



Adopted at the Special Council meeting held 4 July 2018

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Public Consultation

The consultation period for the Annual Business Plan & Budget 2018-19 was between 10 May and 4 June 2018.

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 is also available on Council's website at www.robe.sa.gov.au

Notices to this effect were published in the local Coastal Leader newspaper.

Written submissions were invited from the public and submissions were received by Council on or before 4 June 2018.

Public Information Session

Members of the public were invited to a Public Information Session held on 23 May 2018 from 3pm to 7pm at the Robe Bowls Club.

Public Meeting

All submissions received were considered by Council at the June Council Meeting on Tuesday 12 June 2018 at 6pm. Any person wishing to ask a question or make a submission were invited to attend the 12 June 2018 Council meeting.

From the Chief Executive

The Annual Business Plan sets out Council's proposed services, programs and projects for the 2018-19 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

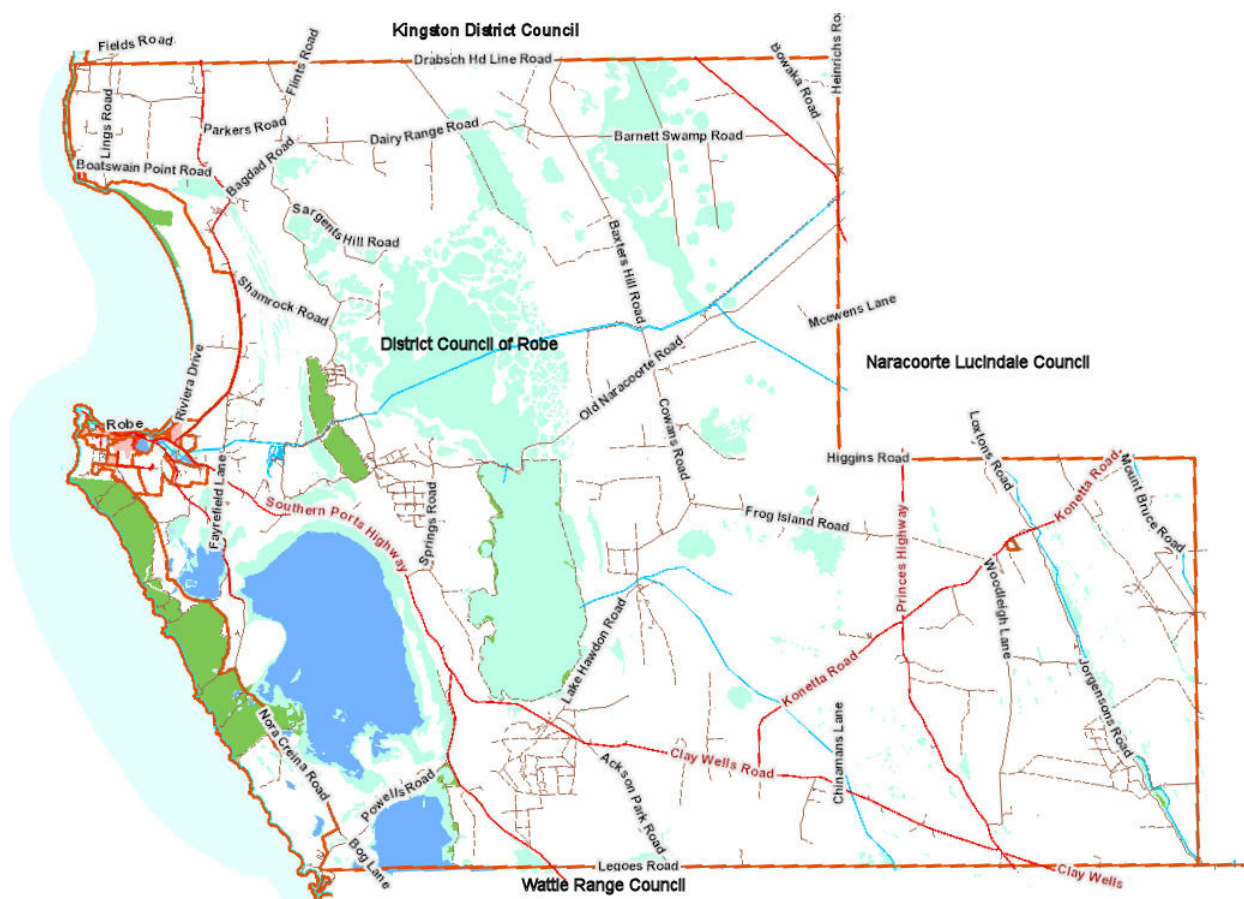
Profile

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

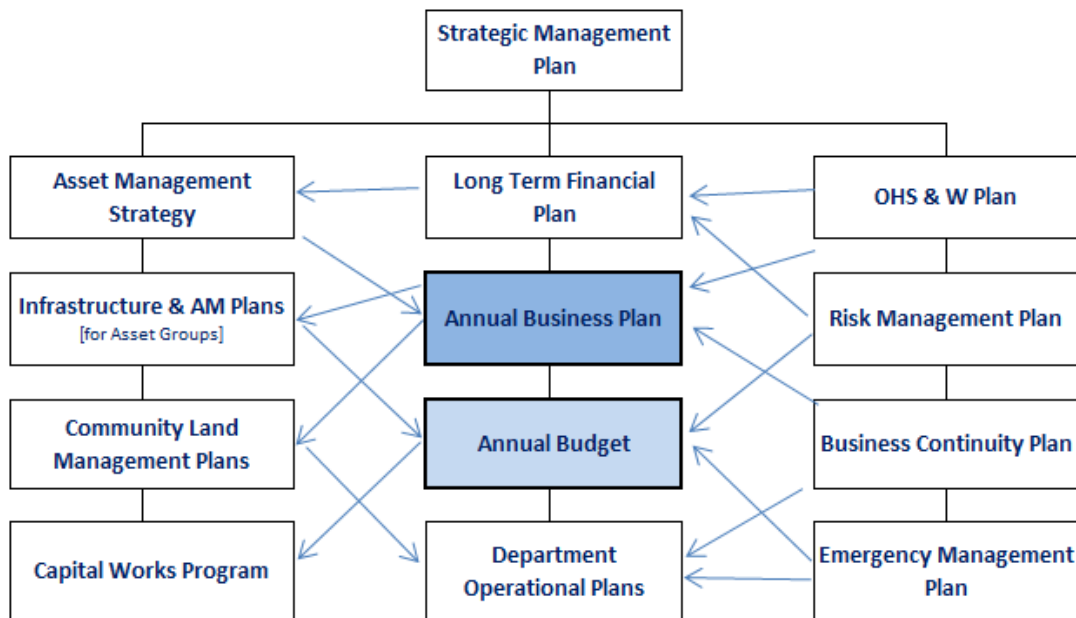
Council adopted its current Strategic Plan 2014-2018 in May 2014. Amongst the obligations when adopting its Plan was consideration of regional, state and national objectives and strategies relevant to the social, physical, environmental development and management of Council's area of responsibility.

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 adhered to and met. Council's Long Term Financial Plan was adopted 20th March 2018 and will be reviewed each year with the next review to be considered in January 2019.

Council also adopted Asset Management Plans for the various classes of assets and an Asset Management Strategy on 20th March 2018. 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	<p>A strong diverse tourism, primary production and commercial economy</p> <p>A well managed marina facility that services the commercial, tourist and recreational needs</p> <p>Infrastructure that supports the Districts economy</p>	<p>Responsive Planning and Development that meets the Community's aspirations</p> <p>Respect for the heritage and character of the district</p> <p>Protect and enhance the natural environments</p> <p>Effective waste management</p> <p>Efficient and integrated management of water resources</p> <p>Council assets that service the needs of the community</p>	<p>A healthy community that participates in Community Life</p> <p>The nurturing and development of the Districts youth</p> <p>Recreational sporting and leisure facilities that contribute to the wellbeing of the community</p> <p>A cohesive community that values its culture</p> <p>Support creativity and learning within the community</p> <p>Enhanced public safety and wellbeing</p>	<p>Accountable Financial Management</p> <p>Effective monitoring and evaluation of Council processes and plans</p> <p>Effective two way communication and consultation</p> <p>Effective leadership and governance</p> <p>Skilled, Committed and professional staff in a supportive environment</p> <p>Infrastructure and service delivery that manages risk.</p>

2. Significant Influences and Priorities

A number of significant factors have influenced the preparation of Council's Annual Business Plan 2018-2019.

These include:

- The China ban on recycling waste streams
- Requirements to maintain infrastructure assets at acceptable standards
- 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.

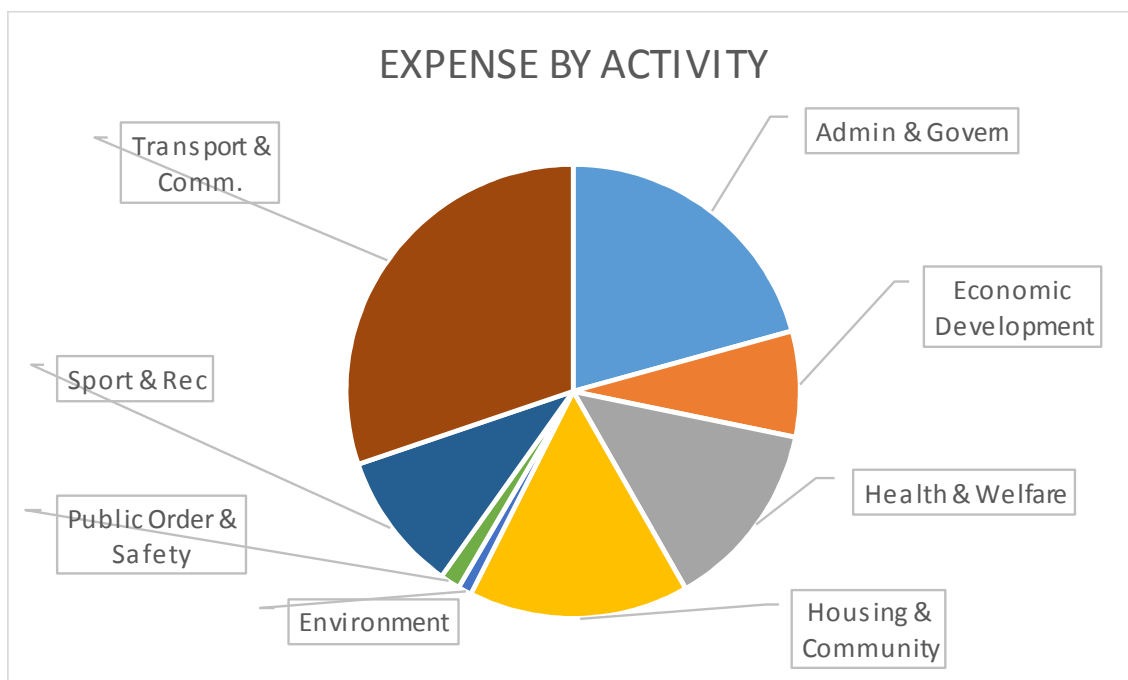
A challenge for the District Council of Robe is to prioritise expenditures to meet the demand for services and facilities. Given the asset intensive nature of the Council's activities, assessing the long term capacity of the community to fund ongoing maintenance and rehabilitation of infrastructure assets 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 2018-19

Project	Capital Amount	Description	Strategic Plan 2014-2018 Strategy/Action Links
INFRASTRUCTURE			
Roads (Unsealed)	\$746,728	Continuation of Council's unsealed road resheet strategy to upgrade approx. 18 kilometres of unsealed roads annually (Ackson Park Road, Dairy Range Road, Woodleigh Lane) including the survey & design for the upgrade of Nora Creina Road	3.6.2
Roads (Sealed)	\$35,000	Davenport Street resurfacing of laneway (light coloured concrete)	2.3.2, 3.6.2
Single Coat Reseals	\$115,778	Bitumen township road reseals -Flint Street, Cooper Street, Part Morphett Street, Hagen Street, Royal Circus	2.3.2, 3.6.2
Stormwater Main Street	\$100,000 \$90,000	Davenport Street stormwater upgrade Completion of Main Street carpark and commencement of paving/lighting	2.3.5 2.3.2, 3.6.2
Public Conveniences	\$170,000 \$10,000	Main Street toilet upgrade as per the concept plan 3 rd Ramp toilet block	3.2.5 3.2.5
CWMS	\$1,400,000	Planned pond upgrades	3.4.1
Beach Access Renewals	\$20,000	Upgrading of Fox Beach access	1.3.4, 3.2.6
Hermitage Road	\$10,000	Upgrade of the extension of Hermitage Road	3.6.2
PLANT REPLACEMENT			
Ford Ranger	\$40,000	Replace existing vehicle	4.6.1
Izuzu Ute D-Max CrewCab	\$50,000	Replace existing vehicle	4.6.1
Roller	110,000	Replace existing roller	4.6.1
Mitsubishi Triton	\$40,000	Replace existing vehicle	4.6.1
Ford Territory TX Wagon	\$50,000	Replace existing vehicle	4.6.1
Minor Plant	\$5,000	To replace various minor plant equipment	4.6.1
COMMUNITY			
Robe Institute	\$39,500	Robe Institute works	2.1.5, 3.2.1
Robe Office/Chambers	\$30,000	Robe Office/ Chamber assessment & concept plan	3.2.5
Casuarina Lodge	\$22,000	Replacement of 2 electrical meter boards	3.2.5
War Memorial	\$25,000	Last stage of the War Memorial project	3.2.2
Interpretive Signs	\$8,000	Interpretive signage	2.1.2
Robe Medical Centre	\$1,181,000	Upgrade and extension works required for Robe Medical Centre	1.1.2
Robe Depot Maintenance Shed	\$20,000	Upgrade works on Depot Maintenance Shed	3.2.5
Christmas Tree Lighting	\$5,000	Upgrading the lights on the Christmas Tree	1.6.4
Foreshore Reserve	\$40,000	Foreshore Reserve will require reinstatement of irrigation system and lawn following the completion of the beach access/seawall works	1.3.4, 3.6.7
Cemetery	\$8,000	New Cemetery Plinths	1.1.3
ADMINISTRATION			
Furniture and Fittings	\$5,000	Replace furniture and fittings throughout Council	4.6.1
Computers	\$5,000	Replace aging computers	4.6.1

Footnote:

At the time of writing, the projects listed in this plan have been identified 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 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.

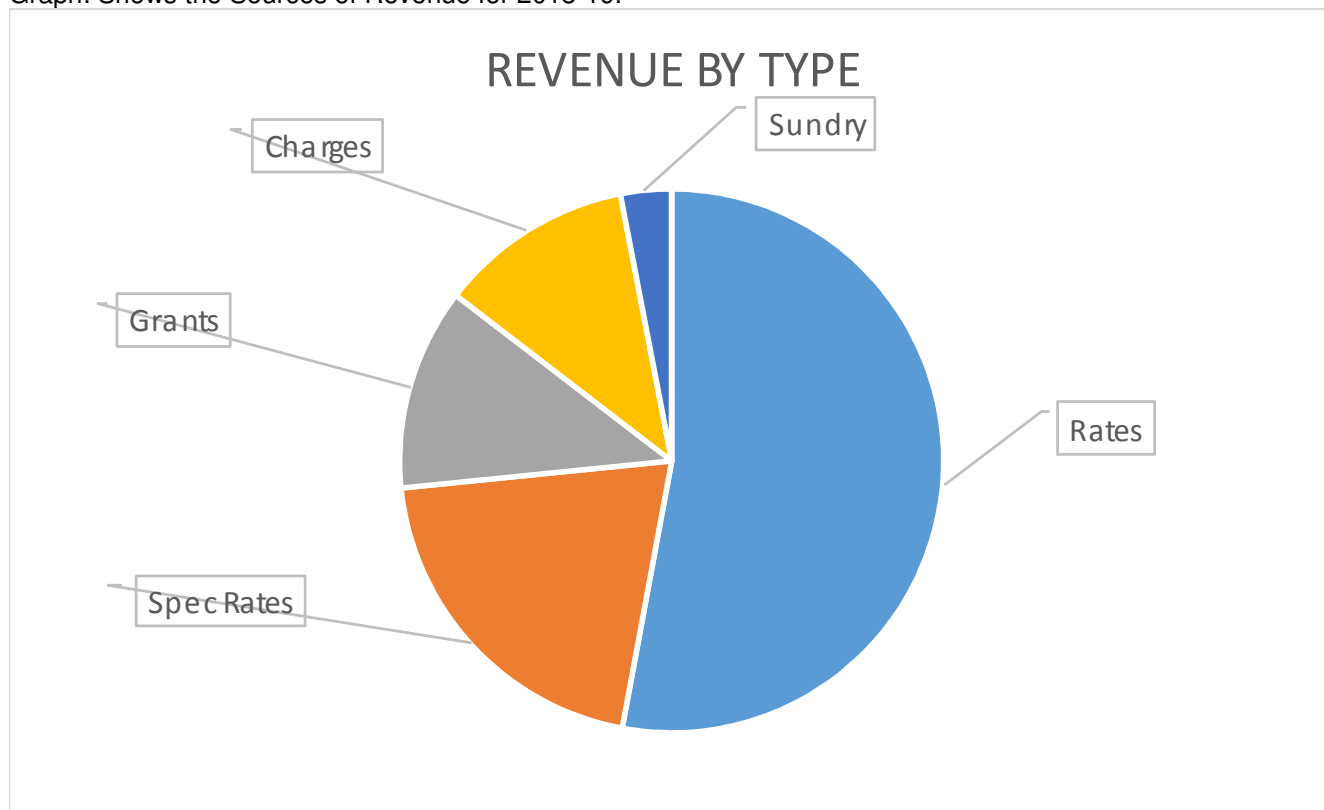
The plan aims to contribute to the long term financial sustainability of the Council through prudent and responsible financial management that will ideally result in its operating expenses being less than its operating revenue, thereby producing a positive operating result.

Summary of Budget Financial Performance:

Operating Revenues	\$ 6,995,000
less: Operating Expenditure	\$ 7,248,000
Net Operating Deficit	\$ 253,000

Council's annual operating revenue is not considered sufficient to meet expected operating expenditure for the 2018-19 year. As a result of prior year surpluses however, Council considers that it can meet the expected operating expenditure for the year.

Graph: Shows the Sources of Revenue for 2018-19.



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 \$4,381,006:

Add back depreciation	\$ 2,240,000
Capital revenue/ Grant funds	\$ 131,000
Trade-in of Plant & Equipment	\$ 0,000
Operating Surplus/Deficit	(\$ 253,322)
Loan Borrowings	\$ 1,150,000
Cash Reserves	<u>\$ 1,113,328</u>
Total Capital/ project funding	\$ 4,381,006

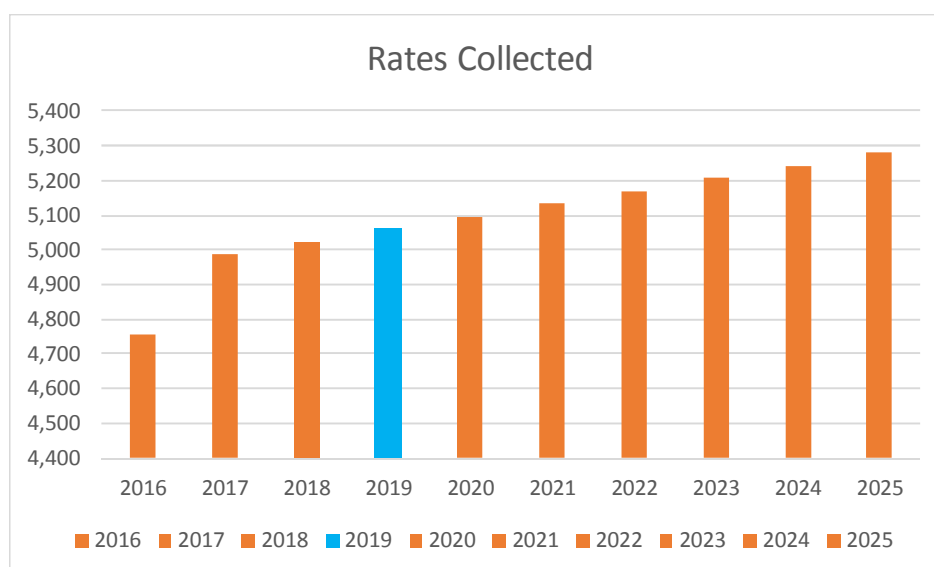
6. What it means for Rates & Ratepayers

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 2016 to 2025.

Projected Rate Revenue:



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 2018-19

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 2018-19. 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 2018-19 is proposed to increase by 3.3% which includes a projected 1.0% in growth from new development.

This will result in a total amount of \$3,720,000 rate revenue being raised for 2018-19 after rebates and concessions.

The proposed 3.3% increase to rates takes into consideration the following factors:

Growth (projected)	1.0%
CPI*	2.3%
Local Government Price Index	2.9% (December 2017)
Insurance cost increases	4%
Utility cost increases	4%

**CPI is derived from the ABS; 2 ALL GROUPS CPI, Percentage changes (from Previous Financial Year) for the December 17 quarter for Adelaide.*

Rate Capping Rebate – Maximum Increase on Rates

Council will apply a maximum increase on rates in accordance with Section 166 (1) (l) (i) (ii) of the Local Government Act 1999. A maximum increase of 10% will apply to all assessments within the Council area on the general rates liability, except in the following circumstances:

- Where the increase is due to a valuation increase which has occurred as a direct result of capital improvement (excluding capital improvements \$30,000 or less) or development of the land; or
- Where the ownership of the property has changed since 1 July of the preceding financial year and the new owners have purchased the property at the current market value; or
- Where a boundary realignment, subdivision or amalgamation has occurred, therefore the property is a different property to the previous financial year for valuation purposes (with the exception of subdivisions to facilitate land acquired by any government entity e.g. for the purpose of drain construction or alteration and with the exception of rural properties where the boundary realignment, subdivision or amalgamation has not made a material difference).

The “Rate Capping” provision aims to provide relief to those ratepayers who may be unfairly affected due to the change to the basis of rating (implementation of “land use” based rating) and to minimise significant rate increases where volatile valuation movements have occurred.

The impact of “Rate Capping” will be reviewed on an annual basis and the rate cap percentage adjusted accordingly as determined by Council.

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 and only one minimum rate is payable by the ratepayer. Also If properties are subject to a Single Farm Enterprise, only one NRM Levy is payable to one Enterprise.

The minimum rate in 2018-19 is proposed to be \$684 (\$669 is 17/18)

This represents an increase of \$15 (2.3%) on the minimum rate applied in 2017-18. Overall, the minimum rate will be applied to approximately 25% 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:-

- 1st - 3rd September 2018
- 2nd - 3rd December 2018
- 3rd - 1st March 2019
- 4th - 3rd June 2019

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:

- 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
- 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.

SINGLE FARM ENTERPRISE

All rural ratepayers who own and operate two or more portions of rateable land as one farming entity are eligible to pay only one NRM levy for the enterprise.

Reference to a single farm enterprise is to two or more pieces of rateable land –

- (i) Which
 - a. Are farm land; and
 - b. Are farmed as a single enterprise; and
 - c. Are occupied by the same person or persons,
Whether or not the pieces of land are contiguous; or
- (ii) Which
 - a. As to all the pieces except one, are farm land farmed as a single enterprise occupied by the same person or persons; and
 - b. As to one piece contiguous with at least one of the other pieces, is the principal place of residence of that person or one of those persons.

Application forms are available at the Council office.

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 2018-19 will be:

Occupied:	\$521.00	(\$509 in 2017-18)
Unoccupied:	\$419.00	(\$410 in 2017-18)

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 Waste Management for 2018-19 will be:

For residents of Robe:	\$302.00	(\$280 in 2017-18)
For residents of Boatswain Point:	\$162.00	(\$158 in 2017-18)

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

The increase in the Waste Management charge is a result of the increase in contract costs that Council will now incur, a substantial portion of the increase is due to the China ban on recycling waste streams.

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 Natural Resources South East Board. 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. Natural Resources South East have indicated Council will be required to collect \$213,570 in 2018-19.

Council will for 2018-19 collect the fee imposed on it by imposing a differential separate rate (i.e., Residential, Commercial, Industrial & Primary Production) 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 BUDGET 2018/2019

STATEMENT OF COMPREHENSIVE INCOME

2017/2018 FULL YEAR REVISED ESTIMATE \$'000	INCOME	2018/2019 ANNUAL BUDGET \$'000
5,010	Rates	5,184
73	Statutory Charges	66
713	User Charges	750
874	Grants Subsidies and Contributions	848
42	Investment Income	18
127	Other	128
<hr/>		<hr/>
6,852	TOTAL REVENUES	6,995
	EXPENSES	
2,074	Wages and Salaries	2,312
2,515	Materials, Contracts and Other Expenses	2,680
17	Finance Costs	16
2,237	Depreciation, amortisation & impairment	2,240
-	Share of loss - joint ventures & associates	-
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6,843	Total Expenses	7,248
	OPERATING SURPLUS/(DEFICIT) BEFORE CAPITAL AMOUNTS	(253)
9		
-	Net gain (loss) on disposal or revaluation of assets	-
520	Amounts specifically for new or upgraded assets	131
-	Physical resources received free of charge	-
<hr/>		<hr/>
529	TOTAL COMPREHENSIVE INCOME	(122)
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**DISTRICT COUNCIL OF ROBE
CONSOLIDATED BUDGET 2018/2019**

CASH FLOW STATEMENT

2017/2018 FULL YEAR REVISED ESTIMATE		2018/2019 ANNUAL BUDGET
\$		\$
Inflows (Outflows)		Inflows (Outflows)
	CASHFLOWS FROM OPERATING ACTIVITIES	
	RECEIPTS	
6,810	Operating Receipts	6,943
42	Investment Receipts	18
	PAYMENTS	
(4,623)	Operating payments to suppliers & employees	(4,992)
(17)	Finance Payments	(16)
<u>2,212</u>	Net Cash provided by (or used in) Operating Activities	<u>1,953</u>
	CASH FLOWS FROM INVESTING ACTIVITIES	
	RECEIPTS	
520	Grants specifically for new or upgraded assets	131
238	Sale of Assets	0
	PAYMENTS	
(2,917)	Capital Expenditure on renewal/replacement of assets	(3,355)
(1,081)	Capital Expenditure on new/upgraded assets	(1,027)
<u>(3,240)</u>	Net Cash provided by (or used in) Investing Activities	<u>(4,250)</u>
	CASH FLOWS FROM FINANCING ACTIVITIES	
	RECEIPTS	
-	Premiums received in advance (Marina)	-
-	Proceeds from Borrowings	1,150
	PAYMENTS	
<u>-</u>	Repayment of Borrowings	<u>-</u>
-	NET CASH USED IN FINANCING ACTIVITIES	1,150
(1,028)	NET INCREASE (DECREASE) IN CASH HELD	(1,147)
<u>2,233</u>	CASH AT BEGINNING OF YEAR	<u>1,205</u>
<u><u>1,205</u></u>	CASH AT END OF YEAR	<u><u>58</u></u>

**DISTRICT COUNCIL OF ROBE
CONSOLIDATED BUDGET 2018/2019**

BALANCE SHEET

2017/2018 FULL YEAR REVISED ESTIMATE		2018/2019 ANNUAL BUDGET
	ASSETS	
	CURRENT ASSETS	
\$		\$
1,205	Cash and cash equivalents	58
358	Trade & other receivables	358
210	Inventories	210
<u>1,773</u>	TOTAL CURRENT ASSETS	<u>626</u>
	NON-CURRENT ASSETS	
69	Financial Assets	69
95,267	Infrastructure, Property, Plant & Equipment	97,408
<u>95,336</u>	TOTAL NON-CURRENT ASSETS	<u>97,477</u>
<u>97,109</u>	TOTAL ASSETS	<u>98,103</u>
	LIABILITIES	
	CURRENT LIABILITIES	
455	Trade & Other Payables	455
10	Borrowings	10
607	Short-term Provisions	607
<u>1,072</u>	TOTAL CURRENT LIABILITIES	<u>1,072</u>
	NON-CURRENT LIABILITIES	
2,604	Premiums Received in Advance (Marina)	2,570
45	Long-term Borrowings	1,195
65	Long-term Provisions	65
<u>2,714</u>	TOTAL NON-CURRENT LIABILITIES	<u>3,830</u>
<u>3,786</u>	TOTAL LIABILITIES	<u>4,902</u>
<u>93,323</u>	NET ASSETS	<u>93,201</u>
	EQUITY	
12,711	Accumulated Surplus	12,589
79,302	Asset Revaluation	79,302
1,310	Other Reserves	1,310
<u>93,323</u>	TOTAL EQUITY	<u>93,201</u>

**DISTRICT COUNCIL OF ROBE
CONSOLIDATED BUDGET 2018/2019**

STATEMENT OF CHANGES IN EQUITY

2017/2018 FULL YEAR REVISED ESTIMATE \$		2018/2019 ANNUAL BUDGET \$
	ACCUMULATED SURPLUS	
12,182	Balance at end of previous reporting period	12,711
529	Net Result for Year	-122
0	Transfer From Reserves	0
0	Transfer To Reserves	0
<u>12,711</u>	BALANCE AT END OF PERIOD	<u>12,589</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	
1,071	Balance at end of previous reporting period	1,071
-	Transfer to reserve from accumulated surplus	-
-	Transfer from reserve to accumulated surplus	-
<u>1,071</u>	BALANCE AT END OF PERIOD	<u>1,071</u>
	Contribution Reserve	
33	Balance at end of previous reporting period	33
-	Transfer to reserve from accumulated surplus	-
-	Transfer from reserve to accumulated surplus	-
<u>33</u>	BALANCE AT END OF PERIOD	<u>33</u>
	RAA Safety Group	
1	Balance at Beginning of Period	1
-	Transfer to reserve from accumulated surplus	-
-	Transfer from reserve to accumulated surplus	-
<u>1</u>	BALANCE AT END OF PERIOD	<u>1</u>
	Childcare Reserve	
205	Balance at end of previous reporting period	205
-	Transfer to reserve from accumulated surplus	-
-	Transfer from reserve to accumulated surplus	-
<u>205</u>	BALANCE AT END OF PERIOD	<u>205</u>
<u>93,323</u>	TOTAL EQUITY AT END OF REPORTING PERIOD	<u>93,201</u>

**DISTRICT COUNCIL OF ROBE
CONSOLIDATED BUDGET 2018/2019**

UNIFORM PRESENTATION OF FINANCES

2017/2018 FULL YEAR REVISED ESTIMATE		2018/2019 ANNUAL BUDGET
\$		\$
6,852	Operating Revenues	6,995
(6,843)	less Operating Expenses	(7,248)
9	Operating Surplus / (Deficit) before Capital Amounts	(253)
	Less Net Outlays in Existing Assets	
	Capital Expenditure on renewal and replacement of Existing Assets	3,355
2,917	less Depreciation, Amortisation and Impairment	(2,240)
(2,237)	less Proceeds from Sale of Replaced Assets	-
112		-
792		1,115
	Less Net Outlays on New and Upgraded Assets	
	Capital Expenditure on New and Upgraded Assets	1,027
1,081	less Amounts received specifically for New and Upgraded Assets	(131)
(520)	less Proceeds from Sale of Surplus Assets	-
(350)		-
211		896
(994)	Net Lending / (Borrowing) for Financial Year	(2,263)

**DISTRICT COUNCIL OF ROBE
CONSOLIDATED BUDGET 2018/2019**

FINANCIAL INDICATORS

**2017/2018
FULL YEAR
REVISED ESTIMATE**

**2018/2019
ANNUAL
BUDGET**

9	Operating Surplus <i>Being the Operating Surplus (Deficit) before Capital Amounts</i>	(253)
0%	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>	-5%
2,154	Net Financial Liabilities <i>Net Financial Liabilities are defined as Total Liabilities less financial assets (excluding equity accounted investments in Council Businesses)</i>	4,417
(450)	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>	1,847
33%	Net Financial Liabilities Ratio <u>Net Financial Liabilities</u> Total Operating Revenue less NRM levy	65%
-7%	Net Financial Liabilities Ratio (Excluding Marina Premiums received in Advance) <u>Net Financial Liabilities</u> Total Operating Revenue less NRM levy	27%
130%	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>	150%

Appendix 2: Rating Policy (Concessions & Remissions)

Concessions

In the past, the State Government funded some concessions on Council rates. These concessions were formerly available to the holders of pensioner concession cards, veterans, low-income earners, unemployed, students, and self-funded retirees. However, these concessions were all abolished by the State Government with effect from 30 June 2015. From 1 July 2015, the State Government elected to replace these concessions with a single "cost-of-living concession" provided directly to those entitled. Those who receive this concession can decide whether to use it to offset part of their Council rates, or for other purposes.

Remission of Rates

The Council has a discretion to partially or wholly remit (i.e. waive) rates on the basis of hardship. If ratepayers are suffering financial hardship, they may contact the Council's Rates Administrator to discuss the matter. Such inquiries are treated confidentially, and any application will be considered on its merits.

Postponement of Rates

If ratepayers hold a State Seniors Card then (unless they have a mortgage entered into before 2007 that is greater than 50% of the home's value) they are eligible to postpone, on a long-term basis, a large component of the rates on their principal place of residence. The postponed amount is subject to a monthly interest charge, with the accrued debt falling due for payment only when the property is sold or transferred to someone else. However, some or all of the debt may be paid at any earlier time.

At least \$500 of the annual Council rates bill must be paid as it falls due, but any amount in excess of \$500 per year may be postponed. The minimum amount of \$500 may be reduced further, if the ratepayer is eligible for any concessions (see above) and/or any Council remissions.

Persons other than the holders of a Seniors Card may also apply for postponement of rates. The Council will consider each case on its merits, but any successful applicant should expect that any postponed rates would be subject to accruing interest charges in the same manner as the Seniors Rate Postponement Scheme.

Rebate of Rates

Compulsory rebates

Councils are required to rebate (discount) the rates payable on some land.

A 100% rebate must be applied to land used for:

- health services,
- religious purposes,
- public cemeteries,
- the Royal Zoological Society;

A compulsory rebate of at least 75% (or more, at the Council's discretion) must be applied to land used by:

- community service organisations; and
- schools and universities.

Discretionary rebates

In addition, the Council is allowed a wide discretion to rebate any percentage of rates for a number of other purposes, such as:

- securing proper development of an area;
- assisting or supporting a business;
- preservation of historically significant places;
- land used for educational, agricultural/horticultural/floricultural exhibitions, hospital or health centre, residential aged care facility;
- facilities or services for children or young persons;
- accommodation for the aged or persons with disability; or
- other purposes.

Rate Capping Rebate – Maximum Increase on Rates

Council will apply a maximum increase on rates in accordance with Section 166 (1) (l) (i) (ii) of the Local Government Act 1999. A maximum increase of 10% will apply to all assessments within the Council area on the general rates liability, except in the following circumstances:

- Where the increase is due to a valuation increase which has occurred as a direct result of capital improvement (excluding capital improvements \$30,000 or less) or development of the land; or
- Where the ownership of the property has changed since 1 July of the preceding financial year and the new owners have purchased the property at the current market value; or
- Where a boundary realignment, subdivision or amalgamation has occurred, therefore the property is a different property to the previous financial year for valuation purposes (with the exception of subdivisions to facilitate land acquired by any government entity e.g. for the purpose of drain construction or alteration and with the exception of rural properties where the boundary realignment, subdivision or amalgamation has not made a material difference).

The "Rate Capping" provision aims to provide relief to those ratepayers who may be unfairly affected due to the change to the basis of rating (implementation of "land use" based rating) and to minimise significant rate increases where volatile valuation movements have occurred.

The impact of "Rate Capping" will be reviewed on an annual basis and the rate cap percentage adjusted accordingly as determined by Council.

Ratepayers can apply for a discretionary rate rebate and may apply by contacting the Council's Rate Administrator.

Each rebate that is granted either reduces the Council's revenue and hence its capacity to provide services, or else it effectively increases the amount that must be collected from other ratepayers. Therefore, decisions on these applications must be carefully considered. After considering the application, the Council may refuse to grant any rebate, or may grant a rebate of rates subject to specific conditions.

Payment of Rates

Rates are declared annually, and may be paid, at the ratepayer's discretion, either in one lump sum, or in quarterly instalments that fall due in early September, December, March and June. The exact date that rates fall due, and various options for paying rates, are clearly indicated on the rates notice.

If ratepayers have (or are likely to have) difficulty meeting these payments, they should contact the Council's Rates Administrator to discuss alternative payment arrangements. Such inquiries are treated confidentially.

Late Payment

The Council will impose a penalty of a 2 per cent fine on any late payment for rates. This fine may be remitted (waived) in whole, or in part, at the Council's discretion. See under the heading "Remission of Rates" above.

A payment that continues to be late is then charged an interest rate (which is adjusted by legislation each year) for each month it continues to be in arrears, including the amount of any previous unpaid fine and including interest from any previous month. 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 Council to recover the administrative cost of following up unpaid rates and to cover any interest cost Council may meet because it has not received the rates on time.

Council issues a fines notice for payment of rates when rates are overdue i.e. unpaid by the due date. Should rates remain unpaid, debt collection will be commenced. This attracts additional fees that are recoverable from the ratepayer.

When Council receives a partial payment of overdue rates, the Council must apply the money as follows:

- first – to satisfy any costs awarded in connection with court proceedings (if applicable);
- 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).

Appendix 3: Local Government Financial Indicator Definitions

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 2018-19 Budget aims to achieve an operating surplus ratio of -5%.

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 \$6.995m (total operating revenue).

Council's 2018-19 Budget aims to achieve a net financial liability of \$4,417m.

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 2018-19 Budget aims to achieve a net financial liability ratio of 65%.

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 2018-19 Budget aims to achieve an asset sustainability ratio of 150%.