



**2014/2015**

**Annual Business Plan, Budget and Long  
Term Financial Plan (2015 to 2024)**

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## Overview

### Opening Commentary from the Mayor and Chief Executive Officer

The Annual Business Plan (ABP) outlines the services, programs and projects Council proposes to deliver in the 2014/2015 financial year. It details key objectives which are aimed at continuous improvement in providing efficient service for the community and deliver significant infrastructure projects and 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 2013 to 2017 provides the framework of the ABP. As 'a guiding document' the plan identifies opportunities and issues concerning growth in the Council region, while placing sufficient emphasis on services and programs fundamental to local government.

### Strategic Plan

Population growth in the Light Regional Council area continues to be higher in comparison to the State average. Growth underpins Council's emphasis on sustainable development, adding quality infrastructure to the region. Council's strategy aligns to the South Australian State Strategic Plan and the projects undertaken by partnering consortiums such as the Wakefield Group and the Barossa regional group of Councils.

Our plan acknowledges that the provision of fundamental services is vital whilst placing importance on the development or upgrade of appropriate infrastructure to manage the projected growth predicted to occur within the Council region in future years. Council's Urban Planning strategy is pivotal to the Plan as Council needs to ensure effective infrastructure handover occurs within new developments.

The State Government's Planning Strategy including the 30 Year Plan for Greater Adelaide, has helped shape Council's direction together with other legislative requirements. The State Government's Plan indicated that Roseworthy is an area of interest for significant urban development in the future. While the proposed shape of this development is changing through announcements by State Government, it continues to dominate Council's strategic planning. A focus on 'Growth, Reform and Discipline' to attain sustainability will continue. Developments will be considered on economic, social and environmental merits and project due diligence will include financial sustainability assessments.

Council's long term financial plan for the period 2014/2015 to 2023/2024 has been reviewed. A detailed four year program has been proposed to guide Council in its immediate operations, albeit the budgeting process is an annual event. The plan seeks to maintain focus on:

- increase productivity;
- improve use of technology;
- use quality materials to increase the life of council's assets;
- align any additional resources to financial strategies;
- review expenditure to contain costs;
- partnering; and
- Investigation of additional sources of revenue.

### Annual Objectives

Council will continue to consolidate its suite of core documents, being the Long Term Financial Plan, Infrastructure and Asset Management Plan and Strategic Management Plan to include the latest strategies and plans for our state and region, and to ensure that the documents remain integrated.

Council's Annual Business Planning process is an opportunity to re-evaluate 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, approximately \$4m is allocated to capital works programs;
- increasing community participation in Council events and activities, improving communication and community engagement, township planning and community engagement/empowerment programs are included in Council's Annual Plan;

- maintaining and improving open space with Council's budgeted maintenance programs;
- Supporting economic development in the region through support and membership of local and regional governance and development organisations. Council has recently created its Economic Development Panel to enhance its capability in this space. Council will maintain its input into the "Barossa Belt" regional strategies which are being developed in conjunction with The Barossa, Gawler and Mallala Councils and in association with State Government agencies; and
- Maintaining our natural resources by continuing support toward various biodiversity initiatives.

Council will again be seeking funding for Samuel Road upgrade and will be implementing the additional stages of the safety enhancements for the Kapunda Mine Site.

The Gawler River Water Project will continue to be Council's primary water project in addition to the update of the Township Stormwater Management Plans (SMP) in accordance with the Stormwater Management Authority (SMA) Guidelines. Consolidating Council's various development planning strategies and policy will be attended to with the conduct of various Development Plan Amendments and studies throughout the year.

Council's road infrastructure program proposed for 2014/2015 retains a capital works focus with more than \$2.8m being planned to be spent on renewal, upgrade projects and roads to recovery initiatives. Improvement to infrastructure will occur via delivery of programs in adopted sealed and formed road renewal, transport maintenance, land and building maintenance and community wastewater management system (CWMS) maintenance programs.

In the year ahead Council will continue to strengthen communication and engagement with all sectors of the community, business and government focusing on increasing benefits for our region. In particular we look to liaise with our neighbouring councils for joint initiatives, where practicable, and continue to pursue best practice in all areas of our operations. We will strive to find a balance in our decision making between social, cultural, economic and environmental issues to ensure our region has a vibrant, sustainable future.



Bill O'Brien, Mayor



Brian Carr, Chief Executive Officer

### State Legislation

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

- 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.

These requirements ensure that Council maintain a strategic focus on infrastructure and financial planning delivery during the deliberations over its operations. Council current Strategic Plan covers the period 2013 to 2017.

## 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 must release a draft version of the Annual Business Plan and Budget for a period of public consultation with its community in relation to its contents.

For this financial year, the period of public consultation commenced on Wednesday, 4 June 2014. Public notices appeared on Council's web-site [www.light.sa.gov.au](http://www.light.sa.gov.au) from that date while notices appeared in the newspapers generally circulating within Council's region in the Wednesday, 4 June 2014 editions of The Bunyip, The Leader and the Barossa & Light Herald Newspaper.

A public meeting was held on Tuesday, 24 June 2014 commencing at 7.00 pm at the Kapunda Council Chambers, 93 Main Street, Kapunda, where Council received submissions and questions from the community in relation to its 2014/2015 and long term financial plan proposals. The session was held as part of Council's monthly meeting.

The public consultation period concluded at the close of business (5.00pm) on Wednesday, 25 June 2014.

A subsequent report was presented to Council at a special meeting held on Tuesday, 15 July 2014 in order that matters arising out of the public consultation period could be reviewed and considered by the Council. The Annual Business Plan and Budget were adopted at Council's meeting held on Tuesday, 22 July 2014.

Copies of this document are available on Council's website at [www.light.sa.gov.au](http://www.light.sa.gov.au) and at Council's offices and libraries. Submissions could have been made via forms located on Council's website, lodged electronically to Council's email address: [light@light.sa.gov.au](mailto: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.

## General Information

### Grants Commission Statistics

Council receives an annual allocation of tied and untied grants commission grants through the Federal and State Governments. This revenue source accounts for approximately 6% of Council's operating revenue. Council's access to revenue streams other than grants and rate revenue is limited placing a 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	2008/09 Actual Allocation	2009/10 Actual Allocation	2010/11 Actual Allocation	2011/12 Actual Allocation	2012/13 Actual Allocation	2013/2014 Actual Allocation	2014/2015 Estimated Allocation
General Purpose Financial Assistance	\$242,802	\$248,514	\$264,692 <sup>1</sup>	\$279,260	\$285,058	\$293,945	\$293,945 <sup>1</sup>
Identified Local Road Entitlement	\$320,276	\$330,699	\$354,681	\$373,344	\$381,724	\$397,312	\$397,312 <sup>1</sup>
<b>Total Allocation</b>	<b>\$563,078</b>	<b>\$579,213</b>	<b>\$619,373</b>	<b>\$652,604</b>	<b>\$666,782</b>	<b>\$691,257</b>	<b>\$691,257</b>
Plus/(Less) adjustment on the previous year	\$6,274	(\$3,372)	\$8,649	\$2,674	(\$15,899)	(\$1,768)	0
Special Local Roads Program	\$0	\$0	\$0	\$0	\$0	\$0	0
Additional Supplementary Local Road Funding to SA Councils	\$144,542	\$150,089	\$158,882 <sup>*2</sup>	\$166,892 <sup>2</sup>	\$173,863	\$184,121	0 <sup>2</sup>
<b>Total Grant</b>	<b>\$713,894</b>	<b>\$725,930</b>	<b>\$786,904</b>	<b>\$822,170</b>	<b>\$824,746</b>	<b>\$873,610</b>	<b>\$691,257</b>

\*1 – The Federal Government announced as part of its 2014/2015 Budget that the indexation of Grants Commission grants would be frozen for three financial years commencing with the 2014/2015 financial year.

\*2 – The Federal Government announced as part of its 2014/2015 Budget that the Supplementary Local Road Funding program grants to South Australian councils would cease from 1 July 2014.

Council has lodged an application under the Special Local Roads Program for 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 2004	11,922 + 3.8%
	Estimated at 30 June 2005	12,325 + 3.4%
	Estimated at 30 June 2006	12,680 + 2.9%
	Estimated at 30 June 2007	12,994 + 2.5%
	Estimated at 30 June 2008	13,138 + 1.1%
	Estimated at 30 June 2009	13,464 + 2.5%
	Estimated at 30 June 2010	13,788 + 2.4%
	Estimated at 30 June 2011	13,984 + 1.4%
	Estimated at 30 June 2012	14,243 + 1.9%
	Estimated at 30 June 2013	14,459 + 1.5%

The population growth of the council region, which is above the State average, over time by percentage, ranks Council as one of the faster growing local government authorities in the State.

Road Length Council has a total of **1,458 kilometres of road\*** within its area. Road types are:

Sealed Roads in Built Up Areas	77 kms
Sealed Roads in Non Built Up Areas	94 kms
Unsealed Roads in Built Up Areas	23 kms
Unsealed Roads in Non Built Up Areas	1,207 kms
Unformed	57 kms

\*(as at 30/6/2013, reference LGGC return for 2012/2013)

Development Applications The number of New Developments and Additions processed for the 2012/2013 period was 444 (for the 2011/2012 period, applications numbered 481).

### 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 30/6/2009	Number of Employees at 30/6/2010	Number of Employees at 30/6/2011	Number of Employees at 30/6/2012	Number of Employees at 30/6/2013	Number of Employees at 30/6/2014
Infrastructure & Works	25	25	23	30	26	25
Development & Regulatory Services	13	15	15	15	13	13
Business & Governance	25	29	17	17	19	18
Strategy, Projects & Engineering)			11	10	12	11
Information Services	10	12	11	11	10	9
<b>Total Staff</b>	<b>73</b>	<b>81</b>	<b>77</b>	<b>83</b>	<b>80</b>	<b>76</b>

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

## Assessment of 2013/14 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 2013/2014 Annual Business Plan various activities by which it intended to measure its performance for the year.

An updated position (as at May, 2014) is presented in regard to the Objectives that were planned at the adoption of the 2013/2014 Annual Business Plan.

Operational Area		STATUS update at May, 2014	Strategic Management Plan (SMP) Reference		Measureable Outcome 2013/2014	
Department	Objective		SMP Category Item (3.3)	SMP Focus Item (3.4)	Financial	Non-Financial
Strategy, Projects & Engineering	Review and develop a community communications strategy	COMMENCED. Draft prepared by Council's Principal Project Planner for discussion and refinement.	3.3.6	3.4.4/3.4.7	Delivered within budget	An Light Regional Council Community Communication Plan outlining a variety of community engagement methods
Business & Governance	Develop and implement a schedule of review for Council's policies, procedures and by-laws	COMPLETED. Process implemented. Team's approach development following a staged process with set review timeframes. Policies feeding through to Council meetings. Measureable outcome being achieved.	3.3.6	2.4A i)	Delivered within budget	Up to date policies, procedures and by-laws
Business & Governance	Develop and implement ICT Strategy	COMMENCED. Short term strategy developed (12 months plan) and being implemented. Mid-term and long term strategies to be developed with detail amendments being made to or added to Council's Long Term Financial Plan. System improvements occurring.	3.3.2/3.3.6	2.4A ii)/ 3.4.1	Delivered within budget	Delivery of effective IT systems across Council
Business & Governance	Complete the implementation of the EDRMS, InfoXpert across Council	COMPLETED. Core EDRMS implemented, future enhancements to the InfoXpert system will be regarded as operational and not form part of ABP and Strategic documents unless significant projects are identified. Measureable outcome being achieved.	3.3.6	2.4A i) /2.4A ii)/ 3.4.1/3.4.5	Delivered within budget	An effective electronic records management system for efficient access to Council records
Business & Governance	Undertake IT Network Hardening and establish a disaster recovery plan	COMMENCED. Strategy being implemented in line with 2013/2014. System improvements and redundancy measures occurring.	3.3.6	2.4A ii)/3.4.1	Delivered within budget	Light Regional Council Disaster Recovery Plan

Developmt & Regulatory Services	Develop additional on line systems to offer additional services to the community	<p><b>COMMENCED, ONGOING</b></p> <p>While the on line electronic lodgement of DAs has been deferred pending the outcome of the Expert Panel on Planning Reform's recommendations, other initiatives have commenced.</p> <p>The Development Application Register is now complete and will be an on line tool for people accessing critical information pertaining to DAs.</p> <p>Council has also endorsed the Access to DA documentation Policy which now also may be viewed and accessed on line.</p> <p>Fire permits – people seeking to notify of their intent to burn may now do so via our internet as opposed to telephone or emailing.</p> <p>Immunisation – staff have back scanned records to 2009 and this now makes it more efficient to access records for families and medical practitioners seeking clarity on immunisation history.</p>	3.3.6	3.4.4/3.4.5	Delivered within budget	<p>Improved productivity and expanded on line service delivery for the community</p> <p>Establishment of electronic Development Application (eDA) Process.</p> <p>Reduction of DA Processing Timeframes</p>
All Departments	Implement QA Framework	<p><b>DEFERRED.</b></p> <p>For future consideration, envisaged as part of CAMMS rollout across the organisation. However Council employees have commenced reviewing procurement activities in accordance with ARC BLUE project being developed in conjunction with LG Procurement.</p>	3.3.6	3.4.1/3.4.5 /3.4.6	Programmes are carried out within the existing budget allocations.	A relevant programme plan is developed and implemented in line with LG Excellence Programs.
Business & Governance; Strategy, Projects & Engineering; and Infrastructure & Works Departments	Asset Delivery at Reduced Life Cycle Cost	<p><b>COMMENCED, ONGOING.</b></p> <p>Asset lifetime and depreciation review reports considered by Internal IAMP committee and Council's Audit Committee at March 2014.</p>	3.3.6	3.4.1/3.4.5	Services and programs offered are carried out within adopted budget.	Whole of Life Operational and Maintenance Costs calculated for every asset acquired and input into Council's Long Term Financial Plan review.
Business & Governance	Develop and implement an annual Library Services' programme plan which is relevant to the community.	<p><b>DEFERRED.</b></p> <p>LINK Partnership future regional approach resource sharing arrangements following One Card Library System implementation yet to be reviewed as no appropriate projects yet to hand.</p> <p><b>COMMENCED.</b></p> <p>Review of the adopted Library Business Plan has been updated, yet to be considered by management group prior to reporting to council.</p> <p><b>COMMENCED.</b></p> <p>E-resource component of library service will be discussed as part of the Library Service Business Plan review. Strategy for implementing additional e-resources will follow after adoption of the revised Business Plan.</p>	3.3.6 and 3.3.7	3.4.6	Programmes are undertaken within adopted budget.	<p>Expand the LINK partnership beyond sharing a library management system and other resources has been developed and implemented.</p> <p>Progress Adopted Library Services Management Plan within adopted timeframe.</p> <p>Increase in usage of library e-resources and expansion of access to resources state-wide.</p>
Business & Governance	Implementation of Library service literacy services that reflect the demographic of the Light Regional Council.	<p><b>COMPLETED.</b></p> <p>Customer survey undertaken across Council's region. Data has been collated; outcomes are to be integrated into Business plan discussed above. Outcomes reported to Council at its April 2014 meeting.</p>	3.3.6	3.4.4	The system is implemented within budget allocation.	Improved communities access to library resources state-wide

Business & Governance	Implementation of the state wide One Card Library Management System	<p>COMPLETED Workforce plan for library service developed aligning to corporate guidelines.</p> <p>COMMENCED Refer Library Service Business Plan comment.</p> <p>COMMENCED - ONGOING. Licencing issues around reporting features of One Card Library System apply. Reporting formats are available, additional council reporting to be developed. Future operational matter which will not be shown in the ABP document.</p>	3.3.2/3.3.3 and 3.3.6	2.4(A) ii, iii, v / 3.3.6 and 3.4.1	<p>Improved financial efficiencies through decreased service support costs</p> <p>Engage staff where there are identified gaps and within budget expectation</p>	<p>Prepare workforce plans for aligned to corporate plans</p> <p>Develop and implement an e-Resources program for library users</p> <p>Ability to measure productivity gains and improved reporting ability</p>
Business & Governance	Undertake and implement a workforce plan utilising the LGA workforce planning project framework - explore resource sharing opportunities	<p>COMPLETED. Resource sharing opportunities are being pursued. Resource sharing opportunities being further explored with neighbouring councils.</p>	3.3.2	2.4A iii)	<p>Measured staff increases aligned to requirements and available funding.</p> <p>Service costs maintained or decreased.</p>	<p>Where relevant and viable Implement Resource sharing arrangements across service areas and Council areas.</p> <p>Effective management of labour resources</p>
Business & Governance	Implement and utilise CAMMS performance management system	<p>COMMENCED. Planning and implantation phase of CAMMS project currently occurring, LRC strategic direction input, further refinement requirement prior to implementation of live product in 2014/2015. Concentrating on Inter-Plan product incorporating Council's strategic plan and objectives, WHS Plan, etc.</p>	3.3.6	2.4A ii)	<p>Delivered within budget</p>	<p>Monitoring and review of established KPI's to facilitate continuous improvement</p> <p>Improved efficiency in delivering Council's objectives</p>
Strategy, Projects & Engineering	Improved Asset Reporting including linking relevant CRM's , information in InfoXpert, financial costing's to asset groups	<p>COMPLETED. Steady system and process improvement occurred throughout the financial year.</p>	3.3	3.4.5	<p>Improved ability to accurately cost assets and associated depreciation</p>	<p>Improved maintenance programs and asset management rating</p>
Business & Governance and Strategy, Projects & Engineering Departments	Develop Asset and Financial Model	<p>COMPLETED. Model finalised and released across local government sector by LGA..</p>	3.3	3.4.5	<p>Update LTFP estimated budgetary allocation</p>	<p>Improve Council's Asset Sustainability Ratio forecast</p>
Strategy, Projects & Engineering and Infrastructure & Works Departments	Complete CapEx Program for 4 & 8 Year Periods	<p>COMPLETED. Multiple scenarios across 4, 8, and 20 years modelled through IAMP analysis.</p>	3.3.4	3.4.5	<p>Update LTFP estimated budgetary allocation</p>	<p>Improve Council's Asset Sustainability Ratio forecast.</p> <p>Establish project plans for future works programs and budgets</p>
Strategy, Projects & Engineering	Develop IAMP (Version 3)	<p>SUBSTANTIALLY COMPLETED. Version 3 set for public consultation in the near future,.</p>	3.3.2 & 3.3.6	3.4.5 & 3.4.1	<p>Update LTFP estimated budgetary allocation</p>	<p>Improvement to asset data and planning.</p>

Strategy, Projects & Engineering and Infrastructure & Works Departments	Refine standards (infrastructure) schedule and review against LG Finance + Economic Model	COMPLETED. Standards reviewed by staff every 2 to 3 years. Most recent update gave consideration to LG Financial model.	3.3.6	2.4Ai)/ 2.4Aii)/ 3.4.1		Improved and collate standard procedures to capture corporate knowledge and ensure compliancy with industry standards and best practice.
Business & Governance and Strategy, Projects & Engineering	Review Population Projections & adjust Financial Model	COMMENCED, internal financial reports being developed, LTFP assumptions drafted and ready for internal review. Population projections yet to be reviewed.	3.3.6	2.4Aii)	Update LTFP estimated budgetary allocation	Improve Financial Reporting.  Update LTFP Assumptions for future accuracy of the plan and budgets.
Business & Governance	Implement Deloitte internal control system	COMMENCED Significant Long Term Rates debtor project being undertaken with positive outcomes being achieved, various reports already submitted to Council.  COMPLETED. Deloitte/LGA Internal Controls project overviewed with operational training for the HR & Governance Manager and Finance Manager completed.  COMMENCED. Schedule of compliancy commitments developed commencing with assessment of core functions across finance, procurement and asset management.	3.3.2	2.4Av)	Reduced amount of non-recoverable debt recorded on Council's balance sheet	Improved debt recovery procedures  Ensure internal control systems achieve external audit compliance.  Develop and implement a schedule of Council's annual legislative commitments to facilitate systematic integration across Council to ensure external review and compliancy.
Business & Governance	Integrate the use of the BIS financial reporting system across Council	COMMENCED. Internal financial reporting enhancements through BIS currently being developed.	3.3.6		Management of finances within budget constraints	Improvement to financial reporting systems internally and externally.
Business & Governance	Develop and implement strategy and procedures to reduce non-recoverable debt	COMMENCED. Program tasks implemented recovery of debt, formal documentation on process to be developed. LGA Section 184 and 185 processes being implemented. Section 184 (sale of land for non-payment of Council rates) implemented, sale date 28 May 2014 on a number of properties concerned. Awaiting Ministerial response prior to formally progressing further with the section 185 process.	3.3.2 & 3.3.6		Improved balance sheet	Systematic approach to debt recovery
Business & Governance and Development & Regulatory Services Departments	Fee Recovery Model - to offset staff time in undertaking inspections on privately certified structures	NOT YET COMMENCED.	3.3.2 & 3.3.6		Improved operating statement position	Systematic approach to debt recovery in compliancy with development regulations.
Strategy, Projects & Engineering and Infrastructure & Works	Samuel Road Upgrade (Funding dependent)	COMMENCED. Funding application prepared and submitted, however was unsuccessful to fund delivery of the entire upgrade. Works being undertaken at Seppeltsfield and Samuel Road Intersection through alternative funding source.	3.3.3 / 3.3.4	3.4.1 / 3.4.4 / 3.4.5	Capital project delivered with Government funding assistance	Further development of assets to meet requirements of Barossa Valley Transport Strategy

Strategy, Projects & Engineering	Kapunda Town Centre DPA	COMMENCED. Statement of Intent endorsed by Council. Ministerial endorsement received May, 2014. Preparation for DPA proceeding.	3.3.1	3.4.1 / 3.4.2 / 3.4.3 / 3.4.5 / 3.4.6 / 3.4.7		Introduction of appropriate planning strategy.  Public Consultation Undertaken.
Strategy, Projects & Engineering	Barossa Protection DPA	NOT YET COMMENCED. Awaiting instructions to proceed from State Government.	3.3.1	3.4.1 / 3.4.2 / 3.4.3 / 3.4.5 / 3.4.7		Introduction of appropriate planning strategy.  Public Consultation Undertaken.
Strategy, Projects & Engineering	Townships Review and Scale/ Services Assessment	COMMENCED. Township Futures project brief released to select firms for expression of interest/tender to cover Freeling and Kapunda collectively in 2014/2015 financial year rather than separate annual projects.	3.3.2	3.4.1 / 3.4.2 / 3.4.3 / 3.4.6 / 3.4.7		Introduction of appropriate planning strategy.  Public Consultation Undertaken.
Strategy, Projects & Engineering	Rail Services to Roseworthy Garden Town (RDAF Rnd 4)	NOT COMMENCED. Large scale project of Growth of Roseworthy not being pursued by State Government meaning that the rail services are unlikely in the short to medium term.	3.3.3 / 3.3.4 / 3.3.5 / 3.3.6	3.4.1 / 3.4.3 / 3.4.4 / 3.4.5 / 3.4.6	Project funding achieved	
Strategy, Projects & Engineering	Hewett Shared Use Path Extension/ Upgrade (RDAF Rnd 3)	COMMENCED. Funding re-secured after change of Federal Government. Funding agreement for council consideration May 2014. Project delivery to follow.	3.3.3 / 3.3.4	3.4.1 / 3.4.3 / 3.4.4 / 3.4.5 / 3.4.6	Project funding achieved	Infrastructure extended to service community access.
Strategy, Projects & Engineering	Community Grants (inc. Events)	COMPLETED. Annual process undertaken through single (joint) round early in 2014.	3.3.6	3.4.6 / 3.4.7	Grants distributed in line with Budget Allocations	Multiple community projects supported by council value adding to community benefit.
Strategy, Projects & Engineering	Township Flood Mapping (2D Modelling)	COMPLETED. Final mapping received by Council early 2014. Work will be used to inform forthcoming stormwater management plans.	3.3.2 / 3.3.3 / 3.3.6	3.4.1 / 3.4.4 / 3.4.5		Introduction of appropriate planning tools and strategy.
Strategy, Projects & Engineering	Township Stormwater Management Plans	COMMENCED. Phase 1 delivered by completion of 2D Flood Modelling Project. Funding partners being secured for Stormwater Management Plans to be prepared throughout 2014/2015 financial year.	3.3.2 / 3.3.3 / 3.3.6	3.4.1 / 3.4.4 / 3.4.5		Introduction of appropriate planning strategy.  Public Consultation Undertaken.
Strategy, Projects & Engineering	Social Plan / Community Wellbeing Plan	COMMENCED> Stage 1 of preparation has occurred through delivery of Regional Public Health Plan.	3.3.2	3.4.1 / 3.4.3 / 3.4.6 / 3.4.7		Introduction of appropriate Council strategy.  Public Consultation Undertaken.
Strategy, Projects & Engineering	Nuriootpa West DPA	COMMENCED. Statement of Intent endorsed by Minister in November 2013. Investigations being prepared for consideration in coming months of council and community.	3.3.1	3.4.1 / 3.4.2		Introduction of appropriate planning strategy.  Public Consultation Undertaken.

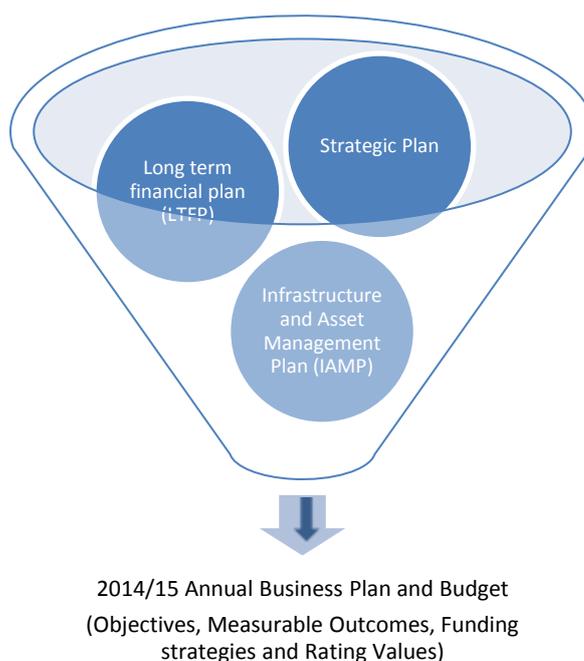
Strategy, Projects & Engineering	Roseworthy Growth - Structure Plan, Infrastructure Agreements and Development Plan Amendment	COMMENCED. Structure Plan process abandoned by State Government. Preliminary work commenced on concept planning to support Township Development Plan Amendment.	3.3.1 / 3.3.2 / 3.3.3 / 3.3.5	3.4.1 / 3.4.2 / 3.4.3 / 3.4.4 / 3.4.5 / 3.4.6		Introduction of appropriate planning and infrastructure strategy.  Public Consultation Undertaken.
Strategy, Projects & Engineering	Hanson St/ Thiele Hwy Staggered T Intersection	SUBSTANTIALLY COMPLETED. Despite inclement weather impacts across 2014, project will be finalised by end of financial year.	3.3.3 / 3.3.4	3.4.1 / 3.4.4 / 3.4.5		Improved infrastructure and road safety by realignment of the intersection.
Strategy, Projects & Engineering	Kapunda Heritage Trail Project	COMMENCED. Seeking contact from smartphone app providers on how Kapunda can be involved in a trial.	3.3.6	3.4.2 / 3.4.3 / 3.4.4 / 3.4.5 / 3.4.7		Improved community and tourist infrastructure.
	Kapunda Mine Site Projects	COMMENCED. Various activities undertaken on the site across the financial year. Final stages, fencing, artwork, signage, shelter, etc to be delivered over the next 12 to 18 months.	3.3.3 / 3.3.4 / 3.3.6	3.4.2 / 3.4.3 / 3.4.5 / 3.4.6 / 3.4.7		Improved community and tourist infrastructure.
	Kapunda Rail Trail Project	COMMENCED. Agreements with Genesee Wyoming and DPTI resolved. Design being prepared and options for delivery (in-house or tender) being considered.	3.3.3 / 3.3.4	3.4.1 / 3.4.3 / 3.4.4 / 3.4.5 / 3.4.6		Improved community and tourist infrastructure.
	Various Partnered Biodiversity Projects	COMPLETED. Various projects undertaken across the region over the course of the reporting period.	3.3.3 / 3.3.6	3.4.2 / 3.4.3 / 3.4.5 / 3.4.6 / 3.4.7		Protection of the Natural Environment and local diversity.
	Gawler Water Project (Regional Subsidiary)	SUBSTANTIALLY COMPLETED. Design works, private funding and water supply agreements undertaken through current financial year. Further works to occur on the ground through 2014/2015 year.	3.3.2 / 3.3.3 / 3.3.4 / 3.3.5 / 3.3.7	3.4.1 / 3.4.3 / 3.4.4 / 3.4.6	Project funding achieved	Improved water infrastructure and reduction in reliance on Murray Darling system water usage through stormwater collection and storage techniques.
Strategy, Projects & Engineering	Greenock Town Centre Upgrade/ Street Scaping	COMPLETED. Paving works/upgrade completed. Final works on Village Square remain ongoing through delivery by Infrastructure and Works Department.	3.3.3 / 3.3.4	3.4.1 / 3.4.3 / 3.4.5 / 3.4.6 / 3.4.47	Delivered within budget	Delivered in accordance with IAMP and community consulted project plan.
Strategy, Projects & Engineering	Park Range Estate Reserve Enhancements	COMMENCED. Infrastructure works to enable sale of one allotment commenced. Project being managed through Infrastructure and Works Department.	3.3.4 / 3.3.5	3.4.5 / 3.4.6	Delivered within budget	Delivered in accordance with IAMP and community consulted project plan.
Strategy, Projects & Engineering	Annual Capital Programs	SUBSTANTIALLY COMPLETED. Refer to Reports for Information Item 11.1, April 2014 Council Agenda.	3.3.4	3.4.4 / 3.4.5	Delivered within budget	Assets renewed or upgraded in accordance with plans.
Infrastructure & Works	Annual Maintenance Programs	COMMENCED, ONGOING	3.3.7	3.4.4 / 3.4.5	Delivered within budget	Assets maintained in accordance with plans.
Development & Regulatory Services	Regional DAP exploratory investigations	COMPLETED Detailed reports and presentations were tabled at Council during the financial year and Council unanimously resolved to decline The Barossa Council's initiative to establish a Regional DAP.				Investigations undertaken exploring opportunity to establish a Regional Development Authority.

Development & Regulatory Services	Dutton Park - co-location opportunities	<p><b>COMMENCED AND ONGOING</b></p> <p>The reporting period has seen significant developments taking place and Council, at its meeting held in November 2013, adopted to facilitate the relocation of the Kapunda Bowling Club to Dutton Park. The development application has since been granted planning consent and work is expected to commence on site in June 2014.</p> <p>Council is currently in the throes of preparing plans for lodgement of a retirement village over the current bowling club site as that site will soon vest in Council's ownership. .</p>				<p>Successful trial of community empowerment project of facility management.</p> <p>Research undertaken into co-locating additional sporting facilities to the Dutton Park site.</p>
Development & Regulatory Services	Public-Private partnerships - 5 Shillings (Kapunda), Musalino (Freeling) and The Aviary (Hewett)	<p><b>COMMENCED, ONGOING</b></p> <p>Council continues to forge public private relationships with the development industry, particularly in circumstances where hard and soft infrastructure external to the subject land is needed. This has been evidenced throughout Greenock, Kapunda, Freeling, Wasleys and Hewett with significant upgrades to township sewer and stormwater systems delivered and funded by the developer.</p> <p>Disappointingly, development of stage 1b of 5 Shillings Estate has stalled despite Council's decision on 28 August 2012 to facilitate the splitting of that stage as a means of accelerating civil works. Discussions continue with Aqua Reef in this regard and through the creation of the Economic Development Panel, Council believes further inroads into rolling out this development will occur.</p>				Further development of vacant land allotments within Kapunda, Freeling and Hewett townships.
Development & Regulatory Services	Regional Public Health Plan	<p><b>SUBSTANTIALLY COMPLETED</b></p> <p>Light, Barossa, Mallala and Gawler councils have formed a regional collaboration to deliver a Public Health Plan. This plan will set the strategic direction for public health related matters into the future.</p> <p>Healthy Environs have been engaged to a robust consultation process and it is envisaged that this report will be presented to Council in June 2014 for adoption following a thorough community consultation process.</p>	3.3.2	3.4.1 / 3.4.6 / 3.4.7		<p>Introduction of appropriate planning strategy.</p> <p>Public Consultation Undertaken.</p>

## 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 revised Strategic Management Plan covering the years 2013 to 2017 in February 2013.

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



Council acknowledges its accountability to ratepayers for the creating of community values and safeguarding ratepayer funds. This is achieved by the adoption and monitoring of corporate strategies, plans, policies and performance.

### VISION

Respecting the Past  
Creating our Future.

### ASPIRATION

Supporting community life through the provision of services, creating a healthy balance of urban and rural whilst fostering health, recreation, learning, investment, jobs & transport opportunities.

### VALUES

Light Regional Council acknowledges its accountability to its residents and ratepayers for the creation and fostering of community values and safeguarding ratepayer funds. This is achieved by the adoption and monitoring of corporate strategies, plans, policies and performance.

Light Regional Council, in developing its core values, has considered some of the key ingredients to maximising its service delivery. An entity that exists to provide services to the greater community such as a Council must develop some core values for the staff and elected members to stand by as they perform their duties.

At Light Regional Council, the staff and elected members embrace the following three clear and truly core values which go to the heart of the Council's ideology. These values express how the Council operates, lives, breathes and expresses itself through its daily duties in a clear and succinct manner;

- Leadership
- Environmental and Financial Sustainability
- Respect, Honesty and Integrity

As Council harnesses its vision and aspirations encompassed by its core values of operation, it leads to a future of benefits for the residents, ratepayers and visitors of the region.

## 2014/2015 Annual Objectives and Activities (including performance measures)

The proposed 2014/2015 objectives are as follows:

Operational Area		Strategic Management Plan (SMP) Reference		Measureable Outcome 2014/2015	
Department	Objective	SMP Category Item (3.3)	SMP Focus Item (3.4)	Financial	Non-Financial
Strategy, Projects & Engineering (incorporating Development & Regulatory Services functions)	Delivery of Kapunda Rail Trail Links Project	3.3.6	3.4.2 / 3.4.3 / 3.4.4 / 3.4.5 / 3.4.7	Delivered within budget	Safe off-road recreational public walk.  Public/Private agreement negotiated for re-use of unused rail corridor for community recreational benefit
	Development Plan Amendment for Roseworthy Garden Town (or alternative thereto).	3.3.1 / 3.3.2 / 3.3.3 / 3.3.5	3.4.1 / 3.4.2 / 3.4.3 / 3.4.4 / 3.4.5 / 3.4.6	Equitable developer and council funding arrangement	Establishment strategic development documentation for residential, commercial and industrial zone growth
	Undertake Heritage Policy Review	3.3.1 / 3.3.2	3.4.1 / 3.4.2 / 3.4.3	Delivered within budget	Establishment strategic policy documentation to aid appropriate development outcomes
	Establishment of Freeling RSL Memorial Garden	3.3.4 / 3.3.6	3.4.2 / 3.4.3		Completion of community contemplation and service recognition area as part of Freeling Railway Reserve precinct
	Kapunda Historic Mine Site Project	3.3.3 / 3.3.4 / 3.3.6	3.4.2 / 3.4.3 / 3.4.5 / 3.4.6 / 3.4.7	Delivered within budget	Finalisation of Stage 1 of project delivery to identify and refurbish mine-site grounds
	Barossa Entry Statements Project	3.3.3 / 3.3.5	3.4.3 / 3.4.4 / 3.4.7	Contribution delivered within budget	In conjunction with Barossa Regional Development Australia, contribution to regional entry statement project.
	Development Roadside Vegetation Management Plan	3.3.2 / 3.3.7	3.4.2 / 3.4.5	Delivered within budget. Project funding obtained.	Update source roadside vegetation plan originally established in the mid-2000s.
	Youth Bus Project	3.3.3	3.4.4 / 3.4.6	Contribution delivered within budget	Regional partnership established to assist disadvantaged youth.
	Consultation Township Futures Project	3.3.2	3.4.1 / 3.4.2 / 3.4.3 / 3.4.6 / 3.4.7	Delivered within budget	Development of appropriate planning strategies involving community engagement activities building strategic directions for Freeling and Wasleys townships
	Undertake Township Review	3.3.2	3.4.1 / 3.4.2 / 3.4.3 / 3.4.6 / 3.4.7	Delivered within budget.	Development of appropriate planning strategy, following on from 2013/2014 Township Futures exercise develop township review for Kapunda

	Barossa Protection Development Plan Amendment	3.3.1	3.4.1 / 3.4.2 / 3.4.3 / 3.4.5 / 3.4.7	Delivered within budget.	Update to the Council's development plan in alignment with legislated direction of Barossa Protection Bill
	Commence delivery of Hewett Recreation Precinct	3.3.3 / 3.3.4	3.4.1 / 3.4.3 / 3.4.4 / 3.4.5 / 3.4.6	Delivered within budget. Project grant funding obtained.	Staged project delivery of recreational facility over multiple years for shared use path upgrade, outdoor exercise nodes, dog friendly park, children's playground and other facilities.
	Upgrade Graphical Information Systems mapping	3.3.6	3.4.1 / 3.4.5	Delivered within budget	Update township and district aerial mapping plans and overlay
	Continue development of Gawler Water Project	3.3.2 / 3.3.3 / 3.3.4 / 3.3.5 / 3.3.7	3.4.1 / 3.4.3 / 3.4.4 / 3.4.6	Obtain Grant funding	On-Ground construction design and achievement of water supply agreements.
	Undertake Regional Horticultural Study	3.3.1 / 3.3.2	3.4.1 / 3.4.2 / 3.4.4 / 3.4.6		Investigative studies undertaken, development of appropriate planning policy, potential Development Plan Amendment commenced.
	Various Partnered Biodiversity Projects	3.3.3 / 3.3.6	3.4.2 / 3.4.3 / 3.4.5 / 3.4.6 / 3.4.7		Protection of the Natural Environment and local diversity.
	Community Grants (including Events)	3.3.6	3.4.6 / 3.4.7	Grants distributed in line with Budget Allocations	Multiple community projects supported by council value adding to community benefit.
Economic Development	Establish Economic Development Panel	3.3.2 / 3.3.5	3.4.1 / 3.4.4 / 3.4.6		Establishment of Council Section 41 Economic Development Panel including terms of reference and researching provision of independent membership opportunities.
	Progress centralisation of Sporting facility options	3.3.2 / 3.3.4 / 3.3.5	3.4.1 / 3.4.5 / 3.4.6	Obtain Grant Funding (as appropriate)	<p>Progress development of Lifestyle Retirement Village concept; securing DA, tender development, establish commitments and agreements.</p> <p>Pursue Kapunda Bowling Club development at Dutton Park site</p> <p>Receive Dutton Park (KHRC) consultancy report on future options</p> <p>Community engagement for Freeling Recreation Grounds future development.</p>

	Undertake stakeholder engagement	3.3.2 / 3.3.3 / 3.3.5	3.4.1 / 3.4.3 / 3.4.4 / 3.4.5 / 3.4.6		Alignment (where appropriate) of strategic planning, i.e. 'working with business'.  Facilitate development opportunities e.g. former Johnson's mill site, tourism accommodation, etc.  Liaise with Barossa RDA.  Consultation with Kapunda Business Alliance regarding Main Street Revitalisation Strategy  Facilitate roll out of Five Shillings Estate residential development
Infrastructure & Works	Undertake Annual Capital Programs	3.3.4	3.4.4 / 3.4.5	Delivered within budget	Assets renewed or upgraded in accordance with plans.
	Undertake Annual Maintenance Programs	3.3.7	3.4.4 / 3.4.5	Delivered within budget	Assets maintained in accordance with plans.
Business & Governance	Undertake Council Election in accordance with Local Government (Elections) Act 1999	3.3.6	3.4.3 / 3.4.6	Delivered within budget.	Appropriate management of ordinary council election processes in partnership with Electoral Commissioner for South Australia.  Establishment of 'new' Council with full complement of elected members following November 2014 election declaration.
	Develop training and development program for Elected Members	3.3.6	3.4.3 / 3.4.6	Delivered within budget.	Undertake training needs analysis of council members elected at the November 2014 ordinary council election.  Establish training program (preferably on a resource sharing basis with adjoining councils) for council members elected at November 2014 for the following 12 to 24 month period.
	Undertake integration of Library Services and Customer Service functions of Council.	3.3.6	3.4.3 / 3.4.5		Achieve alignment of customer service activities into department structure following organisation review adopted April 2014..
	Implementation Internal Control program in accordance with Local Government (Financial Management) Regulations 2011	3.3.6	3.4.5		Internal Control Program and Software implemented; programs and procedures achieved.

	Develop, Implement, Monitor and Regulatory Review Work, Health Safety and Injury Management 2014 - 2017	2.4A (iii)			WHS & IM Plan developed and implemented.  Work Safety practices and risk and Injuries reduced.  Alignment to State Strategic Plan Target 21 'Greater Safety at Work'
	Ensure compliancy with Standards 1, 2 and 3 of the Workcover SA Performance Standards for Self Insurers	2.4A (iii)		Delivered within budget.	Compliant WHS Policy and Procedures.
	Reduction of Annual Loan Borrowings	3.3.6 / 3.3.7	3.4.5	Delivered within budget.	Long Term Financial Performance indicator met.  Total Outstanding loan borrowings compared to the previous reporting period reduced
	Reduction of Annual (Net) Operating Deficit	3.3.6 / 3.3.7	3.4.5	Delivered within budget.	Long Term Financial Performance indicator met.  Operating deficit (Operating revenue, less operating expenditure) reduced compared to the previous reporting period.

## Financial Requirements and Summary of Financial Statements

The initial draft of the 2014/2015 budget was prepared using the adopted Long Term Financial Plan as a base program, inclusive of the assumptions used in preparing the document, and adjusted for known changes from the 2013/2014 financial year. The document was subsequently amended following public consultation undertaken and adjustments made to the proposed 2014/2015 budget. Reductions were made to the amount of general rate income being sought, asset depreciation, employee costs through several vacant positions not being funded, reduced materials, contractor and other costs.

The adopted budget showed a reduction in expenditure of approximately \$1.1m from that originally proposed through the public consultation process. The opportunity has also been taken to review the current Long Term Financial Plan and revise it for the ten year period commencing with the 2014/2015 financial year through to the 2023/2024 financial year.

Council's estimated operating income and expenditure for the 2014/2015 financial year is identified in the following graphs. Total Council rates and separate charges for this financial year are estimated to be \$15.863m.

The budget is prepared with general rates totalling 4.8% above the previous year, taking into account the recently announced reduction in Federal Government grants allocated through the State Grants Commission (equivalent of approximately 1.6% of general rate revenue). Rate-in-the-dollar has increased by 2.99%, new assessment growth and changes to the district valuation account for the remainder.

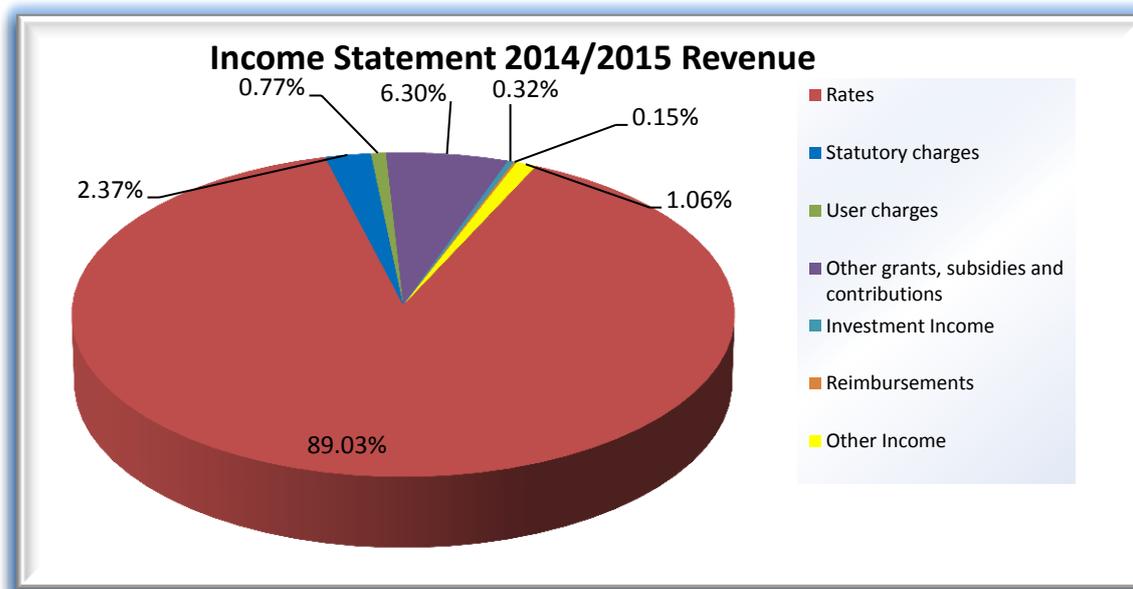
For residential ratepayers the average increase to the general rate is expected to be approximately 4.08% or \$0.99 per week. Primary Production rates are expected to increase by an average 4.4% or \$1.62 per week per assessment.

The minimum rate for the region is proposed to increase to \$785, up \$20 on the previous year.

Council's total capital program is planned at \$4.313m. The bulk of this program is proposed for capital renewal of road and road associated assets, mainly to sealed and formed roads through reconstruction, resealing and re-sheeting programs. New loan borrowings of approximately \$1.15m are proposed.

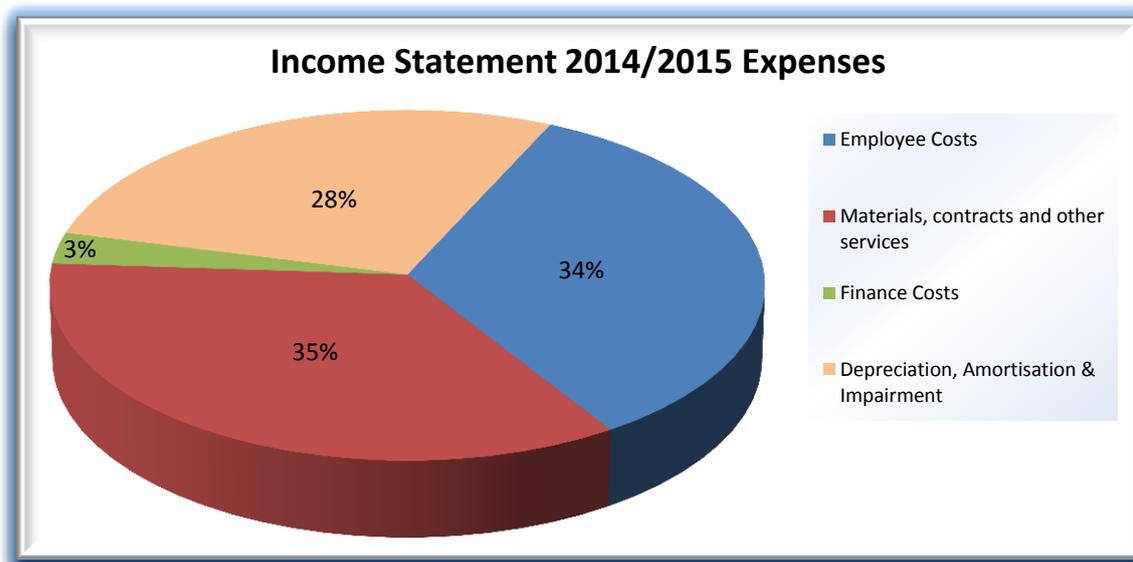
Council is forecasting a reduction to its operating deficit by \$1.193m in the 2014/2015 financial year compared to the 2013/2014 year, continuing to improve its financial position in accordance with its Long Term Financial Plan. Council's aim is to contain costs, continuously review operational systems, efficiencies and performance, while attempting to not reduce programs and capital renewal works for the benefit of the residents and ratepayers of its region. The following graph illustrates estimated revenue to be received by type and is extracted from

Council's budgeted Statement of Comprehensive Income for the 2014/2015 financial year.



The Income Statement (Revenue) shows that Light Regional Council is heavily dependent on the annual rates and service charges that ratepayers contribute to their local governing authority. Rates account for 89% of Council's annual revenue followed by Grants and Contributions at 6%.

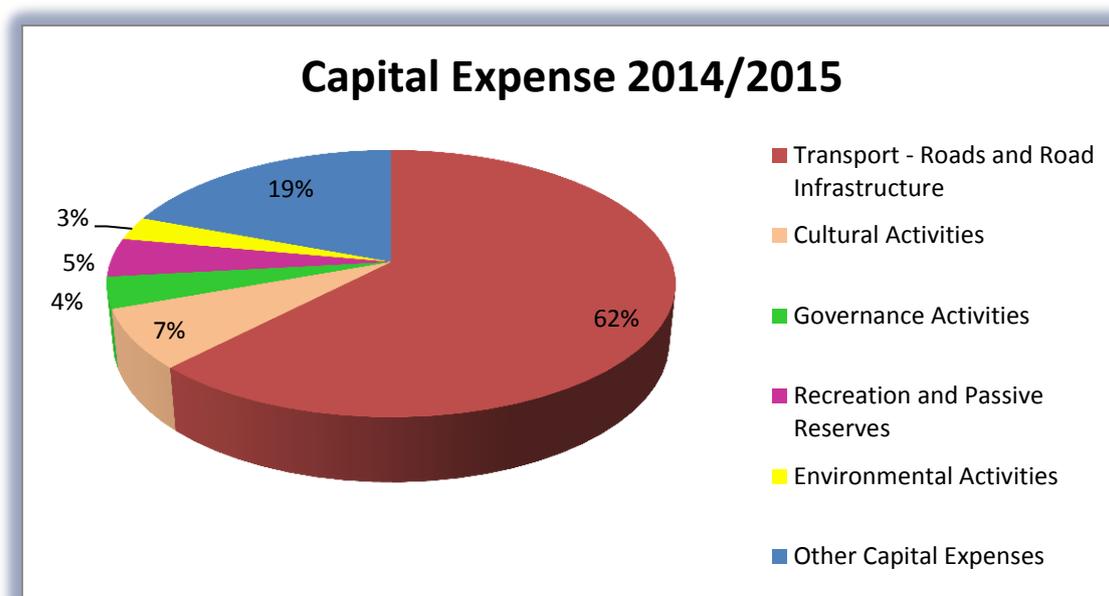
The following graph illustrates expenditure allocated by type and is also extracted from Council's budgeted 2014/2015 Income Statement.



Council's major items of operational expenditure are evenly spread between Materials, Contracts and Other (35%), Employee Costs (34%), Depreciation accounting for 28%. Finance costs have decreased, in comparison to the previous year, to 3% of expenses shown on the Statement of Comprehensive Income for the forthcoming financial year.

Council has forecast that its operational expenditure will be decreased by 3.61% compared to the adopted budget for the 2013/2014 financial year.

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



Of the \$4.313m budgeted for Capital programs, the Transport activity, which includes roads and associated road Infrastructure, is the main source of expenditure at 62% of all capital expenses. Council's Infrastructure Committee considered a comprehensive program of construction, resealing and re-sheeting works at its March 2014 meeting.

The following table provides a brief overview of what is contained in Council's budgeted capital works program:

Project	Operational Area	Expense \$m	% of Budget
Sealed Roads Construction and Resealing	Transport - Roads and Road Infrastructure	0.719	62.26
Formed Roads Re-sheeting		1.826	
Footpath Construction		0.090	
Bridges Refurbishment		0.050	
Includes works at the Kapunda Mine Site (project continuation, half project cost dependent on funding); Lift upgrade work at the Kapunda Library; Furniture and shelving for Kapunda and Freeling libraries and building project work at the Freeling and Wasleys Institutes.	Cultural Activities	0.311	7.21
Expenditure includes Computer Systems upgrades, solar power options for Kapunda and Freeling offices and Freeling South office upgrade.	Governance Activities	0.163	3.77
Freeling Recreation Park - roof truss repairs; Dog Park at Hewett and minor capital works.	Recreation and Passive Reserves	0.202	4.68
Stormwater Drainage Program and other minor capital works	Environmental Activities	0.122	2.83
Plant and Machinery purchases	Other Capital Expenses	0.830	19.25
<b>Total Capital Expenditure</b>		<b>4.313</b>	<b>100.00</b>

## Long Term Financial Plan 2014/2015 to 2023/2024

Council's vision is to achieve a position of financial sustainability by incremental growth and service cost containment to reduce the operating deficit over time; as opposed to burdening the ratepayers of the district with short term excessive increases to the annual council rate bill.

Council has undertaken a review of its long term financial plan. The draft document provides for a return to Operating Surplus in the 2017/2018 financial year (Year 4). The plan has been formulated exclusive of any data which might become available from the proposed Roseworthy Garden Town project or any variant of that project.

The ten year plan includes the proposed 2014/2015 financial year (year 1 of the plan) through 2023/2024 financial year (year 10). The first four years of the plan are provided in some project detail, in effect creating a **draft 4 year budget plan** for council to follow.

During the 2015 to 2024 period, it is anticipated that cash flow from operating activities would be sufficient to cover capital expenditures and repayment of existing long-term debentures, thereby reducing the need to obtain new long term borrowings. After 2018/2019 Financial Year, the Council may reconsider appropriating additional funds towards capital renewal programs. In general terms, rates in total are predicted to grow at the annual value of the Local Government Price Index plus new assessment and service growth across the life of the forward plan.

Expenditures are generally increased by CPI except where there are known variances across service areas.

The following draft statements show the proposed 2014/2015 budget at Year 1 (2015), year 2 to 10 flow on from that point.

**LIGHT REGIONAL COUNCIL  
DRAFT LONG TERM FINANCIAL PLAN  
BUDGETED INCOME STATEMENT  
2014/2015 TO 2023/2024**

	<b>2013 ACTUAL</b>	<b>2014 BUDGET</b>	<b>Year 1 2015</b>	<b>Year 2 2016</b>	<b>Year 3 2017</b>	<b>Year 4 2018</b>	<b>Year 5 2019</b>	<b>Year 6 2020</b>	<b>Year 7 2021</b>	<b>Year 8 2022</b>	<b>Year 9 2023</b>	<b>Year 10 2024</b>
<b>OPERATING INCOME</b>												
Rates	14,105,507	15,185,590	15,863,162	16,914,090	18,036,246	19,234,524	20,514,155	21,339,240	22,197,689	23,090,861	24,020,170	24,987,091
Less Rebates	(369,242)	(405,000)	(400,000)	(450,500)	(477,530)	(506,180)	(536,550)	(558,010)	(580,340)	(603,550)	(627,690)	(652,800)
Statutory charges	388,959	400,608	411,996	422,153	432,681	443,598	454,922	466,673	478,870	491,537	504,695	518,355
User charges	289,973	167,067	134,112	136,499	154,344	162,363	165,574	168,991	172,632	176,516	180,663	185,097
Other grants, subsidies and contributions	1,931,496	1,245,543	1,093,800	1,066,492	1,074,464	1,100,115	1,108,248	826,462	834,758	843,138	851,602	860,151
Investment Income	63,544	55,000	56,000	56,000	56,000	56,000	56,000	56,000	56,000	56,000	56,000	56,000
Reimbursements	122,943	29,522	25,968	25,531	25,607	25,668	25,733	25,792	25,856	25,914	25,966	26,273
Other Income	421,518	175,088	183,563	192,597	202,155	212,268	222,969	234,294	246,279	258,965	272,394	286,609
<b>TOTAL INCOME</b>	<b>16,954,698</b>	<b>16,853,418</b>	<b>17,368,601</b>	<b>18,362,862</b>	<b>19,503,967</b>	<b>20,728,356</b>	<b>22,011,051</b>	<b>22,559,442</b>	<b>23,431,744</b>	<b>24,339,381</b>	<b>25,283,800</b>	<b>26,266,776</b>
<b>OPERATING EXPENSES</b>												
Employee Costs	6,325,675	6,535,361	6,403,990	6,617,356	6,837,825	7,065,819	7,301,265	7,544,607	7,796,305	8,056,309	8,325,103	8,603,009
Materials, contracts and other services	6,237,098	6,168,840	6,544,833	6,565,759	6,916,105	7,097,271	7,445,171	7,622,730	8,026,464	8,264,248	8,671,312	8,792,670
Finance Costs	603,851	837,618	543,327	506,687	463,780	416,163	374,521	346,590	301,604	254,223	204,330	151,802
Depreciation, Amortisation & Impairment	6,283,640	5,912,195	5,283,933	5,454,839	5,630,872	5,812,186	5,998,940	6,191,296	6,389,423	6,593,493	6,803,686	7,020,185
Share of loss - joint ventures & associates	2,301	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL EXPENSES</b>	<b>19,452,565</b>	<b>19,454,014</b>	<b>18,776,083</b>	<b>19,144,641</b>	<b>19,848,582</b>	<b>20,391,439</b>	<b>21,119,897</b>	<b>21,705,223</b>	<b>22,513,796</b>	<b>23,168,273</b>	<b>24,004,431</b>	<b>24,567,666</b>
<b>OPERATING SURPLUS / (DEFICIT) BEFORE CAPITAL AMOUNTS</b>	<b>(2,497,867)</b>	<b>(2,600,596)</b>	<b>(1,407,482)</b>	<b>(781,779)</b>	<b>(344,615)</b>	<b>336,917</b>	<b>891,154</b>	<b>854,219</b>	<b>917,948</b>	<b>1,171,108</b>	<b>1,279,369</b>	<b>1,699,110</b>
Gain (loss) on disposal of assets	(1,399,898)	464,000	378,000	117,300	213,800	178,300	238,200	127,100	290,000	132,200	256,800	185,300
Amounts specifically for new or upgraded assets	147,093	252,000	60,000	-	-	-	-	-	-	-	-	-
Physical resources received free of charge (estimate)	1,597,574	-	-	-	-	-	-	-	-	-	-	-
<b>NET SURPLUS (DEFICIT)</b>	<b>(2,153,098)</b>	<b>(1,884,596)</b>	<b>(969,482)</b>	<b>(664,479)</b>	<b>(130,815)</b>	<b>515,217</b>	<b>1,129,354</b>	<b>981,319</b>	<b>1,207,948</b>	<b>1,303,308</b>	<b>1,536,169</b>	<b>1,884,410</b>
<b>OTHER COMPREHENSIVE INCOME</b>												
Changes in revaluation surplus - infrastructure, property, plant & equipment	(18,258,510)	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>(20,411,608)</b>	<b>(1,884,596)</b>	<b>(969,482)</b>	<b>(664,479)</b>	<b>(130,815)</b>	<b>515,217</b>	<b>1,129,354</b>	<b>981,319</b>	<b>1,207,948</b>	<b>1,303,308</b>	<b>1,536,169</b>	<b>1,884,410</b>

**LIGHT REGIONAL COUNCIL  
DRAFT LONG TERM FINANCIAL PLAN - BALANCE SHEET**

	<b>2013 ACTUAL</b>	<b>2014 BUDGET</b>	<b>Year 1 2015</b>	<b>Year 2 2016</b>	<b>Year 3 2017</b>	<b>Year 4 2018</b>	<b>Year 5 2019</b>	<b>Year 6 2020</b>	<b>Year 7 2021</b>	<b>Year 8 2022</b>	<b>Year 9 2023</b>	<b>Year 10 2024</b>
<b>ASSETS</b>												
<b>Current Assets</b>												
Cash and cash equivalents	2,654,730	2,496,188	845,319	485,973	1,002,142	274,722	405,947	374,208	388,451	419,093	409,934	458,791
Trade & other receivables	1,234,097	829,097	829,097	829,097	829,097	829,097	829,097	829,097	829,097	829,097	829,097	829,097
Other Financial Assets	6,116	6,120	6,580	6,790	7,010	7,230	7,450	7,690	7,930	8,180	8,180	8,437
Inventories	137,839	137,839	137,839	137,839	137,839	137,839	137,839	137,839	137,839	137,839	137,839	137,839
	4,032,782	3,469,244	1,818,835	1,459,699	1,976,088	1,248,888	1,380,333	1,348,834	1,363,317	1,394,209	1,385,050	1,434,164
Non-current Assets held for Sale	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>4,032,782</b>	<b>3,469,244</b>	<b>1,818,835</b>	<b>1,459,699</b>	<b>1,976,088</b>	<b>1,248,888</b>	<b>1,380,333</b>	<b>1,348,834</b>	<b>1,363,317</b>	<b>1,394,209</b>	<b>1,385,050</b>	<b>1,434,164</b>
<b>Non-Current Assets</b>												
Financial Assets	226,000	219,880	213,300	206,510	199,500	192,270	184,820	177,130	169,200	161,020	152,840	144,403
Trade & other receivables	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	1,443,693
Infrastructure, Property, Plant and Equipment	165,474,373	164,015,600	163,045,939	161,124,493	159,325,225	159,258,314	159,770,129	159,768,560	160,417,695	161,114,104	162,049,652	163,571,134
Other Non-current Assets	1,092,283	1,092,283	1,092,283	1,092,283	1,092,283	1,092,283	1,092,283	1,092,283	1,092,283	1,092,283	1,092,283	1,092,283
	168,236,349	166,771,456	165,795,215	163,866,979	162,060,701	161,986,560	162,490,925	162,481,666	163,122,871	163,811,100	164,738,468	166,251,513
<b>Total Non -Current Assets</b>	<b>168,236,349</b>	<b>166,771,456</b>	<b>165,795,215</b>	<b>163,866,979</b>	<b>162,060,701</b>	<b>161,986,560</b>	<b>162,490,925</b>	<b>162,481,666</b>	<b>163,122,871</b>	<b>163,811,100</b>	<b>164,738,468</b>	<b>166,251,513</b>
<b>Total Assets</b>	<b>172,269,131</b>	<b>170,240,700</b>	<b>167,614,050</b>	<b>165,326,678</b>	<b>164,036,789</b>	<b>163,235,448</b>	<b>163,871,258</b>	<b>163,830,500</b>	<b>164,486,188</b>	<b>165,205,309</b>	<b>166,123,518</b>	<b>167,685,677</b>
<b>LIABILITIES</b>												
<b>Current Liabilities</b>												
Trade & Other Payables	2,646,731	2,646,731	2,646,731	2,646,731	2,646,731	2,646,731	2,646,731	2,646,731	2,646,731	2,646,731	2,646,731	2,646,731
Borrowings	1,154,900	2,803,168	2,425,893	1,959,075	1,816,557	993,544	1,022,077	552,260	584,187	617,960	322,251	0
Provisions	695,890	695,890	695,890	695,890	695,890	695,890	695,890	695,890	695,890	695,890	695,890	695,890
Other Current Liabilities	-	-	-	-	-	-	-	-	-	-	-	-
	4,497,521	6,145,789	5,768,514	5,301,696	5,159,178	4,336,165	4,364,698	3,894,881	3,926,808	3,960,581	3,664,872	3,342,621
<b>Total Current Liabilities</b>	<b>4,497,521</b>	<b>6,145,789</b>	<b>5,768,514</b>	<b>5,301,696</b>	<b>5,159,178</b>	<b>4,336,165</b>	<b>4,364,698</b>	<b>3,894,881</b>	<b>3,926,808</b>	<b>3,960,581</b>	<b>3,664,872</b>	<b>3,342,621</b>
<b>Non-current Liabilities</b>												
Long-term Borrowings	8,336,907	6,544,804	5,264,911	4,108,837	3,092,279	2,598,735	2,076,658	1,524,398	940,211	322,251	0	0
Long-term Provisions	307,571	307,571	307,571	307,571	307,571	307,571	307,571	307,571	307,571	307,571	307,571	307,571
Other Non-current Liabilities	-	-	-	-	-	-	-	-	-	-	-	-
	8,644,478	6,852,375	5,572,482	4,416,408	3,399,850	2,906,306	2,384,229	1,831,969	1,247,782	629,822	307,571	307,571
<b>Total Non-current Liabilities</b>	<b>8,644,478</b>	<b>6,852,375</b>	<b>5,572,482</b>	<b>4,416,408</b>	<b>3,399,850</b>	<b>2,906,306</b>	<b>2,384,229</b>	<b>1,831,969</b>	<b>1,247,782</b>	<b>629,822</b>	<b>307,571</b>	<b>307,571</b>
<b>Total Liabilities</b>	<b>13,141,999</b>	<b>12,998,164</b>	<b>11,340,996</b>	<b>9,718,103</b>	<b>8,559,029</b>	<b>7,242,471</b>	<b>6,748,927</b>	<b>5,726,850</b>	<b>5,174,590</b>	<b>4,590,403</b>	<b>3,972,443</b>	<b>3,650,192</b>
<b>NET ASSETS</b>	<b>159,127,132</b>	<b>157,242,536</b>	<b>156,273,054</b>	<b>155,608,575</b>	<b>155,477,760</b>	<b>155,992,977</b>	<b>157,122,331</b>	<b>158,103,650</b>	<b>159,311,598</b>	<b>160,614,906</b>	<b>162,151,075</b>	<b>164,035,485</b>
<b>EQUITY</b>												
Accumulated Surplus	9,968,749	7,893,308	6,571,351	5,426,397	4,815,107	4,849,849	5,498,728	5,999,572	6,727,045	7,549,878	8,605,572	10,009,507
Asset Revaluation Reserve	145,488,463	145,488,463	145,488,463	145,488,463	145,488,463	145,488,463	145,488,463	145,488,463	145,488,463	145,488,463	145,488,463	145,488,463
Other Reserves	3,669,920	3,860,765	4,213,240	4,693,715	5,174,190	5,654,665	6,135,140	6,615,615	7,096,090	7,576,565	8,057,040	8,537,515
<b>TOTAL EQUITY</b>	<b>159,127,132</b>	<b>157,242,536</b>	<b>156,273,054</b>	<b>155,608,575</b>	<b>155,477,760</b>	<b>155,992,977</b>	<b>157,122,331</b>	<b>158,103,650</b>	<b>159,311,598</b>	<b>160,614,906</b>	<b>162,151,075</b>	<b>164,035,485</b>

**LIGHT REGIONAL COUNCIL  
DRAFT LONG TERM FINANCIAL PLAN  
BUDGETED STATEMENT OF CHANGES IN EQUITY  
2014/2015 TO 2023/2024**

	<b>2013 ACTUAL</b>	<b>2014 BUDGET</b>	<b>Year 1 2015</b>	<b>Year 2 2016</b>	<b>Year 3 2017</b>	<b>Year 4 2018</b>	<b>Year 5 2019</b>	<b>Year 6 2020</b>	<b>Year 7 2021</b>	<b>Year 8 2022</b>	<b>Year 9 2023</b>	<b>Year 10 2024</b>
<b>ACCUMULATED SURPLUS</b>												
Balance at end of previous reporting period	12,540,442	9,968,749	7,893,308	6,571,351	5,426,397	4,815,107	4,849,849	5,498,728	5,999,572	6,727,045	7,549,878	8,605,572
Net Result for Year	(2,153,098)	(1,884,596)	(969,482)	(664,479)	(130,815)	515,217	1,129,354	981,319	1,207,948	1,303,308	1,536,169	1,884,410
Transfers To Other Reserves	(418,595)	(382,844)	(493,817)	(493,817)	(493,817)	(493,817)	(493,817)	(493,817)	(493,817)	(493,817)	(493,817)	(493,817)
Transfers from Other Reserves	0	191,999	141,342	13,342	13,342	13,342	13,342	13,342	13,342	13,342	13,342	13,342
<b>Balance at end of period</b>	<b>9,968,749</b>	<b>7,893,308</b>	<b>6,571,351</b>	<b>5,426,397</b>	<b>4,815,107</b>	<b>4,849,849</b>	<b>5,498,728</b>	<b>5,999,572</b>	<b>6,727,045</b>	<b>7,549,878</b>	<b>8,605,572</b>	<b>10,009,507</b>
<b>ASSET REVALUATION RESERVE</b>												
Balance at end of previous reporting period	163,746,973	145,488,463	145,488,463	145,488,463	145,488,463	145,488,463	145,488,463	145,488,463	145,488,463	145,488,463	145,488,463	145,488,463
Transfer to Accumulated Surplus on sale of infrastructure, property, plant & equipment	(18,258,510)	-	-	-	-	-	-	-	-	-	-	-
<b>Balance at end of period</b>	<b>145,488,463</b>	<b>145,488,463</b>	<b>145,488,463</b>	<b>145,488,463</b>	<b>145,488,463</b>	<b>145,488,463</b>	<b>145,488,463</b>	<b>145,488,463</b>	<b>145,488,463</b>	<b>145,488,463</b>	<b>145,488,463</b>	<b>145,488,463</b>
<b>OTHER RESERVES</b>												
Balance at end of previous reporting period	3,251,325	3,669,920	3,860,765	4,213,240	4,693,715	5,174,190	5,654,665	6,135,140	6,615,615	7,096,090	7,576,565	8,057,040
Transfers from Accumulated Surplus	418,595	382,844	493,817	493,817	493,817	493,817	493,817	493,817	493,817	493,817	493,817	493,817
Transfers to Accumulated Surplus	0	(191,999)	(141,342)	(13,342)	(13,342)	(13,342)	(13,342)	(13,342)	(13,342)	(13,342)	(13,342)	(13,342)
<b>Balance at end of period</b>	<b>3,669,920</b>	<b>3,860,765</b>	<b>4,213,240</b>	<b>4,693,715</b>	<b>5,174,190</b>	<b>5,654,665</b>	<b>6,135,140</b>	<b>6,615,615</b>	<b>7,096,090</b>	<b>7,576,565</b>	<b>8,057,040</b>	<b>8,537,515</b>
<b>TOTAL EQUITY AT END OF REPORTING PERIOD</b>												
	159,127,132	157,242,536	156,273,054	155,608,575	155,477,760	155,992,977	157,122,331	158,103,650	159,311,598	160,614,906	162,151,075	164,035,485

**LIGHT REGIONAL COUNCIL  
DRAFT LONG TERM FINANCIAL PLAN - BUDGETED CASH FLOW STATEMENT**

	<b>2013 ACTUAL</b>	<b>2014 BUDGET</b>	<b>Year 1 2015</b>	<b>Year 2 2016</b>	<b>Year 3 2017</b>	<b>Year 4 2018</b>	<b>Year 5 2019</b>	<b>Year 6 2020</b>	<b>Year 7 2021</b>	<b>Year 8 2022</b>	<b>Year 9 2023</b>	<b>Year 10 2024</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>												
<i>Receipts</i>												
Investment income	64,212	55,000	56,000	56,000	56,000	56,000	56,000	56,000	56,000	56,000	56,000	56,000
Other operating revenues	18,533,341	17,203,418	17,312,601	18,306,862	19,447,967	20,672,356	21,955,051	22,503,442	23,375,744	24,283,381	25,227,800	26,210,776
<i>Payments</i>												
Finance Costs	(619,924)	(837,618)	(543,327)	(506,687)	(463,780)	(416,163)	(374,521)	(346,590)	(301,604)	(254,223)	(204,330)	(151,802)
Other payments	(13,588,769)	(12,704,201)	(12,948,823)	(13,183,115)	(13,753,930)	(14,163,090)	(14,746,436)	(15,167,337)	(15,822,769)	(16,320,557)	(16,996,415)	(17,395,679)
<b>Net Cash provided by (or used in) Operating Activities</b>	<b>4,388,860</b>	<b>3,716,599</b>	<b>3,876,451</b>	<b>4,673,060</b>	<b>5,286,257</b>	<b>6,149,103</b>	<b>6,890,094</b>	<b>7,045,515</b>	<b>7,307,371</b>	<b>7,764,601</b>	<b>8,083,055</b>	<b>8,719,295</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>												
<i>Receipts</i>												
Grants specifically for new or upgraded assets	147,093	252,000	60,000	-	-	-	-	-	-	-	-	-
Sale of replaced assets	355,264	444,000	378,000	117,300	213,800	178,300	238,200	127,100	290,000	132,200	256,800	185,300
Sale of surplus assets	1,356,860	20,000	-	-	-	-	-	-	-	-	-	-
Repayments of loans by community groups	5,910	6,116	6,120	6,580	6,790	7,010	7,230	7,450	7,690	7,930	8,180	8,180
<i>Payments</i>												
Expenditure on renewal/replacement of assets	(2,435,931)	(4,053,672)	(3,145,272)	(2,674,394)	(2,872,603)	(4,859,616)	(5,651,755)	(5,330,727)	(6,179,558)	(6,393,902)	(6,860,234)	(7,662,667)
Expenditure on new/upgraded assets	(3,186,459)	(399,750)	(1,169,000)	(858,999)	(959,001)	(885,659)	(859,000)	(859,000)	(859,000)	(896,000)	(879,000)	(879,000)
<b>Net Cash provided by (or used in) Investing Activities</b>	<b>(3,757,263)</b>	<b>(3,731,306)</b>	<b>(3,870,152)</b>	<b>(3,409,513)</b>	<b>(3,611,014)</b>	<b>(5,559,965)</b>	<b>(6,265,325)</b>	<b>(6,055,177)</b>	<b>(6,740,868)</b>	<b>(7,149,772)</b>	<b>(7,474,254)</b>	<b>(8,348,187)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>												
<i>Receipts</i>												
Proceeds from Borrowings	8,456,900	1,400,000	1,146,000	803,000	800,000	500,000	500,000	-	-	-	-	-
<i>Payments</i>												
Repayments of Borrowings	(8,710,000)	(1,543,835)	(2,803,168)	(2,425,893)	(1,959,075)	(1,816,557)	(993,544)	(1,022,077)	(552,260)	(584,187)	(617,960)	(322,251)
<b>Net Cash provided by (or used in) Financing Activities</b>	<b>(253,100)</b>	<b>(143,835)</b>	<b>(1,657,168)</b>	<b>(1,622,893)</b>	<b>(1,159,075)</b>	<b>(1,316,557)</b>	<b>(493,544)</b>	<b>(1,022,077)</b>	<b>(552,260)</b>	<b>(584,187)</b>	<b>(617,960)</b>	<b>(322,251)</b>
<b>Net Increase (Decrease) in cash held</b>	<b>378,497</b>	<b>(158,542)</b>	<b>(1,650,869)</b>	<b>(359,346)</b>	<b>516,168</b>	<b>(727,419)</b>	<b>131,225</b>	<b>(31,739)</b>	<b>14,243</b>	<b>30,642</b>	<b>(9,159)</b>	<b>48,857</b>
Cash & cash equivalents at beginning of period	2,276,233	2,654,730	2,496,188	845,319	485,973	1,002,142	274,722	405,947	374,208	388,451	419,093	409,934
<b>Cash &amp; cash equivalents at end of period</b>	<b>2,654,730</b>	<b>2,496,188</b>	<b>845,319</b>	<b>485,973</b>	<b>1,002,142</b>	<b>274,722</b>	<b>405,947</b>	<b>374,208</b>	<b>388,451</b>	<b>419,093</b>	<b>409,934</b>	<b>458,791</b>

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

	<b>2013 ACTUAL</b>	<b>2014 BUDGET</b>	<b>Year 1 2015</b>	<b>Year 2 2016</b>	<b>Year 3 2017</b>	<b>Year 4 2018</b>	<b>Year 5 2019</b>	<b>Year 6 2020</b>	<b>Year 7 2021</b>	<b>Year 8 2022</b>	<b>Year 9 2023</b>	<b>Year 10 2024</b>
Operating Revenues	16,954,698	16,853,418	17,368,601	18,362,862	19,503,967	20,728,356	22,011,051	22,559,442	23,431,744	24,339,381	25,283,800	26,266,776
less Operating Expenses	(19,452,565)	(19,454,014)	(18,776,083)	(19,144,641)	(19,848,582)	(20,391,439)	(21,119,897)	(21,705,223)	(22,513,796)	(23,168,273)	(24,004,431)	(24,567,666)
Operating Surplus / (Deficit) before Capital Amounts	<b>(2,497,867)</b>	<b>(2,600,596)</b>	<b>(1,407,482)</b>	<b>(781,779)</b>	<b>(344,615)</b>	<b>336,917</b>	<b>891,154</b>	<b>854,219</b>	<b>917,948</b>	<b>1,171,108</b>	<b>1,279,369</b>	<b>1,699,110</b>
<b>less Net Outlays on Existing Assets</b>												
Capital Expenditure on renewal and replacement of Existing Assets	(2,435,931)	(4,053,672)	(3,159,772)	(2,674,394)	(2,872,603)	(4,859,616)	(5,651,755)	(5,330,727)	(6,179,558)	(6,393,902)	(6,860,234)	(7,662,667)
less Depreciation, Amortisation and Impairment	6,283,640	5,912,195	5,283,933	5,454,839	5,630,872	5,812,186	5,998,940	6,191,296	6,389,423	6,593,493	6,803,686	7,020,185
less Proceeds from Sale of Replaced Assets	355,264	444,000	378,000	117,300	213,800	178,300	238,200	127,100	290,000	132,200	256,800	185,300
	<b>4,202,973</b>	<b>2,302,523</b>	<b>2,502,161</b>	<b>2,897,745</b>	<b>2,972,069</b>	<b>1,130,870</b>	<b>585,385</b>	<b>987,669</b>	<b>499,865</b>	<b>331,791</b>	<b>200,252</b>	<b>(457,182)</b>
<b>less Net Outlays on New and Upgraded Assets</b>												
Capital Expenditure on New and Upgraded Assets (including investment property & real estate developments)	(3,186,459)	(399,750)	(1,169,000)	(858,999)	(959,001)	(885,659)	(859,000)	(859,000)	(859,000)	(896,000)	(879,000)	(879,000)
less Amounts received specifically for New and Upgraded Assets	147,093	252,000	60,000	-	-	-	-	-	-	-	-	-
less Proceeds from Sale of Surplus Assets (including investment property and real estate developments)	1,356,860	20,000	-	-	-	-	-	-	-	-	-	-
	<b>(1,682,506)</b>	<b>(127,750)</b>	<b>(1,109,000)</b>	<b>(858,999)</b>	<b>(959,001)</b>	<b>(885,659)</b>	<b>(859,000)</b>	<b>(859,000)</b>	<b>(859,000)</b>	<b>(896,000)</b>	<b>(879,000)</b>	<b>(879,000)</b>
<b>Net Lending / (Borrowing) for Financial Year</b>	<b>22,600</b>	<b>(425,823)</b>	<b>(14,321)</b>	<b>1,256,967</b>	<b>1,668,453</b>	<b>582,128</b>	<b>617,539</b>	<b>982,888</b>	<b>558,813</b>	<b>606,899</b>	<b>600,621</b>	<b>362,928</b>

## Rating Structure and Policy

### Strategic Focus

In proposing its rates for the 2014/2015 financial year Council has considered its Strategic Management Plan 2013 to 2017, the current economic climate, specific issues faced by the community, the budget requirements for the 2014/2015 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 (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 2014. 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. This document is prepared at Week 52 of the valuation cycle.

Financial Year	2012/2013	2013/2014	2014/2015 (Estimated Rate/\$ and Service Charges)	2014/2015 (Estimated Revenue)	% Change to values and Rate/\$ on Previous Year	% Average Increase per rateable assessment	% of General Rate Revenue	% Revenue shift from Previous Year
				(Week 52)				
Total Capital Valuation	\$3,036,450,540	\$3,060,657,940		\$3,114,789,440	+1.74%			
Number of Rateable Assessments	7,497	7,604		7,643	+0.51%			
Total General Rate Revenue	\$12,047,250	\$12,718,900		\$13,334,000	+4.8%			
Refuse Collection & Disposal Service Charge	\$1,076,300	\$1,103,220		\$1,144,365	+3.73%			
CWMS Service Charge	\$941,365	\$982,440		\$993,550	+1.13%			
NRM Board Levy	\$264,703	\$290,830		\$297,000	+2.12%			
Other Rate Income	\$86,200	\$90,000		\$93,140	+3.49%			

### Rate/\$ Proposals

Residential LUC Rate in the \$	\$0.0038570	\$0.0040455	\$0.0041664	\$5,739,217	+2.99%	+4.08%	43.04%	+0.39%
Commercial Shop LUC Rate in the \$	\$0.0067498	\$0.0070796	\$0.0072912	\$101,338	+2.99%	+3.63%	0.76%	-0.06%
Commercial Office LUC Rate in the \$	\$0.0067498	\$0.0070796	\$0.0072912	\$24,078	+2.99%	+2.93%	0.18%	0%
Commercial Other LUC Rate in the \$	\$0.0077141	\$0.0080910	\$0.0083328	\$864,606	+2.99%	+3.25%	6.48%	-0.05%

Financial Year	2012/2013	2013/2014	2014/2015 (Estimated Rate/\$ and Service Charges)	2014/2015 (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 \$	\$0.0106068	\$0.0111251	\$0.0114576	\$70,735	+2.99%	+44.9%	0.53%	+0.13%
Industrial Other LUC rate in the \$	\$0.0106068	\$0.0111251	\$0.0114576	\$1,142,409	+2.99%	+5.02%	8.57%	-0.11%
Primary Production LUC Rate in the \$	\$0.0030856	\$0.0032769	\$0.0033748	\$4,654,100	+2.99%	+4.4%	34.9%	+0.08%
Vacant Land LUC Rate in the \$	\$0.0067498	\$0.0070796	\$0.0072912	\$451,504	+2.99%	+1.64%	3.39%	-0.37%
Other LUC Rate in the \$	\$0.0038570	\$0.0040455	\$0.0041664	\$286,743	+2.99%	+4.94%	2.15%	0%
Minimum Rate	\$745	\$765	\$785		+2.61%			
<b>Service Charges</b>								
Refuse Collection & Disposal Charge (including green waste)	\$255	\$255	\$265	\$996,665	3.92%			
Refuse Collection & Disposal Charge (not including green waste)	\$166	\$166	\$175	\$147,700	5.42%			
CWMS Charge (Kapunda, Freeling, Greenock & Roseworthy System)	\$390	\$390	\$390	\$925,470	0%			
Freeling Sewer (Hanson Street North Estate)	\$370	\$370	\$370	\$68,080	0%			
Greenock Rise CWMS Charge (nominated properties only)	\$50	\$50	\$50	\$0	0%			

### **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 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.

#### **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.

**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 potential taxation benefits.

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 2014/2015 budget, Council proposes to raise total rate related revenue of \$15.86m in a total operating revenue budget of \$17.37m. 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 2014/2015 Council proposes to impose a minimum rate of \$785 which will affect 1,008 (13.19%) 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 2014/2015 totalling \$285,800.

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 2014/2015 financial year is budgeted to be \$0.99m. Council recovers this cost through various means including the imposition of a service charge of \$370 per unit for Freeling Hanson Street North Estate and \$390 per unit for all other properties where the service is available. The separate charged previously made against nominated properties at the Greenock Rise subdivision will cease. 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 2014/2015 is budgeted to be \$1.144m. Council proposes to recover this cost through a service charge of \$265 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 \$175 for each property within the designated 2 bin service area (ie. collection of domestic and recyclable refuse only). Where the service is provided to non-rateable land, a service charge is levied against the land.

**Rate Concessions**

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

**Self Funded Retiree Concession**

This concession has been available from 1 July 2001 and is administered by Department for Community and Social Inclusion. 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 Department for Community and Social Inclusion on 1800 307 758.

**Unemployed Persons Concessions**

The Department for Community and Social Inclusion 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 for Community and Social Inclusion office on 1800 307 758 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 2014/2015 financial year will be 19 September 2014, 5 December 2014, 6 March 2015 and 5 June 2015.

**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 2014/2015 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 the following key financial targets.

### Indicator – Operating Surplus Ratio

Long Term, achieve a zero percent operating surplus ratio by the 2018/2019 financial year.

Short Term, reduce the operating deficit annually and therefore improve the indicator each financial year.

### Indicator – Net Financial Liabilities Ratio

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

### Indicator – Asset Sustainability Ratio

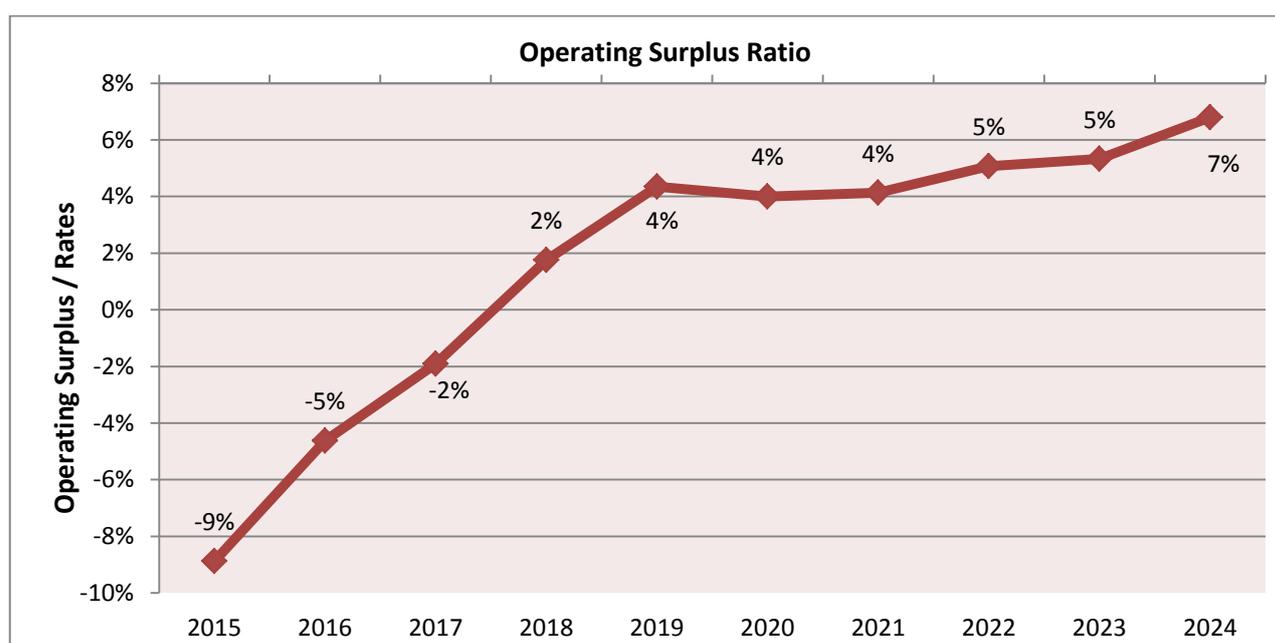
Long Term, that Council's outlays on renewing or replacing assets equal or are better than the rate of annual depreciation of assets over a rolling three year period.

Short Term; that Council aim to increase the ratio by annually until the long term objective is achieved.

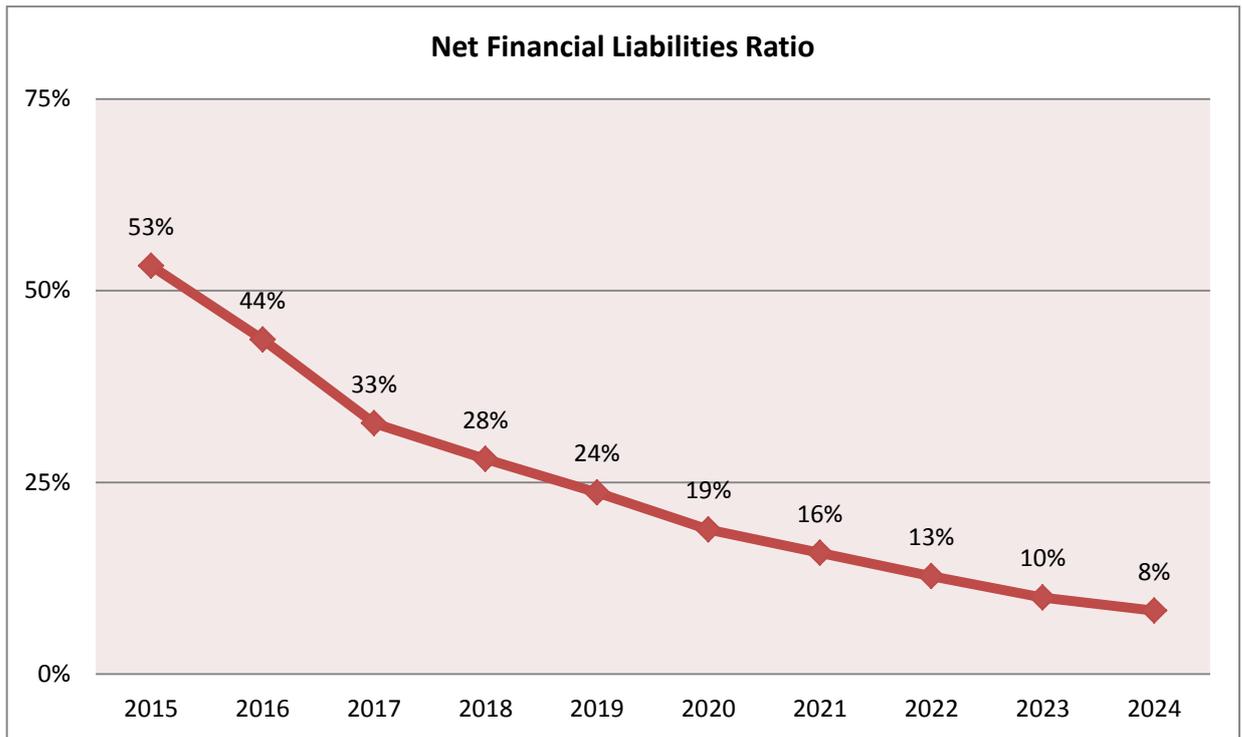
The proposed Annual Business and Budget for the 2014/2015 financial year and long term financial plan (2015 to 2024) show the following improving indicator results.

### Projected Local Government Financial Indicators

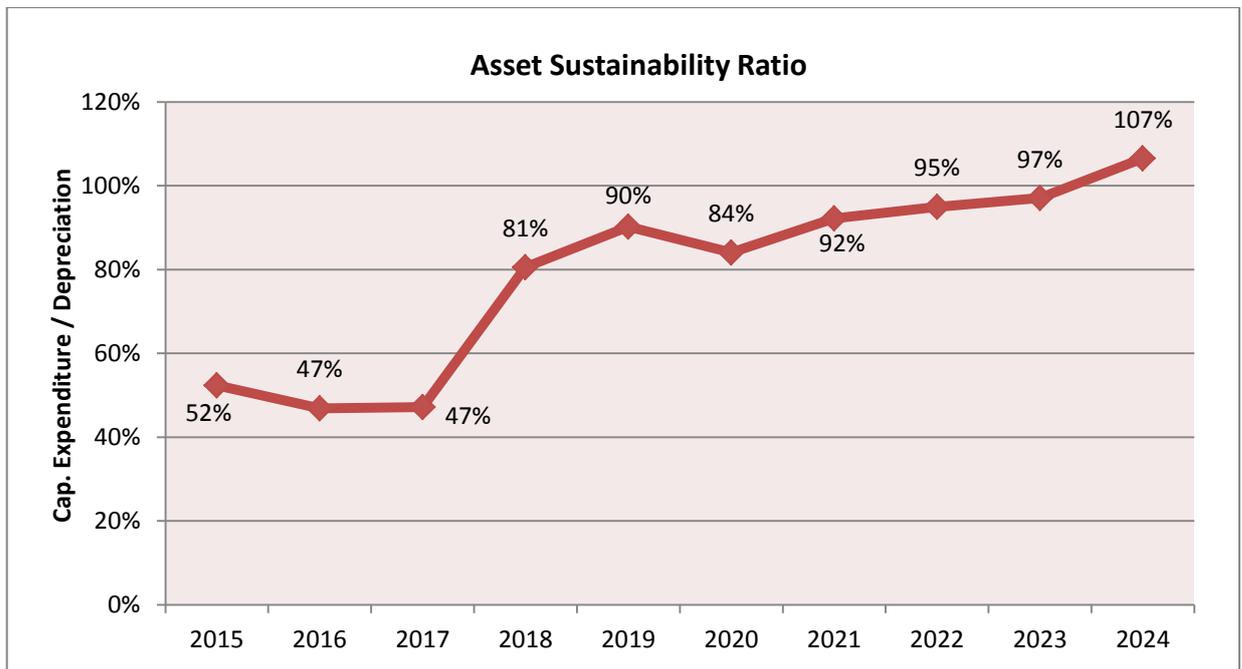
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Operating Surplus Ratio</b>	-9%	-5%	-2%	2%	4%	4%	4%	5%	5%	7%
<b>Net Financial Liabilities Ratio</b>	53%	44%	33%	28%	24%	19%	16%	13%	10%	8%
<b>Asset Sustainability Ratio</b>	52%	47%	47%	81%	90%	84%	92%	95%	97%	107%



*This ratio expresses the operating surplus as a percentage of general and other rates, net of NRM levy.*



*Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses). These are expressed as a percentage of total operating revenue (excluding NRM levy).*



*Net capital expenditure on the renewal and replacement of existing assets as a percentage of depreciation and excludes new capital expenditure on the acquisition of additional assets.*

## 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.