

2022-2023

Annual Business Plan & Budget



Version Control

Version	Status	Date
Version 0.1	Internal Draft (Not for Publication)	9 April 2022
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Version 0.3	Audit Committee – Revised LTFP	19 April 2022
Version 0.4	Council Endorsement for Community Consultation (Agenda)	21 April 2022
Version 1.0	Public Consultation	28 April 2022
Version 1.1	Final for Adoption Agenda	22 June 2022
Version 2.0	Adopted by Council	28 June 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 has sought feedback on its Annual Business Plan 2022-2023, which includes the Budget and Rating Policy for 2022-2023, before finalising this document.

Consultation events include:

- Community Engagement Hub - Online Submissions / Survey
- Local Schools Focus Groups
- Focus Group 18 – 25 year olds
- Focus Group (open to all ages)
- Online Webinar
- Drop In Session @ Payinthi (24 May 2022)

Feedback submissions on the Annual Business Plan 2022-2023 were accepted up until 25 May 2022. All feedback received, was presented to a Council at the 7 June 2022 Workshop, before being formally received at the 28 June 2022 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 15 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 2022-2023, which includes the:

- Strategic Management Plans & Framework;
- Annual Budget for 2022-2023;
- Long Term Financial Plan for 2023-2032; and
- Rating Strategy for 2022-2023.

Unless indicated otherwise, all financial information has been presented in current day valuation (2022). Indexation has been applied to predictions established from the asset management plans. The Long Term Financial Plan, 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.

Recent changes to the Local Government Act 1999 and its associated Regulations have introduced the 'Rates Oversight Scheme'. 2022 is the first year of the scheme being in place with City of Prospect identified as a Tranche 1 Council. As a result, this Annual Business Plan and its associated key strategic documents will be reviewed by the Essential Services Commission of SA (ESCOSA). A report from ESCOSA's review will be available from both ESCOSA's and Council's websites following completion of the review (estimated February 2023).

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Message from the Mayor

My fellow residents,

After a year of extraordinary project grants, with most requiring matching debt funding to capture the fleeting opportunity, this budget year is far more constrained and is largely focussed on delivering projects already approved.

In addition to the elected member's desire for constraint, construction costs have been escalating more than 8.0% per annum, requiring higher allowances for all future infrastructure renewals well above the underlying rises in costs of living experienced by our community members.

In response to these dual challenges, elected members have approved substantial savings in the recurrent budget, with a view to minimising the impact of construction cost increases on your rates.

As a result, operating savings of more than \$500,000 in this coming year have been achieved, with an additional savings being factored in the next 2 years as part of our Long-Term Financial Plan forecast. These cuts to the recurrent budget alone avoid an additional 2.2% rate increase in 2022-2023, and an almost 3% rates increase over that 3 year period.

The significant reductions proposed to the recurrent budget include:-

A 50% cut to Council's Events program, with major events such as the street party cut, and the number of smaller events reduced;

Cessation of Economic Development services such as Main Street support, business training, networking functions, marketing assistance, Innovation Awards, Smart City programs, public Wi-Fi, and more. Business and investment attraction remains, as does support for the Main Street Marketing Fund for use by local traders;

Rationalisation of various internal budgets, most notably Council's internal staff training budget, to the tune of more than \$100,000 per year;

A reduction in on-demand hard waste collections (from 3 per year to 2 per year);

Major investments included in the draft Annual Business Plan for completion or commencement include:

- \$3.5m for the renewal of a range of Roads, Footpaths, Kerbs & Gutters;
- \$4.65m for the construction of the Broadview Oval Community and Sports Hub (\$1.5m grant funded);
- \$2.3m for the reconstruction of Livingstone Avenue from Mendes Street to Prospect Road, and drainage upgrade along Hillsdale Street (\$1.15m grant funded);
- \$0.95m for Stage 1 of the \$4.5m Churchill Road Precinct Drainage Upgrade and Reconstruction (\$3m grant funded);
- \$0.273m for "Green Tunnel" Projects, increasing the number of street trees planted in line with our Tree Strategy 2021-2026;
- \$0.22m for the upgrade of Percy Street Reserve;
- \$0.26m for Stage 1 of the upgrade of the Broadview Tennis Facilities;
- \$0.1m for the upgrade of the Prospect Oval Toilet Block and services; and
- \$0.08m for the Memorial Gardens Pavilion Toilets Renewal.

For 2022-2023 the increase in rates for the average residential property is projected to be approximately 4.7% noting that substantial variances may arise across the city due to differences in individual property revaluations by the State Government in response to recent market activity. In response, Council will once again reduce the rate in the dollar to compensate for the large valuation increases experienced across the city in recent years.

Developing this Annual Business Plan has not been an easy exercise. Your Council has worked hard to balance significant cost pressures against the ongoing delivery of high quality services and the renewal and improvement needs of community facilities and infrastructure, balancing the competing needs and wants of the present, whilst ensuring inter-generational equity through appropriate investment in our collective future.

We can only achieve this with the assistance of the other governments. Financial Assistance Grants are received from annually from the Federal Government by every council. City of Prospect will receive \$465,106 in funding for the 2022-2023 year, which equates to the minimum entitlement, approximately 1.6% of our total required revenue.

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 2022-2023 budget to retain public library funding at 2021-2022 levels, or \$161,000 for our council. We will continue to enjoy receipt of Roads to Recovery funding of \$204,085, Local Roads Funding of \$232,439 and Supplementary Road Funding of \$105,000 providing valuable assistance for our road maintenance tasks.

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

Working together we will continue to improve and renew our City to achieve our vision of a progressive, sustainable, and connected community for the benefit of all.

Mayor David O'Loughlin

Part A: Strategic Management Plans and Framework 2022-2023

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 2022-2023.

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 2023-2032, 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 2022-2023 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;
- community safety, public nuisance management and environmental health (immunisations and food business inspections);
- street cleaning and rubbish collection; and
- development planning and control including safety assessments.

Services that the community have come to expect that Council will provide:

- Aged and Youth Services including Community Home Support;
- Business and Investment attraction;
- Community Events & Grants including citizenship ceremonies;
- Environmental Initiatives;
- Library (including access to one card system, public Wifi / computer access and printing/photocopying);
- Local History collection and research database;
- Public realm beautification and public art.

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 2022-2023 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 2022-2023

As well as documenting the strategic drivers, actions, and planned outcomes for the 2022-2023 financial year, the Draft 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 third 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

As per Council's resolution on 28 June 2022, Community Plan towards 2040 objectives no longer funded in this plan have been removed. In addition, Council has "Supporting Services" that underpin the Community Plan but are not a direct action identified within the plan itself.

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 2022-2023 – Pillar: Connected & Caring

	Expenditure \$	Income \$	Net Cost \$
Recurrent	2,259,939	999,280	1,260,659
Operating Projects	120,000	-	120,000
Capital Projects	-	-	-
Total	2,379,939	999,280	1,380,659
% of Total Budget	6.01%	3.46%	

2022-2023 Operating & Capital Projects

Project No.	Operating Project and Description	Expenditure \$	Income \$	Net Cost \$
OP.15	Flexible Major & Community Events			
	To deliver a community focussed events program to be held throughout the year as guided by Public Health Directions. Program continues the revised community focus following Tourrific cancellations.	120,000	-	120,000
		120,000	-	120,000

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

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*

- 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 Payinthi
- 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

*As per Council's resolution on 28 June 2022, Community Plan towards 2040 objectives no longer funded in this plan have been removed.

Budget Summary 2022-2023 – Pillar: Active & Engaged

	Expenditure \$	Income \$	Net Cost \$
Recurrent	2,420,815	379,110	2,041,705
Operating Projects	66,500	22,500	44,000
Capital Projects	812,491	-	812,491
Total	3,299,806	401,610	2,898,196
% of Total Budget	8.33%	1.39%	

2022-2023 Operating & Capital Projects

Project No.	Operating Project and Description	Expenditure \$	Income \$	Net Cost \$
OP.26	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
		66,500	22,500	44,000

Project No.	Capital Project and Description	Expenditure \$	Income \$	Net Cost \$
CAP.1	Toilet Block Renewal The renewal of the Prospect Oval toilet block.	100,000	-	100,000
CAP.2	Memorial Gardens Pavilion Renewal To upgrade the current structure, remove toilets and construct storage space.	80,361	-	80,361
CAP.4	Toilet Renewal Works Basic renewal works to six Public Toilets.	128,578	-	128,578
CAP.22	Open Space Lighting - St Helens Park & Barker Gard Upgrade to safety lighting for Barker Gardens (\$45,000) and design for safety lighting for St Helens Park (\$10,000)	55,000	-	55,000
CAP.23	Open Space Strategy - Percy Street Reserve Upgrade Design and construction for the Percy Street Reserve upgrade including \$125,000 for construction, \$60,000 for full irrigation upgrade, \$30,000 for playground shade.	215,000	-	215,000
CAP.24	Open Space Strategy - Peppermint Gums Desgn/Constr Detailed design and construction for the Peppermint Gums Reserve upgrade including \$50,000 for design, \$490,000 for construction, \$70,000 for full irrigation upgrade.	40,000	-	40,000
CAP.45	NAFC Chair Lift To enable game day access to oval through main entrance. The wheelchair lift will enable wheelchairs to access the stairway currently blocking entry.	55,000	-	55,000
CAP.46	Open Space Strategy - Matthews Res Consul/Concept Design and community consultation for Matthews Reserve, that is due to be upgraded in the 2023-2024 Financial Year.	15,000	-	15,000

Project No.	Capital Project and Description (cont.)	Expenditure \$	Income \$	Net Cost \$
CAP.47	Library Collection			
	This project covers the library's annual stock purchasing budget - a combination of state government grant and council contributed funds.	123,552	-	123,552
		812,491	-	812,491

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 2022-2023 – Pillar: Proud of our past, Excited by our future

	Expenditure \$	Income \$	Net Cost \$
Recurrent	1,486,042	198,000	1,288,042
Operating Projects	62,000	4,400	57,600
Capital Projects	-	-	-
Total	1,548,042	202,400	1,345,642
% of Total Budget	3.91%	0.70%	

2022-2023 Operating & Capital Projects

Project No.	Operating Project and Description	Expenditure \$	Income \$	Net Cost \$
OP.14	National Naidoc Committee and Reconciliation Australia Provision of local activities aligned to the theme and requirements outlined by the 'National NAIDOC Committee' and 'Reconciliation Australia'.	6,000	-	6,000
OP.18	Payinthe Kumangka Progression of Makarrata initiative - Six Steering Group meeting and Four Community Forums	27,000	-	27,000
OP.25	Sesquicentennial History Book Project Council has previously granted a total of 20k across the previous 2 FY's to the Prospect Local History Group for them to engage the services of a historian to update the previous history book on Prospect (Prospect 1872-1972: A Portrait of a City by Max Lamshed) to mark the Sesquicentenary of Prospect in 2022. While the manuscript is now nearly complete, the PLHG have approached Council for additional funds to pay for the design and printing of the new publication. Council will be able to keep profits from the sale of the publication once completed.	10,000	4,400	5,600
OP.24	Heritage Incentive Scheme Allocation of funding to encourage and facilitate the restoration of heritage properties within City of Prospect.	19,000	-	19,000
		62,000	4,400	57,600

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 2022-2023 – Pillar: Proud of our past, Excited by our future

	Expenditure \$	Income \$	Net Cost \$
Recurrent	11,700	-	11,700
Operating Projects	-	-	-
Capital Projects	-	-	-
Total	11,700	-	11,700
% of Total Budget	0.03%	0.00%	

2022-2023 Operating & Capital Projects

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

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
- 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

* As per Council's resolution on 28 June 2022, Community Plan towards 2040 objectives no longer funded in this plan have been removed.

Budget Summary 2022-2023 – Pillar: Proud of our past, Excited by our future

	Expenditure \$	Income \$	Net Cost \$
Recurrent	181,257	-	181,257
Operating Projects	135,000	20,000	115,000
Capital Projects	26,400	-	26,400
Total	342,657	20,000	322,657
% of Total Budget	0.87%	0.07%	

2022-2023 Operating & Capital Projects

Project No.	Operating Project and Description	Expenditure \$	Income \$	Net Cost \$
OP.12	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.	15,000	-	15,000
OP.27	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.	20,000	20,000	-
OP.38	Investment Attraction - Visitors & Prospectus Investment Attraction and Growth Strategy Pillar to attract people to the City. This will drive customers into businesses and new residents into homes.	50,000	-	50,000
OP.39	Business Support Op Project To provide support to the businesses within the City of Prospect	50,000	-	50,000
		135,000	20,000	115,000

Project No.	Capital Project and Description	Expenditure \$	Income \$	Net Cost \$
CAP.38	Public Art Continue to bring public art into the public realm.	26,400	-	26,400
		26,400	-	26,400

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 2022-2023 – Pillar: Proud of our past, Excited by our future

	Expenditure \$	Income \$	Net Cost \$
Recurrent	727,964	-	727,964
Operating Projects	312,295	-	312,295
Capital Projects	10,966,563	120,000	10,846,563
Total	12,006,822	120,000	11,886,822
% of Total Budget	30.31%	0.42%	

2022-2023 Operating & Capital Projects

Project No.	Operating Project and Description	Expenditure \$	Income \$	Net Cost \$
OP.17	Comprehensive Playground Safety and Compliance Audit Annual Comprehensive Playground Safety and Compliance Audits of each Playground to comply with the Australian Standards (AS 4685).	34,295	-	34,295
OP.21	Green Tunnel Program Increase the number of trees planted to increase and enhance green tunnels as outlined in Tree Strategy 2021-2026.	273,000	-	273,000
OP.23	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
		312,295	-	312,295

Project No.	Capital Project and Description	Expenditure \$	Income \$	Net Cost \$
CAP.3	Broadview Sports Grnd Tennis Infra Upgrade Year1/2 Stage 1 - Upgrade of the Broadview Tennis Facilities Total Project: \$900k (additional funding from carry forward from 2021-2022 \$350k, remaining (stage 2) \$286k in 2023-2024) Total 2022-2023 (stage 1) is \$614,000; 2023-2024 (stage 2) is \$286k	264,000	-	264,000
CAP.7	Install Flow Sensors To install flow sensors as part of drainage management	24,000	-	24,000
CAP.11	Fleet Management - Capital Acquisitions Replacement of selected vehicles Renault Kangoo / Single Cab Tipper Truck / Crew Cab Tipper Truck / Space Cab Tipper Ute	310,000	120,000	190,000
CAP.13	Charles Cane Reserve - Storage Shed & related work Construct a storage shed to provide additional storage for Council and Sporting Clubs. Undertake works to improve functionality of space adjacent to clubrooms.	60,000	-	60,000
CAP.15	Road Design/Construction - Design of Future Projects Preparation of detailed designs, service locations and surveys as required for road future road projects.	80,361	-	80,361
CAP.16	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.17	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

Project No.	Capital Project and Description (cont.)	Expenditure \$	Income \$	Net Cost \$
CAP.19	Road Design/Reconstruction Deliver roads program in accordance with Asset Management Plan. Program of works in line with required asset funding as included in LTFP. Azalea St / Cane St / Cotton St / Daphne St / Devonport Tce / Gordon Rd / Graham Plc / Jellicoe St / Mendes St / Priscilla St / Whinham St / Doreen St / Galway Av / Rosetta St / Farrant St Programme to be confirmed following site inspections.	1,454,170	-	1,454,170
CAP.20	Kerb and Gutter Constructions Reconstruction of kerbs and gutters throughout Council as per the asset management plan and funding outlined in the LTFP. Azalea St / Cane St / Cotton St / Daphne St / Gordon Road / Graham Place / Priscilla St / Whinham St / Doreen St / Galway Ave / Farrant St / Pulsford Rd. Programme to be confirmed following site inspections.	1,103,196	-	1,103,196
CAP.21	Footpath Construction - Miscellaneous Reconstruct footpaths as identified in Asset Management Plan (AMP) Elizabeth St / Boyle St / Churchill Rd Service Rd / Churchill Rd / William St / Staffa St / Redin St Programme to be confirmed following site inspections.	520,483	-	520,483
CAP.25	Balfour & Howard Street Intersection Upgrade Removal of Device (Driveway Link) at the Balfour and Howard Streets intersection, returning the intersection to a standard T-Junction.	37,503	-	37,503
CAP.26	Street Lighting Upgd - Michell St & Williamson Lne As there is no lighting within Michell Street and Williamson Lane, construction on new lighting and upgrading existing lighting at adjacent intersections will alleviate resident safety concerns and improve road safety for motorists by bringing the lighting up to current Australian Standards. Solar lighting could be a suitable option given the site conditions.	55,000	-	55,000
CAP.28	Broadview Oval Community & Sports Hub Continuation of Construction of the Broadview Oval Community and Sports Hub	3,650,000	-	3,650,000
CAP.33	Livingstone Ave : Rd Recon/Drainage Upgrade The reconstruction of Livingstone Avenue from Mendes Street to Prospect Road, and drainage upgrade along Hillsdale Street.	1,821,600	-	1,821,600
CAP.35	Churchill Rd : Rd Recon/Drainage Upgrade Drainage Upgrade and Reconstruction - Churchill Road - Stage 1. Including upgrade of major culverts in Churchill Road, upgrade of culvert under railway and upgrade of Charles Street.	950,400	-	950,400
CAP.36	Pedestrian Kerb Ramp Continue upgrading kerb ramps across Council to achieve DDA compliance.	25,850	-	25,850

Project No.	Capital Project and Description (cont.)	Expenditure \$	Income \$	Net Cost \$
CAP.37	Edwin & Rutherglen Ave Landscaping of Protuberance To make permanent the traffic control devices installed including the removal of asphalt and planting out of the area.	15,000	-	15,000
CAP.48	Project Management AMP's - Capitalised Salaries Asset Management Plan projects to be managed by internal staff with associated salary charges and support costs to be capitalised. Includes project contingency	555,000	-	555,000
		10,966,563	120,000	10,846,563

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 2022-2023 – Other Activities

	Expenditure \$	Income \$	Net Cost \$
Recurrent (inc Depn)	19,194,727	27,297,317	(8,102,590)
Operating Projects	475,000	-	475,000
Capital Projects	354,000	-	354,000
Total	20,023,727	27,297,317	(7,273,590)
% of Total Budget	50.55%	94.85%	

2022-2023 Operating & Capital Projects

Project No.	Operating Project and Description	Expenditure \$	Income \$	Net Cost \$
OP.10	Condition Assessment  Commencement of condition assessments of existing asset classes.	150,000	-	150,000
OP.32	Council Election 2022  In conjunction with the Electoral Commission of SA, the City of Prospect will undertake the 2018 Local Government Periodic Election as a full postal ballot, liaise with all nominated candidates and to administer the Council's voters roll.	140,000	-	140,000
OP.36	ERP Improvement  Improve functionality of Councils' existing Enterprise Resource Planning System and improve integration with other applications.	135,000	-	135,000
OP.37	Service Reviews Undertake systematic review of the recurrent services and activities with a view to achieve operational savings and efficiency.	50,000	-	50,000
		475,000	-	475,000

Project No.	Capital Project and Description	Expenditure \$	Income \$	Net Cost \$
CAP.39	Refresh Staff PC / Laptop Refresh of 90x staff PCs and laptops with laptops to ensure equipment is up to date and supported.	238,000	-	238,000
CAP.40	Refresh Portable Audio Visual Solution for CoP Review and select a replacement device for the current portable "Owl" AV solution.	11,000	-	11,000
CAP.41	Refresh Library PC / Laptop Refresh 10x Library Laptops / 10x library iPads to ensure equipment is up to date and supported.	23,500	-	23,500
CAP.42	Elected Member iPads Refresh Elected Members IT equipment, including bags. To ensure equipment is up to date and supported.	19,000	-	19,000
CAP.43	Refresh Back Office Equipment Refresh Back Office Equipment (9x High Spec Workstation, 10x PC Workstation, 15x Monitors)	42,500	-	42,500
CAP.46	Asbestos Removal (Staged) Ongoing asbestos removal program	20,000	-	20,000
		354,000	-	354,000
TOTAL OPERATING PROJECT EXPENDITURE		1,170,795	46,900	1,123,895
Total New / Upgrade Asset		250,400	-	250,400
Total Renewal Asset		11,909,054	120,000	11,789,054
TOTAL CAPITAL PROJECT EXPENDITURE		12,159,454	120,000	12,039,454

Part B: Budget 2022-2023

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 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 2022-2023 (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 adopt a budget for the financial year before 15 August.

This budget is for the year 1 July 2022 to 30 June 2023, and is prepared in accordance with the Local Government Act 1999. The budget includes projected revenues and expenditures for the 2022-2023 year, reported on an "operating" basis in accordance with the Local Government Act 1999.

The Budget 2022-2023 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 a zero budgeting based approach. This base budget was carried over for 2022-2023 with indexation on known areas of variance. Council has undertaken a deep dive into its recurrent budget through workshops held in March 2022. This has netted \$550k of recurrent savings with minor service changes, primarily focused on the events calendar and local business support.

With a large amount of change occurring in Council over the next twelve months (a new management team, Council election and revised strategic plan to be drafted), a zero based budget process is envisaged for the 2023-2024 budget process.

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 2022-2023 to 2031-2032 (Part C), and a Rating Strategy (Part D).

2.5 Significant Influences

In preparing the 2022-2023 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 4.7% for the 12 months ending 31 March 2022, compared with the Local Government Pricing Index increase on goods and services of 4.5% (combination of recurrent 3.0% & capital 8.0%), for the 12 months ending 31 March 2022. The University of Adelaide Centre for Economic Studies (SACES) has forecast the Local Government Price Index to be 4.0% for 2021-2022, 4.0% for 2022-2023, 2.9% for 2023-2024 and 2.8% for 2024-2025.
- 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.
- Ongoing economic impacts and recovery from the 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 2022-2023

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 recurrent service levels, as per Service Level Document adopted by Council (24 March 2015); and
- the budget for 2021-2022 was framed using a zero budgeting based approach. This base budget was carried over for 2022-2023 with indexation on known areas of variance.

2.7 Budget Overview

Planning framework

The Budget 2022-2023 has been 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 2022-2023, in addition to sought feedback from Council's Audit Committee, the Annual Business Plan 2022-2023 was subsequently presented to the community for community consultation during May 2022.

Consultation events included:

- Community Engagement Hub - Online Submissions / Survey
- Local Schools Focus Groups
- Focus Group 18 – 25 year olds
- Focus Group (open to all ages)
- Online Webinar
- Drop In Session @ Payinthe (24 May 2022)

Feedback submissions on the Draft Annual Business Plan 2022-2023 were accepted up until 25 May 2022. All feedback received, was presented to a Council at the 7 June 2022 Workshop, before being formally received at the 28 June 2022 Council meeting.

The Annual Business Plan 2022-2023 includes Council's planned objectives and activities for the financial year, as well as the Long Term Financial Plan for 2023-2032, and the Rating Strategy. It provides a linkage between Council's suite of strategic management plans and its annual budget.

Considering Feedback

Council informally considered feedback from the community at a workshop 7 June 2022 and formally received it at the ordinary meeting of Council 28 June 2022.

During the 2 workshops being 7 & 14 June 2022, Council made the following amendments to the budget noting cost increases being experienced in between the time of considering its draft budget (March) and adoption (June):

Operating Projects / Recurrent Budget

- Redistribution of rates income lost from 250B Churchill Road (50% to Vacant Land, 50% to other rate classes);
- Reinstatement of Business Support Operating Project \$50,000;
- Increase in Infringement Income \$100,000;
- Increase in Facilities Booking Income \$40,000
- Partial reinstatement of Local Business Support \$50,000
- Increase in Election costs \$50,000
- Reduction in City Wide Public Art Advisory Board \$10,000
- Reduction in Green Tunnel \$40,000
- Reduction in Library Opening Hours Costs (Payinthi after 5 and Library Casuals) \$45,000
- Increase in Wages Contingency \$400,000
- Variation of Rates Revenue increase from 3.5% to 4.7% (excluding new development)

Capital Expenditure

- Deferral of Peppermint Gums (retention of detailed design) \$570,000
- Deferral of Broadview Oval Storage Shed \$60,000
- Reduction in scope of redevelopment of Prospect Oval Toilets (SW Corner) \$275,000
- Increase in Broadview Oval Community Sports Hub \$650,000
- Increase in Capital Project Budget Contingency \$255,000

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 2022-2023 Annual Business Plan and Budget includes the following major investments:

Major investments included in the draft Annual Business Plan for completion or commencement include:

- \$3.5m for the renewal of a range of Roads, Footpaths, Kerbs & Gutters;
- \$4.65m for the construction of the Broadview Oval Community and Sports Hub (\$1.5m grant funded);
- \$2.3m for the reconstruction of Livingstone Avenue from Mendes Street to Prospect Road, and drainage upgrade along Hillsdale Street (\$1.15m grant funded);
- \$0.95m for Stage 1 of the \$4.5m Churchill Road Precinct Drainage Upgrade and Reconstruction (\$3m grant funded);
- \$0.273m for "Green Tunnel" Projects, increasing the number of street trees planted in line with our Tree Strategy 2021-2026;
- \$0.22m for the upgrade of Percy Street Reserve;
- \$0.26m for Stage 1 of the upgrade of the Broadview Tennis Facilities;
- \$0.1m for the renewal of the Prospect Oval Toilet Block and services; and
- \$0.08m for the Memorial Gardens Pavilion Toilets Renewal.

In order for Council to achieve the long term key financial indicator targets of Council and avoid pressure on additional rate increases, significant reductions are proposed to the recurrent budget include:-

- A 50% cut to Council's Events program, with major events such as the street party cut, and the number of smaller events reduced;
- Cessation of Economic Development services such as Main Street support, business training, networking functions, marketing assistance, Innovation Awards, Smart City programs, public wifi, and more. The only remaining service focus is business and investment attraction, and the retention of the Main Street Marketing Fund for use by local traders;
- Rationalisation of various internal budgets, most notably Council's internal staff training budget, to the tune of more than \$100,000 per year; and
- A reduction in on-demand hard waste collections (from 3 per year to 2 per year).

2.8 Financial Statements

City of Prospect

Uniform Presentation of Finances

for the period ended 30 June 2023

	Original Budget 2021-2022	Revised Forecast Budget 2021-2022	Proposed Budget 2022-2023
	\$ '000	\$ '000	\$ '000
Income	25,975	26,019	27,422
<i>less</i> Expenses	26,709	27,768	28,219
Operating Surplus / (Deficit)	(734)	(1,749)	(798)
<i>less</i> Net Outlays on Existing Assets			
Capital Expenditure on Renewal and Replacement of Existing Assets	3,842	8,170	11,849
<i>less</i> Depreciation, Amortisation and Impairment	4,350	5,969	6,362
<i>less</i> Proceeds from Sale of Replaced Assets	197	251	120
Net Outlays on Existing Assets	(705)	1,950	5,367
<i>less</i> Net Outlays on New and Upgraded Assets			
Capital Expenditure on New and Upgraded Assets	1,273	767	310
<i>less</i> Amounts Received Specifically for New and Upgraded Assets	40	5,646	1,500
<i>less</i> Proceeds from Sale of Surplus Assets	-	-	-
Net Outlays on New and Upgraded Assets	1,233	(4,879)	(1,190)
Net Outlays on Existing, New and Upgraded Assets	528	(2,929)	4,177
Net Lending / (Borrowing) for Financial Year	(1,262)	1,180	(4,975)

City of Prospect

Statement of Comprehensive Income

for the period ended 30 June 2023

	Original Budget 2021-2022	Revised Forecast Budget 2021-2022	Proposed Budget 2022-2023
	\$ '000	\$ '000	\$ '000
Income			
Rates Revenues	23,131	23,151	24,377
Statutory Charges	512	519	652
User Charges	220	247	294
Grants, Subsidies and Contributions	1,784	1,782	1,795
Investment Income	118	118	105
Reimbursements	11	11	11
Other Income	198	191	187
Net Gain - Equity Accounted Council Businesses	-	-	-
Total Income	25,975	26,019	27,422
Expenses			
Employee Costs	9,491	9,511	9,976
Materials, Contracts & Other Expenses	11,353	11,494	11,195
Depreciation, Amortisation & Impairment	5,070	5,969	6,362
Finance Costs	794	794	686
Net loss - Equity Accounted Council Businesses	-	-	-
Total Expenses	26,709	27,768	28,219
Operating Surplus / (Deficit)	(734)	(1,749)	(798)
Asset Disposal & Fair Value Adjustments	251	251	120
Amounts Received Specifically for New or Upgraded Assets	3,103	5,646	1,500
Physical Resources Received Free of Charge	-	-	-
Net Surplus / (Deficit)	2,620	4,148	822
Other Comprehensive Income			
<i>Amounts which will not be reclassified subsequently to operating result</i>			
Nil			
Total Other Comprehensive Income	-	-	-
Total Comprehensive Income	2,620	4,148	822

City of Prospect

Statement of Financial Position

for the period ended 30 June 2023

	Original Budget 2021-2022	Revised Forecast Budget 2021-2022	Proposed Budget 2022-2023
	\$ '000	\$ '000	\$ '000
ASSETS			
Current Assets			
Cash and Cash Equivalents	500	2,452	500
Trade & Other Receivables	1,775	1,000	1,658
Other Financial Assets	-	-	-
Inventories	2	2	3
Total Current Assets	2,277	3,454	2,161
Non-Current Assets			
Financial Assets	811	811	741
Equity Accounted Investments in Council Businesses	139	139	166
Infrastructure, Property, Plant & Equipment	204,051	233,396	234,871
Other Non-Current Assets	460	-	3,267
Total Non-Current Assets	205,461	234,346	239,045
TOTAL ASSETS	207,738	237,799	241,206
LIABILITIES			
Current Liabilities			
Trade & Other Payables	3,767	108	4,145
Borrowings	1,498	1,498	1,579
Provisions	1,973	2,039	2,065
Other Current Liabilities	-	-	-
Total Current Liabilities	7,238	3,645	7,789
Non-Current Liabilities			
Trade & Other Payables	-	-	-
Borrowings	16,075	20,075	16,006
Provisions	96	125	99
Liability - Equity Accounted Council Businesses	-	-	-
Other Non-Current Liabilities	-	-	-
Total Non-Current Liabilities	16,171	20,200	16,105
TOTAL LIABILITIES	23,409	23,845	23,894
Net Assets	184,329	213,954	217,312
EQUITY			
Accumulated Surplus	86,222	81,910	85,268
Asset Revaluation Reserves	95,343	129,132	129,132
Other Reserves	2,764	2,912	2,912
Total Council Equity	184,329	213,954	217,312

City of Prospect

Statement of Changes in Equity

for the period ended 30 June 2023

	Original Budget 2021-2022	Revised Forecast Budget 2021-2022	Proposed Budget 2022-2023
	\$ '000	\$ '000	\$ '000
Accumulated Surplus	86,222	81,910	85,268
Asset Revaluation Reserve	95,343	129,132	129,132
Other Reserves	2,764	2,912	2,912
Transfers between Reserves	-		
Balance at the end of period	184,329	213,954	217,312

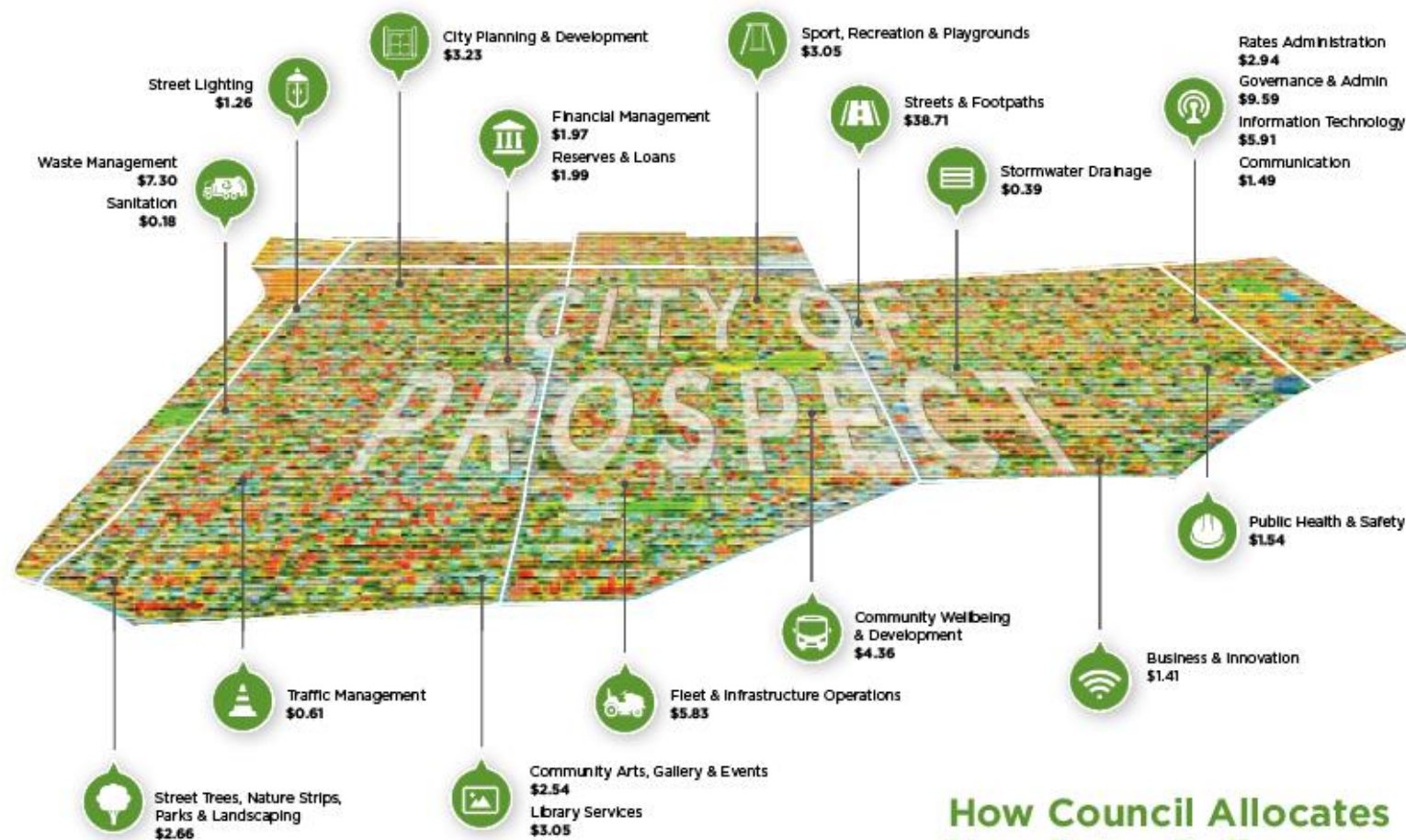
City of Prospect

Statement of Cash Flows

for the period ended 30 June 2023

	Original Budget 2021-2022	Revised Forecast Budget 2021-2022	Proposed Budget 2022-2023
	\$ '000	\$ '000	\$ '000
Cash Flows from Operating Activities			
<u>Receipts</u>			
Operating Receipts	25,834	25,901	27,748
Investment Receipts	118	118	106
<u>Payments</u>			
Operating Payments to Suppliers and Employees	(20,622)	(21,005)	(21,254)
Finance Payments	(796)	(794)	(686)
Net Cash provided by (or used in) Operating Activities	4,534	4,221	5,914
Cash Flows from Investing Activities			
<u>Receipts</u>			
Amounts Received Specifically for New/Upgraded Assets	3103	5,646	1,500
Sale of Replaced Assets	251	251	120
Repayments of Loans by Community Groups	191	191	204
<u>Payments</u>			
Nil			
Expenditure on Renewal/Replacement of Assets	(9,509)	(8,170)	(11,849)
Expenditure on New/Upgraded Assets	(1,535)	(767)	(310)
Net Cash provided by (or used in) Investing Activities	(7,499)	(2,849)	(10,335)
Cash Flows from Financing Activities			
<u>Receipts</u>			
Nil			
<u>Payments</u>			
Repayments of Borrowings	(1,354)	(1,354)	(1,428)
Repayment of Lease Liabilities	(68)	(68)	(70)
Net Cash provided by (or used in) Financing Activities	- 1,422	- 1,422	(1,498)
Net Increase (Decrease) in Cash Held	(4,387)	(50)	(5,919)
plus: Cash & Cash Equivalents at beginning of period	917	2,502	922
Cash & Cash Equivalents at end of period	(3,470)	2,452	(4,997)

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 2022-23 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 2022-2023 are being finalised however Council has made the following funding allocations for each Asset Class:

- Buildings & Structures \$583,958
- Fleet & Plant \$190,000 (net of trade ins)
- Footpaths \$571,215
- Kerb & Gutter \$1,210,725
- Road Construction & Reseal \$1,676,270
- Stormwater \$24,000

Part C: Long Term Financial Plan

3.1 Introduction

Council considered its Budget 2022-2023 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 2022-2023 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 Open Space class. 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 2021-2022 was framed using a zero budgeting based approach. This base budget was carried over for 2022-2023 with indexation on known areas of variance. Council has undertaken a deep dive into its recurrent budget through workshops held in March 2022. This has netted \$550k of recurrent savings with minor service changes, primarily focused on the events calendar and local business support.

With a large amount of change occurring in Council over the next twelve months (a new management team, Council election and revised strategic plan to be drafted), a zero based budget process is envisaged for the 2023-2024 budget process.

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

3.2 Long Term Financial Plan Assumptions 2023–2032

Long Term Financial Plan (LTFP) Assumptions: 2022-2023 to 2031-2032										
	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31	31-32
Local Government Price Index (Combined)*	3.5%	4.0%	2.9%	2.8%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
CPI (Adelaide)*	3.3%	2.7%	2.7%	2.7%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Increase in LGPI (recurrent) for Operating Expenditure	2.60%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Recurrent Savings	\$550k	\$35k	\$60k	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Increase in Employee Costs (Excl SGL)	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Increase in Interest Rates	+1.0%	+1.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Increase in LGPI for Capital Expenditure & Depreciation	5.6%	3.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Increase in CPI for Non-Rates and Grant Income. Calculated using the incremental historic average of the CPI (min 2.5%)	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Projected increase in Total Rate Revenue (inclusive of Growth)	4.50%	4.30%	4.30%	4.30%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%
Projected increase in Average Residential Rate	3.50%	3.30%	3.30%	3.30%	2.75%	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 Grants Commission Grant Revenue	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Federal Grants continuity	Assumed four instalments of Financial Assistance Grants & ongoing extension of the Roads to Recovery programme									
Community Home Support Programme (CHSP / HACC)	No adjustments made in the Long Term Financial Plan									
Employee Costs: Superannuation	Legislative changes to Superannuation Guarantee of stepped increase to 12% between 2021-22 and 2025-26									
Potential additional Rates	Significant investment is anticipated at 250 Churchill Road sites within next 5 years. Additional rate revenue from this site alone may be significant. Given the uncertain nature regarding timing and value of rate revenue increases, this additional revenue has not been brought to account but will contribute to the Rate Growth.									
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 2021-2022. Budgeted financial statements as at 30 June 2021 used to identify effective depreciation rate for new initiatives. Indexation of 5.6% for 2022-2023 applied to depreciation from 2021-2022.									
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 LGPI (Capital) 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. As per Council's Treasury Management Plan, Council will utilise its Cash Advance Debenture (CAD) Facilities to meet financing needs across the Long Term Financial Plan. An extension to the currently approved facility limit (\$11m) will need to be considered to support years 5 onwards in the plan.									

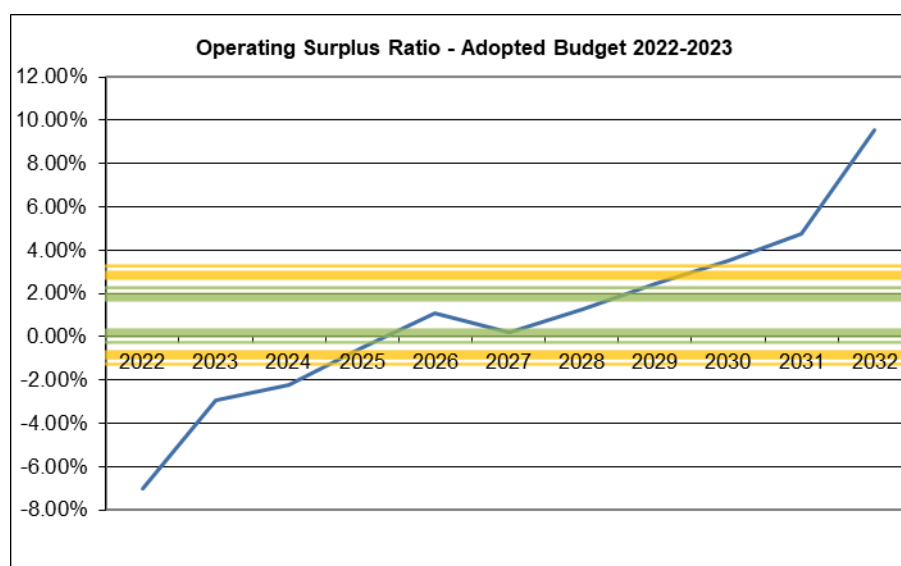
*Sourced from the SA Centre for Economic Studies

3.3 Budget 2022-2023 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 2022-2023 is -2.9%. This ratio (and future years where indicated) is outside Council's target range due to the following key strategic initiatives:

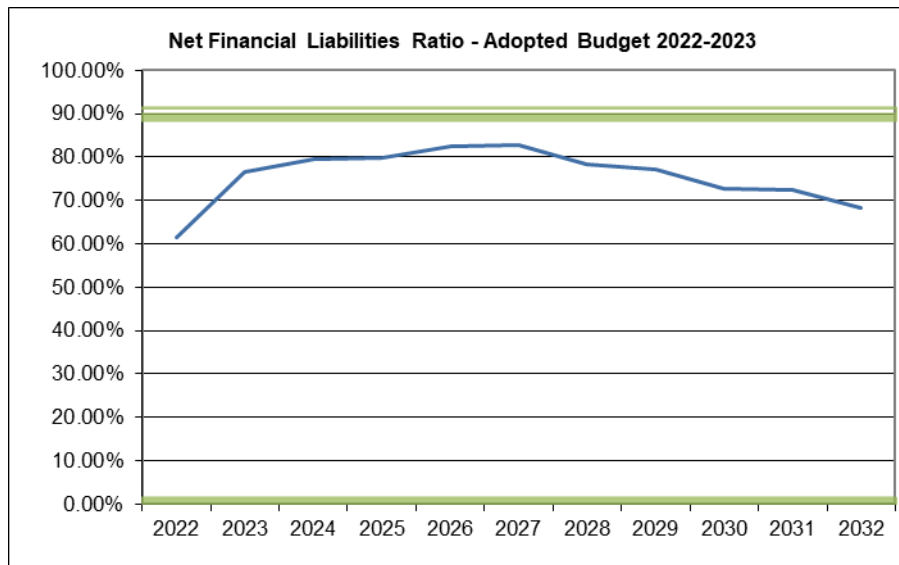
- Successful pursuit of Economic Stimulus Grants for the construction of the Broadview Oval Community & Sports Hub, Reconstruction and Drainage Upgrades of Churchill Road & Livingstone Avenue
- Projected rate increase to fund required capital expenditure identified in the Asset Management Plans and repayment of borrowings.
- Future Surpluses required to commence repayment of Cash Advance Debenture Loans

The projected five-year average operating surplus ratio is -0.9%. This does not meet Council's five-year average target range of between 0% and 2%.

Council has made amendments to the recurrent budget, adjusting some service levels in the areas of Event Management, Business Support and Staff Training with a view to achieve the five year average operating surplus ratio target in the 2023-2024 budget.

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 77%.

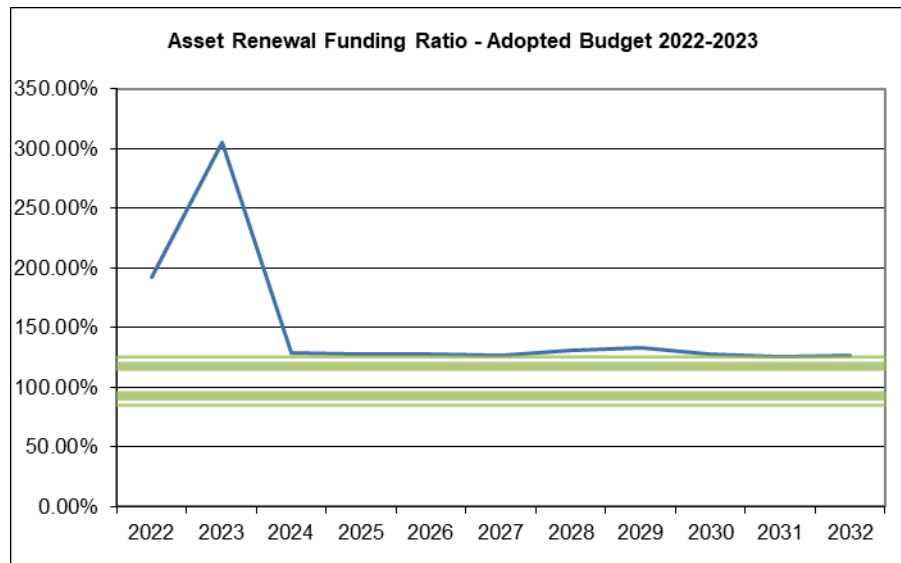
Council has previously undertaken a borrowing for the redevelopment of facilities at the North Adelaide Football Club. The outstanding principal is included in Council's Net Financial Liabilities, however fully recoverable from the Club.

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. An extension of this facility will be required from year 4 (2025-2026) onwards.

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 2022-2023 is expected to be 305%, 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 2022-2023.

3.4 LTFP Key Performance Indicators and Dashboard Summary

City of Prospect

10 Year Financial Plan for the Years ending 30 June 2032

KEY PERFORMANCE INDICATORS - MODEL 14

Scenario: Adopted Budget 2022-2023

		Year	Projected Years									
		2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
			<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 w ithin 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	-7.0%	-2.9%	-2.2%	-0.5%	1.1%	0.2%	1.3%	2.4%	3.5%	4.7%	9.5%
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	62%	77%	79%	80%	83%	83%	78%	77%	73%	72%	68%
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	193%	305%	129%	127%	128%	127%	131%	133%	128%	126%	127%
Interest 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	2.6%	2.1%	2.4%	2.5%	2.6%	2.7%	2.6%	2.5%	2.4%	2.4%	2.3%

3.5 Estimated Income Statement

City of Prospect

10 Year Financial Plan for the Years ending 30 June 2032

STATEMENT OF COMPREHENSIVE INCOME - MODEL 14

Scenario: Adopted Budget 2022-2023

	Actuals 2020/21	Current Year 2021/22	2022/23	2023/24	2024/25	2025/26	Projected Years					
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Income												
Rates	22,462	23,151	24,377	25,412	26,492	27,618	28,645	29,709	30,813	31,959	33,147	34,379
Statutory Charges	904	519	652	667	682	699	717	735	753	772	791	811
User Charges	296	247	294	301	308	316	324	332	340	348	357	366
Grants, Subsidies and Contributions	1,625	1,782	1,795	1,703	1,716	1,729	1,743	1,757	1,770	1,784	1,798	1,812
Investment Income	45	118	105	91	75	59	45	45	45	45	45	45
Reimbursements	62	11	11	11	11	12	12	12	13	13	13	14
Other Income	151	191	187	191	195	200	205	211	216	221	227	232
Net gain - equity accounted Council businesses	27	-	-	-	-	-	-	-	-	-	-	-
Total Income	25,572	26,018	27,421	28,376	29,481	30,633	31,691	32,800	33,950	35,142	36,378	37,660
Expenses												
Employee Costs	9,410	9,594	9,976	10,265	10,563	10,873	11,144	11,423	11,709	12,001	12,301	12,609
Materials, Contracts & Other Expenses	10,315	11,494	11,195	11,378	11,575	11,837	12,105	12,380	12,662	12,951	13,248	12,451
Depreciation, Amortisation & Impairment	5,869	5,969	6,362	6,580	6,685	6,730	7,477	7,681	7,850	8,059	8,201	8,096
Finance Costs	754	794	686	781	813	855	895	904	905	902	907	915
Net loss - Equity Accounted Council Businesses	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses	26,348	27,850	28,219	29,003	29,637	30,295	31,622	32,388	33,126	33,913	34,657	34,072
Operating Surplus / (Deficit)	(776)	(1,832)	(798)	(627)	(156)	339	69	412	824	1,230	1,721	3,588
Asset Disposal & Fair Value Adjustments	877	251	120	75	195	315	333	160	186	186	186	-
Amounts Received Specifically for New or Upgraded Assets	1,772	5,647	1,500	-	-	-	-	-	-	-	-	-
Net Surplus / (Deficit)	1,873	4,065	822	(552)	39	654	402	572	1,010	1,416	1,907	3,588
Other Comprehensive Income												
Amounts which will not be reclassified subsequently to operating result												
Changes in Revaluation Surplus - I,PP&E	33,789	-	-	-	14,445	-	-	-	-	16,103	-	15,887
Total Other Comprehensive Income	33,789	-	-	-	14,445	-	-	-	-	16,103	-	15,887
Total Comprehensive Income	35,662	4,065	822	(552)	14,484	654	402	572	1,010	17,519	1,907	19,475

3.6 Estimated Balance Sheet

City of Prospect

10 Year Financial Plan for the Years ending 30 June 2032

STATEMENT OF FINANCIAL POSITION - MODEL 14

Scenario: Adopted Budget 2022-2023

	Actuals	Current Year	Projected Years									
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS												
Current Assets												
Cash & Cash Equivalents	2,808	922	500	500	500	500	500	500	500	500	500	500
Trade & Other Receivables	1,837	2,083	1,658	1,519	1,574	1,363	1,401	1,441	1,483	1,526	1,570	1,592
Inventories	3	3	3	3	3	3	3	3	3	3	3	3
Total Current Assets	4,648	3,008	2,161	2,022	2,076	1,866	1,904	1,944	1,986	2,029	2,073	2,095
Non-Current Assets												
Financial Assets	1,164	960	741	506	255	255	255	255	255	255	255	255
Equity Accounted Investments in Council Businesses	166	166	166	166	166	166	166	166	166	166	166	166
Infrastructure, Property, Plant & Equipment	223,999	229,073	234,871	235,883	251,317	253,762	255,098	255,136	256,650	273,557	276,201	295,108
Other Non-Current Assets	3,267	3,267	3,267	3,267	3,267	3,267	3,267	3,267	3,267	3,267	3,267	3,267
Total Non-Current Assets	228,596	233,466	239,045	239,822	255,005	257,450	258,785	258,823	260,338	277,245	279,889	298,796
TOTAL ASSETS	233,244	236,474	241,205	241,844	257,082	259,316	260,690	260,768	262,324	279,274	281,962	300,891
LIABILITIES												
Current Liabilities												
Cash Advance Debenture	306	-	-	-	-	-	-	-	-	-	-	-
Trade & Other Payables	3,342	4,235	4,145	4,217	4,294	4,393	4,493	4,596	4,702	4,810	4,921	4,659
Borrowings	1,422	1,498	1,579	1,664	1,580	987	1,027	950	924	963	878	-
Provisions	2,039	2,065	2,065	2,065	2,065	2,065	2,065	2,065	2,065	2,065	2,065	2,065
Total Current Liabilities	7,109	7,797	7,788	7,945	7,938	7,445	7,585	7,611	7,690	7,837	7,863	6,723
Non-Current Liabilities												
Cash Advance Debenture	-	-	5,497	8,195	10,536	13,596	15,455	15,886	17,276	17,522	19,155	19,749
Borrowings	13,585	12,087	10,508	8,844	7,265	6,278	5,250	4,300	3,377	2,414	1,536	1,536
Provisions	125	99	99	99	99	99	99	99	99	99	99	99
Total Non-Current Liabilities	13,710	12,186	16,105	17,138	17,900	19,973	20,804	20,285	20,752	20,036	20,791	21,385
TOTAL LIABILITIES	20,819	19,984	23,893	25,084	25,838	27,418	28,390	27,896	28,442	27,873	28,654	28,109
Net Assets	212,425	216,490	217,312	216,760	231,244	231,898	232,300	232,872	233,882	251,401	253,308	272,783
EQUITY												
Accumulated Surplus	80,381	84,446	85,268	84,716	84,755	85,409	85,811	86,383	87,393	88,809	90,716	94,304
Asset Revaluation Reserves	129,132	129,132	129,132	129,132	143,577	143,577	143,577	143,577	143,577	159,680	159,680	175,567
Other Reserves	2,912	2,912	2,912	2,912	2,912	2,912	2,912	2,912	2,912	2,912	2,912	2,912
Total Equity	212,425	216,490	217,312	216,760	231,244	231,898	232,300	232,872	233,882	251,401	253,308	272,783

3.7 Estimated Cash Flow Statement

City of Prospect

10 Year Financial Plan for the Years ending 30 June 2032

STATEMENT OF CASH FLOWS - MODEL 14

Scenario: Adopted Budget 2022-2023

	Actuals	Current Year	Projected Years									
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash Flows from Operating Activities												
Receipts:												
Rates Receipts	22,775	23,057	24,344	25,385	26,464	27,589	28,617	29,681	30,784	31,928	33,115	34,346
Statutory Charges	904	752	633	665	680	697	714	732	750	769	788	808
User Charges	296	312	288	300	307	315	322	331	339	347	356	365
Grants, Subsidies and Contributions (operating purpose)	1,625	1,320	2,285	1,892	1,714	1,728	1,741	1,755	1,769	1,783	1,797	1,811
Investment Receipts	45	121	106	91	76	59	46	45	45	45	45	45
Reimbursements	62	24	11	11	11	12	12	12	13	13	13	14
Other	(162)	215	187	190	195	200	205	210	215	220	226	232
Payments:												
Payments to Employees	(9,650)	(9,378)	(9,963)	(10,255)	(10,554)	(10,863)	(11,136)	(11,414)	(11,699)	(11,992)	(12,292)	(12,599)
Payments for Materials, Contracts & Other Expenses	(8,860)	(10,832)	(11,291)	(11,319)	(11,512)	(11,753)	(12,019)	(12,292)	(12,572)	(12,859)	(13,153)	(12,706)
Finance Payments	(754)	(794)	(686)	(781)	(813)	(855)	(895)	(904)	(905)	(902)	(907)	(915)
Net Cash provided (or used in) Operating Activities	6,281	4,797	5,914	6,179	6,569	7,128	7,608	8,156	8,738	9,353	9,989	11,400
Cash Flows from Investing Activities												
Receipts:												
Amounts Received Specifically for New/Upgraded Assets	803	5,647	1,500	-	-	-	-	-	-	-	-	-
Sale of Replaced Assets	2,890	251	120	75	195	315	333	160	186	186	186	-
Repayments of Loans by Community Groups	31	191	204	219	235	251	-	-	-	-	-	-
Payments:												
Expenditure on Renewal/Replacement of Assets	(3,770)	(9,509)	(11,909)	(6,075)	(6,681)	(8,441)	(7,474)	(6,949)	(7,896)	(8,052)	(9,367)	(9,601)
Expenditure on New/Upgraded Assets	(2,756)	(1,535)	(250)	(1,516)	(995)	(733)	(1,339)	(771)	(1,469)	(810)	(1,478)	(1,515)
Net Cash provided (or used in) Investing Activities	(2,802)	(4,955)	(10,335)	(7,297)	(7,246)	(8,608)	(8,480)	(7,559)	(9,179)	(8,676)	(10,659)	(11,117)
Cash Flows from Financing Activities												
Payments:												
Repayments of Borrowings	(1,303)	(1,354)	(1,428)	(1,506)	(1,589)	(1,502)	(907)	(945)	(886)	(924)	(963)	(878)
Repayment of Principal Portion of Lease Liabilities	(65)	(68)	(70)	(73)	(75)	(78)	(80)	(83)	(64)	-	-	-
Net Cash Flow provided (used in) Financing Activities	(1,368)	(1,422)	(1,498)	(1,579)	(1,664)	(1,580)	(987)	(1,027)	(950)	(924)	(963)	(878)
Net Increase/(Decrease) in Cash & Cash Equivalents	2,111	(1,580)	(5,919)	(2,697)	(2,341)	(3,060)	(1,859)	(431)	(1,391)	(246)	(1,633)	(594)
plus: Cash & Cash Equivalents - beginning of year	391	2,502	922	(4,997)	(7,695)	(10,036)	(13,096)	(14,955)	(15,386)	(16,776)	(17,022)	(18,655)
Cash & Cash Equivalents - end of the year	2,502	922	(4,997)	(7,695)	(10,036)	(13,096)	(14,955)	(15,386)	(16,776)	(17,022)	(18,655)	(19,249)

3.8 Estimated Statement of Changes in Equity

City of Prospect

10 Year Financial Plan for the Years ending 30 June 2032

STATEMENT OF CHANGES IN EQUITY - MODEL 14

Scenario: Adopted Budget 2022-2023

	Actuals 2020/21 \$'000	Current Year 2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	Projected Years		2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000	2031/32 \$'000
Opening Balance	176,763	212,425	216,490	217,312	216,760	231,244	231,898	232,300	232,872	233,882	251,401	253,308		
Net Surplus / (Deficit) for Year	1,873	4,065	822	(552)	39	654	402	572	1,010	1,416	1,907	3,588		
Other Comprehensive Income														
- Gain (Loss) on Revaluation of I,PP&E	33,789	-	-	-	14,445	-	-	-	-	-	16,103	-	15,887	
Other Comprehensive Income	33,789	-	-	-	14,445	-	-	-	-	-	16,103	-	15,887	
Total Comprehensive Income	35,662	4,065	822	(552)	14,484	654	402	572	1,010	17,519	1,907	19,475		
Transfers between Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity - Balance at end of the reporting period	212,425	216,490	217,312	216,760	231,244	231,898	232,300	232,872	233,882	251,401	253,308	272,783		

3.9 Uniform Presentation of Finances

City of Prospect

10 Year Financial Plan for the Years ending 30 June 2032

UNIFORM PRESENTATION OF FINANCES - MODEL 14

Scenario: Adopted Budget 2022-2023	Actuals	Current Year	Projected Years									
	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000	2031/32 \$'000
Operating Activities												
Income	25,572	26,018	27,421	28,376	29,481	30,633	31,691	32,800	33,950	35,142	36,378	37,660
less: Expenses	(26,348)	(27,850)	(28,219)	(29,003)	(29,637)	(30,295)	(31,622)	(32,388)	(33,126)	(33,913)	(34,657)	(34,072)
Operating Surplus / (Deficit)	(776)	(1,832)	(798)	(627)	(156)	339	69	412	824	1,230	1,721	3,588
Capital Activities												
less (Net Outlays) on Existing Assets												
Capital Expenditure on Renewal and Replacement of Existing Assets	(3,770)	(9,509)	(11,909)	(6,075)	(6,681)	(8,441)	(7,474)	(6,949)	(7,896)	(8,052)	(9,367)	(9,601)
add back: Depreciation, Amortisation and Impairment	5,869	5,969	6,362	6,580	6,685	6,730	7,477	7,681	7,850	8,059	8,201	8,096
add back: Proceeds from Sale of Replaced Assets	2,890	251	120	75	195	315	333	160	186	186	186	-
(Net Outlays) on Existing Assets	4,989	(3,289)	(5,427)	580	200	(1,396)	336	893	140	192	(980)	(1,505)
less (Net Outlays) on New and Upgraded Assets												
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	(2,756)	(1,535)	(250)	(1,516)	(995)	(733)	(1,339)	(771)	(1,469)	(810)	(1,478)	(1,515)
add back: Amounts Received Specifically for New and Upgraded Assets	803	5,647	1,500	-	-	-	-	-	-	-	-	-
add back: Proceeds from Sale of Surplus Assets (including Investment Property & and Real Estate Developments)	-	-	-	-	-	-	-	-	-	-	-	-
(Net Outlays) on New and Upgraded Assets	(1,953)	4,112	1,250	(1,516)	(995)	(733)	(1,339)	(771)	(1,469)	(810)	(1,478)	(1,515)
Net Lending / (Borrowing) for Financial Year	2,260	(1,009)	(4,976)	(1,563)	(951)	(1,790)	(934)	534	(504)	612	(737)	568

3.10 Operating Projects

LONG TERM FINANCIAL PLAN - OPERATING PROJECTS										
	LTFP Allocation - without Indexation									
Plan/Strategy	Year 1 2022 - 2023	Year 2 2023 - 2024	Year 3 2024 - 2025	Year 4 2025 - 2026	Year 5 2026 - 2027	Year 6 2027 - 2028	Year 7 2028 - 2029	Year 8 2029 - 2030	Year 9 2030 - 2031	Year 10 2031 - 2032
Prospect Road Destination Marketing Fund (funded by Separate Rate)	20,000	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	100,000	100,000	63,000	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	22,000
Green Tunnel	313,000	313,000	313,000	313,000	313,000	313,000	313,000	313,000	313,000	313,000
Heritage Grant Program Incentive Scheme	19,000	20,000	21,000	22,000	23,000	24,000	25,000	26,000	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	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000
PLEC	-	-	-	-	-	-	-	-	-	-
Strategic Plan Development	-	30,000	30,000	-	-	30,000	30,000	-	-	30,000
Major Event / Series of Events	195,000	195,000	195,000	195,000	195,000	195,000	195,000	195,000	195,000	195,000

Plan/Strategy	Year 1 2022 - 2023	Year 2 2023 - 2024	Year 3 2024 - 2025	Year 4 2025 - 2026	Year 5 2026 - 2027	Year 6 2027 - 2028	Year 7 2028 - 2029	Year 8 2029 - 2030	Year 9 2030 - 2031	Year 10 2031 - 2032
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
Reconciliation Action Plan (inc Naidoc Week)	6,000	12,000	12,000	6,000	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	-	-	-	-
Integrated Traffic and Transport Plan	-	-	-	-	-	-	-	-	-	-
Makarrata	-	-	-	-	-	-	-	-	-	-
Public Health Plan	-	-	-	-	-	-	-	-	-	-
Asset Systems & Data Management	-	-	-	-	-	-	-	-	-	-
Project Management	-	-	-	-	-	-	-	-	-	-
Citizen of the Year	-	-	-	-	-	-	-	-	-	-
Jacaranda Tree Planting	-	-	-	-	-	-	-	-	-	-
Projects to be determined	38,500	225,500	227,500	296,500	171,500	224,500	229,500	292,500	162,500	262,500
Grand Total	1,100,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000

3.11 Capital Projects

LONG TERM FINANCIAL PLAN - CAPITAL PROJECTS														
Project Name	New or Upgrade/ Renewal	Asset Type	Funding Sources	Included in IAMP	LTFP Allocation - With Indexation									
					Year 1 2022 - 2023	Year 2 2023 - 2024	Year 3 2024 - 2025	Year 4 2025 - 2026	Year 5 2026 - 2027	Year 6 2027 - 2028	Year 7 2028 - 2029	Year 8 2029 - 2030	Year 9 2030 - 2031	Year 10 2031 - 2032
Council Buildings & Structures	Renewal	2		Y	633,600	872,680	167,718	2,062,926	1,292,192	361,227	617,095	632,525	1,750,518	1,794,272
Fleet Management	Renewal	4	Trade In	Y	446,160	161,991	849,212	869,294	543,308	500,299	936,133	959,540	983,532	1,008,115
Footpath	Renewal	10		Y	485,760	501,791	514,335	527,192	540,371	553,881	567,727	581,923	596,473	611,381
Kerb and Gutter	Renewal	13		Y	1,103,196	1,159,541	1,677,737	1,250,964	1,593,276	1,808,941	1,540,711	1,637,462	1,738,087	1,781,529
Roads	Renewal	9		Y	1,433,159	1,793,786	1,285,014	1,220,408	1,183,836	1,309,549	1,530,643	1,766,995	1,762,949	1,807,014
Stormwater / Drainage	Renewal	11		Y	24,589	545,425	1,118,120	1,146,070	1,174,720	1,204,090	1,234,190	1,265,050	1,296,680	1,329,090
Capitalised Salaries for Project Management	Renewal	9		N	316,800	327,255	335,436	343,821	352,416	361,227	370,257	379,515	389,004	398,727
Open Space Strategy	New	8	Grant		343,200	354,526	363,389	372,473	381,784	391,329	401,112	411,141	421,421	431,954
Additional Open Space Strategy	Renewal	8			528,000	545,425	559,060	573,035	587,360	602,045	617,095	632,525	648,340	664,545
Asbestos Removal	Renewal	2			21,120	21,817	22,362	22,921	23,494	24,082	24,684	25,301	25,934	26,582
Driveway Rectification Program	New	10			31,680	32,726	33,544	34,382	35,242	36,123	37,026	37,952	38,900	39,873
Install Flow Sensors	New	8			-	-	-	-	-	-	-	-	-	-
Library Collection	Renewal	6	Grant		123,552	127,629	130,820	134,090	137,442	140,879	144,400	148,011	151,712	155,504
Public Art	New	7			26,400	27,271	27,953	28,652	29,368	30,102	30,855	31,626	32,417	33,227
Street Lighting Upgrades	New	8			10,560	10,909	11,181	11,461	11,747	12,041	12,342	12,651	12,967	13,291
Pedestrian Kerb Ramp	Renewal	10			27,298	28,198	28,903	29,626	30,367	31,126	31,904	32,702	33,519	34,357
Men's Shed Expansion	New	2			-	-	-	-	-	-	-	-	-	-
Elected Member iPads	Renewal	4			21,120	-	-	-	23,494	-	-	-	-	-
Staff PC Replacement	Renewal	4			248,160	-	-	269,326	-	-	290,035	-	-	-
Core Switch	Renewal	4			95,040	-	-	-	-	60,205	-	-	-	-
Telephony System	Renewal	4			-	-	-	-	-	-	-	-	-	-

Project Name	New or Upgrade/ Renewal	Asset Type	Funding Sources	Included in IAMP	Year 1 2022 - 2023	Year 2 2023 - 2024	Year 3 2024 - 2025	Year 4 2025 - 2026	Year 5 2026 - 2027	Year 6 2027 - 2028	Year 7 2028 - 2029	Year 8 2029 - 2030	Year 9 2030 - 2031	Year 10 2031 - 2032
ICT Investment	New	4			528,000	545,425	-	-	-	-	-	-	-	-
Galway Ave Roundabout Reconstruction	New	14			-	-	-	-	-	-	-	-	-	-
Broadview Oval/Yarnta Tutu Yarta Masterplan	New	8			264,000	-	279,530	-	293,680	-	308,548	-	324,170	332,273
Precinct/Hub Place Making	New	2			264,000	272,713	279,530	286,518	293,680	301,023	308,548	316,263	324,170	332,273
Main North Road Masterplan (Staged)	New	10			-	272,713	-	-	293,680	-	370,257	-	324,170	332,273
Road / Design Construction	Renewal	9			-	-	-	-	-	-	-	-	-	-
Footpath Scrubber	New	4			-	-	-	-	-	-	-	-	-	-
Broadview Oval/Yarnta Tutu yarta Community & Sports Hub	New	2	Grant		3,000,000	-	-	-	-	-	-	-	-	-
Churchill Road; Road Reconstruction & Drainage Upgrade	Renewal	9	Grant		950,400	-	-	-	-	-	-	-	-	-
Livingstone Ave; Road Reconstruction & Drainage Upgrade	Renewal	9	Grant		1,821,600	-	-	-	-	-	-	-	-	-
Olive St; Road Reconstruction	Renewal	9	Grant		-	-	-	-	-	-	-	-	-	-
Projects to be defined	New	8			-	-	-	-	-	-	-	-	-	-
TOTAL UNFUNDED EXPENDITURE					12,430,593	7,274,566	7,348,409	8,839,339	8,469,042	7,366,940	9,003,303	8,491,666	10,465,958	10,727,551

Part D: Rating Strategy and Structure

2022-2023

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 2022-2023, Council will increase the differential to 72%.

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

Year	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
Minimum	1,118.00	1,160.00	1,200.00	1,239.00	1,263.00	1,287.00	1,347.00
Res Val at Min	349,837	381,823	391,338	415,660	416,076	425,806	551,981
Res Rate in \$	0.00319577	0.00303805	0.00306640	0.00298080	0.00303550	0.00302250	0.00244030
Non-Res Val at Min	170,867	181,846	190,166	209,213	204,882	204,822	211,128
Non-Res Rate in \$	0.00654307	0.00637904	0.00631026	0.00592218	0.00616450	0.00628350	0.00638000
Vacant Land (Residential) Val at Min	279,870	305,459	313,070	332,528	332,860	340,644	441,585
Vacant Land (Residential) Rate in \$	0.00399471	0.00379756	0.00383300	0.00372600	0.00379438	0.00377813	0.00305037
Vacant Land (Non- Residential) Val at Min	136,694	145,476	152,133	167,371	163,906	163,857	168902
Vacant Land (Non- Residential) Rate in \$	0.00817884	0.00797380	0.00788783	0.00740273	0.00770563	0.00785438	0.00797500

Over the same period, the increase in the residential housing sector remained consistent with uplift commencing in 2022-2023.

The following table demonstrates the changes in Rate Revenue and Rateable Valuation.

Year	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
Total Valuation	5,205 mill	5,629 mill	5,841 mill	6,280 mill	6,323 mill	6,550 mill	8,227 mill
% Inc Total Val	4.88%	8.14%	3.76%	7.77%	0.68%	3.59%	25.60%
General Revenue	19,047,827	19,763,433	20,686,683	21,611,395	22,219,812	22,864,187	24,207,076
% Inc Gen Revenue (before mandatory rebate)	3.60%	3.75%	4.46%	4.47%	2.90%	2.90%	5.7%
Minimum Rate	1,118.00	1,160.00	1,200.00	1,239.00	1,263.00	1,287.00	1,347.00
% Inc Min Rate	2.6%	3.75%	3.4%	3.27%	1.9%	1.9%	4.7%

4.2 2022-2023 Rate Increase

Total Rates Revenue

For 2022-2023 the total rates revenue is to increase by 4.7% excluding rates from new development. Total residential rate revenue, commercial rate revenue, vacant land and growth (due to development), is to provide a total rate revenue increase of 5.7%. Overall rates generated from new Construction and Development as 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 Average Residential Rate (including development growth) is \$2,065 compared to \$1,972 in 2022-2023. This equates to an increase in the order of approximately 4.7% or \$94 per year. The increase is greater than the increase in total rate revenue due to the loss of rate revenue in non-residential rate classes.

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 2021-2022 (incl. Growth)	Change in Valuation for 2022-2023 (incl. Growth)	Increase in Rate Revenue for 2022-2023 (incl. Growth)
Residential	3.79%	27.89%	5.40%
Non-Residential	0.06%	-18.28%	7.27%
Vacant Land (Residential)	-27.11%	17.39%	-2.16%
Vacant Land (Non-Residential)	-0.90%	-43.00%	-42.13%

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

4.3 2022-2023 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						
	2016 to 2017	2017 to 2018	2018 to 2019	2019 to 2020	2020 to 2021	2021 to 2022	2022 to 2023
Residential	7.45%	8.12%	3.46%	7.20%	0.95%	3.79%	27.89%
Non Residential	4.46%	8.43%	3.99%	12.16%	2.19%	0.06%	-18.28%

Valuation movement for the Residential Properties for 2022-2023

The valuation movement for 2022-2023 in the residential sector remained constant across our City to that of 2021-2022.

Suburb	New Properties (Growth)	No of Properties (excl. tenancies)	Increase in Capital Value (Incl. New Development) 2022-2023	Valuation Movement from New Development 2022-2023
Broadview	4	912	24.05%	0.88%
Collinswood	0	643	21.91%	0.51%
Fitzroy	-1	288	26.07%	0.26%
Medindie Gardens	0	121	27.05%	0.45%
Nailsworth	4	867	35.28%	0.50%
Ovingham	6	125	17.75%	5.12%
Prospect	56	5,913	28.44%	1.60%
Sefton Park	1	181	37.95%	0.78%
Thorngate	0	68	23.45%	0.00%
Total all suburbs	70	9,118	28.12%	1.27%

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.

Valuation movements can be impacted by changes to properties ie building an extension. Historically, these improvements would have been termed 'growth' however changes to the Local Government Act in 2021 have redefined these as valuation movements.

Growth

Changes to the Local Government Act 1999 during 2021 as part of the 'reform of Local Government' have established a definition of Growth. In accordance with Local Government (Financial Management) Regulations 2011, Regulation 6 (2), Growth is an increase in the number of rateable assessments.

Historically, due to the nature of development in the City of Prospect, new assessments have been created in relation to multi-storey developments in a consistent manner to the increase in capital value. As a result, it is expected that Council will continue to achieve a Growth of 1.0% annually, consistent with expectations of the Long Term Financial Plan.

In the case of sub-divisions, on single allotments into multi-allotments some minor timing difference can be expected. This deferral of recognition is not expected to be greater than a year or 2 having an insignificant impact on the forecasts of the Long Term Financial Plan.

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 2022-2023 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 2022-2023.

Class	Description	Example	No. of Properties 2021-2022	%
1	Residential	House, maisonette, townhouse, flat	9,602	92.78%
2	Commercial – Shop	Supermarket, hairdresser	286	2.76%
3	Commercial – Office	Accountant, administrative	104	1.00%
4	Commercial – Other	Showroom, warehouse	176	1.70%
5	Industrial Light	Vehicle service, Service Station	29	0.28%
6	Industrial Other	Clothing, Manufacture	8	0.08%
7	Primary Production	Rural Farm Land, Horticulture, Vineyard	0	0.0%
8a	Vacant Land Residential	Unoccupied land, footings only	85	0.82%
8b	Vacant Land Commercial	Commercial Vacant Land	4	0.04%
9	Other	School, Church, Hall, Health Centre, Reserves	55	0.53%
			10,349	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 2022-2023. 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 2022-2023, the minimum rate will increase by \$60 or approximately 4.66% to an amount of \$1,347 (\$1,287 2021-2022). 3,043 (or approximately 29%) of properties attracted the minimum rate in 2022-2023, which is under the legislated maximum of 35%. These assessments contribute approximately 16.63% of total general rates revenue.

The table below, summarises the number of assessments levied with the minimum rate in 2022-2023 by rate class.

Classification	No. of Assessments	No. on Minimum	% on Minimum	Proportion of Min	Rates Collected	% of Total Rates
Residential	9,602	2,957	30.80%	97.17%	19,828,131	81.91%
Commercial Shop	286	36	12.59%	1.18%	1,660,414	6.86%
Commercial Office	104	15	14.42%	0.49%	474,304	1.96%
Commercial Other	176	10	5.68%	0.33%	1,218,675	5.03%
Industry Light	29	1	3.45%	0.03%	149,387	0.62%
Industry Other	8	1	12.50%	0.03%	29,548	0.12%
Primary Production	0	0	0.00%	0.00%	0	0.00%
Vacant Land Residential	85	23	27.06%	0.76%	150,914	0.62%
Vacant Land Non-Residential	4	0	0.00%	0.00%	67,389	0.28%
Other	55	0	0.00%	0.00%	628,313	2.60%
Total	10,349	3,043	29.40%	100.00%	24,207,076	100.00%

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 2022
- 1 December 2022
- 1 March 2023
- 1 June 2023

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 2022-2023 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 2022-2023 financial year, and in accordance with Section 153 of the Local Government Act 1999, Council has given consideration in its 2022-2023 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 2022-2023.

Council does not retain this revenue or determine how the revenue is spent. Council collects this money (\$611,946 for 2022-2023, up from \$608,912 for 2021-2022) by imposing a separate rate against all of the rateable properties in the area. The rate in the dollar for this separate rate was 0.00007438 in 2022-2023.

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 2022-2023.

The fund will collect \$20,000 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 2022).

4.17 Statement of Expected Rate Revenue

Statement on Expected Rate Revenue

Expected Rates Revenue				
	2021-2022 (as adopted)	2022-2023 (estimated)	Change	Comments
General Rates Revenue				
General Rates (existing properties)		\$23,983,271 (a)		Overall, Council expects the average residential ratepayer to experience an increase of 4.7%. The redistribution of rates lost from Renewal SA's purchase of 250B Churchill Road and inconsistent valuation movements across the city have impacted the individual rate
General Rates (new properties)		\$223,805 (b)		
General Rates (GROSS)	\$22,906,658	\$24,207,076 (c)		
Less: Mandatory Rebates	(\$499,618)	(\$523,100) (d)		
General Rates (NET)	\$22,407,040	\$23,683,976 (e)	5.7%	
(e)=(c)+(d)				
Other Rates (inc. service charges)				
Regional Landscape Levy	\$608,985	\$611,946 (f)		The Regional Landscape Levy is a State tax, it is not retained by council.
Village Heart Marketing Levy	\$19,800	\$20,000 (g)		The Village Heart Marketing Levy is a separate levied on Non-Residential assessments in the Prospect Road Village Heart to finance destination marketing activities directed by the Village Heart Marketing Fund Committee.
	\$23,035,825	\$24,315,922		
Less: Discretionary Rebates		(l)		
Expected Total Rates Revenue	\$22,426,840	\$23,703,976 (m)	5.7%	Excluding the Regional Landscape Levy and minus Mandatory & Discretionary Rebates.
(m)=(e)+(g)-(l)				
Estimated growth in number of rateable properties				
Number of rateable properties	10,296	10,349 (n)	0.5%	Multiple construction sites across the city expected to be completed by 1 July 2022 are still in construction. The VG has recognised valuation increases for these properties but as titles have not been created, individual assessments have also not been created.
	<i>Actual</i>	<i>Estimate</i>		
'Growth' is defined in the regulations as where new properties have been created which has added rateable properties to council's ratepayer base. Growth can also increase the need and expenditure related to infrastructure, services and programs which support these properties and				
Estimated average General Rates per rateable property				
Average per rateable property	\$2,225	\$2,339 (o)	5.1%	Overall, Council expects the average residential ratepayer to experience an increase of 4.7%. The redistribution of rates lost from Renewal SA's purchase of 250B Churchill Road and inconsistent valuation movements across the city have impacted the individual rate increases.
(o)=(c)/(n)				
Councils use property valuations to calculate each rateable property's contribution to the required rate revenue total. Councils do not automatically receive more money because property values increase but this may alter how rates are apportioned (or divided) across each ratepayer (ie. some people may pay more or less rates, this is dependent on the change in value of their property relative to the overall valuation changes across the council area). The total General Rates paid by all rateable properties will equal the amount adopted in the				
Notes				
(d) Councils are required under the Local Government Act to provide a rebate to qualifying properties under a number of categories: Health Services - 100 per cent Religious purposes - 100 per cent Royal Zoological Society of SA - 100 per cent Community Services - 75 per cent Public Cemeteries - 100 per cent Educational purposes - 75 per cent The rates which are foregone via Mandatory Rebates are redistributed across the ratepayer base (ie. all other ratepayers are subsidising the rates contribution for those properties who receive the rebate).				
(e) Presented as required by the <i>Local Government (Financial Management) Regulations 2011</i> reg 6(1)(ea) Please Note: The percentage figure in (e) relates to the change in the total amount of General Rates revenue to be collected from <u>all</u> rateable properties, not from individual rateable properties (ie. individual rates will not necessarily change by this figure).				
(f) Councils are required under the <i>Landscape South Australia Act 2019</i> to collect the levy on all rateable properties on behalf of the State Government. The levy helps to fund the operations of regional landscape boards who have responsibility for the management of the State's				
(l) A council may grant a rebate of rates or service charges in a number of circumstances. The rates which are foregone via Discretionary Rebates are redistributed across the ratepayer base (ie. all other ratepayers are subsidising the rates contribution for those properties who				
(m) Expected Total Rates Revenue excludes other charges such as penalties for late payment and legal and other costs recovered.				
(n) 'Growth' as defined in the <i>Local Government (Financial Management) Regulations 2011</i> reg 6(2)				

Statement on Expected Rate RevenueA1:U69

Please note: These figures represent a considered estimate of Expected Rate Revenue based on the most current information available at the time of going out to consultation on the DRAFT Annual Business Plan and Budget (ABP&B). This information is updated regularly and therefore these figures may be subject to confirmation at the time of actual adoption of the ABP&B.

Expected Rates Revenue

	Total expected revenue			No. of rateable properties		Average per rateable property			Cents in the \$	
	2021/22	2022/23	Change	2021/22	2022/23	2021/22	2022/23	Change	2021/22	2022/23
Land Use (General Rates - GROSS)										
Residential	\$18,812,975	\$19,828,131	5.4%	9545	9,602	\$1,971	\$2,065 (p)	\$94	0.00244030	
Commercial - Shop	\$1,607,216	\$1,660,414	3.3%	295	286	\$5,448	\$5,806 (p)	\$357	0.00648337	
Commercial - Office	\$480,048	\$474,304	-1.2%	111	104	\$4,325	\$4,561 (p)	\$236	0.00648337	
Commercial - Other	\$1,081,431	\$1,218,675	12.7%	173	176	\$6,251	\$6,924 (p)	\$673	0.00648337	
Industry - Light	\$126,656	\$149,387	17.9%	28	29	\$4,523	\$5,151 (p)	\$628	0.00648337	
Industry - Other	\$27,626	\$29,548	7.0%	8	8	\$3,453	\$3,657 (p)	\$204	0.00648337	
Primary Production	\$0	\$0	0.0%	0	0	\$0	\$0 (p)	\$0	0.00648337	
Vacant Land - Residential	\$154,253	\$150,914	-2.2%	79	85	\$1,953	\$1,775 (p)	-\$177	0.00305037	
Vacant Land - Non-Res.	\$116,441	\$67,389	-42.1%	8	4	\$14,555	\$16,847 (p)	\$2,292	0.00810421	
Other	\$555,778	\$628,313	13.1%	52	55	\$10,688	\$11,424 (p)	\$736	0.00648337	
Total Land Use	\$22,962,424	\$24,207,075	5.4%	10,299	10,349	\$2,230	\$2,339 (p)	\$109		

Indicative revenue and rateable properties have been included in the table above. Valuation data continues to be received from the Valuer General through until June 2022. Updates from the Valuer General will include both creations of new properties and small number of revisits to existing rateable assessments.

Minimum Rate

	No. of properties to which rate will apply		Rate		
	2022/23	% of total rateable properties	2021/22	2022/23	Change
Minimum Rate	3,043	29%	\$1,287	\$1,347 (r)	\$60

Council's rating strategy aims to maintain approximately 25-26% of assessments attracting the minimum rate. This ensures that an equitable amount of tax burden is applied to cover the cost of all services to residents and visitors to the City. With the indexation of the rate 4.7%, an additional number of properties have had the minimum rate applied for 2022-2023.

Adopted valuation method

Capital Value/Site Value/Annual Value

Council has the option of adopting one of three valuation methodologies to assess the properties in its area for rating purposes:

Capital Value – the value of the land and all improvements on the land;

Site Value – the value of the land and any improvements which predominantly affect the amenity of use of the land, such as drainage works, but excluding the value of buildings and other improvements (Note: Site Value will cease to be an option from 1 Sept 2023); or

Annual Value – a valuation of the rental potential of the property.

Council levies rates on rateable assessments through the use of capital value. This valuation is prepared annually by the Valuer General and used for a number of taxation and levies by both state and local government. Objections to the valuation can be lodged with the Valuer General. Details of how to lodge an objection are on the rear of the Rates Notice.

Notes

(p) Average per rateable property calculated as General Rates for category, including any fixed charge or minimum rate (if applicable) but excluding any separate rates, divided by number of rateable properties within that category in the relevant financial year.

(q) A fixed charge can be levied against the whole of an allotment (including land under a separate lease or licence) and only one fixed charge can be 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. Also if two or more pieces of rateable land within the area of the council constitute a single farm enterprise, only one fixed charge may be imposed against the whole of the land.

(r) Where two or more adjoining properties have the same owner and are occupied by the same occupier, only one minimum rate is payable by the ratepayer.



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