



2016-17 Annual Business Plan & Budget



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Background

Under Section 123 of the Local Government Act 1999 Council is required to have a budget for each financial year. This budget must be considered as part of the Council's Annual Business Plan.

Before a council adopts its Annual Business Plan it must prepare a draft Annual Business Plan and undertake a public consultation process. The consultation for this plan was undertaken between 4 May and 27 May 2016 and a public meeting was held on 25 May 2016 at the Unley Civic Centre.

A Long Term Financial Plan (LTFP) has been developed to assist Council with developing a budget within a prudent, longer-term financial framework. The key objective has been to ensure financial sustainability in the medium to long term, while still achieving Council's goals as detailed in the Community Plan and Annual Plan objectives.

Council seeks to achieve a reasonable degree of rate stability over time while ensuring ratepayers are paying for those services and infrastructure maintenance.

How Council measures its performance

Council measures its achievements and financial performance through the following processes:

- Regular financial reporting to Executive and Council
- Quarterly corporate performance report to Executive and Council
- Budget Reviews in accordance with legislation
- Annual review of the Long Term Financial Plan
- Review and input from Council's Audit and Governance Committee, and
- Production of an Annual Report including audited financial statements.

Executive Summary

The Annual Business Plan for 2016-17 has been prepared in accordance with the priorities of Unley's Community Plan 2033 and 4 Year Plan 2013-2016, and the financial targets adopted by Council at its Council Meeting in February 2016.

Key financial information for 2016-17 is summarised below:

General Rate Increase	2.2%
Estimated Rates Growth (new rateable properties and improvements)	0.6%

Budget Summary	\$'000
General Rates Income	37 121
All Other Operating Income	8 578
Total Operating Income	45 699
Operating Expenses	41 807
New Operating Project Initiatives	1 097
Deferred Existing Operating Project (\$300k for Stage 2 Undergrounding of power lines Goodwood Road)	300
Operating Surplus excluding Centennial Park	2 495
Net Replacement Capital Expenditure	7 790
Net New Capital Expenditure	5 042
Total Net Capital Expenditure	12 832
Estimated New Borrowings	4 500
Repayment of Borrowings	1 202

Council will raise sufficient income to cover its operating expenses and undertake repayment of its debt.

Key Financial Targets

Indicator	Adopted Target	Proposed Outcome
Operating Surplus Ratio (excluding Centennial Park)	> 3.0%	5.5%
Net Financial Liabilities Ratio	<= 80%	48%
Asset Sustainability Ratio (rolling 10 years)	>= 100%	112%
Asset Sustainability Ratio (current year compared to depreciation)		113%

Major Projects

The key Council Projects over the next 4 Years and incorporated in Council's Long Term Financial Plan (LTFP) include:

- Goodwood Road covering undergrounding of power lines, streetscape upgrade and way finding strategy deliverables
- King William Road Master Plan outcomes;
- Brown Hill Keswick Creek; and
- Property redevelopment opportunities within the Unley Central Precinct

At the time of adoption of Council's LTFP in October 2015, it was highlighted that due to Council's commitment to the above strategic capital projects Council was unlikely to have funds for the implementation of Unley Oval and Goodwood and Millswood Oval in the short term without a change in priorities or seeking alternative funding sources.

It was therefore agreed for Council to only complete planning and high level design for Unley Oval, Goodwood Oval and Millswood Sporting Complex Upgrades. This will allow Council to be "spade ready" and to avail itself of future grant and other funding opportunities as they arise.

Subsequently at Council's Meeting in March 2016, as a result of a Future Grandstand Upgrades at Unley Oval – Results of Community Engagement and Future Directions Report, Council:

- gave in principle endorsement for the upgrade of the grandstands;
- requested Council to work with the Sturt Football Club to explore the feasibility of their preferred upgrade of the grandstands option including finalisation of concept plans and cost estimates;,
- requested Council to commence discussions with Federal and State Governments and other bodies, seeking grant funding opportunities for 2 options
- requested that a further progress report be presented back to Council in July 2016

At this stage, no costs have been included in the 2016-17 Budget and this may change if external funding becomes available.

No capital costs have been included for the Millswood Sporting Complex project as this project still requires more consideration.

In addition, Council, as part of the Library Service Review in 2015 endorsed a review of the floor plan to maximise flexible spaces. At this stage, Council has not finalised costings and continues to consider the viability of the project. As such, at this stage no costs have been included in the 2016-17 Budget.

Council also is currently undertaking a tender together with a number of Eastern Region Councils for respondents to provide solutions in relation to the provision of public lighting supply, installation, maintenance and management. As the cost benefit of these proposals have not been finalised or considered by Council, no costs have been included in the 2016-17 Budget.

Impact on ratepayers

It is proposed that the overall amount existing ratepayers will pay in general rates will increase on average by 2.2%. For a residential property of average value, this equates to an increase in general rates of approximately \$37 for the 2016-17 year. Rate increases may vary from the average where there has been new development, capital improvements or other significant change to the value of the property.

For more information on the rating structure context please refer to **Funding the Business Plan** on page 19.

Centennial Park

Council has included in its revised 2016-17 Budget, the City of Unley's equity share of Centennial Park's estimated operating loss for 2016-17 of \$246k. This does not negatively impact on Council's proposed rate increase or the estimated amount of borrowings.

Council also receives a quarterly liability guarantee fee from Centennial Park which is budgeted at \$208k for 2016-17.

Strategies behind the Draft Annual Business Plan

The purpose of Annual Business Plan is to impart an understanding of:

- Annual objectives for the year in the context of Council's long-term objectives
- The activities and services provided by Council
- Key financial information relating to revenue and expenditure
- Proposed new initiatives and projects
- Rating context and impact of rates for 2016-17, and
- Council's Long Term Financial Plan and Asset Management Plans

The Annual Business Plan sets out the Council's proposed services, programs and projects for 2016-17. It outlines the Council's specific objectives for the year in the context of its forecast long term financial position to ensure that a sustainable financial position is maintained.

The City of Unley Draft Annual Business Plan and Budget has been developed in the context of the Council's suite of strategic management plans which include the following:

- Community Plan 2033
- 4 Year Plan 2013-2016
- Long Term Financial Plan including Council's Strategic Asset Management Plans.

The links between these key planning documents is shown below.



The Community Plan 2033 provides the vision, strategies and framework for the future of the City of Unley.

The Four Year Plan outlines the priorities and strategies of the City of Unley until the end of 2016. It sets out strategies that are part of a long term vision, described in the Community Plan 2033, to promote growth that is economically, socially and environmentally sustainable. It also details key projects and services that Council will deliver over the four year period.

The diagram below displays the Council’s Strategic Planning Framework:



Strategies and Plans

It is proposed that an updated Strategic Framework will be prepared in the later part of 2016 as part of consideration of the next 4 year plan horizon for subsequent endorsement by Council.

As part of this process, consideration of how Council’s Community Plan goals link to lead strategies, support strategies, programs and projects will be addressed and worked through.

In addition, Council's Long Term Financial Plan and future budgets may need to be revised to take into account the cost of implementation of the following strategies and plans proposed to be finalised and endorsed in 2016 and 2017 including:

- Draft Tree Strategy
- Draft Environmental Sustainability Strategy
- Draft Cycling and Walking Plan
- Business and Economic Development Strategy
- Unley Integrated Transport Strategy
- ICT Digital Strategy.

Significant Influences for the 2016-17 Budget

A number of factors have influenced the preparation of the Council's draft 2016-17 Annual Business Plan and Budget. These include:

- Local Government Price Index increases on relevant goods and services, which in the past has tracked above the CPI
- Provision for Enterprise Bargaining Agreements for most staff which determines conditions of employment and provide for annual salary and wages increases.
- maintaining asset management (replacement) expenditure at a sufficient level to ensure long term maintenance of Council infrastructure, property and IT assets
- increased maintenance requirements due to an increase in capital works and construction of new assets over recent years
- State Government budget decisions including Emergency Service Levy increases
- commitments to long term major projects including Unley Central, Goodwood Road Streetscape and Brown Hill Keswick Creek, and
- Grant funding including an increase of \$356k in Council's Roads to Recovery grant income for 2016-17 as a result of a Commonwealth Government decision to index fuel excise. This additional funding has been allocated to Stage One Leader Street road project in Forestville. A further amount of \$270k will be received in 2017-18 over and above the specified annual Roads to Recovery funding

In response to the cost imposts on Council and to minimise the burden on ratepayers, Council has continued its work and review of service sustainability.

This has included developing a service improvement model and framework to review services and the level at which they are offered.

Savings identified as part of 2016-17 Budget Preparation include:

- A reduction in Employee costs due to a number of vacant positions that will not be filled and a reduction in required staff that were identified as part of the Street Cleansing Review
- Reduction in Council's contribution to Brown Hill Keswick Creek Administration \$28k
- a reduction in operating costs for Community Centres as a result of implementing the service review of \$128k
- Reduction in power costs \$71k, hard rubbish \$20k, legal \$12k, printing and stationery and insurance \$11k

Services provided to the Community

The Local Government Act 1999 (the Act) prescribes a system of local government to enable councils to govern and manage areas at a local level.

All councils have basic responsibilities under the Act and other relevant legislation. These include:

- Regulatory activities, including voters' roll maintenance and Elected Members' support
- Determining longer term strategic management and management plans, financial plans, infrastructure and asset management plans and policies and procedures
- Setting rates, preparing an Annual Business Plan and Budget
- Management of basic infrastructure including roads, footpaths, parks, public open space, street lighting and stormwater drainage
- Street cleaning and rubbish collection
- Development planning and control, including building safety assessment, and
- Provision of various environmental health services.

In response to community needs, Council also provides the following services and programs, over and above those listed above:

- Aged and Social Care
- Animal Management
- Arts & Cultural Development
- Community Centres
- Community Development
- Community Engagement
- Community Event Programs
- Community Services
- Community Transport
- Community Grants
- Corporate Services
- Economic Development
- Environmental Management
- Library Services
- Museum
- Recreation & Open Space Management
- Parking Control
- Sport and Recreation
- Sustainable Landscapes
- Volunteers
- Urban Policy and Planning
- Youth Development

The Council also maintains a number of facilities and services on a fee for service basis, some of which are subsidised and include:

- Unley Swimming Centre
- Commonwealth Home Support Program (CHSP) - formerly HACC Program
- Ovals, courts, parks and reserves for hire.
- Community Bus Service
- Halls for hire

Council anticipates that all existing services will be maintained during 2016-17.

Council's Long Term Objectives and Key Projects

The key projects that Council will deliver in the 2016-17 financial year have been grouped under the five goals identified in the City of Unley Community Plan 2033.

<p>Emerging Our path to a future city New activities and technologies that support our business and residential communities</p> 	
<p>Long Term Strategic Objectives</p> <ul style="list-style-type: none"> • A thriving and prosperous business community • Emerging technology is embraced • A dynamic mix of uses and activities in selected precincts 	<p>Key Projects 2016-17</p> <ul style="list-style-type: none"> • Continuation of Goodwood Road streetscape • Continuation of undergrounding of the power lines along Goodwood Road from the tram crossing to Victoria Street • Facilitation of property redevelopment opportunities for the Unley Central Precinct
<p>Living Our path to a thriving city Reflecting issues of culture, diversity and lifestyle</p> 	
<p>Long Term Strategic Objectives</p> <ul style="list-style-type: none"> • An enviable and diverse lifestyle • Activated places • A City of cultural and artistic diversity • Healthy and active community • Collaborative and engaged community 	<p>Key Projects 2016-17</p> <ul style="list-style-type: none"> • Continuing the implementation of King William Road Master Plan through kerb build outs • Place activation and showcasing of the our City through major events including Unley Gourmet Gala, Tour Down Under and a community events program
<p>Moving Our path to an accessible city Concerning accessibility and transport</p> 	
<p>Long Term Strategic Objectives</p> <ul style="list-style-type: none"> • Equitable parking throughout the City • An integrated, accessible and pedestrian friendly City • Alternative travel options 	<p>Key Projects 2016-17</p> <ul style="list-style-type: none"> • Implementation of the local area traffic management study for Wayville/Unley /Goodwood • Implementation of Council's Cycling and Walking Plan

Greening

Our path to a sustainable city Covering concerns about environmental initiatives and sustainability



Long Term Strategic Objectives

- Renowned for lifestyle and environmental balance
- Leaders in waste reduction
- Functional open green space throughout the City

Key Projects 2016-17

- Second Generation Street Tree Implementation
- Council's contribution to the Brown Hill Keswick Creek Stormwater Management Plan 2016-17 works

Operational Excellence Our path to a robust and sustainable organisation

Long Term Strategic Objectives

- A constructive culture for all employees and volunteers
- A customer-centric approach
- Good governance and legislative framework
- An environment of continuous improvement and innovation
- A financially sustainable approach to business and planning activity
- Enabling information systems and robust reporting
- Uphold City of Unley's reputation

Key Projects 2016-17

- Records Management Compliance Project
- Review of organisational functions including Customer Service and ICT
- Pursuit of shared service opportunities with ERA Councils
- Continuation of service reviews and introduction of a continuous improvement programme

Project Priorities proposed for the Year

Council's proposed project priorities for 2016-17 stem from the long term objectives and strategies of Council as outlined in Council's Community and 4 Year Plans.

Council has undertaken a methodical and considered approach to determine its priorities for the upcoming financial year. These are the steps that were taken to determine the proposed projects for consultation:

- Elected Members submitted projects based on perceived community need
- The Capital Works Program was guided by Council's Asset Management Plans
- Council proposed projects that aim to assist in achieving the Strategic Themes in Council's Community Plan 2033 and 4 Year Plan
- Projects were divided into three broad categories: Operating Projects (including change to service), New Capital and Capital Replacement
- Budget workshops were held to prioritise, refine and discuss the proposed project list for community consultation.

Operating Projects

These types of projects are either one-off, short term projects or a request to change the level of service. The request to change the level of service will also impact future budgets. These projects are to be funded by Council's rates income and therefore affect the level of rates increase being considered.

The Budget proposes to fund an amount of \$1.097m gross (\$1.031m net) of operating projects excluding a \$300k deferred project from 2015-16. This includes \$866k to deliver endorsed council strategies.

Key items include:

- Further development of opportunities within the Unley Central Precinct \$80k
- Continuation of Second Generation Street Tree Implementation for \$75k
- Activities for place activation and showcasing of the City of Unley including Unley Gourmet Gala, Tour Down Under (proposed but stage start is yet to be confirmed), King William, Goodwood and Unley Road events and annual community events program and related activities in the order of \$435k.

The proposed projects are detailed in Appendix 4 and 5.

Capital Projects

The City of Unley is responsible for a large number of assets with a current depreciable value of approximately \$560m including land. It is important that Council engage in practices that optimise the assets “useful lives” for the benefit of the whole community.

Like many other councils, the City of Unley faces an increasing demand to provide services in an environment of ageing assets, increased liability and continual constraints on funding.

The proposed capital replacement program of \$7.790m net has been based on current asset information and asset management plans. Major items include:

- \$1.348m for the proposed road reseal program (including Leader Street, Forestville)
- \$1.263m for the footways replacement program
- \$1.724m for the Property Program
- \$378k for reserves, recreation and open space projects and
- \$500k for drains and storm water.

New capital projects will largely be funded by borrowings. The proposed new capital projects total \$5.042m net and include:

- Goodwood Road Streetscape and Wayfinding Strategy Delivery \$3.3m
- Implementation of King William Road Master Plan kerb build outs \$200k
- Implementation of Local Area Traffic Management Plan for Goodwood/Wayville/Unley \$250k
- Implementation of the City of Unley Cycling and Walking Plan net \$200k and
- Brown Hill Keswick Creek project contribution \$250k

New capital expenditure may not significantly impact on Council rates in the year of creation but will affect the rates income in the future by way of increased depreciation, maintenance and interest expenses. New capital will largely be funded through borrowings; however Council commits to investigate, where possible, grants to help fund these new assets.

Details of the proposed Capital Works Program are provided in Appendices 6 and 7.

Borrowings for the 2016-17 Year

Borrowing is an important funding source, especially for expenditure relating to the New Capital and is undertaken in accordance with Council's Treasury Management Policy. The key objective of the policy is to manage the finances of the Council holistically in accordance with the overall financial sustainability strategies and targets.

An independent local government report on financial sustainability encourages the increased use of borrowings to promote intergenerational equity. This involves spreading costs in relation to significant capital expenditure based on the pattern of benefits over time so that one generation is not excessively subsidising another.

Where there is a persuasive argument relating to intergenerational equity, Council will consider the appropriate use of borrowings. This will be managed within financial targets with the intention that future cash flows are sufficient to recoup borrowings with minimal impact on general operations over the medium term.

As part of finalising the 2016-17 Budget, Council considered those Capital Projects with short term benefits as to whether they should be funded by rates or borrowing.

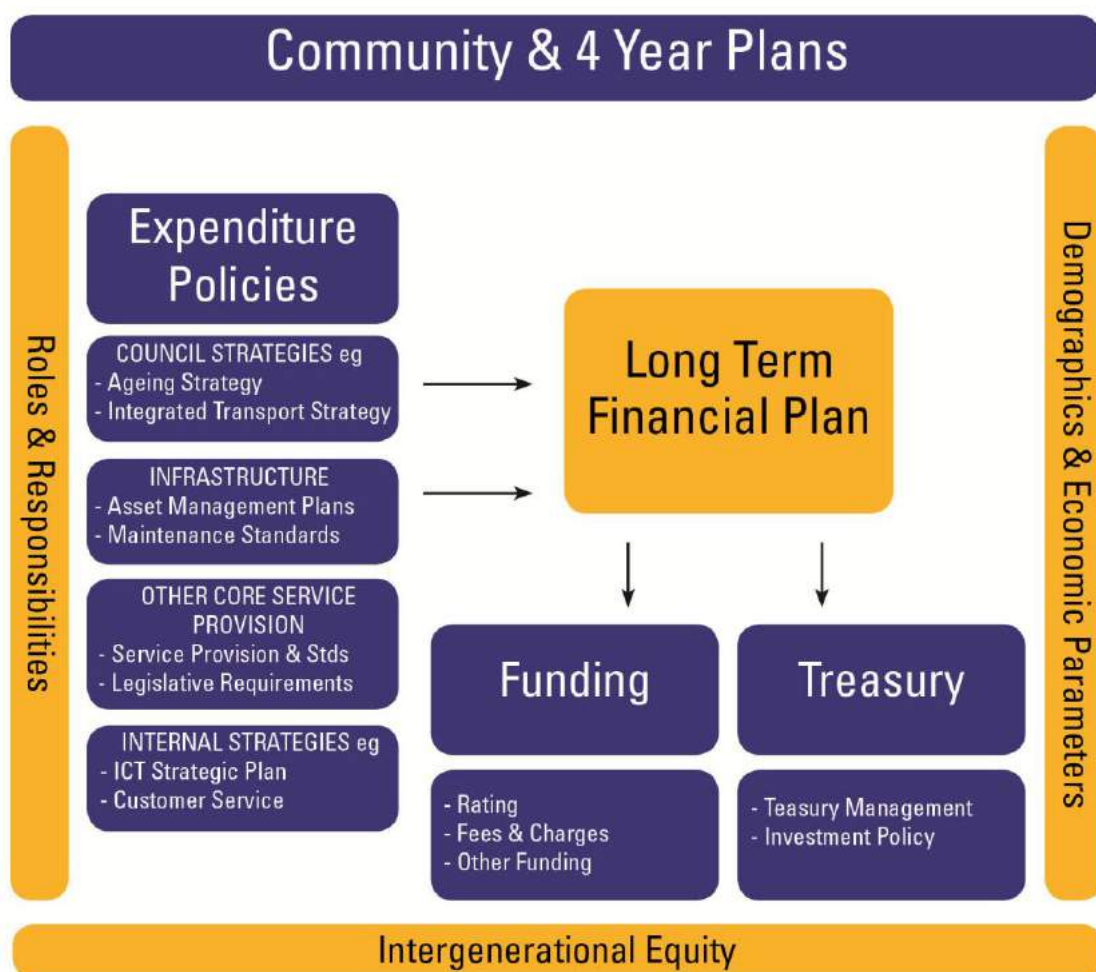
	\$000s
Budgeted Opening Balance of Borrowings July 2016	13,453
Estimated Borrowing for 2016-17	4,500
Repayment of principal repayments for 2016-17	<u>(1,202)</u>
Forecast Closing Balance of Borrowings June 2017	<u>\$16,751</u>

Financial Framework

Long Term Financial Plan (LTFP)

Council has developed a LTFP to guide its financial decisions and to ensure it is prudent in its financial management and considers a longer term view. The LTFP has been reviewed and updated to reflect the most current information available.

This 10 year LTFP has been developed as part of Council's ongoing financial planning to assist Council to plan within a longer term strategic framework.



The key components of the plan are:

- Assessment of Council's current financial position and achieving longer term financial sustainability
- Ensuring Financial Targets are met
- Consideration of Council's appropriate role and responsibilities
- Ensuring alignment with the Community and 4 Year Plans and maintenance of high priority strategies
- Ensuring all proposed strategies are costed before adoption
- Ensuring alignment with agreed service provision and delivery standards

- Ensuring alignment with Asset Management Plans and Maintenance Standards
- Ensuring alignment with internal support strategies
- Ensuring alignment with Funding and Treasury principles as well as intergenerational equity (rating stability, Treasury Policy, fees and charges, external funding and investments)

Infrastructure and Asset Management Plans

The City of Unley owns and is responsible for the management, operation and maintenance of a diverse asset portfolio that provides services and facilities for City users. Infrastructure and Asset Management Plans have been developed for all infrastructure assets to ensure Council continues to provide effective and comprehensive management of its asset portfolios. To manage this process, Council assets have been grouped into categories and Infrastructure and Asset Management Plans developed for each category.

The development of these Infrastructure and Asset Management Plans indicate Council's ongoing commitment to operate and maintain its asset portfolio efficiently to both meet strategic and legislative requirements, and to deliver the required levels of service for the community. The plans make assumptions on the continued utilisation of the assets and specify rolling condition audits required to provide up to date information for the ongoing improvement and review of the plans.

A new approach to asset management driven from a service perspective is currently being introduced to Council. Over the next few years the management of assets will be based more directly on the declared levels of service for each specific asset and this will determine the long term costs.

The Infrastructure and Asset Management Plans provide the basis for the Replacement Capital Program included in Council's LTFP and is refined as part of the Annual Business Plan and Budget process. This program details those individual asset replacement projects flowing from the Infrastructure and Asset Management Plans which require completion to ensure the assets meet the required levels of service. In 2016-17 the Replacement Capital Program has a projected net expenditure of \$7.790m.

For footpaths forming part of the footways asset category, Council has endorsed an asset management plan schedule to replace all asphalt to pavers based on current service standards. Based on the LTFP it is anticipated that the City of Unley will be fully paved by 2019-20.

Council allocates a significant amount of funds for the operation and maintenance of its asset portfolio within its Assets and Environment Division. For 2016-17 this amounts to \$19.233m in addition to capital replacement as detailed in Appendix 7 2016-17 Replacement Capital Summary.

Details are as follows:

Program and Asset Category	2016-17 Budget Expenditure \$000s	Depreciation	Total Expenses
Transportation Program			
Bridges	14	130	144
Bus Shelters	9	-	9
Car Parks	56	76	132
Footpaths	474	1,221	1,695
Kerb & Watertable	225	390	615
Linemarking	71	-	71
Roadworks	239	870	1,109
Signs	255	-	255
Street Cleaning	490	-	490
Street Lighting	586	27	613
	2,419	2,714	5,133
Property Program			
Buildings	1,892	1,300	3,192
Open Space Program			
Reserves	2,072	490	2,562
Street Trees	1,088	-	1,088
	3,160	490	3,650
Drains & Stormwater Program	134	1,100	1,234
Waste Management Program	3,662	-	3,662
Environmental Initiatives	117	-	117
Strategic Asset Management	334	-	334
Depot (including Plant)	850	647	1,497
Assets & Environment Management	413	-	413
Total Assets & Environment	12,982	6,251	19,233

Further, Council captures information in relation to changes in maintenance requirements on New Capital and Operating Projects as detailed in Appendix 4 Operating Projects and Appendix 6 New Capital. This assists Council to consider the impact on future costs as part of long term financial planning and make allowance for these costs in future budgets.

Funding the Business Plan

Excluding borrowings for New Capital, over 80% of Council's funding is generated from rates with the balance largely relating to fees and charges set by Council or statutory fees gazetted by the State Government on an annual basis.

Rates Context

In setting the rates for 2016-17 Council proposes to continue with its current method of rating, which is three differential rates with a minimum rate, applied against the capital value of properties. Council considers this to be the most fair and equitable method of rating for the City of Unley.

Council acknowledges that rates are the main source of income to deliver the services and maintain the infrastructure required by its community. Rates are a form of property taxation, and property values determine how much each property contributes. This system of taxation means that the rates paid may not directly relate to the services used by each ratepayer.

It is proposed that the overall amount existing ratepayers will pay in general rates will increase in the order of 2.2% with a further estimated increase of 0.6% from growth. Growth represents new development, capital improvements to existing properties and changes to value as a result of land divisions.

Refer to Appendix 8 for details on Rates Assistance Available.

Rate Statistics

Council has around 18 700 assessments with just under 16 900 residential, just under 900 assessments within non-residential Category 2 (including commercial shops, industrial, and vacant) and 900 non-residential Category 3 (commercial offices and commercial – other)

Assessments on the minimum rate total just under 2 200, with residential comprising over 2 000 of these assessments.

Rates Modelling

The valuation for the Council area has been completed by Valuer-General and reflects an increase of 4.5% in valuation for **existing properties**.

Analysis indicates that:

- residential properties, representing over 85% of the overall valuation, had the average valuation increase of 5.2%.
- non-residential properties, including commercial, had an average valuation increase of less than 1%.

The Budget has been formulated on the basis of retaining differential rates for residential and non-residential property at the appropriate rate in the dollar to provide an overall increase in rates of 2.2% excluding growth.

Valuation Method

The Council has adopted the **capital value** method of valuing properties. This method values the land and all improvements on the land. It is the most widely used method across South Australian councils.

Council considers this valuation method the most equitable method to spread the rates burden across the measure of wealth within the City. It equates to the taxation principle that people should contribute to community, social and physical infrastructure in accordance with their capacity to pay as measured by property wealth.

In determining how rates are applied, and in determining the rate in the dollar, Council uses the following options.

Minimum Rate

In accordance with S158 of the Act, Council has decided that there will be a minimum rate on every rateable property. Council, in adopting a minimum rate, considers it appropriate that all rateable properties make a contribution to the cost of administering the Council's activities and creating and maintaining the physical infrastructure that supports each property.

It is proposed that the minimum rate will increase in line with the overall rate increase excluding growth of 2.2%. This results in a minimum rate of \$758.

Differential Rates

In accordance with S153 of the Local Government Act 1999, Council will declare three differential General Rates according to the land use category. The land use categories are as follows:

Group 1	Non-residential Category 2	Non-residential Category 3
Residential	Commercial Shop Industry Light Industry Other Primary Production Vacant Land Other	Commercial Office Commercial Other

Council has considered the principle of rate stability when assessing the rates burden across the above categories. Other considerations were given to the change in capital value across the land use categories and the rates income provided by each.

The application of a Differential General Rate is generally intended to alter the amount payable by particular land uses. In the City of Unley area the differentiation between non-residential category 2 and residential is in the order of 1.97 times and the differentiation between non-residential category 3 and residential is in the order of 2.34 times.

It is estimated that the Residential Differential General Rate will raise net rate revenue in the order of \$29m in 2016-17.

It is estimated that the Non-Residential Differential General Rates will raise net rate revenue in the order of \$8m in 2016-17.

Separate Rate for Main Street Trader Associations

Council proposes to continue to raise a separate rate for the purposes of promotion of the businesses and traders along major shopping strips. Council collects the separate rate and passes the funds collected onto the individual Trader Associations for marketing and promotion purposes.

For the 2016-17 Budget, the amounts indicated in the table below will form part of the proposed Budget. These have been developed in consultation with the five associations and their members and were presented to the Unley Business and Economic Development Committee (UBED) in March 2016.

2016-17 Separate Rate for Trader Associations

Main Street Trader Associations	Separate Rate raised 2015-16	Separate Rate raised 2016-17	Increase (Decrease)
Unley Road	\$ 105 600	\$ 107 700	2 100
King William Road	\$ 144 000	\$ 141 000	(3 000)
Goodwood Road	\$ 55 000	\$ 51 500	(3 500)
Glen Osmond Road	\$ 18 355	\$ 14 300	(4 055)
Fullarton Road	\$ 13 250	\$ 13 250	Nil

Council has endorsed the UBED recommendation to cap the amount that any separate rate payer pays at \$2,000. This has affected the amount to be collected in 2016-17 for King William Road, Goodwood Road and Glen Osmond Road.

Unley Road

Currently 452 ratepayers pay the separate rate.

Based on current year rates information, the imposition of a \$2000 cap will result in an increase to other separate rate payers of a further 2.4% on top of the proposed 2% increase in the separate raised for 2016-17.

King William Road

Currently 132 ratepayers pay the separate rate. The imposition of the cap of \$2,000 will reduce the amount collected to \$141,000.

Goodwood Road

Currently 96 ratepayers pay the separate rate. The imposition of the cap of \$2,000 will reduce the amount collected to \$51,500.

Glen Osmond Road

Currently 33 ratepayers pay the separate rate. The imposition of the cap of \$2,000 will reduce the amount collected to \$14,300.

Fullarton Road

As Fullarton Road Traders pay a fixed amount of \$250, the imposition of a cap does not impact on any of these traders.

Natural Resource Management Levy

The City of Unley falls within the Central Group of the Adelaide and Mount Lofty Ranges Natural Resource Management (NRM) Board. Council is required, under the Natural Resources Management Act, to contribute towards the funding of the NRM Board and operates as a revenue collector for the Board by imposing a levy against properties.

Council has recently been advised by the NRM Board that the indicative amount to be paid to the NRM Board in 2016-17 is \$1.176m compared to \$1.134m in 2015-16. This represents an increase of 3.7%.

Council does not retain this revenue, or determine how the revenue is spent.

Expected impact on Ratepayers

To deliver the outcomes of the Annual Business Plan for 2016-17, the total General Rates Income required is \$37.121m. This equates to an average rate increase of 2.2% plus 0.6% rates growth. Rate growth is defined as added value for new development including improvements to existing properties and change in value as a result of land divisions.

Council will apply the following rates in the dollar to determine the total rate levied against an individual property:

	Residential	Commercial Shop et al	Commercial Office/ Other
	Category One	Category Two	Category Three
2014-15	0.0026205	0.004831	0.005897
2015-16	0.0026610	0.005023	0.005988
2016-17	0.0025860	0.005101	0.006043

Council has chosen to apply a 2.2% increase in rates as evenly as possible across the three categories.

Fees and Charges Context

Section 188 of the Local Government Act 1999 provides the legal context:

- fees and charges are determined by resolution of council either as a direct resolution or by by-law or via delegation
- a council is unable to fix or vary fees or charges prescribed under other Acts
- in respect of fees for the use of facilities, services or works requests a council need not fix fees or charges by reference to the cost of the council
- council is required to keep the list of fees and charges on public display and provide updates where fees and charges are varied during the year.

Council reviews its fees and charges each year, in conjunction with the development of the annual budget. As in previous years, a comprehensive review has been undertaken to ensure that the fees proposed:

- reflect (or move progressively toward) the cost of the services given
- are comparable with market rates, where appropriate
- take into account benefit derived by users of community facilities
- are consistent with Council directions articulated through existing policy or plans
- are consistent with Council's Long Term Financial Plan assumptions

Generally, this has resulted in proposed fee increases that are in line with CPI or the Local Government Price Index, insofar as this is practicable.

It is also noted that in applying the proposed increases, fees have been rounded to an appropriate amount for ease of application.

Conclusion

The Annual Business Plan and Budget 2016-17 is presented in the context of strategic directions for the City that has been endorsed by Council. The Plan and Budget reflects Council's continuing focus on ensuring that the physical infrastructure of the City is fit for use and maintained in a cost effective fashion.

With implementation of this year's Annual Business Plan and Budget, Council aims to deliver a well-managed, sustainable environment for current and future generations of residents, businesses and other ratepayers.

Appendix 1 – Budgeted 2016-17 General Purpose Financial Statements

Budgeted Statement of Comprehensive Income

Budgeted Statement of Financial Position

Budgeted Statement of Cash Flows

Budgeted Statement of Changes in Equity

Budgeted Uniform Presentation of Finances

Budgeted Financial Indicators

Proposed Budgeted Statement of Comprehensive Income
For the year ended 30 June 2017

	2017	2016
	\$'000	\$'000
INCOME		
Rates	37,450	36,450
NRM Levy	1,176	1,134
Statutory charges	1,389	1,370
User charges	1,608	1,618
Grants, subsidies and contributions	3,442	3,044
Investment income	12	12
Reimbursements	141	157
Other income	415	711
Operating Projects	66	164
Net gain - joint ventures & associates	-	242
Total Income	45,699	44,903
EXPENSES		
Employee Costs	17,011	16,783
Materials, contracts & other expenses	17,169	16,885
Depreciation, amortisation & impairment	6,912	6,682
Finance costs	716	620
Net loss - joint ventures & associates	246	-
Operating Projects	1,397	2,055
Total Expenses	43,451	43,024
OPERATING SURPLUS / (DEFICIT)	2,248	1,879
Asset disposal & fair value adjustments	(26)	(132)
Amounts received specifically for new or upgraded assets	125	380
NET SURPLUS / (DEFICIT)	2,347	2,127
Other Comprehensive Income		
Total Other Comprehensive Income	-	-
TOTAL COMPREHENSIVE INCOME	2,347	2,127

Proposed Budgeted Statement of Financial Position
As at 30 June 2017

	2017 \$'000	2016 \$'000
ASSETS		
Current Assets		
Cash and cash equivalents	300	300
Trade & other receivables	2,185	2,241
Other financial assets	18	18
Total Current Assets	2,503	2,559
Non Current Assets		
Financial Assets	10	21
Equity accounted investments in Council businesses	10,973	11,219
Infrastructure, Property, Plant & Equipment	568,609	562,651
Total Non-current Assets	579,592	573,891
Total Assets	582,095	576,450
LIABILITIES		
Current Liabilities		
Trade & Other Payables	5,042	5,042
Borrowings - Short Term Draw Down	4,180	4,180
Borrowings Fixed Term	961	961
Provisions	1,806	1,806
Total Current Liabilities	11,989	11,989
Non-current Liabilities		
Borrowings	11,610	8,312
Provisions	575	575
Other Non-current Liabilities	181	181
Total Non-current Liabilities	12,366	9,068
Total Liabilities	24,355	21,057
NET ASSETS	557,740	555,393
EQUITY		
Accumulated Surplus	131,130	128,783
Asset Revaluation Reserves	426,610	426,610
TOTAL EQUITY	557,740	555,393
NET FINANCIAL LIABILITIES	21,842	18,477

Proposed Budgeted Cash Flow Statement
For the year ended 30 June 2017

	2017	2016
	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
<u>Receipts</u>		
Operating Receipts	45,743	44,649
Investment Receipts	12	12
<u>Payments</u>		
Operating payments to suppliers & employees	(35,576)	(35,723)
Finance Payments	(716)	(620)
Net Cash provided by (or used in) Operating Activities	9,463	8,318
CASH FLOWS FROM INVESTING ACTIVITIES		
<u>Receipts</u>		
Amounts specifically for new or upgraded assets	125	380
Proceeds from Sale of Surplus Assets	60	-
Sale of replaced assets	248	237
Repayments of loans by community groups	11	20
<u>Payments</u>		
Expenditure on renewal/replacement of assets	(8,038)	(8,962)
Expenditure on new/upgraded assets	(5,167)	(2,839)
Loans made to Community Groups	-	-
Net Cash provided by (or used in) Investing Activities	(12,761)	(11,164)
CASH FLOWS FROM FINANCING ACTIVITIES		
<u>Receipts</u>		
Proceeds from borrowings	4,500	3,807
<u>Payments</u>		
Repayments of borrowings	(1,202)	(961)
Net Cash provided by (or used in) Financing Activities	3,298	2,846
Net Increase/ (Decrease) in cash held	0	0
Cash & cash equivalents at beginning of period	(3,880)	(3,880)
Cash & cash equivalents at end of period	(3,880)	(3,880)
Cash & Investments	300	300
Short Term Drawdown	(4,180)	(4,180)
	(3,880)	(3,880)

**Proposed Budgeted Statement of Changes in Equity
For the year ended 30 June 2017**

	Accumulated Surplus	Asset Revaluation Reserve	TOTAL EQUITY
	\$'000	\$'000	\$'000
Balance at end of previous reporting period	128,783	426,610	555,393
Net Surplus / (Deficit) for Year	2,347	-	2,347
Other Comprehensive Income			
Gain (Loss) on revaluation of I,PP&E	-	-	-
Balance at end of period	131,130	426,610	557,740

For the year ended 30 June 2016

	Accumulated Surplus	Asset Revaluation Reserve	TOTAL EQUITY
	\$'000	\$'000	\$'000
Balance at end of previous reporting period	126,656	426,610	553,266
Net Surplus / (Deficit) for Year	2,127	-	2,127
Other Comprehensive Income			
Gain (Loss) on revaluation of I,PP&E	-	-	-
Share of OCI - Equity Accounted Council Businesses	-	-	-
Balance at end of period	128,783	426,610	555,393

Proposed Budgeted Uniform Presentation of Finances For the year ended 30 June 2017

	2016-17 Adopted Budget \$'000	2015-16 Adopted Budget \$'000
Income	45,699	44,903
Expenses	43,451	43,024
Operating Surplus / (Deficit)	<u>2,248</u>	<u>1,879</u>
 Net Outlays on Existing Assets		
Capital Expenditure on Renewal and Replacement of Existing Assets	(8,038)	(8,961)
Depreciation, Amortisation and Impairment	6,912	6,682
Proceeds from Sale of Replaced Assets	248	237
	<u>(878)</u>	<u>(2,042)</u>
 Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets	(5,167)	(2,839)
Amounts received specifically for New and Upgraded Assets	125	380
Proceeds from Sale of Surplus Assets	60	-
	<u>(4,982)</u>	<u>(2,459)</u>
 Net Lending / (Borrowing) for Financial Year	 <u>(3,611)</u>	 <u>(2,624)</u>
 Net Financial Liabilities at Beginning of Year	 (18,477)	 (15,611)
Decrease / (increase) in Other	246	(242)
Net Financial Liabilities at End of Year	<u>(21,842)</u>	<u>(18,477)</u>

Proposed Budgeted Financial Indicators For the year ended 30 June 2017	2017 %
Operating Surplus Ratio (excluding Centennial Park)	5.5%
Operating Surplus Ratio adjusted for Centennial Park	4.9%
Net Financial Liabilities Ratio	48%
Asset Sustainability Ratio - Current Year based on Asset Management Plan Required Expenditure	93%
Asset Sustainability Ratio - Current Year based on Depreciation	113%
Asset Sustainability Ratio - 10 Year Rolling Average	112%

Appendix 2 – Budgeted Funding Statement

Proposed Funding Statement For the year ended 30 June 2017

	2016-17 Adopted Budget \$'000
Operating Income	
Rates	37,121
Other Rates - Special rates	328
NRM Levy	1,176
Statutory Charges	1,389
User Charges	1,608
Grants and Subsidies	3,442
Investment Income	12
Reimbursements	141
Other Income	415
Operating Projects	66
Total Operating Income	45,699
Operating Expenditure	
Employee Costs	17,011
Materials, Contracts & Other Expenditure	17,169
Finance Costs	716
Depreciation, amortisation & impairment	6,912
Operating Projects	1,397
Total Operating Expenditure	43,204
Funding Surplus/(Deficit) before Capital Revenue	2,495
<i>Net Outlays on Existing Assets</i>	
Capital Expenditure on Renewal & Replacement of Existing Assets	(8,038)
Depreciation, Amortisation and Impairment	6,912
Proceeds from Sale of Replaced Assets	248
	<u>(878)</u>
<i>Net Outlays on New & Upgraded Assets</i>	
Capital Expenditure on New & Upgraded Assets	(5,167)
Amounts received specifically for New & Upgraded Assets	125
Proceeds from Sale of Surplus Assets	60
	<u>(4,982)</u>
Funding Result for Financial Year	(3,365)
Funded By	
New Borrowings	4,500
Working Capital Funding	56
Community Loans Repaid	11
New Loans to Community Groups	0
Borrowing Repayments	(1,202)
Total Funding	3,365

Appendix 3 – Budget Framework and Financial Summary

City of Unley 2016-17 Budget

The income and expenditure forecasts reflected in the proposed Annual Business Plan and Budget for the fiscal year ending 30 June 2017, have been set at a level of aggregation that meets statutory requirements and provides accountability to the community to achieve the Council's goals and objectives within an appropriate policy framework.

2016-17 Budget Framework

This Budget Framework formalises changes (from an outcome and financial perspective) in respect to the approved Annual Business Plan and Budget as a result of responding in a timely manner to opportunities, emergencies or other events unforeseen at the time of setting the budget.

For **Core Operating Services**, the Operating Budget has been adopted by reference to total operating revenue and expenditure as referenced in **Appendix 1 Uniform Presentation of Finances**

Council approval will be required where total operating expenditure varies from its approved budget.

Operating Projects

For Operating Projects, an appropriate dollar amount has been determined to achieve specified outcomes. These Operating Projects including programs have been developed in consultation with Council. The individual project listing has been included as **Appendix 4** and **5** of this document.

Council approval will be required where a change in individual project expenditure is required unless the projects are linked to an identical outcome and delivered by the same budget program. For these projects a reallocation between projects can be undertaken without the need for separate Council approval.

In addition, where a Project has been approved in total by Council and the Project is allocated further to sub projects to assist in financial management or delivery of outcomes, the budget can be reallocated across sub projects without requiring approval of Council. However Council approval will be required to increase or reduce the overall budget previously approved by Council.

Where a new Operating Project is to be considered or an existing Operating Project deferred, this will require approval by Council.

New Capital Works

For New Capital Works Projects, an appropriate dollar amount has been determined for the list of priority projects developed in consultation with Council. The individual project listing has been included as **Appendix 6** of this document.

Where changes to the individual New Capital project expenditure budget is necessary, Council approval is required. Further, where a new project is to be considered or an existing project deferred, this will also require approval by Council.

The Main Street Improvement Program is included in New Capital in total but individual projects are separately approved by Council upon a recommendation from the Unley Business and Economic Development Committee. As such, any change to the budget of individual approved Main Street Improvement Projects or deferral or new projects will require Council approval.

Capital Replacement

These programs and the list of priority projects have been developed by reference to Councils' Asset Management Plans based on condition, levels of service and Council's ongoing commitment to operate and maintain its asset portfolio efficiently to both meet strategic and legislative requirements.

For the Capital Replacement Program, an appropriate dollar amount has been determined for each Asset Category. Where changes to the relevant Asset Category expenditure budget is necessary, Council approval is required.

The individual program summary for Capital Replacement has been included as **Appendix 7** of the Budget Document.

Grant Funding

When grant funding is received for a strategically aligned project or undertaking with equivalent income and expenditure, the budget can be adjusted to account for the grant and the associated expenditure relating to that grant without the need for separate Council approval.

In situations where grant funding requires matching funding from Council, this represents an increase in net expenditure and Council approval is required.

Accounting Reclassification

Where a project requires reclassification between the Operating and Capital Budget to better reflect requirements in relation to accounting principles the reclassification will occur when reasonably practical and the relevant detail provided to Council at the following Budget Review.

It is noted that these transfers between the Operating and Capital sections of the Budget have no cash impact on the overall budget of the City of Unley.

Financial Summary

	Core Operating Budget	Net Operating Projects	Net New Capital	Net Capital Replacement
	\$	\$	\$	\$
Income	45 632 171	66 000	125 000	248 000
Expenditure	41 806 907	1 396 500	5 167 000	8 037 700
Net Surplus/(Net Expenditure)	3 825 264	(1 330 500)	(5 042 000)	(7 789 700)

Expenditure Totals do not include the Net loss – joint ventures and associates of \$246,300

Corporate Services including Office of CEO

	Core Operating Budget	Operating Projects	Capital New	Capital Replacement
	\$	\$	\$	\$
Income	39 428 789	47 000	-	-
Expenditure	10 766 049	397 000	227 000	1 077 000
Total Surplus/(Net Expenditure)	28 662 740	(350 000)	(227 000)	(1 077 000)

Community

	Core Operating Budget	Operating Project	Capital New	Capital Replacement
	\$	\$	\$	\$
Income	3 875 576	-	-	-
Expenditure	8 165 111	190 000	65 000	-
Total Surplus/(Net Expenditure)	(4 289 535)	(190 000)	(65 000)	-

Economic Development & Planning

	Core Operating Budget	Operating Projects	Capital New	Capital Replacement
	\$	\$	\$	\$
Income	711 010	19 000	75 000	-
Expenditure	3 642 660	195 500	765 000	-
Total Surplus/(Net Expenditure)	(2 931 650)	(176 500)	(690 000)	-

Asset and Environment

	Core Operating Budget	Operating Projects	Capital New	Capital Replacement
	\$	\$	\$	\$
Income	1 616 796	-	50 000	248 000
Expenditure	19 233 087	614 000	4 110 000	6 960 700
Total Surplus/(Net Expenditure)	(17 616 291)	(614 000)	(4 060 000)	(6 712 700)

In the following Appendices, Operating and New Capital Projects have been grouped under the five goals identified in the City of Unley Community Plan 2033.

	Emerging	Our path to a future city New activities and technologies that support our business and residential communities
	Living	Our path to a thriving city Reflecting issues of culture, diversity and lifestyle
	Moving	Our path to an accessible city Concerning accessibility and transport
	Greening	Our path to a sustainable city Covering concerns about environmental initiatives and sustainability
	Operational Excellence	Our path to a robust and sustainable organisation

To maintain project numbering integrity, project numbering in this document is based on the numbering relevant for the Special Council Meeting held on 20 April 2016, noting that some Operating Projects were removed or withdrawn at that meeting and as part of consultation feedback.

Appendix 4 – New Operating Projects by Primary Strategy

No	Title	Expenditure \$	Income \$
Administration			
1	Records Management Compliance Project	104 000	-
	Sub Total	104 000	-
Strategies endorsed by Council			
2	Unley Central Project	80 000	-
3	Main Street Digital Economy Strategy	74 000	19 000
4	2016-17 Annual Events Program	100 000	-
5	Unley Gourmet Gala	223 000	47 000
6	Tour Down Under	70 000	-
7	Healthy Community Program	20 000	-
8	Age Friendly Strategies	40 000	-
9	Funding of Royal Adelaide Show Traffic Management Costs	20 000	-
10	Street Tree Watering Well Program	69 000	-
11	Second Generation Street Tree Implementation	75 000	-
12	Implementation of City Wide Park Tree Risk Assessment Audits	30 000	-
13	CRC Water Sensitive Cities	10 000	-
14	Community fruit trees in parks	5 000	-
15	Identification of Encroachments	50 000	-
	SubTotal	866 000	66 000
New Elected Member Initiatives			
16	Community Grants CPI Catch Up	10 000	-
19	Removal of feral olive trees & inappropriate vegetation - Ridge Park	25 000	-
28	Unley City Wide Greening	50 000	-
	Sub Total	85 000	-
New Trader Association Initiatives			
24	Community Event Variety on King William or similar scale event	16 500	-
25	Community Event similar to Goodwood Groove	5 000	-
26	Community Event – An Evening Under the Stars	20 000	-
	Sub Total	41 500	-
	Gross	\$1 096 500	\$66 000
	Net New Operating Projects	\$1 030 500	

Maintenance

11	Second Generation Street Tree Implementation	9 000
14	Community fruit trees in parks	500
28	Unley City Wide Greening	7 500
	New Operating Projects Future Maintenance	\$17 000

New Operating Projects by Primary Strategy - Detail

	Title	Net Expenditure \$
	Administration	
1	<p>Records Management Compliance Project (Year 1 of 2)</p> <p>Records stored in the Unley Records archives are over 50 years old (some date back to the late 1800s) and are deemed permanent. The City of Unley is required under the State Records Act to transfer these to State Records. A listing of all these records and a separate RDS (Records Disposal schedule) needs to be created and put before the State Records Council for approval and transfer to State Records custody. The proposed budget includes an amount for specialists to assist in undertaking this archiving and scheduling to ensure compliance with numerous legislation.</p>	104 000
	Strategies endorsed by Council	
2	<p>Unley Central (Item 1226/August 2014)</p> <p>Council resolved to further investigate property development opportunities in the Unley Central precinct in August 2014. These funds will cover external advice and support as necessary.</p>	80,000
3	<p>Main Street Digital Economy Strategy net (Expenditure \$74,000 Income \$19,000) (Item 36/February 2012 UBED Agenda)</p> <p>This initiative came via the Unley and Business and Economic Development Committee with the Strategy adopted by Council at its February 2012 meeting. Council fully funded the Strategy for three years to June 2015. A phased withdrawal of financial support is underway, in an effort to make the concept self-funding. This is Council's second year's contribution at a reduced level.</p>	55 000
4	<p>2016-17 Annual Events Program</p> <p>The delivery of the City of Unley community events program that includes events such as the Double Shot Coffee Fiesta; Ignite Unley Outdoor Cinema Series; Fringe in Unley; Australia Day event; Every Generation Festival to further attract and support external community events.</p>	100 000
5	<p>Unley Gourmet Gala – net (Expenditure \$223,000 Income \$47,000)</p> <p>The delivery of the Unley Gourmet Gala Event showcasing the City of Unley and the King William Road Precinct. The event showcases local food, wine, fashion, music and entertainment.</p>	176 000
6	<p>Tour Down Under (TDU) - to be confirmed</p> <p>The hosting of a TDU Stage Start on King William Road. This cost includes the license fee of \$15k and event management and infrastructure costs of \$55k. Will only occur if TDU Stage Start granted by SA Tourism Commission</p>	70 000

	Title	Net Expenditure \$
7	<p>Healthy Community Program</p> <p>This program commenced in 2015-16. Year 2 of this program includes a number of healthy living and wellbeing initiatives throughout the financial year, including 'come and try' activities and fitness opportunities, along with stronger links to and involvement of local allied health providers.</p>	20 000
8	<p>Age Friendly Strategies</p> <p>Delivery of initiatives relating to Council's Age Friendly Strategy endorsed in December 2015. The proposed 2016-17 program includes an Age Friendly mapping and footpath pilot; a round table forum with the Australian World Health Organisation (WHO) Member Councils and commencement of the Active Ageing Alliance.</p>	40 000
9	<p>Funding of Royal Adelaide Show Traffic Management Costs</p> <p>Council has historically funded the traffic management activities associated with the Royal Show. In 2014, DPTI issued new guidelines for traffic management events indicating that the event organiser should pay for these arrangements. The Royal Agricultural and Horticultural Society of South Australia (RAHS) have indicated that they would prefer that Council continue to fund these arrangements. At Council's January 2016 Meeting the CEO was delegated responsibility to negotiate a funding arrangement for Council's consideration as part of the 2016-17 Budget deliberations. The proposed amount of \$20k is a contribution to the total estimated cost of \$32k. The amount, annual increase and the period of the agreement (3 years) is currently being considered by the RAHS Board.</p>	20 000
10	<p>Street Tree Watering Well Program</p> <p>Originally an Elected Member initiative, Year 3 of this program is to install tree water wells in appropriate streets to assist in providing water to street trees. This program will deliver between 125 to 150 units and for 2016-17 it is proposed to tie in the installation of wells with the second generation street tree implementation program.</p>	69 000
11	<p>Second Generation Street Tree Implementation (Year 2 of ongoing program)</p> <p>This Elected Member initiative is to increase the level of street tree replacement to a more sustainable level to support Council's Greening goal and draft Tree Strategy. It is proposed that Council's draft Tree Strategy will be adopted in 2016.</p>	75 000
12	<p>Implementation of City Wide Park Tree Risk Assessment Audits</p> <p>This project is for the commencement of the implementation for the remedial actions from the tree risk assessment in the following reserves: Howard Florey Reserve, Dora Guild Playground and Fraser Reserve to address identified risks associated with certain trees.</p>	30 000

	Title	Net Expenditure \$
13	<p>CRC Water Sensitive Cities (Year 3 of 3) In January 2014, Council endorsed a motion to become a participant of the Cooperative Research Centre for Water Sensitive Cities (CRC). This partnership with the CRC provides Council with access and involvement with a wider network of participants to assist with developing water sensitive technologies, practices and policies. Recent outcomes from this partnership include the production of a heat map which shows the radiant heat of the City of Unley urban environment. This is being used to identify where Council should focus its greening infrastructure works.</p>	10 000
14	<p>Community fruit trees in parks (Year 2 of 3) To allow Council to progressively increase the number of fruit trees throughout the City in public places as an ongoing program supporting Council's Greening Goal and Tree Strategy. Princess Margaret and Howard Florey are likely locations for the coming year.</p>	5 000
15	<p>Identification of Encroachments (Year 2 of 2) This project forms the basis to council's encroachment policy presented to Council in December 2013. Council is investigating the way it manages encroachments onto Council property. This project is to identify all historic encroachments across the Council area, map them and prepare a business case to be presented to Council in 2017.</p>	50 000
New Elected Members Initiatives		
16	<p>Community Grants CPI Catch Up – Cr Hughes To provide an increase in funding to Council's Annual Community Grants Program by \$10,000, representing an inflation catch up to support more Community initiatives. The current demand for grants far exceeds the amount available for distribution.</p>	10 000
19	<p>Removal of feral olive trees and other inappropriate vegetation from Ridge Park – Cr Hughes Removal of feral olive trees and other inappropriate vegetation from Ridge Park, in particular along the Glen Osmond Creek. Feral olives are a widely considered noxious tree. This project follows on from a previous olive tree removal project to complete olive eradication in Fullarton Park.</p>	25 000
28	<p>Unley City Wide Greening Initiative Implementation of identified streetscape opportunities within the City of Unley that can value add or improve the greening of the streetscape for both amenity and environmental benefits.</p>	50 000

	Title	Net Expenditure \$
New Trader Association Initiatives		
24	<p>Community Event Variety on King William or similar scale event The King William Road Trader Association requests the continuation of Council's support for a major event in 2016-17 be it Variety on King William or another similar scale event. Variety on King William has been the flagship event for the Road, well entrenched on the Adelaide Fashion Festival's Calendar and a significant opportunity to promote the City of Unley, along with King William Road. The Committee is currently considering options for this event or similar. The Association requested \$10,000 sponsorship for their major event, as well as support for additional costs of \$11,500 to cover road closure, waste management, banners, traffic management, temporary parking controls and advertising. At the Special Council Meeting on 20 April 2016, Council agreed an amount of \$16,500 for consultation representing \$11,500 for support costs and sponsorship of \$5,000.</p>	16 500
25	<p>Community Event similar to Goodwood Groove The Goodwood Road Business Association requests the continuation of Council's support for a major event in 2016-17. Goodwood Groove has been the flagship event for the area, and provides a significant opportunity to promote the City of Unley, and the Goodwood Road precinct. The Association is currently considering options for this event or similar due to Council's undergrounding and streetscape works.</p>	5 000
26	<p>Community Event – An Evening Under the Stars The Unley Road Association requests the continuation of Council's support for a major event in 2016-17. An Evening Under the Stars in conjunction with a Taste of Unley Road has been the flagship event for the precinct, and a significant opportunity to promote the City of Unley. The Association request a \$20,000 sponsorship for their event.</p>	20 000
	Net Operating Projects	\$1 030 500

Appendix 5 –Deferred Existing Operating Project

	Title	Net Expenditure \$
27	<p>Undergrounding of Goodwood Road – Stage 2</p> <p>This project was delayed in 2015-16 until the 2016-17 financial year. This is Council’s contribution to the Public Lighting Environmental Committee (PLEC) undergrounding of power lines on Goodwood Road – between Surrey Street and Victoria Street.</p>	300 000

Appendix 6 –New Capital

Draft New Capital 2016-17 by Primary Strategy

No.	Title	Expenditure \$	Income \$	Maintenance \$
	Strategies/Projects endorsed by Council			
1	Goodwood Road Streetscape & Wayfinding Strategy Delivery	3 300 000	-	50 000
2	Unley Central Entrance Oxford Terrace Detailed Design	200 000*	-	-
3	Main Street Improvement Program	130 000	-	10,000
4	Implementation of King William Road Master Plan – Kerb build outs	200 000*	-	5 000
5	Public Art Strategy Implementation- including Goodwood Road	65 000	-	1 000
6	Implementation of Local Area Traffic Management (LATM) Studies	150 000	-	7 500
7	Stormwater and Water Sensitive Urban Design Implementation	100 000	50 000	5 000
8	Green Infrastructure Implementation	30 000*	-	3 000
9	Brown Hill Keswick Creek	250 000	-	-
10	Capitalised Project Delivery Costs including Overheads	227 000	-	-
	Sub Total	\$4 652 000	\$50 000	\$81 500
	New Elected Member Initiatives			
12	Additional Funding for Implementation of LATMs	100 000	-	5 000
13	Implementation of City of Unley Cycling & Walking Plan	225 000*	25 000	7 500
14	Traffic Calming Wood Street Hyde Park/Millswood	40 000*	-	500
15	Pedestrian Refuge Facility – Marlborough St Malvern	40 000*	20 000	200
16	Safety Works at Goodwood Primary School	60 000*	30 000	1 000
18	Road Safety Speed Monitoring	20 000	-	-
19	Install Solar Panels and Battery Storage on Council owned Building	30 000*	-	1 000
	Sub Total	\$665 000	\$75 000	\$15 200
	Gross	\$5 167 000	\$125 000	\$96 700
	Net New Capital	\$5 042 000		

* Projects highlighted will require further consideration by Council before any expenditure is committed

Further details of these projects are provided in the following pages.

	Title	Net Expenditure \$
Strategies/Projects endorsed by Council		
1	<p>Goodwood Road Streetscape and Wayfinding Strategy Delivery This project will complete an improved streetscape including signage, street furniture, repaved footpaths & kerbs, landscaping, art work, vegetation and side street activation for Goodwood Road between the tram crossing and Victoria Street. The work will be undertaken on completion of the undergrounding of power lines on Goodwood Road.</p>	3 300 000
2	<p>Unley Central Entrance Oxford Terrace Detailed Design This project involves the design development and documentation of Stage 1A. The creation of a new built environment which prioritises pedestrian movements through the community space will integrate the existing commercial and civic functions in Oxford Terrace at this important juncture with Unley Road.</p>	200 000
3	<p>Main Street Improvement Program Each year the Main Street Associations identify infrastructure and improvement projects for the coming financial year. These will be considered by the UBED Committee and Council before the Budget is adopted in June.</p>	130 000
4	<p>Implementation of King William Road Master Plan – Kerb build outs In 2014 Council commissioned a King William Road Project Report which considered all aspects of the precinct. From this a vision, a suite of achievable projects were developed which included the concept of parklets and the piloting of such. Following the success of the parklet pilot program, it is proposed kerb build outs will be constructed in appropriate locations.</p>	200 000
5	<p>Public Art Strategy Implementation- including Goodwood Road This program supports Year 3 (of 5) of the Public Arts Strategy. The majority of this funding is to be invested in public art complementing the Goodwood Road Streetscape Project listed above.</p>	65 000
6	<p>Implementation of Local Area Traffic Management Study In 2014, Council endorsed a prioritisation of local areas to undertake future local area traffic management (LATM) studies. The amount provided for LATM implementation in the LTFP is significantly less than required ; it is therefore proposed that no new LATM study commence in 2016-17 and the funds be allocated for implementation of Wayville/Unley/Goodwood Study outcomes. Implementation will focus on high priority initiatives in the initial years. It is also proposed to increase this funding by \$100k please refer below to an Elected Member initiative.</p>	150 000

	Title	Net Expenditure \$
7	<p>Stormwater and Water Sensitive Urban Design Implementation Year 2 of a program to support Council's Greening goal and Draft Stormwater Strategy (WSUD). This project will continue the design and implementation of some of the priority WSUD opportunities including Leader Street Streetscape Renewal and localised rain gardens across the City based on investigation of suitable sites. It is highly likely that Council will continue to receive external grants to match this funding.</p>	50 000
8	<p>Green Infrastructure Implementation Year 2 of a Council program, this project is aligned to the draft Green Infrastructure Strategy which is a supporting strategy to Council's draft Environmental Strategy. For 2016-17 it is proposed that the program undertake further green wall/roof initiatives at Council owned facilities and investigate opportunities for enhancing environmental outcomes by greening at key infrastructure works such as the Leader Street Streetscape Renewal.</p>	30 000
9	<p>Brown Hill Keswick Creek (BHKC) The City of Unley together with the Cities of Burnside, Mitcham, West Torrens and the Corporation of the City of Adelaide have collaborated to develop a catchment based approach to mitigating flood risk and use of stormwater where feasible in the Brown Hill and Keswick Creek catchment. Council's contribution to the BHKC Project for 2016-17 is estimated at \$250k with proposed works to be undertaken relating to the South Park Lands detention basin and the Lower Brown Hill Creek Upgrade sub projects.</p>	250 000
10	<p>Capitalised Project Delivery Costs including Overheads These are internal project management costs to deliver the projects listed.</p>	227 000
New Elected Member Initiative		
12	<p>Additional funding for the Implementation of Local Area Traffic Management (LATM) Study – Cr Schnell This new initiative will assist in the delivery of more of the high priority recommendations identified in the LATM Study 1 (Wayville/Unley/Goodwood). The high priority treatments are in the order of \$350k in total. The budget of \$250k would deliver around 70% of the high priority recommendations in 2016-17, as opposed to just over 40% with the current proposed budget of \$150k.</p>	100 000

	Title	Net Expenditure \$
13	<p>Implementation of the City of Unley Cycling & Walking Plan 2015-2020 (WCP) – Cr Hewitson</p> <p>The WCP provides strategies/actions for the next five years to further increase walking and cycling within the community. Input from Council and the Unley Bicycle User Group (UBUG) has helped shape the plan. The Unley Cycling and Walking Plan has not yet been adopted by Council but Community Engagement on the Plan recently commenced in April 2016. If the Plan is adopted, these funds would allow Council to begin to implement the high priority recommendations in the Plan.</p> <p>In addition, Elected Members have highlighted consideration of the corner of Canterbury Terrace and East Avenue Clarence Park (net \$25k on the assumption that a State Bicycle Fund grant is obtained) and Wood Street Hyde Park/Millswood (estimated at \$20k and linked to the traffic calming project below) as priorities for implementation in 2016-17. These will be considered from this allocation. Based on a \$200k spend, maintenance is estimated at \$7,500.</p>	200 000
14	<p>Traffic Calming Wood Street Hyde Park/Millswood – Crs Sangster and Rabbitt</p> <p>Residents have raised safety issues for both motor vehicles and cyclists due to the design of the existing traffic calming devices. The proposal includes the installation of speed humps on the motor vehicle roadway between bicycle paths on either side and links to additional cycle works to be prioritised as part of the Implementation of Cycling and Walking Plan. The proposal should also discourage commuter through-traffic, which has been an ongoing volume and speed issue with the local residents.</p>	40 000
15	<p>Pedestrian Refuge Facility – Marlborough Street Malvern - Crs Sangster and Rabbitt</p> <p>Residents from Resthaven and the general locale have difficulty crossing Marlborough Street due to the volume and speed of traffic travelling through the intersection. This Elected member Initiative proposes that a pedestrian facility (kerb extension and refuge) be installed at the intersection of Marlborough Street and Cambridge Terrace to make this crossing safe for all residents. This project will only be considered if matching funding is received.</p>	20 000

	Title	Net Expenditure \$
16	<p>Safety Works at Goodwood Primary School – Cr Schnell</p> <p>A resident has applied for a grant from DPTI focussed on improving safety around Goodwood Primary School that requires matching Council funding. The proposed works include:</p> <ul style="list-style-type: none"> • Parking controls for improved sight distance at the intersection of Hampton Street South and Surrey Street, • upgrade the intersection by installing kerb-extensions to reduce the crossing distances, and • Installation of an Emu Crossing at Hampton Street South <p>The likely cost of installation would be approximately \$30k for the intersection upgrade and \$30k for an Emu crossing. This project will only be supported if matching funding is obtained and the community engagement supports the changes. Council’s contribution will only be \$30k.</p>	30 000
18	<p>Road Safety Speed Monitoring – Elected Member Initiative – Cr Salaman</p> <p>This initiative is to investigate a portable state of the art speed alert sign which could be trailer mounted and moved around to different locations including school zones. Council has used similar signs in the past and is considered a very effective tool for reducing speed and promoting speed awareness in problem areas.</p>	20 000
19	<p>Install Solar Panels and Battery Storage on Council owned Building – Cr Hughes</p> <p>This initiative provides an opportunity for Council to demonstrate leadership in energy efficiency by proposing the installation of solar panels and battery storage on a Council owned building such as the Unley Museum.</p> <p>Administration will be investigating the suitability and feasibility of sites prior to the Budget being adopted in June. The site is also expected to act as a demonstration project for residential properties.</p>	30 000
	New Capital	\$5 042 000

Appendix 7 - 2016-17 Replacement Capital Summary

Asset Category	Expenditure \$	Income \$
Bridges	100 000	
Bus Shelters	64 000	
Car Parks	120 000	
Drains and Stormwater	500 000	
Footways	1 263 000	
IT Equipment	474 000	
Kerb and Water table	425 000	
Plant and Equipment	900 000	248 000
Property including: <ul style="list-style-type: none"> • Buildings • Office Furniture and Equipment • Public Toilets • Swimming Facility 	1 724 000	
Reserves / Recreation and Open Space	378 000	
Roads	1 347 700	
Signs	16 000	
Street lighting	16 000	
Streetscape	80 000	
Traffic Facilities	27 000	
Project Delivery Costs including Corporate Overhead	603 000	
Total	\$8 037 700	\$248 000
Net Replacement Capital	\$7 789 700	

BRIDGES		
Location	Comment	
Bridge/Footbridge – Various	replace / upgrade including design and documentation	
Bridge inspections		
Total		\$ 100 000

BUS SHELTERS	
DDA Compliance	\$ 64 000
Income - DPTI replacement shelters	\$ Nil
Total	\$ 64 000

CARPARKS		
Site	Comment	
Goodwood Community Centre	Refurbishment & reseal	
Total		\$ 120 000

DRAINS AND STORMWATER	
SEP upgrade program	
CCTV program	
Drain Renewal	
Total	\$ 500 000

FOOTWAYS		
Street Name	Street Side	Suburb
Laught Avenue	Both	Black Forest
Railway Terrace South	South side	Forestville
Leader Street	Both	Forestville
Beaconsfield Street	Both	Fullarton
Hall Street	Both	Fullarton
Restormal Street	Both	Fullarton
Lewis Street	Both	Goodwood
Ophir Street	Both	Goodwood
Blacket Street	Both	Goodwood
Union Street	Both	Goodwood
Dollman Street	Both	Goodwood
Fullarton Road	West side	Highgate
Enterprise Street	Both	Hyde Park
Stanley Street	Both	Kings Park
Wattle Street	South	Malvern
Fullarton Road	East side	Myrtle Bank
Barr Smith Avenue	South side	Myrtle Bank
Wilkinson Street	Both	Parkside
Barrow Street	Both	Unley
Oak Avenue	Both	Unley
High Street	Both	Unley Park
Little Charles Street	Both	Unley
	Total	\$1 263 000

For footpaths forming part of the footways asset category, Council has endorsed an asset management plan schedule to replace all asphalt to pavers based on current service standards. Based on the LTFP it is anticipated that the City of Unley will be fully paved by 2019-20.

In addition, in the above total it is estimated that the amount of value linked to Aged Friendly Strategy is in the order of \$200k which includes increased path width, pram ramps and some modifications at specific pinch points.

IT EQUIPMENT	
Computer equipment, servers and other ICT Equipment	
Total	\$ 474 000

KERB AND WATER	
Kerb & water table associated with the footways and roads program	
Total	\$ 425 000

PLANT & EQUIPMENT			
	Gross \$	Income \$	Net \$
Small Plant	30 000	1 000	29 000
Light Fleet	324 000	132 000	192 000
Major Plant	546 000	115 000	186 000
Total	\$900 000	\$248 000	\$652 000

PROPERTY	
Property Classification	Description
Civic Community	Civic/Town Hall Community Centres Museum Libraries Swimming Centre
Civic Operations	Depot, Public Toilets Grandstands/Oval
Civic Operations : other	
Lease Commercial	73 King William Rd
Lease Community	Edmund Ave, Tennis SA, Oxford Terrace Broughton Art
Multi Category works	
	Total \$1 724 000

Property includes the categories of Buildings, Office Furniture and Equipment, Public Toilets and Swimming Facility.

Replacement expenditure for Buildings is expected to reduce in 2017-18 by approximately \$600k and there will be no requirement for public toilets replacement expenditure until 2020-21.

In addition, in the above total it is estimated that the amount of value linked to key Strategies including Aged Friendly Strategy and Environmental Sustainability Strategy is in the order of \$822k which includes building access modifications, public toilet cubical modifications and community bus compound access modifications.

RESERVES / RECREATION AND OPEN SPACES	
Location	Description
Unley Oval	Pirate Ship/ Play equipment
Palmer Reserve	Signage, path and boardwalk
Windsor Street	Lighting Upgrade
Page Park	Tennis court resurfacing and some fencing
Various Parks	Bin surrounds, fencing, seats, signage, paths, lighting and other minor items
Various sites	Back flow prevention devices - compliance
Street furniture	Replacement and upgrade
Total	\$378 000

ROADS			
Street	From	To	Suburb
Leader St Forestville Stage 1	Anzac Hwy	Railway crossing	Goodwood
Palmerston Lane	Young St	Dead end	Unley
Dunk Lane	Young St	65m	Unley
King William Road	Various		
Crack sealing various roads	Various		
Total			\$ 1 347 700

This total includes allocation of extra Roads to Recovery (R2R) funding received in 2016-17 and has been applied to Leader Street, Forestville which was detailed in Council Report Sept 2015.

SIGNS	
Various	
Total	\$ 16 000

STREET LIGHTING	
Various	
Total	\$ 16 000

STREETSCAPE	
Various	
Total	\$ 80 000

TRAFFIC FACILITIES	
Various	
Total	\$ 27 000

PROJECT MANAGEMENT & DELIVERY COSTS (INCLUDING CORPORATE OVERHEAD)	
Project Delivery	
Total	\$ 603 000

Appendix 8 – Rates Assistance Available

Rebate of Rates – Under Sections 159-165 of the Local Government Act 1999

A rebate of rates in respect of any rateable land in the Council area will be available only when the applicant satisfies the requirements under the Act.

Discretionary Rebate of Rates – Under Section 166 of the Local Government Act 1999

Council has absolute discretion to grant a rebate of rates or service charges and to determine the amount of any such rebate.

Applications for discretionary rebates will be considered in accordance with the statutory provisions of Section 166 of the Local Government Act 1999. Further information should be obtained from Council Policy COU 28.

State Government Pensioner and Seniors Concessions

The State Government previously funded concessions on Council rates but abolished such concessions with effect from 30 June 2015.

From 1 July 2015, the State Government has elected to replace these concessions with a single “cost-of-living payment” provided directly to those entitled. This payment may be used for any purpose, including offsetting Council rates.

Note that not all former recipients of rates concessions will be entitled to the new payment. To check eligibility, contact the Department for Communities and Social Inclusion (DCSI) Concessions Hotline 1800 307 758 or at www.sa.gov.au/

Alternative Payment Arrangements

Council provides that any ratepayer who may, or is likely to, experience difficulty with meeting the standard rate payment arrangements may contact the Council to discuss options for alternative payment arrangements. Such enquiries are treated confidentially and are assessed on a case-by-case scenario.

Postponement of Rates in Cases of Hardship

In accordance with Section 182 of the Act, a postponement of rates may be granted if Council is satisfied that the payment of these rates would cause hardship. Council may, on application and subject to the ratepayer substantiating the hardship, consider granting a postponement of payment of rates in respect of an assessment on the condition that the ratepayer agrees to pay interest in the amount affected by the postponement at the cash advance debenture rate calculated monthly and if the ratepayer satisfies the following criteria:

- The property is the principal residence of the ratepayer and is the only property owned by the ratepayer, and
- The property has been owned by the ratepayer and has been their principal residence for more than five years, and

- The ratepayer is able to produce one of the following identification cards
 - Pensioner Concession Card – Centrelink
 - Pensioner Concession Card – Veterans Affairs
 - TPI Card – Veterans Affairs, or
- Can demonstrate to Council they are a self-funded retiree with a household income of less than \$30 000 per year.

All applications for postponement of rates will be assessed on a case-by-case basis and are not contingent on the level of increase in rates payable. All such enquiries and submissions will be treated confidentially.

Postponement of Rates for Seniors

In accordance with Section 182A of the Act, a person may apply to Council for a postponement of the payment of the prescribed proportion of rates for the current or future financial year. Council may, on application and subject to the ratepayer meeting the criteria, postpone payment of a proportion of rates in respect of an assessment on the condition that the ratepayer agrees to pay interest on the amount affected by the postponement at the cash advance debenture rate calculated monthly and if the ratepayer satisfies the following criteria:

The person is a prescribed ratepayer, or is the spouse or domestic partner of a prescribed ratepayer, and

- The ratepayer or their spouse hold a State Seniors Card, and
 - The property is owned and is the principal place of residence of the State Seniors Card holder and/or spouse (that is, the property is lived in most of the time), and
 - If the ratepayer has a registered mortgage on the property prior 25th January 2007, or has over 50% equity in the property, and
 - That no person other than the Seniors Card holder and/or his/her spouse has an interest as an owner in the property.
- If a person has applied for the benefit of a postponement of rates under section 182A and an entitlement to a postponement ceases to exist, the owner of the land must, within 6 months from the day in which the entitlement ceased, inform the council in writing of that fact (unless the liability to the relevant rates has been discharged). Failure to do so could lead to a maximum penalty of \$5 000
- Where an amount is not paid in accordance with the general rate notice but is capable of being the subject of a postponement (eg. in excess of the prescribed amount \$500) under section 182A of the Local Government Act it will be taken to be subject to postponement under that section
- Prescribed interest is applied to the amount of rates postponed, which is charged and compounded monthly on the total amount postponed, until the debt is paid.

All applications for seniors' postponement of rates will be assessed on a case-by- case basis. All such enquiries and submissions will be treated confidentially.