



## **The City of Prospect Annual Business Plan 2008-09 Services and Revenue (including Rates) for 2008-09**

Prospect Council has adopted its 2008-09 Budget and Rating Policy. The 2008-09 Budget and Rating Policy have been incorporated as part of the **2008-09 Annual Business Plan**. This document outlines the services Council is proposing to provide to the community and how it proposes to raise revenue to pay for these services. It also provides a summary of how your rates may change for 2008-09.

The **2008-09 Annual Business Plan Summary** outlines the following:-

- A. Strategic Directions and Council Services
- B. Measuring Achievement of the 2008-09 Annual Business Plan
- C. 2008-09 Budget Strategic Financial Parameters
- D. Budget Highlights
- E. Infrastructure & Asset Management Plan
- F. Rating Strategies

### **A Strategic Directions and Actions for Prospect in 2008-09**

Council's 2008-09 Budget has been prepared in a strategic context.

Council has a draft strategic plan outlining the long-term objectives and priorities for the community. Council's Draft Strategic Directions 2008-2011 is available from the Council website and offices.

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

Council's **six Strategic Directions** and the associated services included in the 2008-09 Budget include :-

## 1 Service Delivery

### Services for 2008-09 include:

- Customer services
- Financial management
- Governance
- Human resources management
- Information technology
- Occupational health and safety
- Rates administration
- Records management
- Risk management.

### Budget Summary

	<b>Expenditure</b> \$	<b>Income</b> \$	<b>Net</b> \$
<b>Operating</b>	4,017,531	(12,797,574)	(8,780,043)
<b>Project</b>	362,456	0	362,456
<b>Capital</b>	100,000	0	100,000
<b>Total</b>	4,479,987	(12,797,574)	(8,317,587)
<b>% of Total Budget</b>	27.60%	85.78%	

### 2008-09 PROJECTS

- Governance Initiatives \$90,000
- Representation Review \$15,000
- By Law Review \$12,000
- Emergency Risk Management \$5,000
- Records Management Resource \$41,000
- Electronic Document and Records Management System Implementation & other IT initiatives \$199,456

### 2008-09 CAPITAL

- Civic Centre Security \$10,000
- Office Facilities Refurbishment \$50,000
- Information Technology for Elected Members \$40,000

## 2 Community Wellbeing

### Services for 2008-09 include:

- Aged and youth services
- Citizenship ceremonies
- Community events (eg twilight concerts)
- 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
- Council website
- Creative Community newsletter
- Crime prevention
- Cultural development
- Emergency (risk management)
- Library services
- Neighbourhood and community development
- Prospect Fair
- Public Art and Art gallery
- Public health (including immunisation, health inspections etc)

### Budget Summary

	<b>Expenditure</b>	<b>Income</b>	<b>Net</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Operating</b>	3,423,742	(1,190,705)	2,233,037
<b>Project</b>	90,824	0	90,824
<b>Capital</b>	17,200	(40,000)	(22,800)
<b>Total</b>	3,531,766	(1,230,705)	2,301,061
<b>% of Total Budget</b>	21.76%	8.25%	

### 2008-09 PROJECTS

- Graffiti Removal \$10,000
- Library Oral Local History \$2,000
- Council Map Restoration \$5,000
- Inspectorial Administration Resource \$26,324
- Animal Management Plan Implementation- Stage One \$10,000
- Street Lighting Upgrade \$20,000
- Public Art \$12,500
- Volunteer Management Program \$5,000

### 2008-09 CAPITAL

- New Fences – Parks & Reserves \$10,000
- Homeassist Training & Workforce Development Capital Grant (carried forward from 2007-08) \$7,200

### 3 Economic Vibrancy

#### Core Activities for 2008-09 include:

- Employment support and business development services
- Further develop active partnerships with retail and trader representative groups, investors and other key stakeholders
- Grant procurement initiatives
- Support to Traders Associations

#### Budget Summary

	<b>Expenditure</b> \$	<b>Income</b> \$	<b>Net</b> \$
<b>Operating</b>	3,717	(3,756)	(39)
<b>Project</b>	269,798	0	325,684
<b>Capital</b>	0	0	0
<b>Total</b>	273,515	(3,756)	325,645
<b>% of Total Budget</b>	1.68%	0.03%	

#### 2008-09 PROJECTS

- Economic Development Staffing Resources \$146,140
- Economic Development Projects \$123,658

## 4 Environmental Sustainability

### Core Activities for 2008-09 include:

- Corporate Utility Project
- 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
  - ⇒ Community Transport
  - ⇒ Education / volunteering
  - ⇒ Embodied Energy
  - ⇒ Native flora and fauna (Biodiversity)
  - ⇒ Survey regarding the Water Storage Capacity across The City of Prospect
  - ⇒ Street trees
- Statutory Compliance (EPA/ZeroWaste/Wastecare SA)
- Waste Collection and Disposal

### Budget Summary

	Expenditure \$	Income \$	Net \$
<b>Operating</b>	1,946,356	(1,558)	1,944,798
<b>Project</b>	147,500	0	147,500
<b>Capital</b>	41,000	0	41,000
<b>Total</b>	2,134,856	(1,558)	2,133,298
<b>% of Total Budget</b>	13.15%	0.01%	

### 2008-09 PROJECTS

- Community Water Conservation Project \$20,000
- Community Environmental Grants \$2,500
- Alternative Energy Supply Project \$10,000
- Aquifer Storage & Recovery Project \$20,000
- Kerbside Collection Review Project \$25,000
- Community Energy Reduction Incentive Scheme \$10,000
- White Cedar Tree Replacement \$60,000

### 2008-09 CAPITAL

- Waste Disposal Bay \$7,000
- Council Buildings Environmental Initiatives \$20,000
- Rainwater Tanks to Public Toilets \$14,000

## 5 Heritage & Character

### Core Activities for 2008-09 include:

- City Precinct (Beautification and Safety) Maintenance program
- Development Assessment
- Street sweeping and sanitation
- Street tree and parks and gardens maintenance and development

### Budget Summary

	Expenditure \$	Income \$	Net \$
<b>Operating</b>	971,541	(206,953)	764,588
<b>Project</b>	22,500	0	22,500
<b>Capital</b>	30,000	0	30,000
<b>Total</b>	1,024,041	(206,953)	817,088
<b>% of Total Budget</b>	6.31%	1.39%	

### 2008-09 PROJECTS

- Public Art \$12,500
- Development of Land Management Plan \$10,000

### 2008-09 CAPITAL

- Median Strip Redevelopment \$20,000
- Fitzroy Terrace Nature Strip Upgrade \$10,000

## 6 Asset Management

### Core Activities for 2008-09 include:

- 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
- City Precinct (Beautification and Safety) Maintenance Program
- Fleet management

### Budget Summary

	Expenditure \$	Income \$	Net \$
<b>Operating</b>	867,208	(677,064)	190,144
<b>Project</b>	289,641	0	289,641
<b>Capital</b>	3,631,865	0	3,711,865
<b>Total</b>	4,788,714	(677,064)	4,191,650
<b>% of Total Budget</b>	29.50%	4.54%	

### 2008-09 PROJECTS

- Infrastructure Asset Management Plan System Support \$29,641
- Infrastructure & Asset Management Technical Support \$40,000
- Natural Asset Consultancy \$20,000
- Churchill Road Pedestrian Crossing Upgrade \$160,000 (grant funding sought)
- Asbestos Removal & Replacement \$20,000
- Library Building Upgrade - Security \$20,000

### 2008-09 CAPITAL

- Churchill Road Precinct Master Plan \$100,000
- Prospect Oval Precinct Master Plan \$60,000
- Bicycle Plan \$10,000
- General Traffic Projects/Traffic Calming \$500,000
- Landmark (Gateway) Project (Stage 2) \$66,823
- Driveway Upgrade Program \$112,451
- Bus Shelter Upgrades DDA Compliance \$50,000
- Road Design \$707,457
- Footpath Reconstruction \$849,359
- Stormwater Drainage Design \$230,000
- Urban Stormwater Masterplan \$100,000
- Council Buildings & Structures \$191,000
- Playground Equipment \$3,000
- Park Furniture Replacement \$5,000
- Prospect Oval Upgrade \$25,000
- Fleet Replacement – includes \$404,000 (less projected trade in \$164,000)

- Kerb & Gutter – Ballville St \$36,801
- Kerb & Gutter – Churchill Rd \$73,818
- Kerb Ramp \$27,156
- Prospect Road Master Plan \$80,000



## **B Measuring Achievement of the 2008-09 Annual Business Plan**

As well as documenting the strategic drivers, actions and planned outcomes for the 2008-09 financial year, the Annual Business Plan will be used by staff and Council as a basis against which we will monitor and report on our performance on a regular basis.

The following table is an extract of the Key Performance Indicators (KPI) used for measuring Council services:-

### **Strategic Direction 1 – Service Delivery**

<b>Department</b>	<b>Function</b>	<b>Programs</b>	<b>Key Actions</b>	<b>KPI's (1 year)</b>
<b>Corporate Services</b>	All Areas	Grant Procurement	<b>Strategic</b> Pursue new grant opportunities aligning with Council's Strategic Directions.	20% increase in non-recurrent grant revenue.
			<b>Core</b> Manage existing grant sources. Identify potential external funding opportunities.	Ten new external sources of grants identified & actioned.
	Financial Management	Financial Sustainability & Financial Reporting.	<b>Strategic</b> Improve Council's Strategic Planning & Financial Sustainability Performance.	Target benchmarks established Operating Budget Surplus achieved Achieve agreed financial KPI's & Strategic Parameters.
			<b>Core</b> Maintain the accuracy, integrity, sustainability and transparency of Council's financial affairs.	Audit Committee Review of Financial Internal Controls indicates compliance. Unqualified External Audit Management report.
	Information Technology	Records Management	<b>Strategic</b> Implement an EDRMS system.	Implementation of EDRMS system commenced, and 40% completed.
			<b>Core</b> Maintain records in accordance with legislative and corporate requirements.	Statutory compliance.
		Information Technology Services	<b>Strategic</b> Deploy & Trial a web based mapping system.	Successful trial with pilot departments.

Department	Function	Programs	Key Actions	KPI's (1 year)
			<b>Core</b> Maintain delivery of IT services (including web services, hardware and software deployment). Maintain IT Infrastructure.	System availability.
	Governance	Corporate Governance Framework	<b>Strategic</b> Undertake Strategic Plan review.	Complete Strategic Plan review.
Undertake Representative & Bylaw Review.			By law review to be completed by 31 Dec 2008, representation review commenced, to be completed by 30 June 2009. Test arrangements established.	
Develop/implement/test Emergency Management Plan			Complete test of second high priority business unit (Development Assessment) . Audit report.	
Develop/implement/test Business Continuity Plan.				
			<b>Core</b> Implement corporate governance framework (including legislative compliance, training, regional collaboration).	Implement recommendations arising from legislative compliance audit.
		Employer of choice Staff skills and training Workforce planning	<b>Strategic</b>	
			<b>Core</b> Support professional association membership and involvement. Implement staff training program. Review and implement staff performance management system. Promote succession planning/acting arrangements. Provide flexible work arrangements.	Personal development plans in place for all staff. Flexible working policy developed and implemented.

Department	Function	Programs	Key Actions	KPI's (1 year)
	Corporate – Customer & Administrative Support	Service Delivery	<p><b>Strategic</b> Biennial Customer Satisfaction surveys.</p> <p>Biennial LGA Comparative Council Performance survey.</p> <p>Document service standards and service KPIs.</p> <p>Investigate regional collaboration and resource sharing initiatives.</p>	<p>Review and implement service improvement initiatives arising from surveys.</p> <p>Agreed service standards documented.</p> <p>Council participation in relevant initiatives.</p>
			<p><b>Core</b> Maintain efficient and effective administrative support services to customers and all functions of the Council.</p> <p>Post implementation &amp; review of the Customer Relationship Management (CRM) System.</p>	<p>Increasing percentage of satisfaction with the way council contacts were handled (from Residents' Survey)</p> <p>At least 90% of CRM resolved within agreed time frames (averaged monthly over the year)</p>
<b>Community Wellbeing</b>	Community Services	Volunteer program	<p><b>Strategic</b> To attract dedicated volunteer management funding.</p>	Funding arrangements in place and maintained.
			<p><b>Core</b> Maximise volunteer participation in the provision of Council services.</p>	Increase volunteer participation hours by 30%.

## Strategic Direction 2 – Community Wellbeing

Department	Function	Programs	Key Actions	KPI's (1 year)
Environment & Planning	Community Safety	Resource Sharing	<b>Core</b> Maintain service provision to Walkerville.	Maintain contract to 30 June 2010.
		Eastern Health Authority	<b>Core</b> Maintain relationship with Eastern Health Authority to deliver environmental health services.	Continue inspections program and respond to identified issues. Maintain service levels.
		By-Laws	<b>Strategic</b> Commence review of By-Laws in accordance with legislative requirements.	Complete review by Dec 2008
			<b>Core</b> Enforce Council By-laws (including movable signs, roads, local govt land, permits and dogs).	Conduct moveable signs survey Maintain current level of service (ie. in respect to complaints, issues) per biennial surveys and CRM activity reports.
		Animal Management	<b>Strategic</b> Implement Animal Management Plan.	High priority strategies identified and implemented.
			<b>Core</b> Continue PetPEP program Undertake general animal management activities (including nuisance dog matters, micro chipping day and dog registration survey).	PetPEP program implemented.
		Parking	<b>Core</b> Undertake general parking control activities (including general, schools, Private Parking Areas and football match day parking control).	Maintain current level of service re policing and enforcement of parking controls, including Private Parking Areas. Administer the Residential Parking Permit Areas policy Maintain register of parking controls.

Department	Function	Programs	Key Actions	KPI's (1 year)
		General Inspectorial	<b>Core</b> Undertake general community safety activities (including overhanging growth, flammable undergrowth, European wasps, and footpath safety, etc).	Conduct annual survey of area to detect flammable undergrowth and overhanging growth in laneway areas and undertake appropriate response. Service levels maintained.
<b>Community Wellbeing</b>	Library	Borrower services Local History	<b>Strategic</b> Review of SWAP operations.	Review outcomes considered.
			<b>Core</b> Maintenance and improvement of existing library collection services and programs and provide and promote access to community information.	Satisfaction and utilisation rate with services.
	Community Development	Neighbourhood Aged services Youth services Community Transport Sport and Recreation Crime Prevention Home And Community Care	<b>Strategic</b> Community Strategic Plan developed.  Establishment of local youth support services.	Community Strategic plan developed and consulted by June 2009.  Review the Youth Advisory Committee roles and responsibilities.
			<b>Core</b> Maintain develop and promote existing range of services to meet community needs and wants.	Satisfaction with range of services as per biennial surveys.
Community Arts (Including community events and Corporate Communications)	Exhibitions and events Community art	<b>Strategic</b> Design and implementation of landmark projects.  Review and interpret census results for modification of whole of council program delivery.	Installation of landmark project at Prospect Rd/Fitzroy Tce.	

Department	Function	Programs	Key Actions	KPI's (1 year)
			<p><b>Core</b> Promotion and delivery of annual art exhibition program.</p> <p>Provision of community arts classes, promotions and facilities.</p> <p>Delivery of community events program.</p> <p>Implementation of public art program.</p> <p>Maintain service levels re Creative Community, website etc</p>	<p>Maintain high participation rate for art gallery events</p> <p>Maintain high participation rate for community art classes</p> <p>Events program delivered on time and within budget</p> <p>Public art program delivered on time and within budget</p>
	Recreation & Sport	Community Facilities	<p><b>Strategic</b> Recreational and sporting facilities need analysis and improvement plan as part of "Parks Strategy".</p>	Develop Parks Strategy.
			<p><b>Core</b> Recreational and sporting facilities maintenance.</p>	
		Community Services	Emergency management	<p><b>Strategic</b> Develop Community Emergency Response Plan.</p>
<b>Infrastructure &amp; Assets</b>	Roads & paths maintenance Built assets	'Play Safe'	<p><b>Strategic</b> Playground facilities need analysis and improvement plan.</p>	Undertake audit of existing facilities.
			<p><b>Core</b> Playground facilities maintenance.</p>	
	Street Lighting	Street lighting	<p><b>Strategic</b> Undergrounding of powerlines.</p>	Identify site specific potential.
			<p><b>Core</b> Continue precinct street lighting upgrade program.</p>	

### Strategic Direction 3 – Economic Vibrancy

Department	Function	Programs	Key Actions	KPI's (1 year)
<b>Environment &amp; Planning</b>	Development Assessment	Development Assessment process review and enhancement	<p><b>Core</b> Improved public information and education regarding development assessment system.</p> <p>Meeting or exceed legislative obligations for all development assessment functions.</p> <p>Ensure high quality commercial outcomes from development assessment functions.</p>	<p>All public information sources reviewed and improved where necessary</p> <p>90% of development applications determined within legislated timeframes.</p> <p>High level of community satisfaction with substantial commercial development.</p>
	Development Planning Policy	Development Plan review	<b>Strategic</b> Section 30 Review.	Section 30 Review completed with policy amendment requirements being identified.
			<p><b>Core</b> Meeting or exceed legislative obligations for all planning policy functions.</p>	
<b>Business &amp; Economic Development</b>	Economic Development	Ensure integration of economic development principles into relevant council strategy, policy and operations.	<b>Strategic</b> Achieve identified outcomes and targets as set out in the Economic Development Plan.	Completion, public consultation and adoption of 5 year Economic Development Plan.
		Economic Development Plan	<b>Core</b> Implement actions and projects of the EDP.	Actions and projects of EDP Year 1 completed within agreed budget and timeframe.
		Economic Development Plan	<b>Strategic</b> Identify suitable precinct brand/image for primary retail areas including consideration of regional and local opportunities.	Precinct branding options identified, consulted and incorporated into Economic Development Plan
			<b>Core</b> Identify and encourage advantageous commercial investment, tenancy mixes consistent with precinct branding objectives.	Clarification of desirable future investment and tenancy options and identification of local investment opportunities.

## Strategic Direction 4 – Environmental Sustainability

Department	Function	Programs	Key Actions	KPI's (1 year)
Infrastructure & Assets	Natural assets	Natural Assets operations, programs and policy	<b>Strategic</b> Contribute to environmental policy and strategy of council. Investigate water saving opportunities in irrigation practices.	Natural assets issues satisfactorily considered and incorporated into council strategy and policy where relevant.
			<b>Core</b> Operations of Natural Assets area adhere to budget, strategic and policy requirements.  Implement water saving initiatives in community green spaces.	Delivery of programmed and additional operations in accordance with Budget 2008-09 parameters and service standards.  Positive community satisfaction results for all functions of the natural assets portfolio.
	Street Cleaning	Street sweeping	<b>Core</b> Street cleaning program (including street sweeping, 'hot spot' and hard waste collection.	
Environment & Planning	Waste management	Waste collection and management services	<b>Strategic</b> Review current waste management service, strategy and policy against best practice.	Investigation, consultation and consideration of preferred waste management services and policy for council.
		Community education	Support, promote and influence the operations of Waste Care SA regional waste subsidiary.  To promote and support the environmental objectives of the Environmental Action Plan relevant to waste management.	Commercially competitive outcomes being provided to member councils in a sustainable fashion.
			<b>Core</b> Performance and promotion of waste collection, recycling and other waste management services.  Provision of information to the community.	High level of community satisfaction with and participation in waste management services.



Department	Function	Programs	Key Actions	KPI's (1 year)
	Environment	Ensure integration of environmental sustainability principles into council strategy, policy and operations.	<b>Strategic</b> Achieve identified outcomes and targets as set out in the Environmental Action Plan (EAP).	Completion, public consultation and adoption of 3 year EAP.
		Environmental Action Plan	<b>Core</b> Implement actions and projects of the EAP.	Actions and projects of EAP Year 1 completed within agreed budget and timeframe.

### Strategic Direction 5 – Heritage and Character

Department	Function	Programs	Program Goals (Actions)	KPI's (1 year)
<b>Infrastructure &amp; Assets</b>	Natural assets	Street tree program	<b>Strategic</b> Review and implementation of Street Tree Policy.  Street Tree Replacement Strategy.  Long term financial and strategic asset management of street tree assets.	Adoption of suitable policy to deliver positive character outcomes through the management/replacement of street trees in the community.
			<b>Core</b> Streetscape beautification and safety program.  Street tree maintenance.	Positive community satisfaction rating for city character related indicators.
		Ovals, reserve, verges and street medians	<b>Core</b> Maintain and enhance natural elements of public spaces which contribute to the character of the city.	
<b>Community Wellbeing</b>	Library	Local History Program	<b>Core</b> Record and store materials relating to the history of Prospect.  Support the Local History & Heritage Groups.	Increase capture of oral history records.
	Recreation & Sport	Recreational Facilities	<b>Strategic</b> Develop Community Land Management Plan.	Develop City wide park strategy.

Department	Function	Programs	Program Goals (Actions)	KPI's (1 year)
Environment & Planning	Development Assessment	Assessment and resolution of issues involving development applications with high level of heritage content.	<b>Strategic</b>	
			<b>Core</b> Appropriate adherence to heritage provisions in Development Plan.	Strong support/satisfaction from community (survey) for both new and heritage development.
		Assessment and resolution of issues involving development applications with high level of character content	<b>Strategic</b>	
			<b>Core</b> Appropriate adherence to character provisions in Development Plan.	Strong support/satisfaction from community (survey) for both new and character development.
	Development Planning Policy	Heritage policy review  Heritage preservation	<b>Strategic</b> Identify suitable heritage protection items and places.	Review heritage work done to date to formulate future framework for policy amendments
			Implement heritage protection policies and systems as required.  Investigate and implement heritage incentive and awards systems/schemes.	Heritage protection requirements identified and scheduled for budget planning purposes.  Public consultation regarding heritage conservation approaches undertaken where required.
<b>Core</b> Improve and promote public information material relating to heritage protection and desirable character issues for new development.			Develop an information sheet/brochure relating to character and heritage protection.	

## Strategic Direction 6 – Asset Management

Department	Function	Programs	Program Goals (Actions)	KPI's (1 year)
Corporate Services	IT	IT systems management	<p><b>Core</b> Ensure IT systems are available, contemporary, efficient and supportable. Provide effective systems to support business needs of organisation.</p>	95% availability of core systems between 7am and 7pm.
		Disaster Recovery Planning	<p><b>Core</b> Develop, test and maintain Council's Disaster Recovery Plan for critical IT assets.</p>	
	Governance/All areas	Business Continuity Planning	<p><b>Strategic</b> Nil</p>	
			<p><b>Core</b> Develop, test and maintain Council's Business Continuity Plans.</p>	
Infrastructure & Assets	Built and natural assets	Footpath Program	<p><b>Strategic</b> Footpath replacement program.</p>	2008-09 Capital Works Program completed.
			<p><b>Core</b> Footpath Maintenance.</p>	
		Roads Program	<p><b>Strategic</b> Road Reconstruction program.  Road Resurfacing program.</p>	2008-09 Capital Works Program completed.
			<p><b>Core</b> Road Maintenance.</p>	
Stormwater Drainage Program	<p><b>Strategic</b> Drainage replacement program  Develop and implement Urban Stormwater Master Plan.  Undertake Flood risk awareness with community.</p>	<p>2008-09 Capital Works Program completed.  Urban stormwater master plan developed.  Community awareness of flood risk.</p>		

Department	Function	Programs	Program Goals (Actions)	KPI's (1 year)
			<b>Core</b> Drainage Inspection and Maintenance	
		Street Tree Program	<b>Strategic</b> Establish Street Tree Rejuvenation Plan.  Street Tree replacement program.	Plan established.  2008-09 Capital Works Program completed.
			<b>Core</b> Street Tree Maintenance.	
		Kerb & Gutter Program	<b>Strategic</b> K&G replacement program.  Churchill Road Upgrade.	Complete Prospect Road K&G Stage 2.  Complete Master Planning for Churchill Road precinct.
			<b>Core</b> K&G Maintenance.	
		Projects	<b>Strategic</b> Undertake Project Initiatives.	Undertake:- Water saving initiatives (see Strategic Direction #4), Street Lighting Upgrade. 250 Churchill Road Council infrastructure. Prospect Estate Creek Design. Implement Churchill Road Pedestrian Crossing Upgrade. Undertake Churchill Road City Access – Urban Design Master Planning. Undertake Prospect Eco-leisure hub master planning.
		Traffic Management	<b>Strategic</b> Local Area Traffic Management Reviews.	Commence implementation of Nailsworth & Collinswood LATM plan  Commence Regency North East Precinct LATM plan development.
		Other Asset Replacement Program	<b>Strategic</b> Develop and implement Asset Management Plans for 'Other Assets'.	

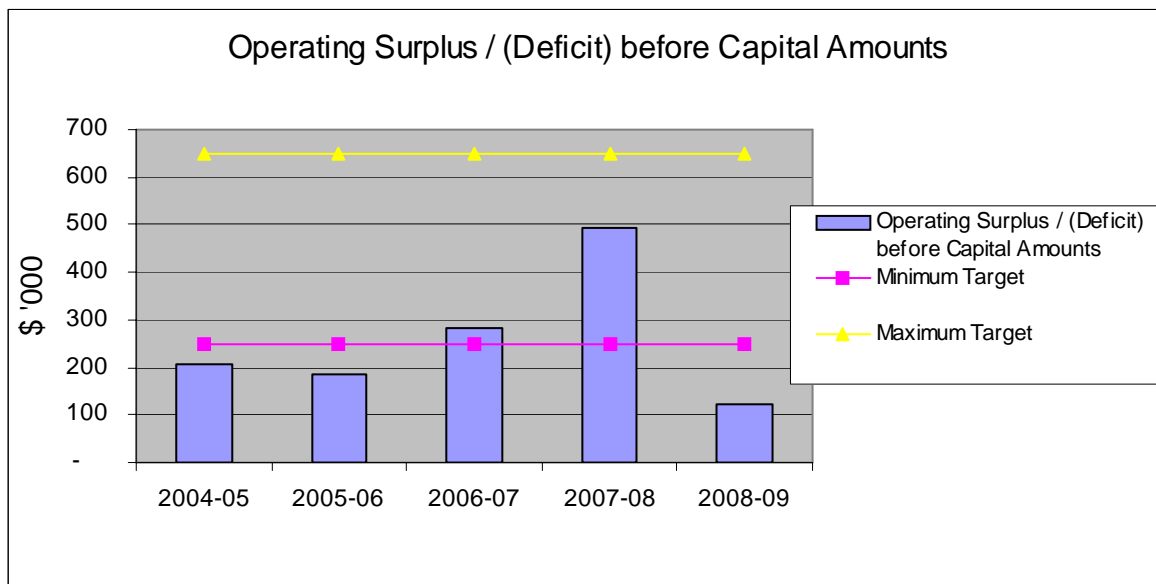
Department	Function	Programs	Program Goals (Actions)	KPI's (1 year)
			<b>Core</b> Replace and/or maintain other assets (including fleet, street furniture, bus shelters, street signs, bicycle network).	

The 2008-009 Annual Business Plan is presented in the context of the draft strategic directions for the City. The document reflects Council's continuing focus on ensuring that the physical infrastructure of the City is fit for use and maintained in a cost effective way. Through implementation of the Annual Business Plan, we aim to deliver to residents and ratepayers a well managed, sustainable City environment for current, as well as future generations.

## C 2008-09 Budget Indicators

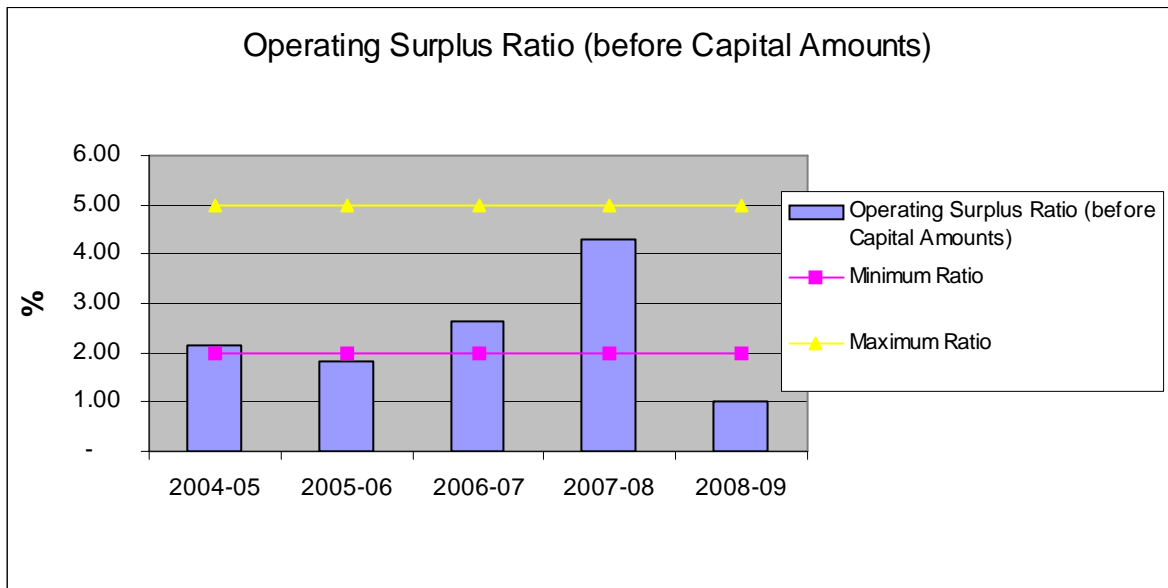
The following graphs provide information about 7 key indicators of the Council's financial performance and financial position:-

### 1 Operating Surplus / (Deficit)



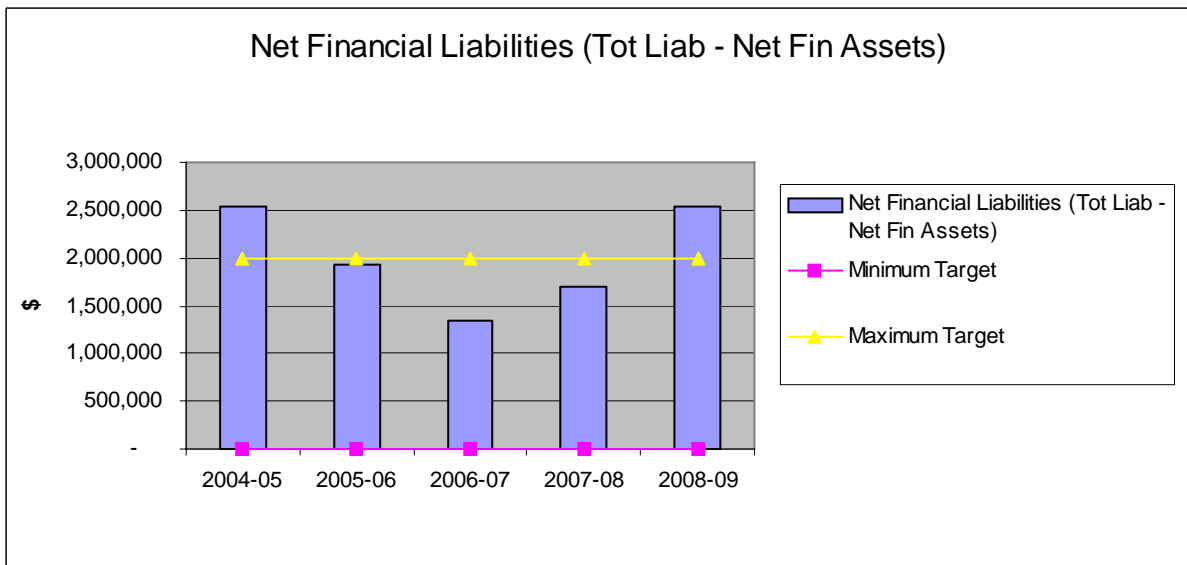
An operating surplus before capital amounts of \$122,038 is projected in 2008-09. This represents a decline of \$369,382 on the estimated operating result for 2007-08 as per the projected fourth budget review.

## 2 Operating Surplus/ (Deficit) Ratio



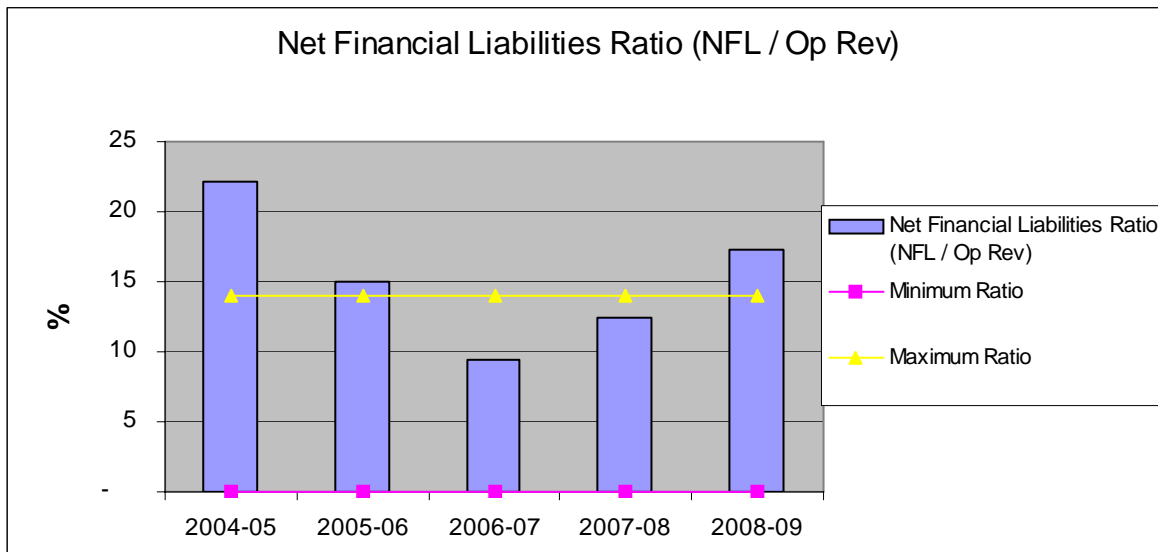
The estimated operating surplus before capital amounts in 2008-09 expressed as a percentage of general and other rates (the operating surplus ratio) is 1%.

## 3 Net Financial Liabilities



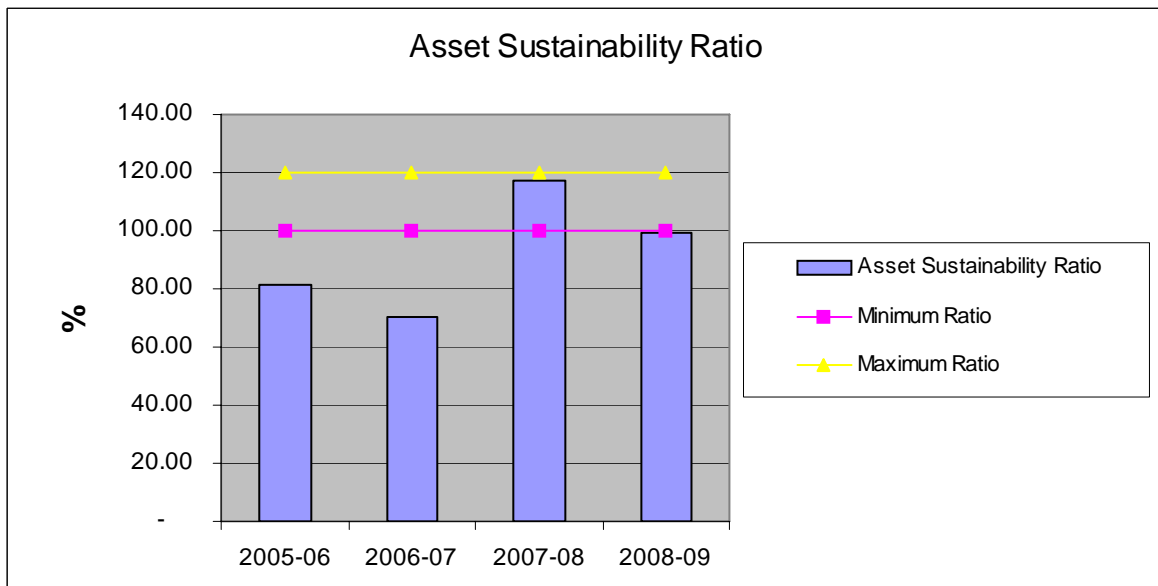
The Council's stock of net financial liabilities is expected to be \$2,535,168 at 30 June 2009. This represents an increase of \$830,410 on the estimated level of net financial liabilities at 30 June 2008.

#### 4 Net Financial Liabilities Ratio



The Council's net financial liabilities at 30 June 2009 expressed as a percentage of estimated operating revenue in 2008-09 (the net financial liabilities ratio) is expected to be approximately 17.2%.

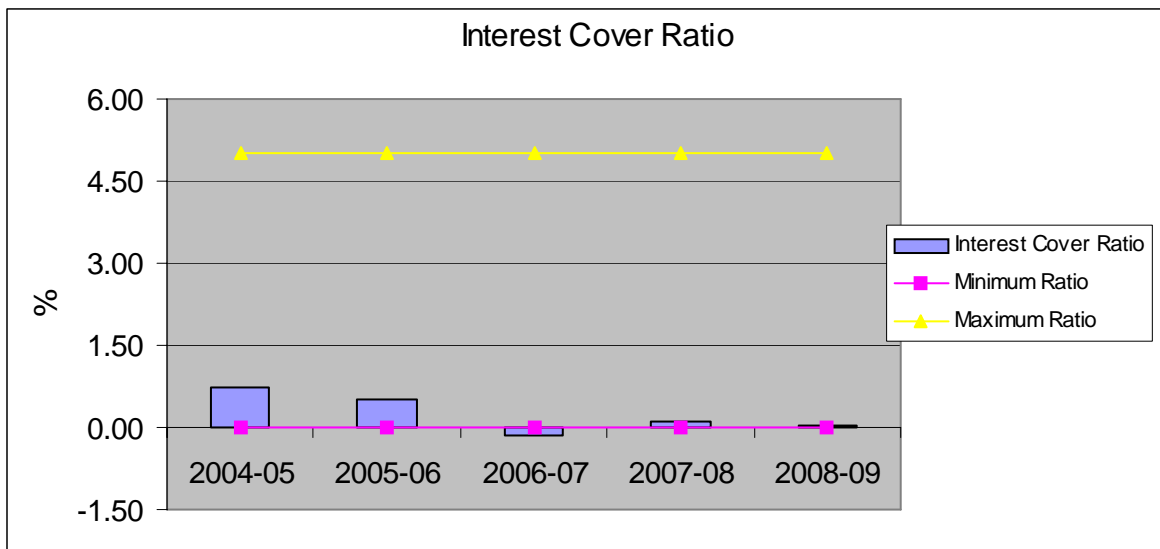
#### 5 Asset Sustainability Ratio



The Council's asset sustainability ratio in 2008-09 is expected to be 100% calculated by comparing planned capital expenditure on renewal and replacement of assets less capital revenue against total depreciation expenses in 2008-09.

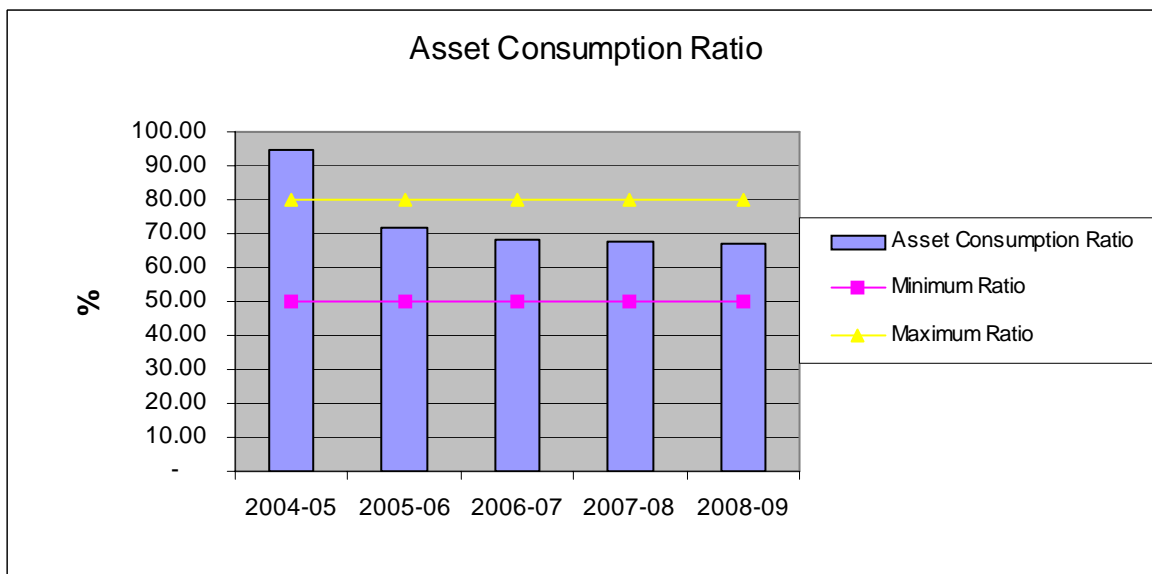


## 6 Interest Cover Ratio



The Council's interest cover ratio in 2008-09 is expected to be 0.05%. The proposed target is net interest greater than 0% and less than 5% of operating revenue.

## 7 Asset Consumption Ratio

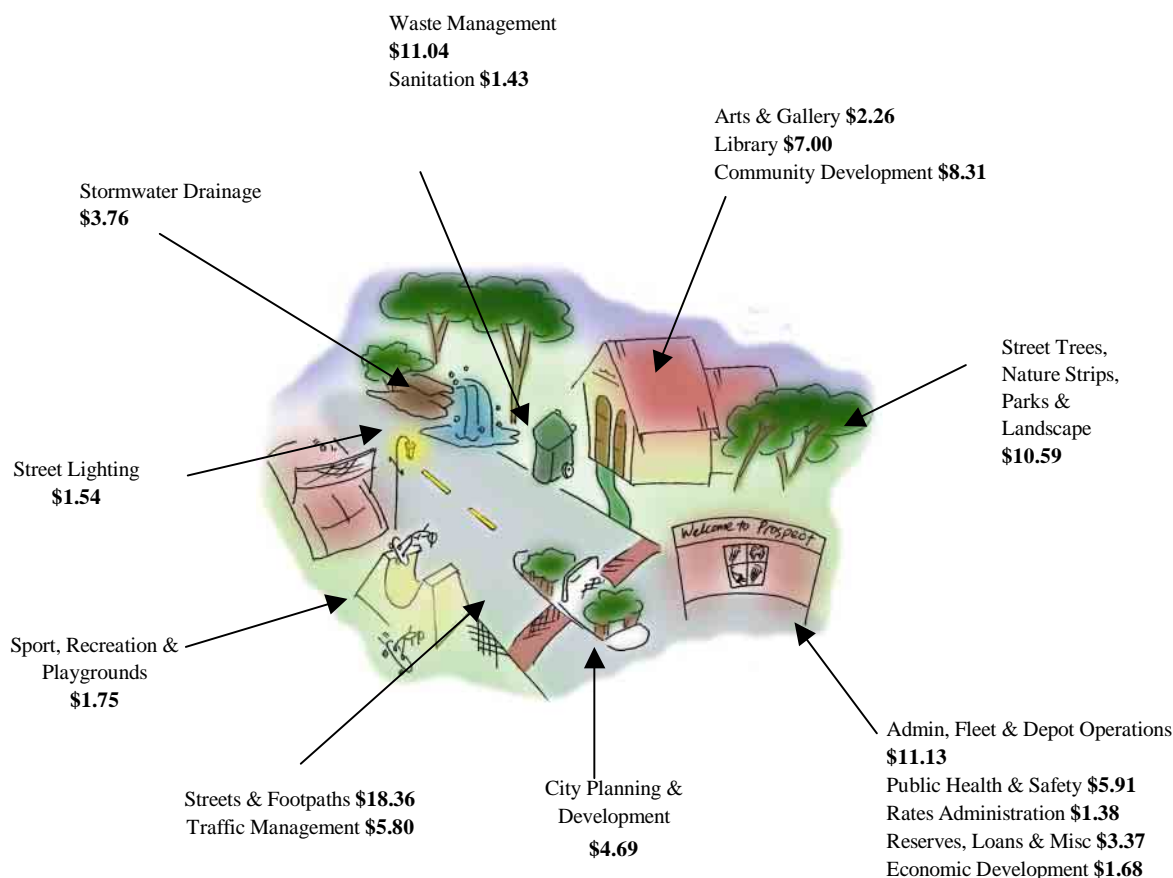


The Council's asset consumption ratio in 2008-09 is expected to be 68% calculated by comparing the total carrying value of depreciable assets (written down value) divided by the total reported value of depreciable assets before accumulated depreciation (written down value plus accumulated depreciation).

## **D Budget Highlights**

### **Where will your money be spent in the 2008-09?**

Every \$100 spent by Council is spent on:-



### **What is planned for 2008-09?**

Council will continue to deliver a wide range of services at a standard that the community expects and keep its rate rise at a 'modest' level. This demonstrates an ongoing commitment to providing value for money services. At the same time, Council will continue to maintain and upgrade the City's assets, particularly roads, footpaths, parks and gardens.

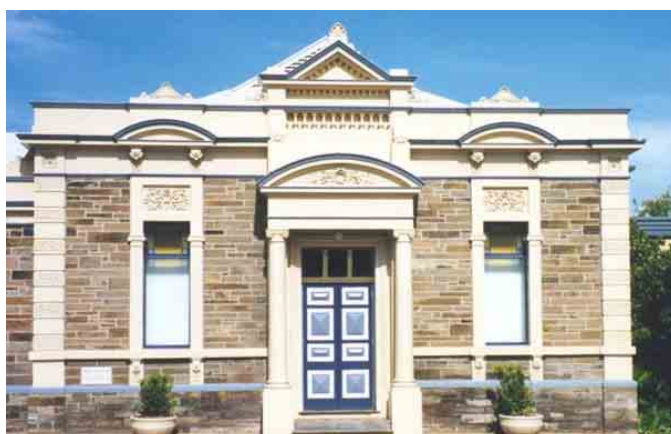
In keeping with sound long term financial planning, the 2008-09 budget was prepared in line with our underlying assumptions, including :-

- To achieve an operating surplus
- To fund asset depreciation
- Total rate revenue increasing in the order of 6% plus an additional \$100,000 increase in rate revenue from the commercial sector to part fund the Economic Development programs within the City.
- Operating Expenditure increasing by the Local Government Price Index unless as a result of other external cost pressures such as :-

- Cost associated with changes in legislation during recent years, eg Audit Committee, Development Assessment Panel;
- State and Commonwealth Government Pressures over recent years, eg Environmental Management, Environmental Health etc.;
- Continuing increases in waste disposal costs;
- Increasing cost of fuel and insurance.

The Expenditure & Income of the 2008-09 Budget is presented as follows:-

	<b>Budget Funding Statement</b>	<b>\$ ('000)</b>
	Operating Revenue (including rates)	14,701
<i>Less</i>	Operating Expenditure (including depreciation)	14,579
<i>Equals</i>	<b>Operating Surplus before Capital Amounts</b>	<b>122</b>
<i>Add</i>	Capital Grants	40
<i>Add</i>	Net Gain on disposal or revaluation of assets	40
<i>Equals</i>	<b>Operating Surplus from Operations</b>	<b>202</b>
<i>Add</i>	Depreciation Expenditure	2,410
<i>Equals</i>	<b>Funds available for Capital Expenditure</b>	<b>2,612</b>
<i>Less</i>	Capital Expenditure	3,820
<i>Add</i>	New Borrowing	0
<i>Less</i>	Loan Principal Repayment	231
<i>Add</i>	Net Transfer from Reserve Funds	1,315
<i>Add</i>	Decrease in Cash & Investment	124
<i>Equals</i>	<b>Balanced Cash Budget</b>	<b>0</b>



## **E Infrastructure & Asset Management Plan (IAMP)**

The major element of the Capital Expenditure Program is the upgrade of infrastructure assets.

An Infrastructure & Asset Management Plan addressing the long term needs of Councils infrastructure assets has been developed.

The plan has the following objectives:-

- To identify the average amount needed per year for the long-term maintenance and renewal/upgrade of the assets.
- To establish a twenty-year program for each asset with annual costs.
- To establish programs which, in total, amount to the total average amount needed per year for the long-term maintenance and renewal of all these assets.
- To compare the average amount needed per year for the long-term maintenance and renewal/upgrade of the asset with the current depreciation expense for the asset, as a check for both amounts.
- To establish a means of recording the actual amounts spent on each asset over a long period so that Council can have certainty that each asset is being funded at a satisfactory level.
- To be able to inform the community about the long-term asset management requirements.

The IAMP for the City is based on the assumption<sup>1</sup> that the community is generally happy with the present condition and performance of the assets, with the exception being footpaths, which Council is addressing via an accelerated footpath reconstruction program.

The useful life of each asset has been considered and an estimate prepared for required expenditure each year to ensure the asset continues to provide 'fit for purpose' service to the community.

**Road pavements and surfacing** – \$641,000 is recommended as the required expenditure each year to both maintain and upgrade the road asset (i.e. the road surfacing and underlying pavement). This is the minimum allocation required to maintain the City's sealed road network. i.e. "to keep the good roads in good condition" using an early intervention rejuvenation program.

In 2008-09 Council will spend \$610,000 on road resurfacing with major road reconstruction being deferred until future years.

**Footpaths** – Approximately \$824,000 per year will be spent until 2014 when all bitumen footpaths have been upgraded to brick paving. This level of expenditure is approximately \$281,000pa more than what is needed to maintain footpaths at the current condition. The extra spending on footpaths is in response to resident feedback and to minimise the risk associated with footpaths.

**Kerbs and Gutters** – Council has approximately 200km 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).

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<sup>1</sup> Periodically checked via biennial Resident Satisfaction Survey and Public Budget/Rating Forums.

In 2008-09, reconstruction work will be undertaken in Ballville Street. Whilst, Prospect Road & Churchill Road Master Planning will commence. The projected Kerb & Gutter expenditure as per the IAMP is approximately \$300,000.

In addition, Council has allocated approximately \$53,000 per annum for the routine maintenance of kerbs and gutters. This allocation is used to treat localised drainage and access problems.

**Stormwater Drainage Assets** - Council has 41.4km of drains in the City. Until 2004-05 no planned maintenance work had been carried out on the underground drainage system in Prospect and very little was known about the condition of the network.

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..

\$118,317 has been included in the 2008-09 Budget to address some of the more urgent works, with significant upgrade/replacement of drains scheduled for future years.

**Council owned Buildings** - \$300,000 has been allocated in the 2008-09 Budget for maintenance and upgrade purposes. A detailed assessment of the condition of each building asset owned by Council has been undertaken. This assessment looks at building components such as roofs, gutters, fittings and internal and external painting. A proactive planned approach will ensure that works are undertaken at the correct time.

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

### **How does Council pay for all these services?**

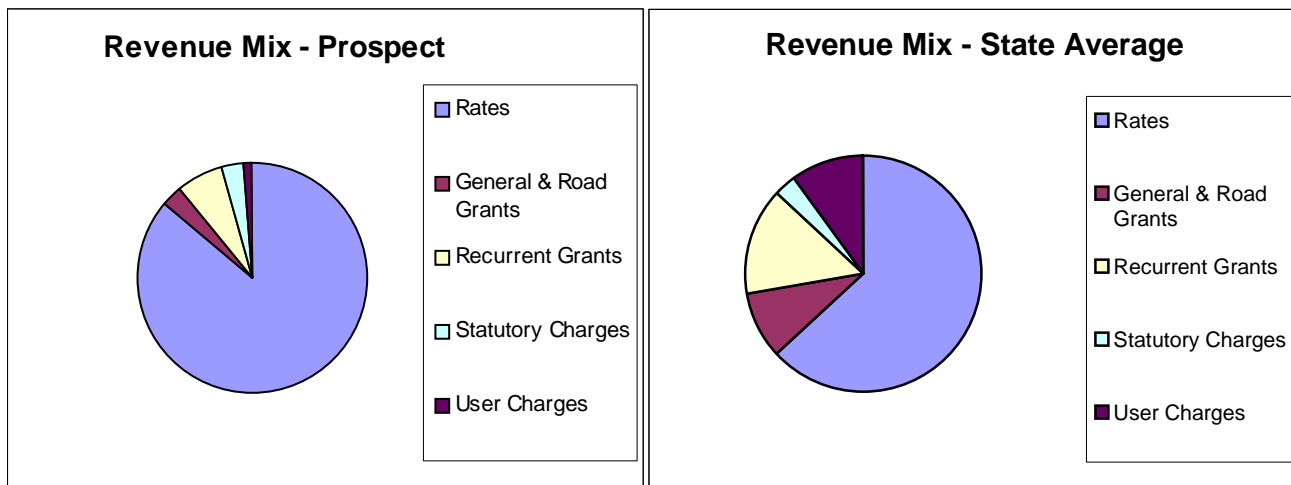
Council has limited options to pay for these services. It receives some State and Federal government grants and subsidies; it can raise income from some fee paying activities (eg hire of community facilities); fines and expiations etc. However, the primary source of income for Councils is a property based tax – “council rates”.

### **Prospect Council’s Revenue**

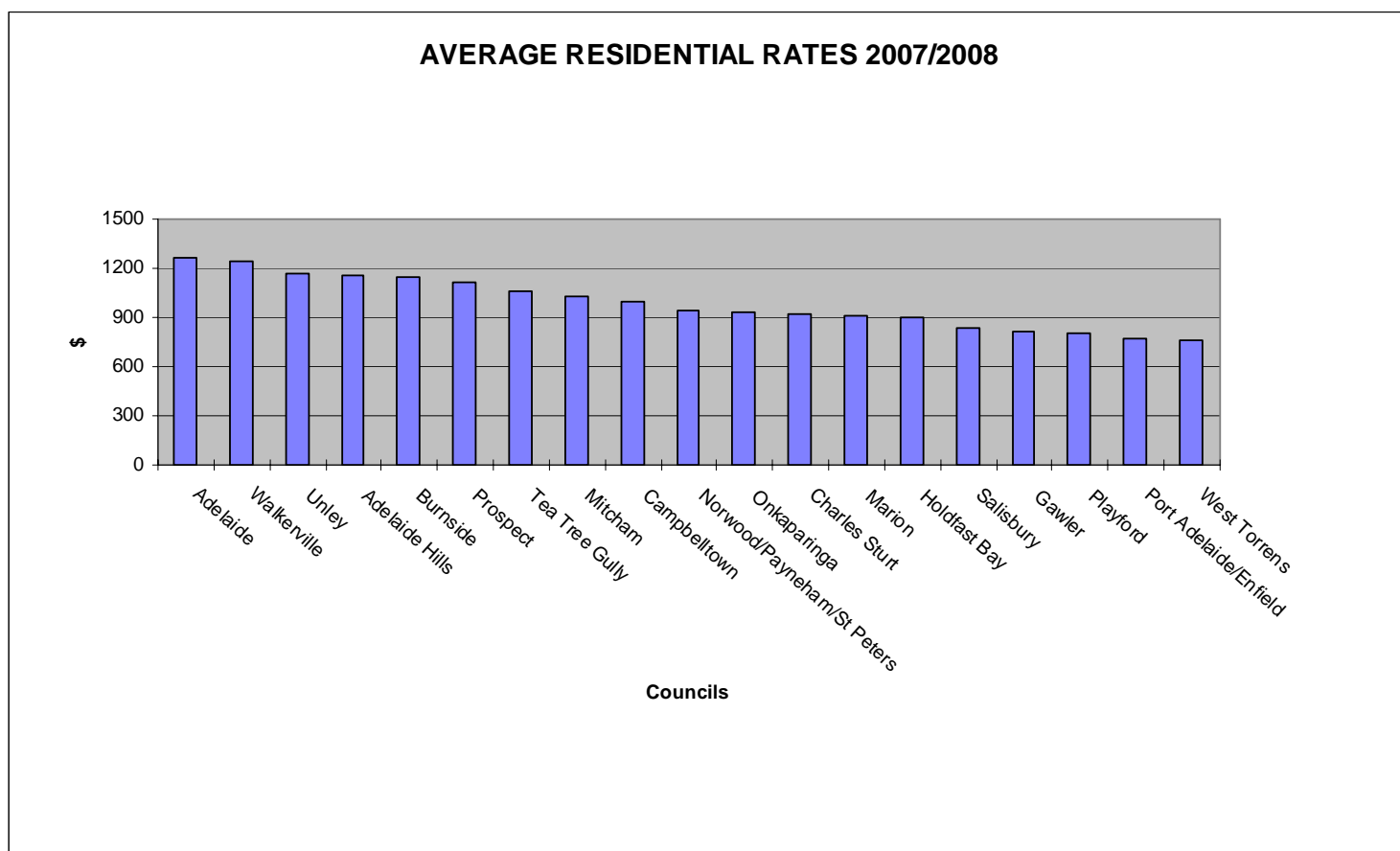
- Council rates revenue makes up 86% in Prospect Council’s annual income.
- Other sources of income include – government grants (8%) Fines, Expiations and other Statutory Charges (4%).

The City of Prospect is much more reliant on rates revenue (particularly residential rate revenue) than most other councils, as depicted in the following table. The main reasons for this reliance on rates is Prospect’s nature, size and location.

Revenue Sources :-



To provide the community with a level of services similar to other councils (who have a lower dependency on rates) Prospect Council will continue to depend on rates to fund these services. That is, the average rate in Prospect will be higher than many other councils. This is a similar story for many inner city councils (eg Walkerville and Burnside), as shown in following chart.



## **F Rating Strategies (Rates Revenue, Rating Policy & Valuation)**

Council has identified that for 2008-09 it will need to raise \$14.7 million in revenue. Of this, \$12.2 million will need to be raised from Council rates.

- The 2008-09 Budget was prepared in line with Council's underlying assumptions to increase total rate revenue by 6% and raise an extra \$100,000 from the commercial sector.
- Council has evaluated options in seeking the fairest and most equitable distribution of rates across the community.
- 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 City of Prospect currently levies differential general rates which vary according to the use of the land. Classifications 1 and 8 are levied at the residential rate in the dollar, while the remaining classifications are all levied at the non-residential rate in the dollar. The following table shows the land use classes and their respective proportion of the City's total assessments for 2007-08.

<b>Class</b>	<b>Description</b>	<b>Examples</b>	<b>No Properties</b>	<b>%</b>
1	Residential	House, maisonette, townhouse, flat	8,699	92%
2	Commercial Shop	Supermarket, hairdresser, takeaway food	323	3.7%
3	Commercial Office	Accountant, administrative	95	1.0%
4	Commercial Other	Showroom, warehouse,	146	1.6%
5	Industry Light	Vehicle service, service station	32	0.3%
6	Industry Other	Clothing ,manufacture, taxi fit-out	9	0.1%
7	Primary Production	Rural farm land, vineyard, horticulture	nil	0.00%
8	Vacant Land	Unoccupied land, footings only	75	0.7%
9	Other	School, hall, health centre, kindergarten	57	0.6%
			9,436	100.00%

- In 2008-09, Council proposed to increase the contribution from the commercial sector by \$100,000 to part fund new economic development activities aimed at increasing economic vibrancy within the Council area.
- A new differential rate applying to vacant land is proposed for 2008-09 to provide an incentive for property owner to develop their vacant land.
- The Local Government Act enables Councils to impose either a "minimum rate" or "fixed charge". Historically The City of Prospect has imposed a minimum rate because it has been considered appropriate that all ratepayers contribute to the cost of administering Council's activities and the cost of creating and maintaining the physical infrastructure that supports each property. Those ratepayers whose property valuation is below the threshold and hence would result in a rate below the minimum amount payable, thereby contribute by way of a minimum general rate to the basic services provided for all ratepayers.



- Residential capital valuations have remained stable and consistent from suburb to suburb over the last couple of years. The following table indicates the change in valuation for the Residential properties by Suburb for 2008-09 as indicated by preliminary reports from the Valuer General.

### Residential Capital Valuations – 2008-09

Suburb	No. of Assessments	Desktop Capital Valuation % Increase	Average Residential Rate Increase
Broadview	849	20.43	4.7%
Collinswood	671	18.42	4.8%
Fitzroy	294	12.90	0.4%
Medindie Gardens	120	23.08	10%
Nailsworth	905	17.25	3.2%
Ovingham	102	24.61	15%
Prospect	5,509	20.08	6.3%
Sefton Park	185	13.17	1.4%
Thorngate	69	13.81	1.1%
Total all suburbs	8,704	18.81	5.6%

- These property valuations will increase/decrease if the land use of property has changed (eg residential to commercial), or if there has been any development on the property (including significant renovations). The change in valuation associated with these revisits is what is defined as “growth”.
- Residential capital valuations will increase in 2008-09 by 20.3%.
- Non-residential capital valuations will increase in 2008-09 by 12%.

### Debt Management

The City of Prospect has kept its debt levels relatively low for many years and has considerable capacity to borrow money. There is considerable merit in using loan funds to spread the cost of infrastructure replacement over a number of years. However, given Council has a reasonable reserve fund balance, reserve funds will be used to assist financing asset replacement prior to borrowing further loan funds.

### Assistance for Ratepayers

- Council has undertaken extensive modelling to examine the implications of the proposed rating approach.
- Rate Relief Options are available including Concessions, Postponement of Rates, Informal Arrangements, Remissions and Rebates (Mandatory and Discretionary).
- No allowance has been made in the budget for the introduction of a Maximum Rate or Rate Capping as both of these measures have not been considered warranted at this stage given Council focus on keeping rate rises at “modest” levels and reasonably consistent property valuation increases over recent years.
- Ratepayers who are having trouble paying their rates should contact Council (Chris Arthur telephone 8342 8052). Information provided will be treated in confidence.



## Further Information

- The full version of the 2008-09 Annual Business Plan is available on Council's website:-

<http://www.prospect.sa.gov.au>

- Enquires in relation to this document can be made to:-

Ginny Moon, Financial & Customer Services Manager  
(8269 5355 or [ginny@prospect.sa.gov.au](mailto:ginny@prospect.sa.gov.au))

Justin Commons, Director Corporate Services  
(8269 5355 or [justin@prospect.sa.gov.au](mailto:justin@prospect.sa.gov.au))

Mayor David O'Loughlin  
(8269 5355 or [david.oloughlin@prospect.sa.gov.au](mailto:david.oloughlin@prospect.sa.gov.au))