

# 2019-20 ANNUAL BUSINESS PLAN & BUDGET

THE CITY of  
*Unley*



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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 1 May and 29 May 2019 with public meetings held on the 27 May and 28 May at various locations across the city.

All feedback collected during this period was distributed to, and discussed by, the Elected Members, and taken into account in finalising the 2019-20 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.

## 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 2019-20, and
- Council's Financial Planning Framework including Long-Term Financial Plan and Asset Management Plans.



## Executive Summary

The Annual Business Plan for 2019-20 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 are met.

Key financial information for 2019-20 is summarised below.

General Rate Increase	2.25%
Rates Growth (new rateable properties and improvements)	0.72%

<b>Budget Summary</b>	<b>\$'000</b>
General Rates Income	42,512
All Other Operating Income	6,929
<b>Total Operating Income</b>	<b>49,442</b>
Operating Expenses	45,486
New Operating Project Initiatives (Net)	1,000
<b>Operating Surplus (excluding Centennial Park)</b>	<b>2,956</b>
Net Capital Renewal Program Expenditure	4,161
Net New Capital Expenditure	17,448
<b>Total Net Capital Expenditure</b>	<b>21,609</b>
<b>Estimated New Borrowings</b>	<b>11,278</b>
<b>Repayment of Borrowings (Principal)</b>	<b>236</b>

Council will raise sufficient income to cover its operating expenses and undertake repayment of its debt. General rates have been increased from 2.1% to 2.25% due to the State Government imposed solid waste levy.

A funding reallocation of \$2.85m has been directed to the King William Road Streetscape project for the asset renewal aspects of the Project.

### Key Financial Targets

<b>Indicator</b>	<b>Adopted Target</b>	<b>2019-20 Budget</b>
Operating Surplus Ratio (excluding Centennial Park)	> 5.0%	5.2%
Net Financial Liabilities Ratio	= < 80%	66%
Asset Sustainability Ratio	= > 100%	52%

\* The Asset Sustainability Ratio is 88% with the reallocation of \$2.85m to the King William Road Streetscape Project.

## Impact on ratepayers

For residential ratepayers their general rates will increase on average by 2.25%. For a residential property of average value, this equates to an increase in general rates of approximately \$50 for the 2019-20 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.

The impact on non-residential ratepayers will vary due to the impact of the Revaluation Initiative Project. As part of the 2019-20 General Valuation, the Office of the Valuer-General have commenced a state-wide Revaluation Initiative to improve data quality and consider the relativity between property classifications, market groups and transparency in inner Metropolitan Adelaide. A revaluation program of this magnitude has not occurred for over 20 years, and several factors over time have influenced the accuracy and relativity of the Valuation Roll.

The City Unley was one of three areas selected to be revalued for the 2019-20 rating period under the Valuer General Revaluation Initiative.

Further information about the impact of this project is provided on page 16.

## Significant Influences for the 2019-20 Budget

A number of significant projects and external environmental changes have influenced the preparation of the Council's 2019-20 Annual Business Plan and Budget. These include:

- Commitments to long-term major projects including King William Road, Unley Oval, Goodwood Oval, Wilberforce Walk and Brown Hill Keswick Creek.

## Other Influences for the 2019-20 Budget

There are also other annual items that are considered when setting rates and deciding on council's program of works. 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
- Additional maintenance costs due to increased capital works, and the construction of new assets over recent years
- Natural Resource Management levy increase 4.0%
- Office of the Valuer General Revaluation Initiative.

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

Savings identified as part of 2019-20 Budget Preparation include:

- Reduction in power costs due to the installation of LED Street lights of \$106k
- Consultant costs (across the organisation) \$100k
- Water supply \$110k.

The total proposed capital spend on new assets for 2019-20 is \$17.45m. The projected operating surplus will support partial funding of these works, with the remaining \$11.28m to come from new borrowings.

## 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 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 Council's urban forest in streets and parks, and
- Management and maintenance of Council owned Community Centres and other buildings.

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.

Council will maintain existing services in 2019-20.

## Annual Objectives and Key Projects

The four key themes of our Community Plan and 4 Year Development Plan guides how our city develops. The key projects for 2019-20 have been listed under the agreed themes.

### Community Living

#### Objectives

1. Our Community is active, healthy and feels safe
2. Our Community participates in community activities, learning opportunities and volunteering
3. Our City meets the needs of all generations
4. Our Community is proud to be part of our City
5. Our City is connected and accessible.

#### Key Projects 2019-20

- Construction of King William Road streetscape
- Continuation of the installation of Alternative Green Energy - Solar
- Implementation of the Local Area Traffic Management (LATM) 3 study for Clarence Park and Millswood
- Goodwood Oval grandstand upgrade
- Walking Cycling Plan continuation – Windsor/Wattle pedestrian crossing
- Wilberforce Walk, upgrading a section of Brown Hill Keswick Creek
- 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 Council's Active Ageing programs.



## **Economic Prosperity**

### **Objectives**

1. Unley is recognised as an easy place to do business
2. Thriving main streets and other business activities operate across out City.

### **Key Projects 2019-20**

- King William Road year 1 of 2-year project
- Trader event sponsorships.

## **Environmental Stewardship**

### **Objectives**

1. Unley's urban forest is maintained and improved
2. Excellence in waste management is achieved through avoidance, re-use and diversion
3. The energy efficiency of the City is increased, and our carbon footprint reduced
4. Efficient, effective and sustainable water management is ensured
5. The City's resilience to climate change is increased.

### **Key Projects 2019-20**

- Council's contribution to the Brown Hill Keswick Creek regional project works
- Implementation of Council's Cycling and Walking Plan
- 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 implementation and water well installation.

## Civic Leadership

### Objectives

1. We have strong leadership and governance
2. Council provides best value services to the community
3. Our business systems are effective and transparent.

### Key Projects 2019-20

- Implementation of Digital Services Program to enhance and modernise existing online functionality and add new delivery and self-help functions

### Project Priorities proposed for the Year

Council has undertaken a methodical and considered approach to determine its priorities. 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 Community Plan and 4 Year Delivery Plan
- Elected Members submitted project ideas 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. This Budget proposes to fund a net amount of \$1.00m of operating projects.

Key items for 2019-20 include:

- Continuation of ongoing environmental initiatives and programs including:
  - accelerated tree planting program \$160k
  - second generation street tree implementation \$75k
  - greening of verges \$75k
  - street tree water well installation of \$40k
  - city-wide street tree risk audit and works \$25k
  - living with trees program \$25k
- Activities in the order of \$428k, that showcase the City of Unley including:
- Unley Gourmet Gala
- Tour Down Under Stage Start
- King William, Goodwood, Fullarton and Unley Road events
- annual community events program and related activities.

The full list of projects is provided in Appendix 4.

## Capital Projects

The City of Unley is responsible for a large number of assets with a current depreciable value of approximately \$516m 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 faced with 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 \$17.45m net and include:

- King William Road Streetscape \$12.55m, a multiyear project
- Unley Oval Stage 2 Grandstand upgrade \$1.20m (Council’s contribution)
- Goodwood Oval Grandstand \$950k (Council’s contribution to a multi-year project)
- Council’s Brown Hill Keswick Creek project contribution of \$1.12m
- Wilberforce Walk \$800k
- Implementation of the high priority recommendations of local area traffic management study for Clarence Park and Millswood \$215k
- Living shared streets \$70k
- Pocket parks \$70k.

The proposed Capital Renewal Program of \$4.16m net has been based on current asset information and asset management plans. Items include:

- \$186k for drains and storm water
- \$877k for the Property Program, and
- \$493k for reserves, recreation and open space projects.

A funding reallocation of \$2.85m has been directed to the King William Road Streetscape project for the asset renewal aspects of the project.

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

## Borrowings for the 2019-20 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 2019-20 Budget, Council considered those Capital Projects with short term benefits to determine if they should be funded by rates or borrowing.

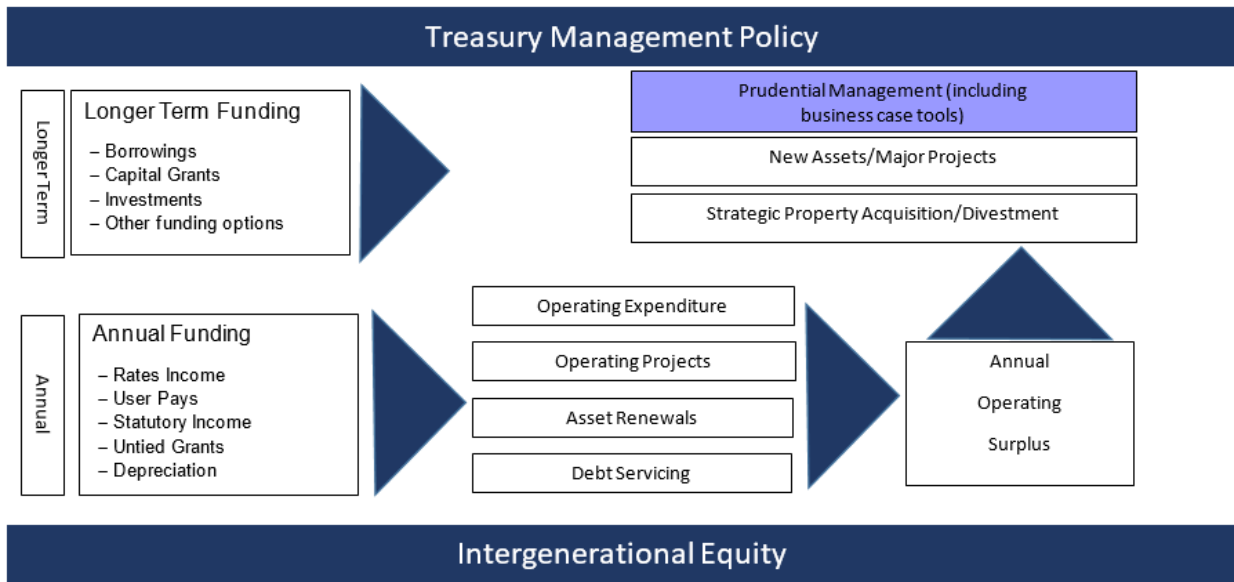
	<b>\$000s</b>
Forecast Opening Balance of Borrowings July 2019	6,814
Estimated Borrowing for 2019-20	11,278
Repayment of principal repayments for 2019-20	<u>(236)</u>
Forecast Closing Balance of Borrowings June 2020	<b><u>\$17,856</u></b>



## 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.



### 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 LTFFP as well as the Annual Financial Statements and Budget are 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 3 key financial targets relating to these required ratios to guide the direction of the LTFFP and Annual Business Plan and Budget. These targets were 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 General Rate Revenue
Asset Sustainability Ratio (rolling 10-year average)	>=100%

Debt Ratio Borrowing ≤ 80% of General Rate Revenue.

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 General Rate Revenue for the year.

Taking into account principal repayments and movements in short term borrowings, it is anticipated that total borrowings will increase by \$11.04m from the opening estimated balance 1 July 2019 balance of \$6.81m to \$17.86m at 30 June 2020. This reflects a Net Financial Liabilities Ratio of 66%.

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.

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 2019-20 the Capital Renewal Program has a projected net expenditure of \$4.16m.

King William Road Streetscape Project has been allocated \$2.85m from the Proposed Capital Renewal Program.

In addition to the Capital Renewal Program Council allocates a significant amount of funds for the operation and maintenance of its asset. For 2019 - 20 this amounts to \$19.58m.

Details are as follows:

Program and Asset Category	2019-20 Budget Expenditure \$000s	Depreciation	Total Operating Expenditure
<b>Transportation Program</b>			
Bridges	15	133	148
Bus Shelters	10	88	98
Car Parks	45	77	122
Footpaths	564	1,232	1,795
Kerb & Watertable	246	230	475
Linemarking	76	-	76
Roadworks	214	1,679	1,893
Signs	207	-	207
Street Cleaning	581	-	581
Street Lighting	461	29	489
	<b>2,418</b>	<b>3,466</b>	<b>5,884</b>
<b>Property Program</b>			
Buildings	<b>1,852</b>	<b>1,225</b>	<b>3,076</b>
<b>Open Space Program</b>			
Reserves	2,130	641	2,771
Street Trees	584	-	584
	<b>2,714</b>	<b>641</b>	<b>3,355</b>
Drains & Stormwater Program	182	1,123	1,306
Waste Management Program	4,183	-	4,183
Environmental Initiatives	130	-	130
Strategic Asset Management	650	-	650
Depot (including Plant)	-	15	527
City Development Management	481	-	481
<b>Total Asset Maintenance related Expenditure</b>	<b>12,597</b>	<b>6,982</b>	<b>19,578</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 relating to fees and charges set by Council or statutory fees.

### Rates Context

In setting the rates for 2019-20 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 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 2.25% with a further estimated increase of 0.72% 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.

The Office of the Valuer General are undertaking a state-wide Revaluation Initiative to improve data quality and consider the relativity between, property classifications, market groups and transparency in inner Metropolitan Adelaide. A revaluation program of this magnitude has not occurred for over 20 years, and several factors over time have influenced the accuracy and relativity of the Valuation Roll. The City Unley was selected to be revalued for the 2019-20 rating period.

Refer to Appendix 7 for details on Rates Assistance Available.

### Rate Statistics

Council has over 18,900 assessments with just over 16,970 being residential, over 890 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 177 non-rateable assessments.

### Valuer General Revaluation Initiative

The value of properties across the City is determined by the Valuer General. The valuation of a property may increase or decrease depending on the physical changes to a property and the market, as demonstrated by sales evidence.

The Valuer-General has released South Australian property values for 2019-20, showing a buoyant property market across the state.



For the City of Unley a snapshot of the valuation movement for the 2019-20 rating period is provided below:

Residential – strong activity in this classification with increases in both sales volumes and value levels.

Commercial – sales, developments, improvements and rezoning have increased in this classification with modest increases in values across most asset classes within the classification.

Industrial – values have been positively impacted by changes to stamp duty and rezoning.

As a revaluation program of this magnitude has not occurred for over 20 years, the impact of this initiative on ratepayers will vary. Further analysis of the valuation change is more notable in the classifications of Commercial Other, Commercial Shop and Industry in the main precinct areas of Greenhill, Unley, King William and Goodwood Roads.

There are about 250 property owners that are significantly affected by this initiative, where their values have increased by more than 15%, will be informed by the Valuer General by letter. This letter will provide instruction on how a property owner may object to the new value.

Further to this, Council will also write to business property owners significantly affected by the change in value whereby their rates will increase more than 10% for the 2019-20 rating period.

## **Rates Modelling**

The preliminary valuation for the Council area has been completed by Valuer General and reflects an increase of 5.00% in valuation for **existing properties**.

Analysis indicates that:

- residential properties, representing over 90% of the overall rateable valuation, had an average valuation increase of 4.89%.
- non-residential properties, including commercial and vacant land, had an average valuation increase of 13.51%.

The Budget has been formulated based on retaining differential rates for residential and non-residential property at the appropriate rate in the dollar to provide an overall increase in rates of 2.25% 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.

Assessments on the minimum rate total 2,586 with residential comprising over 2,502 of these assessments. Council will raise the minimum rate to \$850.

## 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 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 \$35m in 2019-20.
- Non-Residential Differential General Rates will raise net rate revenue in the order of \$5.7m in 2019-20.

## Separate Rate for Main Street Trader Associations

Council will 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 2019-20 Budget, the separate rates listed in the table below will form part of the proposed Budget. These have been requested from the four trader associations and subsequently resolved by Council at the March 2019 Council meeting.

### 2019-20 Separate Rate for Trader Associations

Main Street Trader Associations	Separate Rate raised 2018-19	Separate Rate raised 2019-20	% Increase (Decrease)
Unley Road	\$110,000	\$113,395	3.09%
King William Road	\$144,500	\$147,400	2.01%
Goodwood Road	\$54,500	\$57,225	5.00%
Fullarton Road	\$13,250	\$13,000	-1.89%

In 2016-17, Council also adopted a recommendation from UBED to cap the amount any separate ratepayer pays at \$2000. It is proposed that this is retained for 2019-20.

#### Unley Road

Currently approximately 470 ratepayers with a land use of Commercial Shop, Commercial Office and Commercial Other pay the separate rate.

#### King William Road

Currently approximately 128 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 97 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 56 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 2004*, to assist with funding the NRM by imposing a levy against properties.

The NRM Board has advised Council that the amount to be paid in 2019-20 is \$1.39m compared to \$1.39m in 2018-19. This represents an increase of 4.0%.

Council does not retain this revenue, nor determine how the revenue is spent.

### Expected impact on Ratepayers

To deliver the outcomes of the Annual Business Plan for 2019-20, the total General Rates Income required is \$4.51m. This equates to an average rate increase of 2.25% plus 0.72% 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>
2017-18	0.002540	0.005006	0.005998
2018-19	0.002459	0.004959	0.005968
2019-20	0.002411	0.004820	0.005705

Council has tried to apply the rate increase as equitably as possible across the three categories.

The Valuer-General has released South Australian property values for 2019-20, showing a buoyant property market across the state. The Officer of the Valuer-General have advised that approximately 225 ratepayers within the City Of Unley will be notified where there has been a large increase in valuation.

## 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, via 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, insofar as this is practicable.

## Conclusion

The 2019-20 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 Council's 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 – 2019-20 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 2020

\$ '000	2020	2019
Income	49,442	48,446
less Expenses	(46,888)	(45,687)
<b>Operating Surplus / (Deficit)</b>	<b>2,554</b>	<b>2,759</b>
<b>less Net Outlays on Existing Assets</b>		
Capital Expenditure on Renewal and Replacement of Existing Assets	(4,301)	(8,735)
less Depreciation, Amortisation and Impairment	8,013	7,880
less Amounts Received Specifically for Replacement of Existing Assets	-	169
less Proceeds from Sale of Replaced Assets	140	391
<b>Subtotal</b>	<b>3,852</b>	<b>(295)</b>
<b>less Net Outlays on New and Upgraded Assets</b>		
Capital Expenditure on New and Upgraded Assets	(17,448)	(11,437)
less Amounts Received Specifically for New and Upgraded Assets	-	4,417
less Proceeds from Sale of Surplus Assets	-	-
<b>Subtotal</b>	<b>(17,448)</b>	<b>(7,020)</b>
<b>Net Lending / (Borrowing) for Financial Year</b>	<b>(11,042)</b>	<b>(4,556)</b>
<b>Net Financial Liabilities at Beginning of Year</b>	<b>(17,477)</b>	<b>(12,843)</b>
Decrease / (increase) in Other	402	(78)
<b>Net Financial Liabilities at End of Year</b>	<b>(28,118)</b>	<b>(17,477)</b>

*The figures in this report have been rounded and consequently individual sub-totals, whilst being correct, may differ slightly from the sum of the rounded amounts.*

## Proposed Budgeted Statement of Comprehensive Income For the year ended 30 June 2020

\$ '000	2020
<b>Income</b>	
Rates	42,512
Statutory charges	1,547
User charges	1,859
Grants, subsidies and contributions	2,531
Investment income	12
Reimbursements	301
Other income	679
Operating Projects	-
Net gain - joint ventures & associates	-
<b>Total Income</b>	<b>49,442</b>
<b>Expenses</b>	
Employee Costs	18,783
Materials, contracts & other expenses	17,998
Depreciation, amortisation & impairment	8,013
Finance costs	693
Net loss - joint ventures & associates	402
Operating Projects	1,000
<b>Total Expenses</b>	<b>46,888</b>
<b>Operating Surplus / (Deficit)</b>	<b>2,554</b>
Asset disposal & fair value adjustments	(34)
Amounts received specifically for new, upgraded assets or replacement assets	-
Physical resources received free of charge	-
Operating result from discontinued operations	-
<b>NET SURPLUS / (DEFICIT)</b>	<b>2,520</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>2,520</b>

## Proposed Budgeted Statement of Financial Position

For the year ended 30 June 2020

\$ '000	2020	2019
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	100	100
Trade & other receivables	2,286	1,884
Other financial assets	1	1
<b>Total Current Assets</b>	<b>2,387</b>	<b>1,985</b>
<b>Non Current Assets</b>		
Financial Assets	9	9
Equity accounted investments in Council businesses	15,248	15,649
Infrastructure, Property, Plant & Equipment	529,082	515,519
<b>Total Non-current Assets</b>	<b>544,338</b>	<b>531,177</b>
<b>TOTAL ASSETS</b>	<b>546,725</b>	<b>533,162</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Trade & Other Payables	9,594	9,595
Future Commitment in regards to Grant Funding		-
Borrowings - Short Term Draw Down	22	21
Borrowings Fixed Term	699	236
Provisions	2,379	2,379
<b>Total Current Liabilities</b>	<b>12,694</b>	<b>12,231</b>
<b>Non-current Liabilities</b>		
Borrowings	17,136	6,557
Provisions	448	448
Other Non-current Liabilities	234	234
<b>Total Non-current Liabilities</b>	<b>17,819</b>	<b>7,240</b>
<b>TOTAL LIABILITIES</b>	<b>30,513</b>	<b>19,471</b>
<b>Net Assets</b>	<b>516,211</b>	<b>513,691</b>
<b>EQUITY</b>		
Accumulated Surplus	155,008	152,488
Asset Revaluation Reserves	361,203	361,203
Other Reserves	-	-
<b>TOTAL EQUITY</b>	<b>516,211</b>	<b>513,691</b>
<b>NET FINANCIAL LIABILITIES</b>	<b>28,118</b>	<b>17,477</b>

## Proposed Budgeted Statement of Cash Flows

For the year ended 30 June 2020

\$ '000	2020	2019
<b>Cash Flows from Operating Activities</b>		
<b><u>Receipts</u></b>		
Operating Receipts	49,028	48,356
Investment Receipts	12	12
<b><u>Payments</u></b>		
Operating payments to suppliers & employees	(37,781)	(37,522)
Finance Payments	(693)	(285)
<b>Net Cash provided by (or used in) Operating Activities</b>	<b>10,567</b>	<b>10,561</b>
<b>Cash Flows from Investing Activities</b>		
<b><u>Receipts</u></b>		
Amounts specifically for new or upgraded assets	-	4,585
Amounts received specifically for Replacement of Existing Assets	-	-
Proceeds from Sale of Surplus Assets	-	-
Sale of replaced assets	140	391
Repayments of loans by community groups	-	11
<b><u>Payments</u></b>		
Expenditure on renewal/replacement of assets	(4,301)	(8,735)
Expenditure on new/upgraded assets	(17,448)	(11,437)
Loans made to Community Groups	-	-
<b>Net Cash provided by (or used in) Investing Activities</b>	<b>(21,609)</b>	<b>(15,185)</b>
<b>Cash Flows from Financing Activities</b>		
<b><u>Receipts</u></b>		
Proceeds from borrowings	11,278	5,214
<b><u>Payments</u></b>		
Repayments of borrowings	(236)	(669)
<b>Net Cash provided by (or used in) Financing Activities</b>	<b>11,042</b>	<b>4,545</b>
<b>Net Increase/ (Decrease) in cash held</b>	<b>-</b>	<b>(79)</b>
plus: <b>Cash &amp; cash equivalents at beginning of period</b>	<b>78</b>	<b>157</b>
<b>Cash &amp; cash equivalents at end of period</b>	<b>78</b>	<b>78</b>



Proposed Budgeted Statement of Changes in Equity  
For the year ended 30 June 2020

\$ '000	Accumulated Surplus	Asset Revaluation Reserve	Total Equity
<b>2020</b>			
<b>Balance at end of previous reporting period</b>	152,488	361,203	<b>513,691</b>
<b>a. Net Surplus / (Deficit) for Year</b>	2,520	-	<b>2,520</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>	2,520	-	<b>2,520</b>
<b>Balance at end of period</b>	<b>155,008</b>	<b>361,203</b>	<b>516,211</b>

Proposed Budgeted Financial Indicators  
For the year ended 30 June 2020

\$ '000	2020	2019
<b>Operating Surplus Ratio</b>	<b>5.2%</b>	<b>5.7%</b>
<b>Net Financial Liabilities Ratio</b>	<b>66%</b>	<b>36%</b>
<b>Asset Sustainability Ratio - Current Year based on Asset Management Plan Required Expenditure</b>	<b>52%</b>	<b>106%</b>
<b>Asset Sustainability Ratio - Current Year based on Depreciation</b>	<b>54%</b>	<b>111%</b>
<b>Asset Sustainability Ratio - 10 Year Rolling</b>	<b>102%</b>	<b>110%</b>

## Appendix 2 – Budgeted Funding Statement

### Proposed Budgeted Funding Statement For the year ended 30 June 2020

\$ '000	Proposed Budget 2019-20
<b>Operating Income</b>	
Rates	40,790
Other Rates - Special Rates	331
NRM Levy	1,391
Statutory Charges	1,547
User Charges	1,859
Grants, subsidies & contributions	2,531
Investment Income	12
Reimbursements	301
Other Income	679
Net gain - joint ventures & associates	0
Operating Projects	0
<b>Total Operating Income</b>	<b>49,442</b>
<b>Operating Expenditure</b>	
Employee Costs	18,783
Materials, Contracts & Other Expenditure	17,998
Finance Costs	693
Depreciation, amortisation & impairment	8,013
Operating Projects	1,000
Net loss - joint ventures & associates	402
<b>Total Operating Expenditure</b>	<b>46,888</b>
<b>Funding Surplus/(Deficit) before Capital Revenue</b>	<b>2,554</b>
<b>Net Outlays on Existing Assets</b>	
Capital Expenditure on Renewal & Replacement of Existing Assets	(4,301)
Depreciation, Amortisation and Impairment	8,013
Amounts received specifically for Renewal & Replacement of Existing Assets	0
Proceeds from Sale of Replaced Assets	140
	3,852
<b>Net Outlays on New &amp; Upgraded Assets</b>	
Capital Expenditure on New & Upgraded Assets	(17,448)
Amounts received specifically for New & Upgraded Assets	0
Proceeds from Sale of Surplus Assets	0
	(17,448)
<b>Funding Result for Financial Year</b>	<b>(11,042)</b>

## Appendix 3 – Budget Framework and Financial Summary

### City of Unley 2019-20 Budget

The income and expenditure forecasts in the Annual Business Plan and Budget for the financial year ending 30 June 2019, have been set at a level that meets statutory requirements and provides accountability to the community to achieve the Council's goals and objectives.

### 2019-20 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 Council's 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	49,442	0	0	140
Expenditure	45,486	1,000	17,448	4,301
<b>Net Surplus/ (Net Expenditure)</b>	<b>\$3,956</b>	<b>(\$1,000)</b>	<b>(\$17,448)</b>	<b>(\$4,161)</b>

Expenditure totals do not include the Net Loss – joint ventures and associates of \$402k

## Proposed Operating Budget by Program *(excludes operating projects)*

Budget Program	Program Description	Draft 2019-20		
		Operating Income \$000s	Operating Expenditure \$000s	Net Expenditure / (Revenue) \$000s
Active Ageing	Coordination, administration and support for community based services and projects aimed at facilitating independence and promoting social inclusion	1,447	1,619	172
Animal Management	Promote community safety through education, awareness and compliance with the legislation relating the Dog and Cat Management Act and Local Government Act	139	225	86
Arts & Cultural Development	Provision of Art and Cultural Development programs to support a vibrant and active community	0	142	142
Business Support & Improvement	Provides general management, executive support and leadership to the services provided by Business Support & Improvement Division and supports Elected Members	0	494	494
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	2,118	2,118
City Development Management	Provides general management, executive support and leadership to the services provided by City	0	481	481
City Services Management	Provide general management, executive support and leadership on the services and programs provided by City Services and to Elected Members	0	534	534
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	11	155	144
Community Centres	Management and provision of a thriving network of Community Centres that promote social inclusion, belonging and connection	388	879	491
Community Development & Wellbeing Management	Provide management, support and leadership of the projects, programs and services provided by the Community Development & Wellbeing Team.	0	248	248
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	198	198
Community Grants	Funding for community organisations, groups and individuals to implement programs and initiatives that promote community connectivity, belonging, participation and cultural diversity	0	126	126
Corporate Activities	The accumulation of corporate costs including leave on-costs, treasury management, levy and taxes and insurances	1,814	3,180	1,366
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	40	40
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	1	750	750
Development Services	Planning and building control within the City in accordance with the Development Act and Regulations and other legislative requirements	383	1,908	1,524
Economic Development	Manage the implementation, monitoring and evaluation of economic development activities and strategic initiatives within the City of Unley	340	570	230
Environmental Initiatives	Drive improved environmental sustainability through policies, strategies, programs and projects.	0	130	130
Finance & Procurement	Delivers accounting, financial, procurement and treasury management services required to support Council's operations, including statutory and financial reporting obligations	40,873	1,404	(39,468)

		<b>Draft 2019-20</b>		
<b>Budget Program</b>	<b>Program Description</b>	<b>Operating Income \$000s</b>	<b>Operating Expenditure \$000s</b>	<b>Net Expenditure / (Revenue) \$000s</b>
Governance & Risk	Undertakes administration of legislative and corporate governance requirements, and maintains robust controls through risk management and internal audit oversight	3	998	996
Human Resources	Provides support in recruitment, change management, employee relations, injury management, Occupational Health Safety and Welfare	0	1,118	1,118
Library Services	Provision of Library services, programs and facilities to encourage literacy, lifelong learning and social inclusion and connection	367	2,069	1,702
Marketing & Communications	Coordinate and manage the City of Unley reputation and brand in digital and printed communications and media relations	13	489	476
Office of the CEO	Organise and manage the good governance of the City of Unley, including support for Elected Members and Civic Functions	313	1,354	1,041
Operational Services	Provides maintenance services to Council's infrastructure, property, open space, street and park trees, plant and equipment assets	892	12,389	11,496
Parking Enforcement	Promote community safety through education, awareness and compliance with the legislation relating to the Road Traffic Act and Local Government Act and Council By Laws	1,056	654	(401)
Property Services	Provides sustainable strategic management of Council's building and property asset portfolio	519	3,106	2,587
Public & Environmental Health	Promote community health and safety through education, awareness and compliance with the legislation relating to the Environment and Protection Act and the Local Government Act	38	441	403
Recreation & Sport Planning	Supporting a healthy and active community through the provision of structured and unstructured recreation, sport and leisure programs and facilities	0	107	107
Strategic Asset Management	Provides sustainable strategic management of Council's asset portfolio	0	650	650
Strategic Projects	Facilitating delivery of major strategic initiatives from 4 Year Delivery Plan and Community Plan	0	161	161
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	691	677
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	142	137
Unley Swimming Centre	Provision of a premier outdoor swimming facility, encouraging community health, wellbeing and water safety	797	1,096	299
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	280	280
Urban Policy Planning	Investigate and prepare Council planning strategy, policy and Development Plan Amendments and review State Government strategic, policy and operations directions	0	137	137
Volunteer Development	Coordination, administration and support for community based volunteer services and projects.	0	113	113
Waste Management	Collection and disposal of general waste, kerbside recycling, green waste and the hard rubbish collection service	31	4,183	4,152
Youth Development	Engage and empower young people in the community by identifying, developing and providing activities, programs and events	0	104	104
<b>Total</b>		<b>49,442</b>	<b>45,486</b>	<b>(3,956)</b>



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## Appendix 4 – 2019-20 Proposed Operating Projects

Title	Net Expenditure	Community Living Outcome	Economic Prosperity Outcome	Environmental Stewardship Outcome	Civic Leadership Outcome
Trader Events Sponsorship	\$ 40,000		X		
Unley Gourmet Gala & Tour Down Under	\$ 273,000	X			
Community Events Program	\$ 110,000	X			
Active Ageing	\$ 20,000	X			
Royal Show Traffic Management Support	\$ 22,000	X			
All Connections to Unley Art Prize	\$ 5,000	X			
Planning Compliance Officer	\$ 67,000	X			
Unley Civic Precinct - Short Term Actions	\$ 30,000	X			
Clarence Park Community Centre Inc.	\$ 10,000	X			
Rosefield Community Shed	\$ 10,000	X			
Goodwood Community Centre - Staff Training	\$ 3,000	X			
City Wide Greening/Verges	\$ 50,000			X	
City Wide Greening/Verges - Expansion	\$ 25,000			X	
2 <sup>nd</sup> Generation street tree renewal	\$ 75,000			X	
Accelerated Tree Planting Program (Tree Canopy)	\$ 160,000			X	
Living with Trees Program	\$ 25,000			X	
Street Tree Water Wells	\$ 40,000			X	
Resilient East (Climate Ready Projects)	\$ 10,000	X		X	
City Wide Street Tree Risk Audit and works	\$ 25,000	X		X	
<b>Proposed Operating Projects</b>	<b>\$ 1,000,000</b>				

*Further details of these projects provided in the following pages:*



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## Proposed New Operating Projects – Detail

Title	Net Expenditure \$
<b>4 Year Plan Elected Member Priorities</b>	
<p><b>2019-20 Trader Event Sponsorship</b> The provision of financial support to Trader Associations in order to stage events based on the following:</p> <ul style="list-style-type: none"> <li>• Unley Road Traders Association \$10,000 Evening Under the Stars (Feb 20)</li> <li>• King William Road Traders Association \$10,000 Christmas on King William Road.</li> <li>• Fullarton Road Traders Association \$10,000 Fullarton Road Traders Market</li> <li>• Goodwood Road Business Association: \$10,000 SALA on Goodwood Road (August 2019)</li> </ul>	\$40,000
<p><b>Unley Gourmet Gala and Tour Down Under</b> Staging of the 20th Year of Council’s Unley Gourmet Gala and the Tour Down Under events in 2019-20 building on previous years’ success. The hosting of a TDU Stage is dependent on a stage being granted by SA Tourism Commission.</p>	\$273,000
<p><b>2019-20 Community Events Program</b> The delivery of the City of Unley community events program; including events such as Ignite Unley Outdoor Cinema Program (Summer 19/20); Fringe in Unley (Mar 20); Zest Fest (Oct 2019).</p>	\$110,000
<p><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 2019-20 program includes:</p> <ul style="list-style-type: none"> <li>Unley Legends Series 3</li> <li>Age Friendly Business Recognition Program</li> <li>Forget Me Not Program</li> <li>Active Ageing Alliance</li> <li>Active Ageing Health and Wellbeing Workshop Series</li> </ul>	\$20,000
<p><b>Royal Show Traffic Management Support</b> Renewal of a 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.</p>	\$22,000
<p><b>All Connections Unley Art Prize</b> The All Connections Unley Art Prize is an initiative included in Council's 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 is offered biennially, with a lighter “off year” program focused on arts opportunities for young people to be delivered in 2019-20 at a cost of \$5,000.</p>	\$5,000
<p><b>Planning Compliance Office</b> Appointment of a Planning Compliance Officer (2-year contract at 0.8 FTE) to provide an addition service to proactively monitor, manage and efforce planning matters including breaches of planning consents, of the PDI Act and nuisance and litter concerns related to development.</p>	\$67,000

Title	Net Expenditure \$
<p><b>Unley Civic Precinct Plan - Short Term Actions</b>            The Unley Civic Precinct Working Group was established to assist the Council in developing a precinct plan for the Unley Civic Precinct (the area bounded by Oxford Terrace, Rugby Street, Edmund Avenue and Unley Road).            During 2019/20 work will be undertaken to examine options for alternative use/configuration of the cottages, including a building survey of the existing cottages and development of concept design options for the reuse of the six council owned cottages along Edmund Avenue.</p>	\$30,000
<p><b>Clarence Park Community Centre Inc.</b>            Financial contribution to Clarence Park Community Centre Inc. to support the appointment of a coordinator for the popular T.O.Y.S Community Shed program which has been operating since 1985.            Clarence Park Community Shed is one of two Community Sheds in the City of Unley and supports many vulnerable people in the community through a volunteer-management.</p>	\$10,000
<p><b>Rosefield Community Shed</b>            Financial contribution to support the operation of the Rosefield Community Shed who have recently relocated from Fullarton to the Adelaide Showgrounds. Rosefield Community Shed is supported entirely by volunteers welcoming both male and female participants.</p>	\$10,000
<p><b>Goodwood Community Centre - Staff Training</b>            Financial Support to Goodwood Community Services to provide additional staff training and resourcing for children's programs, to assist in the increase and frequency of existing activities and offering of sensory and ability focused programs.</p>	\$3,000
<p><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.</p>	\$50,000
<p><b>City Wide Greening / Verges - Expansion</b>            To accommodate a new round of applications and convert the outstanding 45 pre-approved applications from 2018/19.</p>	\$25,000
<p><b>Second Generation Street Tree Implementation (Year 5 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.</p>	\$75,000
<p><b>Accelerated Tree Planting Program (Tree Canopy)</b>            Council has endorsed a mission statement to increase green cover 20% by 2045. The objectives of this project are to review and revise the existing Tree Strategy plans to deliver up to 250 new trees on Council land in addition to the street tree replacement program and other capital projects such as King William Road.</p>	\$160,000
<p><b>Living with Trees Program</b>            The objectives of this project are to increase community awareness and understanding of the benefits of trees in urban areas.            Council will provide community information and advise on "Living with Trees" and support residents with the maintenance costs of significant and/or regulated trees on private land.            Incentives such as tree giveaways for planting on private land will help keep the City of Unley leafy for future generations.</p>	\$25,000

Title	Net Expenditure \$
<p><b>Street Tree Water Well Program</b> This initiative is part 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>	\$40,000
<p><b>Resilient East (Climate Ready Projects)</b> 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
<p><b>City Wide Street Tree Risk Audit</b> This project is to undertake a comprehensive Tree Assessment Audit to align with the Tree Strategy review which is due for renewal in 2019-2020. This audit will assist in identifying opportunities for increased planting locations across the City and implement the strategy for the next 4 years.</p>	\$25,000
<p><b>Net Operating Projects</b></p>	<b>\$1,000,000</b>

## Appendix 5 – 2018-19 Proposed New Capital

Title	Net Expenditure	Community Living Outcome	Economic Prosperity Outcome	Environmental Stewardship Outcome	Civic Leadership Outcome
King William Road + component from Capital Renewal Program	\$ 12,550,000	X	X	X	
Digital Services Program (technology for communication, systems and engagement)	\$ 55,000				X
Brown Hill Keswick Creek	\$ 1,105,000			X	
Alternative Green Energy - Solar, location to be approved	\$ 30,000	X		X	
Living (Shared) Streets	\$ 70,000			X	
Pocket Parks	\$ 70,000			X	
LATM Implementation	\$ 215,000	X			
Goodwood Oval Grandstand - Council contribution to project	\$ 950,000	X			
Walking Cycling Plan (Windsor/ Wattle pedestrian crossing)	\$ 30,000	X		X	
Wilberforce Walk - Council contribution to project	\$ 800,000	X			
Unley Civic Precinct - Short Term Actions	\$ 70,000	X			
Swimming Shade Structure	\$ 20,000	X			
Drinking Fountains - reserves	\$ 20,000	X			
Millswood Croquet Club concept	\$ 20,000	X			
Unley Oval Grandstand upgrade Stage 2	\$ 1,200,000	X			
Estimated Project Management Costs	\$ 243,000				X
<b>Capital Projects</b>	<b>\$ 17,448,000</b>				

*Further details of these projects provided in the following pages:*

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## Proposed New Capital Projects – Detail

Title	Net Expenditure \$
<b>4 Year Delivery Plan Elected Members Priorities</b>	
<p><b>King William Road Streetscape</b></p> <p>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).</p>	\$12,550,000
<p><b>Digital Services Program</b></p> <p>Key objectives for the second year of this multiyear strategy will be to further increase self-service options for customers, enable multi- channel customer engagement and improve customer access to data. Key projects include;</p> <ul style="list-style-type: none"> <li>• My Unley - Online Services Stage 2</li> <li>• Council Website Refresh</li> <li>• Smart City Data Platform</li> <li>• Investigate options for Online Community Facilities hire</li> </ul>	\$55,000
<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>	\$1,105,000
<p><b>Alternative Green Energy – Green Infrastructure Implementation</b></p> <p>For the past four years, Council have been installing renewable energy infrastructure at Council owned properties as both an environmental initiative and a cost saving measure. Projects have included the Unley Swimming Pool, Fullarton Community Centre, Clarence Park Institute Hall and soon to be installed at the Unley Library.</p> <p>In 2019/20 the project will continue to roll out installation of renewable energy on Council owned buildings with a key focus on the Unley Depot and Goodwood Community Centre.</p> <p>It is expected that an installation of renewable energy at either of these locations will reduce electricity costs in the order of \$30,000 p.a.</p>	\$30,000
<p><b>Living (Shared) Streets</b></p> <p>The ‘Living Streets Pilot Program’ aims to work with local residents to create safer, greener shared streets. The enhancements should add to the quality of life for residents across the City of Unley and the program supports the Councils commitment to be a leading age friendly city.</p>	\$70,000
<p><b>Pocket Parks</b></p> <p>This project will fund the construction of one revitalised ‘Pocket Park’, identified from the consultation and co-design process undertaken by Council staff in 2018/19. The project budget will cover costs associated with relevant design, certification / approvals and construction costs. The majority of the funds will be associated with enhancements the road closures.</p>	\$70,000
<p><b>Local Area Traffic Management Implementation (LATM)</b></p> <p>To continue the implementation of the LATM The Objectives of the project are to implement the High priority outcomes from LATM 3 (Clarence Park/Millswood) study.</p>	\$215,000

Title	Net Expenditure \$
<p><b>Goodwood Oval Grandstand</b> 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>	\$950,000
<p><b>Walking &amp; Cycling Plan (Windsor/Wattle pedestrian crossing)</b> To continue the implementation of Council's WCP initiatives. This project seeks to continue the implementation of improvements identified in this plan.</p>	\$30,000
<p><b>Wilberforce Walk</b> The Brown Hill Keswick Creek Stormwater Management Plan ("BHKC SMP") requires the upgrade of the section of the Brown Hill Creek which is located between Anzac Highway and Forestville Reserve. Council has applied for grant funding for this project from the State Government's, if successful Council will be required to match the grant on a dollar for dollar basis.</p>	\$800,000
<p><b>Unley Civic Precinct - Short Term Actions</b> The Unley Civic Precinct Working Group was established to assist the Council in developing a precinct plan for the Unley Civic Precinct (the area bounded by Oxford Terrace, Rugby Street, Edmund Avenue and Unley Road). Key projects for consideration in 2019/20 include:  <ul style="list-style-type: none"> <li>• Survey of the irrigation within the Village Green Precinct</li> <li>• Provision of new event power to service the open grassed area</li> <li>• Replacement of existing Rugby Street fence, new planting bed with edging and new</li> <li>• Wayfinding Signage at key decision points around the perimeter of the Precinct</li> <li>• Paving/landscaping around and adjacent to the Civic building and visitor carpark</li> </ul> </p>	\$70,000
<p><b>Swimming Shade Structure</b> Purchase and installation of a weather proof shade structure, equipped with water cooling station to be placed at the northern (shallow) end of the main 50m pool at the swimming centre.</p>	\$20,000
<p><b>Drinking Fountains - Reserves</b> This initiative supports community and Elected Member requests to construct and/or repair drinking fountains throughout the City of Unley providing community value and supporting the environment.  Locations identified include Goodwood Primary School, Souter Park, Black Forest/Forestville tram stop, LeHunt reserve and Everard Park playground.</p>	\$20,000
<p><b>Millswood Croquet Club Concept</b> Stage 1 of a proposed three stage approach covers the concept design and stakeholder/community engagement. Concept design works will assist Council to seek additional funding from third party agencies.</p>	\$20,000
<p><b>Unley Oval Grandstand Upgrade - Stage 2</b>  Advancement of Community Hub which involves the development of an enhanced spectator viewing area and a clubroom/Community facility.</p>	\$1,200,000
<p><b>Capitalised Project Delivery Costs including Overheads</b> These are internal project management costs to deliver the projects listed</p>	\$243,000
<p><b>New Capital</b></p>	<b>\$17,448,000</b>

## Appendix 6 - 2019-20 Proposed Capital Renewal Program by Asset Class

Asset Category	Expenditure \$	Income \$
Bridges	\$50,000	
Bus Shelters	\$68,000	
Car Parks	\$45,000	
Drains and Stormwater	\$186,000	
Footways	-	
IT Equipment	\$560,000	
Kerb and Water table	\$50,000	
Plant and Equipment	\$887,000	
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>	\$877,000	
Reserves / Recreation and Open Space	\$493,000	
Roads	\$154,000	
Signs	\$16,000	
Street lighting	\$25,000	
Streetscape	\$100,000	
Traffic Facilities	\$28,000	
Project Delivery Costs including Corporate Overhead	\$622,000	
<b>Total</b>	<b>\$4,161,000</b>	
<b>Net Capital Renewal Program</b>		<b>\$4,161,000</b>

\* \$2.55m has been redirected to the King William Road Streetscape Project.

<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>\$50,000</b>

<b>BUS SHELTERS</b>		
<b>Compliance &amp; Seating</b>		
Progressively replace non-compliant bus shelters – Bus stop 7 Leah St, Forestville (west side) Bus stop 7 Goodwood Rd, Clarence Park (west side) Bus stop 8 King William Rd, Hyde Park (west side)		
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>\$68,000</b>

<b>CARPARKS</b>		
<b>Site</b>	<b>Comment</b>	
Bazaar Car Park	Replacement of paver surface in the parking bays.WSUD and additional Canopy cover consideration.	
<b>Total</b>		<b>\$45,000</b>

<b>DRAINS AND STORMWATER</b>		
Fullarton Catchment Stormwater Catchment Study - Smart Tanks research grant		
Stormwater Upgrade Designs for 20/21FY - Priorities determined from Flood Modelling (18/19)		
SEP Replacement Program - various locations		
Asset Inspections - CCTV		
<b>Total</b>		<b>\$186,000</b>

<b>IT EQUIPMENT</b>	
Computer hardware (including server room upgrade), software (including Records Management System Upgrade, telephone system and Infringements) and other ICT Equipment	
<b>Total</b>	<b>\$560,000</b>

<b>KERB AND WATER TABLE</b>	
Dunks Lane – Spoon Drain	
<b>Total</b>	<b>\$50,000</b>

<b>PLANT &amp; EQUIPMENT</b>			
	<b>Gross \$</b>	<b>Income \$</b>	<b>Net \$</b>
Small Plant			25,000
Light Fleet	302,000	140,000	162,000
Major Plant	950,000	250,000	700,000
<b>Total</b>			<b>\$887,000</b>

**Plant items include:**

Fork Lift	Tonne Space Cab Ute x2	Dual Cab Ute x4
Compact Truck Loader	3 Tonne Truck x2	Ride on mower
Skid Steer	Change-over of 9 light fleet vehicles	Front End Loader

<b>PROPERTY</b>		
<b>Property Classification</b>	<b>Facilities</b>	<b>Cost \$</b>
Civic Operations	Public Toilets – Replacement of auto timers and electric strike locks to standardise across all sites for all main entrance security doors	\$5,000
Civic Operations : other	Compaction survey and Regrade landfill site	\$21,000
Lease Community	Minor works – various sites identified from 2017/18 condition assessment	\$125,000

<b>PROPERTY</b>		
<b>Property Classification</b>	<b>Facilities</b>	<b>Cost \$</b>
	Goodwood/Millswood precinct – various minor works Unley Bowls Club – salt damp remediation Mech plant upgrade – 39 Oxford Tce gym area	
Lease Commercial	Wet area upgrades - 73 King William Road	\$25,000
Multi Category works	Paint Program Asbestos removal program year 3 of 4, (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		\$40,000
	<b>Total</b>	<b>\$877,000</b>

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

<b>RESERVES / RECREATION AND OPEN SPACES</b>		
<b>Location</b>	<b>Description</b>	
Forestville Reserve - New Paths	New Paths	
Dora Gild - Drinking Fountain & New Path	Drinking Fountain and New Paths	
Morrie Harrell	Shade Sail and New Path	
Page Park	Drinking Fountain & dog bowl, New Fencing adjacent Tennis Courts	
Fullarton Park	Lighting Upgrade	
Heywood Park	New Paths, Play equipment & Smart Cities Devices	
Various Reserves	LED Lighting upgrades	
Irrigation Systems Renewal	As per Irrigation Systems Audit recommendation	
Various	Bin surrounds, fencing, sets, signage, paths, lighting, soft fall and other minor items	
Various	Street furniture replacement and renewal	
	<b>Total</b>	
		<b>\$493,000</b>

<b>ROADS</b>			
<b>Street</b>	<b>From</b>	<b>To</b>	<b>Suburb</b>
Dunks Lane	Young St	Young St	Parkside
Road Pavement Testing – Collector Roads			
Crack sealing	Various – Maintenance patching to localised defects		
		<b>Total</b>	<b>\$154,000</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:	
Gray St - Black Forest	
Parker Terrace – Clarence Park	
Charra St – Hyde Park	
Allen Grove - Unley	
<b>Total</b>	<b>\$100,000</b>

<b>TRAFFIC FACILITIES</b>	
Replacement and renewal of traffic management infrastructure.	
<b>Total</b>	<b>\$28,000</b>

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

## Appendix 4 – 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 Policy proposes a maximum discretionary rebate of 75%.

The Rate Rebate Policy determines that Discretionary Rate Rebates are granted for the term of the Council to allow for a regular review of Discretionary Rate Rebates. Nov 2018 the new council term commenced, all current Discretionary Rate Rebates will need to reapply and be assessed on their merits by the new council.

Applications for discretionary rebates for the 2019-20 rating year will need to be received by 1 May 2019 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/](http://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 (e.g. in excess of the prescribed amount \$500) under section 182A of the *Local Government Act 1999* 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.