



City of Prospect Annual Business Plan 2013-14

Summary

City of Prospect has adopted its Annual Business Plan 2013-14 which includes the Budget and Rating Policy for 2013-14. This document outlines the services Council will provide to the community and how it will pay for these services. It also provides a summary of how your rates may change for 2013-14.

Summary of Key Highlights of the 2013-14 Annual Business Plan

- Council has projected an budget surplus before capital amounts of \$103,805 for 2013-14 (approx. \$19.6m operating expenditure)
- Approximately \$2.6m budgeted for Capital Expenditure
- Approximately \$1.8m budgeted for Operating Projects
- The *Average* (total projected rates/number of residential properties) Residential Rates to increase in the order of 4.58% (or \$67 per year) to an average of \$1,531
- Projected Rate Revenue contribution from the *residential sector* is 92.2% of total rates collected.
- **Total** Rate Revenue (Residential and Non-Residential) increase by 5.86% is required to fund the projects and activities in the 2013-14 Draft ABP
- Financially sustainable and responsible 10 Year Financial Plan

A Public Meeting was held at the Civic Centre on Wednesday, 5 June 2013 at 7pm.

A subsequent Public Meeting specifically focused on the Differential Rating was held at the Civic Centre on Tuesday, 9 July 2013 at 7:00pm.

The **Annual Business Plan Summary 2013-14** outlines the following:

- A. Strategic Directions, Council Services, Operating and Capital Projects
- B. Long Term Financial Plan & Key Financial Indicators
- C. Pictorial Representation of “Every \$100 Spent by Council”
- D. Funding the 2013/14 Draft Budget & Budget Pressures
- E. Infrastructure-Asset Management Plan
- F. Rating Strategies (Rates Revenue, Rating Policy and Valuation)

(A) Strategic Directions and Council Services

Councils are required to provide certain services under various Acts of Parliament (including the Local Government Act). City of Prospect also provides other services to meet the needs of the community. These services have been determined based on previous community feedback and consultation.

Council's **five Core Strategies** and the associated activities included in the Draft Budget 2013-14 include:-

Core Strategy 1 – Our Community

Focus of Core Strategy 1:

We are a community with a sense of belonging and pride in our city, linked by a range of activities, facilities and meeting places.

We celebrate our diversity and value the contribution people of different ages and cultures make to our City.

We advocate strongly for our community and encourage community leadership and involvement in decision making.

Key Strategies

1.1 Create an active, healthy, connected and safe community

Measure: High level of satisfaction with services

- 1.1.1 Encourage and support community leadership and participation
- 1.1.2 Develop, maintain and provide opportunity for a strong network of local community groups, clubs and schools
- 1.1.3 Create and engage with resident and advisory groups
- 1.1.4 Use social media to engage the community and increase awareness of events, programs and services
- 1.1.5 Provide a range of cultural, recreation, and arts activities and events
- 1.1.6 Develop a program to provide safe, accessible and well lit pedestrian routes
- 1.1.7 Foster close links with SAPOL and support local community safety initiatives
- 1.1.8 Seek federal funding for CCTV Crime and Graffiti Prevention Programs

1.2 Promote Lifelong Learning

Measure: High level of satisfaction with services

- 1.2.1 Continue to provide accessible library, toy library and local history services
- 1.2.2 Provide and/or support regular opportunities for local people to share their skills and learn from others
- 1.2.3 Promote the use of broadband and emerging technologies

1.3 Provide opportunities for 'active ageing'

Measure: High level of satisfaction with services

- 1.3.1 Implement the Eastern Region and local Ageing Strategy
- 1.3.2 Provide opportunities for ongoing participation in community life
- 1.3.3 Continue to provide community transport programs
- 1.3.4 Explore opportunities for regional community transport

1.4 Involve our Youth

Measure: High level of participation and satisfaction with services

- 1.4.1 Build and maintain relationships with youth-oriented community groups and promote programs through social media and the Prospect Magazine
- 1.4.2 Engage young people in local decision making, leadership opportunities and meaningful community participation
- 1.4.3 Provide and facilitate a diverse range of services and activities for, and by, young people

1.5 Respond to the changing needs of our community

Measure: Community Plan endorsed and implemented

- 1.5.1 Prepare a community plan to guide the provision of services and facilities
- 1.5.2 Regularly engage with other service providers, local groups and our community to seek feedback and input
- 1.5.3 Actively seek community and business partnerships for local projects and services
- 1.5.4 Lobby for improved access to government services including childcare, high schools, public transport and national broadband services

1.6 Provide a diverse range of attractive local facilities

Measure: Community Plan endorsed and implemented

- 1.6.1 Implement a Parks Strategy
- 1.6.2 Seek partnerships with other agencies to increase community access to facilities
- 1.6.3 Build partnerships with and between recreation, sports and community organisations
- 1.6.4 Implement a program to encourage community involvement in protecting and maintaining community facilities and streetscape
- 1.6.5 Encourage and support the development of accessible community gardens

1.7 Provide diverse volunteer opportunities

Measure: Number of volunteer hours and volunteer satisfaction

- 1.7.1 Provide regular training and support for volunteers through a volunteer management program
- 1.7.2 Publicly recognise the contribution and success of our volunteers

Core Activities for Core Strategy 1 – Our Community include:

- Aged and Youth Services
- Citizenship Ceremonies
- Community Events (e.g. Twilight Concerts and Prospect Fair)
- Community Facilities and Land Management
- Community Grants
- Community Recreation and Sports Development
- Community Safety (e.g. Dog and Parking Control and By-Laws)
- Community Transport
- Community Information
- Council Website
- Prospect Magazine
- Crime Prevention
- Cultural Development
- Library Services
- Neighbourhood and Community Development
- Volunteer Opportunities

Budget Summary – Core Strategy 1 – Our Community

	Expenditure \$	Income \$	Net Cost \$
Recurrent	2,657,152	(1,238,545)	1,418,607
Operating Projects	529,250	(154,000)	375,250
Capital Projects	191,148	-	191,148
Total	3,377,550	(1,392,545)	1,985,005
% of Total Budget	17.6%	7.0%	

2013-14 Operating and Capital Projects

Core Strategy	Key Strategy	Key Sub Strategy	Operating Project	Expenditure \$	Income \$	Net Cost \$
1	1.1	1.1.1	Community Panel (prev in Governance)	15,000		15,000
1	1.1	1.1.2	Youth, Sport & Culture Grants (Project)	8,400		8,400
1	1.1	1.1.2	Community Support Fund	23,000		23,000
1	1.1	1.1.4	Prospect Magazine	66,000	(33,000)	33,000
1	1.1	1.1.5	Citizenship Ceremonies	5,500		5,500
1	1.1	1.1.5	Prospect Portrait Prize	6,000	(6,000)	0
1	1.1	1.1.5	Australia Day Celebration	6,000		6,000
1	1.1	1.1.5	Twilight Concerts (including Children's activities)	37,100	(1,000)	36,100
1	1.1	1.1.5	Prospect Fair - St Helens Park	39,850	(5,000)	34,850
1	1.1	1.1.5	Tourific Prospect	245,000	(75,000)	170,000
1	1.1	1.1.7	Community Safety After Hours Callout Service - Overtime	22,500	(11,500)	11,000
1	1.1	1.1.7	Community Safety After Hours Callout Service - Temp Staff	22,500	(22,500)	0
1	1.2	1.2.1	Toy Library Service	14,000		14,000
1	1.4	1.4.3	ERA Youth Projects	12,400		12,400
1	1.7	1.7.2	Volunteer Recognition	6,000		6,000
				529,250	(154,000)	375,250

Core Strategy	Key Strategy	Key Sub Strategy	Capital Project	Expenditure \$	Income \$	Net Cost \$
1	1.1	1.1.5	Parks Strategy Implementation	30,000		30,000
1	1.1	1.1.6	Prospect Library Security Cameras	2,200		2,200
1	1.2	1.2.1	Prospect Library New Computers	25,000		25,000
1	1.2	1.2.1	Library Capital Book Purchases	108,948		108,948
1	1.6	1.6.2	Broadview Oval Lighting Project	25,000		25,000
				191,148	0	191,148

Core Strategy 2 – Our Economy

Focus of Core Strategy 2:

Encourage and support economic activity, which contributes to the success of our commercial areas and the wealth of our residential and business community.

Our economic growth is linked to our social and environmental wellbeing.

Integrated and innovative strategies will be developed to drive actions and forge collaborative links, which will engage our community with our local economy – in particular the fast growing global digital economy.

Our Strategic Economic Development Plan has an aim of encouraging and supporting commercial activity, attracting business investment and fostering diversity. Council seeks to enable a pro-growth, socially just, environmentally sustainable, entrepreneurial and innovative community.

Key Strategies

2.1 Target and encourage appropriate and diverse commercial investment

Measure: Rate income increase resulting from commercial development

- 2.1.1 Distribute high quality business investment and city promotion materials to attract a desirable mix and balance of commercial and retail investment with a focus on technology, hospitality, retail and home based businesses
- 2.1.2 Identify and promote development on strategic sites within our City
- 2.1.3 Promote Main North Road and Churchill Road as arterial gateway roads for medium to large commercial, retail and higher density residential development
- 2.1.4 Work to facilitate access to appropriate business infrastructure such as National Broadband Network, transport, signage etc
- 2.1.5 Ensure Council infrastructure supports and increases business activity

2.2 Support retail, commercial, home and e-business development across our City

Measure: Local Gross Regional Product (GRP)

- 2.2.1 Undertake a detailed economic analysis and assessment of our local economy
- 2.2.2 Support existing home based business activities and attract new small office/home office business to our residential sector
- 2.2.3 Establish a business environmental program focusing on reducing waste and reduced electricity consumption to minimise the carbon footprint of our commercial and retail sectors
- 2.2.4 Implement programs to assist local business to grow through the use of online services
- 2.2.5 Promote access to digital information opportunities through active pursuit and implementation of Federal Government strategies

2.3 Development of Northpark Centre Precinct

Measure: Northpark Centre Precinct's retail performance

- 2.3.1 Engage with and support the upgrade plan for Northpark Centre Precinct
- 2.3.2 Liaise with developer(s) and investment partner(s) regarding development and new business growth within the precinct
- 2.3.3 Promote the Precinct as a shopping, business and food destination

2.4 Development of 250 Churchill Road precinct

Measure: % of development Master Planned under construction

- 2.4.1 Liaise with developer(s) and investment partner(s) regarding development within the Precinct
- 2.4.2 Pursue completion of the northern section of the Churchill Road Master Plan infrastructure works in response to development authority

2.5 Promote Prospect as one of Adelaide's most liveable inner suburbs, with world class digital connections, clean and green amenity, strategically ideal for retail and commercial investment

Measure: Uptake and use of NBN fibre

- 2.5.1 Renew and refresh our Strategic Economic Development Plan
- 2.5.2 Capitalise on the National Broadband Network to provide hi-tech enabling communications infrastructure across our City
- 2.5.3 Facilitate equitable access and availability of world class internet speeds, carried by both fibre optics and wireless infrastructure for commercial and residential use
- 2.5.4 Promote uptake and use of the National Broadband network
- 2.5.5 Establish a Digital Hub as the primary digital interaction, education and training site for our community

2.6 Seek to improve the communication links between government and business

Measure: Federal and State Government funding within City of Prospect

- 2.6.1 Develop strong professional relationships with key Federal and State Government stakeholders
- 2.6.2 Support the Prospect Business Leaders' Group

2.7 Improve accessibility to and links between key commercial precincts

Measure: Completion of a Master Plan for Main North Road

- 2.7.1 Develop a Master Plan for Main North Road

Core Activities for Core Strategy 2 – Our Economy include:

- Employment Support and Business Development Services
- Representative Groups, Investors and Other Key Stakeholders
- External Funding Procurement Initiatives
- Support to Traders Associations

Budget Summary – Core Strategy 2 – Our Economy

	Expenditure \$	Income \$	Net Cost \$
Recurrent	206,883	-	206,883
Operating Projects	440,604	(139,372)	301,232
Capital Projects	-	-	-
Total	647,487	(139,372)	508,115
% of Total Budget	3.4%	0.7%	

2013-14 Operating Projects

Core Strategy	Key Strategy	Key Sub Strategy	Operating Project	Expenditure \$	Income \$	Net Cost \$
2	2.1	2.1.1	Economic Development	270,000		270,000
2	2.2	2.2.2	Eastside Business Enterprise Centre	7,000		7,000
2	2.5	2.5.4	NBN Digital Enterprise Program	89,100	(67,500)	21,600
2	2.5	2.5.5	Digital Hub Co-ordinator Additional Resource	23,000		23,000
2	2.5	2.5.5	NBN Digital Hub	51,504	(71,872)	(20,368)
				440,604	(139,372)	301,232

Core Strategy 3 – Our Environment

Focus of Core Strategy 3:

Promote and support environmentally sustainable practices.

Our environment is highly valued and environmental sustainability is a responsibility shared by all.

Council’s Environmental Action Plan outlines our contribution to environmental sustainability including education and support to our community to minimise its impact on the environment and to adapt to climatic changes and lifestyle and economic pressures.

Key Strategies

3.1 Support our community to minimise our City’s impact on the environment in the areas of waste management, water usage, energy efficiency and biodiversity

Measure: Number of environmental initiatives promoted to our community

- 3.1.1 Support learning about environmental impacts and encourage individual action
- 3.1.2 Implement water saving opportunities and water pollution prevention in all our activities including irrigation practices and development approvals
- 3.1.3 Increase use of recycled water
- 3.1.4 Implement “Eco Prospect” - promoting native local area flora, fauna and biodiversity
- 3.1.5 Encourage the community to reduce energy usage
- 3.1.6 Implement a low waste approach to Council events

3.2 Contribute to and support activities that positively affect climate change

Measure: Environmental Action Plan implemented

- 3.2.1 Review Council’s Environmental Action Plan in conjunction with the community
- 3.2.2 Reduce energy use in Council’s buildings
- 3.2.3 Lead by example in the use of renewable energy
- 3.2.4 Support, promote and influence the operations of Wastecare SA, regional waste subsidiary
- 3.2.5 Provide Environmental Grants to encourage community involvement
- 3.2.6 Support community initiatives such as community gardens

Core Activities for Core Strategy 3 – Our Environment include:

- Implementation of Council’s Environmental Action Plan – primary guide for Council’s activities in the area of environmental sustainability which includes:
 - Best Practice Research
 - Carbon Credits
 - Water Saving Opportunities
 - Community Transport
 - Education/Volunteering
 - Embodied Energy
 - Native Flora and Fauna (Biodiversity)
 - Street Trees
- Statutory Compliance (EPA/ZeroWaste/Wastecare SA)
- Waste Collection and Disposal
- Public Health (including Immunisation, Health Inspections etc)

Budget Summary – Core Strategy 3 – Our Environment

	Expenditure \$	Income \$	Net Cost \$
Recurrent	2,203,635	(700)	2,202,935
Operating Projects	15,000	-	15,000
Capital Projects	9,000	-	9,000
Total	2,227,635	(700)	2,226,935
% of Total Budget	11.6%	0.0%	

2013-14 Operating and Capital Projects

Core Strategy	Key Strategy	Key Sub Strategy	Operating Project	Expenditure \$	Income \$	Net Cost \$
3	3.1	3.1.1	Community Waste Education Project	15,000		15,000

Core Strategy	Key Strategy	Key Sub Strategy	Capital Project	Expenditure \$	Income \$	Net Cost \$
3	3.2	3.2.4	Waste - Bins	9,000		9,000

Core Strategy 4 – Our Character

Focus of Core Strategy 4:

Welcoming and interesting public spaces, leafy streets, heritage buildings, historic places, local stories and diverse people; the Character of our City.

Character and heritage give us a sense of place and informs us about who we are and how our society has developed over time. Heritage is an essential part of the present we live in and of the future we will build.

Key Strategies

- 4.1 Encourage preservation of character dwellings and surrounding residential amenity**

Measure: Development Plan updated to better enhance existing character

 - 4.1.1 Work with State Government to complete Local Heritage Places and Historic Conservation Zones Development Plan Amendments to provide protection for character dwellings within our city
 - 4.1.2 Review, maintain and promote local heritage register
 - 4.1.3 Provide information, education and incentives to encourage the retention and restoration of heritage listed properties and character homes
 - 4.1.4 Advocate for consideration of embodied energy impacts (including waste) in design and demolition of buildings

- 4.2 Encourage development on arterial roads to improve housing options and to complement the character, heritage and amenity of our City**

Measure: Development Plan and assessment process to support desired development in corridors updated.

 - 4.2.1 Support quality medium to higher density, mixed-use development on main arterial road corridors to achieve the desired character for each area
 - 4.2.2 Support the development of diverse housing options including quality medium and higher density housing on our arterial road corridors
 - 4.2.3 Complete Inner Metropolitan Growth Development Plan Amendment
 - 4.2.4 Implement a design review process to ensure quality public realm outcomes

- 4.3 Expand the leafy streetscape**

Measure: A measure of canopy cover established

 - 4.3.1 Implement the Tree Rejuvenation Program
 - 4.3.2 Preserve and expand the leafy canopy of our streets

4.4**Celebrate our history and heritage****Measure: Activities completed and recorded**

- 4.4.1 Identify and promote locations, images and areas that showcase local character
- 4.4.2 Support our community to record and promote local stories, places and heritage
- 4.4.3 In partnership with our community develop and promote a series of local walks showcasing local history and heritage
- 4.4.4 Encourage local schools and other organisations to actively engage in activities to share and promote our character and heritage

4.5**Continue to deliver attractive public spaces and high quality public art****Measure: Public Art Strategy endorsed and implemented**

- 4.5.1 Develop and implement an Arts and Cultural Policy and place-making strategy to improve our City's public spaces
- 4.5.2 Develop and support public art initiatives in our City

4.6**Improve the regulatory environment****Measure: Work to educate our community to encourage compliance with the regulatory environment**

- 4.6.1 Work with the Local Government Association and the State Government to improve compliance with development approval conditions
- 4.6.2 Develop an educational program to raise awareness of the development assessment process and Council's Development Plan

Core Activities for Core Strategy 4 – Our Character include:

- Development Assessment
- Development Plan Amendments
- Tree Rejuvenation
- Local History Collation
- Public Art Initiatives and Gallery

Budget Summary – Core Strategy 4 – Our Character

	Expenditure	Income	Net Cost
	\$	\$	\$
Recurrent	1,097,360	(172,000)	925,360
Operating Projects	51,443	(5,000)	46,443
Capital Projects	25,000	-	25,000
Total	1,173,803	(177,000)	996,803
% of Total Budget	6.1%	0.9%	

2013-14 Operating and Capital Projects

Core Strategy	Key Strategy	Key Sub Strategy	Operating Project	Expenditure \$	Income \$	Net Cost \$
4	4.1	4.1.1	Local Heritage & Historic Conservation Zones DPA	5,900		5,900
4	4.1	4.2.2	Development Plan Amendments Project	1,600		1,600
4	4.2	4.2.2	Strategic Directions Report	1,600		1,600
4	4.4	4.4.4	Local History Officer Position	7,343		7,343
4	4.5	4.5.1	Place for People Funding - Thomas St Centre	10,000	(5,000)	5,000
4	4.5	4.5.1	City Wide Public Art Advisory Board Activities or Projects	25,000		25,000
				51,443	(5,000)	46,443

Core Strategy	Key Strategy	Key Sub Strategy	Capital Project	Expenditure \$	Income \$	Net Cost \$
4	4.5	4.5.1	Public Art - Capital	25,000		25,000

Core Strategy 5 – Your Council

Focus of Core Strategy 5:

We will improve our City's liveability through the provision of high quality, age friendly infrastructure.

We will build our capacity to deliver efficient and effective services to our community through both direct service provision and partnerships with other councils and the State and Federal Governments.

External funding opportunities and other revenue streams to minimise rate increases will be pursued, and we will continue to review our performance to ensure we are delivering responsive, people focused, value for money services to our community.

Key Strategies

5.1 Best practice asset management planning for the upkeep and renewal of existing assets

Measure: Quality of asset management plans

- 5.1.1 Review, maintain and implement sustainable Asset Management plans for major asset classes
- 5.1.2 Develop and implement plans for 'Other Assets' including regulatory signs, bike paths, street furniture, play equipment and public art
- 5.1.3 Develop integrated streetscape Master Plans across our City
- 5.1.4 Develop a Master Plan for the Broadview Oval precinct to inform future investment in facilities and open space
- 5.1.5 Complete the development, implementation and post implementation review of Local Area Traffic Management Plans
- 5.1.6 Improve public transport by partnering with the State Government and neighbouring councils
- 5.1.7 Review and develop a best value commuter needs Community Bus program
- 5.1.8 Improve movement by bicycle or on foot, through the development and maintenance of our street network
- 5.1.9 Promote transport choice and "Travel Smart" initiatives to our community
- 5.1.10 Review and implement Prospect's "Bike Strategy" recommendations

5.2 Responsibly manage and maintain the City’s existing public infrastructure

Measure: Maintain investment in our infrastructure in accordance with our Asset Management Plan

- 5.2.1 Improve and implement an annual City Maintenance Plan for all asset classes
- 5.2.2 Improve and implement service levels for all asset classes
- 5.2.3 Improve the City Precinct Program and parks and gardens maintenance plan

5.3 Develop new public infrastructure in a sustainable manner

Measure: Progression/completion of key public infrastructure projects

- 5.3.1 Seek funding to progress the Churchill Road Master Plan Upgrade— staged implementation including completion of the upgrade to the southern end of Churchill Road
- 5.3.2 Seek funding to progress the Prospect Road Master Plan Upgrade—staged implementation
- 5.3.3 Seek funding to progress the Prospect Oval and Memorial Gardens Master Plan implementation
- 5.3.4 Provide an increased focus on infrastructure improvements that will result from the proposed Main North Road Master Plan

5.4 Progressively underground power lines on arterial roads

Measure: External funding from Power Line Environment Committee

- 5.4.1 Develop and implement an underground power lines program
- 5.4.2 Lobby State Government agencies to increase undergrounding of power lines within our city

5.5 Actively improve non vehicular community movement

Measure: Statistical data regarding vehicular movement

- 5.5.1 Work to develop, implement and promote a network of safe and connected pedestrian and cycle routes to reduce the dependency on motor vehicles
- 5.5.2 Action the footpath maintenance program based on use and risk around our City

5.6 Deliver a responsive, people-focused service

Measure: Internal culture surveys and external customer service surveys

- 5.6.1 Implement human resource strategies focusing on a flexible work plan, skills recruitment and retention, training and development and succession planning
- 5.6.2 Develop and implement an elected member training and development program
- 5.6.3 Implement practices that create positive customer experiences and build customer relations

5.7 Provide efficient and effective services using the most appropriate service delivery model and technology

Measure: Number of Eastern Region Alliance resource sharing initiatives created and engaged in

- 5.7.1 Actively participate in resource sharing and collaborative service delivery initiatives, with a particular focus on working through the Eastern Region Alliance
- 5.7.2 Provide visible service delivery and accountability through a structured program of service reviews and improving Council's internal systems and on-line services
- 5.7.3 Effectively advocate for improved roads, education services, transport services and other services to meet the community's needs through relationships established with all levels of government and external agencies

5.8 Ensure Financial Stability

Measure: Meet or exceed financial sustainability targets

- 5.8.1 Continue to build relationships with government, external agencies and grant funding bodies to facilitate integrated services
- 5.8.2 Generate income growth by diversifying income streams and increasing revenue from other sources such as grant funding
- 5.8.3 Seek to grow our commercial and retail sector and associated rate income, to enable residential rate increases to be kept to modest levels
- 5.8.4 Implement practices that provide financial accountability and sustainability

Core Activities for Core Strategy 5 – Your Council include:

- City Precinct (Beautification and Safety) Maintenance Program
- Street Sweeping and Sanitation
- Street Tree and Parks and Gardens Maintenance and Development
- Capital Works Program including:
 - Building Maintenance and Council Facilities
 - Drainage Maintenance and Replacement
 - Footpath Maintenance and Replacement
 - Kerb and Gutter Maintenance and Replacement
 - Road Maintenance, Reconstruction and Road Resurfacing
- Fleet Management
- Customer Services
- Elected Member Training and Support
- Governance
- Human Resources Management
- Information Technology
- Occupational Health and Safety
- Performance Measurement and Reporting
- Rates Administration
- Records Management
- Risk Management
- Strategic Planning
- Financial Management
- Emergency (Risk) Management

Budget Summary – Core Strategy 5 – Your Council

	Expenditure \$	Income \$	Net Cost \$
Recurrent	8,666,807	(18,038,710)	(9,371,903)
Operating Projects	765,750	(80,000)	685,750
Capital Projects	2,325,474	(129,000)	2,196,474
Total	11,758,031	(18,247,710)	(6,489,679)
% of Total Budget	61.3%	91.4%	

Infrastructure & Assets

	Expenditure \$	Income \$	Net Cost \$
Recurrent	3,112,409	(416,103)	2,696,306
Operating Projects	430,338	-	430,338
Capital Projects	2,325,474	(129,000)	2,196,474
Total	5,868,221	(545,103)	5,323,118
% of Total Budget	30.6%	2.7%	

Corporate Services

	Expenditure \$	Income \$	Net Cost \$
Recurrent	5,425,398	(17,622,607)	(12,197,209)
Operating Projects	335,412	(80,000)	255,412
Capital Projects	-	-	-
Total	5,760,810	(17,702,607)	(11,941,797)
% of Total Budget	30.0%	88.7%	

2013-14 Operating and Capital Projects

Core Strategy	Key Strategy	Key Sub Strategy	Operating Project	Expenditure \$	Income \$	Net Cost \$
Infrastructure and Assets						
5	5.1	5.1.2	Street Lighting Upgrade Milner St & Staples Cr	2,358		2,358
5	5.1	5.1.2	Signage Management	10,000		10,000
5	5.1	5.1.2	AMP - Council Buildings	20,000		20,000
5	5.1	5.1.2	AMP - Street Trees	20,000		20,000
5	5.1	5.1.2	White Cedar Tree Program	40,000		40,000
5	5.1	5.1.4	Broadview Oval Master Plan	15,000		15,000
5	5.2	5.2.1	Irrigation Mgt Audit	9,000		9,000
5	5.2	5.2.1	Prospect Road Precinct Service	11,000		11,000
5	5.2	5.2.1	Increase in Control Device Operating Budget	14,000		14,000
5	5.2	5.2.1	Further Development of Capital Works Program	31,000		31,000
5	5.2	5.2.1	Graffiti Removal Non Council (Commercial Property)	15,000		15,000
5	5.2	5.2.2	Churchill Road Precinct	16,000		16,000
5	5.2	5.2.2	Increase in Footpath Maintenance - per IAMP	110,000		110,000
5	5.3	5.3.4	Main North Road Masterplan Development	26,900		26,900
5	5.7	5.7.2	Asset Management System Support	60,000		60,000
5	5.7	5.7.2	Depot Master Plan	15,000		15,000
5	5.7	5.7.2	Illegal Dumping Management	15,080		15,080
Subtotal				430,338	0	430,338
Corporate Services						
5	5.6	5.6.1	Leadership Development	10,000		10,000
5	5.6	5.6.3	Information Management Plotter/Scanner	7,008		7,008
5	5.6	5.6.3	State Records Action Plan/Youth Employment Initiative	25,000		25,000
5	5.7	5.7.1	Eastern Region Alliance	20,000		20,000
5	5.7	5.7.2	Authority Upgrade	55,000		55,000
5	5.7	5.7.2	IT Storage Area Network	90,000		90,000
5	5.7	5.7.2	TRIM Upgrade	75,000		75,000
5	5.8	5.8.1	Awareness and Referendum Campaign Funding	3,404		3,404
5	5.8	5.8.3	Management Training/Development/Planning	20,000		20,000
5	5.8	5.8.1	External Grant Procurement	30,000	(80,000)	(50,000)
Subtotal				335,412	(80,000)	255,412
Total				765,750	(80,000)	685,750

Core Strategy	Key Strategy	Key Sub Strategy	Capital Project	Expenditure \$	Income \$	Net Cost \$
Infrastructure and Assets						
5	5.1	5.1.1	Pedestrian Kerb Ramp	25,850		25,850
5	5.1	5.1.1	Driveway Upgrade Program	105,183		105,183
5	5.1	5.1.1	Council Buildings & Structures - Capital Works	148,202		148,202
5	5.1	5.1.1	Kerb and Gutter Constructions	268,108		268,108
5	5.1	5.1.1	Fleet Management - Capital Acquisitions	423,500	(129,000)	294,500
5	5.1	5.1.1	Road Design/Reconstruction (Capital)	653,437		653,437
5	5.1	5.1.1	Footpath Construction - Miscellaneous	681,194		681,194
5	5.1	5.1.2	Bicycle Plan	10,000		10,000
5	5.1	5.1.2	Park Furniture Replacement/Signage	10,000		10,000
Total				2,325,474	(129,000)	2,196,474

(B) Long Term Financial Plan (LTFP)

It is important that Council considers its Long Term Financial Plan in the context of its Strategic Planning and its longer term financial sustainability.

One significant change to the Long Term Financial Plan Assumptions is the reduction of percentage (%) of rates revenue increase over the 10 year period.

The following presents the changes in total rates revenue increase assumption over the 10 year period:-

Year	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
ABP 12/13	6.5%	6.5%	5.5%	5.5%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Draft ABP 13/14	5.2%	5.5%	5.5%	5.5%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%

As a result of the above adjustments, the projected key financial indicators present a more sustainable picture as follows:-

Financial Indicator Description	Year Ended 30 June:	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
				Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Indicator 1 - Operating Surplus / (Deficit) - \$'000		(1,392)	(0)	104	330	(27)	884	1,000	1,026	1,325	1,765	2,076	2,500
Indicator 2 - Operating Surplus Ratio - %		(10%)	(0%)	1%	2%	(0%)	5%	5%	5%	6%	8%	8%	10%
Indicator 3 - Net Financial Liabilities - \$'000		6,884	7,292	6,610	6,439	6,420	5,802	4,261	4,646	3,100	2,144	(244)	(3,346)
Indicator 4 - Net Financial Liabilities Ratio - %		38.2%	37.8%	34.3%	31.7%	30.3%	26.1%	18.4%	19.1%	12.3%	8.1%	(0.9%)	(11.6%)
Indicator 5 - Interest Cover Ratio - %		2.0%	1.8%	1.6%	1.3%	1.2%	1.1%	0.8%	0.4%	0.4%	0.0%	(0.2%)	(0.7%)
Indicator 6 - Asset Sustainability Ratio - %		40%	75%	68%	88%	89%	78%	74%	124%	78%	111%	75%	80%
Indicator 7 - Asset Consumption Ratio - %		51%	52%	50%	49%	49%	49%	49%	49%	49%	49%	48%	48%

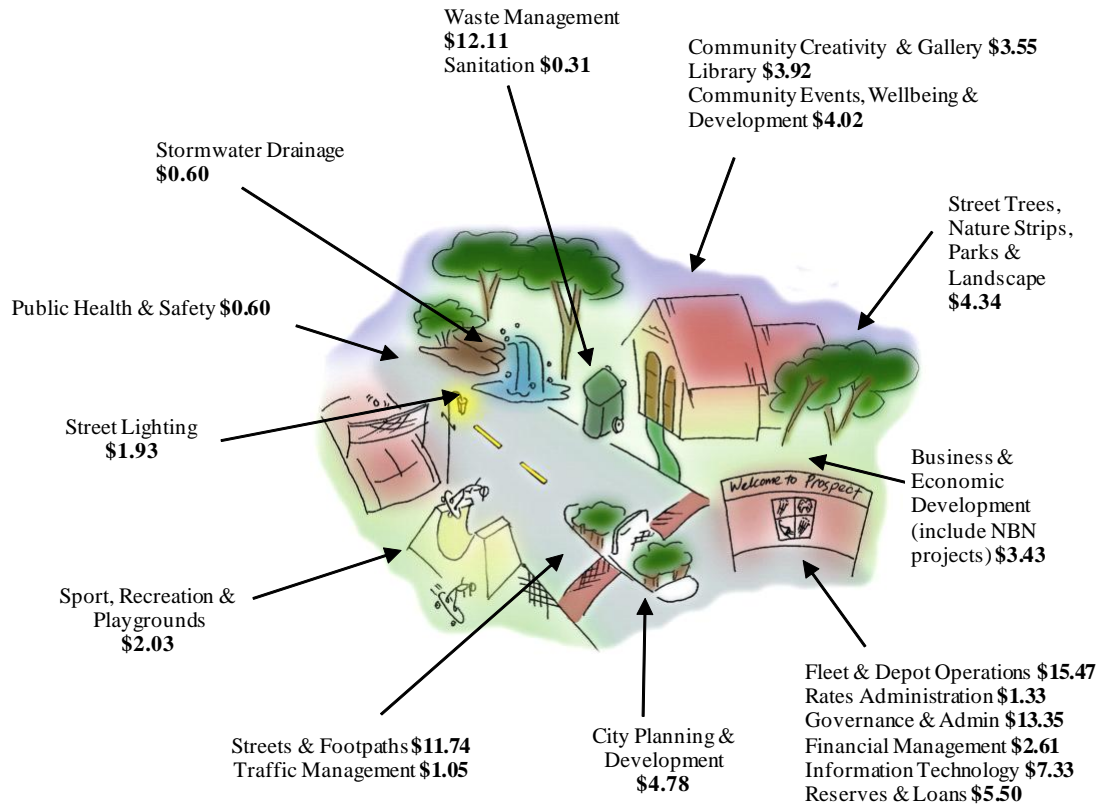
The LTFP includes Capital and Operating Projects projections over a 10 year period based on previous Council resolutions and future initiatives to be considered by Council.

Council is able to fund the Draft Long Term Financial Plan in its current form, operating surplus and net lending position (funding surplus) has been projected for 9 out of the next 10 years.

There is no future loan borrowings projected in the Long term Financial Plan.

(C) Where will your money be spent in 2013-14?

Every \$100 spent by Council is spent on:



(D) Funding the 2013-14 Draft Budget

CITY OF PROSPECT - 2013-14 UNIFORM PRESENTATION OF FINANCES

UNIFORM PRESENTATION OF FINANCES		2012-13 Original Budget \$	2013-14 Proposed Budget \$
<u>OPERATING ACTIVITIES</u>			
	Income	19,690,352	19,699,327
Less	Expenses	19,690,352	19,595,522
Equals	Operating Surplus/(Deficit)	a	0
<u>CAPITAL ACTIVITIES</u>			
Less	Net Outlays on Existing Assets		
	Capital expenditure on Renewal/Replacement of Existing Assets	2,498,189	2,449,422
	less Depreciation, Amortisation and Impairment Expenses	3,189,206	3,400,000
	less Proceeds from Sale of Replaced Assets	207,000	129,405
	Net Outlays on Existing Assets	b	(898,017)
Less	Net Outlays on New & Upgraded Assets		
	Capital expenditure on New/Upgraded Assets	71,522	101,200
	less Amounts received specifically for New/Upgraded Assets	0	0
	less Proceeds from Sale of Surplus Assets	0	0
	Net Outlays on New & Upgraded Assets	c	71,522
	Net Outlays on Existing, New and Upgraded Assets	(826,495)	(978,783)
Equals	Net Lending/(Borrowing) for Financial Year (d) = (a)-(b)-(c)	d	826,495
<u>Financing Transactions</u>			
	New borrowings (Net off loan to Community Group)	0	0
Less	Repayment of principal on borrowings	411,033	438,767
Less	(Increase)/Decrease in level of cash and investments	519,684	775,421
Less	Other	(104,222)	(131,600)
Equals	Funding Transactions	(826,495)	(1,082,588)
Add	Cash brought forward from Previous Year	0	0
Add	Provision for LSL (non cash)	0	0
	Net Surplus/(Unfunded) Budget	415,462	643,821

^(a) Operating expenses include depreciation but exclude book losses on revaluation or sale of non-current assets.

^(b) Includes the value of non-current assets donated to Council. Where capital investment expenditure on renewal and replacement of non-current assets cannot be isolated, it is shown here.

Budget Pressures

In preparing the 2013-14 Draft Budget, a number of external and internal influences have been taken into account because they are likely to impact significantly on the cost of services delivered by Council in the budget period.

External Influences

- The Consumer Price Index (CPI) All Groups Adelaide increase on goods and services of 2.2% for the 12 months ending 31 March 2013 (the most recent data available to date) compared with the Local Government Pricing Index increase on goods and services of 2.5% for the 12 months ending 31 March 2013 (the most recent data available to date)
- Asset Management – ageing infrastructure
- State and Commonwealth Government Policy/Decisions, e.g. Environmental Management, Environmental Health, 30 Year Plan for Greater Adelaide etc
- Increasing cost of waste disposal (including increase in Environment Protection Authority levy/Carbon Tax)
- Increasing cost of utilities
- Introduction of Carbon Tax (including electricity, gas, fuel and waste disposal)
- Legislation changes to Roof Truss Inspections
- External funding opportunities - Grants and contributions have been based on confirmed funding levels (with the exception of the several minor grants)
- Changes to legislation increasing mandatory rate rebates for community housing associations from 25% to 50% in 2011/12, to 75% in 2012/13 ongoing
- Reduction in development activity with slow down in housing market

Internal Influences

- Employee costs have been based on Enterprise Agreements (the ASU Enterprise Agreement and the AWU Enterprise Agreement).
- Council's strategic decision to achieve an operating surplus between \$250,000 to \$650,000 to ensure financial sustainability
- Ongoing costs associated with legislated community consultation requirements and internal controls/risks
- The 2013-14 Draft Budget has been prepared based on the following set of guidelines and assumptions :-

Budget Guidelines/Assumptions

Information Only - Mar 13 Adelaide CPI	2.2%
Information Only - Mar 13 Local Government Cost Index	2.5%
Increase in operating expenditure <i>CPI Affecting: User Charges, Contractual Exp, Materials, Utilities, Fuel</i>	'Zero Based' budgeting applied. Every budgeted line item was analysed to determine the appropriate financial resources required. Previous budgets were formulated using a 'historic budgeting' approach which used incremental budgets based on the CPI rate at that time.
Projected increase in Total Rate Revenue Note : * growth - Any development of the property (including significant renovations) will increase the value of the property. Any changes to land use of the property (eg from residential to commercial) may also result in a variation to the value of the property. The change in valuation associated with these changes is termed "growth".	In the order of 4.7% + growth 0.5%
Grant: Roads to Recovery	No grant received in 2013/14. Program resumes 2014/15-2018/19. Assume funding will be received.
Grant: Supplementary Local Road Funding	\$85K
Grants Commission Grant Revenue	General Purpose Grant \$423K Identified Local Road Grant \$194K
Early Payment of Grants Commission General Grant	Assume 4 payments of Grants Commission Grant instalment for 2014/15.
Increase in Enterprise Agreement (Salaries) ASU AWU	3% 4% (from Jan 2014)
Insurance	'Zero Based' budgeting applied. Every budgeted line item was analysed to determine the appropriate financial resources required. Previous budgets were formulated using a 'historic budgeting' approach which used incremental budgets based on the CPI rate at that time.
Energy (Electricity) Cost & Water Cost	'Zero Based' budgeting applied. Every budgeted line item was analysed to determine the appropriate financial resources required. Previous budgets were formulated using a 'historic budgeting' approach which used incremental budgets based on the CPI rate at that time.
Potential additional Rates	Significant investment is anticipated at 250 and 252 Churchill Road sites within next 1 -5 years. Additional rate revenue from those two sites alone may be significant. Given the uncertain nature regarding timing and value of rate revenue increases, this additional revenue has not been brought to account, except for the value of rates associated with the Bunnings site at 22 Churchill Road.
Depreciation	Depreciation Methodology remained consistent with 2012-13.
Capital Expenditure	<ul style="list-style-type: none"> Refer to the Infrastructure Asset Management Plan Capital Expenditure Budgets is linked to cpi in the Long Term Financial Plan Compounded Local Government Price Index has been factored into the Asset Management Plan Assumes No Policy Change
Loan Principal & Interest Repayment	As per the Loan Schedule No new loan borrowing factored for 2013-14
Interest Rates	Interest rates are assumed to remain relatively constant
Carbon Tax	Included in the budget, projected Carbon Tax for waste disposal. All increase in other costs associated to Carbon Tax will primarily be absorbed within the budget. Significant increase may affect service levels and/or may be subjected to budget review.

(E) Infrastructure-Asset Management Plan (IAMP) **2013-14 - 2032-33**

Asset Management is a process of planning and prioritising works on the City's assets to ensure they continue to provide an agreed level of service to the community in the most cost effective and efficient manner. In other words, the correct treatment is undertaken at the right time to ensure that the required level of service is provided to the community. It considers maintenance as well as asset replacement. Importantly, it recognises that new assets require additional funding to that required for asset maintenance and replacement and that new assets increase the level of ongoing maintenance expenditure.

Infrastructure-Asset Management Plans are about providing a level of service from the City's assets that the community expects and is prepared to pay for. The purpose of the Plan is to predict asset consumption, renewal needs and to consider asset needs to meet future community service expectations.

The following assets have been included in this plan:

- Roads
- Footpaths
- Kerbs and gutters
- Stormwater drains
- Buildings

The following table indicates the following:-

- The projected amount being spent on infrastructure asset renewal is less than the depreciation expense.
- The average spend indicates that we are spending more than the depreciation amount on footpaths and kerbs and gutters and less on other assets. The overall objective is to maintain all of Council's assets in a "fit-for-purpose condition" rather than trying to manage each asset in isolation.
- It is interesting to note that despite the significant investment in the footpath program over the years, there has not been a noticeable improvement in the level-of-satisfaction of residents when surveyed. The latest Survey showed that this level of satisfaction remains relatively constant.

	Required Whole- of-Life Annual Spend (Average)	Proposed Annual Spend (20 Year Average)	(Under)/Over Spend compared to Required Spend	Depreciation Expense (20 Year Average)	Under/(Over) Spend compared to Depreciation
	(A)	(B)	(C) = (B) - (A)	(D)	(E) = (D) - (B)
Road Pavements	405,722	296,895	(108,827)	452,752	155,857
Road Surfaces	357,414	413,855	56,441	497,430	83,575
Kerb & Gutter	282,913	391,925	109,012	307,817	(84,108)
Drainage	471,142	176,065	(295,077)	406,002	229,937
Footpaths	863,210	895,512	32,302	376,189	(519,323)
Buildings		199,966	199,966	859,229	659,263
Infrastructure Total	2,380,401	2,374,218	(6,183)	2,899,419	525,201
Other Assets [#]	748,286	748,286	0	747,815	(471)
Total	3,128,687	3,122,504	(6,183)	3,647,234	524,730

[#] Includes Plant and Equipment, Furniture and Equipment, Library Books and Other Assets.

Road Pavements and Surfacing

Council has 716,342 square metres of road.

An average of \$763,000 is recommended as the required expenditure each year to both maintain and upgrade the road asset (i.e. the road surfacing and underlying pavement), “to keep the good roads in good condition” using an early intervention rejuvenation program.

In 2013-14 Council will spend \$682,299 on road maintenance and road rejuvenation.

This is inclusive of reconstruction design of Flora Terrace and surface renewal projects for Camroc Ave, Collingrove Ave, McInnes Ave, Elderslie Ave and Chevalier Street.

Footpaths

Council has 198.7 km of footpaths.

In 2013-14 Council will spend \$1,026,598 on footpaths maintenance and renewal.

An average of \$895,500 per annum has been allocated from 2014 to 2033, for footpaths maintenance and renewal.

Reconstruction of old bitumen footpaths will be completed in the 2018-19 financial year.

Kerbs and Gutters

Council has approximately 195 km of kerbs and gutters for which it is responsible.

The sections of kerb and gutter in the twenty-year kerb and gutter replacement program have been chosen because of at least two of the following:

- They are in poor condition;
- They can be replaced in conjunction with planned road reconstruction or road resurfacing work (this considerably reduces the cost);
- The gutters are too deep and vehicle access to adjacent properties is difficult (where this is the case, the footpaths have usually been built with far too much cross-fall at the driveways).

Council has allocated approximately \$63,400 per annum for the routine maintenance of kerbs and gutters. This allocation is used to treat localised drainage and access problems. An average spend of approximately \$392,000 has been projected over the next 20 years.

Stormwater Drainage Assets

Council has 41.4km of drains within the Council area.

The condition of the network can only be assessed by inspecting it internally using remote cameras. The aims of the inspections were to establish the extent of deterioration within the network; to provide an indication of which sections of the network may be prone to possible dramatic failure; to assist with developing priorities for drain replacement works; and to provide input to the development of long term financial plans for the maintenance of an effective city drainage network.

Approximately \$74,200 has been included in the 2013-14 budget to cover general reactive maintenance, Hindmarsh-Enfield-Prospect (HEP) annual drainage maintenance and the network condition survey.

More significant reconstruction plans are scheduled within the twenty year drainage plan. \$1.3m has been budgeted for 2020-21 on design of drains for Prospect Road and Main North Road, and full replacement of Beatrice Street drainage (between Churchill Road and Edinburgh Street).

Council Owned Buildings

Approximately \$262,400 has been allocated in the 2013-14 Draft Budget for reactive, annual and cyclic maintenance and capital expenditure purposes.

An average of \$200,000 expenditure has been planned for the next 20 years.

Although the planned level of spending on some assets is below that required in the long-term, the overall level of spending on assets has been increased to meet the identified long term needs.

(F) Rating Strategies (Rates Revenue, Rating Policy and Valuation)

Council has identified that for 2013-14 it will need to raise approximately \$19.7 million in revenue. Of this, approximately \$16.6 million will need to be raised from Council rates.

Council has a rating structure that includes use of Capital Valuations, Differential rating by land use and a Minimum Rate. The capital value is the value of the land including improvements.

The 2013-14 Budget was prepared in line with Council’s underlying assumption to increase rate revenue by 4.7% plus 0.5% growth. The following is the projected outcome:-

- Average residential rates to increase in the order of 4.58% or \$67 per year
- Minimum Rate to increase by 7.45% to \$980. An increase by \$68 per year
- Projected total residential rate revenue to increase by 4.7% excluding growth
- Projected total commercial rate revenue to increase by 5.2% excluding growth
- Gradually shifting rates contribution from residential properties to non-residential properties through increased non-residential developments (growth)
- Vacant land Rate in the Dollar (\$) to be 25% higher than equivalently zoned developed assessments

During the month of June, Council continued to evaluate options in seeking the fairest and most equitable distribution of rates across the community.

Trend in Valuations

The following table shows the change in valuations over the last few years.

Class	Inc Val 2008 to 2009	Inc Val 2009 to 2010	Inc Val 2010 to 2011	Inc Val 2011 to 2012	Inc Val 2012 to 2013	Inc Val 2013 to 2014
Non Residential	12.00%	2.26%	3.10%	8.00%	0.11%	1.17%
Residential	20.30%	3.46%	7.14%	7.00%	-5.50%	0.94%

The valuation movement for 2013-14 in the residential sector have increased across our City by approximately 2%.

The following table indicates the projected change in valuation from last year for Residential properties by Suburbs:

Suburb	No of Assessments	Increase in Capital Value (Incl. Growth) 2013-14	Average Residential Rate Increase (Incl. Growth) 2013-14
Broadview	978	0.88%	5.50%
Collinswood	734	1.55%	6.30%
Fitzroy	305	2.42%	6.70%
Medindie Gardens	134	0.05%	3.90%
Nailsworth	950	0.66%	3.60%
Ovingham	117	0.57%	4.70%
Prospect	5,954	1.35%	5.50%
Sefton Park	193	0.25%	4.60%
Thorngate	71	2.46%	6.40%
Total all suburbs	9,436		

The following table shows the spread of land use types across the Council area.

Class	Description	Example	No. Of Properties (2013-14)	Percentage
1	Residential	House, maisonette, townhouse, flat	8862	92.2%
2	Commercial - Shop	Supermarket, hairdresser	317	3.3%
3	Commercial - Office	Accountant, administrative	98	1.0%
4	Commercial - Other	Showroom, warehouse	167	1.8%
5	Industrial Light	Vehicle service, Service station	33	0.3%
6	Industrial Other	Clothing, Manufacture	8	0.1%
7	Primary Production	Rural Farm Land, Horticulture, Vineyard	Nil	0.0%
8	Vacant Land	Unoccupied land, footings only	96	1.00%
9	Other	School, Church, Hall, Health Centre, Reserves	33	0.30%
	Total		9614	100%

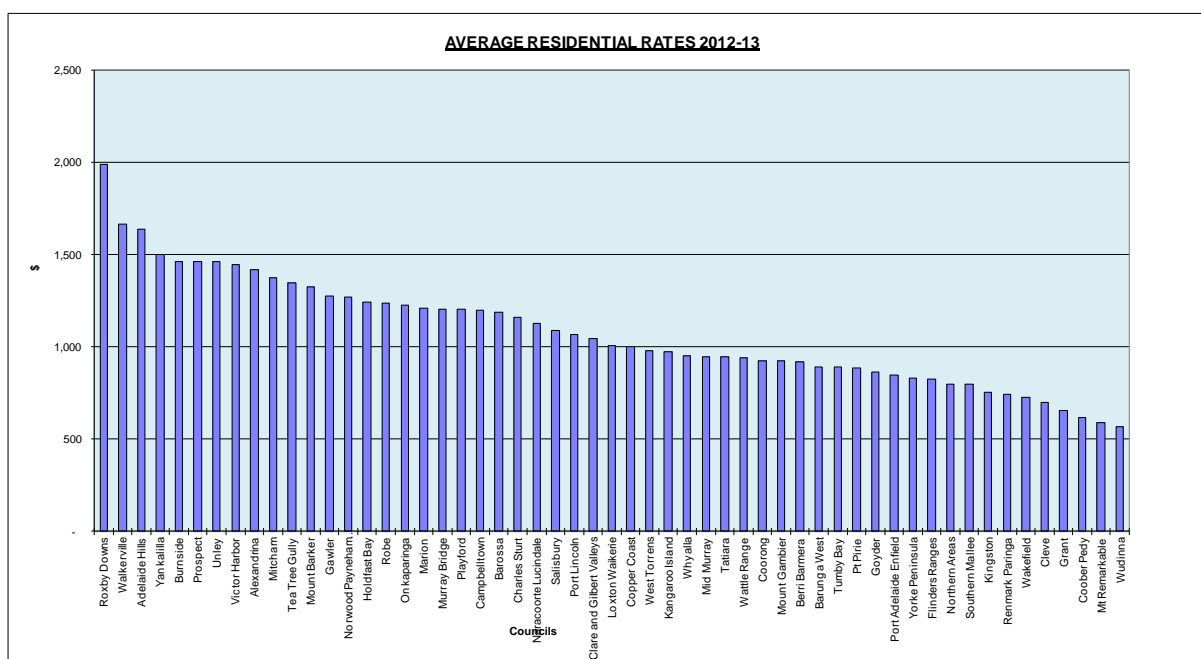
Minimum Rate

Council has historically decided to impose a minimum amount payable by way of rates in accordance with Section 158 of the Local Government Act 1999. Council has chosen to impose a minimum rate rather than a fixed charge as it offers simplicity in its administration, is more equitable in sharing the taxation burden (in that land value determines who is subject to the minimum rate and who is not), than the imposition of a fixed charge which applies to all ratepayers with no reference to their capacity to pay (i.e. it is a “one size fits all” charge).

Council has determined to increase the minimum rate at the same level of the overall increase in rate income. As the cost of services continues to increase the ‘contribution’ paid by ratepayers on the minimum rate should also increase. Increasing the minimum rate has some merit on an equity basis, in that a consistent number of ratepayers would be paying the minimum rate from year to year, and increasing the minimum rate avoids a shift in the rate burden to other ratepayers.

In 2013-14, a minimum rate increase in line with the general rate revenue increase, results in an amount of \$980, a \$68 increase from 2012-13 (minimum rate in 2012-13 was \$912, a \$55 increase from 2011-12). Approximately 1,926 (or 20.0% of) properties attract the minimum rate, which is well within the legislated maximum of 35%. These assessments will contribute 11.4% of total general rates revenue in 2013-14.

The following is the average residential rates in 2012/13:-



Further Information

You can view the full version of the Annual Business Plan 2013-14 from:

- Council's website
www.prospect.sa.gov.au
- Or in person at
 - Civic Centre, 128 Prospect Road, Prospect
 - Thomas Street Centre, 1 Thomas Street, Nailsworth

Thank You for Having Your Say...

- Council highly valued your input in formulating the 2013-14 Annual Business Plan
- Council encourages you to continue to “have your say” regarding future activities
- Please sign up to our On Line Community Panel www.communitypanel.com.au

Enquires in relation to this document can be made to:

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