

2020/21 ANNUAL BUSINESS PLAN, BUDGET & LONG TERM FINANCIAL PLAN SUMMARY

WELCOME

From the outset of the COVID-19 crisis, Council has taken steps to support residents and ratepayers to ensure the long-term viability of the economy and the safety and wellbeing of the community.

Along with targeted relief for ratepayers and businesses affected by COVID-19, Council has earmarked a range of projects that can be brought forward to stimulate economic activity, protect jobs and generate employment.

This budget continues to respond to the changing environment of the crisis through the flexible and innovative delivery of existing services. At the same time, it endeavours to work towards the long-term vision, goals and themes set out in *Mitcham 2030* through the delivery of new projects and services.

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

COUNCIL'S PRIORITIES IN 2020/21

Council will deliver a number of new or enhanced services and projects in addition to its existing services, these include:

- Blackwood Community Hub and Waite Street Reserve Activation
- Increased Public Art Funding
- Continued Extension and Upgrading of the Stormwater Network
- Flinders City Bikeway
- Continued Implementation of Brownhill Keswick Creek Flood Mitigation Works
- Karinya Reserve Sport Facilities Upgrade
- Sturt Linear Shared Use Path
- Continuation of the Water Sensitive Urban Design program
- Kingswood Oval Sport Facilities Upgrade
- Hawthorndene Sport Facilities Upgrade
- City Wide Accelerated Tree Program

Council will also deliver a number of one-off initiatives and programs in 2020/21 (called operating projects); including:

- Blackwood Community Hub and Waite Street Reserve - Design and Prudential Review
- Bin Tagging Education Campaign - Year 1 Pilot
- Green Industry SA Industry and Business Group - LEAP Grants
- Special Residential Character Areas Development Plan Amendment
- Colonel Light Gardens Centennial Event
- Access and Inclusion Policy and Plan Review
- Representation Review
- Gault Ward Supplementary Elections
- Green Industry SA - Three Bin Design Options
- Graffiti Kit Trial
- Develop a Reflect Reconciliation Action Plan

Further operating projects will be considered at a mid-year review of the budget priorities.

FINANCIAL OVERVIEW IN 2020/21

- \$66.1 million Operating Expenditure
- \$54.6 million Capital Expenditure
- \$65.0 million Operating Income
- 1.91% Rate Increase for ratepayers not financially impacted by COVID-19, on average.
- A targeted rate reduction of *minus* (8.09%) on average for all COVID-19 impacted ratepayers, via a 10% rate remission, resulting in an overall budgeted decrease in rate revenue of (0.64%) less than last year (excluding growth).

COUNCIL'S EXPENDITURE IN 2020/21

In addition to the \$66.1 million allocated to continue existing service delivery, new service delivery and debt servicing, Council will invest a total of \$54.6 million on asset replacement and creation. This includes \$21.6 million on renewing existing assets, \$3.6 million on reducing the asset backlog and a further \$29.4 million will be invested in the construction or acquisition of new assets and asset enhancements.

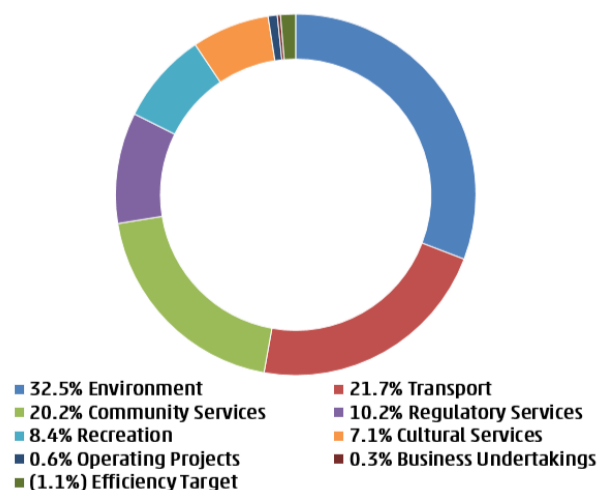
Grant (or other external) funding of \$14.5m as well as proceeds from the sale of existing assets of around \$4-6 million are also included as part of the capital budget.

Council's 2020/21 Asset Expenditure and Revenue summarised below:

Asset Category	Renewal (\$m)	New (\$m)	Backlog (\$m)	Total (\$m)	Revenue (\$m)
Bridges	0.49	-	-	0.49	
Bus Shelters	-	-	0.05	0.05	
Car Parks	0.22	-	-	0.22	
Buildings & Land	3.13	26.6	-	29.74	14.0
Footpath	1.91	0.14*	2.54	4.58	
IT Equipment	0.26	0.06	-	0.32	
Office Furniture & Equipment	0.15	-	-	0.15	
Parks, Gardens & Open Space	0.50	0.23	0.01	0.74	0.40
Plant & Equipment (incl Fleet)	3.45	-	-	3.45	0.74
Public Lighting	0.09	-	-	0.09	
Playgrounds	0.68	-	-	0.68	
Retaining Walls	0.22	-	-	0.22	
Roads	10.11	0.11	0.98	11.21	0.05
Stormwater & Drainage (incl Brownhill & Keswick Creeks)	0.40	2.22	-	2.62	0.10
TOTAL	21.62	29.36	3.58	54.57	15.29

*New footpath projects are re-budgeted from prior year

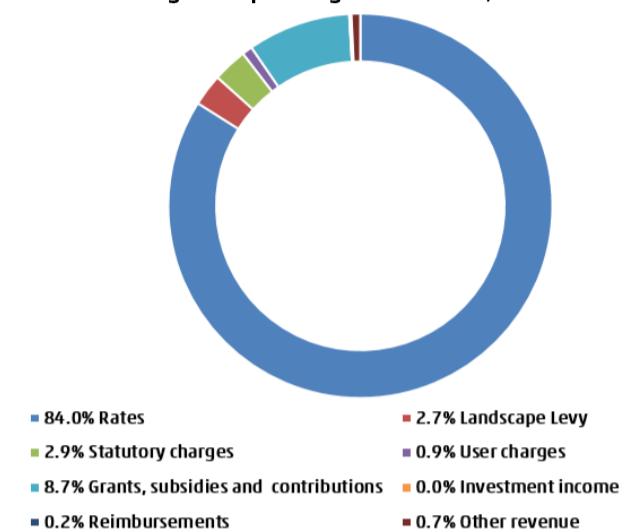
Budgeted Operating Expenditure 2020/21:



COUNCIL'S INCOME IN 2020/21

Rates income is the primary source of funding used to provide a range of essential everyday services to the community with \$54.6 million being raised in the form of rates and \$8.7 million from other sources including user fees and charges, and State and Federal grants.

Budgeted Operating Income 2020/21:



WHAT RATES WILL I PAY?

Council has determined that in order to fund the activities in this business plan the total amount of rate revenue to be raised for 2020/21 is based on an average rate increase of 1.91% (excluding new properties). In addition to this, a targeted rate reduction via a 10% rate remission (decrease) in 2020/21 will be applied for all COVID-19 impacted ratepayers resulting in an average rate decrease of *minus* (8.09%). This targeted rate relief is estimated to cost \$1.4 million which will be offset by cost and efficiency savings so as not to generate any long-term impacts on Council's financial position or ability to continue service delivery moving forward. Overall, the budgeted Rate Revenue for 2020/21 is (0.64%) less than last year (excluding growth).

This means that ratepayers financially impacted by COVID-19 will see residential rates decrease by \$147 on average, and commercial rates decrease by \$346 on average. Those not financially impacted will see residential rates increase by \$34 on average, and commercial rates increase by \$75 on average.

HOW ARE PROPERTIES VALUED?

Council uses capital value as the basis for distributing the fixed budgeted amount of 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 2020/21.

REBATES AND DEFERRAL OF RATES

Rebates and deferral of rates are available to eligible properties for a range of reasons and situations. In addition to the targeted rate relief in 2020/21 for COVID19, Council has a Postponement of Rates for Seniors Scheme and also applies a rate capping scheme to all properties to ensure that significant increases in rates are moderated over time.

2019/20 ACHIEVEMENTS & PERFORMANCE

Council delivered several new services and projects in addition to existing services to meet its 2019/20 objectives and long term vision. These achievements and Council's performance are detailed within the Council's Quarterly Performance and Innovation reports which can be found at www.mitchamcouncil.sa.gov.au

FURTHER INFORMATION

For further information on Council's Annual Business Plan, Long Term Financial Plan or Rates please contact Council:
 Website: www.mitchamcouncil.sa.gov.au
 Civic Centre: 131 Belair Road, Torrens Park
 Email: mitcham@mitchamcouncil.sa.gov.au
 Phone: 8372 8888