



MINUTES OF SPECIAL AUDIT MEETING HELD IN COMMITTEE ROOMS, 12 JAMES STREET, SALISBURY ON

10 APRIL 2018

MEMBERS PRESENT

Mr N Ediriweera
Mr C Johnson (Deputy Chairman)
Ms K Verrall

OBSERVERS

Cr R Zahra

STAFF

Chief Executive Officer, Mr J Harry
General Manager Business Excellence, Mr C Mansueto
Manager Governance, Mr M Petrovski
Risk and Governance Program Manager, Ms J Crook
Business Analyst - Internal Audit & Risk, Mr G Kendall

The meeting commenced at 6:30 pm.

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

APOLOGIES

Apologies were received from Cr G Reynolds and Cr G Caruso.

LEAVE OF ABSENCE

Nil

PRESENTATIONS

PRES1 Long Term Financial Plan Presentation

Ms Kate George, Manager Financial Services

REPORTS

Reports

4.2.1 Draft 2018/19 Annual Plan and Budget

Moved Mr N Ediriweera
Seconded Ms K Verrall

That:

1. The information be received
2. It be noted that the Audit Committee have reviewed the Council's Annual Plan and Long Term Financial Plan in accordance with S126(4)(ab) of the Local Government Act 1999 and has provided comment for Budget and Finance Committee consideration in the following paragraph 3.
3. It is the assessment of the Audit Committee that:
 - a) A rate increase at CPI+0.6% provides for ongoing financial sustainability and enables the Council to continue to respond to Community's changing needs, improve service levels, and maintain and improve infrastructure to meet contemporary standards.
 - b) Recognising that City of Salisbury is in a strong financial position, a 2% rate increase in 2018/19, followed by CPI+0.6% in following years can maintain Councils long term financial sustainability.
 - c) The risks posed by Council adopting a one-off low increase at or below CPI are significant, and include:
 - The compounding effect of lower income over the life of the long term financial plan;
 - Increased financial uncertainty created by State Government's likely introduction of a Council rate cap for future years (after 2018/19).
 - The uncertainty surrounding State Government policy direction for funding infrastructure, and the implications for councils.
 - A one-off low increase at or below CPI makes it likely that at a point during the 10 year Long Term Financial Plan, Council will have to run a deficit budget.
 - Placing the burden of restoring financial stability on future Councils, this may involve higher rate increases, and/or reductions in services or service standards.
 - Negatively impact on Council's ability to invest in infrastructure.
4. It be noted that Access Economics forecast CPI for South Australia for the year ended 2017/18 is 2.08% (Deloitte Access Economics, *Business Outlook*, Dec 2017).

CARRIED

The meeting closed at 8:40 pm.

CHAIRMAN.....

DATE.....