

District Council of
ROBE

Annual Business Plan &
Budget
2015-16



Public Consultation

The consultation period for the Draft Annual Business Plan & Budget 2015-16 was between 13th May and 9th June 2015.

Council made available the draft document for viewing and/or purchase at its Administration Centre, Royal Circus Robe and at its VIC/ Library at Smillie Street Robe. The document was also available on Council's website at www.robe.sa.gov.au

Notices to this effect have been published in the local Coastal Leader newspaper and have appeared in Council's monthly newsletter distributed to all ratepayers.

Written submissions were invited from the public with submissions to be received by Council on or before 8th June 2015.

Public Meeting

All submissions received were considered by Council at the June Council Meeting on Tuesday 9th June 2015 at 6pm. Any person wishing to ask a question or make a submission were invited to attend the 9th June 2015 Council meeting.

Adoption

Council adopted the Annual Business Plan & Budget 2015-16 at a Special Council meeting on 23 June 2015.

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From the Chief Executive

The Annual Business Plan sets out Council's proposed services, programs and projects for the 2015-16 financial year. It aims at continued progress towards the longer term objectives set out in the District Council of Robe Strategic Plan 2014 - 2018.

This Plan has been prepared on the basis of continuing the current range of services provided at an appropriate level of services to the community, without imposing an unrealistic rate burden on ratepayers. The provision of services by Council is a reflection of both meeting Council's obligations under legislation and the community's desire for services and facilities.

Council received feedback from the community before finalising the plan and budget. From time to time due to differing circumstances and conditions such as additional or withdrawal of grant funding, extreme weather events or change of focus, the Annual Business Plan and the activities included may need to be amended or deleted. Where a major change is required Council will advise residents as soon as possible.

Roger Sweetman

Roger Sweetman
Chief Executive

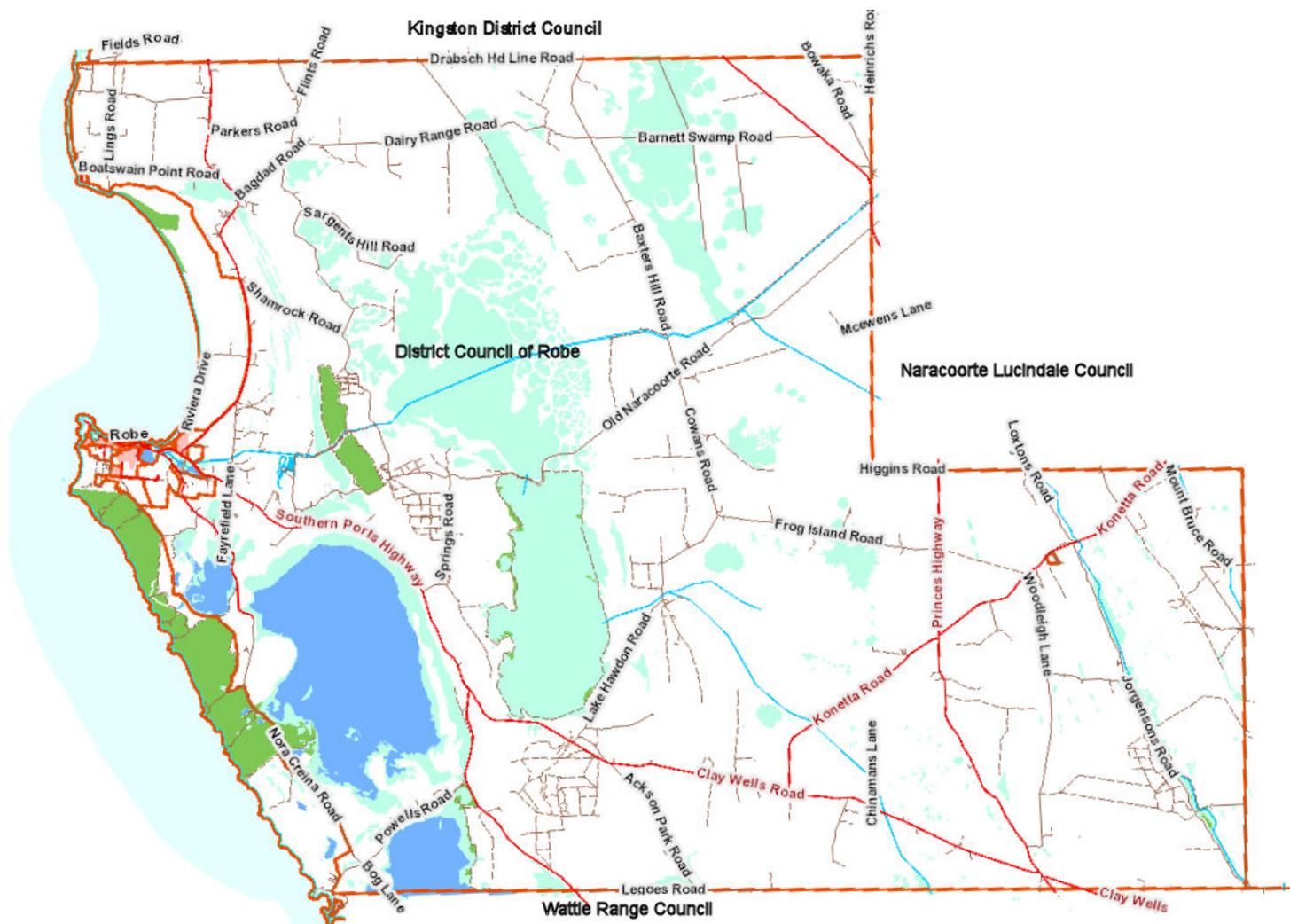
PROFILE

The District Council of Robe is situated on Guichen Bay, about 350km south east of Adelaide. Robe has a population of approximately 1,400 people in winter months, with an influx of 15,000 people every summer.

Known as a hidden jewel for fishing, boating and surfing, Robe is a popular 'holiday hangout' for young people. Industry within the district comprises of tourism, cray fishing, agriculture, viticulture and forestry. As mentioned, tourism is peak during the warm summer months. However it is an all year round business for locals with holiday rentals and hospitality premises. Cray fishing runs from October to May, due to government quotas.

Local agriculture consists mainly of cattle, sheep, and cropping. Viticulture, although a reasonably new concept within the district, is excelling at a rapid pace with many award-winning wines being produced. Forestry is a key industry for employment; Forestry SA own and maintain the Mount Benson and Bagdad Native Forests which fall within the Robe District.

As a result of an Electoral Representation Review conducted in 2013 the District Council of Robe no longer is divided into wards.



1. Planning Framework

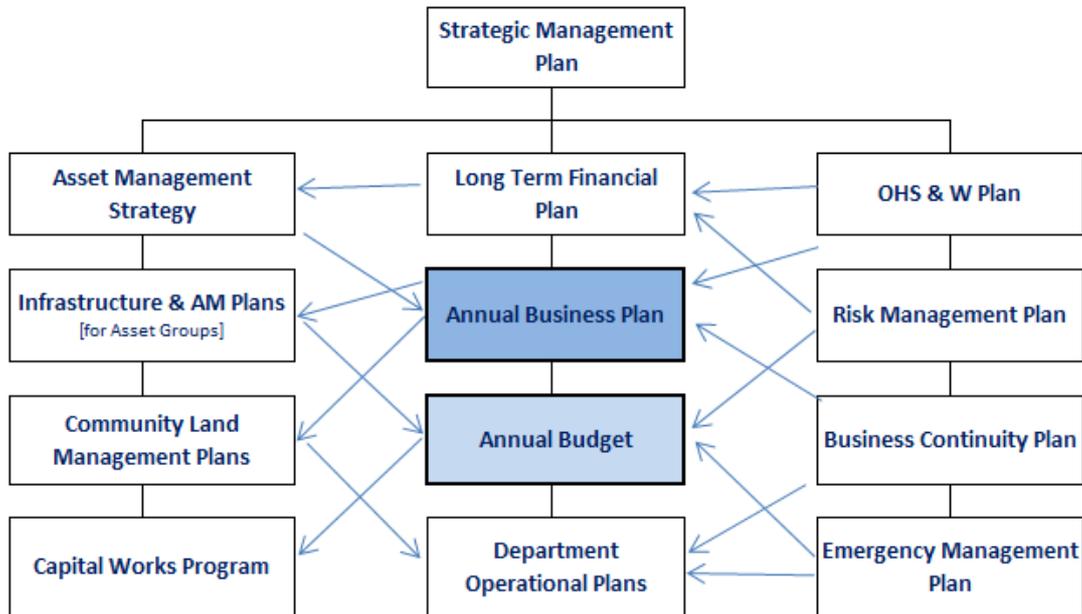
Council adopted its current Strategic Management Plan 2014-2018 in May 2014 and Council completed a review of the Plan in May 2015. Amongst the obligations when adopting its Plan was consideration of regional, state and national objectives and strategies relevant to the social, physical, environmental development and management of Council's area of responsibility.

The Plan identifies key issues and projects which will provide for a range of services and facilities while ensuring the ongoing sustainability and prosperity of Robe. It also includes Council's aspirations and vision for the Robe community.

Council is committed to ensuring its long term financial sustainability and is keen to ensure that objectives, goals and targets set in its various strategic planning documents are adhere to and met. Council's Long Term Financial Plan was adopted in June 2010 and has subsequently been reviewed each year and will be reconsidered in November 2015.

Council has now developed a Draft Asset Management Strategy, which will guide the development of Infrastructure and Asset Management Plans for the various classes of assets. Estimated costs of infrastructure and asset custodianship have been reflected in the Long Term Financial Plan.

Diagram of Council's suite of plans:



Strategic Plan Framework

Area	Economic Development	Natural and Built Environment	Community	Governance & Financial Sustainability
Goal	A strong, diverse economy that is innovative and adaptable	Maintain and enhance our natural environment complimented by sympathetic buildings, infrastructure and facilities	Vibrant, cohesive, diverse community providing a healthy, quality lifestyle	Provide leadership, good governance, efficient, effective and responsive Council Services
Outcome	<ul style="list-style-type: none"> - A strong diverse tourism, primary production and commercial economy - A well managed marina facility that services the commercial, tourist and recreational needs - Infrastructure that supports the Districts economy 	<ul style="list-style-type: none"> - Responsive Planning and Development that meets the Community's aspirations - Respect for the heritage and character of the district - Protect and enhance the natural environments - Effective waste management - Efficient and integrated management of water resources - Council assets that service the needs of the community 	<ul style="list-style-type: none"> - A healthy community that participates in Community Life - The nurturing and development of the Districts youth - Recreational sporting and leisure facilities that contribute to the wellbeing of the community - A cohesive community that values its culture - Support creativity and learning within the community - Enhanced public safety and wellbeing 	<ul style="list-style-type: none"> - Accountable Financial Management - Effective monitoring and evaluation of Council processes and plans - Effective two way communication and consultation - Effective leadership and governance - Skilled, Committed and professional staff in a supportive environment - Infrastructure and service delivery that manages risk.

2. Significant Influences and Priorities

A number of significant factors have influenced the preparation of Council's 2015-16 Annual Business Plan.

These include:

- Requirements to maintain infrastructure assets at acceptable standards
- The need to upgrade the Robe Medical Centre (subject to grant funding)
- The level of State and Commonwealth Government grant funding
- Fees/charges imposed by the State Government including the waste levy
- Cost of compliance with State Government reporting and accountability requirements
- CPI and the LGPI (local government price index)
- Employee Enterprise Agreement

In response to these factors, and to minimise the burden on rate-payers, the Annual Business Plan has been prepared within the following guidelines:

- General rate revenue is planned to provide for operating expenses (Refer Section 7 for details on the impact on ratepayers).
- Maintenance and renewal of existing assets will be a matter of priority to ensure that the range and level of services being provided by Council's infrastructure is maintained at a reasonable level.
- Acquisition of new assets will be restricted to those which attract external funding subsidies.

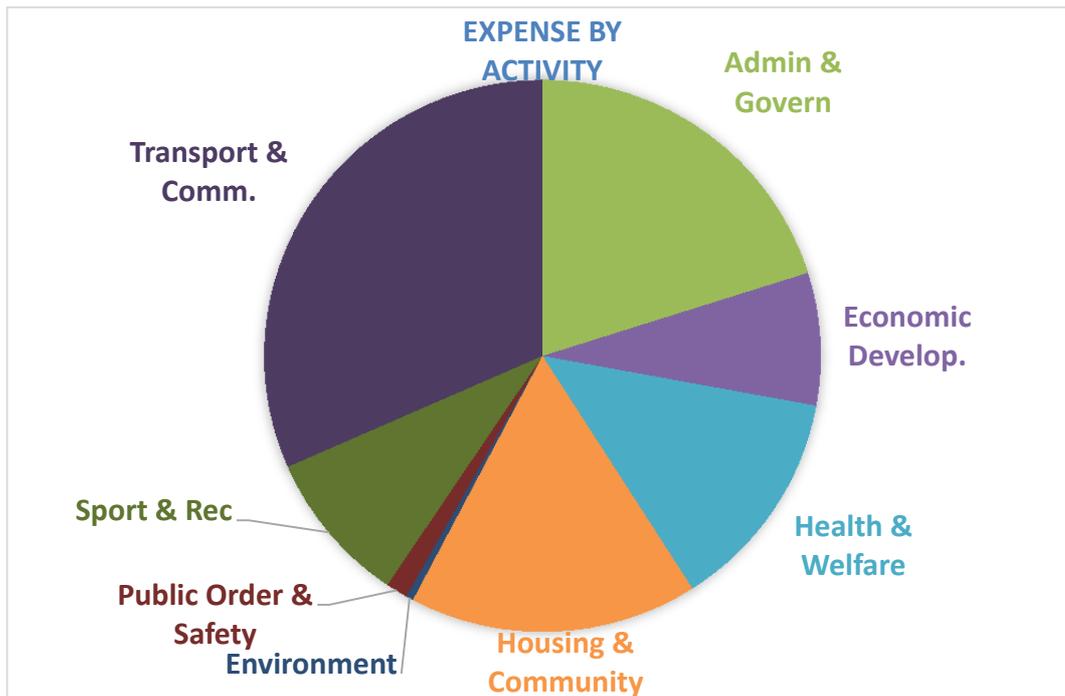
A challenge for the District Council of Robe is to prioritise expenditures to meet the demand for services and facilities. Given the asset intensive nature of the Council's activities, assessing the long term capacity of the community to fund ongoing maintenance and rehabilitation of infrastructure assets is a crucial consideration.

3. Continuing Services

Council plans to maintain the provision of all current services to the community.

Details of ongoing services provided to the community and activities of Council are shown in the following pages.

Graph: Shows the Expense by Council Activity



4. Capital Project Priorities for 2015-16

Project	Capital Amount	Description
Library door counter	\$1,000	Replace the existing unit.
New library computer	\$2,000	Replace the aged unit.
Library book encoding device	\$3,000	New machine is required to tag books to meet new Library standard.
Upgrade Robe Medical Centre	\$600,000	Total project cost \$600,000 Councils contribution \$300,000 The upgrade is subject to the successful outcome of a \$300,000 grant application.
Robe Institute -Fire detection & alarm system -Exit signage and lighting	\$20,000	In accordance with an Asset Survey Report Dec 2014, this work is required to meet public safety standards.
Robe Institute -Stormwater drainage works	\$47,500	Drainage works in accordance with detailed design and engineering specifications to rectify drainage

		issues.
Greenways Facilities	\$25,000	Proposed upgrade of the Tennis Club and Toilets to serve the local community needs.
Council Depot	\$3,500	Shed to house the CWMS mobile pump.
Council Office	\$5,000	Additional shelving to store Council records.
Roads (Unsealed) & Landfill Rehabilitation	\$750,000	Continuation of Council's unsealed road resheet strategy to upgrade approx. 18 kilometres of unsealed road annually. Rehabilitation of the closed landfill site. This project will span 2 financial years and will be done in accordance with the EPA approved rehabilitation plan.
Single coat reseals-	\$69,000	Bitumen township road reseals -Lord Syleham St 430m -O'Halloran St 800m -Sturt St 420m
Robe St/Victoria St Intersection	\$15,000	Engage engineers to prepare the intersection design.
Sturt Street / Hagen Street slip lane	\$9,040	Construct the slip lane.
Footpath	\$55,000	Coloured bitumen hot mix surface to be placed on the existing footpath from the Bowling Club to the Marina.
Footpath	\$8,500	Bitumen hot mix footpath to connect the existing footpaths at Lipson Park.
Victoria Street concrete crossover	\$4,800	Install footpath cross overs at road junctions along Victoria Street (\$1,200 per crossover).
Car park	\$13,500	Construct a bitumen car park on the western side of Hagen Street from the Marina to the Catholic Church.
Upgrade roundabouts	\$15,000	Hot mix around the Esplanade at the Newton Road and Laurel Terrace roundabouts.
Drainage works	\$60,000	Install drainage at Bower Street The engineering design will be completed in the current financial year.

Harbour path lights	\$10,000	Install Harbour path lights.
Beacon Hill Look out	\$23,500	Repair the stone work fascia at the look out
Lake Charra	\$10,000	Costs associated with retaining the lake water level and undertaking further work to reduce the lake odour.
Jumbo's Landing	\$10,000	Assist the Lions Club to produce a concept plan to upgrade public facilities at Jumbos landing. Potential projects include: -Raising the level of car park -Assist with an upgrade of the landing -Transfer a public toilet facility from another location.
KESAB	\$1,000	Involvement in the KESAB community sustainability award program.
Cycling track upgrade ROMBA	\$12,000	Installation of signage and minor works.
Hino Crew Cab	\$56,000	Replace existing vehicle Trade in \$18,000
Ford Territory	\$41,000	Replace existing vehicle Trade in \$19,000
Straddle lift and Straddle Lift jetty	300,000	Repairs to the straddle lift and repairs/replacement of the straddle lift jetty in accordance with the advice received from Engineers.
Dredging Marina channel	\$50,000	To ensure access to and from the Marina with the added benefit of placing sand on Main Beach.
Jetty repairs	\$20,000	To undertake the items that are still outstanding from the inspection undertaken in 2010 being; <ol style="list-style-type: none"> 1. Undertake an underwater condition assessment of all the piles with special reference to the stand alone timber piles, 2. Inspect the underside of the jetty abutment for its structural integrity and evidence of termite activity. Undertake maintenance of the Robe Jetty in accordance with the advice received from DPTI including:
	\$12,000	

		<ul style="list-style-type: none"> (a) Install a safety ladder on the southern side of the jetty , (b) Replace deck planks that do not comply with maintenance guidelines, (c) Reconnect loose planks to girders, (d) Retighten bolts securing connection between handrail and jetty, (e) Monitor split corbels, crossheads and girders to ensure they are fit for use, (f) Commence an inspection program for the jetty at the conclusion of storm events.
Pedestrian access West Beach	\$40,000	Install a timber walk way to provide pedestrian access to West Beach. Subject to receiving a \$20,000 Coast Protection Grant.
Obelisk maintenance	\$5,700	Cliff stability assessment for possible painting and maintenance work on the Obelisk

Note: The commitment to undertake some projects is subject to grant funds being received, and in the absence of grant funding will either not be undertaken or substantially altered to fit within Council's available resource. Council will consider the upgrade of the Victoria Street toilets if the upgrade of the Robe Medical Centre does not proceed.

Footnote:

At the time of writing, the projects listed in this plan have been identified by staff as priority projects based on Council's Asset Management Strategy, the condition assessment of individual assets and community needs assessment, together with reference to Council's Long Term Financial Plan and net funds available. The order in which projects are undertaken may change due to changing circumstance.

5. Funding the Business Plan

Council is granted the power to acquire funds under Section 133 of the Local Government Act 1999. Sources of funds include property rates, service charges, statutory and user charges, income from investments, commercial activities together with grants and subsidies. An indication of the proportion each of these makes up the total revenue of Council is depicted in the diagram below.

Council's Draft Annual Business Plan has been prepared on the basis of maintaining the delivery of the current range and level of services to the community, whilst being mindful of the rate burden imposed on individual ratepayers.

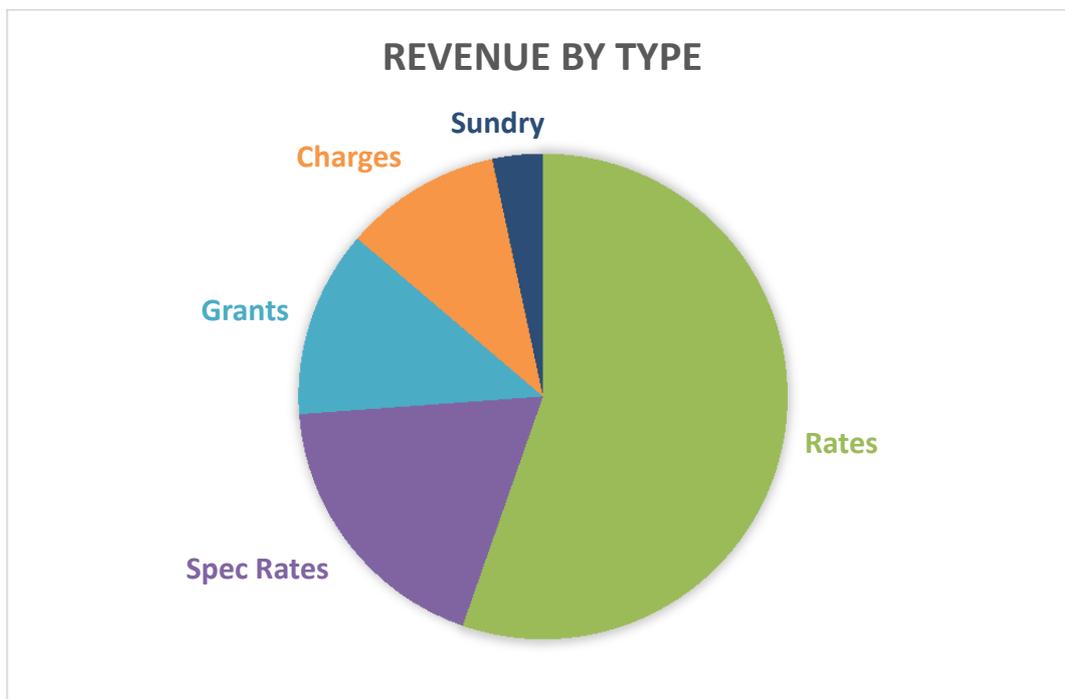
The plan aims to contribute to the long term financial sustainability of the Council through prudent and responsible financial management that will result on its operating expenses being less than its operating revenue, thereby producing a positive operating result.

Summary of Budget Financial Performance:

Operating Revenues	\$ 6,425,000
less: Operating Expenditure	\$ 6,468,000
Net Operating Deficiency	\$ 43,000

Council's annual operating revenue is considered to be sufficient to meet expected operating expenditure for the 2015-16 year.

Graph: Shows the Sources of Revenue for 2015-16.



Capital Works & Project Funding

In addition to meeting all operating expenses, the allocation of capital works and project expenditure through the works program is aimed at maximising asset performance whilst minimising whole-of-life-cycle costs associated with custodianship of the asset.

Summary of Capital Works & Project Funding:

The following sources of cash are sufficient to cover the projected Capital Expenditure of \$2,298,000:

Add back depreciation	\$ 2,110,000
Capital revenue/ Grant funds	\$ 320,000
Trade-in of Plant & Equipment	\$ 37,000
Land Sales	\$ 300,000
Net borrowing activity	\$ (72,000)
Total Capital/ project funding	\$ 2,695,000

Council does not propose to borrow to fund the completion of its proposed capital works program.

*Council's net borrowing figure is calculated here;

Principal repayment of existing loans	(\$ 72,000)
Loans to fund Capital Expenditure:	\$ Nil
Net Borrowing Activity	\$ 72,000

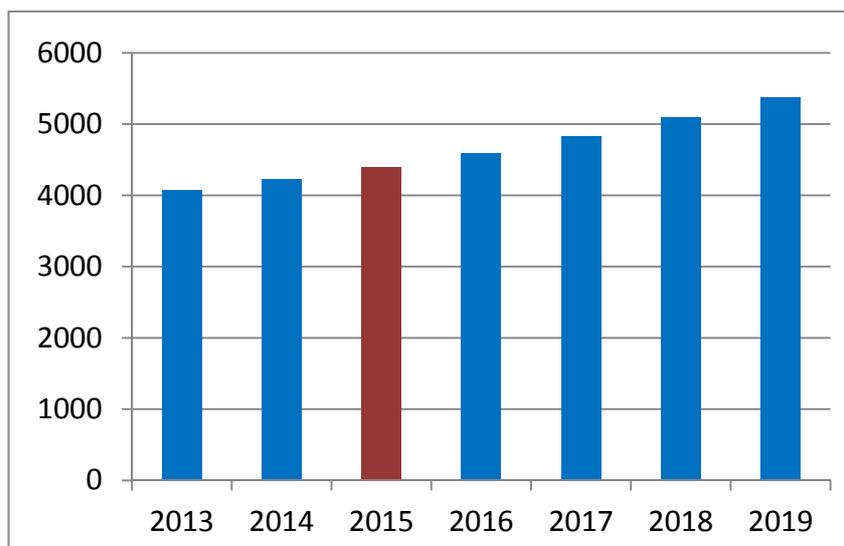
6. What it means for Rates & Ratepayers

As depicted in the table above the primary source of income for Council is the property based tax – "Council Rates".

Council spends considerable time modeling the effect of valuation and rate increases on individual rate payers whilst at the same time ensuring it can raise sufficient funds to achieve a positive operating result and a balanced budget. Council is reasonably confident that it has achieved a result that will achieve this for Council whilst minimising any adverse effect on individual ratepayers.

The basis for calculating is derived from Council's Long Term Financial Plan coupled with current economic, social, legislative and environmental factors. The table below shows projected rate revenue depicted in Council's LTFP 2010 to 2019.

Projected Rate Revenue:



Source: Council's LTFP 2009/10 to 2018/19.

Council's Power to Raise Rates

All land within a Council's area, except for land specifically exempted (e.g. Crown land, Council occupied land and other land prescribed in Section 147(2) of the Local Government Act 1999), is rateable. The Local Government Act 1999 provides for a Council to raise revenue for its broad purposes through the imposition of a single general rate in the dollar or through differential general rates that apply to all rateable land within the Council area.

In addition, Council can impose separate rates on land within specific parts of Council's area, or service rates or annual service charges for specific services provided or made available to that land by Council. Council also raises revenue through fees and charges, which are set giving specific consideration to the cost of the services provided and any equity issues.

7. RATING STRATEGY 2015-16

GENERAL RATES

Council proposes to continue to calculate its general rates on the basis of a single general rate in the dollar across all sectors for 2015-16. When considering the nature of a general rate, Council believes this is the fairest method of achieving an equitable distribution of the rate burden across the community.

The total amount of General Rates to be collected in 2015-16 is proposed to increase by 3.00% which includes a projected 0.90% in growth from new development.

This will result in a total amount of \$3,449,000 rate revenue being raised for 2015-16 after rebates and concessions.

The proposed 3.00% increase to rates takes into consideration the following factors:

- Growth (projected) 0.9%
- CPI* 1.7%
- Local Government Price Index 1.9% (December 2014)
- Insurance cost increases 4%
- Utility cost increases 4%

**CPI is derived from the ABS; 2 ALL GROUPS CPI, Percentage changes (from Corresponding Quarter of Previous Year) for the December quarter for Adelaide.*

MINIMUM RATE

Council considers it appropriate that ratepayers in respect of all rateable land make a contribution to the cost of administering Council's activities and that ratepayers in respect of all rateable land make a contribution to the

cost of creating and maintaining the physical infrastructure that supports that land and the basic services provided to all ratepayers.

The minimum rate is levied against the whole of an Allotment. Only one minimum rate is levied against two or more pieces of adjoining land (whether separated by a road or not) if they are owned by the same ratepayer and occupied by the same occupier. This is described as contiguous land.

The minimum rate in 2015-16 is \$638 (\$620 is 14/15)

This represents an increase of \$18 (3%) on the minimum rate applied in 2014-15. Overall, the minimum rate will be applied to approximately 22% of all rateable properties well within the maximum of 35% allowed for in the Local Government Act 1999.

Payment of Rates

The Council has resolved that the payment of all rates will be in four equal or approximately equal instalments due on:-

1 st -	1 st September 2015
2 nd -	1 st December 2015
3 rd -	1 st March 2016
4 th -	1 st June 2016

METHODOLOGY USED TO VALUE LAND

Council adopts the valuations made by South Australian Valuer-General in respect of land within the Council's area for rating purposes. The basis of valuation of land used by Council is the capital valuation of land, that is, the value of the land including improvements thereon.

Council considers that the capital valuation method provides the fairest method of achieving an equitable distribution of the rates burden across the ratepayers within Council's area for the following reasons:

- the equity principle of taxation requires that ratepayers of similar wealth pay similar taxes and ratepayers of greater wealth pay more tax than ratepayers of lesser wealth. Property value is generally considered a relatively good indicator of wealth; and;
- capital value, which trends with the market value of a property, provides the best indicator of overall property value.

Any ratepayer dissatisfied with a property valuation may object to the Valuer-General in writing within 60 days of receiving notice of the valuation, explaining the basis for the objection – provided they have not:

- (a) previously received a notice of this valuation under the Local Government Act 1999, in which case the objection period of 60 days runs from the receipt of the first notice; or
- (b) previously had an objection to the valuation considered by the Valuer-General.

Office of the Valuer-General,
GPO Box 1354, Adelaide 5001
Email: LSGObjections@sa.gov.au
Telephone 1300 653 345.

Council has no role in this process. It is important to note that the lodgement of an objection does not change the due date for payment of rates.

For information of Council's Rating Policy (Concessions & Remissions) please refer to Appendix 2.

ISSUES CONCERNING EQUITY WITHIN THE COMMUNITY

For the purpose of assessing issues relating to equity within the community and the impact of rates across the area, Council reviews its discretionary rebates, rate concessions and hardship arrangements on an annual

basis. Council also undertakes comparisons on the rates levied by other Local Government entities in the South East region.

With this information, Council is able to form the opinion that the District Council of Robe rates compared favourably with neighbouring Councils.

ANNUAL SERVICE CHARGES

COMMUNITY WASTEWATER MANAGEMENT SYSTEMS

Council provides a Community Wastewater Management System (CWMS) to all land within the township of Robe.

All Council CWMS schemes in South Australia have the same basic design, and in order for the schemes to be financially self sufficient on a long term basis, Councils need to model charges to those to whom the schemes are provided or made available on charges used by SA Water for its schemes.

A differential in the annual service charges of 25% between occupied and vacant land to which the CWMS is provided or made available will be maintained to reflect the difference between infrastructure establishment and effluent disposal costs for occupied and vacant land.

Further to this, Council will impose its annual service charges against assessments in accordance with the Code for Establishing and Applying Property Units as a Factor for the Imposition of Annual Service Charges for Community Wastewater Management Systems as permitted by Section 155 of the Local Government Act 1999 and Regulation 9A of the Local Government (General) Regulations 1999.

Charges for the Community Wastewater Management Scheme for 2015-16 will be:

Occupied:	\$492.00	(\$490 in 2014-15)
Unoccupied:	\$396.00	(\$395 in 2014-15)

Prior to the 2014-15 financial year, Council charged an occupied with no de-sludge rate. For ease of management and to ensure all septic tanks are compliant in future Council removed this charge and all tanks will be desludged by Council on a four year rolling cycle.

WASTE MANAGEMENT

For the purpose of meeting the costs associated with the collection and disposal of domestic and other garbage, Council has a Mobile Garbage Bin service charge on all serviced properties. Where the service is provided to non-rateable properties, a service charge is to be levied against the land.

Charges for the Waste Management Fee for 2015-16 will be:

For residents of Robe:	\$325.00	(\$320 in 2014/15)
For residents of Boatswain Point:	\$183.00	(\$180 in 2014/15)

Council charges separately for this service as it is specific to particular properties and is thus unreasonable to expect the total rate base to provide for its use, maintenance and replacement.

NATURAL RESOURCES MANAGEMENT LEVY

Council is required to collect a regional Natural Resources Management (NRM) Levy in respect of all rateable land in Council's area on behalf of the South East NRM Board. Council declares for the financial year ended 30 June 2016 a separate rate based on a fixed charge on all rateable land in the area of the Council and the Board of \$43.40 per assessment.

Council is operating as a revenue collector for the Board in this regard.

Council does not retain this revenue nor determine how the revenue is spent.

Council will collect this money by imposing a separate rate of on all rateable land in Council's area and then forward the money on to the Board to fund its activities.

Appendix 1: Budgeted Financial Statements

DISTRICT COUNCIL OF ROBE CONSOLIDATED DRAFT BUDGET 2015/2016		
STATEMENT OF COMPREHENSIVE INCOME		
2014/2015 FULL YEAR REVISED ESTIMATE \$'000	INCOME	2015/2016 DRAFT BUDGET \$'000
4,621	Rates	4,744
49	Statutory Charges	54
687	User Charges	614
742	Grants Subsidies and Contributions	799
22	Investment Income	33
197	Other	181
<hr/>		<hr/>
6,319	TOTAL REVENUES	6,425
	EXPENSES	
2,014	Wages and Salaries	1,973
2,425	Materials, Contracts and Other Expenses	2,348
94	Finance Costs	37
2,102	Depreciation, amortisation & impairment	2,110
-	Share of loss - joint ventures & associates	-
<hr/>		<hr/>
6,635	Total Expenses	6,468
(316)	OPERATING SURPLUS/(DEFICIT) BEFORE CAPITAL AMOUNTS	(43)
-	Net gain (loss) on disposal or revaluation of assets	-
10	Amounts specifically for new or upgraded assets	320
-	Physical resources received free of charge	-
<hr/> (306) <hr/>	TOTAL COMPREHENSIVE INCOME	<hr/> 277 <hr/>

**DISTRICT COUNCIL OF ROBE
CONSOLIDATED DRAFT BUDGET 2015/2016**

CASH FLOW STATEMENT

2014/2015 FULL YEAR REVISED ESTIMATE \$		2015/2016 DRAFT BUDGET \$
Inflows (Outflows)		Inflows (Outflows)
	CASHFLOWS FROM OPERATING ACTIVITIES	
	RECEIPTS	
6,297	Operating Receipts	6,358
22	Investment Receipts	33
	PAYMENTS	
(4,439)	Operating payments to suppliers & employees	(4,321)
(94)	Finance Payments	(37)
<u>1,786</u>	Net Cash provided by (or used in) Operating Activities	<u>2,033</u>
	CASH FLOWS FROM INVESTING ACTIVITIES	
	RECEIPTS	
10	Grants specifically for new or upgraded assets	320
433	Sale of Assets	337
	PAYMENTS	
(1,597)	Capital Expenditure on renewal/replacement of assets	(919)
(1,194)	Capital Expenditure on new/upgraded assets	(1,379)
<u>(2,348)</u>	Net Cash provided by (or used in) Investing Activities	<u>(1,641)</u>
	CASH FLOWS FROM FINANCING ACTIVITIES	
	RECEIPTS	
-	Premiums received in advance (Marina)	-
610	Proceeds from Borrowings	-
	PAYMENTS	
(474)	Repayment of Borrowings	(72)
<u>136</u>	NET CASH USED IN FINANCING ACTIVITIES	<u>(72)</u>
(426)	NET INCREASE (DECREASE) IN CASH HELD	320
713	CASH AT BEGINNING OF YEAR	287
<u><u>287</u></u>	CASH AT END OF YEAR	<u><u>607</u></u>

**DISTRICT COUNCIL OF ROBE
CONSOLIDATED DRAFT BUDGET 2015/2016**

BALANCE SHEET

2014/2015 FULL YEAR REVISED ESTIMATE		2015/2016 DRAFT BUDGET
	ASSETS	
	CURRENT ASSETS	
\$		\$
287	Cash and cash equivalents	607
390	Trade & other receivables	390
444	Inventories	444
<u>1,121</u>	TOTAL CURRENT ASSETS	<u>1,441</u>
	NON-CURRENT ASSETS	
101	Financial Assets	101
95,358	Infrastructure, Property, Plant & Equipment	95,209
<u>95,459</u>	TOTAL NON-CURRENT ASSETS	<u>95,310</u>
<u>96,580</u>	TOTAL ASSETS	<u>96,751</u>
	LIABILITIES	
	CURRENT LIABILITIES	
584	Trade & Other Payables	584
140	Borrowings	140
437	Short-term Provisions	437
<u>1,161</u>	TOTAL CURRENT LIABILITIES	<u>1,161</u>
	NON-CURRENT LIABILITIES	
2,688	Premiums Received in Advance (Marina)	2,654
289	Long-term Borrowings	217
49	Long-term Provisions	49
<u>3,026</u>	TOTAL NON-CURRENT LIABILITIES	<u>2,920</u>
<u>4,187</u>	TOTAL LIABILITIES	<u>4,081</u>
<u>92,393</u>	NET ASSETS	<u>92,670</u>
	EQUITY	
11,596	Accumulated Surplus	11,873
79,302	Asset Revaluation	79,302
1,495	Other Reserves	1,495
<u>92,393</u>	TOTAL EQUITY	<u>92,670</u>

**DISTRICT COUNCIL OF ROBE
CONSOLIDATED DRAFT BUDGET 2015/2016**

STATEMENT OF CHANGES IN EQUITY

2014/2015 FULL YEAR REVISED ESTIMATE \$		2015/2016 DRAFT BUDGET \$
	ACCUMULATED SURPLUS	
12,223	Balance at end of previous reporting period	11,596
-306	Net Result for Year	277
844	Transfer From Reserves	0
-1,165	Transfer To Reserves	0
<u>11,596</u>	BALANCE AT END OF PERIOD	<u>11,873</u>
	ASSET REVALUATION RESERVE	
79,302	Balance at end of previous reporting period	79,302
0.00	Gain on revaluation of infrastructure, property, plant & equipment	0.00
0.00	Transfer to Accumulated Surplus on sale of infrastructure, property, plant & equipment	0.00
<u>79,302</u>	BALANCE AT END OF PERIOD	<u>79,302</u>
	CWMS Maintenance	
743	Balance at end of previous reporting period	1,064
1,165	Transfer to reserve from accumulated surplus	-
- 844	Transfer from reserve to accumulated surplus	-
<u>1,064</u>	BALANCE AT END OF PERIOD	<u>1,064</u>
	Contribution Reserve	
31	Balance at end of previous reporting period	31
-	Transfer to reserve from accumulated surplus	-
<u>31</u>	Transfer from reserve to accumulated surplus	<u>31</u>
	Childcare Reserve	
400	Balance at end of previous reporting period	400
<u>400</u>	Transfer to reserve from accumulated surplus	<u>400</u>
	Transfer from reserve to accumulated surplus	<u>400</u>
<u>92,393</u>	TOTAL EQUITY AT END OF REPORTING PERIOD	<u>92,670</u>

**DISTRICT COUNCIL OF ROBE
CONSOLIDATED DRAFT BUDGET 2015/2016**

UNIFORM PRESENTATION OF FINANCES

2014/2015 FULL YEAR REVISED ESTIMATE		2015/2016 DRAFT BUDGET
\$		\$
6,319	Operating Revenues	6,425
<u>(6,635)</u>	less Operating Expenses	<u>(6,468)</u>
(316)	Operating Surplus / (Deficit) before Capital Amounts	(43)
	Less Net Outlays in Existing Assets	
1,101	Capital Expenditure on renewal and replacement of Existing Assets	919
<u>(2,102)</u>	less Depreciation, Amortisation and Impairment	<u>(2,110)</u>
(433)	less Proceeds from Sale of Replaced Assets	<u>(37)</u>
<u>(1,434)</u>		<u>(1,228)</u>
	Less Net Outlays on New and Upgraded Assets	
1,690	Capital Expenditure on New and Upgraded Assets	1,379
(10)	less Amounts received specifically for New and Upgraded Assets	(320)
<u>-</u>	less Proceeds from Sale of Surplus Assets	<u>(300)</u>
1,680		759
(562)	Net Lending / (Borrowing) for Financial Year	426

**DISTRICT COUNCIL OF ROBE
CONSOLIDATED DRAFT BUDGET 2015/2016**

FINANCIAL INDICATORS

**2014/2015
FULL YEAR
REVISED ESTIMATE**

**2015/2016
DRAFT
BUDGET**

41	Operating Surplus <i>Being the Operating Surplus (Deficit) before Capital Amounts</i>	(43)
1%	Operating Surplus Ratio <u>Operating Surplus</u> Rates - general & other less NRM levy <i>This ratio expresses the Operating Surplus as a percentage of general and other rates, net of NRM Levy</i>	-1%
3,296	Net Financial Liabilities <i>Net Financial Liabilities are defined as Total Liabilities less financial assets (excluding equity accounted investments in Council Businesses)</i>	2,983
566	Net Financial Liabilities (Excluding Marina Premiums received in Advance) <i>Net Financial Liabilities are defined as Total Liabilities less financial assets (excluding equity accounted investments in Council Businesses)</i>	329
55%	Net Financial Liabilities Ratio <u>Net Financial Liabilities</u> Total Operating Revenue less NRM levy	47%
9%	Net Financial Liabilities Ratio (Excluding Marina Premiums received in Advance) <u>Net Financial Liabilities</u> Total Operating Revenue less NRM levy	5%
1%	Interest Cover Ratio <u>Net Interest Expense</u> Total Operating Revenue less NRM levy less Investment Income	0%
53%	Asset Sustainability Ratio <u>Net Asset Renewals</u> Depreciation Expense <i>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</i>	42%

Appendix 2: Rating Policy (Concessions & Remissions)

Pensioner & Self-Funded Retiree Concessions

The State Government has recently announced that Council rate concessions will no longer be applied and a new Cost of Living Concession (CoLC) will be introduced from 1 July 2015.

Unemployed Persons Concessions

The Department for Families and Communities (DFC) may assist with the payment of Council rates for your principal place of residence (remissions are not available on vacant land or rental premises). Please contact your nearest Families SA District Centre for details or phone the Concessions Hotline on 1800 307 758.

Payment of Rates

The Council resolved that the payment of all rates will be in four equal or approximately equal instalments due on:-

1st September 2015
1st December 2015
1st March 2016
1st June 2016

Rates may be paid:-

- via the mail with money order or cheque made payable to the District Council of Robe ;
- in person, at the Council offices at:

District Council of Robe
Royal Circus, ROBE
between the hours of 9.00am and 5.00pm, Monday to Friday.

- EFTPOS and credit card facilities are available at the Council Office.
- By BPay (details on the rate notice)

Any ratepayer who may, or is likely to, experience difficulty with meeting the standard payment arrangements is invited to contact the office at 8768 2003 to discuss alternative payment arrangements. Such inquiries are treated confidentially by Council.

Council has adopted a Rating Policy that where the payment of rates will cause a ratepayer demonstrable hardship, Council is prepared to make extended provisions or defer the payment of rates. Council's Rating Policy is available at the Council office or on Council's website www.robe.sa.gov.au

Late Payment of Rates

The Local Government Act 1999 provides that fine of 2% of the amount of an instalment is imposed in the event that the instalment is not paid on or before the date on which it falls due. An instalment that remains unpaid for a period of one month accrues interest at a rate set each year according to a prescribed formula. That interest continues to accrue at the end of each full month in respect of which the instalment remains unpaid. The purpose of this penalty is to act as a genuine 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 Council may incur because it has not received the rates on time. Council is prepared to remit penalties for late payment of rates where a ratepayer can demonstrate hardship.

Council issues a final notice for payment of rates when rates are overdue i.e. unpaid by the due date. Should rates remain unpaid more than 14 days after the issue of the final notice then Council refers the debt to a debt collection agency for collection. The debt collection agency charges collection fees that are recoverable from the ratepayer.

When 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 account first).

Postponement of Rates

A postponement of rates may be granted if Council is satisfied that the payment of rates would cause hardship. Council may on application and subject to the ratepayer substantiating the hardship, consider granting a postponement of payments of rates in respect of an assessment on the condition that the ratepayer agrees to pay interest on the amount affected by the postponement at the interest rate applicable on Council's variable interest rate borrowings.

Postponement of rates for Seniors

State Seniors who expect difficulty in meeting their rate obligations (often as a result of being asset rich but income deprived) have the option to postpone a portion of their Council rates on a long-term basis. Under this scheme eligible ratepayers can annually postpone any rates imposed above \$500.

The deferred amount is subject to a monthly interest charge with the accrued debt ultimately being payable on the sale of the property. Where the ratepayer also receives a Pensioner or Self-Funded Retiree concession, this concession may be applied (at their discretion) to the \$500 payable each year to further reduce the annual amount payable.

To qualify for eligibility:

- the property must be the ratepayers principal place of residence
- the ratepayer (or their spouse) must hold a current State Seniors Card (or be eligible to hold a Seniors Card and have lodged their application to obtain one)
- the ratepayer must own the property (or it can be in joint ownership with their spouse) but no other person can be registered as an owner of the property; and
- if the property has a mortgage that was taken out before 25 January 2007 they must have at least 50% equity in the property.

Should the ratepayer (or spouse) cease to be eligible for the Seniors Card or should the ratepayer move out of the home they do not have to repay any amounts postponed immediately. Postponed rates are only payable upon sale of the property (or earlier if the ratepayer chooses). However if they cease to be eligible any future rates levied cannot be postponed and will be subject to the normal quarterly rating provisions.

Other Concessions

Families SA may assist with the payment of Council rates for your principal place of residence (remissions are not available on vacant land or rental premises).

Rate Rebates

It is the policy of the Council that a rebate of rates in respect of any rateable land in the Council area will be available only when the applicant satisfies the requirements under the Local Government Act 1999 and, where appropriate, the requirements of Council's Rating Policy.

Detailed information about the legislative provisions and Council's Rating Policy including rebates can be obtained by contacting the Council Office or on Council's website www.robe.sa.gov.au

All enquires will be dealt with on a confidential basis.

Appendix 3: Local Government Financial Indicator Definitions

1. Operating Surplus (Deficit)

An operating surplus indicates the extent to which operating revenues are sufficient to meet all operating expenses including depreciation and consequently the extent to which the burden of expenses is being met by current ratepayers. The amount of any operating surplus will be applied towards reducing the amount of borrowings otherwise required to undertake new capital expenditure.

Council's target is to achieve an operating surplus between (\$500) deficit and \$500k surplus.

Council's 2015-16 Budget aims to achieve an operating deficiency of \$43K

2. Operating Surplus (Deficit) Ratio

This ratio expresses the operating surplus (deficit) as a percentage of general and other rates, net of rebates. A negative ratio indicates the percentage increase in total rates required to achieve a breakeven operating result. A positive ratio indicates the percentage of total rates available to fund capital expenditure over and above the level of depreciation expense, without increasing Council's level of net financial liabilities. If this amount is not required for capital expenditure it simply reduces the level of net financial liabilities.

Council's target is to achieve an operating surplus ratio between (5%) deficit and 5% surplus.

Council's 2015-16 Budget aims to achieve an operating surplus ratio of -1%.

3. Net Financial Liabilities

Net Financial Liabilities measure a Council's total indebtedness. Net financial liabilities is a broader measure than net debt as it includes all of a Council's obligations including provisions for employee entitlements and creditors. The level of net financial liabilities increases when a net borrowing result occurs in a financial year and will result in a Council incurring liabilities and/or reducing financial assets. The level of net financial liabilities decreases when a net lending result occurs in a financial year and will result in a Council purchasing financial assets and/or repaying liabilities.

Council's target is to maintain its net financial liability between zero and \$6.425M (total operating revenue).

Council's 2015-16 Budget aims to achieve a net financial liability of \$2.983M.

4. Net Financial Liabilities Ratio

This ratio indicates the extent to which net financial liabilities of the Council can be met by the Council's total operating revenue. Where the ratio is falling it indicates the Council's capacity to meet its financial obligations from operating revenues is strengthening. Where the ratio is increasing it indicates a greater amount of Council's operating revenues is required to service its financial obligations.

Council's target is to maintain its net financial liability ratio between zero and 100%.

Council's 2015-16 Budget aims to achieve a net financial liability ratio of 47%.

5. Interest Cover Ratio

This ratio indicates the extent to which Council's commitment to interest expenses are met by total operating revenues.

Council's target is to maintain its interest cover ratio between zero and 10%.

Council's 2015-16 Budget aims to achieve an interest cover ratio of 0%.

6. Asset Sustainability Ratio

This ratio indicates whether the Council is renewing or replacing existing physical assets at the rate at which they are wearing out. On occasions, the Council will accelerate or reduce asset expenditures over time to compensate for prior events, or invest in assets by spending more now so that it costs less in the future to maintain.

Council's target is to maintain its asset sustainability ratio between 75% and 150%.

Council's 2015-16 Budget aims to achieve an asset sustainability ratio of 42%.