



L I G H T
REGIONAL
COUNCIL

2012/2013

Annual Business Plan and Budget

**Light Regional Council
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Overview

Opening Commentary from the Mayor and Chief Executive Officer

The Annual Business Plan (ABP) outlines the services, programs and projects Council proposes to deliver in the 2012/2013 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 2008 to 2018 provides the framework of the ABP. The review of the ten year strategic plan will be finalised by the end of 2012 capturing the vision of the current Council and recommended concepts from the analysis of the Long Term Financial Plan (LTFP), Infrastructure and Asset Management Plan (I&), Labour Force Planning, Systems and Governance reviews. As 'a working document' it will continue to identify opportunities and issues regarding growth in the Council region, while placing sufficient emphasis on services and programs fundamental to local government.

Strategic Plan

Growth in the Light Regional Council area continues to exceed the State average, underpinning Council's emphasis on sustainable development, adding quality infrastructure to the region, guided by the specifications highlighted in the I&. Council's adopted Long Term Financial Plan has direct linkages into the I& as well as 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. These have all shaped Council's Strategic Plan.

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 the next few 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 release of its 30 Year Plan for Greater Adelaide, coupled with a legislative requirement to review the strategic plan with each newly elected Council, necessitates the review of Council's strategic documents. The State Government's Plan indicates that Roseworthy is an area of interest for significant urban development in the future. Council's new Plan will include a focus on the projected development at Roseworthy to ensure it is supported by a systematic, sustainable framework that considers the social, economic, environmental and financial aspects of this community as a whole.

One of the key focal points for Council in 2012/2013 will be the introduction of revised financial strategies aimed at working towards financial sustainability and improved asset management.

This will be achieved by utilising multiple approaches;

- increasing productivity;
- improved use of technology;
- use of quality materials to increase the life of council's assets;
- aligning any additional resources to financial strategies;
- reviewing expenditure; and
- investigating additional sources of revenue.

Annual Objectives

The 2012/2013 financial year will be one of consolidation in terms of integrating Council's suite of core documents, being the Long Term Financial Plan, Infrastructure and Asset Management Plan and Strategic Management Plan to include the latest visions for our state and region.

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;
- increasing community participation in Council events and activities;
- maintaining and improving open space;
- improving communication and community engagement;
- supporting economic development in the region; and
- maintaining our natural resources.

Key objectives this year include the Roseworthy structure planning and preparation of the associated Development Plan Amendment (DPA), introduction of quality asset handover procedures, a report of the regions environmental health issues and review of Council's Social Plan. Council will be seeking funding for Samuel Road and will be implementing the first stage of the safety enhancements for the Kapunda Mine Site. City and Towns Projects will include: supplementary Water Supply Schemes for Freeling and Kapunda, the Gawler River Water Project and an update of the Township Stormwater Management Plans (SMP) in accordance with the Stormwater Management Authority (SMA) Guidelines.

Council will complete the implementation of actions from the Local Government Association's Good Governance audit, undertake a strategic review of the Northern Expressway (NEXY) residual land and participate in the Local Government Growth Financial Modelling for Roseworthy.

This year there will be a concentrated effort across the organisation to improve productivity stemming from the review of Council's Information Technology System. This will commence with the implementation of the Electronic Data Records Management System (EDRMS) Project, an upgrade to the existing computer system program and an investigation into an electronic performance management system.

Council's road infrastructure program proposed for 2012/2013 retains a capital works focus with more than \$2.6m being planned to be spent on renewal, upgrade projects and roads to recovery funding. 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.

This year the Public Convenience Project at the Kapunda Soldiers Memorial Hall will be completed. This was part of the projects that included construction of facilities at the Freeling Railway Yard Reserve, Roseworthy Recreation Park and the Greenock Institute. Stage 3 of the Hewett Bike Path from the Hewett Centre located at Kingfisher Drive to the junction of Schmidt Road and Whistler Grove will also be completed.

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

Council will continue to build on improved corporate governance strategies, policies and practices by incorporating learned methodologies from the Gibaran Applied Learning Program, which examined the governance, workforce planning, asset management, information technology systems and long term financial planning practices of our organisation.

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 Councils:

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

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

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

Public Consultation

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

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

The period of public consultation commenced on Wednesday, 30 May 2012, the date of the publication of notices in newspapers circulating within the Council area.

A public meeting was held on Wednesday, 20 June 2012 commencing at 6.00pm at the Kapunda Council Chambers, 93 Main Street, Kapunda, where Council received submissions from the community in relation to its 2012/2013 proposals.

The public consultation period formally concluded at the close of business (5.00pm) on Wednesday, 20 June 2012. Copies of this document were available on Council's website at www.light.sa.gov.au and at Council's offices and libraries. Submissions could be made via forms located on Council's website, lodged electronically to Council's email address: light@light.sa.gov.au; by post to the Chief Executive Officer, PO Box 72, Kapunda SA 5373; or by delivery to the front counter at Council's Freeling (12 Hanson Street) or Kapunda (93 Main Street) office locations during this time.

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

Glossary of Terms

Asset Sustainability Ratio

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

Financial Assets

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

Local Government Price Index (LGPI)

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

Net Financial Liabilities

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

Net Financial Liabilities Ratio

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

Net Lending/(Borrowing)

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

Non-financial or Physical Assets

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

Operating Deficit

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

Operating Expenses

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

Operating Revenues

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

Operating Surplus

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

General Information

Grants Commission Statistics

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

The following information is provided:

Grant Type	2007/2008 Actual Allocation	2008/09 Actual Allocation	2009/10 Actual Allocation	2010/11 Actual Allocation	2011/12 Actual Allocation	2012/13 (Estimate)
General Purpose Financial Assistance	\$218,992	\$242,802	\$248,514	\$264,692 ¹	\$279,260	\$290,000
Identified Local Road Entitlement	\$295,316	\$320,276	\$330,699	\$354,681	\$373,344	\$380,938
Total Allocation	\$514,308	\$563,078	\$579,213	\$619,373	\$652,604	
Plus/(Less) adjustment on the previous year	\$1,464	\$6,274	(\$3,372)	\$8,649	\$2,674	\$0 ^{*3}
Special Local Roads Program	\$346,000	-	\$0	\$0	\$0	\$0
Additional Local Road Funding (Formulae Grants)	\$134,951	\$144,542	\$150,089	\$158,882 ^{*2}	\$166,892 ²	\$170,062
Total Grant	\$996,723	\$713,894	\$725,930	\$786,904	\$822,170	\$841,000

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

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

^{*3} – Annual adjustment of Council's grant income was not known at the time of printing this document, notification will be received in August 2012.

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

Other Grants Commission and Council Data

District Area 127,288 hectares

District Population

Estimated at 30 June 2003	11,390
Estimated at 30 June 2004	11,711 + 2.8%
Estimated at 30 June 2005	12,016 + 2.6%
Estimated at 30 June 2006	12,846 + 6.9%
Estimated at 30 June 2007	13,160 + 2.4%
Estimated at 30 June 2008	13,318 + 1.2%
Estimated at 30 June 2009	13,658 + 2.6%
Estimated at 30 June 2010	14,000 + 2.3%

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

Road Length Council has a total of **1,457 kilometres of road*** within its area. Road types are:

Sealed Roads in Built Up Areas	73 kms
Sealed Roads in Non Built Up Areas	94 kms
Unsealed Roads in Built Up Areas	25 kms
Unsealed Roads in Non Built Up Areas	1,206 kms
Unformed	59 kms

*(as at 30/6/2011, reference LGCC return for 2010/2011)

Development Applications The number of New Developments and Additions processed for the 2010/2011 period was 530.

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 30/6/2007	Number of Employees at 30/6/2008	Number of Employees at 30/6/2009	Number of Employees at 30/6/2010	Number of Employees at 30/6/2011	Number of Employees at 25/5/2012
Infrastructure & Works	18	20	25	25	23	28
Environmental Services	11	11	13	13	14	15
Finance & Administration (Business & Governance)	16	22	25	29	27	27
Public Information (Strategy, Projects & Engineering)	11	10	10	12	12	12
Total Staff	56	63	73	79	76	81

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

Assessment of 2011/12 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 2011/2012 Annual Business Plan various activities by which it intended to measure its performance for the year.

An updated position is presented in regard to the Objectives that were planned at the adoption of the 2011/2012 Annual Business Plan.

Item	Operational Area	Objective	Status	Performance
1	Strategy, Projects & Engineering (SP&E)	Roseworthy Structure Planning and DPA prepared.	Ongoing (process amended)	Concept Plan prepared by Development Industry Reps. reviewed and critiqued by internal and external experts prior to Council endorsement. Infrastructure negotiation phase commenced and leads to Structure Plan.
2		Rural Living Development Plan Amendment	Ongoing	Statement of Intent endorsed by Minister. Detailed investigation stage now underway.
3		Completion ARF Public Convenience Projects	Ongoing	Tender awarded for final ARF project in Kapunda Soldiers Memorial Hall. Construction commenced.
4		Hewett Community Centre, commencement of operations as Community and Function Centre	Completed	Open for business
5		Seek funding for Strategic Road project – Samuel Road (as per Barossa Access Framework Submission lodged detailed design prepared pending success of submission)	Ongoing	Detailed funding application lodged. Initial support for the regional RDA.
6		Kapunda Mine Site TDP Implementation – Stage 1 – Safety enhancements	Ongoing	Design work completed. Implementation to follow.
7		Create Park Range Estate Residential Allotments for sale to fund Reserve Improvement Works	Ongoing	Engineering consultancy engaged to undertake necessary design work for allotment servicing.
8		Greenock PLEC Project Construction	Completed	Works finalised March 2012.
9		Complete CWMS capital works at Kapunda, Freeling and Greenock schemes	Completed	All projects completed. Minor defects to be dealt with through current defects liability period.
10		Management of Council's Road Register and Infrastructure Asset Database so as to meet financial and statutory reporting obligations.	Completed	Completed
11		Management of Council's Geographical Information System (GIS) so as to achieve good business practice and operational efficiencies.	Completed	Completed
12		Social Plan updated to meet priorities set	Next review Partial completion	Review of background undertaken. Development of new strategies and consultation to occur.
13		Cities and Towns Projects – Supplementary Water Supply Schemes for Freeling & Kapunda	Ongoing	Works commenced in Freeling and Kapunda with completion to occur May 2012.
14		Gawler River Water Project	Completed	Funding submission lodged. Awaiting result from Commonwealth Government.
15		Hewett Bike path Stage 3	Ongoing	Construction to commence shortly
16		Strategic review of NEXY residual land	Ongoing	Consultant appointed to undertake detailed review.

Item	Operational Area	Objective	Status	Performance
17		Local Government Growth Financial Modelling – re Roseworthy	Ongoing	Awaiting further detail for input to 'test' the robustness of the model. Relies on progression of Roseworthy Infrastructure Negotiations.
18	Development Regulatory Services &	To engage with state government to amend legislation governing development assessment such that the approval process for new residential allotments at Roseworthy may be expedited and the need for substantial additional resources to facilitate growth delivery is minimised.	Commenced	Through a variety of forums, management has floated the need with Government to amend legislation, in particular the Residential Code, such that the development assessment burden on Council's resources is lessened for green field residential land releases. This must remain at the forefront of Council's priorities for 2012/2013.
19		Investigate opportunities for on-line development application lodgement to expedite development assessment processes.	Ongoing	One of many priorities of the department, this item is deferred until 2012/2013 to tie in with the EDRMS initiative next financial year.
20		Continue to ensure development is adequately serviced with appropriate infrastructure (internal and external) which aligns with Council's I & AMP.	Ongoing	Council staff continues to engage with the development fraternity to ensure that infrastructure upgrades external to the subject land are borne by the developers and not the Council.
21		Continue to revise development standards in collaboration with I & W and S.P&E departments to assist the development industry and to provide greater surety for all parties concerned.	Completed	Council has completed its review of development standards.
22		Meet the requirements of Council's Building Inspection Policy as it relates to matters of public safety and to ensure matters of Building Fire Safety remain a priority in terms of compliance audits.	Ongoing	Council's Building Surveyors continue to meet their obligations as per the requirements of the Building Inspection Policy. This information is regularly tabled at Council meetings for elected members' interest. New roof truss legislation is due to come in on 1 July and this will have an impact on Council's resources.
23		Formulate the Animal Management Plan for the forthcoming five year period as required by the Dog and Cat Management Act.	Largely completed	Council is currently undergoing public consultation on its Animal Management Plan and this will culminate in a report to Council at its June 2012 meeting where adoption of the plan is to occur.
24		Embark on a new methodology for dog registration whereby disks are sent to registered owners along with their re-registration papers.	Completed	A new regime for dog registration is scheduled to commence in the 2012/2013 financial year subject to the appropriate technology being installed. Appropriate funds have been set aside, the necessary procurement processes have been established and such an initiative will reduce workload for customer service staff.
25		Implement a rigorous public health/food safety/public immunisation awareness promotion to raise the importance of these issues throughout the region.	Completed	Council's EHO has undertaken extensive food safety and immunisation awareness and promotion programs throughout the reporting period. Such initiatives, to name a few, include school liaison, signage, advertisements, web site promotion and food safety courses.
26		Develop a reporting structure and system for aerobic septic maintenance and carry out a targeted auditing program of aerobic systems region wide.	Completed	Audits and inspections have been undertaken of all aerobic systems approved during the 2009-2012 period.
27	Infrastructure & Works	Deliver Adopted Sealed and Formed Road Renewal Program	New program to commence 2012/2013	New Infrastructure and Works program to be implemented in 2012/2013.

Item	Operational Area	Objective	Status	Performance
28		Implement Customer Action Team Program	Completed	<i>Customer Action Team implemented with over 1000 customer requests completed in the first 12 month period.</i>
29	Business Governance &	Review Internal Controls Management System	Commenced	<i>Council focused on improving the OHS&W internal auditing systems in addition to financial and governance audit</i>
30		Development & Implementation of ICT Strategy aligned to Systems Review	Partially completed	<i>Draft ICT Strategy completed, consultation with Management next phase.</i>
31		Review Internal and External Communications Policy and Procedure - improve as identified	To be reviewed	
32		Refine Customer Request System to support Service Delivery improvement	Ongoing	<i>Council implemented an improved telephone system to ensure customer requests are monitored and attended to in an efficient manner.</i>
33		Review LINK Library Strategy Plan for next 3 Year Period	Ongoing	<i>Reviewed quarterly by the LINK Library Managers.</i>
34		Review OHS&W systems taking into account workforce planning and business continuity and Emergency Planning matters	Ongoing	<i>Management reviewed and adopted the Light Regional Council's OHS&W Injury Management Action Plan 2011-2014. The Plan encompasses all facets of OHS&W including injury management, hazard control, reporting, monitoring and training.</i>
35		Review Governance Policy and Procedures	Ongoing	<i>Council completed the Local Government Association's Governance Audit which identified key areas for review within an eighteen month period. More than a third of the areas have been completed.</i>

Strategic Plan and Annual Objectives

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

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



The vision for the Council "a vibrant growing community to be supported by quality infrastructure, a sustainable environment and excellent services that meet everybody's needs and maintains our unique lifestyle" reflects a region which is rapidly changing and a community which is proud of its unique character and seeks to help shape its future. To achieve this vision Council will continue to progress the key goals of the Strategic Management Plan, during the 2012/2013 financial year the following key strategies and objectives will be achieved:

- **A progressive Council providing leadership, accountable governance and quality services to our region;**
 - Pursue good governance by finalising the review of Council's Strategic Management Plan including reviewing Council's Long Term Financial Plan;
 - Improve operational efficiencies, service delivery, resource utilisation and strategy implementation by accessing, understanding and managing progress and performance information, systems and data;
 - Continue best practice asset management through the development of Councils Infrastructure and Asset Management Plan.
- **A region which supports the social, cultural, economic and environmental needs of residents and visitors:**
 - Embrace growth within the region by preparing the Roseworthy Structure Planning and Development Plan Amendment (DPA).

- Identify opportunities by commencing a Development Master Plan process for the Northern Expressway Residual Land.
- **A region which protects and enhances our natural environment:**
 - a. Ensure the water security of our region through the implementation of the SWSSFK - Supplementary Water Supply Schemes for Freeling & Kapunda water reuse schemes.
 - b. Embrace our natural areas through the development of Open Space and Recreational Lands Strategy Plan in conjunction with our Barossa region neighbours.

2012/2013 Annual Objectives and Activities (including performance measures)

The proposed 2012/2013 objectives are as follows:

Item	Operational Area	Objective	Measurable Outcome	
			Financial	Non-Financial
1	Strategy, Projects & Engineering (SP&E)	Roseworthy Structure Planning and Development Plan Amendment (DPA) prepared.	Budget allocations met (minimal Council expenditure utilising Roseworthy Alliance and State Government for financial input)	Structure Plan developed in consultation with various stakeholders, adopted by Council and State Government.
2		Rural Living DPA	Budget allocations met	Amendment completed following public/stakeholder consultation.
3		Completion ARF Public Convenience Projects	Budget allocations met	Kapunda Soldiers Memorial Hall toilet additions open and operational complementing those in Roseworthy, Greenock and Freeling.
4		Seek funding for Strategic Road project – Samuel Road (as per Barossa Access Framework Submission lodged detailed design prepared pending success of submission.	RDAF funding approved	Funding Deed executed and works progressed in accordance with Deed.
5		Kapunda Mine Site TDP Implementation – Stage 1 – Safety enhancements	Budget allocations met	Community organisation(s) involved with planning the project and advocating in community and with other Departments of Government. Discussions with Mawson & Heysen Trail re realignment of trails through the site underway and agreements reached. Heritage Wall structure work undertaken and fencing around pump pit completed.
6		Create Park Range Estate Residential Allotments for Sale to fund Reserve Improvement Works		Land division process finalised including amendment of existing stormwater arrangements. Real Estate agent engaged for land sales.
7		Complete CWMS capital works at Kapunda, Freeling and Greenock schemes		
8		Management of Council's Road Register and Infrastructure Asset Database so as to meet financial and statutory reporting obligations.		Statutory obligations fulfilled
9		Management of Council's Geographical Information System (GIS) so as to achieve good business practice and operational efficiencies.		Suitable and sustainable GIS platforms achieved. GIS system downtime < 2%
10		Social Plan updated to meet priorities set		
11		Cities and Towns Projects – Supplementary Water Supply Schemes for Freeling & Kapunda	Commonwealth funding expended in accordance with Funding Deed, within project budget.	Extensions to Kapunda & Freeling Recycled Water Schemes constructed and commissioned in accordance with design intent. Water Supply Agreements executed with recycled water users.

Item	Operational Area	Objective	Measurable Outcome	
			Financial	Non-Financial
12		Gawler River Water Project	Commonwealth funding received.	Regional Subsidiary formed, Funding Deed executed and works progressed in accordance with the Deed.
13		Hewett Bike path Stage 3		
14		Strategic review of NEXY residual land	Budget allocation met	Strategic document inclusive of recommendations for future use of NEXY Residual Land prepared.
15		Local Government Growth Financial Modelling – re Roseworthy	<ul style="list-style-type: none"> - Project funds committed by partnering Councils and LGA - Deloitte Access Economics engaged - Project funds expended 	<ul style="list-style-type: none"> - Report lodged with LGA regarding outcomes of project - Model available to LG organisations - LRC utilising the model to provide future financial projections with regard to Roseworthy
16		Infrastructure & Asset Management Plan (I&) – Implementation of the Improvement Plan		Complete tasks identified in Table 8.2 – Improvement Plan for each Chapter of the I&
17		Update Township Stormwater Management Plans (SMP) in accordance with the Stormwater Management Authority (SMA) Guidelines	Obtain external funding support from the SMA and Adelaide & Mount Lofty Ranges Natural Resources Management Board to prepare Township SMP's within available budget.	Prepare updated Township SMP's and obtain SMA approval.
18		Kapunda Town Centre/Car Parking DPA	Budget allocation met	Amendment process commenced.
19		Better Development Plan Conversion DPA		Amendment completed following public/stakeholder consultation.
20		Gawler River Flood Prone Area DPA		Amendment completed following public/stakeholder consultation.
21		Winery Development BVR DPA	Budget allocation met	Amendment process commenced.
22		NEXY Residual Land DPA	Budget allocation met	Amendment process commenced in line with recommendations from the associated strategic document.
23		Strategic Directions Report (Development Plan Review)	Budget allocation met	Strategic document inclusive of recommendations to update Development Plan in-line with State Government strategic directions.
24		Barossa Regional Open Space, Recreation and Public Realm Strategy (Recreational Facilities Review)		Regional strategic document prepared inclusive of recommendations regarding recreational facilities for Council's consideration.
25	Development & Regulatory Services (D&RS)	Dog Registration Audit	Budget allocation met	Undertake a rigorous door knock of all townships to ascertain the percentage of dogs not registered and where necessary, issue expiations and registration renewals.
26		Environmental Health Report Review		Identify key environmental health issues that have arisen during the 2011/2012 financial year and devise strategies to address and ameliorate these matters.

Item	Operational Area	Objective	Measurable Outcome	
			Financial	Non-Financial
27		Roof Truss (Amendment) Regulations 2012 – compliance with legislative requirements	Budget allocation met	To ensure that Council complies with the rigorous level of inspection regimes imposed by legislation for roof trusses.
28		Decision Notification (conditions of consent) Audit		To ensure that the integrity of the development and waste control approvals issued by the department are upheld by means of auditing those matters that have conditions of consent attached.
29		EDRMS, telephones and online lodgement (DAs) – development and adoption of standard operating procedures and KPIs	Budget allocation met	To ensure that the department positions itself to embrace the new records management system such that workflows and processes are sophisticated and timeframes for file management is expedited. To ensure that customer service staff provide superior service to customers through use of the Mitel telephone system.
30		To engage with state government to amend legislation governing development assessment such that the approval process for new residential allotments at Roseworthy may be expedited.	No net impact on labour resourcing	Through a variety of forums, management has floated the need with Government to amend legislation, in particular the Residential Code, such that the development assessment burden on Council's resources is lessened for green field residential land releases. This must remain at the forefront of Council's priorities for 2012/2013 such that the impact on resourcing is minimised.
31		Development of Quality Asset Handover Procedures	No net impact on financial statement	To continue to review and refine Council's asset handover procedures for land division and land use developments. To ensure the asset meets its expected life.
32	Infrastructure & Works	Deliver Adopted Sealed and Formed Road Renewal Program	Projects delivered within budget allocation.	Asset service level increased. Reduction in service level complaints received against programmed roads.
33		Develop Transport Maintenance program	Maintenance delivered within budget allocation	Asset service level increased. Reduction in reactive maintenance tasks undertaken
34		Develop Land & Building Maintenance Program	Maintenance delivered within budget allocation	Asset service level increased. Reduction in reactive maintenance tasks undertaken
35		Develop Wastewater Community Management System Maintenance Program	Maintenance delivered within budget allocation	Asset service level increased. Reduction in reactive maintenance tasks undertaken
36		Provide improved Contract & Project Management	Deliver projects within budget at cost competitive prices	Reduction in risk when undertaking projects

Item	Operational Area	Objective	Measurable Outcome	
			Financial	Non-Financial
37		Source improved materials for resheeting unsealed roads	Maintenance delivered within budget allocation	Extend asset life for the same renewal costs
38		Improve Internal Systems to ensure efficient services are provided	Overall budget managed and monitored.	Improved cost control Improved recording of resources
39	Business & Governance (Corporate Services)	Develop a standard for library service delivery points.	Budget is available, now and in the future, ensuring the service delivery points can be up to standard.	Standard is developed and endorsed by General Management Group.
40		Policy development: <ul style="list-style-type: none">• Collection development policy• Literacy policy• Social media policy		Policies are adopted by Council and implemented by the library service.
41		Develop a place management plan for the existing three library branches.	Budget exists for place management strategies in 2013/2014 budget and in 'Long-term Financial Plan'	Place management plan is developed and a timeline for implementation is in place.
42		Implementation of EDRMS Project	Electronic Data Records Management system implemented within adopted budget.	All records created externally and internally are recorded through the electronic records management system. Corporate standards redeveloped.
43		Upgrade to Corporate Computer System "Authority"	Project undertaken within budget allocation.	Version 6 upgrade computer programs and processes fully tested prior to implementation. Appropriate training of staff to operate amended computer programs and system access.
44		Completion Audit Committee Works Program.		Review/implement Internal Controls Processes deemed necessary by Deloittes and Starr reports. Review Financial Management Policies. Adopt Revised 10 year Long Term Financial Plan
45		Finalise the governance policy and procedure review as identified by the LGA Good Governance Assessment		Policies developed and implemented
46		Assess organisational Work force capacity		Develop a workforce planning program. Review of the internal communication practices. Develop leadership development and succession plans. Review performance management system, staff recruiting and retention strategies
47		Undertake OHS&W and risk policies, procedures and systems review in accordance with the Light Regional Council's OHSW Plan 2011 – 2014		All OHS&W policies reviewed. Procedures put in place to comply with LGA One System requirements. Maintenance of low statistical OHS&W incident rate and Workers Compensation claim rate.

Financial Requirements and Summary of Financial Statements

The initial draft of the 2012/2013 budget has been prepared using the adopted LTFP Year 3, inclusive of the assumptions used in preparing the LTFP, and adjusted for known changes from the 2011/2012 Budget.

Council's estimated operating income and expenditure for the 2012/2013 financial year is identified in the following graphs. Council rates and separate charges for this financial year are estimated to be \$14.42m. To obtain this level of funding Council will need to increase its general rate income by 8.84%, as compared to the 2011/2012 financial year, in accordance with the proposals adopted as part of its ten year Long Term Financial Plan. The percentage increase takes account of CPI pressures and the growth to Council's assessment base. Budgeted general rate income is set at \$12.05m in the budget.

Council's total capital program is planned at \$4.33m. Loan borrowings of approximately \$1.84m are proposed.

Council is forecasting an operating deficit for the 2012/2013 financial year. This means that not enough revenue is received to cover operating expenditure (including depreciation).

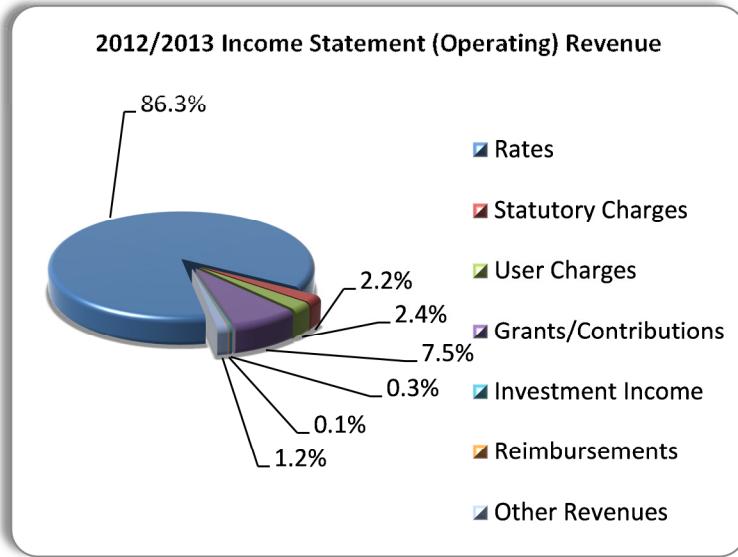
Maintaining operations in deficit means that Council is not deferring current programs and that the revenue received during the year is not sufficient to meet the programs proposed to be delivered.

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

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

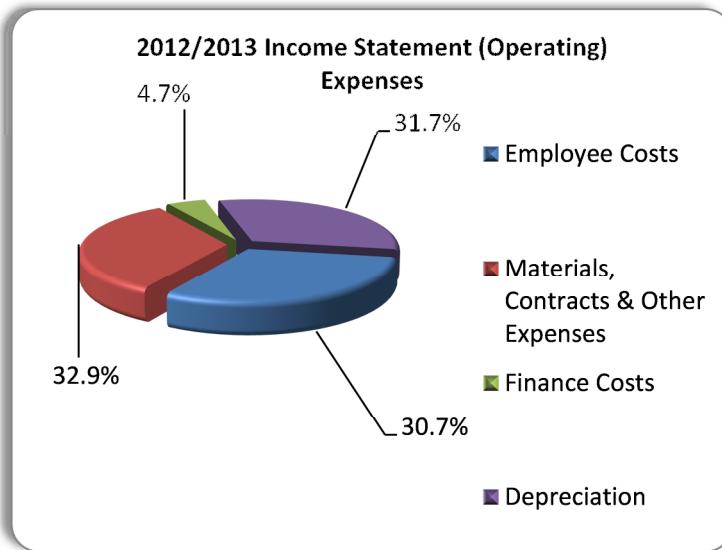
Long term, as part of its forward strategy, Council plans to decrease the operating deficit and become sustainable through its own revenue; through development, continued asset management, productivity improvements and maintaining controls on spending (refer to Council's Strategic Plan for the period 2008 to 2018). The operating deficit in Council's adopted Long Term Financial Plan (LTFP) - (Year 3) was \$4.33m. There has since been a decrease in depreciation following a revaluation/review process at the end of June 2010, which if adjusted to the LTFP operating deficit, this would decrease by \$0.91m. Therefore this would also reduce the operating deficit to \$3.42m in the LTFP (Year 3). The 2012/2013 budget operating deficit is \$3.18m, which would then be in line with the LTFP. However, Council is currently reviewing its LTFP during this budget process, as is required following the Council election in November 2010, to take account of any known changes since the original plan's adoption and will give a more accurate forecast.

The following graph illustrates revenue received by type and is extracted from Council's budgeted Income Statement for the 2012/2013 financial year.



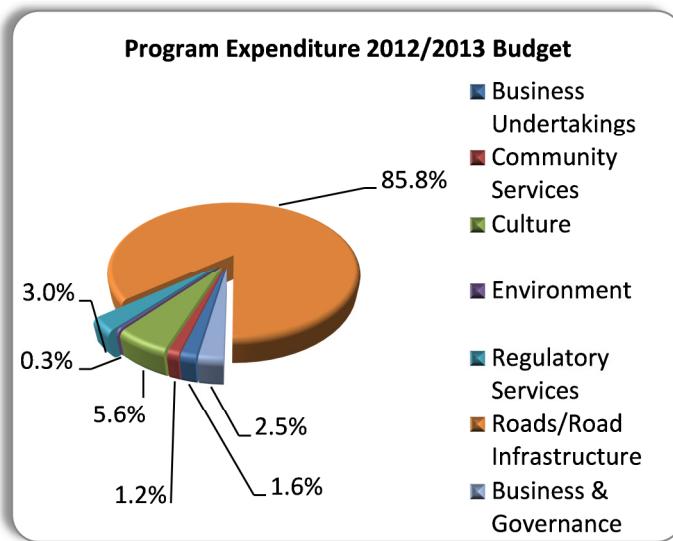
Rates account for 86.3% of Council's revenue followed by Grants and Contributions at 7.5%. Council has a heavy reliance upon rate revenue in comparison to many regional councils.

The following graph illustrates expenditure allocated by type and is also extracted from Council's budgeted 2012/2013 Income Statement.



The major portion of Council's expenditure is allocated to Materials, Contracts and Other – 32.9%, with Employee Costs requiring 30.7% of the budget. Depreciation accounts for 31.7% of operational expenditure.

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



Transport - Roads and Road Infrastructure is the main component at 85.8%.

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

Operational Area	Project	Expense	% of Budget
Tourism	Kapunda Mine Site (Stage 3) (half project cost dependent on funding)	\$0.150M	3.98%
Tourist & Leisure Park	Electrical Upgrade and Bush Cabin/BBQ Area	\$0.060M	1.59%
Buildings	Capital Renewal Program	\$0.084M	2.23%
Transport - Roads and Road Infrastructure	Old Adelaide Road (Roads to Recovery program funded) Resheeting of Formed Roads Sealed Roads Reconstruction Sealed Road Upgrade Bridges Footpaths	\$2.806M \$0.028M \$0.096M	74.51% 0.74% 2.55%
Plant and Machinery (net of trade-ins)		\$0.404M	10.73%
Equipment/Other	Total Capital Expenditure	\$0.138M \$3.766M	3.67% 100.00%

LIGHT REGIONAL COUNCIL

BUDGETED STATEMENT OF COMPREHENSIVE INCOME for the year ended 30 June 2013

	2011/2012 <i>Adopted Budget</i>	2011/2012 <i>Revised Forecast</i>	2012/2013 <i>Adopted Budget</i>
INCOME			
Rates	13,348,680	13,348,680	14,415,811
Statutory charges	376,689	406,979	366,037
User charges	391,978	497,540	401,888
Other grants, subsidies and contributions	1,562,689	1,944,253	1,247,203
Investment Income	55,000	58,270	55,000
Reimbursements	141,413	773,024	23,660
Other Revenues	210,656	279,060	207,516
Share of profit - joint ventures and associates	0	0	0
TOTAL INCOME	<u>16,087,105</u>	<u>17,307,806</u>	<u>16,717,115</u>
EXPENSES			
Employee Costs	5,705,246	5,714,427	6,114,024
Materials, contracts and other services	6,574,183	7,767,694	6,556,595
Finance Costs	842,595	925,325	928,377
Depreciation, Amortisation & Impairment	6,159,877	6,159,877	6,303,001
Share of loss - joint ventures & associates	0	0	0
TOTAL EXPENSES	<u>19,281,901</u>	<u>20,567,323</u>	<u>19,901,997</u>
OPERATING SURPLUS / (DEFICIT)	(3,194,796)	(3,259,517)	(3,184,882)
Asset disposal & fair value adjustments	(537,400)	(616,007)	(616,545)
Amounts specifically for new or upgraded assets	327,500	1,054,078	75,000
Physical resources received free of charge	0	0	0
NET SURPLUS (DEFICIT) transferred to Equity Statement	<u>(3,404,696)</u>	<u>(2,821,446)</u>	<u>(3,726,427)</u>
<i>Other Comprehensive Income</i>			
Changes in revaluation surplus - infrastructure, property, plant & equipment	0	0	0
Impairment (expense) / recoupments offset to asset revaluation reserve	0	0	0
Total Other Comprehensive Income	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL COMPREHENSIVE INCOME	<u>(3,404,696)</u>	<u>(2,821,446)</u>	<u>(3,726,427)</u>

LIGHT REGIONAL COUNCIL**BUDGETED BALANCE SHEET
for the year ended 30 June 2013**

	2011/2012	2011/2012	2012/2013
	<i>Adopted Budget</i>	<i>Revised Forecast</i>	<i>Adopted Budget</i>
ASSETS			
Current Assets			
Cash and cash equivalents	395,738	2,613,318	2,678,185
Trade & other receivables	967,084	1,405,653	1,398,453
Other Financial Assets	0	0	0
Inventories	181,556	16,312	16,312
	<u>1,544,378</u>	<u>4,035,283</u>	<u>4,092,950</u>
Non-current Assets held for Sale			
	Total Current Assets	1,544,378	4,035,283
			4,092,950
Non-Current Assets			
Financial Assets	99,911	238,756	238,756
Equity accounted investments in Council businesses	1,506,779	1,560,752	1,560,752
Investment Property	0	0	0
Infrastructure, Property, Plant and Equipment	159,549,819	158,338,898	155,747,144
Other Non-current Assets	3,943,145	5,757,083	5,757,083
	Total Non-Current Assets	165,099,654	165,895,489
			163,303,735
Total Assets	<u>166,644,032</u>	<u>169,930,772</u>	<u>167,396,685</u>
LIABILITIES			
Current Liabilities			
Trade & Other Payables	2,408,508	2,390,319	2,390,319
Borrowings	1,472,538	1,382,936	1,382,936
Short-term Provisions	496,390	460,287	460,287
Other Current Liabilities	0	0	0
	4,377,436	4,233,542	4,233,542
Liabilities relating to Non-current Assets held for Sale			
	Total Current Liabilities	4,377,436	4,233,542
			4,233,542
Non-current Liabilities			
Trade & Other Payables	0	0	0
Long-term Borrowings	9,444,118	11,424,107	11,999,902
Long-term Provisions	300,537	331,666	331,666
Other Non-current Liabilities	0	0	0
	Total Non-current Liabilities	9,744,655	11,755,773
			12,331,568
Total Liabilities	<u>14,122,091</u>	<u>15,989,315</u>	<u>16,565,110</u>
NET ASSETS	<u>152,521,941</u>	<u>153,941,457</u>	<u>150,831,575</u>
EQUITY			
Accumulated Surplus	12,596,163	16,058,671	12,269,159
Asset Revaluation Reserve	135,170,733	135,155,554	135,772,099
Other Reserves	4,755,045	2,727,232	2,790,317
TOTAL EQUITY	<u>152,521,941</u>	<u>153,941,457</u>	<u>150,831,575</u>

LIGHT REGIONAL COUNCIL

BUDGETED STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2013

	2011/2012 <i>Adopted Budget</i>	2011/2012 <i>Revised Forecast</i>	2012/2013 <i>Adopted Budget</i>
ACCUMULATED SURPLUS			
Balance at end of previous reporting period	16,102,302	17,738,676	16,058,671
Net Result for Year	<i>(3,404,696)</i>	<i>(2,821,446)</i>	<i>(3,726,427)</i>
Transfers To Other Reserves	<i>(535,519)</i>	<i>(2,465,270)</i>	<i>(487,952)</i>
Transfers from Other Reserves	434,076	3,606,711	424,867
Balance at end of period	12,596,163	16,058,671	12,269,159
ASSET REVALUATION RESERVE			
Balance at end of previous reporting period	134,633,333	134,539,547	135,155,554
Gain on revaluation of infrastructure, property, plant & equipment	0	0	0
Transfer to Accumulated Surplus on sale of infrastructure, property, plant & equipment	537,400	616,007	616,545
Balance at end of period	135,170,733	135,155,554	135,772,099
OTHER RESERVES			
Balance at end of previous reporting period	4,653,602	3,868,673	2,727,232
Transfers from Accumulated Surplus	535,519	2,465,270	487,952
Transfers to Accumulated Surplus	<i>(434,076)</i>	<i>(3,606,711)</i>	<i>(424,867)</i>
Balance at end of period	4,755,045	2,727,232	2,790,317
TOTAL EQUITY AT END OF REPORTING PERIOD			
	152,521,941	153,941,457	150,831,575

LIGHT REGIONAL COUNCIL

BUDGETED CASH FLOW STATEMENT for the year ended 30 June 2013

	<i>2011/2012 Adopted Budget</i>	<i>2011/2012 Revised Forecast</i>	<i>2012/2013 Adopted Budget</i>
CASH FLOWS FROM OPERATING ACTIVITIES			
<i>Receipts</i>			
Investment income	55,000	58,270	55,000
Other operating revenues	16,032,105	17,249,536	16,662,115
<i>Payments</i>			
Finance Costs	(842,595)	(925,325)	(928,377)
Other payments	(12,279,429)	(13,482,121)	(12,670,619)
Net Cash provided by (or used in) Operating Activities	2,965,081	2,900,360	3,118,119
CASH FLOWS FROM INVESTING ACTIVITIES			
<i>Receipts</i>			
Grants specifically for new or upgraded assets	327,500	1,054,078	75,000
Sale of replaced assets	537,400	615,907	616,545
Sale of surplus assets	0	100	0
Sale of investment property	0	0	0
Net disposal of available -for-sale Financial Assets	0	0	0
Sale of real estate developments	0	0	0
Repayments of loans by community groups	7,200	7,200	7,200
Distributions received from associated entities	0	0	0
	0	0	0
<i>Payments</i>			
Expenditure on renewal/replacement of assets	(3,638,747)	(4,313,964)	(3,596,118)
Expenditure on new/upgraded assets	(1,370,977)	(4,638,053)	(731,674)
Purchase of Investment Property	0	0	0
Net purchase of available-for-sale Financial Assets	0	0	0
Development of real estate for sale	0	0	0
Loans made to community groups	0	(150,000)	0
Capital contributed to associated entities	0	0	0
Net Cash provided by (or used in) Investing Activities	(4,137,624)	(7,424,732)	(3,629,047)
CASH FLOWS FROM FINANCING ACTIVITIES			
<i>Receipts</i>			
Proceeds from Borrowings	2,772,500	4,861,300	1,840,000
Proceeds from Aged Care Facility deposits	0	0	0
<i>Payments</i>			
Repayments of Borrowings	(1,382,930)	(1,381,300)	(1,264,205)
Repayment of Finance Lease Liabilities	0	0	0
Repayment of Aged Care Facility deposits	0	0	0
Net Cash provided by (or used in) Financing Activities	1,389,570	3,480,000	575,795
Net Increase (Decrease) in cash held	217,027	(1,044,372)	64,867
Cash & cash equivalents at beginning of period	178,711	3,657,690	2,613,318
Cash & cash equivalents at end of period	395,738	2,613,318	2,678,185

LIGHT REGIONAL COUNCIL

BUDGETED UNIFORM PRESENTATION OF FINANCES for the year ended 30 June 2013

	<i>2011/2012 Adopted Budget</i>	<i>2011/2012 Revised Forecast</i>	<i>2012/2013 Adopted Budget</i>
Income	16,087,105	17,307,806	16,717,115
<i>less Expenses</i>	<i>(19,281,901)</i>	<i>(20,567,323)</i>	<i>(19,901,997)</i>
Operating Surplus / (Deficit) before Capital Amounts	<u><i>(3,194,796)</i></u>	<u><i>(3,259,517)</i></u>	<u><i>(3,184,882)</i></u>
<i>less Net Outlays on Existing Assets</i>			
Capital Expenditure on renewal and replacement of Existing Assets	3,638,747	4,313,964	3,596,118
<i>less Depreciation, Amortisation and Impairment</i>	<i>(6,159,877)</i>	<i>(6,159,877)</i>	<i>(6,303,001)</i>
<i>less Proceeds from Sale of Replaced Assets</i>	<i>(537,400)</i>	<i>(616,007)</i>	<i>(616,545)</i>
	<u><i>(3,058,530)</i></u>	<u><i>(2,461,920)</i></u>	<u><i>(3,323,428)</i></u>
<i>less Net Outlays on New and Upgraded Assets</i>			
Capital Expenditure on New and Upgraded Assets <i>(including investment property & real estate developments)</i>	1,370,977	4,638,053	731,674
<i>less Amounts received specifically for New and Upgraded Assets</i>	<i>(327,500)</i>	<i>(1,054,078)</i>	<i>(75,000)</i>
<i>less Proceeds from Sale of Surplus Assets <i>(including investment property and real estate developments)</i></i>	<i>0</i>	<i>0</i>	<i>0</i>
	<u><i>1,043,477</i></u>	<u><i>3,583,975</i></u>	<u><i>656,674</i></u>
Net Lending / (Borrowing) for Financial Year	<i>(1,179,743)</i>	<i>(4,381,572)</i>	<i>(518,128)</i>

Rating Structure and Policy

Strategic Focus

In proposing its rates for the 2012/2013 financial year Council has considered its Strategic Management Plan 2008 to 2018, the current economic climate, specific issues faced by the community, the budget requirements for the 2012/2013 financial year and the impact of rates on the community – in particular householders and primary producers.

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

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

Method used to value land

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

Council will be adopting the valuations made by the Valuer-General and which are applicable for the financial year commencing 1 July 2012. 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. The estimated rate revenue total will continue to change as updated information is received on valuations from the Valuer General up to the date of adoption by Council (Week 52).

Financial Year	2010/2011	2011/2012	2012/2013 (Estimate Rate/\$)	2012/2013 (Estimated Revenue)	% Change to Previous Year	% Average Increase per rateable assessment	% of General Rate Revenue	% Revenue shift from Previous Year
				(Week 52)				
Total Capital Valuation	\$2,843,315,100	\$3,014,825,140		\$3,036,450,540	+0.72%			
Number of Rateable Assessments	7,352	7,425		7,497	+0.97%			
General Rate Revenue	\$10,163,305	\$11,071,305		\$12,047,243	+8.84%			
Refuse Collection & Disposal Service Charge	\$958,060	\$1,017,823		\$1,076,300	+5.75%			
CWMS Service Charge	\$889,190	\$920,598		\$941,365	+2.26%			
NRM Board Levy	\$248,280	\$266,629		\$264,703	-0.72%			
Other Rate Income	\$61,000	\$89,900		\$86,200	-4.12%			

Rate/\$ Proposals

Residential LUC Rate in the \$	\$0.003468	\$0.0035763	\$0.0038570	\$5,115,589	+7.85%	+6.70%	+56.25%	+0.07%
Commercial Shop LUC Rate in the \$	\$0.006069	\$0.0062585	\$0.0067498	\$102,854	+7.85%	+5.07%	+0.92%	+0.05%
Commercial Office LUC Rate in the \$	\$0.006069	\$0.0062585	\$0.0067498	\$19,045	+7.85%	-13.92%	+0.16%	-0.03%
Commercial Other LUC Rate in the \$	\$0.006936	\$0.0071526	\$0.0077141	\$770,375	+7.85%	+14.35%	+3.40%	+0.45%

Financial Year	2010/2011	2011/2012	2012/2013 (Estimate Rate/\$)	2012/2013 (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 \$	\$0.009537	\$0.0098348	\$0.0106068	\$70,637	+7.85%	-2.23%	+0.29%	-0.10%
Industrial Other LUC rate in the \$	\$0.009537	\$0.0098348	\$0.0106068	\$1,063,217	+7.85%	+8.14%	+0.56%	-0.06%
Primary Production LUC Rate in the \$	\$0.0027744	\$0.0028610	\$0.0030856	\$4,156,657	+7.85%	+8.27%	+30.53%	-0.15%
Vacant Land LUC Rate in the \$	\$0.006069	\$0.0062585	\$0.0067498	\$487,373	+7.85%	+9.00%	+6.59%	-0.24%
Other LUC Rate in the \$	\$0.003468	\$0.0035763	\$0.0038570	\$261,494	+7.85%	+11.07%	+1.29%	0.00%
Minimum Rate	\$660	\$690	\$745		+7.97%			
Service Charges								
Refuse Collection & Disposal Charge (including green waste)	\$249	\$249	\$255	\$943,500	+3.75%			
Refuse Collection & Disposal Charge (not including green waste)	\$160	\$160	\$166	\$132,800	+2.41%			
CWMS Charge (Kapunda, Freeling, Greenock & Roseworthy System)	\$379	\$379	\$390	\$886,315	+2.90%			
Freeling Sewer (Hanson Street North Estate)	\$359	\$359	\$370	\$53,850	+3.06%			
Greenock Rise CWMS Charge (nominated properties only - as at 18/05/12)	\$50	\$50	\$50	\$1,200	0.00%			

Differential General Rates

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

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

Commercial Properties

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

Industrial Properties

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

Primary Production Properties

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

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

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

In the 2012/2013 budget, Council proposes to raise total general rate related revenue of \$14.42m in a total operating revenue budget of \$16.72m. 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 2012/2013 Council proposes to impose a minimum rate of \$745 which will affect 1682 (22.44%) 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 2012/2013 totalling \$258,003 (*Ministerial Gazette notice published 21 June 2012*).

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 2012/2013 financial year is budgeted to be \$0.94m. 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. Some nominated properties at the Greenock Rise subdivision will be charged an amount of \$50 per unit. Where the service is provided to non-rateable land, a service charge is levied against the land.

The Council also provides a refuse collection service inclusive of recycling collections within the townships of Kapunda, Freeling, Hewett, Greenock, Roseworthy and Wasleys. The service is also provided to those ratepayers in Council's area that are able to access the service along the designated collection routes. The full cost of operating and maintaining this service for 2012/2013 is budgeted to be \$1.076m. Council proposes to recover this cost through a service charge of \$255 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 \$166 for each property within the designated 2 bin service area (ie. collection of domestic and recyclable refuse only). Where the service is provided to non-rateable land, a service charge is levied against the land.

Rate Concessions

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

Self Funded Retiree Concession

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

Unemployed Persons Concessions

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

Payment of Rates

Under Section 181 of the Local Government Act 1999, Council must provide the opportunity for all ratepayers to pay rates by quarterly instalments. Council payment dates proposed in the 2012/2013 financial year will be 7 September 2012, 7 December 2012, 8 March 2013 and 7 June 2013.

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 or 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 2012/2013 financial year, proposing to rebate rates charged to various district community and sporting organisations.

Sale of Land for Non-Payment of Council Rates

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

Disclaimer

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

Financial Impacts of Infrastructure Management

Council has previously adopted the following key financial targets:

Indicator 1 – Operating Surplus

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

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

Indicator 2 – Operating Surplus Ratio

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

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

Indicator 3 – Net Financial Liabilities

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

Indicator 4 – Net Financial Liabilities Ratio

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

Indicator 5 – Interest Cover Ratio

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

Indicator 6 – Asset Sustainability Ratio

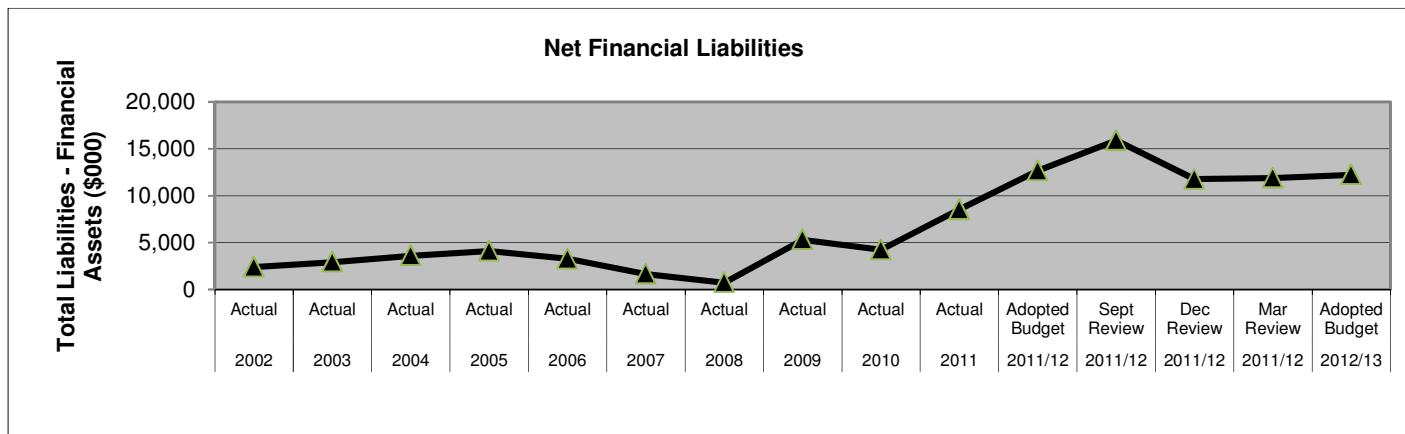
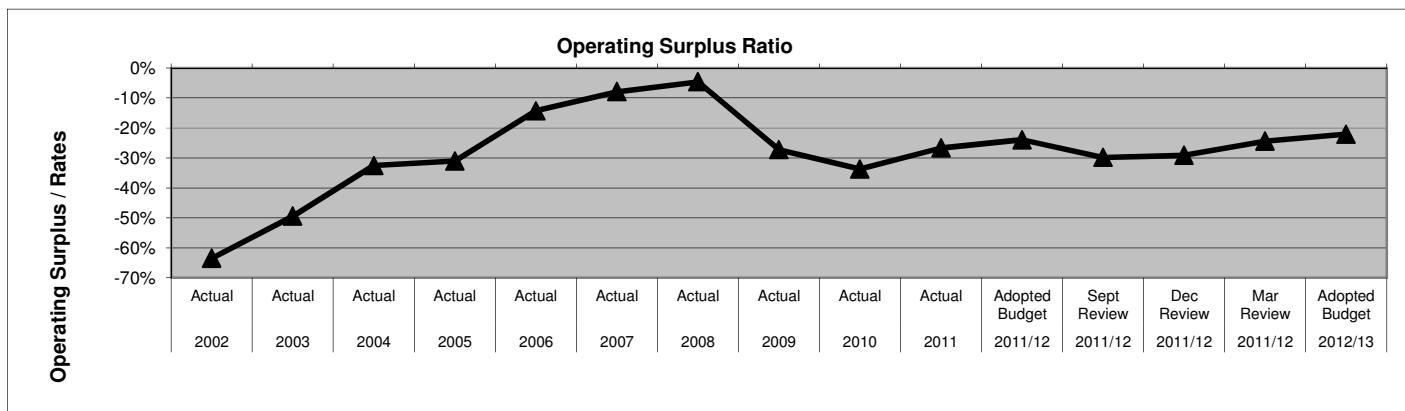
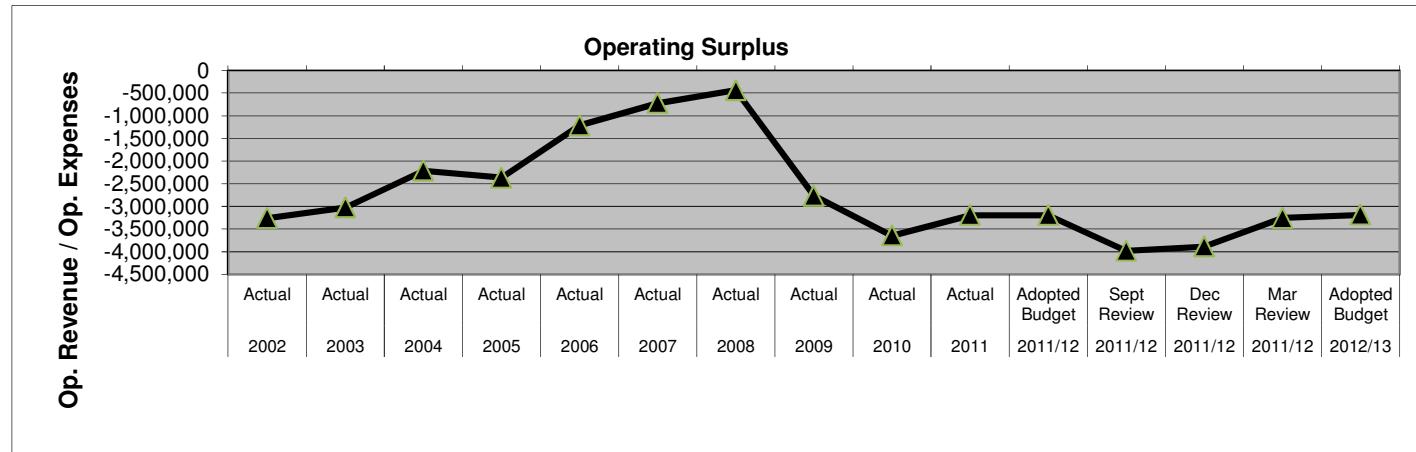
Long Term, that Council's outlays on renewing or replacing assets equal or are better than the rate of annual depreciation of assets over a rolling three year period.

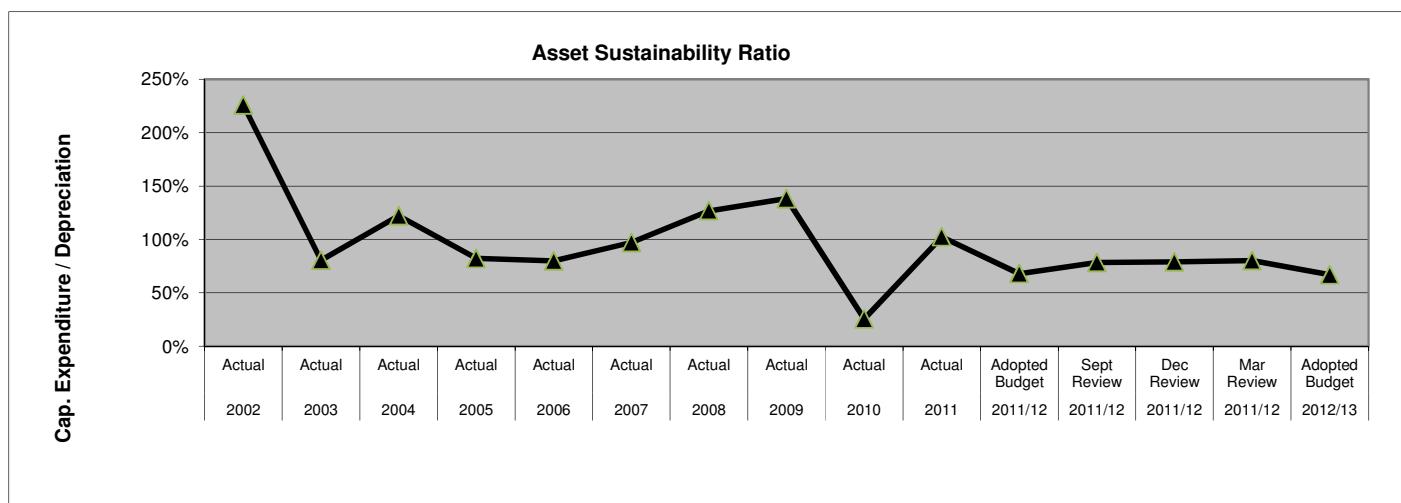
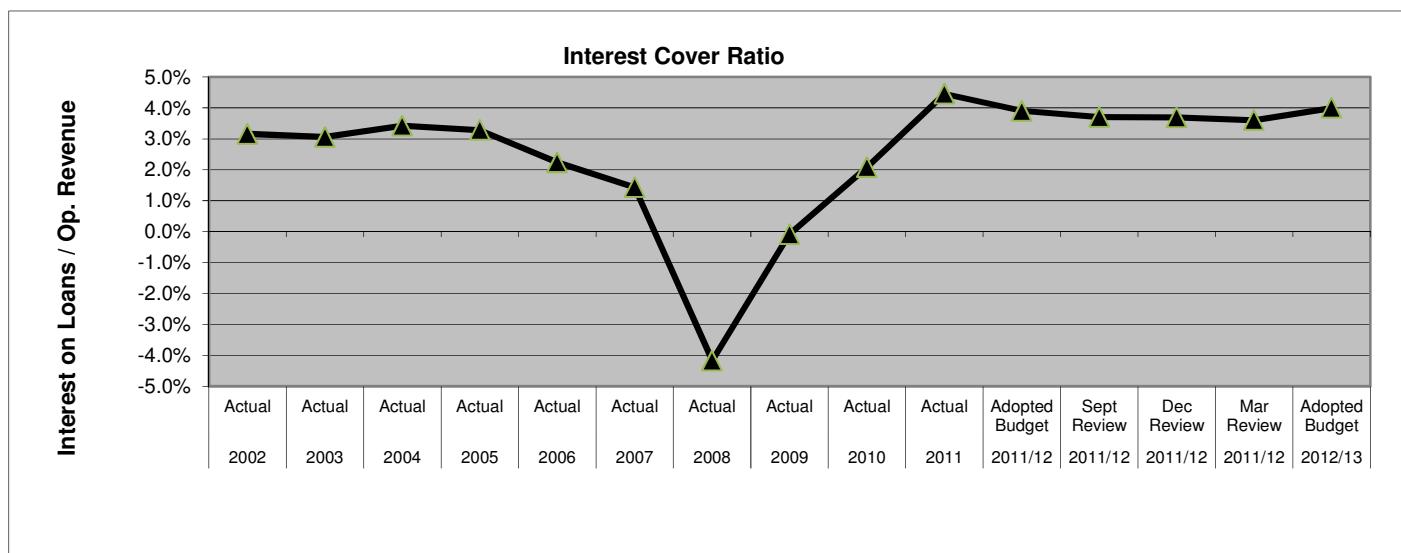
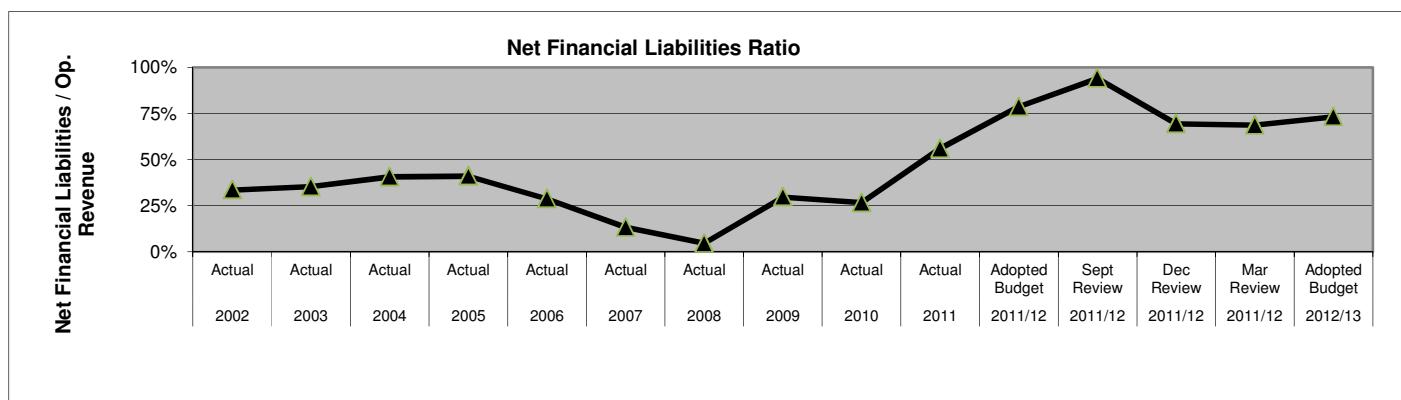
Short Term; that Council aim to increase the ratio by 10% per annum for the next three financial years.

It should be noted that the above indicators are currently being reviewed, and Indicator 1 and 2 (operating surplus) will not be met by 30 June 2013. A review of Council's adopted Long Term Financial Plan 2010/2011 to 2019/2020 is currently being done and this will include updating the above key financial targets.

Local Government Financial Indicators

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2011/12 Adopted Budget	2011/12 Sept Review	2011/12 Dec Review	2011/12 Mar Review	2012/13 Adopted Budget	
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual						
Indicator 1. Operating Surplus	-3,260,978	-3,026,602	-2,214,874	-2,369,985	-1,214,883	-722,154	-437,982	-2,769,834	-3,647,110	-3,192,366	-3,194,796	-3,983,483	-3,886,919	-3,259,517	-3,184,882	
Indicator 2. Operating Surplus Ratio	-63.45%	-49.45%	-32.56%	-31.03%	-14.30%	-7.90%	-4.63%	-27.31%	-33.67%	-26.66%	-23.93%	-29.84%	-29.12%	-24.42%	-22.09%	
Indicator 3. Net Financial Liabilities	\$000	2,384	2,921	3,594	4,096	3,256	1,635	731	5,302	4,236	8,530	12,659	15,894	11,758	11,882	12,250
Indicator 4. Net Financial Liabilities Ratio		33.57%	35.40%	40.69%	41.09%	28.82%	13.37%	4.72%	29.76%	26.66%	56.04%	78.69%	94.14%	69.44%	68.65%	73.28%
Indicator 5. Interest Cover Ratio		3.16%	3.06%	3.42%	3.28%	2.24%	1.43%	-4.17%	-0.09%	2.08%	4.46%	3.90%	3.70%	3.69%	3.60%	4.00%
Indicator 6. Asset Sustainability Ratio		225.57%	80.41%	121.97%	82.14%	79.81%	97.08%	126.73%	138.11%	25.56%	102.32%	67.80%	78.36%	78.90%	80.03%	66.84%





Commentary on Financial Impacts

Council's budget deficit in 2012/2013 financial year is the result of operating expenses of \$19.90m funded by operating income of \$16.72m. Proposed rate revenue income has been budgeted at \$14.42m.

Council's budgeted balance sheet displays net assets of \$150.83m which included capital works of \$4.33m funded by a combination of rate revenue, grant funding and loan funds. Council has budgeted to borrow \$1.84m for its regular annual capital expenditure program.

Commentary on Financial Indicators

Indicators 1 and 2 - Council will not meet its target reduction of \$300,000 decrease to the operating deficit in 2012/2013 compared to the 2011/2012 budget. Council's adopted Strategic and Long Term Financial Plans will be reviewed during the 2012/2013 financial year.

Indicators 3 and 4 - Net Financial Liabilities shows an amount of approximately \$12.25m. This equates to a Net Financial Liabilities Ratio of 73.28%. This indicator is within the target limit set by the Audit Committee of being equal to or less than the value of operating revenue.

Indicator 5 - Interest Cover Ratio shows that Council has budgeted to use 4.00% of its operating revenue (less investment income) in paying interest on its loans. The target set by Council's Audit Committee for this indicator is less than 10% of the operating revenue, which is comfortably achieved.

Indicator 6 - Asset Sustainability Ratio shows that Council has budgeted to outlay an amount on renewing and replacing assets which is 66.84% that of its annual budgeted depreciation of \$6.30 million. The target set by Council's Audit Committee was that Council outlay an amount equal to or better than the rate of annual depreciation and in the short term this ratio be increased by 10% per annum. While not meeting this target, it should be noted that Council is directing its Roads to Recovery grant funding toward upgrading infrastructure assets (not renewal).