

2021-2022

Annual Business Plan & Budget



Version Control

Version	Status	Date
Version 0.1	Internal Draft (Not for Publication)	9 April 2021
Version 0.2	Audit Committee Agenda	30 April 2021
Version 0.3	Council Endorsement for Community Consultation (Agenda)	7 May 2021
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Version 1.1	Public Consultation (with Mayors Introductory Message)	18 May 2021
Version 1.2	Final for Adoption Agenda	23 June 2021
Version 2.0	Adopted by Council	29 June 2021
Version 2.1	Adopted by Council – BR1, Corrected Capital Projects List	14 December 2021

Questions?

Members of the community who have questions regarding the Annual Budget and Business Plan, or who seek further information regarding the finances of Council, are encouraged to contact Council office during business hours, via the website, or via email.

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Community Consultation

City of Prospect sought feedback on its Annual Business Plan 2021-2022, which includes the Budget and Rating Policy for 2021-2022, before finalising this document.

Consultation events include:

- Community Engagement Hub
 - Online Poll
 - Online Submissions
 - Ideas Wall
- Local Schools Focus Groups
- Interactive Webinar

Feedback submissions on the Annual Business Plan 2021-2022 was accepted up until 7 June 2021. All feedback received, was presented to a Council at the 15 June 2021 Workshop, before being formally received at the 29 June 2021 Council meeting.

Council undertakes consultations throughout the year on a variety of documents and proposed projects. To stay informed about up and coming community consultations, register with Council's Engagement Hub at <https://cityofprospect.engagementhub.com.au>.

Overview

City of Prospect is South Australia's second smallest metropolitan Council. The City spans approximately 778 hectares, has a population of around 21,500 people, and approximately 10,000 rateable properties. The City contains predominately character residential property.

Section 123 of the Local Government Act 1999 requires a council to have a budget for each financial year. The budget must deal with each principal activity of the council on a separate basis, and must be adopted before 31 August for the financial year.

A council must also prepare as part of its budget, or in association with preparation of its budget, an annual statement addressing:

- the activities the council intends to undertake in the ensuing year to achieve its objectives;
- the measures (financial and non-financial) the council will use to assess its performance against its objectives.

A council must ensure that copies of its budget, including its annual statement and any other associated documents, are available for inspection.

This document presents the Annual Business Plan for City of Prospect for 2021-2022, which includes the:

- Strategic Management Plans & Framework 2021-2022;
- Annual Budget for 2021-2022;
- Long Term Financial Plan for 2022-2031; and
- Rating Strategy for 2021-2022.

City of Prospect property valuations for 2021-2022 is based on the the Valuer General's Re-valuation Initiative project. This has been completed with new valuations issued as at 1 January 2021. For more information on the Valuer-General's project please refer to https://dpti.sa.gov.au/land/office_of_the_valuer_general

All financial information has been presented in current day valuation (2021). No indexing has been applied to predictions established from the asset management plans. The Long Term Financial Plan however, reflects the indexation over the 10-year period.

Through implementation of this year's Annual Business Plan, Council aims to deliver a well-managed and sustainable City environment to residents and ratepayers, for current and future generations.

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Message from the Mayor

The 2021-2022 Annual Business Plan (ABP) and Budget for City of Prospect is the culmination of an extensive process by elected members and staff. Council remains optimistic about a return to normal operations in 2021-2022 following the upheaval in the past year due to the COVID-19 pandemic. All levels of Government have a part to play in the recovery of the economy and in the past year, Council undertook a number of initiatives to alleviate the pressure on ratepayers such as hardship relief, local business support such as our applauded meal voucher program, and a freeze on executive salaries.

I thank those of you who took the time to contribute feedback on the draft document or engaged with Council through various mechanisms during the engagement period.

To inform this budget, staff conducted a comprehensive review of the condition of our roads, footpaths, kerbs, pipes, trees and parks, with some analysis still to be completed. The outcomes have generated many challenges for our future budgets, reflected in a significant increase in capital expenditure in this draft budget.

In response to the economic impact of the Covid-19 pandemic, the Federal and State governments have both released economic stimulus grants for councils to consider. This is a very rare offer of assistance and, despite most grants requiring us to match their funding, Council has resolved to capture as many grant opportunities as possible within its modest funding and borrowing capacity. To date we have been successful in securing funds to assist with the redevelopment of Livingstone Avenue, and a major stormwater capacity increase linking Charles Street with the large open drain west of Bunnings.

Since the production of our initial draft budget for community consultation we have received welcoming news of receipt of grant funding of \$1.5M to assist with the construction of a new community hub at Broadview Oval, in association with the Broadview Football Club. This will see the establishment of the area's first ever Community Hub, providing Council with a platform to deliver a significant increase in its portfolio of local programs, events and celebrations.

Council has made provision within the ABP to contribute \$5.15M of matched funding towards a combination of these three projects. These projects are:

- Broadview Oval Community Hub & Sports Hub (total cost \$4.0M)
- Churchill Road; Road Reconstruction & Drainage Upgrade (total cost \$4.5M)
- Livingstone Avenue; Road Reconstruction & Drainage Upgrade (total cost \$2.3M)

Other major investments in the annual business plan include:

- Irish Harp Reserve Upgrade
- Green Tunnel Program – planting of additional street trees
- Road Design / Reconstructions – allocation of \$2.18M
- Footpath Maintenance and Upgrade Program – allocation of \$460k
- Renewed pergola at Prospect Petanque Club
- Replacement of roof of the Broadview Bowling Club

In addition to the above Council will expand the very popular Men's Shed at Nailsworth due to a generous donation commitment from a community member of \$40K - the largest donation or sponsorship Council has received for many years. On behalf of Council I extend my sincere thanks for this donation and Council will ensure appropriate recognition as this project comes to fruition. It is a terrific reminder that many of the services we assume Council should provide today were in fact initiated and built through the generosity of individuals, groups or clubs in previous years.

Considered as a whole, this Annual Business Plan responds to the Covid recovery, our revised Asset Management Plan, government economic stimulus grants and an ongoing need to be prudent with public funds. In response to this and with the expectation of continuous reform and improvement, Council has set a savings target of \$150k, each year, for at least three years. Council will continue to be transparent about this process and ensure it is communicated clearly with the Prospect community.

Once it has established its responsible expenditure requirements, Council amortises its revenue requirements across the capital value of all rateable properties, based on the Valuer General's assessment of individual values. The Valuer General has undertaken the 'Revaluation Initiative' project to comprehensively review South Australia's property values with the aim to improve the accuracy of valuations on individual properties, ensuring contributions by the community are fair and equitable in accordance with the *Valuation of Land Act 1971*.

The initiative is being delivered across South Australia in stages. Stage two includes properties within the City of Prospect area that are currently being reviewed in preparation for the 2021-2022 financial year. However, the impact of the Revaluation Initiative may be felt by individual ratepayers as property values may change. This could lead to individual ratepayers paying more or less rates in 2021-2022.

For 2021-2022 the total rates revenue is proposed to increase by 1.9%; an average household increase of approximately \$37, notwithstanding the variances that may arise across the city due to the Valuer Generals recent review.

Financial Assistance Grants are received annually from the Federal Government by every council. City of Prospect will receive \$710,000 in funding for the 2021/22 year, which equates to the minimum entitlement.

Council will also continue to receive annual funding for the Commonwealth Home Support Program from the Federal Government and notes the State Government's commitment in their 21/22 budget to retain public library funding at 2020/21 levels, or \$20.7m state-wide. We will continue to enjoy receipt of Roads to Recovery funding of \$204,085 and Supplementary Road Funding of \$110,000 providing valuable assistance for our road maintenance tasks.

In the absence of all of these forms of assistance local rates would inevitably be higher.

I believe that this is a responsible budget and one which recognises as best as possible the pressures being experienced by our community post COVID-19; balancing this against the ongoing delivery of high quality services and the renewal and improvement of community facilities and infrastructure for the Prospect community - simultaneously investing in our future.

Mayor David O'Loughlin

Part A: Strategic Management Plans and Framework 2021-2022

1.1 Strategic overview



Organisationally, Council's administration will continue to build on the strategic frameworks necessary to deliver the outcomes of the Our Community Plan Towards 2040. The Community Plan sets down the priorities that Council intends to pursue over the next year, and provides the framework for the Annual Business Plan and the Budget for 2021-2022.

The Annual Business Plan has been developed in the context of Council's strategic planning framework, and in particular on the basis of its Community Plan towards 2040, the Long Term Financial Plan 2022-2031, and the Budget Principles (Assumptions).

The Community Plan provides the Vision for our City for the long term (20 years), and the Core Concepts for the Council over the medium term (4 years). The Annual Business Plan 2021-2022 and Budget, and subsequent operational plans, provide the detailed blueprint for achieving the outcomes set down in the Community Plan, working towards ensuring that Council operations are sustainable over the long term.

The Annual Business Plan is a key element of the Council's overall planning framework. It describes how the Council will put into operation the strategic vision of the Council, and undertake the core business to ensure the City is well run and the community receives quality services.

The Plan helps us develop and build the capacity of the organisation to enable the most efficient and effective service delivery. Each department is required to develop annual action plans, outlining key actions, performance targets, and measures linked to the Strategic Plan. We will monitor performance against these targets and report on performance in Council's Annual Report. This annual budget has been developed within the context of Council's overall Strategic Planning framework, including the Community Plan and Long Term Financial Plan.

The Long Term Financial Plan summarises the financial impacts of Council's Community Plan, and provides an indication of the sustainability of this plan.

The Annual Business Plan converts these plans into annual actions and outcomes, framed within the context of the Forward Financial Estimates.

We aim to be “best practice” in our undertakings, whilst responding to our Community’s needs with understanding and equity.

Council staff are an important part of the community and are strongly focused on achieving the Vision for our City. The Annual Business Plan will be a key element in developing the necessary systems and skills to achieve our goals.

1.2 Services Provided to the Community

Council has core civic responsibilities under the Local Government Act 1999 and other relevant legislation.

The basic civic responsibilities include:-

- maintaining the voters roll and supporting local government elections;
- setting rates, preparing an annual budget, and determining long term strategic management plans for the area;
- maintenance of civic infrastructure including roads, footpaths, parks, public open space, street lighting, and stormwater drainage;
- street cleaning and rubbish collection; and
- development planning and control including safety assessments.

Council provides two categories of service to the community, broadly defined as “Recurrent” and “Project based”.

“Recurrent” services maintain the day to day running of the City, and deliver the core business of Council to the community. This area includes the bulk of Council services and is reasonably similar year to year.

“Project based” services include short term and one-off projects, as well as projects with a longer term focus that may eventually become part of Council’s core business. These “projects” are split between operating projects and capital projects.

The Annual Business Plan 2021-2022 has been prepared with reference to Council’s existing service levels. The core activities of Council can be found under each Core Strategy in *Part A, Section 1.4*.

1.3 Measuring Achievement of the Annual Business Plan 2021-2022

As well as documenting the strategic drivers, actions, and planned outcomes for the 2021-2022 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. Quarterly reports will be presented to Council enabling ongoing tracking of actual performance against the planned projects, performance targets, and achievement of stated outputs. Quarterly financial reports will also be prepared to monitor financial performance against budget. These reports are published on Council's website.

Measuring performance is critical to the process of implementing business plan actions and satisfying customers. The Community Plan towards 2040 is the tool which Council uses to facilitate this.

Council adopted the Our Community Plan Towards 2040 Plan on 23 February 2021.

The Community Plan is now into its second year of delivery, with the achievement of outcomes having been described through a long-established quarterly reporting process, to ordinary Council meetings across the year.

1.4 Strategic Key Performance Indicators

Contained within the Community Plan Towards 2040, are a number of targets to measure the success of the Strategic Plan Outcomes.

These targets report the annual achievement, in order to ensure the overall target is achieved within the identified five (5) year period. This period concludes at the end of the 2024-2025 financial year with Council required to adopt a new Strategic Plan by November 2024.

The targets by outcome are identified by core strategy below.

1.5 Vision for Our City

The ultimate role and responsibility of Council in all its endeavours, is to provide for and respond to the needs of its community. As part of its strategic focus, Council has embraced a vision which encapsulates its aspiration for the Prospect community, and the values which the elected members, management, and staff of Council seek to uphold.

The Pillars for our City includes:

Connected & Caring

Active & Engaged

Proud of our past, excited by our future

Inclusive & Diverse

Creative & Innovative

Responsible & Sustainable

1.5.1 Key Pillar: Connected & Caring

Connected & Caring

We strive to be a city which capitalises on its locational advantages, brings people together, harnesses social and technological connection opportunities and is easy to navigate.

2021 to 2025 Objectives

- Develop a City Wide Transport and Movement Plan and complete planned upgrades in Broadview locality
- Facilitate new bars, cafes, restaurants and other businesses which diversify our local offerings
- Continuing to support the success of Prospect Road and its traders
- Ensure greater recognition and support of precincts and neighbourhood gathering places such as Collinswood Precinct, Broadview Sports and Recreation Precinct/Yarnta Tutu yarta, Nailsworth Hall, Charles Cane/Parndo yerta Reserve, Howard Street precinct across the City:
 - Make these great places and create promotional campaigns
 - Install wayfinding signage (and 'digital trails') in key locations to highlight important and historic sites, as well as shopping and recreational opportunities in those neighbourhoods
 - Develop new place-making and urban renewal initiatives in those neighbourhoods
 - Facilitate the attraction of a key 'anchor' or 'hero' business in each of those key locations

Budget Summary 2021-2022 – Pillar: Connected & Caring

	Expenditure \$	Income \$	Net Cost \$
Recurrent	2,609,449	871,072	1,738,377
Operating Projects	165,000	-	165,000
Capital Projects	65,000	40,000	25,000
Total	2,839,449	911,072	1,928,377
% of Total Budget	7.51%	3.14%	

2021-2022 Operating & Capital Projects

Project No.	Operating Project and Description	Expenditure \$	Income \$	Net Cost \$
Op.12	Flexible Major & Community Events			
	To deliver a diverse Community Event Series to be held throughout the year as guided by Public Health Directions. Project includes funds historically allocated to Tourrific Prospect with focus on community connection and celebration.	165,000	-	165,000
		165,000	-	165,000

Project No.	Capital Project and Description	Expenditure \$	Income \$	Net Cost \$
Cap.27	Prospect Mens Shed Expansion Expansion of the existing Mens Shed - Nailsworth Hall. Expand program access to women, space for projects completed over 2-3 weeks 'maker-space', work benches suitable for wheel-chair access.	65,000	40,000	25,000
		65,000	40,000	25,000

1.5.2 Key Pillar: Active & Engaged

Active & Engaged

An empowered community which cares for the City and for each other, is involved in the many aspects of our community life and strives for positive change through contributions to decision making.

2021 to 2025 Objectives

- Actively pursue the French Quarter strategy which involves attracting French businesses, investment and families related to the State's major defence contract through:
 - Attracting 3 new French (or French friendly) business to the City
 - Engaging with at least 3 French business networks
 - Delivering French Quarter cultural and business events as a catalyst for investment
 - Encourage the establishment of an International Baccalaureate program in a local school to welcome new families
- Create a dog walking track through the City, with wayfinding signage and relevant infrastructure (eg bags) along the route
- Use the Annual Business and Employment Survey to understand the value of trade that is occurring on-line
- Engage Prospect community and businesses in Smart City initiatives
- Continue to support a broad and diverse volunteer group
- Finalise Local Government Act Representation Review
- Facilitate artist talks, author talks and thinkers to capture the minds of residents and visitors to Payinthe
- Leverage the above activities into outcomes that see our community build a reputation as agents of change
- Support the Eastern Region to deliver aspirations and objectives of the Regional Public Health Plan including projects which include open space connectedness, regional volunteering, mental health support, community transport and programs to address social isolation

Budget Summary 2021-2022 – Pillar: Active & Engaged

	Expenditure \$	Income \$	Net Cost \$
Recurrent	2,232,388	289,000	1,943,388
Operating Projects	149,500	28,500	121,000
Capital Projects	505,575	89,000	416,575
Total	2,887,463	406,500	2,480,963
% of Total Budget	7.64%	1.40%	

2021-2022 Operating & Capital Projects

Project No.	Operating Project and Description	Expenditure \$	Income \$	Net Cost \$
Op.03	French Quarter Strategy French Quarter - Support the attraction of French Foreign investment (linked to increased defence spending and partnership with French defence firm) through cultural projects including sponsorship of French cultural events, and establish an international baccalaureate program in a local school.	35,000	-	35,000
Op.07	Prospect Youth have the Advantage Develop Youth specific programming relevant to 'real life' skills development post COVID for our residents and closely connected youth.	10,000	-	10,000
Op.13	Your Prospect To create and distribute the Your Prospect (Magazine) delivered three times a year (December/April/Aug) to 9500 properties in the Council area.	66,500	22,500	44,000
Op.14	Bi-Annual Prospect Portrait Prize To plan, implement and exhibit the well known Prospect Portrait Prize in Newmarch Gallery, and to continue to offer nationally recognised exhibition in our community.	6,000	6,000	-
Op. 22	Regional Public Health and Wellbeing Plan Better Living Better Health 2020 – 2025 is a public health and wellbeing plan that builds on regional strengths and addresses regional challenges.	12,000	-	12,000
Op.38	Communications Audit - Findings Implementation Implement findings for KWP's Social Media Audit.	20,000	-	20,000
		149,500	28,500	121,000

Project No.	Capital Project and Description	Expenditure \$	Income \$	Net Cost \$
Cap.06	Library Collection This project covers the library's annual stock purchasing budget - a combination of state government grant and council contributed funds.	117,000	89,000	28,000
Cap.11	Open Space Strategy - Irish Harp Reserve Renewal and upgrade of Irish Harp Reserve	325,000	-	325,000
Cap.12	Open Space Strategy : Renewal Design/Consultation To prepare designs, undertake consultation and formalise documentation to create shovel ready projects for 2022-2023.	30,000	-	30,000
Cap.36	JW Rattley Reserve Playground Upgrade Completion of the reserve upgrade commenced in 2020-2021	33,575	-	33,575
		505,575	89,000	416,575

1.5.3 Key Concept: Proud of our past, Excited by our future

Proud of our past, Excited by our future

With a great blend of old and new, we are a city which celebrates where it has come from and takes pride in creating its future.

2021 to 2025 Objectives

- Promote and reward design excellence through local design awards
- Celebrate the achievements of Council and its community in the preservation and conservation of our rich heritage whilst also promoting innovation in built form and design
- Finalise Sesquicentenary Local History Book and deliver appropriate celebrations in 2022
- Continue our reconciliation journey through means such as development of the next Reconciliation Plan, by progressing 'truth telling' and other ideas aligned to the adopted Uluru Statement of the Heart
- In close liaison with the Kurna people, form a 'Treaty' (or similar agreement) that recognises the City's desire for a closer and more meaningful partnership with our indigenous heritage, our shared land and our joint aspirations
- Deliver Heritage Incentive Scheme program to provide heritage grants to eligible home owners (heritage listed properties) for restoration work
- Establish heritage trail linked to heritage plaques across the City of Prospect
- Collaborate with the Prospect Local History Group and invest in improving the curation, relevance and digitisation of the local history collection

Budget Summary 2021-2022 – Pillar: Proud of our past, Excited by our future

	Expenditure \$	Income \$	Net Cost \$
Recurrent	1,240,073	198,000	1,042,073
Operating Projects	34,000	-	34,000
Capital Projects	-	-	-
Total	1,274,073	198,000	1,076,073
% of Total Budget	3.37%	0.68%	

2021-2022 Operating & Capital Projects

Project No.	Operating Project and Description	Expenditure \$	Income \$	Net Cost \$
Op.10	Heritage Incentive Scheme Program provides heritage grants to eligible home owners (heritage listed properties) for heritage restoration works.	18,000	-	18,000
Op.16	Makarrata - A Local Agreement Establish formal dialogue with local Aboriginal Elders with authority to speak on behalf of the Kaurna people and, in particular, that part of Kaurna country that comprises City of Prospect. Establish a pathway towards completion of an agreement. Reset our relationship with local Kaurna people through local truth-telling towards local agreement-making or Makarrata.	8,000	-	8,000
Op.17	Staged Implementation - Reconciliation Action Plan Provision of local activities aligned to the theme and requirements outlined by the 'National NAIDOC Committee' and 'Reconciliation Australia'.	8,000	-	8,000
		34,000	-	34,000

Project No.	Capital Project and Description	Expenditure \$	Income \$	Net Cost \$
		-	-	-

1.5.4 Key Pillar: Inclusive & Diverse

Inclusive & Diverse

We will know we have achieved through striving for a greater equality and a community which celebrates and recognises all aspects of what it means to be inclusive and diverse.

2021 to 2025 Objectives

- Implement the findings of the Disability Access & Inclusion Plan
- Develop City of Prospect 'Welcome Packs' for new residents (including versions in multiple languages)
- Promote, facilitate and measure the utilisation of our buildings, parks and open spaces using SpacetoCo data
- Promote more people living in the Urban Corridor Zones through development of more townhouses and apartments
- Analyse census data to truly understand the 'new' community living in our Urban Corridors
- Create opportunities for new culturally diverse citizens to be actively involved in Council programs and activities
- Develop and implement a process to actively seek the views of groups often missed in consultation activities

Budget Summary 2021-2022 – Pillar: Proud of our past, Excited by our future

	Expenditure \$	Income \$	Net Cost \$
Recurrent	11,700	-	11,700
Operating Projects	21,500	5,000	16,500
Capital Projects	-	-	-
Total	33,200	5,000	28,200
% of Total Budget	0.09%	0.02%	

2021-2022 Operating & Capital Projects

Project No.	Operating Project and Description	Expenditure \$	Income \$	Net Cost \$
Op.04	Network Prospect Events Digital Marketing Network Prospect. Funds are required to run events for small business including Network Prospect and life long learning events to provide adequate digital marketing for business but also linking to citizens.	14,500	5,000	9,500
Op. 25	2022 Citizen of the Year Award Ceremony In partnership with the Australia Day Council, acknowledge and celebrate the exceptional voluntary contributions made by a select few our residents for the broad benefit of our communities.	7,000	-	7,000
		21,500	5,000	16,500

Project No.	Capital Project and Description	Expenditure \$	Income \$	Net Cost \$
		-	-	-

1.5.5 Key Pillar: Creative & Innovative

Creative & Innovative

We attract investment and development opportunities to activate the local economy, create jobs and share prosperity in a city which welcomes and empowers thinkers, innovators and doers.

2021 to 2025 Objectives

- Attract an anchor business to enhance the innovation brand of our City
- Develop an innovation ecosystem including facilitation of Prospect Innovation Awards, formation of Prospect Innovation Roundtable and promotion of the Innovation Precinct
- Achieve the lowest retail vacancy rate in metropolitan Adelaide for the village heart
- Identify and address barriers to achieve low overall business vacancy rates throughout the City
- Utilise the Annual Business & Employment Survey to assess the best opportunities to facilitate growth
- Maintain the trajectory of changing the Council's revenue profile through promotional campaigns and targeting potential investors and tenants
- Ensure high volume car parking solution is integrated into the Village Heart
- Create thought-leadership platforms (digital and in person) to discuss and debate important social, environmental and ethical topics

Budget Summary 2021-2022 – Pillar: Proud of our past, Excited by our future

	Expenditure \$	Income \$	Net Cost \$
Recurrent	370,166	-	370,166
Operating Projects	74,500	19,500	55,000
Capital Projects	25,000	-	25,000
Total	469,666	19,500	450,166
% of Total Budget	1.24%	0.07%	

2021-2022 Operating & Capital Projects

Project No.	Operating Project and Description	Expenditure \$	Income \$	Net Cost \$
Op.01	City Wide Public Art Advisory Board To deliver a City Wide Public Art Programs of small initiatives, small grants and community incentives that improve the local amenity and provide positive public experiences, in a range of public areas for Prospect residents, businesses and visitors.	25,000	-	25,000
Op.02	Investment Attraction - Visitors & Prospectus Promote more people living in the Urban Corridor Zones through development of more townhouses and apartments. Promote Prospect as an investment destination for new apartments & commercial developments. Deliver an Innovation Precinct with a major anchor & Prospect Innovation Awards (separately funded in project Op.05) to help build the local innovation ecosystem.	30,000	-	30,000
Op.11	Village Heart Marketing Fund Village Heart Marketing Funded by a Separate Rate (\$150 per property) to attract shoppers and visitors to Prospect Road. Funds will support a major movie premier at Palace Nova Cinema Prospect with a mini business expo, Christmas in Prospect decorations/marketing. Major emphasis is digital marketing.	19,500	19,500	-
		74,500	19,500	55,000

Project No.	Capital Project and Description	Expenditure \$	Income \$	Net Cost \$
Cap.13	Public Art Deliver a Public Art Program (new capital investments) to improve key public areas for Prospect residents, businesses and visitors within our council.	25,000	-	25,000
		25,000	-	25,000

1.5.6 Key Pillar: Responsible & Sustainable

Responsible & Sustainable

Recognising that there is more to do, our non-negotiable is a sustainable natural and built environment and a community which looks forward responsibly and continues to contribute to a better quality of life.

2021 to 2025 Objectives

- Continue to plant additional street trees to align with the 'Green Tunnel' strategy
- Promote and support projects (public and private) that include water quality and Water Sensitive Urban Design measures
- Analyse the green credentials of Council buildings and develop plans (and funding strategy) to improve environmental status
- Understand and increase levels of annual tonnes of recycled materials used in our civil infrastructure projects
- Continue to provide opportunities for community and business learning focused on environmental issues
- Significantly reduce food waste contamination of general waste streams
- Demonstrate innovation in the supply and delivery of infrastructure projects
- Support transport innovations with an eye to a sustainable future
- Actively encourage and support all businesses and multi-unit residential sites to equal or better general recycling levels

Budget Summary 2021-2022 – Pillar: Proud of our past, Excited by our future

	Expenditure \$	Income \$	Net Cost \$
Recurrent	627,601	-	627,601
Operating Projects	711,621	-	711,621
Capital Projects	10,432,694	3,313,500	7,119,194
Total	11,771,916	3,313,500	8,458,416
% of Total Budget	31.13%	11.40%	

2021-2022 Operating & Capital Projects

Project No.	Operating Project and Description	Expenditure \$	Income \$	Net Cost \$
Op.08	Green Tunnel Program The planting of additional street trees to create a 'Green Tunnel'.	249,533	-	249,533
Op.15	PLEC - Hampstead Road Final Instalment for undergrounding powerlines along Hampstead Road (deferred from 2020-2021).	229,088	-	229,088
Op. 21	Significant Tree Grant To continue significant tree fund, which provides access to maintenance funding for owners of Council listed significant trees.	5,000	-	5,000
Op. 23	Asset Systems and Data Management To implement an asset management solution to support data collection and analysis to support internal GIS Systems, Asset Management Plans, works setting and prioritisation and issue management.	120,000	-	120,000
Op. 24	Integrated Transport Strategy Development The Integrated Movement Strategy will identify the current and future transport needs and trends of people moving through and within the City to access places, goods, entertainment and services.	75,000	-	75,000
Op. 26	Jacaranda Tree Planting - Prospect Road Plant 15 200 litre Jacaranda trees (west side) and 16 200 litre Jacaranda trees (east side) including hydrovacuuming, supply, planting, traffic management and sure search of locations.	33,000	-	33,000
		711,621	-	711,621

Project No.	Capital Project and Description	Expenditure \$	Income \$	Net Cost \$
Cap.02	Kerb and Gutter Constructions Reconstruction of kerbs and gutters throughout Council as per the asset management plan and funding outlined in the LTFP. This list subject to change: Balfour St Barker Rd Bougainvillea Lane Boyle St Braund Rd Currie St Devonport Tce Eaton Ave Fitzroy Tce Svce Rd James St Le Cornu St Murray St Redin St	823,250	-	823,250
Cap.03	Road Design/Reconstruction Road design/construction where required at the following locations. This list is subject to change: Balfour St (Seal) Barker Rd (Pavement + Seal) Bougainvillea Lane (Pavement + Seal) Boyle St (Seal) Braund Rd (Seal) Currie St (Seal) Devonport Tce (Seal) Eaton Ave (Seal) Fitzroy Tce Svce Rd (Seal) James St (Seal) Le Cornu St (Pavement + Seal) Murray St (Seal) Redin St (Seal)	2,178,594	-	2,178,594

Project No.	Capital Project and Description (cont.)	Expenditure \$	Income \$	Net Cost \$
Cap.05	Footpath Construction - Miscellaneous Reconstruct footpaths as identified in asset management plan. This list is subject to change: Path Z: Cotton St to Toronto St (Laneway) Cotton St: South End to Martin Ave (Right Side) Collingrove Ave: Galway Ave to Poltaw Tce (Left Side) Murray St: Camroc Ave to Athol Ave (Both Sides) Ellen St: Main Nth Road to D'erlanger Ave (Left Side) Princess St: Charles St to Redin St (Left Side) Princess St: Redin St to Regency Road (Left Side) Davies St: Main Nth Road to Emilie St (Both Sides)	460,000	-	460,000
Cap.07	Fleet Management - Capital Acquisitions Replacement of selected fleet vehicles	674,000	251,000	423,000
Cap.09	Driveway Rectification Program Complete remediation or reconstruct driveways where vehicle scraping occurs due to outdated invert / crossovers / change in road camber	30,000	-	30,000
Cap.10	Install Flow Sensors (Stage 2 of 2) Upgrade and retrofit irrigation controllers with flow sensors - stage 3 of 3. Three Council parks will be upgraded with flow sensors which will enable leaks to be detected and isolated virtually, and fixed with minimal water wastage.	24,000	-	24,000
Cap.25	Street Lighting Upgrades Design development and installation of upgrades to non-compliant public lighting across local road network. Ongoing program of works to meet community needs. Identified as an ongoing investment in the LTFP.	10,000	-	10,000
Cap.26	Pedestrian Kerb Ramp Continue upgrading kerb ramps across Council to achieve DDA compliance.	25,850	-	25,850
Cap.24	Road Design/Construction - Design of Future Projects Preparation of detailed designs, service locations and surveys as required for road future road projects	75,000	-	75,000
Cap.32	Ride On Footpath Scrubber Procurement of new Ride On Footpath Scrubber plant to better implement the sanitation and cleanliness program of Prospect Road Footpaths and other hot spot areas throughout the City of Prospect.	57,000	-	57,000
Cap.36	Broadview Oval Toilet Replacement To undertake Building/Property Renewal Works in accordance with the relevant asset management plan and in line with the LTFP - To replace the Broadview Oval Toilets \$350,000	350,000	-	350,000
Cap.37	Broadview Oval Bowling Club Roof Replacement To undertake Building/Property Renewal Works in accordance with the relevant asset management plan and in line with the LTFP - To replace the roof on the Broadview Bowling Club \$100,000	100,000	-	100,000
Cap.38	Prospect Petanque Club Pergola Renewal To undertake Building/Property Renewal Works in accordance with the relevant asset management plan and in line with the LTFP - To renew the pergola at Prospect Petanque Club \$25,000	25,000	-	25,000

Project No.	Capital Project and Description (cont.)	Expenditure \$	Income \$	Net Cost \$
Cap.39	Prospect Tennis Club Courts Renewal To undertake Building/Property Renewal Works in accordance with the relevant asset management plan and in line with the LTFP - Allocation of \$450,000 for Prospect Tennis Courts (subject to grants and external contributions of matching \$450,000)	425,000	-	425,000
Cap.35	Broadview Oval Community & Sports Hub To be constructed over 2021-2022 and 2022-2023, this project has received grant funding of \$1.5M from the State Government. Refer to Page 31 for further details	1,000,000	375,000	625,000
Cap.40	Churchill Rd : Rd Recon/Drainage Upgrade To be constructed over 2021-2022 and 2022-2023, this project has received economic stimulus funding of \$3.0M. Refer to Page 31 for further details.	3,600,000	2,400,000	1,200,000
Cap.41	Livingstone Ave : Rd Recon/Drainage Upgrade To be constructed over 2021-2022 and 2022-2023, this project has received economic stimulus funding of \$1.15M. Refer to Page 31 for further details.	575,000	287,500	287,500
		10,432,694	3,313,500	7,119,194

1.5.7 Supporting Activities

Supporting Activities

Activities, that underpin the Community Plan towards 2040 but are not a direct action identified within the plan.

Budget Summary 2021-2022 – Other Activities

	Expenditure \$	Income \$	Net Cost \$
Recurrent (inc Depn)	18,251,921	24,222,997	(5,971,076)
Operating Projects	209,435	-	209,435
Capital Projects	80,000	-	80,000
Total	18,541,356	24,222,997	(5,681,641)
% of Total Budget	49.03%	83.36%	

2021-2022 Operating & Capital Projects

Project No.	Operating Project and Description	Expenditure \$	Income \$	Net Cost \$
Op.09	By-Law Review Undertake periodic review of By-Laws.	10,000	-	10,000
Op.18	GIS Upgrade Improve, elevate and optimise CoP operations through implementation of an enterprise managed Geographic Information System that enables a visual representation of infrastructure conditions, range of community requests, tree pruning schedules, planning and development application statuses and city maintenance schedules.	92,435	-	92,435
Op. 19	Assisted Document Registration Introduce automated/assisted document registration capability in COP. Anticipated future saving of 0.5FTE to be redeployed to digitise development applications in storage.	57,000	-	57,000
Op. 36	Project Management Implement of Project Management Framework and Supporting System. Identified as the number 1 risk in the Audit Committee Risk review, this project will be refined following Internal Auditor Review.	50,000	-	50,000
		209,435	-	209,435

Project No.	Capital Project and Description	Expenditure \$	Income \$	Net Cost \$
Cap.34	Telephone System Replace current end of life and unsupported ShoreTel telephone system.	60,000	-	60,000
Cap.08	Asbestos Removal (Staged) Removal of asbestos from council buildings.	20,000	-	20,000
		80,000	-	80,000

TOTAL OPERATING PROJECT EXPENDITURE

1,365,556	53,000	1,312,556
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Total New / Upgrade Asset

4,671,000	40,000	4,631,000
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Total Renewal Asset

6,011,913	340,000	5,671,913
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TOTAL CAPITAL PROJECT EXPENDITURE

10,682,913	380,000	10,302,913
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Part B: Budget 2021-2022

2.1 Budget Principles

Council adheres to the following budget principles to underpin the development of the annual budget.

- **Honest and Accountable**
We will be honest and accountable in all aspects of the budget process, meeting the community's expectations of transparency and openness with a reporting framework that supports and enhances this.
- **Strategic Approach**
We will maintain a strategic approach to the delivery of all Council services and capital works programmes. We will align Council's budget with Our Community Plan Towards 2040:
 - Connected & Caring
 - Active & Engaged
 - Proud of our past, excited by our future
 - Inclusive & Diverse
 - Creative & Innovative
 - Responsible & Sustainable
- **Forward Financial Planning**
A 10-year Long Term Financial Plan will reinforce the delivery and achievement of Council's long term strategic objectives in a sustainable manner. All programmes will be regularly reviewed to ensure they fit within Council's financial framework.
- **Realistic Budgeting**
All budget figures will be realistic, and based on the best available information at the time of budget preparation.
- **Meet Long Term Liabilities**
Each budget will be fully funded and reconciled on an accrual and cash basis. Adequate provisions will be made to reflect Council's long term liabilities, and appropriate funding is in place for infrastructure.
- **Affordable Rates**
Rates will be set at an *affordable* level, having regard to the City's Strategic Plan and its social, environmental, economic, and financial objectives, balanced against the community's ability to pay.
- **Avoid Cost Shifting**
We will resist pressure to accept cost shifting from other levels of government.
- **New Initiatives**
New initiatives will be evaluated in terms of meeting Council's Strategic Plan, and incorporating a cost benefit analysis which includes whole of life costing.

- **Asset Sales and Debt**

The recurrent budget will be structured such that there is no reliance on asset sales to fund core services. Debt will be regarded as a tool to be used in a strategic perspective to achieve the provision of services to the community. Debt will be considered:

- in the context of the strategic objectives of Council;
- in the context of long term financial forecasts and objectives;
- as funding for long term infrastructure asset creation;
- as a means of spreading the cost of infrastructure over the ratepayers who use it, ensuring intergenerational equity; and
- as a mechanism to fund temporary cash shortfalls.

- **Financial Control**

We commit to ensuring that financial and other resources under our control will be used only for approved purposes, and within Council's strategic framework, and that all risks to Council's finances are properly managed.

2.2 Strategic Financial Parameters

City of Prospect has adopted the following strategic financial parameters:

Financial Sustainability - Can we afford it in the long term?

City of Prospect will operate in accordance with a sustainable Long Term Financial Plan, ensuring:

- continuation of the Council's present spending and funding policies;
- likely developments in the Council's revenue-raising capacity, and in the demand for and costs of its services and infrastructure; and
- normal financial risks and shocks, altogether, are unlikely to necessitate substantial increases in Council rates (or, alternatively, disruptive service cuts).

Council Role - Should we be involved? To what extent?

Before committing to new activities and projects, and when reviewing existing activities, consideration will be given to Council's appropriate role in funding and delivery (e.g. advocate for funding by a more appropriate agency, part funded, or owner). Also, whether it is within Council's core responsibility and expertise, and the most effective use of available funds.

Program Stability - Maintaining Council programs and services

Council will maintain its high priority operating and capital expenditure programs, as well as basic service provision, while seeking efficiency improvements in line with appropriate benchmarks.

Target: Achieving targeted "Strategic Measures" with regard to Council's Community Plan Towards 2040.

Infrastructure Management - Are we spending enough on existing assets?

Renewal and replacement capital projects will be based on long term Infrastructure-Asset Management Plans, which consider the optimal timeframe for a set replacement based on whole of life costing. Total capital projects shall be managed in a way which avoids disruptive adjustments to activities, programs, and revenue raising efforts.

Target: Asset Replacement Expenditure (on average) = Optimal level for such expenditure shown in Council's asset management plans (or depreciation in the absence of asset management plans for some asset classes). Acceptable range between 90% to 120%.

Rating Stability - Smoothing the impact on our rate payers

Rating charge predictability and stability will be achieved for existing levels of service, to avoid volatility and adverse future rates shocks. Methods of minimising the volatility of rate changes for individual land use categories, will be pursued within legislative limits.

Funding - Who benefits and therefore who should pay?

The amount of funding from available sources (including user charges), will be determined with regard to benefits to users, the full cost of services, market rates, fairness, social and behavioural considerations, as well as Strategic Management Plan objectives. Council will also seek to maximise grant revenue funding opportunities.

Target: User Charges Growth = On average no greater than CPI + 1% (for each classification of user charges).

Borrowings and Financial Position - When should we borrow? How much can we borrow?

Borrowings will be used to promote intergenerational equity within Council's prudential limits, and capacity to repay. Net Financial Liabilities and associated net interest costs will be maintained within target.

Target: Net Financial Liabilities (30 June) <= 90% of Total Operating Revenue.

Intergenerational Equity - Is there fairness between generations of rate payers?

Council will promote fair sharing in the distribution of Council resources, and the attendant taxation between current and future ratepayers, in terms of achieving an appropriate operating surplus each year (except in exceptional circumstances).

Target: Operating Surplus > \$0.

2.3 Annual Business Plan Outcomes

Council must prepare, as part of its budget or in association with the preparation of its budget, an annual statement which addresses the activities that the Council intends to undertake in the ensuing year to achieve its objectives, and the measures (financial and non-financial) that the Council will use to assess its performance against its objectives.

The *Annual Business Plan 2021-2022* (refer Part A) sets out the directions that Council will undertake during the year to achieve the key strategies set out in Council's Community Plan Towards 2040.

2.4 Annual Business Plan and Budget Processes

Section 123 of the Local Government Act 1999, requires a council to have a budget for each financial year. Each budget of the council must deal with each principal activity of the council on a separate basis, and must comply with standards and principles prescribed by the Local Government (Financial Management) Regulations 1999. The budget must include certain information about the rates and charges the council intends to levy, as well as the range of other financial information required by the Act and Regulations.

A council must normally adopt a budget for the financial year before 31 August. The Minister has provided an extension due to the COVID19 Global Pandemic should Council's require it.

This budget is for the year 1 July 2021 to 30 June 2022, and is prepared in accordance with the Local Government Act 1999. The budget includes projected revenues and expenditures for the 2021-2022 year, reported on an "operating" basis in accordance with the Local Government Act 1999.

The Budget 2021-2022 also includes:

- a forecast statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement, and uniform presentation of finances, prepared in accordance with Australian Accounting Standards;
- detailed information about the rates and charges to be levied;
- capital projects and operating projects to be undertaken; and
- other financial information which Council requires in order to make an informed decision about the adoption of the budget.

The budget for 2021-2022 was framed using the 'zero-based' budgeting methodology. Every budgeted line item was analysed, to determine the appropriate financial resources required to deliver a level of services to our community.

Council considered, and where required, developed a number of long term strategies to ensure the budget was set in the context of a proper financial management framework. These include the Long Term Financial Plan (summarising high level Forward Financial Estimates) for the years 2021-2022 to 2030-2031 (Part C), and a Rating Strategy (Part D).

2.5 Significant Influences

In preparing the 2021-2022 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.

2.5.1 External Influences

- The Consumer Price Index (CPI) All Groups Adelaide increase on goods and services of 1.2% for the 12 months ending 31 March 2021, compared with the Local Government Pricing Index increase on goods and services of 0.4%, for the 12 months ending 31 March 2021. The University of Adelaide Centre for Economic Studies (SACES) has forecast the Local Government Price Index to be 1.3% for 2021-2022, 1.6% for 2022-2023, and 1.2% for 2023-2024.
- State and Commonwealth Government Policy/Decisions, and funding, e.g. Local Government Reform, Environmental Management, EPA Solid Waste Levy, Environmental Health, 30 Year Plan for Greater Adelaide etc.
- COVID19 Pandemic & responsive Business Closure / Social Distancing Measures.
- External funding opportunities - Grants and contributions have been based on confirmed funding levels (with the exception of the several minor grants).

2.5.2 Internal Influences

- Employee costs have been based on Enterprise Agreements (the MOA Enterprise Agreement and the LGE Award Enterprise Agreement).
- Council's strategic decision to achieve an average break even operating surplus (ratio greater than or equal to 0%) over a five-year period, to ensure financial sustainability.
- Ongoing costs associated with legislated community consultation requirements and internal controls/risks.

2.6 Budget Preparation Guidelines/Assumptions for 2021-2022

In addition to the *Budget Principles* set out in Part B, Section 2.1, the following budget preparation guidelines were used when preparing the budget:

- existing fees and charges to be increased in line with the revised fees and charges in Council's Fees and Charges Register;
- non-recurrent grants to be based on confirmed funding levels only (with the exception of the Roads to Recovery and Supplementary Road grants and several minor grants);
- all new staffing proposals to be justified through a business case;
- new initiatives or projects which are not cost neutral, to be justified through a business case and included as an operating project or capital project;
- no changes to the service levels, as per Service Level Document adopted by Council (24 March 2015); and
- the 2021-2022 Budget was framed using a 'zero based' budgeting approach.

2.7 Budget Overview

Planning framework

The Budget 2021-2022 was developed within Council's overall planning framework. Council's suite of strategic management plans includes a 10-year Long Term Financial Plan supported by an Asset Management Plan. A summary of the long-term financial plan is shown in Part C. Its purpose is to express, in financial terms, the activities that Council proposes to undertake over the medium to longer term, to achieve its stated goals and objectives.

To guide the finalisation of the Budget 2021-2022, in addition to seeking feedback from Council's Audit Committee, the Annual Business Plan 2021-2022 was presented to the community for community consultation during May & June 2021.

Consultation events include:

- Community Engagement Hub
 - Online Polls
 - Online Submissions
 - Ideas Wall
- Local Schools Focus Groups
- Interactive Webinar

Feedback submissions on the Annual Business Plan 2021-2022 were accepted up until 7 June 2021. All feedback received, was presented to a Council at the 15 June 2021 Workshop, before being formally received at the 29 June 2021 Council meeting.

The Annual Business Plan 2021-2022 includes Council's planned objectives and activities for the financial year, as well as the Long Term Financial Plan for 2022-2031, and the Rating Strategy. It provides a linkage between Council's suite of strategic management plans and its annual budget.

Highlights of the Budget

Whilst the focus will be to continue to implement Council's annual asset renewal program (roads, footpaths, kerb and gutters, stormwater), the 2021-2022 Annual Business Plan and Budget includes the following major investments:

Economic Stimulus Projects

In response to the COVID19 global pandemic and the subsequent economic down turn, both the State and Federal Governments have a number of stimulus grant programmes available. Council made application to some of these programmes for 4 separate projects. Council has received confirmation that it has been successful in the application of the following projects, with their inclusion into the budget:

Project	Project Cost	Grant Applied	Net Cost to Council
Broadview Oval Community & Sports Hub	\$4.0M	\$1.5M	\$2.5M
Churchill Road; Road Reconstruction and Drainage Upgrade	\$4.5M	\$3.0M	\$1.5M
Livingstone Avenue; Road Reconstruction and Drainage Upgrade	\$2.3M	\$1.15M	\$1.15M
TOTAL	\$10.8M	\$5.65M	\$5.15M

It is projected that these projects will be completed across both 2021-2022 (\$5.175M) and 2022-2023 (5.625M) financial years. Provision has been made in the Long Term Financial Plan for the 2022-2023 commitment.

At the time of adopting the Annual Business Plan 2021-2022, notification had not been received for an application for the reconstruction of Olive Street. No provision for matched funding has been included should the project be successful and Council will need to reconsider its progression should funds be awarded.

Open Space Upgrades: Irish Harp Reserve

Council has allocated \$325k in the Budget for the upgrade of Irish Harp Reserve. This upgrade will provide a usable and functional reserve to the local community with safety upgrades achieved with improved lighting. Irrigation and access will also be improved as part of the project.

Series of Events

Following a successful events season in 2020-2021, the 'Series of Events' is planned to be back for 2021-2022, continuing to provide flexible events in a COVID safe manner. Events delivered in 2020-2021 included Prospect Art Walk, Teddy Bear Picnic, Festive Streets, Sunset Cinemas, 4 weeks of Prospect Fringe and many more.

Events to be delivered during 2021-2022 will be finalised in line with progressing COVID restrictions.

Capital Works Program

In addition to the \$5.15M of Stimulus projects outlined above, approximately \$5.9M of Capital Expenditure has been included in the Annual Business Plan 2021-2022.

2.8 Financial Statements

City of Prospect

Uniform Presentation of Finances

for the period ended 30 June 2022

	Original Budget 2020-2021	Revised Forecast Budget 2020-2021	Proposed Budget 2021-2022
	\$ '000	\$ '000	\$ '000
Income	25,079	25,204	25,975
<i>less Expenses</i>	25,703	25,443	26,709
Operating Surplus / (Deficit)	(624)	(239)	(734)
<i>less Net Outlays on Existing Assets</i>			
Capital Expenditure on Renewal and Replacement of Existing Assets	3,842	5,494	9,509
<i>less Depreciation, Amortisation and Impairment</i>	4,350	4,954	5,070
<i>less Proceeds from Sale of Replaced Assets</i>	197	131	251
Net Outlays on Existing Assets	(705)	409	4,188
<i>less Net Outlays on New and Upgraded Assets</i>			
Capital Expenditure on New and Upgraded Assets	1,273	3,165	1,535
<i>less Amounts Received Specifically for New and Upgraded Assets</i>	40	2,222	3,103
<i>less Proceeds from Sale of Surplus Assets</i>	-	-	-
Net Outlays on New and Upgraded Assets	1,233	943	(1,568)
Net Outlays on Existing, New and Upgraded Assets	528	1,352	2,621
Net Lending / (Borrowing) for Financial Year	(1,152)	(1,591)	(3,354)

City of Prospect

Statement of Comprehensive Income

for the period ended 30 June 2022

	Original Budget 2020-2021	Revised Forecast Budget 2020-2021	Proposed Budget 2021-2022
	\$ '000	\$ '000	\$ '000
Income			
Rates Revenues	22,392	22,435	23,131
Statutory Charges	527	665	512
User Charges	212	165	220
Grants, Subsidies and Contributions	1,602	1,612	1,784
Investment Income	123	106	118
Reimbursements	11	18	11
Other Income	212	204	198
Net Gain - Equity Accounted Council Businesses	-	-	-
Total Income	25,079	25,204	25,975
Expenses			
Employee Costs	9,137	9,237	9,491
Materials, Contracts & Other Expenses	10,515	10,497	11,353
Depreciation, Amortisation & Impairment	4,882	4,954	5,070
Finance Costs	1,169	754	794
Net loss - Equity Accounted Council Businesses	-	-	-
Total Expenses	25,703	25,444	26,709
Operating Surplus / (Deficit)	(624)	(240)	(734)
Asset Disposal & Fair Value Adjustments	47	2,968	251
Amounts Received Specifically for New or Upgraded Assets	1,255	2,222	3,103
Physical Resources Received Free of Charge	-	-	-
Net Surplus / (Deficit)	678	4,951	2,620
Other Comprehensive Income			
<i>Amounts which will not be reclassified subsequently to operating result</i>			
Nil			
Total Comprehensive Income	678	4,951	2,620

City of Prospect

Statement of Financial Position

for the period ended 30 June 2022

	Original Budget 2020-2021	Revised Forecast Budget 2020-2021	Proposed Budget 2021-2022
	\$ '000	\$ '000	\$ '000
ASSETS			
Current Assets			
Cash and Cash Equivalents	3,464	917	500
Trade & Other Receivables	1,988	1,713	1,775
Inventories	-	2	2
Total Current Assets	5,452	2,632	2,277
Non-Current Assets			
Financial Assets	970	1,015	811
Equity Accounted Investments in Council Businesses	114	139	139
Infrastructure, Property, Plant & Equipment	196,391	198,078	204,051
Other Non-Current Assets	-	460	460
Total Non-Current Assets	197,475	199,692	205,461
TOTAL ASSETS	202,927	202,324	207,738
LIABILITIES			
Current Liabilities			
Trade & Other Payables	2,616	3,518	3,767
Borrowings	1,962	1,422	1,498
Provisions	1,874	1,973	1,973
Other Current Liabilities	-	-	-
Total Current Liabilities	6,452	6,913	7,238
Non-Current Liabilities			
Trade & Other Payables	-	-	-
Borrowings	16,759	13,603	16,075
Provisions	65	96	96
Liability - Equity Accounted Council Businesses	-	-	-
Other Non-Current Liabilities	-	-	-
Total Non-Current Liabilities	16,824	13,699	16,171
TOTAL LIABILITIES	23,276	20,612	23,409
Net Assets	179,651	181,712	184,329
EQUITY			
Accumulated Surplus	83,467	83,605	86,222
Asset Revaluation Reserves	95,343	95,343	95,343
Other Reserves	841	2,764	2,764
Total Council Equity	179,651	181,712	184,329

City of Prospect

Statement of Changes in Equity

for the period ended 30 June 2022

	Original Budget 2020-2021	Revised Forecast Budget 2020-2021	Proposed Budget 2021-2022
	\$ '000	\$ '000	\$ '000
Accumulated Surplus	83,467	83,605	86,222
Asset Revaluation Reserve	95,343	95,343	95,343
Other Reserves	841	2,764	2,764
Restated Opening Balance			
Transfers between Reserves	-		
Balance at the end of period	179,651	181,712	184,329

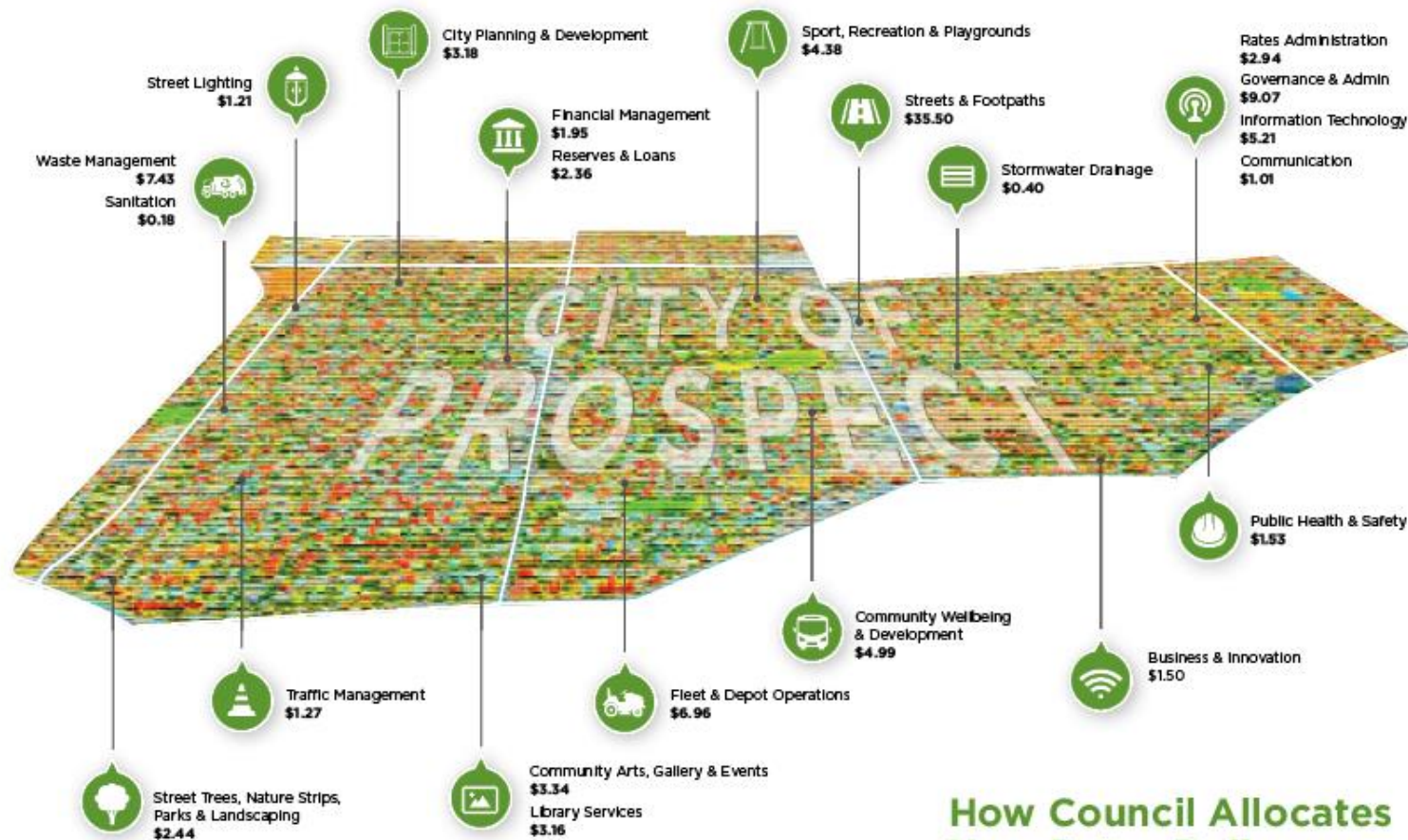
City of Prospect

Statement of Cash Flows

for the period ended 30 June 2022

	Original Budget 2020-2021	Revised Forecast Budget 2020-2021	Proposed Budget 2021-2022
	\$ '000	\$ '000	\$ '000
Cash Flows from Operating Activities			
<u>Receipts</u>			
Operating Receipts	24,957	24,565	25,834
Investment Receipts	123	118	118
<u>Payments</u>			
Operating Payments to Suppliers and Employees	(18,706)	(18,761)	(20,622)
Finance Payments	(1,169)	(755)	(796)
Net Cash provided by (or used in) Operating Activities	5,205	5,168	4,534
Cash Flows from Investing Activities			
<u>Receipts</u>			
Amounts Received Specifically for New/Upgraded Assets	1255	2,222	3,103
Sale of Replaced Assets	47	131	251
Sale of Non Current Assets "Held for Sale"	-	2,835	-
Repayments of Loans by Community Groups	180	180	191
<u>Payments</u>			
Expenditure on Renewal/Replacement of Assets	(3,157)	(5,494)	(9,509)
Expenditure on New/Upgraded Assets	(2,646)	(3,165)	(1,535)
Loans Made to Community Groups	-	-	-
Net Cash provided by (or used in) Investing Activities	(4,321)	(3,291)	(7,499)
Cash Flows from Financing Activities			
<u>Receipts</u>			
Proceeds from Borrowings	-	-	-
<u>Payments</u>			
Repayments of Borrowings	(1,893)	(1,285)	(1,354)
Repayment of Lease Liabilities		(66)	(68)
Net Cash provided by (or used in) Financing Activities	- 1,893	- 1,351	(1,422)
Net Increase (Decrease) in Cash Held	(1,009)	526	(4,387)
plus: Cash & Cash Equivalents at beginning of period	4,473	391	917
Cash & Cash Equivalents at end of period	3,464	917	(3,470)

2.9 Where Does Each \$100 Go?



How Council Allocates Your Rates Dollar

Figures shown represent the amount out of every hundred dollars of rates revenue allocated in the 2021-22 financial year.

2.10 Asset Management Plans

Council is finalising the update to its Asset Management Plans. These plans set out the capital project requirements of Council for the next 20 years by class of asset and project, and is a key input to the Long-term Financial Plan. The plans predict infrastructure consumption and renewal needs, and considers new infrastructure needs to meet future community service expectations. The Plan will be subject to a process of consultation and evaluation. Key elements of the process are as follows:

- Long term capital planning which integrates with the Council's suite of Strategic Management Plans;
- Listing of all known capital projects, prioritised within classes of assets on the basis of evaluation criteria; and
- Transparent processes for evaluating and prioritising capital projects.

A key objective of the Asset Management Plan, is to maintain or preserve Council's existing assets at desired condition and service levels, and thus minimise whole of life cycle costs of assets.

Projects to be delivered in 2021-2022 are being finalised however Council has made the following funding allocations for each Asset Class:

- Buildings & Structures \$900,000 (net of grants)
- Fleet & Plant \$423,000 (net of trade ins)
- Footpaths \$460,000
- Kerb & Gutter \$823,250
- Road Construction & Reseal \$2,178,594
- Stormwater \$249,644

Part C: Long Term Financial Plan

3.1 Introduction

Council considered its Budget 2021-2022 in the context of its Strategic Direction outlined in the Community Plan towards 2040 and its longer term financial sustainability (per Long Term Financial Plan), and not with a narrow focus on a single year.

The decisions Council makes in relation to the Budget 2021-2022 will have both direct and indirect implications for subsequent financial years.

Council's Long Term Financial Plan has been updated with revenue and expenditure projections over coming years, and a summary has been provided at Part C. The Long Term Financial Plan provides Council with a valuable tool to manage its financial sustainability over a number of years, and links directly to the Community Plan. The Long Term Financial Plan also provides a number of key (financial) performance indicators (KPI's), and ratios which will enable council to both project and plan its operations over the long term (including "what if scenarios"), and also measure its performance against the Long Term Financial Plan over this term.

The Asset Management Plans are a critical input into the Long Term Financial Plan. Pages 52-53 show the Capital Project Expenditure over a 10-year period. The 10 year Operating Projects are presented on page 50-51.

The Asset Management Planning is yet to be finalised with work continuing in the Stormwater and Open Space classes. Future funding strategy (including recurrent expenditure strategy), as well as rating strategy assumptions will be revised upon receiving the finalised Asset Management Plans.

The budget for 2020-2021 was framed using a zero budgeting based approach. This method was carried over for 2021-2022, and as a result of this, the total rate revenue increase for the life of the plan has continued of that estimated in the 2021-2022 plan.

The strategic plan and budget parameters are located on pages 7-24.

3.2 Long Term Financial Plan Assumptions 2021–2030

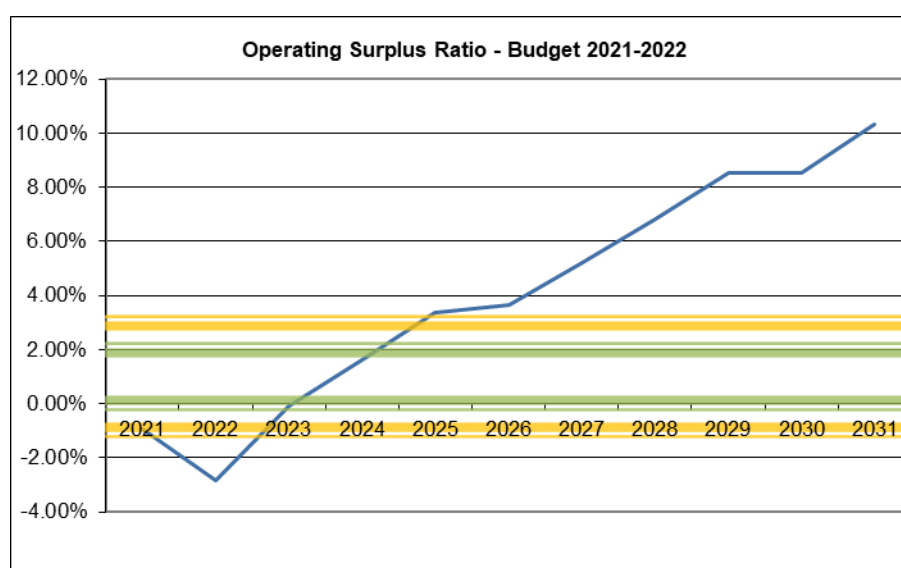
Long Term Financial Plan (LTFP) Assumptions : 2021-2022 to 2030-2031										
	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31
Increase in LGPI for expenditure. 22-23 to 23-24 supplied by Uni of Adel. 24-25 onwards calculated using the incremental historic average of the LGPI	1.0%	1.8%	1.8%	2.3%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Increase in Employee Costs	1.0%	1.25%	1.5%	2.0%	2.0%	2.5%	2.5%	2.5%	2.5%	2.5%
Superannuation Guarantee Rate	10.0%	10.5%	11.0%	11.5%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%
Increase in CPI for Non-Rates and Non-Grant Income. 22-23 to 23-24 supplied by Uni of Adel. 24-25 onwards calculated using the incremental historic average of the LGPI	1.0%	1.8%	1.8%	2.3%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Projected increase in Total Rate Revenue (inclusive of Growth)	2.90%	3.5%	4.0%	4.3%	4.3%	3.75%	3.75%	3.75%	3.75%	3.75%
Projected increase in Average Residential Rate	1.9%	2.5%	3.0%	3.3%	3.3%	2.75%	2.75%	2.75%	2.75%	2.75%
Projected increase in Total Rate Revenue sourced from Development Growth	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Increase in Grant Revenue	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Grants Commission Grant	Assumed four instalments of Financial Assistance Grants									
Home Assistance Community Care Funding HACC / CHSP	No adjustments made in the Long Term Financial Plan									
Surplus/(Deficit) of Asset Disposal	Only includes the disposal of plant and fleet traded in on new equivalent equipment.									
Asset Valuation	Fluctuation in Asset Valuation is linked to CPI in the Long Term Financial Plan. Asset classes recorded at cost and not revalued under policy are not indexed. Indexation has been paused for Building Assets following the construction of Payinthe as this large portion of the asset class is carried at cost.									
Depreciation	Depreciation Methodology remained consistent with 2020-2021. Budgeted financial statements as at 30 June 2020 used to identify effective depreciation rate. New AMP to be finalised by Council during the 2020-2021 financial year. Depreciation impacts of new initiatives to be review at this time.									
Capital Expenditure	<ul style="list-style-type: none"> Refer to the 10-year capital expenditure plan in this section. Capital Expenditure Budgets are linked to indexation of the LPGI in the Long Term Financial Plan. Assumes No Policy Change. The ongoing depreciation and material increases in maintenance expenses associated with capital projects on new/upgraded assets have been factored into the Council's Long-term Financial Plan. 									
Loan Principal & Interest Repayment	As per the Loan Schedule. No new loans included in the Long Term Financial Plan. Council will utilise Cash Advance Debenture already in place for short to medium term borrowing needs.									

3.3 Budget 2021-2022 Strategic Parameters - Financial Sustainability

This section provides information about three key indicators of Council's financial performance and financial positions for the next 10 years. These indicators measure Council's sustainability of its long term financial performance. Financial sustainability is defined as whether or not Council will have the financial capacity to continue to exist in the long term. Analysis on each of the indicators is included in the following sections of the document. Further explanatory notes on the indicators are provided in the Glossary.

3.3.1 Operating Surplus Ratio

This ratio expresses the operating surplus (deficit) as a percentage of total income. A positive ratio indicates the percentage of total income available to fund capital expenditure over and above the level of depreciation, or the ability to reduce the level of net financial liabilities.



Council has adopted target ranges for the Operating Surplus Ratio of -1% to 3% annually (indicated by the red and green lines on the graph), and minimum 0% for the five-year average.

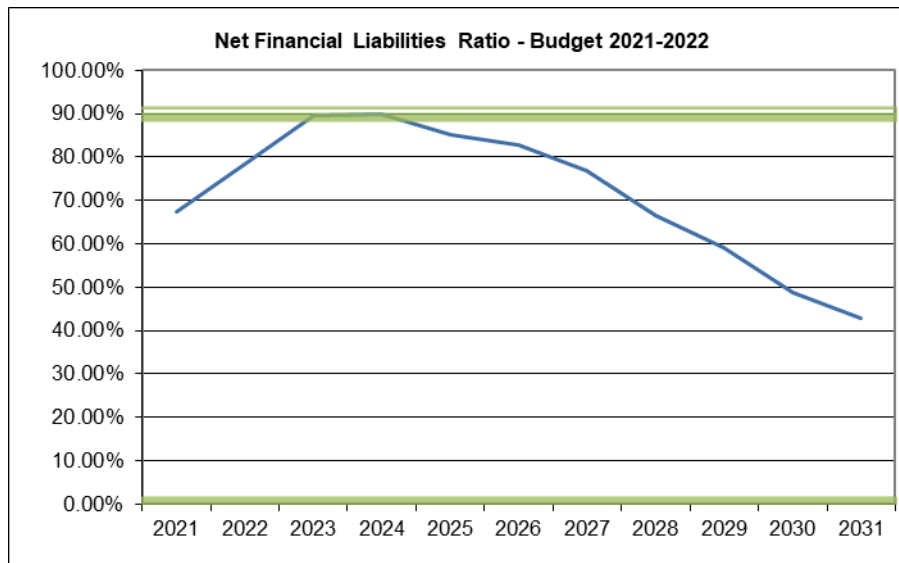
The operating ratio for 2021-2022 is -2.8%. This ratio (and future years where indicated) is attributed to the following key strategic initiatives:

- Projected increase in borrowing costs, through use of Cash Advance Debenture Loans, associated with the matched funding for Economic Stimulus Projects (\$5.15M) across 2021-2022 & 2022-2023.
- Projected rate increase to fund required capital expenditure identified in the Asset Management Plans and repayment of borrowings.
- Future Surpluses required to commence repayment of Cash Advance Debenture Loans

The projected five-year average operating surplus ratio is 1.13%. This exceeds Council's five-year average target range of between 0% and 2%.

3.3.2 Net Financial Liabilities Ratio

The ratio indicates the extent to which net financial liabilities can be met by Council's total operating revenue.



Council has adopted a target range for the Net Financial Liabilities Ratio of less than 90%, indicated by the yellow line on the graph.

Council's net financial liabilities at 30 June 2022, expressed as a percentage of estimated operating revenue (the net financial liabilities ratio), is expected to be 78%.

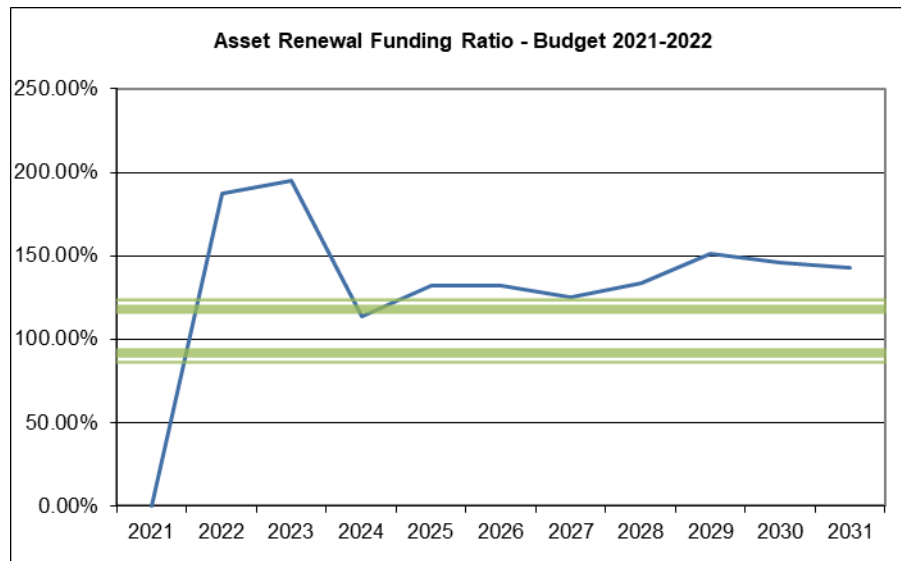
Council has previously undertaken a borrowing for the redevelopment of facilities at the North Adelaide Football Club. The outstanding principal is included in Council's Net Financial Liabilities, however fully recoverable from the Club.

Council does not anticipate any new loan borrowings in the life the Long Term Financial Plan and will use Cash Advance Debenture Loans to fund any short to medium term financing needs. In total, Council has an approved facility of up to \$11M in place for this purpose.

While Council does have capacity to undertake additional borrowings from Net Financial Liability perspective, limited capacity within the Operating Surplus Ratio means that Council would be required to find recurrent savings within either recurrent budget or operating project budget to meet the required interest component of repayments.

3.3.3 Asset Renewal Funding Ratio

This ratio indicates whether Council is renewing or replacing existing non-financial assets at the rate of consumption (capital expenditure on renewal/average funding IAMP requirement).



Council has adopted a target range for the Asset Renewal Funding Ratio of 90% to 120% (indicated by the green lines on the graph).

Council's asset renewal funding ratio in 2021-2022 is expected to be 188%, calculated by comparing planned capital project expenditure on renewal and replacement of assets, *less* capital revenue on trade-in *against* total infrastructure asset management plan expenditure requirement in 2021-2022.

3.4 LTFP Key Performance Indicators and Dashboard Summary

City of Prospect

10 Year Financial Plan for the Years ending 30 June 2031

KEY PERFORMANCE INDICATORS - BUDGET 2021-2022

Scenario: Adopted Annual Business Plan 2021-2022

		Year 2020/21	Projected Years									
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
			<div><div><div><div><div></div><div>Within green benchmark (green min and/or green max)</div></div><div><div></div><div>Within amber benchmark (amber min and/or amber max)</div></div><div><div></div><div>Not within benchmark (amber min and/or amber max)</div></div></div><div><div><div></div><div>Within green benchmark</div></div><div><div></div><div>above green maximum and below amber maximum</div></div><div><div></div><div>below green minimum and above amber minimum</div></div><div><div></div><div>above amber maximum</div></div><div><div></div><div>below amber minimum</div></div></div></div></div>									
Council's Target Benchmarks												
Note 15 Ratios												
Operating Surplus Ratio	Snapshot	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>
	Actual Ratio	-0.95%	-2.83%	-0.11%	1.60%	3.36%	3.65%	5.23%	6.84%	8.50%	8.55%	10.35%
Adjusted Operating Surplus Ratio	Snapshot	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>
	Actual Ratio	-0.95%	-2.83%	-0.11%	1.60%	3.36%	3.65%	5.23%	6.84%	8.50%	8.55%	10.35%
Net Financial Liabilities Ratio	Snapshot	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>
	Actual Ratio	67.32%	78%	90%	90%	85%	83%	77%	67%	59%	49%	43%
Asset Renewal Funding Ratio	Snapshot	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>
	Actual Ratio	0.00%	188%	195%	114%	132%	132%	125%	134%	151%	146%	143%

3.5 Estimated Income Statement

City of Prospect

10 Year Financial Plan for the Years ending 30 June 2031

INCOME STATEMENT - BUDGET 2021-2022

Scenario: Adopted Annual Business Plan 2021-2022

	Actuals	Current Year	Projected Years									
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income												
Rates	21,713	22,435	23,131	23,929	24,871	25,927	27,029	28,033	29,075	30,155	31,276	32,439
Statutory Charges	598	665	512	520	532	544	557	571	586	600	615	631
User Charges	221	165	220	223	228	233	239	245	251	257	264	270
Grants, Subsidies and Contributions	1,682	1,612	1,784	1,797	1,810	1,823	1,836	1,850	1,864	1,877	1,891	1,905
Investment Income	109	106	118	104	90	74	58	44	44	44	44	44
Reimbursements	77	18	11	11	11	11	12	12	12	13	13	13
Other Income	454	204	198	201	206	210	216	221	226	232	238	244
Net gain - equity accounted Council businesses	32	-	-	-	-	-	-	-	-	-	-	-
Total Income	24,886	25,204	25,973	26,784	27,747	28,823	29,947	30,977	32,058	33,179	34,342	35,546
Expenses												
Employee Costs	9,305	9,237	9,491	9,657	9,850	10,094	10,346	10,605	10,870	11,141	11,420	11,705
Materials, Contracts & Other Expenses	10,144	10,497	11,353	11,210	11,240	11,471	11,728	11,991	12,261	12,538	12,821	13,112
Depreciation, Amortisation & Impairment	4,605	4,955	5,070	5,139	5,357	5,463	5,996	6,027	6,078	6,110	6,695	6,674
Finance Costs	836	755	795	808	855	825	784	734	658	569	470	378
Net loss - Equity Accounted Council Businesses	7	-	-	-	-	-	-	-	-	-	-	-
Total Expenses	24,897	25,444	26,709	26,814	27,302	27,853	28,854	29,357	29,867	30,358	31,407	31,869
Operating Surplus / (Deficit)	(11)	(240)	(736)	(30)	445	970	1,093	1,620	2,191	2,822	2,935	3,678
Asset Disposal & Fair Value Adjustments	1,698	2,968	251	255	75	195	315	333	160	186	186	186
Amounts Received Specifically for New or Upgraded Assets	234	2,222	3,103	3,160	-	-	-	-	-	-	-	-
Net Surplus / (Deficit)	1,921	4,950	2,617	3,385	520	1,165	1,408	1,953	2,351	3,008	3,121	3,864
Other Comprehensive Income												
Amounts which will not be reclassified subsequently to operating result												
Changes in Revaluation Surplus - I,PP&E	-	-	-	-	-	14,445	-	-	-	-	16,103	-
Total Other Comprehensive Income	-	-	-	-	-	14,445	-	-	-	-	16,103	-
Total Comprehensive Income	1,921	4,950	2,617	3,385	520	15,609	1,408	1,953	2,351	3,008	19,224	3,864

3.6 Estimated Balance Sheet

City of Prospect

10 Year Financial Plan for the Years ending 30 June 2031

BALANCE SHEET - BUDGET 2021-2022

Scenario: Adopted Annual Business Plan 2021-2022

	Actuals	Current Year	Projected Years									
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS												
Current Assets												
Cash & Cash Equivalents	391	917	500	500	500	500	500	500	500	500	500	500
Trade & Other Receivables	1,666	1,713	1,775	1,819	1,586	1,644	1,435	1,476	1,518	1,561	1,606	1,653
Inventories	-	2	2	2	2	2	3	3	3	3	3	3
Non-current assets classified as "Held for Sale"	1,771	-	-	-	-	-	-	-	-	-	-	-
Total Current Assets	3,828	2,632	2,278	2,322	2,089	2,146	1,938	1,978	2,020	2,064	2,109	2,156
Non-Current Assets												
Financial Assets	1,341	1,015	811	592	357	106	106	106	106	106	106	106
Equity Accounted Investments in Council Businesses	139	139	139	139	139	139	139	139	139	139	139	139
Infrastructure, Property, Plant & Equipment	192,603	198,078	204,051	211,093	212,609	227,821	229,427	230,458	230,286	231,609	247,913	250,279
Other Non-Current Assets	460	460	460	460	460	460	460	460	460	460	460	460
Total Non-Current Assets	194,543	199,692	205,461	212,284	213,565	228,526	230,132	231,163	230,991	232,314	248,618	250,984
TOTAL ASSETS	198,371	202,324	207,739	214,606	215,654	230,672	232,070	233,141	233,012	234,378	250,727	253,140
LIABILITIES												
Current Liabilities												
Cash Advance Debenture	-	-	3,970	8,969	11,045	12,030	13,504	13,513	11,961	11,168	9,112	8,517
Trade & Other Payables	3,163	3,518	3,767	3,748	3,778	3,866	3,962	4,058	4,157	4,258	4,363	4,470
Borrowings	1,369	1,422	1,498	1,579	1,664	1,580	987	1,027	950	924	963	878
Provisions	1,953	1,973	1,973	1,973	1,973	1,973	1,973	1,973	1,973	1,973	1,973	1,973
Total Current Liabilities	6,485	6,913	11,208	16,269	18,460	19,448	20,426	20,571	19,041	18,323	16,410	15,838
Non-Current Liabilities												
Borrowings	15,007	13,603	12,105	10,526	8,862	7,283	6,296	5,268	4,318	3,395	2,432	1,554
Provisions	116	96	96	96	96	96	96	96	96	96	96	96
Total Non-Current Liabilities	15,123	13,699	12,201	10,622	8,959	7,379	6,392	5,364	4,414	3,491	2,528	1,650
TOTAL LIABILITIES	21,608	20,612	23,409	26,891	27,419	26,827	26,818	25,936	23,455	21,814	18,938	17,488
Net Assets	176,763	181,713	184,330	187,715	188,235	203,844	205,252	207,205	209,557	212,564	231,789	235,652
EQUITY												
Accumulated Surplus	78,655	83,605	86,222	89,607	90,127	91,292	92,700	94,653	97,004	100,012	103,133	106,996
Asset Revaluation Reserves	95,343	95,343	95,343	95,343	95,343	109,788	109,788	109,788	109,788	109,788	125,891	125,891
Other Reserves	2,765	2,765	2,765	2,765	2,765	2,765	2,765	2,765	2,765	2,765	2,765	2,765
Total Equity	176,763	181,713	184,330	187,715	188,235	203,844	205,252	207,205	209,557	212,564	231,789	235,652

3.7 Estimated Cash Flow Statement

City of Prospect

10 Year Financial Plan for the Years ending 30 June 2031

CASH FLOW STATEMENT - BUDGET 2021-2022

Scenario: Adopted Annual Business Plan 2021-2022

	Actuals	Current Year	Projected Years									
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash Flows from Operating Activities												
Receipts:												
Rates Receipts	21,277	21,920	23,191	23,918	24,858	25,912	27,014	28,019	29,060	30,140	31,261	32,423
Statutory Charges	598	658	539	518	529	542	555	569	583	598	613	628
User Charges	221	177	210	222	227	232	238	244	250	256	263	269
Grants, Subsidies and Contributions (operating purpose)	2,739	1,449	1,652	1,788	2,204	1,821	1,835	1,848	1,862	1,876	1,889	1,903
Investment Receipts	109	118	118	105	90	75	58	45	44	44	44	44
Reimbursements	77	28	11	11	11	11	12	12	12	13	13	13
Other	455	333	231	202	91	209	215	220	225	231	237	243
Payments:												
Payments to Employees	(8,989)	(9,295)	(9,481)	(9,650)	(9,842)	(10,084)	(10,336)	(10,594)	(10,859)	(11,131)	(11,409)	(11,694)
Payments for Materials, Contracts & Other Expenses	(12,770)	(9,466)	(11,141)	(11,245)	(11,233)	(11,414)	(11,665)	(11,926)	(12,194)	(12,469)	(12,751)	(13,040)
Finance Payments	(836)	(755)	(795)	(808)	(855)	(825)	(784)	(734)	(658)	(569)	(470)	(378)
Net Cash provided (or used in) Operating Activities	2,881	5,166	4,534	5,061	6,081	6,480	7,142	7,702	8,326	8,989	9,690	10,412
Cash Flows from Investing Activities												
Receipts:												
Amounts Received Specifically for New/Upgraded Assets	1,203	2,222	3,103	3,160	-	-	-	-	-	-	-	-
Sale of Replaced Assets	4,734	131	251	255	75	195	315	333	160	186	186	186
Sale of Non Current Assets "Held for Sale"	-	2,837	-	-	-	-	-	-	-	-	-	-
Repayments of Loans by Community Groups	124	180	191	204	219	235	251	-	-	-	-	-
Payments:												
Expenditure on Renewal/Replacement of Assets	(5,887)	(5,494)	(9,509)	(7,699)	(5,420)	(5,279)	(6,902)	(5,785)	(5,179)	(6,052)	(6,138)	(7,661)
Expenditure on New/Upgraded Assets	(3,063)	(3,165)	(1,535)	(4,482)	(1,452)	(951)	(700)	(1,272)	(728)	(1,381)	(758)	(1,379)
Net Cash provided (or used in) Investing Activities	(2,889)	(3,289)	(7,499)	(8,562)	(6,578)	(5,801)	(7,036)	(6,724)	(5,747)	(7,247)	(6,710)	(8,854)
Cash Flows from Financing Activities												
Receipts:												
Proceeds from Borrowings	-	-	-	-	-	-	-	-	-	-	-	-
Payments:												
Repayments of Borrowings	(608)	(1,285)	(1,354)	(1,428)	(1,506)	(1,589)	(1,502)	(907)	(945)	(886)	(924)	(963)
Repayment of Lease Liabilities	(62)	(66)	(68)	(70)	(73)	(75)	(78)	(80)	(83)	(64)	-	-
Net Cash Flow provided (used in) Financing Activities	(670)	(1,351)	(1,422)	(1,498)	(1,579)	(1,664)	(1,580)	(987)	(1,027)	(950)	(924)	(963)
Net Increase/(Decrease) in Cash & Cash Equivalents	(678)	526	(4,387)	(4,999)	(2,076)	(985)	(1,474)	(9)	1,552	792	2,056	595
plus: Cash & Cash Equivalents - beginning of year	1,069	391	917	(3,470)	(8,469)	(10,545)	(11,530)	(13,004)	(13,013)	(11,461)	(10,668)	(8,612)
Cash & Cash Equivalents - end of the year	391	917	(3,470)	(8,469)	(10,545)	(11,530)	(13,004)	(13,013)	(11,461)	(10,668)	(8,612)	(8,017)
Cash & Cash Equivalents - end of the year	391	917	(3,470)	(8,469)	(10,545)	(11,530)	(13,004)	(13,013)	(11,461)	(10,668)	(8,612)	(8,017)
Investments - end of the year	-	-	-	-	-	-	-	-	-	-	-	-
Cash, Cash Equivalents & Investments - end of the year	391	917	(3,470)	(8,469)	(10,545)	(11,530)	(13,004)	(13,013)	(11,461)	(10,668)	(8,612)	(8,017)
Representing:												
- External Restrictions	-	-	-	-	-	-	-	-	-	-	-	-
- Reserves	2,765	2,765	2,765	2,765	2,765	2,765	2,765	2,765	2,765	2,765	2,765	2,765
- Unrestricted	(2,374)	(1,848)	(6,235)	(11,234)	(13,310)	(14,295)	(15,769)	(15,778)	(14,226)	(13,433)	(11,377)	(10,782)
391	917	(3,470)	(8,469)	(10,545)	(11,530)	(13,004)	(13,013)	(11,461)	(10,668)	(8,612)	(8,017)	(8,017)

3.8 Estimated Statement of Changes in Equity

City of Prospect

10 Year Financial Plan for the Years ending 30 June 2031

EQUITY STATEMENT - BUDGET 2021-2022

Scenario: Adopted Annual Business Plan 2021-2022

	Actuals	Current Year	Projected Years									
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening Balance	174,842	176,763	181,713	184,330	187,715	188,235	203,844	205,252	207,205	209,557	212,564	231,789
Net Surplus / (Deficit) for Year	1,921	4,950	2,617	3,385	520	1,165	1,408	1,953	2,351	3,008	3,121	3,864
Other Comprehensive Income												
- Gain (Loss) on Revaluation of I,PP&E	-	-	-	-	-	14,445	-	-	-	-	16,103	-
Other Comprehensive Income	-	-	-	-	-	14,445	-	-	-	-	16,103	-
Total Comprehensive Income	1,921	4,950	2,617	3,385	520	15,609	1,408	1,953	2,351	3,008	19,224	3,864
Transfers between Equity	-	-	-	-	-	-	-	-	-	-	-	-
Equity - Balance at end of the reporting period	176,763	181,713	184,330	187,715	188,235	203,844	205,252	207,205	209,557	212,564	231,789	235,652

3.9 Uniform Presentation of Finances

City of Prospect

10 Year Financial Plan for the Years ending 30 June 2031

UNIFORM PRESENTATION OF FINANCES - BUDGET 2021-2022

	Actuals 2019/20	Current Year 2020/21	2021/22	2022/23	2023/24	2024/25	Projected Years					
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Scenario: Adopted Annual Business Plan 2021-2022	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating Activities												
Income	24,886	25,204	25,973	26,784	27,747	28,823	29,947	30,977	32,058	33,179	34,342	35,546
less: Expenses	(24,897)	(25,444)	(26,709)	(26,814)	(27,302)	(27,853)	(28,854)	(29,357)	(29,867)	(30,358)	(31,407)	(31,869)
Operating Surplus / (Deficit)	(11)	(240)	(736)	(30)	445	970	1,093	1,620	2,191	2,822	2,935	3,678
Capital Activities												
less (Net Outlays) on Existing Assets												
Capital Expenditure on Renewal and Replacement of Existing Assets	(5,887)	(5,494)	(9,509)	(7,699)	(5,420)	(5,279)	(6,902)	(5,785)	(5,179)	(6,052)	(6,138)	(7,661)
add back: Depreciation, Amortisation and Impairment	4,605	4,955	5,070	5,139	5,357	5,463	5,996	6,027	6,078	6,110	6,695	6,674
add back: Proceeds from Sale of Replaced Assets	4,734	131	251	255	75	195	315	333	160	186	186	186
(Net Outlays) on Existing Assets	3,452	(408)	(4,188)	(2,305)	11	378	(592)	575	1,060	244	743	(801)
less (Net Outlays) on New and Upgraded Assets												
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	(3,063)	(3,165)	(1,535)	(4,482)	(1,452)	(951)	(700)	(1,272)	(728)	(1,381)	(758)	(1,379)
add back: Amounts Received Specifically for New and Upgraded Assets	1,203	2,222	3,103	3,160	-	-	-	-	-	-	-	-
add back: Proceeds from Sale of Surplus Assets (including Investment Property & and Real Estate Developments)	-	-	-	-	-	-	-	-	-	-	-	-
(Net Outlays) on New and Upgraded Assets	(1,860)	(943)	1,568	(1,322)	(1,452)	(951)	(700)	(1,272)	(728)	(1,381)	(758)	(1,379)
Net Lending / (Borrowing) for Financial Year	1,581	(1,592)	(3,356)	(3,657)	(996)	397	(198)	922	2,523	1,685	2,921	1,497

3.10 Operating Projects

LONG TERM FINANCIAL PLAN - OPERATING PROJECTS										
	LTFP Allocation									
Plan/Strategy	Year 1 2021 - 2022	Year 2 2022 - 2023	Year 3 2023 - 2024	Year 4 2024 - 2025	Year 5 2025 - 2026	Year 6 2026 - 2027	Year 7 2027 - 2028	Year 8 2028 - 2029	Year 9 2029 - 2030	Year 10 2030 - 2031
Prospect Road Destination Marketing Fund (funded by Separate Rate)	19,500	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
City Wide Public Art Roundtable	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Community Surveys - Resident Satisfaction	-	40,000	-	40,000	-	40,000	-	40,000	-	40,000
Economic Development Strategy (inc French Qtr, Invest Strategy, Network Prospect, ICF	106,000	100,000	100,000	63,000	63,000	63,000	63,000	63,000	63,000	63,000
Community Event Grants		22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000
Green Tunnel	249,533	313,000	313,000	313,000	313,000	313,000	313,000	313,000	313,000	313,000
Heritage Grant Program Incentive Scheme	18,000	19,000	20,000	21,000	22,000	23,000	24,000	25,000	26,000	26,000
Significant Tree Grant	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
IT Strategy	149,435	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000
PLEC	229,088	-	-	-	-	-	-	-	-	-
Strategic Plan Development	-	-	30,000	30,000	-	-	30,000	30,000	-	-
Major Event / Series of Events	165,000	195,000	195,000	195,000	195,000	195,000	195,000	195,000	195,000	195,000

Plan/Strategy	Year 1 2021 - 2022	Year 2 2022 - 2023	Year 3 2023 - 2024	Year 4 2024 - 2025	Year 5 2025 - 2026	Year 6 2026 - 2027	Year 7 2027 - 2028	Year 8 2028 - 2029	Year 9 2029 - 2030	Year 10 2030 - 2031
Your Prospect Magazine	66,500	66,500	66,500	66,500	66,500	66,500	66,500	66,500	66,500	66,500
Prospect Portrait Prize	6,000	-	6,000	-	6,000	-	6,000	-	6,000	6,000
Prospect Youth	10,000	-	-	-	-	-	-	-	-	-
Reconciliation Action Plan (inc Naidoc Week)	8,000	6,000	12,000	12,000	6,000	6,000	6,000	6,000	6,000	6,000
Periodic Election / Electoral Roll	-	90,000	-	-	-	90,000	-	-	-	90,000
Representation Review	-	-	-	-	-	-	30,000	-	-	-
By-Law Review	10,000	-	-	-	-	-	10,000	-	-	-
Integrated Traffic and Transport Plan	75,000	-	-	-	-	-	-	-	-	-
Makarrata	8,000	-	-	-	-	-	-	-	-	-
Public Health Plan	12,000	-	-	-	-	-	-	-	-	-
Asset Systems & Data Management	120,000	-	-	-	-	-	-	-	-	-
Project Management	50,000	-	-	-	-	-	-	-	-	-
Citizen of the Year	7,000	-	-	-	-	-	-	-	-	-
Jacaranda Tree Planting	33,000	-	-	-	-	-	-	-	-	-
Projects to be determined	-	138,500	225,500	227,500	296,500	171,500	224,500	229,500	292,500	162,500
Grand Total	1,372,056	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000

3.11 Capital Projects

LONG TERM FINANCIAL PLAN - CAPITAL PROJECTS														
					LTFP Allocation									
Project Name	New or Upgrade/Renewal	Asset Type	Funding Sources	Included in IAMP	Year 1 2021 - 2022	Year 2 2022 - 2023	Year 3 2023 - 2024	Year 4 2024 - 2025	Year 5 2025 - 2026	Year 6 2026 - 2027	Year 7 2027 - 2028	Year 8 2028 - 2029	Year 9 2029 - 2030	Year 10 2030 - 2031
Council Buildings & Structures	Renewal	2		Y	900,000	600,000	800,000	150,000	1,800,000	1,100,000	300,000	500,000	500,000	1,350,000
Fleet Management	Renewal	4	Trade In	Y	674,000	422,500	148,500	759,500	758,500	462,500	415,500	758,500	758,500	758,500
Footpath	Renewal	10		Y	460,000	460,000	460,000	460,000	460,000	460,000	460,000	460,000	460,000	460,000
Kerb and Gutter	Renewal	13		Y	823,250	1,044,693	1,062,970	1,500,498	1,091,525	1,356,303	1,502,330	1,248,358	1,294,385	1,340,413
Roads	Renewal	9		Y	2,178,594	1,357,158	1,644,393	1,149,263	1,064,864	1,007,760	1,087,584	1,240,200	1,396,779	1,359,587
Stormwater / Drainage	Renewal	11		Y	-	23,285	410,944	258,723	238,808	113,642	74,203	112,036	112,036	400,000
Open Space Strategy	New	8	Grant		388,575	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000
Additional Open Space Strategy	Renewal	8			-	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Asbestos Removal	Renewal	2			20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Driveway Rectification Program	New	10			30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Install Flow Sensors	New	8			24,000	-	-	-	-	-	-	-	-	-
Library Collection	Renewal	6	Grant		117,000	117,000	117,000	117,000	117,000	117,000	117,000	117,000	117,000	117,000
Public Art	New	7			25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Street Lighting Upgrades	New	8			10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Pedestrian Kerb Ramp	Renewal	10			25,850	25,850	25,850	25,850	25,850	25,850	25,850	25,850	25,850	25,850
Men's Shed Expansion	New	2			65,000	-	-	-	-	-	-	-	-	-
Elected Member iPads	Renewal	4			-	20,000	-	-	-	20,000	-	-	-	-
Staff PC Replacement	Renewal	4			-	235,000	-	-	235,000	-	-	235,000	-	-
Core Switch	Renewal	4			-	90,000	-	-	-	-	50,000	-	-	-
Telephony System	Renewal	4			60,000	-	-	-	-	-	-	-	-	-
Council Wide ERP Replacement	New	4			-	500,000	500,000	-	-	-	-	-	-	-

Project Name	New or Upgrade/ Renewal	Asset Type	Funding Sources	Included in IAMP	Year 1 2021 - 2022	Year 2 2022 - 2023	Year 3 2023 - 2024	Year 4 2024 - 2025	Year 5 2025 - 2026	Year 6 2026 - 2027	Year 7 2027 - 2028	Year 8 2028 - 2029	Year 9 2029 - 2030	Year 10 2030 - 2031
Galway Ave Roundabout Reconstruction	New	14			-	-	-	-	-	-	-	-	-	-
Broadview Oval/Yarnta Tutu Yarta Masterplan	New	8			-	250,000	-	250,000	-	250,000	-	250,000	-	250,000
Precinct/Hub Place Making	New	2			-	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Main North Road Masterplan (Staged)	New	10			-	-	250,000	-	-	250,000	-	300,000	-	250,000
Road / Design Construction	Renewal	9			75,000	-	-	-	-	-	-	-	-	-
Footpath Scrubber	New	4			57,000	-	-	-	-	-	-	-	-	-
Broadview Oval/Yarnta Tutu yarta Community & Sports Hub	New	2	Grant		1,000,000	3,000,000	-	-	-	-	-	-	-	-
Churchill Road; Road Reconstruction & Drainage Upgrade	Renewal	9	Grant		3,600,000	900,000	-	-	-	-	-	-	-	-
Livingstone Ave; Road Reconstruction & Drainage Upgrade	Renewal	9	Grant		575,000	1,725,000	-	-	-	-	-	-	-	-
Olive St; Road Reconstruction	Renewal	9	Grant		-	-	-	-	-	-	-	-	-	-
Projects to be defined	New	8			-	-	-	-	-	-	-	-	-	-
TOTAL UNFUNDED EXPENDITURE					11,108,269	11,930,486	6,579,657	5,830,834	6,951,547	6,323,055	5,192,467	6,406,944	5,824,550	7,471,350

Part D: Rating Strategy and Structure

2020-2021

4.1 Strategic Development

In setting rates, Council's primary consideration is the City of Prospect's Community Plan towards 2040. This Plan has been developed as a result of long term strategic planning, involving Council in consultation with special interest groups, Council's Audit Committee, Elected Member workshops, and input from the staff. Council also considers the current economic climate, which incorporates features such as:

- inflation rates and Consumer Price Index (C.P.I.);
- employment rates;
- Council's Treasury Management Policy;
- legislative changes; and
- the need to manage, maintain, and improve the community's physical infrastructure assets for future generations.

Council, in its deliberations, took into consideration the effect of rates on local businesses, and is mindful of maintaining the balance between economic development and community development, and Council's financial sustainability.

In considering the impact, Council assessed those elements of the Council's Strategic Management Plans relating to business development, including, but not limited to, the equity of the distribution of the rate burden between ratepayers, Council's policy on facilitating local economic development, changes in the valuation of commercial and industrial production properties, and specific infrastructure maintenance issues that will solely or principally benefit businesses. Council adopts as a broad philosophical position, that the rate in the dollar should be the same for all properties, except where there is clearly a different level of services available to ratepayers, or some other circumstances which warrant variation to the broad principle.

Council's ability to raise income from rents and lease payments, is tempered by its desire to ensure that community groups and sporting bodies, who are the lifeblood of any vibrant community, have sufficient resources to meet their obligations. As a result, concessional rental and lease arrangements often apply to these groups.

The fundamental principle of equity within the community, and assessment of the impact of rates across the area, forms the criteria for annual rates modelling, which is then used to develop a planned review of the basis of rating each year.

Historically

Since 1990 Council has maintained a consistent rating policy, by charging a minimum rate and a differential rate in the dollar according to land use.

In 2013-2014 Council applied two differential rates to the land use of vacant land, based on the planning zone of residential and non-residential. Both differentials are based on a 25% increase to the comparative land use differential, should the land be developed. In 2021-2022, Council will continue with this differential model.

The following table provides a summary of the rating practices over recent years.

Year	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Minimum	1,090.00	1,118.00	1,160.00	1,200.00	1,239.00	1,263.00	1,287.00
Res Val at Min	338,150	349,837	381,823	391,338	415,660	416,076	425,806
Res Rate in \$	0.00322342	0.00319577	0.00303805	0.00306640	0.00298080	0.00303550	0.00302250
Non-Res Val at Min	159,523	170,867	181,846	190,166	209,213	204,882	204,822
Non-Res Rate in \$	0.00683288	0.00654307	0.00637904	0.00631026	0.00592218	0.00616450	0.00628350
Vacant Land (Residential) Val at Min	270,520	279,870	305,459	313,070	332,528	332,860	340,644
Vacant Land (Residential) Rate in \$	0.00402927	0.00399471	0.00379756	0.00383300	0.00372600	0.00379438	0.00377813
Vacant Land (Non- Residential) Val at Min	127,618	136,694	145,476	152,133	167,371	163,906	163,857
Vacant Land (Non- Residential) Rate in \$	0.00854110	0.00817884	0.00797380	0.00788783	0.00740273	0.00770563	0.00785438

Over the same period, the increase in the residential housing sector remained consistent. The following table demonstrates the changes in Rate Revenue and Rateable Valuation.

Year	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Total Valuation	4,962 mill	5,205 mill	5,629 mill	5,841 mill	6,280 mill	6,323 mill	6,550 mill
% Inc Total Val	4.18%	4.88%	8.14%	3.76%	7.77%	0.68%	3.59%
General Revenue	18,380,992	19,047,827	19,763,433	20,686,683	21,611,395	22,219,812	22,864,187
% Inc Gen Revenue (before mandatory rebate)	4.79%	3.60%	3.75%	4.46%	4.47%	2.90%	2.90%
Minimum Rate	1,090.00	1,118.00	1,160.00	1,200.00	1,239.00	1,263.00	1,287.00
% Inc Min Rate	3.8%	2.6%	3.75%	3.4%	3.27%	1.9%	1.9%

4.2 2021-2022 Rate Increase

Total Rates Revenue

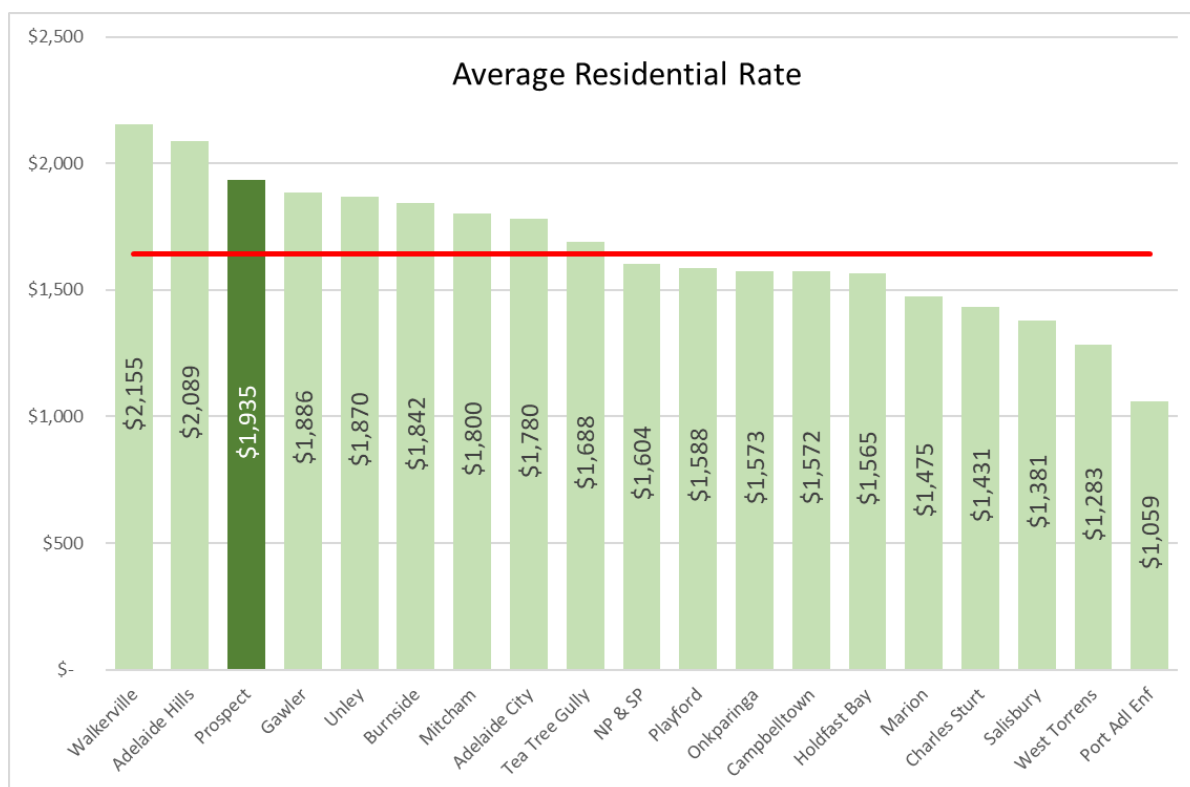
For 2021-2022 the total rates revenue is to increase by 1.9% excluding growth. Total residential rate revenue, commercial rate revenue, vacant land and growth (due to development), is to provide a total rate revenue increase of 2.9%. Overall Development Growth recognised by the Valuer-General is approximately 1.0%.

Average Residential Rate

To provide the community with a level of services similar to other councils (who have a lower dependency on residential rates), Council will continue to depend on rates to fund these services.

Council has limited opportunity to gain revenue other than from rate income. As an inner urban City, we are viewed as being more affluent than the outer-metropolitan councils, thus our Government grant income is lower. Similarly, our geography limits our income from industrial developments and larger commercial activities. That is, in relative terms, Council has fewer commercial properties that contribute proportionally less to total rate revenue compared to many other metropolitan councils.

The following chart shows the comparison of the average residential rates levied in 2020-2021 by each metropolitan Council.



The Average Residential Rate (including development growth) is \$1,972 compared to \$1,935 in 2020-2021. This equates to an increase in the order of approximately 1.90% or \$37 per year.

The following table indicates the rate increase (including Growth) in relation to the differing land uses within our City in recent years.

Land Use	Change in Valuation for 2020-2021 (incl. Growth)	Change in Valuation for 2021-2022 (incl. Growth)	Increase in Rate Revenue for 2021-2022 (incl. Growth)
Residential	0.86%	3.79%	3.49%
Non-Residential	2.19%	0.06%	3.68%
Vacant Land (Residential)	11.23%	-27.11%	-28.81%
Vacant Land (Non-Residential)	2.33%	-0.90%	1.01%

When Council deliberates the budget, Rate Capping, Concessions, Discretionary Rebates, and Full Year Payment Discount were taken into consideration.

4.3 2021-2022 Rating Structure

Method Used to Value Land

Council uses the services of the South Australian Office of the Valuer-General to establish the value of land within the Council area for rating purposes. The Valuer-General must comply with all requests from Council to value land within the area that is subject to separate ownership or occupation, and is therefore assessable for council rates.

The basis for valuation of land in the City of Prospect is the capital value of the land including all improvements. Council considers that the capital valuation method of valuing land provides the fairest method of distributing the rate burden across all ratepayers for the following reasons:

- The equity principle of taxation requires that ratepayers of similar wealth pay similar taxes, and ratepayers of greater wealth pay more tax than ratepayers of lesser wealth. Property value is considered a relatively good indicator of wealth.
- Capital value, which trends with the market value of a property, provides the best indicator of overall property value.
- Council considers the Valuer-General's capital valuations to be consistent across council areas, and stable in their basis of assessment.

Trend in Valuations

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

Class	Increase in Value						
	2015 to 2016	2016 to 2017	2017 to 2018	2018 to 2019	2019 to 2020	2020 to 2021	2021 to 2022
Residential	0.35%	7.45%	8.12%	3.46%	7.20%	0.95%	3.79%
Non Residential	4.64%	4.46%	8.43%	3.99%	12.16%	2.19%	0.06%

Valuation movement for the Residential Properties for 2021-2022

The valuation movement for 2021-2022 in the residential sector remained constant across our City to that of 2020-2021.

Suburb	No of Properties (excl. tenancies)	Increase in Capital Value (Incl. Growth) 2021-2022	Residential Growth 2021-2022
Broadview	908	1.99%	1.10%
Collinswood	643	0.94%	-0.03%
Fitzroy	289	3.25%	0.07%
Medindie Gardens	121	1.16%	0.79%
Nailsworth	863	3.19%	0.39%
Ovingham	119	2.50%	0.08%
Prospect	5,857	4.61%	1.85%
Sefton Park	180	1.58%	0.09%
Thorngate	68	5.20%	0.07%
Total all suburbs	8,906	3.79%	1.28%

Valuation movements by Land Use

The valuation movement between the different sectors of the community is to be consistent when compared to past years. Commercial and industrial properties have increased as a result of continuing demand throughout the area, due to the proximity to major transport infrastructure and routes.

Growth

Property valuations will increase/decrease if the land use of the property has changed (e.g. residential to commercial), or if there has been any development of the property (including significant renovations). The change in valuation associated with these changes is termed “growth”.

Council can request if properties require site visits to be assessed for revaluation by The Office of the Valuer-General. Site visits usually occur due to the following:

- significant capital improvement having been undertaken on the land;
- where the predominant land use of the property may have changed (for example from residential to commercial);
- where a change in ownership/occupation occurs during the year, particularly where the sale price is significantly different to property value; or
- where there is a change of lease arrangements, particularly for non-residential tenancies.

4.4 Differential General Rates

Council considers the imposition of a differential general rate each year, in accordance with Section 156 of the Local Government Act 1999. When considering the imposition of differential general rates, the differential factor used by Council is land use. The following differential land use factors are used:

1. **Residential:** Comprising the use of land for a detached dwelling, group dwelling, multiple dwelling, residential flat building, row dwelling, or semi-detached dwelling.
2. **Commercial Shop:** Comprising the use of land for a shop.
3. **Commercial Office:** Comprising the use of land for an office.
4. **Commercial Other:** Comprising any other commercial use of land not referred to as a shop or office.
5. **Industry Light:** Comprising the use of land for a light industry.
6. **Industry Other:** Comprising any other industrial use of land not referred to as light industry.
7. **Primary Production:** Comprising farming, horticulture, horse keeping, intensive animal keeping, or in respect of a dairy situated on a farm (the use of land for a dairy).
8. **Vacant Land:** Comprising land, which is not being used for any purpose.
9. **Other:** Comprising any other use of land not referred to in the categories specified above.

For the 2021-2022 financial year, Council intends to continue with four differential rates being:

- Residential rate in the dollar includes differential factors 1 (Residential). It is expected that approximately 82% of general rate revenue will be generated from residential rates.
- The Non-Residential rate in the dollar includes differential factors 2 (Commercial Shop), 3 (Commercial Office), 4 (Commercial Other), 5 (Industry Light), 6 (Industry Other), 7 (Primary Production), and 9 (Other). It is expected that approximately 16.7% of general rate revenue will be generated from non-residential rates.
- Vacant Land (Residential) rate in the dollar includes differential factor 8, where land lies in the residential planning zone is expected that approximately 0.9% of general rate revenue will be generated.
- Vacant Land (Non-Residential) rate in the dollar includes differential factor 8, where land lies in planning zones other than residential is expected that approximately 0.5% of general rate revenue will be generated.

The purpose of the differential rate on commercial/industrial properties, is to recover from the business sector a greater share of costs relating to:

- Economic development and promotion.
- City amenities which enhance retailing, e.g. parking.
- More intensive road and traffic requirements.

The purpose of the differential on vacant land is to:

- Provide a disincentive to withholding land from development.
- Recognise the cost of surrounding infrastructure and services.

Fluctuations in property market valuations between the commercial/industrial and residential sectors can, at times, lead to inconsistencies in rate revenue contributions.

To assist in addressing the shift in the rate responsibility between land use categories, Council has determined that the proportion of total rate revenue contribution payable by the commercial/industrial sector, should increase over time.

The following table shows the spread of land use types across the Council area for 2021-2022.

Class	Description	Example	No. of Properties 2021-2022	%
1	Residential	House, maisonette, townhouse, flat	9,545	92.7%
2	Commercial – Shop	Supermarket, hairdresser	295	2.9%
3	Commercial – Office	Accountant, administrative	111	1.1%
4	Commercial – Other	Showroom, warehouse	173	1.7%
5	Industrial Light	Vehicle service, Service Station	28	0.3%
6	Industrial Other	Clothing, Manufacture	8	0.1%
7	Primary Production	Rural Farm Land, Horticulture, Vineyard	0	0.0%
8a	Vacant Land Residential	Unoccupied land, footings only	79	0.8%
8b	Vacant Land Commercial	Commercial Vacant Land	5	0.0%
9	Other	School, Church, Hall, Health Centre, Reserves	52	0.5%
			10,296	100%

4.5 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 and is more equitable in sharing the taxation burden (in that land value determines who is subject to the minimum rate and who is not), rather 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).

In addition, the Act does not allow exemptions to be granted in relation to a fixed charge. As a result, the imposition of a fixed charge would disadvantage lower income earners (including self-funded retirees) and owners of vacant shops, and therefore the overall effect of each is very similar. Council considers it appropriate that all rateable properties make a contribution to the cost of administering Council’s activities, and that all rateable properties make a contribution to the cost of creating and maintaining the physical infrastructure that supports each property, and the basic services provided for all ratepayers.

Council will maintain the ratio of minimum rate over the total number of properties to approximately 25% for 2021-2022. As the cost of services continue 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. With a recent influx of apartment style dwellings within the city, Council is increasing the minimum percentage with these assessments predominately being rated under the minimum threshold. If it does not do this, the minimum rate will increase at a reduced percentage to the average residential rate.

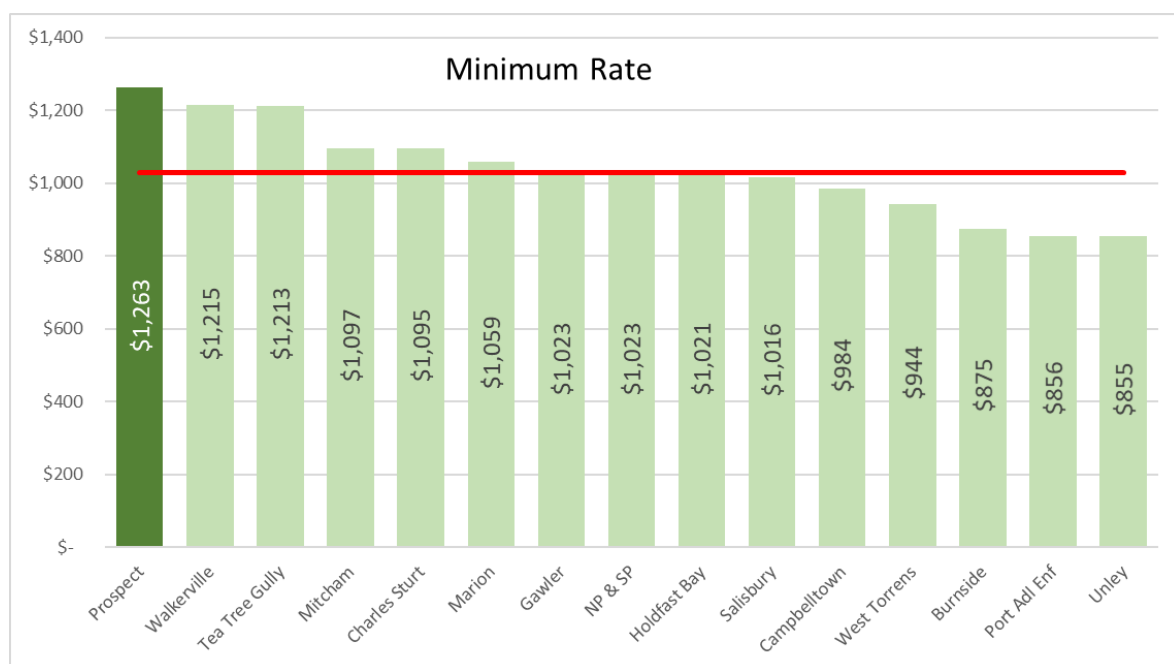
The minimum rate is levied against the whole of an allotment (including land under a separate lease or licence). Where land comprises less than a whole allotment (provided no lease or licence exists) the minimum rate cannot be applied. Only one minimum rate is levied against two or more pieces of adjoining land (whether intercepted by a road or not), if they are owned by the same owner and occupied by the same occupier. This is described as contiguous land.

Independent living units (in a retirement village) are exempt from paying the minimum rate.

In 2021-2022, the minimum rate will increase by \$24 or approximately 1.9% to an amount of \$1,287 (\$1,263 2020-2021). Approximately 2,659 (or approximately 25.8%) of properties are expected to attract the minimum rate in 2021-2022, which is well under the legislated maximum of 35% (indicated by the red line). These assessments contribute approximately 14.90% of total general rates revenue.

Classification	No. of Assessments	No. on Minimum	% on Minimum	Proportion of Min	Rates Collected	% of Total Rates
Residential	9,545	2,574	26.97%	96.8%	18,812,975	81.9%
Commercial Shop	295	37	12.54%	1.4%	1,607,216	7.0%
Commercial Office	111	18	16.22%	0.7%	480,048	2.1%
Commercial Other	173	14	8.09%	0.5%	1,081,431	4.7%
Industry Light	28	1	3.57%	0.0%	126,656	0.6%
Industry Other	8	1	12.50%	0.0%	27,626	0.1%
Primary Production	0	0	0.00%	0.0%	0	0.0%
Vacant Land Residential	79	14	17.72%	0.5%	154,253	0.7%
Vacant Land Non-Residential	5	0	0.00%	0.0%	116,441	0.5%
Other	52	0	0.00%	0.0%	555,778	2.4%
Total	10,296	2,659	25.83%	100%	22,962,424	100%

Below is a table that indicates the minimum rate payable in 2020-2021 at metropolitan Councils. Councils not included, charge a 'Fixed Charge' as opposed to a 'Minimum Rate'.



4.6 Remissions (Government Concessions)

In 2015, the State Government replaced Council Rate concessions with the Cost of Living Concession (CLC).

Council no longer has any involvement in Concessions under the new scheme, with concessions paid directly to recipients. Under the old program these were credited to rate accounts.

To check for eligibility or find out more information about the Cost of Living Concession, contact the Department for Communities and Social Inclusion (DCSI) Concessions Hotline 1800 307 758 or visit www.sa.gov.au.

4.7 Financial Hardship

Where a ratepayer is suffering financial hardship and anticipates difficulty in paying council rates, they are encouraged to contact the Rates Administration for informal advice in the first instance.

Council has developed a dedicated Financial Hardship Policy. Please refer to the Financial Hardship Policy for details.

All enquiries are treated with the strictest confidence.

4.8 Postponement

Seniors

Section 182A of the Local Government Act 1999, provides the option for State Senior Card holders to apply to postpone part of their Council rates on a long-term basis. The deferred amount is subject to a monthly interest charge, with the accrued debt being payable on the disposal or sale of the property. A ratepayer who has a State Seniors Card may apply for postponement of a portion of the Council rates payable on the property they own, if it is their principal place of residence and if no other person other than their spouse has an interest as owner of the property, and there is appropriate equity in the property. For further information or to obtain an application form, contact the Rates Department on 08 8269 5355.

Relief from Hardship

Section 182 of the Local Government Act 1999, permits a Council on the application of the ratepayer, to partially or wholly remit rates or to postpone rates on the basis of hardship.

The amount postponed shall not exceed the difference between the minimum general rate and the total general rate levied for the property each year, and no postponement will apply to the Natural Resources Management Levy.

All applications for postponement of rates will be assessed on a case by case basis, and are not contingent on the level of increase in rates payable. Council has developed a policy on Financial Hardship, please refer to this policy for further detail.

4.9 Payment of Rates

Council provides a broad range of payment options for the payment of rates. Rates are usually declared in June each year and levied on the first business day of July. Rates may be paid either in full or in quarterly instalments, with the last date for payment of each instalment being the:

- 1 September 2021
- 1 December 2021
- 1 March 2022
- 1 June 2022

Payment may be made a number of ways including BPay, Australia Post (in Person, Internet and Phone), Direct Debit (cheque or savings account only), Council's online payment system, Phone payments, or in person at the Council office. For more information, please refer to the reverse side of your rates notice or contact Customer Service on 8269 5355.

Any ratepayer who may, or is likely to experience difficulty with meeting the standard payment arrangements, should contact the Rates Administration Team to discuss options for alternative payment arrangements. Such enquiries are treated confidentially by Council.

4.10 Receiving Rates Notices Electronically

Council provides the option to receive your rates notices electronically through Bpay View and EzyBill.

Registrations for Bpay View are made through the Rate Payers internet banking with their nominated financial institution.

Registrations for EzyBill can be made here: <https://prospect.ezybill.com.au/>

Paper copies of Rate Notices are suspended while there is an active Bpay View Registration. This leads to an environmental and cost saving for the delivery of Rate Notices. In addition, Notices are received immediately from our printer, and most financial institutions provide payment reminders in the days leading up to the due date.

There is no cost to receive notices electronically.

4.11 Late Payment of Rates

Section 181 of the Local Government Act 1999, provides that if an instalment of rates is not paid on or before the last day for payment, the unpaid rates will be regarded as being in arrears, and a fine of 2% is payable.

Any payment that continues in arrears then accrues monthly interest on the amount in arrears, (including any fines). The rate of interest is variable according to current cash advance debenture rate as at 1 July, and is prescribed in Section 181 of the Local Government Act 1999.

The purpose of this penalty is to act as a deterrent to ratepayers who might otherwise fail to pay their rates on time, to allow Council to cover the administrative cost of following up unpaid rates, and to cover any interest cost the Council may meet because it has not received the rates on time.

Where an amount of rates remains outstanding after the expiration of the last date to pay, a notice of overdue rates will be sent to the ratepayer allowing a further three-week extension.

If, after the expiration of the reminder notice no arrangement for payment has been made, the account will be referred to Council's Collection Agency for their processing, which involves:

1. a letter requesting that payment or satisfactory arrangements for payment be made within 7 days. If no payment or satisfactory arrangement is made;
2. a legal action notice seeking full payment of the overdue rates within 14 days or legal action may be taken. If no payment or satisfactory arrangement is made;
3. legal action may be commenced.

All fees and court costs are recoverable from the ratepayer.

Where rates have been unpaid for a period of more than 3 years, a written notice will be sent to the ratepayer advising them of Council's ability to recover rates via sale of land, encouraging their cooperation in making arrangements to pay the debt, and giving the ratepayer an opportunity to make a submission to Council explaining their situation.

Where a current mortgage is held over the property, this letter will also be forwarded to the mortgagor.

If no response to the first written notice has been received within 21 days, a second notice in writing will be issued advising:

- The commencement of implementation of procedures associated with Section 184 of the Local Government Act 1999, (sale of land for non-payment of rates);
- Encouraging payment or arrangements to pay the debt; and
- Explaining that the ratepayer has an opportunity to make a submission to Council explaining their situation and/or contact the Ombudsman.

A further 21 days after, the second notice will be provided for the ratepayer to either:

- Discharge or make arrangements to pay the debt;
- Be heard by Council; or
- Have the issue addressed by the Ombudsman.

If a course of action to remedy the position has not been resolved after the above steps are carried out, Council may commence the sale of the property in accordance with Section 184 of the Local Government Act 1999.

4.12 Mandatory Rebates

The Local Government Act (sections 159 – 165) requires Council to rebate the rates payable on some land. Specific provisions are made for land used for health services, community services, religious purposes, public cemeteries, the Royal Zoological Society, and educational institutions. These rebates vary from 25% to 100% and will be applied upon application and or verification of existing status.

A complete list of all mandatory rebates is provided to Council after declaration of rates. A copy of this list is available from the Rates Administrator on request.

The Local Government (Miscellaneous) Amendment Bill 2009 has been passed by Parliament, and the outcome is that under section 161 (4) (C) (iii) “Supported Accommodation”, all accommodation for persons provided by housing associations registered under the South Australian Co-Operative and Community Housing Act 1991, will now be eligible for a mandatory rebate.

The number of mandatory rebates expected to be provided during the 2021-2022 financial year are:

Mandatory Rebate	No. of Assessments
Community Services (s161)	104
Religious Purposes (s162)	37
Public Cemeteries (s163)	1
Educational Purposes (s165)	6
Total	148

4.13 Discretionary Rebates

The Local Government Act 1999 Section 166, enables Council to give discretionary rate rebates up to 100% for land used for the purposes of community good, business development, historic conservation, or public access. A discretionary rebate may be granted where it is considered by Council to be appropriate to provide relief against what would otherwise amount to a substantial change in rates payable by a ratepayer.

Council will consider applications in accordance with Section 166 criteria, and may rebate rates and/or apply such conditions as Council thinks fit. Discretionary rebates granted will be for a particular financial year, with a new application required to be made to Council every four (4) years to align with a council term, provided the applicant's circumstances and use of the land have not changed.

Organisations who have received a discretionary rebate in the current year, are to be advised in writing annually of the need to submit a declaration that the land use and conditions of approval have not changed.

Organisations who have received a discretionary rebate in the current year, are to be advised in writing of the need to submit a new application when the four (4) year term is near. Applications for discretionary rebates are to be received by first instalment date for the relevant financial year.

In assessing applications the following factors will be considered:

- the nature and extent of council services provided in respect of the land for which the rebate is sought, in comparison to similar services provided elsewhere in its area;
- the community need that is being met by activities carried out on the land for which the rebate is sought;
- the extent to which activities carried out on the land for which the rebate is sought provides assistance or relief to disadvantaged persons;
- confirmation that the property is being used for "service delivery" and/or "administration" (as distinct from a property which is vacant or being held for investment purposes);
- the organisation's constitution and/or documentation confirming whether it is incorporated on a not-for-profit basis, public sector body, and/or registered charity;
- the extent of assistance being provided by Commonwealth or State Government, other Councils, and/or non-government assistance;
- the full financial consequence of the rebate, including establishment of precedence and "flow-on effects" to other organisations and/or Councils;
- whether the applicant is in receipt of a Community Grant;
- any relevant historical considerations; and
- Where the rebate application is for the purpose of:
 - securing the proper development of the area or a part of the area;
 - assisting or supporting a business in the area;
 - preservation of buildings or places of historic significance; or
 - common property or land vested in a community corporation, over which the public has a free and unrestricted right of access and enjoyment.

4.14 Maximum Rate Increase/Rate Capping

Rate Capping is in the form of a rebate or remission of rates above an approved threshold. This amount remitted is treated as revenue forfeited for budget purposes, unless recovered from other ratepayers.

Rate capping can be administered either automatically by reducing the amount payable (i.e. netting off the remission) before the ratepayer receives his or her rates notice, or manually by rating the gross amount payable and requiring the ratepayer to formally apply for a remission.

Another form of remission provided for under the legislation takes the form of a Council Concession. This form of remission would involve identifying those ratepayers in receipt of a State Government concession, and topping up the subsidy they receive by further remitting rates or introducing a rate cap for this class of ratepayer. This concession would be treated as an expense in budget terms.

It should be noted that the introduction of a Council concession or rate capping would shift the rate burden from those receiving the concession, to those not receiving the concession.

Council may grant a rebate which effectively “caps” increases in rates based on property value, for the purposes of relieving ratepayers from the impact of very large increases in rates resulting from a redistribution of the rates burden within the community, arising from a change to the basis or structure of the Council’s rates, or a change to the basis of which land is valued for the purpose of rating, rapid changes in valuations, or anomalies in valuations.

When considering rates for the 2021-2022 financial year, and in accordance with Section 153 of the Local Government Act 1999, Council has given consideration in its 2021-2022 budget deliberations to applying a percentage “cap” to limit the increase in rates, compared to the previous financial year. The principle of remitting the “capped amount” would result in consistency over time, and comparability across council areas. This option was not adopted on the basis that Council has chosen a carefully controlled approach to rate increases in recent years. During its deliberations, Council was mindful of the fact that provision of a discount to some ratepayers with high increases, results in all other ratepayers paying extra, effectively shifting the rate burden from those receiving the benefit of a cap to those below the cap.

4.15 Regional Landscape Levy

The Regional Landscape Levy was formally known at the Natural Resources Management (NRM) Levy.

Council collects a Regional Landscape Levy on all rateable properties on behalf of the Green Adelaide board. The Levy funds vital projects and is a combination of contributions South Australian ratepayers previously made through their Catchment Water Management Levies, and/or animal and plant control rate revenue contributions from local government.

Council is simply operating as a revenue collector for the Board in this regard. Council is yet to be advised of the contribution for 2021-2022.

Council does not retain this revenue or determine how the revenue is spent. Council collects this money (\$608,912 for 2021-2022, up from \$598,843 for 2020-2021) by imposing a separate rate against all of the rateable properties in the area. The rate in the dollar for this separate rate is 0.00009425 in 2021-2022.

4.16 Village Heart Marketing Fund

Since 2017-2018, Council has managed a new fund for the marketing and promotion of the Prospect Road Village Heart. This fund is provided to finance activities as directed by the Village Heart Marketing Fund Committee.

The fund will source its income via a separate rate applied to all non-residential properties along Prospect Road, bordered at the North by Gladstone and Alpha Roads, and to the South by Buller and Ballville Roads.

Each assessment within the zone will contribute \$150 each 2021-2022.

The fund will collect \$19,500 for administrative support, marketing and promotion works.

A rebate will continue to be available to businesses that hold multiple adjacent tenancies as part of their business. This rebate will be available via application on Council's website and must be submitted prior to the first instalment due date (1 September 2021).



**For further information contact:
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