AGENDA

FOR AUDIT COMMITTEE MEETING TO BE HELD ON

9 APRIL 2019 AT 6:30 PM

IN COMMITTEE ROOMS, 12 JAMES STREET, SALISBURY

MEMBERS

Cr G Reynolds (Chairman)
Cr L Braun (Deputy Chairman)
Mr N Ediriweera
Mr C Johnson
Ms K Verrall

REQUIRED 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

APOLOGIES

LEAVE OF ABSENCE

PRESENTATION OF MINUTES

Presentation of the Minutes of the Audit Committee Meeting held on 12 February 2019.

PRESENTATIONS

PRES1   Long Term Financial Plan Presentation

The presentation will take place at the commencement of item 4.2.3.

REPORTS

Administration

Reports

OTHER BUSINESS

CLOSE

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

12 FEBRUARY 2019

MEMBERS PRESENT

Cr G Reynolds (Chairman)
Cr L Braun (Deputy Chairman)
Mr N Ediriweera
Mr C Johnson
Ms K Verrall

OBSERVERS

Cr C Buchanan
Cr N Henningsen
Cr D Proleta
Cr J Woodman

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
Internal Auditor and Risk Coordinator, Mr R Constance

The meeting commenced at 6.34pm.

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

APOLOGIES

No Apologies were received.

The Chairman welcomed Cr Lisa Braun to the Audit Committee.

LEAVE OF ABSENCE

Nil

PRESENTATION OF MINUTES

Moved Mr C Johnson
Seconded Mr N Ediriweera

The Minutes of the Audit Committee Meeting held on 09 October 2018,
be taken and read as confirmed.

CARRIED
UNANIMOUSLY

REPORTS

Administration

4.0.1   Future Reports for the Audit Committee of Council

Moved Ms K Verrall
Seconded Mr C Johnson

1.   The information be received.

CARRIED
UNANIMOUSLY

4.0.2   Actions list

Moved Cr L Braun
Seconded Mr N Ediriweera

1.   The information be noted.

CARRIED
UNANIMOUSLY

Reports

4.2.1   Segregation of access to business systems

The Audit Committee requested that an action be placed on the Actions
List, that a report be provided to the Audit Committee relating to user
access to business systems and detailing the action taken to address the
generic administrative accounts finding from the Business Systems and
Solutions audit, reported to the Audit Committee in May 2018.

Moved Ms K Verrall
Seconded Mr N Ediriweera

1.   That the information be received and noted.

CARRIED
UNANIMOUSLY

4.2.2 Update on Risk Management and Internal Controls Activities

Moved Mr C Johnson
Seconded Mr N Ediriweera

1. The information be received.

2. The Update on Risk Management and Internal Controls Activities, as set out in Attachment 1 to this report (Item 4.2.2, Audit Committee, 12/02/2019) be endorsed for approval by Council.

3. The Audit Committee notes the update on outstanding actions from completed Internal Audits, as set out in Attachment 3 to this report (Item 4.2.2, Audit Committee, 12/02/2019).

4. The Audit Committee notes the CEO's remarks regarding Risk 4 on the Strategic Risk Register. The risk will be updated and reported back through Executive.

CARRIED
UNANIMOUSLY

4.2.3 Audit Committee Work Program for 2019

Moved Cr L Braun
Seconded Mr C Johnson

1. The information be noted.

CARRIED
UNANIMOUSLY

4.2.4 Update on Internal Audit Plan

Members of the Committee noted that the Strategic Reporting Process has been deferred. Due to resourcing constraints and the fact that four other audits relating to Strategic Risk Number 7 are scheduled for 2019, it was considered appropriate to defer the Strategic Reporting Process audit.

The City of Salisbury will take the opportunity to co-source some of its audits in light of resourcing constraints.

Moved Mr N Ediriweera
Seconded Mr C Johnson

1. That the updates made to the 2017-2019 Internal Audit Plan as set out in Attachment 1 to this report (Item 4.2.4, Audit Committee, 12 February 2019) be endorsed and forwarded to Council for adoption.

CARRIED
UNANIMOUSLY

OTHER BUSINESS

KPMG Engagement by the City of Salisbury

Mr Neil Ediriweera raised the matter of KPMG having been engaged by the City of Salisbury to provide advisory services in relation to the Hub. Mr Ediriweera explained that he had not been involved in the proposal or the process to appoint KPMG, nor did he promote KPMG to the City of Salisbury. He intends to declare a conflict of interest if the Audit Committee should consider Hub related matters in the future.

The meeting closed at 7.36pm.

CHAIRMAN………………………………….

DATE………………………………………….

ITEM	4.0.1
	AUDIT COMMITTEE
DATE	09 April 2019
HEADING	Future Reports for the Audit Committee of Council
AUTHOR	Joy Rowett, Governance Coordinator, CEO and Governance
CITY PLAN LINKS	4.4 To ensure informed and transparent decision-making that is accountable and legally compliant
SUMMARY	This item details reports to be presented to the Audit Committee of Council as a result of a previous Council resolution. If reports have been deferred to a subsequent meeting, 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 A list of resolutions requiring a future report to Council (via the Audit Committee) is presented for noting at each meeting.

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 At the time of preparing this report, there are currently no resolutions of Council requiring a further report to be presented to the Audit Committee.

4. CONCLUSION / PROPOSAL

4.1 Future reports for the Audit Committee of Council have been reviewed and at this point in time there are none that require a subsequent report to be presented.

CO-ORDINATION

Officer: Executive Group   MG
Date:

ITEM	4.0.2
	AUDIT COMMITTEE
DATE	09 April 2019
HEADING	Actions List
AUTHOR	Janet Crook, Risk & Governance Program Manager, CEO and Governance
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	An action list has been developed to capture any actions arising out of the City of Salisbury Audit Committee meetings. These actions do not replace the minutes from the Audit Committee, or the recommendations of the Committee that were submitted to Council for endorsement. They are included in this report as an aid to the Audit Committee.

RECOMMENDATION

1.   The information be noted.

ATTACHMENTS

There are no attachments to this report.

1.   BACKGROUND

1.1   The Audit Committee has requested that an action list be maintained and included as an item on the agenda for each meeting. This report contains a list of actions identified at previous Audit Committee meetings.

1.2   The list of actions does not replace the minutes from the Audit Committee, nor has it been endorsed by Council, because it does not contain any recommendations to Council and as such is not part of the action tracking system for Council recommendations.

2.   REPORT

2.1   The action list contains information regarding the date on which the action was identified, a description of the action, the action owner, the expected due date for completion of the action and the current status of the action.

2.2   Below is the list of actions arising out of the Audit Committee, which has been compiled for the purpose of aiding the Audit Committee.

2.3   Actions will remain on the action list until the meeting after they have been completed. Once the action has been completed, and that completion has been reported to the Audit Committee, the item will be removed from the actions list.

No	Date	Action	Owner	Due Date	Status
5.	9.10.18	When the Committee discusses its forward plan in July 2019 for 2020, suggestion will be made regarding a further audit on Capital Works Projects.	Risk and Governance Program Manager	July 2019	To form part of discussions in agenda item 4.2.5 on the April 2019 Audit Committee agenda
6.	12.2.19	Report to Audit Committee on the outcome of the generic admin accounts action item arising out of the Business Systems and Solutions audit.	Manager Business Systems and Solutions	April 2019 Complete	Refer agenda item number 4.2.1
7.	12.2.19	Report to Audit Committee on the performance of regular reviews of access to business systems	Risk and Governance Program Manager and Manager Business Systems and Solutions	July 2019	Yet to commence

3.   CONCLUSION / PROPOSAL

3.1   An action list has been developed for the Audit Committee. The action list will be maintained and presented to each Audit Committee meeting with an update on status of the relevant items. Any additional actions identified by the Audit Committee will be included on the action list as they arise.

CO-ORDINATION

Officer:
Date:

ITEM	4.2.1
	AUDIT COMMITTEE
DATE	09 April 2019
HEADING	Update on the use of generic administration accounts within business systems and solutions
AUTHOR	David Bevan, Manager Business Systems and Solutions, Business Excellence
CITY PLAN LINKS	4.3 Have robust processes that support consistent service delivery and informed decision making.
SUMMARY	This report provides the Audit Committee with an update on the resolution of a recommended action from the audit report on the information technology areas within Business Systems and Solutions relating to the use of generic administration accounts.

RECOMMENDATION

1. That the information be received by the Audit Committee.

2. That the Audit Committee note that the one generic administration account identified as part of the audit has been removed from the relevant business area. This closes out this aspect of the recommendation.

3. That the Audit Committee notes:

   a. Three generic administration accounts have been removed from the same solution, which were only in use within Business Systems and Solutions, and replaced with named user accounts.

   b. Information Technology Services, which is part of Business Systems and Solutions, will complete a review of information technology infrastructure solutions and technical administration accounts within business systems and solutions by June 2019.

   c. Business Systems and Solutions will work with functional administrators of business systems and solutions to understand whether generic administration accounts are within use in these functional areas.

ATTACHMENTS

There are no attachments to this report.

1. BACKGROUND

   1.1 As part of an audit of the information technology functions within Business Systems and Solutions it was noted that a generic administration account for an application was in use within a business function.

   1.2 The audit recommended the review of the use of generic administration accounts for applications and the action and management response are as follows:

Action	Management response
Replace all generic admin accounts where they are used, with named admin accounts for all systems	Noted. A review will be performed and implemented where feasible to do so.

2. REPORT

2.1 Audit of the information technology functions within Business Systems and Solutions

    2.1.1 The audit findings noted that a generic administration account for a business system was in use by a small number of people within a business function within the City Infrastructure department.

    2.1.2 The audit recommended a review of the use of generic administration accounts for applications.

    2.1.3 This recommendation was noted with the commitment to perform a review and implement the recommendation where feasible to do so.

2.2 Generic administration account noted in the audit

    2.2.1 A generic administration account for the City of Salisbury's geographic information system (GIS) was in use by small number of people within the City Infrastructure department.

    2.2.2 Changes have been implemented to enable those people to perform their functional role within the geographic information system without using the generic administration account.

    2.2.3 The technical administrator, within the Information Technology Services group, has deleted generic administration account from the geographic information system.

2.3 Generic administration accounts

Geographic information system

    2.3.1 The technical administrator for the geographic information system has reviewed the use of generic administration accounts in this solution.

    2.3.2 Three generic administration accounts have been identified and removed.

    2.3.3 Access to these administration areas of the application is now achieved by a named administration account that is only accessible by the individual.

Other business systems and solutions

    2.3.4 The Information Technology Services team, which has responsibility for all information technology infrastructure and the technical administration of business systems and solutions, is conducting a review of the use of generic administration accounts within its area of responsibility.

2.3.5 This work is expected to be completed by June 2019, which will inform the timetable for the remediation of any issues.

2.3.6 As noted in an earlier report to the Audit Committee, responsibility for the functional administration of a number of business systems and solutions is held within business functions.

2.3.7 As part of the wider process to understand how user access is managed within these applications, Business Systems and Solutions will work with functional administrators to understand whether generic administration accounts are in use within these functional areas.

3. CONCLUSION / PROPOSAL

3.1 Generic administration account identified by the audit

3.1.1 The generic administration account that was in use within a specific area of the City Infrastructure department has been removed from the application.

3.2 Generic administration accounts in business systems and solutions

3.2.1 Three generic administration accounts within a specific solution have been removed and replaced with named administration accounts.

3.2.2 A review of administration accounts within information technology infrastructure solutions and technical administration accounts for business systems and solutions will be completed by June 2019.

3.2.3 Business Systems and Solutions will work with functional administrators of business systems and solutions to understand whether generic administration accounts are in use within these functional areas.

CO-ORDINATION

Officer:
Date:

ITEM	4.2.2
	AUDIT COMMITTEE
DATE	09 April 2019
HEADING	Strategic risk register: Update on work to address specific aspects of risk #10 - Lack of alignment and integrity of IT systems and business processes to support business needs
AUTHOR	David Bevan, Manager Business Systems and Solutions, Business Excellence
CITY PLAN LINKS	4.3 Have robust processes that support consistent service delivery and informed decision making.

SUMMARY	This report provides the Audit Committee with an update on activities within Business Systems and Solutions relating to strategic risk #10 – Lack of alignment and integrity of IT systems and business processes to support business needs.
	This report covers (a) a revised approach to information technology-related governance, (b) the introduction of a business engagement model for senior and executive managers, and (c) work to formalize the roles and responsibilities for the technical and functional ownership of business systems and solutions.

RECOMMENDATION

1. That the information be received.

2. That the Audit Committee note various activities relating to recommendations from the program review of the former Information Services and the audit of the information technology areas of Business Systems and Solutions have been completed or are in progress to mitigate specific aspects of risk #10 in the strategic risk register relating to the lack of alignment of IT systems to support business needs.

3. That the Audit Committee note their support for the proposed governance approach of the Smart Salisbury Advisory Board and the Smart Technology committee, which are important control measures to mitigate the risk of lack of alignment of IT systems to support business needs.

ATTACHMENTS

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

1. Proposed governance structure including IT

1. BACKGROUND

   1.1   Strategic risk register

1.1.1   Risk #10 in the strategic risk register is:

Lack of alignment and integrity of IT systems and business processes to support business needs.

1.1.2   The information in this report relates to the alignment of information technology solutions relating to the *support business needs* aspect of this risk.

1.2   Program review of Information Services/audit of Business Systems and Solutions

1.2.1   The program review of the former Information Services division noted recommendations relating to this aspect of risk, as follows:

Establish ICT Strategy and Governance

- Update Charter and Procedures for IT Steering Committee

- Include ICT Governance in current corporate governance provisions

Revise the Application Steering Committee Model

- Revise Charter and Membership of Application Steering Committees

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1.2.2   The audit of the information technology functions within Business Systems and Solutions raised a number of similar recommendations relating to information technology governance, as follows:

IT steering governance committees require implementation

- Revise the terms of reference for both the Application Steering Committee and the IT Steering Committee in line with recommendations made in the program review

- Reconvene the Application and IT Steering Committees, ensuring the role of Business Systems and Solutions is well understood by the IT Steering Committee

- Ensure the membership of the IT Steering Committee includes a relevant section of City of Salisbury Executives

Continued focus is required on aligning business applications to business needs

- Ensure a consistent structure and Terms of Reference are in place to support any Application Steering Committees, as required, including the process for documenting how a decision not to have a Committee was arrived at. (The decision and responsibility for forming and running Application Steering Committees rests with the relevant business areas).

Greater awareness is required of the ownership of systems and roles and responsibilities for applications

- Ensure the business sponsor is consulted and in agreement of the application support model, with the development of a responsibility matrix for each major application and the roles and responsibilities of all parties are understood and agreed to.

- Ensure there is clear ownership of applications

1.2.3   The audit report also noted recommendations relating to business engagement as follows:

Amend Business Support structure to enable active business engagement

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- Restructure the Business Support team to have dedicated Application Support Specialists for the corporate applications, and a dedicated Business Analyst team who will actively engage and collaborate with the business to improve productivity enabled by technology.

- The IS team must increase active engagement with business, the Business Analyst team should report business productivity gains and opportunities for improvement to the Business Excellence team for consideration and action where appropriate.

1.3 This report provides an update on the following work:

1.3.1 A review of the program review and audit recommendations relating to information technology governance.

1.3.2 The restructure of the former Information Services division to enable improved business engagement.

1.3.3 Clarity on the ownership of systems and the roles and responsibilities for each application.

2. CONSULTATION / COMMUNICATION

2.1 Internal

2.1.1 General Manager, Business Excellence relating to the overarching proposal for the governance framework.

2.1.2 Risk and Governance Program Manager relating to the relationship between information technology governance and corporate governance

2.1.3 Report to the Executive on 20 November 2018 relating to a proposed business engagement model for the information technology functions within Business Systems and Solutions

2.1.4 Report to the Executive on 4 December 2018 relating to a proposed approach to information technology governance and approach to the governance of business systems and solutions.

2.2 External

2.2.1 Review of information on enterprise information technology governance from Gartner, who are a leading research and advisory organization.

3. REPORT

3.1 Information technology governance and alignment with corporate governance

3.1.1 The program review of Information Services recommended the following in relation to information technology governance:

Recommendation	**Update Charter and Procedures for IT Steering Committee** Update the charter and procedures to reflect a more strategic role, and less transactional role for the ITSC Promote the role of the IT Steering Committee to all managers within the City of Salisbury.
Management	The IS division will review the strategic plan in line with the recommendations and re-communicate the plan across the

response	organisation.
	The executive will review the role of the IT steering committee and its function moving forward including the governance structure.
Recommendation	**Include ICT Governance in current corporate governance provisions** ICT Governance must be treated with the same importance as corporate Governance. ICT Governance must not be coordinated by the IS Division Separation of the ICT Governance function from service delivery (IS team) will ensure independent oversight of compliance with ICT policy across the organisation and increase business visibility of performance and alignment of services.
Management response	The executive will review the role of the IT steering committee and its function moving forward including the governance structure.

3.1.2   The audit of the information technology functions within Business Systems and Solutions noted similar actions relating to the program review, however, was more specific in terms of the membership of the IT steering committee. The recommendations and management responses are as follows:

Recommendation	**IT Steering governance committees require implementation** Revise the Terms of Reference for both the Application Steering Committee and IT Steering Committee, in line with the recommendations made in the Program Review.
Management response	Agreed, in line with recommendations from the Program review and will be informed by the outcome of the digital strategy. A revised model for the governance of information technology and information management at operational, tactical and strategic levels will be developed based on stakeholder engagement and feedback.
Recommendation	Reconvene the Application and IT Steering committees, ensuring the role of Business Systems and Solutions is well understood by the IT Steering Committee.
Management response	Noted – see agreed action. Application and IT Steering committees will be based on the outcome of the agreed program review actions.
Recommendation	Ensure the membership of the IT Steering Committee includes a relevant selection of City of Salisbury Executives.
Management response	Noted – see response to associated recommendation.

3.1.3   The program review of Information Services recommended the following in relation to Application Steering Committees.

Recommendation	**Revise Charter and Membership of Application Steering Committees**
	Revise the Charter and membership of the Application Steering Committees to align to the ICT Steering Committee and the ICT Governance provision.
	During this process the requirement for a committee for each corporate application will be reassessed.
Management response	The executive will review the role of the IT steering committee and its function moving forward including the governance structure.

3.1.4 The audit of the information technology functions within Business Systems and Solutions recommended the following action relating to the Application Steering Committees, as follows:

Recommendation	**Continued focus is required on aligning business applications to business needs**
	Ensure a consistent structure and Terms of Reference are in place to support any Application Steering Committees, as required, including the process for documenting how a decision not to have a Committee was arrived at. (The decision and responsibility for forming and running Application Steering Committees rests with the relevant business areas).
Management response	Noted and agreed.

3.1.5 The report to the Executive (4 December 2018) noted the program review and the independent review of Business Systems and Solutions were conducted by information technology specialists.

3.1.6 Whilst the respective recommendations relating to IT steering committees are sound, the report to the Executive noted they are based on conventional best practice.

3.1.7 The report summarized research from Gartner that concluded that existing IT governance best practices are focused on IT functions and do not account for changes relating to business-led IT and decisions relating to digital transformation.

3.1.8 In their report on Establishing Governance Fundamentals for the Digital Era, Gartner noted:

> "Technology evolution is driving digital and other transformational business models, requiring a new look at IT governance"

3.1.9 And this key challenge:

> "Traditional IT governance development processes do not provide sufficient guidance for creating a scalable and adaptable governance capability."

3.1.10 In their report on *Enterprise IT Governance*, Gartner notes the following key challenge:

"Existing IT governance market best practices are primarily focused on parts of the IT function. They don't account for the shifts happening at an enterprise level in information and technology (I&T) in terms of business-led IT or the decision-making powers required for digitalization."

3.1.11 The report to the Executive (4 December 2018) recommended that the existing IT steering committee function should not be re-established as they would not address the needs of the City of Salisbury as it tackles the challenges of digital transformation, including the emergence of Smart City-thinking.

3.1.12 The report proposed a more contemporary approach that provides an organizational framework to support digital transformation (see attachment 1) that places information technology alongside – rather than above – a number of other organizational enablers as follows:

Smart Cities	• Smart mobility • Smart urban services • Smart buildings • Smart environment
Smart Customer	• Digital customer services • Digital hub • Community engagement
Smart Data	• Data governance • Data platform • Corporate performance reporting • Open data
Smart Process	• Continuous improvement • Change management • Project management
Smart Technology	• Application management • Technology infrastructure • Cyber security

3.1.13 It was proposed these five governance functions operate within a Smart Salisbury Advisory Board framework, which has executive-level responsibility for digital transformation across the City of Salisbury.

3.1.14 The function delivered by the proposed IT steering committee and the current applications steering committees will be delivered by a combination of the Smart Salisbury Advisory Board and the Smart Technology Committee.

3.1.15 The report to the Executive (4 December 2018) recommended the new structure reviews the charter and membership of the Application Steering Committees

3.1.16 The Executive approved the proposed governance model for wider socialization and feedback.

3.2 Business engagement

3.2.1 The program review of Information Services recommended the following in relation to engagement with the organisation

Recommendation	**Amend Business Support structure to enable active business engagement**
	Restructure the Business Support team to have dedicated Application Support Specialists for the corporate applications, and a dedicated Business Analyst team who will actively engage and collaborate with the business to improve productivity enabled by technology.
	The IS team must increase active engagement with business, the Business Analyst team should report business productivity gains and opportunities for improvement to the Business Excellence team for consideration and action where appropriate.
Management response	The role and structure of the Business Analysts within the Business Support team will be reviewed in order to achieve a better business outcome.

3.2.2　In mid-2016 the structure of the new Business Systems and Solutions division was changed to separate the functions of the former Business Support team, which was responsible for both the support of applications and engaging with the organisation.

3.2.3　Responsibility for support and exploitation of applications was moved into the new Information Technology Services team, which also covered responsibility for infrastructure and information security domains.

3.2.4　Responsibility for operational support for information technology solutions was consolidated within the new Service Desk team, which is the single point of contact for all employees.

3.2.5　Responsibility for engagement for the business was included in a new team Planning and Business Engagement.

3.2.6　The scope of the Planning and Business Engagement team is as follows:

- understand what is going on within the division/department from an information technology perspective
- gain a better understanding of business plans and the impacts on existing or new information technology solutions
- provide updates on digital strategy/information technology plans
- sharing information on other information technology initiatives around the organization
- support/assistance with information technology-related information for new initiative bids and projects

3.2.7　The revised business engagement model covers senior and executive managers as follows:

Stakeholder	Business partner
Chief Executive Officer	General Manager Business Excellence

	Manager Business Systems and Solutions
General Managers	Manager Business Systems and Solutions
	Team Leader Planning and Business Engagement Services
Divisional Managers	Business Engagement Analyst

3.2.8 There are two Business Engagement Analysts who have each been allocated two departments and meet divisional managers and their key stakeholders each month.

3.2.9 The Team Leader, Planning and Business Engagement and Manager, Business Systems and Solutions meet with General Managers once a quarter, while the Manager Business Systems and Solutions and General Manager Business Excellence meet the Chief Executive Officer twice a year.

3.3 Governance relating to systems and solutions in use across the organization, with particular emphasis on corporate applications

3.3.1 The program review of Information Services recommended the following in relation to Application Steering Committees.

Recommendation	**Revise Charter and Membership of Application Steering Committees**
	Revise the Charter and membership of the Application Steering Committees to align to the ICT Steering Committee and the ICT Governance provision.
	During this process the requirement for a committee for each corporate application will be reassessed.
Management response	The executive will review the role of the IT steering committee and its function moving forward including the governance structure.

3.3.2 The audit of the information technology functions within Business Systems and Solutions recommended the following action relating to the alignment of business applications to business needs and refers to the Application Steering Committees, as follows:

Recommendation	**Continued focus is required on aligning business applications to business needs**
	Ensure a consistent structure and Terms of Reference are in place to support any Application Steering Committees, as required, including the process for documenting how a decision not to have a Committee was arrived at. (The decision and responsibility for forming and running Application Steering Committees rests with the relevant business areas).
Management response	Noted and agreed.

3.3.3 The report to the Executive (4 December 2018) recommended that the Smart Technology function reviews the charter and membership of

Application Steering Committees to address the similar recommendations from the program review and the audit.

3.3.4 The audit of the information technology functions within Business Systems and Solutions also noted improving the clarity of the ownership of systems and roles and responsibilities for applications, as follows:

Recommendation	**Greater awareness is required of the ownership of systems and roles and responsibilities for applications**
	Ensure the business sponsor is consulted and in agreement of the application support model, with the development of a Responsibility Matrix for each major application, and the roles and responsibilities of all parties are understood and agreed to.
Management response	Noted. This process will be done for all major corporate applications. Follow the example of management and support structure for Empower.

3.3.5 The report to the Executive (4 December 2018) noted that while there were a number of applications where functional ownership was clear, there is no definitive list or schedule of applications and their owners.

3.3.6 The report recommended that Business Systems and Solutions work with divisional managers to develop a definitive list of applications and identify the correct role(s) within the organisation to be the functional or business owner of each application.

3.3.7 This work is almost complete and the outcome will be summarized in a report to the Executive in May 2019.

3.3.8 The report to the Executive (4 December 2019) also noted the high level roles and responsibilities of the functional owner and the technical owner of an application.

3.3.9 The report also included a template of a document detailing how an application would be managed, including roles and responsibilities.

3.3.10 Following agreement of the functional owners, Business Systems and Solutions will work with functional owners to develop the application management document(s) for their solutions.

4. CONCLUSION / PROPOSAL

4.1 Alignment of IT systems to support business needs

4.1.1 This report provides an update to the Audit Committee on the progress of a number of actions as a result of the program review of the former Information Services and the more recent audit of the information technology functions within Business Systems and Solutions relating to the alignment of IT systems to support business needs.

4.2 IT Governance

4.2.1 This report summarizes the proposal to the Executive to replace the IT steering committee structure, which is not considered as the most appropriate governance solution for the City of Salisbury, with a multi-

layered governance model that includes information technology within a framework of other organizational enablers.

4.2.2 This work will deliver a more relevant governance framework, which includes IT, as part of a wider business-led IT model.

4.2.3 Feedback is sought from the Audit Committee relating to the proposed governance approach of the Smart Salisbury Advisory Board and the Smart Technology Committee and their role in mitigating the risk of lack of alignment of IT systems to support business needs.

4.3 Business engagement

4.3.1 This report summarizes the work that has been completed to restructure the information technology functions of the Business Systems and Solutions division to establish a function that is responsible for engagement with senior and executive managers.

4.3.2 This function is operational with Business Engagement Analysts meeting senior managers each month, with similar meetings held with executive managers once a quarter.

4.4 Clarity on the ownership of systems and the roles and responsibilities for each application.

4.4.1 This report provides an overview of the work associated with documenting the business systems and solutions in service within the City of Salisbury and the process to identify ownership of systems, including clarity of the roles and responsibilities associated with the management of applications.

4.4.2 The completion of the first phase of this work, expected May 2019, will formalize functional owners for all business systems and solutions.

4.4.3 High level roles and responsibilities have been developed and from June 2019, Business Systems and Solutions will lead an initiative to work with functional application owners to jointly complete an application management document.

CO-ORDINATION

Officer:
Date:

Proposed Governance Structure

Smart Salisbury Advisory Board

FOCUS
- Digital Transformation
- Digital Strategy
- IT Strategy

MEMBERSHIP
- CEO
- General Managers (if not Chair of one of the groups)
- Chairs of Smart Committees 1 to 2 External Industry leaders Manager Governance

ACTIONS
- Endorsement of Strategies from Smart Committees
- Endorsement of Frameworks
- Endorsement of Policies & Procedures
- Project Prioritisation

Smart Cities

FOCUS
- Smart Mobility
- Smart Urban Services
- Smart Buildings
- Smart Environment

ACTION
- Education on Smart Cities (community and organisation
- Grant Funding Applications
- Smart City Strategic Plan
- Smart City Action Plan

MEMBERSHIP
- GM (Chair)
- Managers who design, build and maintain assets
- Managers who provide services direct to the Community
- Managers who impact the natural environment

Smart Customer

FOCUS
- Digital Customer Services
- Omni Channel Customer Services
- Digital Hub
- Community Engagement

ACTION
- Customer Service Framework
- Customer Engagement Framework
- Customer Experience
- Social Media
- Public Website(s)

MEMBERSHIP
- GM (Chair)
- Managers who engage directly with the Community
- Managers who provide internal customer services

Smart Data

FOCUS
- Data Governance
- Data Infrastructure/ platform
- Corporate Performance Reporting
- Open Data

ACTION
- Data Governance Framework
- Establish & maintain data decision rights
- Establish & maintain data accountability
- Data issue resolution
- Data integration
- Data publishing authorisation

MEMBERSHIP
- GM (Chair)
- Managers who are data owners in corporate systems

Smart Process

FOCUS
- Continuous Improvement
- Change Management
- Project Management

ACTION
- Establish & maintain central process repository
- Process transformation governance
- Change projects prioritisation

MEMBERSHIP
- GM (Chair)
- Managers who manage projects
- Managers who manage organisational change
- Specialists in continuous improvement

Smart Technology Services

FOCUS
- Application Management
- Technology Infrastructure
- IT Policies & Procedures
- IT Strategic Plan
- Cyber Security

ACTION
- Technology change management
- Application upgrade planning
- Technology investments
- Application reviews
- Security Audits
- Application Integration

MEMBERSHIP
- GM (Chair)
- Managers who own corporate systems
- Technology Specialists

Establish strategic direction

VISION → MISSION → STRATEGY → GOALS → OBJECTIVES

Execute strategy and manage risk

Ensure compliance with corporate policies, standards and procedures

ITEM	4.2.3
	AUDIT COMMITTEE
DATE	09 April 2019
HEADING	Draft 2019/20 Annual Plan and Budget
AUTHOR	Kate George, Manager Financial Services, Business Excellence
CITY PLAN LINKS	4.3 Have robust processes that support consistent service delivery and informed decision making.
SUMMARY	The draft Annual Plan and Long Term Financial Plan is presented to the Audit Committee for consideration prior to presentation to Council for endorsement in the April round of meetings for Public Consultation.

RECOMMENDATION

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) Local Government Act 1999 and has provided part 3 for consideration.

3. Recognising that City of Salisbury is in a strong financial position, the rate scenarios that retain capacity to respond to emerging community needs and external impacts, and provide ongoing financial sustainability are:

    - Rate increase of CPI+0.6% over the 10 years

    - Rate increase of CPI+0.6% over the 10 years, with a one-off increase of only 2% in 2019/20.

    - Rate increase of ….

    - Rate increase of ….

ATTACHMENTS

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

1. Budget Workshop 3 Item 1 Budget Status Update 27 March 2019

2. Long Term Financial Plan Scenario Graphs

3. Draft Annual Plan 2019/20

1. BACKGROUND

1.1 The Annual Budget process is in progress with Council, with workshops during February and March, and the utilisation of the Budget and Finance Committee Meetings.

1.2   A Draft 2019/20 Annual Plan and Budget which incorporates the Long Term Financial Plan has been developed for Council's consideration prior to circulating for public consultation.

1.3   The Draft Annual Plan attached has yet to be considered by Council, and the rate increase for consultation has also yet to be determined by Council.

2.   CONSULTATION / COMMUNICATION

2.1   Internal

2.1.1   There has been engagement across the organisation in preparing the draft operating budget and budget bids. The Executive has extensively reviewed the draft budget to refine and endorse for presentation to Elected Members. There have been a series of workshops and meetings with Council to enable discussion and review of the draft budget, including budget bids and long term financial plan.

2.2   External

2.2.1   Nil to date, noting that community consultation will commence in May following endorsement by Council of a Draft Budget and Annual Plan.

Report

2.3   Budget Update and Long Term Financial Plan

2.3.1   Attached is the Budget Status Update that was considered by Elected Members at the Budget Workshop 3 held on 27 March 2019. The document provides details of the budget, and also long term financial plan (LTFP) scenarios.

2.3.2   The LTFP scenarios were presented at the Workshop with a total of 9 scenarios provided, based on feedback from elected members at the Elected Member Weekend 16 February. A presentation summarizing the LTFP will also be provided to the Audit Committee as part of this agenda item. The table below summarized the outcome for financial sustainable indicators resulting from each of the scenarios, with graphs provided in Attachment 2:

		OSR	NFLR		ARFR
	1. Rates @ CPI+0.6% (currently endorsed approach)	✓	✓	↑	✓
	1a. Rates @ CPI+0.6%, Yr1 @2%	✓	▽	↑	✓
	1b. Rates @ CPI+0.6%, Yr1&2 @2%	✗	▽	↑	✓
	1c. Rates @ CPI+0.6%, Yr1-3 @2%	✗	✗	↓	✓
	2. Rates @ CPI	✗	✗	↓	✓
	3. Rates @ 2%	✗	✗	↓	✓
	4. Rates @ 1.5%	✗	✗	↓	✓
	5. Rates @ 1%	✗	✗	↓	✓
	6. Rates @ 0%	✗	✗	↓	✓

OSR ~ Operating Surplus Ratio
NFLR ~ Net Financial Liabilities Ratio
ASR ~Asset Renewal Funding Ratio

2.3.3 The presentation was well received with no additional scenarios being required at this time. As Council is yet to determine a rate increase, a CPI+0.6% in year 1 and ongoing, has been used as the basis for preparing the Draft Budget and Annual Plan and the LTFP for formal consideration at the Budget and Finance Committee 15 April 2019.

2.4 Annual Plan Consultation

2.4.1 Public consultation will be conducted during May with the closing date for submissions being Wednesday 29 May 2019. Time will be made available at the commencement of the Council Meeting on the 27 May 2019 for verbal representations.

2.4.2 Advertising will be placed in the Messenger on Wednesday 8 May 2019, and copies of the Annual Plan will be made available on the City of Salisbury website, social media platforms, at Recreation Centres, Libraries and Community Centres. Public comment is invited either by letter, email, phone or attendance at the May Council meeting. Additionally the website provides the option to make a submission or to ask a question in relation to the Annual Plan by clicking on an embedded link.

3. CONCLUSION / PROPOSAL

3.1 Council is well placed for the Budget and Annual Plan to be considered and endorsed in April for public consultation in May, and we would welcome feedback from the Audit Committee prior to seeking this endorsement of Council, also noting that S126(4)(ab) includes the review of the annual plan and long term financial plan as part of the functions of the Audit Committee.

CO-ORDINATION

Officer:
Date:

ITEM	1
	BUDGET WORKSHOP - INFORMAL
DATE	27 March 2019
HEADING	Budget Status Update
AUTHOR	Kate George, Manager Financial Services, Business Excellence
CITY PLAN LINKS	4.3 Have robust processes that support consistent service delivery and informed decision making
SUMMARY	This report provides an update on the changes to the budget following the First and Second Budget Workshops, held on 27 February and 5 March 2019, to ensure that the budget is transparently reported to Members. It also provides different rating options and financial outcomes of these options for councils consideration.
	The budget provides for city pride initiatives, improvements in sporting facilities, increased focus on customer service and community activation, the delivery of community hubs, aligns to strategic principles and with an ongoing CPI+0.6% rate increase the Council remains financially sustainable. Due to the strong financial position of the organisation, Council have the option of having a one-off lower rate increase of 2% in 2019/20, with CPI+0.6% however, this does reduce our financial capacity whilst remaining within the currently endorsed financial sustainability targets.

ATTACHMENTS

1. 2019/20 Consolidated Summary

1.   **BACKGROUND**

1.1   Elected Members have been provided an overview of the budget through budget workshops 1 and 2. This discussion paper provides an update on the changes to the budget following these Workshops to ensure that the budget is transparently reported to Members.

2.   **CONSULTATION / COMMUNICATION**

2.1   Internal

2.1.1   Internal – there has been extensive activity within the organisation to provide members with well-formed information for consideration prior to public consultation.

2.2   External

2.2.1   External consultation of the Annual Plan and Budget is scheduled for May.

3.   **REPORT**

3.1   Members will find attached the Consolidated Summary reflecting the current status of the budget. The budget provides for city pride initiatives, improvements in sporting facilities, the delivery of community hubs, aligns to strategic principles and incorporates a significant capital works program as detailed in budget bids and the associated March Budget and Finance Report.

Operating Budget

3.2   There have been no changes to the operating surplus since the Second Budget Workshop 5 March 2019. As we are still refining the budget any changes will be itemised on page 2 of future Consolidated Summaries.

3.3   The following change to Operating Bids have occurred since Council last reviewed the Budget Bids 18 March 2019 at the Budget and Finance meeting and will be included in the April Budget and Finance agenda:

3.3.1   OPN000404 Historical Methodist Cemetery Stage 1 Upgrade has been updated to reflect the expenditure being classified as Capital rather than Operating. As we do not own the asset the initial approach to classify this as operating expenditure, however, given that Council will continue to maintain this site we are taking care and control, and this results in these being capital.

Capital Program

3.4   Council resolved inclusions into the budget at Council 25 March 2019, and these will be reflected into the Budget Status Update report on the April Budget and Finance agenda due to the short lead times between the Council meeting and tonight's workshop. Items for inclusion in future financials are:

3.4.1   PSN000382 Elected Member Bid: Desyllas Drive Playground at Direk be included in PSN000275 Playspace / Playground Program, with an increase in the program of $110,000 in 2019/20, given the needs of the growing community, and reflecting that the open space has only recently been handed over to Council.

3.4.2   That updated PSN000398 Elected Member Bid: Netball Courts be noted, and that this bid be included in the Parks and Streetscapes category within infrastructure bids.

3.4.3   PSN000405 Elected Member Bid for a shade sail at Para Hills Community Hub be fully funded up to the value of $30,000.

3.4.4   PSN000364 Elected Member Bid: Tregoning Green Upgrade (Salisbury Park) be considered as part of the 2019/2020 budget process but at a neighbourhood playground and to include improvement of the pedestrian network within the reserve and a further report that details the scope of work and the required budget be presented to Council.

3.4.5   PSN000370 Elected Member Bid Pioneer Avenue Reserve Upgrade perimeter pathway component be included within PSN000263 Reserve Upgrade Program, with an $11,900 increase in the bid in 2020/21, and bid PSN000370 be removed from the 2019/20 budget bids.

3.5   The following projects have not been included at this time as they are still in the development / conceptual stage at this time:

- City Centre and Mawson Lakes car parking
- Church Street Extension stage 2
- Bennet Road Drain
- Dry Creek Water Harvesting
- St Kilda Stages 3 & 4
- Northern Connector donated assets / financial contributions
- Public realm upgrade for railway electrification

Operating Surplus

3.6   The Consolidated Summary Options reflect rate increases of 1.5%, 2.0% and 2.5% (CPI+0.6%). Rates growth of 1.0% is included in each option which is consistent the average growth in recent years (2018/19 1.3%, 2017/18 0.6%, 2016/17 was 1.0%), and noting that at this time Valuation data is pending. These assumptions are circled below in blue.

3.7   Council have also set a target range for the Operating Surplus Ratio of 0.5% to 5%, with this to be further considered in April 2019.

3.8   The operating surplus/deficit information is highlighted by the red circle below, with year one being the green line. The surpluses provided for under the three scenarios in year 1 are all within the currently endorsed target range for the indicator. However, 1.5% and 2.0% rate increase scenarios are not sustainable as an ongoing level of rate increase, with year 5 (purple) and year 10 (orange) resulting in deficits, and operating surplus ratios outside of the target range. CPI+0.6% is sustainable in the longer term as well as year 1.

	2018/19 Budget	2019/20 Option 1 1.50%	%	2019/20 Option 2 2.00%	%	2019/20 Option 3 CPI + 0.6% 2.50%	%
	$	$		$		$	
OPERATING BUDGET SUMMARY							
Base Operating Budget (excluding rates)							
Expenditure as at 27th March 2019		116,212,789	1.2%	116,212,789	1.2%	116,212,789	1.2%
Operating Budget Bids		1,766,234		1,766,234		1,766,234	
Expenditure	114,785,227	117,979,023	2.8%	117,979,023	2.8%	117,979,023	2.8%
Income as at 27th March 2019		21,348,746	-0.4%	21,348,746	-0.4%	21,348,746	-0.4%
Operating Budget Bids		156,654		156,654		156,654	
Income	21,429,920	21,505,400	0.4%	21,505,400	0.4%	21,505,400	0.4%
Operating Net Bid (excluding Rate Revenue)	93,355,307	96,473,623	3.3%	96,473,623	3.3%	96,473,623	3.3%
Rate Revenue							
Proposed Rate Increase	2.00%	1.50%		2.00%		2.50%	
Growth	1.30%	1.00%		1.00%		1.00%	
Total Increase	3.30%	2.50%		3.00%		3.50%	
Rate Revenue - Base 2017/18 $93988746	96,941,771	99,365,000		99,850,000		100,335,000	
Operating Surplus/(Deficit) including Business Units	3,586,464	2,891,377		3,376,377		3,861,377	
Operating Surplus Ratio	3.03%	2.39%		2.78%		3.17%	
Operating Surplus/(Deficit) including Business Units LTFP YEAR 5		(11,285,408)		(2,211,105)		3,335,911	
Operating Surplue Ratio LTFP YEAR 5		(8.9%)		(1.6%)		2.4%	
Operating Surplus/(Deficit) including Business Units LTFP YEAR 10		(36,607,776)		(13,769,661)		2,359,960	
Operating Surplue Ratio LTFP YEAR 10		(26.6%)		(8.9%)		1.4%	

3.9   Council have determined that the operating surplus should be set in line with the following principles, which will be considered formally at the April Budget and Finance Meeting:

    3.9.1   Business Unit surpluses are quarantined so that City of Salisbury remains financially sustainable without these commercial returns. This is important as commercial returns can be quite variable due to the associated business risk. Further once a level of return is passed through in a budget year, this same level must be achieved in each future year or rates will increase as a result.

    3.9.2   Interest savings from the application of property development proceeds have been excluded from rate setting in recent years so that property development provides benefit to the community in the 2019/20 through having built financial capacity. This has been a successful approach which can be considered in future year budgets.

    3.9.3   Impacts from one-off income should be excluded in setting rates to avoid unnecessary rate fluctuations, noting that none have been identified at this stage for the 2019/20 budget.

3.10   Highlighted in the image below (circled in green) is the underlying surpluses, that is the surplus removing the impacts of Business Unit surpluses, interest savings from property development and the impacts of one-off income. All 3 scenarios are sustainable in year 1, however the issues with 1.5% and 2% in the longer term remain.

Consolidated Budget Summary 2019/20 as at 27th March 2019								
	2018/19 Budget	2019/20 Option 1 1.50%		2019/20 Option 2 2.00%		2019/20 Option 3 CPI + 0.6% 2.50%	
OPERATING BUDGET SUMMARY	$	$	%	$	%	$	%
Base Operating Budget (excluding rates)							
Expenditure as at 27th March 2019		116,212,789	1.2%	116,212,789	1.2%	116,212,789	1.2%
Operating Budget Bids		1,766,234		1,766,234		1,766,234	
Expenditure	114,785,227	117,979,023	2.8%	117,979,023	2.8%	117,979,023	2.8%
Income as at 27th March 2019		21,348,746	-0.4%	21,348,746	-0.4%	21,348,746	-0.4%
Operating Budget Bids		156,654		156,654		156,654	
Income	21,429,920	21,505,400	0.4%	21,505,400	0.4%	21,505,400	0.4%
Operating Net Bid (excluding Rate Revenue)	93,355,307	96,473,623	3.3%	96,473,623	3.3%	96,473,623	3.3%
Rate Revenue							
Proposed Rate Increase	2.00%	1.50%		2.00%		2.50%	
Growth	1.30%	1.00%		1.00%		1.00%	
Total Increase	3.30%	2.50%		3.00%		3.50%	
Rate Revenue - Base 2017/18 $93988746	96,941,771	99,365,000		99,850,000		100,335,000	
Operating Surplus/(Deficit) including Business Units	3,586,464	2,891,377		3,376,377		3,861,377	
Operating Surplus Ratio	3.03%	2.39%		2.78%		3.17%	
Operating Surplus/(Deficit) including Business Units LTFP YEAR 5		(11,285,408)		(2,211,105)		3,335,911	
Operating Surplue Ratio LTFP YEAR 5		(8.9%)		(1.6%)		2.4%	
Operating Surplus/(Deficit) including Business Units LTFP YEAR 10		(36,607,776)		(13,769,661)		2,359,960	
Operating Surplue Ratio LTFP YEAR 10		(26.6%)		(8.9%)		1.4%	
Adjustments							
Water Business Unit Surplus - Transfer to Reserves	402,910	427,758		427,758		427,758	
Interest cost savings through application of PDR	1,704,600						
Underlying Surplus/(Deficit)	1,478,954	2,463,619		2,948,619		3,433,619	
Underlying Operating Surplus Ratio	1.25%	2.04%		2.43%		2.82%	
Underlying Surplus/(Deficit) including Business Units LTFP YEAR 5		(11,723,860)		(2,638,863)		2,908,153	
Operating Surplue Ratio LTFP YEAR 5		(8.9%)		(1.6%)		2.1%	
Underlying Surplus/(Deficit) including Business Units LTFP YEAR 10		(37,035,534)		(14,197,419)		1,932,202	
Operating Surplue Ratio LTFP YEAR 10		(26.6%)		(8.9%)		1.1%	

3.11   It is also appropriate to have a surplus, given that there are always some areas of uncertainty in formulating the budget, Risks include rates growth at less than 1.0% (as occurred two years ago), Grant decreases, higher levels of SA Housing Trust transfer of housing assets to Community Housing Associations, and impacts of the State Budget and potential legislative changes.

3.12   In the past three years there has been expansion of service provision with funds allocated for increased verge mowing, the provision of Little Para Golf Course, expanded flood management program, and also additional funding for streetscapes, reduced income from and expansion of the hard waste service $220k, and general cost containment through changes in procurement practices. Additionally Council has faced significant increases over the past three years with increases in the EPA levy, and higher energy costs. Council also resolved to not increase dog fees which is an $80k impact into 2019/20, and adds to the impact in 2018/19 to be $160k with the same decision having been made.

3.13   In line with our normal practice growth for new assets coming on stream has been included in the 2019/20 budget, with budgets provided City Infrastructure. Additionally a growth provision has been created for business transformation with a provision of $1,000k created. The rationale for this provision is that:

- There is a planned fundamental change in our approach to become a customer centric organisation and shift away from transactional processing

- This is associated with a change in our business model

- There is a renewed focus on community activation and community service

- These changes are supported by technology (active network, digital platforms)

- These changes are enabling efficiency to delivered in our current business practices and lead to an improved customer experience

- Not all of the opportunities and changes are known, and this level of provision provides Council with the opportunity to shape the future direction of service and activation

These factors combine to influence the quantum of the provision, and provide Council flexibility to shape the future whilst enabling Council to consider a lower one-off rate increase of 2% in 2019/20.

3.14   Depreciation has been extensively reviewed in the 2019/20 budget. Members may remember that there was a change in accounting treatment required by the Australian Accounting Standard Board (AASB). The board determined that assets could no longer have a residual value that reflected materials being reused (such as road materials being reused in the reconstruction of a road). This removal of residual values was expected to have a significant financial impact, as depreciation would then be based on a higher value, and we estimated this impact into the 2018/19 budget. During the 2017/18 end of financial year process we reviewed and refined our assets to split components of assets in a more detailed way, and reviewed the associated useful lives of these components. This more detailed and accurate approach fits within the AASB requirements, and helps to reduce the impact of the removal of residuals. Typically depreciation would increase around $1.1M per annum with new assets coming on steam, and the

impact of asset revaluation, however depreciation movement from 2018/19 to 2019/20 is only $587k.

3.15 The ability for Council to manage these costs pressures has been possible due to the sound financial management adopted by Council over many years. It is appropriate for Council to continue to ensure it has the ability to respond to any unplanned events.

3.16 In considering the level of rate increase, Council should not only consider the one year impact but also the longer term outcomes. A stable and manageable level of rating has allowed Council to sustainably meet the community's needs while also fund major community assets.

3.17 The Long Term Financial Plan provides important perspectives on the ongoing financial sustainability of Council, with the scenarios presented through the presentation tonight displayed in the table below:

		OSR	NFLR	ARFR
	1. Rates @ CPI+0.6% (currently endorsed approach)	✓	✓ ↑	✓
	1a. Rates @ CPI+0.6%, Yr1 @2%	✓	▽ ↑	✓
	1b. Rates @ CPI+0.6%, Yr1&2 @2%	✗	▽ ↑	✓
	1c. Rates @ CPI+0.6%, Yr1-3 @2%	✗	✗ ↓	✓
	2. Rates @ CPI	✗	✗ ↓	✓
	3. Rates @ 2%	✗	✗ ↓	✓
	4. Rates @ 1.5%	✗	✗ ↓	✓
	5. Rates @ 1%	✗	✗ ↓	✓
	6. Rates @ 0%	✗	✗ ↓	✓

OSR ~ Operating Surplus Ratio

NFLR ~ Net Financial Liabilities Ratio

ARFR ~ Asset Renewal Funding Ratio

3.18 Rate increases of CPI+0.6% is sustainable over the life of the plan, as is CPI+0.6% with a one-off lower increase in year 1 of 2%. However, it should be noted that a one-off low rate increase not only impacts on the income for the current year, but for all future years, as it sets rates at a lower base. The difference in operating surplus over the life of the plan by providing a one-off 2% rate increase totals $6,739k accumulated over the life of the plan. This also flows into borrowings with an additional $484k required in year 1 as a direct result of a 2% rate increase rather than 2.5%, and a total additional borrowing of $6,739k over the life of the plan.

GENERAL PURPOSE BORROWINGS

3.19 Within the rate increase options below, our Indicative Borrowings ranges from $7.4m through to $8.3m. The operating surplus generated also impacts on the loan borrowings, as larger surpluses reduce our need to borrow funds externally. In May we will put a report to Council to establish a cash advance debenture factility to provide the budgeted borrowing requirements, together with the requirements for 2018/19.

Consolidated Budget Summary 2019/20 as at 27th March 2019							
	2018/19	2019/20		2019/20		2019/20	
	Budget	Option 1		Option 2		Option 3 CPI + 0.6%	
		1.50%		2.00%		2.50%	
	$	$	%	$	%	$	%
CAPITAL FUNDING SUMMARY							
Other - Non Operating Items							
Add Back Depreciation - non cash item	26,599,463	27,181,435		27,181,435		27,181,435	
Transfer from Reserves - Footpath & Street Tree Reserve	200,000	205,000		205,000		205,000	
Transfer from Reserves - Open Space Reserve	100,000	100,000		100,000		100,000	
Transfer from Reserves - Drainage	360,000	50,000		50,000		50,000	
Net gain (loss) on disposal or revaluation of assets	515,000	377,300		377,300		377,300	
Loan Principal Repayments	(2,141,752)	(1,978,341)		(1,978,341)		(1,978,341)	
Total Other	25,632,711	25,935,394		25,935,394		25,935,394	
Funding Available for Capital	29,219,175	28,826,771		29,311,771		29,796,771	
Indicative Borrowing Requirements							
General Purpose Borrowings / (Investments)	15,456,715	7,156,829		6,671,829		6,186,829	
Business Unit Borrowings	821,000	1,168,000		1,168,000		1,168,000	
Total Indicative Borrowings	16,277,715	8,324,829		7,839,829		7,354,829	
Application of Cash Reserves	16,277,715						
Net Borrowings/(Investment)	-	8,324,829		7,839,829		7,354,829	
Total Available for Capital	45,496,890	37,151,600		37,151,600		37,151,600	
Capital Budget Bids (Net)							
Business Units Capital Investment	821,000	1,168,000		1,168,000		1,168,000	
Plant Furniture & Equipment	3,581,000	1,666,700		1,666,700		1,666,700	
Information Technology	893,000	100,000		100,000		100,000	
Infrastructure, including Project Support Team	40,201,890	34,216,900		34,216,900		34,216,900	
Total	45,496,890	37,151,600		37,151,600		37,151,600	
Funding Surplus/(Deficit)							

4.   CONCLUSION / PROPOSAL

4.1   The budget provides for city pride initiatives, improvements in sporting facilities, the delivery of community hubs, aligns to strategic principles and with an ongoing CPI+0.6% rate increase the Council remains financially sustainable. Due to the strong financial position of the organization, Council have the option of having a one-off lower rate increase of 2% in 2019/20, with CPI+0.6% thereafter resulting in achievement of financial sustainability targets.

4.2   The consolidated summary provides options for rate increases and associated operating surpluses and borrowings for Council consideration. Gaining Elected Members' perspectives about these options at this time will assist in the next steps of the budget process which include the preparation of the annual plan for public consultation for Council's consideration in April.
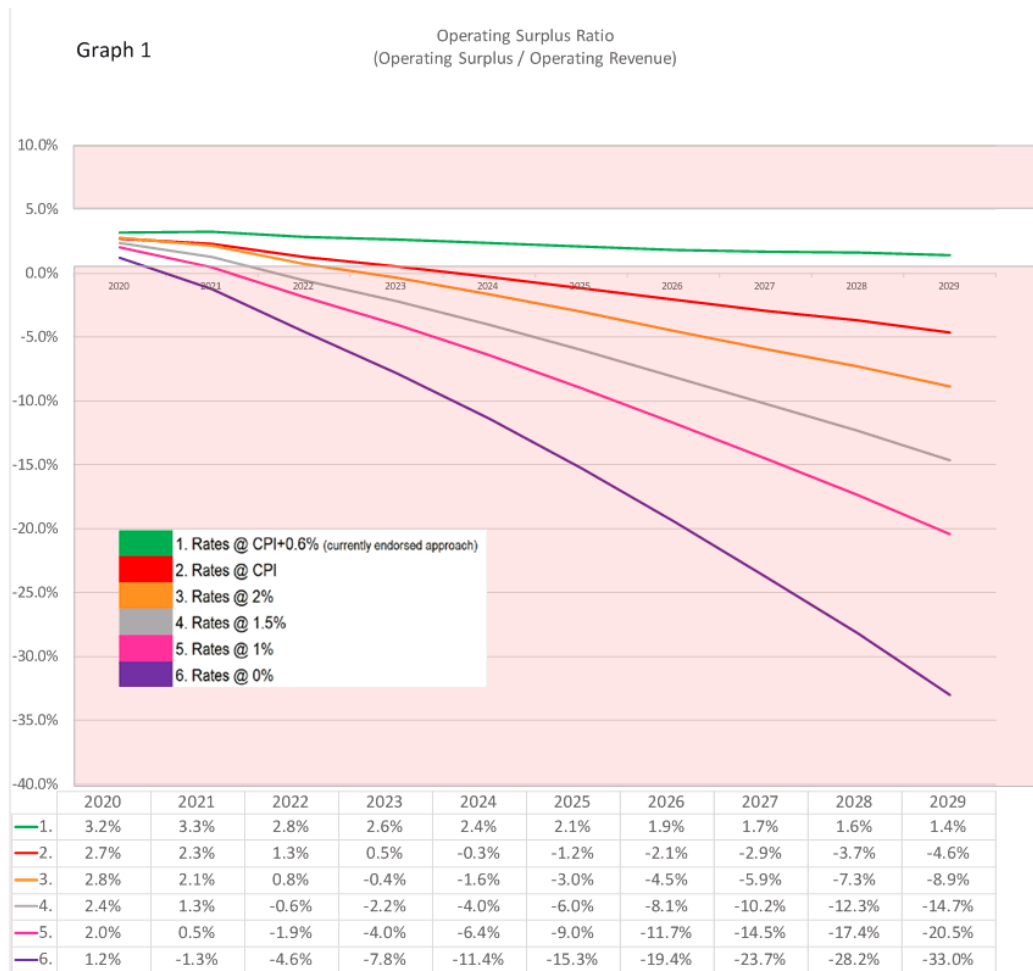
Consolidated Budget Summary 2019/20 as at 27th March 2019							
	2018/19	2019/20		2019/20		2019/20	
	Budget	Option 1		Option 2		Option 3 CPI + 0.6%	
		1.50%		2.00%		2.50%	
	$	$	%	$	%	$	%
OPERATING BUDGET SUMMARY							
Base Operating Budget (excluding rates)							
Expenditure as at 27th March 2019		116,212,789	1.2%	116,212,789	1.2%	116,212,789	1.2%
Operating Budget Bids		1,766,234		1,766,234		1,766,234	
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Income as at 27th March 2019		21,348,746	-0.4%	21,348,746	-0.4%	21,348,746	-0.4%
Operating Budget Bids		156,654		156,654		156,654	
Income	21,429,920	21,505,400	0.4%	21,505,400	0.4%	21,505,400	0.4%
Operating Net Bid (excluding Rate Revenue)	93,355,307	96,473,623	3.3%	96,473,623	3.3%	96,473,623	3.3%
Rate Revenue							
Proposed Rate Increase	2.00%	1.50%		2.00%		2.50%	
Growth	1.30%	1.00%		1.00%		1.00%	
Total Increase	3.30%	2.50%		3.00%		3.50%	
Rate Revenue - Base 2017/18 $93988746	96,941,771	99,365,000		99,850,000		100,335,000	
Operating Surplus/(Deficit) including Business Units	3,586,464	2,891,377		3,376,377		3,861,377	
Operating Surplus Ratio	3.03%	2.39%		2.78%		3.17%	
Operating Surplus/(Deficit) including Business Units LTFP YEAR 5		(11,285,408)		(2,211,105)		3,335,911	
Operating Surplue Ratio LTFP YEAR 5		(8.9%)		(1.6%)		2.4%	
Operating Surplus/(Deficit) including Business Units LTFP YEAR 10		(36,607,776)		(13,769,661)		2,359,960	
Operating Surplue Ratio LTFP YEAR 10		(26.6%)		(8.9%)		1.4%	
Adjustments							
Water Business Unit Surplus - Transfer to Reserves	402,910	427,758		427,758		427,758	
Interest cost savings through application of PDR	1,704,600						
Underlying Surplus/(Deficit)	1,478,954	2,463,619		2,948,619		3,433,619	
Underlying Operating Surplus Ratio	1.25%	2.04%		2.43%		2.82%	
Underlying Surplus/(Deficit) including Business Units LTFP YEAR 5		(11,723,860)		(2,638,863)		2,908,153	
Operating Surplus Ratio LTFP YEAR 5		(8.9%)		(1.6%)		2.1%	
Underlying Surplus/(Deficit) including Business Units LTFP YEAR 10		(37,035,534)		(14,197,419)		1,932,202	
Operating Surplue Ratio LTFP YEAR 10		(26.6%)		(8.9%)		1.1%	
CAPITAL FUNDING SUMMARY							
Other - Non Operating Items							
Add Back Depreciation - non cash item	26,599,463	27,181,435		27,181,435		27,181,435	
Transfer from Reserves - Footpath & Street Tree Reserve	200,000	205,000		205,000		205,000	
Transfer from Reserves - Open Space Reserve	100,000	100,000		100,000		100,000	
Transfer from Reserves - Drainage	360,000	50,000		50,000		50,000	
Net gain (loss) on disposal or revaluation of assets	515,000	377,300		377,300		377,300	
Loan Principal Repayments	(2,141,752)	(1,978,341)		(1,978,341)		(1,978,341)	
Total Other	25,632,711	25,935,394		25,935,394		25,935,394	
Funding Available for Capital	29,219,175	28,826,771		29,311,771		29,796,771	
Indicative Borrowing Requirements							
General Purpose Borrowings / (Investments)	15,456,715	7,156,829		6,671,829		6,186,829	
Business Unit Borrowings	821,000	1,168,000		1,168,000		1,168,000	
Total Indicative Borrowings	16,277,715	8,324,829		7,839,829		7,354,829	
Application of Cash Reserves	16,277,715						
Net Borrowings/(Investment)	-	8,324,829		7,839,829		7,354,829	
Total Available for Capital	45,496,890	37,151,600		37,151,600		37,151,600	
Capital Budget Bids (Net)							
Business Units Capital Investment	821,000	1,168,000		1,168,000		1,168,000	
Plant Furniture & Equipment	3,581,000	1,666,700		1,666,700		1,666,700	
Information Technology	893,000	100,000		100,000		100,000	
Infrastructure, including Project Support Team	40,201,890	34,216,900		34,216,900		34,216,900	
Total	45,496,890	37,151,600		37,151,600		37,151,600	
Funding Surplus/(Deficit)							

1. Consolidated Summary 2019-20 - 27 March 2019

Proposed Budget Adjustments to Consolidated Summary as at 27th March 2019	
Changes from Base Operating Budget as at 27th March 2019	
Expenditure	**$**
Expenditure as at 5th March 2019	116,212,789
Adjustments:-	
• NA	
Total Adjustments	
Expenditure as at 27th March 2019	116,212,789
Income	
Income as at 5th March 2019	21,348,746
Adjustments:-	
• NA	
Total Adjustments	
Income as at 27th March 2019	21,348,746
Changes from Operating Budget Bids as at 27th March 2019	
Operating Budget Bids	**$**
Operating Budget Bids (Expenditure) - as at 5th March 2019	1,843,234
Adjustments:-	
• OPN000404 Historical Methodist Cemetery Stage 1 Upgrade - moved to capital	77,000
Total Adjustments	77,000
Operating Budget Bids (Expenditure) as at 27th March 2019	1,766,234
Operating Budget Bids (Income) - as at 5th March 2019	156,654
Adjustments:-	
• NA	
Total Adjustments	
Operating Budget Bids (Income) as at 27th March 2019	156,654
Changes from Infrastructure Budget Bids as at 27th March 2019	
Net Infrastructure Budget Bids	**$**
Net Infrastructure Budget Bids as at 5th March 2019	34,139,900
Adjustments:-	
• PSN000404 Historical Methodist Cemetery Stage 1 Upgrade - moved from operating	(77,000)
Total Adjustments	(77,000)
Infrastructure Budget Bids as at 27th March 2019	34,216,900
Changes from PF&E Budget Bids as at 27th March 2019	
PF&E Budget Bids	**$**
PF&E Budget Bids as at as at 5th March 2019	1,666,700
Adjustments:-	
• NA	
Total Adjustments	
PF&E Budget Bids as at 27th March 2019	1,666,700
Changes from IT Budget Bids as at 27th March 2019	
IT Budget Bids	**$**
IT Budget Bids as at 5th March 2019	100,000
Adjustments:-	
• NA	
Total Adjustments	
IT Budget Bids as at 27th March 2019	100,000
Other Nil Effect Adjustments as at 27th March 2019	
Nil Effect Adjustments	**$**
Adjustments:-	
•	

1. Consolidated Summary 2019-20 - 27 March 2019

LONG TERM FINANCIAL PLAN 2019/20
SCENARIO GRAPHS

Graph 1

Operating Surplus Ratio
(Operating Surplus / Operating Revenue)

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
1.	3.2%	3.3%	2.8%	2.6%	2.4%	2.1%	1.9%	1.7%	1.6%	1.4%
2.	2.7%	2.3%	1.3%	0.5%	-0.3%	-1.2%	-2.1%	-2.9%	-3.7%	-4.6%
3.	2.8%	2.1%	0.8%	-0.4%	-1.6%	-3.0%	-4.5%	-5.9%	-7.3%	-8.9%
4.	2.4%	1.3%	-0.6%	-2.2%	-4.0%	-6.0%	-8.1%	-10.2%	-12.3%	-14.7%
5.	2.0%	0.5%	-1.9%	-4.0%	-6.4%	-9.0%	-11.7%	-14.5%	-17.4%	-20.5%
6.	1.2%	-1.3%	-4.6%	-7.8%	-11.4%	-15.3%	-19.4%	-23.7%	-28.2%	-33.0%

Legend:
1. Rates @ CPI+0.6% (currently endorsed approach)
2. Rates @ CPI
3. Rates @ 2%
4. Rates @ 1.5%
5. Rates @ 1%
6. Rates @ 0%

Item 4.2.3 - Attachment 2 - Long Term Financial Plan Scenario Graphs

LONG TERM FINANCIAL PLAN 2019/20
SCENARIO GRAPHS

Graph 3

Operating Surplus Ratio
(Operating Surplus / Operating Revenue)

1. Rates @ CPI+0.6% (currently endorsed approach)
1a. Rates @ CPI+0.6%, Yr1 @2%
1b. Rates @ CPI+0.6%, Yr1&2 @2%
1c. Rates @ CPI+0.6%, Yr1-3 @2%
3. Rates @ 2% ongoing

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
1.	3.2%	3.3%	2.8%	2.6%	2.4%	2.1%	1.9%	1.7%	1.6%	1.4%
1a.	2.8%	2.9%	2.4%	2.2%	1.9%	1.6%	1.4%	1.2%	1.1%	0.9%
1b.	2.8%	2.1%	1.6%	1.4%	1.1%	0.8%	0.5%	0.3%	0.1%	-0.1%
1c.	2.8%	2.1%	0.8%	0.5%	0.2%	-0.2%	-0.5%	-0.8%	-1.0%	-1.2%
3.	2.8%	2.1%	0.8%	-0.4%	-1.6%	-3.0%	-4.5%	-5.9%	-7.3%	-8.9%

LONG TERM FINANCIAL PLAN 2019/20
SCENARIO GRAPHS

Graph 5

Net Financial Liabilities Ratio

1. Rates @ CPI+0.6% (currently endorsed approach)
2. Rates @ CPI
3. Rates @ 2%
4. Rates @ 1.5%
5. Rates @ 1%
6. Rates @ 0%

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
1.	32.9%	38.2%	38.8%	32.3%	30.8%	27.0%	25.2%	23.7%	22.2%	20.6%
2.	33.6%	40.0%	42.4%	38.0%	39.2%	38.5%	40.4%	43.2%	46.5%	50.3%
3.	33.5%	40.2%	43.2%	39.8%	42.5%	43.7%	48.1%	53.9%	60.6%	68.5%
4.	34.0%	41.8%	46.3%	44.8%	49.9%	54.2%	62.2%	72.2%	83.9%	97.3%
5.	34.5%	43.4%	49.4%	49.8%	57.4%	64.6%	76.3%	90.6%	107.2%	126.2%
6.	35.6%	46.6%	55.8%	60.2%	73.2%	87.0%	106.6%	130.5%	158.2%	190.1%

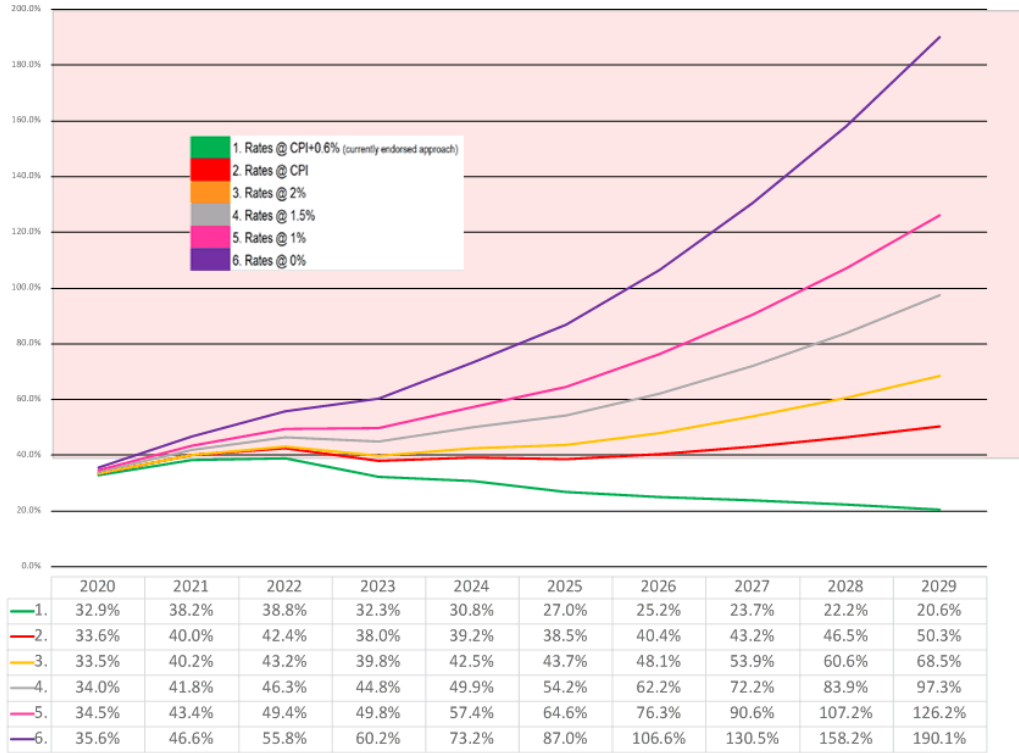**Item 4.2.3 - Attachment 2 - Long Term Financial Plan Scenario Graphs**

LONG TERM FINANCIAL PLAN 2019/20
SCENARIO GRAPHS

Graph 6

Net Financial Liabilities Ratio

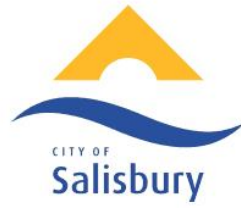|	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
1.	32.9%	38.2%	38.8%	32.3%	30.8%	27.0%	25.2%	23.7%	22.2%	20.6%
1a.	33.5%	39.2%	40.2%	34.1%	33.0%	29.5%	28.1%	27.1%	25.9%	24.7%
1b.	33.5%	40.2%	42.0%	36.7%	36.3%	33.6%	33.0%	32.7%	32.3%	31.8%
1c.	33.5%	40.2%	43.2%	38.7%	39.2%	37.4%	37.6%	38.2%	38.7%	39.1%
3	33.5%	40.2%	43.2%	39.8%	42.5%	43.7%	48.1%	53.9%	60.6%	68.5%

Legend:
1. Rates @ CPI+0.6% (currently endorsed approach)
1a. Rates @ CPI+0.6%, Yr1 @2%
1b. Rates @ CPI+0.6%, Yr1&2 @2%
1c. Rates @ CPI+0.6%, Yr1-3 @2%
3. Rates @ 2% ongoing

LONG TERM FINANCIAL PLAN 2019/20
SCENARIO GRAPHS

Graph 7

Asset Renewal Funding Ratio
(Renewal Expenditure/ AMP Renewal Expenditure)

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
All Scenarios	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Item 4.2.3 - Attachment 2 - Long Term Financial Plan Scenario Graphs

Public Consultation

To make a submission

If you wish to make a submission or comment on the Draft Annual Plan and Budget as currently presented, please send it to:

Financial.services@salisbury.sa.gov.au
or call Mechelle Potter on (08) 8406 8340

Alternatively please send to:

The General Manager Business Excellence
City of Salisbury
PO Box 8
SALISBURY SA 5108

All submissions or comments need to be received by no later than Wednesday 29 May 2019 in order for them to be given due consideration. Any submissions received after this date will not be considered as part of this current budget process. Submissions may influence decisions not only for this Annual Plan but also for future years as well.

Verbal Representation

If you wish to make a verbal representation regarding the Draft Annual Plan, there will be an opportunity to do so at the commencement of the May Council meeting on Monday 27 May 2019 in the Council Chamber at 6.30pm.

If you would like to have a say on Council's plans, budget and rates please register your interest by contacting Mechelle Potter by phone or by using the above email. (see contact details above).

CITY OF SALISBURY DRAFT ANNUAL PLAN 19/20 2

CONTENTS page

CITY OF SALISBURY DRAFT ANNUAL PLAN 19/20 3

EXECUTIVE Summary

Purpose

The Annual Plan details Council's services, including new services and projects, together with financial impacts. The purpose is to provide all information so that the community can judge the budget and how it aligns to the City Plan 2030. The Executive Summary provides a snapshot of the Annual Plan, and provides guidance as to where more information is available.

Rate Increase

The Annual Plan is based on a proposed 2.5% average rate increase, which is 0.5% higher than as last year, with the Long Term Financial Plan providing for smooth increases in rates to avoid large future increases. Further information about rates is in the Rating Strategy and Policy, pages 104 to 107.

	18/19 Actual	19/20 Budget
Rate Increase	2.0%	2.5%

Operating Surplus

This year, Council will make an Operating Surplus of $3.9M or 3.2% Operating Surplus Ratio. Further information is in the Budgeted Financial Statements and Analysis on pages 38 to 42

Financial Sustainability

Being financially sustainable means having:

- The ability to have consistent services into the future
- Infrastructure like roads, continuing to be maintained at an appropriate level
- Current ratepayers pay the costs associated with the services consumed
- New infrastructure provided to meet community expectations, balanced against increases in costs

We measure financial sustainability through 3 indicators. The Long Term Financial Plan (pages 10 to 13) shows that Council is budgeting and planning to be sustainable over the coming 10 year period.

Ratio	Target	19/20 Budget	
Operating Surplus	0.5%-5%	3.2%	✓
Asset Renewal Funding	90%-110%	100%	✓
Net Financial Liabilities	<40%	33.5%	✓

Service Provision

There are no reductions in services in the 2019/20 budget or the Long Term Financial Plan. More information about Council's services are in Key Direction sections of the document, starting on page 46

CITY OF SALISBURY DRAFT ANNUAL PLAN 19/20 4

Projects and Additional Services

All of Council's projects and additional services (Budget Bids) are detailed in the Annual Plan by category of spending, and can be found on pages 17 to 36.

Funds of $14.9M are provided for asset updates / renewal in line with our Asset Management Plans, with significant items being:

- Road Reseal and Kerb Replacement $8.6M
- Building Renewal $1.3M
- Park, Sportsfield and Playground upgrades $0.8M
- St Kilda Channel Breakwaters $0.7M
- Watercourse Management works $0.6M

Bridgestone Reserve Athletic Facility will commence construction in 2019/20 and will include Community Facility, Athletics track and sportfield lighting, which will provide for the co-location of 3 athletic clubs to provide affordable and convenient access to top class facilities for the clubs and residents.

The Paddocks Masterplan has established a coordinated approach for capital investment and ongoing renewal of infrastructure and facilities at The Paddocks which is one of the most significant recreation and open space precincts within the City of Salisbury.

Salisbury City Centre Community Hub

To provide for the future needs of the Salisbury community, and to stimulate the revival of the City Centre, construction of the new Salisbury Community Hub will be completed in the second half of 2019

The Salisbury Community Hub will deliver an enhanced experience in delivery of various Council services, information and learning, civic spaces, and community accessible meeting spaces, together with the provision of a functional office space for Council's administration.

This is an exciting time for our community as associated with the construction of the Salisbury Community Hub is the transformation to shift the organisation to a customer centric approach, with technology to better support service delivery, and greater community activation.

The project will be delivered within the budget estimate of $43.8M, which is the total project costs, not just the built form. The project had been incorporated into Council's Long Term Financial Plan (LTFP), with no requirement to increase rates beyond the LTFP assumptions and maintaining Council's strong financial position.

CITY OF SALISBURY DRAFT ANNUAL PLAN 19/20 5

MAYOR'S message

TO BE UPDATED.

DRAFT - NOT YET CONSIDERED BY COUNCIL

Mayor, Gillian Aldridge

CITY OF SALISBURY DRAFT ANNUAL PLAN 19/20   6

ELECTED members

WEST WARD

Cr Beau Brug JP
0430 188 175
bbrug@salisbury.sa.gov.au

Cr Lisa Braun
0413 046 069
lbraun@salisbury.sa.gov.au

NORTH WARD

Cr David Hood
0432 799 931
dhood@salisbury.sa.gov.au

Cr Graham Reynolds
0413 966 500
greynolds@salisbury.sa.gov.au

MAYOR
Gillian Aldridge OAM
0411 703 706
galdridge@salisbury.sa.gov.au

CENTRAL WARD

Cr Chad Buchanan
cbuchanan@salisbury.sa.gov.au

Cr Donna Proleta
0433 750 832
dproleta@salisbury.sa.gov.au

PARA WARD

Cr Sarah Ouk
0423 002 064
souk@salisbury.sa.gov.au

Cr Kylie Grenfell
0433 703 691
kgrenfell@salisbury.sa.gov.au

EAST WARD

TO BE UPDATED

Cr Maria Blackmore
0411 281 164
mblackmore@salisbury.sa.gov.au

Cr Adam Duncan
0429 662 933
aduncan@salisbury.sa.gov.au

SOUTH WARD

Cr Natasha Henningsen
0477 413 108
nhenningsen@salisbury.sa.gov.au

Cr Julie Woodman JP
Deputy Mayor
0431 188 788
jwoodman@salisbury.sa.gov.au

HILLS WARD

Cr Peter Jensen
0437 987 990
pjensen@salisbury.sa.gov.au

Cr Shiralee Reardon JP
0427 095 566
sreardon@salisbury.sa.gov.au

CITY OF SALISBURY DRAFT ANNUAL PLAN 19/20 7

OUR vision

Our vision for Salisbury is simply:
'Salisbury - A flourishing City with opportunity for all'

If we are able to capture these opportunities, the community will see:

- Increased investment and a wider range of job opportunities

- Well designed and maintained neighbourhoods and places where people meet

- A strong economy consisting of well established businesses and innovative entrepreneurs

- A broader range of education options and more people engaged in learning

- More opportunities to use technology in the way they work, study, relax and interact with Council

- A healthy natural environment enjoyed by more people

- New communities and a regeneration of existing urban areas

- A City that celebrates its diversity and provides opportunities for all to engage in community life; and

- A transport network that enables people to move easily around the City and supports freight movement.

Salisbury brands itself as the Living City. It has unique features that make it appealing for residents, visitors and businesses.

A Living City is a city that is flourishing and provides opportunity for our residents, businesses and visitors through investment in its future, by valuing our stunning natural environments, by providing a great lifestyle, encouraging and supporting a vibrant innovative culture, is a destination for business and is a diverse and proud community.

Salisbury is a Living City. A place we are proud to be part of. Salisbury is "a flourishing City with opportunity for all".

CITY OF SALISBURY DRAFT ANNUAL PLAN 19/20 8

KEY directions

This Annual Plan contains four key directions. Each direction includes a statement of what we want to aspire to achieve during the life of the Annual Plan, how we will achieve it and the indicators that will tell us how our City is progressing.

The Prosperous City

Driving economic growth in South Australia, creating more jobs, providing people with the skills and knowledge to connect to those jobs and sustainably increasing our population.

The Sustainable City

A place where people actively experience and care for their natural environment, where green industries thrive and our urban and natural spaces are adaptive to future changes in climate.

The Liveable City

A welcoming community that celebrates its diversity, embraces change and where people are able to participate in community life. It is a City with interesting places and experiences.

Enabling Exellence

A Council where people work because they can make a difference, an organisation that anticipates, understands and meets community needs, a Council with a positive attitude.

CITY OF SALISBURY DRAFT ANNUAL PLAN 19/20 9

Long Term Financial Plan 19/20 to 28/29

Long Term Financial Plan 19/20 to 28/29 Assumptions

YEAR ENDING 30 JUNE	Year 1 Budget 2020	Year 2 Plan 2021	Year 3 Plan 2022	Year 4 Plan 2023	Year 5 Plan 2024	Year 6 Plan 2025	Year 7 Plan 2026	Year 8 Plan 2027	Year 9 Plan 2028	Year 10 Plan 2029
Revenue Assumptions										
Rates - Growth	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Rates - Ave Increase	2.5%	2.9%	3.0%	3.0%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%
Expenditure Assumptions										
Inflation	1.9%	2.3%	2.4%	2.4%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Wages	2.5%	2.5%	3.0%	3.0%	3.5%	3.5%	3.5%	3.0%	3.0%	3.0%
Contractors & Materials	1.9%	2.3%	2.4%	2.4%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%

Overview

While seeking to achieve its corporate goals Council is mindful of its responsibilities to be financially sustainable. Being financially sustainable means having a financial position capable of meeting long term service and infrastructure levels and standards, acceptable to the community, without substantial increases in rates or disruptive cuts to services. It implies equity between generations. That is, each generation of ratepayers should pay for the services they consume. Future generations should not have to pay for the neglect of earlier generations to maintain and renew their assets appropriately, nor would they benefit at the expense of the current generation of ratepayers.

Maintaining services implies that infrastructure assets (roads, drains etc.) are also appropriately maintained and renewed, and that there is investment in new assets. Two significant costs associated with infrastructure assets are depreciation, which is the decline in value of assets through their use, and borrowing costs to fund new assets.

Council Asset Management Plans (AMPs) define the level of expenditure required to maintain and renew assets. The Long Term Financial Plan (LTFP) aligns to the AMPs, although in each budget year Council may vary its expenditure for a variety of reasons including updated asset information that indicates higher or lower levels of renewal expenditure are required.

Property development projects will continue to provide significant cash injections over the 10 year plan. Returns are based on the recently completed land feasibility and have been discounted reflecting that further detailed work is required to finalise financial returns on a project by project basis.

The Statement of Comprehensive Income (see next page) shows the Operating Surplus/(Deficit) before Capital Amounts, and reflects lower operating costs through program review activities, and also low interest costs resulting from low levels of debt.

Assumptions

The forecasts are based on a number of assumptions and as with all projections it is likely that actual events will turn out differently. These figures, however, represent our best estimates for planning purposes. Key assumptions are detailed in the table above, and commentary includes:

- Rates growth from new development in the city is projected at a low level reflecting primarily infill development.
- Strategic Property Developments financial returns average $3.3m per annum over the 10 year plan, based on the recently completed land feasibility.
- The wages assumption includes superannuation guarantee which remains at 9.5% until 30 June 2021 and will increase to 12% by 30 June 2026.
- Inflation reflects Access Economic CPI forecasts.

Salisbury Water business returns are kept constant into the future, as our aim is to be financially sustainable without these returns.

CITY OF SALISBURY DRAFT ANNUAL PLAN 19/20 10

Long Term Financial Plan 19/20 to 28/29

Estimated Statement of Comprehensive Income

YEAR ENDING 30 JUNE	2020 Budget Year 1 $000's	2021 Plan Year 2 $000's	2022 Plan Year 3 $('000)	2024 Plan Year 5 $('000)	2029 Plan Year 10 $('000)
INCOME					
Rates	101,031	104,992	109,212	118,215	144,519
Statutory Charges	2,819	2,884	2,954	3,100	3,507
User Charges	5,004	5,120	5,244	5,503	6,226
Grants, Subsidies & Contributions	11,759	11,875	11,988	12,223	13,255
Investment Income	158	157	155	153	146
Reimbursements	217	222	227	238	269
Other Income	696	712	729	765	866
Total Revenues	**121,684**	**125,962**	**130,509**	**140,197**	**168,788**
EXPENSES					
Employee Costs	38,247	39,305	40,589	45,487	51,629
Materials, Contracts & Other Expenses	50,850	53,186	55,681	61,038	77,012
Depreciation, Amortisation & Impairment	27,316	28,400	29,514	31,670	37,590
Finance Costs	1,410	923	901	390	62
Total Expenses	**117,823**	**121,814**	**126,685**	**136,585**	**166,293**
OPERATING SURPLUS/(DEFICIT) BEFORE CAPITAL AMOUNTS	**3,861**	**4,149**	**3,824**	**3,612**	**2,495**
Asset Disposal & Fair Value Adjustments	3,447	4,469	4,589	2,964	3,970
Amounts Received Specifically for New or Upgraded Assets	3,668	2,296	2,353	2,472	2,797
Physical Resources Received Free of Charge	1,000	1,000	1,000	1,000	1,000
NET SURPLUS/(DEFICIT)	**11,976**	**11,613**	**11,766**	**10,048**	**10,262**
OTHER COMPREHENSIVE INCOME					
Changes in Revaluation Surplus - I,PP&E	21,804	23,226	26,417	28,686	33,520
Total Other Comprehensive Income	**21,804**	**23,226**	**26,417**	**28,686**	**33,520**
TOTAL COMPREHENSIVE INCOME	**33,780**	**34,839**	**38,183**	**38,734**	**43,782**

The full ten year Long Term Financial Plan Budgeted Financial Statements are contained within Appendix A.

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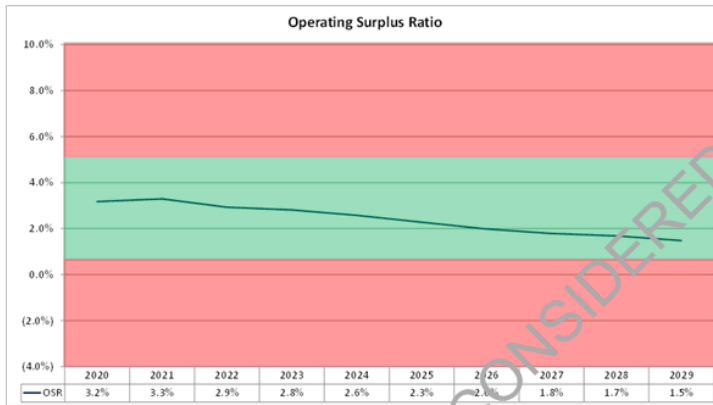CITY OF SALISBURY DRAFT ANNUAL PLAN 19/20   11

Long Term Financial Plan 19/20 to 28/29

Financial Indicators

As part of the emphasis for Councils to become financially sustainable standardised indicators have been developed. These indicators compliment the financial detail provided on the Long Term Financial Plan, and highlight our projected success at maintaining a financially sustainable Council.

	Within Endorsed Operating Range
	Outside Endorsed Operating Range

Operating Surplus Ratio

Operating Surplus Ratio

|	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
OSR	3.2%	3.3%	2.9%	2.8%	2.6%	2.3%	2.0%	1.8%	1.7%	1.5%

Calculation:
Operating Surplus divided by total operating revenue

Endorsed Operating Range:
0.5%-5.0%

Councils with a positive Operating Surplus Ratio have current rate payers meeting the costs of the services that they are consuming. The larger the ratio the more rate revenue that is available to fund capital expenditure, thereby reducing debt. This is the primary indicator of Financial Sustainability.

Council is within the operating range for the indicator over the life of the plan.

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Long Term Financial Plan 19/20 to 28/29

## Net Financial Liabilities Ratio
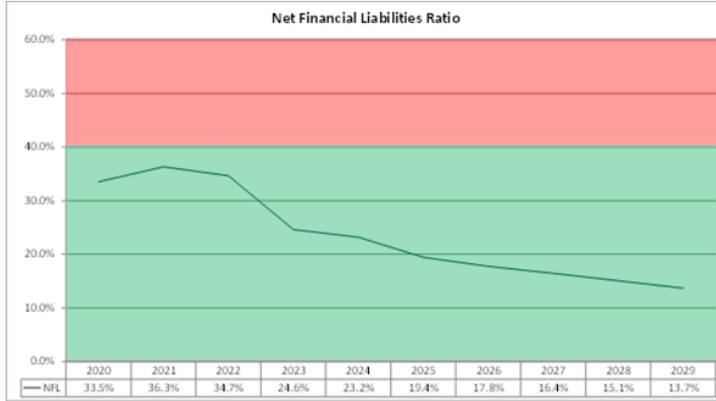
Calculation:

Net Financial Liabilities divided by Operating Revenue

Endorsed Operating Range:

<40%.

This ratio indicates the extent that Council can meet its net financial liabilities out of a single year's operating revenue. Council with a lower ratio are stronger in their capacity to meet their financial obligations.

City of Salisbury has a very low debt position, with property development proceeds in the 5 years prior to the budget year, and continuing over the life of the plan offsetting debt. Debt steadily declines over the plan with higher debt in 2020 and 2021 resulting from Council's continued investment in the new and upgraded assets, and offset over the plan by property development proceeds. However, over the 10 year life of the plan Net Financial Liabilities Ratio remains within the operating range.

Asset Renewal Funding Ratio
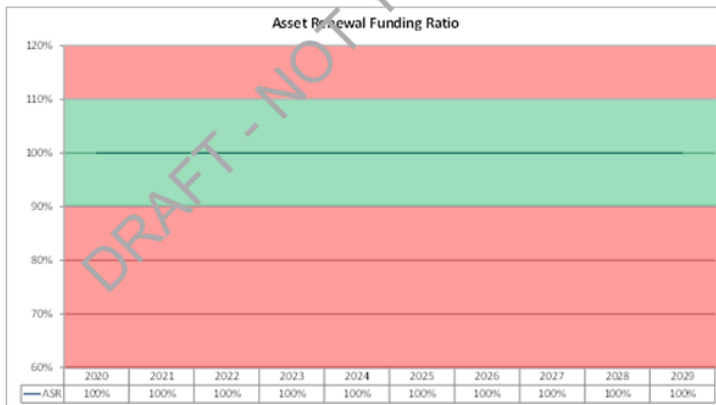
Calculation:

Asset Renewal Expenditure divided by Asset Management Plan Renewal Expenditure

Endorsed Operating Range:

90%-110%

This ratio indicates whether capital assets are being renewed in line with Asset Management Plans (AMP). A ratio of 100% means that Council is budgeting to renew assets as initially planned, and as AMP detail the optimum timing renewal and replacement of assets, a ratio of 100% means that infrastructure assets are maintained, as are service levels, at the lowest cost to the community.

However, given that AMP are long term plans, Councils will vary expenditure based on more up to date asset information, and also to time renewal works for projects that have new and renewal aspects to achieve better outcomes, and reduce cost to the community to achieve these outcomes. Over the life of the plan renewal expenditure is within the endorsed operating range.

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Overview of Our Annual Plan 2019/20

Overview of Our Annual Plan for 2019/20

City of Salisbury's Annual Plan is an important part of our planning; one that links our overarching long term City Plan with our budget, the services delivered and rate levels.

Key Directions

Sustainable Futures - Salisbury City Plan outlines four Key Directions which guide our objectives and strategies over the long term:

- The Prosperous City
- The Sustainable City
- The Liveable City
- Enabling Excellence

Budget Pressures

City finances have been impacted by lower development growth and no large scale development currently underway. We are anticipating that grant funding will remain stable. With the State Budget not yet brought down for 2019/20 there may be impacts which are unknown at this time.

Sound Financial Management

The budget delivers an operating surplus to ensure our financial position is sustainable and equitable between generations of ratepayers, and builds capacity for the future.

The 2019/20 budget delivers:

- An operating surplus of $3.9M
- Gross infrastructure investment of $40.8M (including $14.9M of asset renewal) and a net cost of $34.1M including grants and property proceeds.
- Moderate and sustainable levels of debt, with net financial liabilities of $41M or 33.5% of total operating revenue.

Rate Increase

The average proposed rate increase is 2.5%, which represents an increase of $33 on the current average residential rate of $1,334. The forecast Consumer Price Index for 2019/20 per Access Economics is 1.9%, and whilst some Local Government costs move in line with CPI, Councils purchase a different "basket of goods" to households, and consequently CPI is not fully reflective of Local Government cost increases.

More details are contained within the Rating Strategy and Policy section of this document.

Operating New Initiatives

Some of the projects included in the budget are:

Council Building Renewal Program	$310,000
Building Upgrade Program	$200,000
Economic Development Staffing *	$157,000
Strategic Projects Planning Program	$140,000
Local Flooding Program	$132,000
Wellness Centres	$100,000

*offset by grant funding

Full details of Council's operating bids are provided from page 17.

There is ongoing funding to improve council buildings which are reflected in our Asset Management Plans with capital expenditure of $1.3M and associated with operating costs of $310k.

The City of Salisbury has approximately 220 owned buildings with proposed building upgrade works prioritised in accordance with condition audits; compliance with current building standards and ongoing function and need. 2019/20 includes the Operation Centre and Pioneer Park Water Wheel Museum with capital expenditure of $2.4M and associated with operating costs of $200k.

The Economic Development Staffing seeks to resource and extend Council's current program that facilitates job creation and investment in the City by providing greater staffing stability in the economic development team with external funding to be sought.

Strategic Projects Planning Program is for the initial development of nominated high-level strategic project proposals and initiatives not wholly covered by one of the suite of specific Asset Management Plans.

Local Flooding Program provides for the design and construction of localised minor flood mitigation works, mainly as a result of flooding reports.

The City of Salisbury plans to undertake a detailed feasibility study to determine the future provision of indoor recreation wellness and aquatic facilities in the City of Salisbury which considers any unique selling proposition (wellness, rehabilitation, hydrotherapy).

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Overview of Our Annual Plan 2019/20

Capital Program

Asset Renewal

Council manages community assets valued at over $1.8 billion in the form of roads, footpaths, drains, buildings, parks etc. Many were created as the city developed rapidly in the 1960's, '70's and '80's. Our Asset Management Plans set our forward plan for how to most economically manage, maintain and renew our assets.

In 2019/20 Council will spend $14.9M on renewal, with major items being:

- Road reseal and reconstruction $8.6M
- Buildings (220 Council Owned building most of which are community and sporting club buildings) $1.3M
- Park, Sportsfield and Playground upgrades $0.8M
- St Kilda Channel Breakwater $0.7M
- Watercourse Management works $0.6M

Major Capital Works

The capital program includes a number of large scale projects, some of which are delivered over multiple years. 2019/20 expenditure details for these projects are detailed below:

Local Flooding and Flood Mitigation Projects *	$2,491,000
Building Upgrade Program	$2,350,000
The Paddocks Masterplan Implementation	$2,054,000
Salisbury Oval Masterplan Implementation	$1,680,000
Bridgestone Reserve Athletics Facility	$1,596,000
Street Trees Program	$1,367,000

*subject to grant funding

Full details of Council's four year capital works program is provided from page 23.

Local Flooding and Flood Mitigation

Council is maintaining our capability to respond to significant flooding events with funding providing for the design and construction for localised flood mitigation works.

Building Upgrade Program

In 2019/20 the Building Upgrade Program will see works at the Operation Centre and Pioneer Park Water Wheel Museum.

The Paddocks Masterplan Implementation

The Paddocks Masterplan has established a coordinated approach for capital investment and ongoing renewal of infrastructure and facilities at The Paddocks which is one of the most significant recreation and open space precincts within the City of Salisbury.

Salisbury Oval Masterplan Implementation

The Salisbury Oval Master Plan has been prepared to guide the future development of the Salisbury Oval precinct and identifies a number of actions for delivery in the short, medium and longer term.

Bridgestone Reserve Athletics Facility

Council is developing a new regional-level synthetic athletics facility at Bridgestone Reserve at Salisbury South which will provide for the co-location of 3 athletic clubs to provide affordable and convenient access to top class facilities for the clubs and residents.

Street Trees Program

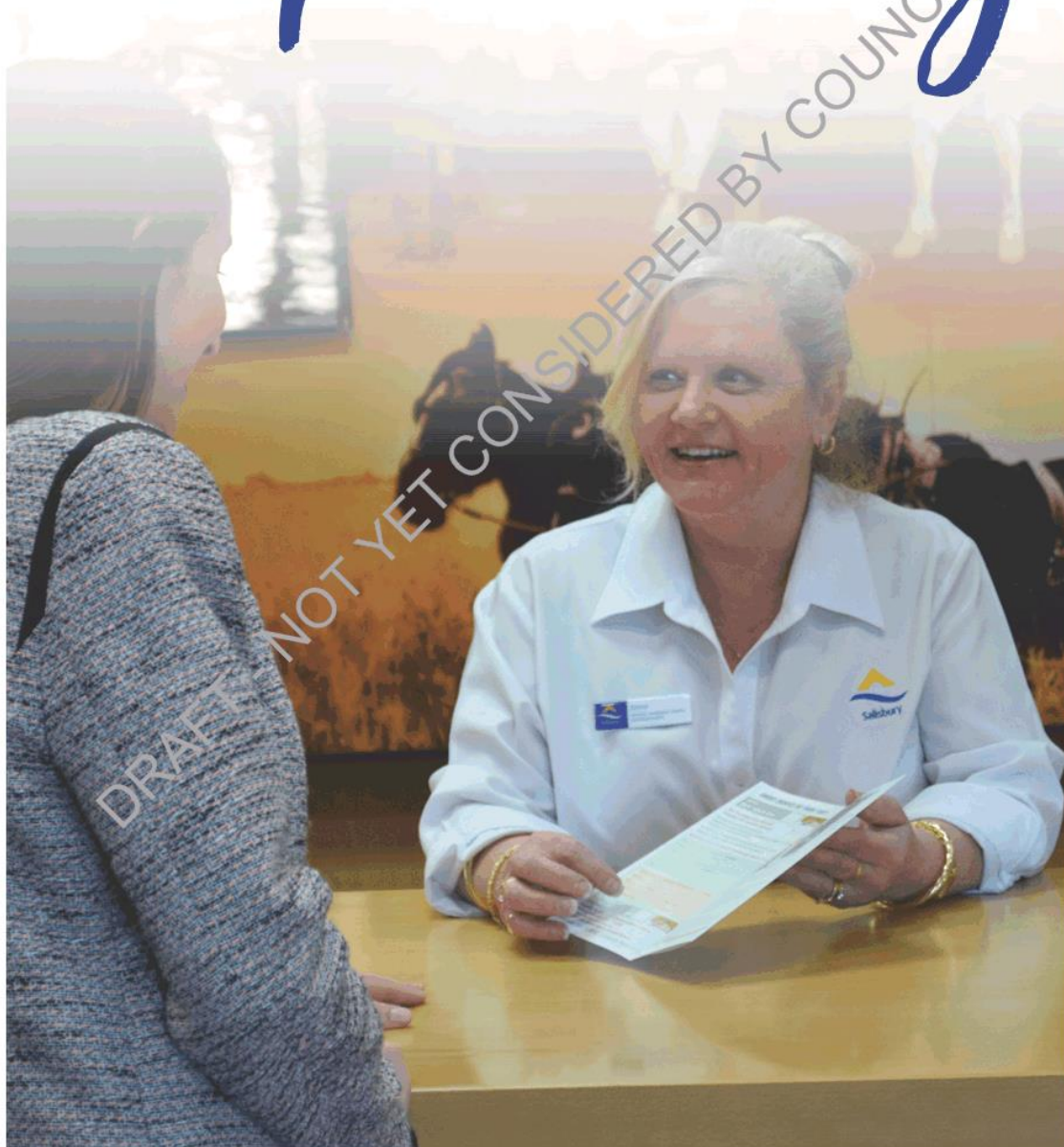This program is focused on improving the amenity of streetscapes through the programmed updating of streetscapes with appropriate species for the sometimes limited spaces available within our streets.

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CITY OF SALISBURY DRAFT ANNUAL PLAN 19/20 16

CITY OF SALISBURY DRAFT ANNUAL PLAN 19/20 17

Operating Budget Bids

	Exp	2019/20 $000's Funding	Net	2020/21 $000's Net	2021/22 $000's Net	2022/23 $000's Net
The Prosperous City						
Operating Bids						
Economic Development Staffing	157	112	45	79	81	83
This project seeks to resource and extend Council's current program that facilitates job creation and investment in the City by providing greater staffing stability in the economic development team.						
Innovation and Business Development	50	0	50	0	0	0
This bid is required to support reviews or strategic initiatives that may emerge from the work of the Innovation Business Development Sub Committee.						
Supporting Business Networking	35	0	35	35	35	35
This Budget Bid aims to increase the range of business networking opportunities available in Salisbury by supporting local organisations, or organisations with substantial local memberships, to deliver networking events in Salisbury as well as provide a funding line for the Polaris Business and Innovation Centre to provide targeted networking opportunities.						
Operating Components of Capital Bids (including Depreciation)						
Salisbury City Centre Revitalisation Projects	0	0	0	11	36	45
Local Flooding Program	132	0	132	117	128	134
Salisbury City Centre Land Development Strategy	51	0	51	49	0	0
Burton Community Hub	0	0	0	2	102	0
Wellness Centres	100	0	100	0	2	102
John Street and related SCC Improvements	0	0	0	23	23	23
Footpath Trading Pedestrian Protection	0	35	(35)	(35)	(35)	(35)
Other Operating Components of Capital Bids	0	0	0	23	55	40
TOTAL - The Prosperous City	**525**	**147**	**378**	**305**	**426**	**427**

Note: Operating components of Capital Bid is under review and depreciation will be listed separately within future reports.

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Operating Budget Bids

		2019/20 $000's		2020/21 $000's	2021/22 $000's	2022/23 $000's
	Exp	Funding	Net	Net	Net	Net
The Sustainable City						
Operating Bids						
Tree Canopy Data for City of Salisbury (Purchase)	25	0	25	0	0	25
Economic development; liveability and water/ climate change resilience are all influenced by tree cover. Acquisition of this dataset will allow Council to make informed decisions and improve asset management and tree management plans. It complements tree asset audits and acquisition of thermal images.						
Operating Components of Capital Bids (including Depreciation)						
Public Lighting Program	(30)	0	(30)	(85)	(140)	(195)
Street Tree Program	0	0	0	27	58	91
Salisbury Water Head Tank	0	0	0	0	(80)	20
Jones Road - Bolivar - Site Rehabilitation for Future Clean Fill Disposal Site	30	0	30	32	34	36
Irrigation Reactivation	50	0	50	108	166	224
Other Operating Components of Capital Bids	22	0	22	39	48	51
TOTAL - The Sustainable City	**97**	**0**	**97**	**121**	**86**	**252**

CITY OF SALISBURY DRAFT ANNUAL PLAN 19/20 19

Operating Budget Bids

		2019/20 $000's		2020/21 $000's	2021/22 $000's	2022/23 $000's
	Exp	Funding	Net	Net	Net	Net
The Living City						
Operating Bids						
Salisbury Secret Garden 2019/2020						
Salisbury Secret Garden is the City of Salisbury's flagship arts and cultural festival. The festival is a place activation initiative that contributes to the Salisbury City Centre Renewal Strategy and is recognised in the State's Northern Economic Plan.	85	0	85	0	0	0
White Ribbon Event						
This bid is for a White Ribbon Community, Staff & Business Event to raise awareness across Salisbury of the need to stand up, speak out and act to prevent violence against women.	22	0	22	10	10	0
Marveloo - mobile accessible restroom for people with a severe disability						
City of Salisbury will be the first in South Australia to have a portable toilet and change facility designed for people with a severe disability known as a Marveloo.	29	10	19	19	20	20
Operating Components of Capital Bids (including Depreciation)						
Minor Traffic Improvements Program	54	0	54	60	63	67
Major Traffic Improvements Program	0	0	0	29	52	60
Council Funded New Footpath Program	21	0	21	26	30	36
City Wide Trails Program	0	0	0	21	42	64
St Kilda Master Plan - Stage 2 Implementation	0	0	0	23	26	32
Building Upgrade Program	200	0	200	47	90	134
Building Renewal Program	310	0	310	370	380	390
Reserve Upgrade Program	0	0	0	44	69	93
Dog Parks for Small Dogs	5	0	5	10	23	32
Fitness Equipment Program	0	0	0	16	23	35
Salisbury Oval Master Plan Implementation	0	0	0	34	34	34
Bridgestone Reserve - Athletics Facility	15	0	15	58	62	69
Community and Public Art Program	20	0	20	22	3	3
Louisa Road / Deal Court - Paralowie - Upgrade	0	0	0	1	12	34
Unity Park - Pooraka - Additional New Toilet Facilities 2019/2020	0	0	0	16	32	26
Other Operating Components of Capital Bids	10	0	10	71	107	142
TOTAL - The Living City	**771**	**10**	**761**	**877**	**1,077**	**1,270**

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CITY OF SALISBURY DRAFT ANNUAL PLAN 19/20 20

Operating Budget Bids

		2019/20 $000's		2020/21 $000's	2021/22 $000's	2022/23 $000's
	Exp	Funding	Net	Net	Net	Net
Achieving Excellence						
Operating Bids						
SA Planning Portal State Government Levy 2019/20						
The state government has increased the levy imposed on councils for the establishment and maintenance of the SA Planning Portal.	33	0	33	33	33	33
City Plan Consultation						
Undertake community consultation to inform the review of Council's City Plan and to comply with legislative requirements	35	0	35	0	0	0
Digital Assessment Software Product						
To replace the current digital assessment software product with a new product to improve the accuracy and efficiency in the assessment of development applications.	9	0	9	(1)	(1)	(1)
Increase to Drug & Alcohol Testing - Heavy Vehicle Legislation						
It is proposed to increase the frequency of drug and alcohol screening for operators of heavy vehicles to ensure that City of Salisbury can demonstrate due diligence.	11	0	11	12	12	12
Project Steam Weed Trial 2019						
A Steam Weed Trial Project is proposed to evaluate the costs and effectiveness of steam weed control methods compared with herbicide application.	15	0	15	0	0	0
Operating Components of Capital Bids (including Depreciation)						
Road Reseal / Reconstruction Program	52	0	52	53	54	55
Clubs/Sporting Facilities (Minor Capital Grants Program)	34	0	34	44	53	63
Strategic Projects Program - Planning Program	140	0	140	161	165	169
Strategic Development Projects - Capitalised Resourcing	15	0	15	31	31	15
Other Operating Components of Capital Bids	29	0	29	59	67	76
TOTAL - Achieving Excellence	**374**	**0**	**374**	**391**	**414**	**422**
Total Operating Budget Bids	1,766	157	1,610	1,694	2,004	2,370

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BUDGET BIDS
capital

CITY OF SALISBURY DRAFT ANNUAL PLAN 19/20 23

Capital Works Program

		2019/20 $000's		2020/21 $000's	2021/22 $000's	2022/23 $000's
	Exp	Funding	Net	Net	Net	Net
The Prosperous City						
New						
Salisbury City Centre Revitalisation Projects						
This program includes the general consultation and design of small infrastructure projects aimed at increasing the amenity of the Salisbury City Centre and gateways to the City Centre.	850	0	850	1,500	500	500
Local Flooding Program						
Design and construction of localised minor flood mitigation works mainly as a result of flooding reports in addition to miscellaneous minor drainage works not funded elsewhere.	655	50	605	700	360	370
Greater Edinburgh Parks Regional Drainage						
As part of the construction of the Northern Connector project a segment of the Greater Edinburgh Parks Regional Drainage System is currently being constructed under Robinson Road at Waterloo Corner.	300	0	300	,650	0	0
The Paddocks Masterplan 2019/2020 to 2021/2022 Implementation Works						
The Paddocks Masterplan has established a coordinated approach for capital investment and ongoing renewal of infrastructure and facilities at The Paddocks which is one of the most significant recreation and open space precincts within the City of Salisbury.	2,054	0	2,054	1,250	500	0
Salisbury City Centre Land Development Strategy						
As a part of the Salisbury City Centre Renewal Strategy the City of Salisbury will work with private investors to deliver on commercial and residential development opportunities, leveraging Council's land holdings in the Salisbury City Centre.	100	3,070	(2,970)	(1,395)	(2,500)	0
Burton Community Hub						
This bis is to prepare detailed concept design for a Burton Community Hub including community consultation with development in 2020/21.	30	0	30	5,000	0	0
Wellness Centres						
This bid is to fund a detailed feasibility study to determine the future provision of indoor recreation wellness and aquatic facilities in the City of Salisbury which considers any unique selling proposition (wellness, rehabilitation, hydrotherapy), focusing on the Community Hubs (Burton and Ingle Farm).	0	0	0	100	5,000	0
John Street and related SCC Improvements						
The John Street improvement plan will identify a number of physical improvements to John Street to assist in activation and investment attraction, building on the sound foundations that exist in the layout and function of John Street.	350	0	350	0	0	0
Footpath Trading Pedestrian Protection						
The supply and installation of energy absorbing bollards for footpath trading areas that have been identified as requiring bollards as part of their applications and permit conditions.	70	0	70	70	70	70
Digital Signage						
The proposed renewal of the existing tower entry signage in key locations around the City will aim to capitalise on the significant investment and improvements we have made to our City in recent years.	358	0	358	0	0	0
Total New	4,767	3,120	1,647	8,875	3,930	940
TOTAL - The Prosperous City	4,767	3,120	1,647	8,875	3,930	940

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Capital Works Program

		2019/20 $000's		2020/21 $000's	2021/22 $000's	2022/23 $000's
	Exp	Funding	Net	Net	Net	Net
The Sustainable City						
Renewal						
Watercourse Management Works Program						
This is an ongoing bid to renew and upgrade Council's waterways infrastructure.	575	0	575	779	781	785
St Kilda Channel Breakwaters - Renewal						
This bid is to further renew the St Kilda Breakwaters (sides of the Boat Channel) pending a proposed medium to long term major upgrade project.	650	0	650	0	0	0
Coleman Road Landfill - Waterloo Corner - Landfill Cap Improvements						
The Coleman Road Landfill closed in 1997 and ongoing management of the site requires groundwater monitoring minimisation of landfill gas emissions and improved onsite drainage.	75	0	75	30	30	30
Irrigation Program						
This program is for the replacement and minor upgrade of old inefficient irrigation systems located within parks and reserves.	223	0	223	301	232	262
Feature Landscapes Renewal Program						
This program is for the installation of both new and renewed plantings at nominated high profile locations across the City to enhance and promote the City of Salisbury through vibrant colours and contrasting vegetation in accordance with the vision of the City Landscape Plan to instill City Pride.	128	0	128	96	101	101
Tree Screen Renewal Program						
The Tree Screen Renewal Program is to rejuvenate and improve tree and shrub screens found within many road verges and around the perimeter of many parks and reserves.	220	0	220	239	135	119
Reserve Fencing Program						
This bid is to install bollards / fencing and gates on reserves primarily to reduce the unauthorised access of motor vehicles which in the past have caused damage to turf playing surfaces with anti-social behaviour and illegally dumped rubbish. Also for public safety near watercourses and other hazards.	24	0	24	43	45	33
Salisbury Water - Asset Renewal						
This bid is for renewal of Water Business Unit assets in accordance with the Salisbury Water Asset Management Plan.	347	0	347	574	1,710	628
Total Renewal	**2,242**	**0**	**2,242**	**2,062**	**3,034**	**1,958**

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Capital Works Program

		2019/20 $000's		2020/21 $000's	2021/22 $000's	2022/23 $000's
	Exp	Funding	Net	Net	Net	Net
New						
Public Lighting Program						
This program is for the installation of both new and renewed public lighting infrastructure on a priority basis including both street lighting and reserve lighting but excluding sportsfield lighting.	774	0	774	726	728	730
Automated Flood Release Gates						
This bid is for flood mitigation in large storm events that requires the ability to release water rapidly from detention basins and wetlands in a controlled manner.	80	0	80	0	0	0
Major Flooding Mitigation Projects (including Pauls Drive - Non-Discretionary)						
This program is generated from Council's Integrated Water Management Strategy which has identified some major flood mitigation projects.	1,886	0	1,886	1,342	2,102	1,320
Street Tree Program						
This bid is focused on improving the amenity of streetscapes through the programmed renewal (selective removal and replanting) of street trees with more appropriate species for the sometimes limited spaces available within our streets.	1,367	0	1,367	1,556	1,646	1,671
Water Business Unit Program - Planning Program						
This bid is to provide Salisbury Water Business Unit with funds for planning and execution of a 5 yearly Asset Management review.	35	0	35	0	0	0
Salisbury Water - Water Licence Purchase						
Purchase of permanent water licence locations, as and when they become available, on the open market.	100	0	100	100	100	100
Groundwater Community Bores - Tank and Booster Pump System						
Installation of tank and booster pump systems on Groundwater Community Bores to reduce the impact on these bores and the T1 aquifer during peak irrigation demand periods.	120	0	120	0	0	0
Salisbury Water Recycled Water Signage - New / Renewal						
Replacement of old faded or vandalised/damaged recycled water "advisory signage".	5	0	5	5	5	0

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CITY OF SALISBURY DRAFT ANNUAL PLAN 19/20   26

Capital Works Program

	2019/20 $000's			2020/21 $000's	2021/22 $000's	2022/23 $000's
	Exp	Funding	Net	Net	Net	Net
Salisbury Water Distribution Main Linkages						
Construct up to 10kms of Salisbury Water distribution mains to improve operational functionality provide additional security of supply to existing customers and to secure connection of new customers.	315	19	296	640	0	0
Salisbury Water Emergency Backup Power Supply						
Retrofit key Salisbury Water pumping stations to facilitate emergency backup power supply in the event of a major power outage. This will enable rented transportable generators to be connected rapidly (without electricians) in order to ensure ongoing water supply.	25	0	25	25	25	0
Salisbury Water Head Tank						
Increase security of supply and improve distribution pressure within the Salisbury Water recycled water network through Para Hills Salisbury East Salisbury South Salisbury Park and Salisbury Heights.	0	0	0	500	0	0
Council Reserves Upgrade - Recycled Water Connections						
Construct new distribution mains to connect recycled water supply to Council reserves upgraded in conjunction with the Council Reserve Upgrade Program.	150	0	150	0	0	0
Salisbury Water - Daniel Avenue Managed Aquifer Recharge (MAR) Extraction Capacity Upgrade						
Expand extraction capacity at Daniel Avenue Managed Aquifer Recharge (MAR) scheme to maintain customer supply to the city-wide distribution network. This will provide security of supply for Salisbury Water customers in the western areas of the City, in particular while Kaurna Park and Edinburgh Parks South MAR facilities remain quarantined due to the Defence PFAS investigation.	90	0	90	0	0	0
Jones Road - Bolivar - Site Rehabilitation for Future Clean Fill Disposal Site						
This bid is to provide funding for the newly identified site at Jones Road for the maintenance as an EPA approved fill containment site to replace previous site at Globe Derby Park ('Swan Alley').	50	0	50	50	50	50
Irrigation Reactivation						
This bid is for the reactivation at various reserves across the City of Salisbury to increase the level of service and standard of reserves to ensure residents have access to green irrigated spaces.	200	0	200	200	200	200
Total New	5,197	19	5,178	5,144	4,856	4,071
TOTAL - The Sustainable City	7,439	19	7,420	7,206	7,890	6,029

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CITY OF SALISBURY DRAFT ANNUAL PLAN 19/20 27

Capital Works Program

	2019/20 $000's			2020/21 $000's	2021/22 $000's	2022/23 $000's
	Exp	Funding	Net	Net	Net	Net
The Living City						
Renewal						
Carpark Renewal Program						
This bid is for the resealing and upgrade of carparks including unsealed carparks.	219	0	219	217	224	230
Bridge Renewal Program						
This bid is to renew or replace road bridges footbridges and boardwalks as part of an ongoing program to ensure that the bridges continue to be fit for purpose. New bridges are handled via separate specific bids.	268	0	268	273	279	285
Kerb Ramp Construction / Upgrade Program						
This bid is for the proactive upgrading of kerb ramps (also known as pram ramps) to provide a continuous accessible path of travel network in conjunction with the Road Reseal / Reconstruction Program and Council Funded New Footpath Program including consideration of any Disability Discrimination Act related requests.	423	0	423	428	438	443
Bituminous Footpaths and Shared-Use Paths- Reseal / Upgrade Program						
This bid is for the programmed resealing and widening of existing asphaltic footpaths and shared-use paths outside of the City Wide Trails Program.	200	0	200	205	210	215
Bus Shelter Renewal and Bus Stop Improvement Program						
This bid is for the ongoing renewal of bus shelters owned by the City of Salisbury and also includes the upgrade of bus stop pads where required particularly to ensure universal design criteria are met at the stops.	143	0	143	104	106	108
Building Renewal Program						
For the renewal of various building elements for all buildings either owned or under the care and control of the Council.	1,306	0	1,306	1,230	1,261	1,290
Happy Home Reserve - Salisbury Swimming Pool - Structural Remedial Works to Pool						
To complete necessary structural repair works to both the main pool and learning pool at the Salisbury Recreation Precinct.	0	0	0	400	200	0
Playspace / Playground Program						
This bid is for playspace / playground renewal and upgrades including new shade structures where identified.	840	0	840	610	620	540
Outdoor Sealed Sporting Court Surfaces Program						
This bid is for the reseal and/or minor upgrade of outdoor sealed sports playing surfaces.	86	0	86	87	88	89
Total Renewal	**3,485**	**0**	**3,485**	**3,554**	**3,425**	**3,200**

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CITY OF SALISBURY DRAFT ANNUAL PLAN 19/20 28

Capital Works Program

	Exp	2019/20 $000's Funding	Net	2020/21 $000's Net	2021/22 $000's Net	2022/23 $000's Net
New						
Minor Traffic Improvements Program						
This bid is for the implementation of minor traffic control improvement works such as pedestrian refuge-type treatments / minor modifications to Local Traffic Management treatments and the installation of indented parking bays and various 'proactive and reactive' measures such as the installation of new pavement bar layouts - pavement markings and advance warning and regulatory signage.	215	0	215	60	110	120
Major Traffic Improvements Program						
This bid is the consolidated program to treat individual sites that require specific and significant traffic control measures e.g. the installation of Local Traffic Management Type Treatments.	2,055	1,337	718	813	231	230
School Zones and Pedestrian Crossings Program						
This bid is for the installation of new or upgraded 'school zones' and pedestrian crossing facilities on a 'needs' basis.	193	0	193	140	170	175
Council Funded New Footpath Program						
This bid is for the construction of new footpaths in older suburbs where footpaths do not already exist or where there is a need for additional footpaths in existing streets or reserves. The proposed locations are reviewed and prioritised by the Footpath Request Evaluation Team in accordance with Council's Footpath Policy and the Transport Asset Management Plan.	341	0	341	328	335	340
Bicycle Network Improvements Program						
This program is a collection of nominated projects responding to specific known bicycle network deficiencies including projects eligible for State Bicycle Funding or State Black Spot Program - Cycling Projects which both require a funding contribution from Council.	399	180	219	152	102	142
Information Signage Program (Parks and Reserves)						
Installation of new information / interpretive signage for nominated parks and reserves.	63	0	63	57	62	64
City Wide Trails Program						
This bid is for the continued development and upgrade of the 'Green Trails' network that follows the City of Salisbury's Open Space corridors with various connections mainly via reserves.	1,040	652	388	540	540	450
Sportsfield Lighting Program						
This bid is to fund lighting renewals and upgrades for sporting ovals based on condition and levels of service required. A condition audit and service level assessment of sportsfield lighting infrastructure will be used to formulate future proposed works. This bid is related to a separate bid Sportsfield Lighting Assistance Program.	170	0	170	200	70	180
St Kilda Master Plan - Stage 2 Implementation						
This bid is for the implementation of the St Kilda Master Plan - Stage 2 Works (Marine Recreation Precinct and Mangroves) over multiple years commencing with detailed design and consultation and external funding negotiations which commenced in 2018/2019. In the event that external funding becomes available for the Boat Ramp or RV Site earlier these project budgets will be adjusted via Council's Quarterly Budgetary Review Process accordingly.	1,600	900	700	105	330	6,971
Building Upgrade Program						
Upgrades to Council owned buildings other than those that are submitted as a separate bid or included in the Building Renewal Program.	2,350	0	2,350	2,150	2,200	2,200
Priority Universal Design Upgrades - Buildings						
This bid is to implement priority access items following completion of a building condition audit.	118	0	118	120	122	124

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CITY OF SALISBURY DRAFT ANNUAL PLAN 19/20 29

Capital Works Program

	Exp	2019/20 $000's Funding	Net	2020/21 $000's Net	2021/22 $000's Net	2022/23 $000's Net
Outdoor Furniture Program						
This bid is for new outdoor furniture such as park benches picnic settings shelters bike racks drinking fountains and barbecues.	214	0	214	216	159	161
Reserve Upgrade Program						
This bid is to increase the level of service and standard of reserves where they fall short of agreed service levels as per the Parks and Streetscape Asset Management Plan and community expectations.	346	0	346	376	371	380
Dog Parks for Small Dogs						
The establishment of dog parks for small dogs co-located with existing dog parks.	79	0	79	79	80	80
Fitness Equipment Program						
Fitness equipment will provide additional value to various reserves across the City of Salisbury and appeal to those people wanting to increase their fitness.	120	0	120	135	135	60
Inclusive Play Spaces Program						
Upgrade of nominated local (neighbourhood) playspaces to be more inclusive and to ensure that there are safe and friendly play spaces for everyone and their careers to access. people. This bid will result in the delivery of a playspace which is inclusive of all abilities and age levels and cater for carers and other family members.	355	235	120	0	0	0
Salisbury City Centre Regional Community Hub						
The Salisbury Community Hub is a major strategic transitional project for Council that will deliver on multiple objectives.	1,000	0	1,000	0	0	0
Salisbury Oval Master Plan Implementation						
With the approval of the Salisbury Oval Master Plan, a program of works was determined and approved for delivery, this being the final year of this, known as the Salisbury Oval Master Plan Implementation Program.	1,680	0	1,680	0	0	0
Bridgestone Reserve - Athletics Facility						
This bid is to develop a new regional-level synthetic athletics facility at Bridgestone Reserve.	1,596	0	1,596	0	0	0
Community and Public Art Program						
Implementation of a community and public art program across the City of Salisbury.	30	0	30	30	0	0
Louisa Road / Deal Court - Parafield - Upgrade						
To develop a concept design for the upgrade of Louisa Road/Deal Court with Construction in 2020/21.	50	0	50	1,000	950	0
Unity Park - Pooraka - Additional New Toilet Facilities 2019/2020						
This bid is for the design and installation of additional new public toilet facilities at Unity Park - Pooraka.	152	0	152	152	0	0
Netball Courts at Salisbury North Oval and Salisbury Downs						
Netball court at Salisbury North Oval Football ground and to re-instate the courts located at Salisbury West Football Club.	397	0	397	0	0	0
Historical Methodist Cemetery Stage 1 Upgrade						
Stage 1 landscape upgrade to the Historical Methodist Cemetery owned by the Uniting Church.	77	0	77	0	0	0
Total New	**14,640**	**3,304**	**11,336**	**6,653**	**5,970**	**11,677**
TOTAL - The Living City	**18,125**	**3,304**	**14,821**	**10,207**	**9,395**	**14,877**

Item 4.2.3 - Attachment 3 - Draft Annual Plan 2019/20

Capital Works Program

		2019/20 $000's		2020/21 $000's	2021/22 $000's	2022/23 $000's
	Exp	Funding	Net	Net	Net	Net
Achieving Excellence						
Renewal						
Transportation Program Area - Planning Program						
This bid is to provide existing 'Transportation' Project Asset Category Programs with funding for the planning and development of the subsequent years' programs including various Transport Asset Management Plan (AMP) Asset Condition Audits.	120	0	120	181	180	120
Road Reseal / Reconstruction Program						
This bid is for the ongoing renewal of bituminous road surfaces and/or reconstruction of failed road pavements including all capitalised preparatory works such as crack sealing.	8,635	0	8,635	8,813	9,000	9,180
Property and Buildings Program Area - Planning Program						
This bid is to provide existing 'Property and Buildings' category programs with funds for planning and development of the subsequent years' programs including various Building Asset Management Plan asset condition audits.	200	0	200	80	80	80
Drainage and Waterways Program Area - Planning Program						
This bid is to provide existing 'Drainage and Waterways' category programs with funds for planning and development of the subsequent years' programs.	184	0	184	152	132	136
Parks and Streetscape Program Area - Planning Program						
This bid is to provide existing 'Parks and Streetscapes' category programs with funds for planning and development of future years' programs.	32	0	32	33	34	35
Mawson Lakes and Edinburgh - Renewal of Railway Corridor Sound Attenuation Walls						
This bid is for renewal of the sound attenuation walls adjacent to the railway corridors in Mawson Lakes and Edinburgh.	50	0	50	50	50	50
Total Renewal	**9,221**	**0**	**9,221**	**9,309**	**9,476**	**9,601**

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Capital Works Program

		2019/20 $000's		2020/21 $000's	2021/22 $000's	2022/23 $000's
	Exp	Funding	Net	Net	Net	Net
New						
Sportsfield Lighting Assistance Program						
This bid is for a nominal annual budget provision for Council matching funds to enable clubs to apply for State Government funding for sportsfield lighting projects.	100	50	50	50	50	50
Developer Funded Program						
This bid is to undertake a program of works including but not limited to planting of trees; building footpaths and parking bays in development areas where developers choose not to complete these works but provide a financial contribution to City of Salisbury in lieu to undertake the works post-initial development.	205	205	0	0	0	0
Clubs/Sporting Facilities (Minor Capital Grants Program)						
This bid is for the Minor Capital Works Grants Program to enable sporting and similar clubs to initiate minor improvements (buildings facilities and equipment) based on club needs.	326	0	326	333	339	347
Land Acquisition Program - Miscellaneous						
Provision for the unforeseen purchase of minor parcels of land to facilitate the construction of present and future infrastructure.	55	0	55	56	57	58
Strategic Projects Program - Planning Program						
Funds for the initial development of nominated high-level strategic project proposals and initiatives. This work is partly undertaken in the pre project stage to complete the necessary planning and business case development to enable a project or set of projects to be defined/ scoped.	100	0	100	0	0	0
Building Furniture and Equipment Program						
Renewal of inside furniture and equipment across all Council facilities.	65	0	65	70	75	80
Diment Road Burton/Direk - Upgrade 2019/20						
Subject to external funding support this bid is for further staged widening-reconstruction and upgrading of Diment Road between Bolivar Road and Heaslip Road located predominantly in the commercial / industrial zone to cater for B-Double access. It should be noted that Heaslip Road is the responsibility of the Department of Planning, Transport and Infrastructure (DPTI).	350	0	350	350	350	350
Security Systems Upgrade – Intruder Detection Systems						
The upgrade of alarm system hardware to a versatile and functional intruder detection system that allows established control systems; allows a networked 'one platform standard' across City of Salisbury monitored alarm sites; reduces the requirement for physical swipe cards and allows for Bluetooth mobile technology control solutions – reducing time and costs to Council in managing access control.	90	0	90	70	0	0
Total New	1,291	255	1,036	929	871	885
TOTAL - Achieving Excellence	10,512	255	10,257	10,238	10,347	10,486
Total Renewal	14,948	0	14,948	14,925	15,935	14,759
Total New	25,895	6,698	19,197	21,601	15,627	17,573
Total Capital Works Program	40,843	6,698	34,145	36,526	31,562	32,332

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Information Technology Budget Bids

	Exp	2019/20 $000's Funding	Net	2020/21 $000's Net	2021/22 $000's Net	2022/23 $000's Net
Achieving Excellence						
Enabling functionality for future Pathway integration projects						
Implement functionality to provide a robust flexible platform for future projects to integrate to the Pathway solution.	0	0	0	63	0	0
Implementation of an Asset Management Predictive Modelling Solution						
To implement a predictive modelling solution to improve the development of Asset Management Operation Plans; renewal plans and maintenance plans and financial modelling.	50	0	50	0	0	0
Fleet Management System Upgrade						
With the current system no longer supporting upgrades or improvements, it is proposed to purchase a new Fleet Management System to be able to manage councils $13M of fleet including light vehicles, heavy plant and minor equipment.	50	0	50	0	0	0
TOTAL - Achieving Excellence	**100**	**0**	**100**	**63**	**0**	**0**
Total IT Budget Bids	100	0	100	63	0	0

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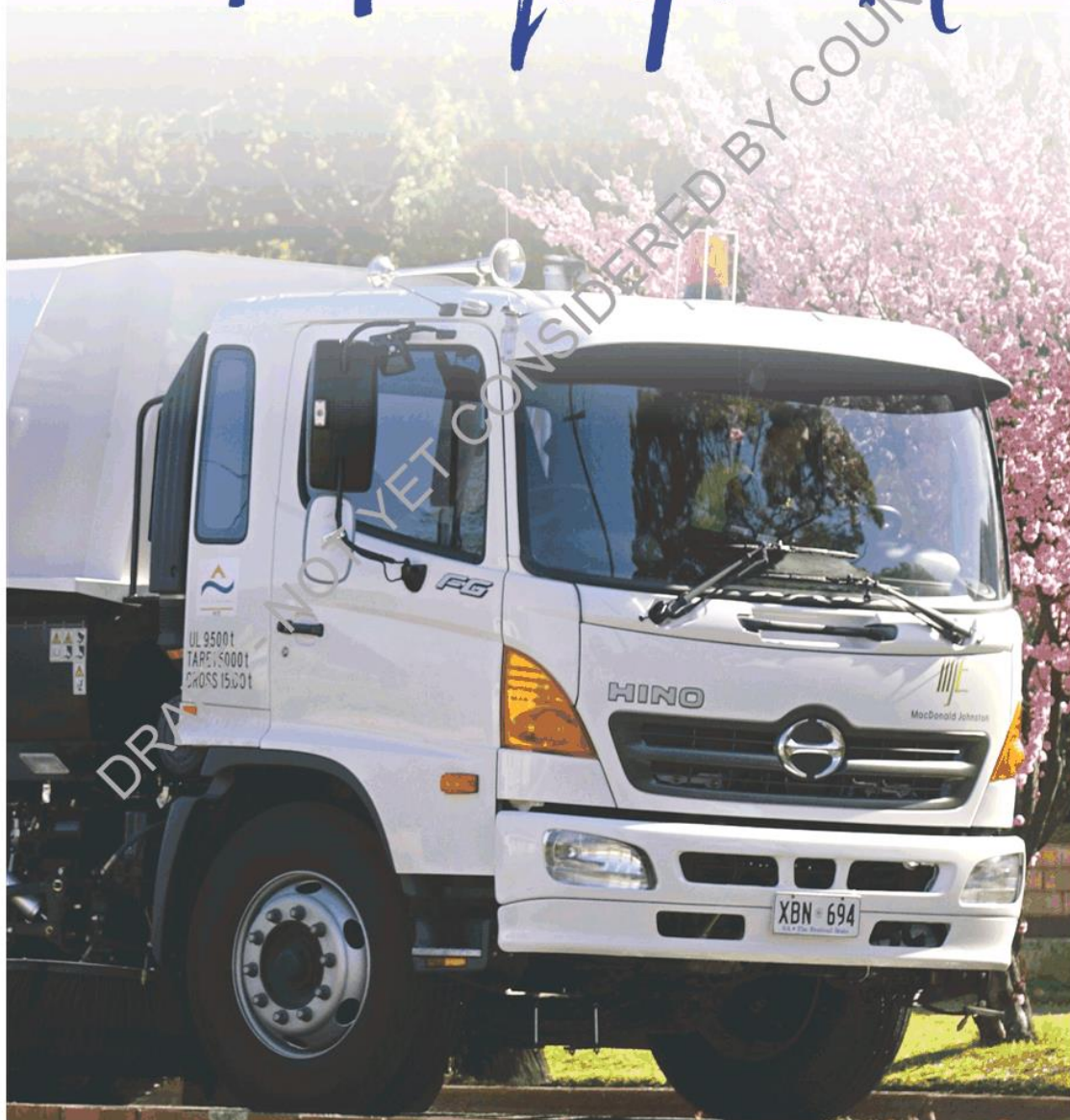
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Plant, Furniture and Equipment Budget Bids

	2019/20 $000's			2020/21 $000's	2021/22 $000's	2022/23 $000's
	Exp	Funding	Net	Net	Net	Net
The Sustainable City						
Purchase of Mini Excavator for Tree Planting	62	0	62	0	0	0
The purchase of a Mini Excavator aims to streamline the current methodology used to plant trees in the City of Salisbury. It will free up the large skid steer to increase service delivery in post rail repairs, reserve maintenance and minor earthworks. The mini excavator can also be utilised in summer for mulching garden beds and trenching for irrigation repairs.						
Purchase of Wide Area Mowers	22	0	22	0	0	0
It is proposed to purchase two (2) wide area mowers that increase the cutting footprint from 6ft to 11ft. This would reduce the need to replace four (4) standard six (6) ft cut front deck mowers. Wide area mowers would be deployed to cut the larges reserve areas to produce the maximum productivity gain.						
Total New	84	0	84	0	0	0
TOTAL - The Sustainable City	84	0	84	0	0	0
Achieving Excellence						
Mawson Lakes Central - CCTV	395	395	0	0	0	0
The project proposes installation of CCTV infrastructure to extend upon Council's existing CCTV network and to provide improved public realm safety in the Mawson Lakes Central precinct.						
Plant & Fleet Replacement Program	1,615	377	1,238	1,065	1,139	1,752
This bid is to deliver on a program for major plant and fleet replacement based on the Asset Management Programs that have been developed.						
Fleet Lease to Purchase	115	0	115	0	0	0
This bid is required to convert a further 2 vehicles in the fleet that are currently leased to become purchased vehicles.						
Community Buildings - CCTV	155	0	155	0	0	0
For the continued implementation of CCTV in Council's community buildings.						
Purchase of Utility Vehicle for Infrastructure Management Team	45	0	45	0	0	0
Purchase of a 4x2 crew cab utility vehicle for use by the newly created Compliance Officers.						
CCTV Renewal Program	30	0	30	30	30	30
Successful implementation of previous CCTV upgrades has led the city to an effective CCTV platform over the past 5 years for public safety and more recently with the community centre installation programme providing effective solutions to assist improving the security and safety of council assets and services.						
Total New	2,355	772	1,583	1,095	1,169	1,782
TOTAL - Achieving Excellence	2,355	772	1,583	1,095	1,169	1,782
Total PFE Budget Bids	2,439	772	1,667	1,095	1,169	1,782

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BUDGETED
financial statements
and analysis
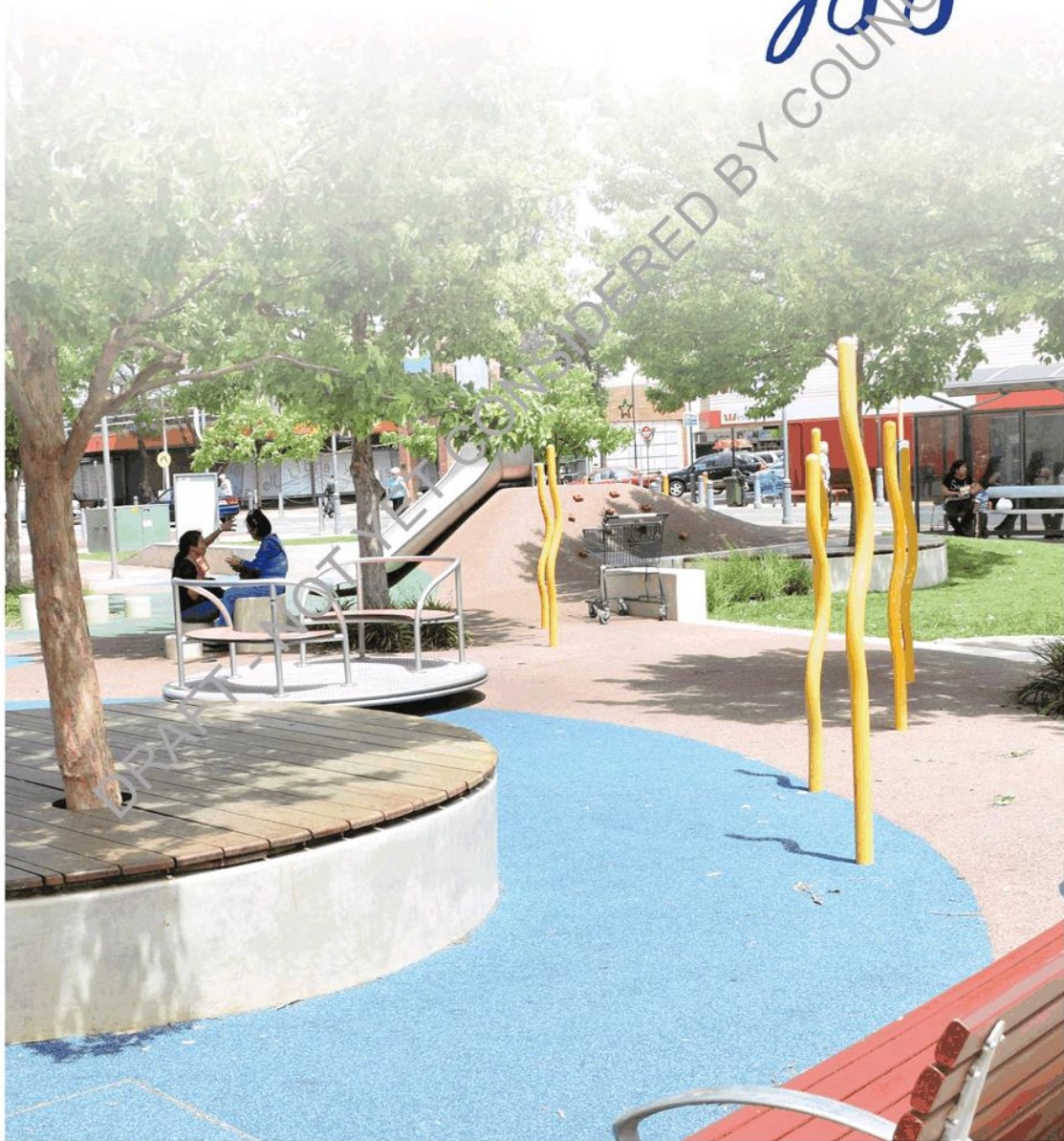
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Budgeted Financial Statements & Analysis 2019/20

This section of the report analyses the changes in budgeted operating revenues and expenses for the 2019/20 year.

1.0 Summary

Details		Adopted Budget 2018/19 $000's	Proposed Budget 2019/20 $000's	Variance Inc / (Dec) $000's	Variance %
Operating Revenue		118,372	121,684	3,312	2.80%
Operating Expenditure		114,786	116,213	1,427	1.24%
Net Operating components of Capital Projects			1,180	1,180	
Net Operating New Initiative Bids			430	430	
Operating Surplus/(Deficit)		**3,586**	**3,861**	**275**	**7.66%**

1.1 Operating Revenue

Revenue Type	Reference	Adopted Budget 2018/19 $000's	Proposed Budget 2019/20 $000's	Variance Inc / (Dec) $000's	Variance % %
Rates	1.1.1	97,693	101,031	3,338	3.42%
Statutory Charges	1.1.2	2,860	2,819	(41)	(1.43%)
User Charges	1.1.3	4,888	5,004	116	2.38%
Operating Grants and Subsidies	1.1.4	11,908	11,759	(149)	(1.25%)
Investment Income	1.1.5	159	158	(1)	(0.91%)
Reimbursements	1.1.6	132	217	85	64.59%
Other Revenue	1.1.7	732	696	(36)	(4.94%)
Total Operating Revenue		**118,372**	**121,684**	**3,312**	**2.80%**

1.1.1 Rates ($3,338k Increase)

The anticipated rate revenue in 2019/20 is $101M which when compared to 2018/19 of $97.7M represents an increase of $3,338k or 3.42%. The proposed average rate increase is 2.50% and the proposed increase in rate revenue from growth is 1.00%.

1.1.2 Statutory Charges ($41k Decrease)

Statutory fees relate to fees and fines levied in accordance with legislation and include Dog Registrations, Health Act Registrations, and Parking Expiations. Statutory fees are forecast to decrease by 1.43% or $41k compared to 2018/19 resulting from changes in dog registration requirement.

This incorporates decreases in dog registration $87k associated with legislation changes impacting on increase concessions due to increase in microchipped and desexed dogs, and an increase in Development Services Income including Building Rules Certification Income $27k and Planning Assessment $23k.

1.1.3 User Charges ($116k Increase)

User Charges primarily relate to the recovery of service delivery costs through the charging of fees to the users' of the Council's services. These charges are forecast to be $5M in 2019/20. This is an increase of 2.38% or $116k compared to 2018/19.

The increase incorporates the commercial rental review and adjustment $105k and Sporting Clubs rental review $19k.

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Budgeted Financial Statements & Analysis 2019/20

1.1.4 Operating Grants & Subsidies ($149k Decrease)

Operating Grants and Subsidies for 2019/20 are forecast to be $11.8M, which is a decrease of $149k or 1.25% as compared to the budgeted amount of $11.9M in 2018/19.

The forecast decrease in Operating Grants & Subsidies is the result of the one off Northern Adelaide catchment study grant $100k and decrease of Home Assist Grant $57k due to restructure of Commonwealth Home Support Program.

1.1.5 Investment Income ($1k Decrease)

The Council earns investment income primarily in the form of interest from the investment of cash surpluses throughout the financial year.

Investment Income for 2019/20 is forecast to generate $158k which is a minor decrease of $1k compared to 2018/19.

1.1.6 Reimbursements ($85k Increase)

From time to time the Council enters into commercial arrangements under which it performs services on behalf of third parties, and subsequently then seeks reimbursement for undertaking those services.

During 2019/20 it is estimated that the Council will seek reimbursement for $217k as compared to $132k in 2018/19. This represents an increase of $85k or 64.59% which is related to additional school immunisation program increase in services.

1.1.7 Other Revenue ($36k Decrease)

Other Revenue comprises all the miscellaneous items of revenue which do not fall into any of the aforementioned revenue categories.

During 2019/20 Other Revenue is forecast to decrease to $696k as compared to the $732k in 2018/19. This represents a decrease of $36k or 4.94% which is mainly associated with a lower estimate for Worker's Compensation Scheme based on current year actuals.

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Budgeted Financial Statements & Analysis 2019/20

1.2 Operating Expenditure

Expense Type	Reference	Adopted Budget 2018/19 $000's	Proposed Budget 2019/20 $000's	Variance Inc / (Dec) $000's	Variance % %
Wages & Salaries	1.2.1	36,596	38,202	1,606	4.39%
Materials, Contracts & Other Expenses	1.2.2	49,819	49,284	(535)	(1.07%)
Finance Charges	1.2.3	1,641	1,410	(231)	(14.08%)
Depreciation	1.2.4	26,730	27,317	587	2.20%
Total Operating Expenses		**114,786**	**116,213**	**1,427**	**1.24%**

1.2.1 Wages & Salaries ($1,606k Increase)

Wages and Salaries include all associated labour related on-costs such as allowances, leave entitlements and the Superannuation Guarantee Charges. Wages and Salaries costs takes into account the effects of EB Agreements, general salary increments and the impact on employee costs resulting from increases and decreases in grant funding.

During 2019/20 employee costs are forecast to increase to $38.2M as compared to $36.6M in 2018/19. This is an overall increase of $1.6M or 4.39% which includes wage increases, and outcomes from organisational structural changes.

1.2.2 Materials, Contracts & Other Expenses ($535k Decrease)

Materials, Contracts and Other Expenses includes purchases of consumables that are used throughout the Council for the provision of services, utility costs, works and services which the Council sources externally, so as to allow the Council to perform its operations. It also includes a broad range of other expense items including contributions to community groups, advertising, insurance, legal advice, motor vehicle registrations and numerous other miscellaneous expenses.

The budgeted amount for materials, contracts and other expenses is forecast for 2019/20 at $49.3M as compared to $49.8M in 2018/19. This is a decrease of $535k or 1.07% with the most significant impacts being reduction of current year's election cost of $478k. This is offset by budgeting $130k each year for the next 4 years toward to the election in 2022.

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Budgeted Financial Statements & Analysis 2019/20

1.2.3 Finance Costs ($231k Decrease)

Borrowing costs relate to interest charged by financial institutions on funds that have been borrowed by the Council.

The interest costs of $1.4M forecast for 2019/20 is an decrease of $231k or 14.08% as compared with $1.6M in 2018/19 with less loans being drawn down to fund the capital program delivery.

1.2.4 Depreciation, Amortisation & Impairment ($587k Increase)

Depreciation is an accounting measure which attempts to measure the usage of the Council's infrastructure (such as roads and drains), property, plant and equipment over the estimated effective useful life of the assets.

In 2019/20 the forecast amount of depreciation is $27.31M compared to $26.73M for 2018/19. This is an overall increase of $587k or 2.20%. This main increase is the result of depreciation for the Salisbury Community Hub.

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Functional Presentation of the Budget

In this section of the Annual Plan the Operating Budget has been presented using a Functional View.

Full Cost

The City of Salisbury has a legislative obligation, under the Local Government Financial Management Regulations 2011, that requires Councils to ensure that externally provided financial information is made available on a full cost basis.

Full cost attribution is effectively a system under which all costs, including indirect and overhead costs, are allocated to a function, activity or program on a reliable and consistent basis. In other words full cost attribution seeks to determine the true cost of any function of Council by allocating indirect costs, including administration and management costs, to Council services.

The most prevalent reason to provide financial information on a full cost basis is that knowing and understanding the full cost of a service is essential information required in order for Council to continue to effectively manage and administer the City of Salisbury's budget.

Functional Presentation of the Budget

The presentation of the Budget has been aligned with the City of Salisbury's Planning Framework; that is the City Plan 2030. This Planning Framework is structured around four Key Directions, Prosperous City, Sustainable City, Liveable City and Enabling Excellence.

The various Council services are presented in accordance with the Key Direction they are related to. This has the effect of demonstrating the contribution each service area will achieve in working towards the goals outlined under each direction, as well as presenting key service levels and costs associated with the performance of these services.

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Budget Summary by Full Cost

OPERATING BUDGET by KEY DIRECTION	2018/19				
	Direct Cost $000's	Attributed Cost $000's	Full Cost $000's	Funding $000's	Net $000's
The Prosperous City					
Economic Development	1,053	394	1,447	64	1,383
Development Management	2,932	110	3,042	1,257	1,785
Urban Planning and Development	1,159	204	1,363	-	1,363
Roads	3,405	609	4,014	2,682	1,332
Footpaths	1,312	138	1,450	-	1,450
Total The Prosperous City	**9,861**	**1,455**	**11,316**	**4,003**	**7,313**
The Sustainable City					
Water Management	3,633	521	4,154	2,760	1,394
Waste Management	14,813	393	15,206	232	14,974
Parks & Landscapes	16,299	3,722	20,021	60	19,961
City Infrastructure	5,362	(5,362)	-	1,129	(1,129)
Total The Sustainable City	**40,107**	**(726)**	**39,381**	**4,181**	**35,200**
The Living City					
Community Development	2,271	308	2,579	9	2,570
Library Services	4,784	821	5,605	709	4,896
Community Centres	1,604	663	2,267	310	1,957
Recreation Services	1,653	176	1,829		1,829
Community Sport & Club Facilities	2,014	149	2,163		2,163
Community Health & Wellbeing	3,907	880	4,787	3,041	1,746
Cemetery	425	166	591	522	69
Food & Health Regulation	825	364	1,189	169	1,020
Inspectorate Services	571	194	765	380	385
Dog Control	1,169	556	1,725	1,145	580
Crime Prevention & Repair	532	207	739		739
Street Lighting	3,107	2	3,109		3,109
Total The Living City	**22,862**	**4,486**	**27,348**	**6,285**	**21,063**
Achieving Excellence					
Business Excellence	13,087	(13,033)	54	458	(404)
Council	2,826	(2,826)	-	2	(2)
Sundry *	26,043	(459)	25,584	6,501	19,083
Total Achieving Excellence	**41,956**	**(16,318)**	**25,638**	**6,961**	**18,677**
Capital Works & Project Preparation		1,811	1,811	-	**1,811**
Corporate Unallocated		5,251	5,251	-	**5,251**
Corporate Governance Overhead		4,041	4,041	-	**4,041**
Rate Revenue				96,942	**(96,942)**
TOTAL OPERATING SURPLUS / (DEFICIT)	**114,786**		**114,786**	**118,372**	**3,586**

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Budget Summary by Full Cost

OPERATING BUDGET by KEY DIRECTION	2019/20				
	Direct Cost $000's	Attributed Cost $000's	Full Cost $000's	Funding $000's	Net $000's
The Prosperous City					
Economic Development	878	394	1,272	65	1,207
Development Management	3,018	111	3,129	1,310	1,818
Urban Planning and Development	962	204	1,166	-	1,166
Roads	3,580	608	4,188	2,685	1,503
Footpaths	1,368	138	1,506	-	1,506
Total The Prosperous City	**9,806**	**1,455**	**11,261**	**4,060**	**7,201**
The Sustainable City					
Water Management	3,698	521	4,219	2,634	1,585
Waste Management	15,103	394	15,497	232	15,265
Parks & Landscapes	16,838	3,872	20,710	60	20,650
City Infrastructure	4,563	(4,563)	-	1,245	(1,245)
Total The Sustainable City	**40,202**	**224**	**40,426**	**4,171**	**36,255**
The Living City					
Community Development	2,203	307	2,510	8	2,502
Library Services	4,790	820	5,610	709	4,901
Community Centres	1,663	664	2,327	308	2,019
Recreation Services	1,646	176	1,822	-	1,822
Community Sport & Club Facilities	2,006	149	2,155	-	2,155
Community Health & Wellbeing	3,804	880	4,684	3,003	1,681
Cemetery	444	166	610	512	98
Food & Health Regulation	875	364	1,239	255	984
Inspectorate Services	582	194	776	388	388
Dog Control	1,185	556	1,741	1,059	682
Crime Prevention & Repair	605	207	812	-	812
Street Lighting	3,204	1	3,205	-	3,205
Total The Living City	**23,007**	**4,484**	**27,491**	**6,242**	**21,249**
Enabling Excellence					
Business Excellence	13,439	(13,400)	39	417	(378)
Council	2,426	(2,426)	-	2	(2)
Sundry *	27,333	(1,441)	25,893	6,456	19,437
Total Enabling Excellence	**43,198**	**(17,266)**	**25,932**	**6,875**	**19,057**
Capital Works & Project Preparation		1,811	1,811		**1,811**
Corporate Unallocated		5,251	5,251		**5,251**
Corporate Governance Overhead		4,041	4,041		**4,041**
Rate Revenue				100,335	**(100,335)**
Operating New Initiatives	1,766		1,766	157	**1,610**
TOTAL OPERATING SURPLUS / (DEFICIT)	**117,979**		**117,979**	**121,840**	**3,861**

* Sundry expenditure is primarily depreciation, with income being untied grant funding.

CITY OF SALISBURY DRAFT ANNUAL PLAN 19/20 45

THE PROSPEROUS city
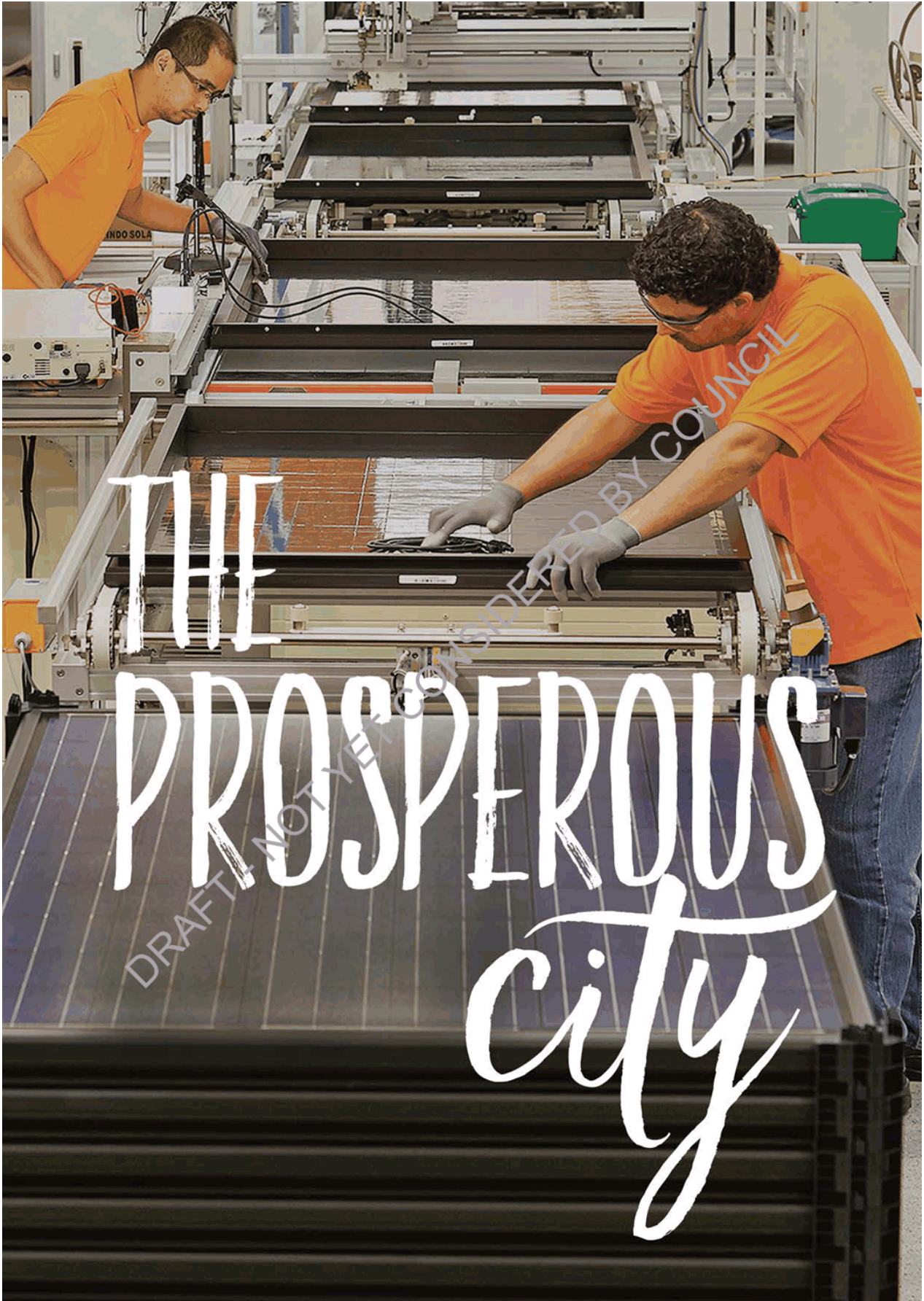
Our objectives are to:

1. Have a community with the skills, knowledge and agility to participate in a rapidly changing economy
2. Be the place of choice for businesses to invest and grow within South Australia, nationally and internationally
3. Have a thriving business sector that supports community wellbeing, is globally oriented and creates job opportunities
4. Have well planned urban growth that stimulates investment and facilitates greater housing and employment choice

We will:

- Improve pathways to employment by providing programs for people whether they are unemployed, seeking to enter the workforce or looking to change careers

- Support workers and families affected by the closure of the automotive sector

- Build on regional strengths in food processing, defence, logistics and education to attract new investment and support existing firms to grow

- Capitalise on the rollout of the NBN, expertise within the University of SA and the establishment of data centres to accelerate the growth of information-rich industries

- Build new industries around our region's research strengths

- Further develop Salisbury Water through research and development to provide a competitive edge for firms located in the region

- Develop a creative entrepreneurial community

- Encourage new business start-ups and improve the growth aspirations, management capability and leadership of existing business owners

- Support firms to access new markets

- Work with business to adopt digital technologies to improve productivity

- Partner and advocate to maximise the economic and social benefits of major infrastructure projects

- Encourage well designed infill development and unlock new urban development opportunities

- Regenerate the Salisbury City Centre into a vibrant, diverse and successful destination recognised as the business heart of northern Adelaide

- Ensure Council's regulations and procurement activities support local economic growth where possible

| Our City's progress will be measured by: |
| --- |
| Size of workforce and participation rate |
| Gross Regional Product |
| Number of actively trading businesses |
| Value of residential and commercial construction |

Economic Development

Economic Development contains the following Service Areas, Activities and Service Levels

SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
Business Advisory Services (The Polaris Centre) Council supports people considering starting a business or who are already in business by providing information, advice, workshops and mentoring.	• Provide support and training to businesses: over 500pa • Provide mentoring services to business owners: over 40pa • Increase the rate of new business formation in the region by providing start up programs • Provide digital support services to businesses including workshops (10), advisory (100 people) and roundtables (6) • Support firms to build their capacity to diversify into international markets: at least 10pa
Economic Development *Investment Attraction* Actively promote Salisbury as an investment location of choice through Salisbury Business and Invest Salisbury activity, investment program and actively works with firms considering relocating to Salisbury or expanding their operations within our City. This includes progressing Council's approach to business growth and investment through simpler and streamlined Council processes. Actively promote and position the City of Salisbury as a location of choice for business investment and expansion *Policy & Advice* Provide economic advice and input to Council and external bodies regarding economic issues and opportunities. *Salisbury City Centre* Contribute to, and, where appropriate, drive initiatives to progress Council's objectives for Salisbury City Centre Structure Plan, place management and liaison with businesses.	• Engage with at least 100 firms as part of Council's business engagement program. • Case management of at least 20 investment leads • Continual delivery of Invest in Salisbury and work with at least 3 partner organisations to raise Salisbury's economic profile in key sectors. • As required develop and commence implementation of a future economic strategy for Salisbury. • Implementation of Salisbury City Centre investment attraction initiatives.

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Economic Development

Budgeted Economic Development Operating Expenditure
($000')
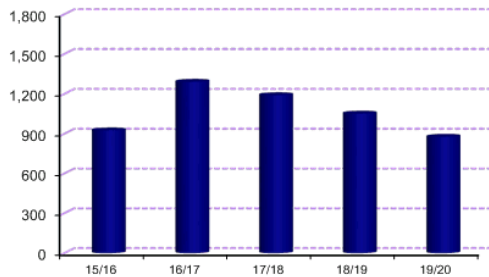
Economic Development *(Expenditure)*

- Wages
- Contractual Services
- Materials
- Other

27.9%

2.4%

7.9%

66.7%
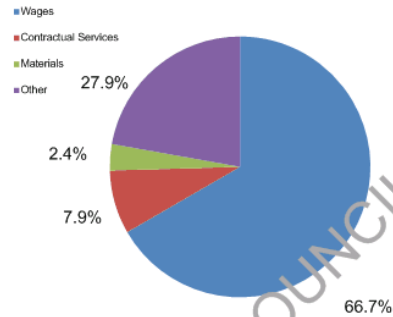
	2018/19 Budget $000's	2019/20 Forecast $000's
EXPENDITURE		
Business Advisory Services	177	178
Economic Development	876	700
DIRECT EXPENDITURE	1,053	878
FULL COST ATTRIBUTION	394	394
TOTAL EXPENDITURE	1,447	1,272
INCOME		
Business Advisory Services	64	65
TOTAL INCOME	64	65
NET IMPACT TO COUNCIL		
Business Advisory Services	113	113
Economic Development	876	700
FULL COST ATTRIBUTION	394	394
TOTAL NET IMPACT TO COUNCIL	1,384	1,207

CITY OF SALISBURY DRAFT ANNUAL PLAN 19/20   49

Development Management

Development Management contains the following Service Areas, Activities and Service Levels

SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
Building Assessment of applications, provide general advice to community regarding building matters, respond to complaints, and inspect approved developments.	• General Advice: 2,100pa • Applications: 2,500pa • Building Compliance: 600pa • Building Application Inspections: 600pa
City Development Administration Responsible for administration support services and the overall management and leadership of the City Development Department.	• Section 7 Statements: 3,000pa • Rates Certificates: 3,100pa • Plan searches: 110pa • Register development applications and generate application decision notification forms: within 1 business day of registration/decision
Corporate Signage Provide and promote corporate directional signage primarily on main roads, to assist visitors to find business locations. The program aim is to be self-funding.	• 35 signs located across the City
Development Engineering Processes applications for land divisions to ensure new roads, footpaths and stormwater drains meet Council standards. Deals with engineering aspects (e.g. traffic and stormwater) for major developments.	• Engineering Assessment Approval and Bonding of land divisions: 8pa • Building Developments: 40pa • Construction Compliance Inspections: 50pa • Engineering advice: 520pa
Planning Assessment of applications, provide general advice to community regarding planning matters and ensure compliance with legislative requirements.	• Applications: 2,300pa • Planning Application Inspections: 650pa • Planning Compliance: 185pa • General Advices: 8,000pa

Development Management

Budgeted Development Management Operating Expenditure
($000')
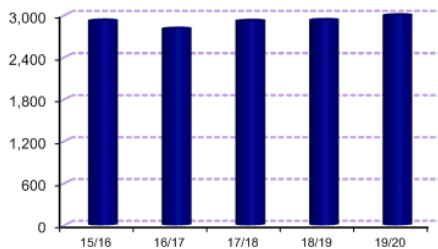
Development Management (*Expenditure*)

- Wages
- Contractual Services
- Materials
- Other

11.8%
0.6%
4.0%
83.6%
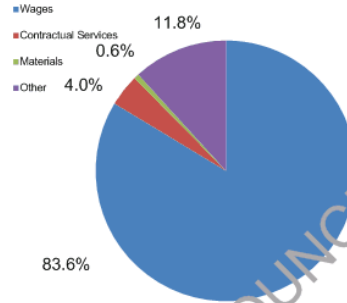
	2018/19 Budget $000's	2019/20 Forecast $000's
EXPENDITURE		
Building	766	798
City Development Administration	1,026	1,061
Corporate Signage	7	7
Development Engineering	207	210
Planning	926	942
DIRECT EXPENDITURE	**2,932**	**3,018**
FULL COST ATTRIBUTION	**111**	**111**
TOTAL EXPENDITURE	**3,042**	**3,128**
INCOME		
Building	726	772
City Development Administration	103	101
Corporate Signage	10	23
Planning	419	415
TOTAL INCOME	**1,258**	**1,310**
NET IMPACT TO COUNCIL		
Building	41	27
City Development Administration	922	960
Corporate Signage	(3)	(16)
Development Engineering	207	210
Planning	507	526
FULL COST ATTRIBUTION	**111**	**111**
	1,784	**1,818**

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Urban Planning and Development

Urban Planning and Development contains the following Service Areas, Activities and Service Levels

| SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
Strategic Development Projects Oversees Council's strategic development projects from inception through to completion including: • Identification and development of surplus Council land • Preparation of project feasibilities and business cases for identified potential future developments. • Investigating opportunities and coordinating key development projects to contribute to the renewal of the Salisbury City Centre.	• Complete delivery of the Tranche 2 project Boardwalk at Greentree including the delivery of 122 residential allotments including 15% affordable housing. • Deliver balance Tranche 2 projects residential sales, subject to outcome of business case considerations. • Commence implementation on the year 2 short term five year priority actions identified within the Strategic Land Review Implementation Plan. • Complete residential project feasibilities identified by Council in respect to the residential Tranche 3 projects • Contribute to the delivery of all Year 1 actions as identified in the Salisbury Oval Masterplan including completion of an EOI process on the residential land offering and commencement of sales. • Provide internal support and project coordination to facilitate the construction of the Salisbury Community Hub.
Urban Policy *Strategic Planning* Research and develop policies in relation to land use planning, environmental sustainability and industry growth. *Urban Policy* The Planning, Development & Infrastructure Act requires each Council to have a Development Plan to guide development and assessment of development applications. Statewide implementation of the Planning, Development & Infrastructure Act will require Council to work closely with the relevant State Government agencies. Council regularly reviews its development plan to respond to changing needs and expectations to achieve economic, social and environmental objectives.	• Develop a Structure Plan for the Northern Connector road corridor and identifying future development opportunities. • Continue neighbourhood planning for those areas likely to experience increases in population as identified in the Growth Action Plan, commencing with Ingle Farm. • Review changing housing needs within our community. • Collaborate with other councils to progress a regional climate adaptation agenda. • Monitor implementation of City Plan and reporting on city indicators • Monitor new technologies that have the potential to influence or shape how cities function with particular application to the City of Salisbury. • Coordinating initial elements to implement Paddocks Masterplan • Continue to work closely with the State Government on the implementation of the Planning, Development & Infrastructure Act. • Investigate need for further DPAs relating to infill development, flooding, implications of strategic land review and Northern Connector • Conclude Rural (aircraft noise) Direk Industry and Residential Interface DPA • Develop design guidelines to address specific urban policy issues if required • Progressing elements of Council's Strategic Transport Plan agenda • Identification of opportunities to improve parking provision and management in Mawson Lakes and Salisbury City Centre.

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Urban Planning and Development

Budgeted Urban Planning and Development Operating Expenditure ($000')
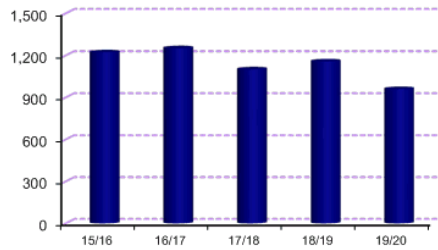
Urban Planning and Development *(Expenditure)*

- Wages
- Contractual Services
- Materials
- Other

0.4% 0.7%
28.8%
70.0%
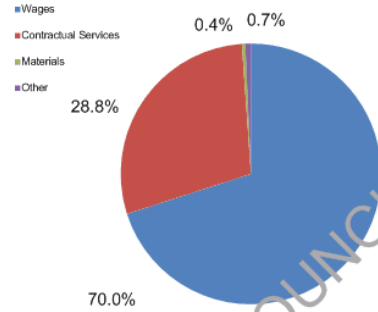
	2018/19 Budget $000's	2019/20 Forecast $000's
EXPENDITURE		
Strategic Development Projects	399	448
Urban Policy	760	514
DIRECT EXPENDITURE	1,159	962
FULL COST ATTRIBUTION	204	204
TOTAL EXPENDITURE	1,363	1,166
INCOME		
TOTAL INCOME		
NET IMPACT TO COUNCIL		
Strategic Development Projects	399	448
Urban Policy	760	514
FULL COST ATTRIBUTION	204	204
TOTAL NET IMPACT TO COUNCIL	1,363	1,166

Roads

Key Partners:

- Department of Planning, Transport & Infrastructure (DPTI)
- Federal Government
- Developers
- SAPOL

Roads contains the following Service Areas, Activities and Service Levels

| SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
Road Maintenance Maintenance of kerb and gutter, road maintenance and repair damage due to storms. There is 1,750km of kerbing and 800km of road in the city. Service levels determined by Asset Management Plans and audit processes	• Roads maintained to Road Pavement Condition Index rating of 8 • Council repairs road failures throughout the year as required • Council has an asset management program for road resealing and renewal that forms part of the Capital Works program • Line marking is carried out throughout the city over a 12-24 month interval • Pot holes are repaired on a responsive basis within 5 days of notification.
Road Safety Maintenance Traffic signal/pedestrian and school crossing maintenance. *Road Sweeping* Provision of clean and tidy streetscape and prevention of debris entering drainage system. *Bridge Maintenance* There are 167 footbridges/boardwalks and 23 major road bridges within the Council area.	• Maintenance of 13 pedestrian/school crossings, 13 Emu Crossings, 16 Koala Crossings and 5 Wombat Crossings • Six week cycle for nine months of the year meeting EPA guidelines cycle, reduced to 3-4 weeks during the summer months to accommodate additional leaf litter • A program of formal audits are undertaken every one to two years • Regular inspections and maintenance is undertaken six monthly and repairs completed as required
Road Safety Engineering Project management of design and receipt of customer complaints regarding traffic design issues.	• Council has completed the LATM's for the City, with traffic data showing the 50km/h speed limits are being adhered to by road users. However, hoon driving is an ongoing challenge with the Council's traffic staff liaising with SAPOL to address these issues
Signs and Street Furniture Structure *Street Signs:* Maintenance and replacement of 4,000 street signs and 37,000 other road signage including suburb, warning, regulatory and information signs. *Street Furniture:* About 700 seats/benches and shelters maintained. *Bus Shelter Maintenance:* Council has over 254 bus shelters. New stops are made compliant with DDA requirements.	• All signage is repaired on an as needs basis • Maintenance of seats/benches and various shelters throughout the City including repainting/sealing, graffiti removal, vandalism and repairs • Program of inspection and condition auditing • Maintenance of bus shelters throughout the City including repainting/graffiti removal, vandalism and pavement repair.

CITY OF SALISBURY DRAFT ANNUAL PLAN 19/20 54

Roads

Budgeted Roads Operating Expenditure
($000')

Roads (*Expenditure*)

- Wages
- Contractual Services
- Materials
- Other
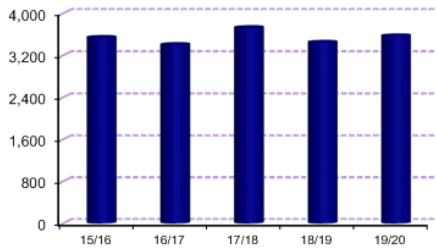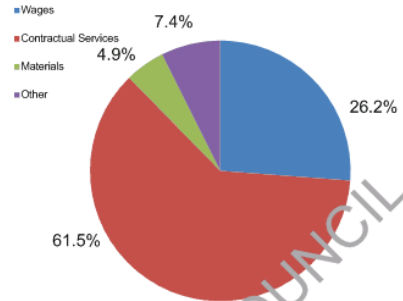
	2018/19 Budget $000's	2019/20 Forecast $000's
EXPENDITURE		
Road Maintenance	2,540	2,616
Road Safety Engineering	505	633
Signs and Street Furniture Structure	360	331
DIRECT EXPENDITURE	3,405	3,580
FULL COST ATTRIBUTION	608	608
TOTAL EXPENDITURE	4,014	4,188
INCOME		
Road Maintenance	2,682	2,685
TOTAL INCOME	2,682	2,685
NET IMPACT TO COUNCIL		
Road Maintenance	(142)	(69)
Road Safety Engineering	505	633
Signs and Street Furniture Structure	360	331
FULL COST ATTRIBUTION	608	608
TOTAL NET IMPACT TO COUNCIL	1,332	1,503

CITY OF SALISBURY DRAFT ANNUAL PLAN 19/20 55

Footpaths

Footpaths contains the following Service Areas, Activities and Service Levels

SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
Footpath Maintenance A program of footpath auditing is conducted every two years to gather data which is used to quantify the overall condition of the network. This data is also used to identify priority areas for maintenance works based on proximity to critical pedestrian generating activities. Customer requests not previously identified are investigated and considered along with the faults identified by the audit. Council also maintains footpaths and bicycle lanes through public reserves.	• Provision of a footpath on one side of a road/street where appropriate as a minimum service standard. • To repair footpath faults > 25mm and according to identified risk factors. • Council repairs footpath failures throughout the year based on a program of priority works and on customer requests where appropriate.

CITY OF SALISBURY DRAFT ANNUAL PLAN 19/20 56

Footpaths

Budgeted Footpaths Operating Expenditure ($000')
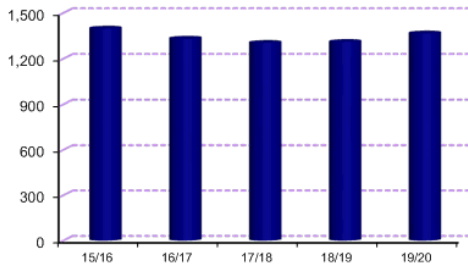
Footpaths (*Expenditure*)
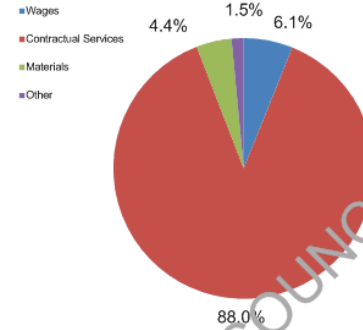
	2018/19 Budget $000's	2019/20 Forecast $000's
EXPENDITURE		
Footpath Maintenance	1,312	1,368
DIRECT EXPENDITURE	1,312	1,368
FULL COST ATTRIBUTION	138	138
TOTAL EXPENDITURE	1,450	1,506
INCOME		
TOTAL INCOME		
NET IMPACT TO COUNCIL		
Footpath Maintenance	1,312	1,368
FULL COST ATTRIBUTION	138	138
TOTAL NET IMPACT TO COUNCIL	1,450	1,506

CITY OF SALISBURY DRAFT ANNUAL PLAN 19/20 57

THE SUSTAINABLE city
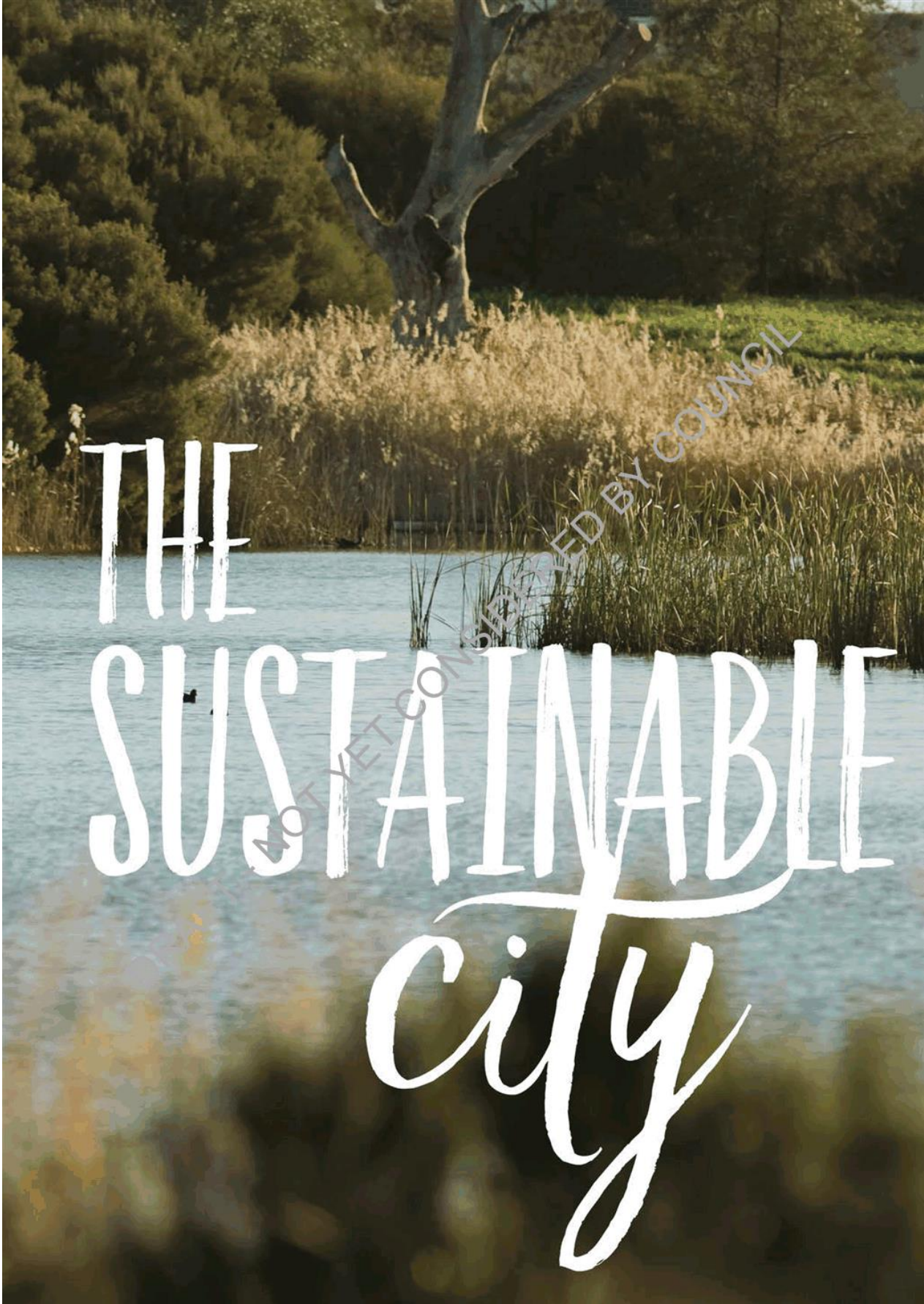
Our objectives are to:

1. Capture economic opportunities arising from sustainable management of natural environmental resources, changing climate, emerging policy direction and consumer demands
2. Have a community that is knowledgeable about our natural environment and embraces a sustainable lifestyle
3. Have natural resources and landscapes that support biodiversity and community wellbeing
4. Have urban and natural spaces that are adaptive to future changes in climate

We will:

- Support businesses to minimise resource usage and waste production

- Develop a strong reputation as a location known for its green industries

- Assist the community to reduce cost of living pressures through the adoption of energy efficient technologies

- Provide information and events that enable people to better understand and care for their environment

- Work with our community to reduce waste

- Manage our natural spaces and landscapes to support the health of local habitats

- Improve our attractiveness as a visitor destination and a place to live through the management of our trees, parks and wetlands

- Manage coastal environments to ensure their future natural, economic and recreational value

- Recognise the importance of open space for community wellbeing and its importance to our community

- Ensure long term flexibility in the management of our urban spaces (assets and infrastructure) to adapt to a changing environment

- Proactively manage stormwater to reduce its impact on communities and the natural environment

- Moderate the impact of extreme heat events through Council's approach to urban place management

Our City's progress will be measured by:
Volume of stormwater captured
Percentage of waste diverted from landfill
Community perceptions of open space
Percentage of Council area with tree canopy cover

CITY OF SALISBURY DRAFT ANNUAL PLAN 19/20 59

Water Management

Key Partners:

- Australian Government Department of the Environment and Energy
- SA Department for Environment and Water (DEW)
- Renewal SA
- SA Water
- Tea Tree Gully Council
- Playford Council
- Department of Defence

Water Management contains the following Service Areas, Activities and Service Levels

| SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
Drainage Systems The Drainage Asset Management Plan consists of maintenance and cleaning trash collection devices, on a continuous basis during winter. The maintenance of drainage generally (including the clearing of underground pipes from obstructions such as siltation and root penetration), the desilting, rubbish removal and repair of open drains. The servicing of flood retention dam penstocks and the cleaning of all side entry pits. The desilting of blocked drains within the drainage network and the inspection and maintenance of the City's flood control dams.	• Maintain over 140 trash collection devices at less than 25% full of trash • Service 14,000 Side Entry Pits and Junction Boxes on a 5 year cycle • Ongoing inspection and cleanout of underground drains when necessary • Annual inspection of all open drains with desilting, root & tree removal and repair where necessary • Ongoing inspection of all flood control dams, including servicing and checking the operation of all penstocks
Salisbury Water *(Business Unit)* Implementation of the Recycled Water Risk Based Management Plan and implementation of the Salisbury Water Business Plan to facilitate operation as a licenced water retailer under the Water Industry Act.	• Operate 8 Managed Aquifer Recharge (MAR) schemes with 31 MAR wells • Operate 22 Groundwater bores • Licenced monitoring and reporting on all operational sites and associated groundwater monitoring points • Harvest, cleanse & store up to 5GL/year of stormwater • Retail, on average, 2.5GL/year of recycled water to over 1000 internal and external customers.
Water Systems Preparation and implementation of Stormwater Management Plan(s) and implementation of the Watercourse Management Plan.	• Drainage infrastructure planning and asset management • Coordination of all flood risk assessments and flood mitigation activities • Environmental Watercourse monitoring and reporting • Watercourse water quality improvement activities
Wetland and Biodiversity Planning and Asset Management of wetlands, watercourses and habitat reserves.	• 46 wetlands, total area exceeding 290ha

CITY OF SALISBURY DRAFT ANNUAL PLAN 19/20 60

Water Management

Budgeted Water Management Operating Expenditure ($000')

Water Management (*Expenditure*)

- Wages
- Contractual Services
- Materials
- Other
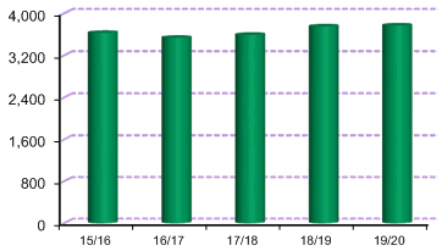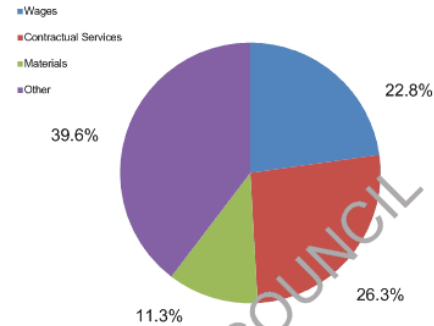
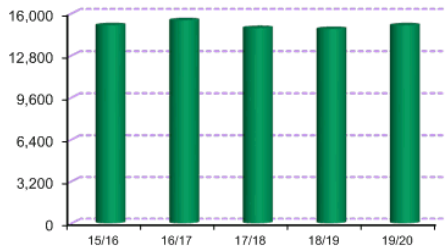|	2018/19 Budget $000's	2019/20 Forecast $000's
EXPENDITURE		
Drainage Systems	819	988
Salisbury Water	2,134	1,981
Water Systems	319	320
Wetland & Biodiversity	361	409
DIRECT EXPENDITURE	3,633	3,698
FULL COST ATTRIBUTION	521	521
TOTAL EXPENDITURE	4,154	4,219
INCOME		
Salisbury Water	2,537	2,408
Water Systems	223	225
TOTAL INCOME	2,760	2,634
NET IMPACT TO COUNCIL		
Drainage Systems	819	988
Salisbury Water	(403)	(428)
Water Systems	96	95
Wetlands & Biodiversity	361	409
FULL COST ATTRIBUTION	521	521
TOTAL NET IMPACT TO COUNCIL	1,394	1,585

CITY OF SALISBURY DRAFT ANNUAL PLAN 19/20   61

Waste Management

Waste Management contains the following Service Areas, Activities and Service Levels

| SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
Coleman Road Landfill Landfill operation closed in 1997. Ongoing monitoring of the site will continue for a 25 year period post closure.	• Monitoring of gas extracted from the landfill site • Annual monitoring of groundwater within the site
Domestic Hard Waste Collection Managed by NAWMA with all hard waste collection services provided through a booking arrangement. Residents may also receive a voucher for free disposal of prescribed materials at the Pooraka Transfer Station in lieu of property collection.	• Council provides the option of either two hard waste home collection services or two vouchers for use at the Waste Transfer Station or a combination of one of each. • About 2,020 tonnes of waste are collected each year by the property collection service and the voucher service
Domestic Refuse Collection Council provides a weekly domestic refuse collection service (operated by NAWMA) for residents using a 140 litre bin.	• Weekly to residential properties (140L bin) • Domestic Refuse: 31,600 tonnes pa
Green Waste Kerbside Service Council provides a collection service run by NAWMA for all residents who wish to participate and purchase a 240 litre bin for the purpose.	• Fortnightly to residential properties (240L bin) • Green waste conversion: 13,500 tonnes pa
Kerbside Recycling Council provides a 240 litre bin recycling collection service and all recyclables are processed at the NAWMA Materials Recovery Facility (MRF).	• Fortnightly to residential properties (240L bin) • Kerbside recycling: 11,400 tonnes pa
Loose Litter Provides for the collection and disposal of rubbish dumped on council reserves and roads. Also the collection of waste from public rubbish bins. The Department of Correctional Services provide litter collection to arterial and collector roads.	• Programmed loose litter and litter bin collection • 3 day cycle for high traffic locations • Ad-hoc collection of dumped rubbish on verges/road reserves • Cyclic collection of litter from collector/distributor for roads • Removal of dead animals from public places
Pooraka Waste Transfer Station The Transfer Station is available seven days per week except Christmas Day, New Year's Day, Good Friday & ANZAC day.	• Visits: 40,000 pa • Annual disposal of: General waste 6,200t, Green waste 3,700t, Concrete 2,100t, Oil 42,000L, Tyres 2,300, Metals 500t and E-waste 400t

CITY OF SALISBURY DRAFT ANNUAL PLAN 19/20 62

Waste Management

Budgeted Waste Management Operating Expenditure ($000')

Waste Management (*Expenditure*)
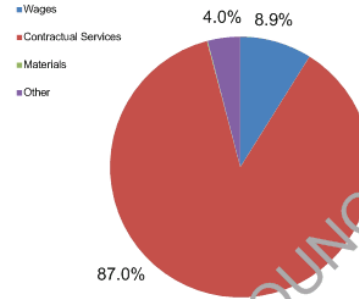
	2018/19 Budget $000's	2019/20 Forecast $000's
EXPENDITURE		
Coleman Road Landfill	105	105
Domestic Hard Waste Collection	734	749
Domestic Refuse Collection	8,027	8,268
Green Waste Kerbside Service	1,502	1,547
Kerbside Recycling	1,789	1,843
Loose Litter	2,648	2,586
Pooraka Waste Transfer Station	7	5
DIRECT EXPENDITURE	14,813	15,103
FULL COST ATTRIBUTION	394	394
TOTAL EXPENDITURE	15,206	15,497
INCOME		
Domestic Hard Waste Collection	4	4
Domestic Refuse Collection	48	48
Pooraka Waste Transfer Station	180	180
TOTAL INCOME	232	232
NET IMPACT TO COUNCIL		
Coleman Road Landfill	105	105
Domestic Hard Waste Collection	730	745
Domestic Refuse Collection	7,980	8,221
Green Waste Kerbside Service	1,502	1,547
Kerbside Recycling	1,789	1,843
Loose Litter	2,648	2,586
Pooraka Waste Transfer Station	(173)	(175)
FULL COST ATTRIBUTION	394	394
TOTAL NET IMPACT TO COUNCIL	14,975	15,265

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Parks and Landscapes


Parks and Landscapes contain the following Service Areas, Activities and Service Levels

| SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
Field Services Administration The Parks and Streetscapes Asset Management Plan provides direction to focus services and service levels across the division.	• Maintenance program ensures delivery of fit for purpose parks that are safe, reliable and provide community amenity value
Landscapes Consists of feature gardens and lawns which surround Council buildings, entry statements and roundabouts.	• Frequency based maintenance regimes to sites based upon profile and landscape type
Mangrove Trail Provision and maintenance of St Kilda Mangrove Trail Interpretative Centre and Boardwalk.	• Maintenance of the Interpretative Centre, Boardwalk, toilet facilities and signage
Pest Control of nuisance pests and weeds on Council reserves, verges and around buildings.	• Programmed and reactive pest and weed control services
Public Toilets Maintenance and cleaning of public toilets throughout the City	• Daily cleaning of all public toilets within the City • Sharps containers emptied fortnightly or more frequent if required
Reserves and Playgrounds Maintenance of reserves and open space including grass cutting, litter removal, turf maintenance, irrigation maintenance, park furniture maintenance, fencing and reserve signage. Maintenance of play spaces, shade structures and fitness equipment throughout the City	• Total areas managed: 1,900ha of reserves • Frequency based mowing and reserve maintenance depending on reserve classification • 9 Dog parks and 6 BMX Tracks • 143 Play Spaces • Weekly, fortnightly and monthly audits depending on classification • Repairs as required
Tree Management Tree planting and establishment, tree pruning, tree removal and tree inspections on verges and Council reserves.	• Replace 1,500 street trees pa • Programmed street tree pruning on a 5 yearly cycle, reactive tree pruning, responsive tree assessment processes and risk based inspection regimes • Reserve tree planting program
Verges (Road Reserves) Council provides for grass mowing of un-maintained residential verges and collector road verges.	• Residential verges: 7 cuts pa • Collector roads: 8 cuts pa • Litter collection, blow down of paths and driveways, edging of paths, weed control • Street sweeping within 24-48 hours • Occur mostly in the growing season from February to December

CITY OF SALISBURY DRAFT ANNUAL PLAN 19/20 64

Parks and Landscapes

Budgeted Parks and Landscapes Operating Expenditure ($000')
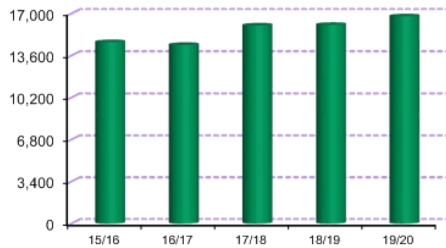
Parks and Landscapes (*Expenditure*)
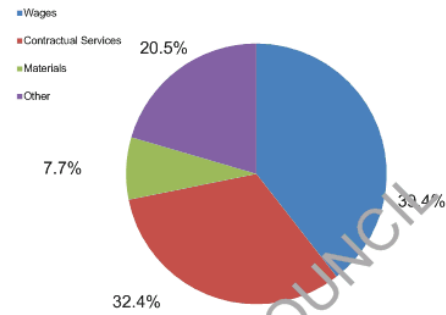
	2018/19 Budget $000's	2019/20 Forecast $000's
EXPENDITURE		
Field Services Administration	1,979	2,186
Landscapes	1,296	1,218
Mangrove Trail	19	49
Pest	392	455
Public Toilets	227	200
Reserves and Playgrounds	7,698	7,687
Tree Management	2,953	3,244
Verges (Road Reserves)	1,736	1,800
DIRECT EXPENDITURE	16,299	16,838
FULL COST ATTRIBUTION	3,723	3,872
TOTAL EXPENDITURE	20,021	20,710
INCOME		
Tree Management	60	60
TOTAL INCOME	60	60
NET IMPACT TO COUNCIL		
Field Services Administration	1,979	2,186
Landscapes	1,296	1,218
Mangrove Trail	19	49
Pest	392	455
Public Toilets	227	200
Reserves and Playgrounds	7,698	7,687
Tree Management	2,893	3,184
Verges (Road Reserves)	1,736	1,800
FULL COST ATTRIBUTION	3,723	3,872
TOTAL NET IMPACT TO COUNCIL	19,961	20,650

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CITY OF SALISBURY DRAFT ANNUAL PLAN 19/20 65

City Infrastructure


City Infrastructure contains the following Service Areas, Activities and Service Levels

| SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
Business Support Administration Provides for the maintenance and renewal of fleet/plant. Provides customer service and divisional administrative support to assist the delivery of corporate objectives.	• Acquisition, maintenance and disposal of fleet / plant • Maintain Asset Information System Data Integrity • Support service delivery to operational divisions
Infrastructure Delivery Provides for building, civil and landscape infrastructure design and construction.	• Complete building, civil and landscape projects within approved timelines and budgets • Deliver Council's annual capital works program • Projects delivered in line with Project Management Standards
City Infrastructure Administration Provides for the overall management and leadership of the City Infrastructure Department.	• Deliver overall departmental support and governance in delivering Corporate objectives
Infrastructure Management Provides for the strategic infrastructure management, including asset management, infrastructure planning and landscape / engineering program and project development.	• Complete and manage seven asset management plans for the City's $1.8 billion of physical assets including the development of KPIs, service levels and community consultation. • Planning and Program development for the City's infrastructure. • Traffic management planning and review • Deliver biodiversity programs • Deliver energy efficiency program • Planning and development of Stormwater Management Plans including major and minor flood mitigation programs. • Planning and development of Council's public realm, reserves and open spaces including reserve and playground upgrade and renewal programs.
Property and Building Services Administration Core functions include property acquisition and disposal, sporting and community club leasing, casual hire of Council's reserves, leasing of community land, negotiation of easements, property and building maintenance, graffiti removed and security services.	• 50 Sporting & Community Club Rental Agreements • 116 Commercial Lease Agreements • 2 Residential Rental Agreements • Land acquisition and disposal as required

CITY OF SALISBURY DRAFT ANNUAL PLAN 19/20 66

City Infrastructure

Budgeted City Infrastructure Operating Expenditure
($000')
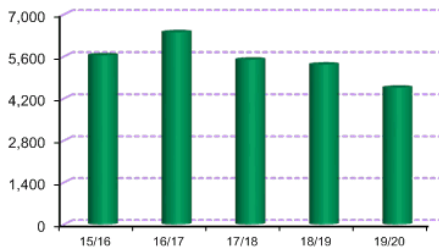
City Infrastructure (*Expenditure*)

- Wages
- Contractual Services
- Materials
- Other

33.1%
38.3%
13.4%
15.1%
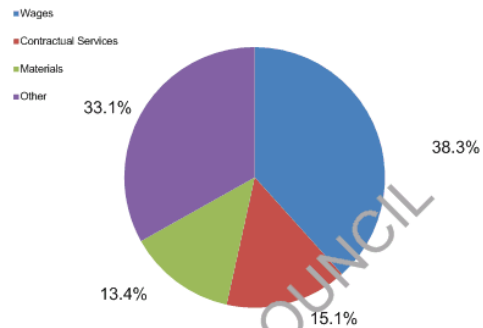
	2018/19 Budget $000's	2019/20 Forecast $000's
EXPENDITURE		
Business Support Administration	1,416	1,475
Infrastructure Delivery	926	303
City Infrastructure Administration	518	531
Infrastructure Management	706	380
Property and Building Services Admin	1,795	1,874
DIRECT EXPENDITURE	5,362	4,563
FULL COST ATTRIBUTION	(5,362)	(4,563)
TOTAL EXPENDITURE		
INCOME		
Business Support Administration	274	246
Infrastructure Management	2	2
Property and Building Services Admin	854	997
TOTAL INCOME	1,129	1,245
NET IMPACT TO COUNCIL		
Business Support Administration	1,143	1,228
Infrastructure Delivery	926	303
City Infrastructure Administration	518	531
Infrastructure Management	704	378
Property and Building Services Admin	942	877
FULL COST ATTRIBUTION	(5,362)	(4,563)
TOTAL NET IMPACT TO COUNCIL	(1,129)	(1,245)

THE LIVEABLE city
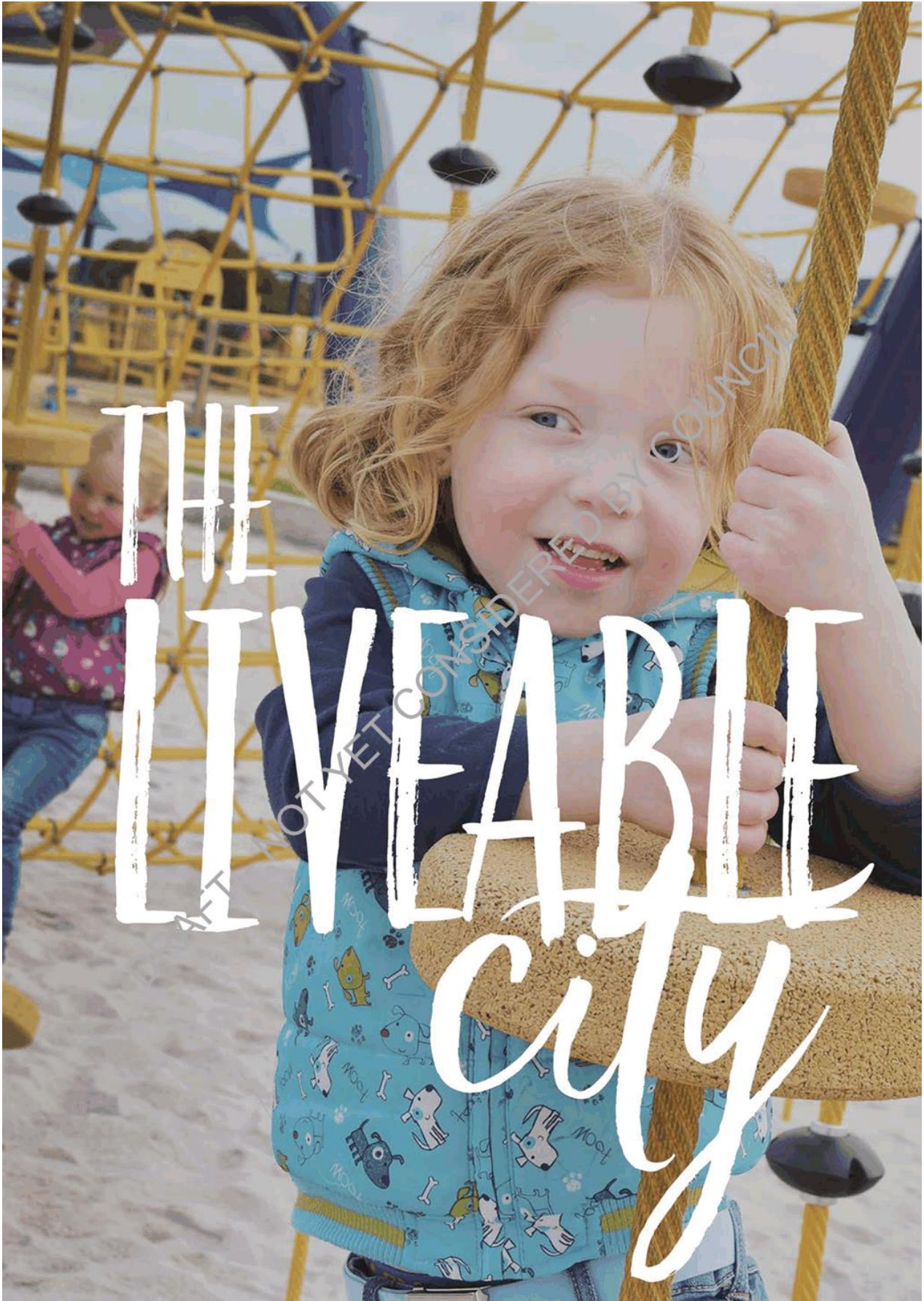
Our objectives are to:

1. Be an adaptive community that embraces change and opportunities
2. Have interesting places where people want to be
3. Be a connected city where all people have opportunities to participate
4. Be a proud, accessible and welcoming community

We will:

- Connect people to information, people and programs that support them to achieve their life goals

- Provide opportunities for the community to engage in learning

- Provide people with infrastructure, skills and knowledge to effectively participate in the digital age

- Foster a community that is adaptive to social and economic change

- Enhance our neighbourhoods, streets and public spaces so they are welcoming and connected

- Provide experiences that make our places livelier and more interesting

- Provide well maintained, clean and attractive places and facilities

- Work with key partners to ensure transport options efficiently link people to jobs, services, recreation and social activities

- Provide volunteering programs that harness the strength of our community's diversity and enable learning opportunities

- Encourage wellbeing through healthy lifestyles, sport, social and recreational opportunities

- Develop a community where peoples' culture, ideas and their capacity to achieve is supported and valued

- Build on our community's strong sense of spirit and purpose

- Provide for a range of housing options appropriate for our diverse community

- Develop a community where people feel safe

Our City's progress will be measured by:
Wellbeing
Socio-economics Indexes for Areas (SEIFA)
Percentage of residents who have participated in local community activities
Perception of quality of life and perceptions of Salisbury

CITY OF SALISBURY DRAFT ANNUAL PLAN 19/20 69

Community Development

Key Partners:

- Belgravia Leisure Services
- Community Centres SA
- Community Centre Associations
- Department of Health
- Department of Education and Child Development
- Department of Communities and Social Inclusion
- Reconciliation Australia
- Public Library Service of South Australia
- University of SA

Community Development contains the following Service Areas, Activities and Service Levels

SERVICE AREAS	ACTIVITIES SERVICE LEVELS
Community Development Administration Provides for executive management and associated support staff for the functions of the Community Development Department.	• Manage 3 divisions and Social Policy, Strategic and International Partnerships
Community Grants Management and allocation of the Community Grants Program which provides grants for community and sporting organisations undertaking projects of benefit to the local community.	• Applications received: approx. 70pa
Community Planning & Vitality *Cultural Development* Researches, develops and implements policy and program delivery that responds to the cultural development needs of the community that lives, works and studies within the City.	• Deliver a cultural program of events, exhibitions and celebrations • Collaborate with organisations and businesses to support cultural activities • Place curation to activate spaces • 10 exhibitions organised in the John Harvey Gallery • Administration of Watershed Art Prize, Staging of the Writers' Festival, Vietnam Veterans and Asbestos Victims ceremonies, other place activations and Salisbury Secret Garden
Sport and Recreation Undertakes research and develops policy and program delivery in relation to open space, recreation, leisure and sports development for the City for community wellbeing. Programs focus on increasing the physical activity levels within the City.	• Review community recreation and open space needs • Provide leadership and support to sporting club development • Provide advice related to sport and recreation facility development • Review and implement the Game Plan • Contract management of the Leisure Services Contract for the operation of Council recreation facilities
Social Policy Implementation of the Reconciliation Action Plan, Community Safety and Strategic and International Partnerships.	• Policy and Maintenance Framework for Sister City and Friendship City • Liaise with SAPOL, agencies and businesses on Community Safety • Provide statistical analysis to social service delivery

CITY OF SALISBURY DRAFT ANNUAL PLAN 19/20 70

Community Development

Budgeted Community Development Operating Expenditure
($000')
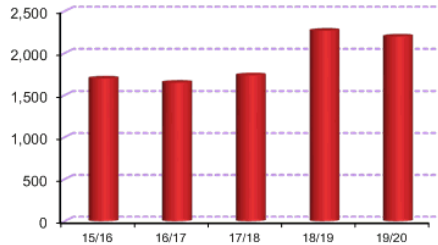
Community Development (*Expenditure*)

- Wages
- Contractual Services
- Materials
- Other

9.8%
1.1%
14.6%
74.5%
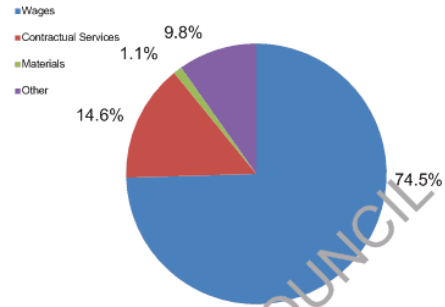
	2018/19 Budget $000's	2019/20 Forecast $000's
EXPENDITURE		
Community Development Administration	874	896
Community Grants	144	141
Community Planning & Vitality	1,253	1,166
DIRECT EXPENDITURE	2,271	2,203
FULL COST ATTRIBUTION	307	307
TOTAL EXPENDITURE	2,579	2,510

	2018/19 Budget $000's	2019/20 Forecast $000's
INCOME		
Community Planning & Vitality	9	8
TOTAL INCOME	9	8

	2018/19 Budget $000's	2019/20 Forecast $000's
NET IMPACT TO COUNCIL		
Community Development Administration	874	896
Community Grants	144	141
Community Planning & Vitality	1,244	1,158
FULL COST ATTRIBUTION	307	307
TOTAL NET IMPACT TO COUNCIL	2,570	2,502

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Library Services

Key Partners:

- Public Library Services (PLS)
- State Library of South Australia
- Department of Industry and Skills (DSI)
- Public Libraries SA (PLSA)

Library Services contains the following Service Areas, Activities and Service Levels

| SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
Building Maintenance Libraries The maintenance cost of library buildings.	
Community Learning and Programs Learning programs include literacy and reading, digital literacy, STEM, English as a second language and employment skills. Services include a range of formal and informal engagement opportunities for people of all ages and abilities including local schools and community groups. All programs and services are specifically designed to respond to the needs of the community and a wide range of social and learning opportunities for all. Strategic partnerships are actively initiated to attract and secure relevant grant funding.	Children's program visit total: 11,000pa • Early literacy: 7,000pa • STEM activities: 1,000pa • School holidays: 1,200pa • Other children's / youth programs: 1,800pa Adult program visit total: 3,300pa • ESL literacy, numeracy programs: 1,900pa • Digital literacy: 1,000pa • Other adult programs: 600pa • JP visits: estimate for 18/19 26,000pa
Library Admin & Policy *Library Collection Development* Manage and develop library collections, including e-resources, to ensure the provision of, and access to, resources in a variety of formats that meet the educational, information, recreational and cultural needs of the Community. Manage the local history collection which supports the Salisbury community to understand its local identity. *Online* Manage Library Management System and provision of online content to support Library services and programs.	• New items: 26,000pa • Total collection: 166,000pa • Size collection per capita: 1.45 • Total number of visits for 17/18: 584,400 • Visits per capita: 4.11 • Expenditure per capita: $36.00 • PC Website visits: estimate for 18/19 176,000pa • Facebook/Twitter likes and followers as at 31.12.18: 1691 • Online tutorials: 398pa
Library Branch Services Services are offered at five key locations at Ingle Farm, Para Hills Community Hub, Len Beadell, Mawson Lakes and Salisbury West. Services include access to collections, reference and community information, public Internet and Wi-Fi, sporting equipment and toys. Spaces for community use include quiet study areas, bookable meeting rooms, youth and children's areas. Home library service delivers items to those who cannot visit Salisbury library locations due to difficulties associated with disability, age, geographical isolation or frailty.	• Loans: 18/19 estimate 676,000 • E-book and audio book loans: 10,000pa • PC uses by the public: estimate 18/19 78,500 • Members: estimate 18/19 31,000

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Library Services

Budgeted Library Services Operating Expenditure
($000')
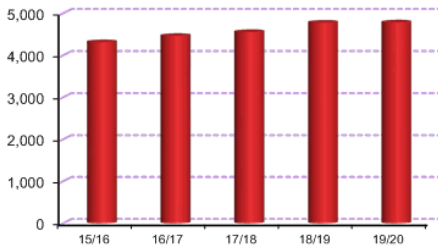
LibraryServices (*Expenditure*)
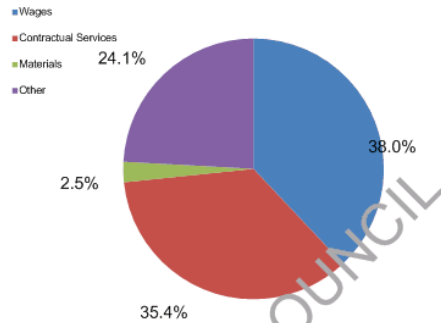
- Wages
- Contractual Services
- Materials
- Other

38.0%
24.1%
35.4%
2.5%

	2018/19 Budget $000's	2019/20 Forecast $000's
EXPENDITURE		
Building Maintenance Libraries	95	116
Community Learning and Program	1,483	1,466
Library & Community Centres Admin and Policy	401	416
Library Branch Services	2,805	2,793
DIRECT EXPENDITURE	4,784	4,790
FULL COST ATTRIBUTION	821	821
TOTAL EXPENDITURE	5,605	5,610
INCOME		
Community Learning and Program	200	200
Library & Community Centres Admin and Policy	380	380
Library Branch Services	130	129
TOTAL INCOME	710	709

	2018/19 Forecast $000's	2019/20 Forecast $000's
NET IMPACT TO COUNCIL		
Building Maintenance Libraries	95	116
Community Learning and Program	1,283	1,266
Library & Community Centres Admin and Policy	21	36
Library Branch Services	2,676	2,664
FULL COST ATTRIBUTION	821	821
TOTAL NET IMPACT TO COUNCIL	4,895	4,901

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Community Centres

Key Funding Providers and Partners:

- Community Centres SA
- Non-Government Organisations
- Department of Human Services
- Department of Industry and Skills
- Department of Education and Child Development
- University of South Australia
- Flinders University

As part of Community Capacity and Learning Division Community Centres contain the following Service Areas, Activities and Service Levels

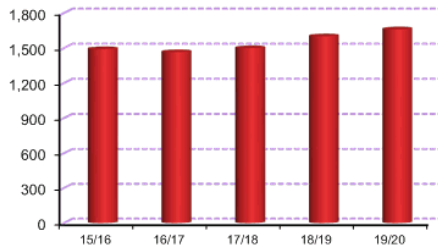| SERVICE AREAS	ACTIVITIES SERVICE LEVELS
Building Maintenance Community Centres The maintenance cost of Community Centre buildings.	
Community Centres Deliver learning and engagement activities for all ages across Bagster Road, Burton, Mawson Lakes, Morella, Pooraka Farm, Salisbury East, Para Hills Community Hub and Twelve25 Salisbury Youth Enterprise Centre. Services and programs foster wellbeing, promote health and fitness, enhance social connections, develop language and literacy skills and celebrate and entertain. Community learning is achieved through programs that support our community's educational and social needs. Various sessions of structured community adult education are offered, with average visitation of 140,000 Salisbury residents to the City's community centres. Funding from Government grants and volunteer contributions are key to the success of program delivery. Strategic partnerships and working collaboratively continue to be strong drivers for successful, responsive and cost effective service delivery.	• Structured learning youth activity sessions: 5,586pa • Children's program visit total: 32,320pa • School holiday programs: 1,848pa • Other children's / youth programs: 30,472pa • Adult program visits total: 85,772pa • ESL, literacy and numeracy programs: 6,024pa • Digital literacy: 3,708pa • Social support: 27,536pa • Other adult programs: 48,508pa • Support and advice to Community Centres Association • Total people visits – 140,000pa • Volunteers: 250 • Volunteers contribute approximately 20,000 hours pa to City of Salisbury via their participation across the centres
Para Hills Community Hub The extension of the Para Hills Library and Positive Ageing Centre to create the Para Hills Community Hub opened on 11 August 2018. This extension includes multifunction meeting rooms, community activity spaces, kitchen facilities and outdoor areas and it currently provides a range of programs for people of all ages and abilities that support our Community's educational and social needs and promote wellbeing.	This site opened on Saturday 11 August 2018 with over 3000 community members attending the celebration.

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Community Centres

Budgeted Community Centres Operating Expenditure
($000')

Community Centres (*Expenditure*)
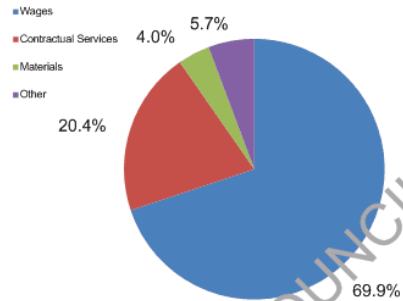
	2018/19 Budget $000's	2019/20 Forecast $000's
EXPENDITURE		
Building Maint Community Centres	298	359
Community Centres	764	798
Community Centre Administartion	100	72
Youth Enterprise Centre - "Twelve25"	442	435
DIRECT EXPENDITURE	1,604	1,663
FULL COST ATTRIBUTION	664	664
TOTAL EXPENDITURE	2,267	2,327

	2018/19 Budget $000's	2019/20 Forecast $000's
INCOME		
Community Centres	14	
Community Centre Administartion	213	221
Youth Enterprise Centre - "Twelve25"	83	86
TOTAL INCOME	311	308

	2018/19 Forecast $000's	2019/20 Forecast $000's
NET IMPACT TO COUNCIL		
Building Maint Community Centres	298	359
Community Centres	750	798
Community Centre Administartion	(113)	(150)
Youth Enterprise Centre - "Twelve25"	358	348
FULL COST ATTRIBUTION	664	664
TOTAL NET IMPACT TO COUNCIL	1,957	2,019

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Recreation Services

Key Partners:

Service Delivery – Belgravia Leisure

Financially affiliated to:

- Netball SA; Royal Life Saving Assoc. of SA; Squash SA; Tennis SA; Council of the Aging (COTA); Recreation SA; Recreation SA; AustSwim

Partnerships:

- Dept. Education & Children's Services; Office for Recreation & Sport; University of SA; Basketball Australia; Maxima Employment Services; 3 Ballin SA; Swimming Australia

Recreation Services contains the following Service Areas, Activities and Service Levels

SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
Building Maintenance The maintenance cost of recreation buildings.	
Recreation Services Contract City of Salisbury provides recreation services through an outsourced business model with Belgravia Leisure being the contract provider. Services are provided as follows: *Ingle Farm Recreation Centre* The Centre consists of 3 multi-sport courts, 4 squash courts, training rooms, offices and a function room with a fully equipped catering kitchen. The Centre offers a wide variety of recreational activities such as basketball, netball, roller skating, kindigym, archery, squash, birthday parties and much more. The Centre also accepts payments for rates, fines and dog registration on behalf of Council. *Gardens Recreation Centre* Is a multi-purpose sporting complex providing opportunities for activities such as basketball, netball, kindigym, Futsal and community events such as the annual Craft Fair and Hobby Fair. Also providing access opportunities for organisations such as table tennis, martial arts, Comrec, Novita Children's Services and dance groups The Centre also plays hosts to many national, state and local sporting events and shows. *Salisbury Recreation Precinct* Provides aquatic and tennis facilities in a parkland setting including 8 tennis courts (4 of which are Australian Open Standard), a 50m pool, 25m undercover pool, toddler's pool and large open space surrounds. The Precinct provides a range of aquatic and leisure opportunities including lap swimming, swimming lessons, pool parties and Tennis. *Little Para Golf Course* Is located at Martins Road, Paralowie. 9 hole, par 3 course winding through the Little Para River with a 300m driving range consisting of 8 bays, a clubhouse and pro-shop, BBQ Alfresco area undercover.	• Direct customer visits: approx. 175,000pa • Average teams registered: 116pa • Customer visits: 130,000pa • Teams registered: 210pa • Customer visits: approx. 60,000pa • Rounds: approx. 15,000pa • Driving Range balls: approx. 40,000pa

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Recreation Services

Budgeted Recreation Services Operating Expenditure
($000')
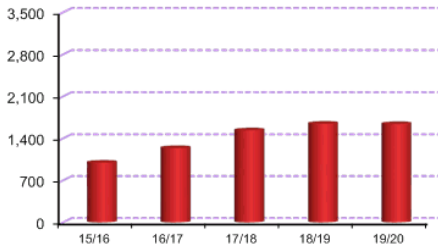
Recreation Services (*Expenditure*)
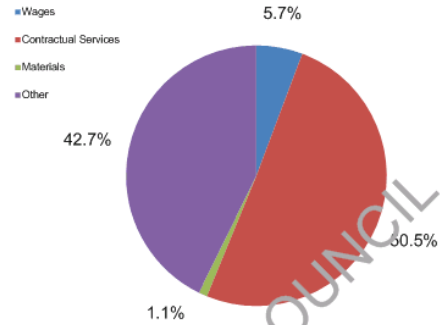
- Wages
- Contractual Services
- Materials
- Other

5.7%
42.7%
50.5%
1.1%

	2018/19 Budget $000's	2019/20 Forecast $000's
EXPENDITURE		
Building Maintenance	213	196
Recreation Services Contract Management	1,439	1,451
DIRECT EXPENDITURE	1,653	1,646
FULL COST ATTRIBUTION	176	176
TOTAL EXPENDITURE	1,829	1,822
INCOME		
TOTAL INCOME		
NET IMPACT TO COUNCIL		
Building Maintenance	213	196
Recreation Services Contract Management	1,439	1,451
FULL COST ATTRIBUTION	176	176
TOTAL NET IMPACT TO COUNCIL	1,829	1,822

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Community Sport and Club Facilities

Key Partners:

- Sporting & Community Clubs

Community Sport and Club Facilities contains the following Service Areas, Activities and Service Levels

SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
Building Maintenance Sporting & Community Facilities Maintenance of the clubroom and change room structures including general repairs and programmed maintenance.	• Electrical & Plumbing Service: - Priority 1 - Emergency within 2 hours - Priority 2 – within 24 hours - Priority 3 - General seven days (maximum)
Turf & Irrigation Maintained to standards to ensure the grounds are 'fit for use' for the sport being played.	• 30 sites comprising 54 fields • Turf renovation and mowing, turf cricket wicket preparation, covering and uncovering of concrete wickets, goal post installation, maintenance and removal

CITY OF SALISBURY DRAFT ANNUAL PLAN 19/20 78

Community Sport and Club Facilities

Budgeted Community Sport and Club Facilities Operating Expenditure ($000')
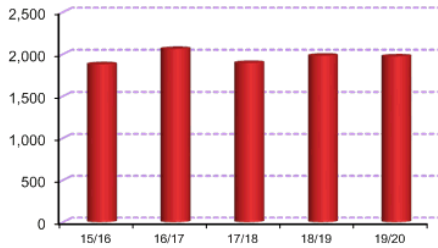
Community Sport and Club Facilities (*Expenditure*)
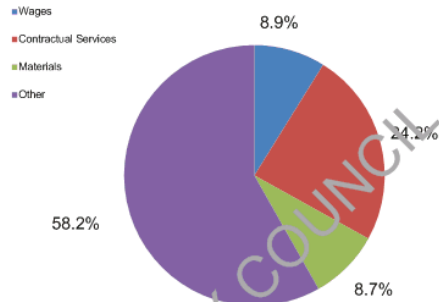
- Wages
- Contractual Services
- Materials
- Other

8.9%

24.2%

58.2%

8.7%

	2018/19 Budget $000's	2019/20 Forecast $000's
EXPENDITURE		
Building Maintenance Sport and Community Facilities	502	452
Turf & Irrigation	1,513	1,554
DIRECT EXPENDITURE	2,014	2,006
FULL COST ATTRIBUTION	149	149
TOTAL EXPENDITURE	2,163	2,155
INCOME		
TOTAL INCOME		
NET IMPACT TO COUNCIL		
Building Maintenance Sport and Community Facilities	502	452
Turf & Irrigation	1,513	1,554
FULL COST ATTRIBUTION	149	149
TOTAL NET IMPACT TO COUNCIL	2,163	2,155

CITY OF SALISBURY DRAFT ANNUAL PLAN 19/20   79

Community Health and Wellbeing

Key Partners:

- Commonwealth Department of Health; State Department for Communities and Social Inclusion
- COTA SA – Council on the Ageing; Volunteering SA; Northern Volunteering; Multicultural Aged Care; Multicultural SA; Ethnic Link; Active Ageing SA Inc; TAFE SA; Aged & Community Services (SA & NT), SAMRI Wellbeing and Resilience Centre, Flinders University, Bhutanese Australian Association of SA (BAASA), CO.AS.IT SA, Adelaide Festival Centre, Paralowie R-12

Community Health and Wellbeing contains the following Service Areas, Activities and Service Levels

| SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
Aged Care Policy, Planning & Co-ordination Service development, management of human & financial resources, co-ordination of consultation & collaborative processes & promotion of positive images of ageing. Promotion of an Age Friendly Salisbury where all have the opportunity to be involved in community life.	• 170 volunteers • Panel of contractors: 40-50 • 3,000 Salisbury Seniors Magazines distributed (3 editions) • Monthly communication updates including a wellbeing newsletter, special and upcoming events publication, radio announcements and a bi-monthly wellbeing newsletter.
Volunteer Development Services Co-ordination of volunteer programs across Council, responsible for the development and review of Council's volunteer management practices & systems to ensure they meet audit, legislative, funding and policy requirements & responsible for the recruitment, registration & recognition of Council's volunteers.	Data for 2017/18 • 600 enquiries • 152 new volunteers • 627 active volunteers contributing 76,044 hours and $2,753, 564 economic value
Disability programs • The Shed; Fun on Friday; Salisbury Social Group;	• Participants: 50-60 pa
Health and Inclusion Undertakes research, community & stakeholder engagement, projects, policy & strategy development in relation to community health & wellbeing; access & inclusion; mental wellbeing & resilience; aged friendly cities & intercultural communities	• Community needs, trends and expectations identified and translated into Council direction. • Strategic partnerships developed • Salisbury Seniors Alliance • Salisbury Intercultural Alliance • Develop, implement, report and evaluate the City of Salisbury's Framework and Strategic Plans, i.e. Age-Friendly Salisbury Strategy 2015-2020, Intercultural Strategy 2017-2027, Ability and Inclusion Strategic Plan 2019-2023
Salisbury Home and Community Services and Housing Support Program (CSHSP) Is funded by a mix of Commonwealth, State, National Disability Insurance Scheme and Council to provide basic maintenance support services to frail older people, younger people with disability and carers to support independent living at home and in the community. It involves household maintenance and support with activities of daily living. Community based support includes social participation, meals, ongoing learning, wellbeing and physical activities and opportunities. Programs also cater for a range of culturally and linguistically diverse consumers.	• Number of individual residents receiving support: 3,000pa • Domestic assistance: 6,719 hours pa • Social Support Groups (Centre Based Day Care): 82,000 hours pa • Social support individual: 2,265 hours pa • Number of meals: 22,200pa • Number of transport trips: 12,000pa • Home modifications: $106,600pa • Hours of home maintenance: 3,300pa • Number of people assisted by the Housing Support program: 80-90pa

CITY OF SALISBURY DRAFT ANNUAL PLAN 19/20 80

Community Health and Wellbeing

Budgeted Community Health and Wellbeing Operating Expenditure ($000')
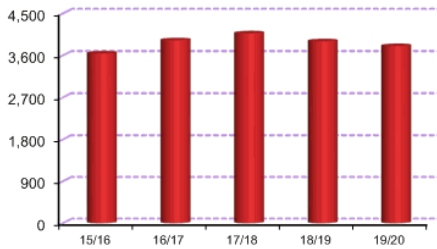
Community Health and Wellbeing (*Expenditure*)

- Wages
- Contractual Services 5.2%
- Materials
- Other 14.6%

6.2%

74.0%
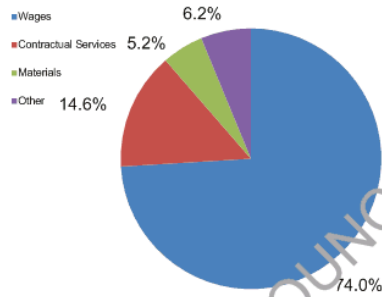
	2018/19 Budget $000's	2019/20 Forecast $000's
EXPENDITURE		
Aged Care Policy Planning & Coordination	167	170
Volunteer Development Services	214	218
Disability Program	219	212
Health and Inclusion	115	114
Salisbury Home and Community Services and Hosing Support Program	3,192	3,090
DIRECT EXPENDITURE	3,907	3,804
FULL COST ATTRIBUTION	880	880
TOTAL EXPENDITURE	4,787	4,684
INCOME		
Aged Care Policy Planning & Coordination		
Disability Program	252	245
Salisbury Home and Community Services and Hosing Support Program	2,788	2,758
TOTAL INCOME	3,041	3,003
NET IMPACT TO COUNCIL		
Aged Care Policy Planning & Coordination	167	170
Volunteer Development Services	214	218
Disability Program	(33)	(32)
Health and Inclusion	115	114
Salisbury Home and Community Services and Hosing Support Program	403	331
FULL COST ATTRIBUTION	880	880
TOTAL NET IMPACT TO COUNCIL	1,747	1,682

CITY OF SALISBURY DRAFT ANNUAL PLAN 19/20 81

Cemetery

Key Partners:

- Chapel of the Holy Family Mausoleum
- Cooke Concrete
- Garner Memorials
- Arrow Bronze
- Cemeteries Association of SA
- Mattiske Funerals
- Simplicity Funerals

Cemetery contains the following Service Areas, Activities and Service Levels

SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
Salisbury Memorial Park Cemetery	
Lawn Burials In ground burial services.	• Standard burials: 70pa
Vault Burials Below ground burial with concrete walls surrounding the burial plot preventing any contact with the earth.	• Vault burials: 1pa
Inurnments The burial of cremated remains within the Rose Garden, Rotunda, Water Feature or sealed in one of the cemetery's niche walls.	• Inurnments: 70pa
Licences Licences for burial/inurnment are required under the Local Government Act and can be purchased on an as needed or pre-need basis.	• Licence sales: 90pa

CITY OF SALISBURY DRAFT ANNUAL PLAN 19/20 82

Cemetery

Budgeted Salisbury Memorial Park Operating Expenditure
($000')
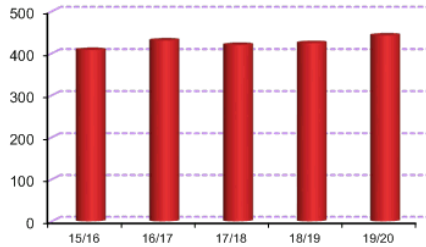
Salisbury Memorial Park (*Expenditure*)

- Wages
- Contractual Services
- Materials
- Other

43.5%   43.2%

3.6%   9.7%
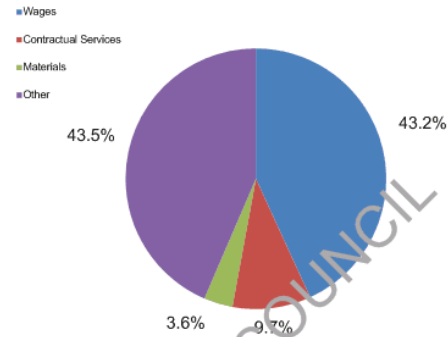
	2018/19 Budget $000's	2019/20 Forecast $000's
EXPENDITURE		
Salisbury Memorial Park Cemetery	425	443
DIRECT EXPENDITURE	425	443
FULL COST ATTRIBUTION	166	166
TOTAL EXPENDITURE	591	609
INCOME		
Salisbury Memorial Park Cemetery	522	512
TOTAL INCOME	522	512
NET IMPACT TO COUNCIL		
Salisbury Memorial Park Cemetery	(97)	(68)
FULL COST ATTRIBUTION	166	166
TOTAL NET IMPACT TO COUNCIL	69	97

CITY OF SALISBURY DRAFT ANNUAL PLAN 19/20   83

Food and Health Regulation

Key Partners:

- Department of Health
- Environment Protection Authority
- Environmental Health Australia
- Local Government Association

Food and Health Regulations contains the following Service Areas, Activities and Service Levels

SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
Health External Services Health Services are provided to Roxby Downs Council on a contractual basis.	• Monthly visits to enforce the Food Act and Public Health Legislation Food complaint investigations: 100pa
Food and Health Act Administration Council provides a range of services that aim to protect and promote a high standard of public and environmental health, through the administration and enforcement of provisions under the following legislation: • Public Health Act • Food Act • Environment Protection Act • Local Nuisance and Litter Control Act	• Food premises inspection: 850pa • Food safety audits: 65pa • Food complaint investigations: 100pa • Health premises inspections: 100pa • Enforcements under public and environmental health legislation: 700pa • High Risk Manufactured Water System Registrations: 60pa
Immunisation Council provides an immunisation program so as to prevent the occurrence and spread of notifiable diseases, as required under the Public Health Act.	• Vaccines administered at free clinics: 2,600pa • Vaccines including Meningococcal B administered through schools program: 10,000pa • Target of 95% immunisation rate by 63 months old consistent with State/Federal aspirational targets.

DRAFT - NOT YET CONSIDERED BY COUNCIL

CITY OF SALISBURY DRAFT ANNUAL PLAN 19/20 84

Food and Health Regulation

Budgeted Food and Health Regulation Operating Expenditure
($000')
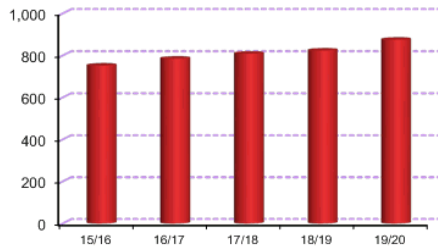
Food and Health Regulation (*Expenditure*)

- Wages
- Contractual Services
- Materials
- Other

3.6%
0.4%
25.7%
70.3%
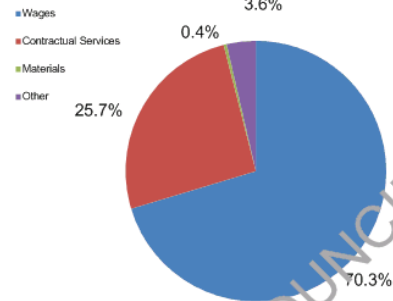
	2018/19 Budget $000's	2019/20 Forecast $000's
EXPENDITURE		
External Services - Health	9	9
Food and Health Act Administration	685	680
Immunisation	131	187
DIRECT EXPENDITURE	825	875
FULL COST ATTRIBUTION	364	364
TOTAL EXPENDITURE	1,189	1,240
INCOME		
External Services - Health	10	10
Food and Health Act Administration	102	104
Immunisation	56	141
TOTAL INCOME	169	256
NET IMPACT TO COUNCIL		
External Services - Health	(1)	(1)
Food and Health Act Administration	582	576
Immunisation	75	45
FULL COST ATTRIBUTION	364	364
TOTAL NET IMPACT TO COUNCIL	1,020	984

CITY OF SALISBURY DRAFT ANNUAL PLAN 19/20 85

Inspectorate Services

Key Partners:

- Local Government Association
- Authorised Persons Association
- Bushfire Management Committee
- Country Fire Service

Inspectorate Services contains the following Service Areas, Activities and Service Levels

SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
Inspectorate Services Ensures that community members are complying with applicable parking and road rules legislation so as to enhance and protect the safety of pedestrians and road users Minimises traffic congestion and ensures adequate and equitable car parking is available for customers in shopping precincts by ensuring turnover of parking. Aims to improve the safety and amenity of the area through the effective enforcement of the relevant sections of the Local Government Act, Bylaws and Local Nuisance and Litter Control Act applicable to the section. Undertake activities required for the development and effective operations of the responsibilities for Bushfire Management and Planning. Improve the safety and amenity of the area through the effective enforcement and administration of the relevant sections of the Fire and Emergency Services Act required for the effective control and reduction of risks from fuel hazards on private properties. Issue burning and hot works permits and ensure all applicants take appropriate action to burn as per permit conditions.	• Parking, expiations and warnings: 3,000pa • Abandoned vehicles: 500pa • Backyard burning: 100pa • Footpath trading permits: 25pa • Other animal and bird nuisances: 150pa • Littering: 900pa • Fuel hazard inspections: 3,000pa • Burning permits: 50pa

CITY OF SALISBURY DRAFT ANNUAL PLAN 19/20 86

Inspectorate Services

Budgeted Inspectorate Services Operating Expenditure
($000')
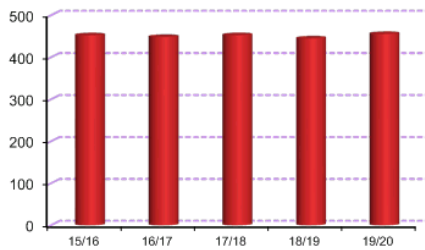
Inspectorate Services (*Expenditure*)

- Wages
- Contractual Services
- Materials
- Other

23.9%
1.2%
5.4%
69.5%
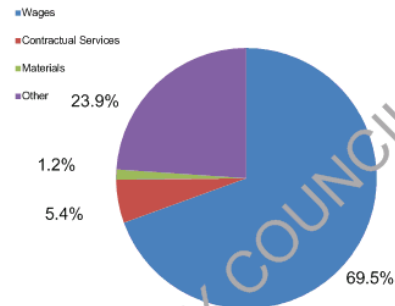
	2018/19 Budget $000's	2019/20 Forecast $000's
EXPENDITURE		
Inspectorate Services	571	582
DIRECT EXPENDITURE	571	582
FULL COST ATTRIBUTION	194	194
TOTAL EXPENDITURE	765	776
INCOME		
Inspectorate Services	381	388
TOTAL INCOME	381	388
NET IMPACT TO COUNCIL		
Inspectorate Services	191	193
FULL COST ATTRIBUTION	194	194
TOTAL NET IMPACT TO COUNCIL	385	387

CITY OF SALISBURY DRAFT ANNUAL PLAN 19/20   87

Item 4.2.3 - Attachment 3 - Draft Annual Plan 2019/20

Dog Control

Key Partners:

- Dog and Cat Management Board
- Animal Welfare League
- Local Government Association
- Authorised Persons Association

Dog Control contains the following Service Areas, Activities and Service Levels

SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
Dog Control Administering the Dog and Cat Management Act to ensure that community members are complying with legislative requirements relating to responsible dog ownership, so as to protect and promote a high standard of public safety and environmental quality, strives for a better-informed community, and promote effective and suitable dog management practices through information and education. Produce and review Council's Animal Management Plan.	• Registered dogs: 22,000pa • Dogs wandering at large: 1,200pa • Dog attack investigations: 50pa • Dog noise and nuisance complaints: 140pa • Property visits as part of a dog registration survey: 5,000pa • Inspections of premises with guard dogs: 30pa • Bylaw exemptions for keeping more than two dogs: 200pa • Provision of nine dog friendly parks and one small dog park

DRAFT - NOT YET CONSIDERED BY COUNCIL

CITY OF SALISBURY DRAFT ANNUAL PLAN 19/20 88

Dog Control

Budgeted Dog Control Operating Expenditure
($000')
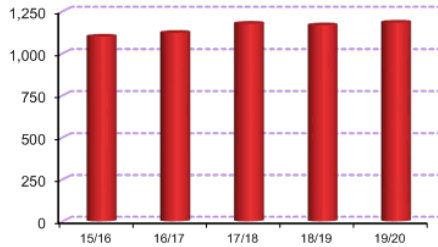
Dog Control (*Expenditure*)

- Wages
- Contractual Services
- Materials
- Other
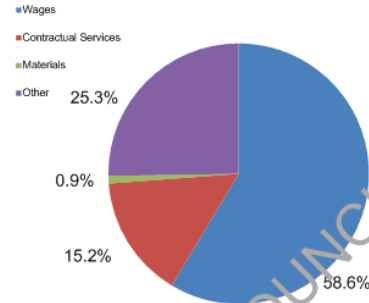
	2018/19 Budget $000's	2019/20 Forecast $000's
EXPENDITURE		
Dog Control	1,169	1,185
DIRECT EXPENDITURE	1,169	1,185
FULL COST ATTRIBUTION	556	556
TOTAL EXPENDITURE	1,725	1,741
INCOME		
Dog Control	1,145	1,059
TOTAL INCOME	1,145	1,059
NET IMPACT TO COUNCIL		
Dog Control	24	126
FULL COST ATTRIBUTION	556	556
TOTAL NET IMPACT TO COUNCIL	580	682

CITY OF SALISBURY DRAFT ANNUAL PLAN 19/20 89

Crime Prevention and Repair

Key Partners:

- Residents
- Police
- Volunteers

Crime Prevention and Repair contains the following Service Areas, Activities and Service Levels

SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
Building Maintenance Graffiti Provides for the removal of graffiti from all Council-owned buildings and other infrastructure. Graffiti is also removed from the frontages of residential properties. Council provides a volunteer service to assist with graffiti removal.	• Priority 1 – Offensive: Removal within 24 hours • Priority 2 – Removal within 14 days • Priority 3 – 4-6 weeks

Crime Prevention and Repair

Budgeted Crime Prevention and Repair Operating Expenditure ($000')
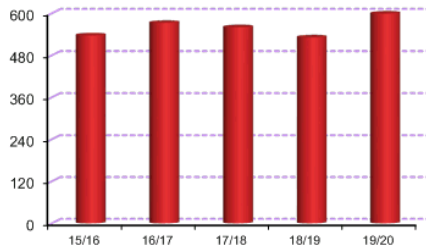
Crime Prevention and Repair (Expenditure)
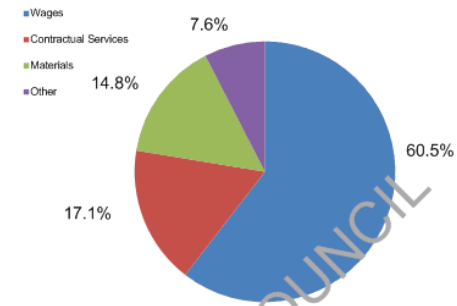
	2018/19 Budget $000's	2019/20 Forecast $000's
EXPENDITURE		
Building Maintenance Graffiti	532	605
DIRECT EXPENDITURE	532	605
FULL COST ATTRIBUTION	207	207
TOTAL EXPENDITURE	739	812
INCOME		
TOTAL INCOME		
NET IMPACT TO COUNCIL		
Building Maintenance Graffiti	532	605
FULL COST ATTRIBUTION	207	207
TOTAL NET IMPACT TO COUNCIL	739	812

CITY OF SALISBURY DRAFT ANNUAL PLAN 19/20 91

Street Lighting

Key Partners:

- SA Power Networks
- Local Government Association
- Department of Transport, Energy & Infrastructure

Street Lighting contains the following Service Areas, Activities and Service Levels

SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
Lighting There are over 16,000 street lights within the City that are maintained by SA Power Networks. There are 4,400 Council owned street lights in suburbs that include Mawson Lakes, Walkley Heights, Gulfview Heights, Spring Bank Waters and John Street Salisbury. Council is responsible for the maintenance of these lights. Council also owns and is responsible for the maintenance of 830 mains powered lights in total and a further 120 solar lights. Power for public lighting is purchased as part of a combined contract with State and other Local Government agencies.	• Ongoing reviews occur on the adequacy of existing street lighting to identify needs for upgrading of infrastructure with respect to on ground Lux levels and associated Classification. • Replacement of defective lights and repairs of damaged infrastructure • Ensure Public Lighting is of suitable type (assessed against both energy efficiency and ease of maintenance/replacement)

DRAFT - NOT YET CONSIDERED BY COUNCIL

CITY OF SALISBURY DRAFT ANNUAL PLAN 19/20 92

Street Lighting

Budgeted Street Lighting Operating Expenditure
($000')
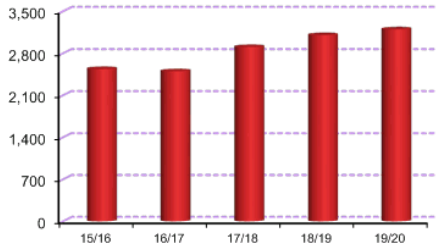
Street Lighting (*Expenditure*)

- Wages
- Contractual Services
- Materials
- Other

5.1%

94.9%
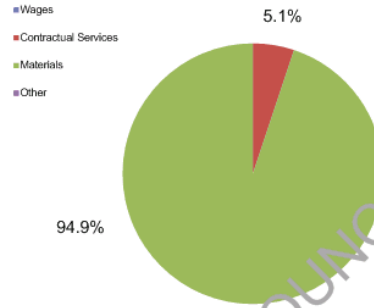
	2018/19 Budget $000's	2019/20 Forecast $000's
EXPENDITURE		
Lighting	3,107	3,204
DIRECT EXPENDITURE	3,107	3,204
FULL COST ATTRIBUTION	1	1
TOTAL EXPENDITURE	3,109	3,205
INCOME		
TOTAL INCOME		
NET IMPACT TO COUNCIL		
Lighting	3,107	3,204
FULL COST ATTRIBUTION	1	1
TOTAL NET IMPACT TO COUNCIL	3,109	3,205

CITY OF SALISBURY DRAFT ANNUAL PLAN 19/20   93
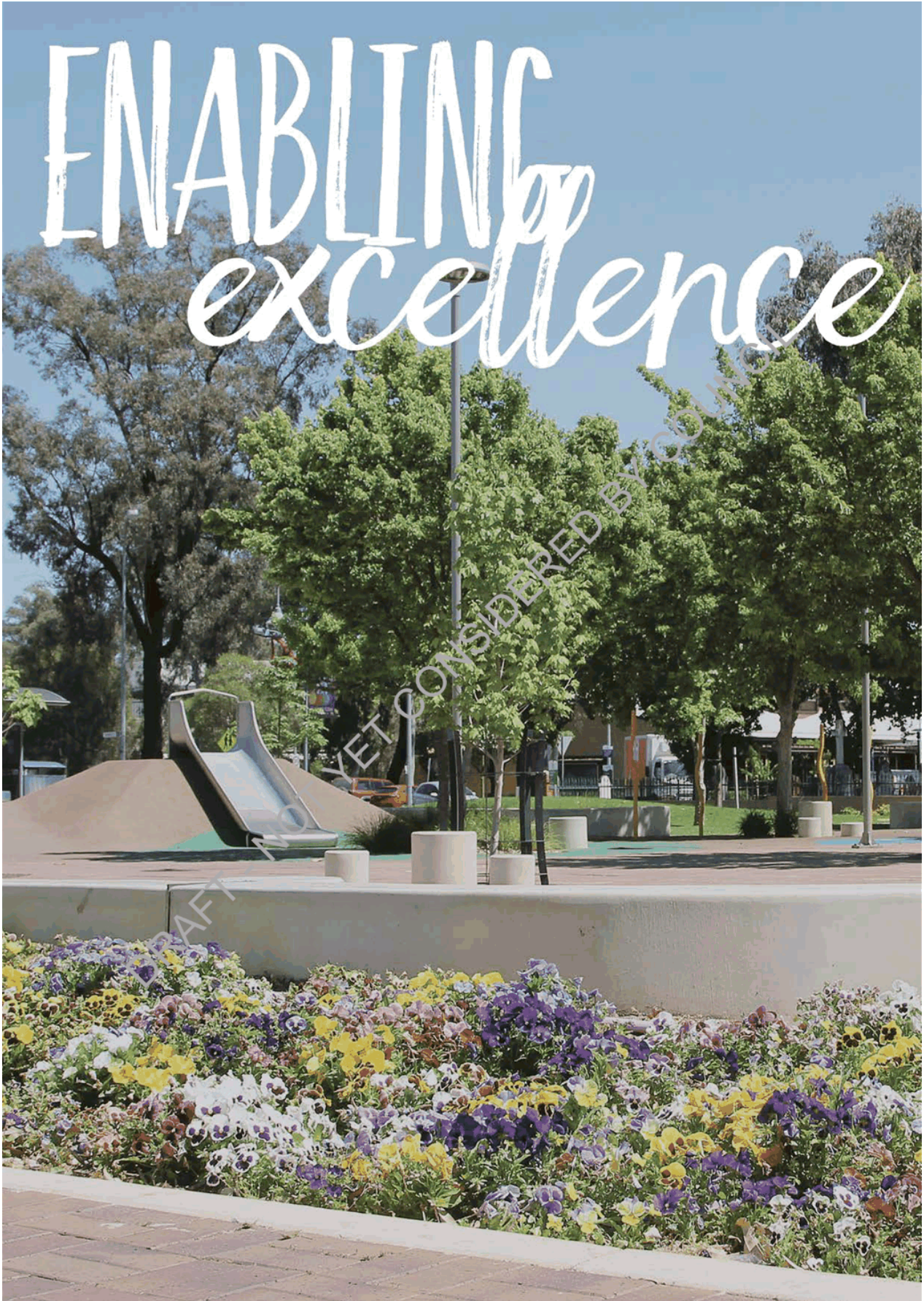
Our objectives are to:

1. Strengthen partnerships that enable us to better address our community's priorities
2. Develop strong capability and commitment to continually improve Council's performance
3. Have robust processes that support consistent service delivery and informed decision making
4. Embed long term thinking, planning and innovation across the organisation

We will:

- Work with neighbouring councils to address issues of regional importance

- Work with State and Federal governments to influence policy and investment decisions

- Develop stronger partnerships with business and industry to address the challenges facing our region

- Collaborate with our community to ensure our services are relevant

- Build strong leadership capabilities within Council and the community

- Communicate well with our community and partners

- Apply learning and innovation to transform the way Council operates

- Develop a consistent customer first approach across Council

- Develop a flexible, capable and engaged workforce that can meet the changing needs of Council and our community

- Develop a shared focus on accountability and performance

- Provide a safe working environment

- Continually improve business practices to remove barriers and ensure appropriate levels of service that respond to emerging needs and opportunities

- Use technology to support transformation within Council and proactively address community needs

- Ensure Council decision making is well informed, inclusive, transparent and complies with legislative and policy requirements

- Ensure long term sustainability through good financial practices, sound business planning and asset management

- Introduce a structured approach to developing and resourcing longer term policies and strategies

- Design Council's strategic development projects so they can flexibly adapt to accommodate future opportunities

- Ensure Council's processes enable people to work across boundaries and with the community

- Collect and analyse information and data that enables Council to anticipate and respond to emerging needs and opportunities

Our City's progress will be measured by:

Targeted survey of our partners

Customer satisfaction survey

Financial sustainability

Benchmarking our performance through people, systems and processes

CITY OF SALISBURY DRAFT ANNUAL PLAN 19/20 95

Business Excellence

Business Excellence contains the following Service Areas, Activities and Service Levels

SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
Accounting Services Provides for business support, management accounting, financial accounting, tax compliance, external and statutory reporting. Further, the team provides reporting services to all departments/divisions of the organisation, the Executive Management and Council, including the preparation of the Council Budget and Annual Plan.	• Annual Plan and Budget • Annual Financial Statements • Long Term Financial Plan • Quarterly Budget Reviews and Monthly Reporting • Grant Acquittals • Divisional Planning support
Assets & Projects Accounting Provides specialised accounting services for infrastructure and other assets, particularly with respect to valuation and depreciation. Also provides financial support to Council projects as required and delivers the Accounts Payable service.	• Provide financial advice and support for Salisbury Water • Valuation and Depreciation for $1.9 billion of Council assets • Invoices processed: 30,000pa
Business Excellence Administration Provides for the Executive Management and associated support staff for the overall management and leadership of the Business Excellence Department.	• Leadership of the Business Excellence department and accountability for outcomes assigned to the department
Information Technology Services Responsible for the delivery, management and enhancement of information technology solutions within the organisation. **Continuous Improvement Services** Advocate and promote the use of continuous improvement techniques and methodologies **Planning and Business Engagement Services** Responsible for the alignment of information technology solutions with organisational and Community needs	• Solutions meet organisational availability and performance metrics Agreed services and solutions are under relevant maintenance and support contracts • Organisational continuous improvement framework • Organisational reporting on continuous improvement initiatives • Digital and information technology related strategy, frameworks and standards
Strategic Procurement Management of contract and purchasing policies, procedures and delegations. Provision of support and advisory services as well as monitoring compliance.	• Benefit Target: capture, measure and monitor the tangible value added by Strategic Procurement (value for money). • Northern Region Economic Benefit: Focus on supporting northern region business where it represents value for money.

CITY OF SALISBURY DRAFT ANNUAL PLAN 19/20 96

Business Excellence (continued)

Business Excellence contains the following Service Areas, Activities and Service Levels

SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
Corporate Communications Drives strategic outcomes by strengthening Council's relationship with the community and other key audiences, through proactive media and communications.	Core responsibilities: • Media liaison • Proactive communications • Digital communication (social media and online) • Corporate Publications
Customer Centre Provides a central point of contact for the Community and aims to assist customers to conduct their business with the Council efficiently and, where appropriate, links them to other Government and community services.	• Call volume: 83,500pa • Receipt numbers: 33,700pa • Counter enquiries: 18,500pa • Customer requests via Email/Website/post: 1,960pa
Information Management Oversee the flow of corporate information in to and out of the organisation, ensuring information management legislation is complied with, including Freedom of Information responsibilities.	• Compliance with organisational information management framework and South Australian Government information retention requirements • Response to Freedom of Information requests within legislative timeframes.
Insurance This area provides for the management of corporate insurance policies and associated claims.	• Administration of organisational insurance requirements including processing of insurance claims and liaison with Local Government Risk Services.
People and Culture Provide a range of people management services including general Human Resources and Employment Relations services, payroll, wellbeing and Work Health and Safety, Organisational Development, Learning and Development and strategic workforce development and planning. This includes providing policies, systems and processes used to manage the employment life cycle, guide decision-making and manage risk.	• Organisational development programs – change management, culture development, leadership development, team development, and individual capability and commitment programs. • Workforce planning and succession planning, HR Services including recruitment, induction, policy advice, payroll, workplace Health and Safety and wellbeing programs.
Rate Collection & Property Data This area involves the maintenance of the property data for rating and electoral purposes and the collection of rate and other revenue.	• Rateable Properties: 59,540pa • Total Rate Notices: 182,367pa, Overdue Notices: 43,590pa • Changes to Property Data: 12,368pa

CITY OF SALISBURY DRAFT ANNUAL PLAN 19/20 97

Business Excellence

Budgeted Business Excellence Operating Expenditure ($000')

Business Excellence (*Expenditure*)
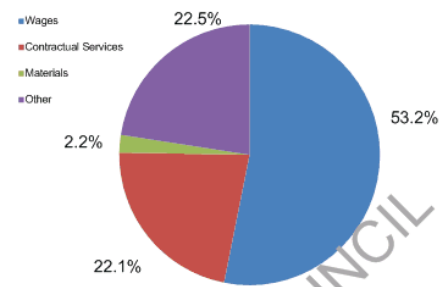
	2018/19 Budget $000's	2019/20 Forecast $000's
EXPENDITURE		
Accounting Services	1,655	1,591
Accounts Payable	178	179
Business Excellence Administration	428	440
Business Systems and Solutions	4,218	4,528
Strategic Procurement	468	400
Corporate Communications	895	937
Customer Centre	964	973
Information Management	712	729
Insurance	518	519
People & Culture	2,177	2,244
Rate Collection & Property Data	873	901
DIRECT EXPENDITURE	**13,087**	**13,439**
FULL COST ATTRIBUTION	**(13,033)**	**(13,400)**
TOTAL EXPENDITURE	**54**	**39**
INCOME		
Corporate Communications	9	9
People & Culture	303	272
Rate Collection & Property Data	146	136
TOTAL INCOME	**458**	**417**

CITY OF SALISBURY DRAFT ANNUAL PLAN 19/20 98

Business Excellence (continued)

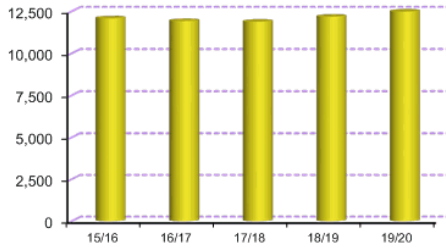|	2018/19 Budget $000's	2019/20 Forecast $000's
NET IMPACT TO COUNCIL		
Accounting Services	1,655	1,591
Accounts Payable	178	179
Business Excellence Administration	428	440
Business Systems and Solutions	4,218	4,528
Strategic Procurement	468	400
Corporate Communications	886	323
Customer Centre	964	973
Information Management	712	729
Insurance	513	519
People & Culture	1,874	1,972
Rate Collection & Property Data	727	765
FULL COST ATTRIBUTION	(13,033)	(13,400)
TOTAL NET IMPACT TO COUNCIL	(404)	(378)

CITY OF SALISBURY DRAFT ANNUAL PLAN 19/20　99

Council
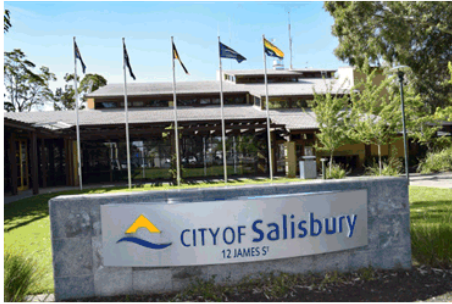
Council contains the following Service Areas, Activities and Service Levels

SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
Civic and Ceremonial Funds civic and ceremonial responsibilities of Council, including citizenship ceremonies.	• Organisation of civic events and citizenship ceremonies
Corporate Memberships Funds corporate memberships for required bodies.	• Local Government Association membership
Council Funds the management and administration of the Elected Member governance responsibilities.	• Production and distribution of business papers • Administrative support is provided to 6 standing committees, 5 sub-committees and Council • Monitor and review of the City's compliance with legislation • Elected Member training and development • Administration of Elected Member Allowances and Benefits
Elections Provides resources for elections within the City.	• Manage the Local Government election for over 90,000 eligible voters
Executive Management Funds the Chief Executive Officer and executive support function that is responsible for the management of the organisation, the support of and accountability to Council.	• Executive support for the Chief Executive Officer and Mayor
Governance Is a resource supporting Elected Members and staff in their decision making processes. The team provides information, advice and assistance to ensure obligations under legislation and policy frameworks are reflected in City of Salisbury work practices.	• Support Council and organisational Governance processes • Risk management, internal audit and program review • Undertake annual risk review • Provide advice and support to ensure operational risks are minimised • Support the Audit Committee of Council • Application and monitoring of the Governance framework • Council meeting administration and support • Elected Member support & communications • Delegations • Application and monitoring - Policy and Procedure Framework • Coordination of legal advice and oversight of Council Solutions Legal Services contract

CITY OF SALISBURY DRAFT ANNUAL PLAN 19/20 100

Council

Budgeted Council Operating Expenditure
($000')
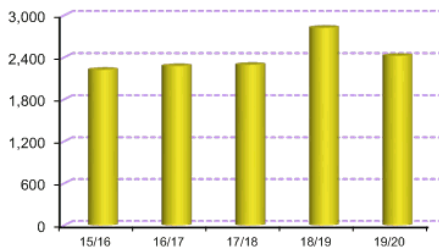
Council (*Expenditure*)
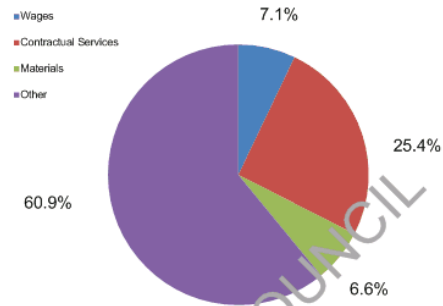
	2018/19 Budget $000's	2019/20 Forecast $000's
EXPENDITURE		
Civic & Ceremonial	53	49
Corporate Memberships	95	95
Council	736	713
Elections	571	195
Executive Management	636	650
Governance	735	724
DIRECT EXPENDITURE	**2,826**	**2,426**
FULL COST ATTRIBUTION	**(2,826)**	**(2,426)**
TOTAL EXPENDITURE		
INCOME		
Council	2	2
TOTAL INCOME	**2**	**2**
NET IMPACT TO COUNCIL		
Civic & Ceremonial	53	49
Corporate Memberships	95	95
Council	734	711
Elections	571	195
Executive Management	636	650
Governance	735	724
FULL COST ATTRIBUTION	**(2,826)**	**(2,426)**
TOTAL NET IMPACT TO COUNCIL	**(2)**	**(2)**

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Sundry

Sundry contains the following Service Areas, Activities and Service Levels

SERVICE AREAS
Accommodation
The operating costs of Council's municipal offices.
Grants Commission
Represents the general purpose Financial Assistance Grant provided by the Federal Government via the Grants Commission. The quantum is determined by population and "effort neutral" needs assessment.
Infrastructure Depreciation
Provides for depreciation of public infrastructure where not provided for within functional cost centres.
Rates
Provide for rates revenue, fines and penalties, rebates, concessions and discounts.
Treasury
Provides for the transactions associated with borrowing and lending funds and the associated interest received or paid.
Wages and Salary Provision
An allocation to provide for variations in remuneration as a result of agreements, contracts and reclassifications.

CITY OF SALISBURY DRAFT ANNUAL PLAN 19/20 102

Sundry

Budgeted Sundry Operating Expenditure
($000')

Sundry (*Expenditure*)

- Contractual Services
- Materials
- Other

0.9%   0.7%

93.4%
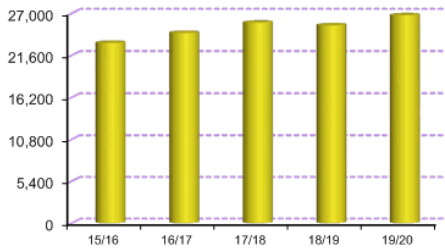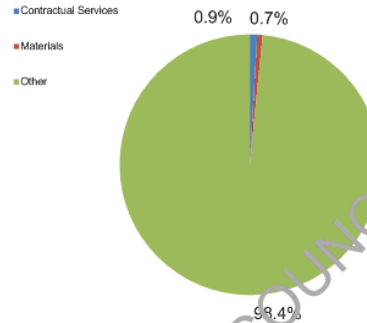
	2018/19 Budget $000's	2019/20 Forecast $000's
EXPENDITURE		
Accommodation	459	1,441
Infrastructure Depreciation	22,839	22,590
Rates	2,182	2,182
Treasury	1,062	955
DIRECT EXPENDITURE	26,043	27,333
FULL COST ATTRIBUTION	(459)	(1,441)
TOTAL EXPENDITURE	25,584	25,893
INCOME		
Accommodation		12
Grants Commission	5,590	5,590
Rates	752	697
Treasury	159	158
TOTAL INCOME	6,501	6,456
NET IMPACT TO COUNCIL		
Accommodation	459	1,441
Grants Commission	(5,590)	(5,590)
Infrastructure Depreciation	22,839	22,590
Rates	1,431	1,486
Treasury	903	798
Wages & Salaries Provision	(500)	165
FULL COST ATTRIBUTION	(459)	(1,441)
TOTAL NET IMPACT TO COUNCIL	19,083	19,448

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Item 4.2.3 - Attachment 3 - Draft Annual Plan 2019/20

Rating Strategy and Policy

What are Rates?

Rates are the principal source of funding for Council services representing approximately 83% of the total operating revenue. Rates are levied as a tax on property in accordance with the provisions of the Local Government Act. They are not a service or user charge. Consequently, some property owners may choose not to use various council services but nevertheless make a contribution through their rates. As rates are levied on the value of property as determined by the State Valuation Office, those in higher valued properties pay more than those in lower valued properties, noting the higher value property adjustment detailed on page 109.

Capital Value as a basis for Rating

The Council has adopted the capital value method to value properties in its area, in common with most other Adelaide metropolitan Councils. This method values the land and all of the improvements on the land.

While no valuation method is considered perfect the capital value method was considered the most equitable because:

- It is the most appropriate measure of relative wealth in the community
- As a measure of wealth it most closely reflects the capacity to pay of property owners
- It accords with the taxation principle that people should contribute to community social and physical infrastructure, in accord with their capacity to pay, as measured by property wealth

Other valuation methods available are site value (value of land only) and annual value (value of rental potential of property). These are not considered appropriate in Salisbury's situation.

Strategic Focus

In setting its rates for the 2019/20 financial year the Council considered its City Plan 2030, and other strategic planning documents including Asset Management Plans and the Long Term Financial Plan.

Setting Rates

Apart from the need to ensure sufficient revenue to meet its expenditure needs, Council is always mindful of the impact and affordability of rates to the community, both residential and business, and regularly makes comparison of its rates across Council areas.

In 2018/19 Salisbury's average residential rate was the 3rd lowest of the metropolitan Councils.

The first action in setting the new rate is to adjust for the impact of the average increase or decrease in market property values over the past year so that the rate increase is not compounded by property value increases.

This year the average 'market' increase for the key rating categories are:

Residential	3.2%
Commercial / Industrial	1.8%

Secondly, Council considers the appropriate average rate increase to apply taking into account a number of factors. Council have undertaken a comprehensive program review which has considered current service levels, and the communities current and future needs, and the methods by which services are provided. Council each year consider the budget in detail, and reviews requests for new expenditure and how it contributes to the delivery of the City Plan. Consideration is also given having capacity to respond to community's changing needs.

Rating Strategy and Policy

After critically reviewing expenditure priorities and income from other sources Council propose to increase residential rates by an average of 2.5% for properties not on the minimum rate. The minimum rate is also proposed to increase by 2.5% from $987 to $1,012 for 2019/20.

Council has maintained surplus operating budgets since 2008/09 which is a significant achievement. This has resulted from maintaining existing assets and avoiding escalating costs that can result through neglect, by reviewing and refining service provision, and utilising property development proceeds to reduce debt levels resulting in lower interest costs.

Categories of Rates

General Rates

General rates are levied on capital values according to the differential rating system outlined below. Property valuations are performed independently by the State Valuation Office on an annual basis and an owner has up to 60 days from notification in which to object.

A minimum rate applies to all properties where the value falls below a certain level. The minimum rate is imposed to ensure all properties make a fair contribution to general community facilities.

No more than 35% of properties can be subject to the minimum rate. The minimum rate will increase to $1,012 for 2019/20

Differential Rating

Differential rates may be applied according to land use. A differential loading is applied to commercial and industrial properties and to vacant land. Residential and other properties pay the base rate.

a. The purpose of the differential on commercial and industrial properties is to:
- Recover from the business sector a greater share of costs relating to:
  - o   Economic development and promotion
  - o   City amenities which enhance retailing
  - o   More intensive road and traffic requirements
  - o   Extra capacity requirements for drainage
- Partially recognise the benefit of tax deductibility available to business
- Maintain the revenue contribution from this sector given inconsistent changes in property values as compared with residential properties

b. The purpose of the differential on vacant land is to:
- Provide a disincentive to withholding land from development
- Recognise the cost of surrounding infrastructure

The differential rate for vacant land is 30% higher than for residential properties. This is consistent with the previous year which was also 30%.

Rating Strategy and Policy

Separate Rates

Council uses its separate rating powers to collect rates for three existing purposes:

Salisbury City Centre Business Association Inc.
Rates are collected for the Salisbury Business Association, from commercial properties within the Salisbury City Centre to enable it to market and promote the centre. All funds collected are passed on to the association.

Globe Derby Community Club Inc.
Rates are collected for and passed on to the community club based on a fixed amount per share in common land, so that the club can maintain an area of common land.

Adelaide and Mount Lofty Ranges Natural Resources Management Board
The Council acts as agent for the collection of rates for the Adelaide & Mount Lofty Ranges Natural Resources Management Board who determines their own rate levels. This policy does not refer to those rates.

Residential Impact Statement

The average increase for residential properties is 2.5%. However, the actual increase to an individual property will vary depending on the actual changes in valuation above or below the average valuation increase of 3.1%.

In order to achieve an average rate increase of 2.5% the rate (cents in the $) will decrease from 0.4284 to 0.4253.

An assessment of the resulting rate increases suggests the following impact on residential property owners:

Percentage Rate Increase	Number of Properties
< or = 0%	7,315
0.1 - 1.0%	768
1.1 - 2.0%	6,059
2.1 - 3.0%	16,922
3.1 - 4.0%	8,616
4.1 - 4.0%	11,830
5.1 - 6.0%	3,179
6.1 - 8.0%	128
8.1 - 10.0%	59
10.1 - 12.5%	30
>12.5%	113
Total Number of Properties	**55,019**

Rating Strategy and Policy

Payment of Rates

Quarterly Billing

Payment of rates may be made in quarterly instalments due in September, December, March and June each year. Rate notices will be issued prior to each quarterly instalment.

Payment methods are described on the reverse of the rate notice.

Advance Payments

Ratepayers may choose to make fortnightly or monthly payments in advance towards their rates if this suits their budgetary circumstances. No interest is paid on these amounts due to the additional transaction processing costs associated with this service.

Seniors Postponement of Rates

Residential property owners with a Seniors Card may apply to postpone payment of rates until the property is sold. Seniors who opt to postpone rates are required by the Local Government Act to pay $500 in rates each year, with the balance being postponed. Postponed rates are a charge on the land and statutory interest continues to be charged on postponed rates and will be payable on sale of the property.

Adjustments and Rebates

High Value Property Adjustment

Council has recognised that higher value residential properties are subject to unreasonably high rates, due to the relatively low average value of properties in Salisbury, compared to some other Local Government areas. Council is also concerned to ensure there is a proper mix of development within the city.

To overcome this problem Council has provided an adjustment for residential properties with a value over $465,000 in 2019/20 on the following basis:

$465,001 to $515,000: a reduction of 10% of the normal rate on the amount above $465,000, which is an increase on the 2018/19 tier of $450,001-$500,000.

$515,001 to $625,000 : a reduction of 15% of the normal rate on the amount above $515,001, which is an increase on the 2018/19 tier of $500,000-$605,000.

$625,001+: a reduction of 35% of the normal rate on the amount above $625,000, with the 2018/19 tier being $605,001

The adjustment and its limits are determined annually by Council prior to the setting of rates

Discretionary Rebates

The Local Government Act 2011 enables Council to grant discretionary rebates up to 100% for land used for the purposes of a community benefit.

Council has adopted a policy concerning such rebates, a copy of which is available from our Rates Section (Telephone. 08 8406 8255).

Rate Capping

Council has a policy to cap rate increases in the following circumstance:

- **Market Valuation Increase Cap** - for residential property which is the ratepayers principal residence, and the ratepayers is a natural person, the maximum increase in the general rate will be 12.5% of that paid in the previous year where that increase is as a result of significant valuation movements but not as a result of improvements, a change to the land use or zoning, a change in ownership, or a correction the property value.

Disclaimer

A rate cannot be challenged on the basis of non-compliance with this policy and rates must be paid in accordance with the required payment provisions.

Appendix A: Long Term Financial Plan

ESTIMATED STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDING 30 JUNE	2020 Budget Year 1 $000's	2021 Plan Year 2 $000's	2022 Plan Year 3 $('000)	2023 Plan Year 4 $('000)	2024 Plan Year 5 $('000)	2025 Plan Year 6 $('000)	2026 Plan Year 7 $('000)	2027 Plan Year 8 $('000)	2028 Plan Year 9 $('000)	2029 Plan Year 10 $('000)
INCOME										
Rates	101,031	104,992	109,212	113,559	118,215	123,062	128,107	133,360	138,828	144,519
Statutory Charges	2,819	2,884	2,954	3,024	3,100	3,177	3,257	3,338	3,422	3,507
User Charges	5,004	5,120	5,244	5,369	5,503	5,640	5,781	5,926	6,074	6,226
Grants, Subsidies & Contributions	11,759	11,875	11,988	12,098	12,223	12,351	12,482	12,616	12,932	13,255
Investment Income	158	157	155	154	153	152	150	149	147	146
Reimbursements	217	222	227	232	238	244	250	257	263	269
Other Income	696	712	729	747	765	785	804	824	845	866
Total Revenues	**121,684**	**125,962**	**130,509**	**135,183**	**140,197**	**145,411**	**150,831**	**156,470**	**162,511**	**168,788**
EXPENSES										
Employee Costs	38,247	39,305	40,529	41,912	43,487	45,119	46,810	48,329	49,895	51,629
Materials, Contracts & Other Expenses	50,850	53,186	55,361	58,266	61,038	63,940	66,977	70,156	73,486	77,012
Depreciation, Amortisation & Impairment	27,316	28,400	29,914	30,622	31,670	32,767	33,907	35,092	36,319	37,590
Finance Costs	1,410	923	901	579	390	269	146	94	75	62
Total Expenses	**117,823**	**121,814**	**126,685**	**131,379**	**136,585**	**142,095**	**147,840**	**153,671**	**159,775**	**166,293**
OPERATING SURPLUS/(DEFICIT) BEFORE CAPITAL AMOUNTS	**3,861**	**4,148**	**3,824**	**3,804**	**3,612**	**3,316**	**2,991**	**2,799**	**2,736**	**2,495**
Asset Disposal & Fair Value Adjustments	3,447	4,169	4,589	8,990	2,964	7,931	3,310	2,589	2,397	3,970
Amounts Received Specifically for New or Upgraded Assets	3,668	2,296	2,353	2,412	2,472	2,534	2,597	2,662	2,729	2,797
Physical Resources Received Free of Charge	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
NET SURPLUS/(DEFICIT)	**11,975**	**11,613**	**11,766**	**16,206**	**10,048**	**14,781**	**9,898**	**9,050**	**8,862**	**10,262**
OTHER COMPREHENSIVE INCOME										
Changes in Revaluation Surplus - I,PP&E	21,804	23,226	26,417	27,499	28,686	29,560	30,484	31,376	32,253	33,520
Total Other Comprehensive Income	**21,804**	**23,226**	**26,417**	**27,499**	**28,686**	**29,560**	**30,484**	**31,376**	**32,253**	**33,520**
TOTAL COMPREHENSIVE INCOME	**33,780**	**34,839**	**38,183**	**43,705**	**38,734**	**44,341**	**40,382**	**40,426**	**41,115**	**43,782**

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Appendix A: Long Term Financial Plan

ESTIMATED STATEMENT OF FINANCIAL POSITION

YEAR ENDING 30 JUNE	2020 Budget Year 1 $000's	2021 Plan Year 2 $000's	2022 Plan Year 3 $('000)	2023 Plan Year 4 $('000)	2024 Plan Year 5 $('000)	2025 Plan Year 6 $('000)	2026 Plan Year 7 $('000)	2027 Plan Year 8 $('000)	2028 Plan Year 9 $('000)	2029 Plan Year 10 $('000)
ASSETS										
Current Assets										
Cash & Cash Equivalents	0	0	0	0	0	0	0	0	0	703
Trade & Other Receivables	5,308	5,429	5,604	5,784	5,978	6,179	6,388	6,605	6,846	7,056
Inventories	2,155	2,169	2,184	2,199	2,216	2,233	2,251	2,270	2,289	2,310
Total Current Assets	**7,463**	**7,598**	**7,788**	**7,983**	**8,194**	**8,412**	**8,639**	**8,875**	**9,135**	**10,069**
Non-Current Assets										
Financial Assets	395	366	335	304	271	237	202	165	127	128
Equity Accounted Investments in Council Businesses	3,877	3,877	3,877	3,877	3,877	3,877	3,877	3,877	3,877	3,877
Infrastructure, Property, Plant & Equipment	1,506,433	1,545,184	1,581,739	1,612,358	1,649,088	1,687,901	1,725,470	1,763,425	1,801,841	1,842,642
Other Non-Current Assets	23,986	25,007	26,096	27,225	28,437	29,704	31,031	32,420	33,874	35,413
Total Non-Current Assets	**1,534,691**	**1,574,434**	**1,612,047**	**1,643,764**	**1,681,673**	**1,721,719**	**1,760,580**	**1,799,887**	**1,839,719**	**1,882,060**
TOTAL ASSETS	**1,542,154**	**1,582,032**	**1,619,835**	**1,651,747**	**1,689,867**	**1,730,131**	**1,769,219**	**1,808,762**	**1,848,854**	**1,892,129**
LIABILITIES										
Current Liabilities										
Cash Advance Debentures	14,336	20,497	21,154	9,961	9,980	6,597	5,090	3,359	1,447	0
Trade & Other Payables	14,853	15,505	16,201	16,922	17,698	18,509	19,356	20,240	21,168	22,146
Borrowings	1,773	1,735	1,321	1,409	1,504	636	36	38	39	41
Provisions	7,058	7,058	7,058	7,058	7,058	7,058	7,058	7,058	7,058	7,058
Total Current Liabilities	**38,020**	**44,795**	**45,734**	**35,350**	**36,240**	**32,800**	**31,540**	**30,695**	**29,712**	**29,245**
Non-Current Liabilities										
Borrowings	6,825	5,090	3,769	2,360	856	220	184	146	107	66
Provisions	1,662	1,662	1,662	1,662	1,662	1,662	1,662	1,662	1,662	1,662
Total Non-Current Liabilities	**8,487**	**6,752**	**5,431**	**4,022**	**2,518**	**1,882**	**1,846**	**1,808**	**1,769**	**1,728**
TOTAL LIABILITIES	**46,507**	**51,547**	**51,165**	**39,372**	**38,758**	**34,682**	**33,386**	**32,503**	**31,481**	**30,973**
NET ASSETS	**1,495,647**	**1,530,485**	**1,568,670**	**1,612,375**	**1,651,109**	**1,695,449**	**1,735,833**	**1,776,259**	**1,817,373**	**1,861,156**
EQUITY										
Accumulated Surplus	374,209	385,821	397,589	413,795	423,843	438,623	448,522	457,573	466,434	476,697
Asset Revaluation Reserves	1,097,146	1,120,371	1,146,789	1,174,288	1,202,974	1,232,535	1,263,018	1,294,394	1,326,647	1,360,167
Other Reserves	24,292	24,293	24,292	24,292	24,292	24,291	24,293	24,292	24,292	24,292
TOTAL EQUITY	**1,495,647**	**1,530,485**	**1,568,670**	**1,612,375**	**1,651,109**	**1,695,449**	**1,735,833**	**1,776,259**	**1,817,373**	**1,861,156**

DRAFT – NOT YET CONSIDERED BY COUNCIL

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Appendix A: Long Term Financial Plan

ESTIMATED STATEMENT OF CASH FLOWS

YEAR ENDING 30 JUNE	2020 Budget Year 1 $000's	2021 Plan Year 2 $000's	2022 Plan Year 3 $('000)	2023 Plan Year 4 $('000)	2024 Plan Year 5 $('000)	2025 Plan Year 6 $('000)	2026 Plan Year 7 $('000)	2027 Plan Year 8 $('000)	2028 Plan Year 9 $('000)	2029 Plan Year 10 $('000)
CASH FLOWS FROM OPERATING ACTIVITIES										
Receipts										
Operating Receipts	121,252	125,750	130,255	134,927	139,953	145,144	150,563	156,198	162,221	168,495
Investment Receipts	158	157	155	154	153	152	150	149	147	146
Payments										
Operating Payments to Suppliers and Employees	(89,730)	(93,018)	(96,826)	(100,754)	(105,138)	(109,699)	(114,455)	(119,185)	(124,112)	(129,411)
Finance Payments	(1,410)	(923)	(901)	(579)	(390)	(269)	(146)	(94)	(75)	(62)
Net Cash provided by (or used in) Operating Activities	**30,270**	**31,966**	**32,683**	**33,748**	**34,558**	**35,328**	**36,112**	**37,068**	**38,181**	**39,168**
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Amounts Received Specifically for New /Upgraded Assets	3,668	2,296	2,353	2,412	2,472	2,534	2,597	2,662	2,729	2,797
Sale of Replaced Assets	377	382	392	402	412	422	433	444	455	466
Sale of Real Estate Developments	3,070	3,787	4,197	8,588	2,552	7,509	2,877	2,145	1,942	3,504
Repayments of Loans by Community Groups	32	34	30	31	32	34	35	36	38	39
Payments										
Expenditure on Renewal/Replacement of Assets	(16,443)	(16,402)	(17,468)	(17,058)	(22,638)	(24,542)	(23,101)	(23,360)	(23,737)	(25,683)
Expenditure on New /Upgraded Assets	(27,159)	(26,451)	(21,109)	(15,608)	(15,998)	(16,398)	(16,809)	(17,228)	(17,658)	(18,101)
Net Cash Provided by (or used in) Investing Activities	**(36,455)**	**(36,354)**	**(31,605)**	**(21,233)**	**(33,168)**	**(30,441)**	**(33,968)**	**(35,301)**	**(36,231)**	**(36,978)**
CASH FLOWS FROM FINANCING ACTIVITIES										
Payments										
Repayments of Borrowings	(1,978)	(1,773)	(1,735)	(1,321)	(1,409)	(1,504)	(636)	(36)	(38)	(39)
Net Cash provided by (or used in) Financing Activities	**(1,978)**	**(1,773)**	**(1,735)**	**(1,321)**	**(1,409)**	**(1,504)**	**(636)**	**(36)**	**(38)**	**(39)**
Net Increase/(Decrease) in Cash Held	**(8,163)**	**(6,161)**	**(657)**	**11,194**	**(19)**	**3,383**	**1,508**	**1,731**	**1,912**	**2,151**
Cash & Cash Equivalents at Beginning of Period	**(6,173)**	**(14,336)**	**(20,497)**	**(21,155)**	**(9,961)**	**(9,980)**	**(6,598)**	**(5,090)**	**(3,359)**	**(1,448)**
Cash & Cash Equivalents/Movements in Borrowings at End of Period	**(14,336)**	**(20,497)**	**(21,154)**	**(9,961)**	**(9,980)**	**(6,597)**	**(5,090)**	**(3,359)**	**(1,447)**	**703**

Appendix A: Long Term Financial Plan

SUMMARY STATEMENT OF CHANGES IN EQUITY

YEAR ENDING 30 JUNE	2020 Budget Year 1 $000's	2021 Plan Year 2 $000's	2022 Plan Year 3 $('000)	2023 Plan Year 4 $('000)	2024 Plan Year 5 $('000)	2025 Plan Year 6 $('000)	2026 Plan Year 7 $('000)	2027 Plan Year 8 $('000)	2028 Plan Year 9 $('000)	2029 Plan Year 10 $('000)
Opening Balance	1,461,867	1,495,647	1,530,485	1,568,670	1,612,375	1,651,109	1,695,450	1,735,833	1,776,258	1,817,374
Net Surplus / (Deficit) for Year	11,976	11,612	11,768	16,206	10,048	14,780	9,899	9,050	8,862	10,262
Other Comprehensive Income										
- Gain (Loss) on Revaluation of I,PP&E	21,804	23,226	26,417	27,499	28,686	29,560	30,484	31,376	32,253	33,520
Other Comprehensive Income	21,804	23,226	26,417	27,499	28,686	29,560	30,484	31,376	32,253	33,520
Total Comprehensive Income	33,780	34,838	38,185	43,705	38,734	44,340	40,383	40,426	41,115	43,782
Transfers between Equity	0	0	0	0	0	0	0	0	0	0
Balance at end of period	1,495,647	1,530,485	1,568,670	1,612,375	1,651,109	1,695,449	1,735,833	1,776,259	1,817,373	1,861,156

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Appendix A: Long Term Financial Plan

UNIFORM PRESENTATION OF FINANCES

YEAR ENDING 30 JUNE	2020 Budget Year 1 $000's	2021 Plan Year 2 $000's	2022 Plan Year 3 $('000)	2023 Plan Year 4 $('000)	2024 Plan Year 5 $('000)	2025 Plan Year 6 $('000)	2026 Plan Year 7 $('000)	2027 Plan Year 8 $('000)	2028 Plan Year 9 $('000)	2029 Plan Year 10 $('000)
Income	121,684	125,962	130,509	135,183	140,197	145,411	150,831	156,470	162,511	168,788
less Expenses	(117,823)	(121,814)	(126,685)	(131,379)	(136,585)	(142,095)	(147,840)	(153,671)	(159,775)	(166,293)
Operating Surplus / (Deficit)	**3,861**	**4,148**	**3,824**	**3,804**	**3,612**	**3,316**	**2,991**	**2,799**	**2,736**	**2,495**
Less: Net Outlays on Existing Assets										
Capital Expenditure on Renewal/Replacement of Existing Assets	(16,443)	(16,402)	(17,468)	(17,050)	(22,638)	(24,542)	(23,101)	(23,360)	(23,737)	(25,683)
less Depreciation, Amortisation & Impairment	27,316	28,400	29,514	30,622	31,670	32,767	33,907	35,092	36,319	37,590
less Proceeds from Sale of Replaced Assets	377	382	392	402	412	422	433	444	455	466
	11,250	12,380	12,438	13,966	9,444	8,647	11,239	12,176	13,037	12,373
Less: Net Outlays on New and Upgraded Assets										
Capital Expenditure on New/Upgraded Assets	(27,159)	(26,451)	(21,109)	(15,608)	(15,998)	(16,398)	(16,809)	(17,228)	(17,658)	(18,101)
less Amounts Specifically for New/Upgraded Assets	3,668	2,296	2,353	2,412	2,472	2,534	2,597	2,662	2,729	2,797
less Proceeds from Sale of Surplus Assets	3,070	3,787	4,197	8,588	2,552	7,509	2,877	2,145	1,942	3,504
	(20,421)	(20,368)	(14,559)	(4,608)	(10,974)	(6,355)	(11,335)	(12,421)	(12,987)	(11,800)
Net Lending / (Borrowing) for Financial Year	**(5,310)**	**(3,840)**	**1,703**	**13,162**	**2,082**	**5,608**	**2,895**	**2,554**	**2,786**	**3,068**

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DRAFT - NOT YET CONSIDERED BY COUNCIL

CITY OF SALISBURY DRAFT ANNUAL PLAN 19/20 113

City of Salisbury
12 James Street
Salisbury 5108
South Australia
PO Box 8
Salisbury SA 5108

www.salisbury.sa.gov.au

Telephone
08 8406 8222
TTY 08 8406 8596
(For people with
hearing impairment)
Facsimile 08 8406 5466

Email
city@salisbury.sa.gov.au

/cityofsalisbury

@CityOfSalisbury

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ITEM	4.2.4
	AUDIT COMMITTEE
DATE	09 April 2019
HEADING	Update on Risk Management and Internal Controls Activities
AUTHOR	Janet Crook, Risk & Governance Program Manager, CEO and Governance
CITY PLAN LINKS	4.3 Have robust processes that support consistent service delivery and informed decision making.
SUMMARY	This report provides an update on the risk management and internal controls activities conducted in the 2018/2019 financial year. The report also includes an update on the outstanding actions from internal audits.

RECOMMENDATION

1. The information be received.

2. The Update on Risk Management and Internal Controls Activities, as set out in Attachment 1 to this report (Item 4.2.4, Audit Committee, 9/04/2019) be endorsed for approval by Council.

3. The Audit Committee notes the update on outstanding actions from completed Internal Audits, as set out in Attachment 2 to this report (Item 4.2.4, Audit Committee, 9/04/2019).

ATTACHMENTS

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

1. Risk Management and Internal Controls Activities 2018/2019

2. Outstanding actions from completed internal audits

1. BACKGROUND

1.1 This report provides an update on risk management and internal controls activities in the 2018/2019 financial year. The report allows the Audit Committee to monitor and review the activities and the assurance they provide

2. REPORT

2.1 Attachment 1 is a summary of the risk management and internal controls activities to be undertaken in the 2018/2019 financial year. The plan was endorsed at the July 2018 meeting of the Audit Committee.

2.2 The following activities in Attachment 1 have been updated since they were last reviewed by the Audit Committee in February 2019:

2.2.1   Update to the latest version of the ControlTrack system has been progressed. A purchase order has been raised and initial discussions have been held with the vendor to schedule training in April 2019.

2.2.2   Completion of the control self-assessments and risk assessments through the ControlTrack system is likely to commence in April 2019, with a view to the assessments being completed by 30 June 2019.

2.2.3   In relation to the review of the Business Continuity corporate documentation, work to engage with an external consultant will commence in April 2019.

2.2.4   In relation to the development of the operational risk register, representatives from the LGRS Strategic Risk Services Team attended at CoS to perform Operational Risk Workshops with selected departments. A further update appears below.

2.2.5   **Risk Management Program**

2.2.6   Progress has continued with regard to the Risk Management Program.

2.2.7   Representatives from the LGRS attended at CoS on 1 March 2019 to conduct Operational Risk Workshops with several departments from across Council including, Infrastructure Delivery, Property & Buildings, Strategic Procurement, Community, Capacity & Learning, and Community, Health & Wellbeing.

2.2.8   During the workshops, draft operational risk registers were commenced. The registers will be finalized with the business areas in the coming months.

2.2.9   Further operational risk workshops, facilitated by the Governance division, will be held with the remaining departments at CoS.

2.3   **2019 LGRS Risk Management Conference**

2.3.1   The LGRS held their annual Risk Management Conference on 22 March 2019. Topics covered included the top risks in Local Government as selected by CEOs, developing a plan for financial sustainability, personal immunity provisions under the Local Government Act, cyber security, physical resilience, HR and WHS as high priority risks in Local Government and an incident investigation simulation.

2.3.2   JLT conducts an annual Key Risk Indicator Survey and CEOs and General Managers from across Australia are asked to identify the top risk concerns for Local Government. The top 12 risk topics, as identified by CEOs, are included below:

- Financial sustainability – currently identified in risk 6 on the Strategic Risk Register ("the Register").

- Theft, fraud and crime – currently identified in risk 8 on the Register.

- Reputation risk – identified in several risks on the Register.

- Increased statutory and regulatory requirements - not currently identified in the Register.

- Environmental management – currently identified in risks 2, 3 and 5 on the Register.

- Property and infrastructure – currently identified in risks 1 and 5 on the Register.
- Natural catastrophes/climate change – not currently identified in the Register.
- IT infrastructure/cyber – currently identified in risk 10 on the Register.
- Business continuity & community – currently identified in risk 1 on the Register.
- Governance risks – currently identified in risk 7 on the Register.
- Effective HR/WHS management – currently identified in risk 9 on the Register.
- Civil liability - not currently identified in the Register.

2.3.3   We are in the process of performing the quarterly review of the Register. The Executive Group will explore these topics during the course of the review and make amendments to the Register where necessary.

2.4   **Outstanding Actions from Completed Internal Audits**

2.4.1   Attachment 2 to this report provides an update on the status of all agreed action items arising from completed internal audits.

2.4.2   Progress against all outstanding actions is monitored, with regular updates sought from the relevant divisional managers.

3.   CONCLUSION / PROPOSAL

3.1   This report has provided a summary of the risk management and internal controls work to be conducted in the 2018/2019 financial year, including the outstanding actions from the Internal Audits. The next update will be provided at the next meeting of the Audit Committee.

CO-ORDINATION

Officer:
Date:

Risk Management and Internal Controls Activities – July 2018 to June 2019   v1.3

Annual Plan - July 2018 to June 2019					
Activity	Type of Activity (Risk Management or Internal Controls)	Resourcing (Internal, External, Co-sourced)	Status: Completed, In progress, Not yet commenced	Rationale for piece of work	Update on progress
External Audit of financial internal controls	Internal Controls	External	Completed	This piece of work is legislatively mandated. Internal audit is heavily involved in facilitating the work.	The final report from the external auditors was delivered at the October 2018 meeting of the Audit Committee as a separate report.
Cash Management	Internal Controls	Internal	Completed	This work needs to be completed annually as a part of the financial internal controls framework; it includes the end of year reconciliations of petty cash and till floats.	The petty cash and till float reconciliations were performed in July 2018 for the 2017/2018 period to substantiate the information to be contained within the 2018 Annual Financial Statements. A memo to the GM, Business Excellence was prepared. No significant issues were identified.
Report on the findings of the Audit Committee self-assessments	Internal Controls	Internal	Completed	The annual self-assessment reviews the performance of the Audit Committee.	The Audit Committee members completed the self-assessment questionnaires and the results were presented at the October 2018 Audit Committee meeting as a separate report.
Update to the latest version of the Control Track system	Internal Controls	Internal	In progress	The Control Track system is used by the City of Salisbury to assess and review both financial risks and financial internal controls, a new version of this system has been released and support for the existing version has not been officially confirmed beyond the end of the last financial year.	Purchase Order raised. Initial discussions held with vendor to schedule training in April 2019.

Risk Management and Internal Controls Activities – July 2018 to June 2019   v1.3

Annual Plan - July 2018 to June 2019					
Activity	Type of Activity (Risk Management or Internal Controls)	Resourcing (Internal, External, Co-sourced)	Status: Completed, In progress, Not yet commenced	Rationale for piece of work	Update on progress
Review the Fraud and Corruption Prevention Strategy	Internal Controls	Internal	In progress	The Fraud and Corruption Prevention Strategy needs to be reviewed because it has been some time since it was last reviewed and it needs to be updated to reflect changes in legislation.	The *Public Interest Disclosure Act 2018* has received assent but, as yet, has not commenced. It will repeal the *Whistleblowers Protection Act 1993*.\n\nReview of the Fraud and Corruption Prevention Strategy can now resume. The Whistleblower Protection Policy can also be reviewed as part of this piece of work.
Assisting in the completion of the Local Government Association Mutual Liability Scheme (LGA MLS), biennial Risk Assessment on the City of Salisbury	Risk Management and Internal Controls	Internal	Completed	The LGA MLS have now changed to a biennial Risk Evaluations of Council's risk management frameworks and associated processes, procedures and controls. These evaluations are compulsory for all Councils in South Australia.	The LGA MLS Risk Evaluation was conducted in November 2017 and the final report was issued. The Administration formulated responses to the considerations identified and those management responses were presented to the Executive Group. The report and responses have formed part of the Risk Management Activities update to the October 2018 Audit Committee meeting.

Risk Management and Internal Controls Activities – July 2018 to June 2019   v1.3

Annual Plan - July 2018 to June 2019					
Activity	Type of Activity (Risk Management or Internal Controls)	Resourcing (Internal, External, Co-sourced)	Status: Completed, In progress, Not yet commenced	Rationale for piece of work	Update on progress
Completion of Control Self-Assessments and Risk Assessments through the Control Track system, including external audit preparation	Internal Controls	Internal	Not yet commenced	The external auditor's expectations are that at least one control self-assessment will be conducted annually and a risk assessment should also be conducted on financial internal controls.	The conduct of the control self-assessments and risk assessments through the Control Track system is likely to commence in April 2019, with a view to the assessments being completed by 30 June 2019.
Review of Business Continuity corporate documentation	Risk Management	External	Not yet commenced	Following the BCP Test conducted in May-June 2018 it has been determined that a comprehensive review of City of Salisbury's business continuity documentation should be conducted.	Work to engage with an external consultant for the review of the Business Continuity documentation will commence in April 2019.
Develop documented risk management framework	Risk Management	Internal	In progress	Contributes to the vision of having an organisation wide, consistent, usable risk management framework to encourage and inform risk management.	Scope of Work developed with LGRS Strategic Risk Services Team
Develop Operational Risk Register	Risk Management	Internal	In progress	The Operational Risk Register forms a part of the Risk Management Framework at the City of Salisbury.	Representatives from the LGRS Strategic Risk Services Team attended at CoS to perform Operational Risk Workshops with selected departments

Item 4.2.4 - Attachment 1 - Risk Management and Internal Controls Activities 2018/2019

OUTSTANDING ACTIONS ARISING OUT OF COMPLETED INTERNAL AUDITS

Audit: Payroll

Opportunity for Improvement	Responsible Officer	Target Date	Revised Date	Comments
2.3 IT Access Controls - review Access rights are reviewed by Management. Agreed Action; The overall transition of system administration of the Empower system will be signed off by the Manager People and Culture, the Manager Business Systems and Solutions and the General Manager Business Excellence.	Manager People and Culture / Manager Business Systems and Solutions	30 June 2017	31 October 2018 **28 February 2019**	Complete
2.6 IT Access Controls - responsibility Agreed Action; The overall transition of system administration of the Empower system will be signed off by the Manager People and Culture, the Manager Business Systems and Solutions and the General Manager Business Excellence.	Manager People and Culture / Manager Business Systems and Solutions	30 June 2017	31 October 2018 **28 February 2019**	Complete

Item 4.2.4 - Attachment 2 - Outstanding actions from completed internal audits

Audit: Strategic Development Projects

Opportunity for Improvement	Responsible Officer	Target Date	Revised Date	Comments
1. **Quick decision emergency response process be formally documented, to address unforeseen/emergency issues arising** Agreed Action: A Strategic Development Project Emergency Response Process be prepared and presented through Council Executive Group for endorsement and distributed to all Strategic Development Project staff and key contractors.	Manager Strategic Development Projects	30 June 2018	31 March 2019 **30 June 2019**	In Progress. An emergency response process exists informally. Formal documentation of the process has been deferred due to resourcing constraints, and is to occur prior to 30 June 2019, for endorsement at Executive Committee and implementation by SDP Staff.

Audit: Business Systems and Solutions

Opportunity for Improvement	Responsible Officer	Target Date	Revised Date	Comments
1. IT Steering governance committees require implementation 1.a) Revise the Terms of Reference for both the Application Steering Committee and IT Steering Committee, in line with the recommendations made in the Program Review; *Action: Agreed, in line with recommendations from the Program review and will be informed by the outcome of the digital strategy. A revised model for the governance of information technology and information management at operational, tactical and strategic levels will be developed based on stakeholder engagement and feedback.* 1.b) Reconvene the Application and IT Steering committees, ensuring the role of Business Systems and Solutions is well understood by the IT Steering Committee; *Action: Noted – see agreed action. Application and IT Steering committees will be based on the outcome of the agreed program review actions.* and 1.c) Ensure the membership of the IT Steering Committee includes a relevant selection of City of Salisbury Executives *Action: Noted – see agreed action*	Manager, Business Systems and Solutions	30/11/2018	20/03/2019 **7/06/2019**	Refer agenda item 4.2.2 of the April 2019 Audit Committee 25/01/2019 1.a and b) – Report to the Executive on 4/12/2018 recommended *"That the revised governance structure recommended in this report reviews the charter and membership of application steering committees; noting that any existing committees continue in the interim."* 25/01/2019 1.c) Report to the Executive on 4/12/2018 recommended: *"That a multi-layered governance model, which includes information technology and other organisational enablers, is implemented rather than a more traditional IT steering committee - the Executive should note that the recommendations were to update the charter and procedures for the IT steering committee"*

Item 4.2.4 - Attachment 2 - Outstanding actions from completed internal audits

Item 4.2.4 - Attachment 2 - Outstanding actions from completed internal audits

Audit: Business Systems and Solutions

Opportunity for Improvement	Responsible Officer	Target Date	Revised Date	Comments
2. The current Disaster Recovery plans require updating to increase the likelihood of managing a disaster event 2.a) Fully document the DR plans. Consider the use of an external party with experience in the development of technology DR plans if there are no in-house parties with this experience; *Action: Noted and agreed as recommended.* 2.b) Create a DR testing regime for major systems, that supports the business's documented MAO, RPO and RTO; *Action: Noted and agreed as recommended.* 2.c) Align back-up regimes of all systems to Business Continuity plan MAO, RPO and RTO requirements. *Action: Back up regimes will be reviewed and modified, if required.*	Team Leader, Information Technology Services	30/4/2019	30/09/2019	27/03/19 – Team Leader, Information Technology services was vacant between November 2018 and March 2019. New Team Leader started on 12 March. The IT Service Delivery Manager starts on 23/04/2019 and will oversee the delivery of this action.
3. Review of the use of generic admin accounts for applications 3.a) Replace all generic admin accounts where they are used, with named admin accounts for all systems; *Action: Noted. A review will be performed and implemented where feasible to do so.*	Team Leader, Information Technology Services	30/11/2018	30/06/2019	27/03/19 – The issue relating to the use of the generic account noted in the audit has been resolved and this information is summarised in a report to the Audit Committee for the 9/04/2019 meeting. Further work is required to review whether there are other generic admin accounts and this will be led by the Team Leader, Information Technology Services

Audit: Business Systems and Solutions

Opportunity for Improvement	Responsible Officer	Target Date	Revised Date	Comments
4. No Service Level Agreements, and/or Key Performance Indicator's for Business Systems and Solutions 4.a) Develop a Service Catalogue. *Action: Noted and agreed. Will be done as part of the work in 4.c.* 4.b) Define SLAs with vendors, where appropriate – agreed actions from Program Review will be implemented. *Action: Agreed actions from the Program Review will be implemented. Service levels with vendors are articulated in relevant contract documents.* 4.c) Obtain business endorsement of the Helpdesk metrics to enable the business to view the service levels provided. *Action: Noted and agreed.* 4.d) Implement KPIs as documented in the Program Review, in consultation with key application owners, and other stakeholders in the business. *Action: Noted and agreed. See response to recommendations in 1.a.* 4.e) Re-introduce the previously documented tools for control from the previous IT Strategy 2014-17 to provide a baseline to measure of the operational activities of the team – such as 3.1 IT Principles, - *Agreed. The document will be updated* 3.4 IT Metrics, - *Agreed. The document will be updated as part of section 14 below.* 6.4 Governance Framework, - *Noted. Will be considered as part of the action detailed in 1.a.* 6.5 Application portfolio and support matrix,– *Noted and agreed. Will be delivered as part of related actions in this section* Technical Support Responsibility Matrix – *Noted and agreed.*	4.a) –c.) Team Leader Service Desk 4.d) Manager Business Systems and Solutions 4.e) Team Leader, Information Technology Services	30/11/2018 28/2/2019 28/2/2019 30/11/2018 30/6/2018	30/09/2019 30/09/2019 30/09/2019 30/09/2019 30/11/2018 **30/09/2019**	27/03/2019 – The IT Service Delivery Manager starts on 23/04/2019 and will oversee the delivery of the actions in this section. 6.5 – Complete Technical Support Responsibility Matrix - Complete

Item 4.2.4 - Attachment 2 - Outstanding actions from completed internal audits

Audit: Business Systems and Solutions

Opportunity for Improvement	Responsible Officer	Target Date	Revised Date	Comments
4.f) Build the reporting of KPI's and other operational controls into the Terms of Reference of the Steering Committees *Action: Noted. Regular surveys of the performance of the IT functions will fall in line with program of Business Excellence surveys across the organisation. Refer action at 1.a.* 4.g) Promote and display the level of service provided by the Helpdesk against the agreed business metrics *Action. Noted and agreed. As above at 4.f.* 4.h) Collate regular surveys as a standard measurement of Business Systems and Solutions performance, at least every 18 months *Action: Noted. As above at 4.f.* 4.i) Include checkpoint surveys periodically for Helpdesk calls to trace ongoing customer satisfaction. *Action: Noted and agreed. As above at 4.f.*	4.f) - .i) Team Leader Service Desk	4.f) - .i) 28/2/2019	30/09/2019	

Audit: Business Systems and Solutions

Opportunity for Improvement	Responsible Officer	Target Date	Revised Date	Comments
5. Maintain an up to date application register to reduce security risk and upgrade costs 5.a) Re-instate the centralised application and technology support matrix / register, including the version number currently used, the latest version released by the vendor, timescales for the life of vendor support, issues and reasons for not upgrading to the latest version and any vendor arrangements. *Action: Noted and agreed. These documents are in use and will be updated. This will form part of the information contained in the Service Catalogue*	5a.) Team Leader Service Desk	30/6/2018	30/09/2018 30/11/2018 28/03/2019 **28/06/2019**	23/03/2019 – Work to identify the functional owners of applications has almost been completed and will be summarised in a report to the Executive in May 2019. BS&S will then work with application owners to agree the relevant version of each application, subject to business process needs.
5.b) Determine if a policy or position is necessary for keeping software current. (e.g. No system will be x versions behind the latest version) - A formal position on this will be articulated in the next iteration of the ICT strategy/replacement document. *Action: A formal position on this will be articulated in the next iteration of the ICT strategy/replacement document.*	5.b) Manager Business Systems and Solutions	30/9/2018	30/11/2018 28/03/2019 **28/06/2019**	
5.c) Once the application and support matrix / register has been re-introduced, complete a review of all major systems to determine potential upgrade projects required. *Action: Noted and agreed. A formal position on this will be articulated in the next iteration of the ICT strategy/replacement document.*	5.c) Manager Business Systems and Solutions	30/9/2018	30/11/2018 28/03/2019 **28/06/2019**	25/01/2019 5.c) In progress see comment for 5.a) above

Item 4.2.4 - Attachment 2 - Outstanding actions from completed internal audits

Item 4.2.4 - Attachment 2 - Outstanding actions from completed internal audits

Audit: Business Systems and Solutions

Opportunity for Improvement	Responsible Officer	Target Date	Revised Date	Comments
6. Continued focus is required on aligning business applications to business needs 6.a) Improve resource management and the visibility of allocated BSS resources to manage business expectations. *Action: Resource planning and demand management framework under development by Team Leader, Planning and Business Engagement. Relevant to Planning and Business Engagement Services and Information Technology Services teams.* 6.b) Consider the use of a Business Impact Assessment as an objective method of assessing the requested changes to systems by the business to enable clear and agreed understanding by all parties. *Action: Noted. This will be reviewed and considered.* 6.c) Ensure a consistent structure and Terms of Reference are in place to support any Application Steering Committees, as required, including the process for documenting how a decision not to have a Committee was arrived at. (The decision and responsibility for forming and running Application Steering Committees rests with the relevant business areas). *Action: Noted and agreed.* 6.d) Develop a BSS Service Catalogue and promote throughout the organisation. *Action: Noted. Refer section 4. Service Catalogue will cover the information technology-related aspects of BSS* 6.e) Following the release of the digital strategy, ensure the BSS assessments from the Bid System include an assessment of the alignment of the proposal to the digital strategy. *Action: Noted and agreed. This will be discussed and agreed with the relevant divisional manager responsible for the bid system.*	6a.)-c.) Team Leader, Planning and Business Engagement Services 6d.) Team Leader Service Desk 6.e) Manager Business Systems and Solutions	30/6/2018 30/11/2018 28/02/2019	30/11/2018 **30/05/2019** 28/02/2019 **30/09/2019** 30/09/2019	23/03/2019 – 6 (a): A process has been initiated to identify time spent by key resources with BS&S to understand what initiatives are being worked on and to align them with organisational projects and initiatives 27/03/2019 – 6 (d): Information collated as part of the activity relating to the ownership of applications will be used as the base for the service catalogue. This work will be led by the IT Service Delivery Manager.

Audit: Business Systems and Solutions

Opportunity for Improvement	Responsible Officer	Target Date	Revised Date	Comments
6.f) Review the success of the Business Engagement Group over time and realign the Terms of Reference, if required. *Action: Noted and agreed. An internal assessment will be performed with the independent assessment performed by the next external audit of the information technology areas of the BSS division.*	6f.) Team Leader Planning and Business Engagement	30/6/2018	30/06/2019	
7. Greater awareness is required of the ownership of systems and roles and responsibilities for applications 7.a) Ensure the business sponsor is consulted and in agreement of the application support model, with the development of a Responsibility Matrix for each major application, and the roles and responsibilities of all parties are understood and agreed to. *Action: Noted. This process will be done for all major corporate applications. Follow the example of management and support structure for Empower.* 7.b) Ensure there is clear ownership of applications. *Action: Refer comments for 7.a).* 7.c) BSS to provide a greater advisory role and work closely with business application owners in regards to informing the business on new technologies, solution roadmaps and upcoming functionality included in solution upgrades. *Action: Noted and agreed.*	7a.)-b.) Team Leader Information Technology Services 7.c) –Team Leader Planning and Business Engagement Services	28/2/2019 28/2/2019 30/4/2019	31/05/2019 31/05/2019 Complete	23/03/2019 – 7 (a) and 9b): BS&S has coordinated a process that has engaged with all divisional managers to identify the functional owners of business systems and solutions. The outcome of this work will be presented to the Executive in May 2019. 23/03/2019 – 7 (c): This is part of the monthly engagement with divisional managers and quarterly engagement with general managers as part of the business engagement process implemented in November 2018.

Audit: Business Systems and Solutions

Opportunity for Improvement	Responsible Officer	Target Date	Revised Date	Comments
8. Continued alignment of the Digital Strategy to the Business Strategy is required 8.a) Ensure that the Digital Strategy is able to achieve the City of Salisbury's City Plan 2030 overarching strategy and vision. *Action: Noted and agreed. Action to be passed on to the digital strategy working group.* 8.b) Ensure that the Application Owners and members of the Applications Steering Committees continue to be involved in the development of the Digital Strategy. *Action: Noted and agreed.* 8.c) Ensure the IT strategy contains roadmaps and an execution plan for each system within the City of Salisbury portfolio. *Action: Noted and agreed. Information to be included in updated ICT Strategy.* 8.d) Consider changing the title of the IT strategy to an "Digital Execution Plan" or similar to reflect the outcome of the document being to define a program of work to deliver the Digital Strategy. This will assist in the measurement of goals and objectives of the strategies; *Action: Noted and agreed. Broader than responsibility of IT function within BSS.* and 8.e) Define a program of work to deliver the Digital Strategy. *Action: Noted and agreed. Broader than responsibility of IT function within BSS.*	8.a)-.e) Manager Business Systems and Solutions	30/11/2018	30/03/2019 **28/06/2019**	27/03/2018 – Community engagement relating to the draft digital strategy is scheduled for May 2019, with a report to the Executive on the proposed digital strategy scheduled for June 2019. 27/03/2019 – The IT Implementation plan will be developed in parallel with the digital strategy and presented to the Executive in June 2019.

Audit: Business Systems and Solutions

Opportunity for Improvement	Responsible Officer	Target Date	Revised Date	Comments
9. Improve project management rigour				
9.a) Ensure the progress of significant IT projects are reviewed by the an IT Portfolio governance group on a regular basis, as per Recommendation 1a. *Action: Noted. Work to ensure there is clarity on what is a significant IT project and whether a different approach to report on IT projects is required over and above that required for the organisational approach to project reporting.*	9.a) Manager Business Systems and Solutions	30/6/2018	30/11/2018	Complete
9.b) Any IT Projects that are shown as being delayed against their schedules or unlikely to achieve the agreed business benefits should be reviewed and monitored to obtain confidence on the remediated progress and delivery of these projects. *Action: Noted. Subject to the outcome of 9.a).*	9.b) Manager Business Systems and Solutions	30/9/2018	30/11/2018	Complete
9.c) Ensure there are templates for use by BSS for projects, developed in alignment with the overall Project Management methodology of the Council *Action: Noted. Already in use - for example, vision and scope documents have been created for projects involving IT aspects. Work to continue on this part of the maturing of the Planning and Business Engagement function.*	9.c) Team Leader Planning and Business Engagement	30/6/2018	30/11/2018	29/01/2019: 9.c) In progress as the Team Leader Planning and Business Engagement is working with the Project Management Improvement Program Manager to ensure relevant information technology-related documentation is aligned with the wider approach to project/program management.
9.d) Consider including specialised IT project managers within the project teams for the delivery of technology enabled projects, accountable to the nominated business owner. *Action: Noted. This will be reviewed in consultation with relevant internal stakeholder.*	9.d) Manager Business Systems and Solutions			9.d) Complete

Item 4.2.4 - Attachment 2 - Outstanding actions from completed internal audits

Audit: Business Systems and Solutions

Opportunity for Improvement	Responsible Officer	Target Date	Revised Date	Comments
10. A formal change framework is required 10.a) Implement a formal CAB – recommendation to be raised with the Change Management Group. *Action: Noted. This recommendation will be raised with the Change Management Group.* 10.b) Document the CAB processes – Subject to the outcome of 10a. *Action: Noted. Subject to the outcome of 10.a)* 10.c) Provide awareness to the relevant business areas of the CAB processes and how the business outcomes are met – Subject to the outcome of 10a. *Action: Noted. Subject to the outcome of 10.a)*	10.a) - .c) Manager Business Systems and Solutions	30/11/2018	30/09/2019	
10.d) Develop and publish a forward schedule of change. *Action: Noted and agreed. For applications and infrastructure – related work this action can be unilaterally implemented by the information technology function within BSS as it does not depend on the implementation of a formal change advisory board.*	10.d) Team Leader Information Technology Services	30/6/2018	30/09/2018 **30/11/2018**	Complete

ITEM	4.2.5
	AUDIT COMMITTEE
DATE	09 April 2019
HEADING	Update on Internal Audit Plan
AUTHOR	Robert Constance, Audit & Risk Coordinator, CEO and Governance
CITY PLAN LINKS	4.2 Develop strong capability and commitment to continually improve Council's performance. 4.3 Have robust processes that support consistent service delivery and informed decision making.
SUMMARY	The purpose of this report is to inform the Audit Committee of the Internal Audit Plan, and to highlight any changes made to it since it was last presented to the Audit Committee in February 2019. The Audit Committee will hold discussions regarding suggested areas of focus for audits in 2020 and beyond. The discussion will inform the development of the risk based Internal Audit Plan for 2020, which will be presented for endorsement at the July 2019 meeting of the Audit Committee.

RECOMMENDATION

1. That the updates made to the 2017-2019 Internal Audit Plan as set out in Attachment 1 to this report be endorsed and forwarded to Council for adoption.

ATTACHMENTS

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

1. 2017-2019 Internal Audit Plan
2. Strategic Risk Register
3. Internal Audit Assurance Matrix

1. BACKGROUND

1.1 Attachment 1 to this report details the internal audit work to be undertaken for the period commencing 1 January 2017 up to and including 31 December 2019. The City of Salisbury operates a risk-based Internal Audit Plan, where audits are conducted in order to provide assurance on the risks identified in the Strategic Risk Register. Therefore, each of the audits outlined in the Internal Audit Plan is cross referenced to the relevant risk in the Strategic Risk Register on which it provides assurance. The Strategic Risk Register is provided as Attachment 2.

1.2 This report provides progress updates to the Internal Audit Plan since it was last presented to the Audit Committee in February 2019.

2. REPORT

2.1 The Internal Audit Plan Update

2.1.1 Financial sustainability – The scope document has been drafted. The next step will be for the scope document to be signed off by management. The audit will be performed by an external audit partner sourced through a tender process. The audit will be performed during April and May 2019.

2.1.2 Complaint handling procedure - The scope document has been drafted. The next step will be for the scope document to be signed off by management. The audit will be performed internally during the month of April 2019.

2.1.3 Contaminated sites – The scope document is being prepared. The audit will be performed by an external audit partner sourced through a tender process. The audit will be performed during the months of May and June 2019.

2.1.4 Data governance – Preliminary survey work has commenced and is progressing for a scope document to be prepared. The audit will be performed by an external audit partner sourced through a tender process. The audit will be performed during the months of May and June 2019.

2.1.5 Contract management – Preliminary survey work has commenced and is progressing for a scope document to be prepared. The audit will be performed by an external audit partner, sourced through a tender process. The audit will be performed in May and June 2019.

2.2 Discussion regarding the Internal Audit Plan

2.2.1 On 28 March 2019 the Audit Committee members received an email from the Risk & Governance Program Manager identifying that discussion will be held at the April Audit Committee meeting in relation to the focus for audit topics in 2020 and beyond.

2.2.2 The discussion will inform the development of the risk based Internal Audit Plan for 2020, which will be presented for endorsement at the July 2019 Audit Committee meeting.

2.2.3 Attachment 3 to this report is an Assurance Matrix which maps the audits and reviews which have been undertaken between 2013 and 2019 against the risks in the Strategic Risk Register.

2.2.4 This discussion is crucial to ensure that the knowledge and experience of the members of the Audit Committee is utilized when developing the Internal Audit Plan. The Assurance Matrix and Strategic Risk Register have been provided as guides to assist discussions.

3. CONCLUSION / PROPOSAL

3.1 This report outlines the progress made towards the completion of the Internal Audit Plan since it was last presented to the Audit Committee in February 2019.

3.2   Discussions with the Audit Committee will be held to inform the development of the Internal Audit Plan for 2020 which will be presented at the next Audit Committee meeting in July 2019.

CO-ORDINATION

Officer:
Date:

Internal Audit Plans - 1yr and 3yrs, Strategic Plan

Audit Ref	Strategic Risk Number	Risk Description	Inherent Risk	Residual Risk	People & Culture	Community Planning & Vitality	Community Capacity & Learning	Governance	Technical Services	Business Systems and Solutions	Business Support	Environmental Health & Safety	Projects	Strategic Development Projects	Financial Services	Communications & Customer R	Salisbury Water	Factors for Potential Inclusion or Exclusion from Internal Audit activity, including Program Review findings	Areas of focus for the audit	Performance, compliance or risk-based audit?	2017	2018	2019
1	10	Lack of alignment and integrity of IT systems and business processes for support of business needs	Very High	High						●									**Business Systems and Solutions** The implementation of the Information Services Strategy mitigating the risk of a lack of alignment between IT and business needs. In addition, assurance on risks regarding loss of a software supplier and loss of data should be included in the scope of the audit.	Risk-Based	●		
2	3	Lack of management of public and environmental health risks	High	High								●							**Management of public health** Assurance that the services provided by City of Salisbury are managing public health risks in the most efficient and effective manner.	Compliance and Risk-Based	●		
3	7	Governance frameworks, systems and processes are inadequate to ensure robust decision making	High	Medium									●					The City of Salisbury undertakes approximately 700 capital works projects with an approximate value of $30-40 million each year.	**Capital Works Projects** Assurance on the effectiveness of the processes that are in place to manage risks on capital works projects.	Risk-Based	●		
4	7	Governance frameworks, systems and processes are inadequate to ensure robust decision making.	High	Medium										●					**Strategic Development Projects** Assurance on the management of risks taken in the development of residential land and buildings.	Risk-Based	●		
5	7	Governance frameworks, systems and processes are inadequate to ensure robust decision making.	High	Medium											●	●			**Strategic reporting process** Assurance on the processes and controls in place, specifically in relation to the City Plan, Business Planning and Annual Planning.	Risk-Based		●	
6	7	Governance frameworks, systems and processes are inadequate to ensure robust decision making.	High	Medium											●	●			**Contract Management** Assurance on the efficiency and effectiveness of the current tools and processes that are used to manage contracts at the City of Salisbury, identifying any areas where outcomes could be improved.	Risk-Based		●	
7	2	Inadequate response to contamination of the recycled water systems	High	High					●								●		**Management of contaminated sites** Assurance that the controls in place to prevent and manage contamination incidents/sites are robust.	Risk-Based		●	
	5	Failure to manage the impact of environmental and social factors on Council infrastructure, assets and services	High	Medium																		
8	6	City of Salisbury financial sustainability is compromised	High	High											●				**Financial sustainability** Assurance on the financial sustainability of City of Salisbury, for example recognising the possibility of the introduction of rate capping	Risk-based		●	
9	7	Governance frameworks, systems and processes are inadequate to ensure robust decision making.	High	Medium	●			●				●			●				**Legislative compliance** Assurance that the policies and processes in place ensure compliance with relevant legislation.	Compliance and Risk-Based			●
10	7	Governance frameworks, systems and processes are inadequate to ensure robust decision making.	High	Medium								●				●			**Complaint Handling** Assurance that processes provide for comprehensive, organisation wide handling of complaints	Performance			●
11	7	Governance frameworks, systems and processes are inadequate to ensure robust decision making.	High	Medium	●				●	●					●	●			**Data Governance** Assurance that City of Salisbury data governance processes ensure adequate protection of information	Risk-Based			●
	10	Lack of alignment and integrity of IT Systems and business processes for support of business needs	Very High	High																		

Item 4.2.5 - Attachment 1 - 2017-2019 Internal Audit Plan

Internal Audit Plans - 1yr and 3yrs, Strategic Plan

Audit Ref	Strategic Risk Number	Risk Description	Inherent Risk	Residual Risk	People & Culture	Community Planning & Vitality	Community Capacity & Learning	Governance	Technical Services	Business Systems and Solution	Business Support	Environmental Health & Safety	Projects	Strategic Development Projects	Financial Services	Communications & Customer R	Salisbury Water	Factors for Potential Inclusion or Exclusion from Internal Audit activity, including Program Review findings	Areas of focus for the audit	Performance, compliance or risk-based audit?	2017	2018	2019
12	4	Inadequate response to a major incident at a Council sponsored and/or run community event, that affects public and staff safety	Very High	High	●	●	●				●								**Incident Management Framework** Assurance on the adequacy of the City of Salisbury Incident Management Framework	Risk-Based			●
13	6	City of Salisbury financial sustainability is compromised	High	High					●	●	●				●				**Asset Management** Review of the proposed processes and system changes in asset management operationalisation.	Risk-Based			●

Internal Audit Plans - 1yr and 3yrs, 3rd year plan

Audit Ref	Strategic Risk Numbers	Internal Audit Project	Rationale for Audit	Internal / External or Co-sourced	2017				Current Status
					Q1	Q2	Q3	Q4	
1	10	Business Systems and Solutions	The risk that there is a lack of alignment of IT systems and support with business needs is one of the strategic risks of the City of Salisbury. The crystallisation of this risk and other operational risks associated with Business Systems and Solutions such as the loss of a software supplier or loss of data would also have significant implications for the entire organisation. This audit should provide assurance on the controls in place within Business Systems and Solutions to mitigate these risks.	Co-sourced	●				Completed
2	3	Management of Public and Environmental Health	The City of Salisbury provides many services to the community which aim to reduce the likelihood of an event occuring that affects the health of the residents of the City of Salisbury. This audit should provide assurance that the services provided by City of Salisbury are managing this risk in the most efficient and effective manner.	Co-sourced			●		Completed
3	7	Capital Works Projects	The City of Salisbury undertakes approximately 700 capital works projects with an approximate value of $30-40 million each year. Processes are in place to manage risks in projects and this audit should provide assurance that risks are being managed in capital projects.	Co-sourced				●	Completed
4	7	Strategic Development Projects	A strategy within "The Living City" key direction is to facilitate access to affordable housing. The Strategic Development Projects division do this by developing residential land and buildings for sale to developers and to the community. This audit should provide assurance on the management of risks taken in the development of residential land and buildings.	Co-sourced				●	Completed
		Total							

Item 4.2.5 - Attachment 1 - 2017-2019 Internal Audit Plan

Internal Audit Plans - 1yr and 3yrs, 1st year plan

Audit Ref	Strategic Risk Numbers	Internal Audit Project	Rationale for Audit	Internal / External or Co-sourced	2018				Current Status
					Q1	Q2	Q3	Q4	
5	7	Strategic reporting process	The risk that Governance frameworks, systems and processes are inadequate to ensure robust decision making. This audit should provide assurance on the processes and controls in place in relation to the City Plan, Business Planning and Annual Planning.	Internal			●		Deferred until late 2019 or early 2020
6	7	Contract Management	There is a risk that Governance frameworks, systems and processes are inadequate to ensure robust decision making. This audit aims to provide assurance on the efficiency and effectiveness of the current tools and processes that are used to manage contracts at the City of Salisbury, identifying any areas where outcomes could be improved.	Co-sourced				●	Premliminary survey work has commenced.
7	2 and 5	Management of contaminated sites	One of the strategic risks that the City of Salisbury faces is contamination of the recycled water systems. This audit should provide assurance that the controls in place to prevent and manage contamination incidents/sites are robust.	Co-sourced			●		The scope document is being prepared
8	6	Financial sustainability	The risk that the City of Salisbury's financial sustainability is compromised. This audit should provide assurance on the financial sustainability of City of Salisbury, for example recognising the possibility of the introduction of rate capping.	Co-sourced				●	The scope document has been drafted. The next step will be for the scope document to be signed off by management
		Total							

Internal Audit Plans - 1yr and 3yrs, 2nd year plan

Audit Ref	Strategic Risk Numbers	Internal Audit Project	Rationale for Audit	Internal / External or Co-sourced	2019				Current Status
					Q1	Q2	Q3	Q4	
9	7	Legislative compliance	There is a risk that City of Salisbury's governance frameworks, systems and processes are inadequate to ensure robust decision making. This review would provide assurance that selected relevant legislation is being complied with.	Internal			●		
10	7	Complaint Handling	There is a risk that City of Salisbury's governance frameworks, systems and processes are inadequate to ensure robust decision making. This review will provide assurance on City of Salisbury's processes for providing comprehensive handling of complaints.	Internal			●		The scope document has been drafted. The next step will be for the scope document to be signed off by management
11	7 and 10	Data Governance	There is a risk that the City of Salisbury's data management processes could result in loss of data or the inability to utilise the data. This review would provide assurance regarding the adequacy of protection of CoS information.	Co-sourced				●	Preliminary survey work has commenced.
12	4	Incident Management Framework	City of Salisbury sponsors and runs community events which leads to a risk that inadequate response to a major incident could affect public and staff safety. This review provides assurance on the adequacy of the City of Salisbury Incident Management Framework.	Co-sourced				●	
13	6	Asset Management	The ability of City of Salisbury to effectively manage its assets and infrastructure is integral to the long term financial sustainability of the City of Salisbury and the objective of "The Prosperous City". This review should include the proposed processes and system changes that will be implemented as a part of the asset management operationalisation project.	Co-sourced				●	
		Total							

Item 4.2.5 - Attachment 1 - 2017-2019 Internal Audit Plan

Strategic Risk Register   **v2.17 November 2018**

1	**Event Description:**	Inadequate response to a business continuity or emergency event

City Plan link: Enabling Excellence, The Liveable City

Description: CoS' continued ability to support essential, critical business activities and access available key business resources is impacted as a result of failure to prepare for, respond to and recover from a disaster (e.g. fire, flood, explosion, earthquake, storm, aircraft crash).

Responsible Managers: CEO, All General Managers, Manager Governance, Manager Business Systems and Solutions, Manager Communications & Customer Relations, Manager People and Culture

Contributory Factors ("root" causes / how and why the event arises):	Impacts (risks):
• Lack of plans and procedures to inform response strategies when a business continuity or emergency event occurs • Lack of communication/training for relevant staff required to respond to business continuity and emergency events • Information to facilitate action during business continuity or emergency events is insufficient or not available	• Service delivery to community severely compromised (loss of confidence) • Political/Public reputational damage • Loss of morale and resources and compromised regulatory decisions

Likelihood: Almost Certain	**Consequence:** Catastrophic	*Inherent* Risk Rating: Very High

Existing Controls/Mitigating Practices (the number following each control is the overall control effectiveness rating, see Table 5 for further details):

• Business Continuity Framework, 4 • Business Continuity Plans, 4 • Business Continuity Plan tests and walkthroughs (alternating annually), 4 • Incident Management Team identified and trained, 4 • Systems and processes to support response to BC event (e.g. staff contact information reports), 5	• Business Continuity designed into new Community Hub, 4 • IT Disaster Recovery Plan in place, 2 • Emergency Management procedures in place, 4 • Zone Emergency Management Committees – Northern Area, 5 • LG Council Ready Program, 4

Likelihood: Possible	**Consequence:** Catastrophic	*Residual* Risk Rating: High	**Is the Residual Risk as low as reasonably practicable? No**

Treatment Plan:	**Responsibility:**	**Target Completion Date:**
Completion of relevant agreed actions for the finding in the Business Systems and Solutions audit relating to updating of the Disaster Recovery plans.	Manager Business Systems & Solutions	30 April 2019
Comprehensive review of CoS Business Continuity corporate documentation including identification of the roles which have the ability to operate remotely and locations where staff can operate from in a loss of building scenario	Manager Governance	30 June 2019
Determine the manner in which the Business Continuity corporate documentation will be stored and continually updated	Manager Governance	30 June 2019
Develop and deliver training on business continuity to relevant staff	Manager Governance	31 December 2019

Item 4.2.5 - Attachment 2 - Strategic Risk Register

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2	**Event Description:**	Contamination of the recycled water systems

City Plan link: The Sustainable City

Description: CoS experiences reduced environmental, economic and social benefits due to failure to prevent, prepare for and respond to contamination of the Salisbury Water recycled non-drinking water distributed to parks, reserves, schools, industry and some new residential sub-divisions.

Responsible Managers: GM Business Excellence, GM City Infrastructure, Manager Salisbury Water, Manager Technical Services, Manager Field Services, Manager Communications and Customer Relations

Contributory Factors ("root" causes / how and why the event arises):	Impacts (risks):	
• Inadequate monitoring plans and sample testing • Failure to respond appropriately in the event of contamination • Wet weather could hamper clean-up operations or contribute to a contamination event	• Financial cost of replacing supply with SA Water and clean-up costs • Legal cost of failure to deliver a water supply in line with contract • Political/Public reputational damage	• Regulatory censure • Revenue reduction • Brand Impact • Health risk to staff • Health risk to community

Likelihood: Possible	**Consequence:** Catastrophic	*Inherent* Risk Rating: High	

Existing Controls/Mitigating Practices (the number following each control is the overall control effectiveness rating, see Table 5 for further details):

- Salisbury Water Business Unit – Recycled Water Risk-Based Management Plan including sample testing before water injections are commenced, 4 includes:
  - Salisbury Water Business Unit – monitoring plan and monitoring matrix. All water sampling is carried out by National Association of Testing Authorities (NATA) accredited staff. Laboratories performing the testing are NATA accredited.
    - Supervisory Control and Data Acquisition system in place to detect faults and alert CoS staff. 24/7 remote access availability by laptop by CoS staff.
- Supply contracts to customers contain Force Majeure clauses which limit liability to Council in the event that water cannot be supplied, 5
- Rapid Response Team and Call Out Officers through City Infrastructure (Council staff) in place to manage events that may lead to contamination of recycled water system (e.g. chemical spill) (24/7 support including after hours), 4
- Employee Media Policy and Procedure and Elected Member Media Policy, 4
- Implementation of the Water Course Management Plan including the renewal of Wetlands and desilting/removal of pollutants in waterways as required, 4

Likelihood: Possible	**Consequence:** Major	*Residual* Risk Rating: High	Is the Residual Risk as low as reasonably practicable? Yes

Treatment Plan:	Responsibility:	Target Completion Date:
Conduct the five year review of the Risk Based Management Plan	Manager Salisbury Water	31 December 2018

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Strategic Risk Register   **v2.17 November 2018**

3	Event Description:	Lack of management of public and environmental health risks

City Plan link: The Liveable City

Description: Community experiences illness or injury due to a failure to deliver public and environmental health and safety outcomes for the community (includes food safety, dog and cat management, by-law enforcement and parking control).

Responsible Managers: GM City Development, Manager Environmental Health and Safety

Contributory Factors ("root" causes / how and why the event arises):	Impacts (risks):
• Inadequate management, monitoring or testing • Failure to respond appropriately in the event of an incident	• Legal cost of failure to prevent a health and safety incident • Political/Public reputational damage • Regulatory censure • Health risk to staff • Health risk to the community

Likelihood: Likely	Consequence: Major	*Inherent* Risk Rating: High

Existing Controls/Mitigating Practices (the number following each control is the overall control effectiveness rating, see Table 5 for further details):

• Public Health Policies and Procedures, 4 • Immunisation Services, 5 • Animal Management Plan, 5 • Regional Health Plan, 5 • General Inspections, 5 • Dog Patrols, 5	• Food Act administration, 4 • Employee Media Policy and Procedure and Elected Member Media Policy, 4 • SA Public Health Act enforcement, 5 • Dog and Cat Management Act enforcement, 5 • Infrastructure maintenance activities, 5 • Mosquito Control Program, 4

Likelihood: Possible	Consequence: Major	*Residual* Risk Rating: High	Is the Residual Risk as low as reasonably practicable? Yes

Treatment Plan:	Responsibility:	Target Completion Date:
Updating of Environmental Health & Safety Procedures	Manager Environmental Health & Safety	Complete
Completion of agreed actions arising out of the Public and Environmental Health audit	Manager Environmental Health & Safety	Various

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4	**Event Description:**	Inadequate response to a major incident at a Council run community event, that affects public and staff safety

City Plan link: The Liveable City, Enabling Excellence

Description: CoS experiences negative impacts to CoS' brand and image, legal and cost implications, and public & staff safety as a result of failure to prepare for and respond to a major incident at a Council run community event. It is recognised that the risk relating to an incident occurring at an event sponsored or partnered by Council is still relevant however need not be recorded on the Strategic Risk Register.

Responsible Managers: GM City Development, GM City Infrastructure, GM Community Development, GM Business Excellence, Manager Development Services, Manager Field Services, Manager Property & Buildings, Manager People and Culture

Contributory Factors ("root" causes / how and why the event arises):	Impacts (risks):
• Inadequate procedures and plans in place to prevent incidents • Failure to respond appropriately in the event of an incident • Lack of asset management and maintenance • Inadequate due diligence performed by CoS in order to identify relevant risks related to the management and delivery of community events (internally and externally organised) • Increased expectations regarding the assistance provided in the delivery of events by CoS or by external agencies	• Financial cost of clean-up • Legal cost of failure to prevent a health and safety incident • Political/Public reputational damage • Regulatory censure • Loss of staff • Injury to public

Likelihood: Likely	**Consequence:** Catastrophic	*Inherent* Risk Rating: Very High

Existing Controls/Mitigating Practices (the number following each control is the overall control effectiveness rating, see Table 5 for further details):

• Building Control and Inspections, 4 • Evacuation procedures and testing, 4 • Building safety systems – e.g. exit signs, fire extinguishers, wardens etc., induction process, 4 • Safety in design is incorporated into planning and delivery of the new Salisbury City Centre Community Hub, 4 • Council grants permits for booking Council assets, 4 • Risk assessments performed for community events, 4	• Asset management plans, 4 • Business Continuity Framework, 4 • BCP test/walk through, 4 • Zone Emergency Management Committee – Northern Area, 5 • Event Management Plans, 4 • Event Management Guidelines, 4 • Decision made by Council regarding CoS events calendar and resourcing, 4

Likelihood: Possible	**Consequence:** Catastrophic	*Residual* Risk Rating: High	Is the Residual Risk as low as reasonably practicable? No

Treatment Plan:	**Responsibility:**	**Target Completion Date:**
Development of a project plan / checklist for each community run event	GM Community Development / Manager Community Planning and Vitality	Completed

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Strategic Risk Register   v2.17 November 2018

Training for staff and community on risk identification and due diligence assessment documentation.	GM Community Development / Manager Community Planning and Vitality	June 2019
Formal identification of all stakeholders across CoS who are owners of events	GM Community Development / Manager Community Planning and Vitality	February 2019
Delivery of information, advice and coordination to external parties regarding event risks and mitigation	GM Community Development / Manager Community Planning and Vitality	Ongoing
Formalisation of information exchange between City Infrastructure bookings and Events team in order to identify community events involving CoS Assets	GM Community Development / Manager Community Planning and Vitality GM City Infrastructure / Manager Property and Buildings	March 2019
Develop a process for the identification, capture and reporting on the value and benefits realised from the support provided by CoS to community events run by external parties.	GM Community Development / Manager Community Planning and Vitality	June 2019
Review sponsorship agreements	GM Community Development / Manager Community Planning and Vitality	June 2019
Development of a Council policy position which defines the service level supports for the involvement of CoS in events. External and internal policy and procedure components.	GM Community Development / Manager Community Planning and Vitality	June 2019

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5	**Event Description:** Failure to manage the impact of environmental and social factors on Council infrastructure, assets and services

City Plan link: The Sustainable City, The Liveable City

Description: The detrimental effect on Council assets and infrastructure caused by environmental factors is not adequately addressed through Council planning. The detrimental effect on Council assets and infrastructure caused by social factors, such as changes in demographics, is not adequately addressed through Council planning.

Responsible Managers: GM City Development, GM City Infrastructure, GM Community Development, Manager Economic Development & Urban Policy, Manager Infrastructure Management, Manager Field Services, Manager Communications & Customer Relations, Manager Community Capacity & Learning

Contributory Factors ("root" causes / how and why the event arises):	Impacts (risks):
• Inadequate understanding and planning for factors impacting the environment • Failure to consider environmental consequences when planning and designing infrastructure • Inadequate one in 100 year flood & Probable Maximum Flood modelling in place at individual house level, using digital terrain modelling • Inadequate infrastructure within the City to manage stormwater and sea level rises due to storm events • Failure to monitor and forecast demographic changes in the City and adjust objectives and plans accordingly • City Plan becomes obsolete or fails to anticipate the financial impact of demographic changes • Failure to maintain a social infrastructure plan for the existing and future assets	• Financial cost of dealing with the consequences of frequent freak weather related events • Long term impact on infrastructure, its maintenance and replacement • Organisational plans and strategies are no longer valued or desired by the community • Failure to adapt to a changing external environment resulting in some services becoming irrelevant and others insufficient • Coastal inundation and impact on biodiversity

Likelihood: Likely	**Consequence:** Major	*Inherent* Risk Rating: High

Existing Controls/Mitigating Practices (the number following each control is the overall control effectiveness rating, see Table 5 for further details):

• Early warning system of text alerts based on Bureau of Meteorology data, implemented by DEWNR, 5 • Regular monitoring of risk sites e.g. land fill sites, dams, 5 • Extreme Heat response process (for residents), 4 • One in 100 year flood and Probable Maximum Flood modelling including tidal info. in place at individual house level, using digital terrain modelling, 4 • City Plan/Strategic Plans/Business Plans, 4 • Bushfire Management Plan, 4 • Watercourse Management capital program, 4 • Asset Management Policy and Plans, 4 • Growth Management Plan, 5	• Undergrowth management procedures, 5 • Asset Management infrastructure audits, 5 • Adapting Northern Adelaide Plan, 4 • Emergency Management Plan, 4 • Zone Emergency Management Committee – Northern Area, 5 • Grant funding applications process and reviews, 5 • Home Care Common Standards – Operating Manual, 5 • Learning Strategy, Wellbeing Strategy & Intracultural Strategy, 4 • Social Infrastructure Assessment Framework, 3 • Planning controls, 4 • Strategic Land Review, 5

Likelihood: Unlikely	**Consequence:** Major	*Residual* Risk Rating: Medium	Is the Residual Risk as low as reasonably practicable? No

Treatment Plan:	**Responsibility:**	**Target Completion Date:**

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Update flood mapping periodically and communicate as necessary Updated flood modelling and mapping with risk indicators, and preparation of Community Engagement Strategy completed. Other strategies relating to Governance and Executive management responsibilities; floodplain mapping, management and risk mitigation; policy and planning; and provision of information have been initiated or are ongoing (refer Floodplanning Discussion Paper and Update of Council's Flood Management Strategy – Works and Services Committee 16/4/2018)	Manager Infrastructure Management / Manager Communications & Customer Relations	Ongoing
Incorporate flood mapping into the development planning process (this treatment plan is dependent upon the development and communication of the updated flood mapping)	Manager Economic Development & Urban Policy	31 July 2020
Updating and implementation of the Social Infrastructure Plan for the City (includes the Green Infrastructure Plan, Future Directions for Indoor Facilities, and Future Direction for Libraries and Community Centres)	GM Community Development	31 December 2018

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6	Event Description:	City of Salisbury financial sustainability is compromised

City Plan link: Enabling Excellence

Description: CoS fails to maintain service standards and invest in assets and infrastructure as a result of increased pressure on CoS operating surplus due to factors such as rate capping and cost shifting. Risk of CoS failing to appropriately manage cost and efficiency.

Responsible Managers: GM Business Excellence, GM City Infrastructure, GM City Development

Contributory Factors ("root" causes / how and why the event arises):

			Impacts (risks):
• Reduction in grant funding • Inadequate revenue and a failure to maximise revenue from all sources • Unplanned spending • Inadequate valuation of assets or inaccurate depreciation • Inadequate planning for infrastructure repairs or upgrades • Introduction of draft legislation regarding rate capping	• Changes to legislation/obligations imposed by other levels of government • Potential new revenue streams are not fully investigated • Inadequate economic development • Changes to roles and responsibilities assigned to City of Salisbury by federal or state government • Short term revenue is maximised at the expense of longer term revenue	• Unknown consequences of new infrastructure provision from other levels of government or private sector investment • Failure to encourage investment in the City • Council business and service delivery doesn't support business and community needs and expectations • Increased expectations of the community in relation to the breadth of services and standards delivered by CoS	• Council ultimately becomes financially unsustainable • City revenue has to be raised increasingly through more traditional methods (rate rises) • Revenue from the sale of assets (land) is not invested for the longer term benefit of the community • Financial cost associated with falling rates revenue or increasing bad or doubtful debts

Likelihood: Likely	Consequence: Major	*Inherent* Risk Rating: High

Existing Controls/Mitigating Practices (the number following each control is the overall control effectiveness rating, see Table 5 for further details):

• Long term financial planning, 5 • Asset Management Plans, 4 • Quarterly Budget Review, 5 • Annual Plan and Annual Report (reviewed by Audit Committee), 5 • Elected Member Briefings, 5 • Prudential Reviews, 5 • Regular reviews of rating system fairness and equity, 4 • Grant Management Process, 3 • Budget & Finance Committee, 4	• Diversification of income (e.g. Water Business Unit, Strategic Property Development and Building Rules Certification Unit, NAWMA, Salisbury Memorial Park), 4 • Program Review, 4 • Budget Policies and Procedures, 5 • Business Case Modelling, 4 • Growth Action Plan, 4 • Business Support Agenda, 4 • Project Management Methodology, 3

Likelihood: Possible	Consequence: Major	*Residual* Risk Rating: High	Is the Residual Risk as low as reasonably practicable? Yes

Treatment Plan:	Responsibility:	Target Completion Date:
Completion of Asset Management Plans to "Mature Status", including function and capacity matrices to inform the LTFP and Sustainability Index	Manager Infrastructure Management	30 June 2019
Completion of the Strategic Procurement Objectives – Road to Excellence	GM Business Excellence, Manager Strategic Procurement	31 October 2019
Assess the impact of NDIS/Home Community Support funding changes and develop response strategy	GM Community Development	31 December 2019
Review Grant Management Process	GM Business Excellence	31 March 2019

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Strategic Risk Register   **v2.17 November 2018**

Undertake independent assessment of financial sustainability	Manager Governance	30 September 2019
Project Management Improvement Project - Reviewing the link between the budget bid project brief and Project Management Methodology	GM City Infrastructure and GM Business Excellence	30 June 2019
Assessment of new rate capping legislation and development of an action plan to address any issues	GM Business Excellence	Complete

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7	Event Description:	Governance frameworks, systems and processes are inadequate to ensure robust decision making.

City Plan link: The Prosperous City, The Sustainable City, The Liveable City, Enabling Excellence

Description: Strategic objectives are not delivered due to inadequate monitoring and measuring of initiatives, poor planning, lack of resources, and lack of consultation.

Responsible Managers: CEO, All General Managers

Contributory Factors ("root" causes / how and why the event arises):

- Inadequate performance measures which are not linked to objectives or strategies
- Failure to monitor organisational performance against stakeholder expectations and to take action when necessary to correct it
- Failure to deliver what is expected by the local community due to a lack of alignment of strategic plans
- Limited meaningful corporate performance indicators in place
- Inconsistent reporting and data collection of corporate performance indicators
- Processes and systems fail to address customer needs
- Unforeseen failure of infrastructure

- Inadequate capability and capacity (e.g. workforce plans, training and development, technology, systems etc.)
- Failure to engage with all stakeholders in developing the City Plan
- Customer service is neither monitored or managed
- Senior management and Elected Members fail to fully and appropriately demonstrate desired organisational values
- Actual organisational structure, vision, values, norms, systems symbols, language, beliefs and habits are inconsistent with those desired.
- Insufficient prioritisation of projects and resource scoping
- Projects approved are not consistent with the strategic direction of CoS

Impacts (risks):

- Organisational performance is not adequately measured and therefore cannot be managed
- Organisational plans and strategies are not achieved
- Organisational resources are not used effectively
- Organisational plans and strategies are not valued or desired by the community
- Organisational plans and strategies are not delivered in a way that is consistent with the organisational values
- Lack of customer / community engagement
- Lack of employee engagement and commitment to City objectives
- Poor customer service
- Council lacks a coherent direction
- Failure to meet legislative obligations
- Not meeting community needs
- Political/Public reputational damage
- Poor organisational performance
- Negative impact on staff health and wellbeing

Likelihood: Possible	Consequence: Major	*Inherent* Risk Rating: High

Existing Controls/Mitigating Practices (the number following each control is the overall control effectiveness rating, see Table 5 for further details):

- Budget Process, 5
- Annual Plan and Annual Report (Reviewed by Audit Committee), 5
- City Plan – reviewed and approved by elected members, 5
- Customer Service Framework, 4
- Monthly Strategic Executive Group meetings, 4
- New Initiative Bid documentation - alignment to City Plan, 4

- Strategic Planning and Accountability, 4
- Community Engagement Framework, 4
- Review of City Plan every 4 years, 5
- Project Management Methodology, 3
- Bi-annual customer satisfaction survey, 4
- Business case development for aged care schemes, 4
- Hub Project Governance Framework, 4
- Hub Readiness Project, 4
- Change Management agenda, 4

- Program Reviews, 4
- CEO Review, 4
- Performance and Development Plans (PDP's), 4
- Governance Framework and Statement, 5
- Delivery of IT support through BSS division, 4

- OCI/ABEF survey process, 4
- Strategic Project Reporting, 4
- Skilled and experienced staff, 4
- Contract Management, 4
- Infrastructure Maintenance Activities, 5
- Succession Planning, 4
- LG Performance Excellence Program benchmarking activity, 4,

Likelihood: Unlikely	Consequence: Major	*Residual* Risk Rating: Medium	Is the Residual Risk as low as reasonably practicable? No

Treatment Plan:		Responsibility:	Target Completion Date:
OCI/LSI Action Plans		All GMs and Divisional Managers	Ongoing

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Review of staff recognition framework	Manager People and Culture	31 December 2018
Complete Implementation of the Change Management Framework and Program	Manager People and Culture	31 December 2020
Completion of relevant agreed actions arising out of the Business Systems and Solutions audit	Manager, Business Systems and Solutions	Various
Project Management Improvement Project	GM City Infrastructure and GM Business Excellence	30 September 2019
Delivery of relevant links to the Smart Salisbury Steering Group framework	GM Business Excellence	TBC

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8	**Event Description:**	Organisation suffers detriment as a result of fraud, misconduct or maladministration

City Plan link: Enabling Excellence

Description: Financial loss and reputational damage sustained due to fraud, misconduct or maladministration

Responsible Managers: GM Business Excellence, Manager Financial Services, Manager Contract & Procurement Services, Manager Governance, CEO, GM City Infrastructure, GM Community Development, GM City Development

Contributory Factors ("root" causes / how and why the event arises):	Impacts (risks):
• Inadequate financial internal controls preventing or detecting fraud, misconduct and maladministration • Leadership fails to demonstrate, reinforce and address non ethical behaviours and conduct • Inadequate due diligence conducted on suppliers to the City of Salisbury • Decision making processes that are not open and transparent • Failure to clearly articulate the employee expected behaviour and conduct related to fraud, misconduct and maladministration	• An individual either inside or outside Council defrauds the organisation • An employee, contractor, volunteer or elected member uses their position or knowledge inappropriately for financial gain • Regulatory censure including an OPI / ICAC investigation • Organisational reputation is damaged through the failure to prevent fraud • Ombudsman investigation results in negative findings for City of Salisbury • Political/Public reputational damage

Likelihood: Likely	**Consequence:** Major	*Inherent* **Risk Rating: High**

Existing Controls/Mitigating Practices (the number following each control is the overall control effectiveness rating, see Table 5 for further details):

- Employee Conduct for Council Employees, 5
- Code of Conduct for Elected Members, 4
- Fraud and Corruption Prevention Strategy, 5
- Gifts and Benefits Policy and Register, 5
- Procurement Policy and procedures (including Financial Delegations, Corporate Purchase Card Guidelines, Purchase Order Guidelines), 4
- Financial Internal Controls Annual Assessments and Reviews (in Control Track), 5
- Quality Assurance processes, 5
- Policy for Assessment of Council Development, 5
- Financial Internal Controls Framework, 5
- Staff training, leadership program and induction processes, 4
- Employee Conduct Awareness Training (Annual), 4
- Recruitment processes including employee sign off on Employee Conduct Policy, 4
- Online Accounts Payable processes, 4
- Employee investigation processes, 5
-

Likelihood: Possible	**Consequence:** Moderate	*Residual* **Risk Rating: High**	Is the Residual Risk as low as reasonably practicable? Yes
Treatment Plan:		**Responsibility:**	**Target Completion Date:**

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Strategic Risk Register   **v2.17 November 2018**

Develop a consistent , usable risk management framework to encourage and inform risk management at the CoS	Manager Governance	Ongoing
Implement updated version of Control Track	Manager Governance	30 June 2019

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9	**Event Description:**	Failure to ensure a safe working environment

City Plan link: Enabling Excellence

Description: CoS staff and volunteers experience illness or injury. Failure to meet WHS obligations which result in an unsafe workplace. CoS recognises that this risk is included on the Strategic Risk Register due to the seriousness with which CoS takes its obligations in relation to Work Health and Safety.

Responsible Managers: GM Business Excellence, Manager People and Culture, CEO, GM City Infrastructure, GM Community Development, GM City Development, Elected Members

Contributory Factors ("root" causes / how and why the event arises):	Impacts (risks):	
• Inadequate controls in place to prevent incidents occurring • Insufficient reporting of incidents and near misses • Safe work practices not documented or communicated to employees • Inadequate induction, training and supervision • Inadequate hazard management system • Organisational safety attitude does not recognise the importance of following WHS policies and procedures	• An employee, contractor, volunteer or elected member is injured or dies as a result of a preventable incident or accident • Potential financial consequences for the City of an incident affecting a member of staff including; medical/rehabilitation expenses, injury compensation claim, legal expenses, fines • Regulatory censure including a SafeWork SA Prohibition Notice, Improvement Notice or prosecution/conviction	• Legal consequences for senior management should policies and procedures be determined as inadequate by SafeWork SA. • Organisational reputation is damaged through the failure to prevent an accident or injury occurring at work • Scheme losing self-insured status and resultant lack of financial sustainability

Likelihood: Almost Certain	**Consequence:** Catastrophic	*Inherent* Risk Rating: Very High

Existing Controls/Mitigating Practices (the number following each control is the overall control effectiveness rating, see Table 5 for further details):

• WHS training and e-learning (mandatorily required for all employees on commencement of employment and thereafter routinely), 5 • Licensing qualifications checks, 5 • Training in WHS Procedures, 3 • WHS IM Business Plan, 5 • WHS Reviews, 4 • Principal WHS Committee, 5 • City Infrastructure WHS Committee, 5 • JSA, work instructions and plant risk assessments, 4 • Code of Conduct, 4	• Hazard and incident reporting and investigation procedures, 4 • Members of the Local Government Workers Compensation Scheme, requiring annual external audits, 5 • Work Health Safety representative team, 5 • Support from LG Sector/other councils/private sector organisations with development/implementation of WHS policies/procedures (including benchmarking partners), 5 • Contractual arrangements with external providers to assist compliance with WHS obligations, 4 • Quarterly Executive Report highlighting trends, outstanding actions and high risk rating incidents or hazards, 4

Likelihood: Possible	**Consequence:** Catastrophic	*Residual* Risk Rating: High	Is the Residual Risk as low as reasonably practicable? No

Treatment Plan:	**Responsibility:**	**Target Completion Date:**

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Enhance the awareness of reporting obligations across the organisation through the existing Code of Conduct staff awareness sessions.	Manager People and Culture, all General Managers, all Divisional Managers	31 December 2018
Completion of WHS and IM Business Plan Programs Includes: Program 1 Commitment & Policy, Program 3 Implementation (Hazard Management), Program 4 Implementation (WHS Training)	Manager People and Culture	Various

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10	**Event Description:**	Lack of alignment and integrity of IT systems and business processes for support of business needs

City Plan link: Enabling Excellence

Description: Business and community needs are not met due to lack of, ineffective or outdated IT system and business processes

Responsible Managers: GM Business Excellence, Manager Business Systems and Solutions

Contributory Factors ("root" causes / how and why the event arises):	Impacts (risks):
• Failure to adequately involve IT when developing plans, strategies and projects • Failure to consider all options when improving a system or process • Organisational change is not conducted in a structured and logical manner • Failure to support the skill set of individuals responsible for the delivery of business processes • Lack of business engagement and clarity of roles • External pressure for changes to systems/processes • Lack of plans and procedures to inform response strategies when a cybersecurity incident occurs • Lack of monitoring of cybersecurity threats to organisational assets • Lack of communication/training for all staff regarding information security • Information to facilitate action during a cybersecurity incident is not available	• Organisational plans and strategies are not achieved due to a lack of IT support or infrastructure • Council operations pause resulting in financial loss • Failure to adapt to a changing external environment • Inefficient and ineffective use of organisational resources • Poor service delivery • Political/Public reputational damage • Costs of litigation and restoration of services

Likelihood: Almost Certain	**Consequence:** Major	*Inherent* **Risk Rating: Very High**

Existing Controls/Mitigating Practices (the number following each control is the overall control effectiveness rating, see Table 5 for further details):

• IT Governance Framework, 3 • Programmed testing of systems for security and reliability, 4 • Information Security Policies and Procedures, 4 • Continuous Improvement Framework, 4	• IT Disaster Recovery Plan, 2 • Business Continuity Plans, 4 • Incident Management Team identified and trained, 4 • Building security and access controls, 4 • User access system controls, 4 • Patch management and software maintenance procedures, 4 • Cyber Security Risk Assessment, 4

Likelihood: Possible	**Consequence:** Major	*Residual* **Risk Rating: High**	Is the Residual Risk as low as reasonably practicable? No

Treatment Plan:	Responsibility:	Target Completion Date:
Delivery of IS Strategy 2014-17 and the projects that are a part of it	Manager Business Systems and Solutions	31 March2019
Develop digital strategy to enhance engagement with community and customer service	Manager Business Systems and Solutions	31 March 2019
Delivery of the IT component of the Community Hub	Manager Business Systems and Solutions	31July 2019
Delivery of relevant aspects of the Smart Salisbury governance structure	Manager Business Systems and Solutions	31 March 2019

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Table 1 – Consequence Ratings

RATING	AREA OF IMPACT					
	Environment/ Political/ Community	Reputation	Finance	Legal/ Regulatory	Injury/Operational Management	Service Interruption
1 **Insignificant**	Nil	Nil	Less than $20,000	None	Nil	Minor interruption to service provision capability, e.g. less than 4 hours.
2 **Minor**	Minor short-term environment, conservation, political or community issue.	Minor media interest	$20,000 - $100,000	Minor legal, regulatory or internal policy failure.	• Unexpected/unplanned absence of a staff member. • Potential for minor injury. • First aid treatment required.	Limited disruption to service provision requiring altered operational arrangements for a short period, e.g. up to 1 day
3 **Moderate**	Environment, conservation, political or community incident requiring City intervention.	Moderate media interest	$100,000 - $500,000	Limited legal, regulatory or internal policy failure.	• Unexpected/unplanned absence of a key staff member. • Medical treatment required.	Some disruption to service provision capability requiring altered operational arrangements, e.g. between 1 day and 1 week.
4 **Major**	Medium-term issue with major environment, conservation, political or community impact.	High media interest	$500,000 - $1 million	Major legal, regulatory or internal policy failure.	• Unexpected/unplanned absence of several key staff members from a single area. • Significant injury to staff disabling them/dangerous near miss.	Significant impairment of service provision (capability or period), e.g. between 1 week and 1 month.
5 **Catastrophic**	Long-term issue with major environment, conservation, political or community impact.	Public censure or government inquiry	More than $1 million	Critical legal, regulatory or internal policy failure.	• Unexpected/unplanned absence of a significant number of staff, e.g. during a pandemic. • Death / critical injury to staff.	Total loss of service provision capability for extended period, e.g. more than 1 month.

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Table 2 – Likelihood Ratings

RATING	DESCRIPTION
A – Rare	The event may occur only in exceptional circumstances (i.e. probability of occurrence > 20 years)
B – Unlikely	The event could occur at some stage (i.e. probability of occurrence within 10 – 20 years)
C – Possible	The event might occur at some time (i.e. probability of occurrence within 3 – 5 years)
D – Likely	The event will probably occur at most times (i.e. probability of occurrence within 2 years)
E – Almost Certain	The event is expected to occur in most times (i.e. probability of occurrence within 1 year)

Table 3 - Risk Matrix

Likelihood	1 Insignificant	2 Minor	3 Moderate	4 Major	5 Catastrophic
E Almost Certain	Medium	High	High	Very High	Very High
D Likely	Medium	Medium	High	High	Very High
C Possible	Low	Medium	High	High	High
B Unlikely	Low	Low	Medium	Medium	High
A Rare	Low	Low	Medium	Medium	High

Consequence

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Table 4 - Residual Risk Descriptors

Very High	• Risk mitigation plans required to immediately reduce current residual risk level (or where unable to reduce rating consider cessation of activity).
High	• Relevant business area to undertake regular monitoring (e.g. on a quarterly basis) of the effectiveness of current controls and assessment of residual risk required. Consideration may be given to the development and implementation of additional risk mitigation strategies.
Medium	• Periodic monitoring (e.g. at least annually) of the effectiveness of current controls and assessment of residual risk to ensure rating does not increase over time.
Low	• Consideration given to streamlining of excessive or redundant controls.

Table 5 - Control Effectiveness Ratings

Each existing control/mitigating practice is assessed by the relevant General Manager(s) and the CEO each quarter. The rating given in the Strategic Risk Register for each existing control/mitigating practice is an overall average rating based on the rating given by each General Manager and the CEO.

The following defines the meaning of the control effectiveness ratings;

0 n/a or not rated: no rating, not relevant or not implemented.

1 Ineffective: During the period, the control has not been implemented as described. Urgent management action is required to implement the described control processes.

2 Requires significant improvement: During the period, the control has been implemented as described, but with significant deficiencies in the consistency or effectiveness of implementation. Significant management action required to implement processes to improve the effectiveness of the control.

3 Partially effective: During the period, the control has been implemented as described, but with some deficiencies in the consistency and/or effectiveness in which it has been applied.

4 Majority effective: During the period, the control has been implemented as described and in the majority of cases has been consistently and/or effectively applied. There is potential to enhance the effectiveness of the control, but only with minor adjustments.

5 Effective: During the period, the control as described has been fully implemented and has in all cases has been consistently and/or effectively applied.

Source: Control Activity Owner Instruction Manual, ControlTrack®

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Table 6 - Heat Map of the City of Salisbury Strategic Risks

No.	Risk Description	Inherent Risk Rating	Residual Risk Rating	Rating as low as reasonably practicable	Treatment Plan/s
1	Inadequate response to a business continuity or emergency event	Very High	High	No	Yes
4	Inadequate response to a major incident at a Council run community event, that affects public and staff safety	Very High	High	No	Yes
9	Failure to ensure a safe working environment	Very High	High	No	Yes
10	Lack of alignment and integrity of IT systems and business processes for support of business needs	Very High	High	No	Yes
2	Contamination of the recycled water systems	High	High	Yes	Yes
3	Lack of management of public and environmental health risks	High	High	Yes	Yes
6	City of Salisbury financial sustainability is compromised	High	High	Yes	Yes
8	Organisation suffers detriment as a result of fraud, misconduct or maladministration	High	High	Yes	Yes
7	Governance frameworks, systems and processes are inadequate to ensure robust decision making	High	Medium	No	Yes
5	Failure to manage the impact of environmental and social factors on Council infrastructure, assets and services	High	Medium	No	Yes

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CITY OF SALISBURY INTERNAL AUDIT MATRIX 2013-2019 – mapping audits to strategic risks

Year		Strategic Risk Number:									
		1	2	3	4	5	6	7	8	9	10
	2019	Business Continuity Plan review			Incident Management Framework		Financial sustainability / Asset Management	Legislative compliance / Complaint handling / Data Governance	Financial Internal Controls Self-Assessment	LGAMLS & LGAWCS Risk and WHS Evaluation	Data Governance
	2018	Business Continuity Plan Test	Management of Contaminated Sites			Management of Contaminated Sites		Strategic Reporting Process (deferred to late 2019 or early 2020) / Contract Management	Financial Internal Controls Self-Assessment		
	2017	Business Continuity Plan Walkthrough		Management of Public and Environmental Health				Capital Works Projects / Strategic Development Projects	Financial Internal Controls Self-Assessment	Risk and WHS Evaluation	Business Systems and Solutions / Cyber Security Risk Assessment
	2016				Event Management / Strategic Asset Management Delivery	Strategic Asset Management Delivery	Strategic Asset Management Delivery		Payroll / Financial Internal Controls Self-Assessment	Event Management / LGA Injury Management and Return to Work KPI Audit	
	2015	Business Continuity Plan Review						People and Culture Risk Review	Financial Internal Controls Self-Assessment		
	2014			Dog and Cat Management Audit	Compliance With Building Inspections Policy				Procurement / Internal Controls Framework Substantive Testing / Financial Internal Controls Self-Assessment	LGA WCS KPI Audit	Penetration Test
	2013								Fraud and Corruption Prevention / Financial Internal Controls Self-Assessment / Administration of Minor Capital Works Grants / Cash Handling		