



LIGHT
REGIONAL
COUNCIL

2013/2014

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 2013/2014 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. The review of the strategic plan was finalised in February 2013. As 'a guiding document' the plan will 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 be higher in comparison to the State average, underpinning Council's emphasis on sustainable development, adding quality infrastructure to the region, guided by the specifications highlighted in the Infrastructure and Asset Management Plan (I&). Council's adopted Long Term Financial Plan (LTFP) aligns to 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 and annual planning.

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 30 Year Plan for Greater Adelaide, has helped to shape Council's strategy review processes 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. This project continues to dominate Council's strategic planning, however focus is being directed to support for systematic and sustainable frameworks that considers the social, economic, environmental and financial aspects of Council's community as a whole.

One of the key focal points for Council in 2012/2013 was the introduction of revised financial strategies aimed at working towards financial sustainability and improved asset management. This continues to be a major focus for Council's administration in 2013/2014 picking up on work which commenced to:

- 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
- Investigate 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 visions 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 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 further maintain its involvement with the Wakefield Group of Councils; and
- Maintaining our natural resources by continuing support toward various biodiversity initiatives.

Council will 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 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.

The Electronic Data Records Management System (EDRMS) Project commenced in 2012/2013, this project will continue. Disaster recovery and building redundancy into Council's systems and operations will have a significant focus.

Council's road infrastructure program proposed for 2013/2014 retains a capital works focus with more than \$2.7m 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.

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 adopted its revised Strategic Plan for 2013 to 2017 during the 2012/2013 financial year.

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 Friday, 7 June 2013. Public notices appeared on Council's web-site 'www.light@sa.gov.au' from that date while notices appeared in the newspapers generally circulating within Council's region in the Wednesday, 12 June 2013 editions of The Bunyip, The Leader and the Barossa & Light Herald Newspaper.

A public meeting was held on Tuesday, 25 June 2013 commencing at 6.00pm at the Kapunda Council Chambers, 93 Main Street, Kapunda, where Council received submissions from the community in relation to its 2013/2014 proposals.

The public consultation period formally concluded at the close of business (5.00pm) on Thursday, 27 June 2013.

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 and considered by the Council.

Copies of this document are available on Council's website at 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; 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 7% 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	2007/2008 Actual Allocation	2008/09 Actual Allocation	2009/10 Actual Allocation	2010/11 Actual Allocation	2011/12 Actual Allocation	2012/13 Actual Allocation	2013/2014 Estimated Allocation
General Purpose Financial Assistance	\$218,992	\$242,802	\$248,514	\$264,692 ¹	\$279,260	\$285,058 ¹	\$290,750 ¹
Identified Local Road Entitlement	\$295,316	\$320,276	\$330,699	\$354,681	\$373,344	\$381,724	\$378,194
Total Allocation	\$514,308	\$563,078	\$579,213	\$619,373	\$652,604	\$666,782	\$668,944
Plus/(Less) adjustment on the previous year	\$1,464	\$6,274	(\$3,372)	\$8,649	\$2,674	(\$15,899)	\$0
Special Local Roads Program	\$346,000	\$0	\$0	\$0	\$0	\$0	\$0
Additional Local Road Funding (Formulae Grants)	\$134,951	\$144,542	\$150,089	\$158,882 ²	\$166,892 ²	\$173,863 ²	\$172,806 ²
Total Grant	\$996,723	\$713,894	\$725,930	\$786,904	\$822,170	\$824,746	\$841,750

*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 – Share of the extra road funding allocated to South Australia. This program concludes with the end of the 2013/2014 financial year.

It is expected the General Purpose Grant, the Local Roads Grant and the Additional Local Road Funding will increase over and above the 2012/2013 financial year figures.

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 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	13,114	+ 2.1%
	Estimated at 30 June 2008	13,238	+ 0.9%
	Estimated at 30 June 2009	13,533	+ 2.2%
	Estimated at 30 June 2010	13,815	+ 2.1%
	Estimated at 30 June 2011	13,955	+ 1.0%
	Estimated at 30 June 2012	14,125	+ 1.2%

The population growth of the council region, 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	75 kms
Sealed Roads in Non Built Up Areas	94 kms
Unsealed Roads in Built Up Areas	24 kms
Unsealed Roads in Non Built Up Areas	1,207 kms
Unformed	57 kms

*(as at 30/6/2012, reference LGGC return for 2011/2012)

Development Applications The number of New Developments and Additions processed for the 2011/2012 period was 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 30/6/2007	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 30/6/2012	Number of Employees at 30/6/2013
Infrastructure & Works	18	20	25	25	23	30	27
Environmental Services	11	11	13	15	15	15	13
Finance & Administration (Business & Governance)	16	22	25	29	28	28	29
Public Information (Strategy, Projects & Engineering)	11	10	10	12	11	10	12
Total Staff	56	63	73	81	77	83	81

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

Assessment of 2012/13 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 2012/2013 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 2012/2013 Annual Business Plan.

Item	Operational Area	Objective	Status	Measurable Outcome	
				Financial	Non-Financial
1	Strategy, Projects & Engineering (SP&E)	Roseworthy Structure Planning and Development Plan Amendment (DPA) prepared.	COMMENCED	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	SUBSTANTIALLY COMPLETED	Budget allocations met	Amendment completed following public/stakeholder consultation.
3		Completion ARF Public Convenience Projects	COMPLETED	Budget allocations met	Kapunda Soldiers Memorial Hall toilet additions open and operational complement 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.	COMPLETED	RDAF funding approved	Funding Deed executed and works progressed in accordance with Deed.
5		Kapunda Mine Site TDP Implementation – Stage 1 – Safety enhancements	COMMENCED	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	COMMENCED		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	COMPLETED		
8		Management of Council's Road Register and Infrastructure Asset	COMPLETED		Statutory obligations fulfilled

Item	Operational Area	Objective	Status	Measurable Outcome	
				Financial	Non-Financial
		Database so as to meet financial and statutory reporting obligations.			
9		Management of Council's Geographical Information System (GIS) so as to achieve good business practice and operational efficiencies.	COMPLETED		Suitable and sustainable GIS platforms achieved. GIS system downtime < 2%
10		Social Plan updated to meet priorities set	NOT YET COMMENCED		Social Plan updated.
11		Cities and Towns Projects – Supplementary Water Supply Schemes for Freeling & Kapunda	COMPLETED	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.
12		Gawler River Water Project	COMMENCED	Commonwealth funding received.	Regional Subsidiary formed, Funding Deed executed and works progressed in accordance with the Deed.
13		Hewett Bike path Stage 3	COMPLETED		
14		Strategic review of Nexy residual land	COMPLETED	Budget allocation met	Strategic document inclusive of recommendations for future use of Nexy Residual Land prepared.
15		Local Government Growth Financial Modelling – re Roseworthy	COMPLETED	<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	SUBSTANTIALLY COMPLETED		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	SUBSTANTIALLY COMPLETED	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	NOT YET COMMENCED	Budget allocation met	Amendment process commenced.
19		Better Development Plan Conversion DPA	SUBSTANTIALLY COMPLETED		Amendment completed following public/stakeholder consultation.
20		Gawler River Flood Prone Area DPA	SUBSTANTIALLY COMPLETED		Amendment completed following public/stakeholder

Item	Operational Area	Objective	Status	Measurable Outcome	
				Financial	Non-Financial
					consultation.
21		Winery Development BVR DPA	DEFERRED	Budget allocation met	Amendment process commenced.
22		Nexy Residual Land DPA	DEFERRED	Budget allocation met	Amendment process commenced in line with recommendations from the associated strategic document.
23		Strategic Directions Report (Development Plan Review)	COMPLETED	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)	SUBSTANTIALLY COMPLETED		Regional strategic document prepared inclusive of recommendations regarding recreational facilities for Council's consideration.
25	Development & Regulatory Services (D&RS)	Dog Registration Audit	COMPLETED	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	COMMENCED (being undertaken in collaboration with Public Health Plan review)		Identify key environmental health issues that have arisen during the 2011/2012 financial year and devise strategies to address and ameliorate these matters.
27		Roof Truss (Amendment) Regulations 2012 – compliance with legislative requirements	COMMENCED AND ONGOING	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	COMMENCED		To ensure that the integrity of the development and waste control approvals issued by the department is upheld by means of auditing those matters that have conditions of consent attached.
29		EDRMS, telephones and on-line lodgement (DAs) – development and adoption of standard operating procedures and KPIs	SUBSTANTIALLY COMPLETED On-line lodgement for development applications DEFERRED to 2013/2014 financial year.	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 provides superior service to customers through use of the Mitel telephone

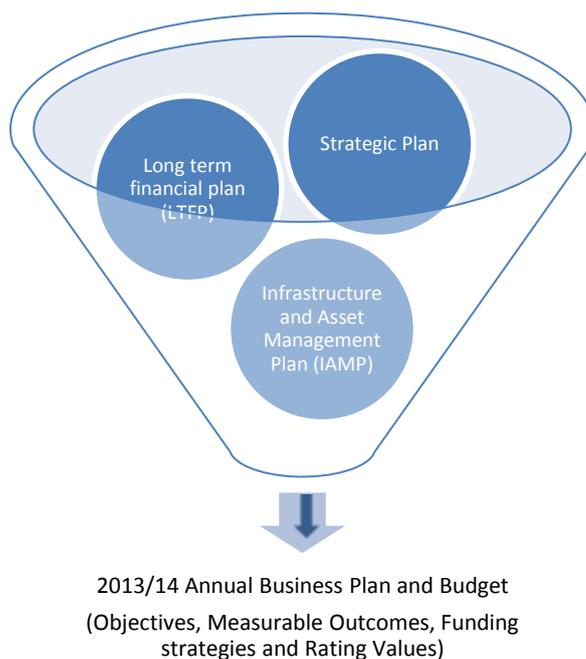
Item	Operational Area	Objective	Status	Measurable Outcome	
				Financial	Non-Financial
					system.
30		To engage with state government to amend legislation governing development assessment such that the approval process for new residential allotments at Roseworthy may be expedited.	COMMENCED, ONGOING	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	COMMENCED, ONGOING for further refinement planned for the 2013/2014 financial year	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	COMPLETED	Projects delivered within budget allocation.	Asset service level increased. Reduction in service level complaints received against programmed roads.
33		Develop Transport Maintenance program	COMMENCED	Maintenance delivered within budget allocation	Asset service level increased. Reduction in reactive maintenance tasks undertaken
34		Develop Land & Building Maintenance Program	COMMENCED	Maintenance delivered within budget allocation	Asset service level increased. Reduction in reactive maintenance tasks undertaken.
35		Develop Community Wastewater Management System Maintenance Program	COMMENCED	Maintenance delivered within budget allocation	Asset service level increased. Reduction in reactive maintenance tasks undertaken
36		Provide improved Contract & Project Management	DEFERRED, until 2013/2014 financial year.	Deliver projects within budget at cost competitive prices	Reduction in risk when undertaking projects
37		Source improved materials for resheeting unsealed roads	COMMENCED	Maintenance delivered within budget allocation	Extend asset life for the same renewal costs
38		Improve Internal Systems to ensure efficient services are provided	COMMENCED	Overall budget managed and monitored.	Improved cost control Improved recording of resources

Item	Operational Area	Objective	Status	Measurable Outcome	
				Financial	Non-Financial
39	Business & Governance (Corporate Services)	Develop a standard for library service delivery points.	COMPLETED	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 	SUBSTANTIALLY COMPLETED		Policies are adopted by Council and implemented by the library service.
41		Develop a place management plan for the existing three library branches.	COMMENCED	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	COMPLETED	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"	COMPLETED	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.	SUBSTANTIALLY COMPLETED		Review/implement Internal Controls Processes deemed necessary by Deloitte's 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	SUBSTANTIALLY COMPLETED		Policies developed and implemented
46		Assess organisational Work force capacity	SUBSTANTIALLY COMPLETED		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 WHS and risk policies, procedures and systems review in accordance with the Light Regional Council's WHS Plan 2011 – 2014	SUBSTANTIALLY COMPLETED		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.

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.

2013/2014 Annual Objectives and Activities (including performance measures)

The proposed 2013/2014 objectives are as follows:

Operational Area		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	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	3.3.6	2.4A i)	Delivered within budget	Up to date policies, procedures and by-laws
Business & Governance	Develop and implement ICT Strategy	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	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	3.3.6	2.4A ii)/3.4.1	Delivered within budget	Light Regional Council Disaster Recovery Plan
Development & Regulatory Services	Develop additional on line systems to offer additional services to the community	3.3.6	3.4.4/3.4.5	Delivered within budget	Improved productivity and expanded on line service delivery for the community Establishment of electronic Development Application (eDA) Process. Reduction of DA Processing Timeframes
All Departments	Implement QA Framework	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.

Operational Area		Strategic Management Plan (SMP) Reference		Measureable Outcome 2013/2014	
Department	Objective	SMP Category Item (3.3)	SMP Focus Item (3.4)	Financial	Non-Financial
Business & Governance; Strategy, Projects & Engineering; and Infrastructure & Works Departments	Asset Delivery at Reduced Life Cycle Cost	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.	3.3.6 and 3.3.7	3.4.6	Programmes are undertaken within adopted budget.	Expand the LINK partnership beyond sharing a library management system and other resources has been developed and implemented. Progress Adopted Library Services Management Plan within adopted timeframe. Increase in usage of library e-resources and expansion of access to resources state-wide.
Business & Governance	Implementation of Library service literacy services that reflect the demographic of the Light Regional Council.	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	3.3.2/3.3.3 and 3.3.6	2.4(A) ii, iii, v / 3.3.6 and 3.4.1	Improved financial efficiencies through decreased service support costs Engage staff where there are identified gaps and within budget expectation	Prepare workforce plans for aligned to corporate plans Develop and implement an e-Resources program for library users Ability to measure productivity gains and improved reporting ability
Business & Governance	Undertake and implement a workforce plan utilising the LGA workforce planning project framework - explore resource sharing opportunities	3.3.2	2.4A iii)	Measured staff increases aligned to requirements and available funding. Service costs maintained or decreased.	Where relevant and viable Implement Resource sharing arrangements across service areas and Council areas. Effective management of labour resources
Business & Governance	Implement and utilise CAMMS performance management system	3.3.6	2.4A ii)	Delivered within budget	Monitoring and review of established KPI's to facilitate continuous improvement Improved efficiency in delivering Council's objectives

Operational Area		Strategic Management Plan (SMP) Reference		Measurable Outcome 2013/2014	
Department	Objective	SMP Category Item (3.3)	SMP Focus Item (3.4)	Financial	Non-Financial
Strategy, Projects & Engineering	Improved Asset Reporting including linking relevant CRM's , information in InfoXpert, financial costing's to asset groups	3.3	3.4.5	Improved ability to accurately cost assets and associated depreciation	Improved maintenance programs and asset management rating
Business & Governance and Strategy, Projects & Engineering Departments	Develop Asset and Financial Model	3.3	3.4.5	Update LTFP estimated budgetary allocation	Improve Council's Asset Sustainability Ratio forecast
Strategy, Projects & Engineering and Infrastructure & Works Departments	Complete CapEx Program for 4 & 8 Year Periods	3.3.4	3.4.5	Update LTFP estimated budgetary allocation	Improve Council's Asset Sustainability Ratio forecast. Establish project plans for future works programs and budgets
Strategy, Projects & Engineering	Develop IAMP (Version 3)	3.3.2 & 3.3.6	3.4.5 & 3.4.1	Update LTFP estimated budgetary allocation	Improvement to asset data and planning.
Strategy, Projects & Engineering and Infrastructure & Works Departments	Refine standards (infrastructure) schedule and review against LG Finance + Economic 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	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	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.

Operational Area		Strategic Management Plan (SMP) Reference		Measurable Outcome 2013/2014	
Department	Objective	SMP Category Item (3.3)	SMP Focus Item (3.4)	Financial	Non-Financial
Business & Governance	Integrate the use of the BIS financial reporting system across Council	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	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	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)	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	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	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	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)	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)	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)	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)	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.

Operational Area		Strategic Management Plan (SMP) Reference		Measurable Outcome 2013/2014	
Department	Objective	SMP Category Item (3.3)	SMP Focus Item (3.4)	Financial	Non-Financial
Strategy, Projects & Engineering	Township 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 strategy. Public Consultation Undertaken.
Strategy, Projects & Engineering	Social Plan / Community Wellbeing 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	Public Health Plan	3.3.2	3.4.1 / 3.4.6 / 3.4.7		Introduction of appropriate planning strategy. Public Consultation Undertaken.
Strategy, Projects & Engineering	Nuriootpa West DPA	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	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	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	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	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	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	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)	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.

Operational Area		Strategic Management Plan (SMP) Reference		Measurable Outcome 2013/2014	
Department	Objective	SMP Category Item (3.3)	SMP Focus Item (3.4)	Financial	Non-Financial
Strategy, Projects & Engineering	Greenock Town Centre Upgrade/ Streetscaping	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	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	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	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				Investigations undertaken exploring opportunity to establish a Regional Development Authority.
Development & Regulatory Services	Dutton Park - co-location opportunities				Successful trial of community empowerment project of facility management. Research undertaken into co-locating additional sporting facilities to the Dutton Park site.
Development & Regulatory Services	Public-Private partnerships - 5 Shillings (Kapunda), Musalino (Freeling) and The Aviary (Hewett)				Further development of vacant land allotments within Kapunda, Freeling and Hewett townships.

Financial Requirements and Summary of Financial Statements

The initial draft of the 2013/2014 budget has been prepared using the adopted Long Term Financial Plan (Year 4) as a base program, inclusive of the assumptions used in preparing the document, and adjusted for known changes from the 2012/2013 financial year.

Council's estimated operating income and expenditure for the 2013/2014 financial year is identified in the following graphs. Total Council rates and separate charges for this financial year are estimated to be \$15.18m.

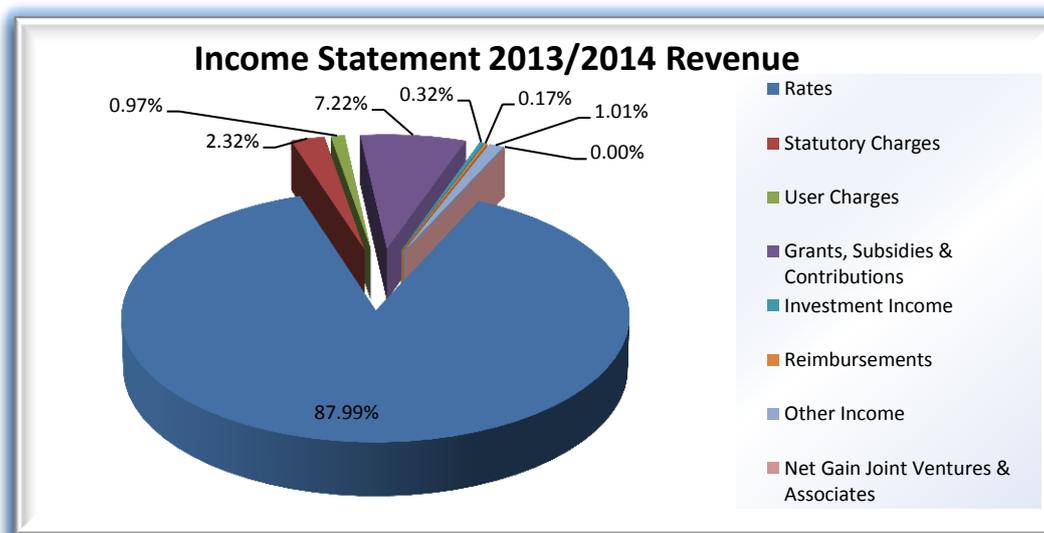
The draft budget is prepared with an increase to general rates of 4.5%. For Residential ratepayers the increase to the general rate is expected to average 4.3%, while for rates assessments with a Primary Production Land Use Category, the average increase is expected to be 5.4%. The minimum rate for the region is proposed to increase to \$765, up \$20 on the previous year. New assessment growth is 1.3%.

Council's total capital program is planned at \$4.45m. 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. The level of capital renewal does not match the amount of depreciation shown in Council's Statement of Comprehensive Income. Loan borrowings of approximately \$1.57m are proposed.

Council is forecasting a reduction to its operating deficit of \$0.58m for the 2013/2014 financial year compared to the previous 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.

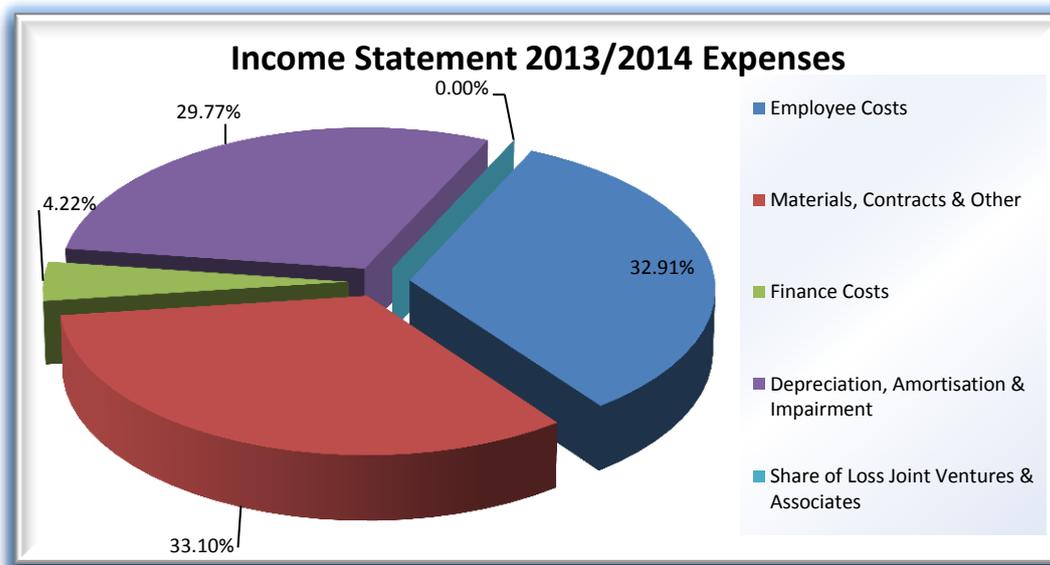
These practices are in line with the strategy contained within the Council's Long Term Financial Plan, which is currently being reviewed. Council's vision is to achieve a position of financial sustainable by incremental growth and service cost containment to reduce the operating deficit over time; as opposed to burdening the ratepayers of the district with short term excessive increases to the annual council rate bill. Council is ahead of the forecast return to operating surplus position, originally predicted as being in the 2019/2020 financial year.

The following graph illustrates estimated revenue to be received by type and is extracted from Council's budgeted Statement of Comprehensive Income for the 2013/2014 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 88% of Council's annual revenue followed by Grants and Contributions at 7%.

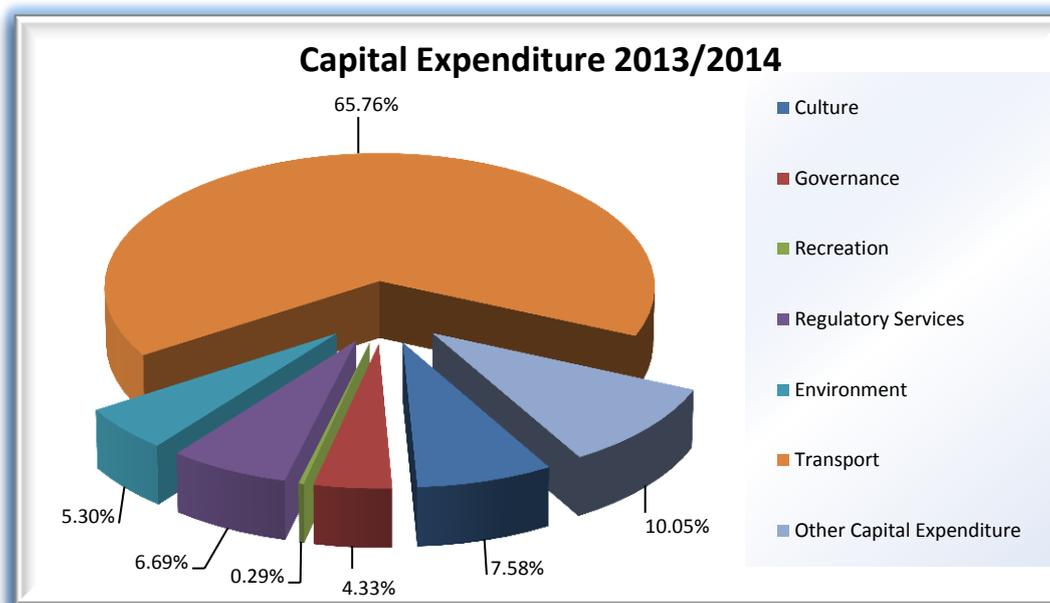
The following graph illustrates expenditure allocated by type and is also extracted from Council's budgeted 2012/2013 Income Statement.



Council's major items of operational expenditure are evenly spread between Materials, Contracts and Other (33%), Employee Costs (33%), Depreciation accounting for 30%. Finance costs have decreased, in comparison to the previous year, to 4% of expenses shown on the Statement of Comprehensive Income for the forthcoming financial year.

Council has forecast that its operational expenditure will be similar to that shown in the adopted budget for the 2012/2013 financial year.

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



Of the \$4.45m budgeted for Capital programs, the Transport activity, which includes roads and associated road Infrastructure, is the main source of expenditure at 66% or \$2.93m of all capital expenses. Council's Infrastructure and Regulatory Services Committee considered a comprehensive program of construction, resealing and re-sheeting works at its June 2013 meeting.

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

Operational Area	Project	Expense	% of Budget
Transport - Roads and Road Infrastructure	Sealed Roads Construction and Resealing	\$0.698M	65.8%
	Formed Roads Re-sheeting	\$1.677M	
	Footpath Construction	\$0.438M	
	Bridges Refurbishment	\$0.115M	
Cultural Activities	Includes works at the Kapunda Mine Site (project continuation, half project cost dependent on funding); a commitment to contribute toward the 'Coat of Arms' animal enclosure at Kapunda; Lift upgrade work at the Kapunda Library (Stage 1); and building project work at the Freeling and Wasleys Institutes.	\$0.338M	7.6%
Governance Activities	Expenditure includes Computer Systems upgrades, disaster recovery project work and other minor purchases.	\$0.193M	4.3%
Recreation and Passive Reserves	Minor capital works.	\$0.013M	0.3%
Environmental Activities	Stormwater Drainage Program and CWMS equipment.	\$0.236M	5.3%
Regulatory Services	General Inspectorial and other Motor Vehicle Replacements	\$0.298M	6.7%
Other Capital Expenses	Plant and Machinery purchases	\$0.447M	10.0%
	Total Capital Expenditure	\$4.453M	100.00%

LIGHT REGIONAL COUNCIL			
DRAFT BUDGETED STATEMENT OF COMPREHENSIVE INCOME			
for the year ended 30 June 2014			
	2012/2013	2012/2013	2013/2014
	Adopted	Revised	Draft
	Budget	Forecast	Budget
INCOME			
Rates	14,415,811	14,455,866	15,185,590
Statutory charges	366,037	381,022	400,608
User charges	401,888	428,024	167,067
Other grants, subsidies and contributions	1,247,203	1,402,169	1,245,543
Investment Income	55,000	55,200	55,000
Reimbursements	23,660	449,442	29,522
Other Revenues	207,516	312,514	175,088
Share of profit - joint ventures and associates	0	0	0
TOTAL INCOME	<u>16,717,115</u>	<u>17,484,237</u>	<u>17,258,418</u>
EXPENSES			
Employee Costs	6,114,024	6,140,829	6,535,361
Materials, contracts and other services	6,556,595	7,929,432	6,573,840
Finance Costs	928,377	876,267	837,618
Depreciation, Amortisation & Impairment	6,303,001	6,303,001	5,912,195
Share of loss - joint ventures & associates	0	0	0
TOTAL EXPENSES	<u>19,901,997</u>	<u>21,249,529</u>	<u>19,859,014</u>
OPERATING SURPLUS / (DEFICIT)	<u>(3,184,882)</u>	<u>(3,765,292)</u>	<u>(2,600,596)</u>
Asset disposal & fair value adjustments	(616,545)	(658,452)	(464,000)
Amounts specifically for new or upgraded assets	75,000	107,500	252,000
Physical resources received free of charge	0	0	0
NET SURPLUS (DEFICIT) transferred to Equity Statement	<u>(3,726,427)</u>	<u>(4,316,244)</u>	<u>(2,812,596)</u>
Other Comprehensive Income			
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>(3,726,427)</u>	<u>(4,316,244)</u>	<u>(2,812,596)</u>

LIGHT REGIONAL COUNCIL			
DRAFT BUDGETED BALANCE SHEET			
for the year ended 30 June 2014			
	2012/2013	2012/2013	2013/2014
	Adopted	Revised	Draft
	Budget	Forecast	Budget
ASSETS			
Current Assets			
Cash and cash equivalents	2,678,185	1,442,225	1,438,471
Trade & other receivables	1,398,453	1,491,032	1,491,032
Other Financial Assets	0	0	0
Inventories	16,312	23,628	23,628
	<u>4,092,950</u>	<u>2,956,885</u>	<u>2,953,131</u>
Non-current Assets held for Sale			
Total Current Assets	4,092,950	2,956,885	2,953,131
Non-Current Assets			
Financial Assets	238,756	232,116	232,116
Equity accounted investments in Council businesses	1,560,752	1,445,994	1,445,994
Investment Property	0	0	0
Infrastructure, Property, Plant and Equipment	155,747,144	188,362,217	186,439,444
Other Non-current Assets	5,757,083	1,292,993	1,292,993
	<u>163,303,735</u>	<u>191,333,320</u>	<u>189,410,547</u>
Total Non-Current Assets	163,303,735	191,333,320	189,410,547
Total Assets	167,396,685	194,290,205	192,363,678
LIABILITIES			
Current Liabilities			
Trade & Other Payables	2,390,319	2,272,689	2,272,689
Borrowings	1,382,936	1,243,500	1,243,500
Short-term Provisions	460,287	568,114	568,114
Other Current Liabilities	0	0	0
	<u>4,233,542</u>	<u>4,084,303</u>	<u>4,084,303</u>
Liabilities relating to Non-current Assets held for Sale			
Total Current Liabilities	4,233,542	4,084,303	4,084,303
Non-current Liabilities			
Trade & Other Payables	0	0	0
Long-term Borrowings	11,999,902	10,940,154	11,362,223
Long-term Provisions	331,666	359,817	359,817
Other Non-current Liabilities	0	0	0
	<u>12,331,568</u>	<u>11,299,971</u>	<u>11,722,040</u>
Total Non-current Liabilities	12,331,568	11,299,971	11,722,040
Total Liabilities	16,565,110	15,384,274	15,806,343
NET ASSETS	150,831,575	178,905,931	176,557,335
EQUITY			
Accumulated Surplus	12,269,159	12,787,305	9,783,864
Asset Revaluation Reserve	135,772,099	163,788,880	164,252,880
Other Reserves	2,790,317	2,329,746	2,520,591
	<u>150,831,575</u>	<u>178,905,931</u>	<u>176,557,335</u>
TOTAL EQUITY	150,831,575	178,905,931	176,557,335

LIGHT REGIONAL COUNCIL			
DRAFT BUDGETED STATEMENT OF CHANGES IN EQUITY			
for the year ended 30 June 2014			
	2012/2013	2012/2013	2013/2014
	Adopted	Revised	Draft
	Budget	Forecast	Budget
ACCUMULATED SURPLUS			
Balance at end of previous reporting period	16,058,671	16,245,055	12,787,305
Net Result for Year	(3,726,427)	(4,316,244)	(2,812,596)
Transfers To Other Reserves	(487,952)	(1,951,978)	(382,844)
Transfers from Other Reserves	424,867	2,810,472	191,999
Balance at end of period	12,269,159	12,787,305	9,783,864
ASSET REVALUATION RESERVE			
Balance at end of previous reporting period	135,155,554	163,130,428	163,788,880
Gain on revaluation of infrastructure, property, plant & equipment	0	0	0
Transfer to Accumulated Surplus on sale of infrastructure, property, plant & equipment	616,545	658,452	464,000
Balance at end of period	135,772,099	163,788,880	164,252,880
OTHER RESERVES			
Balance at end of previous reporting period	2,727,232	3,188,240	2,329,746
Transfers from Accumulated Surplus	487,952	1,951,978	382,844
Transfers to Accumulated Surplus	(424,867)	(2,810,472)	(191,999)
Balance at end of period	2,790,317	2,329,746	2,520,591
TOTAL EQUITY AT END OF REPORTING PERIOD	150,831,575	178,905,931	176,557,335

LIGHT REGIONAL COUNCIL			
DRAFT BUDGETED CASH FLOW STATEMENT			
for the year ended 30 June 2014			
	2012/2013 Adopted Budget	2012/2013 Revised Forecast	2013/2014 Draft Budget
CASH FLOWS FROM OPERATING ACTIVITIES			
<i>Receipts</i>			
Investment income	55,000	55,200	55,000
Other operating revenues	16,662,115	17,429,037	17,203,418
<i>Payments</i>			
Finance Costs	(928,377)	(876,267)	(837,618)
Other payments	(12,670,619)	(14,070,261)	(13,109,201)
Net Cash provided by (or used in) Operating Activities	3,118,119	2,537,709	3,311,599
CASH FLOWS FROM INVESTING ACTIVITIES			
<i>Receipts</i>			
Grants specifically for new or upgraded assets	75,000	107,500	252,000
Sale of replaced assets	616,545	616,545	444,000
Sale of surplus assets	0	163,522	20,000
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	0
Distributions received from associated entities	0	0	0
<i>Payments</i>			
Expenditure on renewal/replacement of assets	(3,596,118)	(4,145,819)	(4,053,672)
Expenditure on new/upgraded assets	(731,674)	(3,070,340)	(399,750)
Purchase of Investment Property	0	0	0
Net purchase of available-for-sale Financial Assets	0	0	0
Development of real estate for sale	0	0	0
Loans made to community groups	0	0	0
Capital contributed to associated entities	0	0	0
Net Cash provided by (or used in) Investing Activities	(3,629,047)	(6,321,392)	(3,737,422)
CASH FLOWS FROM FINANCING ACTIVITIES			
<i>Receipts</i>			
Proceeds from Borrowings	1,840,000	4,278,747	1,577,000
<i>Payments</i>			
Repayments of Borrowings	(1,264,205)	(1,264,205)	(1,154,931)
Repayment of Finance Lease Liabilities	0	0	0
Net Cash provided by (or used in) Financing Activities	575,795	3,014,542	422,069
Net Increase (Decrease) in cash held	64,867	(769,141)	(3,754)
Cash & cash equivalents at beginning of period	2,613,318	2,211,366	1,442,225
Cash & cash equivalents at end of period	2,678,185	1,442,225	1,438,471

LIGHT REGIONAL COUNCIL

DRAFT BUDGETED UNIFORM PRESENTATION OF FINANCES for the year ended 30 June 2014

	2012/2013 <i>Adopted Budget</i>	2012/2013 <i>Revised Forecast</i>	2013/2014 <i>Draft Budget</i>
Income	16,717,115	17,484,237	17,258,418
less Expenses	<u>(19,901,997)</u>	<u>(21,249,529)</u>	<u>(19,859,014)</u>
Operating Surplus / (Deficit) before Capital Amounts	(3,184,882)	(3,765,292)	(2,600,596)
less Net Outlays on Existing Assets			
Capital Expenditure on renewal and replacement of Existing Assets	3,596,118	4,145,819	4,053,672
less Depreciation, Amortisation and Impairment	<u>(6,303,001)</u>	<u>(6,303,001)</u>	<u>(5,912,195)</u>
less Proceeds from Sale of Replaced Assets	<u>(616,545)</u>	<u>(616,545)</u>	<u>(444,000)</u>
	(3,323,428)	(2,773,727)	(2,302,523)
less Net Outlays on New and Upgraded Assets			
Capital Expenditure on New and Upgraded Assets <i>(including investment property & real estate developments)</i>	731,674	3,070,340	399,750
less Amounts received specifically for New and Upgraded Assets	<u>(75,000)</u>	<u>(107,500)</u>	<u>(252,000)</u>
less Proceeds from Sale of Surplus Assets <i>(including investment property and real estate developments)</i>	<u>0</u>	<u>(163,522)</u>	<u>(20,000)</u>
	656,674	2,799,318	127,750
Net Lending / (Borrowing) for Financial Year	<u>(518,128)</u>	<u>(3,790,883)</u>	<u>(425,823)</u>

Rating Structure and Policy

Strategic Focus

In proposing its rates for the 2013/2014 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 2013/2014 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 2013. 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	2011/2012	2012/2013	2013/2014 (Estimated Rate/\$ and Service Charges)	2013/2014 (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	\$3,014,825,140	\$3,036,450,540		\$3,060,657,940	+0.80%			
Number of Rateable Assessments	7,425	7,497		7,604	+1.43%			
Total General Rate Revenue	\$11,071,305	\$12,047,250		\$12,718,900	+5.85%			
Refuse Collection & Disposal Service Charge	\$1,017,823	\$1,076,300		\$1,103,220	+2.5%			
CWMS Service Charge	\$920,598	\$941,365		\$982,440	+4.36%			
NRM Board Levy	\$266,629	\$264,703		\$290,830	+9.87%			
Other Rate Income	\$89,900	\$86,200		\$90,000	+4.41%			

Rate/\$ Proposals

Residential LUC Rate in the \$	\$0.0035763	\$0.0038570	\$0.0040455	\$5,424,800	+4.89%	+4.26%	42.65%	+0.19%
Commercial Shop LUC Rate in the \$	\$0.0062585	\$0.0067498	\$0.0070796	\$103,900	+4.89%	+4.04%	0.82%	-0.04%
Commercial Office LUC Rate in the \$	\$0.0062585	\$0.0067498	\$0.0070796	\$23,400	+4.89%	+5.23%	0.18%	+0.03%
Commercial Other LUC Rate in the \$	\$0.0071526	\$0.0077141	\$0.0080910	\$830,570	+4.89%	+4.93%	6.53%	+0.14%

Financial Year	2011/2012	2012/2013	2013/2014 (Estimated Rate/\$ and Service Charges)	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 \$	\$0.0098348	\$0.0106068	\$0.0111251	\$50,940	+4.89%	-33.89%	+0.40%	-0.19%
Industrial Other LUC rate in the \$	\$0.0098348	\$0.0106068	\$0.0111251	\$1,103,900	+4.89%	+6.36%	8.68%	-0.15%
Primary Production LUC Rate in the \$	\$0.0028610	\$0.0030856	\$0.0032769	\$4,429,630	+6.20%	+5.42%	34.83%	+0.32%
Vacant Land LUC Rate in the \$	\$0.0062585	\$0.0067498	\$0.0070796	\$478,080	+4.89%	-1.90%	3.76%	-0.29%
Other LUC Rate in the \$	\$0.0035763	\$0.0038570	\$0.0040455	\$273,680	+4.89%	+2.55%	2.15%	-0.02%
Minimum Rate	\$690	\$745	\$765		+2.68%			
Service Charges								
Refuse Collection & Disposal Charge (including green waste)	\$249	\$255	\$255	\$965,940	0%			
Refuse Collection & Disposal Charge (not including green waste)	\$160	\$166	\$166	\$137,280	0%			
CWMS Charge (Kapunda, Freeling, Greenock & Roseworthy System)	\$379	\$390	\$390	\$920,790	0%			
Freeling Sewer (Hanson Street North Estate)	\$359	\$370	\$370	\$61,050	0%			
Greenock Rise CWMS Charge (nominated properties only - as at 18/05/12)	\$50	\$50	\$50	\$600	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 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 2013/2014 budget, Council proposes to raise total rate related revenue of \$15.18m in a total operating revenue budget of \$17.26m. 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 2013/2014 Council proposes to impose a minimum rate of \$765 which will affect 1067 (14.03%) 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 2013/2014 totalling \$280,510.

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 2013/2014 financial year is budgeted to be \$0.98m. 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 2013/2014 is budgeted to be \$1.103m. 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 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 2013/2014 financial year will be 6 September 2013, 6 December 2013, 7 March 2014 and 6 June 2014.

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 2013/2014 financial year, proposing to rebate rates charged to various district community and sporting organisations.

Sale of Land for Non-Payment of Council Rates

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

Disclaimer

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

Financial Impacts of Infrastructure Management

Council has previously adopted the following key financial targets, which are being reviewed as part of the review being undertaken for Council’s Long Term Financial Plan.

Indicator – Operating Surplus Ratio

Long Term, to achieve a zero percent operating surplus ratio.
 Short Term, improve (reduce the operating deficit) 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.

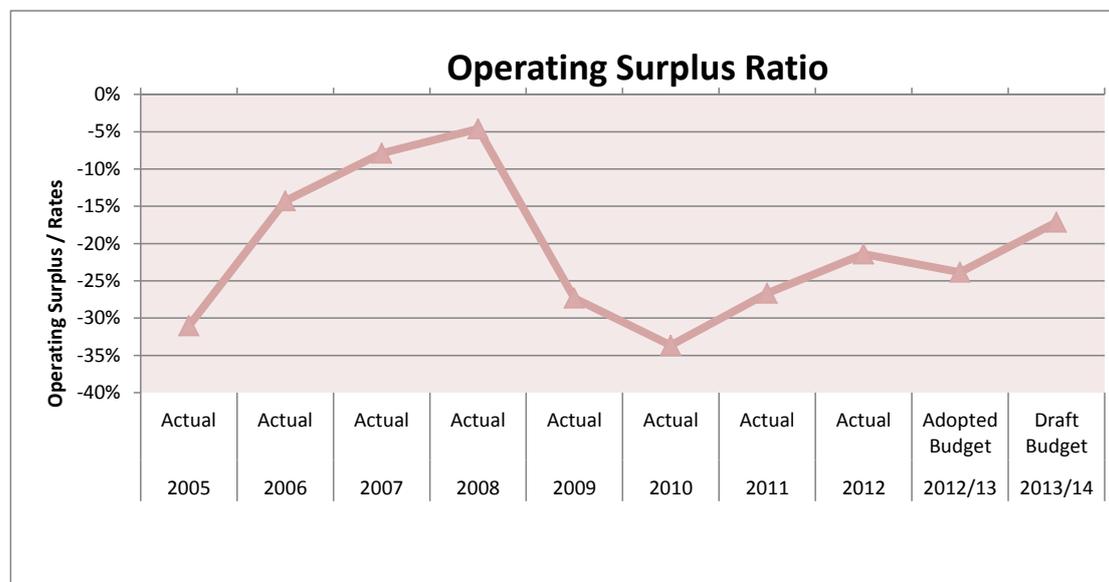
Indicator – Asset Sustainability Ratio

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.

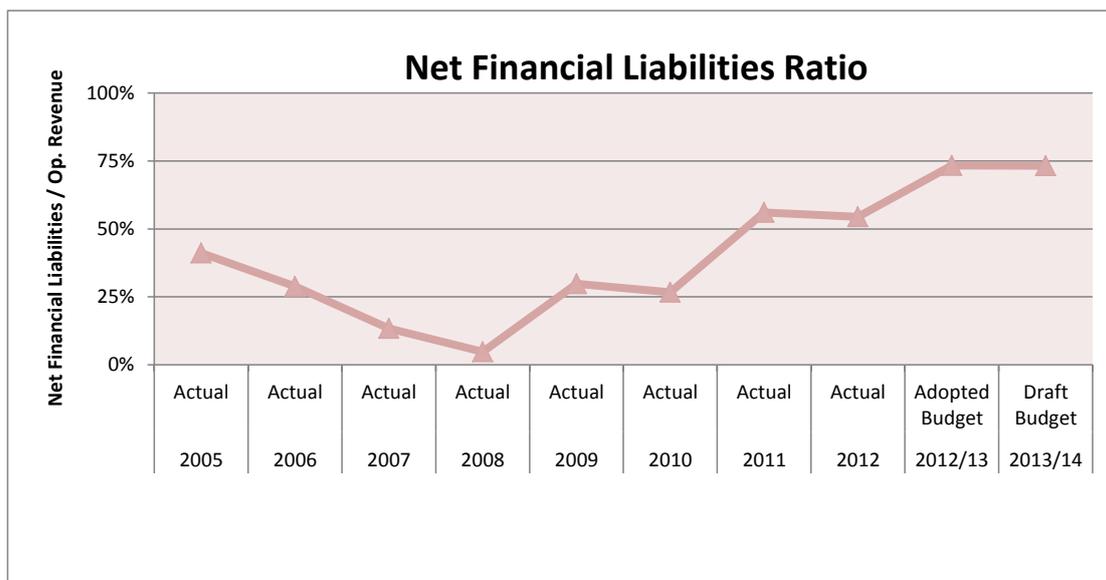
The proposed Annual Business and Budget for the 2013/2014 financial year show the following improving indicator results.

Local Government Financial Indicators

	2005	2006	2007	2008	2009	2010	2011	2012	2012/13	2013/14
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Adopted Budget	Draft Budget
Operating Surplus Ratio	-31.03%	-14.30%	-7.90%	-4.63%	-27.31%	-33.67%	-26.66%	-21.41%	-23.83%	-17.13%
Net Financial Liabilities Ratio	41.09%	28.82%	13.37%	4.72%	29.76%	26.66%	56.04%	54.46%	73.32%	73.27%
Asset Sustainability Ratio	82.14%	79.81%	97.08%	126.73%	138.11%	25.56%	87.89%	29.89%	47.27%	61.05%



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 asset renewals expenditure is defined as net capital expenditure on the renewal and replacement of existing assets, 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.