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**DISTRICT COUNCIL OF COOPER PEDY**

**ANNUAL STATEMENT AND BUDGET  
STRUCTURE**

**2005/2006**

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

**Adopted: 4 July 2005**

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**DISTRICT COUNCIL OF COOBER PEDY**

**ANNUAL STATEMENT 2005/2006**

**ANNUAL STATEMENT AND BUDGET STRUCTURE 2005/2006**

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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 2005/2006 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.

**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

**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

**Expenditure Cont.**

**Community Services**

Community Grants  
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  
Dog Pound  
Repayment of Loan Principal

## BUDGET SUMMARY AND ANALYSIS 2005/2006

### Summary

The adopted Budget for 2005/2006 compared with 2004/2005 is summarized as follows:

	<b>2005/2006</b>	<b>2004/2005</b>
OPERATING REVENUE	10,720,594	10,310,081
Less		
OPERATING EXPENDITURE	-9,613,373	-9,138,347
<b>OPERATING DEFICIT/SURPLUS</b>	<b>1,107,221</b>	<b>1,171,734</b>
Plus		
NON-OPERATING REVENUE (Loans)	230,000	0
CAPITAL REVENUE	0	136,455
Less		
NON OPERATING EXPENDITURE	-339,955	-758,488
CAPITAL EXPENDITURE	-588,491	-527,359
<b>BUDGETED DEFICIT/SURPLUS</b>	<b>408,775</b>	<b>22,342</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

## **BUDGET 2005/2006**

### **Operating Budget**

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

	<b>Budget 2005/2006</b>	<b>Budget 2004/2005</b>
OPERATING REVENUE	10,720,594	10,310,081
OPERATING EXPENDITURE	-9,613,373	9,138,347
<b>SURPLUS</b>	1,107,221	1,171,734
CAPITAL REVENUE	0	136,455
NET SURPLUS RESULTING FROM OPERATIONS (EXCLUDING DEPRECIATION)	1,107,221	1,308,189

### **Assumptions**

#### **Salaries and Wages**

- (a) an allowance of 3.9% 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, 2005.

#### **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 2.4% (National) 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 \$22,829 or 2.4% on Capital Value and \$5 on Fixed Charge resulting from CPI related increases and debt servicing costs.



## BUDGET 2005/2006

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### Capital Budget

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

	2005/2006	2004/2005
Capital Works	588,491	527,359
Less Capital Revenue	0	136,455
<b>TOTAL</b>	<b>588,491</b>	<b>390,904</b>

The 2005/06 figures for Capital Works include:

- Road Sealing-Halliday Place \$41,000
- Completion of Dog Pound Construction \$ 5,000
- Sealed Road Resealing \$26,000
- Roads to Recovery #2 \$35,000
- Works Depot Laptop \$ 1,750
- Software for Road & Services Design \$10,000
- Electricity Software upgrade \$40,000
- New Computer Servers and Workstations \$74,710
- New Public Toilet \$90,000
- Sewerage Mains Extension \$26,863
- Street Sweeper \$50,000
- Water Truck \$50,000
- Rubbish Compactor \$108,000
- Skip Bins \$ 5,500
- Carport Works Depot \$ 4,000

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