

## **AUDIT & GOVERNANCE COMMITTEE**

### **AGENDA**

Meeting to be held on  
24 May 2016, at 6:00pm  
in the Unley Council Chambers, Civic Centre  
181 Unley Road Unley

### **MEMBERS:**

Mr John Rawson (Presiding Member)  
Mr Ed Parker (Independent Member)  
Mr Sean Tu (Independent Member)  
Councillor Michael Rabbitt  
Councillor Rob Sangster

### **REPORT TO COUNCIL:**

27 June 2016

### **COMMITTEE MEETING - ORDER OF BUSINESS**

#### **APOLOGIES**

Mr Ed Parker (Independent Member)

#### **CONFIRMATION OF MINUTES**

That the minutes of the Audit and Governance Committee meeting, held on Tuesday, 1 March 2015, as printed and circulated be taken as read and signed as a correct record.

#### **BUSINESS ADJOURNED**

#### **DEPUTATIONS / PRESENTATIONS**

## **REPORTS OF OFFICERS**

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## **PROPOSED AGENDA ITEMS FOR NEXT MEETING**

As per Work Plan approved 22/2016

### **NEXT MEETING DATES**

30 August 2016

12 October 2016

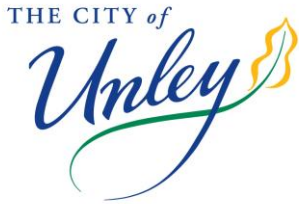
## **CONFLICT OF INTEREST**

<b>TITLE:</b>	CONFLICT OF INTEREST
<b>ITEM NUMBER:</b>	28
<b>DATE OF MEETING:</b>	24 MAY 2016
<b>ATTACHMENT:</b>	1. CONFLICT OF INTEREST DISCLOSURE FORM

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Members to advise if they have any material, actual or perceived conflict of interest in any Items in this Agenda.

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## CONFLICT OF INTEREST DISCLOSURE FORM

I, \_\_\_\_\_ have received a  
*[insert name]*

copy of the agenda for the (Ordinary / Special) **Council / Committee / Board**  
*[delete that which is not applicable]*

meeting to be held on \_\_\_\_\_  
*[insert date]*

I consider that I have a **\*material** conflict of interest pursuant to section 73 / **\*actual** or **\*perceived** conflict of interest pursuant to section 74 *[\*delete that which is not applicable]* of the *Local Government Act 1999* ("the LG Act") in relation to the following agenda item:

\_\_\_\_\_  
*[insert details]*

which is to be discussed by the **\*Council / \*Committee / \*Board** at that meeting.  
*[delete that which is not applicable]*

The nature of my **material** conflict of interest is as follows *[ensure sufficient detail is recorded, including the reasons why you (or a person prescribed in section 73(1) of the LG Act) stands to obtain a benefit or suffer a loss depending on the outcome of the consideration of the matter at the meeting of the Council in relation to the agenda item described above].*

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**OR**

The nature of my **actual** conflict of interest is as follows *[ensure sufficient detail is recorded, including the reasons why the conflict between your interests and the public interest might lead to a decision that is contrary to the public interest in relation to the agenda item described above].*

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I intend to deal with my **actual** conflict of interest in the follow transparent and accountable way *[ensure sufficient detail is recorded as to the manner in which you intend to deal with the actual conflict of interest in a transparent and accountable way]*

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**OR**

The nature of my **perceived** conflict of interest is as follows *[ensure sufficient detail is recorded, including the reasons why you consider that an impartial fair-minded person could reasonably consider that you have a perceived conflict of interest in the matter]*

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I intend to deal with the **perceived** conflict of interest in the following transparent and accountable way *[ensure sufficient detail is recorded as to the manner in which you intend to deal with the perceived conflict of interest in a transparent and accountable way]*

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*Signature*

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*Date*

## **CORRESPONDENCE**

<b>TITLE:</b>	CORRESPONDENCE
<b>ITEM NUMBER:</b>	29
<b>DATE OF MEETING:</b>	24 MAY 2016
<b>ATTACHMENTS:</b>	CORRESPONDENCE RECEIVED

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That the correspondence from:

- Centennial Park Cemetery Authority
  - Audit and Risk Management Committee Minutes – 9 May 2016

be NOTED.

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**MINUTES**  
**OF THE MEETING OF**  
**THE AUDIT AND RISK MANAGEMENT COMMITTEE**  
**HELD: MONDAY 9<sup>TH</sup> MAY 2016**  
**BOARD ROOM**

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**1. OPEN MEETING**

The meeting opened at 8.31 am.

**PRESENT:** Lisa Bishop (Independent Member)  
Geoff Vogt (Independent Member)  
Grant Martinella (Independent)

**IN ATTENDANCE:** Stephen Hains (Chair) (Independent Member)  
Janet Miller (Chief Executive Officer, Centennial Park)  
Eva Salib (Manager Business & Corporate Services)  
Andrew Ngo (Mitcham Council)  
Michael Carey (Unley Council)  
Ian McDonald (Internal Auditor – Creative Auditing)  
Nancy Tran (Internal Auditor – Creative Auditing)  
Susan Seymour (Executive Assistant - Minute Taker)

**1.1. APOLOGIES** Nil.

**1.2. CONFIRMATION OF PREVIOUS MINUTES**

The minutes of the meeting of the Audit and Risk Management Committee held Monday 15<sup>th</sup> February 2016 were circulated with the agenda.

**MOVED L Bishop, SECONDED G Vogt that the minutes of the meeting of the Audit and Risk Management Committee held Monday 15<sup>th</sup> February be taken as a true and correct record.**

**CARRIED**

**1.3. MATTERS ARISING****1.3.1. SCHEDULE OF OUTSTANDING ITEMS**

The Schedule of Outstanding Items was reviewed by the Committee.

*G Martinella joined the meeting at 8.33 am.*

**1.4. DECLARATION OF INTEREST**

Members of the Audit and Risk Management Committee were invited to detail any interest in any agenda items that may impact on their fair and reasonable deliberations.

None were declared.

Item 6.1 Internal Audit was brought forward.

**6.1 INTERNAL AUDIT**

The Internal Auditor from Creative Auditing was invited to speak to his report provided to the Committee detailing the findings from the independent internal audit conducted between 15<sup>th</sup> to the 17<sup>th</sup> March 2016.

It was noted that no significant issues had been identified.

It was reported that ControlTrack had been scheduled to be updated in March 2016. While a new Risk Management Plan will be updated to align with the Strategic Plan, it was noted that the current one is being maintained and reviewed.

*N Tran arrived at 8.36 am.*

The Committee requested that the Management Team review the existing Risk Management Plan and provide a report to the Board of Management on identified extreme risks along with the strategy being undertaken to minimise those risks.

The Internal Auditor advised that it was sound business direction to maintain, rather than renew assets and money should be spent in a timely manner to ensure that assets are managed efficiently and cost effectively.

The Chair thanked the Internal Auditors for attending the meeting.

*The Internal Auditors left the meeting at 8.50 am.*

**MOVED L Bishop, SECONDED G Vogt:**

**1.4.1. That the report be received.**

**1.4.2. That a report on extreme risks along with a strategy being undertaken to minimise those risks be provided to the Board of Management.**

**CARRIED**



## **2. REVIEW OF INVESTMENTS**

### **2.1. BUSINESS INVESTMENT**

**MOVED L Bishop, SECONDED G Vogt:**

**2.1.1. That the report be received.**

**CARRIED**

## **3. POLICY REVIEWS**

### **3.1. ACCOUNTING POLICY STATEMENT**

The following comments and amendments were noted:

8.2 Superannuation - it was noted that there was now a choice of Superannuation funds.

9 Leases - it was advised that this was still under review and no commitment had yet been made.

12 Future Upkeep Provision – amendments to be made to terminology and number sequencing.

Depreciation Schedule – the valuer to be requested to simplify the valuation classifications.

**MOVED G Vogt, SECONDED L Bishop:**

**3.1.1. That the report be received; and**

**3.1.2. That the Audit and Risk Management Committee recommend that the Board adopt the Accounting Policy Statement subject to further changes which may be required arising from the final Model Financial Statements and the Future Upkeep Provision.**

**CARRIED**

### **3.2. BUDGET REVIEW FRAMEWORK**

The Committee endorsed the recommendation that the Budget Framework not be modified at this time and continue as it is for another financial year to provide the opportunity to effectively assess the process.

**MOVED L Bishop, SECONDED G Vogt:**

**3.2.1. That the report be received; and**

**3.2.2. That the unchanged Budget Review Framework be recommended to the Board for adoption.**

**CARRIED**

### **3.3. IT & SOCIAL MEDIA POLICIES – UPDATE**

This subject was covered under 1.3.1 Schedule of Outstanding Items. It was advised that no significant changes were intended to be made to the IT and Social Media Policies.

The Committee noted the report.

#### **4. RISK MANAGEMENT**

##### **4.1. TRADING RESULTS MARCH 2016**

###### **CONFIDENTIAL**

It was advised that the forecast for the March quarter had been provided to the Board of Management and that Unley and Mitcham Council should be in possession of a copy.

It was acknowledged that the budget and the long-term financial plan required to be reviewed in light of the current climate.

**MOVED G Vogt, SECONDED L Bishop:**

**4.1.1. That the report be received;**

**4.1.2. That the Committee considers that the report and attachments of this agenda item should not be made public on the grounds that the information contained is of a commercial nature, the disclosure of which would confer a commercial advantage on a third party.**

**CARRIED**

##### **4.2. REVIEW OF AGED DEBTORS (A/O – Manager Business & Corporate Services)**

###### **CONFIDENTIAL ITEM**

It was requested that the aged debtors report headings be amended to reflect the age periods referred to in the corresponding written report.

**MOVED L Bishop, SECONDED G Vogt:**

**4.2.1. That the report be received.**

**4.2.2. That the Committee considers that the attachment of this agenda item should not be made public on the grounds that the information contained is of a commercial nature, the disclosure of which would confer a commercial advantage on a third party.**

**CARRIED**

##### **4.3. FUTURE UPKEEP PROVISION REVIEW**

**MOVED G Martinella, SECONDED L Bishop:**

**4.3.1. That the report be received;**

**CARRIED**

**4.4. INSURANCE VALUES 2016 – 2017**

The Manager Business & Corporate Services advised that confirmation had been received from the LGA Asset Mutual Fund that beams and garden surrounds would be covered alongside all other assets which had negated the need for catastrophic insurance cover.

**MOVED L Bishop, SECONDED G Martinella:**

**4.4.1. That the report be received;**

**CARRIED**

**4.5. LOCAL GOVERNMENT WORKERS COMPENSATION SCHEME UPDATE**

The Manager Business & Corporate Services advised that a review of the Local Government Act had been undertaken and it was evident that the Authority has no option but to continue in the LGAWCS.

**MOVED L Bishop, SECONDED G Martinella:**

**4.5.1. That the report be received.**

**4.5.2. The Committee agrees to adopt the options laid out on the report.**

**CARRIED**

**5. YEAR END PREPARATION****5.1. DEPRECIATION – MOTOR VEHICLES**

The Chief Executive Officer will determine the appropriate depreciation rate for motor vehicles to ensure profits and losses on sale are minimised. The Chief Executive Officer will also determine the useful life of each motor vehicle and the appropriate timing of vehicle replacement.

**MOVED G Martinella, SECONDED L Bishop:**

**5.1.1. That the report be received.**

**5.1.2. The depreciable life of a motor vehicle be determined.**

**CARRIED**

**5.2. FINANCIAL YEAR-END PREPARATION**

It was noted that the late submission of the Audit Plan for 2015-2016 provided by BDO had been circulated to the Committee separate to the Agenda. Issues raised in the Plan are to be discussed with BDO.

**MOVED L Bishop, SECONDED G Martinella:**

**5.2.1. That the report be received.**

**5.2.2. That the Audit & Risk Management Committee recommend to the Board that asset values remain unchanged for the financial year 2015 - 2016.**

**CARRIED**

**5.3. FUTURE UPKEEP PROVISION 2015 - 2016**

It was agreed that the appropriate recommendation in light of the present uncertainty was that no further adjustment be made to the Future Upkeep Provision.

**MOVED L Bishop, SECONDED G Martinella:**

**5.3.1. That the report be received; and**

**5.3.2. That the Audit and Risk Management Committee recommend to the Board that there be no further adjustments to the Future Upkeep Provision until it has been resolved to (1) maintain a Future Upkeep Provision and (2) the level of the provision required or (3) cease the Future Upkeep Provision.**

**CARRIED**

**6. MATTERS FOR NOTING****6.1. INTERNAL AUDIT**

This subject was covered earlier in the meeting.

**6.2. INFORMATION TECHNOLOGY UPDATE**

The Manager Business & Corporate Services gave a verbal update on Information Technology.

The Committee was advised that the Information Technology Plan was being developed in line with the Strategic Plan.

**MOVED G Martinella, SECONDED L Bishop:**

**6.2.1. That the report be received.**

**CARRIED**

**7. OTHER BUSINESS**

The committee was updated on the discussions with the Councils regarding the Future Upkeep Provision. It was noted that the external auditors will need to be advised on any potential changes.

**8. NEXT MEETING**

The next meeting of the Centennial Park Cemetery Authority Audit and Risk Management Committee is set down for 8.30am Monday 8<sup>th</sup> August 2016 in the Board Room, Centennial Park Cemetery, 760 Goodwood Road, Pasadena, South Australia.

**9. CLOSE OF MEETING**

There being no further business the meeting closed at 9.39 am.

## COMMITTEE DECISION REPORT

<b>REPORT TITLE:</b>	2016-17 DRAFT ANNUAL BUSINESS PLAN AND BUDGET
<b>ITEM NUMBER:</b>	30
<b>DATE OF MEETING:</b>	24 MAY 2016
<b>AUTHOR:</b>	MIKE CAREY
<b>JOB TITLE:</b>	MANAGER FINANCE

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### **EXECUTIVE SUMMARY**

The purpose of this report is to present the Draft Annual Business Plan and Budget 2016-17 to the Audit and Governance Committee for their review and feedback to Council prior to adoption.

The Local Government Act 1999 (the 'Act') requires Council to consult with the community prior to adopting the annual budget. Specifically the Act requires Council to develop a Draft Annual Business Plan and follow a process of community consultation.

This report and attachments provides information regarding the Draft Annual Business Plan 2016-17 in relation to the:

- proposed projects to be undertaken
- services provided by Council to the community
- resources required by the City of Unley to deliver the services and projects, and
- funding required (proposed rates increase and estimated borrowings).

Based on the following:

- proposed new net Operating Projects of \$1.031m
- proposed net Capital Replacement of \$8.059m
- proposed net New Capital of \$5.192m.

Council will require an estimated rates increase of 2.2% and the level of new borrowings will be in the order of \$4.8m to deliver all proposed projects and maintain current service levels.

In summary, the Draft Annual Business Plan and Budget for 2016-17 meets the legislative requirements and the financial targets adopted as part of the Long Term Financial Plan.

The Annual Business Plan 2016-17 and declaration of rates will be presented to Council for adoption at its June 2016 meeting.

## **RECOMMENDATION**

MOVED:

SECONDED:

That:

1. The report be received.
  2. The Draft Annual Business Plan, Attachment 1 to Item x/16 be received.
  3. The comments from the Audit and Governance Committee relating to the Draft Annual Business Plan be presented to the Council at the Budget Workshop to be held on 6 June 2016.
-

## **RELEVANT CORE STRATEGIES/POLICIES**

- Local Government Act 1999 Section 123
- Local Government (Financial Management) Regulations 2011 Regulation 5
- Organisational Strategy/Goal
  - 5.3 Good Governance and Legislative Framework
  - 5.5 Financially sustainable approach to business and planning activity.

## **DISCUSSION**

### **Legislative compliance**

Section 123(3) of the Local Government Act 1999 requires councils to prepare a Draft Annual Business Plan and Budget for community consultation prior to formal adoption (Attachment 1 to Item 30/16).

*Attachment 1*

The Annual Business Plan and Budget must be adopted after 31 May and prior to 31 August each year.

### **Community consultation**

Section 123(4) of the Act prescribes the minimum level of consultation that a council must undertake in conjunction with the Draft Annual Business Plan. It requires the publication of a notice in a newspaper circulating within the area of the Council inviting interested parties to attend a public meeting, or a meeting of Council where members of the public may ask questions. Council is also required to invite interested parties to make a written submission outlining any concerns they have, or comments that they wish to make, about what is being proposed.

Community consultation of the Draft Annual Business Plan will occur between 4 May and 27 May 2016.

### **The Draft Annual Business Plan 2016-17 (Plan)**

The Plan has been developed using the Long Term Financial Plan as a guide with the aim of achieving the adopted financial targets.

Financial Indicator	Council Adopted Target	Draft Budget 2016-17
Operating Surplus Ratio	= 3% of Rates General and Other Rates Less NRM Levy	6%
Net Financial Liabilities Ratio	<= 80% of Total Operating Revenue less NRM Levy	48%
Asset Sustainability Ratio	>= 100% average over the 10 year period	117%

The Plan contains the following information:

- project priorities
- a summary of the services provided by Council
- information regarding Council's Long Term Financial Plan
- funding requirements
- consideration of the rating structure and impact.

The Plan has been prepared to include the following items:

- an estimated rates increase for existing ratepayers of 2.2%
- proposed new Operating Projects of \$1.031m
- proposed net Capital Replacement of \$8.059m
- proposed net New Capital of \$5.192m
- borrowings for proposed new capital of \$4.8m.

Taking into account principal repayments and movements in short term borrowings, it is anticipated that total borrowings will increase by \$3.6m from the previous year to \$17m at 30 June 2017.

#### Operating Budget

The general influences impacting on revenue and expenditure in developing the Plan include:

- current Enterprise Agreements for most staff which provide for wages and salary increases in line with current and proposed wage agreements
- Local Government Price Index increases on relevant goods and services, which in the past has tracked above CPI
- the requirement for Asset management (replacement) expenditure to be maintained at a sufficient level to ensure long term maintenance of Council infrastructure, property and IT assets at required standards based on detailed condition assessments of each asset class
- increased maintenance requirements as a result of an increase in new assets over the last number of years and the construction of public realm assets requiring increased quality of presentation estimated at \$107k for 2016-17
- commitments to major projects and partnership initiatives over more than one year, including Goodwood Road Streetscape, Unley Central and Brown Hill Keswick Creek
- Grant funding including an increase of \$625k in Council's Roads to Recovery grant income for 2016-17 as a result of a Commonwealth Government decision to index fuel excise. This additional funding has been allocated to Stage One Leader Street road project in Forestville.

In response to the cost imposts on Council and to minimise the burden on ratepayers, Council has continued its work and review of service sustainability.



This has included developing a service improvement model and framework to review services and the level as to which they are offered. Council recognises the increasing challenges in delivering services at a local level while ratepayers are increasingly reluctant to see their property rates increase.

Savings identified and included as part of the 2016-17 Budget preparation include:

- a reduction in employee costs due to a number of vacant positions that will not be filled and a reduction in staff costs that were identified as part of the Street Cleansing and Workshop Reviews estimated at \$195k
- a reduction in Councils contribution to Brown Hill Keswick Creek Administration \$28k
- a reduction in operating costs for Community Centres as a result of implementing the service review - \$128k
- A reduction in power costs \$71k, hard rubbish \$20k, legal \$12k, printing and stationery and insurance \$11k.

#### Operating Project Initiatives

Council has identified proposed new operating project initiatives that amount to Net \$1.031m. Further review of these proposals will occur between now and June and will include consideration of the community consultation feedback before the Budget is finalised for adoption.

As part of a Budget Review in 2015-16, Council's contribution of \$300k to the undergrounding of power lines for Goodwood Road Stage 2 between the Surrey and Victoria Street was deferred to 2016-17. As such, this project has been added to the Proposed Operating Project Initiatives for 2016-17.

A copy of the Proposed Operating Projects are provided as Appendices 1 and 2 of Attachment 1 to Item 30/16.

#### Capital Replacement Program

The proposed capital replacement program of net \$8.059m has been based on current asset information and asset management plans. Major items include:

- \$1.617m for the proposed road reseal program
- \$1.263m for the footways replacement program
- \$1.724m for the property capital program
- \$378k for reserves, recreation and open space projects, and
- \$500k for drains and storm water.

A copy of the Replacement Capital Program is provided as Appendix 3 of Attachment 1 to Item x/16.

## New Capital

The proposed new capital projects total net \$5.192m and include:

- Goodwood Road Streetscape and Wayfinding Strategy Delivery \$3.3m
- Continued implementation of King William Road Master Plan kerb build outs \$200k
- Implementation of Local Area Traffic Management Plan for Goodwood/ Wayville/Unley \$250k
- Implementation of the City of Unley Cycling and Walking Plan net \$200k and
- Brown Hill Keswick Creek project contribution \$250k

New capital projects will largely be funded by borrowings.

A copy of the Proposed New Projects is provided as Appendix 3 of Attachment 1 to Item 30/16.

## Separate Rates

Council proposes to continue to raise a separate rate for the purposes of promoting the businesses and traders along major shopping strips. Council collects the separate rate and passes the funds collected onto the individual Trader Associations for marketing and promotion purposes.

Council also adopted a recommendation from UBED to cap the amount that any individual property pays (\$2,000). This proposal may have consequential impacts for some businesses as their separate rates may need to increase to accommodate this.

In the case of Glen Osmond Road, this will result in the majority of businesses having an increase in the order of 35%. In the case of Goodwood Road this will be an increase in the order of 7.3%.

Both Unley Road and King William Road will result in a slight increase (2.4% and 3.8%) for levied properties due to the larger number of properties affected. Fullarton Road will have no impact as they apply a fixed amount.

Alternatively, Council may wish to reduce the overall separate rate collected as a result of the capping.

A copy of the Draft Annual Business Plan is provided as Attachment 1 to Item 30/16.

*Attachment 1*

The impact of this draft plan does not compromise Council's long term financial sustainability. Council will however need to continually monitor the impact of its decisions on the long term Net Financial Liabilities and Equity.

## **ANALYSIS OF OPTIONS**

### **Option 1**

1. The report be received
2. The Draft Annual Business Plan, Attachment 1 to Item x/2016 be received, and
3. Comments from the Audit and Governance Committee relating to the Draft Annual Business Plan be presented to the Council at the Budget Workshop to be held on 6 June 2016.

The Audit and Governance Committee provides valuable input to the Council in its strategic financial planning processes. The review of the Draft Annual Business Plan and Budget by the Committee at this time will provide an opportunity for the Council to consider feedback before adoption.

## **RECOMMENDED OPTION**

Option 1 is the recommended option.

## **POLICY IMPLICATIONS**

The City of Unley Draft Annual Business Plan and Budget has been developed in the context of the Council's suite of strategic management plans which include the following:

- Community Plan 2033
- 4 Year Plan 2013-2016
- Long Term Financial Plan including Council's Infrastructure and Asset Management Plans.

In addition, the Annual Business Plan and Budget and Council's Long Term Financial Plan considers the cost of implementation of strategies and plans reviewed and endorsed by Council.

## **REPORT CONSULTATION**

The Draft Annual Business Plan and Budget has been developed in conjunction with Business Unit Managers and their respective divisional General and Group Managers.

Two Elected Member workshops have been held as part of the Annual Business Plan development process. The first of these workshops was held in March 2016 with the second workshop held on 4 April 2016. A further workshop is proposed, following community consultation, to be held in early June 2016.

In addition, a presentation was made to the Audit and Governance Committee on 1 March 2016 covering Council's Long Term Financial Plan and the 2016-17 Target Budget.

### **ATTACHMENTS**

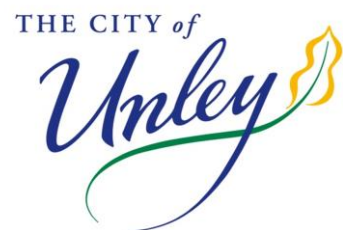
- Attachment 1 Draft Annual Business Plan 2016-17

### **REPORT AUTHORISERS**

<b>Name</b>	<b>Title</b>
Nicola Tinning	Group Manager Business Support and Improvement
Peter Tsokas	Chief Executive Officer



## Draft Annual Business Plan 2016-17 for Community Consultation





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## Background

Under Section 123 of the Local Government Act 1999 Council is required to have a budget for each financial year. This budget must be considered as part of the Council's Annual Business Plan.

Before a council adopts its Annual Business Plan it must prepare a Draft Annual Business Plan and undertake a public consultation process.

The purpose of the Draft Annual Business Plan is to impart understanding of:

- The services provided by the City of Unley
- Proposed new initiatives and projects, and
- Draft budget for 2016-17.

This year's consultation process will commence on 4 May 2016, providing a basis for feedback from the community, so that it can respond and inform Council before the Annual Business Plan is adopted and rates declared.

Once the Draft Annual Business Plan has been subject to public consultation, and submissions considered by Council, the Statutory Budget documents and financial statements for 2016-17 will be added.

A Long Term Financial Plan (LTFP) has been developed to assist Council with developing a budget within a prudent, longer-term financial framework. The key objective has been to ensure financial sustainability in the medium to long term, while still achieving Council's goals as detailed in the Community Plan and Annual Plan objectives.

Council seeks to achieve a reasonable degree of rate stability over time while ensuring ratepayers are paying for those services and infrastructure maintenance obligations they require.

## How Council measures its performance

Council measures its achievements and financial performance through the following processes:

- Regular financial reporting to Executive and Council
- Quarterly corporate performance report to Executive and Council
- Budget Reviews in accordance with legislation
- Annual review of the Long Term Financial Plan,
- Review and input from Council's Audit and Governance Committee and
- Production of an Annual Report including audited financial statements
- Community Surveys.



## Executive Summary

The draft Annual Business Plan for 2016-17 has been prepared in accordance with the priorities of Unley's Community Plan 2033 and 4 Year Plan 2013-2016, and the financial targets adopted by Council at its Council Meeting in February 2016.

Key financial information for 2016-17 is summarised below:

General Rate Increase 2.2%

Estimated Rates Growth (new rateable properties and improvements) 0.6%

<b>Budget Summary</b>	<b>\$'000</b>
General Rates Income	37 121
All Other Operating Income	8 794
<b>Total Operating Income</b>	<b>45 915</b>
Operating Expenses	41 820
New Operating Project Initiatives	1 031
Deferred Existing Operating Project (\$300k for Stage 2 Undergrounding of power lines Goodwood Road)	300
<b>Operating Surplus</b>	<b>2 764</b>
Net Replacement Capital Expenditure	8 059
Net New Capital Expenditure	5 192
<b>Total Capital Expenditure</b>	<b>13 251</b>
<b>Estimated New Borrowings</b>	<b>4 800</b>
<b>Repayment of Borrowings net of community loan repayments</b>	<b>1 191</b>

**Council will raise sufficient income to cover its operating expenses and undertake repayment of its debt.**

### Key Financial Targets

<b>Indicator</b>	<b>Adopted Target</b>	<b>Proposed Outcome</b>
Operating Surplus Ratio	3.0%	6%
Net Financial Liabilities Ratio	= < 80%	48%
Asset Sustainability Ratio (over 10 years)	= > 100%	117%

## Major Projects

The key Council Projects over the next 4 Years and incorporated in Council's Long Term Financial Plan (LTFP) include:

- Goodwood Road covering undergrounding of power lines, streetscape upgrade and way finding strategy deliverables
- King William Road Master Plan outcomes;
- Brown Hill Keswick Creek; and
- Property redevelopment opportunities within the Unley Central Precinct

At the time of adoption of Council's LTFP in October 2015, it was highlighted that due to Council's commitment to the above strategic capital projects Council was unlikely to have funds for the implementation of Unley Oval and Goodwood and Millswood Oval in the short term without a change in priorities or seeking alternative funding sources.

It was therefore agreed for Council to only complete planning and high level design for Unley Oval, Goodwood Oval and Millswood Sporting Complex Upgrades. This will allow Council to be "spade ready" and to avail itself of future grant and other funding opportunities as they arise.

Subsequently at Council's Meeting in March 2016, as a result of a Future Grandstand Upgrades at Unley Oval – Results of Community Engagement and Future Directions Report, Council:

- gave in principle endorsement for the upgrade of the grandstands;
- requested Council to work with the Sturt Football Club to explore the feasibility of their preferred upgrade of the grandstands option including finalisation of concept plans and cost estimates;,
- requested Council to commence discussions with Federal and State Governments and other bodies, seeking grant funding opportunities for 2 options
- requested that a further progress report be presented back to Council in July 2016

At this stage, no costs have been included in the 2016-17 Budget.

A further report on Millswood Sporting Complex detailed design is also proposed to be tabled at Council's May 2016 Meeting.

In addition, Council, as part of the Library Service Review in 2015 endorsed the notion to integrate and enhance the provision of community services in the Goodwood Library. The project proposes reviewing the floor plan to maximise flexible spaces. At this stage, Council has not finalised costings and continues to consider the viability of the project. As such, at this stage no costs have been included in the 2016-17 Budget.

## Impact on ratepayers

It is proposed that the overall amount existing ratepayers will pay in general rates will increase on average by 2.2%. For a residential property of average value, this equates to an increase in general rates of approximately \$37 for the 2016-17 year. Rate increases may vary from the average where there has been new development, capital improvements or other significant change to the value of the property.

For more information on the rating structure context please refer to **Funding the Business Plan** on page 17.

## Strategies behind the Draft Annual Business Plan

The purpose of the Draft Annual Business Plan is to impart an understanding of:

- Annual objectives for the year in the context of Council's long-term objectives
- The activities and services provided by Council
- Key financial information relating to revenue and expenditure
- Proposed new initiatives and projects
- Rating context and impact of rates for 2016-17, and
- Council's Long Term Financial Plan and Asset Management Plans

The draft Annual Business Plan sets out the Council's proposed services, programs and projects for 2016-17. It outlines the Council's specific objectives for the year in the context of its forecast long term financial position to ensure that a sustainable financial position is maintained.

As such this Draft Annual Business Plan will provide a basis for feedback from the community, so that it can respond and inform Council before the Annual Business Plan is adopted and rates declared.

The City of Unley Draft Annual Business Plan and Budget has been developed in the context of the Council's suite of strategic management plans which include the following:

- Community Plan 2033
- 4 Year Plan 2013-2016
- Long Term Financial Plan including Council's Strategic Asset Management Plans.

The links between these key planning documents is shown below.



The Community Plan 2033 provides the vision, strategies and framework for the future of the City of Unley.

The Four Year Plan outlines the priorities and strategies of the City of Unley until the year 2016. It sets out strategies that are part of a long term vision, described in the Community Plan 2033, to promote growth that is economically, socially and environmentally sustainable. It also details key projects and services that Council will deliver over the four year period.

The diagram below displays the Council's Strategic Planning Framework:



## Strategies and Plans

It is proposed that an updated Strategic Framework will be prepared in the later part of 2016 as part of consideration of the next 4 year plan horizon for subsequent endorsement by Council.

As part of this process, consideration of how Council's Community Plan goals link to lead strategies, support strategies, programs and projects will be addressed and worked through.

In addition, Council's Long Term Financial Plan and future budgets may need to be revised to take into account the cost of implementation of the following strategies and plans proposed to be finalised and endorsed in 2016 and 2017 including:

- Draft Tree Strategy
- Draft Environmental Sustainability Strategy
- Draft Cycling and Walking Plan
- Business and Economic Development Strategy
- Unley Integrated Transport Strategy
- ICT Digital Strategy.

## Significant Influences for the 2016-17 Budget

A number of factors have influenced the preparation of the Council's draft 2016-17 Annual Business Plan and Budget. These include:

- Local Government Price Index increases on relevant goods and services, which in the past has tracked above the CPI
- Provision for Enterprise Bargaining Agreements for most staff which determine conditions of employment and provide for annual salary and wages increases.
- maintaining asset management (replacement) expenditure at a sufficient level to ensure long term maintenance of Council infrastructure, property and IT assets
- increased maintenance requirements due to an increase in capital works and construction of new assets over recent years
- State Government budget decisions including Emergency Service Levy increases
- commitments to long term major projects including Unley Central, Goodwood Road Streetscape and Brown Hill Keswick Creek, and
- Grant funding including an increase of \$625k in Council's Roads to Recovery grant income for 2016-17 as a result of a Commonwealth Government decision to index fuel excise. This additional funding has been allocated to Stage One Leader Street road project in Forestville.

In response to the cost imposts on Council and to minimise the burden on ratepayers, Council has continued its work and review of service sustainability.

This has included developing a service improvement model and framework to review services and the level at which they are offered.

Savings identified as part of 2016-17 Budget Preparation include:

- A reduction in Employee costs due to a number of vacant positions that will not be filled. These include the GM Corporate Services, Project & Grants Officer, GCC Coordinator and Customer Service Officer and a reduction in required staff that were identified as part of the Street Cleansing Review
- Reduction in Council's contribution to Brown Hill Keswick Creek Administration \$28k
- Reduction in operating costs for the Goodwood Community Centre due to a proposed change to its operating model.
- Reduction in power costs \$71k, hard rubbish \$20k, legal \$12k, printing and stationery and insurance \$11k

## Services provided to the Community

The Local Government Act 1999 (the Act) prescribes a system of local government to enable councils to govern and manage areas at a local level.

All councils have basic responsibilities under the Act and other relevant legislation. These include:

- Regulatory activities, including voters' roll maintenance and Elected Members' support
- Determining longer term strategic management and management plans, financial plans, infrastructure and asset management plans and policies and procedures
- Setting rates, preparing an Annual Business Plan and Budget
- Management of basic infrastructure including roads, footpaths, parks, public open space, street lighting and stormwater drainage
- Street cleaning and rubbish collection
- Development planning and control, including building safety assessment, and
- Provision of various environmental health services.

In response to community needs, Council provides the following services and programs:

- |  |                             |
|--|-----------------------------|
| • Aged and Social Care                 | • Economic Development      |
| • Animal Management                    | • Urban Policy and Planning |
| • Environmental Management             | • Library Services          |
| • Community Development                | • Sustainable Landscapes    |
| • Community Engagement                 | • Parking Control           |
| • Community Services                   | • Community Centres         |
| • Community Transport                  | • Volunteers                |
| • Community Event Programs             | • Sport and Recreation      |
| • Corporate Services                   | • Youth Development         |
| • Recreation and Open Space Management | • Museum                    |
| • Environmental Management             |                             |


The Council also maintains a number of facilities and services on a fee for service basis, some of which are subsidised and include:


- |  |                         |
|--|-------------------------|
| • Unley Swimming Centre  | • Community Bus Service |
| • Commonwealth Home Support Program (CHSP) - formerly HACC Program | • Halls for hire        |
| • Ovals, courts, parks and reserves for hire.                      |                         |


Council anticipates that existing service levels of all continuing services from 2015-16 will be maintained during 2016-17.

## Council's Long Term Objectives and Key Projects

The key projects that Council will deliver in the 2016-17 financial year have been grouped under the five goals identified in the City of Unley Community Plan 2033.

<b>Emerging</b> <b>Our path to a future city</b> New activities and technologies that support our business and residential communities		
<b>Long Term Strategic Objectives</b> <ul style="list-style-type: none"> <li>• A thriving and prosperous business community</li> <li>• Emerging technology is embraced</li> <li>• A dynamic mix of uses and activities in selected precincts</li> </ul>	<b>Key Projects 2016-17</b> <ul style="list-style-type: none"> <li>• Continuation of Goodwood Road streetscape</li> <li>• Continuation of undergrounding of the power lines along Goodwood Road from the tram crossing to Victoria Street</li> <li>• Facilitation of property redevelopment opportunities for the Unley Central Precinct</li> </ul>	

<b>Living</b> <b>Our path to a thriving city</b> Reflecting issues of culture, diversity and lifestyle		
<b>Long Term Strategic Objectives</b> <ul style="list-style-type: none"> <li>• An enviable and diverse lifestyle</li> <li>• Activated places</li> <li>• A City of cultural and artistic diversity</li> <li>• Healthy and active community</li> <li>• Collaborative and engaged community</li> </ul>	<b>Key Projects 2016-17</b> <ul style="list-style-type: none"> <li>• Continuing the implementation of King William Road Master Plan through kerb build outs</li> <li>• Place activation and showcasing of the our City through major events including Unley Gourmet Gala, Tour Down Under and a community events program</li> </ul>	

<b>Moving</b> <b>Our path to an accessible city</b> Concerning accessibility and transport		
<b>Long Term Strategic Objectives</b> <ul style="list-style-type: none"> <li>• Equitable parking throughout the City</li> <li>• An integrated, accessible and pedestrian friendly City</li> <li>• Alternative travel options</li> </ul>	<b>Key Projects 2016-17</b> <ul style="list-style-type: none"> <li>• Implementation of the local area traffic management study for Wayville/Unley /Goodwood</li> <li>• Implementation of Council's Cycling and Walking Plan</li> </ul>	

## Greening

### Our path to a sustainable city Covering concerns about environmental initiatives and sustainability



#### Long Term Strategic Objectives

- Renowned for lifestyle and environmental balance
- Leaders in waste reduction
- Functional open green space throughout the City

#### Key Projects 2016-17

- Second Generation Street Tree Implementation
- Council's contribution to the Brown Hill Keswick Creek Stormwater Management Plan 2016-17 works

## Operational Excellence Our path to a robust and sustainable organisation

#### Long Term Strategic Objectives

- A constructive culture for all employees and volunteers
- A customer-centric approach
- Good governance and legislative framework
- An environment of continuous improvement and innovation
- A financially sustainable approach to business and planning activity
- Enabling information systems and robust reporting
- Uphold City of Unley's reputation

#### Key Projects 2016-17

- Records Management Compliance Project



## **Project Priorities proposed for the Year**

Council's proposed project priorities for 2016-17 stem from the long term objectives and strategies of Council as outlined in Council's Community and 4 Year Plans.

Council has undertaken a methodical and considered approach to determine its priorities for the upcoming financial year. These are the steps that were taken to determine the proposed projects for consultation:

- Elected Members submitted projects based on perceived community need
- The Capital Works Program was guided by Council's Asset Management Plans
- Council proposed projects that aim to assist in achieving the Strategic Themes in Council's Community Plan 2033 and 4 Year Plan
- Projects were divided into three broad categories: Operating Projects (including change to service), New Capital and Capital Replacement
- Elected Member workshops were used to further prioritise, refine and finalise the proposed project list for community consultation.

## **Operating Projects**

These types of projects are either one-off, short term projects or a request to change the level of service. The request to change the level of service will also impact future budgets.

These projects are to be funded by Council's rates income and therefore affect the level of rates increase being considered. The Council is considering a rate increase of 2.2% plus growth of 0.6% and the draft Budget proposes to fund a net amount of \$1.031m of operating projects excluding a \$300k deferred project from 2015-16.

Further review of these proposals will occur between now and June 2016, and includes consideration of this consultation process before it is finalised for adoption.

Significant items include:

- Council contribution to the undergrounding of the power lines for Goodwood Road between the tram crossing and Victoria Street \$300k
- Further development of opportunities within the Unley Central Precinct \$80k
- Continuation of Second Generation Street Tree Implementation for \$75k
- Activities for place activation and showcasing of the City of Unley including Unley Gourmet Gala, Tour Down Under (proposed but stage start is yet to be confirmed), King William, Goodwood and Unley Road events and annual community events program and related activities in the order of \$435k.

The proposed projects are detailed in Appendix 1 and 2.

## Capital Projects

The City of Unley is responsible for a large number of assets with a current depreciable value of approximately \$560m including land. It is important that Council engage in practices that optimise the assets “useful lives” for the benefit of the whole community.

Like many other councils, the City of Unley is provided with an increasing demand to provide services in an environment of ageing assets, increased liability and continual constraints on funding.

New capital projects will largely be funded by borrowings. The proposed new capital projects total \$5.192m net and include:

- Goodwood Road Streetscape and Wayfinding Strategy Delivery \$3.3m
- Implementation of King William Road Master Plan kerb build outs \$200k
- Implementation of Local Area Traffic Management Plan for Goodwood/ Wayville/Unley \$250k
- Implementation of the City of Unley Cycling and Walking Plan net \$200k and
- Brown Hill Keswick Creek project contribution \$250k

New capital expenditure may not significantly impact on Council rates in the year of creation but will affect the rates income in the future by way of increased depreciation, maintenance and interest expenses. All new capital will largely be funded through borrowings; however Council commits to investigate, where possible, grants to help fund these new assets.

The proposed capital replacement program of \$8.059m net has been based on current asset information and asset management plans. Major items include:

- \$1.617m for the proposed road reseal program (including Leader Street, Forestville)
- \$1.263m for the footways replacement program
- \$1.724m for the Property Program
- \$378k for reserves, recreation and open space projects and
- \$500k for drains and storm water.

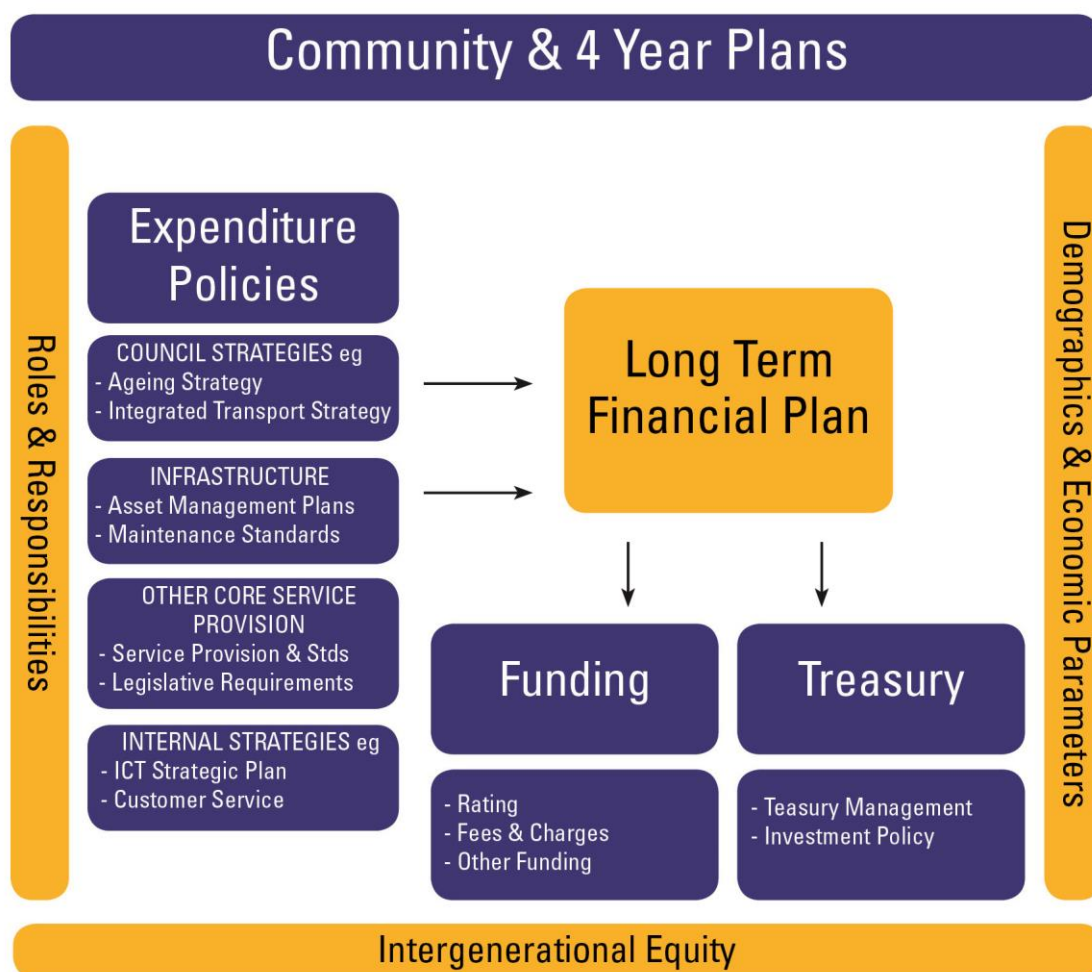
Details of the proposed Capital Works Program are provided in Appendices 3 and 4.

## Financial Framework

### Long Term Financial Plan (LTFP)

Council has developed a LTFP to guide its financial decisions and to ensure it is prudent in its financial management and considers a longer term view. The LTFP has been reviewed and updated to reflect the most current information available.

This 10 year LTFP has been developed as part of Council's ongoing financial planning to assist Council to plan within a longer term strategic framework.



The key components of the plan are:

- Assessment of Council's current financial position and achieving longer term financial sustainability
- Ensuring Financial Targets are met
- Consideration of Council's appropriate role and responsibilities
- Ensuring alignment with the Community and 4 Year Plans and maintenance of high priority strategies
- Ensuring all proposed strategies are costed before adoption
- Ensuring alignment with agreed service provision and delivery standards
- Ensuring alignment with Asset Management Plans and Maintenance Standards

- Ensuring alignment with internal support strategies
- Ensuring alignment with Funding and Treasury principles as well as intergenerational equity (rating stability, Treasury Policy, fees and charges, external funding and investments)

## **Infrastructure and Asset Management Plans**

The City of Unley owns and is responsible for the management, operation and maintenance of a diverse asset portfolio that provides services and facilities for City users. Infrastructure and Asset Management Plans have been developed for all infrastructure assets to ensure Council continues to provide effective and comprehensive management of its asset portfolios. To manage this process, Council assets have been grouped into categories and Infrastructure and Asset Management Plans developed for each category.

The development of these Infrastructure and Asset Management Plans indicate Council's ongoing commitment to operate and maintain its asset portfolio efficiently to both meet strategic and legislative requirements, and to deliver the required levels of service for the community. The plans make assumptions on the continued utilisation of the assets and specify rolling condition audits required to provide up to date information for the ongoing improvement and review of the plans.

A new approach to asset management driven from a service perspective is currently being introduced to Council. Over the next few years the management of assets will be based more directly on the declared levels of service for each specific asset and this will determine the long term costs. A new asset system, linked to the financial system has been purchased and implemented in 2015-16.

The Infrastructure and Asset Management Plans provide the basis for the Replacement Capital Program included in Council's LTFP and is refined as part of the Annual Business Plan and Budget process. This program details those individual asset replacement projects flowing from the Infrastructure and Asset Management Plans which require completion to ensure the assets meet the required levels of service. In 2016-17 the Replacement Capital Program has a projected net expenditure of \$8.059m.

For footpaths forming part of the footways asset category, Council has endorsed an asset management plan schedule to replace all asphalt to pavers based on current service standards. Based on the LTFP it is anticipated that the City of Unley will be fully paved by 2019-20.

## Funding the Business Plan

Excluding borrowings for New Capital, over 80% of Council's funding is generated from rates with the balance largely relating to fees and charges set by Council or statutory fees gazetted by the State Government on an annual basis.

### Rates Context

In setting the rates for 2016-17 Council proposes to continue with its current method of rating, which is three differential rates with a minimum rate, applied against the capital value of properties. Council considers this to be the most fair and equitable method of rating for the City of Unley.

Council acknowledges that rates are the main source of income to deliver the services and maintain the infrastructure required by its community. Rates are a form of property taxation, and property values determine how much each property contributes. This system of taxation means that the rates paid may not directly relate to the services used by each ratepayer.

It is proposed that the overall amount existing ratepayers will pay in general rates will increase in the order of 2.2% with a further estimated increase of 0.6% from growth. Growth represents new development, capital improvements to existing properties and changes to value as a result of land divisions.

Refer to Appendix 5 for details on Rates Assistance Available.

### Rate Statistics

Council has nearly 18 500 assessments with just over 16 000 residential, over 1 800 assessments within non-residential Category 2 (including commercial shops, industrial, and vacant) and 600 non-residential Category 3 (commercial offices and commercial – other)

Assessments on the minimum rate total just over 2 100, with residential comprising over 2 000 of these assessments.

### Rates Modelling

The majority of the valuation for the Council area has been completed by Valuer-General and reflects an increase of 4.5% in valuation for **existing properties**. This valuation information is still subject to Valuer-General and internal quality assurance processes and revisits during the consultation period.

Analysis to date indicates that:

- residential properties, representing over 85% of the overall valuation, had the average valuation increase of just over 5.1%.
- non-residential properties, including commercial, had an average valuation increase of less than 1%.

The Budget has been formulated on the basis of retaining differential rates for residential and non-residential property at the appropriate rate in the dollar to provide an overall increase in rates of 2.2% excluding growth.

## Valuation Method

The Council has adopted the **capital value** method of valuing properties. This method values the land and all improvements on the land. It is the most widely used method across South Australian councils.

Council considers this valuation method the most equitable method to spread the rates burden across the measure of wealth within the City. It equates to the taxation principle that people should contribute to community, social and physical infrastructure in accordance with their capacity to pay as measured by property wealth.

In determining how rates are applied, and in determining the rate in the dollar, Council uses the following options.

## Minimum Rate

In accordance with S158 of the Act, Council has decided that there will be a minimum rate on every rateable property. Council, in adopting a minimum rate, considers it appropriate that all rateable properties make a contribution to the cost of administering the Council's activities and creating and maintaining the physical infrastructure that supports each property.

It is proposed that the minimum rate will increase in line with the overall rate increase of 2.2% excluding growth.

## Differential Rates

In accordance with S153 of the Local Government Act 1999, Council will declare three differential General Rates according to the land use category. The land use categories are as follows:

<b>Group 1</b>	<b>Non-residential Category 2</b>	<b>Non-residential Category 3</b>
Residential	Commercial Shop Industry Light Industry Other Primary Production Vacant Land Other	Commercial Office Commercial Other

Council has considered the principle of rate stability when assessing the rates burden across the above categories. Other considerations were given to the change in capital value across the land use categories and the rates income provided by each.

The application of a Differential General Rate is generally intended to alter the amount payable by particular land uses. In the City of Unley area it has been determined that the differentiation between non-residential category 2 and residential is in the order of 1.89 times and the differentiation between non-residential category 3 and residential is in the order of 2.25 times.

It is estimated that the Residential Differential General Rate will raise net rate revenue in the order of \$29m in 2016-17.

It is estimated that the Non-Residential Differential General Rates will raise net rate revenue in the order of \$8m in 2016-17.

## **Separate Rate for Main Street Trader Associations**

Council proposes to continue to raise a separate rate for the purposes of promotion of the businesses and traders along major shopping strips. Council collects the separate rate and passes the funds collected onto the individual Trader Associations for marketing and promotion purposes.

For the 2016-17 Budget, the amounts indicated in the table below will form part of the proposed Budget. These have been developed in consultation with the five associations and their members and were presented to the Unley Business and Economic Development Committee (UBED) in March 2016.

### **Requested 2016-17 Separate Rate from Trader Associations**

<b>Main Street Trader Associations</b>	<b>Separate Rate raised 2015-16</b>	<b>Requested Separate Rate 2016-17</b>	<b>% Increase (Decrease)</b>
Unley Road	\$ 105 600	\$ 107 712	2%
King William Road	\$ 144 000	\$ 144 000	Nil
Goodwood Road	\$ 55 000	\$ 55 000	Nil
Glen Osmond Road	\$ 18 355	\$ 18 355	Nil
Fullarton Road	\$ 13 000	\$ 13 000	Nil

Council has subsequently adopted the UBED recommendations at its March 2016 meeting for the purposes of this Draft Annual Business Plan community consultation. Council also adopted a recommendation from UBED to cap the amount that any separate rate payer pays at \$2000. This proposal will have consequential impacts for smaller ratepayers as their separate rates will increase to accommodate this as modeled below.

### **Unley Road**

Currently 451 ratepayers pay the separate rate.

Based on current year rates information, the imposition of a \$2000 cap is likely to result in an increase to other separate rate payers of a further 2.4% on top of the proposed increase.

Of these just over 300 ratepayers will receive a combined increase of less than \$10 with the remainder increasing up to \$100.

### **King William Road**

Currently 133 ratepayers pay the separate rate.

Based on current year rates information, the imposition of the proposed cap is likely to result in an increase to other separate rate payers of 3.8%.

Of these just under 20 ratepayers will receive an increase of less than \$20 with the remainder increasing up to \$75.

## **Goodwood Road**

Currently 96 ratepayers pay the separate rate.

Based on current year rates information, the imposition of the proposed cap is likely to result in an increase to other separate rate payers of 7.3%.

Of these just under 25 ratepayers will receive an increase of less than \$20 with the remainder increasing up to just over \$100.

## **Glen Osmond Road**

Currently 33 ratepayers pay the separate rate.

Based on current year rates information, the imposition of the proposed cap is likely to result in an increase to other separate rate payers of 35%.

Of these approximately 20 ratepayers will receive an increase of less than \$100 with the remainder increasing up to \$500.

## **Fullarton Road**

As Fullarton Road Traders pay a fixed amount of \$250, the imposition of a cap does not impact on any of these traders.

## **Community Consultation**

All separate rate requests will be further considered by Council when it reviews outcomes of the Draft Annual Business Plan community consultation at its June Budget workshop and subsequent June Council Meeting to adopt the Annual Business Plan and Budget.

## **Natural Resource Management Levy**

The City of Unley falls within the Central Group of the Adelaide and Mount Lofty Ranges Natural Resource Management (NRM) Board. Council is required, under the Natural Resources Management Act, to contribute towards the funding of the NRM Board and operates as a revenue collector for the Board by imposing a levy against properties.

Council has recently been advised by the NRM Board that the indicative amount to be paid to the NRM Board in 2016-17 is \$1.176m compared to \$1.134m in 2015-16. This represents an increase of 3.7%.

Council does not retain this revenue, or determine how the revenue is spent.

## **Fees and Charges Context**

Section 188 of the Local Government Act 1999 provides the legal context:

- fees and charges are determined by resolution of council either as a direct resolution or by by-law or via delegation
- a council is unable to fix or vary fees or charges prescribed under other Acts
- in respect of fees for the use of facilities, services or works requests a council need not fix fees or charges by reference to the cost of the council



- council is required to keep the list of fees and charges on public display and provide updates where fees and charges are varied during the year.

Council reviews its fees and charges each year, in conjunction with the development of the annual budget. As in previous years, a comprehensive review has been undertaken to ensure that the fees proposed:

- reflect (or move progressively toward) the cost of the services given
- are comparable with market rates, where appropriate
- take into account benefit derived by users of community facilities
- are consistent with Council directions articulated through existing policy or plans
- are consistent with Council's LTFP assumptions

Generally, this has resulted in proposed fee increases that are in line with CPI or the Local Government Price Index, insofar as this is practicable.

## Consultation

The 2016-17 Draft Annual Business Plan is presented in the context of strategic directions for the City that have been endorsed by Council. The Plan reflects Council's continuing focus on ensuring that the physical infrastructure of the City is fit for use and maintained in a cost effective fashion.

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

The City of Unley is seeking your input to the development process of this budget through a public consultation process.

The process provides you with the opportunity to have your say on the level of service and the activities undertaken by Council before the final budget is adopted in June 2016.

We encourage you to take part and we look forward to your input.

In relation to consideration of capping separate rates Council will separately write to all affected ratepayers in the Goodwood and Glen Osmond Road precincts.

You can make a submission by:

Visiting *Your Say Unley* on the council's website at: [www.unley.sa.gov.au](http://www.unley.sa.gov.au)

Writing a submission and sending it to: 2016-17 Budget Consultation  
City of Unley  
PO Box 1  
Unley SA 5061

Emailing your submission to: [pobox1@unley.sa.gov.au](mailto:pobox1@unley.sa.gov.au)

To be received by no later than close of business on 27 May 2016

**You are also invited to attend a community information session on 25 May 2016 at 6.30 pm in the Unley Civic Centre, 181 Unley Road Unley.**

In the following Appendices, Operating and New Capital Projects have been grouped under the five goals identified in the City of Unley Community Plan 2033.

	<b>Emerging</b>	<b>Our path to a future city</b> New activities and technologies that support our business and residential communities
	<b>Living</b>	<b>Our path to a thriving city</b> Reflecting issues of culture, diversity and lifestyle
	<b>Moving</b>	<b>Our path to an accessible city</b> Concerning accessibility and transport
	<b>Greening</b>	<b>Our path to a sustainable city</b> Covering concerns about environmental initiatives and sustainability
	<b>Operational Excellence</b>	<b>Our path to a robust and sustainable organisation</b>

To maintain project numbering integrity, project numbering in this document is based on the numbering relevant for the Special Council Meeting held on 20 April 2016, noting that some Operating Projects were removed or withdrawn at that meeting.

## Appendix 1 – Proposed New Operating Projects by Primary Strategy

No	Title	Expenditure \$	Income \$
<b>Administration</b>			
1	Records Management Compliance Project	104 000	-
	<b>Sub Total</b>	<b>104 000</b>	<b>-</b>
<b>Strategies endorsed by Council</b>			
2	Unley Central Project	80 000	-
3	Main Street Digital Economy Strategy	74 000	19 000
4	2016-17 Annual Events Program	100 000	-
5	Unley Gourmet Gala	223 000	47 000
6	Tour Down Under	70 000	-
7	Healthy Community Program	20 000	-
8	Age Friendly Strategies	40 000	-
9	Funding of Royal Adelaide Show Traffic Management Costs	20 000	-
10	Street Tree Watering Well Program	69 000	-
11	Second Generation Street Tree Implementation	75 000	-
12	Implementation of City Wide Park Tree Risk Assessment Audits	30 000	-
13	CRC Water Sensitive Cities	10 000	-
14	Community fruit trees in parks	5 000	-
15	Identification of Encroachments	50 000	-
	<b>SubTotal</b>	<b>866 000</b>	<b>66 000</b>
<b>New Elected Member Initiatives</b>			
16	Community Grants CPI Catch Up	10 000	-
19	Removal of feral olive trees & inappropriate vegetation - Ridge Park	25 000	-
28	Unley City Wide Greening	50 000	-
	<b>Sub Total</b>	<b>85 000</b>	<b>-</b>
<b>New Trader Association Initiatives</b>			
24	Community Event Variety on King William or similar scale event	16 500	-
25	Community Event similar to Goodwood Groove	5 000	-
26	Community Event – An Evening Under the Stars	20 000	-
	<b>Sub Total</b>	<b>41 500</b>	<b>-</b>
	<b>Gross</b>	<b>\$1 096 500</b>	<b>\$66 000</b>
	<b>Net New Operating Projects</b>	<b>\$1 030 500</b>	

## Proposed New Operating Projects by Primary Strategy - Detail

	Title	Net Expenditure \$
	<b>Administration</b>	
1	<p>Records Management Compliance Project (Year 1 of 2)</p> <p>Records stored in the Unley Records archives are over 50 years old (some date back to the late 1800s) and are deemed permanent. The City of Unley is required under the State Records Act to transfer these to State Records. A listing of all these records and a separate RDS (Records Disposal schedule) needs to be created and put before the State Records Council for approval and transfer to State Records custody. The proposed budget includes an amount for specialists to assist in undertaking this archiving and scheduling to ensure compliance with numerous legislation.</p>	104 000
	<b>Strategies endorsed by Council</b>	
2	<p>Unley Central (Item 1226/August 2014)</p> <p>Council resolved to further investigate property development opportunities in the Unley Central precinct in August 2014. These funds will cover external advice and support as necessary.</p>	80,000
3	<p>Main Street Digital Economy Strategy net (Expenditure \$74,000 Income \$19,000) (Item 36/February 2012 UBED Agenda)</p> <p>This initiative came via the Unley and Business and Economic Development Committee with the Strategy adopted by Council at its February 2012 meeting. Council fully funded the Strategy for three years to June 2015. A phased withdrawal of financial support is underway, in an effort to make the concept self-funding. This is Council's second year's contribution at a reduced level.</p>	55 000
4	<p>2016-17 Annual Events Program</p> <p>The delivery of the City of Unley community events program that includes events such as the Double Shot Coffee Fiesta; Ignite Unley Outdoor Cinema Series; Fringe in Unley; Australia Day event; Every Generation Festival to further attract and support external community events.</p>	100 000
5	<p>Unley Gourmet Gala – net (Expenditure \$223,000 Income \$47,000)</p> <p>The delivery of the Unley Gourmet Gala Event showcasing the City of Unley and the King William Road Precinct. The event showcases local food, wine, fashion, music and entertainment.</p>	176 000
6	<p>Tour Down Under (TDU) - to be confirmed</p> <p>The hosting of a TDU Stage Start on King William Road. This cost includes the license fee of \$15k and event management and infrastructure costs of \$55k. Will only occur if TDU Stage Start granted by SA Tourism Commission</p>	70 000

	<b>Title</b>	<b>Net Expenditure \$</b>
<b>7</b>	<b>Healthy Community Program</b> This program commenced in 2015-16. Year 2 of this program includes a number of healthy living and wellbeing initiatives throughout the financial year, including 'come and try' activities and fitness opportunities, along with stronger links to and involvement of local allied health providers.	20 000
<b>8</b>	<b>Age Friendly Strategies</b> Delivery of initiatives relating to Council's Age Friendly Strategy endorsed in December 2015. The proposed 2016-17 program includes an Age Friendly mapping and footpath pilot; a round table forum with the Australian World Health Organisation (WHO) Member Councils and commencement of the Active Ageing Alliance.	40 000
<b>9</b>	<b>Funding of Royal Adelaide Show Traffic Management Costs</b> Council has historically funded the traffic management activities associated with the Royal Show. In 2014, DPTI issued new guidelines for traffic management events indicating that the event organiser should pay for these arrangements. The Royal Agricultural and Horticultural Society of South Australia (RAHS) have indicated that they would prefer that Council continue to fund these arrangements. At Council's January 2016 Meeting the CEO was delegated responsibility to negotiate a funding arrangement for Council's consideration as part of the 2016-17 Budget deliberations. The proposed amount of \$20k is a contribution to the total estimated cost of \$32k. The amount, annual increase and the period of the agreement (3 years) is currently being considered by the RAHS Board.	20 000
<b>10</b>	<b>Street Tree Watering Well Program</b> Originally an Elected Member initiative, Year 3 of this program is to install tree water wells in appropriate streets to assist in providing water to street trees. This program will deliver between 125 to 150 units and for 2016-17 it is proposed to tie in the installation of wells with the second generation street tree implementation program.	69 000
<b>11</b>	<b>Second Generation Street Tree Implementation (Year 2 of ongoing program)</b> This Elected Member initiative is to increase the level of street tree replacement to a more sustainable level to support Council's Greening goal and draft Tree Strategy. It is proposed that Council's draft Tree Strategy will be adopted in 2016.	75 000
<b>12</b>	<b>Implementation of City Wide Park Tree Risk Assessment Audits</b> This project is for the commencement of the implementation for the remedial actions from the tree risk assessment in the following reserves: Howard Florey Reserve, Dora Guild Playground and Fraser Reserve to address identified risks associated with certain trees.	30 000

	<b>Title</b>	<b>Net Expenditure \$</b>
<b>13</b>	<p><b>CRC Water Sensitive Cities (Year 3 of 3)</b></p> <p>In January 2014, Council endorsed a motion to become a participant of the Cooperative Research Centre for Water Sensitive Cities (CRC). This partnership with the CRC provides Council with access and involvement with a wider network of participants to assist with developing water sensitive technologies, practices and policies. Recent outcomes from this partnership include the production of a heat map which shows the radiant heat of the City of Unley urban environment. This is being used to identify where Council should focus its greening infrastructure works.</p>	10 000
<b>14</b>	<p><b>Community fruit trees in parks (Year 2 of 3)</b></p> <p>To allow Council to progressively increase the number of fruit trees throughout the City in public places as an ongoing program supporting Council's Greening Goal and Tree Strategy. Princess Margaret and Howard Florey are likely locations for the coming year.</p>	5 000
<b>15</b>	<p><b>Identification of Encroachments (Year 2 of 2)</b></p> <p>This project forms the basis to council's encroachment policy presented to Council in December 2013. Council is investigating the way it manages encroachments onto Council property. This project is to identify all historic encroachments across the Council area, map them and prepare a business case to be presented to Council in 2017.</p>	50 000
<b>New Elected Members Initiatives</b>		
<b>16</b>	<p><b>Community Grants CPI Catch Up – Cr Hughes</b></p> <p>To provide an increase in funding to Council's Annual Community Grants Program by \$10,000, representing an inflation catch up to support more Community initiatives. The current demand for grants far exceeds the amount available for distribution.</p>	10 000
<b>19</b>	<p><b>Removal of feral olive trees and other inappropriate vegetation from Ridge Park – Cr Hughes</b></p> <p>Removal of feral olive trees and other inappropriate vegetation from Ridge Park, in particular along the Glen Osmond Creek. Feral olives are a widely considered noxious tree. This project follows on from a previous olive tree removal project to complete olive eradication in Fullarton Park.</p>	25 000
<b>28</b>	<p><b>Unley City Wide Greening Initiative</b></p> <p>Implementation of identified streetscape opportunities within the City of Unley that can value add or improve the greening of the streetscape for both amenity and environmental benefits.</p>	50 000

	Title	Net Expenditure \$
<b>New Trader Association Initiatives</b>		
24	<p>Community Event Variety on King William or similar scale event</p> <p>The King William Road Trader Association requests the continuation of Council's support for a major event in 2016-17 be it Variety on King William or another similar scale event. Variety on King William has been the flagship event for the Road, well entrenched on the Adelaide Fashion Festival's Calendar and a significant opportunity to promote the City of Unley, along with King William Road. The Committee is currently considering options for this event or similar. The Association requested \$10,000 sponsorship for their major event, as well as support for additional costs of \$11,500 to cover road closure, waste management, banners, traffic management, temporary parking controls and advertising. At the Special Council Meeting on 20 April 2016, Council agreed an amount of \$16,500 for consultation representing \$11,500 for support costs and sponsorship of \$5,000.</p>	16 500
25	<p>Community Event similar to Goodwood Groove</p> <p>The Goodwood Road Business Association requests the continuation of Council's support for a major event in 2016-17. Goodwood Groove has been the flagship event for the area, and provides a significant opportunity to promote the City of Unley, and the Goodwood Road precinct. The Association is currently considering options for this event or similar due to Council's undergrounding and streetscape works.</p>	5 000
26	<p>Community Event – An Evening Under the Stars</p> <p>The Unley Road Association requests the continuation of Council's support for a major event in 2016-17. An Evening Under the Stars in conjunction with a Taste of Unley Road has been the flagship event for the precinct, and a significant opportunity to promote the City of Unley. The Association request a \$20,000 sponsorship for their event.</p>	20 000
	<b>Net Operating Projects</b>	<b>\$1 030 500</b>

## Appendix 2 –Deferred Existing Operating Project

	Title	Net Expenditure \$
27	<p>Undergrounding of Goodwood Road – Stage 2</p> <p>This project was delayed in 2015-16 until the 2016-17 financial year. This is Council's contribution to the Public Lighting Environmental Committee (PLEC) undergrounding of power lines on Goodwood Road – between Surrey Street and Victoria Street.</p>	300 000



## Appendix 3 – Proposed New Capital

### Draft New Capital 2016-17 by Primary Strategy

No.	Title		Expenditure \$	Income \$
	<b>Strategies/Projects endorsed by Council</b>			
1	Goodwood Road Streetscape and Wayfinding Strategy Delivery		3 300 000	-
2	Unley Central Entrance Oxford Terrace Detailed Design		200 000*	-
3	Main Street Improvement Program		130 000	-
4	Implementation of King William Road Master Plan – Kerb build outs		200 000*	-
5	Public Art Strategy Implementation- including Goodwood Road		65 000	-
6	Implementation of Local Area Traffic Management (LATM) Studies		150 000	-
7	Stormwater and Water Sensitive Urban Design Implementation		100 000	50 000
8	Green Infrastructure Implementation		30 000*	-
9	Brown Hill Keswick Creek		250 000	-
10	Capitalised Project Delivery Costs including Overheads		227 000	-
	<b>Sub Total</b>		<b>\$4 652 000</b>	<b>\$50 000</b>
	<b>New Elected Member Initiatives</b>			
12	Additional Funding for Implementation of LATMs		100 000	-
13	Implementation of the City of Unley Cycling and Walking Plan		225 000*	25 000
14	Traffic Calming Wood Street Hyde Park/Millswood		40 000*	-
15	Pedestrian Refuge Facility – Marlborough Street Malvern		40 000*	20 000
16	Safety Works at Goodwood Primary School		60 000*	30 000
17	Anderson Street – Shared Street		150 000*	-
18	Road Safety Speed Monitoring		20 000	-
19	Install Solar Panels and Battery Storage on Council owned Building		30 000*	-
	<b>Sub Total</b>		<b>\$665 000</b>	<b>\$75 000</b>
	<b>Gross</b>		<b>\$5 317 000</b>	<b>\$125 000</b>
	<b>Net New Capital</b>		<b>\$5 192 000</b>	

\* Projects highlighted will require further consideration by Council before any expenditure is committed

Further details of these projects are provided in the following pages.

	<b>Title</b>	<b>Net Expenditure \$</b>
<b>Strategies/Projects endorsed by Council</b>		
<b>1</b>	<p><b>Goodwood Road Streetscape and Wayfinding Strategy Delivery</b></p> <p>This project will complete an improved streetscape including signage, street furniture, repaved footpaths &amp; kerbs, landscaping, art work, vegetation and side street activation for Goodwood Road between the tram crossing and Victoria Street. The work will be undertaken on completion of the undergrounding of power lines on Goodwood Road.</p>	3 300 000
<b>2</b>	<p><b>Unley Central Entrance Oxford Terrace Detailed Design</b></p> <p>This project involves the design development and documentation of Stage 1A. The creation of a new built environment which prioritises pedestrian movements through the community space will integrate the existing commercial and civic functions in Oxford Terrace at this important juncture with Unley Road.</p>	200 000
<b>3</b>	<p><b>Main Street Improvement Program</b></p> <p>Each year the Main Street Associations identify infrastructure and improvement projects for the coming financial year. These will be considered by the UBED Committee and Council before the Budget is adopted in June.</p>	130 000
<b>4</b>	<p><b>Implementation of King William Road Master Plan – Kerb build outs</b></p> <p>In 2014 Council commissioned a King William Road Project Report which considered all aspects of the precinct. From this a vision, a suite of achievable projects were developed which included the concept of parklets and the piloting of such. Following the success of the parklet pilot program, it is proposed kerb build outs will be constructed in appropriate locations.</p>	200 000
<b>5</b>	<p><b>Public Art Strategy Implementation- including Goodwood Road</b></p> <p>This program supports Year 3 (of 5) of the Public Arts Strategy. The majority of this funding is to be invested in public art complementing the Goodwood Road Streetscape Project listed above.</p>	65 000
<b>6</b>	<p><b>Implementation of Local Area Traffic Management Study</b></p> <p>In 2014, Council endorsed a prioritisation of local areas to undertake future local area traffic management (LATM) studies. The amount provided for LATM implementation in the LTFP is significantly less than required ; it is therefore proposed that no new LATM study commence in 2016-17 and the funds be allocated for implementation of Wayville/Unley/Goodwood Study outcomes. Implementation will focus on high priority initiatives in the initial years. It is also proposed to increase this funding by \$100k please refer below to an Elected Member initiative.</p>	150 000

	<b>Title</b>	<b>Net Expenditure \$</b>
<b>7</b>	<b>Stormwater and Water Sensitive Urban Design Implementation</b> Year 2 of a program to support Council's Greening goal and Draft Stormwater Strategy (WSUD). This project will continue the design and implementation of some of the priority WSUD opportunities including Leader Street Streetscape Renewal and localised rain gardens across the City based on investigation of suitable sites. It is highly likely that Council will continue to receive external grants to match this funding.	50 000
<b>8</b>	<b>Green Infrastructure Implementation</b> Year 2 of a Council program, this project is aligned to the draft Green Infrastructure Strategy which is a supporting strategy to Council's draft Environmental Strategy. For 2016-17 it is proposed that the program undertake further green wall/roof initiatives at Council owned facilities and investigate opportunities for enhancing environmental outcomes by greening at key infrastructure works such as the Leader Street Streetscape Renewal.	30 000
<b>9</b>	<b>Brown Hill Keswick Creek (BHKC)</b> The City of Unley together with the Cities of Burnside, Mitcham, West Torrens and the Corporation of the City of Adelaide have collaborated to develop a catchment based approach to mitigating flood risk and use of stormwater where feasible in the Brown Hill and Keswick Creek catchment. Council's contribution to the BHKC Project for 2016-17 is estimated at \$250k with proposed works to be undertaken relating to the South Park Lands detention basin and the Lower Brown Hill Creek Upgrade sub projects.	250 000
<b>10</b>	<b>Capitalised Project Delivery Costs including Overheads</b> These are internal project management costs to deliver the projects listed.	227 000
<b>New Elected Member Initiative</b>		
<b>12</b>	<b>Additional funding for the Implementation of Local Area Traffic Management (LATM) Study – Cr Schnell</b> This new initiative will assist in the delivery of more of the high priority recommendations identified in the LATM Study 1 (Wayville/Unley/Goodwood). The high priority treatments are in the order of \$350k in total. The budget of \$250k would deliver around 70% of the high priority recommendations in 2016-17, as opposed to just over 40% with the current proposed budget of \$150k.	100 000

	<b>Title</b>	<b>Net Expenditure \$</b>
<b>13</b>	<p><b>Implementation of the City of Unley Cycling &amp; Walking Plan 2015-2020 (WCP) – Cr Hewitson</b></p> <p>The WCP provides strategies/actions for the next five years to further increase walking and cycling within the community. Input from Council and the Unley Bicycle User Group (UBUG) has helped shape the plan. The Unley Cycling and Walking Plan has not yet been adopted by Council but Community Engagement on the Plan recently commenced in April 2016. If the Plan is adopted, these funds would allow Council to begin to implement the high priority recommendations in the Plan.</p> <p>In addition, Elected Members have highlighted consideration of the corner of Canterbury Terrace and East Avenue Clarence Park (net \$25k on the assumption that a State Bicycle Fund grant is obtained) and Wood Street Hyde Park/Millswood (estimated at \$20k and linked to the traffic calming project below) as priorities for implementation in 2016-17. These will be considered from this allocation. Based on a \$200k spend, maintenance is estimated at \$7,500.</p>	200 000
<b>14</b>	<p><b>Traffic Calming Wood Street Hyde Park/Millswood – Crs Sangster and Rabbitt</b></p> <p>Residents have raised safety issues for both motor vehicles and cyclists due to the design of the existing traffic calming devices. The proposal includes the installation of speed humps on the motor vehicle roadway between bicycle paths on either side and links to additional cycle works to be prioritised as part of the Implementation of Cycling and Walking Plan. The proposal should also discourage commuter through-traffic, which has been an ongoing volume and speed issue with the local residents.</p>	40 000
<b>15</b>	<p><b>Pedestrian Refuge Facility – Marlborough Street Malvern - Crs Sangster and Rabbitt</b></p> <p>Residents from Resthaven and the general locale have difficulty crossing Marlborough Street due to the volume and speed of traffic travelling through the intersection. This Elected member Initiative proposes that a pedestrian facility (kerb extension and refuge) be installed at the intersection of Marlborough Street and Cambridge Terrace to make this crossing safe for all residents. This project will only be considered if a matching contribution from Resthaven is received.</p>	20 000

	<b>Title</b>	<b>Net Expenditure \$</b>
<b>16</b>	<p><b>Safety Works at Goodwood Primary School – Cr Schnell</b></p> <p>A resident has applied for a grant from DPTI focussed on improving safety around Goodwood Primary School that requires matching Council funding. The proposed works include:</p> <ul style="list-style-type: none"> <li>• Parking controls for improved sight distance at the intersection of Hampton Street South and Surrey Street,</li> <li>• upgrade the intersection by installing kerb-extensions to reduce the crossing distances, and</li> <li>• Installation of an Emu Crossing at Hampton Street South</li> </ul> <p>The likely cost of installation would be approximately \$30k for the intersection upgrade and \$30k for an Emu crossing. This project will only be supported if matching funding is obtained and the community engagement supports the changes. Council's contribution will only be \$30k.</p>	30 000
<b>17</b>	<p><b>Anderson Street – Shared Street – Cr Koumi</b></p> <p>Anderson Street runs between Florence Street to the south and Dawson Street to the north. It is a local street in Fullarton, primarily providing access to local traffic (both vehicular and foot). It was investigated for a shared zone concept in 2015 with DPTI as the approving authority for shared zones indicating a preference to have a shared street type of design approach as opposed to a formal shared zone.</p> <p>Council at its meeting held in November 2015 (item 305) endorsed that "The Anderson Street residents be advised that the proposal to construct shared street infrastructure will be considered by Council in the 2016-17 budget deliberations.</p>	150 000
<b>18</b>	<p><b>Road Safety Speed Monitoring – Elected Member Initiative – Cr Salaman</b></p> <p>This initiative is to investigate a portable state of the art speed alert sign which could be trailer mounted and moved around to different locations including school zones. Council has used similar signs in the past and is considered a very effective tool for reducing speed and promoting speed awareness in problem areas.</p>	20 000
<b>19</b>	<p><b>Install Solar Panels and Battery Storage on Council owned Building – Cr Hughes</b></p> <p>This initiative provides an opportunity for Council to demonstrate leadership in energy efficiency by proposing the installation of solar panels and battery storage on a Council owned building such as the Unley Museum.</p> <p>Administration will be investigating the suitability and feasibility of sites prior to the Budget being adopted in June. The site is also expected to act as a demonstration project for residential properties.</p>	30 000
	<b>New Capital</b>	<b>\$5 192 000</b>

## Appendix 4 - Draft Replacement Capital Summary 2016-17

Asset Category	Expenditure \$	Income \$
Bridges	100 000	
Bus Shelters	64 000	
Car Parks	120 000	
Drains and Stormwater	500 000	
Footways*	1 263 000	
IT Equipment	474 000	
Kerb and Water	425 000	
Plant and Equipment	900 000	248 000
Property ** including: <ul style="list-style-type: none"> <li>• Buildings</li> <li>• Office Furniture and Equipment</li> <li>• Public Toilets</li> <li>• Swimming Facility</li> </ul>	1 724 000	
Reserves / Recreation and Open Space***	378 000	
Roads****	1 617 000	
Signs	16 000	
Street lighting	16 000	
Streetscape	80 000	
Traffic Facilities	27 000	
Project Delivery Costs including Corporate Overhead	603 000	
<b>Total</b>	<b>8 307 000</b>	<b>248 000</b>
<b>Net Replacement Capital</b>	<b>8 059 000</b>	

### \*Footways

Street Name	Street Side	Suburb
Laught Avenue	Both	Black Forest
Railway Terrace South	South side	Forestville
Leader Street	Both	Forestville
Beaconsfield Street	Both	Fullarton
Hall Street	Both	Fullarton
Restormal Street	Both	Fullarton
Lewis Street	Both	Goodwood
Ophir Street	Both	Goodwood
Blacket Street	Both	Goodwood
Union Street	Both	Goodwood
Dollman Street	Both	Goodwood
Fullarton Road	West side	Highgate
Enterprise Street	Both	Hyde Park
Stanley Street	Both	Kings Park
Wattle Street	South	Malvern
Fullarton Road	East side	Myrtle Bank
Barr Smith Avenue	South side	Myrtle Bank
Wilkinson Street	Both	Parkside
Barrow Street	Both	Unley
Oak Avenue	Both	Unley
High Street	Both	Unley Park
Little Charles Street	Both	Unley
	<b>Total</b>	<b>\$1 263 000</b>

For footpaths forming part of the footways asset category, Council has endorsed an asset management plan schedule to replace all asphalt to pavers based on current service standards. Based on the LTTP it is anticipated that the City of Unley will be fully paved by 2019-20.

In addition, in the above total it is estimated that the amount of value linked to Aged Friendly Strategy is in the order of \$200k which includes increased path width, pram ramps and some modifications at specific pinch points.

**\*\*PROPERTY**

<b>Property Classification</b>	<b>Comments</b>	
Civic Community	Civic/Town Hall Community Centres Museum Libraries Swimming Centre	
Civic Operations	Depot, Public Toilets Grandstands/Oval	
Civic Operations : other		
Lease Commercial	73 King William Rd	
Lease Community	Edmund Ave, Tennis SA, Oxford Terrace Broughton Art	
Multi Category works		
<b>Total</b>		<b>\$1 724 000</b>

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

Replacement expenditure for Buildings is expected to reduce in 2017-18 by approximately \$600k and there will be no requirement for public toilets replacement expenditure until 2020-21.

In addition, in the above total it is estimated that the amount of value linked to key Strategies including Aged Friendly Strategy and Environmental Sustainability Strategy is in the order of \$822k which includes building access modifications, public toilet cubical modifications and community bus compound access modifications.



**\*\*\*Reserves / Recreation and Open Spaces**

<b>Location</b>	<b>Description</b>
Unley Oval	Pirate Ship/ Play equipment
Palmer Reserve	Signage, path and boardwalk
Windsor Street	Lighting Upgrade
Page Park	Tennis court resurfacing and some fencing
Various Parks	Bin surrounds, fencing, seats, signage, paths, lighting and other minor items
Various sites	Back flow prevention devices - compliance
Street furniture	Replacement and upgrade
<b>Total</b>	<b>\$378 000</b>

**\*\*\*\*Roads**

Street	From	To	Suburb
Leader St Forestville Stage 1	Anzac Hwy	Railway crossing	Goodwood
Palmerston Lane	Young St	Dead end	Unley
Dunk Lane	Young St	65m	Unley
Alfred Street	Stamford	Glen Osmond	Parkside
Urrbrae	Cross Rd	Ferguson	Fullarton
King William Road	Various		
Crack sealing various roads	Various		
<b>Total</b>			<b>\$1 617 000</b>

This total includes allocation of extra Roads to Recovery (R2R) funding received in 2016-17 and has been applied to Leader Street, Forestville which was detailed in Council Report Sept 2015.

## Appendix 5 – Rates Assistance Available

### *Rebate of Rates – Under Sections 159-165 of the Local Government Act 1999*

A rebate of rates in respect of any rateable land in the Council area will be available only when the applicant satisfies the requirements under the Act.

### **Discretionary Rebate of Rates – Under Section 166 of the Local Government Act 1999**

Council has absolute discretion to grant a rebate of rates or service charges and to determine the amount of any such rebate.

Applications for discretionary rebates will be considered in accordance with the statutory provisions of Section 166 of the Local Government Act 1999. Further information should be obtained from Council Policy COU 28.

### **State Government Pensioner and Seniors Concessions**

The State Government previously funded concessions on Council rates but abolished such concessions with effect from 30 June 2015.

From 1 July 2015, the State Government has elected to replace these concessions with a single “cost-of-living payment” provided directly to those entitled. This payment may be used for any purpose, including offsetting Council rates.

Note that not all former recipients of rates concessions will be entitled to the new payment. To check eligibility, contact the Department for Communities and Social Inclusion (DCSI) Concessions Hotline 1800 307 758 or at [www.sa.gov.au/](http://www.sa.gov.au/)

### **Alternative Payment Arrangements**

Council provides that any ratepayer who may, or is likely to, experience difficulty with meeting the standard rate payment arrangements may contact the Council to discuss options for alternative payment arrangements. Such enquiries are treated confidentially and are assessed on a case-by-case scenario.

### **Postponement of Rates in Cases of Hardship**

In accordance with Section 182 of the Act, a postponement of rates may be granted if Council is satisfied that the payment of these rates would cause hardship. Council may, on application and subject to the ratepayer substantiating the hardship, consider granting a postponement of payment of rates in respect of an assessment on the condition that the ratepayer agrees to pay interest in the amount affected by the postponement at the cash advance debenture rate calculated monthly and if the ratepayer satisfies the following criteria:

- The property is the principal residence of the ratepayer and is the only property owned by the ratepayer, and
- The property has been owned by the ratepayer and has been their principal residence for more than five years, and

- The ratepayer is able to produce one of the following identification cards
  - Pensioner Concession Card – Centrelink
  - Pensioner Concession Card – Veterans Affairs
  - TPI Card – Veterans Affairs, or
- Can demonstrate to Council they are a self-funded retiree with a household income of less than \$30 000 per year.

All applications for postponement of rates will be assessed on a case-by-case basis and are not contingent on the level of increase in rates payable. All such enquiries and submissions will be treated confidentially.

### **Postponement of Rates for Seniors**

In accordance with Section 182A of the Act, a person may apply to Council for a postponement of the payment of the prescribed proportion of rates for the current or future financial year. Council may, on application and subject to the ratepayer meeting the criteria, postpone payment of a proportion of rates in respect of an assessment on the condition that the ratepayer agrees to pay interest on the amount affected by the postponement at the cash advance debenture rate calculated monthly and if the ratepayer satisfies the following criteria:

The person is a prescribed ratepayer, or is the spouse or domestic partner of a prescribed ratepayer, and

- The ratepayer or their spouse hold a State Seniors Card, and
  - The property is owned and is the principal place of residence of the State Seniors Card holder and/or spouse (that is, the property is lived in most of the time), and
  - If the ratepayer has a registered mortgage on the property prior 25th January 2007, or has over 50% equity in the property, and
  - That no person other than the Seniors Card holder and/or his/her spouse has an interest as an owner in the property.
- If a person has applied for the benefit of a postponement of rates under section 182A and an entitlement to a postponement ceases to exist, the owner of the land must, within 6 months from the day in which the entitlement ceased, inform the council in writing of that fact (unless the liability to the relevant rates has been discharged). Failure to do so could lead to a maximum penalty of \$5 000
- Where an amount is not paid in accordance with the general rate notice but is capable of being the subject of a postponement (eg. in excess of the prescribed amount \$500) under section 182A of the Local Government Act it will be taken to be subject to postponement under that section
- Prescribed interest is applied to the amount of rates postponed, which is charged and compounded monthly on the total amount postponed, until the debt is paid.

All applications for seniors' postponement of rates will be assessed on a case-by- case basis. All such enquiries and submissions will be treated confidentially.

## **INFORMATION REPORT**

<b>REPORT TITLE:</b>	PROCUREMENT SAVINGS IDENTIFIED
<b>ITEM NUMBER:</b>	31
<b>DATE OF MEETING:</b>	24 MAY 2016
<b>AUTHOR:</b>	MIKE CAREY
<b>JOB TITLE:</b>	MANAGER FINANCE

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### **EXECUTIVE SUMMARY**

To inform the Audit and Governance Committee of the results of savings relating to contracts achieved for the 2015-16 financial year to March 2016.

### **RECOMMENDATION**

MOVED:  
SECONDED:

That:

1. The report be received.
-

## **DISCUSSION**

After considering Council's draft 2014-15 Annual Business Plan and Budget at its meeting of 18 June 2014, the Audit and Governance Committee recommended that information on tenders and contract savings be reported to the Committee and applied to debt reduction.

### **Favourable Contract Variations for 2015-16**

Contracts that have been completed with favourable contract variations in excess of \$10k are as follows:

- ICT Infrastructure Upgrade Project
- Installation of RFID System in Unley Libraries
- Heavy Plant
- Procurement of Box Culverts Kenilworth Road Stormwater Project.

As part of a major ICT Infrastructure Project, City of Unley are partnering with the Adelaide City Council to upgrade our network to a standard that provides significant business and user benefits, as well as eliminating and mitigating a number of key risks. This arrangement with Adelaide City Council allowed for Adelaide City Council's and City of Unley ICT equipment requirements to be tendered together via the State Government ICT panel. We have been advised that the State Government ICT panel provided saving of 20% compared to organisations individually tendering for services and equipment. The cost of the equipment was in the order of \$300k.

The purchase of an RFID System for Unley Libraries resulted in savings of \$10k over the budget estimate, due mainly to the effort put in to the preparation and scoping of the specification and the ability to obtain competitive quotations from suppliers available through a strategically sourced contract.

Tenders for Heavy Plant replacement included the purchase of a 7.5 tonne tipper and a footway sweeper which netted saving of \$39k over budget expectations. The savings were achieved notwithstanding the new equipment offering improved safety features and enhanced functionality.

A competitive tender process with two suppliers was undertaken for the procurement of box culverts for the Kenilworth Road Stormwater Project resulting in savings of approximately \$10k from the budget estimate of \$150k.

In addition, the following tenders and contracts are currently underway but have not been finalised:

- Telecommunications
- Provision of Public Lighting Supply, Installation, Maintenance & Management (ERA Tender)
- Kenilworth Road Stormwater Project Construction.
- Supply and Laying of Pavers
- Supply, Laying and Profiling of Asphalt.

Once concluded those contracts with savings > \$10k will be reported as part of a future Savings Report to this Committee.

### **Dispensation from Procurement Policy**

In circumstances where the Council enters into purchasing contracts, other than those resulting from a competitive process, the Council will record the reasons for entering into those contracts. Where the amount is over \$100,000 the purchase must be reported to the Council's Audit and Governance Committee.

Accordingly, the following dispensation has been granted in 2015-16 with details as follows:

<b>PURCHASE/CONTRACT</b>	<b>BUSINESS FUNCTION</b>	<b>PARTY</b>	<b>REASON FOR DISPENSATION</b>	<b>VALUE</b>
Software License, Maintenance & Support Agreement (3 year extension)	ICT	Infor Global Solutions	Compatibility with existing system software (Pathway).	\$270,000 over 3 years

This agreement relates to support and on-going maintenance of Council's tier 1 application Pathway covering:

- Customer Requests
- Development Applications
- Sundry Debtors, Receipting
- Infringements
- Property
- Rates, and
- Council's Name and Address Register.

Up until the 2015-16 year this agreement was renewed annually with costs indexed at 4%. Council re-negotiated the contract based on entering into a longer term commitment if we were able to reduce the automatic annual uplift of 4%. As a result the contract was entered into for a term of three years and a reduced annual uplift, saving \$2k per annum. The annual spend for 2015-16 was \$87k.

## **CONCLUSION**

In accord with Council's decision, on-going contracts are being reviewed and where identified savings occur, these will be reported to the Audit and Governance Committee and be considered for debt reduction.

Savings have been realised a number of major procurements undertaken during the 2015-16 financial year.



## **DECISION REPORT**

**REPORT TITLE:** CONFIDENTIALITY MOTION FOR ITEM 34 –  
CENTENNIAL PARK CEMETERY AUTHORITY –  
FUTURE UPKEEP FUND

**ITEM NUMBER:** 32

**DATE OF MEETING:** 24 MAY 2016

**AUTHOR:** CAROL GOWLAND

**JOB TITLE:** EXECUTIVE ASSISTANT TO CEO AND MAYOR

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### **PURPOSE**

To recommend that Item 33 be considered in confidence at the 24 May 2016 Audit and Governance Committee meeting and that the Minutes, Report and Attachments remain confidential until the item is revoked by the Chief Executive Officer at a future date.

### **RECOMMENDATION**

MOVED:  
SECONDED:

That it be recommended that:

1. Pursuant to Section 90(2) and (3)(d) of the Local Government Act 1999 the Council orders the public be excluded, with the exception of the following:

Mr P Tsokas, Chief Executive Officer  
Ms N Tinning, Group Manager Business Support and Improvement  
Ms Rebecca Wilson, Group Manager Governance  
Mr Michael Carey, Manager Finance  
Ms R Box, Executive Assistant

on the basis that it will receive and consider the report on Centennial Park Cemetery Authority, and that the Committee is satisfied that the meeting should be conducted in a place open to the public has been outweighed in relation to this matter because:

- (d) commercial information of a confidential nature (not being a trade secret) the disclosure of which -
  - (i) could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party; and
  - (ii) would, on balance, be contrary to the public interest.

It would be in the best interest of the Committee to consider this matter in confidence.

## **DECISION REPORT**

**REPORT TITLE:** CONFIDENTIALITY MOTION TO REMAIN IN  
CONFIDENCE ITEM 34 – CENTENNIAL PARK  
CEMETERY AUTHORITY – FUTURE UPKEEP  
FUND

**ITEM NUMBER:** 34

**DATE OF MEETING:** 24 MAY 2016

**AUTHOR:** CAROL GOWLAND

**JOB TITLE:** EXECUTIVE ASSISTANT TO CEO AND MAYOR

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### **PURPOSE**

To recommend that Item 33 remain in confidence at the 24 May 2016 Audit and Governance meeting until the order is revoked by the Chief Executive Officer.

### **RECOMMENDATION**

MOVED:  
SECONDED:

That it be recommended that:

1. The report be received.
2. Pursuant to Section 91(7) and (3)(d) of the Local Government Act:

2.1 The

- ☒ Minutes
- ☒ Report
- ☒ Attachments

remain confidential on the basis that the information contained in this report could prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party, and

- 2.2 the minutes, report and attachments will be kept confidential until the item is revoked by the Chief Executive Officer.