

# 2018-19 ANNUAL BUSINESS PLAN & BUDGET

THE CITY of  
*Unley*







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## Background

Section 123 of the *Local Government Act 1999* (the Act) requires Council 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 public consultation. The consultation for this Plan was undertaken between 26 April and 27 May 2018, with a public meetings held between the 10 May and 21 May at various locations across the city.

All of the feedback collected during this period was distributed to, and discussed by, the Elected Members, and taken into account in finalising the 2018-19 Annual Business Plan and Budget.

## How Council measures its performance

Council measures its achievements and financial performance in the following ways:

- Regular financial reporting to Executive and Council
- Quarterly corporate performance reports provided to Executive and Council
- Three Budget Reviews
- Annual review of the Long Term Financial Plan,
- Review and input from Council's Audit and Governance Committee
- Production of the Annual Report including audited financial statements
- Community Engagement.

## Strategies behind the Annual Business Plan

The purpose of the Annual Business Plan is to provide:

- an understanding of Annual objectives for the year in the context of Council's long-term plans
- an overview of the activities and services provided by Council
- Key financial information relating to revenue and expenditure
- Proposed new initiatives and projects
- the impact of rates for 2018-19, and
- Council's Financial Planning Framework including the Long Term Financial Plan and Asset Management Plans.

## Executive Summary

The Annual Business Plan for 2018-19 has been prepared in accordance with the priorities of Unley's Community Plan and 4 Year Delivery Plan, whilst ensuring the financial targets adopted by Council are met.

Key financial information for 2018-19 is summarised below.

General Rate Increase 2.8%

Rates Growth (new rateable properties and improvements) 0.5%

<b>Budget Summary</b>	<b>\$'000</b>
General Rates Income	41,215
All Other Operating Income	6,815
<b>Total Operating Income</b>	<b>48,030</b>
Operating Expenses	44,392
New Operating Project Initiatives (Net)	1,242
<b>Operating Surplus (excluding Centennial Park)</b>	<b>2,396</b>
Net Capital Renewal Program Expenditure	7,627
Net New Capital Expenditure	8,321
<b>Total Net Capital Expenditure</b>	<b>15,948</b>
<b>Estimated New Borrowings</b>	<b>6,329</b>
<b>Repayment of Borrowings</b>	<b>669</b>

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

## Key Financial Targets

<b>Indicator</b>	<b>Adopted Target</b>	<b>2018 Budget</b>
Operating Surplus Ratio (excluding Centennial Park)	> 5.0%	5.1%
Net Financial Liabilities Ratio	= < 80%	48%
Asset Sustainability Ratio	= > 100%	101%

## Impact on ratepayers

The overall amount ratepayers will pay in general rates will increase on average by 2.8%. For a residential property of average value, this equates to an increase of approximately \$49 for the 2018-19 year. Rate increases may vary from the average where there has been new development, capital improvements or other significant changes that impact the value of the property.

## Significant Influences for the 2018-19 Budget

A number of significant projects and external environmental changes have influenced the preparation of the Council's 2018-19 Annual Business Plan and Budget. These include:

- Commitments to long-term major projects including King William Road, Unley Oval Goodwood Oval, LED lighting replacement and Brown Hill Keswick Creek;
- Increase in the cost to dispose of recyclables as a result of China's ban on international waste.

## Other Influences for the 2018-19 Budget

There are also other annual items that are considered when setting rates and deciding on councils program of works. These include:

- Local Government Price Index increases, which in recent years has tracked close to CPI
- Provision for Enterprise Bargaining Agreements, which determine conditions of employment and provide for annual salary and wage increases
- Maintaining asset management (renewal) expenditure at a sufficient level to ensure long term maintenance of Council infrastructure, property and IT assets
- Additional maintenance costs due to increased capital improvements, and the construction of new assets over recent years
- Natural Resource Management levy increase of 4.1%

Council has continued its review of service sustainability to minimise the burden on ratepayers.

Savings identified as part of 2018-19 Budget Preparation include:

- Reduction in telecommunication costs of \$29k, Multifunction device consumables cost savings of \$26k, Cleaning contract savings of \$180k and non-rates income growth of \$213k.

The total proposed capital spend on new assets for 2018-19 is \$10.12m. This spend is offset by funding grants from State and Federal Governments, the Australian Football League (AFL) and the South Australian National Football League (SANFL), reducing councils total contribution to \$8.32m. The projected operating surplus will support partial funding of these works, with the remaining \$6.329m to come from new borrowings.

## Services provided to the Community

All councils have basic responsibilities under the *Local Government Act 1999* (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 and maintenance of basic infrastructure including roads, footpaths, parks, public open space, playgrounds, street lighting and stormwater drainage
- Street cleaning and rubbish collection
- Development planning and control, including building safety assessment
- Provision of various environmental health services
- Management and maintenance of Councils urban forest in streets and parks
- Management and maintenance of Council owned Community Centres and other buildings.

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

- |                               |                             |
|-------------------------------|-----------------------------|
| • Aged and Social Care        | • Economic Development      |
| • Animal Management           | • Environmental Management  |
| • Arts & Cultural Development | • Library Services          |
| • Community Centres           | • Museum                    |
| • Community Development       | • Open Space Management     |
| • Community Engagement        | • Parking Control           |
| • Community Event Programs    | • Sport and Recreation      |
| • Community Services          | • Sustainable Landscapes    |
| • Community Transport         | • Volunteers                |
| • Community Grants            | • Urban Policy and Planning |
| • Corporate Services          | • 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  | • Community Bus Service                       |
| • Commonwealth Home Support Program (CHSP) - formerly HACC Program | • Halls for hire                              |
|  | • Ovals, courts, parks and reserves for hire. |

An increased allowance for reactive footpath maintenance has been continued as an Operating Project for 2018-19. From 2019-20 this will become an ongoing increase to operating expenditure.

The remaining services from 2017-18 will be maintained at existing service levels for 2018-19.



## Annual Objectives and Key Projects

The four key themes of our Community Plan and Four Year Delivery Plan guides how our city develops. The key projects for 2018-19 have been listed under the agreed themes:

### Community Living

#### **Key Projects 2018-19**

- Implementation of the local area traffic management study for Parkside and Fullarton and local area traffic management study for Clarence Park
- Continued increased level of service for reactive footpath maintenance
- Unley Oval Grandstand upgrade
- Goodwood Oval Grandstand upgrade
- Place activation and community development through staging of major events including Unley Gourmet Gala, Tour Down Under, Public Arts and a diverse Community Events Program
- Continuation of Councils Active Aging programs.

### Economic Prosperity

#### **Key Projects 2018-19**

- King William Road year 1 of 2 year project
- Support the main street precincts through main street improvements
- Trader event sponsorships

### Environmental Stewardship

#### **Key Projects 2018-19**

- Council's contribution to the Brown Hill Keswick Creek regional project works and establishment of subsidiary
- Implementation of Council's Cycling and Walking Plan year 3
- 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, alternative green energy options and water well installations
- Replace existing council owned street lights with LED lights in residential streets

### Civic Leadership

#### **Key Projects 2018-19**

- Year 2 of the review of services using Target Operating Model approach
- Implementation of Digital Transformation Plan year 1 to enhance and modernise existing online functionality and add new delivery and self-help functions
- Council Elections

## **Project Priorities proposed for the Year**

Council's proposed project priorities for 2018-19 stem from the themes outlined in Council's draft Community and Four 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 change to the current level of service. Any change to level of service will also impact future budgets.

These projects are funded by Council's rates income and therefore affect the level of rates increase being considered. Council is considering a rate increase of 2.8% plus estimated growth of 0.5% and this Budget proposes to fund a net amount of \$1.242m of operating projects.

Key items for 2018-19 include:

- Undertaking a number of traffic and parking initiatives including:
  - a local area traffic management study for Clarence Park \$40k
  - improvements to parking across the City \$40k
- Council Elections for 2018, including Elected Member induction \$194k
- Continuation of ongoing environmental initiatives and programs including second generation street tree implementation \$75k, water sensitive urban design (WSUD) initiatives \$40k, greening of verges \$50k and street tree water well installation of \$50k
- Activities that showcase 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 \$400k.

The full list of projects is detailed in Appendix 4.

## Capital Projects

The City of Unley own a large number of assets with a current depreciable value of approximately \$569m including land. It is important that Council maintain these assets so that they continue to benefit the whole community now and into the future.

New capital projects will largely be funded by borrowings. New capital projects total \$8.32m net and include:

- King William Road Streetscape \$2.25m, year 2 of a multiyear project
- Implementation of the local area traffic management study for Parkside and Fullarton \$215k
- Continued implementation of Council's Cycling and Walking Plan Year 3 totalling \$180k
- Unley Oval Grandstand upgrade \$1.5m net, year 2 of a multiyear project
- Goodwood Sporting Complex upgrades \$1.8m, year 2 of a multiyear project
- Council's Brown Hill Keswick Creek project contribution of \$1.5m

New capital expenditure may not significantly impact rates in the year of creation but will affect the rates income in the future. As we build new assets or improve old assets the cost of depreciation, maintenance and interest expenses increase. New capital is largely funded by borrowings; however, Council seeks to obtain, where possible, grants to help fund these new assets.

The Capital Renewal Program of \$7.627m net is 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
- \$883k for the Property Program, and
- \$493k for reserves, recreation and open space projects

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

## Borrowings for the 2018-19 Financial Year

Borrowings are an important funding source, especially for expenditure relating to the New Capital. The key objective is to manage the finances of the Council holistically and ensure financial sustainability.

An independent local government report on financial sustainability encourages the 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 is managed within financial targets to ensure future cash flows are sufficient to repay borrowings with minimal impact on general operations over the medium term.

As part of finalising the 2018-19 Budget, Council considered those Capital Projects with short term benefits to determine if they should be funded by rates or borrowing.

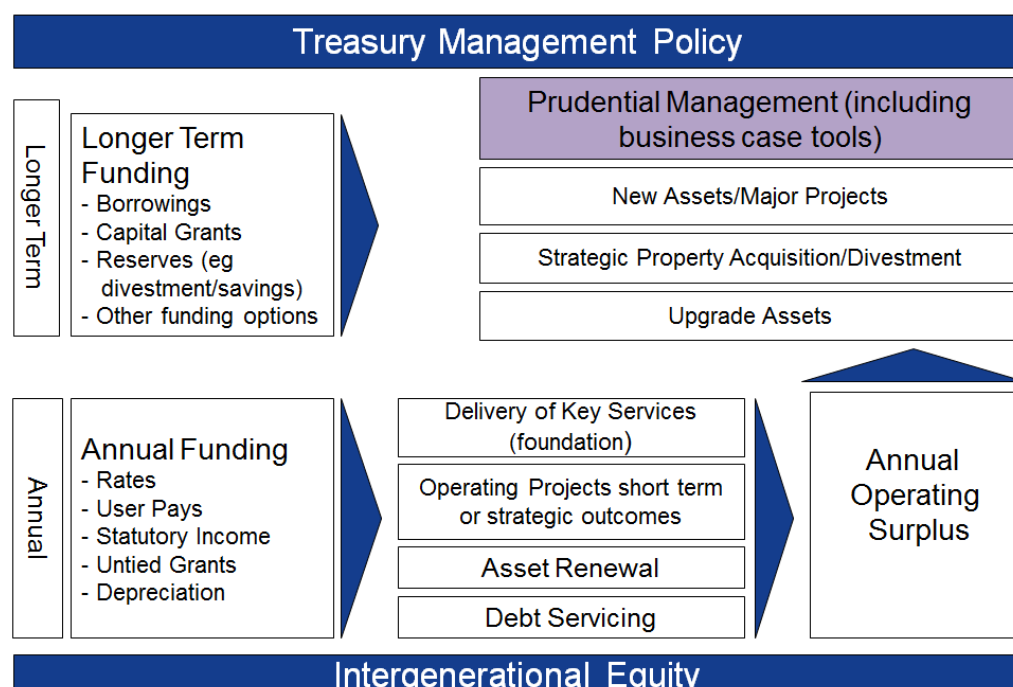
	<b>\$000s</b>
Forecast Opening Balance of Borrowings July 2018	5,700
Estimated Borrowing for 2018-19	6,329
Repayment of principal repayments for 2018-19	<u>(669)</u>
Forecast Closing Balance of Borrowings June 2019	<b><u>\$11,360</u></b>



# Financial Policy Context

## Financial Planning Framework

The following diagram illustrates the funding framework for the City of Unley.



In addition, in September 2016, Council adopted two updated policies, namely the Treasury Management Policy and the Prudential Management Policy, which provides context in terms of Council decisions.

### Treasury Management Policy

The Treasury Management Policy underpins Council's decision making for funding Council's operations. The policy covers borrowing, cash flow, budgeting, and investments. The updated policy includes principles relevant to borrowing for strategic purposes while maintaining a target range for Net Financial liabilities.

The specific principles mean Council will:

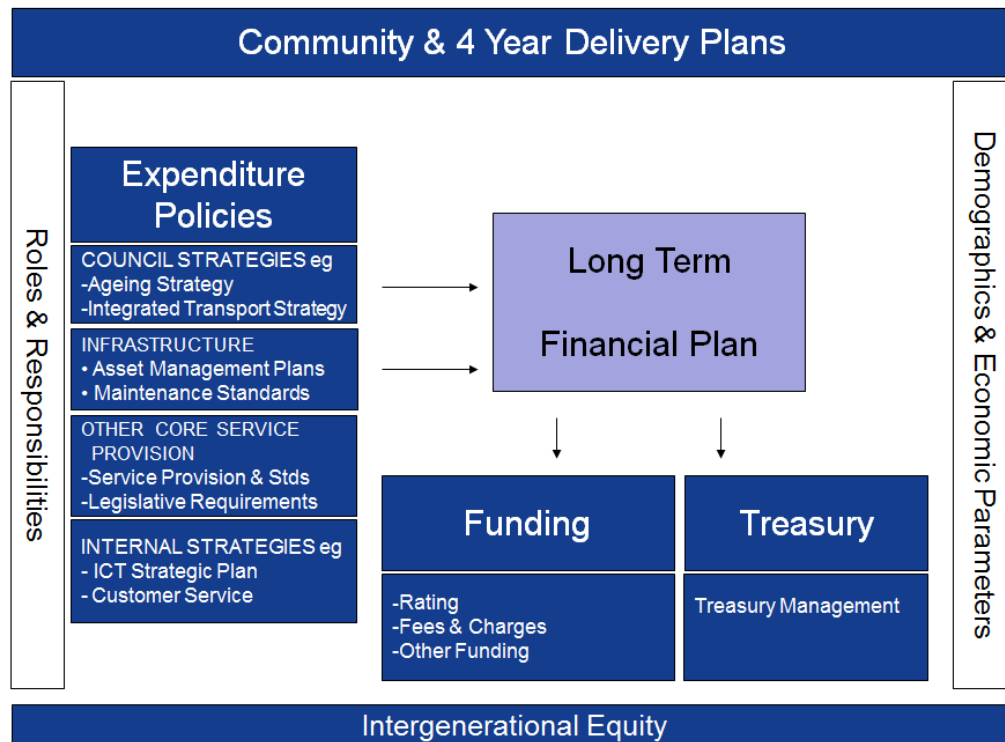
- Maintain a target range for its Net Financial Liabilities ratio;
- Generally, only borrow funds to support cash flow;
- Only retain or quarantine money for a particular future purpose when required by legislation or as part of an agreement;
- Apply, where cost effective, any funds that are not immediately 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 specific references to due diligence assessment to determine the level of risk to which Council may be exposed in undertaking projects including the acquisition of property.

## Long Term Financial Plan (LTFP)

Council uses a LTFP to guide its financial decisions to ensure it is prudent in its financial management and considers a long 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 Four 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.

These ratios are to be presented in a manner consistent with the "Model Financial Statements", Financial Indicators.

Council has adopted three key financial targets relating to these required ratios to guide the direction of the LTFP and Annual Business Plan and Budget. These targets were adopted at the February 2017 Council meeting following a recommendation from the Audit & Governance Committee. Council agreed to retain these targets at its March 2018 meeting following a recommendation from the Audit & Governance Committee.

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

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 \$5.66m from the opening 1 July 2018 balance of \$5.7m to \$11.36m at 30 June 2018. This reflects a Net Financial Liabilities Ratio of 48%.

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 maintain its asset portfolio efficiently to deliver the required levels of service for the community.

Asset management is driven from a service perspective. Council has implemented an agreed level of service for property, bridge, road and footpath asset classes.

The asset system will collect real time data coupled with ongoing regular condition audits, to allow 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 target 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 LTFP and is refined as part of the Annual Business Plan and Budget process. In 2018-19 the Capital Renewal Program has a projected net expenditure of \$7.627m, Appendix 6 – Capital Renewal Summary.

For footpaths forming part of the footways asset category, Council has endorsed a schedule to replace all asphalt to pavers. It is anticipated that the City of Unley will be fully paved by June 2019.



In addition to the Capital Renewal Program Council allocates a significant amount of funds for the operation and maintenance of its asset. For 2018-19 this amounts to \$19.247m.

Details are as follows:

<b>Program and Asset Category</b>	<b>2018-19 Budget Expenditure \$000s</b>	<b>Depreciation</b>	<b>Total Operating Expenditure</b>
<b>Transportation Program</b>			
Bridges	14	133	147
Bus Shelters	9		9
Car Parks	42	78	120
Footpaths	384	1,245	1,629
Kerb & Watertable	226	398	624
Linemarking	76		76
Roadworks	1,097		1,097
Signs	206		206
Street Cleaning	538		538
Street Lighting	566	28	594
	<b>3,158</b>	<b>1,882</b>	<b>5,040</b>
<b>Property Program</b>			
Buildings	<b>1,939</b>	<b>1,326</b>	<b>3,265</b>
<b>Open Space Program</b>			
Reserves	2,082	500	2,582
Street Trees	715		715
	<b>2,797</b>	<b>500</b>	<b>3,297</b>
Drains & Stormwater Program	181	1,122	1,303
Waste Management Program	3,940		3,940
Environmental Initiatives	128		128
Strategic Asset Management	501		501
Depot (including Plant)	641	660	1,301
City Development Management	472		472
<b>Total Asset Maintenance related Expenditure</b>	<b>13,757</b>	<b>5,490</b>	<b>19,247</b>

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

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 enable Council to make allowance for these costs in future budgets.

## Funding the Business Plan

Excluding borrowings for New Capital, over 85% of Council's funding is generated from rates with the balance largely related to fees and charges set by Council or statutory fees.

### Rates Context

Council will 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 income is used to deliver services. Rates are a form of property taxation, and property values determine how much each property owner contributes. This system of taxation means that the rates paid may not directly relate to the services used by each ratepayer.

General rates will increase in the order of 2.8% 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 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 for residential, over 920 assessments for 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 with the minimum rate total just over 2,400, with residential making up over 2,300 of these assessments.

### Rates Modelling

The valuation for the Council area has been completed by the Valuer-General and reflects an increase of 5.47% in valuation for **existing properties**.

Analysis indicates that:

- residential properties, representing over 86% of the overall rateable valuation, had an average valuation increase of 5.8%.
- non-residential properties, including commercial, had an average valuation increase of 3.1%.

The Budget has been formulated using differential rates for residential and non-residential property, resulting in an overall increase in rates of 2.8% 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 \$805, an increase of \$24. City of Unley maintains one of the lowest minimum rates in metropolitan Adelaide.

## Differential Rates

In accordance with S153 of the Act, 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 considers the principle of rate stability when assessing the rates distribution across the above categories. The change in capital value across the land use categories and the rates income provided by each is also considered.

It is estimated that the:

- Residential Differential General Rate will raise net rate revenue in the order of \$31m in 2018-19.
- Non-Residential Differential General Rates will raise net rate revenue in the order of \$8.2m in 2018-19.

## Separate Rate for Main Street Trader Associations

Council proposes to continue to raise a separate rate for the promotion of businesses and traders along major shopping strips (excluding Glen Osmond Road). Council collects the separate rate and contracts with the Trader Associations for the provision of marketing and promotion activities.

For the 2018-19 Budget, the separate rates listed in the table below will form part of the proposed Budget. These have been developed in consultation with the four trader associations and their members and were presented to the Unley Business and Economic Development Committee (UBED) in March 2018 and subsequently resolved by Council at the March 2018 Council meeting.

### 2018-19 Separate Rate for Trader Associations

Main Street Trader Associations	Separate Rate raised 2017-18	Separate Rate raised 2018-19	% Increase (Decrease)
Unley Road	\$ 107 700	\$110,000	2.113%
King William Road	\$ 144 500	\$144,500	NIL
Goodwood Road	\$ 51 500	\$54,500	5.66%
Fullarton Road	\$ 13 250	\$13,250	NIL

In 2016-17, Council also adopted a recommendation from UBED to cap the separate rate at \$2000. This principle continues for 2018-19.

#### ***Unley Road***

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

#### ***King William Road***

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

#### ***Goodwood Road***

Currently just under 100 ratepayers with a land use of Commercial Shop, Commercial Office and Commercial Other, along Goodwood Road between Leader Street / Parsons Street to the north and Mitchell Street / Arundel Avenue to the south that 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 that 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 2004*, to assist with funding the NRM by imposing a levy against properties.

Council has been advised by the NRM Board that the amount to be paid in 2018-19 is \$1.338m compared to \$1.285m in 2017-18. This represents an increase of 4.1%.

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

## Expected impact on Ratepayers

To deliver the outcomes of the Annual Business Plan for 2018-19, the total General Rates Income required is \$41.215m. This equates to an average rate increase of 2.8% 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:

	<b>Residential</b>	<b>Commercial Shop et al</b>	<b>Commercial Office/ Other</b>
	<i>Category One</i>	<i>Category Two</i>	<i>Category Three</i>
2016-17	0.002586	0.005101	0.006043
2017-18	0.002540	0.005006	0.005998
2018-19	0.002459	0.004959	0.005968

Council has chosen to apply the 2.8% increase as evenly as possible across the three categories.

## **Fees and Charges Context**

Section 188 of the Act provides the legal context for setting fees and charges:

- fees and charges are determined by resolution of Council
- a council is unable to fix or vary fees or charges prescribed under other Acts
- Fees for the use of facilities, services or works requests by council are not required to be set in reference to the cost of the service to 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
- are consistent with Council directions
- 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.

## **Conclusion**

The 2018-19 Annual Business Plan and Budget is developed in line with the strategic directions for the City as endorsed by Council. The Plan and Budget reflects Councils continuing focus on ensuring that physical infrastructure is fit for use and maintained in a cost effective way.

The aim of this year's Annual Business Plan and Budget is to deliver a well-managed, sustainable environment for current and future generations.

## **Appendix 1 – 2018-19 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 2019

\$ '000	2019
Income	48,108
less Expenses	(45,634)
<b>Operating Surplus / (Deficit)</b>	<b>2,474</b>
<b>less Net Outlays on Existing Assets</b>	
Capital Expenditure on Renewal and Replacement of Existing Assets	7,945
less Depreciation, Amortisation and Impairment	(7,880)
less Amounts Received Specifically for Replacement of Existing Assets	-
less Proceeds from Sale of Replaced Assets	(318)
<b>Subtotal</b>	<b>(253)</b>
<b>less Net Outlays on New and Upgraded Assets</b>	
Capital Expenditure on New and Upgraded Assets	8,821
less Amounts Received Specifically for New and Upgraded Assets	(500)
less Proceeds from Sale of Surplus Assets	-
<b>Subtotal</b>	<b>8,321</b>
<b>Net Lending / (Borrowing) for Financial Year</b>	<b>(5,594)</b>
<b>Net Financial Liabilities at Beginning of Year</b>	(17,210)
Decrease / (increase) in Other	(78)
<b>Net Financial Liabilities at End of Year</b>	<b>(22,882)</b>



## Proposed Budgeted Statement of Comprehensive Income

### For the year ended 30 June 2019

\$ '000	2019
<b>Income</b>	
Rates	41,216
Statutory charges	1,509
User charges	1,711
Grants, subsidies and contributions	2,654
Investment income	12
Reimbursements	299
Other income	630
Operating Projects	-
Net gain - joint ventures & associates	78
<b>Total Income</b>	<b>48,108</b>
<b>Expenses</b>	
Employee Costs	17,703
Materials, contracts & other expenses	18,275
Depreciation, amortisation & impairment	7,880
Finance costs	534
Net loss - joint ventures & associates	-
Operating Projects	1,242
<b>Total Expenses</b>	<b>45,634</b>
<b>Operating Surplus / (Deficit)</b>	<b>2,474</b>
Asset disposal & fair value adjustments	25
Amounts received specifically for new, upgraded assets or replacement assets	500
Physical resources received free of charge	-
Operating result from discontinued operations	-
<b>NET SURPLUS / (DEFICIT)</b>	<b>2,999</b>
<b>Other Comprehensive Income</b>	
Share of other comprehensive income - joint ventures and associates	-
<b>Total Other Comprehensive Income</b>	<b>-</b>
<b>Total Comprehensive Income</b>	<b>2,999</b>

## Proposed Budgeted Statement of Financial Position

For the year ended 30 June 2019

\$ '000	2019	2017 \$'000
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	217	217
Trade & other receivables	2,340	2,340
Other financial assets	12	12
<b>Total Current Assets</b>	<b>2,569</b>	<b>2,569</b>
<b>Non Current Assets</b>		
Financial Assets	(4)	7
Equity accounted investments in Council businesses	15,402	15,324
Infrastructure, Property, Plant & Equipment	554,984	546,391
<b>Total Non-current Assets</b>	<b>570,382</b>	<b>561,722</b>
<b>TOTAL ASSETS</b>	<b>572,951</b>	<b>564,291</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Trade & Other Payables	10,980	8,480
Future Commitment in regards to Grant Funding		2,500
Borrowings - Short Term Draw Down	1,942	1,941
Borrowings Fixed Term	2,211	2,211
Provisions	2,350	2,350
<b>Total Current Liabilities</b>	<b>17,483</b>	<b>17,482</b>
<b>Non-current Liabilities</b>		
Borrowings	7,207	1,547
Provisions	538	538
Other Non-current Liabilities	219	219
<b>Total Non-current Liabilities</b>	<b>7,964</b>	<b>2,304</b>
<b>TOTAL LIABILITIES</b>	<b>25,447</b>	<b>19,786</b>
<b>Net Assets</b>	<b>547,504</b>	<b>544,504</b>
<b>EQUITY</b>		
Accumulated Surplus	147,103	144,103
Asset Revaluation Reserves	400,401	400,401
Other Reserves	-	-
<b>TOTAL EQUITY</b>	<b>547,504</b>	<b>544,504</b>
<b>NET FINANCIAL LIABILITIES</b>	<b>22,882</b>	<b>17,210</b>

## Proposed Budgeted Statement of Cash Flows

For the year ended 30 June 2019

\$ '000	2019	2017
<b>Cash Flows from Operating Activities</b>		
<b><u>Receipts</u></b>		
Operating Receipts	48,018	47,135
Investment Receipts	12	12
<b><u>Payments</u></b>		
Operating payments to suppliers & employees	(37,220)	(36,605)
Finance Payments	(534)	(656)
<b>Net Cash provided by (or used in) Operating Activities</b>	<b>10,276</b>	<b>9,886</b>
<b>Cash Flows from Investing Activities</b>		
<b><u>Receipts</u></b>		
Amounts specifically for new or upgraded assets	500	3,480
Proceeds from Sale of Surplus Assets	-	645
Sale of replaced assets	318	229
Repayments of loans by community groups	11	11
<b><u>Payments</u></b>		
Expenditure on renewal/replacement of assets	(7,945)	(8,750)
Expenditure on new/upgraded assets	(8,821)	(4,811)
Loans made to Community Groups	-	-
<b>Net Cash provided by (or used in) Investing Activities</b>	<b>(15,937)</b>	<b>(9,196)</b>
<b>Cash Flows from Financing Activities</b>		
<b><u>Receipts</u></b>		
Proceeds from borrowings	6,329	1,864
<b><u>Payments</u></b>		
Repayments of borrowings	(669)	(2,554)
<b>Net Cash provided by (or used in) Financing Activities</b>	<b>5,660</b>	<b>(690)</b>
<b>Net Increase/ (Decrease) in cash held</b>	<b>(0)</b>	<b>1</b>
plus: <b>Cash &amp; cash equivalents at beginning of period</b>	<b>(1,724)</b>	<b>(1,725)</b>
<b>Cash &amp; cash equivalents at end of period</b>	<b>(1,725)</b>	<b>(1,724)</b>

## Proposed Budgeted Statement of Changes in Equity

For the year ended 30 June 2019

\$ '000	Accumulated Surplus	Asset Revaluation Reserve	Total Equity
<b>2018</b>			
<b>Balance at end of previous reporting period</b>	144,103	400,401	<b>544,504</b>
<b>a. Net Surplus / (Deficit) for Year</b>	2,999	-	<b>2,999</b>
<b>b. Other Comprehensive Income</b>			
- Gain (Loss) on revaluation of I,PP&E	-	-	-
- Share of OCI - Equity Accounted Council Businesses	-	-	-
<b>Other Comprehensive Income</b>	-	-	-
<b>Total Comprehensive Income</b>	2,999	-	<b>2,999</b>
<b>Balance at end of period</b>	<b>147,103</b>	<b>400,401</b>	<b>547,504</b>

## Proposed Budgeted Financial Indicators

For the year ended 30 June 2019

\$ '000	2019
<b>Operating Surplus Ratio</b>	<b>5.1%</b>
<b>Net Financial Liabilities Ratio</b>	<b>48%</b>
<b>Asset Sustainability Ratio - Current Year based on Asset Management Plan Required Expenditure</b>	<b>97%</b>
<b>Asset Sustainability Ratio - Current Year based on Depreciation</b>	<b>101%</b>
<b>Asset Sustainability Ratio - 10 Year Rolling</b>	<b>110%</b>

## Appendix 2 – Budgeted Funding Statement

Proposed Budgeted Funding Statement  
For the year ended 30 June 2019

\$ '000	Proposed Budget
<b>Operating Income</b>	
Rates	39,614
Other Rates - Special Rates	317
NRM Levy	1,285
Statutory Charges	1,509
User Charges	1,711
Grants, subsidies & contributions	2,654
Investment Income	12
Reimbursements	299
Other Income	630
Operating Projects	0
<b>Total Operating Income</b>	<b>48,030</b>
<b>Operating Expenditure</b>	
Employee Costs	17,703
Materials, Contracts & Other Expenditure	18,275
Finance Costs	534
Depreciation, amortisation & impairment	7,880
Operating Projects	1,242
<b>Total Operating Expenditure</b>	<b>45,634</b>
<b>Funding Surplus/(Deficit) before Capital Revenue</b>	<b>2,396</b>
<b>Net Outlays on Existing Assets</b>	
Capital Expenditure on Renewal & Replacement of Existing Assets	(7,945)
Depreciation, Amortisation and Impairment	7,880
Amounts received specifically for Renewal & Replacement of Existing Assets	0
Proceeds from Sale of Replaced Assets	318
	253
<b>Net Outlays on New &amp; Upgraded Assets</b>	
Capital Expenditure on New & Upgraded Assets	(8,821)
Amounts received specifically for New & Upgraded Assets	500
Proceeds from Sale of Surplus Assets	0
	(8,321)
<b>Funding Result for Financial Year</b>	<b>(5,672)</b>
<b>Funded By</b>	
New Borrowings	6,329
Proposed Carry Forwards	0
Funding of Carry Forwards & Budget Requests	0
	6,329
Working Capital Funding	0
Community Loans Repaid	11
New Loans to Community Groups	0
Borrowing Repayments	(669)
<b>Total Funding</b>	<b>5,672</b>



## Appendix 3 – Budget Framework and Financial Summary

### City of Unley 2018-19 Budget

The income and expenditure forecasts in the Annual Business Plan and Budget for the financial year ending 30 June 2018, have been set at a level that meets statutory requirements and provides accountability to the community to achieve the Council's goals and objectives.

### 2018-19 Budget Framework

The Budget Framework formalises changes in respect to the approved Annual Business Plan and Budget as a result of responding to opportunities, emergencies or other unforeseen events at the time of setting the budget.

For **Core Operating Services**, the Operating Budget has been adopted by 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

Operating Projects and 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 by Council and the Project is allocated to sub projects, the budget can be reallocated across sub projects without Council approval. However, Council approval is required to increase or reduce the overall budget previously approved.

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

### New Capital Works

A list of New Capital Works Projects has been 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.

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**.

## Grant Funding

When grant funding is received with equivalent income and expenditure, the budget can be adjusted to account for the grant without the need for separate Council approval.

In situations where grant funding requires matching or additional 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 reflect accounting principles the reclassification will occur when practical and the relevant details will be provided to Council at the following Budget Review.

It is noted that transfers between the Operating and Capital Budget have no cash impact on the overall budget.

## Financial Summary

	<b>Core Operating Budget</b>	<b>Net Operating Projects</b>	<b>Net New Capital</b>	<b>Net Capital Replacement</b>
	\$ 000s	\$ 000s	\$ 000s	\$ 000s
Income	48,030	47	2,300	318
Expenditure	44,392	1,289	10,621	7,945
<b>Net Surplus/ (Net Expenditure)</b>	<b>\$3,638</b>	<b>\$1,242</b>	<b>\$8,321</b>	<b>\$7,627</b>

Expenditure totals do not include the Net Profit – joint ventures and associates of \$78k

## Proposed Operating Budget by Program

Budget Program	Program Description	Draft 2018-19		
		Operating Income \$000s	Operating Expenditure \$000s	Net Expenditure / (Revenue) \$000s
City Development Management	Provides general management, executive support and leadership to the services provided by City Development and to Elected Members	0	472	472
Operational Services	Provides maintenance services to Council's infrastructure, property, open space, street and park trees, plant and equipment assets	1,119	11,665	10,546
Property Services	Provides sustainable strategic management of Council's building and property asset portfolio	404	3,178	2,774
Strategic Asset Management	Provides sustainable strategic management of Council's asset portfolio		501	501
Waste Management	Collection and disposal of general waste, kerbside recycling, green waste and the hard rubbish collection service	82	3,931	3,849
Environmental Initiatives	Drive improved environmental sustainability through policies, strategies, programs and projects.	0	128	128
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	14	580	566
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	0	260	260
Urban Policy Planning	Investigate and prepare Council planning strategy, policy and Development Plan Amendments and review State Government strategic, policy and operations directions	0	227	227
City Services Management	Provide general management, executive support and leadership on the services and programs provided by City Services and to Elected Members	0	540	540
Active Ageing	Coordination, administration and support for community based services and projects aimed at facilitating independence and promoting social inclusion	1,253	1,418	165
Arts & Cultural Development	Provision of Art and Cultural Development programs to support a vibrant and active community	5	145	140
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	16	139	123
Community Centres	Management and provision of a thriving network of Community Centres that promote social inclusion, belonging and connection	374	860	486
Community Development & Wellbeing Management	Provide management, support and leadership of the projects, programs and services provided by the Community Development & Wellbeing Team.	0	265	265
Community Grants	Funding for community organisations, groups and individuals to implement programs and initiatives that promote community connectivity, belonging, participation and cultural diversity	0	127	127

Budget Program	Program Description	Draft 2018-19		
		Operating Income \$000s	Operating Expenditure \$000s	Net 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	0	189	189
Recreation & Sport Planning	Supporting a healthy and active community through the provision of structured and unstructured recreation, sport and leisure programs and facilities	0	117	117
Unley Swimming Centre	Provision of a premier outdoor swimming facility, encouraging community health, wellbeing and water safety	776	1,026	250
Volunteer Development	Coordination, administration and support for community based volunteer services and projects.	0	117	117
Youth Development	Engage and empower young people in the community by identifying, developing and providing activities, programs and events	0	95	95
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>	179	256	77
Development Services	Planning and building control within the City in accordance with the <i>Development Act</i> and Regulations and other legislative requirements	375	1,794	1,419
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	985	623	(362)
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	442	405
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	0	697	697
Library Services	Provision of Library services, programs and facilities to encourage literacy, lifelong learning and social inclusion and connection	358	2,025	1,667
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	136	131
Office of the CEO	Organise and manage the good governance of the City of Unley, including support for Elected Members and Civic Functions	313	1,292	979
Economic Development	Manage the implementation, monitoring and evaluation of economic development activities and strategic initiatives within the City of Unley	325	631	306
Economic Development and Planning		0	0	0
Strategic Projects	Facilitating delivery of major strategic initiatives from 4 Year Delivery Plan and Community Plan	0	145	145
Governance & Risk	Undertakes administration of legislative and corporate governance requirements, and maintains robust controls through risk management and internal audit oversight	3	927	924
Marketing & Communications	Coordinate and manage the City of Unley reputation and brand in digital and printed communications and media relations	12	482	470
Business Support & Improvement	Provides general management, executive support and leadership to the services provided by Business Support & Improvement Division and supports Elected Members	0	475	475

Budget Program	Program Description	Draft 2018-19		
		Operating Income \$000s	Operating Expenditure \$000s	Net Expenditure / (Revenue) \$000s
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	0	1,964	1,964
Corporate Activities	The accumulation of corporate costs including leave on-costs, treasury management, levy and taxes and insurances	1,699	3,859	2,160
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	0	330	330
Finance & Procurement	Delivers accounting, financial, procurement and treasury management services required to support Council's operations, including statutory and financial reporting obligations	39,696	1,377	(38,319)
Human Resources	Provides support in recruitment, change management, employee relations, injury management, Occupational Health Safety and Welfare	0	958	958
Total		48,030	44,392	(3,638)

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## Appendix 4 – 2018-19 Proposed New Operating Projects

No.	Title	NET expenditure	Community Living Outcome	Economic Prosperity Outcome	Environmental Stewardship Outcome	Civic Leadership Outcome
1	Unley Central	\$ 40,000		X		
2	2018/19 Trader Events Sponsorship	\$ 45,000		X		
3	UGG & TDU	\$ 273,000	X			
4	Community Events Program	\$ 116,000	X			
5	Active Ageing	\$ 20,000	X			
6	Healthy Community Program	\$ 20,000	X			
7	*Reactive Footway Maintenance - increase level of service	\$ 150,000	X			
8	Parking Initiatives General	\$ 40,000	X			
9	Royal Show Traffic Management Support	\$ 21,000	X			
10	Local Govt Elections, including Elected Member Induction	\$ 194,000				X
11	Review of services using a Target Operating Model	\$ 30,000				X
12	City Wide Greening/Verges	\$ 50,000			X	
13	2 <sup>nd</sup> Generation street tree renewal	\$ 75,000			X	
14	Water Sensitive Urban Design	\$ 40,000			X	
15	Street Tree Water Wells	\$ 50,000			X	
16	Planning System Reform Policy update and transition	\$ 20,000				X
17	All Connections to Unley Art Prize	\$ 30,000	X			
18	LATM 3 Clarence Park	\$ 40,000	X		X	
19	Resilient Est 2018-19 projects	\$ 10,000	X		X	
20	City Wide Street Tree Risk Audit	\$ 25,000	X		X	
	Kirinari lease	-\$ 47,500				X
<b>Operating Projects</b>		<b>\$ 1,241,500</b>				

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**Proposed New Operating Projects - Detail**

	<b>Title</b>	<b>Net Expenditure \$</b>
<b>4 Year Plan Elected Member Priorities</b>		
<b>1</b>	<b>Unley Central</b> This initiative is to continue investigations and facilitation of initiatives relating to the revitalisation of the Unley Central Precinct.	\$40,000
<b>2</b>	<b>2018-19 Trader Event Sponsorship</b> The provision of financial support to Trader Associations in order to stage events based on the following: <ul style="list-style-type: none"> <li>• Unley Road Traders Association \$15,000 Evening Under the Stars (Feb 18)</li> <li>• King William Traders Association \$15,000. For the Unley Long Lunch to be delivered in 2018-19.</li> <li>• Goodwood Road Business Association: \$15,000 SALA on the Side (August 2018)</li> </ul>	\$45,000
<b>3</b>	<b>Unley Gourmet Gala and Tour Down Under</b> The continued staging of Council's Unley Gourmet Gala and the Tour Down Under event in 2018-19 building on previous years' success. The hosting of a TDU Stage is dependent on a stage being granted by SA Tourism Commission.	\$273,000
<b>4</b>	<b>2018-19 Community Events Program</b> The delivery of the City of Unley community events program; including events such as the Double Shot Coffee Fiesta (Nov 18); Ignite Unley Outdoor Cinema Program (Dec 18); Fringe in Unley (Mar 19); Every Generation Festival (Oct 18).	\$116,000
<b>5</b>	<b>Active Ageing</b> 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 2018-19 program includes: <ul style="list-style-type: none"> <li>• Fringe in Unley and Zest Fest</li> <li>• Dementia Awareness Training</li> </ul>	\$20,000
<b>6</b>	<b>Healthy Community Program</b> 2018-19 will be year 4 of the 5-year program and will continue to promote the Active Unley program and wellbeing in a broader sense, with an increased focus on community participation in City life, provision of services for all age groups and abilities, promotion of alternative transport options and promoting healthy eating with links to the Greening goal within the Community Plan.	\$20,000
<b>7</b>	<b>Reactive Footway Maintenance – increased level of service</b> This initiative will provide for the ongoing additional funding required to implement Council's agreed higher level of service for ongoing reactive footpath maintenance.	\$150,000

	Title	Net Expenditure \$
8	<b>Parking Initiatives</b> 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.	\$40,000
9	<b>Royal Show Traffic Management Support</b> This is the final 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.	\$21,000
10	<b>Local Government Elections including Elected Member Induction</b> This initiative provides for the conduct of the 2018 Local Government Elections and associated Elected Member induction requirements for the new Council. City of Unley requires 6 x Ward elections and a Mayoral election.	\$194,000
11	<b>Implementation of Council’s Target Operating Model (TOM)</b> 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	\$30,000
12	<b>City Wide Greening / Verges</b> Implementation of identified streetscape opportunities within the City that can value add or improve the greening of the streetscape for both amenity and environmental benefits.	\$50,000
13	<b>Second Generation Street Tree Implementation (Year 4 of ongoing program)</b> 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	\$75,000
14	<b>Water Sensitive Urban Design (WSUD) Initiatives</b> 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 Initiative includes the delivery of the Waterwise Unley theme, and in particular the continued implementation of WSUD which will assist in maintaining and enhancing our urban environment as well as strengthening our resilience to climate change by reducing the water usage across the City.	\$40,000

	<b>Title</b>	<b>Net Expenditure \$</b>
<b>15</b>	<p><b>Street Tree Water Well Program</b></p> <p>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
<b>16</b>	<p><b>Planning System Reform update and transition</b></p> <p>The Objectives of this project are to, assess implications and opportunities arising through Planning and Development Code. Pro-actively prepare for identified and emerging planning issues and required policy changes, investigate issues and resolve comprehensive preferred local responses, undertake comprehensive community engagement to develop and implement policy changes.</p> <p>It is proposed that post 2018-19 focus will be on the following initiatives;</p> <ul style="list-style-type: none"> <li>• Significant Tree list audit, review and update (as possible)</li> <li>• Proposed P+D Code policy changes comprehensive community engagement</li> </ul>	\$20,000
<b>17</b>	<p><b>All Connections Unley Art Prize</b></p> <p>The All Connections Unley Art Prize was part of the Public Arts Strategy. The Community and Culture Committee in August 2016 indicated a desire to further explore sustainable future opportunities for an Unley Art Prize. The Art Prize will be offered biennially, with a lighter “off year” program to be delivered in 2019-20 at a cost of \$5,000.</p>	\$30,000
<b>18</b>	<p><b>LATM Study 3 – Clarence Park</b></p> <p>The proposed project is to complete a Local Area Traffic Management Study (LATM 3) for the area bounded by Leader Street, Goodwood Road, Cross Road and East Avenue. The study will enable a holistic assessment and treatment.</p>	\$40,000
<b>19</b>	<p><b>Resilient East 2018-19 Project</b></p> <p>A key priority under the Resilient East Project is the delivery of the Eastern Regional Climate Change Adaptation Plan. The Plan is aimed at ensuring the ‘Eastern Region remains a vibrant, desirable and productive place to live, work and visit and that our businesses, communities and environments can respond positively to the challenges and opportunities presented by a changing climate’.</p>	\$10,000
<b>20</b>	<p><b>Implementation of City Wide Park Tree Risk Assessment Audits</b></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>	\$25,000

	<b>Title</b>	<b>Net Expenditure \$</b>
	<b>Kirinari Lease</b> Lease income not recognised in Operating Budget which will be used to help fund Operating Projects for 2018-19 and out years.	(\$47,500)
	<b>Net Operating Projects</b>	<b>\$1,241,500</b>



## Appendix 5 – 2018-19 Proposed New Capital

No.	Title	NET expenditure	Community Living Outcome	Economic Prosperity Outcome	Environmental Stewardship Outcome	Civic Leadership Outcome
1	Main Street Improvement Fund	\$ 140,000		X		
2	Unley Oval Grandstand Upgrade	\$ 1,500,000	X			
3	King William Road	\$ 2,250,000	X	X	X	
4	Public Arts Strategy	\$ 125,000	X			
5	LATM Implementation	\$ 215,000	X			
6	Digital Services Program (technology for communication, systems and engagement)	\$ 55,000				X
7	Brown Hill Keswick Creek	\$ 1,514,000			X	
8	Alternative Green Energy - Green Infrastructure Implementation	\$ 30,000	X		X	
9	Goodwood Oval and Millswood Sporting Complex Improvement Plan	\$ -	X			
	Capitalised Project Delivery Costs including Overheads	\$ 237,000				X
10	Walking Cycling Plan	\$ 180,000	X		X	
11	Orphanage Park water fountain	\$ 25,000	X			
12	Leah Street replace failing road	\$ 550,000	X			
13	LED Streetlighting	\$ 1,500,000	X		X	
<b>Capital Projects</b>		<b>\$ 8,321,000</b>				

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

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	<b>Title</b>	<b>Net Expenditure \$</b>
<b>4 Year Delivery Plan Elected Members Priorities</b>		
<b>1</b>	<b>Main Street Improvement Program</b> This funding allocation is for infrastructure improvement projects for the four main street precincts. (King William, Unley, Goodwood and Fullarton Roads)	\$140,000
<b>2</b>	<b>Unley Oval Grandstand Upgrade Design</b> This project seeks to make the ground compliant with AFL Preferred Facilities Guidelines for State League matches. Year 2 of this multi year project involves the upgrade of the existing change room facilities and creation of new 'Female Friendly player and official change rooms in the Oatey Stand (SANFL A Grade Home Team) and McKay Stand (Female and Junior Home Teams and Away Teams, and Officials) plus a new accessible canteen at the northern end of the McKay Stand.	\$1,500,000
<b>3</b>	<b>King William Road Streetscape</b> Year 2 of this multi year project will see the construction of the King William Road Streetscape, to realise the vision of a flexible and adaptive road reserve environment within a contested main street. The design vision and intent is described in detail in the Curated Street Upgrade (King William Road Project Report HASSELL 2014).	\$2,250,000
<b>4</b>	<b>Public Art Strategy Implementation</b> The 2018-19 Public Arts Strategy initiative aims to build upon the work undertaken in Years 1-4 of the Action Plan associated with the Public Arts Strategy. This is the final year of this strategy. The proposed 2018-19 Centrepiece project will represent the single, most significant opportunity in recent times to create a unique, permanent, stand-alone public art project at one or multiple sites.	\$125,000
<b>5</b>	<b>Local Area Traffic Management Implementation (Parkside, Fullarton)</b> To continue the implementation of the LATM The Objectives of the project are to implement the High priority outcomes from LATM 2 (Fullarton and Parkside) study.	\$215,000
<b>6</b>	<b>Digital Services Program</b> Key objectives for the first year of this multiyear strategy will be to increase self-service options for customers, enable multi- channel customer engagement and improve customer access to data. Key projects include; <ul style="list-style-type: none"> <li>• My Unley</li> <li>• GIS Mapping</li> <li>• Dogs and Cats online</li> <li>• Electronic Rates notices</li> <li>• Online Community Facilities hire</li> <li>• Development Application online lodgement</li> </ul>	\$55,000

	<b>Title</b>	<b>Net Expenditure \$</b>
<b>7</b>	<p><b>Brown Hill Keswick Creek (BHKC)</b></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 2018-19 is estimated at \$1.5m with proposed works relating to the construction of a wetland in Victoria Park.</p>	\$1,514,000
<b>8</b>	<p><b>Alternative Green Energy – Green Infrastructure Implementation</b></p> <p>Council has taken the lead for the community by developing demonstration sites of alternative energy opportunities as well as investigating other energy recovery opportunities that could be easily transferred to home and or business facilities. It is recommended that Council continue a program of installing renewable energy infrastructure at Council owned properties as both an environmental initiative and a cost saving measure.</p> <p>The Goodwood Community Centre and Library buildings currently do not have solar panels or batteries and are high electricity use sites with the capacity to install up to an 80 kw system.</p> <p>It is expected that this installation will reduce electricity costs in the order of \$25,000 p.a.</p>	\$30,000
<b>9</b>	<p><b>Goodwood Oval Grandstand</b></p> <p>This project is for the upgrade of the Goodwood Oval grandstand, the State Government agreed to contribute \$2.5 million to the construction of a new facility. Council will contribute \$950k in 2019-20.</p>	\$NIL
<b>10</b>	<p><b>Walking &amp; Cycling Plan (WCP) Year 3 Initiatives</b></p> <p>To continue the implementation of Council's WCP initiatives. This project seeks to continue the implementation of improvements identified in this plan.</p> <p>Key projects during 2018-19 include:</p> <ul style="list-style-type: none"> <li>King William Road, intersection with Simpson Parade</li> <li>King William Road from #29 to Greenhill Road</li> </ul>	\$180,000
<b>11</b>	<p><b>Orphanage Park Water Fountain</b></p> <p>The daily users of Orphanage Park, the Orphanage Park Pooches Group, has written asking Council to install a shelter shed and water (drinking) fountain in the park. Council staff recognise the community value the drinking fountain would have at Orphanage Park, so look to construct the fountain in 2018-19.</p>	\$25,000
<b>12</b>	<p><b>Leah Street – replace failing road</b></p> <p>Leah Street Forestville had a limited reseal 7 years ago in an effort to strengthen a failing pavement at low cost and low disruption. This treatment has had limited success. The pavement has started to fail and needs to be reconstructed in the near future.</p>	\$550,000

	<b>Title</b>	<b>Net Expenditure \$</b>
<b>13</b>	<p><b>LED Street lighting</b></p> <p>In 2014, Council completed an audit of its existing street lighting. Key findings of this audit included:</p> <ul style="list-style-type: none"> <li>• There were over 4000 street lights across Unley</li> <li>• Most of our street lights are old, provide substandard lighting, and are a major contributor to our carbon foot print</li> <li>• Significant annual financial savings in the order of \$358k, and a large reduction in CO2 emission are to be achieved if LED lighting is implemented</li> </ul> <p>The business case shows that converting to LED's in our City's streets would result in:</p> <ul style="list-style-type: none"> <li>• A net life time cost saving of \$7.1 million over 20 years;</li> <li>• A payback period of 4.2 years if the lights are changed over in 1 year</li> <li>• A reduction in greenhouse gas emission in the order of 8000 tonnes over the life of the lights</li> </ul> <p>The total cost will be \$1.5m to change over fully owned council lights across the city.</p>	<b>\$1,500,000</b>
	<p><b>Capitalised Project Delivery Costs including Overheads</b></p> <p>These are internal project management costs to deliver the projects listed</p>	<b>\$237,000</b>
	<b>New Capital</b>	<b>\$8,321,000</b>

## Appendix 6 - 2018-19 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	\$1,331,000	\$318,000
Property including: <ul style="list-style-type: none"> <li>• Buildings</li> <li>• Public Toilets</li> <li>• Swimming Facility</li> <li>• Office Furniture and Equipment</li> </ul>	\$883,000	
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	\$622,000	
<b>Total</b>	<b>\$7,945,000</b>	<b>\$318,000</b>
<b>Net Capital Renewal Program</b>		<b>\$7,627,000</b>

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

<b>BUS SHELTERS</b>		
<b>Compliance &amp; Seating</b>		
Progressively replace non-compliant bus shelters – Bus stop 6 Unley Road west side in 2018-19.		
Program to replace plastic tactile indicators with concrete insert tactile.		
Program to replace old seating with age friendly seating at bus stops.		
<b>TOTAL</b>		<b>\$66,000</b>

<b>CARPARKS</b>		
<b>Site</b>	<b>Comment</b>	
Orphanage Park Carpark Stage 1 –	Replace spoon drain with permeable pavers	
<b>TOTAL</b>		<b>\$44,000</b>

<b>DRAINS AND STORMWATER</b>		
Glen Osmond Road / Fullarton Road, Fullarton diversion.		
Lehunte Lane, Wayville upgrade small soakage well to reduce frequency of flooding.		
Ad-hoc general works through the year.		
<b>TOTAL</b>		<b>\$872,000</b>



FOOTWAYS			
Street Name	Side of street	Suburb	Ward
Edmund Avenue (Duthy – Windsor)	Both	Unley	Unley
Parker Terrace (in front of Houses 13-15A)	Southern	Clarence Park	Clarence Park
Norman Terrace (From Leah St – Ethel St)	Northern only	Forestville	Goodwood
King William Road (Park St – Arthur)	Both	Unley	Unley
Palmer Reserve (Palmer Ave – Scammell Reserve)	Board walk & Path	Fullarton	Fullarton
Corner Unley Road and Young Street (in front of 57-59)	Southeast Corner	Parkside	Unley
Footpath Condition Audit			
Eliminate Choke Points at various locations based on results of audit			
Lift and relay pavers in segments where level of service not met based on results of audit			
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

<b>KERB AND WATER TABLE</b>	
Douglas Street, Parkside (Various locations both sides Greenhill Rd – Clyde St)	
Liston Street, Parkside (Various locations both sides Greenhill Rd – Clyde St)	
Riverdale Road, Myrtle Bank (Various locations both sides Ferguson Ave – Cross Rd)	
Fourth Avenue, Everard Park (Various locations both sides Everard Tce – Norman Tce)	
Duthy Street (Various locations both sides Cross Rd – Frederick St)	
Roads on the renewal program will have either kerb or water tables replaced	
<b>TOTAL</b>	<b>\$438,000</b>

<b>PLANT AND EQUIPMENT</b>			
	<b>Gross \$</b>	<b>Income \$</b>	<b>Net \$</b>
Small Plant	\$30,000		
Light Fleet	\$281,000	\$123,000	\$158,000
Major Plant	\$1,020,000	\$195,000	\$630,000
<b>TOTAL</b>	<b>\$1,331,000</b>	<b>\$318,000</b>	<b>\$1,013,000</b>

Plant items include:

- Truck Elevated Platform vehicle
- 1 Tonne Space Cab Ute x2
- Holden Dual Cab Ute
- Community Bus
- 3 Tonne Truck
- Ride on mower
- Tree wood chipper
- Change-over of 8 light fleet vehicles

PROPERTY		
Property Classification	Facilities	Cost \$
Civic Community	<ul style="list-style-type: none"> <li>• Mechanical Services Upgrade – Town Hall and Library</li> <li>• Mechanical Services Upgrade – Goodwood Library</li> <li>• Part Carpet replacement – Unley Library L1</li> <li>• Pool Vacuum replacement</li> <li>• Pool umbrella shade sails restoration</li> <li>• Pool rear gate/ pavers repair / replacement</li> <li>• Pool café work space and refrigerator mods</li> <li>• Pool bathroom soap holders – shower area</li> <li>• Pool 2 x Lane rope/dive block</li> <li>• Lighting Upgrade – Goodwood Library</li> <li>• Replace Dist. Board – rear area Clarence Park Community Centre</li> </ul>	\$247,000
Civic Operations	<ul style="list-style-type: none"> <li>• Public Toilets – Replacement of auto timers and electric strike locks to standardise across all sites for all main entrance security doors</li> <li>• Operable wall upgrade</li> </ul>	\$35,000
Civic Operations : other	<ul style="list-style-type: none"> <li>• Compaction survey and Regrade landfill Mt Osmond site</li> <li>• Access upgrade – Goodwood Oval minor grandstand area and sub depot WHS compliant safety upgrade</li> <li>• Compliant wash down facility – Unley Oval for mowers and grounds equipment that runs through a filtration system prior to going to sewer.</li> </ul>	\$68,000

<b>PROPERTY</b>		
<b>Property Classification</b>	<b>Facilities</b>	<b>Cost \$</b>
Lease Community	Unley Park Sports Club – Ceiling replacement Minor works – various sites Goodwood/Millswood precinct – various minor works Unley Bowls Club – repair to concrete plinth Lighting upgrade – Goodwood community centre (LED)	\$182,000
Multi Category works	Paint Program Clarence Park, Goodwood and Fullarton Park Community Centres along with priorities identified in the asset condition audit Asbestos removal program year 2 of 3, (sites will be identified on a priority basis from information contained in the Asbestos Registers for each of our properties) Air conditioning – package units' upgrade program Key/lock register upgrade	\$305,000
Office Equipment		\$38,000
<b>TOTAL</b>		<b>\$875,000</b>

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

RESERVES/RECREATION AND OPEN SPACES	
Location	Description
Everard Park	Play equipment renewal and upgrade
North Unley Park (Young Street Unley)	Play equipment renewal and upgrade
Fern Avenue	Play equipment renewal and upgrade
Various Parks	Irrigation systems audit
Orphanage Park	Irrigation renewal
Various Parks	Bin surrounds, fencing, sets, signage, paths, lighting, soft fall and other minor items
Various	Back flow prevention devices
Various	Street furniture replacement and renewal
<b>TOTAL</b>	
<b>\$493,000</b>	

ROADS			
Street	From	To	Suburb
Kenilworth Road	Dudley Street	Wattle Street	Parkside
Northbrook Ave	Victoria Street	Chelmsford Ave	Clarence Park
First Avenue	Everard Terrace	Leader Street	Goodwood
Commercial Road	Westall Street	Unley Road	Unley Park
Nairne Terrace	Nicholls Street	Leader Street	Forestville
Fuller Street	Kenilworth to	Dead end	Parkside
Second Avenue	Everard Terrace	Leader Street	Goodwood
Little Charles Street	Mary Street	Charles Street	Unley
O'Connell Street	Albert Street	Grace Street	Goodwood
King William Road	Various areas – continuing the program of localised pavement reconstruction		
Crack sealing	Various – Maintenance patching to localised defects		
<b>TOTAL</b>			<b>\$1,127,000</b>

<b>SIGNS</b>	
Replacement and renewal of signage across the City.	
<b>TOTAL</b>	<b>\$16,000</b>

<b>STREET LIGHTING</b>	
Replacement and renewal of lights across the City, as and when identified in conjunction with the LED capital works program.	
<b>TOTAL</b>	<b>\$25,000</b>

<b>STREETSCAPE</b>	
Replacement and renewal of streetscape across the City.	
Key locations include:	
Unley Road Western Side	
Unley Road Western Side (Planting approx. 12 trees between Greenhill Rd – Cross Rd)	
Way Avenue Myrtle Bank (renewal of street trees) (Riverdale - Ridge) both sides	
Young Street Parkside (Porter to George) (renewal of street trees stage 2 of 3)	
Ferguson Street Myrtle Bank (Fullarton to Glenford) (renewal of street trees stage 2 of 2)	
<b>TOTAL</b>	<b>\$110,000</b>

<b>TRAFFIC FACILITIES</b>	
Replacement and renewal of traffic management infrastructure.	
<b>TOTAL</b>	<b>\$27,000</b>

<b>PROJECT MANAGEMENT &amp; DELIVERY COSTS (INCLUDING CORPORATE OVERHEAD)</b>	
Project Delivery	
<b>TOTAL</b>	<b>\$622,000</b>

## 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 *Local Government Act 1999* (the Act).

### **Discretionary Rebate of Rates – Under Section 166 of the Act**

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 2018-19 rating year will need to be received by 1 May 2018 to be considered in accordance with the statutory provisions of Section 166 of the Act. Further information should be obtained from Council's Rate Rebate Policy.

### **State Government Pensioner and Seniors Concessions**

From 1 July 2015, the State Government has elected to replace these concessions with a single "cost-of-living payment" paid directly to eligible persons. 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/](http://www.sa.gov.au/)

### **Alternative Payment Arrangements**

Any ratepayer who may experience difficulty with meeting 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 basis.

### **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 consider granting a postponement of payment of rates 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. To qualify for hardship postponement the ratepayer must satisfy 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

- The ratepayer can demonstrate that 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 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 to postpone 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 on the condition that the ratepayer agrees to pay interest on the amount affected by the postponement. Interest will be calculated at the cash advance debenture rate and will be calculated monthly. To be eligible the ratepayer must satisfy 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 then ceases to exist, the owner of the land must inform the council in writing of that fact within 6 months from the day on which the entitlement ceased (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 subject to postponement (e.g. in excess of the prescribed amount \$500) under section 182A of the 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, until the debt is paid.

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