



**DISTRICT COUNCIL OF COOPER PEEDY**

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**ANNUAL STATEMENT AND BUDGET  
STRUCTURE**

**2006 - 2007**

**Pursuant to Section 123 of the Local Government Act 1999**

**Adopted: 25<sup>th</sup> July 2006**

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**DISTRICT COUNCIL OF COOBER PEDY**

**ANNUAL STATEMENT 2006-2007**

**ANNUAL STATEMENT AND BUDGET STRUCTURE 2006-2007**

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In accordance with Section 123(3) of the Local Government Act, 1999:

“A Council must also prepare, as part of its budget or in association with the preparation of its budget, a statement (known as the annual statement) which addresses:

- (a) the activities that the Council intends to undertake in the ensuing year to achieve its objectives; and
- (b) the measures (financial and non-financial) that the Council will use to assess its performance against its objectives.”

The Annual Budget structure follows a program budgeting format within the broad headings of:

- Revenue
- Expenditure Operating
- Expenditure Capital

**Operating Expenditure Service Areas**

There are 7 Operating Expenditure Service Areas representing the broad activities of Council. Service Areas provide Elected Members and readers with a clearer focus on the organisation’s services and projects (eg outputs) provided by Council.

Within this section are detailed the Operating Expenditure Service Areas as well as the Revenue and Capital Expenditures of Council for the 2006-2007 year.

**Budget Areas**

Within each high level Service Area is detailed the various Program Areas which define at a lower level the activities or functions performed within a Program Area. This approach is designed to more clearly define the cost of activities so that a cost/benefit analysis of functions can be undertaken and/or understood.

The following information provides a summary of Council’s Service and Program Areas for revenue, operating expenditure and capital expenditure.

## **BUDGET AREAS 2006-2007**

### **Revenue**

#### **Administration**

- Rates Raised
- Grants Commission
- General Purpose Funding

#### **Electricity Supply**

- Domestic Sales
- Commercial Sales
- Supply Charge
- Energy SA Subsidy

#### **Water Supply**

- Domestic Sales
- Commercial Sales
- Internal sales
- Water Access Charge

#### **Sewerage Supply**

- Wastewater Sales
- Sewerage Rates

#### **Works Department**

- Sanitation & Garbage
- Quarry Sales
- Roads to Recovery Grant
- Private Works
- Aerodrome Landing Fees
- Tip Fees
- Cemetery Fees
- Council Housing Rent

#### **Community Services**

- Swimming Pool Entry Fees
- Development Act Fees
- Tourism Grants
- Economic Development Grants
- Aged Care Units Rent
- Library Grant
- Dog Control Fees
- Child Care Services
- Child Care Links Project

## **BUDGET AREAS 2006-2007**

### *Expenditure*

#### **Governance**

- Elected Members
- Organisational

#### **Administration Support Services**

- Accounting and Finance
- Payroll
- Rates Administration
- Human Resources and OH&S
- Information Technology
- Communication
- Occupancy
- Records Management

#### **Electricity Supply**

- Generation
- Distribution
- Billing Services

#### **Water Supply**

- Bore Maintenance
- Pipeline Maintenance
- Treatment Plant
- Distribution
- Billing Services

#### **Sewerage Supply**

- Treatment Plant
- Mains Maintenance

#### **Works Department**

- Parks & Gardens
- Cemetery
- Refuse Collection
- Rubbish dump
- Council Housing
- Sport & Recreation
- Roads, Footpaths & Kerbing
- Aerodrome
- Plant Operations
- Other Works

## **BUDGET AREAS 2006-2007**

### ***Expenditure Cont.***

#### **Community Services**

- Community Donations
- Swimming Pool
- Town Planning
- Town Building
- Tourism
- Economic Development
- Aged Care Housing
- Environmental Health Services
- Library
- Dog Control
- Child Care Services
- Child Care Links project

#### **Capital Expenditure**

- Governance
- Administration
- Electricity Supply
- Water Supply
- Roads
- Plant
- Works Depot
- Repayment of Loan Principal

## **BUDGET SUMMARY AND ANALYSIS 2006 - 2007**

### **Summary**

The adopted Budget for 2006-2007 compared with 2005-2006 is summarized as follows:

	<b>2006-2007</b>	<b>2005-2006</b>
OPERATING REVENUE	12,227,229	10,720,594
Less		
OPERATING EXPENDITURE	-11,112,818	-9,613,373
<b>OPERATING DEFICIT/SURPLUS</b>	<b>1,114,411</b>	<b>1,107,221</b>
Plus		
NON-OPERATING REVENUE (Loans)	0	230,000
CAPITAL REVENUE	0	0
Less		
NON OPERATING EXPENDITURE	-298,013	-339,955
CAPITAL EXPENDITURE	-731,150	-588,491
<b>BUDGETED DEFICIT/SURPLUS</b>	<b>85,248</b>	<b>408,775</b>

At the end of this Statement the following are provided for further information:

#### **Statutory Budget Statements**

1. Rate Determination Statement
2. Operating Statement
3. Statement of Financial Position
4. Cash Flow Statement
5. Statement of Changes in Equity
6. Rating Policy

## **Operating Budget**

The operating budget (excluding depreciation) may be summarized as follows:

	<b>Budget 2006-2007</b>	<b>Budget 2005-2006</b>
OPERATING REVENUE	10,931,428	10,720,594
OPERATING EXPENDITURE	9,817,017	9,613,373
<b>SURPLUS</b>	1,114,411	1,107,221
CAPITAL REVENUE	0	0
NET SURPLUS RESULTING FROM OPERATIONS (EXCLUDING DEPRECIATION)	1,114,411	1,107,221

## **Assumptions**

### **Salaries and Wages**

- (a) an allowance of 4.6% per employee has been allowed as increases for salaries and wages from enterprise bargaining negotiations for all employees as from 1<sup>st</sup> July, 2006.

### **Superannuation**

Contributory Members	9%	(2005-2006 9%)
Non- Contributory Members	9%	(2005-2006 9%)

### **Workers Compensation**

Workers Compensation Insurance is based on 4.50% of salary and related payments.

### **CPI**

Inflation was estimated at 3.1% (Adelaide) based on information from various sources at the commencement of the budget cycle.

## **Major Factors Underlying the Operating Budget**

Factors underlying the increase in **operating expenditure** are:

- \* matters referred to in Assumptions i.e.
  - Salaries and Wages
  - Superannuation
- \* Insurance contribution increases
- \* Managers have been very frugal in their budget estimates

The major factors underlying the increase in **operating income** are:

- \* Increase in rate revenue of \$29,441 or 3.1% on Capital Value and \$5 on Fixed Charge resulting from CPI related increases and debt servicing costs.



## Capital Budget

The components of the Capital Budget in gross expenditure terms are as follows:

	2006-2007	2005-2006
Capital Works	731,150	588,491
Less Capital Revenue	105,000	0
TOTAL	626,150	588,491

The 2006-2007 figures for Capital Works include:

- Replacement Vehicles \$58,000
- New Works Supervisor Vehicle \$21,000
- Roads to Recovery V2 \$105,000
- Telephone System Upgrade \$45,000
- Data Connectivity Upgrade \$52,000
- Hutchison Street Artwork \$10,000
- New Backhoe for Water Supply \$143,000
- New Sewerage Mains \$38,150
- Roller for Grader \$25,000
- New Crib room for outside departments \$50,000
- Distribution Upgrade \$120,000
- Software Upgrade \$45,000
- Footpath/Paving-Hutchison Street \$19,000

Most of the above capital projects will be funded from appropriations and/or other external funding sources.