

District Council of
ROBE

**Annual Business Plan
& Budget
2014-15**



Public Consultation

The consultation period for the Draft Annual Business Plan & Budget 2014-15 was between 19th May and 10th June 2014.

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

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

Written submissions were invited from ratepayers and submissions received by Council on or before 9th June 2014.

Public Meeting

All submissions received were considered by Council at the June Council Meeting on Tuesday 10th June 2014 at 6pm. Any ratepayer wishing to make a representation was provided an opportunity at the meeting.

Adoption

Council adopted the Annual Business Plan & Budget 2014-15 at a Special Council meeting held on 24 June 2014.

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From the Chief Executive

The Annual Business Plan sets out Council's proposed services, programs and projects for the 2014-15 financial year. It aims at continued progress towards the longer term objectives set out in the District Council of Robe Strategic Plan 2014 - 2018.

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

Before finalising and adopting the plan and budget Council sought feedback from the community and considered presentations from ratepayers during a public meeting held to hear ratepayers' thoughts on the proposed plan and budget. Council is confident that it has set a realistic and responsible plan and budget for the 2014-15 financial year.

From time to time however, due to unforeseen circumstances and conditions such as the availability of, or the unexpected withdrawal of grant funding, or extreme weather event that requires the immediate diversion of resources the plan and budget may need to be amended. Where a major change results Council will advise residents as soon as possible.

Roger Sweetman

Roger Sweetman
Chief Executive

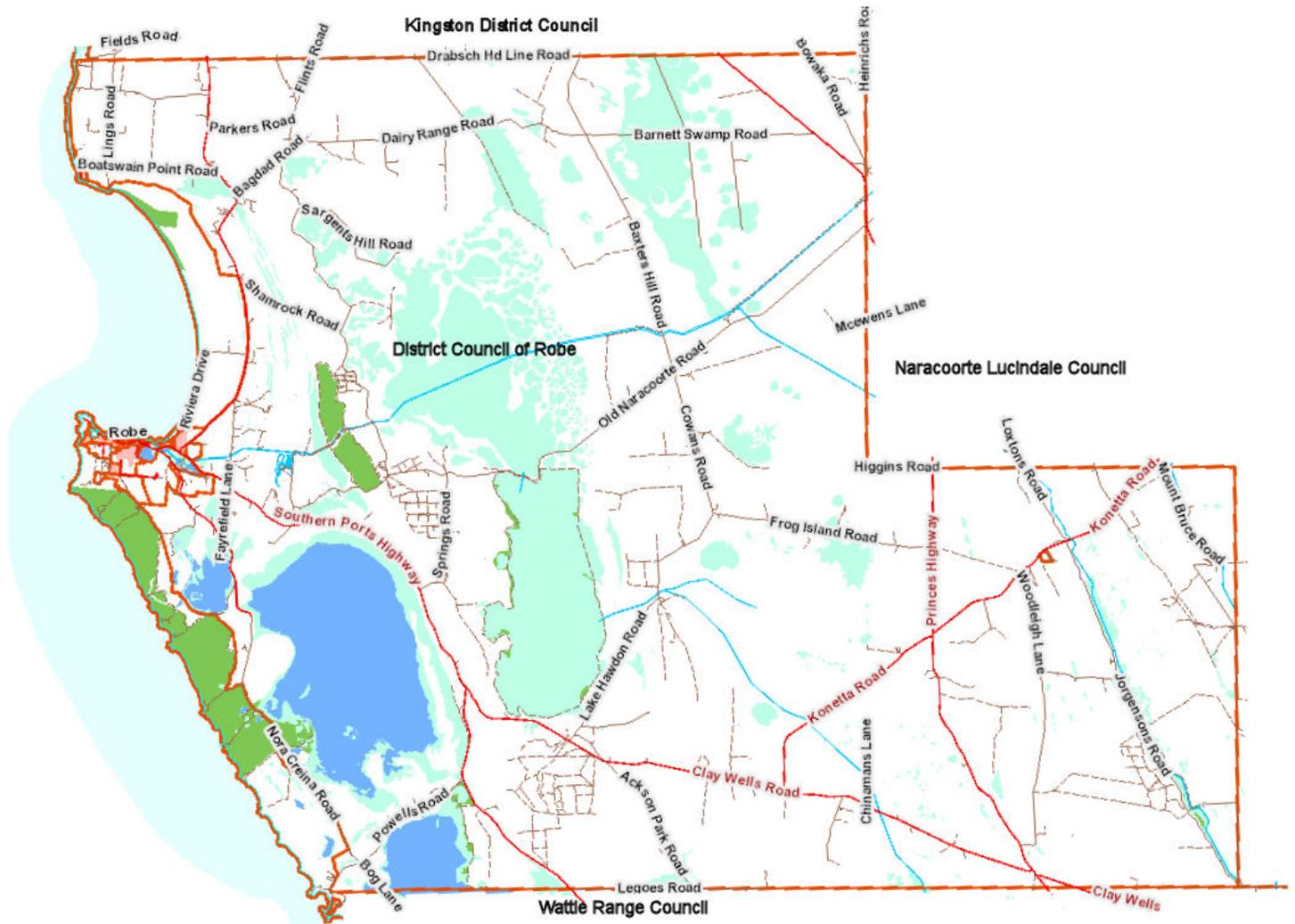
PROFILE

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

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

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

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



1. Planning Framework

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

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

Council is committed to ensuring its long term financial sustainability and is keen to ensure that objectives, goals and targets set in its various strategic planning documents are adhere to and met. Council's Long Term Financial Plan was adopted in June 2010 and was subsequently reviewed in 2011, 2012, 2013 and will be reconsidered in November 2014.

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

Diagram of Council's suite of plans:



Strategic Plan Framework

Council's Long Term Financial Plan was adopted in June 2010 and was subsequently reviewed in 2011, 2012, 2013 and will be reconsidered again in November 2014.

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

2. Significant Influences and Priorities

A number of significant factors have influenced the preparation of Council's 2014-15 Annual Business Plan.

These include:

- Requirements to maintain infrastructure assets at acceptable standards;
- Commitments to complete the Robe Marina;
- The level of State and Commonwealth Government grant funding;
- Fees/charges imposed by the State Government including the waste levy;
- Cost of compliance with State Government reporting and accountability requirements.
- CPI and the LGPI [local government price index]
- Employee Enterprise Agreement

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

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

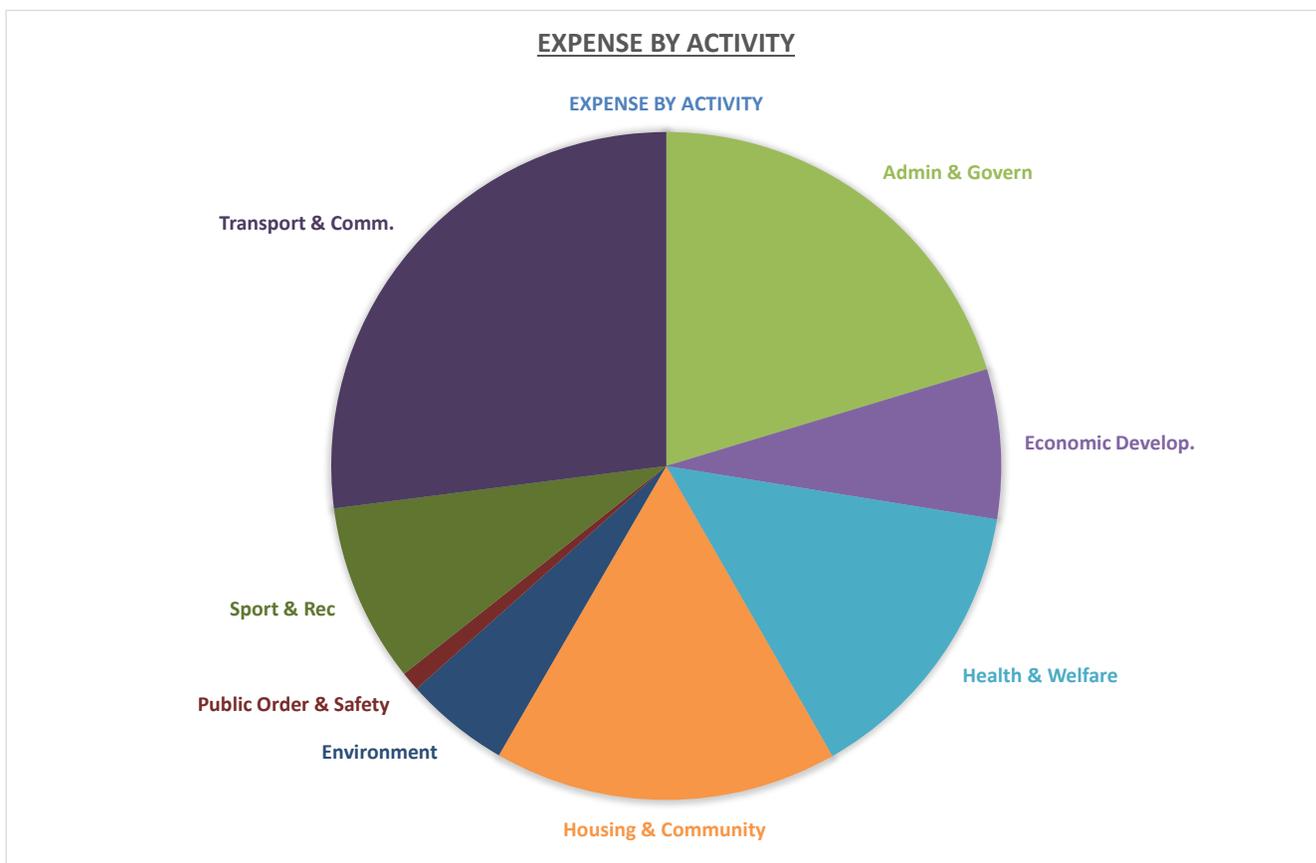
A challenge for the District Council of Robe is to prioritise expenditures to meet the demand for services and facilities. Given the asset intensive nature of the Council's activities, assessing the long term capacity of the community to fund ongoing maintenance and rehabilitation of infrastructure assets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

3. Continuing Services

Council plans to maintain the provision of all current services to the community which are typically included in the following categories; Administration & Governance; Economic Development; Health & Welfare; Housing & Community; Mining & Manufacturing [Quarries]; Public Order & Safety; Sport & Recreation; Transport & Communication.

Details of ongoing services provided and the estimated costs are provided in the Operational Standards section of this plan. The graph below depicts Council's expenditure [by percentage] on the various categories of activity.

Graph:



4. Project Priorities for 2014-15

Project	Description	Budget
ADMINISTRATION		
Council Office Computers & IT	IT Upgrade as per report <ul style="list-style-type: none"> To be loan funded 	\$ 50,000
Deputy Chief Executive's vehicle	Trade and replace CE's vehicle	\$ 40,000 (\$ 20,000)
Library VIC Workbench	Update Library VIC workbench to comply with WHS requirements	\$ 7,500
COMMUNITY		
War Memorial	Improvements to War Memorial Precinct to beautify the area and recognise the 100 years since the first landing at Gallipoli	\$ 15,000
Development Plan Amendment	Development Plan Amendment was identified as a priority by the Robe 2040 Plan	\$ 50,000
Skate Park	Planning and design of upgrade to Skate Park	\$ 50,000
Lake Charra	Obtain plan for improvements to the Lake	\$ 5,000
Tourism	Entrance Signage	\$ 10,000
Seats and Tables	Seats and Tables around the Council area	\$ 12,000
Medical Centre	Repairs to the Medical Centre Roof	\$ 30,000
Robe Institute	Management of water and disabled access	\$ 40,000
Greenways Facilities	Re-Development of Community Facilities at Greenways	\$ 50,000
Lighting upgrade to LED	Progressively rollout LED lighting	\$ 15,000
Ramps Beach Access	Works in accordance with Councils Beach Access Strategy to manage the public's access to the towns beaches to ensure that the coastal dunal system is protected.	\$ 25,000 (\$ 10,000)
Coastal Walkway	Upgrade Coastal Trail between Obelisk and West Beach (Grant funding received 13/14)	\$ 197,300 (\$ 98,650)
INFRASTRUCTURE		
CWMS	Pump & equipment upgrade	\$ 100,000
Infrastructure Asset Plans	Consultancy –Asset Management Plan for Lake Butler Marina	\$ 10,000
MAIN STREET UPGRADES		
Robe Street / Victoria Street Intersection	Commence the implementation of the Traffic Management Plan for Victoria Street produced as part of the Robe 2040 Plan <ul style="list-style-type: none"> The design of the intersection of Robe Street and Victoria Street Implementation of replacing the school crossing lights on Victoria Street with pedestrian activated lights. To be Loan Funded 	\$ 30,000 \$ 70,000

Project	Description	Budget
INFRASTRUCTURE CONT.		
Land Based Marina Works	An upgrade to the land based assets at the Lake Butler Marina which will involve improvements to the entrance, car parking, fisherman's memorial, café and toilets etc (project commenced in 2013-14 and carried forward to 2014-15)	\$ 170,000
Dredging	Marina Channel Dredging	\$ 50,000
Rehabilitation of Landfill	Rehabilitation of the Landfill (To be completed over 2 years) involving the use of dredged material from marina as cover <ul style="list-style-type: none"> To be Loan Funded 	\$ 400,000
Works		
Miscellaneous Equipment	Miscellaneous Equipment including Safety Barriers	\$ 7,500
PLANT REPLACEMENT		
12M Grader	12M Grader built to typical Council Specs (\$337,000, (\$50,000 Trade-in)	\$ 337,000 (\$ 50,000)
Works Utility (x1)	Trade and update works utilities x1	\$ 43,000 (\$ 20,000)
ROADWAYS		
Single Coat Reseal		
Williams Road	Single coat reseal 293m * 8.8m	\$ 11,500
Birmingham Crescent	Single coat reseal 150m * 8.5m	\$ 5,750
Moorakyne Drive	Single coat reseal 175m *7.2m	\$ 5,750
Grice Court	Single coat reseal 150m * 7m	\$ 4,500
Unsealed*		
Unsealed Road Resheets	In Accordance with Councils Unsealed Road Strategy	\$ 735,600
Footways		
Lipson Park	Hotmix footway Lipson Park	\$ 5,000
Foreshore	Footpath Construction – Foreshore	\$ 10,000
Drainage		
Bower Street Drainage	Obtaining an easement through the Robe Primary School land to allow storm water drainage pipes to drain Bower Street to the existing drainage system in Union Street <ul style="list-style-type: none"> To be Loan Funded 	\$ 60,000
<i>*Amounts shown in Red depict revenue</i>		

Note: The commitment to undertake some projects is subject to grant funds being received, and in the absence of grant funding will either not be undertaken or substantially altered to fit within Council's available resource.

Footnote:

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

5. Funding the Business Plan

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

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

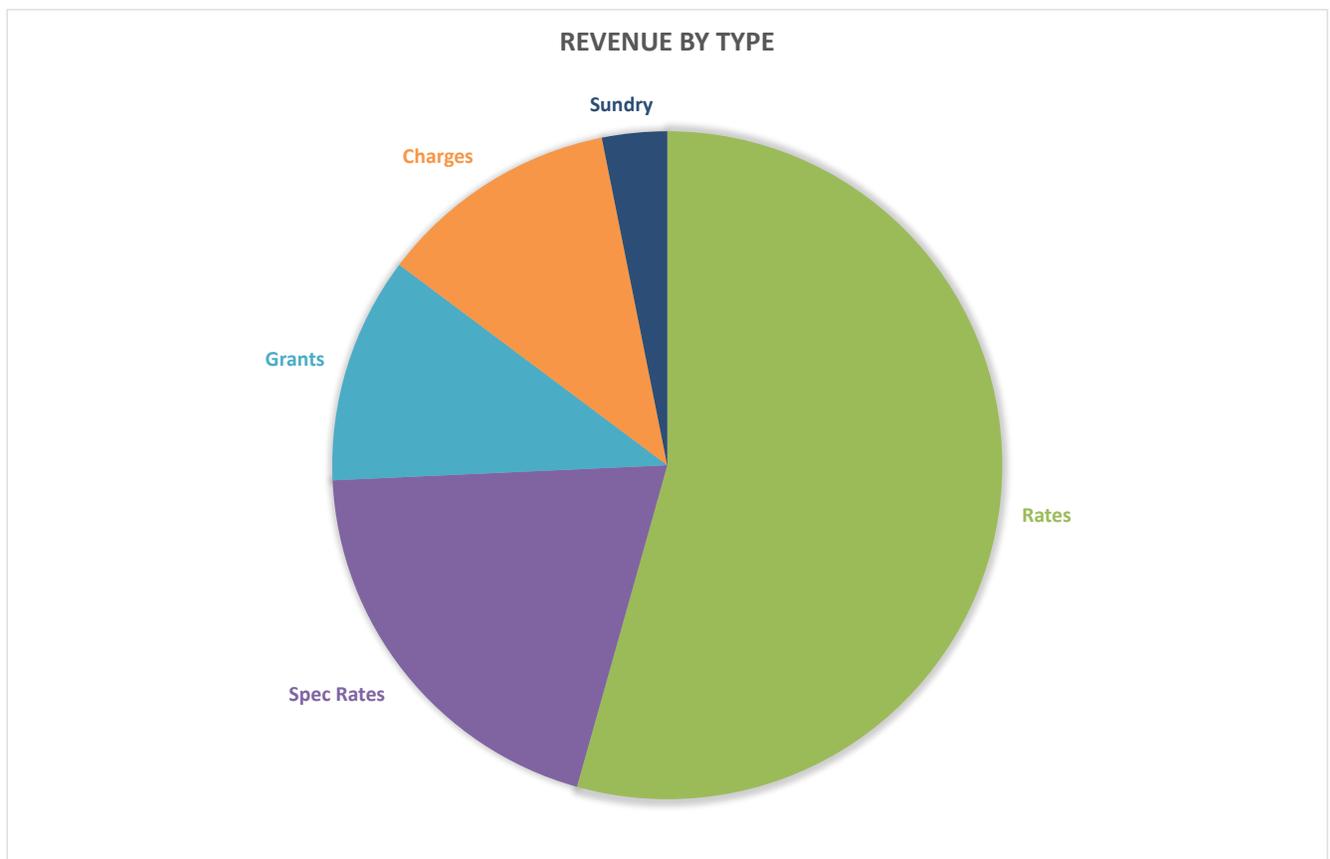
The plan aims to contribute to the long term financial sustainability of the Council through prudent and responsible financial management that will result on its operating expenses being less than its operating revenue, thereby producing a positive operating result.

Summary of Budget Financial Performance:

Operating Revenues	\$ 6,200,185
less: Operating Expenditure	\$ 6,152,328
Net Operating Surplus	\$ 47,856

Council's annual operating revenue will be sufficient to meet expected operating expenditure for the 2014-15 year.

Graph: Shows the sources of revenue for 2014-15.



Capital Works & Project Funding

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

Summary of Capital Works & Project Funding:

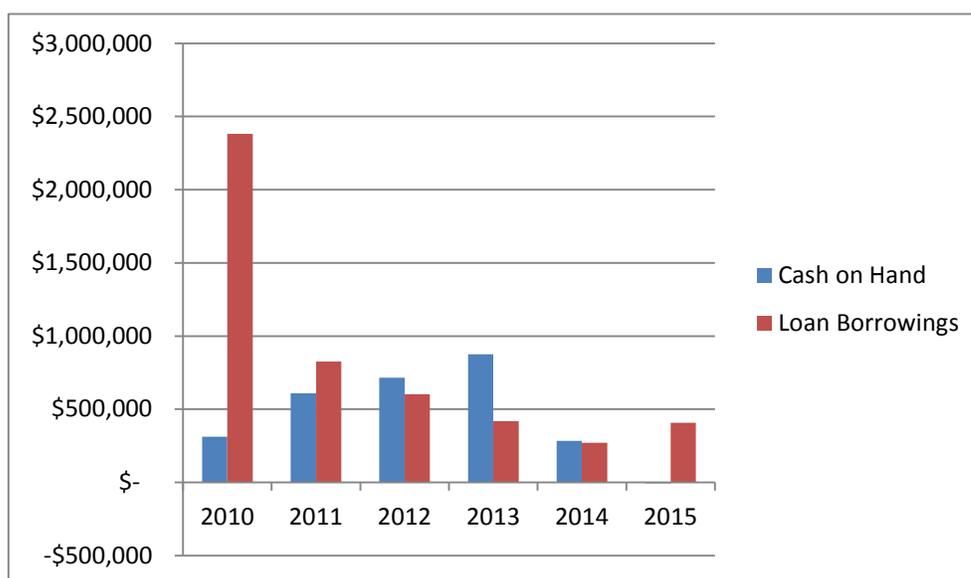
Sources of cash:	
Operating Result	\$ 47,856
Add back depreciation	\$ 1,702,500
Capital revenue/ Grant funds	\$ 10,000
Trade-in of Plant & Equipment	\$ 90,000
Land Sales	\$ 350,000
Cash Reserves Used	\$ 256,044
Net borrowing activity	\$ 136,000*
Total Capital/ project funding	\$ 2,592,400

Council proposes to borrow \$ 610,000 to fund the completion of its proposed capital works program.

*Council's net borrowing figure is calculated here;

Principal repayment of existing loans	(\$ 474,000)
Loans to fund:	
<i>Landfill Rehabilitation Project</i>	\$ 400,000
<i>Robe Street / Victoria Street Intersection</i>	\$ 30,000
<i>Pedestrian Activated Lights</i>	\$ 70,000
<i>Bower Street Drainage</i>	\$ 60,000
<i>Council's IT Equipment Upgrade</i>	\$ 50,000
Net Borrowing Activity	\$ 136,000

Council's Debt & Cash Level [after proposed new borrowings]:



Council's cash position and projected cash flows is anticipated to be sufficient to meet operational expenditure as and when it becomes due.

6. What it means for Rates & Ratepayers

Council's Power to Raise Rates

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

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

The primary source of income for Council is the property based tax – "Council Rates".

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

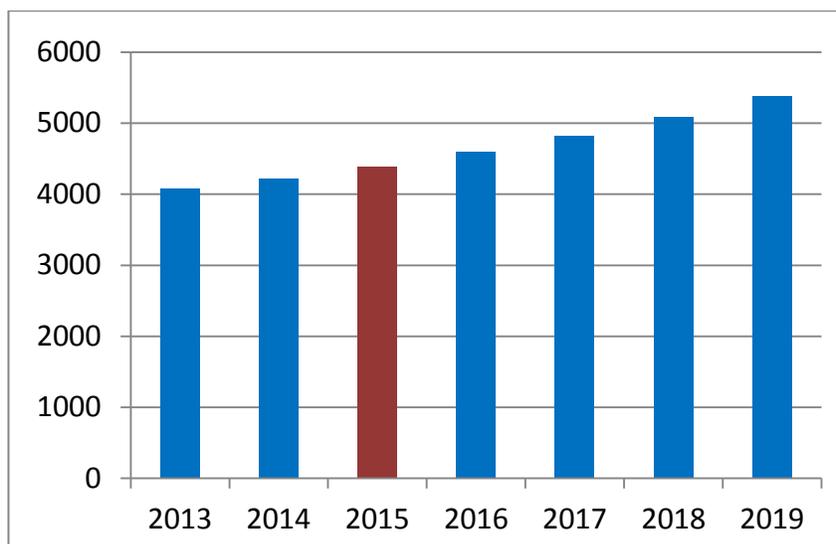
To achieve this outcome Council will increase the rate in the dollar to 0.3442 in 2014-15.

Change in the rate in the dollar:

<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
0.3188	0.3351	0.3442

The basis for calculating the amount of rates to be raised is derived from Council's Long Term Financial Plan coupled with current economic, social, legislative and environmental factors. The table below shows projected rate revenue depicted in Council's LTFP 2013 to 2022.

Projected Rate Revenue:



Source: Council's LTFP 2012/13 to 2021/22.

7. RATING STRATEGY 2014-15

GENERAL RATES

Council will continue to calculate its general rates on the basis of a single general rate in the dollar across all sectors for 2014-15. When considering the nature of a general rate, Council believes this is the fairest method of achieving an equitable distribution of the rate burden across the community.

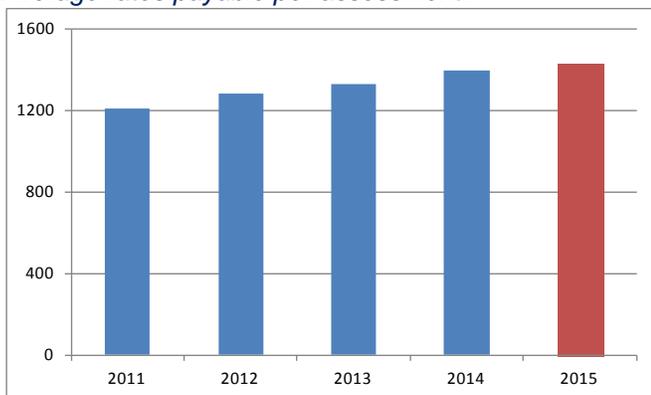
The total amount of General Rates to be collected in 2014-15 will increase by 3.00% which includes a projected 0.974% in growth from new development.

This will result in a total amount of \$3,355,000 rate revenue being raised for 2014-15 after rebates and concessions.

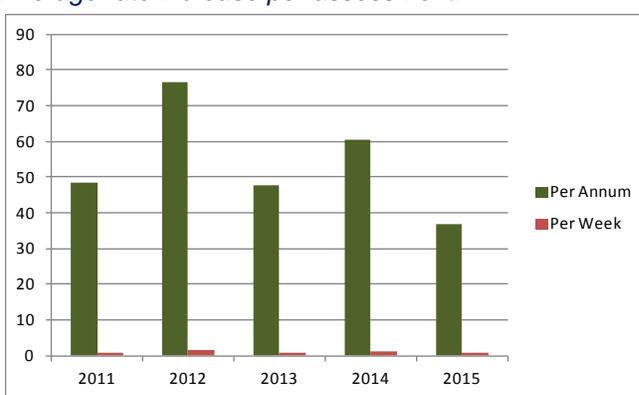
The average total rate per assessment for 2014-15 will be \$1,429.00 this represents an increase of \$37 for the year or \$0.71 per week.

Increase to average rate charges proposed for 2014-15:

Average rates payable per assessment:



Average rate increase per assessment:



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 2014-15 will be \$620 [increased from \$610 in 2013-14]

This represents an increase of \$10 on the minimum rate applied in 2013-14. Overall, the minimum rate will be applied to approximately 25% of all rateable properties well within the maximum of 35% allowed for in the Local Government Act 1999.

Payment of Rates

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

1 st -	1 st September 2014
2 nd -	1 st December 2014
3 rd -	2 nd March 2015
4 th -	1 st June 2015

METHODOLOGY USED TO VALUE LAND

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

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

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

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

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

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

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

The valuations for 2014-15 have increased across Council's area by 1.847%

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

ANNUAL SERVICE CHARGES

COMMUNITY WASTEWATER MANAGEMENT SYSTEMS

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

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

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

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

Council will raise a total of \$765,155 as a CWMS service charge in 2014-15

Charges for the Community Wastewater Management Scheme for 2014-15 will be:

Occupied:	\$490.00	<i>[\$480 2013-14]</i>
Unoccupied:	\$395.00	<i>[\$385 2013-14]</i>

Previously Council had charged an occupied with no de-sludge rate. For ease of management and to ensure all septic tanks are compliant in future Council will be doing away with this charge and all tanks will be desludged by Council on a four year rolling cycle.

WASTE MANAGEMENT

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

Council will raise a total of \$382,400 as a Waste Management service charge in 2014-15

Charges for the Waste Management Fee for 2014-15 will be:

For residents of Robe:	\$320.00	<i>[\$315 2013-14]</i>
For residents of Boatswain Point:	\$180.00	<i>[\$175 2013-14]</i>

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

NATURAL RESOURCES MANAGEMENT LEVY

Council is required to collect a regional Natural Resources Management (NRM) Levy in respect of all rateable land in Council's area on behalf of the South East NRM Board.

Council is operating as a revenue collector for the Board in this regard and for 2014-15 is required to raise \$88,215.

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

Council will collect this money by imposing a separate rate of \$42.20 on all rateable land in Council's area and then forward the money on to the Board to fund its activities.

Appendix 1: Budgeted Financial Statements

DISTRICT COUNCIL OF ROBE CONSOLIDATED DRAFT BUDGET 2014/2015		
STATEMENT OF COMPREHENSIVE INCOME		
2013/2014 FULL YEAR REVISED ESTIMATE \$'000	INCOME	2014/2015 DRAFT BUDGET \$'000
4,490	Rates	4,605
59	Statutory Charges	46
609	User Charges	675
748	Grants Subsidies and Contributions	680
96	Investment Income	22
114	Other	171
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6,116	TOTAL REVENUES	6,200
	EXPENSES	
1,821	Wages and Salaries	2,014
2,419	Materials, Contracts and Other Expenses	2,342
152	Finance Costs	94
1,683	Depreciation, amortisation & impairment	1,703
-	Share of loss - joint ventures & associates	-
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6,075	Total Expenses	6,153
41	OPERATING SURPLUS/(DEFICIT) BEFORE CAPITAL AMOUNTS	47
-	Net gain (loss) on disposal or revaluation of assets	-
416	Amounts specifically for new or upgraded assets	10
-	Physical resources received free of charge	-
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457	TOTAL COMPREHENSIVE INCOME	57
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**DISTRICT COUNCIL OF ROBE
CONSOLIDATED DRAFT BUDGET 2014/2015**

BALANCE SHEET

2013/2014 FULL YEAR REVISED ESTIMATE		2014/2015 DRAFT BUDGET
\$	ASSETS	\$
	CURRENT ASSETS	
284	Cash and cash equivalents	(6)
374	Trade & other receivables	374
277	Inventories	277
<u>935</u>	TOTAL CURRENT ASSETS	<u>645</u>
	NON-CURRENT ASSETS	
117	Financial Assets	117
<u>95,729</u>	Infrastructure, Property, Plant & Equipment	<u>96,178</u>
<u>95,846</u>	TOTAL NON-CURRENT ASSETS	<u>96,295</u>
<u>96,781</u>	TOTAL ASSETS	<u>96,940</u>
	LIABILITIES	
	CURRENT LIABILITIES	
643	Trade & Other Payables	643
163	Borrowings	163
390	Short-term Provisions	390
<u>1,196</u>	TOTAL CURRENT LIABILITIES	<u>1,196</u>
	NON-CURRENT LIABILITIES	
2,730	Premiums Received in Advance (Marina)	2,696
109	Long-term Borrowings	245
36	Long-term Provisions	36
<u>2,875</u>	TOTAL NON-CURRENT LIABILITIES	<u>2,977</u>
<u>4,071</u>	TOTAL LIABILITIES	<u>4,173</u>
<u>92,710</u>	NET ASSETS	<u>92,767</u>
	EQUITY	
11,434	Accumulated Surplus	11,188
79,637	Asset Revaluation	79,637
1,639	Other Reserves	1,942
<u>92,710</u>	TOTAL EQUITY	<u>92,767</u>

**DISTRICT COUNCIL OF ROBE
CONSOLIDATED DRAFT BUDGET 2014/2015**

CASH FLOW STATEMENT

2013/2014 FULL YEAR REVISED ESTIMATE \$		2014/2015 DRAFT BUDGET \$
Inflows (Outflows)		Inflows (Outflows)
	CASHFLOWS FROM OPERATING ACTIVITIES	
	RECEIPTS	
6,020	Operating Receipts	6,144
96	Investment Receipts	22
	PAYMENTS	
(4,240)	Operating payments to suppliers & employees	(4,356)
(152)	Finance Payments	(94)
<u>1,724</u>	Net Cash provided by (or used in) Operating Activities	<u>1,716</u>
	CASH FLOWS FROM INVESTING ACTIVITIES	
	RECEIPTS	
416	Grants specifically for new or upgraded assets	10
54	Sale of Assets	440
	PAYMENTS	
(2,640)	Capital Expenditure on renewal/replacement of assets	(1,783)
<u>(2,640)</u>	Capital Expenditure on new/upgraded assets	<u>(809)</u>
(2,170)	Net Cash provided by (or used in) Investing Activities	(2,142)
	CASH FLOWS FROM FINANCING ACTIVITIES	
	RECEIPTS	
-	Premiums received in advance (Marina)	-
-	Proceeds from Borrowings	610
	PAYMENTS	
(146)	Repayment of Borrowings	(474)
(146)	NET CASH USED IN FINANCING ACTIVITIES	136
(592)	NET INCREASE (DECREASE) IN CASH HELD	(290)
<u>876</u>	CASH AT BEGINNING OF YEAR	<u>284</u>
<u><u>284</u></u>	CASH AT END OF YEAR	<u><u>-6</u></u>

**DISTRICT COUNCIL OF ROBE
CONSOLIDATED DRAFT BUDGET 2014/2015**

STATEMENT OF CHANGES IN EQUITY

2013/2014 FULL YEAR REVISED ESTIMATE \$		2014/2015 DRAFT BUDGET \$
	ACCUMULATED SURPLUS	
11,283	Balance at end of previous reporting period	11,434
457	Net Result for Year	57
818	Transfer From Reserves	844
<u>-1,124</u>	Transfer To Reserves	<u>-1,147</u>
11,434	BALANCE AT END OF PERIOD	11,188
	ASSET REVALUATION RESERVE	
79,637	Balance at end of previous reporting period	79,637
0.00	Gain on revaluation of infrastructure, property, plant & equipment	0.00
0.00	Transfer to Accumulated Surplus on sale of infrastructure, property, plant & equipment	0.00
<u>79,637</u>	BALANCE AT END OF PERIOD	<u>79,637</u>
	Garbage Reserve	
141	Balance at end of previous reporting period	225
375	Transfer to reserve from accumulated surplus	382
<u>-291</u>	Transfer from reserve to accumulated surplus	<u>-425</u>
225	BALANCE AT END OF PERIOD	182
	CWMS Maintenance	
788	Balance at end of previous reporting period	1,010
749	Transfer to reserve from accumulated surplus	765
<u>- 527</u>	Transfer from reserve to accumulated surplus	<u>- 392</u>
1,010	BALANCE AT END OF PERIOD	1,383
	Contribution Reserve	
30	Balance at end of previous reporting period	30
-	Transfer to reserve from accumulated surplus	-
<u>30</u>	Transfer from reserve to accumulated surplus	<u>30</u>
	Childcare Reserve	
374	Balance at end of previous reporting period	374
374	Transfer to reserve from accumulated surplus	374
<u>374</u>	Transfer from reserve to accumulated surplus	<u>374</u>
<u>92,710</u>	TOTAL EQUITY AT END OF REPORTING PERIOD	<u>92,794</u>

**DISTRICT COUNCIL OF ROBE
CONSOLIDATED DRAFT BUDGET 2014/2015**

UNIFORM PRESENTATION OF FINANCES

2013/2014 FULL YEAR REVISED ESTIMATE \$		2014/2015 DRAFT BUDGET \$
6,116	Operating Revenues	6,200
<u>(6,075)</u>	less Operating Expenses	<u>(6,153)</u>
41	Operating Surplus / (Deficit) before Capital Amounts	47
	Less Net Outlays in Existing Assets	
950	Capital Expenditure on renewal and replacement of Existing Assets	1,783
(1,683)	less Depreciation, Amortisation and Impairment	(1,703)
<u>(54)</u>	less Proceeds from Sale of Replaced Assets	<u>(90)</u>
(787)		(10)
	Less Net Outlays on New and Upgraded Assets	
1,690	Capital Expenditure on New and Upgraded Assets	809
(416)	less Amounts received specifically for New and Upgraded Assets	(10)
<u>-</u>	less Proceeds from Sale of Surplus Assets	<u>(350)</u>
1,274		449
(446)	Net Lending / (Borrowing) for Financial Year	(392)

**DISTRICT COUNCIL OF ROBE
CONSOLIDATED DRAFT BUDGET 2014/2015**

FINANCIAL INDICATORS

**2013/2014
FULL YEAR
REVISED ESTIMATE**

**2014/2015
DRAFT
BUDGET**

41	Operating Surplus <i>Being the Operating Surplus (Deficit) before Capital Amounts</i>	47
1%	Operating Surplus Ratio <u>Operating Surplus</u> Rates - general & other less NRM levy <i>This ratio expresses the Operating Surplus as a percentage of general and other rates, net of NRM Levy</i>	1%
3,296	Net Financial Liabilities <i>Net Financial Liabilities are defined as Total Liabilities less financial assets (excluding equity accounted investments in Council Businesses)</i>	3,688
566	Net Financial Liabilities (Excluding Marina Premiums received in Advance) <i>Net Financial Liabilities are defined as Total Liabilities less financial assets (excluding equity accounted investments in Council Businesses)</i>	992
55%	Net Financial Liabilities Ratio <u>Net Financial Liabilities</u> Total Operating Revenue less NRM levy	60%
9%	Net Financial Liabilities Ratio (Excluding Marina Premiums received in Advance) <u>Net Financial Liabilities</u> Total Operating Revenue less NRM levy	16%
1%	Interest Cover Ratio <u>Net Interest Expense</u> Total Operating Revenue less NRM levy less Investment Income	1%
53%	Asset Sustainability Ratio <u>Net Asset Renewals</u> Depreciation Expense <i>Net Asset Renewals Expenditure is defined as Net Capital Expenditure on the renewal and replacement of existing assets, and excludes new Capital Expenditure on the acquisition of additional assets</i>	99%

Appendix 2: Rating Policy (Concessions & Remissions)

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 2014
- 1st December 2014
- 2nd March 2015
- 1st June 2015

Rates may be paid:-

- via the mail with money order or cheque made payable to the District Council of Robe ;
- in person, at the Council offices at:
 - District Council of Robe
 - Royal Circus, ROBE
 - between the hours of 9.00am and 5.00pm, Monday to Friday.
- EFTPOS and credit card facilities are available at the Council Office.
- By BPay (details on the rate notice)

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

Council has adopted a policy that where the payment of rates will cause a ratepayer demonstrable hardship, Council is prepared to make extended provisions or defer the payment of rates.

Late Payment of Rates

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

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

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

- first – to satisfy any costs awarded in connection with court proceedings;
- second – to satisfy any interest costs;
- third – in payment of any fines imposed;
- fourth – in payment of rates, in chronological order (starting with the oldest account first).

Postponement of Rates

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

Postponement of rates for Seniors

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

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

To qualify for eligibility:

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

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

Other Concessions

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

Rate Rebates

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

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

Appendix 3: Local Government Financial Indicator Definitions

1. **Operating Surplus (Deficit)**

An operating surplus indicates the extent to which operating revenues are sufficient to meet all operating expenses including depreciation and consequently the extent to which the burden of expenses is being met by current ratepayers. The amount of any operating surplus will be applied towards reducing the amount of borrowings otherwise required to undertake new capital expenditure. **Council's target is to achieve an operating surplus between (\$500k) deficit and \$500k surplus**

Council's 2014-15 Budget aims to achieve an operating surplus of \$47K

2. **Operating Surplus (Deficit) Ratio**

This ratio expresses the operating surplus (deficit) as a percentage of general and other rates, net of rebates. A negative ratio indicates the percentage increase in total rates required to achieve a breakeven operating result. A positive ratio indicates the percentage of total rates available to fund capital expenditure over and above the level of depreciation expense, without increasing Council's level of net financial liabilities. If this amount is not required for capital expenditure it simply reduces the level of net financial liabilities. **Council's target is to achieve an operating surplus ratio between (5%) deficit and 5% surplus.**

Council 2014-15 Budget aims to achieve an operation surplus ration of 1%

3. **Net Financial Liabilities**

Net Financial Liabilities measure a Council's total indebtedness. Net financial liabilities is a broader measure than net debt as it includes all of a Council's obligations including provisions for employee entitlements and creditors. The level of net financial liabilities increases when a net borrowing result occurs in a financial year and will result in a Council incurring liabilities and/or reducing financial assets. The level of net financial liabilities decreases when a net lending result occurs in a financial year and will result in a Council purchasing financial assets and/or repaying liabilities. **Council's target is to maintain its net financial liability between zero and \$6.056m [total operating revenue].**

Councils 2014-15 Budget aims to achieve a net financial liabilities amount of \$893K (Excluding Marina Premiums)

4. **Net Financial Liabilities Ratio**

This ratio indicates the extent to which net financial liabilities of the Council can be met by the Council's total operating revenue. Where the ratio is falling it indicates the Council's capacity to meet its financial obligations from operating revenues is strengthening. Where the ratio is increasing it indicates a greater amount of Council's operating revenues is required to service its financial obligations. **Council's target is to maintain its net financial liability ratio between zero and 100%.**

Council's 2014-15 Budget aims to achieve a net financial liabilities ratio of 15% (Excluding Marina Premiums)

5. **Interest Cover Ratio**

This ratio indicates the extent to which Council's commitment to interest expenses are met by total operating revenues. **Council's target is to maintain its interest cover ratio between zero and 10%.**

Council's 2014-15 Budget aims to achieve and interest cover ratio of 1%

6. **Asset Sustainability Ratio**

This ratio indicates whether the Council is renewing or replacing existing physical assets at the rate at which they are wearing out. On occasions, the Council will accelerate or reduce asset expenditures over time to compensate for prior events, or invest in assets by spending more now so that it costs less in the future to maintain. **Council's target is to maintain its asset sustainability ratio between 75% and 150%.**

Council's 2014-15 Budget aims to achieve an asset sustainability ratio of 99%