



**Light Regional Council
2018/2019 Annual
Business Plan, Budget and
Long Term Financial Plan
(2019 to 2028)**

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1. Preamble

Under section 123 of the Local Government Act 1999 (the Act), each Council must have a budget for each financial year. This budget must be considered in conjunction with the Council's Annual Business Plan (ABP) and must be adopted before 31 August for the financial year.

Council therefore prepares, as part of its budget development process, an ABP. According to the Section 123 (2) the Act, each ABP of a Council must-

- (a) include a summary of the Council's long-term objectives (as set out in its strategic management plans); and
- (b) include an outline of:
 - (i) the Council's objectives for the financial year; and
 - (ii) the activities that the Council intends to undertake to achieve those objectives; and
 - (iii) the measures (financial and non-financial) that the Council intends to use to assess the performance of the Council against its objectives over the financial year; and
- (c) assess the financial requirements of the Council for the financial year and, taking those requirements into account, set out a summary of its proposed operating expenditure, capital expenditure and sources of revenue; and
- (d) set out the rates structure and policies for the financial year; and
- (e) assess the impact of the rates structure and policies on the community based on modelling that has been undertaken or obtained by the Council; and
- (f) take into account the Council's long-term financial plan and relevant issues relating to the management and development of infrastructure and major assets by the Council; and
- (g) address or include any other matter prescribed by the regulations.

Before a Council adopts its ABP it must prepare a draft ABP and undertake a public consultation process that, as a minimum, meets the requirements of section 123 (4) of the Local Government Act 1999. During the public consultation period copies of the Council's Draft ABP and any other associated documents must be made available for inspection and purchase by the public at the principal office of the Council.

This document presents the ABP and Budget for the Light Regional Council for 2018/2019 Financial Year adopted by Council at its Council meeting held Tuesday, 26 June 2018. The Plan and Budget have been developed in the context of Council's Strategic Management Plan 2017-2020.

2. Introduction to Light Regional Council

➤ Opening Commentary from the Mayor and Chief Executive Officer

The Annual Business Plan (ABP) details the services, programs and projects Council intends to deliver in the 2018/2019 Financial Year. It stipulates Council's strategic goals and business objectives which comprise the provision of substantial projects and valuable services to the local community and wider region.

The strategies and actions identified in Council's Strategic Management Plan for the period covering the years 2017 to 2020 provides the framework of the ABP. It recognises opportunities and key issues pertaining to sustainable development, regional change, economic improvement and comprehensive asset management to afford a holistic approach for the future direction of our Council region.

➤ Strategic Planning

The 2017 to 2020 Strategic Plan was developed with consideration of the South Australian State Government's Strategic Plans, the Regional Development Association Barossa's Regional Roadmap and regional partners' strategic directions.

The Plan recognises the importance of delivering effective and much needed community services in conjunction with the provision of planned, well-maintained infrastructure and assets that are required to underpin the Council region's projected growth and development. Economic development and planning strategies are key factors of the Plan as Council needs to ensure that assets of existing and new developments are provided to appropriate infrastructure standards and are economically and environmentally sustainable.

The town of Roseworthy is about to experience significant urban development. The area of land to the south of the township and to the east of Horrocks Highway incorporates the future employment lands which are included in the Roseworthy Township Expansion Plan Amendment. Work has been completed on stormwater and social infrastructure deeds, following consultation and agreement with landowners, which enables the progression of pivotal infrastructure in the development area. The Roseworthy Township Expansion will now move into the delivery phase.

Included in the ABP is the revised Long Term Financial Plan (LTFP), for the period 2018/2019 to 2027/2028 financial years. The first four years of the LTFP comprises the Four Year Budget detailing Council's capital and operational strategies and projects for that period. Our focus will continue to be sustainable achievement through **'Growth, Reform, Innovation and Discipline'** (GRID). New project initiatives and business cases included in the revised Plan were evaluated on their economic, social and environmental advantages for the community and achievement of ongoing financial sustainability. Federal and State Government funding is important to the proposed outcomes of some of these projects.

The GRID philosophy has regard to the following strategic goals:

- ✓ Sustainability - achieving a balanced Operating Statement;
- ✓ Community Health and Wellbeing - considering intergenerational balance, provisions of existing services and future community needs;
- ✓ Industry, Innovation and Infrastructure - deliver quality infrastructure, support the local industry and tourism and strengthen the economy ; and
- ✓ Environment - effective stormwater management, environmental preservation and improved waste management

➤ Annual Objectives

Council will periodically review, implement and monitor its suite of core strategic documents, inclusive of the LTFP, the IAMP and Strategic Management Plan. Council's aim is to maintain strategies and plans that are relevant and that are connected to wider State and regional planning.

Council's ABP provides an opportunity to formally report to members of the public on Council's operational and financial status relative to the legislative, corporate and community needs within the Council area. Highlights for 2018/2019 Financial Year include:

- ✓ Continuation of efficient and effective management of Council's major infrastructure assets; a significant capital works program of \$17.6m is proposed. This includes the second year of the Accelerated Infrastructure Program – Tourist-Towns project, total value of \$15m, which once implemented, will significantly upgrade core council infrastructure within the region.
- ✓ Community health and wellbeing programs are aligned to the adopted Regional Public Health Plan and legislative requirements. The Plan advocates and provides activities and programs that promote social inclusion, positive physical and mental wellbeing and increased awareness.
- ✓ Advancement of several economic development initiatives in the region including, investment attraction, case management of significant developments and enhanced tourism strategies for our region.
- ✓ Supporting the development and improvement of recreational facilities, existing streetscapes and open space within the region.

This year represents the third year of operations for water harvesting at the Wingate Basin site of the Gawler River Water Reuse Scheme (GWRS). Located adjacent to the Northern Expressway crossing of Gawler River, 'Bunyip Water' distributes the water supply to harness sustainable underutilised water resources for urban and agriculture uses. The scheme supplies around 1.2 GL per annum of recycled urban stormwater for irrigation purposes to school ovals, reserves and public open space to the north of Gawler and for viticulture in the western Barossa Valley. The project has also been connected into the Virginia Pipeline Scheme (VPS) to provide additional water security.

The ultimate aim is to secure additional access to recycled water being discharged from the Bolivar treatment plant in northern Adelaide, via the Northern Adelaide Irrigation Scheme (NAIS) and/or VPS.

Council has also provided support for other major community infrastructure projects including the Freeling Agriculture Multi-Purpose Centre facility, the Kapunda Town Centre project and the Kapunda Lifestyle Village. In the year ahead, Council will continue to investigate opportunities to grow, improve and enrich our area. We will continue to partner with our neighbouring Councils for joint regional projects and initiatives that provide cost savings, improve service levels and/or benefit the local economy. We will strive to find a balance in our decision making between social, cultural, economic and environmental issues to ensure our region has a positive outlook and sustainable future.



A handwritten signature in black ink, appearing to read 'Bill O'Brien'.

Bill O'Brien
MAYOR



A handwritten signature in black ink, appearing to read 'Brian Carr'.

Brian Carr
CHIEF EXECUTIVE OFFICER

3. Public Consultation

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

Council must release a draft version of the ABP and Budget for a period of public consultation with its community in relation to its contents.

For 2018/2019 Financial Year, the period of public consultation commenced on Wednesday, 30 May 2018. Public notices appeared on Council's website www.light.sa.gov.au from that date while notices appeared in the newspapers generally circulating within Council's region in the Wednesday, 30 May 2018 editions of The Bunyip, The Leader and The Barossa and Light Herald newspapers.

The public consultation period concluded at the close of business (5.00pm) on Tuesday, 19 June 2018. A Special Council meeting was held on Tuesday, 12 June 2018 at 6.00 pm at the Kapunda Council Chambers, 93 Main Street, Kapunda, to receive submissions and questions from the community in relation to its draft 2018/2019 Annual Budget and 2019-2028 Long Term Financial Plan proposals. A subsequent report was presented to the Council at the Ordinary meeting of Council held on Tuesday, 26 June 2018 in order that matters arising out of the public consultation period were reviewed and considered by Council.

4. Council’s Strategic Direction

Section 122 of the Local Government Act 1999 requires all Councils to develop strategic management plans which identify the goals and objectives for its region over a four year period. In addition to the consideration of community and business needs within the Council area, the plans consider and align with the goals, objectives and strategies of the State and Federal Governments, Regional Development Australia Barossa (RDA Barossa) and neighbouring Councils. The Light Regional Council adopted its revised Strategic Management Plan covering the years 2017 to 2020 at the Council meeting held 23 May 2017.

The Light Regional Council’s Strategic Plan is a strategic document seeking to drive the Council’s vision of “respecting the past, creating our future”. The Strategic Plan has an important role in the development of Council’s business documents (strategic, business and operational plans) which are pivotal to the Council’s operations. Gaining an understanding of these relationships (**Figure 1**) assists the reader in recognising the context of the document.

Figure 1: Light Regional Council Strategic Management Framework



Vision

Light Regional Council's vision is:

Respecting the past, creating our future

Mission

Light Regional Council's mission is:

To be regarded as an exemplary Council that puts the people of Light first, while creating a place that is also welcoming to visitors. Through the services we deliver, we will provide the basis for a community that can grow sustainably, but always within our financial means.

Core principles

Light Regional Council is guided by a focus on 'Core Principles' of **Growth; Reform; Innovation and Discipline.**

Values

Our values:

As a Council we will be guided at all times by:

- ✓ *foundation values of respect, honesty and integrity;*
- ✓ *showing leadership;*
- ✓ *having a constant awareness of the community we serve;*
- ✓ *our need to be financially viable (through the core principles of Growth, Reform, Innovation and Discipline); and striving for quality outcomes.*

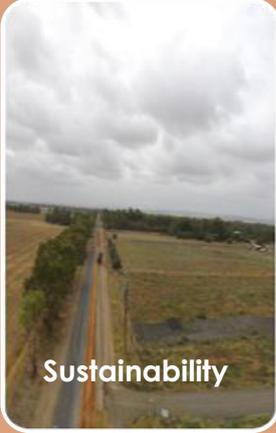
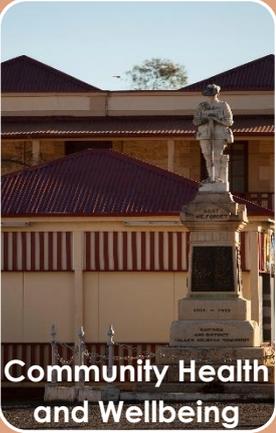
These values express how the Council operates, lives, breathes and expresses itself through its daily duties.



➤ **Council Focus**

Light Regional Council's Strategic Management Plan 2017-2020 has identified the four (4) Key Goals and Strategies which will help to shape the region as it grows in the coming years. **Table 1** below outlines Council's goals and strategies for the 2017-2020 period. These goals will act as triggers to action new projects, as support to seek external funding and as leverage to promote and undertake partnerships to deliver positive outcomes for the community.

Table 1: Goals and Objectives of Light Regional Council for the Strategic Plan 2017-2020

Light Regional Council's Direction and Goals			
 <p>Sustainability</p>	 <p>Community Health and Wellbeing</p>	 <p>Industry, Innovation and Infrastructure</p>	 <p>Environment</p>
Key Objectives			
<ul style="list-style-type: none"> 1.1 Achieve a balanced Operating Statement 1.2 Resolving the asset renewal gap to attain asset sustainability for agreed service levels 1.3 Continued efficiency improvements in service delivery 1.4 Appropriate allocation of resources to areas of priority need 1.5 Minimise energy and natural resource use 1.6 Continuing commercial partnerships with third parties and other levels of government to provide outcomes for the community 	<ul style="list-style-type: none"> 2.1 Continuous improvement of community wellbeing 2.2 Continous improvement of community facilities 2.3 Facilitate retirement living options in the region 2.4 Improved communication with stakeholders 	<ul style="list-style-type: none"> 3.1 Support the local agriculture and tourism industries 3.2 Strengthen and diversify the region's economic base 3.3 Advocate on behalf of regional opportunities 3.4 Deliver quality Infrastructure 	<ul style="list-style-type: none"> 4.1 Further planning for extreme weather events in the region 4.2 Improved management of water resources 4.3 Preservation of areas of environmental biodiversity 4.4 Improved roadside vegetation management 4.5 Planning and implementation of priority Stormwater Management works 4.6 Improved waste management

5. Significant Budget Influences and Priorities

Council endorsed the following budget parameters and assumptions for the purpose of preparing the 2018/2019 ABP and Budget.

- The Recurrent Operating Budget be developed with reference to and within the framework of the 2018-2027 updated LTFP (adopted by Council 18 July 2017);
- Material, Contracts and Other Expenses cost escalation be set at 2% in the absence of any other reliable way of estimating “Materials, Contracts and Other Expenses”;
- Wages and Salaries increase in accordance with the current Enterprise Bargaining Agreements and underpinning award provisions;
- Fees and charges not set by Legislation be increased by 2% as a minimum;
- New Capital Projects to be considered and approved within the constraints of the LTFP and capacity to deliver given existing major capital projects in progress;
- New services and one off projects to be funded through Rate Revenue increases or by expenditure savings;
- New capital projects may be funded via a combination of rate increases, expenditure savings, grant funding and long term borrowings;
- Council to continue to participate in regionally significant projects and investigate shared resource opportunities where practicable;
- The ABP objectives for 2018/2019 be aligned with the Goals and Objectives in Council's Strategic Management Plan 2017-2020; and
- Continued delivery of the Accelerated Infrastructure Upgrade Program in accordance with the LTFP and Council's updated rolling four (4) year budget.

Council is committed to continuous improvement of its operations in order to provide the best value to the community and deliver quality services utilising the most effective and efficient approach. Accordingly, Council intends to continue undertake its operation while having regard to the 'GRID' principles:

- Target Sustainable **Growth**;
- **Reform** the organisation and systems where necessary;
- **Innovate** to provide alternative solutions to service provision; and
- Be **Disciplined** about the way in which costs and programs are implemented and managed.

Compilation of the ABP and Annual Budget is guided by LRC's '8 Point' management strategy, that is to:

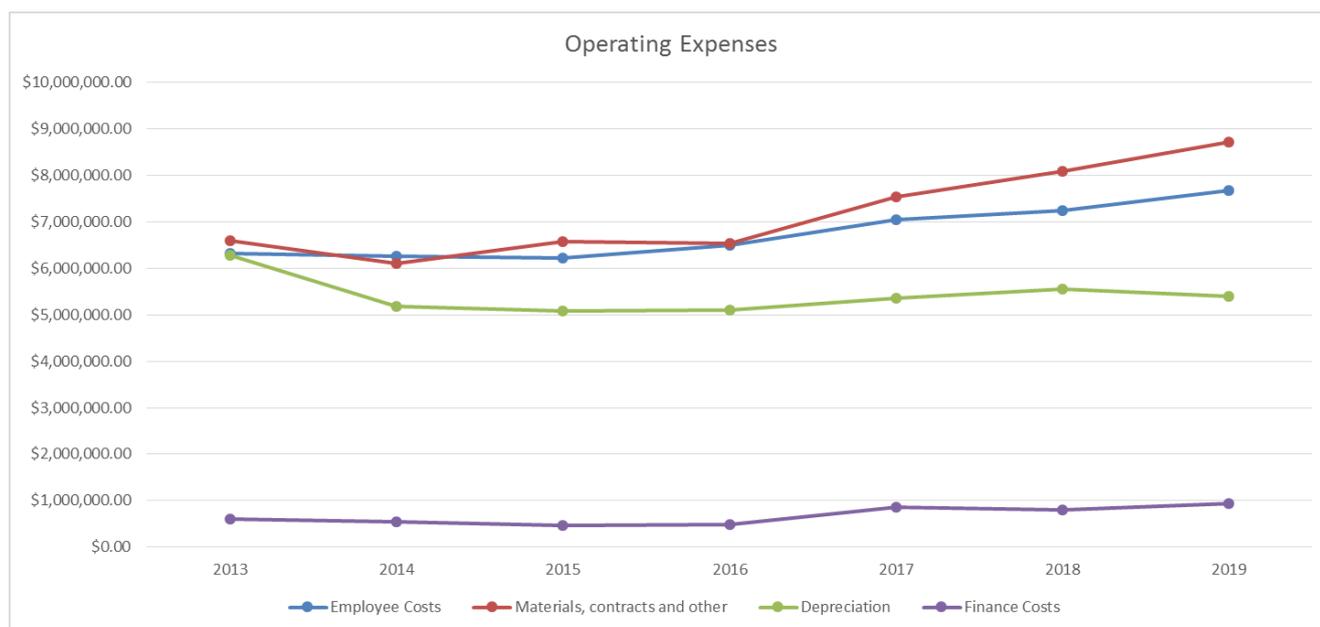
- 1) Maintain its general rating levels;
- 2) Strategically target external funding, grants and value capture opportunities;
- 3) Build its labour resource capacity;
- 4) Progressively work through its IAMP defining affordable service levels and associated asset renewal/upgrade program;
- 5) Foster smart 'Growth' to increase its economies of scale, critical mass and be a 'region of choice';

- 6) Effect 'Reform' through productivity improvements, by improving processing efficiencies to achieve increased outputs with less inputs, as well as empowering the community to manage key facilities;
- 7) Search for 'Innovative' ways to deliver strategic outcomes such as Bunyip Water, Kapunda Retirement Living Units and the like, generating alternative sources of revenue and /or increasing service provisions;
- 8) With 'Discipline' hold expenditure levels and any expenditure increases to a proportionally lower amount than our revenue increases.

The following graph (**Figure 2**) shows the growth in Council operating expenditures between the 2013/2014 and projected 2018/2019 financial year. Council's **Employee Costs** have risen through the replacement of a number of previously contracted services now provided by Council employees as well as workforce growth as a result of growth in activity and legislative requirement. The increase in employee costs from 2017/2018 correlates with the increase in staff numbers that are required to deliver the Accelerated Infrastructure Program.

Material, Contracts and Other Expenses have fluctuated across the period dependent upon each year's proposed budget, however an upward trend is apparent over the years mainly due to increased cost to Council of purchasing items such as water, electricity, insurances, legal fees, fuel, plant monitoring etc. Costs associated with the Gawler Water Reuse Scheme (GWRS) increase materials etc. costs from 2016/2017. Increased service levels and new initiatives proposed in the 2018/2019 budget are a contributing factor to the rise in material, contracts and other expenses.

Figure 2 - Growth in Council's Operating Expenses



Finance Costs remained relatively static until 2014/2015 Financial Year. The impact of (GWRS) borrowing commences in financial year 2015/2016 and continues through to 2018/2019. In 2018/2019 it is forecast the loan borrowing related to the AIP will also be initiated resulting in increased financial costs.

Depreciation Expense has reduced considerably since the 2013/2014 Financial Year. Council undertook a review of service levels of Council's infrastructure assets in March 2014 which resulted in an increased lifetime of some assets, with a corresponding reduction to the level of depreciation to those assets. In the 2018/2019 financial year, depreciation expenses are expected to decrease marginally following the annual depreciation review and the ongoing Asset Renewal Program.

6. Services Offered by the Council to its Residents

All Councils in South Australia have core responsibilities defined under the *Local Government Act 1999* and other relevant legislation. These include:

- ✓ Regulatory activities, including development planning and control, fire safety assessments, structural integrity assessments of buildings, dog and cat management, voters roll maintenance and Elected Members support; an ABP and developing longer-term strategic management plans, and employing a Chief Executive Officer;
- ✓ Maintenance of roads, footpaths, parks, public open space, street lighting and stormwater drainage;
- ✓ Street cleaning and waste collection;
- ✓ Environmental health services, including food and public health inspections, immunisation, animal & pest control and inspections on public swimming pools.

In response to community interest and need, the Council also provides additional services and programs including economic and regional development, community development services, library services, community and cultural support, environmental protection projects and initiatives, support for community events and maintenance of community facilities (including halls and public conveniences). Details of the services provided by Light Regional Council are outlined in **Table 2**.

Table 2: Services delivered by Light Regional Council to its Residents

Service Category	Services offered	Details
Business Undertakings	Community Wastewater Management System (CWMS)	<ul style="list-style-type: none"> • CWMS in Kapunda, Freeling, Greenock, Roseworthy and Neil Avenue in Nuriootpa.
Community Support	Maintenance of community halls and facilities	<ul style="list-style-type: none"> • Thomson Building, Kapunda Senior Citizens Building, Kapunda Kindergarten, Kapunda Men's Shed, Kapunda Institute, Freeling Institute, Greenock Institute, Wasleys Institute, Hewett Community Centre, Kapunda RSL and the Herald Printing Office.
	Services for the Aged and Disabled	<ul style="list-style-type: none"> • Provide home maintenance, home security and safety and home support services to enable people to remain living safely in their own home, maintain independence and enhance their quality of life through The Barossa Region Home Assist Scheme.
	Children and Youth Services	<ul style="list-style-type: none"> • Provision of programs and services for young people through National Youth Week events and Youth Sponsorship programs in self-development activities the Mayors award.
	Community Transport	<ul style="list-style-type: none"> • Community transport services to assist those in the community who are transport disadvantaged, such as the aged and younger disabled residents without access to transport (Community bus and car, Personal Car Service for Wheelchair Clients)
	Other Community Support	<ul style="list-style-type: none"> • Community Events of the Year Awards.

Service Category	Services offered	Details
Cultural Services	Museums and Art Galleries Heritage Other Cultural Services	<ul style="list-style-type: none"> • Kapunda Museum and Kapunda Art Gallery • Grant under Heritage Incentive Scheme to owners of Local Heritage Places and Contributory Items • Australia Day events and awards. • Support to community Christmas events • Community Events Sponsorship program
Health Services	Immunisation and other preventative health	<ul style="list-style-type: none"> • Scheduled children's and high school vaccinations program
Library Services	Libraries	<ul style="list-style-type: none"> • Lending of reading and audio visual material, internet training, local history services, children and youth programs (Kapunda, Freeling and Greenock) • The library currently holds approximately 24,000 physical items in it's collection which is equivalent to 1.7 items per capita, which is close to the Public Library Standards baseline target of 1.8 items per capita
Other Environment	Street Lighting Stormwater Management Streetscaping Street Cleaning	<ul style="list-style-type: none"> • Maintaining over 1,200 existing public lights and installing new lighting, including reserve lighting, sports field, court and car park lighting. • Stormwater drainage within the townships is monitored and maintained to prevent flooding. • Planning, planting and maintenance of verges and streetscapes. • Street tree planting, maintenance and weed control. • Emptying of public bins. • Streets in towns are regularly swept by Council staff using specialised street sweeping machinery.
Public Order and Safety	Emergency Services and Fire Prevention	<ul style="list-style-type: none"> • Burning off, bushfire prevention and fire protection • Removal of abandoned vehicles, maintenance of security camera in Kapunda.

Service Category	Services offered	Details
Recreation	Parks and Gardens Outdoor Sporting Facilities	<ul style="list-style-type: none"> • Planning, planting and maintenance of reserves, ovals and gardens • Maintenance of Kapunda Swimming Centre
Regulatory Services	Development assessment and compliance services Fire Prevention Parking Control	<ul style="list-style-type: none"> • Other regulatory Service • Provision of planning, building and compliance related services. These include the administration of the Development Act 1993 and Development Regulations 2008, the Development Plan, Building Code and other relevant standards. • Permits to light fires and gain access over Council reserves; enforcement of by-laws • Control of rodents and European wasps; dead animal collection from public spaces • Advice to residents on fire risk management; oversee implementation of works program associated with Strategic Bushfire Management Plan. • Enforcement of State Government parking laws and private parking agreements; school patrols; issuing of expiation notices
Transport		<ul style="list-style-type: none"> • Maintenance of bus shelters, footpaths on local streets, shared use paths and maintenance of sealed roads (174kms), unsealed roads (1,227kms), and Unformed roads (56kms).
WASTE MANAGEMENT	Waste management and recycling	<ul style="list-style-type: none"> • Domestic kerbside collection, hard rubbish collection, E-Waste collection, litter control and operation of portable security camera to prevent illegal dumping.

7. Assessment of 2017/2018 Financial Year Objectives

In accordance with Section 123 and Clause 2 of Schedule 4 to the Local Government Act 1999, Council is required to measure its performance against the implementation of its objectives and activities by way of both financial and non-financial performance indicators and report on that performance outcome as part of its Annual Report to its constituency.

An updated position (as at 27 March, 2018) is presented in the following **Table 3** in regard to the Objectives that were planned at the adoption of the 2017/2018 ABP.

Table 3: 2017/2018 ABP Objectives and Activities

*Completion status up to 27 March 2018. 30 June 2018 update to be published in Council's Annual Report

(C) Completed, (SC) Substantially Completed > 75% (PC) Partially Completion 50-75%, (S) Started <50%, (NS) Not Started, (O) Ongoing, (D) Deferred

Goal 1 - Sustainability		
Objective	Action	Completion Status
1.1 Achieve a balanced Operating Statement	Pursue and progress entrepreneurial projects that generate alternative sources of revenue other than through general rates, including: <ul style="list-style-type: none"> • Bunyip Water Scheme connectivity with the Roseworthy Township Expansion (RTE) and Northern Adelaide Irrigation Scheme (NAIS); and • Retirement Living Developments in Kapunda and Freeling. 	S
		S
	Undertake astute budget management to afford financial sustainability and value for money for Council rate payers.	C
	Application of strategic separate/specific rates in appropriate circumstances.	C
	Facilitate the commencement of the Roseworthy Township Expansion.	O
	Maintain general rating levels in accordance with Council's Long Term Financial Plan.	C
	Continuous improvement to IT and Information/ Records Management to achieve operational efficiencies.	O
	Update the Infrastructure and Asset Management Plan (IAMP) strategy to target a '100% Renewal' objective.	O
	Raise sufficient revenue from rates and charges in order to balance the Operating Statement and sustain existing assets on a per annum basis.	C
	Deliver the Accelerated Infrastructure Program to improve the quality of assets across Council and reduce maintenance costs.	PC
1.3 Continued efficiency improvements in service delivery	Improve and increase the number of on line systems to manage work, health and safety and facilitate streamlined procedures.	S
	Explore affordable opportunities for operational efficiencies gained from the adoption of suitable IT software, hardware and use of suitable phone and tablet 'apps'.	S

1.3 Continued efficiency improvements in service delivery (continued)	Implement improved procurement procedures, contracts and systems to ensure best practice.	O
	Prepare and adopt Case Management Guidelines to: <ul style="list-style-type: none"> • streamline development and regulatory approvals; • facilitate investment to support major projects and developments; • guide stakeholders in complex or sensitive projects that may require multiple approvals; • Allow earlier delivery of regionally significant projects involving economic growth, exports, employment and provision of infrastructure. 	O O PC PC
	Introduce smart technology and the 'Internet of Things' (IoT) for appropriate public infrastructure and spaces.	S
	Implement RFID self-loan stations in the Freeling and Kapunda Libraries.	S
1.4 Appropriate allocation of resources to areas of priority need	Monitor the impact of the introduction of the Local Nuisance and Litter Control Act 2016, and system changes via the Planning, Development and Infrastructure (PDI) Act 2016 (which includes the introduction of the 'Environment and Food Production Area'). As required, review resource needs, implement new systems, operations and policy development to ensure compliance with legislative requirements.	O
	Consider participation in forming a 'Joint Planning Board' under the PDI Act 2016 as a regional strategic planning initiative.	O
	Assist the State Government, where resourcing permits, in the implementation of the new planning system under the PDI Act, 2016.	O
1.5 Minimise energy and natural resource use	Continue to implement electronic systems to reduce paper consumption.	O
	Convert all operational buildings to energy efficient lighting.	SC
	Convert all high use Community Wastewater Management Scheme treatment plants to alternative energy sources such as solar power with built in redundancy systems.	S
1.6 Continuing commercial partnerships with third parties and other levels of government to provide outcomes for the community	Explore of suitable private-public partnerships built around robust governance frameworks.	S
	Undertake year 1 of the Accelerated Works Program in partnership with the Local Government Association and other levels of Government to reduce the IAMP gap.	PC
	Deliver key services through strategic partnerships with adjoining Councils where cost-efficiencies and service quality improvements are achieved through greater economies of scale.	PC
Goal 2 - Community Health and Wellbeing		
Objectives	Actions	Completion Status
2.1 Continuous improvement of community wellbeing	Undertake annual footpath installation program to improve walking and cycling opportunities for the community.	SC
	Deliver and educate the community on waste and recycling program including kerbside collections, e-waste, green waste and hard refuse collections.	SC
	In conjunction with neighbouring Councils continue to collaborate on developing projects to implement in the Barossa, Light and Lower Northern Region Public Health and Wellbeing Plan.	O

2.1 Continuous improvement of community wellbeing (continued)	Support community education activities with respect to a range of priority areas as identified in the Public Health and Wellbeing Plan.	O
	Support and deliver programs and initiatives with a focus on youth priority areas, in-line with the Public Health and Wellbeing Plan.	O
	Work with community groups and service providers to provide support for older persons	O
	Support community life by continuing to deliver grants programmes and community events assistance.	O
	Support the digital literacy of the community through eSmart Libraries Accreditation.	O
2.2 Continuous improvement of community facilities	Carry out capital and maintenance building program for the renewal and maintenance of Council facilities to provide well maintained assets.	O
	Continuation of shared community service provision in key areas in partnership with the Barossa Council.	O
	Carry out open space maintenance program for parks, gardens and open space areas.	O
	Review all agreements with community groups to ensure consistent terms and conditions across the various user groups.	SC
	Introduce digital technologies to support the learning and tourism experience for the community and visitors to the region.	SC
	Once endorsed, implement the outcomes of the Barossa, Light and Lower Northern Region Disability Access and Inclusion Plan in conjunction with neighbouring Councils as resources allow.	O
2.3 Facilitate retirement living options in the region	Investigate the feasibility of implementing a retirement living village in Freeling.	D
	Investigate retirement living options established in other rural and regional communities.	D
2.4 Improved communications with stakeholders	Develop a smart Town Square in Kapunda's Main Street that encourages interaction using new, smart technologies as an example for strategically developing other major town centres.	SC
	Undertake a review of public consultation methods and procedures and identify improvements as needed to keep pace with changing community expectations.	C
	Provide a range of platforms for stakeholders to communicate and engage with Light Regional Council.	C
	In conjunction with neighbouring Councils maintaining engagement with stakeholders on delivery of priority areas in the Barossa, Light and Lower Northern Region Public Health and Wellbeing Plan.	O
Goal 3 - Industry, Innovation and Infrastructure		
Objectives	Actions	Completion Status
3.1 Support the local agricultural and tourism industries	Implement a tourist signposting strategy for high tourist areas of the region that would include Seppeltsfield Road and Kapunda.	C
	Facilitate the planning of a cycling and walking trail through high tourist areas of Council to ensure an application for future Australian Government grant funding can be undertaken.	PC
	Develop funding strategies for improved freight access for agribusiness across the region.	C

3.1 Support the local agricultural and tourism industries (continued)	Prepare and adopt an Economic Development Funding Contributions Program that will achieve economic development objectives of the Council through eligible organisations.	S
	Facilitate the development of the Freeling Agriculture Multi-Purpose Centre following successful Australian Government grant funding.	S
	Engage with Peak Industry bodies to respond to any opportunities or issues that may benefit from Council involvement.	SC
	Deliver an 'Accelerated Works Program' to enhance regional tourism links.	PC
3.2 Strengthen and diversify the regional economic base	Explore the best use and development of Northern Expressway residual land.	O
	Investigate the feasibility of developing a space for showcasing Sir Sidney Kidman's memorabilia along with providing value added services to support the regional economy.	O
	Participation in regional promotional or branding opportunities, such as the World Heritage Bid.	O
	Develop and participate in Regional Industry Participation Plans.	O
3.3 Advocate on behalf of regional opportunities	Strongly participate in regional collaborative working groups such as: <ul style="list-style-type: none"> • Regional Development Australia, Barossa; • Barossa Regional Procurement Group; • Legatus Group. 	O
	Investigate resolutions to development barriers in regional industrial estates including; <ul style="list-style-type: none"> • Kingsford Regional Industrial Estate; • Roseworthy Industrial Estate. 	O
3.4 Deliver quality infrastructure	Deliver an annual maintenance and grading program that is responsive to community needs.	O
	Deliver an annual capital construction and renewal program that is responsive to community needs.	SC
	Undertake maintenance of CWMS pump stations, lagoons, treatment plants and associated infrastructure to ensure continuity of service.	O
Goal 4 - Environment		
Objectives	Actions	Completion Status
4.1 Further planning for extreme weather events in the region	Continue to work with the Barossa Zone Emergency Management Committee to develop risk management strategies to mitigate the impacts of extreme weather events in the region.	O
	Implement the low cost outcomes contained in the Barossa Region Extreme Heat Preparation & Response Planning Project.	S
4.2 Improved management of water resources	Undertake a review of current water assets to ensure that wastewater re-use is greater than potable water use.	O
	Investigate the expansion of water recycling programs and opportunities, funding and partnerships with regional bodies.	NS
4.3 Preservation of areas of environmental biodiversity	Continue to deliver on ground activities to protect areas of high biodiversity significance and consider the role native roadside vegetation plays in providing habitat and contiguous links between significant areas.	O
	Identify mass native planting sites within public spaces and implement associated programs.	S

4.3 Preservation of areas of environmental biodiversity (continued)	Partner with landowners and external bodies such as the Natural Resource Management Board for the ongoing delivery of biodiversity management outcomes.	O
4.4 Improved roadside vegetation management	Develop and implement routine programs to manage and increase roadside vegetation.	O
	Implement the Light Regional Council Roadside Vegetation Management Plan 2016 - 2021.	O
	Undertake activities to verify and protect areas of roadside vegetation exhibiting high levels of biodiversity significance.	O
4.5 Progression of Gawler River Floodplain Management improvements and priority recommendations within Stormwater Management Plans	Implement stormwater mitigation works as part of the Accelerated Infrastructure Program.	O
	Continued upgrades in partnership with the GRFMA, other Councils, the NRM Board and State Government to improve the management of flood waters along the Gawler River as funding allows.	O
	Consolidate approved Stormwater Management Plans into the Stormwater Chapter of the IAMP.	S

8. 2018/2019 Annual Objectives

The 2018/2019 objectives are aligned to Light Regional Council's Strategic Plan 2017-2020 and are summarised in **Table 4** below:

(BF) Business & Finance, (CEO) CEO's Office, (ED) Economic Development, (G) Governance, (IE) Infrastructure & Environment, (SD) Strategy & Development,

Table 4: 2018/2019 Annual Objectives

Objective	2018/2019 Actions	Responsible Department
Goal 1 - Sustainability		
1.1 Achieve a balanced Operating Statement	Review BIS access across Council. Provide access where it is missing. Undertake a Council wide training/refresher course on BIS. (Assists staff with budget responsibility to manage activity against budgets)	BF
	Explore alternative tools to spreadsheets for financial modelling and budgeting. (Improve efficiency of producing annual budget and LTFP with greater degree of accuracy/certainty).	BF
	Corporate Management Systems. Undertake a review of AUTHORITY 7.x functionality to determine the extent to which it can provide solutions to current needs such as online timesheets, electronic signatures, PO and AP workflows, financial reporting and so on.	BF
	Update the Infrastructure and Asset Management Plan (IAMP) strategy to target a '100% Renewal' objective.	IE
	Align administrative arrangements to support the processing of the first applications for the Roseworthy Township Expansion.	SD & ED

Objective	2018/2019 Actions	Responsible Department
1.1 Achieve a balanced Operating Statement (continued)	Pursue and progress entrepreneurial projects that generate alternative sources of revenue other than through general rates, including: <ul style="list-style-type: none"> • Bunyip Water Scheme connectivity with the Roseworthy Township Expansion (RTE) and Northern Adelaide Irrigation Scheme (NAIS); • Local energy generation, storage and distribution to reduce reliance on the national grid in the transition to a low carbon future. 	ED
	Deliver year 2 of the Accelerated Infrastructure Program to improve the quality of assets across Council and reduce maintenance costs.	IE
1.3 Continued efficiency improvements in service delivery	Review and implement records management processes based on the Adequate Records Management Framework to align with State Records legislative requirements.	BF
	Develop a strategy for the digitisation and disposal of source records working towards General Disposal Schedule 21 certification.	BF
	Further implement opportunities for the community to interact with Council online via the internet.	BF
	Prepare and adopt Case Management Guidelines to: <ul style="list-style-type: none"> • streamline development and regulatory approvals; • facilitate investment to support major projects and developments; facilitate investment to support major projects and developments; • allow earlier delivery of regionally significant projects involving economic growth, exports, employment and provision of infrastructure. 	ED
	Review the use of smart technology and the 'Internet of Things' (IoT) for appropriate public infrastructure and spaces, to inform future business cases for expanding this service across major townships and rural areas.	BF/ED
	Further implement opportunities for the community to interact with Council online via the internet	BF
	Introduce electronic rates notices delivery and functionality including BPAY View (or equivalent).	BF
	Review and analyse Council's expenditure transactions with potential for credit card usage (analysing transactions, spend, cost to Council, efficiency) to support (or otherwise) the broader use of credit cards as a transaction mechanism throughout Council.	BF
	Introduce an electronic/digital credit card management platform, e.g. Flexipurchase if the review proves greater utilisation of credit cards as being viable.	BF
	Investigate training and development opportunities, in partnership with other councils, with the aim of improving service delivery to the community.	BF
Explore affordable opportunities for operational efficiencies gained from the adoption of suitable IT software, hardware and use of suitable phone and tablet 'apps'.	BF	

Objective	2018/2019 Actions	Responsible Department
1.4 Appropriate allocation of resources to areas of priority need	Continued monitoring of compliance service delivery in accordance with legislative requirements and in-line with available resources.	SD
	Investigate the merits of funding a regional resource to provide independent development advice (incorporating planning, financial, funding, procurement, project/contract/construction management) for major projects	ED
	Continued involvement, as resourcing allows, in supporting the State Government-led transition to the new planning system under the Planning, Development and Infrastructure Act, 2016.	SD
1.5 Minimise energy and natural resource use	Make Council's rates/assessment book available in searchable, electronic format, and provide the infrastructure at Customer Service points that enables community access to the "book". (Reduces paper and broadens the availability of the "book")	BF
	Continue the conversion program to ensure all operational buildings to energy efficient lighting.	IE
	Convert all high use Community Wastewater Management Scheme treatment plants to alternative energy sources such as solar power with built in redundancy systems.	IE
1.6 Continuing commercial partnerships with third parties and other levels of government to provide outcomes for the community	Explore of suitable private-public partnerships built around robust governance frameworks.	G
	Undertake year 2 of the Accelerated Works Program in partnership with the Local Government Association and other levels of Government to reduce the IAMP gap.	IE
	Explore of suitable private-public partnerships built around robust governance frameworks.	ED/G
	Complete a Business Case for Council to participate in the Building Upgrade Finance (BUF) scheme.	ED
	Deliver key services through strategic partnerships with adjoining Councils where cost-efficiencies and service quality improvements are achieved through greater economies of scale.	IE
Goal 2 - Community Health and Wellbeing		
2.1 Continuous improvement of community wellbeing (continued)	Deliver and educate the community on waste and recycling program including kerbside collections, 'e' waste, green waste and hard refuse collections. Collect and analyse waste data in higher use public areas (e.g. Main Streets) to assess improving the efficiency of waste management.	IE
	Support community education activities with respect to a range of priority areas, as identified in the Public Health and Wellbeing Plan.	SD
	In conjunction with neighbouring Councils continue to collaborate on developing projects to implement in the Barossa, Light and Lower Northern Region Public Health and Wellbeing Plan.	SD
	Support and deliver programs and initiatives with a focus on youth priority areas, in-line with the Public Health and Wellbeing Plan.	SD
	Work with community groups and service providers to provide support for older persons	SD
	Support community life by continuing to deliver grants programmes and community events assistance.	SD

Objective	2018/2019 Actions	Responsible Department
2.2 Continuous improvement of community facilities	Refer to Infrastructure Committee reports for progress including roads graded for the year	IE
	Introduce and review digital technologies to support the learning and tourism experience for the community and visitors to the region.	ED
	Council continues to work with and provide financial support for regional community service provision activities including community transport and volunteer management and development.	SD
	Carry out open space maintenance program for parks, gardens and open space areas.	IE
	Implement the outcomes of the Barossa, Light and Lower Northern Region Disability Access and Inclusion Plan in conjunctions with neighbouring Councils as resources allow.	All
2.3 Facilitate retirement living options in the region	Manage the implementation of the Kapunda Lifestyle Village to maximise occupancy and outcomes for retirees.	ED
2.4 Improved communications with stakeholders	Complete the smart Town Square in Kapunda's Main Street that encourages interaction using new, smart technologies. Review initial data to assess the merits of extending such technologies and services to other major town centres.	ED
	In conjunction with neighbouring Councils maintaining engagement with stakeholders on delivery of priority areas in the Barossa, Light and Lower Northern Region Public Health and Wellbeing Plan.	SD
2.5 Community education initiatives	Implement and deliver the Telstra Tech Savvy Seniors Program in partnership with Public Library Services.	BF
Goal 3 - Industry, Innovation and Infrastructure		
3.1 Support the local agricultural and tourism industries	Implement agreed actions from the Tourism Strategy.	ED
	Develop funding strategies for improved freight access for agribusiness across the region.	IE
	Engage with industry and governments to secure shared commitment towards a cycling and walking trail through high tourist areas of Council.	ED
	Deliver an 'Accelerated Works Program' to enhance regional tourism links.	IE
	Prepare and adopt an Economic Development Funding Contributions Program that will achieve economic development objectives of the Council through eligible organisations.	ED
	Complete the development of the Freeling Agriculture Multi-Purpose Centre and facilitate a sustainable operational model.	ED
3.2 Strengthen and diversify the regional economic base	Continued involvement in the Mt Lofty Ranges National and World Heritage Bids, together with the Barossa Partnership initiative.	SD

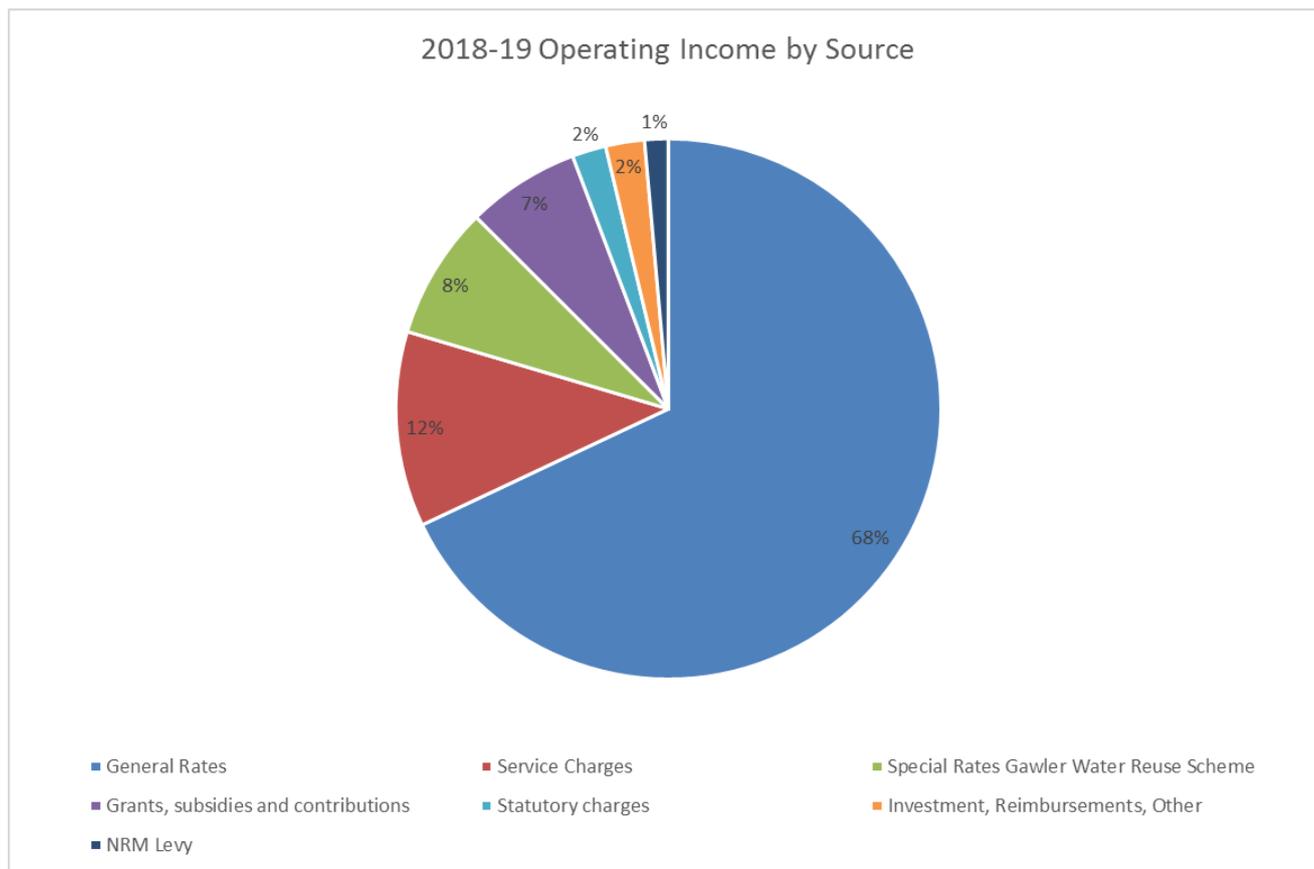
Objective	2018/2019 Actions	Responsible Department
3.3 Advocate on behalf of regional opportunities	Investigate resolutions to development barriers in regional industrial estates including; <ul style="list-style-type: none"> • Kingsford Regional Industrial Estate; • Roseworthy Industrial Estate. 	ED
3.4 Deliver quality infrastructure	Deliver an annual maintenance and grading program that is responsive to community needs.	IE
	Deliver an annual capital construction and renewal program that is responsive to community needs.	IE
	Undertake maintenance of CWMS pump stations, lagoons, treatment plants and associated infrastructure to ensure continuity of service.	IE
Goal 4 - Environment		
4.1 Further planning for extreme weather events in the region	Continue to work with the Barossa Zone Emergency Management Committee to develop risk management strategies to mitigate the impacts of extreme weather events in the region.	IE
	Implement the low cost outcomes contained in the Barossa Region Extreme Heat Preparation & Response Planning Project.	IE
4.2 Improved management of water resources	Implement the low cost outcomes contained in the Barossa Region Extreme Heat Preparation & Response Planning Project.	IE
	Investigate the expansion of water recycling programs and opportunities, funding and partnerships with regional bodies.	IE
4.3 Preservation of areas of environmental biodiversity	Continue to deliver on ground activities to protect areas of high biodiversity significance and consider the role native roadside vegetation plays in providing habitat and contiguous links between significant areas.	IE
	Partner with landowners and external bodies such as the Natural Resource Management Board for the ongoing delivery of biodiversity management outcomes.	IE
4.4 Improved roadside vegetation management	Develop and implement routine programs to manage and increase roadside vegetation.	IE
	Implement the Light Regional Council Roadside Vegetation Management Plan 2016 - 2021.	IE
	Undertake activities to verify and protect areas of roadside vegetation exhibiting high levels of biodiversity significance.	IE
4.5 Progression of Gawler River Floodplain Management improvements and priority recommendations within Stormwater Management Plans	Implement stormwater mitigation works as part of the Accelerated Infrastructure Program.	IE
	Continued upgrades in partnership with the GRFMA, other Councils, the NRM Board and State Government to improve the management of flood waters along the Gawler River as funding allows.	IE
	Consolidate approved Stormwater Management Plans into the Stormwater Chapter of the IAMP.	IE

9. Annual Budget for Operational Services

➤ Where Council’s Revenue Comes From

In order to fund Council operations and programs, the Council collects revenue from sources such as general rates, fees and charges levied on Council services (Statutory Charges and User Charges), grants from State and Federal Governments, interest income from investing excess cash in short-term investments, reimbursements and other sundry revenue sources. The pie chart (**Figure 3**) illustrates the main sources of the estimated Council revenues (\$22.838m) for the 2018/2019 Financial Year.

Figure 3 - 2018/2019 Operating Income by Source



(a) Rates

Rates are the principal source of funding for the activities undertaken by the Council. A projected total of \$20.2m (anticipated \$19.1m in 2017/2018) will be collected in 2018/2019 Financial Year, to fund essential services (non-discretionary) such as waste collection, management of basic infrastructure, public health and safety as well as discretionary services such as Council libraries, assistance to community programs and events. Rates revenue includes income from the Gawler Water Reuse Scheme (GWRS) which is collected as a separate rate.

(b) Statutory Charges

Statutory Charges relate to fees and fines levied in accordance with legislation including development application fees, animal registrations, Health Act registrations and parking fines. Council estimates that it will collect statutory charges of \$0.457m in 2018/2019 in the financial year, which is a 2% increase over 2017/2018 budgeted statutory charges of \$0.448m.

(c) User Charges

User charges relate mainly to the recovery of service delivery costs through the charging of fees to users of Council's services. These include charges for the use of Council facilities, library printing and photocopy charges, Section 7 property searches etc. User charges income is anticipated to decrease from \$0.162m in 2017/2018 financial year to \$0.147m in 2018/2019 financial year.

(d) Grants, subsidies and contributions

Grant, subsidies and contributions income includes monies received from State and Federal sources that fund the delivery of Council's services to ratepayers. Grants income for the 2018/2019 financial year has been budgeted based on confirmed funding levels only and includes \$0.301m of Roads to Recovery funding, \$0.200m of Supplementary Local Roads funding and \$0.601m of South Australian Local Government Grants Commission roads funding. Further grant monies are provided by way of Financial Assistance Grants totalling \$0.308m in 2018/2019.

The Government of South Australia allocates funds annually to support public libraries in South Australia, complementing the funding allocation by individual Councils to public libraries. Light Regional Council anticipates \$0.102m of public libraries funding for the 2018/2019 financial year.

Light Regional Council anticipates that 6.7% or \$1.526m of its proposed 2018/2019 revenue will be in the form of grants, subsidies and contributions. This represents a decrease of \$0.118m or 7.2% over the 2017/2018 financial year. The decrease in grant income is primarily due to decrease in Roads to Recovery funding.

(e) Investment Income

The Council earns investment income primarily in the form of interest from the investment of cash surpluses throughout the financial year and loans given to community organisations. Investment Income for 2018/2019 is forecast at \$0.042m.

(f) Reimbursements

During 2018/2019 Council anticipates it will seek reimbursement for \$0.165m compared to \$0.99m in 2017/2018.

(g) Other Income

Other income relates to a range of unclassified items that do not fit within the aforementioned main revenue categories. Council will receive other income of \$0.316m in 2018/2019 financial year compared to \$0.385m in 2017/2018.

➤ How Each Dollar of Revenue is Spent

A substantial amount of the Council's expenditure is spent on delivering ongoing services such as the upkeep of libraries, roads, parks, playgrounds, reserves, cemeteries and economic development and township planning activities. In addition to the usual expected services Council executes specific one off programs and projects (Operating Projects) to meet its strategic objectives.

(a) Employee Expenses

Employee expenses include all labour related expenditure such as salaries, wages, allowances and on-costs (including Annual Leave, Long Service Leave, Superannuation, Workers Compensation Insurance etc.) expenses.

During the 2018/2019 financial year, employee costs are forecast to increase to \$7.686m compared with an anticipated \$7.242m in 2017/2018. The increase of \$0.444m or 6.1% takes into account the effects of the staff Enterprise Bargaining Agreement and the increase in staff numbers to enable delivery of the AIP.

Table 5 following, illustrates Light Regional Council’s staff levels on a full-time equivalent basis at the end of each financial year from 2011 up to and including current staff numbers.

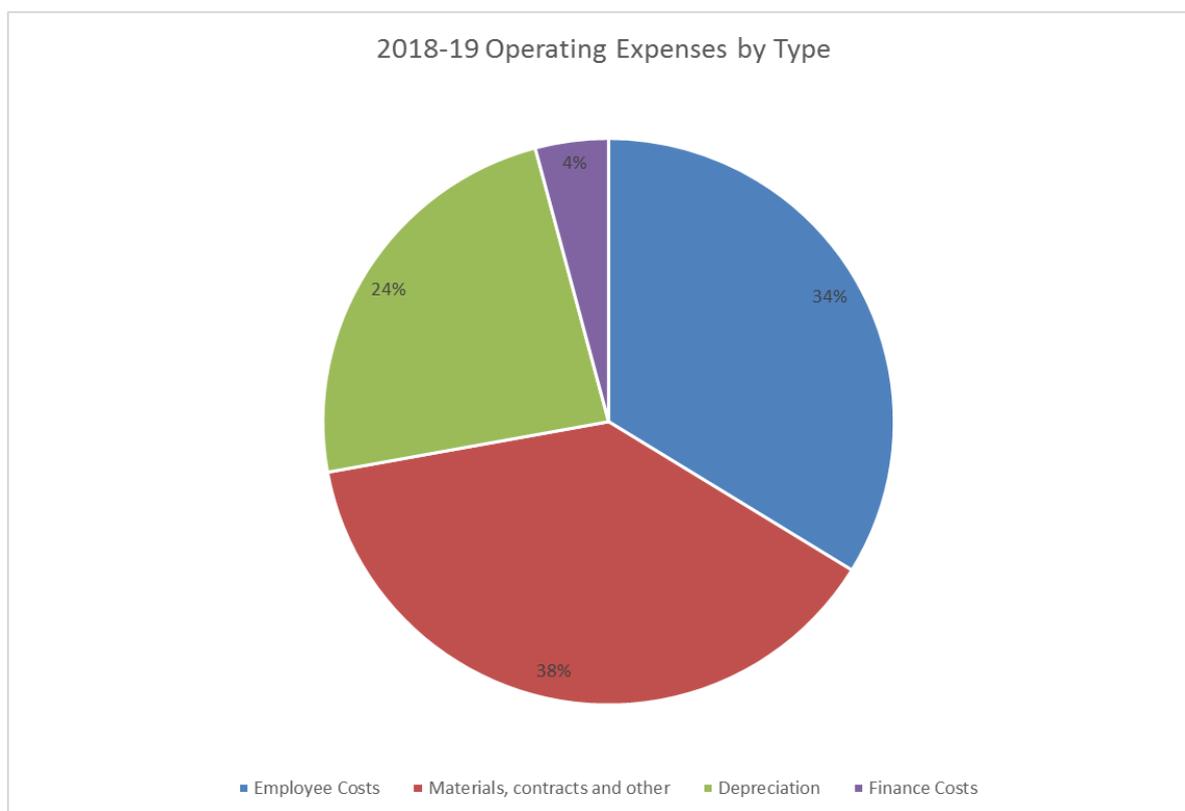
Table 5: Light Regional Council Total Staff (FTEs)

Description*	30/6/11	30/6/12	30/6/13	30/6/14	30/6/15	30/06/16	30/06/17	30/06/18
Total Staff (FTE)*	72.30	78.60	77.30	74.1	71.40	73.30	82.72	91.4

**Note: 30/06/11 to 30/06/17 are actual staff numbers, 30/06/18 is estimated staff numbers*

The following chart (**Figure 4**) illustrates estimated 2018/2019 financial year Council expenditure (\$22.740m) by the main expenditure categories.

Figure 4 - 2018/2019 Operating Expense by Type



(b) Materials, Contracts and Other Expenses

Materials include items such as electricity, water, fuel, civil construction materials, library books, printing and stationary costs.

Contracts relate to the provision of Council services by external providers and include items such as waste collection, security, leases and infrastructure repairs and maintenance.

Other Expenses relate to a range of unclassified items including contributions to community groups, advertising, insurances, motor vehicle registrations, payment of the NRM levy and other miscellaneous expenditure.

It is estimated that Council will expend on materials, contracts and other expenses, \$7.790m during the 2018/2019 financial year, compared to an estimated \$7.160m in the 2017/2018 financial year. The increase of \$0.630m is reflective of additional costs associated with delivery of operational projects.

(c) Depreciation, Amortisation and Impairment

Depreciation is an accounting charge that measures consumption of the Council's property, plant and equipment (including infrastructure assets such as roads and drains) over the estimated effective useful life of the assets.

The forecast amount of depreciation for 2018/2019 is \$5.395m compared with \$5.554m for 2017/2018, a decrease of \$0.159m or 2.86% due to a reduction in depreciation expenses through revaluation of assets in 2017/2018.

(d) Finance Costs

Finance costs relate to interest charged by the Local Government Financing Authority on funds that have been borrowed by Council. Interest costs have been estimated based on Council's current loan portfolio as at May 2018 and expected borrowings scheduled for the 2018/2019 financial year.

Interest costs for 2018/2019 are expected to increase to \$0.942m due to forecast additional borrowings to fund Council's 2018/2019 infrastructure and capital activities, including the development of new community assets. Interest rates on Council's cash advance borrowings have remained static during the course of the year.

➤ Budgeted Statement of Comprehensive Income

Council's Statement of Comprehensive Income, which incorporates all operating income and expenses is provided below in **Table 6**. Council forecasts an operating surplus of \$0.098m for the 2018/2019 financial year. The budgeted result varies favourably against the deficit of \$0.066m predicted for 2018/2019 in the 2018-2027 Long Term Financial Plan adopted by the Council in July 2017.

Contributing factors to increased expenditure include new initiatives relating to tourism, the funding arrangement for the construction of the Freeling Agriculture Multi-Purpose Centre, which remains under negotiation, and the deferral of projected income from the Kapunda Lifestyle Village. The increases in expenditure are offset by proposed modest increases to the rate in the dollar and fees and charges, and additional revenue generated through the valuation growth of the district.

Table 6: Statement of Comprehensive Income for 2018/2019 Financial Year

	2017 ACTUAL	2018 ADOPTED BUDGET	2019 DRAFT BUDGET	2019 LTFP BUDGET	VARIANCE FROM LTFP
OPERATING INCOME					
Rates	16,703,944	17,264,739	18,385,440	18,001,956	383,484
Special Rate - GWRS	1,050,000	1,800,000	1,800,000	1,800,000	-
Statutory charges	404,999	447,975	456,933	456,934	(1)
User charges	171,238	161,730	146,815	163,725	(16,909)
Grants, subsidies and contributions	2,077,389	1,644,732	1,526,288	1,334,922	191,366
Investment Income	84,559	51,675	42,289	43,253	(964)
Reimbursements	337,337	98,733	164,510	100,724	63,786
Other Income	190,761	385,305	316,083	395,069	(78,985)
TOTAL INCOME	21,020,227	21,854,889	22,838,359	22,296,582	541,777
OPERATING EXPENSES					
Employee Costs	6,801,323	7,241,621	7,685,538	7,537,753	(147,785)
Materials, contracts and other services	7,406,334	7,160,373	7,790,748	7,213,024	(577,724)
GWRS	129,000	926,020	926,020	926,020	-
Depreciation, Amortisation & Impairment	5,410,755	5,553,393	5,395,421	5,802,176	406,755
Finance Costs	734,722	805,405	942,296	883,536	(58,760)
Share of loss - joint ventures etc.	22,143	-	-	-	-
TOTAL EXPENSES	20,504,277	21,686,812	22,740,023	22,362,510	(377,513)
OPERATING SURPLUS / (DEFICIT) BEFORE CAPITAL AMOUNTS	515,950	168,077	98,336	(65,928)	164,263

The Gawler Water Reuse Scheme attracts a separate rate, which after interest costs and water supply guarantee expenses is estimated to provide net income to Council of \$0.422m in 2018/2019.

➤ **Accelerated Infrastructure Upgrade Program**

In 2017 Light Regional Council was successful in its application for funding through the State Local Government Infrastructure Partnership for the Accelerated Infrastructure Upgrade Program. The overall program will see an investment of some \$15m towards road, footpath and stormwater upgrades throughout our Council region.

Council received \$3m from the South Australian Government and is funding the remaining \$12m through revenue generated from the Gawler Water Reuse Scheme. This is much needed work and will see 72 township roads sealed over a 2 ½ year period.

This is a significant undertaking from Council and will be carried out utilising both internal and external resources to deliver the works that will transform our townships and surrounding areas. Work commenced in August/September 2017 and will continue until December 2019.

The Accelerated Infrastructure Works Program addresses many of the deficiencies identified within Council's Infrastructure and Assets Management Plan (IAMP) and associated documents and when complete will have achieved a good balance across all asset classes aimed at meeting the expectations of the community.

It was also highlighted that the roads would not necessarily be constructed in ranking order and that logical groupings of the roads would need to be undertaken to achieve construction efficiencies.

Table 7 below details the allocation of funds across the various components of the program.

Table 7: Program of Works Accelerated Infrastructure Program

Program of Works	
Township & Rural Living Roads Upgrade	\$10,536,541
Township Footpaths Installation	\$1,267,530
Stormwater Management	\$3,000,000
Rural Tourist Routes	\$276,360
TOTAL PROGRAM	\$15,080,431

10. Four Year Budget in Detail

In addition to the LTFP, the ABP 2018/2019 details Council's key projects, new initiatives, capital and operational works programs for the first four (4) years of the LTFP. This will be referred to as the Four Year Budget (4YB).

The purpose of including the 4YB in addition to the LTFP and detailed financial and non-financial information for the 2018/2019 financial year is to:

- Communicate Council's medium term strategies and proposed outcomes for the next four (4) years;
- Implement a systematic approach towards organisational planning and reviewing, prioritising and monitoring strategies, projects and initiatives;
- Support Council's budget deliberations by providing an improved mechanism to assist with decision-making;
- To facilitate alignment to Council's suite of corporate documents, the Strategic Plan 2017-2020, LTFP 2018-2028 and IAMP.

The following **Table 8** shows Council's projected four (4) year Income Statement. Council proposes a modest operating surplus for 2018/2019 followed by a small deficit for 2019/2020. The first two (2) years of the 4YB are impacted by finance costs associated with borrowings in the delivery of the Accelerated Infrastructure Program. Stronger operating results are predicted for years three and four of the 4YB due to the gradual increase in rates revenue over time and the reduction of finance costs anticipated from 2021/2022.

Table 8: Four Year Income Statement

	2017 ACTUAL	2018 ADOPTED BUDGET	2019 DRAFT BUDGET	2020 DRAFT BUDGET	2021 DRAFT BUDGET	2022 DRAFT BUDGET
OPERATING INCOME						
Rates	16,703,944	17,264,739	18,385,440	19,126,603	19,882,015	20,574,381
Special Rate - GWRS	1,050,000	1,800,000	1,800,000	1,800,000	1,800,000	-
Statutory charges	404,999	447,975	456,933	466,072	475,393	484,901
User charges	171,238	161,730	146,815	148,336	149,889	151,474
Grants, subsidies and contributions	2,077,389	1,644,732	1,526,288	1,333,567	1,342,262	1,351,133
Investment Income	84,559	51,675	42,289	24,535	19,693	18,484
Reimbursements	337,337	98,733	164,510	143,726	146,547	149,425
Other Income	190,761	385,305	316,083	245,819	250,632	251,525
TOTAL INCOME	21,020,227	21,854,889	22,838,359	23,288,658	24,066,431	22,981,323
OPERATING EXPENSES						
Employee Costs	6,801,323	7,241,621	7,685,538	8,090,634	8,248,171	8,482,475
Materials, contracts and other services	7,406,334	7,160,373	7,790,748	7,486,713	7,637,093	7,630,115
GWRS	129,000	926,020	926,020	926,020	926,020	-
Depreciation, Amortisation & Impairment	5,410,755	5,553,393	5,395,421	5,609,249	5,712,536	5,808,005
Finance Costs	734,722	805,405	942,296	1,243,468	1,208,127	268,792
Share of loss - joint ventures etc.	22,143	-	-	-	-	-
TOTAL EXPENSES	20,504,277	21,686,812	22,740,023	23,356,084	23,731,947	22,189,387
OPERATING SURPLUS / (DEFICIT) BEFORE CAPITAL AMOUNTS	515,950	168,077	98,336	(67,426)	334,484	791,936

➤ **Operating Project Program**

The four (4) year Income Statement shown above includes a four (4) year operating project program consisting of fourteen (14) programs and costing \$0.609m. The predicted financial impact for the 2018/2019 financial year is \$0.321m. The individual projects making up these initiatives are listed in **Table 9** below.

Table 9: Four Year Operating Project Budget

Project Name	Total Cost	Year 1	Year 2	Year 3	Year 4
	2019-22	2018-19	2019-20	2020-21	2021-22
Mayoral Youth Recognition Award for Education Achievement	600	600			
Support of Christmas-specific community events	4,080	4,080			
Local Government Election	67,000	67,000			
Sub-Total 2016/2017 Business Cases Year 3	71,680	71,680	-	-	-
Light Regional Council Trails Application	5,085	1,695	1,695	1,695	
Council IT Network Hardening - Telstra Proposal (lease costs)	211,500	70,500	70,500	70,500	
GOLLIES (Growing Older Living Independently)	4,500	1,500	1,500	1,500	
Regional Public Health Plan - priority awareness and education	7,500	2,500	2,500	2,500	
Volunteer Management - Workforce Development	3,000	1,000	1,000	1,000	
Disability Inclusion Plan - priority awareness and education	7,500	2,500	2,500	2,500	
Street Tree Planting & Renewal Program	81,000	27,000	27,000	27,000	
Sub-Total 2017/2018 Business Cases Year 2	320,085	106,695	106,695	106,695	-
Cemetery Mapping Project and Heritage Assessment	57,659	57,659			
Rehabilitation of Historic Angle Vale Bridge	100,000	25,000	25,000	25,000	25,000
GIS Software Solution Upgrade	60,000	60,000			
Sub-Total 2018/2019 Business Cases Year 1	217,659	142,659	25,000	25,000	25,000
Total Operating Project Costs 2018/2019 Budget	609,424	321,034	131,695	131,695	25,000

➤ **Summary of Four Year Operating Project Program**

A summary of the four (4) year Operating Project program is given below.

- **Mayoral Youth Recognition Award for Education Achievement**

This initiative aligns with a commitment contained in the Barossa, Light and Lower Northern Region Public Health and Wellbeing Plan endorsed by Council in August 2014. Separately, Council received requests from the Kapunda High School to sponsor a student prize for the highest achieving Year 12 student within that year (value \$100). Accordingly, it is recommended that Council continues to deliver the “Mayoral Award for a High-Achieving Year 12 Student” at the Kapunda High School and Xavier College respectively.

- **Support of Christmas - Specific Community Events**

Light Regional Council supports community life and promotes environments where the social and emotional wellbeing of residents is improved. This project involves providing financial assistance to community groups to host Christmas Street Parties.

- **Local Government Election**

The Council election is held every 4 years and the next election is due to be held in November 2018.

- **Light Regional Council Trails Application**

Continue to develop the trail application to promote attractions, community based projects and businesses within the Council region that can be accessed 24/7. The applications suit visitors that prefer self-guided tours at their own pace. There is also an opportunity to encourage international tourists to visit the region as the application can be translated into different languages, including Chinese, which aligns with Council's strategic direction.

- **Council IT Network Hardening – Telstra Proposal (lease costs)**

Contractual lease arrangement with Telstra to provide Council's network connectivity including internet, telephones and internal network access.

- **GOLLIES (Growing Older Living Independently)**

Under its commitments to public health and wellbeing, Light Regional Council supports community life and promotes environments where the social and emotional wellbeing of residents is improved. This project would see a range of information sessions and other activities coordinated by & delivered through groups such as Senior Citizens, Probus Clubs, CWA and other service clubs with members in the 'seniors' demographic.

- **Regional Public Health Plan - priority awareness and education**

To implement a range of community health and wellbeing activities and awareness campaigns, the priority issues as identified in the Regional Public Health plan (RPHP). This includes activities to promote healthy eating, physical activity, smoking cessation, and positive mental wellbeing as part of a 12-month calendar of local events. Activities may include (but not limited to) healthy eating displays & demonstrations, open trails events, and food safety displays & demonstrations.

- **Volunteer Management - Workforce development**

To support the increased requirements when managing a volunteer program, including the appropriate management of safety and risk issues in relation to volunteers, Council should review its current practices in order to develop a more effective and efficient volunteer program under the guidelines of the National Standards for Volunteer Involvement (May 2015). A component of the operational funding would be used towards training for volunteers (for example - manual handling, fire safety & awareness, and safe driving practices).

- **Disability Inclusion Plan - priority awareness and education**

Light Regional Council supports and promotes environments where the wellbeing of residents living with a disability (and their families and carers) can be improved and/or maintained. Under the terms of the Disability Discrimination Act (as outlined in the Regional Disability Access and Inclusion Plan (R-DAIP), Council has a responsibility to provide environments, services and programs that people with a disability (and their families and carers) can access and/or participate in, which can enhance their health and wellbeing.

- **Street Tree Planting and Renewal Program**

The project will aim to deliver an improved streetscape to the existing streets within Light Regional Council. Currently Council does not have dedicated funds for the mass planting of trees where none exist or where the existing trees need to be removed and new ones planted.

- **Cemeteries Mapping Project and Heritage Assessment**

This is the first stage of a multi-stage strategic review including the development and adoption of a Cemetery management Plan.

External consultants are required to deliver the project to enable the information to best formulate further progress into the Cemetery Management Plan. This Project is required in the 2018/19 financial year prior to the finalisation of the Cemetery Management Plan which requires a Community Consultation process

and long term approach in delivering the re-current budget and capital expenses. Once approved by Council, the project will be expected to commence immediately.

- **Rehabilitation of Historic Angle Vale Bridge**

The Historic Heaslip Bridge has deteriorated such that it is now in need of serious rehabilitation. The bridge crosses the Gawler River which forms the boundary between City of Playford and Light Regional Council and therefore the responsibility for renewal is shared by both parties. City of Playford has offered to project manage the upgrade of the bridge rehabilitation works to reduce the cost impost to Light Regional Council. The project involves rehabilitation works (total cost \$1 million) and ongoing maintenance costs (termite protection etc.). The rehabilitation works in conjunction with the ongoing maintenance will allow another 30-40 years to pass before major rehabilitation is again needed. The bridge is heritage listed and therefore is required to be maintained under the Heritage Places Act 1993 (the Act).

- **GIS Software Solution Upgrade**

Council's existing Geographic Information Systems (GIS) software, Exponaire is approaching the end of its useful life. There has been no development of the application for several years and it is no longer supported by the developer. This project provides for the installation, coding and rollout of a suitable replacement GIS product.

➤ **Capital Projects Program**

Light Regional Council is responsible for a large portfolio of assets with depreciation expense of \$5.395m projected 2018/2019 financial year. It is therefore critical for the long term sustainability of assets that the Council engages in practises that optimise assets useful lives for the benefit of the community.

The four (4) year Capital Project Budget consisting of twenty one (21) programs costing \$32.67m over four (4) years will be considered by Council as part of 2018/2019 Annual Budget preparations.

In the 2018/2019 Financial Year, Council is planning to spend \$17.3m on its capital programs of which \$3.9m will be spent on asset renewal programs and \$13.4m will be spent on new/upgraded assets.

Table 10 below summarise the costings associated with the four (4) year capital program.

Table 10: Four Year Capital Project Budget

Project Name	Total Cost	Year 1	Year 2	Year 3	Year 4
	2019-22	2018-19	2019-20	2020-21	2021-22
Kapunda Mine Site STEM Project	30,000	30,000			
Libraries (F&G) - Renewal of Furniture/Fixtures	4,000	2,000	2,000		
IT Network Infrastructure Hardening	30,000	30,000			
Kapunda Lifestyle Village	332,003	332,003			
Kapunda Town Centre	1,043,814	1,043,814			
Public Street Lighting – Transition to LED's	725,000	725,000			
Total Costs Business Cases 2016/2017 continuing	2,164,817	2,162,817	2,000	-	-
Freeling Agriculture Multi-Purpose Centre	4,870,000	4,870,000			
Purchase / Development of Dr Blood's Property	35,500	20,500	4,000	11,000	
Training and Development Hub	28,350	17,350	5,500	5,500	
Kapunda and Freeling Cemeteries - Public Conveniences	100,000			50,000	50,000
Total Costs Business Cases 2017/2018 continuing	5,033,850	4,907,850	9,500	66,500	50,000
Kapunda Main Street Planters	50,000	50,000			
Seppeltsfield Road Information bay	97,550	97,550			
Toilet facility upgrade – Freeling North office and Library	40,000	40,000			
Bus Stop Shelters	60,000	15,000	15,000	15,000	15,000
Energy Efficiency Upgrade – Kapunda Office	50,000	50,000			
Hewett Recreation Precinct Public Toilets	100,000	100,000			
Recreational Parks and Gardens - Shelters	45,000		15,000	15,000	15,000
CWMS	190,000	65,000	65,000	60,000	
Capitalised Salaries	92,020	22,998	23,003	23,007	23,012
Total Costs Business Cases 2018/2019	724,570	440,548	118,003	113,007	53,012
Capital Asset Renewal Program - Renewal/Replacement	13,547,619	3,256,224	3,357,167	3,424,310	3,509,918
Plant Replacement Program - Renewal/Replacement	2,117,800	541,400	719,200	338,000	519,200
Total Costs IAMP 2018/2019	15,665,419	3,797,624	4,076,367	3,762,310	4,029,118
Accelerated Infrastructure Program	9,080,431	6,000,000	3,080,431		
Total Capital Project Costs 2018/2019	32,669,087	17,308,839	7,286,301	3,941,817	4,132,130

Summary of Four Year Capital Project Program

A summary of the four (4) year Capital Project program is given below.

- **Kapunda Mine Site STEM Project**

There is significant community interest in seeing the mine site become a location which can become a STEM (Science, Technology, Engineering and Mathematics) precinct. This would be an area where the various principles of engineering are displayed and explained in a mining context. For example this would include the principles of the wheel, fulcrum, steam power, vacuum power, artificial lighting, gravity water supplies etc.

- **Capital Asset Renewal Program**

Council's annual Asset Renewal Program includes, sealing unsealed township and rural roads, resheeting rural roads, footpath upgrades, building upgrades, stormwater upgrades and bridge renewal. Please refer to **Table 11** for a detailed listing of the four (4) year Capital Works Program.

- **Libraries – Renewal of Furniture/Fixtures**

Minor improvements to furniture and fixtures at the Greenock Library.

- **Information Technology Network Infrastructure Hardening**

Ongoing investment is required to maintain and strengthen Councils Information Technology network infrastructure to deliver high availability, business continuity and redundancy.

- **Kapunda Lifestyle Village**

This project involves development and building by Council of 15 self-contained independent retirement living dwellings in the town of Kapunda.

- **Kapunda Town Centre**

Development and building of the Kapunda Town Centre Village Square to provide a community, cultural and visitor meeting place in a defined landscaped environment, to develop associated paved footpaths and car park areas and to install suitable road crossing points.

Council has received funding through a "Places for People" grant application for \$0.510m from the Department for Planning Transport and Infrastructure.

Construction will continue and be completed in the 2018/2019 financial year, following the completion of several components including road, footpath and sealing works that were undertaken by Council in the 2017/2018 financial year.

- **Public Street Lighting – Transition to LED's**

Council has over 1,200 public street lights, with about 1,000 in its major townships including Freeling, Greenock, Kapunda, Hewett, Roseworthy and Wasleys. Council funds the street lighting level of service through ongoing energy costs (to an energy retailer) and infrastructure operation/maintenance/replacement costs (via a tariff to SA Power Networks who largely own the public lighting network). Council owns a small proportion of the public lighting infrastructure and pays a smaller tariff component on those lights, but accounts for those lights as a depreciation charge in its operating statement.

Following thorough testing and analysis, SAPN are in the process of introducing a limited range of LED public street lighting options and have announced a tariff option for LED's if Council funds the up-front cost to replace the lights (or install new) on SAPN's existing infrastructure (stobie poles or light poles).

This proposal presents an exciting opportunity to consider mass a roll-out of LED's in every township street to improve its level of service for the existing lighting stock and realise significant operational cost savings, whilst providing a much improved level of service (i.e. within reasonable/practical limitations,

comply with the Australian Standard AS1158) through the provision of infill lighting as a cost neutral exercise (with future energy cost savings).

- **Freeling Agriculture Multi-Purpose Centre - Building Better Regions Fund**

The purpose of the Freeling Agriculture Multi-Purpose Centre project is to construct a new display facility in the centre of Australia's animal fodder production bowl. Freeling in South Australia is the source of the greatest international exporter of Hay and associated Animal Feed in Australia, and the industry is growing. The project is aimed at increasing the opportunities to grow international exports by providing a space for agricultural trade shows, events and export orientated shows. Extension and education activities for the fodder industry will be a key part of the facility. There is no space like this anywhere in South Australia.

In rural South Australia we maximise every opportunity and this space will be used for many more things than a display space. A further outcome will be to provide social benefits for the region and improve community connections through use for rural shows, events such as run by the Country Women's Association and for sports such as Basketball, and Netball, women's AFL and cricket. Maximising productivity is our aim in agriculture and maximising productivity is our aim in this project. The Freeling Agriculture Multi-Purpose Centre project is first and foremost about displaying our role as the Animal Fodder Capital of the World and secondly about maximising productively of space for a wide range of country town uses.

Council has secured funding of \$2,191,500 through the Federal Government's Building a Better Regions Fund, which will fund part of the project's cost. The balance of funding will be provided through community loans, private sector sponsorship and community donations.

- **Purchase / Development of Dr Blood's Property**

The purchase of this property would allow it to be included into the mine site experience and provides significant opportunities for the interpretation of the site and the history and significance of Dr Blood. The property forms part of the State Heritage site and as such the development of a new home on the site is deemed non-complying.

- **Training and Development Hub**

The proposed introduction of a Training and Development Hub aims to enhance and support the development of digital literacy in the community.

- **Kapunda and Freeling Cemetery – Public Conveniences**

Provision of public conveniences to the public cemeteries located at Kapunda and Freeling.

- **Kapunda Main Street Planters**

Following the removal of the vine in Main Street Kapunda a number of residents have been vocal in their disapproval, resulting in a meeting to discuss improvements and beautification of the Kapunda Main Street. One of the outcomes from this meeting was to provide planter boxes, strategically located at intersections and along the road to guide safe pedestrian movement while providing uniformity and interest with vegetation planted.

- **Seppeltsfield Road Information Bay**

The project will see a tourist information bay created at the junction of Gerald Roberts Road and Seppeltsfield Road at Seppeltsfield. Currently the location is a dry grassed area that requires regular maintenance. The bay would provide a western entrance to the Seppeltsfield area and would complement the other bay at the intersection of Stonewell Road and Seppeltsfield Road further to the east.

- **Toilet facilities upgrade – Freeling North office and Library**

The recent mini budget approved minor building works at the Freeling North Office to accommodate an increase in library opening hours and the relocation of customer service and phone reception to the site. This proposal is to upgrade the toilet for both staff and visitors, by converting two toilets to one accessible

facility accessed via an internal hallway adjacent the room used for community programs. The remaining three toilets are located together and can be converted as a second stage such that all toilets can be accessed internally.

- **Bus Stop Shelters**

The project is for a program of providing shelters over a period of time for local residents who may utilise local bus services (private or public) for transport to school, work or for general travelling to and from home during day to day activities. (Note: 6 year time frame to complete all shelters)

- **Energy Efficiency Upgrade – Kapunda Office**

The project will see photo voltaic panels installed to the roof of the Kapunda Office to generate electricity for the building and will include an alternative power source.

- **Hewett Recreation Precinct Public Toilets**

The Hewett Recreation Precinct has recently been upgraded to include courts, play equipment, learn to ride bike track, shelters and seating. Soon to be completed will be lawn and plants. The popularity of the area has increased however the duration of stay is limited due to a lack of toilet facilities in the precinct. Council has approved funding to complete the construction of Public Toilets for this area.

- **Recreational Parks and Gardens – Shelters**

The provision of new or additional shelters within recreational areas, the parks and gardens within the six major townships of the Light Regional Council, Roseworthy, Wasleys, Greenock, Hewett, Kapunda and Freeling. Therefore a program is to be developed for the shelters following review of suitable locations, with installation to be rolled out over a 6 year period with an annual allocation of \$15,000.

Table 11 below summarises the costings associated with the four (4) year Capital Asset Renewal Program.

Table 11: Four Year Capital Asset Renewal Program

➤ **Rural Sealed Road Program**

Road Name	Nature of Work	From	To	Estimated Project Cost
2018-2019				
Stonewell Road	Reseal & shoulders (Council contribution towards a Special Local Roads Programme - \$750,000 of works)	Seppeltsfield Road	Smyth Road	\$250,000
Smyth Road		Stonewell Road	North Para Road	
Golflinks Road	Reseal	Full Length		\$40,000
Clancy Road	Reseal	Ward Belt Road	Parkers Road	\$100,000
Sailplane Road	Reseal	Ward Belt Road	End of Road	\$30,000
			Total	\$420,000
2019-2020				
Seppeltsfield Road	Reseal & shoulders (Council contribution towards a Special Local Roads Programme - \$1,110,000 of works)	50km/h sign	Bend in road	\$370,000
Seppeltsfield Road		Bend in Road	Peter Seppelt Road	
Seppeltsfield Road		Kraehe Road	Radford Road	
Seppeltsfield Road		Radford Road	Neldner Road	
Seppeltsfield Road		Neldner Road	Stonewell Road	
Kraehe Road	Reseal	Seppeltsfield Road	End of Seal	\$20,000
			Total	\$390,000
2020-2021				
Peppermint Drive	Reseal	Edward Road	End of road	\$50,000
Linda Street	Reseal	Ahrens Road	End of road	\$80,000
Goss Road	Reseal	Annie Terrace	End of road	\$15,000
Prescott Crescent	Reseal	Bernard Court	End of road	\$30,000
Bernard Court	Reseal	Smith Road	End of road	\$140,000
Moppa Road	Reseal	Wildlife Road	Hanckel Road	\$60,000
Wildlife Drive	Reseal	Moppa Road	End of Seal	\$40,000
Kentish Road	Reseal	Parkers Road	Lange Road	\$25,000
			Total	\$440,000
2021-2022				
Belvidere Road	Reseal & shoulders (Council contribution towards a Heavy Vehicle Safety & Productivity Programme) - \$960,000 of works)	Council Boundary	Truro Road	\$480,000
Stonewell Road	Reseal & shoulders (Council contribution towards a Special Local Roads Programme - \$510,000 of works)	Seppeltsfield Road	Sir Conder Lauke Way	\$170,000
			Total	\$650,000

➤ **Township Sealed Road Program**

Road Name	Nature of Work	From	To	Estimate Project Cost
2018-2019				
Kirchner Street	Reseal	Full length		\$90,000
Leske Road	Reseal	Part Segment		\$101,000
Church Street	Reseal	Kirchner Street	Borrow Street	\$48,000
Shepherd Street	Reseal	Borrow Street	Hanson Street	\$54,000
Clarke Street	Reseal	Hanson Street	Coulls Street	\$70,000
Cherry Street	Reseal	Peake Street	Hanson Street	\$32,000
Cherry Street	Reseal	Hanson Street	Rec Park Gate	\$32,000
Rohde Street	Reseal	Church Street	Leske Street	\$28,000
Gartrell Street	Reconstruction	Railway Line	Cliff Road	\$270,189
			Total	\$725,189
2019-2020				
Coulls Street	Reseal	Stephenson Street	Gray Street	\$80,000
Coulls Street	Reseal	Gray Street	Rogers Street	\$75,000
Hill Street Kapunda	Reseal	Main Street	Willow Drive	\$80,000
Mill Lane	Reseal	Baker Street	Clare Road	\$30,000
Fords Street	Reseal	Main Street	Whittaker Street	\$20,000
Brown Street	Reseal	Main Street	Stocks Street	\$25,000
Tod Street	Reseal	Main Street	Willow Drive	\$25,000
Oldham Street	Reseal	South Terrace	Chapel Street	\$50,000
			Total	\$385,000
2020-2021				
Rogers Street Freeling	Reseal	Hanson Street	Coulls Street	\$65,000
Hanson Street Service Road	Reseal	Full length		\$40,000
Koncke Street	Reseal	Adelaide Road	Branson Street	\$130,000
Barons Court	Reseal	Full length		\$40,000
Station Street	Reseal	Full length		\$175,000
			Total	\$450,000
2021-2022				
High Street Kapunda	Reseal	Mildred	Stirling	\$50,000
Grey Street Kapunda	Reseal & widen	Coghill Street	Baker	\$45,000
Waterhouse Street Kapunda	Reseal & widen	Clare	Baker	\$40,000
Stirling Street Kapunda	Spray Seal + widen + Kerb and gutter	Maxwell	High	\$80,000
Havelock Street Kapunda	Reseal	Stirling	Carey	\$20,000
Rees Street Kapunda	Reseal	Maxwell	Stirling	\$20,000
Flora Street Greenock	Reseal	Barkey	End of road	\$20,000
Martin Street Greenock	Reseal	Murray Street	End of seal	\$15,000
Midland Street Greenock	Reseal	Mill	Leopold	\$40,000
Leopold Street Greenock	Reseal	Murray Street	Flora Street	\$35,000
Railway Parade	Reseal & widen	Hancock Road	Albert Street	\$70,000
Albert Street	Reseal & widen	Railway Parade	Coghill Street	\$40,000
			Total	\$475,000

➤ **Resheeting Program**

Road Name	Nature of Work	From	To	Estimated Project Cost
2018-2019				
Kings Bridge Road	New Construction (Council contribution towards a Heavy Vehicle Safety & Productivity Program Application - \$600,000 of works)	Marrabel Road	Start of Seal	\$300,000
Kings Bridge Road		End of Seal	Old Anlaby Road	
Kings Bridge Road		Old Anlaby Road	Willows Road	
Kings Bridge Road		Willows Road	Thiele Highway	
Muster Road	Resheeting	Stockport Road	start of seal	\$62,000
Muster Road	Resheeting	End of seal	Neldner Road	
Mitchell Road	Resheeting	Mudla Wirra Road	Molloy Road	\$180,000
Mitchell Road	Resheeting	Molloy Road	Perry Road	
Pinkerton Road	Resheeting	Fyfe Road	Newman Road	\$269,035
Pinkerton Road	Resheeting	Newman Road	Schwerdt Road	
Pinkerton Road	Resheeting	Schwerdt Road	Stott Road	
Pinkerton Road	Resheeting	Stott Road	Roefeldt Road	
Pinkerton Road	Resheeting	Roefeldt Road	Coleman Road	
Wards Belt Road	Resheeting	Parkers Road	Wingate Road	\$260,000
Wards Belt Road	Resheeting	Wingate Road	Whitelaw Road	
Wards Belt Road	Resheeting	Whitelaw Road	Nottle Road	
Wards Belt Road	Resheeting	Nottle Road	start of seal	
Wards Belt Road	Resheeting	End of Seal	Lange Road	
Krieg Road	Resheeting	Martins Road	Robert Steele Road	\$50,000
Krieg Road	Resheeting	Hempel Road	Martins Road	\$55,000
Peter Seppelt Road	Resheeting	Radford Road	Seppeltsfield Road	\$25,000
Radford Road	Resheeting	Seppeltsfield Road	Peter Seppelt Road	\$60,000
Tucker Road	Resheeting	Templers Roads	1000m from Templers Roads	\$45,000
Ashwell Road	Resheeting	Mackereth Road	Horrocks Highway	\$250,000
Ashwell Road	Resheeting	Mackereth Road	Tucker Road	
Ashwell Road	Resheeting	Tucker Road	Pratt Road	
Stott Road	Resheeting	600m from Harris Road	Owen Road	\$5,000
Prior Road	Re-Sheeting	Parham Road	Public Road (464)	\$50,000
Prior Road	Re-Sheeting	Mad Mile Road	Parham Road	
Neldner Road	Re-Sheeting	Two Hands wine	Kraehe Road	\$110,000
Neldner Road	Re-Sheeting	Kraehe Road	Jenke Road	
Neldner Road	Re-Sheeting	Jenke Road	Heinze Road	
Wingate Road	Re-Sheeting	Wards Belt	Bend	\$110,000
Wingate Road	Re-Sheeting	Bend	Two Wells Road	
			Total	\$1,831,035

Road Name	Nature of Work	From	To	Estimated Project Cost
2019-2020				
Gawler River Road	Resheeting	Wilkinson Road	Spencer Road	\$110,725
Gawler River Road	Resheeting	Spencer Road	Two Wells Road	\$59,250
Wilkinson Road	New Construction (Council contribution towards a Heavy Vehicle Safety & Productivity Programme Application \$1,053,774 of works)	Two Wells Road	Hayman Road	\$526,8887
Wilkinson Road		Hayman Road	Gawler River Road	
Gawler River Road		End of seal	Wilkinson	
College Road	New Construction (Council contribution towards a Heavy Vehicle Safety & Productivity Programme Application - \$900,000 of works)	Mudla Wirra Road	Twartz Road	\$450,000
Nottle Road	Resheeting	Redbanks Road	Parkers Road	\$71,050
Nottle Road	Resheeting	Parkers Road	Wards Belt Road	\$83,300
Stockport Road	Resheeting	Horrocks Highway	Obrien Road	\$54,000
Stockport Road	Resheeting	Obrien Road	Gill Road	\$77,625
Stockport Road	Resheeting	Gill Road	Argend Road	\$77,625
Stockport Road	Resheeting	Argend Road	Muster Road	\$77,625
Stockport Road	Resheeting	Muster Road	Bullock Road	\$60,000
Stockport Road	Resheeting	Bullock Road	Start of seal	\$56,700
Coffey Road	Resheeting	Kernich Road	Ayliffe Road	\$72,217
Coffey Road	Resheeting	Ayliffe Road	Ryan Road	\$26,950
Haydon Road	Resheeting	Boundary Road	Redbanks Roads	\$190,000
Haydon Road	Resheeting	Callahan Road	Mudla Wirra Road	\$20,000
Wasleys Road	Resheeting (work to be delivered in conjunction with Accelerated Infrastructure Programme works)	Woolshed Road	Selleck Road	\$268,213
Wasleys Road		Selleck Road	Lines Road	
Wasleys Road		Lines Road	Mullens Road	
Wasleys Road		Mullens Road	Mudla Wirra Road	
Lines Road		Wasleys Road	Mudla Wirra	
			Total	\$2,282,167

Road Name	Nature of Work	From	To	Estimated Project Cost
2020-2021				
Bagot Well	Resheeting	Camel Farm Road	Public Road 335	\$530,000
Bagot Well		Public road 335	Weaver Road	
Bagot Well		Weaver Road	Public Road 342	
Bagot Well		Public Road 342	Teagle Road	
Bagot Well		Teagle Road	Khiyam Road	
Bagot Well		Khiyam Road	Brennan Road	
Bagot Well		Brennan Road	Thiele Highway	
Lyndoch Road	New Construction (Council contribution towards a Special Local Roads Programme - \$1,130,000 of works)	Gomersal Road	Ford	\$376,310
Barrow Road	Resheeting	Horrocks Highway	90m from Horrocks Highway	\$5,000
Neindorf Road	Resheeting	Schirmer Road	250m from Schirmer	\$10,000
Stott Road	Resheeting	Marshall Road	380m from Marshall Road	\$10,000
Mark McKillop Walk	Resheeting	470m from Public Road	676m from Public Road	\$5,000
Scottys Grave Road	Resheeting	850m from School Road	Moyle Road	\$15,000
Patterson Road	Resheeting	Pinkerton Road	Coleman Road	\$90,000
Buckby Road	Resheeting	Selleck Road	Sec681	\$30,000
Buckby Road		Sec681	Mudla Wirra Road	\$35,000
Hatcher Road	New Construction (Council contribution towards a Heavy Vehicle Safety & Productivity Programme - \$460,000 of works)	Wilkinson Road	Whitemans Road	\$230,000
Hatcher Road		Whitemans Road	Oates Road	
Wilkinson Road	New Construction (Council contribution towards a Heavy Vehicle Safety & Productivity Programme - \$500,000 of works)	Hatcher Road	Parkers Road	\$250,000
Wilkinson Road		Parkers Road	Two Wells Road	
Carmichael Road	Resheeting	Marshall Road	Owen Road	\$3,000
Carmichael Road	Resheeting	Owen Road	1080m from Owen Road	\$30,000
Murphy Road	Resheeting	River Light	Newman Road	\$55,000
Goodger Road	Resheeting	Hayman Road	Dawkins Road	\$20,000
Kraehe Road	Resheeting	End of Seal	Bend in Road	\$25,000
Kraehe Road	Resheeting	Bend in Road	Neldner Road	\$45,000

Road Name	Nature of Work	From	To	Estimated Project Cost
Robert Steele Road	Resheeting	Krieg Road	Gerald Roberts Road	\$50,000
Wedding Road	Resheeting	Newman Road	Schwerdt Road	\$30,000
Schwerdt Road	Resheeting	Marshall Road	200m from Marshall Road	\$5,000
Nurse Road	Resheeting	Thiele Highway	Sturt Highway	\$200,000
Moppa Springs Road	Resheeting	Greenock Road	Parbs Road	\$70,000
Hughes Road	Resheeting	Moppa Road	Public Road 105	\$5,000
Church Road	Resheeting	Bethel Road	Deep Creek Road	\$25,000
Pine Creek Road	Resheeting	Bethel Road	Creek Road	\$35,000
Jas Ryan Road	Resheeting	Christian Road	Public Road (1471)	\$50,000
			Total	\$2,234,310
2021-2022				
Oates Road	New Construction (Council contribution towards a Heavy Vehicle Safety & Productivity Programme Application - \$634,242 of works)	Redbanks Road	Lucas Road	\$317,121
Oates Road		Lucas Road	Fairlie Road	
Oates Road		Fairlie Road	Hatcher Road	
Branson Road	Resheeting	Nain Road	Jackman Road	\$73,000
Boundary Road	Resheeting	Gawler River Road	River	\$30,621
Kidman Road	Resheeting	Trevena Road	176m for Trevana road	\$11,880
Nain Road	Resheeting	Matchoss Road	Start of seal	\$44,550
Nain Road	Resheeting	End of Seal	Keane Road	\$12,150
Nain Road	Resheeting	Keane Road	Branson Road	\$107,325
Woods Road	Resheeting	1900m fro Parkers Road	Dfiedler Road	\$29,575
Roefeldt Road (Magdala)	Resheeting	Mudla Wirra	585m from Mudla Wirra (East)	\$26,617
Parkers Road	Resheeting	Leak Road	Nottle Road	\$279,832
Parkers Road	Resheeting	Wilkins	Woods	
Parkers Road	Resheeting	Woods	Wards Belt	
Parkers Road	Resheeting	Wards Belt	Leak Road	
Marshall Road	Resheeting	Carmichael	Owen	\$4,550
Marshall Road	Resheeting	Roefeldt	Carmichael	\$52,325
Marshall Road	Resheeting	Roefeldt	Stott	\$54,600
Marshall Road	Resheeting	Stott	Shwerdt	\$52,325
Best Road	Resheeting	Roseworthy Road	Start of Seal	\$160,000
Fyfe Road	Resheeting	Owen Road	300m from Owen Road	\$150,000
Fyfe Road		Wychunga Road	Horrocks Highway	
Fyfe Road		Marshall Road	Wychunga Road	

Road Name	Nature of Work	From	To	Estimated Project Cost
Moppa Springs Road	Resheeting	Parbs Road	Spring Grove Road	\$105,000
Moppa Springs Road		Spring Grove Road	Public Road 105	
Moppa Springs Road	Resheeting	Public Road 105	Goldfields Road	
Krieg Road	Resheeting	Perry Road	College Road	\$85,000
Perry Road	Resheeting	Phelps	Mackereth	\$128,447
Perry Road		Mitchel	Mackereth	
John Eden Road	Resheeting	Tremlett Road	Best Road	\$150,000
John Eden Road		Thiele Highway	Tremlett Road	
Turretfield Road	New Construction (Council contribution towards a Special Local Roads Programme Application - \$630,000 of works)	Gomersal Road	Rosedale Road	\$210,000
			Total	\$2,084,918

➤ **Building and Structures**

Project Name	Scope/Comments	Allocation
2018-2019		
Wasleys Oval Clubroom	Design and Construction of a building at the oval incorporating toilets, canteen, storage and shelter. Includes demolition of existing building on the site. (Subject to grant funding of 50% of the project)	\$100,000
Wasleys Institute	Electrical subboard upgrade	\$10,000
Miscellaneous - Playgrounds	Lions Playground	\$20,000
Wasleys Oval Clubroom	Design and Construction of a building at the oval incorporating toilets, canteen, storage and shelter. Includes demolition of existing building on the site. (Subject to grant funding of 50% of the project)	\$100,000
Total		\$130,000
2019-2020		
Kapunda Senior Citizens Club	Renewal of wet areas, kitchen, access and replastering of walls internally. (Brought forward one year)	\$200,000
Total		\$200,000
2020-2021		
Freeling Institute	Replacement of hall floor	\$50,000
Public Toilet Renewal	Greenock Oval, Greenock Institute, Davidson Reserve, Mattiske Park	\$120,000
Miscellaneous - Playgrounds	Lions Train refurbishment	\$30,000
Total		\$200,000
2021-2022		
Boardwalk renewal	Davidson Reserve Kapunda x2	\$70,000
Boardwalk renewal	Hewett Shared Use Path x1	\$70,000
Deck renewal	Hewett reserves x 3	\$60,000
Total		\$200,000

11. Loan Borrowings

➤ New Long-term Borrowings

Anticipated new borrowings for 2018/2019 will be in the form of Cash Advance Debenture Loans (CAD), which will be used to fund the Accelerated Infrastructure Program. These borrowings have been previously approved by Council and will be drawn during the 2018/2019 financial year. A new loan of up to \$2.7m to partially fund the development of the Freeling Agriculture Multi-Purpose Centre will be required during 2018/2019:

Table 12: New Long Term Borrowings

Borrowings – accelerated infrastructure program	\$9.0m
Borrowings – a community loan relating to the Freeling Agriculture Multi-Purpose Centre	\$2.7m

The actual timing and the amount of borrowing will be managed based on cash available from day-to-day Council operations as part of Councils treasury management activities. Borrowing requirement is dependent upon the anticipation of grant funds and success or otherwise of grant funding applications and opportunities. The borrowing program will require review should these parameters change.

➤ Existing Long-term Borrowings

Council's existing long-term debenture loan borrowings balance of \$3.5m at 1 July 2018 will be repaid in full by 2024. A small portion of \$0.322m in long term debenture loans held on behalf of the Kapunda Bowling Club (payable by Kapunda Bowling Club) will remain outstanding.

Borrowings relating to the Gawler Water Reuse Scheme (GWRS) totalling \$11.3m, and the Accelerated Infrastructure Program (proposed up to \$12m), are in the form of interest only convertible cash advance loans. These amounts are excluded from long term borrowings as the intention of Council is to repay these loans from future proceeds resulting from the planned sale of the GWRS asset in 2022.

12. Rating Structure and Policy

➤ What are Rates?

Rates are levied as a tax on property in accordance with the provisions of the Local Government Act. They are not a service or user charge. Consequently, some property owners, for example, may choose not to use the library but nevertheless make a contribution through their rates. Because rates are levied on the value of property, those in higher valued properties pay more than those in lower valued properties.

Rates are the principal source of funding for Council services representing 68% of Council's total operating revenue in 2018/2019. A further 13% of Council's revenue is raised through service charges and recoupment of the NRM Levy.

➤ Strategic Focus

In proposing its rates for the 2018/2019 Financial Year, Council has considered the Strategic Management Plan 2017 to 2020, the current economic climate, specific issues faced by the community, the budget requirements for the 2018/2019 financial year and the impact of rates on the community – in particular householders and primary producers. 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 (e.g. Crown land, Council occupied land), is rateable. Council continues 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 because:

- ✓ Property value is a relatively good indicator of market value of a property, providing the fairest method of calculating rates and therefore, it is the most appropriate measure of relative wealth in the community;
- ✓ As a measure of wealth it most closely reflects the capacity of property owners to pay; and
- ✓ It accords with the taxation principle, that people should contribute to the community social and physical infrastructure, in accord with their capacity to pay, as measured by property wealth.

Other valuation methods available are site value (value of land only) and annual value (value of rental potential of property). These are not considered appropriate with regard to Light Regional Council.

Council proposes to adopt the valuations made by the Valuer-General and which are applicable for the financial year commencing 1 July 2018 (valuations as at 2 July 2018).

➤ Valuation Objections

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.

➤ Land Use Objections

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 Officer, 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.

➤ **Impact of Rates (Property valuation and proposed income)**

In the 2018/2019 budget, Council proposes to raise general rate revenue of \$15.813m in a total operating revenue budget of \$22.838m.

Council also raises income by way of separate charges for 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.

Tables 13.1 to 13.3 summarise general rates modelling data used to formulate the 2018/2019 ABP and Budget. This information is prepared at Week 49 (Monday 4 June 2018) of the valuation cycle.

Table 13.1 - Rates Modelling Based on Valuation at 4 June 2018

Financial Year	2017/2018	2018/2019	
		(4 June 2018)	% Change
Total Capital Valuation	3,321,243,280	\$3,464,457,000	4.31%
Number of Rateable Assessments	7,828	7,850	0.28%
Total General Rate Revenue	14,910,278	\$15,812,894	6.05%
Refuse Collection and Disposal Service Fee	1,267,750	\$1,316,250	3.82%
CWMS Service Fee	1,151,064	\$1,334,400	15.93%
NRM Board Levy	319,295	\$324,831	1.73%
Other Rate Income	120,000	\$122,400	2.00%

The total capital valuation of the district has increased 4.31% between 1 July 2017 and the date of the valuation data used (4 June 2018) to formulate the 2018/2019 budget. The average valuation increase of existing assessments across Council is 2.8% (refer **Table 13.2** below), with the balance of the total growth made up of new assessments.

Council proposes an increase to the rate in the dollar for the 2018/2019 financial year of 2.5%. The cumulative effect of valuation growth and the rate in the dollar increase is a growth in total rates revenue of slightly more than 6%. The increase in revenue is deemed necessary to fund a number of new initiatives and increases in service levels to the community.

Tables 13.2 and 13.3 below expand the information above and provide comparative assessment, valuation and rating data by Land Use Code.

Table 13.2 – Comparative Assessment and Valuation Data

Land Use	2017-18 Financial Year		2018-19 Financial Year (as at 4 June 2018)							
	No. of Assessments	Total District Valuation	Existing Assessments			New Assessments		Total Assessments		
			No. of Existing Assessments	Total District Valuation \$	% Increase in Valuation	No. of New Assessments	Total New Assessments Valuation \$	No. of Assessments	Total District Valuation \$	% Increase Over 2017-18
Residential	4,548	1,482,249,313	4,579	1,524,966,498	2.88%	15	6,134,000	4,594	1,531,100,498	3.30%
Commercial Shop	66	12,741,101	66	16,126,742	26.57%	0	0	66	16,126,742	26.57%
Commercial Office	14	3,353,950	14	3,527,900	5.19%	0	0	14	3,527,900	5.19%
Commercial Other	269	107,675,717	268	92,355,840	-14.23%	1	12,000,000	269	104,355,840	-3.08%
Industrial Light	21	6,036,824	21	6,226,824	3.15%	0	0	21	6,226,824	3.15%
Industrial Other	37	105,510,057	36	100,408,404	-4.84%	1	6,288,609	37	106,697,013	1.12%
Primary Production	2,351	1,419,535,981	2,321	1,489,445,031	4.92%	27	19,440,891	2,348	1,508,885,922	6.29%
Vacant Land	423	57,291,357	371	51,496,637	-10.11%	33	5,872,000	404	57,368,637	0.13%
Other	99	75,064,020	96	76,323,883	1.68%	1	73,000	97	76,396,883	1.78%
Total Rateable	7,828	3,269,458,320	7,772	3,360,877,759	2.80%	78	49,808,500	7,850	3,410,686,259	4.32%
Non-Rateable	373	51,784,960	381	53,770,741	3.83%	0	0	381	53,770,741	3.83%
Total Assessments	8,201	3,321,243,280	8,153	3,414,648,500	2.81%	78	49,808,500	8,231	3,464,457,000	4.31%

Table 13.3 - Rate in the \$ and Rate Revenue by Land Use

Financial Year	2017/2018	2018/2019 Proposed		
		Rate in the \$	Rate Revenue	Weekly \$ Increase in 18/19 for Existing Assessments
Residential	0.0043702	0.0044794	\$6,942,696	\$1.26
Commercial Shop	0.0076478	0.0078390	\$132,290	\$8.10
Commercial Office	0.0076478	0.0078390	\$28,282	\$2.56
Commercial Other	0.0087403	0.0089588	\$946,475	\$(7.91)
Industrial Light	0.0120179	0.0123184	\$76,704	\$3.80
Industrial Other	0.0120179	0.0123184	\$1,314,332	\$1.67
Primary Production	0.0035398	0.0036283	\$5,527,082	\$3.57
Vacant Land	0.0076478	0.0078390	\$476,417	\$0.84
Other	0.0043702	0.0044794	\$368,615	\$4.38
Minimum Rate	\$855	\$875		

All rates modelling incorporates the proposed overall rating and its impact using average valuations. Rate changes for individual assessments will likely vary from average amounts used for modelling purposes.

➤ **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:

(a) Commercial Properties

Commercial properties generally have available to them, their employees and customers the same services as other 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.

(b) Industrial Properties

Industrial properties generally have available to them, their employees and customers the same services as other 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.

(c) 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.

➤ **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 2018/2019 Council proposes to impose a minimum rate of \$875 (\$855 in 2017/2018) which will affect 923 (11.8%) of 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**

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 2018/2019 totalling \$324,381. 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 2018/2019 financial year is budgeted to be \$1.588m. Council recovers this cost through various means including the imposition of a service charge of \$480 per unit (\$438 in 2017/2018) for all properties where the service is available. Where the service is provided to land (an assessment) to which a rate rebate applies, a CWMS service charge is levied against the land.

The provision of CWMS is now a regulated service and the Essential Services Commission of SA has issued a price determination and guidelines for Councils to follow in regard to the pricing of CWMS. The guidelines and price determination result from work done at the National level, and adopted by State and Territory Governments, to ensure that the full cost of providing water and sewerage services is recovered from users. This approach ensures the sustainability of service provision over time. A recent review of Light Regional Council's CWMS services costs and charges has identified that Council is not recovering the full cost of its CWMS, and that the separate rate charged for this service will need to be increased. Given that the disparity between the current rate and full cost recovery is significant it is proposed that increases be phased in over an appropriate time frame.

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 2018/2019 is budgeted to be \$1.313m. Council proposes to recover this cost through a service charge of \$275 (\$270 in 2017/2018) for each property within the designated 3 bin service area (i.e. collection of domestic, recyclable and green organic refuse); and through a service charge of \$184 (\$180 in 2017/2018) for each property within the designated 2 bin service area (i.e. collection of domestic and recyclable refuse only). Where the service is provided to land (an assessment) to which a rate rebate applies, a refuse collection service charge is levied against the land.

➤ **Rate Concessions**

The State Government funded concession on council rates for holders of concession cards, veterans, low-income earners, unemployed, students and self-funded retirees, ended on 30 June 2015. From 1 July 2015 the State Government elected to replace these concessions with a "single cost-of-living payment" provided directly to those entitled.

From 1 July 2017 the State Government has provided Community Waste Water Scheme (CWMS) concession payments directly to eligible households, meaning Council no longer provides any State Government Concession rebates. CWMS concessions no longer appear on annual rate notices however, ratepayers who receive the State Government CWMS concession payments may elect to use this payment to offset their council rates.

To check eligibility, contact the Department of Communities and Social Inclusion (DCSI) Concessions Hotline 1800 307 758 or by email concessions@sa.gov.au.

➤ **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 for the 2018/2019 Financial Year will be 7 September 2018, 7 December 2018, 1 March 2019 and 7 June 2019.

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:

- i. 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;
- ii. secondly – in satisfaction for any liability for interest;
- iii. thirdly – in payment of any fine;
- iv. 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 2018/2019 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.

13. How to Measure Council Performance

The measure of the Council’s success is driven by the achievement of the strategic objectives outlined in the Strategic Management Plan 2017-2020 which also identifies the desired outcomes expected from the strategic objectives. In addition to the strategic outcomes, the Council also measures its achievements through the following non-financial and financial Indicators.

Non-Financial Indicators

To ensure that the Council delivers on the strategic objectives set out in the Strategic Management Plan 2017-2020 and ABP, it is paramount that annual budget activities and projects are completed on time while delivering project outcomes as planned. Therefore, the progress of the activities and projects will be closely monitored to ensure that there will be no project delays and budget overruns.

Financial Indicators

When evaluating activities undertaken during any given financial year, the Council considers a number of factors, one being the future financial sustainability of the Council.

A series of financial indicators have been developed by the Local Government sector to assist in determining whether a Council is financially sustainable or moving to a position of financial sustainability.

Financial indicators which are used by the Council to measure performance and financial sustainability are:

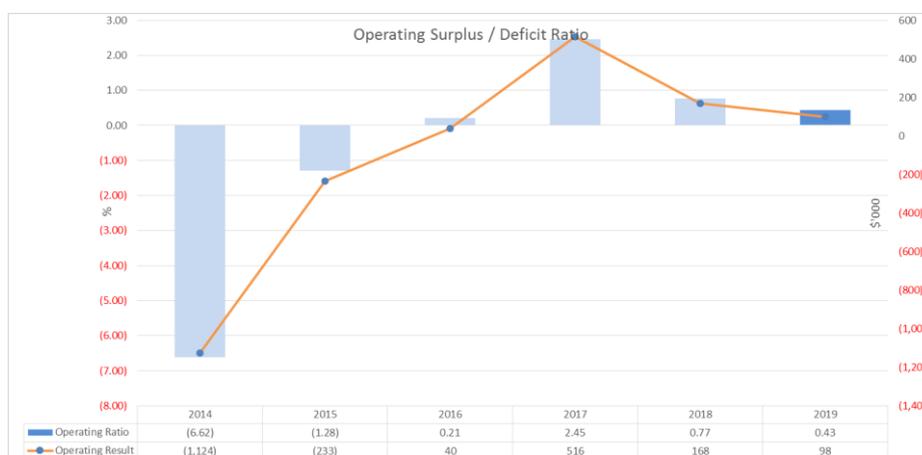
1. Operating Surplus Ratio - Desired level is between 0% and 10% on average over long term;
2. Asset Sustainability Ratio - Desired level is greater than 90% but less than 110% on average over long term.
3. Net Financial Liabilities Ratio - Desired level is greater than 0% but no more than 100% on average over long term; and

1. Operating Surplus / (Deficit) Ratio

The Council’s long term financial sustainability is dependent upon ensuring that, on average over time, its operating income is higher than operating expenses (i.e. an Operating Surplus).

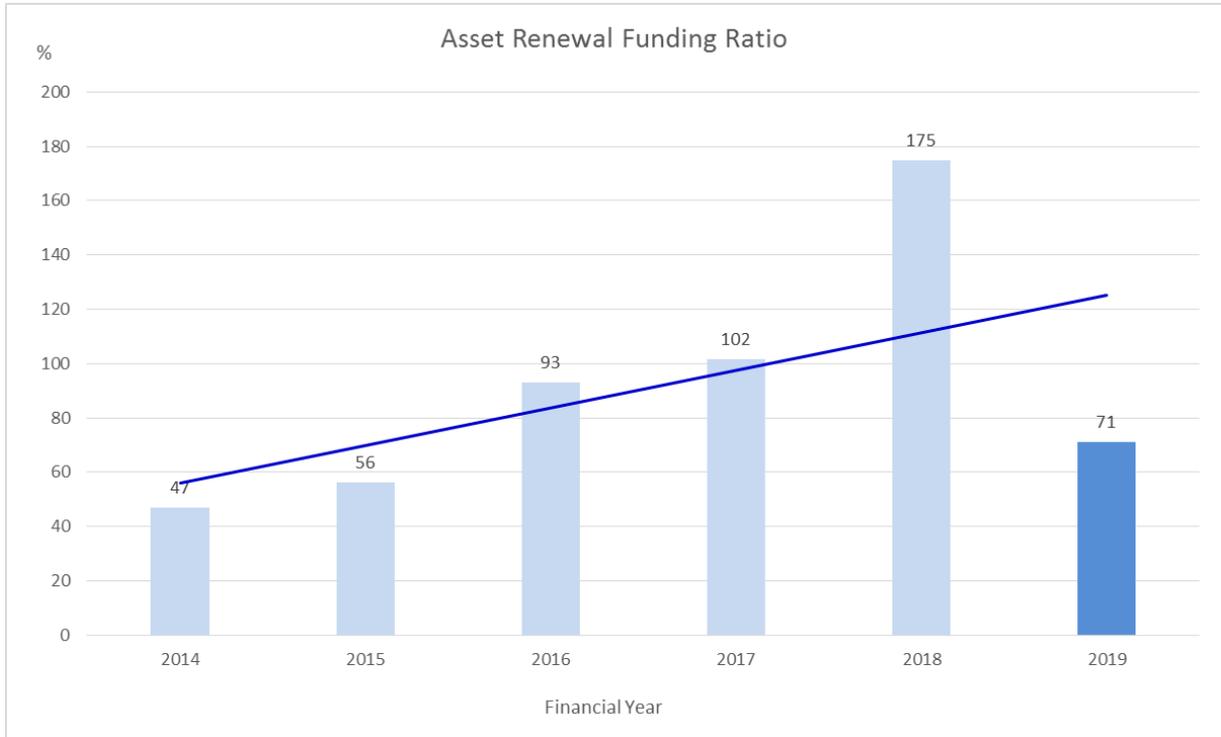
The operating surplus ratio is the operating surplus (deficit) expressed as a percentage of operating income. A positive ratio indicates the percentage of operating income available to help fund proposed capital expenditure. A negative ratio indicates the percentage increase in operating income or the approximate decrease in operating expenses required to achieve a break-even operating result.

The following graph shows Light Regional Council’s Operating Surplus / (Deficit) Ratio for the financial years 2013/2014 to 2018/2019.



2. Asset Renewal Funding Ratio

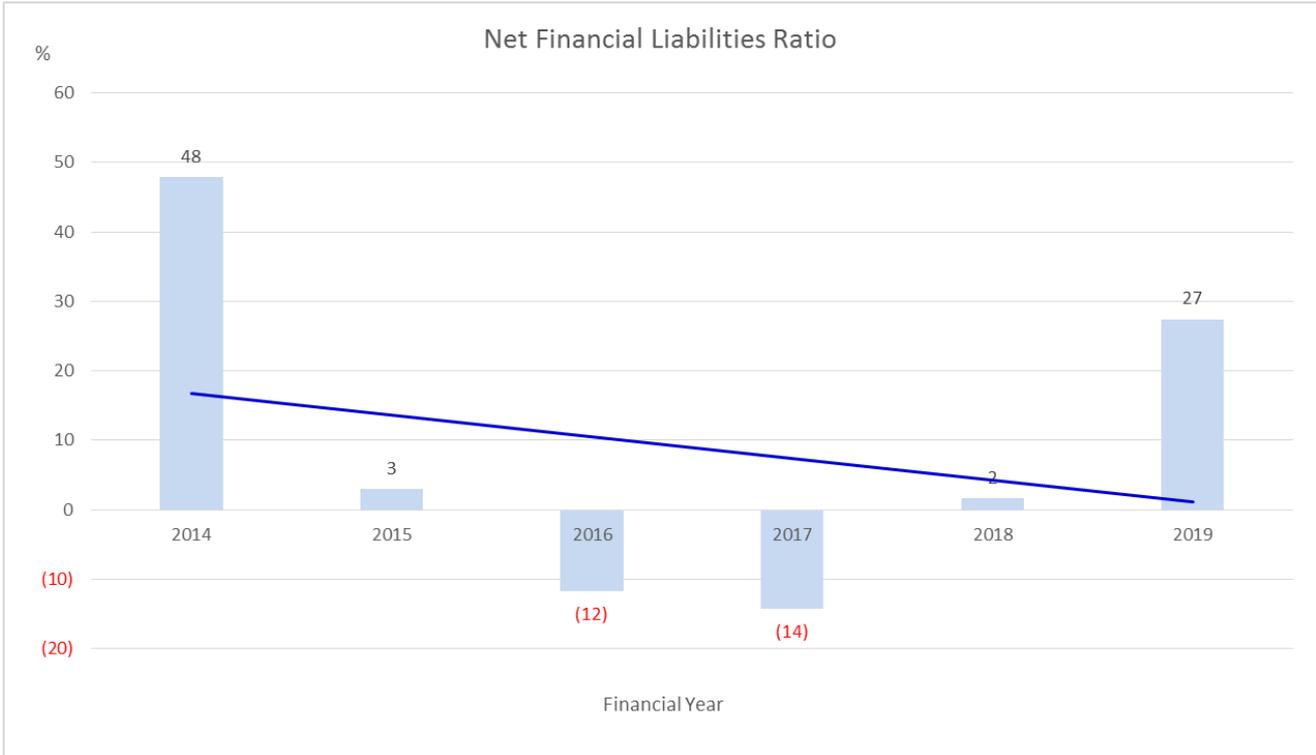
Asset Renewal Funding Ratio measures whether the Council is renewing or replacing existing physical assets (roads, footpaths, stormwater drainage, buildings, plant and equipment and furniture and fittings etc.) at the same rate the stock of these assets is wearing out. The ratio is calculated by measuring actual capital expenditure on renewal or replacement of assets, relative to the expenditure on renewal or replacement of assets as per Councils Infrastructure and Assets Management Plans.



3. Net Financial Liabilities Ratio

This ratio indicates the extent to which the net financial liabilities of the Council or its total indebtedness can be met by Council's total operating revenue. Net financial liabilities measure a Council's indebtedness. It is a broader measure than net debt as it includes all of a Council's obligations including provisions for employee entitlements and creditors.

The net financial liabilities ratio is calculated by expressing net financial liabilities at the end of a financial year as a percentage of operating income for the year. Net financial liabilities equal total liabilities less financial assets where financial assets include cash, investments, and loans to community groups, receivables and prepayments. Where the ratio is increasing, it indicates a greater amount of a Council's operating revenues is required to service its financial obligations.



14. Long Term Financial Plan 2018/2019 to 2027/2028

➤ Background

Section 122 (1a) of the Local Government Act requires Councils to develop and adopt:

- (a) a Long Term Financial Plan (LTFP) for a period of at least 10 years; and
- (b) an Infrastructure and Asset Management Plan (IAMP), relating to the management and development of infrastructure and major assets by the Council for a period of at least 10 years (and these plans will also be taken to form part of the Council's strategic management plans).

Section 122(4)(a)(i) of the Act requires that the LTFP should be *reviewed* as soon as practical after the adoption of the ABP. However, Section 122(4)(b) of the Act specifies that the Council must undertake a *comprehensive review* of its Long Term Financial Plans within 2 years after each general election of the Council.

The purpose of a Council's LTFP is to express, in financial terms, the activities that it proposes to undertake over the medium to longer term to achieve its stated objectives. It is similar to, but usually less detailed than, the annual budget. Just like the budget, it is a guide for future action although its preparation requires the Council to think about not just one year but the longer-term impact of revenue and expenditure proposals. The aggregation of future strategic plans and business initiatives and their intended outlays and anticipated revenues, enables the accumulating overall financial and economic implications to be readily identified and, if warranted, proposed future activities to be revised. The LTFP should specify and take account of:

- ✓ Expected expenses and capital outlays for each year of the plan;
- ✓ Expected revenues for each year and their source;
- ✓ Any variations in net debt required as a result of expected cash flow needs;
- ✓ Performance measures to enable assessment of the Council's financial sustainability over the period of the plan.

➤ Long Term Financial Objective of the Light Regional Council

The Long Term Financial Objective of Light Regional Council is to be **“a Council which delivers on its strategic objectives by managing its financial resources in a sustainable and equitable manner by incremental growth and service cost containment to reduce the operating deficit over time; as opposed to burdening the ratepayers of the Council with short term excessive increases to their annual Council rate bill”**.

Financial sustainability means having a financial position capable of meeting long-term service and infrastructure levels and standards, acceptable to the community, without substantial increases in rates or cuts to services. The Long Term Financial Plan has been developed based on following budget principles. They are;

Principle 1: Breakeven Budget

Cost of annual Council's services and programs, including depreciation of assets, are fully funded by the current ratepayers being the consumers of those Council services, programs and assets.

Principle 2: Rate Stability

Annual rate collections are fair and equitable for the ratepayers with the aim to keep rate revenue increases stable over the medium term.

Principle 3: Infrastructure and Asset Management

Maintain Infrastructure and Assets in line with the Council's Infrastructure Asset Management Plans.

Principle 4: Prudent Debt Management

Prudent use of debt to invest in new long term assets to ensure intergenerational equity between current and future users.

The LTFP provides the financial projections and budget framework to guide the development of the detailed annual budget and provide a level of assurance to Elected Members and the community on the sustainability of Council operations.

A 10 year Long Term Financial Plan summarises the financial impacts of Council's strategic directions and provides an indication of the sustainability of these plans. By evaluating our financial strategies over a planning horizon of 10 years we can determine how decisions we make now and for the 2018/2019 budget will impact on the future and ensure the impact of rates is spread equitably across generations of ratepayers so that planned service standards over the long term and infrastructure levels can be met without unplanned and disruptive increases in rates or cuts to services.

The Long Term Financial Plan is prospective information. Actual results are likely to vary from the information presented. Consequently, the information presented is prepared on the basis of best estimate assumptions as to future events which Council expects are likely to take place. These estimates arise from information known as at 4 May 2018.

➤ **Assumptions used in the preparation of Long Term Financial Plan 2018/2019 to 2027/2028**

The LTFP shows that the Council will report moderate results, including a deficit between 2018/2019 and 2020/2021. Operating surpluses trend upwards for the balance of the 10 Financial Years. **Table 14** summarises the assumptions that were used in the preparation of 2018/2019 Budget and 10 year LTFP.

Table 14: Assumptions used in preparation of 2018/2019 Budget and 10 year LTFP

Description	Assumptions
Rates	
- General Rates	The 10 year LTFP provides for annual total rates revenue growth of 4%. Revenue growth is comprised of a mix of rate-in-the-dollar increases of (no more than) 2.5% and estimated annual assessment growth of 1.5%. 2018/2019 total rates revenue growth is estimated at 6% and incorporates a rate-in-the-dollar increase of 2.5%, assessment growth from existing assessments of on average 2.8% and growth provided by new assessments of 1.4%.
- CWMS Charge	In line with recommended charges as per the CWMS financial review, which seeks to recover the full cost of operating CWMS over the 10 year Long Term Financial Plan
- Reuse Collection Charge	2% per annum (p.a.) average over the 10 year Long Term Financial Plan
- NRM Levy	4% p.a. average over the 10 year Long Term Financial Plan
- Minimum Rates	2.5% p.a. average over the 10 year Long Term Financial Plan
Statutory charges	2% p.a. average over the 10 year Long Term Financial Plan
User charges	2% p.a. average over the 10 year Long Term Financial Plan
Grants, subsidies and contributions	Based on confirmed grant funding
Investment Income	Estimated \$19k per annum average over the 10 year Long Term Financial Plan based on minimal invested funds
Reimbursements	2% p.a. average over the 10 year Long Term Financial Plan
Other Income	2% p.a. average over the 10 year Long Term Financial Plan
Employee Costs	2.75% p.a. average over the 10 year Long Term Financial Plan
Materials, contracts and other expenses	2% p.a. average over the 10 year Long Term Financial Plan
Depreciation, Amortisation & Impairment	3% p.a. average over the 10 year Long Term Financial Plan
Finance Costs	Actual interest payable on existing loans and estimated cost of forecast new borrowings in 2018-19 and 2019-20.

➤ **Long Term Financial Statements**

A surplus of \$0.098m is forecast for the financial year 2018/2019, followed by a modest deficit in 2019/2020 and increasing surpluses year on year from financial year 2020/2021. During the 2021/2022 financial year interest costs associated with loans used to complete the Accelerated Infrastructure Program will have abated and proceeds from the divestment of the Gawler Water Reuse Scheme will have been used to repay loans.

Indications are that over the 10 year long-term the operating results of Light Regional Council are sustainable.

**LIGHT REGIONAL COUNCIL
 LONG TERM FINANCIAL PLAN
 STATEMENT OF COMPREHENSIVE INCOME**

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
	ACTUAL	ADOPTED BUDGET	PROPOSED BUDGET	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
OPERATING INCOME												
Rates	16,703,944	17,264,739	18,385,440	19,126,603	19,882,015	20,574,381	21,289,632	21,983,525	22,700,640	23,441,790	24,207,811	24,999,571
Gawler Water Reuse Scheme	1,050,000	1,800,000	1,800,000	1,800,000	1,800,000	-	-	-	-	-	-	-
Statutory charges	404,999	447,975	456,933	466,072	475,393	484,901	494,599	504,491	514,581	524,873	535,370	546,078
User charges	171,238	161,730	146,815	148,336	149,889	151,474	153,093	154,745	156,432	158,155	159,913	161,709
Grants, subsidies and contributions	2,077,389	1,644,732	1,526,288	1,333,567	1,342,262	1,351,133	1,360,182	1,369,413	1,378,831	1,388,438	1,398,238	1,408,237
Investment Income	84,559	51,675	42,289	24,535	19,693	18,484	17,226	15,918	14,558	13,283	12,098	10,862
Reimbursements	337,337	98,733	164,510	143,726	146,547	149,425	152,360	155,355	158,410	161,527	164,706	167,950
Reserves	-	-	-	-	-	-	-	-	-	-	-	-
Other Income	190,761	385,306	316,083	245,819	250,632	251,525	202,501	203,560	208,707	209,944	215,272	216,696
Operating Project Income	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL INCOME	21,020,227	21,854,890	22,838,359	23,288,658	24,066,431	22,981,323	23,669,593	24,387,008	25,132,160	25,898,008	26,693,409	27,511,102
OPERATING EXPENSES												
Employee Costs	6,801,323	7,241,622	7,685,538	8,090,634	8,248,171	8,482,475	8,721,310	8,966,712	9,218,863	9,477,949	9,744,159	10,017,690
Materials, contracts and other services	7,406,334	7,160,373	7,790,748	7,486,713	7,637,093	7,630,115	7,868,977	7,905,321	8,081,479	8,242,413	8,507,883	8,443,041
Gawler Water Reuse Scheme	129,000	926,020	926,020	926,020	926,020	-	-	-	-	-	-	-
Depreciation, Amortisation & Impairment	5,410,755	5,553,393	5,395,421	5,609,249	5,712,536	5,808,005	5,905,382	6,004,704	6,106,011	6,209,341	6,314,736	6,422,237
Finance Costs	734,722	805,405	942,296	1,243,468	1,208,127	268,792	229,349	187,680	172,265	165,733	158,886	151,707
Share of loss - joint ventures & associates	22,143	-	-	-	-	-	-	-	-	-	-	-
Operating Project Expenses	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENSES	20,504,277	21,686,813	22,740,023	23,356,084	23,731,947	22,189,387	22,725,019	23,064,417	23,578,619	24,095,437	24,725,663	25,034,673
OPERATING SURPLUS / (DEFICIT) BEFORE CAPITAL AMOUNTS	515,950	168,077	98,336	(67,426)	334,484	791,936	944,574	1,322,591	1,553,541	1,802,572	1,967,746	2,476,428
Gain (loss) on disposal of assets	(1,208,011)	2,293,600	1,219,200	-	-	-	-	-	-	-	-	-
Amounts specifically for new or upgraded assets	2,804,503	5,246,836	2,241,500	-	-	-	-	-	-	-	-	-
Physical resources received free of charge (estimate)	1,207,668	1,573,753	1,573,753	1,622,539	1,672,838	1,724,696	1,778,162	1,833,285	1,890,116	1,948,710	2,009,120	2,071,403
NET SURPLUS (DEFICIT)	3,320,109	9,282,266	5,132,789	1,555,113	2,007,322	2,516,632	2,722,736	3,155,875	3,443,657	3,751,282	3,976,866	4,547,831
OTHER COMPREHENSIVE INCOME												
Changes in revaluation surplus - infrastructure, property, plant & equipment	(2,342,432)	6,061,319	6,061,319	6,249,219	6,442,945	6,642,676	6,848,599	7,060,906	7,279,794	7,505,467	7,738,137	7,978,019
Share of other comprehensive income - joint ventures and associates	-	-	-	-	-	-	-	-	-	-	-	-
Share of other comprehensive income - equityaccounted Council businesses	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME	977,677	15,343,585	11,194,107	7,804,332	8,450,267	9,159,308	9,571,335	10,216,781	10,723,451	11,256,749	11,715,003	12,525,850

**LIGHT REGIONAL COUNCIL
 LONG TERM FINANCIAL PLAN
 STATEMENT OF FINANCIAL POSITION**

	2017 ACTUAL	2018 ADOPTED	2019 YEAR 1	2020 YEAR 2	2021 YEAR 3	2022 YEAR 4	2023 YEAR 5	2024 YEAR 6	2025 YEAR 7	2026 YEAR 8	2027 YEAR 9	2028 YEAR 10
ASSETS												
Current Assets												
Cash and cash equivalents	62,002	69,028	515,247	1,248,734	2,749,784	3,175,756	3,432,403	4,312,262	5,762,437	7,455,749	9,331,826	11,654,692
Trade & other receivables	3,966,503	2,390,925	2,498,516	2,547,779	2,632,868	2,514,157	2,589,453	2,667,939	2,749,458	2,833,242	2,920,259	3,009,715
Other Financial Assets		28,771	29,453	30,619	31,832	33,093	34,405	26,793	27,930	29,115	30,351	31,639
Inventories	10,243	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000
Total Current Assets	4,038,748	2,613,724	3,168,217	3,952,132	5,539,483	5,848,006	6,181,262	7,131,993	8,664,825	10,443,106	12,407,436	14,821,045
Non-Current Assets												
Financial Assets	22,096,997	22,529,557	22,039,212	22,008,593	21,976,762	415,329	380,924	354,131	326,202	297,087	266,736	235,097
Equity accounted Investments in Council Businesses	1,607,777	1,443,693	1,443,693	1,443,693	1,443,693	1,443,693	1,443,693	1,443,693	1,443,693	1,443,693	1,443,693	1,443,693
Infrastructure, Property, Plant and Equipment	182,315,289	214,946,513	231,957,752	241,433,653	247,722,001	253,965,334	262,586,712	271,481,198	280,645,098	290,089,934	299,822,455	309,849,640
Other Non-current Assets	2,181,544	2,489,019	2,489,019	2,489,019	2,489,019	2,489,019	2,489,019	2,489,019	2,489,019	2,489,019	2,489,019	2,489,019
Total Non -Current Assets	208,201,607	241,408,783	257,929,677	267,374,959	273,631,475	258,313,376	266,900,349	275,768,042	284,904,012	294,319,733	304,021,903	314,017,450
Total Assets	212,240,355	244,022,507	261,097,894	271,327,092	279,170,958	264,161,382	273,081,611	282,900,036	293,568,837	304,762,839	316,429,339	328,838,495
LIABILITIES												
Current Liabilities												
Trade & Other Payables	2,979,735	2,895,462	3,098,396	3,117,486	3,175,652	3,043,668	3,133,905	3,187,127	3,268,035	3,347,376	3,447,811	3,487,232
Borrowings	3,874,951	514,423	1,129,225	664,566	701,901	741,344	451,578	135,557	142,089	148,937	156,116	-
Provisions	1,494,977	1,499,236	1,499,236	1,499,236	1,499,236	1,499,236	1,499,236	1,499,236	1,499,236	1,499,236	1,499,236	1,499,236
Total Current Liabilities	8,349,663	4,909,121	5,726,857	5,281,288	5,376,789	5,284,248	5,084,719	4,821,921	4,909,360	4,995,550	5,103,163	4,986,468
Non-current Liabilities												
Borrowings	14,462,544	20,032,036	25,095,581	27,966,015	27,264,114	3,187,770	2,736,193	2,600,635	2,458,546	2,309,609	2,153,493	2,153,493
Provisions	306,753	401,146	401,146	401,146	401,146	401,146	401,146	401,146	401,146	401,146	401,146	401,146
Total Non-current Liabilities	14,769,297	20,433,182	25,496,727	28,367,161	27,665,260	3,588,916	3,137,339	3,001,781	2,859,692	2,710,755	2,554,639	2,554,639
Total Liabilities	23,118,960	25,342,303	31,223,583	33,648,449	33,042,049	8,873,164	8,222,058	7,823,702	7,769,052	7,706,305	7,657,802	7,541,108
NET ASSETS	189,121,395	218,680,204	229,874,311	237,678,643	246,128,909	255,288,218	264,859,553	275,076,334	285,799,785	297,056,534	308,771,537	321,297,387
EQUITY												
Accumulated Surplus	22,449,583	36,209,161	41,341,949	42,897,062	44,904,385	47,421,017	50,143,753	53,299,628	56,743,285	60,494,567	64,471,434	69,019,265
Asset Revaluation Reserve	163,261,433	179,302,653	185,363,972	191,613,191	198,056,135	204,698,811	211,547,411	218,608,316	225,888,110	233,393,577	241,131,714	249,109,733
Other Reserves	3,410,379	3,168,390	3,168,390	3,168,390	3,168,390	3,168,390	3,168,390	3,168,390	3,168,390	3,168,390	3,168,390	3,168,390
TOTAL EQUITY	189,121,395	218,680,204	229,874,311	237,678,643	246,128,909	255,288,218	264,859,553	275,076,334	285,799,785	297,056,534	308,771,538	321,297,388

**LIGHT REGIONAL COUNCIL
 LONG TERM FINANCIAL PLAN
 STATEMENT OF CHANGES IN EQUITY**

	2017 ACTUAL	2018 ADOPTED	2019 YEAR 1	2020 YEAR 2	2021 YEAR 3	2022 YEAR 4	2023 YEAR 5	2024 YEAR 6	2025 YEAR 7	2026 YEAR 8	2027 YEAR 9	2028 YEAR 10
ACCUMULATED SURPLUS												
Balance at end of previous reporting period	19,331,463	26,886,895	36,209,161	41,341,949	42,897,062	44,904,385	47,421,017	50,143,753	53,299,628	56,743,285	60,494,567	64,471,434
Net Result for Year	3,320,109	9,282,266	5,132,789	1,555,113	2,007,322	2,516,632	2,722,736	3,155,875	3,443,657	3,751,282	3,976,866	4,547,831
Transfers To Other Reserves	(314,887)											
Transfers from Other Reserves	112,898	40,000	-	-	-	-	-	-	-	-	-	-
Other equity adjustments - equity accounted Council businesses												
Balance at end of period	22,449,583	36,209,161	41,341,949	42,897,062	44,904,385	47,421,017	50,143,753	53,299,628	56,743,285	60,494,567	64,471,434	69,019,265
ASSET REVALUATION RESERVE												
Balance at end of previous reporting period	165,603,865	173,241,334	179,302,653	185,363,972	191,613,191	198,056,135	204,698,811	211,547,411	218,608,316	225,888,110	233,393,577	241,131,714
Gain on revaluation of infrastructure, property, plant & equipment	(2,342,432)	6,061,319	6,061,319	6,249,219	6,442,945	6,642,676	6,848,599	7,060,906	7,279,794	7,505,467	7,738,137	7,978,019
Share of other comprehensive income - equity accounted Council businesses												
Balance at end of period	163,261,433	179,302,653	185,363,972	191,613,191	198,056,135	204,698,811	211,547,411	218,608,316	225,888,110	233,393,577	241,131,714	249,109,733
OTHER RESERVES												
Balance at end of previous reporting period	3,208,390	3,208,390	3,168,390	3,168,390	3,168,390	3,168,390	3,168,390	3,168,390	3,168,390	3,168,390	3,168,390	3,168,390
Transfers from Accumulated Surplus	314,887		-	-	-	-	-	-	-	-	-	-
Transfers to Accumulated Surplus	(112,898)	(40,000)	-	-	-	-	-	-	-	-	-	-
Balance at end of period	3,410,379	3,168,390										
TOTAL EQUITY AT END OF REPORTING PERIOD	189,121,395	218,680,204	229,874,311	237,678,643	246,128,910	255,288,218	264,859,553	275,076,334	285,799,785	297,056,534	308,771,538	321,297,388

**LIGHT REGIONAL COUNCIL
 LONG TERM FINANCIAL PLAN
 STATEMENT OF CASH FLOW**

	2017 ACTUAL	2018 ADOPTED	2019 YEAR 1	2020 YEAR 2	2021 YEAR 3	2022 YEAR 4	2023 YEAR 5	2024 YEAR 6	2025 YEAR 7	2026 YEAR 8	2027 YEAR 9	2028 YEAR 10
CASH FLOWS FROM OPERATING ACTIVITIES												
Receipts												
Rates Receipts	17,384,578	17,342,975	18,582,566	19,214,012	19,862,134	19,081,527	19,508,699	20,128,905	20,773,485	21,436,673	22,124,712	22,832,894
Statutory Charges	405,000	510,262	546,733	565,311	584,380	561,413	573,981	592,229	611,193	630,706	650,949	671,785
User Charges	171,000	317,042	339,702	351,246	363,094	348,824	356,633	367,971	379,754	391,878	404,455	417,401
Grants, Subsidies and Contributions (operating purpose)	2,077,000	1,644,732	1,526,288	1,333,567	1,342,262	1,351,133	1,360,182	1,369,413	1,378,831	1,388,438	1,398,238	1,408,237
Investment Receipts	84,000	51,675	42,289	24,535	19,693	18,484	17,226	15,918	14,558	13,283	12,098	10,862
Reimbursements	338,000	165,420	177,243	183,266	189,448	182,002	186,077	191,992	198,140	204,466	211,029	217,783
Other Receipts	815,000	1,414,822	1,515,946	1,567,459	1,620,332	1,556,651	1,591,499	1,642,095	1,694,679	1,748,781	1,804,911	1,862,683
Payments												
Payments to Employees	(6,750,000)	(6,910,158)	(7,451,263)	(7,582,311)	(7,705,971)	(7,472,054)	(7,589,567)	(7,736,188)	(7,920,464)	(8,114,381)	(8,349,237)	(8,473,292)
Payments for Materials, Contracts & Other Expenses	(8,225,000)	(8,112,828)	(8,748,109)	(8,901,965)	(9,047,148)	(8,772,519)	(8,910,484)	(9,082,623)	(9,298,971)	(9,526,639)	(9,802,370)	(9,948,016)
Finance payments	(735,000)	(805,405)	(942,296)	(1,243,468)	(1,208,127)	(268,792)	(229,349)	(187,680)	(172,265)	(165,733)	(158,886)	(151,707)
Net Cash provided by (or used in) Operating Activities	5,564,578	5,618,536	5,589,099	5,511,651	6,020,097	6,586,669	6,864,897	7,302,031	7,658,940	8,007,471	8,295,900	8,848,630
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Amounts Received Specifically for New/Upgraded Assets	2,805,000	5,246,836	2,241,500	-	-	-	-	-	-	-	-	-
Sale of Replaced Assets		209,200	177,000	242,000	81,300	-	-	-	-	-	-	-
Sale of Surplus Assets	110,000	2,084,400	1,042,200	-	-	22,000,000	-	-	-	-	-	-
Repayments of Loans by Community Groups	13,000	27,675	28,332	29,453	30,619	31,832	33,093	34,405	26,793	27,930	29,115	30,351
Payments												
Expenditure on Renewal/Replacement of Assets	(2,784,000)	(3,687,454)	(4,241,868)	(4,285,461)	(3,919,901)	(4,125,627)	(5,015,000)	(5,104,250)	(5,185,000)	(5,270,000)	(5,355,000)	(5,440,000)
Expenditure on New/Upgraded Assets	(5,916,000)	(11,022,218)	(13,431,217)	(3,169,931)	(46,500)	(30,000)	(885,000)	(900,750)	(915,000)	(930,000)	(945,000)	(960,000)
Investments in GWRs Scheme	(4,658,000)	-	-	-	-	-	-	-	-	-	-	-
Capital Contributed to Equity Accounted Council Businesses		-	-	-	-	-	-	-	-	-	-	-
Loans made to Community Groups		-	-	-	-	-	-	-	-	-	-	-
Net Cash provided by (or used in) Investing Activities	(10,430,000)	(7,141,560)	(14,184,053)	(7,183,939)	(3,854,482)	17,876,205	(5,866,907)	(5,970,595)	(6,073,207)	(6,172,070)	(6,270,885)	(6,369,649)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Proceeds from Borrowings	5,598,000	2,983,914	12,178,500	3,035,000	-	-	-	-	-	-	-	-
Payments												
Repayments of Borrowings	(765,000)	(1,036,586)	(3,554,605)	(629,225)	(664,566)	(24,036,901)	(741,344)	(451,578)	(135,557)	(142,089)	(148,937)	(156,116)
Net Cash provided by (or used in) Financing Activities	4,833,000	1,947,328	8,623,895	2,405,775	(664,566)	(24,036,901)	(741,344)	(451,578)	(135,557)	(142,089)	(148,937)	(156,116)
Net Increase (Decrease) in Cash Held	(32,422)	424,304	28,941	733,487	1,501,050	425,973	256,647	879,859	1,450,175	1,693,311	1,876,078	2,322,865
Cash & Cash Equivalents at beginning of period	94,424	62,002	486,306	515,247	1,248,734	2,749,784	3,175,756	3,432,403	4,312,262	5,762,437	7,455,749	9,331,826
Cash & Cash Equivalents at end of period	62,002	486,306	515,247	1,248,734	2,749,784	3,175,756	3,432,403	4,312,262	5,762,437	7,455,749	9,331,826	11,654,692

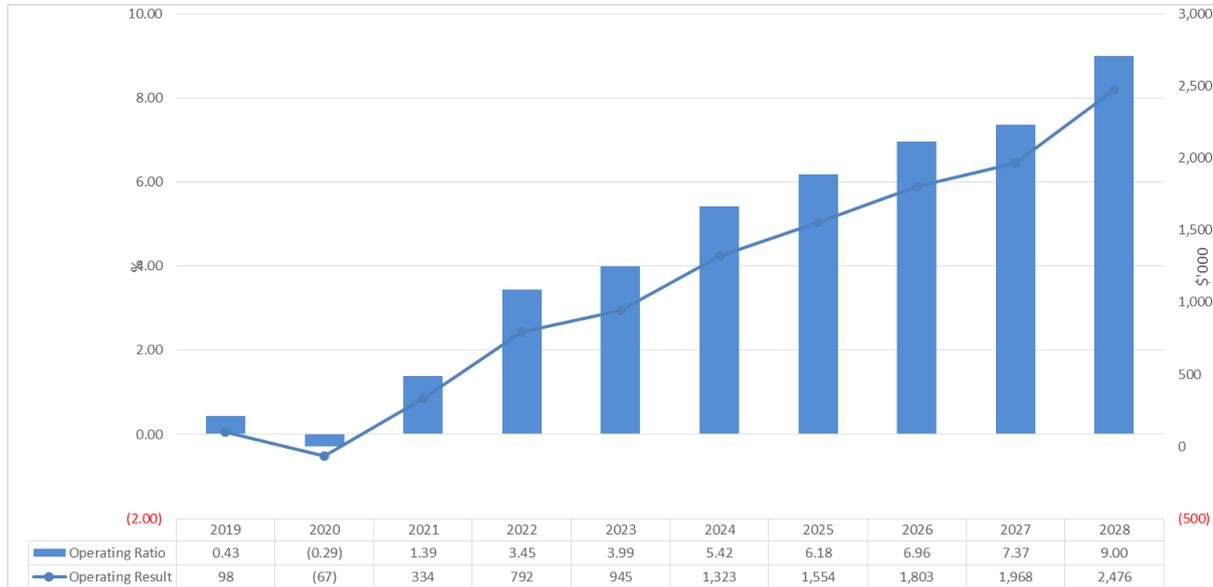
**LIGHT REGIONAL COUNCIL
 LONG TERM FINANCIAL PLAN
 UNIFORM PRESENTATION OF FINANCES**

	2017 ACTUAL	2018 ADOPTED	2019 YEAR 1	2020 YEAR 2	2021 YEAR 3	2022 YEAR 4	2023 YEAR 5	2024 YEAR 6	2025 YEAR 7	2026 YEAR 8	2027 YEAR 9	2028 YEAR 10
Income	21,020,227	21,854,890	22,838,359	23,288,658	24,066,431	22,981,323	23,669,593	24,387,008	25,132,160	25,898,008	26,693,409	27,511,102
less Expenses	(20,504,277)	(21,686,813)	(22,740,023)	(23,356,084)	(23,731,947)	(22,189,387)	(22,725,019)	(23,064,417)	(23,578,619)	(24,095,437)	(24,725,663)	(25,034,673)
Operating Surplus / (Deficit)	515,950	168,077	98,336	(67,426)	334,484	791,936	944,574	1,322,591	1,553,541	1,802,572	1,967,746	2,476,428
<i>less Net Outlays on Existing Assets</i>												
Capital Expenditure on Renewal and Replacement of Existing Assets	2,784,000	3,687,454	4,241,868	4,285,461	3,919,901	4,125,627	5,015,000	5,104,250	5,185,000	5,270,000	5,355,000	5,440,000
less Depreciation, Amortisation and Impairment	(5,410,755)	(5,553,393)	(5,395,421)	(5,609,249)	(5,712,536)	(5,808,005)	(5,905,382)	(6,004,704)	(6,106,011)	(6,209,341)	(6,314,736)	(6,422,237)
less Proceeds from Sale of Replaced Assets	-	(209,200)	(177,000)	(242,000)	(81,300)	-	-	-	-	-	-	-
Subtotal	(2,626,755)	(2,075,139)	(1,330,553)	(1,565,788)	(1,873,935)	(1,682,378)	(890,382)	(900,454)	(921,011)	(939,341)	(959,736)	(982,237)
<i>less Net Outlays on New and Upgraded Assets</i>												
Capital Expenditure on New and Upgraded Assets (including investment property & real estate developments)	5,916,000	11,022,218	13,431,217	3,169,931	46,500	30,000	885,000	900,750	915,000	930,000	945,000	960,000
less Amounts Received Specifically for New and Upgraded Assets	(2,805,000)	(5,246,836)	(2,241,500)	-	-	-	-	-	-	-	-	-
less Proceeds from Sale of Surplus Assets (including investment property and real estate developments)	(110,000)	(2,084,400)	(1,042,200)	-	-	(22,000,000)	-	-	-	-	-	-
Subtotal	3,001,000	3,690,982	10,147,517	3,169,931	46,500	(21,970,000)	885,000	900,750	915,000	930,000	945,000	960,000
Net Lending / (Borrowing) for Financial Year	141,705	(1,447,766)	(8,718,628)	(1,671,569)	2,161,919	24,444,315	949,957	1,322,295	1,559,552	1,811,913	1,982,482	2,498,665

➤ **Long Term Financial Ratios**

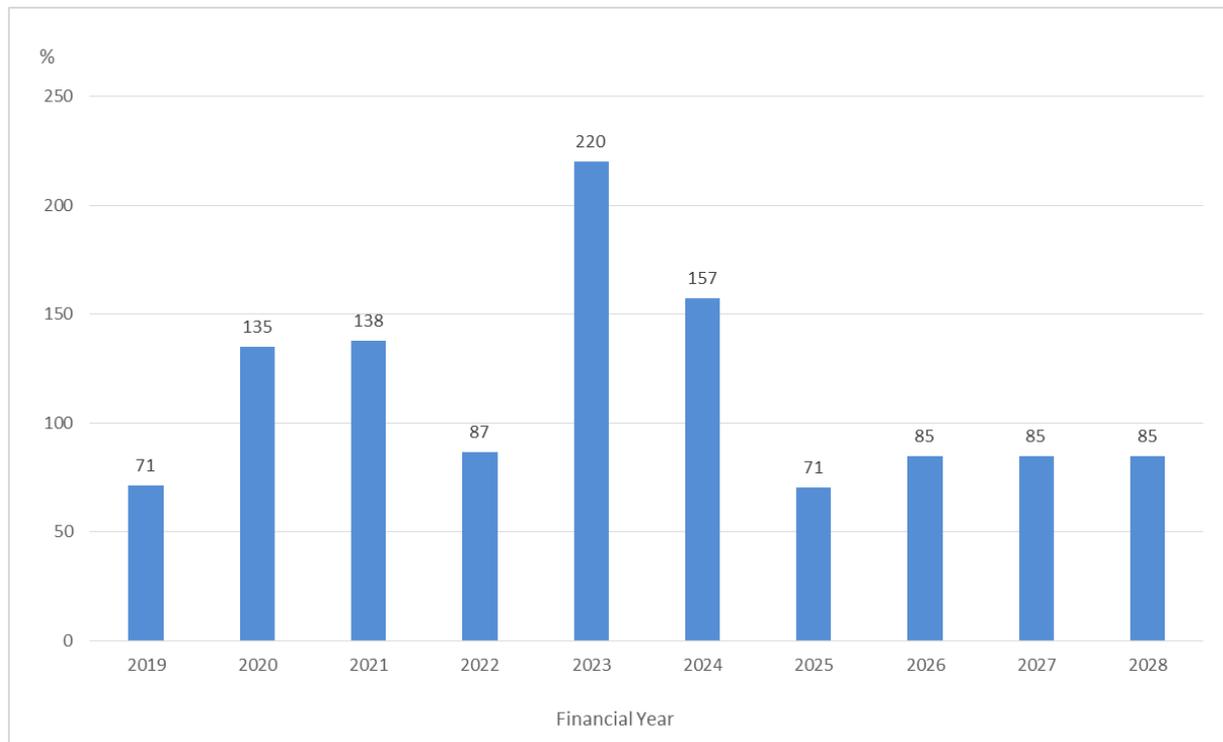
The following figures show the long-term financial ratios as recommended by Local Government Financial Management Regulation 2011.

1. Operating Surplus / (Deficit) Ratio



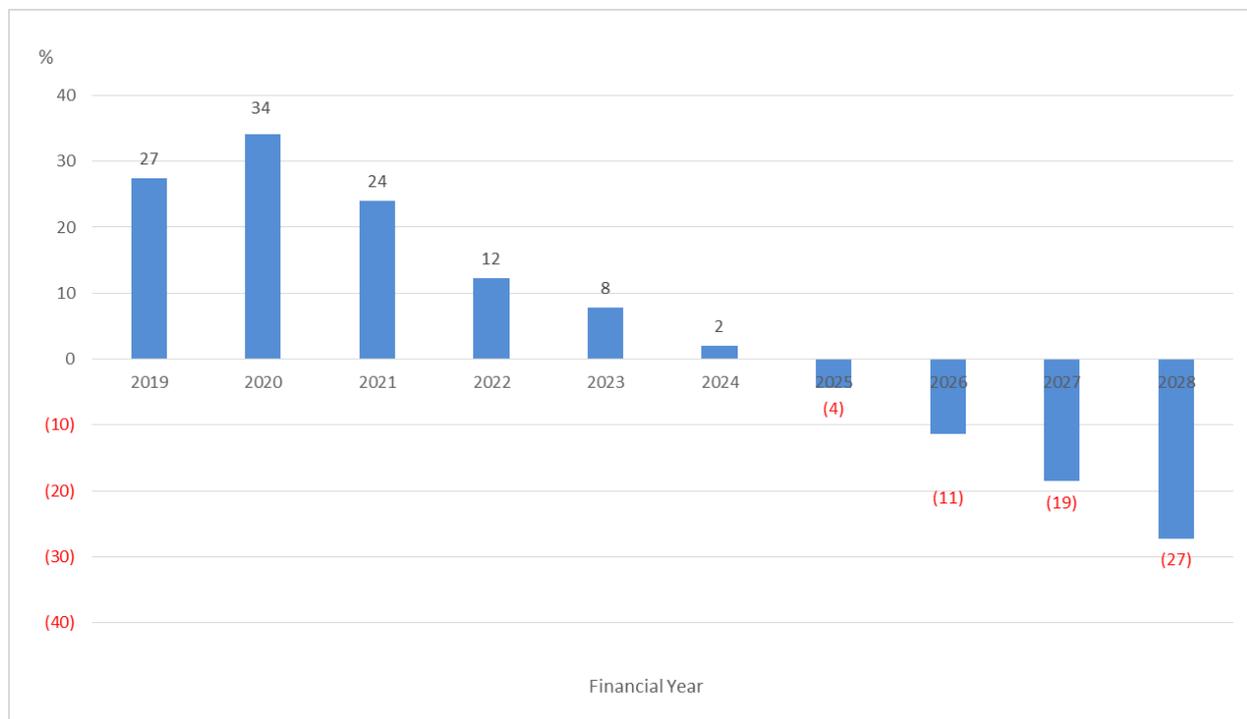
Note: Financial Sustainability Information Paper 9 of the LGA recommend an Operating Surplus Ratio of between 0% and 10% on average over long term. Council’s estimate of operating results for the long term does not include the likelihood of future new initiatives and programs impacting future returns. The LTFP forecast indicates however that Council’s predicted operating results are sound.

2. Asset Renewal Funding Ratio



Note: Financial Sustainability Information Paper 9 of the LGA recommend an Asset Sustainability Ratio of greater than 90% but less than 110% on average over long term. Council has used information contained in its Infrastructure and Asset Management Plan (IAMP) to inform and calculate the asset renewal funding ratio, for the term of the current IAMP. Beyond the horizon of the current IAMP (2025), future annual depreciation estimates are used to calculate the asset renewal funding ratio.

3. Net Financial Liabilities Ratio



Note: Financial Sustainability Information Paper 9 of the LGA recommend a Net Financial Liabilities Ratio of greater than zero but no more than 100% of total operating revenue on average over long term.