

2017-18 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 3 May and 26 May 2017 with public meetings held on 15 May at the Goodwood Library, 16 May at the Fullarton Park Community Centre and 24 May 2017 at the Unley Civic Centre.

All of the feedback collected during this period was distributed and discussed by the Elected Members at the budget workshop and taken into account in finalising the 2017-18 Annual Business Plan and Budget.

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
- Production of an Annual Report including audited financial statements
- Community Engagement.

Executive Summary

The Annual Business Plan for 2017-18 has been prepared in accordance with the priorities of Unley's draft Community Plan and 4 Year Delivery Plan, while ensuring the financial targets adopted by Council at its Council Meeting in February 2017 are met.

Key financial information for 2017-18 is summarised below.

General Rate Increase	2.9%
Rates Growth (new rateable properties and improvements)	0.5%

Budget Summary	\$'000
General Rates Income	38 350
All Other Operating Income	8 825
Total Operating Income	47 175
Operating Expenses	42 720
New Operating Project Initiatives (Net)	1 342
Operating Surplus (excluding Centennial Park)	3 113
Net Capital Renewal Program Expenditure	7 445
Net New Capital Expenditure	3 775
Total Net Capital Expenditure	11 220
Estimated New Borrowings	2 840
Repayment of Borrowings	2 554

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

Key Financial Targets

Indicator	Adopted Target	2018 Budget
Operating Surplus Ratio (excluding Centennial Park)	> 5.0%	6.6%
Net Financial Liabilities Ratio	= < 80%	43%
Asset Sustainability Ratio (over 10 years)	= > 100%	108%

Impact on ratepayers

It is proposed that the overall amount existing ratepayers will pay in general rates will increase on average by 2.9%. For a residential property of average value, this equates to an increase in general rates of approximately \$49 for the 2017-18 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.

Strategies behind the Annual Business Plan

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

- Annual objectives for the year in the context of Council's long-term objectives
- Overview of 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 2017-18, and
- Council's Financial Planning Framework including Long Term Financial Plan and Asset Management Plans

Significant Influences for the 2017-18 Budget

A number of factors have influenced the preparation of the Council's 2017-18 Annual Business Plan and Budget. These include:

- Local Government Price Index increases on relevant goods and services, which in recent years has tracked close to CPI
- Provision for Enterprise Bargaining Agreements for most staff which determine conditions of employment and provide for annual salary and wages increases.
- Maintaining asset management (renewal) 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 a significant waste levy increase of \$90k for 2017-18.
- Commitments to long term major projects including King William Road, Unley Oval and Brown Hill Keswick Creek, and
- Grant funding including an increase of \$271k in Council's Roads to Recovery grant income for 2017-18 as a result of a Commonwealth Government decision to index fuel excise.

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.

Savings identified as part of 2017-18 Budget Preparation include:

- A reduction in employee costs of approximately \$230k as a result of reallocation of positions across the business from an internal restructure as well as a \$85k reduction for contractors
- Reduction in power costs \$100k, waste management \$150k, telephone \$20k and fuel \$25k

These savings were offset by some increases in costs outside of Council's control including waste levy increases of approximately \$90k, large electricity price increases for street lighting and major sites of \$90k and postage increases of \$58k.

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
- 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
- Community Bus Service
- Halls for hire
- Ovals, courts, parks and reserves for hire.

An increase in the ongoing service level for reactive footpath maintenance has been included as an Operating Project for 2017-18. From 2018-19 this will result in an ongoing increase to operating expenditure.

The remaining services from 2016-17 will be maintained at existing service levels during 2017-18.

Annual Objectives and Key Projects

As the updated Community Plan and 4 Year Delivery Plans have yet to be endorsed by Council, and therefore some of the outcomes under each theme may be subject to change, it was considered appropriate to list the key projects under the agreed themes for the purposes of this document.

Community Living

Key Projects 2017-18

- Implementation of the local area traffic management study for Wayville/Unley /Goodwood
- Undertake local area traffic management study for Parkside and Fullarton
- Increase level of service for reactive footpath maintenance
- Detailed design for the Unley Oval Grandstand upgrade
- Construct Goodwood Oval new toilet and shower room facilities including relocation
- Designs for Goodwood Oval and Millswood Sporting Complex upgrades
- Place activation and showcasing of the our City through major events including Unley Gourmet Gala, Tour Down Under and a diverse Community Events Program

Economic Prosperity

Key Projects 2017-18

- Community Engagement and Detailed Design of King William Road Streetscape (High Street)
- Support the main street precincts through main street improvements
- Implementation of an online Business Concierge service

Environmental Stewardship

Key Projects 2017-18

- Council's contribution to the Brown Hill Keswick Creek Stormwater Management Plan 2017-18 works
- Implementation of Council's Cycling and Walking Plan Year 2
- Continuation of ongoing environmental initiatives and programs including second generation street tree implementation, greening of verges, water sensitive urban design initiatives, investigation of alternative lighting solutions for street lighting and water well installation

Civic Leadership

Key Projects 2017-18

- Review of services using a Target Operating Model approach
- Development of a Digital Transformation Plan to enhance and modernise existing online functionality and add new delivery and self-help functions

Project Priorities proposed for the Year

Council's proposed project priorities for 2017-18 stem from the themes outlined in Council's draft Community and 4 Year Delivery 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:

- 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 draft Community Plan and 4 Year Delivery Plan
- Elected Members submitted projects based on perceived community need
- Projects were divided into three broad categories: Operating Projects (including change to service), New Capital and Capital Renewal Program
- Elected Member workshops were used to further prioritise, refine and finalise 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. Council is considering a rate increase of 2.9% plus estimated growth of 0.5% and this Budget proposes to fund a net amount of \$1.342m of operating projects.

Key items for 2017-18 include:

- Increasing the level of service for reactive footpath maintenance \$150k
- Undertaking a number of traffic and parking initiatives including:
 - a local area traffic management study for Parkside and Fullarton \$40k
 - improvements to parking both across the City and within the main street precincts \$130k
- Continuation of ongoing environmental initiatives and programs including second generation street tree implementation \$75k, water sensitive urban design (WSUD) initiatives \$50k, commencement of an alternative lighting

solution project to realise a combination of benefits including improved environmental outcomes \$50k, greening of verges \$30k and street tree water well installation of \$50k

- Activities for place activation and showcasing of the City of Unley including Unley Gourmet Gala, Tour Down Under (proposed but stage is yet to be confirmed), King William, Goodwood and Unley Road events and annual community events program and related activities in the order of \$500k.

Whilst for 2017-18 the increase in service level for reactive footpath maintenance has been included as an operating project, from 2018-19 this will result in an ongoing increase to operating expenditure.

The proposed projects are detailed in Appendix 4.

Capital Projects

The City of Unley is responsible for a large number of assets with a current depreciable value of approximately \$570m 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 is provided with an increasing demand to provide services in an environment of ageing assets, increased liability and continual constraints on funding.

New capital projects will largely be funded by borrowings. The proposed new capital projects total \$3.775m net and include:

- Detailed design and engagement of King William Road Streetscape (High Street) \$300k
- Continuation of the implementation of the local area traffic management study for Wayville/Unley /Goodwood \$135k
- Implementation of Council’s Cycling and Walking Plan Year 2 totalling \$285k focussed on the Weller Street ‘Bike Boulevard’ and Rugby/Porter Street Stage 2
- Detailed design for the Unley Oval Grandstand upgrade \$300k
- Designs for Goodwood Oval and Millswood Sporting Complex upgrades \$200k
- Construction of the Goodwood Oval new toilet and shower room facilities including relocation net \$250k
- Council’s Brown Hill Keswick Creek project contribution of \$1.7m

Future construction of the Unley Oval Grandstand and Goodwood Oval and Millswood Sporting Complex upgrades will be subject to confirmation of required external funding contributions.

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.

The proposed Capital Renewal Program of \$7.445m net has been based on current asset information and asset management plans. Items include:

- \$1.127m for the proposed road reseal program
- \$1.041m for the footways renewal program
- \$872k for drains and storm water
- \$873k for the Property Program, and
- \$493k for reserves, recreation and open space projects

Details of the proposed Capital Works Program are provided in Appendices 5 and 6.

Borrowings for the 2017-18 Financial 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.

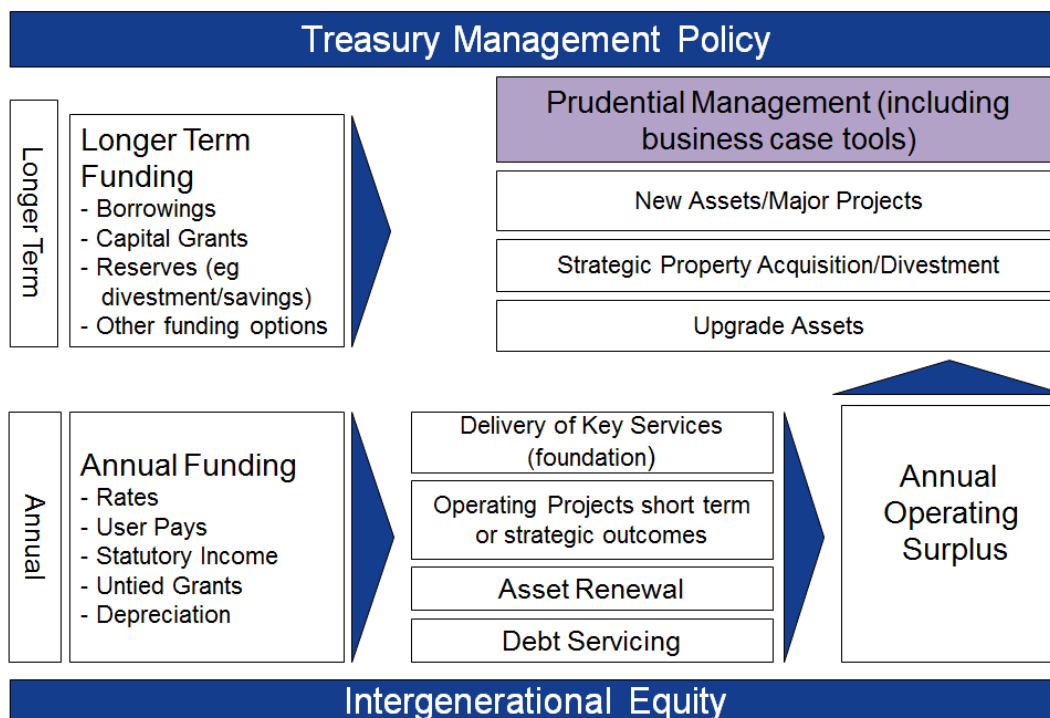
As part of finalising the 2017-18 Budget, Council considered those Capital Projects with short term benefits as to whether they should be funded by rates or borrowing.

	\$000s
Forecast Opening Balance of Borrowings July 2017	14,371
Estimated Borrowing for 2017-18	2,840
Repayment of principal repayments for 2017-18	<u>(2,554)</u>
Forecast Closing Balance of Borrowings June 2018	<u>\$14,657</u>

Financial Policy Context

Financial Planning Framework

The following diagram illustrates the overall funding framework for the City of Unley and the use of the Annual Operating Surplus and longer term funding sources including strategic property divestment.



In addition, in September 2016, Council adopted two updated policies, namely the Treasury Management Policy and the Prudential Management Policy which form a key part of the overall framework and provide context in terms of Council decisions.

Treasury Management Policy

The Treasury Management Policy underpins Council's decision making in the funding of Council's operations in the context of borrowing as well as cash flow, budgeting, and investments. The updated policy now includes specific principles relevant to borrowing for strategic acquisitions while maintaining a target range for Net Financial liabilities.

The specific principles means Council will:

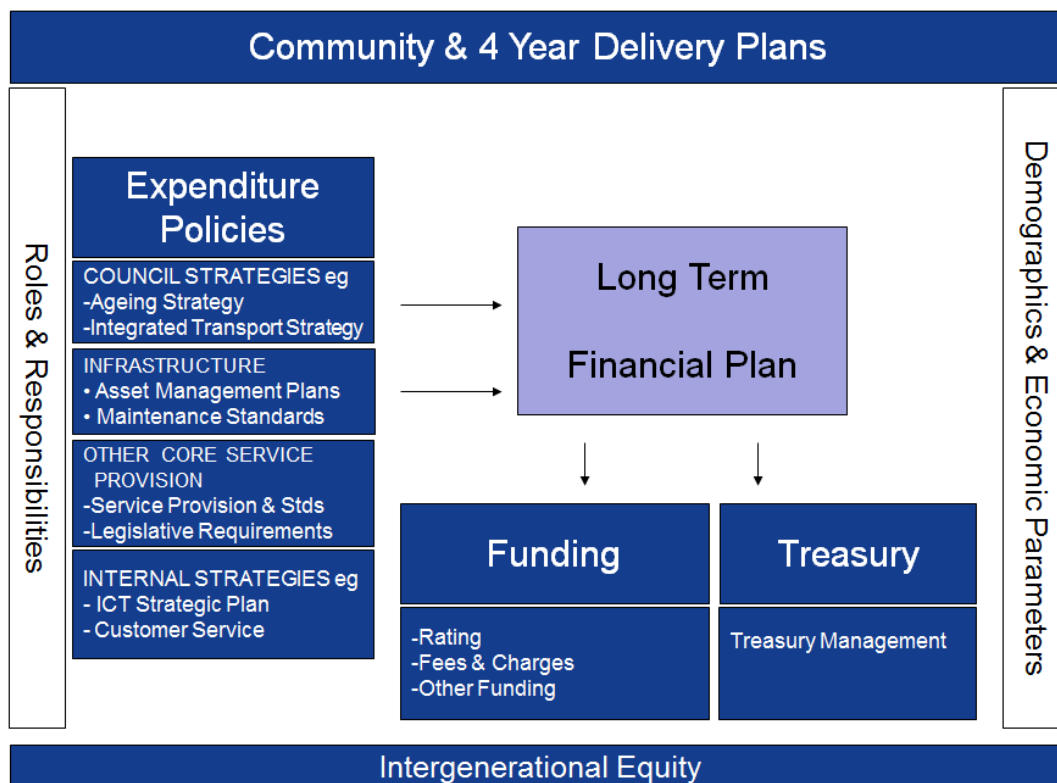
- Maintain a target range for its Net Financial Liabilities ratio;
- Generally only borrow funds to support cash flow;
- Only retain or quarantine money for a particular future purposes when required by legislation or part of an agreement;
- Apply where cost effective any funds that are not immediately required to meet approved expenditure, to reduce its level of borrowings or to defer and/or reduce the level of new borrowings that would otherwise be required.
- Not borrow for funding annual operational expenditure

Prudential Management Policy (including Business Case Tools)

The revised Prudential Management Policy adopted in September 2016 now includes more specific references to due diligence assessment processes based upon the level of risk to which Council may be exposed in undertaking projects including the strategic acquisition of property.

Long Term Financial Plan (LTFP)

Council uses 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.



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 Plan and 4 Year Delivery Plan 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)

Target Financial Indicators

Under the requirements of Regulation 5(c) of the Local Government (Financial Management) Regulations 2011, there is a requirement for Council's LTFP as well as the Annual Financial Statements and Budget to include:

- An Operating Surplus ratio
- A Net Financial Liabilities ratio, and
- An Asset Sustainability ratio.

presented in a manner consistent with the "Model Financial Statements", Financial Indicators.

Council has adopted 3 key financial targets relating to these required ratios to guide the direction of the LTFP and Annual Business Plan and Budget. These targets were recently adopted by Council at its February 2017 meeting following a recommendation from the Audit & Governance Committee on 15 February 2017.

Financial Indicator	Adopted Target
Operating Surplus Ratio (excluding Centennial Park)	Greater of 5% or 100% of principal repayments
Net Financial Liabilities Ratio	<80% of Total Operating Revenue
Asset Sustainability Ratio (rolling 10 year average)	>=100%

As noted in Council's Treasury Management Policy, the net financial liabilities ratio of less than 80% is the key target indicator for Council to assess its capacity to borrow in the medium to long term.

The Net Financial Liabilities Ratio is calculated by expressing net financial liabilities at the end of the year as a percentage of total operating revenue for the year.

Taking into account principal repayments and movements in short term borrowings, it is anticipated that total borrowings will increase by \$0.3m from the forecast 30 June 2017 balance of \$14.4m to **\$14.66m** at 30 June 2018. This results in a Net Financial Ratio at 30 June 2018 of **43%**.

This Annual Business Plan satisfies all Financial Indicator Targets.

Infrastructure and Asset Management Plans

The City of Unley 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 assets.

The development of the 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.

A new approach to asset management driven from a service perspective has been implemented with the adoption of an agreed level of service for property, bridge, road and footpath asset classes.

The new asset system is collecting real time data coupled with ongoing regular condition audits, to undertake more accurate predictive modelling in regard to treatments and life expectancy of each asset class. Over the next few years the management of assets will balance the targeted levels of service for each specific asset with the long term costs.

The Infrastructure and Asset Management Plans provide the basis for the Capital Renewal Program included in Council's LTFFP and is refined as part of the Annual Business Plan and Budget process. In 2017-18 the Capital Renewal Program has a projected net expenditure of \$7.445m.

For footpaths forming part of the footways asset category, Council has endorsed a schedule to replace all asphalt to pavers based on current service standards.

It is anticipated that the City of Unley will be fully paved by June 2019.

Council allocates a significant amount of funds for the operation and maintenance of its asset portfolio within its City Development Division. For 2017-18 this amounts to \$19.555m in addition to capital renewal as detailed in Appendix 6, 2017-18 Capital Renewal Summary.

Details are as follows:

Program and Asset Category	2017-18 Budget Expenditure \$000s	Depreciation	Total Operating Expenditure
Transportation Program			
Bridges	15	133	148
Bus Shelters	9	-	9
Car Parks	55	78	133
Footpaths	456	1,245	1,701
Kerb & Watertable	230	398	628
Linemarking	77	-	77
Roadworks	269	887	1,156
Signs	242	-	242
Street Cleaning	472	-	472
Street Lighting	557	28	585
	2,382	2,769	5,151
Property Program			
Buildings	1,924	1,326	3,250
Open Space Program			
Reserves	2,082	500	2,582
Street Trees	1,068	-	1,068
	3,150	500	3,650
Drains & Stormwater Program	146	1,121	1,267
Waste Management Program	3,671	-	3,671
Environmental Initiatives	122	-	122
Strategic Asset Management	338	-	338
Depot (including Plant)	963	660	1,632
City Development Management	483	-	483
Total Asset Maintenance related Expenditure	13,179	6,376	19,555

*For the purpose of reviewing the budget during the year, funding reallocation resulting in no financial impact will not be reported.

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 5 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 2017-18 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 a fair and equitable method of rating for the City of Unley.

Rates is used to deliver the services. 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 2.9% with a further estimated increase of 0.5% from growth. Growth represents new development, capital improvements to existing properties and changes to value as a result of land divisions and will be confirmed by the Valuer-General as part of completing the valuation of the Council area.

Refer to Appendix 7 for details on Rates Assistance Available.

Rate Statistics

Council has over 18 900 assessments with just over 16 930 being residential, over 920 assessments within non-residential Category 2 (including commercial shops, industrial, and vacant) and nearly 870 non-residential Category 3 (commercial offices and commercial – other). There are 175 non-rateable assessments.

Assessments on the minimum rate total just over 2 400, with residential comprising over 2 300 of these assessments.

Rates Modelling

The valuation for the Council area has been completed by Valuer-General and reflects an increase of 4.7% in valuation for **existing properties**.

Analysis indicates that:

- residential properties, representing over 87% of the overall rateable valuation, had an average valuation increase of 4.6%.
- non-residential properties, including commercial, had an average valuation increase of 5%.

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 2.9% excluding growth.

Valuation Method

The Council uses 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.

The minimum rate will increase to \$781, an increase of \$23. City of Unley still maintains one of the lowest minimum rates in metropolitan Adelaide.

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 it has been determined over time that the differentiation between non-residential category 2 and residential is in the order of 2 times and the differentiation between non-residential category 3 and residential is in the order of 2.36 times.

It is estimated that the Residential Differential General Rate will raise net rate revenue in the order of \$30m in 2017-18.

It is estimated that the Non-Residential Differential General Rates will raise net rate revenue in the order of \$8m in 2017-18.

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 excluding Glen Osmond Road. Council collects the separate rate and passes the funds collected onto the individual Trader Associations for marketing and promotion purposes.

For the 2017-18 Budget, the amounts indicated in the table below will form part of the proposed Budget. These have been developed in consultation with the four associations and their members and were presented to the Unley Business and Economic Development Committee (UBED) in early April 2017.

2017-18 Separate Rate for Trader Associations

Main Street Trader Associations	Separate Rate raised 2016-17	Separate Rate raised 2017-18	% Increase (Decrease)
Unley Road	\$ 107 700	\$ 107 700	Nil
King William Road	\$ 141 000	\$ 144 500	2.5%
Goodwood Road	\$ 51 500	\$ 51 500	Nil
Fullarton Road	\$ 13 250	\$ 13 000	Nil

The King William Road Traders Association Inc. requested a 2.5% increase on the 2016-17 separate rate amount on the premise that there has not been a change in the separate rate amount over the past few years despite CPI increases in costs over that period.

In 2016-17, Council also adopted a recommendation from UBED to cap the amount any separate rate payer pays at \$2000. It is proposed that this is retained for 2017-18.

Unley Road

Currently approximately 450 ratepayers with a land use of Commercial Shop, Commercial Office and Commercial Other pay the separate rate.

King William Road

Currently approximately 130 ratepayers with a land use of Commercial Shop with addresses along King William Road between Greenhill Road and Commercial Road pay the separate rate.

Goodwood Road

Currently just under 100 ratepayers with a land use of Commercial Shop, Commercial Office and Commercial Other, with addresses along Goodwood Road between Leader Street / Parsons Street to the north and Mitchell Street / Arundel Avenue to the south pay the separate rate.

Fullarton Road

Currently just over 50 ratepayers with a land use of Commercial Shop, Commercial Office and Commercial Other, with addresses along Fullarton Road between Cross Road and Fisher Street pay the separate rate.

Fullarton Road Traders pay a fixed amount of \$250.

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 2017-18 is \$1.285m compared to \$1.176m in 2016-17. This represents an increase of 9.3%.

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 2017-18, the total General Rates Income required is \$38.350m. This equates to an average rate increase of 2.9% plus 0.5% 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
2015-16	0.002661	0.005023	0.005988
2016-17	0.002586	0.005101	0.006043
2017-18	0.002540	0.005006	0.005998

Council has chosen to apply a 2.9% 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 LTFP 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.

Conclusion

The 2017-18 Annual Business Plan and Budget 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 – 2017-18 Budgeted General Purpose Financial Statements

Budgeted Uniform Presentation of Finances

Budgeted Statement of Comprehensive Income

Budgeted Statement of Financial Position

Budgeted Statement of Cash Flows

Budgeted Statement of Changes in Equity

Budgeted Financial Indicators

Proposed Budgeted Uniform Presentation of Finances For the year ended 30 June 2018

	2018	2017
Income	47,245	46,019
Expenses	<u>44,222</u>	<u>43,982</u>
Operating Surplus / (Deficit)	3,023	2,037
 Net Outlays on Existing Assets		
Capital Expenditure on Renewal and Replacement of Existing Assets	(7,674)	(9,363)
Depreciation, Amortisation and Impairment	7,122	6,912
Proceeds from Sale of Replaced Assets	<u>229</u>	<u>248</u>
	(323)	(2,203)
 Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets	(4,225)	(7,375)
Amounts received specifically for New and Upgraded Assets	450	463
Proceeds from Sale of Surplus Assets	<u>645</u>	<u>60</u>
	(3,130)	(6,852)
 Net Lending / (Borrowing) for Financial Year		
	<u>(430)</u>	<u>(7,018)</u>
 Net Financial Liabilities at Beginning of Year		
	(19,813)	(13,041)
Decrease / (increase) in Other	<u>90</u>	<u>246</u>
Net Financial Liabilities at End of Year	<u>(20,153)</u>	<u>(19,813)</u>

Proposed Budgeted Statement of Comprehensive Income
For the year ended 30 June 2018

	2018	2017
	\$'000	\$'000
INCOME		
Rates	38,667	37,417
NRM Levy	1,285	1,176
Statutory charges	1,467	1,489
User charges	1,700	1,614
Grants, subsidies and contributions	3,346	3,464
Investment income	12	12
Reimbursements	137	141
Other income	562	609
Operating Projects	70	97
Net gain - joint ventures & associates	-	-
Total Income	<u>47,245</u>	<u>46,019</u>
EXPENSES		
Employee Costs	17,154	17,035
Materials, contracts & other expenses	17,789	17,407
Depreciation, amortisation & impairment	7,122	6,912
Finance costs	656	716
Net loss - joint ventures & associates	90	246
Operating Projects	1,412	1,666
Total Expenses	<u>44,222</u>	<u>43,982</u>
OPERATING SURPLUS / (DEFICIT)	<u>3,023</u>	<u>2,037</u>
Asset disposal & fair value adjustments	39	(26)
Amounts received specifically for new or upgraded assets	450	463
NET SURPLUS / (DEFICIT)	<u>3,512</u>	<u>2,474</u>
Other Comprehensive Income		
Total Other Comprehensive Income	-	-
TOTAL COMPREHENSIVE INCOME	<u>3,512</u>	<u>2,474</u>

Proposed Budgeted Statement of Financial Position
As at 30 June 2018

	2018 \$'000	2017 \$'000
ASSETS		
Current Assets		
Cash and cash equivalents	217	217
Trade & other receivables	4,106	4,149
Other financial assets	11	11
Total Current Assets	4,334	4,377
Non Current Assets		
Financial Assets	8	19
Equity accounted investments in Council businesses	10,701	10,791
Infrastructure, Property, Plant & Equipment	573,937	569,995
Total Non-current Assets	584,646	580,805
Total Assets	588,980	585,182
LIABILITIES		
Current Liabilities		
Trade & Other Payables	7,012	7,012
Borrowings - Short Term Draw Down	2,167	2,167
Borrowings Fixed Term	1,018	1,018
Provisions	2,012	2,012
Total Current Liabilities	12,209	12,209
Non-current Liabilities		
Borrowings	11,472	11,186
Provisions	606	606
Other Non-current Liabilities	208	208
Total Non-current Liabilities	12,286	12,000
Total Liabilities	24,495	24,209
NET ASSETS	564,485	560,973
EQUITY		
Accumulated Surplus	137,028	133,516
Asset Revaluation Reserves	427,457	427,457
TOTAL EQUITY	564,485	560,973
NET FINANCIAL LIABILITIES	20,153	19,813

Proposed Budgeted Cash Flow Statement
For the year ended 30 June 2018

	2018	2017
	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
<u>Receipts</u>		
Operating Receipts	47,276	46,030
Investment Receipts	12	11
<u>Payments</u>		
Operating payments to suppliers & employees	(36,354)	(36,107)
Finance Payments	(656)	(716)
Net Cash provided by (or used in) Operating Activities	10,278	9,218
CASH FLOWS FROM INVESTING ACTIVITIES		
<u>Receipts</u>		
Amounts specifically for new or upgraded assets	450	463
Proceeds from Sale of Surplus Assets	645	60
Sale of replaced assets	229	248
Repayments of loans by community groups	11	11
<u>Payments</u>		
Expenditure on renewal/replacement of assets	(7,674)	(9,363)
Expenditure on new/upgraded assets	(4,225)	(7,375)
Loans made to Community Groups	-	-
Net Cash provided by (or used in) Investing Activities	(10,564)	(15,956)
CASH FLOWS FROM FINANCING ACTIVITIES		
<u>Receipts</u>		
Proceeds from borrowings	2,840	7,756
<u>Payments</u>		
Repayments of borrowings	(2,554)	(1,018)
Net Cash provided by (or used in) Financing Activities	286	6,738
Net Increase/ (Decrease) in cash held	0	-
Cash & cash equivalents at beginning of period	(1,950)	(1,950)
Cash & cash equivalents at end of period	(1,950)	(1,950)
Cash & Investments	217	217
Short Term Drawdown	(2,167)	(2,167)
	(1,950)	(1,950)

Proposed Budgeted Statement of Changes in Equity For the year ended 30 June 2018

	Accumulated Surplus	Asset Revaluation Reserve	TOTAL EQUITY
	\$'000	\$'000	\$'000
Balance at end of previous reporting period	133,516	427,457	560,973
Net Surplus / (Deficit) for Year	3,512	-	3,512
Other Comprehensive Income			
Gain (Loss) on revaluation of I,PP&E	-	-	-
Balance at end of period	137,028	427,457	564,485

For the year ended 30 June 2017

	Accumulated Surplus	Asset Revaluation Reserve	TOTAL EQUITY
	\$'000	\$'000	\$'000
Balance at end of previous reporting period	131,042	427,457	558,499
Net Surplus / (Deficit) for Year	2,474	-	2,474
Other Comprehensive Income			
Gain (Loss) on revaluation of I,PP&E	-	-	-
Share of OCI - Equity Accounted Council Businesses	-	-	-
Balance at end of period	133,516	427,457	560,973

Proposed Budgeted Financial Indicators For the year ended 30 June 2018

	2018 \$'000
Operating Surplus Ratio (excluding Centennial Park)	6.6%
Operating Surplus Ratio (including Centennial Park)	6.4%
Net Financial Liabilities Ratio	42.7%
Asset Sustainability Ratio - Current Year based on Asset Management Plan Required Expenditure	97%
Asset Sustainability Ratio - Current Year based on Depreciation	105%
Asset Sustainability Ratio - 10 Year Rolling	108%

Appendix 2 – Budgeted Funding Statement

Proposed Funding Statement For the year ended 30 June 2018

	2018 \$'000
Operating Income	
Rates	38,350
Other Rates - Special rates	317
NRM Levy	1,285
Statutory Charges	1,467
User Charges	1,700
Grants and Subsidies	3,346
Investment Income	12
Reimbursements	137
Other Income	562
Operating Projects	70
Total Operating Income	47,245
Operating Expenditure	
Employee Costs	17,154
Materials, Contracts & Other Expenditure	17,789
Finance Costs	656
Depreciation, amortisation & impairment	7,122
Operating Projects	1,412
Total Operating Expenditure	44,132
Funding Surplus/(Deficit) before Capital Revenue	3,113
<i>Net Outlays on Existing Assets</i>	
Capital Expenditure on Renewal & Replacement of Existing Assets	(7,674)
Depreciation, Amortisation and Impairment	7,122
Proceeds from Sale of Replaced Assets	229
	(323)
<i>Net Outlays on New & Upgraded Assets</i>	
Capital Expenditure on New & Upgraded Assets	(4,225)
Amounts received specifically for New & Upgraded Assets	450
Proceeds from Sale of Surplus Assets	645
	(3,130)
Funding Result for Financial Year	(340)
Funded By	
New Borrowings	2,840
Working Capital Funding	43
Community Loans Repaid	11
New Loans to Community Groups	0
Borrowing Repayments	(2,554)
Total Funding	340

Appendix 3 – Budget Framework and Financial Summary

City of Unley 2017-18 Budget

The income and expenditure forecasts reflected in the proposed Annual Business Plan and Budget for the financial year ending 30 June 2018, 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.

2017-18 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** 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 5** 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 6** 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
	\$ 000s	\$ 000s	\$ 000s	\$ 000s
Income	47 175	70	450	229
Expenditure	42 720	1 412	4 225	7 674
Net Surplus/(Net Expenditure)	4 455	(1 342)	(3 775)	(7 445)

Expenditure Totals do not include the Net loss – joint ventures and associates of \$90k

Proposed Operating Budget by Program

Budget Program	Program Description	2017-18		
		Operating Income \$000s	Operating Expenditure \$000s	Expenditure / (Revenue) \$000s
City Development Management	Provides general management, executive support and leadership to the services provided by City Development and to Elected Members	-	475	475
Operational Services	Provides maintenance services to Council's infrastructure, property, open space, street and park trees, plant and equipment assets	1,137	11,553	10,416
Property Services	Provides sustainable strategic management of Council's building and property asset portfolio	384	3,190	2,806
Strategic Asset Management	Provides sustainable strategic management of Council's asset portfolio	-	559	559
Waste Management	Collection and disposal of general waste, kerbside recycling, green waste and the hard rubbish collection service	81	3,657	3,576
Environmental Initiatives	Drive improved environmental sustainability through policies, strategies, programs and projects.	-	122	122
Transportation & Traffic	Coordination, administration and support to provide an effective, safe and equitable management of transport spaces for all modes, ratepayers and visitors to improve local accessibility and safety	51	575	524
Urban Design	Development and management of high quality public realm and open space. Coordination, administration and support to provide an effective, safe and equitable management of movement spaces for all modes, ratepayers and visitors to improve local accessibility and safety	-	272	272
Urban Policy Planning	Investigate and prepare Council planning strategy, policy and Development Plan Amendments and review State Government strategic, policy and operations directions	-	225	225
City Services Management	Provide general management, executive support and leadership on the services and programs provided by City Services and to Elected Members	-	542	542
Active Ageing	Coordination, administration and support for community based services and projects aimed at facilitating independence and promoting social inclusion	1,378	1,569	191
Arts & Cultural Development	Provision of Art and Cultural Development programs to support a vibrant and active community	5	142	137
Community Bus Program	A community transport service within the City of Unley provided by fully trained and accredited volunteer drivers, aimed at improving mobility plus connection to more City Services	20	125	105
Community Centres	Management and provision of a thriving network of Community Centres that promote social inclusion, belonging and connection	356	813	457
Community Development & Wellbeing Management	Provide management, support and leadership of the projects, programs and services provided by the Community Development & Wellbeing Team.	-	235	235
Community Grants	Funding for community organisations, groups and individuals to implement programs and initiatives that promote community connectivity, belonging, participation and cultural diversity	-	124	124

Budget Program	Program Description	2017-18		
		Operating Income \$000s	Operating Expenditure \$000s	Expenditure / (Revenue) \$000s
Community Events	Efficient and effective coordination of Council-run community and cultural events and activities, as well as the successful facilitation and attraction of external events into the City of Unley to encourage place activation, cultural celebration & vibrancy	-	179	179
Recreation & Sport Planning	Supporting a healthy and active community through the provision of structured and unstructured recreation, sport and leisure programs and facilities	-	115	115
Unley Swimming Centre	Provision of a premier outdoor swimming facility, encouraging community health, wellbeing and water safety	774	1,007	233
Volunteer Development	Coordination, administration and support for community based volunteer services and projects.		113	113
Youth Development	Engage and empower young people in the community by identifying, developing and providing activities, programs and events		92	92
Animal Management	Promote community safety through education, awareness and compliance with the legislation relating the <i>Dog and Cat Management Act</i> and <i>Local Government Act</i>	176	244	68
Development Services	Planning and building control within the City in accordance with the <i>Development Act</i> and Regulations and other legislative requirements	369	1,750	1,381
Parking Enforcement	Promote community safety through education, awareness and compliance with the legislation relating to the Road Traffic Act and <i>Local Government Act</i> and Council By Laws	881	599	(282)
Public & Environmental Health	Promote community health and safety through education, awareness and compliance with the legislation relating to the <i>Environment and Protection Act</i> and the <i>Local Government Act</i>	37	428	391
Customer Experience	Coordinate and manage the City of Unley brand through customer service, provision of frontline customer service plus resolve customer enquiries and build goodwill within the City of Unley community	12	634	622
Library Services	Provision of Library services, programs and facilities to encourage literacy, lifelong learning and social inclusion and connection	352	2,085	1,733
Unley Museum	Provision of the Unley Museum to showcase the cultural heritage and history of the area through the provision of collection, exhibitions and programs	5	133	128
Office of the CEO	Organise and manage the good governance of the City of Unley, including support for Elected Members and Civic Functions	306	1,055	749
Economic Development	Manage the implementation, monitoring and evaluation of economic development activities and strategic initiatives within the City of Unley	325	586	261
Strategic Projects	Facilitating delivery of major strategic initiatives from 4 Year Delivery Plan and Community Plan		139	139
Governance & Risk	Undertakes administration of legislative and corporate governance requirements, and maintains robust controls through risk management and internal audit oversight	3	942	939
Marketing & Communications	Coordinate and manage the City of Unley reputation and brand in digital and printed communications and media relations	12	484	472

Budget Program	Program Description	2017-18		
		Operating Income \$000s	Operating Expenditure \$000s	Expenditure / (Revenue) \$000s
Business Support & Improvement	Provides general management, executive support and leadership to the services provided by Business Support & Improvement Division and supports Elected Members	-	502	502
Business Systems & Solutions	Manages and maintains Council's Information Communication Technology infrastructure, applications and supporting systems to provide high levels of secure service that supports business operations and performance	-	1,759	1,759
Corporate Activities	The accumulation of corporate costs including leave on-costs, treasury management, levy and taxes and insurances	2,080	3,088	1,008
Culture & Business Capability	This service supports the continuous improvement of overall business capability focused on the provision of 'best value' services to customers. Critical to improved business capability and customer experience is having the best organisational culture possible	-	324	324
Finance & Procurement	Delivers accounting, financial, procurement and treasury management services required to support Council's operations, including statutory and financial reporting obligations	38,430	1,348	(37,082)
Human Resources	Provides support in recruitment, change management, employee relations, injury management, Occupational Health Safety and Welfare	-	937	937
Total		47,175	42,720	(4,455)

Appendix 4 – 2017-18 Proposed New Operating Projects

No	Title	Net Expenditure \$	Future Maintenance \$ per annum	Community Living Outcome	Economic Prosperity Outcome	Environmental Stewardship Outcome	Civic Leadership Outcome
1	2017-18 Trader Event Sponsorship	54 750		X	X		
2	Unley Gourmet Gala and Tour Down Under (Net)	266 000		X	X		
3	Community Events Program	120 000		X	X		
4	Active Ageing	20 000		X			
5	Healthy Community Program	20 000	500	X	X		
6	Investigate enhancement of Ridge Park & Orphanage Park for sports use	20 000		X			
7	Implementation of City Wide Park Tree Risk Assessment Audits	30 000		X		X	
8	Reactive Footway Maintenance – increased level of service	150 000		X			
9	LATM Study – Parkside & Fullarton Year 1	40 000		X		X	
10	Parking Initiatives	130 000		X	X	X	
11	Royal Show Traffic Management Support	20 400		X			
12	Closure of King William Road on Sundays	41 000		X	X		
13	Business Concierge	50 000			X		
14	City Wide Greening/ Verges	30 000	3 000	X		X	
15	2 nd Generation Street tree renewal	75 000	5 000	X		X	
16	Fruit trees in parks	5 000	500			X	
17	Street Tree Water Wells	50 000	2 000			X	
18	Review of services using a Target Operating Model	120 000					X
19	Water Sensitive Urban Design (WSUD) Initiatives	50 000	3 000			X	
20	Street Lighting Infrastructure Alternative Lighting Solution Project	50,000					
	Net New Operating Projects	\$1 342 150	\$ 14 000				

Proposed New Operating Projects - Detail

	Title	Net Expenditure \$
4 Year Plan Elected Member Priorities		
1	<p>2017-18 Trader Event Sponsorship</p> <p>The provision of financial support to Trader Associations in order to stage events based on the following:</p> <ul style="list-style-type: none"> • Unley Road Traders Association \$20,000 Evening Under the Stars (Feb 18) • King William Traders Association \$34,750 for 7 street-wide/community special events and activation and indicatively includes Variety on King William, Adelaide Fashion Festival Parade, Halloween on King William, Outdoor Cinema and Tasting Australia <p>Goodwood Road Business Association propose a carry forward from 2016-17 to contribute to the Goodwood Road Launch in October 2017.</p>	54 750
2	<p>Unley Gourmet Gala and Tour Down Under – net (Expenditure \$336,000 Income \$70,000)</p> <p>The continued staging of Council’s Unley Gourmet Gala and the Tour Down Under event in 2017-18 building on previous years’ success. The hosting of a TDU Stage is dependent on a stage being granted by SA Tourism Commission. The 2017-18 expenditure amount includes traffic and communication costs.</p>	266 000
3	<p>2017-18 Community Events Program</p> <p>The delivery of the City of Unley community events program; it includes events such as the Double Shot Coffee Fiesta (Nov 17); Ignite Unley Outdoor Cinema Program (Dec 17); Australia Day event; (Jan 18); Fringe in Unley (Mar 18); Every Generation Festival (Oct 17) as well as event attraction, support, promotion and storage.</p>	120 000
4	<p>Active Ageing</p> <p>Delivery of initiatives relating to Council’s Age Friendly Strategy endorsed in December 2015 and informed by research undertaken in 2016-17. As well as the continuation of existing initiatives, the proposed 2017-18 program includes:</p> <ul style="list-style-type: none"> • Development of a City Wide Volunteers database & support & training to community groups and clubs managing volunteers; • Development of an Age Friendly Retail Recognition Program and • Delivery of intergenerational school’s partnering program 	20 000
5	<p>Healthy Community Program</p> <p>This program commenced in 2015-16. Year 3 of this program includes a number of healthy living and wellbeing initiatives throughout the financial year, including continuation of the monthly activities calendar in our parks and other facilities, supporting community events and other activities that encourage physical activity and healthy lifestyles, links to and involvement of local allied health providers and ongoing promotion of the program brand to</p>	20 000

	Title	Net Expenditure \$
	encourage the community to get active in Unley.	
6	<p>Investigate the enhancement of Ridge Park and Orphanage Park for sports use</p> <p>This project is to undertake a needs based assessment and analysis of spatial areas for appropriate sports use in the two areas to inform the appropriate infrastructure investment type. Stakeholder engagement with clubs and residents will also be undertaken as part of the process.</p>	20 000
7	<p>Implementation of City Wide Park Tree Risk Assessment Audits</p> <p>This project is to undertake tree risk assessments in the following reserves: Fullarton Park, Goodwood Oval/Reserve and Forestville Reserves as well as the implementation of actions from these audits.</p>	30 000
8	<p>Reactive Footway Maintenance – increased level of service</p> <p>This initiative will provide for the ongoing additional funding required to implement Council’s agreed higher level of service for ongoing reactive footpath maintenance.</p>	150 000
9	<p>LATM Study – Parkside & Fullarton Year 1</p> <p>The proposed project is to complete a Local Area Traffic Management Study (LATM 2) over two years (2017-18 and 2018-19) for the area bounded by Greenhill Road, Unley Road, Wattle Street and Fullarton/Glen Osmond Roads. The study will enable a holistic assessment and treatment prioritisation of traffic, parking and road safety issues for the areas. The outcome is an assessment report outlining appropriate treatments for subsequent infrastructure implementation. The project will be completed in 2018-19.</p>	40 000
10	<p>Parking Initiatives</p> <p>This initiative includes a number of activities aimed at improving parking across the City, including increasing parking accessibility and visibility in the vicinity of main street precincts, delivering outcomes from the Unley Integrated Transport Strategy and reducing unnecessary parking restriction signs.</p>	130 000
11	<p>Royal Show Traffic Management Support</p> <p>This is the second year of three year funding agreement that Council has negotiated with Royal Agricultural and Horticulture Society as a contribution towards traffic management costs during the show period. Council’s contribution increases by CPI each year.</p>	20 400

	Title	Net Expenditure \$
12	<p>Closing of King William Road on Sundays. To support economic growth, community participation and visitors, this initiative provides for the closure of King William Road on Sundays during the warmer months of the year for the purpose of allowing on-street dining, trade and entertainment. The budget relates only to street closure costs.</p>	41 000
13	<p>Business Concierge This initiative proposes a multi-stage program with the objective to increase self-service options for business customers and improve access to information for businesses (new and existing). The project is proposed to be undertaken over a two year period.</p>	50 000
14	<p>City Wide Greening / Verges 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 including the conversion of verges from dolomite to loam to be planted and maintained by residents.</p>	30 000
15	<p>Second Generation Street Tree Implementation (Year 3 of ongoing program) This initiative forms part of Council's endorsed Environmental Sustainability Strategy and Tree Strategy to increase the level of street tree replacement to a more sustainable level. The project covers the removal and replacement of existing street trees to ensure the City maintains its tree canopy cover</p>	75 000
16	<p>Community fruit trees in parks (Year 3 of 3) This project continues a program operating over the last couple of years to allow Council to progressively increase the number of fruit trees throughout the City in public places thus supporting Council's Tree Strategy. It is proposed that Orphanage Park be the location for 2017-18.</p>	5 000
17	<p>Street Tree Water Well Program This is Year 4 of a program forming part of the Environmental Sustainability Strategy to install tree water wells in appropriate streets to assist in providing water to street trees. Tree wells are installed in verges aligned to the Second Generation Tree Program and other verges where Council is planting trees. The initiative does not include the planting of trees.</p>	50 000
18	<p>Implementation of Council's Target Operating Model (TOM) The TOM is an approach of how an organisation can be best organised to more efficiently and effectively deliver and execute its strategy. It will provide Council with a structured approach to understanding and reviewing existing services in detail, to identify the optimum, sustainable balance of service provision. Stage One will include the development of business principles to be applied, detail data collection and analysis of existing services and understanding how they are delivered.</p>	120 000

	Title	Net Expenditure \$
19	<p>Water Sensitive Urban Design (WSUD) Initiatives</p> <p>Year 3 of a program to support Council’s Environmental Sustainability Strategy to assist in maintaining and enhancing our urban environment as well as strengthening our resilience to climate change. This project will continue the planning and implementation of some of the priority opportunities for tree health and water management. This may include WSUD permeable pavers at Macklin Ave renewal project and minor modifications to Halmon Ave verge gardens. It is likely that Council will continue to receive external grants to leverage this funding.</p>	50 000
20	<p>Street Lighting Alternative Lighting Solution Infrastructure Project</p> <p>Investigate replacing street lights across the City with LED in partnership with Campbelltown Council and any other interested councils, as well as introducing smart city concepts associated with lighting in key precincts of the City. The objective of the project is to investigate an alternative lighting solution for Council that will lead to the realisation of a combination of benefits covering improved environmental outcomes, reduced lighting costs and improved service levels.</p>	50 000
	Net Operating Projects	\$1 342 150

Appendix 5 – 2017-18 Proposed New Capital

No	Title	Net Expenditure \$	Future Maintenance \$ per annum	Community Living Outcome	Economic Prosperity Outcome	Environmental Stewardship Outcome	Civic Leadership Outcome
	4 Year Delivery Plan Elected Member Priorities						
1	Nairne Terrace, Goodwood	30 000	500	X			
2	LATM Implementation (Unley, Goodwood & Wayville)	135 000	10 000	X			
3	Unley Oval Grandstand Upgrade Design	300 000		X			
4	Walking / Cycling Plan (Year 2)	285 000	15 000	X		X	
5	Goodwood Oval Facilities	250 000		X			
6	Goodwood Oval & Millswood Sporting Complex Improvement Plan - Design	200 000		X			
8	Public Art Strategy Implementation	60 000	1 000	X			
9	King William Road Streetscape – Engagement & Design	300 000		X	X	X	
10	Main Street Improvement Fund	200 000	2 000		X		
11	Brown Hill Keswick Creek	1 713 000	27 000			X	
12	Digital Services Program (technology for communication, systems and engagement)	55 000					X
13	Capitalised Project Delivery Costs including Overheads	232 000					X
14	Clarence Park Community Centre Building Works Contribution	15 000	500	X			
	Net New Capital	3 775 000	56 000				

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

	Title	Net Expenditure \$
4 Year Delivery Plan Elected Members Priorities		
1	<p>Nairne Terrace Goodwood</p> <p>To develop and implement a shared street concept for Nairne Terrace between Leader Street and Nichols Street Goodwood in conjunction with the 2017-18 footpath and kerb and watertable capital renewal works (separately budgeted). Grant funding from DPTI will be sought for this project.</p>	30 000
2	<p>Local Area Traffic Management Implementation (Unley, Goodwood, Wayville)</p> <p>To continue the implementation of the LATM (Unley, Wayville and Goodwood areas) recommendations as endorsed by Council in September 2016. Year 2 involves undertaking the medium priority works identified based on local safety issues and improvements for road users as follows:</p> <ul style="list-style-type: none"> • Wayville – Bartley Crescent intersection with Greenhill Road • Goodwood – Hardy Street/Albert Street and Weller Street/Albert Street intersections • Unley – Palmerston Road, Roberts Street and Salisbury Street intersections with Hughes Street 	135 000
3	<p>Unley Oval Grandstand Upgrade Design</p> <p>The preparation of detailed designs for an upgrade of the existing grandstands to allow the project to be “shovel ready” for future funding opportunities. As this project is only partly funded by Council, construction will not commence until required external funding contributions are confirmed.</p>	300 000
4	<p>Walking & Cycling Plan (WCP) Year 2 Initiatives</p> <p>To continue the implementation of Council’s WCP initiatives with proposed Year 2 Projects being as follows:</p> <ul style="list-style-type: none"> • Weller Street ‘Bike Boulevard’ • Rugby/Porter Street Stage 2 works being a continuation of improvements along this corridor. (Rugby Street intersections with Fisher Street, Wattle Street, Marlborough Street and Oxford Terrace) <p>The Stage 2 works are subject to DPTI co funding</p>	285 000
5	<p>Goodwood Oval Facilities - Net (Expenditure \$700,000 Income \$450,000)</p> <p>Completion of design work and construction of a new toilet and shower room facilities including the removal and relocation of the public toilets into a new separately located facility. This project will only proceed if the State Government and clubs contribute \$450k in funding.</p>	250 000

	Title	Net Expenditure \$
6	<p>Goodwood Oval & Millswood Sporting Complex Improvement Plan Designs</p> <p>The development of designs for upgrades at the Goodwood Oval and Millswood Sporting Complex to achieve a 'shovel ready' project, inform future Council funding, and enable Council to apply for external grant funding. Council is only making a part contribution to the project and construction will not go ahead unless external funding is confirmed.</p>	200 000
8	<p>Public Art Strategy Implementation</p> <p>This program supports Year 4 (of 5) of the Public Arts Strategy and includes:</p> <ul style="list-style-type: none"> • Arts in Your Face (public art grants) - \$50,000 • Emerging Art Walls Year 2 -\$5,000 • Documentation for Water Tanks Exhibition - \$5,000 • Scoping for Year 5 "Centrepiece" Plan - no additional cost 	60 000
9	<p>King William Road Streetscape Engagement & Design</p> <p>King William Road is an iconic destination in Unley. The precinct is in need of an upgrade and refresh to ensure its premium status continues. This project is to engage with the local community, businesses and visitors to identify a detail design. This project will not progress to construction until a detail design solution is agreed and endorsed by Council.</p>	300 000
10	<p>Main Street Improvement Program</p> <p>This funding allocation is for infrastructure improvement projects for the four main street precincts. (King William, Unley, Goodwood and Fullarton Roads)</p>	200 000
11	<p>Brown Hill Keswick Creek (BHKC)</p> <p>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.</p> <p>Council's contribution to the BHKC Project for 2017-18 is estimated at \$1.7m with proposed works relating to the construction of a wetland in Victoria Park, rehabilitation along priority stretches of the creek channel and the forming of a regional subsidiary.</p>	1 713 000
11	<p>Digital Services Program (technology for communication, systems and engagement)</p> <p>Stage 1 of the Digital Services program (2016-2018) seeks to enhance and modernise existing online functionality and add new delivery and self-help functions including:</p> <ul style="list-style-type: none"> • Unley Online providing improved customer interface and functionality • Public web mapping • Customer service web chat 	55 000

	Title	Net Expenditure \$
12	Capitalised Project Delivery Costs including Overheads These are internal project management costs to deliver the projects listed.	232 000
13	Clarence Park Community Centre Building Works Contribution Council co-funding contribution sought by Clarence Park Community Centre to extend a sheltered area and outside workshop structure which can be used by the T.O.Y.S/Mens Shed and other centre users for events and programs.	15 000
	New Capital	\$3 775 000

Appendix 6 - 2017-18 Proposed Capital Renewal Program by Asset Class

Asset Category	Expenditure \$	Income \$
Bridges	100 000	
Bus Shelters	66 000	
Car Parks	44 000	
Drains and Stormwater	872 000	
Footways	1 041 000	
IT Equipment	750 000	
Kerb and Water table	438 000	
Plant and Equipment	1 084 000	229 000
Property including: <ul style="list-style-type: none"> • Buildings • Public Toilets • Swimming Facility • Office Furniture and Equipment 	873 000	
Reserves / Recreation and Open Space	493 000	
Roads	1 127 000	
Signs	16 000	
Street lighting	25 000	
Streetscape	110 000	
Traffic Facilities	27 000	
Project Delivery Costs including Corporate Overhead	608 000	
Total	7 674 000	229 000
Net Capital Renewal Program	7 445 000	

BRIDGES		
Location	Comment	
Bridge/Footbridge	Renewal works required to repair defects on existing structures following the condition audit.	
Bridge inspections	Condition audit.	
Total		\$ 100 000

BUS SHELTERS		
Compliance & Seating		
Replace bus shelters – King William Road, at Stop 2 on the way into the City.		
Program to replace plastic tactile indicators with concrete insert tactiles.		
Program to replace old seating with age friendly seating at bus stops.		
Total		\$ 66 000

CARPARKS		
Site	Comment	
Fullarton Park Community Centre	Renewal of main car park and driveway	
Total		\$ 44 000

DRAINS AND STORMWATER		
Glen Osmond Road / Fullarton Road Fullarton diversion.		
Macklin Avenue Parkside Drainage.		
Kenilworth Drain Parkside Stage 2.		
Total		\$ 872 000

FOOTWAYS			
Street Name	Side of street	Suburb	Ward
Eglington Avenue	both	Black Forest	Clarence Park
Hill Court	both	Black Forest	Clarence Park
Winfred Avenue	both	Black Forest	Clarence Park
Greville Street	both	Fullarton	Fullarton
White Avenue	both	Fullarton	Fullarton
Wycliff Avenue	both	Fullarton	Fullarton
Burnham Avenue	both	Myrtle Bank	Fullarton
Grove Avenue	both	Everard Park	Goodwood
Aroha Terrace (Foster to Newman)	south	Forestville	Goodwood
Aroha Terrace (Newman to Victoria)	south	Forestville	Goodwood
Charles Street	both	Forestville	Goodwood
Nairne Terrace (Shared Zone)	west	Forestville	Goodwood
Newman Street	both	Forestville	Goodwood
Florence Street (Ada to Dead End)	both	Goodwood	Goodwood
Harvey Street	both	Goodwood	Goodwood
Myra Street	both	Parkside	Parkside
Nelly Street	both	Parkside	Parkside
Pine Street	both	Parkside	Parkside
St Helen Street	both	Parkside	Parkside
Mornington Road	west	Unley	Unley
Caroona Street	east	Hyde Park	Unley Park
Hague Avenue	both	Hyde Park	Unley Park
Mann Street	both	Hyde Park	Unley Park
Alexander Avenue	west	Millswood	Unley Park
Vardon Terrace	west	Millswood	Unley Park
Nanthea Terrace North (Northgate to Cedar)	north	Unley Park	Unley Park

Nanthea Terrace North (Cedar to Rutland)	north	Unley Park	Unley Park
Nanthea Terrace South (Glen to Cross)	north	Unley Park	Unley Park
Total			\$1 041 000

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 June 2019.

IT EQUIPMENT	
Computer hardware (including server room upgrade), software (including Records Management System Upgrade, telephone system and Infringements) and other ICT Equipment	
Total	\$ 750 000

KERB AND WATER TABLE	
Railway Terrace, Goodwood (North & South) – full length as required	
North Terrace, Highgate - full length, both sides as required	
Nichols Street, Forestville - full length, both sides as required	
West Terrace, Highgate - full length, both sides as required	
Nelson Street, Fullarton - both sides as required	
Macklin Street , Parkside – central spoon drain	
Roads on the renewal program will have either kerb or water tables replaced	
Total	\$ 438 000

PLANT & EQUIPMENT			
	Gross \$	Income \$	Net \$
Small Plant	30 000	-	30 000
Light Fleet	189 000	82 000	107 000
Major Plant	865 000	147 000	718 000
Total	\$1 084 000	\$229 000	\$855 000

Plant items include:

Water Truck	Community Services handyman van	Chipper truck
Flocon (bitumen truck)	Kubota mower	Tandem Axle trailer
Road Sweeper	Change-over of 5 light fleet vehicles	

PROPERTY		
Property Classification	Facilities	Cost \$
Civic Community	Civic/Town Hall Community Centres Museum Libraries Swimming Centre	244 000
Civic Operations	Depot Public Toilets Grandstands/Oval	5 000
Civic Operations : other	Mount Osmond Landfill Site	36 000
Lease Commercial	73 King William Rd	30 000
Lease Community	Unley Park Sports Club Sturt Bowling Club Goodwood Community Centre Goodwood Oval Precinct 39 Oxford Terrace, Unley	265 000
Multi Category works		260 000
Office Equipment		33 000
	Total	\$873 000

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

RESERVES / RECREATION AND OPEN SPACES	
Location	Description
Heywood Park	Play equipment renewal & upgrade
Scammell Reserve	Park fencing Park furniture Park lighting renewal
Soutar Park	Irrigation renewal
Windsor St (shared path)	Lighting renewal and upgrade
Various Parks	Bin surrounds, fencing, seats, signage, paths, lighting, soft fall and other minor items
Various Parks	Back flow prevention devices (compliance)
Various	Street furniture renewal and upgrade
Total	\$493 000

ROADS			
Street	From	To	Suburb
Kenilworth Road	Glen Osmond Road	Dudley Street	Parkside
Grace Street	Weller Street	King William Road	Goodwood
Macklin Street	Kenilworth Road	Davey Street	Parkside
Weller Street	Albert Street	Mitchell Street	Goodwood
Wood Street	Mitchell Street	Northgate Street	Millswood
King William Road	Various	Continuing the program of localised pavement reconstruction to patch priority defect areas	Unley
Crack sealing various roads	Various	Maintenance patching to localised defects	
		Total	\$ 1 127 000

SIGNS	
Replacement and renewal of signage across the City.	
	Total \$ 16 000

STREET LIGHTING	
Replacement and renewal of lights across the City.	
	Total \$ 25 000

STREETSCAPE	
Replacement and renewal of streetscape across the City.	
Key locations include:	
Young Street, Unley (Palmerston to Roberts)	
Laught Avenue, Black Forest	
Moore Street, Fullarton	
Dunks Street, Parkside	
Way Avenue, Myrtle Bank	
Ripon Road, Black Forest	
Young Street, Parkside (Porter to George)	
Charles Street, Forestville (Nichols to Leader)	
	Total \$ 110 000

TRAFFIC FACILITIES	
Replacement and renewal of traffic management infrastructure.	
Total	\$ 27 000

PROJECT MANAGEMENT & DELIVERY COSTS (INCLUDING CORPORATE OVERHEAD)	
Project Delivery	
Total	\$ 608 000

Appendix 7 – 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

In February 2017, Council endorsed a revised Rate Rebate Policy with a key principle that all ratepayers should contribute an amount towards basic service provision. As such the new Policy proposes a maximum discretionary rebate of 75%.

Applications for discretionary rebates for the 2017-18 rating year will need to be received by 1 May 2017 to be considered in accordance with the statutory provisions of Section 166 of the Local Government Act 1999. Further information should be obtained from Council's Rate Rebate Policy.

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.

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

Any ratepayer who may, or is likely to, experience difficulty with meeting the standard rate payment arrangements should 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 to 25 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.