



# The Barossa Council

## Annual Budget and Business Plan

# 2014-15

*Incorporating the annual review of the  
Long Term Financial Plan - 2014-15 to 2023-24*

## Version Control:

Version	Status	Date
Version 1.0	Draft for Council adoption for Public Consultation	21 May 2014
Version 1.1	Draft for Council adoption following Public Consultation	25 June 2014
Version 1.2	Final adopted version	26 June 2014

## Questions?

Members of the community who have questions regarding the Annual Budget and Business Plan, or who seek further information regarding the finances of Council, are encouraged to contact Council office during business hours, via the website, or via email.

*Principal Office and*

*Library:*

*Website:*

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Phone: 08 8563 8444

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# From the Mayor

After extensive budget discussions in conjunction with Elected Members and Council officers, Council is pleased to present its Annual Budget and Business Plan 2014-15.

There remain multiple challenges within the budget environment including growing cost of services and reduced levels of support from our other governments. Council believe we have again produced a balanced budget which increases rates in accordance with the long term financial plan to maintain our current levels of service in many areas, but also commence further investment into core services primarily being roads, footpaths and infrastructure – a clear Community priority identified during our Strategic Plan consultation.

The 2014-15 financial year continues the trend of the 2013-14 year which is to consolidate and invest in core services with few new initiatives being approved. Significant changes and highlights in this year's budget include:

- Small allocation to support the Strategic Projects Program initiative to continue to work on projects to improve organisational efficiencies and budget savings.
- Growing costs of utilities including power of \$87k and water \$55k.
- Continued construction of the Tanunda bike hub (Year 2) \$197k including a cycle feature wall \$25k.
- Construction of a new toilet facility at Talunga Park \$150K.

Cultural and tourism initiatives include replenishment of the library books and continued restoration of the Hill and Son Grand Organ at Barossa Regional Gallery offset by grant funding.

The budget also includes a comprehensive capital works program of \$6.7m which includes an extra \$300,000 per annum (for up to 10 years) for an increased resheeting program for rural roads and reassessment of the grading program.

The draft Annual Budget and Business Plan incorporating the annual review of the Long Term Financial Plan is available on Council's website, in libraries and at the front desk of the Nuriootpa office.

On behalf of the Elected Members of the Barossa Council, I am pleased to endorse this Annual Budget and Business Plan to the Community.

Mayor Brian Hurn OAM



# Our Council

The Barossa Council was originally formed in 1996 after the amalgamation of the District Councils of Barossa, Tanunda and Angaston. The majority of the District Council of Mount Pleasant was later amalgamated in 1997. The Council covers an area of approximately 912 square kilometres, is located approximately 80 kilometres north east of Adelaide, adjacent to the town of Gawler, and is home to a population of over 21,800.

Prior to European settlement, the Barossa region was inhabited by the Peramangk and Ngadjuri people. Colonel William Light first visited the area in 1837, naming the Barossa Range from which the region derives its name. The settlement of the Barossa region began in 1840, with settlers originating from the British Isles, Prussia and Silesia. Those settlers quickly established the early townships of the region, such as Lyndoch, Rowland Flat, Tanunda, Nuriootpa, Angaston, Stockwell, Eden Valley, Mt Pleasant, Williamstown and Springton.

Early farmers of the Barossa established vineyards in the 1840s and 1850s to supplement their primary activities of wool and livestock production and crop farming. In the late 1880s and 1890s there were substantial increases in the production of wine in the region which resulted in the establishment and subsequent expansion of a number of cellars. The driving forces behind this growth were the outbreak of phylloxera in other States and the development of an export market that provided some protection from the recession experienced in the rest of Australia during that time. The wine industry has continued to grow from these early beginnings and is the major source of income for the region.

The cultural landscape of the present day Barossa is reflective of the substantial influence of the early British and German settlers. Vineyards and paddocks dominate the landscape but historical towns, churches, wineries and stone ruins contribute substantially to the charm and character. The natural vegetation of the Barossa has been retained in many areas and underpins the visual appearance and biological diversity of the area.

The Barossa is recognised as Australia's premier wine region. The wine experience, combined with the region's distinctive history, has made it a significant tourist attraction. The establishment of major festivals and high quality accommodation and restaurants has complemented these attractions.

The Barossa experience is a diverse one. In addition to our premier wine and food attractions there are unique nature trails, parks and historical points of interest. The rich pastoral lands of the historic towns of Mount Pleasant and Williamstown produce fine wool, dairy products and prime lamb and beef. Forestry is also a major industry, and together with three reservoirs and national parks, provides recreational opportunities. The tourism industry continues to grow and has become a major focus for the continued development of the region.

<b>Distance of Principal Office from Adelaide CBD</b>	<b>80km</b>
<b>Area of Council</b>	<b>893.5km<sup>2</sup></b>
<b>Number of Rateable Assessments</b>	<b>12186</b>
<b>Number of Non Rateable Assessments</b>	<b>523</b>

#### *Principal Office and Library:*

43-51 Tanunda Road, Nuriootpa

#### *Postal Address:*

PO Box 867, Nuriootpa SA 5355

#### *Branch Office/Libraries:*

29 Barossa Valley Way, Lyndoch

130-132 Melrose Street, Mount Pleasant

Washington Street, Angaston

#### *Library only*

66-68 Murray Street, Tanunda

#### *Website:*

[www.barossa.sa.gov.au](http://www.barossa.sa.gov.au)

#### *Email:*

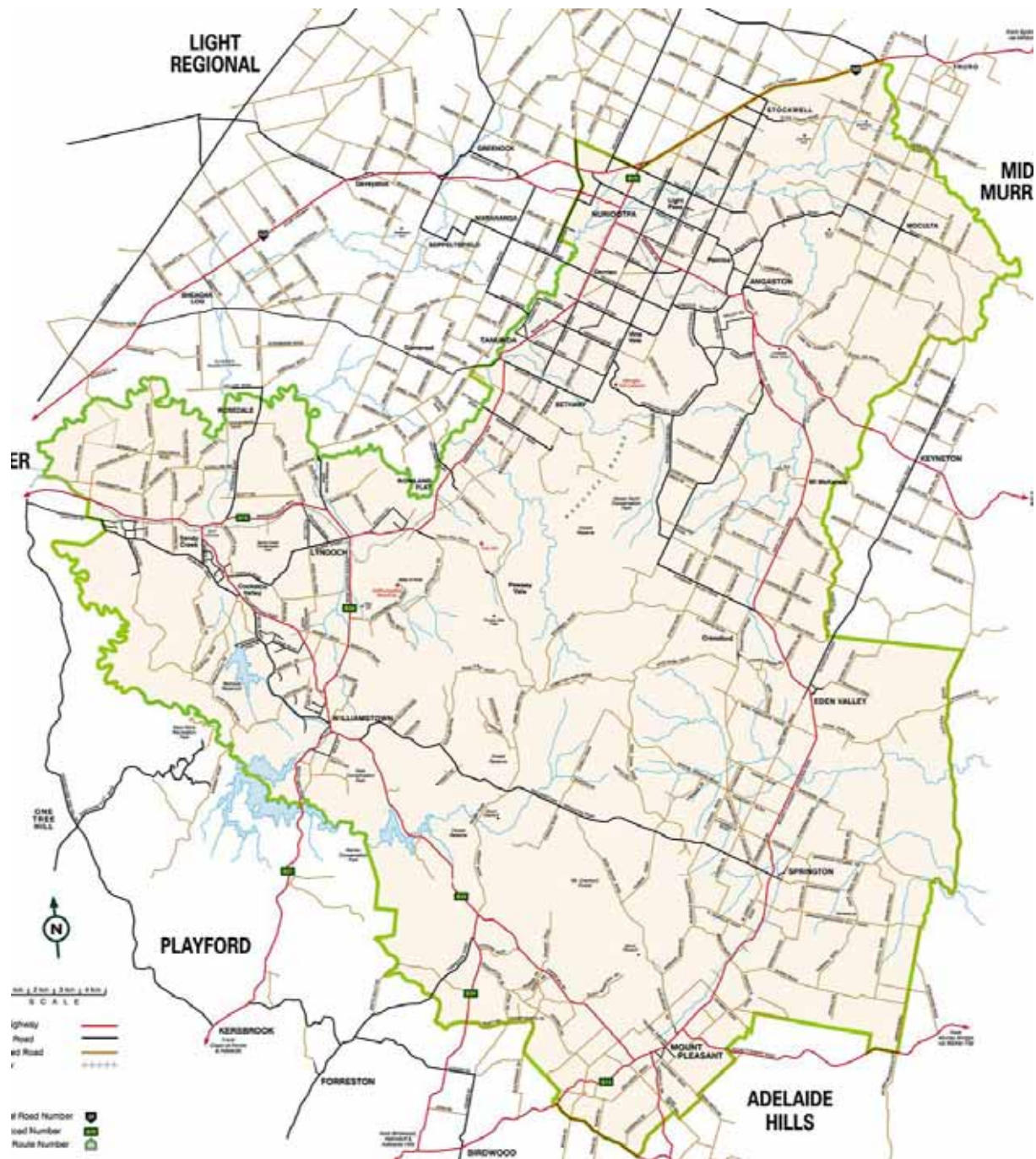
[barossa@barossa.sa.gov.au](mailto:barossa@barossa.sa.gov.au)

### Localities in The Barossa Council:

Altona, Angaston, Barossa Goldfields, Bethany, Cockatoo Valley, Concordia, Craneford, Cromer, Dorrien, Eden Valley, Flaxman Valley, Kalbeeba, Krondorf, Light Pass, Lyndoch, Moculta, Mount Crawford, Mount McKenzie, Mount Pleasant, Nuriootpa, Penrice, Pewsey Vale, Rosedale, Rowland Flat, Sandy Creek, Springton, Stockwell, Tanunda, Taunton, Vine Vale, Williamstown and Wilton.

### Major Industries:

Wine making, grapes, grain and spirit distillation; tourism; beef, wool and fat lamb production; cement manufacturing, dried fruit processing and packaging; forestry; water storage; mineral extraction industries; plastic injection moulding and plant manufacturing.



**Statistics from the Australian Bureau of Statistics 2011 Census:**

Key Statistics	Number	%
Males	10,966	49.5
Females	11,203	50.5
<b>Total Population</b>	<b>22,169</b>	<b>100</b>

Age Structure	Number	%
Infants 0 to 4 years	1,443	6.5
Children 5 to 17 years	2,968	13.4
Young adults 15 to 19 years	1,393	6.3
Adults 18 to 64 years	12,669	57.1
Mature adults 65 to 84 years	3,146	14.2
Senior Citizens 85 years +	550	2.5

Birthplace	Number	%
Australia	18,736	84.5
Overseas / Not Identified	3,433	15.5

Families	Number	%
Couple without child(ren)	2,866	45.0
Couple with child(ren)	2,763	43.4
Single parent / other family	738	11.6
<b>Total families</b>	<b>6,367</b>	<b>100</b>

For more, visit [www.abs.gov.au](http://www.abs.gov.au)

# The Barossa Council

Mayor and 11 Elected Members

## Executive Services

### Services provided:

Australia Day Awards	Media Communications
Business Excellence	Organisational Development
Citizenship Ceremonies	Risk Management
Economic Development	Sustainability
General Management	Tourism
Governance (shared)	Work Health and Safety
Human Resources	

## Director Development and Environmental Services

### Services provided:

Building Assessment	Food Inspection
Café Licences	Heritage
Community Wastewater Management System (CWMS Administration)	Immunisation
Development Control	Liquor Licences
Dog and Cat Control	Natural Resources
Dry Areas Implementation	Parking and Traffic Control
Environmental Health	Public Health
Fire Prevention and Safety	Strategic Development Planning
	Waste Management

## Director Corporate and Community Services

### Services provided:

#### *Corporate Services:*

- Administration Community Committees
- Administration Customer Service
- Community Land/Policy
- Financial, Rating, Payroll and Audit Services
- General Administration
- Governance (shared)
- Information and Communication Technology and Records Management
- Operation of Recreation Facilities
- Tourism/Visitor Information Services

#### *Community Services:*

- Arts and Culture
- Barossa/Light Volunteer Resource Centre
- Community Development
- Home and Care Services - Community Transport, Home Assist and Barossa Leisure Options
- Library Services
- Youth Services

## Director Works and Engineering Services

### Services provided:

Bridge Construction and Maintenance	Playgrounds
Cemeteries	Public Lighting Requirements
CWMS Maintenance and Repairs	Public Toilets
Development and Maintenance of Parks and Reserves	Road Construction and Maintenance
Footpath Construction and Maintenance	Road Safety Control
Infrastructure Development	Roadside Vegetation Management and Control
Maintenance of Council Buildings	Stormwater Drainage and Construction
Management of Plant and Machinery	



## Overview

The **Annual Budget and Business Plan** is The Barossa Council's statement of intended programs and outcomes for the coming financial year. This Plan has been developed through a rigorous process of consultation and review with Council Officers and Elected Members, and follows the **Business Planning Framework** outlined in the Strategic Directions area of this document. It includes both continuing services, programs and new initiatives, and follows the strategic directions outlined in Council's Strategic Plan 2011-15, Long Term Financial Plan (LTFP) – the annual review is included in this document) and Long Term Infrastructure and Asset Management Plan.

Local Government is the most asset-intensive tier of government. The Barossa Council acts as custodian of approximately \$282m of fixed community assets, including road infrastructure encompassing 344 kilometres of sealed, 566 kilometres of unsealed roads and 69 kilometres of unformed roads. This presents Council with a number of complexities, including how to allocate resources in order to satisfy community demands for new and expanded services, whilst ensuring appropriate resources are provided for maintenance and future replacement of existing community assets.

Council is committed to ensuring that the wide variety of services and activities it provides to the community reflect financial sustainability. The key measure of financial sustainability is ensuring operating expenditure (inclusive of depreciation) is fully funded from recurrent operating revenue streams. This means that Council should generally have sufficient recurrent revenue funds generated each year in order to finance the programmed replacement of existing fixed assets at the end of their useful lives.

### Underlying Assumptions

- A 4.9% average increase in general rates from existing ratepayers;
- An increase in refuse/recycling service charges of 2.9% based on service costs;

- The continuation of the separate rate which transparently reflects the cost of constructing The Rex Barossa Aquatic and Fitness Centre;
- Income and expenditure has been increased in line with Councils Long Term Financial Plan (LTFP);
- Community Waste Management Systems (CWMS) operations has an increase of only 2.0% applied to the CWMS service rate;
- Staff inclusions are: General Inspectors Admin support; Library increase in hours for training and branch resourcing needs, Barossa Bushgardens Nursery Staffing; One additional outside staff funded by a transfer from contractor costs; Re-structure Visitor Centre Staff increase in hours for service needs funded partly by an increase to income; all other areas will remain constant and staffing costs increase in line with Enterprise Bargaining Agreements, Superannuation Legislation and contractual agreements;
- The SA Local Government Price Index was 2.2% as at December 2013 and the general price index was 2.9% as at March 2014. A zero based budget process was used for a majority of the service areas for expenditure;
- Selected operating costs have been isolated from general expenditure, e.g. electricity, water, insurance premiums, waste collection and disposal service costs. The projected increases for these are higher than the base rate;
- Financial Assistance Grants have been returned to 4 normal payments compared to previous years where an extra payment was received early in June. The supplementary roads portion of this funding will cease from 2014-15 (\$210k) and the Financial Assistance Grants will not be indexed in 2014-15 (and two further years) reducing income a further \$20k;
- Extra costs have been included for 2014-15 for CWMS to undertake tank cleaning \$22k and electricity \$24k.

*For further information on rating and its impact please refer to the relevant areas within this document.*



### Key Features

- A comprehensive capital works program of **\$6.7m**, including **\$2.9m** on transport assets for reseal and resheeting for roads (including a further \$300k per annum for up to 10 years to rural road resheeting program to address condition issues), replacement of footpaths, drainage works for **\$445k** and **\$515k** on our Community Waste Water Management Systems;
- Expenditure of **\$125k** for the renewal and/or replacement works on various buildings;
- Construction of the Tanunda Bike Hub (Year 2) **\$197k** and Feature Wall **\$25k**.
- Construction of a new toilet facility at Talunga Park **\$150k**.

## Annual Business Plan



## Strategic Directions

The Barossa Council's current Strategic Plan was adopted in 2011, in accordance with Section 122 of the Local Government Act 1999, and will continue in force until 2015. The Strategic Plan provides an explanatory framework to highlight objectives and targets, and guides efforts and the allocation of resources.

Objectives in the current Strategic Plan have been grouped under four Key Result Areas, as follows:

**Community Wellbeing:** a cohesive and healthy community, enjoying a high quality of life

- Health & Family
- Youth
- Recreation
- Safety & Security
- Culture

**Economic Wellbeing:** a growing and diverse economic base supported by strong regional cooperation

- Tourism
- Business & Industry
- Digital Economy

**Natural and Built Environment:** attractive and sustainable natural and built environments through planned and informed development and management

- Character & Heritage
- Environmental Sustainability
- Waste
- Infrastructure
- Planning & Building

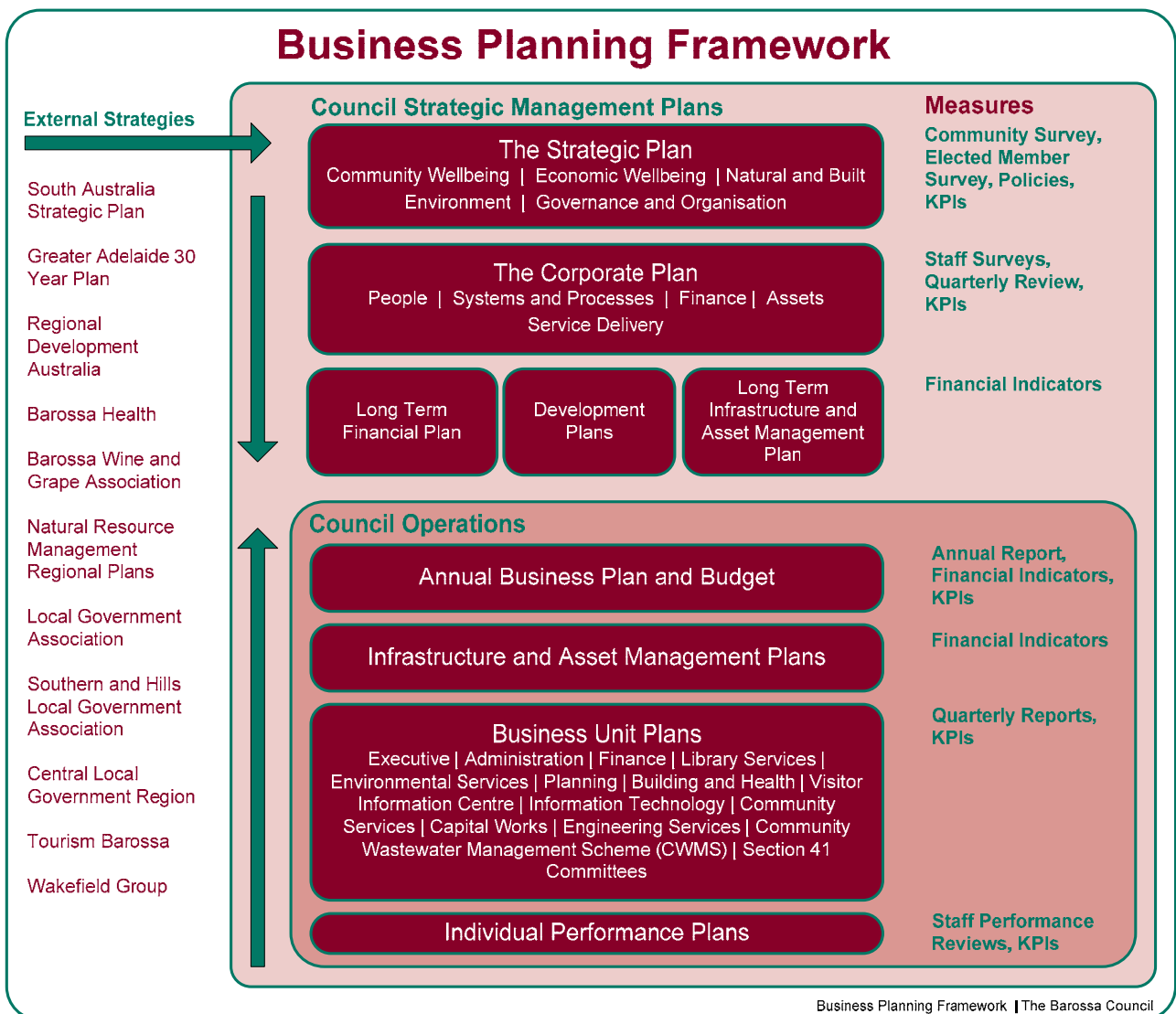
**Governance and Organisation:** a consultative and inclusive organisation dedicated to good governance, proactive leadership and high quality services

- Responsibility
- Service
- Systems
- People

# The Business Planning Framework

Council’s Business Planning Framework describes how these Key Result Areas, their associated Objectives, and the Strategies to reach these Objectives, provide guidance to the preparation of other Council long term and operational plans. These plans include:

- **Long Term Financial Plan** which provides financial directions for the next 10 years;
- **Long Term Infrastructure and Asset Management Plan** which provides the upgrade, replace and renewal programs for Council assets and infrastructure;
- **Annual Budget and Business Plan** which provides the annual financial and operational plans, objectives and performance targets for Council;
- **Annual Report** which describes the performance of Council on objectives set in the Annual Budget and Business Plan, as well as disclosing statutory information regarding the status of Council and Council services;
- **Development Plans** which provide policy direction for the continued development of the Council area;
- **Infrastructure and Asset Management Plans** which describe the programs of upgrade, replacement and renewal of assets and infrastructure;
- **Quarterly Business Plan and Budget Reviews** which outline financial performance against the Annual Budget and Business Plan;
- **Monthly Financial Reports** which regularly track the finances of Council.



# Business Units



## Executive Services

**Responsibilities and Services Provided:** General Management, Media Communications, Citizenship Ceremonies, Australia Day Awards, Economic Development, Organisational Development, Tourism, Sustainability, Governance, Business Excellence, Human Resources, Risk Management, Work Health and Safety, Strategic Projects

### Operations '000

	Revised Budget Qtr 2 - 2013-14	Original Budget 2014-15
Income	96	95
Expenditure	2,093	2,263
Capital Income, Disposals	(2)	(4)
Net Surplus (Deficit)	(1,999)	(2,172)

Note: Executive Services provides executive leadership, governance, Council support, high level planning and coordination, policy development and management services to the community and within Council as an organisation - because of this, Capital Works projects are uncommon.

### New Initiatives (Operating)

Description \$'000

**Executive Services** **30**

Strategic Projects Program Implementation – Contractors/Consultants

# Corporate and Community Services

**Responsibilities and Services Provided:** **Corporate Services:** Administration Customer Service; Administration Community Committees; General Administration; Financial, Rating, Payroll and Audit Services; Information and Communication Technology and Records Management; Governance (shared); Tourism/Visitor Information Services; Community Land/Policy; Operation of Recreation Facilities;  
**Community Services:** Community Development; Arts and Culture; Home and Care Services including: Community Transport, Home Assist and Barossa Leisure Options, Barossa/Light Volunteer Resource Centre, Youth Services, Library Services

## Operations '000

	Revised Budget Qtr 2 - 2013-14	Original Budget 2014-15
Income	24,144	25,548
Expenditure	10,301	10,415
Capital Income, Disposals	274	178
Net Surplus (Deficit)	14,117	15,311

## New Initiatives (Operating)

Description \$'000

Restructure Visitor Centre Staffing 16

Regional Youth Bus 5

## Capital Works Program

\$'000

### Description Renewal & Replacement Programs

Community Services 27

Community Transport Vehicles changeovers (net cost of trade-ins)

Library 79

Update of Library Book Stock and new software system for Council wide book availability

Gallery organ restoration - Tanunda 20

Ongoing restoration works funded in full by Grants \$20k

### Description New & Upgrade Programs

Tanunda Cycle Hub 103

Construction of Hub over 2 years part funded by Federal grant\*, net cost shown

\* Tourism Industry Regional Development Fund Grants Programme

Tanunda Cycle Hub Feature Wall (New Initiative) 25

Installation of a new Feature Graphic Wall on the South Western Corner of the Cycle Hub

# Development and Environmental Services

**Responsibilities and Services Provided:** Strategic Development Planning, Development Control, Building Assessment, Food Inspection, Immunisation, Natural Resources, Environmental Health, Building Fire Safety, Waste Management, Heritage, Community Wastewater Management System (CWMS - System Access, Waste Disposal and Water Contracts) Administration, Liquor Licences, Public Health, Dog and Cat Control, Fire Prevention, Parking and Traffic Control, Café Licenses, Limited Liquor Licenses, Dry Areas Implementation

## Operations '000

	Revised Budget Qtr 2 - 2013-14	Original Budget 2014-15
Income	5,054	5,378
Expenditure	5,334	5,776
Capital Income, Disposals	132	326
Net Surplus (Deficit)	(148)	(72)

## New Initiatives

Description	\$'000
<b>Development Policy Projects</b>	<b>65</b>
Strategic Directions Review outcomes	
<b>Barossa Bushgardens Nursery Staffing</b>	<b>15</b>
Supplementation of existing Wholesale/Community Nursery staff assisting with the propagation of seedlings and plants for sale and for Council use	
<b>Administration support General Inspectors/Searches</b>	<b>33</b>
Additional administration for General Inspectors and real estate searches process	

## Capital Works Program

Description	\$'000
<b>Renewal &amp; Replacement Programs</b>	
<b>General Inspectors</b>	<b>34</b>
General Inspector Vehicles changeovers (net cost of trade-ins)	

Note: Development and Environmental Services provides management, operational and regulatory services to the community and within Council as an organisation - because of this, Capital Works projects are uncommon.

# Works and Engineering Services

**Responsibilities and Services Provided:** Road Construction and Maintenance, Stormwater Drainage and Construction, Development and Maintenance of Parks and Reserves, Footpath Construction and Maintenance, Infrastructure Development, Bridge Construction and Maintenance, CWMS Maintenance, Asset Construction and Repairs, Roadside Vegetation Management and Control, Public Lighting Requirements, Cemeteries, Public Toilets, Playgrounds, Road Safety Control, Management of Plant and Machinery, Maintenance of Council Buildings and Facilities

## Operations '000

	Revised Budget Qtr 2 - 2013-14	Original Budget 2014-15
Income	1,151	955
Expenditure	12,563	13,369
Capital Income, Disposals	599	(468)
Net Surplus (Deficit)	(10,813)	(12,882)

## New Initiatives

Description	\$'000
<b>Cemetery Digital Mapping</b>	28
Improved mapping of cemetery plots and leases	

## Capital Works Program

### Description Renewal & Replacement Programs

<b>Community Wastewater Management Systems (CWMS)</b>	42
Replacement motor vehicles (net cost of trade-ins)	
<b>Equipment Assets</b>	976
Grader, Truck; Includes Utilities, Admin vehicles (net cost of trade-ins)	
<b>Building &amp; Recreation</b>	50
Building renewal/replacement program	
<b>Nuriootpa Office Air-conditioning renewal program</b>	75
Office air-conditioning renewal program	
<b>Transport</b>	2,699
Renewal and replacement works include: resealing, resheeting and footpaths	
<b>Bridge Assets</b>	50
Replacement of Bridge Armco Safety Guards	

## Description New & Upgrade Programs

### Community Wastewater Management Systems (CWMS) 431

Stockwell WWTP Upgrade Truro interconnect, Lyndoch WWTP Upgrade interconnect, Tanunda WWTP Refurbishment, Stockwell Gravity Mains Asset Management, Nuriootpa North Gravity Mains Asset Management, Operation Emergency IP and Manhole Repairs/Replacement, Operation Emergency Drain Repairs, Operation Construction of New IP due to planning errors

### Recreation Assets 60

Playground equipment upgrade - various sites

### Stormwater Drainage 445

Upgrade Inlet Capacity, Nuriootpa, Greenock Road - Open Drain upgrade, Kalbeeba, Kalimna Road

### Equipment Assets 30

Minor plant purchases required for works operations

### Transport 181

New and upgrade works: Footpaths \$101k, Angaston Main Street \$40k, Mt Pleasant Main Street \$40k

### Buildings (New Initiative) 15

Upgrade to Council Security Systems

### Talunga Park New Toilet Facility (New Initiative) 150

Construction of a new toilet facility at Talunga Park

# Joint Ventures and Associated Entities

## Associated Entities – Subsidiary

### Nuriootpa Centennial Park Authority

**Responsibilities and Services Provided:** Established as a subsidiary of Council pursuant to Section 42 of the Local Government Act 1999, the Nuriootpa Centennial Park Authority manages and maintains the Nuriootpa Caravan Park and adjacent sporting and leisure facilities on behalf of Council.

To this end, and in accordance with the Authority's Charter, operating surpluses of the Caravan Park activities are utilised to maintain the Nuriootpa Recreation Park facilities (including tennis courts, 3 ovals and associated buildings and infrastructure), as well as the picturesque Coulthard Reserve located adjacent to the Caravan Park. Operating surpluses from the Caravan Park activities are also utilised to provide important funding for the programmed upgrade and replacement of the facility assets managed by the Authority.

The 2 ovals, a soccer pitch and eight tennis courts are extensively used by local sporting clubs. The four-star rated Caravan Park facilities include on-site cabins and vans, a camp kitchen, and various other standard amenities.

The projected 2014-15 Income Statement for the Authority is included within Council's financial statements, contained within this document.

#### Operations '000

	Revised Budget Qtr 2 - 2013-14	Original Budget 2014-15
Income	1,475	1,659
Expenditure	1,416	1,751
Capital Income, Disposals	0	88
Net Surplus (Deficit)	59	(4)

#### Capital Works Program

Description \$'000

##### Description Renewal & Replacement Programs

Capital renewal/replacement 130

##### Description New & Upgrade Programs

Capital new/upgrade 330



## Joint Ventures

### Southern & Hills Local Government Association

Established in 1969, this organisation is formed under Section 43 of the Local Government Act 1999 and operates as a regional subsidiary of councils included in the membership. An amount of \$11,922 is included for the subscription.

### Central Local Government Association

Established in 1998, this organisation is formed under Section 43 of the Local Government Act 1999 and operates as a regional subsidiary of councils included in the membership. An amount of \$10,124 is included for the subscription.

### Gawler River Floodplain Management Authority

Established in 2002, this organisation is responsible for the construction, operation and maintenance of flood mitigation infrastructure in the Gawler River catchment. An amount of \$10,845 is included for the operational & maintenance subscription. Council has a share in the Net Assets \$1,443,693 as at 30 June 2013. An adjustment for the movement from last year's balance is not as yet reflected in the Financial Statements.



# Directions for 2014-15

## Economic Environment

Together with Light Regional Council, the Town of Gawler and the District Council of Mallala, The Barossa Council contributes financially to Regional Development Australia Barossa Inc (RDA), and has Board representation. The RDA proactively supports and promotes sustainable economic growth and innovation in the region.

Council is also working with local groups such as the Nuriootpa Futures Association to support and grow the local economic opportunities.

## Climate Change

The Barossa Council is committed to reducing the impact of its activities on the environment.

Working in partnership with Regional Development Australia Barossa Inc. and neighbouring Wakefield Group Councils (Gawler, Light Regional and Mallala), funds have been obtained from the State Government and the Barossa Grape and Wine Association to undertake a regional Vulnerability Assessment and Risk Analysis for preparation of an Adaptation Plan to address the likely impacts of Climate Change. Representatives from the participating parties have been working with consultants to complete the project.

Council has engaged a consultant to undertake an energy audit of The Rex Barossa Aquatic Fitness Centre and Nuriootpa Council Administration building and provide recommendations in relation to managing peak energy demands and finding alternative energy reduction initiatives, including solar and natural gas co-generation solutions.

Council also partners where possible with organisations to provide our community with practical means to reduce their own impacts on our environment, such as MobileMusters, DrumMusters, the solar power initiative (with partner Zen Home Energy Systems and the C-PREP program), showerhead trade-ins, etc. Council is also active in seeking and implementing opportunities for water conservation and re-use.

## Waste Collection

Council will continue to provide the following services:

- Weekly general waste collection service for premises across the area with the provision of 140 litre mobile garbage bins (MGBs) with optional 240 litre MGB collection service only for families having 6 or more members (provided at the same charge as a 140 litre MGB)
- Fortnightly 240 litre MGB co-mingled recyclable materials collection service to all service premises

- Weekly 140 litre MGB or optional 240 litre MGB service for commercial/ industrial premises
- Optional fortnightly 240 Litre MGB green waste collection service provided to residents within Angaston, Lyndoch, Mount Pleasant, Nuriootpa, Stockwell, Tanunda and Williamstown
- One Waste Transfer Station located at Springton opening on two Saturdays per month
- Council also will continue the operation of its waste oil disposal facility at the Tanunda Works Depot.

Members of the community are also able to drop off full syringe containers at the Council's principle office or any Council library. Environmental Health Officers appropriately store, transport and dispose of full syringe containers in a safe and environmentally friendly manner. Replacement syringe containers are available at cost price from Council's offices.

Council works vehicles are supplied with sharps containers and safe handling equipment to enable prompt and proper collection and disposal of discarded syringes in public areas.

Council Environmental Health Officers provide guidance, advice and reference of appropriate control and disposal of hazardous substances. Proactive initiatives include regular media releases and information provided through local newspapers and radio.

## Community Wastewater Management System (CWMS)

The Barossa produces about 2.2 million litres of sewage a day, which is transported from homes and businesses to Council treatment plants via 128 kilometres of pipes and 30 pumping stations. Regular monitoring and maintenance of the CWMS system is carried out to ensure effective performance and safety.

With the continuous growth of all townships the need for continuous upgrades to current assets and the construction of new assets is a key focus of Council. This requires Council to undertake a number of capital works projects to increase the networks capacity; this investment in the CWMS network allows property development to continue with no deteriorating efforts to the township Communities and the environment.

Spread across the region are four wastewater treatment plants, four sets of treatment lagoons, three irrigation storage lagoons and associated ancillary pumps and plant required to effectively treat wastewater.

Council is committed to continuously reducing the impact these services have on the environment with

100% of water entering into the system being able to be recycled (800 million litres a year). One key focus of both the operational and Capital work program of the CWMS is the upgrade and addition of recycled water standpipes, that gives Council access to bulk water for road maintenance in a timely and cost effective manner, and new standpipes being constructed at Springton and Mount Pleasant.

## Strategic Planning

Landmark State Government legislation was approved in January 2014 to preserve the character of the Barossa region. This legislation is designed to prevent urban sprawl and reinforce existing character attributes such as the rural and natural landscape, viticulture, agriculture, and scenic amenity. It resulted in amendments to the Barossa Region section of the state Planning Strategy to create a 'protection district' and define its 'character values.'

Council's development plan has now also been reviewed with respect to creating stronger regional strategies to maintain character, amenity, and its unique qualities. Local community engagement continues throughout this process and council developed the following local studies and investigations in response to the need for enhanced policies:

- A 'Strategic Directions Report' has been finalised and forwarded to the Minister for Planning. This included reviewing the council Development Plan together with infrastructure, transport, land use planning and other strategies
- A working group has been established to undertake an examination of potential new policies for rural areas, protection for primary production, agricultural significance and character elements for the region
- Regional study of Open Space, Recreation, & Public Realm Areas has now been completed. This was undertaken in conjunction with adjoining Councils of Gawler, Light and Mallala and will be used to inform provision and management of facilities
- The bid for a world heritage area classification continues to be investigated and is progressing on a joint basis with a number of councils in the Mt Lofty Ranges region
- Continuation of a 'Place Management' study of Nuriootpa main street to support business, infrastructure and car parking improvements, and precinct planning.

Planning policies and their implementation are supported by continuously reviewed application systems to ensure effectiveness and sustainability. This incorporates a range of review methods from customer surveys and feedback to new programs enhancing the decision-making and approval process.

The Council will be continuing to make submissions to the Government on behalf of the community in an effort to identify future reforms for regulation and assessment procedures, influence strategic planning and enhance its local and regional policies.

Council's planning activities also continue to respond to ongoing state strategies, especially the '30 year Plan for Greater Adelaide'. This document created new growth areas for transport-oriented development and housing and establishes regional population targets. Local implications arising from this document included expansion opportunities resulting in township re-zonings at Mt Pleasant, Lyndoch and Tanunda which have now been completed and are likely to be developed in the next five to ten years. However, the State Government is continuing to undertake high level strategic studies and investigations into the long term potential for a new township at Concordia, which lies east of Gawler.

## Asset Management

Council has a selection of Infrastructure and Asset Management Plans covering its major asset classes. A Building Condition Audit has been recently completed with this data assessed and included in ongoing maintenance plans for the following financial year. The plans for Transport, Stormwater, Community Wastewater Management System, Recreation and Buildings lay out the strategies for maintaining and developing existing assets, and for providing new assets which meet the needs of the Community.

Council reviews and updates these plans regularly, assessing asset life cycles, safety, sustainability and levels of service. The financial implications for managing these assets inform Council's Long Term Financial Plan, as per Council's Business Planning Framework.

Whilst there will always be community demand for the provision of new and upgraded assets, it is imperative that capital expenditure priority is given to the replacement and renewal of existing assets before considering the construction or purchase of new assets.

Additionally, with finite financial resources, it is also important that Council gives consideration to the disposal of surplus or non-performing assets – thereby releasing financial resources to more appropriate asset management activities.

## Council Capital Works Budget 2014-15

	\$'000
Land	0
Building & Other Structures	824
Transport	2,879
Bridges	50
CWMS	514
Stormwater & Drainage	445
Recreation	229
Equipment, Plant & Vehicles	1,741
<b>Sub Total</b>	<b>6,682</b>
Amounts specifically for new or upgraded assets	(612)
Proceeds on disposal replaced assets	(595)
Proceeds on disposal surplus assets	0
<b>Net Capital Program</b>	<b>5,475</b>

*Note: not including donated assets*





## Funding Our Activities

Council is budgeting the expenditure of \$40.3m in 2014-15 on the delivery of services, programs and the maintenance of assets and development of new or upgraded assets and loan servicing.

### Operating Revenue

The Budget provides for operating revenue to increase from the last year second Budget Update of \$31.9m to \$33.7m – an increase of 5.3%. Recurrent revenue streams of Council are:

\$M	%	Type	Description
26.5	78.6%	General Rates and Service Charges	General rates on properties as well as service rates (i.e. sewerage and refuse/recycling rates)
2.6	7.7%	User Pay Charges set by Council	Charges for the Council's fee based facilities and services such as caravan parks, swimming pools, community halls, cemeteries and refuse dump fees
2.6	7.7%	Grants and Subsidies	Council seeks to attract as much grant funding from other tiers of government as possible, thereby reducing the reliance on other revenue streams
1.4	4.2%	Investment, Reimbursements & Other income	Interest received on Council's internal cash reserves and deposits, Reimbursements for work undertaken and Other Income
0.6	1.8%	Statutory charges set by State Government	Fees and charges set by State Government regulation and received by the Council for regulatory functions undertaken such as assessment of development and building applications, and dog control management

### Operating Expenditure

The Budget provides for operating expenditure to decrease from the last year second Budget Update of \$31.7m to \$33.6m – an increase of 6.0%. Recurrent expenditures incurred by Council are:

\$M	%	Type	Description
13.9	41.4%	Contractual Services, Materials & Other Expenses	Payments for external provision of services Payments for physical goods such as water, fuel, energy, road materials, office consumables and stationary Includes expenses not separately classified above such as insurances, postage, telephone, government levies, contributions and donations
11.7	34.8%	Employee Costs	All labour related expenses such as wages and salaries, and on-costs such as allowances, leave entitlements and employer superannuation
6.7	19.9%	Depreciation	Annual consumption of Council's fixed assets (e.g. infrastructure, equipment, buildings, etc) over their useful lives
1.3	3.9%	Finance Costs	Costs of financing Council's activities through borrowings or other types of financial accommodation

### Borrowing

Net Financial Liabilities will decrease by \$1,209,634 from \$18,009,464 as at 30 June 2014 to \$16,799,830 as at 30 June 2015 respectively, as shown in the Measuring our Performance section of this Plan. For more information on Net Financial Liabilities refer to the Long Term Financial Plan section of this document.



## Implications for Our Rates

Council plans to raise a net sum of **\$21,652,318** from rates in 2014-15 (including growth, but excluding service charges, separate rates and the State Government's NRM levy).

Council recognises that ratepayers do not enjoy increases to their rates; however it is necessary to ensure that current services are properly funded and can continue to be delivered without significantly impacting standards or passing on a financial burden to future ratepayers or cutting services utilised by the community. Current assets and infrastructure owned by Council deteriorate over time through wear and tear and must be replaced or renewed at appropriate intervals in order to prolong their lives and continue to deliver services to the community.

The proposed increase in rate revenue will provide the necessary funding to meet the programmed upgrade, renewal and replacement plans in place as outlined in the Long Term Infrastructure and Asset Management Plan, ensuring that existing services to the community will be maintained.

Council is aware of the impact on ratepayers and is committed to providing and developing options to ease the rate burden through increasing its own efficiency and by providing those under hardship with appropriate alternatives to suit their circumstances.

### Rating Policy

Section 147 of the Local Government Act 1999 provides Council with the power to rate all land within The Barossa Council, except for land specifically exempted, such as Crown land and land occupied by Council.

Council is mindful of its responsibility to continually review its rating policy to ensure it is fair and equitable on its residents. The current rating policy is available for inspection at all Council branches and can be

downloaded from Council's website at [www.barossa.sa.gov.au](http://www.barossa.sa.gov.au).

### Land Valuation Method

Council uses the capital value determined by the State Valuation Office as the basis for valuing land and calculating rates.

Council considers that this method provides the fairest method of distributing the rate burden across all ratepayers on the following basis:

- The equity principle of taxation requires that ratepayers of similar wealth pay similar taxes and ratepayers of greater wealth pay more taxes than ratepayers of lesser wealth;
- Property value is a relatively good indicator of market value of a property, providing the fairest method of calculating rates.

The total Property rateable valuations provided by the State Valuation Office as at 23 June 2014 was \$4,436,596,567 - a 2.7 % increase over last year.

Land Use	Total Valuation Movement
Residential	3.11%
Commercial	1.64%
Industry – Light	-21.98%
Industry – Other	2.00%
Primary Production	1.76%
Vacant Land	9.97%
Other	4.57%

### Differential Rates

General rate payable for each ratepayer is determined by the capital valuation multiplied by the rate-in-the-dollar set by Council. Council applies differential general

rates based on the land use of the property, as outlined in the Land Use table.

### Fixed Charge

As part of the general rates, Council applies a fixed charge component so that all rateable properties make a fixed contribution towards the cost of administering Council's activities. The fixed charge has increased from \$284 to \$300 per assessment.

### Service Rates

Council provides various prescribed services pursuant to Section 155 of the Local Government Act 1999 which includes community wastewater management systems, refuse collection and kerbside recycling service.

The cost of these services, including a component for future capital works where appropriate, is recovered from those ratepayers utilising the service.

### Separate Rate – "The Rex" Aquatic and Fitness Centre

The construction of the Rex was in part funded by a separate rate applied (pursuant to Section 154 of the Local Government Act 1999) on all rateable properties excluding vacant allotments for a period of 6 years. The 2014-15 financial year will be the final year of this separate rate. The amount required of \$812,649 determines the rate proposed per individual assessment and has been calculated on the valuations currently available.

Land Use Table	Year	Average Valuation \$	Rate Charge \$
<b>Residential:</b> residential dwellings, flats, units	2013-14	303,541	0.0031878
	2014-15	309,194	0.0033070
<b>Commercial:</b> Retail shops, professional services e.g. accounting, legal, engineering, etc.	2013-14	445,164	0.0048600
	2014-15	444,611	0.0050500
<b>Industry – Light:</b> Vehicle repairs, workshops	2013-14	297,734	0.0050870
	2014-15	298,753	0.0052580
<b>Primary Production:</b> Agriculture, livestock, horticulture, commercial forestry	2013-14	494,284	0.0032600
	2014-15	503,674	0.0033462
<b>Vacant Land:</b> Vacant allotments	2013-14	159,985	0.0056060
	2014-15	160,635	0.0059000
<b>Other:</b> Government agencies, education, public utilities	2013-14	352,195	0.0050250
	2014-15	340,260	0.0053600
<b>Industry – Other:</b> Wineries, manufacturing	2013-14	2,152,134	0.0144000
	2014-15	2,149,585	0.0147380

In order to obtain an average valuation, the data did not include past assessments that were removed and/or new assessments in 2014-15. The calculations are based on the average valuation as at week 41 from the Valuer General, as shown above and growth from development is not included in the average valuations. Individual assessments may vary from these amounts.

### State Government Levies

The Barossa Council collects a regional Natural Resource Management (NRM) Levy on behalf of 2 regional NRM Boards on all rateable properties. In this capacity, Council is operating as a revenue collector for the State Government and does not retain the revenue or determine how it is spent. Further information is available from the relevant State Government agencies.

### Mandatory Rebates

Council is required under the Local Government Act 1999 to rebate rates payable on some land. Specific provisions are made for land used for specific purposes, e.g. health services, public cemeteries, and educational institutions.

### Discretionary Rebates

Discretionary rebates may be applied by the Council on land used for community purposes under Section 166 of the Act. Application forms giving full criteria are available from Council.

### Residential Rate Capping

Council offers a rebate of general rates to the principal ratepayer where the increase in general rates levied upon a property exceeds the 2013-14 general rates levied by more than:

- 7.5% for ratepayers on fixed government incomes;

- 15% for other ratepayers

Application forms with eligibility criteria are available from Council's Principal Office or any branch office.

### Concessions and Postponement

In order to support ratepayers who are in receipt of fixed incomes, a number of concessions are available for eligible pensioners and self-funded retirees. These concessions are administered by a number of State Government agencies that determine eligibility and pay the concession directly to Council on behalf of the ratepayer. Concessions are only available on the principal place of residence. Further information regarding concessions can be obtained by contacting Council.

In recognition of the financial capacity of persons on fixed Government incomes, Council will provide a 50% concession of the Separate Rate for the new Aquatic and Fitness Centre for eligible pensioners. Eligibility criteria are available from Council offices.

In addition, in accordance with the Local Government Act 1999, persons who hold a Seniors Card may apply to postpone payment for any amount in excess of \$500 (\$125 per quarter), less any concession entitlement for their principal place of residence.

The Barossa Council encourages ratepayers who are experiencing difficulties in paying rates to contact Council at (08) 8563 8444 to discuss support that may be

available to alleviate any financial hardship. Such inquiries are treated confidentially by Council.

### Paying Your Rates

Council provides for quarterly payment of rates in September, December, March and June each year.

Payments can be made via Australia Post Billpay, B-Pay, via Council's website ([www.barossa.sa.gov.au](http://www.barossa.sa.gov.au)), by mail, or by cash/cheque/EFTPOS over the counter at the Nuriootpa or branch offices.

### Expected Impact on Ratepayers

Consistent with Council's adopted Long Term Financial Plan 2013-14 to 2022-23, the 2014-15 Annual Budget & Business Plan reflects an overall increase of 4.9 % for general rate revenue with a further 1.32% from new property growth being required to fund the recurrent services, activities and major works program incorporated within the plan. For more information on the rate revenue increases please refer to the Long Term Financial Plan section in this document.

The following table incorporates the proposed overall rating and its impact using **average valuations** as shown in the Land Use Table (on the previous page); rate changes for individual assessments will likely vary from these amounts.



## Rates for Land Use Categories based on Average Valuation (see table on page 23)

### Understanding the Numbers

The Residential CWMS Service charge will increase from \$280 to \$300 and the service rate has been removed. The Springton resident service charge will increase from \$275 to \$290. The Non-Residential CWMS service rate for each of the townships has been increased to \$0.00119442. Many Springton properties are charged a capital contribution of \$245 for a 15 year period. An annual service charge of \$55 is applied to vacant allotments in Springton and an annual service charge of \$100 is applied for all other vacant allotments where CWMS is available but not connected.

CWMS charges are shown below.

The Refuse collection service rate has been increased slightly on 2013-14 charges from \$105.00 to \$108.00 for a 140 litre bin and from \$143.20 to \$147.10 for a 240 litre bin. The Recycling collection service rate has also been increased from \$50.40 to \$51.90 – 240 litre bin. The two service rates are shown together in the chart below under Refuse/Recycling.

In the table below, “Rex” refers to the Aquatic & Fitness Centre separate rate.

Type	Year	General Rates	Fixed Charge	CWMS	Refuse/ Recycling	“Rex”	Total
Residential	2013-14	\$967.60	\$284.00	\$296.90	\$155.40	\$59.40	\$1,763.30
	2014-15	\$1,022.50	\$300.00	\$300.00	\$159.90	\$59.80	\$1,842.20
Commercial	2013-14	\$2,163.50	\$284.00	\$521.30	\$155.40	\$148.10	\$3,272.30
	2014-15	\$2,245.30	\$300.00	\$531.10	\$159.90	\$147.00	\$3,383.30
Light Industry	2013-14	\$1,514.60	\$284.00	\$348.60	\$155.40	\$99.10	\$2,401.70
	2014-15	\$1,570.80	\$300.00	\$356.80	\$159.90	\$98.80	\$2,486.30
Industry Other	2013-14	\$30,990.70	\$284.00	\$0.00	\$49.90	\$1,687.30	\$33,011.90
	2014-15	\$31,680.60	\$300.00	\$0.00	\$50.40	\$1,657.30	\$33,688.30
Primary Industry	2013-14	\$1,611.40	\$284.00	\$0.00	\$155.40	\$37.00	\$2,087.80
	2014-15	\$1,685.40	\$300.00	\$0.00	\$159.90	\$36.30	\$2,181.60
Other	2013-14	\$1,769.80	\$284.00	\$0.00	\$155.40	\$117.20	\$2,326.40
	2014-15	\$1,823.80	\$300.00	\$0.00	\$159.90	\$112.50	\$2,396.20
Vacant Land	2013-14	\$896.90	\$284.00	\$100.00	\$0.00	\$0.00	\$1,280.90
	2014-15	\$947.70	\$300.00	\$100.00	\$0.00	\$0.00	\$1,347.70

Note: Rates have been calculated using information from the Land Use table on Page 23.

Percentage increase in Rates & Charges for Land Use			
Land Use Code	Year	Total Rates	% Average Total Increase
Residential	2013-14	1763.30	
	2014-15	1842.20	4.47%
Commercial	2013-14	3272.30	
	2014-15	3383.30	3.39%
Industry - Light	2013-14	2401.70	
	2014-15	2486.30	3.52%
Industry - Other	2013-14	33011.90	
	2014-15	33688.30	2.05%
Primary Production	2013-14	2087.80	
	2014-15	2181.50	4.49%
Vacant Land	2013-14	1280.90	
	2014-15	1347.70	5.22%
Other	2013-14	2326.40	
	2014-15	2396.20	3.00%



## Measuring Our Performance

Measuring and monitoring performance is important to ensure our objectives are achieved and services are delivered to our community. Council monitors financial performance through its **Business Planning Framework** (see the section entitled “Strategic Directions” above). This includes:

- **Monthly Financial Reports** which regularly track Council finances;
- **Quarterly Budget Reviews** which outline financial performance against the Annual Budget and Business Plan;
- **Audited Financial Statements** which are included in the **Annual Report** as required under the Local Government Act 1999;
- the **Annual Report** which describes the performance of Council on objectives set in the **Annual Budget and Business Plan**;
- Council’s **Strategic Plan 2011-2015** which lays out the long term objectives and strategies Council is striving to achieve.

To provide advice and recommendations on financial and governance matters, Council has appointed an Audit Committee which includes independent members with qualifications and experience in related disciplines.

### Key Performance Indicators

Council has a number of financial Key Performance Indicators (KPI’s) which measure the impact of the annual budget on Council’s financial position. Each of these indicators, together with associated comments, is outlined below:

Legend:



Forecast is the second Budget Update for the year, adopted by Council at the February 2014 meeting and material financial information received since that time has been included.

The Key Performance Indicator: Asset Consumption Ratio is no longer showing within this report. The Local Government (Financial Management) Regulations 1999 no longer require the inclusion of this KPI with the budget estimates.





### Key Performance Indicator: Operating Result (\$,000)

Council has set the following target - **To achieve an operating break-even position, or better, over any five year period, individual periods shown, refer to the long term financial plan section in this document for a rolling 3 year period.**

Year	2011-12 Actual	2012-13 Actual	2013-14 Forecast	2014-15 Budget
Result	353	148	(244)	61
Status				


## Key Performance Indicator: Operating Surplus/(Deficit) Ratio

Expresses the projected Operating Surplus/(Deficit) result as a percentage of general rate revenue. Council has set the following target - **To achieve an operating surplus ratio of between -2% to 10, over a rolling 3 year period.**

Year	2011-12 Actual	2012-13 Actual	2013-14 Forecast	2014-15 Budget
Result	1.6%	0.6%	0.5%	(0.05%)
Status				





## Key Performance Indicator: Net Financial Liabilities (\$,000)

Council has set the following target - **Council's level of net financial liabilities is no greater than its annual operating revenue and not less than zero.**

Year	2011-12 Actual	2012-13 Actual	2013-14 Forecast	2014-15 Budget
Result	16,260	13,305	18,009	16,800
Status				





## Key Performance Indicator: Net Financial Liabilities Ratio

Expresses the projected Net Financial Liabilities as a percentage of total operating revenue for each year. It is Council policy (and industry best practice) that this ratio shall not exceed 100%. Council has set the following target - **Net financial liabilities ratio is greater than zero but less than 100% of total operating revenue.**

Year	2011-12 Actual	2012-13 Actual	2013-14 Forecast	2014-15 Budget
Result	55%	43%	57%	50%
Status				





## Key Performance Indicator: Interest Cover Ratio

Expresses the net interest expense (i.e. interest expense less investment income) as a percentage of total operating revenue. Council has set the following target - **Net interest is greater than 0% and less than 8% of operating revenue.**

Year	2011-12 Actual	2012-13 Actual	2013-14 Forecast	2014-15 Budget
Result	3.2%	3.1%	3.3%	3.1%
Status				

## Key Performance Indicator: Asset Sustainability Ratio

Expresses the rate by which assets are wearing out and being replaced by comparing capital outlays on renewal/replacement of existing assets (net of any proceeds from the sale of replaced assets) to the annual depreciation expense allocated against such assets. Council has set the following target - **Capital outlays on renewing/replacing assets net of proceeds from sale of replaced assets is greater than 80% but less than 110% of Infrastructure Asset Management Plans over a rolling 3 year period.**

Year	2011-12 Actual	2012-13 Actual	2013-14 Forecast	2014-15 Budget
Result	120%	73%	105%	95%
Status				



## Non - Financial Measures

Council is reviewing its Key Performance Indicators to improve the measurement of performance. This is part of Council's Strategic Plan, as well as continuous improvement initiatives related to Council's Business Planning Framework. Non-financial indicators measuring the performance of Council in relation to the Annual Business Plan can be found below.

They provide information with regards to Council's capacity to effectively deliver services to our community, and the targets Council intends to meet. Council's performance against these indicators is then reported in the Annual Report.

Indicator	Purpose	Target
<b>People</b>		
Employee Retention Rate (annual trend)	Measure of organisational capacity	90%
<b>Systems and Processes</b>		
Percentage of Business Unit Plan activities on track	Measure of delivery of services and programs planned	>95% completed or on track
<b>Finance</b>		
Management & Regulatory Financial reporting meeting scheduled timetable, including monthly (12), quarterly (4) & annual (3)	Measure that information is presented at a strategic level, succinct and easy to follow and available to all stakeholders within deadlines	Target 100%
Internal control compliance	Measure number of risk areas being checked for compliance and existence of controls	Target 90%
<b>Assets</b>		
Percentage of Capital Renewal Program scheduled works on track	Measures Capital Works Program, Capital new Initiatives, and other scheduled capital programs against projected completion times	Actual to be consistent with Annual Budget projections
<b>Service Delivery</b>		
Customer Satisfaction with Council Services	Results of customer survey	Achievement of 80% of the action plan resulting from customer service survey
Percentage of customer requests responded to in accordance with the Request for Service Policy	Measures all requests through Council's customer request system, and all complaints lodged with Council's regulatory systems	90%



## Budgeted Financial Statements 2014-15

The following pages contain Council's budgeted financial statements, **including the Nuriootpa Centennial Park Authority**, in a format consistent with the requirements of Regulation 5B of the Local Government (Financial Management) Regulations, comprising for the year ending 30 June 2015:

- **Statement of Comprehensive Income**
- **Balance Sheet Statement of Changes in Equity Cash Flow Statement**
- **Uniform Presentation of Finances**

Please note : the format of the following Financial Statements is based on the 2013 Model Financial Statements.

# Statement of Comprehensive Income

for the year ending 30 June 2015

	2013-14 Original Budget (\$,000)	2013-14 Revised Budget* (\$,000)	2014-15 Budget (\$,000)
<b>Income</b>			
Rates	25,121	25,114	26,545
Statutory Charges	528	528	593
User Charges	2,372	2,354	2,586
Grants, Subsidies and Contributions	2,464	2,005	2,579
Investment Income	262	272	202
Reimbursements	614	626	674
Other Income	376	551	455
Net Gain – Joint Ventures and Associates	0	-	0
<b>TOTAL REVENUES</b>	<b>31,737</b>	<b>31,450</b>	<b>33,634</b>
<b>Expenses</b>			
Employee Costs	10,836	10,795	11,734
Materials, Contracts and Other Expenses	12,985	13,220	13,899
Depreciation, Amortisation and Impairment	6,364	6,364	6,682
Finance Costs	1,342	1,315	1,258
Net Loss – Joint Ventures and Associations	0	0	0
<b>TOTAL EXPENSES</b>	<b>31,527</b>	<b>31,694</b>	<b>33,573</b>
<b>Operating Surplus / (Deficit)</b>	<b>210</b>	<b>(244)</b>	<b>61</b>
Asset Disposal & Fair Value Adjustments	(477)	(477)	(493)
Amounts Received Specifically for New or Upgraded Assets	377	1,304	612
Physical Resources Received Free of Charge	176	176	0
<b>Net Surplus / (Deficit)</b>	<b>286</b>	<b>759</b>	<b>180</b>
Transferred to Equity Statement			
Other Comprehensive Income			
Changes in revaluation surplus - infrastructure, property, plant & equipment			
Total Other Comprehensive Income			
<b>Total Comprehensive Income</b>	<b>286</b>	<b>759</b>	<b>180</b>

\*Revised Budget is the second Budget Update for the year, adopted by Council at the February 2014 meeting and material financial information received since that time has been included.

# Balance Sheet for the year ending 30 June 2015

	2013-14 Original Budget (\$,000)	2013-14 Revised Budget* (\$,000)	2014-15 Budget (\$,000)
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	3,118	4,557	4,418
Trade and Other Receivables	2,825	2,815	2,815
Other Financial Assets	7	7	7
Inventories	29	29	29
Subtotal	5,979	7,408	7,269
Non-Current Assets Held for Sale	0	-	0
<b>Total Current Assets</b>	<b>5,979</b>	<b>7,408</b>	<b>7,269</b>
<b>Non-current Assets</b>			
Financial Assets	198	100	100
Equity Accounted Investments in Council Businesses	1,494	1,491	1,491
Infrastructure, Property, Plant and Equipment	299,096	298,432	303,877
Other Non-Current Assets	0	0	0
<b>Total Non-current Assets</b>	<b>300,788</b>	<b>300,023</b>	<b>305,468</b>
<b>Total Assets</b>	<b>306,767</b>	<b>307,431</b>	<b>312,737</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other payables	4,057	5,179	5,237
Borrowings	1,679	1,699	1,812
Provisions	1,738	1,648	1,664
<b>Total Current Liabilities</b>	<b>7,474</b>	<b>8,526</b>	<b>8,713</b>
<b>Non-Current Liabilities</b>			
Borrowings	16,179	16,680	15,147
Provisions	237	182	182
<b>Total Non-current Liabilities</b>	<b>16,416</b>	<b>16,862</b>	<b>15,329</b>
<b>Total Liabilities</b>	<b>23,890</b>	<b>25,388</b>	<b>24,042</b>
<b>Net Assets</b>	<b>282,877</b>	<b>282,043</b>	<b>288,695</b>
<b>Equity</b>			
Accumulated Surplus	58,312	61,415	61,004
Asset Revaluation Reserve	220,655	216,865	223,337
Other Reserves	3,910	3,763	4,354
<b>Total Equity</b>	<b>282,877</b>	<b>282,043</b>	<b>288,695</b>

\*Revised Budget is the second Budget Update for the year, adopted by Council at the February 2014 meeting and material financial information received since that time has been included.

## Statement of Changes in Equity as at 30 June 2015

	Accumulated Surplus (\$ '000)	Asset Revaluation Reserve (\$ '000)	Other Reserves (\$'000)	Total Equity (\$'000)
<b>Original Budget 2015</b>				
Balance at end of previous reporting period	62,649	218,161	3,760	284,570
<b>Restated opening balance</b>	<b>61,415</b>	<b>216,865</b>	<b>3,763</b>	<b>282,043</b>
<b>Net Surplus / (Deficit) for year</b>	<b>180</b>			<b>180</b>
<b>Other Comprehensive Income</b>				
Gain on revaluation of infrastructure, property, plant & equipment	0	6,472		6,472
Transfer to accumulated surplus on sale of infrastructure, property, plant & equipment	0			0
Transfer between reserves	(591)		591	0
<b>Balance at the End of Period</b>	<b>61,004</b>	<b>223,337</b>	<b>4,354</b>	<b>288,695</b>

\*Revised Budget is the second Budget Update for the year, adopted by Council at the February 2014 meeting and material financial information received since that time has been included.



# Cash Flow Statement for the year ending 30 June 2015

	2013-14 Original Budget (\$,000)	2013-14 *Revised Budget (\$,000)	2014-15 Budget (\$,000)
<b>Cash Flows from Operating Activities</b>			
<b>Receipts</b>			
Operating Receipts	31,475	31,178	33,432
Investment Receipts	262	272	202
<b>Payments</b>			
Operating payments to Suppliers and Employees	(23,887)	(24,106)	(25,618)
Finance Payments	(1,342)	(1,315)	(1,258)
<b>Net Cash Provided by (or Used in) Operating Activities</b>	<b>6,508</b>	<b>6,029</b>	<b>6,758</b>
<b>Cash Flows from Investing Activities</b>			
<b>Receipts</b>			
Amounts Specifically for New or Upgraded Assets	375	1,302	612
Sale of Replaced Assets	741	741	595
Sale of Surplus Assets	780	780	0
Net Purchase of investment securities	0	0	0
Repayments of Loans by Community Groups	0	0	0
<b>Payments</b>			
Expenditure on Renewal / Replacement of Assets	(5,532)	(5,587)	(4,819)
Expenditure on New / Upgraded Assets	(4,114)	(7,607)	(1,864)
Net Purchase of investment securities	-	0	0
Loans made to Community Groups	-	(515)	0
<b>Net Cash Provided by (or Used in) Investing Activities</b>	<b>(7,750)</b>	<b>(10,886)</b>	<b>(5,476)</b>
<b>Cash Flows from Financing Activities</b>			
<b>Receipts</b>			
Loans Received	-	515	272
Finance Lease funds	-	-	-
<b>Payments</b>			
Repayments of Borrowings	(1,679)	(1,574)	(1,693)
Repayment of Finance Lease Liabilities	-	-	-
<b>Net Cash Provided by (or Used in) Financing Activities</b>	<b>(1,679)</b>	<b>(1,059)</b>	<b>(1,421)</b>
<b>Net Increase / (Decrease) in Cash Held</b>	<b>(2,921)</b>	<b>(5,916)</b>	<b>(139)</b>
Cash and Cash Equivalents at Beginning of period	6,039	10,473	4,557
<b>Cash and Cash Equivalents at End of Period</b>	<b>3,118</b>	<b>4,557</b>	<b>4,418</b>

## Uniform Presentation of Finances for the year ending 30 June 2015

The following is a high level summary of both operating and capital investment activities of the Council prepared in a uniform and consistent basis.

All Councils in South Australia voluntarily have agreed to summarise annual budgets and long term financial plans on the same basis.

The arrangement ensures that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.

	2013-14 Original Budget (\$,000)	2013-14 *Revised Budget (\$,000)	2014-15 Budget (\$,000)
Income	31,737	31,450	33,634
Less Expenses	31,527	31,694	33,573
<b>Operating Surplus / (Deficit)</b>	<b>210</b>	<b>(244)</b>	<b>61</b>
<b>Less Net Outlays on Existing Assets</b>			
Capital Expenditure on Renewal and Replacement of Existing Assets	5,532	5,587	4,819
Less Depreciation, Amortisation and Impairment	6,364	6,364	6,682
Less Proceeds from Sale of Replaced Assets	741	741	595
	<b>(1,573)</b>	<b>(1,518)</b>	<b>(2,458)</b>
<b>Less Net Outlays on New and Upgraded Assets</b>			
Capital Expenditure on New and Upgraded Assets	4,114	7,607	1,864
Less Amounts Received Specifically for New and Upgraded Assets	377	1,304	612
Less Proceeds from Sale of Surplus Assets	780	780	0
	<b>2,959</b>	<b>5,523</b>	<b>1,252</b>
<b>Net Lending / (Borrowing) for Financial Year</b>	<b>(1,176)</b>	<b>(4,249)</b>	<b>1,267</b>

\*Revised Budget is the second Budget Update for the year, adopted by Council at the February 2014 meeting and material financial information received since that time has been included.



## Long Term Financial Plan 2014-15 to 2023-24

### Introduction and Assumptions

Under Section 122 of the Local Government Act 1999, Councils are required to have a **Long Term Financial Plan** (for a minimum period of 10 years) as part of their suite of Strategic Management Plans. This document subsequently reflects an annual review of Council's Long Term Financial Plan and acts as a starting reference point in the formulation of Council's 2014-15 Annual Budget & Business Plan.

The Long Term Financial Plan is designed as a 'high-level' document that summarises the future planning of Council's financial operations – particularly in relation to key components such as rate movements, service levels to our community, major infrastructure asset replacement/renewal, loan indebtedness and internal cash reserves.

On this basis and given the 'high-level' nature of the document, the Plan has been developed based on a number of key assumptions previously discussed and endorsed by Council. Further, Council has also previously endorsed a number of strategic financial policies which have also driven the formulation of the Plan.

Section 122 of the Local Government Act also prescribes that Councils must have a long term Infrastructure and Asset Management Plan to guide the future replacement, renewal and maintenance of our significant fixed asset base. Council's Infrastructure and Asset Management Plan was adopted by Council in 2012 – with an ongoing review process to provide improved asset data and information.

Consequently, in recognition of this, it is appropriate that a cautious and conservative approach be undertaken with financial modelling as part of the update to the Long Term Financial Plan.

With a significant fixed asset base, being predominantly comprised of major community infrastructure such as roads, footpaths, stormwater drainage and community wastewater management systems, it is imperative that

there is an appropriate link and consistency between the Infrastructure and Asset Management Plan and the Long Term Financial Plan – towards ensuring that the Long Term Financial Plan provides for the necessary capital outlays (as identified in the Infrastructure and Asset Management Plan) for the renewal and replacement of existing community assets – herein referred to as 'non-discretionary' capital expenditure.

#### General Assumptions

- Long term financial plans have been prepared for each of the following areas to measure and check financial sustainability: CWMS; Waste; Nuriootpa Centennial Park Authority (NCPA); all other Council operations and a consolidated LTFP
- The NCPA operational LTFP is based on the 2014-15 budget year using Council indexing. The capital budget as provided by NCPA has been reduced to ensure the cash position is maintained
- The SA Local Government Price Index as at December 2013 of 2.2%.
- The LTFP reflects existing recurrent service levels to our community being maintained. Council's budget process considers on-going Services Delivery and Commitments and New Expenditure items or Initiatives
- For New Initiatives (NI's) over \$100,000, a Whole-of-Life costing assessment and Business Case is prepared to assess the financial commitment in order that current and future budgets are accurate and that Council has full information regarding the financial risks of their decisions
- All discretionary NI's were then assessed using a Bid Analysis Tool and given a score against set criteria. These NI's are listed in the Business Unit section of the document.

#### Operations

- General Rate Revenue increments have been reviewed to ensure funding and service level provision is maintained in line with sustainability

requirements. (Increments are listed in the Financial parameters following this report.)

- Operating Cost – Employee, Contractors & Materials have been increased at an index rate plus half of the rates growth 0.5%. The increased service provision from growth will initially be absorbed into existing resources. However, the expanded service area will grow and increase beyond the capacity of the existing resources, requiring an increase in expenditure to meet the extra resource demand.
- Selected operating costs have been isolated from general expenditure, eg. energy use for electricity, water costs, insurance premiums, and waste collection and disposal service costs. The projected increases for these are higher than the base rate.
- Depreciation has been calculated on existing asset classes, structures, valuation and condition rating; asset componentisation has been included. A review of useful lives of building assets sub components and selected Infrastructure assets is included within this review.
- Rubble raising cost at \$310k in 2014-15 with remaining stock to be used in the years following.
- For Section 41 Committees operational budget as included in the 2014-15 budget is by default in the LTFP.
- Roads to Recovery grant funding of \$328k per year is confirmed for a five year period but has been included for the life of the LTFP. In 2015-16 an additional \$328k has been added to the capital expenditure program and income as a one-off item.
- Staff levels will remain constant with only minor changes included and overall increases projected to be in line with Enterprise Bargaining Agreements.
- Full Cost Attribution - an allocation of internal services to external services has been estimated in the LTFP. This allocation does not affect the overall net result.

### Capital

- Asset Renewal and/or Replacement expenditure is provided for on various buildings and for the reseal and resheeting works on Council roads.
- Discretionary Capital expenditure has been removed for years 2015-16 to 2018-19 to ensure positive cash is maintained and restored at \$350k per year from 2019-20 for the remaining years in the LTFP.
- Capital Grants in this review only include estimation for funding allocation for library books.
- Council has identified land and building assets considered surplus both for the needs of the community and its operations. These surplus assets have been identified through an appropriate process, including consultation with the Community and the State Government.
- A delay has been included for purchase of selected asset expenditure in the years 2016-17, 2017-18 and 2018-19 to the year 2020-21 to remain in a net positive cash position.

### Loan Principal & Interest Repayment

- The loan from Council to NCPA for \$650k included in the LTFP is repaid starting from the 2015-16 year at \$65k each year. Other external loans are then included for NCPA from 2014-15 to purchase cabins and other assets, these loans repayments start by NCPA from 2018-19.
- An internal loan of \$1.4m is required to ensure Council general operations meet financial sustainability indicators. The loan is transferred from the CWMS operations reserve with repayments made within the 10 year plan.
- No other new external loans are included in this Plan. This is reflected in the reducing Net Financial Liabilities Ratio.

### Key Performance Indicators

- Council has established targets for the three Key Performance Indicators (KPI's) as recorded within the LTFP document, as follows:
  - KPI - No. 1 Achieve an operating breakeven position, or better, over any five year period
  - KPI - No. 2 Achieve an operating surplus ratio of between -2% to 10%
  - KPI - No. 4 Net financial liabilities ratio is greater than zero but less than 100% of total operating revenue.
  - KPI - No. 6 Capital outlays on renewing/replacing assets net of proceeds from sale of replaced assets is greater than 80% but less than 110% of Infrastructure Asset Management Plans over a rolling 3 year period.

### Financial Sustainability Performance Report

- KPI - No. 1 - It is noted that for years cumulative 2014-15 to 2018-19 is within a surplus position.
- KPI - No. 6 - the KPI target is being met in this review of the LTFP. As further reviews of planned expenditure from the Infrastructure and Asset Management Plan are undertaken, then a full assessment and measurement of the KPI will be done.
- All other KPI's are within the target ranges.
- Council has reviewed its financial parameters for the LTFP including the indexation used for forward projections on income and expenditure. A full list is contained in the following tables.
- In line with Council Policy a regular review of Councils treasury management will be required to ensure a positive cash position is maintained.
- This analysis indicates that The Barossa Council is currently financially sustainable for the forecast period covered by the LTFP. Noting that unless significant additional operating revenue is generated, or expenses and service levels are reduced, the Council does not have the capacity to financially undertake major additional discretionary proposed projects or services over the 10 year period, (other than the discretionary amount included within the plan).



## Financial Sustainability

The Barossa Council is committed to the principles of financial sustainability.

The importance of financial sustainability is to ensure that each generation ‘pays their way’, rather than any generation ‘living off their assets’ and leaving it to future generations to address the issue of repairing worn out infrastructure. Such issues are frequently referred to as ‘intergenerational equity’.

With community infrastructure such as roads, footpaths, and stormwater drainage comprising a major proportion of Council’s balance sheet, it is important that Council implement appropriate strategies towards the effective upkeep of such assets – so that the maintenance and renewal of such assets is fairly and equitably funded from current ratepayers (i.e. general rate income) and future ratepayers (long term loan borrowings).

Given the importance of ensuring financial sustainability of Council operations in the longer term, it is a legislative requirement that individual councils adopt Long Term Financial Management and Infrastructure and Asset Management Plans (minimum 10 years) as part of future planning.

The Long Term Financial Plan is designed as a ‘high-level’ summarised document towards the future planning of Council’s financial operations – particularly in relation to key components such as rate movements, service levels to our community, major infrastructure asset replacement/renewal, loan indebtedness and internal cash reserves. Council conducts an annual review of its Long Term Financial Plan.

Council’s initial ‘high-level’ Infrastructure and Asset Management Plan was adopted by Council in November 2008 – with the Plan outlining a scheduled improvement process to further develop and enhance the Plan to a more comprehensive and detailed level over a four year period.

To ensure each generation ‘pays its way’, it is subsequently crucial that current ratepayers effectively fund the current net cost of services provided and

community assets consumed. Without this being achieved (i.e. an operating deficit), future generations are effectively subsidising the current cost of service provision and asset consumption.

Based on this, the financial sustainability of a Council is measured by the surplus/deficit (before capital revenues) disclosed in the Income Statement financial report – with a consistent breakeven or operating surplus result indicative of a Council that is financially sustainable in the long term.

Other financial sustainability indicators recommended by the Financial Sustainability Inquiry and endorsed by The Barossa Council, are separately included within this report.

### Our Financial Principles

As part of its commitment to financial sustainability, Council operates under the following key financial principles in preparing the Annual Business Plan:

- Ongoing education and training such that all Council Members and Staff understand and fulfil their financial governance responsibilities
- Policies and practices that support decision making and assessment of performance
- Budget and financial information is presented at a strategic level, succinct and easy to follow
- Budget and financial information is based on the Long Term Financial Plan
- The Asset Management Plans are maintained and reflect whole of life costs
- The Rating strategy is equitable and generates sufficient revenue to meet financial needs
- Financial performance is managed using suitable financial indicators and targets
- A robust audit and internal control process is in place to ensure effective financial and governance compliance
- Information provided to the community is open, transparent and relevant



## Appendix

Key Performance Indicators and  
Financial Parameters A1

Long Term Plan Financial Statements  
2014-15 to 2023-24 A2

Capital Expenditure A3

## A1 Consolidated Results: Key Performance Indicators and Financial Parameters

OB = Original Budget; LTFP = Long Term Financial Plan

	2014-15 LTFP %	2015-16 LTFP %	2016-17 LTFP %	2017-18 LTFP %	2018-19 LTFP %	2019-20 LTFP %	2020-21 LTFP %	2021-22 LTFP %	2022-23 LTFP %	2023-24 LTFP %
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### Key Performance Indicators (KPI's) - Summary

KPI 1 - Operating Surplus cumulative forward 5 year period*	61	317	502	955	1,695					
KPI 2 – Operating Surplus Ratio – rolling 3 year	-0.05%	0.1%	0.7%	1.1%	1.6%	2.6%	3.2%	3.7%	3.8%	4.3%
KPI 4 – Net Financial Liabilities ratio	49.9%	51.0%	46.7%	43.8%	36.0%	30.3%	24.6%	20.5%	11.9%	4.1%
KPI 6 – Asset Sustainability Ratio – rolling 3 year	95.0%	110.3%	99.6%	98.9%	95.7%	100.4%	103.9%	111.3%	107.7%	108.1%

### Financial Parameters - Indexation

#### RATE REVENUE INCREASES

Residential – General Rate Revenue Increase	5.5%	4.5%	5.0%	4.5%	4.5%	3.5%	3.5%	3.5%	3.5%	3.5%
Non-Residential – General Rate Revenue Increase	4.5%	4.5%	5.0%	4.5%	4.5%	3.5%	3.5%	3.5%	3.5%	3.5%
General – Rate Revenue Increase Net (excl growth)	4.9%	4.5%	4.5%	4.5%	4.5%	3.5%	3.5%	3.5%	3.5%	3.5%
Natural Growth – Development	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Separate Rate – The REX	Yr 6 of 6									
CWMS – Rate revenue Increase (excl growth)	2.0%	2.0%	2.5%	3.5%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Waste Services – Rate Revenue Increase (excl growth)	2.9%	5.0%	6.5%	6.5%	6.0%	4.5%	4.5%	4.5%	4.0%	3.5%

#### OPERATING REVENUE

Operating Grants	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Statutory Charges	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
User Charges	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Investment Income	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Reimbursements	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Other Revenue	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%

#### OPERATING EXPENDITURE

Service Cost Natural Growth**	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
Employee Costs	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Contracts, Materials & Other	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Power Costs	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Water Costs	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%
Insurance	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%

#### ASSET REVALUATION INCREMENTS

Land Assets	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Building Assets	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%
Recreation Assets	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Infrastructure Assets	1.5%	1.5%	1.5%	1.5%	1.5%	2.0%	2.0%	2.0%	2.0%	2.0%
CWMS	2.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Stormwater Assets	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%

\* All amounts in KPI 1 are in \$'000

\*\*Index added to Employee Costs and Contracts, Materials & Other

## A2-1 Consolidated Results: Budgeted Income Statement

OB = Original Budget; LTFP = Long term Financial Plan	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>REVENUES</b>										
Rates	26,545	27,085	28,660	30,236	31,902	33,366	34,898	36,500	38,163	39,890
Statutory Charges	593	606	619	632	646	660	675	689	705	720
User Charges	2,586	2,563	2,686	2,782	2,875	2,949	3,026	3,105	3,188	3,273
Grants, subsidies and contributions	2,579	2,865	2,559	2,583	2,628	2,675	2,722	2,770	2,819	2,869
Investment Income	202	217	108	71	17	36	29	35	31	161
Reimbursements	674	687	701	715	730	745	760	775	790	806
Other Income	455	383	391	399	407	415	424	433	442	451
Net Gain – Joint Venture	0	0	0	0	0	0	0	0	0	0
<b>TOTAL INCOME</b>	<b>33,634</b>	<b>34,406</b>	<b>35,724</b>	<b>37,418</b>	<b>39,205</b>	<b>40,846</b>	<b>42,534</b>	<b>44,307</b>	<b>46,138</b>	<b>48,170</b>
<b>EXPENSES</b>										
Employee Costs	11,734	12,160	12,609	13,137	13,664	14,204	14,767	15,352	15,960	16,592
Materials, Contracts & Other Expenses	13,899	13,772	14,504	15,200	16,004	16,520	17,364	17,942	18,882	19,499
Depreciation, Amortisation & Impairment	6,682	7,059	7,384	7,698	7,994	8,355	8,730	9,210	9,584	9,982
Finance Costs	1,258	1,159	1,042	930	803	677	556	442	364	308
Net Gain – Joint Venture	0	0	0	0	0	0	0	0	0	0
<b>TOTAL EXPENSES</b>	<b>33,573</b>	<b>34,150</b>	<b>35,539</b>	<b>36,965</b>	<b>38,465</b>	<b>39,756</b>	<b>41,417</b>	<b>42,946</b>	<b>44,790</b>	<b>46,381</b>
<b>OPERATING SURPLUS / (DEFICIT)</b>	<b>61</b>	<b>256</b>	<b>185</b>	<b>453</b>	<b>740</b>	<b>1,090</b>	<b>1,117</b>	<b>1,361</b>	<b>1,348</b>	<b>1,789</b>
Asset disposal & fair value adjustments	(493)	(587)	(551)	(560)	(590)	(624)	(646)	(693)	(726)	(765)
Amounts specifically for new or upgraded assets	612	515	276	331	335	240	145	151	156	162
Physical Resources received free of charge	0	1,551	1,906	1,654	1,705	1,752	1,809	1,865	1,928	1,981
Operating result from discontinued operations										
<b>NET SURPLUS / (DEFICIT)</b>	<b>180</b>	<b>1,735</b>	<b>1,816</b>	<b>1,878</b>	<b>2,190</b>	<b>2,458</b>	<b>2,425</b>	<b>2,684</b>	<b>2,706</b>	<b>3,167</b>
Transfer to Equity Statement										
Other Comprehensive Income										
Changes in revaluation surplus – infrastructure, property. Plant & equipment	-	-	-	-	-	-	-	-	-	-
<b>Total Other Comprehensive Income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>180</b>	<b>1,735</b>	<b>1,816</b>	<b>1,878</b>	<b>2,190</b>	<b>2,458</b>	<b>2,425</b>	<b>2,684</b>	<b>2,706</b>	<b>3,167</b>



## A2-2 Consolidated Results: Budgeted Balance Sheet

OB = Original Budget; LTFP = Long term Financial Plan	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>										
<b>Current Assets</b>										
Cash and cash equivalents	4,418	2,171	1,262	32	386	306	511	576	3,386	6,300
Trade & other receivables	2,815	2,815	2,815	2,815	2,815	2,815	2,815	2,815	2,815	2,815
Other financial assets	7	7	7	7	7	7	7	7	7	7
Inventories	29	29	29	29	29	29	29	29	29	29
	7,269	5,022	4,113	2,883	3,237	3,157	3,362	3,427	6,237	9,151
Non-Current Assets held for Sale	0	0	0	0	0	0	0	0	0	0
<b>Total Current Assets</b>										
<b>Non-Current Assets</b>										
<b>Financial Assets</b>										
Equity accounted investments in Council businesses	1,491	1,491	1,491	1,491	1,491	1,491	1,491	1,491	1,491	1,491
Infrastructure, Property, Plant & Equipment	303,877	313,563	321,600	330,438	337,850	346,865	355,870	365,915	373,967	382,782
Other Non-Current Assets	0	0	0	0	0	0	0	0	0	0
<b>Total Non-Current Assets</b>	305,468	315,154	323,191	332,029	339,441	348,456	357,461	367,506	375,558	384,373
<b>TOTAL ASSETS</b>	<b>312,737</b>	<b>320,176</b>	<b>327,304</b>	<b>334,912</b>	<b>342,678</b>	<b>351,613</b>	<b>360,823</b>	<b>370,933</b>	<b>381,795</b>	<b>393,524</b>
<b>LIABILITIES</b>										
<b>Current Liabilities</b>										
Trade & other payables	5,237	5,168	5,181	5,205	5,221	5,246	5,276	5,322	5,374	5,509
Borrowings	1,812	1,997	2,046	1,817	1,719	1,622	1,194	666	700	3,241
Provisions	1,664	1,670	1,677	1,684	1,691	1,699	1,707	1,715	1,724	1,733
<b>Total Current Liabilities</b>	8,713	8,835	8,904	8,706	8,631	8,567	8,177	7,703	7,798	10,483
<b>Non-Current Liabilities</b>										
Trade & other payables	0	0	0	0	0	0	0	0	0	0
Borrowings (External)	15,147	13,517	11,679	10,343	8,515	6,765	5,426	4,594	3,706	442
Provisions	182	182	182	182	182	182	182	182	182	182
<b>Total Non-Current Liabilities</b>	15,329	13,699	11,861	10,525	8,697	6,947	5,608	4,776	3,888	624
<b>TOTAL LIABILITIES</b>	<b>24,042</b>	<b>22,534</b>	<b>20,765</b>	<b>19,231</b>	<b>17,328</b>	<b>15,514</b>	<b>13,785</b>	<b>12,479</b>	<b>11,686</b>	<b>11,107</b>
<b>NET ASSETS</b>	<b>288,695</b>	<b>297,642</b>	<b>306,539</b>	<b>315,681</b>	<b>325,350</b>	<b>336,099</b>	<b>347,038</b>	<b>358,454</b>	<b>370,109</b>	<b>382,417</b>
<b>EQUITY</b>										
Accumulated Surplus	61,004	64,257	67,315	69,978	72,311	74,619	76,679	78,920	80,867	83,830
Asset Revaluation Reserve	223,337	230,216	237,297	244,560	252,039	260,331	268,845	277,579	286,525	295,668
Other Reserves	4,354	3,169	1,927	1,143	1,000	1,149	1,514	1,955	2,717	2,919
<b>TOTAL EQUITY</b>	<b>288,695</b>	<b>297,642</b>	<b>306,539</b>	<b>315,681</b>	<b>325,350</b>	<b>336,099</b>	<b>347,038</b>	<b>358,454</b>	<b>370,109</b>	<b>382,417</b>

## A2-3 Consolidated Results: Budgeted Statement of Cash Flows

OB = Original Budget; LTFP = Long term Financial Plan	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>										
<i>Receipts:</i>										
Operating Receipts	33,432	34,189	35,617	37,347	39,189	40,810	42,504	44,273	46,107	48,009
Investment Receipts	202	217	108	71	17	36	29	35	31	161
<i>Payments:</i>										
Operating Payments to Suppliers & Employees	(25,618)	(25,926)	(27,106)	(28,331)	(29,661)	(30,717)	(32,123)	(33,285)	(34,833)	(36,082)
Finance Payments	(1,258)	(1,159)	(1,042)	(930)	(803)	(677)	(556)	(442)	(364)	(308)
<b>Net Cash Provided by (or used in) Operating Activities</b>	<b>6,758</b>	<b>7,321</b>	<b>7,577</b>	<b>8,157</b>	<b>8,742</b>	<b>9,452</b>	<b>9,854</b>	<b>10,581</b>	<b>10,941</b>	<b>11,780</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>										
<i>Receipts:</i>										
Amounts Specifically for New or Upgraded Assets	612	515	276	331	335	240	145	151	156	162
Sale of Replaced Assets	595	608	601	359	505	623	558	722	826	838
Sale of Surplus Assets	0	0	0	0	0	0	0	0	0	0
Net Return of Investment Securities	0	0	0	0	0	0	0	0	0	0
Repayment of Loans by Community Groups	0	0	0	0	0	0	0	0	0	0
<i>Payments:</i>										
Expenditure on Renewal/Replacement of Assets	(4,819)	(5,840)	(5,326)	(4,847)	(5,069)	(6,451)	(5,999)	(7,668)	(6,632)	(6,908)
Expenditure on New/Upgraded Assets	(1,864)	(3,342)	(2,248)	(3,664)	(2,232)	(2,098)	(2,585)	(2,361)	(1,628)	(2,306)
Net Purchases of Investment Securities	0	0	0	0	0	0	0	0	0	0
Loans Made to Community groups	0	0	0	0	0	0	0	0	0	0
<b>Net Cash Provided by (or used in) Investment Activities</b>	<b>(5,476)</b>	<b>(8,059)</b>	<b>(6,697)</b>	<b>(7,821)</b>	<b>(6,461)</b>	<b>(7,686)</b>	<b>(7,881)</b>	<b>(9,156)</b>	<b>(7,278)</b>	<b>(8,214)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<i>Receipts:</i>										
Proceeds from Borrowings	272	297	137	409	0	0	0	0	0	0
Proceeds from internal Borrowings (NCPA)	0	0	0	0	0	0	0	0	0	0
Proceeds from internal Borrowings (CWMS)	0	0	1,400	0	0	0	0	0	0	0
<i>Payments:</i>										
Repayment of Borrowings	(1,693)	(1,806)	(1,926)	(1,975)	(1,927)	(1,846)	(1,768)	(1,360)	(853)	(652)
Repayment of Finance Lease	0	0	0	0	0	0	0	0	0	0
Repayment of Internal Borrowings (CWMS)	0	0	(1,400)	0	0	0	0	0	0	0
Repayment of internal borrowings (NCPA)	0	0	0	0	0	0	0	0	0	0
<b>Net Cash Provided by (or used in) Financing Activities</b>	<b>(1,421)</b>	<b>(1,509)</b>	<b>(1,789)</b>	<b>(1,566)</b>	<b>(1,927)</b>	<b>(1,846)</b>	<b>(1,768)</b>	<b>(1,360)</b>	<b>(853)</b>	<b>(652)</b>
Net Increase (Decrease) in Cash held	(139)	(2,247)	(909)	(1,230)	354	(80)	205	65	2,810	2,914
Cash at beginning of Period	4,557	4,418	2,171	1,262	32	386	306	511	576	3,386
<b>CASH AT END OF PERIOD</b>	<b>4,418</b>	<b>2,171</b>	<b>1,262</b>	<b>32</b>	<b>386</b>	<b>306</b>	<b>511</b>	<b>576</b>	<b>3,386</b>	<b>6,300</b>

## A2-4 Consolidated Results: Uniform Presentation of Finances

OB = Original Budget; LTFP = Long term Financial Plan	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating Revenues	33,634	34,406	35,724	37,418	39,205	40,846	42,534	44,307	46,138	48,170
Less Operating Expenses	(33,573)	(34,150)	(35,539)	(36,965)	(38,465)	(39,756)	(41,417)	(42,946)	(44,790)	(46,381)
<b>Operating Surplus / (Deficit)</b>	<b>61</b>	<b>256</b>	<b>185</b>	<b>453</b>	<b>740</b>	<b>1,090</b>	<b>1,117</b>	<b>1,361</b>	<b>1,348</b>	<b>1,789</b>

### Less Net Outlays on Existing Assets

Capital Expenditures on Renewal and Replacement of Existing Assets	4,819	5,840	5,326	4,847	5,069	6,451	5,999	7,668	6,632	6,908
Less Depreciation, Amortisation and Impairment	(6,682)	(7,059)	(7,384)	(7,698)	(7,994)	(8,355)	(8,730)	(9,210)	(9,584)	(9,982)
Less Proceeds from Sale of Replaced Assets	(595)	(608)	(601)	(359)	(505)	(623)	(558)	(722)	(826)	(838)
	<b>(2,458)</b>	<b>(1,827)</b>	<b>(2,659)</b>	<b>(3,210)</b>	<b>(3,430)</b>	<b>(2,527)</b>	<b>(3,289)</b>	<b>(2,264)</b>	<b>(3,778)</b>	<b>(3,912)</b>

### Less Net Outlays on new and Upgraded Assets

Capital Expenditure on New and Upgraded Assets	1,864	3,342	2,248	3,664	2,232	2,098	2,585	2,361	1,628	2,306
Less Amounts Received Specifically for New and Upgraded Assets	(612)	(515)	(276)	(331)	(335)	(240)	(145)	(151)	(156)	(162)
Less Proceeds from Sale of Surplus Assets	0	0	0	0	0	0	0	0	0	0
	<b>1,252</b>	<b>2,827</b>	<b>1,972</b>	<b>3,333</b>	<b>1,897</b>	<b>1,858</b>	<b>2,440</b>	<b>2,210</b>	<b>1,472</b>	<b>2,144</b>

<b>Net Lending / (Borrowing) for Financial Year</b>	<b>1,267</b>	<b>(744)</b>	<b>872</b>	<b>330</b>	<b>2,273</b>	<b>1,759</b>	<b>1,966</b>	<b>1,415</b>	<b>3,654</b>	<b>3,557</b>
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<b>A3 Consolidated Results: Budgeted Capital Expenditure</b>										
OB = Original Budget; LTFP = Long term Financial Plan	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Renewal/Replacement Capital Summary: Non-Discretionary</b>										
Land	0	0	0	0	0	0	0	0	0	0
Buildings	255	200	253	293	259	263	266	269	272	376
Recreation	20	30	30	30	30	30	30	30	30	30
Transport – Roads & Footpaths	2,699	3,162	2,975	3,124	3,280	3,444	3,617	3,797	3,987	4,187
Stormwater, Bridges & Floodplain	50	80	0	300	17	392	0	0	0	0
CWMS	84	153	228	104	143	334	99	101	157	101
Equipment – Plant & Vehicles	1,711	2,215	1,839	995	1,339	1,988	1,988	3,470	2,185	2,214
Other Assets – Inc. Library books	0	0	0	0	0	0	0	0	0	0
<i>Note: includes internal allocations</i>	<b>4,819</b>	<b>5,840</b>	<b>5,325</b>	<b>4,846</b>	<b>5,068</b>	<b>6,451</b>	<b>6,000</b>	<b>7,667</b>	<b>6,631</b>	<b>6,908</b>
<b>New/Upgrade Capital Summary: Discretionary</b>										
Land	0	0	0	0	0	0	0	0	0	0
Buildings (Inc. Discretionary spend \$350k per year)	718	444	324	534	0	350	350	350	350	350
Recreation	60	70	70	70	70	70	70	70	70	70
Transport – Roads & Footpaths	181	186	191	196	202	208	215	221	228	236
Stormwater, Bridges & Floodplain	445	571	833	619	615	660	701	320	330	250
CWMS	431	2,247	1,319	2,446	1,564	1,046	1,496	1,663	931	1,697
Equipment – Plant & Vehicles	30	35	40	43	45	45	50	50	50	50
Other Assets	0	0	0	0	0	0	0	0	0	0
<i>Note: including donated assets</i>	<b>1,865</b>	<b>3,553</b>	<b>2,777</b>	<b>3,908</b>	<b>2,496</b>	<b>2,379</b>	<b>2,882</b>	<b>2,674</b>	<b>1,959</b>	<b>2,653</b>
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>6,684</b>	<b>9,393</b>	<b>8,102</b>	<b>8,754</b>	<b>7,564</b>	<b>8,830</b>	<b>8,882</b>	<b>10,341</b>	<b>8,590</b>	<b>9,561</b>