



District Council of Robe

NOTICE OF MEETING

Pursuant to Section 81 of the Local Government Act 1999 notice is hereby given that a Special Meeting of the District Council of Robe will be held on **25 June 2012** commencing at **6.00pm** at the Council Chambers, Smillie Street, Robe.

A handwritten signature in black ink, appearing to read "D. Gollan".

Dean Gollan
Acting Chief Executive Officer
21 June 2012

ORDER OF BUSINESS

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1. Acknowledgement

1.1 Acknowledgement of traditional owners

The District Council of Robe acknowledges and respects the traditional owners of the ancestral lands of the Robe District. We acknowledge elders past and present and we respect the deep feelings of attachment and relationship of Aboriginal peoples to country.

2. Welcome

2.1 Protocol for members of the public

Members of the public are welcome to speak for up to three minutes on any topic during the public forum session. At other times we ask that members of the public allow Councillors to proceed with the meeting without interruption.

3. Present

4. Apologies

5. Conflicts of Interest

Any Councillor with a potential conflict of interest is asked to declare it at the start of each meeting and explain what the conflict is and why they will not be participating in any item relating to that issue.

6. Chief Executive Officer Reports

6.1 Budget 2012/2013

Report Title: Budget 2012/2013
Meeting Date: 25 June 2012
Author: Dean Gollan
Title: Acting Chief Executive Officer
Attachments: Annual Business Plan 2012/2013

Purpose

The purpose of this report is to adopt the Budget for 2012/2013.

Recommendations

1. Adoption of Annual Business Plan

Cr _____ moved **that pursuant to and in accordance with Section 123 of the Local Government Act 1999 and Regulation 6 of the Local Government (Financial Management) Regulations 2011, and having considered any submissions in accordance with Section 123(6) of the Local Government Act 1999, Council adopt the 2012/2013 Annual Business Plan, as presented.**

Seconded Cr _____

Carried

2. Budgeted Financial Estimates

Cr _____ moved **that pursuant to and in accordance with Section 123 of the Local Government Act 1999 and Regulation 7 of the Local Government (Financial Management) Regulations 2011, the Council adopt the budget comprising the following Financial Budget Statements for 2012/2013 having considered the Budget in conjunction with, and determined it to be consistent with, the 2012/2013 Annual Business Plan:**

- **Budgeted Statement of Comprehensive Income**
- **Budgeted Statement of Cash Flows**
- **Budgeted Balance Sheet**
- **Budgeted Statement of Changes in Equity**
- **Budgeted Uniform Presentation of Finances**
- **Budgeted Financial Indicators**
- **Budgeted Operating Budget**
- **Budgeted Capital Budget.**

Seconded Cr _____

Carried

3. Adoption of Capital Valuation

Cr _____ moved that in accordance with Section 167 (2) (a) of the Local Government Act 1999, the Council adopt for the financial year ended 30 June 2013, the most recent valuations of the Valuer-General available to the Council of Capital Values that are to land in the area of the Council for rating purposes, with the total of valuations being \$968,406,020.

Seconded Cr _____

Carried

4. Declaration of Rates 2012/13

4.1 Differential General Rates

Cr _____ moved that having taken into account the general principles of rating contained in Section 150 of the Local Government Act 1999 and the requirements of Section 153(2) of the Local Government Act 1999, pursuant to Sections 152(1)(a) and Section 153 (1)(a) of the Local Government Act 1999, the Council declare a single General Rate of 0.3188 cents in the dollar on the assessed Capital Values of all rateable land in its area for the financial year ended 30 June 2013.

Seconded Cr _____

Carried

4.2 Maximum Increase

Cr _____ moved that, pursuant to Section 153 (3) of the Local Government Act 1999 the Council determine that it will not fix a maximum increase in the general rate to be charged on rateable land within its area that constitutes the principal place of residence of a principal ratepayer.

Seconded Cr _____

Carried

4.3 Annual Service Charges

4.3.1 Garbage and Recycling Collection Service

Cr _____ moved that pursuant to and in accordance with Section 155 of the Local Government Act 1999, the Council impose an annual service charge based on the level of usage of the service, on all land to which Council provides or makes available the prescribed service of the collection, treatment or disposal of waste known as the Garbage and Recycling Collection Service \$310.00 in respect of each set of bins, or part thereof provided, on the basis that the sliding scale provided for in Regulation 9B (2) of the Local Government (General) Regulations will be applied to reduce the service charge payable, as prescribed.

Seconded Cr _____ Carried

4.3.2 Garbage Collection Service

Cr _____ moved that pursuant to and in accordance with Section 155 of the Local Government Act 1999, the Council impose an annual service charge based on the level of usage of the service, on all land within the Boatswains Point area to which Council provides or makes available the prescribed service of the collection, treatment or disposal of waste known as the Garbage Collection Service of \$170.00 in respect of each set of bins, or part thereof provided on the basis that the sliding scale provided for in Regulation 9B (2) of the Local Government (General) Regulations will be applied to reduce the service charge payable.

Seconded Cr _____ Carried

4.3.3 CWMS Annual Service Charge

Cr _____ moved that pursuant to and in accordance with Section 155 of the Local Government Act 1999 and Regulation 9A (3)(b) of the Local Government (General) Regulations 1999, and in accordance with the CWMS Property Units Code, the Council impose an annual service charge based on the nature of the service and level of usage of the service and varying according to whether the land is vacant or occupied on all land to which Council provides or makes

available the prescribed services for the collection, treatment or disposal of waste known as Community Waste Water Management Systems in respect of all land serviced by these schemes for the year ended 30 June 2013 as follows:

- Occupied with desludging \$469.00 per property unit
- Occupied without desludging \$420.00 per property unit
- Unoccupied \$375.00 per property unit

Seconded Cr _____

Carried

4.4 Separate Rates – South East Natural Resources Management Board Levy

Cr _____ moved that pursuant to Section 95 of the Natural Resources Management Act 2004 and Section 154 of the Local Government Act 1999, in order to reimburse Council for amounts contributed to the South East Natural Resources Management Board, the Council declare for the financial year ended 30 June 2013 a separate rate based on a fixed charge on all rateable land in the area of the Council and the Board of \$39.87 per assessment.

Seconded Cr _____

Carried

5. Minimum Amount Payable by way of Rates 2012/13

Cr _____ moved that pursuant to Section 158 (1)(a) of the Local Government Act 1999 and in accordance with Section 158 (2) of the Local Government Act 1999 the Council declares that for the financial year ended 30 June 2013 the minimum amount payable by way of rates in respect of any one piece of rateable land in the Council area shall be \$585.00.

Seconded Cr _____

Carried

6. Payment of Rates

Cr _____ moved that the pursuant to Section 181 of the Local Government Act 1999, the Council declares that all rates declared or payable for the year ending June 2013 will fall due in four equal or approximately equal instalments with the:

- First instalment payable on 3 September 2012
- Second instalment payable on 3 December 2012
- Third instalment payable on 3 March 2013

- **Fourth instalment payable on 3 June 2013.**

Seconded Cr _____

Carried

7. Closure

Meeting closed at *.** pm

District Council of ROBE

Annual Business Plan 2012-13



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INTRODUCTION

This Annual Business Plan sets out the Council's proposed services, programs and projects for 2012-13. It aims at continued progress towards the longer term objectives of the District Council of Robe set out in its Strategic Plan.

The Plan has been prepared on the basis of maintaining 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.

After taking into account feedback from the community, Council has finalised the Plan and detailed budget. From time to time due to differing circumstances and conditions such as additional or withdrawal of grant funding, weather conditions 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.

PROFILE

The District Council of Robe is situated on Guichen Bay, about 350km south east of Adelaide. Robe has a population of approximately 1,500 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.

1. The Future

Council adopted its 2009-2013 Strategic Management Plan in January 2010. 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.

When developing the Plan, Council reviewed its Vision Statement and prepared a new and revised statement that better reflects the Council aspirations for the Robe community.

VISION

“The District Council of Robe will be a vibrant, harmonious and prosperous place to live, work & visit, where the heritage & environment are preserved for future generations”

Council's long term objectives are set out in its Strategic Plan, the current version being available to the public for inspection at the Council Office, library or on the web site at <http://www.council.robe.sa.gov.au>.

For an overview of the extent to which Council's objectives for 2012-13 are being met, please refer to section 5 - Measuring Performance.

Financial Sustainability

Council is committed to ensuring its long term financial sustainability (Refer Strategic Management Plan). Council's Long Term Financial Plan was adopted in June 2010 and this was subsequently reviewed in 2011 and will be reviewed in September 2012. The Infrastructure and Asset Management Plan is still in draft format at this stage. Costs inherent in the Council's draft Infrastructure and Asset Management Plan have been reflected in the Long Term Financial Plan and both of these documents are integral to, and are heavily influenced by, the Strategic Plan. Collectively, these plans form the Council's suite of Strategic Management Plans.

2. Significant Influences and Priorities

A number of significant factors have influenced the preparation of Council's 2012-13 Annual Business Plan. These include:

- Requirements to maintain infrastructure assets at acceptable standards;
- Commitments to complete the Marina;
- The level of State and Commonwealth Government grant funding;
- Fees/charges imposed by the State Government including the waste levy;
- Completion of the Community Wastewater Management Reuse system;
- Cost of compliance with State Government reporting and accountability requirements.

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

- After excluding new rate revenue associated with development, in 2012-13 general rate revenue will increase by 1.8% (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.

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 continue with its 2011-12 objective of rehabilitating one rural and one town road per year. Securing \$402,000 in Commonwealth Government 'Roads to Recovery' funding in 2009-10 for five years will assist in achieving this objective along with catering for other necessary road reseals and re-sheets.

Council has basic responsibilities under the Local Government Act and other relevant legislation. These include:

- regulatory activities e.g. maintaining the voters roll and supporting the elected Council;
- setting rates, preparing an annual budget and determining longer-term Strategic Management Plans for the area;
- management of basic infrastructure including roads, footpaths, parks, public open space, street lighting and storm-water drainage;
- street cleaning and waste management;
- development planning and control, including building safety assessment;
- various environmental health services.

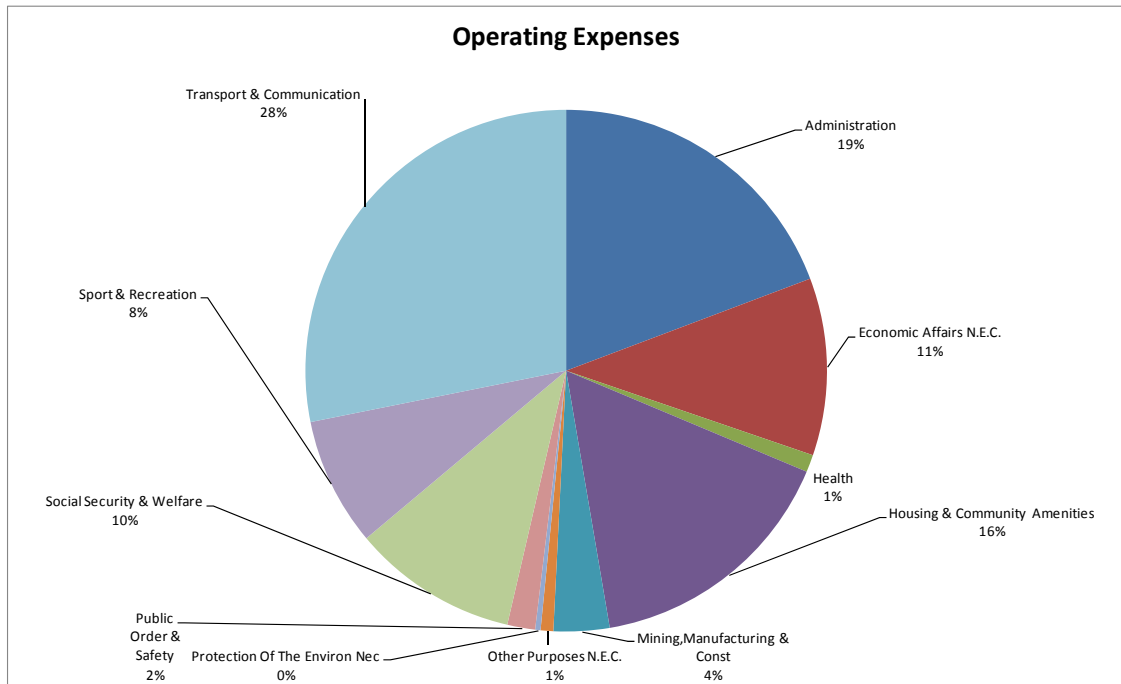
In response to community needs the Council also provides further services and programs including:

- Library and Visitor Information Centre;
- Community facilities;
- Economic development;
- Environmental programs;
- Community programs;
- On-street parking management to maximise use of kerbside space.

Council also provides facilities on a fee for service basis. These include:

- Recreation facilities;
- Robe Marina;
- Waste transfer station.

The following chart and table provide a functional breakdown of the services for which this expenditure is planned in 2012-13.



Programme Description	Operating Expenses	Capital Expenditure
Administration	\$1,155,769	\$50,000
Economic Affairs N.E.C.	\$659,678	\$1,765,000
Health	\$64,418	\$0
Housing & Community Amenities	\$959,963	\$1,252,500
Mining, Manufacturing & Const	\$207,680	\$0
Other Purposes N.E.C.	\$46,809	\$300,000
Protection Of The Environ Nec	\$19,936	\$15,000
Public Order & Safety	\$103,391	\$1,000
Social Security & Welfare	\$616,020	\$0
Sport & Recreation	\$476,932	\$67,618
Transport & Communication	\$1,689,846	\$1,560,429
Grand Total	\$6,000,441	\$5,011,547

Further information is provided on each of the services provided by the Council in Appendix 1. This includes an indication of the cost of providing the service.

4. Project Priorities for the year

Council's planned priorities for capital expenditure in 2012-13 are set out in the table below.

Council is proposing to continue with capital works on one rural and one town road. Council is, however, open to alternative suggestions as to where residents think that higher priority works should be undertaken.

Capital	Expenditure
Council Office Computers	\$10,000
Council Office Refurbishment	\$40,000
CWMS (New Pumps & Wastewater Irrigation System)	\$600,000
Resource Recovery Facility	\$400,000
Park Seats and Tables	\$35,000
Parks & Gardens replacements	\$33,000
Stage 1 Underground Powerlines along Hagen Street near Catholic Church (Subject to Grant Funding)	\$252,500
Viewing Platform	\$15,000
Obelisk Walking Trail	\$200,000
Road Re-Sheets	\$488,000
Wrights Bay Road	\$409,000
Road Reseals	\$278,000
Foot Bridge Works	\$50,000
Footways	\$96,000
Pedestrian Crossing Long Beach	\$15,000
Stormwater Drainage	\$25,000
Tourism Hub	\$15,000
Marina Dredging (Channel & Lake)	\$1,750,000
Plant Purchases	\$300,000
	\$5,011,500

Dredging of the Marina, Undergrounding of Power lines and Wrights Bay Road have all been included subject to grant funding being received.

Dredging of the Marina Lake \$1,500,000 is subject to a fully funded grant. If the grant is not received the dredging of the lake will not occur. The \$250,000 for the dredging of the Channel will be carried out regardless of the grant.

The undergrounding of power lines would be carried out during 2012-13 and 2013-14 Council has received a grant with the State Government paying two thirds of the cost.

Council have also received a \$100,000 for the Obelisk Walking Trail. The Grant monies will be received in 2011-12 with works being carried out in 2012-13

Wrights Bay Road will be reconstructed in 2012-13 & 2013-14 subject to a 50% grant being received from the Local Government Transport Advisory Panel. If the grant funding is not received the reconstruction will not occur at this point.

5. Measuring Performance - Objectives for the year

The Annual Business Plan has been prepared to deliver the following Council objectives for the year:

Non financial indicators:

Governance & Finance

This is a fundamental organisational set of processes which guide Council and Management in carrying out the business of Council.

- **Targets from 2011-12 Business Plan that have been met:**
 - ✓ To further develop Council's role in facilitating public consultation.
 - ✓ Continue to meet statutory obligations in ensuring that the annual audit is conducted in a timely manner.
 - ✓ Make significant budgetary commitments to maintain and, if appropriate upgrade infrastructure.

- **2012-13 Targets:**
 - i. To insert performance targets into Community Land Management Plans and explanatory notes regarding how the Council will measure its performance against these targets in accordance with Section 196(3)(d).
 - ii. Ensure a timely review of by-laws to ensure changes reviewed by-laws are in place.
 - iii. Ensure Council continues its commitment to the on-going improvement of the Records Management System by ensuring compliance with the requirements of the State Records Act 1988 and other legislative requirements for records management and record keeping and by developing staff knowledge.

Tourism & Economic Development

- **Targets from 2011-12 Business Plan that have been met:**
 - ✓ Facilitate and encourage private sector developments and activity consistent with the Development Plan.
 - ✓ Ensure appropriate infrastructure is in place & maintained as required.
 - ✓ Upgrade and beautify the entrance to Robe.

- **2012-13 Targets:**
 - i. Improve car parking facilities throughout the town.
 - ii. Investigate a Bus Zone at Domaschenz Street to facilitate the loading & unloading of passengers at Lannam Park to enable them to walk into town.
 - iii. Review the possibility of placing a roundabout or similar for Robe St / Vic St intersection.

Environment and Heritage

- **Targets from 2011-12 Business Plan that have been met:**
 - ✓ Establish a Heritage Committee/Board to provide advice to Council on heritage related matters.
 - ✓ Planning approval obtained for the construction of a Resource Recovery Centre consistent with Council's waste management strategy.
 - ✓ Completion of community wastewater management scheme (CWMS) re-use project
 - ✓ Obtained Grant funding to assist with complying with EPA requirements with regards to reducing Waste to Landfill
- **2012-13 Targets:**
 - i. Create new zone provision & then create wetland/tourism project using drain L.
 - ii. Coordinate history collating, informing / communicating.
 - iii. Ensure that the heritage trail is visible and has a profile.
 - iv. Restore stone wall at bowling club.
 - v. Examine the possibility of using recycled water for Lucerne crop.
 - vi. Build resource recovery centre consistent with Council's waste management strategy.

Community Services

- **Targets from 2011-12 Business Plan that have been met:**
 - ✓ Explore possibilities of affordable housing options for private or community development of independent living units within Robe.
 - ✓ Develop strategies to support and assist community volunteers.
 - ✓ Prepare a strategy to encourage and promote all community service and volunteer groups within the district
- **2012-13 Targets:**
 - i. Lobby private developers to build independent living units for retirees/the aged.
 - ii. Facilitate, via the development plan, private aged care facilities and medical facilities.
 - iii. Advocate for a new medical facility.
 - iv. Explore the possibility of relocating the library to another site within Robe.

Lifestyle

- **Targets from 2011-12 Business Plan that have been met:**
 - ✓ Explored other rating methods such as differential rating and creating more rating categories.
 - ✓ Define a walking trail around Lake Fellmongery.
- **2012-13 Targets:**
 - i. Complete a traffic management plan (included in 2011-12 budget).
 - ii. Investigate the possible removal of blind corners.
 - iii. Prepare a development strategy for Lipson Park to better utilise this area.

Financial indicators

The Local Government sector in South Australia has adopted a set of financial indicators which provide a measure of the financial sustainability of Council's financial performance and position over time. Longer term targets for all indicators have been developed in conjunction with the development of the Long Term Financial Plan. (Appendix 4 of this Annual Business Plan provides an explanation of the basis for the indicators and what they tell us about the financial performance and position of the Council).

Council's current Strategic Targets for each of the Local Government Financial Indicators in accordance with it's Long Term Financial Plan are:

Financial Indicator	Minimum	Maximum
Operating Surplus / (Deficit) - \$'000	(500)	500
Operating Surplus Ratio - %	(5%)	15%
Net Financial Liabilities - \$'000	0	8,700
Net Financial Liabilities Ratio - %	0.0%	100.0%
Interest Cover Ratio - %	0.0%	10.0%
Asset Sustainability Ratio - %	75%	150%
Asset Consumption Ratio - %	40%	80%

The Net Financial Liabilities Ratio is Excluding the Marina Premiums Received in advance. The Marina Premiums have been received for the 99 year lease of a Marina berth and the liability is reduced by one ninety ninth every year.

DISTRICT COUNCIL OF ROBE CONSOLIDATED BUDGET 2012/2013			
FINANCIAL INDICATORS			
10/11 Consolidated	FULL YEAR REVISED ESTIMATE		2011/12 BUDGET
529,000	204,000	Operating Surplus <i>Being the Operating Surplus (Deficit) before Capital Amounts</i>	(22,268)
14%	5%	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%
3,546,000	5,453,000	Net Financial Liabilities <i>Net Financial Liabilities are defined as Total Liabilities less financial assets (excluding equity accounted investments in Council Businesses)</i>	6,787,415
794,000	1,933,000	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>	3,267,415
64%	94%	Net Financial Liabilities Ratio <u>Net Financial Liabilities</u> Total Operating Revenue less NRM levy	115%
14%	33%	Net Financial Liabilities Ratio (Excluding Marina Premiums received in Advance) <u>Net Financial Liabilities</u> Total Operating Revenue less NRM levy	55%
1.5%	1%	Interest Cover Ratio <u>Net Interest Expense</u> Total Operating Revenue less NRM levy less Investment Income	2%
48%	62%	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>	81%

6. Funding the Business Plan

As outlined in the Introduction to this document, the 2012-13 Annual Business Plan has been prepared on the basis of maintaining an appropriate level of services to the community, without imposing an unrealistic rate burden on ratepayers. Most importantly, it ensures the long term financial sustainability of the Council. Council's long-term financial sustainability is dependent on ensuring that on average over time, its operating expenses are less than its operating revenue. In addition, capital expenditure levels on existing infrastructure and other assets should be optimised (in accordance with the Infrastructure

and Asset Management Plan when completed) so as to minimise whole-of life-cycle costs of assets.

In delivering the services and programs proposed in this Annual Business Plan, Council is targeting an Operating Deficit of \$22,000 in 2012-13, as a result of budgeted Operating Revenues of \$5,978,000 and budgeted Operating Expenses of \$6,000,000.

As outlined in the "Project Priorities for the year" (Section 4), this Annual Business Plan proposes Capital Expenditure of \$5,002,000.

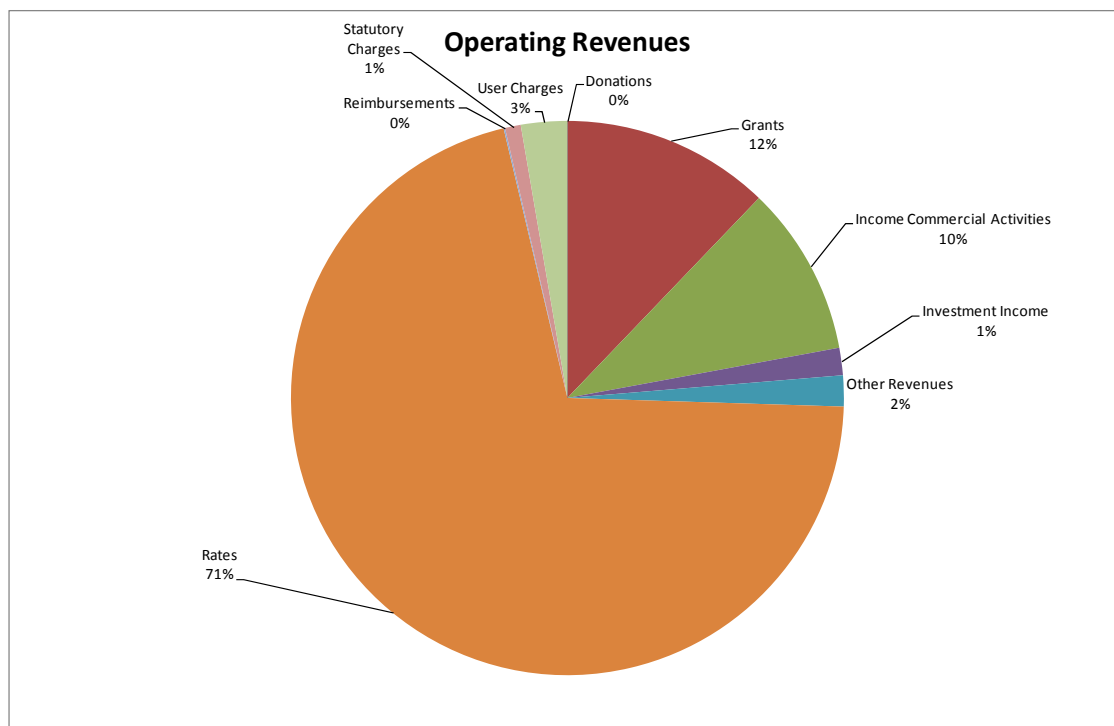
Apart from Rate Revenue, Operating Revenue is generated by Statutory Charges (development and building fees and dog registrations), User Charges (hall hire, Robe Marina, cemeteries, & waste depot fees), Investment Income, and State & Commonwealth Government operating grants.

Council also sources income in the form of grants for specific capital purposes (mainly from the Commonwealth Government).

The Budgeted Operating Revenue for 2012-13 includes General Rate revenue of \$3,114,000 (1.8% more than 2011-12 excluding new development), Separate Rates of \$83,000 and Annual Service Charges of \$1,098,000.

Details of Council's planned Separate Rates and Annual Service Charges for 2012-13 can be found in Section 7 of this Plan - "What it means for Rates".

The following table highlights the sources of revenue for 2012-13.



IMPACT ON COUNCIL'S FINANCIAL POSITION

The following table sets out actual levels of gross debt, net debt and net financial liabilities outstanding at 30 June 2011 together with estimates of these measures at 30 June 2012 and 30 June 2013. The revised estimate for 2011-12 shows an increase of \$998,000 in the level of net debt for the year resulting in estimated net debt at 30 June 2012 of \$1,214,000. The increase is mainly attributable to borrowings associated with the CWMS project. The level of net debt is expected to increase to \$2,548,000 at 30 June 2013 due to borrowings associated with the Wastewater Irrigation (\$500,000), Resource Recovery Facility (\$400,000), Wrights Bay Road (\$204,400), Dredging of the Channel (\$250,000).

DISTRICT COUNCIL OF ROBE INDEBTEDNESS			
	BUDGET	FULL YEAR REVISED ESTIMATE	CONSOLIDATED
	2012-13	2011-12	2010-11
	\$'000	\$'000	\$'000
Gross Borrowings	2,849	1,767	825
Less: Cash and Investments	301	553	609
EQUALS: NET DEBT	2,548	1,214	216
Add: Trade and Other Payables (Including premiums received in advance for Marina Berths)	3,988	3,988	3,220
Add: Provisions for Employee Entitlements	475	475	475
Less: Trade and Other Receivables	145	145	286
Less: Other Financial Assets	79	79	79
EQUALS: NET FINANCIAL LIABILITIES	6,787	5,453	3,546

7. What it means for Rates

Rate income is generated by the broad application of fundamental principles of taxation (fairness and equity, simplicity, ability to pay and efficiency) with a view to achieving an equitable distribution of the rates burden amongst ratepayers, covering general cost movements, including labour and non-labour costs, servicing a rural and coastal population and being sufficient to cover any new initiatives.

Council has limited options to generate the income required to pay for services which it provides to the community. It receives some State and Commonwealth Government grants and subsidies, and some income can be raised through fee paying activities (e.g. hire of community facilities), fines, expiations and commercial activities. However, the primary source of income for Council is a property based tax – "Council Rates".

GENERAL RATING STRATEGY

The Council has, over a number of years adopted one rate in the dollar and a minimum rate. This will continue for the 2012-13 financial year.

Council reviewed its rating strategy at the Audit Committee meeting on the 20th February 2012, and will monitor this on a yearly basis.

The following table provides a summary of Council's rating strategy over the past 3 years and the implications for the 2012-13 rating strategy

Year	2009-10	2010-11	2011-12	2012-13
Township Rate in \$	0.3065	0.3077	0.3077	0.3188
Rural Rate in \$	0.3065	0.3077	0.3077	0.3188
Minimum Rate	\$ 535	\$ 555	\$ 575	\$ 585

2012-13 RATING STRATEGY

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.

The address of the Valuer-General is:

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.

COUNCIL'S REVENUE RAISING POWERS

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.

GENERAL RATES

Council will continue to calculate its general rates on the basis of a single general rate in the dollar in 2012-13

The total amount of General Rates to be collected in 2012-13 will increase by 1.8% (excluding new development).

It is further proposed that any ratepayer that does not own a new assessment or has not carried out any development on their assessment would not pay more than a 15% increase in rates on their principal place of residence (by application to 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.

The minimum rate in 2012-13 will be \$585 which is an increased of 1.7% on the minimum rate applied in 2011-12. Overall, the minimum rate will be applied to approximately 24.4% of all rateable properties.

SEPARATE RATES
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 is operating as a revenue collector for the Board in this regard. Council does not retain this revenue or determine how the revenue is spent. Council will collect this money by imposing a separate rate of \$39.87 on all rateable land in Council's area and then forward the money on to the Board to fund its activities.

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.

WASTE MANAGEMENT

In 2011-12 Council contracted out its kerbside mobile bin collection and disposal service.

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.

In 2012-13 Council will increase the Mobile Garbage Bin Collection Annual Service Charge by 12.72% this is due to the more stringent requirements posed by changes to environmental legislation and community expectations and as a result increase in costs.

Charges for the Waste Management Fee will be \$170. 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.

Details pertaining to Government and Council rate concessions, discretionary and mandatory rebates, provisions for assisting cases of hardship in the payment of rates, a relatively new provision allowing State Seniors to postpone any amount of rates over \$500 per annum, and Council's rights to sell land for the non payment of rates can be found in Appendix 3 to this Annual Business Plan.

The following table shows the details of the separate rates and annual service charges for 2012-13

Service Charges and Separate Rates 2012-13						
Description	\$ Charge Per Unit 2012-13	Units	Levied 2012-13	Levied 2011-12	% Change	\$ Change
Waste & Recycle Collection	310.00	1156	\$ 358,360	\$ 310,200	15.5%	\$ 48,160
Waste Collection - Boatwains Point	170.00	62	\$ 10,540	\$ 9,150	15.2%	\$ 1,390
Occupied CWMS + Desludging	469.00	1179	\$ 552,951	\$ 527,391	4.8%	\$ 25,560
Occupied CWMS	420.00	126	\$ 52,920	\$ 51,625	2.5%	\$ 1,295
Vac CWMS	375.00	328	\$ 123,000	\$ 131,376	-6.4%	-\$ 8,376
TOTAL CWMS			\$ 728,871	\$ 710,392	2.6%	\$ 18,479
SE NRM Levy	39.87	2091	\$ 83,368	\$ 80,091	4.1%	\$ 3,277
TOTAL RAISED			\$ 1,181,139	\$ 1,109,833	6%	\$ 71,306

Appendix 1: Expenses by Sub-Program

The following table provides a breakdown of proposed operating expenses for 2012-13 by sub-program.

Sub-Programme Description	Operating Expenses
Administration Other	\$3,000
Aerodromes	\$12,550
Aged Homes	\$31,244
Beach Patrol Officer	\$2,271
Boat Ramp	\$21,055
Caravan Parks	\$50,000
Cemeteries	\$15,738
Community Bus	\$1,350
Depot & Overhead Expenses	\$0
Development Act	\$207,680
Dog Control	\$17,004
Effluent Drainage	\$375,769
Elected Members	\$76,908
Festivals	\$1,611
Fire Protection	\$27,445
Foreshore Protection	\$17,664
General Operations	\$450,812
Halls	\$32,224
Health Centres	\$6,700
Health Inspection	\$19,521
Jetty	\$8,254
Lake Butler	\$502,900
Libraries	\$147,349
Mobilechildcare	\$584,076
National Estates	\$1,500
Other Economic Services	\$5,000
Other General Public Services	\$58,942
Other General Purpose N.E.C.	\$3,122
Other Health Services	\$38,197
Other Property & Services	\$280
Other Social Sec/Wel Sves	\$700
Parks & Gardens	\$235,927
Plant Operations	\$8,000
Public Conveniences	\$86,300
Public Debt Transaction	\$32,000
Public Relations	\$5,399
Rates	\$83,364
Road Maintenance	\$1,623,045
Salary - Office	\$536,286
Sanitary & Garbage	\$438,656
Sport & Recreation	\$50,068
Stormwater Drainage	\$31,845
Street Lighting	\$33,500
Tourism	\$101,778
Underground Power	\$10,000
Vandalism	\$3,407
Grand Total	\$6,000,441

Appendix 2: Budgeted Financial Statements 2012-13

DISTRICT COUNCIL OF ROBE CONSOLIDATED BUDGET 2012/2013		
STATEMENT OF COMPREHENSIVE INCOME		
2011/2012 FULL YEAR REVISED ESTIMATE \$		2012/2013 BUDGET \$
	INCOME	-
4,082,000	Rates	4,294,723
60,000	Statutory Charges	55,500
714,000	User Charges	756,980
758,000	Grants Subsidies and Contributions	662,370
105,000	Investment Income	95,500
7,000	Reimbursements	5,000
130,000	Other	108,100
-	Share of profit - joint ventures and associates	-
<hr/>		<hr/>
5,856,000	TOTAL REVENUES	5,978,173
	EXPENSES	
1,500,000	Wages and Salaries	1,724,547
2,279,000	Materials, contracts & other expenses	2,244,394
178,000	Finance Costs	204,000
1,695,000	Depreciation, amortisation & impairment	1,827,500
-	Share of loss - joint ventures & associates	-
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5,652,000	Total Expenses	6,000,441
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204,000	OPERATING SURPLUS/(DEFICIT) BEFORE CAPITAL AMOUNTS	(22,268)
50,000	Net gain (loss) on disposal or revaluation of assets	-
580,000	Amounts specifically for new or upgraded assets	1,871,900
-	Physical resources received free of charge	-
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834,000	TOTAL COMPREHENSIVE INCOME	1,849,632
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Appendix 2: Budgeted Financial Statements 2012-13 (cont...)

DISTRICT COUNCIL OF ROBE CONSOLIDATED BUDGET 2012/2013		
CASH FLOW STATEMENT		
2011/2012 FULL YEAR REVISED ESTIMATE		2012/2013 BUDGET
\$		\$
Inflows (Outflows)		Inflows (Outflows)
	CASHFLOWS FROM OPERATING ACTIVITIES	
	RECEIPTS	
5,699,000	Operating Receipts	5,882,673
105,000	Investment Receipts	95,500
	PAYMENTS	
(3,779,000)	Operating payments to suppliers & employees	(3,968,941)
(178,000)	Finance Payments	(204,000)
<u>1,847,000</u>	Net Cash provided by (or used in) Operating Activities	<u>1,805,232</u>
	CASH FLOWS FROM INVESTING ACTIVITIES	
	RECEIPTS	
580,000	Grants specifically for new or upgraded assets	1,871,900
253,000	Sale of Assets	0
	PAYMENTS	
(1,296,000)	Capital Expenditure on renewal/replacement of assets	(1,734,247)
(3,150,000)	Capital Expenditure on new/upgraded assets	(3,277,300)
<u>(3,613,000)</u>	Net Cash provided by (or used in) Investing Activities	<u>(3,139,647)</u>
	CASH FLOWS FROM FINANCING ACTIVITIES	
	RECEIPTS	
768,000	Premiums received in advance (Marina)	-
1,150,000	Proceeds from Borrowings	1,354,400
	PAYMENTS	
(208,000)	Repayment of Borrowings	(271,917)
<u>1,710,000</u>	NET CASH USED IN FINANCING ACTIVITIES	<u>1,082,483</u>
(56,000)	NET INCREASE (DECREASE) IN CASH HELD	(251,932)
<u>609,000</u>	CASH AT BEGINNING OF YEAR	<u>553,000</u>
<u><u>553,000</u></u>	CASH AT END OF YEAR	<u><u>301,068</u></u>

Appendix 2: Budgeted Financial Statements 2011-12 (cont...)

DISTRICT COUNCIL OF ROBE CONSOLIDATED BUDGET 2012/2013		
BALANCE SHEET		
2011/2012 FULL YEAR REVISED ESTIMATE		2012/2013 BUDGET
\$		\$
	ASSETS	
	CURRENT ASSETS	
553,000	Cash and cash equivalents	301,068
145,000	Trade & other receivables	145,000
193,000	Inventories	193,000
-	Other Financial Assets	-
<u>891,000</u>		<u>639,068</u>
-	Non-Current Assets held for Sale	-
<u>891,000</u>	TOTAL CURRENT ASSETS	<u>639,068</u>
	NON-CURRENT ASSETS	
79,000	Financial Assets	79,000
96,629,000	Infrastructure, Property, Plant & Equipment	99,813,047
-	Other Non-current Assets	-
<u>96,708,000</u>	TOTAL NON-CURRENT ASSETS	<u>99,892,047</u>
<u>97,599,000</u>	TOTAL ASSETS	<u>100,531,115</u>
	LIABILITIES	
	CURRENT LIABILITIES	
468,000	Trade & Other Payables	468,000
219,000	Borrowings	219,000
446,000	Short-term Provisions	446,000
-	Other Current Liabilities	-
<u>1,133,000</u>		<u>1,133,000</u>
-	Liabilities relating to Non-current Assets held for Sale	-
<u>1,133,000</u>	TOTAL CURRENT LIABILITIES	<u>1,133,000</u>
	NON-CURRENT LIABILITIES	
3,520,000	Premiums Received in Advance (Marina)	3,520,000
-	Provision for Marina Completion	-
1,548,000	Long-term Borrowings	2,630,483
29,000	Long-term Provisions	29,000
-	Other Non-current Liabilities	-
<u>5,097,000</u>	TOTAL NON-CURRENT LIABILITIES	<u>6,179,483</u>
<u>6,230,000</u>	TOTAL LIABILITIES	<u>7,312,483</u>
<u>91,369,000</u>	NET ASSETS	<u>93,218,632</u>
	EQUITY	
10,559,000	Accumulated Surplus	12,162,029
79,637,000	Asset Revaluation	79,637,000
1,173,000	Other Reserves	1,419,603
<u>91,369,000</u>	TOTAL EQUITY	<u>93,218,632</u>

Appendix 2: Budgeted Financial Statements 2011-12 (cont...)

DISTRICT COUNCIL OF ROBE CONSOLIDATED BUDGET 2012/2013		
STATEMENT OF CHANGES IN EQUITY		
2011/2012 FULL YEAR REVISED ESTIMATE \$		2012/2013 BUDGET \$
	ACCUMULATED SURPLUS	
8,622,000	Balance at end of previous reporting period	10,559,000
834,000	Net Result for Year	1,849,632
1,578,000	Transfer From Reserves	839,865
-475,000	Transfer To Reserves	-1,086,468
<u>10,559,000</u>	BALANCE AT END OF PERIOD	<u>12,162,029</u>
	ASSET REVALUATION RESERVE	
79,637,000	Balance at end of previous reporting period	79,637,000
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>79,637,000</u>	BALANCE AT END OF PERIOD	<u>79,637,000</u>
	Garbage Reserve	
319,000	Balance at end of previous reporting period	319,000
-	Transfer to reserve from accumulated surplus	364,256
<u>0</u>	Transfer from reserve to accumulated surplus	-364,256
319,000	BALANCE AT END OF PERIOD	<u>319,000</u>
	CWMS Maintenance	
1,355,000	Balance at end of previous reporting period	252,000
475,000	Transfer to reserve from accumulated surplus	722,212
- 1,578,000	Transfer from reserve to accumulated surplus	- 475,609
<u>252,000</u>	BALANCE AT END OF PERIOD	<u>498,603</u>
	Contribution Reserve	
27,000	Balance at end of previous reporting period	27,000
0	Transfer to reserve from accumulated surplus	-
<u>0</u>	Transfer from reserve to accumulated surplus	-
27,000	BALANCE AT END OF PERIOD	<u>27,000</u>
	Other Reserves	
32,000	Balance at Beginning of Period	32,000
-	Transfer to reserve from accumulated surplus	-
<u>0</u>	Transfer from reserve to accumulated surplus	0
32,000	BALANCE AT END OF PERIOD	<u>32,000</u>
	Childcare Reserve	
543,000	Balance at end of previous reporting period	543,000
0	Transfer to reserve from accumulated surplus	-
<u>0</u>	Transfer from reserve to accumulated surplus	-
543,000	BALANCE AT END OF PERIOD	<u>543,000</u>
<u>91,369,000</u>	TOTAL EQUITY AT END OF REPORTING PERIOD	<u>93,218,632</u>

Appendix 2: Budgeted Financial Statements 2011-12 (cont...)

DISTRICT COUNCIL OF ROBE CONSOLIDATED BUDGET 2012/2013		UNIFORM PRESENTATION OF FINANCES	
2011/2012 FULL YEAR REVISED ESTIMATE		2012/2013 BUDGET	-
\$		\$	
5,789,000	Operating Revenues	5,978,173	
(5,652,000)	less Operating Expenses	(6,000,441)	
<u>137,000</u>	Operating Surplus / (Deficit) before Capital Amounts	<u>(22,268)</u>	
	Less Net Outlays in Existing Assets		
1,296,000	Capital Expenditure on renewal and replacement of Existing Assets	1,734,247	
(1,695,000)	less Depreciation, Amortisation and Impairment	(1,827,500)	
(253,000)	less Proceeds from Sale of Replaced Assets	(253,000)	
<u>(652,000)</u>		<u>(346,253)</u>	
	Less Net Outlays on New and Upgraded Assets		
3,150,000	Capital Expenditure on New and Upgraded Assets	3,277,300	
(480,000)	less Amounts received specifically for New and Upgraded Assets	(1,871,900)	
<u>-</u>	less Proceeds from Sale of Surplus Assets	<u>-</u>	
2,670,000		1,405,400	
(1,881,000)	Net Lending / (Borrowing) for Financial Year	(1,081,415)	

Appendix 3: Rating Policy (Concessions & Remissions) 2012-13

Pensioner Concessions

An eligible pensioner may be entitled to a remission on a portion of their Council rates and water and effluent charges where applicable. Application forms, which include information on the concessions, are available from the SA Water Corporation and its District Offices or the Department of Human Services. An eligible pensioner must hold a Pension Card, State Concession Card or be a TPI Pensioner. They must also be responsible for the payment of rates in respect of the land for which they are claiming a concession.

Applications are administered by the State Government. Payment of rates should not be withheld pending assessment of an application by the State Government as penalties apply to unpaid rates. A refund of rates will be paid to an eligible pensioner if Council is advised that a concession applies after the rates have already been paid.

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.

State Senior Card Ratepayers (self funded retiree)

This is a new concession first introduced from 1 July 2001 and is administered by Revenue SA. If you are a self-funded retiree and currently hold a State Seniors Card you may be eligible for a concession toward Council Rates. In the case of couples, both must qualify, or if only one holds a State Senior's Card, the other must not be in paid employment for more than 20 hours per week.

If you have not received a concession on your rate notice or would like further information, please contact the Revenue SA Call Centre on 1300 366 150.

Payment of Rates

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

- 3rd September 2012
- 3rd December 2012
- 3rd March 2013
- 3rd June 2013

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)

Appendix 3: Rating Policy (Concessions & Remissions) 2012-13 (cont....)

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 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.

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.

Appendix 3: Rating Policy (Concessions & Remissions) 2012-13 (cont....)

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 this Policy.

Detailed information about the legislative provisions and Council policy on rebates can be obtained by contacting the Council Office. All enquires will be dealt with on a confidential basis.

Appendix 4: Local Government Financial Indicator Definitions

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 (e.g. CWMS upgrades in 2011-12).

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.

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.

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.

Interest Cover Ratio

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

Appendix 4: Local Government Financial Indicator Definitions (cont.....)

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.

Asset Consumption Ratio

This ratio shows the consumption of all of Council's physical assets at a point in time.

Depreciation represents the reduction in value of the assets each year (as they wear out) and therefore accumulated depreciation is the total reduction in the original value of the assets to date.

This measure seeks to best represent the deterioration in the value of an asset and gives an indicator of a potential backlog.

Budgeted Financial Statements 2012-13

**DISTRICT COUNCIL OF ROBE
 CONSOLIDATED BUDGET 2012/2013**

STATEMENT OF COMPREHENSIVE INCOME

2011/2012 FULL YEAR REVISED ESTIMATE \$	INCOME	2012/2013 BUDGET \$
-		-
4,082,000	Rates	4,294,723
60,000	Statutory Charges	55,500
714,000	User Charges	756,980
758,000	Grants Subsidies and Contributions	662,370
105,000	Investment Income	95,500
7,000	Reimbursements	5,000
130,000	Other	108,100
-	Share of profit - joint ventures and associates	-
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5,856,000	TOTAL REVENUES	5,978,173
	EXPENSES	
1,500,000	Wages and Salaries	1,724,547
2,279,000	Materials, contracts & other expenses	2,244,394
178,000	Finance Costs	204,000
1,695,000	Depreciation, amortisation & impairment	1,827,500
-	Share of loss - joint ventures & associates	-
<hr/>		<hr/>
5,652,000	Total Expenses	6,000,441
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204,000	OPERATING SURPLUS/(DEFICIT) BEFORE CAPITAL AMOUNTS	(22,268)
50,000	Net gain (loss) on disposal or revaluation of assets	-
580,000	Amounts specifically for new or upgraded assets	1,871,900
-	Physical resources received free of charge	-
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834,000	TOTAL COMPREHENSIVE INCOME	1,849,632
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Budgeted Financial Statements 2012-13 Continued..

**DISTRICT COUNCIL OF ROBE
CONSOLIDATED BUDGET 2012/2013**

CASH FLOW STATEMENT

2011/2012 FULL YEAR REVISED ESTIMATE \$ Inflows (Outflows)		2012/2013 BUDGET \$ Inflows (Outflows)
	CASHFLOWS FROM OPERATING ACTIVITIES	-
	RECEIPTS	
5,699,000	Operating Receipts	5,882,673
105,000	Investment Receipts	95,500
	PAYMENTS	
(3,779,000)	Operating payments to suppliers & employees	(3,968,941)
(178,000)	Finance Payments	(204,000)
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1,847,000	Net Cash provided by (or used in) Operating Activities	1,805,232
	CASH FLOWS FROM INVESTING ACTIVITIES	
	RECEIPTS	
580,000	Grants specifically for new or upgraded assets	1,871,900
253,000	Sale of Assets	0
-		
(1,296,000)	PAYMENTS	
(3,150,000)	Capital Expenditure on renewal/replacement of assets	(1,734,247)
	Capital Expenditure on new/upgraded assets	(3,277,300)
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(3,613,000)	Net Cash provided by (or used in) Investing Activities	(3,139,647)
	CASH FLOWS FROM FINANCING ACTIVITIES	
	RECEIPTS	
768,000	Premiums received in advance (Marina)	-
1,150,000	Proceeds from Borrowings	1,354,400
	PAYMENTS	
(208,000)	Repayment of Borrowings	(271,917)
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1,710,000	NET CASH USED IN FINANCING ACTIVITIES	1,082,483
(56,000)	NET INCREASE (DECREASE) IN CASH HELD	(251,932)
609,000	CASH AT BEGINNING OF YEAR	553,000
<hr/> <hr/>	CASH AT END OF YEAR	<hr/> <hr/>
553,000		301,068

Budgeted Financial Statements 2012-13 Continued..

**DISTRICT COUNCIL OF ROBE
CONSOLIDATED BUDGET 2012/2013**

BALANCE SHEET

2011/2012 FULL YEAR REVISED ESTIMATE		2012/2013 BUDGET
	ASSETS	
	CURRENT ASSETS	
\$		\$
553,000	Cash and cash equivalents	301,068
145,000	Trade & other receivables	145,000
193,000	Inventories	193,000
-	Other Financial Assets	-
<u>891,000</u>		<u>639,068</u>
-	Non-Current Assets held for Sale	-
<u>891,000</u>	TOTAL CURRENT ASSETS	<u>639,068</u>
	NON-CURRENT ASSETS	
79,000	Financial Assets	79,000
96,629,000	Infrastructure, Property, Plant & Equipment	99,813,047
-	Other Non-current Assets	-
<u>96,708,000</u>	TOTAL NON-CURRENT ASSETS	<u>99,892,047</u>
<u>97,599,000</u>	TOTAL ASSETS	<u>100,531,115</u>
	LIABILITIES	
	CURRENT LIABILITIES	
468,000	Trade & Other Payables	468,000
219,000	Borrowings	219,000
446,000	Short-term Provisions	446,000
-	Other Current Liabilities	-
<u>1,133,000</u>		<u>1,133,000</u>
-	Liabilities relating to Non-current Assets held for Sale	-
<u>1,133,000</u>	TOTAL CURRENT LIABILITIES	<u>1,133,000</u>
	NON-CURRENT LIABILITIES	
3,520,000	Premiums Received in Advance (Marina)	3,520,000
-	Provision for Marina Completion	-
1,548,000	Long-term Borrowings	2,630,483
29,000	Long-term Provisions	29,000
-	Other Non-current Liabilities	-
<u>5,097,000</u>	TOTAL NON-CURRENT LIABILITIES	<u>6,179,483</u>
<u>6,230,000</u>	TOTAL LIABILITIES	<u>7,312,483</u>
<u>91,369,000</u>	NET ASSETS	<u>93,218,632</u>
	EQUITY	
10,559,000	Accumulated Surplus	12,162,029
79,637,000	Asset Revaluation	79,637,000
1,173,000	Other Reserves	1,419,603
<u>91,369,000</u>	TOTAL EQUITY	<u>93,218,632</u>

Budgeted Financial Statements 2012-13 Continued..

**DISTRICT COUNCIL OF ROBE
 CONSOLIDATED BUDGET 2012/2013**

STATEMENT OF CHANGES IN EQUITY

2011/2012 FULL YEAR REVISED ESTIMATE \$		2012/2013 BUDGET \$
	ACCUMULATED SURPLUS	
8,622,000	Balance at end of previous reporting period	10,559,000
834,000	Net Result for Year	1,849,632
1,578,000	Transfer From Reserves	839,865
-475,000	Transfer To Reserves	-1,086,468
<u>10,559,000</u>	BALANCE AT END OF PERIOD	<u>12,162,029</u>
	ASSET REVALUATION RESERVE	
79,637,000	Balance at end of previous reporting period	79,637,000
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>79,637,000</u>	BALANCE AT END OF PERIOD	<u>79,637,000</u>
	Garbage Reserve	
319,000	Balance at end of previous reporting period	319,000
-	Transfer to reserve from accumulated surplus	364,256
0	Transfer from reserve to accumulated surplus	-364,256
<u>319,000</u>	BALANCE AT END OF PERIOD	<u>319,000</u>
	CWMS Maintenance	
1,355,000	Balance at end of previous reporting period	252,000
475,000	Transfer to reserve from accumulated surplus	722,212
- 1,578,000	Transfer from reserve to accumulated surplus	- 475,609
<u>252,000</u>	BALANCE AT END OF PERIOD	<u>498,603</u>
	Contribution Reserve	
27,000	Balance at end of previous reporting period	27,000
0	Transfer to reserve from accumulated surplus	-
0	Transfer from reserve to accumulated surplus	-
<u>27,000</u>	BALANCE AT END OF PERIOD	<u>27,000</u>
	Other Reserves	
32,000	Balance at Beginning of Period	32,000
-	Transfer to reserve from accumulated surplus	-
0	Transfer from reserve to accumulated surplus	0
<u>32,000</u>	BALANCE AT END OF PERIOD	<u>32,000</u>
	Childcare Reserve	
543,000	Balance at end of previous reporting period	543,000
0	Transfer to reserve from accumulated surplus	-
0	Transfer from reserve to accumulated surplus	-
<u>543,000</u>	BALANCE AT END OF PERIOD	<u>543,000</u>
<u><u>91,369,000</u></u>	TOTAL EQUITY AT END OF REPORTING PERIOD	<u><u>93,218,632</u></u>

Budgeted Financial Statements 2012-13 Continued..

DISTRICT COUNCIL OF ROBE CONSOLIDATED BUDGET 2012/2013		
	UNIFORM PRESENTATION OF FINANCES	
2011/2012 FULL YEAR REVISED ESTIMATE \$		2012/2013 BUDGET \$
5,789,000	Operating Revenues	5,978,173
(5,652,000)	less Operating Expenses	(6,000,441)
137,000	Operating Surplus / (Deficit) before Capital Amounts	(22,268)
	Less Net Outlays in Existing Assets	
1,296,000	Capital Expenditure on renewal and replacement of Existing Assets	1,734,247
(1,695,000)	less Depreciation, Amortisation and Impairment	(1,827,500)
(253,000)	less Proceeds from Sale of Replaced Assets	(253,000)
(652,000)		(346,253)
	Less Net Outlays on New and Upgraded Assets	
3,150,000	Capital Expenditure on New and Upgraded Assets	3,277,300
(480,000)	less Amounts received specifically for New and Upgraded Assets	(1,871,900)
-	less Proceeds from Sale of Surplus Assets	-
2,670,000		1,405,400
(1,881,000)	Net Lending / (Borrowing) for Financial Year	(1,081,415)

Budgeted Financial Statements 2012-13 Continued..

DISTRICT COUNCIL OF ROBE CONSOLIDATED BUDGET 2012/2013			
FINANCIAL INDICATORS			
10/11 Consolidated	FULL YEAR REVISED ESTIMATE		2011/12 BUDGET
529,000	204,000	Operating Surplus <i>Being the Operating Surplus (Deficit) before Capital Amounts</i>	(22,268)
14%	5%	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%
3,546,000	5,453,000	Net Financial Liabilities <i>Net Financial Liabilities are defined as Total Liabilities less financial assets (excluding equity accounted investments in Council Businesses)</i>	6,787,415
794,000	1,933,000	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>	3,267,415
64%	94%	Net Financial Liabilities Ratio <u>Net Financial Liabilities</u> Total Operating Revenue less NRM levy	115%
14%	33%	Net Financial Liabilities Ratio (Excluding Marina Premiums received in Advance) <u>Net Financial Liabilities</u> Total Operating Revenue less NRM levy	55%
1.5%	1%	Interest Cover Ratio <u>Net Interest Expense</u> Total Operating Revenue less NRM levy less Investment Income	2%
48%	62%	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>	81%

Budgeted Financial Statements 2012-13 Continued..

OPERATING BUDGET	
Sub-Programme Description	12/13 Budget
Administration Other	(\$167,000)
Aerodromes	\$10,550
Aged Homes	(\$10,756)
Beach Patrol Officer	\$2,271
Boat Ramp	\$8,055
Caravan Parks	(\$20,000)
Cemeteries	\$10,738
Community Bus	\$1,350
Development Act	\$162,680
Dog Control	\$9,504
Effluent Drainage	\$375,769
Elected Members	\$76,908
Festivals	\$1,611
Fire Protection	\$27,445
Foreshore Protection	\$17,664
General Operations	\$450,812
Grants	(\$15,500)
Halls	\$26,724
Health Centres	(\$4,300)
Health Inspection	\$14,021
Jetty	\$8,254
Lake Butler	(\$1,514,100)
Libraries	\$139,249
Mobilechildcare	\$0
National Estates	\$1,500
Other Economic Services	\$5,000
Other General Public Services	\$58,342
Other General Purpose N.E.C.	(\$1,878)
Other Health Services	\$38,197
Other Property & Services	\$280
Other Social Sec/Wel Sves	\$700
Parks & Gardens	\$215,747
Public Conveniences	\$86,300
Public Debt Transaction	\$32,000
Public Relations	\$5,399
Rates	(\$4,211,359)
Road Construction	(\$339,894)
Road Maintenance	\$1,623,045

Budgeted Financial Statements 2012-13 Continued..

OPERATING BUDGET Cont..	
Sub-Programme Description	12/13 Budget
Salary - Office	\$536,286
Sanitary & Garbage	\$438,656
Sport & Recreation	\$49,568
Stormwater Drainage	\$31,845
Street Lighting	\$33,500
Tourism	\$89,278
Underground Power	(\$157,500)
Vandalism	\$3,407
Grand Total	(\$1,849,632)

Budgeted Financial Statements 2012-13 Continued..

CAPITAL BUDGET	
Sub-Programme Description	12/13 Budget
Council Offices	\$50,000
Effluent Drainage	\$600,000
Foreshore Protection	\$15,000
Lake Butler	\$1,750,000
Other General Public Services	\$1,000
Parks & Gardens	\$67,618
Plant Operations	\$300,000
Road Construction	\$1,535,429
Sanitary & Garbage	\$400,000
Stormwater Drainage	\$25,000
Tourism	\$15,000
Underground Power	\$252,500
Grand Total	\$5,011,547