



2008/09

ANNUAL BUSINESS PLAN
&
BUDGET

August 2008

1. INTRODUCTION

The Roxby Downs Township is the most unique in South Australia. Since the initial construction of the Olympic Dam Mine, the local community has undergone substantial structural change. The community's "interdependence" with the mine, its aspirations, future and by implications Council's approach can be summarised as follows:

To turn a World Class Mining Deposit into a World Class Mining Operation requires people with the high specialist skills that choose BHP Billiton and Roxby Downs as their preferred destination over many other world-wide alternatives.

This statement is the cornerstone of Council's strategic direction and essentially shapes the essence that what on behalf of the community we actually strive to do - as the physical standard of the town's infrastructure, the community functions and services provided by the Council are critical for BHP Billiton to achieve its goal.

The annual business plan sets out the Council's proposed services, programs and projects for 2008/09. It aims to maintain efficient services for the community and continue progress towards the longer term objectives for the Municipality of Roxby Downs, set out in the Strategic Management Plan re-adopted by the Council on 12 June 2007. These have been restated with specific actions for the year being consistent with these long term strategic objectives and with an aim to ensure the long-term sustainability and sound financial performance of the Council.

Unlike most Local Government Authorities in South Australia, Council operates the utilities Roxby Power (Electricity) and Roxby Water (Water and Sewerage), as well as the Municipal Council functions. This is an important distinction from all other local governments in South Australia as the budget needs that will result following adoption of the Annual Plan will need to be viewed as three (3) separate entities as both utilities operate on a commercial basis separate from the Municipal Operations.

Significantly under the Roxby Downs (Indenture Ratification) Act 1982, Roxby Power is not permitted to make a "profit," instead directing any excess income into its Asset Replacement Fund. Roxby Water profits, (if any), are permitted to support the Municipality. The State Government and BHP Billiton are required to approve of Council's budget and equally meet the operating and capital deficit on Municipal Operations.

2. MAJOR CONSTRAINTS

A number of significant factors have influenced the preparation of the Council's 2008/09 annual business plan and budget. These include the following:

- **The physical and fiscal environment in which the Council operates.**
This is extremely challenging and in a state of transition. The overall philosophy and strategic development of the town and the operation of Council and community will be significantly affected by possible foreshadowed township expansion which will be reflected in BHP Billiton's Roxby Downs Master Plan and EIS process. This will as always prove as a huge challenge and one that is expected to require additional capital resources into the future.

During 2008/09 continued investigative work is expected to be required over and above the norm. As a result various actions that in normal circumstances may ideally be carried out may invariably be deferred until decisions about a possible foreshadowed township expansion are finalised.

- **Impacts of rising inflation and increasing operating costs**
This applies across the spectrum of Council's activities, and is higher than normal given our remote location and high standard of facilities. Significant aspects include landfills where EPA costs have doubled and contact labour where in 2007/08, labour components to water, sewerage

and electricity increased by approximately 75% yet during this time fees and charges have increased between 2.5 and 10%.

- **Asset Management**

Increased requirements to improve management of Council's assets. Historically Council has not been in a position to fund the depreciation of municipal infrastructure. Further refinement will result in increase internal funding (from depreciation) required to cover declines in Council's physical assets. To date, this has never been fully funded, a situation that funding partners BHP Billiton and the State Government have acknowledged. This matter will be further addressed through preparation of a 10 year long term financial and asset management plan for Council. This is a significantly unfunded item which is over \$1.0m per annum.

- **Municipal Deficit**

Anticipation that Council will be required to operate in a relatively fixed municipal deficit environment. This has historically remained static or with relatively small increases well less than the local cost of operating in Roxby Downs.

- **Indenture Constraints**

Under the Indenture Council operates with a number of constraints that adversely impact on the financial operations of Council. These include the inability of levying rates on occupied crown land which equates to approximately \$215k per annum.

- **Expenditure Considerations**

Requirements to maintain and improve infrastructure assets to acceptable standards including roads, footpaths, lighting, stormwater drainage, street trees and plantings, open space and Council properties as well as continuing projects and partnership initiatives that have already commenced.

Additional external resources will be required to meet ever increasing expectations required of Local Government generally in relation to compliance under OH&S, Risk Management, Asset Management and Governance requirements. .

Where possible including matters that have been brought to Council's attention either in a formal or informal manner. This includes suggestions made from time to time by staff, contractors, individuals and various groups and organisations such as BHP Billiton, local schools and the Roxby Downs Community Board, Forums and Partnerships as well as submissions received during the public consultation phase associated with the Draft Annual Business Plan.

Increased maintenance and depreciation (\$200k) expenses associated with recent residential development of the town.

- **Revenue Considerations**

Requirements to ensure that Roxby Water's income from the provision of water supply and sewerage services can accommodate requirements to replace assets as well as return commercial dividends to the Municipal Operation.

Increased revenue associated with recent residential development of the town.

Impact on the community of increased municipal, water, sewerage and electricity rates and by large variations in changes to property valuations

The extent of any council's effort in relation to legislative functions that are required is to a large extent "open ended" and limited by and large by a Local Government Authority's financial constraints.

In Roxby Downs this is no different except that unlike most other councils the community's capacity to pay needs to be established. This is also compounded by what BHP Billiton and the State

Government are prepared to pay under the Indenture. Both these aspects are subjective and in reality there are currently no clear guidelines in place.

Overall, the 2008/09 Annual Plan continues to endorse Council's philosophy that the community along with the State Government and BHP Billiton needs to continue to share the overall net costs of operating the municipality to the high standards required by our community. This principle continues to underpin Council's 2008/09 operations with a foreshadowed municipal deficit expected to be \$1,600k. However this is subject to the review and financial approval of BHP Billiton and the State Government.

In preparing the 2008/09 Annual Plan Council has recognised the unique circumstances that apply with respect to Council's operations under the Roxby Downs (Indenture Ratification) Act 1982 in that both BHP Billiton and the State Government must approve of any budget prior to it being adopted by Council. This potentially conflicts with Local Government Act 1999 which now requires an Annual Plan to be prepared and consulted upon prior to this process commencing with Council unsure as to the extent of financial support to be provided by each party.

In order to comply with the recent amendments to the Local Government Act 1999 Council prepared a Draft Annual Plan to highlight to the community its strategic direction and to seek community input into Council's Business Plan prior to submitting the budget to BHP Billiton and that State Government process. This is a refinement of previous practices where Council invited public submissions prior to finalising the budget

Council took the opportunity to fore-shadow those actions that Council had already identified as well as those that elements of the community had already raised. Prudently only those were included that were strategically important and realistically achievable.

The Local Government Act requires the Draft Annual Business Plan, not the draft budget to be placed on public submission. Given constraints in the Indenture this is appropriate as both BHP Billiton and the State Government must give every consideration to the needs of the community after all of the preliminary aspects such as the draft annual business plan, previous comments and submissions and Council's own reviews have been completed.

Public consultation as required under the Local Government Act was carried out with a formal public meeting on 3 July 2008. One submission was received and fully considered.

As a result Council is confident that the actions identified are consistent with Council's strategic objectives and broadly supported.

3. PROJECT PRIORITIES AND ACTIONS FOR THE YEAR

Under its strategic plan Council has identified seven (7) broad goals with a number of long term objectives. To achieve these objectives the following priorities and actions are proposed to be undertaken during 2008/09.

GOAL 1	COUNCIL TO FUNCTION IN A CIVIC AND RESPONSIBLE MANNER
CORPORATE	
OBJECTIVE 1.01	Undertake Council's Corporate Services functions in accordance with the Local Government and Roxby Downs (Indenture Ratification) Acts.
(a)	Ongoing review and implement improvements to Council's governance, policy, corporate services, and staff related functions.
(b)	Ongoing review of overall operational performance and staff resources and implement changes.
(c)	Ongoing review and implement improvements for Council's assets including Office, Depot and Houses.
(d)	In anticipation that an Environment Impact Statement incorporating a Township Master Plan will be released for public comment, investigate options and provide a detailed submission to the State Government.
OBJECTIVE 1.02	Minimise operational risks and ensure that Council is operated in a safe manner
(a)	Ongoing review and implement improvements to Risk Management & OH&S policies and actions.
(b)	Undertake building and site improvements to Council Office and Works Depot.
GOAL 2	FACILITATE THE DEVELOPMENT OF LOCAL LEADERSHIP THAT UNITES LEADERSHIP THE COMMUNITY AND PORTRAYS ROXY DOWNS IN A POSITIVE LIGHT.
OBJECTIVE 2.01	Operate and review Community Strategic Plan.
(a)	Within budget constraints, provide appropriate resources to assist Community Board, Community Forums and Partnerships on the basis of delivering projects and strategies identified in the Community Plan.
OBJECTIVE 2.02	Provide a strong community voice at State and Regional Level.
(a)	Continue participation and advocacy through the Administrator being delegate with the Local Government, Spencer Gulf Cities and Provincial Cities Associations, Regional Communities Consultative Council, Northern Region Development Board, Flinders Area Consultative Committee, and the Port Augusta Regional and Hospital Board.
(b)	Continue to advocate to the State Government and BHP Billiton regarding aspects that affect the structural operation of the township and services delivered by the State Government.
OBJECTIVE 2.03	Enhance community's relationship and partnership with BHP Billiton.
(a)	Continue to implement strategies as part of the community plan to improve community understanding, appreciation and support for BHP Billiton's operations.
(b)	Continue to assist BHP Billiton in relation to Olympic Dam Expansion Study.
(c)	Continue to promote a partnership approach with BHP Billiton.
OBJECTIVE 2.04	Provide opportunities for leadership development in Roxby Downs.
(a)	Opportunities are afforded to community members who are involved in implementing the community plan.
(b)	Review outcomes of inaugural SA Regional Community Leadership Program and potentially formalise small ongoing sponsorship to assist the Program to target local residents as part of future participants.
OBJECTIVE 2.05	Increase community understanding, involvement and partnership in Council's decision-making.
(a)	Continue to provide information to the community to highlight the role and function of Council's operations.
(b)	Continue to support Community Board, Forums and Partnerships to assist Council where Community Plan actions require Council to implement outcomes as part of Council's statutory role, functions and responsibilities.

GOAL 3	STIMULATE AND FACILITATE COMMUNITY CULTURAL DEVELOPMENT.
COMMUNITY	
OBJECTIVE 3.01	Assist, facilitate and improve the operation and co-operation of community groups.
(a) Continue to mentor Community Board and Community Forums and provide appropriate resources to assist individual sectors to work cooperatively on cross sector projects.	
OBJECTIVE 3.02	Expand and enhance the opportunities for young people in town.
(a) Continue to maintain and where appropriate enhance resource operation of Youth Services within Roxby Leisure's operations.	
(b) Continue to support and assist youth via participation with Family and Youth Forum.	
(c) Review services and programs and support on ground strategies as periodically recommended.	
(d) Explore external funding opportunities for youth initiatives and projects.	
(e) Review, and if appropriate, expand the function of the Youth Centre.	
(f) Support initiatives of Council's Roxby Downs Youth Advisory Committee.	
OBJECTIVE 3.03	Facilitate Volunteer Program and Volunteer Resource Centre.
(a) Finalise volunteer recruitment and management policies and procedures for incorporation into the development of a Council Volunteer program.	
(b) Explore potential funding opportunities and partnerships to develop a Volunteer Resource Centre.	
OBJECTIVE 3.04	Facilitate community co-operatives.
(a) Monitor situation and assist in development of community cooperatives where possible.	
OBJECTIVE 3.05	Support Family Life.
(a) Continue to provide family support through employment of a Families Officer.	
(b) Continue to participate in and support and assist the Family & Youth Forum and Alcohol & Substance Abuse Partnerships (incorporating the Far North Drug and Alcohol Group.)	
(c) Explore opportunities with the State Government for greater support resources for families being delivered in Roxby Downs.	
(d) Encourage appropriate bodies to investigate the extent and causes of mental illness and stress in Roxby Downs and support prevention strategies.	
(e) Encourage a holistic approach with the Alcohol and Substance Abuse Partnership and collaboration of appropriate agencies in dealing with social issues associated with alcohol and substance abuse.	
(f) Support any confidential enquiry to ascertain the community's financial health and identify and support individuals and families in improving their financial position.	
(g) Review services and programs and support on ground strategies as periodically recommended.	
(h) Explore grant funding opportunities for projects and activities that benefit families.	
(i) Continue to explore options for a community safe house	
(j) Continue to participate and support Building Healthy Communities and Strengthening our Families programs	
OBJECTIVE 3.06	Establish and develop Roxby's cultural identity.
(a) Continue to include streetscape improvements into public spaces with assistance and support of Community Gardens Sub committee of Family & Youth Forum.	
(b) Assist community events such as the Red Earth Festival and Christmas Pageant.	
(c) Finalise relocation and expand RSL Community Memorial in Richardson Place.	
(d) Review and integrate the form of Arts support through Roxby Leisure's operation.	
(e) Support outcomes from Arts & Culture Forum.	
(f) Encourage increase usage of the library as a venue for community activity.	
(g) Support on an as needs basis, various public art projects that arise.	

GOAL 3	STIMULATE AND FACILITATE COMMUNITY CULTURAL DEVELOPMENT.
COMMUNITY	
OBJECTIVE 3.07	Provide relevant community information about the role, operation and services provided by Council.
(a)	Continue to purchase advertising and advertorial space for Council and Community through The Monitor Community Newspaper.
(b)	Complete upgrade of Roxby Downs Dot Com community web-site incorporating Council and Roxby Leisure sites.
(c)	Finalise marketing and communications plan.
OBJECTIVE 3.08	Develop community media outlets.
(a)	Continue to encourage The Monitor community newspaper and ROXFM community radio to develop closer partnerships and common goals.
(b)	Continue to support The Monitor and ROXFM Community Radio on an "as needs" basis
OBJECTIVE 3.09	Enhance the vibrancy and cohesion of the local community.
(a)	Continue to encourage members of the community to participate in community forums and take an active role in implementing the Roxby Downs Community Plan.
(b)	In partnership with BHP Billiton and local businesses continue to work collaboratively to assist community groups including investigating the establishment of a community foundation reserve.
GOAL 4	PROVIDE A RANGE OF MUNICIPAL SERVICES WHICH EFFICIENTLY AND EFFECTIVELY MEET THE NEEDS OF THE COMMUNITY.
MUNICIPAL	
OBJECTIVE 4.01	Ensure that Council's planning and development policies and actions promote orderly, economic and sustainable development.
(a)	Continue to promote and educate the community on Council's Development Plan, its implementation and ongoing development, assessment and compliance.
(b)	In conjunction with the State Government undertake review of the current development plan.
(c)	Develop and implement development plans, guidelines and land management agreements
(d)	In partnership with BHP Billiton continue to support Adelaide University's Building and Landscape architecture students to undertake specific policy and design work within the planning and environmental spheres in Roxby
OBJECTIVE 4.02	Increase Council's financial independence.
(a)	Continue to develop and implement a program of revenue raising that is consistent with Council's constraints and meets relevant criteria for commercial utilities dividends.
(b)	Continue to discuss with BHP Billiton and the State Government over possible amendments to the Roxby Downs (Indenture Ratification Act) 1982 that have a positive financial impact on Council's operations.
(c)	Maintain prudent and realistic increases in rates and charges in light of local cost influences and capacity of community.
(d)	Continue to Refine Asset Maintenance Strategy by undertaking condition audits to refine Infrastructure Maintenance Program, and long term asset renewal program.
(e)	Continue to lobby BHP Billiton and the State Government for an appropriate allocation of financial support under the Roxby Downs (Indenture Ratification) Act 1982.
(f)	Develop long term financial strategy as part of a potentially expanded town.
(g)	Continue to pursue grant opportunities for community projects.
OBJECTIVE 4.03	Safeguard the community's environmental health.
(a)	Continue to provide ongoing environmental health services to the community.

GOAL 4 MUNICIPAL	PROVIDE A RANGE OF MUNICIPAL SERVICES WHICH EFFICIENTLY AND EFFECTIVELY MEET THE NEEDS OF THE COMMUNITY.
OBJECTIVE 4.04	Ensure that roads, streets, footpaths and bicycle paths service the needs of the community and are maintained in a safe and attractive condition.
	<ul style="list-style-type: none"> (a) Continue to maintain roads, streets, footpaths and bike paths. (b) Continue to support the work of Roxby Road Safe. (c) Continue to refine Asset Maintenance Strategy by undertaking condition audits to more accurately reflect long term asset renewal program. (d) Provide appropriate financial allocation to replace those sections of footpath that have been identified for replacement. (e) Continue to review streetscape requirements and accelerate street tree and irrigation replacement programs. (f) Undertake traffic safety improvements in the vicinity of St Barbara's Parish School. (g) Continue to review parking practices within township, provide effective education and enforcement and initiate improvements. (h) Continue to assist BHP Billiton in the design of municipal infrastructure associated with the potential expansion of the town.
OBJECTIVE 4.05	Ensure the ongoing viable operation and enhancement of the Roxby Downs Cultural & Leisure Precinct.
	<ul style="list-style-type: none"> (a) Maintain, and on an "as required" basis, expand operations of Roxby Leisure as a discrete marketing and management unit of Council ensure that all services delivered from the Roxby Downs Culture and Leisure Precinct meet the ever changing expectations and needs of the community. (b) Continue to finalise and implement Council's Facilities Maintenance Program, and prepare a long term asset renewal program with supporting financial strategy. (c) Continue to develop strategies to integrate the Precinct's operation with the adjacent Library and Education facilities, Richardson Place and Roxby Central Retail Shopping Centre.
OBJECTIVE 4.06	Maintain and enhance sporting recreation facilities.
	<ul style="list-style-type: none"> (a) Continue to maintain sporting & recreation facilities. (b) Explore opportunities for expansion of sporting services. (c) Continue to develop and implement long term recreational facility maintenance and improvement programs (d) Continue 2007/08 project to review concept plans, develop detailed costings and undertake feasibility study for a potential new indoor aquatic facility incorporating multi purpose rooms. (e) Continue to support and work as an integral member of the Sport & Recreation Forum. (f) Assist BHP Billiton in integrating improved recreational facilities into Township Master Plan (g) Provide external consultant support to develop a long term strategy for the development and management of all recreation facilities in Roxby Downs.
OBJECTIVE 4.07	Maintain and enhance playgrounds & public open spaces
	<ul style="list-style-type: none"> (a) Continue to maintain open space areas and playgrounds. (b) Continue to support and work as an integral member with Family & Youth Forum and associated playgrounds and Community Garden committees. (c) Continue to develop long term open space programmes and strategies. (d) Undertake strategic upgrades of playgrounds. .
OBJECTIVE 4.08	Maintain and enhance the operations of the Roxby Downs Community Library
	<ul style="list-style-type: none"> (a) Maintain / increase the number of children's holiday programs and toddler story time. (b) Set up online library catalogue so as to enable collection to be more accessible. (c) Add audio books to collection services offered. (d) Continued promotion of library services in-house and through local media.

GOAL 5	OPERATE COUNCIL'S COMMERCIAL BUSINESSES IN A WAY THAT PROVIDES EXCELLENT SERVICE AND RETURNS COMMERCIAL DIVIDENDS.
COMMERCIAL	
OBJECTIVE 5.01	Operate Roxby Water as an independent business unit, which provides high quality water and sewerage services and yields commercial dividends.
	<ul style="list-style-type: none"> (a) Finalise Roxby Water's Infrastructure Maintenance Program, and prepare long term asset renewal program with supporting financial strategy. (b) Implement major asset replacements. Water works to include continuation of water meter replacement program and fitting more water meters with radio automatic reading equipment. Sewerage works to include increased pipe cleaning, improved OH&S works and control panel upgrades to sewerage pump stations, purchase of a diesel back up generator for back up use at sewerage pump stations and provision of a punt to allow checking of new aeration equipment at sewerage lagoons. (c) Continue to assist BHP Billiton in the design of water and sewerage infrastructure associated with potential expansion of the town. (d) Continue with marketing campaign to encourage direct debit and credit card payment options for consumers. (e) Explore other methods for retail payments for consumers. (f) Continue to review property unit allocations for sewerage charging.
OBJECTIVE 5.02	Operate Roxby Power as an independent business unit, which provides high quality electricity services and yields commercial dividends.
	<ul style="list-style-type: none"> (a) Finalise Roxby Power's Infrastructure Maintenance Program, and prepare long term asset renewal program with supporting financial strategy. (b) Complete major asset replacements. Works to include continuation of power replacement program, asset replacements program and High Voltage switchgear as per ETSA Maintenance Reports and replacement of ring main units. (c) Connect and install power meters to Subdivision B & C. (d) Extend mezzanine floor and work office area upgrade and power shed. (e) Continue to assist BHP Billiton in design of electricity infrastructure associated with potential expansion of the town. (f) Continue with marketing campaign to encourage direct debit and credit card payment options for consumers. (g) Explore other methods for retail payments for consumers.
OBJECTIVE 5.03	Explore opportunities for additional revenue.
	<ul style="list-style-type: none"> (a) Continue to monitor and investigate suitable business opportunities including those from non-traditional areas. (b) Continue to assist BHP Billiton in relation to Olympic Dam Expansion Study.
GOAL 6	STIMULATE AND FACILITATE ECONOMIC DEVELOPMENT.
ECONOMIC	
OBJECTIVE 6.01	Support and development of Tourism opportunities in Roxby Downs.
	<ul style="list-style-type: none"> (a) Operate Visitor Information Centre. (b) Upgrade Visitor Information Centre display area including display upgrades to meet SATC requirements. (c) Assist tourism actions and contribute towards tourism promotional materials showcasing our region. (d) Implement tourism signage information including a potential new welcome bay. (e) Support regionally based tourism opportunities. (f) Install multi media unit to VIC.

GOAL 6	STIMULATE AND FACILITATE ECONOMIC DEVELOPMENT.
ECONOMIC	
OBJECTIVE 6.02	Enhance economic and business operations in Roxby Downs.
(a)	Provide support to retailers, commercial operators and contractors to reinvigorate and unite as a cohesive and vibrant business sector as envisaged in the 2005 Community Plan.
(b)	Support actions as they arise from an established peak business body.
(c)	Support actions to investigate and advocate on behalf of business to address factors such as housing and accommodation that adversely affect local business.
(d)	Develop and implement strategies to aid in the cohesive future development of the business sector.
(e)	Maintain Council as a resource partner with the NRDB and explore potential opportunities for business services to be continued to be delivered from within Roxby Downs.
GOAL 7	MANAGE THE URBAN AND NATURAL ENVIRONMENT IN A SUSTAINABLE MANNER.
ENVIRONMENT	
OBJECTIVE 7.01	Provide environmentally sound, convenient and timely waste management services.
(a)	Operate domestic garbage collection and street bin collection service.
(b)	Manage and provide, in conjunction with BHP Billiton, a significant upgrade to the Opal Road landfill site in accordance with EPA requirements that incorporates expanded recycling facilities.
(c)	In conjunction with BHP Billiton, review short and long term structural costs for integrated waste management including possibilities of introducing kerbside recycling. In the meantime continue to encourage local recycling efforts.
(d)	Review operation of and scope of the 2007 Commercial Waste Levy with a view to assisting in funding improvements to landfill operations.
(e)	Undertake regular street cleaning and litter collection.
(f)	Develop a range of litter control strategies to minimise discarded litter.
(g)	Support where appropriate environmental actions of the Environment Forum.
OBJECTIVE 7.02	Provide effective dog and cat management to suit our remote locality.
(a)	Following review, adopt By-Law No 2 - Dogs and Cats and implement once approved.
(b)	Subject to allocation of appropriate resources, work on actions as identified in Council's Animal Management Plan
(c)	Upgrade dog pound.
OBJECTIVE 7.03	Preserve and enhance native vegetation and significant trees.
(a)	In conjunction with BHP Billiton prepare a native vegetation/town horticulture management plan for the municipality.
(b)	In conjunction with BHP Billiton, undertake environmental education processes and enforcement of activities that affect native vegetation.
(c)	Continue to lobby BHP Billiton to upgrade Crown Land Township Reserve areas to an acceptable standard.
OBJECTIVE 7.04	Reduce energy consumption and encourage the use of renewable energy.
(a)	Continue to encourage the installation of household photovoltaic arrays through a current power buyback tariffs rate.
(b)	Provide information concerning Government rebates on solar hot water systems to promote their use.
(c)	Encourage the use of energy efficient solar lighting.
(d)	Explore with BHP Billiton, potential opportunities for increased inclusion of "green power" into future supply of electricity for Roxby Downs.
(e)	Investigate and develop a program for installation of solar panels onto various Council buildings.

GOAL 7 ENVIRONMENT	MANAGE THE URBAN AND NATURAL ENVIRONMENT IN A SUSTAINABLE MANNER.
OBJECTIVE 7.05	Reduce water consumption and promote storm water and effluent reuse.
	<p>(a) Develop and implement appropriate water conservation policies including improvements to development plans and guidelines and land management agreements.</p> <p>(b) Participate in suitable programs to highlight to the community existing and future water conservation initiatives to educate the community to conserve water.</p> <p>(c) Improve integration of stormwater into effluent lagoons for reuse.</p>
OBJECTIVE 7.06	Undertake suitable control of pest plants.
	<p>(a) Provide support and participate in representative bodies concerned with land resource management.</p> <p>(b) Support regional weed strategy</p>
OBJECTIVE 7.07	Monitor and address noise related issues.
	<p>(a) Undertake appropriate education and where appropriate, enforcement of provisions in relation to noise.</p> <p>(b) Explore opportunities for implementation of appropriate noise control by-laws.</p>
OBJECTIVE 7.08	Raise community awareness of Environmental issues
	<p>(a) Assist and work with Environmental Forum in relation to Environmental issues.</p>

4. MEASURING PERFORMANCE

Council will assess its performance in relation to meeting these objectives on an annual basis via Council's Annual Report using the following criteria:

- For specific actions, progress will be measured in percentage terms and / or where appropriate commentary and explanation will be provided.
- For general actions progress will be measured by providing commentary and explanation. This is considered appropriate given that many of the actions involve third parties with Council acting in a support capacity.
- Ensuring that overall expenditure and income for the budget when adopted is met and that specific capital works projects are completed in a timely and cost effective fashion.

5. FINANCIAL OPERATIONS

The 2008/09 Annual Business Plan has been prepared to highlight the factors affecting the operations of Council and to outline the strategy behind adoption of the 2008/09 budget. Under the Indenture "municipal" financial operations are underpinned BHP Billiton and the State Government who need to approve the budget with BHP Billiton also required to approve of any municipal rate increase.

Accordingly whilst Council has adopted the 2008/09 budget this is still subject to review and possible change by BHP Billiton and the State Government

2008/09 Budget Summary

Council's total budget of \$15.5 million for 2008/09 is summarised as follows:

Program	Operating Expenses \$k	Capital Expenses \$k	Operating Income \$k	Capital Income \$k	Reserve Transfers \$k	Net \$k	Unfunded Depreciation Adjustment \$k	Adjusted Net \$k
Municipal	(\$7,133)	(\$1,728)	\$4,910	\$45	\$1,142	(\$2,765)	\$1,165	(\$1,600)
Roxby Power	(\$3,170)	(\$394)	\$2,996	\$0	\$568	(\$0)	\$0	(\$0)
Roxby Water	(\$2,726)	(\$342)	\$2,633	\$0	\$435	(\$0)	\$0	(\$0)
Total Council	(\$13,029)	(\$2,464)	\$10,538	\$45	\$2,144	(\$2,765)	\$1,165	(\$1,600)

Note:

- Under the Roxby Downs (Indenture Ratification) Act 1982 Council's municipal deficit is reimbursed in equal shares by the State Government and BHP Billiton
- Budget documents disclose a proposed municipal deficit subsidy of \$1.600 million which is subject to the approval of BHP Billiton and the State Government.
- Unfunded depreciation represents the amount of depreciation that is not funded. BHP Billiton and the State Government are aware of this aspect which is expected to be addressed in subsequent years.
- Reserve Transfer from reserves fund various capital replacement works which do not affect the overall 2008/09 financial operational result

In Objectives 4.02, 5.01, and 5.02 Council has continued to indicate the need to assess relevant issues relating to the management and development of infrastructure and to develop long term financial plans. However, this is affected by the lack of clarity associated with long term funding under the Indenture and the uncertainty associated with future expansion of the town.

Reserves

2008/09 budget provides for the following Reserve Balances.

Projected 30/06/2008 \$k	Reserve	Budget 30/06/2009 \$k
\$5,024	Opening Reserve Balance	\$5,435
(\$354)	Total Reserve Transfers	(\$2,144)
\$765	Total Depreciation Transfer	\$790
\$5,435	Closing Reserve Balance	\$4,081

Council's Municipal Asset Replacement Reserve will over the next few years be placed under considerable and increasing demands given that Municipal depreciation to date has and is not being fully funded.

Asset Management

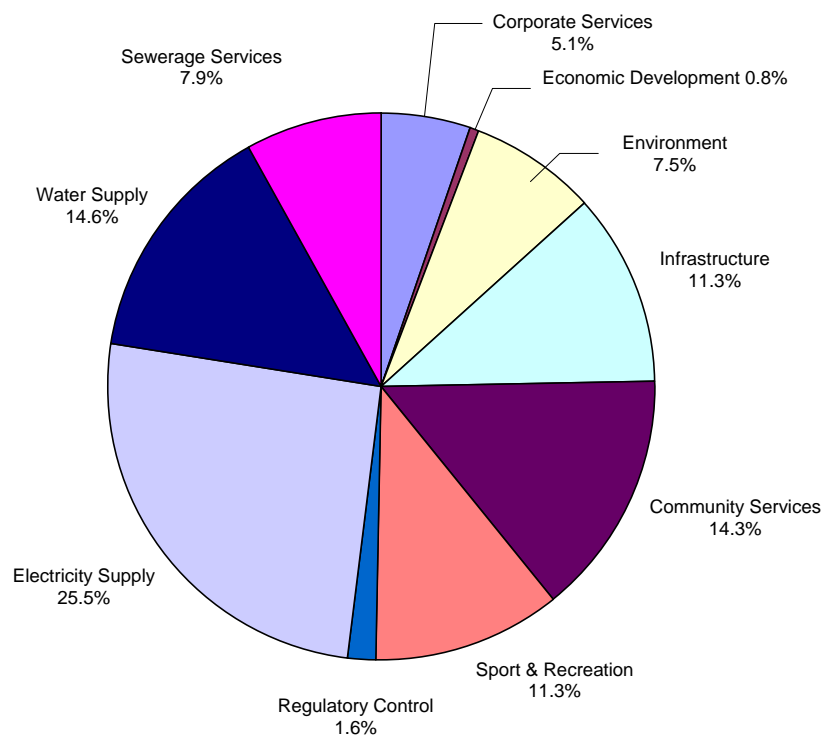
The issue of future funding of infrastructure replacement is a matter for all local governments and one that the local government industry, State Government and BHP Billiton recognises as a major issue. Overall replacement values and annual depreciation of assets is shown as follows:

Program	2007-2008 Replacement Value \$k	Annual Depreciation \$k
Municipal	46,152	1,165
Roxby Power	13,446	282
Roxby Water	23,318	508
Total Council	82,916	1,955

6. COUNCIL FUNCTIONS

All Councils have basic responsibilities under the Local Government Act and other relevant legislation. Roxby Downs Council also has responsibility for the provision of water, sewerage and electricity services under the Indenture.

In accordance with the Local Government (Financial Management) Regulations 1999, Council is required to report this budget according to a full cost attribution basis whereby direct and indirect overhead costs have been allocated to relevant functions. Those Corporate Services costs associated with staffing, operating and maintaining the Council Office, Works Depots and Council Houses have therefore been fully distributed to appropriate functions as follows:



ROXY DOWNS COUNCIL
2008/09 Budget Expenditure – \$15.5 million
Includes distribution of overheads

Program Budget

Overall expenditure and income including distribution of overheads to fund Projects, Priorities & Actions as identified in section 3 are shown below on a programme basis.

PROGRAM	Expenses \$k	Income \$k	Net \$k
CORPORATE SERVICES			
<i>Participating in Local Government, Spencer Gulf Cities and Provincial Cities Associations, operating Services SA and Centrelink Agency Services and Municipal Rates collection.</i>			
Corporate Services	\$735	(\$3,485)	(\$2,750)
Governance	\$13	\$0	\$13
	\$748	(\$3,485)	(\$2,737)
ECONOMIC DEVELOPMENT			
<i>Assistance to Business Forum, Northern Region Development Board, tourism support signage and marketing, Visitor Information Centre operation plus festivals support.</i>			
Business	\$25	(\$3)	\$22
Tourism	\$93	(\$123)	(\$30)
	\$117	(\$126)	(\$8)
ENVIRONMENT			
<i>Operations and waste levy associated with Opal Road waste landfill, domestic garbage collection service, garbage charges, street cleaning, weed control, assistance to Environment Forum and other actions</i>			
Other Environment	\$97	\$0	\$97
Garbage Collection	\$271	(\$238)	\$33
Landfill & Recycling	\$568	(\$350)	\$218
Public Conveniences	\$34	\$0	\$34
Street Cleaning	\$166	\$0	\$166
	\$1,136	(\$588)	\$548
INFRASTRUCTURE			
<i>Operation and maintenance of footpaths, roads and streets, street lighting, streetscaping, traffic control, public conveniences, parks and gardens, playgrounds, bike paths, BMX track, skate park, stormwater drainage and assistance to Roxby Road Safe.</i>			
Stormwater	\$30	\$0	\$30
Street Lighting	\$123	\$0	\$123
Parks & Gardens	\$185	(\$70)	\$115
Footpaths	\$121	(\$30)	\$91
Roads & Streets	\$494	(\$321)	\$173
Streetscaping	\$695	(\$105)	\$590
	\$1,646	(\$526)	\$1,121
COMMUNITY SERVICES			
<i>Operation of youth centre, community library, auditorium, cinema / theatrette and art gallery, community development support to Community Board and Forums to support the implementation of the Roxby Downs Community Plan.</i>			
Communications	\$83	\$0	\$83
Community Development	\$206	\$0	\$206
Youth Development	\$416	(\$12)	\$404
Cultural Services	\$1,112	(\$421)	\$691
Library	\$346	(\$49)	\$297
	\$2,163	(\$482)	\$1,681

PROGRAM	Expenses \$k	Income \$k	Net \$k
SPORT & RECREATION			
<i>Operation and maintenance of the Leisure Centre, tennis and netball courts, swimming pool, community ovals and associated buildings, support to Sport & Recreation Forum plus broader recreation development assistance to local sporting organisations.</i>			
Leisure	\$984	(\$678)	\$307
Swimming	\$406	(\$110)	\$296
Ovals	\$251	\$0	\$251
	\$1,641	(\$788)	\$853
REGULATORY CONTROL			
<i>Regulatory control services associated with administration of the Development Act, and Public and Environmental Health and Animal Control under the Dog and Cat Management Act and emergency service levy and management.</i>			
Building & Planning	\$96	(\$70)	\$26
Dogs Cats & Pests	\$92	(\$32)	\$61
Other Regulatory Control	\$21	(\$2)	\$19
Health	\$31	\$0	\$31
	\$240	(\$103)	\$136
ELECTRICITY SUPPLY			
<i>Roxby Power's operations for the retail and distribution of electricity</i>			
	\$3,564	(\$3,564)	\$0
SEWERAGE SERVICES			
<i>Roxby Water's operations for the provision of sewerage services</i>			
	\$1,968	(\$1,934)	\$35
WATER SUPPLY			
<i>Roxby Water's operations for the retail and distribution of water supply</i>			
	\$1,099	(\$1,134)	(\$35)

7. MAJOR ACTIONS

As outlined in the project priorities and actions proposed to be carried out during 2008/09 various capital works and other actions have been identified to improve the asset base, amenity and functionality of our diverse community. A number have been outlined with corresponding Strategic Action and funding source as outlined

Action	Description	Amount \$k	Funding Source
Corporate Services			
1.01(c)	General Capital internal fit out improvements on Council Office building.	\$15k	Reserves
1.01(c)	Continuation of Annual Information Technology upgrade programme for Computer Hardware and Software to serve Council Office, Cultural Precinct and Library.	\$72k	Revenue
1.01(c)	Complete 2 year asset maintenance and upgrade program for Council Houses.	\$190k \$30k	Reserves Revenue
Economic Development			
6.01(c)	Allocation for tourism support & signage	\$20k	Revenue
Environment			
7.01(b)	Allocation for capping of existing cells, major capital upgrade including installation of a weighbridge as required by the EPA	\$200k	Reserves
7.01(c)	In conjunction with BHP Billiton, review short and long term structural costs for integrated waste management including possibilities of introducing kerbside recycling	\$20k	Revenue
Infrastructure			
3.06(c)	Relocate and upgrade RSL Community Memorial in Richardson Place as a major community feature.	\$160k	Revenue Grants
4.04(c)	Year 1 of a three (3) year reseal maintenance program.	\$250k	Reserves
4.04(c)	Footpath replacement program.	\$30k	Reserves
4.04(c)	Construct concrete invert at Bopeechee St (held over from 2007/08).	\$30k	Reserves
4.04(c)	Richardson Place parking improvements. Works include replace and upgrade buss and disabled zones including kerb and footpath replacements	\$25k	Revenue
4.04(e)	Streetscape replacement. Programme includes Burgoyne St, Arcoona St & Pioneer Drive.	\$50k	Reserves
4.04(f)	Undertake traffic control improvements in the vicinity of St Barbara's Parish School	\$20k	Revenue
4.07(d)	Asset replacement program for existing playgrounds. Hermit Street, Curdimurka Street and Pioneer Drive programmed.	\$60k	Reserves
4.07(d)	Complete hardstand paving to skate park.	\$20k	Revenue
4.07(d)	Investigate potential expansion to skateboard track	\$2k	Revenue

Action	Description	Amount \$k	Funding Source
Community Services			
2.04(b)	Annual grant to 2008 SA Regional Community Leadership Program to assist the program to target and obtain local residents participation.	\$2k	Revenue
3.02(c)	Investigate options and if successful implement kids fitness health & lifestyle centre	\$35k	Revenue
3.05(f)	Contribute towards Alcohol & Substance Partnership to develop an alcohol & substance abuse management plan for Roxby Downs.	\$3k	Revenue
4.05(b)	Cultural Centre plant equipment and building asset replacement. Works include replacement of air conditioners to the Cultural Centre and theatre lighting to the auditorium.	\$64k	Reserves
4.05(b)	Relocate sound & light equipment to Auditorium floor level	\$10k	Reserves
4.05(b)	Investigate and part payment to upgrade cinema projection equipment to convert to a digital operation	\$30k	Reserves
Sport & Recreation			
4.06(c)	Leisure Centre Furniture & Equipment Asset Replacement including replacement of air conditioners to Leisure Centre.	\$75k	Reserves
4.06(c)	Replace swimming pool shade canopies	\$8k	Revenue
4.06(c)	Finalise 2007/08 project for Netball Courts Landscaping & Shade installation	\$2k	Revenue
4.06(c)	Small Oval improvements to formalise secondary soccer / rugby pitch	\$18k	Revenue
4.06(d)	Finalise 2007/08 project for development of concept plans, feasibility and funding options for new indoor swimming pool and upstairs Leisure Centre extension.	\$8k	Revenue
Regulatory Control			
7.02(c)	Allowance for increased dog, cat and parking control compliance	\$10k	Revenue
7.02(d)	Upgrade Dog Pound	\$25k	Revenue
Electricity Supply			
5.02(b)	Meter Purchases	\$80k	Reserves
5.02(b)	High Voltage Plant Transformer Upgrades	\$250k	Reserves
5.02(b)	New Developments Subdivision B & C	\$20k	Revenue
5.02(b)	Electrical equipment purchases	\$50k	Reserves
Sewerage Services			
5.01(b)	Sewerage Asset Maintenance program.	\$78k	Reserves
Water Supply			
5.01(b)	Purchase new water meters	\$30k	Reserves
5.01(b)	Water meter replacement program.	\$250k	Reserves

8. BUDGET EXCLUSIONS

Given budgetary constraints and need to consider the potential effects of an expanded township that is to be fore-shadowed and part of BHP Billiton's Roxby Downs Master Plan various works were NOT able to be included in the 2008/09 budget, but instead will need to be addressed in future years:

Infrastructure

- Bitumen Footpath Replacement. Sections of bitumen footpath in the "older" area of town will be maintained and condition reviewed. Replacement with concrete is still under consideration.
- Richardson Place Public Conveniences. To be considered in future budgets but most likely as part of a redeveloped town.
- Traffic Control Measures. New traffic control measures will be required from time to time at key locations around town. Suggested actions are often raised and discussed with Roxby Road Safe Community Roads Safety group. This includes provision of Roundabout at Arcoona Street.
- Fully funding Municipal depreciation
- Maintenance and upgrade BHP Billiton managed land including walking trails. This will be a significant future item.

Environment

- Waste Transfer Station. Construction of a new facility with complimentary recycling services is subject to discussions with BHP Billiton.

Sport & Recreation

- Oval Redevelopment. Major redevelopment desirable in the medium term but is dependent on a range of factors including future design and location, active partnership with users and design parameters concerning the sewerage lagoons and future use of recycled water.

Meanwhile significant planning is being undertaken and efforts will continue to ensure that the existing ovals are presented in a sound condition.

Community Services

- Future redevelopment of the Library and other multi use community meeting spaces will be future priority.

9. FUNDING THE BUSINESS PLAN

In response to these factors, and to minimise the burden on residents and rate-payers, the annual business plan has been prepared within the following financial guidelines:

MUNICIPAL RATES

Rating Principles

Council continues to adopt a rating system where rates are levied by way of a combination of a fixed charge and differential rating for all rateable properties according to a designated use of land as defined in Section 10 of the Local Government (General) Regulations. For occupied residential properties a fixed service rate for the collection, treatment and disposal of refuse collected is also levied.

Local Government rating is a complex issue which is often not well understood. There are a number of taxation principals involved and a significant degree of subjectivity. These include the equity or fairness principle which implies that the tax will be fair to the taxpayer and that each taxpayer will be taxed relative to other taxpayers; the benefit principle in that the person who pays benefits; the taxpayers ability to pay; the efficiency of the tax; and the systems simplicity.

Council has prepared two (2) a discussion papers on the subject with an extensive review in 2000 the catalyst for the current methodology. Council's rating system comprises the following features:

- Inclusion of a fixed charge ensures that all ratepayers make at least some contribution towards Council services and that this is undertaken in an equitable manner in that all ratepayers pay the same component of their rates
- Like many local governments in South Australia Council has adopted the Capital Value method of rating. This is principally because it is usually the best measure of a ratepayers "means" or theoretical ability to pay, much the same way that income tax varies with levels of income. Other allowable methods of site value and net annual value can also be used.
- Differential rating has been adopted according to a property's land use. This is in lieu of zoning as it provides for greater flexibility and equity according to the activity undertaken.

There are a number of subjective reasons why commercial and industrial rates are higher than for residential land use. The fact that these land uses involve operating a business and therefore are used as income in part explains the differentials. Also of significance is that the road network in an area is by and far the greatest and most costly asset a Council has to maintain and is the one most affected by traffic loads caused by and large by commercial vehicles.

Given relatively stable land use much like previous years, rate revenue is to be allocated according to the following distribution: Residential (78.6%), Commercial (16,1%), Light Industry (1.6%) and Vacant Land (3.7%)

- Council also adopts as a component of rating a service rate for the collection and disposal of domestic waste. This method is ideal when the benefit of a service is identical for all that are served.

Rate Levels

Unlike other local governments the extent of rates levied is not directly related to Council's budget as any increase can be used to reduce BHP Billiton and the State Government's contribution.

Accordingly Council has consistently attempted to compare the average residential rate with the average taxable income and bench mark this ratio against metropolitan Adelaide.

Council	2003/04 Average Taxable Income (\$)	2005/06 Average Residential Rate (\$)	Ratio
Roxby Downs	58,583	1,041	1.78%
Adelaide Average	38,463	792	2.06%

Note

Above data is a guide only but suggests that current rate levels for the perceived capacity to pay of a municipality are still likely to be less than the current rate level. Regular monitoring and upgrade will be required.

Given our very high taxable income relative to these locations this ratio is still less than the average in Adelaide.

In doing so, notwithstanding that this measure only provides a "rough guide" never the less it attempts to establish our community's "capacity to pay" and thereby demonstrate to BHP Billiton and the State Government that we are as a community "paying our way" and are not expecting a handout.

In 2008/09 an increase in the total revenue raised through general rates will be required and under needs to be agreed to by BHP Billiton.

As foreshadowed in the Draft Annual Plan Council will continue to increase rates by similar levels to the previous 5 years. This will mean that the average residential rate, including garbage charge will increase by 9.8% to \$1,380 per annum. (ie \$26.54per week)

Council generally tries to ensure that the total amount of fixed charge generated equates to approximately 20% of the total rate revenue collected. This principal has been retained with a fixed charge of \$350 per property assessment.

A domestic rubbish collection will continue to be provided to residential properties on a part cost recovery basis. A charge of \$160 per annum has been set.

During the year property valuations again significantly increased. Capital value increased by some 23% overall. However, increases ranged from 14% to 59% with some unevenly distribution across various classes of property. These ranged from 14% to 59%. To avoid inequitable situations differential rates were adjusted to suit even out increases.

However, changes to actual property rates will naturally depend on individual property valuations and the differential rates adopted. Council's rating philosophy will continue to be reviewed on an annual basis and with any fundamental changes subject to full community consultation.

Valuation Method

All land within the Council area, except for land specifically exempted (e.g. crown land, Council occupied land), is rateable.

Roxby Downs Council has decided to continue to use capital value as the basis for valuing land within the Council area. The Council considers that this method of valuing land provides the fairest method of distributing the rate burden across all ratepayers.

The Council has adopted the valuations made by the SA Valuer-General as provided to the Council on 29 August 2008.

If ratepayers are dissatisfied with a property valuation, then an objection may be made to the Valuer-General in writing, **within 60 days** of receiving notice of the valuation, explaining the basis for the objection.

Provided you have not:

- previously received a notice of this valuation under the Local Government Act 1999, in which case the objection period is 60 days from the receipt of the first notice; or
- 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: objections@saugov.sa.gov.au and the telephone number is 1300 653 345. **The Council has no role in this process.**

If ratepayers believe that a particular property has been wrongly classified as to its land use, then an objection may be made to Council **within 21 days** of being notified of the land use classification.

It is important to note that the lodgement of an objection does not change the due date for payment of rates.

Rates Summary

In adopting the budget on 29 August 2008 Council decided to raise **\$2,609,883** municipal rate revenue by way of a combination of a fixed charge and differential rating for all rateable properties, plus a fixed service rate for the collection, treatment and disposal of refuse collected from occupied domestic properties as follows.

- A Fixed Charge of \$350 for all properties plus a rate in the dollar based on a property's capital value based on the designated use of land as defined in Section 10 of the Local Government (General) Regulations. Differential Rates are shown as follows:

Land Use Category	Rate in the \$ per Capital Value
Residential Land	0.2536 cents
Commercial (Shop, Office & Other)	0.6700 cents
Industry (Light & Other), Primary Production & Other	0.5600cents
Vacant Land	0.3500 cents

- A fixed garbage charge of **\$160** per annum

Residents should note that changes to actual property rates will depend on individual property valuations and the differential rates adopted. Overall amount or rate revenue also grew due to additional new residential developments.

Rate Structure & Rebates

Council annually internally reviews its rate structure and during 2008/09 this will again occur. However if significant changes are identified that may lead to some change in the rate structure then Council will prepare a report pursuant to section 151(6) of the Local Government Act.

The Local Government Act requires Councils to rebate the rates payable on some land. Specific provisions are made for land used for health services, community services, religious purposes, public cemeteries, the Royal Zoological Society and educational institutions. In 2008/09 the amount rebated totalled **\$97,709**

In addition, there is a range of Crown Land properties occupied and used by BHP Billiton which under the Local Government Act 1999 would normally be subject to the payment of rates. This includes a number of highly developed properties located at the Olympic Dam Industrial Estate. However, under the Indenture these properties are exempt from rating. The amount forgone totalled **\$215,000**.

Business Impact

The Council has considered the impact of rates on all businesses in the Council area, the equity of the distribution of the rate burden between ratepayers and Council's strong emphasis policy on facilitating local economic development, in light of current local, state and national economic conditions.

Pensioner Concessions

If you are an eligible pensioner, you may be entitled to a remission on your rates. Application forms (including information on the concessions) are available from the Council's Administration Centre or by phoning the Council on **08 8671 0010**.

It is important to note that seeking a remission does not change the due date for payment of rates.

Unemployed Persons Concessions

The Department of Human Services (DHS) 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 DHS office for details.

Payment of Rates

The Council has decided that the payment of rates will be by four (4) instalments, due on

30 September 2008	17 March 2009
16 December 2008	16 June 2009

Rates may be paid:

- By cheque sent to the Council Office PO Box 124, Richardson Place, Roxby Downs SA 5725
- By telephone, using a credit card, ring 08 8671 0010
- In person, at the Council offices, during the hours of 9.00am to 5.00pm, Monday to Friday (EFTPOS facilities are available).
- By direct debit from ratepayers' bank account.

Any ratepayer who may, or is likely to, experience difficulty with meeting the standard payment arrangements is invited to contact the Council to discuss alternative payment arrangements. All inquiries are treated confidentially.

Late Payment of Rates

The Local Government Act provides that Councils impose an initial fine of **2%** on any payment for rates, whether by installment or otherwise, that is received late. A payment that continues to be late is then charged a prescribed interest rate on the expiration of each month that it continues to be late. For the 2007/08 financial year this prescribed rate is **0.9375%** per month.

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 21 days after the issue of the final notice then the Council refers the debt to a debt collection agency for collection. Any debt collection agency charges are recoverable from ratepayers.

When the 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).

Remission and Postponement of Rates

The Local Government Act permits a Council, on the application of a ratepayer, to postpone rates or partially or wholly remit rates, on the basis of hardship. Where a ratepayer is suffering hardship in paying rates, they are invited to contact the Council to discuss the matter. Such enquiries are treated confidentially by the Council.

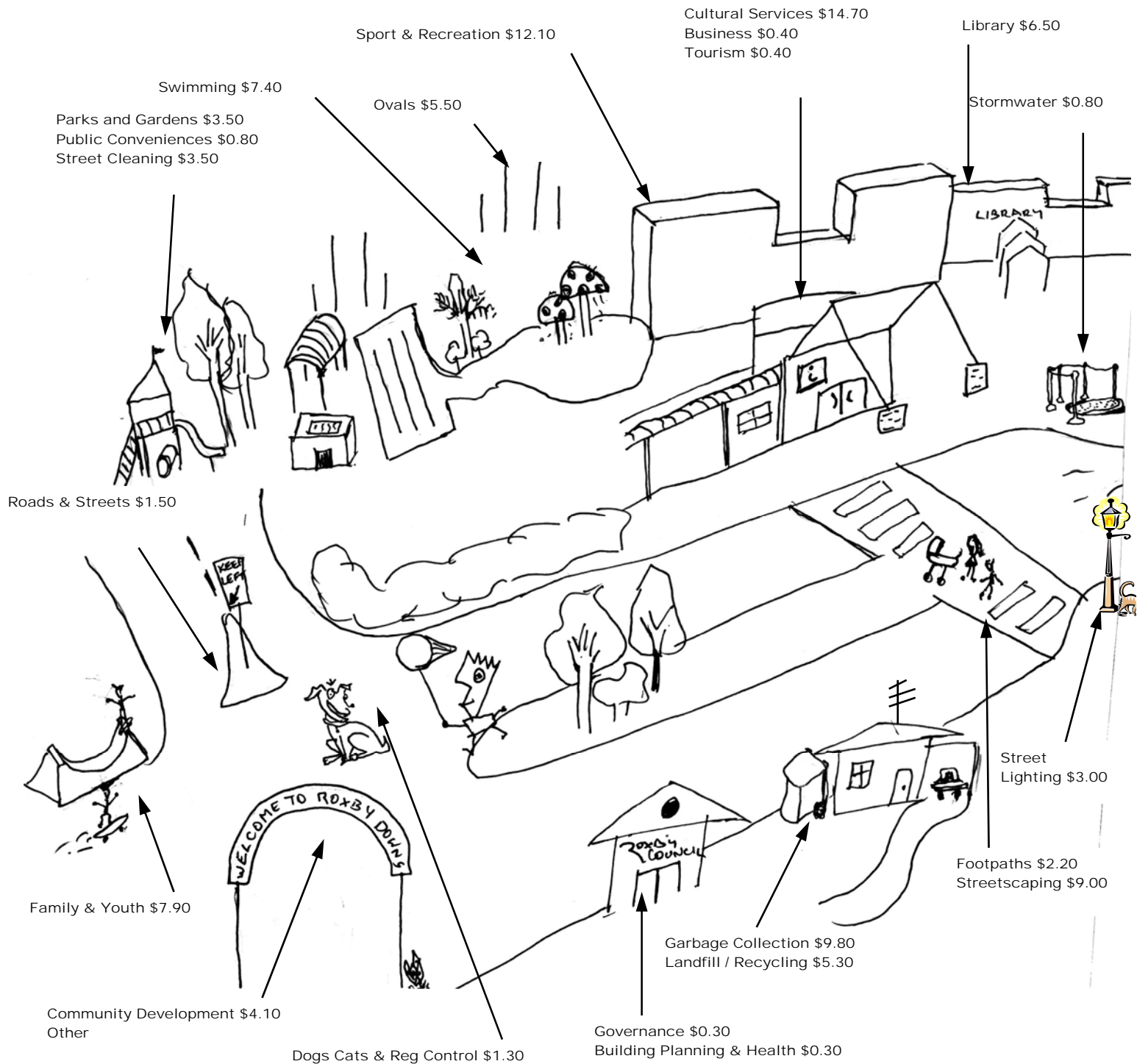
The Council has adopted a policy that where the payment of rates will cause a ratepayer demonstrable hardship, the Council is prepared to make available extended payment arrangements.

Sale of Land for Non-Payment of Rates

The Local Government Act provides that a Council may sell any property where the rates have been in arrears for three years or more. The Council is required to notify the owner of the land of its intention to sell the land if payment of the outstanding amount is not received within one month, and provide the owner with details of the outstanding amounts.

MUNICIPAL RATES - Where your rates go?

Ever thought where your "Municipal Rates" go? Below is an "approximate" expenditure breakdown for every \$100 paid in rates.



Note

1. Figures are approximate and include overheads and are intended as a guide to illustrate the complex number of services provided by Council and the areas of "Net" municipal expenditure which rates are applied. Actual expenditure can vary as a number of expenditure items are separately funded by loans, grants or from reserves and are therefore not shown in the above diagram
2. Operations for Roxby Power and Roxby Water are excluded.
3. Council's municipal rate revenue is a combination of a fixed charge and differential rating for all ratable properties, plus a fixed service rate for the collection, treatment and disposal of refuse collected from residential properties.
4. For every \$100 of rate revenue, BHP Billiton and the State Government combine to provide approximately 40% contribution through municipal deficit support.

UTILITIES

Council normally introduces changes to electricity, water and sewerage charges in January of each year. No changes to tariff structures are planned. Given the high operating costs of works in Roxby, future rises in fees and charges are anticipated. Overall amounts will also increase due to new residential developments.

Roxby Power

Council's power requirements are obtained off the National Electricity Grid from BHP Billiton. Council is licensed under the Electricity Act as a Retail and Distribution Authority. Under the Indenture, Council is exempt from the National Electricity Market but must set its tariffs in line with those that are available in Adelaide.

Whilst no major changes in tariff structure are planned, actual tariff rates will be reviewed during the year with changes, if any, coming into effect in January 2009.

Based on historical use, budget documents provide for an estimated **\$2,990,000** in electricity sales; a nominal 2.5% increase from previous tariffs.

Roxby Water

Several years ago Council undertook an extensive policy review of the methods for pricing water and sewerage services. As a result a user pays approach has been adopted.

Mindful of the high cost of water in Roxby Downs and impact on the community, Council still needs to review water and sewerage charges to ensure that as a commercial business "Roxby Water" ensures firstly that adequate allocation is made to Asset Reserves to ensure that infrastructure can be maintained in the future and that secondly adequate returns on investment are made to "municipal" shareholders.

Water

Under the Indenture, BHP Billiton is required to provide potable water to Council at a set cost that rises each year. Council then chlorinates, distributes and retails to township consumers.

In order to meet Council's Asset Maintenance obligations budget documents provide for estimated increase in water charges by a nominal 10%. Water Sales are estimated to be **\$1,967,000**. However, revenue is very much dependent on actual consumption which can vary markedly depending on the weather.

Sewerage

Sewerage charges are expected to be reviewed during the year with the current \$114 per property unit per quarter foreshadowed to increase by 10-12% from January 2009. Budget documents provide for estimated sewerage charges of **\$1,034,000**.

For residential premises, the current and likely future sewerage rate is likely to remain at levels less than charges that are applied by SA Water in Country South Australia.

USER PAY CHARGES

Council annually adopts a range of user pay charges on a range of services. These include the following:

- Roxby Leisure – expected to increase at around the “Roxby” CPI but with some rationalisation.
- Opal Road Landfill – Current Commercial Waste levy of \$15 per tonne or cubic metre will need to be reviewed and substantially increased in light of pending requirements to install a weighbridge and pay a substantially increased Waste Levy to the Environment Protection Authority.
- Statutory charges as determined by State Government. E.g. Development Act, Road Traffic Act and Cat Management Act.
- Dog Registration – Last years dog registrations increased by \$2 per category. This was the first increase for two (2) years and is still below the maximum permitted by legislation. During 2008/09 no increase has been set.

10. FURTHER INFORMATION

Further information may be obtained by contacting the Roxby Downs Council at the Council Office PO Box 98 Richardson Place Roxby Downs SA 5715 during office hours.

Phone 8671 0010, Fax 8671 0452, Email roxby@roxbycouncil.com.au

Bill Boehm
Administrator

BUDGET STATEMENTS

ROXBY DOWNS COUNCIL
2008/09 BUDGET STATEMENTS

Forecast	Budget
2007/08	2008/09
\$000's	\$000's

INCOME STATEMENT

Income		
Rates	2,088	2,624
Statutory Charges	146	109
User Charges	7,008	7,378
Grants subsidies and contributions	1,364	1,059
Investment Income	124	120
Reimbursements	51	56
Other Revenues	38	22
Share of loss - joint ventures & associates	0	0
Total Revenue	10,820	11,369
Expenses		
Employee Costs	1,314	1,491
Materials contracts & other expenses	8,349	9,583
Finance Costs	0	0
Depreciation amortisation & impairment	1,665	1,955
Share of profit - joint ventures & associates	0	0
Total Expenses	11,182	13,029
TOTAL OPERATING SURPLUS / (DEFICIT) BEFORE CAPITAL	(362)	(1,660)
Net gain (loss) on disposal or revaluation of assets	0	0
Amounts specifically for new or upgraded assets	449	541
Physical Resources Received Free of Charge	12,602	0
NET SURPLUS / (DEFICIT)	12,689	(1,119)

NOTES

<i>Operating portion of municipal deficit included in the Income Statement</i>	1,029	1,059
<i>Capital portion of municipal deficit not included in the Income Statement</i>	421	541
Total Municipal Deficit	1,450	1,600

Income Statement is a consolidated summary of Council's operations and has been prepared on the basis that Council receives the above municipal deficit support by BHP Billiton & the State Government under the Roxby Downs (Indenture Ratification) Act 1982. Separate funding arrangements and restrictions under the the Indenture for the operations of the Council's Municipal Operation, Roxby Power and Roxby Water also need to be acknowledged.

SECTION 5B(b) OPERATING INCOME EXPENDITURE STATEMENT

The projected operating income is **NOT** sufficient to meet projected operating expenses for the 2008/09 Financial Year. This is highlighted by the above amounts of operating surplus / (deficit) before Capital Amounts.

ROXBY DOWNS COUNCIL
2008/09 BUDGET STATEMENTS

Forecast	Budget
2007/08	2008/09
\$000's	\$000's

BALANCE SHEET

ASSETS

Current Assets

Cash & Cash Equivalents	2,470	2,500
Trade & Other Receivables	2,560	2,500
Other Financial Assets	0	0
Inventories	0	0
	5,030	5,000

Non-Current Assets held for sale	0	0
Total Current Assets	5,030	5,000

Non-Current Assets

Financial Assets	0	0
Equity Accounted investments in Council businesses	0	0
Investment Property	0	0
Infrastructure, property, plant & equipment	42,859	40,904
	42,859	40,904

Total Non-Current Assets	42,859	40,904
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Total Assets	47,889	45,904
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LIABILITIES

Current Liabilities

Trades & other payables	0	0
Borrowings	2,500	2,500
Short Term Provisions	31	0
Other Other Current Liabilities	0	0
	2,531	2,500

Liabilities relating to Non Current Assets held for sale	0	0
Total Current Liabilities	2,531	2,500

Non-Current Liabilities

Trade & Other Payables	0	0
Long Term Borrowings	6	0
Long Term Provisions	39	45
Other Non Current Liabilities	0	0
	45	45

Total Non-Current Liabilities	45	45
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Total Liabilities	2,576	2,545
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NET ASSETS	45,313	43,359
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EQUITY

Accumulated Surplus	26,711	26,946
Asset Revaluation Reserve	31,557	31,557
Other Reserves	5,356	4,002
	63,624	62,505

TOTAL EQUITY

ROXBY DOWNS COUNCIL
2008/09 BUDGET STATEMENTS

Forecast 2007/08 \$000's	Budget 2008/09 \$000's
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STATEMENT OF CHANGES IN EQUITY

ACCUMULATED SURPLUS		
Balance at end of previous reporting period	14,433	26,711
Net result for Year	12,689	(1,119)
Transfer to Reserves	(1,046)	(790)
Transfer from Reserves	634	2,144
Balance at end of period	26,711	26,946
 ASSET REVALUATION RESERVE		
Balance at end of previous reporting period	31,557	31,557
Gain on revaluation of infrastructure, property plant & equipment	0	0
Transfer to accumulated surplus on sale of infrastructure, property, plan & equipment	0	0
Balance at end of period	31,557	31,557
 OTHER RESERVES		
Balance at end of previous reporting period	4,945	5,356
Transfers from Accumulated Surplus	(634)	(2,144)
Transfers to Accumulated Surplus	1,046	790
Balance at end of period	5,356	4,002
 TOTAL EQUITY AT END OF REPORTING PERIOD	 63,624	 62,505
 <i>Total of all revenues recognised directly in equity</i>	 0	 0
<i>Total of all expenses recognised directly in equity</i>	 0	 0
NET CHANGE IN EQUITY	 0	 0

ROXBY DOWNS COUNCIL
2008/09 BUDGET STATEMENTS

Forecast 2007/08 \$000's	Budget 2008/09 \$000's
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STATEMENT OF CASH FLOWS

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts

Operating receipts	15,666	16,249
Investment receipts	124	120

Payments

Operating payments to suppliers & employees	(9,517)	(11,073)
Finance payments	0	0

Net Cash provided by (or used in) Operating Activities	6,273	5,295
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CASH FLOWS FROM INVESTING ACTIVITIES

Grants specifically for new or upgraded assets	28	0
Sale of replaced assets	45	45
Sale of surplus assets	0	0
Sale of investment property	0	0
Net disposal of investment securities	0	0
Sale of real estate developments	0	0
Repayments of loans by community groups	0	0
Distributions received from associated entities	0	0

Payments

Expenditure on renewal/replacement of assets	(1,033)	(1,753)
Expenditure on new/upgraded assets	(207)	(711)
Purchase of investment property	0	0
Net purchase on investment securities	0	0
Development of real estate for sale	0	0
Loans made to community groups	0	0
Capital contributed to associated entities	0	0

Net Cash provided (or used in) Investing Activities	(1,167)	(2,419)
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CASH FLOWS FROM FINANCING ACTIVITIES

Receipts

Proceeds from Borrowings	0	0
Proceeds from Aged Care Facilities	0	0

Payments

Repayments of Borrowings	0	0
Repayment of Finance Lease Liabilities	0	0
Repayment of Aged Care Facility deposits	0	0

Net Cash provided by (or used in) Financing Activities	0	0
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Net Increase / (Decrease) in cash held	5,106	2,876
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Cash & equivalents at beginning of period	2,536	7,642
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Cash & equivalents at end of period	7,642	10,518
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ROXBY DOWNS COUNCIL
2008/09 BUDGET STATEMENTS

Forecast 2007/08 \$000's	Budget 2008/09 \$000's
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Note 15 - FINANCIAL INDICATORS

Operating Surplus	(362)	(1,660)
<i>Being the operating surplus (deficit) before capital amounts</i>		
Operating Surplus Ratio	-17%	-63%
<i>Being the operating surplus (deficit) as a percentage of general & garbage rates</i>		
Net Financial Liabilities	(7,606)	(7,545)
<i>Being the total liabilities less financial assets (excluding equity accounted investments in Council businesses)</i>		
Net Financial Liabilities Ratio	70%	66%
Interest Cover Ratio		
<i>Finance Costs less investment income divided by total operating revenue</i>		
	-1%	-1%
Asset Sustainability Ratio		
<i>Capital expenses on renewal/ replacement assets less sale of replaced assets divided by depreciation</i>		
	65%	92%
Asset Consumption Ratio		
<i>Asset Consumption Ratio</i>		

Note 16 - UNIFORM PRESENTATION OF FINANCES

Operating Revenues	10,820	11,369
less Operating Expenses	(11,182)	(13,029)
Operating Deficit / (Surplus) before Capital Amounts	(362)	(1,660)
less Net Outlays on Existing Assets:		
Capital Expenditure on renewal & replacement of existing assets	1,033	1,753
less Depreciation	(1,665)	(1,955)
less Proceeds from sale of replaced assets	(45)	(45)
	(677)	(247)
less Net outlays on new and upgraded assets		
Capital Expenditure on new or upgraded assets	(207)	(711)
less Amounts received specifically for new & upgraded assets	0	0
less Proceeds from sale of surplus assets	0	0
	324	(711)
Net Lending / (Borrowing) for Financial Year	(1,231)	(702)

Notes 15 & 16 are a consolidated summary of Council's operations. Separate funding arrangements and restrictions under the the Indenture for the operations of the Council's Municipal Operation, Roxby Power and Roxby Water need to be recognised.