



AGENDA

**FOR BUDGET AND FINANCE COMMITTEE MEETING TO BE HELD ON
18 JULY 2016 AT CONCLUSION OF POLICY AND PLANNING COMMITTEE
IN THE COUNCIL CHAMBER, 12 JAMES STREET, SALISBURY**

MEMBERS

Cr D Pilkington (Chairman)
Mayor G Aldridge
Cr D Balaza
Cr S Bedford (Deputy Chairman)
Cr D Bryant
Cr C Buchanan
Cr G Caruso
Cr L Caruso
Cr R Cook
Cr E Gill
Cr D Proleta
Cr S Reardon
Cr G Reynolds
Cr B Vermeer
Cr S White
Cr J Woodman
Cr R Zahra

REQUIRED STAFF

Chief Executive Officer, Mr J Harry
General Manager Business Excellence, Mr C Mansueto
General Manager City Development, Mr T Sutcliffe
General Manager Community Development, Ms J Trotter
General Manager City Infrastructure, Mr M van der Pennen
Manager Governance, Ms T Norman
Manager Communications and Customer Relations, Mr M Bennington
Team Leader Corporate Communications, Mr C Treloar
Governance Coordinator, Ms J Rowett
Governance Support Officer, Ms K Boyd

APOLOGIES

LEAVE OF ABSENCE

PRESENTATION OF MINUTES

Presentation of the Minutes of the Budget and Finance Committee Meeting held on 06 June 2016.

REPORTS

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CONFIDENTIAL ITEMS

6.9.1 Update on Action on Rates Assessments Outstanding Under Section 184 of the Local Government Act 1999

Pursuant to section 83(5) of the *Local Government Act 1999* the Chief Executive Officer has indicated that, if Council so determines, this matter may be considered in confidence under Part 3 of the *Local Government Act 1999* on that grounds that:

1. *Pursuant to Section 90(2) and (3)(a) of the Local Government Act 1999, the principle that the meeting should be conducted in a place open to the public has been outweighed in relation to this matter because:*
 - *it relates to information the disclosure of which would involve the unreasonable disclosure of information concerning the personal affairs of any person (living or dead).*
2. *In weighing up the factors related to disclosure,*
 - *disclosure of this matter to the public would demonstrate accountability and transparency of the Council's operations*
 - *Report contains personal information*

*On that basis the public's interest is best served by not disclosing the **Update on Action on Rates Assessments Outstanding Under Section 184 of the Local Government Act 1999** item and discussion at this point in time.*

3. *Pursuant to Section 90(2) of the Local Government Act 1999 it is recommended the Council orders that all members of the public, except staff of the City of Salisbury on duty in attendance, be excluded from attendance at the meeting for this Agenda Item.*

CLOSE



**MINUTES OF BUDGET AND FINANCE COMMITTEE MEETING HELD IN THE
COUNCIL CHAMBER, 12 JAMES STREET, SALISBURY ON**

6 JUNE 2016

MEMBERS PRESENT

Cr D Pilkington (Chairman)
Mayor G Aldridge
Cr D Balaza
Cr S Bedford (Deputy Chairman)
Cr D Bryant
Cr G Caruso
Cr R Cook
Cr E Gill
Cr D Proleta
Cr G Reynolds
Cr B Vermeer
Cr J Woodman
Cr R Zahra

STAFF

Chief Executive Officer, Mr J Harry
General Manager City Development, Mr T Sutcliffe
A/General Manager Community Development, Mr M Bennington
General Manager City Infrastructure, Mr M van der Pennen
Manager Financial Services, Ms K George
Manager Governance, Ms T Norman
Health and Inclusion Senior Coordinator, Ms J Menadue
Governance Coordinator, Ms J Rowett

The meeting commenced at 6:30PM

The Chairman welcomed the members, staff and the gallery to the meeting.

APOLOGIES

Apologies were received from Cr C Buchanan, Cr L Caruso, Cr S Reardon and Cr S White.

LEAVE OF ABSENCE

Nil

PRESENTATION OF MINUTES

Moved Cr J Woodman
Seconded Cr B Vermeer

The Minutes of the Budget and Finance Committee Meeting held on 16 May 2016, be taken and read as confirmed.

CARRIED

Moved Cr R Zahra
Seconded Cr S Bedford

The Minutes of the Confidential Budget and Finance Committee Meeting held on 16 May 2016, be taken and read as confirmed.

CARRIED

REPORTS*Finance***6.1.1 Adelaide and Mount Lofty Ranges Natural Resources Management Board (NRM) Rate Notice Information**

Cr B Vermeer declared a perceived conflict of interest due to his employer being a member of the Natural Resources Standing Committee of the SA Parliament and indicated he would manage the perceived conflict of interest by declaring it on the public record, remaining in the room and voting in the public interest in relation to this item.

Mayor G Aldridge entered the meeting at 06:46 pm.

Cr R Zahra sought leave of the meeting to speak for a second time and leave was granted.

Cr D Balaza sought leave of the meeting to speak for a second time and leave was granted.

Cr B Vermeer sought leave of the meeting to speak for a second time and leave was granted.

Cr J Woodman sought leave of the meeting to speak for a second time and leave was granted

Moved Cr R Zahra
Seconded Cr R Cook

1. That:

- **Option B**-Banner at the Bottom of the Rates Notice (as set out in paragraphs 3.3.5-3.3.8, Item No. 6.1.1, Budget and Finance Committee 06/06/2016); and

- **Option E**-Back of Rates Notice Envelope (as set out in paragraphs 3.3.16-3.3.18, Item No. 6.1.1, Budget and Finance Committee 06/06/2016); and
- **Option F**-Website (as set out in paragraphs 3.3.19-3.3.20, Item No. 6.1.1, Budget and Finance Committee 06/06/2016);

be adopted for the provision of information to rate payers with respect to the mandatory collection of the Natural Resources Management Levy.

LOST

Moved Cr D Balaza

Seconded Cr B Vermeer

1. **That**

- **Option B**-Banner at the Bottom of the Rates Notice (as set out in paragraphs 3.3.5-3.3.8, Item No. 6.1.1, Budget and Finance Committee 06/06/2016); and
- **Option C**-Modification to Wording in the Rate Brochure (as set out in paragraphs 3.3.9-3.3.12, Item No. 6.1.1, Budget and Finance Committee 06/06/2016); and
- **Option D**-Flyer inserted with the First Quarter Rates Notice (as set out in paragraphs 3.3.13-3.3.15, Item No. 6.1.1, Budget and Finance Committee 06/06/2016); and
- **Option F**-Website (as set out in paragraphs 3.3.19-3.3.20, Item No. 6.1.1, Budget and Finance Committee 06/06/2016) with Option F to include a post on the City of Salisbury Facebook Page;

be adopted for the provision of information to rate payers with respect to the mandatory collection of the Natural Resources Management Levy.

LOST

*A **DIVISION** was requested by Cr Vermeer and the following members responded to the Chairman's call as having voted in favour of the **MOTION**:*

Mayor G Aldridge, Cr D Balaza, Cr D Bryant, Cr D Proleta and Cr B Vermeer

*The following members responded to the Chairman's call as having voted against the **MOTION**:*

Crs D Pilkington, S Bedford, G Caruso, R Cook, E Gill, G Reynolds, J Woodman and R Zahra

*The Chairman declared the **MOTION** was **LOST***

Cr R Cook moved a FORMAL MOTION that the MOTION be PUT

Seconded Cr E Gill

CARRIED

Moved Cr G Reynolds
Seconded Cr D Proleta

1. That

- **Option A**-Additional Wording on the Rates Notice (as set out in paragraphs 3.3.1-3.3.4, Item No. 6.1.1, Budget and Finance Committee 06/06/2016); and
 - **Option B**-Banner at the Bottom of the Rates Notice (as set out in paragraphs 3.3.5-3.3.8, Item No. 6.1.1, Budget and Finance Committee 06/06/2016); and
 - **Option C**-Modification to Wording in the Rate Brochure (as set out in paragraphs 3.3.9-3.3.12, Item No. 6.1.1, Budget and Finance Committee 06/06/2016); and
 - **Option F**-Website (as set out in paragraphs 3.3.19-3.3.20, Item No. 6.1.1, Budget and Finance Committee 06/06/2016);
- be adopted for the provision of information to rate payers with respect to the mandatory collection of the Natural Resources Management Levy.

*A **DIVISION** was requested by Cr Vermeer and the following members responded to the Chairman's call as having voted in favour of the **MOTION**:*

Crs D Pilkington, S Bedford, G Caruso, R Cook, E Gill, D Proleta, G Reynolds, J Woodman and R Zahra

*The following members responded to the Chairman's call as having voted against the **MOTION**:*

Mayor G Aldridge, Cr D Balaza, Cr D Bryant and Cr B Vermeer

*The Chairman declared the **MOTION** was **CARRIED***

CARRIED

*Cr Vermeer voted **AGAINST** the **MOTION**.*

*The Majority of members present voted **IN FAVOUR** of the **MOTION**.*

Annual Plan and Budget

6.4.1 Annual Plan 2016/17 Public Consultation Report

Moved Cr E Gill
Seconded Cr R Zahra

1. Information be received.

CARRIED

6.4.2 New Initiative Bid - Adapting Northern Adelaide Coordinator

Cr D Bryant declared a perceived conflict of interest due to his employer tendering for the Air 7000 project at Edinburgh Parks which is part of the Adapting Northern Adelaide programme and advised he would manage this conflict by remaining in the room and voting in the interests of the community.

Moved Mayor G Aldridge
Seconded Cr G Reynolds

1. That the report be received, and the information in the report be considered in the context of the proposed 2016/2017 budget.

CARRIED

Cr Bryant voted IN FAVOUR of the MOTION.

The majority of members present voted IN FAVOUR of the MOTION.

6.4.3 Multicultural Strategy Methodology

Cr S Bedford left the meeting at 07:45 pm.

Cr S Bedford returned to the meeting at 07:48 pm.

Moved Cr B Vermeer
Seconded Cr D Balaza

1. The information be received.

CARRIED

6.4.4 Budget Update

Cr D Bryant declared a perceived conflict of interest due to being a member of the South Australian Cricket Association, which is mentioned in NAN23482 (page 58 of the report) and determined he would manage the perceived conflict of interest by remaining in the room and voting in the public interest.

Cr R Cook declared an actual conflict of interest due to administering the sale of boat ramp tickets on behalf of Council and left the meeting at 07:57 pm.

Cr D Bryant left the meeting at 08:00 pm.

Cr D Bryant returned to the meeting at 08:01 pm.

Moved Cr G Reynolds
Seconded Mayor G Aldridge

1. Information be received.
2. Additional funding be allocated in the 2016/17 Budget for NIB NAN23482 – Youth At Risk Programs to enable the delivery of a program of youth services, \$33,000.
3. Additional funding be allocated in the 2016/17 Budget for NIB PSR20018 - Play Space / Playground Program to incorporate for the planning and design of one Autism Friendly Play Space, \$50,000.

4. Changes to reduce bid TRR12000 Road Reseal Reconstruction Program by \$1,140,000 for the Diment Road renewal which had already been incorporated in bid TRN13948 Diment Rd Bid be approved.
5. Waste Transfer Station staff be provided delegated authority to vary fees due to the nature of the load or the size of the load compared to the vehicle capacity.

CARRIED

Cr Bryant voted IN FAVOUR of the MOTION.

The majority of members present voted IN FAVOUR of the MOTION.

Cr R Cook returned to the meeting at 08:06 pm.

6.4.5 Rating Strategy 2016/17

Moved Cr B Vermeer

Seconded Cr D Balaza

1. Information be received.
2. The rate increase based on a 2.90% average increase in residential rates (including the minimum) and a 3.00% increase for Commercial and Industrial properties with a 46.7% differential, and a 30% differential on vacant land, be endorsed as the basis for setting rates in 2016/17.

LOST

*A **DIVISION** was requested by Cr Bryant and the following members responded to the Chairman's call as having voted in favour of the **MOTION**:*

Crs D Balaza, D Bryant and B Vermeer

*The following members responded to the Chairman's call as having voted against the **MOTION**:*

Mayor G Aldridge, Crs D Pilkington, S Bedford, G Caruso, R Cook, E Gill, D Proleta, G Reynolds, J Woodman and R Zahra

*The Chairman declared the **MOTION** was **LOST***

**In accordance with section 10 (2) of the Code of Practice for Meeting Procedures, the presiding member provided a five minute break to all present. The meeting was suspended at 8:45 pm.
The meeting reconvened at 8:52 pm.**

Mayor G Aldridge returned to the meeting at 08:54 pm.

Cr G Caruso returned to the meeting at 08:54 pm.

Cr D Bryant returned to the meeting at 08:54 pm.

Cr D Proleta moved a FORMAL MOTION that the MOTION be PUT

Seconded Mayor G Aldridge

CARRIED

*A **DIVISION** was requested by Cr Balaza and the following members responded to the Chairman's call as having voted in favour of the **FORMAL MOTION** that the **MOTION** be **PUT**:*

Mayor G Aldridge, Crs D Pilkington, G Caruso, R Cook, E Gill, D Proleta, G Reynolds, J Woodman and R Zahra

*The following members responded to the Chairman's call as having voted against the **FORMAL MOTION** that the **MOTION** be **PUT**:*

Crs D Balaza, S Bedford, D Bryant and B Vermeer

*The Chairman declared the **FORMAL MOTION** was **CARRIED***

Moved Cr S Bedford

Seconded Cr E Gill

1. Information be received.
2. The rate increase based on a 3.00% average increase in residential rates (including the minimum) and a 3.00% increase for Commercial and Industrial properties with a 46.7% differential, and a 30% differential on vacant land, be endorsed as the basis for setting rates in 2016/17.

CARRIED

*A **DIVISION** was requested by Cr Vermeer and the following members responded to the Chairman's call as having voted in favour of the **MOTION**:*

Mayor G Aldridge, Crs D Pilkington, S Bedford, G Caruso, R Cook, E Gill, D Proleta, G Reynolds, J Woodman and R Zahra

*The following members responded to the Chairman's call as having voted against the **MOTION**:*

Crs D Balaza, D Bryant and B Vermeer

*The Chairman declared the **MOTION** was **CARRIED***

6.4.6 Globe Derby Community Club Separate Rate

Moved Cr G Caruso

Seconded Cr D Proleta

1. The proposed separate rate of \$100 per share in common land, 63 shares in total, in the relevant area for the Globe Derby Community Club for 2016/17, be endorsed in principle, and a formal resolution be brought forward to the June 2016 Council meeting for adoption of the rate.

CARRIED

6.4.7

Salisbury City Centre Business Association Separate Rate

Cr D Balaza declared a material conflict of interest due to being a member of the governing body of the Salisbury City Centre Business Association. Cr D Balaza left the meeting at 09:00 pm.

Moved Cr E Gill

Seconded Mayor G Aldridge

1. The separate rate proposal to raise \$158,775 (excluding GST) as requested by the Salisbury City Centre Business Association be supported and that this be subject to formal declaration at the June 2016 Council meeting.
2. The Salisbury City Centre Business Association be supported to keep its member database up to date through the provision of assessment record details of those subject to the separate rate at the time of generating the first quarter rates notice at no charge to the Association.

CARRIED

Cr D Balaza returned to the meeting at 09:23 pm.

OTHER BUSINESS

Nil

The meeting closed at 9:23 pm.

CHAIRMAN.....

DATE.....

ITEM	6.0.1
	BUDGET AND FINANCE COMMITTEE
DATE	18 July 2016
HEADING	Future Reports for the Budget and Finance Committee
AUTHOR	Michelle Woods, Projects Officer Governance, CEO and Governance
CITY PLAN LINKS	4.3 Have robust processes that support consistent service delivery and informed decision making.
SUMMARY	This item details reports to be presented to the Budget and Finance Committee as a result of a previous Council resolution. If reports have been deferred to a subsequent month, this will be indicated, along with a reason for the deferral.

RECOMMENDATION

1. The information be received.

ATTACHMENTS

There are no attachments to this report.

1. BACKGROUND

- 1.1 Historically, a list of resolutions requiring a future report to Council has been presented to each committee for noting.

2. CONSULTATION / COMMUNICATION

- 2.1 Internal
 - 2.1.1 Report authors and General Managers.
- 2.2 External
 - 2.2.1 Nil.

3. REPORT

- 3.1 The following table outlines the reports to be presented to the Budget and Finance Committee as a result of a Council resolution:

Meeting Item	- Heading and Resolution	Officer
29/04/2013 6.4.4	Fees and Charges Report - Waste Transfer Station 3. Subject to endorsement of the creation of the Program Review Sub Committee, the Program Review Sub Committee consider the cost structure and fee structure for residents / commercial vs. non-Salisbury residents/commercial accessing services at the Waste Transfer Station. Due: July 2016 Deferred to: August 2016 Reason: Report deferred until August to consider the impact to fees and charges as a result of the increase to waste levy.	Lyall Thomas
26/04/2016 6.1.1	Project Budget Delegations 4. The Project Budget Delegation be reviewed during the 2017/18 Budget process. Due: April 2017	Kate George

4. CONCLUSION / PROPOSAL

- 4.1 Future reports for the Budget and Finance Committee have been reviewed and are presented to Council for noting.

CO-ORDINATION

Officer:	Executive Group	GMBE	GMCI
Date:		05/07/16	06/07/16

ITEM	6.0.2
	BUDGET AND FINANCE COMMITTEE
HEADING	Minutes of the Program Review Sub Committee meeting held on Monday 11 July 2016
AUTHOR	Charles Mansueto, General Manager Business Excellence, Business Excellence
CITY PLAN LINKS	4.2 Develop strong capability and commitment to continually improve Council's performance. 4.3 Have robust processes that support consistent service delivery and informed decision making.
SUMMARY	The minutes and recommendations of the Program Review Sub Committee meeting held on Monday 11 July 2016 are presented for Budget and Finance Committee consideration.

RECOMMENDATION

1. The information contained in the Program Review Sub Committee Minutes of the meeting held on 11 July 2016 be received and noted and that the following recommendations contained therein be adopted by Council:

PRSC1 Parks & Landscape and Civil Services Program Review - Update and Implementation Plan

1. The information be received.

PRSC2 Contracts & Procurement Program Review Outcome

1. This report and the BRS Report – Procurement and Contract Review (as set out in Attachment 1, Item No. PRSC2, Program Review Sub Committee, 11/07/2016) be received and noted.
2. The management responses as set out in Attachment 2 (Item No. PRSC2, Program Review Sub Committee, 11/07/2016) be noted, and the Executive Group monitor implementation of the actions as required.

ATTACHMENTS

This document should be read in conjunction with the following attachments:

1. Minutes Program Review Sub Committee - 11 July 2016

CO-ORDINATION

Officer: GMBE
Date: 13/07/2016



**MINUTES OF PROGRAM REVIEW SUB COMMITTEE MEETING HELD IN
COMMITTEE ROOMS, 12 JAMES STREET, SALISBURY ON**

11 JULY 2016

MEMBERS PRESENT

Cr R Zahra (Chairman)
Cr D Bryant
Cr G Caruso
Cr L Caruso
Cr E Gill (Deputy Chairman)
Cr D Proleta
Cr B Vermeer

STAFF

Chief Executive Officer, Mr J Harry
General Manager Business Excellence, Mr C Mansueto
General Manager City Infrastructure, Mr M van der Pennen
Manager Governance, Ms T Norman

The meeting commenced at 7.34pm.

The Chairman welcomed the members, staff and the gallery to the meeting.

APOLOGIES

Apologies were received from Mayor G Aldridge and Cr S Bedford.

LEAVE OF ABSENCE

Nil

PRESENTATION OF MINUTES

Moved Cr B Vermeer
Seconded Cr G Caruso

The Minutes of the Program Review Sub Committee Meeting held on 09 May 2016, be taken and read as confirmed.

CARRIED

REPORTS

PRSC1 Parks & Landscape and Civil Services Program Review - Update and Implementation Plan

Moved Cr B Vermeer
Seconded Cr E Gill

1. The information be received.

CARRIED

PRSC2 Contracts & Procurement Program Review Outcome

Moved Cr G Caruso
Seconded Cr B Vermeer

1. This report and the BRS Report – Procurement and Contract Review (as set out in Attachment 1, Item No. PRSC2, Program Review Sub Committee, 11/07/2016) be received and noted.
2. The management responses as set out in Attachment 2 (Item No. PRSC2, Program Review Sub Committee, 11/07/2016) be noted, and the Executive Group monitor implementation of the actions as required.

CARRIED

OTHER BUSINESS

Nil

CLOSE

The meeting closed at 7.57pm.

CHAIRMAN.....

DATE.....

ITEM	6.1.1
	BUDGET AND FINANCE COMMITTEE
DATE	18 July 2016
PREV REFS	
HEADING	Council Finance Report - June 2016
AUTHOR	Tim Aplin, Senior Accountant, Business Excellence
CITY PLAN LINKS	4.2 Develop strong capability and commitment to continually improve Council's performance. 4.3 Have robust processes that support consistent service delivery and informed decision making.
SUMMARY	This report provides some key financial data as at 30 June 2016 for the information of Council as part of its stewardship role.

RECOMMENDATION

1. The information be received.

ATTACHMENTS

There are no attachments to this report.

1. BACKGROUND

- 1.1 Council's Treasury Policy requires that a report be prepared detailing fixed borrowings and variable borrowings at the end of the preceding month, together with all investments held, their terms and interest rates. Also included is a summary of Reserve Balances and Rates and Debtor Information. The policy requires that the timing of these reports be November, February and May, with the end of year report as soon as practical as part of the end of financial year reporting.

2. CONSULTATION / COMMUNICATION

- 2.1 Internal
 - 2.1.1 N/A
- 2.2 External
 - 2.2.1 N/A

3. REPORT

- 3.1 Council funds that are not immediately required for operational needs, and cannot be applied to either reduce existing borrowings or avoid the raising of

new borrowings are invested in accordance with Council's Treasury Policy. These investments are split between short term deposits with the Local Government Finance Authority or at call with the National Australia Bank. Investments are selected taking into account which delivers the best value, having regard to investment returns, transaction costs and other relevant factors.

3.2 Investments as at 30 June 2016

Date	Institution	%	Term-Days	Maturity	Value
20-Jun-2016	LGFA	1.90%	30 Days	20-Jul-2016	4,000,000
23-Jun-2016	LGFA	1.90%	30 Days	25-Jul-2016	1,500,000
30-Jun-2016	LGFA	1.75%	At Call	30-Jun-2016	2,346,083
30-Jun-2016	NAB	2.25%	At Call	30-Jun-2016	8,928,027
30 June 2015	19,388,088				16,774,110

3.3 Reserves as at 30 June 2015

	Opening Balance as at 1 July 2015 \$	Transfer to Reserves YTD \$	Transfer from Reserves YTD \$	Current Balance \$
Plant Replacement	1,564,799	-	563,142	1,001,657
Open Space	1,294,162	477,160	-	1,771,322
Car Parking Fund	906,758	36,957	-	943,715
Business Units	995,892	-	-	995,892
Property Disposal	1,330,213	-	-	1,330,213
Subdivision Works	1,339,339	370,196	122,768	1,586,767
Cemetery Maintenance Fund	849,187	16,826	-	866,013
Mausoleum Perpetual Care Fund	636,184	49,320	-	685,504

3.4 Reserves are a device used to ensure that Council has sufficient funds allocated for specific purposes. Transfers to reserves represent amounts received as contributions, indicative interest adjustments and property disposal proceeds. Transfers from the reserves represent the funding being applied to specific projects, or to reduce loan borrowing requirements.

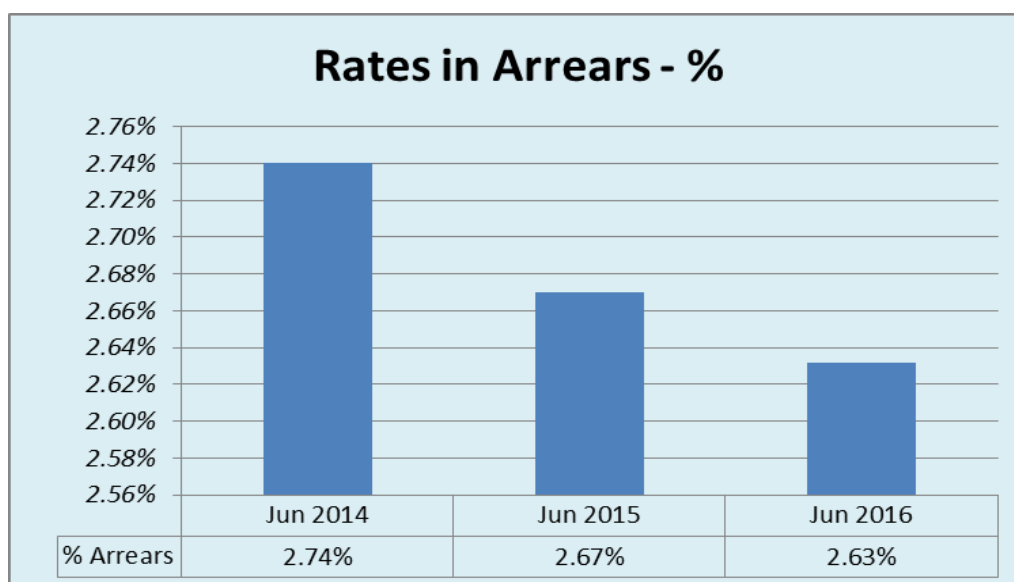
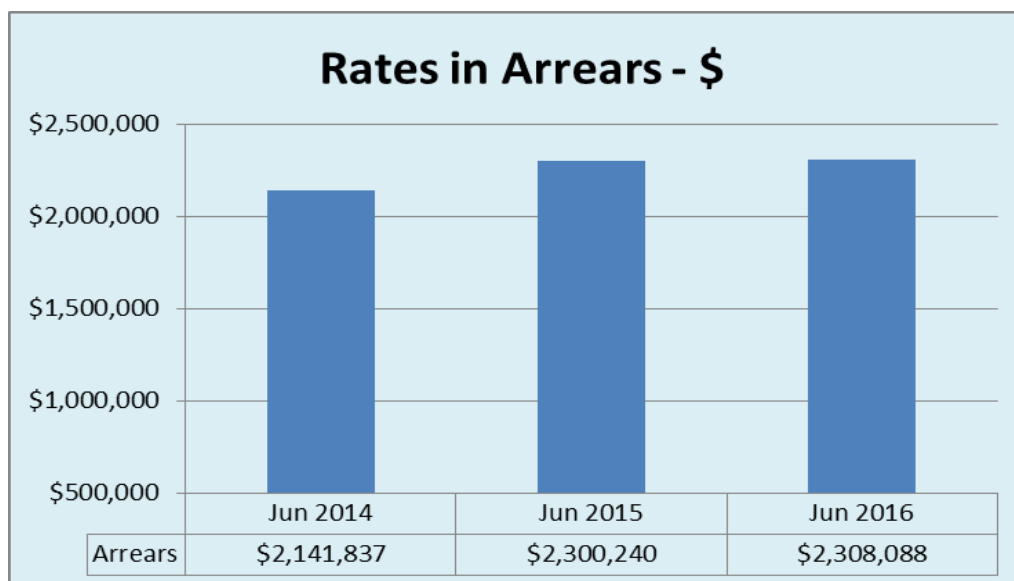
3.5 At 30 June 2016 the most significant movements are the transfers from the Plant Replacement Reserve \$563k being allocations for purchases of replacement items of Fleet, and Subdivision Works Reserve \$123k for Developer Footpath and Street Tree programs.

3.6 Other significant movements include amounts transferred to the Open Space Reserve \$477k (contributions received of \$447k and interest allocated of \$30k) and amounts transferred to the Subdivision Works Reserve \$370k (contributions received of \$341k and interest allocated of \$29k) representing developer contributions received. Interest is apportioned on the balances of the

reserves on a monthly basis, with the Plant Replacement, Property Disposal and Business Unit reserves being the only exceptions.

3.7 Recovery of Rates

	No of Accounts	\$	%
Outstanding Balance as at 30 June 2016		1,896,165	2.16%
Outstanding Balance as at 30 June 2015		2,008,961	2.40%
Outstanding Rates Arrears as at 30 June 2016	3,941	2,308,088	2.63%
Outstanding Rates Arrears as at 30 June 2015	4,871	2,300,240	2.67%



3.8 The level of Council Rates in arrears at 30 June 2016 is 2.63%. The aim is to have a maximum level for Rates Arrears of 2.5% and the current level is just above this, although this is trending downwards compared to previous financial years. The standard process is that Rates Arrears are followed up on a daily basis and quarterly files are sent to Councils debt collection agency.

3.9 Other Debtors as at 30 June 2016

Debtor Type		Current	30 - 60 days	60 - 90 days	Over 90 days	Total
Sundry	\$	309,335	46,794	4,859	23,996	384,984
Salisbury Water	\$	0	5,349	0	0	5,349
Inflammable Undergrowth	\$	0	3	0	1,511	1,514
Additional Bins	\$	1,468	900	112	158	2,638
Licensing Fees	\$	6,769	3,022	1,050	1,052	11,893
Property Management	\$	18,857	108,515	20,329	31,493	179,194
TOTAL	\$	336,429	164,583	26,350	58,210	585,572

3.10 The above aged analysis represents Councils debts outstanding as at 30 June 2016. Debts outstanding greater than 90 days account for 9.94% of the total outstanding balance. Debts that are outstanding for greater than 30 days are subject to council's standard debt collection procedures, which could include internal follow up and ultimately legal action through Councils debt collection agency.

3.11 Loan Schedule as at 30 June 2016

Debenture Loans

Principal Outstanding as at 1/07/2015	\$	19,539,344
Loans Raised Year to Date	\$	-
Less Repayments of Principal Year to Date	\$	2,399,029
Loan Principal Outstanding - Debenture Loans	\$	17,140,315

Cash Advance Debenture Borrowings (CADs)

Total CAD's available	\$	28,747,000
Current CAD's drawdown amount year to date	\$	-
Balance of CAD's available	\$	28,747,000

Interest Payments (Debenture Loans and CADs)

Interest Payments - Debenture Loans	\$ 1,262,048
Interest Payments - CAD's	\$ -
Total Interest Payments	\$ 1,262,048

3.12 The above Loan Schedule summarises payments that have been made on Council's existing Fixed Term Borrowings. As at 30 June 2016 there have been no drawdowns in relation to CAD's primarily due to Council's working capital and cash position, associated with the early receipt of the 2015/16 Financial Assistance Grant funding on 30 June 2015, and Property Sales at the Walpole, Ryans and Diment Road developments that occurred during 2014/15 and 2015/16. There have also been additional Roads to Recovery funds recognised at the first quarter.

4. CONCLUSION / PROPOSAL

- 4.1 The analysis above demonstrates that Council is in a sound financial position with appropriate levels of debt and investments.
- 4.2 Whilst this report provides only a summary of key financial data as June 30 2016, the full financial results for the financial year will be reported on as part of the 2016 Annual Financial Statements which will be presented to Council in October 2016.

CO-ORDINATION

Officer: Executive Group
Date: 11/07/2016

ITEM	6.1.2
	BUDGET AND FINANCE COMMITTEE
DATE	18 July 2016
HEADING	Treasury Report for Year Ended 30 June 2016
AUTHOR	Kate George, Manager Financial Services, Business Excellence
CITY PLAN LINKS	4.3 Have robust processes that support consistent service delivery and informed decision making. 4.4 Embed long term thinking, planning and innovation across the organisation.
SUMMARY	This report, in accordance with the Local Government Act and Council's Treasury Policy, provides Council with a summary of the investment performance and loan facilities for the 2016 Financial Year.
RECOMMENDATION	1. Information be received.
ATTACHMENTS	This document should be read in conjunction with the following attachments: 1. Treasury Policy
1. BACKGROUND	1.1 In accordance with Section 140 Local Government Act 1999 and the Treasury Policy this report details the investment performance of Council funds for the year ended 30 June 2016. Members may wish to note that Local Government in South Australia is in the unique position of having its own finance authority (LGFA), with State Government guaranteeing its operations.
2. CONSULTATION / COMMUNICATION	2.1 Internal 2.1.1 N/A 2.2 External 2.2.1 Information has been sourced from the Local Government Finance Authority with respect to an estimate of the yearly bonus applicable to all deposits in interest rate terms.
3. REPORT	3.1 Borrowings

- 3.1.1 Council borrowings are a mix of fixed term borrowing with the choice of fixed or variable interest rates, and variable term borrowings in the form of cash advance facilities, all held with LGFA.

3.2 Fixed Term Borrowings

- 3.2.1 The table below details Councils Fixed Term Borrowings at the year ended 30 June 2016. It shows an overall net decrease in fixed term borrowings of \$2.4M from 30 June 2015, with no additional borrowing being established during the 2015/16 Financial Year.

Reference	Amount Borrowed	Date Established	Maturity Date	Interest Rate	Principal Balance 30/6/2016	Principal Balance 30/6/2015	Reduction in Principal	Annual Repayment Amount	Interest Paid
LGFA 0253	3,662,000	17/06/2002	17/06/2017	7.07%	379,713	733,940	354,226	399,964	45,737
LGFA 0254	3,610,000	16/06/2003	16/06/2018	5.60%	670,236	978,592	308,356	358,900	50,544
LGFA 0256	2,829,000	15/06/2004	15/06/2019	6.77%	810,913	1,047,169	236,255	303,217	66,961
LGFA 0258	3,218,000	15/06/2005	15/06/2020	6.26%	1,165,543	1,414,723	249,180	333,902	84,722
LGFA 0259	1,463,000	15/06/2006	15/06/2021	6.70%	654,108	760,997	106,889	156,115	49,226
LGFA 0260	4,811,000	15/06/2007	15/06/2022	7.01%	2,528,579	2,857,426	328,847	523,489	194,642
LGFA 0263	9,000,000	15/06/2010	15/06/2025	6.58%	6,396,414	6,903,476	507,062	953,104	446,043
LGFA 0264	5,889,000	15/06/2011	15/06/2026	6.80%	4,534,808	4,843,022	308,214	632,387	324,173
Total	34,482,000				17,140,315	19,539,344	2,399,029	3,661,077	1,262,048

3.3 Variable Term Facilities

- 3.3.1 The Variable Term Facilities have no outstanding balances at either 30 June 2016, nor at 30 June 2015, as detailed in the below table. Also, at the time of preparing this report there were no outstanding amounts on any Cash Advance Debenture (CAD's) facilities. Members may wish to note that the interest rate applicable to CAD's is currently 4.00%. Further the extent of any draw down on our CADs is correlated to the delivery of the capital works program, receipts of grant funding, and timing of rate revenue receipts.

Reference	Facility Amount	Date Established	Expiry Date	Current Interest Rate	Outstanding 30/6/16	Outstanding 30/6/15	Movement
LGFA 0235	2,130,000	15/06/2009	15/06/2024	Variable	0	0	0
LGFA 0242	2,430,000	01/09/1997	01/09/2017	Variable	0	0	0
LGFA 0243	1,120,000	01/09/1997	30/06/2017	Variable	0	0	0
LGFA 0255	1,880,000	16/06/2003	16/06/2018	Variable	0	0	0
LGFA 0257	6,400,000	15/06/2004	15/06/2019	Variable	0	0	0
LGFA 0261	2,850,000	16/06/2008	16/06/2023	Variable	0	0	0
LGFA 0262	570,000	15/06/2010	15/06/2025	Variable	0	0	0
LGFA 0265	11,367,000	17/06/2013	17/06/2028	Variable	0	0	0
Total	28,747,000				0	0	0

- 3.3.2 In accordance with the Treasury Policy we balance the mix of fixed and variable borrowings so that neither fixed debt or variable facilities represent less than 30% of our total facilities. For the year ended 30 June 2016, fixed

term facilities represented 37%, and variable term facilities represented 63% of the total facilities.

3.3.3 Further to the above in May 2016 loan borrowings requirements were assessed and reported in the Third Quarter Budget Review. The original budget was for no borrowings to be established during the 2015/16 year, due to a budgeted operating surplus of \$1,986k, and the utilization of property development proceeds of \$924k. This position was further revised through the Quarterly Budget Reviews, and as at the third quarter review there was no requirement for borrowings, and this was achieved without the need to utilise property development proceeds. This has resulted primarily from additional Road to Recovery funds recognized at the first quarter.

3.3.4 Since the May 2016 loan borrowings report there has been no significant impacts that necessitate new borrowings for the financial year ended 30 June 2016.

3.4 Investments

3.4.1 Council holds two types of investments, 24 hour at call funds and term deposits, with the funds being held with the LGFA, and the National Australia Bank.

3.4.2 24 Hour at Call - The table below shows the respective balances as at 30 June 2016 and 2015. These funds are held to cover cash disbursements planned to occur over the coming month.

Investments at Call – LGFA and NAB

Investment Type	30/06/2016		30/06/2015	
	Interest Rate *	Balance	Interest Rate	Balance
24 Hour At Call LGFA	2.11	2,346,082	2.36	4,875,878
NAB Professional Funds	2.25	8,928,027	2.50	10,012,210
Total At Call		11,274,109		14,888,088

* The LGFA interest rate includes an additional 0.36% (consistent with the 2014/15 Financial Year) which the LGFA has advised is a estimate of the likely value of the yearly bonus in interest rate terms applicable to all deposits for 2015/16. The actual percentage will not be known until October 2016, however the LGFA has advised it should be similar to the 2014/15 amount

- 3.4.3 Fixed Term Deposits - The fixed term deposits are made for a period of 30, 60, or 90 days, and are based on predicted cash inflows and outflows over the period. All term deposits are held with the LGFA.

Fixed Term Investments – LGFA

Investment Type	Maturity Date	Interest Rate *	Balance 30/6/2016	Balance 30/6/2015
Fixed	20/07/2016	2.26	4,000,000.00	
Fixed	25/07/2016	2.26	1,500,000.00	
Fixed	23/07/2015	2.41		2,500,000.00
Fixed	27/07/2015	2.41		2,000,000.00
Total			5,500,000.00	4,500,000.00

* The LGFA interest rate includes an additional 0.36% (consistent with the 2014/15 Financial Year) which the LGFA has advised is a estimate of the likely value of the yearly bonus in interest rate terms applicable to all deposits for 2015/16. The actual percentage will not be known until October 2016, however the LGFA has advised it should be similar to the 2014/15 amount

- 3.4.4 It should be noted that the At Call cash position was higher at the end of the 2015 Financial Year as compared to the end of the 2016 Financial Year, due to the decision by the Federal Government to pay two quarters of the 2015/16 Financial Assistance Grant and Untied Local Roads Funding in advance totaling \$4,065,150 on 30 June 2015. The Federal Government did not pay this in advance in the 2016 Financial Year, and payment is now expected to return to normal quarterly payments.
- 3.4.5 The \$11.3M cash on hand at 30 June 2016 is needed as payments during July and into August are traditionally very high with delivery of capital projects necessitating higher creditor payments and also once off yearly payments such Workcover Premiums and Insurance Premiums. Also, our

cash receipts in July and August are very low with the first installment of rates not due until early September. Cash outgoings in July 2015 were \$13.8M paid to creditors and payroll and oncosts payments of approximately \$1.8M.

4. CONCLUSION / PROPOSAL

- 4.1 Council investments and borrowings have been managed in accordance with Council's Treasury Policy, and the information provided is as required by the policy.

CO-ORDINATION

Officer: Executive Group
Date: 11/07/2016



Treasury Policy

Policy Type:	Policy		
Approved By:	Council	Decision No:	2010/2128, 2011/327, 2013/1927, 1026/2016
Approval Date:	23 March 2010	Last Reapproval Date:	26 April 2016
Review Date:	April 2018	Internal Reference No.:	
Department:	Business Excellence	Division:	Financial Services
Function:	7 - Financial Management	Responsible Officer:	Manager, Financial Services

A - PREAMBLE

1. This policy provides clear direction to management, staff and Council in relation to the treasury function. It underpins Council's decision-making regarding the financing of its operations as documented in its annual budget and long-term financial plan and associated projected and actual cash flow receipts and outlays.
2. Council is committed to adopting and maintaining a Long-term Financial Plan and operating in a financially sustainable manner.
3. Section 3 the Local Government Act, 1999, requires Councils to act in a way that is effective, efficient and accountable. This is especially important when managing monies acquired by Council in order to benefit the Community.

C – POLICY PURPOSE/OBJECTIVES

1. This Treasury Management Policy establishes a decision framework to ensure that:
 - funds are available as required to support approved outlays;
 - interest rate and other risks (e.g. liquidity and investment credit risks) are acknowledged and responsibly managed;
 - the net interest costs associated with borrowing and investing are reasonably likely to be minimised on average over the longer term.
 - Further it clarifies the treatment of surplus funds, identified through Budget Reviews

E - POLICY STATEMENT

1. Treasury Management Strategy

- 1.1. Council's operating and capital expenditure decisions are made on the basis of:
 - identified community need and benefit relative to other expenditure options;

- cost effectiveness of the proposed means of service delivery; and,
 - affordability of proposals having regard to Council's long-term financial sustainability (including consideration of the cost of capital and the impact of the proposal on Council's Net Financial Liabilities and Interest Cover ratios).
- 1.2. Council manages its finances holistically in accordance with its overall financial sustainability strategies and targets. This means Council will:
- maintain target ranges for its Net Financial Liabilities ratio;
 - generally only borrow funds when it needs cash and not specifically for particular projects;
 - apply any funds that are not immediately required to meet approved expenditure (including funds that are required to be expended for specific purposes but are not required to be kept in separate bank accounts) to reduce its level of borrowings or to defer and/or reduce the level of new borrowings that would otherwise be required.
 - Apply surplus contained within the Sundry Projects Fund, following adjustments for variations to existing estimates, to a reduction in borrowings. Any new bids/projects arising through the year are to be referred to the budget planning process for the subsequent year, unless they are of sufficient urgency, in which case Council may finance such projects by reducing/cancelling an existing budgeted project, or approving an increase to the borrowing requirement.

2. Interest Rate Risk Exposures

- 2.1. Council has set range limits for both fixed and variable interest rate borrowings in order to minimise net interest costs on average over the longer term and at the same time manage interest rate movement risks within acceptable limits.

2.2. Fixed Interest Rate Borrowings

- To ensure an adequate mix of interest rate exposures, Council will structure its portfolio of borrowings to maintain on average in any year, not less than **30%** of its facilities in the form of fixed interest rate borrowings.
- In order to spread its exposure to interest rate movements, Council will aim to have a variety of maturity dates on its fixed interest rate borrowings over the available maturity spectrum.

2.3. Variable Interest Rate Borrowings

- Council will structure its portfolio of borrowings to maintain not less than 30% of its facilities in any year in the form of variable interest rate borrowings.
- Council will utilize long-term variable interest rate borrowing facilities, such as the LGFA's Cash Advance Debenture, that require interest payments only and that enables any amount of principal to be repaid or redrawn at call. The redraw facility will provide Council with access to liquidity when needed.

3. Investments

- 3.1. Council funds that are not immediately required for operational needs and cannot be applied to either reduce existing borrowings or avoid the raising of new borrowings will be invested. The balance of funds held in any operating bank account that does not provide investment returns at least consistent with 'at call' market rates shall be kept at a level that is no greater than is required to meet immediate working capital requirements.

- 3.2. Council funds available for investment will be lodged 'at call' or, having regard to differences in interest rates for fixed term investments of varying maturity dates, may be invested for a fixed term. In the case of fixed term investments the term should not exceed a point in time where the funds otherwise could be applied to cost-effectively either defer the need to raise a new borrowing or reduce the level of Council's variable interest rate borrowing facility.
- 3.3. When investing funds, Council will select the investment type which delivers the best value, having regard to investment returns, transaction costs, and other relevant and objectively quantifiable factors.
- 3.4. Council management may from time to time invest surplus funds in:
 - deposits with the Local Government Finance Authority; and/or
 - bank interest bearing deposits
 - bank accepted/endorsed bank bills
 - State/ Commonwealth Government Bonds
- 3.5. Any other investment requires the specific approval of Council.

4. Reporting

- 4.1. During the year Council will receive a report detailing total fixed borrowings and variable fixed borrowings at the end of the preceding month, together with all investments held, their term and interest rate. Timing of these reports will be November, February, May, unless there is an opportunity to report earlier, with the end of year reported as soon as practicable as part of our end of year reporting. (*Council Resolution, Item No. 734 dated 28 November 2011*)
- 4.2. At least once a year Council shall receive a specific report regarding treasury management performance relative to this Policy. The report shall highlight:
 - for each Council borrowing and investment - the quantum of funds, its interest rate and maturity date, and changes in the quantum since the previous report; and,
 - the proportion of fixed interest rate and variable interest rate borrowings at the end date of the reporting period along with key reasons for significant variances compared with the targets specified in this policy.

F - LEGISLATION

For Borrowings

Local Government Act, 1999 (Sections 44, 122 and 134)
Local Government (Financial Management) Regulations 2011

For Investments

Local Government Act, 1999 (Sections 47, 139 and 140)

Document Control

Document ID	Treasury Policy
Prepared by	Kate George
Release	1.00
Document Status	Endorsed
Date Printed	04/05/2016

ITEM	6.1.3
	BUDGET AND FINANCE COMMITTEE
DATE	18 July 2016
HEADING	Certification of the 2016 Annual Financial Statements
AUTHOR	Tim Aplin, Senior Accountant, Business Excellence
CITY PLAN LINKS	4.2 Develop strong capability and commitment to continually improve Council's performance. 4.3 Have robust processes that support consistent service delivery and informed decision making.
SUMMARY	This report provides a summary of the 2016 end of financial year reporting process and seeks Council's authorisation for the Mayor and the Chief Executive Officer to sign the certificate certifying the 2016 Annual Financial Statements in their final form once completed.
RECOMMENDATION	<ol style="list-style-type: none"> 1. The information be received. 2. The Mayor and the Chief Executive Officer be authorised by Council to sign the Council Certificate certifying the Annual Financial Statements for the financial year ended 30 June 2016, following the Audit Committee's review of these Statements on 11 October 2016.
ATTACHMENTS	<p>This document should be read in conjunction with the following attachments:</p> <ol style="list-style-type: none"> 1. 2016 Annual Financial Statements Council Certificate
1. BACKGROUND	<ol style="list-style-type: none"> 1.1 The Local Government Act 1999 at Section 127 requires that a Council must prepare financial statements and notes in accordance with the standards prescribed by the regulations, and other statements or documentation relating to the financial affairs of the council, required by the regulations for each financial year. 1.2 A key component of meeting this legislative obligation is that the Mayor and the Chief Executive Officer must certify the Annual Financial Statements, the format of which is governed by Regulation 14 of the Local Government (Financial Management Regulations) 2011.
2. CONSULTATION / COMMUNICATION	<ol style="list-style-type: none"> 2.1 Internal <ol style="list-style-type: none"> 2.1.1 N/A

2.2 External

2.2.1 N/A

3. REPORT

- 3.1 The format of the certification of Councils Annual Financial Statements is governed by Regulation 14 of the Local Government (Financial Management) Regulations 2011, which states:

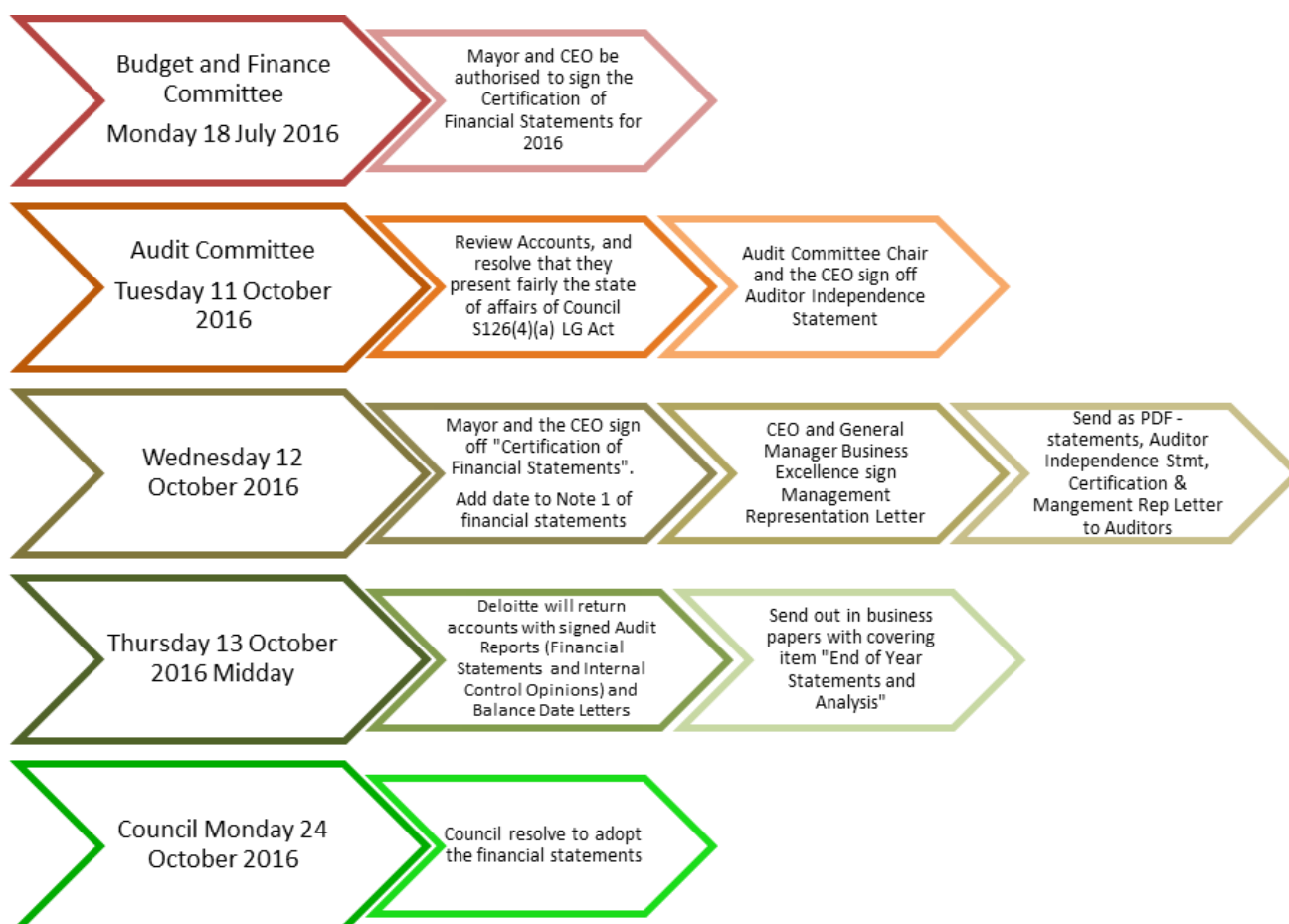
The financial statements of a council, council subsidiary or regional subsidiary must include a statement, in a form determined by the Minister, signed by:

- (a) the chief executive officer and the principal member of the council; certifying that—*
- (c) the financial statements comply with relevant legislation and Australian Accounting Standards; and*
- (d) the financial statements present a true and fair view of the
 - (i) financial position; and*
 - (ii) results of the operations; and*
 - (iii) cash flows,**of the council for the financial year; and**
- (e) internal controls implemented by the council provide a reasonable assurance that its financial records are complete, accurate and reliable and were effective throughout the financial year; and*
- (f) the financial statements accurately reflect the accounting and other records of the council and;*
- (g) (i) in the case of a council—the chief executive officer and the principal member;
have been authorised by the council, council subsidiary or regional subsidiary (as the case may be) to certify the annual financial statements in their final form.*

- 3.2 The legislation places the responsibility for preparing accurate annual financial statements on the Council, not its auditor, as the auditors' role is limited to forming an opinion as to whether the statements present fairly, in all material respects, the Council's financial position for the respective reporting period. Accordingly the Council Certificate is located prominently at the start of the statements.

- 3.3 The following process and associated timeframes have been prepared consistent with previous years and legislative requirements outlined above to ensure the audit committee and council certification process integrates with the legislative requirements:

SIGN OFF OF FINANCIAL STATEMENTS 2015-2016



- 3.4 Application of the above process will ensure that the legislative requirements governing the preparation, review, certification and endorsement of the Annual Financial Statements for 2016 are satisfied.
- 3.5 A copy of the 2016 Annual Financial Statements Council Certificate complying with Regulation 14 of the Local Government (Financial Management) Regulations 2011 is attached for information.

4. CONCLUSION / PROPOSAL

- 4.1 In order to satisfy the legislative requirements governing the preparation of the 2016 Annual Financial Statements it is recommended that Council authorise the Mayor and the Chief Executive Officer to sign the Council Certificate certifying the Annual Financial Statements for year ended 30 June 2016, following the Audit Committee's review of the Statements on 11 October 2016.

CO-ORDINATION

Officer: Executive Group
Date: 11/7/2016

City of Salisbury

General Purpose Financial Statements for the year ended 30 June 2016

Certification of Financial Statements

We have been authorised by the Council to certify the financial statements in their final form.

In our opinion:

- the accompanying financial statements comply with the *Local Government Act 1999*, *Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards,
- the financial statements present a true and fair view of the Council's financial position at 30 June 2016 and the results of its operations and cash flows for the financial year,
- internal controls implemented by the Council provide a reasonable assurance that the Council's financial records are complete, accurate and reliable and were effective throughout the financial year,
- the financial statements accurately reflect the Council's accounting and other records.

John Harry
CHIEF EXECUTIVE OFFICER

Gillian Aldridge
MAYOR

Date:

ITEM	6.8.1
	BUDGET AND FINANCE COMMITTEE
DATE	18 July 2016
HEADING	2016 South Australia State Budget
AUTHOR	Greg Ratsch, Manager Economic Development & Urban Policy, City Development
CITY PLAN LINKS	4.3 Have robust processes that support consistent service delivery and informed decision making. Choose an item. Choose an item.
SUMMARY	The South Australian Government handed down the 2016-17 State Budget on 7 July 2016. This report provides a summary of announcements as well as identifying potential impacts and opportunities for the progression of Council's priorities as outlined in the City Plan.

RECOMMENDATION

1. That the report be noted.
2. That meetings be sought with:
 - Minister Mullighan and Department of Planning, Transport and Infrastructure staff in relation to decisions impacting on opportunities to progress development of the Salisbury City Centre.
 - Minister Maher and Department of State Development staff in relation to progressing the Mawson Innovation Precinct and leveraging budget initiatives to progress the outcomes sought through the Northern Economic Plan process.

ATTACHMENTS

This document should be read in conjunction with the following attachments:

1. Summary of new initiatives and agency targets in the 2016 State Budget

1. BACKGROUND

- 1.1 The South Australian Government handed down the 2016-17 State Budget on 7 July 2016.
- 1.2 A summary of key budget measures and agency targets of relevance to Council, our community and the broader local government sector is provided as Attachment 1 to this report.

2. CONSULTATION / COMMUNICATION

- 2.1 Internal
 - 2.1.1 Executive Group
- 2.2 External
 - 2.2.1 Nil

3. REPORT

- 3.1 The 2016-17 State Budget aims *“to create jobs, develop future industries and ensure our children have the right skills for a transforming, modern economy.”* The strong emphasis on job creation is welcomed given the concern our community has expressed about jobs, the local unemployment rate and impending closure of the automotive sector.
- 3.2 From a strategic perspective, several of the announcements are positive for the progression of Council’s City Plan. These include:
 - The mooted electrification of the Gawler Rail Line for the city to Salisbury (likely to commence in the latter part of 2017). This provides an opportunity to progress discussions with the Department of Planning, Transport and Infrastructure regarding the upgrade of the Salisbury Interchange;
 - A grant to the Future Industries Institute of \$7.5 million and the GigCity initiative that will enable firms located in Technology Park to access the high speed SabreNet are important elements in potentially repositioning and further developing Technology Park as the centre for innovation-led economic growth in northern Adelaide. Council has previously prepared an innovation precinct proposal for Technology Park and the adjacent university campus and it would be timely to re-present that to the Minister for Innovation for consideration and funding to maximize the potential opportunities that exist.
 - An allocation of \$665k per annum (indexed) from 2016–17 towards progressing the South Australia China Engagement Strategy which will potentially complement Council’s initiatives in linking firms with opportunities in China.
 - The South Australian Economic Investment Fund (EIF) will receive an extra \$20 million over two years as part of State Budget 2016-17 to attract new businesses to the state, promote job creation and develop key industry sectors. As well as this \$6 million over three years has been set aside to attract defence companies to set up or expand in SA.
- 3.3 The Advertiser has noted local government is among the losers from this budget, a theme echoed by the LGA who note *“ratepayers will be asked to fund a large portion of the new e-planning system despite councils’ diminished involvement in the new planning system, and councils will continue to be forced to collect the NRM levy on behalf of the State as well as provide community housing rebates and pay a royalty on road building and maintenance.”* This is in addition to the increase in solid waste levy which will have a likely impact of approximately \$400k in 2016-17.
- 3.4 Council has recently endorsed the Salisbury City Centre Urban Design Framework and signed off on the Salisbury City Centre DPA for forwarding to

the Minister for approval. A key consideration underpinning those plans was the desire to increase investment in the development of commercial property within the City Centre. The relocation of Families SA from Salisbury City Centre, coming on the back of the closure of the Community Mental Health Service, will likely impact on the rate of development plans that could reasonably be anticipated in the precinct. With two large floorplate buildings likely to become vacant the potential to attract new large businesses into the precinct becomes a possibility however the case for new private sector commercial investment will be diminished. Given the proposed reduction of police operating hours and ongoing changes within the TAFE system, the role of the State Government in progressing the City Centre's revitalisation looks increasingly uncertain.

- 3.5 The “*centre-piece*” of the Budget is a \$109 million Jobs Accelerator Grant scheme which will “*incentivise the State’s business community to employ more South Australians.*” Much trust is placed in the effectiveness of a relatively small grant to influence employment decisions. Demand is expected to be generated by investment in infrastructure projects with a modest amount of money allocated to increasing industry participation in government projects and increasing consumer awareness of South Australian produced goods. However little has been set aside for programs, delivered through organisations such as the Polaris Centre, to improve small business capability to underpin sustainable longer term jobs.
- 3.6 While the extension and expansion of the off plan apartment stamp duty concession is welcomed, as it is only for one year, it is unlikely to significantly bring forward investment in Salisbury as it will only assist purchasers who are able to enter into contracts at the pre-construction stage. This is not likely to include purchasers who are operating at the limits of their affordability.
- 3.7 The broader economic growth initiatives are largely positive – the grant to the Future Industries Institute, GigCity, defence investment attraction, green industry development and advancing the SA China Engagement Strategy are positive steps in reorienting our economy. However these seem to have been announced in isolation from work being undertaken through the Northern Economic Plan. Leveraging these initiatives for greater regional benefit (ie extending Gig City into the Salisbury City Centre) appear not to be addressed and as such should be prioritized through the Northern Economic Plan process.
- 3.8 As mentioned earlier, the decision to increase the Solid Waste Levy is likely to impact Council by approximately \$400k in 2016-17. Although it is stated that “*all extra funding received will be reinvested into waste, environmental and climate change programs*” the extent to which it will support Council to progress the actions identified in the recently endorsed Adapting Northern Adelaide plan, particularly in relation to the green industries initiatives, is unclear.
- 3.9 The attached agency statement targets highlight a range of strategy development that the state government will be undertaking in the next twelve months. These include development of a wellbeing plan, youth strategy, an NRM investment strategy, management plans for the International Bird Sanctuary, waste and resource recovery infrastructure, medium density guidelines, 30 Year Plan for Greater Adelaide, etc. This, and the implementation of programs such as Planning Reform, has the potential to require significant Council staff resources, to shape and respond to state-led initiatives.

4. CONCLUSION / PROPOSAL

4.1 While elements of the Budget will support Council's objectives, there are significant opportunities to explore how the announcements can be built upon to yield greater benefit for Salisbury and northern Adelaide more generally. These include meeting with relevant Ministers and Departments in relation to:

- Future office requirements for agencies currently located within the Salisbury City Centre and potential for relocation of agency staff into Salisbury City Centre;
- Redevelopment of the Salisbury Interchange as part of the planning for the Gawler Rail Line electrification
- Progression of the Mawson Innovation Precinct agenda to build on work undertaken in the early stages of the Northern Economic Plan and the announcements regarding the Future Industries Institute and Gig City; and
- Better integration of funding announcements into the Northern Economic Plan process.
- Clarification on the extent to which

CO-ORDINATION

Officer:

Date:

2016-17 State Budget Summary of Measures

The 2016-17 State Budget has been framed within an economic context whereby state growth lags the national rate (and is projected to continue to do so) with a flow on effect of relatively sluggish jobs growth (albeit at a higher rate than recent trend jobs growth). Forecasts and projections are provided in the table below.

Table 7.1: Key economic indicators — Australia and South Australia real growth rates (per cent per annum, year averages)

	2014–15 Actual	2015–16 Estimate	2016–17 Forecast	2017–18 Projection	2018–19 Projection	2019–20 Projection
Australia^(a)						
Gross Domestic Product (GDP)	2.2	2½	2½	3	3	3
South Australia						
Gross State Product (GSP)	1.6	1½	2	2¼	2¼	2¼
State Final Demand (SFD)	1.3	1½	2	2¼	2¼	2¼
Employment	0.5	½	¾	1	1	1
Adelaide Consumer Price Index (CPI)	1.6	¾	1¼	2¼	2½	2½

(a) Australian forecasts from Pre-Election Economic and Fiscal Outlook, 2016.

General government sector employment still remains in excess of that estimated in the 2015-16 budget and Mid-Year Budget Review. Given this, the budget seeks to limit public sector wage rises to 1.5% per annum noting “*the previous wage policy of limiting wage growth to 2.5 per cent per annum is well above recent Consumer Price Index (CPI) outcomes and is not sustainable in the current economic climate.*”

New measures in the budget of direct interest to Council include:

- **Solid Waste Levy Increase:** The metropolitan solid waste levy will increase from \$62 on 1 July 2016 to \$76 on 1 September 2016, \$87 in 2017–18, \$100 in 2018–19 and \$103 in 2019–20. The impact on Council is likely to be in the vicinity of \$400k in 2016-17.
- **Office of Green Industries SA Local Government Programs:** This initiative provides support to local government waste management through Local Government Waste and Resource Recovery programs. The programs include local government infrastructure grants, waste education programs, household hazardous waste collection and grants for innovative solutions for problematic waste.
- **Planning Reform Implementation:** \$24.8 million over four years for the development of an e-Planning information technology solution to move planning documents and processes online. The costs will be met from a staged development application fee increase and introduction of a Council levy as “the benefits from the reforms are delivered.” The budget factors in council levies ranging from \$4k to \$32k per annum depending on the extent of development activity and the level of assessment fees collected by councils.
- While no information has been made available at this stage it appears approximately 4,000 properties will be transferred from Housing SA to the community housing sector in 2016-17. The LGA is seeking clarification on the distribution of these properties.

All programs subject to formal agreements between the State Government and the LGA (e.g. Public Library Services, Stormwater Management, Community Wastewater

Management Scheme) appear to have been maintained and indexed in accordance with the agreements.

New measures in the budget of relevance to our community that may influence the attainment of City Plan objectives include:

- **Job Creation Grant Scheme:** To support businesses to grow and create new employment opportunities, grants will be made available for every new employee hired and maintained for two years by eligible businesses with total payrolls of \$5 million or less.
- **\$1.2 billion (\$782.6 million of which will be spent over the forward estimates)** for major public transport projects, which in the forward estimates period will include commencement of electrification of the Gawler Rail Line from the city to Salisbury (likely to be in the latter part of 2017).
- **Extending and expanding the off plan apartment stamp duty concession:** The current stamp duty concession, of up to \$15,000 for purchases of off-the-plan apartments that was due to expire on 30 June 2016 has been extended for a further 12 months. The eligibility area has expanded from the inner-metropolitan area to the whole of the state for eligible contracts entered into between 20 June 2016 and 30 June 2017.
- **Micro-Enterprise Development Program:** \$927k over three years to trial a micro-enterprise development program in northern Adelaide to enhance self-employment opportunities for vulnerable South Australians.
- **Thriving Communities:** \$450k in 2016–17 to the not-for-profit organisation, Together SA, to continue work in northern and southern Adelaide to host a state-wide leadership group and to lead community conversations on the future of children and young people in the area (noting that in northern Adelaide their focus has largely been on the City of Playford).
- **Advance Science and Technology Labs:** \$250 million over three years to refurbish and redevelop 139 public primary and secondary schools to deliver contemporary science, technology, engineering and mathematics (STEM) programs. Schools in Salisbury to receive funding are Burton Primary School, Gulfview Heights Primary School, Keller Road Primary School, Madison Park School, Mawson Lakes School, Para Hills School P-7, Parafield Gardens R-7 School, Salisbury Park Primary School, Settlers Farm Campus R-7, Paralowie R-12, Para Hills High School, Parafield Gardens High School, Salisbury East High School and Salisbury High School. Private schools are eligible to apply for low interest loans to construct new and updated learning facilities.
- **Families SA Northern Office:** The Families SA offices at Elizabeth, Gawler and Salisbury will be consolidated into one location at the former Smithfield Plains High School site. A \$15 million refurbishment of the site will be partially funded from the sale of surplus sites owned by the Department for Education and Child Development.
- **Enhanced Flood Response and Incident Management:** \$1.0 million in 2016–17 and \$1.5 million per annum from 2017–18 to establish the Flood Resilience SA Program to enhance the flood response and incident management capabilities of the South Australian State Emergency Service.

- **Environmental Assessment and Remediation:**
 - \$1.6 million in 2016–17 and \$1.8 million per annum from 2017–18 to enable assessment of contamination on land and in groundwater which pose a risk to the health of residents where there is no responsible party to undertake the assessment.
 - \$200k per annum from 2016–17 to provide remediation and mitigation assistance where individuals are exposed to unacceptable levels of harmful contamination.
- **Trade Waste Initiative:** \$5.3 million over three years to minimise impacts for trade waste customers, particularly those in the food and beverage industry:
 - resource productivity assessments to provide recommendations for improved trade waste management systems and associated resource efficiency improvements, reducing the costs associated with resource use and disposal .
 - implementation grants to support food and beverage manufacturers to implement the trade waste management recommendations arising from resource productivity assessments.
- **Climate Knowledge and Innovation Community:** \$250k to support the proposed establishment of a South Australian node of Climate KIC Australia, a business, research, and industry partnership based on the successful climate innovation model pioneered by Europe.
- **Advancing the SA China Engagement Strategy:** \$665k per annum (indexed) from 2016–17 towards the South Australia China Engagement Strategy by increasing the state’s presence in the Shandong province.
- **Investment in Innovation:** A package of \$29.8 million over four years including:
 - Investment in the Future Industries Institute — \$7.5 million over three years to the University of South Australia's Future Industries Institute to increase collaboration between the university and industry.
 - Gig City: \$4.7 million over four years to expand accessibility of firms in innovation nodes (including Technology Park) to SabreNet.
- **Defence Industry Attraction:** \$6 million over three years for defence industry attraction.
- **Economic Investment Fund:** \$10 million in each of 2017–18 and 2018–19 for the continuation of the Economic Investment Fund to secure new investment in South Australia by providing targeted assistance to attract business to the state.
- **Marketing and Events:** \$6.0 million over two years for destination development and domestic marketing campaigns to promote Adelaide and regional tourism experiences to the Australian market.

In addition to the expenditure items above, the budget contains a range of operational targets in the Agency Statements that may be of interest to Council including:

Attorney General

Release a domestic violence discussion paper consulting on specific topics regarding reform and updating the community on current initiatives.

Drive local implementation of phase two of the National Anti-Racism Campaign in partnership with key stakeholders.

Complete audit of section 270, *Local Government Act 1999*, internal review procedures of local councils.

Revise General Disposal Schedule 20 (5th Edition) to ensure comprehensive disposal coverage for the records of local government.

Communities and Social Inclusion

Deliver 50 debt deduct loans through Good Shepherd Microfinance (in Salisbury)

Develop a plan to support the government's aspiration to establish South Australia as a state of wellbeing.

Release the new Multicultural Strategy for South Australia.

Conduct a cross-sector round table on homelessness and family and/or relationship violence and publish findings.

Develop and release the 2017 Youth Strategy for South Australia.

Further implement the Volunteering Recognition Scheme for South Australia and officially launch the scheme.

Prepare for the transition of existing South Australian disability clients aged 18–64 who will enter the NDIS from July 2017.

Defence SA

Continue to promote South Australian solutions to bidders for the Land 400 Combat Vehicle System Phase 2 contract.

Continue to promote Edinburgh as the logical site for expanding the presence of Army and Air Force units and the establishment of maintenance facilities for the P8-A Poseidon aircraft and future unmanned vehicle piloting systems programs.

State Electoral Commission

Finalise redesign of local government election procedures and commence development of local government election management systems requirements.

State Emergency Services

Complete building works for a new facility for the Salisbury SES unit.

Environment, Water and Natural Resources

Develop an NRM Investment Strategy for South Australia, to be co-designed with key external partners.

Proclaim and prepare a management plan for a national park within the Adelaide International Bird Sanctuary and nominate the area for inclusion in the East Asian-Australasian Flyway.

Complete climate change adaptation plans in all 12 State Government regions, and develop a statewide Adaptation Action Plan.

Progress implementation of reforms to improve dog and cat management and welfare.

Through the Goyder Institute for Water Research, investigate optimisation of water resources in northern Adelaide, to support implementation of the Northern Adelaide Plains Agribusiness Initiative and development of the Northern Adelaide Food Park.

Amend the management plans for seven metropolitan parks to allow for further development of visitor experiences in parks, including mountain bike riding, bush camping, horse riding and dog walking.

Green Industries SA

Develop a statewide Waste and Resource Recovery Infrastructure Plan to provide a roadmap to guide future public/private investment in waste and resource recovery infrastructure that supports a resource efficient economy in South Australia.

Health

Double the number of councils engaged in the Food Safety Rating Scheme and in doing so, capture over 50 per cent of high risk food businesses in the state.

Completion of scope, design and procurement to construct an ambulance station in the Northern suburbs.

Planning, Transport & Infrastructure

Complete medium density guidelines to influence the quality of new housing types.

Enact transitional legislation to implement the *Planning, Development and Infrastructure Act 2016* in a staged approach over the next five years.

Publish the updated 30-Year Plan for Greater Adelaide.

Commence collaborative implementation of a new planning and development system including:

- Launch the New Planning Commission
- Launch the Community Engagement Charter
- Complete the Framework for the Planning and Design Code
- Complete the Framework for the State Planning Policies
- Launch the Planning Portal.

Deliver a regional sport pathways pilot project to improve access to specialist coaching to youth identified through talent identification program.

Reform the legislative provisions that govern how council boundaries can be changed under the *Local Government Act 1999*.

Implement the revised code of conduct for elected members and council employees.

Conduct further resurfacing of inner urban roads to improve ride quality

Commence major works on the Northern Connector.

Continue the upgrade of existing train stations with new platform surfaces, improve station accessibility, install bicycle enclosures and improve lighting, shelter and amenity of the stations.

Expand the number of local councils and schools actively engaged in Way2Go Bike Education, which promotes safer, greener and more active travel for primary schools and their communities.

Premier and Cabinet

Optimise government's international engagement efforts to deliver commercial outcomes which support job creation and growth in trade and investment in South Australia.

Monitor the implementation of a Low Carbon Investment plan for South Australia through the newly established Low Carbon Economy Unit.

Lead the implementation of a strategy to maximise economic, cultural and tourism opportunities from the submarine and shipbuilding contracts.

Provide easy access for all agencies to cloud services through an extension of the state's internet gateway to major cloud providers.

Primary Industries and Regions

Complete site planning for the Northern Adelaide Food Park and commence on-site construction works.

Assess feasibility of land-based aquaculture in the Two Wells to Whyalla Regional Corridor.

State Development

Implement the Northern Economic Plan in partnership with local government, industry and the community.

Continue to deliver Our Jobs Plan and Manufacturing Works initiatives to accelerate the transformation of the state's economy towards productive and competitive industries that are consistent with South Australia's economic priorities.

Broker Commonwealth, state and local government support for workers impacted by the closure/downsizing of automotive manufacturing companies

Assist automotive supply chain manufacturers impacted by the cessation of Cruze production and the closure of Ford's manufacturing operations in Australia.

Support General Motors Holden with their Elizabeth divestment approach

Continue to implement the Public Library Network's Tomorrow's Libraries strategic plan.

Review the provision of public library internet services and the Public Internet Service Framework to increase internet speed and enhance user experience.

Implement the first year of the UNESCO City of Music Events Fund to support live music events and new festivals that have the potential to grow into major tourist attractions.

Maintain the mine closure and future land use transition of the Dry Creek Salt Field, including progression of master planning of Section 1 (Dry Creek), continued planning and trials associated with site rehabilitation and investigations into third party uses for remaining northern land.

Include a 20 per cent minimum industry participation weighting for procurement and capital projects above \$220 000 to support the objectives of the Northern Economic Plan.

Strengthen the WorkReady Jobs First approach by implementing projects that: provide individuals with foundation skills (language, literacy and numeracy) and results in pathways to higher level courses or into entry level jobs.

Implement local and regional initiatives that integrate skills and employment activity, career services and family case management, in response to unique local circumstances, including redundancies.

Tourism

Work with DEWNR to implement the nature based tourism strategy and action plan.

Continue to encourage intrastate travel by promoting all South Australian tourism regions, with a focus on showcasing unique experiences, events and the state's six touring routes, in a new campaign to be featured on television and online.