

2023/24 Annual Business Plan, Budget & Long Term Financial Plan

Information Session 5

21 March 2023

Today's Session

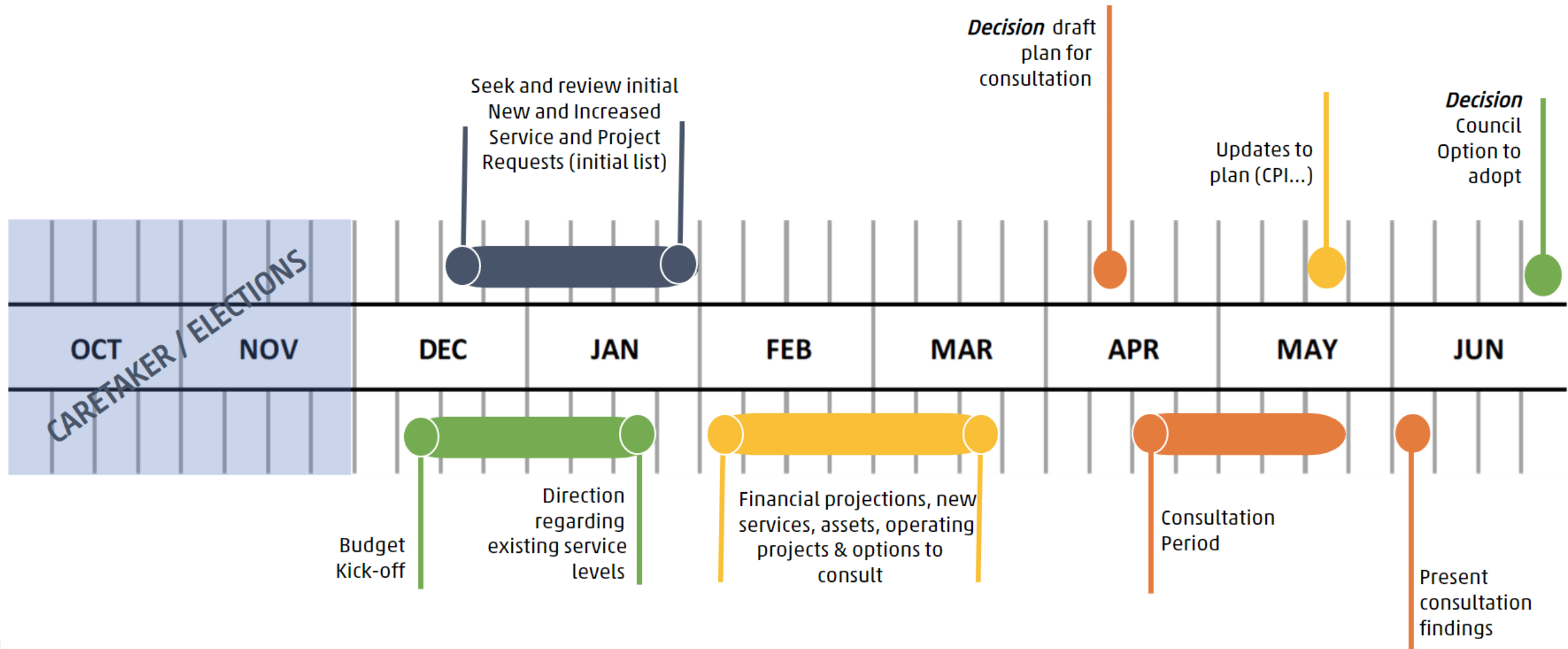
Briefing

- Council report structure and Options
- Community consultation approach

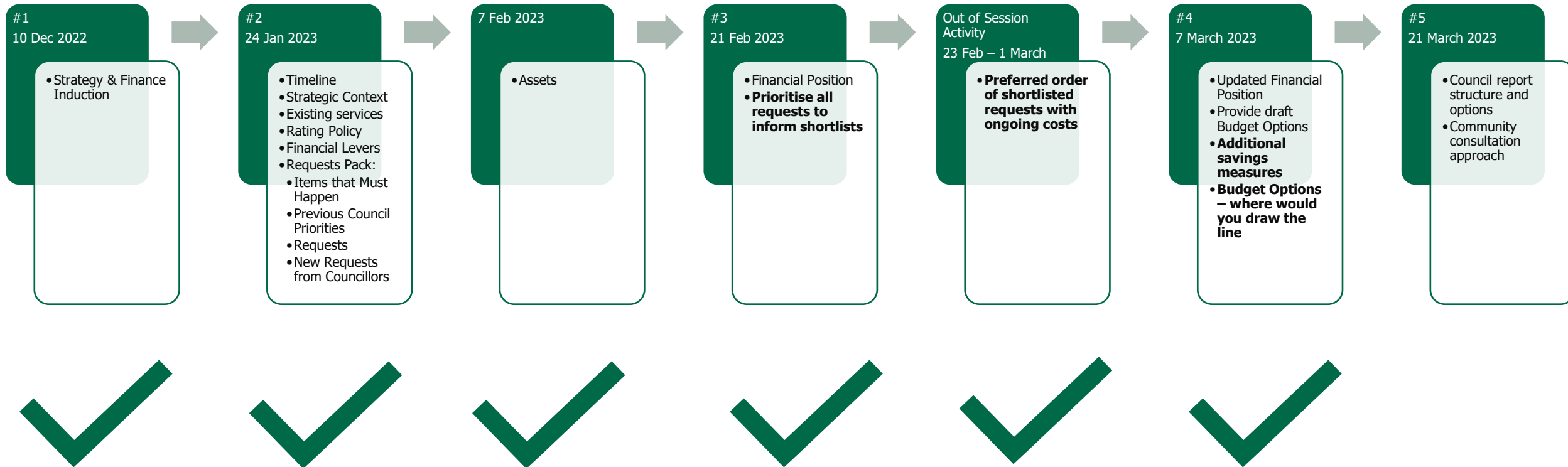
Council Member Outcomes

- ☑ Understanding the upcoming draft Budget report
- ☑ Understanding the community consultation approach

Timeline



Information Sessions



Council Report Structure

Three Decisions:

1. Consult on one or two budget options
 - Staff recommendation to consult on two
2. What budget(s) to consult on
 - Staff recommendation for one of the options to be only existing services & commitments
3. Consultation Approach
 - No staff recommendation – option based on Decision 1 and 2

Recent changes to draft options

- Pasadena Community Centre – Awaiting grant funding opportunity
- Mitcham Court Precinct Activation - Zone 1 (0.05%)
- Merged two options (now five proposed options)
- Some minor updates to project costs
- Reordered some projects based on recent CM feedback
- Cost shifting removed

Cost shifting risks

Can't be included in draft budget as unknown (pending decision by State Government)

Risks include:

- Statutory fees and grants not being indexed at CPI
- Solid Waste Levy

Existing Services at or below CPI

Council direction that existing services are at or less than CPI

- Achieved by \$500,000 efficiency savings equivalent to 0.83% rate reduction
- Enabling existing services to be delivered at 8.03%

Additional savings measures of \$353,000 mean that existing services can be delivered at 7.44%

Additional Savings measures - \$353,000

- Reducing the frequency of Council's Community Survey
- Reducing the frequency of low risk internal audits
- Reducing Civic Receptions from four events to two events
- Reducing the annual value of Operating Projects funded each year
- Ceasing Mitcham's Profile ID webpage
- Reducing the frequency of waste education initiatives
- Reducing the amount of after hour call outs

Updated Draft Budget Options

Option A

- Current & Committed Projects & Services
- Efficiency savings
- Additional savings
- Solar projects (no rate impacts)

Option B

- Current & Committed Projects & Services
- Efficiency savings
- Additional savings
- Solar projects (no rate impacts)
- Final year of four year delivery plan (*excluding* new footpaths & addressing *footpath* backlog)

Option C & D

- Current & Committed Projects & Services
- Efficiency savings
- Additional savings
- Solar projects (no rate impacts)
- Final year of four year delivery plan (*excluding* new footpaths & addressing *footpath* backlog)
- *Range* of additional projects & services receiving support

Option E

- Current & Committed Projects & Services
- Efficiency savings
- Additional savings
- Solar projects (no rate impacts)
- Final year of four year delivery plan
- Addressing footpath backlog
- *All* additional projects & services receiving support

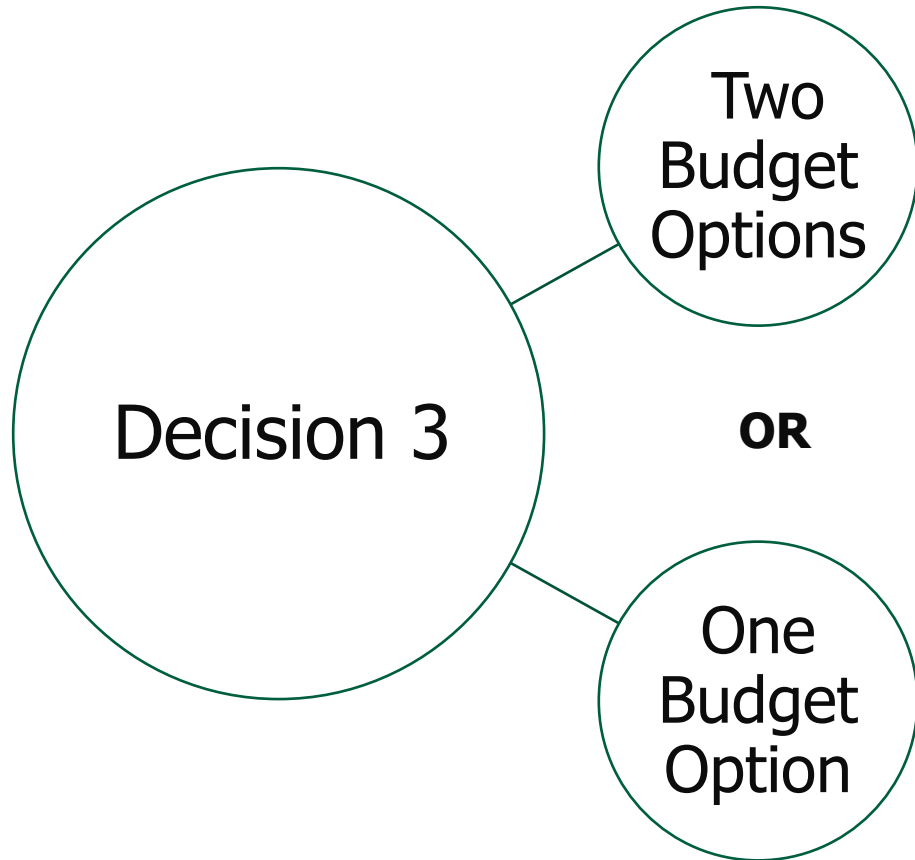
Updated Draft Budget Options

A3 Hand out

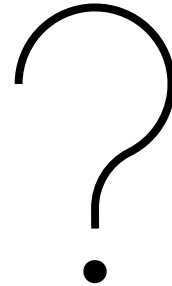
- Table in Draft Council Report
- Details what is in and out of each option
- Able to add and remove on the night

Option	A	B	C	D	E
Maintain Existing Service Delivery (inclusive of \$500k of ongoing efficiency savings)	8.03%	8.03%	8.03%	8.03%	8.03%
Additional ongoing savings measures proposed (\$353k)	(0.59%)	(0.59%)	(0.59%)	(0.59%)	(0.59%)
Cost Shifting & Legislative Imposition	0.00%	0.00%	0.00%	0.00%	0.00%
Previous Service Decisions of Council 2022/23	0.47%	0.47%	0.47%	0.47%	0.47%
Implement Brown Hill Keswick Creek Stormwater Master Plan*	0.04%	0.04%	0.04%	0.04%	0.04%
Rates Impact - Current Services & Commitments	7.96%	7.96%	7.96%	7.96%	7.96%
Belair Community Centre Solar and Battery	0.00%	0.00%	0.00%	0.00%	0.00%
Blackwood Community Hub Solar Panels	0.00%	0.00%	0.00%	0.00%	0.00%
Depot Rooftop Solar Panel Expansion	0.00%	0.00%	0.00%	0.00%	0.00%
Mitcham RSL Solar and Battery	0.00%	0.00%	0.00%	0.00%	0.00%
Investing in the Road asset renewal backlog		0.30%	0.30%	0.30%	0.30%
Investing in the Footpath asset renewal backlog					0.16%
Enhance AA Bailey Reserve, Clarence Gardens*		0.05%	0.05%	0.05%	0.05%
Greening St Marys*		0.06%	0.06%	0.06%	0.06%
Upgrade Mortlock Park Oval Facilities, Colonel Light Gardens*		0.09%	0.09%	0.09%	0.09%
Upgrade Rozelle Reserve, Melrose Park*		0.02%	0.02%	0.02%	0.02%
Continue the Water Sensitive Urban Design (WSUD) Program		0.01%	0.01%	0.01%	0.01%
Extend & upgrade the Stormwater Network		0.12%	0.12%	0.12%	0.12%
Provide Annual Community Facilities Grants		0.01%	0.01%	0.01%	0.01%
Extend the Footpath Network					0.12%
Open Space Volunteer Coordinator			0.10%	0.10%	0.10%
Blackwood Lions Bargain Centre, Eden Hills, Proposed Extensions*			0.01%	0.01%	0.01%
Maintenance of Water Sensitive Urban Design Projects			0.07%	0.07%	0.07%
Minor new capital requests in open spaces			0.005%	0.005%	0.005%
Flinders Drive Pedestrian Crossing – flashing twin lights upgrade			0.005%	0.005%	0.005%
Sustainable Living Subsidy Program – Sustainable Products (Option B)			0.09%	0.09%	0.09%
Cyber Security Program			0.13%	0.13%	0.13%
Community Networker			0.20%	0.20%	0.20%
Suffolk Reserve Public Toilet Installation				0.08%	0.08%
CC Hood Reserve, Panorama, Christmas Activation				0.02%	0.02%
Hawthorn Bowling Club Entrance Upgrade and Meeting Room relocation				0.01%	0.01%
Manson Oval Public Toilet and Storage Facilities				0.06%	0.06%
Mitcham Court Precinct Activation - Zone 1				0.05%	0.05%
Green Buildings Fund				0.02%	0.02%
Spatial Software for Weed Management in the City of Mitcham					0.01%
South Road Garden Beds					0.13%
City Image (Signage & Furniture) Pilot Scheme					0.01%
Circular Economy Management System with CQG Consulting Group					0.06%
Extending the Summer Leaf Street Sweeping program					0.02%
Upgrading the upper part of Brownhill Creek Road					0.10%
Total Proposed Rates Increase	7.96%	8.61%	9.02%	9.46%	10.06%

Community Consultation Decision



OR



Community Consultation Materials

Communications
and Engagement
Plan

ATTACHMENT B

Proposed Survey
Questions

ATTACHMENT C & F

Template –
Summary Budget
Document

ATTACHMENT D & G

Template – Full
Budget
Document

ATTACHMENT E & H

Communications and Engagement Plan

- Dates
- Background, Purpose
- Community Engagement Method
- Stakeholder Analysis
- Action Plan

Draft 2023/24 Annual Business Plan, Budget & Long Term Financial Plan

Communication and Engagement Plan

Consult

1 March 2023

Key Dates:

Council endorsement	Tuesday 11 April 2023
Information Live	Wednesday 19 April 2023
Advertisement	Saturday 22 April 2023
Formal Consultation Start	Sunday 23 April 2023
Consultation End	Saturday 20 May 2023

Proposed Survey Questions

- Preferred budget option OR overall level of support for the draft option
- Support for proposed new services and projects included in the draft budget option/s
- Support for additional new services and projects considered by Council but not included in the draft budget option/s

5. Do you prefer draft Budget Option A or Option B?

- Draft Budget Option A
- Draft Budget Option B
- Neither

6. If you chose 'Neither', please explain.
[comment box]

7. What is the main reason for your choice of Budget Option A or B?
[comment box]

Support for proposed new services and projects included in the draft Plan

Draft Budget Option A and B propose the inclusion of new services and projects (additional to existing services), which contribute to the general rate increase as follows:

Option A

\$x on average for residential and \$x for commercial (x%) is required to fund the proposed new services and projects, including:

- X
- X
- X*

Option B

\$x on average for residential and \$x for commercial (x%) is required to fund the proposed new services and projects, including:

- X
- X
- X*

* Project has State or Federal Funding committed, which may be lost if the project is not included in the 2023/24 Annual Business Plan, Budget and Long Term Financial Plan.

Template - Summary Budget Document

CITY OF MITCHAM 2023/24 DRAFT ANNUAL BUSINESS PLAN SUMMARY

Visit [yoursay.mitchamcouncil.sa.gov.au/draft-annual-business-plan](https://www.yoursay.mitchamcouncil.sa.gov.au/draft-annual-business-plan) to provide your feedback before 5pm Saturday 20 May 2023.

WELCOME FROM THE MAYOR

Dr Heather Holmes-Ross
Mayor, City of Mitcham

COUNCIL'S LONG TERM OBJECTIVES

Mitcham 2030 sets the high level vision and strategic direction for Council over 10 years. It identifies a vision, 4 goals and 12 themes:

VISION: We are a welcoming and inclusive community that values its heritage and natural environment.

GOAL 1:
ACCESSIBLE, HEALTHY AND CONNECTED COMMUNITY

- Theme 1.1 Transport Network*
- Theme 1.2 Health & Wellbeing
- Theme 1.3 Services & Facilities*

GOAL 2:
SUSTAINABLE CITY

- Theme 2.1 Climate Change Mitigation & Resilience*
- Theme 2.2 Sustainable Resources*
- Theme 2.3 Natural Environment

GOAL 3:
DYNAMIC & PROSPEROUS PLACES

- Theme 3.1 Placemaking*
- Theme 3.2 City Vibrancy
- Theme 3.3 Partnerships

GOAL 4:
EXCELLENCE IN LEADERSHIP

- Theme 4.1 Good Governance
- Theme 4.2 Organisational Improvement
- Theme 4.3 Community Experience

* The Four Year Delivery Plan identifies Priority Themes as areas that Council will seek to focus additional effort and/or investment for a four year period, to address particular challenges or opportunities.

COUNCIL'S PRIORITIES IN 2023/24

Council will deliver a number of new or enhanced services and projects in addition to its existing services.
Draft Budget Option A proposes increasing rates by an average of \$x for residential and \$x for commercial businesses (x%), which will include funding the following new services and projects:

Draft Budget Option B proposes increasing rates by an average of \$x for residential and \$x for commercial businesses (x%), which will include funding the following new services and projects:

Council will also deliver a number of one-off initiatives and programs (called operating projects). Council is currently considering these.

FINANCIAL OVERVIEW IN 2023/24

Draft Budget Option A:



Draft Budget Option B:



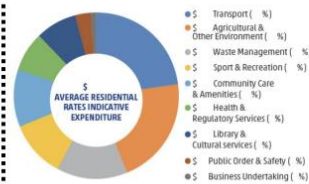
EXPENDITURE (Services, Assets & Debt Repayment)

Draft Budget Option A:
In conjunction with the \$x million for service delivery and debt servicing, Council is investing a total of \$x million on asset replacement and creation.
This includes \$x million on renewing existing assets as they fall due, \$x million on renewal assets that are past due (backlog) and a further \$x million will be invested in the creation of new assets and asset enhancements.
Along with the operating surplus of \$x million (excluding subsidiaries), Council is funding investment in asset renewal and creation as well as loan repayments with \$x million of external grant funding \$x million from the sale of surplus assets, \$x million in funded depreciation and \$x million in net borrowings.

Draft Budget Option B:
In conjunction with the \$x million for service delivery and debt servicing, Council is investing a total of \$x million on asset replacement and creation.
This includes \$x million on renewing existing assets as they fall due, \$x million on renewal assets that are past due (backlog) and a further \$x million will be invested in the creation of new assets and asset enhancements.
Along with the operating surplus of \$x million (excluding subsidiaries), Council is funding investment in asset renewal and creation as well as loan repayments with \$x million of external grant funding \$x million from the sale of surplus assets, \$x million in funded depreciation and \$x million in net borrowings.

Council's 2023/24 Asset Expenditure and Revenue is summarised below:

Asset Category	Renewal (\$m)	Renewal Backlog (\$m)	New (\$m)	Total (\$m)
Bridges				
Bus Shelters				
Car Parks				
Buildings & Land				
Footpath				
IT Equipment				
Office Furniture & Equipment				
Open Space (incl. parks, gardens, playgrounds, lighting)				
Plant & Equipment (incl. Fleet)				
Retaining Walls				
Roads				
Stormwater & Drainage (incl. Brownhill & Keswick Creeks)				
Projects with Government Funding				
TOTAL				



WHAT IS COUNCIL'S OPERATING INCOME?

Rates income is the primary source of funding used to provide a range of essential everyday services to the community with \$x million being raised in the form of rates and \$x million from other sources including user fees and charges, and State and Federal grants.



WHAT RATES WILL I PAY?

Draft Budget Option A: To fund the activities and new service investments in this business plan, the total amount of rate revenue to be raised for 2023/24 is \$x million. This will see residential rates increase by \$x on average, and commercial rates increase by \$x (x%).
Draft Budget Option B: To fund the activities and new service investments in this business plan, the total amount of rate revenue to be raised for 2023/24 is \$x million. This will see residential rates increase by \$x on average, and commercial rates increase by \$x (x%). The difference between Options A and B is \$x on average for residential rates and \$x for commercial rates (x%).

HOW ARE PROPERTIES VALUED?

Council uses capital value of each property relative to all the other properties in the City as the basis for distributing the total required rate revenue across all ratepayers and land use types. Council utilises the capital values provided by the State Valuation Office for this purpose.

RATES BASED ON LAND USE (Differential Rate)

Council uses land use as a factor to apply differential rates. If you believe a property has been incorrectly classified as to its land use, a written objection may be made (to the Council) within 60 days of receiving the first rates notice for 2023/24.

REBATES AND DEFERRAL OF RATES

Rebates and deferral of rates are available to eligible properties for a range of reasons and situations. Council has a Postponement of Rates for Seniors Scheme and applies a rate capping scheme to all properties to ensure that significant increases in rates are moderated over time.

Have your say on the draft 2023/24 Annual Business Plan by 5pm 20 May 2023

www.mitchamcouncil.sa.gov.au

Adopted plan sent with first quarter rates notice

Template - Full Budget Document

OUR 2023/24 ANNUAL BUSINESS PLAN & BUDGET

[Insert introductory paragraph – explaining two options presented]

Option A

This 2023/24 Annual Business Plan and Budget is projecting an underlying operating surplus of \$x including recurrent financial savings of \$x.

Council is budgeting \$x million in expenditure to continue existing services and invest in new service provision as well as investing \$x million on asset replacement and creation, continuing the delivery of services to the community and providing new projects and services aligned to *Mitcham 2030*.

The major income source required to deliver the operations of the Annual Business Plan is rate revenue. Rates make up \$x million or x% of Council's total budgeted income for 2023/24. The general rate increase for 2023/24 is \$x on average for residential (x%) and \$x for commercial (x%) which will be used to fund new services and infrastructure.

A financial overview is provided below:

- \$x million Operating Expenditure
- \$x million Operating Income
- \$x million Capital Expenditure
- \$x million Operating surplus excluding subsidiaries

Option B

This 2023/24 Annual Business Plan and Budget is projecting an underlying operating surplus of \$x including recurrent financial savings of \$x.

Council is budgeting \$x million in expenditure to continue existing services and invest in new service provision as well as investing \$x million on asset replacement and creation, continuing the delivery of services to the community and providing new projects and services aligned to *Mitcham 2030*.

The major income source required to deliver the operations of the Annual Business Plan is rate revenue. Rates make up \$x million or x% of Council's total budgeted income for 2023/24. The general rate increase for 2023/24 is \$x on average for residential (x%) and \$x for commercial (x%) which will be used to fund new services and infrastructure.

A financial overview is provided below:

- \$x million Operating Expenditure
- \$x million Operating Income
- \$x million Capital Expenditure
- \$x million Operating surplus excluding subsidiaries

Consultation Approach

Techniques

Council website “Your Say” engagement platform:

- Draft Plan
- Public Meeting date
- Survey
- Questions
- FAQs

Advertisement – Advertiser

Social Media Posts

Digital Screens at Civic Centre & Mitcham Memorial Library

Hard copies at Civic Centre

Public Meeting

Audit Committee Meeting

Information distributed via My Local Services App & E-News

Community Consultation

Council Member questions / concerns

Next Steps

- Council Report: Draft ABP & LTFP for consultation
 - 28 March (future decision)
 - 11 April (decision)
- Consultation period – 23 April – 20 May
 - 10 May Audit and Risk Committee
 - 16 May Public Meeting and Information session – Economic updates

