

AGENDA

FOR BUDGET AND FINANCE COMMITTEE MEETING TO BE HELD ON

19 FEBRUARY 2018 AT CONCLUSION OF POLICY AND PLANNING COMMITTEE

IN THE COUNCIL CHAMBER, 12 JAMES STREET, SALISBURY

MEMBERS

Cr R Zahra (Chairman) Mayor G Aldridge 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 (Deputy Chairman) Cr D Pilkington Cr D Proleta Cr S Reardon Cr G Reynolds Cr S White Cr J Woodman

REQUIRED STAFF

Chief Executive Officer, Mr J Harry General Manager Business Excellence, Mr C Mansueto General Manager City Development, Mr T Sutcliffe General Manager City Infrastructure, Mr M van der Pennen General Manager Community Development, Ms P Webb Manager Governance, Mr M Petrovski Manager Communications and Customer Relations, Mr M Bennington Governance Support Officer, Ms K Boyd

APOLOGIES

LEAVE OF ABSENCE

PRESENTATION OF MINUTES

Presentation of the Minutes of the Budget and Finance Committee Meeting held on 22 January 2018.

REPORTS

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OTHER BUSINESS

CONFIDENTIAL ITEMS

6.9.1 Minutes of the Confidential Program Review Sub Committee meeting held on Monday 12 February 2018

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 would enable information that may have implications for resourcing/service levels to be considered in detail prior to a Council position in relation to the matter being determined.

On that basis the public's interest is best served by not disclosing the **Minutes of the Confidential Program Review Sub Committee meeting held on Monday 12 February 2018** item and discussion at this point in time.

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

CLOSE



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

22 JANUARY 2018

MEMBERS PRESENT

Cr R Zahra (Chairman) Cr D Balaza Cr S Bedford Cr B Brug Cr D Bryant Cr G Caruso Cr L Caruso Cr E Gill (Deputy Chairman) Cr D Proleta Cr S Reardon Cr G Reynolds Cr S White Cr J Woodman

STAFF

Acting Chief Executive Officer, Mr C Mansueto General Manager City Development, Mr T Sutcliffe General Manager City Infrastructure, Mr M van der Pennen General Manager Community Development, Ms P Webb Manager Communications and Customer Relations, Mr M Bennington Manager Governance, Mr M Petrovski Governance Support Officer, Ms K Boyd

The meeting commenced at 6:49 pm.

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

APOLOGIES

Apologies were received from Mayor G Aldridge, Cr C Buchanan, Cr D Pilkington and Cr R Cook.

LEAVE OF ABSENCE

Nil

PRESENTATION OF MINUTES

Moved Cr J Woodman Seconded Cr D Balaza

The Minutes of the Budget and Finance Committee Meeting held on 11 December 2017, be taken and read as confirmed.

CARRIED

REPORTS

Administration

6.0.1 Future Reports for the Budget and Finance Committee

Moved Cr D Proleta Seconded Cr G Reynolds

1. The information be received.

CARRIED

OTHER BUSINESS

Nil

The meeting closed at 6:50 pm.

CHAIRMAN.....

DATE.....

ITEM	6.0.1
	BUDGET AND FINANCE COMMITTEE
DATE	19 February 2018
HEADING	Future Reports for the Budget and Finance Committee
AUTHOR	Michelle Woods, Projects Officer Governance, CEO and Governance
CITY PLAN LINKS	4.3 Have robust processes that support consistent service delivery and informed decision making.
SUMMARY	This item details reports to be presented to the Budget and Finance Committee as a result of a previous Council resolution. If reports have been deferred to a subsequent month, this will be indicated, along with a reason for the deferral.

RECOMMENDATION

1. The information be received.

ATTACHMENTS

There are no attachments to this report.

1. BACKGROUND

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

2. CONSULTATION / COMMUNICATION

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

3. **REPORT**

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

Meeting -	Heading and Resolution	Officer
Item		
29/04/2013	Fees and Charges Report - Waste Transfer Station	Mark Purdie
6.4.4	3. Subject to endorsement of the creation of the Program	
	Review Sub Committee, the Program Review Sub	
	Committee consider the cost structure and fee structure	
	for residents/commercial vs. non-Salisbury	
	residents/commercial accessing services at the Waste	
	Transfer Station.	
Due:	March 2018	
28/11/2016	Program Review Update	Charles Mansueto
6.0.2-PRSC2	3. Following the conclusion of the current schedule of	
	program review activity a report outlining the status of	
	work undertaken by the Program Review Committee,	
	including achievements, benefits and issues encountered	
	through the course of the program review process be	
-	prepared.	
Due:	February 2018	
Deferred to:	March 2018	
Reason:	This report is currently being finalised and will include	
	outcomes from the Fleet review being presented to the	
24/04/2017	PRSC in February	K + O
24/04/2017 6.2.1	Financial Indicators	Kate George
0.2.1	2. The Operating Ranges for Financial Sustainability	
	Indicators be reviewed as part of considering future	
Duce	Long Term Financial Plan updates.	
Due: 24/04/2017	April 2018 Project Pudget Delegations	Vata Caarga
24/04/2017 6.8.1	Project Budget Delegations	Kate George
0.0.1	4. The Project Budget Delegation be reviewed during the 2018/19 Budget process.	
Due:	April 2018	
Due.	April 2010	

4. CONCLUSION / PROPOSAL

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

CO-ORDINATION

Officer:	Exec Group	GMCI	GMBE
Date:	12/02/2018	08/02/2018	08/02/2018

ITEM	6.0.2
	BUDGET AND FINANCE COMMITTEE
HEADING	Minutes of the Program Review Sub Committee meeting held on Monday 12 February 2018
AUTHOR	Mechelle Potter, Administrative Coordinator - Business Excellence, Business Excellence
CITY PLAN LINKS	4.3 Have robust processes that support consistent service delivery and informed decision making.
SUMMARY	The minutes and recommendations of the Program Review Sub Committee meeting held on Monday 12 February 2018 are presented for Budget and Finance Committee's consideration.

RECOMMENDATION

1. The information contained in the Program Review Sub Committee Minutes of the meeting held on 12 February 2018 be received and noted and that the following recommendations contained therein be adopted by Council:

PRSC1 Changes to the Program Review Sub-Committee

- 1. That subject to formal endorsement of the new sub-committee by Council the name of the new sub-committee will be Innovation and Business Development Sub-Committee.
- 2. The Terms of Reference (as attached to Item PRSC1, Program Review Sub Committee, 04/12/2017) for the Innovation and Business Development Sub-Committee together with the following amendments, be endorsed:
 - Addition of a dot point to the Purpose of the Sub-Committee to review programs and services delivered by Council;
 - Membership of the Sub-Committee to reflect the current membership until the end of the current term of Council;
 - That the current Chair of the Sub-Committee remain until the end of the current term of Council.
- 3. That staff bring back a report to Council to formally close the Program Review Sub Committee and establish the Innovation and Business Development Sub-Committee.

PRSC2 Program Review Update - Parks & Landscape and Civil Services (now Field Services)

- 1. That the information be received.
- 2. Further updated information be included regarding streetscaping for noting by the Budget and Finance Committee.

OB4 Update Report on the Libraries and Marketing Program Reviews

1. That a report be brought back to Council on the current service levels of the Library and Marketing and Communications functions which also considers external trends and initiatives since the program reviews that could impact on delivery of services into the future.

ATTACHMENTS

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

1. Minutes Program Review Sub Committee - 12 February 2018

CO-ORDINATION

Officer: A/GMBE Date:



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

12 FEBRUARY 2018

MEMBERS PRESENT

Cr David Bryant (Chairman) Mayor G Aldridge Cr S Bedford Cr G Caruso Cr L Caruso (Deputy Chairman) Cr E Gill Cr D Proleta Cr R Zahra

STAFF

Chief Executive Officer, Mr J Harry General Manager Business Excellence, Mr C Mansueto General Manager City Infrastructure, Mr M van der Pennen Manager People and Culture, Ms G Page Manager Property and Buildings, Ms K Pepe Manager Field Services, Mr M Purdie Governance Support Officer, Ms K Boyd

The meeting commenced at 6:56 pm.

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

APOLOGIES

An apology was received from Cr B Brug.

LEAVE OF ABSENCE

Nil

PRESENTATION OF MINUTES

Moved Cr L Caruso Seconded Cr G Caruso

The Minutes of the Program Review Sub Committee Meeting held on 13 November 2017, be taken and read as confirmed.

CARRIED

REPORTS

PRSC1 Changes to the Program Review Sub-Committee

Moved Cr R Zahra Seconded Cr S Bedford

- 1. That subject to formal endorsement of the new sub-committee by Council the name of the new sub-committee will be Innovation and Business Development Sub-Committee.
- 2. The Terms of Reference (as attached to Item PRSC1, Program Review Sub Committee, 04/12/2017) for the Innovation and Business Development Sub-Committee together with the following amendments, be endorsed:
 - Addition of a dot point to the Purpose of the Sub-Committee - to review programs and services delivered by Council;
 - Membership of the Sub-Committee to reflect the current membership until the end of the current term of Council;
 - That the current Chair of the Sub-Committee remain until the end of the current term of Council.
- 3. That staff bring back a report to Council to formally close the Program Review Sub Committee and establish the Innovation and Business Development Sub-Committee.

CARRIED UNANIMOUSLY

PRSC2 Program Review Update - Parks & Landscape and Civil Services (now Field Services)

Moved Cr R Zahra Seconded Mayor G Aldridge

- 1. That the information be received.
- 2. Further updated information be included regarding streetscaping for noting by the Budget and Finance Committee.

CARRIED

OTHER BUSINESS

OB4 Update Report on the Libraries and Marketing Program Reviews

Moved Cr R Zahra Seconded Cr S Bedford

1. That a report be brought back to Council on the current service levels of the Library and Marketing and Communications functions which also considers external trends and initiatives since the program review that could impact on delivery of services into the future.

CARRIED UNANIMOUSLY ltem 6.0.2 - Attachment 1 - Minutes Program Review Sub Committee - 12 February 2018

CONFIDENTIAL ITEMS

PRSC3 Program Review Findings for the Fleet & Workshop Section (Business Support Division)

Moved Cr L Caruso Seconded Cr D Proleta

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 would enable information that may have implications for resourcing/service levels to be considered in detail prior to a Council position in relation to the matter being determined.

On that basis the public's interest is best served by not disclosing the **Program Review Findings for the Fleet & Workshop Section** (**Business Support Division**) 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.

CARRIED

The meeting moved into confidence at 7:47 pm The meeting moved out of confidence at 7:55 pm

CLOSE

The meeting closed at 7:55 pm.

CHAIRMAN.....

DATE.....

ITEM	6.0.3		
	BUDGET AND FINANCE COMMITTEE		
DATE	19 February 2018		
PREV REFS	PRSC	PRSC2	12/02/2018
HEADING	Further Information - Program Review Update - Parks & Landscape and Civil Services (now Field Services)		
AUTHOR	Mark Purdie, Manager Field Services, City Infrastructure		
CITY PLAN LINKS	4.2 Develop strong capability and commitment to continually improve Council's performance.		
SUMMARY	Further information is provided on street sweeping services to clarify cost comparisons.		

RECOMMENDATION

1. The revised Street Sweeping Service Area Summary be received.

ATTACHMENTS

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

1. Revised Service Area Summary - Street Sweeping

1. BACKGROUND

1.1 At the 12 February 2018 meeting of the Program Review Sub-Committee, further explanation of the cost comparison of street sweeping services was requested. Attachment 1 has been updated to reflect this request and discussions in the meeting.

2. CONSULTATION / COMMUNICATION

- 2.1 Internal
 - 2.1.1 General Manager City Infrastructure
 - 2.1.2 General Manager Business Excellence
- 2.2 External
 - 2.2.1 N/A

3. REPORT

3.1 The cost comparison of street sweeping services under the Key Findings section required further explanation and has been updated and highlighted to reflect this request and discussions in the meeting.

4. CONCLUSION / PROPOSAL

4.1 The revised Street Sweeping Service Area Summary be received.

CO-ORDINATION

Officer:	GMCI
Date:	14/02/2018

	Street Sweeping			
Summary of Service Area	Budget \$896k; 5 Staff.			
	Programmed and reactive street sweeping, cul-de-sac cleaning, car park sweeping, town centre cleaning.			
	1,784km kerb; 66 car parks.			
Scope of Analysis	All internal street sweeping operations.			
Improvements Identified	Establishing two remote dump and refill points (southern – Waste Transfer Station; western – TBD). Reduce travel time; increased sweeping time.			
	Clear rules identified to manage reactive sweeping requests.			
	Optimise verge mowing and sweeper shifts to maximise productive sweeping time and volume of clippings collected same day as cutting.			
	GPS to include hopper data to measure loads.			
	Technology provision through tablets to enable logging of defects in streets.			
	Potential to insource city centre cleaning; purchase mid- sized sweeper for car parks, cul-de-sacs, new developments where large sweeper cannot access.			
	Summer leaf increase in service levels would improve quality of service and community expectations.			
Key Findings	Comparative rates to contract the service were difficult to evaluate due to the linkage to verge cutting and program vs reactive sweeping.			
	Although the average cost of internal sweeping was approximately 10-20% higher than contract rates however when taking into account reactive work the difference is 5-10%.			
	Opportunities to improve non-productive sweep time identified a gain of 10% productivity is easily achievable and 20% a potential.			
	Cost of internal service is highly competitive with other local government benchmarks (at the low end of the range and up to \$20/km lower than some Council's).			
	Enquiries 424 per annum with a trend of summer peaks.			
	Street sweeping highly dependent on linkage to verge cutting.			
	Service level compliance (6 weekly) currently at 90%.			
	Outsourcing unlikely to produce significant financial gain and potential for quality of service decline.			
	No opportunities to reduce cost of service without service level change.			

Outcomes	Internal provision for street sweeping services for current service level be maintained.
	A contract service be established for summer leaf fall program each year increasing frequencies from 6 to 3 weekly during Dec- Feb each year.
	Street sweeper utilised for SEP cleaning be transferred to street sweeping to provide 4 dedicated sweepers for increased capacity.
	Shift arrangements be modified to include late shifts (operating to 9pm) to maximise sweeping of verge cuttings same day.
	A business case be developed to insource town centre cleaning (within existing operating budget) at Salisbury and Mawson Lakes and purchase a mid-sized sweeper to utilise for car parks, traffic bays, and new developments where large sweepers are unable to access.
	Overall operating budget for service increased by \$39k – funded from transfer of gains in SEP outsourcing.

ITEM	6.1.1
	BUDGET AND FINANCE COMMITTEE
DATE	19 February 2018
HEADING	Council Finance Report - January 2018
AUTHORS	Kate George, Manager Financial Services, Business Excellence Tim Aplin, Senior Accountant, Business Excellence
CITY PLAN LINKS	4.2 Develop strong capability and commitment to continually improve Council's performance.4.3 Have robust processes that support consistent service delivery and informed decision making.
SUMMARY	This report provides key financial data as at 31 January 2018 for the information of Council.

RECOMMENDATION

1. The information be received.

ATTACHMENTS

There are no attachments to this report.

1. BACKGROUND

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

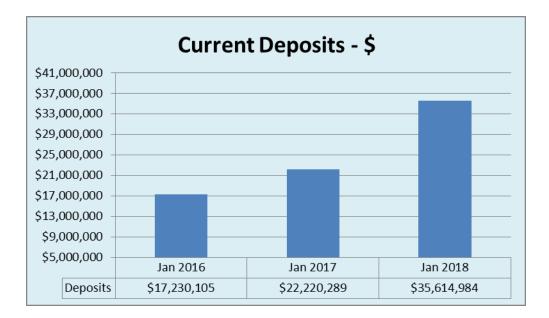
2. **REPORT**

2.1 Council funds that are not immediately required for operational needs and cannot be applied to either reduce existing borrowings or avoid the raising of new borrowings are invested in accordance with Council's Treasury Policy. These investments are split between short term deposits with the Local Government Finance Authority (with variable maturity dates from 30-60 days) or at call with the National Australia Bank. Investments are selected taking into account which delivers the best value, having regard to investment returns, transaction costs and other relevant factors.

Item 6.1.1

Date	Institution	%	Term-Days	Maturity	Value
05-Jan-2018	LGFA	1.65%	30 Days	05-Feb-2018	2,000,000
22-Jan-2018	LGFA	1.65%	30 Days	22-Feb-2018	6,000,000
22-Jan-2018	LGFA	1.70%	60 Days	22-Mar-2018	2,000,000
31-Jan-2018	LGFA	1.50%	At Call	31-Jan-2018	415,445
31-Jan-2018	NAB	2.00%	At Call	31-Jan-2018	25,199,539
31-Jan-2017	22,220,289				35,614,984

2.2	Investments as	at 31 Ja	nuary 2018
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2.3 An increased level of cash investments on hand at 31 January 2018, when compared to prior years is primarily a result of Property Development Sales, specifically at the Boardwalk Project. Further impacting is the Federal Government decision to pay two quarters of the 2017/18 Financial Assistance Grant and Untied Local Roads Funding in advance in June 2017 totaling \$3,995k, noting this was not paid in advance in 2016 Financial Year. Another contributing factor is the timing of the spend of the Capital Works Program with \$20.4M spent year to date, inclusive of commitments, however it is expected this spend will increase significantly over the upcoming quarters, with further details contained in Budget and Finance Committee Item 6.5.2 Second Quarter Budget Review 2017/18 on tonight's agenda.

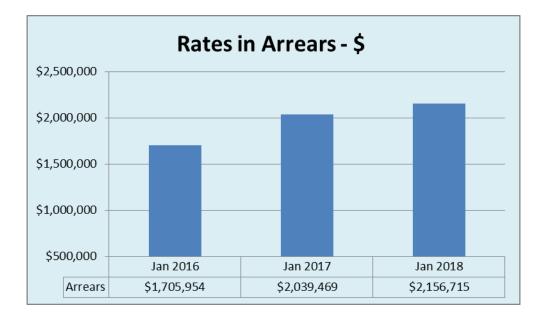
2.4 Reserves as at 31 January 2018

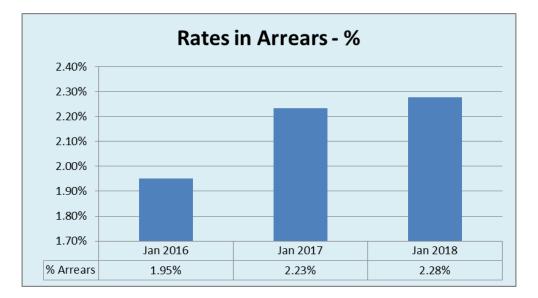
	Opening Balance as	Transfer to	Transfer from	Current Balance
	1/07/2017	Reserves	Reserves	
Plant Replacement Reserve	350,000	-	-	350,000
Open Space Reserve	1,045,422	180,161	-	1,225,583
Car Parking Reserve	958,210	7,269	-	965,479
Salisbury Water Business Unit Reserve	1,881,424	-	895,868	985,556
Property Disposal Reserve	3,901,386	-	-	3,901,386
Development & Public Infrastructure Reserve	1,603,447	71,453	98,486	1,576,414
Cemetery Maintenance Reserve	879,279	6,670	-	885,949
Mausoleum Perpetual Care Fund	772,492	28,386	-	800,878

- 2.5 Reserves are a device used to ensure that Council has sufficient funds allocated for specific purposes. Transfers to the Reserves represent amounts received as contributions, indicative interest adjustments and property disposal proceeds. Transfers from the Reserves represent the funding being applied to specific projects, or to reduce loan borrowing requirements.
- 2.6 At 31 January 2018 the most significant movement was the transfer of the Salisbury Water 2016-17 \$896k deficit from general surplus to the Business Unit Reserve. This is as result of the change in Business Unit Reserve Policy endorsed in November 2017(Resolution 2183/2017 November 2017).
- 2.7 Other significant movements are the transfers from the Development and Public Infrastructure Reserve of \$98k, being New Initiative Bids relating to Developer Street Tree and Footpath Programs totaling \$84k, all endorsed as part of the 2017/18 Budget and an allocation from the reserve representing an amount transferred to the Reserve in 2004 for Land Development Fees that should have been recognised as income at the time.
- 2.8 There has also been transfers to the Development and Infrastructure Reserve totaling \$71k which relates to private developer contributions of \$60k and interest allocations of \$11k. The only other material movement is a transfer to the Open Space Reserve totaling \$180k which relates to three contributions received from private developers totaling \$172k and interest allocations of \$8k.
- 2.9 Other smaller movements include amounts transferred to the Mausoleum Perpetual Care Fund \$28k (minor contributions received of \$22k and interest allocated of \$6k) and interest allocations of \$7k and \$6k respectively to the Car Parking and Cemetery Maintenance Reserve.
- 2.10 It should be noted that interest is apportioned on the balances of the Reserves on a monthly basis, with the Plant Replacement, Property Disposal and the Business Unit Reserves being the only exceptions.

2.11 Recovery of Rates as at 31 January 2018

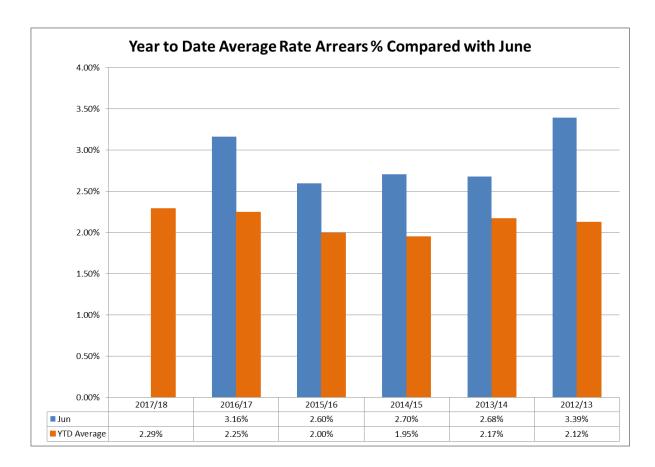
	No of	\$	%
	Accounts		
Outstanding Balance as at 31 January 2018		37,614,048	39.73%
Outstanding Balance as at 31 January 2017		36,466,675	39.93%
Outstanding Rates Arrears as at 31 January 2018	4,841	2,156,715	2.28%
Outstanding Rates Arrears as at 31 January 2017	4,749	2,039,469	2.23%





2.12 The level of Council Rates in arrears at 31 January 2018 is 2.28%. The aim is to have a maximum level for Rates Arrears of 2.5% and the current level is below this. The standard process is that Rates Arrears are followed up on a daily basis and quarterly files are sent to Council's debt collection agency.

2.13 Rate arrears are cyclical in that they peak in the month rate installments fall due, and then trend down for the next two months, meaning that rate arrears at a point in time may be distorted, and that the average rate arrears normalizes the cyclical impacts. The graph below depicts the Average Year to Date Rate Arrears, with the average to January being 2.29%, which is also below the target of 2.5%.



2.14 Other Debtors as at 31 January 2018

Debtor Type	Current	30 - 60 days	60 - 90 days	Over 90 days	Total
Sundry	254,587	68,465	13,485	26,635	363,172
Salisbury Water	169,491	-	-	-	169,491
Inflammable Undergrowth	-	-	-	-	0
Additional Bins	3,382	277	277	115	4,051
Health Licensing Fees	6,423	2,299	750	2,335	11,807
Property Management	54,780	13,354	4,014	14,659	86,807
TOTAL	488,663	84,395	18,526	43,744	635,328

2.15 The above aged analysis represents Councils other debtors as at 31 January 2018. The Sundry Debtors current total is \$254,587 and includes a two larger than average debts, however these are expected and are typically raised at this time of the year. All of these invoices are expected to be paid in the upcoming periods. The remaining balance is comprised of numerous small invoices.

- 2.16 The above aged analysis also represents Councils accounts receivables outstanding as at 31 January 2018. Debts outstanding greater than 90 days account for 6.88% of the total outstanding balance. Debts that are outstanding for greater than 30 days are subject to council's debt collection procedures, which include internal follow up and ultimately legal action through Councils debt collection agency.
- 2.17 Loan Schedule as at 31 January 2018

Debenture Loans	
Principal Outstanding as at 1 July 2017	14,580,215
Loans Raised Year to Date	0
Repayments of Principal Year to Date	1,143,837
Loan Principal Outstanding - Debenture Loans	13,436,378
Comparative figure – 31 January 2017 \$15,881,062	
Cash Advance Debenture Borrowings (CADs)	
Total CAD's available	25,197,000
Current CAD's drawdown amount year to date	0
Balance of CAD's available	25,197,000
Interest Payments (Debenture Loans and CADs)	
Interest Payments - Debenture Loans	566,523
Interest Payments - CAD's	0
Total Interest Payments	566,523

- 2.18 The above Loan Schedule summarises the position on loans taken for Council purposes. Fixed Term Borrowings detail total movements this financial year, with payments to be made half yearly, the first payment to be made in December 2017 and another due in June 2018. As at 31 January 2018 there have been no drawdowns in relation to CAD's primarily due to Council's working capital and cash position associated with Property Development Sales that have occurred.
- 2.19 Not included in the above loan schedule is the \$475,103 Debenture Loan secured for special purpose borrowings, which is offset by a \$475,103 Loan Receivable.

2.20 The table below shows the level of drawn down debt held by Council at the same time for the last three financial years and demonstrates a steady decrease in debt. This has resulted from Council's decision to utilise property development proceeds to offset borrowing requirements and good financial management.



2.21 Net Financial Liabilities Ratio Comparison



2.22 The graph above shows the net financial liabilities ratio comparison for the 2017 and 2018 financial years, starting with the previous years end of financial year result and then at the time of preparation of each Council Finance Report. Council's endorsed range for the net financial liabilities ratio is less than 40%, which is represented by the green shaded area on the graph.

- 2.23 It should be noted that when the ratio is below zero, that this represents a net financial assets position, which is when the financial assets (cash, receivables and financial assets) are greater than total liabilities. Effectively this means that a negative ratio is favourable. When financial assets are less than total liabilities it results in a net financial liability position, and a positive ratio.
- 2.24 The graph initially shows a significant movement from a net financial liability position to a net financial asset position in each year for the period between the prior year's end of financial year result and the October month end result. This is primarily due to the varying levels of Receivables outstanding at the time of preparing each ratio. The balance for the prior year end of financial years result for Receivables was \$6.7M as compared to \$60.3M as at October month end. This is normal and results primarily from rates receivable reflecting the full 2017/18 rate amount, which will decline with each quarter rates cycle.
- 2.25 At the January month end the ratio remains at a net financial asset level, however it has decreased from 68% at October month end to 45.6% at the January month end. This is reflective of lower levels of Rates Receivables which have decreased from \$60M at the October month end to \$34M at January Month end. This is normal and is reflective of the rates cycle with payments being made each quarter.
- 2.26 As the financial year progresses, cash holdings are spent as the capital program is delivered and receivables decline significantly as rates are paid. As a result, last financial year Council moved into a minor net financial liabilities position at the end of financial year with a ratio of 2.0%, which is well within the endorsed range. It is anticipated that the same trend will continue throughout this financial year and Council's Net Financial Liabilities is still anticipated to fall within the endorsed range, noting the 2017/18 budget Net Financial Liabilities Ratio is 27.9%.

3. CONCLUSION / PROPOSAL

3.1 The analysis above demonstrates that Council is in a sound financial position with appropriate levels of debt and investments.

CO-ORDINATION

Officer:	Executive Group
Date:	

ITEM	6.5.1
	BUDGET AND FINANCE COMMITTEE
DATE	19 February 2018
HEADING	Asset Management Improvement Project Update
AUTHORS	Dameon Roy, Manager Technical Services, City Infrastructure Charles Mansueto, General Manager Business Excellence, Business Excellence
CITY PLAN LINKS	 2.1 Capture economic opportunities arising from sustainable management of natural environmental resources, changing climate, emerging policy direction and consumer demands. 4.3 Have robust processes that support consistent service delivery and informed decision making. 4.4 Embed long term thinking, planning and innovation across the organisation.
SUMMARY	The purpose of this paper is to provide an update on the business case for the Asset Management Improvement Project (AMIP), following the approval of the Business Case by Executive.

RECOMMENDATION

- 1. Note and receive the report
- Approve the Non-Discretionary Second Quarter Budget Review Bid of \$160,000 related to the original New Initiative Bid ITN23476 – Asset Management Work Order Mobilisation and Strategic Asset Management (SAM) Support Project
- 3. Note the additional funding required of \$380,000 (\$327,000 Capex and \$54,000 Opex) in 2018/19 to complete the project and endorse staff to approve the necessary commitments to finalise the project outcomes.
- 4. That the \$380,000 be reflected in the 2018/19 budget as a non-discretionary item.

ATTACHMENTS

There are no attachments to this report.

1. BACKGROUND

- 1.1 On the 27 June 2016 Council endorsed the New Initiative Bid (NIB) ITN23476 Asset Management Work Order Mobilisation and Strategic Asset Management (SAM) Support Project, as part of the 2016/17 budget.
- 1.2 The project sought to enhance the current asset data collection process which is predominately manual and also improve the process to keep service requestors informed as to the progress of any requests.

- 1.3 The NIB requested funding of \$555k in 2016/17 and \$160k in 2017/18. An ongoing \$20k was also contained within the bid to reflect ongoing operating costs.
- 1.4 The detailed business case identified that the original budget approved for the project was insufficient, particularly in the resources required to enhance the existing asset database and change management effort required on such a substantial change in operations.
- 1.5 The business case identified approximately \$4.5m in productivity and cost avoidance over the first 5 years.
- 1.6 This report provides Council with an update on the project while also seeking consideration of additional funding required to ensure the full project outcomes are achieved.

2. REPORT

- 2.1 The City of Salisbury (CoS) manages \$1.4b in infrastructure assets. The Council's current reactive and proactive maintenance processes have grown organically over time. The processes are paper driven, labor intensive and restricts that capability of using our asset information strategically.
- 2.2 Further the current processes do not provide real time visibility of open jobs, location of assets, or timely responses to resident's issues.
- 2.3 The goal of the Asset Management Improvement Project (AMIP) is to improve efficiency and effectiveness in managing the City of Salisbury's \$1.4bn asset portfolio, through the delivery of industry defined asset management 'best practice', process and data improvements.
- 2.4 The projects' objectives are:
 - 2.4.1 Improve asset management effectiveness, through adoption of a strategic lifecycle approach to the management of assets.
 - 2.4.2 Improve asset management efficiency through the introduction of mobile capabilities for the asset management workforce, elimination of manual paper based processes and process streamlining.
 - 2.4.3 Improve community asset reporting and notification process through better integration of the customer services and asset management systems.
 - 2.4.4 Improve decision making and reduce the risk of poor data quality, data structure and lack of knowledge of asset conditions through improving information timeliness, accuracy and visibility, enhanced reporting capabilities and better data management practices.
 - 2.4.5 Improve financial information accuracy and visibility through an Asset Management System that is better integrated with the finance system.
- 2.5 The project will deliver significant benefits including:
 - 2.5.1 Asset lifecycle efficiency savings through better access to more accurate and timely asset management information.
 - 2.5.2 Increased efficiency and effectiveness of workforce utilisation through the elimination of manual, paper-based processes.

- 2.5.3 Savings in paper costs, printing, storage and retrieval.
- 2.5.4 Improved information accuracy, timeliness and visibility.
- 2.5.5 Enhanced resident's customer service experience through improved visibility, timeliness and communication of issues reported.
- 2.5.6 Improved accuracy and timeliness of asset financial information.
- 2.6 Financial benefits, including productivity savings and cost avoidance, are estimated to be \$4.5m over 5 years.
- 2.7 Considerable work is planned to implement the required systems, technology, processes and other changes required in a staged process commencing in January 2018 and completing in December 2018.
- 2.8 Implementation and ongoing project costs are shown below:

Implementation Budget Summary					
	2017/18 2018/19 Total				
Capital expenditure	\$1,078,000	\$327,000	\$1,405,000		
Operating expenditure	\$7,000	\$54,000	\$60,000		
Total	\$1,085,000	\$380,000	\$1,465,000		

Funding Summary					
	2017/18	2018/19	Total		
Available Funding					
Approved 2016/17	\$577,000	-	\$577,000		
Second Year NIB to be approved	\$160,000	-	\$160,000		
Utilisation of Existing Resources	\$348,000	-	\$348,000		
Additional Budget Requirements above original NIB.	-	\$380,000	\$380,000		

FUNDING REQUIREMENTS

- 2.9 The table above identifies the total project costs to deliver the optimal outcomes as identified in section 2.5.
- 2.10 The second year NIB of \$160,000 was identified in the original bid as part of the 2016/17 budget but was not re-presented to Council for approval in the 2017/18 budget.
- 2.11 The non-discretionary second quarter budget bid is seeking approval of funding to rectify this matter.
- 2.12 Subject to endorsement of the non-discretionary second quarter new initiative bid for \$160,000 there are no further funding requirements needed for 2017/18 as

existing resources already used within the asset management functions have been identified to continue to progress the project up to 30 June 2018.

- 2.13 These resources have been mainly used in improving the existing database that has been built over a number of years.
- 2.14 Due to the more detailed analysis of the project resource requirements, a further \$380,000 (\$327,000 Capex and \$54,000 Opex) funding is required for activities planned to occur in 2018/19.
- 2.15 These additional resource requirements are predominatley associated with the following:
 - 1.1.1 Additional support from application owners (Pitney Bowes)
 - 1.1.2 Higher level of project management
 - 1.1.3 Additional technical resources
- 2.16 To allow staff to engage the required resources and ensure the project can continue to progress within the approved timeframes Council is asked to consider and endorse the funding and include it in the 2018/19 budget as a non-discretionary item.

FINANCIAL BENEFITS

- 2.17 As noted earlier the project business case has identified approximately \$4.5m in productivity enhancements and cost avoidance over 5 years predominately due to enhanced data capture and reporting processes.
- 2.18 Some of these savings are likely to be reassigned to new roles that are needed to support the new environment, eg enhanced asset audit, quality assurance roles rather than data processing.
- 2.19 These roles will be identified as the project progresses and final work processes are implemented.

NON FINANCIAL BENEFITS

- 2.20 A key objective of the project has also been to enhance the customer service aspect of our asset management processes.
- 2.21 Currently if a resident places a service request with our Customer Service staff the process for this request to reach a field staff member is cumbersome and labour intensive.
- 2.22 The process also does not allow for the tracking of the service request without having to contact officers to identify its status.
- 2.23 A project outcome will see the ability to more efficiently and effectively track requests which will allow better feedback to the resident as to the progress of their request.

3. CONCLUSION / PROPOSAL

- 3.1 This project is a key initiative for the organisation that has been worked on for a considerable time due to its complex and critical nature.
- 3.2 The more detailed analysis undertaken as part of the business case development identified that additional funding would be required to deliver the project objectives.
- 3.3 Overall the project will deliver not only substantial financial efficiencies but also improved customer service.
- 3.4 The current project plan identifies the completion date of December 2018 subject to the required funding being made available.
- 3.5 Council is asked to consider and approve the Second Quarter, Non-Discretionary Bid of \$160,000 to allow the Asset Management Improvement Project (AMIP) to continue this financial year while also seeking consideration and approval of the funding required in 2018/19 of \$380,000 (\$327,000 Capex and \$54,000 Opex).

CO-ORDINATION

Officer:	Executive Group
Date:	12/02/2018

ITEM	6.5.2
	BUDGET AND FINANCE COMMITTEE
DATE	19 February 2018
HEADING	Second Quarter Budget Review 2017/18
AUTHORS	Leigh Daddow, Senior Management Accountant, Business Excellence Kate George, Manager Financial Services, Business Excellence
CITY PLAN LINKS	4.2 Develop strong capability and commitment to continually improve Council's performance.4.3 Have robust processes that support consistent service delivery and informed decision making.

RECOMMENDATION

- 1. The budget variances identified in this review and contained in the Budget Variation Summary (Appendix 1) be endorsed and net operating \$995,600 be credited to the Sundry Project Fund. This will bring the balance to **\$995,600**.
- 2. Funds be allocated for the following **non-discretionary** net bids: **OPERATING**

Youth SponsorshipPolaris Office fitout	\$ \$	20,000 20,000
CAPITAL		

•	Asset Management Improvement Project	\$ 160,000
TOTAL		\$ 200,000

(NB: If parts 1 & 2 of this resolution are moved as recommended this will bring the balance of the Sundry Projects Fund to \$795,600.)

3. Funds be allocated for the following **discretionary** net bids:

OPERATING

	Provision for WHS Improvement	\$ 135,000
	Provision for Risk Management Initiatives	\$ 79,000
CAPITA	L	
	Minor Traffic Devices	\$ 45,000
	Salisbury Oval Clubrooms	\$ 461,000
TOTAL		\$ 720,000

(NB: If parts 1,2 & 3 of this resolution are moved as recommended this will bring the balance of the Sundry Projects Fund to \$75,600.)

- 4. Council approve the following transfers:
 - 1. Transfer \$27,700 from rental savings in the Polaris Centre to partly fund the office Fitout
 - 2. Transfer \$3,100 between contractual services and materials within Pest and Weed Control
 - 3. A Transfer \$8,000 postage budget from Record Management to Rates Collection due to change process associated with printing debtor statements with the print house.
 - 4. Transfer \$151,500 from Northern Economic Plan to Digital Growth Program which is consistent with the intent to have a focus on small business and delivery of programs to support the growth of that sector.
 - 5. Transfer \$60,000 Internal Labour from Field Services to Waste Transfer Station.
- 5. Council approve the following budget timing adjustments, that will result in a decrease in loan borrowings and increase in investments in the 2017/18 financial year and an increase in loan borrowings and decrease in investments in the 2018/19 financial year:
 - Salisbury Community Hub \$26,220,000
- 6. Investments / Borrowings be varied to reflect the bids and transfers endorsed by Council detailed in parts 1 to 5 of this resolution.

(NB: If parts 1 to 6 of this resolution are moved as recommended loan borrowings in 2017/18 will decrease by \$26,295,600 to an overall investment of \$317,202.)

ATTACHMENTS

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

1. Second Quarter Budget Review 2017/18

1. BACKGROUND

1.1 In accordance with Part 2 of the *Local Government (Financial Management) Regulations 2011*, Financial Accountability, the attached Second Budget Review for the financial year 2017/18 has been prepared.

2. CONSULTATION / COMMUNICATION

- 2.1 Internal
 - 2.1.1 The processes of preparing the budget review requires extensive internal consultation to ensure that commentary reflects the operations of Council, and to identify funding needs, which typically have been subject of various council reports leading up to the review.

2.2 External

2.2.1 N/A

3. **REPORT**

- 3.1 The original budget was for an operating surplus of \$3,859k, which has been revised to a forecast surplus of \$311k. It should be noted that the final result for the year will be further impacted through other variations throughout our operations.
- 3.2 Budget Review Operating Bids total \$254k, with Capital Bids totaling \$666k.
- 3.3 The original budget for loan borrowings was \$21,306k to deliver the approved budget initiatives. The reinstatement of timing adjustment projects of \$5.2M increased loan borrowings to \$26,505k. Each budget is prepared with the borrowings required to deliver the budget. This budget review results in a decrease in loan borrowings of \$26.3M as a result of variation contained in Appendix2 Budget Timing Adjustments. Our actual borrowings will depend on the 2017/18 starting cash position, the level of carry forwards, and property development proceeds. These elements form part of Long Term Financial Plan which for 2017/18 showed a CAD draw down of \$6.4M for 2017/18.
- 3.4 The original expenditure budget for the capital program was \$60.3M and has been increased by carry forwards and grant funds to become \$79.3M.
- 3.5 This budget review seeks the endorsement of Budget Timing Adjustment in Appendix 2 for the Salisbury Community Hub of \$26.2M. On endorsement of the Budget Timing Adjustment this will reduce the Revised Budget from \$79.3M to \$53.1M. The table below provides percentage completed details.

		% of Original Budget (\$60.3M)	% of Revised Budget (\$53.1M)
Spent to Date	\$11.0M	18.2%	20.7%
Spend + Commitments	\$20.4M	33.9%	38.4%

4. CONCLUSION / PROPOSAL

4.1 It is proposed that Council consider the Second Quarter Budget Review 2017/18 Report attached and endorse the Recommendations as detailed on pages 12 and 13 of the attached document, and above.

CO-ORDINATION

Officer:	Executive Group
Date:	12/02/2018



SECOND QUARTER BUDGET REVIEW 2017/18 REPORT

For the period ended 31 December 2017

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1. Executive Summary

We commenced 2017/18 with a budgeted operating surplus of \$3,859k. The operating budget surplus was revised to a deficit of \$104k at the first quarter budget review due to the impact of the early receipt of Financial Assistant Grand and Untied Local Roads Grant, and as a result of this budget review we are reviewing our operating budget surplus to \$311k.

Consolidated Funding Statement

This statement (Section 3.3) details the movement between the original budget and our budget position following the adoption of this review, with the summary of operating surplus detailed below:-

2017/18 Operating Budget Forecast	\$'000
Original Budgeted Operating Surplus	3,859
Early Receipt of FAG and ULR in 2016/17 2016/17 Operating Carry Forward Funds 2017/18 Operating Carry Forward Funds - Estimated	(3,995) (2,046) 1,200
First Quarter Budget Review Adjustments Second Quarter Budget Review Adjustments	875 417
Forecast Operating Surplus / (Deficit)	311

This year's operating budget has been significantly impacted by the early receipt of the Federal Financial Assistance Grant and Untied Local Roads funding, resulting in a reduction in the current year income of \$4.0M. These funds were unexpectedly received last financial year in June, and although related to this financial year had to be brought to account in 2016/17 financial year as required by the Local Government Act and Accounting Standards. This had a favourable impact on our cash and surplus for the 2016/17 financial year, with a corresponding reduction in our income and surplus in 2017/18. As it is unknown if the Federal Government will make a prepayment for the 2018/19 financial year, the forecast has assumed the 2018/19 payment will be made in that year.

The operating surplus/(deficit) is also adversely impacted by the carry forward of prior year projects of \$2,046k into the current year. These projects were funded in last year's operating budget and are being spent during 2017/18. Similarly we have estimated that there will be carry forwards of \$1,200k from this year into 2018/19, which is the average level of operating carry forward and partially offsets the prior years carry forward amount. The operating budget surplus was revised to a deficit of \$104k at the first quarter budget review and further adjustments at the second review are favourable, and bring the operating surplus to \$311k.

Capital Works Program

The Capital Works spend to date is \$11.0M or 18.2% of the original capital budget of \$60.3M, and inclusive of commitments is \$20.4M or 33.9%. The original capital expenditure budget of \$60.3M has been increased to \$79.3M, which includes the reinstatement of budgets for timing adjusted projects from 2016/17 of \$5.2M. Also increasing in the revised budget are carry forward funds of \$10.1M, carry forwards for property development projects of \$4.6M, and changes resulting from grant funded projects and other adjustments. The delivery of the 2017/18 program is progressing, and frameworks have been put in place to better support delivery, to deal with emerging issues and improve communication across divisions. An example of the success of this approach has been the ability to address minor flooding issues concurrently with road reseal works.

This budget review seeks the endorsement of Budget Timing Adjustment in Appendix 2 for the Salisbury Community Hub of \$26.2M. On endorsement of the Budget Timing Adjustment this will reduce the Revised Budget from \$79.3M to \$53.1M, and result in spend to date being 20.7% of the revised budget or 38.4% inclusive of commitments. Detailed analysis of the capital program and the status of individual projects are contained within Appendix 5.

Sundry Projects Fund

The overall impact of budget variations is a favourable \$996k as detailed in Appendix 1. New budget bids total \$200k non-discretionary and \$720k discretionary, with \$666k being Capital bids. This budget review results in a decrease in borrowings of \$26.3M, with further details contained in Section 3.2.

Loan Borrowings / Investments

The original budget for loan borrowings was \$21,306k to deliver the approved budget initiatives. The reinstatement of timing adjustment projects of \$5.2M increased loan borrowings to \$26,506k.

First Budget review adjustments resulted in a reduction of \$527k in loan borrowings, with this budget review resulting in a further decrease of \$26.3M as a result of the budget variations contained in Appendix 1, Budget Timing Adjustments in Appendix 2 and the New Bids detailed in Section 2. Further details are contained in Section 4.

Our actual borrowings depend on the 2017/18 starting cash position, the level of carry forwards, and property development proceeds. These elements form part of Long Term Financial Plan which for 2017/18 showed a cash draw down of \$6.4M for 2017/18.

2. New Bid Proposals

New/Additional Capital Bids	Expenditure	Funding	Net Bid
NON DISCRETIONARY – CAPITAL BIDS	\$	\$	\$
Asset Management Improvement Project (<i>Item 6.5.1, February 2018</i>) As per Budget and Finance, February 2018, an adjustment to budget is required for the Asset Management Improvement Project to enable successful completion of the project. Financial benefits of this project are expected to be approximately \$4.5M over 5 years via productivity savings and cost avoidance	160,000		160,000
TOTAL - NON-DISCRETIONARY - CAPITAL BIDS	160,000		160,000
Now/Additional Capital Dida	Evenditure	Funding	Not Did
New/Additional Capital Bids	Expenditure \$	Funding \$	Net Bid \$
DISCRETIONARY - CAPITAL BIDS	Ψ	φ	φ
Minor Traffic Devices In addition, as reported to the Works and Services Committee on 19 June 2017, Item 2.7.2, a petition was received in support of the construction of new indented parking bays at Springbank Waters. In the conclusion the report stated that "In addition, indented parking bays may be considered adjacent to open reserve. Should indented parking be recommended, approval and funding will be considered as part of either the Minor Traffic program or a quarterly budget bid through the 2017/18 financial year once detailed design has been completed". This work has now been scoped, designed and recommended and requires funding. This work forms part of the request for funding, therefore a second quarter non-discretionary budget review bid is required to the value of \$45,000 to supplement the Minor Traffic Improvement Program.	45,000		45,000
Salisbury Oval Change Rooms The existing budgeted funds of \$855k were revised to \$923k and formed the basis of our successful grant submission, with Department Planning, Transport and Infrastructure awarding a grant of \$461k, which has been included as an income gain in Appendix 1 item 19. Some project elements have a revised scope to meet the female facilities program grant requirements and there is the need to interface these works into the site, including landscaping. This bid is to provide sufficient funds to deliver the scope to enable the commencement of delivery of the Salisbury Oval change room facilities this financial year, recognising that detailed design and cost estimation is currently in progress. The results of these next steps will be reported to Council via the Capital Works Update report and surplus funds will be returned at the 3rd Quarter Budget Review or at the end of financial year depending on timing.	461,000		461,000
TOTAL - DISCRETIONARY - CAPITAL BIDS	506,000		506,000
TOTAL CAPITAL BIDS	666,000		666,000

New/Additional Operating Bids	Expenditure	Funding	Net Bid
NON DISCRETIONARY - OPERATING BIDS	\$	\$	\$
Youth Sponsorship (Item 7.2.1, Resolution 2270/2018, January 2018) As per Sports, Recreation and Grants Committee January 2018 report, the remaining budget for the Youth Sponsorship allocation is \$9,750 which is likely to be expended by February/March leaving no funds available for any applications received later in the year. Council Resolution 2270/2018 endorsed further funding of \$20,000 as a non-discretionary budget review bid to ensure sufficient funding is available for allocation.	20,000		20,00
Polaris Office Fitout Council approved \$36k at the First Quarter Budget Review to enable a fitout of the Polaris Office. The total project was estimated at \$63k, with the \$27k balance being a transfer associated rental savings from February onwards. A final quotation has been received which is based on a final office layout and fit out requirements, and the total is \$80k for the office fitout with a further \$2k required for internal project management fees, which results in a \$20k shortfall. The project was approved as part of the Program Review and result in savings of approximately \$170k over the lease period.	20,000		20,00
TOTAL - NON-DISCRETIONARY - OPERATING BIDS	40,000		40,00
New/Additional Operating Bids	Expenditure	Funding	Net Bid
DISCRETIONARY - OPERATING BIDS	\$	\$	\$
Provision for WHS Improvements Council has recently received a Special Distribution from the LG Workers Compensation Scheme in relation to Workers Compensation of \$135k (per Appendix 1 - Budget Variation Summary Item 8). It is proposed to utilise these funds to establish a provision to fund further WHS initiatives to enhance WHS outcomes, with Executive to endorse expenditure proposals to utilise these funds. Any uncommitted funds are to be returned to general surplus at the end of financial year.	135,000		135,00
Examples of initiatives to be funded from this provision are projects to address outcomes from Scheme audits to enhance WHS across the organisation. Provision for Risk Management Initiatives Council has recently received a Special Distribution from the Mutual Liability Scheme in relation to Risk of \$79k (per Appendix 1 - Budget Variation Summary Item 9). It is proposed to utilise these funds to establish a provision to fund further Risk Management initiatives to further enhance organisational outcomes, with Executive to endorse expenditure proposals to utilise these funds. Any uncommitted funds are to be returned to general surplus at the end of financial year. Examples of initiatives to be funded from this provision are projects to address outcomes from scheme audits to enhance Risk Management across the organisation.	79,000		79,00
TOTAL - DISCRETIONARY - OPERATING BIDS	214,000		214,00
	,		1.1,00
TOTAL OPERATING BIDS			

3. Budget Review

3.1 Policy and Context

In considering the various aspects of this review, Council has adopted the following policy in relation to the Sundry Projects Fund, contained within the Treasury Policy.

- 1. Any surplus contained within the Sundry Projects Fund following adjustments for variations to existing estimates is applied in the first instance to a reduction in borrowings.
- Any new bids/projects arising through the year are to be referred to the budget planning process for the subsequent year unless they are of sufficient urgency, in which case Council may finance such project by reducing/cancelling an existing budgeted project or approving an increase to the borrowing or reducing investments.
- The Surplus Community Land Policy requires that net property development proceeds be offset against current or future borrowings.

3.2 Sundry Projects Fund

The Sundry Projects Fund (SPF) represents a mechanism or 'clearing house' for dealing with budget variations and urgent bids. In a sense its balance represents the projected surplus for the year but it must be remembered that there are variations through the budget and the final result will be a combination of the Sundry Projects Fund and these other variations. The current status of the Sundry Projects Fund as a result of this review is represented below:

Original Budget 1st July 2017	\$ -
Additions:	
First Quarter Budget Review (Resolution 2182/2017)	1,252,580
Allocations:	
First Quarter Budget Review (Resolution 2182/2017)	(725, 100)
Impact on Loan Borrowings:	
Decrease in borrowings - First Quarter (Resolution 2182/2017)	527,480
Balance prior to the consideration of bids	
Recommendations – First Quarter Budget Review:	
Variations to Sundry Projects Fund – Appendix 1 Budget Variation Summary	
(Recommendation 1)	
Operating Variations	534,600
Capital Variations	461,000
Property Development Program Variation	-
Balance after Variations to the Sundry Projects Funds	995,600
Allocations arising from bids contained in Section 2	(920,000)
Budget Timing Adjustments (Appendix 2)	26,220,000
Movements in General Loan Borrowings / Investments:	
Decrease in Loan Borrowings due to bids offset by Operating & Capital Variations	(26,295,600)
Net Movements in General Loan Borrowings	(26,295,600)
Balance Remaining	-

As part of establishing the 2017/18 budget Council determined a need to build capacity to fund future significant projects, and consequently sought to minimise loan borrowings through a higher operating surplus and the utilisation of property development proceeds to keep debt levels low. When the original budget was formed it was on the basis that \$5,211k would be transferred from the Property Disposal Reserve to offset the loan borrowings that would otherwise have been required. As a result of improved position through this review loan borrowings will decrease to an investment of 317k.

3.3 Consolidated Funding Statement

Consolidated Funding Statement	Second Quarter	Original Budget
	\$'000	\$'000
PART 1 - OPERATING		
Operating Revenue - Original Budget	117,379	117,379
First Quarter Budget Review Adjustments (Resolution 1457/2016)	(2,867)	
Description of First Original Advisor for		
Proposed First Quarter Adjustments:	501	
Operating Income Gains (Appendix 1) Operating Income Losses (Appendix 1)	581 (76)	
Operating Income Budget Variations (Appendix 1)	207	
Interest on Reserves	90	
Developer Contributions	47	
Operating Revenue	115,361	117,379
Operating Expenditure - Original Budget	113,520	113,520
First Quarter Budget Review Adjustments (Resolution 1457/2016)	2,298	
Proposed First Quarter Adjustments:		
Operating Expenditure Savings and Declarations (Appendix 1)	(29)	
Operating Expenditure Budget Variations (Appendix 1)	207	
Operating New Bids (Considered as part of this Review)	254	
Operating Carry Forwards		
Other Adjustments		
Operating Expenditure	116,250	113,520
Estimated 2017/18 Operating Carry Forwards	1,200	
Operating Surplus/(Deficit)	311	3,859
PART 2 - CAPITAL AND OTHER ADJUSTMENTS		
Capital Revenue - Original Budget	7,066	7,066
First Quarter Budget Review Adjustments (Resolution 1457/2016)	26	
Proposed First Quarter Adjustments:		
Other Capital Income Budget Variations (Appendix 1)	(1,750)	
	,	7.066
Capital Revenue	5,342	7,066
Net Surplus/(Deficit) Resulting From Operations	5,653	10,92
Capital Expenditure - Original Budget	60,313	60,313
First Quarter Budget Review Adjustments (Resolution 1457/2016)	20,162	
Descend First Quester Advector antes		
Proposed First Quarter Adjustments: Capital New Bids (Considered as part of this Review)	205	
Other Capital Expenditure Budget Variations (Appendix 1)	(1,750)	
Budget Timing - Adjusted Projects 2017/18	(26,220)	
Capital Expenditure	52,710	60,313
Principal Repayments	(2,350)	(2,350
Net Transfers to and from Reserves	3,494	3,78
Prior Year Carry Forward Funds	16,790	(
Timing Difference in Financial Assistance Grant	3,995	
Estimated Current Year Operating Carry Forward Funds	(1,200)	(
Add Back Depreciation of Non-Current Assets	26,645	26,645
Cash Surplus/(Deficit/Borrowings)	317	(21,305
Provide the second data and the		/04 005
Proposed / Investment Balance/(Loan Borrowings	5) 317	(21,305

8

The Consolidated Funding Statement (CFS) provides a comparison between the original budget and the revised position should this review be adopted. The statement identifies the projected Operating Surplus / (Deficit) which is a primary indicator of financial sustainability. The original budget was for an operating surplus of \$3,859k, and this has been revised to a forecast surplus of \$311k at this review.

This year's operating budget has been significantly impacted by the early receipt of the Federal Financial Assistance Grant and Untied Local Roads funding, resulting in a reduction in the current year income of \$4.0M. These funds were unexpectedly received last financial year in June, and although related to this financial year had to be brought to account in 2016/17 financial year as required by the Local Government Act and Accounting Standards. This had a favourable impact on our cash and surplus for the previous financial year, with a corresponding reduction in our income and surplus in 2017/18. As it is unknown if the Federal Government will make a prepayment for the 2018/19 financial year, the forecast has assumed the 2018/19 payment will be made in that year.

Also impacting on the surplus are 2016/17 carry forwards of \$2,046k, which is partially offset by our estimate of 2017/18 operating carry forward projects of \$1,200k. The First Quarter review resulted in \$875k favourable adjustment, with a further \$417k favourable impact resulting from this review, after variations and new bids. A reconciliation of the changes to our budgeted operating surplus/(deficit) is shown below, however, it should be noted that the final result for the year will be further impacted through other variations throughout our operations.

2017/18 Operating Budget Forecast	\$'000
Original Budgeted Operating Surplus	3,859
Early Receipt of FAG and ULR in 2016/17 2016/17 Operating Carry Forward Funds 2017/18 Operating Carry Forward Funds - Estimated	(3,995) (2,046) 1,200
First Quarter Budget Review Adjustments Second Quarter Budget Review Adjustments	875 417
Forecast Operating Surplus / (Deficit)	311

The Consolidated Funding Statement provides a summary of changes to capital income and capital expenditure, with the most significant impact being Capital Carry Forwards of \$14.7M. Other impacts on cash are also considered, to arrive at the overall projected borrowings / investment balance. As this is a snapshot for the financial year, it shows that there is a decrease in cash requirements resulting in a decrease in loan borrowings to an investment of \$317k, as a result of this review.

3.4 Transfer of Funds - (Chief Executive Officer Delegation)

The Wages & Salaries Provision Account has a balance of \$345k as at 31 December 2017, with \$214k savings identified in the December Quarter. There has been a total allocation of \$266k, with the significant amounts being the allocation for Asset Management Improvement Project \$166k, Recruitment and Induction \$23k and additional resourcing for General Inspector \$23k.

3.5 Transfer of Funds Requests

It is proposed that the following transfer of budgets be incorporated as part of this review:-

- 1. Transfer \$27,700 from rental savings in the Polaris Centre to partly fund the office Fitout.
- 2. Transfer \$3,100 between contractual services and materials within Pest and Weed Control.
- 3. Transfer \$8,000 postage budget from Record Management to Rates Collection due to change process associated with printing debtor statements with the print house.
- Transfer \$151,500 from Northern Economic Plan to Digital Growth Program which is consistent with the intent to have a focus on small business and delivery of programs to support the growth of that sector.
- 5. Transfer \$60,000 Internal Labour from Field Services to Waste Transfer Station.

Note: Transfer \$1,140,000 from Diment Road Upgrade project to Road Reseal program as a result of unsuccessful grand funding application. (Resolution 2227/2017).

For reference there has been no utilisation in the Second Quarter of the project budget delegation provided to General Managers to transfer funds between projects contained within the same category and type of spend, consequently there is no associated report required to the Budget and Finance Committee.

4. Loan Borrowings/Investments and Reserves

Details of the movement in the current year investments / borrowings:

	\$
Original Budget 1st July 2017	
Net Borrowings/(Investment)	21,305,878
Reinstate Timing Adjustments Projects	5,200,000
Net Borrowings/(Investment)	26,505,878
First Quarter Budget Review 2017/18	
Variation to (General Borrowing Requirements)/Investments recommended	(527,480)
Second Quarter Budget Review 2017/18	
Variation to (General Borrowing Requirements)/Investments recommended	(26,295,600)
Revised Borrowings/(Investments) 2017/18 Subject to this Review	(317,202)

As part of establishing the 2017/18 budget Council determined a need to build capacity to fund future significant projects, and consequently sought to minimise loan borrowings through a higher operating surplus and the utilisation of property development proceeds to keep debt levels low.

Borrowings estimated for 2017/18 are \$26.5M to deliver the approved budget initiatives, with the second quarter budget review showing a decrease in loan borrowings due to the Budget Timing Adjustments as per Appendix 2. The actual borrowing depends on the 2017/18 starting cash position, the level of carry forwards, and property development proceeds. These elements form part of Long Term Financial Plan which for 2017/18 showed a cash draw down of \$6.4M for 2017/18.

Reserves

	Year to Date Full `		Year
Details	Actual \$000's	Rev.Bud	Orig.Bud
		\$000's	\$000's
Transfers to Reserves	294	4,595	4,296
Transfers from Reserves	994	8,084	8,084
Total	(700)	(3,489)	(3,788)

The above table summarises movements within Council's Reserve Accounts e.g. Drainage Reserve, Open Space, Property Disposals Reserve etc., and are in line with budget expectations. Details of balances of Reserves are contained in periodic Finance Reports. The Year to Date Budget represents the Full Year Revised Budget, although the funds will be transferred from the Reserves when required by individual projects.

5. Recommendations

- The budget variances identified in this review and contained in the Budget Variation Summary (Appendix 1) be endorsed and net operating \$995,600 be credited to the Sundry Project Fund. This will bring the balance to \$995,600.
- 2. Funds be allocated for the following **non-discretionary** net bids:

TOTAL	\$	200,000
Asset Management Improvement Project	\$	160,000
CAPITAL		
Youth SponsorshipPolaris Office Fitout	\$ \$	20,000 20,000
OPERATING		

(NB: If parts 1 & 2 of this resolution are moved as recommended this will bring the balance of the Sundry Projects Fund to \$795,600.)

3. Funds be allocated for the following discretionary net bids:

OPERATING

TOTAL	\$	720,000
Salisbury Oval Clubrooms	\$	461,000
CAPITAL Minor Traffic Devices	\$	45,000
Provision for WHS ImprovementsProvision for Risk Management Initiatives	\$ \$	135,000 79,000

(NB: If parts 1,2 & 3 of this resolution are moved as recommended this will bring the balance of the Sundry Projects Fund to \$75,600.)

- 4. Council approve the following transfers:
 - 1. Transfer \$27,700 from rental savings in the Polaris Centre to partly fund the office Fitout.
 - 2. Transfer \$3,100 between contractual services and materials within Pest and Weed Control.
 - 3. Transfer \$8,000 postage budget from Record Management to Rates Collection due to change process associated with printing debtor statements with the print house.
 - Transfer \$151,500 from Northern Economic Plan to Digital Growth Program which is consistent with the intent to have a focus on small business and delivery of programs to support the growth of that sector.
 - 5. Transfer \$60,000 Internal Labour from Field Services to Waste Transfer Station.
- 5. Council approve the following budget timing adjustments, that will result in a decrease in loan borrowings/increase in investments in the 2017/18 financial year and an increase in loan borrowings/decrease in investments in the 2018/19 financial year:
 - Salisbury Community Hub \$26,220,000
- 6. Investments / Borrowings be varied to reflect the bids and transfers endorsed by Council detailed in parts 1 to 5 of this resolution.

(NB: If parts 1 to 6 of this resolution are moved as recommended loan borrowings in 2017/18 will decrease by \$26,295,600 to an overall investment of \$317,202.)

Appendix 1 – Budget Variation Summary as at 31 December 2016

OPERATING VARIATIONS Expenditure Savings 1 Sports and Recreation Grant 2 Continuous Improvement Fund Income Gains 3 Planning Assessment - Development Application 4 External Client Services 5 Recreation Services Profit Share based on audit the period 1 January to 30 September 2017. 6 Library Operating Subsidy 7 Food Inspection Increase in Fees 8 Mutual Liability Scheme - Workers Compensation 9 Mutual Liability Scheme - Risk 10 Mutual Liability Scheme - Infrastructure 11 Land Disposal - Gloucester Avenue Salisbury Each 10 Mutual Liability Scheme - Infrastructure 11 Land Disposal - Gloucester Avenue Salisbury Each 11 Land Disposal - Gloucester Avenue Salisbury Each 12 Dog Registration Fees - Dog License Fees 13 Dog Registration Fees - Dog License Fees 14 Parking Explations 15 Automotive Workers in Transition Program***** 16 Microsoft Digital Literacy Pilot Program***** 17 Recreation Services Utility Reimbursement***** <th>d financial statements for</th> <th>(4,700) (25,000)</th> <th>50,000 20,000 65,600 47,400 29,600 135,600 79,100 27,000</th> <th>4,70(25,00(20,00(65,60(47,40(29,60(135,60(79,10(27,00(</th>	d financial statements for	(4,700) (25,000)	50,000 20,000 65,600 47,400 29,600 135,600 79,100 27,000	4,70(25,00(20,00(65,60(47,40(29,60(135,60(79,10(27,00(
 Sports and Recreation Grant Continuous Improvement Fund Income Gains Planning Assessment - Development Application External Client Services Recreation Services Profit Share based on audit the period 1 January to 30 September 2017. Library Operating Subsidy Food Inspection Increase in Fees Mutual Liability Scheme - Workers Compensation Mutual Liability Scheme - Risk Mutual Liability Scheme - Risk Mutual Liability Scheme - Infrastructure Land Disposal - Gloucester Avenue Salisbury Each Income Losses Dog Registration Fees - Pound Fees Dog Registration Fees - Dog License Fees Parking Explations Adjustments - Nil Effect Automotive Workers in Transition Program**** Recreation Services Utility Reimbursement**** Tea Tree Gully Business Advisory Services Fun Net Impact to Operating Result - Transfer to CAPITAL VARIATIONS Income Gains Salisbury Oval Change Rooms 	d financial statements for	(25,000)	20,000 65,600 47,400 29,600 135,600 79,100 27,000	25,000 50,000 65,600 47,400 29,600 135,600 79,100
 Continuous Improvement Fund Income Gains Planning Assessment - Development Application External Client Services Recreation Services Profit Share based on audit the period 1 January to 30 September 2017. Library Operating Subsidy Food Inspection Increase in Fees Mutual Liability Scheme - Workers Compensation Mutual Liability Scheme - Risk Mutual Liability Scheme - Infrastructure Land Disposal - Gloucester Avenue Salisbury Each income Losses Dog Registration Fees - Pound Fees Dog Registration Fees - Dog License Fees Parking Explations Adjustments - Nil Effect Automotive Workers in Transition Program**** Recreation Services Utility Reimbursement**** Salisbury Oval Change Rooms Adjustments - Nil Effect Salisbury Oval	d financial statements for	(25,000)	20,000 65,600 47,400 29,600 135,600 79,100 27,000	25,000 50,000 65,600 47,400 29,600 135,600 79,100
Income Gains Planning Assessment - Development Application External Client Services Recreation Services Profit Share based on audit the period 1 January to 30 September 2017. Library Operating Subsidy Food Inspection Increase in Fees Mutual Liability Scheme - Workers Compensation Mutual Liability Scheme - Norkers Compensation Mutual Liability Scheme - Infrastructure Land Disposal - Gloucester Avenue Salisbury Each Dog Registration Fees - Pound Fees Dog Registration Fees - Dog License Fees Dog Registration Fees - Dog License Fees Parking Explaitons Adjustments - Nil Effect Automotive Workers in Transition Program**** Recreation Services Utility Reimbursement**** Recreation Services Utility Reimbursement**** Tea Tree Gully Business Advisory Services Fun Net Impact to Operating Result - Transfer to CAPITAL VARIATIONS Income Gains Salisbury Oval Change Rooms Adjustments - Nil Effect	d financial statements for		20,000 65,600 47,400 29,600 135,600 79,100 27,000	50,000 20,000 65,600 47,400 29,600 135,600 79,100
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 18 Tea Tree Gully Business Advisory Services Fun Net Impact to Operating Result - Transfer to CAPITAL VARIATIONS Income Gains 19 Salisbury Oval Change Rooms Adjustments - Nil Effect 		105,000	105,000	(
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CAPITAL VARIATIONS Income Gains 19 Salisbury Oval Change Rooms Adjustments - Nil Effect	Sundry Ducie etc. Fund	477.400	742.000	E24 60
Income Gains 19 Salisbury Oval Change Rooms Adjustments - Nil Effect	Sunary Projects Fund	177,400	712,000	534,60
19 Salisbury Oval Change Rooms Adjustments - Nil Effect				
19 Salisbury Oval Change Rooms Adjustments - Nil Effect				
Adjustments - Nil Effect			461,000	461,00
			401,000	101,00
-				
		(1,750,000)	(1,750,000)	(
Net Impact to Capital Program	2.6.1)	(1,750,000)	(1,289,000)	461.00
Total Variation	2.6.1)	(1,1 00,000)	(1,200,000)	
	2.6.1)			995,60
PROPERTY DEVELOPMENT VARIATIONS	2.6.1)			
Transfer To / (From) Sundry Project Fund	2.6.1)			

Appendix 2 - Budget Timing Adjustments

Policy Statement

There are projects that are funded in the current year budget that are unable to be progressed in the timeframes originally planned due to external factors, including delays in external funding approvals, negotiations with third parties, community consultation, and development approval processes. It is important that the community is aware of the status of these projects which is included in Appendix 5 Capital Expenditure Report. The table below summarises timing differences resulting from external factors for the purposes of adjusting the current year and future years' budget. These changes are also reflected in our cash requirements through a reduction in borrowings in the current year, and will then be funded in future years.

	Revised Budget \$000	Budget Timing Adjustment \$000
Strategic Projects	32,691	26,220
Salisbury Community Hub The proposed timeframes have been delayed to allow for the appropriate due diligence in finalizing contractual agreements. The project has now progressed to more detailed design and construction tendering.		Being \$17,420k retimed into 18/19 and \$8,800k retimed into 19/20

Appendix 3 –Statement of Comprehensive Income

	tement of (nsive Income December 201	7	
1	,	Year to Date		Full	Vear
	Actual	Rev Bud	Variance	Rev Bud	Org Bud
	\$000	\$000	\$000	\$000	\$000
INCOME					
Rates	94,797	94,625	171	94,745	94,745
Statutory Charges	2,042	1,917	125	2,856	2,792
User Charges	2,718	2,868	(150)	5,924	5,902
Grants, Subsidies & Contributions	5,423	5,320	103	10,027	12,848
Investment Income	334	131	203	187	142
Reimbursement	246	187	59	257	140
Other Revenue	1,142	695	447	804	810
Total Income	106,701	105,742	958	114,801	117,379
EXPENSES					
Employee Costs	18,775	20,213	1,438	37,460	37,444
Materials, Contracts and Other Expenses	24,310	25,040	730	50,051	47,789
Finance Costs	498	720	222	1,512	1,512
Depreciation, amortisation & impairment	13,388	13,394	5	26,775	26,775
Total Expenses	ses 56,972	59,367	2,395	115,798	113,520
Operating Surplus/(Deficit) before Capital Amounts	49,729	46,375	3,354	(997)	3,859
Amounts specifically for new or upgraded assets	475	1,090	(615)	3,005	3,005
Physical resources received free of charge	4/5	1,090	0	4,000	4,000
Other Comprehensive Income	0	0	0	0	0
other comprehensive ricome					
Total Comprehensive Income	50,204	47,465	2,739	6,008	10,864
Revenue - Cumulative Monthly Comparison Actual to Budget	of	Expendit	ture - Cumulative Actual to	Monthly Comparis Budget	son of
140000]		120000			
120000 -		100000 -			
		80000 -			
80000 -	Actual				Actual
80000 I	Budget	60000 -	-		Budget
• 60000 - Contraction of the con					Boodger
40000 -		40000 -			
					-
		20000			
20000 -		20000 -	╔╻║║║║		

The Operating Surplus / (Deficit) before Capital Amounts reflects the Original Budget, revised for the impact of 2016/17 operating carry forwards of \$2.0M, and whilst provision is made in the consolidated funding statement for the potential carry forward from 2017/18 into 2018/19, this will not be reflected in the Operating Surplus until the end of Financial Year, when specific projects and budget lines are known. Also included are Second Quarter "nil effect" adjustments as indicated in Appendix 1- Budget Variation Summary. Following Council endorsement the revised budget will reflect all changes contained in this review.

Period

Period

Commentary – Statement of Comprehensive Income

Year to Date: Actual v Revised Budget

The commentary on the Statutory Report is designed to explain the variations greater than \$50k but no actions are required as, where necessary, they are picked up elsewhere in the report.

Revenue

Rates - Favourable Variance \$171k

The favourable variance is predominantly a result of lower than anticipated Compulsory Rate Rebates of \$110,000 and higher rate revenue of \$11k and fines on rates \$11k.

Statutory Charges – Favourable Variance \$125k

The favourable variance predominantly relates to higher than anticipated income received within Development Services, being Building Fees \$95k, Planning Application Income \$13k and Development Lodgement Fees \$38k. This is slightly offset by lower Dog Licence Income \$39k.

User Charges – Unfavourable Variance \$150k

The unfavourable variance predominantly relates to Salisbury Water \$348k as a result of the later start to the irrigation season and lower demand as a result of above average rainfall conditions. This is offset by higher gate takings at the Waste Transfer Station \$126k and commercial rental income in advance \$49k and other minor miscellaneous variances.

Grant, Subsidies & Contribution - Favourable Variance \$103k

The favourable variance relates to the Library Operating Subsidy, which is declared as an income gain as part of this budget review, and other minor variances.

Investment Income- Favourable Variance \$203k

The favourable variance is primarily the result of higher than anticipated interest received on our investment activity due to higher deposits predominately impacted by Strategic Property Development sales.

Other Revenue - Favourable Variance \$447k

The favourable variance is predominantly related to the Special Distribution Income \$242k and proceeds received for a land disposal \$127k, both of which are being declared as part of this Budget Review.

Expenditure

Employee Costs - Favourable Variance \$1,438k

The favourable variance predominantly represents Wages and Salaries savings from various divisions that have been allocated to the Wages and Salaries Provision, which currently has a balance of \$511k. In addition, a number of positions are being backfilled by contractors / agency staff \$804k with contractor costs reported in Materials, Contracts and Other Expenses below, but offset by other favourable variances

Materials, Contracts and Other Expenses – Favourable Variance \$730k

The favourable variance is predominantly the result of the timing of payments and the timing of the delivery of various programs. The most significant variances relates to the timing of payment of the operating component of Capital bids \$368k as well as the Building Renewal Program \$287k, Verge Mowing \$298k, Waste Refuse Disposal \$284k and timing of payments for utility costs \$178k, with all of these expected to align to budget estimates as the year progresses.

This is offset by contractors / agency staff \$804k backfilling a number of positions as reported in the Employee Cost above.

Finance Costs – Favourable Variance \$222k

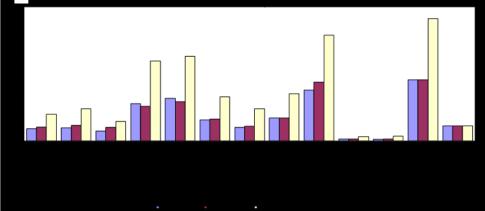
The favourable variance is predominantly the result of lower interest payments resulting from no CAD drawdowns \$105k and lower interest repayment for Salisbury Water Business Unit \$116k

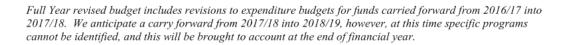
Appendix 4 - Statement of Financial Performance - Key Directions

Salisbury

City of Salisbury
Statement of Financial Performance by Key Direction
For the Period Ending December 2017

		Year to Date		Full	Year
	Actual	Budget	Variance	Rev Budget	Orig Budget
	\$000's	\$000's	\$000's	\$000's	\$000's
NET OPERATING RESULT					
Surplus/(Deficit)	50,204	47,465	2,739	6,008	10,864
Represented By:					
KEY DIRECTION REVENUE					
The Prosperous City:					
Transport	855	866	(11)	2,996	3,742
City Planning & Economic Development	1,001	835	166	1,430	1,330
The Sustainable City:					
Water Management Waste Management	892 871	1,171 734	(279) 137	2,669 1,494	2,669
Parks & Landscape	25	39	(14)	78	1,475
The Living City:					
Recreation, Education & Leisure	834	753	80	843	605
Public Health & Safety Community Development	1,205 2,507	1,220 2,459	(15) 48	1,627 3,770	1,653 3,752
Enabling Excellence:	2,007	2,400	40	3,770	3,732
Corporate Support	1,551	1,082	469	1,562	1,584
Governance	1	1	0	1	1
Treasury Grants Commission	334 1.573	131 1.573	203	187 3,146	142 5,590
Rates	94,797	94,625	171	94,745	94,745
Other Miscellaneous Revenue	256	254	2	254	
Total Operating Revenue	106,701	105,742	958	114,801	117,379
Capital Contributions	475	1,090	(615)	7,005	7,005
Total Revenue	107,176	106,832	343	121,806	124,384
KEY DIRECTION EXPENDITURE					
The Prosperous City:					
Transport	2,335	2,647	311	5,018	5,041
City Planning & Economic Development	2,497	2,928	431	6,032	5,214
The Sustainable City:					
Water Management	1,893	2,570	678	3,632	3,52
Waste Management	7,006	6,455	(551)	14,897 15,795	14,897 16,054
Parks & Landscape	7,934	7,372	(561)	15,795	16,054
The Living City: Recreation, Education & Leisure	3,938	4,112	175	8,291	8.001
Public Health & Safety	2,538	2,779	241	6,050	5,912
Community Development	4,310	4,333	23	8,849	8,679
Enabling Excellence:					
Corporate Support	9,541	11,036	1,494	19,747	18,922
Governance	373	421	47	822	796
Treasury	301	418	117	950	950
Depreciation Other Miscellaneous Expenditure	11,420 2,885	11,420 2,877	0 (9)	22,839 2,876	22,839 2,691
Total Expenditure	56,972	59,367	2,395	115,798	113,520
Total Expericiture	50,972	59,307	2,393	115,750	113,520

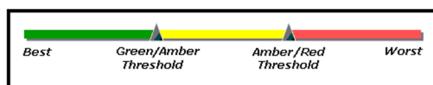




How to interpret the performance indicator gauges

The performance indicators and explanations provide non-financial information supporting the variance analysis commentary contained within the Statement of Financial Performance – Key Directions.

PIs - Values



Green:- OK - Performance above target - denotes current value is between the amber/green threshold and the best value.

Amber:- Warning - Performance below target (within 20% of target) - denotes current value is between the amber/red threshold and the amber/green threshold.

Red:- Alert - Performance significantly below target - denotes current value is between the amber/red threshold and the worst value.

Cumulative result for 2015/16 as of Q1 2015/16



Minimum/Maximum Value

These are the values shown at the extreme ends of the scale on the gauge; they do not represent quarterly or annual target values.

eg. The minimum value of 0 is on the left hand side of the gauge and the maximum value of 60,000 is on the right hand side of the gauge.

Red/Amber Thresholds

The Red/ Amber Threshold are set at 20% below the quarterly target. eg. The quarterly target is 40,000 units therefore the Red/Amber Threshold is 32,000 units (ie 20% below the quarterly target.)

Quarterly Target

The quarterly target is shown on the gauge at the Green/Amber Threshold. eg the quarterly target value is 40,000 units.

Performance Indicator Result

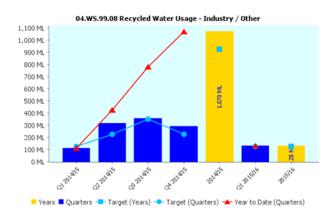
The performance indicator result for the period is shown by the needle on the gauge with the value recoded at the bottom of the gauge.

eg The performance indicator value is 35,196 which is represented in the amber range of the gauge as the value is lower than but within 20% of the quarterly target of 40,000.

Annual Target

The annual target is not represented on the gauge until the fourth quarter when it becomes the quarterly target.

Nb: - Sometimes the gauges are inverted depending whether the best result is to maximize or minimize the outcome.



How to interpret the trend graphs

The trend chart is a graphical and historical view of a performance indicator.

Blue Bar

Trend Chart

The Blue Bar represents the Quarterly result for the relevant period, which is measured on the left hand side of the chart.

Yellow Bar

The Yellow Bar represents the Annual result for the relevant period and is an aggregation of the relevant Quarterly Blue Bars.

Target (Years)

The Target (Years) appears above the Yellow Bar on the chart and represents the Annual Target for the Performance Indicator as outline within initial Business Plans.

Target (Quarters)

The Target (Quarters) appears above each Blue Bar on the chart and represents the Quarterly Target for the Performance Indicator. The Target (Quarterly) is also joined by a light blue line to each subsequent quarter within the relevant year. In this particular example, the level of activity is higher in the first quarter than subsequent quarters and this is also reflected in the Target (Quarterly).

Year to Date (Quarters)

The Year to Date (Quarters) is a red line that appears above the Blue Bars on the chart and represents the aggregation of the Quarterly Result.

Commentary – Key Direction

The Prosperous City - Net Favourable Variance \$897k

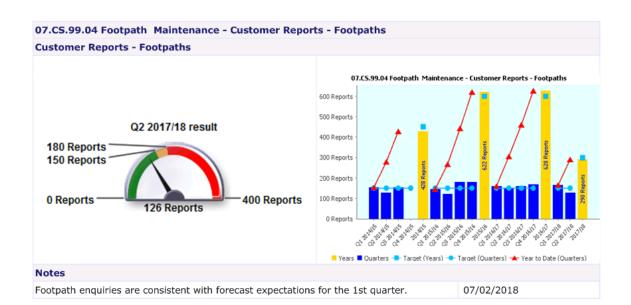
Transport - Net Favourable Variance \$300k

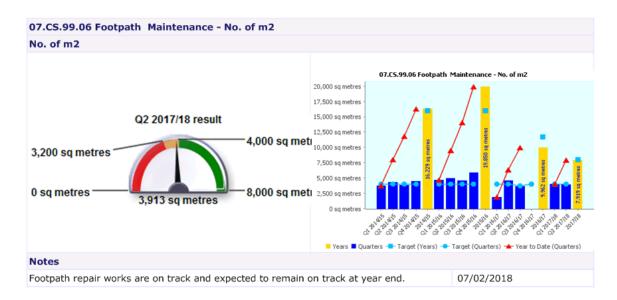
Revenue - Unfavourable Variance \$11k

Program/Budget Area	General	Variance		Comment	Action Required
	Manager	YTD \$000	Permanent \$000		
Roadworks	GMCI	11		No significant variance to report.	Nil

Expenditure - Favourable Variance \$311k

Program/Budget Area	General	Vari	ance	Comment	Action Required
	Manager	YTD \$000	Permanent \$000		
Roadworks	GMCI	153		The favourable variance is a result of the timing of various programs of work, with the significant variances being for the Kerb & Gutter Replacement Program \$81k, which is currently being reviewed in line with the capital program to ensure the capital and operating expense split is correct. Also impacting are the Linemaking Program \$32k, and Road Safety Engineering Program \$15k that are timing in nature. It is anticipated that these programs will align to budget by the end of the financial year.	Nil
Footpath Maintenance	GMCI	158		The favourable variance is predominantly related to the timing of programmed works associated with Footpath Paver Maintenance \$95k and Block Paver Maintenance \$47k. These are programs of work with funds already committed and as such it is anticipated that the spending will align to the budget by the end of financial year.	Nil





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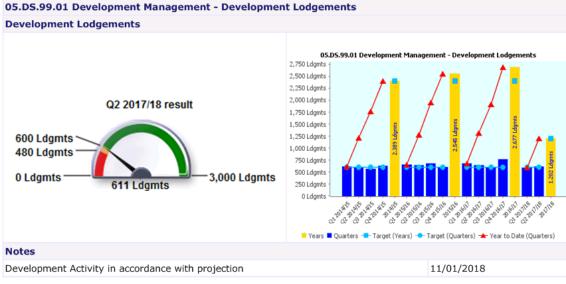
City Planning and Economic Development - Net Favourable Variance \$597k

Program/Budget Area	General	Vari	ance	Comment	Action Required
	Manager	YTD \$000	Permanent \$000		
Planning Assessment	GMCID	95	50	The favourable variance is primarily related to a high number of large development applications received relating to shopping centres and aged care facilities.	Debit \$50,000 to Sundry Projects Fund <i>Refer</i> <i>Appendix 1</i> <i>Budget</i> <i>Variation</i> <i>Summary</i> <i>Item 3.</i>
Building Control	GMCID	13		No significant variance to report	Nil
Building Rules Certification Unit	GMCID	43	20	The favourable variance is primarily related to higher dollar value application than anticipated \$61k, which is partly offset by unfavourable building fees \$23k.	Debit \$20,000 to Sundry Projects Fund <i>Refer</i> <i>Appendix 1</i> <i>Budget</i> <i>Variation</i> <i>Summary</i> <i>Item 4.</i>

Revenue - Favourable Variance \$166k

Program/Budget Area	General			Comment	Action Required	
	Manager	YTD \$000	Permanent S000			
Urban Planning	GMCID	140		The favourable variance is mainly associated with the delay in commencement of additional resources in Strategic Development Projects \$109k, and timing of contractual services in Economic Development \$38k.	Nil	
Development Management	GMCID	151		The favourable variance is associated with internal planning fees recognised for the Community Hub \$40k, and timing of contractual services \$27k.	Nil	
Economic Development	GMCID	137		The favourable variance is related to timing of contribution towards the Northern Economic Plan \$89k, and timing of Northern Adelaide Industry Development Program \$26k.	Nil	

Expenditure - Favourable Variance \$431k





05.DS.99.02 Development Management - Value of Approved Development Value of Approved Development



<u>The Sustainable City</u> - Net Unfavourable Variance \$590k

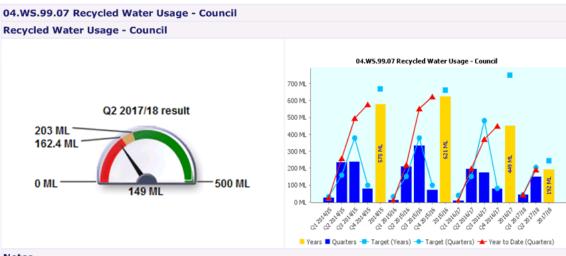
Water Management - Net Favourable Variance \$399k

Revenue - Unfavourable Variance \$279k

Program/Budget Area	n/Budget Area General Variance Comment				Action Required
	Manager	YTD \$000	Permanent \$000		
Salisbury Water	GMBE	(326)		The unfavourable variance is predominantly attributable to lower than anticipated water usage of \$371k which is partly offset by \$47k income from Research and Development Projects – Northern Adelaide Industry. It is proposed to review at the next Budget Review to assess weather impacts on next quarter sales.	Nil.

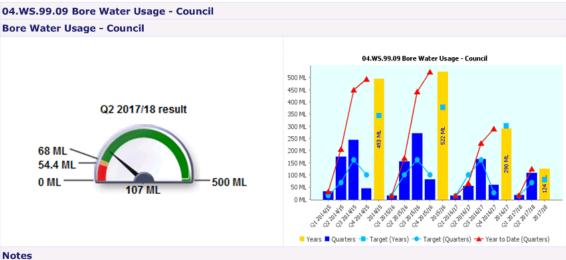
Expenditure – Favourable Variance \$678

Program/Budget Area	General		ance	Comment	Action Required
Program/Budget Area	Manager	YTD S000	Permanent \$000	Comment	Action Required
Salisbury Water	GMBE	337		The favourable variance is predominantly related to timing of Northern Adelaide Yield Analysis project \$100k, electricity cost \$91k, Contractual services in Water Treatment and Water Monitoring \$99k. It is anticipated that the program will align to budget by the end of financial year, subject to sales increasing in future periods.	Nil
Drainage Systems	GMCI	223		The favourable variance predominantly relates to contractual expenditure on reactive underground drainage maintenance works and open drain maintenance and it is anticipated that the expenditure will align to budget by the end of the financial year.	Nil



Notes

Recycled water usage compared to the target is lower for this quarter however is offset by higher Bore Water Usage. Overall recycled water supplied to Council parks and reserves is only 15ML lower than predicted for this quarter. This is associated with slightly 17/01/2018 above average rainfall received during the first half of the year.



Bore water usage compared to the target is higher for this quarter however is offset by lower Recycled Water usage. Overall total recycled water supplied to Council parks and reserves is only 15ML lower than predicted for this guarter. This is associated with slightly 17/01/2018 above average rainfall received during the first half of the year.

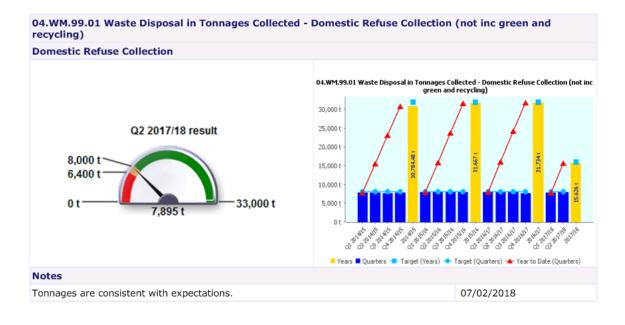
Waste Management - Net Unfavourable Variance \$414k

Revenue - Favourable Variance \$137k

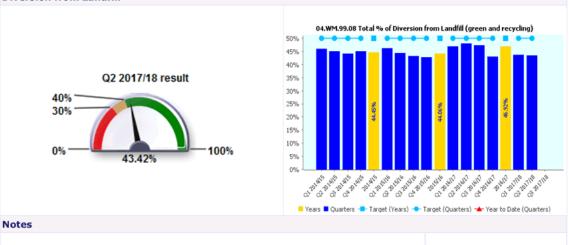
	Revenue Tuvourubre vurhanee offern										
General	Vari	ance	Comment Action Requir	ed							
Manager	YTD S000	Permanent \$000									
GMCI	138		The favourable variance Nil predominantly relates to higher than anticipated general gate income of \$126k.								
	Manager	Manager YTD \$000	Manager YTD Permanent \$000 \$000	Manager YTD S000 Permanent S000 GMCI 138 The favourable variance predominantly relates to higher than anticipated general gate Nil							

Expenditure - Unfavourable Variance \$551k

Expendicare en	in our noie				
Program/Budget Area			ance	Comment	Action Required
	Manager	YTD	Permanent		
		\$000	\$000		
Waste	GMCI	(452)		The unfavourable variance is	Nil
Management				primarily related to timing of	
_				expenditure in Kerbside Recycling	
				(\$490k) and Green Waste Kerbside	
				Services (\$122k) which is partly	
				offset by Domestic Refuse	
				Collection \$160k. It is anticipated	
				that the budget will align to budget	
				by the end of financial year.	



04.WM.99.08 Total % of Diversion from Landfill (green and recycling) Diversion from Landfill



Parks and Landscape - Net Unfavourable Variance \$575k

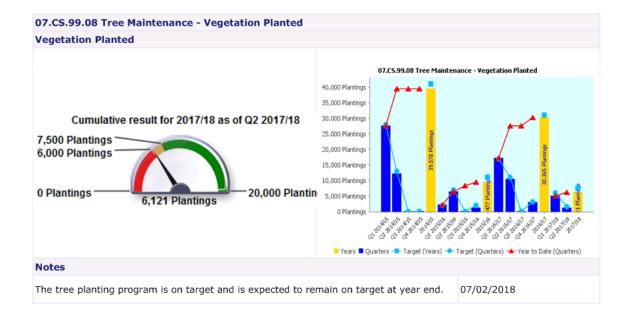
Revenue - Unfavourable Variance \$14k

nevenue emuvourable variance or in								
Program/Budget Area	General	Variance		Comment	Action Required			
	Manager	YTD \$000	Permanent \$000					
Fire Prevention & Tree Management	GMCI	13		No significant variance to report.	Nil			

Expenditure – Unfavourable Variance \$561k

Expenditure – Unfavourable Variance \$561k							
Program/Budget Area	General Manager	Vari YTD \$000	Permanent \$000	Comment	Action Required		
Tree Management	GMCI	154		The favourable variance is predominantly related to the timing of contractual services costs, primarily for reactive tree maintenance \$139k, which is anticipated to align to budget by the end of the financial year.	Nil		
Reserves & Playgrounds	GMCI	(88)		The unfavourable variance relates to the timing of cost incurred primarily for Reserve Furniture Maintenance. Whilst overspent as at the end of quarter, this program is expected to align to original budget estimates by the end of the financial year.	Nil		
Park Maintenance	GMCI	(95)		The unfavourable variance relates to earlier than anticipated payment of contractual services for Park Maintenance External \$108k and other minor variances. This is offset by lower usage of internal water \$70k as a result of high rainfall during the first quarter of the financial year It is anticipated that this budget will align to original budget estimates by the end of the financial year.	Nil.		
Pest	GMCI	(60)		The unfavourable variance is a result of timing of expenditures in the pest control area.	Nil		

Program/Budget Area	General	Variance		Comment	Action Required
	Manager	YTD \$000	Permanent \$000		
Verges (Roads Reserves)	GMCI	129		The favourable variance is related to timing of payments of Verges unit cuts and includes an additional allocation for increased service levels included in the First Quarter Budget Review. It is expected this program will align to original budget estimates by the end of the financial year.	Nil
Field Services Admin	GMCI	(582k)		The unfavourable variance is primarily related to lower level of Internal Labour recoveries which is mainly due to seasonal demand of maintenance works and is offset within other areas. It is anticipated that this budget will align to original budget estimates by the end of the financial year.	Nil



The Living City - Net Favourable Variance \$552k

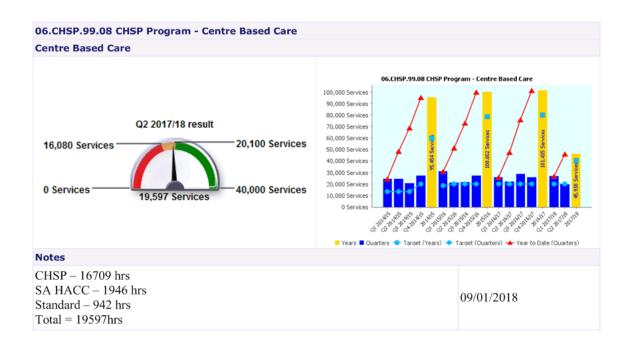
Recreation, Education and Leisure - Net Favourable Variance \$255k

Revenue – Favourable Variance \$80k

Program/Budget Area	General	Variance		Comment	Action Required
	Manager	YTD	Permanent		
		\$000	\$000		
Community	GMCD	60	47	The favourable variance is	Debit \$47,400 to
Capacity and				predominately a result of the	Sundry Projects
Learning				receipt of a higher than budgeted	Fund <i>Refer</i>
				Library Operating Subsidies \$47k.	Appendix 1
					Budget
					Variation
					Summary
					Item 6

Expenditure - Favourable Variance \$175k

Program/Budget Area	General Variance		ance	Comment	Action Required
	Manager	YTD \$000	Permanent \$000		
Community Capacity and Learning	GMCD	46		The favourable variance is predominantly a result of the timing of contractual services for Community Grants \$20k and Library cleaning costs \$27k.	Nil
Recreation Centres	GMCD	39		The favourable variance is predominantly resulting from the timing of Building Maintenance across the Recreation Centre facilities.	Nil
Community Sport & Club Facilities	GMCI	89		The favourable variance predominantly relates to Turf and Irrigation \$51k and lower usage of internal water as a result of high rainfall during the first quarter. Also contributing is the timing of payments associated with Sporting Club Facility Maintenance \$47k.	Nil



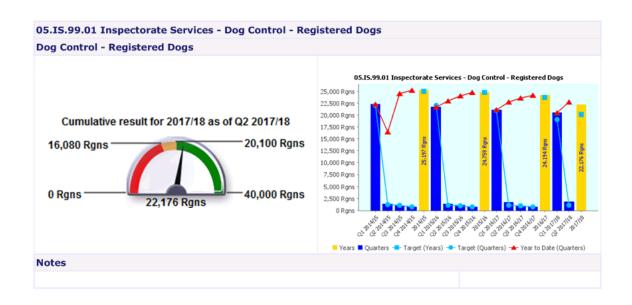
Public Health and Safety - Net Favourable Variance \$226k

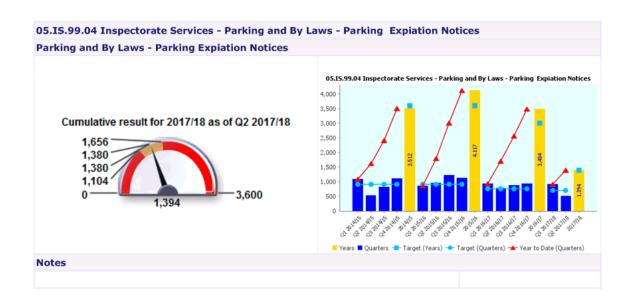
Revenue – Unfavourable Variance \$15k

Program/Budget Area	General Variance		ance	Comment	Action Required
	Manager	YTD \$000	Permanent \$000		
Dog Control	GMCID	(30)	(39)	The unfavourable variance is predominantly related to a decrease in dog licence income which is due to around 600 less dogs being registered this financial year as opposed to last financial year; and a shift in the amount of microchipped and desexed dogs being registered which results in a lower fee. Further impacting is a decrease in pound fees received due to around 150 less dogs being impounded this financial year.	Credit \$39,000 to Sundry Projects Fund <i>Refer</i> <i>Appendix 1</i> <i>Budget</i> <i>Variation</i> <i>Summary</i> <i>Item 12 and</i> <i>13</i>
Food & Health	GMCID	16	29	The favourable variance is predominately resulting from increase in Food Premises inspection fee \$14k.	Debit \$29,600 to Sundry Projects Fund <i>Refer</i> <i>Appendix 1</i> <i>Budget</i> <i>Variation</i> <i>Summary</i> <i>Item 7</i>

Program/Budget Area	General Variance			Comment	Action Required
	Manager	YTD \$000	Permanent \$000		
Crime Prevention and Repair	GMCI	71		The favourable variance is predominantly related the Volunteer Graffiti Removal Team and lower than anticipated requirements for reactive works in Graffiti Removal \$62k. There is also a favourable variance within Insurance – Vandalism \$9k relating to lower than anticipated requirements for reactive works.	Nil
Street Lighting	GMCI	87		The favourable variance predominantly relates to the timing of electricity Invoices \$139k. It is anticipated that the program will meet budget expectations by the end of the financial year.	Nil
Animal Control	GMCID	59		The favourable variance is primarily the result of numerous smaller variances within the program, all due to timing and include Legal Expenses and Fines Enforcement and Recovery \$13k Dog Relocation Costs \$9k minor salary savings \$11k, and a number of smaller variances. It is anticipated that the program will meet budget expectations by the end of the financial year.	

Expenditure – Favourable Variance \$241k





Community Development - Net Favourable Variance \$71k

Revenue - Favourable Variance \$48k

Program/Budget Area	General	Variance		Comment	Action Required
	Manager	YTD \$000	Permanent \$000		
Community Development	GMCD	33		No significant variances to report.	Nil

Expenditure – Favourable Variance \$23k

skpenditure i urburuble (urbunee @20K								
General	Variance		Comment	Action Required				
Manager	YTD	Permanent						
	\$000	\$000						
GMCD	24		No significant variance to report.	Nil				
	General Manager	General Vari Manager YTD S000	General Manager YTD Permanent S000 S000	General Manager YTD Permanent S000 S000				

Enabling Excellence – Net Favourable Variance \$2,494k

Corporate Support – Net Favourable Variance \$1,963k

Revenue – Favourable Variance \$469k

Program/Budget Area	General	V	ariance	Comment	Action Required
	Manager	Timing \$000	Permanent \$000		
Business Excellence	GMBE	265	242	The favourable variance is predominately associated with the receipt of the Special Distribution Payments from Local Government Mutual Liability for Workers Compensation \$136k, Risk \$79k and Infrastructure \$27k.	Debit \$241,700 to Sundry Projects Fund <i>Refer Appendix</i> <i>1 Budget</i> <i>Variation</i> <i>Summary</i> <i>Item 8,9 and 10</i>
Property & Buildings	GMCI	130		The favourable variance is primarily a result of the disposal of Lot 163 Gloucester Street Salisbury East previously known as Joe Costello Reserve. This was last approved by Council 27/02/2017 Resolution Number 1595/2017. This income was unbudgeted and as such will be declared as part of this review.	Debit \$127,000, to Sundry Projects Fund <i>Refer Appendix</i> <i>1 Budget</i> <i>Variation</i> <i>Summary</i> <i>Item 11</i>

Program/Budget Area	General	Vari	ance	Comment	Action Required	
	Manager	Timing \$000	Permanent S000			
Business Excellence	GMBE	459		The favourable variance relates to the timing of expenditure for:- Business Support and Systems Operating Components of Capital Project \$102k and Training and Organisational Development \$113k. It is anticipated that spending will meet budget by the end of the financial year. Wages and Salaries are favourable in Business Excellence \$111k with the significant variances being in People & Culture \$24k and Financial Services \$52k all resulting from vacancies and leave taken. Adjustments will be processed for any savings to the Salary and Wages Provision in the next quarter.	Nil.	
Executive	CEO	59		The favourable variance is primarily related to the timing of the costs associated with the various Program Review currently underway \$79k.	Nil	
City Infrastructure	GMCI	981		The favourable variance predominately relates to the timing of operating components of \$306k for various capital bids and the timing of the Council Building Renewal Program \$287k.	Nil	

Expenditure -	Favourable	Variance \$1	.494k
		· ••• ••• ••	,

Governance - Net Favourable Variance \$47k

Expenditure – Favourable Variance \$47k

Program/Budget Area General		Vari	ance	Comment	Action Required
	Manager	YTD \$000	Permanent \$000		
Council	CEO	30		The favourable variance relates to the Elected Members Training Budget	Nil

Treasury – Net Favourable Variance \$320k

Program/Budget Area	General	ral Variance		Comment	Action Required
riogiani baaga inta	Manager	YTD S000	Permanent \$000	connen	riedon required
Treasury	GMBE	202		The favourable variance is the result of higher than anticipated interest received on our investment activity.	Nil

Revenue – Favourable Variance \$203k

Expenditure – Favourable Variance \$117k

Program/Budget Area			ance	Comment Action Req	luired
	Manager	YTD \$000	Permanent \$000		
Treasury	GMBE	116		The favourable variance is Nil predominantly the result of lower interest costs associated with not having to utilise CAD's.	

Rates and other Miscellaneous - Net Favourable Variance \$164k

Revenue – Favourable Variance \$173k

Revenue Tavourabi	nue l'avourable variance \$175k									
Program/Budget Area	General	Variance		Comment				Action Required		
	Manager	YTD \$000	Permanent \$000							
Rates	GMBE	141		than	favourable minately the anticipated mment Rate R	Compuls	ory	Nil		

Expenditure – Unfavourable Variance \$9k

Program/Budget Area	General Variance			Comment	Action Required
	Manager	YTD \$000	Permanent \$000		
Building Maintenance (James Street and Operation Centre)	GMCI	84		The favourable variance is predominantly related to the timing of contractual expenditure in Building Maintenance. It is anticipated that this will meet budget by the end of the financial year.	Nil
Salaries and Wages Provision	CEO	345		The favourable variance represents Wages and Salaries savings from various divisions that have been allocated to the Provision, offset by any allocations made from the Provision. Refer 3.4 Transfer of Funds (Chief Executive Officer Delegation).	Nil
Staff Oncosts and Recovery	GMBE	(294)		The unfavourable variance is primarily related to the on-cost component of vacancies \$294k which is offset by favourable variances across the Organisation. This area is constantly reviewed in line with wage and salary expenses incurred within the other Service Areas. It is anticipated that this will align to budget by the end of the financial year.	Nil

Appendix 5 – Capital Expenditure Report as at December 2017

	Original Budget	Revised Budget	Actuals	Commitments	Total Actuals/	Balance
EXPENDITURE					Commitments	Remaining
Drainage & Waterways	2,804,000	2,705,717	868,003	672,072	1,540,075	1,165,642
Fleet	3,285,000	3,951,201	763,859	395,634	1,159,492	2,791,709
Parks & Streetscapes	3,563,000	4,853,756	1,244,831	1,132,807	2,377,638	2,476,117
Property & Buildings	4,407,000	7,138,750	947,710	3,273,911	4,221,621	2,917,129
Strategic Projects - Other	1,824,500	2,182,161	124,882	71,675	196,557	1,985,604
Transportation	15,421,590	17,979,339	4,664,021	1,129,781	5,793,802	12,185,537
Total City Infrastructure	31,305,090	38,810,924	8,613,306	6,675,880	15,289,186	23,521,738
Information Technology	35,000	1,111,995	359,082	128,339	487,421	624,574
Salisbury Water Business	1,112,400	1,889,664	295,026	214,782	509,807	1,379,857
Strategic Projects - SCH	27,000,000	32,690,859	1,097,282	1,798,588	2,895,871	29,794,989
Strategic Property	860,980	4,770,337	588,355	660,793	1,249,148	3,521,190
Total Other	29,008,380	40,462,856	2,339,745	2,802,501	5,142,247	35,320,609
	60,313,470	79,273,780	10,953,052	9,478,381	20,431,433	58,842,348
INCOME						
Drainage & Waterways	- 60,000	- 108,182	-	-		- 108,182
Fleet	- 599,800	- 1,326,045	-	-	-	- 1,326,045
Parks & Streetscapes	- 225,000	- 225,225	-	-	-	- 225,225
Property & Buildings	- 45,000	- 23,250	- 12,456	-	- 12,456	- 10,794
Strategic Projects - Other	- 50,000	- 50,000	- 461,000	-	- 461,000	411,000
Transportation	- 2,025,000	- 2,681,111	- 132	-	- 132	- 2,680,979
Total City Infrastructure	- 3,004,800	- 4,413,813	- 473,588	-	- 473,588	- 3,940,224
Strategic Property	- 4,061,115	- 9,546,979	- 2,243,906	-	- 2,243,906	- 7,303,074
Total Other	- 4,061,115	- 9,546,979	- 2,243,906	-	- 2,243,906	- 7,303,074
	- 7,065,915	- 13,960,792	- 2,717,494	-	- 2,717,494	- 11,243,298
NET	53,247,555	65,312,989	8,235,558	9,478,381	17,713,939	47,599,050

Note: In accordance with the delegation provided to General Managers to transfer program budgets within Asset Categories: there have been no transfer requests in the second quarter of 2017/18.

Item 6.5.2 - Attachment 1 - Second Quarter Budget Review 2017/18

Capital Expenditure

As at the end of the Second Quarter the revised capital expenditure budget for 2017/18 was \$79.3M including carry forward funds, with \$11M / 13.8% spend to date and \$20.4M / 25.8% inclusive of commitments. Following administration of this quarters adjustments, percentage spent including commitments will increase to 38.4%. This is in alignment with targets set to enable delivery of the capital works program, as the last half of the financial year encounters majority of the program spend being predominately construction.

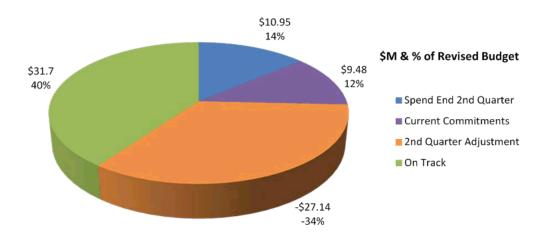
The Information Technology projects are on track with 44% of the budget spent or committed to date and Salisbury Water Business Unit projects are on track with 27% of the budget spent or committed to date.

Strategic Projects includes the Salisbury Community Hub which is a Budget Timing Adjustment in Appendix 2 of this report, and all other Strategic Projects are on track with 51% of the budget spent or committed to date.

The majority of Strategic Property projects are completed with the completion of the demolition of St Jays and the majority of the civil and landscape construction at Boardwalk at Greentree, Walpole Road Stage 3. As the projects are managed as multi-year "whole of life" projects, the balance funds include remaining contingency for final completion works, maintenance and marketing costs related to closing out sales on the projects anticipated in 2018, subject to sales rates and market performance.

Capital Income

The capital works income revised budget for 2017/18 is \$14M which mainly comprises \$9.5M (whole of project life) for Strategic Property. Revenue from Strategic Property identified to be returned to Council in 17/18 is exclusively from the Boardwalk at Greentree, Walpole Road Stage 3 Project. Final lots will be released to market in February/March 2018 with coordinated built form solutions over the balance of the allotments. It is forecast, subject to market conditions, that sales at Boardwalk at Greentree will be complete by the end of 2018, returning the balance of the income from the project.



INFRASTRUCTURE CAPITAL CATEGORIES

The delivery of the 2017/18 Capital Program continued to be progressively delivered, with projects being detailed in line with the delivery plan, and projects moving into tendering and construction. In addition, development of scoping for future years to support the annual bid process commenced.

Key recent achievements to note include;

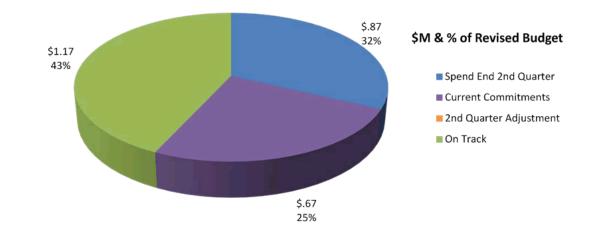
- With successful planning and communication a series of key locations was able to be delivered with minimal impact to the community as part of the Road Reseal Program (\$7.2M), being programmed to occur in the quieter December / January period, with noteworthy locations including Garden Terrace, Mawson Lakes, and Burma Road, Pooraka.
- Para Hills Community Hub (\$4.4M) construction commenced. Works to the new building include installation of undergrown services; main slab, links and perimeter paths all poured and structural steel currently being erected. Work also commenced within the existing library including painting and installation of RFID gates. This project continues to track in accordance with the forecast schedule.
- 2017/18 Building Renewal Program (\$1.4M) commenced construction in the second quarter. This program will be progressively delivered across the numerous sites and applicable timeframes. Renewal works at Adams Oval was the first site to be completed.
- As part of the Major Flood Mitigation Program (\$450k), Post Avenue, Salisbury, moved into procurement phase this quarter and is expected to be awarded early 2018. This follows the completion of Prince Street, Salisbury East, in the first quarter.
- 50% detail design for the Salisbury Community Hub was achieved by December 2017 and reported to Council. As part of this review, it is proposed to retime \$26.2M to align with the revised timeframes. This second quarter adjustment equates to 94.9% of all capital adjustments for this period.

As a risk mitigation strategy, reporting and monitoring frameworks have been developed to support delivery. This includes the coordination of review meetings to address issues promptly should they arise and provide a conduit for communication across divisions. The success of this is evident by the ability across the teams to address minor flooding issues where possible whilst undertaking road reseal renewal works.

Item 6.5.2 - Attachment 1 - Second Quarter Budget Review 2017/18

DRAINAGE & WATERWAYS

(32.1% spent / 56.9% inclusive of commitments)



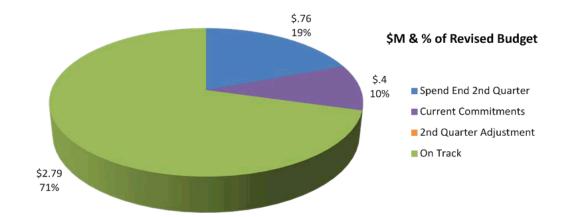
<u>BUDGET ADJUSTMENTS</u>	Revised Budget \$000	Second Quarter Adjustment \$000	Forecast Carry Forward \$000
	5000		3000
There were no budget adjustments this quarter within the	0	0	0
Drainage and Waterways asset category.	0	0	0

💋 <u>on track</u>

- <u>Major Flood Mitigation Program</u> This major program of works continues to be delivered. Post Avenue, Salisbury, is the next site to be constructed by way of installation of an underground water detention system to minimise localised flooding.
- Local Flooding Program (\$750k) A series of designs and technical specifications were able to be completed this quarter enabling projects to continue through to tender and construction. December 2017, the localised flooding construction works adjacent St Kilda Road, St Kilda, and Nalara Place, Salisbury Heights were completed.
- <u>Watercourse Management Works</u> This \$1M program continues to be progressively delivered across various locations within the City's waterways. Works will usually include erosion control renewal and new structures such as installation of gabion baskets, then followed by planting to minimise future erosion.

<u>FLEET</u>

(19.3% spent / 29.3% inclusive of commitments)



<u>BUDGET ADJUSTMENTS</u>	Revised Budget \$000	Second Quarter Adjustment \$000	Forecast Carry Forward \$000
There were no budget adjustments this quarter within the Fleet asset category.	0	0	0

SCHEDULE AMENDMENT

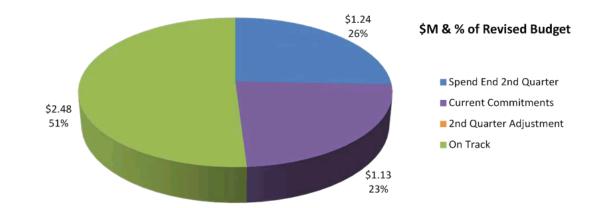
• <u>Plant and Fleet Replacement Program</u> – Deferral to purchase some fleet items was chosen to allow entire consideration of the impacts of program reviews. Resulting in programming of plant to align with the outcomes of program reviews. Close monitoring of delivery will continue however significant lead times on major plant will result in deferral of some plant items into the next financial year. If action is required to address this, it will be included within the third quarter for consideration.

🕗 <u>on track</u>

- <u>Plant and Fleet Replacement Program</u> With vehicles scoped, procurement was a primary focus in the second quarter. Outside of program review items, the remainder of the program has been committed.
- <u>Fleet Purchase</u> This program converts vehicles from leased arrangements to purchased and continues to be progressively delivered in alignment with completion of lease periods. This program remains forecast to be fully completed before the end of the financial year.

PARKS & STREETSCAPE

(25.6% spent / 49% inclusive of commitments)



<u>BUDGET ADJUSTMENTS</u>	Revised Budget \$000	Second Quarter Adjustment \$000	Forecast Carry Forward \$000
There were no budget adjustments this quarter within the Parks and Streetscape asset category.	0	0	0

SCHEDULE AMENDMENT

• <u>Play Space / Playground Renewal Program</u> - The outcome of the application for grant funding to assist in the construction of a new \$500k autism friendly play space remains pending. This late notification will likely impact delivery timeframes and will therefore be proposed to be retimed as part of third quarter review.

ON TRACK

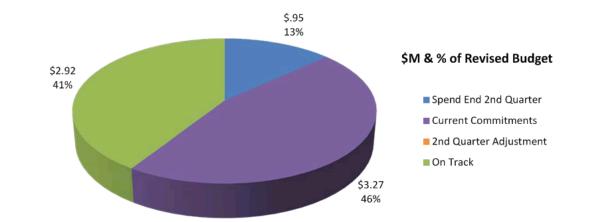
- <u>Play Space / Playground Renewal Program</u> This quarter there was a series of playground renewal works awarded for the following reserves; De Mille Street Reserve, Salisbury Downs, Heron Avenue Reserve, Parafield Gardens; Twell Green, Para Hills. These renewals are forecast to be completed in the third quarter.
- <u>Street Tree Program</u> The 2017/18 Street Tree Program has been going through a series of consultations to aid design and complete technical specifications. This work has assisted to develop Acquisitions Plans to enable the program to progress to construction. Removals are scheduled to commence and be followed by planting in a cooler climate.
- <u>Irrigation Renewal Program</u> The installation of a renewed irrigation system at Reg Groth Reserve was completed this quarter. Designs for 2018/19 projects have commenced and are expected to be completed next quarter. This program continues to be delivered across financial years which aids project management.

PARKS & STREETSCAPE - continued

• <u>Tree Screen Renewal Program</u> – The renewal of the tree screen along Bardsley Avenue, Parafield Gardens, adjacent the rail corridor was awarded this quarter. This is expected to be closely followed by the awarding of Main North Road plantation and service corridor, Para Hills West, and York Terrace, Salisbury.

PROPERTY & BUILDINGS

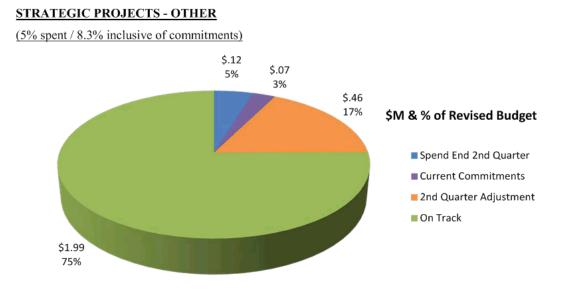
(13.3% spent / 59.1% inclusive of commitments)



<u>BUDGET ADJUSTMENTS</u>	Revised Budget	Second Quarter Adjustment	Forecast Carry Forward
	\$000	\$000	\$000
There were no budget adjustments this quarter within the Property and Buildings asset category.	0	0	0

ON TRACK

- <u>Building Upgrade Program</u> Within this program the main focus of delivery in 2017/18 is construction of the (\$4.4M) Para Hills Community Hub. Second quarter saw the commencement of construction at this site both on the new building and within the existing library. This project continues to track as per schedule with the forecast completion date expected prior to the end of this financial year.
- <u>CCTV Community Development Buildings Program</u> For this \$120k program, the majority of construction and installation works were completed this quarter. The administration of the associated \$45k grant funding is currently occurring.
- <u>Building Renewal Program</u> The 2017/18 Building Renewal Program main contract was awarded in this period enabling construction to commence. The program is progressively delivered across the various geographical sites whilst seeking to minimise the inconvenience to facility users during construction. To note, the renewal works at Adams Oval were completed in quarter two which enabled the space to be relet.



<u>BUDGET ADJUSTMENTS</u>	Revised Budget \$000	Second Quarter Adjustment \$000	Forecast Carry Forward \$000
As per Works and Services Committee, Item 2.6.1, February 2018, an application for \$461k of grant funding from State Government was successfully awarded towards the construction of a new female friendly change room and amenities at Salisbury Oval. This income gain has been reflected within Appendix 2, item 19 of this report. This facility is currently being designed with detailed cost estimates to follow. Once complete, estimates will be reported to Council with any surplus funds identified for consideration as a return at third quarter budget review.	1,668	461	0

SCHEDULE AMENDMENT PENDING

<u>Salisbury Oval Master Plan Implementation</u> – The opportunity to consider an indoor sports facility at Salisbury Oval has impacted the ability to complete detail design of the new change room amenities and site infrastructure. In addition, the revocation of land associated with the proposed residential development is currently pending State Government determination. It is expected that associated budgets impacted by these delays will be included within third quarter budget review to retime the budget to align with a revised program.

STRATEGIC PROJECTS - OTHER Continued

🚺 <u>ON TRACK</u>

• <u>Salisbury Oval Master Plan Implementation</u> – The scoping and documentation of the renewal works for the existing clubrooms and grandstand were completed this quarter, enabling construction to commence over the Christmas period. A new compliant accessible toilet is currently being constructed within the existing clubrooms to complement the painting and floor renewal works. The renewal of the grandstand seating area will follow the completion of the clubrooms. These works are tracking for completion in April.

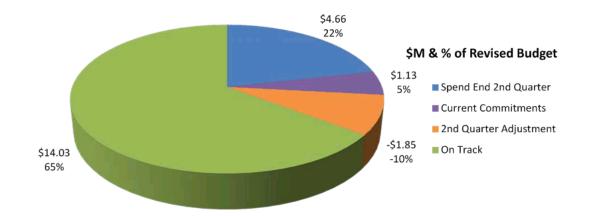
Design Master Plan for the precinct has now commenced which will assist to inform service locations, traffic and water management for the precinct.

 <u>Bridgestone Park Redevelopment</u> –. The redevelopment of Bridgestone Park has continued to be maintained with the turf now well established. Additional seating and shelters have now been installed completing this stage of works.

February 2018, the State Government committed to the provision of \$995k towards the installation of a new synthetic athletic track at this reserve. This aligns with Salisbury having the highest portion of young people participating in athletics in South Australia, approximately 50% of Little Athletics members live within a 25km radius of Bridgestone Reserve. This next stage of works will continue to be developed and progress reported accordingly.

TRANSPORTATION

(22% spent / 27% inclusive of commitments)



<u>BUDGET ADJUSTMENTS</u>	Revised Budget \$000	Second Quarter Adjustment \$000	Forecast Carry Forward \$000
Minor Traffic Improvement Program As detailed within the February 2018 Works & Services Report, an additional \$45k funding has been sought to meet community and safety needs. As part of this additional funding it will enable a parking improvement at	124	45	0
Springbank Waters to occur. Diment Road Upgrade As per Works and Services Report, Item 2.6.1, December 2017, the ability to successfully acquire grant funding to aid in the delivery of an upgrade to Diment Road has not been able to be achieved. Therefore the expected income of \$1.75M has not been realised. Of the project budget \$1.1M was approved to be transferred back to the Road Reseal Program. The balance of funds has been retained to deliver a section of upgrade adjacent Hawker Road. This section	3,500	(2,890)	0

TRANSPORTATION Continued

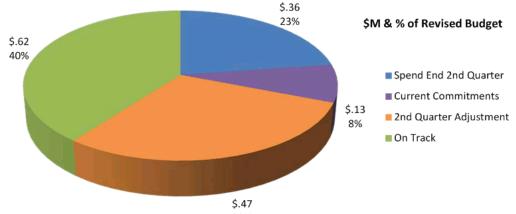
💋 <u>ON TRACK</u>

- <u>Road Reseal Program</u> A series of high profile projects were able to be successfully delivered over the Christmas / New Year period minimising disruption to the community and adjacent businesses. Locations include Garden Terrace, Mawson Lakes; Wright Road, Valley View; and Burma Road, Pooraka. As part of the planning of these works, public transportation needed to be considered and consulted to enable temporary routes to be put in place.
- <u>Bridge Renewal Program (\$302k)</u> Emergency bridge repair works along Dry Creek, Walkley Heights, was completed this quarter enabling this pedestrian link to be operational for community for use. In addition, renewal of a small bridge adjacent Vindana Road, Paralowie, was recently completed. Work has commenced to scope the next series of projects which are soon to progress to tendering.
- <u>Public Lighting Program</u> Detail design for the next stage of LED installations was completed in December 2017. This is being followed by technical specification completion and procurement in early 2018. This lighting upgrade will occur at Springbank Waters, Burton.
- <u>Footpath Program</u> This \$402k program delivers improvements to pedestrian paths of travel within the City. The program periodically receives requests which are then reviewed with a recommendation then provided to Council. The work is then mostly programmed around the timing and approval of requests, therefore a continuous rolling program. To note, Dwyer Court, Salisbury Heights, and Target Hill Road, Salisbury Heights, were two completed in the later part of this quarter.
- <u>Sportsfield Lighting Assistance Program</u> The \$210k upgrade to lighting at Yalumba Drive Reserve, Paralowie, was approved as part of this program. This project moved to design and technical specification development this quarter.

OTHER CAPITAL CATEGORIES

INFORMATION TECHNOLOGY

(23% spent / 31% inclusive of commitments)





<u>BUDGET ADJUSTMENTS</u>	Revised Budget \$000	Second Quarter Adjustment \$000	Forecast Carry Forward \$000
Asset Management Improvement Project As per Budget and Finance, Item 6.5.1, February 2018, an adjustment to budget is required for the Asset Management Improvement Project to enable successful completion. Financial benefits of this project are expected to be approximately \$4.5M over 5 years via productivity savings and cost avoidance.	535	466	0

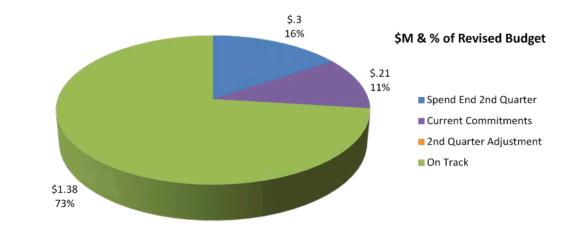


<u>ON TRACK</u>

- <u>Budget Bid System</u> This production of the Budget Bid System was successfully completed this quarter in time for the submission of 2018/19 and future years bids. Organisational benefits have already been realised with the system now being housed within a key corporate system.
- <u>Divisional Planning Software</u> The development of a new software system for business planning is well underway with the test system scheduled to move to production in February 2018.
- <u>Time, Recording, Attendance Process</u> The first quarter of 2018 calendar year the project team will evaluate quotes for the software from the Vendor and finalise the project scope. The implementation schedule will be coordinated with the Asset Management Improvement Project and completed before the organisation advised of the project objectives.

SALISBURY WATER BUSINESS

(15.6% spent / 27 % inclusive of commitments)



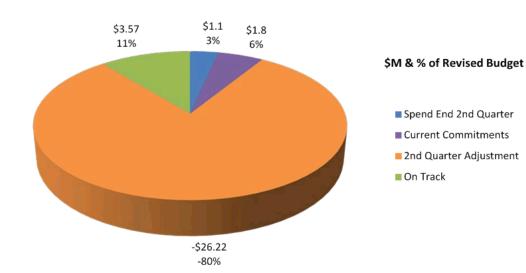
<u>BUDGET ADJUSTMENTS</u>	Revised Budget \$000	Second Quarter Adjustment \$000	Forecast Carry Forward \$000
There were no budget adjustments this quarter within the			
Salisbury Water Business asset category.	0	0	0

ON TRACK

- <u>Salisbury Water Disinfection System</u> Performance of installed systems is currently being monitored. It is anticipated that some instrumentation and programming modifications will occur in later half of 2017/18. However installation of any new disinfection technology is on hold subject to further investigation associated with emerging quality issues associated with the Department of Defence investigations.
- <u>Distribution Main Links</u> Construction and commissioning of the Salisbury South link, extending the distribution main from Rundle Road to Frost Road is complete. This new 1km link will facilitate supply from the new Bridgestone Park MAR facility to selected high-grade customers along Cross Keys Road. Further sections of directional boring and associated works will be awarded in the second half of 2017/18.
- <u>Groundwater Community Bores Tank and Pump Upgrades</u> Orders placed for the fit out of 2 new community bore tank and pump upgrades at Carisbrook Park and Happy Home Reserve. Construction is programmed to commence in fourth quarter after the peak irrigation season.
- <u>Salisbury Water Head Tank</u> the second stage of the project is underway with the construction of a new distribution main link to customers in Gulfview heights and Salisbury Heights in progress. The new link will run from Barker Gully to Keikebush Reserve and will be completed during third quarter.

STRATEGIC PROJECTS – SALIBURY COMMUNITY HUB

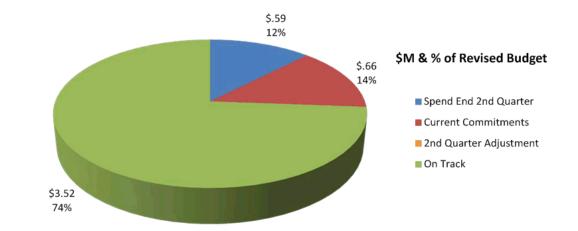
(3.7% spent / 9.2% inclusive of commitments)



<u>BUDGET ADJUSTMENTS</u>	Revised Budget \$000	Second Quarter Adjustment \$000	Forecast Carry Forward \$000
Salisbury Community Hub The proposed timeframes have been delayed to allow for the appropriate due diligence in finalizing contractual agreements. The project has now progressed to more detailed design and construction tendering	32,691	(26,220)	0

STRATEGIC PROPERTY

(12.3% spent / 26.2% inclusive of commitments)



<u>BUDGET ADJUSTMENTS</u>	Revised Budget \$000	Second Quarter Adjustment \$000	Forecast Carry Forward \$000
There were no budget adjustments this quarter within the Strategic Property asset category.	0	0	0

ON TRACK

- Tranche 1 Riverwalk, Emerald Green and Greentree Walk are currently in the midst of being finalised and close out. Final settlements associated with The Reserve, Diment Road, are being administered with project closure expected this financial year. All sales and settlements are complete as of December 2017 project close-out reports are being prepared for presentation to Council in March 2018. Final landscaping works for Emerald Green to be completed in fourth quarter 17/18 relating to the indigenous reserve.
- Tranche 2 The Boardwalk at Greentree continues to be progressively sold with land settlements following closely behind. Project civil construction complete and landscape construction substantially advanced, 70% of the residential project allotments are sold and over 54% of the homes under construction as of 2 January 2018
- Salisbury Oval Residential –An expression of interest will be released to the market for the residential development, post a decision by the Minister on the outcomes and boundary extent of the Community Land Revocation Process, expected in early 2018.

NB: Whilst the Strategic Property Program is currently forecast to continue to be successfully progressively delivered, the complex nature of this program can result in timelines extending across multiple years.

Appendix 6 – Savings from New Initiative Bids

During the preparation of the 2017/18 budget the following bids were approved which had associated savings. These operational savings have been included into the 2017/18 budget.

New Initiative Bid	2016/17 Saving
21478 Public Lighting Program	\$28,000
22802 Fleet Purchase	\$4,000
23416 Central Control Irrigation System Renewal	\$2,000
TOTAL	\$34,000

Appendix 7 – Business Units

Salisbury Memorial Park

		Year to Date			Full Year	
Details	Actual \$'000s	Budget \$'000s	Variance \$'000s	Rev.Bud \$'000s	Orig.Bud \$'000s	Forecast \$'000s
Revenue	264	256	8	511	511	511
Expenditure	198	205	7	400	409	400
Surplus/(Deficit)	66	51	15	111	102	111

The overall net result for Salisbury Memorial Park as at the Second Quarter shows a surplus of \$66k compared to the budgeted surplus of \$51k. The positive position for revenue is attributed to consistent sales in burials and inurnments during this quarter. Total new burial leases for the quarter were 11 with total burials for the quarter reaching 29. Total new cremation leases for the quarter were 8, with 21 ashes inurnments carried out.

Cemetery Services will continue to look at new ways of marketing Salisbury Memorial Park. Following the success of the first Cemetery Expo held in June 2017 another Cemetery Expo is planned for October 2018. Along with another Expo we will be publishing a quarterly newsletter that will be distributed to Retirement Villages, Nursing Homes, Funeral Directors, Libraries and Community Centres. Staff have been guest speakers at PBA FM on a monthly basis discussing various aspects of the Salisbury Memorial Park. We are also embarking on an advertising campaign that will see articles and photographs being published in South Australian Lawn Bowls magazines.

Plans are currently underway to provide a unique cremation option around the Rotunda Garden Bed. We are also developing a new Still Born Site that will provide a more suitable memorial for grieving families.

The revenue outlook for the end of June 2018 is expected to be \$511k and expenditure \$400k resulting in a net favourable variance of \$111k

		Year to Date			Full Year	
Details	Actual \$'000s	Budget	Variance	Rev.Bud	Orig.Bud	Forecast
		\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Revenue	350	306	44	528	508	548
Expenditure	199	232	33	465	471	465
Surplus/(Deficit)	151	74	77	63	37	83

Building Rules Certification Unit

Actual income to the end of the First Quarter has exceeded the budget by 14% as a result of an increase in external applications above Business Plan predictions. Overall application activity is consistent with Business Plan projections. Lower than predicted expenditure is mainly due to payments for insurance which will be paid in next period.

Salisbury Water

	Year to Date			Full Year		
Details	Actual \$'000s	Budget \$'000s	Variance \$'000s	Rev.Bud \$'000s	Orig.Bud \$'000s	Forecast \$'000s
External Income	789	1,092	(303)	2,525	2,525	2,525
Internal Income	817	845	(28)	2,817	2,817	2,817
Total Income	1,606	1,937	(331)	5,342	5,342	5,342
Expenditure	2,195	2,561	366	5,121	5,010	5,121
Surplus/(Deficit)	(589)	(624)	35	221	332	221

The Salisbury Water Business Unit completed the second quarter of the 2017/18 financial year with favourable variance against the revised budget of \$35k. The full year outlook is for a budget surplus of \$221k although this will be heavily dependent on weather conditions and sales volumes during the third and fourth quarters.

External sales volumes for the first half of the 2017/18 financial year is 195ML lower than originally predicted as a result of lower usage demand by irrigation based customers due to above average rainfall conditions. Internal consumption for the first half of the year is 10 ML lower than predicted. Non-irrigation based customer usage continues to remain steady and in line with budget predictions.

Marginally higher than average rainfall has been received so far this financial year with 270mm recorded at Parafield compared to an average of 250mm for the same period. Rainfall for July to September was well above average with steady rainfall patterns across the period. Minor follow up rainfall has occurred during October and December to meet most irrigation based customers watering needs, with only minor 'top-up' irrigation required during hot spells to get through to the next rain event. December's above average rainfall result is skewed by a one off event at the beginning of the month with dryer conditions prevailing.

Income totalling \$1,606k has been received which is \$331k below the YTD budget expectation. Conditions moving forward into the third quarter should see rain events and summer temperatures follow a more typical pattern and irrigation demand from external irrigation based customers over the next 3 months should be more consistent with overall budget predictions. The Bureau of Meteorology is currently predicting a weak La Niña which typically has less influence on Australian rainfall and can also increase the likelihood of prolonged warm spells for southeast Australia. Based on this forecast, no change to income forecasts is required at this stage pending review of sales next quarter.

	Year to Date			Full Year		
Details	Actual	Budget	Variance	Rev.Bud	Orig.Bud	Forecast
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
External Income	832	694	138	1,408	1,393	1,408
Internal Income	236	266	(30)	472	472	472
Total Income	1,068	960	108	1,880	1,865	1,880
Expenditure	874	756	(117)	1,701	1,701	1,641
Surplus/(Deficit)	194	204	(10)	179	164	239

Waste Transfer Station (excluding Hard Waste Collection Service)

The Transfer Station has completed the Second Quarter of 2017/18 with a minor unfavourable variance of \$10k when compared to revised budget estimates. Revenue for the first six months was \$108k favourable. This variance is the result of higher than budgeted user charges \$138k which is partially offset by increased costs associated with this additional income. Further offsetting this favourable variance is a \$30k unfavourable variance related to lower levels of internal income for dumped rubbish charges.

Expenditure was unfavourable by \$117k and is primarily the result of \$62k in contractual salaries resulting from higher costs associated with increased quantities of patronage and \$27k related to wages and salaries as a result of timing which is anticipated to align to budget by the end of the financial year.

In addition there is a transfer of \$60k internal labour recoveries from Field Service to the Waste Transfer Station as part of this budget review to offset internal labour allocations.

The Transfer Station variances will be monitored and it is anticipated that the forecast net position for 2017/18 is forecast at \$239k.

Appendix 8 – Budgeted Financial Statements

The Budgeted Financial Statements presented in this Appendix are as originally budgeted. Adopted recommendations resulting from this Budget Review will be incorporated subsequently.

BUDGETED BALANCE SHEET

YEAR ENDING 30 JUNE	2018 Budget \$000's
ASSETS	
Current Assets	
Cash & Cash Equivalents	0
Trade & Other Receivables	5,061
Inventories	0
Total Current Assets	5,061
Non-Current Assets	
Financial Assets	988
Equity Accounted Investments in Council Businesses	3,323
Infrastructure, Property, Plant & Equipment	1,364,002
Other Non-Current Assets	30,170
Total Non-Current Assets	1,398,498
TOTAL ASSETS	1,403,559
LIABILITIES Current Liabilities	
Trade & Other Payables	14,570
Borrowings	2,500
Provisions	6,935
Total Current Liabilities	24,005
Non-Current Liabilities	
Trade & Other Payables	1,527
Borrowings	12,079
Provisions	81
Total Non-Current Liabilities	13,687
TOTAL LIABILITIES	37,692
NET ASSETS EQUITY	1,365,867
Accumulated Surplus	336,514
Asset Revaluation Reserve	1,035,200
Other Reserves	19,908
TOTAL EQUITY	1,391,622

Note – Cash will be revised for the retiming of the Community Hub project expenditures following the adoption of this review

	2018 Budget
YEAR ENDING 30 JUNE	\$000's
ACCUMULATED SURPLUS	
Balance at end of previous reporting period	306,553
Net Result for Year	22,561
Balance at end of period	336,514
ASSET REVALUATION RESERVE	
Land	317,010
Land Improvements	19,333
Buildings	37,101
Infrastructure	659,066
Library Books	2,338
Joint Ventures - Other comprehensive income	352
Balance at end of period	1,035,200
OT HER RESERVES	
Balance at end of previous reporting period	27,308
Balance at end of period	19,908
TOTAL EQUITY AT END OF REPORTING PERIOD	1,391,622

BUDGETED STATEMENT OF CHANGES IN EQUITY

	2018
	Budget
YEAR ENDING 30 JUNE	\$000's
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts	
Operating Receipts	115,498
Investment Receipts	193
Payments	
Operating Payments to Suppliers and Employees	(86,024
Finance Payments	(1,510
Net Cash provided by (or used in) Operating Activities	28,157
CASH FLOWS FROM INVESTING ACTIVITIES	
Receipts	5.00
Amounts Specifically for New /Upgraded Assets	5,469
Sale of Real Estate Developments	15,094
Repayments of Loans by Community Groups	
Payments	
Expenditure on Renew al/Replacement of Assets	(18,510
Expenditure on New /Upgraded Assets	(24,256
Expenditure - Real Estate developments	(2,433
Net Cash Provided by (or used in) Investing Activities	(24,633
CASH FLOWS FROM FINANCING ACTIVITIES	
Payments	
Repayments of Borrow ings	(2,561
Net Cash provided by (or used in) Financing Activities	(2,561
not out in provided by (or used in) rindholing Activities	(2,001)
Net Increase/(Decrease) in cash held	96:
Cash & Cash Equivalents at Beginning of Period	16,29
Cash & Cash Equivalents/Movements in Borrowings at End of Period	17,25

BUDGETED STATEMENT OF CASH FLOWS

	2018
YEAR ENDING 30 JUNE	Budget \$000's
Operating Revenues	115,798
less Operating Expenses	113,874
Operating Surplus/(Deficit) before Capital Amounts	1,924
Less: Net Outlays on Existing Assets	
Capital Expenditure on Renew al/Replacement of Existing Assets	18,510
less Depreciation, Amortisation & Impairment	25,592
	(7,082)
Less: Net Outlays on New and Upgraded Assets	
Capital Expenditure on New /Upgraded Assets	26,689
less Amounts Specifically for New /Upgraded Assets	5,469
	6,126
Net Lending / (Borrowing) for Financial Year	2,880

BUDGETED UNIFORM PRESENTATION OF FINANCES

CITY OF SALISBURY
ESTIMATED FINANCIAL INDICATORS For the year ending 30 June 2018 Revised for the Second Quarter Budget Review
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.
Operating Surplus
Being the operating surplus (deficit) before capital amounts (\$1.168M)
Operating Surplus Ratio
Operating Surplus (1.02%)
Rates – general & other less NRM levy This ratio expresses the operating surplus/(deficit) as a percentage of general and other rates, net of NRM levy
Net Financial Liabilities
Total Liabilities \$39.860M
Net Financial Liabilities are defined as total financial liabilities less financial assets (excluding equity accounted investments in Council businesses)
Net Financial Liabilities Ratio Net Financial Liabilities
34.7%
Total Operating Revenue less NRM levy Indicates the extent that council can meet its net financial liabilities out of operating revenue.
Asset Sustainability Ratio Net Asset Renewals
100%
Depreciation Expense Indicates whether capital assets are being renewed or replaced at the same rate as these assets are wearing out.