



LIGHT
REGIONAL
COUNCIL

2011/2012

Annual Business Plan and Budget

**Light Regional Council
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Overview

Opening Commentary from the Mayor and Chief Executive Officer

The Annual Business Plan sets out the services, programs and projects Council proposes to deliver in the 2011/2012 financial year. It outlines Council's aims to maintain efficient services for the community and to continue significant infrastructure development for the benefit of the region as a whole.

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

Strategic Plan

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

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

However, when developing the Council's current strategic plan the State Government had not yet released its 30 Year Plan for Greater Adelaide. This strategic document has indicated that Roseworthy is an area of interest to the State Government for future significant urban development to support the states predicted population growth. Although this state plan is a strategy with a thirty year timeline for delivery it is imperative that Council prepare systematically and strategically now for this opportunity to ensure it is well managed; thereby delivering an appropriate development that is aesthetically pleasing which supports the population with social capital such as employment, education, service delivery, adequate transport networks and leisure opportunities.

Following the council elections conducted in November 2010, Council has commenced the review process of its Strategic Plan. Part of the focus of the review is centred on the potential effects that any significant development in the Roseworthy district could have on Council's operations.

With the completion and opening of the Northern Expressway (NEXY) the expectation is that the pressure for development of this area will increase markedly in the next few years. The project has also provided Council with an opportunity to undertake some master planning of land resources sited within the area of NEXY and the Two Wells Road at Buchfelde. Council proposes to commence this process this coming year.

The projected population growth of the Roseworthy district, over 4 and a half times Light Region's current level, will assist Council in ultimately achieving financial sustainability in coming years, with Roseworthy set to become the region's largest town and service centre.

Annual Objectives

The 2011/2012 financial year will be one of preparation in terms of integrating Council's suite of core documents, being the Long Term Financial Plan, Infrastructure and Asset Management Plan and Strategic Management Plan to include the latest visions for our state and region.

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

The annual business plan and budget for the 2011/2012 financial year continues to focus on large scale infrastructure works. Road infrastructure improvement will continue to remain a strong focus of Council's capital works. Council also proposes to undertake significant works at Murray Street Greenock in regard to continuing the beautification project commenced with the undergrounding of power in the 2010/2011 financial year.

Council proposes that the 2011/2012 financial year will be a significant year in terms of the development of Council strategy, policy, standards and guidelines. The modelling and strategies identified in Council's core

documents will provide the framework for Council to continue to evaluate its labour force planning, IT systems, governance and service delivery procedures into the future.

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

Council’s road infrastructure program proposed for 2011/2012 retains a capital works focus with more than \$3m being planned to be spent on renewal projects.

The redevelopment of the Kapunda Historic Mine Site, in line with the vision of the Tourism Development Plan for the site, will continue with community involvement and input being an integral part of the projects delivery – this the second year of this project.

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



Bill O'Brien, Mayor



Brian Carr, Chief Executive Officer

State Legislation

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

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

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

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

Public Consultation

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

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

The period of public consultation commenced on Wednesday, 18 May 2011, the date of the publication of notices in newspapers circulating within the Council area.

A public meeting was held on Wednesday, 8 June 2011 commencing at 7.00pm at the Freeling Institute, Clarke Street, Freeling, where Council received submissions from the community in relation to its 2011/2012 proposals.

The **public consultation period formally concluded at the close of business (5.00pm) on Wednesday, 8 June 2011**. Copies of this document were available on Council's website at www.light.sa.gov.au and at Council's offices and libraries. Submissions could be made via forms located on Council's website, lodged electronically to Council's email address: light@light.sa.gov.au; by post to the Chief Executive Officer, PO Box 72, Kapunda SA 5373; or by delivery to the front counter at Council's Freeling (12 Hanson Street) or Kapunda (93 Main Street) office locations during this time.

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

Glossary of Terms

Asset Sustainability Ratio

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

Financial Assets

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

Local Government Price Index (LGPI)

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

Net Financial Liabilities

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

Net Financial Liabilities Ratio

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

Net Lending/(Borrowing)

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

Non-financial or Physical Assets

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

Operating Deficit

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

Operating Expenses

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

Operating Revenues

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

Operating Surplus

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

General Information

Grants Commission Statistics

Council, like all other local government authorities in the State, receives an annual allocation of tied and untied grants commission grants through the Federal and State Governments. The total value of grants received while significant does not make up the major portion of Council's revenue. This means that Council's access to revenue streams outside of the annual rates bill is limited and therefore places extra burden on the area's reliance on council rates as its major source of income. What has helped in recent years is the additional amount of local road funding paid by the Federal Government to South Australian Councils in recognition of a funding inequity between the roads funding granted to the states.

The following information is provided:

Grant Type	2006/2007 Actual Allocation	2007/2008 Actual Allocation	2008/09 Actual Allocation	2009/10 Actual Allocation	2010/11 Actual Allocation	2011/12 (Estimate)
General Purpose Financial Assistance	\$206,195	\$218,992	\$242,802	\$248,514	\$258,910 ¹	\$261,580
Identified Local Road Entitlement	\$280,248	\$295,316	\$320,276	\$330,699	\$334,640	\$337,906
Total Allocation	\$486,443	\$514,308	\$563,078	\$579,213	\$593,550	\$599,486
Plus/(Less) adjustment on the previous year	\$518	\$1,464	\$6,274	(\$3,372)	0 ^{*3}	0 ^{*3}
Special Local Roads Program	\$394,000	\$346,000	-	\$0	\$0	\$0
Additional Local Road Funding (Formulae Grants)	\$128,062 ^{*2}	\$134,951	\$144,542	\$150,089	\$152,910 ^{*2}	\$154,439 ²
Total Grant	\$1,009,023	\$996,723	\$713,894	\$725,930	\$746,460	\$753,925

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

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

*3 – Annual adjustment of Council's grant income was not known at the time of printing this document, notification will be received in August 2011.

It is expected the General Purpose Grant, the Local Roads Grant and the Additional Local Road Funding will increase over the 2010/2011 financial year figures. While Council has lodged an application the Special Local Roads Program in relation to the proposed works at Samuel Road, advice as to its success or not is unknown at the time of preparing this report.

Other Grants Commission and Council Data

District Area 127,288 hectares

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

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

Road Length Council has a total of **1,454 kilometres of road*** within its area. Road types are:

Sealed Roads in Built Up Areas	73 kms
Sealed Roads in Non Built Up Areas	94 kms
Unsealed Roads in Built Up Areas	25 kms
Unsealed Roads in Non Built Up Areas	1,203 kms
Unformed	59 kms

*(as at 30/6/2010, reference LGGC return for 2009/2010)

Development Applications The number of New Developments and Additions processed for the 2009/2010 period was 697.

Other

Based on the level of general council rates generated for the 2010/2011 financial year, a **1% increase on general rates is equivalent to \$101,576 gained in general rate revenue.**

Staff

At the time of preparing this Plan, Council employed the following full time, part time and casual staff (shown in terms of number of employees, not full time equivalent staff numbers):

Department	Number of Employees at 30/6/2006	Number of Employees at 30/6/2007	Number of Employees at 30/6/2008	Number of Employees at 30/6/2009	Number of Employees at 30/6/2010	Number of Employees at 10/5/2011
Infrastructure & Works	20	18	20	25	25	23
Environmental Services	10	11	11	13	13	14
Finance & Administration (Business & Governance)	17	16	22	25	29	27
Public Information (Strategy, Projects & Engineering)	10	11	10	10	12	12
Total Staff	57	56	63	73	79	76

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

Assessment of 2010/11 Financial Year Objectives

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

Council highlighted during the preparation of its 2010/2011 Annual Business Plan various activities by which it intended to measure its performance for the year.

An updated position is presented in regard to the Objectives that were planned at the adoption of the 2010/2011 Annual Business Plan.

Item	Operational Area	Objective	Status	Performance
1	Development & Regulatory Services (D&RS)	Development Plan/Building Rules Assessments (approx 700 D/A's)	472 submitted for assessment purposes to date. Tracking well behind when compared to same time last year	Development fees down on last year due to a decline in applications and costs associated with capital value of proposed investment. Number of Appeals down on last year; budgetary savings. Applications processed expeditiously; legislative compliance achieved
2		Land Division Assessments (approx 50), Kingsford Regional Industrial Estate (KRIE) level of development expected increase	18 land division applications lodged to date. Tracking behind on this time last year	Council is witnessing a number of smaller land division applications lodged; lack of larger green field sites now evident with recent approvals of 1000 new greenfield lots region wide. KRIE off site stormwater solution never eventuated due to DPLG position; effectively stalled regionally significant industrial investment
3		Build on recently established system improvements to expedite/streamline development application processes to align with Residential Code and prepare organization for growth of Roseworthy	Legislative requirements met	Council's performance in this area extremely pleasing; residential code applications being processed in just a matter of days. A strong emphasis is needed ahead of Roseworthy to further streamline processes when an additional 1000 new allotments are being rolled out annually; number 1 departmental KPI recognized for 2011/2012 financial year
4		Investigate opportunities for on-line development application lodgement	Not commenced	The appointment of a dedicated systems co-ordinator will see this to fruition with assistance from the GM – DRS
5		Continue to ensure development is adequately serviced with appropriate infrastructure (internal and external) which aligns with Council's I & AMP	Ongoing	Development fraternity investment. Quality infrastructure delivered
6		Finalise and implement development standards in collaboration with I & W and S,P&E. To assist the development industry and provide greater surety	Completed	With assistance and buy in from SP&E I&W departments. Ensures the provision of quality infrastructure
7	Strategy, Projects & Engineering (SP&E)	Roseworthy Structure Planning (greater area including employment lands) in accordance with State Government established process to follow-on from 30 year Plan for Greater Adelaide	Ongoing	Structure Planning process and DPA initiated
8		Rural Living Development Plan Amendment	Ongoing	Statement of Intent for DPA lodged with DPLG mid 2010. Awaiting progression
9		Completion ARF Public Convenience Projects	Almost completed	Roseworthy- complete. Freeling - complete. Greenock - complete. Kaunda Hill St playground - complete. Kapunda SMH - ongoing
10		Hewett Community Centre, construction phase completed and	Almost completed	Construction completed. Fit-out and openings to be finalized

Item	Operational Area	Objective	Status	Performance
		centre operational		
11		Local Area Traffic Management (LATM) Plan Research Rd Nuriootpa locality	Ongoing	Final consultant report under staff review. For Council consideration shortly
12		Progression of construction of Main Strategic Road Projects- (Roseworthy Rd Staggered T, Seppeltsfield Road Remedial work, Argent Road West, Samuel Road (BAF))	Project changed	Roseworthy Rd design completed. Seppeltsfield Rd on ground works to progress in line with LTFP. Argent Rd west design completed. Samuel Rd funding submission being prepared for consideration during 2011
13		Deliver Freeling Main Street project. Stage 1 and 2 construction complete	Stage 1 completed	Stage 1 completed. Stage 2 for in-house delivery by I&W in 2011

Item	Operational Area	Objective	Status	Performance
14		Kapunda Mine Site TDP Implementation – Stage 1 – Safety enhancements)	Ongoing	On-ground works to be undertaken
15		Better Development Plan Conversion DPA finalised	Ongoing	DPLG provided draft to Council staff for review in May 2011
16		Finalise construction of Explorer Parade speed humps at Hewett,	Completed	Completed
17		Create Park Range Estate Residential Allotments for Sale to fund Reserve Improvement Works	Ongoing	Delays occurred with Community Land revocation process. Now finalized so progress can continue.
18		Greenock PLEC Project Construction	Ongoing	Construction commenced in line with timetable
19		Complete CWMS capital works at Kapunda, Freeling and Greenock schemes	Completed	Projects completed
20		Kapunda Town Centre / Car Parking DPA commencement	Not commenced	Minister for Urban Development & Planning created amended priorities to be progressed prior to this DPA.
21		Bridge Assessment work – Identify and assess remedial measures required for high priority bridges within LRC	Ongoing	Review process tracking in line with consultant contract
22	Infrastructure & Works (I&W)	Maintenance Programs for all current items developed, refined and implemented	Not commenced	Develop programs in 2011/12 once new structure is in place
23		Asset Management Plan standards developed	Commenced	Development of Asset Capitalisation Policy commenced in line with Adopted Asset Methodology Statements. Completion is imminent
24		“One System” Risk and OHSW developed and integrated into financial and asset plans	Commenced	Majority of One System policy review has occurred through OHSW committee operations. Some policy review still outstanding
25		Continue asset data collection project developing Conquest asset management system database	Commenced	Ongoing across financial years. Refinement of asset data and information update processes to the Conquest Asset Management System has continued, particularly in line with the development of the Infrastructure and Asset Management Plan (Version 2). Land & Buildings register identified for development
26		Completion roads 2010/2011 budget program	Commenced	Capital program has been curtailed due to significant storm events impacting the region. This has forced reallocation of services to remediate hazards

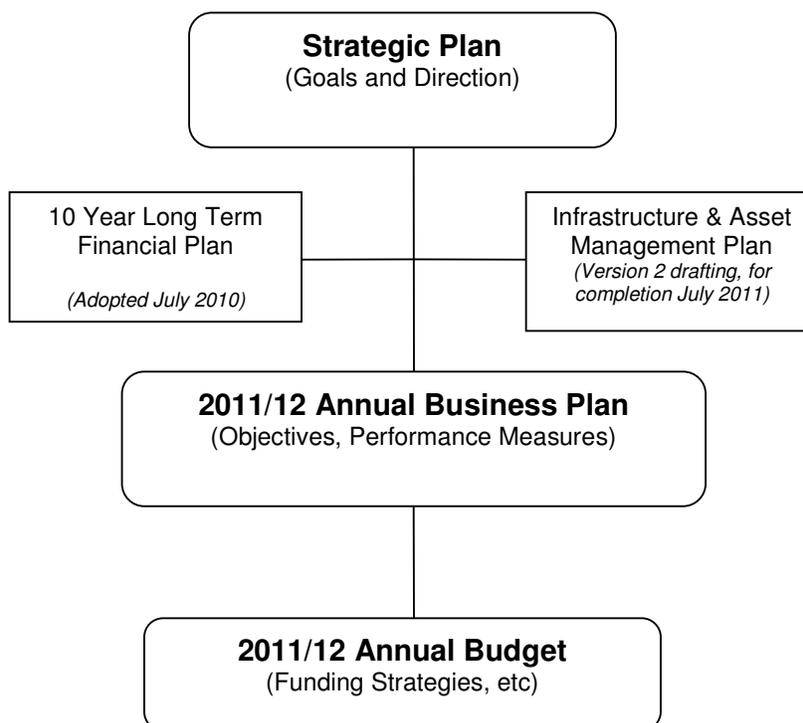
Item	Operational Area	Objective	Status	Performance
27		Establish Memorandum of Understanding with adjoining Councils regarding materials joint use arrangement	On hold	Will await outcomes of other investigations Council is currently undertaking
28		Integrated systems development and strategies	On hold	To be undertaken by new systems role
29		Commence Construction Freeling Depot Administration Centre	Commenced	A Development Approval has been issued for the building, however improvements to the design have been identified. Once plans have been amended, tender documents will be prepared and issued. It is expected the building will be occupied by late 2011 or early 2012
30		Hewett Footpath Contract Works	Commenced	Contract for footpath works was let late in 2009/2010 year. The majority of highlighted works have been completed. A review of the project has recently been undertaken with a report to be received by council.
31	Business & Governance (Corporate Services)	Adoption 10 Year Long Term Financial Plan	Completed	Plan adopted July 2010
32		Implementation Electronic Data Management System – Stage 1, Review Organisation Requirements and Establish Records Management Parameters	Deferred	Deferred to 2011/2012 Financial Year pending reallocation of resources.
33		Development and Implementation of Asset Rationalisation Policy and Strategy	Deferred	Appointment of Land and Buildings Administrator to Council's staff occurred in February 2011. Operational priorities meant program was deferred to coincide with development of Asset Management database and other land and buildings program reviews.
34		Completion Infrastructure and Asset Management Plan (Version 2)	Commenced	Transport Chapter completion imminent, this represents approximately 75% by value of Council's assets. Transport Chapter assets are sealed and formed roads, kerbs, watertable and footpaths, etc. Other chapters discussing storm water, community waste water systems and bridges have been commenced. Expected completion date July 2011.
35		Development and Implementation of Communications and IT Strategy	Commenced	Deferred in majority to 2011/2012 Financial Year. Some elements including customer service review and systems review have commenced.
36		Completion Light Regional Council Library Review	Commenced	Initial review completed. Review is to be updated to take account of the potential service level effects of the proposed Roseworthy development.
37		Implementation of LINK Group Strategic Plan	Completed	LINK (joint Library initiative between the Light, Barossa, Gawler, Adelaide Hills and Clare & Gilbert Valleys Councils) plan has been implemented. The Group is now undertaking the development of an updated Strategic Plan for the next period of operations from 2012.
38		Revise Human Resource Management policies and guidelines	Commenced	Ongoing across financial years. Collective Agreement with Works & Infrastructure operational staff was concluded. Development of a new motor vehicle procedure has commenced.

Item	Operational Area	Objective	Status	Performance
39		Financial Reporting	Commenced	Ongoing across financial years. Internal rollout of BIS finance reporting program has continued. Resourcing matters have affected development which will continue in the 2011/2012 financial year.
40		Revise Governance policies and guidelines	Commenced	Governance Advisory Panel formally established as a Section 41 Committee of Council. Terms of Reference adopted. Operational Governance policies and guidelines adopted as needed.

Strategic Plan and Annual Objectives

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

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



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

Ultimately though Council's key strategy for its community is to ensure its sustainability into the future. For the 2011/2012 financial year this goal will be progressed by the following key strategies and objectives:

- Review of Council's Strategic Plan including reviewing Council's Long Term Financial Plan and adopting Version 2 of the Infrastructure and Asset Management Plan.
- Progress a review of Council's Development Plan incorporating the potential effects of the Greater Adelaide 30 Year Plan discussed for the Roseworthy region.
- Commence a Development Master Plan process for the Northern Expressway Residual Land (south side of the Expressway adjacent Two Wells Road, Buchfelde).
- Implement the Infrastructure and Asset Management Plan strategies.
- Progress to on ground project implementation stage the Gawler region, and Kapunda and Freeling Water Re-Use Projects.
- Undertake the development in conjunction with Barossa region councils the development of an Open Space and Recreational Lands Strategy Plan.

2011/2012 Annual Objectives and Activities (including performance measures)

The proposed 2011/2012 objectives are as follows:

Item	Operational Area	Objective	Measurable Outcome	
			Financial	Non-Financial
1	Strategy, Projects & Engineering (SP&E)	Roseworthy Structure Planning and DPA prepared.	Budget allocations met. (Minimal Council expenditure – utilizing Roseworthy Alliance for financial input).	Structure Plan developed, consulted with various stakeholders, adopted by Council and State Government.
2		Rural Living Development Plan Amendment	Budget allocations met.	Plan developed. Public and Stakeholder Consultation undertaken.
3		Completion ARF Public Convenience Projects	Budget allocations met.	Final public infrastructure opened and operational in Kapunda., To compliment those already completed in Roseworthy, Greenock and Freeling.
4		Hewett Community Centre, commencement of operations as Community and Function Centre	Budget and Grant funding allocations met through construction.	
5		Seek funding for Strategic Road project – Samuel Road (as per Barossa Access Framework Submission lodged detailed design prepared pending success of submission.	External funding received..	
6		Kapunda Mine Site TDP Implementation – Stage 1 – Safety enhancements	Budget allocations met.	Consider utilisation of local or volunteer labour force.
7		Create Park Range Estate Residential Allotments for Sale to fund Reserve Improvement Works		Surveying and Land Division process finalised as an outcome of Community Land Revocation. Engage Real Estate Agent for land sales.
8		Greenock PLEC Project Construction	Budget allocation met.	Manage construction process of this stage to lead into Main Street beautification works project in subsequent year/s.
9		Complete CWMS capital works at Kapunda, Freeling and Greenock schemes	Works achieved within budget allocations (including expenditure of Grant Monies).	Completed Refurbishment/ expansion of Kapunda, Freeling and Greenock CWMS lagoons.
10		Management of Council's Road Register and Infrastructure Asset Database so as to meet financial and statutory reporting obligations.	Statutory obligations fulfilled	
11		Management of Council's Geographical Information System (GIS) so as to achieve good business practice and operational efficiencies.	Suitable and sustainable GIS platforms achieved. GIS system downtime < 2%	
12		Social Plan updated to meet priorities set	Update completed	
13		Cities and Towns Projects – Supplementary Water Supply Schemes for Freeling & Kapunda	Project Completion in accordance with the Funding Agreement between Council and the Commonwealth	Existing water re-use schemes in Freeling and Kapunda improved to offset use of potable water within the community.

Item	Operational Area	Objective	Measurable Outcome	
			Financial	Non-Financial
14		Gawler River Water Project	Project Completion in accordance with the Funding Agreement between Council and the Commonwealth	Expand upon the initial feasibility study for a water re-use scheme to supply the non-potable water needs of Roseworthy and surrounding growth area, to support a funding application to Round 3 of the National Urban Water and Desalination Plan: Stormwater harvesting and reuse projects.
15		Hewett Bike path Stage 3		Subject to External funding
16		Strategic review of NEXY residual land	Project completion in the form of strategic review document inclusive of recommendations for the future use of the NEXY residual land for Council to implement through subsequent develop plan amendment(s).	
17	Development & Regulatory Services (D&RS)	To engage with state government to amend legislation governing development assessment such that the approval process for new residential allotments at Roseworthy may be expedited and the need for substantial additional resources to facilitate growth delivery is minimised.	Development fee budgets met. Need for substantial additional resources to facilitate growth delivery not necessary.	Compliance with development assessment processing statutory time frames. Minimise DAP appeals.
18		Investigate opportunities for on-line development application lodgement to expedite development assessment processes.	Budget allocation met.	Improved customer service/satisfaction in providing options for lodgement.
19		Continue to ensure development is adequately serviced with appropriate infrastructure (internal and external) which aligns with Council's I & AMP.	Budget allocations met. Infrastructure funded by the private sector and not Council.	Progression of Developer Deeds of Agreement to ensure provision of quality infrastructure.
20		Continue to revise development standards in collaboration with I & W and S,P&E departments to assist the development industry and to provide greater surety for all parties concerned.		Communication processes enhanced inter-departmentally. Infrastructure standards developed and implemented and advertised to the development industry.
21		Meet the requirements of Council's Building Inspection Policy as it relates to matters of public safety and to ensure matters of Building Fire Safety remain a priority in terms of compliance audits.		Compliance with Council policy and minimising Council's exposure to risk.
22		Formulate the Animal Management Plan for the forthcoming five year period as required by the Dog and Cat Management Act.	To be commissioned 'in-house' by staff.	Compliance with legislative requirements. Community engagement.
23		Embark on a new methodology for dog registration whereby disks are sent to registered owners along with their re-registration papers.	Initiative covered by appropriate budget allocation.	Improved efficiencies and administration staff time saved on data inputs. Systems improvement.
24		Implement a rigorous public health/food safety/public immunisation awareness promotion to raise the importance of these issues		Improved communications to the region's ratepayers and business proprietors. Minimise the number of reportable offences and

Item	Operational Area	Objective	Measurable Outcome	
			Financial	Non-Financial
		throughout the region.		subsequent appeals.
25		Develop a reporting structure and system for aerobic septic maintenance and carry out a targeted auditing program of aerobic systems region wide.		Minimise risk to public health arising.
26	Infrastructure & Works	Deliver Adopted Sealed and Formed Road Renewal Program	Projects delivered within budget allocation.	Asset service level increased. Reduction in service level complaints received against programmed roads.
27		Implement Customer Action Team Program	Budget Allocation met.	Team implemented. Reduction on service level complaints received. Risk reduced for known or advised infrastructure issues.
31	Business & Governance (Corporate Services)	Review Internal Controls Management System		Compliance requirements met. Appropriate redundancy measurements put in place. Appropriate policy and procedures developed if required.
32		Development & Implementation of ICT Strategy aligned to Systems Review	Budget allocations met.	Strategic document finalised. Systems improvement implemented where identified. Consultation database developed.
33		Review Internal and External Communications Policy and Procedure, Improve as identified		Review of Marketing and Communications policy undertaken. Systems improvement implemented where identified.
34		Refine Customer Request System to support Service Delivery improvement		Systems improvement implemented where identified.
35		Review LINK Library Strategy Plan for next 3 Years Period		Updated Strategic Plan developed and adopted. Action plan developed.
36		Review OHSW systems taking into account workforce planning and business continuity and Emergency Planning matters		Business Continuity and Emergency Plan updated. Systems redundancy planning undertaken.
37		Review Governance Policy and Procedure		Strategy document reviews undertaken in accordance with Legislative requirement. Policy reviews undertaken in accordance with legislative requirement.

Financial Requirements and Summary of Financial Statements

Council's estimated operating income and expenditure for the 2011/2012 financial year is identified in the following graphs. Council rates and separate charges for this financial year are estimated to be \$13.35m. To obtain this level of funding Council will need to increase its general rate income by 8.92%, as compared to the 2010/2011 financial year, in accordance with the proposals adopted as part of its ten year Long Term Financial Plan. The percentage increase takes account of CPI pressures and the growth to Council's assessment base. Budgeted general rate income is set at \$11.07m in the budget.

Loan borrowings of approximately \$2.77m are proposed.

Council's infrastructure focus is maintained with a capital renewal program planned at \$5.01m.

Council is forecasting an operating deficit for the 2011/2012 financial year. This means that not enough revenue is received to cover operating expenditure (including depreciation).

Maintaining operations in deficit means that Council is not deferring current programs and that the revenue received during the year is not sufficient to meet the programs proposed to be delivered.

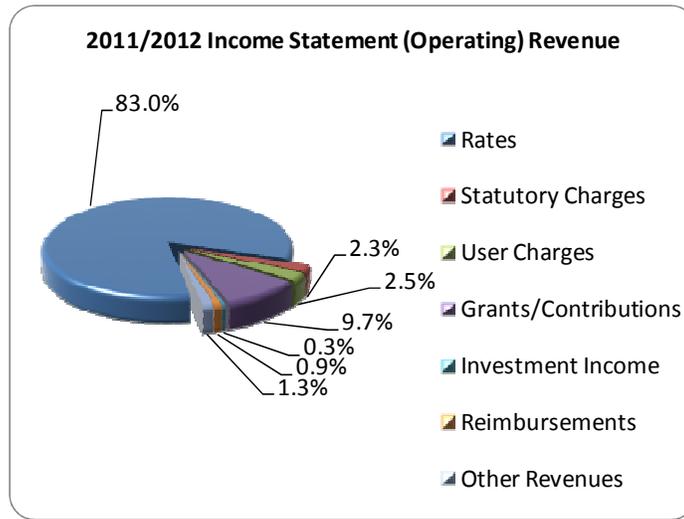
In terms of maintaining infrastructure, the operating deficit also recognises that there is a shortfall of revenue being raised to fund the renewal of Councils' assets. The level of capital renewal does not match the amount of depreciation shown in Council's Statement of Comprehensive Income.

Council will need to review service level provisions against its ability to financially support current and future programs with the expectations of the community.

Long term, as part of its forward strategy, Council plans to decrease the operating deficit and become sustainable through its own revenue, in essence provided through development and maintaining controls on spending (refer to Council's Strategic Plan for the period 2008 to 2018). The operating deficit for the 2011/2012 budget has decreased by \$1.50m on Council's adopted Long Term Financial Plan (LTFP) - (Year 2). This is mainly due to a decrease in depreciation following a revaluation/review process at the end of June 2010, and the inclusion of 3 years of Roads to Recovery income (previously not included in the LTFP).

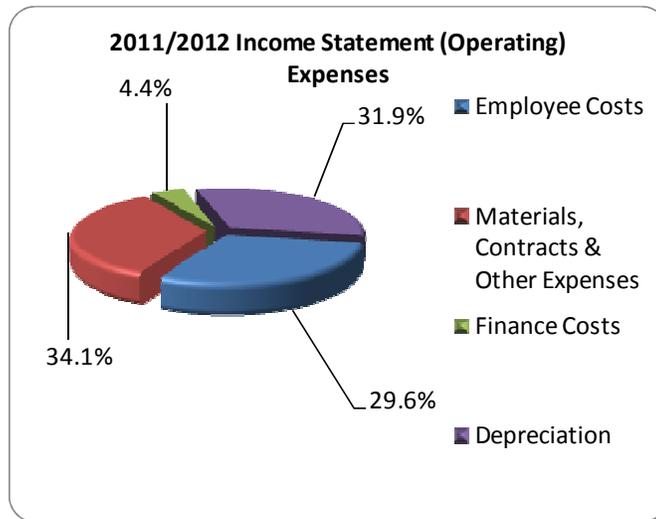
Council is currently reviewing its LTFP during this budget process, as is required following the Council election in November 2010, to take account of any known changes since the original plan's adoption.

The following graph illustrates revenue received by type and is extracted from Council's budgeted Income Statement for the 2011/2012 financial year.



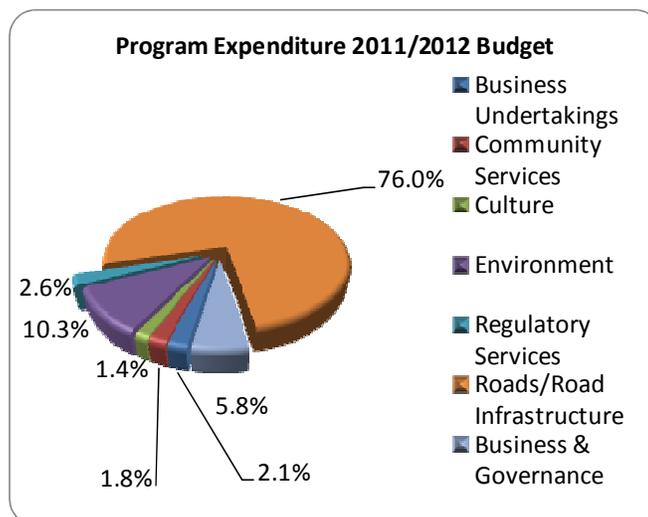
Rates account for 83.0% of Council's revenue followed by Grants and Contributions at 9.7%. Council has a heavy reliance upon rate revenue in comparison to many regional councils.

The following graph illustrates expenditure allocated by type and is also extracted from Council's budgeted 2011/2012 Income Statement.



The major portion of Council's expenditure is allocated to Materials, Contracts and Other - 34.1%, with Employee Costs requiring 29.6% of the budget. Depreciation accounts for 31.9% of operational expenditure.

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



Transport - Roads and Road Infrastructure is the main component at 76%.

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

Operational Area	Project	Expense	% of Budget
Tourism	Kapunda Mine Site (Stage 2) (half project cost dependent on funding)	\$0.065M	1.34%
Tourist & Leisure Park	Disabled access cabin (dependent on funding)	\$0.090M	1.86%
Transport - Roads and Road Infrastructure	Old Adelaide Road, Hawke Street & Tilbrook Street (Roads to Recovery program funded) Resheeting of Formed Roads Sealed Roads Reconstruction Sealed Road Upgrade	\$3.390M	69.95%
Plant and Machinery (net of trade-ins)	Greenock Main Street Upgrade	\$0.500M	10.32%
	Hewett Bike Path (Stage 3)	\$0.050M	1.03%
Equipment/Other		\$0.471M	9.72%
	Total Capital Expenditure	\$4.846M	100.00%

The projected financial statements for the year ending 30 June 2012 follow.

LIGHT REGIONAL COUNCIL			
BUDGETED STATEMENT OF COMPREHENSIVE INCOME			
for the year ended 30 June 2012			
	2010/2011 Adopted Budget	2010/2011 Revised Forecast	2011/2012 Adopted Budget
INCOME			
Rates	12,307,263	11,081,761	13,348,680
Statutory charges	405,617	492,464	376,689
User charges	377,163	432,768	391,978
Other grants, subsidies and contributions	870,893	1,071,026	1,562,689
Investment Income	55,000	361,555	55,000
Reimbursements	31,055	3,010,097	141,413
Other Revenues	471,360	306,799	210,656
Share of profit - joint ventures and associates	0	7,251	0
TOTAL INCOME	14,518,351	16,763,721	16,087,105
EXPENSES			
Employee Costs	5,213,926	4,974,053	5,705,246
Materials, contracts and other services	6,584,986	9,363,140	6,574,183
Finance Costs	828,910	639,049	842,595
Depreciation, Amortisation & Impairment	7,067,516	4,994,679	6,159,877
Share of loss - joint ventures & associates	0	0	0
TOTAL EXPENSES	19,695,338	19,970,921	19,281,901
OPERATING SURPLUS / (DEFICIT)	(5,176,987)	(3,207,200)	(3,194,796)
Asset disposal & fair value adjustments	0	(945,012)	(537,400)
Amounts specifically for new or upgraded assets	1,333,330	5,685,144	327,500
Physical resources received free of charge	0	3,879,876	0
NET SURPLUS (DEFICIT) transferred to Equity Statement	(3,843,657)	5,412,808	(3,404,696)
Other Comprehensive Income			
Changes in revaluation surplus - infrastructure, property, plant & equipment	0	3,616,289	0
Impairment (expense) / recoupments offset to asset revaluation reserve	0	(566,906)	0
Total Other Comprehensive Income	0	3,049,383	0
TOTAL COMPREHENSIVE INCOME	(3,843,657)	8,462,191	(3,404,696)

LIGHT REGIONAL COUNCIL
BUDGETED BALANCE SHEET
for the year ended 30 June 2012

	<i>2010/2011 Adopted Budget</i>	2010/2011 Revised Forecast	2011/2012 Adopted Budget
ASSETS			
Current Assets			
Cash and cash equivalents	9,719,929	178,711	395,738
Trade & other receivables	1,213,460	974,284	967,084
Other Financial Assets	0	0	0
Inventories	55,890	181,556	181,556
	<u>10,989,279</u>	<u>1,334,551</u>	<u>1,544,378</u>
Non-current Assets held for Sale			
Total Current Assets	<u>10,989,279</u>	<u>1,334,551</u>	<u>1,544,378</u>
Non-Current Assets			
Financial Assets	124,690	99,911	99,911
Equity accounted investments in Council businesses	1,508,870	1,506,779	1,506,779
Investment Property	0	0	0
Infrastructure, Property, Plant and Equipment	158,433,370	161,237,372	159,549,819
Other Non-current Assets	1,177,780	3,943,145	3,943,145
Total Non -Current Assets	<u>161,244,710</u>	<u>166,787,207</u>	<u>165,099,654</u>
Total Assets	<u>172,233,989</u>	<u>168,121,758</u>	<u>166,644,032</u>
LIABILITIES			
Current Liabilities			
Trade & Other Payables	9,082,280	2,408,508	2,408,508
Borrowings	1,858,980	1,472,538	1,472,538
Short-term Provisions	199,650	496,390	496,390
Other Current Liabilities	0	0	0
	<u>11,140,910</u>	<u>4,377,436</u>	<u>4,377,436</u>
Liabilities relating to Non-current Assets held for Sale			
Total Current Liabilities	<u>11,140,910</u>	<u>4,377,436</u>	<u>4,377,436</u>
Non-current Liabilities			
Trade & Other Payables	0	0	0
Long-term Borrowings	14,061,850	8,054,548	9,444,118
Long-term Provisions	160,040	300,537	300,537
Other Non-current Liabilities	0	0	0
Total Non-current Liabilities	<u>14,221,890</u>	<u>8,355,085</u>	<u>9,744,655</u>
Total Liabilities	<u>25,362,800</u>	<u>12,732,521</u>	<u>14,122,091</u>
NET ASSETS	<u>146,871,189</u>	<u>155,389,237</u>	<u>152,521,941</u>
EQUITY			
Accumulated Surplus	12,798,869	16,102,302	12,596,163
Asset Revaluation Reserve	131,583,946	134,633,333	135,170,733
Other Reserves	2,488,374	4,653,602	4,755,045
TOTAL EQUITY	<u>146,871,189</u>	<u>155,389,237</u>	<u>152,521,941</u>

LIGHT REGIONAL COUNCIL

**BUDGETED STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2012**

	<i>2010/2011 Adopted Budget</i>	2010/2011 Revised Forecast	2011/2012 Adopted Budget
ACCUMULATED SURPLUS			
Balance at end of previous reporting period	15,567,240	4,243,052	16,102,302
Net Result for Year	<i>(3,843,657)</i>	5,412,808	<i>(3,404,696)</i>
Transfers To Other Reserves	<i>(441,990)</i>	<i>(2,489,355)</i>	<i>(535,519)</i>
Transfers from Other Reserves	1,517,276	8,935,797	434,076
Balance at end of period	<u>12,798,869</u>	<u>16,102,302</u>	<u>12,596,163</u>
ASSET REVALUATION RESERVE			
Balance at end of previous reporting period	131,583,946	131,583,950	134,633,333
Gain on revaluation of infrastructure, property, plant & equipment	0	3,616,289	0
Transfer to Accumulated Surplus on sale of infrastructure, property, plant & equipment	0	<i>(566,906)</i>	537,400
Balance at end of period	<u>131,583,946</u>	<u>134,633,333</u>	<u>135,170,733</u>
OTHER RESERVES			
Balance at end of previous reporting period	3,563,660	11,100,044	4,653,602
Transfers from Accumulated Surplus	441,990	2,489,355	535,519
Transfers to Accumulated Surplus	<i>(1,517,276)</i>	<i>(8,935,797)</i>	<i>(434,076)</i>
Balance at end of period	<u>2,488,374</u>	<u>4,653,602</u>	<u>4,755,045</u>
TOTAL EQUITY AT END OF REPORTING PERIOD	<u>146,871,189</u>	<u>155,389,237</u>	<u>152,521,941</u>

LIGHT REGIONAL COUNCIL
BUDGETED CASH FLOW STATEMENT
for the year ended 30 June 2012

	<i>2010/2011 Adopted Budget</i>	<i>2010/2011 Revised Forecast</i>	<i>2011/2012 Adopted Budget</i>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Investment income	55,000	396,243	55,000
Other operating revenues	14,463,351	13,100,903	16,032,105
Payments			
Finance Costs	(828,910)	(637,134)	(842,595)
Other payments	(11,798,912)	(17,278,864)	(12,279,429)
Net Cash provided by (or used in) Operating Activities	1,890,529	(4,418,852)	2,965,081
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts			
Grants specifically for new or upgraded assets	1,333,330	5,685,144	327,500
Sale of replaced assets	229,600	329,031	537,400
Sale of surplus assets	0	0	0
Sale of investment property	0	0	0
Net disposal of available -for-sale Financial Assets	0	0	0
Sale of real estate developments	0	0	0
Repayments of loans by community groups	7,200	11,178	7,200
Distributions received from associated entities	0	0	0
Payments			
Expenditure on renewal/replacement of assets	(4,674,450)	(1,968,086)	(3,638,747)
Expenditure on new/upgraded assets	(269,600)	(11,937,566)	(1,370,977)
Purchase of Investment Property	0	0	0
Net purchase of available-for-sale Financial Assets	0	0	0
Development of real estate for sale	0	0	0
Loans made to community groups	0	0	0
Capital contributed to associated entities	0	0	0
Net Cash provided by (or used in) Investing Activities	(3,373,920)	(7,880,299)	(4,137,624)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts			
Proceeds from Borrowings	1,983,800	1,276,000	2,772,500
Payments			
Repayments of Borrowings	(1,403,890)	(1,639,599)	(1,382,930)
Repayment of Finance Lease Liabilities	0	0	0
Net Cash provided by (or used in) Financing Activities	579,910	(363,599)	1,389,570
Net Increase (Decrease) in cash held	(903,481)	(12,662,750)	217,027
Cash & cash equivalents at beginning of period	10,623,410	12,841,461	178,711
Cash & cash equivalents at end of period	9,719,929	178,711	395,738

LIGHT REGIONAL COUNCIL

BUDGETED UNIFORM PRESENTATION OF FINANCES for the year ended 30 June 2012

	<i>2010/2011 Adopted Budget</i>	2010/2011 Revised Forecast	2011/2012 Adopted Budget
Income	14,518,351	16,763,721	16,087,105
<i>less</i> Expenses	<u>(19,695,338)</u>	<u>(19,970,921)</u>	<u>(19,281,901)</u>
Operating Surplus / (Deficit) before Capital Amounts	(5,176,987)	(3,207,200)	(3,194,796)
<i>less</i> Net Outlays on Existing Assets			
Capital Expenditure on renewal and replacement of Existing Assets	4,674,450	1,968,086	3,638,747
<i>less</i> Depreciation, Amortisation and Impairment	<u>(7,067,516)</u>	<u>(4,994,679)</u>	<u>(6,159,877)</u>
<i>less</i> Proceeds from Sale of Replaced Assets	<u>(229,600)</u>	<u>(329,031)</u>	<u>(537,400)</u>
	(2,622,666)	(3,355,624)	(3,058,530)
<i>less</i> Net Outlays on New and Upgraded Assets			
Capital Expenditure on New and Upgraded Assets <i>(including investment property & real estate developments)</i>	269,600	3,975,006	1,370,977
<i>less</i> Amounts received specifically for New and Upgraded Assets	<u>(1,333,330)</u>	<u>(5,685,144)</u>	<u>(327,500)</u>
<i>less</i> Proceeds from Sale of Surplus Assets <i>(including investment property and real estate developments)</i>	<u>0</u>	<u>0</u>	<u>0</u>
	(1,063,730)	(1,710,138)	1,043,477
Net Lending / (Borrowing) for Financial Year	(1,490,591)	1,858,562	(1,179,743)

Rating Structure and Policy

Strategic Focus

In proposing its rates for the 2011/2012 financial year Council has considered its Strategic Management Plan 2008 to 2018, the current economic climate, specific issues faced by the community, the budget requirements for the 2011/2012 financial year and the impact of rates on the community – in particular householders and primary producers.

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

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

Method used to value land

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

Council will be adopting the valuations made by the Valuer-General and which are applicable for the financial year commencing 1 July 2011. If a property owner is dissatisfied with a property valuation, then an objection may be made to the Valuer-General in writing, within 60 days of receiving notice of the valuation, explaining the basis for the objection. Further contact details can be obtained from Council's Rates Assessment Officers on (08) 8525 3200.

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

Impact of Rates

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

Financial Year >>>	2009/2010	2010/2011	2011/2012 (Estimate Rate/\$)	2011/2012 (Estimated Revenue)	% Change to Previous Year	% Average Increase per rateable assessment	% of General Rate Revenue	% Revenue shift from Previous Year
				(Week 52)				
Total Capital Valuation	\$2,655,066,020	\$2,843,315,100		\$3,014,528,140	+6.02%			
Number of Rateable Assessments	7,263	7,352		7,422	+0.95%			
General Rate Revenue	\$9,413,470	\$10,163,305		\$11,070,120	+8.92%			
Refuse Collection & Disposal Service Charge	\$912,440	\$958,060		\$1,020,630	+6.53%			
CWMS Service Charge	\$833,850	\$889,190		\$933,850	+5.0%			
NRM Board Levy	\$234,570	\$248,280		\$259,920	+4.69%			
Other Rate Income	\$58,000	\$61,000		\$63,500	N/A			

Rate/\$ Proposals

Residential LUC Rate in the \$	\$0.00343	\$0.003468	\$0.0035763	\$4,685,050	+3.12%	7.70%	42.32%	+0.88%
Commercial Shop LUC Rate in the \$	\$0.0060025	\$0.006069	\$0.0062585	\$100,250	+3.12%	9.91%	0.91%	+0.05%
Commercial Office LUC Rate in the \$	\$0.0060025	\$0.006069	\$0.0062585	\$20,280	+3.12%	12.98%	0.18%	-0.01%
Commercial Other LUC Rate in the \$	\$0.00686	\$0.006936	\$0.0071526	\$660,180	+3.12%	13.35%	5.96%	+0.26%

Financial Year >>>	2009/2010	2010/2011	2011/2012 (Estimate Rate/\$)	2011/2012 (Estimated Revenue)	% Change to values and Rate/\$ on Previous Year	% Average Increase per rateable assessment	% of General Rate Revenue	% Revenue shift from Previous Year
Industrial Light LUC rate in the \$	\$0.0094325	\$0.009537	\$0.0098348	\$75,530	+3.12%	13.52%	0.68%	+0.03%
Industrial Other LUC rate in the \$	\$0.0094325	\$0.009537	\$0.0098348	\$983,180	+3.12%	8.04%	8.88%	-0.29%
Primary Production LUC Rate in the \$	\$0.002744	\$0.0027744	\$0.0028610	\$3,837,580	+3.12%	6.59%	34.67%	-0.70%
Vacant Land LUC Rate in the \$	\$0.0060025	\$0.006069	\$0.0062585	\$466,670	+3.12%	11.90%	4.22%	-0.42%
Other LUC Rate in the \$	\$0.00343	\$0.003468	\$0.0035763	\$241,400	+3.12%	19.92%	2.18%	+0.20%
Minimum Rate	\$625	\$660	\$690		+4.54%			
Service Charges								
Refuse Collection & Disposal Charge (including green waste)	\$235	\$249	\$249					
Refuse Collection & Disposal Charge (not including green waste)	\$149	\$160	\$160					
CWMS Charge (Example shown is for Kapunda System)	\$368	\$379	\$379					
Freeling Sewer (Hanson Street North Estate)	\$348	\$359	\$359					
Greenock Rise CWMS Charge (nominated properties only)	-	\$50	\$50					

Differential General Rates

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

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

Commercial Properties

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

Industrial Properties

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

Primary Production Properties

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

the Council area. In addition, primary production properties have the potential for taxation benefits.

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

In the 2011/2012 budget, Council proposes to raise total general rate related revenue of \$13.35m in a total operating revenue budget of \$16.09m. Land Use is used as the factor to apply differential rates. If a ratepayer believes that a particular property has been wrongly classified by the Council as to its land use, then they may object (to Council) to that land use within 60 days of being notified. A ratepayer may discuss the matter with Council's Rates Assessment Officers, on (08) 8525 3200 in the first instance. Objections may be lodged for land use attributed to property for the purposes of raising council rates. Council will then undertake a system of review.

Minimum Rate

A Council may impose a minimum amount payable by way of rates, provided that it has not imposed a fixed charge. Where two or more adjoining properties have the same owner and are occupied by the same occupier, only one minimum rate is payable by the ratepayer. Where a Council imposes a minimum rate it must not apply to more than 35% of properties in the Council area.

In 2011/2012 Council proposes to impose a minimum rate of \$690 which will affect 944 (12.72%) 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 2011/2012 totalling \$259,920 (*as per Ministerial Gazettal notice 2 June, 2011*).

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 2011/2012 financial year is budgeted to be \$0.93m. Council recovers this cost through various means including the imposition of a service charge of \$359 per unit for Freeling Hanson Street North Estate and \$379 per unit for all other properties where the service is available. Some nominated properties at the Greenock Rise subdivision will be charged an amount of \$50 per unit. Where the service is provided to non-rateable land, a service charge is levied against the land.

The Council also provides a refuse collection service inclusive of recycling collections within the townships of Kapunda, Freeling, Hewett, Greenock, Roseworthy and Wasleys. The service is also provided to those ratepayers in Council's area that are able to access the service along the designated collection routes. The full cost of operating and maintaining this service for 2011/2012 is budgeted to be \$1.02m. Council proposes to recover this cost through a service charge of \$249 for each property within the designated 3 bin service area (ie. collection of domestic, recyclable and green organic refuse); and through a service charge of \$160 for each property within the designated 2 bin service area (ie. collection of domestic and recyclable refuse only). Where the service is provided to non-rateable land, a service charge is levied against the land.

In May 2011 Council adopted changing the existing 3 Bin collection service currently provided to a section of Gawler Belt, Buchfelde and Ward Belt, to a 2 Bin collection service for the 2011/2012 financial year onwards.

Rate Concessions

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

Self Funded Retiree Concession

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

Unemployed Persons Concessions

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

Payment of Rates

Under Section 181 of the Local Government Act 1999, Council must provide the opportunity for all ratepayers to pay rates by quarterly instalments. Council payment dates proposed in the 2011/2012 financial year will be 16 September 2011, 9 December 2011, 9 March 2012 and 8 June 2012.

Late Payment of Rates

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

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

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

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

Remission and Postponement of Rates**Postponement of Rates - Hardship**

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

Seniors Rate Postponement

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

Rebate of Rates

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

Discretionary rebates may be applied by the Council under Section 166 of the Act. Council annually considers many applications for rate rebates and has in the past, and is again for the 2011/2012 financial year, proposing to rebate rates charged to various district community and sporting organisations.

Sale of Land for Non-Payment of Council Rates

The Local Government Act 1999 provides that a Council may sell any property where the rates have been in arrears for three years or more. The Council is required to notify the principal ratepayer and the owner (if not the same person) of the land of its intention to sell the land and provide the owner with details of the outstanding amounts. If payment of the outstanding amount is not received within one month the property may be sold. Except in extraordinary circumstances, the Council enforces the sale of land for arrears of rates.

Disclaimer

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

Financial Impacts of Infrastructure Management

Council has previously adopted the following key financial targets:

Indicator 1 – Operating Surplus

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

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

Indicator 2 – Operating Surplus Ratio

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

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

Indicator 3 – Net Financial Liabilities

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

Indicator 4 – Net Financial Liabilities Ratio

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

Indicator 5 – Interest Cover Ratio

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

Indicator 6 – Asset Sustainability Ratio

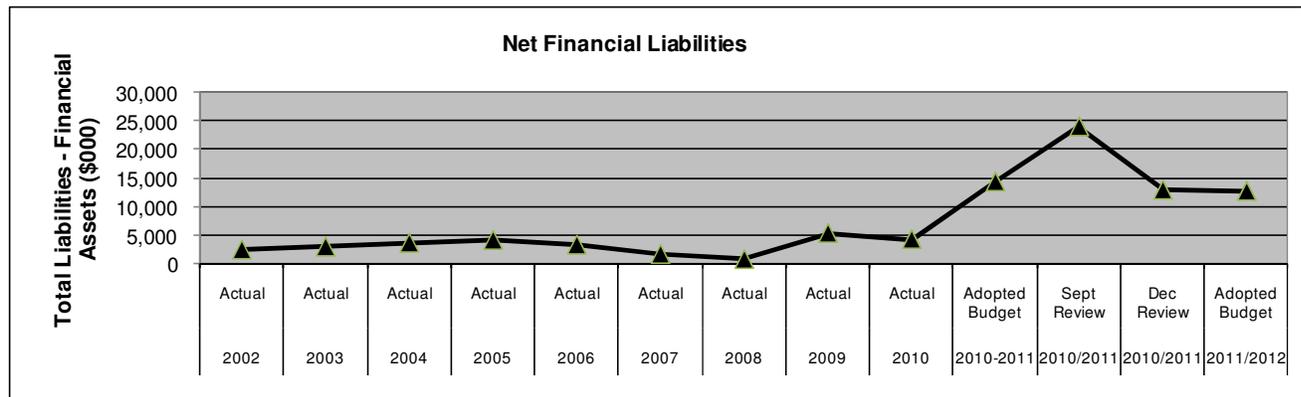
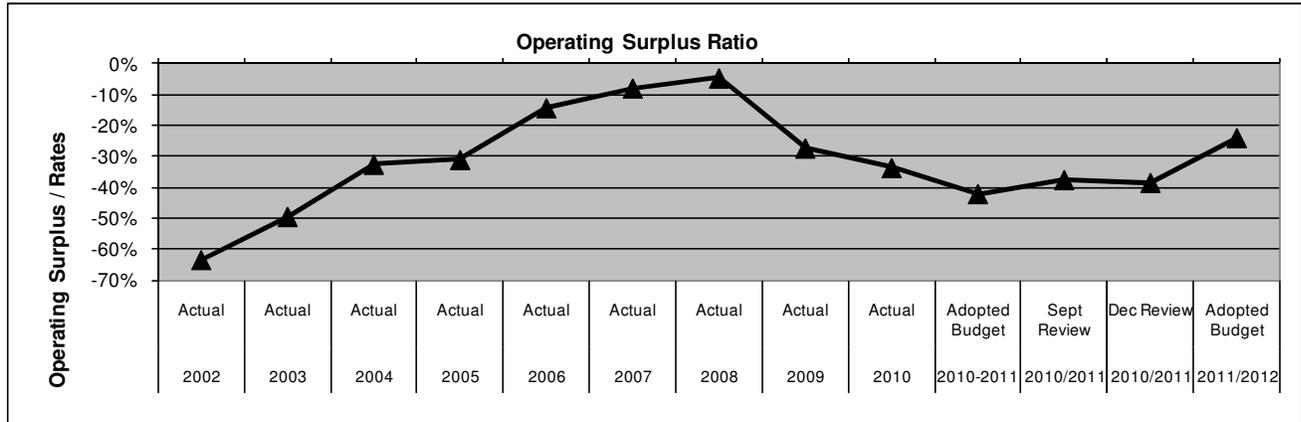
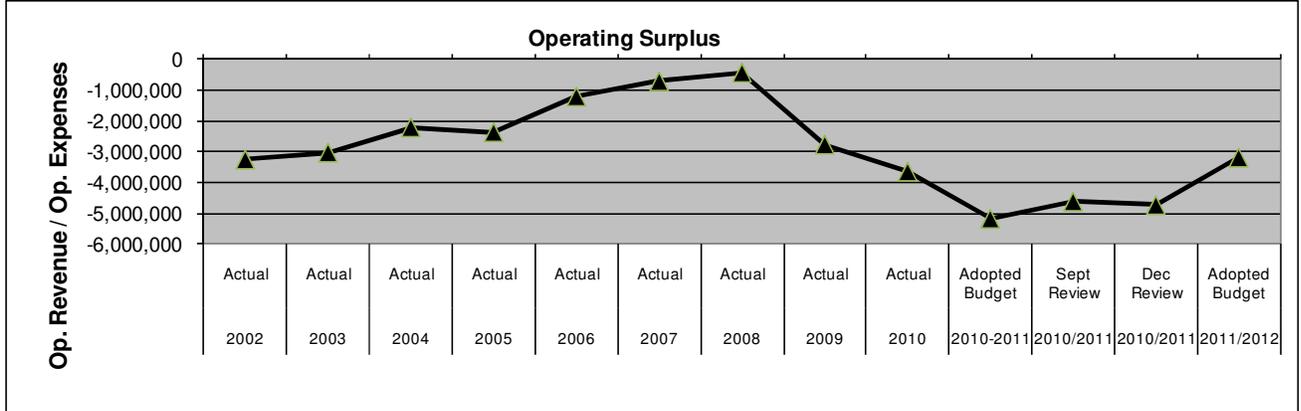
Long Term, that Council's outlays on renewing or replacing assets equal or are better than the rate of annual depreciation of assets over a rolling three year period.

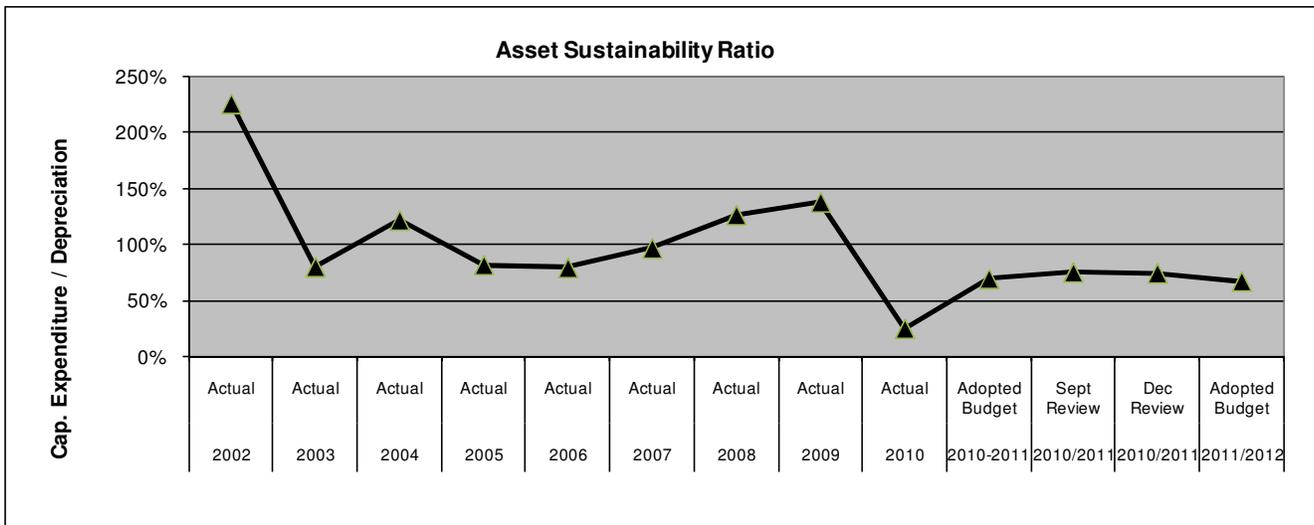
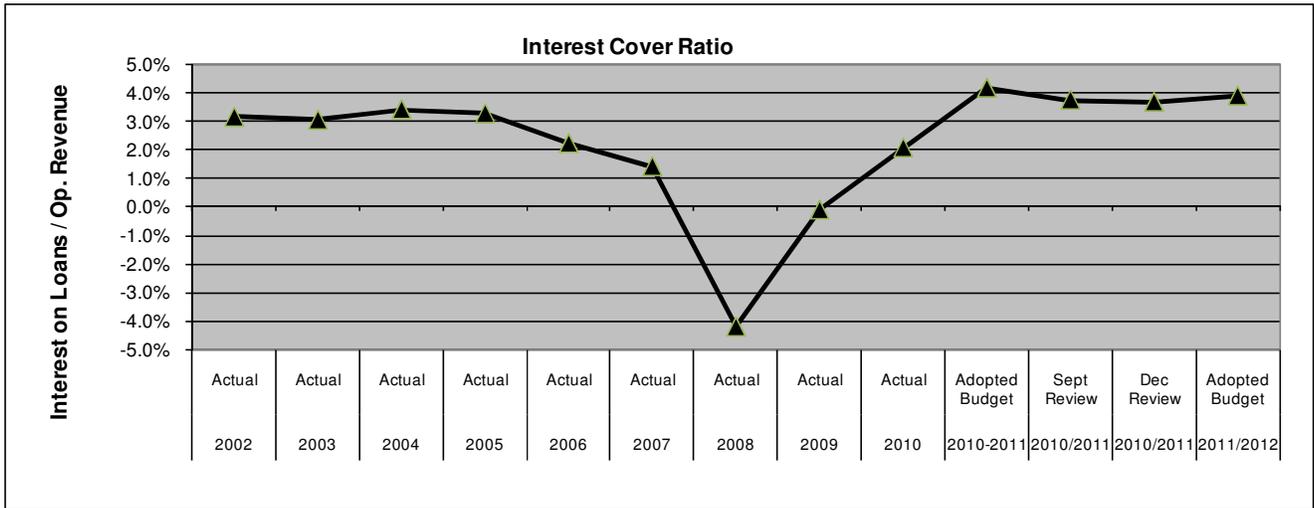
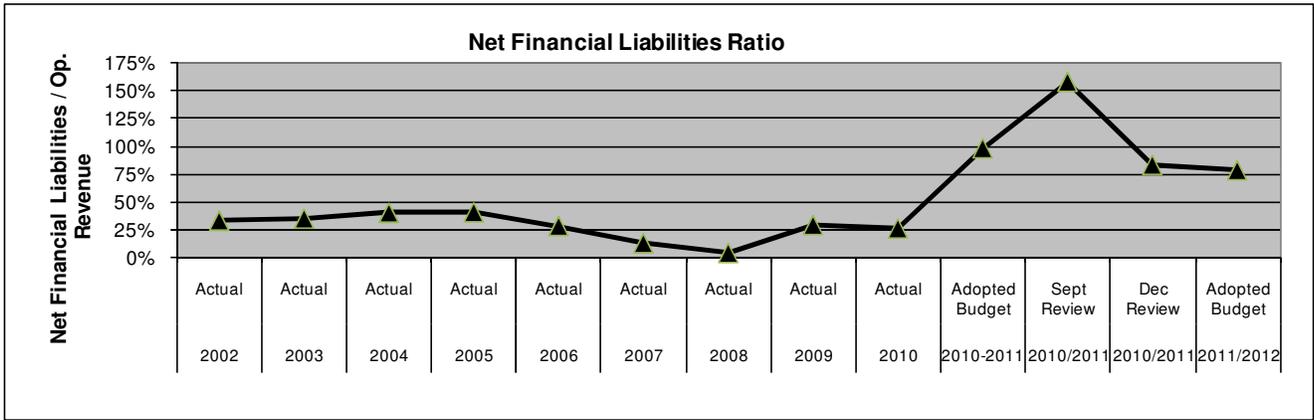
Short Term; that Council aim to increase the ratio by 10% per annum for the next three financial years.

It should be noted that the above indicators need to be reviewed, and Indicator 1 and 2 (operating surplus) will not be met by 30 June 2012. A review of Council's adopted Long Term Financial Plan 2010/2011 to 2019/2020 is currently being done and this will include updating the above key financial targets.

Local Government Financial Indicators

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2010-2011	2010/2011	2010/2011	2011/2012
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Adopted Budget	Sept Review	Dec Review	Adopted Budget
Indicator 1. Operating Surplus	-3,260,978	-3,026,602	-2,214,874	-2,369,985	-1,214,883	-722,154	-437,982	-2,769,834	-3,647,110	-5,176,987	-4,617,787	-4,737,077	-3,194,796
Indicator 2. Operating Surplus Ratio	-63.45%	-49.45%	-32.56%	-31.03%	-14.30%	-7.90%	-4.63%	-27.31%	-33.67%	-42.06%	-37.52%	-38.45%	-23.93%
Indicator 3. Net Financial Liabilities	\$000	2,384	2,921	3,594	4,096	3,256	1,635	731	5,302	4,236	14,305	23,975	12,863
Indicator 4. Net Financial Liabilities Ratio		33.57%	35.40%	40.69%	41.09%	28.82%	13.37%	4.72%	29.76%	26.66%	98.53%	158.09%	83.57%
Indicator 5. Interest Cover Ratio		3.16%	3.06%	3.42%	3.28%	2.24%	1.43%	-4.17%	-0.09%	2.08%	4.17%	3.76%	3.68%
Indicator 6. Asset Sustainability Ratio		225.57%	80.41%	121.97%	82.14%	79.81%	97.08%	126.73%	138.11%	25.56%	69.95%	75.78%	67.80%





Commentary on Financial Impacts

Council's budget deficit in 2011/2012 financial year is the result of operating expenses of \$19.28m funded by operating income of \$16.09m. Proposed rate revenue income has been budgeted at \$13.35m.

Council's budgeted balance sheet displays net assets of \$152.52m which included capital works of \$5.01m funded by a combination of rate revenue, grant funding, developer contributions and loan funds. Council has budgeted to borrow \$2.77m for its regular annual capital expenditure program.

Commentary on Financial Indicators

Indicators 1 and 2 - Council will meet its target reduction of \$300,000 decrease to the operating deficit in 2011/2012 compared to the 2010/2011 budget. Council's adopted Strategic and Long Term Financial Plans will be reviewed during the 2011/2012 financial year.

Indicators 3 and 4 - Net Financial Liabilities shows an amount of approximately \$12.66 million. This equates to a Net Financial Liabilities Ratio of 78.69%. This indicator is within the target limit set by the Audit Committee of being equal to or less than the value of operating revenue.

Indicator 5 - Interest Cover Ratio shows that Council has budgeted to use 3.90% of its operating revenue (less investment income) in paying interest on its loans. The target set by Council's Audit Committee for this indicator is less than 10% of the operating revenue, which is comfortably achieved.

Indicator 6 - Asset Sustainability Ratio shows that Council has budgeted to outlay an amount on renewing and replacing assets which is 67.8% that of its annual budgeted depreciation of \$6.16 million. The target set by Council's Audit Committee was that Council outlay an amount equal to or better than the rate of annual depreciation and in the short term this ratio be increased by 10% per annum. While not meeting this target, it should be noted that Council is directing its Roads to Recovery grant funding toward upgrading infrastructure assets (not renewal).