



2015-2016 Annual Business Plan, Budget & Long Term Financial Plan (2016 to 2025)



Light Regional Council

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1. Preamble

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

Council therefore prepares, as part of its budget development process, an Annual Business Plan. According to the Section 123 (2) the Act, each annual business plan of a council must-

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

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

This document presents the Adopted Annual Business Plan and Budget for the Light Council for 2015/2016 Financial Year for public consultation which has been developed in the context of Council's Strategic Management Plan 2013-2017.

2. Introduction to Light Regional Council

➤ Opening Commentary from the Mayor and Chief Executive Officer

The Annual Business Plan (ABP) summarises the services, programs and projects Council proposes to deliver in the 2015/2016 Financial Year. It specifies Council's strategic and operational objectives which encompass the provision of valuable services the community requires and significant infrastructure projects for the benefit of the wider region.

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. It identifies opportunities and issues regarding sustainable growth, regional change, economic development, sound asset management to complement the future direction of our Council region.

➤ Strategic Plan

Our Strategic Management Plan recognises that the provision of vital community service is essential, coupled with the provision of well-maintained infrastructure and assets, to effectively enable support of the Council region's projected growth and development. Council's Urban Planning and Economic Development strategies are key components of the Strategic Management Plan as Council needs to ensure effective infrastructure handover occurs with any new developments.

Council's Strategic Management Plan was developed to align to the South Australian State Government's Strategic Plans including the 30 Year Plan for Greater Adelaide and the projects undertaken by partnering consortiums such as the Wakefield Group and the Barossa regional group of Councils.

The State Government's Strategic Plan has indicated that Roseworthy is an area of interest for significant urban development in the future. While the proposed development as indicated in the 30 Year Plan Greater Adelaide has changed since conception, it continues to be one of the key growth areas for Council. Council commences a review of its strategic plan in 2015/2016 Financial Year.

Included in the ABP is the updated Long Term Financial Plan (LTFP) 2015/2016 to 2024/2025. Supporting the LTFP is a detailed four year plan which details Council's capital and operation strategies and project. Our focus will continue on 'Growth, Reform, Innovation and Discipline' to attain sustainability. New project initiatives and business cases for consideration for inclusion in the revised Plan will be assessed on their economic, social, environmental advantages and financial sustainability.

The LTFP 2015/2016 to 2024/2025 has been developed considering the following budget principles:

- ✓ Sustainability with fully funded services;
- ✓ Intergenerational equity by considering current and future community needs;
- ✓ Strategies aligned with Council's Infrastructure and Asset Management Plan (IAMP); and
- ✓ Fair and equitable annual Council rates.

➤ Annual Objectives

Council will continue to review, implement and monitor its suite of core strategic documents, being the Long Term Financial Plan, Infrastructure and Asset Management Plan and Strategic Management Plan to include the latest strategies and plans for our state and region; and to ensure that Council's strategies remain relevant.

Council's Annual Business Plan provides an opportunity to formally report to members of the public on Council's financial status relative to the legislative, corporate and community needs within the Council area. Highlights for 2015/2016 Financial Year include:

- ✓ Efficient and effective management of Council's major infrastructure assets, approximately \$6.91m is allocated to capital works programs in the 2015/2016 Financial Year;

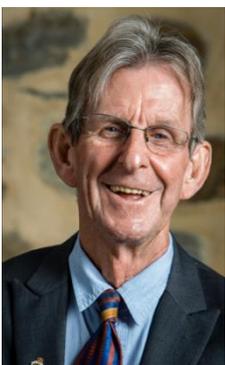
- ✓ Increased public awareness of Council events, activities and news by utilising a variety of multimedia resources to ensure information is disseminated to all residents, age groups and visitors with the aim of increasing participation in public engagement forums and events that benefit our region.
- ✓ Delivery of public health education forums, health inspections and immunisation programs to continue to improve community health and wellbeing.
- ✓ Increased focus on economic development initiatives in the region including support for new businesses and projects and the formulation of Council's Economic Development Panel.
- ✓ Maintain our natural resources by supporting biodiversity initiatives.
- ✓ Support for the redevelopment of recreational facilities and open space within the region.

Significantly, Council has entered into a funding agreement with the Commonwealth Government for an amount of \$10.7m to undertake a regional water harvesting project which will reduce the demand for potable River Murray water by 800 ML per annum. The Gawler Water Reuse Scheme (GWRS) project has been planned as the first step towards a broader regional non-potable water supply to harness sustainable underutilised water resources and supply them for urban and intensive agriculture use. The project costing \$21.4m is for the supply of 1.2 GL per annum of recycled urban stormwater for irrigation purposes to school ovals, reserves and public open space to the north of Gawler and for viticulture in the western Barossa Valley.

Council's road infrastructure program proposed for 2015/2016 retains a capital works focus with \$3.64m being planned to be spent on renewal, upgrade projects and roads to recovery initiatives. Improvement to infrastructure will occur via delivery of programs of sealed and formed road renewal, transport maintenance, land and building maintenance and community wastewater management system (CWMS) maintenance programs.

In addition to the capital program, council agreed to provide funding toward regionally significant road projects valued at \$1.200m. These projects include the reconstruction of Hancock and Kidman Roads at Kapunda. Potential funding is also included for the construction of the Seppeltsfield Road, Samuel Road and Stelzer Road roundabout should the external funding application be approved.

In the year ahead, Council will continue to explore opportunities to develop, improve and enhance our area. Consultation will occur with the wider community, private sector and State and Federal Government with a view to gain valuable input into the development of the Strategic Plan 2017-2021 which will shape our future direction for a further four (4) years. We look to liaise with our neighbouring councils for joint regional initiatives that provide cost savings, improve service levels and/or benefit the local economy. We will endeavour to find a balance in our decision making between social, cultural, economic and environmental issues to ensure our region has a vibrant and sustainable future.



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

Bill O'Brien
MAYOR



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

Brian Carr
CHIEF EXECUTIVE OFFICER

3. Public Consultation

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

Council must release an Annual Business Plan and Budget for a period of public consultation with its community in relation to its contents.

For 2015/2016 Financial Year, the period of public consultation commenced on Wednesday, 6 May 2015. 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, 6 May 2015 editions of The Bunyip, The Leader and the Barossa & Light Herald Newspaper.

A public meeting was held on Tuesday, 26 May 2015 commencing at 7.00 pm at the Kapunda Council Chambers, 93 Main Street, Kapunda, to receive submissions and questions from the community in relation to its draft 2015/2016 Annual Budget and 2016-2025 Long Term Financial Plan proposals. The session was held as part of monthly Council meeting. The public consultation period concluded at the close of business (5.00pm) on Wednesday, 27 May 2015.

4. Council’s Strategic Direction

Section 122 of the Local Government Act 1999 requires all councils to have strategic management plans which identify the objectives for its area over a period of at least four years. These plans should take into account and compliment public policy objectives and strategies of other levels of government. The Light Regional Council adopted its revised Strategic Management Plan covering the years 2013 to 2017 in February 2013.

The Light Regional Council’s Strategic Plan is a dynamic strategic document seeking to drive the Council’s vision of “respecting the past, creating our future”. The Strategic Plan is influenced by various documents central to the operations of the Council. These internal influences help to provide direction to Council’s Strategic Plan whilst also being shaped by the Strategic Plan. Having an understanding of these relationships (**Figure 1**) assists the reader in recognising the context of the document.

Figure 1: Light Regional Council Strategic Management Framework



Vision

Respecting the past, Creating our future

Aspiration

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

Our Mission

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

Our Values

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

- foundation values of respect, honesty and integrity;*
- having a constant awareness of the community we serve;*
- our need to be financially viable;*
- an ambition to show leadership through innovation and to deliver an exemplary range of services.*

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

➤ **Council Focus**

Light Regional Councils’ Strategic Management Plan 2013-2017 has identified the seven (7) Key Goals and Strategies which will help to shape the region as it grows in the coming years. **Table 1** below outlines, Council’s goals and strategies for the 2013-2017 period.

These goals will act as triggers to action new projects, as support to seek external funding and as leverage to promote and undertake partnerships to deliver positive outcomes for the community.

Table 1: Goals and Strategies of Light Regional Council for the 2013-2017

Reference to SMP	Goal	Strategy
3.4.1	Responsible management of growth.	To ensure Council is well equipped to effectively plan for and responsibly manage the challenges of population growth.
3.4.2	Preserving agricultural land & diverse cultural heritage.	Balancing the preservation of prime agricultural land and diverse cultural heritage with responsible development and growth demands.
3.4.3	Defining brand or identity (across region or by township).	Understand and highlight the unique differences that collectively form the identity of the Light Region. Maintain and enhance the individual characters into the future.
3.4.4	Regional interconnection & partnerships.	Maintaining and improving transport infrastructure (including roads, footpaths and cycle ways) whilst harnessing public transport opportunities as well as promoting partnerships with the private sector or other service providers to achieve more for the community.
3.4.5	Enhancing assets and services appropriately throughout the region.	To responsibly manage, maintain and improve the assets and services delivered to the community through evaluation and enhancement.
3.4.6	Fostering local & community opportunities.	Promote an environment where localised opportunities can be realised so additional vibrancy and resilience can become part of the community fabric.
3.4.7	Promoting our strengths.	Ensuring conscious awareness of characteristics and success stories for communication with the broader community.

5. Significant Budget Influences and Priorities

In preparing the 2015/2016 Financial Year Annual Business Plan (ABP) and Budget, Council has considered several significant factors/assumptions. These include:

- (i) That the Gawler Water Reuse Scheme will be operational from July 2016, delivering \$1.2m additional separate rate revenue annually for the next ten (10) years.
- (ii) Expected Local Government Price Index (LGPI) of 3.5% and CPI of 2.5% in 2015/2016.
- (iii) The interest rate applicable to short-term cash advances from Local Government Financing Authority (LGFA) is 4.5% while a 5 year fixed debenture interest rate from LGFA is 3.75% and 10 year fixed debenture rate is 4.20%.
- (iv) Council continues to take part in a Local Government Association of S.A. sponsored lobbying program to have the State Government contribution toward council rates by the Pensioner Concessions Scheme retained.
- (v) Enterprise bargaining agreements in regard to wage and salary conditions for Council staff.
- (vi) Service standards policy for providing, maintaining and renewing infrastructure assets, including roads, footpaths, lighting, stormwater drainage, street trees and plantings, open space and Council properties.
- (vii) Evolving needs of services and infrastructure to serve our community.
- (viii) Possible reduction or removal of State or Federal Government grant funding and contribution for service.
- (ix) New or increased fees and charges imposed by other levels of government.
- (x) Council commitment to major projects which span for more than one financial year or which are jointly undertaken across Councils in the region.



Council is committed to ongoing reviews of its operations in order to provide optimum benefit to the community and also to ensure that Council deliver quality services in the most cost-effective and efficient manner. Accordingly, intends to undertake its operation while having regard to the mantra 'GRID':

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

Council will aim to:

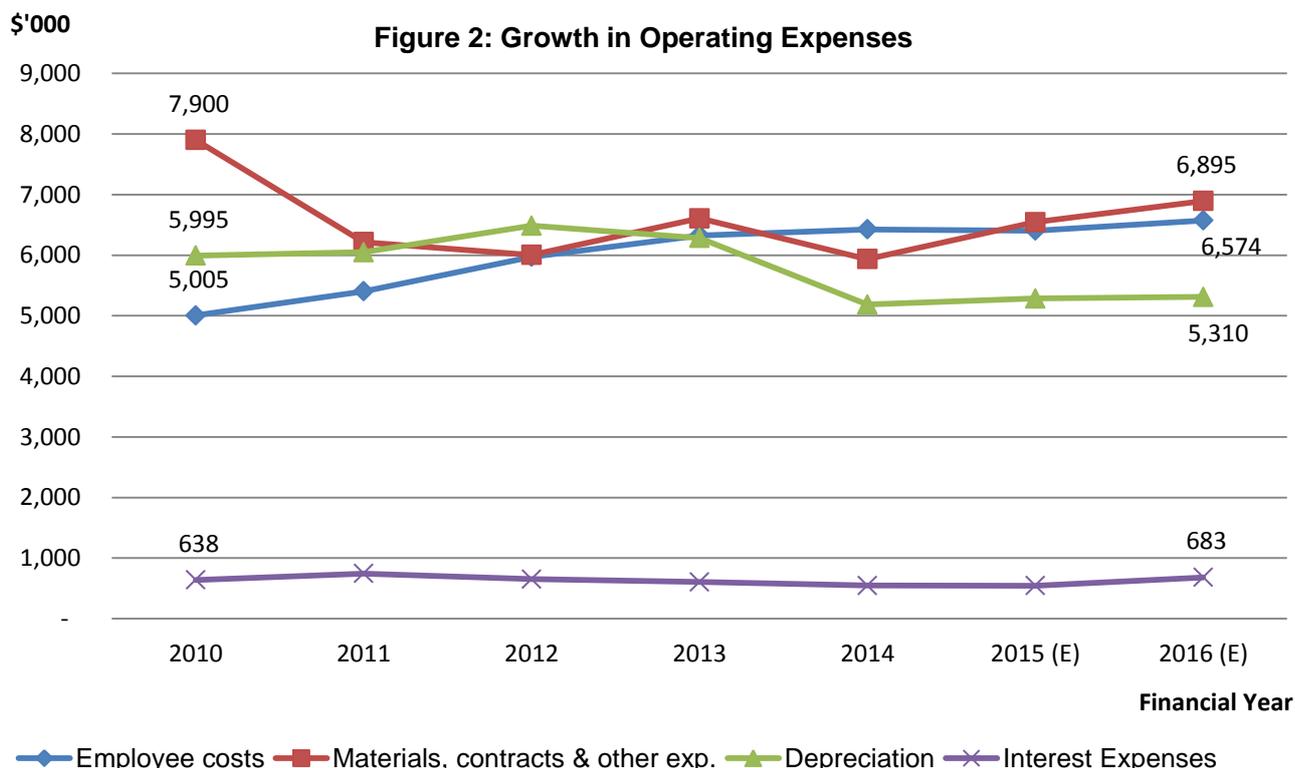
- ✓ Continuously review, prioritise and validate current services and programs.
- ✓ Continuously review systems and procedures to ensure that internal operations are effective and efficient.
- ✓ Empower community organisations with appropriate support to manage and maintain specific community assets by the community itself. It is believed that this will enhance the autonomy of these organisations through site ownership and control.
- ✓ Contain employee costs through systems reform. It is noted that proposed staff numbers are no greater than those of the 2009/2010 Financial Year, while duties have varied significantly over that period.
- ✓ Further develop strategic partnerships with other Councils in the region to achieve meaningful outcomes. An example is savings in procurement activities- In 2014/2015 Financial Year, Barossa Council, Town of Gawler, Light Regional Council, Mid Murray Council and the District Council of Mallala commenced working in partnership to form the Barossa Regional Procurement Group. The focus of the group is to capitalise on opportunities for collaborative procurement to generate cost savings, process efficiencies and economic benefits to the region by growing local business capacity

The following graph (**Figure 2**) shows the growth in Council operating expenditures since the 2009/2010 Financial Year. Council's **Employee Costs** have gone up however have remained relatively constant since 2012/2013 due to conscious management decision not to increase staff levels.

Material, Contracts & Other Expenses have fluctuated across the period dependent upon each year's proposed budget, however an upward trend is apparent mainly due to increased cost to Council of purchasing items such as of water, electricity, insurances, legal fees, fuel, plant monitoring etc.

Interest Expenses have remained static across the period under review,

Depreciation Expenses has reduced considerably since 2013/2014 Financial Year. Council undertook a review of service levels of Council's infrastructure assets in March 2014 which resulted in an increased lifetime of some assets, with a corresponding reduction to the level of depreciation to those assets.



6. Services Offered by the Council to its Residents

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

- ✓ Regulatory activities, including development planning and control, fire safety assessments, structural integrity assessments of buildings, voters roll maintenance and Elected Members support;
- ✓ Setting rates, preparing an annual budget, an annual business plan and developing longer-term strategic management plans, financial plans and infrastructure and asset management plans for the Council area, maintaining an office, employing a Chief Executive Officer;
- ✓ Maintenance of roads, footpaths, parks, public open space, street lighting and stormwater drainage;
- ✓ Street cleaning and waste collection,
- ✓ Environmental health services, including food and public health inspections, immunisation, animal, pest control and inspections on public swimming pools.

In response to community interest and need, the Council also provides further services and programs with regard to economic and regional development, Home and Community Care Service, library service, community and cultural support, environmental protection, support to Community events, maintain community facilities and halls, maintain of public conveniences, verge maintenance and on street parking management.

The following **Table 2** provides more details on specific services offered by the Light Regional Council, including some additional services delivered in response to community needs.

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

Service Category	Services Offered	Details
1. Business Undertakings	Community Management (CWMS). Wastewater System	CWMS in Kapunda, Freeling, Greenock and Roseworthy.
2. Public Order and Safety	Emergency Services and fire prevention. Other Public Order & Safety.	Burning off, bushfire prevention and fire protection. Removal of abandoned vehicles, maintenance of security camera in Kapunda Township.
3. Health Services	Immunisation and other preventive health.	Scheduled children's and high school vaccinations programs.
4. Community Support	Maintenance of community halls & facilities. Services for the Aged and Disabled. Children & Youth Services. Community Transport. Other Community Support.	Thomson Building, Kapunda Senior Citizens Building, Kapunda Kindergarten, Kapunda Men's Shed, Kapunda Institute, Freeling Institute, Greenock Institute, Wasleys Institute, Hewett Community Centre, Kapunda RSL and Bagot Mining. Provide home maintenance, home security & safety and home support services to enable people to remain living safely in their own home, maintain independence and enhance their quality of life through The Barossa Region Home Assist Scheme. Provision of programs and services for young people through Youth Advisory Committee, National Youth Week event, Regional Youth Bus project and Youth Sponsorship program in self-development activities in a range of areas. Community transport services to assist those in the community who are transport disadvantaged, including the aged, frail and younger disabled residents without easy access to transport (Community bus, Personal Car Service for Wheelchair Clients and Community Car). Community Events of the Year Awards.
5. Community Amenities	Cemeteries / Crematoria. Public Conveniences.	Administer interments. Management of cemeteries records and maintenance of cemetery grounds at Kapunda, Freeling & Greenock and other various small cemeteries. Council maintains 8 public toilet blocks throughout the Council area including disabled access toilets. These are regularly cleaned and maintained.

6. Library Services	Libraries	Lending of reading and audio-visual material, internet training, local history services, children and youth programs (Kapunda, Freeling & Greenock). In 2013/2014, all 3 libraries recorded 43,512 (20% increase over prior year) of people visiting the libraries and Volunteers have donated over 550 hours of their time to assist Council's Library Service in 2013/2014.
7. Cultural Services	Museums & Art Galleries	Kapunda Museum and Kapunda Art Galley
	Heritage	Grant under Heritage Incentive Scheme to owners of Local Heritage Places and Contributory Items.
	Other Cultural Services	Australia Day events & awards. Support to community Christmas events. Community Events Sponsorship program.
8. Economic Development	Regional Development and Tourism and Regional Promotion.	Support for existing businesses. Encourage and facilitate new investments and opportunities in the region.
9. Waste Management	Waste management and Recycling	Domestic kerbside collection, hard rubbish Collection, E-Waste collection, litter control and operation of portable security camera to prevent illegal dumping.
10. Other Environment	Street Lighting	Maintaining existing lighting and installing new lighting, including reserve lighting, sports field, court and car park lighting.
	Stormwater Management	Stormwater drainage within the townships is monitored and maintained to prevent flooding.
	Streetscaping	Planning, planting and maintenance of verges and streetscapes. Street tree planting, maintenance and weed control. Emptying of public bins.
	Street Cleaning	Streets in towns are regularly swept with specialised street sweeping machinery by Council staff.
11. Recreation	Parks & Gardens	Planning, planting and maintenance of reserves, ovals and gardens.
	Outdoor Sporting Facilities	Maintenance of Kapunda Swimming Center.
12. Regulatory Services	Development assessment and compliance services	Provision of planning, building and compliance related services. These include the administration of the <i>Development Act 1993</i> and <i>Development Regulations 2008</i> , the Development Plan, Building Code and other relevant standards.
	Parking control	Enforcement of State Government parking laws and private parking agreements; school patrols; issuing of expiation notices.
	Dog control, animal management and general inspector duties	All animal management issues (livestock, dog and cat control, nuisance and dangerous animals both under the Dog and Cat Management Act and the Local Government Act), Illegal Parking, By-Law enforcement i.e. Illegal signage, excessive dog and cat keeping, offences relating to council land both under the council By-Laws and the Local Government Act and Illegal Dumping.
	Health Inspection	Food safety and public health inspection. European wasp control.
	Other Regulatory Services	Permits to light fires and gain access over Council reserves; enforcement of by-laws. Control of rodents and European wasps; dead animal collection from public spaces. Advice to residents on fire risk management; oversee implementation of works program associated with Strategic Bushfire Management Plan.
13. Transport		Maintenance of bus shelters, footpaths on local streets, shared use paths and maintenance of sealed roads (171kms), unsealed roads (1,230kms), and Unformed roads (57kms).

7. Assessment of 2014/2015 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.

An updated position (as at 31 March, 2015) is presented in the following **Table 3** in regard to the Objectives that were planned at the adoption of the 2014/2015 Annual Business Plan.

Table 3: 2014/2015 Annual Business Plan Objectives and Activities

1.1	<p>(Governance) To deliver transparent and accountable governance to the community.</p> <ul style="list-style-type: none"> • Develop a Fee Recovery Model to offset staff time in undertaking inspections on privately certified structures. (C) • Develop training and development program for Elected Members. (C) • Undertake Council Election in accordance with Local Government (Elections) Act 1999. (C) • Develop and implement Work, Health and Safety and Injury Management Plan 2014 - 2017. (C) • Ensure compliancy with Standards 1, 2 and 3 of the Workcover SA Performance Standards for Self Insurers. (O) • Implement a Quality Assurance Framework in line with the Local Government Excellence Programs.(O) • Implementation of internal control program in accordance with Local Government (Financial Management) Regulations 2011. (NC)
2.1	<p>(Systems) Delivery of Information Communication Technologies which support the organisation's operations and delivery of efficient services to its community.</p> <ul style="list-style-type: none"> • Undertake IT Network hardening and establish a disaster recovery plan. (O) • Develop a clear ICT strategy to guide the development and use of technology within the organisation. (S) • Upgrade Graphical Information Systems mapping to include updates to township and district aerial mapping plans and overlays. (C)
3.1	<p>(Labour Resourcing & Workforce Planning) Demonstrate strong leadership working with and for the community.</p> <ul style="list-style-type: none"> • Implement and utilise CAMMS performance management system (Interplan). (C) • Review Population Projections & adjust Financial Model. (S)
5.1	<p>(LTFFP) Ensure internal practices support the efficient delivery of services.</p> <ul style="list-style-type: none"> • Reduce the Annual (Net) operating deficit to ensure Long Term Financial Performance indicator are met and not exceed the Operating Deficit forecasted in Adopted Budget. (O) • Develop and implement strategy and procedures to reduce non-recoverable debt. (NP) • Integrate the use of the BIS financial reporting system across Council. (C) • Reduce Annual Loan Borrowings to ensure Long Term Financial Performance indicators are met. (O)
6.1	<p>(Growth) Ensure Council is well equipped to effectively plan for and responsibly manage the challenges of population growth.</p> <ul style="list-style-type: none"> • Establish a regional partnership for the delivery of a youth bus to assist disadvantaged youth. (NC) • Upgrade of Hanson St/ Thiele Hwy Staggered T Intersection to improve infrastructure and road safety by realignment of the intersection. (NP) • Undertake Regional Horticultural Study with investigation of studies undertaken, development of appropriate planning policy and potential Development Plan Amendment. (S) • Undertake townships futures review and scale/services assessment. (S) • Update to the Council's development plan in alignment with legislated direction of Barossa Protection Bill. (S) • Commence delivery of Hewett Recreation staged precinct project for the delivery of recreational facilities over multiple years for shared use path upgrade, outdoor exercise nodes, dog friendly park, children's playground and other facilities. (S) • Introduction of appropriate Council Social Plan / Community Wellbeing Plan. (S) • Develop an appropriate Stormwater Management Plan (SMP) for the region's townships. (S)

- Facilitate roll out of Five Shillings Estate residential development in Kapunda and develop strategies to reactivate the development. (O)
- Receive Dutton Park (KHRC) consultancy report on future options. (S)
- Establishment of Council Section 41 Economic Development Panel including terms of reference and researching provision of independent membership opportunities. (C)
- Continue development of Gawler Water Project with on-ground construction design and achievement of water supply agreements. (O)
- Undertake Development Plan Amendment for Roseworthy Garden Town (or alternative thereto). (S)
- Develop planning strategy for Nuriootpa West DPA. (NC)

7.1 (Preservation) Balance the preservation of prime agricultural land and diverse cultural heritage with responsible development and growth demands.

- Undertake Heritage Policy Review with the establishment of strategic policy documentation to aid appropriate development outcomes. (C)
- Continuation of various partnered Biodiversity Projects for the protection of the natural and local diversity. (NC)
- Development of Roadside Vegetation Management Plan. (S)
- Establishment of Freeling RSL Memorial Garden for community contemplation and service recognition as part of the Freeling Railway Reserve precinct. (NC)
- Kapunda Heritage Trail Project to deliver improved community and tourist infrastructure. (S)

8.1 (Identity) Understand and highlight the unique differences that collectively form the identity of the Light Region. Maintain and enhance the individual characters into the future.

- Undertake Park Range Estate Reserve Enhancements. (S)
- Contribute to the Barossa Entry Statements project in conjunction with Barossa Regional Development Australia. (S)

9.1 (Connections) Maintain and improve transport infrastructure (including roads, footpaths, and cycleways) whilst harnessing public transport opportunities as well as promoting partnerships with the private sector or other service providers to achieve more for the community.

- Delivery of Kapunda Rail Trail Links Project to provide a safe off-road recreational public walk. (S)
- Development of a Kapunda Town Centre/Car Parking DPA. (NC)
- Broaden capabilities with respect to Public/Private Partnerships and other project-related governance arrangements. (NC)

10.1 (Assets and Services) Responsibly manage, maintain and improve the assets and services delivered to the community through evaluation and enhancement.

- Delivery of Assets at a reduced lifecycle cost. (C)
- Undertake Annual Capital Programs with assets renewed or upgraded in accordance with plans. (NC)
- Undertake Annual Maintenance Programs with assets maintained in accordance with plans. (NC)
- Undertake integration of Library Services and Customer Services functions of Council. (S)
- Develop and implement an annual Library Services Programme which is relevant to the community.(S)

11.1 (Opportunity) Promote an environment where localised opportunities can be realised so additional vibrancy and resilience can become part of the community fabric.

- Continuation of Community Grants (including Events) program. (NC)
- Community engagement for Freeling Recreation Grounds future development. (S)
- Stakeholder alignment (where appropriate) of strategic planning, i.e. 'working with business'.
- Consult with Kapunda Business Alliance regarding Main Street Revitalisation Strategy.(NC)
- Progress development of Lifestyle Retirement Village concept, securing DA, tender development, establish commitments and agreement. (S)
- Facilitate development opportunities e.g. former Johnson's mill site, tourism accommodation, etc.(NC)
- Review and develop a community communications strategy which outlines a variety of community engagement methods. (O)

12.1 (Promotion) Ensure conscious awareness of characteristics and success stories for communication with the broader community.

- Pursue Kapunda Bowling Club development at Dutton Park site. (NC)

*Completion status up to 31 March 2015. To be updated as at 30 June 2015

(C) completed, (NP) near completion >75%, (S) <75%, (O) Ongoing objective

8. 2015/2016 Annual Objectives

The proposed 2015/2016 objectives are as summarised in following **Table 4** follows:

Table 4: 2015/2016 Annual Objectives

1.1	<p>(Governance) To deliver transparent and accountable governance to the community.</p> <ul style="list-style-type: none"> • Continuous improvement of human resource policies and procedures to ensure integrity of corporate HR systems. • Implement, monitor and review the Hazard Management System, Corrective and Preventative WHS Actions and WHS Internal Audit system in accordance with the WHS Plan 2014 - 2017. • Undertake procurement efficiencies review in conjunction with neighbouring councils to implement consistent procurement practices, contracts and systems that provide efficiencies to council.
2.1	<p>(Systems) Delivery of Information Communication Technologies which support the organisation's Undertake IT Network hardening and establish a disaster recovery plan.</p> <ul style="list-style-type: none"> • Continue to maintain and optimise councils IT network and communications platforms to support Council's operations and efficient delivery of services. • Investigate the implementation of an electronic data specification and associated Extract, Transform & Load (ETL) tools for uploading vested assets to Council's Asset Management and GIS Systems. • Continue to develop and maintain the Geographical Information System (GIS) to provide accurate information to internal and external users.
3.1	<p>(Labour Resourcing & Workforce Planning) Demonstrate strong leadership working with and for the community.</p> <ul style="list-style-type: none"> • Implement and utilise CAMMs performance management system to enable improved review of key performance indicators (KPI's) to facilitate continuous improvement, accountability and efficiency in delivering Council's objectives • In conjunction with WHS initiatives continue to grow and develop health and wellbeing initiatives to support employees of Council.
4.1	<p>(IAMP) Plan for future infrastructure demands and improve asset sustainability.</p> <ul style="list-style-type: none"> • Develop and maintain best practice quality assurance documentation for construction and handover of development related infrastructure. • Undertake IAMP awareness training to provide an overview to staff on how it influences council's programs. • Undertake a review of asset renewal and asset life to ensure that they continue to be relevant. • Manage and maintain all of councils operational plant & passenger fleet and any small equipment such as hand tools, chainsaws etc. to achieve best values for cost of life. • Carry out asset revaluation of Plant, Equipment, Furniture & Fittings asset groups to provide accurate accounting and asset management data. • Audit strategic assets and scope renewal/upgrade works, ready for capital works programming. • Assess the infrastructure requirements of new development growth and recommend appropriate planning approval conditions in accordance with legislative standards, policies and guidelines. • Develop and maintain best practice guidelines and standards for the design, construction and hand over of new infrastructure assets. • Prepare and publicly consult on an IAMP covering the 5 main asset groups.
5.1	<p>(LTFP) Ensure internal practices support the efficient delivery of services.</p> <ul style="list-style-type: none"> • Continue to manage Council's cash flows to maximise return on investment whilst meeting payment obligations. • Provide ongoing education & training to relevant stakeholders to support financial budgeting, long term financial planning and use of reporting systems. • Undertake a review of the LRC workforce plan in consideration of the 4 year budget and an independent staff survey.
6.1	<p>(Growth) Ensure Council is well equipped to effectively plan for and responsibly manage the challenges of population growth.</p> <ul style="list-style-type: none"> • Facilitate roll out of Five Shillings Estate residential development in Kapunda and develop strategies to reactivate the development. • Undertake the section 154 separate rate process for the Gawler Water Reuse Scheme. • Continue to explore opportunities for land acquisition and disposal, developing strategies and funding opportunities for redevelopment or sale of surplus land. • Advance the Strategic Planning of Stormwater Management. Including completion of stormwater management plans for Freeling, Greenock and Kapunda, review and update for Wasleys and commencement of the Gawler & Surrounds Stormwater Management Plan. • Commence Development Plan Amendment to introduce flood mapping for Kapunda, Greenock and Freeling together with policy aligned to separate Stormwater Management Plans for those townships.

7.1 (Preservation) Balance the preservation of prime agricultural land and diverse cultural heritage with responsible development and growth demands.

- Carry out fire prevention audit of all properties within the council region to ensure compliance with the Fire and Emergency Services Act.
- Commence sustainability review to identify and protect areas of environmental significance.
- Maintain and update community land management plans and registers to ensure the provision and accuracy of information.
- Undertake review of Council's By Laws incorporating community consultation and Council consideration of existing, revised and proposed By Laws.
- Undertake review of rural planning policy in-line with recommendations from the Development Plan Review completed in December 2012.
- Complete the introduction of policy amendments to the Development Plan for the Heritage DPA.
- Maintain our natural resources by continuing to support towards various biodiversity initiatives.

8.1 (Identity) Understand and highlight the unique differences that collectively form the identity of the Light Region. Maintain and enhance the individual characters into the future.

- Explore opportunities to enhance the facilities at the Pines Conservation Reserve.
- Continuation of Kapunda Mine Site STEM Project (Stage 2) with the development of educational resources at the site.
- Commence Township Futures Reviews for Greenock & Wasleys to identify service requirements and strategic planning directions for each township, in-line with recommendations from the Development Plan Review completed in December 2012.

9.1 (Connections) Maintain and improve transport infrastructure (including roads, footpaths, and cycleways) whilst harnessing public transport opportunities as well as promoting partnerships with the private sector or other service providers to achieve more for the community.

- Development of Seppeltsfield Road shared use path and where possible implement sections of the shared use path between Tanunda and Seppeltsfield/Greenock.

10.1 (Assets and Services) Responsibly manage, maintain and improve the assets and services delivered to the community through evaluation and enhancement.

- Carry out capital and maintenance building program for the renewal and maintenance of council buildings to provide well maintained assets.
- Carry out annual footpath installation program aligned to IAMP.
- Undertake water reuse review of current water assets to ensure that wastewater use is greater than potable water use.
- Undertake review of leases & management agreements with community groups to support social and recreational activities within the community.
- Liaise with SA Power Networks to investigate transitioning to LED public street lighting to improve township lighting service levels.
- Collect traffic data on strategic roads to provide information to support asset renewal and upgrade proposals.
- Review and update unsealed township roads upgrade register, strategically important roads and unsealed rural roads schedules.
- Deliver an annual maintenance & grading programs that is responsive to community needs.
- Deliver an annual capital construction & renewal that is responsive to community needs.
- Undertake maintenance of CWMS pump stations, lagoons, treatment plants and associated infrastructure to ensure continuity of service.
- Carry out open space maintenance program for parks, gardens and open space areas.
- Ensure that souvenirs and products sold by the Visitor Information Centre reflect the interests of visitors and the local community by developing guidelines for product selection.
- Deliver and educate the community on Waste & Recycling Programs including kerbside collections, 'e' Waste, green waste and hard refuse collections.
- Undertake dog and cat management programs including dog registration audits, registration fee review and promotion of responsible dog ownership.
- Introduce Radio Frequency Identification (RFID) technology as part of the state wide 'one card' initiative in conjunction with PLS (Public Library Services).
- Provide adult learning opportunities by developing and implementing technology training programs for customers.
- Ensure that library collections are relevant and customer-driven through the implementation of a collection development policy.
- Implementation of regional youth bus for shared use across council project partners to support young people in the community.

11.1 (Opportunity) Promote an environment where localised opportunities can be realised so additional vibrancy and resilience can become part of the community fabric.

- Continuation of Community Grants (including Events) programs to support people and community groups.
 - Develop a master planning and rezoning strategy for the NEXY residual land abutting the northern expressway to
-

- inform the highest and best use of the site.
- Review of the existing local government regional development bodies to ensure efficiencies, cost savings and benefits to the local region.
- Undertake review of current outdoor dining code and relevant permits.
- Provide support for new businesses, developments and projects in the region, by giving advice and assistance to parties interested in investing in the region.
- Progress the development of the Kapunda retirement village stage 1 initiative to ensure that development approval is obtained and tender for the construction and management is undertaken.
- Embark on the development of a Regional Economic Investment Plan (linked to China-Adelaide Business Group) in collaboration with our neighboring councils and Minister for Regional Development to realise the potential of the food bowl north of Gawler River.
- Continue to work collaboratively with Tourism Barossa and RDA Barossa to attract major tourist events to the region.
- Explore opportunities for additional open space in Kapunda & Greenock as part of the Regional Open Space Plan.

12.1 (Promotion) Ensure conscious awareness of characteristics and success stories for communication with the broader community.

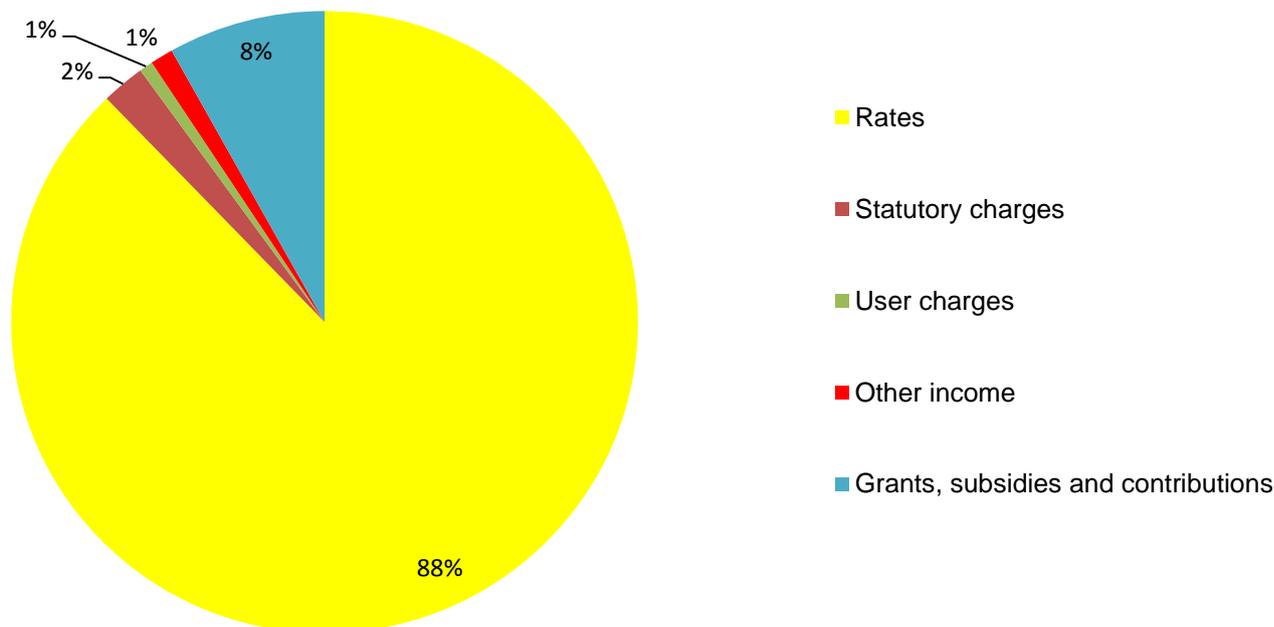
- Improve public health through the Implementation of Regional Public Health & Wellbeing Plan (PHWP).

9. Annual Budget for Operational Services

➤ Where the Council’s Revenue Comes From

In order to fund Council operations and programs, the Council collect revenue from sources such as general rates, fees and charges levied on Council services (Statutory Charges and User Charges), grants from State and Federal Governments, interest income from investing excess cash in short-term investments, reimbursements and other sundry revenue sources. The pie chart (Figure 3) illustrates the main sources of the estimated Council revenues in 2015/2016 Financial Year.

Figure 3: Breakdown of Proposed Operating Income in 2015/2016



(a) Rates

Rates are the main source of funding for the activities undertaken by the Council. A total of \$16.007m will be collected in general rates in 2015/2016 Financial Year, to help pay for essential services (non-discretionary) such as waste collection, management of basic infrastructure, public health and safety as well as discretionary services such as Council libraries, assistance to community programs and events. Additionally, Council will raise \$0.164m from the Roseworthy separate rate to fund the Roseworthy Township Expansion Development Plan Amendments, resulting in a total rates income of \$16.171m in 2015/2016 Financial Year.

The aforementioned estimated rates income is based on a 2.84% (3.90% in 2014/2015) increase on average in rates on existing assessments which consists of a 2.64% (0.91% in 2014/2015) increase in the valuations of existing assessments by Valuer General of South Australia and a 0.20% (2.99% in 2014/2015) increase in rate in the dollar by the Council. In addition, the Council has recorded a growth of a 0.81% in 2015/2016 (1.78% in 2014/2015) from new assessments across the Council district.

The average residential property will be expected to pay \$1,342 (\$1,313 in 2014/2015) which is \$0.57 increase per week or \$29 per year. In line with increase in rates, it is proposed that minimum rate would be increased from \$785 in 2014/2015 to \$807 in 2015/2016 which represents an increase of 2.80%.

(b) Statutory Charges

Statutory Charges relate mainly to fees and fines levied in accordance with legislation and include development application fees, animal registrations, health act registrations and parking fines. It is estimated that the Council will collect statutory charges of \$0.428m in 2015/2016 Financial Year which is a 3.91% increase over 2014/2015 budgeted statutory charges of \$0.412m.

(c) User Charges

User charges relate mainly to the recovery of service delivery costs through the charging of fees to users of Council's services. These include charges for the use of Council facilities, library printing & photocopy charges, Section 7 property searches etc. User charge income will be reduced from \$0.134m in 2014/2015 Financial Year to \$0.131m in 2015/2016 Financial Year.

(d) Grants, subsidies and contributions

Grants include monies received from State and Federal sources for the purposes of funding the delivery of Council's services to ratepayers and contributions from other parties towards property development costs. Grants income has been budgeted based on confirmed funding levels only. The Council is expected to receive 8% or \$1.495m of its proposed total revenue in the form of grants, subsidies and contributions in 2015/2016 Financial Year. It is an increase of 37% or \$0.493m over 2014/2015 Financial Year. The increase in grant income is mainly due to doubling of R2R grant in 2015/2016 which will deliver an additional \$0.295m.

(e) Investment Income

The Council earns investment income primarily in the form of interest from the investment of cash surpluses throughout the financial year. Investment Income for 2015/2016 is forecast to generate \$0.030m in 2015/2016.

(f) Reimbursements

From time to time the Council enters into commercial arrangements under which it performs services on behalf of third parties, and subsequently then seeks reimbursement for undertaking those services.

During 2015/2016, it is estimated that the Council will seek reimbursement for \$0.044m compared to \$0.026m in 2014/2015. This represents an increase of 69% against previous year.

(g) Other Income

Other income relates to a range of unclassified items that do not fit within the aforementioned main revenue categories. Council will receive other income of \$0.218m in 2015/2016 Financial Year compared to \$0.184m in 2014/2015.

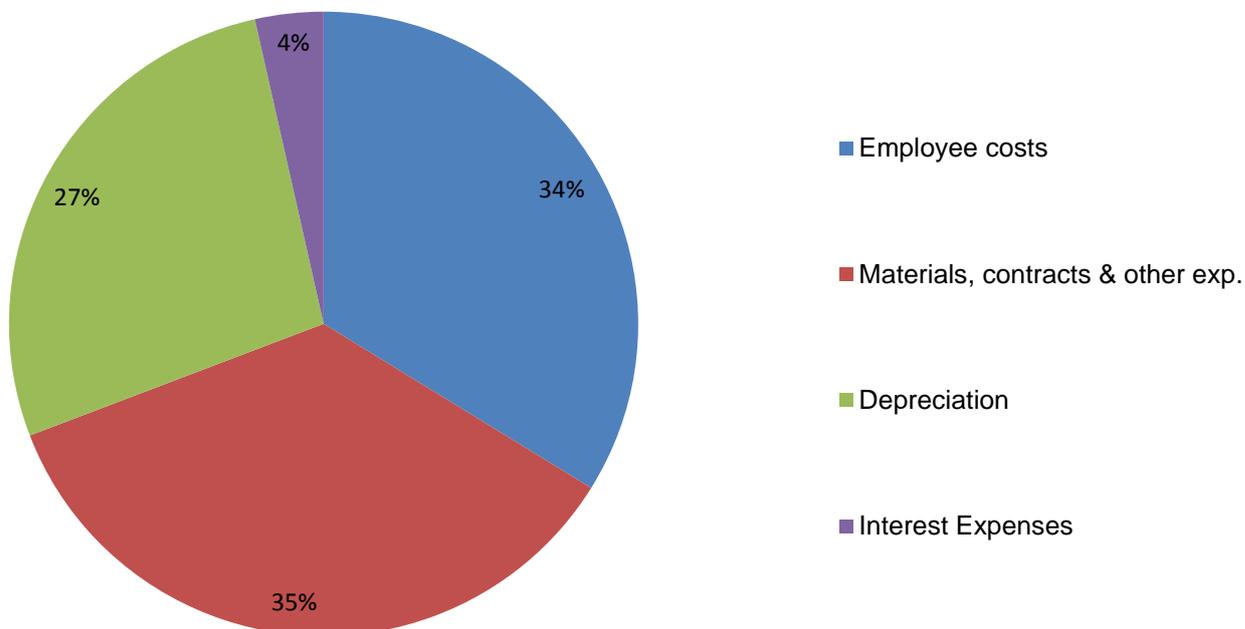
➤ How each Dollar of Revenue is spent

A significant portion of the Council's expenditure is directed towards providing the 'business as usual' services that keep the Council operating and includes services like the maintenance of roads, parks, economic development and planning to existing or new services. **Table 2** provides further details on the nature of the services offered by the Light Regional Council.

In addition, from time to time Council implement specific one off programs and projects to meets its strategic objectives.

The following pie chart (**Figure 4**) illustrates estimated Council expenditure (\$19.462m) by main expenditure categories for both recurrent budget and operating projects in 2015/2016 Financial Year.

Figure 4: Breakdown of Proposed Operating Income in 2015/2016



(a) Employee Expenses

Employee expenses include all labour related expenditure such as salaries, wages, allowances and on-costs (annual leave, long service leave entitlements, superannuation, Workers Compensation insurances etc.) expenses.

During 2015/2016 Financial Year, employee costs are forecast to increase to \$6.574m as compared to \$6.404m in 2014/2015. This is an overall increase of \$0.170m or 2.65%. The increase takes into account the effects of Enterprise Bargaining Agreement.

Following **Table 5** shows the Light Regional Council's staff levels at the end of each financial year from 2010 and current staff numbers on a full-time equivalent basis.

Table 5: Light Regional Council Total Staff (FTEs)

Description	30/6/2010	30/6/2011	30/6/2012	30/6/2013	30/6/2014	23/04/2015
Total Staff (FTE)	71.90	72.30	78.60	77.30	74.10	72.54

(b) Materials, Contracts and Other Expenses

Materials include items such as electricity, water, fuel, road products, library books and printing and stationary costs.

Contracts relates mainly to the provision of Council services by external providers and include items such as agency costs, waste collection, contractors, rents, leases and infrastructure repairs and maintenance.

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

It is estimated that the Council will spend on Materials, Contracts and Other Expenses \$6.895m in 2015/2016 Financial Year, compared to \$6.545m in 2014/2015 Financial Year, an increase of 5.36%.

(c) Depreciation, Amortisation & Impairment

Depreciation is an accounting charge which attempts to measure the usage of the Council's property, plant and equipment (including infrastructure assets such as roads and drains) over the estimated effective useful life of the assets.

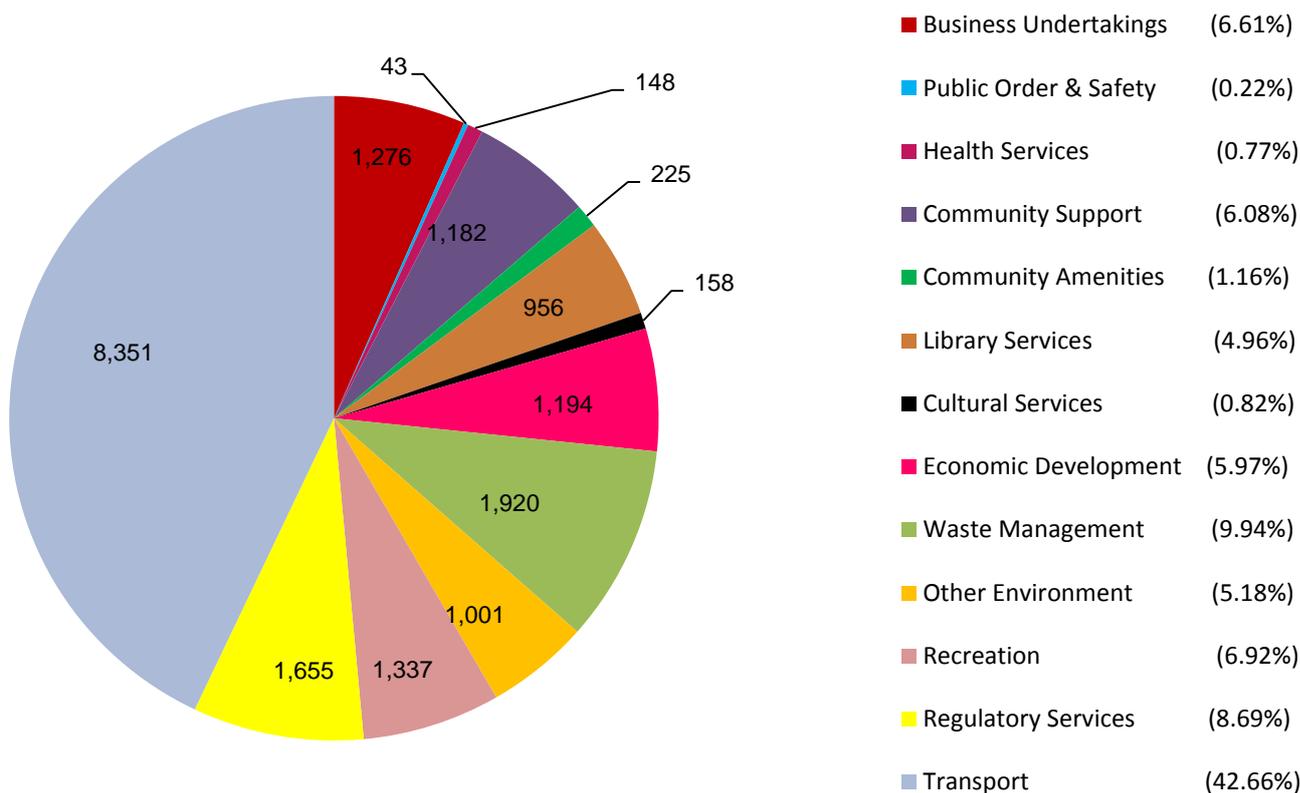
In 2015/2016 the forecast amount of depreciation is \$5.309 m compared to \$5.283 m for 2014/2015 a marginal increase of 0.49%.

(d) Finance Charges

Finance charges relate to interest charged by Local Government Financing Authority on funds that have been borrowed by the Council. Borrowing costs have been estimated based on Council's current loan portfolio as at April 2015 and expected borrowings scheduled for 2015/2016 Financial Year. Finance costs for 2015/2016 are expected to increase by 26% from \$0.543m in 2014/2015 Financial Year to \$0.683m in 2015/2016 mainly due to the impact of borrowing \$11m to fund Council's contribution toward the construction of the Gawler Water Reuse Scheme in late 2015 and/early 2016. Off-setting revenue will commence in the 2016/2017 Financial Year.

The following graph (**Figure 5**) illustrates estimated total Council operating expenditure (\$19.445m) by fourteen (14) Council functions identified in **Table 2** in 2015/2016 Financial Year.

Figure 5: Proposed Council Operating Expenditure by Function - 2015/2016 (\$'000)



➤ **Budgeted Statement of Comprehensive Income**

Table 6 shows Council's adopted Income Statement which incorporates all operating income and expenses. Accordingly, it is estimated that the Council will incur an operational deficit of \$0.952m in 2015/2016 Financial Year which exceeds the operating deficit forecast for 2015/2016 in the current Long Term Financial Plan adopted by the Council in July 2014.

Current LTFP for 2015/2016 has been prepared based on a 4.85% increase in general rate revenue from existing properties whereas adopted 2015/2016 budget has been prepared on a rate increase of 2.84% on existing rate payers. This has been the main reason for 2015/2016 operating deficit to exceed projections in the current Long Term Financial Plan.

Table 6: Adopted Income Statement for 2015/2016 Financial Year

	2014 ACTUAL	2015 ADOPTED BUDGET	2016 DRAFT BUDGET	2016 LTFP BUDGET	VARIANCE FROM LTFP
OPERATING INCOME					
Rates	14,847,205	15,463,162	16,170,853	16,463,590	(292,737)
Statutory charges	411,396	411,996	428,098	422,153	5,945
User charges	160,318	134,112	130,976	136,499	(5,523)
Grants, subsidies and contributions	992,750	1,093,800	1,494,733	1,066,492	428,241
Investment Income	60,403	56,000	30,000	56,000	(26,000)
Reimbursements	108,173	25,968	43,845	25,531	18,314
Other Income	406,531	183,563	217,893	192,597	25,296
TOTAL INCOME	16,986,775	17,368,601	18,516,398	18,362,862	153,536
OPERATING EXPENSES					
Employee Costs	6,425,461	6,403,990	6,573,817	6,617,356	43,539
Materials, contracts and other services	5,934,579	6,544,833	6,895,310	6,565,759	(329,551)
Depreciation, Amortisation & Impairment	5,183,956	5,283,933	5,309,952	5,454,839	144,887
Finance Costs	548,305	543,327	682,664	506,687	(175,977)
Share of loss - joint ventures & associates	18,836		-		-
TOTAL EXPENSES	18,111,137	18,776,083	19,461,744	19,144,641	(317,103)
OPERATING SURPLUS / (DEFICIT) BEFORE CAPITAL AMOUNTS	(1,124,362)	(1,407,482)	(945,345)	(781,779)	(163,566)

10. Four Years Budget in Detail

In addition to the LTFF, the ABP 2015/2016 details Council's key projects, new initiatives, capital and operational works programs for the first four (4) years of the LTFF. This will be referred to as the adopted Four Year Budget (4YB).

The purpose of including the 4YB in addition to the LTFF and detailed financial and non-financial information for the 2015/2016 financial year is to:

- Communicate Council's medium term strategies and proposed outcomes for the next four (4) years;
- Develop and implement a systematic approach towards organisational planning, reviewing, prioritising and monitoring strategies, projects and initiatives;
- Support Council's budget deliberations by providing an improved mechanism to assist with decision-making;
- To facilitate alignment to Council's suite of corporate documents, the Strategic Plan 2013-2017, LTFF 2016-2025 and IAMP.

Following **Table 7** shows Council's four (4) year income statement. Accordingly, Council will return to surplus in 2016/2017 Financial Year, mainly due to expected addition revenue from Gawler Water Reuse Scheme.

Table 7: Adopted Four Year Income Statement

	2014	2015	2016	2017	2018	2019
	ACTUAL	ADOPTED BUDGET	YEAR 1	YEAR 2	YEAR 3	YEAR 4
OPERATING INCOME						
Rates	14,847,205	15,463,162	16,170,853	18,113,426	18,849,086	19,465,378
Statutory charges	411,396	411,996	428,098	443,081	458,589	474,639
User charges	160,318	134,112	130,976	101,016	104,505	108,173
Grants, subsidies and contributions	992,750	1,093,800	1,494,733	1,206,657	1,214,123	1,221,849
Investment Income	60,403	56,000	30,000	30,000	30,000	30,000
Reimbursements	108,173	25,968	43,845	17,435	18,045	18,677
Other Income	406,531	183,563	217,893	221,699	215,463	234,103
Operating Project Income						
TOTAL INCOME	16,986,775	17,368,601	18,516,398	20,133,313	20,889,810	21,552,820
OPERATING EXPENSES						
Employee Costs	6,425,461	6,403,990	6,573,817	6,693,000	6,894,348	7,101,760
Materials, contracts and other services	5,934,579	6,544,833	6,895,310	7,031,397	7,278,236	7,831,033
Depreciation, Amortisation & Impairment	5,183,956	5,283,933	5,309,952	5,507,911	5,673,148	5,843,342
Finance Costs	548,305	543,327	682,664	836,430	781,460	717,537
Share of loss - joint ventures & associates	18,836		-	-	-	-
Operating Project Expenses						
TOTAL EXPENSES	18,111,137	18,776,083	19,461,744	20,068,738	20,627,193	21,493,672
OPERATING SURPLUS / (DEFICIT) BEFORE CAPITAL AMOUNTS	(1,124,362)	(1,407,482)	(945,345)	64,575	262,618	59,148

As part of developing the 2015/2016 Annual Budget, Council considered operating project business cases over a four (4) year timeframe consisting of sixteen (16) programs and costing \$0.830m. The individual projects making up these initiatives are listed in the **Table 8**.

Table 8: Adopted Four Year Operating Project Budget

Project Name	Project Cost	ANNUAL PROGRAM			
		2015/2016	2016/2017	2017/2018	2018/2019
'Bang The Table' - Trial of the 'Budget Allocator' Program	12,000	3,000	3,000	3,000	3,000
Development of a Disability Discrimination Action Plan	15,000	15,000	-	-	-
Development Plan Amendment Resourcing	75,000	-	25,000	25,000	25,000
Compliance Officer - 0.6 FTE	157,503	37,647	38,776	39,940	41,140
Mayoral Youth Recognition Award for Education Achievement	2,400	600	600	600	600
Regional Open Space, Recreation & Public Realm Recommendations	38,000		15,000	23,000	
Rural Areas Review	35,000		25,000	10,000	
Strategic Directions Report (Section 30 Review)	35,000		20,000	15,000	
Sustainability Review	15,000		15,000		
Township Reviews - Wasleys & Greenock	38,000		19,000	19,000	
Support of Christmas-specific community events	15,000	3,500	3,500	4,000	4,000
Complete Cemeteries Audit	34,800	8,700	8,700	8,700	8,700
General Inspector - .4 position	123,963	29,630	30,520	31,435	32,378
Local Government Election	44,787				44,787
Elected Member Boundary Review	25,000		25,000		
Roseworthy Township Expansion	164,000	164,000			
	830,453	262,077	229,096	179,675	159,605

➤ **Capital Projects Program**

Light Regional Council is responsible for a large portfolio of assets with a depreciable value in excess of \$5m per annum. It is therefore critical for long term sustainability of assets that Council engages in practises that optimise asset useful lives for the benefit of the community.

The four (4) year Capital Budget consist twelve (12) Programs and costing \$18.116m over four (4) years was considered by Council as part of 2015/2016 Annual Budget preparation.

In the 2015/2016 Financial Year, Council is planning to spend \$7.020m on its capital program of which \$3.622 m will be spent on asset renewal program and \$3.398m will be spend on new/upgraded assets.

Table 9 below summarise the costings associated with four (4) year capital program.

Table 9: Adopted Four Year Capital Project Budget

Capital Projects	Project Cost	ANNUAL PROGRAM			
		2015/2016	2016/2017	2017/2018	2018/2019
Hewett Centre Energy Efficiency Upgrades	59,100	37,000	22,100		
Kapunda Mine Site STEM Project	120,000	30,000	30,000	30,000	30,000
Public presentation equipment upgrade	900	900			
Capital Asset Renewal Program	13,678,174	3,539,674	3,270,437	3,295,241	3,572,822
Seppeltsfield Road Shared Use Path	50,000	50,000	-	-	-
Freeling and Greenock Libraries - Renewal of Furniture and Fixtures	8,000	2,000	2,000	2,000	2,000
Kapunda Council Chamber Communication improvement	11,000	-	11,000	-	-
IT Network Infrastructure Hardening	120,000	30,000	30,000	30,000	30,000
Plant Replacement Program	1,189,000	450,000	181,000	250,000	308,000
Kapunda Retirement Village	60,000	60,000	-	-	-
Hewett Play Space	125,000	125,000	-	-	-
Strategic Infrastructure Projects	2,695,250	2,695,250	-	-	-
Total Costs of the proposed Four Year Program	18,116,424	7,019,824	3,546,537	3,607,241	3,942,822

Table 10 provides further details on four (4) year Capital Assets Renewal Program.

Table 10 – Four Year Capital Works Program

Rural Sealed Road Program			
Road Name	Nature of Work	From	To
2015-2016			
Seppeltsfield Road	Reseal	Peter Seppelt Rd	Kraehe Rd
2016• -2017			
Belvidere Road	Reseal	Pine Drive	Kalimna
Neil Avenue	Reseal	Greenock Rd (Nuriootpa)	End of Road
2017-2018			
Kentish Road	Reseal	Redbanks Road	Kerr Road
Golflinks Road	Reseal	Full length of Seal	
2018• -2019			
Stonewell Road	Reseal	Seppeltsfield Road	Smyth Road
Smyth Road	Reseal	Stonewell Road	North Para Bridge

Township Sealed Program			
Road Name	Nature of Work	From	To
Baker Street	Reseal	Hill Street	Monetfiore Street
Whittaker Street	Reseal	South Terrace	Mine Street
Bevan Street	Reseal	Branson Road	School Road
Branson Crescent	Reseal	Strickland Street	Bagot Street
Smith Road Gawler	Reseal	Thiele Hwy	Bernard Court
2016-2017			
Kingfisher Drive	Reseal	Main North Road	Goldfinch Way
Kestrel Road	Reseal	Murray Road (North)	Kingfisher Drive
Osprey Parade	Reseal	Kestrel Road	Falcon
Brogla Way	Reseal	Osprey Parade	Quail
Jabiru Parade	Reseal	Kingfisher Drive	Explorer Parade
2017-2018			
Church Street	Reseal	Kirchner Street	Borrow Street
Sheppard Street	Reseal	Borrow Street	Hanson Street
Clarke Street	Reseal	Hanson Street	Coulls Street
Cherry Street	Reseal	Peake Street	Rec Park Gate
Horseshoe Drive	Reseal	Full Length	
Gartrell	Reseal	Main North Road	Railway Line
2018-2019			
Kirchner Street	Sealed	Full Length	
Leske Road	Sealed	Part Segment	
Rohde Street	Sealed	Full Length	

Resheeting Program			
2015-2016			
Road Name	Work	From	To
Bethel Road	Resheeting	Main North Road	Kapunda (12kms)
Tarnma Road	Resheeting	Public Road 532 towards	Ellis Road
Anlaby Road	Resheeting	Robinson Road	Old Anlaby Road
Anlaby Road	Resheeting	River Road	River Light
Anlaby Road	Resheeting	River Light	Council Boundary
Hampel Road	Resheeting	Bagot Well Road	Public 1334

Watunga Road	Resheeting	End of Seal	350m from Truro Road
Salt Creek Road	Resheeting	Dreckow Road	Watunga Road
Dreckow Road	Resheeting	Dreckow Road	Salt Creek Road
Vogt Road	Resheeting	Scottys Grave Road	towards Marrabel Road
Kidman Road	Resheeting	Trevena Road	Tarlee Road
Twartz Road	Resheeting	Kangaroo Flat Road	Redbank Road
2016-2017			
Hanckel Road	Resheeting	Hammerling	TSA Rest Area
River Road	Resheeting	1170m from Anlaby	Blackhill
Bagot Well	Resheeting	Truro Road	Dreckow
Bagot Well	Resheeting	Dreckow	Thiele Highway
Borrow Street	Resheeting	End of Seal	Thiele Highway
East Terrace	Resheeting	Perry Road	Thiele Highway
Gerald Roberts Road	Resheeting	Seppeltsfield Road	Robert Steele Road
Kraehe Road	Resheeting	End of Seal	Neldner Road
Mudla Wirra	Resheeting	Owen Road	Currie Road
Wasleys Road	Resheeting	Woolshed Road	Mudla Wirra Road
2017-2018			
Forrest Road	Resheeting	Wasleys Road	Owen Road
Coleman Road	Resheeting	Forrest Road	Patterson Road
Ward Belt Road	Resheeting	Parkers Road	Lange Road
Clancy Road	Resheeting	Redbanks Road	Parker Road
Oats Road	Resheeting	Redbanks Road	Lucas Road
2018-2019			
Oats Road	Resheeting	Lucas Road	Hatcher Road
Gawler River Road	Resheeting	End of seal	Two Wells Road
Wilkinson Road	Resheeting	Hatcher Road	Gawler River Road
Stockport Road	Resheeting	Horrocks Highway	Start of seal Freeling
Ayliffe Road	Resheeting	Horricks Highway	Meaney Road
Coffey Road	Resheeting	Kernich Road	Ryan Road
Edward Road	Resheeting	Twartz Road	Horricks Highway
Krause Road	Resheeting	Redbanks Road	to Bypass
Nottle Road	Resheeting	Redbanks Road	Ward Belt Road
Muster Road	Resheeting	Stockport Road	Neldner Road
Mitchell Road	Resheeting	Mudla Wirra Road	Perry Road

Bridges

At this time an allocation of only \$50,000 has been made towards bridge renewals for the four years of the program. A further report will be provided that will include bridge closures and renewals in the near future.

Buildings & Structures

2015-2016

<u>Project Name</u>	<u>Scope/Comments</u>
Freeling Institute	

2016-2017

Hewett Playground new	Stage 1 plus Reserves & Grants
Miscellaneous - operation buildings	annual allocation
Miscellaneous - playgrounds	annual allocation
Miscellaneous - other	annual allocation

2017-2018

Hewett Playground new -	Stage 2 plus funding
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Miscellaneous - operation buildings	annual allocation
Miscellaneous - playgrounds	annual allocation
Miscellaneous - other	annual allocation
2018-2019	
Wasleys Oval	(50% Grant funding)
Miscellaneous - operation buildings	annual allocation
Miscellaneous - playgrounds	annual allocation
Miscellaneous - other	annual allocation

Sealing Unsealed Township Program			
2015-2016			
Road Name	Nature of Work	From	To
John Street Kapunda	Kerbing, Sealing & Footpaths,	High Street	End of Road
North Street Kapunda	Kerbing, Sealing & Footpaths	High Street	Simmons Street
Simmons Street	Kerbing, Sealing & Footpaths	North Street	Hare Street
2016-2017			
Queen Street, Kapunda	Kerbing, Sealing & Footpaths	Coghill Street	Railway Parade
Bevan Street, Greenock	Kerbing, Sealing & Footpaths	Jackman Street	End of Road
2017-2018			
Greenough Street	Kerbing, Sealing & Footpaths	Full Length	
Nottingham Street	Kerbing, Sealing & Footpaths	Full Length	
Terminus Street	Kerbing, Sealing & Footpaths	Full Length	
2018-2019			
Cliff Road Roseworthy	Sealing	Gartrell Street	College Road

Footpaths Program			
2015-2016			
Road Name	Nature of Work	From	To
Bevan Street/ School Road, Greenock	New	Lina Street to boundary of School and includes link through carpark to corner of Lina St and Bevan St.	Lina Street
2016-2017			
Station Street, Wasleys	Footpath • link Main Street to Ridley Mill Estate (passing Oval)	Annie Terrace	Henry Turton Circuit
West Terrace, Kapunda	New pavement BUS ZONE AREA	N/A	
2017-2018			
Gartrell Street	New Footpath and retaining wall required to allow pedestrian clear path	School Crossing on Gartrell Street	Shamrock way
Shamrock Way	New Footpath Installation	Gartrell St	end of road
Jemalong Crescent	New Footpath Installation	Shamrock Way	Shamrock way
Crimson Court	New Footpath Installation	Shamrock Way	End of Road
2018-2019			
Hill Street (Baker Street)	New Footpath installation to connect main Street with Caravan Park including Pram Ramps	Willow Drive	Gates at Dutton Park
Beck Street	New Footpath installation to connect main Street with Pool (including Pram ramps)	Main Street	End of Beck Street including frontage to Kindergarten

11. Loan Borrowings

During the 2015/2016 Financial Year, it is estimated that the Council will borrow \$14.427m. This includes \$11m for Gawler Water Reuse Scheme and \$1.200m for Strategic Road Infrastructure Funding.

12. Rating Structure and Policy

➤ What are Rates?

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

Rates are the principal source of funding for Council services representing approximately 87% in 2014/2015 and 88% 2015/2016 Financial Years of the total operating revenue which is relatively a high percentage (compared to other Councils in the region).

➤ Strategic Focus

In proposing its rates for the 2015/2016 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 2015/2016 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 because:

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

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

Council will be adopting the valuations made by the Valuer-General and which are applicable for the financial year commencing 1 July 2015. 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 (**Table 11**) provides information in regard to rate modelling done for the formulation of this Annual Business Plan and Budget. This document is prepared at Week 50 of the valuation cycle.

Table 11: Rates Modelling Based on Week 51 of the Valuation Cycle

Property Valuation & proposed income

Financial Year	2013/2014	2014/2015	2015/2016	% Change on Previous Year
			(Estimated - Week 51)	
Total Capital Valuation	3,060,657,940	3,065,705,220	3,173,009,160	3.50%
Number of Rateable Assessments	7,604	7,616	7,699	1.09%
Total General Rate Revenue	12,718,900	13,330,428	13,782,998	3.40%
Refuse Collection & Disposal Service Charge	1,103,220	1,205,241	1,229,595	2.02%
CWMS Service Charge	982,440	993,550	1,028,900	3.56%
NRM Board Levy	290,830	297,000	301,135	1.39%
Other Rate Income	90,000	93,140	103,630	11.26%

Rate in the \$ and Services Charges

Financial Year	2013/2014	2014/2015	2015/2016	2015/2016	% Change on Previous Year	% Average Increase per rateable assessment	% of General Rate Revenue	% Revenue shift from Previous Year
			(Estimated Rate/\$ and Service Charges)	(Estimated - Week 51)				

Rate in the \$ Proposals

Residential	0.0040455	0.0041664	0.0041747	5,931,092	0.20%	2.24%	44.10%	-0.13%
Commercial Shop	0.0070796	0.0072912	0.0073058	97,457	0.20%	1.34%	0.39%	-0.04%
Commercial Office	0.0070796	0.0072912	0.0073058	24,228	0.20%	0.62%	0.10%	0.00%
Commercial Other	0.0080910	0.0083328	0.0083495	879,600	0.20%	1.83%	3.28%	-0.06%
Industrial Light	0.0111251	0.0114576	0.0114805	69,220	0.20%	6.37%	0.19%	-0.01%
Industrial Other	0.0111251	0.0114576	0.0114805	1,151,771	0.20%	14.28%	3.16%	-0.09%
Primary Production	0.0032769	0.0033748	0.0033815	4,855,684	0.20%	4.42%	44.78%	0.28%
Vacant Land	0.0070796	0.0072912	0.0073058	467,653	0.20%	8.34%	1.89%	-0.03%
Other	0.0040455	0.0041664	0.0041747	306,292	0.20%	9.82%	2.11%	0.09%
Minimum Rate	765.00	785.00	807.00		2.80%			

Service Charges

Refuse Collection & Disposal Charge (including green waste)	255	265	270	1,058,130	1.89%			
Refuse Collection & Disposal Charge (not including green waste)	166	175	180	167,220	2.86%			
CWMS Charge (Kapunda, Freeling, Greenock & Roseworthy System)	390	390	400	947,200	2.56%			
Freeling Sewer (Hanson Street North Estate)	370	370	380	81,700	2.70%			
Greenock Rise CWMS Charge (nominated properties only)	50	50	50	-	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:

(a) Commercial Properties

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

(b) Industrial Properties

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

(c) Primary Production Properties

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

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

In the 2015/2016 budget, Council proposes to raise total rate related revenue of \$16.007m from general rates and \$0.164m from Roseworthy separate rate in a total operating revenue budget of \$18.516m. 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.

➤ Separate Rate

Council uses its separate rating powers to collect rates of \$0.164m in 2015/2016 Financial Year to finance expenses associated with Roseworthy Township Development Plan Amendment.

➤ 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 2015/2016 Council proposes to impose a minimum rate of \$807 which will affect 999 (12.98%) 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 2015/2016 totalling \$301,135.

Council is operating as a revenue collector for the Natural Resource Management Boards in this regard. It does not retain this revenue or determine how the revenue is spent.

➤ **Service Charges**

Council provides a Community Wastewater Management System to residential and commercial properties in Kapunda, Freeling, Greenock and Roseworthy. The full cost of operating and maintaining this service for the 2014/2015 financial year is budgeted to be \$1.029m. Council recovers this cost through various means including the imposition of a service charge of \$380 (\$370 in 2014/2015) per unit for Freeling Hanson Street North Estate and \$400 (\$390 in 2014/2015) per unit for all other properties where the service is available. The separate charged previously made against nominated properties at the Greenock Rise subdivision will cease. Where the service is provided to non-rateable land, a service charge is levied against the land.

The Council also provides a refuse collection service inclusive of recycling collections within the townships of Kapunda, Freeling, Hewett, Greenock, Roseworthy and Wasleys. The service is also provided to those ratepayers in Council's area that are able to access the service along the designated collection routes. The full cost of operating and maintaining this service for 2015/2016 is budgeted to be \$1.230m. Council proposes to recover this cost through a service charge of \$270 (\$265 in 2014/2015) for each property within the designated 3 bin service area (i.e. collection of domestic, recyclable and green organic refuse); and through a service charge of \$180 (\$175 in 2014/2015) for each property within the designated 2 bin service area (i.e. collection of domestic and recyclable refuse only). Where the service is provided to 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 for the 2015/2016 Financial Year will be 04 September 2015, 4 December 2015, 4 March 2016 and 3 June 2016.

Late Payment of Rates

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

Council issues a final notice for payment of rates when rates are overdue i.e. unpaid by the due date. Should rates remain unpaid more than 21 days after the issue of the final notice, then the Council will refer the debt to their debt collection agency for collection.

The debt collection agency charges collection fees that are recoverable from the ratepayer. All costs incurred by Council in the recovery of outstanding rates and fines are payable by the ratepayer.

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

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

➤ **Remission and Postponement of Rates**

Postponement of Rates - Hardship

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

Seniors Rate Postponement

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

➤ **Rebate of Rates**

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

Discretionary rebates may be applied by the Council under Section 166 of the Act. Council annually considers many applications for rate rebates and has in the past, and is again for the 2015/2016 financial year, proposing to rebate rates charged to various district community and sporting organisations.

➤ **Sale of Land for Non-Payment of Council Rates**

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

13. How to Measure Council Performance

The measure of the Council's success is driven by the achievement of the strategic objectives outlined in the Strategic Management Plan 2013-2017 which also identifies the desired outcomes expected from the strategic objectives. In addition to the strategic outcomes, the Council also measures its achievements through the following non-financial and financial Indicators.

Non-Financial Indicators

To ensure that the Council delivers on the strategic objectives set out in the Strategic Management Plan 2013-2017 and Annual Business Plan, it is paramount that annual budget activities and projects are completed on time while

delivering project outcomes as planned. Therefore, the progress of the activities and projects will be closely monitored to ensure that there will be no project delays and budget overruns.

Financial Indicators

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

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

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

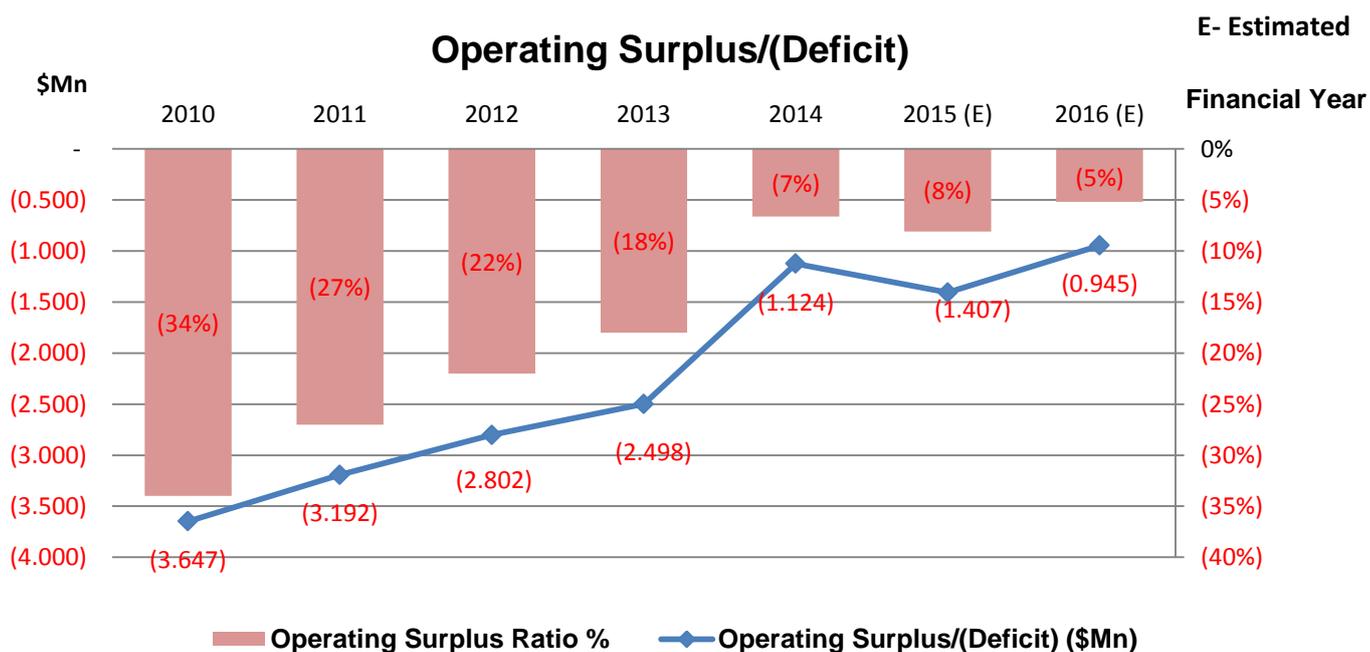
1. Operating Surplus Ratio – Desired level is 0% and 10% on average over long term;
2. Net Financial Liabilities Ratio - Desired level is greater than 0% but no more than 100% on average over long term; and
3. Asset Sustainability Ratio - Desired level is greater than 90% but less than 110% on average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

1. Operating Surplus/ (Deficit) Ratio

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

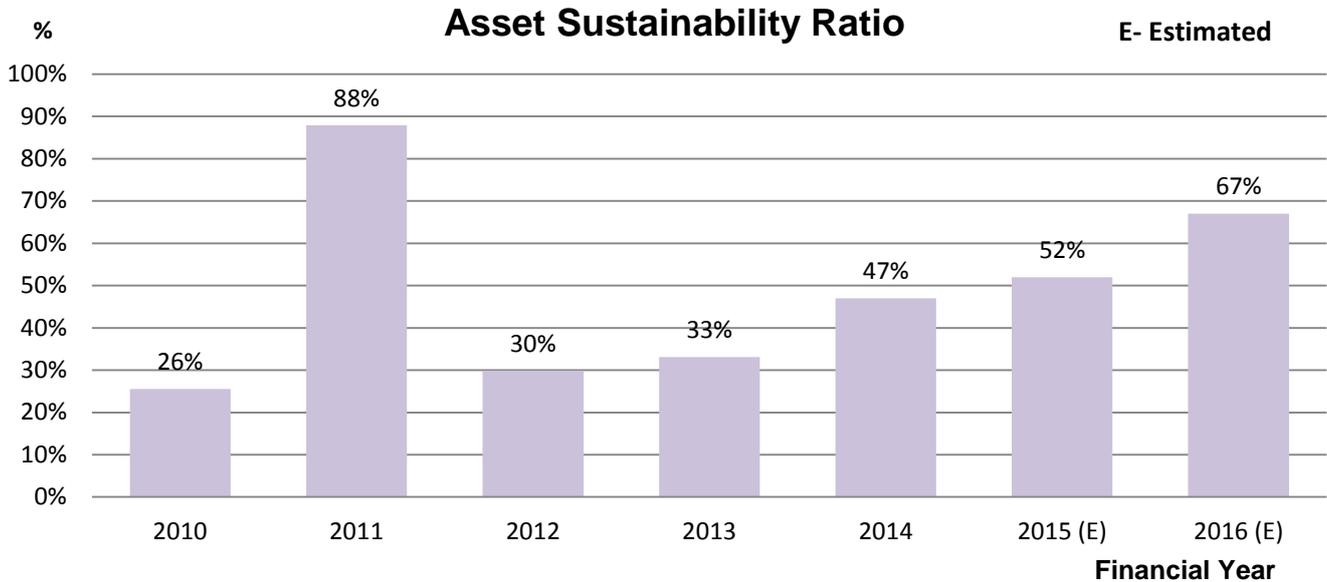
The operating surplus ratio is the operating surplus (deficit) expressed as a percentage of operating income. A positive ratio indicates the percentage of operating income available to help fund proposed capital expenditure. A negative ratio indicates the percentage increase in operating income or the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

The following graph shows, Light Regional Council’s Operating Surplus/(Deficit) Ratio since 2009/2010 Financial Year. Accordingly it has reported an operating deficit throughout the period but heading towards the right direction by reducing its Operating Deficit gradually without compromising the level and scope of services delivered to the community or a major increase in Council rates.



2. Asset Sustainability Ratio

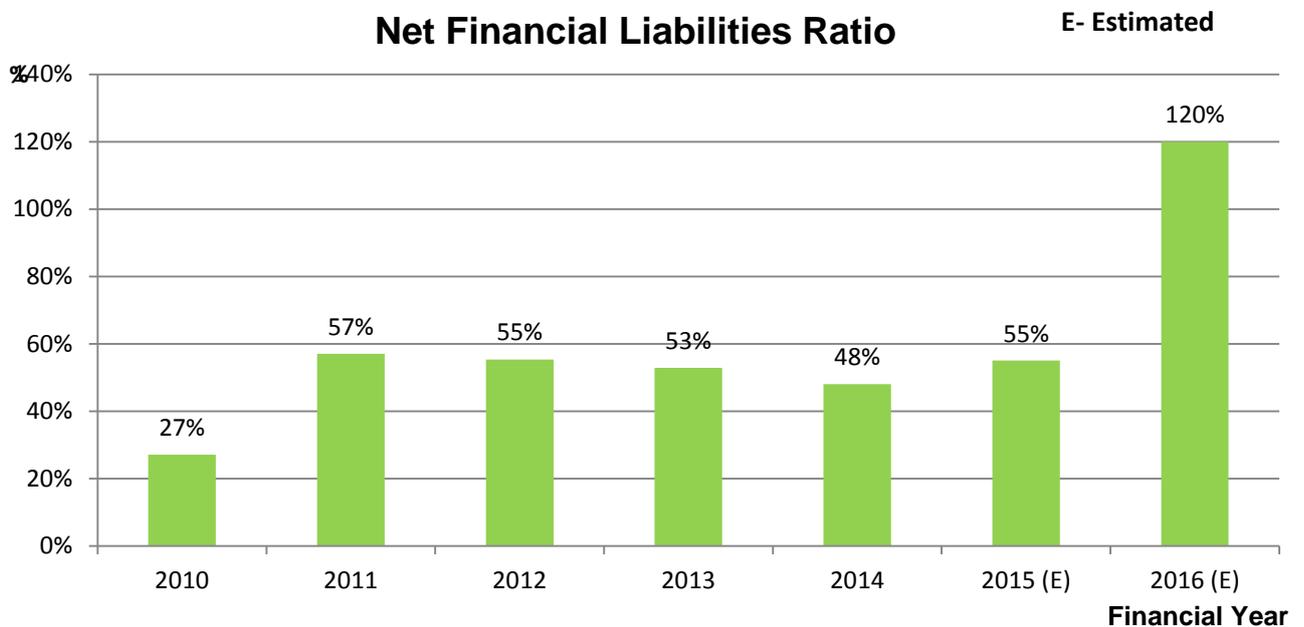
Asset Sustainability Ratio measures whether the Council is renewing or replacing existing physical assets (roads, footpaths, stormwater drainage, buildings, plant & equipment and furniture & fittings etc.) at the same rate the stock of these assets is wearing out. The ratio is calculated by measuring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



3. Net Financial Liabilities Ratio

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

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



14. Long Term Financial Plan 2015/2016 to 2024/2025

➤ Background

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

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

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

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

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

➤ Long Term Financial Objective of the Light Regional Council

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

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

Principle 1: Breakeven budget

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

Principle 2: Rate Stability

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

Principle 3: Infrastructure and Asset Management

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

Principle 4: Prudent Debt Management

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

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

A 10 year Long Term Financial Plan summarises the financial impacts of Council’s strategic directions and provides an indication of the sustainability of these plans. By evaluating our financial strategies over a planning horizon of 10 years we can determine how decisions we make now and for the 2015/2016 budget will impact on future and ensure the impact of rates is spread equitably across generations of ratepayers so that planned service standards over the long term and infrastructure levels can be met without unplanned and disruptive increases in rates or cuts to services.

The Long Term Financial Plan is prospective information. Actual results are likely to vary from the information presented. Consequently, the information presented is prepared on the basis of best estimate assumptions as to future events which Council expects are likely to take place. These estimates arise from information known as at 21st April 2015.

➤ **Assumptions used in the preparation of Long Term Financial Plan 2015/2016 to 2024/2025**

The adopted LTFP shows that the Council’s will return to operating surplus from 2016/2017 Financial Year mainly due to flow of extra income from Gawler Water Reuse Scheme. **Table 12** summarises the assumptions that were used in the preparation of 2015/2016 Budget and 10 year LTFP.

Table 12: Assumptions used in preparation of 2015/2016 Budget and 10 year LTFP

Description	Assumptions
Rates	
- General Rates	Increase in Year 1: 2.84% (plus growth of 0.81 % from new assessments. Year 2-3: 4.50% & 3.50% thereafter for the next 7 years. <i>(Proposed rate increases in Year 2 to 10 are inclusive of growth of 1.00% from new assessments).</i>
- CWMS Charge	3.50% on average over next 10 years
- Reuse Collection Charge	3.50% on average over next 10 years
- NRM Levy	4.50% in Year 1 and 4.0% thereafter
- Minimum Rates	Year 1: 2.80% increase and expected to increase in line with general rates increase over next 9 years.
Statutory charges	3.50% on average over next 10 years
User charges	3.50% on average over next 10 years
Grants, subsidies and contributions	Based on confirmed grant funding of \$0.591m in 2015/2016 and \$0.291m thereafter for the next three (3) financial years. No estimates were made for R2R grant after 2018/2019
Investment Income	An estimated fixed income of \$30,000 per year
Reimbursements	3.50% on average over next 10 years
Other Income	3.50% on average over next 10 years
Employee Costs	3.00% on average over next 10 years
Materials, contracts and other Expenses	3.50% on average over next 10 years
Depreciation, Amortisation & Impairment	3% on average over next 10 years
Finance Costs	Based on actual interest payable on existing loans and new loans already approved for 2014/2015 and 2015/2016 financial years at 3.75% for 5 year loans and 4.20% on 10 year loans.
Adelaide Consumer Price Index (CPI)	2.5% for three (3) financial years from 2015/2016 <i>(Source: Government of South Australia, Mid-Year Budget Review 2014–15).</i>
Expected Local Government Price Index (LGPI)	3.50%. Unlike CPI, there is no reliable measure of LGPI for future years. However, since its introduction, on average the LGPI has been approximately 0.8%-1.0% higher than the CPI.

➤ **Long Term Financial Statements**

As mentioned earlier, Council will return to operating surplus from 2016/2017 Financial Year onwards due to flow of additional income from Gawler Water Reuse Scheme and the Council has not yet made a decision on how to allocate this additional income in future. Therefore, Cash Flow Statement from 2015/2016 to 2024/2025 shows that the Council is expected to have \$12.8m cash balance at the end of 2024/2025 Financial Year.

The Adopted Long Term Financial Statements are presented as follows with the estimated Financial Ratios.



**LIGHT REGIONAL COUNCIL
DRAFT LONG TERM FINANCIAL PLAN
INCOME STATEMENT
2015/2016 TO 2024/2025**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
	ACTUAL	ADOPTED BUDGET	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
OPERATING INCOME												
Rates	14,847,205	15,463,162	16,170,853	18,113,426	18,849,086	19,465,378	20,103,310	20,763,641	21,447,158	22,154,676	22,887,038	23,645,116
Statutory charges	411,396	411,996	428,098	443,081	458,589	474,639	491,252	508,446	526,241	544,660	563,723	583,453
User charges	160,318	134,112	130,976	101,016	104,505	108,173	111,910	115,776	119,776	123,914	128,196	132,626
Grants, subsidies and contributions	992,750	1,093,800	1,494,733	1,206,657	1,214,123	1,221,849	934,557	942,834	951,401	960,267	969,444	978,942
Investment Income	60,403	56,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Reimbursements	108,173	25,968	43,845	17,435	18,045	18,677	19,330	20,007	20,707	21,432	22,182	22,958
Other Income	406,531	183,563	217,893	221,699	215,463	234,103	227,867	236,672	241,164	250,518	255,416	265,357
Share of loss - joint ventures & associates												
Operating Project Income-New			-	-	-	-	-	-	-	-	-	-
Operating Project Income-Carried Forward			-	-	-	-	-	-	-	-	-	-
TOTAL INCOME	16,986,775	17,368,601	18,516,398	20,133,313	20,889,810	21,552,820	21,918,225	22,617,375	23,336,446	24,085,467	24,855,999	25,658,453
OPERATING EXPENSES												
Employee Costs	6,425,461	6,403,990	6,573,817	6,693,000	6,894,348	7,101,760	7,239,691	7,457,507	7,681,881	7,913,012	8,151,102	8,396,361
Materials, contracts and other services	5,934,579	6,544,833	6,895,310	7,031,397	7,278,236	7,831,033	8,077,103	8,345,478	8,707,561	9,047,124	9,256,567	9,564,338
Depreciation, Amortisation & Impairment	5,183,956	5,283,933	5,309,952	5,507,911	5,673,148	5,843,342	6,018,643	6,199,202	6,385,178	6,576,733	6,774,035	6,977,256
Finance Costs	548,305	543,327	682,664	836,430	781,460	717,537	684,020	648,640	611,293	571,869	530,250	514,921
Share of loss - joint ventures & associates	18,836		-	-	-	-	-	-	-	-	-	-
Operating Project Expenses-New												
Operating Project Expenses-Carried Forward												
TOTAL EXPENSES	18,111,137	18,776,083	19,461,744	20,068,738	20,627,193	21,493,672	22,019,456	22,650,827	23,385,913	24,108,738	24,711,955	25,452,878
OPERATING SURPLUS / (DEFICIT) BEFORE CAPITAL AMOUNTS	(1,124,362)	(1,407,482)	(945,345)	64,575	262,618	59,148	(101,231)	(33,452)	(49,467)	(23,270)	144,044	205,575
Gain (loss) on disposal of assets	(869,415)	378,000	53,000	-	-	-	-	-	-	-	-	-
Amounts specifically for new or upgraded assets	1,767,256	60,000	1,605,250	15,000	15,000	15,000	-	-	-	-	-	-
Physical resources received free of charge (estimate)	652,119	-	-	-	-	-	-	-	-	-	-	-
NET SURPLUS (DEFICIT)	425,598	(969,482)	712,905	79,575	277,618	74,148	(101,231)	(33,452)	(49,467)	(23,270)	144,044	205,575
OTHER COMPREHENSIVE INCOME												
Changes in revaluation surplus - infrastructure, property, plant & equipment	16,537,465	-	-	-	-	-	-	-	-	-	-	-
Share of other comprehensive income - joint ventures and associates	13,473	-	-	-	-	-	-	-	-	-	-	-
Share of other comprehensive income - equity accounted Council businesses	220,325	-	-	-	-	-	-	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME	17,196,861	(969,482)	712,905	79,575	277,618	74,148	(101,231)	(33,452)	(49,467)	(23,270)	144,044	205,575



**LIGHT REGIONAL COUNCIL
DRAFT LONG TERM FINANCIAL PLAN
BALANCE SHEET
2015/2016 TO 2024/2025**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
	ACTUAL	ADOPTED BUDGET	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
ASSETS												
Current Assets												
Cash and cash equivalents	2,167,750	845,319	269,955	460,459	1,726,009	3,244,623	4,289,982	4,642,522	4,981,784	5,495,390	6,642,598	8,386,151
Trade & other receivables	2,388,424	829,097	1,572,389	1,709,696	1,773,936	1,830,238	1,861,268	1,920,639	1,981,702	2,045,308	2,110,740	2,178,883
Other Financial Assets	-	6,580	6,790	7,010	7,230	7,450	7,690	7,930	8,180	8,180	8,437	8,000
Inventories	127,583	137,839	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000
Total Current Assets	4,683,757	1,818,835	1,974,134	2,302,164	3,632,175	5,207,311	6,283,940	6,696,091	7,096,666	7,673,878	8,886,775	10,698,034
Non-Current Assets												
Financial Assets	219,416	213,300	206,510	199,500	192,270	184,820	177,130	169,200	161,020	152,840	144,403	136,403
Equity accounted Investments in Council Businesses	1,658,655	1,443,693	1,443,693	1,443,693	1,443,693	1,443,693	1,443,693	1,443,693	1,443,693	1,443,693	1,443,693	1,443,693
Infrastructure, Property, Plant and Equipment	181,346,799	163,045,939	164,808,811	162,847,437	160,781,530	158,881,009	157,212,367	156,363,165	155,327,987	154,101,253	152,677,218	151,049,961
Other Non-current Assets	1,190,382	1,092,283	12,190,382	12,190,382	12,190,382	12,190,382	12,190,382	12,190,382	12,190,382	12,190,382	12,190,382	12,190,382
Total Non -Current Assets	184,415,252	165,795,215	178,649,396	176,681,012	174,607,875	172,699,904	171,023,572	170,166,440	169,123,082	167,888,168	166,455,696	164,820,439
Total Assets	189,099,009	167,614,050	180,623,530	178,983,176	178,240,050	177,907,216	177,307,511	176,862,531	176,219,747	175,562,046	175,342,471	175,518,473
LIABILITIES												
Current Liabilities												
Trade & Other Payables	1,849,284	2,646,731	2,246,740	1,707,915	1,757,571	1,901,009	2,006,482	2,211,274	2,269,736	2,324,562	2,358,379	2,408,072
Borrowings	2,563,168	2,425,893	1,215,429	1,128,387	610,154	643,671	679,051	716,398	755,822	466,005	149,899	156,307
Provisions	1,371,230	695,890	1,499,236	1,526,417	1,572,337	1,619,640	1,651,097	1,700,772	1,751,943	1,804,655	1,858,955	1,914,889
Total Current Liabilities	5,783,682	5,768,514	4,961,405	4,362,720	3,940,062	4,164,319	4,336,629	4,628,444	4,777,501	4,595,223	4,367,233	4,479,267
Non-current Liabilities												
Borrowings	6,544,804	5,264,911	18,472,343	17,343,955	16,733,801	16,090,130	15,411,079	14,694,682	13,938,860	13,472,855	13,322,955	13,166,648
Provisions	446,531	307,571	394,002	401,146	413,213	425,645	433,912	446,966	460,414	474,267	488,537	503,237
Total Non-current Liabilities	6,991,335	5,572,482	18,866,345	17,745,101	17,147,015	16,515,775	15,844,991	15,141,648	14,399,274	13,947,122	13,811,492	13,669,885
Total Liabilities	12,775,017	11,340,996	23,827,750	22,107,821	21,087,077	20,680,094	20,181,620	19,770,092	19,176,776	18,542,344	18,178,725	18,149,153
NET ASSETS	176,323,992	156,273,054	156,795,780	156,875,357	157,152,973	157,227,121	157,125,891	157,092,439	157,042,973	157,019,702	157,163,746	157,369,321
EQUITY												
Accumulated Surplus	10,890,469	6,571,351	6,878,030	6,957,605	7,235,223	7,309,371	7,208,141	7,174,689	7,125,222	7,101,951	7,245,996	7,451,571
Asset Revaluation Reserve	162,246,253	145,488,463	145,488,463	145,488,463	145,488,463	145,488,463	145,488,463	145,488,463	145,488,463	145,488,463	145,488,463	145,488,463
Other Reserves	3,187,270	4,213,240	4,429,287	4,429,287	4,429,287	4,429,287	4,429,287	4,429,287	4,429,287	4,429,287	4,429,287	4,429,287
TOTAL EQUITY	176,323,992	156,273,054	156,795,780	156,875,357	157,152,973	157,227,121	157,125,891	157,092,439	157,042,973	157,019,702	157,163,746	157,369,321



**LIGHT REGIONAL COUNCIL
DRAFT LONG TERM FINANCIAL PLAN
STATEMENT OF CHANGES IN EQUITY
2015/2016 TO 2024/2025**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
	ACTUAL	ADOPTED BUDGET	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
ACCUMULATED SURPLUS												
Balance at end of previous reporting period	9,968,749	7,893,308	6,414,173	6,878,030	6,957,605	7,235,223	7,309,371	7,208,141	7,174,689	7,125,222	7,101,951	7,245,996
Net Result for Year	425,598	(969,482)	712,905	79,575	277,618	74,148	(101,231)	(33,452)	(49,467)	(23,270)	144,044	205,575
Transfers To Other Reserves	482,650	(493,817)	(249,047)	-	-	-	-	-	-	-	-	-
Transfers from Other Reserves	-	141,342	-	-	-	-	-	-	-	-	-	-
Other equity adjustments - equity accounted Council businesses	13,473	-	-	-	-	-	-	-	-	-	-	-
Balance at end of period	10,890,469	6,571,351	6,878,030	6,957,605	7,235,223	7,309,371	7,208,141	7,174,689	7,125,222	7,101,951	7,245,996	7,451,571
ASSET REVALUATION RESERVE												
Balance at end of previous reporting period	145,488,463	145,488,463	145,488,463	145,488,463	145,488,463	145,488,463	145,488,463	145,488,463	145,488,463	145,488,463	145,488,463	145,488,463
Gain on revaluation of infrastructure, property, plant & equipment	13,473	-	-	-	-	-	-	-	-	-	-	-
Transfer to Accumulated Surplus on sale of infrastructure, property, plant & equipment	220,325	-	-	-	-	-	-	-	-	-	-	-
Adjustment due to compliance with revised Accounting Standards	-	-	-	-	-	-	-	-	-	-	-	-
Balance at end of period	145,722,261	145,488,463										
OTHER RESERVES												
Balance at end of previous reporting period	3,669,920	3,860,765	4,213,240	4,429,287	4,429,287	4,429,287	4,429,287	4,429,287	4,429,287	4,429,287	4,429,287	4,429,287
Transfers from Accumulated Surplus	(482,650)	493,817	249,047	-	-	-	-	-	-	-	-	-
Transfers to Accumulated Surplus	-	(141,342)	(33,000)	-	-	-	-	-	-	-	-	-
Balance at end of period	3,187,270	4,213,240	4,429,287									
TOTAL EQUITY AT END OF REPORTING PERIOD	159,800,000	156,273,054	156,795,781	156,875,356	157,152,974	157,227,122	157,125,891	157,092,439	157,042,972	157,019,702	157,163,746	157,369,321



**LIGHT REGIONAL COUNCIL
DRAFT LONG TERM FINANCIAL PLAN
CASH FLOW STATEMENT
2015/2016 TO 2024/2025**

	2014 ACTUAL	2015 ADOPTED BUDGET	2016 YEAR 1	2017 YEAR 2	2018 YEAR 3	2019 YEAR 4	2020 YEAR 5	2021 YEAR 6	2022 YEAR 7	2023 YEAR 8	2024 YEAR 9	2025 YEAR 10
CASH FLOWS FROM OPERATING ACTIVITIES												
<i>Receipts</i>												
Rates - general & other	15,037,620	13,098,745	13,424,466	15,106,316	15,733,965	16,241,606	16,537,193	17,044,728	17,587,499	18,152,285	18,733,889	19,338,976
Fees & other charges	416,822	392,205	401,958	452,316	471,109	486,309	495,160	510,356	526,608	543,519	560,933	579,051
User charges	167,729	395,234	405,062	455,810	474,748	490,065	498,984	514,298	530,676	547,717	565,266	583,524
Investment receipts	65,035	56,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Grants utilised for operating purposes	1,042,399	1,939,594	1,987,825	2,236,865	2,329,804	2,404,973	2,448,742	2,523,895	2,604,265	2,687,896	2,774,017	2,863,615
Reimbursements	118,990	126,329	129,471	145,691	151,744	156,640	159,491	164,386	169,621	175,068	180,677	186,512
Other revenues	405,083	1,360,493	1,394,324	1,569,009	1,634,199	1,686,925	1,717,626	1,770,341	1,826,715	1,885,376	1,945,784	2,008,631
<i>Payments</i>												
Employee costs	(6,423,928)		(5,684,040)	(6,658,676)	(6,836,360)	(7,042,026)	(7,199,967)	(7,394,776)	(7,617,262)	(7,846,447)	(8,082,533)	(8,325,727)
Materials, contracts & other expenses	(7,248,702)	(12,948,823)	(7,295,301)	(7,570,222)	(7,228,580)	(7,687,595)	(7,971,629)	(8,140,686)	(8,649,099)	(8,992,298)	(9,222,750)	(9,514,646)
Finance payments	(623,253)	(543,327)	(682,664)	(836,430)	(781,460)	(717,537)	(684,020)	(648,640)	(611,293)	(571,869)	(530,250)	(514,921)
Net Cash provided by (or used in) Operating Activities	2,957,795	3,876,451	4,111,101	4,930,679	5,979,168	6,049,360	6,031,580	6,373,902	6,397,730	6,611,248	6,955,033	7,235,015
CASH FLOWS FROM INVESTING ACTIVITIES												
<i>Receipts</i>												
Grants specifically for new or upgraded assets	1,815,902	60,000	1,605,250	15,000	15,000	15,000	-	-	-	-	-	-
Sale of replaced assets	244,594	378,000	53,000	-	-	-	-	-	-	-	-	-
Sale of surplus assets	10,641	-	-	-	-	-	-	-	-	-	-	-
Repayments of loans by community groups	6,116	6,120	6,580	6,790	7,010	7,230	7,450	7,690	7,930	8,180	8,180	8,437
Distributions received from associated entities	-	-	-	-	-	-	-	-	-	-	-	-
<i>Payments</i>												
Expenditure on renewal/replacement of assets	(2,160,635)	(3,145,272)	(3,621,674)	(3,243,437)	(3,287,241)	(3,672,822)	(4,000,000)	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)
Expenditure on new/upgraded assets	(2,964,089)	(1,169,000)	(3,398,150)	(303,100)	(320,000)	(270,000)	(350,000)	(350,000)	(350,000)	(350,000)	(350,000)	(350,000)
Net purchase of available-for-sale Financial Assets	(13,470)	-	-	-	-	-	-	-	-	-	-	-
Investments in GWRS Scheme	-	-	(11,000,000)	-	-	-	-	-	-	-	-	-
Loans made to community groups	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash provided by (or used in) Investing Activities	(3,060,940)	(3,870,152)	(16,354,994)	(3,524,747)	(3,585,231)	(3,920,592)	(4,342,550)	(5,342,310)	(5,342,070)	(5,341,820)	(5,341,820)	(5,341,563)
CASH FLOWS FROM FINANCING ACTIVITIES												
<i>Receipts</i>												
Proceeds from Borrowings	1,160,000	1,146,000	14,427,916	-	-	-	-	-	-	-	-	-
<i>Payments</i>												
Repayments of Borrowings	(1,543,835)	(2,803,168)	(2,430,949)	(1,215,429)	(1,128,387)	(610,154)	(643,671)	(679,051)	(716,398)	(755,822)	(466,005)	(149,899)
Net Cash provided by (or used in) Financing Activities	(383,835)	(1,657,168)	11,996,967	(1,215,429)	(1,128,387)	(610,154)	(643,671)	(679,051)	(716,398)	(755,822)	(466,005)	(149,899)
Net Increase (Decrease) in cash held	(486,980)	(1,650,869)	(246,926)	190,503	1,265,550	1,518,614	1,045,359	352,541	339,262	513,606	1,147,208	1,743,553
Cash & cash equivalents at beginning of period	2,654,730	2,496,188	516,881	269,955	460,459	1,726,009	3,244,623	4,289,982	4,642,522	4,981,784	5,495,390	6,642,598
Cash & cash equivalents at end of period	2,167,750	845,319	269,955	460,459	1,726,009	3,244,623	4,289,982	4,642,522	4,981,784	5,495,390	6,642,598	8,386,151



LIGHT REGIONAL COUNCIL
DRAFT LONG TERM FINANCIAL PLAN
UNIFORM PRESENTATION OF FINANCES
2015/2016 TO 2024/2025

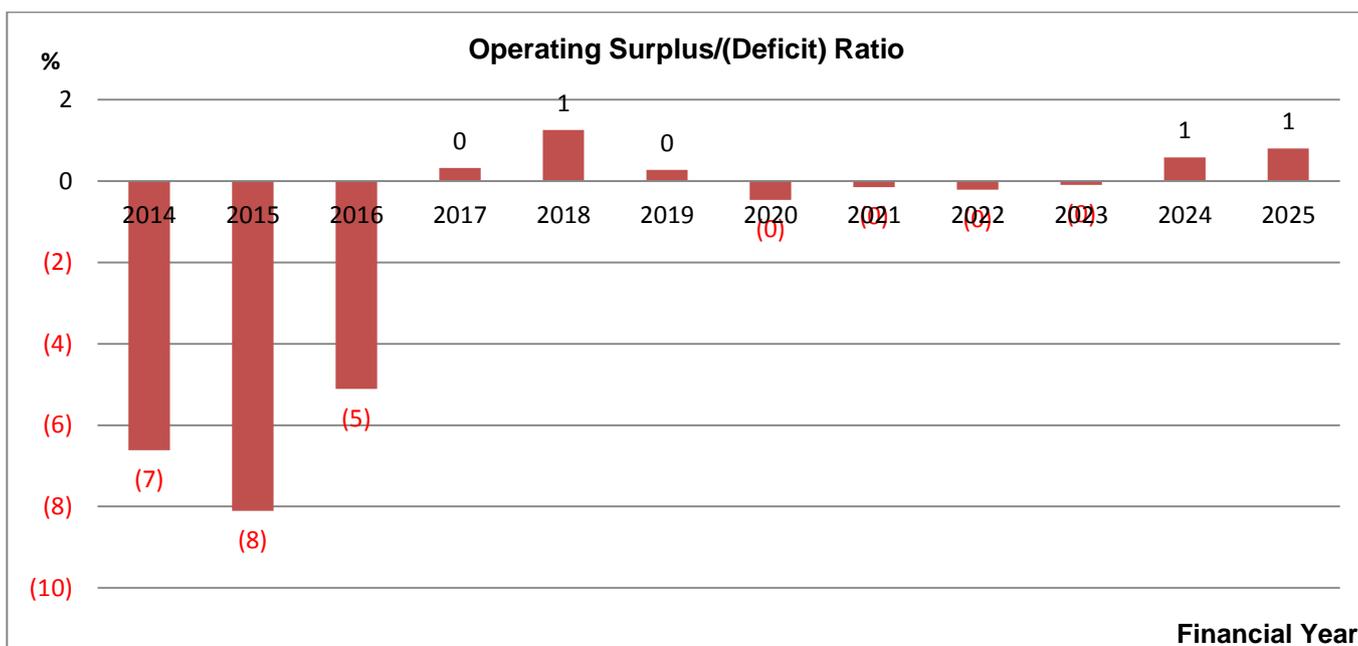
	2014 ACTUAL	2015 ADOPTED BUDGET	2016 YEAR 1	2017 YEAR 2	2018 YEAR 3	2019 YEAR 4	2020 YEAR 5	2021 YEAR 6	2022 YEAR 7	2023 YEAR 8	2024 YEAR 9	2025 YEAR 10
Operating Revenues	16,986,775	17,368,601	18,516,398	20,133,313	20,889,810	21,552,820	21,918,225	22,617,375	23,336,446	24,085,467	24,855,999	25,658,453
less Operating Expenses	(18,111,137)	(18,776,083)	(19,461,744)	(20,068,738)	(20,627,193)	(21,493,672)	(22,019,456)	(22,650,827)	(23,385,913)	(24,108,738)	(24,711,955)	(25,452,878)
Operating Surplus / (Deficit) before Capital Amounts	(1,124,362)	(1,407,482)	(945,345)	64,575	262,618	59,148	(101,231)	(33,452)	(49,467)	(23,270)	144,044	205,575
less Net Outlays on Existing Assets												
Capital Expenditure on renewal and replacement of Existing Assets	2,160,635	3,145,272	3,621,674	3,243,437	3,287,241	3,672,822	4,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
less Depreciation, Amortisation and Impairment	(5,183,956)	(5,283,933)	(5,309,952)	(5,507,911)	(5,673,148)	(5,843,342)	(6,018,643)	(6,199,202)	(6,385,178)	(6,576,733)	(6,774,035)	(6,977,256)
less Proceeds from Sale of Replaced Assets	(244,594)	(378,000)	(53,000)	-	-	-	-	-	-	-	-	-
	(3,267,916)	(2,516,661)	(1,741,278)	(2,264,474)	(2,385,907)	(2,170,520)	(2,018,643)	(1,199,202)	(1,385,178)	(1,576,733)	(1,774,035)	(1,977,256)
less Net Outlays on New and Upgraded Assets												
Capital Expenditure on New and Upgraded Assets (including investment property & real estate developments)	2,964,089	1,169,000	14,398,150	303,100	320,000	270,000	350,000	350,000	350,000	350,000	350,000	350,000
less Amounts received specifically for New and Upgraded Assets	(1,815,902)	(60,000)	(1,605,250)	(15,000)	(15,000)	(15,000)	-	-	-	-	-	-
less Proceeds from Sale of Surplus Assets (including investment property and real estate developments)	(10,641)	-	-	-	-	-	-	-	-	-	-	-
	1,137,546	1,109,000	12,792,900	288,100	305,000	255,000	350,000	350,000	350,000	350,000	350,000	350,000
Net Lending / (Borrowing) for Financial Year	1,006,008	179	(11,996,967)	2,040,949	2,343,525	1,974,668	1,567,412	815,750	985,711	1,203,463	1,568,080	1,832,832

➤ Long Term Financial Ratios

Following graphs shows the long-term ratios for the Light Regional Council based on Long Term Financial Statements.

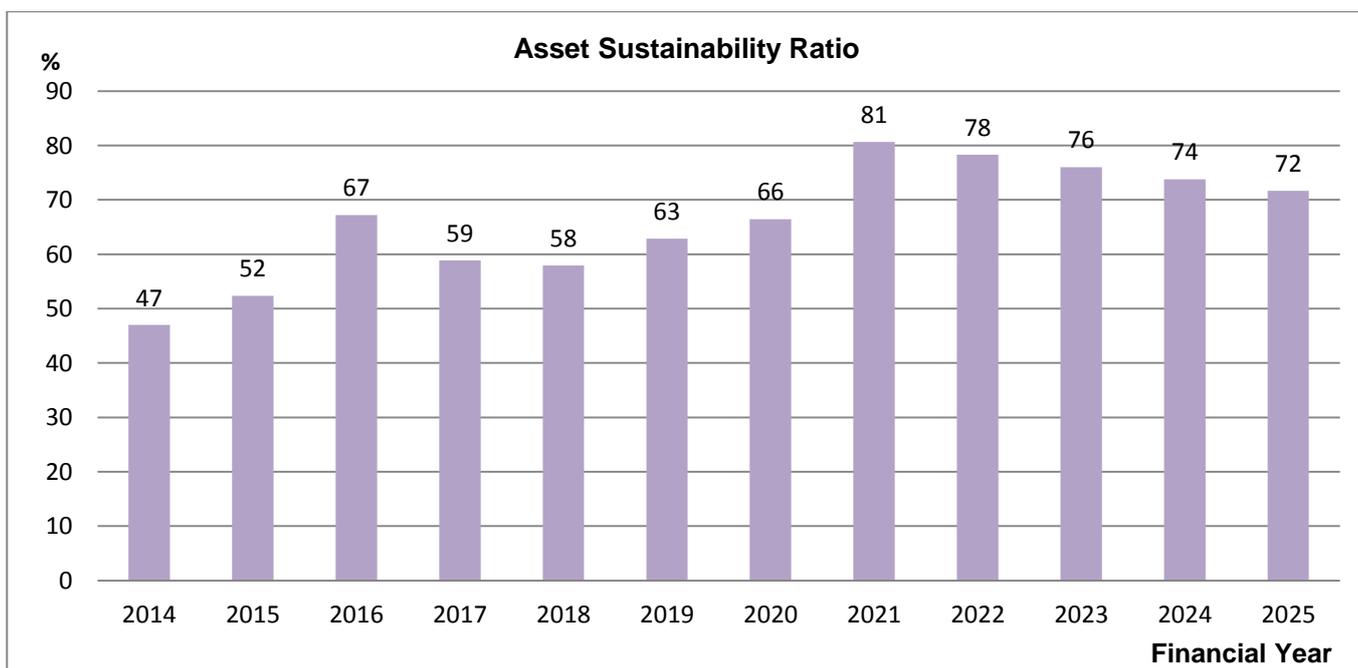
1. Operating Surplus/(Deficit) Ratio

As mentioned earlier, due to extra income from Gawler Water Reuse Scheme in 2016/2017 Financial Year, Councils' is returning to profit which will improves its Operating Surplus Ratio.



2. Asset Sustainability Ratio

Without allocating extra cash generated from Gawler Water Reuse Scheme, Council is expected to increase its Asset Sustainability Ratio from 68% in 2015/2016 to 72% in 2024/2025 Financial Year. However, if the Council decide to allocate the extra cash to renew its existing assets base, the Asset Sustainability Ratio will improve further.



3. Net Financial Liabilities Ratio

As a result of planned borrowings of \$11.00 m for Gawler Water Reuse Scheme and \$1.20m for Strategic Road Infrastructure projects, Council's Net Financial Liability Ratio is expected to increase to 118% in 2015/2016 Financial Year. However, unless the Council approve additional borrowing in future years, it is estimated that the Net Financial Liability Ratio would come down gradually over the next 10 financial years.

