



AGENDA

FOR COUNCIL MEETING TO BE HELD ON

23 OCTOBER 2017 AT 6:30 PM

IN THE COUNCIL CHAMBER, 12 JAMES STREET, SALISBURY

MEMBERS

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

REQUIRED STAFF

Acting Chief Executive Officer, Mr C Mansueto
General Manager City Development, Mr T Sutcliffe
Acting General Manager City Infrastructure, Ms K Pepe
General Manager Community Development, Ms P Webb
Manager Governance, Mr M Petrovski
Manager Communications and Customer Relations, Mr M Bennington
Governance Coordinator, Ms J Rowett
Team Leader Corporate Communications, Mr C Treloar
Governance Support Officer, Ms K Boyd

PRAYER

Father in heaven

We thank you for the wondrous resources of our City, for its people, its environment and its sense of community.

We thank you for the opportunity to now deliberate over how best to help our community.

Please bless that we will respect one another and that we will all do our best to make decisions that will help our community to grow and prosper.

Bless our efforts this day in God's name.

Amen.

KAURNA ACKNOWLEDGEMENT

The City of Salisbury acknowledges that we are meeting on the traditional Country of the Kurna people of the Adelaide Plains and pays respect to Elders past and present. We recognise and respect their cultural heritage, beliefs and relationship with the land. We acknowledge that they are of continuing importance to the Kurna people living today.

APOLOGIES

LEAVE OF ABSENCE

Leave of absence for this meeting was previously granted to Cr R Cook.

PUBLIC QUESTION TIME

DEPUTATIONS

DEP1 Anti-Poverty Network

In accordance with resolution 2027 from the 25 September 2017 Council Meeting, local residents, Aidan Jarvis and Jacinta Greaves will be in attendance as a deputation from the Anti-Poverty Network in relation to the Newstart Allowance and Council Engagement.

DEP2 Safety in Parabanks Shopping Centre Carpark

Mr William Cheffirs of the Shop, Distributive and Allied Employees Association will be in attendance in relation to safety concerns in the Parabanks Shopping Centre Carpark.

DEP3 Carisbrooke House Demolition

Mr Michael Cartwright has requested a written deputation as he is unable to attend personally due to his location in relation to the proposed demolition of Carisbrooke House (refer item 2.5.1 of the 16/10/2017 Works and Services agenda).

The information will be provided to Elected Members prior to the meeting.

PRESENTATION OF MINUTES

Presentation of the Minutes of the Council Meeting held on 25 September 2017.

Presentation of the Minutes of the Confidential Council Meeting held on 25 September 2017.

QUESTIONS ON NOTICE

QON1 Question on Notice - Enterprise Bargaining Agreement

Cr Beau Brug has submitted the following questions, and General Manager Business Excellence, Mr Charles Mansueto has provided the following responses:

Questions	City of Salisbury, AWU and Local Government Employees Enterprise Agreement No 10, 2016	City of Salisbury Municipal Officers Enterprise Agreement No 12, 2017
When does the current Enterprise Bargaining Agreement expire and what has been the total % increase in wages since this agreement?	<p>Expires: 30 June 2018</p> <p>% Increases:</p> <p>2.75% payable from 1 July 2016</p> <p>2.5% payable from 1 July 2017</p>	<p>New agreement to commence from 1 July 2017.</p> <p>Expires: 30 June 2019</p> <p>Awaiting approval of the agreement from the SA Employment Tribunal</p> <p>% Increases:</p> <p>2.2% from first full pay period on or after 1 July 2017</p> <p>2.2% from the first full pay period on or after 1 July 2018</p>
When is the next EBA negotiations commence and for what length of time is it expected to cover?	There is a requirement in the EA to commence negotiations “during the final six months of the life of the Agreement”. It is anticipated the Agreement will be for 2 years.	There is a requirement in the EA to “commence the process for negotiations for a new agreement six (6) months prior to the nominal expiry date”. It is anticipated the Agreement will be for 2 years.
Apart from council what other parties are involved in the EBA negotiations?	<p>AWU – Australian Workers Union, represented by AWU Industrial Officer.</p> <p>Local Government (LGE) Award Employee Workplace Representatives and nominated LGE Employees (last Agreement negotiation was 9 in total).</p>	<p>ASU – Australian Services Union, represented by ASU Industrial Officer</p> <p>ASU Employee Representatives and other nominated ASU Employees (last Agreement negotiation was 7 in total).</p>
What role does the CEO play in the negotiation?	The CEO is not a member of the negotiating team and does not negotiate on matters raised as part of the EA negotiations; however the CEO sets the strategic framework for the negotiations. The CEO provides leadership to Executive to identify management’s negotiating position to increasing productivity and flexibility of work practices in order to deliver a fiscally responsible agreement.	

	The CEO conducts briefings to all staff on the progress of negotiations and is the responsible officer who signs the approved agreement.	
How many staff, (indoor / outdoor) are affected by the EBA?	All staff covered by the Local Government Employees Award ("The Award is binding on the industry of the occupations of all persons excepting any clerical employees or other non manual workers engaged by any municipal corporation...") currently approximately 110 employees.	All administration employees whose duties are covered by the classification criteria of the Agreement. (Clause 1.3 Parties Bound) Currently this is approximately 315 employees. The Agreement is not binding on CEO & General Managers so they have been excluded from this number.
How does council and the EBA parties involved measure increased productivity and its subsequent correlation with income increases for the current agreement?	At the core of the enterprise agreements is the commitment for continuous improvement to review and improve service delivery and deliver more productive outcomes and cost savings for council.	
How will any EBA increases be expected to be funded by council?	Council incorporates an estimate of any future increases into its LTFP and annual budget, which is considered within the overall Council budget approval process.	
What if any discretion has the CEO have to exclude external parties from EBA negotiations?	<p>The <i>Fair Work Act 1994</i> sets out the regulations in relation to who can legally participate in the negotiation of an Enterprise Agreement. Registered Employee Associations (Trade Unions) may represent employees in any negotiations or proceedings in relation to Enterprise Agreements, providing they have members amongst the group of employees or are authorised in writing. The CEO cannot exclude the union from negotiations.</p> <p>Employees nominate their representatives to be part of the negotiating committee.</p>	

QON2 Question on Notice - future development of hilltop areas

At the 25/09/2017 Council Meeting, Mr Ian Rigby asked the following question, which was taken on notice.

Will Council continue to manage and look at future development of hilltop areas, not just Salisbury Heights, to ensure that water catchment and drainage is actioned prior to any current and future development approvals and have a third party review proposed improvements prior to any work commencing to establish what is really required rather than just makeshift improvements or changes which might not fully fix the concerns?

Acting General Manager City Infrastructure, Karen Pepe has provided the following response:

Council will continue to analyse and make assessments to determine appropriate designs for the whole City, which includes consideration of the 30 year plan, with respect to development and ongoing increases in runoff. This information is then used to determine flood mitigation strategies for the City.

QON3 Question on Notice - Salisbury Heights flooding issue

As part of Other Business at the 25/09/2017 Council Meeting, Cr Chad Buchanan provided further commentary on the Salisbury Heights flooding issue addressed in Public Question Time (PQT1) and referred to a newspaper article in March 2015 in which the Mayor made comments around investigations undertaken in relation to this matter. Councillor Buchanan then asked questions of the Mayor on behalf of Mr Adrian Rigby in relation to those comments.

The Mayor took the questions on notice.

The following response has been provided by the General Manager City Development, Mr Terry Sutcliffe:

A Stormwater Management Report was prepared as part of the investigations that were undertaken by Council when the land was rezoned to the Residential Hills Zone. These investigations included the preparation of a conceptual stormwater capture and disposal strategy for the affected area to cater for minor and major rainfall events, to ensure that post development water flow rates are maintained at the same rate as pre-development flow rates (noting however that with development the total volume of stormwater run-off increases, but the objective is to maintain the pre-development rate of flow, and to control volumes where possible). This information was made publicly available as part of the consultation process and Council considered that these investigations adequately addressed the stormwater management requirements for the precinct.

The following text is an excerpt from the Desired Character statement of the Residential Hills Zone that explicitly requires stormwater management to be a consideration for development in the precinct –

It will be important for development to include adequate stormwater management systems to ensure that development does not impact upon sites downstream, and does not over burden existing stormwater infrastructure. Development should be designed and sited to retain existing watercourses and drainage lines. In particular, allotments fronting the northern side of Taylor Avenue at Salisbury Heights contain a significant drainage line which runs through the rear of these allotments down to Stanford Road. An easement must be created to contain and protect this watercourse prior to any additional division of these allotments to ensure run-off is effectively managed and does not impact upon downstream properties.

At this stage, there have been no new housing estates constructed in the Coomurra Drive precinct as a result of the rezoning. Any current issues are due to existing development, including upstream from Coomurra Drive.

Council has also prepared a guideline specifically for the development of the Coomurra Drive precinct to facilitate a coordinated development outcome. The guideline is on Councils website (link below) and was posted to all the owners in the precinct.

http://www.salisbury.sa.gov.au/Build/Planning_Building_and_Forms/Development_Services_Fact_Sheets_and_Information/Residential_Hills_Zone_Coomurra_Drive_Salisbury_Heights

The guide has the following specific reference to storm water management.

Drainage

Stormwater should be satisfactorily managed on site and there should no substantial increase of stormwater flow rate and volume that increases the risk of flooding downstream. Where this is not possible, a stormwater contribution may be paid for Council to undertake works outside the development site to manage the flow velocity of stormwater and water quality.

Stormwater design and management will need to be addressed at the land division stage and will include the following:

- *Road reserves (swale) to slow flows;*
- *Roads designed as overland flow paths;*
- *Pipes to be designed for intended flows; and*
- *Energy dissipation devices to avoid erosion.*

Easements may be required where pipes traverse over private land. In some cases, a sewer easement may also be required.

The use of pumping systems is not favoured but where no other option is available, a double pump system designed to convey surface water drainage up to the street water table will be considered.

Applicants should consider engaging the services of an experienced and qualified stormwater engineer to assist with their stormwater design

QUESTIONS WITHOUT NOTICE

NOTICES OF MOTION

NOM1 Anti-Poverty Network

Cr Beau Brug has submitted the following Notice of Motion:

1. That the City of Salisbury thank the Anti-Poverty Network for addressing Council regarding the Newstart Allowance and how it affects City of Salisbury residents.
2. That Council will write to the relevant Federal Government Minister and/other local Federal Members of Parliament within the City of Salisbury in support of increasing the Newstart Allowance.
3. That Council acknowledges the work that it currently undertakes to assist the residents of City of Salisbury, and its commitment to work to help those that struggle in the community
4. Council recognises that the Newstart Allowance is a Federal Government issue, but believes that Council has a responsibility on behalf of our local unemployed residents, thus we support the call for the Newstart Allowance and other inadequate Allowances to be urgently raised. Council supports campaigns by organisations that are calling for this Allowance to be raised.

NOM2 Illegal Dumping

Cr Beau Brug has submitted the following Notice of Motion:

1. That staff report on strategies undertaken by Council in addressing illegal dumping.
2. That staff report on any further opportunities to increase utilisation and accessibility to current waste disposal services offered by the City of Salisbury.

NOM3 Council Meeting Close Time

Cr David Bryant has submitted the following Notice of Motion:

1. That Council's Code of Practice for Meeting Procedures be amended to reflect that where Council meetings continue to 11.30pm, unless there is a specific motion adopted at the meeting to continue beyond this time, the meeting will be adjourned to a date and time specified as part of the motion.

NOM4 Shopping Trolleys

Cr Beau Brug has submitted the following Notice of Motion:

1. That staff bring back a report on what options are available for Council to collect shopping trolleys and recoup costs from major retailers for dumped trolleys.
2. That staff advise what options are available for issuing fines for dumping trolleys.

NOM5 Closure of General Motors Holden

Cr Chad Buchanan has submitted the following Notice of Motion:

1. The City of Salisbury acknowledges the rich history and contribution of General Motors Holden to the Northern Suburbs of Adelaide, with the construction of the Holden plant in 1958, opening the body hardware plant in 1960, and opening the body and vehicle assembly plant in 1962, servicing the community until late 2017.
2. The City of Salisbury notes the Elizabeth plant, until its closure, was considered amongst the most efficient and productive of General Motors' car manufacturing plants in the world.
3. The City of Salisbury expresses its gratitude to the workers of General Motors Holden for their contribution to the City of Salisbury, the Northern Suburbs and the state of South Australia.
4. The City of Salisbury expresses its continued support for services that have been put in place to assist workers to transition into new employment beyond the Holden's closure, recognising that more work needs to be done for those who have not transitioned to other employment, and acknowledging that some have chosen to retire earlier than they might have done otherwise.
5. The City of Salisbury reaffirm its commitment to working to support further economic investment in the City and the Northern Suburbs, and to do what it can to support alternative industries and businesses that utilise the Holden's site in the future.
6. That the Chief Executive Officer write to the Premier of South Australia, the Minister for Automotive Transformation to express Council's continued willingness to work with them and our neighbouring Councils to implement the Northern Economic Plan.
7. The City of Salisbury expresses its sadness in the closure of car manufacturing in this state.

NOM6 Northern Connector Noise

Cr Beau Brug has submitted the following Notice of Motion:

1. That Council officers communicate with the Department for Transport and Infrastructure:
 - 1.1 to convey concerns of nearby residents regarding excessive noise during construction, and future traffic noise from the Northern Connector project; and
 - 1.2 request that the Department provide advice to residents about noise attenuation measures that can be implemented to resolve those concerns.

NOM7 Recreational Vehicle Site in the Salisbury City Centre

Cr Shiralee Reardon has submitted the following Notice of Motion:

1. That the report regarding the Recreational Vehicle Site in the Salisbury City Centre, as requested by a decision of Council on the 25 September 2017, be provided prior or at the meeting of Council in February 2018.

NOM8 Clean Up of Creeks/Trails

Cr Chad Buchanan has submitted the following Notice of Motion:

1. Staff report back on the current maintenance schedule over the last 5 years of our creeks, in particular the Little Para trail system.
2. Staff report back on the number of Council employees or contractors assigned to this task and how often this task is undertaken.
3. Staff provide costing of employing two full time Council employees, dedicated to maintaining and cleaning our trails, creeks and catchments (including ANZAC plantation, Salisbury Heights and required clean up in associated reserve/floodway).

NOM9 Salisbury City Centre Carparking

Cr Beau Brug has submitted the following Notice of Motion:

1. Noting Council's resolution of 24 April 2017 regarding the Salisbury, Mawson Lakes and Ingle Farm Car Parking Review as it relates to Salisbury City Centre, that a further report be provided to Council incorporating an analysis on the potential opportunities, merits, impediments and associated costs of constructing a multi-storey car parking facility in the Salisbury City Centre.

PETITIONS

No Petitions have been received.

COMMITTEE REPORTS

1 Policy and Planning Committee Meeting

Chairman - Cr D Pilkington

Consideration of the minutes of the Policy and Planning Committee Meeting - 16 October 2017 and adoption of recommendations in relation to item numbers:

Administration

1.0.1 Future Reports for the Policy and Planning Committee

It is recommended to Council that:

1. The information be received.

Community Development

1.1.1 2017/18 Library Service Christmas Operating Hours

It is recommended to Council that:

- a. On Saturday 23 December 2017 all Library Branches operate according to their normal branch operating hours, including the Justice of the Peace services.
- b. On Sunday 24 December 2017, (Christmas Eve) all Library Branches close.
- c. On 27, 28, 29, 30 and 31 December 2017 (declared public holidays) Len Beadell Library operates normal branch hours whilst all other library branches and the Justice of the Peace service remain closed.
- d. On Tuesday, 2 January 2018 all Library Branches and Justice of the Peace services return to normal operating hours.

1.1.2 Salisbury Suicide Prevention Community Network Update

It is recommended to Council that:

1. The information be received.
2. Council continue to support the Salisbury Community Suicide Prevention Network – ‘Every Life Matters’, by providing staff assistance for a maximum of 3 days per month for the next 12 months.

1.1.3 Minutes of the Youth Council Sub Committee meeting held on Tuesday 10 October 2017

1.1.3-YC1 Minutes of the Youth Council Sub Committee meeting held on Tuesday 13 June 2017

It is recommended to Council that:

The Minutes of the Youth Council Sub Committee Meeting held on 13 June 2017, be taken and read as confirmed.

1.1.3-YC2 Youth Council Membership

It is recommended to Council that:

1. That the resignation of Kimberly Daniels from the position of Mentor on Salisbury Youth Council be received and accepted.
2. That the resignation of Cameron Rowe from the position of Youth Member on Salisbury Youth Council be received and accepted.

1.1.3-YC3 Mentor Application

It is recommended to Council that:

1. That David Waylen be appointed as a Mentor to the Salisbury Youth Council until December 2018.

1.1.3-YC4 Youth Council Project Team Updates

It is recommended to Council that:

1. That the information be received and noted.

1.1.3-YC5 SA Youth Week 2018

It is recommended to Council that:

1. That the information be received and noted.

1.1.3-YC6 Twelve25 Salisbury Youth Enterprise Centre - October Update

It is recommended to Council that:

1. That the information be received and noted.

1.1.3-YCOB1 Salisbury North Skate Park Upgrade

It is recommended to Council that:

1. That staff provide a report in December 2017 with costings for upgrading shading, seating and lighting and refurbishing the Salisbury North Skate Park for budget consideration.

1.1.3-YCOB2 Support for Newstart Allowance

It is recommended to Council that:

1. That Youth Council develop a working party to organise correspondence to the Minister for Human Services outlining support of Newstart Allowance.

Urban Development

1.3.1 Salisbury Community Hub - Update Report

It is recommended to Council that:

1. That the report be received.

2 Works and Services Committee Meeting

Chairman - Cr G Reynolds

Consideration of the minutes of the Works and Services Committee Meeting - 16 October 2017 and adoption of recommendations in relation to item numbers:

Administration

2.0.1 Future Reports for the Works and Services Committee

It is recommended to Council that:

1. The information be received.

Property

2.5.1 Carisbrooke House - Future Use

It is recommended to Council that:

1. The item be deferred and staff provide further information regarding the option of sub-division and sale of Carisbrooke House with appropriate encumbrances and rights of way.

Public Works
2.6.1 Capital Progress Report - September 2017

It is recommended to Council that:

1. Following community consultation, retain the playground currently located at Hailes Green, Salisbury, and return the associated project balance of \$9k within PR20018 Play Space / Playground Renewal Program.
2. Amend the 2017/18 PR22843 Plant and Fleet Replacement Program to reflect the changes as set out in this report (Item No. 2.6.1 Works and Services Committee, 16 October 2017).
3. Amend the 2017/18 PR13952 School Zones and Pedestrian Crossings Program to reflect the change as set out in this report (Item No. 2.6.1 Works and Services Committee, 16 October 2017).
4. The 2017/18 PR18097 Building Renewal Program as set out in this report (Item No. 2.6.1 Works and Services Committee, 16th October 2017) be endorsed for detailed design and implementation.
5. Amend the 2017/18 PR20548 Bridge Renewal Program to reflect the changes as set out in this report (Item No. 2.6.1 Works and Services Committee, 16th October 2017).
6. Due to an unsuccessful grant application, include within the 2017/18 First Quarter Budget Review, the adjustment of expected income from \$75k to \$0, defer the associated Greenfields Industrial Area Traffic Improvement project for future consideration whilst retaining the \$75k expenditure budget within the program to supplement costs incurred constructing the new roundabout at RM Williams / Wright Road, eastern intersection.
7. Approve the inclusion of a non-discretionary 2017/18 First Quarter Budget Review \$30k additional expenditure budget allocation for PR23413 Mawson Lakes Fitness Loop and Equipment project.
8. Include within the 2017/18 First Quarter Budget Review, the additional \$54k income and expenditure associated with PR23459 Fairbanks Reserve & Byron Bay Traffic, with the result being nil effect.
9. Include within the 2017/18 First Quarter Budget Review an approved \$20k non-discretionary bid for PR23459 Fairbanks Reserve & Byron Bay Traffic to address the fitness loop additional expenditure.
10. Include within the 2017/18 First Quarter Budget Review an adjustment to income and expenditure budget within PR22512 Drainage & Waterways Planning Program to amend income budget from \$60k to \$0, expenditure budget from \$60k Council contribution to \$70k, with the approval to action upon acceptance of this report.

2.6.2 Dog Parks for Small Dogs

It is recommended to Council that:

1. The information within this report be received and noted.
2. A budget bid for small dog park areas be developed for consideration as part of the 2018/19 budget deliberations and this includes construction costs for dog parks and legal costs for the by-law review.

2.6.3 Flooding Issues - Anzac Plantation Catchment, Salisbury Heights

It is recommended to Council that:

1. Council receive and note the information in this report.

2.6.4 Salisbury Wetlands - Management and Opportunities

It is recommended to Council that:

1. That the report be received and noted.
2. That Council note the ongoing importance of the Salisbury wetland program in contributing to the Adelaide Coastal Water Quality Improvement Plan, managed by the SA EPA.
3. That staff proceed with detail design and costings to facilitate kayaking at the Greenfield wetlands and report back to Council.

Confidential Items

Refer to CONFIDENTIAL ITEMS section of Council Agenda

2.9.1 Revocation of Community Land Classification for the whole of Neales Green, a portion of Salisbury Oval and the whole of St Jays Recreation Centre

3 Resources and Governance Committee Meeting

Chairman - Cr S Bedford

Consideration of the minutes of the Resources and Governance Committee Meeting - 16 October 2017 and adoption of recommendations in relation to item numbers:

Administration

3.0.1 Future Reports for the Resources and Governance Committee

It is recommended to Council that:

1. The information be received.

Corporate Management

3.5.1 White Ribbon Australia Accreditation

It is recommended to Council that:

1. Information be received.
2. The City of Salisbury participates in the White Ribbon Australia Workplace Accreditation Program.
3. A New Initiative Bid for \$31,000 to include the \$15,000 accreditation fee and additional resource is put forward for Council consideration in the 2018/19 budget.

Corporate Governance

3.6.1 Investigation of options for changes to audio recording of Committee and Council meetings

It is recommended to Council that:

1. Audio recording be undertaken for all Council and standing committee meetings.
2. Where an audio recording of a meeting is taken, the minimum retention period be for the remainder of the current term of the Council with retention beyond that period then determined by the *State Records Act 1997* and General Disposal Schedule 20.
3. The Code of Practice for Meeting Procedures be modified to include the following:

S.REC RECORDING OF MEETINGS

(1) Public meetings of Council and Council Standing Committees may be recorded to assist the Minute Secretary with preparation of the minutes following the meeting. The recording is not intended to be an enduring record of the meeting: the minutes exist for that purpose.

- (2) *Any recording of a Council or Council Standing Committee meeting will be retained for the remainder of the current term of the council.*
- (3) *Where a copy of any recording of a Council or Council Standing Committee meeting is accessed/provided for a purpose other than preparation of the minutes, the recording will be retained within the City of Salisbury record keeping system in accordance with the requirements of the State Records Act 1997 with the retention period as determined by the General Disposal Schedule 20.*
4. To facilitate audio recording of meetings convened in locations other than the Council Chamber, a mobile recording solution, microphone and laptop allocated to the Governance Division, be purchased or leased at an estimated purchase cost of up to \$2,500.
 5. The facilitation of an externally web-hosted video recording of Council and committee meetings and associated publishing be considered as part of the 2018/19 budget process.

3.6.2 Amendments to Local Government Act and Regulations Mobile Food Vans

It is recommended to Council that:

1. This report be received and noted.
2. Staff provide a further report in December 2017 for Council to consider adoption of a Mobile Food Vendors Policy.

3.6.3 Variations to Delegations

It is recommended to Council that:

1. In exercise of the power contained in Section 44 of the *Local Government Act 1999* the powers and functions under the following Acts contained in the proposed Instruments of Delegation forming attachments to this report (Attachments 1 and 2, Item No. 3.6.3, Resources and Governance Committee, 16/10/2017), are hereby delegated from 30 October 2017 to the person occupying the office of Chief Executive Officer, subject to the conditions and/or limitations indicated herein or in the Schedule of Conditions contained in the proposed Instruments of Delegation as follows:
 - 2.1 *Natural Resources Management Act 2004*
 - Sections 135(1), 135(2), 135(16), 135(18), 147(2), 149(1), 149(2), 149(4), 150(1), 150(4) – Attachment 1
 - 2.2 *Environment Protection Act 1993*
 - Section 38(1), 38(3), 54C(2), – Attachment 2
2. Such powers and functions may be further delegated by the Chief Executive Officer as the Chief Executive Officer sees fit and in accordance with the relevant legislation unless otherwise indicated in the conditions and/or limitations specified in the Delegations Register.

4 Audit Committee Meeting

Chairman - Cr G Reynolds

Consideration of the minutes of the Audit Committee Meeting - 10 October 2017 and adoption of recommendations in relation to item numbers:

Administration

4.0.1 Appointment of Deputy Chairman - Audit Committee

It is recommended to Council that:

1. Mr C Johnson be appointed as Deputy Chairman of the Audit Committee for the remainder of the term of Council.

4.0.2 Future Reports for the Audit Committee of Council

It is recommended to Council that:

1. The information be received.

Reports

4.2.1 Report to the Audit Committee for the year ended 30 June 2017, prepared by Bentleys

It is recommended to Council that:

1. The information be received.

4.2.2 End of Financial Year Statements and Analysis

It is recommended to Council that:

1. The information be received.
2. In accordance with Section 126(4)(a) of the Local Government Act 1999 the Audit Committee advises that it has reviewed the annual financial statements of the Council for the year ended 30 June 2017 and is satisfied they present fairly the state of affairs of Council, subject to satisfactory responses to the following questions taken on notice which will be circulated out of session, with changes in the financial statements made where appropriate:
 - a. How is it that the Statement of Cash Flows has Payment for Materials, Contracts and Other Expenses of \$54M, whereas the Statement of Comprehensive Income shows \$48.8M, without a \$6M reduction in creditors?
 - b. Why does Note 11 reconciliation of Cash show a balance of Net (increase)/decrease in inventories and Net increase/(decrease) in Trade and Other Payables which are inconsistent with the balance sheet?

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- c. Why does the movement in the share of the operating result for NAWMA in Note 19 not reconcile to the equity share disclosed in the Statement of Comprehensive Income?
 3. In accordance with Regulation 22 of the Local Government (Financial Management) Regulations 2011 clauses (3) (a) and (4), that the Chief Executive Officer and the Chair of the City of Salisbury Audit Committee sign the statement to certify the independence of the Council Auditor, Bentleys.

6 Budget and Finance Committee Meeting

Chairman - Cr R Zahra

Consideration of the minutes of the Budget and Finance Committee Meeting - 16 October 2017 and adoption of recommendations in relation to item numbers:

Administration

6.0.1 Future Reports for the Budget and Finance Committee

It is recommended to Council that:

1. The information be received.

6.0.2 Minutes of the Program Review Sub Committee meeting held on Monday 9 October 2017

6.0.2-PRSC1 Future Considerations of Program Review Sub Committee

It is recommended to Council that:

1. That staff bring back a further report based on Part 6 of this report (PRSC 09/10/2017, PRSC1 Future Considerations of Program Review Committee), including options for a new name for the Sub Committee and membership details to include the Mayor and one Elected Member from each ward with the other Elected Member from each ward as proxy, together with draft Terms of Reference for further consideration.

Finance

6.1.1 Budget Timetable 2018/19

It is recommended to Council that:

1. Information be received.
2. Council endorse the timetable for the preparation and presentation of the 2018/19 budget, subject to adoption of meeting schedule by Council at the November Council meeting.
3. That the proposed weekend workshop in February 2018 be held locally and not as a residential workshop.

Confidential Items

Refer to CONFIDENTIAL ITEMS section of Council Agenda

6.9.1 Action of Rate Accounts Outstanding under Section 184 of the Local Government Act 1999

7 Sport, Recreation and Grants Committee Meeting

Chairman - Cr L Caruso

Consideration of the minutes of the Sport, Recreation and Grants Committee Meeting - 9 October 2017 and adoption of recommendations in relation to item numbers:

Administration

7.0.1 Future Reports for the Sport, Recreation and Grants Committee

It is recommended to Council that:

1. The information be received.

Community Grants

7.2.1 Youth Sponsorship - September Applications

It is recommended to Council that:

1. The information be received.

7.2.2 Community Grants Program Applications for October 2017

It is recommended to Council that:

1. The information be received and noted.

7.2.3 10/2017: Adelaide FX Drilldance Team Inc. - Community Grants Program Application

It is recommended to Council that:

1. The information be received and noted.

7.2.4 20/2017: Providence Chick [World Harvest Christian Centre Inc.] - Community Grants Program Application

It is recommended to Council that:

1. The information be received and noted.

7.2.5 21/2017: Australian Refugee Association Inc. - Community Grants Program Application

It is recommended to Council that:

1. The information be received and noted.

7.2.6 24/2017: Uniting In Care Salisbury Inc. - Community Grants Program Application

It is recommended to Council that:

1. It be noted that, in accordance with delegated powers set out in the endorsed Terms of Reference, the Sport, Recreation and Grants Committee assessed and allocated funding for the October 2017 round of Community Grants as follows:
 - a. Grant No. 24/2017: Uniting In Care Salisbury Inc. be awarded the amount of **\$2,500.00** to assist with the purchase of \$20 Essential Cards for the 2017 Parcel of Love project as outlined in the Community Grant Application and additional information.

7.2.7 26/2017: Penfield Pistol, Rifle and Archery Club Inc. - Community Grants Program Application

It is recommended to Council that:

1. It be noted that, in accordance with delegated powers set out in the endorsed Terms of Reference, the Sport, Recreation and Grants Committee assessed and allocated funding for the October 2017 round of Community Grants as follows:
 - a. Grant No. 26/2017: Penfield Pistol. Rifle and Archery Club Inc. be awarded the amount of **\$2,500.00** to assist with the purchase of a defibrillator for ongoing use as outlined in the Community Grant Application and additional information.

7.2.8 Strategic and International Partnerships Sub Committee Grant Criteria Consideration Request

It is recommended to Council that:

1. The information be received and noted.
2. A report, outlining options to include the Sister City Program in the Youth Sponsorship and Community Grants Program Guidelines be provided to the Sport, Recreation and Grants Committee for consideration in November 2017.

GENERAL BUSINESS

GB1	End of Year Financial Statement and Analysis	81
GB2	Code of Conduct Complaint 02/2017 - Investigation Findings	157
GB3	Voting Advice to Council Delegate for the Local Government Association Annual General Meeting - 16 November 2017	161

OTHER BUSINESS

MAYOR'S DIARY.....	171
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REPORTS FROM COUNCIL REPRESENTATIVES

CONFIDENTIAL ITEMS

2.9.1 **Revocation of Community Land Classification for the whole of Neales Green, a portion of Salisbury Oval and the whole of St Jays Recreation Centre**

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)(b)(i) and (b)(ii) 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 could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct, business, or to prejudice the commercial position of the council; and*
 - *information the disclosure of which would, on balance, be contrary to the public interest.*
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*
 - *Non-disclosure of this matter at this time would protect Council's commercial position as public disclosure may provide third parties with a commercial advantage.*

*On that basis the public's interest is best served by not disclosing the **Revocation of Community Land Classification for the whole of Neales Green, a portion of Salisbury Oval and the whole of St Jays Recreation Centre** 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.*

6.9.1 Action of Rate Accounts 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*
 - *Non-disclosure of the matter and discussion of this item in confidence would protect information related to the personal affairs of any person (living or dead) and proposed action by Council where the rates for a property have been outstanding for a period of not less than three years.*

*On that basis the public's interest is best served by not disclosing the **Action of Rate Accounts 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.*

C1 Minter Ellison Lawyers - Report on the Investigation of Code of Conduct Complaint 02/2017

Pursuant to Resolution 2142 of 23/10/2017, item C1 is no longer confidential, effective 23/10/2017

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*
 - *Non disclosure of this matter at this time will provide Council with the opportunity to consider the detailed report before determinining the confidentiality to apply in future*

*On that basis the public's interest is best served by not disclosing the **Minter Ellison Lawyers - Report on the Investigation of Code of Conduct Complaint 02/2017** 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 the Acting Chief Executive Officer, General Managers, Manager Governance and Governance Support Officer be excluded from attendance at the meeting for this Agenda item.*

CLOSE



Charles Mansueto
ACTING CHIEF EXECUTIVE OFFICER



MINUTES OF COUNCIL MEETING HELD IN THE COUNCIL CHAMBER, 12 JAMES STREET, SALISBURY ON

25 SEPTEMBER 2017

MEMBERS PRESENT

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

STAFF

Chief Executive Officer, Mr J Harry
General Manager Business Excellence, Mr C Mansueto
General Manager City Development, Mr T Sutcliffe
Acting General Manager City Infrastructure, Ms K Pepe
General Manager Community Development, Ms P Webb
Acting Manager Governance, Ms J Rowett
Team Leader Corporate Communications, Mr C Treloar
Legal Adviser, Mr M Kelledy
Governance Support Officer, Ms K Boyd

The meeting commenced at 6:30 pm.

OPENING PRAYER AND WELCOME

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

The Chief Executive Officer read the Opening Prayer.

The Mayor read the Kaurna Acknowledgement.

APOLOGIES

An apology was received from Cr S Bedford.

LEAVE OF ABSENCE

Leave of absence for this meeting was previously granted to R Cook.

PUBLIC QUESTION TIME

PQT1 Public Question Time - Salisbury Heights Flooding

Mr Adrian Rigby from Salisbury Heights submitted the following questions in relation to the Marilyn Court water catchment drain at Salisbury Heights:

1. We see that there has been what we consider an interim fix to the inlet by attaching a grid to the front of the concrete entry. Is this the final solution to the requested fix?
2. Has this been presented as an engineering solution and if not, how was this fix reported to be done?
3. I was made aware by a Councillor that this has been a known issue prior to the flood and funding was a problem. Why was this not considered then? After the flood, I was provided photo evidence by surrounding neighbours and letters relating to the known issues prior to the flood.

Mr Ian Rigby was also in attendance.

The Chief Executive Officer, Mr John Harry has provided the following response:

1. *With respect to blockages, the extension of the grid further in front will significantly decrease the likelihood of blockage, against the pipe. However, it should be noted that as a result of the incident, Marilyn Court has been put on a "Prior to Storm – Review List" for Field Services to inspect, similar to key entry pits/headwalls in other areas, particularly on Escarpment Dams, prior to major rain events.*
2. *Moving the grid forward has been completed by maintenance staff in accordance with appropriate stormwater practices, but Council is also addressing, highlighted as a result of the event, the alteration of the overflow path to be constructed in 2017/18.*
Moving the grid was considered to be a practical way of improving the functionality of the inlet and was undertaken by maintenance staff. As a consequence of this event, Council is also considering changes to the overland flow path for possible works in 2017/18.

3. *While the information obtained from “a councillor” is not clarified in the question, Council administration believes that those comments made in the past may make reference to flooding issues further up the catchment rather than in the vicinity of Mr Rigby’s property.*

Council has from time to time received and considered information regarding stormwater flows in the general locality, but nothing alerted council to the likelihood of the particular problem experienced at this location on the date in question, which occurred during an unusually high /intense rainfall event.

The drainage network in this locality, like all drainage systems, has limited capacity. In times of significant rainfall, overland water flows may occur at various locations within Council's district, and may take some time to dissipate. Areas which are more problematic are identified over time and as part of Council's ongoing infrastructure program, improvements are funded and undertaken within the Council's budget. These projects are ongoing. An example of that is the Anzac drive minor flooding project which will be completed this financial year.

Council’s CEO and Staff have met with Mr Rigby to discuss this matter further and it is noted that, at its meeting on 28 August 2017, Council resolved that Staff bring back a report and costings on providing a permanent long term solution at the Anzac Plantation Catchment at Salisbury Heights. This report is in the process of being prepared and will be presented to Council at its October meeting.

Bring forward Items 2.5.3, 2.5.2 and 1.3.4, including associated Deputations, Reports and Notices of Motion to this point of the agenda

Moved Cr D Bryant
Seconded Cr S White

1. That Items 2.5.3, 2.5.2 and 1.3.4, including Deputations, Reports and Notices of Motion be brought forward to this point of the agenda.

**CARRIED
2021/2017**

COMMITTEE REPORT

Works and Services Committee Meeting

Property

2.5.3 Expressions of Interest - Facility (Southern End) and fenced playing field at Adams Oval, Salisbury North

Cr C Buchanan declared a perceived conflict of interest on the basis of being a previous member of the Pooraka Football Club but did not state how he would handle the conflict of interest.

Cr C Buchanan left the meeting at 06:52 pm.

Cr C Buchanan returned to the meeting at 06:53 pm.

Moved Cr D Balaza

Seconded Cr L Caruso

1. The information in this report be received and noted.
2. Salisbury United Junior Football Club be awarded the lease agreement for the facility (southern end) and fenced playing fields at Adams Oval, Salisbury North as identified in the attached site plan (Attachment 1, Item No. 2.5.3, Works and Services Committee 18/9/2017) from 1 October 2017 and expiring on 30 September 2018, in line with all the current sporting club lease period.
3. Staff assist Salisbury United Junior Soccer Club in facilitating discussions with Elizabeth and Districts Junior Soccer Association Inc. for the use of the pitch adjoining the clubrooms for training.
4. Staff to assist in facilitating discussions with Pooraka Football Club, the opportunity for Metro United Women's Football Club to become the Lessee for the facility they currently sub licence from them.
5. Subject to Pooraka Football Club consenting to Metro United Football Club taking on the lease for the facility they currently sub licence, staff proceed with facilitating the lease agreement for a period agreed to by both parties expiring on 30 September 2018, in line with the current sporting club leased period.

With leave of the meeting and consent of the seconder Cr D Balaza VARIED the MOTION as follows:

1. The information in this report be received and noted.
2. Salisbury United Junior Football Club be awarded the lease agreement for the facility (southern end) and fenced playing fields at Adams Oval, Salisbury North as identified in the attached site plan (Attachment 1, Item No. 2.5.3, Works and Services Committee 18/9/2017) from 1 October 2017 and expiring on 30 September 2018, in line with all the current sporting club lease period.

3. Staff assist Salisbury United Junior Soccer Club in facilitating discussions with Elizabeth and Districts Junior Soccer Association Inc. for the use of the pitch adjoining the clubrooms for training.
4. Staff to assist in facilitating discussions with Pooraka Football Club, the opportunity for Metro United Women's Football Club to become the Lessee for the facility they currently sub licence from them.
5. Subject to Pooraka Football Club consenting to Metro United Football Club taking on the lease for the facility they currently sub licence, staff proceed with facilitating the lease agreement for a period agreed to by both parties expiring on 30 September 2018, in line with the current sporting club leased period.
6. That a further report be brought back to Council outlining discussions with the Pooraka Football Club and the Metro United Football Club.

CARRIED
UNANIMOUSLY
2022/2017

PUBLIC QUESTION TIME (continued)

The Mayor noted that Mr Adrian Rigby had arrived and invited him and his father, Mr Ian Rigby to step forward to ask any further questions in relation to PQT1.

Question from Mr Ian Rigby:

Will Council continue to manage and look at future development of hilltop areas, not just Salisbury Heights, to ensure that water catchment and drainage is actioned prior to any current and future development approvals and have a third party review proposed improvements prior to any work commencing to establish what is really required rather than just makeshift improvements or changes which might not fully fix the concerns?

The further question was taken on notice.

DEPUTATIONS

DEP1 Revocation of Community Land Classification on Neales Green

Ms Kay Nash was in attendance as a deputation in relation to the proposed revocation of community land classification on Neales Green (refer item 2.5.2 of the 18/09/2017 Works and Services agenda).

DEP2 Revocation of Community Land Classification on Neales Green

Mr Steve Hines was not able to attend as a deputation in relation to the proposed revocation of community land classification on Neales Green (refer item 2.5.2 of the 18/09/2017 Works and Services agenda).

COMMITTEE REPORT

Works and Services Committee Meeting

Property

2.5.2 Revocation of Community Land Classification for the whole of Neales Green, a portion of Salisbury Oval and the whole of St Jays Recreation Centre

Moved Cr G Reynolds
Seconded Cr C Buchanan

1. Staff provide a further report to Council addressing issues raised in relation to Neales Green at the September Council meeting and implications for the Master Plan on Salisbury Oval.

**CARRIED
2023/2017**

DEPUTATIONS (continued)

DEP3 Community Hub

Ms Sandra Holloway was in attendance as a deputation in relation to the Community Hub (refer item 1.3.4 of the 18/09/2017 Policy and Planning Committee agenda).

DEP4 Community Hub

Mr Tony Rossi was in attendance as a deputation in relation to the Community Hub (refer item 1.3.4 of the 18/09/2017 Policy and Planning Committee agenda).

NOTICES OF MOTION

NOM6 \$43 Million Dollar Council Hub

Cr C Buchanan sought leave of the meeting to speak for a further five minutes and leave was not granted.

Cr D Bryant left the meeting at 07:57 pm.

Cr D Bryant returned to the meeting at 07:58 pm.

Cr D Balaza declared a perceived conflict of interest on the basis of being a member of the governing body of the Salisbury Business Association. Cr Balaza managed the conflict by remaining in the meeting and voting in the best interest of the community.

Cr G Caruso moved a FORMAL MOTION that the MOTION be PUT.

Seconded Cr D Proleta

**CARRIED
2024/2017**

*A **DIVISION** on the **FORMAL MOTION** was requested by Cr C Buchanan and the following members responded to the Mayor's call as having voted in favour of the **FORMAL MOTION**:*

*Crs D Proleta, D Bryant, G Caruso, L Caruso, E Gill,
D Pilkington, S White and J Woodman*

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

*Crs D Balaza, B Brug, C Buchanan, S Reardon, G Reynolds and
R Zahra*

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

Moved Cr C Buchanan

Seconded Cr B Brug

1. Council notes that the Hub is one of the main issues of contention in the community. Council notes that it has made a decision to proceed with spending of \$43 million of ratepayer's money on a new building instead of considering one of the four options outlined in the MPH Builders Report dated 5th May 2015.
2. Elected Members and more importantly the public, were never presented with the following issues with the current building before the consultation, the report contends that:
 - a. Office accommodation is cellular, fragmented and inconsistent.
 - b. Lunchroom is segregated on level 2.
 - c. Some areas are only accessible by stairs which contravenes the disability access code.
 - d. Various workstation sizes possibly creating unnecessary hierarchy issues with staff.

- e. Work point sizes below minimum guidelines standard of 6 square metres.
 - f. Lack of central amenities and support spaces.
 - g. The Records Building and the Home Assist building are disconnected from the main building thus undermining the desirable characteristics of a contemporary office design.
 - h. Non-compliance with current Building Code of Australia in areas including toilet design, disability access, earthquake performance and energy efficiency.
3. Council acknowledges that the Elected Members and the public were never properly advised or made aware through Council reports of the "key issues in the current Municipal Office" as mentioned in Part 3 of the motion. Instead both Council and residents during public consultation period were only advised of issues of building code non-compliance relating to disability access (toilets), earthquake code and a suggested baseline costing (\$11.25 million) that would be required to repair the Civic Centre to resolve these identified issues. Council notes that the only identified issues presented to Elected Members and the public was in relation to item (h) of part 3 of this motion and not any of the issues (a) - (g) were mentioned thus the consultation was flawed.
 4. Therefore Elected Members and the public must consider the full information, options and issues raised in the MPH Builders report, therefore to repair the existing building it may cost less than \$11 million and would be a more viable solution than spending \$43 million and with further 3 percent rate increases to pay for the new proposed building.
 5. As a result, and as part of a proper due diligence and cost benefit analysis process, Council not proceed at this stage with the current Hub plan until Council has given proper and full consideration of MPH Builders Reports and staff provide costings and explanations of all of the key issues identified in part 2 of the motion and give further consideration to the real "key issues with the Municipal Building" before proceeding with the current \$43 million proposed hub.
 6. Furthermore, request Council to extend the consultation to residents with information received from part 5 before making any further serious decisions as to spending on the Hub.

LOST

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

Crs D Balaza, B Brug and C Buchanan

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

Crs D Proleta, D Bryant, G Caruso, L Caruso, E Gill, D Pilkington, S Reardon, G Reynolds, S White, J Woodman and R Zahra

*The Mayor declared the **MOTION** was **LOST***

NOM5 Community Hub

Cr D Balaza declared a perceived conflict of interest on the basis of being a member of the governing body of the Salisbury Business Association. Cr Balaza managed the conflict by remaining in the meeting and voting in the best interest of the community.

Moved Cr D Balaza

Seconded Cr C Buchanan

1. That the report that makes up item 1.3.4 Policy and Planning be received, and the current status of the Salisbury City Centre Community Hub project be noted.
2. That the Salisbury Community Hub Design Development Report – Hassell Studios September 2017 provided as Attachment 2 Item No. 1.3.4 Policy and Planning Committee 18/09/2017) be noted.
3. The proposed Salisbury Community Hub project in its current form be deferred pending the following:
 - a) Staff to undertake and present an updated detailed engineers report in regards to the current condition of the existing council building to be presented to council for consideration.
 - b) Staff to undertake and provide detailed and itemised costings and plans in regards to the upgrade of the current existing council building, including a draft design incorporating a better usage of existing floor space as well as a costing breakdown of each item raised within the engineers report that suggests action is required.
 - c) Upon receipt of the above information, the Concept of the Salisbury City Centre Community Hub be removed from hold to allow for an informed decision to be made.

LOST

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

Crs D Proleta, D Balaza, B Brug, C Buchanan and S Reardon

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

Crs D Bryant, G Caruso, L Caruso, E Gill, D Pilkington, G Reynolds, S White, J Woodman and R Zahra

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

NOM7 Hub Proposal

Cr S White left the meeting at 08:28 pm.

Cr S White returned to the meeting at 08:30 pm.

Cr D Balaza declared a perceived conflict of interest on the basis of being a member of the governing body of the Salisbury Business Association. Cr Balaza managed the conflict by remaining in the meeting and voting in the best interest of the community.

Moved Cr B Brug

Seconded Cr C Buchanan

1. That Council conduct further consultation now that the Hub Building Report has been released to the public.
2. That Council wait until this consultation is completed before proceeding.

With leave of the meeting and consent of the seconder Cr B Brug
VARIED the MOTION as follows:

1. That Council conduct further consultation for a duration of three months now that the Hub Building Report has been released to the public.

Leave was not granted

With leave of the meeting and consent of the seconder Cr B Brug
VARIED the MOTION as follows:

1. That Council conduct further consultation on the MPH Building Report now that the Report has been released to the public.
2. That Council wait until this consultation is completed before proceeding.

LOST

*The majority of members present voted AGAINST the MOTION.
Cr D Balaza voted IN FAVOUR of the MOTION.*

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

Crs D Balaza, B Brug and C Buchanan

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

Crs D Proleta, D Bryant, G Caruso, L Caruso, E Gill, D Pilkington, S Reardon, G Reynolds, S White, J Woodman and R Zahra

*The Mayor declared the **MOTION** was **LOST***

BREAK

In accordance with section 10 (2) of the Code of Practice for Meeting Procedures, the presiding member provided a break to all present. The meeting was suspended at 8:57 pm.

The meeting reconvened at 9:11 pm.

COMMITTEE REPORTS

Policy and Planning Committee Meeting

Urban Development

1.3.4 Salisbury Community Hub - Design Development Report

Cr L Caruso left the meeting at 09:18 pm.

Cr L Caruso returned to the meeting at 09:19 pm.

Cr S White left the meeting at 09:19 pm.

Cr S White returned to the meeting at 09:23 pm.

Cr C Buchanan sought leave of the meeting to speak for a further one minute and leave was granted.

Cr G Reynolds left the meeting at 09:29 pm.

Cr G Reynolds returned to the meeting at 09:31 pm.

Cr D Balaza declared a perceived conflict of interest on the basis of being a member of the governing body of the Salisbury Business Association. Cr Balaza managed the conflict by remaining in the meeting and voting in the best interest of the community.

Moved Cr D Pilkington

Seconded Cr D Bryant

1. That the report be received, and the current status of the Salisbury City Centre Community Hub project be noted.
2. That the Salisbury Community Hub Design Development Report – Hassell Studios September 2017 provided as Attachment 2 Item No. 1.3.4 Policy and Planning Committee 18/09/2017) be endorsed to proceed to Detailed Tender Drawings at approximately 50% design completion, including application for Development Plan Consent, noting that the project program incorporates a further hold point for review and endorsement of the plans prior to a decision by Council to proceed to tender.
3. That a report come back reminding Council of the consultation strategy adopted for the Community Hub.

**CARRIED
2025/2017**

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

Cr D Balaza voted AGAINST the MOTION.

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

Crs D Proleta, D Bryant, G Caruso, L Caruso, E Gill, D Pilkington, S Reardon, G Reynolds, S White and J Woodman

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

Crs D Balaza, B Brug, C Buchanan and R Zahra

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

DEPUTATIONS (continued)

DEP5 Recreational Vehicle Site in the Salisbury City Centre

Mr David Hutchison and Mr David Shammell were in attendance as a deputation in relation to the Recreational Vehicle Site (refer item 1.0.2-TVSC2 of the 18/09/2017 Policy and Planning Committee agenda).

Bring forward NOM2 to this point on the agenda

Moved Cr C Buchanan

Seconded Cr B Brug

1. That NOM2 be brought forward to this point on the agenda.

**CARRIED
2026/2017**

NOTICES OF MOTION (continued)

NOM2 Anti-Poverty Network

Cr D Bryant declared a perceived conflict of interest on the basis of his employment. Cr Bryant managed the conflict by remaining in the meeting but not voting on the item.

Cr S White left the meeting at 10:16 pm.

Cr S White returned to the meeting at 10:18 pm.

Moved Cr B Brug

Seconded Cr C Buchanan

1. That the City of Salisbury allow the Anti-Poverty Network to address Council regarding the Newstart Allowance and how it affects City of Salisbury residents.
2. The City of Salisbury recognises that the Mayor declined their original deputation request on the basis that their issue was the responsibility of the Federal Government.
3. That Council acknowledges that a high number of residents within City of Salisbury are in receipt of Newstart and given the imminent closure of Holden's and associated businesses, City of Salisbury is expected to increase the number of Newstart recipients.
4. Whilst this maybe a federal issue, City of Salisbury Council recognises that it has an important role in expressing local community views and raising awareness on issues of importance and/or relevance to local residents to all levels of Government. Thus it is acknowledged that Local Government plays a role in advocacy for the people who we represent, a large demographic of which are affected by the Newstart Payment.

**CARRIED
2027/2017**

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

Crs D Proleta, D Balaza, B Brug, C Buchanan, L Caruso, E Gill, S Reardon, G Reynolds, J Woodman and R Zahra

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

Crs G Caruso, D Pilkington and S White

*The Mayor declared the **MOTION** was **CARRIED***

BREAK

In accordance with section 10 (2) of the Code of Practice for Meeting Procedures, the presiding member provided a break to all present. The meeting was suspended at 10:49 pm.

The meeting reconvened at 11:00 pm.

Bring forward Item 1.0.2 to this point on the agenda.

Moved Cr D Pilkington

Seconded Cr J Woodman

That Item 1.0.2 be brought forward to this point of the agenda.

CARRIED
2028/2017

COMMITTEE REPORTS

Policy and Planning Committee Meeting

Administration

1.0.2 Minutes of the Tourism and Visitor Sub Committee meeting held on Monday 11 September 2017

1.0.2-TVSC2 Recreational Vehicle Site in the Salisbury City Centre

Cr D Balaza declared a material conflict of interest on the basis of being a member of the governing body of the Salisbury Business Association who are supporting this project. Cr D Balaza left the meeting at 11:02 pm.

Cr L Caruso left the meeting at 11:18 pm.

Cr L Caruso returned to the meeting at 11:19 pm.

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

Cr C Buchanan left the meeting at 11:27 pm.

Cr C Buchanan returned to the meeting at 11:28 pm.

Moved Cr C Buchanan

Seconded Cr D Proleta

1. A report be brought back addressing the issues raised during the deputation by Mr Schammell and Mr Hutchinson, in particular site location, scope of works, cost details and planning advice.

**CARRIED
2029/2017**

Cr D Balaza returned to the meeting at 11:31 pm.

1.0.2-TVSC1 Review of Tourism and Visitor Sub Committee

Moved Cr R Zahra

Seconded Cr S Reardon

1. The information be received.
2. That the Tourism and Visitor Sub Committee continues for the remainder of the current term of Council.
3. That the Tourism and Visitor Sub Committee Terms of Reference be amended to include four Elected Members instead of three Elected Members and that Cr Julie Woodman be appointed to the Sub Committee.

**CARRIED
2030/2017**

Bring forward Item 1.3.2FI to this point on the agenda

Moved Cr D Balaza
Seconded Cr S White

1. That Item 1.3.2FI be brought forward to this point on the agenda.

CARRIED
2031/2017

1.3.2 Parafield Airport Master Plan 2017

Further Information Item

1.3.2FI – Parafield Airport Master Plan 2017

Cr E Gill declared a perceived conflict of interest on the basis of being a member of the Parafield Airport Consultative Committee. Cr Gill left the meeting at 11:33 pm.

Cr S White declared a perceived conflict of interest on the basis of being a member of the Parafield Airport Consultative Committee. Cr S White left the meeting at 11:34 pm.

Cr D Balaza declared a perceived conflict of interest on the basis of a family member being employed by a company in Salisbury South which may be affected by aircraft noise. Cr Balaza managed the conflict by remaining in the meeting and voting in the best interest of the community.

Cr G Caruso declared a perceived conflict of interest on the basis of his employment. Mr G Caruso managed the conflict by remaining in the meeting and voting in the best interest of the community.

Moved Cr C Buchanan
Seconded Cr G Caruso

1. The submission on the 2017 Parafield Airport Master Plan set out in Attachment 1 to this report (Item No. 1.3.2FI, Policy and Planning Committee, 18/09/2017) be endorsed and forwarded to Parafield Airport Ltd.

CARRIED
2032/2017

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

Cr D Balaza voted IN FAVOUR of the MOTION.

Cr G Caruso voted IN FAVOUR of the MOTION.

Cr E Gill returned to the meeting at 11:41 pm.

Cr S White returned to the meeting at 11:42 pm.

PRESENTATION OF MINUTES

Moved Cr D Pilkington
Seconded Cr L Caruso

The Minutes of the Council Meeting held on 28 August 2017, be taken and read as confirmed.

CARRIED
2033/2017

Moved Cr D Pilkington
Seconded Cr R Zahra

The Minutes of the Confidential Council Meeting held on 28 August 2017, be taken and read as confirmed.

CARRIED
2034/2017

QUESTIONS ON NOTICE

Questions on Notice Responses

Moved Cr D Pilkington
Seconded Cr D Proleta

1. That Questions on Notice and responses be noted and that the meeting move forward to the next item of business being Notice of Motion No. 1.

CARRIED
2035/2017

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

Crs D Proleta, D Balaza, D Bryant, G Caruso, L Caruso, E Gill, D Pilkington, S Reardon, G Reynolds and S White

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

Crs B Brug, C Buchanan, J Woodman and R Zahra

*The Mayor declared the **MOTION** was **CARRIED***

QON1 Number of Confidential Items 2007-2017

Cr Chad Buchanan submitted the following question:

Can the Mayor please provide Council with the number and percentage of Council agenda items and reports considered in confidence or declared confidential for each year from 2007 – 2017.

Chief Executive Officer, Mr John Harry has provided the following response:

	<i>No. of items considered in confidence</i>	<i>Confidential items as a % of total no. of items considered</i>
2006/07	1	0.20%
2007/08	6	1.00%
2008/09	4	0.80%
2009/10	5	1.19%
2010/11	12	2.15%
2011/12	14	2.33%
2012/13	14	2.54%
2013/14	34	5.61%
2014/15	38	6.59%
2015/16	55	9.56%
2016/17	44	8.05%

Increase in items over the last four years is attributable to consideration of items in confidence associated with confidential property dealings, consideration of program review reports with an impact on employees and consideration of reports relating to Code of Conduct complaints.

QON2 Artwork on St Jays Recreation Centre external wall

Cr Chad Buchanan submitted the following questions:

1. Can the Mayor advise what happened to the artwork that was on the wall of the St Jays Recreation Centre, facing Brown Terrace?
2. As the artwork was completed by students from Thomas More School, was any attempt made to contact the school to see if they wanted it retrieved? Or were there any efforts to preserve the artwork by way of photos etc?

The Acting General Manager City Infrastructure, Ms Karen Pepe, has provided the following response:

1. *The artwork was lost as part of the demolition of the building.*
2. *The school was not contacted in relation to this artwork. Photos of the artwork had been taken previously and are attached.*



QON3 Proposed Community Hub

At the 28/08/2017 Council Meeting, Mr Scott Chappell of Parafield Gardens asked the following questions in relation to the proposed Community Hub:

1. Where are the replacement parks going to be?
2. What full time employment will be gained at the end of construction?

The Questions were taken on Notice.

General Manager City Development, Mr Terry Sutcliffe, has provided the following response:

1. *There will be no net loss of carparking at the completion of construction on the community hub project. The carparking currently located on the site will be replaced through the reconstruction of James Street, to provide additional on-street parking to provide short turnover parking, and the balance of parking will be reconstructed on the 12 James Street, Civic Centre site post demolition as an extension of the existing staff carpark. The replacement carparking area will be connected to the community hub through improved footpath network and road crossings supported by upgrades to pedestrian lighting and CCTV. A plan of the replacement carparking was provided as Attachment 3 to Item 1.3.4, Policy and Planning, 18/09/2017.*
2. *A requirement of major projects is the production of a prudential management report to consider Council's strategic objectives, economic impact, financial capacity and project delivery to meet the requirements of Section 48 Local Government Act 1999. The prudential management report was considered by Council under Item 1.10.1, Policy and Planning, 17/07/17) and included an economic impact assessment produced for the project through the REM plan economic modelling system. This modelling identified as per page 21 of the Section 48 Prudential Report*
 - 4.2.2 *Based on the cost of construction works for the Project, the construction output is estimated to result in an increase of up to 150 jobs. This represents a Type 2 Employment multiplier of 3.409, as detailed below.*
 - 4.2.2.1 *The direct effect is estimated to create up to 44 jobs*
 - 4.2.2.2 *The indirect or flow on effect is estimated to result in the gain of a further 81 jobs. This represents a Type 1 Employment multiplier of 2.841*
 - 4.2.2.3 *The consumption effect is estimated to further boost employment by 25 jobs*

Specific modelling on post-construction jobs from the Community Hub project was not undertaken as part of the preparation of the independent Prudential Report , but the comment was made by the independent consultant that:

- 4.4.2. *Following completion of the Project, the increase in patronage and activity at the Salisbury Community Hub is likely to provide additional custom and trade for a wide range of businesses in the vicinity of the Project and is therefore considered likely to have a positive impact on business in the proximity.*

QON4 City of Salisbury debt position

Cr Chad Buchanan submitted the following questions on notice:

1. Can the Mayor advise Council what the current total debt of the City of Salisbury is and is this debt inclusive of expenditure to date or budgeted for the proposed community hub?
2. Can the Mayor advise Council what the projected total debt is for Council in financial years 2017/18, 2018/19 and 2019/20? Is this debt inclusive of a total spend of the estimated \$37 million expenditure on the proposed Community Hub?

The General Manager Business Excellence has provided the following response:

1. *The total debt of the City of Salisbury is \$14.6M as at 30 June 2017, with our next repayments due in December 2017 (excludes the amount borrowed for the Salisbury Bowling club approx. \$500k).*

There is also \$24.9M in Cash Advance Debentures facilities which are currently not drawn down on.

These borrowings and facilities provide the funding required to deliver on all Council decision for budget 2016/17 (and previous budgets) effective to the 3rd quarter budget review, inclusive of funding decisions regarding the community Hub.

2. *The Council endorsed Long Term Financial Plan contains the projections of Council for the coming 10 years. Over the next 3 years the capital program totals \$132M, inclusive of the community hub project, with projected total debt of \$18.7M 2017/18, \$27.7M 2018/19 and \$24.9M 2019/20 of which the Community Hub borrowings total \$18million. Actual debt levels will be dependent on budgets endorsed by Council over the next 3 years, the level of property development proceeds, actual expenditure compared to budget, timing of grants and timing of delivery of the capital program and the associated the level of carry forward projects.*

QON5 Assistance to Salisbury Business Association with public marketing campaign

Cr Chad Buchanan submitted the following Question on Notice:

1. Can the Mayor tell the ratepayers of Salisbury if any Council staff time, assistance, fact checking or resources was provided to the Salisbury Business Association in its public marketing campaign, promotional material and video productions related to the proposed civic hub or associated potential future land development opportunities and or anything relating to the master plan for the city centre over the last 3 months.

The Chief Executive Officer, Mr John Harry, has provided the following response:

The Mayor and I recently met with the Chairman of the Salisbury Business Association to discuss Council's broad plans for the revitalisation of the Salisbury City Centre. A follow up letter was then sent to the Association which provided a greater level of detail on the information sought and particular aspects of the project.

Apart from the meeting and correspondence outlined above, staff have not provided specific services of the type described to the Salisbury Business Association. Any information, apart from that detailed above, has been provided to the Association in relation to the Community Hub via the consultation process for the Community Hub, consistent with the Hub engagement plan process and stakeholder list, and in response to any requests for specific information consistent with Council's Customer Service Charter.

QON6 Sale/development of Library site

Cr Chad Buchanan submitted the following Question on Notice.

General Manager City Development, Mr Terry Sutcliffe has provided the following responses to the questions:

1. Can the mayor advise why Salisbury Business Association believe that the current Council building needs to be sold so that the current library site will be freed up for 6 level development?

A response cannot be provided on behalf of the Salisbury Business Association regarding why they may have a particular view. However the potential sale for either redevelopment or re-purposing has been included in information used for community engagement regarding the proposed Community Hub project, and the estimated return from sale of the site is reflected in the overall budget for the project and in Council's Long Term Financial Plan. Building heights within Salisbury City Centre are defined by the

Development Plan, which was in turn informed by the Salisbury City Centre Urban Design Framework, both of which are approved by Council. The Development Plan states in part, in relation to the precinct containing the Len Beadell Library:

John Street and Civic Square

The village atmosphere and mix of main street fine grain land uses that make John Street unique will be retained and regenerated supporting retail, cafes and restaurants on the ground level, with offices and opportunities for mixed use residential development promoted on upper levels.

Building heights up to 4 levels are envisaged with upper storeys set back from the ground and first storeys to retain the low scale existing pedestrian scale and character of John Street. Development will connect directly to the civic square area, providing strong active frontages. The existing fine grain street based development should be maintained along the western end of John Street, and new development along the eastern portion designed to reflect this pattern.

Pedestrian permeability through to adjoining areas will be improved, with existing pedestrian connections both within streets and through private buildings, carparks and covered malls retained and enhanced. The exterior storage or display of goods or service areas should not compromise pedestrian movement or amenity.

In relation to Church Street, the Development Plan also states:

Possible Church Street Extension

An extension to Church Street to the north is envisaged to create a new high street characterised by wide footpaths, street trees and landscape plantings which will assist in improving the overall appearance and legibility of the centre.

Upon completion, this extension to Church Street will provide opportunities for ground level activation incorporating new retail and commercial land uses, mixed use and medium to high density residential development. Building heights up to 6 storeys are anticipated along the Church Street extension within the Core Area.

The above provisions of the character statement in the Development Plan are supported by the following Principle of Development Control, noting that the Len Beadell Library site is located within the Core Area:

Building Height

18. Except where airport building height restrictions prevail, or interface height provisions require a lesser height, building heights (excluding any rooftop located mechanical plant or equipment) should be consistent with the following provisions:

Core Area

Maximum building height: 6 storeys and 24.50 metres

Transition Area

Maximum building height: 4 storeys and up to 16.5 metres

2. Can the Mayor confirm to the Salisbury Business Association, rate payers and council generally that, council does not need to sell the current council building site to free up the library site for private development?(besides the fact council hasn't made any decision to this affect)

Council has not made a formal decision to sell either the Len Beadell library site or the current Civic Centre site as this formal decision will be subject to a future Council decision upon these sites becoming available for potential sale and/or redevelopment. However Council has flagged that this is a likely outcome through its commitment in policy documents to the extension of Church Street (requiring the demolition of the existing Civic Centre) and the inclusion of the proceeds of sale of these sites into Council's long term financial plan. Subject to a future Council decision on the existing Civic Centre site and the Len Beadell library site, Council could resolve to retain both sites, sell both sites or retain one of the sites and sell the other.

3. Can the Mayor confirm that it is possible to for council to determine that we upgrade existing council building and begin an Expression of Interest process for developing the existing library site?

This is a matter for Council to determine. It is assumed that the referral to an expression of interest (EoI) relates to a public EoI for a private developer to develop the existing Len Beadell Library site. This process could be followed by Council should it so determine, noting that should the existing Civic Centre be retained and upgraded, and an EoI process for developing the Len Beadell Library site be undertaken, the EoI may require incorporation and upgrade of the library into the redevelopment or Council relocating the library to another site to provide for a private development on the existing site.

4. Can the Mayor confirm that herself, the CEO and or General Manager have been approached by private developers expressing interest in developing the library site over the last 4 years? Can the Mayor confirm if Council was ever advised of these approaches or been presented any correspondence from the private developers expressing interest in the library site or any other site within the city precinct over the last 4 years? If not, why not? Can the Mayor advice who?

Informal approaches have been made to Council in relation to development opportunities on Council land within Salisbury City Centre over the last four years, but a search of Council records indicates that no formal approaches or proposals have been received over that period (ie since September 2013). A formal

approach would need to be dealt with as an 'unsolicited bid' and managed through Council's probity processes, and parties that have made informal approaches have been advised of this requirement and the process Council must follow. It is not appropriate for commercial reasons that the names of parties who have made such approaches to Council on a confidential basis be made public, and a formal proposal would require confidentiality and probity to be appropriately managed as an 'unsolicited bid'.

5. Given that this question on notice was submitted on 8 September, did the Mayor through the CEO make any attempt to contact private developers who may have expressed interest or submitted proposal about developing in the city centre, to seek their permission to have their proposal and correspondence shared with the Council and tabled in response to question 4.

No. Please refer to the response to Question 4 above

QON7 Council Buildings - Building Inspections, Project/Contract Management and Security Issues

Cr Chad Buchanan submitted the following Questions on Notice.

General Manager City Development, General Manager Business Excellence, and Acting General Manager City Infrastructure have provided the following responses:

1. Can the Mayor please tell the Council if we have any employees that hold a builders licence? If so, how many?
 - a. *The City of Salisbury operates in the "Client" side of work whereby the City appoints a suitably qualified/licenced builder to be responsible for meeting legislative Codes for good practice for delivery of building all infrastructure works. There is no legal or legislative requirement for staff at Council to hold a builders licence.*
 - b. *There was a previous long standing Employee within the Projects Division that held a Builders Licence and one of the current Project Managers will be receiving a Building Works Supervisors – (any building) registration in early October.*
2. Do we have the employees with a builders licence present when doing hand over of a new council building from the contractor, for example, some of the recent sporting facilities that have been built?

Please refer to question 1 above which explains the requirements of holding a builders licence.

This is not required for the handover of a building. As part of any building project consultants are engaged to provide professional advice or undertake works such as design which includes services.

There are strict legislative requirements before a building can be occupied. A Certificate of Occupancy is issued by a Private Certifier engaged by Council.

The procedure is then handed over to the Asset Owner (Property & Buildings Division) of buildings where staff from that Division inspect the facility and make a list of any defects that need to be attended to as part of the warranty period (12 months). Staff from the Division that attend the handover are suitably qualified (tradesperson & Senior Building Designer that holds a Bachelor in Architecture).

Staff from the Property & Buildings Division actively monitor the warranty period following up to ascertain if there are any defects that needed to be attended to and liaise with the Project Manager.

3. Can the Mayor confirm that CCTV has been installed inside the Operations Centre building to monitor staff? Can the Mayor confirm the use of Council Security to monitor the cameras to confirm the arrival and departure time of depot staff?

CCTV has been installed at the Operations Centre for quite some time. Technology does change and there is currently a program in place that is replacing CCTV from the current analogue technology to the new Avigilon CCTV systems. These works have been undertaken in other Council buildings e.g. Municipal Office at James Street, Community Centres and Libraries as well as public spaces such as the Salisbury CBD & St Kilda. Whilst upgrading CCTV at the Operations Centre in 2016/2017, which was approved by Council, additional cameras were installed to ensure that the front carpark and rear yard had full coverage which also included entry and exit points in the building. The security cameras are not monitored to oversee arrival and departure time of staff but are only monitored if an incident such as unauthorised entry, theft of property or public nuisance is reported. Staff record their start and finish times in a timesheet that is a record of their attendance. As required for Work Health Safety reasons, the CEO and Council has supported the installation of CCTV to ensure safety of staff as well as the protection of Council assets

4. Does the Mayor believe GPS should be installed in all Council cars, not just field vehicles, including Council Managers and other staff who use a council provided car for OHS reasons (same reason given to field staff)?

Council has GPS installed in all of its vehicles with the exception of vehicles used for private use in accordance with contractual requirements for individual employees. The value of the vehicle is paid through payroll as a deduction from gross remuneration.

5. Can the Mayor tell Council if the proposed \$37 Million building is based on a fixed price or a variation order?

The budget for the proposed Salisbury City Centre Community Hub is based upon cost estimates provided by Council's cost Managers, Rider Levett Bucknall. The cost managers based their estimates upon a schedule of floor areas approved by Council as part of its consideration of the Hub project in July 2015 (Item 1.10.2, Policy and Planning, 20/07/15). Subject to Council decision to proceed to tender on the project, the end cost will be determined by tender responses, and subject to Council's allocated budget for the project.

6. Can the Mayor explain to Council what a Variation Order (VO) is in relation to a tender for constructing a council building?

A Variation Order (VO) has no meaning in relation to a Tender. A tender is for the procurement of goods and/or services. A Variation Order (VO) is an alteration to the scope of works in a construction contract in the form of an addition, substitution or omission from the original scope of work.

7. Can the Mayor please provide the detailed costing for the total project including, a breakdown of the costs for upgrading the existing building and expenditure for each component of the new building.

A current estimated cost breakdown for the Salisbury City Centre Community Hub project based on 30% completion of design development is as follows:

Table 1	4 Storey Design Development (30% Drawings)
<i>Demolition & Site Preparation</i>	\$210k
<i>Site Infrastructure & Servicing</i>	\$617k
<i>Building Works</i>	\$28.446m
<i>Contingencies and professional fees</i>	\$7.7m
<i>Furniture Fittings and Equipment/AV/ICT</i>	\$3.43m
<i>Decanting and Relocation</i>	\$85k
<i>Post Occupancy Tuning & Project Communications</i>	\$205k
<i>Open Space / Streetscape Upgrade</i>	\$1.607m
<i>Demolition Civic Building & Carpark Replacement</i>	\$1.06m
<i>Project Client Representative (outside normal professional fee allowances)</i>	Incl.
Total Order of Cost Estimate	\$43.36 (2)
<i>Net Project Cost following identified returns from sale of Len Beadell & 12 James Street land holdings</i>	\$36.36m

The costs identified in the 2015 MPH report for the options of:

- Option 2: New Civic and office building (excluding library) of 4,612m² and carpark upgrade
 - Option 3: Refurbishment of existing facilities including all new services, seismic upgrade, office extension, new roof and new carpark at grade, with new gross floor area of 729m² (including courtyard infill)
 - Option 4: Toilet refurbishment to DDA/BCA compliance, seismic upgrade and associated base building upgrades
- are summarised in the table extracted from the report below:

Cost Summary Breakdown				
Summary	Option 2 (New Build)	Option 3 (Refurbishment)	Option 4 (Minor Works)	Comments
Demolition & Bulk Civil Works	\$897,500.47	Included Below	Included Below	Percentages for builders margin, etc. is slightly different from Option 2 to Option 3 reflecting an appropriate risk profile for each option.
Construction & Integrated Fitout	\$23,980,138.71	\$19,978,055.00	\$8,826,750.00	Includes all new FFE for Options 2,3 and reused FFE for Option 4
ICT Allowance	\$250,000.00	\$250,000.00	\$250,000.00	As advised by the City of Salisbury
Seismic Upgrade Works	N/A	\$448,332.50	\$1,052,232.50	Option 4 includes additional staging, out of hours work, etc.
Car Park Works	\$192,360.82	\$289,850.00	Excl.	29 car park on grade. Option 3 also includes the demolition of the Annex building.
Sub Total	\$25,320,000.00	\$20,966,237.50	\$10,128,982.50	
Decanting / Relocation	\$180,500.00	\$180,500.00	\$70,000.00	Option 4 assumed decanting of staff off site for eight months to allow access for seismic upgrade works
Temporary Fitout	\$1,844,500.00	\$1,844,500.00	\$663,500.00	
Temporary Accommodation leasing costs	\$1,937,100.00	\$1,291,000.00	\$387,000.00	Option 2 is based on 18 months temporary accommodation, Option 3 is based on 12 months accommodation and Option 4 is based on 10 months temporary accommodation.
Sub Total	\$3,962,000.00	\$3,316,000.00	\$1,120,500.00	
Total ex GST	\$29,282,000.00	\$24,282,237.50	\$11,249,482.50	Includes all project costs e.g. contingencies and fees
Order of Cost Range	\$27.9M to \$30.7M	\$23.0M to \$25.6M	\$10.5M to \$12.1M	

In addition to the above summary, for each of the options a detailed cost estimate schedule prepared by cost managers Rider Levett Bucknall was attached as an appendix to the report. In relation to option 4 (minor works), the major cost items (over \$500k, were identified in the cost estimates as being (noting that these costs are 2015 estimates with escalation calculated using the ABS 3020 Non-residential building construction South Australia Index):

Item	Estimated Cost	With Escalation
Seismic upgrade works	\$1.052m	\$1.073m
Relocation, decanting and temporary accommodation	\$1.12m	\$1.14m
Roof replacement	\$984k	\$1.004m
Amenities and DDA toilet upgrade	\$639k	\$652k
Fit out demolition and reinstatement following seismic works	\$2.104m	\$2.147m
Contingencies	\$1.279m	\$1.305m
Professional fees	\$1.015m	\$1.036m

(The total cost estimate for Option 4 – Minor Works with escalation since 2015 is **\$11.47m** (excl. GST))

*In addition, none of the above cost estimates for options 2, 3 and 4 include the cost of a new library. In a 2011 report from Hardy Milazzo Architects which preceded the 2015 MPH report, various options were considered for new civic, administration and library facilities in the Salisbury City Centre and the estimate at that time for a replacement stand-alone library of 3000m2 was estimated to be \$13.5m. Cost escalation (using ABS 3020 Non-residential building construction South Australia Index since 2011) would bring this estimate to **\$14.2M**.*

The Hardy Milazzo report was prepared to inform the consideration of the Salisbury City Centre Renewal Strategy by the former Salisbury Town Centre Sub-Committee, and the 2011 cost estimate for a new stand-alone library and other options was used in a presentation to a 15 February 2015 Elected Member Workshop. The document and all workshop presentations were made available to Elected Members after the workshop consistent with current practice.

8. Can the Mayor advise Council if we have any employees with the appropriate qualifications or experience ie builders licence, quantity surveyor, to go over and check the costings of the proposed new Hub? Has Council at this stage engaged a quantity surveyor for this project?

Council has engaged Rider Levett Bucknall as cost managers for the Salisbury Community Hub project across the life of the project.

9. Can the Mayor advise Council what the desirable and essential qualifications are for a Council Project Manager for constructing a major building (sporting club, civic hub), or a project like the St Kilda Playground?

Essential qualifications of a Council Project manager are:

- *High level of project management skills in the planning, design, procurement and construction of municipal works.*
- *Demonstrated knowledge of project cost planning and budgeting processes.*
- *Experience in procurement including the preparation of tenders and contract/specifications, evaluation and implementation of new contracts.*
- *Experience in contract administration of infrastructure construction projects*

10. Can the Mayor tell Council if our current project managers have experience and relevant or appropriate qualifications for overseeing these projects?

The current Project Managers, Divisional Managers and General Managers are suitably qualified. The vast range of staff also have experience ranging up to 30 years in Project Management, some of the technical qualifications include but are not limited to the following;

- i. *Bachelor of Engineering (Civil & Structural) & a Chartered Professional Engineer*
- ii. *Bachelor of Applied Science (Environmental)*
- iii. *Diploma of Surveying*
- iv. *Bachelor of Surveying*
- v. *Advanced Certificate in Contract Management*
- vi. *Bachelor of Management*
- vii. *Diploma of Project Management*
- viii *Bachelor of Construction Management & Economics*
- ix. *Graduate Certificate in Management*
- x. *Master of Business Administration*
- xi. *Integrated Bachelor and Master's Degree in Architecture*
- xii. *Members of the Australian Institute of Project Management*
- xiii *Bachelor of Business*
- xiv. *Construction Industry White Card*
- xv. *WHS Specific Training*

11. Can the Mayor please tell Council how many Variation Orders and additional costs incurred due to Variation orders to do with the St Kilda adventure playground capital works?

Council endorsed a budget of \$4,056,900.00 for the construction of Stages 1a- 1d of the St Kilda Playground. The final construction cost which incorporated various construction contracts was \$4,060,113.73. Included within this were 31 contract variations which were funded from the project contingencies included within the endorsed council budget.

- i. *\$20,588.40 of variations were related to client driven changes on site.*
- ii. *\$56,992.50 of variations were related to unforeseen latent conditions.*
- iii. *\$224,654.50 of variations were related to safety and compliance requirements.*

Further changes to the adventure playground were undertaken following Council endorsement due to safework requirements, as well as an upgrade to the wave slide and the construction of an additional wave slide.

QON8 Current Building and MPH Report

In relation to QON5 ‘further information relating to proposed Community Hub’ at the 28/08/2017 Council Meeting, Cr Buchanan asked further questions in relation to the status of the current building and the MPH Report as follows:

1. Has the Council ever been formally advised in terms of reference to the MPH Report – building issues and reasons for replacement of the existing building besides the two points raised in Part 3, noting the CEO’s last answer also, in regards to disability access and earthquake code issues?

To summarise - have Councillors, through the formal reporting mechanism of Council, been advised of the main reasons for the replacement of this building is only disability access and earthquake code - referenced in report of 20 July 2015 – is there anywhere that states the other reasons in detail as per Page 4 of the MPH report of the other reasons?

The Questions were taken on notice.

General Manager City Development, Mr Terry Sutcliffe, has provided the following response:

As part of a confidential report (subsequently released from confidentiality) to the Policy and Planning Committee on 20 July 2015 (item 1.10.2) which scoped the options for a new Community Hub in Salisbury City Centre, the following reference (section 8 of the report) was made to a report prepared by architects MPH in May 2015:

- 8.1 While the concept is still being refined, high level order of costs and potential revenue returns from Council-owned sites have been completed to inform scale and delivery options to be explored in the next phase.*
- 8.2 Prior to the commencement of the community hub project a civic centre feasibility study was prepared, completed in May 2015 by MPH Architects. The MPH report is effectively providing the base line minimum order of costs associated with resolving the building code compliance of the existing civic centre in respect to disability access and earthquake code.*
- 8.3 The baseline expenditure has an order of costs of **\$11.25 million**, including lease costs involved in decanting staff for a 10 month period due to the disruptions required to complete works on the roof, wall frames and floor of the current building.*

- 8.4 *This order of cost range will deliver a “business as usual” outcome, addressing the building code non-compliance within the existing civic building. This option at the current order of cost has limited ability to deliver Council a contemporary facility that can provide an alternative service delivery option and flexibility in building utilisation and services.*
- 8.5 *The MPH report also considered order of cost options for complete refurbishment of existing footprint and an option for a complete 2 storey rebuild of the current service offering on the civic site including decanting costs and temporary lease fees for the construction period.*
- *To retain and refurbish the existing building including filling in the courtyard to deliver a gross floor area of 5,939m2 bringing the building up to a contemporary civic/office standard an order of cost range has been identified of **\$24.3 million**.*
 - *To demolish and rebuild on the existing site to a standard office footprint with a floor area of 4,755m2 on a two storey footprint has an order of cost of **\$29.3 million**. As this rebuild is undertaken on a smaller footprint, it could free up additional site area of 1000m2 for disposal, subject to decisions on carparking provision.*
- 8.6 *The order of costs outlined above for compliance works, refurbishment or rebuild of our current facility in a model that retains the current mix of uses and service provision are significant. The community hub project has considered alternate delivery scenarios with potential to improve civic and community services when combined in a community hub building, investigating potential benefits of an activity based working model and explore potential for increased shared use to manage floor areas and resultant construction costs.*

In summary, the issues with existing building identified in the above extract from the report include:

- *building code compliance of the existing civic centre in respect to disability access and earthquake code*
- *works on the roof, wall frames and floor of the current building*

The MPH report in full has subsequently also been made public.

QON9 Exclusive Community Accessible Areas Clarification

In relation to QON2 'Questions relating to background and planning for the proposed Community Hub' at the 28/08/2017 Council Meeting, Cr Brug sought clarification as to what "exclusive community accessible areas" (refer Part 6) meant in this context.

The Question was taken on notice.

General Manager City Development, Mr Terry Sutcliffe has provided the following response:

In the context of the original response to QON2 (Part 6) to Council 28/08/2017, "exclusive community accessible areas" related to the areas of the building that would be accessible to community members at all times that the building is open to the public.

QON10 Pending available space

At the 28/08/2017 Council Meeting, Cr Buchanan asked the following question in relation to the response provided for QON3 'Consideration of former Centrelink building as Council Administrative functions accommodation'.

1. Why the space to become available soon has been ruled out of further consideration.

The Question was taken on notice.

General Manager City Development, Mr Terry Sutcliffe has provided the following response:

The former Centrelink Building at 30 Gawler Street was investigated and confirmed that a tenancy of approximately 1000 square metres. This was not considered for any further investigation due to the size of the tenancy being significantly smaller than the floor area of 6270m² for the Fully Enclosed Covered Area scoped for the Community Hub project.

Please note this response is in addition to that provided for QON3 at the 28/08/2017 meeting of Council.

QUESTIONS WITHOUT NOTICE

NOTICES OF MOTION (continued)

NOM1 Installation of Bus Shelters

Moved Cr D Bryant
Seconded Cr D Proleta

1. That staff report back with details of planned bus shelter installations, including any plans to provide 'age friendly' shelters to accommodate mobility equipment such as walkers/walking frames.

**CARRIED
2036/2017**

Bring forward Item GB1 to this point on the agenda.

Moved Cr R Zahra
Seconded Cr D Pilkington

That Item GB1 be brought forward to this point on the agenda.

**CARRIED
2037/2017**

GENERAL BUSINESS ITEMS

GB1 Elected Member Request to Attend National Local Roads and Transport Congress in Albany, Western Australia: 6 - 8 November 2017

Cr S White declared a material conflict of interest on the basis of the item proposing to pay for his attendance at the National local Roads and Transport Conference. Cr S White left the meeting at 12:05 am on 26/09/2017.

Moved Cr S Reardon
Seconded Cr C Buchanan

1. The information be received.
2. Council approve Cr White's attendance at the National Local Roads and Transport Congress being held in Albany, Western Australia from 6 – 8 November 2017.

**CARRIED
2038/2017**

Cr S White returned to the meeting at 12:09 am.

Mayor G Aldridge sought LEAVE of the meeting to bring forward Item GB2 to this point of the agenda and LEAVE was GRANTED.

GB2 Fund My Neighbourhood

Moved Cr L Caruso

Seconded Cr G Caruso

1. That this report be received.
2. That Council endorses the projects as recommended in Attachment 1 of this report (Item No. GB2, Council, 25/09/2017) for inclusion in the public voting phase of the 'Fund My Neighbourhood' programme noting the caveats in 2.8 of this report.

**CARRIED
2039/2017**

NOTICES OF MOTION (continued)

NOM3 Flood Management

Moved Cr D Bryant

Seconded Cr G Caruso

1. That Staff report back with a comprehensive report providing details of areas within the City of Salisbury that are currently subject to flooding or inundation during periods of heavy rainfall and any planned and ongoing work undertaken to mitigate the impact of flooding across the City.

**CARRIED
2040/2017**

NOM4 Recording of Meetings

Moved Cr C Buchanan

Seconded Cr B Brug

1. That Council supports the active engagement of residents in Council decision making.
2. That Council encourages residents to attend Council meetings and sit in the public gallery.
3. That Council recognise, as part of being transparent and open to our rate payers, that residents to be allowed to video record as well as audio record from the public gallery, noting that we are all public representatives and this is the Chamber.
4. That Council note that it previously passed a motion about recording Council meetings for YouTube. Therefore Council recognises that there is no difference if a rate payer wishes to record a Council meeting from the gallery or watch it on YouTube.

LOST

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

Crs D Proleta, D Balaza, B Brug, C Buchanan, L Caruso, G Reynolds and J Woodman

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

Crs G Aldridge, D Bryant, G Caruso, E Gill, D Pilkington, S Reardon, S White and R Zahra

*The decision was **TIED** and the Mayor exercised her casting vote.*

*The Mayor declared the **MOTION** was **LOST***

PETITIONS

No Petitions have been received.

COMMITTEE REPORTS

1 Policy and Planning Committee Meeting

Minutes of the Policy and Planning Committee Meeting held on 18 September 2017 were considered by Council.

Administration

1.0.1 Future Reports for the Policy and Planning Committee

Cr G Reynolds left the meeting at 12:26 am on 26/09/2017

Moved Cr D Pilkington
Seconded Cr G Caruso

1. The information be received.

CARRIED
2041/2017

Cr B Brug left the meeting at 12:27 am on 26/09/2017
Cr D Bryant left the meeting at 12:28 am on 26/09/2017

Community Development

1.1.1 Draft Intercultural Strategic Plan

Cr B Brug returned to the meeting at 12:29 am.

Moved Cr S White
Seconded Cr L Caruso

1. The information be received
2. The Intercultural Strategic Plan Background Paper forming Attachment 1 to this report (Item No. 1.1.1, Policy and Planning Committee, 18/09/2017) be noted.
3. The City of Salisbury Intercultural Strategic Plan forming Attachment 2 to this report (Item No. 1.1.1, Policy and Planning Committee, 18/09/2017) be endorsed.
4. The Intercultural Strategic Implementation Plan forming Attachment 3 to this report (Item No. 1.1.1, Policy and Planning Committee, 18/09/2017) be noted.

CARRIED
2042/2017

1.1.2 Change in Opening Hours at Salisbury Recreation Precinct

Cr D Bryant returned to the meeting at 12:30 am.

Cr G Reynolds returned to the meeting at 12:30 am.

Cr D Bryant left the meeting at 12:32 am and did not return.

Cr G Reynolds left the meeting at 12:32 am.

Cr D Balaza left the meeting at 12:32 am.

Cr G Reynolds returned to the meeting at 12:33 am.

Cr D Balaza returned to the meeting at 12:34 am.

Moved Cr J Woodman

Seconded Cr L Caruso

1. That the information be received.
2. That a further report be presented to Council to cover concerns raised in relation to the financial impact on possible changes to opening hours, hot weather policy and minimum attendance numbers.

CARRIED
2043/2017

1.1.3 Salisbury Secret Garden 2018

Cr D Balaza declared a perceived conflict of interest on the basis of being a member of the governing body of the Salisbury Business Association. Cr Balaza managed the conflict by remaining in the meeting but not voting on the item..

Cr R Zahra left the meeting at 12:41 am and did not return.

Moved Cr S White

Seconded Cr B Brug

1. That Council endorse the revised format of the Salisbury Secret Garden detailed in Section 6.4 of this report.
2. That staff prepare a non discretionary budget bid of \$45,000 for the First Quarter Budget Review 2017/18, with staff authorised to commence implementation of the program from the date of this resolution.
3. That a Strategic Advisory Board be established to guide sponsorship and be comprised of representatives from the Council, Salisbury Business Association and industry.
4. That two (2) Council representatives be appointed to the 2018 Salisbury Secret Garden Strategic Advisory Board being Mayor Gillian Aldridge and Cr Julie Woodman.

CARRIED
2044/2017

1.1.4 Minutes of the Strategic and International Partnerships Sub Committee meeting held on Tuesday 12 September 2017

1.1.4-SIPSC1 Appointment of Deputy Chairman - Strategic and International Partnerships Sub Committee

Moved Cr D Pilkington

Seconded Cr S Reardon

1. Mr C Moore be appointed as Deputy Chairman of the Strategic and International Partnerships Sub Committee for the remainder of the current Council term of Council, effective 01/10/2017.

**CARRIED
2045/2017**

1.1.4-SIPSC2 Amended Policy and Procedures for Assessment of Sister City and Friendship City Relationships

Moved Cr D Pilkington

Seconded Cr S Reardon

1. That this report be received.
2. That the Sister City and Friendship City Selection and Maintenance Policy and Procedures as set out in Attachments 1 and 2 to this report (Item No. SIPSC2, Strategic and International Partnerships Sub Committee, 12/09/2017) be noted.

**CARRIED
2046/2017**

1.1.4-SIPSC3 Strategic and International Partnerships Assessment of Strategic International Relationships Workshop

Moved Cr D Pilkington

Seconded Cr S Reardon

1. That the information be received.
2. That the principles for assessing strategic international relationships as set out in Attachment 4 to this report (Item No. SIPSC4, Strategic and International Partnerships Sub Committee, 12/09/2017) be endorsed, noting the following change to part a):
 - a) *All international relationships take into consideration the Council's City Plan and strategic priorities.*
3. That the business case template contained in Attachment 3 of the SIPSC4 report (Item No. SIPSC4, Strategic and International Partnerships Sub Committee, 12/09/2017) be adopted for assessing future strategic international relationships projects.
4. That the matrix framework contained in Attachment 3 of the SIPSC4 report (Item No. SIPSC4, Strategic and International Partnerships Sub Committee, 12/09/2017) be adopted as a tool for conducting an assessment of strategic international relationships projects.
5. That the importance of the International Bird Sanctuary and Bird Migration draft business case is noted and Council's administration progress this as part of critical actions within the City Plan and the St. Kilda Master Plan delivery.
6. That staff prepare a business case assessment for the committee's consideration of the following projects discussed at the workshop held on 22nd August 2017:
 - i. Develop the economic elements of the Linyi relationship around technical and knowledge transfer, and explore opportunities to develop a cultural component;
 - ii. Developing a project to build strategic civic building partnerships with communities across Australia (such as indigenous communities, and intercultural communities) to enhance understanding.

**CARRIED
2047/2017**

**SIPSC-OB1 International Partnership/Engagement
Criteria**

Moved Cr D Pilkington
Seconded Cr S Reardon

1. The Strategic and International Partnerships Sub Committee recommends that the Sport, Recreation and Grants Committee give consideration to amending the “Youth Sponsorship Guidelines and Community Grants Program Guidelines and Eligibility Criteria” by including the Sister City Program.

**CARRIED
2048/2017**

Economic Development

**1.2.1 Adapting Northern Adelaide Annual Progress Report for
2016-17**

Moved Cr D Pilkington
Seconded Cr L Caruso

1. That the Adapting Northern Adelaide Plan report for 2016-17 be noted.

**CARRIED
2049/2017**

Urban Development

1.3.1 Mawson Lakes Development Plan Amendment Part 2

Moved Cr B Brug

Seconded Cr S White

1. That the City of Salisbury Mawson Lakes Part 2 Development Plan Amendment, incorporating the amendments included in the documents provided in Attachments 2, 3, 4, 5, 6, and 7 of Item No. 1.3.1 of the Policy and Planning Committee agenda 18/9/17 be endorsed as being a suitable variation to the Council's Development Plan.
2. The Chief Executive Officer sign the Schedule 4B Certificate certifying that the Mawson Lakes Part 2 DPA is suitable for approval, and submit the DPA and supporting documents to the Minister for Planning requesting the Minister's approval pursuant to Section 25 (14) of the Development Act 1993.
3. The General Manager City Development be authorised to make minor administrative amendments and changes as necessary to the Mawson Lakes Part 2 DPA that do not alter the approved policy intent of the DPA, to ensure it is suitable for approval by the Minister.
4. The Minister for Planning be requested to separate the requirement for Community Land Revocation for the Shoalhaven wetland area from the Mawson Lakes Part 2 Development Plan Amendment in order to finalise the DPA and assist in the timely adoption of the new state planning policy framework and the Planning and Design Code.

**CARRIED
2050/2017**

1.3.3 Discussion Draft - Community Engagement Charter (State Planning Commission) - Consultation Stage 1

Moved Cr G Caruso

Seconded Cr D Pilkington

1. That the report be noted.
2. That a response be provided covering the matters raised in Paragraph 3.6 of the report to Policy and Planning Committee, 18 September 2017 Agenda Item no. 1.3.3 to the Local Government Association for inclusion in its submission to the State Planning Commission.
3. That a further report be presented to Council when the final draft Community Engagement Charter is released for consultation by the State Government.

**CARRIED
2051/2017**

Corporate Plans

1.7.1 Customer Service Framework and Charter

Moved Cr D Pilkington
Seconded Cr J Woodman

1. That the Customer Service Framework and Charter as set out in Attachments 1 and 2 to this report (Item No. 1.7.1, Policy and Planning Committee, 18/09/2017) be endorsed for implementation to enable the remaining projects within the Customer Service improvement Project to be initiated.

**CARRIED
2052/2017**

2 Works and Services Committee Meeting

Minutes of the Works and Services Committee Meeting held on 18 September 2017 were considered by Council.

Administration

2.0.1 Future Reports for the Works and Services Committee

Moved Cr L Caruso
Seconded Cr S Reardon

1. The information be received.

**CARRIED
2053/2017**

Property

2.5.1 Lease Renewal - Parafield Property Holdings - Cross Keys Road Reserve

Moved Cr E Gill
Seconded Cr J Woodman

1. The information in this report be received.
2. Staff be authorised to commence public consultation in relation to leasing portions of allotments 200, 202, and 204 in Deposited Plan 71027 and granting an Authorisation Agreement for exclusive use over allotments 201 and 203 in Deposited Plan 71027 to Parafield Property Holdings Pty Ltd as delineated in attached plan (Attachment 2 Item No. 2.5.1, Work and Services Committee, 21/08/2017), through notices in the News Review Messenger and letters to surrounding property owners and residents.
3. Should no objections be received, The Manager of Property and Buildings be authorised to prepare a lease agreement pursuant to section 202 of the Local Government Act 1999 over portions of community land known as allotments 200,

202, and 204 in Deposited Plan 71027 and an Authorisation Agreement over portions of road, known as allotments 201 and 203 in Deposited plan 71027, as delineated on the attached plan (Attachment 2 Item No. 2.5.1, Works and Services Committee, 21/08/2017) between the City of Salisbury and applicant under the following conditions:

- For a period of 10 years.
- At a commencing rental rate of \$41,945.97 (including GST) to increase by CPI annually and with market rent review at the 5 year period.
- The Applicant be responsible for all costs incurred in the negotiations of the lease agreement and all costs in relation to Councils public consultation.

**CARRIED
2054/2017**

2.5.4 Minutes of the Strategic Property Development Sub Committee meeting held on Tuesday 12 September 2017

2.5.4-SPDSC1 Appointment of Deputy Chairman - Strategic Property Development Sub Committee

Moved Cr G Caruso

Seconded Cr D Pilkington

1. Cr G Reynolds be appointed as Deputy Chairman of the Strategic Property Development Sub Committee for the remainder of the term of Council.

**CARRIED
2055/2017**

2.5.4-SPDSC2 Tranche 1 Status Update Report

Moved Cr G Caruso

Seconded Cr D Pilkington

1. That the report be received and the update on the status of the Tranche 1 program be noted.

**CARRIED
2056/2017**

Public Works

2.6.1 Capital Progress Report - August 2017

Moved Cr D Pilkington

Seconded Cr S Reardon

1. Include within the 2017/18 First Quarter Budget Review the \$47k income received from strata corporations for works completed at Ingle Farm Recreation Centre and Salisbury West Library as part of PR18097 Building Renewal Program.
2. Include within the 2017/18 First Quarter Budget Review the

\$15k income gain received from the Coast Protection Board in 2016/17 as part of PR22512 Drainage and Waterways Planning Program.

3. Include Edward Street, Paralowie; Garden Terrace, Mawson Lakes; Murrell Road, Para Hills; Northbri Avenue, Salisbury East; Pentland Road, Salisbury South; and Wyatt Street, Burton, within the 2017/18 Road Reseal Program.
4. Due to failure, bring forward the replacement of an Expander Slasher from 2019/20 into the 2017/18 Plant and Fleet Replacement Program with the associated \$30k funding approved as a non-discretionary budget review item at the 2017/18 First Quarter Budget Review with staff authorised to progress this replacement from the date of this resolution.

**CARRIED
2057/2017**

2.6.2 Funds Expended on Council Community Buildings and Facilities

Cr J Woodman left the meeting at 12:52 am on 26/09/2017.

Cr J Woodman returned to the meeting at 12:55 am on 26/09/2017.

Moved Cr G Caruso

Seconded Cr C Buchanan

1. That the information be received.

**CARRIED
2058/2017**

Traffic Management

2.7.1 Proposal for Connector Road between Correena Avenue and Halba Crescent, Paralowie

Moved Cr G Reynolds

Seconded Cr C Buchanan

1. That the information pertaining to the implementation of a one way road connecting from Correena Avenue to Halba Crescent, be received and noted.
 - a. Implementation of the roadway be pursued subject to community consultation, and created as a 'private' one way roadway from Correena Avenue to Halba Crescent, Paralowie.
 - b. Further, it will also be subject to acceptance of the conditions of use by school staff to keep the roadway closed except for those periods in the morning and afternoon periods on weekdays when the school is in

operation. The roadway is strictly to be used as a “kiss and ride” facility during those periods.

2. As the project is not currently funded, it is proposed that a new initiative bid be submitted, based on the estimated cost of \$190,000 for consideration within the 2018/19 budget year.
3. Contributory funding be sought with Paralowie R-12 School.

CARRIED
2059/2017

2.7.2 Salisbury Highway - Cars For Sale

Moved Cr S Reardon

Seconded Cr B Brug

1. That the information be received.
2. The situation pertaining to 'cars for sale' along Salisbury Highway, Parafield Gardens continue to be monitored as part of the Inspectorate Team's regular surveillance across the City.
3. That ongoing liaison with SAPOL be maintained to assist in addressing specific issues relating to driver behaviour and road safety.

**CARRIED
2060/2017**

Confidential Items

Refer to CONFIDENTIAL ITEMS section of Council Minutes

2.9.1 Minutes of the Confidential Strategic Property Development Sub Committee meeting held on Tuesday 12 September 2017

3 Resources and Governance Committee Meeting

Minutes of the Resources and Governance Committee Meeting held on 18 September 2017 were considered by Council.

Administration

3.0.1 Future Reports for the Resources and Governance Committee

Moved Cr D Proleta

Seconded Cr E Gill

1. The information be received.

**CARRIED
2061/2017**

Corporate Governance

3.6.1 Local Government Act Order Making Policy

Moved Cr D Pilkington

Seconded Cr J Woodman

1. The Information be received.
2. The Local Government Act Order Making Policy as set out in Attachment 1 to the Resources and Governance

Committee 18/9/17 agenda report (Item No. 3.6.1) be endorsed.

CARRIED
2062/2017

3.6.2 Review of Code of Practice - Access to Meetings and Associated Documents - Results of Public Consultation

Moved Cr L Caruso

Seconded Cr G Caruso

1. The information be received.
2. The Code of Practice – Access to Meetings and Associated Documents as set out in Attachment 1 to this report (Resources and Governance 3.6.2, 18/09/2017) be endorsed

CARRIED
2063/2017

Minutes of the Council Meeting 25/09/2017

3.6.3 Local Government Association Annual General Meeting 16/11/2017 - Call for Notices of Motion

Moved Cr G Caruso
Seconded Cr J Woodman

1. The information be received.

**CARRIED
2064/2017**

3.6.4 Variations to Delegations

Moved Cr L Caruso
Seconded Cr G Caruso

1. Having conducted a review of Delegations in accordance with Section 44(6) of the *Local Government Act 1999*, the Council hereby revokes its previous delegations to the Chief Executive Officer, effective from 3 October 2017 of those powers and functions under the following:
 - 1.1 *Heavy Vehicles National Law (SA) Act 2014*
 - Section 174(2)
 - 1.2 *Local Government Act 1999*
 - Section 187(1)
 - 1.3 *Work, Health and Safety Act 2012*
 - Sections 65(1) and 229(1)
2. In exercise of the power contained in Section 44 of the *Local Government Act 1999* the powers and functions under the following Acts contained in the proposed Instruments of Delegation forming attachments to this report (Attachments 2-6, Item No. 3.6.4, Resources and Governance Committee, 18/09/2017), are hereby delegated from 4 October 2017 to the person occupying the office of Chief Executive Officer, subject to the conditions and / or limitations indicated herein or in the Schedule of Conditions contained in the proposed Instrument of Delegation under the following Acts:
 - 2.1 *Heavy Vehicles National Law (SA) Act 2014*
 - Section 174(2)
 - 2.2 *Local Government Act 1999*
 - Section 187(1), Clauses 2(1), 2(3), 2(4), 4, 5(1), 5(2), 6(1), 6(2), 7(2), 7(3), 9(1), 9(2), 9(3), 10(2), 10(2), 10(3), 13(1), 13(3) of Schedule 1B
 - 2.3 *Planning, Development and Infrastructure Act 2016*
 - Sections 73(2)(b)(iv), 73(6), 73(8), 73(9), 74(8), 82(d), 83(i), 83(1)(h), 83(1)(i), 83(2), 84(1)(c)(ii)(B) and 86(2)(a)

2.4 *Road Traffic Act 1961*

- Section 33(2)

2.5 *Work, Health and Safety Act 2012*

- Sections 65(1) and 229(1)

3. Such powers and functions may be further delegated by the Chief Executive Officer as the Chief Executive Officer sees fit and in accordance with the relevant legislation unless otherwise indicated in the conditions and/or limitations specified in the Delegations Register.

CARRIED
2065/2017

3.6.5 Verge Development by Residents - Fruit and Vegetable Planting

Moved Cr D Pilkington

Seconded Cr S Reardon

1. The report be received and noted

CARRIED
2066/2017

6 Budget and Finance Committee Meeting

Minutes of the Budget and Finance Committee Meeting held on 18 September 2017 were considered by Council.

Administration

6.0.1 Future Reports for the Budget and Finance Committee

Moved Cr G Reynolds

Seconded Cr S Reardon

1. The information be received.

CARRIED
2067/2017

7 Sport, Recreation and Grants Committee Meeting

Minutes of the Sport, Recreation and Grants Committee Meeting held on 11 September 2017 were considered by Council.

Administration

7.0.1 Future Reports for the Sport, Recreation and Grants Committee

Moved Cr J Woodman

Seconded Cr L Caruso

1. The information be received.

CARRIED
2068/2017

Community Grants

7.2.1 Youth Sponsorship - August Applications

Moved Cr J Woodman
Seconded Cr S Reardon

1. The information be received.

CARRIED
2069/2017

7.2.2 Community Grants Program Applications for September 2017

Moved Cr S Reardon
Seconded Cr D Pilkington

1. The information be received and noted.

CARRIED
2070/2017

7.2.3 15/2017: Grace for All Nations Church Inc. - Community Grants Program Application

Moved Cr S White
Seconded Cr L Caruso

1. It be noted that, in accordance with delegated powers set out in the endorsed Terms of Reference, the Sport, Recreation and Grants Committee assessed and allocated funding for the September 2017 round of Community Grants as follows:
 - a. Grant No. 15/2017: Grace for All Nations Church Inc. be awarded the amount of **\$2,500.00** to assist with the purchase of audio equipment for the January 2018 Conference as outlined in the Community Grant Application and additional information.

CARRIED
2071/2017

OTHER BUSINESS

Cr C Buchanan provided further commentary on the Salisbury Heights flooding issue addressed in Public Question Time (PQT1) and asked questions of the Mayor on behalf of Mr Adrian Rigby. The Mayor took the questions on notice.

MAYOR'S DIARY

MD1 Mayor's Diary

Moved Cr J Woodman
Seconded Cr B Brug

1. That this information be noted.

CARRIED
2072/2017

REPORTS FROM COUNCIL REPRESENTATIVES

Cr E Gill:

30/08/2017	Meeting with Cr Reardon & staff
31/08/2017	JYC Advisory Meeting
	Parafield Airport Master Plan public forum
5/11/2017	Radio programme with Mayor
	Unveiling of Susan Grace Benny Bust at Brighton Council
6/11/2017	Meeting with Christmas Parade group
13/09/2017	Meeting with Lawyer
14/09/2017	Rotary Op Shop
16/09/2017	Jets Athletics open day Come-n-try
17/09/2017	Bridgestone Park 'Salisbury Plays'
19/09/2017	Radio programme with Jim Binder
20/09/2017	Salisbury Senior Citizens 52nd birthday lunch
21/09/2017	JYC Open Day
	Deliver Salisbury Aware to RSL
	Meeting with SDA at Parabanks
	ALGWA board at North Adelaide
22/09/2017	Meeting with councillor at Port Adelaide
23/09/2017	Multicultural Festival
24/09/2017	Meeting at Highway One Caravan Park

CONFIDENTIAL ITEMS

2.9.1 Minutes of the Confidential Strategic Property Development Sub Committee meeting held on Tuesday 12 September 2017

Moved Cr D Pilkington
Seconded Cr J Woodman

1. *Pursuant to Section 90(2) and (3)(b)(i) and (b)(ii) and (d)(i) and (d)(ii) 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 could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct, business, or to prejudice the commercial position of the council; and*
 - *information the disclosure of which would, on balance, be contrary to the public interest; and*
 - *commercial information of a confidential nature (not being a trade secret) the disclosure of which could reasonably be*

expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party; and

- commercial information of a confidential nature (not being a trade secret) the disclosure of which would, on balance, be contrary to the public interest.

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

- Non-disclosure of this matter would protect Council's commercial position as public disclosure may provide third parties with a commercial advantage.

*On that basis the public's interest is best served by not disclosing the **Minutes of the Confidential Strategic Property Development Sub Committee meeting held on Tuesday 12 September 2017** 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 and Legal Adviser Mr Michael Kelledy, be excluded from attendance at the meeting for this Agenda Item.*

**CARRIED
2073/2017**

The meeting moved into confidence at 1.09am on 26 September 2017.

The meeting moved out of confidence and closed at 1.10am on 26 September 2017.

CHAIRMAN.....

DATE.....

ITEM	GB1
	COUNCIL
DATE	23 October 2017
HEADING	End of Year Financial Statement and Analysis
AUTHORS	Tim Aplin, Senior Accountant, Business Excellence Kate George, Manager Financial Services, Business Excellence
CITY PLAN LINKS	4.3 Have robust processes that support consistent service delivery and informed decision making. 4.2 Develop strong capability and commitment to continually improve Council's performance.
SUMMARY	<p>The City of Salisbury end of year processes for 2017 have been finalised and audited by Council's external auditor Bentleys. This report provides detail of actual results compared to prior year actuals and to the budget position.</p> <p>The annual financial statements have been reviewed by the Audit Committee at the meeting on the 10 October 2017. Further Council's external auditors are satisfied that they present fairly the state of affairs of the Council.</p>
RECOMMENDATION	<ol style="list-style-type: none"> 1. The information be received. 2. The Annual Financial Statements for the year ended 30 June 2017 be adopted.
ATTACHMENTS	<p>This document should be read in conjunction with the following attachments:</p> <ol style="list-style-type: none"> 1. Annual Financial Statements for the year ended 30 June 2017
1. BACKGROUND	<ol style="list-style-type: none"> 1.1 Regulation 10 of the Local Government (Financial Management) Regulations 2011 requires the Council to <ol style="list-style-type: none"> (1) <i>...prepare and consider a report showing the audited financial results of each item shown in the statement of comprehensive income and balance sheet of the budgeted financial statements of the Council, ... for the previous financial year compared with the estimated financial results set out in the budget presented in a manner consistent with the Model Financial Statements.</i> (2) <i>...council's operating surplus ratio, net financial liabilities ratio and asset sustainability ratio compared with estimates set out in the budget presented in a manner consistent with the Model Financial Statements.</i>

2. CONSULTATION / COMMUNICATION

2.1 Internal

- 2.1.1 This report provides the mechanism for consultation and communication with Council regarding the City of Salisbury's Annual Financial Statements for the year ending 30 June 2017. This report has been reviewed by the City of Salisbury's Audit Committee at the meeting held 10 October 2017.

2.2 External

- 2.2.1 The Annual Financial Statements for 2017 have been reviewed by Council's external Auditors Bentleys.

3. REPORT

- 3.1 The City of Salisbury's Financial Statements for the 2017 Financial Year have been prepared in accordance with the Local Government Act 1999, the Local Government (Financial Management) Regulations 2011, the Australian Accounting Standards and the Model Financial Statements.
- 3.2 In accordance with Section 126(4)(a) of the Local Government Act 1999 the Audit Committee advised that it has reviewed the annual financial statements of the Council for the year ended 30 June 2017 and is satisfied they present fairly the state of affairs of Council, subject to satisfactory responses to questions taken on notice which appear in the minutes of the Audit Committee Agenda. Following the meeting responses had been provided out of session, with members of the Audit Committee indicating their satisfaction with the information provided.
- 3.3 The external auditors Bentleys have conducted their review and have provided an unqualified audit opinion.
- 3.4 The following comments are provided with respect to the 2017 Annual Financial Statements, with commentary highlighting significant movements year on year.
- 3.5 Please note the date convention that has been used in this report, where 2017 refers to the 2016/17 financial year and 2016 refers to the 2015/16 financial year.

4. FINANCIAL STATEMENT ANALYSIS

4.1 Statement of Comprehensive Income

- 4.1.1 The Statement of Comprehensive Income shows an Operating Surplus before capital amounts and other comprehensive income of \$10,795k compared to prior year of \$5,458k.
- 4.1.2 The main factor creating this significant change to our level of Operating Surplus is the recommencement of the early payment of the Financial Assistance Grant.
- 4.1.3 In prior years the Federal Government has made payments in advance of the year of allocation, however ceased this practice in June 2014, and recommenced the practice in June 2015 and again ceased in the 2016 financial year. This has subsequently been reintroduced in the 2017 financial year, resulting in the 2017 operating result including six quarterly payments of the Financial Assistance Grant totaling \$11,757k and the 2016 results include only two quarterly payments totaling

- \$3,780k, the impact being an additional \$7,977k financial assistance grant funding received when compared to 2016.
- 4.1.4 Rates Revenue has increased by 4.26% from \$87,704k in 2016 to \$91,438k in 2017. This increase is due to the rate increase of 3% for the 2017 financial year, combined with development growth in the city leading to a higher number of rateable properties. However it should be noted that there are also additional costs from this growth in rateable properties, primarily associated with infrastructure provision.
 - 4.1.5 Statutory Charges received have increased by 1.22% from \$2,989k in 2016 to \$3,026k in 2017 with the significant impact being an increase in Planning Application Fees \$62k relating to higher dollar value applications received for large developments.
 - 4.1.6 User Charges have increased by 2.13% from \$5,629k in 2016 to \$5,749k in 2017, with the significant impact being increases in Waste Transfer Station Fees \$211k, Commercial Lease Income \$134k and Cemetery Fees \$127k. Offsetting these increases in User Charges are decreases in Water Supply \$424k, which is predominantly related to non-residential usage.
 - 4.1.7 Grants, Subsidies and Contributions have increased by 50.23% from \$11,583k in 2016 to \$17,401k in 2017; with the significant impact being the receipt of an early payment of two quarters of the 2018 Financial Assistance Grant \$3,995k in 2017, compared to only two payments of the Financial Assistance Grant being received in 2015/16. This was as a result of two quarters of the 2016 Financial Assistance Grant being received early in 2015 (refer to paragraph 4.1.3). In the 2017 year a total of \$11,757k was received in Financial Assistance Grant payments, as compared to \$3,780k in 2016.
 - 4.1.8 Investment Income has increased by 8.47% from \$518k in 2016 to \$562k in 2017, primarily as a result of higher cash holdings associated with property developments. The average interest rate on short-term investments for 2017 was 1.73%, which is a reduction from 2.04% in 2016.
 - 4.1.9 Reimbursements have increased by 1.23% from \$540k in 2016 to \$547k in 2017, which is a minor increase and results from an overall increase in the requirement for reimbursed works offset by higher associated expenditure.
 - 4.1.10 Other Revenues have increased by 11.09% from \$1,210k in 2016 to \$1,343k in 2017, predominantly resulting from a \$30k increase in Special Distribution funds received from Local Government Risk Services, \$31k relating to higher than budgeted receipts from the sale of scrap metal payments and numerous other minor variances.
 - 4.1.11 Share of Profit Joint Ventures and Associated Entities decreased from a \$707k net gain in 2016 to an \$83k net loss in 2017. This reflects Council's Regional Subsidiaries performance, with NAWMA producing a net deficit of \$150k in 2017 compared to a net surplus of \$1,311k in 2016, and Council Solutions producing a net deficit of \$76k in 2017 as compared to a net deficit of \$5k in 2016. Council's share of these results

in 2017 is a net loss of \$70k for NAWMA and a \$13k net loss for Council Solutions.

- 4.1.12 Employee Costs have increased from \$34,651k in 2016 to \$34,883k in 2017. Offsetting the EB adjustment of 2.75% for MOA staff and 2.75% for LGE staff are vacancies and other wage and salary movements.
- 4.1.13 Materials, Contracts and Other Expenses have increased by 5.91% from \$45,713k in 2016 to \$48,418k in 2017, resulting from an increase in contractor expenditure for the 2017 year, particularly in the Refuse Disposal and associated EPA levy, estimated at \$400k for the financial year, Verge Mowing \$431k and Kerb and Gutter Replacement \$240k. A further, unexpected impact was in the Tree Management Program which had an end of year unfavorable variance of \$320k, and was impacted as a result of storm activity throughout 2017; however the majority of this cost was offset by savings in other parks and landscape activities.
- 4.1.14 Depreciation costs have increased from \$23,802k in 2016 to \$24,781k in 2017 related to the addition of new assets to our infrastructure portfolio as well as incremental adjustments to unit rates and indexation increases flowing from the prior year revaluations of infrastructure assets.
- 4.1.15 Finance Costs have decreased by 11.87% from \$1,255k in 2016 to \$1,106k in 2017, which reflects a real decrease in long term borrowings. During the 2017 financial year, special purpose borrowings of \$500k were established, however this is offset by a \$500k Loan Receivable.
- 4.1.16 Asset disposal and fair value adjustments, amounts received specifically for new or upgraded assets and physical resources received free of charge, which are all items below the operating surplus, are discussed in detail in the budget and variance analysis below (refer Para 5.4.2).

4.2 Statement of Financial Position 30 June 2017

- 4.2.1 The Statement of Financial Position as at 30 June 2017 shows that Net Assets (Total Assets less Total Liabilities) or 'Equity' has increased by 2.5% or \$33,975k from \$1,345M in 2016 to \$1,379M in 2017.
- 4.2.2 The increase in Infrastructure, Property, Plant and Equipment from \$1,329M to \$1,355M is the most significant impact and is largely the result of additions to our current portfolio, being \$18,249k for new/upgraded and donated assets and \$21,190k for renewal of assets. Also contributing to this is net asset revaluation increments totaling \$13,431k (increments for Land and Land Improvements \$14,852k and Infrastructure \$23,117k, offset a decrement in Buildings and Other Structures \$24,538k). Offsetting this overall increase is accumulated depreciation increase of \$24,781k.
- 4.2.3 As revealed in Note 15 Financial Indicators, Net Financial Liabilities have decreased from \$15,596k to \$2,045k and have decreased as a proportion of total operating revenue from 14% to 2%. Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses), expressed as a percentage of total operating revenue.

- 4.2.4 The most significant movement impacting this ratio is Council's cash position as at 30 June 2017, which has increased from \$16,816k in 2016 to \$28,576k in 2017, reflecting the advance receipt of two quarters of the 2018 Financial Assistance Grant (refer paragraph 4.1.3) and property settlement funds received, with cash being held for supplier payments in July and August which are traditionally high with delivery of capital projects necessitating higher creditor payments and also once off yearly payments such WorkCover and Insurance Premiums. The decrease in Net Financial Liabilities is also attributable to Council's debt levels, which have decreased from \$17,140k in 2016 to \$15,067k in 2017.
- 4.2.5 The Asset Sustainability ratio has trended upwards to 133% in 2017 which is higher than the 72% achieved in 2016 and higher than the 111% in 2015. This is a reflection of higher cash expenditure on renewal/replacement of assets \$24,613k in 2017 when compared with \$18,510k planned expenditure per the Asset Management Plans. It was expected that this ratio would trend upwards in 2017, as it reflects the 'catch up' in renewal spend from 2016, where the result was 72%. It should be noted that the calculated three year weighted average of the ratio is 106% which is in the target range endorsed by Council of between 90%-110%.

4.3 Statement of Cash Flows 30 June 2017

- 4.3.1 The Statement of Cash Flows shows a net increase in cash and investments of \$11,760k from \$16,816k at 30 June 2016 to \$28,576k at 30 June 2017.
- 4.3.2 Net cash provided by Operating Activities at 30 June 2017 was \$36,757k as compared with \$27,013k in 2016. This increase is primarily attributable to Grant, Subsidies and Contributions Income (\$17,811k in 2017 compared to \$12,363k in 2016) resulting from the reintroduction of the advance payment of the Financial Assistance Grant. Also impacting are higher Rates Revenue (\$91,245k in 2017 compared to \$87,773k in 2016).
- 4.3.3 Operating Activity payments have remained consistent \$90,481k in 2017 compared to \$90,913k in 2016).
- 4.3.4 Net cash used in Investing Activities has decreased from \$27,258k in 2016 to \$22,924k in 2017 primarily as a result of \$3,577k more cash received from Real Estate Developments and other Asset disposals. This is offset by a relatively constant amount of expenditure on infrastructure assets, noting that the expenditure of property development has declined given the stage of the tranche 1 and 2 projects.
- 4.3.5 Net cash used in Financing Activities relate solely to Council's investment and borrowings activities. Overall net cash used in finance activities has decreased from \$2,399k in 2016 to \$2,073k in 2017. The cash for loan repayments increased from \$2,399k in 2016 to \$2,573k in 2017, with more cash being utilised to repay loan principle rather than service interest given that we are in the later stages of our long term borrowings. Offsetting this is an increase in cash received from

borrowings of \$500k reflecting funds received for a special purpose loan facility established in 2017 that is full offset by a loan receivable. The cash received as at 30 June 2017 from this loan receivable is disclosed in cash received from investing activities.

5. BUDGET ACTUAL ANALYSIS

- 5.1 The analysis below is based on the comparison between the actual end of year results for the year ended 30 June 2017, and the original budget for same year. The commentary on the Statement of Comprehensive Income is designed to explain the variations appropriate to this 'view'. Comment is made only to variances greater than \$50k unless there are significant issues that need to be brought to members' attention.

City Of Salisbury
Statement of Comprehensive Income
As at 30 June 2017

	Actual \$000	Original Budget \$000	Variance \$000
Income			
Rates Revenues	91,438	91,358	80
Statutory Charges	3,026	2,673	353
User Charges	5,749	5,875	(126)
Grants, Subsidies & Contributions	17,401	13,477	3,925
Investment Income	562	147	415
Reimbursement	547	249	298
Other Income	1,344	736	608
Total Income	120,066	114,513	5,553
Expenses			
Employee Costs	34,883	37,036	2,153
Materials, Contracts and Other Expenses	48,418	46,843	(1,574)
Depreciation, amortisation & impairment	24,781	25,565	784
Finance Costs	1,106	1,881	775
Net Loss - Equity Accounted Council Businesses	83	0	(83)
Total Expenses	109,271	111,325	2,054
Operating Surplus/(Deficit)	10,795	3,189	7,606
Asset Disposal and Fair Value Adjustments	4,073	10,878	(6,805)
Amounts Received Specifically for New or Upgraded Assets	1,935	5,694	(3,759)
Physical Resources Received Free of Charge	3,741	4,000	(259)
Net Surplus/(Deficit)	20,544	23,761	(3,216)
Other Comprehensive Income			
Changes in Revaluation Surplus - I,PP&E	13,431	22,061	(8,630)
Total Other Comprehensive Income	13,431	22,061	(8,630)
Total Comprehensive Income	33,975	45,822	(11,846)

5.2 Income Analysis

5.2.1 Rates Revenues – Favourable Variance \$80k

The favourable variance is primarily the result of lower than budgeted Government Rates Rebates applied \$97k, offset by higher tier remission costs \$16k.

5.2.2 Statutory Charges – Favourable Variance \$353k

The favourable variance is primarily due to higher than budgeted Building and Development Lodgment fees \$214k and Planning fees \$160k resulting from higher than anticipated income generated from development projects. Included in the \$214k is \$180k relating to the External Client Services area. This is as a result of a higher number of applications received and processed as compared to budget. This is offset by lower than budgeted Dog License income \$36k.

5.2.3 User Charges – Unfavourable Variance \$126k

The unfavourable variance is primarily the result of lower than anticipated Water Supply \$857k predominantly related to non-residential customers resulting from a late start to the irrigation season and high rainfalls. Offsetting this unfavourable variance, are higher than budgeted Fees income generated at the Waste Transfer Station \$281k and Commercial Tenants Lease Income \$161k and Cemetery Fees \$125k.

5.2.4 Grants, Subsidies & Contributions– Favourable Variance \$3,925k

The favourable variance is the result of the advanced payment of the 2017/18 Financial Assistance Grant, with two quarters of the 2018 allocation received in June 2017.

5.2.5 Investment Income – Favourable Variance \$415k

The favourable variance is primarily the result of higher than anticipated interest received on our investment activity as a result of higher cash holdings through timing of property settlements.

5.2.6 Reimbursements – Favourable Variance \$298k

The favourable variance is the result of various reimbursements received relating to works or services undertaken by Council, with the predominant areas being Recreational Services contract management \$154k and Security charges \$33k. These amounts relate to costs incurred within the materials, contracts and other expenses classification. Also impacting are numerous small amounts primarily from private works that are offset by the expenditure incurred.

5.2.7 Other Revenue – Favourable Variance \$608k

The favourable variance is due to higher than budgeted amounts received relating to Sundry Income \$163k, the Workers Compensation Scheme Bonus \$88k, Training Income \$64k and the receipt of an unbudgeted distribution from the Local Government Risk Services \$170k.

5.3 Expenditure Analysis**5.3.1 Employee Costs - Favourable Variance \$2,153k**

The favourable variance is primarily due to use of contractors and agency staff which is reported in Materials, Contracts and Other Expenses below. Also contributing to this favourable variance is the lag in the appointment of positions within Council of \$644k. Offsetting this variance is higher than budgeted amounts relating to employee entitlements \$242k.

5.3.2 Materials, Contracts and Other Expenses – Unfavourable Variance \$1,574k

Contract labour, which is required to be classified as a contractual expense for reporting purposes, resulted in an unfavourable variance of \$1,537k. Contract labour is utilised to backfill for vacant positions within operational roles, and is offset by savings in employee costs reported in wages and salaries above. Other impacts which net each other are favourable variances related to electricity \$331k, primarily related to Street Lighting costs that were estimated to favourable compared to original budget estimates at the end of the financial year, however an adjustment was not made due to uncertainty in potential cost increases for contracts in place at other Councils facilities, and fuel costs \$131k which were adjusted as part of the year's budget reviews. These favourable variances are offset in part by the additional EPA levy of \$400k which was announced after the adoption of the budgeted.

5.3.3 Depreciation, Amortisation and Impairment –Favourable Variance \$784k

The overall favourable variance is primarily due to budgeting for the removal of residual values as required by a change in approach by the Australian Accounting Standards Board. The removal of residuals also requires reassessment of useful lives. These changes for our road assets were incorporated into the 2017 Actuals, however, as the Building Audit was incomplete at the end of financial year, the impact from these changes is not reflected in the 2017 result, leading to the favourable variance of \$956k, with this increase in depreciation being reflected in 2018 onwards, and has been incorporated into the 2018 budget. Offsetting this favourable variance are unfavorable variances in depreciation for Library Books \$99k and Plant and Equipment \$74k.

5.3.4 Finance Costs – Favourable Variance \$775k

The favourable variance relates to the timing of cash receipts and disbursements, with the budget allowing for the drawdown on cash advance debentures, however this was not required during the year due to Council's cash position being bolstered by the property development sales.

5.3.5 Net Loss – Equity Accounted Council Businesses – Unfavourable Variance \$83k

At the end of the financial year we have recognised our share of the operating results of the Northern Adelaide Waste Management Authority (NAWMA) Regional Subsidiary being a net loss of \$70k and our other Regional Subsidiary, Council Solutions a \$13k net loss. It should be noted that from a budgeting perspective we budget for these entities to break even.

5.4 Non-Operating Items Analysis

- 5.4.1 Net Gain/(Loss) on disposal of assets is \$6,805k unfavourable. The largest impact results from the timing of property development sales, with the original budget including the sale of all remaining lots for Tranche 1 Projects with net proceeds estimated at \$2,956k and a significant portion Tranche 2 lots being sold with net proceeds estimated at \$8,258k. However, actual net proceeds for Tranche 1 was \$1,686k and Tranche 2 \$5,172, with an overall shortfall of \$4,356k. It should be noted that this is purely a timing issue with planned sales for 2017 occurring in the 2018 financial year. For the sales actually achieved in 2017 sales occurred earlier in the financial year which contributed to greater interest revenue and lower borrowing costs.

Further impacting this variance is an unfavourable variance of \$2,508k which related to accounting losses that represent the written down value of assets disposed of. This includes Land Improvement Assets \$27k, Building Assets \$913k and Infrastructure Assets \$1,904k. All of these assets have been renewed or replaced earlier than anticipated. Slightly offsetting this are favourable variances for Plant and Equipment Disposals \$39k and Financial Asset Disposals \$20k.

- 5.4.2 Amounts specifically for new or upgraded assets were unfavourable \$3,759k primarily as a result of lower levels of grant funding received for capital projects than originally budgeted, predominantly relating to Diment Road Upgrade \$1,750k, Major Flood Mitigation Works \$594k, Traffic Management Devices \$396k, Dry Creek Erosion Control \$200k and Bicycle Network Improvements \$50k, all of which were adjusted via Budget Reviews throughout 2017.
- 5.4.3 Physical resources received free of charge had an unfavourable variance of \$259k which is a relatively minor variance. This amount represents the assets donated to Council which is usually associated with external property development and residential infill, with typical assets being road, kerbing, footpaths, drainage, and verges. It should be noted that the budget is an estimated figure due to the complexities involved in determining the expected levels of donated assets.

5.5 Other Comprehensive Income Analysis

- 5.5.1 Changes in revaluation surplus – IPP&E shows a unfavourable variance to budget of \$8,630k. Budgeting for infrastructure revaluations is inherently complex, however the variance is the result of revaluation increments for Land and Land Improvements \$13,499k, Infrastructure

\$23,117k, offset by revaluation decrements for Buildings \$24,538k. Noting that the decrements result for the asset audits undertaken in the 2017 financial year.

5.6 Statement of Financial Position Analysis

5.6.1 The Statement of Financial Position for 2017 is set out below and details the actual end of financial position against the original budget. Commentary has been made on significant variances between the estimates as presented at the adoption of the budget and the 2017 end of year position.

City Of Salisbury
Statement of Financial Position
As at 30 June 2017

	Actual \$000	Original Budget \$000 [1]	Variance \$000
Assets			
Current Assets			
Cash and Cash Equivalents	28,576	20,643	7,933
Trade and Other Receivables	5,848	4,978	870
Inventories	5,144	6,125	(981)
Total Current Assets	39,568	31,746	7,822
Non-Current Assets			
Financial Assets	1,327	988	339
Equity Accounted Investments in Council Businesses	3,946	3,323	623
Infrastructure, Property, Plant and Equipment	1,354,629	1,364,288	(9,659)
Other Non-Current Assets	17,401	30,170	(12,769)
Total Non-Current Assets	1,377,303	1,398,769	(21,466)
Total Assets	1,416,871	1,430,515	(13,644)
Liabilities			
Current Liabilities			
Trade and Other Payables	13,674	14,570	896
Borrowings	2,350	2,500	150
Provisions	7,241	6,936	(305)
Total Current Liabilities	23,265	24,006	741
Non-Current Liabilities			
Trade and Other Payables	-	-	-
Borrowings	12,717	12,079	(638)
Provisions	1,814	1,608	(206)
Total Non-Current Liabilities	14,531	13,687	(844)
Total Liabilities	37,796	37,693	(103)
Net Assets	1,379,075	1,392,822	(13,747)
Equity			
Accumulated Surplus	333,969	337,752	(3,783)
Asset Revaluation Reserve	1,016,925	1,035,200	(18,275)
Other Reserves	28,181	19,870	8,311
Total Equity	1,379,075	1,392,822	(13,747)

[1] The original budget is that endorsed by Council, however a reclassification adjustment has been made. Specifically there was an amount of \$1,527k disclosed as Non Current Trade and Other Payables, which should have been disclosed as Non Current Provisions. To ensure accurate reporting this amount has been reclassified in the Statement of Financial Position above, noting that this has no effect on the substance of the endorsed budget.

5.6.2 The Statement of Financial Position as at 30 June 2017 shows a unfavourable variance when compared to budget for Net Assets (Total Assets less Total Liabilities) or 'Equity' of \$13,747k. This variance is made up of the following:

- Total Current Assets are \$7,822k favourable when compared to the original budget. This is primarily as a result of cash and cash equivalents being favourable by \$7,933k. This is in part due to the receipt in June of the advance payment of two quarters of the 2018 Financial Assistance Grant \$3,995k. A further contributing factor is that the original budget is based on 100% delivery of all projects and operating expenditure, where there is always a level of carry forward, which has a favourable impact on our cash position. Trade and Other Receivables are also favourable \$870k, which is offset by an unfavourable variance in Inventories \$981k, both of which are related to timing.
- Infrastructure, Property, Plant and Equipment is \$9,659k unfavourable when compared to original budget, predominately as a result of revaluation adjustments of \$13,431 being lower than budgeted expectations of \$22,061k, noting that these adjustments are inherently complex, and are derived from periodic detailed asset audits.
- Other Non-current assets are \$12,769k lower than budget estimate, which is a result of lower than anticipated infrastructure projects in progress at the end of 2017. The budget was set with the last known actual result (30 June 2015), as it is expected to remain relatively static, although the mix of projects will of course change over time. The large reduction results from many of the property development project assets being completed, and no new property development projects underway at 30 June 2017.
- Liabilities are overall higher than budget by \$103k, with current and non-current provisions above Original Budget by \$511k with the main impact being slightly higher than budgeted amounts relating to employee entitlement provisions being recognised, primarily reflecting lower levels of leave being taken. Offsetting the unfavourable variances in provisions are a favourable variance in Trade and Other Payables \$896k, reflecting lower amounts owed to Creditors at the end of the financial year.

5.7 Financial Indicator Analysis

5.7.1 The Financial Indicators as presented in the original budget are set out below and have been compared to actual results for the 2017 financial year. Also included are adjusted Financial Indicators which normalises the ratio's for the timing of the Financial Assistance Grant.

Financial Indicators	Endorsed Operating Range	2016-17 Original Budget	2016-17 Actuals	Variance to Original Budget	2016-17 Adjusted Actuals	Variance to Original Budget
Operating Surplus Ratio	0-5%	2.80%	9.00%	6.20%	5.70%	2.90%
Net Financial Liabilities Ratio	<40%	9.70%	1.70%	8.00%	5.03%	4.67%
Asset Sustainability Ratio	90-110%	98.00%	133.00%	35.00%	N/A	N/A

- 5.7.2 The operating surplus ratio of 9.00% provides a favourable variance of 6.20% when compared to budget. However, when adjusted for the timing impact of the early receipt of the 2018 Financial Assistance Grant the ratio decreases to 5.70%, which is a favourable variance of 2.90%. This is primarily the result of higher than budgeted revenue generated from Statutory Charges \$353k, Investment Income \$415k, Reimbursements \$298k and Other Income \$608k. The current endorsed operating range for this indicator is 0.5%-5%.
- 5.7.3 Net Financial Liabilities of 1.70% produced a favourable variance of 8.00% when compared to budget, primarily the result of our cash position being \$7,933k higher than budget expectations. When adjusted for the timing impact of the early receipt of the 2018 Financial Assistance Grant the ratio increases to 5.03%, which is a favourable variance of 4.67%. The actual result falls within the current endorsed operating range for this indicator, being less than 40%.
- 5.7.4 The Asset Sustainability ratio of 133% provides a favourable variance of 35.00% when compared to budget, and is higher than the 72% achieved in 2016 and the 111% in 2015. It should be noted that the calculated three year weighted average ratio is 106% which is in the target range endorsed by Council of between 90%-110%. This result is a reflection of higher cash expenditure incurred on the renewal/replacement of assets \$24,613k in 2017 when compared with \$18,510k planned expenditure per the Asset Management Plans, for this year, and reflects delivery of prior year projects. The actual result is above the current endorsed operating range for this indicator, however it was expected that this ratio would trend upwards in 2017 as it reflects the 'catch up' in renewal spend from 2016.

5.8 Conclusion / Proposal

- 5.8.1 The financial statements have been prepared in accordance with the applicable Australian Accounting Standards and legislative requirements, and are recommended to Council for adoption.

CO-ORDINATION

Officer: A/CEO
Date: 19/10/2017

City of Salisbury

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2017

Salisbury - a flourishing City with opportunity for all



City of Salisbury

General Purpose Financial Statements for the year ended 30 June 2017

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City of Salisbury

General Purpose Financial Statements for the year ended 30 June 2017


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 2017 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: 11/10/2017

City of Salisbury

General Purpose Financial Statements for the year ended 30 June 2017

Understanding Council's Financial Statements

Introduction

Each year, individual Local Governments across South Australia are required to present a set of audited Financial Statements to their Council and Community.

About the Certification of Financial Statements

The Financial Statements must be certified by the Chief Executive Officer and Mayor as "presenting a true and fair view" of the Council's financial results for the year, and ensuring both responsibility for and ownership of the Financial Statements across Council.

What you will find in the Statements

The Financial Statements set out the financial performance, financial position and cash flows of Council for the financial year ended 30 June 2017.

The format of the Financial Statements is standard across all South Australian Councils and complies with both the accounting and reporting requirements of Australian Accounting Standards and the requirements as set down in the South Australia Model Financial Statements.

The Financial Statements incorporate four "primary" financial statements:

1. A Statement of Comprehensive Income

A summary of Council's financial performance for the year, listing all income and expenses.

2. A Balance Sheet

A snapshot as at 30 June 2017 of Council's financial position including its assets and liabilities.

3. A Statement of Changes in Equity

The overall change for the year (in dollars) of Council's "net wealth".

4. A Statement of Cash Flows

Indicates where Council's cash came from and where it was spent.

About the Notes to the Financial Statements

The Notes to the Financial Statements provide greater detail and additional information on the four Primary Financial Statements.

About the Auditor's Reports

Council's Financial Statements are required to be audited by external accountants (that generally specialise in Local Government).

In South Australia, the Auditor provides an audit report, with an opinion on whether the Financial Statements present fairly the Council's financial performance and position.

About the Independence Certificates

Council's Financial Statements are also required to include signed Certificates by both the Council and the Auditors that the Council's Auditor has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*.

Who uses the Financial Statements?

The Financial Statements are publicly available documents and are used by (but not limited to) Councillors, Residents and Ratepayers, Employees, Suppliers, Contractors, Customers, the Local Government Association of South Australia, the SA Local Government Grants Commission, and Financiers including Banks and other Financial Institutions.

Under the *Local Government Act 1999* the Financial Statements must be made available at the principal office of the Council and on Council's website.

City of Salisbury

Statement of Comprehensive Income
for the year ended 30 June 2017

\$ '000	Notes	2017	2016
Income			
Rates Revenues	2a	91,438	87,704
Statutory Charges	2b	3,026	2,989
User Charges	2c	5,749	5,629
Grants, Subsidies and Contributions	2g	17,401	11,583
Investment Income	2d	562	518
Reimbursements	2e	547	540
Other Income	2f	1,343	1,210
Net Gain - Equity Accounted Council Businesses	19	-	707
Total Income		120,066	110,880
Expenses			
Employee Costs	3a	34,883	34,651
Materials, Contracts and Other Expenses	3b	48,418	45,713
Depreciation, Amortisation and Impairment	3c	24,781	23,802
Finance Costs	3d	1,106	1,255
Net Loss - Equity Accounted Council Businesses	19	83	1
Total Expenses		109,271	105,422
Operating Surplus / (Deficit)		10,795	5,458
Asset Disposal and Fair Value Adjustments	4	4,073	(1,588)
Amounts Received Specifically for New or Upgraded Assets	2g	1,935	1,437
Physical Resources Received Free of Charge	2i	3,741	3,379
Net Surplus / (Deficit) ¹		20,544	8,686
Other Comprehensive Income			
<i>Amounts which will not be reclassified subsequently to operating result</i>			
Changes in Revaluation Surplus - I,PP&E	9a	13,431	6,011
Total Other Comprehensive Income		13,431	6,011
Total Comprehensive Income		33,975	14,697

¹ Transferred to Equity Statement

City of Salisbury

Statement of Financial Position
as at 30 June 2017

\$ '000	Notes	2017	2016
ASSETS			
Current Assets			
Cash and Cash Equivalents	5a	28,576	16,816
Trade and Other Receivables	5b	5,848	5,042
Inventories	5c	5,144	10,256
Total Current Assets		39,568	32,114
Non-Current Assets			
Financial Assets	6a	1,327	1,025
Equity Accounted Investments in Council Businesses	6b	3,946	4,030
Infrastructure, Property, Plant and Equipment	7a	1,354,629	1,328,507
Other Non-Current Assets	6c	17,401	17,903
Total Non-Current Assets		1,377,303	1,351,465
TOTAL ASSETS		1,416,871	1,383,579
LIABILITIES			
Current Liabilities			
Trade and Other Payables	8a	13,674	12,821
Borrowings	8b	2,350	2,560
Provisions	8c	7,241	6,918
Total Current Liabilities		23,265	22,299
Non-Current Liabilities			
Borrowings	8b	12,717	14,580
Provisions	8c	1,814	1,600
Total Non-Current Liabilities		14,531	16,180
TOTAL LIABILITIES		37,796	38,479
Net Assets		1,379,075	1,345,100
EQUITY			
Accumulated Surplus		333,969	309,864
Asset Revaluation Reserves	9a	1,016,925	1,003,494
Other Reserves	9b	28,181	31,742
Total Council Equity		1,379,075	1,345,100

City of Salisbury

Statement of Changes in Equity
for the year ended 30 June 2017

\$ '000	Notes	Asset			Total Equity
		Accumulated Surplus	Revaluation Reserve	Other Reserves	
2017					
Balance at the end of previous reporting period		309,864	1,003,494	31,742	1,345,100
Net Surplus / (Deficit) for Year		20,544	-	-	20,544
Other Comprehensive Income					
- Gain (Loss) on Revaluation of I,PP&E	7a	-	13,431	-	13,431
Other Comprehensive Income		-	13,431	-	13,431
Total Comprehensive Income		20,544	13,431	-	33,975
Transfers between Reserves		3,561	-	(3,561)	-
Balance at the end of period		333,969	1,016,925	28,181	1,379,075

\$ '000	Notes	Asset			Total Equity
		Accumulated Surplus	Revaluation Reserve	Other Reserves	
2016					
Balance at the end of previous reporting period		305,007	997,483	27,913	1,330,403
Net Surplus / (Deficit) for Year		8,686	-	-	8,686
Other Comprehensive Income					
- Gain (Loss) on Revaluation of I,PP&E	7a	-	6,011	-	6,011
Other Comprehensive Income		-	6,011	-	6,011
Total Comprehensive Income		8,686	6,011	-	14,697
Transfers between Reserves		(3,829)	-	3,829	-
Balance at the end of period		309,864	1,003,494	31,742	1,345,100

City of Salisbury

Statement of Cash Flows
for the year ended 30 June 2017

\$ '000	Notes	2017	2016
Cash Flows from Operating Activities			
<u>Receipts</u>			
Rates Receipts		91,245	87,773
Statutory Charges		3,124	2,989
User Charges		4,881	6,084
Grants, Subsidies and Contributions (operating purpose)		17,811	12,363
Investment Receipts		557	525
Reimbursements		602	594
Other Receipts		9,018	7,598
<u>Payments</u>			
Payments to Employees		(35,233)	(34,337)
Payments for Materials, Contracts and Other Expenses		(54,142)	(55,321)
Finance Payments		(1,106)	(1,255)
Net Cash provided by (or used in) Operating Activities	11b	36,757	27,013
Cash Flows from Investing Activities			
<u>Receipts</u>			
Amounts Received Specifically for New/Upgraded Assets		1,935	1,437
Sale of Replaced Assets		479	465
Net Disposal of Investment Securities		177	-
Sale of Real Estate Developments		11,359	7,782
Repayments of Loans by Community Groups		19	3
<u>Payments</u>			
Expenditure on Renewal/Replacement of Assets		(25,092)	(13,750)
Expenditure on New/Upgraded Assets		(10,610)	(18,837)
Development of Real Estate for Sale		(691)	(4,358)
Loans Made to Community Groups		(500)	-
Net Cash provided by (or used in) Investing Activities		(22,924)	(27,258)
Cash Flows from Financing Activities			
<u>Receipts</u>			
Proceeds from Borrowings		500	-
<u>Payments</u>			
Repayments of Borrowings		(2,573)	(2,399)
Net Cash provided by (or used in) Financing Activities		(2,073)	(2,399)
Net Increase (Decrease) in Cash Held		11,760	(2,644)
plus: Cash & Cash Equivalents at beginning of period	11	16,816	19,460
Cash & Cash Equivalents at end of period	11	28,576	16,816
Additional Information:			
plus: Investments on hand - end of year	6a	831	988
Total Cash, Cash Equivalents & Investments		29,407	17,804

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City of Salisbury

Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

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City of Salisbury

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 1. Summary of Significant Accounting Policies

The principal accounting policies adopted by Council in the preparation of these financial statements are set out below.

These policies have been consistently applied to all the years presented, unless otherwise stated.

1 Basis of Preparation

1.1 Compliance with Australian Accounting Standards

This general purpose financial report has been prepared on a going concern basis using the historical cost convention in accordance with Australian Accounting Standards as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board, Interpretations and relevant South Australian legislation.

AASB 2016-4 Recoverable Amount of Non Cash-Generating Specialised Assets of Not-for-Profit Entities has been adopted early in the preparation of these financial reports.

This Standard removes the requirement for impairment testing of non-cash generating specialised assets that are carried at fair value. The early adoption of this Standard has not resulted in any changes to any amounts disclosed in these reports.

The financial report was authorised for issue by certificate under regulation 14 of the *Local Government (Financial Management) Regulations 2011* dated 11 October 2017.

1.2 Historical Cost Convention

Except as stated below, these financial statements have been prepared in accordance with the historical cost convention.

1.3 Critical Accounting Estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates, and requires management to exercise its judgement in applying Council's accounting policies.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are specifically referred to in the relevant sections of these Notes.

1.4 Rounding

All amounts in the financial statements have been rounded to the nearest thousand dollars (\$'000).

2 The Local Government Reporting Entity

The City of Salisbury is incorporated under the South Australian *Local Government Act 1999* and has its principal place of business at 12 James Street, Salisbury. These financial statements include the Council's direct operations and all entities through which Council controls resources to carry on its functions.

3 Income Recognition

Income is measured at the fair value of the consideration received or receivable. Income is recognised when the Council obtains control over the assets comprising the income, or when the amount due constitutes an enforceable debt, whichever first occurs.

Where grants, contributions and donations recognised as incomes during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the amounts subject to those undischarged conditions are disclosed in these notes. Also disclosed is the amount of grants, contributions and receivables recognised as incomes in a previous reporting period which were obtained in respect of the Council's operations for the current reporting period.

In recent years the payment of untied financial assistance grants has varied from the annual allocation. On 30 June 2015, Council received two quarters of the 2015/16 grant amounting to \$4,065,160. There were no untied financial assistance grants paid in advance during the 2015/16 reporting period. However on 09 June 2017, Council received two quarters of the 2017/18 grant

City of Salisbury

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 1. Summary of Significant Accounting Policies (continued)

amounting to \$3,995,448. The advanced payments received are summarised in the below table:

	Payment Received in Advance \$'000	
2014/15	4,065	Relates to 2015/16
2015/16	Nil	
2016/17	3,995	Relates to 2017/18

Because these grants are untied, the Australian Accounting Standards require that payments be recognised upon receipt. Accordingly, the operating results of these periods have been distorted compared to those that would have been reported had the grants been paid in the year to which they were allocated.

The Operating Surplus Ratio disclosed in Note 15 has also been calculated after adjusting for the distortions resulting from the differences between the actual grants received and the grants entitlements allocated.

4 Cash, Cash Equivalents and other Financial Instruments

Cash Assets include all amounts readily convertible to cash on hand at Council's option with an insignificant risk of changes in value with a maturity of three months or less from the date of acquisition.

Receivables for rates and annual charges are secured over the subject land, and bear interest at rates determined in accordance with the Local Government Act 1999. Other receivables are generally unsecured and do not bear interest.

All receivables are reviewed as at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful.

All financial instruments are recognised at fair value at the date of recognition. A detailed statement of the accounting policies applied to financial instruments forms part of Note 13.

5 Inventories

Inventories held in respect of stores have been valued by using the weighted average cost on a continual basis, after adjustment for loss of service potential. Inventories held in respect of business undertakings have been valued at the lower of cost and net realisable value.

5.1 Real Estate Assets Developments

Real Estate Assets developments have been classified as Inventory in accordance with AASB 102 Inventories and are valued at the lower of cost or net realisable value. Cost includes the costs of acquisition, development, borrowing and other costs incurred on financing of that acquisition and up to the time of sale. Any amount by which cost exceeds the net realisable value has been recognised as an expense.

Revenues arising from the sale of property are recognised in the operating statement when settlement is completed.

5.2 Other Real Estate Held for Resale

Properties not acquired for development, but which Council has decided to sell as surplus to requirements, are recognised at the carrying value at the time of that decision.

6 Infrastructure, Property, Plant & Equipment

6.1 Initial Recognition

All assets are initially recognised at cost. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition.

City of Salisbury

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 1. Summary of Significant Accounting Policies

All non-current assets purchased or constructed are capitalised as the expenditure is incurred and depreciated as soon as the asset is held "ready for use". Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including architects' fees and engineering design fees and all other costs incurred. The cost of non-current assets constructed by the Council includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

Capital works still in progress at balance date are recognised as other non-current assets and transferred to infrastructure, property, plant and equipment when completed ready for use.

6.2 Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by Council for each type of asset. In determining (and in annually reviewing) such thresholds, regard is had to the nature of the asset and its estimated service life. Examples of capitalisation thresholds applied during the year are disclosed in Note 7. No capitalisation threshold is applied to the acquisition of land or interests in land.

6.3 Subsequent Recognition

All material asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. Significant uncertainties exist in the estimation of fair value of a number of asset classes including land, buildings and associated structures and infrastructure. Further detail of these uncertainties and of existing valuations, methods and valuers are provided at Note 7.

6.4 Depreciation of Non-Current Assets

Other than land, all infrastructure, property, plant and equipment assets recognised are systematically depreciated over their useful lives on a straight-line basis which, in the opinion of Council, best reflects the consumption of the service potential embodied in those assets.

Depreciation methods, useful lives and residual values of classes of assets are reviewed annually;

these reviews are conducted either internally or externally through the completion of asset audits and valuations. As a result of these reviews, the following changes in accounting estimates have occurred that will impact the future depreciation of Councils infrastructure assets.

- Residual values for Building component assets has been removed.
- The useful lives for Building component assets have been adjusted to between 10 and 80 years.
- The useful lives of Road Seal assets have been adjusted to between 20 years (for higher use roads such as Collector roads) and 40 years (for lower use roads such as Residential roads).
- The useful lives of Road Base assets have been adjusted to between 60 years (for higher use roads such as Collector roads) and 150 years (for lower use roads such as Residential roads).
- The useful lives of Road Sub-Base assets have been adjusted to between 180 years (for higher use roads such as Collector roads) and 300 years (for lower use roads such as Residential roads).
- The useful life of Concrete and Block Paved Footpaths has been adjusted to 80 years.
- The useful life of Kerbing and Medians has been adjusted to between 180 and 300 years to align with the renewal of Road Sub-Base assets as part of a full road reconstruction.
- The useful lives of Drainage component assets (such as Headwalls, Box Culverts etc.) have been adjusted to between 20 and 100 years.
- The useful life of Concrete Sports Surfaces has been adjusted to 30 years.
- The useful life of Street Trees has been adjusted to 50 years.

Council has deemed it impractical to estimate the future year impact of these changes.

Major depreciation periods for each class of asset are shown in Note 7. Depreciation periods for infrastructure assets have been estimated based on the best information available to Council, but appropriate records covering the entire life cycle of these assets are not available, and extreme care should be used in interpreting financial information based on these estimates.

City of Salisbury

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 1. Summary of Significant Accounting Policies (continued)

6.5 Intangible Assets

Intangible Assets have been accounted for in accordance with the requirements of AASB 138 Intangible Assets. An item is recognised as an intangible if it meets the definition of an intangible asset, it is probable that future economic benefits will flow to Council and the cost of the asset can be reliably measured.

Intangible assets are tested for impairment yearly, or when there is objective evidence or an indication that these assets may be impaired. Further determinations on useful lives are reviewed annually.

6.6 Impairment

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount (which is the higher of the present value of future cash inflows or value in use).

For assets whose future economic benefits are not dependent on the ability to generate cash flows, and where the future economic benefits would be replaced if Council were deprived thereof, the value in use is the depreciated replacement cost. In assessing impairment for these assets, a rebuttable assumption is made that the current replacement cost exceeds the original cost of acquisition.

Where an asset that has been revalued is subsequently impaired, the impairment is first offset against such amount as stands to the credit of that class of assets in Asset Revaluation Reserve, any excess being recognised as an expense.

7 Payables

7.1 Goods & Services

Creditors are amounts due to external parties for the supply of goods and services and are recognised as liabilities when the goods and services are received. Creditors are normally paid 30 days after the month of invoice. No interest is payable on these amounts.

7.2 Payments Received in Advance & Deposits

Amounts other than grants received from external parties in advance of service delivery, and security deposits held against possible damage to Council assets, are recognised as liabilities until the service is delivered or damage reinstated, or the amount is refunded as the case may be.

8 Borrowings

Borrowings are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period to which it relates, and is recorded as part of "Payables".

9 Employee Benefits

9.1 Salaries, Wages & Compensated Absences

Liabilities for employees' entitlements to salaries, wages and compensated absences expected to be paid or settled within 12 months of reporting date are accrued at nominal amounts (including payroll based oncosts) measured in accordance with AASB 119.

Liabilities for employee benefits not expected to be paid or settled within 12 months are measured as the present value of the estimated future cash outflows (including payroll based oncosts) to be made in respect of services provided by employees up to the reporting date. Present values are calculated using government guaranteed securities rates with similar maturity terms.

City of Salisbury

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 1. Summary of Significant Accounting Policies

No accrual is made for sick leave as Council experience indicates that, on average, sick leave taken in each reporting period is less than the entitlement accruing in that period, and this experience is expected to recur in future reporting periods. Council does not make payment for untaken sick leave.

9.2 Superannuation

The Council makes employer superannuation contributions in respect of its employees to the Statewide Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently. Council also makes contributions to other Superannuation Schemes selected by employees under the 'Choice of Fund' legislation.

No changes in accounting policy have occurred during either the current or previous reporting periods. Details of the accounting policies applied and Council's involvement with the schemes are reported in Note 18.

10 Leases

Lease arrangements have been accounted for in accordance with Australian Accounting Standard AASB 117. In respect of operating leases, where the lessor substantially retains all of the risks and benefits incident to ownership of the leased items, lease payments are charged to expense over the lease term.

11 Equity Accounted Council Businesses

Council participates in cooperative arrangements with other Councils for the provision of services and facilities. Council's interests in cooperative arrangements, which are only recognised if material, are accounted for in accordance with AASB 128 and set out in detail in Note 19.

12 GST Implications

In accordance with UIG Abstract 1031 "Accounting for the Goods & Services Tax"

- Receivables and Creditors include GST receivable and payable.

- Except in relation to input taxed activities, revenues and operating expenditures exclude GST receivable and payable.
- Non-current assets and capital expenditures include GST net of any recoupment.
- Amounts included in the Statement of Cash Flows are disclosed on a gross basis.

13 New accounting standards and UIG Interpretations

In the current year, Council adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period. The adoption of the new and revised Standards and Interpretations has not resulted in any material changes to Council's accounting policies.

The City of Salisbury has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective.

This year Council has applied AASB 124 Related Party Disclosures for the first time. As a result Council has disclosed more information about related parties and transactions with those related parties. This information is presented in Note 22.

Apart from the AASB's listed below, there are no other amended Australian Accounting Standards or Interpretations which were issued at the date of authorisation of the financial report, but have future commencement dates, that are likely to have a material impact on the financial statements.

Effective for annual reporting periods beginning on or after 1 January 2018

- AASB 9 *Financial Instruments*
- AASB 15 *Revenue from Contracts with Customers*

Effective for annual reporting periods beginning on or after 1 January 2019

- AASB 16 *Leases*

City of Salisbury

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 1. Summary of Significant Accounting Policies (continued)

14 Comparative Figures

To ensure comparability with the current reporting period's figures, some comparative period line items and amounts may have been reclassified or individually reported for the first time within these financial statements and/or the notes.

15 Disclaimer

Nothing contained within these statements may be taken to be an admission of any liability to any person under any circumstance.

City of Salisbury

Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

Note 2. Income

\$ '000	Notes	2017	2016
(a). Rates Revenues			
General Rates			
General Rates		90,582	86,878
Less: Mandatory Rebates		(1,102)	(1,056)
Less: Discretionary Rebates, Remissions and Write Offs		(319)	(305)
Total General Rates		89,161	85,517
Other Rates (Including Service Charges)			
Natural Resource Management Levy		1,875	1,770
Salisbury Town Centre Separate Rate		160	160
Globe Derby Separate Rate		6	6
Mawson Centre Carparking Separate Rate ¹		-	19
Total Other Rates		2,041	1,955
Total Rates Revenues			
		91,438	87,704
(b). Statutory Charges			
Development Act Fees		873	862
Town Planning Fees		491	429
Animal Registration Fees and Fines		1,088	1,106
Parking Fines and Expiation Fees		296	316
Other Licences, Fees and Fines		278	276
Total Statutory Charges		3,026	2,989
(c). User Charges			
Cemetery Fees		579	452
Property Leases		790	655
Waste Disposal Fees		1,549	1,336
Water Supply		1,674	2,097
Aged and Disability Services		528	469
Sundry		629	620
Total User Charges		5,749	5,629

¹ Mawson Lakes Carparking Separate Rate was abolished by Council Resolution 0981/2016 in March 2016.

City of Salisbury

Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

Note 2. Income (continued)

\$ '000	Notes	2017	2016
(d). Investment Income			
Interest on Investments			
- Local Government Finance Authority		195	189
- Banks and Other		354	327
- Loans to Community Groups		13	2
Total Investment Income		562	518
(e). Reimbursements			
Contract Maintenance		154	228
Other		393	312
Total Reimbursements		547	540
(f). Other Income			
Insurance and Other Recoupments - Infrastructure, IPP&E		10	14
Rebates Received		767	698
Sundry		566	498
Total Other Income		1,343	1,210

City of Salisbury

Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

Note 2. Income (continued)

\$ '000	Notes	2017	2016
(g). Grants, Subsidies, Contributions			
Amounts Received Specifically for New or Upgraded Assets		1,935	1,437
Total Amounts Received Specifically for New or Upgraded Assets		1,935	1,437
Other Grants, Subsidies and Contributions		13,406	11,583
Individually Significant Item - Advance Grants Commission Payment (refer below)		3,995	-
Total Grants, Subsidies, Contributions		19,336	13,020

The functions to which these grants relate are shown in Note 12.

(i) Sources of grants

Commonwealth Government	2,398	3,969
State Government	15,718	7,993
Other	1,220	1,058
Total	19,336	13,020

(ii) Individually Significant Items

Advanced Grant Commission Grant Recognised as Income	3,995	-
--	-------	---

On 9 June 2017, Council received payment of the first two instalments of the 2017/18 Financial Assistance Grant, totalling \$3,995k and comprised of \$3,210k in general purpose funding and \$785k in untied local road funding. This has materially increased Council's operating results in the current year, as these amounts are recognised as income upon receipt. Potential material effects will be experienced when the timing of these grant payments are once again restored to a normal schedule.

City of Salisbury

Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

Note 2. Income (continued)

\$ '000	Notes	2017	2016
(h). Conditions over Grants and Contributions			
Grants and contributions which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, are as follows:			
Unexpended at the close of the previous reporting period		981	1,848
<i>Less:</i>			
<i>Expended during the current period from revenues recognised in previous reporting periods</i>			
Roads Infrastructure		(280)	(394)
Green Trails		(279)	(78)
St Kilda/Robinson Road - Traffic Management Device		(134)	-
Crime Prevention Grant		(100)	-
St Kilda CCTV Renewal - 16/17		(41)	-
Digital Growth Program		(33)	(50)
Economic Regional Collaboration - Business Taskforce		(28)	(60)
Building Safe Communities		(26)	-
Mawson Lakes Signs		(24)	-
Resilient Salisbury		(11)	(99)
Aged Friendly Retail Project		(8)	(7)
Playford Business Services		(5)	(87)
Youth Network Grant		(5)	-
Waterwatch General Program		(5)	-
St Kilda Playground Renewal		-	(363)
Parafield Soccer		-	(200)
Pine Lakes Aquifer Storage/Storage Tank/Booster		-	(32)
OPAL (Obesity Prevention and Lifestyle) Program		-	(26)
Healthy Communities Initiative		-	(16)
Gawler Street Salisbury Safety Initiative		-	(9)
Indigenous Capability and Development Program		-	(8)
LEAP Program		-	(5)
Other		(2)	(98)
Subtotal		(981)	(1,532)

City of Salisbury

Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

Note 2. Income (continued)

\$ '000	Notes	2017	2016
<i>Plus:</i>			
<i>Amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i>			
Economic Regional Collaboration - Business Taskforce		137	28
Digital Growth Program		128	33
Aged Friendly SA Grant		17	-
Aboriginal Sports Development		10	-
Resilient Salisbury		9	11
Duke of Edinburgh		8	-
Fairbanks Drive/Byron Bay Drive Traffic Management		6	-
Youth Network Grant		5	5
Diment Road Burton/Direk Upgrade		-	280
St Kilda/Robinson Road - Traffic Management Device		-	134
Crime Prevention Grant		-	100
St Kilda CCTV Renewal - 16/17		-	41
Building Safe Communities		-	26
Waterwatch General Program		-	5
Other		5	2
Subtotal		325	665
Unexpended at the close of this reporting period		325	981
Net increase (decrease) in assets subject to conditions in the current reporting period		(656)	(867)
 (i). Physical Resources Received Free of Charge			
Land and Improvements		602	2,280
Roads, Bridges and Footpaths		2,237	710
Stormwater Drainage		902	389
Total Physical Resources Received Free of Charge		3,741	3,379

City of Salisbury

Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

Note 3. Expenses

\$ '000	Notes	2017	2016
(a). Employee Costs			
Salaries and Wages		28,225	28,162
Employee Leave Expense		5,276	5,049
Superannuation - Defined Contribution Plan Contributions	18	1,242	1,261
Superannuation - Defined Benefit Plan Contributions	18	1,766	1,787
Workers' Compensation Insurance		1,545	1,529
Less: Capitalised and Distributed Costs		(3,171)	(3,137)
Total Operating Employee Costs		34,883	34,651
Total Number of Employees (full time equivalent at end of reporting period)		407	408
(b). Materials, Contracts and Other Expenses			
(i) Prescribed Expenses			
Auditor's Remuneration			
- Auditing the Financial Reports		59	43
Bad and Doubtful Debts		12	4
Elected Members' Expenses		467	468
Election Expenses		121	39
Operating Lease Rentals - Cancellable Leases		748	957
Subtotal - Prescribed Expenses		1,407	1,511
(ii) Other Materials, Contracts and Expenses			
Contractors		33,221	30,400
Energy		3,785	3,702
Parts, Accessories and Consumables		3,027	2,982
Sundry		3,009	2,951
Levies Paid to Government - NRM Levy		1,874	1,738
Insurance		926	994
Water Rates		592	870
Levies - Other		330	309
Legal Expenses		247	256
Subtotal - Other Material, Contracts and Expenses		47,011	44,202
Total Materials, Contracts and Other Expenses		48,418	45,713

City of Salisbury

Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

Note 3. Expenses (continued)

\$ '000	Notes	2017	2016
(c). Depreciation, Amortisation and Impairment			
(i) Depreciation and Amortisation			
Land Improvements		4,565	4,177
Buildings and Other Structures		1,293	1,262
Infrastructure		16,954	16,491
Plant and Equipment		1,760	1,725
Library Books		209	147
Subtotal		24,781	23,802
(d). Finance Costs			
Interest on Loans		1,106	1,255
Total Finance Costs		1,106	1,255

City of Salisbury

Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

Note 4. Asset Disposal and Fair Value Adjustments

\$ '000	Notes	2017	2016
Infrastructure, Property, Plant and Equipment			
(i) Assets Renewed or Directly Replaced			
Proceeds from Disposal		479	465
Less: Carrying Amount of Assets Sold		(3,231)	(5,065)
Gain (Loss) on Disposal		(2,752)	(4,600)
(ii) Assets Surplus to Requirements			
Carrying Amount of Assets Sold		(53)	(82)
Gain (Loss) on Disposal		(53)	(82)
Real Estate Development Assets			
Proceeds from Disposal		11,359	7,782
Less: Carrying Amount of Assets Sold		(4,501)	(4,688)
Gain (Loss) on Disposal		6,858	3,094
Other Financial Assets			
Proceeds from Disposal		177	-
Less: Carrying Amount of Assets Sold		(157)	-
Gain (Loss) on Disposal		20	-
Net Gain (Loss) on Disposal or Revaluation of Assets		4,073	(1,588)

Upon review of the prior year comparatives, it was noted that there were classification issues relating to infrastructure asset disposals. Specifically these had been incorrectly classified as Asset Surplus to Requirements, rather than Assets Renewed or Directly Replaced. This classification issue has been resolved and the current year and prior year comparatives now reflect the true nature of the asset disposals. This reclassification does not affect other components of the Annual Financial Statements.

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City of Salisbury

Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

Note 5. Current Assets

\$ '000	Notes	2017	2016
(a). Cash and Cash Equivalents			
Cash on Hand at Bank		688	2,388
Short Term Deposits and Bills, etc.		27,888	14,428
Total Cash and Cash Equivalents		28,576	16,816
(b). Trade and Other Receivables			
Rates - General and Other		2,751	2,390
Accrued Revenues		46	41
Debtors - General		2,331	1,128
GST Recoupment		274	1,061
Prepayments		417	418
Loans to Community Organisations		29	4
Total Trade and Other Receivables		5,848	5,042
(c). Inventories			
Stores and Materials		250	244
Real Estate Developments ¹	6	4,855	9,986
Cemetery Plinths and Vaults		39	26
Total Inventories		5,144	10,256

¹ Real Estate Development Inventories have been reclassified between Non-Current and Current Assets for both the current reporting period and the prior year comparatives to correctly reflect the timing of these projects.

City of Salisbury

Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

Note 6. Non-Current Assets

\$ '000	Notes	2017	2016
(a). Financial Assets			
Receivables			
Council Rates Postponement Scheme		22	19
Loans to Community Organisations		474	18
Total Receivables		496	37
Other Financial Assets (Investments)			
Mortgages over Property - Affordable Housing Scheme		831	988
Total Other Financial Assets (Investments)		831	988
Total Financial Assets		1,327	1,025
(b). Equity Accounted Investments in Council Businesses			
Northern Adelaide Waste Management Authority	19	3,858	3,929
Council Solutions	19	88	101
Total Equity Accounted Investments in Council Businesses		3,946	4,030
(c). Other Non-Current Assets			
(i) Inventories			
Real Estate Developments		1,846	1,842
Total Inventories		1,846	1,842
(ii) Other			
Capital Works-in-Progress		15,389	16,061
Intangible Assets		166	-
Total Other		15,555	16,061
Total Other Non-Current Assets		17,401	17,903

City of Salisbury

Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

Note 6. Non-Current Assets (continued)

\$ '000	Notes	2017	2016
Real Estate Developments - Current and Non-Current			
(Valued at the lower of cost and net realisable value)			
Residential		6,701	11,828
Total Real Estate for Resale		6,701	11,828
Represented by:			
Acquisition Costs		3,886	5,926
Development Costs		2,815	5,902
Total Real Estate of Resale		6,701	11,828
Apportionment of Real Estate Developments			
Current Assets		4,855	9,986
Non-Current Assets		1,846	1,842
		6,701	11,828

City of Salisbury

Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

Note 7a. Infrastructure, Property, Plant and Equipment

	Fair Value Level	as at 30/6/2016					Asset Movements during the Reporting Period							as at 30/6/2017				
		At Fair Value	At Cost	Accumulated Dep'n	Carrying Value	Asset Additions			WDV of Asset Disposals	Depreciation Expense (Note 3c)	Tfns from/(to) Real Estate Assets	Revaluation Increments to Equity (ARR) (Note 9)	Revaluation Decrements to Equity (ARR) (Note 9)	At Fair Value	At Cost	Accumulated Dep'n	Carrying Value	
						New / Upgrade	Renewals											
\$ '000																		
Land - Other	2	393,466	-	-	393,466	1,359	-	-	1,317	-	13,499	409,641	-	-	409,641	-	-	409,641
Land Improvements	3	159,789	-	57,216	102,573	4,877	4,167	(27)	(4,565)	-	1,353	170,588	-	62,210	108,378	-	-	108,378
Buildings and Other Structures	3	107,956	-	26,142	81,814	349	5,757	(913)	(1,283)	-	-	81,408	-	20,232	61,176	-	-	61,176
Infrastructure	3	1,180,145	-	439,106	741,039	9,398	11,266	(1,904)	(16,954)	-	23,117	1,154,166	-	388,204	765,962	-	-	765,962
Plant and Equipment		-	22,015	13,804	8,211	2,112	-	(440)	(1,760)	-	-	-	-	23,022	8,123	-	-	8,123
Library/Books		-	1,404	-	1,404	154	-	-	(209)	-	-	-	-	1,349	-	-	-	1,349
Total Infrastructure, Property, Plant and Equipment		1,841,356	23,419	536,268	1,328,507	18,249	21,190	(3,284)	(24,781)	1,317	37,969	1,815,803	24,371	485,545	1,354,629	-	-	1,354,629
Comparatives		1,793,680	21,605	513,854	1,301,431	28,183	21,831	(5,147)	(23,802)	-	6,011	1,841,356	23,419	536,268	1,328,507	-	-	1,328,507

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City of Salisbury

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 7b. Valuation of Infrastructure, Property, Plant and Equipment and Investment Property

\$ '000

Valuation of Assets

Council measures and recognises the following assets at fair value on a recurring basis after initial recognition:

- Land
- Land Improvements
- Infrastructure
- Buildings and Other Structures

Council does not subsequently measure any liabilities at fair value on a recurring basis, or any assets or liabilities at fair value on a non-recurring basis.

Information on Valuations

a) Fair Value Hierarchy

AASB 13 *Fair Value Measurement* requires the disclosure of fair value information according to the relevant level in the fair value hierarchy. This hierarchy categorises fair value measurements into one of three possible levels based on the lowest level that a significant input can be characterised into. The levels are outlined below:

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets that the entity can access at the measurement date.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset, either directly or indirectly.

Level 3

Measurements based on unobservable inputs for the asset.

The fair value of assets that are not traded in an active market is determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

b) Valuation Techniques

Council selects valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends upon the specific characteristics of the asset being measured. The valuation techniques selected by Council are consistent with one or more of the following valuation approaches:

- *Market Approach* uses prices and other relevant information generated by market transactions involving identical or similar assets.
- *Income Approach* converts estimated future cash flows or income and expenses into a single current (ie. discounted) value.
- *Cost Approach* reflects the current replacement cost of an asset at its current service capacity.

City of Salisbury

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 7b. Valuation of Infrastructure, Property, Plant and Equipment and Investment Property (continued)

\$ '000

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset, including assumptions about risks. When selecting a valuation technique, Council gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

c) Capitalisation Thresholds

Capitalisation Thresholds used by Council for a representative range of assets are shown below. No capitalisation threshold is applied to the acquisition of land or interests in land.

Office Furniture and Equipment	\$5,000
Plant and Light Vehicles	\$5,000
Buildings - new construction/extensions	\$10,000
Park and Playground Furniture and Equipment	\$5,000
Road construction and reconstruction	\$10,000
Paving and footpaths, Kerb and Gutter	\$5,000
Drains and Culverts	\$10,000
Reticulation extensions	\$5,000
Sidelines and household connections	\$5,000
Artworks	\$5,000

d) Estimated Useful Lives

Useful lives are estimated for each individual asset. In estimating useful lives, regard is had to technical and commercial obsolescence, as well as legal and other limitations on continued use. The range of useful lives for a representative range of assets is shown below, although individual assets may have an estimated total useful life of greater or lesser amount:

Plant, Furniture and Equipment:	
Office Equipment	3 to 10 years
Office Furniture	3 to 10 years
Vehicles and Road-making Equipment	2 to 20 years
Other Plant and Equipment	3 to 20 years
Building and Other Structures:	
Building Components	10 to 80 years
Playground Equipment	15 to 25 years
Benches, Seats, etc	10 to 15 years

City of Salisbury

Notes to and forming part of the Financial Statements
for the year ended 30 June 2017Note 7b. Valuation of Infrastructure, Property, Plant and Equipment and
Investment Property (continued)

\$ '000

Infrastructure:

Roads - Seal	20 to 40 years
Roads - Base	60 to 150 years
Roads - Sub-Base	180 to 300 years
Unsealed Roads	5 to 10 years
Bridges	100 years
Footpaths	8 to 80 years
Kerb, Gutter and Medians	50 to 300 years
Drainage Pipes	80 to 100 years
Culverts, Headwalls and Junction Boxes	40 to 100 years
Dams and Reservoirs	400 years
Bores	75 years
Reticulation Pipes - PVC	60 to 80 years
Pumps and Telemetry	10 to 50 years

Other Assets:

Library Books	3 to 7 years
Artworks/Local History	Indefinite

e) Table of Fair Values 2016/17

	Level 1 \$'000s	Level 2 \$'000s	Level 3 \$'000s	Total \$'000s
Land	-	409,641	-	409,641
Land Improvements	-	-	170,588	170,588
Buildings and Other Structures	-	-	81,408	81,408
Infrastructure	-	-	1,154,166	1,154,166
Total	-	409,641	1,406,162	1,815,803

f) Disclosed Fair Value Measurements

Asset Category	Fair Value	Valuation	Fair Value
Land	2	Market Value	\$409,641
Valuations of assets in this category are undertaken using the State Valuer Generals Site Values.			

City of Salisbury

Notes to and forming part of the Financial Statements
for the year ended 30 June 2017Note 7b. Valuation of Infrastructure, Property, Plant and Equipment and
Investment Property (continued)

\$ '000

Asset Category	Fair Value	Valuation	Fair Value
Land Improvements	3	Cost Approach	\$170,588

Valuations of assets in this category are undertaken via one of three methods:

a. Independent valuations are provided by Tonkin Consulting using a methodology that utilises observable Council specific contract rates to derive a unit rate used to calculate a depreciated replacement cost for each asset. Assets valued via this method include Footpaths, Kerbing and Carpark Pavement/Seals all situated on Council Reserves.

b. Revalued using the Local Government Pricing Index (LGPI). Assets valued via this method include Fencing, Irrigation Equipment, Playgrounds, Kerbing, Sports Courts/Facilities, Reserve Furniture, Landscaping and Other Structures all situated on Council Reserves.

c. Independent valuations were provided by Inside Infrastructure and Aquenta Consulting in 2014/15 (as sub-consultant to Inside Infrastructure) using a methodology that utilises observable rates and cost information from their extensive knowledge across the water industry. Assets valued via this method include all those associated with Councils Recycled Stormwater Business Unit, which includes assets such as Pipework, Pumps, Bores, Valves, Electrical and Computer Equipment. In 2015/16 and 2016/17 an independent valuation of the current depreciated replacement cost for these assets was undertaken using an ASR Asset Price Index provided by Tonkin Consulting, derived from references to various construction guides (such as Rawlinsons Australian Construction Handbook).

Asset Category	Fair Value	Valuation	Fair Value
Buildings and Other Structures	3	Cost Approach	\$81,408

Valuation of assets in this category are undertaken via the following method:

a. Independent valuation of the current depreciated replacement value and depreciated replacement cost for buildings at a component level was undertaken by GHD for the year ending 30 June 2017 using a methodology that utilises observable rates and cost information from their extensive knowledge across Building Infrastructure.

City of Salisbury

Notes to and forming part of the Financial Statements
for the year ended 30 June 2017Note 7b. Valuation of Infrastructure, Property, Plant and Equipment and
Investment Property (continued)

\$ '000

Asset Category	Fair Value	Valuation	Fair Value
Infrastructure	3	Cost Approach	\$1,154,166
Valuation of assets in this category are undertaken via one of four methods:			
a. Independent valuations are provided by Tonkin Consulting using a methodology that utilises observable Council specific contract rates to derive a unit rate used to calculate a depreciated replacement cost for each asset. Assets valued via this method include Footpaths, Kerbing, Carpark Pavements/Seals, Road Pavement/Seals and Drainage Pipes/Pits all situated on Council Roads.			
b. Independent valuations were provided by IMG and Assetic in 2016/17 (as sub-consultant to IMG) using a methodology that utilises observable Council specific contract rates and rates and cost information from their extensive knowledge across Road Infrastructure. Assets valued via this method include Road Surfaces and Road Pavements.			
c. Independent valuations were provided by SMEC in 2016/17 using a methodology that utilises observable rates and cost information from their extensive knowledge of water retention related infrastructure. Assets valued via this method include Major Drainage Dams.			
d. Revalued using the Local Government Pricing Index (LGPI). Assets valued via this method include Bridges, Irrigation Equipment on Roads, Road Furniture, Landscaping on Roads, Open Drainage Systems and Minor Drainage Dams.			

The requirements of AASB 13 *Fair Value Measurement* have been applied to all valuations undertaken since 1 July 2013. There has been no change in the valuation technique(s) used to calculate the fair values disclosed in the financial statements from previous years.

Highest and best use

All of Council's non financial assets are considered as being utilised for the highest and best use unless market or other factors suggest a different use by market participants would maximise the value of the asset.

Land Under Roads

Council being of the opinion that it is not possible to attribute a value sufficiently reliably to qualify for recognition; land under roads has not been recognised in these reports. Land acquired for road purposes during the year is initially recognised at cost, but transferred to fair value at reporting date, effectively writing off the expenditure.

Land

Much of the land under Councils care and control is Crown land or has been declared as community land under the provision of the *Local Government Act 1999*. Other types of restrictions on the land may also apply. Valuations of this land are based on the State Valuer Generals Site Values, which are based on observable sales in an active market of similar properties with a similar land use on both vacant land and land with improvements. Adjustments to these values are then made by the State Valuer General taking into consideration the highest and best use of the property e.g. if there is a single house on the land but zoning would allow it to be divided for home units.

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City of Salisbury

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 7b. Valuation of Infrastructure, Property, Plant and Equipment and Investment Property (continued)

\$ '000

Infrastructure, Buildings and Land Improvements

As there is no known active market for the majority of infrastructure, building and land improvement assets owned by Council, these assets have been valued at depreciated replacement cost using the *Cost Approach*. Upon revaluation, the current replacement cost and accumulated depreciation are restated such that the difference (the current depreciated replacement cost) represents the fair value of the asset determined in accordance with AASB 13 *Fair Value Measurement*.

This method involves the determination of the current cost to construct the asset (or its modern engineering equivalent) and then calculating the value of its remaining service capacity (depreciated replacement cost). Council utilise a number of observable and unobservable inputs in the calculation of these values which may include:

Observable Inputs:

- Council specific contract rates
- Recent construction costs for similar assets
- Independent valuations

Unobservable Inputs/Estimates:

- Quantities of materials used
- Economic (Useful) Lives of assets
- Residual Value of assets
- Preserved Value of assets
- Pattern of consumption of an assets economic benefits
- Condition
- Obsolescence
- Impairment
- Industry construction pricing indexes e.g. Rawlinson's Construction Handbook and Cost Guide
- Other construction pricing indexes e.g. Local Government Pricing Index which is an index developed by the Australian Bureau of Statistics and is prepared quarterly by the South Australia Centre for Economic Studies and is based on price movements in the goods and services purchased by Local Governments.

Intangible Assets

Intangible Assets have been accounted for in accordance with the requirements of AASB 138 *Intangible Assets*. Council has purchased, from the market in arm's length transactions, Water Licences that enable the harvesting and sale of stormwater, and is of the opinion that these Water Licences meet the definition and recognition requirements of Intangible Assets, specifically intangible assets with an indefinite useful life. Initial recognition of these Water Licences is at cost, and after initial recognition they shall be carried at cost less any accumulated impairment losses. Testing for impairment, in accordance with AASB 136 *Impairment of Assets*, will be undertaken annually and also whenever there may be an indication that the intangible asset may be impaired. Further the determination that these Water Licences have an indefinite useful life will also be reviewed annually to determine whether events and circumstances continue to support an indefinite useful life assessment.

City of Salisbury

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 7b. Valuation of Infrastructure, Property, Plant and Equipment and Investment Property (continued)

\$ '000

Street Trees

Council is of the opinion that street trees and tree screens are tangible assets that the City uses to support the provision of environmental and recreational services to the community, and have an initial cost that can be reliably measured (that is the cost of planting and establishment). It is therefore considered that costs relating to tree plantings for street trees and tree screens only meet the recognition criteria of property, plant and equipment and should be recognised as an asset.

Plant, Furniture and Equipment

Assets are carried at cost, less any accumulated depreciation and impairment losses.

Library Books

Library books are accounted for under the replacement method. Library stock at 30 June 2017 is valued using nominal values recommended by PLS (Public Library Service). All new purchases are treated as replacement items and the expense is classified as depreciation. This expense is then adjusted by the movement in the calculated value of the library stock.

City of Salisbury

Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

Note 8. Liabilities

\$ '000	Notes	2017		2016	
		Current	Non Current	Current	Non Current
(a). Trade and Other Payables					
Goods and Services		12,203	-	10,621	-
Payments Received in Advance		1,207	-	1,109	-
Accrued Expenses - Employee Entitlements		-	-	723	-
Accrued Expenses - Other		56	-	98	-
Deposits, Retentions and Bonds		208	-	270	-
Total Trade and Other Payables		13,674	-	12,821	-

(b). Borrowings

Loans	2,350	12,717	2,560	14,580
Total Borrowings	2,350	12,717	2,560	14,580

All interest bearing liabilities are secured over the future revenues of the Council

(c). Provisions

Employee Entitlements (including oncosts)	7,241	1,726	6,918	1,522
Salisbury Memorial Park Maintenance Provision	-	60	-	50
Mortgage Loss Provision	-	28	-	28
Total Provisions	7,241	1,814	6,918	1,600

	Salisbury Memorial Park Maintenance Provision	Mortgage Loss Provision
Opening Balance	50	28
Additional Amounts Recognised	10	-
Closing Balance	60	28

City of Salisbury

Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

Note 9. Reserves

\$ '000	1/7/2016	Increments (Decrements)	Transfers	Impairments	30/6/2017
(a). Asset Revaluation Reserve					
Land - Other	302,447	13,499	-	-	315,946
Land Improvements	17,542	1,353	-	-	18,895
Buildings and Other Structures	34,572	(24,538)	-	-	10,034
Infrastructure	646,243	23,117	-	-	669,360
Library Books	2,338	-	-	-	2,338
JV's / Associates - Other Comprehensive Income	352	-	-	-	352
Total Asset Revaluation Reserve	1,003,494	13,431	-	-	1,016,925
Comparatives	997,483	6,011	-	-	1,003,494
(b). Other Reserves					
\$ '000	1/7/2016	Tfrs to Reserve	Tfrs from Reserve	Other Movements	30/6/2017
Plant Replacement Reserve	929	-	(53)	(526)	350
Development and Public Infrastructure Reserve	1,587	114	(97)	-	1,604
Open Space Reserve	1,771	84	(810)	-	1,045
Car Parking Reserve	944	14	-	-	958
Property Disposal Reserve	4,417	6,138	(6,654)	-	3,901
Mausoleum Perpetual Care Reserve	690	82	-	-	772
Salisbury Memorial Park Reserve	866	13	-	-	879
Carried Forward Funds Reserve	18,657	16,791	(18,657)	-	16,791
Salisbury Water Business Unit Reserve	1,881	-	-	-	1,881
Total Other Reserves	31,742	23,236	(26,271)	(526)	28,181
Comparatives	27,913	23,585	(19,756)	-	31,742

City of Salisbury

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 9. Reserves (continued)

\$ '000

PURPOSES OF RESERVES

Asset Revaluation Reserves

The asset revaluation reserve is used to record increments and decrements arising from changes in fair value of non current assets (less any subsequent impairment losses, where applicable).

Plant Replacement Reserve

Used to fund the purchase of items of major plant.

Development and Public Infrastructure Reserve

The Development and Public Infrastructure Reserve contains developer contributions towards future footpaths, street signs and street trees specific to the development site. It also contains developer contributions towards future works associated with drainage systems, water pipes and pumps, Council road network, trails and bridges necessary to facilitate the development and external to the development site.

Open Space Reserve

For developer contributions towards the future acquisition of open space areas.

Carpark Reserve

For the provision of car parking areas within the Salisbury Town Centre, Ingle Farm Town Centre and Mawson Lakes Town Centre.

Property Disposal Reserve

To retain the proceeds of any property sales under the provision of Section 194 of the *Local Government Act 1999* and subject to compliance with all legal requirements thereof, and to be utilised to repay debt or reduce future borrowings.

Mausoleum Perpetual Care Fund Reserve

To provide maintenance for the mausoleum at Salisbury Memorial Park.

Salisbury Memorial Park Reserve

To fund future development work and maintenance at the Salisbury Memorial Park.

Carried Forward Funds Reserve

Used for unspent budget funds at the end of financial year that are to be carried forward for use in the following year.

Salisbury Water Business Unit Reserve

Funded from surpluses generated by Salisbury Water. Allocations are only to be made following a resolution of Council and can only be utilised to fund either business development, asset renewal, offset losses or to distribute dividends to Council.

City of Salisbury

Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

Note 10. Assets Subject to Restrictions

\$ '000	Notes	2017	2016
<p>The uses of the following assets are restricted, wholly or partially, by legislation or other externally imposed requirements. The assets are required to be utilised for the purposes for which control was transferred to Council, or for which the revenues were originally obtained.</p>			
Cash and Financial Assets			
Unexpended amounts received from Federal Government			
Open Space Contributions	9	1,045	1,771
Developer Contributions	9	2,562	2,531
Unexpended Grants and Subsidy Funds	2	325	981
Total Cash and Financial Assets		3,932	5,283

Developer Contributions are received primarily to fund infrastructure works in new subdivisions. These funds are held in reserves until required and as such are regarded as restricted. Grant and Subsidy Funds received but not yet expended are regarded as restricted.

City of Salisbury

Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

Note 11. Reconciliation to Statement of Cash Flows

\$ '000	Notes	2017	2016
(a). Reconciliation of Cash			
Cash Assets comprise highly liquid investments with short periods to maturity subject to insignificant risk of changes of value. Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the Balance Sheet as follows:			
Total Cash and Equivalent Assets	5	28,576	16,816
Balances per Statement of Cash Flows		28,576	16,816
(b). Reconciliation of Change in Net Assets to Cash from Operating Activities			
Net Surplus/(Deficit)		20,544	8,686
Non-Cash Items in Income Statements			
Depreciation, Amortisation and Impairment		24,781	23,802
Equity Movements in Equity Accounted Investments (Increase)/Decrease		83	(706)
Non-Cash Asset Acquisitions		(3,741)	(3,379)
Grants for Capital Acquisitions (Treated as Investing Activity Receipts)		(1,935)	(1,437)
Net (Gain) Loss on Disposals		(4,073)	1,588
		35,659	28,554
Add (Less): Changes in Net Current Assets			
Net (Increase)/Decrease in Receivables		(784)	(215)
Net (Increase)/Decrease in Inventories		(19)	1
Net Increase/(Decrease) in Trade and Other Payables		1,364	(1,636)
Net Increase/(Decrease) in Unpaid Employee Benefits		527	299
Net Increase/(Decrease) in Other Provisions		10	10
Net Cash provided by (or used in) operations		36,757	27,013
(c). Non-Cash Financing and Investing Activities			
Acquisition of assets by means of:			
- Physical Resources Received Free of Charge	2i	3,741	3,379
Total Non-Cash Financing and Investing Activities		3,741	3,379
(d). Financing Arrangements			
Unrestricted access was available at balance date to the following lines of credit:			
Bank Overdrafts		500	500
Corporate Credit Cards		500	500
LGFA Cash Advance Debenture Facility		28,747	28,747

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Council also has immediate access to a short-term drawdown facility and variable interest rate borrowings under a cash advance facility from the Local Government Finance Authority of South Australia.

Item GB1 - Attachment 1 - Annual Financial Statements for the year ended 30 June 2017

City of Salisbury

Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

Note 12a. Functions

Functions/Activities	Income, Expenses and Assets have been directly attributed to the following Functions / Activities. Details of these Functions/Activities are provided in Note 12(b).									
	INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
	Actual 2017	Actual 2016	Actual 2017	Actual 2016	Actual 2017	Actual 2016	Actual 2017	Actual 2016	Actual 2017	Actual 2016
\$ '000										
Public Order and Safety	3,068	2,978	3,668	3,234	(600)	(256)	60	70	862	593
Health	177	186	1,570	1,573	(1,393)	(1,387)	13	9	286	204
Social Security and Welfare	3,349	3,265	6,385	6,227	(3,036)	(2,962)	2,670	2,660	19,644	23,804
Housing and Community Services	4,232	4,440	25,906	23,895	(21,674)	(19,455)	214	401	439,242	434,883
Recreation and Culture	1,140	1,101	20,960	21,186	(19,820)	(20,085)	596	511	868,738	851,091
Transport and Communication	3,862	3,741	9,136	8,362	(5,274)	(4,621)	3,855	3,736	6,138	6,080
Economic Affairs	476	300	5,707	5,734	(5,231)	(5,434)	385	183	159	158
Other, Not Attributed and Administration	103,762	94,162	35,856	35,210	67,906	58,952	9,608	4,013	81,802	66,766
Total Functions/Activities	120,066	110,173	109,188	105,421	10,878	4,752	17,401	11,583	1,416,871	1,383,579

Revenues and expenses exclude net gain (loss) on disposal or revaluation of assets, net gain (loss) from joint ventures & associated entities, amounts received specifically for new or upgraded assets and physical resources received free of charge.

City of Salisbury

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 12b. Components of Functions

\$ '000

The activities relating to Council functions are as follows:

Public Order and Safety

Supervision of various laws, fire prevention, crime prevention and repair, road safety and dog control.

Health

Health Act administration, immunisation services and pest and pest plant control.

Social Security and Welfare

Operation of senior citizens centre, aged care services, youth services and community information.

Housing and Community Services

Town planning, community development planning, road sweeping, roadside rubbish collection, domestic refuse collection, operating of waste transfer station and rubbish tips, stormwater drainage, operation of the St Kilda Mangrove Trail, street signs, landscape design, tree management and operation of cemetery.

Recreation and Culture

Maintenance and operation of libraries, recreation centres, swimming pool, community centre, parks, gardens and reserves, neighbourhood houses, clubrooms, playgrounds, sports grounds, halls and plant nursery.

Transport and Communication

Construction and maintenance of roads, footpaths, bridges, parking facilities and bus shelters.

Economic Affairs

Building Act administration, economic initiatives, tourism.

Other, Not Attributed and Administration

Rates, public debt transactions, administration costs, capital works in progress and costs which relate to multiple functions but cannot accurately be split between these functions.

City of Salisbury

Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

Note 13. Financial Instruments

\$ '000

Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits

Accounting Policy:

Carried at lower of cost and net realisable value; interest is recognised when earned.

Terms & Conditions:

Deposits are returning fixed interest rates between 1.65% and 2.0% (2016: 1.9% and 2.35%). Short term deposits have an average maturity of 37 days and an average interest rate of 1.73% (2016: 35 days and 2.04%).

Carrying Amount:

Approximates fair value due to the short term to maturity.

Receivables

Rates and Associated Charges

(including legals and penalties for late payment)

Note: These receivables do not meet the definition of "financial instruments" and have been excluded from the following disclosures.

Accounting Policy:

Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.

Terms and Conditions:

Secured over the subject land, arrears attract interest of 2.0% (2016: 2.0%). Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.

Carrying Amount:

Approximates fair value (after deduction of any allowance).

Receivables

Fees and Other Charges

Accounting Policy:

Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.

Terms and Conditions:

Unsecured, and do not bear interest. Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries.

Carrying Amount:

Approximates fair value (after deduction of any allowance).

City of Salisbury

Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

Note 13. Financial Instruments (continued)

\$ '000

Recognised Financial Instruments**Receivables****Other Levels of Government****Accounting Policy:**

Carried at nominal value.

Terms and Conditions:

Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest. All amounts are due by Departments and Agencies of State and Federal Governments.

Carrying Amount:

Approximates fair value.

Liabilities**Creditors and Accruals****Accounting Policy:**

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.

Terms and Conditions:

Liabilities are normally settled on 30 day terms.

Carrying Amount:

Approximates fair value.

Liabilities**Interest Bearing Borrowings****Accounting Policy:**

Carried at the principal amounts. Interest is charged as an expense as it accrues.

Terms and Conditions:

Secured over future revenues, borrowings are repayable biannually; interest is charged at fixed rates between 4.0% and 7.01% (2016: 5.60% and 7.07%).

Carrying Amount:

Approximates fair value.

City of Salisbury

Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

Note 13. Financial Instruments (continued)

\$ '000	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
2017					
Financial Assets					
Cash and Equivalents	28,576	-	-	28,576	28,576
Receivables	2,406	474	-	2,880	2,880
Other Financial Assets	-	-	831	831	831
Total Financial Assets	30,982	474	831	32,287	32,287
Financial Liabilities					
Payables	12,467	-	-	12,467	12,467
Current Borrowings	3,306	-	-	3,306	2,350
Non-Current Borrowings	-	11,684	4,183	15,867	12,717
Total Financial Liabilities	15,773	11,684	4,183	31,640	27,534

\$ '000	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
2016					
Financial Assets					
Cash and Equivalents	16,816	-	-	16,816	16,816
Receivables	1,173	18	-	1,191	1,191
Other Financial Assets	-	-	988	988	988
Total Financial Assets	17,989	18	988	18,995	18,995
Financial Liabilities					
Payables	11,712	-	-	11,712	11,712
Current Borrowings	3,661	-	-	3,661	2,560
Non-Current Borrowings	-	13,136	5,389	18,525	14,580
Total Financial Liabilities	15,373	13,136	5,389	33,898	28,852

The following interest rates were applicable
to Council's Borrowings at balance date:

	30 June 2017		30 June 2016	
	Weighted Avg Interest Rate	Carrying Value	Weighted Avg Interest Rate	Carrying Value
Overdraft	7.12%	-	7.22%	-
Other Variable Rates	0.00%	-	0.00%	-
Fixed Interest Rates	6.25%	15,067	6.34%	17,140
		15,067		17,140

Net Fair Value

All carrying values approximate fair value for all recognised financial instruments. There is no recognised market for the financial assets of the Council.

City of Salisbury

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 13. Financial Instruments (continued)

\$ '000

Risk Exposures

Credit Risk represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of the Council is the carrying amount, net of any allowance for doubtful debts. All Council investments are made with the SA Local Government Finance Authority and are guaranteed by the SA Government. Except as detailed in Notes 5 and 6 in relation to individual classes of receivables, exposure is concentrated within the Council's boundaries, and there is no material exposure to any individual debtor.

Market Risk is the risk that fair values of financial assets will fluctuate as a result of changes in market prices. All of Council's financial assets are denominated in Australian dollars and are not traded on any market, and hence neither market risk nor **currency risk** apply.

Liquidity Risk is the risk that Council will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Management Policy (LGA Information Paper 15), liabilities have a range of maturity dates. Council also has available a range of bank overdraft and standby borrowing facilities that it can access.

Interest Rate Risk is the risk that future cash flows will fluctuate because of changes in market interest rates. Council has a balance of both fixed and variable interest rate borrowings and investments. Cash flow fluctuations are managed holistically in seeking to minimise interest costs over the longer term in a risk averse manner.

City of Salisbury

Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

Note 14. Commitments for Expenditure

\$ '000	Notes	2017	2016
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(a). Capital Commitments

Capital expenditure committed for at the reporting date but not
recognised in the financial statements as liabilities:

Buildings	924	3,756
Infrastructure	7,721	6,994
Plant and Equipment	12	36
	<u>8,657</u>	<u>10,786</u>

These expenditures are payable:

Not later than one year	<u>8,657</u>	<u>10,786</u>
	<u>8,657</u>	<u>10,786</u>

(b). Other Expenditure Commitments

Other expenditure committed for (excluding inventories) at the reporting
date but not recognised in the financial statements as liabilities:

Audit Services	<u>37</u>	<u>55</u>
	<u>37</u>	<u>55</u>

These expenditures are payable:

Not later than one year	<u>37</u>	<u>55</u>
	<u>37</u>	<u>55</u>

(c). Finance Lease Commitments

Council has no Finance Leases.

City of Salisbury

Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

Note 15. Financial Indicators

	Amounts	Indicator	Prior Periods	
\$ '000	2017	2017	2016	2015

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.

1. Operating Surplus Ratio

Operating Surplus	10,795	9%	5%	7%
Total Operating Revenue	120,066			

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

1a. Adjusted Operating Surplus Ratio

In recent years the Federal Government has made advance payments prior to 30 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.	6,800	6%	9%	4%
	120,066			

2. Net Financial Liabilities Ratio

Net Financial Liabilities	2,045	2%	14%	15%
Total Operating Revenue	120,066			

Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses). These are expressed as a percentage of total operating revenue.

3. Asset Sustainability Ratio

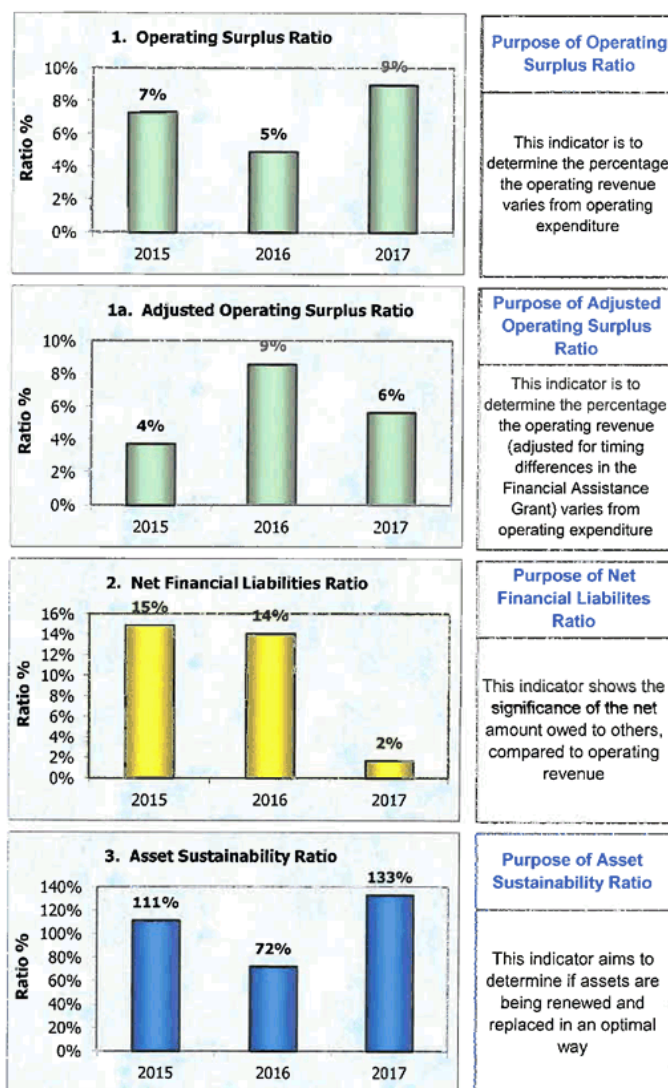
Net Asset Renewals	24,613	133%	72%	111%
Infrastructure and Asset Management Plan required expenditure	18,510			

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.

City of Salisbury

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 15. Financial Indicators - Graphs (continued)



City of Salisbury

Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

Note 16. Uniform Presentation of Finances

\$ '000	2017	2016
The following is a high level summary of both operating and capital investment activities of the Council prepared on a simplified Uniform Presentation Framework basis.		
All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.		
The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.		
Income	120,066	110,880
less Expenses	(109,271)	(105,422)
Operating Surplus / (Deficit)	10,795	5,458
less Net Outlays on Existing Assets		
Capital Expenditure on Renewal and Replacement of Existing Assets	25,092	13,750
less Depreciation, Amortisation and Impairment	(24,781)	(23,802)
less Proceeds from Sale of Replaced Assets	(479)	(465)
Subtotal	(168)	(10,517)
less Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets (including Investment Property and Real Estate Developments)	11,301	23,195
less Amounts Received Specifically for New and Upgraded Assets	(1,935)	(1,437)
less Proceeds from Sale of Surplus Assets (including Investment Property and Real Estate Developments)	(11,359)	(7,782)
Subtotal	(1,993)	13,976
Net Lending / (Borrowing) for Financial Year	12,956	1,999

City of Salisbury

Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

Note 17. Operating Leases

\$ '000	2017	2016
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Leases Providing Revenue to the Council

Council owns various buildings, plant and other facilities that are available for hire or lease (on a non-cancellable basis wherever practicable) in accordance with the published revenue policy. Rentals received from such leases are disclosed as rent and hire of non-investment property in Note 2.

(i) Investment Property

Rentals received, and outgoings reimbursed, in relation to Investment Property are also disclosed in Note 2. These lease agreements, all of which are classified as operating leases, are made on a non-cancellable basis

Leases commitments under all non-cancellable lease agreements, including those relating to Investment Property, are as follows:

Not later than one year	647	612
Later than one year and not later than 5 years	1,032	1,042
Later than 5 years	2,302	2,242
	<u>3,981</u>	<u>3,896</u>

(ii) Lease Payment Commitments of Council

Council has entered into non-cancellable operating leases for various items of computer and other plant and equipment. Leases in relation to computer and office equipment permit Council, at expiry of the lease, to elect to re-lease, return or acquire the equipment leased. No lease imposes any additional restrictions on Council in relation to additional debt or further leasing.

No lease contains any escalation clause.

Commitments under non-cancellable operating leases that have not been recognised in the financial statements are as follows:

Not later than one year	575	737
Later than one year and not later than 5 years	354	697
	<u>929</u>	<u>1,434</u>

City of Salisbury

Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

Note 18. Superannuation

\$ '000

The Council makes employer superannuation contributions in respect of its employees to Statewide Super (formerly Local Government Superannuation Scheme). There are two types of membership, each of which is funded differently. Permanent and contract employees of the South Australian Local Government sector with Salarylink benefits prior to 24 November 2009 have the option to contribute to the Accumulation section and/or Salarylink. All other employees (including casuals) have all contributions allocated to the Accumulation section.

Accumulation only Members

Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with superannuation guarantee legislation (9.50% in 2016/17; 9.50% in 2015/16). No further liability accrues to the Council as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Salarylink (Defined Benefit Fund) Members

Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member's contribution rate, number of years and level of contribution and final average salary. Council makes employer contributions to Salarylink as determined by the Fund's Trustee based on advice from the appointed Actuary. The rate is currently 6.3% (6.3% in 2015/16) of "superannuation" salary.

In addition, Council makes a separate contribution of 3% of ordinary time earnings for Salarylink members to their Accumulation account. Employees also make member contributions to the Salarylink section of the Fund. As such, assets accumulate in the Salarylink section of the Fund to meet the member's benefits, as defined in the Trust Deed, as they accrue.

The Salarylink section is a multi-employer sponsored plan. As the Salarylink section's assets and liabilities are pooled and are not allocated by each employer, and employees may transfer to another employer within the local government sector and retain membership of the Fund, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided by AASB 119.32(b), Council does not use defined benefit accounting for these contributions.

The most recent actuarial investigation was conducted by the Fund's actuary, A C Miller, FIAA, of Russell Employee Benefits Pty Ltd as at 30 June 2014. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to Council's contribution rates at some future time.

Contributions to Other Superannuation Schemes

Council also makes contributions to other superannuation schemes selected by employees under the "choice of fund" legislation. All such schemes are of the accumulation type, where the superannuation benefits accruing to the employee are represented by their share of the net assets of the scheme, and no further liability attaches to the Council.

City of Salisbury

Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

Note 19. Interests in Other Entities

\$ '000

All joint ventures and associates are required to prepare Annual Financial Statements that comply with the SA Local Government Model Financial Statements.

	Council's Share of Net Income		Council's Share of Net Assets	
	2017	2016	2017	2016
Joint Ventures	(83)	706	3,946	4,030
Total	(83)	706	3,946	4,030

(i) JOINT VENTURES, ASSOCIATES AND JOINT OPERATIONS

(a) Carrying Amounts

Name of Entity	Principal Activity	2017	2016
Northern Adelaide Waste Management Authority	Waste Management	3,858	3,929
Council Solutions	Procurement	88	101
Total Carrying Amounts - Joint Ventures & Associates		3,946	4,030

Northern Adelaide Waste Management Authority

Manages the waste collection, recycling and waste disposal for the Cities of Salisbury and Playford and the Town of Gawler.

Council Solutions

Established by the Cities of Adelaide, Charles Sturt, Marion, Onkaparinga, Salisbury and Tea Tree Gully in December 2012, this regional subsidiary has been established for the purposes of providing a centre of excellence in procurement and to provide services to the Constituent.

(b) Relevant Interests

Name of Entity	Interest in Operating Result		Ownership Share of Equity		Proportion of Voting Power	
	2017	2016	2017	2016	2017	2016
Northern Adelaide Waste Management Authority	56.9%	56.6%	56.9%	56.6%	33.0%	33.0%
Council Solutions	16.7%	16.7%	16.7%	16.7%	16.7%	16.7%

(c) Movement in Investment in Joint Venture or Associate

	Northern Adelaide Waste Management Authority		Council Solutions	
	2017	2016	2017	2016
Opening Balance	3,928	3,221	101	102
Share in Operating Result	(70)	707	(13)	(1)
Council's Equity Share in the Joint Venture or Associate	3,858	3,928	88	101

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City of Salisbury

Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

Note 19: Interests in Other Entities (continued)

\$ '000

(d) Summarised Financial Information of the Equity Accounted Business

Statement of Financial Position	Northern Adelaide Waste Management Authority		Council Solutions	
	2017	2016	2017	2016
Cash and Cash Equivalents	4,282	3,600	334	267
Other Current Assets	2,466	2,852	469	390
Non-Current Assets	10,723	9,699	-	-
Total Assets	17,471	16,151	803	657
Current Trade and Other Payables	2,768	2,243	222	28
Current Financial Liabilities	791	1,579	55	27
Current Provisions	366	318	-	-
Non-Current Financial Liabilities	4,331	2,518	-	-
Non-Current Provisions	2,428	2,556	-	-
Total Liabilities	10,684	9,214	277	55
Net Assets	6,787	6,937	526	602

Statement of Comprehensive Income	Northern Adelaide Waste Management Authority		Council Solutions	
	2017	2016	2017	2016
Other Income	27,148	25,951	61	110
Contributions from Constituent Councils	-	-	1,167	933
Interest Income	171	248	6	10
Total Income	27,319	26,199	1,234	1,053
Employee Costs	1,773	1,731	-	-
Materials, Contracts & Other Expenses	24,205	21,466	1,310	1,058
Depreciation, Amortisation and Impairment	1,360	1,374	-	-
Finance Costs	281	246	-	-
Total Expenses	27,619	24,817	1,310	1,058
Other Revenue / Expense Items	150	(5)	-	-
Operating Result	(150)	1,377	(76)	(5)

City of Salisbury

Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

Note 19. Interests in Other Entities (continued)

\$ '000

(e). Share of Joint Operations Expenditure Commitments

Expenditure committed for (excluding inventories) at the reporting date but not recognised in the financial statements as liabilities:

(i) Capital Expenditures Payable

No capital expenditure is committed at the reporting date that has not been recognised in the financial statements as a liability.

	Northern Adelaide Waste Management Authority		Council Solutions	
(ii) Operating Expenditures Payable	2017	2016	2017	2016
Not later than one year	9,620	20,003	-	-
Later that one year and not later than 5 years	9,881	9,882	-	-
Later than 5 years	57,422	-	-	-
	76,923	29,885	-	-

The Northern Adelaide Waste Management Authority manages multiple external contracts with external suppliers for the collection, processing and disposal of waste on behalf of its Constituent Councils and customers. The commitments disclosed above reflect a consolidation of multiple contracts entered into with external suppliers. In future years, all contracts will be required to be renewed with external suppliers in accordance with adopted procurement policies and procedures of the Authority.

(iii) Lease Payment Commitments Payable

Not later than one year	994	855	-	-
Later that one year and not later than 5 years	3,476	2,895	-	-
Later than 5 years	73	600	-	-
	4,543	4,350	-	-

(iv) INDIVIDUALLY IMMATERIAL COUNCIL BUSINESSES

Council did not have any individually immaterial businesses

(v) UNCONSOLIDATED STRUCTURED ENTITIES

Council has no Unconsolidated Structured Entities

City of Salisbury

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 20. Contingencies & Assets/Liabilities Not Recognised in the Balance Sheet

\$'000

The following assets and liabilities do not qualify for recognition in the Balance Sheet, but knowledge is considered relevant to the users of the financial report in making and evaluating decisions about the allocation of scarce resources.

1. LAND UNDER ROADS

As reported in the Financial Statements, Council is of the opinion that it is not possible to attribute a value sufficiently reliably for these assets to qualify for recognition, and accordingly land under roads has not been recognised in the reports. Land acquired for road purposes during the year is initially recognised at cost, but transferred to fair value at reporting date, effectively writing off the expenditure.

2. POTENTIAL INSURANCE LOSSES

Council is a multi-purpose organisation providing a large range of building, parks infrastructure, playgrounds and other facilities accessible to the public. At any time, it is likely that claims will have been made against Council that remain unsettled.

Council insures against all known insurable risks using a range of insurance policies, each of which is subject to deductible "insurance excesses", the amount of which varies according to the class of insurance.

Council has recognised the potential losses arising from claims known at reporting date based on average historical net cost (including insurance excess) of similar types of claims. Other potential claims not reported to Council may have existed at reporting date.

3. LEGAL MATTERS

Council is the planning consent authority for its area under the Development Act 1993 (as amended). Pursuant to that Act, certain persons aggrieved by a planning decision of the Council may appeal. It is normal practice that parties bear their own legal costs. At the date of these reports, Council had no notice of appeals against planning decisions made prior to reporting date. All known costs have been recognised, but the amount of further costs cannot be known until the appeals are determined.

4. CEMETERY

Council operates a Cemetery Facility - Salisbury Memorial Park. A Contingent Liability exists for the ongoing maintenance of this Cemetery. This liability remains for a period of 100 years after the expiry of the lease on the last burial of the site. In addition, Council has negotiated a new lease of the Mausoleum, requiring the facility to be maintained by the lessee. The lessee will continue to contribute to the Perpetual Care Fund to ensure that maintenance of the facility for the next 100 years is funded. The contribution value will be assessed twice during the proposed lease period for adjustment purposes to ensure the Fund will be sufficient to provide for the ongoing maintenance of the Mausoleum.

City of Salisbury

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 21. Events after the Balance Sheet Date

\$'000

Events that occur after the reporting date of 30 June 2017, up to and including the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

Council has adopted the date of receipt of the Auditors' Report as the appropriate "authorised for issue" date relating to these General Purpose Financial Statements.

Accordingly, the "authorised for issue" date is 12/10/17.

Council is unaware of any material or significant 'non adjusting events' that should be disclosed.

City of Salisbury

Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

Note 22. Related Party Transactions

\$ '000

2017

Key Management Personnel

Transactions with Key Management Personnel

The Key Management Personnel (KMP) of Council include the Mayor, Councillors, CEO and General Managers, certain prescribed officers under section 112 of the Local Government Act 1999 and other personnel that satisfy the criteria of KMP as contained within AASB 124 Related Party Transactions. In some circumstances members of the KMP have left Council during the financial year, however their compensation has still been included. In all, 55 persons were paid the following total compensation:

The compensation paid to Key Management Personnel comprises:

Short-Term Employee Benefits	5,336
Post-Employment Benefits	427
Long-Term Benefits	754
Total	6,517

Amounts paid as direct reimbursement of expenses incurred on behalf of Council have not been included above.

Receipts from Key Management Personnel:

A Councillor operates a retail business and has a formal commercial agreement in place with Council under which they sell tickets to use a Council facility on Council's behalf. The details of this arrangement are the Councillor purchases books of tickets from Council, and pays Council 70% of the face value, therefore retaining 30% of the sales revenue. In the 2017 Financial Year, total income generated from tickets sold on Council's behalf was \$59k and the amount retained by the Councillor equated to \$18k.

There have been no other material amounts received from Key Management Personnel during the financial year, other than amounts paid in their capacity as ratepayers or residents (e.g. rates, swimming pool entry fees, etc.)

Transactions with Regional Subsidiaries:

In regards to Councils Regional Subsidiaries, further information relating to their specific activities and carrying amounts are disclosed in Note 19. Council is an equity owner, along with other member Councils, of both of these subsidiaries. Member Councils have equal representation on the Board of both Regional Subsidiaries and accordingly have influence over both the financial and operational decisions of the subsidiaries. However, no one Member Council individually has control over these decisions. The following material transactions occurred with Councils Regional Subsidiaries, during the financial year:

Details	Payments	Outstanding	Total
Northern Adelaide Waste Management Authority	13,485	993	14,478
Total	13,485	993	14,478

Amounts payable that are outstanding at 30 June 2017 are recorded in Trade and Other Payables in Note 8.



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CITY OF SALISBURY

Opinion

We have audited the accompanying financial report of the City of Salisbury, which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the Certification of the Financial Statements.

In our opinion, the financial report gives a true and fair view of the financial position of the City of Salisbury as of 30 June 2017, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards and the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation of the financial report, which gives a true and fair view in accordance with Australian Accounting Standards and the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*, and for such internal control as the committee and management determines is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.



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Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>). This description forms part of our auditor's report.

BENTLEYS SA AUDIT PARTNERSHIP

A handwritten signature in black ink, appearing to read "David Papa", written over a horizontal line.

DAVID PAPA
PARTNER

Dated at Adelaide this 11th day of October 2017



Bentleys SA Audit Partnership

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INDEPENDENT ASSURANCE REPORT ON INTERNAL CONTROLS OF THE CITY OF SALISBURY

Opinion

We have audited the compliance of the City of Salisbury (the Council) with the requirements of *Section 125 of the Local Government Act 1999* in relation to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities for the period 1 July 2016 to 30 June 2017 are in accordance with legislative provisions.

In our opinion, the Council has complied, in all material respects, with *Section 125 of the Local Government Act 1999* in relation to Internal Controls, established by the Council in relation to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities so as to provide reasonable assurance that the financial transactions of the Council have been conducted properly and in accordance with legislative provisions for the period 1 July 2016 to 30 June 2017.

Limitation on Use

This report has been prepared for the members of the Council in accordance with *Section 129 of the Local Government Act 1999* in relation to Internal Controls specified above. We disclaim any assumption of responsibility for any reliance on this report to any persons or users other than the members of the Council, or for any purpose other than that for which it was prepared.

Limitations of Controls

Because of the inherent limitations of any internal control structure it is possible that, even if the controls are suitably designed and operating effectively, the control objectives may not be achieved so that fraud, error, or non-compliance with laws and regulations may occur and not be detected.

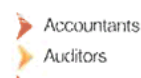
An assurance engagement on internal controls is not designed to detect all instances of controls operating ineffectively as it is not performed continuously throughout the period and the tests performed are on a sample basis. Any projection of the outcome of the evaluation of controls to future periods is subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

Independence

In conducting our engagement, we have complied with the independence requirements of the Australian professional accounting bodies.



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The Council's Responsibility for the Internal Controls

The Council is responsible for implementing and maintaining an adequate system of internal controls, in accordance with *Section 125 of the Local Government Act 1999* in relation to Internal Controls, to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and incurring of liabilities are in accordance with legislative provisions.

Our Responsibility

Our responsibility is to express an opinion on the Council's compliance with *Section 125 of the Local Government Act 1999* in relation only to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities, based on our procedures. Our engagement has been conducted in accordance with applicable Australian Standards on Assurance Engagements ASAE 3100 *Compliance Engagements*, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the Council has complied with *Section 125 of the Local Government Act 1999* in relation only to the Internal Controls specified above for the period 1 July 2016 to 30 June 2017. ASAE 3100 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

Our procedures included obtaining an understanding of internal controls in relation to the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities, evaluating management's assessment of these internal controls, assessing the risk that a material weakness exists, and testing and evaluating the design and implementation of controls on a sample basis on the assessed risks.

BENTLEYS SA AUDIT PARTNERSHIP

DAVID PAPA
PARTNER

Dated at Adelaide this 11th day of October 2017

City of Salisbury

General Purpose Financial Statements for the year ended 30 June 2017

Certification of Auditor Independence

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of City of Salisbury for the year ended 30 June 2017, the Council's Auditor, Bentleys has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22(3) *Local Government (Financial Management) Regulations 2011*.



John Harry

CHIEF EXECUTIVE OFFICER

Date:

10/10/2017



Councillor Graham Reynolds

PRESIDING MEMBER, AUDIT COMMITTEE

10 OCT 2017.



Bentleys SA Audit Partnership

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Certification of Auditor Independence

I confirm that, for the audit of the financial statements of City of Salisbury for the year ended 30 June 2017, I have maintained my independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22 (5) Local Government (Financial Management) Regulations 2011.

David Papa
Partner
Bentleys SA Audit Partnership

Dated at Adelaide this 10 October 2017



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ITEM	GB2
	COUNCIL
DATE	23 October 2017
HEADING	Code of Conduct Complaint 02/2017 - Investigation Findings
AUTHOR	John Harry, Chief Executive Officer, CEO and Governance
CITY PLAN LINKS	4.3 Have robust processes that support consistent service delivery and informed decision making.
SUMMARY	This report presents the findings and recommendations of Minter Ellison Lawyers in relation to Code of Conduct Complaint 02/2017 and seeks a decision from Council as to what action is required in response to the report.

RECOMMENDATION

1. Information be received.
2. It be noted that, having investigated the alleged breach of the Code of Conduct for Council Members (the Code) as set out in Code of Conduct Complaint 02/2017, Minter Ellison Lawyers found that Cr Gill breached clauses 2.2, 2.3 and 2.4 of the Code.
3. Written advice regarding the investigation findings and Council's decision in relation to action to be taken in response to the Minter Ellison Lawyers report following the investigation of Code of Conduct Complaint 02/2017 be provided to both parties to the complaint.
4. *[Council to determine what action is required in response to the report]*

ATTACHMENTS

There are no attachments to this report.

1. BACKGROUND

- 1.1 In accordance with Council resolution number 2020/2017, Code of Conduct Complaint 02/2017 was referred to Minter Ellison Lawyers (MEL) for investigation. The final report of MEL has now been received and the findings and recommendations are presented in this report for Council consideration.

2. REPORT

- 2.1 The Code of Conduct for Council Members provides the following:

“2.25If, following investigation under the Council's complaints handling process, a breach of the Behavioural Code by a Council member is found, the Council may, by resolution:

2.25.1 Take no action;

- 2.25.2 *Pass a censure motion in respect of the Council member;*
 - 2.25.3 *Request a public apology, whether written or verbal;*
 - 2.25.4 *Request the Council member to attend training on the specific topic found to have been breached;*
 - 2.25.5 *Resolve to remove or suspend the Council member from a position within the Council (not including the member's elected position on the Council);*
 - 2.26.6 *Request the member to repay monies to the Council."*
- 2.2 Similarly, Council's endorsed "Code of Conduct for Council Members – Dealing with Complaints Procedure" provides:
- "4. Investigation Findings and Remedies*
- a. Where the investigation has determined that a breach of Part 2 of the Code has occurred, the breach must be the subject of a report to a public meeting of the Council. The Council may, by resolution, take any of the following actions:*
 - i. take no action*
 - ii. pass a censure motion in respect of the Council member;*
 - iii. Request a public apology, whether written or verbal;*
 - iv. Request the Council member to attend training on the specific topic found to have been breached;*
 - v. resolve to remove or suspend the Council member from a position within the Council (not including the Member's elected position on the Council);*
 - vi. Remove a member from their position as Council representative on an outside body where Council has resolved their appointment;*
 - vii. Request the member to repay monies to the Council; or*
 - viii. Any combination of the above.*
 - b. Council will not enter into any process of appeal in relation to findings of a breach of Part 2 of the Code.*
- 2.3 Set out below is a direct extract of the Conclusions and recommendations arising from the report:
- "6. Conclusions**
- For the reasons set out in the preceding paragraphs, it is our view that Cr Gill has breached clauses 2.2, 2.3 and 2.4 of the Code of Conduct as alleged.
- 7. Recommendations**
- We recommend under clause 4(a) of the Procedure, that Council:
- (a) Request Cr Gill make a public apology, either written or verbal; and;

- (b) Request Cr Gill attend training on media relations including the Council's Media Policy and the behavioural expectations of council members more generally."

3. CONCLUSION / PROPOSAL

- 3.1 Having considered the Conclusions and Recommendations arising from the report of MEL as set out in paragraph 2.3 of this Report, Council must now, by resolution determine which action it wishes to take.
- 3.2 Paragraphs 2.1 and 2.2 provide details of the options available to Council in response to the finding that a breach of the Code of Conduct for Council Members has occurred.
- 3.3 The recommendations currently contained within this report are administrative in nature, in that they receive the report, note the findings and direct that the findings and details of actions taken by Council be reported to parties to the complaint. Council will need to specify its preferred course of action in response to the MEL report to be included as part of the final resolution.

CO-ORDINATION

Officer:	CEO	MG
Date:	13/10/2017	5/10/2017

ITEM	GB3
	COUNCIL
DATE	23 October 2017
HEADING	Voting Advice to Council Delegate for the Local Government Association Annual General Meeting - 16 November 2017
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	In accordance with a previous Council resolution, this report presents the items to be considered at the Local Government Association Annual General Meeting (LGA AGM) to be convened on Thursday 16 November 2017 and provides guidance to enable Council to instruct its delegate how to vote in relation to each item.

RECOMMENDATION

1. Council direct its voting delegate in relation to the following Notices of Motion:

- 1.1 **AGM161117/6.4 LGA Submission – Review of the Code of Conduct (LGA Board)**

Recommendation 1

That the Annual General Meeting endorses the LGA's framework for replacing the existing code of conduct for council members and reconfiguring the support arrangements in place to assist councils in managing council members' behaviour.

Recommendation 2

That the Annual General Meeting notes the report and the attached submission, which was endorsed by the LGA Board on 28 September 2017.

– *SUPPORT / NOT SUPPORT*

- 1.2 **AGM161117/8.2 Material Conflicts of Interest (West Torrens)**

That the Annual General Meeting requests the LGA to seek the amendment of section 74 of the Local Government Act 1999 (LG Act) to enable a member of council who has declared a material conflict of interest in a matter to be discussed at a meeting of council, to be able to elect to remain in the meeting, participate in the debate and vote on the matter if the member is able to demonstrate that it is in the public interest for the member to do so particularly when nominating for community membership or conferences and seminars specifically related to local government business I.e. Local Government Association Annual General Meeting, Australian Local Government National Congress etc.

– *SUPPORT / NOT SUPPORT*

1.3 AGM161117/8.7 2018 Periodic Election Postal Voting (Mitcham)

That the Annual General Meeting requests the LGA to seek assurances of overnight delivery during the two week period when voting happens during the 2018 periodic election to ensure that all votes posted by 6 pm on the last Thursday will be received in time to be counted.

– *SUPPORT / NOT SUPPORT*

2. Council direct its voting delegate (Mayor Gillian Aldridge or Deputy Mayor Donna Proleta as proxy) to vote in favour of the Local Government Association Annual General Meeting recommendations as set out in the attachment to this report (Council, 23 October 2017, Item GB3).

ATTACHMENTS

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

1. LGA Annual General Meeting 16 November 2017 - Guidance for Voting Delegate

1. BACKGROUND

- 1.1 At the February 2015 meeting of Council, it was resolved that Council direct the City of Salisbury's voting delegate in relation to voting on Local Government Association (LGA) General Meeting recommendations. To give effect to this resolution a report is prepared prior to each LGA Ordinary General Meeting (OGM) and Annual General Meeting (AGM) that summarises the matters being considered and puts forward a recommended position for each matter, based on advice from the Chief Executive Officer (CEO).

2. CONSULTATION / COMMUNICATION**2.1 Internal**

- 1.1.1 Recommendations contained within this report are as a result of discussions between the Manager Governance and the Acting Chief Executive Officer.

2.2 External

- 1.2.1 Nil.

3. REPORT

- 3.1 Due to the size of the agenda in its entirety (194 pages), a hard copy of the full agenda is not distributed to all Elected Members. Mayor Gillian Aldridge, current voting delegate and Deputy Mayor Donna Proleta (proxy delegate) have been given a printed copy of the agenda. A printed copy has also been made available for review by Elected Members in the Members' Room adjacent to the Council Chamber.
- 3.2 The full agenda contained within LGA Circular 42.4 dated 17 October 2017 has been circulated by email to Elected Members and is available on the Elected Members Portal.

3.3 Attachment A to this report contains a list of each of the recommendations to be considered at the LGA AGM taking place on Thursday 16 November 2017. The Acting CEO has provided guidance regarding the appropriate voting position for the City of Salisbury for the majority of motions.

3.4 Guidance is sought in relation to voting direction for the following Notices of Motion:

3.4.1 AGM161117/6.4 LGA Submission – Review of the Code of Conduct (LGA Board)

Recommendation 1

That the Annual General Meeting endorses the LGA's framework for replacing the existing code of conduct for council members and reconfiguring the support arrangements in place to assist councils in managing council members' behaviour.

Recommendation 2

That the Annual General Meeting notes the report and the attached submission, which was endorsed by the LGA Board on 28 September 2017.

3.4.2 AGM161117/8.2 Material Conflicts of Interest (West Torrens)

That the Annual General Meeting requests the LGA to seek the amendment of section 74 of the Local Government Act 1999 (LG Act) to enable a member of council who has declared a material conflict of interest in a matter to be discussed at a meeting of council, to be able to elect to remain in the meeting, participate in the debate and vote on the matter if the member is able to demonstrate that it is in the public interest for the member to do so particularly when nominating for community membership or conferences and seminars specifically related to local government business I.e. Local Government Association Annual General Meeting, Australian Local Government National Congress etc.

3.4.3 AGM161117/8.7 2018 Periodic Election Postal Voting (Mitcham)

That the Annual General Meeting requests the LGA to seek assurances of overnight delivery during the two week period when voting happens during the 2018 periodic election to ensure that all votes posted by 6 pm on the last Thursday will be received in time to be counted.

3.5 Council has previously resolved (Resolution No 0170/2015) to authorise the voting delegate to the LGA to make a determination on how to vote in relation to any late items that are received for OGM's and AGM's of the Association.

4. CONCLUSION / PROPOSAL

4.1 Council is asked to review the items listed in the attachment and confirm or vary the voting guidance provided by the Acting CEO.

CO-ORDINATION

Officer: MG A/CEO
Date: 18/10/2017 19/10/2017

Item No	Item Description	Agenda Page No	Voting Guidance
6.	DISCUSSION REPORTS FROM THE LGA BOARD		
6.1	Annual Report 2016/17 That the Annual General Meeting receives and adopts the LGA of SA Annual Report for the year 2016/17.	25	Support
6.2	Annual Financial Statements 2016/17 That the Annual General Meeting receives and adopts the LGA of SA consolidated Financial Statements for the year 2016-17.	26	Support
6.3	Electronic Voting in Local Government Elections Recommendation 1 That the Annual General Meeting endorses keeping a watching brief on the work of the ECANZ national electronic voting working group, comprised of representatives from all Australian States, which is developing a process for electronic voting in Commonwealth, State and Local Government Elections. Recommendation 2 That the Annual General Meeting notes the report which was endorsed by the LGA Board on 28 September 2017.	70	Support
6.4	LGA Submission – Review of the Code of Conduct Recommendation 1 That the Annual General Meeting endorses the LGA’s framework for replacing the existing code of conduct for council members and reconfiguring the support arrangements in place to assist councils in managing council members’ behaviour. Recommendation 2 That the Annual General Meeting notes the report and the attached submission, which was endorsed by the LGA Board on 28 September 2017.	73	Council Decision

Item No	Item Description	Agenda Page No	Voting Guidance
7.	INFORMATION REPORTS FROM THE LGA BOARD	85-157	
8.	COUNCIL NOTICES OF MOTION		
8.1	Community Land Management Plans (Charles Sturt) That the Annual General Meeting requests the LGA to undertake a comprehensive review of their Community Land – Classification and Management Plans Guidelines to ensure that these guidelines take into consideration the decision handed down by Justice Malcolm Blue in the Supreme Court.	158	Support
8.2	Material Conflicts of Interest (West Torrens) That the Annual General Meeting requests the LGA to seek the amendment of section 74 of the Local Government Act 1999 (LG Act) to enable a member of council who has declared a material conflict of interest in a matter to be discussed at a meeting of council, to be able to elect to remain in the meeting, participate in the debate and vote on the matter if the member is able to demonstrate that it is in the public interest for the member to do so particularly when nominating for community membership or conferences and seminars specifically related to local government business i.e. Local Government Association Annual General Meeting, Australian Local Government National Congress etc.	161	Council Decision

Item No	Item Description	Agenda Page No	Voting Guidance
8.3	<p>Rating of Electricity Generators (Wattle Range)</p> <p>Proposed Recommendation by Wattle Range:</p> <p>That the Annual General Meeting ask the LGA to call on the State Government and Opposition to support the appropriate changes to legislation to allow councils to collect rates in the same manner as councils in Victoria from electricity generators.</p> <p>Suggested Alternative Recommendation by LGA:</p> <p>That the Annual General Meeting asks the LGA to investigate, in collaboration with Regional LGAs, the potential benefits of allowing councils to collect rates from electricity generators in the same manner as councils in Victoria as part of a broader review of rating equity for commercial and industrial land uses.</p>	165	Support Alternative Recommendation
8.4	<p>Child Visitations within Council Facilities (Prospect)</p> <p>Proposed Recommendation by Prospect:</p> <p>That the Annual General Meeting requests the LGA to liaise with the Attorney General for the establishment of a procedural guideline in relation to the use of council community facilities within Parenting Orders for child visitation. The guideline should include the requirement for notification to council through discussion between courts / court officers and an appropriate delegated officer managing the council facility.</p> <p>Suggested Alternative Recommendation by LGA:</p> <p>That the Annual General Meeting requests the LGA to liaise with the Attorney General to ascertain if there is a need for the establishment of a procedural guideline in relation to the use of council community facilities within Consent Orders for child visitations or child handovers within a Parenting Order.</p>	169	Support Alternative Recommendation

Item No	Item Description	Agenda Page No	Voting Guidance
8.5	Essential Services Property Reinstatement Policy (Prospect) That the Annual General Meeting requests the Local Government Association to liaise with essential service providers to establish an agreed policy on reinstating public infrastructure to the satisfaction of councils after completion of works and remediation improvements.	172	Support
8.6	Establishing Local Government common data formats (Prospect) That the Annual General Meeting requests the LGA to seek interest from the Local Government sector in: <ul style="list-style-type: none"> • establishing common formats for collecting data; • the LGA collating and sharing such data; and • ensuring the data is available to the public in a user friendly format. 	175	Support
8.7	2018 Periodic Election Postal Voting (Mitcham) That the Annual General Meeting requests the LGA to seek assurances of overnight delivery during the two week period when voting happens during the 2018 periodic election to ensure that all votes posted by 6 pm on the last Thursday will be received in time to be counted.	178	Council Decision

Item No	Item Description	Agenda Page No	Voting Guidance
8.8	<p>Car Parking and Traffic Management in and around Schools (Mitcham)</p> <p>That the Annual General Meeting requests the LGA to advocate to the Department for Education and Child Development (DECD) for the following:</p> <ol style="list-style-type: none">1. Where existing schools have the capacity that increased off-street parking and / or 'kiss and drop' facilities be provided for users of the schools to increase the safety for children and reduce any on-street traffic and parking issues.2. That for any new schools the potential parking and school drop off and pick up impacts be assessed and that adequate off-street parking and / or 'kiss and drop' facilities for users of the schools be provided to create a planned, safe, on-site drop off and pick up environment and avoid both on-street unsafe, ad hoc drop off and pick up situations as well as parking and traffic congestion issues.	181	Support

Item No	Item Description	Agenda Page No	Voting Guidance
8.9	<p>Use of Independent Experts for Assessment of Regulated or Significant Trees (Unley)</p> <p>Proposed Recommendation by Unley:</p> <p>That the Annual General Meeting requests the LGA to investigate whether there is sufficient evidence across Local Government to have the Regulations which govern Significant and Regulated Trees to be amended to require that whenever an applicant is required to provide an arborist report, that:</p> <ul style="list-style-type: none"> the applicant must use an arborist from a panel of accredited arborists established by the LGA; and the arborist making the assessment must not be involved in subsequent work recommended in the assessment report. <p>Suggested Alternative Recommendation by LGA:</p> <p>That the Annual General Meeting requests the LGA to:</p> <ol style="list-style-type: none"> investigate with councils and the Department of Planning, Transport and Infrastructure the development of a Planning Circular which outlines the special circumstances' which should apply to request an expert or technical report relating to a tree; and advocate for arborists involved in the assessment of Significant and Regulated Trees to be included in the Accredited Professionals scheme and Code of Practice to be established under the Planning, Development and Infrastructure Act. 	186	Support Alternative Recommendation
8.10	<p>Development Assessment Fees (Campbelltown)</p> <p>That the Annual General Meeting requests the LGA seek from the Government and the Opposition, their position on the revision of Development Act fees, to allow councils to recoup from developers the costs incurred as they undertake their statutory obligations as the Local Planning Authority, as the question of Development Act fees has not progressed since the Ordinary General Meeting in April 2016.</p>	190	Support

ITEM	MD1
	COUNCIL
DATE	23 October 2017
HEADING	Mayor's Diary

RECOMMENDATION

1. That this information be noted.

Date	Time	Function
18/09/2017	06:30 PM	Standing Committees
19/09/2017	10:00 AM	Spotlight on Salisbury Radio Show
23/09/2017	11:00 AM	Speech at the Salisbury Food and Cultural Festival Official Opening with Zoe Bettison
23/09/2017	05:30 PM	20th Anniversary Dinner Dance Celebration - Sampaguita Dance Group
25/09/2017	10:00 AM	Celebration of the 'Tracks and Wheels' – Bay to Birdwood week
25/09/2017	02:30 PM	Meeting with Grahame Mansfield/ Mayor
25/09/2017	03:00 PM	2017 Legends Award Judging
25/09/2017	05:15 PM	Meeting with Michael Kelledy - Pre Council Briefing
25/09/2017	06:30 PM	Council Meeting
27/09/2017	10:30 AM	Mayor/CEO/EA
27/09/2017	11:30 AM	Time with PA
27/09/2017	02:15 PM	Interview with Channel 7 re playground equipment
27/09/2017	05:00 PM	In office to sign urgent letter
27/09/2017	05:30 PM	2017 Salisbury Business Awards
27/09/2017	12 Noon	Call to Resident
28/09/2017	09:15 AM	LGA Board Meeting
28/09/2017	05:00 PM	Meeting with Developer
30/09/2017	07:30 AM	Parkrun Event
1/10/2017	12:30 PM	60th Anniversary Celebration of the Tram Museum
3/10/2017	10:00 AM	Spotlight on Salisbury Radio Show
3/10/2017	11:30 AM	Meeting with PA
3/10/2017	03:00 PM	Meeting Kyam Maher
3/10/2017	06:30 PM	Informal Strategy
4/10/2017	07:00 AM	Northern Economic Leaders Breakfast
4/10/2017	09:30 AM	Mayor/CEO/EA
4/10/2017	10:30 AM	Regular Catchup to Discuss Current/Upcoming Planning/Building Issues
4/10/2017	01:00 PM	Official opening of new Restaurant - Martin's Plaza
4/10/2017	03:00 PM	Appointment with Michelle Branch from St Basils Homes
4/10/2017	07:00 PM	Providence Girls Event
5/10/2017	09:00 AM	Special meeting of the LGA Board
6/10/2017	09:00 AM	Meeting with Micheal Brown & Blair Boyer
6/10/2017	06:30 PM	Speech at the Second National Conference of Australia - Chin Community
7/10/2017	11:00 AM	Northern Districts Athletics Official Season Opening

7/10/2017	01:00 PM	Speech at the Bhutanese Ethnic School - Celebration of 5th Annual Cultural Program
7/10/2017	06:00 PM	Hot Dog Pilipino Dinner Dance
8/10/2017	03:00 PM	Frances Bedford - 20th Anniversary Celebration
9/10/2017	03:30 PM	Living Legends Award run through
9/10/2017	06:30 PM	Sport, Recreation & Grants Committee and Program Review Sub Committee
10/10/2017	02:00 PM	Meeting with local business owner
10/10/2017	04:30 PM	Meeting to discuss verge mowing quality
10/10/2017	06:30 PM	Audit Committee of Council and Elected Member Workshop
10/10/2017	12 Noon	Media Issues - Regular Catch-up
11/10/2017	06:30 PM	Legends Awards
11/10/2017	12 Noon	Certify the Annual Financial Statements
15/10/2017	05:30 PM	5AA with Liz McCaskill and Brad Aldridge
16/10/2017	11:00 AM	MLGG Executive Committee
16/10/2017	01:00 PM	Appointment with resident
16/10/2017	06:30 PM	Standing Committees
17/10/2017	09:00 AM	Speech at COTA Conversations
17/10/2017	10:00 AM	Spotlight on Salisbury Radio Show
17/10/2017	12:30 PM	Meeting with Gerry Elder
17/10/2017	12 Noon	Media Issues - Regular Catch-up
18/10/2017	03:00 PM	Judging - Mayor's Christmas Card Competition
18/10/2017	04:00 PM	Make calls to winners of 'Mayor's Christmas Card' Competition
18/10/2017	04:30 PM	Meeting Mayor/GM BE - Various Issues
18/10/2017	06:30 PM	Citizenship Ceremony

Events attended by Elected Members on behalf of the Mayor

Date	Member	Function
19/09/2017	Deputy Mayor Proleta	Northern Carers Network 20 th Annual General Meeting
20/09/2017	Deputy Mayor Proleta	Pooraka Farm Annual General Meeting

EX-CONFIDENTIAL

Pursuant to Resolution 2142 of 23/10/2017, item C1 is no longer confidential, effective 23/10/2017

Ex-Confidential Item C1

ITEM	C1
	COUNCIL
DATE	23 October 2017
HEADING	Minter Ellison Lawyers - Report on the Investigation of Code of Conduct Complaint 02/2017
AUTHOR	John Harry, Chief Executive Officer, CEO and Governance
CITY PLAN LINKS	4.3 Have robust processes that support consistent service delivery and informed decision making.
SUMMARY	This report presents the details findings of the investigation conducted by Minter Ellison Lawyers in relation to Code of Conduct Complaint 01/2017

RECOMMENDATION

1. Information be received.
~ to be determined by Council ~
2. Pursuant to Section 91(7) of the Local Government Act 1999, it is recommended that the Minter Ellison Lawyers report (Investigation of a breach of the Code of Conduct – Cr Gill; 28 September 2017) as set out as Attachment 1 to this report (Item No. C1, Council, 23 October 2017), **discussion, and recommendations** for this item will remain confidential and not available for public inspection until the conclusion of the current term of Council.
3. Pursuant to Section 91(9) of the Local Government Act 1999, the power to revoke the order under Section 97(7)(a) and (b) prior to any review or as a result of any review is delegated to the Chief Executive Officer.

ATTACHMENTS

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

1. Code of Conduct Complaint 02/2017 - Minter Ellison Lawyers Investigation Report

1. BACKGROUND

- 1.1 At its meeting on 28 August 2017 Council resolved to refer Code of Conduct Complaint 02/2017 to Minter Ellison Lawyers for investigation.
- 1.2 All information relating to the complaint was forwarded to Minter Ellison Lawyers with a request that the matter be investigated.
- 1.3 The investigation report from Minter Ellison Lawyers was received on 28 September 2017 and a copy is provided as an attachment to this report.

- 1.4 Both parties to the complaint were provided with a copy of the Minter Ellison Lawyers report directly by Minter Ellison Lawyers, via email on 28 September 2017.
- 1.5 A separate, non-confidential report has also been prepared setting out the findings and recommendations of Minter Ellison Lawyers, on the basis that Minter Ellison Lawyers has found that a breach of the Code of Conduct occurred in relation to the complaint. The Code of Conduct for Council Members requires that any finding of a breach of the Code must be the subject of a report to a public meeting of the Council.

2. REPORT

- 2.1 The full report from Minter Ellison Lawyers is provided as an Attachment to this report.
- 2.2 As part of the consideration of the report Council must determine whether it wishes to maintain confidentiality of the full report, or make it publicly available. If the intention is to retain confidentiality, the period for which the confidentiality will apply must also be determined.
- 2.3 In determining the confidentiality status of the full report from Minter Ellison Lawyers Council should consider;
 - 2.3.1 whether disclosure of the full report would involve the unreasonable disclosure of information concerning the personal affairs of any person (s90(3)(a), where personal affairs are defined to include personal qualities, attributes or health status and employment performance or suitability for a particular position);
 - 2.3.2 the importance of demonstrating accountability and transparency of Council's operations; and
 - 2.3.3 the public interest in the matter.
- 2.4 Should Council wish to apply confidentiality to the Minter Ellison Lawyers report (or other elements related to this item such as discussion, and recommendation) the following parts should be included in the final resolution of Council:
 2. *Pursuant to Section 91(7) of the Local Government Act 1999, it is recommended that the Minter Ellison Lawyers report (Investigation of a breach of the Code of Conduct – Cr Gill; 28 September 2017) as set out as Attachment 1 to this report (Item No. C1, Council, 23 October 2017), **discussion, and recommendations** for this item will remain confidential and not available for public inspection until the conclusion of the current term of Council.*
 3. *Pursuant to Section 91(9) of the Local Government Act 1999, the power to revoke the order under Section 97(7)(a) and (b) prior to any review or as a result of any review is delegated to the Chief Executive Officer.*

3. CONCLUSION / PROPOSAL

- 3.1 The final report from Minter Ellison Lawyers following its investigation of the Code of Conduct Complaint 02/2017 is attached for information.

- 3.2 A separate item presents the findings and recommendations of Minter Ellison Lawyers and seeks a decision from Council as to what action should be taken in response to the Minter Ellison report.
- 3.3 The purpose of this report is to provide Council with the detailed Minter Ellison Lawyers report to inform its consideration of the non-confidential Code of Conduct report and to seek a determination from Council on the future confidentiality status of the Minter Ellison Lawyers report.

CO-ORDINATION

Officer:	CEO	MG
Date:	13/10/2017	5/10/2017

MinterEllison

28 September 2017

BY EMAIL: jrowett@salisbury.sa.gov.au

Dear Joy

Investigation of a breach of the Code of Conduct – Cr Gill

I refer to the instructions received from Tami Norman by email dated 1 September 2017 to carry out an independent investigation in response to allegations of a breach of Part 2 of the *Code of Conduct for Council Members*¹ (**Code of Conduct**). The allegations relate to the behaviour of Councillor Betty Gill and specifically comments made by her on a (public) social media page on 13 August 2017.

1. Background information

The background facts and assumptions on which this investigation report is based are as follows:

- (a) On 4 August 2017, a Facebook post relating to the development of a new Community Hub in Salisbury was shared to the Facebook page "Salisbury Council Area – Residents and Ratepayers Group" (**Facebook Post**). This page is independent of the City of Salisbury (**Council**).
- (b) On 9 August 2017, a community resident (**Resident**) commented on the Facebook Post that generated a chain of posts from various individuals. On 13 August 2017, Cr Betty Gill (**Subject Member**) contributed to the page by responding to a comment made by the Resident in response to the Facebook Post. Cr Gill continued to engage in a 'conversation' with the Resident (and others), including the Complainant.
- (c) On 13 August 2017, a formal complaint was lodged by a separate individual, Ms Sandy Holloway, in accordance with the *City of Salisbury Code of Conduct for Council Members – Dealing with Complaints Procedure* (**Procedure**) alleging that the Subject Member had, by her responses to the Resident's Facebook activity, engaged in conduct that breached Part 2 of the Code of Conduct (**Complaint**);
- (d) In accordance with clause 2(g)(i) of the Procedure, Council resolved to appoint MinterEllison to investigate the Complaint on its behalf.

In the event that there are any material inaccuracies in relation to the above, we ask that you let us know immediately as this may alter the outcomes of this investigation.

2. Complaint

We confirm from your instructions and the evidence provided that Ms Sandy Holloway gave her consent to be identified as the complainant in this matter (**Complainant**).²

¹ As published by the Minister for Planning for the purposes of section 63(1) of the *Local Government Act 1999* (SA); Government Gazette 29 August 2013 – page 3589.

² Per email dated 20 August 2017 from Ms Sandy Holloway to Council's CEO, John Harry.

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In her Complaint, the Complainant alleged that the Subject Member acted in breach of the following sections of the Code of Conduct:

- (a) 2.2 – *Act in a way that generates community trust and confidence in the Council.*
- (b) 2.3 – *Act in a reasonable, just, respectful and non-discriminatory way when dealing with people.*
- (c) 2.4 – *Show respect for others if making comments publicly.*

3. Natural justice and procedural fairness

This investigation has been undertaken in accordance with the Procedure. Natural justice and procedural fairness have been observed and adhered to throughout the investigation process.³

In this regard, we note that:

- (a) by letter dated 7 September 2017 we wrote to the Subject Member confirming the substance of the allegations contained in the Complaint;
- (b) the Subject Member confirmed she had been provided with a copy of the Complaint by Council;
- (c) both parties were invited to participate in an interview during which they were given the opportunity to provide their version of events, and respond to the allegations; and
- (d) following the abovementioned interview, both parties were invited to make any further comments or provide any additional materials in support of their position, should they wish to do so.

4. Evidence considered

4.1 Documents

We have been provided with:

- (a) a copy of the Complaint dated 13 August 2017;
- (b) a copy of relevant screen shots of the Facebook Page from 4 August 2017, 10 August 2017 and 13 August 2017 supporting the Complaint;
- (c) a series of transcripts from the Facebook Page, including the conversation the subject of this investigation, date ranging from 3 August 2017 to 16 August 2017;
- (d) the *City of Salisbury – Media Policy (Media Policy)*; and
- (e) the Procedure,

(together, the **Documents**).

In addition, we have considered and referenced where appropriate:

- (a) the Code of Conduct; and
- (b) *Local Government Act 1999 (SA) (Act)*.

4.2 Interviews

As part of this investigation, we have conducted interviews with:

- (a) the Complainant, via telephone, on 12 September 2017;

³ As per clause 3a of the Procedure

- (b) Mr Michael Bennington, Manager Communications & Customer Relations, via telephone, on 12 September 2017; and
- (c) the Subject Member, via telephone, on 13 September 2017.

5. Factual findings

Our findings in response to each allegation of breach, together with our reasons, are set out below. We have considered each allegation in the context of the evidence specifically provided in support (and the Documents more broadly), the statements of the Complainant made by interview, and the response of the Subject Member, and determined whether the allegation is sustained in accordance with the balance of probabilities.

2.2 Act in a way that generates community trust and confidence in the Council

The Complainant alleges that in her position as a councillor, the Subject Member "holds a position of privilege and higher principal and must comply with and support at all times the Code of Conduct".⁴

The Complainant further alleges that the Subject Member's comments on the Facebook Page constituted behaviour that did not generate community trust and confidence in the Council.

In her comments, the Subject Member made specific reference relating to the following:

- (a) the education of the Resident, suggesting that the spelling capabilities of the Resident indicated a problem with education; and
- (b) responded in the affirmative to a question posed by a fellow councillor regarding whether the Subject Member was "attacking a resident over their spelling".⁵

Notwithstanding these particular comments, we note that the Subject Member continued to engage with the Resident over the public Facebook page site.

The Subject Member acknowledges and accepts that she made comments on the Facebook Page and that they could be interpreted as attacking the Resident's education, however she disputes that these comments indicate that she acting contrary to a way that "generates community trust and confidence in the Council".

She claims that she did not make the above comments until the Resident began attacking her (for example, calling her "antifa"⁶). Additionally, the Subject Member states that though she understands that council members should be held to a standard higher than the general public, there is an unrealistic expectation that councillors must be "perfect" and the circumstances around the proposed redevelopment of the Community Hub had generated a general public expression of lack of confidence in Council by residents⁷ - which we have interpreted to mean, she was just being singled out in this instance.

Behaviour that generates community trust and confidence in the Council is a *subjective* test. However, the concept of *community trust* denotes a sense of integrity and the ability of a person to act honestly on behalf of the community. *Confidence* on the other hand is a sense of belief that you can rely on, or believe something or someone.⁸ This advocates an expectation that council members' will act in a way that is truthful with integrity and can be relied on to generate community trust and confidence in the council.

We acknowledge that councillors are well within their rights to be involved in community discussion, regardless of the subject matter or the circumstances. This is subject to council members making sure that their comments are represented as their own individual views, and not representing themselves as speaking on behalf of the Council, (unless authorised to do so). Of course councillors must also ensure that any comments they make does not otherwise give rise to a breach of the Code of Conduct or other behavioural duty or standard.

⁴ As set out in the Complaint dated 13 August 2017.

⁵ As set out in the copy of relevant screen shots of the Facebook Page supporting the Complaint.

⁶ As set out in the copy of relevant screen shots on the Facebook Page supporting the Complaint.

⁷ As stated by the Subject Member in her phone interview dated 13 September 2017.

⁸ International City/County Management Association, "Checklist for Building Trust and Confidence in the Community"; Governance Institute of Australia, "Good Governance Guide" (2016).

It could be argued that the comments of the Subject Member did not impact on the community's trust and confidence in the Council (as is the required test under Part 2.2 of the Code of Conduct), but rather her comments likely reflected on the Subject Member herself and resulted in a loss of community confidence in her. (Not because the Subject Member acted dishonestly, but that her responses generally led to a sense of lack of confidence). As part of our investigation of the alleged breaches however, we reviewed the Council's Media Policy. We note that paragraphs 1 and 2 of section I – *Social Media – Private Accounts* of the Media Policy state "*the City of Salisbury logo or official corporate colours must not be used on any private social media accounts*" and "*Private social media accounts must not, in any way, give the appearance that it is an official City of Salisbury presence or that the individual is speaking publicly on behalf of the Council or in their capacity as employee of the City of Salisbury*". The profile picture of the Subject Member's personal Facebook page, shows a picture of her wearing her Council badge and it states that she is a "*Councillor at the Salisbury Council*". We acknowledge and accept that the Subject Member is not commenting on the Facebook Post in her capacity as a councillor, however, she is clearly representing herself as a member of the Council, contrary to the Media Policy.

Further, we note that paragraph 3 of I – *Social Media – Private Accounts* states "*publicly visible comments or posts must not damage the City of Salisbury's reputation, commercial interests, or bring the City of Salisbury into disrepute*". This suggests that, in addition to not using the Council logo or official corporate colours, Councillors need to be careful to ensure that any communication and posts, do not to damage Council's reputation or bring the Council into disrepute.

Having considered the evidence in support of the allegations, the Subject Member's response to the alleged breach and the Council's Media Policy, we consider that the Subject Member's behaviour did not generate community confidence in the Council and on the balance of the evidence before us, we consider that the Subject Member's behaviour did amount to a breach of clause 2.2 of the Code of Conduct.

2.3 Act in a reasonable, just, respectful and non-discriminatory way when dealing with people

It is alleged through her comments in response to the Resident's post, that the Subject Member "belittled" the Resident in relation to the Resident's "education and poor spelling".⁹

We note that the Subject Member claims that through her responses to the Resident, she was seeking "clarification"¹⁰ from the Resident as she was unable to understand his point of view due to his literacy limitations.

Actions that are unreasonable, unjust, disrespectful and discriminatory in nature are generally behaviours that are unfair, lack courtesy and consideration of others, and display unnecessary prejudice.¹¹

Having considered the evidence provided, in particular that the Subject Member confirmed that she was "attacking" a resident over their spelling does support an allegation that the Subject Member did not behave in respectful and non-discriminatory way.

We note that in response to these allegations, the Subject Member conceded that in her opinion, she was in breach of this provision of the Code of Conduct.

Accordingly, we consider that the evidence supports a finding that the alleged conduct constitutes a breach of clause 2.3 of the Code of Conduct.

2.4 Show respect for others if making comments publicly

It is alleged by the Complainant that, relying on the same evidence as above, the Subject Member "belittled" the Resident in respect of his "education and poor spelling".¹²

As stated above, we note that although council members are not restricted from making comments publicly in their capacity as individuals, they are mandated under the Code of Conduct to ensure their behaviour shows respect for others. This regulates behaviour such that even when engaging with the community generally, they are held to a higher standard than members of the general public in terms of being required to show respect for others at all times.

⁹ As set out in the Complaint dated 13 August 2017.

¹⁰ As stated by the Subject Member in her phone interview dated 13 September 2017.

¹¹ *The Australian Concise Oxford Dictionary (Fourth Edition, 2004)*.

¹² As set out in the Complaint dated 13 August 2017.

Respect implies councillors being required to respond (in this context) to residents in a measured way, having consideration for their feelings and how comments made might make residents appear publicly.¹³

As noted above, we have taken into account the Subject Member's claim that she was seeking clarification from the Resident regarding his comments, as she was unable to understand the comments due to the spelling errors contained therein. However, if this were the case, we would suggest that clarification was not sought from the Resident in a respectful way.

Additionally, confirming that she was "attacking" the Resident, as opposed to seeking clarification supports a position that the Subject Member was purposely being disrespectful.

Based on the evidence, we have determined that the Subject Member has, by her behaviour, breached clause 2.4 of the Code of Conduct.

6. Conclusions

While we acknowledge and accept that all council members participate in, or find themselves drawn into discussions on emotive topics, with the topic of the development of the Community Hub (the subject of this allegation) being one such topic, councillors are required to ensure their behaviour conforms with the standards set by the Code of Conduct.

For the reasons set out in the preceding paragraphs, it is our view that Cr Gill has breached clauses 2.2, 2.3 and 2.4 of the Code of Conduct as alleged.

7. Recommendations

We note the Subject Member has been a councillor for the City of Salisbury for a significant period of time – some 28 years, as advised by her. We accept that she is aware of the standards of behaviour required of her, however we refer to our comments in relation to Council's Media Policy and accordingly, we recommend under clause 4(a) of the Procedure, that Council request that the Subject Member:

- (a) make a public apology, either written or verbal; and
- (b) attend training on media relations including the Council's Media Policy and the behavioural expectations of council members more generally.

8. Final comments

On review of the Complaint and the content of the allegations more generally, we suggest that the Council consider ensuring that all of the council members are aware of Council's policy in relation to the way council members are permitted to engage with the public through means such as Facebook – including the behavioural standards under Council's Media Policy. This would ideally cover issues including, but not limited to, the extent to which council members engaged in social media should make clear their connection with the Council.

Yours sincerely



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¹³ *The Australian Concise Oxford Dictionary (Fourth Edition, 2004).*