sample basis. Any projection of the outcome of the evaluation of controls to future periods is subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

### **Independence**

In conducting our engagement, we have complied with the independence requirements of the Australian professional accounting bodies.



## **The Council's Responsibility for the Internal Controls**

The Council is responsible for implementing and maintaining an adequate system of internal controls, in accordance with *Section 125 of the Local Government Act 1999* in relation to Internal Controls, to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and incurring of liabilities are in accordance with legislative provisions.

## **Our Responsibility**

Our responsibility is to express an opinion on the Council's compliance with *Section 125 of the Local Government Act 1999* in relation only to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities, based on our procedures. Our engagement has been conducted in accordance with applicable Australian Standards on Assurance Engagements ASAE 3100 *Compliance Engagements*, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the *Council* has complied with *Section 125 of the Local Government Act 1999* in relation only to the Internal Controls specified above for the period 1 July 2016 to 30 June 2017. ASAE 3100 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

Our procedures included obtaining an understanding of internal controls in relation to the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities, evaluating management's assessment of these internal controls, assessing the risk that a material weakness exists, and testing and evaluating the design and implementation of controls on a sample basis on the assessed risks.

## **BENTLEYS SA AUDIT PARTNERSHIP**



DAVID PAPA  
PARTNER

Dated at Adelaide this 1<sup>st</sup> day of November 2017

## **INDEPENDENT ASSURANCE REPORT ON INTERNAL CONTROLS OF ROXBY DOWNS COUNCIL**

### **Opinion**

We have audited the compliance of Roxby Downs Council (the Council) with the requirements of *Section 125 of the Local Government Act 1999* in relation to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities for the period 1 July 2016 to 30 June 2017 are in accordance with legislative provisions.

In our opinion, the Council has complied, in all material respects, with *Section 125 of the Local Government Act 1999* in relation to Internal Controls, established by the Council in relation to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities so as to provide reasonable assurance that the financial transactions of the Council have been conducted properly and in accordance with legislative provisions for the period 1 July 2016 to 30 June 2017.

### **Limitation on Use**

This report has been prepared for the members of the Council in accordance with *Section 129 of the Local Government Act 1999* in relation to Internal Controls specified above. We disclaim any assumption of responsibility for any reliance on this report to any persons or users other than the members of the Council, or for any purpose other than that for which it was prepared.

### **Limitations of Controls**

Because of the inherent limitations of any internal control structure it is possible that, even if the controls are suitably designed and operating effectively, the control objectives may not be achieved so that fraud, error, or non-compliance with laws and regulations may occur and not be detected.

An assurance engagement on internal controls is not designed to detect all instances of controls operating ineffectively as it is not performed continuously throughout the period and the tests performed are on a sample basis. Any projection of the outcome of the evaluation of controls to future periods is subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

### **Independence**

In conducting our engagement, we have complied with the independence requirements of the Australian professional accounting bodies.

## **The Council's Responsibility for the Internal Controls**

The Council is responsible for implementing and maintaining an adequate system of internal controls, in accordance with *Section 125 of the Local Government Act 1999* in relation to Internal Controls, to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and incurring of liabilities are in accordance with legislative provisions.

## **Our Responsibility**

Our responsibility is to express an opinion on the Council's compliance with *Section 125 of the Local Government Act 1999* in relation only to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities, based on our procedures. Our engagement has been conducted in accordance with applicable Australian Standards on Assurance Engagements ASAE 3100 *Compliance Engagements*, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the *Council* has complied with *Section 125 of the Local Government Act 1999* in relation only to the Internal Controls specified above for the period 1 July 2016 to 30 June 2017. ASAE 3100 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

Our procedures included obtaining an understanding of internal controls in relation to the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities, evaluating management's assessment of these internal controls, assessing the risk that a material weakness exists, and testing and evaluating the design and implementation of controls on a sample basis on the assessed risks.

## **BENTLEYS SA AUDIT PARTNERSHIP**



DAVID PAPA  
PARTNER

Dated at Adelaide this 1<sup>st</sup> day of November 2017

**Bentleys SA Audit Partnership**

Level 2  
139 Frome Street  
Adelaide SA 5000

GPO Box 939  
Adelaide SA 5001

ABN 43 877 091 903

T +61 8 8372 7900  
F +61 8 8372 7999

admin@adel.bentleys.com.au  
bentleys.com.au

**Certification of Auditor Independence**

I confirm that, for the audit of the financial statements of Roxby Downs Council for the year ended 30 June 2017, I have maintained my independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22 (5) Local Government (Financial Management) Regulations 2011.



David Papa  
Partner  
**Bentleys SA Audit Partnership**

**Dated at Adelaide this 19 September 2017**