



LIGHT
REGIONAL
COUNCIL

2010-2011

Annual Business Plan and Budget

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Overview

Opening Commentary from the Mayor and Chief Executive Officer

The Annual Business Plan sets out the services, programs and projects Council proposes to deliver in the 2010/2011 financial year. It outlines Council's aims to maintain efficient services for the community and to continue significant infrastructure development for the benefit of the region as a whole.

The strategies and actions identified in Council's Strategic Management Plan for the period covering the years 2008 to 2018 form the basis of this plan. The ten year strategic plan was formally adopted during August 2008. This comprehensive document focuses on the big picture. It identifies opportunities and issues for a growth Council, while placing sufficient emphasis on core services and programs, whilst also employing the philosophy of place management.

Strategic Plan

Council continues to be one of the fastest growing Councils per head of population in South Australia, again exceeding the State average with the trend set to continue going forward, therefore a focus of Council's 2008/2018 Strategic Management Plan is to support the predicted growth and development within the region in a manner that provides sustainable development, adding value and quality infrastructure to the region. The Plan has direct linkages into the South Australian State Strategic Plan and the work undertaken by groups such as the Wakefield Group, the Barossa regional group of Councils, and reports such as the Wine Industry Impact Review, have all influenced Council's Strategic Plan.

Our plan acknowledges that the maintenance of core services is imperative whilst placing emphasis on the development or upgrade of appropriate infrastructure to manage the projected residential, commercial and industrial growth predicted to occur within the Council region in the next few years. Council's Urban Planning strategy is central to the plan as Council needs to ensure proper developments occur.

However, when developing the Council's current strategic plan the State Government had not yet released its 30 Year Plan for Greater Adelaide. This strategic document has indicated that Roseworthy is an area of interest to the State Government for future significant urban development to support the states predicted population growth. Although this state plan is a strategy with a thirty year timeline for delivery it is imperative that Council prepare systematically and strategically now for this opportunity to ensure it is well managed; thereby delivering an appropriate development that is aesthetically pleasing which supports the population with social capital such as employment, education, service delivery, adequate transport networks and leisure opportunities. With the completion and opening of the Northern Expressway (NEXY) scheduled for August of this year the expectation is that the pressure for development of this area will increase markedly in the next few years. The projected population growth, over 4 and a half times Light Regions current level, will promise to assist Council in achieving financial sustainability in coming years, with Roseworthy set to become the region's largest town and service centre.

Annual Objectives

The 2010/2011 financial year will be one of preparation in terms of integrating Council's suite of core documents, being the Long Term Financial Plan, Infrastructure and Asset Management Plan and Strategic Management Plan to include the latest visions for our state and region.

It will again be an exciting year with many and varied major outcomes expected. Council's Annual Business Planning process is an opportunity to reassess Council's position relative to the needs of present and future communities within the Council area. These needs include: maintaining and improving the management of major infrastructure assets, providing community support programs, maintaining and improving open space, improving the community's access to information, building a strong economy and maintaining our natural resources. A balance is required between delivering community outcomes and maintaining financial sustainability.

The annual business plan and budget for the 2010/2011 financial year continues to focus on large scale infrastructure works, with the completion of some large scale projects such as community waste water systems in Kapunda and Freeling. Road infrastructure improvement will continue to remain a strong focus of Council's capital works along with the development of community infrastructure such as the Hewett Community Centre and public conveniences at various locations.

Council proposes that the 2010/2011 financial year will be a significant year in terms of the development of Council strategy, policy, standards and guidelines. The modelling and strategies identified in Council's core documents will provide the framework for Council to continue to evaluate its labour force planning, IT systems, governance and service delivery procedures into the future.

Council will maintain its input into the "Barossa Belt" regional strategies being developed in conjunction with The Barossa, Gawler and Mallala Councils and State Government agencies; and to maintain its involvement with the Wakefield Group of Councils.

Council's road infrastructure program proposed for 2010/2011 retains a capital works focus with more than \$2m being planned to be spent on renewal projects. This may be increased with partnered funding being sought for the much needed upgrade of Gomersal Road. As previously mentioned some large scale infrastructure projects to be completed include the works commenced on Council's Community Waste Water Schemes and also the Freeling Main Street works project. Work on the Greenock undergrounding of power (PLEC) project is likely to begin in the first quarter of 2011.

The development of the Hewett Community Centre, for which Council received a \$4.0M Federal Government Grant, has commenced on land adjacent to the Hewett Primary School. This development will be completed in early 2011, resulting in a quality community space which will become a place for the delivery of important community services as well as be available for hire for social opportunities, community programs and events.

The completion of the NEXY project will see the final changes to the Adelaide Soaring Club facility and the relocation of the Gawler Harness Racing Club to a new location for training purposes. Council helped to facilitate the process by the provision (sale) of land.

Other projects, significant to the community expected to be completed are; the final stage of greening around the Seppeltsfield Road Information Bay and investigation of a proposal to use Council's Kapunda Depot site as the location for a newly formed Kapunda Community Shed. The redevelopment of the Kapunda Historic Mine Site, in line with the vision of the Tourism Development Plan for the site, will commence with community involvement and input being an integral part of the projects delivery – the first year of this project will be to provide safety enhancements to the site. The new public conveniences for the Freeling Railway Reserve as well as Hill Street Playground in Kapunda, the development of a new administration building for Council's Freeling Depot and repairs to the Wasleys Town Hall, will be achieved through the utilisation of funds received from the previous sale of land.

Council will also deliver a state government mandatory program called Rural Road Addressing which will cost approximately \$250,000. Council will borrow this one off amount and repay it over several years. The principal and interest will be recouped from general rate revenue over the term of the loan.

Council cannot reach its goals in isolation. Collaboration across all sectors of community, business and levels of government is a key to maximising benefits for our local community. In particular we look to co-operate with our neighbouring councils for many undertakings and will continue to pursue these avenues. We must find a balance in our decision making between social, cultural, economic and environmental issues to ensure our region remains strong, now and in the future.



Robert Hornsey, Mayor



Brian Carr, Chief Executive Officer

State Legislation

Section 123 of the Local Government Act 1999 describes that Councils:

- Must have a **Budget** for each financial year.
- Each budget must comply with standards and principles prescribed by legislation and must be adopted after 31 May and before 31 August for the financial year.
- A council must prepare an **Annual Business Plan** which addresses the activities that the council intends to undertake in the ensuing year to achieve its objectives; and the measures (financial and non-financial) that the council will use to assess its performance against its objectives.

Legislation among other things requires Councils in this State to provide a greater emphasis on long term financial planning and infrastructure and asset management planning. Council will have these plans in place during the calendar year.

These requirements in particular will see an increased focus of resources by Council in the year when it reviews its Strategic Plan covering the period 2008-2018 following the November 2010 Council elections.

Public Consultation

Each Council must consult with the public in relation to the strategy, content and impact of its Annual Business Plan and Budget documents.

Council released a draft version of the Annual Business Plan and Budget for a **period of public consultation** with its community in relation to its contents.

The period of public consultation commenced on Wednesday, 23 June 2010, the scheduled day of the publication of notices in newspapers circulating within the Council area.

A public meeting was held on Tuesday, 13 July 2010 commencing at 7.00pm, where Council received submissions from the community in relation to its 2010/2011 proposals.

The **public consultation period formally concluded at the close of business (5.00pm) on Tuesday, 13 July 2010**. Copies of this document are on Council's website at www.light.sa.gov.au and at Council's offices and libraries. Submissions were able to be made via forms located on Council's website and were able to be lodged electronically to Council's email address: light@light.sa.gov.au; by post to the Chief Executive Officer, PO Box 72, Kapunda SA 5373; or by delivery to the front counter at Council's Freeling (12 Hanson Street) or Kapunda (93 Main Street) office locations.

A subsequent **report and recommendations were presented to Council** for consideration prior to the budget being adopted in order that matters arising out of the public consultation period may be reviewed by the Council.

Glossary of Terms

Asset Sustainability Ratio

Asset Sustainability Ratio indicates whether the Council is renewing or replacing existing non-financial assets at the same rate as its overall stock of assets is wearing out. The ratio is calculated by measuring capital expenditure on renewal and replacement of assets relative to the level of depreciation. Where a Council has a soundly based Infrastructure and Asset Management Plan, a more meaningful asset sustainability ratio would be calculated by measuring the actual level of capital expenditure on renewal and replacement of assets (or proposed in the Budget) with the optimal level identified in the Plan.

Financial Assets

Financial Assets include cash, investments, loans to community groups, receivables and prepayments, but excludes equity held in Council businesses. Also, inventories and land held for resale are not regarded as financial assets.

Local Government Price Index (LGPI)

The LGPI is a reliable and independent measure of the inflationary effect on price changes in the South Australian Local Government sector. It is developed by the Australian Bureau of Statistics (ABS) and updated quarterly. The index is similar in nature to the Consumer Price Index (CPI), however represents the movements of prices associated with the goods and services consumed by local government in South Australia as opposed to the basket of goods and services consumed by the 'average metropolitan household'. Unlike the CPI however, the LGPI is not an "official" ABS publication.

Net Financial Liabilities

Net Financial Liabilities equals total liabilities less financial assets, where financial assets for this purpose includes cash, investments, loans to community groups, receivables and prepayments, but excludes equity held in Council businesses, inventories and land held for resale.

Net Financial Liabilities Ratio

Net Financial Liabilities Ratio expresses Net Financial Liabilities as a percentage of total operating revenue. The ratio allows interested parties to readily equate the outstanding level of the Council's accumulated financial obligations against the level of one-year's operating revenue. Where the ratio is falling over time, it generally indicates that the Council's capacity to meet its financial obligations is strengthening.

Net Lending/(Borrowing)

Net Lending/(Borrowing) equals Operating Surplus/(Deficit), less net outlays on non-financial assets. The Net Lending/(Borrowing) result is a measure of the Council's overall (i.e. Operating and Capital) budget on an accrual basis. Achieving a zero result on the Net Lending / (Borrowing) measure in any one year essentially means that the Council has met all of its expenditure (both operating and capital) from the current year's revenues.

Non-financial or Physical Assets

Non-financial or Physical Assets mean infrastructure, land, buildings, plant, equipment, furniture and fittings, library books and inventories.

Operating Deficit

Operating Deficit is where operating revenues less operating expenses is negative and operating income is therefore not sufficient to cover all operating expenses.

Operating Expenses

Operating Expenses are operating expenses including depreciation but excluding losses on disposal or revaluation of non-financial assets.

Operating Revenues

Operating Revenues are operating revenues shown in the Income Statement but exclude profit on disposal of non-financial assets and amounts received specifically for new/upgraded assets, e.g. from a developer. For ratios calculated where the denominator specified is total operating revenue or rate revenue, Natural Resource Management (NRM) levy revenue is excluded.

Operating Surplus

Operating Surplus is where operating revenues less operating expenses is positive and operating revenue is therefore sufficient to cover all operating expenses.

General Information

Grants Commission Statistics

From 1999/2000 until 2005/06 Council's share of the annual South Australian Local Government Grants Commission funds decreased. This trend changed in 2005/06 and since then has been slowly climbing although it has still not reached the level of funding which was received in the past (pre 2001). This means that Council's access to revenue streams outside of the annual rates bill is limited and therefore places extra burden on the area's reliance on council rates as its major source of income. What has helped in recent years is the additional amount of local road funding paid by the Federal Government to South Australian Councils in recognition of a funding inequity between the roads funding granted to the states.

The following information is provided:

Grant Type	2004/2005 Actual Allocation	2005/2006 Actual Allocation	2006/2007 Actual Allocation	2007/2008 Actual Allocation	2008/09 Actual Allocation	2009/10 Actual Allocation	2010/11 (Estimate)
General Purpose Financial Assistance	\$183,607	\$194,988	\$206,195	\$218,992	\$242,802	\$248,514	\$258,910 ¹
Identified Local Road Entitlement	\$245,511	\$259,427	\$280,248	\$295,316	\$320,276	\$330,699	\$334,640
Total Allocation	\$429,118	\$454,415	\$486,443	\$514,308	\$563,078	\$579,213	\$593,550
Plus/(Less) adjustment on the previous year	(\$2,294)	2,275	\$518	\$1,464	\$6,274	(\$3,372)	0 ³
Special Local Roads Program	-	-	\$394,000	\$346,000	-	\$0	\$0
Additional Local Road Funding (Formulae Grants)	\$39,916	\$85,493	\$128,062 ²	\$134,951	\$144,542	\$150,089	\$152,910 ²
Total Grant	\$466,740	\$542,183	\$1,009,023	\$996,723	\$713,894	\$725,930	\$746,460

*1 – General grant is estimated based on the understanding that Council is now receiving the minimum per capita grant, therefore as the population increases so does the grant received.

*2 – Estimated share of the extra road funding allocated to South Australia (\$26.25m) by the Federal Government over the three year period commencing 2004/2005. Program extended for 4 years from 2007/2008 financial year.

*3 – Annual adjustment of Council's grant income was not known at the time of printing this document, notification will be received in August 2010.

It is expected the General Purpose Grant, the Local Roads Grant and the Additional Local Road Funding will increase over the 2009/2010 financial year figures. While Council has lodged an application for \$1m under the Special Local Roads Program in relation to the proposed works at Gomersal Road, advice as to its success or not is unknown at the time of preparing this report.

Other Grants Commission and Council Data

District Area		127,288 hectares
District Population	Estimated at 30 June 2003	11,390
	Estimated at 30 June 2004	11,711 + 2.8%
	Estimated at 30 June 2005	12,016 + 2.6%
	Estimated at 30 June 2006	12,846 + 6.9%
	Estimated at 30 June 2007	13,160 + 2.4%
	Estimated at 30 June 2008	13,318 + 1.2%
	Estimated at 30 June 2009	13,658 + 2.6%

By population, Council is ranked above the population growth rate for the State, and by percentage increase ranks Council as one of the faster growing local government authorities in the State.

Road Length Council has a total of **1,805 kilometres of road** (as at 28/08/08) within its area. Road types are:

Sealed	160 kms
Formed	1,306 kms
Unformed	339 kms

Council's road infrastructure can be further classified as:

Sealed Roads in Built Up Areas	64 kms
Sealed Roads in Non Built Up Areas	96 kms
Unsealed Roads in Built Up Areas	29 kms
Unsealed Roads in Non Built Up Areas	1,277 kms
Unformed Roads	339 kms

Development Applications The number of New Developments and Additions processed for the 2008/2009 period was 596.

Other

Based on the level of general council rates generated for the 2009/2010 financial year, **a 1% increase on general rates is equivalent to \$94,130 gained in general rate revenue.**

Staff Issues

At the time of preparing this Plan, Council employed the following full time, part time and casual staff (shown in terms of full time equivalent staff numbers, i.e. fte):

Department	Number of Employees at 30/6/2005	Number of Employees at 30/6/2006	Number of Employees at 30/6/2007	Number of Employees at 30/6/2008	Number of Employees at 30/6/2009	Number of Employees at 4/6/2010
Infrastructure & Works	23	20	18	20	25	26
Environmental Services	9	10	11	11	13	13
Finance & Administration	16	17	16	22	25	29
Public Information	8	10	11	10	10	12
Total Staff	56	57	56	63	73	80

Increases to salaries and wages are set through Enterprise Bargaining Agreements and Contracts.

Assessment of 2009/10 Financial Year Objectives

In accordance with Clause 2 of Schedule 4 to the Local Government Act 1999, Council is required to measure its performance against the implementation of those activities by way of both financial or non-financial performance indicators and report on that performance outcome as part of its Annual Report to its constituency.

Council highlighted during the preparation of its 2009/2010 Annual Business Plan various activities by which it intended to measure its performance for the year.

An updated position is presented in regard to the Objectives that were planned at the adoption of the 2009/2010 Annual Business Plan.

Item	Operational Area	Objective	Status	Performance
1	Infrastructure & Works (I&W)	Maintenance Programs for all current items developed, refined and implemented	Deferred	<i>Change of key personnel and resulting transitional period has not allowed program review to occur.</i>
2		Asset Management Plan standards developed	Commenced	<i>Version 2 review of IAMP document commenced with modelling and capitalisation document review outstanding. To be completed in 2010/2011.</i>
3		"One System" Risk and OHSW developed and integrated into financial and asset plans	Commenced	<i>Change of key personnel and resulting transitional period has meant that this item was partly deferred, to be completed in 2010/2011.</i>
4		Continue asset data collection project developing Conquest asset management system database	Commenced	<i>Substantial work done on data collection and review based on audit requirement, system development and data clarification. Ongoing project into 2010/2011.</i>
5		Land & Buildings asset standards developed	Commenced	<i>Data and condition assessments being undertaken for 30 June reporting. Standard and Policy development yet to occur.</i>
6		Completion sealed roads 2009/2010 budget program	Commenced	<i>Carried forward projects from previous year completed, current year program commenced with contracts executed, remaining on ground works to be completed in 2010/2011.</i>
7		Contracts developed and let for material crushing and road construction	Completed	<i>Agreements signed and work commenced.</i>
8		Establish Memorandum of Understanding with DC Mallala regarding materials joint use arrangement	Deferred	<i>Change of key personnel and resulting transitional period has not allowed program review to occur. Materials sourced elsewhere for current year program.</i>
9		Tenders issued and new Plant and Machinery purchased	Completed	<i>Program redefined following key personnel change. Procurements undertaken.</i>
10		Integrated systems development and strategies	Deferred	<i>Change of key personnel and resulting transitional period have not allowed program review to occur.</i>
11		List of preferred contractors and suppliers developed	Deferred	<i>Change of key personnel and resulting transitional period have not allowed program review to occur.</i>
12		Development of Panel contracts and multiyear contracts	Deferred	<i>Change of key personnel and resulting transitional period have not allowed program review to occur.</i>
13		Strategy devised for Hewett Footpath Contract	Commenced	<i>Work program developed, procurement undertaken and contractor appointed, preliminary on ground work commenced.</i>

Item	Operational Area	Objective	Status	Performance
14	Development & Regulatory Services (D&RS)	Development Plan/ Building Rules Assessments (800 D/A's)	Commenced	<i>From the 1 July 2009 until 31 May 2010 625 development applications have been lodged. Based on the average of applications lodged over the last 6 months the council has averaged 50 development applications per month being lodged. As such it is estimated that 675 development applications will be lodged for the financial year.</i>
15		Land Division Assessments (50), Kingsford Regional Industrial Estate (KRIE) expected to come on line	Deferred	<i>Preliminary enquiries have been received with respect to land divisions within the KRIE, however no land division applications have been received which seeks to create additional industrial allotments within the estate.</i>
16		Expedite/streamline processes to align with Residential Code	Completed	<i>Reviewed regularly. This process has occurred and a number of in house checklists have been devised to ensure that the council has embraced the introduction of the Residential Code.</i>
17		Continue to ensure development is adequately serviced with appropriate infrastructure (internal and external) which aligns with Council's I & AMP	Completed	<i>Deeds of Agreement have been negotiated with major land subdivision developers in regard to the provision of infrastructure.</i>
18		Develop up standards document with I&W & SP&E	Commenced	<i>The SP&E, I&W and D&RS Departments are in the process of collating a land division guide that will be able to be distributed to all developers that established clear minimum standards and requirements. Draft documentation prepared and undergoing staff review prior to being put to Elected Members. Likely completion of adopted standards 2010/2011.</i>
19		Handover processes – quality control check point	Completed	<i>SP&E and D&RS work together to ensure that all requirements are met when clearing section 51 clearances with respect to land divisions. System improvements made. Standard Operating Procedures and Checklists prepared. Continual review by relevant staff involved from D&RS and SP&E.</i>
20		Expedite/streamline wastewater applications to align with Residential Code	Completed	<i>An in house process has been developed that ensures that an assessment of the Waste Control system occurs simultaneously with the assessment of a dwelling.</i>
21	Strategy, Projects & Engineering (SP&E)	Roseworthy Master Planning (greater area including employment lands)	Commenced	<i>Recognition that scope changed through release of 30 year Plan for Greater Adelaide. Structure Planning process initiated by State Government with Financial input from Roseworthy Alliance.</i>
22		Rural Living Development Plan Amendment	Commenced	<i>Consultants engaged and timeframe agreed for delivery.</i>
23		Townships review (following Roseworthy Master Plan)	Deferred	<i>Likely initiation 2011/2012 year given recognition of scale of change of Roseworthy as per release of 30 year Plan for greater Adelaide.</i>
24		Completion ARF Public Convenience Projects	Commenced	<i>Largely completed. Projects in Roseworthy and Greenock complete. Freeling construction from Mid 2010. Kapunda construction pending technical issue resolution, likely to commence late 2010.</i>

Item	Operational Area	Objective	Status	Performance
25		Hewett Community Centre, complete planning phase and commence construction phase	Completed	Construction phase commenced with Hansen Yuncken Pty Ltd.
26		Local Area Traffic Management (LATM) Plan Hewett Primary School locality	Deferred	LATM for Hewett held over pending completion of Hewett Community Centre. Financial allocation to be reassigned to area in close proximity to Sturt Highway, Nuriootpa.
27		Completion Kapunda Car Park Strategy	Completed	Strategy finalised and adopted. Follow-up phase 1 to prepare unsealed Car park, Crase Street (Completed). Follow-up phase 2 to undertake Township Development Plan Amendment to formalise Car Park Fund (to be initiated).
28		Facilitate Storm Water solution at Kingsford Regional Industrial Estate	Commenced	Ongoing, various stakeholder discussions and investigations taking place. Scale of Growth to be realized at Roseworthy – this is an important consideration.
29		Main Road Strategic Design Project (Roseworthy Staggered T, Seppeltsfield Road Remedial work, Argent Road West, Samuel Road (BAF))	Commenced	Largely completed. Design work for Roseworthy Rd Staggered T, Seppeltsfield Rd, Argent Rd West all completed. No budget allocation remaining for Samuel Rd Designs.
30		Contract and Project Design In-house 2009/2010 sealed road projects	Complete	Contract and Project Design for Plush St and Lyndoch Rd projects finalized. Extension of scope for SP&E to manage construction process with construction schedules agreed by contractors.
31		Deliver Freeling Main Street project	Commenced	Ongoing, contractors took possession of site May 2010 for delivery.
32		Kapunda Mine Site Tourism Development Plan	Completed	Plan adopted by Council. Budget allocations drafted for subsequent years for implementation.
33		Better Development Plan Conversion DPA finalised	Commenced	Ongoing, change of approach by State Government and priorities have caused delays.
34		Construct Explorer Parade speed humps at Hewett	Commenced	Largely completed, contractors took possession of site June 2010 after delays with ETSA (lighting requirements).
35		Finalise Park Range Estate Masterplan	Completed	Master Plan adopted by Council. Follow-up initiated for: Community Land Revocation, Subdivision, Sale of allotments then upgrade works to occur once allotments sold.
36		Finalise concept Greenock Main Street project	Completed	Concept plans finalised and adopted by Council. PLEC project timing being confirmed and grant funding being sourced for delivery.
37		Complete CWMS capital works at Kapunda, Freeling and Greenock schemes	Completed	Contractors on-site at all locations with signed contracts noting completion by 30 June 2010 subject to inclement weather.
38		Complete redevelopment of Freeling Works Depot Admin Centre	Commenced	Ongoing, design and planning stage completed. Tender process and delivery to occur 2010/2011.
39		Prepare Wasleys Drainage Masterplan	Commenced	Largely completed, external funding secured, final stage of stakeholder consultation underway with finalisation expected by 30 June 2010.

Item	Operational Area	Objective	Status	Performance
40		Consult on Freeing West DPA (developer funded DPA)	Deferred	<i>Change of circumstances by developer has led to reconsideration of project.</i>
41		Finalise Kapunda (North East) Residential and Retirement Living DPA	Completed	<i>Approval package provided to Minister for Urban development & Planning for final decision.</i>
42		Rollout Rural Addressing Program	Deferred	<i>Budget allocation and staff resourcing required for delivery.</i>
43		Sale former Kapunda Council Works Depot	Deleted	<i>Project abandoned upon receipt of local Real Estate agent advice. Subject to later consideration should local Real Estate market improve buoyancy.</i>
44		Obtain external funding for Hewett Share Use Riverine Path Stages 2 and 3	Commenced	<i>Largely completed funding for Stage 2 received and construction commenced. Site possession occurred April 2010.</i>
45		Major refurbishment Gomersal Road	Deferred	<i>Project pending receipt of external funds. Decision still to be made by external funding bodies.</i>
46	Business & Governance (Corporate Services)	Completion 3 Year Budget – Concise	Commenced	<i>Substantially complete with draft document to be presented to Council June 2010.</i>
47		Completion updated 10 Year Long Term Financial Plan	Commenced	<i>Substantially complete with draft document to be presented to Council June 2010, with expected adoption in July 2010.</i>
48		Implementation Electronic Data Management System	Deferred	<i>Project deferred for timing reasons and redefined into two sub-projects for 2010/2011 and 2011/2012.</i>
49		Development and Implementation of Asset Rationalisation Policy and Strategy	Deferred	<i>Deferred to 2010/2011 pending completion of Infrastructure & Asset Management Plan.</i>
50		Completion Infrastructure and Asset Management Plan (Version 2)	Commenced	<i>Version 2 review of IAMP document commenced with modelling and capitalisation document review outstanding. To be completed in 2010/2011. Revaluation of Land & Buildings occurring expected completion 30 June 2010.</i>
51		Development Corporate Financial Reporting System (MES)	Commenced	<i>Budget and Reviews and some ad hoc reporting occurring, further development in-house is to occur as resources allow.</i>
52		Development and Implementation of Communications and IT Strategy	Deferred	<i>Deferred to 2010/2011 due to timing and resourcing issues.</i>
53		Full Integration of Customer Relations Management System	Completed	<i>CRMS rolled out to all departments; future training requisites to be considered. Customer Service review commenced and system changes being trialled May and June 2010.</i>
54		Completion of and Implementation of LRC 10 year Library Services Strategy and LINK Group Strategic Plan	Completed	<i>LINK Strategy adopted, LRC Library Services Strategy developed, adoption with held pending further information on future Roseworthy strategies.</i>
55		Develop revised Human Resource Management Performance and Evaluation tools	Commenced	<i>Likely completion by June 2010. AWU EBA negotiations being finalised, performance review documents developed, consultation occurring.</i>

Strategic Plan and Annual Objectives

The key plan of a Council is its Strategic Management Plan, which identifies the objectives and future direction of Council. It also contains goals, strategies and performance indicators. Council adopted its Strategic Management Plan covering the years 2008 to 2018 in August 2008.

Following is a diagrammatic representation of the connection between Council's Strategic Plan, Annual Business Plan and the Annual Budget.



Council's vision and aspirations have been encapsulated in the statement "A vibrant growing community to be supported by quality infrastructure, a sustainable environment and excellent services that meet everybody's needs and maintains our unique lifestyle".

Ultimately though Council's key strategy for its community is to ensure its sustainability into the future. Part of achieving this goal will be to ensure that:

- Residential, Commercial and Industrial development already targeted for the region will be undertaken by developers that provide the community with quality infrastructure at minimal or no cost to Council's ratepayers.
- That appropriate plans are established to facilitate appropriate development in the region in collaboration with all levels of government, the private sector and the community.
- Quality infrastructure is provided taking into account the future growth of the area caused by projects undertaken by other levels of Government and the private sector.
- Priority infrastructure projects are undertaken that provide maximum long term benefits to the community both in terms of funds spent and achieving proactive outcomes.
- On creating appropriate physical infrastructure, establish programs that deliver improved social and cultural outcomes for the residents on the region.

The proposed 2010/2011 objectives are as follows:

2010/2011 Annual Objectives and Activities (including performance measures)

Item	Operational Area	Objective	Measurable Outcome	
			Financial	Non-Financial
1	Development & Regulatory Services (D&RS)	Development Plan/Building Rules Assessments (approx 700 D/A's)	Development fee budgets met.	Compliance with DA application processing statutory time frames in acknowledgement of Residential Code process improvement expectations. Minimise DAP appeals.
2		Land Division Assessments (approx 50), Kingsford Regional Industrial Estate (KRIE) level of development expected increase	Development fee budgets met.	Compliance with DA application processing regulatory time frames. Minimise DAP appeals. Progression of KRIE in accordance with Development Plan recognizing State Significant Industrial Developments to occur.
3		Build on recently established system improvements to expedite/ streamline development application processes to align with Residential Code and prepare organization for growth of Roseworthy	Utilising in-house expertise.	Compliance with DA application processing regulatory time frames.
4		Investigate opportunities for on-line development application lodgement	Budget allocation met.	Improved customer service/satisfaction in providing options for lodgement.
5		Continue to ensure development is adequately serviced with appropriate infrastructure (internal and external) which aligns with Council's I & AMP	Budget allocations met.	Progression of Developer Deeds of Agreement to ensure provision of quality infrastructure.
6		Finalise and implement development standards in collaboration with I & W and S,P&E. To assist the development industry and provide greater surety		Communication processes enhanced inter-departmentally. Infrastructure standards developed and implemented and advertised to the development industry.
7	Strategy, Projects & Engineering (SP&E)	Roseworthy Structure Planning (greater area including employment lands) in accordance with State Government established process to follow-on from 30 year Plan for Greater Adelaide	Budget allocations met. (Minimal Council expenditure – utilizing Roseworthy Alliance for financial input).	Structure Plan developed, consulted with various stakeholders, adopted by Council and State Government.
8		Rural Living Development Plan Amendment	Budget allocations met.	Plan developed. Public and Stakeholder Consultation undertaken.
9		Completion ARF Public Convenience Projects	Budget allocations met.	Final public infrastructure opened and operational in Kapunda, and Freeling to compliment those already completed in Roseworthy and Greenock.
10		Hewett Community Centre, construction phase completed and centre operational	Budget and Grant funding allocations met.	Functionality of operating centre assessed for public satisfaction.

Item	Operational Area	Objective	Measurable Outcome	
			Financial	Non-Financial
11		Local Area Traffic Management (LATM) Plan Research Rd Nuriootpa locality	Budget allocations met.	Plan developed. Relevant public and stakeholder consultation undertaken.
12		Progression of construction of Main Strategic Road Projects- (Roseworthy Rd Staggered T, Seppeltsfield Road Remedial work, Argent Road West, Samuel Road (BAF))	Budget Allocations met.	Prepare project brief and tender specs based on detailed design as scopes prepared in 2009/2010.
13		Deliver Freeing Main Street project. Stage 1 and 2 construction complete	Budget allocation met.	Manage project delivery. Undertake stakeholder consultation and coordination.
14		Kapunda Mine Site TDP Implementation – Stage 1 – Safety enhancements	Budget allocations met.	Consider utilisation of local or volunteer labour force.
15		Better Development Plan Conversion DPA finalised	Budget allocation met.	Plan developed. Public and Stakeholder Consultation undertaken.
16		Finalise construction of Explorer Parade speed humps at Hewett,	Budget allocation met.	Build proposed infrastructure. Achieve community outcomes; speed reduction, complaint reduction; improve safe travel along Explorer Parade.
17		Create Park Range Estate Residential Allotments for Sale to fund Reserve Improvement Works		Community Land Revocation process, Surveying and Land Division process finalised. Engage Real Estate Agent for land sales.
18		Greenock PLEC Project Construction	Budget allocation met.	Manage construction process of this stage to lead into Main Street beautification works project in subsequent year/s.
19		Complete CWMS capital works at Kapunda, Freeing and Greenock schemes	Works achieved within budget allocations (including expenditure of Grant Monies).	Completed Refurbishment/ expansion of Kapunda, Freeing and Greenock CWMS lagoons.
20		Kapunda Town Centre / Car Parking DPA commencement		Engaged consultant. Reached public and agency consultation stage.
21		Bridge Assessment work – Identify and assess remedial measures required for high priority bridges within LRC	Budget allocation met.	Assessments finalised and recommended actions fed into IAMP & LTFP deliberations.
22	Infrastructure & Works (I&W)	Maintenance Programs for all current items developed, refined and implemented		Standards developed and refined (if necessary).
23		Asset Management Plan standards developed		Standards developed and refined (if necessary).
24		“One System” Risk and OHSW developed and integrated into financial and asset plans	Budget allocations met. Rebate obtained on Workers Compensation and Liability insurance schemes.	Standards and Policies Developed and refined (if necessary). OHSW Committee practices reviewed.
25		Continue asset data collection project developing Conquest asset management system database	Budget allocations met.	Data and condition assessments completed as per project plan.
26		Completion roads 2010/2011 budget program	Budget allocations met.	Projects completed on time and asset information updated to Conquest AMS
27		Establish Memorandum of Understanding with adjoining Councils regarding materials joint use arrangement	Budget allocations met. Bulk savings on materials purchases achieved.	Appropriate legal agreements put in place securing supply.

Item	Operational Area	Objective	Measurable Outcome	
			Financial	Non-Financial
28		Integrated systems development and strategies		Partnership arrangements enhanced with suppliers. Departmental practices and programs reviewed for efficiencies.
29		Commence Construction Freeling Depot Administration Centre	Budget allocations met.	Buildings works completed. Departmental staff relocated from Hanson Street building. OHSW requirements met. Operations commenced.
30		Hewett Footpath Contract Works	Budget allocation met in line with reserve funds available.	Provision paved footpaths in unpaved areas of Hewett suburb meeting scope of works. Improvement in customer service outcomes. Refurbishment of below standard pathways.
31	Business & Governance (Corporate Services)	Adoption 10 Year Long Term Financial Plan	Year 1 Budget allocations met.	Confirm financial relationship with Strategic Management Plan. Develop forward planning techniques. Review financing and debt strategies following election of new council in November 2010.
32		Implementation Electronic Data Management System – Stage 1, Review Organisation Requirements and Establish Records Management Parameters	Budget allocation met.	Review electronic records systems requirements. Review systems to reduce flow of paper records. Improve records flows between Council's offices. Meet State Records standards for record keeping.
33		Development and Implementation of Asset Rationalisation Policy and Strategy		Development of policy and guidelines. Review Council's built land and buildings stock. Consultation with public and stakeholders. Sell appropriate assets as identified.
34		Completion Infrastructure and Asset Management Plan (Version 2)	Confirm funding requirement for asset maintenance and renewal. Confirm depreciation rates of assets.	Complete Asset Revaluation project for Transport infrastructure asset grouping. Develop remaining asset chapters to IAMP, inclusive of Land & Building, CWMS, and Bridges. Complete revised IAMP for adoption by Council.
35		Development and Implementation of Communications and IT Strategy	Budget allocations met.	Development and review of Council policy. Development strategy. Improvement of telecommunications links between Freeling and Kapunda operational sites.

Item	Operational Area	Objective	Measurable Outcome	
			Financial	Non-Financial
36		Completion Light Regional Council Library Review		Formulation/development of 10 year information services business plan. Improved customer service provision and outcomes.
37		Implementation of LINK Group Strategic Plan	Budget Allocations met.	Implement strategy. Improved consumer service provision and outcomes.
38		Revise Human Resource Management policies and guidelines	Budget Allocations met.	Development HR tools in line with revised Enterprise Workplace Agreements. Establishment of clear policy and operational guidelines for internal and external customers. Maintenance of staff performance to achieve corporate objectives.
39		Financial Reporting		Continue to improve financial reporting for staff, Elected Members and the community.
40		Revise Governance policies and guidelines	Council complies with legislative requirements.	Review prioritised governance policies and guidelines. Provide training to the newly elected Council to ensure good governance can be achieved. Continue to establish the Governance Advisory Panel as an additional governance resource.

Financial Requirements and Summary of Financial Statements

Council's estimated operating income and expenditure for the 2010/2011 financial year is identified in the following graphs. Council rates and separate charges for this financial year are estimated to be \$12.31m. To obtain this level of funding Council will need to increase its general rate income by an inflation factor (3.85% – Local Government Price Index (LGPI) to 31 March 2010 (4 year average)), account for new assessment growth (2.0%), and raise an extra 2.0% general rate revenue for infrastructure sustainability purposes, a total of 7.85% over the 2009/10 financial year.

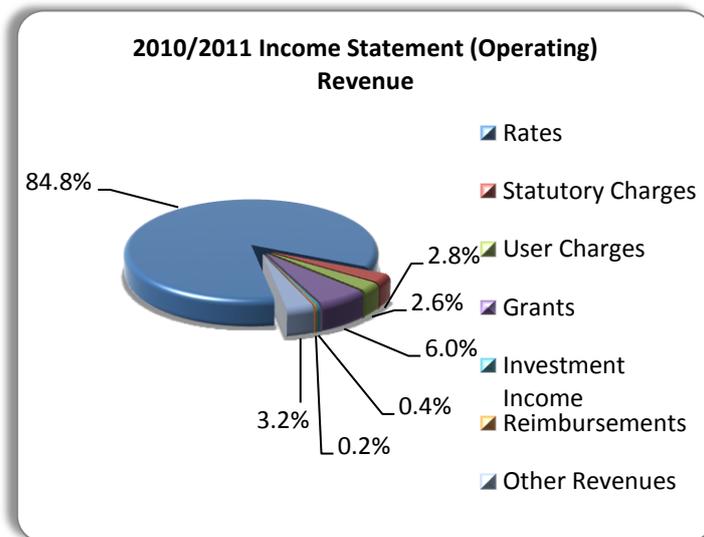
Loan borrowings of approximately \$1.98m are proposed. Council's infrastructure focus is maintained with a capital renewal program planned at \$4.78m, inclusive of proposed major activities at Gomersal Road should grant funding be obtained.

Council has been maintaining an operating deficit for many years. This means that not enough revenue is earned to cover operating expenditure (including depreciation) and therefore creates reliance on receiving grants and other forms of income to cover maintenance of infrastructure etc. This 'other income' is normally not sufficient and leads to programs being deferred until funding allows. Long term, as part of its forward strategy, Council plans to decrease the operating deficit and become sustainable through its own revenue, in essence provided through development and maintaining controls on spending (refer to Council's Strategic Plan for the period 2008 to 2018).

The conflict arises where influences outside Council's control dictate unplanned resource requirements, for example the revised 'speedy' development plan application compliancy requirements. Council is also experiencing 'growing pains' in terms of the staff resourcing requirements needed to meet the challenges ahead.

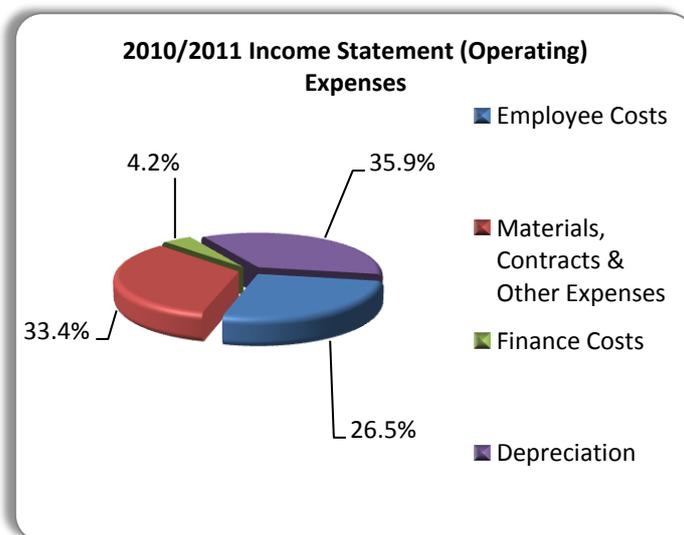
In the draft long-term (10 year) financial plan it is evident that Council will have an operating deficit for several years, however while trying to hold staffing levels and maintenance costs, it is anticipated that the operating deficit will reduce over time. It is anticipated that increased financial effort to reduce debt and increase the value of infrastructure capital works will occur from Year 5 onward. Council intends to review its plan during this financial year following the conduct of the November 2010 council election to take account of any known change in circumstances being applied.

The following graph illustrates revenue received by type and is extracted from Council's proposed Income Statement for the 2010/2011 financial year.



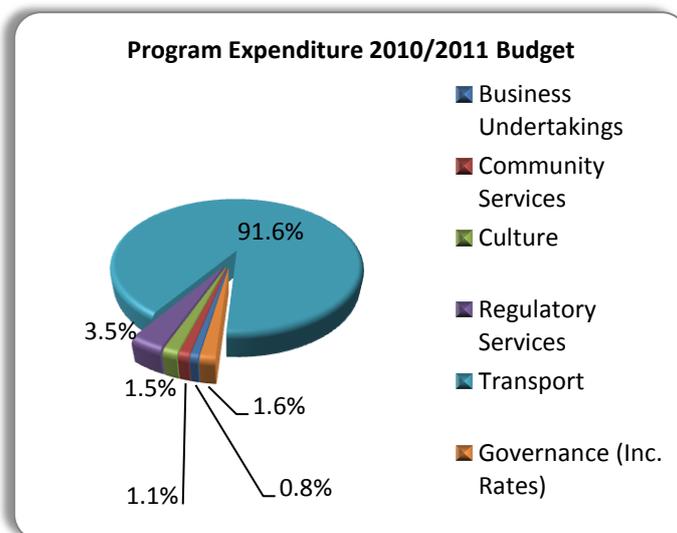
Rates account for 84.8% of Council's revenue followed by Grants and Subsidies at 6.0%. Council has a heavy reliance upon rate revenue in comparison to many regional councils.

The following graph illustrates expenditure allocated by type and is also extracted from Council's proposed 2010/2011 Income Statement.



The major portion of Council's expenditure is allocated to Materials, Contracts and Other - 33.4%, with Employee Costs requiring 26.5% of the budget. Depreciation accounts for 35.9% of operational expenditure.

The following graph is representative of **capital expenditure** proposed by percentage of business activity.



Transport and Infrastructure is the main component at 91.6%.

In brief the following table provides a brief overview of what is contained in Council's proposed capital budget:

Operational Area	Project	Expense	% of Budget
Tourism	Kapunda Mine Site (Safety Enhancements)	\$0.035M	0.7%
Transport (Roads, etc)	Gomersal Road (subject to grant funding) Bridge Design Assessment Resheeting of Formed Roads Sealed Roads Reconstruction Rural Road Addressing	\$3.957M	80.1%
Plant and Machinery		\$0.709M	14.3%
Equipment		\$0.091M	1.8%
Other		\$0.152M	3.1%
	Total Capital Expenditure	\$4.944M	100.0%

The projected financial statements for the year ending 30 June 2011 follow.

LIGHT REGIONAL COUNCIL		
BUDGETED INCOME STATEMENT		
2010/2011		
	BUDGET	MARCH REVIEW
	2010/2011	2009/2010
REVENUES		
Rates	12,307,263	11,438,330
Statutory charges	405,617	513,520
User charges	377,163	129,430
Other grants, subsidies and contributions	870,893	790,110
Investment Income	55,000	135,170
Reimbursements	31,055	216,160
		3,122,350
Other Revenues	471,360	438,310
Share of profit - joint ventures and associates	-	-
TOTAL REVENUES	14,518,351	16,783,380
EXPENSES		
Employee Costs	5,213,926	4,803,275
Materials, contracts and other services	6,584,986	8,735,035
Finance Costs	828,910	848,420
Depreciation, Amortisation & Impairment	7,067,516	6,997,540
Share of loss - joint ventures & associates	-	-
TOTAL EXPENSES	19,695,338	21,384,270
OPERATING SURPLUS / (DEFICIT) BEFORE CAPITAL AMOUNTS	(5,176,987)	(4,600,890)
Gain (loss) on disposal of assets		-
Amounts specifically for new or upgraded assets	1,333,330	6,329,830
Physical resources received free of charge (estimate)	-	-
NET SURPLUS (DEFICIT)	(3,843,657)	1,728,940

LIGHT REGIONAL COUNCIL

BUDGETED STATEMENT OF CHANGES IN EQUITY 2010/2011

	BUDGET 2010/2011	MARCH REVIEW 2009/2010
ACCUMULATED SURPLUS		
Balance at end of previous reporting period	15,567,240	10,739,140
Net Result for Year	(3,843,657)	1,728,940
Transfers To Other Reserves	(441,990)	(1,379,680)
Transfers from Other Reserves	1,517,276	3,983,290
Balance at end of period	12,798,869	15,071,690
ASSET REVALUATION RESERVE		
Balance at end of previous reporting period	131,583,946	73,813,070
Revaluation increments / (decrements) in respect of infrastructure, property, plant & equipment	-	-
Balance at end of period	131,583,946	73,813,070
OTHER RESERVES		
Balance at end of previous reporting period	3,563,660	4,072,540
Transfers from Accumulated Surplus	(1,517,276)	1,379,680
Transfers to Accumulated Surplus	441,990	(3,983,290)
Balance at end of period	2,488,374	1,468,930
TOTAL EQUITY AT END OF REPORTING PERIOD	146,871,189	90,353,690

LIGHT REGIONAL COUNCIL

BUDGETED CASH FLOW STATEMENT 2010/2011

	BUDGET 2010/2011	MARCH REVIEW 2009/2010
CASH FLOWS FROM OPERATING ACTIVITIES		
<i>Receipts</i>		
Investment income	55,000	135,170
Other operating revenues	14,463,351	16,648,210
<i>Payments</i>		
Finance Costs	(828,910)	(848,420)
Other payments	(11,798,912)	(13,538,310)
Net Cash provided by (or used in) Operating Activities	1,890,529	2,396,650
CASH FLOWS FROM INVESTING ACTIVITIES		
<i>Receipts</i>		
Grants specifically for new or upgraded assets	1,333,330	6,329,830
Sale of replaced assets	229,600	270,500
Sale of surplus assets	-	(360)
Sale of investment property	-	-
Net disposal of available -for-sale Financial Assets	-	-
Sale of real estate developments	-	-
Repayments of loans by community groups	7,200	-
Distributions received from associated entities	-	-
<i>Payments</i>		
Expenditure on renewal/replacement of assets	(4,674,450)	(14,675,510)
Expenditure on new/upgraded assets	(269,600)	219,310
Purchase of Investment Property	-	-
Net purchase of available-for-sale Financial Assets	-	-
Development of real estate for sale	-	-
Loans made to community groups	-	-
Capital contributed to associated entities	-	-
Net Cash provided by (or used in) Investing Activities	(3,373,920)	(7,856,230)
CASH FLOWS FROM FINANCING ACTIVITIES		
<i>Receipts</i>		
Proceeds from Borrowings	1,983,800	1,792,930
<i>Payments</i>		
Repayments of Borrowings	(1,403,890)	(1,570,990)
Net Cash provided by (or used in) Financing Activities	579,910	221,940
Net Increase (Decrease) in cash held	(903,481)	(5,237,640)
Cash & cash equivalents at beginning of period	10,623,410	11,138,600
Cash & cash equivalents at end of period	9,719,929	5,900,960

LIGHT REGIONAL COUNCIL

BUDGETED UNIFORM PRESENTATION OF FINANCES 2010/2011

	BUDGET 2010/2011	MARCH REVIEW 2009/2010
Operating Revenues	14,518,351	16,783,380
<i>less</i> Operating Expenses	<u>(19,695,338)</u>	<u>(21,384,270)</u>
Operating Surplus / (Deficit) before Capital Amounts	(5,176,987)	(4,600,890)
<i>less</i> Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	(4,674,450)	(1,721,270)
<i>less</i> Depreciation, Amortisation and Impairment	7,067,516	(6,997,540)
<i>less</i> Proceeds from Sale of Replaced Assets	<u>229,600</u>	<u>(270,500)</u>
	2,622,666	(8,989,310)
<i>less</i> Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets <i>(including investment property & real estate developments)</i>	(269,600)	16,159,700
<i>less</i> Amounts received specifically for New and Upgraded Assets	1,333,330	(6,329,830)
<i>less</i> Proceeds from Sale of Surplus Assets <i>(including investment property and real estate developments)</i>	-	(190)
	<u>1,063,730</u>	<u>9,829,680</u>
Net Lending / (Borrowing) for Financial Year	<u>(1,490,591)</u>	<u>(3,760,520)</u>

Rating Structure and Policy

Strategic Focus

In proposing its rates for the 2010/2011 financial year Council has considered its Strategic Management Plan 2008 to 2018, the current economic climate, specific issues faced by the community, the draft budget requirements for the 2010/2011 financial year and the impact of rates on the community – in particular householders and primary producers.

The 'Light Regional Council Rating Review Advisory Committee', a Section 41 committee of Council, has continued to aid Council, with the review of rating and valuation data and formulating recommendations to Council in regard to setting rates for the year. An important part of the Committee's structure is its membership which comprises both Council nominated representatives and community representatives from the public arena.

Land use categories as provided in the Local Government (General) Regulations 1999 are used as the basis of Council's general rate calculation.

Method used to value land

All land within a council area, except for land specifically exempt (eg. crown land, council occupied land), is rateable. Council has decided to continue to use capital value as the basis for valuing land within the council area. Council considers that this method of valuing land provides the fairest method of distributing the rates across all ratepayers.

Council will be adopting the valuations made by the Valuer-General and which are applicable for the financial year commencing 1 July 2010. If a property owner is dissatisfied with a property valuation, then an objection may be made to the Valuer-General in writing, within 60 days of receiving notice of the valuation, explaining the basis for the objection. Further contact details can be obtained from Council's Rates Assessment Officers on (08) 8525 3200.

It is important to note that Council has no role in the valuation process.

Impact of Rates

The following data provides information in regard to rate modelling done for the formulation of this Annual Business Plan and Budget.

Financial Year >>>	2006/2007	2007/2008	2008/2009	2009/2010	2010/2011 (Estimate)	% Change to values and Rate/\$ on Previous Year	% of General Rate Revenue	% Revenue shift from Previous Year
					(Week 47)			
Total Capital Valuation	\$2,137,758,500	\$2,214,602,460	\$2,465,727,320	\$2,655,066,020	\$2,841,037,700	+7.00%		
Number of Rateable Assessments	6791	6865	7003	7263	7349	+1.16%		
General Rate Revenue	\$7,617,970	\$8,031,369	\$8,634,000	\$9,413,470	\$10,153,120	+7.85%		

Rate/\$ Proposals

Residential LUC Rate in the \$	\$0.003525	\$0.00357	\$0.00343	\$0.00343	\$0.003468	+1.10%	41.45%	+0.62%
Commercial Shop and Office LUC Rate in the \$	\$0.0061688	\$0.0062475	\$0.0060025	\$0.0060025	\$0.006069	+1.10%	1.05%	-0.02%
Commercial Other LUC Rate in the \$	\$0.00705	\$0.00714	\$0.00686	\$0.00686	\$0.006936	+1.10%	5.71%	+0.08%
Industrial LUC rate in the \$	\$0.0096938	\$0.0098175	\$0.0094325	\$0.0094325	\$0.009537	+1.10%	9.82%	-0.16%
Primary Production LUC Rate in the \$	\$0.00282	\$0.002856	\$0.002744	\$0.002744	\$0.0027744	+1.10%	35.37%	+0.08%
Vacant Land LUC Rate in the \$	\$0.0044063	\$0.0044625	\$0.0042875	\$0.0060025	\$0.006069	+1.10%	4.6%	-0.56%
Other LUC Rate in the \$	\$0.003525	\$0.00357	\$0.00343	\$0.00343	\$0.003468	+1.10%	1.99%	-0.04%
Minimum Rate	\$570	\$580	\$600	\$625	\$660	+5.60%		

Service Charges

Financial Year >>>	2006/2007	2007/2008	2008/2009	2009/2010	2010/2011 (Estimate)	% Change to values and Rate/\$ on Previous Year	% of General Rate Revenue	% Revenue shift from Previous Year
Refuse Collection & Disposal Charge (including green waste)	\$165.40	\$196.80	\$209.80	\$235	\$249	+5.95%		
Refuse Collection & Disposal Charge (not including green waste)			\$140.75	\$149	\$160	+7.38%		
CWMS Charge (Example shown is for Kapunda System)	\$348	\$358	\$368	\$368	\$379	+2.99%		
Freeling Sewer (Hanson Street North Estate)				\$348	\$359	+3.16%		
Greenock Rise CWMS Charge (nominated properties only)					\$50	-		

Differential General Rates

Every resident benefits in some part from the general amenity of the council area, whether that is at the present time or in the future. The amenity includes the local economy, general council operations and the ability to use council facilities.

It is acknowledged that the system of council rates is in essence a system of taxation against property prescribed through the provisions of the Local Government Act 1999. However, Council has assessed that the level of differential rating imposed is governed in part by the ability to pay, the potential for income tax deductions and the perception of accessibility or useability of council services by the residents and consumers. To this end, Council has decided that:

Commercial Properties

Commercial properties generally have available to them, their employees and customers the same services as ratepayers. However, in most cases commercial users have a greater impact on the main services such as road maintenance and generally derive a greater benefit from the services provided.

Industrial Properties

Industrial properties generally have available to them, their employees and customers the same services as ratepayers. However, in most cases industrial users have a greater impact on the main services such as road maintenance and generally derive a greater benefit from the services provided, particularly where, for example, large amounts of raw or unrefined product is delivered to site for processing utilising Council's infrastructure.

Primary Production Properties

Primary Production properties tend to be more remote from some of the services provided by Council. In terms of infrastructure adjacent their properties they may not have sealed or formed roads, footpaths or street lighting. However they do have capacity to enjoy the formed roads, footpaths or street lighting and enjoy the same level of amenity as other residents of the Council area. In addition, primary production properties have the potential for taxation benefits.

In addition Council raises income by way of separate charges for the Refuse Collection and Community Wastewater Management Systems, and acts as a collection agent on behalf of the State Government in regard to the collection of income for the Natural Resource Management Boards.

In the 2010/2011 budget, Council proposes to raise total general rate related revenue of \$10.15m in a total operating revenue budget of \$14.5m. Land Use is used as the factor to apply differential rates. If a ratepayer believes that a particular property has been wrongly

classified by the Council as to its land use, then they may object (to Council) to that land use within 60 days of being notified. A ratepayer may discuss the matter with Council's Rates Assessment Officers, on (08) 8525 3200 in the first instance. Objections may be lodged for land use attributed to property for the purposes of raising council rates. Council will then undertake a system of review.

Minimum Rate

A Council may impose a minimum amount payable by way of rates, provided that it has not imposed a fixed charge. 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. Where a Council imposes a minimum rate it must not apply to more than 35% of properties in the Council area.

In 2010/2011 Council proposes to impose a minimum rate of \$660 which will affect 1,240 (16.87%) rateable properties. Council considers it appropriate that all rateable properties make a base level contribution to the cost of administering Council's activities and to the cost of creating and maintaining the physical infrastructure that supports each property.

Natural Resource Management Board Levies

From the 2009/2010 financial year the whole of the Council area is located within the boundaries of the Adelaide and Mount Lofty Ranges Natural Resource Management Board. Contributions are sought in 2010/2011 totalling \$248,300.

Council is operating as a revenue collector for the Natural Resource Management Boards in this regard. It does not retain this revenue or determine how the revenue is spent.

Service Charges

Council provides a Community Wastewater Management System to residential and commercial properties in Kapunda, Freeling, Greenock and Roseworthy. The full cost of operating and maintaining this service for the 2010/2011 financial year is budgeted to be \$941,890. Council recovers this cost through various means including the imposition of a service charge of \$359 per unit for Freeling Hanson Street North Estate and \$379 per unit for all other properties where the service is available. Some nominated properties at the Greenock Rise subdivision will be charged an amount of \$50 per unit. Where the service is provided to non-rateable land, a service charge is levied against the land.

The Council also provides a refuse collection service inclusive of recycling collections within the townships of Kapunda, Freeling, Hewett, Greenock, Roseworthy and Wasleys. The service is also provided to those ratepayers in Council's area that are able to access the service along the designated collection routes. The full cost of operating and maintaining this service for 2010/2011 is budgeted to be \$979,500. Council proposes to recover this cost through a service charge of \$249 for each property within the designated 3 bin service area (ie. collection of domestic, recyclable and green organic refuse); and through a service charge of \$160 for each property within the designated 2 bin service area (ie. collection of domestic and recyclable refuse only). Where the service is provided to non-rateable land, a service charge is levied against the land.

Rate Concessions

The State Government funds (and administers) a variety of concessions on Council rates. Eligible pensioners may be entitled to a rebate on Council rates, water rates and CWMS (formerly STEDS) charges where applicable. Application forms, which include information on the concessions, are available from Council's offices, or by telephoning Council's Rates Assessment Officers, on (08) 8525 3200. Concessions are only available on the principal place of residence.

Self Funded Retiree Concession

This concession has been available from 1 July 2001 and is administered by Revenue SA. A self-funded retiree, currently holding a State Seniors Card, may be eligible for a concession toward Council Rates. In the case of couples, both must qualify, or if only one holds a State Senior's Card, the other must not be in paid employment for more than 20 hours per week. Further information can be obtained from the Revenue SA Call Centre on 1300 366 150.

Unemployed Persons Concessions

The Department of Families and Communities may assist with the payment of Council rates for a principal place of residence (remissions are not available on vacant land or rental premises). Please contact your nearest Department of Family and Communities office for details.

Payment of Rates

Under Section 181 of the Local Government Act 1999, Council must provide the opportunity for all ratepayers to pay rates by quarterly instalments. Council payment dates proposed in the 2010/2011 financial year will be 24 September 2010, 10 December 2010, 11 March 2011 and 10 June 2011.

Late Payment of Rates

The Local Government Act 1999 provides that Councils impose an initial penalty of 2% on any payment for rates, whether by instalment or otherwise, that is received late. A payment that continues to be late is then charged an interest rate, set each year according to a formula in the Act, for each month it continues to be late. Council allows a further three working days after the due date for payment as a grace period. Thereafter late payment penalties are applied in accordance with the Local Government Act 1999.

Council issues a final notice for payment of rates when rates are overdue i.e. unpaid by the due date. Should rates remain unpaid more than 21 days after the issue of the final notice then the Council will refer the debt to their debt collection agency for collection. The debt collection agency charges collection fees that are recoverable from the ratepayer. All costs incurred by Council in the recovery of outstanding rates and fines are payable by the ratepayer.

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

- firstly – in payment of any costs awarded to, or recoverable by, the Council in any court proceedings undertaken by the Council for the recovery of the rates;
- secondly – in satisfaction for any liability for interest;
- thirdly – in payment of any fine;
- fourthly – in satisfaction of liabilities for rates in the order in which those liabilities arose in payment of rates, in date order of their imposition (starting with the oldest account first).

Remission and Postponement of Rates

Postponement of Rates - Hardship

Section 182 of the Local Government Act 1999 permits Council, on the application of the ratepayer, to partially or wholly remit rates or to postpone rates, on the basis of hardship. Where a ratepayer is suffering hardship in paying rates they are invited to contact Council's Rates Assessment Officers, on (08) 8525 3200 to discuss the matter. Such enquiries are treated confidentially by Council.

Seniors Rate Postponement

Section 182A of the Local Government Act provides the option for State Senior Card holders to apply to postpone part of their council rates on a long term basis. The deferred amount is subject to monthly interest charge, with the accrued debt being payable on the disposal or sale of the property. Postponement is similar to a reverse mortgage by relying on the equity in the property. A ratepayer who has a State Seniors Card may apply for postponement of a portion of the council rates payable on property they own if it is their principal place of residence and if no other person other than their spouse has an interest as owner of the property and there is appropriate equity in the property. Further information can be obtained from Council's Rates Assessment Officers on (08) 8525 3200.

Rebate of Rates

The Local Government Act 1999 requires Councils to rebate the rates payable for certain land uses. This includes 100% rate rebates granted on Places of Worship, Public Cemeteries, Hospitals and land occupied by Universities, and 75% rate rebates have been granted on Educational facilities (subject to some qualifications).

Discretionary rebates may be applied by the Council under Section 166 of the Act. Council annually considers many applications for rate rebates and has in the past, and is again for the 2010/2011 financial year, proposing to rebate rates charged to various district community and sporting organisations.

Sale of Land for Non-Payment of Council Rates

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 principal ratepayer and the owner (if not the same person) of the land of its intention to sell the land and provide the owner with details of the outstanding amounts. If payment of the outstanding amount is not received within one month the property may be sold. Except in extraordinary circumstances, the Council enforces the sale of land for arrears of rates.

Disclaimer

A rate cannot be challenged on the basis of non-compliance with this policy and must be paid in accordance with the required payment provisions.

Financial Impacts of Infrastructure Management

Council has previously adopted the following key financial targets, which will be reviewed following the conduct of the November 2010 council election:

Indicator 1 – Operating Surplus

Long Term, to achieve a zero operating surplus by 30 June 2012.

Short Term, to reduce the overall gap between operational revenue and operational expenses by between \$200,000 and \$300,000 net of any changes in depreciation (all in comparison to the 2008/09 financial year figures) as a minimum for the financial year and without the budget strategies proposed having an adverse impact on the underlying operating result or achievement of targets for other financial indicators proposed by way of this resolution in future years.

Indicator 2 – Operating Surplus Ratio

Long Term, to achieve a zero percent operating surplus ratio by 30 June 2012.

Short Term, improve (reduce) the indicator by 10%, which is a ratio of -20% or less by 30 June 2008.

Indicator 3 – Net Financial Liabilities

Long Term, be no greater than its annual operating revenue and not less than zero.

Indicator 4 – Net Financial Liabilities Ratio

Long Term, the ratio is greater than zero but less than 100% of total operating revenue.

Indicator 5 – Interest Cover Ratio

Long Term, the ratio should be less than 10% of operating revenue.

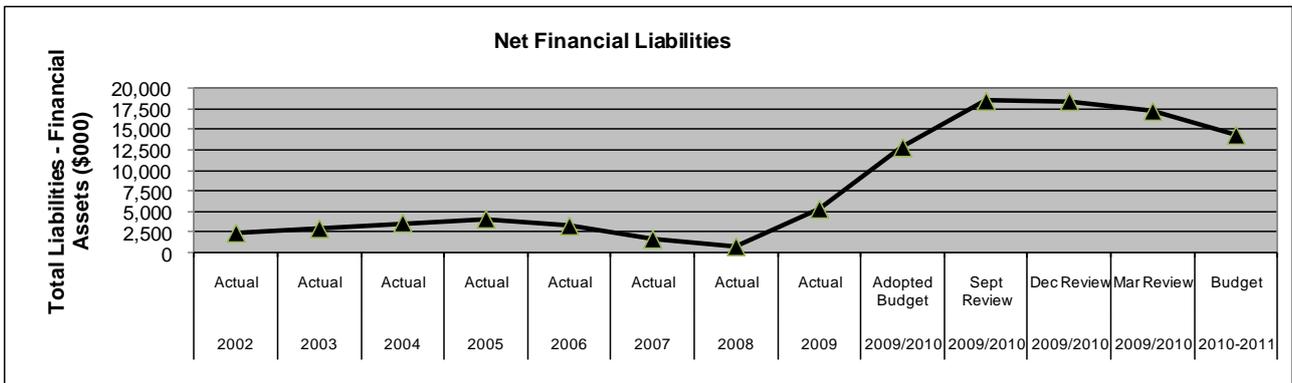
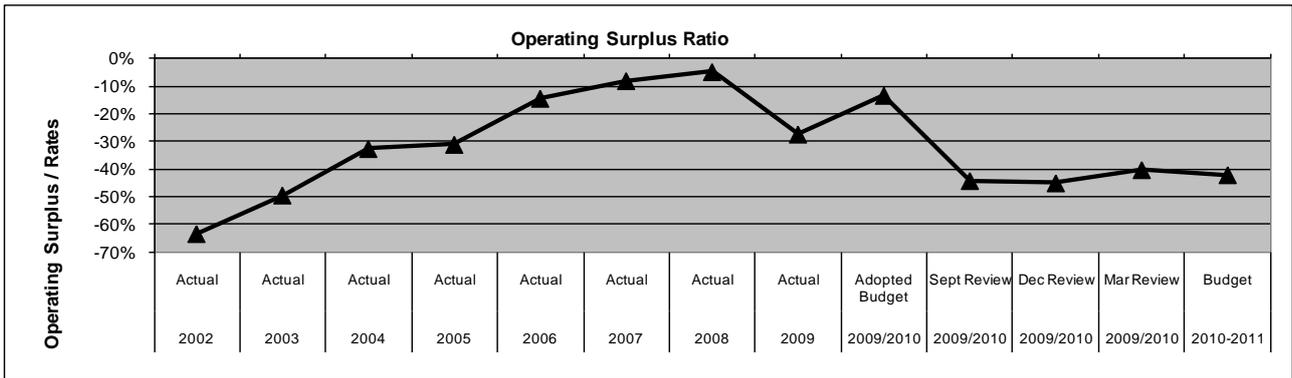
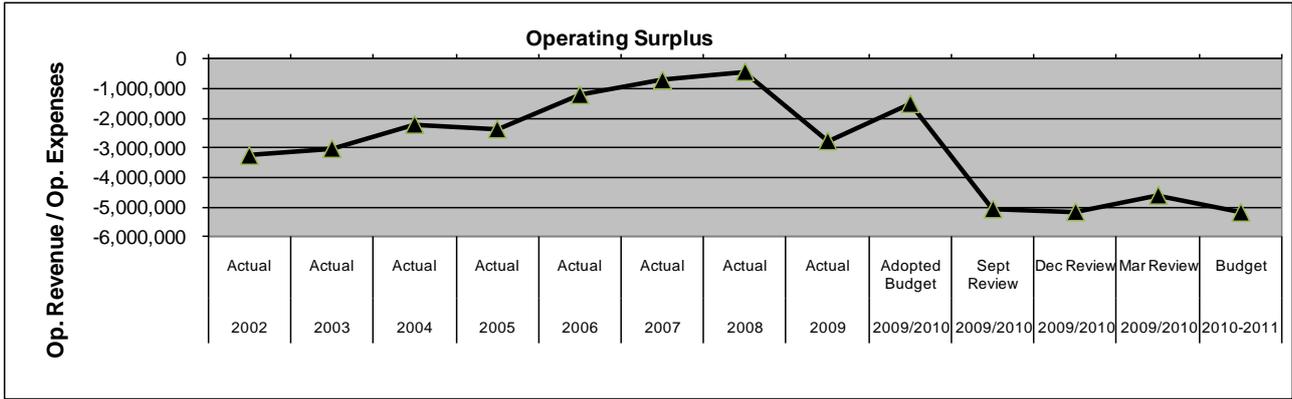
Indicator 6 – Asset Sustainability Ratio

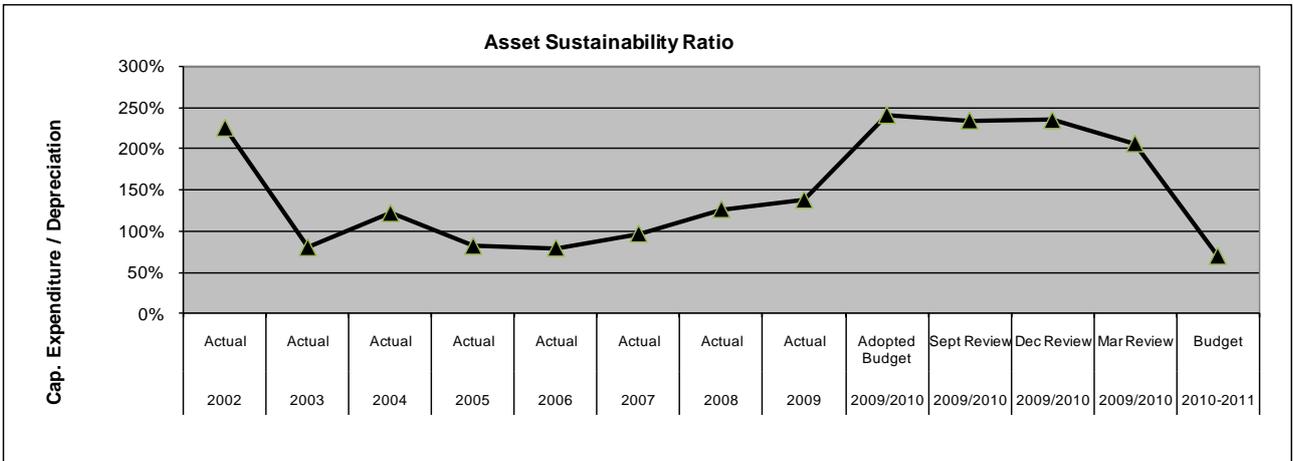
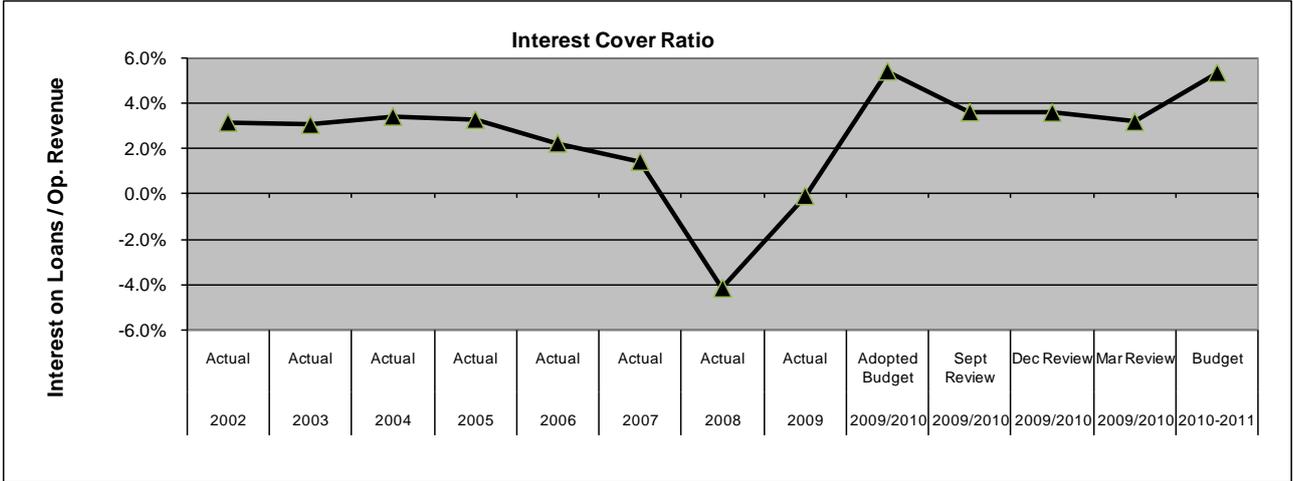
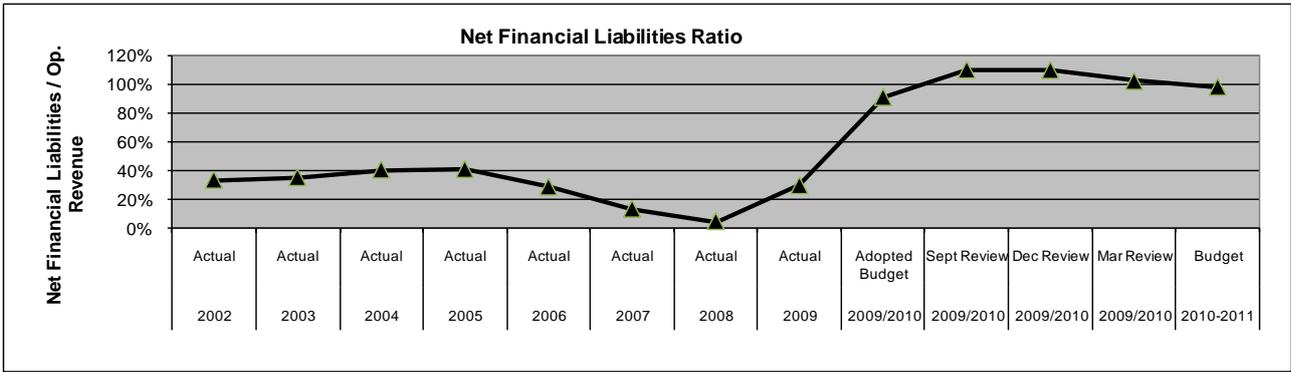
Long Term, that Council's outlays on renewing or replacing assets equal or are better than the rate of annual depreciation of assets over a rolling three year period.

Short Term; that Council aim to increase the ratio by 10% per annum for the next three financial years.

Local Government Financial Indicators

	2002 Actual	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2009/2010 Adopted Budget	2009/2010 Sept Review	2009/2010 Dec Review	2009/2010 Mar Review	2010-2011 Budget Draft
Indicator 1. Operating Surplus	-3,260,978	-3,026,602	-2,214,874	-2,369,985	-1,214,883	-722,154	-437,982	-2,769,834	-1,514,110	-5,061,660	-5,156,800	-4,600,890	-5,176,987
Indicator 2. Operating Surplus Ratio	-63.45%	-49.45%	-32.56%	-31.03%	-14.30%	-7.90%	-4.63%	-27.31%	-13.22%	-44.20%	-45.03%	-40.22%	-42.06%
Indicator 3. Net Financial Liabilities ^{\$'000}	2,384	2,921	3,594	4,096	3,256	1,635	731	5,302	12,814	18,457	18,428	17,222	14,305
Indicator 4. Net Financial Liabilities Ratio	33.57%	35.40%	40.69%	41.09%	28.82%	13.37%	4.72%	29.76%	91.44%	110.51%	110.29%	102.61%	98.53%
Indicator 5. Interest Cover Ratio	3.16%	3.06%	3.42%	3.28%	2.24%	1.43%	-4.17%	-0.09%	5.42%	3.61%	3.59%	3.19%	5.35%
Indicator 6. Asset Sustainability Ratio	225.57%	80.41%	121.97%	82.14%	79.81%	97.08%	126.73%	138.11%	241.12%	234.35%	234.86%	206.59%	69.95%





Commentary on Financial Impacts

Council's proposed budget deficit in 2010/2011 financial year is the result of operating expenses of \$19.69m funded by operating income of \$14.51m. Furthermore, rate revenue budgeted was to the value of approximately 12.31m.

Council's budgeted balance sheet displays net assets of approximately \$172.23m which included capital works of \$4.78m funded by a combination of rate revenue, grant funding, developer contributions and loan funds. Council has budgeted to borrow \$1.98m for its regular annual capital expenditure program.

Commentary on Financial Indicators

Indicators 1 and 2 - Council will meet its target reduction of \$300,000 decrease to the operating deficit in 2010/2011. Council's Strategic and Long Term Financial Plans will be reviewed during the 2010/2011 financial year.

Indicators 3 and 4 - Net Financial Liabilities shows an amount of approximately \$14.31 million. This equates to a Net Financial Liabilities Ratio of 98.53% which essentially is due to a continued reliance on increased loan borrowings. The indicator is slightly below the target upper limit set by the Audit Committee of being equal to or less than the value of operating revenue.

Indicator 5 - Interest Cover Ratio, shows that Council has budgeted to use 5.35% of its operating revenue (less investment income) in paying interest on its loans. The target set by Council's Audit Committee for this indicator is less than 10% of the operating revenue, which is comfortably achieved.

Indicator 6 - Asset Sustainability Ratio, shows that Council has budgeted to outlay an amount on renewing and replacing assets which is 70% that of its annual budgeted depreciation of \$7.07 million. The target set by Council's Audit Committee was that Council outlay an amount equal to or better than the rate of annual depreciation and in the short term this ratio be increased by 10% per annum. A revaluation of the land and buildings group of assets has been undertaken as at 30 June 2010. Any adjustments for depreciation as budgeted will be made at the September 2010 budget revision.

Summary Table of Income and Expenditure

The following Table provides the split of Council's proposed budget activities by the net impact on rating. In terms of revenue raised and expenses outlaid for the 2010/2011 financial year, net of depreciation, Council proposes to adopt a balanced cash budget, however in terms of its Income Statement; Council is forecasting an operating deficit.

Division	10/11 Budget Total
01 - CEO's Office	368,820
02 - Occupational Health Safety and Welfare	112,985
03 - Regional Development	46,670
05 - Commercial Activities (excl. Tourist Park) - Other	10,320
06 - Elected Members	286,385
07 - Libraries	708,593
08 - Tourism	91,395
09 - Commercial Activities - Tourist Park	5,350
10 - Disability and Aged Care Services	2,160
11 - Home and Community Care	11,300
12 - Youth Services	21,405
13 - Community Assistance and Events	228,125
14 - Crime Prevention	1,200
15 - General Manager Business & Governance's Office	307,850
16 - Finance and Accounting	-2,238,925
17 - Human Resources	159,970
18 - Contract Management	48,465
19 - Customer Services	69,035
20 - Information Technology	267,840
21 - Administration	40,174
22 - Rating and Property	-11,267,253
23 - Records Management	99,095
24 - Cultural Services	6,370
26 - Passive Reserves	594,190
27 - Public Conveniences	51,690
29 - Sporting Complexes	268,680
30 - Halls and Institutes	151,410
32 - Street Lighting	196,130
33 - Streetscaping	11,430
35 - Cemeteries	98,950
37 - Aerodromes	432
38 - Roads	4,174,403
39 - Bridges	40,140
40 - Stormwater Drainage	243,640
42 - Plant Operations	-65,890
43 - Indirect Allocations	206,720
44 - Waste Management Station - Kapunda	48,290
45 - Waste Management Station - Roseworthy	6,720
46 - Waste Collection	480,940
47 - Recycling	504,699
48 - Wetlands - Freeling	7,430
49 - Wetlands - Hewett	16,510
50 - CWMS	887,920
51 - Fire Prevention	24,770
52 - Fire Protection	1,536
53 - Dog Control	83,614
54 - By-Laws	25,938
56 - Environmental Health	149,036
57 - Development Assessment	1,013,028
58 - Strategy & Projects & Engineering	1,127,555
59 - Planning Policy	262,265
Total	-496