



ANNUAL BUSINESS PLAN AND BUDGET

2018/19

&

LONG TERM FINANCIAL PLAN

2018/19 – 2028/29



CITY OF
MITCHAM

Adopted by Council 26 June 2018

© City of Mitcham

131 Belair Road

Torrens Park

Tel: 8372 8888

www.mitchamcouncil.sa.gov.au

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Contents

Contents	3	Long Term Financial Plan	27
Message from the Mayor and Chief Executive Officer	4	Operating Result	30
Our Mayor and Elected Members	6	How does this plan compare to the 2017/18 plan?	31
Mitcham Snapshot	8	Key Economic Assumptions	32
Our Plans – An Overview	10	External and Internal Influences	34
Strategic Management Plan	11	10 Year Key Financial Indicators	41
Long Term Financial Plan.....	12	Council's Roles & Responsibilities	52
Annual Business Plan & Budget	12	Council Services A-Z	53
Annual Business Plan & Budget	13	Council Services, Strategic Objectives & Goals	55
Objectives for the Financial Year	13	1. Accessible & Connected Community	55
Funding the Plan.....	13	2. Sustainable City	60
Expenditure 14		3. Dynamic & Prosperous Economy	64
Budgeted Financial Statements	19	4. Vibrant & Rich Culture	66
2018/19 Financial Indicators	22	5. Continuous Organisation Improvement	69
Rating for 2018/19	23	Measuring our Success	71
Valuations and Council Rates	23	Reporting Framework	71
Rating Structure	23	Key Business Plan Performance Measures.....	72
Reasons for Valuation Method and Equity	24	Appendices	76
Impact of Rates Structure.....	24	Appendix 1 - Rating Changes Summary	76
Differential Rates	25	Appendix 2 – Operating Income and Expenditure.....	77
Rate Capping, Rebates and Remissions	25	Appendix 3 - Other Sources of Revenue for Council	78
Minimum Rates	26	Appendix 4 – Organisational Chart and Functions	79

Message from the Mayor and Chief Executive Officer

We are delighted to present your Council's Annual Business Plan & Budget for 2018/19, a budget that continues to focus on state-of-the-art community facilities and the sustainability of our abundant green open spaces, in addition to delivering new neighbourhood infrastructure projects and delivering efficiencies to keep rates as low as possible.

Since 2012 Council has delivered over \$4.3m in recurrent financial service costs savings and overcome an underlying operating deficit of \$1.68m to achieve a \$1.25m underlying operating surplus. In addition, over that same time we have provided \$3.01m of recurrent new service spending for the community. All this has been achieved with responsible financial management.

The City of Mitcham is budgeting \$62m in operating expenditure, as well as investing \$25m in capital works projects designed to help the city provide new assets and renew existing infrastructure.

We're getting on with the redevelopment of the Mitcham Memorial Library (due for completion in January 2019), moving towards transformational digitalisation services and upgrading sports facilities such as Hewett Reserve (Blackwood), St Mary's Oval (St Mary's) and Price Memorial Oval (Hawthorn).

Through a sustained effort to contain costs while accommodating the needs of our region, the large investment in the City has been achieved by a modest rate increase of 2.97%, an average annual increase of only \$49. This is despite significant costs increases such as the 15% increase in the State Government Waste levy.

The cost of disposing of recyclables (in both dollar terms and environmentally) is now a major issue for Council.

We have presented the Annual Business Plan & Budget and the Long Term Financial Plan as one document.



Glenn Spear
Mayor



Matthew Pears
Chief Executive Officer



ACCESSIBLE & CONNECTED COMMUNITY

We are an accessible, connected and engaged community.



SUSTAINABLE CITY

We continually sustain and improve our natural and built environments.



DYNAMIC & PROSPEROUS ECONOMY

Our community is economically strong and competitive.



VIBRANT & RICH CULTURE

We share a vibrant and rich culture and have a strong sense of identity.

Our Vision for the City of Mitcham

Let us build for posterity

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

Our Mayor and Elected Members

MAYOR



Glenn Spear

BABBAGE



David Munro



Yvonne Todd

BOORMAN



Adriana Christopoulos



Andrew Tilley

CRAIGBURN

(1 ELECTED MEMBER VACANT)



Karen Hockley



Lindy Taeuber

GAULT



Stephen Fisher



John Wilson

OVERTON



Nick Economos



John Sanderson

THE PARK

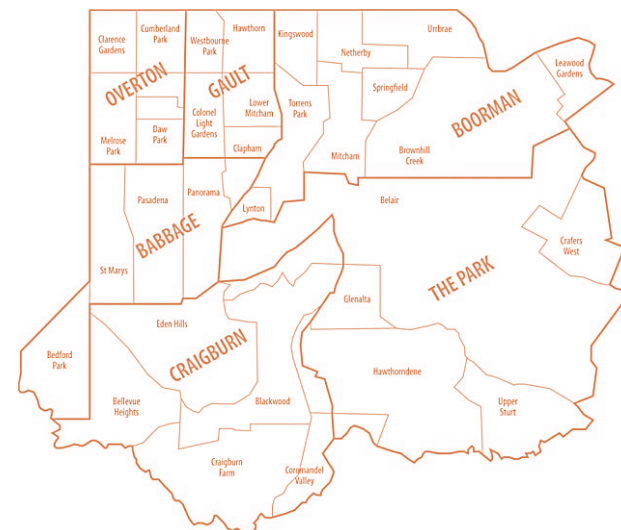


Jane Bange



Tim Hein

WARD BOUNDARIES



Mitcham Snapshot

Land Use

The City of Mitcham is a residential and semi-rural area encompassing a total land area of about 76 square kilometres located in Adelaide's southern suburbs, about six kilometres from the Adelaide CBD.

Transport

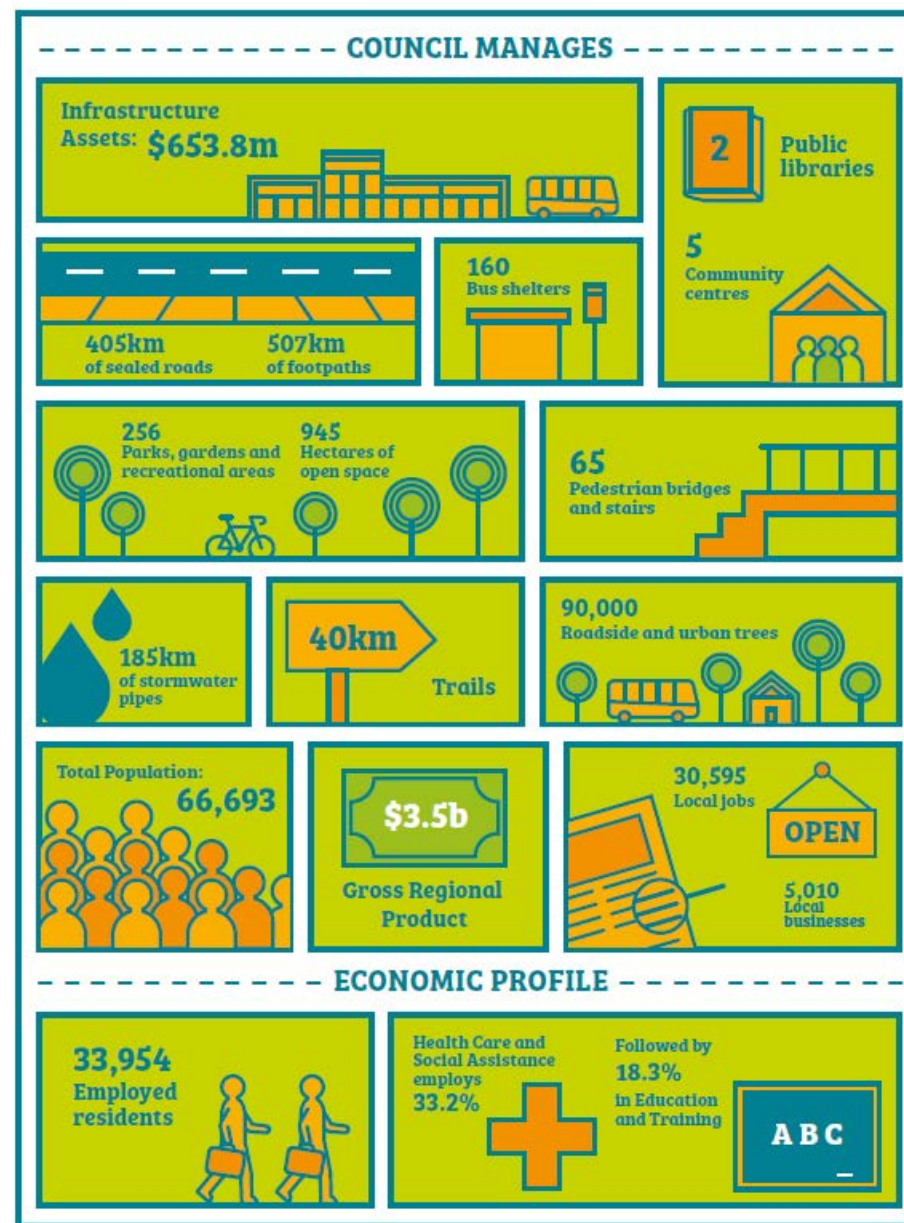
The City of Mitcham is served by the South Eastern Freeway (Princes Highway), Mount Barker Road and the Belair and Adelaide-Melbourne railway lines.

Settlement History

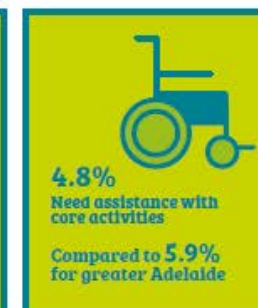
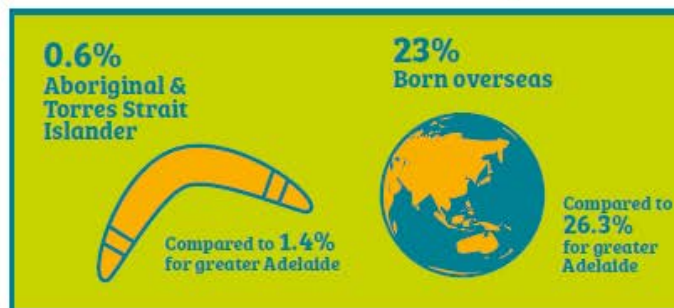
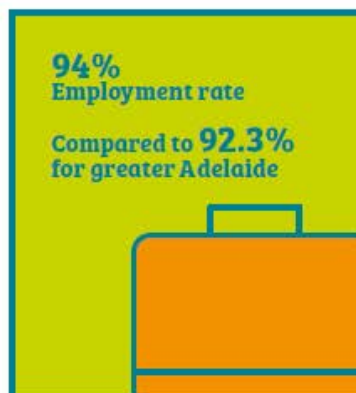
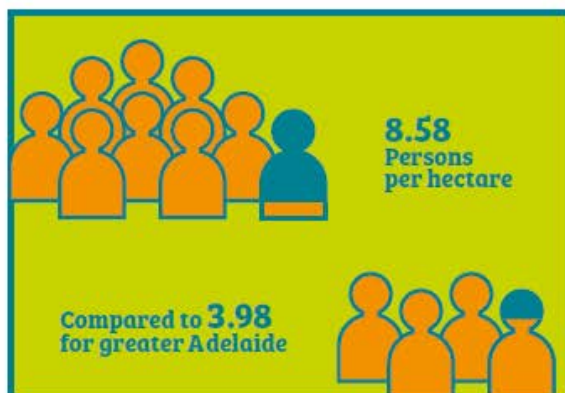
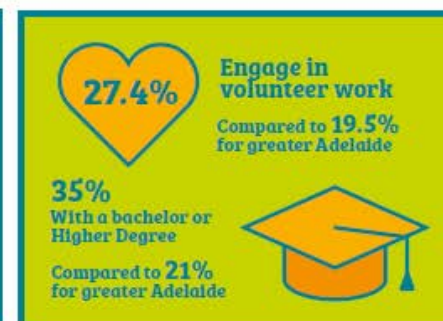
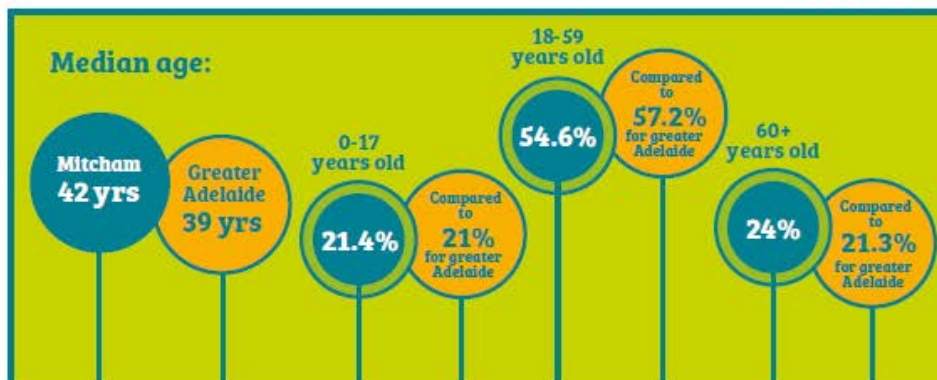
European settlement dates from 1837, with the village of Mitcham established in 1840. Some growth took place in the late 1800s, spurred by the opening of the railway line, with new residents attracted by the semi-rural surrounds of the foothills. Growth continued in the early 1900s, with the most significant development during the interwar period and post-war years. The population rose to 66,693 in 2017. Much of the recent growth has been in the southern suburb of Craigburn Farm.

Indigenous background

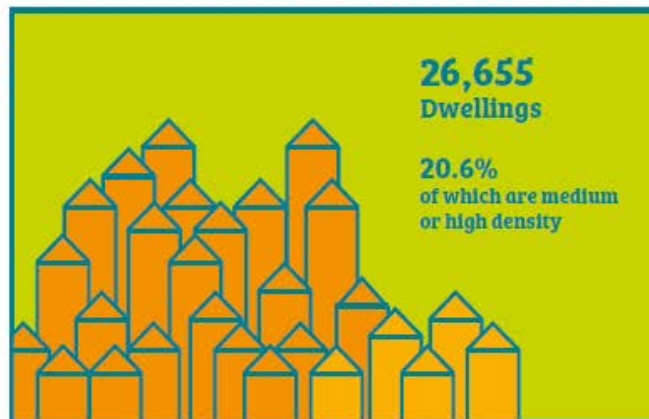
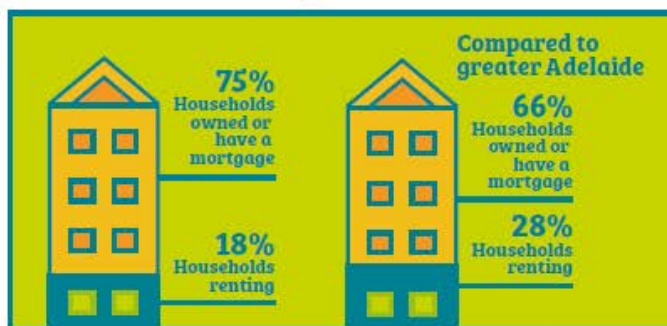
The original inhabitants of the Mitcham area were the Kaurna Aboriginal people.



COMMUNITY PROFILE



HOUSING PROFILE



Our Plans – An Overview

Council's corporate planning is governed by its Strategic Management Plan. This identifies the Mitcham community's vision and long term aspirations for the period 2017-2027 as well as Council's Strategic Initiatives¹ which will help bring us closer to the community's Vision and achieve its Goals and Objectives. In order to achieve the objectives set out in the Strategic Management Plan, Council is required to develop an Annual Business Plan & Budget.

While the Strategic Management Plan sets the direction, the Annual Business Plan & Budget articulates how Council will help the community achieve its long term vision over the financial year. It contains details of Council's activities and services for 2018/19.

Council is also required to develop a Long Term Financial Plan. This plan is used as a basis for compiling the Annual Business Plan & Budget.

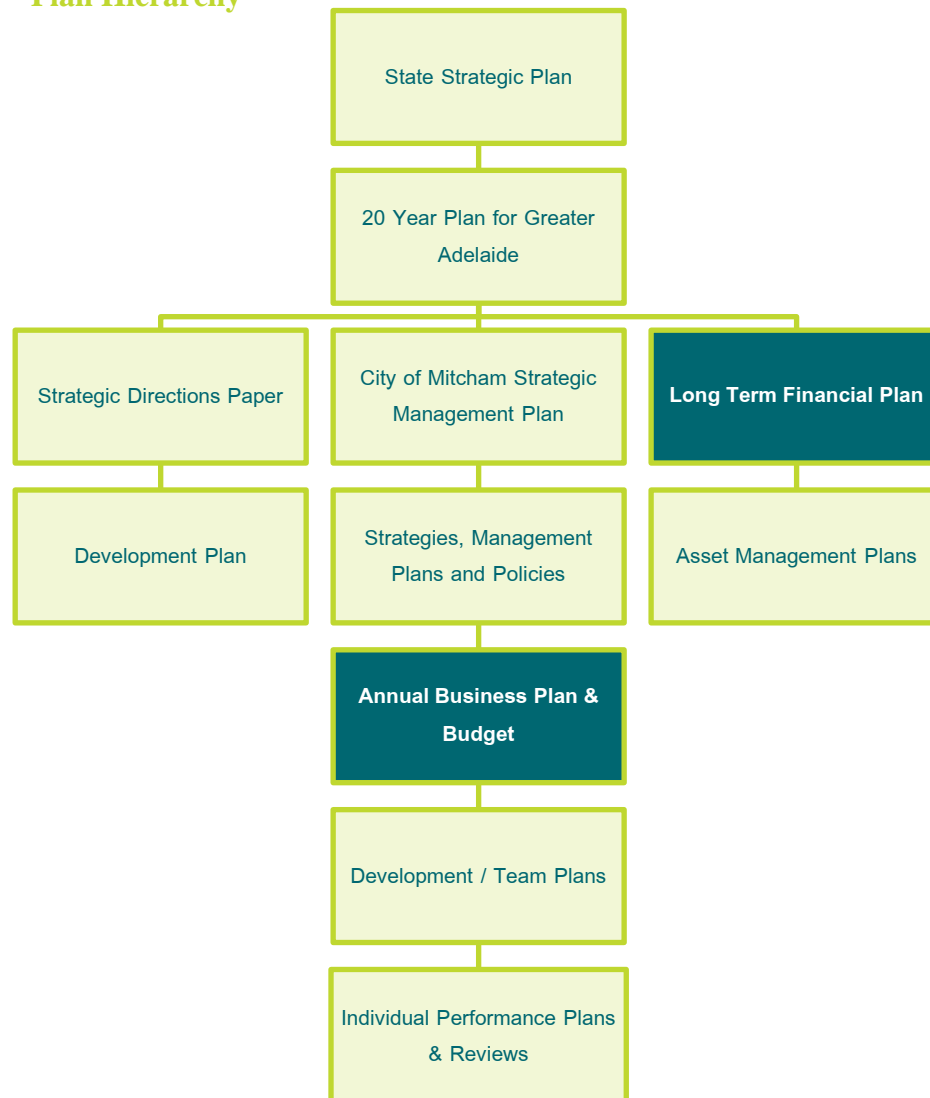
The Long Term Financial Plan ensures Council's long term financial sustainability and sets out how Council will align its resources to achieve the objectives of the Strategic Management Plan.

Council's planning hierarchy is shown in the following column.

The Strategic Management Plan Mitcham 2017-2027 explains what we want to become and the Annual Business Plan & Budget explains what we will do to achieve this.

¹ Strategic Initiatives as identified in Council's Strategic Management Plan

Plan Hierarchy



Strategic Management Plan

The Strategic Management Plan is a shared vision of the Community and Council. It is a long term plan which sets out Council's key areas of focus for the future. It is a high level document which sets a clear vision and desired objectives for the City and outlines what Council will do to deliver this. It helps Council make decisions and enables us to plan the services we will provide, the plans we will develop and the projects we will undertake.

The Plan also identifies the strategic Initiatives that Council will strive to implement into the future to deliver on the Vision for the City of Mitcham.

The strategic initiatives supported by Council will be included in the Long Term Financial Plan. The implementation of initiatives will be scheduled and funded through future Annual Business Plan & Budget processes and community consultation.

Continuous organisational improvement has now been aligned with the Strategic Management Plan and provides direction and an organisational commitment to improving customer service, organisational culture, digital environment and efficiency and effectiveness.

The strategic goals and objectives of the Plan are listed in the following column and you can access the full Mitcham 2017-2027 Strategic Management Plan on the Mitcham Council's website.



Accessible & Connected Community

- Transport network
- Accessible services
- Quality spaces
- Supported community
- Housing choices
- Engaged community



Sustainable City

- Protected biodiversity
- Clean energy
- Water conservation
- Waste minimisation
- Climate change
- Sustainable development



Dynamic & Prosperous Economy

- Vibrant places
- Employment pathways
- Collaborative organisation
- Great destination
- Supported businesses
- Smart city



Vibrant & Rich Culture

- Sense of place
- Diverse community
- Creative city
- Liveable neighbourhoods
- City character



Continuous Organisational Improvement

- Excellence in Customer service
- Positive workplace culture
- Efficient and effective organisation
- Digital by design

Long Term Financial Plan

Council's long term financial sustainability is dependent on its capacity to meet the needs and expectations of its community within its available resources. The objectives required to meet these needs and expectations are specified in the Strategic and related plans.

An important component of these plans is the Long Term Financial Plan which Council prepares as part of the public consultation and adoption of its annual budget.

The Long Term Financial Plan is a 10 year plan that contains financial indicators and statements prepared in best practice good governance and also complies with the *Local Government Act 1999* (SA) (herein referred to as **The Act**), financial management regulations and SA Local Government Industry Standards. The Long Term Financial Plan sets the financial framework within which the Annual Business Plan & Budget are formulated.

You can read the complete Long Term Financial Plan on page 27.

Annual Business Plan & Budget

The Annual Business Plan & Budget document includes a summary of Council's long term objectives (as set out in the Strategic Management Plan) and an outline of:

- The Council's objectives for the financial year.
- The activities that Council intends to undertake to achieve those objectives.

- The financial and non-financial measures that Council intends to use to assess the performance of the Council in delivering the Annual Business Plan & Budget over the financial year.

The Annual Business Plan & Budget also assesses the financial requirements of the Council, and rate structure and policy.

The Annual Business Plan & Budget is projecting a 2018/19 underlying operating surplus of \$415,000 (excluding Council subsidiaries and other one-off items.) with a headline operating surplus of \$288,000 (excluding subsidiaries). This includes targeted efficiencies of \$600,000.

Council focusses each year on progressing specific strategic objectives through the delivery of special projects while continuing to provide a broad range of quality services to the community and managing and maintaining community building and infrastructure assets.

You can read the complete Annual Business Plan & Budget on page 13.

Annual Business Plan & Budget

The Annual Business Plan is Council's operational commitment and expenditure for the financial year. It specifies the activities Council will undertake in responding to the community aspirations, goals and objectives set out in the Strategic Management Plan. Measures to assess the delivery of this plan can be found on page 72

Objectives for the Financial Year

Council's objectives for the financial year are aligned to the goals, objectives and strategic initiatives endorsed as part of the Strategic Management Plan with Council budgeting \$62 million in expenditure and investing \$25 million on capital works, continuing the delivery of services to the community and improving community safety. A chart summarising expenditure is included on page 17.

This Annual Business Plan and Budget is projecting a 2018/19 annual underlying operating surplus of \$415,000 (excluding Council subsidiaries and other one-off items) and a headline operating surplus of \$288,000 (excluding subsidiaries). This includes targeted efficiencies of \$600,000.

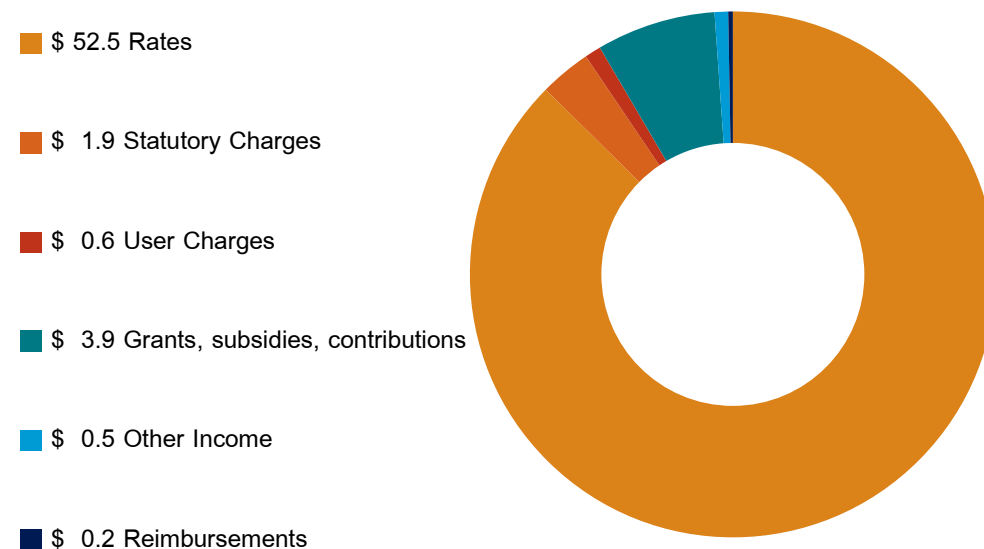
Funding the Plan

The major component of the funding required to deliver the Annual Business Plan is rates. As illustrated in the *Budget Operating Income 2018/19* chart in the following column, rates (including rebates and capping and excluding the NRM Levy) make up \$52.5 million or 85% of Council's total budgeted income for 2018/19. Income is also derived from other sources as listed below. ,

A summary of Council's rating changes for 2018/19 is shown in Appendix 1 and Council's full Rating Policy for 2018/19 is available on Council's website. The general rate increase for 2018/19 is 2.97%. The average residential rate will increase from \$1,655 to \$1,704, an increase of \$49.

Additionally Council has considered the differential rates to apply for 2018/19 and is proposing that the rate increase to be applied to commercial/industrial properties (including vacant land) is also 2.97%.

Budget Operating Income 2018/19 \$'M



Expenditure

In striving to achieve the community's goals and objectives as documented in Council's Strategic Management Plan this plan delivers a large investment in new infrastructure and a number of new and improved services and community facilities. Emphasis has also been placed on ensuring adequate funding to maintain existing infrastructure, existing service levels and eliminating the infrastructure backlog in nine years. Below is a summary of costs contributing to the rate increase:

	%	Impact on Average Rate
Financial Savings	(1.16%)	(\$19)
Provision of Existing Services (including funding debt repayment in approximately 25.8 years)	3.16%	\$52
Maintaining Existing Services	2.00%	\$33
New & Improved Services	0.56%	\$9
State Government cost shifting (eg Waste Levy)	0.41%	\$7
TOTAL	2.97%	\$49

New and Improved Services – Ongoing – 0.56%

The following services are new services or improvements to existing services that are being introduced in 2018/19 and annually generate new ongoing operating costs. They include in some cases, the construction of new assets (one off capital) which creates ongoing operating expenses in the form of maintenance, depreciation and interest expenses (or foregone interest income).

A total of \$285,000 recurrent ongoing rate funded expenditure² is allocated for these services, with an associated one-off \$2.0 million capital investment. These services are:

- Way2Go Program
- Hillview Reserve Public Toilets
- Community Building Contributions
- Implement Brownhill Keswick Creek
- Contribution to new and improved Footpath Construction Program
- Fund My Neighbourhood Projects
- Club Grants
- Soldiers Memorial Gardens – Brown Hill Creek
- CC Hood Reserve - Shelter

² Includes estimated ongoing operating expenses in the form of maintenance and average cost of capital (interest and debt repayment over defined timeframe).

One-off Operating Projects

Operating projects have been allocated a pool of \$400,000 and are one-off expenditures that only occur over a one to two years period. They do not generate ongoing expenditure or the creation or replacement of assets and can include things such as feasibility studies, plans or one-off events. Operating Projects endorsed by Council for 2018/19 are:

- Infrastructure Asset Audit & Revaluation
- External Audit of Financial Systems & Processes
- Living Well Plan
- Independent Insurance Review
- City Image - Year 1
- Heritage Plans for 2 Heritage Listed Building - Year 2
- Urrbrae Wetlands Desilting
- Implementation of the Animal Management Plan
- Council Contribution to Feasibility Study of Western Bypass
- Waite Street Reserve Landscape Concept Plan (re-budgeted)
- Blackwood District Centre Planning
- Implementation of the Integrated Transport Plan
- Trial Roll-Out of Free Food Organics Collection System

Ongoing Services – 3.16%

Council has budgeted \$60 million for services provided on an ongoing basis (excluding NRM Levy)

Improving Community Assets

Council is committed to maintaining and improving fit for purpose assets which meet the needs of the community today and into the future. Council's Asset Management Plans set out the strategies for achieving this.

A summary of Council's expenditure on assets (provided in the adjacent table) is also listed under each objective and classified as either new or replacement assets.

New Asset Program

New capital expenditure is a one-off expenditure that creates a new asset. These assets incur ongoing costs, such as interest, maintenance and depreciation, which have been built into the budget. These include the new and improved services, listed within the Summary of Capital Expenditure.

Asset Replacement Program

Capital replacement is a one-off expenditure to renew an existing Council asset. Even though all assets incur ongoing costs, such as maintenance and depreciation, capital replacement expenditure does not increase Council's ongoing costs as maintenance and depreciation is already built into the budget.

Council has endorsed an asset replacement program to the value of \$14.6 million (including \$2.3 million re-scheduled from 2017/18).

Asset Backlog

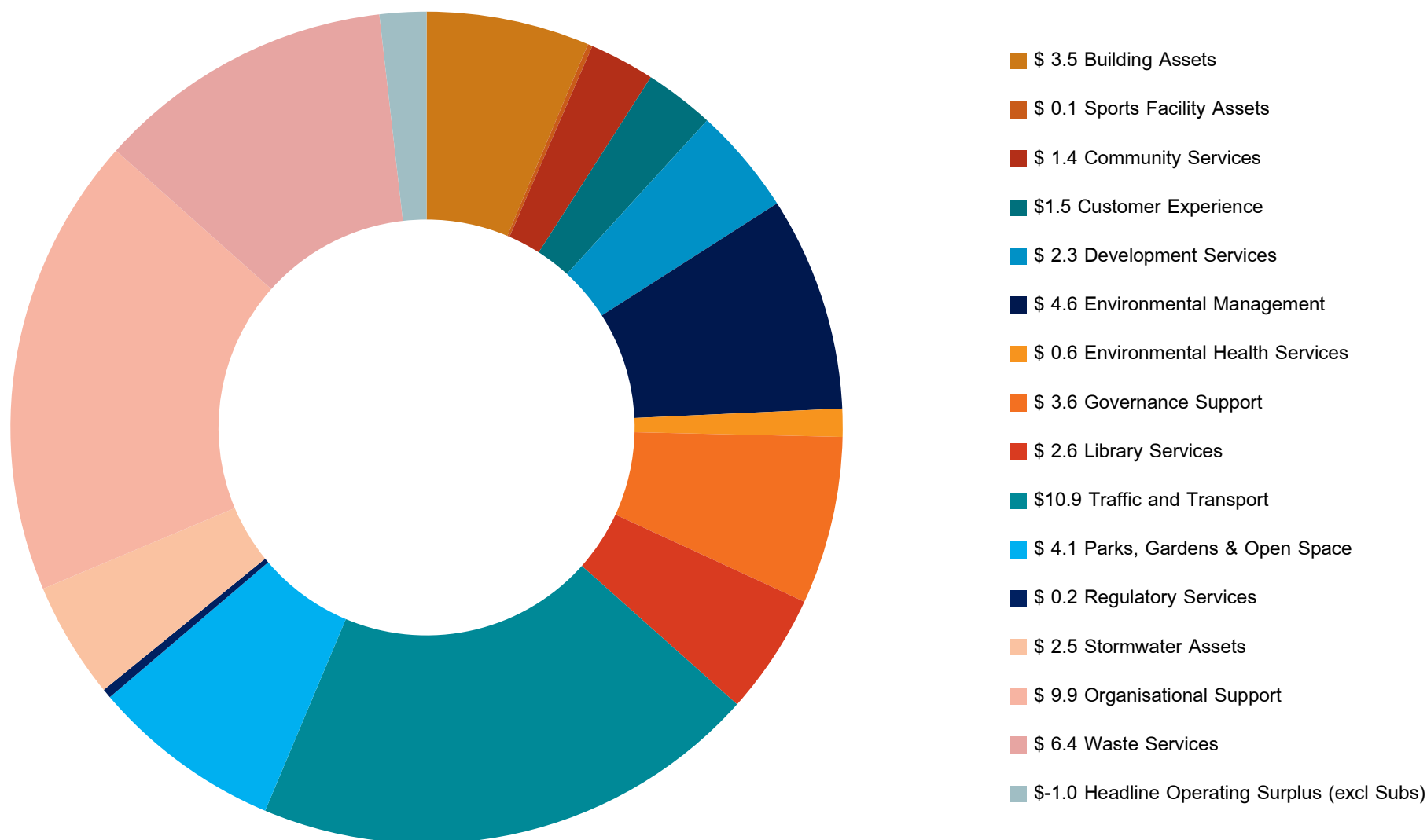
An historical focus on maintaining low rates has contributed to an asset maintenance backlog. This backlog has been systematically addressed over recent years in tandem with the new and replacement asset program. The backlog is scheduled to be addressed by 2027.

A summary of capital works expenditure by asset category is provided on the following page. Details of the full capital works program for all assets can be found on the Council's website.

Summary of Capital Expenditure

Asset Category	New & Improved \$'000	Replacement %'000	Total %'000
Bridges	74	823	897
Bus Shelters	-	22	22
Car Parks	-	157	157
Buildings & Land	699	1,726	2,425
Footpaths	466	1,804	2,270
IT Equipment	-	329	329
Mitcham Library Redevelopment	6,238	-	6,238
Office Furniture & Equipment	20	82	102
Parks, Gardens & Open Space	1,817	47	1,864
Plant & Equipment (incl Fleet)	-	1,410	1,410
Playgrounds		476	476
Retaining Walls	-	67	67
Roads	-	6,128	6,128
Sports Facilities	-	460	460
Sports Lighting	-	124	124
Stormwater & Drainage (incl. Brownhill & Keswick Creeks)	895	530	1,425
Traffic Control Devices	325	460	785
TOTAL	10,534	14,646	25,179

Expenditure 2019/19 \$'M



Budgeted Financial Statements

Budgeted Statement of Comprehensive Income

Year Ended 30 June:	2016-2017 ACTUALS \$,000	2017-2018 ESTIMATE Current Year \$,000	2018-2019 PLAN \$,000
INCOME			
Rates (including NRM Levy)	50,973	52,462	54,187
Statutory Charges	1,832	1,831	1,865
User Charges	569	504	594
Grants, subsidies, contributions	5,930	4,360	4,358
Investment Income	204	76	39
Reimbursements	216	172	177
Other Income	773	617	542
Gain - Joint ventures & associates	42	-	-
Total Revenues	60,539	60,023	61,762
EXPENSES			
Employee costs	(22,356)	(22,182)	(23,757)
Materials, contracts & other expenses	(20,229)	(23,700)	(22,642)
Finance costs	(390)	(536)	(701)
Depreciation and Amortisation	(13,001)	(13,518)	(14,375)
Loss - Joint ventures & associates	-	(90)	(250)
Total Expenses	(55,976)	(60,025)	(61,725)
OPERATING SURPLUS/(DEFICIT)	4,563	(2)	37
Asset disposal and fair value adjustments	(2,456)	37	-
Amounts received specifically for new or upgraded assets	165	3,227	2,038
Physical resources free of charge	1,166	-	-
NET SURPLUS/(DEFICIT)	3,438	3,262	2,075
Other Comprehensive Income			
Changes in revaluation surplus	-	4,485	20,153
- infrastructure, property, plant and equipment			
Share of other comprehensive income	4,412	-	-
- equity accounted Council businesses			
Total Other Comprehensive Income	4,412	4,485	20,153
TOTAL COMPREHENSIVE INCOME	7,850	7,747	22,228

Budgeted Balance Sheet

Year Ended 30 June:	2016-2017 ACTUALS \$,000	2017-2018 ESTIMATE Current Year \$,000	2018-2019 PLAN \$,000
ASSETS			
Current Assets			
Cash and cash equivalents	7,924	587	4,244
Trade and other receivables	4,359	4,221	4,318
Inventories	40	55	57
Total Current Assets	12,323	4,863	8,620
Non-Current Assets			
Equity accounted investments in council businesses	15,516	15,426	15,176
Infrastructure, property, plant and equipment	551,153	575,811	606,211
Other non-current assets	5,005	2,928	3,229
Total Non-Current Assets	571,674	594,165	624,616
Total Assets	583,997	599,028	633,236
LIABILITIES			
Current Liabilities			
Trade and other payables	(7,384)	(5,645)	(5,815)
Short term borrowings	(963)	(1,158)	(1,471)
Short term provisions	(3,863)	(3,937)	(4,028)
Total Current Liabilities	(12,210)	(10,740)	(11,314)
Non-Current Liabilities			
Long term borrowings	(4,231)	(12,957)	(24,324)
Long term provisions	(1,615)	(1,643)	(1,682)
Total Non-Current Liabilities	(5,846)	(14,600)	(26,005)
Total Liabilities	(18,056)	(25,340)	(37,319)
NET ASSETS	565,941	573,688	595,917
EQUITY			
Accumulated surplus	333,462	336,724	338,800
Asset revaluation reserve	232,468	236,953	257,106
Other Reserves	11	11	11
TOTAL EQUITY	565,941	573,688	595,917

Budgeted Cash Flow Statement

Year Ended 30 June:	2016-2017 ACTUALS \$,'000	2017-2018 ESTIMATE Current Year \$,'000	2018-2019 PLAN \$,'000
CASH FLOWS FROM OPERATING ACTIVITIES			
<u>Receipts</u>			
Operating receipts	61,421	58,878	61,626
Investment receipts	563	76	39
<u>Payments</u>			
Finance payments	(390)	(536)	(701)
Operating payments to suppliers and employees	(42,158)	(46,905)	(46,103)
Net Cash provided by (or used in) Operating Activities	19,436	11,513	14,861
CASH FLOWS FROM INVESTING ACTIVITIES			
<u>Receipts</u>			
Amounts received specifically for new or upgraded assets	165	3,227	1,955
Sale of replaced assets	713	962	559
Sale of surplus assets	-	-	83
<u>Payments</u>			
Investment in Joint Venture Activities	(32)	-	-
Expenditure on Renewal/Replacement of Assets	(18,000)	(21,147)	(14,646)
Expenditure on New/Upgraded Assets	(1,224)	(10,947)	(10,534)
Net Cash Provided by (or used in) Investing Activities	(18,378)	(27,905)	(22,583)
CASH FLOWS FROM FINANCING ACTIVITIES			
<u>Receipts</u>			
Proceeds from Borrowings	-	10,185	12,850
<u>Payments</u>			
Repayments of Borrowings	(920)	(1,131)	(1,471)
Net Cash provided by (or used in) Financing Activities	(920)	9,055	11,379
Net Increase/(Decrease) in cash held	138	(7,337)	3,657
Opening cash, cash equivalents or (bank overdraft)	7,786	7,924	587
Closing cash, cash equivalents or (bank overdraft)	7,924	587	4,244

Budgeted Statement of Changes in Equity

Year Ended 30 June:	2016-2017 ACTUALS \$,'000	2017-2018 ESTIMATE Current Year \$,'000	2018-2019 PLAN \$,'000
ACCUMULATED SURPLUS			
Balance at beginning of period	330,035	333,462	336,724
Net surplus / (deficit) for year	3,438	3,262	2,076
Transfers to Other Reserves	-	-	-
Transfers from Other Reserves	(11)	-	-
Balance at end of period	333,462	336,724	338,800
ASSET REVALUATION RESERVE			
Balance at beginning of period	228,056	232,468	236,953
Changes in revaluation surplus	-	4,485	20,153
- infrastructure, property, plant and equipment	-	-	-
Share of other comprehensive income	4,412	-	-
- equity accounted Council businesses	-	-	-
Balance at end of period	232,468	236,953	257,106
OTHER RESERVES			
Balance at end of previous reporting period	-	11	11
Transfers to Accumulated Surplus	11	-	-
Balance at end of period	11	11	11
TOTAL EQUITY AT END OF REPORTING PERIOD	565,941	573,688	595,917

Budgeted Uniform Presentation of Finances

Year Ended 30 June:	2016-2017 ACTUALS \$,000	2017-2018 ESTIMATE Current Year \$,000	2018-2019 PLAN \$,000
Operating Surplus/(Deficit)			
Operating Revenues	60,539	60,023	61,762
less Operating Expenses	(55,976)	(60,025)	(61,725)
	4,563	(2)	37
Less: Net Outlays on Existing Assets			
Capital Expenditure on Renewal/Replacement of Existing Assets	(17,147)	(21,147)	(14,646)
less Depreciation, Amortisation & Impairment	13,001	13,518	14,375
less Proceeds from Sale of Replaced Assets	713	962	559
	(3,433)	(6,667)	288
Less: Net Outlays on New and Upgraded Assets			
Capital Expenditure on New/Upgraded Assets	(1,166)	(10,947)	(10,534)
less Amounts Specifically for New/Upgraded Assets	165	3,227	1,955
less Proceeds from Sale of Surplus Assets	-	-	83
	(1,001)	(7,720)	(8,496)
Net Lending / (Borrowing) for Financial Year	129	(14,389)	(8,171)

Year Ended 30 June:	2016-2017 ACTUALS \$,000	2017-2018 ESTIMATE Current Year \$,000	2018-2019 PLAN \$,000
New Borrowing	-	10,185	12,850
Repayment of Principal on Borrowings	(920)	(1,131)	(1,471)
(Increase)/Decrease in Cash and Cash Equivalents	(138)	7,337	(3,657)
(Increase)/Decrease in Receivables	(1,651)	138	(97)
Increase/(Decrease) in Payables & Provisions	3,005	(1,636)	299
Other (including the movement in Inventories)	(425)	(503)	247
Financing Transactions	(129)	14,390	8,171

2018/19 Financial Indicators

These Financial Indicators have been calculated in accordance with *Information Paper 9 - Local Government Financial Indicators* prepared as part of the LGA

Financial Sustainability Program for the Local Government Association of South Australia. Detailed methods of calculation are set out in the SA Model Statements.

2018/19

Operating Surplus Ratio	0.5%
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Operating Surplus

Total Operating Revenue

This ratio expresses the operating surplus as a percentage of total operating revenue.

Adjusted Operating Surplus Ratio	0.67%
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In recent years the Federal Government has made advance payments prior to 30th June from future year allocations of financial assistance grants, as explained in Note 1. The Adjusted Operating Surplus Ratio adjusts for the resulting distortion in the disclosed operating result for each year.

Net Financial Liabilities Ratio	54.7%
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Net Financial Liabilities

Total Operating Revenue

Net Financial Liabilities are defined as total liabilities less financial assets. These are expressed as a percentage of total operating revenue.

Asset Sustainability Ratio	93.5%
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Net Asset Renewals

Infrastructure & Asset Management Plan required expenditure

Net asset renewals expenditure is defined as net capital expenditure on the renewal and replacement of existing assets, and excludes new capital expenditure on the acquisition of additional assets.

Rating for 2018/19

In formulating the planned rates for the financial year, we took into consideration our economic environment, the supply of rate contributions by various classifications of ratepayers and all sources of revenue required to fund the delivery of services and projects set out in the Annual Business Plan.

Council has determined that homeowners will pay an average of 2.97% more in rates this financial year. This means the average residential rate will increase from \$1,655 to \$1,704 an increase of \$49.

Valuations and Council Rates

In determining who pays how much in rates, Council divides its rate revenue target by the sum of all property values in the Council area. The number arrived at is called the 'rate in the dollar'. The value of each rateable property is then multiplied by the 'rate in the dollar' to produce the rates bill for the property. Each year Council resets the 'rate in the dollar' so that only the required rate income is received. The total rates payable by the community will equal the amount determined as part of the budget process.

The way in which the 'rate in the dollar' is calculated allows it to react to changes in property values. When the total value of all properties within a council increase and the amount of rate revenue required remains the same, the rate in the dollar will decrease. Alternatively, when the total value of all properties decrease and the amount of rate revenue required remains the same, the 'rate in the dollar' will increase. This change to the 'rate in the' dollar does not necessarily translate into an

increase or decrease in the amount of rates payable. Where a rate rise is required in any year, the percentage increase is applied to the reset the 'rate in the dollar' so that variations in valuations are accounted for.

The Valuer-General has completed an annual valuation of the Council area, the capital valuation supplied for the total rateable land was \$17,419,014,636. This valuation reflects an increase valuation of 4.34% for all current rateable properties. Residential properties represented 91.4% of the rateable valuation with an average valuation increase of 4.44%. Commercial and non-residential properties had an average valuation increase of 3.18%.

Rating Structure

Council's Rating Structure is developed in accordance with the requirements of The Act. Additionally, in determining this structure, the Council takes into account the impact on Councils Strategic Management Plans, Annual Business Plan and Long Term Financial Plans, including:

- The competing demands of community priorities identified through the consultation process.
- Its role as custodian of significant community assets held and managed on behalf of the local community and future generations.
- The need for significant capital works to replace and upgrade infrastructure assets.
- The obligation to operate as effectively and efficiently as possible.

- The need to reassess the use and viability of community facilities.
- The impact of rates on all sectors of the community (householders and businesses) based on factors, such as:
 - the broad principle that the rate in the dollar should be the same for all properties, except where there is either a different level of services available to ratepayers, or some other circumstance exists which warrants variation from the broad principle. Council has addressed this through the application of differential rates on commercial, industrial and vacant land properties – refer to the section entitled “Differential Rates”;
 - the fact that community surveys undertaken over the last 10 years show a clear preference that service levels not be reduced in order to contain rate increases; and
 - that while Council is committed to minimising rate increases, its priority is striking a rate which maintains community assets and existing services in an equal or better condition.

Reasons for Valuation Method and Equity

The Council uses capital value as the basis for valuing land within the Council area. The Council considers that this method of valuing land provides the fairest method of distributing the rate burden across all ratepayers, for the following reasons:

- The equity principle of taxation requires that ratepayers of similar wealth pay similar taxes and ratepayers of greater wealth pay more tax than ratepayers of lesser wealth.

- Property value is a relatively good indicator of wealth and capital value, which closely approximates the market value of a property and provides the best indicator of overall property value.
- The distribution of property values throughout the Council area is such that few residential ratepayers will pay an increase significantly greater than the increase in average rates.

Impact of Rates Structure

Council considers the impact of rates on all businesses in the Council area. In doing so, Council considers and assesses the following matters:

- The demand made on Council services by commercial and industrial users as a proportion of rate revenue.
- Council's Strategic Management Plan and those priorities relating to business development mentioned above.
- Specific Council projects for the coming year that will solely or principally benefit businesses.
- Preference for local suppliers where price, quality and service provision are comparable to suppliers outside the Council area.
- Current local, state and national economic conditions and expected changes during the next financial year. The expectation is that relatively low rates of inflation and current levels of interest rates will prevail.
- Changes in the valuation of commercial and industrial properties in comparison to residential properties.

Differential Rates

The Local Government Act 1999 allows the Council to 'differentiate' rates based on the use of land, the locality of land, the use and locality of the land combined or on some other basis determined by Council. The City of Mitcham applies different rates on the basis of land use.

Council has reviewed the differential rates to apply for 2018/19 and is proposing that the rate increase applicable to commercial/industrial properties and vacant land, remains consistent with the general rate at 2.97%.

Rate Capping, Rebates and Remissions

Rate Capping

Council has a rate capping scheme available to all rate payers subject to eligibility criteria. This is designed to assist ratepayers who would otherwise have incurred a rate increase greater than 12.5%. For details of eligibility call 8372 8888, or visit www.mitchamcouncil.sa.gov.au.

Rebates

Council is required to provide mandatory rebates under Sections 160 to 165 of the Local Government Act 1999 in relation to properties:

- Primarily used for service delivery or administration by a hospital or health centre (Section 160).
- Primarily used for service delivery or administration by a community service organisation (Section 161).
- Containing a church or other building used for public worship or used solely for religious purposes (Section 162).

- Being used for the purpose of a public cemetery (Section 163).
- Occupied by a government school under a lease or licence or a non-government school being used for educational purposes (Section 165).

Residential Construction Rebate (Discretionary Rebate)

Further, we may provide discretionary rebates under Section 166. One of these is for the purpose of securing the proper development of the area, a discretionary rebate of general rates for the 2018/19 financial year will be granted in respect of an Assessment classed as vacant land where the:

- Principal Ratepayer of the Assessment applies to the council, in writing, for the rebate prior to 30 June 2019.
- Foundations or slab have been laid on the property by 30 June 2019, proof of the date the footings were laid must accompany the application/
- Land which has been subdivided in the current financial year will not be eligible for the rebate.
- Principal Ratepayer has confirmed, in writing, that the property will be their principal place of residence upon completion.

The amount of the rebate will be based on:

- The difference between the general rate in the dollar applicable to Vacant land, and the general rate in the dollar applicable to Residential land; and
- The number of days remaining between 1 July 2018 and 30 June 2019 from the date footings are poured for a residence on the land. The rebate will not fall below the Minimum Rate.

Vacant Land Rebate (Discretionary Rebate)

Council has agreed to apply a rebate on Vacant Land, where the land use has changed in any given financial year from Residential land use to Vacant Land. The rebate will apply within the first 12 months to the residential rate in the dollar adopted for properties that become vacant land and will be applied either by Council of its own initiative, where the Council is in possession of sufficient information to determine entitlement to the rebate, or otherwise on application to Council.

Under Section 166 (1) (a) of the Act, and for the purpose of securing the proper development of the area, a discretionary rebate of general rates for the 2018/2019 financial year will be granted in respect of an Assessment attributed as vacant land where:

- The Land Use is noted as Residential or Primary Production by the Valuer-General in the current year following a sub-division/development and the Council attributed the land use as Residential or Primary Production.
- The actual use of the land has changed to Vacant Land and the Valuer-General has determined a Vacant Land use code to the land in the following year and the Council has also attributed a rate in the dollar for Vacant Land.
- The principal rate-payer applies in writing prior to 31 December 2018 for a rebate the current year, confirming that the property will be their principal place of residence on completion of any development. The Council may consider any application received after 31 December 2018 for the 2018/2019 financial year, but reserves its right to refuse to consider applications received after this date.

- The rebate will only apply for a maximum period of 12 months in the (same) financial year.
- The property will be re-assessed the following financial year - If the use of the land is still classified as Vacant Land by the Valuer-General and the Council also attributes this land use, then the rate in the dollar for Vacant Land will apply.
- Refer to the Residential Construction Rebate beyond the first 12 months.

Remission of Rates

Council, on the written application of a ratepayer, may partially or wholly remit rates or postpone rates on the basis of hardship.

Minimum Rates

Council has fixed a minimum amount payable by way of the general rates of \$1,039.00.

Long Term Financial Plan

The Long Term Financial Plan is an important part of Council's budgeting framework. It helps Council to monitor long term financial sustainability while working to address the needs and expectations of the community that are set out in the Strategic Management Plan and related strategies. It sets the high level financial parameters that guide the development and refinement of Council's budgeted plans, strategies and actions and generates information that assists decisions about the mix, timing and affordability of future outlays on operating activities, renewal and replacement of existing assets and funding of additional assets and services.

In 2012 a review of Council's long term financial planning, budget management systems and asset management processes identified that Council was operating at an underlying annual deficit of \$1.7 million. It was also established that, whilst Council had very little cash debt, it had generated a significant asset renewal deficit as a result of underfunding asset renewal over many years. Since 2012 Council has focused on achieving substantial financial savings as part of its budget process and addressed the asset renewal deficit for current and future years.

This focus has delivered:

- An operating surplus in 2014/15 and 2015/16.
- Ongoing savings of \$4.9 million (with an efficiency savings target of \$600,000 in 2018/19).
- A Capital Replacement Program that will address the asset renewal backlog by 2027.

Council is now in a strong financial position and is able to:

- Consider other strategic financial and service delivery issues.
- Look to consolidate recent financial progress.
- Consider the balance between service provision, intergenerational equity and financial position.
- Shape the future direction of the City.

Council has continued to innovate and develop its financial modelling and decision making processes. As part of the 2018/19 budget deliberations a number of strategic aspects were considered including:

- Service levels.
- Cost drivers.
- Cost shifting.
- Budget pressures.
- New recurrent expenditure (new services / new capital).
- Operating projects (once-off expenditure).
- Timeframe of addressing capital backlog.
- Debt repayment term.
- Savings and efficiencies.
- A focus on whether cash from operations is sufficient to fund average asset renewal and debt repayment over a considered timeframe when balancing the budget equation.

- The improved practice of addressing future operating expenditure commitments associated with new capital in the rate rise of the year of capital expenditure rather than pre-committing rate rises required the year after.
- Rate levels.

The 2018/19 Long Term Financial Plan is based on the following principles:

- Maintaining existing service levels whilst continuing to drive efficiencies and financial savings.
- Improving service levels and closing service gaps within financial capacity.
- Monitoring and measurement of cash from operations in determining a balanced budget position, ensuring that Council is funding its asset renewals over the 10 year Long Term Financial Plan and repaying debt over a considered timeframe taking into account the balance between funding costs and intergenerational equity.
- Funding of ongoing costs associated with new capital in the year they are included rather than in the following year when maintenance costs and depreciation commence, thus avoiding pre-commitment of rates increases in the following year.
- Maintaining rates at a comparable and sustainable level whilst funding services and debt repayment sustainably in line with Council's considered position on intergenerational equity.

With these principles and objectives in mind, this Long Term Financial Plan is based on the following:

- A rate increase for 2018/19 of 2.97%. A summary of costs contributing to the rate increase are provided below:

	%
Financial Savings	(1.16%)
Provision of Existing Services (including funding debt repayment in approximately 27.7 years)	3.16%
Maintaining Existing Services	2.00%
New & Improved Services (including the Asset Renewal backlog)	0.56%
State Government cost shifting (eg Waste Levy)	0.41%
TOTAL	2.97%

- Generation of sufficient cash from operations to fund Asset Renewal over the life of the 10 year plan and repay debt in approximately 27.7 years, well within the average useful life of Council's depreciable assets (around 66 years). This principle is considered to strike an appropriate balance between financial cost and intergenerational equity. This does not mean that Council will have \$Nil debt in approximately 27.7 years' time as Council will continue to take out and repay debt in the future as assets are renewed, wear out and replaced in perpetuity. What it means is that the debt taken out over the 10 year plan (including the debt as at today) will be repaid in approximately 27.7 years, a period less than the common house mortgage.

- Targeted financial and efficiency savings of \$600,000 in 2018/19 in addition to the \$4.3 million delivered since 2012.
- A provision of \$400,000 per annum to undertake operating projects and other one-off priorities.
- New and improved services totalling \$285,000 per annum (with an associated one-off \$2.0 million capital investment).
- Capital replacement program of \$14.6 million for 2018/19 in line with Council's Asset Management Plans and schedules working towards addressing the asset renewal deficit and including \$2.3 million re-scheduled from 2017/18.
- New Capital expenditure of \$10.5 million for 2018/19, including \$8.6 million re-scheduled from 2017/18.
- A projected annual underlying operating surplus for 2018/19 of \$415,000 million (excluding non-cash gains / losses from subsidiaries and other one-off items) and a headline operating surplus of \$288,000 (excluding subsidiaries), and a debt repayment term in approximately 27.7 years for existing debt and debt taken out across the 10 years of the Plan.

This Long Term Financial Plan builds on the financial progress since 2012 and continues to place Council in a solid position to be able to meet the Community's expectations for service provision, address asset backlog and maintain financial sustainability.

The table on the following page is a summary of some items of key financial data used for the purposes of modelling. It is the result of the application of all the

assumptions within the Long Term Financial Plan using the current financial position and budget as the base.

As part of Council's responsible approach to financial sustainability, non-cash gains and losses from Council subsidiaries and one-off items are not included when using Council's operating result for modelling and ratio calculation purposes. The reason for not including non-cash items is that if they were included when determining if Council has a balanced budget, Council would need to borrow funds (either as borrowings or as reductions in surplus cash) equivalent to those non-cash gains in order to fund operating expenses, creating a false sense of sustainability. Borrowing to fund operating expenses is not sustainable and, therefore, this financial discipline being employed by Council is a key element to ensure financial sustainability in the future from Council operations. Further, by not including one-off items Council is ensuring that it is focusing on the underlying long term financial position of Council providing additional robustness to Council's measure of long term financial sustainability.

Summary of some items of key financial data used for the purposes of modelling

2016/17 Prior Year Actuals \$'000	FINANCIAL PLAN SUMMARY	2016/17 Last Year Actual Last Year	2017/18 Current Year Estimate \$'000	2018/19 Year 1 Plan \$'000	2019/20 Year 2 Plan \$'000	2020/21 Year 3 Plan \$'000	2021/22 Year 4 Plan \$'000	2022/23 Year 5 Plan \$'000	2023/24 Year 6 Plan \$'000	2024/25 Year 7 Plan \$'000	2025/26 Year 8 Plan \$'000	2026/27 Year 9 Plan \$'000	2027/28 Year 10 Plan \$'000
60,539	Operating Income	60,539	60,023	61,762	64,411	67,124	69,850	72,738	75,633	78,812	82,295	85,854	89,431
42	Including non cash gains on Subsidiaries	42	-	-	172	323	355	449	427	566	769	900	900
55,976	Operating Expenses	55,976	60,025	61,724	64,142	66,475	69,272	72,087	74,945	77,901	81,073	84,152	87,330
-	Including non cash losses on Subsidiaries	-	90	250	-	-	-	-	-	-	-	-	-
4,563	Operating Result	4,563	(2)	38	269	649	578	651	688	911	1,222	1,702	2,101
4,521	Operating Result (excluding non cash gains/losses from subsidiaries and other one off items)	4,521	88	288	97	326	223	202	261	345	453	802	1,201
5,773	Net Financial Liabilities	4,521	20,532	28,755	32,931	37,780	41,296	44,553	46,912	48,886	49,829	50,371	52,539

Operating Result

This is the operating result as reported in Council's end of year financial statements in accordance with accounting standards. It reflects whether in each year income was enough to cover expenses, including depreciation, one-off items and non-cash items from subsidiaries. Whilst this result is necessary to report and forms part of

Council's annual financial statements, it is not that useful for measuring Council's underlying operating result from operations and, therefore, financial sustainability.

Operating Result (Excluding Non-Cash Gains / (Losses) From Subsidiaries and Other One-off Items)

This is the operating result from direct Council operations only without the non-cash impacts of operating results of Council's subsidiaries, such as Centennial Park Cemetery Authority and East Waste Management Authority and without any one-off items. It is important to focus on this result because it represents a better view of the funding requirements of Council operations. If Council balances its budget, including these non-cash or one-off items it gives a false impression of financial sustainability.

Borrowings

This Long Term Financial Plan shows that net financial liabilities ratio peaks in Year 6 at 74.3% of forecast rate revenue in that year. The increase in net financial liabilities from current levels results primarily due to redressing the asset renewal deficit that has accumulated over prior years and investing in new capital infrastructure of around \$33.0 million over the next 10 years.

This Long Term Financial Plan is based on generating sufficient cash from operations across the 10 years of the Plan to enable the repayment of existing debt and any debt taken out across the Plan in approximately 27.7 years. This robust and innovative approach to monitor and manage the repayment of debt over a defined timeframe allows Council to make a policy decision on striking the desired balance between minimising financial costs in the short term and upholding intergenerational equity over the long term. The Long Term Financial Plan demonstrates the affordability of the capital investment with Council remaining within its limit of 80% for the Net Financial Liabilities Ratio during a period of significant strategic

investment and within its conservative limit of 6% for the Interest Coverage Ratio across the forward estimates.

How does this plan compare to the 2017/18 plan?

A broad comparison of this Long Term Financial Plan with the 2018/19 projections contained in the previous Long Term Financial Plan shows a decrease in the operating result from a surplus projected last year of \$846,000 to a surplus of \$38,000 (including Council subsidiaries and one-off items), a decrease of \$808,000.

	Previous Plan 2018/19 \$'000	This Plan 2018/19 \$'000	Variation \$'000
Rates (exc. NRM Levy)	52,625	52,525	(100)
NRM Levy	1,565	1,661	96
Statutory Charges	1,785	1,865	80
User Charges	513	594	81
Grants, subsidies, contributions	4,466	4,358	(108)
Investment Income	78	39	(39)
Reimbursements	175	177	2
Other Income	577	542	(35)
Gain - Joint ventures & associates	221	-	(221)
Operating Income	62,005	61,762	(243)
Employee costs	25,092	23,757	(1,335)
Materials, contracts & other expenses	20,808	22,642	1,834
Finance costs	1,277	701	(576)
Depreciation and Amortisation	13,982	14,375	393
Loss - Joint ventures & associates	-	250	250
Operating Expense	61,159	61,724	565
Operating Result Surplus/(Deficit)	846	38	(808)
Renewal Capital Expenditure	15,672	14,646	(1,026)
New Capital Expenditure	2,697	10,534	7,837
Net Financial Liabilities	32,151	28,755	(3,396)

A few of the items accounting for the differences between this Long Term Financial Plan and the equivalent period of the previous Long Term Financial Plan are as follows:

- The decrease in rates revenue is primarily a result of Council setting a 2.97% general rate increase for 2018/19 as opposed to a 3.12% rate increase as was projected for 2018/19 in the previous Long Term Financial Plan of 12 months ago.
- The decrease in Investment income is due to less cash being invested and used to fund projects.
- The decrease in employee costs is attributed to an overestimate of employee costs in lieu of a new Enterprise Bargaining Agreement which is still to be negotiated for the 2018/19 year.
- The increase in the Statutory & User charges is attributable to the increase in the CPI & LGPI economic indicators.
- The following contribute to the net increase in materials, contracts and other expenses;
 - setting a Financial savings and efficiencies target of \$600,000 (no savings target for 2018/19 in the previous Long Term Financial Plan; and
 - increase in Local Government Price Index from 1.9% in the previous plan to 3.0% in the current plan, an increase of 1%.
- The decrease in finance costs is due to new capital and services being re-budgeted from 2017/18. More borrowings will be required in 2018/19 as opposed to the previous plan.

- Gain on subsidiaries of \$221,000 in the prior plan has now been forecast as a loss on subsidiaries of \$250,000 for 2018/19 as advised by the subsidiary budgets for 2018/19.
- The Renewal Capital expenditure has decreased from the previous plan primarily due to no Asset Backlog renewal being completed in 2018/19 of the current plan. Offset by some of the re-scheduling of \$2.0 million from 2017/18.
- The New Capital expenditure increased due to \$8.9 million re-scheduled from 2017/18.
- The Net Financial Liabilities has decreased due to the pushing out the Asset Backlog Capital Renewal expenditure by another year, it means less borrowings will be needed in 2018/19.

Key Economic Assumptions

It is important that Council's Long Term Financial Plan reflects the most recent economic data and forecasts available as Year 1 of the Long Term Financial Plan forms the basis for developing Council's Annual Business Plan & Budget. A review is conducted each year to ensure that the underlying parameters and assumptions are reasonable given the current economic conditions and expectations.

The key economic indicators and drivers used in this Plan are summarised in the table on the following page.

Key economic indicators and drivers

Economic Indicator / Assumption	Drives	2018/19 Year 1	2019/20 Year 2	2020/21 Year 3	2021/22 Year 4	2022/23 to 2027/28 Year 5 to 10
Revenue						
Consumer Price Index	Statutory Charges, Grants and Subsidiaries, Reimbursements, Other Revenue	2.30%	2.30%	2.40%	2.50%	Between 2.40% - 2.44%
Local Government Price Index	User Charges	3.20%	3.20%	3.30%	3.40%	Between 3.30% - 3.34%
Residential and Other Rate Increase	Residential and Other Rates	2.97%	4.01%	4.01%	4.01%	Between 4.01% - 4.01%
Commercial / Industrial / Vacant Land Rate Increase	Commercial / Industrial and Vacant Land Rates	2.97%	4.01%	4.01%	4.01%	Between 4.01% - 4.01%
Investment Interest Rate	Investment Income	2.15%	2.15%	2.15%	2.15%	2.15%
Expenditure						
Local Government Price Index (Recurrent)	Contractual Services, Materials, Other Expenses	3.00%	3.00%	3.10%	3.20%	Between 3.10% - 3.14%
Local Government Price Index (Capital)	Capital Expenditure Indexation, Depreciation, Asset Revaluations	3.50%	3.50%	3.60%	3.70%	Between 3.60% - 3.64%
EB increments	Employee Costs within EB timeframe	-	-	-	-	-
Superannuation	Employee Costs	9.50%	9.50%	9.50%	10.00%	Increasing to 12%by 2025/26
Loan Interest Rate – Fixed Term	Long Term Loan Interest Expenses	4.35%	4.35%	4.35%	4.35%	4.35%
Loan Interest Rate – Variable	Cash Advance Debenture Interest Expense	3.60%	3.60%	3.60%	3.60%	3.60%

The Consumer Price Index (CPI) of 2.30% for Year 1 drives non-rates income, the Local Government Price Index (LGPI), which drives expenditure on contractual services and materials is 3.20% (as at March 2018). Whilst the CPI is regarded as a key measure of household expenditure inflation and is designed to provide a general measure of price inflation for household purchases, the LGPI is considered more suitable for measuring the inflation of Local Government sector services. The projections for Years 2 - 10 are based on the average of the past three years.

The loan interest rates are based on Local Government Financing Authority (LGFA) lending rates for Year 1. Years 2 -10, the Long Term Financial Plan has assumed no movement in the rate. However, regular review of this Plan will ensure that the economic assumptions are reflective of the current market.

Administration undertakes a review of the parameters and assumptions underpinning the Long Term Financial Plan on an annual basis to ensure that the most appropriate forecast economic indicators are used.

External and Internal Influences

This Long Term Financial Plan generates information which is used to guide decisions about Council operations into the future. However, as with any long term plan, the accuracy of this Long Term Financial Plan is subject to many inherent influences.

In order to minimise the inherent risks of long term financial planning, Council reviews and updates its Long Term Financial Plan on a regular basis. Further to this, where possible, the assumptions within the Long Term Financial Plan are based on published Australian Bureau of Statistics data or other independent data

sources. The assumptions are also subject to review and comment by Council's Audit Committee and External Auditors.

External Influences and Risks

Costs of Recycling

As a result of market changes, the exporting of recycled waste off-shore has become non-viable for South Australian Councils. At this stage the long term management of recycled materials for Councils is unknown, as is the additional costs to manage it. The City of Mitcham has identified the costs reaching up to \$700,000 per annum as a worst case scenario. As the effects become clearer, Council will need to adjust its short term and/or long term financial position.

Interest Rates

Council has taken a simple but conservative approach and has allowed for interest rates of around 4.35% over the next 10 years. If changes are made to official interest rates by the Reserve Bank of Australia in excess of those included in the Long Term Financial Plan then this could have a financial impact on Council. However, regular review and update of the Long Term Financial Plan is one of the key strategies for mitigating this risk.

Consumer Price Index (All Adelaide)

The Consumer Price Index (CPI) is regarded as Australia's key measure of inflation for household consumables. It is designed to provide a general measure of price inflation for the Australian household sector as a whole. The CPI measures change over time in the prices of a wide range of consumer goods and services acquired by

Australian metropolitan households. This Long Term Financial Plan includes CPI of 2.30% for 2018/19, which is based upon the latest 2017/18 South Australian CPI published by the Australian Bureau of Statistics for March 2018. This Plan conservatively forecasts 2.30% - 2.50% for Years 2 - 10 of the Plan.

Local Government Price Index

The Local Government Price Index (LGPI) is an independent measure of the inflationary effect on price changes in the South Australian Local Government sector, developed by the Australian Bureau of Statistics (ABS) and updated by the South Australian Centre for Economic Studies on a quarterly basis. The LGPI is similar in nature to CPI; however, it represents the movements of prices associated with the goods and services consumed by Local Government in South Australia (such as concrete, bitumen, contractual services, etc) as opposed to the basket of goods and services consumed by the 'average metropolitan household'. This Plan conservatively forecasts 3.20% - 3.40% for Years 2 - 10 of the Plan.

Federal Assistance Grants

The South Australian Grants Commission is responsible for the distribution of untied Commonwealth Financial Assistance Grants to local governing authorities in South Australia in accordance with State and Federal legislative requirements.

Council currently receives around \$2.2 million per year in Financial Assistance Grants. The allocation of this grant is based on a predetermined methodology involving analysis of Council's income raising capacity and expenditure requirements compared with State averages and other factors such as Council's demographic profile, the movement in its population relative to the movement in both South

Australia's and Australia's population and the community's ability to pay relative to other council communities. Changes to the total grant funding pool, the methodology or even Council's demographics have the potential to impact on the amount of grant assistance provided to Council.

In addition to the quantum of this grant, the timing of when the grant is paid could also have a potential impact on the Long Term Financial Plan. The Australian Accounting Standards applying to Local Government require that grants received within a financial year are shown as income in that year, notwithstanding that the purpose for which the grants were given have not been fulfilled. This issue has impacted on Council in the past but not anticipated with this Long Term Financial Plan.

The 2014 Federal Budget also provided a further \$350 million towards the Roads 2 Recovery program. As a result, Council will receive \$550k in 2018/19 relating to the Roads 2 Recovery funding. This revenue is for the funding of capital expenditure on road renewal and upgrade but under the Accounting Standards and model financial statements is required to be reported as operating revenue.

Whilst it is a requirement to report extra income in Council's operating result, it has not been included in the ratio calculations. This is in accordance with Council's philosophy of focusing on the underlying financial position and not the one-offs that occur from time to time.

Natural Resources – Fuel

The volume of fuel required to operate Council's plant, equipment and vehicle fleet is significant and movements in the price of fuel above the general rate of inflation have the potential to significantly affect Council's financial position.

Natural Resources – Water

A critical element of the City of Mitcham's prosperity is the provision of a sustainable water supply that can be used to provide a high level of amenity to the City's open space, parks and gardens and movements in the price of water above the general rate of inflation have the potential to significantly affect Council's financial position.

Legislative Changes - Rate Rebates

A number of changes to The Act (as amended) were introduced as part of the Local Government (Accountability Framework) Amendment Bill 2009, one of which related to rate rebates. According to this amendment, a mandatory 75% rates rebate is to be provided to Housing Associations (registered under the *Community Housing Providers (National Law) (South Australia) Act 2013*).

While the final phase of the three year transitional period was reached in 2012/13, there continues to be growth in the number of Housing Association properties each year (including efforts by Housing SA, who currently pay council rates, to consolidate its properties into Housing Associations). This is anticipated to continue placing further pressure on other ratepayers which in turn places pressure on Council's ability to fund services.

Energy Market – Electricity and Gas

The cost of energy (i.e. electricity and gas) to the City of Mitcham is significant and movements in the price of energy above the general rate of inflation have the potential to significantly affect Council's financial position.

Infrastructure Damage

Council does not insure its road, drainage and footpath infrastructure. The risk associated with this is the significant cost associated with unscheduled repairs or replacement that could occur due to unforeseen circumstances like extreme weather events, earthquake, or acts of terrorism. Council accepts this risk because the cost of mitigating such damage costs through insuring these assets is far too high and not economical.

There are, however, potential sources of relief or partial relief available to Council in the event of major damage through the State Government Emergency and Disaster Relief Fund.

Cost Shifting

Each year Council is impacted to some extent by cost increases through legislative change, additional compliance requirements, reductions in funding and / or increases in taxes or levies.

On 4 July 2016 the State Government announced an increase in the Solid Waste Levy. This will result in a decrease to the underlying surplus of \$174,000 for 2018/19. Provision has been made in future years for further solid waste levy increases that have been announced.

Superannuation Guarantee

As part of the 2014 Federal Budget, the Federal Government announced that superannuation will increase progressively from 9.0% to 12.0% in accordance with the table below. Any future changes to the superannuation legislation outside of the current projected trajectory to 12.0%, as shown below, has the potential to impact the Plan and Council's financial position.

Year	Contribution Rate
2018/19	9.5%
2019/20	9.5%
2020/21	9.5%
2021/22	10.0%
2022/23	10.5%
2023/24	11.0%
2024/25	11.5%
2025/26	12.0%
2026/27	12.0%
2027/28	12.0%

Internal Influences and Risk

Infrastructure Asset Management

Local Government is an extremely asset intensive industry. Council currently has around \$550 million of assets and the amount that Council expends to maintain these assets is critical to ensuring that they perform and deliver the services as intended for their full useful life.

Infrastructure assets are a significant part of Council's operations with depreciation alone accounting for 23% of Council's annual operating budget, including the cost of maintaining and operating these assets this number is significantly higher.

Council is in the process of putting into place systems and processes to accurately model, forecast and cost the level of investment required to renew, replace and maintain existing infrastructure into the future. This includes the development of Asset Management Plans for all categories of assets that identify their current stock and condition. These plans inform the Long Term Financial Plan with regard to:

- The amounts required to replace and renew Council's assets in the future.
- Provide proactive asset replacement work plans.
- Address the infrastructure backlog over the coming years.

Currently there is no agreed service level between Council and the community, including for services provided by long-lived infrastructure. Further, it is not known if the current level of maintenance on assets is sufficient to maintain the current level of service irrespective of what an eventual agreed service level might be. These issues will be addressed as Council progresses through financial sustainability to service sustainability.

Council's Asset Management Plans will evolve to enable the calculation of an effective maintenance allocation for each class of asset and this will also be influenced by the service standards desired. Council will need to develop an Asset Management Policy, which clearly articulates the desired service standards and service levels provided by Council's assets and Council's approach to the maintenance and renewal of those assets.

This is crucial information as it is the infrastructure provided and maintained by Council that provides the vast majority of services delivered to the community and is information that the City of Mitcham and many other Local Government bodies have not had in the past.

The Long Term Financial Plan is based on information from Asset Management Plans where available. For the asset categories which do not have an Asset Management Plan in place, it is inherently based on the current maintenance levels by virtue of extrapolating current expenditures moving forward. If it turns out that current maintenance levels are not sufficient to deliver the current service expectations of Council's assets then either the maintenance expenditure will need to be increased and funded, or the service levels expected from Council's assets will need to be revised downwards.

As Council develops and refines the Asset Management Plans there is a possibility that adjustments will need to be made to the renewal expenditure and depreciation across the forward estimates of the Long Term Financial Plan. This could be a result of the identification of existing assets not yet registered, assets past their technical useful life that are still in service and asset conditions that are different from those currently recorded. These parameters will remain largely unknown until all the Asset Management Plans are finalised.

Buildings Asset Backlog

Council has spent significant effort and resources to determine, define and quantify its infrastructure backlog particularly in relation to roads, footpaths and kerbing which is a result of Council underfunding asset renewal in the past.

The same process is now being undertaken for buildings through the development of a revised building asset management plan, informed by a building revaluation and detailed condition assessment of sporting, community and operation building categories.

Whilst this process is still to be completed with further assessments of other building categories, indications are that adequate capital funds for renewal requirements over the next 10 years are included in this 2018/19 Long Term Financial Plan.

A 20 year horizon will be established in time to inform the next Long Term Financial Plan (2019/20).

Depreciation

Depreciation is an accounting measure of the consumption of the service potential of Council's non-current assets over a period of time (usually reported in 12 month blocks at the end of each financial year).

It is a measure that is used for accounting purposes as part of the operating result in relation to whether the current year's expenses have been covered by the current year's income. It is an historic measure of the consumption of an asset today and was not designed as a measure of the future renewal and replacement requirements of an asset intensive perpetual service industry.

In estimating the funding required for the continued replacement and maintenance of assets into the future as a result of them being worn out today, Council needs to consider a range of issues including community requirement, obsolescence, age, condition and new trends. Council's Asset Management Plans, which inform the

forward estimates of the Long Term Financial Plan for capital renewal are best suited to this purpose.

Statement on Financial Sustainability

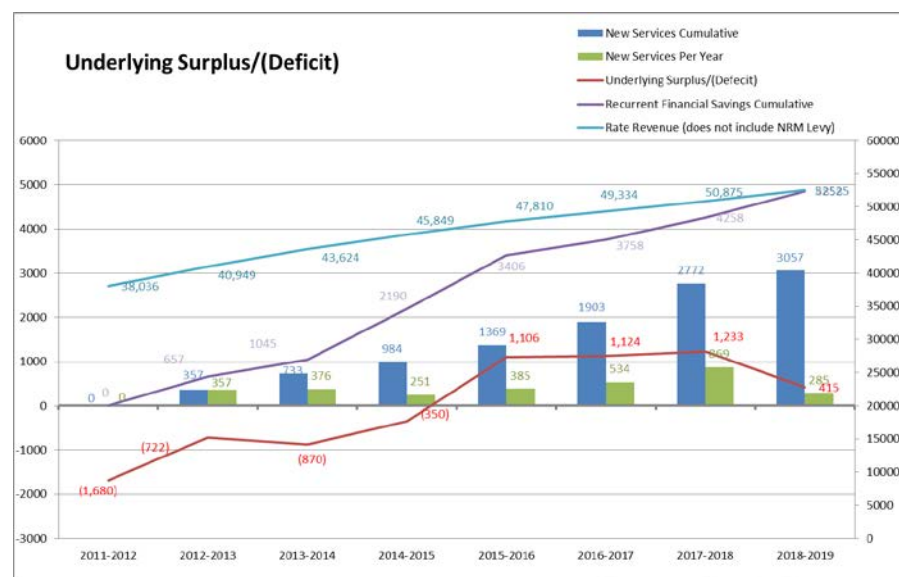
Since 2012 Council has delivered over \$4.3m in recurrent financial service cost savings, turned the financial position around from an annual operating deficit (loss) of \$1.68m to an annual underlying operating surplus (profit) of \$415,000, been subjected to and absorbed over \$1.7m in recurring costs relating to legislative change and cost shifting as well as introducing over \$3.01 million in recurrent new service spending for the community over that same time.

In response to community feedback on service delivery and expansion, Council's improved financial management has enabled \$285,000 in new and enhanced ongoing service expenditure with an associated one-off \$2.0 million capital investment. Service improvements focus on community facilities such as the Club Grants to improve facilities and public toilets as well as continuing our focus on increasing the footpath network.

Council is also investing \$14.6 million in capital renewal with the backlog now being scheduled for completion by 2027. Our continued focus on efficiencies and good financial management sees Council delivering savings of \$600,000 and an annual underlying operating surplus of \$415,000.

A robust and innovative approach to monitor and manage the repayment of debt over a defined timeframe allows Council to make a policy decision on striking the desired balance between minimising financial costs in the short term and upholding intergenerational equity over the long term. The Long Term Financial Plan demonstrates the affordability of the capital investment and debt management with Council remaining within its conservative limit of 60% for the Net Financial Liabilities Ratio and well below its conservative limit of 6% for the Interest Coverage Ratio across the forward estimates.

In addition to being financially sustainable, Council needs to deliver service sustainability to ensure that Council's planned long term service and infrastructure levels, as prioritised through community engagement and the Strategic Management Plan, can be met without unplanned increases in rates and charges and without unplanned service cuts or degradation to existing service levels over time. This Long Term Financial Plan introduces a number of new and enhanced services in



recognition that service sustainability is important. Assisting to achieve service sustainability, in conjunction with Council's robust long term financial planning, will be the development and resourcing of an ongoing efficiency, effectiveness and continuous improvement framework that moves Council from simply focusing on financial savings to also focusing on value for money and service mix, including strategic service reviews.

As with any Long Term Financial Plan there are a number of risks and external factors that have the potential to influence the projections and affect Council's financial position.

- The Asset Management Plans are in varying stages of completion and have the potential to impact on the forward estimates. Given where Council is currently at in terms of asset management, there may be a number of unknowns that come to light as part of the development of these plans, including identification of existing assets not yet registered, asset conditions different from those currently recorded and assets past their technical useful life but still in service. This Plan is based on the most up to date information at this time. Further work is required on the costs of maintenance and renewal of sporting facilities.
- The Long Term Financial Plan is developed using an adopted set of targets and economic assumptions such as the Consumer Price Index and Local

Government Price Index which are subject to market fluctuations. In order to reduce this inherent risk, the Long Term Financial Plan is reviewed and updated on a regular basis.

- Cost Shifting – Each year Council is impacted to some extent by cost increases through legislative change, additional compliance requirements, reductions in funding and / or increases in taxes or levies.
- Financial Assistance Grants – Council has maintained a philosophy of focusing on the underlying financial position and not the one-offs that occur from time to time. The Australian Accounting Standards applying to Local Government require that grants received within a financial year are shown as income in that year, notwithstanding that the purpose for which the grants were given have not been fulfilled.
- The State Government is implementing rate capping, however at the time of developing the Long Term Financial Plan, the model was unknown and therefore the impact is unknown longer term.
- Centennial Park operates in a complex and highly competitive business. Recent Assets Management Plans will need careful implementation.
- Implementation of a new corporate computer system (TechnologyOne) will always put at risk financial processing and reporting in the short term and will need careful management.

10 Year Key Financial Indicators

On 25 August 2015 Council adopted the Financial Indicators and Measures Policy which sets the ratios and targets with regard to financial sustainability to be used by Council in the development of the Annual Budget / Business Plan, Long Term

Financial Plan, Asset Management Plans, budget reviews and other financial decisions. It outlines the measures by which Council will assess the implications of financial decisions on its financial position and financial sustainability.

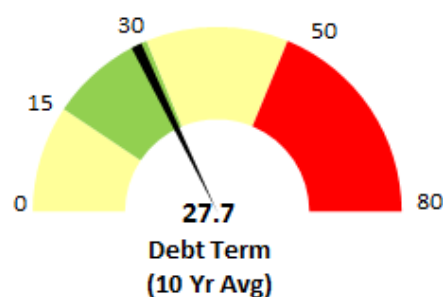
Summary of Council's financial indicators.

2016/17 Prior Year Actuals	KEY FINANCIAL INDICATORS	2017/18 Current Year Estimate	2018/19 Year 1 Plan	2019/20 Year 2 Plan	2020/21 Year 3 Plan	2021/22 Year 4 Plan	2022/23 Year 5 Plan	2023/24 Year 6 Plan	2024/25 Year 7 Plan	2025/26 Year 8 Plan	2026/27 Year 9 Plan	2027/28 Year 10 Plan
57.6	Debt Repayment Term	(4.7)	37.7	48.9	31.6	31.0	29.1	25.9	22.5	19.3	15.3	15.7
27.1	- 10 year average	25.7	27.7									
15.0	- Healthy / sustainable lower limit		15.0									
30.0	- Healthy / sustainable upper limit		30.0									
100.9%	Asset Renewal Funding Ratio - %	54.4%	101.5%	88.2%	83.6%	93.3%	96.3%	101.9%	98.3%	102.2%	102.3%	96.5%
92.3%	- 10 year average	92.2%	96.4%									
95.0%	- Healthy / sustainable lower limit		95.0%									
105.0%	- Healthy / sustainable upper limit		105.0%									
4.4%	Operating Result Ratio - %	0.2%	0.5%	0.2%	0.6%	0.4%	0.3%	0.4%	0.5%	0.6%	1.1%	1.6%
2.0%	- 10 year average	0.5%	0.6%									
1.0%	- Healthy / sustainable lower limit		1.0%									
4.0%	- Healthy / sustainable upper limit		4.0%									
74.0%	Asset Sustainability Ratio - %	98.1%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
100.0%	- 10 year average	99.8%	100.0%									
95.0%	- Healthy / sustainable lower limit		95.0%									
105.0%	- Healthy / sustainable upper limit		105.0%									
8.6%	Net Financial Liabilities Ratio - %	35.1%	54.7%	60.3%	66.5%	69.7%	72.2%	72.9%	73.0%	71.4%	69.2%	69.0%
49.5%	- 10 year average	64.5%	67.9%									
25.0%	- Healthy / sustainable lower limit		25.0%									
60.0%	- Healthy / sustainable upper limit		60.0%									
0.3%	Interest Cover Ratio - %	0.9%	1.3%	2.0%	2.1%	2.3%	2.4%	2.5%	2.5%	2.5%	2.4%	2.3%
1.5%	- 10 year average	2.1%	2.2%									
0.0%	- Healthy / sustainable lower limit		0.0%									
4.0%	- Healthy / sustainable upper limit		4.0%									

The following financial indicators are based on a 10 year average in line with the Financial Indicators and Measures Policy.

- **Green** indicates a healthy / sustainable result / position.
- **Yellow** indicates a less healthy result / position that will require attention in the near future and is not sustainable for the long term.
- **Red** indicates an unsustainable result / position that requires immediate attention.

Debt Repayment Term



Calculated as:

Amount of time (in years) over which the repayment of existing debt and debt taken out across the 10 years of the Plan is funded based on forecast surplus cash from operations. Surplus cash is calculated as cash from operations excluding non-cash items, one-off items and average asset renewal expenditure requirements over the 10 years.

Purpose

This ratio measures how much cash is available from operations and therefore the timeframe over which the debt principal will be repaid. As new debt is taken out, additional cash from operations is needed to ensure that the new debt is paid off over a defined timeframe.

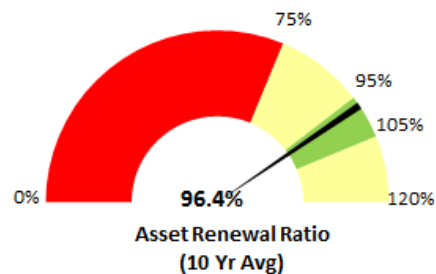
Target Range

In considering the right balance between minimising interest costs and applying the intergenerational principal from a direct service benefit point of view it is considered that a timeframe of between 10 and 30 years is better applied to the repayment of debt. This is conservative from the perspective that the weighted average of assets is about 66 years, however, strikes a balance between intergenerational equity and interest costs and allows Council to ensure financial sustainability.

Long Term Financial Plan Commentary

Council is generating sufficient cash from operations to fund asset renewal over the life of the 10 year plan and repay debt in approximately 27.7 years, well within the average useful life of Council's depreciable assets (around 66 years). This principle is considered to strike an appropriate balance between financial cost and intergenerational equity. This does not mean that Council will have \$Nil debt in approximately 27.7 years' time as Council will continue to take out and repay debt in the future as assets are renewed, wear out and replaced in perpetuity. What it means is that the debt taken out over the ten year Long Term Financial Plan (including the debt as at today) will be repaid in approximately 27.7 years, a period less than the common house mortgage.

Asset Renewal Funding Ratio



Calculated as:

Cash flow from operations expressed as a percentage of the average asset replacement requirement from the Asset Management Plans and Schedules.

Purpose

This indicator measures whether Council is generating enough cash from its operations to cover the replacement of assets over time. This ensures that Council is delivering intergenerational equity across the lifecycle of asset replacement.

Target Range

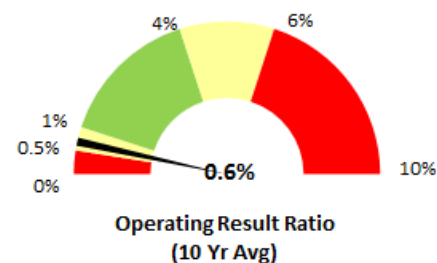
In general Council should be targeting an average of at least 100% and in line with the debt repayment term.

It is considered appropriate to use the 20 year asset renewal information. However, at this stage, and until all the Asset Management Plans are finalised, Council will be basing it on the 10 years asset renewal information included within Council's Long Term Financial Plan.

Long Term Financial Plan Commentary

Council is generating sufficient cash from operations to fund asset renewal over the life of the 10 year plan to fund the average asset replacement requirement from the Asset Management Plans and Schedules.

Operating Result Ratio



Calculated as:

Operating result (excluding non-cash gains / losses from equity accounted subsidiaries) expressed as a percentage of Council rates income, less NRM levy.

Purpose

This ratio is designed to identify the portion of Council's rates (the main source of Council controlled income) that is contributing to a surplus result, or alternatively the additional portion of Council's rates needed to address a deficit result. The ratio expresses the operating result as a percentage of Council's rates.

A positive result on this ratio indicates the percentage of Council's rates that are available to fund new initiatives or to repay debt. A negative result indicates the

percentage increase in Council's rates on top of that already proposed for that year required to achieve a break even position.

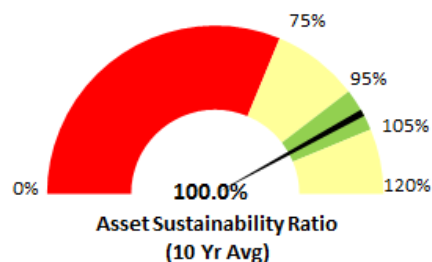
Target Range

In general, Council should not be targeting operating deficits nor should it be targeting large operating surpluses. Both of these results negatively affect intergenerational equity. The adopted Council target for this ratio is between 1% and 4% across the 10 year Long Term Financial Plan term.

Long Term Financial Plan Commentary

Council is generating a level of operating result as a percentage of Council rates over the life of the 10 year plan to alleviate the risk of a negative impact on intergenerational equity.

Asset Sustainability Ratio



Calculated as:

Amount spent on replacement of existing assets expressed as a percentage of the amount planned to be spent according to the endorsed Asset Management Plans and Schedules.

Purpose

This indicator measures the extent to which Council is replacing assets compared to the rate at which it needs to be replacing assets to ensure consistent service delivery. In effect, it measures whether Council is spending the amount required annually to deliver the Asset Management Plans and Schedules.

It is important to note that this indicator does not measure if Council is funding the asset replacement requirements from sustainable sources (refer - Asset Renewal Funding Ratio) but is simply measuring if Council is performing the required work to replace assets and maintain the level of service and asset conditions.

Target Range

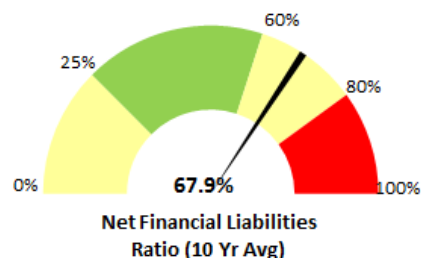
In general Council should be targeting on average to spend at least 100% of the gross replacement requirements over time in relation to Council's existing assets.

It is considered appropriate to use the 20 year asset information contained in the Asset Management Plans. However, at this stage, and until all the Asset Management Plans are finalised, Council will be basing it on the 10 years asset information included within Council's Long Term Financial Plan.

Long Term Financial Plan Commentary

Over the life of the 10 year plan, Council sits comfortably within the range of 90% - 110% and based on the fact that the Asset Management Plans include both the planned renewal over the next 10 years as well as addressing the backlog over the coming years, this ratio indicates that Council is replacing its assets at the rate at which they are planned to be replaced as well as addressing the backlog.

Net Financial Liabilities Ratio



Calculated as:

Net financial liabilities and reserves as a percentage of total operating revenue (less NRM levy).

Net financial liabilities being total liabilities less cash and other financial assets readily convertible to cash.

Purpose

This ratio measures Council's net financial liabilities as a percentage of its rates income. It measures the absolute level of Council debt (including potential debt in the form of undrawn reserves) and articulates how much of Council's annual rates income would be required to repay that debt if Council were to wind up.

Any organisation involved in long term projects, perpetual service delivery and asset creation requires access to debt. Debt is a healthy source of finance if used appropriately and for the right purpose and if associated with an income source to facilitate its repayment over time. Total debt should not be too low or too high so as to create a negative impact on intergenerational equity.

If total debt is too high it is arguable that current ratepayers are not paying their way, leaving too much of the burden to future generations. Equally, if total debt is too low it is arguable that current ratepayers are being asked to pay too much of the burden at the benefit of future ratepayers, or alternatively that infrastructure renewal is being deferred and assets run down for future generations to deal with.

It is also important to note that when considering the net financial liabilities as a percentage of rates income, Council is a perpetual organisation that exists forever with a secure and perpetual income source. This is different to considering an individual's level of debt as a portion of their discretionary income as the individual has a finite working life and, therefore, a finite source of income.

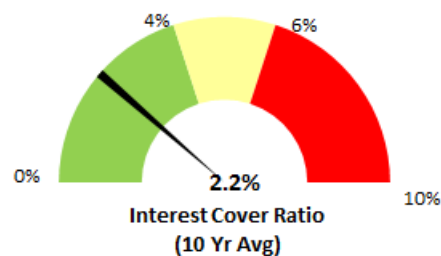
Upper Limit

In general, Council should be managing a level of debt to ensure the best balance between current and future ratepayers for long-lived infrastructure costs, thus delivering intergenerational equity. The adopted Council target for the ratio is to be within 60% on average over the 10 year Long Term Financial Plan term with ability to increase to 80% in relation to projects / investments that Council considers being of strategic significance.

Long Term Financial Plan Commentary

Council's net financial liabilities increase as a percentage of income and as a result of redressing the asset renewal backlog that has accumulated over prior years and investing in new capital assets of around \$31.2 million over the next 10 years. The ratio exceeds 60%, however the level of debt is regarded as affordable and sustainable during a period of significant strategic investment.

Interest Coverage Ratio



Calculated as:

Net interest expense expressed as a percentage of rates income.

Purpose

This indicator measures the affordability of Council's debt and articulates the portion of Council's rates income that is being used to pay interest. When considered in conjunction with Net Financial Liabilities Ratio (above) and Debt Repayment Term (above), this ratio forms part of a picture in terms of the level and affordability of Council's debt and the timeframe over which it is repaid.

Upper Limit

Council considers that interest expense of greater than 6% of its rates income (6 cents in every \$1 of rates income) indicates a servicing cost of debt that is too high and working against the principle of intergenerational equity.

Long Term Financial Plan Commentary

Over the period of the Long Term Financial Plan Council's projected cost of borrowings remains well within the maximum target of 6% adopted by Council under the assumption that interest rates remain at or around 4.35% over the life of the Long Term Financial Plan.

Council's interest costs increase as a portion of total operating income over Years 2 - 10 of the Long Term Financial Plan as a result of investing in the reduction of Council's infrastructure backlog. However the ratio on average is 2.2% over the 10 year plan reflecting the affordability of the additional investment into new and enhanced services over the forward estimates with only 2.2 cents in the dollar being used to service debt.

Forecast Financial Statements

Forecast Statement of Comprehensive Income

2016/17 Prior Year Actuals \$'000	STATEMENT OF COMPREHENSIVE INCOME	2017/18 Current Year Estimate \$'000	2018/19 Year 1 Plan \$'000	2019/20 Year 2 Plan \$'000	2020/21 Year 3 Plan \$'000	2021/22 Year 4 Plan \$'000	2022/23 Year 5 Plan \$'000	2023/24 Year 6 Plan \$'000	2024/25 Year 7 Plan \$'000	2025/26 Year 8 Plan \$'000	2026/27 Year 9 Plan \$'000	2027/28 Year 10 Plan \$'000
	INCOME											
50,973	Rates (inc. NRM Levy)	52,462	54,187	56,472	58,859	61,349	63,943	66,650	69,473	72,534	75,736	79,082
1,832	Statutory Charges	1,831	1,865	1,908	1,954	2,002	2,050	2,100	2,152	2,204	2,258	2,312
569	User Charges	504	594	613	633	655	676	699	722	746	771	797
5,930	Grants, subsidies, contributions	4,360	4,358	4,459	4,566	4,680	4,792	4,909	5,029	5,151	5,276	5,405
204	Investment Income	76	39	52	36	37	38	39	41	42	43	44
216	Reimbursements	172	177	181	185	190	194	199	204	209	214	219
773	Other Income	617	542	554	568	582	596	610	625	640	656	672
42	Gain - Joint ventures & associates	-	-	172	323	355	449	427	566	769	900	900
60,539	Total Revenues	60,023	61,762	64,411	67,124	69,850	72,738	75,633	78,812	82,295	85,854	89,431
	EXPENSES											
22,356	Employee costs	22,182	23,757	24,374	25,057	25,959	26,945	27,906	28,927	29,989	30,929	31,904
20,229	Materials, contracts & other expenses	23,700	22,642	23,512	24,399	25,345	26,302	27,307	28,344	29,537	30,781	32,082
390	Finance costs	536	701	1,169	1,230	1,411	1,533	1,646	1,724	1,788	1,811	1,817
13,001	Depreciation and Amortisation	13,518	14,375	15,087	15,789	16,557	17,307	18,086	18,906	19,759	20,631	21,527
	Loss - Joint ventures & associates	90	250	-	-	-	-	-	-	-	-	-
55,976	Total Expenses	60,025	61,724	64,142	66,475	69,272	72,087	74,945	77,901	81,073	84,152	87,330
4,563	OPERATING SURPLUS/(DEFICIT)	(2)	38	269	649	578	651	688	911	1,222	1,702	2,101
(2,456)	Asset disposal and fair value adjustments	37	-	-	-	-	-	-	-	-	-	-
165	Amounts received specifically for new or upgraded assets	3,227	2,038	-	-	-	-	-	-	-	-	-
1,166	Physical resources free of charge	-	-	-	-	-	-	-	-	-	-	-
3,438	NET SURPLUS/(DEFICIT)	3,262	2,075	269	649	578	651	688	911	1,222	1,702	2,101
	Other Comprehensive Income											
-	Changes in revaluation surplus - infrastructure, property, plant and equipment	4,485	20,153	21,217	22,741	24,406	24,759	26,014	27,137	28,067	29,204	30,318
4,412	Share of other comprehensive income - equity accounted Council businesses	-	-	-	-	-	-	-	-	-	-	-
4,412	Total Other Comprehensive Income	4,485	20,153	21,217	22,741	24,406	24,759	26,014	27,137	28,067	29,204	30,318
7,850	TOTAL COMPREHENSIVE INCOME	7,747	22,228	21,486	23,390	24,984	25,410	26,702	28,048	29,289	30,906	32,419

Forecast Balance Sheet

2016/17 Prior Year Actuals \$'000	BALANCE SHEET	2017/18 Current Year Estimate \$'000	2018/19 Year 1 Plan \$'000	2019/20 Year 2 Plan \$'000	2020/21 Year 3 Plan \$'000	2021/22 Year 4 Plan \$'000	2022/23 Year 5 Plan \$'000	2023/24 Year 6 Plan \$'000	2024/25 Year 7 Plan \$'000	2025/26 Year 8 Plan \$'000	2026/27 Year 9 Plan \$'000	2027/28 Year 10 Plan \$'000
	ASSETS											
	Current Assets											
7,924	Cash and cash equivalents	587	4,244	2,185	2,254	2,325	2,398	2,474	2,553	2,634	2,715	2,799
4,359	Trade and other receivables	4,221	4,318	4,420	4,524	4,637	4,748	4,864	4,983	5,103	5,228	5,355
40	Inventories	55	57	59	62	64	66	68	71	74	76	79
12,323		4,863	8,620	6,664	6,840	7,026	7,212	7,406	7,607	7,811	8,019	8,233
	Non-Current Assets											
15,516	Equity accounted investments in council businesses	15,426	15,176	15,348	15,671	16,026	16,475	16,902	17,468	18,238	19,138	20,038
551,153	Infrastructure, property, plant and equipment	575,811	606,211	631,699	659,612	687,754	715,969	744,601	774,054	803,513	834,059	867,742
5,005	Other non-current assets	2,928	3,229	3,229	3,229	3,229	3,229	3,229	3,229	3,229	3,229	3,229
571,674		594,165	624,616	650,276	678,512	707,009	735,673	764,732	794,751	824,980	856,426	891,009
583,997	Total Assets	599,028	633,236	656,940	685,352	714,035	742,885	772,138	802,358	832,791	864,445	899,242
	LIABILITIES											
	Current Liabilities											
7,384	Trade and other payables	5,645	5,815	5,989	6,175	6,372	6,570	6,776	6,989	7,207	7,433	7,666
963	Short term borrowings	1,158	1,471	2,489	2,955	3,615	4,268	4,891	5,553	6,194	6,865	7,747
3,863	Short term provisions	3,937	4,028	4,133	4,248	4,380	4,525	4,663	4,811	4,963	5,119	5,280
12,210		10,740	11,314	12,611	13,378	14,367	15,363	16,330	17,353	18,364	19,417	20,693
	Non-Current Liabilities											
4,231	Long term borrowings	12,957	24,324	25,200	29,407	32,063	34,448	35,973	37,059	37,127	36,762	37,795
1,615	Long term provisions	1,643	1,682	1,726	1,773	1,828	1,887	1,946	2,010	2,075	2,135	2,204
5,846		14,600	26,005	26,926	31,180	33,891	36,335	37,919	39,069	39,202	38,897	39,999
18,056	Total Liabilities	25,340	37,319	39,537	44,558	48,258	51,698	54,249	56,422	57,566	58,314	60,692
565,941	NET ASSETS	573,688	595,917	617,403	640,794	665,777	691,187	717,889	745,936	775,225	806,131	838,550
	EQUITY											
333,462	Accumulated surplus	336,724	338,800	339,069	339,719	340,296	340,947	341,634	342,545	343,767	345,469	347,570
232,468	Asset revaluation reserve	236,953	257,106	278,323	301,065	325,471	350,229	376,243	403,380	431,447	460,650	490,968
11	Other Reserves	11	11	11	11	11	11	11	11	11	11	11
565,941	TOTAL EQUITY	573,688	595,917	617,403	640,794	665,777	691,187	717,889	745,936	775,225	806,131	838,550

Forecast Statement of Cash Flows

2016/17 Prior Year Actuals \$'000	STATEMENT OF CASH FLOWS	2017/18 Current Year Estimate \$'000	2018/19 Year 1 Plan \$'000	2019/20 Year 2 Plan \$'000	2020/21 Year 3 Plan \$'000	2021/22 Year 4 Plan \$'000	2022/23 Year 5 Plan \$'000	2023/24 Year 6 Plan \$'000	2024/25 Year 7 Plan \$'000	2025/26 Year 8 Plan \$'000	2026/27 Year 9 Plan \$'000	2027/28 Year 10 Plan \$'000
	CASH FLOWS FROM OPERATING ACTIVITIES											
	Receipts											
61,421	Operating receipts	58,878	61,626	64,088	66,658	69,344	72,141	75,052	78,086	81,363	84,787	88,359
563	Investment receipts	76	39	52	36	37	38	39	41	42	43	44
	Payments											
390	Finance payments	536	701	1,169	1,230	1,411	1,533	1,646	1,724	1,788	1,811	1,817
42,158	Operating payments to suppliers and employees	46,905	46,103	47,566	49,108	50,922	52,848	54,813	56,851	59,094	61,267	63,527
19,436	Net Cash provided by (or used in) Operating Activities	11,513	14,861	15,405	16,356	17,048	17,798	18,632	19,552	20,523	21,752	23,059
	CASH FLOWS FROM INVESTING ACTIVITIES											
	Receipts											
165	Amounts received specifically for new or upgraded assets	3,227	1,955	-	-	-	-	-	-	-	-	-
713	Sale of replaced assets	962	559	791	917	856	690	789	973	964	943	723
-	Sale of surplus assets	-	83	-	450	-	-	-	-	-	-	-
	Payments											
32	Investment in Joint Venture Activities	-	-	-	-	-	-	-	-	-	-	-
18,000	Expenditure on Renewal/Replacement of Assets	21,147	14,646	17,476	19,559	18,278	18,479	18,275	19,880	20,085	21,267	23,907
1,224	Expenditure on New/Upgraded Assets	10,947	10,534	2,672	2,768	2,871	2,974	3,218	2,315	2,030	1,649	1,709
(18,378)	Net Cash Provided by (or used in) Investing Activities	(27,904)	(22,583)	(19,357)	(20,960)	(20,293)	(20,763)	(20,704)	(21,222)	(21,151)	(21,973)	(24,893)
	CASH FLOWS FROM FINANCING ACTIVITIES											
	Receipts											
-	Proceeds from Borrowings	10,185	12,850	4,382	7,628	6,931	7,306	7,039	7,302	6,903	7,164	9,665
	Payments											
920	Repayments of Borrowings	1,131	1,471	2,489	2,955	3,615	4,268	4,891	5,553	6,194	6,862	7,747
(920)	Net Cash provided by (or used in) Financing Activities	9,054	11,379	1,893	4,673	3,316	3,038	2,148	1,749	709	302	1,918
138	Net Increase/(Decrease) in cash held	(7,337)	3,657	(2,059)	69	71	73	76	79	81	81	84
7,786	Opening cash, cash equivalents or (bank overdraft)	7,924	587	4,244	2,185	2,254	2,325	2,398	2,474	2,553	2,634	2,715
7,924	Closing cash, cash equivalents or (bank overdraft)	587	4,244	2,185	2,254	2,325	2,398	2,474	2,553	2,634	2,715	2,799

Forecast Statement of Changes in Equity

2016/17 Prior Year Actuals \$'000	STATEMENT OF CHANGES IN EQUITY	2017/18 Current Year Estimate \$'000	2018/19 Year 1 Plan \$'000	2019/20 Year 2 Plan \$'000	2020/21 Year 3 Plan \$'000	2021/22 Year 4 Plan \$'000	2022/23 Year 5 Plan \$'000	2023/24 Year 6 Plan \$'000	2024/25 Year 7 Plan \$'000	2025/26 Year 8 Plan \$'000	2026/27 Year 9 Plan \$'000	2027/28 Year 10 Plan \$'000
	ACCUMULATED SURPLUS											
330,035	Balance at beginning of period	333,462	336,724	338,800	339,070	339,718	340,296	340,946	341,634	342,545	343,767	345,469
3,438	Net surplus / (deficit) for year	3,262	2,076	269	649	578	651	688	911	1,222	1,702	2,101
-	Transfers to Other Reserves	-	-	-	-	-	-	-	-	-	-	-
(11)	Transfers from Other Reserves	-	-	-	-	-	-	-	-	-	-	-
333,462	Balance at end of period	336,724	338,800	339,069	339,719	340,296	340,947	341,634	342,545	343,767	345,469	347,570
	ASSET REVALUATION RESERVE											
228,056	Balance at beginning of period	232,468	236,953	257,106	278,324	301,065	325,470	350,229	376,243	403,380	431,446	460,650
	Transfer to reserve - revaluation increment/(decrement)	4,485	20,153	21,217	22,741	24,406	24,759	26,014	27,137	28,067	29,204	30,318
4,412	Share of other comprehensive income - equity accounted Council businesses	-	-	-	-	-	-	-	-	-	-	-
232,468	Balance at end of period	236,953	257,106	278,323	301,065	325,471	350,229	376,243	403,380	431,447	460,650	490,968
	OTHER RESERVES											
-	Balance at end of previous reporting period	11	11	11	11	11	11	11	11	11	11	11
-	Transfers from Accumulated Surplus	-	-	-	-	-	-	-	-	-	-	-
11	Transfers to Accumulated Surplus	-	-	-	-	-	-	-	-	-	-	-
11	Balance at end of period	11	11	11	11	11	11	11	11	11	11	11
565,941	TOTAL EQUITY AT END OF REPORTING PERIOD	573,688	595,917	617,403	640,794	665,777	691,187	717,889	745,936	775,225	806,131	838,550

Forecast Uniform Presentation of Finances

2016/17 Prior Year Actuals \$'000	UNIFORM PRESENTATION OF FINANCES	2017/18 Current Year Estimate \$'000	2018/19 Year 1 Plan \$'000	2019/20 Year 2 Plan \$'000	2020/21 Year 3 Plan \$'000	2021/22 Year 4 Plan \$'000	2022/23 Year 5 Plan \$'000	2023/24 Year 6 Plan \$'000	2024/25 Year 7 Plan \$'000	2025/26 Year 8 Plan \$'000	2026/27 Year 9 Plan \$'000	2027/28 Year 10 Plan \$'000
60,539	Operating Revenues	60,023	61,762	64,411	67,124	69,850	72,738	75,633	78,812	82,295	85,854	89,431
55,976	less; Operating Expenses	60,025	61,724	64,142	66,475	69,272	72,087	74,945	77,901	81,073	84,152	87,330
4,563	Operating Surplus/(Deficit)	(2)	38	269	649	578	651	688	911	1,222	1,702	2,101
	Less: Net Outlays on Existing Assets											
(17,147)	Capital Expenditure on Renewal/Replacement of Existing Assets	(21,147)	(14,646)	(17,476)	(19,559)	(18,278)	(18,479)	(18,275)	(19,880)	(20,085)	(21,267)	(23,907)
13,001	less; Depreciation, Amortisation & Impairment	13,518	14,375	15,087	15,789	16,557	17,307	18,086	18,906	19,759	20,631	21,527
713	less; Proceeds from Sale of Replaced Assets	962	559	791	917	856	690	789	973	964	943	723
(3,433)		(6,667)	288	(1,598)	(2,853)	(865)	(482)	600	(1)	638	307	(1,657)
	Less: Net Outlays on New and Upgraded Assets											
(1,166)	Capital Expenditure on New/Upgraded Assets	(10,947)	(10,534)	(2,672)	(2,768)	(2,871)	(2,974)	(3,218)	(2,315)	(2,030)	(1,649)	(1,709)
165	less; Amounts Specifically for New/Upgraded Assets	3,227	1,955	-	-	-	-	-	-	-	-	-
-	less; Proceeds from Sale of Surplus Assets	-	83	-	450	-	-	-	-	-	-	-
(1,001)		(7,720)	(8,495)	(2,672)	(2,318)	(2,871)	(2,974)	(3,218)	(2,315)	(2,030)	(1,649)	(1,709)
129	Net Lending / (Borrowing) for Financial Year	(14,389)	(8,170)	(4,001)	(4,522)	(3,158)	(2,805)	(1,930)	(1,405)	(170)	360	(1,265)

In any one year, the above financing transactions are associated with either applying surplus funds stemming from a net lending result or accommodating the funding requirement stemming from a net borrowing result.

2016/17 Prior Year Actuals \$'000	FINANCING TRANSACTIONS	2017/18 Current Year Estimate \$'000	2018/19 Year 1 Plan \$'000	2019/20 Year 2 Plan \$'000	2020/21 Year 3 Plan \$'000	2021/22 Year 4 Plan \$'000	2022/23 Year 5 Plan \$'000	2023/24 Year 6 Plan \$'000	2024/25 Year 7 Plan \$'000	2025/26 Year 8 Plan \$'000	2026/27 Year 9 Plan \$'000	2027/28 Year 10 Plan \$'000
0	New Borrowings	10,185	12,850	4,382	7,628	6,931	7,306	7,039	7,302	6,903	7,164	9,665
(920)	Repayment of Principal on Borrowings	(1,131)	(1,471)	(2,489)	(2,955)	(3,615)	(4,268)	(4,891)	(5,553)	(6,194)	(6,862)	(7,747)
(138)	(Increase)/Decrease in Cash and Cash Equivalents	7,337	(3,657)	2,059	(69)	(71)	(73)	(76)	(79)	(81)	(81)	(84)
(1,651)	(Increase)/Decrease in Receivables	138	(97)	(102)	(104)	(113)	(111)	(116)	(119)	(120)	(125)	(127)
3,005	Increase/(Decrease) in Payables & Provisions	(1,636)	299	324	348	384	402	403	425	435	442	463
(425)	Other – Including the Movement in Inventories	(503)	247	(173)	(326)	(358)	(451)	(429)	(571)	(773)	(898)	(905)
(129)	Financing Transactions	14,389	8,170	4,001	4,522	3,158	2,805	1,930	1,405	170	(360)	1,265

Council's Roles & Responsibilities

The City of Mitcham fulfils a broad range of roles and functions for and on behalf of the community as summarised below:



Facilitator

Council bringing other people together to achieve outcomes.



Leader

Council leading the community or the local government sector by example, setting directions to meet community needs.



Partner

Council contributing funds and/or other resources towards a service or initiative that is delivered with other partners.



Advocate

Council making representations on behalf of the community.



Service Provider

Council managing the community's assets and funding and delivering the service.



Regulator

Council fulfilling a particular role as determined by legislation.

In performing its roles, Council will:

- Provide open, responsive and accountable government.
- Be responsive to the needs, interests and aspirations of individuals and groups within our community.
- Participate with other councils, and with State and national governments, in setting public policy and achieving regional, State and national objectives.
- Give due weight, in all our plans, policies and activities, to regional, State and national objectives and strategies concerning the economic, social, physical and environmental development and management of the community.
- Seek to co-ordinate with State and national government in the planning and delivery of services in which those governments have an interest.
- Seek to facilitate sustainable development and the protection of the environment and to ensure a proper balance within our community between economic, social, environmental and cultural considerations.
- Manage our operations and affairs in a manner that emphasises the importance of service to the community.
- Seek to ensure that council resources are used fairly, effectively and efficiently.
- Seek to provide services, facilities and programs that are adequate and appropriate and seek to ensure equitable access to services, facilities and programs.

Council Services A-Z

- Aged and Access and Inclusion Strategy & Policy Development
- Bin Maintenance and Replacement
- Biodiversity & Sustainability Policy
- Bridge Maintenance
- Brown Hill Creek and Keswick Creek Stormwater Management Plan
- Building Services
- Bus Shelter Replacement
- Bushfire Preparation
- Bushfire Protection Management
- Bushland Management
- Civic Events
- Collection Management
- Communications and Publications
- Community and Sporting Buildings Asset Management
- Community Bus Service
- Community Centre Programs
- Community Development
- Community Events
- Community Grants
- Community Information and Arts
- Community Shed
- Compliance and By-laws
- Council and Other Building Asset Management
- Development Compliance
- Development Engineering
- Development Support
- District Centres
- Dog and Cat Management
- Domestic Waste Collection
- Economic Development
- Engineering Services
- Environmental Policy
- Fire Break Maintenance
- Food Safety
- Footpath Maintenance
- Footpath Sweeping
- Garden Beds Maintenance
- Graffiti Removal
- Green Organics Recycling
- Hard Waste Service
- Heritage Advice and Restoration
- Horticultural Volunteers Services and Coordinator
- Horticulture Planning
- Immunisation Service
- Implementation of Home and Community Care Program
- Kerb and Watertable Maintenance

- Kerbside Recycling
- Landfill Management
- Leases, Licences and Permits
- Library Building Asset Management
- Library Customer Services
- Library Information and Technology
- Library Networks and Programs
- Lynton Transfer Station Operations
- Mitcham Cemetery Administration
- Mitcham Cemetery Operations
- Mitcham Heritage Research Centre
- National Broadband Network (NBN) Works Approval
- Natural Resource Management
- Natural Resources Administration and Planning
- Open Space and Parks Development
- Parks and Gardens Maintenance
- Personal Transport
- Pest Plant Control
- Planning Policy Review and Development
- Planning Services
- Playground Development and Replacement
- Playground Maintenance
- Precinct Maintenance
- Property Asset Management and Precinct Planning
- Public and Environmental Health Control
- Public Toilet Asset Management
- Resilient South
- Road Maintenance
- Social Support
- Sport & Recreation Community Engagement
- Sports Grounds and Turf Maintenance
- Stormwater Maintenance
- Stormwater Planning
- Street Cleaning
- Street Furniture and Bus Shelter Maintenance
- Street Lighting
- Street Tree Maintenance and Planting
- Street Tree Planning
- Traffic and Transport (*Services*)
- Traffic Investigations
- Traffic Management Works
- Urrbrae Wetlands
- Verge Maintenance – Weed Control
- Volunteering
- Waste Collection – Street Bins
- Waste Strategy & Education
- Water Sensitive Urban Design
- Youth Development

Council Services, Strategic Objectives & Goals

The following pages list the ongoing services provided by Council as they align to our Strategic Goals and Objectives.

1. Accessible & Connected Community

We are an accessible, connected and engaged community.



1.1 Transport Network

Our community is connected to places through a people friendly transport, cycling and pedestrian network which offers accessible, integrated and efficient transport options.

Bridge Maintenance

Maintain Mitcham managed road and pedestrian bridges in good condition through a planned program of maintenance and replacement.

Bus Shelter Replacement

Replacement and upgrading of bus shelters to ensure DDA compliance.

Community Bus Service

Deliver community bus transport services (shopping centres, libraries and community group charter) for residents who are transport disadvantaged.

Footpath Maintenance

Improve the footpath network undertaking maintenance on existing asphalt, and brick paving footpaths.

Kerb and Watertable Maintenance

Maintain and improve the kerb and watertable network for effective drainage and to prevent the ingress of water into the road pavement.

Road Maintenance

Undertake road maintenance to improve the condition and safety of existing sealed road network.

Traffic Investigations

Undertake investigations and projects to improve traffic flows and parking within the City, including:

- Identified areas of traffic and parking concerns.
- Development of local area traffic management plans and implementation of outcomes.
- Manage the capture and collection of traffic data, such as traffic counts, across the City.

Traffic Management Works

Maintain traffic control devices such as street signage, line marking, traffic islands, roundabouts, speed humps, reflective signs, guide posts and warning, regulatory and information signs.

Traffic and Transport (Services)

- Prepare traffic and transport strategies and plans to improve the accessibility of the City for a broad range of travel options.
- Liaise and provide advice to all levels of government on traffic management and public transport issues.

1.2 Accessible Services

Our Community has convenient access to a diverse range of information, services, activities and facilities.

Open Space and Parks Development

- Deliver capital works program in accordance with the Asset Renewal Program.
- Deliver Capital Works Program upgrade and new for the development of sport and Recreational areas and parks and gardens.
- Review condition ratings of all open space assets to guide investment.
- Plan open space development in consultation with the community subject to budget allocation.

Parks and Gardens Maintenance

- Maintain over 220 parks and gardens in accordance with defined schedules to meet community and environmental needs.

- Undertake works include mowing, planting, pruning irrigation maintenance, tree management, park furniture and playground maintenance.

Playground Development and Replacement

Plan and implement playground replacements and upgrades in consultation with the community.

Playground Maintenance

Maintain Council's 60 playgrounds and associated park furniture for the enjoyment of the community.

Sports Grounds and Turf Maintenance

- Maintain 11 sporting ovals and sporting facilities to a high standard for the year round use by the community and sporting clubs to achieve health, leisure, relaxation and physical activity benefits.
- Manage ground usage to avoid degradation and safety issues.
- Manage irrigation to ensure optimum grass cover and playing condition.
- Undertake works including grass cutting, weed control and turf rehabilitation and irrigation management.

1.3 Quality Community Spaces & Places

Our community has access to high quality, vibrant, well-serviced places and spaces to meet learn and recreate.

Community and Sporting Buildings Asset Management

Maintain facilities for use by the community and sporting groups that are consistent with functional requirements

Community Shed

Provide a service to the community, contributing to:

- Social engagement.
- Shared projects and objectives.
- Challenges and education opportunities.
- Mutual personal and technical support through woodwork.
- Ensuring activities are safe and socially supportive.

Council and Other Building Asset Management

Maintain a range of Council administrative and functional facilities and other buildings and structures that are consistent with functional requirements.

Leases, Licences and Permits

Implement and proactively manage the terms and performance conditions of leases, licences and permits for sporting groups, community groups and other groups or individuals occupying community facilities, community land and sporting facilities and grounds.

Library Building Asset Management

Develop and maintain the Blackwood and Mitcham library buildings for use by the community that are consistent with functional requirements.

Mitcham Cemetery Administration

Maintenance and administration of cemetery records.

Mitcham Cemetery Operations

Maintain the Mitcham Cemetery in accord with the Mitcham Cemetery Management Plan Works including:

- maintaining the formal rose garden.
- weed spraying.
- removing pine needles and debris.
- maintaining the main hedge, trees and shrubs.

Property Asset Management and Precinct Planning

Manage Council property in a strategic and efficient manner including the leasing and licensing of use and management of unauthorised use.

Public Toilet Asset Management

Maintain strategically located, compliant and attractive public toilets.

1.4 Supported Community

Our community is strong, healthy, resilient and is supported in building connections amongst people, pursuing pathways to lifelong learning and personal growth.

Community Centre Programs

In collaboration with community groups and services, provide programs and activities through community centres that meet community need.

Food Safety

Conduct food safety assessments and food audits of food premises, provide food safety education, investigate food complaints and other reported food safety issues, and undertake enforcement activities to ensure compliance with legislation (*South Australian Food Act 2001*).

Immunisation Service

- Provide accessible community (public and school) immunisation services in accordance with Federal and State Immunisation (Department of Health and Ageing and National Health and Medical Research Centre) Guidelines.
- Provide education and advice for community immunisation programs.
- Provide influenza vaccination services to the community, Elected Members and employees.

Personal Transport

Deliver personal transport services for residents who are SA Home and Community Care eligible residents.

Public and Environmental Health Control

- Administer the provisions of the South Australian Public Health Act 2011 to promote and protect public health and reduce the incidence of preventable illness and vectors of disease.
- Conduct routine inspections and follow-up inspections where required under the South Australian Public Health Act 2011 and associated Codes and Regulations.
- Respond to complaints under the *South Australian Public Health Act 2011* and associated Codes and Regulations.

- Implement Public Health and Wellbeing Plan developed in partnership with the City of Unley.

Social Support

Deliver programs that promote community participation and wellbeing including individual support for residents to engage in the community, Lunch Groups, Community Connections, Don Juan Men's Group, Mah-jong Group, Colouring Group and Cumberland Crew for Commonwealth Home Support Program and SA Home and Community Care eligible residents.

Youth Development

Work with services, agencies and in consultation with young people to identify and address the needs of young people who live, work or study in the City of Mitcham.

1.5 Housing Choices

Our Community has a choice of housing options in locations close to public transport, parks, local shops, services and educational institutes.

Planning Policy Review and Development

- Prepare planning policies for inclusion in the City of Mitcham Development Plan (Development Plan Amendments) to amend the Development Plan in accord with State Government Policy.
- Respond to Ministerial and other Council Development Plan Amendments.
- Respond to State Government Planning Policy Initiatives.

1.6 Engaged Community

Our Community is encouraged and supported to have a voice and to participate in a meaningful way to shape our City.

Communications and Publications

- Actively engage the community through effective communication regarding Council's services as well as arranging the development of corporate documents and media releases.
- Provide media liaison and releases as required.

Community Grants

In accordance with the Community Development Grants Policy, provide:

- Community Development Grants.
- Recurrent grants for Council supported events and programs.
- Individual Achievement Grants.

Community Information and Arts

- Ensure easy to read and accessible Community information is available through a variety of channels at Civic Centre, Libraries and other key community centres.
- Provide opportunities for local artists to exhibit a variety of artwork.

Sport & Recreation Community Engagement

Develop effective working relationships with clubs and organisations and ensure effective engagement occurs with community and key stakeholders.

Volunteering

Provide volunteering opportunities to support Council services and programs for the benefit of the local community.

2. Sustainable City

We continually sustain and improve our natural and built environments.



2.1 Protected Biodiversity

Our biodiversity within open spaces, waterways, reserves and streetscapes is protected and enhanced.

Bushland Management

Manage and maintain natural bushland reserves in accord with good environmental practice and biodiversity principles including removal of pest plants and weeds, erosion control and fire management.

Biodiversity & Sustainability Policy

Develop and implement policies, strategies and projects to promote environmental sustainability within Council operations and the community.

Horticultural Volunteers Services and Coordinator

- Provide coordination and support for and encourage greater Council volunteers' participation to preserve and enhance native vegetation and control pest plants on Council reserves across the city.
- Provide support for Trees for Life bush care sites.

Natural Resources Administration and Planning

Integration of leading practice into:

- Open Space management.
- Waste management.
- Tree management.
- Biodiversity.
- Environmental management.

Natural Resource Management

Plan and manage the City's natural environment based on biodiversity, sustainability and reuse principles, including:

- Adopt and deliver water sensitive urban design principles for civil and landscaping projects.
- Water quality is monitored (by others) and water quality improvement.
- Develop and review management plans for woodland reserves.
- Develop and implement natural resource management plans.
- Attract external grant funding.
- Manage landholder assistance program.

Pest Plant Control

Identify and control pest plants on Council land in accord with the *Natural Resources Management Act 2004*, including promoting the control of specific weed species through education.

2.2 Clean Energy

Our greenhouse gas emissions are minimised and our uptake of clean and renewable energy technologies is maximised.

Environmental Policy

Develop a policy to maintain an integrated approach with a focus on environment including water quality, conservation and stormwater reuse, greenhouse gas reduction, climate change adaptation, waste minimisation, waste recycling and reuse, biodiversity and habitat protection.

2.3 Water Conservation

Water sensitive urban design and the use of alternative water sources to keep our natural and built environment green are maximised.

Stormwater Maintenance

Maintain and clean the storm water drainage network to an agreed standard to avoid local flooding and inundation, including:

- 25 trash collection devices.
- Clean underground pipes from obstructions such as siltation and root penetration.
- De-silt, remove rubbish, repair and maintain open drains as required.
- Clean around 4,500 side entry pits.

Stormwater Planning

Manage and develop the drainage network to protect from flooding and increase stormwater reuse, including:

- Review capacity of current stormwater drainage system.

- Investigate and plan stormwater network improvements.
- Develop strategic stormwater management plans for the City.

Urrbrae Wetlands

Jointly manage with the Urrbrae Agricultural High School, the Urrbrae Wetlands including operation and maintenance of storm water infrastructure.

Water Sensitive Urban Design

Integration of Water sensitive urban design principles into Council projects, including:

- Civil and landscape projects.
- Building, streetscape and storm water projects.
- Water reuse and water saving projects.
- Storm water capture and reuse.

2.4 Waste Minimisation

Responsible consumption and conservation of natural resources and minimisation of waste through avoidance, reuse, recycling and composting is encouraged.

Bin Maintenance and Replacement

- Undertake repairs on the domestic waste bin in-house and outsources repairs on the recycling bins to East Waste. Limited repairs on green organics bins carried out by Eastern Waste Management Authority.
- Provide free of charge domestic waste and recycling bins (green organics bins are the responsibility of the ratepayer).

Domestic Waste Collection

Provide an efficient and effective service for the collection and disposal of domestic waste that is unable to be recovered through kerbside recycling and green organic collections.

Green Organics Recycling

Provide an efficient and effective service for the collection and disposal of green organics recycling through the Eastern Waste Management Authority.

Hard Waste Service

Provide an 'At Call' domestic hard waste collection service.

Kerbside Recycling

Provide an efficient and effective service for the collection and disposal of domestic recycling through the Eastern Waste Management Authority.

Landfill Management

Manage and administer the landfill closure plans agreed for Eden Hills and Lynton Depot Landfills.

Lynton Transfer Station Operations

- Provide a green waste transfer station facility for collection and processing of green organics.
- Collect, store and recycle a range of other waste streams.

Waste Collection – Street Bins

Provide mobile garbage bins in high use public areas within the City.

Waste Strategy & Education

Council implements the integrated waste management and recycling strategy to minimise waste to landfill, increase recycling, manage new waste streams and minimise illegal roadside dumping at optimal cost, including:

- Review waste and recycling services provided by Council.
- Develop strategies to increase recycling and reduce waste to landfill.
- Promote community education and awareness to encourage waste minimisation and resource recovery (e.g. what goes into kerbside bins).
- Hazardous Chemical Collection.

2.5 Climate Change

Our Community is resilient to Climate change and the impacts of natural disasters.

Bushfire Preparation

Undertake annual bushfire preparation works on Council owned land including verge slashing, slashing Council owned reserves, preparation of fire breaks around selected Council sites, maintenance and upgrading of fire tracks.

Works include:

- Brush-cutting of approximately 44 hectares of fire breaks and 8 hectares of road verges throughout the Hills area.
- Ongoing fuel load reduction (woody weed control and some native vegetation clearance).

- Developing annual programs for roadside verge slashing, roadside tree trimming, slashing Council reserves, fire break preparation, and fire track maintenance and upgrading.
- Liaison between local Country Fire Service, Council Bushfire Prevention Officer and concerned residents.

Bushfire Protection Management

Take appropriate action to reduce bushfire risk within the City, as required under relevant legislation and in accordance with the Annual Bushfire Prevention Plan, including:

- Removing inflammable exotic species from reserves.
- Educating the community on their responsibility to manage private landholdings such as random audit of streets and inspections in bushfire prone zones.

Fire Break Maintenance

- Prepared maintenance plans for establishing and maintaining fire breaks.
- Ensure fire breaks are completed prior to the high fire risk season each year.

Resilient South

The Resilient South Climate Change Adaptation Plan is to be embedded into strategic planning and incorporated into all of our works.

2.6 Sustainable Development

Developments in our City are sustainable and complement the natural environment.

Building Services

Assess development applications against the Building Code of Australia and undertake mandatory (audit) building inspections to ensure a safe built environment.

Development Compliance

- Ensure that conditions attached to development decisions are met and/or complied with.
- Resolve matters pertaining to unauthorised development.

Development Support

Provide administrative support to the Planning and Building Services Team.

Planning Services

- Assess development applications against the principles contained within the City of Mitcham Development Plan.
- Provide preliminary planning advice to customers on potential development applications.
- Provide liquor licence advice and assessment to customers for private properties.

3. Dynamic & Prosperous Economy

Our community is economically strong and competitive.



3.1 Vibrant Places

We have attractive and vibrant precincts, places and spaces, supported by a variety of quality community facilities and retail, commercial and residential development.

District Centres

Provide advice and assistance for a planned approach to implement capital and maintenance works for District Centres and Conservation and Management Plans.

3.2 Employment Pathways

We support and promote education and training pathways that link people to local jobs and attract employment opportunities to our City.

Community Development

- Maintain ongoing communications with the City of Onkaparinga's Work Ready Regions Program.
- Participate in the Regional Coordination of the Automotive Transformation Taskforce.

3.3 Collaborative Organisation

We work collaboratively with neighbouring Councils, State Government and private sector partnerships.

Brown Hill Creek and Keswick Creek Stormwater Management Plan

Develop a ten year flood mitigation project in participation with five metropolitan Councils (Mitcham, Unley, Burnside, Adelaide, West Torrens) an integrated Stormwater Management Plan for Brown Hill and Keswick Creek catchments.

Engineering Services

Provide engineering advice, investigation and design services to Council across a range of engineering disciplines.

National Broadband Network (NBN) Works Approval

Approve NBN contractors to undertake survey, cable laying and installations for the NBN Rollout Project within the City of Mitcham.

3.4 Great Destination

We are a destination well regarded by residents and visitors for our heritage, natural environment, events, and educational and medical facilities.

Civic Events

Deliver civic events that recognise and celebrate the contribution of individuals and groups to the local community

Community Events

Conduct events that bring the community together in celebration

Heritage Advice and Restoration

We provide services for heritage management, advice and restoration including providing grants that assist the community in restoring local heritage.

Mitcham Heritage Research Centre

Provide a local history service in partnership with volunteers for the collection, preservation and provision of research and information to the community on local history and heritage.

3.5 Supported Businesses

We foster and support emerging and established businesses, entrepreneurs and innovators to grow and prosper.

Economic Development

Develop an Economic Development Strategy.

3.6 Smart City

We are recognised as a smart City with internationally renowned educational, research and medical institutions attracting and retaining people from all over the world and contributing to our Community.

4. Vibrant & Rich Culture

We share a vibrant and rich culture and have a strong sense of identity.



4.1 Community Places

We have special places, spaces and stories that create a strong sense of place and great experiences for our community.

4.2 Diverse Community

We recognise, embrace and celebrate social and cultural diversity in our vibrant community.

Aged and Access and Inclusion Strategy & Policy Development

- Implementation of the Access and Inclusion Plan.
- Development and Implementation of Policy and Plans and processes to implement the Action Plan for Age-Friendly Environments and Communities.
- Participation in other activities that promote and support the wellbeing of disadvantaged residents such as the annual Every Generation Festival.

Implementation of Home and Community Care Program

Ensure contracts and transition plans to the Home and Community Care Program are implemented in a manner that sustains existing service provision and programs continue to be accessible to meet community needs.

4.3 Creative City

We are a creative city.

Collection Management

The libraries provide collections which meet the needs of the community.

Library Customer Services

- The libraries deliver a high standard of customer service to satisfy patrons' information needs.
- Toy Library Services are provided at Blackwood and Lower Mitcham.
- A Home Library Service is provided to customers who are unable to visit the libraries.

Library Information and Technology

The libraries develop and deliver services to improve patrons' digital literacy skills and access to digital services in step with community need.

Library Networks and Programs

The libraries provide a variety of library events and programmes to meet community needs.

4.4 Liveable Neighbourhoods

We have neighbourhoods that are well designed, sustainable, liveable and complement their local character.

Compliance and By-laws

Meet responsibilities for public safety in regards to community education and enforcement, including abandoned vehicles, parking, illegal dumping, and By-law offences (eg Section 254 The Act - nuisance animal complaints).

Development Engineering

Assess development applications in accordance with accepted Engineering Standards/Practices.

Dog and Cat Management

Meet the legislative obligations of the *Dog and Cat Management Act 1995* (SA) and encourage responsible dog and cat ownership, and effective animal management, including:

- Register over 9,000 dogs annually.
- Respond to around 260 reports of dogs wandering at large annually.
- Investigate dog attack reports.
- respond to dog noise and nuisance complaints.

Graffiti Removal

Undertake graffiti removal from:

- Council owned buildings and infrastructure.
- Frontages of residential, commercial properties adjacent Council property.

Precinct Maintenance

Undertake a programmed proactive approach to risk management that moves through precincts on an agreed cycle.

Street Lighting

Provide and audit lighting in public areas, including approximately 8,500 streets lights, within the City in partnership with State Government and utilities.

4.5 City Character

The strong characteristics of the City, including the natural and rural landscape character of the Mitcham Hills, the leafy streetscapes of the plains, and the heritage values of the City, are protected and enhanced.

Footpath Sweeping

Provide a street sweeping service to achieve a clean and tidy streetscape.

Garden Beds Maintenance

Maintain over 150 garden beds in accord with defined schedules to enhance the landscape by providing colour and softening the urban streetscape.

Horticulture Planning

Provide high quality horticultural advice on tree management, streetscapes, development applications, landscapes, water sensitive urban design and water reuse across the City of Mitcham, including:

- Provide timely advice on tree management in including street tree management and auditing, tree pruning, tree removal and tree replacement.

- Continuing to extend Council's tree audit to capture a greater proportion of all Council owned trees and trees on community land.

Street Cleaning

Remove debris from streets to clean streetscape, prevent storm water systems from blocking and reduce pollutants entering waterways.

Street Furniture and Bus Shelter Maintenance

Maintain existing bus shelters and street furniture in good condition including repainting/graffiti removal and vandalism repairs as required.

Street Tree Maintenance and Planting

Manages trees and streetscapes to ensure a sustainable, attractive and diverse landscape and at an acceptable level of risk and cost, including:

- Maintain street trees for clearance over the footpath and road where necessary.
- Removing dead, dying or dangerous street trees and replace with the appropriate species where necessary.
- Providing a street tree planting service to plant around 1,000 new and/or replacement street trees annually using a combination of in-house and contract resources.

Street Tree Planning

Manage the ongoing sustainable replacement and replanting of street trees across the City and ensuring that street trees are in a good healthy condition and provide the appropriate street scape amenity.

Verge Maintenance – Weed Control

Maintain roadside verges and footpath areas to an acceptable standard through a planned program of maintenance.

5. Continuous Organisation Improvement

Improvements aligned to key focus areas of Customer, Culture, Digital and Efficiency and Effectiveness.



5.1 Excellence in Customer Service

Excellence in Customer Service to better meet customer needs and improve customer experience.

Collaborative Teams

Improve collaboration across teams, departments and divisions.

Customer Culture

Create a culture which is about the Customer and encourages innovation and risk taking.

Listening to the Customer

Consider methods to ensure we listen to the Customer.

Positive Customer Experience

Develop a clear positive customer experience, brand and expectation.

5.2 Excellence in Workplace Culture

Positive Workplace Culture with strong leadership that values people, customers and partners.

Building Leadership Capacity

- Develop and strengthen capability and commitment to engage and empower leaders to recognise and act in their role as a principal leader of the organisation.
- Provide opportunities to increase leadership abilities, to innovate, adapt to change, develop talent and develop effective decision making skills.

Customer Culture

Create a culture which is about the Customer and encourages innovation and risk taking.

Digital Literacy

Digital literacy of potential new employees to be considered in all recruitment decisions.

Improved Communication

Provide a workplace where sound communication skills, process and tools allow us to communicate effectively with, relate to, and work efficiently with others.

People are Developed

Provide a development culture where people can grow their careers while building a great brand. To be an organisation that is committed to developing skills, providing opportunities for growth and developing and fostering a philosophy of lifelong learning in our existing workforce.

People are Engaged and Valued

Foster a working environment that supports and encourages creative and holistic approaches to improvement, innovation and transformation in the organisation by valuing the commitment and diversity of our people.

5.3 Efficient and Effective Organisation

Efficient and Effective Organisation with a culture of positive change, process improvement and productivity gains.

Continuous Improvement Culture

A culture of positive change including process improvements and productivity gains.

Financial Sustainability

Responsible management of council's financial resources and community assets and the equitable distribution of costs now and into the future.

Good Governance

Accountable Governance and robust corporate systems for decision making and risk management.

Services that Meet Community Needs

Efficient use of resources whilst providing services that meet the needs of the community.

5.4 Digital by Design

Digital by Design to transition to a great online presence and serviced offering.

Transition to Online presence

Transformational change to transition to a great online presence, including website.

Measuring our Success

Reporting Framework

A range of informative reports are prepared to track our progress in bringing our community Vision closer.

Measuring Performance

Monitoring performance is critical in ensuring that Council is contributing to the achievement of Mitcham's Strategic Management Plan. Council's Strategic Planning Framework supports Council in measuring the achievements of Council's Vision as well as monitoring the delivery of services and projects. Council measures its performance in a number of ways.

Progress Report

A Progress Report against Council's Strategic Management Plan will be presented to Council. This report will give a 'snapshot' of Mitcham. Included in this snapshot is information collected from both internal and external sources.

Annual Report

The Annual Report is the main document that outlines Council activities and achievements for the year. The Annual Report contains information required by The Act and other legislation, full financial statements and a comprehensive look at Council's operations.

Quarterly Performance Report

The Quarterly Performance Report to Council documents the organisations progress in delivering the activities, projects, capital works and services in Council's Business Plan.



Key Business Plan Performance Measures

In order to report our performance in delivering the Annual Business Plan during the year the following measures, as aligned with our Strategic Management Plan Goals and will be reported to Council on a quarterly basis.

Accessible & Connected Community

- Kerb and Watertable Renewal Capital Program completion status - percentage project progress completion.
- Bridge Replacements Capital Program completion status - percentage project progress completion.
- Number of outstanding traffic and transport issue requests as per Traffic Priorities Report yet to be processed.
- Number of outstanding parking requests as per Traffic Priorities Report yet to be processed.
- 90% of footpath maintenance customer requests actioned within schedule timeframe.
- Footpath Construction - Renewal Capital Program completion status - percentage project progress completion.
- Footpath Construction - New Capital Program completion status - percentage project progress completion.
- Capital Program completion status - percentage project progress completion
- Retaining Wall Replacements Capital Program completion status - percentage project progress completion.
- Road Seal - Preservation Program Capital Program completion status - percentage project progress completion.
- Reduce percentage of parking complaints received around schools, hospitals and shopping precincts.
- Percentage of road faults (potholes) repaired in accord with maintenance program and risk factors.
- 90% of road maintenance customer requests actioned within scheduled timeframes.
- Number of Mitcham Cemetery plot enquiries each quarter.
- New Playground Works Capital Program completion status – percentage project progress completion.
- Maintain current membership numbers for the Mitcham Library Service.
- Number of library personal computer sessions.
- Number of library items borrowed. Includes number of items checked out at the Mitcham library service and incoming transits checked out at the Mitcham Library Service but not outgoing transits to other libraries.
- Number of online library resources and catalogues access. Data includes access of Online Catalogue and Who Writes Like, What Next, Ancestry, Lynda Library and Overdrive.
- Maintain number of people passing through library doors (including toy libraries) at current levels.
- Publish 6 bi-monthly editions of the Mitcham Community News.

- Sporting Clubs having a say on issues impacting sport and recreation in the City. This is to be done by Council engaging with at least half of the 49 sporting lease and license holders through meetings, workshops or training during the year.
- Community Buildings Replacement/Renewal Projects Capital Program completion status – percentage project progress completion.
- Sports Facilities & Infrastructure. Tennis Court Renewals Capital Program completion status – percentage project progress completion.
- Sports Facilities & Infrastructure. Sports Ovals Replacement/renewals Capital Program completion status – percentage project progress completion.
- Complete 45 sporting and recreational building replacement/renewal projects during the year.
- Complete 20 Civic building replacement/renewal projects during the year.
- Percentage of council buildings with conditions rating data for all four major elements.
- Percentage of scheduled property maintenance program completed each quarter.
- Number of property maintenance help desk requests.
- Percentage of customers satisfied with Property Help Desk service.
- Percentage of property maintenance requests completed by first contact.
- 100% of food businesses identified to have critical or major issues followed-up through legislative means, including food complaints inspections.
- Number of vaccines administered each quarter.
- Schools having a voice on issues affecting our youth in the City. This is to be effected by Council engaging key staff and student representatives from each of the nine secondary schools located within the Mitcham area.

- 70% of people responding to an events or public programme survey either “agree” or “strongly agree” when asked the question “The event or programme helped me feel connected within my community”.
- Number of unique residents provided with Community Wellbeing support during the financial year.
- Percentage of Community Wellbeing service targets achieve in accordance with Commonwealth and State funding agreements.
- Total number of Council volunteers.

Sustainable City

- Tonnes of greenhouse gas emissions.
- Capital Program completion status – percentage project progress completion.
- Percentage of putrescible domestic waste (blue) bins collected each week.
- Percentage of waste diverted from landfill.
- Percentage of Customer Requests regarding illegally dumped rubbish responded to within 2 weeks.
- 100% of Fire Breaks on Council reserves are brush cut or slashed before the fire danger season.
- Annual percentage of compliance with bushfire prevention legislation from the 1,200 targeted high risk bushfire properties audited.
- Number of development related complaints received in relation to potentially illegal developments.
- Total number of applications lodged with Council for assessment.
- Number of development applications submitted each quarter to the Development Assessment Panel for decision.

Dynamic and Prosperous Economy

- Community Centres contribute to vibrant and connected places through supporting community visitation as measured by the total number of visitors to both Blackwood and Cumberland Park Community Centres.
- All graffiti removed with 48 hours of it being reported.
- Maintain number of people attending library programs and events at current levels.
- City of Mitcham events facilitate local economic development through 70% of all event contributors to be either City of Mitcham residents or providers to the City's community.

Vibrant & Rich Culture

- Playground Replacement Projects Capital Program completion status – percentage project progress completion.
- Parks Gardens & Opens Space Assets. New Capital Program completion status – percentage project progress completion.
- Parks Gardens & Open Space Asset Replacement Capital Program completion status – percentage project progress completion.
- Assess and prioritise 100% of community requests for parks and gardens maintenance within 10 business days.
- 100% of Environmental Health premises identified to have critical or major issues to be followed-up through legislative means, including environmental health complaint inspections. Premises include swimming pools, spas, cooling towers, tattoo parlours, etc.

- 90%+ of environmental health premises inspected as per required frequency based on risk. Premises include swimming pools, spas, cooling towers, tattoo parlours, etc. Numbers to include complaints inspections.
- 70% of wandering dogs returned to owners.
- Undertake 15 precinct visits per annum.
- Number of dog control prosecutions.
- Percentage compliance with dog and cat registration requirements from the 20% of dog and cat owners audited annually.
- Number of outstanding requests yet to be processed.
- Percentage of food businesses inspected as per required frequency based on risk.
- Develop Heritage Plans for 3 heritage listed Council buildings.
- Percentage of Tree Planting Program completed by October.
- Percentage of all tree related customer requests for action assessed and prioritised in accordance with risk standards.
- Percentage of tree maintenance customer requests completed within the scheduled time frames.
- Percentage loss of new trees to be less than 5% of total planted.
- Number of heritage monuments cleaned and maintained.

Continuous Organisational Improvements

- Asset Renewal Funding Ratio; Council's ability to generate enough cash over ten years to cover at least 100% replacement of assets.
- Debt Repayment Term; forecasted 10 year average of repayment term of debt to be between.

- Interest Coverage ratio; forecasted interest coverage ratio not to exceed 6%
- Net Financial Liabilities Ratio; how much of Council's annual rates income would be required to repay debt if Council were to wind up.
- Operating Result Ratio; operating result as a percentage of Council's rates.
- Number of items considered in confidence at Council meetings under the provisions of S90 of The Act.
- Number of Freedom of Information Applications received to date
- Consumable Plant; replace 3 air blowers, 2 brush cutters, 3 chain saws and 3 motorised pole saws during the year being.
- Major Fleet Renewal Program completion status - percentage project progress completion each quarter.
- Minor Fleet Renewal Program completion status - percentage project progress completion each quarter.
- Community Wellbeing Program; compliance with six monthly reporting responsibilities for funding and standards for safe and high quality assistance to residents.
- Conduct at least four service area specific customer surveys during the year
- Average call resolution rate at first point of contact with the Customer Service Centre to be not less than 55%.
- Percentage of customers satisfied with the Customer Service Centre service to be not less than 80%.
- Average time to complete urgent Section 7 requests to be less than 24 hours.
- Number of work hours lost due to workplace injury
- Number of staff separations
- Percentage of staff retained in the work force
- Define and/or improve either business processes
- Number of employees with annual leave of 40 days or more
- Number of staff with Long Service Leave of 120 days or over
- Number of full time equivalent staff
- Average personal leave days taken per employee
- Percentage of female staff holding management positions
- Percentage of female staff
- Number of incidents and accidents
- Quarterly Business Plan Performance Report submitted to Council
- Number of S270 reviews of Council decisions commenced to date.
- Amount still available to date from the \$71,000 allocated to currently unfunded operating projects.
- Renewal of 10 IT systems & equipment to date during the year
- Develop a business case to digitise historical (archived) documents to facilitate on-line service delivery for customers for searches under Section 7 of the Land and Business (Sale and Conveyancing) Act.

Appendices

Appendix 1 - Rating Changes Summary

Council is proposing a 2.97% increase in general rates revenue for the 2018/19 year. Additionally, Council has reviewed the differential rates to apply for 2018/19 and is proposing that the rate increase applicable to commercial/industrial properties and vacant land is also set at 2.97%.

A summary of the effects of these changes is shown below, followed by more detailed commentary.

	2017/18		2018/19		
	Valuation	Final Rate Assessment	Valuation	Projected Rates Assessment	Change from Previous Year
General Rate for Residential, Primary Production and Other					
Residential					
Average Rate Assessment	\$581,847	\$1,655	\$605,579	\$1,704	2.97%
Primary Production					
Average Rate Assessment	\$744,552	\$2,118	\$763,870	\$2,149	1.50%
Other					
Average Rate Assessment	\$1,888,723	\$5,372	\$1,955,321	\$5,502	2.42%
Average General Rates Properties					
Average Rate Assessment	\$589,338.71	\$1,676	\$612,384	\$1,723	2.80%
Commercial Rate for Commercial/Industrial and Vacant Land					
Average Rate Assessment	\$635,335.00	\$3,676	\$657,334.46	\$3,785	2.97%

Increase in General rate of 2.97%

For 2018/19 Council is proposing a general rates increase of 2.97%. This will cover cost increases to existing community service delivery and additional costs and legislative requirements imposed on Council by State and Federal Governments. It will also improve service delivery through the introduction of a number of new and improved financially sustainable services. Additionally, it will strengthen Council's financial position and expedite debt repayment. A general rate increase of 2.97% equates to an average increase of around \$49 for the general residential rate category.

Commercial rate to be increased

Council has reviewed the differential rates applicable to commercial/industrial and vacant land properties and has determined that the rate increase for this sector will also be 2.97%.

Appendix 2 – Operating Income and Expenditure

Service	Operating Income	Operating Expenditure	Net Operating Expenditure
Civic Building Assets	\$91,349	-\$366,998	-\$275,649
Community Building Assets	\$192,202	-\$3,460,473	-\$3,268,271
Community Services	\$1,200,146	-\$2,633,421	-\$1,433,275
Customer Experience	\$3,075	-\$1,550,199	-\$1,547,124
Development Services	\$613,532	-\$2,946,270	-\$2,332,738
Environmental Health Services	\$92,130	-\$715,631	-\$623,501
Environmental Management	\$50,840	-\$3,944,569	-\$3,893,729
Governance Support	\$0	-\$3,120,788	-\$3,120,788
Library Services	\$527,714	-\$3,105,420	-\$2,577,706
Traffic & Transport	\$1,351,290	-\$12,122,868	-\$10,771,578
Parks, Gardens & Open Spaces	\$3,500	-\$4,025,785	-\$4,022,285
Regulatory Services	\$1,129,701	-\$1,338,706	-\$209,005
Sports Facility Assets	\$139,295	-\$196,923	-\$57,628
Stormwater Assets	\$0	-\$2,188,910	-\$2,188,910
Organisational Support	\$3,447,375	-\$12,838,163	-\$9,390,788
Waste Services	\$82,525	-\$6,518,867	-\$6,436,342
Total before Rates Revenue	\$8,924,674	-\$61,073,991	-\$52,149,317
Rates Revenue	\$52,524,000	\$0	\$52,524,000
Operating Surplus/(Deficit) excluding Subsidiaries	\$61,448,674	-\$61,073,991	\$374,683
Less One Off Adjustments			
Advance on 2018/19 FAGs received in 2017/18			\$1,154,000
Operating Projects			\$400,000
Underlying Surplus/(Deficit)			\$1,928,683

Subsidiary Gains of \$63,000 have been excluded from the above table as they do not impact on the underlying surplus.

Appendix 3 - Other Sources of Revenue for Council

NRM Levy

Council is required by the State Government to collect the NRM Levy on behalf of the Natural Resources Management Board. Council does not retain this revenue and hands it over to the State Government.

Statutory Charges set by the State Government (3.1% of Total Operating Revenue)

These are fees and charges set by regulation and collected by the Council for regulatory functions such as, assessment of development applications, dog registrations and parking fines.

User Pay Charges set by Council (1.0% of Total Operating Revenue)

These comprise charges for the Council's fee based facilities such as, hire of sporting and community venues.

Grants and Subsidies (7.3% of Total Operating Revenue)

The Council normally seeks to attract as much grant funding as possible from other levels of government, and major projects of wider State benefit are usually jointly funded in partnership with the State Government and other relevant parties.

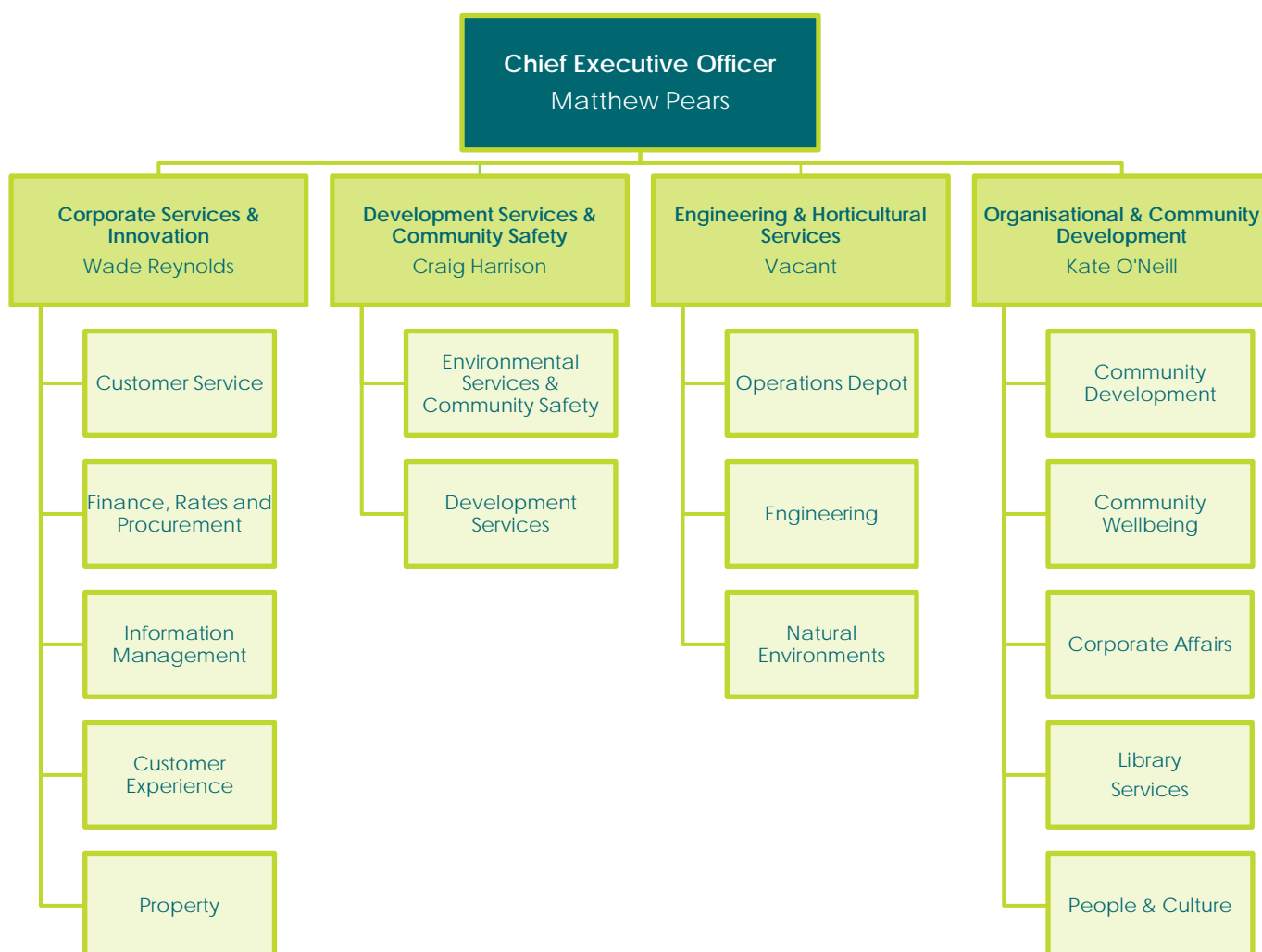
Investment Income (0.1% of Total Operating Revenue)

Investment income is the interest that Council receives on surplus funds that it holds on deposit or with the bank. Council seeks to maximise the balance between surplus cash and borrowings so as to minimise net interest expenses as much as possible.

Reimbursements and Other Income (1.2% of Total Operating Revenue)

Reimbursements and other income are generally one-off payments or donations received usually to offset or reimburse Council for expenditure incurred.

Appendix 4 – Organisational Chart and Functions



Organisational & Community Development

Community Development

- Civic Events
- Community Centres
- Community Events
- Community Grants
- Community Shed
- Mitcham Heritage Research Centre
- Sport and Recreation Community Engagement and Development
- Youth Development

Community Wellbeing

- Aged and Access and Inclusion Strategy & Policy Development
- Community Bus Service
- Implementation of Commonwealth Home Support Program
- Social Support

Corporate Affairs

- Council & Committee Meeting Support
- Elections
- Governance Support
- Internal Audit
- Risk Management

Library Services

- Collection Management
- Library Customer Services
- Library Information and Technology
- Library Networks and Programs

People and Culture

- Management Advisory Service and Employee Relations
- Organisational Development
- Volunteering
- Work, Health and Safety

Corporate Services & Innovation

Customer Service

- After Hours Call Service
- Customer Service and Call Centre

Customer Experience

- Strategic and Annual Business Planning
- Strategic and Corporate Performance Reporting
- Community Survey
- Community Information and Arts
- Communications and Publications
- Efficiency and Effectiveness
- Service Delivery Reviews
- Organisational Improvement

Finance

- Accounting Services
- Accounts Payable
- Accounts Receivable
- Audit Committee
- Financial Planning
- Mitcham Cemetery Administration
- Rating Services
- Treasury Management
- Procurement Strategy & Compliance
- Contracts

Information Management

- Information Management
- Information Technology Management

Property

- Community and Sporting Buildings Asset Management
- Council and Other Building Asset Management
- Library Building Asset Management
- Public Toilet Asset Management
- Landfill Management
- Property Asset Management and Precinct Planning
- Leases, Licences and Permits

Development Services & Community Safety

Environmental Services & Community Safety

- Bushfire Protection Management
- Compliance and By-laws
- Dog and Cat Management
- Food Safety
- Immunisation Services
- Public and Environmental Health Control

Development Services

- Building Services
- Development Compliance
- Heritage Advice and Restoration
- Planning Services
- Policy Review and Development
- Development Engineering
- Development Support

Engineering & Horticulture

City Works & Services

- Bin Maintenance and Replacement
- Fleet Management
- Kerb and Watertable Maintenance
- Lynton Transfer Station Operations
- Purchasing and Store Operations
- Road Maintenance
- Stormwater Maintenance
- Street Cleaning
- Waste Collection Domestic & Street Bins
- Workshop and Plant Operations

Engineering

- Engineering Services
- Capital Works Program Management and Delivery
- Stormwater Planning
- Traffic and Transport
- Street Lighting
- Traffic Investigations

City Maintenance

- Bushfire Preparation
- Bushland Management
- Footpath Maintenance
- Footpath Sweeping
- Garden Beds Maintenance
- Graffiti Removal
- Mitcham Cemetery Operations
- Parks and Gardens Maintenance
- Playground Maintenance
- Sports Grounds and Turf Maintenance
- Street Furniture and Bus Shelter Maintenance
- Street Tree Maintenance and Planting
- Traffic Management Works
- Verge Maintenance – Weed Control

Special Projects

- Brown Hill Creek and Keswick Creek Stormwater Management Plan
- District Centres
- National Broadband Network Works Approval

Natural Environments

- Asset Management
- Bridge Maintenance
- Bus Shelter Replacement
- Environmental Policy, Biodiversity & Sustainability
- Environmental Sustainability, Strategy and Projects
- Fire Break Maintenance
- Green Organics Recycling
- Hard Waste Service
- Horticultural Volunteers Services and Coordinator
- Horticulture Planning
- Kerbside Recycling
- Natural Resource Management
- Natural resources Administration and Planning
- Open Space and Parks Development
- Pest Plant Control
- Playground Development & Replacement
- Resilient South
- Shared Use Trails
- Street Tree Planning
- Urrbrae Wetlands
- Waste Strategy & Education
- Water Sensitive Urban Design