ROXBY COUNCIL

2025-2026

ANNUAL BUSINESS PLAN & BUDGET



(08) 8671 0010
www.roxbydowns.sa.gov.au/

ACKNOWLEDGEMENT OF COUNTRY

The Municipal Council of Roxby Downs acknowledge the Kokatha peoples, the traditional owners of the land and pay respect to their Elders past and present and extend that respect to other Aboriginal and Torres Strait Islander people.

We have a responsibility to listen, learn and walk alongside Aboriginal and Torres Strait Islander peoples to enable our activities to support ongoing connection to their lands, waters, cultures, languages and traditions. We deeply respect and value Aboriginal and Torres Strait Islander custodianship of this land of 65,000 years and beyond.

FOR THE MUNICIPAL COUNCIL OF ROXBY DOWNS, THE ANNUAL BUSINESS PLAN AND BUDGET IS JUST ONE OF THE KEY DOCUMENTS IN OUR STRATEGIC PLANNING FRAMEWORK. IT SETS OUT OUR PROJECTS, SERVICES AND PROGRAMS FOR THE FINANCIAL YEAR AND HOW WE INTEND TO FINANCE THEM.

The Annual Business Plan and Budget is developed through the process of staff, community and stakeholder consultation and review.

Our budget not only supports our long-term financial goals but also aligns with key strategic initiatives, including the:

- Strategic Plan
- Long-Term Financial Plan
- Infrastructure and Asset Management Plan

Designed to meet the legislative requirements of the *Roxby Downs (Indenture Ratification) Act 1982* and the *Local Government Act 1999*, the Annual Business Plan & Budget ensures we are on track to create a sustainable and thriving future for our community.

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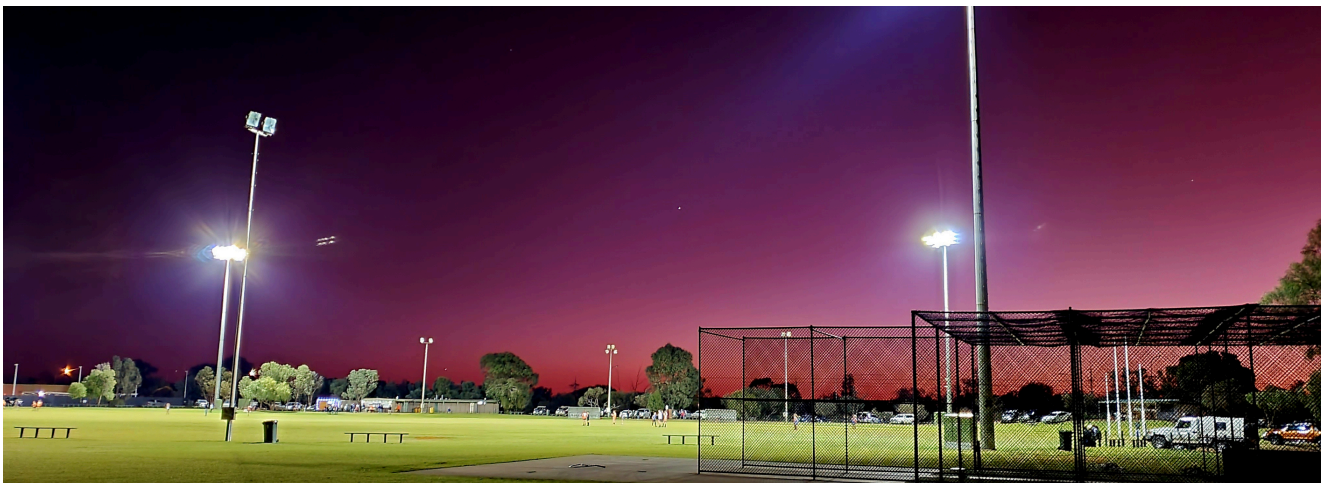
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About Roxby Council

In South Australian Local Government terms, Roxby Council is unique. Created and operating under the *Roxby Downs (Indenture Ratification) Act 1982*, Council operates with all the powers, functions and duties of a South Australian Local Government Authority, with a number of notable exceptions:



External contractors carry out our construction, power services and , horticulture and waste management functions.

The facilities and infrastructure in Roxby Downs are of high quality and high standard. The Council operates a wide range of municipal services including roads, streets, footpaths, parks and gardens and waste management.

The Council also operates various sport and recreational facilities including Roxby Link (Cultural and Leisure Centre), swimming pools, community ovals and associated buildings. Council also operates Electricity (Roxby Power) and Water (Roxby Water) business units including associated infrastructure.

Our Aspiration, Values and Guiding Principles

OUR ASPIRATION

Australia's most highly regarded mining town.

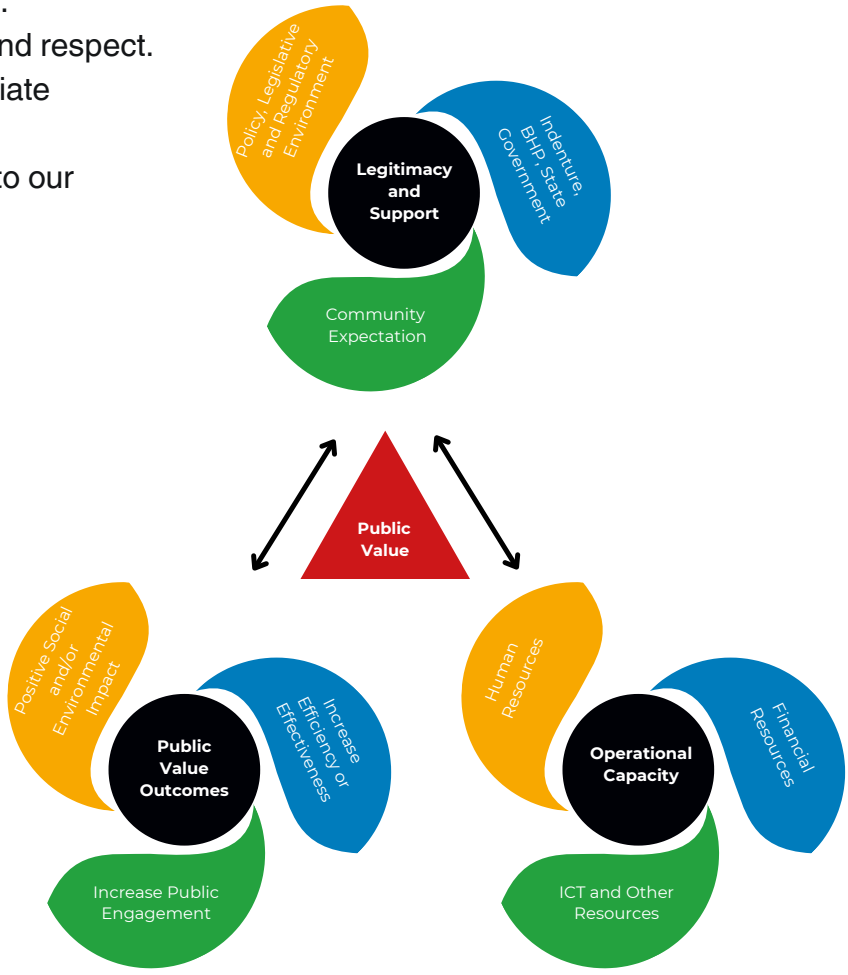
OUR PURPOSE

To work with the Community to plan, develop and create a township environment that is engaging, and enriches the lives of the Community.

OUR VALUES AND PRINCIPLES

As an organisation we:

- Act with integrity and take ownership of, and responsibility for our decisions.
- Treat everyone with fairness and respect. We value diversity and appreciate everyone's strengths.
- Take pride in delivering value to our community.
- Engage with our community through collaboration, understanding and inclusivity.
- Strive for continuous improvement in all our operations and seek creative solutions.
- Meet the changing needs and priorities of our community and continue to build organisational and community resilience.
- Adopt the public value model in our decision making, as depicted in the following figure.



Adapted from Mark Moore (1995) Creating Public Value: Strategic Management in Government

Meet Our Executives

Roy Blight and Brian Carr bring extensive leadership experience in local government, business, and economic development, contributing significantly to the strategic direction and governance of Roxby Council.

Roy Blight commenced as Chief Executive of the Municipal Council of Roxby Downs in July 2017 and was appointed Administrator on 1 June 2025 following the retirement of Geoff Whitbread. As Chief Executive, Roy provided oversight of Council's support role for BHP Copper SA's Olympic Dam operations. Holding a Bachelor of Business from the University of South Australia and a Diploma in Local Government Administration, Roy has devoted his career to leading rural and regional Councils across South Australia. His expertise spans economic development, infrastructure delivery, and community engagement, with experience in local government areas including Clare & Gilbert Valleys, Adelaide Hills, Gawler, Light, Wakefield Plains, and Murray Bridge. From 2002 to 2007, Roy also served as CEO of Barossa & Light Development Inc., working across Federal, State, and Local Governments to foster regional economic growth.

Brian Carr was appointed Interim Chief Executive of Roxby Council in June 2025, following Roy Blight's transition to the role of Administrator. With over 40 years' experience as a CEO in Local Government, Brian is recognised as an inspirational leader with a strong track record of delivering innovative, high-impact outcomes. His most recent tenure as CEO of Light Regional Council (2007–2022) was marked by nationally and internationally recognised achievements in regional development, infrastructure, and community planning.

Together, Roy and Brian offer a depth of knowledge and proven leadership in governance, economic development, and strategic planning — positioning Roxby Council to deliver strong outcomes for the community and region.



Roy Blight
Administrator



Brian Carr
Chief Executive

Council Organisational Structure





OFFICE OF THE CHIEF EXECUTIVE

- Accounting and Finance
- Financial Statements
- Asset Management Plan
- Business Plan and Budget
- Long Term Financial Plan
- Power and Water Billing
- Rates Administration
- Procurement
- Civic Events and Functions
- Communications and Media
- Council Meetings
- Governance
- Insurance
- Risk Management
- Workplace Health and Safety
- Internal Audits
- Records Management
- Strategic Management Plans
- Customer Service
- Business Support
- Human Resource Strategy
- ICT (Information Technology)
- Buildings, Assets & Infrastructure
- Disaster/Incident Response
- Emergency Management
- Regulatory and Compliance
- Planning & Development

LIFESTYLE SPORT AND COMMUNITY
Verity Hollobone

- Alcohol Licensing & Permits
- Arts and Culture
- Community Board
- Community Development
- Community Leases and Licenses
- Community Library
- Recreation Grounds
- Roxby Link Complex
- Roxby Junior Sports Academy
- Visitor Information Services
- Volunteers
- Youth

ESSENTIAL SERVICES AND ASSETS
Greg Mason

- Waste Management
- Civil Works
- Town Presentation & Horticulture
- Environment
- Power & Water Infrastructure

Intoduction to the Annual Business Plan & Budget 2025-2026

The Annual Business Plan and Budget for Roxby Council covers the period 1 July 2025 to 30 June 2026.

The plan was prepared for community consultation in Roxby Downs together with key stakeholders; the Department for Energy & Mining, and BHP Copper SA. The plan is consistent with the reporting on sustainability provided by ESCOSA.

The 2025–26 Annual Business Plan is designed to ensure the financial sustainability of community infrastructure and the continued delivery of community services. The plan has been developed in alignment with the Long-Term Financial Plan (LTFP) and the Infrastructure and Asset Management Plan (IAMP).

The LTFP shows an ongoing reduction in operational surplus, this highlights the reliance on higher interest rates received on high levels of investment funds. It also highlights that rate revenue has previously been subsidised to maintain a balanced budget without accumulating excessive surpluses.

To address these financial forecasts, Council will implement efficiency measures and conduct service reviews, with outcomes to be shared as part of the community consultation process and ongoing stakeholder engagement.

For 2025–26, the plan:

- Includes a 3.2% increase in rate revenue, consistent with the LTFP; and
- Forecasts an operating surplus of $483,180.

Following a review of feedback received through public consultation and stakeholder engagement, Council determined that no significant changes were required to the proposed budget prior to its adoption.



Roy Blight
Administrator

Annual Business Plan and Budget 2025-2026 Snapshot

The Annual Business Plan and Budget 2025–2026 set out what we will deliver throughout the 2025-2026 financial year, and how it will be funded.

Council's Strategic Plan sets the direction for our operational activities and priorities. This forward-looking approach ensures that sustainability and resilience remain central to decision-making, positioning Roxby Downs for a strong and future-ready community.

To make the goals of our Strategic Plan a reality, our investment decisions are guided by the Long-Term Financial Plan and Infrastructure and Asset Management Plan. Both plans have been revised with particular emphasis on analysing Council's business units and understanding how they contribute to the overall organisation.

We will use this year's budget to deliver programs, services, and projects across the town. The Annual Business Plan and Budget provides the details of these programs, services and projects.

RATES INCREASE

Council adopted a rate increase of 3.2%. This aligned with the RBA Forecast of Consumer Price Index (CPI) of 3.2% for the year to 30 June 2026 and the forecasts contained within the Councils Long-Term Financial Plan.

PROJECTS AND MAINTENANCE

Focus on asset renewal and maintenance of our existing assets. Additional new projects will be reviewed for their benefit to the community.

PRUDENT BUDGET

Council remains committed to responsible financial management, particularly in the context of ongoing global and domestic economic challenges, including inflation.

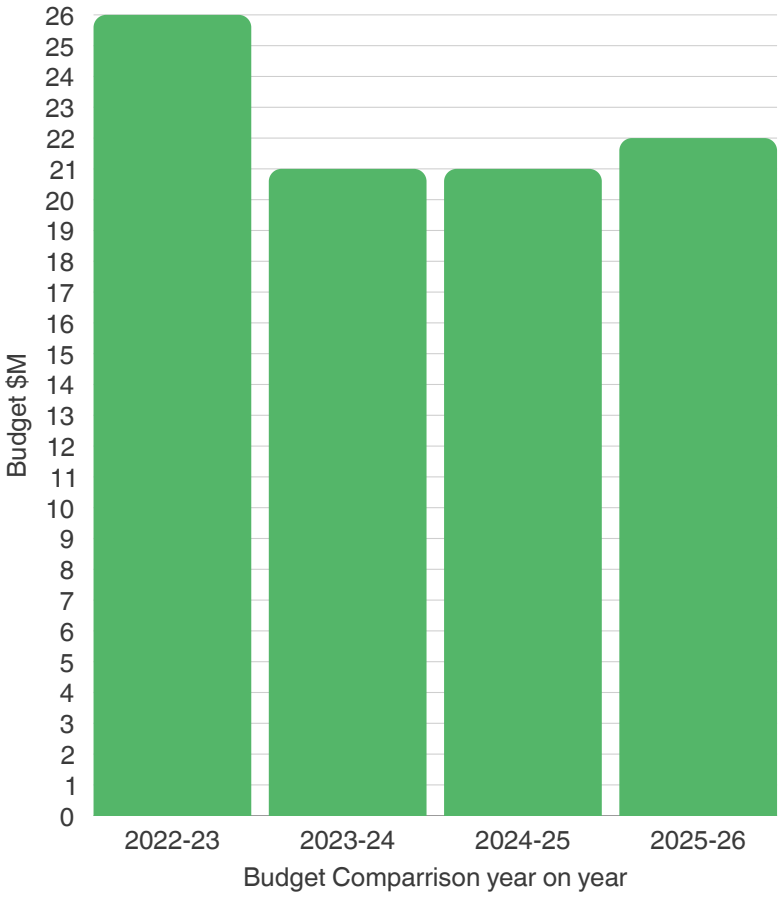
All changes in expenditure have been carefully aligned with forecasted price increases and planned adjustments to service delivery levels, ensuring that resources are managed effectively and sustainably.

EFFECTIVE SERVICE DELIVERY

Continual monitoring of service delivery, including community programs and events, to improve the quality, efficiency, and benefit to the Community of these services.

This Year's Budget

2025-2026 BUDGET $21.7M



WHERE DOES THE MONEY COME FROM?

Council funds the budget through a mixture of rates, state and federal grants, user charges and other sources. **See page 54** for more details.

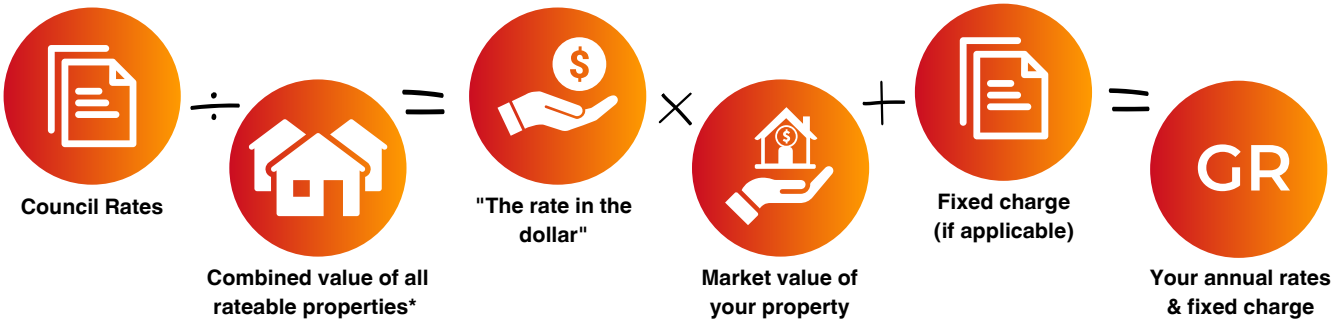
HOW IS THE MONEY SPENT?

We prioritise services, programs and projects across our delivery areas. **See pages 23 - 27 for more details**

HOW ARE THE RATES CALCULATED?

Once the Council establishes the revenue required to fund its operations for the year, it uses a number of factors to allocate it across ratepayers including property valuations. **See page 55** for more information.

HOW GENERAL RATES AND CHARGES ARE CALCULATED



**Based on the SA Valuer General Valuation on properties.*

Strategic Direction

Roxby Council's Strategic Plan 2021 – 2025, Infrastructure and Asset Management Plan and Long-term Financial Plan outline the future objectives and priorities for the community. These plans, alongside the Annual Business Plan and Budget, determine the infrastructure priorities and the range of services Council will seek to provide in the Community.

The remote location of Roxby Downs in South Australia's outback, high level of transient population (an average 20% changeover per year is experienced) and interdependence with BHP's Olympic Dam operations mean there are many external influences outside of Council's control. Having a flexible plan that accommodates shifting priorities is critical for success.

In Roxby Downs we recognise that change is a constant. As a result, Council needs to be a flexible, responsive, and resilient organisation.

The community's unique demographic composition, with a high number of children and young people and low numbers of elderly citizens, means there is a corresponding focus on facilities and services for younger age groups. However, Council recognises the importance of addressing the needs of all people in our community and continues to develop appropriate programs and facilities that cater for all ages and interests.

Leadership and Governance

Communication

Economic Development





Environment and Sustainability

Community Vibrancy





Infrastructure and Essential Services

Community Development





Health and Wellbeing

Strategic Planning

INFRASTRUCTURE AND ASSET MANAGEMENT PLAN (IAMP) 2025-2034

Council's Infrastructure and Asset Management Plan provides the strategy to manage, renew and replace assets, valued at $207M. The Plan identifies Council's current asset base, considers current and desired levels of service and provides financial projections for the management of assets for a rolling ten-year period. The capital costs identified by the Plan are provided in the Capital Works Program, reflected in the Long-Term Financial Plan and then in turn, the Annual Business Plan and Annual Budget.

Infrastructure and Asset Management Planning

This plan is applied at a network level to determine how we maintain current levels of services, determine our forward replacement programs, and calculate the associated cash flow projections.

Council needs to spend an average of $1.5M each year over the next 10 years on asset renewal and $1.9M on maintenance and operating to ensure its infrastructure is maintained to current service level standards.

LONG-TERM FINANCIAL PLAN (LTFP) 2025/26 - 2034/35

Council has reviewed the LTFP for the period 2025-26 through to 2034-35.

Roxby Council operates under the powers of the *Roxby Downs (Indenture Ratification) Act 1982* and the *Local Government Act 1999*. The provisions of the Indenture Act determine the financial parameters of the Council, with provisions to exclusively reticulate and retail power and water within Roxby Downs, in addition to traditional local government property rating capacity.

Currently the Department for Energy and Mining and BHP each contribute funding of $300,000 per annum towards the cost of providing municipal services to Roxby Downs. Roxby Water also pays a dividend to the Municipal Account of $1.05M annually reflecting the rate of return on capital invested.

In 2025-2026 Council will be analysing the costs associated with each of the Council's business units (Roxby Power, Roxby Water, Roxby Link and Municipal services) to ensure the correct pricing structure that is equitable for each service provider as well as understanding how each contributes to the consolidated operating result of the Council.

The Water and Power businesses continue to operate at a surplus, supporting the Municipal operating deficit.

The budgeted depreciation for 2025-26 for the Municipal business unit is $2,201,093.

Financial Sustainability

A Council is financially sustainable where planned long-term services and infrastructure levels and standards are met without unplanned increases in rates or disruptive cuts to services.

FINANCIAL INDICATORS

Three ratios have been developed by the local government sector as a simple way of indicating the extent to which the Council is financially sustainable.

Council's Budget Management Policy determines the targets that should be achieved in the development of the Annual Business Plan & Budget.

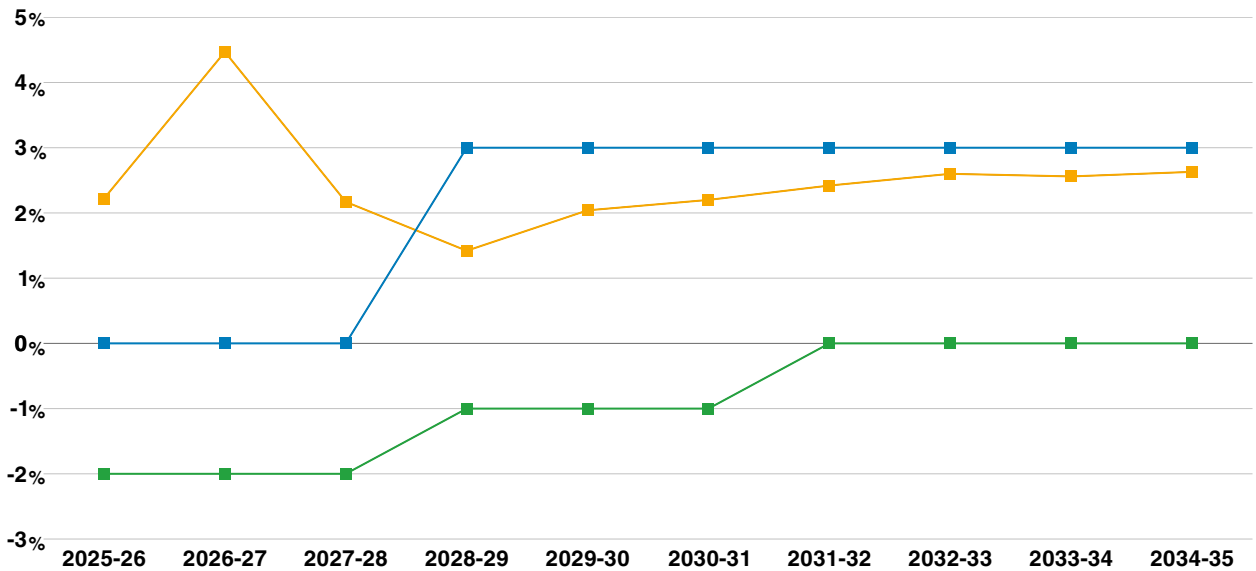
THE THREE RATIOS

Operating Surplus/Deficit Ratio

A Council is financially sustainable if it achieves a positive ratio over time. The desired level is between 0% and 10% on average over the long term. A short-term operating deficit may be acceptable; however, it should not occur continuously over time.

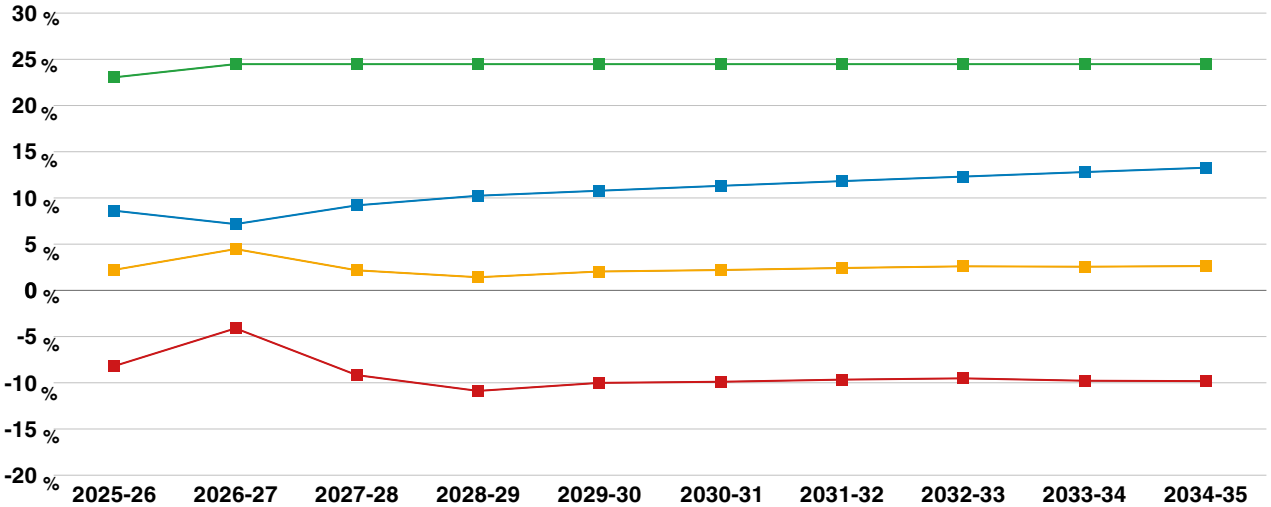
With Council setting its rate increase at 3.2% it anticipates an operating surplus/deficit ratio of a 2.22% which is within target. The Council continues to hold no debt and adequate cash reserves, with capacity to meet future funding requirements.

OPERATING SURPLUS / DEFICIT RATIO



	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
Forecast Ratio	2.22%	4.47%	2.17%	1.42%	2.04%	2.20%	2.42%	2.60%	2.56%	2.63%
Max Target	0.00%	0.00%	0.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Min Target	-2.00%	-2.00%	-2.00%	-1.00%	-1.00%	-1.00%	0.00%	0.00%	0.00%	0.00%

OPERATING SUPRLUS/DEFICIT BY BUSINESS UNIT



	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
Municipal	-8.19%	-4.11%	-9.17%	-10.88%	-10.01%	-9.89%	-9.66%	-9.52%	-9.78%	-9.82%
Power	23.05%	24.48%	24.48%	24.48%	24.48%	24.48%	24.48%	24.48%	24.48%	24.48%
Water	8.62%	7.17%	9.20%	10.24%	10.78%	11.31%	11.82%	12.31%	12.80%	13.27%
Consolidated	2.22%	4.47%	2.17%	1.42%	2.04%	2.20%	2.42%	2.60%	2.56%	2.63%

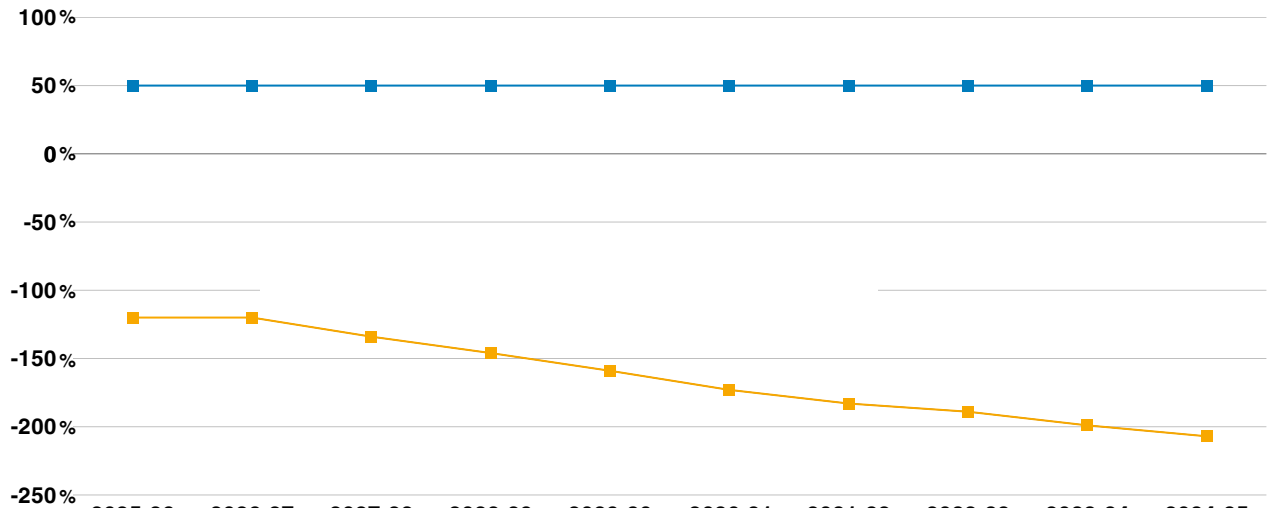
Net Financial Liabilities Ratio

This ratio indicates the extent to which the net financial liabilities of the Council can be met by its total operating revenue.

When the ratio is increasing, it indicates that a greater amount of a Council's operating revenue is required to service its financial obligations.

Council remains debt-free and maintains sufficient financial reserves to meet many of its future maintenance and capital expenditure commitments. As a result, the Net Financial Liabilities Ratio reflects as a negative figure. A positive indicator of Roxby Downs' strong financial position and overall fiscal health.

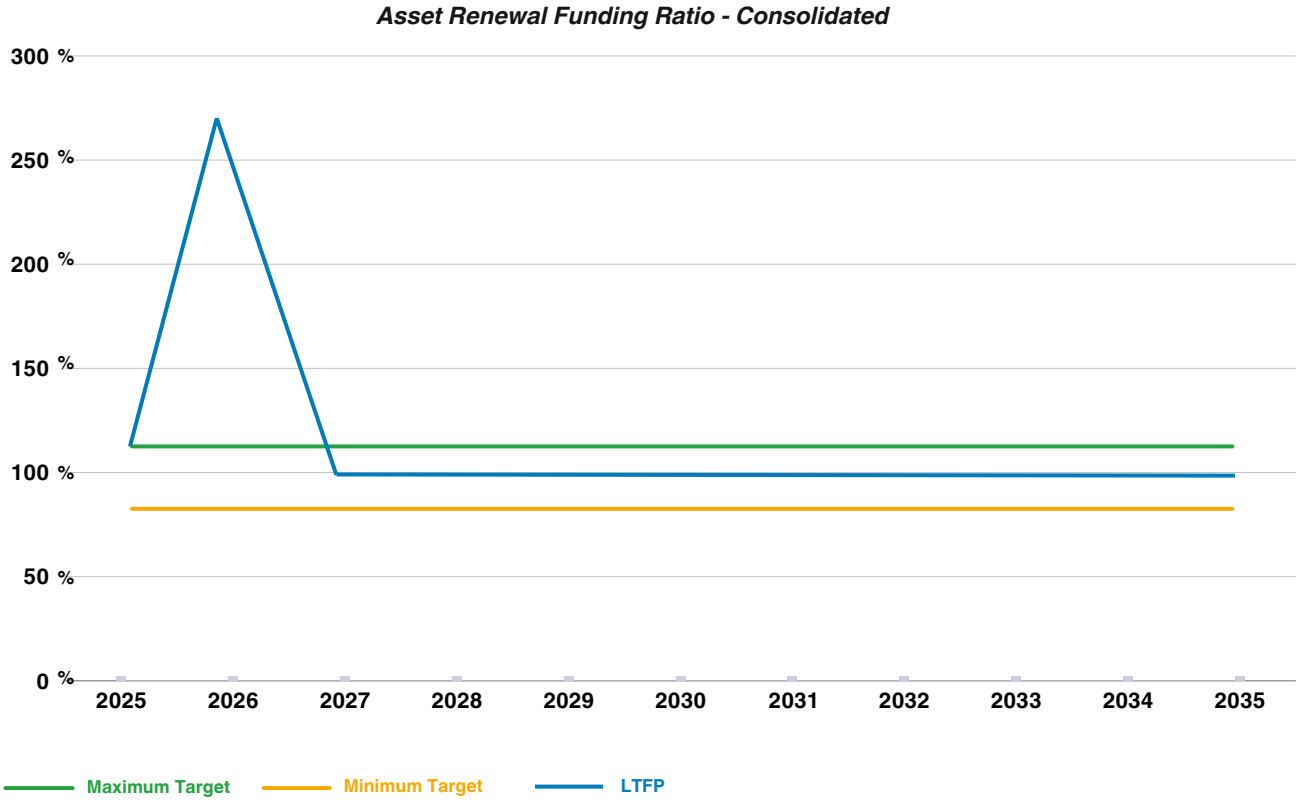
NET FINANCIAL LIABILITIES RATIO



	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
Forecast Ratio	-120%	-120%	-134%	-146%	-159%	-173%	-183%	-189%	-199%	-207%
Max Target	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%

Asset Renewal Funding Ratio

This ratio assesses whether Council is renewing or replacing its assets in line with service level requirements. It is calculated by comparing actual capital expenditure on asset renewal or replacement against the projections in the Infrastructure and Asset Management Plan. The target range is greater than 90% but less than 110% on average over the long term, indicating timely and sustainable asset management.



The Infrastructure and Asset Management Plan produced in 2024-2025 indicates an asset renewal funding ratio over the term of the LTFP including the 2025-26 budget year is 100%. Additional renewal projects have been requested for 2025-2026, increasing this ratio to 267%.

The Infrastructure and Asset Management Plan is under review for 2035, the Long-Term Financial Plan assumes an asset renewal amount equivalent to the 3 years previous average for this year.

Who we are

13.2%
of Roxby residents are born overseas

58.1%
of Roxby residents are under 35 years of age

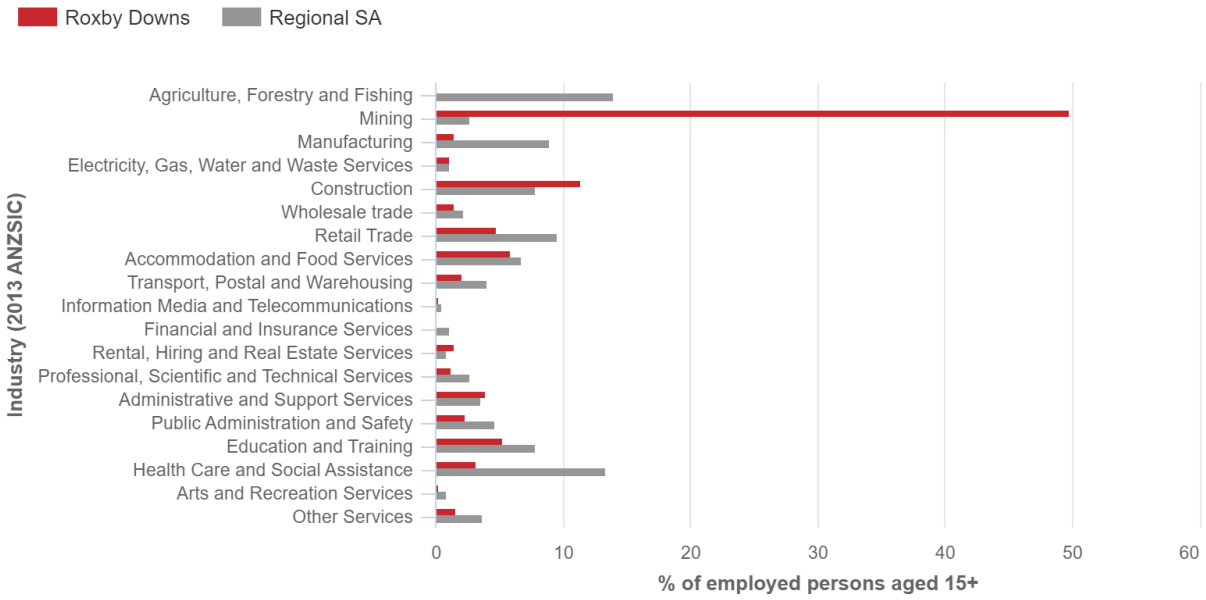
We are predominantly English speaking with 8.7% speaking other languages

46.9%
of Roxby residents aged over 15 years have completed Year 12 schooling (or equivalent)

Source: Australian Bureau of Statistics, Census of Population and Housing 2016 and 2021. Compiled and presented by .id (informed decisions).

Industry sector of employment, 2021

Total employed persons



Source: Australian Bureau of Statistics, Census of Population and Housing, 2021 (Usual residence data). Compiled and presented in profile.id by .id (informed decisions).

What we do

40km
of sealed roads
- 75km Kerbing
- 25km Footpaths



49.8%
of the Roxby Downs population are employed in the Mining sector



We maintain:
- 6 Playgrounds
- Splash pad
- Skate Park
- 2 Ovals
- 2 Pools
- Pump Track
- Off-leash Dog Park



We collect
3,000kg
of general waste per day



75km
of low/high voltage cables and 776 street and footpath lights



In 2023/2024 there were over
18,900
Community Library Visits



Our Community Programs see approximately
8,600
visitors throughout the year



Infrastructure we maintain:
- 67km potable water supply
- Town pump station
- 6 inline pumps
- 678 isolation valves
- 1,715 water meters



Source: Australian Bureau of Statistics, Census of Population and Housing 2016 and 2021. Compiled and presented by .id (informed decisions).

Major Project Statement

With several large projects undertaken over previous years, 2025-2026 will see a reduction in the number of new projects being undertaken. It also consolidates Council's position of concentrating on asset renewal rather than construction of new assets which Council will need to maintain and renew into the future. The additional projects for 2025-2026 have been determined in line with benefits for the community.

Major Projects Table

PROJECT	BUDGET $	STATUS
Market shelters - (a Town Activation Initiative) supported by BHP Copper SA	$200,000	New
Lifeguard shade	$60,000	New
Resurface Opal Road	$100,000	Replacement
Storage Shed for aggregating general waste prior to transport (EPA Compliance)	$150,000	New

The 2025-2026 capital budget includes $984k of works at the Roxby Link.
This project includes the following works:

- replace the external stadium roofing, ensuring long-term asset durability
- install new fixed roof access and fall prevention systems at the Council Office and Roxby Link complex
- provide stair access to the service area above the Dunes Café for routine inspections and servicing
- provide stair access for the Roxby Link complex roof, improving safety and maintenance efficiency
- repair internal ceilings within stadiums

Context and Opportunities

INDENTURE AGREEMENT

Roxby Council operates under the authority of the *Roxby Downs (Indenture Ratification) Act 1982* and the *Local Government Act 1999*, as established by the State Parliament of South Australia. The Indenture Act defines the financial framework of the Council, granting it exclusive rights to distribute and retail power and water within Roxby Downs, in addition to its traditional local government role in property rating. As part of its obligations, the Council must submit its Annual Business Plan and Budget to both the Department for Energy and Mining and BHP Copper SA for endorsement before considering it for adoption.

Currently the Department for Energy and Mining and BHP Copper SA collectively contribute funding of $600,000 per annum towards the cost of providing municipal services to Roxby Downs.

OLYMPIC DAM OPERATION

BHP's Copper South Australia (Copper SA) operations are pivotal to the company's global copper production strategy, encompassing several significant mining assets in the region. Central to these operations is the Olympic Dam mine, located approximately 560 kilometers north of Adelaide. Olympic Dam stands as one of the world's most substantial deposits of copper, gold, uranium, and nickel, featuring both underground and surface mining operations along with a fully integrated processing facility that transforms ore into refined metal.

In addition to Olympic Dam, BHP's South Australian portfolio includes the Prominent Hill and Carrapateena mines. Prominent Hill, situated about 130 kilometers southeast of Coober Pedy, is renowned for producing high-grade copper concentrate and also yields significant quantities of gold and silver. The Carrapateena mine, one of the largest mining projects in South Australia in the past decade, contributes substantially to the region's copper output. Both mines play a crucial role in supplying copper concentrate to the smelter and refinery complex at Olympic Dam.

Source: https://www.bhp.com/what-we-do/products/copper?utm_source=chatgpt.com
https://www.bhp.com/what-we-do/global-locations/australia/south-australia?utm_source=chatgpt.com
https://www.australianmining.com.au/bhp-advances-smelter-and-refinery-expansion-in-sa/?utm_source=chatgpt.com

LOCAL COST FACTORS

The costs of major works and projects in Roxby Downs are significantly higher than those of most other councils in South Australia. This is due to the town's remote location, higher labour costs, transport expenses, the scale and complexity of projects, and competition for resources such as local contractors with the Olympic Dam operation. These factors are reflected in the budget for any expenditures requiring external resources.

CONSUMER PRICE INDEX

The Consumer Price Index (CPI) measures changes in the price of goods and services which account for a high proportion of expenditure by metropolitan households.
The annual Adelaide CPI to December 2024 reached 2.5%, (the comparable increase in 2023 reached 4.8%). The RBA Forecast CPI rate for June 2026 is 3.2%.

INDUSTRIAL

Council employees are covered by the Municipal Council of Roxby Downs Enterprise Agreements. The Roxby Link and Roxby Council Enterprise Agreements have been submitted to the South Australian Employment Tribunal (SAET) for certification.
The new agreements aim to enhance Council's operations while ensuring fair and competitive remuneration for employees.



Our Services, Projects and Programs

Roxby Council delivers a wide range of services to the community. The scope of the Annual Business Plan & Budget turns our Strategic Management Plan, Infrastructure and Asset Management Plan and Long-term Financial Plans into action, making sure that Council delivers essential programs and services to Roxby Downs.

The following pages present our organisational departments and the services provided. The service category shows the key capital projects planned for the upcoming financial year.

Council's operations are governed by the *Roxby Downs (Indenture Ratification) Act 1982* and the *Local Government Act 1999*.

Additional statutory and regulatory responsibilities arise from several other Acts of the South Australian State Parliament, including the *Dog and Cat Management Act 1995, South Australian Public Health Act 2011, Local Nuisance* and *Litter Control Act 2016, Environmental Protection Act 1993* and *Planning, Development, and Infrastructure Act 2016*.

The provision of mandatory and discretionary programs and services is influenced by these pieces of legislation, as well as local community needs and priorities.



Key Activities by Department

ESSENTIAL SERVICES & ASSETS

2025-2026 KEY ACTIVITIES		Amount FY 25/26 $'000	Carried Forward FY 24/25 $'000
ROADS	Resheet Opal Road	100	
PARKS/PLAY SPACES	Footpath upgrade and shade sail replacement (Hermit St nature playground)	30	
	Park signs	25	
ENVIRONMENTAL INITIATIVES	Horticulture Plan	20	
	Streetscaping irrigation maintenance	10	
WASTE FACILITY	Opal road storage shed for stockpiling waste	150	
	Washdown bay	40	60
	Litter control fencing	50	
	Fencing perimeter - maintenance and update	15	
STORMWATER	Headwall confined space guards		194

The Essential Services & Assets group operates and maintains a wide range of infrastructure and other community assets and services.

Council manages $100M in municipal assets

ROXBY WATER

Council manages a water network of 37.8km, 678 branch nodes and 1,715 water meters for both residential and commercial customers.

Water for the Roxby Downs township is extracted from the Great Artesian Basin and piped to the Olympic Dam mine site by BHP where it is treated (desalinated and chlorinated). The treated potable water is pumped by BHP to water storage tanks.

The main elements of the water distribution network are a Town Water Supply (TWS) Pump Station located on Olympic Way, and 37.8km of potable water mains, a staging tank and a pumping station used for watering the public ovals.

The combined value of Roxby Water Assets is $25M

2025-2026 KEY ACTIVITIES		Amount FY 25/26 $'000	Carried Forward FY 24/25 $'000
WASTEWATER	SCADA control system upgrade	129	
TOWN WATER	Water Nodes and Valve Replacement	44	
	Plant & Equipment	81	
WASTEWATER	Sewer Pump & Check Valve Replacement Program	12	
SEWER RECYCLING	Sewer recycling golf club irrigation upgrade hydrosmart system	45	

ROXBY POWER

Council manages a power network of 75.2km of mainly underground low/high voltage cables, 38 transformers, three generators and 2,331 commercial and private meters, 776 street & path lights, 205 section pillars, 715 service pillars with a combined asset value of $51M.

The Roxby Power network delivers commercial and domestic power to all premises in Roxby Downs.

The network also accounts for the 776 street and pathway lights in town.

Roxby Power is responsible for the maintenance of the power grid, power meters, streetlights, and other asset replacement within the network.

The combined value of Roxby Power Assets is $51M

2025-2026 KEY ACTIVITIES

		Amount FY 25/26 $'000	Carried Forward FY 24/25 $'000
TRANSORMERS	Service Pillar Replacement	113	1

LIFESTYLE SPORT & COMMUNITY
ROXBY LINK

2025-2026 KEY ACTIVITIES

		Amount FY 25/26 $'000	Carried Forward FY 24/25 $'000
FACILITY	Furniture & Fittings Replacement Building Infrastructure	21 16	
DUNES CAFE	Restore Orange Wall Seating Area	40	
OUTDOOR POOL	Lifeguard shade	60	
COMMUNITY	Richardson Place - Permanent Market Shelters	200	
STADIUMS	Stadium Roof Structures	984	
CINEMA	Floor & Chairs in Cinema		140
INDOOR POOL	Change Rooms		150

Roxby Link, a business unit of the Roxby Council, is dedicated to enhancing the leisure, recreational, and cultural experiences of the local community. It offers a diverse range of facilities and services, including a swimming pool, cinema, cafe, and various sporting facilities. These amenities are designed to cater to the varied interests and needs of residents and visitors alike, fostering a vibrant and connected community.

Beyond its recreational offerings, Roxby Link plays a crucial role in community engagement and development. The organisation actively seeks feedback and participation from residents to ensure that its programs and services align with community interests and needs. This collaborative approach helps in the continuous improvement of facilities and the introduction of new initiatives that enrich the cultural and social fabric of Roxby Downs.

EXECUTIVE

2025-2026 KEY ACTIVITIES

		Amount FY 25/26 $'000	Carried Forward FY 24/25 $'000
INFORMATION TECHNOLOGY	Annual Computer Refresh	40	
	Rugged Devices for meter reading	25	

OFFICE OF THE CHIEF EXECUTIVE

The Office of the Chief Executive supports the operation of Council by providing services that enable the work of our customer-facing teams.

The Executive team also produces and maintains the Long-term Strategic Management Plans for Roxby Downs.

COMMUNICATIONS AND INFORMATION & COMMUNICATIONS TECHNOLOGY (ICT)

- Engagement, grants and events
- Marketing and communication
- Business operating systems
- Information and Communications Technology reform
- Technology support

CORPORATE SERVICES

- Customer Service
- EZY Reg and Service SA enquiries
- Employee/industrial relations
- Recruitment
- Training and development
- Management of Council records
- Work health and safety
- Regulatory Services
- Planning & Development

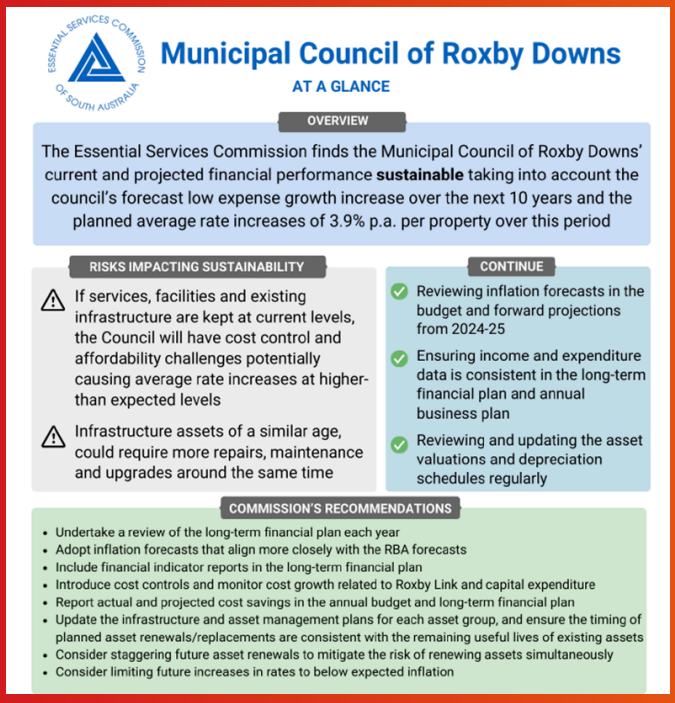
FINANCE AND GOVERNANCE

- Stakeholder engagement
- Financial accounting and strategy
- Maintaining property ownership database
- Preparation of annual budgets
- Provision of Roxby Power and Roxby Water accounts to town residences
- Revenue collection for municipal rates
- Internal payroll systems
- Agendas, minutes and publications, civic event planning and coordination
- Legislative compliance, emergency management, risk management and internal audit, insurance, policy, legal reporting and advice
- Asset Management System

ESCOSA Reporting

Council recently received advice from the Essential Services Commission of South Australia (ESCOSA) following a comprehensive investigation of a range of Council's Strategic Management Plans.

Thank you to all who have been involved in conducting and responding to the ESCOSA review process for Roxby Downs. ESCOSA representatives attended Roxby Downs in the course of the review and we were able to show the group first hand, key features of the Council operations and discuss on site the special challenges faced by Roxby Downs. The ESCOSA representatives that worked with Roxby Downs conducted the review in a thorough and courteous manner. The discussions held with ESCOSA were also conducted in a positive and engaging manner.



Municipal Council of Roxby Downs

AT A GLANCE

OVERVIEW

The Essential Services Commission finds the Municipal Council of Roxby Downs' current and projected financial performance **sustainable** taking into account the council's forecast low expense growth increase over the next 10 years and the planned average rate increases of 3.9% p.a. per property over this period

RISKS IMPACTING SUSTAINABILITY

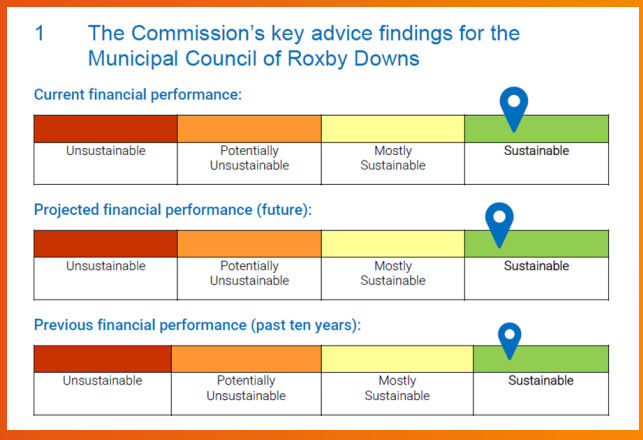
- If services, facilities and existing infrastructure are kept at current levels, the Council will have cost control and affordability challenges potentially causing average rate increases at higher-than expected levels
- Infrastructure assets of a similar age, could require more repairs, maintenance and upgrades around the same time

CONTINUE

- Reviewing inflation forecasts in the budget and forward projections from 2024-25
- Ensuring income and expenditure data is consistent in the long-term financial plan and annual business plan
- Reviewing and updating the asset valuations and depreciation schedules regularly

COMMISSION'S RECOMMENDATIONS

- Undertake a review of the long-term financial plan each year
- Adopt inflation forecasts that align more closely with the RBA forecasts
- Include financial indicator reports in the long-term financial plan
- Introduce cost controls and monitor cost growth related to Roxby Link and capital expenditure
- Report actual and projected cost savings in the annual budget and long-term financial plan
- Update the infrastructure and asset management plans for each asset group, and ensure the timing of planned asset renewals/replacements are consistent with the remaining useful lives of existing assets
- Consider staggering future asset renewals to mitigate the risk of renewing assets simultaneously
- Consider limiting future increases in rates to below expected inflation



1 The Commission's key advice findings for the Municipal Council of Roxby Downs

Current financial performance:

Unsustainable	Potentially Unsustainable	Mostly Sustainable	Sustainable

Projected financial performance (future):

Unsustainable	Potentially Unsustainable	Mostly Sustainable	Sustainable

Previous financial performance (past ten years):

Unsustainable	Potentially Unsustainable	Mostly Sustainable	Sustainable

The Commission has recommended the following key considerations for Council to consider:

BUDGET CONSIDERATIONS

	ESCOSA Recommendation	Council Response
1	Ensure that the Council undertakes a review of its long-term financial plan each year as required by the Local Government Act 1999.	Council have initiated procedures and timetables as detailed in its Internal Control Manual that will ensure that a review of its long-term financial plan is undertaken each year as required by the Local Government Act.
2	Continue to follow the good practice of reviewing its inflation forecasts in the budget and long-term financial plans each year, given the potential for changes in inflationary expectations over the forecast period.	Council will continue to monitor its inflation forecasts in the budget and long-term financial plans each year, given the potential for changes in inflationary expectations over the forecast period.
3	Start to adopt CPI forecasts that align more closely with the RBA forecasts and the local government sector expectations.	The Council has used the RBA Forecast table - February 2023 in its financial modelling, and adopted a long-term average CPI increase of 3.0 percent for June 2025 through June 2033, whereas the Commission has based its analysis upon the midrange of the RBA long-term target at 2.5 percent for June 2026. 2.5 percent is the figure released by the RBA in February 2024. Council will continue to adopt CPI forecasts that align with the RBA forecasts and the local government sector expectations.
4	Start to adopt the good practice of including financial indicator reports in the long-term financial plan, as required by the Regulations, to provide transparency to ratepayers.	Council had inadvertently included financial indicator reports in the ABP not in the LTFP and will start to adopt the good practice of including financial indicator reports in the long-term financial plan, as required by the Regulations, to provide transparency to ratepayers.
5	Continue to ensure that the income and expenditure data in the long-term financial plan is consistent with the data in the Annual Business Plan.	Continue to ensure that the income and expenditure data in the long-term financial plan is consistent with the data in the Annual Business Plan.
	Providing Evidence of Ongoing Cost Efficiencies	
6	Start to introduce cost controls and to monitor the growth in costs where possible, especially those related to Roxby Link and capital expenditure.	Significant services reviews are being undertaken in Roxby Link to ensure value for money services are provided and costs are contained where possible. New capital expenditure needs to be costed effectively to ensure that the Council can afford to renew and maintain such assets regardless of the grant funding received to fund new capital expenditure.
7	Start to follow the good practice of reporting any actual and projected cost savings in its annual budget and long-term financial plan as appropriate to provide evidence of containing the growth in expenses and achieving efficiencies across its operations. ear, given the potential for changes in inflationary expectations over the forecast period.	Projected cost savings in its annual budget and long-term financial plan are often difficult to achieve in the Roxby environment as Council relies on external contractors to provide services. Council may need to look at reducing service levels in an endeavour to contain the growth in expenses and achieving efficiencies across its operations.

Refinements To Asset Management Planning

8	Continue to review and update its asset valuations and depreciation schedules regularly to achieve best practice by ensuring they reflect current values and asset life.	Considerable effort and expense are being afforded to ensure that asset valuations and depreciation schedules are reviewed regularly to achieve best practice by ensuring they reflect fair values and asset life.
9	Ensure that its IAMP is updated for each asset group, and that the timing of planned asset renewals/replacements are consistent with the remaining useful lives of existing assets. Incorporate this data into the annual budget and long-term financial plan.	Considerable effort and expense are being afforded to implement Predictor Modelling for each asset group. This modelling is being incorporated into the annual budget and long-term financial plan data.

Containing Rate Levels

10	Consider whether it has given sufficient weight to the practical and logistical challenges in seeking to renew too much of its asset stock simultaneously, as well as considering whether there are alternative strategies which are longer term and enable a more staggered renewal profile.	Continual improvements are being made through Predictor Modelling to develop longer term strategies in renewing its asset stock.
11	Consider limiting future increases in rates to below expected inflation to reduce both affordability risk and intergenerational burden risk, while pursuing cost-savings initiatives to ensure expenses are controlled over the long-term.	Council provides a high level of services and infrastructure, despite its low population and remote geographical location which contributes to a high-rate burden on the community. Rationalisation of service levels and lowering of infrastructure condition may be required to enable rate increases to be limited.

Local Government Advice

Local Government Advice Scheme 2023-24 - Essential Services Commission of South Australia (ESCOSA) Report

Local Government Advice

Municipal Council of Roxby Downs

February 2024

Enquiries concerning this advice should be addressed to:

Essential Services Commission
GPO Box 2605
Adelaide SA 5001

Telephone: (08) 8463 4444
Freecall: 1800 633 592 (SA and mobiles only)
E-mail: advice@escosa.sa.gov.au
Web: www.escosa.sa.gov.au

Municipal Council of Roxby Downs

AT A GLANCE

OVERVIEW

The Essential Services Commission finds the Municipal Council of Roxby Downs' current and projected financial performance **sustainable** taking into account the council's forecast low expense growth increase over the next 10 years and the planned average rate increases of 3.9% p.a. per property over this period

RISKS IMPACTING SUSTAINABILITY

- If services, facilities and existing infrastructure are kept at current levels, the Council will have cost control and affordability challenges potentially causing average rate increases at higher-than expected levels
- Infrastructure assets of a similar age, could require more repairs, maintenance and upgrades around the same time

CONTINUE

- Reviewing inflation forecasts in the budget and forward projections from 2024-25
- Ensuring income and expenditure data is consistent in the long-term financial plan and annual business plan
- Reviewing and updating the asset valuations and depreciation schedules regularly

COMMISSION'S RECOMMENDATIONS

- Undertake a review of the long-term financial plan each year
- Adopt inflation forecasts that align more closely with the RBA forecasts
- Include financial indicator reports in the long-term financial plan
- Introduce cost controls and monitor cost growth related to Roxby Link and capital expenditure
- Report actual and projected cost savings in the annual budget and long-term financial plan
- Update the infrastructure and asset management plans for each asset group, and ensure the timing of planned asset renewals/replacements are consistent with the remaining useful lives of existing assets
- Consider staggering future asset renewals to mitigate the risk of renewing assets simultaneously
- Consider limiting future increases in rates to below expected inflation

KEY FACTS

- Population in 2021 was **3,671**
- Council covers **110 square kilometres**
- **1,879** rateable properties in 2022-23
- **$5.8 million of rate income** in 2022-23
- Value of assets held in 2022-23 equals **$159.4 million**

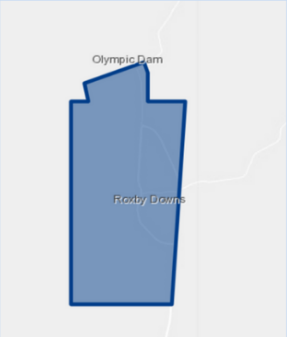


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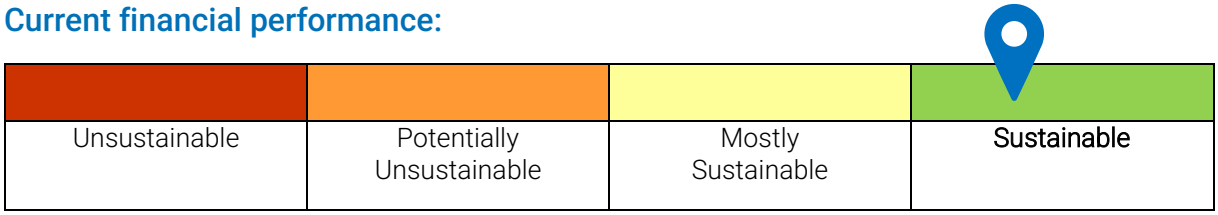
Glossary of terms

ABS	Australian Bureau of Statistics
AMP	Asset management plan (also called an IAMP)
Commission	Essential Services Commission, established under the *Essential Services Commission Act 2002*
CPI	Consumer Price Index (Adelaide, All Groups)
Council	Municipal Council of Roxby Downs
CWMS	Community Wastewater Management System
ESC Act	*Essential Services Commission Act 2002*
F&A	Local Government Advice: Framework and Approach – Final Report
FTE	Full Time Equivalent
IAMP	Infrastructure and asset management plan (also called an AMP)
LG Act	*Local Government Act 1999*
LGA SA Financial Indicators Paper	Local Government Association of South Australia, Financial Sustainability Information Pa per 9 - Financial Indicators Revised May 2019
LGGC	Local Government Grants Commission
LGPI	Local Government Price Index
LTFP	Long-term financial plan
Regulations	*Local Government (Financial Management) Regulations 2011*
RBA	Reserve Bank of Australia
SACES	The South Australian Centre for Economic Studies
SEIFA	Socio-Economic Indexes for Areas
SMP	Strategic management plan
SG	Superannuation Guarantee
The scheme or advice	Local Government Advice Scheme

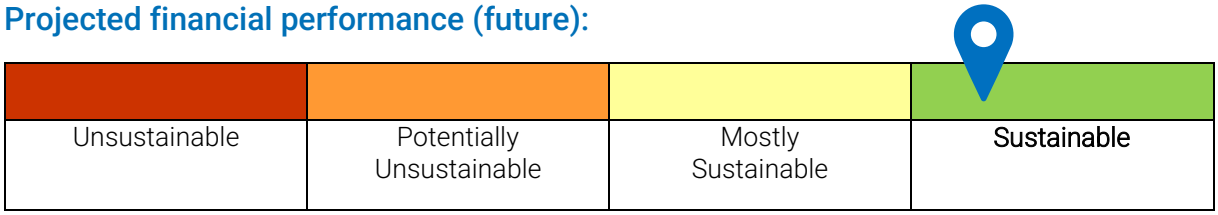
Legend: Low-risk Moderate-risk High-risk

1 The Commission's key advice findings for the Municipal Council of Roxby Downs

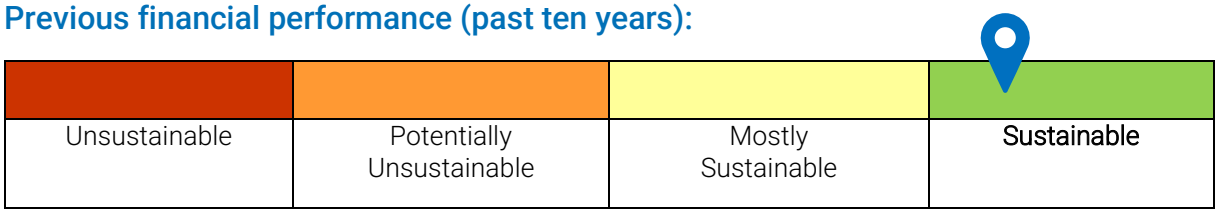
Current financial performance:



Projected financial performance (future):



Previous financial performance (past ten years):



The Essential Services Commission (**Commission**) considers the Municipal Council of Roxby Downs (**Council**) to be in a sustainable financial position because it has projected operating surpluses or small future deficits on a consolidated basis and total expenses increasing at a rate lower than inflation in the long term.

Acknowledging the Council's outlook, the Commission considers it would be appropriate for it to undertake the following steps to ensure it budgets prudently and transparently, continues to manage its cost base efficiently, plans its asset needs appropriately, renews its asset base to meet sustainable service levels and constrains the extent of further rate increases:

Budgeting considerations

1. **Ensure** that the Council undertakes a review of its long-term financial plan each year as required by the *Local Government Act 1999*.
2. **Continue** to follow the good practice of reviewing its inflation forecasts in the budget and long-term financial plans each year, given the potential for changes in inflationary expectations over the forecast period.
3. **Start** to adopt CPI forecasts that align more closely with the RBA forecasts and the local government sector expectations.
4. **Start** to adopt the good practice of including financial indicator reports in the long-term financial plan, as required by the Regulations, to provide transparency to ratepayers.
5. **Continue** to ensure that the income and expenditure data in the long-term financial plan is consistent with the data in the Annual Business Plan.

Providing evidence of ongoing cost efficiencies

6. **Start** to introduce cost controls and to monitor the growth in costs where possible, especially those related to Roxby Link[1] and capital expenditure.
7. **Start** to follow the good practice of reporting any actual and projected cost savings in its annual budget and long-term financial plan as appropriate to provide evidence of containing the growth in expenses and achieving efficiencies across its operations.

Refinements to asset management planning

8. **Continue** to review and update its asset valuations and depreciation schedules regularly to achieve best practice by ensuring they reflect current values and asset life.
9. **Ensure** that its IAMP is updated for each asset group, and that the timing of planned asset renewals/replacements are consistent with the remaining useful lives of existing assets. Incorporate this data into the annual budget and long-term financial plan.

Containing rate levels

10. **Consider** whether it has given sufficient weight to the practical and logistical challenges in seeking to renew too much of its asset stock simultaneously, as well as considering whether there are alternative strategies which are longer term and enable a more staggered renewal profile.
11. **Consider** limiting future increases in rates to below expected inflation to reduce both affordability risk and intergenerational burden risk, while pursuing cost-savings initiatives to ensure expenses are controlled over the long-term.

[1] Roxby Link is part of the Roxby Council's operations that provides leisure, recreation and cultural support and services to the community.

2 About the advice

The Essential Services Commission (**Commission**), South Australia's independent economic regulator and advisory body, has been given a role by the State Parliament to provide advice on material changes proposed by local councils in relation to elements of their strategic management plans (**SMPs**) and on the proposed revenue sources, including rates, which underpin those plans.[2]

One of the main purposes of the Local Government Advice Scheme (**advice** or **the scheme**) is to support councils to make 'financially sustainable' decisions relating to their annual business plans and budgets in the context of their long-term financial plans (**LTFPs**) and infrastructure and asset management plans (**IAMPs**)[3] – both required as part of a council's SMP.[4] Financial sustainability is considered to encompass intergenerational equity,[5] as well as program (service level) and rates stability in this context.[6] The other main purpose is for the Commission to consider ratepayer contributions in the context of revenue sources, outlined in the LTFP.[7] In addition, the Commission has discretion to provide advice on any other aspect of a council's LTFP or IAMP it considers appropriate, having regard to the circumstances of that council.[8]

The first cycle of the scheme extends over four years from 2022-23 to 2025-26, and the Commission has selected 17 councils for advice in the second scheme year (2023-24), including the Municipal Council of Roxby Downs (**Council**).

This report provides the Local Government Advice for the Council in 2023-24.

The Council is obliged under the LG Act to publish this advice and its response, if applicable, in its 2024-25 Annual Business Plan (including any draft Annual Business Plan) and subsequent plans until the next cycle of the scheme.[9] It does not need to publish the attachment to the advice (these will be available with the advice on the Commission's website[10]), nor is it compelled under the LG Act to follow the advice. The Commission thanks the Council for providing relevant information to assist the Commission in preparing this advice.

2.1 Summary of advice

Historically and into the future, the Council is dependent upon the level and success of the operations at Olympic Dam.[11] Most of the infrastructure was built when Roxby Downs was established in 1988, which means that most of its assets have a common age. The number of residents and rateable properties declined somewhat over the historic period (from 2,051 properties in 2012-13 to 1,986 in 2021-22), in line with the scale of activity at Olympic Dam.[12] The number of rateable properties is expected to remain stable at 1,881 over the forecast period 2023-24 through 2032-33.

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2 Amendments to the LG Act (s122(1c) to (1k) and (9)) specify the responsibilities for the Commission and local councils for the Local Government Scheme Advice. The Commission must provide advice to each council in accordance with the matters outlined in s122(1e), (1f) and (1g).

3 Commonly referred to as asset management plans.

4 The objectives of the advice with reference to a council's LTFP and IAMPs are presented under LG Act, s122(1g). LG Act s122(1) specifies the requirements of a council's SMP, including the LTFP and IAMPs.

5 'Intergenerational equity' relates to fairly sharing services and the revenue generated to fund the services between current and future ratepayers.

6 Commission, *Framework and Approach – Final Report*, August 2022, pp. 2-3, available at www.escosa.sa.gov.au/advice/advice-to-local-government.

7 LG Act s122(1f)(a) and (1g)(a)(ii).

8 LG Act s122(1f)(b) and (1g)(b).

9 LG Act s122(1h).

10 The Commission must publish its advice under LG Act s122(1i)(a).

11 Roxby Downs was established under the Roxby Downs (Indenture Ratification) Act 1982 (SA) to ratify a certain indenture between the State of South Australia and the Indenture Partner, which is currently BHP, which includes obligations upon the Partners and provisions in relation to local government.

12 Since Roxby Downs was established to service the operations at Olympic Dam, the population will change according to the site's requirements.

The Commission finds the Council's current financial position to be sustainable on balance, given the long-term outlook for Olympic Dam and the financial support provided through the Indenture Partners.[13]

The Council has produced operating surpluses since 2016-17 and forecast surpluses until 2025-26. From 2026-27 through 2032-33 however, the Council is forecasting deficits, because the average annual forecast growth in expenses of 3.6 percent (which is higher than the average annual forecast inflation rate of 2.6 percent) is greater than the forecast average annual growth in income of 2.0 percent.

This situation reflects a change in circumstances for the Council. Roxby Downs was established in 1988 to service Olympic Dam's operations and consequently, many of its assets have a similar age. Roxby Downs has an extensive range of facilities and amenities for its size, because it was built to attract and retain staff to work at Olympic Dam and provide the workforce for the mine. Historically, the Council has provided a high level of services and infrastructure,[14] despite its low population[15] and remote geographical location. These services and infrastructure impact the financial plans of its three business units (Municipal,[16] Power and Water) and the subsequent management of costs and cross-subsidisation between them.

The Commission notes that the Council faces a cost control and affordability challenge if it is to keep services and facilities at broadly existing levels. If the Municipal Deficit Arrangements remain static at $600,000 per annum[17] and cost escalation becomes harder to contain, there is a risk that the Council will need to increase rates and other charges more than anticipated in the 2023-24 LTFP to keep existing services and infrastructure condition at near current levels. If this is not affordable, some rationalisation of service and infrastructure quality might become necessary for the operations to remain sustainable.

The Commission also notes that the Council's assets renewal expenditure has not kept pace with its own assessment of actual requirements, and the annual depreciation charge is consistently higher than the Council's planned renewal expenditure.

The Council must also manage the risk associated with having infrastructure assets of a similar age, which could be expected to require more repairs or maintenance and upgrades, or new assets beyond the scope of LTFP and the Council's funding strategy.[18]

The Council's forward projections from 2023-24 (in its LTFP) forecast a gradually deteriorating financial sustainability outlook as a result of the forecast rate of expense growth outpacing the forecast rate of operating revenue growth with:

The population of Roxby Downs increased after the announcement in November 2008 that the Olympic Dam operations were expanding to include open-cut mining, but the population subsequently decreased after the plans were abandoned.
Also note that the population of Roxby Downs does not include the fly-in fly out workers who live temporarily at the Olympic Dam site.

13 Roxby Council was created and operates under the provisions of the Roxby Downs (Indenture Ratification) Act 1982 and is governed by an Administrator appointed by the Minister, who also has Chief Executive responsibilities.
Under the terms of the Indenture, BHP and the State Government both subsidise the Council's deficits with equal contributions of $300,000 per annum.

14 The Partner(s) in the Indenture (BHP and the Government of South Australia) have gifted the Council with infrastructure for the Council to manage and maintain.

15 The estimated resident population of Roxby Downs for 2022 is 4,102. See Population and dwellings | Roxby Downs Council | Community profile (id.com.au)

16 Which includes the operations of Roxby Link, which contributes to most of the operating deficit.
The commission understands that the Council intends to conduct service reviews for key Roxby Link areas over the next few years with the intention of reducing the cost of the Municipal business unit to an affordable level.

17 The Partners of the Indenture (the Government of South Australia and BHP) make equal contributions of $300,000 per year to cover the deficit. It follows that the Partners make no contribution if the budget is in surplus.

18 Which appears to be to maintain an increasing level of cash reserves.

- average growth in rates and expenses per property above the Reserve Bank of Australia (RBA)-based forecast inflation rate (with rates above the Council's forecast inflation and expenses slightly below the Council's forecast inflation[19]),
- a decline in the operating surplus ratio, with negative values from 2026-27 through 2032-33,
- further declines in the net financial liabilities ratio and increasing cash reserves, and
- an average asset renewal funding ratio (net) that is volatile but with an average value for the forecast period that sits on the upper target value of 100 percent.

Over the years of the LTFP 2023-24 through 2032-33, the Council is projecting average rates increases consistent with the RBA targeted inflation for the first three years, and from 2026-27 onwards, at 3 percent per annum, which is higher than the long-term expected inflation rate used by the Commission.[20] This delivers an annual average of 3.9 percent per annum for the period, or the forecast CPI plus 0.7 percent per annum.

Affordability risk among the community for these further rate increases appears to be moderate, on balance, when considering:

- the Council's relative average socio-economic indexes for areas (SEIFA) economic resources ranking for the Municipal Council of Roxby Downs area,[21]
- the current relatively high average rates (across most ratepayers),
- the Council's planned increases in rates per property of an average of 4.0 percent per annum over the forecast period, which sits above average expected inflation,[22] and
- The potential for additional revenue to be received from the State Government and BHP as subsidies to cover any operating deficits.

2.2 Detailed advice findings

The next sections summarise the Commission's more detailed observations and advice findings regarding the Council's material changes to its 2023-24 plans (compared with the previous year's plans), its financial sustainability (in the context of its long-term operating performance, net financial liabilities, and asset renewals expenditure) and its current and projected rate levels.

The Commission considers that the Council did not follow its obligation to review its LTFP in 2022-23 as required under the Act,[23] which meant that the Council had to provide the Commission with estimates

19 The Council's average annual forecast inflation for the 10 years of the LTFP is 3.88 percent, which sits above the RBA-based mid-range forecast average inflation of 2.6 percent.

20 The Council has used the RBA Forecast table - February 2023 in its financial modelling, and adopted a long-term average CPI increase of 3.0 percent for June 2025 through June 2033, whereas the Commission has based its analysis upon the midrange of the RBA long-term target at 2.5 percent for June 2026.

21 The Roxby Council area is ranked 59 among 71 South Australian '*local government areas*' (including Anangu Pitjantjatjara and Maralinga Tjarutja Aboriginal community areas and 'through June 2033.incorporated SA') on the Australian Bureau of Statistics SEIFA Index of Economic Resources (2021), where a lower score (eg 1) denotes relatively lower access to economic resources in general, compared with other areas, available at https://www.abs.gov.au/websitedbs/censushome.nsf/home/seifa.

22 The Council's inflation forecast of an average of 3.0 percent sits above the Commission's forecast average inflation of 2.6 percent per annum for the period, which is based upon the RBA forecasts for the CPI (Australia-wide) to December 2025 and the Commission's calculations of average annual growth and the midpoint of the RBA's target range (2.5 percent) from 2025-26 onwards.

23 See *Local Government Act 1999* section 122(4)(a) which states that a council is required to conduct an annual review of its long-term financial plan.

of the 2022-23 data for the purpose of this Advice.[24] Furthermore, the Council did not include any financial indicator target ratios in the 2023-24 LTFP,[25] as required by the Regulations.[26]

Additionally, the Council did not prepare an IAMP for 2018-22, which limited the Council's ability to assess their current levels of service delivery and plan for capital expenditure. At the time, however, the Council was implementing improvements to their asset management, including adopting the Assetic system in 2018 and reviewing and transferring asset data onto the system.[27]

In providing this advice, the Commission has followed the approach it previously explained in the Framework and Approach – Final Report (F&A). The attachment explores these matters further.[28]

2.2.1 Advice on material plan amendments in 2023-24

Key Points:

- ✓ Budgeted for a modest improvement in operating performance in the 2023-24 LTFP, with a higher surplus of $0.7 million compared to a surplus of $0.1 million projected in the 2022-23 data.
- ⚠ The 2023-24 LTFP shows an increase in total expenses of $9.62 million or 5.3 percent as compared with the estimates for the 2022-23 Plan.
- ✓ Increase in capital expenditure of $13.8 million on the renewal of assets, and an increase of $3.8 million or 38 percent from the estimated value of the previous LTFP.

The Commission has compared the Council's projections in its 2023-24 LTFP with those from the estimates provided by the Council as to the contents of its 2022-23 LTFP. The projections had been prepared and focused on the aggregate of the nine overlapping years' statistics 2023-24 to 2031-22[29] to ensure a comparable analysis of material amendments.

The Council budgeted for a modest improvement in operating performance in the 2023-24 LTFP, with a higher surplus of $0.7 million compared to a surplus of $0.1 million projected in the 2022-23 data calculated by Council based upon the eight overlapping years of data. The material changes are attributed to:

- adjustments in income, resulting from planned increases in rates to be aligned with the Council's higher-than-average CPI forecast (compared with the RBA forecast of an annual average of 2.6 percent,

[24] The Council estimated the 2022-23 data using an averaging method and entered this data on the Template provided to the Commission.
The Council also submitted two letters dated 29 September 2023 and 26 October 2023 which contained Council's estimates of key income and expenditure items as a proxy for the 2022-23 LTFP, calculated by averaging actual historical data, along with the reasons for material changes between their estimates for the 2022-32 LTFP data and the 2023-24 LTFP.

[25] The Council explained to the Commission that this was an oversight due to preparing multiple documents (ie the annual budget, LTFP and IAMP at the same time).

[26] The *Local Government (Financial Management) Regulations 2011*section 5 (1)(c) require a council to use and report the operating surplus ratio, net financial liabilities ratio and the asset renewal funding ratio in its annual budget and long-term financial plan.

[27] The Council advised that these activities are enabling them to conduct a significant review of their assets (including the estimated remaining asset lives for each asset group) and to update the records.

[28] The attachment will be available on the Commission's website with the Advice.

[29] The Council did not prepare a 2022-23 LTFP so for comparison purposes, calculated and provided estimated values to the Commission based on an average for 8 years of data plus an adjustment for average increase.

- a shift to the Municipal and Leisure Services of Council being funded directly from rates rather than relying upon power and water surplus funds directed towards Municipal services, [30] and
- a catch-up for the cost of waste collections and disposal services in the new contract.[31]

Employee costs have increased due to Council employing contractors to maintain services in some technical/specialist areas due to difficulties in attracting and retaining qualified staff. Materials, contracts and other expenses increased by 6.6 percent as the Council struggles to compete with BHP in terms of sourcing staff and contractors for similar work. Depreciation expenses are forecast to increase by 11 percent due to funding the construction of new asset programs from LGIPP, BBRG, Office for Sport and Recreation and LRCI.[32]

The Commission notes that the Council's stated assumptions for indexation in its 2023-24 LTFP are transparent, but that the Council has not complied with the requirement under the LG Act to produce a LTFP in 2022-23 that includes a report on performance of the actual and expected financial ratios.[33]

Notwithstanding the need for the Council to endeavour to find savings and reduce any inflationary impact on its community, the Commission has found that it would be appropriate for it to:

1. **Ensure** that the Council undertakes a review of its long-term financial plan each year as required by the *Local Government Act 1999*.
2. **Continue** to follow the good practice of reviewing its inflation forecasts in the budget and long-term financial plans each year, given the potential for changes in inflationary expectations over the forecast period.
3. **Start** to adopt CPI forecasts that align more closely with RBA forecasts and the local government sector expectations.
4. **Start** to adopt the good practice of including financial indicator reports in the long-term financial plan, as required by the Regulations, to provide transparency to ratepayers.
5. **Continue** to ensure that the income and expenditure data in the long-term financial plan is consistent with the data in the Annual Business Plan.

The Commission observes that the Council noted risks to its estimates arising from the impact of inflation upon expenditure, the cost of living and the anticipated burden of rates upon ratepayers.[34] In addition, there are no current regulatory requirements for it to publish its LTFP projections with its annual business plan and budget.

The Council's 2023-24 LTFP shows an increase in total expenses of $9.62 million or 5.3 percent as compared with the estimates for the 2022-23 Plan. Over the 10-year projections in the 2023-24 LTFP, the Council included an increase in capital expenditure of $13.81 million on the renewal of assets, an increase of $3.82 million or 38 percent from the estimated value of the previous LTFP, which includes asset renewal from the IAMP and supplementary projects that have been identified on the grounds of requiring renewal.

The 2023-24 LTFP also includes an additional $5.08 million on new and upgraded assets, where there was nil expenditure estimated for the 2022-23 LTFP. This results in new and upgraded assets now

30 The Council is in a unique position where the Water and Energy units subsidise Municipal unit income under the Indenture.
31 The Council operations are distinguished by business unit, where the Municipal business unit includes those services attributed to a traditional local government operation, including the management of local government infrastructure assets as well as services such as waste collection and dog and cat management; the two other business units are Power and Water, which together with Municipal, provide a consolidated surplus or deficit.
32 The Local Government Infrastructure Partnership Program (LGIPP), Bridon-Bekaert The Ropes Group (BRGG), and the Local Roads and Community Infrastructure Program respectively.
33 See *Local Government (Financial Regulations) 2011* section 5 (1)(c).
34 Municipal Council of Roxby Downs Long Term Financial Plan 2024-2033 pp. 9 & 10.

representing nearly 27 percent of capital expenditure over the period. The Council can undertake this expenditure largely due to BHP providing supplementary grant funding for new and upgraded assets for new initiatives identified in the sewer reclaimed water optimisation and stormwater management plans.[35]

The Council has coordinated their long-term projections[36] with their annual budget process and publishes both on their website and includes their projections for inflation in their Annual Business Plan and Budget but have not included a report on the historical and expected performance of the financial ratios in their LTFP.[37] The Commission considers it would be appropriate for the Council to:

6. **Start** to introduce cost controls and to monitor the growth in costs where possible, especially those related to Roxby Link and capital expenditure.

2.2.2 Advice on financial sustainability

Operating performance

Key Points:

- ✓ Operating surpluses consistently achieved between 2016-17 and 2021-22.
- ⚠ The operating surplus ratio is forecast to be positive until 2026-27 where it is zero and then negative for the remaining forecast period.
- ⚠ The Council faces a considerable cost control and affordability challenge if it is to keep services and facilities at broadly existing levels, given a lower rate base than anticipated prior to 2020.
- ⚠ Forecast expenses are predicted to grow at an average of 3.63 percent per annum which is 1.03 percent higher than the expected inflation rate.

The Council has run an operating surplus since 2016-17 by turning an operating deficit averaging -$0.78 million from 2012-13 through 2015-16 to a surplus of $1.4 million in in 2016-17 and thereafter, by maintaining an average annual surplus of $1.86 million over the last six years of the historical period. This resulted in the operating surplus ratio exceeding the upper threshold of 10 percent in recent years.[38]

Over the term of the LTFP, the historical trends are reversed. The operating surplus declines and stays below the lower target of zero percent from 2026-27 onwards. Total expenses are forecast to increase by an average of 3.63 percent per annum, above the average expected inflation rate of 2.6 percent per annum for the period, based upon the RBA forecasts. Forecast income, meanwhile, increases at the rate of 2 percent per annum, which is below inflation, so the growth in expenses outpaces the growth in income and the operating surplus ratio breeches the lower limit of zero percent from 2026-27 onwards.

[35] Roxby Downs already has extensive infrastructure and facilities for a town of its size, which were built and continue to be expanded to attract and retain staff at this remote location, and these are maintained to a high standard.
[36] The Council did not produce a LTFP in 2022-23, which is not consistent with requirements.
[37] Although the assumptions appear consistent.
[38] The Council is in the unique position where User Charges, which include income from the Water and Power units, were the source of around 58 percent of Council income over the historic period and are expected to be the source of 57 percent of total income over the forecast period. The Council has expressed the intention of relying more heavily upon income from rates over the forecast period (See table of income and expenditure changes p 8 of the LTFP, where General Rates are forecast to increase in line with the Council's forecast CPI increases, while income from Water and Power Units is forecast to increase at well below the forecast CPI increases.

Furthermore, as the number of rateable properties is forecast to be stable, both expenses and income per property increase, with expenses per property increasing faster than the rate of inflation projected by the RBA.[39]

The changing patterns over the forecast period relative to the historical reflect a change in circumstances for the Council. From the time of its establishment in 1988, Roxby Downs has had an extensive range of facilities and amenities for its size, because it was built to attract and retain staff to work at Olympic Dam and provide the workforce for the mine. Historically, the Council has provided a high level of services and infrastructure,[40] despite its low population and remote geographical location. These services and infrastructure impact the financial plans of its three business units (Municipal,[41] Power and Water) and the subsequent management of costs and cross-subsidisation between them.

The Commission notes that the Council faces a cost control and affordability challenge if it is to keep services and facilities at broadly existing levels, given a lower rate base than anticipated prior to 2020[42] to finance this. The Council advised the Commission that it intends to conduct service reviews for key Roxby Link areas over the next few years with the intention of reducing the cost of the Municipal business unit to an affordable level.[43]

Under the Indenture,[44] the Council already has Municipal Deficit arrangements to the level of $600,000 per annum.[45] If this remains static and cost escalation becomes harder to constrain, there is a risk that the Council will need to increase rates and other charges more than anticipated to keep existing services and infrastructure conditions at near current levels. If this is not affordable, some rationalisation of service and infrastructure quality might become necessary. Against such a background, the Commission considers it beneficial for the Council to develop a range of credible options, rather than the only one contained in the 2023-24 LTFP, which is for consultation with the community, BHP and the State Government.

To ensure the Council achieves best practice in line with the LGA target for the operating surplus, the Commission considers it appropriate for the Council to:

7. **Start** to follow the good practice of reporting any actual and projected cost savings in its annual budget and long-term financial plan as appropriate to provide evidence of containing the growth in expenses and achieving efficiencies across its operations.

39 That is, the expenses per property increase in real terms.
40 The Partner(s) in the Indenture (BHP and the Government of South Australia) have gifted the Council with infrastructure for the Council to manage and maintain.
41 Which includes the operations of Roxby Link, which contributes to most of the operating deficit. The Commission understands that the Council intends to conduct service reviews for key Roxby Link areas over the next few years with the intention of reducing the cost of the Municipal business unit to an affordable level.
42 An expansion of Olympic Dam's operations to include open-cut mining was announced in November 2008, which would have resulted in substantial growth in the population of Roxby Downs, but the plans were subsequently abandoned in 2020, resulting in a forecast of a stable population and a lower rate base.
43 As stated in the LTFP p. 6 and as advised by the Council during discussions held on 9 November 2023.
44 The Roxby Downs (Indenture Ratification) Act 1982 (SA), which currently has two Partners, the Government of the State of South Australia and BHP.
45 The Partners of the Indenture (the Government of South Australia and BHP) make equal contributions of $300,000 per year to cover the deficit. It follows that the Partners make no contribution if the budget is in surplus.

Net financial liabilities

Key Points:

- For nine of the ten years of the historical period, the net financial liabilities ratio remained below the bottom of the target range of zero percent, averaging negative 49.6 percent.
- Over the forecast period from 2023-24 through 2032-33, the net financial liabilities ratio is forecast to remain negative and well below the zero percent lower target, with an average for the forecast period of negative 124.7 percent.
- The Council continues to hold significant and increasing levels of cash throughout the forecast period, even after undertaking planned capital expenditure, which presents an opportunity cost to ratepayers, since they are providing those funds, which could have been used for other purposes that benefit them.

For nine of the ten years of the historical period, the Council's net financial liabilities ratio remained below the bottom of the target range of zero percent, averaging negative 49.6 percent and reflecting the Council's low level of financial liabilities.

Over the forecast period from 2023-24 through 2032-33, it remains negative and well below the zero percent lower target, with an average for the forecast period of negative 124.7 percent. This is due in part to cash and cash equivalents growing by an average 4 percent per annum over the forecast period, while liabilities decrease by an average 1 percent per annum. This data trend shows that the Council will continue to hold significant and increasing levels of cash throughout the period, even after undertaking planned capital expenditure.

The Council's reason for holding cash is to cover the risk of replacement of ageing assets on an urgent basis. The Commission notes, however, that the Council's asset stock is relatively new, given that Roxby Downs was established in 1988. The Council's level of cash holdings might also lack balance with respect to inter-generational equity, given the transient nature of the population. While both rates and cash holdings increase each year to fund potential future capital expenditure, the benefits may not be seen by those currently paying rates.[46]

There is merit in the Council reviewing their projected cash requirements with a view to reducing them to restrain their increases in rates. Holding cash results in an opportunity cost to ratepayers, since they are providing the funds which could have been used for other purposes that benefit them.

Asset renewals expenditure

Key Points:

- The asset renewal funding ratio averaged 57.7 percent over the 10-year historical period but has averaged 90.4 percent between 2018-19 and 2021-22.
- The Council intends to broadly meet its planned renewals expenditure over the LTFP and to maintain a depreciation charge higher than planned renewal expenditure needs. This results in the forecast asset renewal ratio, using the depreciation method, being consistently below the lower threshold target of 90% over the LTFP.
- Asset renewals have been low due to the relatively young age of assets, but a review of asset condition (especially underground assets) and their remaining asset lives should be undertaken.

46 The population of Roxby Downs is relatively transient, with an annual turnover of 20 percent.

Revaluations of assets are scheduled every five years, although the Council has advised that in periods of higher inflation, the Council undertakes a desktop revaluation every two to three years, with condition and useful lives undertaken every five years.

Historically, the Council's actual assets renewal expenditure has not kept pace with its own assessment of actual requirements. This is reflected in its asset renewal funding ratio, which is based upon comparing actual renewal expenditure with planned renewal expenditure, which averaged 57.7 percent over the 10-year historical period, well below the lower target threshold of 90 percent. Although there was an improvement over the last five years of the historic period, the asset renewal ratio averaged only 90.4 percent, which sits just within the target range.

The result worsens when comparing the asset renewal funding with depreciation rather than planned expenditure because the annual depreciation charge is consistently higher than the Council's planned renewal expenditure over the historic period. In this respect, the Commission notes that in the absence of debt and increasing cash and cash equivalents, the Council appears to be holding some of the excess as reserves.

These trends align with the Council noting 'the historic level of asset renewal expenditure was low due to the common age of the infrastructure assets',[47] which means that many of the Council's existing assets have the same age, and consequently each asset group will require repairs and replacement at approximately the same time.[48] This suggests that significant renewal lies in the future because much of the asset stock was established in the late 1980s. As such, the patterns seen in the measures of the asset renewal ratio reflect the Council adopting a strategy of accumulating reserves in the near term, which may or may not be used to fund greater renewals in the future.

The age structure of the asset stock also indicates that the Council should be developing credible strategies to manage the risk of infrastructure assets with a similar age, which could be expected to require more repairs/maintenance and renewal/replacement within the same timeframe in the future. In this respect, the Council has advised that extensive work has been done to verify Council assets and condition ratings together with compiling up-to-date valuations utilising the Assetic system. This was expedited though 2022-23, with 'extensive research, modelling, stakeholder consultations, presentations to Audit & Risk Committee, BHP and State Government, along with community engagement'.[49]

The Council has also provided the Commission with the IAMP 2023-2033[50] which is used to guide the planning, construction, maintenance and operation of each of their asset classes and identify the predicted asset renewal date, along with possible expansion/upgrade of assets.[51] The revaluation schedule in the IAMP indicates that revaluations of assets are scheduled every five years, although the Council has advised that in periods of higher inflation, the Council undertakes a desktop revaluation every two to three years, with condition and useful lives undertaken every five years.

Overall, the above factors indicate that the recent asset assessments, valuation exercises and the IAMP should provide a robust indication of implications of the Council's renewal and upgrade/new asset plans

47 See Roxby Downs AMP 2023-33 p. 6.
48 Under the terms of the Indenture, The Partner (BHP) builds the assets and then hands them over to the Council to manage, which includes responsibility for repairs and maintenance.
49 As explained by the Council during discussions and communications in November 2023.
50 Roxby Council *Infrastructure and Asset Management Plan 2023-2033* (IAMP).
51 The IAMP covers eight groups of assets, including transport, water, wastewater, stormwater, power, buildings and other structures, parks and gardens and plant and equipment, with a replacement value of $174 million and annual depreciation of $3 million.

for the LTFP. They also provide an indication of likely future renewals beyond the scope of the LTFP and the Council's funding strategy.

In this respect, the Commission notes the continual decline in the value of the asset stock per rateable property over the LTFP suggesting the peak in renewals extends beyond this LTFP. This is because the number of rateable properties is static and there is negligible forecast capital expenditure on new/upgraded assets. The Council's has stated that the reason for low forecast spend on new/upgraded assets is 'the current population level to support BHP operations can be accommodated within the existing residential area,'[52] and the infrastructure required for future development will be met by BHP and/or the State Government as required under the terms of the Indenture.[53]

The Commission also notes the intention of the Council to broadly meet its planned renewals expenditure over the LTFP and to maintain a depreciation charge higher than planned renewal expenditure needs. This results in the forecast asset renewal ratio, using the depreciation method, being consistently below the lower threshold target of 90% over the LTFP, with the opposite for the asset renewal ratio measure using planned renewal expenditure. The implication of this, alongside the continuation of low to zero debt and negligible capital expenditure on new/upgraded assets is the increasing cash reserves noted in the previous section on net financial liabilities.

In part, the Council's reasoning for holding ever increasing reserves is that while it is relatively easy to conduct spot checks on the condition of above-ground assets, the Council has significant assets underground, including electricity assets, that also require monitoring. The Council has advised the Commission that it is concerned that urgent asset renewal might be required at scale and at considerable cost in the future.

The Commission also observes the considerable practical difficulties and logistical challenges in seeking to renew or replace a large proportion of the asset stock simultaneously. Given this, there is a need for the Council to consider strategies to address this, alongside funding. There may be benefit in the Council considering a longer-term, more staggered approach to renewal, which would likely be less disruptive for the community and more manageable for the Council.

Additionally, the Commission considers there may be benefit in the Council reviewing any misalignment in the asset lives used to calculate depreciation and those used in the IAMP, with a view to creating more parity. The Council's work undertaken recently in understanding asset condition, life and value underpins its future renewal expenditure, which is significantly less than implied by the depreciation charge. This suggests the asset lives between the two are misaligned, with those being used for depreciation purposes potentially being lower.[54]

Notwithstanding, the Commission does acknowledge the Council's recent work in improving it's understanding of the condition, life, and value of the assets under the Council's stewardship that benefit the community. While the Commission considers this a positive step, how this will develop is not yet known. Given this, the Commission considers it prudent to review progress once this approach becomes more embedded in the Council's processes, strategic planning, and implementation. How rates evolve on the back of the Council's updated approach is also of relevance.

The Commission considers that it would be appropriate for the Council to:

8. **Continue** to review and update its asset valuations and depreciation schedules regularly to achieve best practice by ensuring they reflect current values and asset life.

9. **Ensure** that the IAMP is updated for each asset group and that the timing of planned asset renewals/replacements is consistent with the remaining useful lives of assets. This data should be incorporated into the annual budget and long-term financial plan.

[52] Municipal Council of Roxby Downs Long Term Financial Plan 2023-32 p.13.
[53] See Municipal Council of Roxby Downs IAMP 2023-32 pp. 12 & 13 The Council anticipates an annual increase in population of 1.25 percent (or 50 new residents) per annum with an associated increase in repairs and maintenance costs.
[54] The Council advised that it is currently undertaking significant work to move data to the Assetic software, which is expected to assist with asset management and planning.

10. **Consider** whether it has given sufficient weight to the logistical and practical challenges in seeking to renew a large proportion of the asset stock simultaneously, as well as considering alternative strategies which are longer term and enable a more staggered renewal profile.

2.2.3 Advice on current and projected rate levels

Key Points:

- ⚠ The Council currently has the highest residential rates per property in South Australia, with average rates per property in 2020-21 at $2,931, which is nearly 44 percent higher than the State average.
- ⚠ Rate revenue per property growth has averaged 3.2 percent between 2012-13 and 2021-22 (1.2 percent above CPI).
- ✓ The forecast rate revenue increase for 2023-24 is 7.55 percent per property which is in line with inflation.
- ⚠ Between 2023-24 and 2032-33, the average rate revenue per property is forecast to increase by 3.9 percent per annum, which is above the RBA-based forecast average of inflation of 2.6 percent per annum.

The Council currently has the highest residential rates per property in South Australia, with average rates per property in 2020-21 at $2,931,[55] which is nearly 44 percent higher than the State average. The Council's rate revenue per property grew by an average of 3.2 percent per annum over the 10-year historic period 2012-13 through 2021-22, which resulted in rates increasing by around 1 percentage point, more than the average annual inflation of 2.6 per cent over the period. [56] While it can be argued that Roxby Downs ratepayers have a better than average capacity to pay their rates because the towns' SEIFA rating is 59 out of 71[57] (for the state), this cannot alone explain the historical high level of rates.

As noted previously, the Council is now managing the consequence of expanding services and infrastructure to accommodate an anticipated population increase that did not materialise. Also, the Council provides a high level of services and infrastructure, despite its low population and remote geographical location. Providing this with limited scale means that the Council is at risk of being unsustainable without access to the Municipal Deficit funding and a high-rate burden on the community. This will not change without service rationalisation and a lowering of infrastructure condition.

The Council has budgeted for an increase in total rates income of 7.64 percent in 2023-24, which results in an average rate increase of 7.55 percent or $232.23 per property for its existing ratepayers,[58] in line

[55] Based on total residential rates excluding CWMS rates per rateable residential property for each council in SA as shown in SA Local Grants Commission Excel spreadsheet Report 6 – Council Rating Arrangements for 2021-22 Financial Year.

[56] As per the table *Total Residential Rates (excluding CWMS Rates) per Rateable Residential Property* – SA Local Government Grants Commission Report 6 *Council Rating Arrangements for 2021-22 Financial Year*.
See also Councils in Focus data for 2020 available at Municipal Council of Roxby Downs | Councils in Focus where Roxby Council's general rates were reported as $2.31k net per property, compared to $1.73k per property for the similar council average and $1.81 per property for the state average.

[57] The Socio-Economic Indexes for Areas (SEIFA) is produced by the ABS and ranks areas in Australia according to relative socio-economic advantage and disadvantage. The indexes are based on information from the five-yearly Census.
The SEIFA ranking of 59 of 71 indicates that Roxby Downs residents have a better capacity to pay rates than 58 of the other councils in South Australia.
See https://www.abs.gov.au/websitedbs/censushome.nsf/home/seifa for more information about the indexes.

[58] See Municipal Council of Roxby Downs – Long-term Financial Plan 2023-33 p. 8 and data in its Excel template (with the 2023-24 forecasts) provided to the Commission.

with inflation. This is higher than its average historical rates of increase at 3.21 percent per rateable property and is the result of a change in the Council's budgetary approach to increasing rates income in line with inflation, rather than under the rate of inflation.

Over the years of the LTFP 2023-24 through 2032-33, the Council is projecting average rates increases consistent with the RBA targeted inflation for the first three years, and from 2026-27 onwards, at 3 percent per annum, which is higher than long-term expected inflation. This delivers an annual average of 3.9 percent per annum for the period, or the forecast CPI plus 0.7 percent per annum.

No growth in rateable properties is expected and total rates revenue per property is forecast to increase from an average of $3,086.75 per rateable property in 2022-23 to $4,579.48 in 2032-33, which is an increase of $1492.73 or 48.4 percent above the average rates per rateable property at the start of the 10-year forecast period.

Affordability risk among the community for these further rate increases appears to be moderate, on balance, when considering:

- the Council's relative average socio-economic indexes for areas (SEIFA) economic resources ranking for the Municipal Council of Roxby Downs area,[59]
- the current relatively high average rates (across most ratepayers),
- the Council's planned increases in rates of around 3.0 percent per annum over the forecast period, which sits above average expected inflation,[60] and
- the potential for additional revenue to be received from the State Government and BHP as subsidies to cover any operating deficits.

However, as the current economic environment is putting more pressure on most communities' capacity to pay for further rate increases, including those of the Council, the Commission considers it would be appropriate for the Council to:

11. Consider limiting further increases in rates to below expected inflation to reduce both the affordability risk and intergenerational burden risk, while pursuing cost-saving initiatives to ensure expenses are controlled over the long-term.

2.3 The Commission's next advice and focus areas

In the next cycle of the scheme, the Commission will review and report upon the Roxby Council's:

- ongoing performance against its current LTFP estimates,
- development of strategies and setting targets for cost savings and reporting achievements in its plans,
- development a strategy to reduce the risks associated with the Council's assets having a similar age,
- alignment of asset and depreciation values in the IAMP, to be coordinated with planned expenditure in the LTFP,

The Grants Commission database lists residential rates as $2,391 for 2021-22, which includes the waste collection and Landscape Levy.

59 The Roxby Council area is ranked 59 among 71 South Australian '*local government areas*' (including Anangu Pitjantjatjara and Maralinga Tjarutja Aboriginal community areas and 'unincorporated SA') on the Australian Bureau of Statistics SEIFA Index of Economic Resources (2021), where a lower score (eg 1) denotes relatively lower access to economic resources in general, compared with other areas, available at Socio-Economic Indexes for Areas (SEIFA), Australia, 2021 | Australian Bureau of Statistics (abs.gov.au)

60 The forecast of an average 3.0 percent sits above the Commission's forecast inflation of 2.6 percent per annum for the period.

- development of plans for asset renewal,
- a reassessment of its cash requirements, and
- the Council's efforts to minimise any emerging affordability risks.



The Essential Services Commission
Level 1, 151 Pirie Street Adelaide SA 5000
GPO Box 2605 Adelaide SA 5001
T 08 8463 4444
E escosa@escosa.sa.gov.au | W www.escosa.sa.gov.au

2025-2026 BUDGET

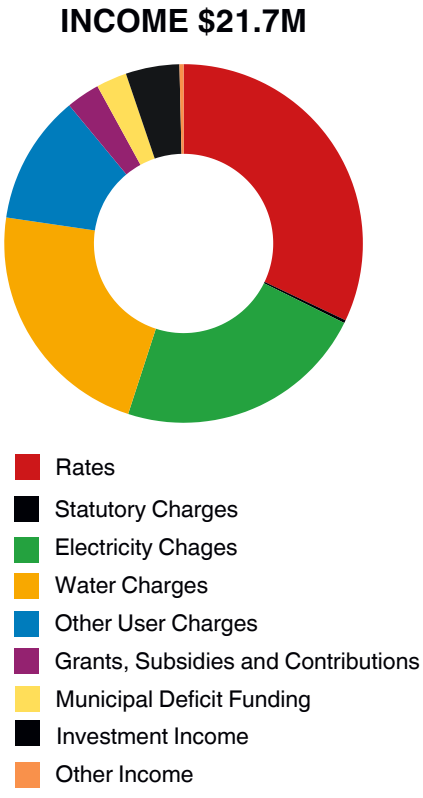
How Will Council Fund the Annual Business Plan?

The Annual Business Plan produces a modest operating surplus of $483,180 resulting from containment of projected expenditure.

OPERATING INCOME

To deliver the projects and ongoing services outlined within this Plan, Council raises income from various sources, including state and federal government grants and rates.

INCOME SOURCE	$'000
Rates	6,989
Statutory Charges	57
Electricity Charges	4,921
Water Charges	4,840
Other User Charges	2,532
Grants, Subsidies and Contributions	657
Municipal Deficit Funding	600
Investment Income	1,082
Other Income	80

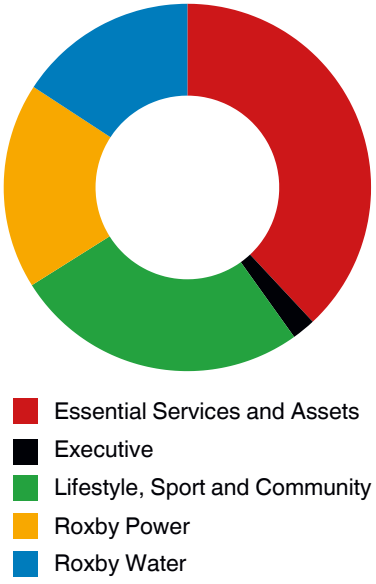


EXPENSES

The cost to Council to deliver services at their current levels is $21.3M. Across the different Council functions, Council spends $5.5M on employing staff. It also incurs over $4.1M in depreciation to recognise the annual consumption of its large network of infrastructure assets.

DEPARTMENTAL EXPENDITURE	$'000
Essential Services and Assets	8,128
Executive	444
Lifestyle, Sport and Community	5,543
Roxby Power	3,786
Roxby Water	3,373

EXPENSES $21.3M

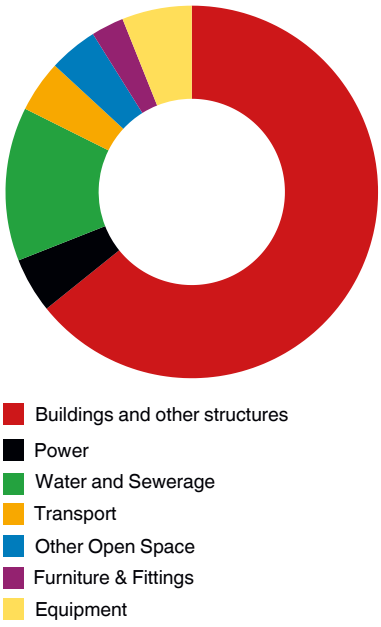


CAPITAL EXPENDITURE

- $1,354k will be spent on renewing and replacing assets
- $1,005k will also be spent on new or upgraded assets, providing additional services and benefits to the community.

INCOME SOURCE	$'000
Buildings and other structures	1,515
Power	113
Water and Sewerage	315
Transport	106
Other Open Space	100
Furniture & Fittings	67
Equipment	143

CAPITAL EXPENDITURE $2.36M



Setting of Rates and Charges

In deciding how much rate revenue we need to raise for the financial year, we consider several factors including the cost of delivering services to the community and our future asset renewal and replacement requirements. We also allow for the current economic climate, community expectations and ensuring we fulfill all our statutory obligations.

GENERAL RATES

Council proposed an increase of 3.2% in general rate revenue, aligning with the Reserve Bank of Australia's forecast Consumer Price Index (CPI) of 3.2% for the year ending 30 June 2026. This increase will raise a total of $5,852,901, compared to $5,682,892 in the previous financial year.

Council believes this level of rate income would support long-term financial sustainability while maintaining short-term fiscal responsibility.

DIFFERENTIAL GENERAL RATES

As in previous years Council has opted to differentiate the rates charged by different land use. It does so on the basis that some land uses impact more on the level of services used compared to others.

Land Use	Proposed Rate in Dollar	Proposed Rates to be Collected $ (by category of use)
Residential	0.006499	4,133,400
Commercial Shop	0.019127	246,994
Commercial Office	0.024620	141,033
Commercial Other	0.022066	838,255
Industry Light	0.015345	55,807
Industry Other	0.010774	80,583
Vacant	0.020588	201,781
Other	0.009103	155,048

MAXIMUM INCREASE

Valuations were received from the Valuer General. Council proposed no changes to the maximum increase from the 2024-2025, which remained at 12%. This applied to the general rate for residential ratepayers where the property was their principal place of residence. It did not apply if there had been development or a change in use from the previous year.

FIXED CHARGE

Council determined that all rateable properties should make a minimum contribution towards the cost of Council services through a fixed charge of $826.00. This fixed charge generated a total of $1,547,098, representing 26% of Council's general rate revenue.

RATE REBATES

Council will provide rate rebates in accordance with Section 10(1)(5) of the *Local Government Act 1999* and regularly reviews discretionary rate rebates.

AVERAGE RATE

The average rate was calculated by dividing the total general rates payable by the number of properties for each land use.

Land Use	Number of Properties (by category of use)	Average Rate / Assessment $	Change from last year
Residential	1,732	2,386	3.20%
Commercial Shop	29	8,517	3.20%
Commercial Office	16	8,815	3.20%
Commercial Other	41	20,445	3.20%
Industry Light	7	7,972	3.20%
Industry Other	8	10,073	3.20%
Vacant	34	5,935	3.20%
Other	15	10,337	3.20%

Business Impact Statement

Council considers the impact of rates on all businesses in the Council area. In considering the impact, we have assessed the financial impact on local businesses of the current and forecast economic climate, the operating and capital projects and new programs for the coming year that will principally benefit industry and business development, valuation changes and Council's ability to provide appropriate local stimulus to businesses through its annual rating.

FURTHER INFORMATION

Further information concerning Council Rating Concessions, Rebates, Capping Rebates and provisions for rate payers facing hardship can be found in *Appendix 1*.

SERVICE CHARGE - WASTE COLLECTION

The full cost of operating and maintaining a waste collection service is recovered through a service charge to each residential property. For 2024-2025, the cost of this charge was $666.81. In 2025-2026, Council proposes that the service charge for waste collection will be increased by 14.31%, equating to $762.25 per annum. Council will collect $1,320,217 from the service charge. This increase in the cost of the annual service charge is a result of increased disposal and transport costs for waste generated at Roxby Downs. In 2026-2027 it is forecast that the waste collection service charge increase will be aligned with CPI.

REGIONAL LANDSCAPE LEVY

The Regional Landscape Levy is a State Government tax imposed under the *Landscape South Australia Act 2019*. Council is obliged to collect the levy on behalf of the SA Arid Lands Management Board. The levy is based on a fixed charge by land use type and is shown as a separate charge on the rate notice. The rates proposed for 2025-2026 are $48.07 for Residential/Vacant/Other and $96.14 for Commercial/Industrial land use types. The Regional Landscape Levy will raise $94,847.

METHOD USED TO VALUE LAND

Council adopted capital value as the basis for valuing land within the Council area, as it is considered the fairest method for distributing the rate burden across all ratepayers. Capital value is also viewed as a reasonable indicator of a property owner's capacity to pay.

ADOPTION OF VALUATION

The Council adopted the valuations made by the Valuer-General. Anyone dissatisfied with the valuation may object to the Valuer General in writing within 60 days of receiving the notice of the valuation, explaining the basis for the objection. The Council has no role in the process.

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

The total property valuations (excluding non-rateable) provided by the State Valuation Office as of 17 June 2024 was $503,546,167. The total valuation received from the State Valuation Office as at 25 June 2025 for Roxby Downs was reported at $503,880,544.

ROXBY POWER AND ROXBY WATER CHARGES

Forecasting revenue from Roxby Power and Roxby Water is challenging due to seasonal variability and fluctuations in demand. While Council uses broad assumptions and analysis of historical usage patterns to inform its budgeting, key demand drivers, such as population growth and temperature are subject to uncertainty.

For the 2025–2026 financial year, Council has adopted a 2.5% increase in electricity tariffs, with no change to the solar feed-in (buy-back) rate. Total projected revenue for Roxby Power is $4.92 million.

Similarly a 2.5% increase will apply to water usage tariffs, water supply, and sewerage supply charges, with total projected revenue for Roxby Water estimated at $4.84 million.

ROXBY POWER

ROXBY WATER

APPENDIX 1
Rating Policy Explained

WHY ARE RATES IN ROXBY DOWNS COMPARATIVELY HIGHER THAN THOSE IN METROPOLITAN COUNCILS?

Due to restrictions around land use, there has been no proposed construction of new buildings or houses in Roxby Downs. This has implications for Council as natural growth in the number of rateable properties, which commonly occurs in other local government areas, cannot be factored into planning for natural revenue growth.

The cost of delivering high quality services in a remote area is also significantly higher and there is less availability of services.

HOW OFTEN DOES ROXBY COUNCIL INCREASE ITS RATES?

As part of Council's long-term commitment to sustainability, a 3.2% rate increase was proposed and adopted. This aligns with the Reserve Bank of Australia's forecast Consumer Price Index (CPI) for the year ending 30 June 2026.

Last financial year Council increased rates by 4.8% in line with Adelaide CPI of 4.8% for the year to December 31, 2024.

WHEN ARE RATES DUE?

Annual rates can be paid in full at the first instalment in September or in four equal instalments due in September, December, March and June. The outstanding balance can be paid in full at any time. Council will send out instalment notices to ratepayers, advising them of their next instalment due date at least 30 days prior to the due date. Council is also now sending out reminders in the form of SMS texts for all accounts that are overdue. Council provides a range of payment options.

INSTALMENT DUE DATES

- Instalment 1 – 15 September 2025
- Instalment 2 – 15 December 2025
- Instalment 3 – 16 March 2026
- Instalment 4 – 15 June 2026

WHAT HAPPENS IF RATES ARE NOT PAID BY THE DUE DATE?

The *Local Government Act 1999* requires that Councils impose a penalty of 2% on rates that are not paid by the due date.

Rates remaining unpaid will be charged interest each month, set each year in accordance with Section 181(8)(c) of the Act. Council may at its discretion remit penalties for late payment of rates where ratepayers can demonstrate hardship (refer to the Roxby Council Municipal Rates Hardship Policy on Council's website). Council issues an overdue notice for payment of rates unpaid by the due date. Should rates remain unpaid more than 21 days after the issue of the overdue notice, the Council may refer the debt to a debt collection agency. The debt collection agency charges collection fees that are recoverable from the ratepayer. When the Council receives a payment in respect of overdue rates, the Council applies the money received in accordance with the sequence prescribed in Section 183 of the Act.

THE PRESCRIBED SEQUENCE IS:

- *First*: Satisfying any costs awarded in connection with court proceedings.
- *Second*: Satisfying any interest costs.
- *Third*: Paying any fines imposed.
- *Fourth*: Payment of rates, in chronological order (starting with the oldest amount owing).

PENALTIES

Penalties do apply to outstanding rates. Any rate payer who may experience difficulty with meeting the standard payment requirements or is planning an extended absence at the time rates are due, is encouraged to contact our Rates Officer on 8671 0010 to discuss alternative payment arrangements.

WHAT IF I'M EXPERIENCING HARDSHIP?

If you are concerned about the payment of your Council rates, please contact Council on 8671 0010 to discuss your personal circumstances and organise alternative payment arrangements before the payment is due.

CAN RATE PAYMENTS BE POSPONED UNDER HARDSHIP?

Under Section 182 of the *Local Government Act 1999*, you can apply to postpone your rates if payment would cause you hardship. You need to meet the following criteria:

- That hardship can be proven (such as by providing a statement of income and expenses).
- You agree to pay interest on the amount at the cash advance debenture rate, calculated monthly and published by the Local Government Finance Authority for 1 July each year.
- The property is your principal residence and is the only property you own.
- You have owned the property and used it as your principal residence for a minimum of 1 year.
- You can produce your Pensioner Concession Card from Centrelink or Veterans Affairs, or you can demonstrate that you are a self-funded retiree with a household income of less than $25,000 a year.

We strongly encourage any ratepayer to contact us if they anticipate that they will have difficulty paying rates instalments when they fall due.

CAN RATES BE POSTPONED FOR SENIORS CARD HOLDERS?

Pursuant to Section 182A of the *Local Government Act 1999*, if you hold a State Government Seniors Card, you can apply to postpone part of your Council rates for the current or a future financial year.

WHICH PROPERTIES ARE ELIGIBLE FOR A RATE REBATE?

The *Local Government Act 1999* (the Act) provides that the Council must grant a rebate of Council rates in specified circumstances. The rebates relate to:

- Land used by a not-for-profit community service organisation for specified services (pursuant to Section 161).
- Land containing a church or other building used for public worship and land used solely for religious purposes (pursuant to Section 162).
- Land used for specified educational purposes (pursuant to Section 165).

WHO ELSE IS ELIGIBLE FOR A REBATE?

Section 166 of the *Local Government Act 1999* sets out the circumstances in which Council can grant discretionary rebates of up to 100%. Rebates are reviewed and approved by Council on an annual basis.

MAXIMUM RATE INCREASE CAP

The Council may fix a maximum increase in the general rate charged on any rateable land within its area that constitutes the principal place of residence of a principal ratepayer under Section 153 (3) of the *Local Government Act 1999*. If the Council fixes a maximum increase, it will do so on the application of the property owner for the relevant year ending 30 June provided that:

- the property has been the principal place of residence of the principal ratepayer since at least 1 July of the previous financial year.
- the property has not been subject to a change in land use since 1 July of the previous financial year.
- the property has not been subject to improvements with a value of more than $20,000 since 1 July of the previous financial year.

Enquiries can be made by contacting Roxby Council's Rates Officer on 8671 0010 or by emailing roxby@roxbycouncil.com.au.

WHAT HAPPENS IF RATES ARE IN ARREARS FOR MORE THAN THREE YEARS?

Section 184 of the *Local Government Act 1999* 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 its intention to sell the land if payment of the outstanding amount is not received within one month and must provide the owner with details of the outstanding amounts. Except in extraordinary circumstances, the Council enforces the sale of land for arrears of rates.

SAMPLE RATES NOTICE 2025-2026

ROXBY COUNCIL

Rates Notice 2025/2026

1st Instalment Notice

Rates & Charges for period
1 July 2025 to 30 June 2026

Young Vibrant Community
Richardson Place (PO Box 124)
Roxby Downs SA 5725
08 8671 0010
roxby@roxbycouncil.com.au
www.roxbydowns.sa.gov.au
ABN 68 284 130 046

Assessment No	Issue Date
A0001	25/07/2025

Due Date	Amount Due
15/09/2025	$123.45

XYZ Investment Pty Ltd
PO Box 1234
ROXBY DOWNS SA 5725

Council Rates and Charges shown on this notice are exempt from GST

Property Details			
Property Address	00 Richardson Place, Roxby Downs, SA, 5725		
Legal Description	Lot 123 T12345 CT1234/123	Valuation Number	123456789
Declared Date	25 June 2025	Capital Value	$123,000

Rates and Charges Breakdown		
Balance Brought Forward as at 25/07/2025		$0.00
Rates & Charges for 2025/2026	Rate in the $	
General Rate - Differential - (Land Use) Residential	0.001234 $	$1,234.56
General Rate - Fixed Charge		$123.00
Service Charge - Domestic Waste Collection		$123.00
Other Fees & Charges for 2025/2026		
SA Arid Lands Regional Landscape Levy		$12.34
Rebates, Remissions, Concessions or Deductions		
TOTAL BALANCE (full year's payment due)		**$1,234.56**

Fines apply for payments not received by the due date

INSTALMENT 1	INSTALMENT 2	INSTALMENT 3	INSTALMENT 4
$123.45	$123.00	$123.00	$123.00
Pay By: 15/09/2025	Pay By: 15/12/2025	Pay By: 16/03/2026	Pay By: 15/06/2026

The above is an example of Roxby Council's Rates Notice for illustration purposes only.

EXAMPLE

Statement on Expected Rate Revenue

Statement on Expected Rate Revenue

Please note: These figures represent a considered estimate of Expected Rate Revenue based on the most current information available at the time of going out to consultation on the DRAFT Annual Business Plan and Budget (ABP&B). This information is updated regularly and therefore these figures may be subject to confirmation at the time of actual adoption of the ABP&B.

Expected Rates Revenue

	2024/25 (as adopted)	2025/26 (estimated)		Change	Comments
General Rates Revenue					
General Rates (existing properties)	$5,682,892	$5,852,901	*(a)*		
General Rates (new properties)			*(b)*		
General Rates (GROSS)	**$5,682,892**	**$5,852,901**	*(c)*		
Less: Mandatory Rebates	($278,364)	($288,599)	*(d)*		
General Rates (NET)	**$5,404,528**	**$5,564,303**	*(e)*	**3.0%**	
		(e)=(c)+(d)			
Other Rates (inc. service charges)					
Regional Landscape Levy	$93,003	$94,847	*(f)*		The Regional Landscape Levy is a State tax, it is **not retained** by council.
Waste collection	$1,154,915	$1,320,217	*(g)*		Increased costs to deliver service
Water supply			*(h)*		
CWMS			*(i)*		
Separate and Special Rates	n/a		*(j)*		
Electricity Supply			*(k)*		
	$6,652,446	$6,979,367			
Less: Discretionary Rebates	($8,297)	($8,564)	*(l)*		
Expected Total Rates Revenue	**$6,551,146**	**$6,875,956**	*(m)*	**5.0%**	Excluding the Regional Landscape Levy and minus Mandatory & Discretionary Rebates.
		(m)=(e)+(g)+(h)+(i)+(j)+(k)+(l)			

Estimated growth in number of rateable properties

Number of rateable properties	**1,882**	**1,882**	*(n)*	**0.0%**
	Actual	*Estimate*		

'Growth' is defined in the regulations as where new properties have been created which has added rateable properties to council's ratepayer base. Growth can also increase the need and expenditure related to infrastructure, services and programs which support these properties and residents.

Estimated average General Rates per rateable property

Average per rateable property	**$3,020**	**$3,110**	*(o)*	**3.0%**
		(o)=(c)/(n)		

Councils use property valuations to calculate each rateable property's contribution to the required rate revenue total. Councils do not automatically receive more money because property values increase but this may alter how rates are apportioned (or divided) across each ratepayer (ie. some people may pay more or less rates, this is dependent on the change in value of their property relative to the overall

Notes

(d) Councils are **required** under the Local Government Act to provide a rebate to qualifying properties under a number of categories:

Health Services - 100 per cent
Community Services - 75 per cent
Religious purposes - 100 per cent
Public Cemeteries - 100 per cent
Royal Zoological Society of SA - 100 per cent
Educational purposes - 75 per cent

The rates which are foregone via Mandatory Rebates are redistributed across the ratepayer base (ie. all other ratepayers are subsidising the rates contribution for those properties who receive the rebate).

(e) Presented as required by the *Local Government (Financial Management) Regulations 2011* reg 6(1)(ea)

Please Note: The percentage figure in *(e)* relates to the change in the total amount of General Rates revenue to be collected from all rateable properties, not from individual rateable properties (ie. individual rates will not necessarily change by this figure).

(f) Councils are required under the *Landscape South Australia Act 2019* to collect the levy on all rateable properties on behalf of the State Government. The levy helps to fund the operations of regional landscape boards who have responsibility for the management of the State's natural resources.

(i) Community Wastewater Management Systems

(l) A council **may** grant a rebate of rates or service charges in a number of circumstances. The rates which are foregone via Discretionary Rebates are redistributed across the ratepayer base (ie. all other ratepayers are subsidising the rates contribution for those properties who receive the rebate).

(m) Expected Total Rates Revenue excludes other charges such as penalties for late payment and legal and other costs recovered.

(n) 'Growth' as defined in the *Local Government (Financial Management) Regulations 2011* reg 6(2)

Statement on Expected Rate Revenue

Please note: These figures represent a considered estimate of Expected Rate Revenue based on the most current information available at the time of going out to consultation on the DRAFT Annual Business Plan and Budget (ABP&B). This information is updated regularly and therefore these figures may be subject to confirmation at the time of actual adoption of the ABP&B.

Expected Rates Revenue

	Total expected revenue			No. of rateable properties		Average per rateable property				Rate in the $
	2024/25	2025/26	Change	2024/25	2025/26	2024/25	2025/26		Change	2025/26
Land Use (General Rates - GROSS)										
Residential	$4,005,166	**$4,133,400**	**3.2%**	1732	**1732**	$2,312	$2,386	*(p)*	**$74**	**0.006499**
Commercial - Shop	$231,081	**$246,994**	**6.9%**	28	**29**	$8,253	$8,517	*(p)*	**$264**	**0.019127**
Commercial - Office	$136,662	**$141,033**	**3.2%**	16	**16**	$8,541	$8,815	*(p)*	**$273**	**0.024620**
Commercial - Other	$832,065	**$838,255**	**0.7%**	42	**41**	$19,811	$20,445	*(p)*	**$634**	**0.022066**
Industry - Light	$54,078	**$55,807**	**3.2%**	7	**7**	$7,725	$7,972	*(p)*	**$247**	**0.015345**
Industry - Other	$78,087	**$80,583**	**3.2%**	8	**8**	$9,761	$10,073	*(p)*	**$312**	**0.010774**
Vacant Land	$195,522	**$201,781**	**3.2%**	34	**34**	$5,751	$5,935	*(p)*	**$184**	**0.020588**
Other	$150,233	**$155,048**	**3.2%**	15	**15**	$10,016	$10,337	*(p)*	**$321**	**0.009103**
Total Land Use	**$5,682,892**	**$5,852,901**	**3.0%**	**1,882**	**1,882**	**$3,020**	**$3,110**	*(p)*	**$90**	

Fixed Charge

	Total expected revenue			Charge			
	2024/25	2025/26	Change	2024/25	2025/26		Change
Fixed Charge	$1,498,400	**$1,547,098**	**3.3%**	$800	**$826**	*(q)*	**$26**

This revenue amount is **included** in the General Rates GROSS figure at *(c)*.

Adopted valuation method

Capital Value

Council has the option of adopting one of three valuation methodologies to assess the properties in its area for rating purposes:
Capital Value – the value of the land and all improvements on the land;
Site Value – the value of the land and any improvements which predominantly affect the amenity of use of the land, such as drainage works, but excluding the value of buildings and other improvements (Note: Site Value will cease to be an option from 1 Sept 2023); or
Annual Value – a valuation of the rental potential of the property.

The Municipal Council of Roxby Downs adopts the Capital Valuation methodology for rating purposes in its area.

Notes

(p) Average per rateable property calculated as General Rates for category, including any fixed charge or minimum rate (if applicable) but excluding any separate rates, *divided* by number of rateable properties within that category in the relevant financial year.

(q) A fixed charge can be levied against the whole of an allotment (including land under a separate lease or licence) and only one fixed charge can be levied against two or more pieces of adjoining land (whether intercepted by a road or not) if they are owned by the same owner and occupied by the same occupier. Also if two or more pieces of rateable land within the area of the council constitute a single farm enterprise, only one fixed charge may be imposed against the whole of the land.

(r) Where two or more adjoining properties have the same owner and are occupied by the same occupier, only one minimum rate is payable by the ratepayer.

APPENDIX 2
Consolidated Financial Statements

Budgeted Statement of Comprehensive Income 2025-2026

	2023/24 Audited Actual	2024/25 Original Budget	2024/25 Budget Forecast	2025/26 Budget
	$	$	$	$
INCOME				
Rates	6,241,970	6,665,490	6,665,489	6,989,116
Statutory charges	46,172	51,919	56,019	57,420
User charges	12,608,174	12,160,963	12,395,842	12,292,450
Grants, subsidies and contributions	126,904	89,234	641,676	656,870
Grants, subsidies and contributions - Capital	1,914,159	-	-	-
Municipal Deficit Funding	600,000	600,000	600,000	600,000
Investment income	1,244,503	1,065,000	1,065,000	1,082,000
Reimbursements	3,375	11,595	11,595	11,884
Other income	83,989	62,058	68,587	67,960
Total Income	22,869,246	20,706,258	21,504,208	21,757,701
EXPENSES				
Employee costs (inc oncosts)	4,844,604	5,716,236	5,031,000	5,476,102
Materials, contracts & other expenses	11,642,851	12,133,166	12,999,094	11,683,039
Depreciation	3,682,868	3,826,412	3,936,093	4,115,380
Finance costs	1,000	-	-	-
Total Expenses	20,171,323	21,675,813	21,966,187	21,274,521
OPERATING SURPLUS / (DEFICIT)	2,697,923	(969,555)	(461,979)	483,180
Asset Disposal & Fair Value Adjustments	(667,964)	-	-	-
Amounts specifically received for new or upgraded assets	2,576,188	-	381,818	-
Physical resources received free of charge	-	-	-	-
NET SURPLUS/(DEFICIT) transferred to Equity Statement	4,606,146	(969,555)	(80,161)	483,180
Other Comprehensive Income				
Changes in revaluation surplus -IPPE	2,969,593	-	-	-
TOTAL COMPREHENSIVE INCOME	7,575,739	(969,555)	(80,161)	483,180

Budgeted Statement of Financial Position 2025-2026

	2023/24 Audited Actual $	2024/25 Original Budget $	2024/25 Budget Forecast $	2025/26 Budget $
ASSETS				
Current Assets				
Cash and cash equivalents	12,411,080	19,203,089	26,549,536	33,733,982
Trade & other receivables	3,694,020	2,638,884	3,693,520	2,882,797
Other Financial Assets	13,000,000	-	-	-
Inventories	40,277	24,780	40,277	58,918
Total Current Assets	29,145,377	21,866,752	30,283,333	36,675,697
Non-current Assets				
Infrastructure, property, plant & equipment	136,197,710	114,523,081	134,978,594	133,223,621
Total Non-Current Assets	136,197,710	114,523,081	134,978,594	133,223,621
TOTAL ASSETS	165,343,087	136,389,833	165,261,927	169,899,318
LIABILITIES				
Current Liabilities				
Trade & other payables	3,332,174	2,664,835	3,333,582	7,435,672
Current Borrowings	-	17,143	-	16,182
Current Provisions	756,844	565,602	755,436	815,075
Total Current Liabilities	4,089,018	3,247,580	4,089,018	8,266,929
Non-current Liabilities				
Non-current Borrowings	-	18,315	-	36,409
Non-current Provisions	2,362,996	1,277,627	2,366,496	2,304,925
Total Non-current Liabilities	2,362,996	1,295,942	2,366,496	2,341,334
TOTAL LIABILITIES	6,452,014	4,543,522	6,455,514	10,608,263
NET ASSETS	158,891,072	131,846,312	158,806,412	159,291,055
EQUITY				
Accumulated Surplus	41,866,115	35,581,237	41,781,454	42,266,055
Asset Revaluation Reserves	117,024,957	96,265,075	117,024,958	117,025,000
TOTAL EQUITY	158,891,072	131,846,312	158,806,412	159,291,055

Budgeted Statement of Cash Flows 2025-2026

	2023/24 Audited Actual $	2024/25 Original Budget $	2024/25 Budget Forecast $	2025/26 Budget $
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates - general & other	6,161,184	6,665,490	6,665,490	6,986,704
Fees & other charges	46,304	51,919	56,019	57,178
User charges	13,323,715	12,160,963	12,395,842	12,315,462
Grants utilised for operating purposes	783,000	689,234	1,241,676	1,255,695
Investment receipts	1,244,503	1,065,000	1,065,000	1,081,204
Reimbursements	3,375	11,595	11,595	11,844
Other revenues	712,000	62,058	68,587	62,846
Payments				
Employee costs	(4,522,000)	(5,716,236)	(5,031,000)	(5,461,990)
Materials, contracts & other expenses	(14,026,000)	(12,133,166)	(12,999,094)	(12,872,240)
Finance payments	(1,000)	-	-	(3,479)
Net Cash provided by (or used in) Operating Activities	3,725,080	2,856,857	3,474,115	3,433,222
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Amounts specifically for new or upgraded assets	2,021,000	-	381,818	35,533
Grants utilised for capital purposes	872,000	-	-	-
Sale of surplus assets	40,000	-	-	-
Payments				
Expenditure on renewal/replacement of assets	(7,072,000)	(1,204,855)	(1,409,080)	(1,354,382)
Expenditure on new/upgraded assets	(2,458,000)	(599,000)	(1,307,897)	(1,005,735)
Investment in term Deposits	(13,000,000)	-	-	-
Net Cash provided by (or used in) Investing Activities	(19,597,000)	(1,803,855)	(2,335,159)	(2,324,584)
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Proceeds from bonds and deposits	87,000	-	-	-
Payments				
Repayment of finance lease liabilities	(19,000)	-	-	(16,182)
Net Cash provided by (or used in) Financing Activities	68,000	-	-	(16,182)
NET INCREASE (DECREASE) IN CASH HELD	(15,803,920)	1,053,002	1,138,956	1,092,457
Cash & cash equivalents at beginning of period	28,215,000	18,150,087	25,410,580	32,641,525
Cash & cash equivalents at end of period	12,411,080	19,203,089	26,549,536	33,733,982
Additional Information				
Plus: Investments on hand - end of year	13,000,000	-	-	-
Total Cash, cash equivalents and investments	12,411,080	19,203,089	26,549,536	33,733,982

Budgeted Statement of Changes In Equity 2025-2026

	Accumulated Surplus	TOTAL EQUITY
	$	$
2023/24 AUDITED ACTUAL		
Balance at end of previous reporting period	37,259,969	151,315,333
Net Surplus/(Deficit) for Year	4,606,146	4,606,146
Other Comprehensive Income		
Gain on revaluation of infrastructure, property, plant & equipment		2,969,593
Transfers between reserves		
Balance at end of period	41,866,115	158,891,072
		-
2024/25 ORIGINAL BUDGET		
Balance at end of previous reporting period	36,550,792	132,815,867
Net Surplus/(Deficit) for Year	(969,555)	(969,555)
Other Comprehensive Income		
Gain (loss) on revaluation of infrastructure, property, plant & equipment		-
Transfers between reserves		
Balance at end of period	35,581,237	131,846,312
		-
2024/25 BUDGET FORECAST		
Balance at end of previous reporting period	41,861,615	158,886,573
Net Surplus/(Deficit) for Year	(80,161)	(80,161)
Other Comprehensive Income		
Gain on revaluation of infrastructure, property, plant & equipment		-
Transfers between reserves		
Balance at end of period	41,781,454	158,806,412
		-
2025/26 BUDGET		
Balance at end of previous reporting period	41,782,875	158,807,875
Net Surplus/(Deficit) for Year	483,180	483,180
Other Comprehensive Income		
Gain (loss) on revaluation of infrastructure, property, plant & equipment		-
Transfers between reserves		
Balance at end of period	42,266,055	159,291,055

Budgeted Uniform Presentation of Finances 2025-2026

	2023/24 Audited Actual	2024/25 Original Budget	2024/25 Budget Forecast	2025/26 Budget
	$	$	$	$
Income	22,869,246	20,706,258	21,504,208	21,757,701
less Expenses	20,171,323	21,675,813	21,966,187	21,274,521
Operating Surplus / (Deficit)	2,697,923	(969,555)	(461,979)	483,180
Net timing adjustment for general purpose grant funding	439,000	-	-	-
Less: grants,subsidies and contributions - capital	(1,914,000)	-	-	-
Adjusted Operating surplus / (deficit)	1,222,923	(969,555)	(461,979)	483,180
Net Outlays on Existing Assets				
Capital Expenditure on renewal and replacement of Existing Assets	(7,072,000)	(1,204,855)	(1,409,080)	(1,354,382)
Finance Lease payments for right of use assets on exitsting assets	(17,500)	-	-	(19,661)
Depreciation, Amortisation and Impairment	3,683,868	3,826,412	3,936,093	4,115,380
Proceeds from Sale of Replaced Assets	(0)	-	-	-
	(3,405,632)	2,621,557	2,527,013	2,741,337
Net Outlays on New and Upgraded Assets				
Capital Expenditure on New and Upgraded Assets (including investment property & real estate developments)	(2,459,000)	(599,000)	(1,307,897)	(1,005,735)
Add back grants, subsidies and contributions - capital new/ upgraded	1,914,000	-	-	-
Amounts received specifically for New and Upgraded Assets	2,021,188	-	381,818	35,533
Proceeds from Sale of Surplus Assets	40,000	-	-	-
	1,516,188	(599,000)	(926,079)	(970,202)
Net Lending / (Borrowing) for Financial Year	(666,522)	1,053,002	1,138,955	2,254,316

Budgeted Financial Indicators 2025-2026

	2023/24 Audited Actual $	2024/25 Original Budget $	2024/25 Budget Forecast $	2025/26 Budget $
OPERATING SURPLUS RATIO	11.80%	-4.68%	-2.15%	2.22%
Operating Surplus	2,697,923	(969,555)	(461,979)	483,180
Total Operating Income	22,869,246	20,706,258	21,504,208	21,757,701
This ratio expresses the operating surplus as a percentage of total operating revenue.				
UNDERLYING OPERATING SURPLUS RATIO	5.60%	-4.68%	-2.15%	2.22%
Operating Surplus	1,195,923	(969,555)	(461,979)	483,180
Total Operating Income	21,367,246	20,706,258	21,504,208	21,757,701
This ratio expresses the normalised operating surplus as a percentage of total operating revenue.				
NET FINANCIAL LIABILITIES RATIO	-99%	-84%	-111%	-120%
Net Financial Liabilities	(22,653,085)	(17,298,451)	(23,787,541)	(26,008,516)
Total Operating Income	22,869,246	20,706,258	21,504,208	21,757,701
Net Financial Liabilities are defined as total liabilities less financial assets. These are expressed as a percentage of total operating revenue.				
ASSET RENEWAL FUNDING RATIO	578%	100%	100%	267%
Net Asset Renewals	7,072,000	1,204,855	1,409,080	1,354,382
Infrastructure & Asset Management Plan required expenditure	1,223,957	1,204,855	1,409,080	507,117
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.				

SUMMARY BY BUSINESS UNIT

	Municipal Total				Roxby Power				Roxby Water				Total			
	2023/24	2024/25	2024/25	2025/26	2023/24	2024/25	2024/25	2025/26	2023/24	2024/25	2024/25	2025/26	2023/24	2024/25	2024/25	2025/26
	Audited Actual	Original Budget	Forecast	Budget	Audited Actual	Original Budget	Forecast	Budget	Audited Actual	Original Budget	Forecast	Budget	Audited Actual	Original Budget	Forecast	Budget
	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$
INCOME																
Rates	6,241,970	6,665,490	6,665,490	6,989,116	-	-	-	-	-	-	-	-	6,241,970	6,665,490	6,665,490	6,989,116
Statutory charges	46,172	51,919	56,019	57,420	-	-	-	-	-	-	-	-	46,172	51,919	56,019	57,420
User charges	2,810,112	2,316,745	2,418,626	2,531,801	4,735,341	5,000,531	5,000,531	4,920,546	5,062,721	4,843,686	4,976,686	4,840,103	12,608,174	12,160,962	12,395,842	12,292,450
Municipal Deficit Funding	600,000	600,000	600,000	600,000	-	-	-	-	-	-	-	-	600,000	600,000	600,000	600,000
Grants, subsidies and contributions	126,904	89,234	641,676	656,870	-	-	-	-	-	-	-	-	126,904	89,234	641,676	656,870
Grants, subsidies and contributions -	1,914,159	-	-	-	-	-	-	-	-	-	-	-	1,914,159	-	-	-
Investment income	1,244,503	1,065,000	1,065,000	1,082,000	-	-	-	-	-	-	-	-	1,244,503	1,065,000	1,065,000	1,082,000
Reimbursements	3,375	11,594	11,594	11,885	-	-	-	-	-	-	-	-	3,375	11,594	11,594	11,885
Other income	83,989	62,058	68,587	67,960	-	-	-	-	-	-	-	-	83,989	62,058	68,587	67,960
Total Income	13,071,184	10,862,040	11,526,992	11,997,052	4,735,341	5,000,531	5,000,531	4,920,546	5,062,721	4,843,686	4,976,686	4,840,103	22,869,246	20,706,257	21,504,208	21,757,701
DIRECT EXPENSES																
Employee costs (inc oncosts)	4,488,334	5,116,505	4,705,584	5,107,251	182,368	331,913	155,602	178,087	173,902	267,818	169,814	190,764	4,844,604	5,716,236	5,031,000	5,476,102
Materials, contracts & other expenses	8,441,722	8,782,304	9,589,657	8,282,559	1,586,537	1,810,394	1,824,856	1,743,610	1,614,592	1,540,468	1,584,581	1,656,871	11,642,851	12,133,166	12,999,094	11,683,040
Depreciation	1,879,643	1,953,014	2,090,569	2,201,092	984,368	1,013,895	1,002,025	1,027,076	818,857	859,502	843,499	887,212	3,682,868	3,826,411	3,936,093	4,115,380
Finance costs	1,000	-	-	-	-	-	-	-	-	-	-	-	1,000	-	-	-
Productivity Gain	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Direct Expenses	14,810,699	15,851,823	16,385,810	15,590,902	2,753,273	3,156,202	2,982,483	2,948,773	2,607,351	2,667,788	2,597,894	2,734,847	20,171,323	21,675,813	21,966,187	21,274,522
INTERNAL CHARGES																
Internal electricity																
Internal water																
Internal Charges - Other																
Dividend	(1,050,000)	(1,050,000)	(1,050,000)	(1,050,000)	-	-	-	-	1,050,000	1,050,000	1,050,000	1,050,000	-	-	-	-
Overheads	(1,504,617)	(1,545,386)	(1,545,386)	(1,475,829)	704,646	1,017,034	1,017,034	837,625	799,971	528,351	528,351	638,203	-	(1)	(1)	(1)
Total Internal Charges	(2,554,617)	(2,595,386)	(2,595,386)	(2,525,829)	704,646	1,017,034	1,017,034	837,625	1,849,971	1,578,351	1,578,351	1,688,203	-	(1)	(1)	(1)
OPERATING SURPLUS / (DEFICIT)	815,102	(2,394,397)	(2,263,432)	(1,068,021)	1,277,422	827,295	1,001,014	1,134,148	605,399	597,547	800,441	417,053	2,697,923	(969,555)	(461,978)	483,180
Less: Adjustment for -																
Grants, subsidies and contributions -	1,914,159	-	-	-	-	-	-	-	-	-	-	-	1,914,159	-	-	-
ADJUSTED OPERATING SURPLUS / (DEFICIT)	(1,099,057)	(2,394,397)	(2,263,432)	(1,068,021)	1,277,422	827,295	1,001,014	1,134,148	605,399	597,547	800,441	417,053	783,764	(969,555)	(461,978)	483,180

APPENDIX 3
Community Consultation

Pursuant to the provisions of Section 123 of the *Local Government Act 1999*, each Local Government Authority is required to develop an Annual Business Plan and Budget for each financial year. Council authorised the release of the Draft Annual Business Plan and Budget FY 2025-2026 for a period of community consultation between 9:00am Thursday 24 April and 6:30pm Thursday 15 May 2025.

Throughout the public consultation period the Draft Annual Business Plan and Budget 2025-2026 was

- Council's website roxbydowns.sa.gov.au;
- hard copy format from the following venues:
  - Council Office - 6 Richardson Place, Roxby Downs
  - Community Library - 1/15 Richardson, Place Roxby Downs
  - Roxby Link - 1/15 Richardson Place, Roxby Downs
  - Roxby Downs Community Hub - Richardson Place, Roxby Downs
- advertised via Council's social media platform

Council welcomed community feedback on the draft version of the Annual Business Plan and Budget 2025-2026 prior to its adoption on Wednesday, 25 June 2025.

COMMUNITY DISCUSSIONS

Residents and ratepayers were provided with an opportunity to make verbal submissions, discuss the Annual Business Plan and Budget and ask questions at 3 in-person sessions held at various locations within the municipality.

These were held on:

- Monday 5 May 2025 at 10:30am, Dunes Café on Richardson Place.
- Wednesday 7 May 2025 at 10:00am at the Roxby Downs Community Hub on Richardson Place.
- Thursday 8 May 2024 at 4:30pm at the Community Library.

WRITTEN FEEDBACK

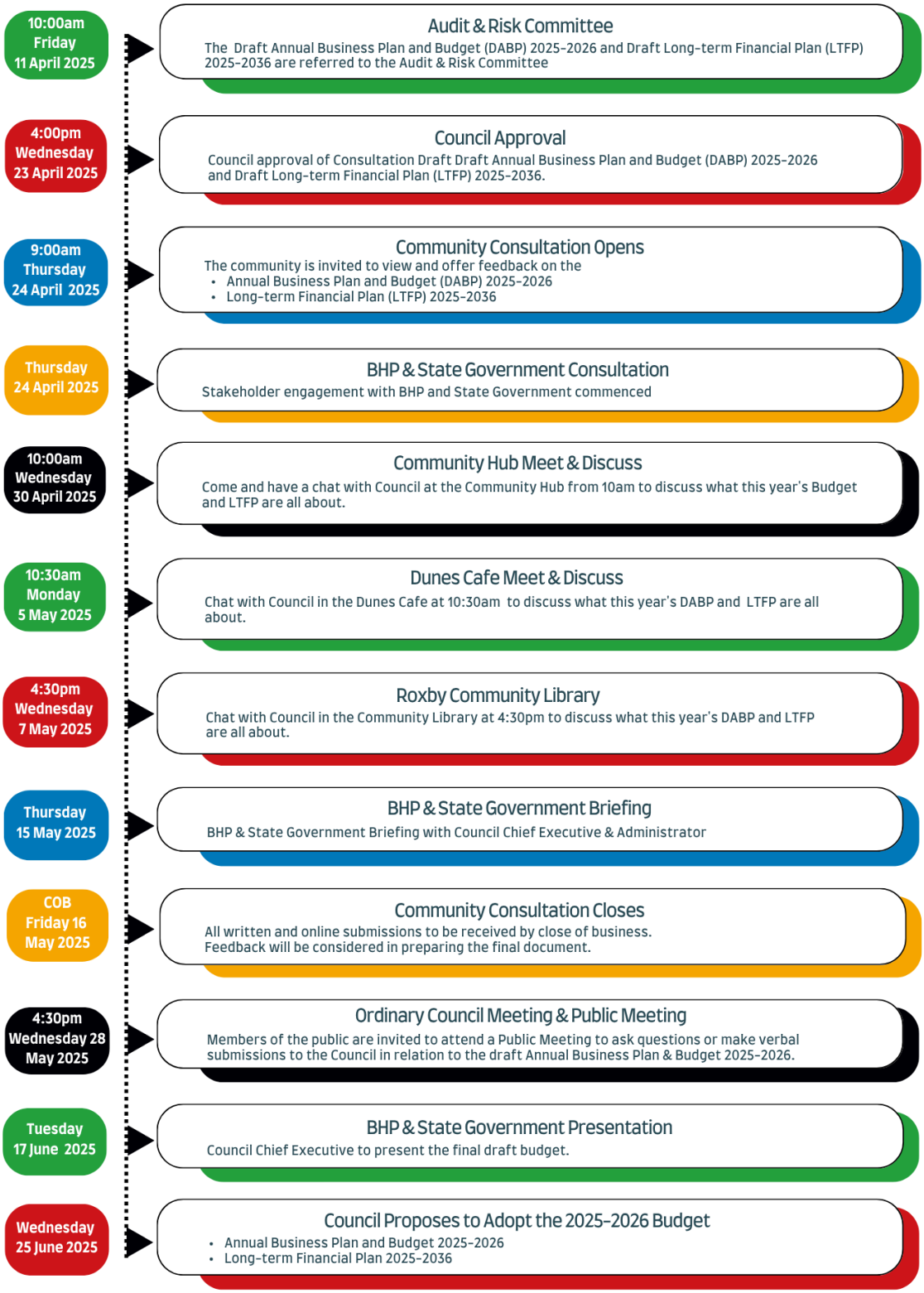
Written submissions were invited from members of the public, residents and ratepayers until 6:30pm on Friday 16 May 2025.

COUNCIL MEETING

Members of the public, residents and ratepayers were invited to discuss their views on the Draft Annual Business Plan & Budget for 2025-2026 at the Ordinary Council meeting, held on Wednesday, 28 May 2025, for a period of 1 hour from 4:30pm in the Council Boardroom, 6 Richardson Place, Roxby Downs.

Annual Business Plan & Budget Timeline 2025-2026

DRAFT Annual Business Plan & Budget Timeline 2025-2026



RoxbyCouncil

Contact Us

(08) 8671 0010

roxby@roxbycouncil.com.au

www.roxbydowns.sa.gov.au

6 Richardson Place
Roxby Downs
SA 5725

