

District Council of Robe

MINUTES

Minutes of the Special Council Meeting held 25 June 2008, commencing at 5.10pm at the District Council of Robe Chambers, Smillie Street, Robe.

PRESENT Mayor Peden, Crs. P. Riseley, J Mathews, R. Petrovic, D Loxton, Chief Executive Officer, William Hender and Vanessa McDonald.

APOLOGY Crs. R Dell'Antonio, N Wright

1. BUSINESS :

1.1 COUNCIL BUDGET 2008/2009 :

1.1.1 Adoption of Annual Business Plan

Cr. Loxton moved **that the District Council of Robe in accordance with Section 123 (6) of the Local Government Act 1999 and Regulation 5(A) of the Local Government (Financial Management) Regulations 1999, adopt the 2008/2009 Annual Business Plan as presented. (514/2008)**

Seconded Cr Mathews

Carried

1.1.2 Budgeted Financial Estimates

Cr. Loxton moved **that pursuant to Section 123 (7) of the Local Government Act 1999 and Regulation 5 (B) of the Local Government (Financial Management) Regulations 1999, having considered the Budget in conjunction with, and determined the budget to be consistent with, the Council's Annual Business Plan, the District Council of Robe adopt the following Financial Budgeted Statements for 2008/09 as presented, comprising:**

**Income Statement
Statement of Cash Flows
Balance Sheet
Statement of Changes in Equity
Uniform Presentation of Finances
Financial Indicators
Operating Budget
Capital Budget (515/2008)**

Seconded Cr Petrovic

Carried

1.1.3 Adoption of Capital Valuation

Cr. Riseley moved that the District Council of Robe in accordance with Section 167 (2) (a) of the Local Government Act 1999, adopt for the year ending 30 June 2009 for rating purposes the most recent valuations of the Valuer-General available to Council of Capital Values in relation to all land within the area of the Council, with the total of the valuations being \$829,041,440 comprising \$791,579,900 in respect of rateable land and \$37,461,540 in respect of non rateable land before alteration. (516/2008)

Seconded Cr Mathews

Carried

1.1.4 Declaration of Rates 2008/09

1.1.4.1 General Rates

Cr. Loxton moved that the District Council of Robe pursuant to Section 153(1)(a) of the Local Government Act, 1999 declare a single General Rate of 0.3093 cents in the dollar on the Capital Values of all rateable land within the Council's area for the year ending 30 June 2009. (517/2008)

Seconded Cr. Petrovic

Carried

1.1.4.2 Minimum Amount Payable by way of Rates 2008/09

Cr. Petrovic moved that the District Council of Robe pursuant to Section 158(1)(a) of the Local Government Act 1999, declare that the minimum amount payable by way of rates in respect of any one rateable property shall be \$535.00 (518/2008)

Seconded Cr Loxton

Carried

1.1.4.3 Annual Service Charges

1.1.4.3.1 Garbage Collection Service

Cr. Loxton moved that the District Council of Robe pursuant to Section 155 of the Local Government Act 1999 declare an annual service charge of \$249.00 based on the nature of the service for the year ended 30 June 2009 on all land within the Council's area to which it provides a prescribed service for the collection, treatment and disposal of waste. (519/2008)

Seconded Cr Riseley

Carried

1.1.4.3.2 Septic Tank Effluent Drainage Schemes

Cr. Riseley moved that the District Council of Robe pursuant to Section 155 of the Local Government Act, 1999 declare the following annual service charges based on the nature of the service and varied according to whether the land to which it applies is vacant or occupied for the Community Waste Water Management Schemes on all land within the Council's area to which it provides or makes available the prescribed service for the year ending 30 June 2009 as follows:

Occupied with desludging	\$417.00
Occupied without desludging	\$375.30
Vacant	\$333.60 (520/2008)

Seconded Cr Petrovic

Carried

1.1.4.4 Separate Rates

1.1.4.4.1 Robe Marina

Cr. Loxton moved that the District Council of Robe pursuant to Section 154 of the Local Government Act 1999 declare a separate rate for the year ending 30 June 2009 on all rateable land within the Robe Marina (including Marina Berths) based on a fixed charge of \$250.00 for the purpose of helping to defray the ongoing costs of making available and maintaining the Marina facilities that are or are intended to be of particular benefit to the occupiers of land within the Robe Marina. (521/2008)

Seconded Cr Riseley

Carried

1.1.4.4.2 South East Natural Resources Management Board Levy

Cr. Mathews moved that the District Council of Robe pursuant to Section 95 of the Natural Resources Management Act 2004 and Section 154 of the Local Government Act 1999, in order to reimburse the Council the amount contributed to the South East Natural Resources Management Board, declares a separate rate based on a fixed charge of \$35.20 on all rateable land within the area of the Council and the area of the Board for the year ending 30 June 2009. (522/2008)

Seconded Cr Riseley

Carried

1.1.5 Payment of Rates

Cr. Petrovic moved that the District Council of Robe pursuant to Section 181 of the Local Government Act 1999, declare that all rates are payable in four equal or approximately equal instalments with the:

**first instalment payable on 1 September 2008
second instalment payable on 1 December 2008
third instalment payable on 2 March 2009
fourth instalment payable on 1 June 2009 (523/2008)**

Seconded Cr Riseley

Carried

Meeting closed at 5.21 pm.

Confirmed 8th July 2008

Date _____ Mayor

District Council of
ROBE

*Annual Business Plan
2008-09*

Adopted 25/06/2008

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Message from the Mayor for the 2008-09 Business Plan

1. CEO appointment

In October 2007 Council was fortunate to have Mr Bill Hender available to be our acting CEO (Manager of Council) and after an impressive time as Acting CEO, Council unanimously appointed Mr Hender as Council's CEO. I believe this appointment is the single best decision of this Council.

There needs to be a good working relationship between Elected Members (Councillors) and the CEO for any Council, including Robe, to move forward. I am pleased to report that this good working relationship now exists at DC Robe. Elected Members make the big decisions however the guidance for, and implementation of, all decisions rests with the CEO. The CEO is responsible for all staff matters, dealing with ratepayers and day to day finances, plus ensuring Council abides by the many laws that relate to Councils. In other words the CEO runs Council within the framework of Council decisions. The CEO must have the confidence of Elected Members, Staff, and Ratepayers.

In addition to the above, the CEO must have a number of qualities including being practical, honest, hard working, have excellent people skills plus a clear understanding of what is required to improve the situation for the ratepayers of Robe and District. I am pleased to report that Bill has these qualities. Bill has been our CEO for over six months now and the results so far are excellent.

2. Spending

Bill has been cutting costs while trying to maintain services and assets. There is a great deal of excellent work being done to ensure that the financial position of Council will be a lot better in the future. Wages and consulting fees have been cut plus other savings are being reviewed and implemented. Plans are being made to ensure that assets such as roads and streets are properly maintained. Unfortunately our inherited financial position is that around one third of all of our revenue is being spent on servicing debt (interest plus principal repayments). This is our biggest challenge and we are moving to reduce this debt as quickly as possible.

3. Rates

Council's main form of revenue is rating property. We hope this year will be the last big rate rise as we start paying our debt down and ensure our long-term financial sustainability.

4. Fellow Elected Members

I would like to acknowledge and thank all of my fellow elected members for their dedication, hard work and contribution towards ensuring Robe and District is an even better place to live.

5. Staff

A special thank you to the staff of the Council for their dedication in looking after the people in our district.

6. Ratepayers and residents

We thank you for your patience as we move forward. We know we are in Council for you and we are genuinely looking after your interests. We welcome any feedback.

Wm Peden
Mayor

INTRODUCTION

The Annual Business Plan sets out the Council's proposed services, programs and projects for 2008-09. It aims at continued progress towards the longer term objectives of the District Council of Robe set out in Council's Strategic Management Plan.

The Annual Business Plan and accompanying Budget have been prepared on the basis of maintaining an appropriate level of services to the community, without presenting an unrealistic rate burden to 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.

1. The Future

The Annual Business Plan for 2008-09 aims to strike a balance between the level of services for the community and the need to ensure the long-term financial sustainability of the Council. This year Council is looking to move forward with the development of a Long-term Financial Plan and an Infrastructure and Asset Management Plan to be in place by 30 November 2008 as required by legislation.

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

2. Significant Influences and Priorities

A number of significant factors have influenced the preparation of the Council's 2008-09 Annual Business Plan. These include:

- Enterprise Bargaining Agreement (Agreed 18/9/2006) which provides for wages and salary increase of 4.7%;
- Requirements to maintain and improve infrastructure assets to acceptable standards including roads, footpaths, Community Wastewater Management Scheme (CWMS);
- Commitments to complete the Marina;
- The level of State/Commonwealth grant funding;
- Fees/charges imposed by the State Government including the waste levy;
- The construction of the Community Wastewater Management Reuse system and requirements to secure government subsidy for this;
- Cost of compliance with State Government reporting 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:

- Revenue raised through general rates increasing by 12% but the rate in the \$ will decrease. The minimum rate of \$535 will be applied across the whole Council area and not just the township. (Refer Section 7 for details on the impact on Ratepayers.)
- Maintenance of assets will be a matter of priority to ensure that our infrastructure is being maintained at a reasonable level.

The Council's priorities for 2008-09 include the implementation of a large number of recommendations stemming from:

- A governance and legal due diligence review by Wallman's Lawyers;
- A review by the Office for State/Local Government Relations covering the Council's finances and asset management; and
- The Judith Jones "Status, Options and Actions" report covering the Marina

During December 2007, the Council adopted a twelve month Action Plan to implement the recommendations of the governance and legal due diligence review. Council is currently working through the issues raised with updated policies being put in place. Tenders also have been sought to undertake a review of the Strategic Management Plan. During 2008-09 Council will endeavour to ensure that all matters raised from this review are implemented.

Also in December 2007, a twelve month Financial and Asset Management Plan resulting from the review of the Council's finances and asset management was adopted. By ensuring that the actions set out in this Plan are followed, the Council expects that it will be well on its way to becoming financially sustainable. During 2007-08 Council adopted a comprehensive Treasury Management Policy which will underpin the Council's decision-making in the financing of its operations.

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 ability to fund ongoing maintenance and rehabilitation of infrastructure is a crucial consideration.

3. Continuing Services

Council is mindful of the impact that the minimal Capital Works Program for 2007-08 has had on Council's infrastructure. However, Council is acutely aware of the financial situation it faces, including the need to ensure that debt is kept within prudent levels. During 2008-09, Council is looking at establishing a priority listing for capital projects whereby work is undertaken on upgrading at least one major rural and one major town road per year along with necessary 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:

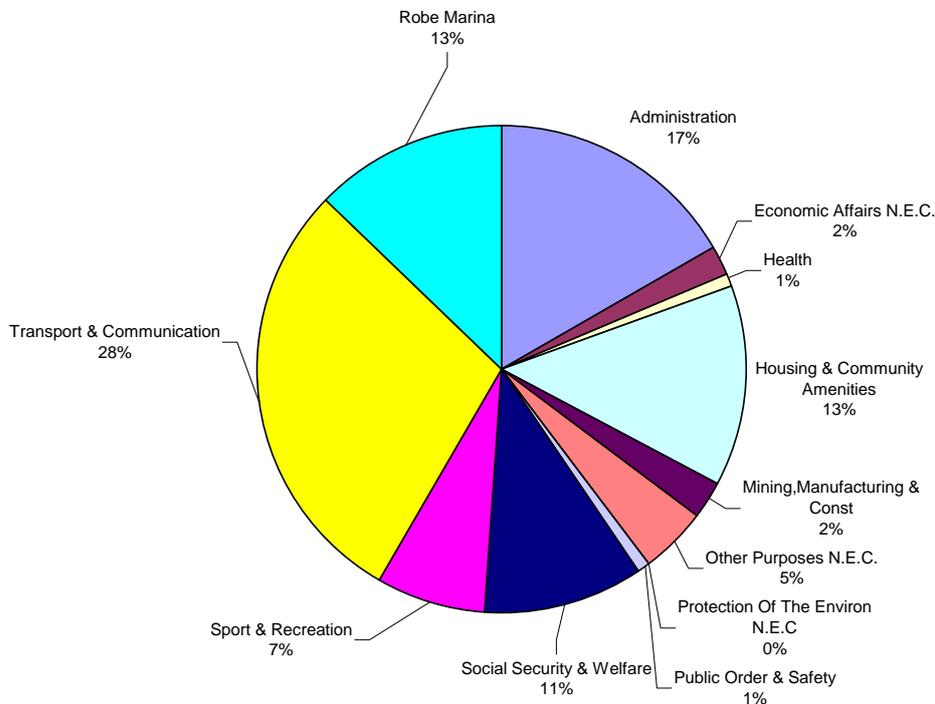
- Libraries;
- Community facilities;
- Economic development;
- Environmental programs;
- Community programs;
- On-street parking management to maximise use of kerbside space.

In all services the Council seeks to be responsive to changing needs. Regular community surveys will be undertaken in the future to check levels of satisfaction and areas for improvement.

Council also provides facilities on a fee for service basis. These provide important community benefits as well as providing revenue for services and projects of benefit to Council:

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

The following graph and table provide a functional breakdown of the services for which this expenditure is planned.



Programme	Operating Expenditure	Capital Expenditure
Administration	848,899	\$10,000
Economic Affairs N.E.C.	109,083	\$0
Health	33,406	\$14,800
Housing & Community Amenities	680,980	\$140,500
Mining, Manufacturing & Const	127,532	\$0
Other Purposes N.E.C.	234,695	\$360,000
Protection Of The Environ N.E.C	5,029	\$0
Public Order & Safety	32,405	\$0
Social Security & Welfare	542,145	\$0
Sport & Recreation	372,501	\$69,000
Transport & Communication	1,474,332	\$619,500
Robe Marina	656,904	\$362,000
Grand Total	5,117,912	\$1,575,800

4. Project Priorities for the year

Council's capital priorities for 2008-09 are set out in the table below. Council received funding for the Nora Creina Road in 2005-06 and this road must be completed during 2008-09, otherwise the funding from the Special Local Roads Program may be at risk.

Council is proposing to seal Thompson Road as well as undertaking related works on Lakeside Terrace, Sneath Street, Harold Street and Peter McQueen Street.

Capital	Expenditure	Grants
Admin P&E (Computers, F&F)	\$10,000	\$0
CWMS Pump	\$120,000	\$0
Re Roof Section of Medical Centre	\$12,500	\$0
New Air Conditioner for Medical Centre	\$2,300	\$0
Toilet Facilities Sport & Rec Ground	\$5,500	\$0
Library Photocopier	\$4,000	\$0
Wall Restoration	\$30,000	-\$15,000
Nora Creina Road	\$107,000	-\$62,500
Robe Street Playground	\$50,000	-\$45,000
Footpaths	\$12,500	\$0
Thompson Road	\$400,000	\$0
Road Reseals	\$50,000	\$0
Road Re-Sheets	\$50,000	\$0
Robe Marina	\$362,000	\$0
New Vehicles	\$70,000	\$0
Plant Replacement	\$290,000	\$0
Grand Total	\$1,575,800	-\$122,500

UPGRADING OF COMMUNITY WASTE MANAGEMENT SYSTEMS

In September 2007 a report was presented to Council regarding the Federal Funding available for the upgrading of Community Waste Management Systems (CWMS). By committing to the project means that the Council is eligible to receive 25% towards the capital cost of providing the necessary infrastructure to re-use the excess effluent from the CWMS Treatment Lagoon.

To be eligible for this grant from the Federal Government (co-ordinated by the Local Government Association), Council must ensure that the project is financially sustainable in the long term.

Work is currently underway to determine the cost to Council of proceeding with this project. At this stage, the cost has not been included in the draft Capital Works list for 2008-09. However, given the significant capital cost involved, the Budget for 2008-09 is reflects an increase in the CWMS annual service charge so that it is equal to the equivalent SA Water charge.

Council will consult with the community regarding the CWMS upgrade when it has assembled relevant data.

INFRASTRUCTURE AND ASSET MANAGEMENT PLAN

The Local Government Act 1999 requires Councils to develop Infrastructure and Asset Management Plans by 30 November 2008. Council seeks to develop and adopt a basic Plan by that date but recognises the difficulty of doing so given the lack of asset management strategies, policies and systems in the past. When fully developed the Plan will relate to the management and development of infrastructure and major assets by Council for a period of at least 10 years and the extent to which any infrastructure will need to be maintained, replaced or developed by Council. The District Council of Robe is the custodian of infrastructure and assets with a value in excess of \$52M. Council has the responsibility to ensure that assets are managed appropriately and that decisions regarding the acquisition of new assets and the sale and maintenance of current assets are undertaken in an open and transparent fashion. This is no easy task and the purpose of including this section in the Annual Business Plan is to help ensure an understanding in the community as to the challenges facing the Council.

Sound asset management is the key to financial sustainability. There is clearly a direct link between the development and implementation of Council's Infrastructure and Asset Management Plan and its Long Term Financial Plan. Council expends considerable funds on the acquisition and management of assets. It will be exposed to financial risk over the longer term if budget processes have little regard for ongoing costs associated with the maintenance of these assets beyond the current budget period. It is incumbent on Council to carefully consider information about the stock of infrastructure and other assets and the contribution that current ratepayers are making to their consumption.

Unless Council reverses current practices in asset management, it will be leaving a considerable financial liability to future Councils and their communities. Coupled with the challenges of scarcity of resources and costs increasing beyond CPI, the Council is facing new challenges in managing infrastructure and assets as a result of issues such as increasing community expectations, population growth, replacement of ageing infrastructure, new legislative requirements (e.g. EPA standards) and the growing demands of an ageing population.

The term “asset management” is used to describe the process by which the Council manages physical assets to meet current and future levels of service. The Council determines the policy framework within which existing assets are managed and new assets acquired and the overall program for maintenance and disposal of assets. This policy framework will typically have regard to the link between the purchase, upgrade and disposal of assets, the delivery of services to communities and consultation processes required to ensure the community is well informed and able to influence the decisions of the Council.

The role of Council staff is to assist the elected body to translate its asset management policy objectives into plans that will enable Council to efficiently and effectively manage the asset portfolio and address issues such as:

- Overall objectives for asset management having regard to the implications for service levels, financial, legal and regulatory matters;
- Management of asset information systems, addressing issues such as location, condition, performance, capacity/utilisation, risk, lifecycle costs, maintenance history etc.;
- Risk identification, assessment and control in the short and long term.

The purpose of the proposed Infrastructure and Asset Management plan includes the recognition of asset consumption. More importantly, the Plan will help ascertain likely future maintenance and renewal needs and guide consideration of infrastructure needs to meet future community service expectations. Costs inherent in Infrastructure and Asset Management Plans need to be reflected in Council’s Long Term Financial Plan and both of these documents are integral to, and will be heavily influenced by, the Strategic Management Plan. With establishment of appropriate policy and planning mechanisms, staff can put in place operational controls and procedures to meet Council objectives so as to:

- Ensure that assets are properly managed and maintained;
- Create and maintain suitable information and decision support systems to allow for the systematic establishment of service levels and the appropriate solutions to provide for those service levels;
- Monitor the condition and performance of existing assets to meet the required service levels;
- Ensure that appropriate records of assets are created and maintained;
- Ensure that the system of internal controls safeguard assets from misuse or misappropriation;
- Regularly review, monitor and report on the Infrastructure and Asset Management Plan and, in turn the Long term Financial Plan.

In developing its Infrastructure and Asset Management Plan Council needs to consider the following key issues:

- Assets exist to support the delivery of a range and level of services to achieve a set of outcomes determined in consultation with the community.
- Asset management is a subset of strategic planning and, as such it is an integral consideration in the creation of strategic management plans.
- In evaluating alternatives for asset acquisition, the life-cycle costs and benefits of assets need to be considered and compared with the outcomes required to be produced by the asset.
- Assets are not always renewed. Furthermore acquiring more assets is not necessarily the solution to increased service demand.
- Asset performance must be monitored and action taken to renew (including upgrade/rehabilitate) or retire assets that do not provide appropriate service levels and outcomes.

The following steps set out the process for sound asset management in support of Council's future asset management policies.

- In consultation with the community, define the outcomes to be achieved and the service levels that will achieve those outcomes.
- Where necessary, establish minimum service standards based on the Council's duty of care.
- Incorporate the service level and outcomes into Councils' strategic management plans (including the financial implications into the long term).
- Assess alternative methods of providing the service levels (including lower cost assets and non-asset methods where possible) and decide on the best solution. This includes an assessment of the lifecycle costs and benefits for each of the alternatives.
- If appropriate, acquire the assets to meet the required service levels.
- Operate and maintain the assets to achieve required service levels and minimise life-cycle costs.
- Review asset performance and condition.
- Renew assets that will continue to be required to meet community needs.
- Dispose of surplus assets or assets no longer able or required to meet community needs.

Supporting the above steps are two key elements:

- Information – about a range of matters: community needs; service levels; asset performance and condition; performance targets and measures; impact on future operating budgets (i.e. maintenance and depreciation costs).
- A Decision Support System which can perform: life cycle costing; modelling of proposed solutions; trend analysis; forecasting – short and long term.

Depreciation measures the consumption of an asset over a particular time period. The consumption of an asset is part of the cost of providing a service. The full cost of providing any service needs to be considered by communities and Council in deciding to provide or continue services. The full cost of providing the service needs to be funded. The Council is committed to ensure that future generations are not left to meet the cost of services being consumed by current ratepayers.

In summary, Council must complete this work before committing to additional capital works beyond those currently planned for 2008-09. The items included in this Annual Business Plan are seen to be essential and will be included in the Infrastructure and Asset Management Plan as priorities. While it is a simple exercise to view the work that needs to be done, it is more difficult to determine the priority of works without considering funding, whole of community need, issues of risk management and safety. Hence the need for a structured and coherent Infrastructure and Asset plan based on reliable information that is understood and agreed with the community, rather than responding to the “squeaky wheel syndrome” which is a haphazard and unsustainable approach. The body of work is extensive and needs to be supported by a platform of data constructed with the assistance of skills available outside of the organisation. Community support and patience is vital while staff go about gathering and evaluating the data and preparing the reports which will form public consultation documents.

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

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

- 2008-09 Target:
To implement the recommendations set out in the twelve month action plan resulting from the review by Wallman’s Lawyers.

Delegations and Policy

This is the method by which Council authorises staff to carry out the functions of Council and underpins the effective operation of the organisation. Policies provide guidance to staff on the implementation of Council decisions.

- 2008-09 Target:
To review this policy to ensure that Council is efficient as possible.

Employee Skills

Recognising the contribution to the success of the organisation made by a skilled and motivated workforce, we aim to recruit and retain high calibre staff and to contribute to the continued development of their skills and knowledge.

- 2008-09 Target:
To ensure all staff have access to job specific training.

Occupational Health and Safety

In recent years the number of lost time injuries has been low and the number of workers compensation claims minimal in number. We aim to continue the current level at least and where possible, to reduce all injuries.

- 2008-09 Target:
Compliance with the LGWCS audits, and to minimise risk to employees and the community.
- **Financial indicators**
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**DISTRICT COUNCIL OF ROBE
FINANCIAL INDICATORS**

	BUDGET 2008-09	FULL YEAR REVISED ESTIMATE 2007-08	CONSOLIDATED 2006-07
Operating Surplus	(103,249)	(121,000)	(1,021,000)
(Being the operating surplus/(deficit) before capital amounts)			
Operating Surplus Ratio			
<u>Operating Surplus</u> Rates - general & other less NRM Levy	-3%	-4%	-41%
Net Financial Liabilities	6,888,941	6,785,000	8,258,000
Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses.)			
Net Financial Liabilities Ratio			
<u>Net Financial Liabilities</u> Total Operating Revenue less NRM levy	139%	142%	210%
Interest Cover Ratio			
<u>Net Interest Expense</u> Total Operating Revenue less NRM levy less Investment Income	8.0%	9.0%	9.2%
Asset Sustainability Ratio			
<u>Net Asset Renewals</u> Depreciation Expense	35%	26%	40%
Asset Consumption Ratio			
<u>Carrying value of depreciable assets</u> Gross value of depreciable assets	64%	70%	64%

The Local Government sector in South Australia has adopted a set of Financial Indicators which provide both an indicator of the current financial sustainability of Council and can also demonstrate the improving (or declining) trend in Council's financial performance and position over time. Longer term targets for all indicators are being developed in conjunction with the development of the Long Term Financial Plan. (Appendix 3 of this Draft 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).

In previous years, budgeted financial statements covering the former Robe Marina Corporation were kept separate from the core business of the Council. Since the completion of the Judith Jones "Status, Options and Actions Report" we are in a position to provide a consolidated set of figures.

6. Funding the Business Plan

As outlined in the Introduction to this Annual Business Plan, the Plan and accompanying Budget for 2008-09 has been prepared on the basis of maintaining an appropriate level of services to the community, without presenting an unrealistic rate burden to ratepayers and ensuring the long term financial viability of the Council.

Council's long-term financial sustainability is dependent on ensuring that, on average over time, its expenses are less than its revenue. In addition, capital expenditure levels on existing infrastructure and other assets should be optimised (in accordance with its 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 plans to achieve a small Operating Deficit of \$103,000 (before Capital Amounts) in 2008-09, as a result of budgeted Operating Revenues of \$5,015,000 and budgeted Operating Expenses of \$5,118,000.

As outlined in the "Project Priorities for the year" (section 4) of this Annual Business Plan, the Budget also includes Capital Expenditure of \$1,576,000.

Apart from Rate Revenue, Operating Revenues are 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 & Federal government operating grants.

Council also sources income in the form of grants for specific capital purposes (which are provided by State & Federal governments) and revenue from the sale of surplus land, buildings or plant.

The Budgeted Operating Revenue for 2008-09 includes General Rate Revenue of \$2,610,000 (12% more than 2007-08), Separate Rates of \$96,000 and Annual Service Charges of \$894,000.

Details of Council's Separate Rates and Annual Service Charges for 2008-09 can be found in section 7 of this Plan "What it means for Rates".

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 2007 together with estimates of these measures at 30 June 2008 and 30 June 2009. The Budget for 2008-09 shows a reduction of \$2,322,000 in the level of net debt for the year resulting in estimated net debt at 30 June 2009 of \$2,300,000. The level of net financial liabilities at 30 June 2009 is expected to increase slightly from the level at 30 June 2008.

**DISTRICT COUNCIL OF ROBE
INDEBTEDNESS**

	FULL YEAR		
	BUDGET	REVISED ESTIMATE	CONSOLIDATED
	2008-09	2007-08	2006-07
	\$'000	\$'000	\$'000
Gross Borrowings	2,300	4,692	6,316
Less: Cash and Investments	5	75	568
EQUALS: NET DEBT	2,295	4,617	5,748
Add: Trade and Other Payables (Including Long Term Liability of Marina Berths)	5,217	2,790	2,841
Add: Provisions for Employee Entitlements	106	106	261
Less: Trade and Other Receivables	699	699	561
Less: Other Financial Assets	29	29	31
EQUALS: NET FINANCIAL LIABILITIES	6,890	6,785	8,258

Details of individual borrowings outstanding at 30 June 2008 are set out in the following Schedule.

**DISTRICT COUNCIL OF ROBE
LOANS SCHEDULE**

Maturity Date	Balance Outstanding 30/06/08 \$'000	Principal Repayments 2008-09 \$'000
FIXED INTEREST RATE BORROWINGS		
15/03/2009	8	8
15/03/2009	13	13
18/05/2009	16	16
15/11/2009	28	18
16/05/2010	17	8
15/09/2010	400	-
15/01/2011	121	38
17/02/2012	28	6
17/06/2012	72	16
16/02/2013	23	4
1/03/2013	142	25
15/04/2013	69	12
15/09/2013	31	5
28/06/2014	41	6
15/11/2014	213	27
15/03/2015	153	18
21/04/2015	59	7
15/01/2016	138	14
15/03/2016	211	21
15/03/2016	118	12
	<u>1,901</u>	<u>273</u>
VARIABLE INTEREST RATE BORROWINGS		
15/04/2014	800	128
15/01/2018	1,991	1,991
	<u>2,791</u>	<u>2,119</u>
TOTAL FIXED & VARIABLE	4,692	2,392

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 Federal 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

Council has maintained a consistent rating policy by charging a minimum rate and a differential general rate in the dollar according to locality.

The following table provides a summary of the Council’s rating strategy over the past three years and the implications for the 2008-09 rating strategy.

Year	2005-06	2006-07	2007-08	2008-09
Township Rate in \$	0.3402	0.3019	0.3188	0.3093
Rural Rate in \$	0.3402	0.3019	0.3188	0.3093
Minimum Rate	\$ 426	\$ 458	\$ 515	\$ 535

2008-09 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 of valuing land 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: lsg.objections@saugov.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 2008-09.

The total amount of General Rates to be collected in 2008-09 will increase by 12% compared to 2007-08. The impact of the 12% increase can be seen in the table below.

Rates Payable Movement: 12% Rate		
Range	Increase Number of Assessments	% of Total Assessments
Reduction	244	10.76%
0% to 4.99%	1035	45.66%
5% to 9.99%	303	13.37%
10% to 49.99%	312	13.76%
50% to 99.99%	130	5.73%
> 100%	143	6.31%
New Assessments	100	4.41%
TOTAL	2267	100.00%

Council wishes to emphasise that although total rate revenue (including revenue from new assessments is increasing by 12% in 2008-09 69.79% of ratepayers will face increases of less than 10%. Of the 585 properties that have increased by an amount between 10% and greater than 100%, the increase in respect of 293 of those properties (50%) can be attributed to Council applying the minimum rate to all rateable land within Council's area in 2008-09, not just to the township of Robe.

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 2008-09 will be \$535 which represents an increase of 3.8% on the amount of the minimum rate imposed in 2007-08. Overall, the minimum rate will be applied to approximately 29% of all rateable assessments.

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 \$35.20 on all of the rateable land in the Council's area.

ROBE MARINA

Following the release of the Judith Jones "Status Options and Actions" Report, Council has been investigating options to ensure that the Marina is to some extent "User Pays".

In 2008-09 Council will be imposing a separate rate of \$250 on all rateable land within the Marina (including Marina Berths) for the purpose of helping to defray the ongoing costs of operating the Marina facilities (this includes the unavoidable costs to the Council of meeting obligations to Marina berth holders which will exceed the estimated future income from lease contracts and related Marina fees, charges and other rates). The Marina facilities are of particular benefit to the land within the Marina, to occupiers of that land and to visitors to the Marina.

ANNUAL SERVICE CHARGES

COMMUNITY WASTEWATER MANAGEMENT SYSTEMS

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

Following correspondence from the Local Government Association regarding the subsidy available for CWMS upgrade (discussed in section 4 of this Plan) Council has been investigating its current annual service charges.

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 have been informed of the necessity to model charges - to those to whom the schemes are provided or made available - on those used by SA Water for its schemes.

Current CWMS annual service charges are well below this level, so in order for Council to achieve a situation where its scheme is financially self sufficient, Council will be increasing its annual service charges to level that is equivalent to that of SA Water. As noted in section 4 of this Plan, unless the Council commits to operating its CWMS scheme in a financially self sufficient manner, it will not be eligible for the 25% capital subsidy on offer from the Federal Government to upgrade the scheme.

Council acknowledges that this will have a significant impact on its ratepayers. In the short term, the increase in charges will allow the Council to prudently build up some reserves to help facilitate the proposed CWMS upgrade needed to meet basic public health and environmental requirements. Section 155 (5) and (6) of the Local Government Act 1999 specifically permits this approach. In the long term, the increase in charges will facilitate future maintenance, renewal and eventual replacement of the scheme in a way which is fair and equitable to current and future ratepayers.

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 2008-09 Council will increase the Mobile Garbage Bin Collection Annual Service Charge by 6.1% to reflect the increasing costs in providing the current collection and disposal service.

Waste Management will continue to be closely monitored by Council in 2008-09 given the more stringent requirements posed by changes to environmental legislation and community expectations.

The table following shows the details of the Separate Rates and Annual Service Charges for 2008-09

Service Charges and Separate Rates 2008-09

Description	\$ Charge Per Unit 2008-09	Units	Levied 2008-09	Levied 2007-08	% Change	\$ Change
Waste Collection	249.00	1018	\$ 253,842	\$ 231,452	9.7%	\$ 22,390
Occupied CWMS + Desludging	417.00	1098	\$ 457,866	\$ 297,011	54.2%	\$ 160,855
Occupied CWMS	375.30	147	\$ 55,169	\$ 35,944	53.5%	\$ 19,225
Vac CWMS	333.60	381	\$ 127,101	\$ 80,197	58.5%	\$ 46,904
TOTAL CWMS			\$ 640,136	\$ 413,152	54.9%	\$ 226,984
SE NRM Levy	35.20	1807	\$ 63,606	\$ 59,352	7.2%	\$ 4,254
Robe Marina Separate Rate	250.00	131	\$ 32,750	\$ -	100.0%	\$ 32,750
TOTAL RAISED			\$ 990,334	\$ 703,956	40.7%	\$ 286,378

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 2 to this Draft Annual Business Plan.

Appendix 1: Budgeted Financial Statements 2008-09

No provision has been made in the Budget Statements to cater for the estimated present value of the amount by which future unavoidable costs to the Council of meeting obligations to Marina berth holders will exceed the estimated future income from lease contracts and related Marina fees, charges and rates.

The establishment of such a provision is being discussed with the Council's external auditor to ensure that a consensus is reached on our interpretation that it is necessary for the Council to raise such a provision in 2007-08 so as to comply with the "Onerous Contracts" requirement of Australian Accounting Standard AASB 137.

The impact on Council's finance charges in the 2008-09 (to cater for an increase in the provision for cost increases) could be very significant – and thus would worsen the operating deficit in 2008-09.

DISTRICT COUNCIL OF ROBE CONSOLIDATED BUDGET 2008/2009

INCOME STATEMENT

2007/2008 FULL YEAR REVISED ESTIMATE		2008/2009 BUDGET
\$	INCOME	\$
3,005,000	Rates	3,589,958
72,000	Statutory Charges	61,800
579,000	User Charges	580,753
921,000	Grants Subsidies and Contributions	609,353
21,000	Investment Income	20,000
40,000	Reimbursements	-
209,000	Other	152,800
-	Share of profit - joint ventures and associates	-
4,847,000	TOTAL REVENUES	5,014,664
	EXPENSES	
1,600,000	Wages and Salaries	1,281,426
1,591,000	Materials, contracts & other expenses	1,928,712
455,000	Finance Costs	402,667
1,322,000	Depreciation, amortisation & impairment	1,505,108
-	Share of loss - joint ventures & associates	-
4,968,000	Total Expenses	5,117,913
(121,000)	OPERATING SURPLUS/(DEFICIT) BEFORE CAPITAL AMOUNTS	(103,249)
390,000	Net gain (loss) on disposal or revaluation of assets	(10,227)
42,000	Amounts specifically for new or upgraded assets	60,000
-	Physical resources received free of charge	-
311,000	NET SURPLUS/(DEFICIT)	(53,476)

Appendix 1: Budgeted Financial Statements 2008-09 (cont...)**DISTRICT COUNCIL OF ROBE
CONSOLIDATED BUDGET 2008/2009****CASH FLOW STATEMENT**

2007/2008 FULL YEAR REVISED ESTIMATE \$		2008/2009 BUDGET \$
Inflows (Outflows)		Inflows (Outflows)
	CASHFLOWS FROM OPERATING ACTIVITIES	
	RECEIPTS	
4,882,000	Operating Receipts	4,994,664
21,000	Investment Receipts	20,000
	PAYMENTS	
(3,141,000)	Operating payments to suppliers & employees	(3,210,138)
(455,000)	Finance Payments	(402,667)
<u>1,307,000</u>	Net Cash provided by (or used in) Operating Activities	<u>1,401,859</u>
	CASH FLOWS FROM INVESTING ACTIVITIES	
	RECEIPTS	
42,000	Grants specifically for new or upgraded assets	60,000
725,000	Sale of Assets	10,000
	PAYMENTS	
(421,000)	Capital Expenditure	(1,575,800)
<u>346,000</u>	Net Cash provided by (or used in) Investing Activities	<u>(1,505,800)</u>
	CASH FLOWS FROM FINANCING ACTIVITIES	
	RECEIPTS	
-	Premiums received in advance (Marina)	2,426,400
-	Proceeds from Borrowings	-
	PAYMENTS	
(1,821,000)	Repayment of Borrowings	(2,392,329)
<u>(1,821,000)</u>	NET CASH USED IN FINANCING ACTIVITIES	<u>34,071</u>
(168,000)	NET INCREASE (DECREASE) IN CASH HELD	(69,870)
<u>243,000</u>	CASH AT BEGINNING OF YEAR	<u>75,000</u>
<u><u>75,000</u></u>	CASH AT END OF YEAR	<u><u>5,130</u></u>

Appendix 1: Budgeted Financial Statements 2008-09 (cont...)**DISTRICT COUNCIL OF ROBE
CONSOLIDATED BUDGET 2008/2009****BALANCE SHEET**

2007/2008 FULL YEAR REVISED ESTIMATE		2008/2009 BUDGET
		-
\$	ASSETS	\$
	CURRENT ASSETS	
75,000	Cash and cash equivalents	5,130
699,000	Trade & other receivables	699,000
530,000	Inventories	530,000
	Other Financial Assets	-
<u>1,304,000</u>		<u>1,234,130</u>
1,304,000	Non-Current Assets held for Sale	-
	TOTAL CURRENT ASSETS	<u>1,234,130</u>
	NON-CURRENT ASSETS	
29,000	Financial Assets	29,000
-	Equity accounted investments in Council businesses	-
-	Investment Property	-
52,694,000	Infrastructure, Property, Plant & Equipment	52,754,465
-	Other Non-current Assets	-
<u>52,723,000</u>	TOTAL NON-CURRENT ASSETS	<u>52,783,465</u>
<u>54,027,000</u>	TOTAL ASSETS	<u>54,017,595</u>
	LIABILITIES	
	CURRENT LIABILITIES	
1,009,000	Trade & Other Payables	1,009,000
885,000	Borrowings	185,000
65,000	Short-term Provisions	65,000
-	Other Current Liabilities	-
<u>1,959,000</u>		<u>1,259,000</u>
-	Liabilities relating to Non-current Assets held for Sale	-
1,959,000	TOTAL CURRENT LIABILITIES	<u>1,259,000</u>
	NON-CURRENT LIABILITIES	
1,781,000	Premiums Received in Advance (Marina)	4,207,400
3,807,000	Long-term Borrowings	2,114,671
41,000	Long-term Provisions	41,000
-	Other Non-current Liabilities	-
<u>5,629,000</u>	TOTAL NON-CURRENT LIABILITIES	<u>6,363,071</u>
<u>7,588,000</u>	TOTAL LIABILITIES	<u>7,622,071</u>
<u>46,439,000</u>	NET ASSETS	<u>46,395,524</u>
	EQUITY	
7,922,000	Accumulated Surplus	7,483,336
37,943,000	Asset Revaluation	37,953,000
574,000	Other Reserves	959,188
<u>46,439,000</u>	TOTAL EQUITY	<u>46,395,524</u>

Appendix 1: Budgeted Financial Statements 2008-09 (cont...)**DISTRICT COUNCIL OF ROBE
CONSOLIDATED BUDGET 2008/2009****STATEMENT OF CHANGES IN EQUITY**

2007/2008 FULL YEAR REVISED ESTIMATE \$		2008/2009 BUDGET \$
	ACCUMULATED SURPLUS	
7,780,000	Balance at end of previous reporting period	7,922,000
311,000	Net Result for Year	-53,476
482,000	Transfer From Reserves	518,431
<u>-651,000</u>	Transfer To Reserves	<u>-903,619</u>
7,922,000	BALANCE AT END OF PERIOD	7,483,336
	ASSET REVALUATION RESERVE	
37,218,000	Balance at end of previous reporting period	37,943,000
0.00	Gain on revaluation of infrastructure, property, plant & equipment	0.00
725,000.00	Transfer to Accumulated Surplus on sale of infrastructure, property, plant & equipment	<u>10,000.00</u>
<u>37,943,000</u>	BALANCE AT END OF PERIOD	<u>37,953,000</u>
	Plant Replacement Reserve	
15,000	Balance at end of previous reporting period	15,000
	Transfer to reserve from accumulated surplus	
<u>15,000</u>	Transfer from reserve to accumulated surplus	<u>0</u>
	BALANCE AT END OF PERIOD	15,000
	Garbage Reserve	
-	Balance at end of previous reporting period	66,000
233,000	Transfer to reserve from accumulated surplus	253,482
<u>-167,000</u>	Transfer from reserve to accumulated surplus	<u>-294,066</u>
66,000	BALANCE AT END OF PERIOD	25,416
	CWMS Maintenance	
300,000	Balance at end of previous reporting period	457,000
472,000	Transfer to reserve from accumulated surplus	640,137
<u>-</u>	Transfer from reserve to accumulated surplus	<u>-</u>
457,000	BALANCE AT END OF PERIOD	<u>872,772</u>
	Contribution Reserve	
23,000	Balance at end of previous reporting period	32,000
5,000	Transfer to reserve from accumulated surplus	10,000
<u>4,000</u>	Transfer from reserve to accumulated surplus	<u>-</u>
32,000	BALANCE AT END OF PERIOD	<u>42,000</u>
	Lake Butler Reserve	
4,000	Balance at end of previous reporting period	4,000
	Transfer to reserve from accumulated surplus	
<u>4,000</u>	Transfer from reserve to accumulated surplus	<u>-</u>
4,000	BALANCE AT END OF PERIOD	<u>4,000</u>
<u>46,439,000</u>	TOTAL EQUITY AT END OF REPORTING PERIOD	<u>46,395,524</u>

Appendix 1: Budgeted Financial Statements 2008-09 (cont...)**DISTRICT COUNCIL OF ROBE
CONSOLIDATED DRAFT BUDGET 2008/2009****UNIFORM PRESENTATION OF FINANCES**

2007/2008 FULL YEAR REVISED ESTIMATE		2008/2009 BUDGET
\$		\$
4,847,000	Operating Revenues	5,014,664
<u>(4,968,000)</u>	less Operating Expenses	<u>(5,117,913)</u>
(121,000)	Operating Surplus / (Deficit) before Capital Amounts	(103,249)
	Less Net Outlays in Existing Assets	
341,000	Capital Expenditure on renewal and replacement of Existing Assets	536,800
(1,322,000)	less Depreciation, Amortisation and Impairment	(1,505,108)
-	less Proceeds from Sale of Replaced Assets	<u>(10,000)</u>
<u>(981,000)</u>		<u>(978,308)</u>
	Less Net Outlays on New and Upgraded Assets	
80,000	Capital Expenditure on New and Upgraded Assets	1,039,000
-	less Amounts received specifically for New and Upgraded Assets	(60,000)
<u>(475,000)</u>	less Proceeds from Sale of Surplus Assets	<u>-</u>
(395,000)		979,000
1,255,000	Net Lending / (Borrowing) for Financial Year	(103,941)

Appendix 2: Rating Policy (Concessions & Remissions) 2008-09

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:-

- 1st September 2008
- 1st December 2008
- 2nd March 2009
- 1st June 2009

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 2: Rating Policy (Concessions & Remissions) 2008-09 (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 Cash Advance Debenture rate.

Appendix 2: Rating Policy (Concessions & Remissions) 2008-09 (cont....)

Postponement of rates for Seniors

As a result of recent changes to the Local Government Act 1999, additional measures have been introduced to further assist State Seniors who have had difficulty in meeting their rate obligations (often as a result of being asset rich but income deprived). These changes now provide the option for Seniors Card holders to apply 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 their 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.

Where a ratepayer is granted a postponement of rates in any year, a statement will be issued with each rates notice showing the total amount postponed and any accrued interest.

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.

Appendix 2: Rating Policy (Concessions & Remissions) 2008-09 **(cont....)**

1. Introduction

The Local Government Act 1999 ("the Act") sets out at Chapter 10, Division 5 (Sections 159 to 166) those provisions applicable to the Council granting a rebate of rates to persons or bodies.

The Council has decided to adopt a Policy to assist it in its decision making functions relative to the operation of the rate rebate provisions contained in the Act.

This Policy is intended to provide guidance to the community as to the grounds upon which a person or body is, or may be entitled to receive a rebate of rates and the matters that the Council will take into account in deciding an application for a rebate.

In accordance with the rebate provisions contained in the Act, this Policy sets out the circumstances in which the Council must grant a rebate of rates, including the use being made of the relevant land and the amount that rebate must be, and those circumstances in which the Council has a discretion to grant a rebate of rates.

2. Local Government Act 1999

- 2.1 Section 159(3) of the Act provides that the Council may grant a rebate of rates under the Act if it is satisfied that it is appropriate to do so.
- 2.2 The Act provides for a mandatory rebate of rates in specified cases and the amount of that mandatory rebate (see Clause 3 below).
- 2.3 The Act also provides that where the Council must grant a rebate of rates under the Act, and the amount of that rebate is fixed by the Act at less than 100%, the Council **may** increase the amount of the rebate.
- 2.4 The Act provides, at Section 166 for the Council to provide a discretionary rebate of rates in the cases set out in that Section.

3. Mandatory Rebates

- 3.1 The Council must grant a rebate of rates in the amount specified in respect of those land uses and occupation which the Act provides will be granted a rebate.
- 3.2 Rates on the following land will be rebated at **100%**:
 - 3.2.1 Health Services
Land being predominantly used for service delivery or administration by a hospital or health centre incorporated under the South Australia Health Commission Act 1976;
 - 3.2.2 Religious Purposes
Land containing a church or other building used for public worship (and any grounds), or land solely used for religious purposes;
 - 3.2.3 Public Cemeteries
Land being used for the purposes of a public cemetery;

Appendix 2: Rating Policy (Concessions & Remissions) 2008-09 **(cont....)**

3.2.4 Royal Zoological Society of SA

Land (other than land used as domestic premises) owned by, or under the care, control and management of, the Royal Zoological Society of South Australia Incorporated.

3.3 Rates on the following land will be rebated at **75%**:

3.3.1 Community Services

Land being predominantly used for service delivery and administration by a community services organisation. A “*community services organisation*” is defined in the Act as a body that –

- 3.3.1.1 is incorporated on a not for profit basis for the benefit of the public; and
- 3.3.1.2 provides community services without charge or for a charge that is below the cost to the body of providing the services; and
- 3.3.1.3 does not restrict its services to persons who are members of the body.

It is necessary for a community services organisation to satisfy all of the above criteria to be entitled to the mandatory 75% rebate.

The Act provides that the following are community services –

- 3.3.1.4 emergency accommodation;
- 3.3.1.5 food or clothing for disadvantaged persons (i.e., persons who are disadvantaged by reason of poverty, illness, frailty, or mental, intellectual or physical disability);
- 3.3.1.6 supported accommodation (i.e., residential care facilities in receipt of Commonwealth funding or accommodation for persons with mental health, intellectual, physical or other difficulties who require support in order to live an independent life);
- 3.3.1.7 essential services, or employment support, for persons with mental health disabilities, or with intellectual or physical disabilities;
- 3.3.1.8 legal services for disadvantaged persons;
- 3.3.1.9 drug or alcohol rehabilitation services; or
- 3.3.1.10 the conduct of research into, or the provision of community education about, diseases or illnesses, or the provision of palliative care to persons who suffer from diseases or illnesses.

Appendix 2: Rating Policy (Concessions & Remissions) 2008-09 (cont....)

3.3.2 Educational Purposes

- 3.3.2.1 Land occupied by a government school under a lease or licence and being used for educational purposes; or
- 3.3.2.2 Land occupied by a non-government school registered under Part 5 of the Education Act 1972 and being used for educational purposes; or
- 3.3.2.3 Land being used by a University or University College to provide accommodation and other forms of support for students on a not for profit basis.

- 3.4 Where the Council is satisfied from its own records or from other sources that a person or body meets the necessary criteria for a mandatory 100% or 75% rebate, the Council will grant the rebate of its own initiative.

Where the Council is not so satisfied it will require the person or body to apply for the rebate in accordance with Clause 5 of this Policy.

The Council will not undertake searches of all land within its area to determine whether a person or body meets the criteria for a mandatory 100% or 75% rebate. It may therefore be necessary for a separate application to be made to the Council for a mandatory rebate.

- 3.5 Where a person or body is entitled to a rebate of 75% the Council may, pursuant to Section 159(4) of the Act, increase the rebate up to a further 25%. The Council may grant the further 25% rebate upon application or on its own initiative. In either case, the Council **will** take into account those matters set out at Clause 5.4 of this Policy and **may** take into account any or all of those matters set out at Clause 5.5 of this Policy.
- 3.6 Where an application is made to the Council for a rebate of up to a further 25% the application will be made in accordance with Clause 5 of this Policy and the Council will provide written notice to the applicant of its determination of that application.

4. Discretionary Rebates

- 4.1 Pursuant to Section 166(1) of the Act and the discretion conferred by Section 166(1)(a) of the Act the Council may grant a rebate of rates or service charges in any of the following cases –
- 4.1.1 where it is desirable for the purpose of securing the proper development of the area (or a part of the area);
 - 4.1.2 where it is desirable for the purpose of assisting or supporting a business in its area;
 - 4.1.3 where it will be conducive to the preservation of buildings or places of historic significance;
 - 4.1.4 where the land is being used for educational purposes;
 - 4.1.5 where the land is being used for agricultural, horticultural or floricultural exhibitions;
 - 4.1.6 where the land is being used for a hospital or health centre;

Appendix 2: Rating Policy (Concessions & Remissions) 2008-09 (cont....)

- 4.1.7 where the land is being used to provide facilities or services for children or young persons;
 - 4.1.8 where the land is being used to provide accommodation for the aged or disabled;
 - 4.1.9 where the land is being used for a residential aged care facility that is approved for Commonwealth funding under the Aged Care Act 1987 (Commonwealth) or a day therapy centre;
 - 4.1.10 where the land is being used by an organisation which, in the opinion of the Council, provides a benefit or service to the local community;
 - 4.1.11 where the rebate relates to common property or land vested in a community corporation under the Community Titles Act 1996 over which the public has a free and unrestricted right of access and enjoyment; and
 - 4.1.12 where the rebate is considered by the Council to be appropriate to provide relief against what would otherwise amount to a substantial change in rates payable due to a change in the basis or structure of the Council's rates, a change in the basis of valuation used for the purposes of rating, rapid changes in valuations, or anomalies in valuations; or
 - 4.1.13 where the rebate is considered by the Council to be appropriate to provide relief in order to avoid the payment of a rate or charge that is inconsistent with the liabilities that were anticipated by the Council in its Draft Annual Business Plan or a liability that is unfair or unreasonable.
- 4.2 The Council may grant a rebate of rates up to and including 100% of the relevant rates or service charges. The Council may grant a rebate for a period exceeding one year, but not exceeding 10 years in respect of those cases identified at 4.1.1, 4.1.2 or 4.1.11 above.
- 4.3 Pursuant to Section 166(1)(a) the Council has a discretion –
- 4.3.1 to grant a rebate of rates or service charges in the above cases; and
 - 4.3.2 to determine the amount of any such rebate.
- 4.4 A rebate of General Rates will be granted to the Principal Ratepayer of an Assessment, under section 166(1) (l) of the Local Government Act 1999 and will be granted to qualifying ratepayers whose General Rates have increased due to a rapid growth in capital value.

Council will consider granting a rebate of general rates that have increased by an amount greater than 15% above the 2007/2008 general rates.

Appendix 2: Rating Policy (Concessions & Remissions) 2008-09 (cont....)

The rebate will apply where:

- the general rates increase by more than 15% from the previous year; and
- the Valuer-General has not increased the capital value due to improvements to the land worth more than \$15,000 or 5% from last year (whichever is the greater), and
- the land is not a new assessment, and
- the general rates imposed for the current financial year are not less than or equal to the minimum general rate imposed on the land for the financial year; and
- the increase is not attributable to the imposition of the minimum general rate on the land; and
- ownership of the property has not changed since July 2007.

4.5 Persons who or bodies which seek a discretionary rebate (other than pursuant to Clause 4.4 of this policy) will be required to submit an application form to the Council and provide to the Council such information as stipulated on the application form and any other information that the Council may reasonably require.

5. Applications

5.1 Persons who, or bodies which seek a rebate of rates (and/or service charges) either-

5.1.1 pursuant to Section 159(4) of the Act and Clause 3.4 of this Policy; or

5.1.2 pursuant to Section 166 of the Act and Clause 4.1 of this Policy

unless otherwise stated, must make written application to the Council pursuant to Section 159(1) of the Act in the manner and form determined by the Council and supplying such information as the Council may reasonably require.

5.2 Application forms may be obtained from the Council's office located at Royal Circus, Robe.

5.3 In determining applications for rebates made pursuant to Section 166(1)(d) to (j) of the Act and Clauses 4.1.4. to 4.1.10 of this Policy, the Council **will** take into account, in accordance with Section 166(1a) of the Act, the following matters –

5.3.1 the nature and extent of Council services provided in respect of the land for which the rebate is sought in comparison to similar services provided elsewhere in the Council's area;

5.3.2 the community need that is being met by activities carried out on the land for which the rebate is sought; and

Appendix 2: Rating Policy (Concessions & Remissions) 2008-09 (cont....)

- 5.3.3 the extent to which activities carried out on the land for which the rebate is sought provides assistance or relief to disadvantaged persons.
- 5.4 In determining all applications for rebates the Council **may** take into account other matters considered relevant by the Council including, but not limited to, the following –
 - 5.4.1 why there is a need for financial assistance through a rebate;
 - 5.4.2 the level of rebate (percentage and dollar amount) being sought and why it is appropriate;
 - 5.4.3 the extent of financial assistance, if any, being provided to the applicant and/or in respect of the land by Commonwealth or State agencies;
 - 5.4.4 whether the applicant has made/intends to make applications to another Council;
 - 5.4.5 whether, and if so to what extent, the applicant is or will be providing a service within the Council area;
 - 5.4.6 whether the applicant is a public sector body, a private not for profit body or a private for profit body;
 - 5.4.7 whether there are any relevant historical considerations that may be relevant for all or any part of the current Council term;
 - 5.4.8 the desirability of granting a rebate for more than one year in those circumstances identified at Clause 4.2 of this policy;
 - 5.4.9 consideration of the full financial consequences of the rebate for the Council;
 - 5.4.10 the time the application is received;
 - 5.4.11 the availability of any community grant to the person or body making the application;
 - 5.4.12 whether the applicant is in receipt of a community grant; and
 - 5.4.13 any other matters and policies of the Council, which the Council considers relevant.
- 5.5 All persons who or bodies which wish to apply to the Council for a rebate of rates must do so on or before 30th September 2008. The Council reserves the right to refuse to consider applications received after that date. However, applicants that satisfy the criteria for a mandatory 100% rebate will be granted the rebate at any time.
- 5.6 The Act provides that the Council may grant a rebate of rates or charges on such conditions as the Council thinks fit.
- 5.7 The Council may, for proper cause, determine that an entitlement to a rebate of rates under the Act no longer applies.

Where an entitlement to a rebate of rates ceases or no longer applies during the course of a financial year, the Council is entitled to recover rates, or rates at the increased level (as the case may be), proportionate to the remaining part of the financial year.

Appendix 2: Rating Policy (Concessions & Remissions) 2008-09 (cont....)

5.8 It is an offence for a person or body to make a false or misleading statement or representation in an application or to provide false or misleading information or evidence in support of an application made (or purporting to be made) under the Act.

The maximum penalty for this offence is \$5,000.

5.9 If a person or body has the benefit of a rebate of rates and the grounds on which the rebate has been granted cease to exist, the person or body must immediately inform the Council of that fact and (whether or not the Council is so informed) the entitlement to a rebate ceases. If a person or body fails to do so that person or body is guilty of an offence.

The maximum penalty for this offence is \$5,000.

5.10 The Council will, in writing, advise an applicant for a rebate of its determination of that application within 21 days of making its decision. The advice will state –

5.10.1 if the application has been granted, the amount of the rebate; or

5.10.2 if the application has not been granted, the reasons why.

6. Delegation

6.1 The Council has delegated its power, pursuant to Section 44 of the Act, to grant applications for mandatory rebates which meet the requirements of the Act to the Chief Executive Officer of the Council.

6.2 The Council has delegated its power, pursuant to Section 44 of the Act to determine applications and to grant a discretionary rebate of rates to the Chief Executive Officer of the Council.

7. Review

A person who or a body which is aggrieved by a determination of the Council in respect of an application for a rebate may seek a review of that decision in accordance with the Council's Internal Review of Council Decisions Policy within 21 days of the date of the notice of determination which is given pursuant to Clause 5.9 of this Policy.

Disclaimer

Pursuant to Section 123(14) of the Act a rate cannot be challenged on the basis of non-compliance with this policy and must be paid in accordance with the required payment provisions.

Appendix 3: 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.

An operating deficit occurs when total operating expenses exceed total operating revenues and consequently the burden of a portion of expenses will need to be met by future ratepayers.

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 3: 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.

No provision has been made in the Budget Statements to cater for the estimated present value of the amount by which future unavoidable costs to the Council of meeting obligations to Marina berth holders will exceed the estimated future income from lease contracts and related Marina fees, charges and rates.

The establishment of such a provision is being discussed with the Council's external auditor to ensure that a consensus is reached on our interpretation that it is necessary for the Council to raise such a provision in 2007-08 so as to comply with the "Onerous Contracts" requirement of Australian Accounting Standard AASB 137.

The impact on Council's finance charges in the 2008-09 (to cater for an increase in the provision for cost increases) could be very significant – and thus would worsen the operating deficit in 2008-09.

**DISTRICT COUNCIL OF ROBE
 CONSOLIDATED BUDGET 2008/2009**
INCOME STATEMENT

2007/2008 FULL YEAR REVISED ESTIMATE \$	INCOME	2008/2009 BUDGET \$
		-
3,005,000	Rates	3,589,958
72,000	Statutory Charges	61,800
579,000	User Charges	580,753
921,000	Grants Subsidies and Contributions	609,353
21,000	Investment Income	20,000
40,000	Reimbursements	-
209,000	Other	152,800
-	Share of profit - joint ventures and associates	-
<hr/>		
4,847,000	TOTAL REVENUES	5,014,664
	EXPENSES	
1,600,000	Wages and Salaries	1,281,426
1,591,000	Materials, contracts & other expenses	1,928,712
455,000	Finance Costs	402,667
1,322,000	Depreciation, amortisation & impairment	1,505,108
-	Share of loss - joint ventures & associates	-
<hr/>		
4,968,000	Total Expenses	5,117,913
<hr/>		
(121,000)	OPERATING SURPLUS/(DEFICIT) BEFORE CAPITAL AMOUNTS	(103,249)
390,000	Net gain (loss) on disposal or revaluation of assets	(10,227)
42,000	Amounts specifically for new or upgraded assets	60,000
-	Physical resources received free of charge	-
<hr/>		
311,000	NET SURPLUS/(DEFICIT)	(53,476)
<hr/> <hr/>		

**DISTRICT COUNCIL OF ROBE
 CONSOLIDATED BUDGET 2008/2009**
CASH FLOW STATEMENT

2007/2008 FULL YEAR REVISED ESTIMATE \$ Inflows (Outflows)		2008/2009 BUDGET \$ Inflows (Outflows)
	CASHFLOWS FROM OPERATING ACTIVITIES	
	RECEIPTS	
4,882,000	Operating Receipts	4,994,664
21,000	Investment Receipts	20,000
	PAYMENTS	
(3,141,000)	Operating payments to suppliers & employees	(3,210,138)
(455,000)	Finance Payments	(402,667)
<u>1,307,000</u>	Net Cash provided by (or used in) Operating Activities	<u>1,401,859</u>
	CASH FLOWS FROM INVESTING ACTIVITIES	
	RECEIPTS	
42,000	Grants specifically for new or upgraded assets	60,000
725,000	Sale of Assets	10,000
	PAYMENTS	
(421,000)	Capital Expenditure	(1,575,800)
<u>346,000</u>	Net Cash provided by (or used in) Investing Activities	<u>(1,505,800)</u>
	CASH FLOWS FROM FINANCING ACTIVITIES	
	RECEIPTS	
-	Premiums received in advance (Marina)	2,426,400
-	Proceeds from Borrowings	-
	PAYMENTS	
(1,821,000)	Repayment of Borrowings	(2,392,329)
<u>(1,821,000)</u>	NET CASH USED IN FINANCING ACTIVITIES	<u>34,071</u>
(168,000)	NET INCREASE (DECREASE) IN CASH HELD	(69,870)
<u>243,000</u>	CASH AT BEGINNING OF YEAR	<u>75,000</u>
<u><u>75,000</u></u>	CASH AT END OF YEAR	<u><u>5,130</u></u>

**DISTRICT COUNCIL OF ROBE
 CONSOLIDATED BUDGET 2008/2009**
BALANCE SHEET

2007/2008 FULL YEAR REVISED ESTIMATE		2008/2009 BUDGET
\$		\$
	ASSETS	
	CURRENT ASSETS	
75,000	Cash and cash equivalents	5,130
699,000	Trade & other receivables	699,000
530,000	Inventories	530,000
	Other Financial Assets	-
<u>1,304,000</u>		<u>1,234,130</u>
1,304,000	Non-Current Assets held for Sale	-
	TOTAL CURRENT ASSETS	<u>1,234,130</u>
	NON-CURRENT ASSETS	
29,000	Financial Assets	29,000
-	Equity accounted investments in Council businesses	-
-	Investment Property	-
52,694,000	Infrastructure, Property, Plant & Equipment	52,754,465
-	Other Non-current Assets	-
<u>52,723,000</u>	TOTAL NON-CURRENT ASSETS	<u>52,783,465</u>
<u>54,027,000</u>	TOTAL ASSETS	<u>54,017,595</u>
	LIABILITIES	
	CURRENT LIABILITIES	
1,009,000	Trade & Other Payables	1,009,000
885,000	Borrowings	185,000
65,000	Short-term Provisions	65,000
-	Other Current Liabilities	-
<u>1,959,000</u>		<u>1,259,000</u>
-	Liabilities relating to Non-current Assets held for Sale	-
1,959,000	TOTAL CURRENT LIABILITIES	<u>1,259,000</u>
	NON-CURRENT LIABILITIES	
1,781,000	Premiums Received in Advance (Marina)	4,207,400
3,807,000	Long-term Borrowings	2,114,671
41,000	Long-term Provisions	41,000
-	Other Non-current Liabilities	-
<u>5,629,000</u>	TOTAL NON-CURRENT LIABILITIES	<u>6,363,071</u>
<u>7,588,000</u>	TOTAL LIABILITIES	<u>7,622,071</u>
<u>46,439,000</u>	NET ASSETS	<u>46,395,524</u>
	EQUITY	
7,922,000	Accumulated Surplus	7,483,336
37,943,000	Asset Revaluation	37,953,000
574,000	Other Reserves	959,188
<u>46,439,000</u>	TOTAL EQUITY	<u>46,395,524</u>

**DISTRICT COUNCIL OF ROBE
CONSOLIDATED BUDGET 2008/2009**
STATEMENT OF CHANGES IN EQUITY

2007/2008 FULL YEAR REVISED ESTIMATE \$		2008/2009 BUDGET \$
	ACCUMULATED SURPLUS	
7,780,000	Balance at end of previous reporting period	7,922,000
311,000	Net Result for Year	-53,476
482,000	Transfer From Reserves	518,431
<u>-651,000</u>	Transfer To Reserves	<u>-903,619</u>
7,922,000	BALANCE AT END OF PERIOD	7,483,336
	ASSET REVALUATION RESERVE	
37,218,000	Balance at end of previous reporting period	37,943,000
0.00	Gain on revaluation of infrastructure, property, plant & equipment	0.00
725,000.00	Transfer to Accumulated Surplus on sale of infrastructure, property, plant & equipment	<u>10,000.00</u>
<u>37,943,000</u>	BALANCE AT END OF PERIOD	<u>37,953,000</u>
	Plant Replacement Reserve	
15,000	Balance at end of previous reporting period	15,000
	Transfer to reserve from accumulated surplus	
	Transfer from reserve to accumulated surplus	<u>0</u>
<u>15,000</u>	BALANCE AT END OF PERIOD	15,000
	Garbage Reserve	
-	Balance at end of previous reporting period	66,000
233,000	Transfer to reserve from accumulated surplus	253,482
<u>-167,000</u>	Transfer from reserve to accumulated surplus	<u>-294,066</u>
66,000	BALANCE AT END OF PERIOD	25,416
	CWMS Maintenance	
300,000	Balance at end of previous reporting period	457,000
472,000	Transfer to reserve from accumulated surplus	640,137
<u>- 315,000</u>	Transfer from reserve to accumulated surplus	<u>- 224,365</u>
457,000	BALANCE AT END OF PERIOD	872,772
	Contribution Reserve	
23,000	Balance at end of previous reporting period	32,000
5,000	Transfer to reserve from accumulated surplus	10,000
<u>4,000</u>	Transfer from reserve to accumulated surplus	
32,000	BALANCE AT END OF PERIOD	<u>42,000</u>
	Lake Butler Reserve	
4,000	Balance at end of previous reporting period	4,000
	Transfer to reserve from accumulated surplus	
	Transfer from reserve to accumulated surplus	
<u>4,000</u>	BALANCE AT END OF PERIOD	<u>4,000</u>
<u>46,439,000</u>	TOTAL EQUITY AT END OF REPORTING PERIOD	<u>46,395,524</u>

**DISTRICT COUNCIL OF ROBE
CONSOLIDATED DRAFT BUDGET 2008/2009**

UNIFORM PRESENTATION OF FINANCES

2007/2008 FULL YEAR REVISED ESTIMATE		2008/2009 BUDGET
\$		\$
4,847,000	Operating Revenues	5,014,664
<u>(4,968,000)</u>	less Operating Expenses	<u>(5,117,913)</u>
(121,000)	Operating Surplus / (Deficit) before Capital Amounts	(103,249)
	Less Net Outlays in Existing Assets	
341,000	Capital Expenditure on renewal and replacement of Existing Assets	536,800
<u>(1,322,000)</u>	less Depreciation, Amortisation and Impairment	<u>(1,505,108)</u>
-	less Proceeds from Sale of Replaced Assets	<u>(10,000)</u>
(981,000)		(978,308)
	Less Net Outlays on New and Upgraded Assets	
80,000	Capital Expenditure on New and Upgraded Assets	1,039,000
-	less Amounts received specifically for New and Upgraded Assets	(60,000)
<u>(475,000)</u>	less Proceeds from Sale of Surplus Assets	<u>-</u>
(395,000)		979,000
1,255,000	Net Lending / (Borrowing) for Financial Year	(103,941)

**DISTRICT COUNCIL OF ROBE
CONSOLIDATED DRAFT BUDGET 2008/2009**

FINANCIAL INDICATORS

FULL YEAR REVISED ESTIMATE		2008/2009 BUDGET
(121,000)	Operating Surplus <i>Being the Operating Surplus (Deficit) before Capital Amounts</i>	(103,249)
-4%	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>	-3%
6,785,000	Net Financial Liabilities <i>Net Financial Liabilities are defined as Total Liabilities less financial assets (excluding equity accounted investments in Council Businesses)</i>	6,888,941
142%	Net Financial Liabilities Ratio <u>Net Financial Liabilities</u> Total Operating Revenue less NRM levy	139%
9%	Interest Cover Ratio <u>Net Interest Expense</u> Total Operating Revenue less NRM levy less Investment Income	8%
26%	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>	35%
70%	Asset Consumption Ratio <u>Carrying value of depreciable assets</u> Gross value of depreciable assets <i>Total Carrying Value of depreciable assets divided by total reported value of depreciable assets before accumulated depreciation</i>	64%

Programme Description	Sub-Programme Description	COA Description	07/08 Budget	08/09 Budget
Administration			(2,256,846)	(2,836,509)
	Administration Other		(80,700)	(54,200)
		Admin Copying CI Records	(500)	(500)
		Admin Interest Received	(10,000)	(12,000)
		Admin Internet Hosting	(4,000)	0
		Admin Other Income	(30,000)	(10,000)
		Admin Other Income (Gst)	(25,000)	(17,500)
		Admin Search Fees	(3,500)	(6,000)
		Admin Sundry Sales	(2,500)	(3,000)
		Citb Collection Fees	(200)	(200)
		Newsletter Subs & Fees	(5,000)	(5,000)
	Council Offices		0	20,000
		Cncloff Land/Bldg Maint	0	20,000
	Elected Members		41,000	40,300
		Councillors Allowances	32,500	32,500
		Elect Elections	1,000	300
		Elect Members Other Expen	7,500	7,500
	General Operations		353,557	345,326
		Gen-Op (Lsl Inc In Liab)	7,824	9,617
		Gen-Op Advertising	650	650
		Gen-Op Assessment	12,375	13,000
		Gen-Op Audit Services	6,321	9,000
		Gen-Op Bad Debts	1,000	2,000
		Gen-Op Bank Charges	8,400	8,800
		Gen-Op Consultants Fees	83,000	70,000
		Gen-Op Depreciation	40,000	46,000
		Gen-Op Insurance	41,025	43,000
		Gen-Op Office Equip Mtce	15,000	16,000
		Gen-Op Office Expend	12,639	20,252
		Gen-Op Other Expend	19,327	28,586
		Gen-Op Postage	800	800
		Gen-Op Salaries	23,779	0
		Gen-Op Stationery	12,215	12,000
		Gen-Op Subscriptions Lga	6,000	6,300
		Gen-Op Subscriptions Oth	10,766	11,500
		Gen-Op Superannuation	34,339	34,622
		Gen-Op Telephone	15,000	13,200
		Gen-Op Travelling & Accom	3,000	0
		Gen-Op Travelling Expend	97	0
		Office Computer		
	Grants		(25,000)	(41,250)
		Grants Commission	(25,000)	(26,250)
		Grants Other	0	(15,000)
	Public Relations		1,725	1,737
		Public Functions Etc	1,725	1,737
		Public Relations		

Rates		(2,935,898)	(3,526,349)
	Nrm Levy	0	3
	Rates Fines	(6,000)	(10,000)
	Rates General	(2,298,069)	(2,547,707)
	Rates General Remitted	31,653	20,473
	Rates General Robe Marina	(26,265)	(62,750)
	Septic Tank Effluent Rate	(410,476)	(640,137)
	Waste Man Levy	(226,740)	(253,482)
	Rates Robe Marina Separate Rate	0	(32,750)
Salary - Office		388,470	377,927
	Financial Services	102,272	83,696
	Governance	41,004	54,155
	Human Resources	0	35,815
	Information Technology	34,631	29,100
	Newsletter	4,109	11,115
	Other Admin Nec	165,486	48,708
	Payroll	17,068	18,747
	Rates & Property	16,883	50,039
	Records Management	6,330	14,828
	Risk Management	687	31,723
Economic Affairs N.E.C.		72,397	56,633
Caravan Parks		(2,869)	(29,500)
	Caravan Depreciation	17,000	2,500
	Caravan Fees	(30,000)	(32,000)
	Caravan Operating Expend	18,131	14,450
	Caravan Other Income	(8,000)	(14,450)
Land Development		15,178	0
	Land Dev Other Expend	15,178	0
Other Economic Services		4,125	4,500
	Economic Dev	4,125	4,500
Parking Off Street		0	150
	Parkoff Other Expend	0	150
Tourism		55,963	81,483
	Tourism Maint Grants	(6,000)	(6,000)
	Tourism Other Expend	25,481	31,560
	Tourism Other Income	(1,000)	
	Tourism Salaries	37,482	55,923
Health		21,197	25,666
Health Centres		11,580	4,322
	Hctrs Depreciation	10,000	2,500
	Hctrs Other Expend	6,320	6,562
	Hctrs Rents,Fees	(4,740)	(4,740)
Health Inspection		9,269	13,826
	Hinsp Other Expend	501	286
	Hinsp Salaries	11,768	16,539
	Septic Tank App Fees	(3,000)	(3,000)
Health Prevention Services		(500)	
	Prevent Serv Other Income	(500)	
Mothers & Babies		0	5,200
	Cafhs Other Expenditure	0	5,200

Other Health Services		848	2,318
Ohs - Operating Expend		248	100
Ohs - Salaries		600	2,218
Housing & Community Amenities		421,161	542,344
Cemeteries		(192)	4,955
Cemetr Depreciation		1,000	500
Cemetr Fees Charges		(8,000)	(3,636)
Cemetr Operating Expend		6,808	8,092
Council Houses		2,490	6
Cnclhse Depreciation		6,000	0
Cnclhse Operating Expend		7,490	6
Cnclhse Rents		(11,000)	
Effluent Drainage		174,548	104,365
Eff Dr Depreciation		80,000	79,000
Eff Dr Maint		112,224	111,542
Eff Dr Other Expend		17,325	13,823
Eff Dr Other Income		(35,000)	(100,000)
Public Conveniences		54,868	60,559
Pubconv Depreciation		6,000	6,000
Pubconv Operating Expend		48,868	54,559
Sanitary & Garbage		167,446	334,857
San & Garb Recycling Expe		36,388	33,145
San & Garb Recycling Inc		(1,000)	
Sangarb Collection		54,405	201,213
Sangarb Disposal		81,838	69,272
Sangarb Epa Levy		0	6,300
Sangarb Fees - Collection		(2,000)	(5,000)
Sangarb Fees - Disposal		(35,000)	(30,000)
Sangarb Fshore Collection		7	3
Sangarb Other Expend		683	500
Sangarb Pks Collection		14,956	25,792
Sangarb Street Collection		17,170	33,632
Strategic Planning		0	10,000
Strategic PI Consultants		0	10,000
Street Lighting		22,000	27,600
Street Lighting Expend		22,000	27,600
Mining, Manufacturing & Const		145,031	77,532
Development Act		145,531	77,532
Dev Act Consultant Fees		66,000	80,000
Dev Act Fees		(25,000)	(30,000)
Dev Act Operating Expen		26,570	10,010
Dev Act Salaries		91,245	37,522
Development Increase Lsl		1,716	
Gst Dev Act Build Rules		(15,000)	(20,000)
Quarries		(500)	0
Quarry Sales - Other		(500)	

Other Purposes N.E.C.	(60,100)	222,695
Depot & Overhead Expenses	(7,273)	(0)
Indirect Expend Income	(373,514)	(234,045)
Leave Entit.-Inc In Liabi	13,886	8,923
Manager Of Works Stationery	850	
Oc Health Safety Comp	3,328	
Wks - Depot Expend	51,668	24,716
Wks - Depreciation	39,925	15,000
Wks - Engineering Salarie	37,278	60,000
Wks - Holiday Pay	86,443	32,018
Wks - Income Mtce Benefits	581	0
Wks - Insurance Workmens	29,051	17,138
Wks - Other Expend	37,163	37,269
Wks - Other Revenue	(7,273)	
Wks - Protective Clothing	1,000	4,000
Wks - Purchase N/C Tools	1,000	1,000
Wks - Repairs Small Plant	5,354	1,860
Wks - Sick Pay	7,151	
Wks - Superannuation	50,336	32,121
Wks - Travelling Expend	3,500	
Wks - Unalloc Store Mater	5,000	0
Other General Purpose N.E.C.	(363,375)	2,813
Gain/Loss On Disposal	(353,809)	
Ogp - Cost Of Priv Works	5,417	2,813
Ogp - Reimb Priv Works	(18,660)	
Osp - Resource Sharing	4,004	0
Resource Sharing Income	(327)	0
Other Property & Services	8,000	10,000
Ops - Depreciation	8,000	10,000
Plant Operations	0	0
Creditors Repairs Plant	100,000	98,000
Fuel Reimbursment	(13,000)	(12,000)
Plant Mach Depreciation	1,698	175,000
Plant Mach Fuel Oils	150,000	130,000
Plant Mach Hire Income	(293,332)	(416,000)
Plant Mach Repairs Maint	54,634	25,000
Vandalism	7,759	1,633
Vandalism Expend	7,759	1,633
Public Dedt Transaction	294,790	208,250
Pubdebt Interest Loans Bk	294,790	89,250
Pubdebt Interest Loans Sa	0	119,000
Protection Of The Environ Nec	6,767	5,029
Foreshore Protection	6,767	5,029
Fshore Pro Maint	6,767	5,029
Public Order & Safety	5,024	25,605
Dog Control	(3,685)	5,676
Dogs - Fees	(5,107)	(5,300)
Dogs - Fines Costr Recov	(500)	(500)
Dogs - Other Expend	1,328	684
Dogs - Salaries	594	10,792
Fire Protection	7,046	7,912
Fire Prevention	7,046	7,912

Other General Public Services	1,662	12,017
Ogps - Fees	(1,000)	(1,000)
Ogps - Operating Expend	1,189	2,587
Ogps - Salaries	1,473	10,430
Social Security & Welfare	16,070	(718)
Aged Homes	8,420	(3,318)
Agehome Depreciation	12,000	13,000
Agehome Other Expend	19,420	12,542
Agehome Rents Fees	(23,000)	(28,860)
Aged Services	6,550	2,000
Aged Services Expenditure	6,550	2,000
Mobilechildcare	0	(0)
Ccows Apprentice Wages	3,000	
Chcare Superannuation	22,812	22,398
Mchildcare Depreciation	10,640	
Mchildcare Land Build Mtc	0	
Mchildcare Operational Ex	185,780	180,006
Mchildcare Operational Grants	(447,503)	(447,503)
Mchildcare Salary & Wages	307,771	311,599
Mchildcare Special Grants	(20,000)	
Mobile Childcare Fees	(62,500)	(66,500)
Other Social Sec/Wel Sves	1,100	600
Ossws - Other Expend	1,100	600
Sport & Recreation	281,577	299,101
Festivals	61	4,018
Festivals	61	4,018
Halls	31,028	24,029
Halls - Depreciation	22,000	18,000
Halls - Hire Fees	(2,500)	(3,600)
Halls - Operating Expend	11,528	9,629
Jetty	22,627	21,806
Jetties Depreciation	18,000	18,000
Jetty Operating Expend	4,627	3,806
Libraries	107,994	120,746
Library Books	7,500	9,500
Library Depreciation	11,000	11,000
Library Increase Lsl Liab	2,384	2,643
Library Land Bldg Maint	227	0
Library Maint Grants	(4,600)	(4,600)
Library Other Expend	28,661	39,295
Library Other Income	(3,000)	(3,000)
Library Salaries	57,057	56,208
Library Superannuation	8,765	9,700
National Estates	1,500	1,000
Customs House Other Expend	1,500	1,000
Parks & Gardens	92,727	93,912
Pks Gdns Capital Grants	0	(45,000)
Pks Gdns Depreciation	18,000	13,000
Pks Gdns Operating Expend	116,671	141,412
Pks Gdns Other Income	(37,945)	(1,500)
Pks Gdns Rents Fees	(4,000)	(14,000)

Sport & Recreation	25,639	33,589
Spt Rec Depreciation	8,000	9,000
Spt Rec Other Expend	19,383	26,289
Spt Rec Other Income	(1,744)	(1,700)
Transport & Communication	1,343,853	1,348,932
Aerodromes	766	800
Aero - Operating Expend	766	800
Community Bus	2,386	1,500
Commbus Other Expend	1,627	1,400
Commbus Other Income	0	(400)
Commbus Vehicle Maint	759	500
Road Construction	(167,847)	(125,000)
Black Spot Funding	(38,000)	
Drt Grants Const	(117,847)	(125,000)
Drt Spec Proj Const	(12,000)	
Road Maintenance	1,469,236	1,446,009
Road Bridges Depreciation	2,000	1,000
Road Footways Depreciatio	11,000	13,655
Road Mtce Footways	0	15,025
Road Mtce Kerb W/Table	0	4
Road Mtce Other	7	1,547
Road Mtce Sealed	277,869	59,119
Road Mtce Traffic Ctl	24,164	32,800
Road Mtce Unseal (Formed)	289,696	414,397
Road Sealed Depreciation	864,500	537,718
Road Unseal (Formed)Depre		370,744
Stormwater Drainage	39,312	25,624
Storm Wtr Management Mtce	37,812	22,624
Storm Wtr Other Deprec	1,500	3,000
Robe Marina	(0)	287,164
Boat Ramp	0	(9,754)
Boat Ramp Depreciation	1,000	150
Boat Ramp Fees	(5,000)	(15,000)
Boat Ramp Operating Exp	4,000	5,096
Lake Butler	(0)	296,918
Lake Butler - Salaries	26,952	27,241
Lake Butler Depreciation	27,000	160,341
Lake Butler Hardstand Sto	(12,500)	(20,000)
Lake Butler Interest Received	0	(8,000)
Lake Butler Moorings	(58,910)	(301,967)
Lake Butler Operating Exp	99,958	474,303
Lake Butler Other Income	(60,000)	0
Lake Butler Straddle Carr	(22,500)	(35,000)
Grand Total	(3,870)	53,475

Programme Description	Sub-Programme Description	Current Budget	BUDGET 08_09
Administration		31,900	10,000
	Council Offices	31,900	10,000
Health		12,430	14,800
	Health Centres	12,430	14,800
Housing & Community Amenities		217,000	140,500
	Cemeteries	0	15,000
	Effluent Drainage	205,000	120,000
	Public Conveniences	12,000	5,500
Other Purposes N.E.C.		0	360,000
	Plant Operations	0	360,000
Sport & Recreation		0	69,000
	Libraries		4,000
	National Estates	0	7,500
	Sport & Recreation	0	57,500
Transport & Communication		231,251	619,500
	Road Construction	231,251	619,500
Robe Marina		0	362,000
	Lake Butler	0	362,000
Grand Total		492,581	1,575,800