The Barossa Council

Annual Budget and Business Plan 2019/20

Incorporating the annual review of the Long Term Financial Plan – 2019/20 to 2028/29

Version	Status	Date
Version 1.0	Draft for Council adoption for Public Consultation	15 May 2019
Version 1.1	Final Draft for Public Consultation	16 May 2019
Version 1.2	Draft for Council following Public Consultation	21 June 2019
Version 1.3	Final Adopted Version	27 June 2019

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:	Phone: 08 8563 8444 43-51 Tanunda Road, Nuriootpa
Website:	www.barossa.sa.gov.au
Email:	*barossa@barossa.sa.gov.au*

Public Consultation

People were able to make verbal submissions at the Nuriootpa Council chambers on Wednesday 5 June 2019 at 6.00pm. Feedback could also be given at http://ourbetterbarossa.com.au/, on Facebook (www.facebook.com/thebarossacouncil), via email (barossa@barossa.sa.gov.au), or in writing (PO Box 867, Nuriootpa SA 5355) from 22 May to 12 June 2019.

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From the Mayor

After having the privilege of being elected Mayor of The Barossa Council I have led an extensive budget process with the collaboration and detailed debate of our elected body. The new Council has had extensive debate over our budget base, rate impacts, service needs and demands and ever growing pressures.

Importantly the new Council is aware of the climatic conditions impacting our community and those of our State. Council has set a budget that is consistent with the long term financial plan and its early aspirations to move into delivery of 'The Big Project' high priorities. Council has provided for $28m in future budgets for these high priorities which are currently under final assessment. This figure may rise. This is in addition to the work that has already been funded and commenced: $0.806m for Williamstown Oval bridge upgrade, $1.7m for Tanunda Acceleration Projects: the oval expansion, electrical and show hall upgrade, $2.5m for the Angaston Railway Precinct project including a regional play space and $0.720m purchase of land at Nuriootpa Centennial Park.

Our primary producers have been impacted by climate and valuations as shown in this document. Council is implementing a rate rebate for those adversely impacted by valuation changes in the primary production area. This rebate applies where the increase in the Primary Production general rates levied for an assessment exceeds the 2018/19 general rates by more than 15%, due to valuation spikes. The rate rebate will be upon application and applicants will need to meet legislative and policy criteria such as the rate increase is not associated with new development.

As a new Council we are completing work on a future four year policy platform which will influence future budgets and strategic plans. However due to the timing of the election we must produce a budget before reviewing all our strategic directions. These directions will be released as part of the strategic document reviews in the next six months for comment. Importantly one component which was recently endorsed by Council relates to improvements to Local Government through a comprehensive review by the Minister. Council has made many suggestions to improve our governance, accountability and drive down the ever growing costs and cost impacts from other levels of government for local Councils. As a Council we have also supported internal change programs over the next few years that also aim to improve our services and efficiencies.

With these factors in mind the Elected Members and Council Officers have developed a budget that strikes a balance between implementing existing levels of service, addressing improvements to internal efficiencies and delivering on 'The Big Project' high priorities. Council is pleased to present its completed Annual Budget and Business Plan 2019/20.

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

Significant changes and highlights in this year's budget including investment in key infrastructure and services:

- Provision over four years for final agreed high priority projects of The Big Project - subject to final prioritisation, costing and successful grant and third party funding contributions.
- Bringing forward of road reseal work for 2019/20 to address identified backlog; total expenditure forecast to be $2.9m;
- Commencing implementation of energy efficiency investment at The Rex and Nuriootpa Council Offices totalling $0.811m with an anticipated payback period of 3 years and achieving lower emissions;
- $0.9m for resheeting of existing rural roads;
- Increased investment in road shoulder upgrades including grading $274,000;
- Irrigation upgrade to Talunga Oval $211,000;
- Irrigation pilot to upgrade priority open space and ovals to improve efficiencies and reduce manual effort $99,000;
- $100,000 renewal of the half pipe at Tolley Reserve and a further $68,000 on general playground replacement;
- Completion of Yettie Road drainage $250,000;
- Commence implementation of James Sim Court stormwater solution $410,000;
- Completion of Calton Road Springwood Development outfall stormwater connection to Hameister Court $50,000 (further $370,000 likely to be carried forward from 2018/19);
- Minor other stormwater improvements at Kroehn Road culvert, Para Road to the North Para and MacDonnell Street Tanunda cross drain $236,000;
- Community Wastewater Management Systems (CWMS) infrastructure of $1.6m to upgrade and expand the Tanunda system to meet future demand;
- Increased funding for road crack sealing over three years of $210,000;
- Increased funding for tree maintenance and replacement taking budget to over $1.1m per annum;
- $150,000 to address Shannon Road bridge for a fit for purpose solution;
- $100,000 for strategic road design projects to position Council to improve freight route access and obtain future Commonwealth and/or State Funding;
- Expansion of funding for the Regional Gallery to increase service levels $43,000 per annum;
- Extension to additional support to volunteer support program $40,500 per annum;
- Social Planning Project $38,800;
- Dog parks implementation $110,000 (grant funded).

Mayor Bim Lange

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 894 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 24,000.

The traditional custodians of the Barossa region are the Peramangk, Ngadjuri and Kaurna Nations. 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 from 1839, with settlers mainly originating from England and Scotland. From1842 Lutheran settlers from Prussia and Silesia arrived through the sponsorship of George Fife Angas and aid of Pastor August Kavel, to escape religious persecution. The early townships of the region were quickly established, 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, bike tracks and historical points of interest. The rich pastoral lands of the Barossa Range and 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 conservation parks, provides many recreational opportunities. The tourism industry continues to grow and has become a major focus for the continued development of the region.

Distance of Principal Office from Adelaide CBD	**80km**
Area of Council	**893.5km^2**
Number of Rateable Assessments	**12,916**
Number of Non Rateable Assessments	**542**

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

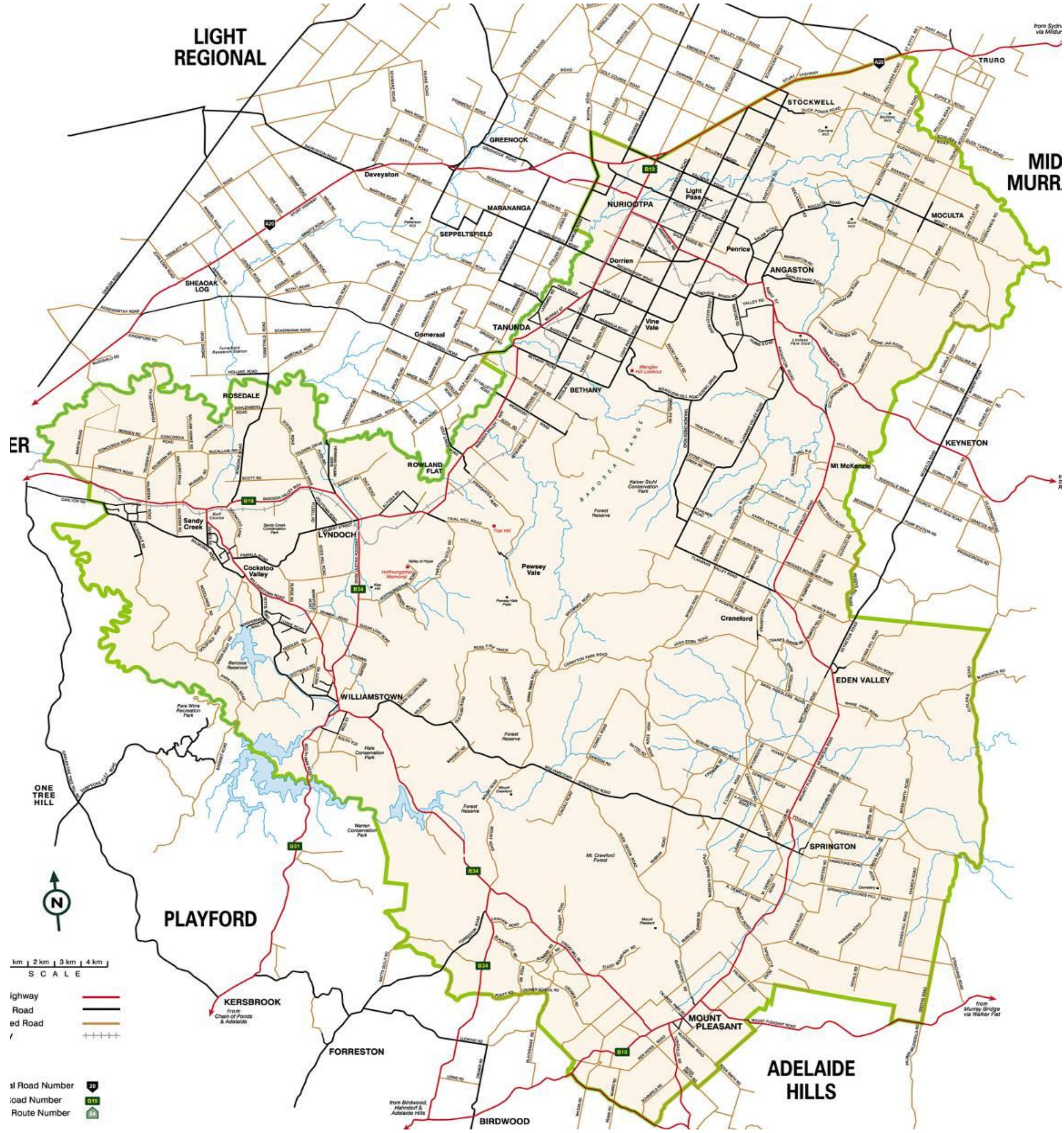
Library only:
66-68 Murray Street, Tanunda

Website: www.barossa.sa.gov.au
Email: barossa@barossa.sa.gov.au

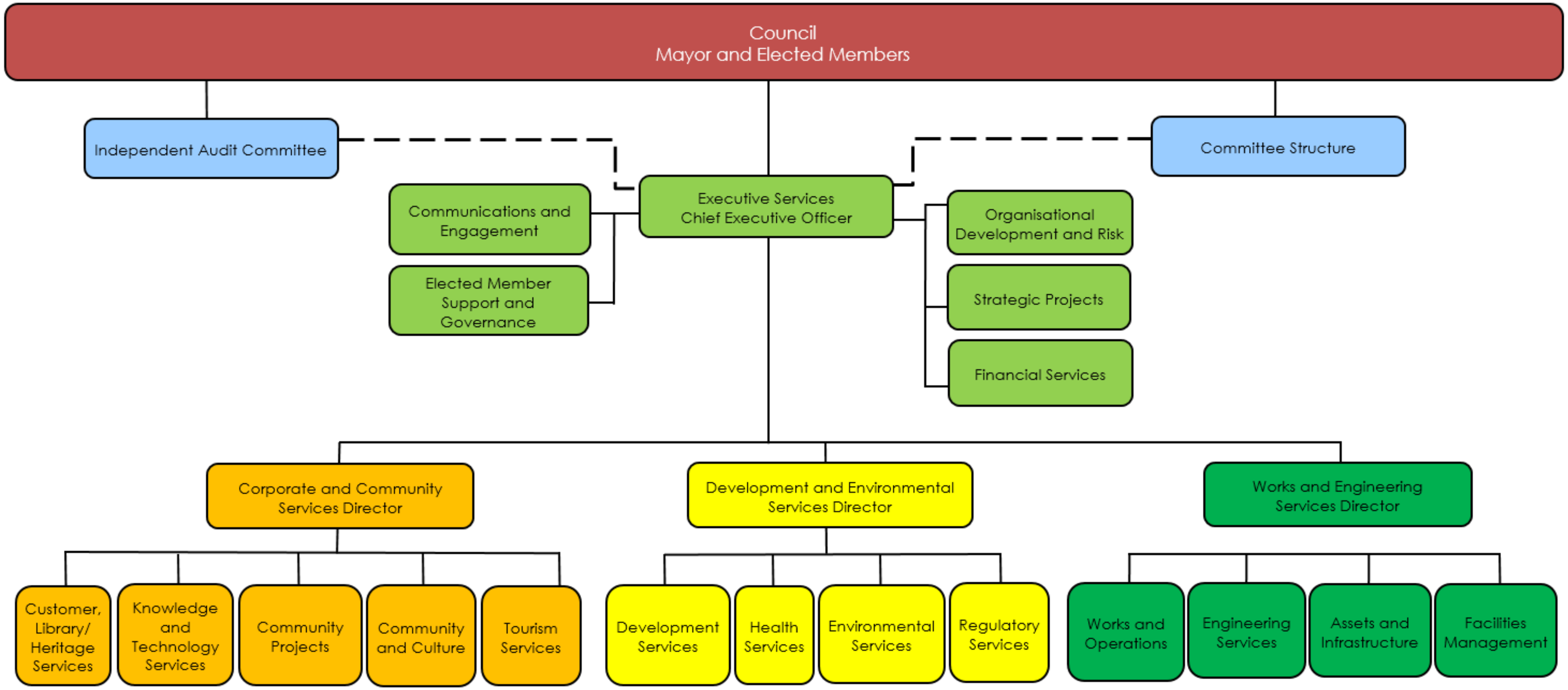
Localities in The Barossa Council

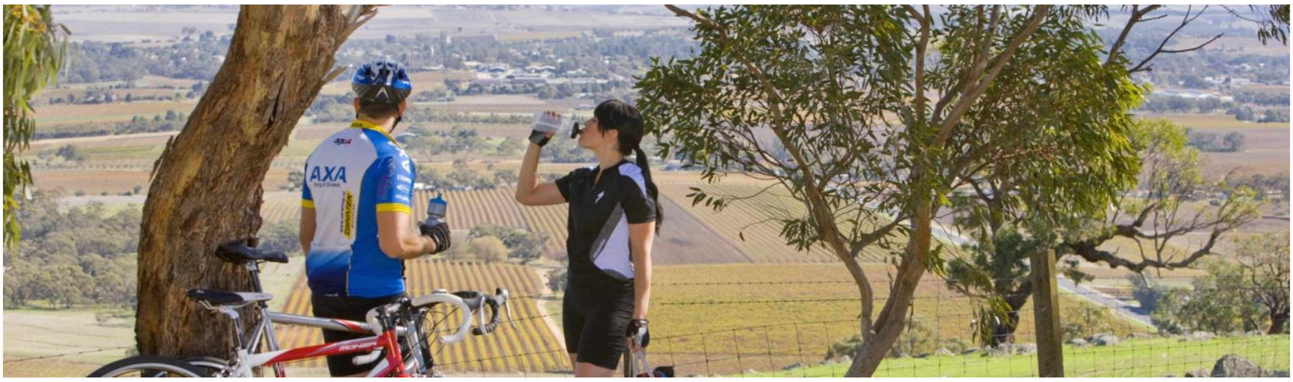
Altona, Angaston, Barossa Goldfields, Bethany, Cockatoo Valley, Concordia, Craneford, Cromer, Dorrien, Eden Valley, Flaxman Valley, Kalbeeba, Krondorf, Light Pass, Lyndoch, Moculta, Mount Crawford, Mount McKenzie, Mount Pleasant, Nuriootpa, Penrice, Pewsey Vale, Rosedale, Rowland Flat, Sandy Creek, Springton,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

District Map



Organisational Structure





Overview

2019/20 Budget at a Glance:

Net Rate Revenue	$31.3m
Other Operating Revenue	$ 7.1m
Operating Expenditure	$37.7m
Capital Income	$ 5.2m
Capital Expenditure	$18.8m
Loan Financing	$ 4.5m

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 Community Plan 2016-2036, the 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 $370m of assets, including road infrastructure encompassing approximately 350 kilometres of sealed, 570 kilometres of unsealed roads and 70 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 over a three year average in order to finance the programmed replacement of existing community assets at the end of their useful lives.

2019/20 Rate Revenue and Service charges:

General Rate Revenue	increase	1.98%
Refuse and Recycling	increase	3.21%
CWMS	increase	2.12%

Underlying Assumptions

- Rate and service charge revenue increase on existing ratepayers to ensure services are sustainable, indexation does not include growth from development.
- All other income and expenditure has been increased in line with the current cost for providing those services and consideration of Councils Long Term Financial Plan (LTFP);
- Staffing costs increase in line with existing contracts, Enterprise Bargaining Agreements, Superannuation and current Legislation;
- The SA Local Government Price Index is 2.1% and the general Consumer Price Index is 1.3% as at March 2019;
- 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 and range from 2% to 5%;

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 **$19.0m** (including Donated Assets **$295k** and carried forward works from previous year of **$1.2m**), including **$4.5m** on transport assets for resealing and resheeting of roads, replacement footpaths (kerb and water table) **$70k**, drainage and bridge works **$1.2m** and Community Waste Water Management Systems (CWMS) **$1.8m** (including vehicles)
- Expenditure of **$288k** for renewal works on various buildings
- Solar panels and LED lighting replacement at The Rex and Nuriootpa Office **$811k**
- Provision over four years for final agreed high priority projects of The Big Project - subject to final prioritisation, costing and successful grant and third party funding contributions
- Camp Kitchen upgrade and minor works at Nuriootpa Centennial Park Authority **$40k**.

Strategic Directions

The Barossa Council's Community Plan 2016-2036 was adopted by Council on 21 June 2016. The Community Plan is an aspirational document and cornerstone for future investment. It will guide future decision making over the next 20 years through the delivery of highlighted strategies and targets. The Community Plan shows commitment to the values of Land and Place, Community, Leadership and Achievement and will drive performance through objectives within the key result areas of Natural Environment and Built Heritage, Community and Culture, Infrastructure, Health and Wellbeing and Business and Employment.

The Annual Business Plan and Budget outlines the annual program that delivers upon the Community Plan and its strategies as outlined in the following tables. Further the Community Plan has a supporting Corporate Plan which outlines key corporate actions to support the Community Plan and performance targets.

Council activity for 2019/20 is identified as one or more of the following four roles and relates to the Community Plan strategies as outlined in the following tables.

■ Leader ✚ Provider/Regulator ★ Advocate ● Facilitator/Partner

Natural Environment and Built Heritage

Strategy	2019/20 Activity
Collaborate with relevant authorities to ensure a regional and holistic approach in the management of natural resources.	●
Support native eco systems through a planned management approach.	✚ ★
Ensure environmental and agricultural sustainability and historic significance of the region is retained.	✚ ★
Develop and maintain streetscapes that reflect the character and heritage of the region.	✚
Provide support and advice to preserve properties and sites which have historic significance.	✚
Support tourism development that is sensitive to the natural environment and is sustainable.	★ ●
Maintain clearly defined townships and manage residential and commercial development that is sensitive to the natural environment and areas of historical significance.	■ ✚ ★
Implement and promote policy that reduces the consumption of our natural resources and reuses or recycles waste.	✚ ★
Advocate for programs and policy that preserve built heritage.	★
Facilitate opportunities to repurpose or find alternative use of built heritage.	●
Ensure the unique character of the rural landscape is appropriately managed	✚

Community and Culture

Strategy	2019/20 Activity
Initiate and support activities which encourage participation and pride in the Barossa Council area.	■ ✚ ★ ●
Support the development of activities that celebrate the history and culture of the Barossa and its people.	✚ ●
Contribute to creating strong and sustainable community networks.	●
Encourage and support volunteering in the community.	✚ ★
Engage with, and support, young people to actively participate in the community and develop the leaders of the future.	■ ✚
Support a vibrant and growing arts, cultural, heritage and events sector.	■ ✚ ●
Embrace place-making principles when developing community infrastructure and regulate planning and development in public spaces.	■ ✚
Provide opportunities for the community to participate in local decision-making.	■ ✚
Create places where people want to live and plan for the future in a coordinated, affordable, appropriate and proactive manner.	✚
Promote our Aboriginal heritage and ongoing connections to the region.	✚ ★
Encourage a learning community.	✚ ●
Contribute to a safer community.	✚ ●
Advocate for education infrastructure and support improvements.	★

Infrastructure

Strategy	2019/20 Activity
Develop and implement sound asset management which delivers sustainable services.	✚
Collaborate with private and public utilities providers to ensure infrastructure is adequate to support the community both now and into the future.	★ ●
Advocate for telecommunication infrastructure to meet personal and commercial needs of residents and businesses.	★
Participate in networks to improve efficient asset management and maintenance.	●
Advocate for and seek out funding opportunities that support the development of community, health and other facilities and infrastructure from both State and Federal Government.	★
Invest in, and advocate for, community facilities that support cultural and community participation.	✚ ★ ●
Ensure infrastructure meets the needs of people with disabilities and provides for all abilities access.	✚ ●
Support opportunities to increase community transport and access to services and facilities.	✚ ★

Health and Wellbeing

Strategy	2019/20 Activity
Advocate to State and Federal health bodies, for sustained access to allied, primary and mental healthcare services and facilities.	★
Create opportunities for people of all ages and abilities to participate in the community.	■ ✚ ★
Work with emergency services to prepare for disaster management and recovery.	✚ ●
Support sporting, recreational and community clubs and organisations to grow and be sustainable.	✚ ●
Advocate for and encourage services and resources that ensure equity and support for disadvantaged, disabled and at risk members of the community.	★ ●
Ensure that community members can participate in cultural, recreational, sporting and learning opportunities.	■ ✚ ★ ●
Ensure food safety, hygiene and appropriate waste management standards are maintained.	✚ ●
Promote a healthy community through a planned approach to public health.	✚ ●
Design our future developments and facilities to support active lifestyles and community health and wellbeing.	✚ ●

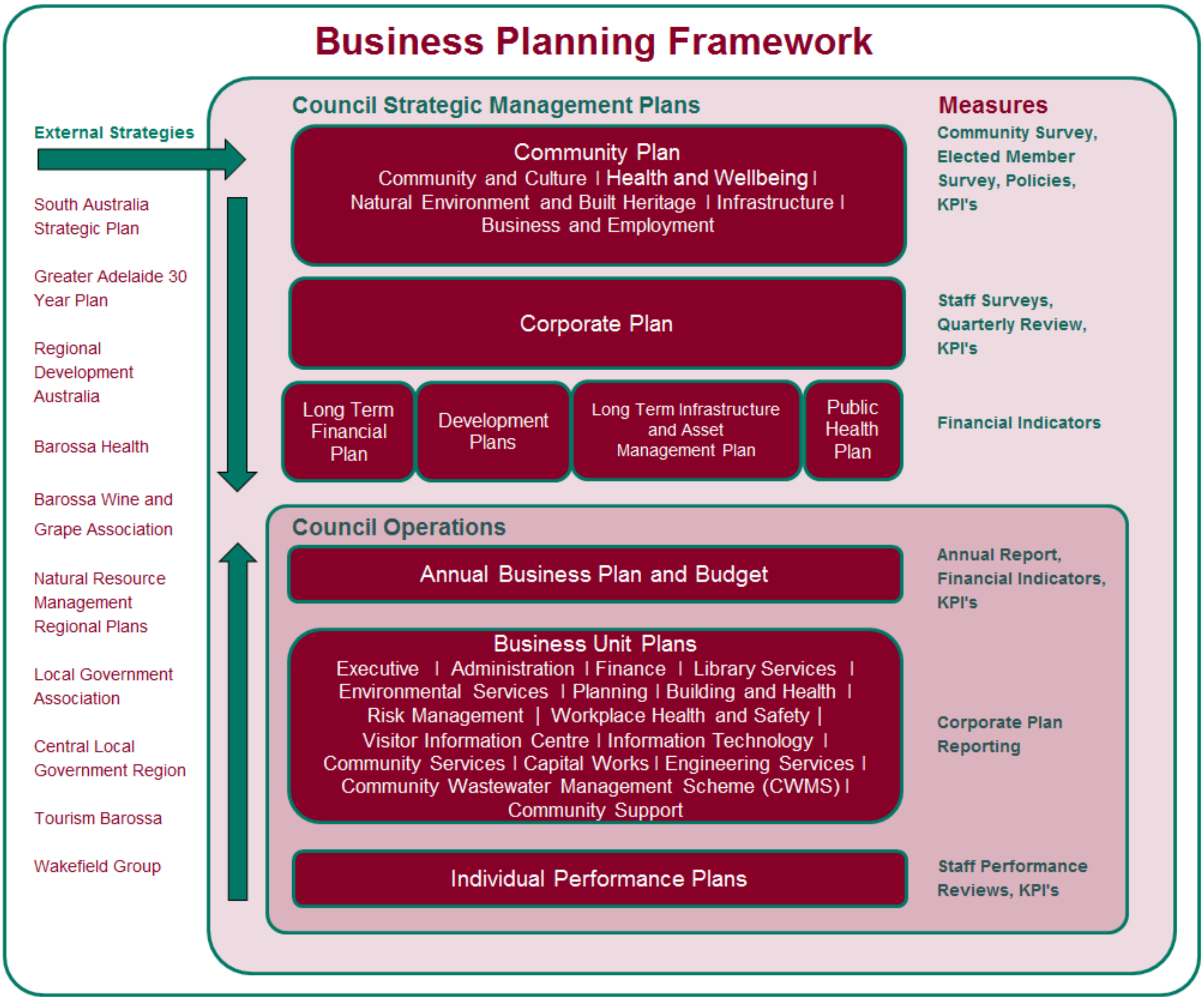
Business and Employment

Strategy	2019/20 Activity
Work closely with State Government, Federal Government and stakeholders to support economic growth and development.	■ ✚ ★ ●
Support industry accreditation and reward programs.	●
Help build the capacity of the tourism sector and encourage the development of tourist services, including eco and recreational tourism infrastructure.	■ ●
Attract investment for new and innovative industries, such as creative industries and cultural tourism.	●
Support education and training programs that directly respond to work-force gaps and innovation.	●
Participate in main-street programs that strengthen the retail and hospitality sector.	●
Collaborate with industry leaders to ensure informed decision making and Council representation in relation to economic growth, planning and development.	●
Ensure advice and support for small business is available.	✚ ●
Advocate for transport infrastructure and services that support local industry.	★
Drive support of economic development through a coordinated local economic development strategy and enabling land use policy.	■ ✚
Facilitate business growth by supporting local industry and their capacity to compete for Government contracts.	■ ●
Plan for, identify and protect land for business opportunities.	■ ✚
Support economic development through events.	✚ ●

The Business Planning Framework

Council's Business Planning Framework describes how the Community Plan and its 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:

- **Corporate Plan** which outlines key corporate actions to support the Community Plan and performance targets;
- **Long Term Financial Plan** which provides financial directions for the next 10 years;
- **Long Term Infrastructure and Asset Management Plan** which provides the strategic upgrade, replacement 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;
- **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;
- **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;
- **Public Health Plan** provides a coordinated strategy across Council to the health and wellbeing of communities and helps informs decisions in both soft and hard infrastructure;
- **Development Plans** which provide policy direction for the continued development of the Council area;
- **Infrastructure and Asset Management Plans** which describe the current programs of upgrade, replacement and renewal of assets and infrastructure.



Joint Ventures and Associated Entities

Nuriootpa Centennial Park Authority

Established as a subsidiary of Council pursuant to Section 42 of the Local Government Act 1999, the Nuriootpa Centennial Park Authority (NCPA) manages and maintains the Barossa Tourist 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 Tourist 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 Tourist Park. Operating surpluses from the Tourist 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 Tourist Park facilities include on-site cabins and vans, a camp kitchen, and various other standard amenities.

The projected 2019/20 Income Statement for the Authority is included within Council's financial statements, contained within this document. The Authority's ten year business case has been reviewed and included in this document.

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 $11,213 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 $31,562 is included for the operational and maintenance subscription. Council has a share in the Net Assets $1,614,385 as at 30 June 2018. An adjustment for the movement from last year's balance is not as yet reflected in the Financial Statements in this document.

Service Provision for 2019/20

The following outlines the service provision provided by The Barossa Council for 2019/20:

Executive Services

Australia Day Awards, Business Excellence and Organisational Development, Citizenship Ceremonies, Economic Development, Executive Support and Management, Advocacy, Governance, Strategic and Operational Financial Management, Rating Services, Internal Financial Control, Taxation Management, Payroll, Creditor and Debtor Management, Human Resources, Media Communications, Public Engagement and Consultation, Risk Management, Strategic Projects, Work Health and Safety, Elected Member Support, Grant Writing, Organisational Performance Reporting.

Development and Environmental Services

Building Assessment, Licensing, Development Control, Dog and Cat Management, Safer Communities, Enforcement and Compliance Matters, Public Health, Fire Prevention and Safety, Safe Food Practices, Heritage Advice, Immunisation, Natural Resource Management, Parking and Traffic Controls, Strategic Land Use and Development Planning, Waste Management, Advocacy.

Corporate and Community Services

Corporate Services

Community Committees Support, Community Land Leasing and Licencing Management, General Administration, Advocacy, Governance, Knowledge Management and Technology, Strategic Planning and Management of Community Buildings and Recreational Facilities, including The Big Project, Tourism and Visitor Information Services, Community Development.

Community Services

Customer Service, Arts and Culture Programs, Volunteer Support, Community Development, Community Program Support, Community Transport, Home and Community Care, Advocacy, Library and Heritage Services, Youth Services, Event Support.

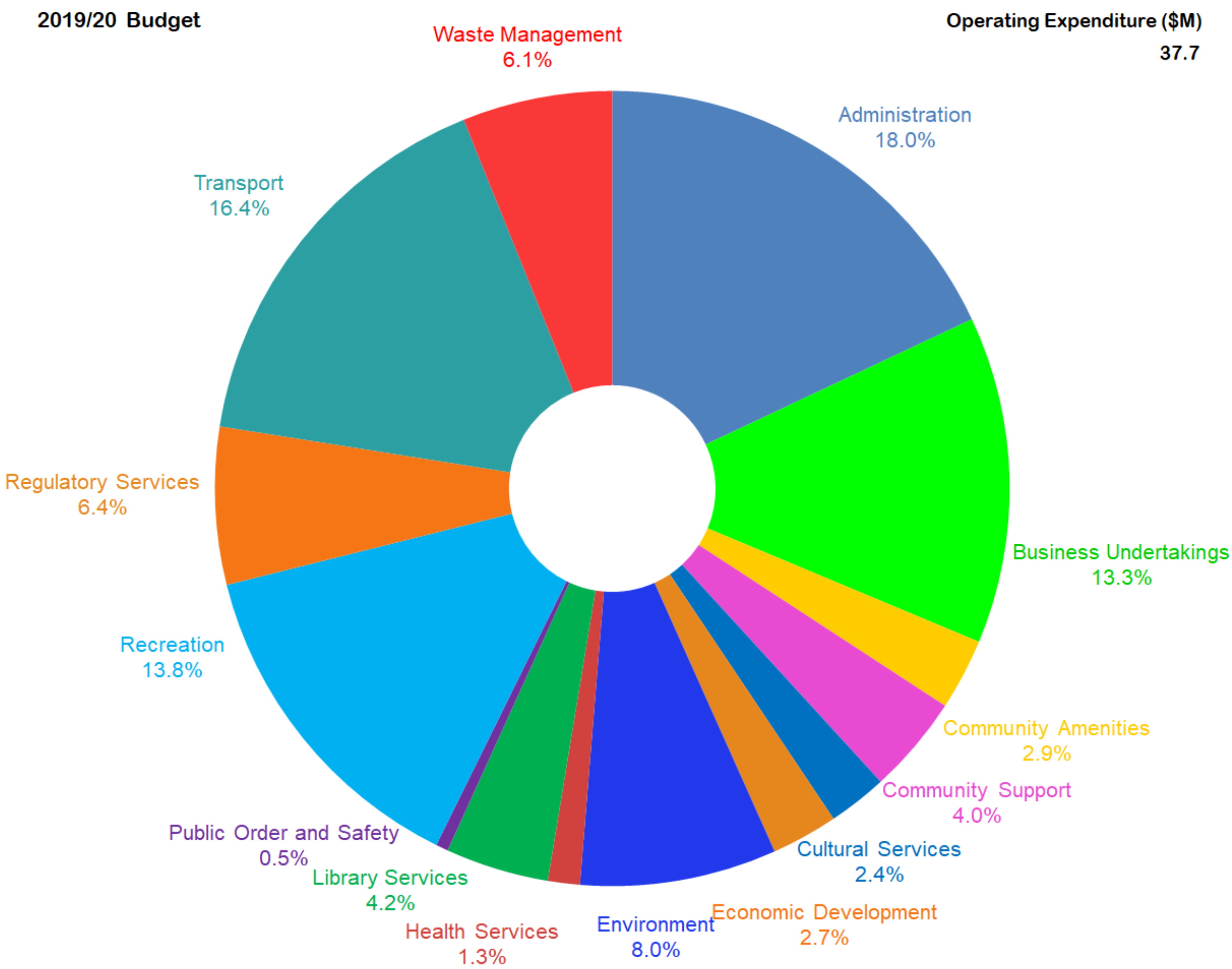
Works and Engineering Services

Building Asset Construction and Maintenance, Bridge Construction and Maintenance, Cemetery Management, Unmade Public Road Management, Road Closure Management and Approvals, Community Wastewater Management System Construction Operations and Maintenance, Treated Water Reuse Distribution System Construction, General Operations and Maintenance, Open Space Construction and Maintenance, Footpath and Bike Path Construction and Maintenance, Infrastructure Planning and Development, Asset Management, Advocacy, Recreational Oval Management, Public Lighting, Public Conveniences, Road Design Construction and Maintenance, Traffic Planning and Management, Road Safety Control, Event Support, Roadside Vegetation Management and Control, Tree Management, Stormwater Drainage and Construction and Maintenance, Engineering Development Assessment, Facilities (Buildings) Management.

Operating Expenditure in Support Of Service Provision for 2019/20

The following graph shows operating expenditure for the 2019/20 year by the following functions in support of the provision of the services outlined. (Full Cost Attribution has been applied - this is an allocation of internal services to external services and does not affect the overall net result.

Functions
Administration, Business Undertakings, Community Amenities, Community Support, Cultural Services, Economic Development, Environment, Health Services, Library Services, Public Order and Safety, Recreation, Regulatory Services, Transport, Waste Management



Administration costs are incurred in direct support of delivery of all services.

Key Activities for 2019/20

Description	Community/ Corporate Plan Theme
Support implementation of the State Planning Code Advocate for relevant local policy as part of the new State Planning Code Continue implementation of actions from energy audit e.g. solar and LED solutions Support heritage grant program Advocate for sound planning system changes and reform that promote desirable development Facilitate works and discussion on the development of the Concordia Growth Area master plan under an agreed governance framework Implementation of the ePlanning framework	Natural Environment and Built Heritage
Improve customer request response times and embed Customer Service Charter Complete the implementation of RFID (Radio frequency identification) efficiencies in Libraries Continue review of Council customer service foyer redevelopment at Nuriootpa Office Community Initiative improvement - Lyndoch Recreational Park lighting improvements Support community grants program Maintain full time Gallery Project Officer Resource - Barossa Regional Gallery Continue support of Council's Volunteer Management coordination	Community and Culture
Implement 90% of targeted planned infrastructure capital program Complete all plant and equipment utilisation reviews and commence implementation Complete accelerated works - Tanunda Recreation Park (show hall, electrical upgrades, oval widening) Complete Angaston Railway Precinct upgrade works Scope Car Parking works - Barossa Visitor Centre Oval irrigation - Talunga Recreation Park Pursue suitable grant funding opportunities and partnerships for the continued implementation of "The Big Project" prioritised projects	Infrastructure
Undertake a review of the Animal Management Plan Ensure effective operation of the kerbside waste collection system in line with contract arrangements Continue to strive to improve waste collection systems including final investigations of a hard waste system Provide or facilitate collection/disposal services for other waste streams (i.e. soft plastics, eWaste) Undertake a review of the Regional Public Health Plan Continue improving and implement community education programs around waste management Embed implementation of Disability Action and Inclusion Plan agreed actions Resource Social Planning Project to promote social inclusion outcomes - Project Officer hours Prioritise and source funding or alliances to implement Community Emergency Management Plans	Health and Wellbeing
Complete Economic Development Strategy Complete implementation of Tanunda Barossa Visitor Centre and Library upgrade to improve customer experience and tourism growth Continue to identify areas of red tape reduction and implement solutions to make doing business with The Barossa Council as easy as possible (within legislative frameworks)	Business and Employment
Continued implementation of the approved efficiency, customer service and digital future change program Complete review of Community Plan and Asset Management Plans Implement identified components of the Workforce Plan Continued implementation of organisational culture action plans Advocate for legislative changes to improve efficiency of Local Government Research and planning for Geographic Information Systems (GIS) Software upgrade	Good Governance

** This is a list of key activities that are included in the operating or capital budget and form part of the summarised service*

Capital Investment in Support of Service Provision for 2019/20

Capital Program 2019/20	
Disclaimer: *The following capital items are subject to final approval of Council; alterations and additions to this list may occur*	
Description	**2019/20 Budget**
(Items noted as 'Carried Forward' are items transferred from 2018-19 Budget)	
CORPORATE & COMMUNITY SERVICES	**7,924,271**
Community Services - Community Transport	**52,000**
Community Transport Vehicles	52,000
Library Services	**65,030**
Library books	65,030
Barossa Regional Gallery	**89,450**
Barossa Regional Gallery Air Conditioning (Carried Forward)	89,450
Offices and Community Facilities	**7,717,791**
Talunga Recreation Park - Hybrid Power Solution	20,000
Talunga Tennis Courts - Reseal/Drainage (Carried Forward)	40,000
Tanunda Recreation Park - Show Hall Upgrade	755,000
The Big Project - Phase 1 Implementation - Buildings	1,903,750
The Big Project - Phase 1 Implementation - Recreation	4,999,041
EXECUTIVE SERVICES	**811,315**
Offices and Community Facilities	**811,315**
Nuriootpa Office - LED Lighting Replacement	90,112
Nuriootpa Office - Solar Panels	186,500
The Rex Barossa Aquatic and Fitness Centre - LED Lighting Replacement	57,757
The Rex Barossa Aquatic and Fitness Centre - Solar Panels	476,946
NURIOOTPA CENTENNIAL PARK AUTHORITY	**930,000**
Camp Kitchen Upgrade	20,000
Internal Roadworks	20,000
Multi-use Change Rooms	890,000
WORKS & ENGINEERING	**9,173,627**
Bridges	**250,000**
Shannon Road Bridge	150,000
Stockwell Road Bridge Detailed Design	100,000
Buildings	**287,544**
Building Renewal and Replacement	142,544
Nuriootpa Office and Library - Air Conditioning Renewal Program	70,000
Tanunda and Williamstown Depot Renewal	25,000
Tanunda and Williamstown Depot Upgrade	50,000
Cemeteries	**9,250**
Angaston Cemetery - Niche Wall	9,250
Footpaths	**70,000**
Schaedel Street Nuriootpa	70,000
Motor Vehicles, Plant and Equipment	**780,500**
Depot - Elevated Work Platform	90,000
Depot - Fuel Tanker Trailer	20,000
Depot - Minor Plant	45,000
Depot - Tipper Truck	140,000
Motor Vehicles Renewal	485,500
Parks and Gardens	**478,061**
Irrigation Improvement - Reserves	99,000
Playground Equipment Renewal	68,000
Talunga Recreation Park - Oval Irrigation	211,061
Tolley Reserve Nuriootpa Skate Park Half Pipe Renewal	100,000

Capital 2019/20 **(Continued)**

Description	2019/20 Budget
Road Resheeting	**876,868**
Bastion Hill Road Moculta	79,119
Corryton Park Road Flaxman Valley	36,733
Harris Road Concordia	48,502
Kalbeeba Road Concordia	35,681
Koch Road Krondorf	12,991
McCallum Road Concordia	94,604
Nitschke Road Krondorf	52,939
Para Wirra Road Williamstown	102,945
Sandland Road Cockatoo Valley	10,606
Trial Hill Road Altona	144,839
Woodlands Road Cockatoo Valley	57,909
Resheeting Budget	200,000
Road Resealing	**3,616,674**
Altona Road Altona	158,819
Angas Street Tanunda	50,491
Barossa Visitor Centre Car Park Sealing - Design	30,000
Bike Path - Atze Parade to Furnell Street (Carried Forward)	16,522
Burings Road Tanunda	44,920
Caleb Virgo Court Nuriootpa	16,844
Calton Road Kalbeeba	86,945
Coronation Avenue Tanunda	14,055
Craneford Road Eden Valley	24,041
Creek Road Cockatoo Valley	24,467
Daly Street Springton	38,295
Dempster Street Nuriootpa	21,138
Edward Street Springton	18,394
Evans Street Angaston	22,725
Falkenberg Road Nuriootpa	20,999
Ferdinand Street Springton	13,282
Flaxmans Valley Road Angaston	229,809
Gilbert Street Lyndoch	26,425
Glen Devon Road Mt Pleasant	26,995
Hamiltons Road Springton	35,524
Helene Street Nuriootpa	17,131
Hocknull Place Mt Pleasant	16,516
Internal Recreation Park Roads Renewal	51,750
Jollytown Road Lyndoch	111,795
Krondorf Road Tanunda	134,682
Lorke Road Williamstown	60,513
McBeans Range Road Springton	13,670
Menge Road Tanunda	35,751
Meshach Burge Terrace Lyndoch	72,700
Phillip Street Tanunda	37,926
Railway Terrace Tanunda	17,075
Research Road Nuriootpa	109,321
Rifle Range Road, Krondorf	24,253
Road Shoulders Renewal	273,959
Rushall Road Lyndoch	41,363
Saleyard Road Mt Pleasant	45,877
Sale Yards Road Nuriootpa	96,714
Samuel Potter Lane Lyndoch	16,741
Springton Road Williamstown	284,568
Stockwell Road Vine Vale	291,164
Talunga Park Road Mt Peasant	15,916
The Crescent Nuriootpa	49,921
Tower Road Pewsey Vale	47,372
Weckert Street Tanunda	26,540
Whiteman Road Williamstown	128,210
Williamstown Road, Springton	11,969
Yettie Road Williamstown	28,053
Reseal Budget (Part Carried Forward $351,470)	634,534

Capital 2019/20 (Continued)	
Description	**2019/20 Budget**
Stormwater	**946,000**
Calton Road to Hameister Court Drainage Kalbeeba	50,000
James Sim Court Drainage Upgrade	410,000
Kroehn Road Culvert Upgrade	70,000
MacDonnell Street Tanunda Cross Drain Upgrade	66,000
Para Road Tanunda Drainage Upgrade	100,000
Yettie Road Williamstown Drainage Upgrade	250,000
Streetscaping	**80,000**
Mount Pleasant Main Street	80,000
Community Wastewater Management System (CWMS)	**1,778,730**
CWMS Vehicle Replacement - Co-ordinator	36,000
CWMS Vehicle Replacement - Northern Operations	44,105
CWMS Vehicle Replacement - Southern Operations	48,625
Gravity Mains Operation Construction of New Inspection Points (IP)	20,000
Gravity Mains Operation Emergency IP and Manhole Repairs/Replacement	30,000
Tanunda Waste Water Treatment Plant (Part Carried Forward $719,248)	1,600,000
Budget Capital Total	**18,839,213**

Grants, Contributions and Asset Sales 2019/20	
Description	**2019/20 Budget**
CORPORATE & COMMUNITY SERVICES	**(4,391,895)**
The Big Project - Phase 1 Implementation Grant Funding (subject to funding approval)	(4,087,645)
Tanunda Recreation Park Lighting Grant Funding	(206,250)
Tanunda Recreation Park Lighting Contribution	(98,000)
NURIOOTPA CENTENNIAL PARK AUTHORITY	**(480,000)**
Multi-use Change Rooms Grant Funding	(350,000)
Multi-use Change Rooms Contributions	(130,000)
WORKS & ENGINEERING	**(627,851)**
Vehicle and Equipment Trade-in Sales Motor Vehicles/Plant	(305,115)
Open Space Developer Contributions	(142,736)
CWMS Developer Contributions	(180,000)
Grand Total	**(5,499,746)**

Funding Our Activities

Council is budgeting expenditure of $50.8m in 2019/20 on the delivery of services, programs, maintenance of assets (not including depreciation), replacement, new and upgraded assets and loan servicing.

Operating Revenue

The Budget provides for operating revenue to decrease from the 2018/19 third quarter Budget Update* of $38.9m to $38.4m – a decrease of 1.2%. Recurrent revenue streams of Council are:

$m	%	Type	Description
31.3	81.57%	General Rates and Service Charges	General rates on properties as well as service rates (i.e. sewerage and refuse/recycling rates)
3.0	7.73%	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
2.2	5.63%	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
1.2	3.30%	Investment, Reimbursements and Other Income	Interest received on Council's internal cash reserves and deposits, Reimbursements for work undertaken and Other Income`
0.7	1.77%	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 remain the same as the 2018/19 third quarter Budget Update* at $37.7m. Full Cost Attribution has not been applied - this is an allocation of internal services to external services and does not affect the overall net result. Recurrent expenditures incurred by Council are:

$m	%	Type	Description
15.60	41.43%	Contractual Services, Materials and 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
13.70	36.30%	Employee Costs	All labour related expenses such as wages and salaries, and on-costs such as allowances, leave entitlements and employer superannuation
7.70	20.31%	Depreciation	Annual consumption of Council's fixed assets (e.g. infrastructure, equipment, buildings, etc) over their useful lives
0.70	1.96%	Finance Costs	Costs of financing Council's activities through borrowings or other types of financial accommodation

* Third quarter Budget update, adopted by Council in May 2019 plus any material financial information received since that time has been included.

Implications for Our Rates

Council plans to raise a net sum of **$26.5m** from general rates in 2019/20 (including 1.49% growth, but excluding service charges, separate rates and the State Government NRM levy).

Council recognises that ratepayers wish increases to their rates to be as low as possible; 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 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.

The indexation applied to general rate revenue in this 10 year plan has been reduced from previous year LTFP increments at 2.5% per annum to 1.98% plus growth of 1.49%. The SA Local Government Price Index is 2.1% and the general Consumer Price Index is 1.3% as at March 2019.

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.

Land Valuation Method

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

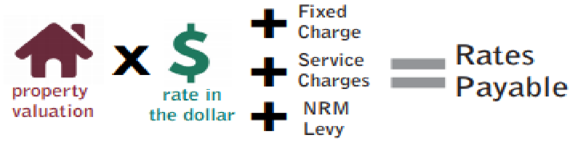
Council considers that this method provides the fairest method of distributing the rate burden across all ratepayers on the following basis:

- 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 16 June 2019 was $5,259,788,454 – an increase of 3.72% over last year.

Local Govt. Category	Total Valuation Movement
Residential	2.16%
Commercial	6.99%
Industry - Light	4.17%
Industry - Other	2.24%
Primary Production	7.48%
Vacant Land	-0.74%
Other	2.51%

How rates are calculated



Differential rates

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 $342.00 to $356.00 per assessment.

Service Rates & Charges

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.

Local Government Category - Average Valuation and Differential Rate in $

Local Govt. Category	Year	Average Valuation $	Differential Rate in $
Residential: residential dwellings, flats, units	2018/19	341,479	0.0034820
	2019/20	343,072	0.0035137
Commercial: Retail shops, professional services e.g. accounting, legal, engineering, etc.	2018/19	512,947	0.0054740
	2019/20	533,293	0.0053565
Industry – Light: Vehicle repairs, workshops	2018/19	343,510	0.0056520
	2019/20	360,953	0.0054660
Primary Production: Agriculture, livestock, horticulture, commercial forestry	2018/19	509,374	0.0033780
	2019/20	536,195	0.0032600
Vacant Land: Vacant allotments	2018/19	169,179	0.0063590
	2019/20	171,317	0.0063700
Other: Government agencies, education, public utilities	2018/19	306,317	0.0058130
	2019/20	310,916	0.0058500
Industry – Other: Wineries, manufacturing	2018/19	2,458,986	0.0161600
	2019/20	2,510,687	0.0161400

Using the annual valuation report provided by the Valuer General 16 June 2019 an average valuation calculation was prepared, removing past and new assessments along with the exclusion of 2019/20 growth from development. Individual assessments may vary from these amounts.

State Government Levies

Council collects a regional Natural Resource Management (NRM) Levy on behalf of two 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 2018/19 general rates levied by more than:

- 7.5% for ratepayers on fixed government incomes;
- 15% for other ratepayers

Rebate for Primary Production assessments

To assist rural property owners experiencing large valuation increases, Council will provide a discretionary rebate where the increase in the Primary Production general rates levied for an assessment exceeds the 2018/19 general rates by more than 15%.

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: the 'Cost of Living Concession Payment' which is paid *directly to eligible concession holders by the State Government* and the concession for Community Wastewater Management System (CWMS) (which will also be paid directly by the State Government). The Department of Human Services administer all State concessions and Council has no part in approving or providing these concessions.

In addition and 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 $500.00 ($125.00 per quarter) for their principal place of residence.

Council encourages ratepayers who are experiencing difficulties in paying rates to contact Council on (08) 8563 8444 to discuss support that may be available to alleviate any financial hardship. Such enquiries 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 Council's website (www.barossa.sa.gov.au), B-Pay, Australia Post Billpay, by mail, allocated EFT payment or by cash/cheque/EFTPOS over the counter at the Nuriootpa or branch offices.

Expected Impact on Ratepayers

Council's previous year adopted Long Term Financial Plan 2018/19 to 2027/28 included a general rates increase of 2.5% with a further 1% from new development growth for 2019/20. The final Annual Budget and Business Plan for 2019/20 has reduced the rate revenue increase to 1.98% plus 1.49% from new development growth. Revenue 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 (LTFP) section in this document.

The table on the next page incorporates the overall rating and its impact using **average valuations** as shown in the Local Government Category Table (refer previous page); rate changes for individual assessments will likely vary from these amounts.

Service Charges

The LTFP included an increase for all service charges at 2.5% plus growth. Each service area has been reviewed to ensure cost recovery and the service charge increase has been rounded to the nearest dollar.

The Residential CWMS Service charge will increase from $330.00 to $337.00 at 2.12%. The Non-Residential CWMS service rate for each of the townships is to be reduced from $0.001183 to $0.001177. Many Springton properties are charged a capital contribution of $245.00 for a 15 year period. An annual service charge of $65.00 is applied to vacant allotments in Springton and an annual service charge of $110.00 is applied for all other vacant allotments where a CWMS connection fee has been paid but no wastewater is being discharged.

The CWMS rate service charges will raise $2,813k with other related revenue bringing the total for CWMS income to $3,178k for 2019/20. Operating expenditure is expected to be $3,067k, resulting in a surplus of $111k. A CWMS reserve is held for future capital expenditure and to ensure the services are maintained and grow with service demands into the short to medium term. Total capital expenditure for CWMS is $1,779k (including carried forwards $720k).

CWMS charges are summarised in the table on the following page.

Overall the standard refuse and recycling collection service rate has been increased by 3.2% on 2018/19 charges from $156.00 to $161.00. The 140L Refuse Bin has increased by 2.8% from $106.00 to $109.00 and Recycling by 4.00% from $50.00 to $52.00. The service charge increases are mainly due to anticipated cost increases for waste and recycling collection, sorting and disposal.

The two waste service rates are shown together in the table on the following page under Refuse/Recycling.

The refuse collection service rate for 240 Litre bins, available to commercial premises to upsize to 240L, has increased by 3% from $133.00 to $137.00.

Following the State Govt. Budget 2019, the Waste Refuse disposal levy has increased more than previously advised. To partly offset this cost the refuse service charge has been increased by $1 per year for each bin service. This disposal levy will substantially increase again from 1 January 2020 and will be absorbed in 2019/20 with the net operating result adjusted to/from the Refuse Reserve and the full cost of service reassessed with the 2020/21 service charge.

The Green Organics bin is an optional residential town service within the Council's designated waste collection area. Customers who opt for this service will be charged an annual fee; for 2019/20 this has decreased by 3.4% from $59.00 to $57.00.

Council rates are exempt from GST.

Rate charges $ for Local Government Categories based on Average Valuation (see table on page 22)

Local Govt. Category	Year	General Rates	Fixed Charge	CWMS	Refuse/ Recycling	Total
Residential: Residential dwellings, flats, units	2018/19	$1,189.00	$342.00	$330.00	$156.00	$2,017.00
	2019/20	$1,205.50	$356.00	$337.00	$161.00	$2,059.50
Commercial: Retail shops, professional services e.g.	2018/19	$2,807.90	$342.00	$606.80	$50.00	$3,806.70
	2019/20	$2,856.60	$356.00	$627.70	$52.00	$3,892.30
Industry – Light: Vehicle repairs, workshops	2018/19	$1,941.50	$342.00	$406.40	$50.00	$2,739.90
	2019/20	$1,973.00	$356.00	$424.80	$52.00	$2,805.80
Primary Production: Agriculture, livestock, horticulture,	2018/19	$1,720.70	$342.00	$0.00	$156.00	$2,218.70
	2019/20	$1,748.00	$356.00	$0.00	$161.00	$2,265.00
Vacant Land: Vacant allotments	2018/19	$1,075.80	$342.00	$105.00	$0.00	$1,522.80
	2019/20	$1,091.30	$356.00	$110.00	$0.00	$1,557.30
Other: Government agencies, education, public utilities	2018/19	$1,780.60	$342.00	$0.00	$156.00	$2,278.60
	2019/20	$1,818.90	$356.00	$0.00	$161.00	$2,335.90
Industry – Other: Wineries, manufacturing	2018/19	$39,737.20	$342.00	$0.00	$50.00	$40,129.20
	2019/20	$40,522.50	$356.00	$0.00	$52.00	$40,930.50

Rate charges increases from last year – Average valuations and Total General Rates

Summary Rating Information		**Rates & Services Charges based on Average Valuation**			**Total General Rates**	
Local Govt. Category	**Year**	**Total Rates (Inc. Fixed Charge)***	**% Average Total Increase**	**% General Rates Increase (inc. Fixed charge)**	**General Rates**	**% of General Rate Revenue**
Residential	2018/19	2,017.00			10,840,077	50.5%
	2019/20	2,059.50	2.11%	1.99%	11,174,767	50.5%
Commercial	2018/19	3,806.70			1,691,993	7.9%
	2019/20	3,892.30	2.25%	1.99%	1,771,436	8.0%
Industry - Light	2018/19	2,739.90			92,202	0.4%
	2019/20	2,805.80	2.41%	1.99%	92,883	0.4%
Primary Production	2018/19	2,218.70			4,220,694	19.6%
	2019/20	2,265.00	2.09%	2.00%	4,377,924	19.8%
Vacant Land	2018/19	1,522.80			642,964	3.0%
	2019/20	1,557.30	2.27%	2.08%	639,285	2.9%
Other	2018/19	2,278.60			314,745	1.5%
	2019/20	2,335.90	2.51%	2.46%	324,699	1.5%
Industry - Other	2018/19	40,129.20			3,682,271	17.1%
	2019/20	40,930.50	2.00%	1.99%	3,760,004	17.0%
Fixed charges	2018/19	Inc. above*			4,139,226	
	2019/20	Inc. above*			4,375,596	
Total	**2018/19**				**25,624,173**	
	2019/20				**26,516,593**	

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** (refer also to the section on "Strategic Directions"). 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 **Community Plan 2016-2036** includes the long term objectives and strategies Council is striving to achieve. The Community and Corporate plans are used to form the 2019/20 Annual Budget and Business Plan.

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:	Target Not Met	Target At Risk	Target Met

Forecast is the third Budget Update (Q3) for the year, adopted by Council at the May 2019 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.

Individual periods are shown; refer to the long term financial plan section in this document for a rolling 3 year period on selected KPIs.

Key Performance Indicator 1: Operating Result ($'000)

Council has set the following target - **To achieve an operating break-even position, or better, over any five year period. The operating result for 2019/20 is forecast as a surplus. The cumulative five year period is a surplus position.**

Year	2016/17 Actual	2017/18 Actual	2018/19 Forecast Q3+	2019/20 Budget
Result	2,920	2,255	1,223	720
Status	⇧	⇧	⇧	⇧

Key Performance Indicator 2: 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%.**

Year	2016/17 Actual	2017/18 Actual	2018/19 Forecast Q3+	2019/20 Budget
Result	7.7%	3.18%	5.6%	3.6%
Status	⇧	⇧	⇧	⇧

Key Performance Indicator 3-1: 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	2016/17 Actual	2017/18 Actual	2018/19 Forecast Q3+	2019/20 Budget
Result	5,961	2,603	11,228	16,183
Status	⇧	⇧	⇧	⇧

Key Performance Indicator 3-2: 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	2016/17 Actual	2017/18 Actual	2018/19 Forecast Q3+	2019/20 Budget
Result	16%	29%	29%	42%
Status	⇧	⇧	⇧	⇧

Key Performance Indicator 4: Asset Renewal Funding 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. Infrastructure and Asset Management Plan (IAMP) required expenditure was sourced from Council's adopted plan, where applicable, and actual depreciation. A substantial amount of 'Upgraded' asset work completed each year are partly renewing components of existing assets. For normal work cycles, components of these assets would need to be replaced when the depreciation or consumption of them had reduced their remaining life to zero, but as they are being upgraded to a better service level, they are effectively replacing asset components that would normally need to be replaced as/when due, this could have a significant favourable impact on the indicator. 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.

Year	2016/17 Actual	2017/18 Actual	2018/19 Forecast Q3+	2019/20 Budget
Result	58%	36%	71%	80%
Status	⇩	⇩	⇩	⇨

Non-Financial Performance Measures

Council continues to review its Key Performance Indicators to improve the measurement of performance. This is part of Council's Community Plan, as well as continuous improvement initiatives related to Council's Business Planning Framework. 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	Description	Target
Theme 1 – Natural & Built Heritage		
Building Rules Consent Processing	The percentage of Building Rules Consent Applications completed within three months of lodgement	90%
Planning Consent Processing	The percentage of Planning Consent Applications completed within three months of lodgement	90%
Theme 2 – Community & Culture		
Library Visits	The number of library visits and participation within the Barossa Council Area	5 visits per capita
Mutual Liability Claims	Number of successful Mutual Liability Claims against Council	3 or less per annum
Theme 3 – Infrastructure		
Asset Spending Ratio	Ratio of asset expenditure on renewal, replacement and upgraded assets and maintenance on assets	Between 100% and 150% of Depreciation
Theme 4 – Health & Wellbeing		
Nuisance and Environmental Complaint Resolution Rate	Percentage resolved within due date	75%
Waste Disposal Rate	Percentage of waste disposed to landfill	Less than 65%
Recycling Rate	Percentage of waste recycled	More than 35%
Theme 5 – Business & Employment		
Tourism Customer Satisfaction with Visitor Information Services	Average Customer Satisfaction Rating	4 or above
Visitor Information Centre Bookings	Annual Booking Revenue (Accommodation/Tours/Tickets)	100% of Budget
Cycle Hub – Bike Hire Revenue	Annual Sales Revenue	100% of Budget
How We Work – Good Governance		
LGA KPI Audit Action Plan	Percentage of KPI Audit Actions Complete	90%
LGA Risk Review	Percentage risk review conformance	90%
Customer Request Completion Rate	Percentage of Customer Requests Completed (On Time and Overdue)	85%
Customer Request Resolution Rate	Percentage of Customer Requests Resolved on Time	85%
Operational Expenditure Against Budget	Actual Operating Expenditure as a % of Budgeted Operating Expenditure	100%
Capital Expenditure Against Budget	Actual Capital Expenditure as a percentage of Budgeted Capital Expenditure	90%
Organisational Culture Improvement	Percentage percentile shift in the culture survey results to an organisation of progressively improving achievement and self-actualising styles of operation	At least two constructive Styles above 50th Percentile Defensive Styles below 50th Percentile
Staff Development - Training	Percentage of staff with an approved training needs analysis	85%
Staff Development – Performance Partnering	Percentage of staff who have completed performance partnering	85%
Staff Retention	Percentage of employees retained	90%

Annual Budget

Budgeted Financial Statements 2019/20

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 2019:

- **Statement of Comprehensive Income**
- **Statement of Financial Position**
- **Statement of Changes in Equity**
- **Statement of Cash Flows**
- **Uniform Presentation of Finances**

Please note: the format of the following Financial Statements is based on the 2018 Model Financial Statements.

Statement of Comprehensive Income

for the year ending 30 June 2020

	2018/19 Original Budget ($'000)	2018/19 Revised Budget* ($'000)	2019/20 Budget ($'000)
Income			
Rates	30,122	30,131	31,371
Statutory Charges	674	684	681
User Charges	3,078	2,999	2,971
Grants, Subsidies and Contributions	1,845	3,344	2,167
Investment Income	238	320	353
Reimbursements	215	196	52
Other Income	1,016	1,252	862
Net Gain – Joint Ventures and Associates	0	0	0
TOTAL REVENUES	37,188	38,926	38,457
Expenses			
Employee Costs	13,445	13,653	13,698
Materials, Contracts and Other Expenses	15,444	15,852	15,634
Depreciation, Amortisation and Impairment	7,362	7,362	7,664
Finance Costs	855	836	741
Net Loss – Joint Ventures and Associations	0	0	0
TOTAL EXPENSES	37,106	37,703	37,737
Operating Surplus / (Deficit)	82	1,223	720
Asset Disposal & Fair Value Adjustments	(51)	(36)	(744)
Amounts Received Specifically for New or Upgraded Assets	4,721	1,914	5,195
Physical Resources Received Free of Charge	282	282	294
Net Surplus / (Deficit)	5,034	3,383	5,465
Transferred to Equity Statement	0	0	0
Other Comprehensive Income	0	0	0
Changes in revaluation surplus - infrastructure, property, plant & equipment	0	0	0
Total Other Comprehensive Income	0	0	0
Total Comprehensive Income	5,034	3,383	5,465

* Revised Budget is the third Budget Update for the year, adopted by Council at the May 2019 meeting and material financial information received since that time has been included.

Statement of Financial Position

for the year ending 30 June 2020

	2018/19 Original Budget ($'000)	2018/19 Revised Budget* ($'000)	2019/20 Revised Budget* ($'000)
Assets			
Current Assets			
Cash and Cash Equivalents	65	4,080	1,469
Trade and Other Receivables	3,123	2,872	2,872
Other Financial Assets	0	0	0
Inventories	116	255	255
Subtotal	3,304	7,207	4,596
Non-Current Assets Held for Sale	0	0	0
Total Current Assets	3,304	7,207	4,596
Non-current Assets			
Financial Assets	827	788	716
Equity Accounted Investments in Council	1,656	1,669	1,669
Infrastructure, Property, Plant and Equipment	368,436	371,936	384,967
Other Non-Current Assets	0	0	0
Total Non-current Assets	370,919	374,393	387,352
Total Assets	374,223	381,600	391,948
Liabilities			
Current Liabilities			
Trade and Other payables	2,912	3,183	3,183
Borrowings	1,821	1,922	2,040
Provisions	2,177	2,565	2,255
Total Current Liabilities	6,910	7,670	7,478
Non-Current Liabilities			
Borrowings	10,676	10,490	12,955
Provisions	737	808	808
Total Non-current Liabilities	11,413	11,298	13,763
Total Liabilities	18,323	18,968	21,241
Net Assets	355,900	362,632	370,707
Equity			
Accumulated Surplus	77,087	77,384	83,250
Asset Revaluation Reserve	269,261	274,865	277,475
Other Reserves	9,552	10,383	9,982
Total Equity	355,900	362,632	370,707

* Revised Budget is the third Budget Update for the year, adopted by Council at the May 2019 meeting and material financial information received since that time has been included.

Statement of Changes in Equity

as at 30 June 2020

	Accumulated Surplus ($'000)	Asset Revaluation Reserve ($'000)	Other Reserves ($'000)	Total Equity ($'000)
Balance at end of previous reporting period 30 June 2019 (Original Budget 2018/19)	77,087	269,261	9,552	355,900
Restated opening balance (2018/19 Revised Budget)	77,384	274,865	10,383	362,632
Net Surplus / (Deficit) for year	5,465			5,465
Other Comprehensive Income	0	0	0	0
Gain on revaluation of infrastructure, property, plant and equipment	0	2,610	0	2,610
Transfer to accumulated surplus on sale of infrastructure, property, plant and equipment	0			0
Transfer between reserves	401	0	(401)	0
Balance at the End of Period	83,250	277,475	9,982	370,707

* Revised Budget is the third Budget Update for the year, adopted by Council at the May 2019 meeting and material financial information received since that time has been included.

Statement of Cash Flows

for the year ending 30 June 2020

	2018/19 Original Budget ($'000)	2018/19 Revised Budget* ($'000)	2019/20 Revised Budget* ($'000)
Cash Flows from Operating Activities			
Receipts			
Operating Receipts	36,950	38,606	38,103
Investment Receipts	238	320	353
Payments			
Operating payments to Suppliers and Employees	(28,890)	(29,504)	(29,331)
LandFill rehabilitation expense	(200)	(100)	(310)
Finance Payments	(855)	(836)	(741)
Net Cash Provided by (or Used in) Operating Activities	7,243	8,486	8,074
Cash Flows from Investing Activities			
Receipts			
Amounts Specifically for New or Upgraded Assets	3,345	352	5,194
Sale of Replaced Assets	346	361	305
Sale of Surplus Assets	389	494	0
Repayments of Loans by Community Groups	33	57	72
Payments			
Expenditure on Renewal / Replacement of Assets	(4,472)	(4,763)	(6,139)
Expenditure on New / Upgraded Assets	(14,977)	(15,213)	(12,700)
Loans made to Community Groups	0	(25)	0
Net Cash Provided by (or Used in) Investing Activities	(15,336)	(18,737)	(13,268)
Cash Flows from Financing Activities			
Receipts			
Loans Received	1,850	1,750	4,500
Proceeds from Internal Borrowings	3,380	3,380	3,530
Payments			
Repayments of Borrowings	(1,943)	(1,947)	(1,917)
Repayment of Internal Borrowings	(3,380)	(3,380)	(3,530)
Net Cash Provided by (or Used in) Financing Activities	(93)	(197)	2,583
Net Increase / (Decrease) in Cash Held	(8,186)	(10,448)	(2,611)
Cash and Cash Equivalents at Beginning of Period	8,251	14,528	4,080
Cash and Cash Equivalents at End of Period	65	4,080	1,469

* Revised Budget is the third Budget Update for the year, adopted by Council at the May 2019 meeting and material financial information received since that time has been included.

Uniform Presentation of Finances

for the year ending 30 June 2020

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.

	2018/19 Original Budget ($'000)	2018/19 Revised Budget* ($'000)	2019/20 Revised Budget* ($'000)
Income	37,188	38,926	38,457
Less Expenses	(37,106)	(37,703)	(37,737)
Operating Surplus / (Deficit)	82	1,223	720
Less Net Outlays on Existing Assets			
Capital Expenditure on Renewal and Replacement of Existing Assets	(4,472)	(4,763)	(6,139)
Less Depreciation, Amortisation and Impairment	7,362	7,362	7,664
Less Proceeds from Sale of Replaced Assets	346	361	305
	3,236	2,960	1,830
Less Net Outlays on New and Upgraded Assets			
Capital Expenditure on New and Upgraded Assets	(14,977)	(15,213)	(12,700)
Less Amounts Received Specifically for New and Upgraded Assets	3,345	352	5,194
Less Proceeds from Sale of Surplus Assets	389	494	0
	(11,243)	(14,367)	(7,506)
Net Lending / (Borrowing) for Financial Year	(7,925)	(10,184)	(4,956)

* Revised Budget is the third Budget Update for the year, adopted by Council at the May 2019 meeting and material financial information received since that time has been included.

Long Term Financial Plan 2019/20 to 2028/29

Introduction and Assumptions

Under the Local Government Act 1999, Councils are required to have a **Long Term Financial Plan** (for a minimum period of 10 years). This Long Term Financial Plan has been declared by The Barossa Council as a Strategic Management Plan pursuant to Section 122(8) of the Local Government Act 1999. 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 2019/20 Annual Budget and 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 (IAMP) were adopted by Council in 2016/17 – 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 LTFP to be adopted by the NCPA Board in May is incorporated into Council's LTFP.
- The LTFP reflects existing recurrent service levels to our community being maintained. Council's budget process considers on-going Service Delivery and Commitments and New Expenditure items or Initiatives.
- For most new initiatives, a Due Diligence Report 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 new initiatives were then assessed using a Bid Analysis Tool and given a score against set criteria.

Operations

- General Rate Revenue and Service charges increments have been reviewed to ensure funding and service level provision is maintained in line with sustainability requirements.
- Operating Cost – Employee, Contractors and Materials have been based on a zero based method for this budget year.
- Rubble raising cost at $277k in 2019/20 with any remaining stock to be used in the years following.
- Selected costs have been isolated from general expenditure, eg. energy use for electricity, water costs, insurance premiums, and waste collection and disposal service costs; projected increases for these are usually higher than the base 2.5% rate.
- Depreciation has been calculated on existing asset classes, structures, valuation and condition rating; asset componentisation has been included as appropriate to selected asset types.

A review of useful lives of all assets and components is an ongoing task refining the data.

- The external Committees and advisory group's operational budgets are funded by service areas within the budget and throughout the LTFP.
- The Roads to Recovery (RTR) grant funded program will continue from 2019/20 for a further five years and has been included at $483k per annum and then to $383k for the remaining years in the LTFP.
- In the 2019 Federal Budget included $40m for Supplementary Local Roads Program for the 2019/20 and 2020/21 years in the budget papers this will be an early payment in 2018/19. This additional funding is estimated at $477k and has been included as received 2018/19 in the opening cash balance 1 July 2019 LTFP.
- A prepayment in 2018/19 for half of the 2018/19 Financial Assistance Grant (FAGS) funding payment received in June 2019 of $717k. This results in a reduction of the operating result for 2019/20 by that amount and an increase in the operating result in 2018/19. From 2020/21 and the forward years have been adjusted to an amount of $1,435k pa indexed per year.
- Staff levels have reduced for minor changes due to grant funding programs ending and overall increases are projected to be in line with current Enterprise Bargaining Agreements.
- Full Cost Attribution - an allocation of internal services to relevant charge areas has not been estimated in the LTFP. This allocation from internal to external service areas does not affect the overall net result.

Capital

- Asset Renewal and/or Replacement expenditure is provided for on various buildings, transport assets and CWMS infrastructure.
- Due to TBP capital expenditure program over the next four years of $28m (Including $890k NCPA multiuse change room), the discretional capital expenditure allocation has been removed for years 2019/20 to 2022/23, $50k for 2023/24 and $500k per year for the remaining years.
- Capital grants and contributions in this review include CWMS developer contributions $180k for 2019/20 and $50k pa thereafter, other developer contributions $142k pa three years and TBP $4.8m in 2019/20 (including $480k towards the NCPA multiuse change room), $2.8m in 2020/21, $3.4m in 2021/22 and $3.1m in 2022/23 (subject to funding approval).

Loan Principal and Interest Repayments

- The internal loan from Council to NCPA for $650k included in the LTFP is to be repaid from 2018/19 ($130k for two years and then $65k for six years years). The NCPA external cash advance debenture loan repayments started 2018/19 and the loan should be fully repaid by 2026/27.
- TBP loan financing is included 2019/20 $4.5m, 2020/21 $6m and 2021/22 $2.4m.
- Council's net debt is predicted to peak at $19.7m in 2021/22. The net loan balance outstanding as at 30 June 2019 will be $12.4m and should reduce to $10.4m by 30 June 2029.
- An internal loan (funded from the CWMS operations reserve) of $12.8m will be required to ensure Council's general operations meet financial sustainability indicators. No interest is charged as funding is for all Council services.
- There is a scheduled balloon payment for $3.1m on an existing loan in the year 2024/25 at which time Council will assess its loan requirements and re-finance as needed.

Key Performance Indicators

- Council has established targets for the Key Performance Indicators (KPI) 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. 3 Net financial liabilities ratio is greater than zero but less than 100% of total operating revenue.
  - KPI - No. 4 Capital outlays on renewing/ replacing assets net of proceeds from sale of replaced assets is greater than 80% but less than 110% of Planned expenditure from the Infrastructure Asset Management Plans for each asset class where the information is correct otherwise depreciation is used for selected asset classes over the full term of the LTFP using a rolling 3 year period.

Financial Sustainability Performance Report

- KPI - No. 1 It is noted that cumulative years 2019/20 to 2023/24 are in surplus.
- KPI No. 2 - Operating surplus ratios. Council's expected forecast results are from a surplus 0.9% to 3.6%, at an average of 1.6%.
- KPI - No. 3 – The forecast is 42.1% in 2019/20 peaking at 43.6% in 2022/23 and at 9.5% by 2028/29.
- KPI - No. 4 - The target is being met over the ten year period, the average being 81.6%. For three years in this review the ratio is below the minimum rate, the lowest at 78.3%. A selection of TBP builds will upgrade and replace a considerable amount of assets; these works will be identified and then re-assigned as appropriate to renewal works and improve this ratio.
- All other KPI 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.
- In line with Council Policy a regular review of Council's treasury management will be required to ensure a positive cash position is maintained.
- This analysis indicates that Council is currently financially sustainable for the forecast period covered by the LTFP. Noting that with the inclusion of TBP grant funding and loan financing, Council has the capacity to undertake TBP asset construction, operational costs and other minor additional projects. Consideration of other major works in future years will require a review of the LTFP to check financial sustainability.

Financial Sustainability

The Barossa Council is committed to the principles of financial sustainability. The importance of this 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 maintenance and renewal of such assets to ensure it is fairly and equitably funded from current ratepayers (general rate income) and future ratepayers (long term loan borrowings).

Given the importance of ensuring financial sustainability of operations in the longer term, it is a legislative requirement that Council 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 financing and internal cash reserves. Council conducts an annual review of its Long Term Financial Plan each year.

The financial sustainability of Council is measured by the surplus/deficit (before capital revenues) disclosed in the Income Statement; with a consistent breakeven or operating surplus result indicative of a Council that is financially sustainable in the long term. Other financial sustainability indicators are separately included within this report.

How We Plan To Pay For It All

Council uses a mix of service, user and statutory charges, grants, commercial and other income as a means of funding both operating and capital expenditure.

To assist in keeping rates affordable, Council is limiting general rates income to an increase per annum to provide required service levels to the community over the life of this plan. Annual indexation ranging from 1.98% to 2.5% plus an allowance for annual growth in development expected at 1.0% keeps the increases in rates during this LTFP relatively low.

Council is planning to spend an average of $11.7m per annum (including indexation and TBP) on capital projects and an average of $34.2m per annum on day to day essential services (operational expenditure, excluding interest and depreciation but including indexation) over the next 10 years.

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

A1 Consolidated Results: Key Performance Indicators and Financial Parameters		2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
OB = Original Budget; LTFP = Long Term Financial Plan		**OB**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**
		$'000 or %	**$'000 or %**	**$'000 or %**	**$'000 or %**	**$'000 or %**	**$'000 or %**	**$'000 or %**	**$'000 or %**	**$'000 or %**	**$'000 or %**
Key Performance Indicators (KPI's) - Summary	Adopted target										
KPI 1 - Operating Surplus cumulative forward 5 year period*	**Surplus year 5**	720	1,284	1,642	2,114	2,428					
KPI 2 - Operating Surplus Ratio - Rolling 3 year	**(2%) to 10%**	3.6%	2.1%	1.4%	1.1%	0.9%	1.0%	1.1%	1.4%	1.6%	1.9%
KPI 3 - Net Financial Liabilities ratio	**0-100%**	42.1%	44.1%	40.5%	43.6%	37.0%	32.5%	27.5%	22.5%	15.6%	9.5%
KPI 4 - Asset Renewal Funding Ratio - Rolling 3 year	**80% to 110%**	79.8%	82.4%	82.8%	78.6%	79.6%	82.2%	81.6%	82.5%	83.3%	85.0%
Financial parameters - Indexation											
RATE REVENUE INCREASES											
General - Rate Revenue Increase Net (excl growth)		1.98%	2.25%	2.25%	2.25%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Natural growth - Development		1.49%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
CWMS - Rate Revenue Increase (excl growth)		2.12%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.00%	2.25%	2.00%
Refuse & Recycling Services Charge Revenue Increase (excl growth)		3.21%	6.50%	2.10%	2.25%	2.25%	2.25%	2.50%	2.50%	2.50%	2.50%
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		1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%
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**		***	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Employee Costs		2.5%	2.25%	2.25%	2.25%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Contracts, Materials & Other		***	2.1%	2.1%	2.25%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Energy Costs		2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Water Costs		***	2.1%	2.1%	2.1%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Insurance		2 to 5%	2.1%	2.1%	2.1%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
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		1.0%	0.0%	0.0%	6.0%	0.0%	0.0%	6.0%	0.0%	0.0%	6.0%
Recreation Assets		6.0%	0.0%	0.0%	6.0%	0.0%	0.0%	6.0%	0.0%	0.0%	6.0%
Infrastructure Assets		0.0%	6.0%	0.0%	0.0%	6.0%	0.0%	0.0%	6.0%	0.0%	0.0%
CWMS		0.0%	0.0%	0.0%	7.0%	0.0%	0.0%	0.0%	7.0%	0.0%	0.0%
Stormwater Assets		0.0%	0.0%	6.0%	0.0%	0.0%	6.0%	0.0%	0.0%	6.0%	0.0%
Asset Renewal Expenditure Increments											
Infrastructure renewal increments		3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
Office fleet vehicles		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***

***** Growth index added to Employee Costs and Contracts, Materials & Other for additional service requirements***

****** 2019/20 indexation was a zero based budget unless contract or agreement to index costs or actual costs are higher to provide current service level***

A2-1 Consolidated Results: Budgeted Statement of Comprehensive Income	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	OB	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
REVENUES										
Rates	31,371	32,478	33,532	34,623	35,821	37,061	38,350	39,675	41,055	42,473
Statutory Charges	681	695	709	723	738	752	767	783	798	814
User Charges	2,971	3,130	3,229	3,295	3,362	3,430	3,500	3,571	3,643	3,717
Grants, subsidies and contributions	2,167	2,999	3,050	3,101	3,153	3,110	3,164	3,220	3,277	3,335
Investment Income	353	36	113	166	71	106	52	81	118	196
Reimbursements	52	47	43	39	36	33	30	27	23	20
Other Income	862	881	898	916	935	953	972	992	1,012	1,032
Net Gain - Joint Venture	0	0	0	0	0	0	0	0	0	0
TOTAL INCOME	38,457	40,266	41,574	42,863	44,116	45,445	46,835	48,349	49,926	51,587
EXPENSES										
Employee Costs	13,698	14,189	14,747	15,217	15,737	16,276	16,833	17,409	18,005	18,622
Materials, Contracts & Other expenses	15,634	16,437	16,843	17,293	17,812	18,207	19,047	19,512	20,029	20,653
Depreciation, Amortisation & Impairment	7,664	8,249	8,641	8,872	9,317	9,610	9,780	10,043	10,463	10,623
Finance Costs	741	827	985	1,009	936	764	617	572	541	513
Net Gain - Joint Venture	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENSES	37,737	39,702	41,216	42,391	43,802	44,857	46,277	47,536	49,038	50,411
OPERATING SURPLUS / (DEFICIT)	720	564	358	472	314	588	558	813	888	1,176
Asset disposal & fair value adjustments	(744)	(608)	(578)	(519)	(569)	(563)	(585)	(682)	(709)	(736)
Amounts specifically for new or upgraded assets	5,195	2,989	3,571	3,167	50	50	50	50	50	50
Physical Resources received free of charge	294	1,995	2,089	2,147	2,239	2,299	2,339	2,381	2,469	2,507
Operating result from discontinued operations										
NET SURPLUS / (DEFICIT)	5,465	4,940	5,440	5,267	2,034	2,374	2,362	2,562	2,698	2,997

A2-2 Consolidated Results: Budgeted Statement of Financial Position	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	OB	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
ASSETS										
Current Assets										
Cash and cash equivalents	1,469	3,953	5,678	2,610	3,686	1,920	2,881	4,171	6,600	8,947
Trade & other receivables	2,872	2,872	2,872	2,872	2,872	2,872	2,872	2,872	2,872	2,872
Other financial assets	0	0	0	0	0	0	0	0	0	0
Inventories	255	255	255	255	255	255	255	255	255	255
	4,596	7,080	8,805	5,737	6,813	5,047	6,008	7,298	9,727	12,074
Non-Current Assets held for Sale	-	-	-	-	-	-	-	-	-	-
Total Current Assets	4,596	7,080	8,805	5,737	6,813	5,047	6,008	7,298	9,727	12,074
Non-Current Assets										
Financial Assets	716	643	570	514	455	393	328	259	197	154
Equity accounted investments in Council businesses	1,669	1,669	1,669	1,669	1,669	1,669	1,669	1,669	1,669	1,669
Infrastructure, Property, Plant & Equipment	384,967	402,396	412,570	427,584	438,174	444,595	451,436	465,284	471,336	478,052
Other Non-Current Assets	0	0	0	0	0	0	0	0	0	0
Total Non-Current Assets	387,352	404,708	414,809	429,767	440,298	446,657	453,433	467,212	473,202	479,875
TOTAL ASSETS	391,948	411,788	423,614	435,504	447,111	451,704	459,441	474,510	482,929	491,949
LIABILITIES										
Current Liabilities										
Trade & Other Payables	3,183	3,183	3,183	3,183	3,183	3,183	3,183	3,183	3,183	3,183
Borrowings	2,040	1,723	1,277	1,338	3,792	952	733	640	542	454
Provisions	2,255	2,260	2,265	2,270	2,275	2,281	2,287	2,293	2,299	2,306
Total Current Liabilities	7,478	7,166	6,725	6,791	9,250	6,416	6,203	6,116	6,024	5,943
Non-Current Liabilities										
Borrowings (External)	12,955	17,236	18,412	17,078	13,290	12,342	11,613	10,977	10,439	9,989
Provisions	808	808	808	808	808	808	808	808	808	808
Total Non-Current Liabilities	13,763	18,044	19,220	17,886	14,098	13,150	12,421	11,785	11,247	10,797
TOTAL LIABILITIES	21,241	25,210	25,945	24,677	23,348	19,566	18,624	17,901	17,271	16,740
NET ASSETS	370,707	386,578	397,669	410,827	423,763	432,138	440,817	456,609	465,658	475,209
EQUITY										
Accumulated Surplus	83,250	87,814	92,659	96,889	98,648	101,017	103,472	105,867	107,469	109,611
Asset Revaluation Reserve	277,475	288,407	294,060	301,951	312,853	318,853	325,170	338,401	344,752	351,307
Other Reserves	9,982	10,357	10,950	11,987	12,262	12,268	12,175	12,341	13,437	14,291
TOTAL EQUITY	370,707	386,578	397,669	410,827	423,763	432,138	440,817	456,609	465,658	475,209

A2-3 Consolidated Results: Budgeted Statement of Cash Flows	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	OB	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP
	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000
CASH FLOWS FROM OPERATING ACTIVITIES										
Receipts:										
Operating receipts	38,103	40,229	41,460	42,697	44,045	45,340	46,784	48,267	49,808	51,391
Investment receipts	353	36	113	166	71	106	52	81	118	196
Payments:										
LandFill rehabilitation expense	(310)	0	0	0	0	0	0	0	0	0
Operating payments to suppliers & employees	(29,331)	(30,622)	(31,585)	(32,505)	(33,544)	(34,477)	(35,874)	(36,915)	(38,028)	(39,269)
Finance payments	(741)	(827)	(985)	(1,009)	(936)	(765)	(617)	(572)	(541)	(513)
Net cash provided by (or used in) Operating Activities	8,074	8,816	9,003	9,349	9,636	10,204	10,345	10,861	11,357	11,805
CASH FLOW FROM INVESTING ACTIVITIES										
Receipts:										
Amounts specifically for new or upgraded assets	5,194	2,989	3,571	3,167	50	50	50	50	50	50
Sale of replaced assets	305	422	276	635	573	602	608	615	622	629
Repayment of loans by community groups	72	74	72	56	59	62	65	69	61	43
Payments:										
Expenditure on renewal/replacement of assets	(6,139)	(5,761)	(5,388)	(6,354)	(6,932)	(7,694)	(7,528)	(7,369)	(7,563)	(7,926)
Expenditure on new/upgraded assets	(12,700)	(8,020)	(6,539)	(8,648)	(976)	(1,202)	(1,631)	(2,207)	(1,462)	(1,716)
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
Net cash provided by (or used in) Investment Activities	(13,268)	(10,296)	(8,008)	(11,144)	(7,226)	(8,182)	(8,436)	(8,842)	(8,292)	(8,920)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts:										
Proceeds from borrowings	4,500	6,000	2,449	0	0	0	0	0	0	0
Proceeds from internal borrowings (CWMS)	3,530	0	0	4,160	0	1,800	0	0	0	0
Payments:										
Repayment of borrowings	(1,917)	(2,036)	(1,719)	(1,273)	(1,334)	(3,788)	(948)	(729)	(636)	(538)
Repayment of internal borrowings (CWMS)	(3,530)	0	0	(4,160)	0	(1,800)	0	0	0	0
Repayment of internal borrowings (NCPA)	0	0	0	0	0	0	0	0	0	0
Net cash provided by (or used in) Financing Activities	2,583	3,964	730	(1,273)	(1,334)	(3,788)	(948)	(729)	(636)	(538)
Net Increase/(Decrease) in Cash held	(2,611)	2,484	1,725	(3,068)	1,076	(1,766)	961	1,290	2,429	2,347
Cash at beginning of period	4,080	1,469	3,953	5,678	2,610	3,686	1,920	2,881	4,171	6,600
CASH AT END OF PERIOD	1,469	3,953	5,678	2,610	3,686	1,920	2,881	4,171	6,600	8,947

A2-4 Consolidated Results: Budgeted Uniform Presentation of Finances	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	OB	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**
	$ '000	**$ '000**	**$ '000**	**$ '000**	**$ '000**	**$ '000**	**$ '000**	**$ '000**	**$ '000**	**$ '000**
Operating Revenues	38,457	40,266	41,574	42,863	44,116	45,445	46,835	48,349	49,926	51,587
less Operating Expenses	(37,737)	(39,702)	(41,216)	(42,391)	(43,802)	(44,857)	(46,277)	(47,536)	(49,038)	(50,411)
Operating Surplus / (Deficit)	720	564	358	472	314	588	558	813	888	1,176
***less* Net outlays on existing Assets**										
Capital expenditure on renewal and replacement of existing assets	(6,139)	(5,761)	(5,388)	(6,354)	(6,932)	(7,694)	(7,528)	(7,369)	(7,563)	(7,926)
less Depreciation, Amortisation and Impairment	7,664	8,249	8,641	8,872	9,317	9,610	9,780	10,043	10,463	10,623
less Proceeds from Sale of Replaced Assets	305	422	276	635	573	602	608	615	622	629
	1,830	2,910	3,529	3,153	2,958	2,518	2,860	3,289	3,522	3,326
***less* Net outlays on New and Upgraded Assets**										
Capital expenditure on New and Upgraded Assets	(12,700)	(8,020)	(6,539)	(8,648)	(976)	(1,202)	(1,631)	(2,207)	(1,462)	(1,716)
less Amounts received specifically for New and Upgraded Assets	5,194	2,989	3,571	3,167	50	50	50	50	50	50
less Proceeds from Sale of Surplus Assets	0	0	0	0	0	0	0	0	0	0
	(7,506)	(5,031)	(2,968)	(5,481)	(926)	(1,152)	(1,581)	(2,157)	(1,412)	(1,666)
Net Lending / (Borrowing) for Financial Year	(4,956)	(1,557)	919	(1,856)	2,346	1,954	1,837	1,945	2,998	2,836

A3 Consolidated Results: Budgeted Capital Expenditure	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	OB	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**
	$' 000	**$' 000**	**$' 000**	**$' 000**	**$' 000**	**$' 000**	**$' 000**	**$' 000**	**$' 000**	**$' 000**
Renewal/Replacement Capital summary: Non-Discretionary										
Land	0	0	0	0	0	0	0	0	0	0
Buildings	257	258	688	697	722	830	755	824	948	1,031
Recreation	260	90	95	87	90	91	93	96	98	101
Transport - Roads & Footpaths	4,395	3,346	3,572	3,474	3,604	3,633	3,762	4,287	4,439	4,595
Stormwater, Bridges & Floodplain	150	300	300	300	300	300	300	300	300	300
CWMS	179	392	142	0	592	1,155	915	142	40	142
Equipment - Plant & Vehicles	898	1,375	593	1,796	1,624	1,685	1,702	1,720	1,738	1,758
Other Assets	0	0	0	0	0	0	0	0	0	0
	6,139	5,761	5,390	6,354	6,932	7,694	7,527	7,369	7,563	7,927
New/Upgrade Capital summary: Discretionary										
Land	0	0	0	0	0	0	0	0	0	0
Buildings (includes TBP program)	4,549	4,327	3,077	4,277	50	500	600	600	600	600
Recreation (includes TBP program)	5,309	2,500	2,500	3,570	70	70	70	70	70	70
Transport - Roads & Footpaths	197	80	80	158	161	167	171	175	180	184
Stormwater, Bridges & Floodplain	1,046	701	320	330	250	250	250	250	250	250
CWMS	1,894	695	850	605	761	538	871	1,452	734	988
Equipment - Plant & Vehicles	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0
	12,995	8,303	6,827	8,940	1,292	1,525	1,962	2,547	1,834	2,092
Total Capital Expenditure	19,134	14,064	12,217	15,294	8,224	9,219	9,489	9,916	9,397	10,019
Note: includes internal allocations & CWMS donated assets										