

MUNICIPAL COUNCIL OF ROXBBY DOWNS



ANNUAL BUSINESS PLAN AND BUDGET



2020/21 FINANCIAL YEAR
ending 30 June 2021

ACKNOWLEDGEMENT TO COUNTRY

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



A representation of Roxby Downs by Kokatha artists: Shirley, Lee and Jennifer Williams. 2019

The Kokatha traditional owners welcoming people from different communities and countries that come to live in Roxby to mine, visit or passing through.

-The Sleep Lizard (Gulda) is the significant totem of the Kokatha country.

-Symbols within the painting represent waterholes, the Kokatha, people coming from across the world, the mines and the sharing of culture and knowledge.



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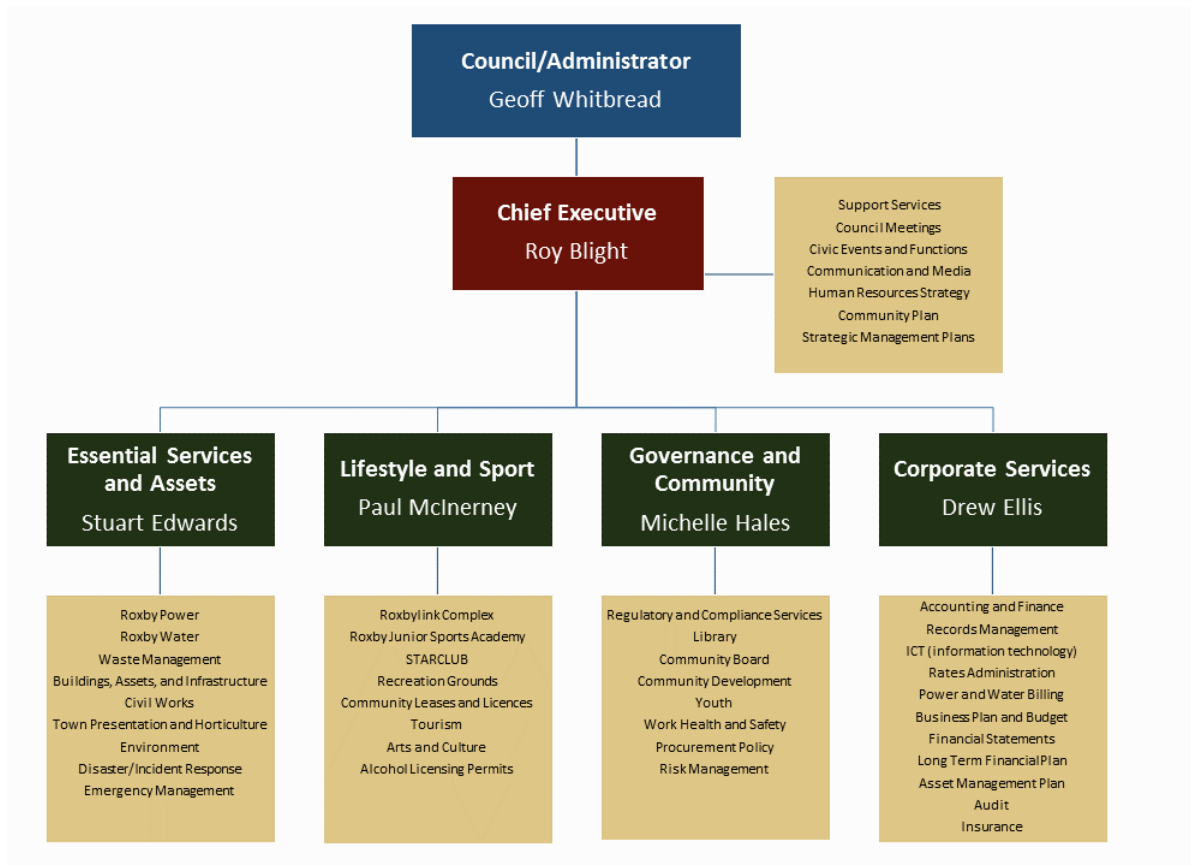
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Essential Services & Assets:

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

Lifestyle & Sport:

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

Governance & Community:

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

Corporate Services:

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

Introduction

This current year has been challenging for everyone. Prior to March, Council delivered many of its scheduled projects as set out in the 2019-2020 Annual Business Plan and Budget. These included the completion of the Hermit Street Nature Play Space, Lions Park upgrade, the commencement of the timber bollard replacement program, various scheduled footpath, road and walkway works and continuation of the upgrade of street lighting to more energy efficient and longer life LED lights.

The uncertainty that is a symptom of the COVID-19-world is something that Council must now contend with as it seeks to put forward an Annual Business Plan and Budget for 2020-2021. In doing this, Council has been guided by local circumstances. Fortunately, Roxby Downs has, for the most part escaped, the worst of the virus's impacts, both in a health sense and an economic sense. The town's major employer, the Olympic Dam Mine, has continued its core operations. As a result, the impact on local jobs and the local economy more generally, has been relatively minor compared to many other jurisdictions. These local realities are reflected in our planning for next year.

Council has continued providing its essential services. The provision to Roxby Downs of electricity, water, sewerage, waste collection and Service SA for example, have all continued uninterrupted. This need to ensure the delivery of essential services will be at the centre of our focus in 2020-2021. It is also important that Roxby Downs is restored to being the vibrant and liveable town that is so valued by our community. The collective well-being of our community is vital. That is why Council will seek to restore the important services and facilities provided by Roxbylink as soon as State Government directions allow so and as Council determine that it is safe to do so.

The Annual Business Plan and Budget for 2020-2021 is responsible and considered. Importantly, our response to COVID-19 will be appropriately measured. It will seek to ensure adequate local stimulus without creating any avoidable cost or rating burdens. Council will continue to be debt-free, being able to take advantage from our strong balance sheet. In terms of capital projects, we will continue the important theme of the last couple of years of investing in asset renewal. Council's obligation to deliver essential services to the town forms the focus of our planned capital expenditure for 2020-2021.

Council knows that not everyone in our community has escaped hardship as a result of COVID-19. Council will deal with the financial aspects of this hardship as necessary and in a reasonable and pragmatic way. Council intends to deal with such hardship on a case by case basis.

Finally, I wish to acknowledge the way the people of Roxby Downs have responded to these uncertain and unsettling times. The future for Roxby Downs remains bright. It will continue to be a great place to live. In putting forward this Annual Business Plan and Budget for 2020-2021, I am confident it is appropriate for our time. Now, I encourage you to engage with our planning processes. As ever, any comments or feedback via the formal consultation process are welcome.

Geoff Whitbread
Administrator

Community Consultation

Pursuant to the provisions of Section 123 of the Local Government Act 1999, each Local Government Authority is required to develop an Annual Business Plan and Budget for each financial year. Council authorised the release of the Draft Annual Business Plan and Budget 2020/21 for a period of **Community Consultation from 9am Monday 1 June 2020 to 6.30pm Monday 22 June 2020**.

This document was also available for download from Council's website www.roxbydowns.sa.gov.au. Hard copies of the draft document were also available for viewing at the Council Office - 6 Richardson Place, Roxby Downs and the Community Library in the Roxbylink Complex.

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

Council welcomed feedback on the draft version, before considering the formal adoption of the final Annual Business Plan and Budget 2020/21.

Due to COVID-19 (coronavirus) restrictions, Council encouraged the community to submit their representation via email or by post. Questions and comments were also received on the Facebook Live sessions.

Facebook Live sessions

The Roxby Council Facebook page broadcast two Facebook Live sessions led by the Chief Executive, Roy Blight, who provided an overview of the proposed Draft Annual Business Plan and Budget 2020/21, as well as inviting members of the public to make representations and ask questions.

-Wednesday 10 June 2020 beginning at **7.00pm**

-Wednesday 17 June 2020 beginning at **7.00pm**

Written Submissions

Written submissions were invited from residents and ratepayers until **6.30pm** on **Monday 22 June 2020**. All correspondence with regard to Council's Draft Annual Business Plan and Budget 2020/21 were required to be addressed to:

Postal

Draft Annual Business Plan & Budget 2020/21
Municipal Council of Roxby Downs
PO Box 124
Roxby Downs SA 5725

Email

Consultation@roxbycouncil.com.au

Online form

<https://www.roxbydowns.sa.gov.au/council/have-your-say/community-consultations>

Verbal Submissions

Residents and ratepayers were also provided the opportunity to make verbal submissions at a public meeting held in the Council Boardroom, 6 Richardson Place, Roxby Downs on **Wednesday 24 June 2020** at **6.30pm** where a minimum of one (1) hour was allocated to hear the submissions. Attendance was subject to COVID-19 protocols.

Strategic Direction

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

Providing Services to the Community

Council's operations are governed by The Roxby Downs Indenture Ratification Act (1982) and the Local Government Act (1999). Additional statutory and regulatory responsibilities arise from a number of other Acts including the Dog and Cat Management Act 1995, the Public Health Act 2011, Local Nuisance and Litter Control Act 2016, Environmental Protection Act 1993 and Planning, Development and Infrastructure Act 2016. The provision of mandatory and discretionary programs and services is influenced by these pieces of legislation as well as local community needs and priorities.

Services provided by Council include:

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

As at 1 July 2019 the value of community assets held by the Council was \$118m. These include buildings, infrastructure, property and equipment.

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

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

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

Significant Influences and Trends

A number of significant factors have influenced the preparation of the Annual Business Plan and Budget for 2020/2021. These include:

Coronavirus (COVID -19)

On 11 March 2020 the World Health Organisation declared the outbreak of Coronavirus (COVID-19) as a global pandemic. At the time of writing the pandemic was showing no abatement and continuing to spread overseas but showing some containment within Australia. As with all councils this is an unprecedented event and the long term financial impact on operations is unknown. This pandemic will have both social and economic impacts for our community.

While Council has suspended some operations (e.g. recreation facilities, cinema and the cafe) it has continued to operate or modify other services. Some 2019/2020 capital projects were put on hold and deferred to the latter half of 2020 or when operations have returned to some form of new normality. Social distancing protocols for public gatherings and travel restrictions in Australia and South Australia remain in force and continue to impact on current operations.

The immediate impact of modified or closed services has been the loss of work for a large majority of the casual workforce. When operations return to normal these casual staff will be welcomed back, however, there is a risk that they may have moved onto other employment. Sourcing suitably qualified casual staff will continue to be a challenge due to competition from the mining sector.

For the remainder of this calendar year and into 2021 there will be a period of changed services followed by a period of recovery. It is anticipated that Federal and State Government stimulus packages may provide opportunities for future growth and grant applications have been lodged to support infrastructure development in Roxby Downs.

Indenture Agreement

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

Olympic Dam Operation

BHP's Olympic Dam operation remains the single largest commercial driver for Roxby Downs and underpins the Council's operation.

BHP is in the process of upgrading the Olympic Dam airport which will include the construction of a larger runway to accommodate larger aircraft, and an upgrade to the terminal building and existing car park to meet current and future needs. To meet the accommodation needs of the 2021 Smelter Campaign Maintenance Project BHP has proposed the construction of a temporary accommodation village at Olympic Dam, an additional 200 beds at Olympic Dam village and additional temporary accommodation units at Discovery Park in Roxby Downs.

BHP is seeking to implement a staged growth program at Olympic Dam Resource Development Strategy (OD-RDS), a brownfields proposal to expand the existing use of the site. If approved, Business as Usual facilities and activities will be upgraded, replaced and expanded as needed. This could result in new employment opportunities at Olympic Dam and potentially more workers and families relocating to Roxby Downs. BHP will be engaging with the community about OD-RDS, as well as other projects including the upgraded airport, temporary accommodation village and Smelter Campaign Maintenance 21 (SCM21 - a major smelter outage), throughout the 2020-21 year.

Planning system reforms

In July 2020 the *Planning, Development and Infrastructure Act 2016* will come into operation for all rural councils with small towns. Roxby Downs falls within this group of councils. The associated new Planning and Design Code will consolidate South Australia's 72 development plans into a set of easy to understand planning rules and introduce an online centralised ePlanning system. The aim is to improve consistency of all planning decisions, speed up the movement of information and approvals and provide online access for planning professionals, developers, decision makers and the community for all planning and development matters. As a result of these reforms the existing Roxby Downs (Municipality) Development Plan will be revoked. The impact these reforms will have on resourcing is unknown but it is anticipated additional software may be needed to meet requirements.

Local Cost Factors

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

Consumer Price Index and Local Government Price Index¹

The Consumer Price Index (CPI) measures changes in the price of a 'basket of goods' and services which account for a high proportion of expenditure by metropolitan households. As an alternative measure the Local Government Price Index is considered to be a more reliable measure of price movements faced by Local Government in South Australia. Price inflation faced by the local government sector has historically been stronger compared to price inflation faced by households due to differences in the composition of purchases. However, this trend changed during 2019 where the annual Adelaide CPI for the December 2019 quarter was 2.1% while the Local Government Price Index for the same period was 1.6%.

Other influences

- The Enterprise Agreement which determines conditions of employment and provides for annual salary increases. The Municipal Council of Roxby Downs Enterprise Agreement (2017) is currently being renegotiated to cover the next 3 years.

¹ SA Centre for Economic Studies <https://www.adelaide.edu.au/saces/>

Objectives and Activities for 2020/2021

Proposed Council Investments in Key Projects

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

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

Item	Amount FY20/21	Carried Forward from FY 19/20
Recreation and Sports Hub Projects		
▸ Outdoor sporting facilities plan – research options for design and implementation, consult community, present project plan	\$50k	
▸ Community Youth Centre improvements		\$25k
Playground Upgrades and Development		
▸ Pine Crescent playgrounds – planning and consultation	\$20k	
▸ Pioneer Drive playground – planning and consultation	\$10k	
▸ New playground development – Southern Area subsection C – planning and consultation	\$20k	
Public Art		
▸ Public Art		\$60k
Aquatics		
▸ Replace solenoid, indoor pool acid pump and splash pad activator	\$11k	
▸ Replace sand in pool filters		\$70k
▸ Installation of splash pad fencing	\$7k	
▸ SCADA (supervisory control and data acquisition) instrumentation installation	\$8K	
▸ SCADA monitoring	\$40k	
Roxbylink - Centre-Based Sport, Recreation and Leisure		
▸ Air-conditioning maintenance	\$100k	
▸ Kiosk refurbishment	\$26k	
▸ Replace treadmills x 2 (Gym)	\$30k	
▸ Kitchen range hood extension, improve ventilation in kitchen, outdoor tables and chairs replacement (Dunes Café)	\$13k	
▸ Stage 2 of two year project to install LED lighting throughout Roxbylink	\$75k	
▸ Stadium roofing structures audit and roof ladder installation		\$100k
▸ New UPS (uninterruptable power supply), Cinema projector and installation	\$98k	
Ovals and Irrigation		
▸ Feasibility study for use of treated waste water for town oval and amenity horticulture.	\$50k	

Proposed Council Investments in Key Projects (continued)

Item	Amount FY20/21	Carried Forward from FY 19/20
Roads, Footpaths and Walkways		
▸ Stuart Road / Arcoona Street roundabout resurfacing	\$135k	
▸ Footpaths: various scheduled maintenance works and new footpath works	\$110k	
▸ Timber bollard replacement program	\$50k	
▸ Year 3 township road-sealing	\$70k	
▸ Road reseal of Olympic Way from Opal Rd to Bypass Rd	\$310k	
Information Technology and Communications		
▸ Hardware updates, server rack and UPS replacements and wireless access points	\$23k	
▸ Auditorium –communications system installation	\$15k	
▸ Asset management system implementation	\$80k	
Roxby Power		
▸ Stage 2 of Street lighting investment project including LED upgrades, street light pole replacement and walkway lights	\$138k	
▸ High Voltage switches replacement x 3 units	\$81k	
▸ Mark 7 Transformers and Switches		\$66k
Roxby Water		
▸ Headwall, grate and base replacement – Stuart Road stormwater drain.	\$38k	
▸ Replace 2 x pumps - Pump Station A	\$30k	
▸ Replace pump - Pump Station D	\$8k	
▸ Stage 2 : Transfer Pipes/Channels Upgrade	\$25k	\$15k
▸ Replace pump for Golf Course irrigation	\$8k	

Local Roads and Community Infrastructure Program -

Council recently received notification from the Federal Government of funding (income) of \$147k under the Local Roads and Community Infrastructure Program. The funding is to be utilised to deliver local road and community infrastructure projects which support jobs and the resilience of local economies in response to the COVID-19 pandemic. Council will utilise the program income to offset costs associated with a community project.

Statement of Income and Expenditure

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

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

	Previous year 2018/2019 Audited Actuals \$'000	Current year 2019/2020 Adopted Budget \$'000	Current year 2019/2020 Current Budget \$'000	Proposed 2020/2021 Budget \$'000
OPERATING INCOME				
Rates	5,379	5,433	5,444	5,434
Statutory charges	44	49	263	44
User charges	11,731	11,579	11,321	11,268
Grants, subsidies and contributions	401	203	228	193
Investment income	189	84	225	78
Municipal Deficit Funding	600	600	600	600
Other income	95	88	141	84
TOTAL INCOME	18,439	18,036	18,222	17,701
OPERATING EXPENSES				
Employee costs	4,722	5,223	4,889	5,497
Materials, contracts and other services	8,308	9,624	9,398	9,635
Depreciation, amortisation and impairment	3,208	3,184	3,184	3,284
Finance costs	1	2	2	0
TOTAL EXPENSES	16,239	18,033	17,473	18,416
OPERATING SURPLUS / (DEFICIT)	2,200	3	749	(715)
Net gain (loss) on disposal or revaluation of assets	(8)	40	40	30
Physical resource received free of charge	50	0	0	0
Amounts specifically for new or upgraded assets	165	570	120	147
NET SURPLUS / (DEFICIT)	2,407	613	909	(538)

The above figures reflect Council's best estimation of its income and expenses in a year that is anticipated to be subject to operating restrictions due to COVID-19. Council has made concerted efforts to predict and factor in the expected financial impact of the virus. The 2020/21 financial year will have a focus on service delivery and internal process improvements.

Summary of Capital Expenditure

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

	Previous year 2018/2019 Audited Actuals \$'000	Current year 2019/2020 Adopted Budget \$'000	Current year 2019/2020 Current Budget \$'000	Proposed 2020/2021 Budget \$'000
RECEIPTS				
Amounts specifically for new or upgraded assets	165	570	120	147
PAYMENTS				
Expenditure on renewal/replacement of assets	918	2,083	1,995	2,177
Expenditure on new/upgraded assets	162	2,971	2,597	466
NET CAPITAL EXPENDITURE	915	4,484	4,472	2,496

The proposed Net Capital Expenditure for 2020/2021 is significantly lower than the budgeted figure for 2019/2020 (44% lower). The principal reasons are:

- A decision to remove specific provisions from the budget relating to two projects. The proposed multi-purpose change room project and the pump track project (indicative values \$1m and \$500k, respectively) have not been carried forward into the 2020/2021 budget. Although both of these projects remain 'live' in terms of planning, they are both dependent upon external funding which Council has not been able to secure. If, and when, such funding is granted the budget will be amended accordingly through the formal budget review process.
- Council's assumption that COVID-19 restrictions will limit project realisation, as such 2020/21 will see a focus upon project planning for the future.

How will Council fund the Annual Business Plan

The Annual Business Plan produces an Operating Deficit of \$715k resulting from Total Operating Income of \$17,701k and Total Operating Expenses of \$18,416k.

Operating Income

Council has budgeted to receive Operating Income of \$17,701k. All amounts have been rounded to the nearest \$1,000.

Rates and Charges

Council has budgeted to collect \$5,434k from its various rates sources. The following breakdown shows expected revenues and any change from 2019/2020 adopted budget:

Source	Budget	Change from 2019-20 adopted budget
Rates	4,690,000	0%
Rates rebates	(202,000)	0%
Landscape levy	120,818	6%
Rates fines	13,200	(34)%
Debt collection fees	6,000	50%
Direct debit fees	400	(33)%
Waste charges	806,180	0%

User Charges - Utilities

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

Roxby Power

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

Total expected revenues for Roxby Power is \$4,814k.

Roxby Water

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

Total expected revenues for Roxby Water is \$5,251k

The income generated from the sale of power and water is difficult to predict accurately in the context of seasonal variability and volume demand fluctuations. Council attempts to predict and budget based on broad assumptions and the analysis of actual usage patterns, however key drivers of future demand such as population and temperature are subject to uncertainty. For 2020/21, COVID-19 presents even greater levels of uncertainty in this area.

Operating Income (continued)

User Charges – Roxbylink

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

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

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

Total budgeted income from Roxbylink (all sources excluding grants) is \$1,204k. This figure factors in anticipated lost revenue caused by restricted operations in response to COVID-19.

Statutory Charges

Council's statutory charges are derived principally from dog and cat registration fees, development and building fees, regulatory fees and expiations. Council is budgeting for the collection of \$44k in Statutory Charges in 2020/2021.

Grants

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

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

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

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

Council has budgeted to receive Total Income from Grants (for Operating purposes) of \$193k and (for Capital purposes) of \$147k.

Other Income

Other income is expected to come from the following sources:

- Service SA agency fees \$70k
- Other sources \$14k

The total Other Income is budgeted to be \$84k.

Loan Borrowings

Council is currently debt free and does not expect to take out any new loans in 2020/2021.

Municipal Deficit Support

The Roxby Downs (Indenture Ratification) Act 1982 requires contributions from both the State Government and BHP to contribute to any operating shortfall.

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

Operating Expenditure

In 2020/2021 Council has budgeted for a total operating expenditure of \$18,416k.

Employee Costs

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

The total employee costs are budgeted to be \$5,497k in 2020/2021.

Operating Expenditure (continued)

Materials, Contractors and Other Expenses

Council is budgeting for a total of \$9,635k or 52% of operating expenditure that relates to:

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

There are some projects from 2019/2020 that have been carried forward and are included in the budget for 2020/2021. These projects had a second half schedule for 2019/20 and with the outbreak of the COVID-19 pandemic, procurement delays arose and engaging suitably qualified contractors became problematic.

Depreciation

As Council's various assets age and their useful life diminishes, their value depreciates. Council recognises the depreciation expense every year in accordance with required accounting and local government reporting standards. Council has budgeted for a total depreciation expense across all classes of assets of \$3,284k in 2020/2021.

Finance Costs

Council does not expect to incur any finance costs in 2020/2021.

Considerations in the setting of Rates and Charges

Income derived from the charging of municipal rates is a significant income source. When determining the rates for 2020/2021, Council will consider the following factors:

- Current expenditure needs
- Future assets renewal needs
- Current economic climate
- Community expectations
- Legislative responsibilities
- Financial impacts on the local economy and on ratepayers from COVID-19

Method Used to Value Land

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

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

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

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

Council is still exploring options around the adoption of the valuations made by the Valuer-General 2020/21 financial year. Traditional rules that regulate the rates adoption processes have been temporarily amended by the Local Government Minister due to COVID-19. This includes, amongst others, rules relating to valuation dates. When Council does its rates modelling based on the underlying valuations provided by the Valuer General, it will consider any new temporary rules and will apply them only to the extent that they are relevant to the specific circumstances in Roxby Downs.

If a property owner is dissatisfied with their property valuation, an objection may be made to the Valuer-General in writing, within 60 days of receiving notice of the valuation, explaining the basis of the objection.

Rate Rebates

Council provides rates rebates in accordance with Chapter 10, part 1, Division 5 of the Local Government Act 1999.

Council regularly reviews the discretionary elements of these rebates. No changes are anticipated for 2020/2021.

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

Council may consider providing a capping rebate whereby eligible ratepayers can apply for a partial rebate if their 2020/2021 rates increase by more than a threshold percentage over 2019/2020 rates. Council's commitment to, and specific parameters relating to this rebate, are yet to be confirmed.

Differential General Rates

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

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

(Based on 2019/2020 actuals – these proportions are not expected to materially change for 2020/2021.)

Fixed Charge

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

Service Charges

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

Landscape Levy (formerly known as Natural Resources Management Levy)

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

Business Impact Statement

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

- Those elements of the Council's Strategic Management Plan relating to business development
- The financial impact on local businesses of COVID-19
- The current and forecast economic climate
- Council's recent development approval trends
- The operating and capital projects and new programs for the coming year that will principally benefit industry and business development
- Valuation changes
- Council's ability to provide appropriate local stimulus to businesses through its annual rates model.

Council recognises the importance of supporting and encouraging a diverse and healthy business sector, and acknowledges the impact that COVID-19 has on the local economy and some individual business.

Measuring Performance

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

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

Financial Indicators

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

Operating Surplus/Deficit Ratio

The desired level is between 0% and 10% on average over the long term. Council's Budget Management Policy provides for a short term target between -2% and 0%. The operating surplus ratio is the operating surplus (deficit) expressed as a percentage of income. A positive ratio indicates the percentage of operating income available to help fund proposed capital expenditure. A negative ratio indicates the percentage increase in operating income or the appropriate decrease in operating expenses required to achieve a breakeven operating result.

Net Financial Liabilities Ratio

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

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

Asset Sustainability Ratio

The desired level is greater than 90% but less than 110% on average over the long term. This ratio measures whether Council is renewing or replacing existing physical assets (roads, footpaths, stormwater drainage, buildings, plant and equipment, furniture and fittings etc.) at the same rate as these assets are wearing out. The ratio is calculated by measuring actual capital expenditure on renewal or replacement of assets, relative to the expenditure on renewal or replacement of assets as per Council's Infrastructure and Asset Management Plans. Refer Appendix 3.

Long Term Financial Plan

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

A formal Long Term Financial Plan would require a ten year forward view and would normally be 'adopted' by the Council. In the case of Roxby Downs however, a ten year forward view is considered unrealistic, because any change by BHP's Olympic Dam operations can, and does, have economic flow on effects impacting on local economic conditions and therefore the Council's budget. The ten year forward view that is characteristic of the Long Term Financial Plan assumes that Council's will have a measure of control and sufficient time for planning and policy change in relation to significant budget factors.

Whilst adoption of the Long Term Financial Plan is a requirement under the Local Government Act (1999) Roxby Downs Council's specific obligations arise from the Roxby Downs (Indenture Ratification) Act (1982) as the priority.



Images clockwise from left – Hermit Street nature play space, oval and park, Roxbylink facility, residential street.

Appendix 1: Commentary regarding Council's Rating Policy

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

This year COVID-19 has potential implications for Council's 2020/21 rates policies. Council is currently reviewing a number of variables to do with the charging of rates. Council will focus on local factors in attempting to arrive at reasonable and responsible rating policies for 2020/21. The policies will consider aspects such as local economic impact and prevalence of cases of hardship caused by COVID-19. The Annual Business Plan and Budget reflects Council's current intention to not increase rates this year*. Council sees this as its single most material way to provide financial support to all ratepayers in an equitable fashion, and to provide a measure of local economic stimulus as a counter to the financial impacts of COVID-19.

*No increase refers to total rates across all categories and as a total. Rates on individual properties may vary depending on individual property valuations.

Payment of Rates

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

Late Payment of Rates

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

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

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

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

Penalties

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

Hardships

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

Postponement of Rates – Hardship

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

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

Council is looking at new, temporary arrangements to deal with hardship associated with COVID-19. Council encourages any ratepayer who anticipates that they will have difficulty paying rates instalments when they fall due to contact Council.

Postponement of Rates – Seniors Card

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

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

Rebates – Non-discretionary

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

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

Rebates – Discretionary

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

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

- The land use of the property is residential
- There has been no improvements on the land over \$20,000 since the start of the previous financial year
- The zoning of the land has not changed since the start of the previous financial year. The Land Use has not changed since the start of the previous financial year
- The capping rebate amount exceeds \$10, and
- Council receives the “Rate Capping Rebate Application Form” from the Principal Ratepayer prior to the due date of the first instalment.

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

Sale of Land for Non Payment of Rates

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

Appendix 2: Objectives and Activities for 2020/21: Context and Progress –

Recreation and Sports Hub Projects:

To achieve the greatest range of benefits for community recreation and sport it is important to manage these environments in a flexible and sustainable manner. Roxby is fortunate in that many of its key recreation and sporting facilities are co-located within the town centre. By managing the individual elements as a 'hub' it is anticipated that improved costing and maintenance efficiencies can be achieved therefore providing broader community and rate-payer benefits. Roxby Council is committed to supporting community recreation and sport through high quality and accessible facilities that can remain viable and grow with local population demands. Ultimately, contributing to economic, social, cultural and community outcomes.

High quality recreation and sporting facilities also have the potential to impact upon the township's capacity for regional sporting events. Regional and state events can be a very effective mechanism for promoting Roxby Downs and attracting economic return in terms of tourists and visitors to the township.

Items included in the Recreation and Sports Hub Projects category include:

- Community Youth Centre improvements - \$25k carried forward from 2019/20
-roof over pergola, replacement of furniture and equipment
- Outdoor sporting facilities plan - \$50k
-to work with the community and key stakeholders to research and consult regarding the capacity for the current outdoor sporting facilities to cater for current and future needs.
-evaluate the research and consultation to develop a plan for redevelopment of facilities that may include multi-purpose change rooms and an outdoor courts redevelopment plan.

Playground Upgrades and Development:

These projects relate to Council's continued commitment to providing access to welcoming, safe and well-maintained community spaces such as parks and playgrounds. Playgrounds and parks are important spaces for families and just one of many ways to promote an active, healthy and connected community.

2019/20 saw the completion of the renewal of the Lions Park space and playground with the installation of new seating/barbeque areas, paving, a water fountain, and recycling bins. The Hermit Street nature play space (formerly Hermit St Playground) is complete and includes toilets and all round fencing to ensure the safety of all playground visitors.

The 2020/21 budget allocation for items under the playground renewal and development strategy include:

- Pine Crescent Playgrounds – planning and consultation - \$20k
- Pioneer Drive Playground – planning and consultation - \$10k
- Community consultation and development of plans with regard to a new playground site in the southern (Subsection C) area of the Roxby Downs Township. Families residing in subsection C have limited access to a playground within walking distance of their homes. Council is setting aside \$20k to plan, consult and finalise proposals regarding a new playground development in this section of the township.

Objectives and Activities for 2020/21: Context and Progress (cont.)

Public Art:

The Roxby Downs community is dynamic and culturally diverse and Council recognises that valuing creativity, collaboration and a range of community and cultural experiences is important to the cohesion, resilience and well-being of the community.

The 2019/20FY saw the completion of several projects including the Emu Walk upgrade, off leash dog park and renewal of the Richardson Place public amenities and seating/picnic areas. Town Entry Statements concepts and engineering are near completion and this should see the installation of Town Entry Signage before the end of 2020.

Aquatics:

Council's public aquatics facilities require ongoing maintenance and upgrades to ensure the health and safety of visitors to the outdoor pools, indoor pool and splash pad. The 2020/21FY budget includes allocation for:

- Replacement of solenoids and pump seals, and the indoor pool acid pump—these items are at end of serviceable life and require replacement. Replace splash pad activator – to ensure that the splash pad does not run continuously (i.e.: when not in use). Necessary to reduce water and chemicals costs. Total of \$11k.
- Replace sand in pool filters – this needs to be undertaken every 3-4 years to maintain filtration, prevent bacteria and algae and ensure the healthy quality of the water. \$70k
- Splash pad fencing – proposal to isolate the splash pad from the main pool area with a permanent fence to enable use of the splash pad during school hours without the need for lifeguard supervision. \$7k
- SCADA Instrumentation installation and monitoring: SCADA is a supervisory control and data acquisition system. The system allows for off-site monitoring of plantrooms so that events such as chlorine gas leaks and chemical fluctuations can be monitored and promptly rectified. \$48k

Roxbylink - Centre-Based Sport, Recreation and Leisure:

- Air-conditioning maintenance and upgrade – completion of an air-conditioning audit throughout the Roxbylink centre has identified the need for further maintenance and upgrades. \$100k
- Kiosk refurbishment – the kiosk is approximately 15 years old and significant repairs are required-to counter tops and shutters. Current light weight tables and chairs are not suitable for heavy use area. \$26k
- Gym - 2 x treadmills. End-of life – due for replacement. \$30k
- Dunes Café – Range-hood extension and ventilation improvements. \$13k
- Continue 2 year project replacing old lighting with energy efficient LED lighting in stadiums and leisure centre. Much of the lighting in the complex is from the original build over 25 years ago. The LED lights operate on 1/3 of the power of the original halogen lamps and have a greater life expectancy (five years or more). \$75k
- Stadium roofing structures audit and ladder installation works. Work Health and Safety. \$100k
- Cinema – UPS – uninterruptable power supply to provide consistent power to the Cinema projector and server. To mitigate issues that could arise from a power outage. \$8k
- Replace and install updated cinema projector. The existing projector requires replacement (is at end of life). \$90k

Objectives and Activities for 2020/21: Context and Progress (cont)

Ovals and Town Centre Green Areas:

- Feasibility study for use of treated waste water for sub-surface irrigation of town oval and amenity horticulture. Reduces watering costs and evaporation of water from topsoil, whilst safe-guarding human exposure to waste-water. \$50k

Roads, footpaths and walkways:

- Various scheduled footpath works in line with condition assessments and long-term maintenance plans. To eliminate broken and lifting areas and trip hazards. \$110k
- Scheduled year 3 of township residential road resealing program which is part of Council's five year road plan. \$70k
- Reseal Stuart Road and Arcoona Street intersection roundabout. \$135k
- Extensive works comprising road resealing to Olympic Way from Opal Road to the Bypass Road - \$310k
- Replacement of timber bollard railings at key road interchanges and school crossings – The current pine log railings and posts at key road intersections and school crossings are aged, damaged and present some hazards. This is part of a 5 year project to replace all of the pine log railings with recycled plastic across town. \$50k
- Recent notification of Local Roads Community Infrastructure Program funding (income) of \$147k – matching project expenditure details to be confirmed.

Information Technology and Communications

- Scheduled upgrades to ensure efficient operation and security of Council information technology. \$23k
- Auditorium communications system – upgrade to the auditorium audio visual system. \$15k
- Asset management system implementation – Phase 2 (of three) of Council's strategic goal of improved management of its assets through the implementation of a computerised asset management system. \$80k.

Roxby Power:

- Stage 2 of Street lighting investment project. Continuation of the upgrade of existing lighting to more energy efficient and longer life LED lights thereby reducing maintenance costs in the future. Includes LED upgrades (\$111k), Street light pole replacement (\$22k) and Walkway lights (\$5k).
- High voltage switches replacement - Continued replacement of switches on high voltage network equipment as current switches reach their end of life. \$81k
- Mark 7 Transformers and Transformer Switch - scheduled maintenance and upgrade. Mandatory maintenance and upgrades to land around transformers. \$66k

Roxby Water:

- Headwall replacement (\$18k), grate and base replacement (\$20k) – Stuart Road stormwater drain. Upgrade to improve efficiency of storm water flow following heavy rain events.
- In accordance with the Roxby Water asset management strategy 2 pumps at Roxby Water Pump Station A (\$30k) and one at Pump Station D (\$8k) require replacement. All three pumps are at 'end of life' in terms of maintenance and must be replaced. Pump Station A is one of two main end feeder pumps from 9 smaller pump stations.
- Stage 2 – Transfer pipes/channels upgrade - Upgrade transfer channels between ponds to reduce ongoing maintenance costs within the waste water recycling system. \$40k
- Replace pump for Golf Course irrigation – pump is at 'end of life'. \$8k

**Appendix 3:
Consolidated Financial Statements– pages 27-34**

COUNCIL - CONSOLIDATED**Statement of Comprehensive Income****Income**

	2018/2019 Audited Actuals \$'000	2019/2020 Review 3 Budget \$'000	2020/2021 Budget \$'000
Rates	5,379	5,444	5,434
Statutory charges	44	263	44
User charges	11,731	11,321	11,268
Grants subsidies and contributions	401	228	193
Municipal deficit funding	600	600	600
Investment income	189	225	78
Reimbursements	3	0	0
Other income	92	141	84
Total Income	18,439	18,222	17,701

Expenses

Employee costs	-4,722	-4,889	-5,497
Materials contracts & other expenses	-8,308	-9,398	-9,635
Finance Costs	-1	-2	0
Depreciation amortisation & impairment	-3,208	-3,184	-3,284
Total Expenses	-16,239	-17,473	-18,416

OPERATING SURPLUS / (DEFICIT)

Municipal Distribution	0	0	0
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Adjusted Net Surplus / (Deficit)	2,200	749	-715
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Asset disposal and fair value adjustments	-8	40	30
Physical Resources Received Free of Charge	50	0	0
Amounts specifically for new or upgraded assets	165	120	147

NET SURPLUS / (DEFICIT)

transferred to Equity Statement	2,407	909	-538
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Other Comprehensive Income

Transfer Between Reserves	0	0	0
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TOTAL COMPREHENSIVE INCOME	2,407	909	-538
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COUNCIL - CONSOLIDATED

2018/2019 Audited Actuals \$'000	2019/2020 Review 3 Budget \$'000	2020/2021 Budget \$'000
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Statement of Financial Position**ASSETS****Current Assets**

Cash & cash equivalents	11,498	15,684	14,976
Trade & other receivables	3,535	3,216	3,600
Inventories	29	28	26
Total Current Assets	15,062	18,928	18,602

Non-Current Assets

Infrastructure, property, plant & equipment	117,987	120,075	119,465
Total Non-Current Assets	117,987	120,075	119,465

Total Assets

133,049	139,003	138,067
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LIABILITIES**Current Liabilities**

Trades & other payables	-1,415	-1,427	-977
Provisions	-503	-529	-581
Total Current Liabilities	-1,918	-1,956	-1,558

Non-Current Liabilities

Non-current provisions	0	0	0
Other non-current liabilities	-1,205	-1,230	-1,229
Total Non-Current Liabilities	-1,205	-1,230	-1,229

Total Liabilities

-3,123	-3,186	-2,787
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NET ASSETS

129,926	135,817	135,280
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EQUITY

Accumulated Surplus	28,641	34,532	33,994
Asset Revaluation Reserve	101,285	101,285	101,285
TOTAL EQUITY	129,926	135,817	135,279

COUNCIL - CONSOLIDATED

2018/2019 Audited Actuals \$'000	2019/2020 Review 3 Budget \$'000	2020/2021 Budget \$'000
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Statement of Changes in Equity**ACCUMULATED SURPLUS**

Balance at end of previous reporting period - AS	26,234	33,623	34,532
Net result for year	2,407	909	-538
Balance at end of period	28,641	34,532	33,994

ASSET REVALUATION RESERVE

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

TOTAL EQUITY AT END OF REPORTING PERIOD

129,926	135,817	135,279
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Statement of Cash Flows

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts

Rates - general and other	5,271	5,485	5,386
Fees and other charges	44	254	52
User charges receipts	11,893	11,548	10,971
Grants utilised for operating purposes	401	241	169
Municipal deficit funding receipts	600	600	600
Investment receipts	189	225	81
Reimbursement receipts	3	0	0
Other revenues receipts	127	145	88
Changes in Net Assets	0	0	0

Payments

Employee costs payments	-4,642	-4,821	-5,428
Materials, contracts & other payments	-8,665	-9,361	-10,131
Finance payments	-1	-2	0

Net Cash provided by (or used in) Operating Activities

5,220	4,314	1,788
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CASH FLOWS FROM INVESTING ACTIVITIES

Receipts

Amounts specifically for new or upgraded assets	165	120	147
Sale of surplus assets	20	0	0

Payments

Expenditure on renewal/replacement of assets	-918	-2,600	-2,177
Expenditure on new/upgraded assets	-162	-2,632	-466

Net Cash provided (or used in) Investing Activities

-895	-5,112	-2,496
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CASH FLOWS FROM FINANCING ACTIVITIES

Receipts

Payments

Repayment of Bonds & Deposits	-11	0	0
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Net Cash provided by (or used in) Financing Activities

-11	0	0
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Net Increase / (Decrease) in cash

4,314	-798	-708
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Cash & equivalents at beginning of period

7,184	16,482	15,684
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Cash & equivalents at end of period

11,498	15,684	14,976
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COUNCIL - CONSOLIDATED

2018/2019 Audited Actuals \$'000	2019/2020 Review 3 Budget \$'000	2020/2021 Budget \$'000
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Uniform Presentation of Finances

Income	18,439	18,222	17,701
<i>less Expenses</i>	-16,239	-17,473	-18,416
Operating Surplus / (Deficit)	2,200	749	-715

less Net Outlays on Existing Assets

Capital Expenditure on renewal & replacement of existing assets	918	2,600	2,177
less Depreciation amortisation & impairment	-3,208	-3,184	-3,284
less Proceeds from sale of replaced assets	-20	0	0
	-2,310	-584	-1,107

less Net outlays on New and Upgraded Assets

Capital Expenditure on new or upgraded assets	162	2,632	466
less Amounts received specifically for new & upgraded	-165	-120	-147
less Proceeds from sale of surplus assets	0	0	0
	-3	2,512	319

Net Lending / (Borrowing) for Financial Year

	4,513	-1,179	73
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Statutory Financial Indicators**Operating Surplus Ratio**

Being the operating surplus (deficit) as a percentage of revenue

	11.9%	4.1%	-4.0%
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Net Financial Liabilities Ratio

Being the net financial liabilities / total operating revenue

	-65%	-86%	-89%
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Asset Renewal Funding Ratio

Capital expenses on renewal/ replacement assets less sale of replaced assets divided by Infrastructure Asset Management Plan required expenditure

	44%	125%	158%
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MUNICIPAL	2018/2019 Audited Actuals \$'000	2019/2020 Review 3 Budget \$'000	2020/2021 Budget \$'000
Statement of Comprehensive Income			
Income			
Rates	5,379	5,444	5,434
Statutory charges	44	263	44
User charges	1,799	1,479	1,203
Grants subsidies and contributions	401	228	193
Municipal deficit funding	600	600	600
Investment income	189	225	78
Reimbursements	3	0	0
Other income	92	141	84
Share of loss - equity accounted Council businesses	0	0	0
Total Income	8,507	8,380	7,636
Expenses			
Employee costs	-4,250	-4,377	-4,961
Materials contracts & other expenses	-3,358	-4,039	-4,130
Finance Costs	0	0	0
Depreciation amortisation & impairment	-1,862	-1,835	-1,947
Total Expenses	-9,470	-10,251	-11,038
OPERATING SURPLUS / (DEFICIT)	-963	-1,871	-3,402
Municipal Distribution	0	1,050	1,050
Adjusted Net Surplus / (Deficit)	-963	-821	-2,352
Asset disposal and fair value adjustments	-8	40	30
Physical Resources Received Free of Charge	50	0	0
Amounts specifically for new or upgraded assets	165	120	147
NET SURPLUS / (DEFICIT)	-756	-661	-2,175
transferred to Equity Statement			
Other Comprehensive Income			
Transfer Between Reserves	0	0	0
TOTAL COMPREHENSIVE INCOME	-756	-661	-2,175
Uniform Presentation of Finances			
Income	8,507	8,380	7,636
<i>plus Municipal Distribution</i>	0	1,050	1,050
less Expenses	-9,470	-10,251	-11,038
Operating Surplus / (Deficit)	-963	-821	-2,352
less Net Outlays on Existing Assets			
Capital Expenditure on renewal & replacement of existing assets	872	2,102	1,745
less Depreciation amortisation & impairment	-1,862	-1,835	-1,947
less Proceeds from sale of replaced assets	-20	0	0
	-1,010	267	-202
less Net outlays on New and Upgraded Assets			
Capital Expenditure on new or upgraded assets	114	2,305	272
less Amounts received specifically for new & upgraded assets	-165	-120	-147
less Proceeds from sale of surplus assets	0	0	0
	-51	2,185	125
Net Lending / (Borrowing) for Financial Year	98	-3,273	-2,275

ROXBYPower

2018/2019 Audited Actuals \$'000	2019/2020 Review 3 Budget \$'000	2020/2021 Budget \$'000
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Statement of Comprehensive Income**Income**

Rates	0	0	0
Statutory charges	0	0	0
User charges	4,793	4,810	4,814
Grants subsidies and contributions	0	0	0
Municipal deficit funding	0	0	0
Investment income	0	0	0
Reimbursements	0	0	0
Other income	0	0	0
Total Income	4,793	4,810	4,814

Expenses

Employee costs	-227	-297	-280
Materials contracts & other expenses	-2,605	-3,038	-2,925
Finance Costs	-1	-2	0
Depreciation amortisation & impairment	-772	-769	-771
Total Expenses	-3,605	-4,106	-3,976

OPERATING SURPLUS / (DEFICIT)

Municipal Distribution	0	0	0
Adjusted Net Surplus / (Deficit)	1,188	704	838

Asset disposal and fair value adjustments	0	0	0
Physical Resources Received Free of Charge	0	0	0
Amounts specifically for new or upgraded assets	0	0	0

NET SURPLUS / (DEFICIT)

transferred to Equity Statement	1,188	704	838
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Other Comprehensive Income

Transfer Between Reserves	0	0	0
TOTAL COMPREHENSIVE INCOME	1,188	704	838

Uniform Presentation of Finances

Income	4,793	4,810	4,814
<i>plus Municipal Distribution</i>	0	0	0
less Expenses	-3,605	-4,106	-3,976
Operating Surplus / (Deficit)	1,188	704	838

less Net Outlays on Existing Assets

Capital Expenditure on renewal & replacement of existing assets	38	255	189
less Depreciation amortisation & impairment	-772	-769	-771
less Proceeds from sale of replaced assets	0	0	0
	-734	-514	-582

less Net outlays on New and Upgraded Assets

Capital Expenditure on new or upgraded assets	5	117	111
less Amounts received specifically for new & upgraded assets	0	0	0
less Proceeds from sale of surplus assets	0	0	0
	5	117	111

Net Lending / (Borrowing) for Financial Year

1,917	1,101	1,309
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ROXBY WATER & SEWERAGE

2018/2019 Audited Actuals \$'000	2019/2020 Review 3 Budget \$'000	2020/2021 Budget \$'000
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Statement of Comprehensive Income**Income**

Rates	0	0	0
Statutory charges	0	0	0
User charges	5,139	5,032	5,251
Grants subsidies and contributions	0	0	0
Municipal deficit funding	0	0	0
Investment income	0	0	0
Reimbursements	0	0	0
Other income	0	0	0
Total Income	5,139	5,032	5,251

Expenses

Employee costs	-245	-215	-256
Materials contracts & other expenses	-2,345	-2,321	-2,580
Finance Costs	0	0	0
Depreciation amortisation & impairment	-574	-580	-566
Total Expenses	-3,164	-3,116	-3,402

OPERATING SURPLUS / (DEFICIT)

1,975	1,916	1,849	
Municipal Distribution	0	-1,050	-1,050
Adjusted Net Surplus / (Deficit)	1,975	866	799

Asset disposal and fair value adjustments	0	0	0
Physical Resources Received Free of Charge	0	0	0
Amounts specifically for new or upgraded assets	0	0	0

NET SURPLUS / (DEFICIT)

1,975	866	799
transferred to Equity Statement		

Other Comprehensive Income

Transfer Between Reserves	0	0	0
TOTAL COMPREHENSIVE INCOME	1,975	866	799

Uniform Presentation of Finances

Income	5,139	5,032	5,251
<i>plus Municipal Distribution</i>	0	-1,050	-1,050
less Expenses	-3,164	-3,116	-3,402
Operating Surplus / (Deficit)	1,975	866	799

less Net Outlays on Existing Assets			
Capital Expenditure on renewal & replacement of existing assets	8	243	243
less Depreciation amortisation & impairment	-574	-580	-566
less Proceeds from sale of replaced assets	0	0	0
	-566	-337	-323

less Net outlays on New and Upgraded Assets			
Capital Expenditure on new or upgraded assets	43	210	83
less Amounts received specifically for new & upgraded assets	0	0	0
less Proceeds from sale of surplus assets	0	0	0
	43	210	83

Net Lending / (Borrowing) for Financial Year	2,498	993	1,039
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Municipal Council of Roxby Downs

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