



AGENDA

FOR AUDIT AND RISK COMMITTEE MEETING TO BE HELD ON

12 APRIL 2023 AT 6.30 PM

**IN THE WITTBER & DR RUBY DAVY ROOMS, SALISBURY COMMUNITY HUB,
34 CHURCH STREET, SALISBURY**

MEMBERS

Cr K Grenfell (Chair)
Cr B Brug (Deputy Chair)
Ms P Davies
Mr N Ediriweera
Mr C Johnson

REQUIRED STAFF

Chief Executive Officer, Mr J Harry
General Manager Business Excellence, Mr C Mansueto
Manager Governance, Mr R Deco
Team Leader Corporate Governance, Mr B Kahland
Internal Auditor & Risk Coordinator, Mr H Rafeeu

APOLOGIES

LEAVE OF ABSENCE

PRESENTATION OF MINUTES

Presentation of the Minutes of the Public and Confidential Audit and Risk Committee Meeting held on 15 February 2023.

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QUESTIONS ON NOTICE

There are no Questions on Notice.

MOTIONS ON NOTICE

There are no Motions on Notice.

OTHER BUSINESS

(Questions Without Notice, Motions Without Notice, CEO Update)

ORDER TO EXCLUDE

7.4.1 Quarterly Cybersecurity Report October 2022 - December 2022

Recommendation

Pursuant to section 90(2) and 90(3)(b) of the *Local Government Act 1999* the Audit and Risk Committee orders that, the public be excluded from attendance at this meeting in relation to Agenda Item 7.4.1 (Quarterly Cybersecurity Report October 2022 – December 2022) except the staff of City of Salisbury, on grounds that:

1. Pursuant to Section 90(2) and 90(3)(b)(i) and (ii) of the Local Government Act 1999, the principle that the meeting should be conducted in a place open to the public has been outweighed in relation to this matter because:
 - it relates to information the disclosure of which could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct, business, or to prejudice the commercial position of the council; and
 - information the disclosure of which would, on balance, be contrary to the public interest; and
2. The disclosure of this information would, on balance, be contrary to the public interest because the public interest in the Council preserving its commercial sensitivity of information discussed between Administration and Audit & Risk Committee would be compromised by disclosure of the information.

On that basis the public's interest is best served by not disclosing the Quarterly Cybersecurity Report October 2022-December 2022 item and discussion at this point in time.

7.4.2 ERP / Project Connect verbal update

Recommendation

Pursuant to section 90(2) and 90(3)(b) of the Local Government Act 1999 the Audit and Risk Committee orders that, the public be excluded from attendance at this meeting in relation to Agenda Item 7.4.2 (ERP / Project Connect verbal update) except the staff of City of Salisbury, on grounds that:

1. Pursuant to Section 90(2) and (3)(b)(i) and (b)(ii) and (e) of the Local Government Act 1999, the principle that the meeting should be conducted in a place open to the public has been outweighed in relation to this matter because:
 - it relates to information the disclosure of which could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct, business, or to prejudice the commercial position of the council; and
 - information the disclosure of which would, on balance, be contrary to the public interest; and
 - matters affecting the security of the council, members or employees of the council, or council property; or the safety of any person.
2. The disclosure of this information would, on balance, be contrary to the public interest because the public interest in the Council preserving its commercial sensitivity of information discussed between Administration and Audit & Risk Committee would be compromised by disclosure of the information.

On that basis the public's interest is best served by not disclosing the ERP / Project Connect Verbal Update item and discussion at this point in time.

CLOSE



**MINUTES OF AUDIT AND RISK COMMITTEE MEETING HELD IN LITTLE PARA
CONFERENCE ROOMS, SALISBURY COMMUNITY HUB,
34 CHURCH STREET, SALISBURY ON**

15 FEBRUARY 2023

MEMBERS PRESENT

Cr K Grenfell (Chair)
Cr B Brug (Deputy Chair)
Ms P Davies
Mr N Ediriweera joined at 6:31pm
Mr C Johnson

OBSERVERS

Nil

STAFF

Chief Executive Officer, Mr J Harry
General Manager Business Excellence, Mr C Mansueto
Manager Governance, Mr R Deco
Manager Business Systems and Solutions, Ms L Paltridge
Team Leader Corporate Governance, Mr B Kahland
Internal Auditor & Risk Coordinator, Mr H Rafeeu

The meeting commenced at 6:30pm

The Chairman welcomed the Members, Public and Staff to the meeting.

APOLOGIES

Nil.

LEAVE OF ABSENCE

Nil

The Chairman sought and obtained leave of the meeting to bring forward on the agenda confidential item 7.4.1

ORDER TO EXCLUDE THE PUBLIC

7.4.1 Quarterly Cybersecurity Report (Verbal Update)

Moved Ms P Davies
Seconded Cr B Brug

Pursuant to section 90(2) and 90(3)(b) of the Local Government Act 1999 the Audit and Risk Committee orders that, the public be excluded from attendance at this meeting in relation to Agenda Item 7.4.1 (Quarterly Cybersecurity Report – Verbal Update) except the staff of City of Salisbury, on grounds that:

1. Pursuant to Section 90(2) and (3)(b)(i) and (b)(ii) and (e) of the Local Government Act 1999, the principle that the meeting should be conducted in a place open to the public has been outweighed in relation to this matter because:
 - it relates to information the disclosure of which could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct, business, or to prejudice the commercial position of the council; and
 - information the disclosure of which would, on balance, be contrary to the public interest; and
 - matters affecting the security of the council, members or employees of the council, or council property; or the safety of any person.
2. The disclosure of this information would, on balance, be contrary to the public interest because the public interest in the Council preserving its commercial sensitivity of information discussed between Administration and Audit & Risk Committee would be compromised by disclosure of the information.

On that basis the public's interest is best served by not disclosing the Quarterly Cybersecurity Report – Verbal Update item and discussion at this point in time.

CARRIED

The meeting moved into confidence at 6:32pm

The meeting moved out of confidence at 7:15pm to proceed with the remaining items of business.

PRESENTATION OF MINUTES

Moved Mr C Johnson
Seconded Ms P Davies

The Minutes of the Audit and Risk Committee Meeting held on 08 November 2022, be taken as read and confirmed.

CARRIED

REPORTS

Administration

7.0.1 Actions List

Moved Ms P Davies
Seconded Mr C Johnson

That Council:

1. Notes the report.

CARRIED

7.0.2 Future Reports for the Audit and Risk Committee

Moved Cr B Brug
Seconded Mr C Johnson

That Council:

1. Notes the report.

CARRIED

For Decision

7.1.1 Audit & Risk Committee Annual Work Plan 2022/2023

Moved Cr B Brug
Seconded Ms P Davies

That Council:

1. Approves the updated Audit & Risk Committee Annual Work Plan for the year 2022/2023 as set out in Attachment 1 to this report (Audit & Risk Committee, 15 February 2023, Item No.7.1.1).

CARRIED

7.1.2 3-Year Internal Audit Plan 2022/23-2024/25

Moved Mr C Johnson
Seconded Ms P Davies

That Council:

1. Notes the updates made to the 3-year Internal Audit Plan 2022/2023 to 2024/2025 as set out in Attachment 1 to this report (Audit and Risk Committee, 15 February 2023, Item No.).
2. Notes the mapping of internal audits to the current identified risks in the strategic risk register as set out in Attachment 2 of this report (Audit and Risk Committee, 15 February 2023, Item No.7.1.2).
3. Notes the accompanying high-level indicative draft scope for pending audits as set out in Attachment 3 of this report (Audit and Risk Committee, 15 February 2023, Item No.7.1.2).

CARRIED

7.1.3 Internal Audit Report on Fleet Heavy Vehicle, High Value and Portable Assets

Moved Mr C Johnson
Seconded Cr B Brug

That Council:

1. Notes the final audit report for the Fleet, Heavy Vehicle, High Value and Portable assets audit with management comments as set out in Attachment 1 to this report (Audit and Risk Committee, 15 February 2023, Item No.7.1.3).

**CARRIED
UNANIMOUSLY**

7.1.4 Audit & Risk Committee Performance Self-Assessment

Moved Ms P Davies
Seconded Mr C Johnson

That Council:

1. Approves the self-assessment survey questions, as set out in Attachment 1 to this report (Audit and Risk Committee, 15/02/2023, Item No. 7.1.4) for issuance to members of the Audit and Risk Committee for completion following the February 2023 Council meeting, with results to be collated and presented at the next Audit and Risk Committee meeting, with the inclusion in the survey questions of a response tick box for “N/A” and an additional question to seek verbatim comments on the Audit and Risk Committee’s expectations of the Audit and Risk Committee.

CARRIED

7.1.5 Revised Internal Audit Charter

Moved Cr B Brug
Seconded Mr C Johnson

That Council:

1. Approves the Internal Audit Charter as set out in Attachment 1 to this report (Audit and Risk Committee, 15 February 2023) for Council adoption, subject to the inclusion of an additional review trigger in the event of statutory changes.

CARRIED
UNANIMOUSLY

For Information

7.2.1 Enterprise Resource Planning (ERP) Solutions Project (Verbal Update)

Moved Cr B Brug
Seconded Ms P Davies

That Council:

1. Notes a verbal update was provided by the General Manager Business Excellence to the Audit and Risk Committee on the ERP project, its procurement process and funding
2. Requests Administration bring back a 6-monthly confidential ERP project review report to the Audit and Risk Committee

CARRIED

7.2.2 Outstanding Actions Arising from Internal Audits

Moved Mr C Johnson
Seconded Mr N Ediriweera

That Council:

1. Notes the update in this report and the full Internal Audit Log Actions Register in Attachment 1 to this report (Audit and Risk Committee, 15 February 2023, Item No.7.2.2).

CARRIED

ORDER TO EXCLUDE THE PUBLIC

7.4.2 Litigation Update

Moved Ms P Davies
Seconded Mr C Johnson

Pursuant to section 90(2) and 90(3)(b) of the Local Government Act 1999 the Audit and Risk Committee orders that, the public be excluded from attendance at this meeting in relation to Agenda Item 7.4.2 (Litigation Update) except the staff of City of Salisbury, on grounds that:

1. Pursuant to Section 90(2) and (3)(h) and (i) of the Local Government Act 1999, the principle that the meeting should be conducted in a place open to the public has been outweighed in relation to this matter because:
 - it relates to legal advice; and
 - information relating to actual litigation, or litigation that the Council or Council committee believes on reasonable grounds will take place, involving the council or an employee of the Council.
2. The disclosure of this information would, on balance, be contrary to the public interest because the public interest in the Council preserving its commercial sensitivity of information discussed between Administration and Audit & Risk Committee would be compromised by disclosure of the information.

On that basis the public's interest is best served by not disclosing the Litigation Update item and discussion at this point in time.

CARRIED

The meeting moved into confidence at 9.02 pm.
The meeting moved out of confidence at 9.24 pm.

QUESTIONS ON NOTICE

There were no Questions on Notice.

MOTIONS ON NOTICE

There were no Motions on Notice.

OTHER BUSINESS

(Questions Without Notice, Motions Without Notice, CEO Update)

Nil

The meeting closed at 9.24 pm.

CHAIRMAN.....

DATE.....

ITEM	7.0.1
	AUDIT AND RISK COMMITTEE
DATE	12 April 2023
HEADING	Future Reports for the Audit and Risk Committee
AUTHOR	Projects Officer Governance, CEO and Governance
CITY PLAN LINKS	4.2 We deliver quality outcomes that meet the needs of our community
SUMMARY	This item details reports to be presented to the Audit and Risk Committee as a result of a previous Council resolution. If reports have been deferred to a subsequent month, this will be indicated, along with a reason for the deferral.

RECOMMENDATION

That Council:

1. Notes the report.

ATTACHMENTS

There are no attachments to this report.

1. BACKGROUND

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

2. CONSULTATION / COMMUNICATION

2.1 Internal

- 2.1.1 Report authors and General Managers.

2.2 External

- 2.2.1 Nil.

3. REPORT

- 3.1 The table below outlines the reports to be presented to the Audit and Risk Committee as a result of a Council resolution.

Meeting Item	- Heading and Resolution	Officer
27/02/2023 7.4.2	Litigation Update Council has previously resolved this resolution to be confidential.	Brett Kahland
Due:	August 2023	

4. CONCLUSION / PROPOSAL

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

ITEM	7.0.2
	AUDIT AND RISK COMMITTEE
DATE	12 April 2023
HEADING	Actions List
AUTHOR	Internal Auditor & Risk Coordinator, CEO and Governance
CITY PLAN LINKS	4.2 We deliver quality outcomes that meet the needs of our community 4.4 We plan effectively to address community needs and identify new opportunities
SUMMARY	This report summarises the actions arising from previous meetings, since it was last presented to the February 2023 Audit & Risk Committee meeting.

RECOMMENDATION

That Council:

1. Notes the report.

ATTACHMENTS

There are no attachments to this report.

1. BACKGROUND

- 1.1 The Audit and Risk Committee has requested that an actions list be maintained and included as an item on the agenda for each meeting.
- 1.2 An actions list has been developed to capture actions arising out of the Audit and Risk Committee meetings. These actions do not replace the minutes from the Audit and Risk Committee, or the recommendations of the Committee that were submitted to the Council for adoption. They are included in this report to support the Audit and Risk Committee.

2. REPORT

- 2.1 The actions 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 and Risk Committee meetings, which has been compiled for the purpose of supporting the Audit and Risk Committee.
- 2.3 Actions will remain on the actions list until reported as completed. Once the action has been completed, and that completion has been reported to the Audit and Risk Committee, the item will be removed from the actions list.

2.4 Where an action is noted as outstanding on the Futures Report (Agenda item 7.0.1), that action is removed from this report, to avoid duplication.

No	Date	Action	Owner	Due Date	Status
34	11 Oct 2022	Present a position paper to the April 2023 Audit and Risk Committee meeting on grants revenue recognition and associated timings in the context of the relevant accounting standards.	Manager Financial Services	Apr 2023	Completed. Included in April 2023 Agenda.
40	12 Feb 2023	Consider including the Capital Works Project Actions either in summary or in full, within the Audit Log Action Items Register	Internal Auditor & Risk Coordinator	Apr 2023	Completed. Included Log # 75 in the Audit Log Actions Register with a separate attachment covering the status of individual items.
42	12 Feb 2023	Consider undertaking an independent audit or review on the lessons learned arising from the confidential Quarterly Cybersecurity Report update given to February 2023.	GM Business Excellence	Sep 2023	
43	12 Feb 2023	Revise the Audit and Risk Committee Self-Assessment Survey Questionnaire with suggested changes, roll out the survey and present the results to the April 2023 Audit and Risk Committee meeting.	Internal Auditor & Risk Coordinator	Apr 2023	Completed. Revised questionnaire shared and survey outcome compiled and report included in April 2023 Audit and Risk Committee Agenda.

3. CONCLUSION / PROPOSAL

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

ITEM	7.1.1
	AUDIT AND RISK COMMITTEE
DATE	12 April 2023
HEADING	BDO's Annual Audit Plan for 30 June 2023
AUTHOR	Internal Auditor & Risk Coordinator, CEO and Governance
CITY PLAN LINKS	4.2 We deliver quality outcomes that meet the needs of our community.
SUMMARY	<p>Council engaged BDO to provide external audit services for the financial year ending 30th June 2023 in accordance with the requirements of the <i>Local Government Act 1999</i> and associated regulations.</p> <p>The initial phase comprises the conduct of an Assurance Engagement on Controls, which is scheduled to commence in May 2023.</p> <p>The final year end audit is scheduled to commence in August 2023.</p> <p>The Annual Audit Plan 2023 covers the timing of significant milestones including on-site visits, key meeting dates and reporting deadlines with respect to the completion of the interim and final audit engagements.</p>

RECOMMENDATION

That Council:

1. Notes the report

ATTACHMENTS

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

1. BDO's Audit Audit Plan 2023
2. BDO's Audit Engagement Letter (Internal Controls) for 2023.
3. BDO's Audit Engagement Letter (Financial Statements) for 2023.
4. Controls Selected for Testing

1. BACKGROUND

1.1 Section 129(3) of the *Local Government Act 1999* states that:

The auditor must provide to the council

(a) an audit opinion with respect to the financial statements; and

(b) an audit opinion as to whether the controls audited under subsection (1)(b) are sufficient to provide reasonable assurance that the financial transactions of the council have been conducted properly and in accordance with law.

1.2 Section 125 of the *Local Government Act 1999* states that:

(1) A council must ensure that appropriate policies, practices and procedures of internal control are implemented and maintained in order to assist the council to carry out its activities in an efficient and orderly manner to achieve its objectives, to ensure adherence to management policies, to safeguard the council's assets, and to secure (as far as possible) the accuracy and reliability of council records.

(2) The policies, practices and procedures of internal financial control under subsection (1) must be in accordance with a standard or document (such as a model relating to financial controls) adopted by the regulations.

1.3 Section 10A of the *Local Government (Financial Management) Regulations 2011* states that “For the purposes of section 125(2) of the Act, the policies, practices and procedures of internal financial control of a council must be in accordance with the *Better Practice Model—Internal Financial Controls*.”

1.4 Section 19(2) of the *Local Government (Financial Management) Regulations 2011* states that “In forming an audit opinion for a council under section 129(3)(a) of the Act, the auditor must give due consideration to the adequacy of the council's policies, practices and procedures of internal control under section 125 of the Act.”

1.5 Section 19(3) of the *Local Government (Financial Management) Regulations 2011* states that “In forming an audit opinion for a council under section 129(3)(b) of the Act, the auditor must assess the internal controls of the council referred to in section 129(1)(b) of the Act based on the criteria in the *Better Practice Model—Internal Financial Controls*.”

1.6 In accordance with section 126(4)(c) of the *Local Government Act 1999* the functions of Audit and Risk Committee include “reviewing the adequacy of the accounting, internal control, reporting and other financial management systems and practices of the council on a regular basis.”

1.7 In accordance with section 126(4)(b) of the *Local Government Act 1999* the functions of Audit and Risk Committee include “liaising with the council's auditor.”

2. REPORT

- 2.1 BDO's Annual Audit Plan to audit the controls and financial statement of City of Salisbury (COS) for the financial year ending 30 June 2023 is included Attachment 1.
- 2.2 The Audit Engagement Letter for auditing the design and operating effectiveness of controls of COS is included in Attachment 2, providing details of the terms of engagement, responsibilities of both parties, audit approach and procedure that will be followed, and a draft template for the independent assurance report on the internal controls of COS.
- 2.3 The internal assessments and reviews of the financial internal controls and risk assessments, through the Control Track software system is scheduled to commence in mid-April 2023.
- 2.4 The Audit Engagement Letter for auditing the finance report of COS is included in Attachment 3, providing details of the audit scope and objectives, responsibilities of both parties, and a draft template for the independent auditor's report on the audit of COS's Financial Report.
- 2.5 The City of Salisbury maintains LG Better Practice Model—Internal Financial Controls within Control Track software.
- 2.6 BDO selected 87 internal controls (as in Attachment 3), based on risk prioritisation. The approach to the audit sample selection and categories of internal controls tested is covered within the BDO Annual Audit Plan 2023.
- 2.7 BDO representatives Andrew Tickle, Partner, and/or Chelsea Aplin, Senior Manager, will be in attendance for the April 2023 Audit and Risk Committee meeting to present the Annual Audit Plan.
- 2.8 BDO will commence the Interim Audit in May 2023, covering the audit of controls. BDO will complete the Interim Audit engagement and present the Interim Management Letter to the July 2023 Audit and Risk Committee meeting.
- 2.9 BDO will commence the final audit in August 2023 and will present the final Audit Completion Report to the October 2023 Audit and Risk Committee meeting.

3. CONCLUSION / PROPOSAL

- 3.1 This report provides a high level summary of BDO's audit plan for 2023, covering the assurance engagement audit of Controls, and the engagement on the audit of the financial reports for 2023.

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Item 7.1.1 - Attachment 1 - BDO's Audit Audit Plan 2023

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Dear Audit and Risk Committee members

Thank you for the opportunity to present our annual audit plan ('plan') for City of Salisbury ('Council') for the year ending 30 June 2023.

Our plan has been developed with input from Council's management and continues to be based on our understanding of City of Salisbury's business and operating environment.

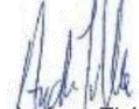
We acknowledge that throughout the year there may be business developments, circumstances may change and additional matters may arise. Our plan will be responsive to your needs and will maximise audit effectiveness so we can deliver the high-quality audit you expect.

This plan is intended solely for management and the Audit and Risk Committee and is not intended to be and should not be used by anyone other than these specified parties.

We welcome the opportunity to discuss our plan with you at the Audit and Risk Committee meeting on 4 April 2023.

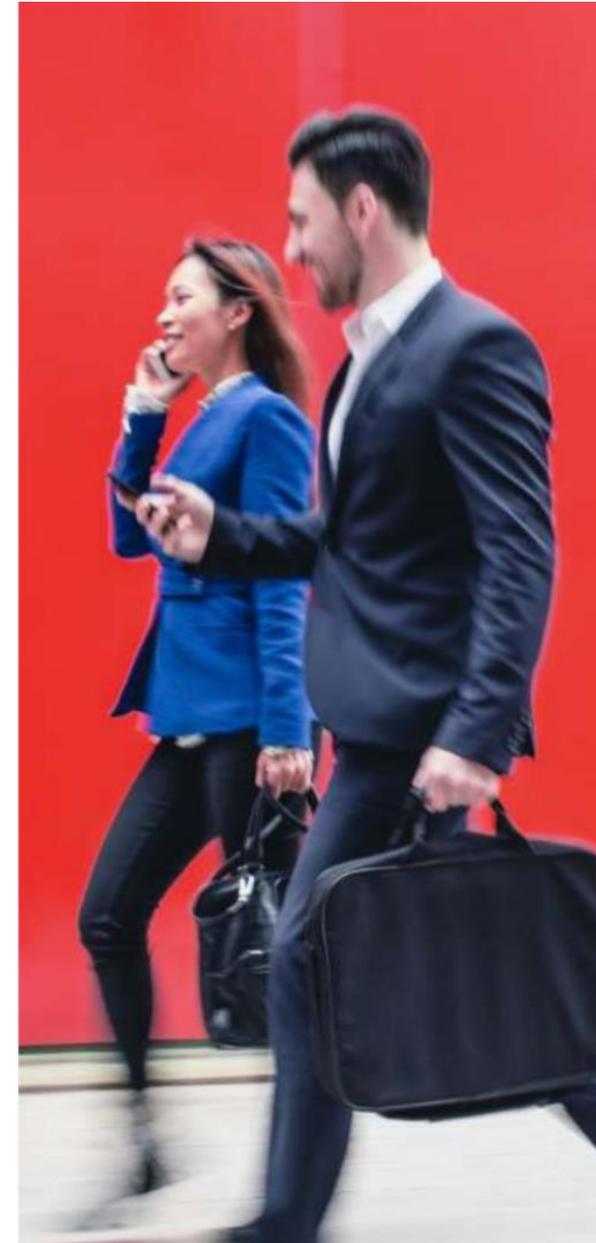
Please feel free to contact me on +61 8 7324 6082 if you have any questions or would like to discuss the content of this plan further.

Yours faithfully



Andrew Tickle
Lead audit partner

Adelaide, 3 March 2023





YOUR BDO TEAM

Your engagement team provides a combination of continuity and fresh ideas. This helps to ensure that we build on previous experience and make the audit process as smooth as possible.

YOUR BDO TEAM

Our audit of City of Salisbury will be led by Andrew Tickle as Engagement Partner. Andrew will oversee the co-ordination of the audit and will have primary responsibility for working with Kate George and her team.

Supporting Andrew will be Linh Dao as Quality Control Reviewer and Chelsea Aplin as audit manager.

Chelsea is responsible for the day-to-day direction of the audit work and is the key point of contact for Kate George.

The day-to-day audit team will be led by Chelsea Aplin.

SPECIALISTS

When auditing complex areas, we are often required to engage specialists who have qualifications and expertise not possessed by the core audit team.

Supporting the engagement team will our IT Specialist, who will review the IT environment and any relevant IT general controls as part of the audit.



ANDREW TICKLE

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CHELSEA APLIN

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AUDIT OBJECTIVES

The objective of the audit is to enable us to express an opinion as to whether

- ▶ The financial report is prepared, in all material respects, in accordance with Australian Accounting Standards, the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*, and

Controls exercised by Council in relation to the receipt, expenditure and investment of money, acquisition and disposal of property and the incurring of liabilities are sufficient to provide reasonable assurance that the financial transactions of the Council have been conducted properly and in accordance with law based on criteria established in the Better Practice Model - Financial Internal Control for South Australia Councils issued by the Local Government Association of South Australia

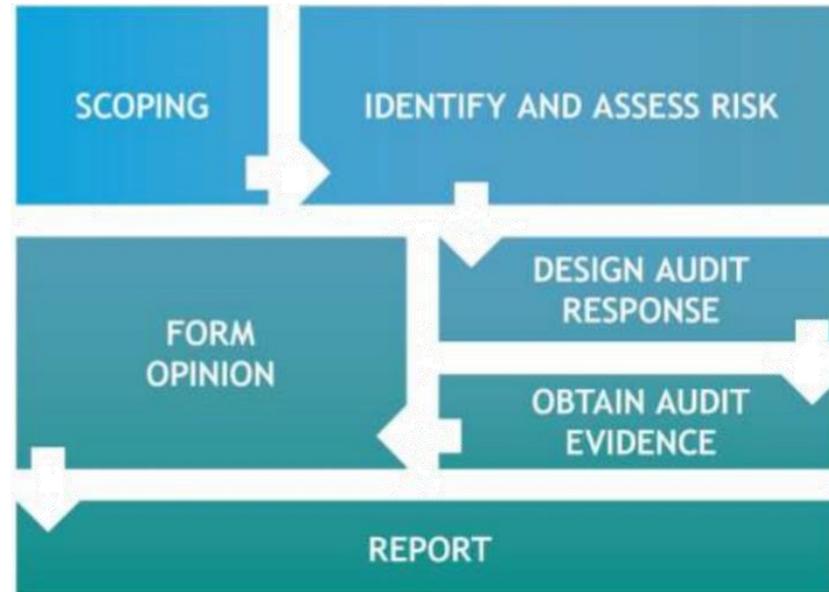
OUR APPROACH

Our audit is performed in accordance with the BDO Audit Approach which consists of six phases and is documented using our global audit tool, APT.

The approach is centred around:

- ▶ Obtaining an understanding of the business being audited from an internal and external point of view
- ▶ Assessing the risk of material misstatements and the controls in place to address and prevent these risks
- ▶ Choosing appropriate procedures to obtain evidence, including the use of data analytics where appropriate
- ▶ Ensuring rigorous quality control over audit performance
- ▶ Providing constructive ideas for improving internal controls and business systems.

A summary of the other key aspects of the BDO Audit Approach is set out on subsequent pages.



OUR APPROACH CONTINUED

INTERNAL CONTROL

We obtain an understanding of the system of internal control relevant to the audit to assist us with our risk assessment procedures. Our understanding covers:

- ▶ The overall control environment
- ▶ The entity's risk assessment process
- ▶ The information system, including the related business processes, relevant to financial reporting, and communication
- ▶ Control activities relevant to the audit
- ▶ Activities the entity uses to monitor internal control relevant to financial reporting.

This understanding is also supported by our assessment of internal controls based on the criteria in the Better Practice Model - Financial Internal Control for South Australian Councils, to allow us to express an opinion on the matters set out in Section 129(b) of the *Local Government Act 1999*.

We communicate to the Audit & Risk Committee in writing any significant deficiencies that come to our attention during the audit on a timely basis.

In addition, we communicate with management the significant deficiencies being reported to those charged with governance and any other deficiencies identified that in our judgement are of sufficient importance to merit management's attention.

FRAUD

During the course of our audit we make enquiries of those charged with governance, management and others to identify any known instances of fraud. We also make enquiries to understand where you consider the risks are in relation to fraud and if you have any knowledge of actual or suspected fraud. This also includes considering the risk of management override of controls.

It should be noted that our audit is not designed to detect fraud however, should instances of fraud come to our attention, we will report them to you.



OUR APPROACH CONTINUED

AUDIT QUALITY AND PROFESSIONAL SCEPTICISM

To support and promote audit quality at BDO, we have implemented an Audit Quality Framework (AQF) that sets out the key drivers of audit quality, including the specific attributes that are important for audit quality to be maintained and enhanced. Refer to our [Transparency report](#) for further information.

The AQF recognises that professional scepticism is essential to obtain audit evidence which is sufficient and appropriate to reduce the likelihood of a material misstatement to an acceptable level.

The application of professional scepticism by all members of the engagement team is central to BDO's Audit Approach.

GOING CONCERN

As part of our audit we will review management's assessment of the ability of City of Salisbury to continue as a going concern for the 12 months from the date of signing the financial report and therefore whether the going concern basis for the preparation of the financial report is appropriate.

LAWS AND REGULATIONS

We make enquiries in relation to any non-compliance with laws and regulations impacting the period under audit. If we become aware of any instances of non-compliance with laws and regulations which would materially impact on the financial position or performance of the entity, then we will report them to you on a timely basis to consider the impact on the financial report.

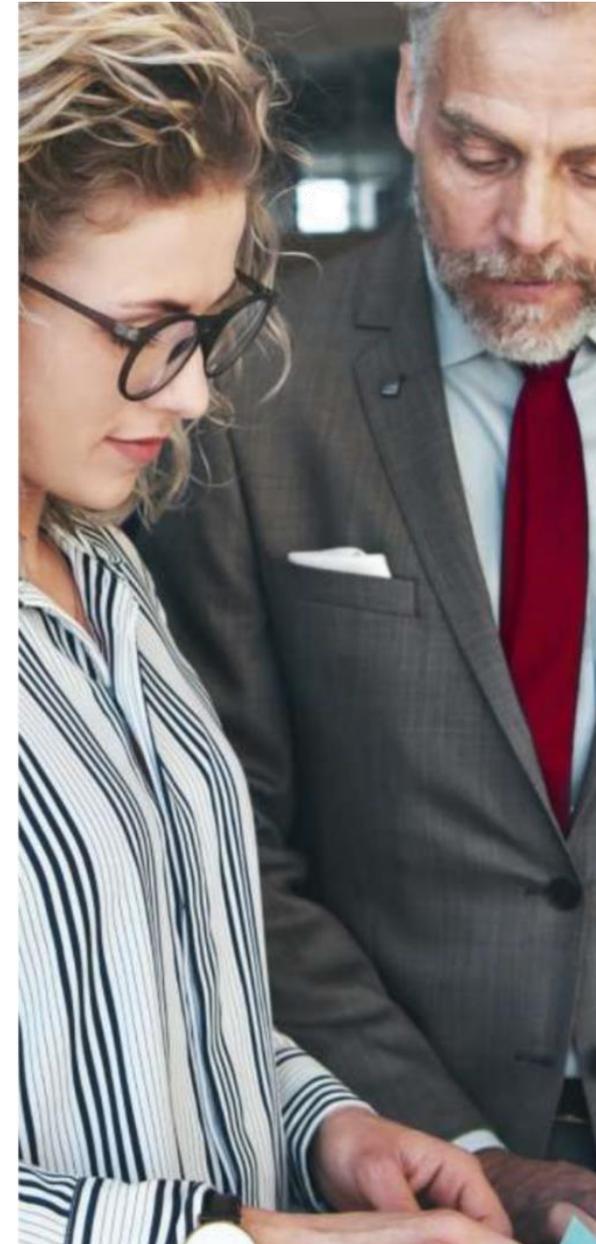


MATERIALITY

Materiality means, in the context of an audit, if financial information is omitted, misstated or not disclosed it has the potential to (adversely) affect the decisions of users of the financial report. Materiality is used by auditors in making judgements on the amount of work to be performed, which balances require work and for evaluating the effect of misstatements. Materiality is initially calculated at the planning stage and re-assessed prior to providing our opinion.

During the course of our audit we may identify misstatements and these will be reported to you at the conclusion of our work based on our assessment of materiality at that stage (this may have been updated from the materiality calculated at the planning stage). It should be noted that the auditing standards do not require us to communicate misstatements that are considered 'clearly trivial' and as such, if we identify such misstatements we will not communicate these to you.

We determine materiality by considering a range of both qualitative and quantitative factors when applying our professional judgement.





ENHANCING THE CLIENT EXPERIENCE

BDO'S CLIENT PORTAL

To enhance our communication and to reduce any potential expectation gaps, we will continue to use the BDO Global Portal ('portal').

In addition to facilitating the secure exchange of information, the use of the portal assists with project management and provides a live view of progress to both BDO and City of Salisbury.

We will consult with you about how you would like us to communicate during the engagement, and the frequency of our status updates. In addition, whether it is to provide ad-hoc support, brainstorm ideas, or discuss any aspect of our services, the portal can assist. The key features of the portal are illustrated below:



ONLINE CLIENT COLLABORATION

- ▶ Upload information and documentation in one secure place
- ▶ Track actions and milestones for BDO and client responsibilities.



A FLEXIBLE, SECURE PLATFORM WITH LOCAL CUSTOMISATION

- ▶ Security - permission and access can be set at a project level for different users such as your staff or our BDO teams
- ▶ You can receive a daily or weekly digest, summarising all activity that has occurred on the portal
- ▶ View document audit trails, reducing the risk of email misdirection.



DIGITISED PAPERWORK AND WORKFLOW

- ▶ Approve and sign documents all within the portal, allowing for better transparency and speedier project progress
- ▶ Set dates with calendar reminders for when BDO requires certain documentation or information to be uploaded or completed
- ▶ Assign tasks to specific users
- ▶ Portal supports multiple document types and views.



In line with our audit approach, and based on our understanding of City of Salisbury, we have identified and assessed the risks of material misstatement at both the engagement and assertion level.

Our audit procedures are focused on areas that are considered to represent risks of material misstatement to the financial report. We identified the risk areas as part of our risk assessment procedures during the planning phase and will continue to be alert for risks during the course of the audit. We set out below the key areas of focus, our perspective of the potential impact on the financial statements and our proposed approach. The associated risks are categorised between those that are considered to be significant and other than significant.

AREAS OF FOCUS	OUR PERSPECTIVE	PLANNED RESPONSE
Revaluation of infrastructure, property, plant and equipment	Council's infrastructure, property, plant and equipment is carried at valuation. There is a risk that these balances are misstated as a result of the application and inappropriate valuation methodologies, or incorrect underlying assumptions.	We will evaluate the competence, capability and objectivity of the independent valuers, if any, obtain an understanding of their work and evaluate its appropriateness.
Accounting treatment of Capital Work In Progress (WIP)	There is a risk that the accounting treatment of items captured within Capital WIP may not be in accordance with Australian Accounting Standards.	We will obtain the WIP schedule and review in detail a sample of projects outstanding at the end of the year to ensure they are likely to generate assets. We will also review a sample of assets transferred out of the Capital WIP to check that the categorisation and value allocated to the relevant fixed asset class is appropriate.
Management override of internal controls	Australian Auditing Standards require that we presume there is a risk that management has the ability to manipulate accounting records and override control that otherwise appear to be operating effectively.	Our response will include a review of key internal controls at the Council to mitigate the risk of management override. We will test the appropriateness of journal entries and other adjustments made in the preparation of the financial report. We will also review accounting estimates for bias, and evaluate the business rationale (or lack of) of any significant transactions that are outside of the normal course of business or that otherwise appear to be unusual.



AREAS OF FOCUS	OUR PERSPECTIVE	PLANNED RESPONSE
Cut-off of grant funding and accuracy of any amounts deferred at 30 June 2023	There is a risk of error in the calculation of grant income recognised and deferred at the end of the year by reference to grant agreements and Australian Accounting Standards.	We will obtain the schedule of grant income recognised and deferred at year end. We will select a sample of grants and obtain the agreements to review in detail and test that they have been recognised in accordance with AASB 15 <i>Revenue from Contracts with Customers</i> and AASB 1058 <i>Income of Not-for-Profit Entities</i> .



INTERNAL CONTROL ASSESSMENT

We are required to provide an audit opinion on Council’s internal controls in accordance with Section 129(1)(b) of the *Local Government Act 1999*. Our assessment of internal controls is based on the criteria in the Better Practice Model - Financial Control for South Australian Councils as issued by the Local Government Association of South Australia.

The Better Practice Model emphasises a risk based approach to internal financial controls. It states that a Council should design and implement internal financial controls activities and monitoring systems that prioritise extreme and high financial risk as identified by the Council’s risk tolerance framework.

RISK ASSESSMENT

BDO has used the risk assessment matrix per the Better Practice Model to create a general expected risk assessment. The assessment is only focused on the business impact of the risks. Each risk is assigned risk category of low, moderate, high. The results of our initial assessment is as follows:

RISK CATEGORY	RISK LEVEL		
	HIGH	MODERATE	LOW
Strategic Financial Planning	-	3	9
Assets	3	7	17
Liabilities	-	4	10
Revenue	3	6	5
Expenses	6	6	7
External Services	-	2	-
Financial Governance	-	-	3

We expect to receive Council’s risk assessment of internal controls as part of the planning process. Once received we will compare and understand any differences between the two assessments. Based on the results of this comparison, we will consider the impact on our audit approach.

CONTROL ASSESSMENT

Once the risk assessment is complete, we undertake a control assessment classifying each control as key or non-key. All controls associated with high risks are considered to be key controls. Controls with moderate risks are assessed and allocated key or non-key.

CONTROL TYPE	DESCRIPTION
Key Control	The absence of these controls operating may have a significant impact on mitigating the risks. All key controls are included within our audit testing.
Non-Key Control	The absence of these controls in place may not have a significant impact on mitigating the risks as the operation of a key control in the same area may provide sufficient mitigation. The level of testing of non-key controls is dependent on the risk assessment. See the next section for more details.



CONTROL TESTING

The risk and control assessments performed by BDO will then determine our level of testing of the controls in place to address the risks.

RISK LEVEL	LEVEL OF TESTING OF CONTROLS	REASON
High	All controls to be tested, all considered to be key.	Control failure may result in a significant business impact, therefore an increased level of assurance is required in relation to the effectiveness of the controls supporting high risks.
Moderate	All identified key controls and a selection of non-key controls selected based on our professional judgement.	Control failure may result in a moderate business impact, therefore a normal level of assurance is required in relation to effectiveness of the controls supporting moderate risks.
Low	No testing of controls.	Control failure is unlikely to result in a significant business impact.

The number of controls to we plan to test for each risk category is as follows:

RISK CATEGORY	CONTROLS TO BE TESTED
Strategic Financial Planning	9
Assets	22
Liabilities	8
Revenue	18
Expenses	27
External Services	3
Financial Governance	-
Total	87

Due to the number of controls involved we have not provided a detailed list of controls in this report. We can provide the detailed list of controls separately as required. The controls selected for testing represent our assessment of those required to be tested to provide reasonable assurance that the financial transactions of the Council have been conducted properly and in accordance with law based on criteria established in the Better Practice Model - Financial Internal Control for South Australia Councils issued by the Local Government Association of South Australia.



AUDIT MILESTONES

We recognise that regular, timely communication with management and the Audit and Risk Committee is critical to maintaining an effective and transparent relationship. Our audit process operates throughout the year so that we can respond to issues as they arise and maintain close communication, with management and the Audit and Risk Committee, as the audit cycle progresses.

We have set out below the timing of significant milestones to include on-site visits, key meeting dates and reporting deadlines with respect to the completion of the audit.

MILESTONE	RESPONSIBILITY	DATE
Draft Audit Plan to be provided to management	BDO & Management	10 March 2023
Audit and Risk Committee meeting and submission of Annual Audit Plan	BDO & Audit and Risk Committee	12 April 2023
Interim Audit visit commences, including review of controls and transactional testing	BDO & Management	15 May 2023
EOY Audit requirements to be uploaded to the client portal	BDO	Early June 2023
Draft Interim Management Letter to be provided to Management for comments	BDO	30 June 2023
Audit and Risk Committee meeting and submission of Interim Management Letter	BDO & Audit and Risk Committee	11 July 2023
Final audit visit commences	BDO & Management	28 August 2023
Draft Financial Statements to be provided to BDO	Management	30 August 2023
Close out meeting with management	BDO & Management	1 September 2023
Audit Clearance and Initial Draft Audit Completion Report delivered to management for comments	BDO & Management	20 September 2023
Issue Final Audit Completion Report with Management Comments (if any) included	BDO	27 September 2023



MILESTONE	RESPONSIBILITY	DATE
Audit and Risk Committee meeting and submission of Audit completion report	BDO & Audit and Risk Committee	10 October 2023
CEO and Mayor of the Council to approve and sign off regulation 14 certification of financial statements and management representation letter	CEO & Mayor	24 October 2023
Certificate of Auditor independence and Audit Report to be signed	BDO	24 October 2023



FEES

The fee for all services provided for the year ending 30 June 2023 is \$33,000 as per our contract. All amounts are exclusive of GST.

ASSUMPTIONS

Our proposed fee is based on our understanding of your current operations and the required scope of the audit. If these alter, the proposed fee will need to be revised.

Our proposed fees do not include any advice or assistance that may be given in respect of accounting issues. Whilst brief ad hoc information provided in the course of our audit is generally included in our proposed fee, formal advice, assistance with complex issues or meetings to discuss these issues falls outside the scope of our proposed fee. Fees for assistance provided will be negotiated prior to services being performed.

Our proposed fee is inclusive of two acquittal audits. Any additional acquittal audits will be conducted at the price of \$850 each.

ASSISTANCE REQUIRED

In order to keep our time and costs to a minimum, we appreciate your assistance with the following:

- ▶ Management providing all deliverables in line with the agreed timetable
- ▶ Assistance from your staff with supporting documentation and explanations during the audit process
- ▶ Disclosure by your staff of all information relevant to the engagement in a timely manner
- ▶ Prior to the commencement of our audit, we will provide you with an audit preparation package.



APPENDIX 1 NEW DEVELOPMENTS

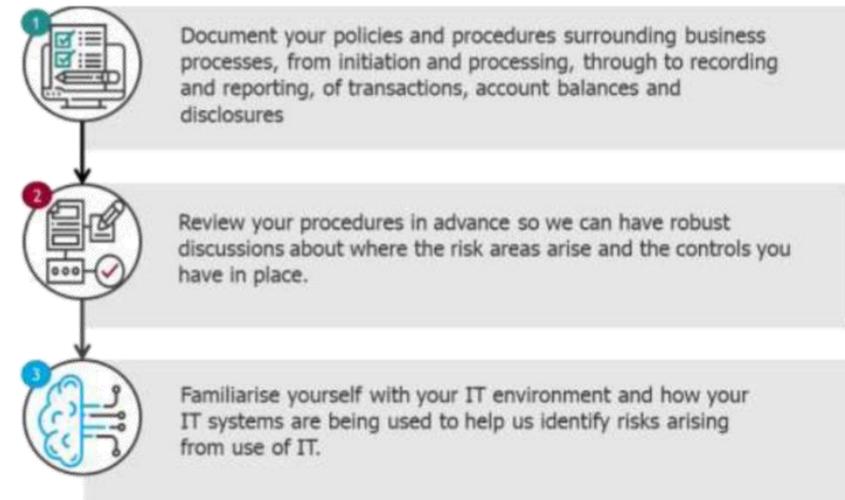
REVISED AUDITING STANDARD - ASA 315, IDENTIFYING AND ASSESSING THE RISKS OF MATERIAL MISSTATEMENT

Australian Auditing Standard 315 *Identifying and Assessing the Risks of Material Misstatement (Revised)* (ASA 315) is effective for financial reporting periods beginning on or after December 15, 2021. It requires a more granular process of identification risks of material misstatement (RMM) in an entity, with a separate assessment of inherent risk and control risk for assertion level RMMs, to drive a more efficient and risk-responsive audit.

HOW HAS IT CHANGED?

- ▶ Requirement to perform a separate assessment of inherent risk and control risk for risks of material misstatement (RMMs) identified at the assertion level
- ▶ Spectrum of inherent risk, based on the likelihood and magnitude of an RMM
- ▶ Use of inherent risk factors (complexity, subjectivity, change, uncertainty or susceptibility to misstatement due to management bias or fraud) to drive risk identification.
- ▶ Identification of 'risks arising from the use of IT' based on integrity of information in the information system; risks arising from ineffective design or non-application of controls
- ▶ Understanding controls over processes that support the effective operation of the IT environment

HOW CAN YOU ASSIST US TO TRANSITION TO THIS REVISED STANDARD?



APPENDIX 2 CLIMATE RISKS AND FINANCIAL REPORTING

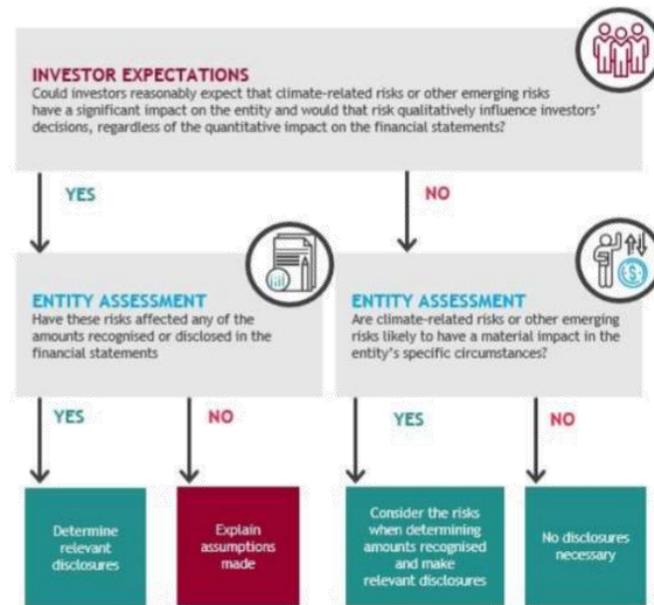
CONSIDERING THE IMPACT OF CLIMATE RISKS IN THE FINANCIAL REPORT

Interest among investors in understanding climate-related risk from companies' management has increased in recent years. Despite this, climate-related risks are currently predominantly discussed outside the financial statements, if at all.

As set out in [AASB/IASB Practice Statement 2 Making Materiality Judgements](#) (APS/PS 2), qualitative external factors such as the industry in which the entity operates and investor expectations may make such risks 'material' and warrant disclosures when preparing financial statements, regardless of their numerical impact. Given investor statements on the importance of climate-related risks to their decision making, the impact of the materiality definition and APS/PS 2 is that entities can no longer treat climate-related risks as merely a matter of corporate social responsibility and may need to consider them also in the context of their financial statements.

Entities preparing financial statements in accordance with Australian Accounting Standards should consider:

- ▶ Whether investors could reasonably expect that emerging risks, including climate-related risks, could affect the amounts and disclosures reported in the financial statements and have indicated the importance of such information to their decision making; and
- ▶ What disclosures about the impact of climate-related risks and other emerging risks on the assumptions made in preparing the financial statements are material to the financial statements in light of the guidance in APS/PS 2, as summarised in the following decision tree from AASB & AUASB



This [AASB & AUASB Joint Bulletin on Climate Change](#) provides guidance on climate-related risk disclosures, key takeaways and recommendations and contains a non-exhaustive list of examples of how climate-related risks could affect the financial statements, as well as the accounting standards that may need to be considered. If you require any assistance in this area, please contact your audit engagement partner initially.



APPENDIX 3 OTHER COMMUNICATIONS

ETHICS AND INDEPENDENCE

In conducting our audit, we are required to comply with the independence requirements of the *Local Government Act 1999*, the *Local Government (Financial Management) Regulation 2011* and Part 4A of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

We obtain independence declarations from all staff engaged in the audit. We also have policies and procedures in place to identify any threats to our independence, and to appropriately deal with and if relevant mitigate those risks.

Should any independence matters arise, we will bring them to your immediate attention.

For the comfort of those charged with governance, we note that the following processes assist in maintaining our independence:

- ▶ Restrictions on BDO employees having financial interests in audit clients
- ▶ No other work is permitted to be undertaken by any BDO division or office without the express approval of the engagement director/partner
- ▶ Services including valuation and similar services are specifically prohibited to be provided by any other BDO office to you
- ▶ All services performed by any BDO division or office have been reported below.

BDO has not provided any other services during the year to City of Salisbury.

COMMUNICATIONS WITH THOSE CHARGED WITH GOVERNANCE

To enhance our communication and to reduce any potential expectation gaps with clients, BDO has adopted a structured reporting system. We will communicate with the Audit and Risk Committee and management through various means. This includes but is not limited to:

- ▶ This audit plan
- ▶ Management letter after audit interim visit
- ▶ The BDO Client Portal
- ▶ An audit completion report at the conclusion of the audit
- ▶ The audit report.



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We have prepared this report solely for the use of City of Salisbury. As you know, this report forms part of a continuing dialogue between the company and us and, therefore, it is not intended to include every matter, whether large or small, that has come to our attention. For this reason we believe that it would be inappropriate for this report to be made available to third parties and, if such a third party were to obtain a copy of this report without prior consent, we would not accept any responsibility for any reliance they may place on it.

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Cr Kylie Grenfell
Presiding Member, Audit and Risk Committee
City of Salisbury
34 Church Street
SALISBURY SA 5108

3 March 2023

Dear Cr Grenfell

ASSURANCE ENGAGEMENTS ON CONTROLS

Design and Operating Effectiveness of Controls

You have requested that we undertake a reasonable assurance engagement on the design of controls established by City of Salisbury in relation to financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities, and the operating effectiveness of these controls throughout the period 1 July 2022 to 30 June 2023 in accordance with the requirements of the *Local Government Act 1999*. The control objectives to be addressed are specified by legislation, which are that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities are conducted properly and in accordance with law.

We are pleased to confirm our acceptance and our understanding of this reasonable assurance engagement by means of this letter. Our assurance engagement will be conducted with the objective of expressing an opinion on the suitability of the design of controls within City of Salisbury's systems to achieve the stated control objectives, and the operating effectiveness of those controls throughout the period.

Responsibilities of the assurance practitioner

We will conduct our assurance engagement in accordance with Standard on Assurance Engagements ASAE 3150 *Assurance Engagements on Controls*. That standard requires that we comply with ethical requirements applicable to assurance engagements and plan and perform procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the control objectives, and the controls operated effectively throughout the period. An assurance engagement involves performing procedures to obtain evidence about the design, description and operating effectiveness of controls.

The procedures selected depend on the assurance practitioner's professional judgement, including the assessment of the risks of material deficiencies in the design or deviations in the operating effectiveness of the controls.

Because of the inherent limitations of an assurance engagement, together with the inherent limitations of any system of controls there is an unavoidable risk that some deficiencies in the design or deviations in the operating effectiveness of controls may not be detected, even though the engagement is properly planned and performed in accordance with Standards on Assurance Engagements.

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The responsibilities of management and identification of the applicable control framework

Our assurance engagement will be conducted on the basis that management acknowledges and understands that they have responsibility:

- a) That throughout the period, in all material respects, and based on suitable criteria:
 - i. The controls within City of Salisbury's system were suitably designed to achieve the identified control objectives; and
 - ii. The controls operated effectively to achieve the control objectives;
- b) For the identification of suitable control objectives which are specified by law in relation to the system;
- c) For the identification of risks that threaten achievement of the control objectives identified;
- d) For design of the system, comprising controls which will mitigate those risks so that those risks will not prevent achievement of the identified control objectives and therefore that the control objectives will be achieved;
- e) For operation of the controls as designed throughout the period;
- f) To provide us with:
 - i. Access to all information of which those charged with governance and management are aware that is relevant to the description of the system and design and operation of the controls within that system;
 - ii. Additional information that we may request from those charged with governance and management for the purposes of this assurance engagement; and
 - iii. Unrestricted access to persons within the entity from whom we determine it necessary to obtain evidence.

As part of our engagement, we will request from management written confirmation concerning representations made to us in connection with the engagement.

Assurance Approach

We will examine and evaluate the controls established by Council in relation to financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities.

Due to the complex nature of internal control, our assurance procedures will not encompass all individual controls at City of Salisbury, but will be restricted to an examination of those controls reported which achieve the control objectives specified by legislation.

Assurance Procedures

Our assurance procedures will include:

- a) Obtaining an understanding of the control environment of City of Salisbury relevant to financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities;
- b) Evaluating the design of specific controls by:
 - i. Assessing the risks that threaten achievement of the control objectives; and
 - ii. Evaluating whether the controls described are capable of addressing those risks and achieving the related control objectives;
- c) Making enquiries, inspecting documents, conducting walk throughs and re-performance of controls to ascertain whether the degree of compliance with controls is sufficient to achieve their control objectives throughout the period.



Assurance Report

The format of the report will be in accordance with ASAE 3150 with respect to reasonable assurance engagements. An example of the proposed report is contained in the appendix to this letter.

Our opinion will be phrased in terms of the suitability of the design of controls to achieve the control objectives and the operating effectiveness of controls as designed.

Material Deficiencies in Design or Deviations in Operating Effectiveness of Controls

We will issue an assurance report without modification, to provide a reasonable assurance conclusion on the controls relevant to financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities where our procedures do not identify a material deficiency in the design of controls necessary to achieve the control objectives, or deviation in the operating effectiveness of controls as designed. For this purpose, a material deviation, misstatement or deficiency exists when:

- a) The controls as designed or the degree of compliance with them will not or may not achieve the control objectives in all material respects; and
- b) Knowledge of that deficiency or deviation would be material to users of the assurance report.

If our assurance engagement identifies that there are material deficiencies in the design or deviations in the operating effectiveness of controls during the period covered by the report, such deficiencies or deviations will be disclosed in our report even if they were corrected prior to the end of the reporting period. However, our report will indicate that such deviations were corrected if that is the case. If any material deficiencies or deviations disclosed in our report have been corrected subsequent to this period (or are in the process of being corrected), we will refer to this in our report.

Although the primary purpose of our assurance engagement will be to enable us to issue the above described report, we may also provide you with a letter containing recommendations for strengthening controls if such matters are observed during the process of the assurance engagement. Although issues raised may not represent deficiencies in design or deviations in operating effectiveness of the controls which are material to our conclusion, our recommendations will address areas where we believe controls could be improved.

We look forward to full cooperation from your staff during our assurance engagement.

Terms of Trade

The terms of this engagement are per the professional services agreement for external audit services PCMS Ref: 11426.

Yours faithfully

BDO Audit Pty Ltd

A handwritten signature in blue ink, appearing to read 'Andrew Tickle', is written over a light blue horizontal line.

Andrew Tickle
Director



APPENDIX 1

DRAFT INDEPENDENT ASSURANCE REPORT ON THE INTERNAL CONTROLS OF CITY OF SALISBURY

Opinion

We have undertaken a reasonable assurance engagement on the design and the operating effectiveness of controls established by City of Salisbury (the Council) in relation to financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities, throughout the period 1 July 2022 to 30 June 2023 relevant to ensuring such transactions have been conducted properly and in accordance with law.

In our opinion, in all material respects:

- (a) The controls established by Council in relation to financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities were suitably designed to ensure such transactions have been conducted properly and in accordance with law; and
- (b) The controls operated effectively as designed throughout the period from 1 July 2022 to 30 June 2023.

Basis for opinion

We conducted our engagement in accordance with Standard on Assurance Engagements ASAE 3150 *Assurance Engagements on Controls* issued by the Auditing and Assurance Standards Board.

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

The Council's responsibilities for the internal controls

The Council is responsible for:

- a) The receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities;
- b) Identifying the control objectives
- c) Identifying the risks that threaten achievement of the control objectives
- d) Designing controls to mitigate those risks, so that those risks will not prevent achievement of the identified control objectives; and
- e) Operating effectively the controls as designed throughout the period.

Our independence and quality control

We have complied with the independence and other relevant ethical requirements relating to assurance engagements, and apply Auditing Standard ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements* in undertaking this assurance engagement.



Assurance practitioner's responsibilities

Our responsibility is to express an opinion, in all material respects, on the suitability of the design to achieve the control objectives and the operating effectiveness of controls established by Council in relation to financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities. ASAE 3150 requires that we plan and perform our procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the control objectives and the controls operated effectively throughout the period.

An assurance engagement to report on the design and operating effectiveness of controls involves performing procedures to obtain evidence about the suitability of the design of controls to achieve the control objectives and the operating effectiveness of controls throughout the period. The procedures selected depend on our judgement, including the assessment of the risks that the controls are not suitably designed or the controls did not operate effectively. Our procedures included testing the operating effectiveness of those controls that we consider necessary to achieve the control objectives identified. An assurance engagement of this type also includes evaluating the suitability of the control objectives.

Limitations of controls

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

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

BDO Audit Pty Ltd

Andrew Tickle
Director
Adelaide, XX Month 2023



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Cr Kylie Grenfell
Presiding Member, Audit and Risk Committee
City of Salisbury
34 Church Street
SALISBURY SA 5108

3 March 2023

Dear Cr Grenfell

TERMS OF ENGAGEMENT - AUDIT

The purpose of this letter is to set out the basis on which BDO Audit Pty Ltd (BDO) acts as auditors of City of Salisbury (the Council) and the respective areas of responsibility of the Council's officers and of BDO.

Audit of the financial report

The objective and scope of the audit

You have requested that we audit the financial report of City of Salisbury which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies, and the certification of the financial statements of the consolidated entity comprising the Council and the entities it controlled at the year's end or from time to time during the financial year.

We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter.

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

The responsibilities of the auditor

We will conduct our audit in accordance with Australian Auditing Standards. Those standards require that we comply with ethical requirements. As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies in internal control relevant to the audit of the financial report that we have identified during the audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with Australian Auditing Standards.

The responsibilities of management and identification of the applicable financial reporting framework

Our audit will be conducted on the basis that the Council's officers acknowledge and understand that they have responsibility:

- a) For the preparation and fair presentation of the financial report in accordance with the *Local Government Act 1999* and *Local Government (Financial Management) Regulations 2011* made under that Act and Australian Accounting Standards
- b) For such internal control as the Council's officers determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error and
- c) To provide us with:
 - i. Access to all information of which the Council's officer and management are aware that is relevant to the preparation of the financial report whether obtained from within or outside of the general and subsidiary ledgers, such as records, documentation and other matters including access to information relevant to disclosures;
 - ii. Additional information that we may request from the Council's officers and management for the purpose of the audit; and



- iii. Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence;
- d) To inform us of any documents that you expect to issue that may comprise other information;
 - i. If the other information is provided prior to the auditor's report date; the financial report and any other information obtained prior to the date of the auditor's report will be consistent with one another, and the other information will not contain any material misstatements;
 - ii. If the other information is not provided prior to the auditor's report date; to provide and/or issue such other information that will enable us to complete our required procedures.

As part of our audit process, we will request from management and where appropriate, those charged with governance, written confirmation concerning representations made to us in connection with the audit.

We look forward to full cooperation from your staff during our audit.

Other requirements

Council's officers will inform us of any material event occurring between the date of our report and the date of issue of the financial report, which may affect the financial report.

Expected form and content of the auditor's report

We have included an example audit report in Appendix 1 to this letter, which reflects the form and content of the auditor's report, in the circumstance where the auditor has concluded that an unmodified opinion is appropriate based on the audit evidence obtained, including the reporting on other information. The form and content of our report may vary from the example in light of our audit findings.

Fees

Our audit fees are detailed in the annual audit plan and consistent with our audit tender.

Our fees are based on our understanding of your current operations and the required scope of the engagement. If these alter, the proposed fee will need to be revised.

Our fees do not include any advice or assistance that may be given in respect of accounting issues. Whilst brief ad hoc advice provided in the course of our engagement is generally included in our proposed fee, formal advice, assistance with complex issues or meetings to discuss these issues which necessitate increased professional time will fall outside the scope of our proposed engagement fee. Fees for any assistance provided in this regard will be negotiated prior to the services being performed.

The fees assume that all engagement schedules and reports will be available upon commencement of the engagement and that the financial report will be prepared by your staff. If schedules and reports are not provided within the agreed timetable, additional costs may be incurred and charged to you.

Should these assumptions not remain valid, we will inform you prior to the occurrence of additional costs.



Other matters under the Local Government Act 1999

Independence

We confirm that, to the best of our knowledge and belief, we currently meet the independence requirements of the *Local Government Act 1999* in relation to the audit of the financial report. In conducting our audit of the financial report, should we become aware that we have contravened the independence requirements of the *Local Government Act 1999*, we shall notify you on a timely basis. As part of our audit process, we shall also provide you with a written independence declaration as required by the *Local Government Act 1999*.

Enquiries from oversight bodies

Council's officers shall notify BDO of any enquiries, such as financial reporting surveillance enquiries, from any oversight body that relate to the audit engagement as soon as practicable.

Presentation of the audited financial report on the internet

If you intend to electronically present the audited financial report and auditor's report on your web site or any other digital media, the security and controls over information on the relevant web site shall be addressed by the entity to maintain the integrity of the data presented. The examination of the controls over the electronic presentation of audited financial information on the entity's web site is beyond the scope of the audit of the financial report. Responsibility for the electronic presentation of the financial report on the entity's web site is that of the governing body of the entity.

Terms of trade

The terms of this engagement are per the professional services agreement for external audit services PCMS Ref: 11426.

Yours faithfully

BDO Audit Pty Ltd

A handwritten signature in blue ink, appearing to read 'Andrew Tickle', is written over a light blue rectangular background.

Andrew Tickle
Director



Appendix 1

EXAMPLE INDEPENDENT AUDITOR'S REPORT TO THE PRINCIPAL MEMBER OF CITY OF SALISBURY

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of City of Salisbury (the Council), which comprises the statement of financial position as at 30 June 2023, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the certification of the financial statements.

In our opinion the accompanying financial report presents fairly, in all material respects, the Council's financial position as at 30 June 2023, and its financial performance and its cash flows for the year ended in accordance with Australian Accounting Standards, the *Local Government Act 1999*, and the *Local Government (Financial Management) Regulations 2011*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Council in accordance with the Local Government Act 1999 and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Local Government Act 1999*, which has been given to the Council, would be in the same terms if given to the Council as at the time of this auditor's report.

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

Information Other than the Financial Report and Auditor's Report Thereon

Management is responsible for the other information. The other information obtained at the date of this auditor's report is the annual reports of Northern Adelaide Waste Management Authority for the year ended 30 June 2023.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report of the City of Salisbury, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Council's Responsibility for the Financial Report

The Council's officers are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* and for such internal control as the Council's officers determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at: http://www.auasb.gov.au/auditors_files/ar4.pdf.

This description forms part of our auditor's report.

BDO Audit Pty Ltd

Andrew Tickle
Director
Adelaide, XX Month 20XX

CONTROLS SELECTED FOR TESTING

BPM Control	BPM Risk Category	BPM Business Process	BPM Risk #	BPM Control #
Process to establish the annual budget and ensure that it is consistent with the Annual Business Plan and Strategic Management plans.	Strategic Financial Planning	Budgets	R1	C1
Budgets and budget amendments are based on realistic and achievable assumptions at time of preparation.	Strategic Financial Planning	Budgets	R2	C1
The adopted budget and budget amendments approved by Council are reviewed and the impact on financial sustainability considered.	Strategic Financial Planning	Budgets	R2	C2
All major updates and changes to General Ledger finance system are authorised, tested and documented.	Strategic Financial Planning	General Ledger	R1	C1
Access to General Ledger maintenance is restricted to appropriately authorised personnel.	Strategic Financial Planning	General Ledger	R1	C2
Reconciliation of all balance sheet accounts is completed in accordance with a schedule of review and/or procedure.	Strategic Financial Planning	General Ledger	R1	C3
All balance sheet reconciliations are reviewed by a person other than the preparer at least annually.	Strategic Financial Planning	General Ledger	R1	C4
Journal entry access is restricted to appropriately authorised personnel.	Strategic Financial Planning	General Ledger	R1	C5
Amendments to the structure of the General Ledger framework and accounts are reviewed and approved by appropriately authorised personnel.	Strategic Financial Planning	General Ledger	R1	C7
Bank reconciliations are performed on a predetermined basis and are reviewed by an appropriate person. Any identified discrepancies are investigated.	Assets	Banking	R2	C2
There is a process in place to ensure all cash collected is adequately recorded and banked regularly.	Assets	Banking	R2	C4
Journals are processed regularly for all investments and a reconciliation process is in place to verify accuracy of transactions.	Assets	Investments	R2	C2
Journals are processed regularly for all investments and a reconciliation process is in place to verify accuracy of transactions.	Assets	Investments	R3	C2
Debtor's reconciliation is performed on a regular basis to the General Ledger and reviewed by an appropriate person.	Assets	Debtors	R1	C1
Relevant staff reviews sundry debtors ageing profile on a regular basis and investigates any outstanding items, and considers provision for doubtful debts at year end.	Assets	Debtors	R3	C1

Bad debt write-offs and movements in the provision for doubtful debts for Sundry Debtors are processed in accordance with delegations of authority and Local Government Act.	Assets	Debtors	R3	C2
Access to the debtor's master file is restricted to appropriately designated personnel and is reviewed by relevant staff for accuracy and on-going pertinence.	Assets	Debtors	R5	C1
There is a process in place to ensure changes to the debtors master file are compared to source documents to ensure they are inputted accurately	Assets	Debtors	R5	C2
There is a process in place for the verification of fixed assets which is reconciled to the FAR.	Assets	Fixed Assets	R1	C1
Recorded changes to the FAR and/or masterfile are approved by appropriate staff compared to authorised source documents and General Ledger to ensure accurate input.	Assets	Fixed Assets	R1	C2
All fixed asset acquisitions and disposals are approved in accordance with Delegation of Authority and relevant Procurement and Fixed Asset Policies.	Assets	Fixed Assets	R1	C3
Maintenance of the fixed asset register is limited to appropriate staff with consideration to segregation of duties.	Assets	Fixed Assets	R1	C4
Council has an asset accounting policy which details thresholds for recognition of fixed assets which is monitored to ensure adherence.	Assets	Fixed Assets	R1	C5
Reconciliation of fixed assets to the General Ledger is performed in accordance with schedule of review or procedure.	Assets	Fixed Assets	R1	C6
Asset register calculations are reviewed for accuracy.	Assets	Fixed Assets	R1	C7
Fixed assets are recorded on acquisition, creation or when provided free of charge to facilitate accurate identification of assets and recording of details with regards to the Asset Accounting Policy.	Assets	Fixed Assets	R1	C8
Relevant staff review useful lives, residuals, valuations, depreciation methodology and test for impairment as required by Accounting Standards and legislation to ensure that methods used are still appropriate and significant changes are incorporated into Asset Management Plans.	Assets	Fixed Assets	R3	C1
Profit or loss on disposal calculations can be substantiated and verified with supporting documentation.	Assets	Fixed Assets	R3	C2

Depreciation charges are calculated in accordance with the asset accounting policy and compliant with relevant accounting standards, including the useful life, depreciation method and residual values.	Assets	Fixed Assets	R4	C1
Asset Management Plans are prepared and renewal expenditure and programmed maintenance required is reviewed periodically to reflect changing priorities, additional asset data and other relevant factors.	Assets	Fixed Assets	R5	C1
Asset Management Plans for all major asset classes are adopted and reviewed by Council as required by the Local Government Act 1999.	Assets	Fixed Assets	R5	C2
Access to the supplier masterfile is restricted to authorised staff	Liabilities	Accounts Payable	R5	C1
Recorded changes to the supplier master file are compared to authorised source documents to ensure that they were input accurately.	Liabilities	Accounts Payable	R5	C2
Separation of Accounts Payable and Procurement duties.	Liabilities	Accounts Payable	R5	C3
Accrued expenses reconciliations are completed in accordance with a schedule of review and/or procedure.	Liabilities	Accrued Expenses	R1	C1
A loan register is maintained including reference to Council resolution approving the loan and schedule of the loan liability and loan repayments from the lender. This also includes details of any Cash Advanced Debentures.	Liabilities	Borrowings	R1	C1
Debt repayments are transacted and recorded in the correct accounting period, and are reconciled to ensure they are matched to the loan schedule where applicable.	Liabilities	Borrowings	R1	C2
A review is undertaken to identify unrecorded loan liabilities at key reporting dates.	Liabilities	Borrowings	R1	C3
All loans are in accordance with treasury management policy(ies) which outline appropriate approval mechanisms and authority required.	Liabilities	Borrowings	R2	C2
Rates are automatically generated by the rate system, including the calculation of rate rebates and other parameters as applicable.	Revenue	Rates / Rates Rebates	R1	C1
All software changes to rate modelling functionality fully tested and reviewed by relevant staff.	Revenue	Rates / Rates Rebates	R1	C2
There is a rating policy in place that is reviewed annually that provides clear guidance on rating methodology and relevant rebates and remissions in line with legislation.	Revenue	Rates / Rates Rebates	R1	C3
Rates are automatically generated by the rate system, including the calculation of rate rebates and other parameters as applicable.	Revenue	Rates / Rates Rebates	R2	C1

Annual valuation update is balanced prior to the generation of rates; all mismatches resolved prior to finalising rate generation.	Revenue	Rates / Rates Rebates	R2	C2
All rate rebates and adjustments including write offs are appropriately authorised, with reference to Delegations of Authority and source documents.	Revenue	Rates / Rates Rebates	R2	C3
Rates are generated and tested for accuracy of calculation methodology prior to the rates billing run.	Revenue	Rates / Rates Rebates	R2	C4
Employees responsible for processing rate payments and rebates cannot process their own payments or rebates unless the transaction is approved by someone independent of the process	Revenue	Rates / Rates Rebates	R2	C5
Recorded changes to property master file data and any rate adjustments are compared to authorised source documents to ensure that they were input accurately. An audit trail is maintained for all changes.	Revenue	Rates / Rates Rebates	R3	C1
Access to the Property master file is restricted to appropriately designated personnel, with a process in place to ensure changes are in line with policies and procedures.	Revenue	Rates / Rates Rebates	R3	C2
Management and/or Council to approve all tied grants (prior to funds being received by Council) to ensure that Council will be able to meet the terms and obligations of the grant.	Revenue	Grants	R1	C1
There is a process in place for the regular review of all grant income to monitor compliance with the terms of the grant.	Revenue	Grants	R2	C1
There is a process in place to ensure that grant funding received is reconciled to the budget and the funding agreement.	Revenue	Grants	R3	C2
There is a process in place to establish fees and charges (including GST treatment) which are reviewed annually and adopted by Council.	Revenue	Fees for Service	R1	C1
Fees and Charges register is maintained and made available to the public.	Revenue	Fees for Service	R1	C3
There is a process in place to establish fees and charges (including GST treatment) which are reviewed annually and adopted by Council.	Revenue	Fees for Service	R2	C1
There is a process in place to manage and reconcile bonds and deposits.	Revenue	Fees for Service	R2	C3
There is a process in place to ensure that amounts charged are in accordance with the Council's Fees and Charges register.	Revenue	Fees for Service	R3	C1

Council has a Procurement Policy that provides direction on acceptable methods and the process for procurement activities to ensure transparency and value for money within a consistent framework, with consideration of any potential conflicts of interest.	Expenses	Purchasing & Procurement	R1	C1
Employees must ensure all purchases are in accordance with Council's Procurement Policy and approved in accordance with the Delegations of Authority and other relevant policies.	Expenses	Purchasing & Procurement	R1	C2
Employees must ensure all purchases are in accordance with Council's Procurement Policy and approved in accordance with the Delegations of Authority and other relevant policies.	Expenses	Purchasing & Procurement	R2	C1
Purchase order numbers are either system generated and/or sequentially numbered.	Expenses	Purchasing & Procurement	R3	C1
There is a process in place to ensure all invoices for payment are matched to relevant source documents such as purchase orders where applicable and are in line with Procurement Policy guidelines.	Expenses	Purchasing & Procurement	R3	C2
Employees must ensure all purchase orders are issued in accordance with Council's Procurement Policy and approved in accordance with the Delegations of Authority and other relevant policies.	Expenses	Purchasing & Procurement	R4	C1
Access to the supplier master file and ability to make changes is restricted to appropriately authorised staff.	Expenses	Purchasing & Procurement	R5	C1
There is a process to ensure all overtime is verified and approved by relevant appropriate staff.	Expenses	Payroll	R1	C2
There is a process in place to ensure accurate data entry of payroll source documents.	Expenses	Payroll	R1	C3
All calculations for generating payroll payments are verified for accuracy.	Expenses	Payroll	R1	C4
The payment of the payroll is authorised by appropriate staff not involved in the preparation of the payroll.	Expenses	Payroll	R2	C1
Payroll system generates audit reports detailing all payroll changes and there is a process in place to ensure all changes are reviewed and verified against source documents.	Expenses	Payroll	R2	C2
There is a process in place to ensure employees are not added to the payroll masterfile, nor details amended or amounts paid without receipt of the appropriate forms which have been authorised by relevant staff.	Expenses	Payroll	R2	C3

Employee records to include employment details and/or contract terms and conditions, authorisations for payroll deductions and leave entitlements.	Expenses	Payroll	R2	C4
There is a segregation of duties from those preparing the payroll to those responsible for preparation of source documents (e.g. timesheets, leave requests etc).	Expenses	Payroll	R2	C5
Any non-routine payroll queries or unusual payroll transactions/request are referred to management for investigation.	Expenses	Payroll	R2	C6
There is a process to ensure employees are made inactive in payroll records upon termination.	Expenses	Payroll	R2	C7
The payment for the payroll must be reconciled to a system generated report detailing amount and employee prior to payment.	Expenses	Payroll	R2	C8
There is a process to ensure all overtime is verified and approved by relevant appropriate staff.	Expenses	Payroll	R3	C1
There is a process to ensure the total of payment summaries for the year is reconciled to the general ledger and payroll and is appropriately reviewed.	Expenses	Payroll	R3	C2
Relevant staff are required to complete timesheets and/or leave forms, authorise them and have approved by the relevant supervisor.	Expenses	Payroll	R3	C3
There is a process in place to ensure accurate data entry of payroll source documents.	Expenses	Payroll	R3	C4
The ability to access, modify or transfer information contained in the payroll master files is restricted to authorised staff.	Expenses	Payroll	R4	C1
The listing of payroll deductions is periodically reviewed by relevant staff for accuracy, compliance with statutory requirement and ongoing pertinence with changes compared to authorised source documents to ensure that they were input accurately.	Expenses	Payroll	R5	C1
All payroll deductions must be approved by the relevant employee.	Expenses	Payroll	R5	C2
There is a process in place to ensure termination payments comply with relevant policies, procedures and legislation.	Expenses	Payroll	R6	C1
There is a process in place to ensure that all other expenses are accurately recorded and there is an audit trail.	Expenses	Other expenses	R1	C1
There are robust and transparent evaluation and selection processes in place to engage contractors where relevant in accordance with the Code of Conduct, Conflict of Interest and Procurement Policy.	External services	Contracting	R1 / R2	C1 / C1

There is a process in place to ensure that commitments are made with approval by Council or delegated staff.	External services	Contracting	R1 / R3	C4 / C1
There is a contract management process throughout the term of the contract to ensure that supplier/contractor meet their obligations.	External services	Contracting	R2	C3

Item 7.1.1 - Attachment 4 - Controls Selected for Testing

ITEM	7.1.2
	AUDIT AND RISK COMMITTEE
DATE	12 April 2023
HEADING	Draft 2023/24 Long Term Financial Plan and Annual Business Plan
AUTHOR	Manager Financial Services, Business Excellence
CITY PLAN LINKS	4.4 We plan effectively to address community needs and identify new opportunities 4.2 We deliver quality outcomes that meet the needs of our community
SUMMARY	The Draft 2023/24 Long Term Financial Plan and Annual Business Plan is presented to the Audit and Risk Committee for consideration prior to presentation to Council for endorsement for Public Consultation at the April round of meetings.

RECOMMENDATION

That Council:

1. Notes that the Audit Committee has reviewed the Council's Draft 2023/24 Long Term Financial Plan and Annual Business Plan in accordance with s126(4)(a,b) of the *Local Government Act 1999*.
2. Notes that the Audit and Risk Committee have considered the following which have been included in the Draft 2023/24 Long Term Financial Plan and Annual Business Plan (LTFP&ABP) as required by S122(1h) of the *Local Government Act 1999*:
 - a. "ESCOSA Advice Strategic Management Plan Scheme" proposed Action Plan (commencing page 20 of the Draft LTFP&ABP)
and
 - b. "ESCOSA Advice and City of Salisbury Comments" (commencing page 135 of the Draft LTFP&ABP)
3. Notes that the Audit and Risk Committee has considered the scenarios provided within this report and has formed the view that a rate increase of **(to be determined)** % is appropriate to maintain Council's financial sustainability balanced with the needs of the community for affordability, and further the committee advised that should Council determine a rate increase of less than 6.5% consideration should be given to reduction in service levels.

ATTACHMENTS

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

1. Draft 2023/24 Long Term Financial Plan and Annual Business Plan
2. Financial Sustainability Ratio Graphs

1. BACKGROUND

- 1.1 The Annual Budget process is in progress with Council workshops during March, and the Finance and Corporate Services Committee. The draft Long Term Financial Plan (LTFP) was presented at the third budget workshop on 29 March 2023, which followed initial discussions of the LTFP in February.
- 1.2 The Draft 2023/24 Long Term Financial Plan and Annual Business Plan (ABP), Attachment 1, has been developed for Council's consideration and approval to commence public consultation and will continue to be updated to reflect all decisions of Council prior to public consultation commencing.
- 1.3 The attachment has been prepared with consideration of the feedback that was provided at the Third Budget Workshop 29 March 2023. The attachment will be considered formally at the Finance and Corporate Services Committee Meeting 17 April 2023, as will the rate increase for consultation, with Council to further consider and resolve at the Council Meeting 24 April 2023 and pending advice from the Audit and Risk Committee.
- 1.4 The Budget and LTFP process is well progressed with Council with the intent to go to community consultation in May. This report provides the opportunity for Council to seek advice from the Audit and Risk Committee, and meet the requirements of S126(4)(ab) of the *Local Government Act 1999*.

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 and a series of workshops and meetings with Council have been held to enable discussion and review of the draft budget, including budget bids and the LTFP.

2.2 External

- 2.2.1 Community consultation will commence in May following endorsement by Council of a Draft Long-Term Financial Plan and Annual Business Plan.

3. ESSENTIAL SERVICES COMMISSION OF SA

- 3.1 As part of the Local Government reforms the Essential Services Commission of SA (ESCOSA) has commenced the Local Government Advice scheme, with City of Salisbury being a first tranche Council.
- 3.2 ESCOSA requested standard information from all councils being:

Key dates	Information	Reference
01 August 2022 to 15 August 2022	<ul style="list-style-type: none"> Data template sent to councils to verify and provide updated data 	ESCOSA data template
15 August 2022	Councils to provide the following information: <ul style="list-style-type: none"> Current Long Term Financial Plan Current Information and Asset Management Plan Current CEO financial sustainability report Current Audit Committee review 	LG Act 122(1a) LG Act 122(1a) LG Act 122(4a) LG Act 126(4)
30 September 2022	<ul style="list-style-type: none"> Updated data template returned to ESCOSA Councils to provide the following information: <ul style="list-style-type: none"> Material amendments made or proposed to be made to the council's long-term financial plan and infrastructure and asset management plan and the council's reasons for those amendments Revenue sources outlined in the funding plan (being a component of the LTFP), and Any other matter prescribed by the regulations. 	ESCOSA data template LG Act 122(1e) LG Act 122(1e) LG Act 122(1e)

- 3.3 ESCOSA then made four further contacts with the City of Salisbury to gain further information.
- 3.4 ESCOSA issued an embargoed copy of its Advice on Tuesday 21 February 2023 at 3pm, and would only accept responses from councils with respect to Errors of Fact by 12pm Monday 27 February 2023. ESCOSA issued final Advice 28 February 2023.
- 3.5 The report contains 9 items of Advice. It should be noted that councils may decide not act on the Advice, however, where relevant or pertinent it would be appropriate to do so to continue to improve our outcomes, and to gain some value from the \$40k that ESCOSA has charged for this advice.
- 3.6 The 9 items of Advice have been considered by the administration and included in the attached Draft LTFP&ABP at page 20 immediately following the LTFP. This report provides the Audit and Risk Committee the opportunity to review and provide input into the action plan, which will then be considered by Council.
- 3.7 In addition to the 9 items, the Advice contains a number of perspectives, assertions and conclusions which do not fully represent the circumstances or perspectives of the City of Salisbury. As the 17 pages of ESCOSA Advice must be published in the LTFP&ABP comments have been prepared in response to support readers of the ESCOSA Advice in gaining a broader or more holistic perspective. This has been included at page 135 of the Draft 2023/24 LTFP&ABP.

4. BUDGET UPDATE AND LONG-TERM FINANCIAL PLAN

- 4.1 Council has considered the 2024 budget and LTFP through a number of workshops over February and March. At the Budget Workshop 29 March 2023 the LTFP was considered with 3 rate increase scenarios presented and these are summarised in the table below.
- 4.2 Also modelled was the average rate increase set at CPI in year 1, and then CPI+0.6% ongoing, and also a scenario with the average rate increase set at ongoing CPI was also considered to support the understanding of the significant deficits that result from this option.
- 4.3 Since this workshop an adjustment has been made to reflect the Budgeted Deficit of NAWMA, which resulted in an Equity Accounted Loss of \$739k, which also reduces the Operating Surplus in the same amount. The tables and graphs in this report reflect this updated position.
- 4.4 As a result of the Budget Workshop 29 March, a further scenario has been prepared based on CPI+0.6% in year 1, being an 8.5% rate increase.
- 4.5 In summary the scenarios are:

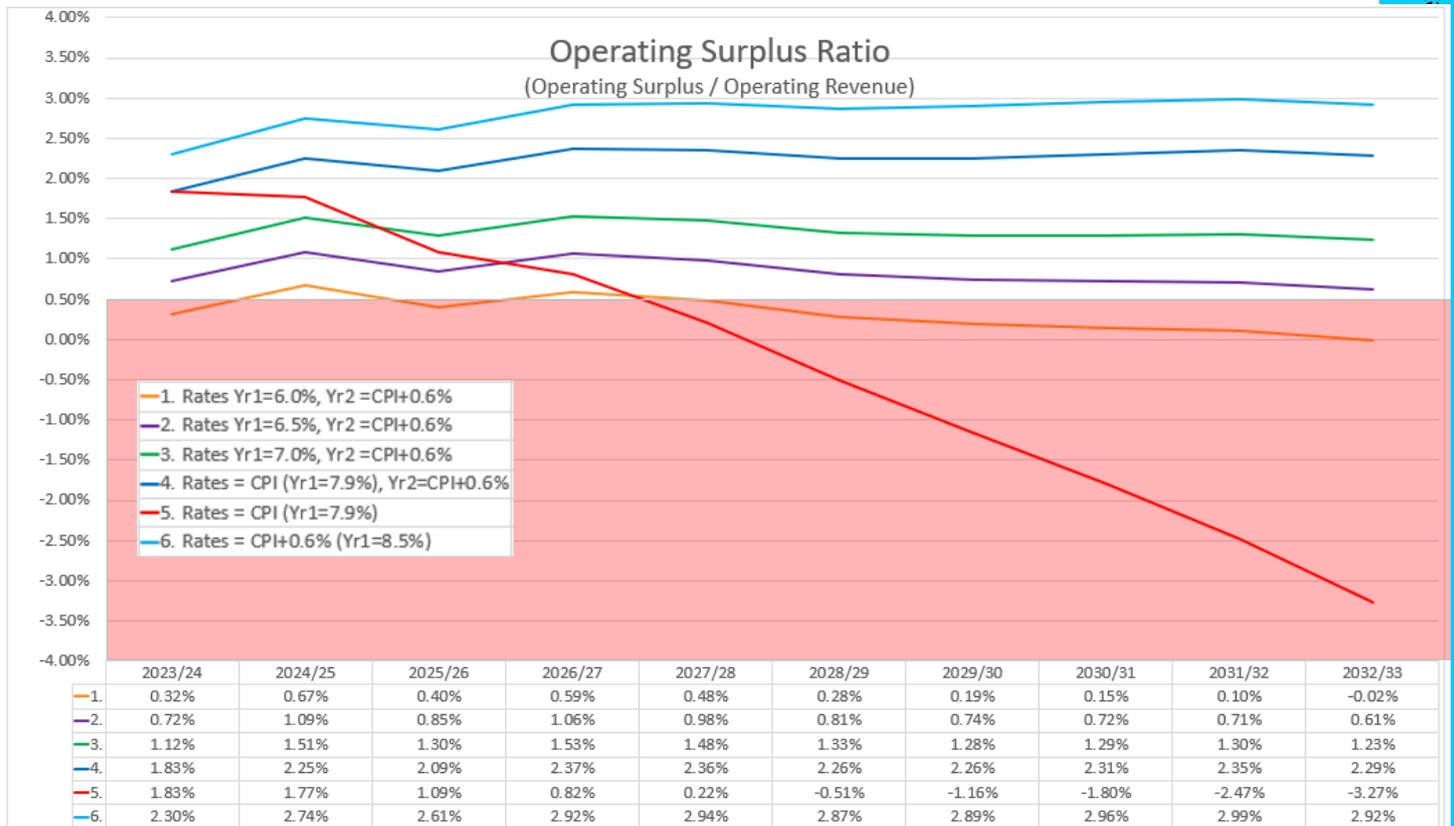
		Scenario Rate Increase		
		Year 1	Year 2	Year 3
1	Rates Yr1=6.0%, Yr2 onwards=CPI+0.6%	6.0%	4.4%	3.2%
2	Rates Yr1=6.5%, Yr2 onwards =CPI+0.6%	6.5%	4.4%	3.2%
3	Rates Yr1=7.0%, Yr2 onwards CPI+0.6%	7.0%	4.4%	3.2%
4	Rates @ CPI, Yr2 onward CPI+0.6%	7.9%	4.4%	3.2%
5	Rates @ CPI	7.9%	3.8%	2.6%
6	Rates @ CPI+0.6% across all years	8.5%	4.4%	3.2%

- 4.6 Graphs of these scenario are provided in Attachment 2 for reference.
- 4.7 Results of these Scenarios is presented in the table below:

		OSR	NFLR	ARFR
1	Rates Yr1=6.0%, Yr2 onwards=CPI+0.6%	✗	✓	✓
2	Rates Yr1=6.5%, Yr2 onwards =CPI+0.6%	✓	✓	✓
3	Rates Yr1=7.0%, Yr2 onwards CPI+0.6%	✓	✓	✓
4	Rates @ CPI, Yr2 onward CPI+0.6%	✓	✓	✓
5	Rates @ CPI	✗	✓	✓
6	Rates @ CPI+0.6% across all years	✓	✓	✓

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

4.8 Option 2 (6.5%) Option 3 (7.0%), Option 4 (7.9%) and Option 6 (8.5%) result in ongoing surpluses over the 10 year projections, however Option 1 (6.0%) and Option 5 (ongoing CPI) do not provide for ongoing financial sustainability as detailed in the graph below:



4.9 Since preparing these scenarios there has been no opportunity to consider inflation further (March 2022 CPI to be released 26 April 2023), with the understanding that inflation may vary to the Deloitte Access Economics forecast at December 2022 (used in the modelling).

Budget Impacts

4.10 The 12 months Adelaide CPI at Dec 2022 quarter was 8.6% with Deloitte Access Economics forecasting 7.9% annual CPI to June 2023 in their December Business Outlook Report, which underpinned some of the scenarios presented on the 29 March 2023.

4.11 The CoS budget has been set with a strong focus on cost containment, and consequently there may be cost increases that flow into 2023/24 financial year as contracts are renewed beyond the provision provided in the budget. This is always the case, that the budget lags behind actual inflation, and with a significant increase in inflation anticipated, managing within budgeted levels is a greater risk than in more typical years.

4.12 The increase in CPI and fuel prices is also expected to have increases into our valuation of our assets at the end of the financial year, which then impacts on the cost of depreciation into 2023/24. We have utilized a higher unit rate of escalation than in previous years to mitigate, however there is still risk that the actual escalation required will be higher than what has been provided.

- 4.13 In addition to the current economic variability and potential impact on expenditure, there may be further decisions that Council will take in relation to the 2023/24 budget.
- 4.14 Also unknown at this time is the level of rate growth and additional rate revenue from other development activities. Combined, this impact has been estimated at 1% in the LTFP, and this is close to being achieved with 0.45% having flowed through rates data to date. What further movements is to come from the Valuer General is unknown at this stage.
- 4.15 The need to remain financially sustainable, the high level of inflation, and the impact of rates on household budgets requires careful consideration. The impact of the various scenarios on the proposed average residential rate (2022/23 \$1,484) and also on minimum rates (2022/23 \$1,081) is detailed below:

	OSR	NFLR	ARFR	Average Residential Rate Increase		Min Rate Increase	
				p.a.	p.wk	p.a.	p.wk
1 Rates Yr1=6.0%, Yr2 onwards=CPI+0.6%	✗	✓	✓	\$ 89.04	\$ 1.71	\$ 64.86	\$ 1.25
2 Rates Yr1=6.5%, Yr2 onwards =CPI+0.6%	✓	✓	✓	\$ 97.20	\$ 1.87	\$ 70.81	\$ 1.36
3 Rates Yr1=7.0%, Yr2 onwards CPI+0.6%	✓	✓	✓	\$ 103.88	\$ 2.00	\$ 75.67	\$ 1.46
4 Rates @ CPI, Yr2 onward CPI+0.6%	✓	✓	✓	\$ 117.24	\$ 2.25	\$ 85.40	\$ 1.64
5 Rates @ CPI	✗	✓	✓	\$ 117.24	\$ 2.25	\$ 85.40	\$ 1.64
6 Rates @ CPI+0.6% across all years	✓	✓	✓	\$ 126.14	\$ 2.43	\$ 91.89	\$ 1.77

- 4.16 A presentation summarising the LTFP will also be provided to the Audit & Risk Committee as part of this agenda item.
- 4.17 The Draft Strategic Asset Management Plan on the agenda for tonight's meeting, is aligned to the financials in all scenarios of the LTFP, with the Asset Renewal Funding Ratio funded at 100% over the life of the plan scenarios.

5. CONSIDERATION OF A RATE INCREASE

- 5.1 Based on the information provided in this report, the Audit & Risk Committee is asked to consider the appropriate range of rate increases that balance the financial impacts on the community, while also maintaining the financial viability for Council to continue delivering the required services and also respond to emerging needs.
- 5.2 The options that provides a level of funding that will allow Council to maintain a small operating surplus and minimize the impact on the community are Options 2-5 with ongoing rate increases from year 2-10 at CPI +0.6%, consistent with previous years.
- 5.3 As such the Audit & Risk Committee is asked to consider the merits of a recommendation to Council of a rates increase within the range of 6.5% (option 2) to 7.9% (Option 5), with any increase below 6.5% needing some consideration of reduced service levels as part of the work already being undertaken on the Strategic Asset Management Plan.

- 5.4 Due to the risk of further cost pressures across the budget year as various contracts that are market tested result in above budget increases, the scenario at 7% (Option 3) or above would be prudent to provide a greater capacity to respond to these type of events during the year.

Draft 2023/24 LTFP & ABP Consultation

- 5.5 Public consultation is planned to be conducted during May with the intended closing date for submissions being Wednesday 24 May 2023. Time will be made available at the commencement of the Council Meeting on the 22 May 2023 for verbal representations.
- 5.6 Advertising is planned to be placed in the Advertiser on Wednesday 3 May 2023, and the Draft 2023/24 LTFP & ABP will be made available on the City of Salisbury website and social media platforms. 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 Draft LTFP & ABP by clicking on an embedded link.

6. CONCLUSION / PROPOSAL

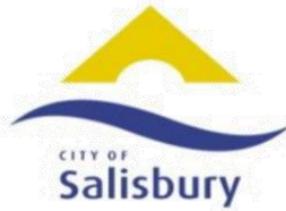
- 6.1 The Draft 2023/24 LTFP & ABP has been prepared on the basis of information available as a result of budget workshops and meetings up to the end of March.
- 6.2 Various scenarios have been developed to understand the impacts on Council's financial capacity, ranging from 6.5% to 8.5%. It is recognised that a rate increase in the higher ranges may be more viable for Council's financial capacity and that this needs to be balanced against the impact on the community who are dealing with other cost of living pressures.
- 6.3 After an assessment of the various scenarios, it is being recommended that Council gives consideration to a rate increase within the range of 6.5% to 7.9%.
- 6.4 If the rate increase is below 6.5%, then it is also recommended that consideration be given by Council on assessing service levels within the review of the Strategic Asset Management Plan.
- 6.5 Feedback is sought from the Audit & Risk Committee prior to seeking this adoption by Council of an appropriate rate increase, also noting that S126(4)(ab) of the *Local Government Act 1999* includes the review of the annual business plan and long term financial plan as part of the functions of the Audit and Risk Committee.

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Item 7.1.2 - Attachment 1 - Draft 2023/24 Long Term Financial Plan and Annual Business Plan

Public Consultation



To make a submission

If you wish to make a submission or comment on the Draft Long Term Financial Plan and Annual Business Plan and Budget (ABP) as currently presented, please send via email to financial.services@salisbury.sa.gov.au or by post to:

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

Alternatively, please call Hayley on (08) 8406 8340.

All submissions or comments need to be received by no later than Wednesday 24 May 2023 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 the current ABP but for future years as well.

Verbal Representation

If you wish to make a verbal representation regarding the Draft ABP, there will be an opportunity to do so at the commencement of the May Council meeting on Monday 22 May 2023 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 Hayley on 8406 8340 or by using the above email (see contact details above).

Acknowledgement of Country

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



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Executive Summary

Purpose

This document contains the Annual Business Plan (ABP) together with the Long Term Financial Plan (LTFP). City of Salisbury takes the approach of bringing these two plans together into a single document so that there is alignment, and that the impacts of decisions taken through the annual budget process can be understood in a long term financial context. This year the document also provides commentary on the recent Essential Services Commission of South Australia (ESCOSA) Local Government Advice report as it relates to the City of Salisbury.

Long Term Financial Plan

The LTFP is required by s122 of the *Local Government Act*, and the purpose is to monitor the financial sustainability of councils. Financial sustainability is defined by the sector nationally:

A Council's long-term financial performance and position is sustainable where planned long-term service and infrastructure levels and standards are met without unplanned increases in rates or disruptive cuts to services.

Based on this definition the elements of being financially sustainable are having ongoing service provision, infrastructure is provided and renewed to support service provision and that rate increases are stable.

The Planning Process

Year one of the LTFP is set to the proposed budget in the ABP. Then through careful consideration of changes that will occur in our asset base, changes in service provision and assumptions we project Council's financial position for a 10 year period.

Unpredictable and unexpected events and changes mean that reality will be different to what we are currently forecasting.

Why Plan if Reality will be different?

The intent is to undertake a health check on Council's financial position given the best information we have at the time. The purpose is to ensure that there is capacity to continue to provide existing services, that our assets are well maintained and that new and improved assets can be funded as required to meet community needs. All of this needs to be achieved within reasonable rate increases.

Over the long term average rates are planned to increase by CPI+0.6% with the actual rate increase being determined by Council each year and consulted with the community through the Draft LTFP and ABP.

We refer to CPI in our plans as it is an index understood by the community, however, as it represents a basket of goods typically purchased by households it does not represent the mix of goods and services purchased by Council.

The City of Salisbury has approximately \$1.7 Billion in assets that it provides to the community and has an obligation to maintain and renew. This is a key consideration in our plans, with the LTFP being aligned to the renewal requirements of the Strategic Asset Management Plan, which was consulted with the community in May and June of 2022 and revised during the 2022/23 financial year.

Financial Sustainability

Being financially sustainable means having:

- The ability to provide 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 three indicators. The LTFP, pages 14 to 19, shows that Council remains financially sustainable in the long term and continues to operate within target measurement ranges.

Ratio	Target	23/24 Budget	
Operating Surplus	0.5% - 5%	1.63%	✓
Asset Renewal Funding	90% - 110%	100%	✓
Net Financial Liabilities	<70%	64.95%	✓

The LTFP does not replace the need for detailed annual budgeting as it uses a range of assumptions to forecast future revenue and expenditure. Each year the Council prepare the ABP which details the budget and services being provided, with the LTFP being recast so that year one matches the proposed budget.

Executive Summary continued

Annual Business Plan

The ABP describes Council's services, including new services and projects, together with their financial impacts. The purpose of the ABP is to provide comprehensive information so that the community can consider the budget and how it aligns to the City Plan 2035. The Executive Summary provides a snapshot of the ABP, and provides guidance as to where more information is available.

Rate Increase

The ABP is based on a proposed 7% average rate increase as resolved by Council, with rates growth from the increase in the number of assessments anticipated at 0.50% and the increase from other development activity estimated to be 0.50%. Further information about rates is contained in the Rating Strategy and Policy, pages 124 to 127.

Average Increase	22/23 Actual	23/24 Budget
Residential	3.50%	7.00%
Commercial and Industrial	3.90%	7.00%

Service Provision

Service provision increases that will be delivered in 2023/24 include an upgrade of the Greenfields Education Centre \$100k, the renewal of various building elements including compliance upgrades for all Council owned buildings \$2.4M, Dog Parks \$138k, Playgrounds \$769k, and Outdoor Sports Courts \$245k.

Operating Surplus

This year, Council has budgeted for an Operating Surplus of \$1.633M or 1.63% Operating Surplus Ratio. Further information is provided in the Budgeted Financial Statements and Analysis on pages 47 to 51.

Projects and Additional Services

All of Council's projects and additional services (Budget Bids) are detailed in the ABP by category of spending, and can be found on pages 22 to 39. Funds of \$25M are provided for asset updates/renewal in line with our Strategic Asset Management Plan (SAMP), with significant items being:

- Road Reseal Service Continuity Program \$9.8M
- Building Renewal \$3.7M
- Pratt Avenue Bridge, Pooraka \$3.4M
- Drainage & Waterways Program \$2M
- Salisbury Water Asset Renewal \$1.1M
- Irrigation Controller Renewal \$1M

New and upgraded infrastructure funding of \$11.9M includes a number of new and large-scale projects, some of which are delivered over multiple years.

Council's **Transportation Program** will deliver new School & Pedestrian Crossings and Footpath & Kerb Ramps and improvements to the City's Bicycle Network.

The redevelopment of the **Salisbury Aquatic Centre** is anticipated for completion in 2023. This \$28.4 million project is made possible with the assistance of \$7.2 million funding provided by State Government and investment in 2023/24 until completion is \$2M.



The **City Wide Trails Program** aims to deliver a network of "off road" linked shared use paths, with projects scheduled for completion in 2023/24 costing \$0.9M.

Key initiatives of the **Salisbury Water Business** scoped for delivery in 2023/24 include upgrading of pump stations, distribution of water to drought impacted reserves, growing the network to provide recycled water into more Schools and enabling regulatory groundwater monitoring and reporting.

Drainage & Waterways focus for the 2023/24 financial year includes planning and design works for the Greater Edinburgh Parks drainage infrastructure systems, and design and construction of flood mitigation and drainage works to address localised flood risk.

Street Tree Planting within the Streetscape Program is focused on improving the amenity of the City by replacing and upgrading existing street trees with species more appropriate to the space provided within our streets. Council will spend \$0.6M in 2023/24 in this area.

In 2023/24 Council increases the pool of grant funds and individual grant amounts available (upon application) to **Clubs and Sporting Facilities** for clubs to initiate minor improvements to buildings, facilities and equipment.

Major Traffic Improvements Program expenditure of \$1.2M includes measures to address identified, specific major traffic network deficiencies with funding in 2023/24 of \$0.5M allocated to complete key projects.

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Mayor's Message



TO BE UPDATED

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A handwritten signature in black ink that reads "Gillian Aldridge".

Mayor, Gillian Aldridge OAM

MAYOR



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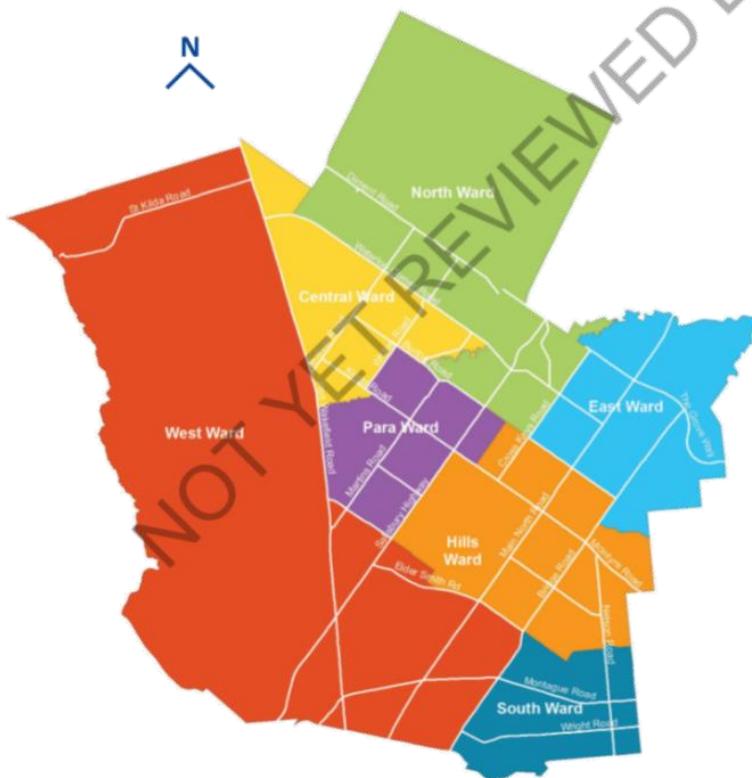
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Item 7.1.2 - Attachment 1 - Draft 2023/24 Long Term Financial Plan and Annual Business Plan

Elected Members

The Council of the City of Salisbury consists of the Mayor and 14 Councillors who represent the interests of the people of Salisbury. They are elected every four years during the South Australian Local Government elections. The Council is supported by administration staff who are led by the Chief Executive Officer.

The Council makes decisions about the governing and management of the City of Salisbury.

The Council sets the strategic directions, and makes decisions about allocation of the budget and the services and infrastructure that are provided within the boundaries for the City of Salisbury.

The administration, under the direction of the Chief Executive Officer, is responsible for providing advice, implementing the Council's agenda and strategic directions, delivering the services and undertaking the required works on behalf of the Salisbury community.

The Members of Council also vote on what action will be taken with regard to issues brought before the Council.

Elected members are volunteers who want to be involved in making the City a better place in which to live, work and do business. They do not get paid for the work they do for Council. They do receive an allowance to support them in discharging their duties as a Councillor, for expenses incurred and time spent in undertaking their role as Councillors, often making difficult decisions about complex and important matters.

The geographic area of the City of Salisbury is divided into seven parts, known as wards. Each ward has two Councillors who pay particular attention to what happens in the area they represent and advocate on its behalf.

Councillors are elected by the voters within the ward.

The Mayor of the City of Salisbury is the 'principal' member of the Council and is elected by all voters in the Council area.

Elected Members can be contacted to discuss any matter relating to Council.

Our Vision

Salisbury

a progressive, sustainable
and connected community

Council's vision is for Salisbury to be a progressive, sustainable and connected community.

Council's Elected Members developed this vision after they considered the factors that characterise successful cities and their aspirations for Salisbury.

Successful communities are **progressive**. They embrace change as essential if they are to be liveable and competitive in a changing environment and economy. At the same time, successful communities take pride in their heritage and use their history as the foundation for identifying and creating opportunities and for understanding how to respond to challenges.

Successful cities think about the long term while making decisions today – this is the essence of **sustainability**. They care about the environment, their people and the legacy they leave for future generations. Internally, they are financially responsible, have excellent systems in place and promote a culture that values enduring outcomes.

Connections abound and take many forms. Some connections are social, such as friendships formed through community groups or with neighbours. Some are environmental, including the connections people have with nature or the biodiversity corridors that support wildlife. Other connections are economic, such as the links between residents, jobs and businesses. Salisbury is a diverse community and we value connections between our many cultures. For connections to prosper, there must be appropriate infrastructure that enables people to move and connect with places further afield.

The Salisbury community consists of the 143,560 people who live in our 32 suburbs, whether they have been here all their lives or are new arrivals; the 7,200 businesses and 53,000 workers that make Salisbury the state's fourth largest economy; and the community groups, schools, churches and sporting clubs that bring people together.

Salisbury has many of the building blocks in place to achieve its vision. The City Plan outlines the actions that Council will prioritise over the next four years to enable Salisbury to achieve it. The City Plan can be viewed at www.salisbury.sa.gov.au

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.

 A welcoming and liveable City	 A sustainable City	 A growing City that creates new opportunities	 Innovation and Business Development
<p>Encompasses issues that affect the liveability of the City and the health and wellbeing of its people, including safety, social connections, the look and feel of our neighbourhoods, and the facilities and programs available to support our community's aspirations.</p>	<p>Includes protecting and conserving our diverse natural environment to support biodiversity, reducing Council's environmental footprint, ensuring we make the most of our resources and enabling our community, environment and infrastructure to be resilient to a changing climate.</p>	<p>This focuses on how we support the success and growth of local businesses, job opportunities for our residents, attracting investment, quality urban planning and providing infrastructure that supports economic activity.</p>	<p>Outlines how Council will work to provide exceptional experiences, deliver quality outcomes and be recognised as a great place to work.</p>

Item 7.1.2 - Attachment 1 - Draft 2023/24 Long Term Financial Plan and Annual Business Plan

Long Term Financial Plan 23/24 to 32/33

Context

While seeking to achieve its City Plan vision, Council is mindful of its responsibility 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.

Financial sustainability spans multiple generations. That is, each generation should pay for the services they consume and should not have to pay more than they can afford. Also, future generations should not be burdened with the expense of the current generation's decisions.

Maintaining services implies that infrastructure (roads, drains etc.) are also 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. Depreciation and borrowing costs both support intergenerational equity.

The Planning Process

Year one of the LTFP is set to match the proposed budget in the Annual Business Plan. Then through careful consideration of changes that will occur in our asset base, changes in service provision and assumptions we project Council's financial position for a 10 year period.

The number of unpredictable events in the last few years, including the Covid pandemic and more recent events with potential impacts into the future, means that financials will occur in the future will be different what we are currently projecting.

In the current plan, there has been significant increases in interest rates and these increases will require a re-iteration of the LTFP.

What is different?

The intent is to undertake a health check on Council's financial position given the best information we have at the time. We want to ensure that there is capacity to continue to provide existing services and ensure our assets are well maintained and that new and improved assets can be funded as needed to meet community needs, and that this can be achieved within reasonable rate increases.

**TO BE
UPDATED**



Long Term Financial Plan 23/24 To 32/33

Assumptions

Year Ending 30 June	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Inflation	3.3%	2.8%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Salary & Wages	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Superannuation Guarantee Charge	10.5%	11.0%	11.5%	12.0%						
Interest Rate	4.00%	4.00%	4.00%	4.00%	4.50%	4.50%	5.00%	5.00%	5.00%	6.00%
Average Rate Increase	3.5%&3.9%	3.5%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%
Number of Assessments	61,405	61,773	62,144	62,144	62,517	62,517	62,517	62,517	62,892	62,892
Rates Growth from Increase in Number of Rate Assessments	0.50%	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%

The LTFP is underpinned by a number of key assumptions. A range of data sources are used in forming assumptions including Reserve Bank of Australia targets, forecasts of other levels of Government, Access Economics data, and Australian Bureau of Statistics, together with sector knowledge. These assumptions for the future will vary, information at the time of preparing the plan.

We refer to CPI in our plan for the community, how goods typically purchased represent the mix of services and goods Council.

Inflation

Inflation has been based on the actual Adelaide City Council 2021/22 being used as a base year, and then forecast per Access Economics and in later years the midpoint of the RBA target CPI, being a range of 2%-3%.

At the time of preparing this plan there is pressure on inflation with the Federal Budget having forecast National CPI for June 2022 at 4.25%. However, we have chosen to use a known result at the time of preparing the plan rather than speculate. There is some capacity in the plan to manage higher inflation should that eventuate.

Salary and Wages

The current enterprise agreement covering most staff will expire 30 June 2023, meaning that the percentage for 2023 is relatively certain. In future years Salary and Wages increases have been set reflecting some pressure on Wages generally within the economy and also with consideration of inflation. Also impacting are employee oncosts which can vary over time, and the skills of staff engaged by Council.

Superannuation Guarantee Charge

The Superannuation Guarantee Charge has been separately disclosed from the general Salary and Wages assumption as this is a legislated increase and is a step change in costs over the coming four year period.

Interest Rates

The interest rate has been set conservatively and increases over the life of the plan recognising that the Australian economy is experiencing historically very low interest rates with significant increases since preparing this plan which will be the next iteration of the LTFP.

Average rates are planned to increase over the life of the plan, the actual rate increase being set each year and consulted with the community. The Draft LTFP and Annual Business Plan CPI reflects that there are a number of factors of sync with CPI. It also reflects the cost of providing expanded services and the cost of new infrastructure being higher than current rates and maintenance costs.

As the 2022/23 inflation is based on CPI of 3.3% the average rate increase was consulted at 3.9%. However, with considerable financial pressure on households Council resolved an average residential rate increase of 3.5% and an average commercial and industrial rate increase of 3.9%. This is partially offset by a slightly higher rate increase in year 2 of the plan, forecast at CPI+0.71%, rather than CPI+0.6%.

Rates Growth

Rate revenue increases as a result of the increase in rate assessments, and this is projected to be 0.5%-0.6% over the 10 year forecast. This level of growth is relatively low and represents primarily infill development and small subdivisions of vacant land.

Rates Revenue Increase from Other Development Activity

Just as Rate revenue increases as a result of the increase in rate assessments, it also increases through construction of new homes and commercial properties, and extensions to existing properties. This revenue increase is projected to be 0.4-0.5% over the life of the plan.

Both Rates Growth and rate revenue increases from other development activity help to contain the increase in average rates, meaning that expanded services and improved and new infrastructure can be provided with a lower impact to existing ratepayers.

TO BE
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Long Term Financial Plan 23/24 To 32/33

Initiative Funding

Year Ended 30 June	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Renewal Capital Expenditure	\$20.0M	\$16.7M	\$20.4M	\$19.3M	\$19.6M	\$19.9M	\$20.0M	\$19.5M	\$19.7M	\$19.6M
New & Upgrade Capital Expenditure	\$54.3M	\$18.5M	\$14.5M	\$9.1M	\$14.6M	\$8.4M	\$9.0M	\$8.3M	\$9.0M	\$9.0M
Uncommitted New Capital Funds				\$3.1M	\$6.0M	\$6.0M	\$6.0M	\$6.0M	\$6.0M	\$6.0M
Operating Bids / Expansion in Services		\$1M								

* Nominal Dollars - not adjusted for inflation

Renewal Capital Expenditure

The City of Salisbury has approximately \$200 million of assets provided to the community and need to maintain and renew them. This is outlined in our plans, with the LTFP being aligned to the requirements of the Strategic Asset Management Plan (SAMP), which was consulted with the community in May and June 2022.

New & Upgrade Capital Expenditure

Expenditure on new assets and upgrades is contained within the SAMP, with details on pages 30 to 39. The new and upgraded infrastructure assets expenditure for 2022/23 has been set at \$54.3M. This is reflective of the current scale of the infrastructure program, and includes the redevelopment of the Salisbury Aquatic Centre swimming pool.

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Operating Bids / Expansion in Services

Approximately \$1M is provided each year to expand services. Details of the 2022/23 bids are detailed in pages 24 to 29. It should be noted that the Salisbury Aquatic Centre swimming pool will reopen in 2023/24, and provision for its operations have been included in the forecast.



Other Considerations

Each year Council are required to revalue its assets, which resets the value that must be depreciated and contributes to increasing costs, and ensures that the usage of those assets is funded by the current generation of ratepayers.

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

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

The Statement of Comprehensive Income (see next page) shows the Operating Surplus/(Deficit) before Infrastructure (Capital) Amounts followed by graphs of the resulting financial sustainability indicators on pages 18 to 19.

Long Term Financial Plan 23/24 To 32/33

**TO BE
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Estimated Statement of
Comprehensive Income

YEAR ENDING 30 JUNE	2023 Budget Year 1 \$000's	2024 Plan Year 2 \$000's	2025 Plan Year 3 \$000's	2027 Plan Year 5 \$000's	2032 Plan Year 10 \$000's
INCOME					
Rates Revenues	112,011	117,665	122,725	132,995	162,588
Statutory Charges	2,848	3,127	3,212	3,374	3,817
User Charges	5,410	6,915	8,446	9,553	10,791
Grants, Subsidies & Contributions	14,317	14,725	14,984	15,469	16,769
Investment Income	71	73	75	77	84
Reimbursements	289	298	306	322	364
Other Income	980	1,013	1,040	1,093	1,236
Total Income	135,926	143,816	150,788	162,883	195,649
EXPENSES					
Employee Costs	42,534	44,619	46,777	49,855	57,025
Materials, Contracts & Other Expenses	58,862	62,806	66,344	72,516	90,259
Depreciation, Amortisation & Impairment	31,856	33,646	35,016	37,924	46,356
Finance Costs	1,444	2,026	1,679	1,136	38
Total Expenses	134,696	143,097	149,816	161,431	193,678
OPERATING SURPLUS/(DEFICIT) BEFORE CAPITAL AMOUNTS					
	1,230	719	972	1,452	1,971
Asset Disposal & Fair Value Adjustments	2,440	6,552	4,283	3,204	2,431
Amounts Received Specifically for New or Upgraded Assets	1,770	957	1,434	1,477	1,477
Physical Resources Received Free of Charge	1,000	1,000	1,000	1,000	1,000
NET SURPLUS/(DEFICIT)	6,440	9,228	7,689	7,133	6,879
OTHER COMPREHENSIVE INCOME					
Changes in Revaluation Surplus - I, PP&E	47,617	50,254	47,313	48,314	51,153
Total Other Comprehensive Income	47,617	50,254	47,313	48,314	51,153
TOTAL COMPREHENSIVE INCOME	54,057	59,482	55,002	55,447	58,032

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

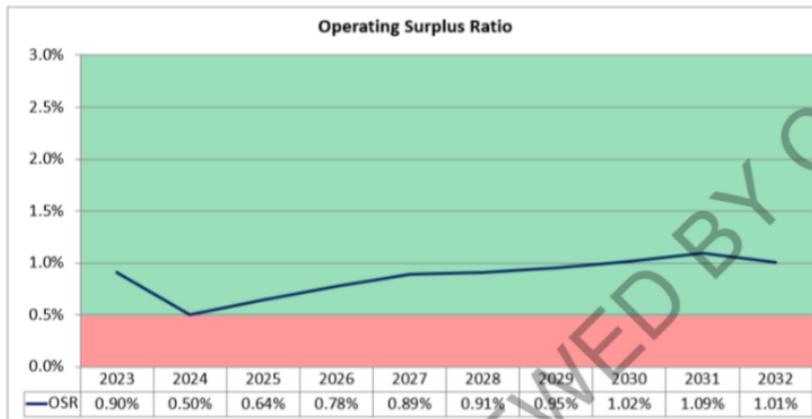
Long Term Financial Plan 23/24 To 32/33

Financial Indicators

As part of monitoring the financial sustainability of councils, standardised indicators have been developed. These indicators compliment the financial detail contained within the Long Term Financial Plan, and highlight our projected success at maintaining being a financially sustainable Council.



Operating Surplus Ratio



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 revenue that is available to fund infrastructure expenditure, which results in lower levels of debt. The Operating Surplus Ratio is the primary indicator of Financial Sustainability.

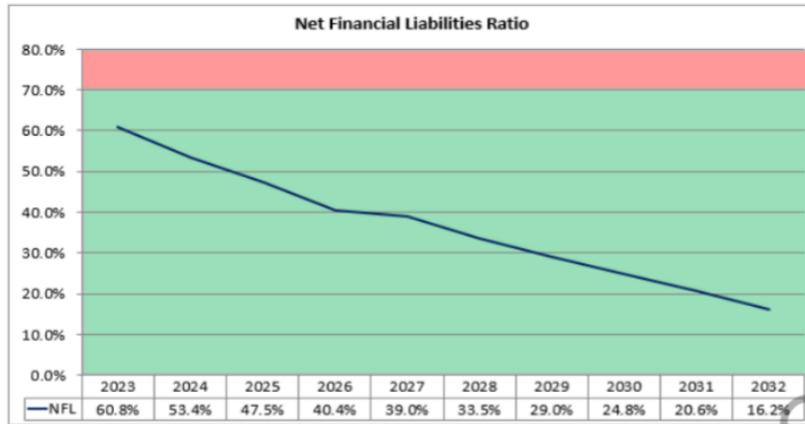
City of Salisbury is within the operating range of this indicator over the life of the plan.

TO BE
UPDATED

Item 7.1.2 - Attachment 1 - Draft 2023/24 Long Term Financial Plan and Annual Business Plan

Long Term Financial Plan 23/24 To 32/33

Net Financial Liabilities Ratio



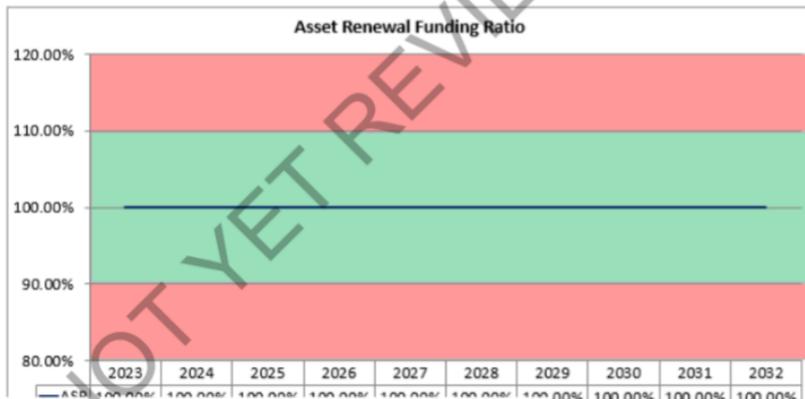
Calculation:
 Net Financial Liabilities
 divided by Operating
 Revenue
 Endorsed Operating Range:
 <70%.

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

**TO BE
 UPDATED**

low debt position. The program in 2021 and community through the it drops over the life of turns to normal levels, financial Liabilities ratio.

Asset Renewal Funding Ratio



Calculation:
 Asset Renewal Expenditure
 divided by Asset
 Management Plan Renewal
 Expenditure
 Endorsed Operating Range:
 90%-110%

This ratio indicates whether infrastructure assets are being renewed in line with the Strategic Asset Management Plan (SAMP). A ratio of 100% means that Council is planning to renew assets in line with the SAMP, and as SAMP details the optimum timing for the 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.

As the SAMP is a long-term plan, Councils will vary expenditure from time to time based on updated asset information, and also to time new and renewal works together to achieve better outcomes, and reduce the cost with these changes reflected in future updates to the SAMP.

Item 7.1.2 - Attachment 1 - Draft 2023/24 Long Term Financial Plan and Annual Business Plan

ESCOSA Advice - Strategic Management Plan (SMP) Scheme

The SMP Advice Scheme commenced in April 2022 following changes to section 122 of the Local Government Act and requires councils to provide information to ESCOSA relating to the Long Term Financial Plan (LTFP) and Strategic Asset Management Plan (SAMP) once every four years, with City of Salisbury being a first tranche council, and ESCOSA reviewing its strategic management plan in the 2022/23 financial year.

Councils are required to submit various information to ESCOSA by the end of September in their relevant financial year. ESCOSA must then provide 'advice' back to council, by the end of the following February, on the appropriateness of:

- material amendments made, or proposed to be made, to the LTFP and/or SAMP;
- the revenue sources outlined in the funding plan (contained within the LTFP); and
- may also provide advice on any other aspect of the council's LTFP and/or SAMP.

Councils are required to include a copy of ESCOSA's advice (contained in Appendix C) and also included are City of Salisbury's comments in response to various assertions made by ESCOSA within the Advice.

From Appendix C it is evident that much of the Advice is not well founded or is pitched at overarching statements that add little value. The specific Action Items within the Advice are not well founded as many of these actions are already in place. This calls into the question the approach taken by ESCOSA in undertaking this review process, which was essentially a desktop review with no direct or detailed discussions had with the City of Salisbury to help inform ESCOSA's perspectives.

The cost to ratepayers of this advice was \$40,000.

There are 9 Action items within the ESCOSA Advice, and these are subject to the Action Plan below and on the page opposite. This information will be published each year in the draft and adopted Annual Business Plan, until the next ESCOSA review, which is scheduled for 2026/27. It should be noted that City of Salisbury is not required to accept and/or act upon ESCOSA's advice.

ESCOSA Advice or Comment	Council Comment or Proposed Action	Implementation Timeframe	Status
1. Continue to review its inflation forecasts in its budget and forward projections, given the potential for higher short-term outcomes before a return to long-run averages.	Inflation assumptions are reviewed each review of the LTFP, and reliance is placed on reputable external sources for these assumptions which is detailed within the pages of the LTFP.	N/A	No further action required as already in place
2. Focus on controlling cost growth in its budgeting, including by reviewing its projected capital expenditure allocations (in consultation with the community, as required) to remove those which are not yet tied to defined and costed projects, and reduce the need for further rate increases.	Capital expenditure allocations are required by the strategic asset management plan, or to support delivery of the City Plan. Rate increases are driven by operating impacts, with the new unallocated capital having a relatively small impact on the operation budget. Any operating impact of capital projects is carefully considered by Council during the budget formation.	N/A	No action will be taken
3. Ensure that it publishes relevant reports regarding community consultation outcomes about large infrastructure projects which are to be significantly rate-funded.	City of Salisbury provides access to consultation outcomes associated with large infrastructure projects. Council will continue to take such action as required.	N/A	No further action required as already in place
4. Report its actual and projected cost savings in its annual budget, to provide evidence of controlling cost growth and achieving efficiency across its operations and service delivery.	This is a resource intensive suggestion as there are many elements to the development of the budget, and not all savings are visible through the ledger as many are cost avoidance, or freeing up capacity that is reinvested into service provision. Council reports material savings in its budget process.	N/A	No action will be taken

ESCOSA Advice - Strategic Management Plan (SMP) Scheme continued

ESCOSA Advice or Comment	Council Comment or Proposed Action	Implementation Timeframe	Status
5. Develop and publish a risk management plan for the Salisbury Aquatic Centre, which incorporates an annual review of the requirements for recurrent spending (given demand estimates and outcomes), and the associated impact on the Council's operating capacity and quantum of rate contributions.	Council has in place the appropriate risk management framework that it applies for all major projects. The annual budget process will consider any budget impact from the Salisbury Aquatic Centre and any resulting rate impact should it be required. This will be reflected in the Annual Budget and Business Plan so there is no value in adding further reporting for the Salisbury Aquatic centre.	N/A	No action will be taken
6. Review its projected borrowing repayment plans in its long-term financial plan projections with a view to spreading the repayments over a longer time period, if possible, to reduce the extent of the required financial contributions from ratepayers to meet repayments in the short to medium term.	Rates are driven by the need to maintain a small operating surplus, not from the need to repay debt. Borrowing repayments are determined by cashflow as borrowings are in the form of Cash Advance Debentures (that can be repaid at any time). Cashflow is supported by depreciation which is covered in operating expenditure and is a non-cash item, and also property development proceeds.	N/A	No action will be taken
7. Review the assumptions underpinning its asset management plans to ensure those plans incorporate a more accurate picture of required asset expenditure and better align with the allocations in its long-term financial plan as necessary, including the estimates of asset lives and valuations feeding into the forecast rates of asset consumption and depreciation expenses.	Assumptions of lives and valuations are reviewed annually which flow into depreciation expenses. Also, the SAMP updated regularly, currently annually in alignment with the LTFF As this practice is already in place, no further action is proposed.	N/A	No further action required

ESCOSA Advice - Strategic Management Plan (SMP) Scheme continued

ESCOSA Advice or Comment	Council Comment or Proposed Action	Implementation Timeframe	Status
8. Review the new and upgraded asset expenditure projections (as per Finding 2) with consideration of the service levels desired by the community.	New and upgrade asset expenditure is detailed in the SAMP or is provided to enable the delivery of the City Plan which sets the strategic direction for the City.	N/A	No action will be taken
9. Review and consider limiting future minimum rate and average rate increases above inflation, particularly on rate categories which have lower capacity to pay, to help minimise affordability risk in the community.	Any change in the structure of rates will increase rates charged to others in the community, and can only occur through a rate review and community consultation. This is a decision of Council and will be made based on their assessment of the desire to change rate structures. The recommendation also does not recognise that Council considers the feedback from its community on the services and infrastructure it requires. Depending on this, Council may be required to rate above CPI to sustainably fund the initiatives	N/A	Any action will be a decision of Council based on their assessment of the need to reviewing its rating strategy and its delivery of projects or services required by its community

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Annual Business Plan Overview 2023/24

The City of Salisbury's Long Term Financial Plan and Annual Business 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:

- A welcoming and liveable City
- A sustainable City
- A growing City that creates new opportunities
- Innovation and Business Development

Budget Pressures

Council continues to monitor closely its financial position and especially long-term financial sustainability. Cost inflationary pressures, the demand for increased services and the delivery of new initiatives are carefully considered and managed so that Council is able to deliver sustainable long-term financial outcomes.

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 2023/24 budget delivers:

- An operating surplus of \$1.633M
- Gross infrastructure investment of \$36.9M (including \$25M of asset renewal) and a net cost of \$36M considering funding from grants.
- Moderate and sustainable levels of debt, with net financial liabilities of \$94.8M or 65% of total operating revenue.

Rate Increase

The 2022/23 proposed average rate increase is 7% and increases from rates growth from the increase in the number of assessments is anticipated at 0.50%, while the increase from development activity is estimated to be 0.50%. Actual Adelaide Annualised CPI at December 2022 was 8.6%, and whilst some Local Government costs move in line with CPI, council's purchase a different "basket of goods" to households, and consequently CPI is not fully reflective of Local Government cost increases.

More detail regarding rates is contained within the Rating Strategy and Policy section of this document.

Operating Budget Bids

Key projects within the \$1.1M of new operating bids included in the budget are:

Expanded Events Program	\$170k
Information Technology	\$135k
Little Para Catchment Native Forest	\$100k
Building Safety - Residual Current Devices	\$100k
Home and Community Transport Network Expansion	\$100k

Full details of Council's operating bids are provided from [page 22](#).

Expanded Events Program

Feedback received from the community at existing events over the past 3 calendar years has informed an expanded program of events designed to entice a broader range of age demographics and cultures.

Information Technology

Council continues to invest in its Information Technology systems to ensure a robust, protected and sustainable technology platform for the community and Council's operations. Technology enhancements for 2023/24 include the expansion of centrally managed WiFi, and applications to assist integrated environmental monitoring and reporting.

Little Para Catchment Native Forest

The Little Para Catchment Native Forest project will increase natural habitat and canopy cover where possible, and maintain the natural amenity of the corridor over time. The 2023/24 program follows on from the planting of 10,000 trees in 2021/22.

Building Safety - Residual Safety Devices

The progressive rollout of Residual Current Device installations across Council's buildings will mitigate risk from the impacts of electrical fault, and will ensure Council's buildings comply with the South Australian WHS Regulations 2012.

Home and Community Transport Network Expansion

The Salisbury Home and Community Transport Network Expansion initiative, initially funded in 2015/16, continues funding that ensures the fleet of vehicles available for this crucial community service remains able to meet the demand for transport services provided through Salisbury Home and Community Services.

Annual Business Plan Overview 2023/24

Infrastructure Program

Asset Renewal (Service Continuity)

Council manages community assets valued at \$1.7 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 2023/24 Council will spend \$25M on renewal, with major items being:

- Road Reseal Service Continuity Program \$9.8M
- Building Renewal \$3.7M
- Pratt Avenue Bridge, Pooraka \$3.4M
- Drainage & Waterways Program \$2M
- Salisbury Water Asset Renewal \$1.1M
- Irrigation Controller Renewal \$1M

Major Infrastructure Works (New and Upgraded)

The infrastructure program includes a number of large scale projects, some of which are delivered over multiple years. 2023/24 expenditure for these projects is detailed below:

Transportation	\$4.1M
Salisbury Aquatic Centre Redevelopment	\$2.0M
City Wide Trails Program	\$0.9M
Salisbury Water Business	\$0.8M
Drainage & Waterways	\$0.8M
Street Tree Planting	\$0.6M
Clubs and Sporting Facilities	\$0.5M
Major Traffic Improvements Program	\$0.5M

Full details of Council's four-year Infrastructure program is provided from page 28.

Transportation

In addition to the City-Wide Trails and Major Traffic Improvement programs that are commented on separately in this section, the Transportation program will deliver new School & Pedestrian Crossings and Footpath & Kerb Ramps, and improvements to the City's Bicycle Network.

Salisbury Aquatic Centre Redevelopment

The redevelopment of the Salisbury Aquatic Centre will transform Happy Home Reserve at Salisbury North into a modern, regionally significant aquatic, health and wellness precinct. This project has a total budget of \$28.4 million (\$2 million in 2023/24) and is made possible with the assistance of \$7.2 million funding provided by State Government. The Salisbury Aquatic Centre is expected to be completed in 2023.

City Wide Trails Program

The City-Wide Trails Program aims to deliver a network of 37km of "off road" linked shared use paths. Proposed development for the 2023/24 financial year (subject to a successful funding application) will be Dry Creek, Valley View, including trail lighting, following the completion of the Pauls Drive upgrade which includes a shared use path underpass.

Salisbury Water Business

Salisbury Water provides recycled non-drinking water that is distributed to our parks, reserves, schools, industry and some new residential sub-divisions. Salisbury Water is primarily recycled water and native groundwater which is treated to a standard fit for purpose as defined in the National Stormwater Guidelines. Funds are provided in the 2023/24 budget to upgrade pump stations, distribute water to reserves that are being "reactivated" following cessation of watering during the last drought, growing the network to provide recycled water into more Schools and enabling regulatory groundwater monitoring and reporting.

Drainage & Waterways

Council's Drainage & Waterways Management Program incorporates the design and maintenance of localised minor flood mitigation, and the implementation of major flood mitigation projects. A key focus in 2023/24 is the planning and design works required to effectively manage the Greater Edinburgh Parks drainage and infrastructure systems. Funding is also provided for the design and construction of flood mitigation and drainage works to address localised flood risk of properties located in the Paralowie, Parafield Gardens and Burton, and to a lesser extent, Salisbury Park areas, that flooded during the May 2022, and December 2016 flood events.

Street Tree Planting

The Streetscape Program is focused on improving the amenity of the City by replacing and upgrading existing street trees with species more appropriate to the space provided within our streets, and the renewal of verges to complete a more holistic transformation of the streetscape amenity.

Clubs and Sporting Facilities

Council provides the opportunity for sporting and similar clubs to apply for funding to enable clubs to initiate minor improvements (buildings facilities and equipment) based on club needs. A three-tier program provides maximum funding per grant of \$75k Category A, \$35k Category B and \$10k Category C.

Major Traffic Improvements Program

The Major Traffic Improvements Program includes measures to address identified, specific major traffic network deficiencies. Projects proposed for delivery via this program in 2023/24 include the Light Common/Main Street intersection and Helps/Edinburgh Roundabout modifications to accommodate A-Trains.

Operating Budget Bids



Item 7.1.2 - Attachment 1 - Draft 2023/24 Long Term Financial Plan and Annual Business Plan

Operating Budget Bids

	2023/24		2024/25	2025/26	2026/27	
	Exp	\$000's	Net	\$000's	\$000's	\$000's
A welcoming and liveable City						
Operating Bids						
Mosquito Control Program						
New sites have been included in the treatment schedule and ongoing adult trapping is required to monitor the span and spread of adult mosquitos.	64	0	64	65	67	0
Reconciliation						
The City of Salisbury has laid a strong foundation in Reconciliation, however further steps are needed to create community impact. Such actions will also allow us to be part of the positive change and to move with national growth.	50	0	50	51	53	0
Revision of the Ability Inclusion Strategic Plan (AISP)						
Funding is sought for a consultant with good knowledge of disability access and inclusion to review the current plan and develop a new Ability Inclusion Strategic Plan (AISP) for the City of Salisbury. The Disability Inclusion Act 2018 (SA) requires that Council Disability Access and Inclusion Plans (DAIPs) • be reviewed in their fourth year ; • a report on the review be provided to the CEO of DHS. The AISP is Council's DAIP.	38	0	38	0	0	0
Additional Events						
The endorsed calendar of events for years 2023-2025 includes new events that will activate and enliven our region, by expanding our event types and increase the participation and connectedness with our community.	170	0	170	150	154	0
Salisbury Home and Community Services Transport Expansion						
Continuation of funding to maintain the level of transport services provided through Salisbury Home and Community Services.	100	12	88	90	93	95
Mobile CCTV Strategy						
Support the mobile CCTV strategy and execution in the 2023/24 financial year and ongoing.	50	0	50	51	53	54
Operating Components of Capital Bids						
Clubs/Sporting Facilities Service Continuity Program (Minor Infrastructure Grant)	40	0	40	41	42	43
SAMP: Building Service Continuity Program	135	0	135	138	142	145
Time Bound Program: Dog Parks for Small Dogs	0	0	0	5	5	5
Major Entry Sites Landscape Enhancements Service Continuity Program	0	0	0	0	0	5
Community Use Sports Court Lighting Service Continuity Program	0	0	0	0	5	5
SAMP: Dog Park Service Continuity Program	0	0	0	5	5	5
SAMP: Bus Shelter and Bus Stop Improvement Service Continuity Program	11	0	11	15	16	16
Unity Park - Railway Corridor Landscaping	50	30	20	20	20	20
Community and Public Art Program	20	0	20	21	21	0
Confidential Item	0	25	(25)	(51)	(53)	(54)
Ingle Farm Sporting Club Rowe Park Ingle Farm Unisex Facilities	0	0	0	0	30	31
ELECTED MEMBER BID: Lighting at Jacaranda Grove	0	0	0	1	1	1
Confidential Item	(121)	0	(121)	(289)	(300)	(306)
TOTAL - A welcoming and liveable City	607	67	540	314	352	66

Operating Budget Bids

	2023/24			2024/25	2025/26	2026/27
	Exp	\$000's Funding	Net	\$000's Net	\$000's Net	\$000's Net
A sustainable City						
Operating Bids						
Little Para Catchment Native Forest						
To enhance the natural open space and vegetation associations along the Little Para River and Catchment through continued planting of native trees and shrubs along the corridor as a succession plan for the large existing gums and vegetation that line this riparian corridor.	100	0	100	103	105	108
Operating Components of Capital Bids						
Bellchambers MAR Scheme	0	0	0	0	0	(160)
Local Flooding Service Continuity Program	115	0	115	118	121	124
SAMP: Jones Road - Bolivar - Site Rehabilitation for Future Clean Fill Disposal	32	0	32	33	34	35
SAMP: Environmental Open Space Land Management Service Continuity Program	71	0	71	73	75	77
SAMP: Public Lighting Service Continuity Program	51	0	51	52	54	55
Recycled Water Supply to Reactivated Reserves	20	20	0	0	0	0
Sustainable Schools Program	0	0	0	(114)	(184)	(184)
Integrated Urban Water Management - Greenfields Education Centre Upgrade	(35)	0	(35)	(35)	(35)	(35)
TOTAL - A sustainable City	354	20	334	229	169	18

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Operating Budget Bids

	2023/24		2024/25	2025/26	2026/27	
	Exp	\$000's Funding	Net	\$000's Net	\$000's Net	\$000's Net
A growing City that creates opportunities						
Operating Bids						
City Plan 2040						
Legislated review of the City Plan 2035 in accordance with the Local Government Act 1999 (section 122 4 b) to comply with the need for Council to adopt a process to ensure members of the public are given a reasonable opportunity to be involved in the development and review of its Strategic Management Plans under Section 122 (6).	50	0	50	0	0	0
West of Port Wakefield Road – Council-led Code Amendment						
The project entails the preparation of a Council-led Code Amendment in accordance with the Planning, Development and Infrastructure Act 2016 (the Act), to rezone land from Summer Road south to Ryans Road in accordance with the recommendations of the Strategic Growth Framework.	50	0	50	0	0	0
Supporting Business Networking						
Funding to provide for the Polaris Business and Innovation Centre to deliver targeted networking opportunities.	30	15	15	15	16	16
Operating Components of Capital Bids						
Minor Traffic Improvements Service Continuity Program	59	0	59	61	62	64
New Footpath and Kerb Ramps Service Continuity Program	22	0	22	23	23	24
SAMP: Road Reseal Service Continuity Program	870	0	870	892	914	937
Amenity Improvement at Technology Park Mawson Lakes & Edinburgh Parks Industrial	0	0	0	0	15	30
TOTAL - A growing City that creates opportunities	1,081	15	1,066	990	1,030	1,070

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Operating Budget Bids

	2023/24		2024/25	2025/26	2026/27
	Exp	\$000's Funding	\$000's Net	\$000's Net	\$000's Net
Innovation and Business Development					
Operating Bids					
Dog & Cat Subsidised Desexing					
All dogs and cats born after July 2018 must be desexed unless the owner is a breeder. Subsidised low cost desexing for dogs and cats for eligible concession card holders can assist in increasing compliance rates in the Salisbury community and lead to reductions in unwanted litters and impounded cats and dogs.	10	5	5	0	0
IT Security Specialist - Level 7					
Cybersecurity is all about keeping technology systems and data safe from outside forces. A specialist in cybersecurity is required to work with the IT Team and vendors to develop strategies for protecting devices, systems and data from cyber attacks, balancing risk, security and system usability.	136	0	136	135	138
Residual Current Devices (RCD) Safety Devices					
As a safety and compliance initiative, works commenced in 2022-2023 to install Residual Current Device (RCD) safety devices across various Council high risk sites within the City such as the Operations Centre, Jack Young Centre, Twelve25 and Libraries, followed by other buildings such as Community Centres, Recreation Centres and some Public Toilets. This bid is the second and final stage which includes all the sporting and community buildings for completion in 2023-2024.	100	0	100	0	0
Confidential Item					
Confidential	75	108	(33)	0	0
Operating Components of Capital Bids					
TOTAL - Innovation and Business Development	321	113	208	135	138
Total Operating Budget Bids	2,362	215	2,147	1,669	1,689

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Infrastructure Budget Bids



Item 7.1.2 - Attachment 1 - Draft 2023/24 Long Term Financial Plan and Annual Business Plan

Infrastructure Budget Bids

	2023/24		2024/25	2025/26	2026/27	
	Exp	\$000's Funding	Net	\$000's Net	\$000's Net	\$000's Net
A welcoming and liveable City						
Renewal						
SAMP: Building Service Continuity Program						
This bid allows for service continuity of various elements for buildings either owned or under the care and control of Council.	3,700	0	3,700	3,793	3,887	3,985
SAMP: Property and Buildings Service Continuity Planning Program						
Provide the Property and Buildings division with funds for the planning and development of subsequent years programs, including various asset condition and function capacity audits.	300	0	300	103	105	108
SAMP: Dog Park Service Continuity Program						
Renewal and upgrade of existing dog parks based on age, condition, function and service level.	138	0	138	0	0	129
SAMP: Playground Service Continuity Program						
The management of playground assets based on age, condition and function to maintain continuity of service in accordance with the endorsed service level as defined within the Strategic Asset Management Plan.	1,000	0	1,000	1,128	1,471	1,615
SAMP: Outdoor Sports Court Service Continuity Program						
Renewal of existing outdoor sports courts inclusive of court surface base material sub-grade backstop fencing, lighting and associated infrastructure based on asset data.	383	0	385	395	105	431
SAMP: Fitness Equipment Service Continuity Program						
Renewal of fitness equipment assets based on age, condition, function and service level.	0	0	0	0	63	65
SAMP: Outdoor Furniture Service Continuity Program						
Renewal of existing outdoor furniture based on age, condition and function. The scope of this bid includes park benches, picnic settings shelters, bike racks, drinking fountains and barbecues.	50	0	50	51	53	54
SAMP: Reserve Signage Service Continuity Program						
Renewal of reserve and information signage based on age, condition and function. This includes reserve signs wayfinding information and interpretive signage.	10	0	10	51	53	54
SAMP: Sport Lighting Service Continuity Program						
Sport lighting renewal based on age, condition, function and service level as defined within the Asset Management Operation Plan for Urban Built Assets.	350	0	350	359	420	0
SAMP: Bus Shelter and Bus Stop Improvement Service Continuity Program						
Ongoing renewal of bus shelters owned by the City of Salisbury including the upgrade of bus stop pads where required to ensure universal design and Disability Discrimination Act (DDA) criteria are met.	220	0	220	226	231	237
SAMP: Signalised Pedestrian Crossing Service Continuity Program						
Renewal based on age, condition, function and service level. This includes lighting and controller upgrades and annual programming and audit of Signalised Pedestrian Crossings.	30	0	30	31	32	32
Total Renewal	6,183	0	6,183	6,135	6,419	6,710

Infrastructure Budget Bids

	2023/24		2024/25	2025/26	2026/27	
	Exp	\$000's Funding Net	\$000's Net	\$000's Net	\$000's Net	
New						
Clubs/Sporting Facilities Service Continuity Program (Minor Infrastructure Grant) Funding for the Minor Capital Works Grants Program to enable sporting and similar clubs to initiate minor improvements (buildings facilities and equipment).	460	0	460	472	483	495
Time Bound Program: Dog Parks for Small Dogs The establishment of dog parks for small dogs co-located with existing dog parks.	84	0	84	0	0	0
Major Entry Sites Landscape Enhancements Service Continuity Program Creation of new entry statements and feature landscape enhancements at key entry locations in the City.	0	0	0	41	158	43
Community Use Sports Court Lighting Service Continuity Program Lighting to sports courts located within a district or regional playspace, located on a main road or adjacent to a lit carpark.	10	0	10	154	11	162
Salisbury Aquatic Centre Redevelopment and upgrade to deliver a modern indoor/outdoor aquatic precinct at Happy Home Reserve, Salisbury North.	1,950	0	1,950	0	0	0
Bicycle Network Improvements Service Continuity Program Improvements to the on and off road cycling network across the City to ensure continuity of travel across the City.	200	50	150	155	185	153
City Wide Trails Service Continuity Program Continued development and upgrade of the 'Green Trails' network that follows key City of Salisbury Open Space corridors and waterways.	880	300	580	602	625	648
Unity Park - Railway Corridor Landscaping Improve the landscape of the Unity Park railway corridor to create a cohesive linkage between Unity Park open space, wetlands, the new State Centre of Football and State Sports Park.	250	125	125	0	0	0
Community and Public Art Program Continuation of our public art program to beautify and promote arts and culture within our region.	30	0	30	31	32	0
Confidential Item Confidential	410	110	300	0	0	0
Ingle Farm Sporting Club Rowe Park Ingle Farm Unisex Facilities The delivery of new and upgraded unisex players change rooms, toilet facilities and umpires change rooms as per Council's Place Activation Strategy and the National Construction Code, Building Code of Australia to the Ingle Farm Sporting Club, Rowe Park, Ingle Farm.	0	0	0	750	0	0
ELECTED MEMBER BID: Lighting at Jacaranda Grove To provide path lighting to the pedestrian walkway through Brookside Lineal Wetland Mawson Lakes.	80	0	80	0	0	0
Confidential Item Confidential	447	0	447	0	0	0
Total New	4,801	585	4,216	2,204	1,493	1,501
TOTAL - A welcoming and liveable City	10,985	585	10,400	8,339	7,912	8,210

Infrastructure Budget Bids

	2023/24		2024/25	2025/26	2026/27	
	Exp	\$000's Funding	Net	\$000's Net	\$000's Net	\$000's Net
A sustainable City						
Renewal						
SAMP: Watercourse Management Service Continuity Program Renewal and upgrade Council's waterways. Major waterways within the City include Dry Creek, Little Para River and Edinburgh and Helps Road Drainage corridor and the minor water catchments of Cobbler Creek and the Para Escarpment as well as open stormwater drains, wetlands and basins across the City.	800	0	800	820	840	862
SAMP: Drainage and Waterways Planning Program Provide existing Drainage and Waterways category programs with funds for planning and development of the subsequent years programs including asset condition audits.	160	0	160	164	168	172
SAMP: Dam Service Continuity & Rectification Program Provides funding for required civil maintenance and rectification works of the 21 dams within the City.	75	0	75	77	79	81
SAMP: Environmental Open Space Land Management Service Continuity Program The environmental management of specific lands within Council's open space areas to comply with legislative requirements.	100	0	100	103	105	108
SAMP: St Kilda Breakwaters Service Continuity Program Ongoing program of renewal of the St Kilda Breakwater (sides of the Boat Channel).	50	0	50	205	210	215
SAMP: Irrigation Service Continuity Program This program is for the replacement of irrigation systems within the City's parks and reserves which have reached end of serviceable life.	400	0	400	410	420	431
SAMP: Feature Landscapes Service Continuity Program The installation of renewed and upgraded plantings at nominated profile locations to enhance and promote the City of Salisbury through appropriate landscaping.	0	0	0	123	0	129
SAMP: Tree Screen Renewal Service Continuity Program The Tree Screen Renewal Program is to rejuvenate and improve tree and shrub screens found along road and other transport corridors.	0	0	0	513	137	140

Infrastructure Budget Bids

	2023/24		2024/25	2025/26	2026/27	
	Exp	\$000's Funding	Net	\$000's Net	\$000's Net	\$000's Net
SAMP: Parks and Streetscapes Service Continuity Planning Program Provide Parks and Streetscape programs with funds for planning and development of future year's programs.	200	0	200	205	210	108
SAMP: Fences and Bollards Service Continuity Program Renewal of existing fencing bollards and gates to reduce unauthorised access and anti-social behaviour such as illegally dumped rubbish and turf damage.	0	0	0	52	54	55
SAMP: Sound Attenuation Walls Service Continuity Program Renewal of the sound attenuation walls adjacent to the railway corridors in Mawson Lakes and Edinburgh.	0	0	0	103	158	0
SAMP: Public Lighting Service Continuity Program This program is for the renewal of public lighting infrastructure on a priority/business case basis including both street lighting and reserve lighting but excluding sportsfield lighting.	450	0	450	461	473	485
Asset Renewal Program Renewal of Water Business Unit assets in accordance with the Salisbury Water Asset Management Plan.	1,103	0	1,103	893	1,100	1,013
Irrigation Controller Renewal This bid is for the replacement of irrigation controllers and cabinets within the City's parks and reserves which have reached end of serviceable life.	1,016	0	1,016	1,034	0	0
SAMP: Major Drainage Service Continuity Program This is a renewal program of critical assets required to manage and maintain watercourse Major Flood level of service.	30	0	30	31	347	248
Total Renewal	4,384	0	4,384	5,193	4,300	4,046

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Infrastructure Budget Bids

	2023/24		2024/25	2025/26	2026/27
	Exp	\$000's Funding Net	\$000's Net	\$000's Net	\$000's Net
New					
Bellchambers MAR Scheme Capacity expansion of Salisbury's Managed Aquifer Recharge Scheme to deliver an additional 800 ML/year of recycled water from the Adams Creek Catchment to supply to customers in the northern regions of Salisbury & Playford council areas.	0	0	0	0	0
Local Flooding Service Continuity Program Design and construction of localised minor flood mitigation works as a result of flooding reports and miscellaneous minor drainage works not funded elsewhere.	110	0	110	113	119
Major Flooding Mitigation Service Continuity Projects This program is generated from Council's Integrated Water Management Strategy which identifies a number of projects for major flood mitigation.	270	0	270	410	431
SAMP: Jones Road - Bolivar - Site Rehabilitation for Future Clean Fill Disposal Funding to rehabilitate Jones Road as an Environment Protection Authority approved fill containment site to replace the previous Swan Alley/Whites Rd site at Globe Derby.	55	0	55	56	59
Greater Edinburgh Parks Regional Drainage Planning and design works required to effectively manage the Greater Edinburgh Parks drainage and infrastructure systems.	230	0	230	0	0
SAMP: Street Tree Planting Service Continuity Program Improving the amenity of streetscapes through the programmed renewal of street trees with more appropriate species for the spaces available within our streets.	600	0	600	1,015	1,077
Pump Station Upgrade Program The continuation of the existing program to upgrade tank and booster pump station systems at a number of key distribution locations across the Salisbury Water network to maintain required service levels during peak irrigation demand periods.	120	0	120	120	170
Recycled Water Supply to Reactivated Reserves Extension of the Salisbury Water distribution network to supply recycled water to various reserves across the City of Salisbury.	200	0	200	250	250
Sustainable Schools Program Construct new Salisbury Water distribution mains to provide connections to schools.	340	0	340	200	0
Regulatory Groundwater Monitoring and Reporting The continuation of existing program to install new groundwater level sensors in all City of Salisbury Water owned and operated wells (operational & observation) to improve the monitoring of aquifer pressures and artesian groundwater conditions to meet Department for Environment and Water regulatory reporting guidelines from the new Adelaide Plains Water Allocation Plan.	120	0	120	0	0
Integrated Urban Water Management – Greenfields Education Centre Upgrade Provide an exceptional community educational experience at Greenfields Wetlands to support the Sustainable Salisbury vision of excellence in water and environmental sustainability.	15	0	15	0	0
Greenfields Education Centre Upgrade Provide an exceptional community educational experience at Greenfields Wetlands to support the Sustainable Salisbury vision of excellence in water and environmental sustainability.	200	100	100	0	0
ELECTED MEMBER BID: New Drainage Networks To fund the design and construction of flood mitigation and drainage works to address localised flood risk of properties located in the Paralowie, Parafield Gardens and Burton, and to a lesser extent, Salisbury Park areas, that flooded during the May 2022 and December 2016 flood events.	145	0	145	400	480
Total New	2,405	100	2,305	2,564	2,336
TOTAL - A sustainable City	6,789	100	6,689	7,757	6,844

Infrastructure Budget Bids

	2023/24			2024/25	2025/26	2026/27
	Exp	\$000's Funding	Net	\$000's Net	\$000's Net	\$000's Net
A growing City that creates opportunities						
Renewal						
SAMP: Carpark Renewal / Upgrade Service Continuity Program						
Resealing and upgrade of carparks including unsealed carparks.	410	0	410	205	210	215
SAMP: Bridge Service Continuity Program						
The renewal upgrade and replacement program for road bridges, footbridges and boardwalks that provide critical transport links across the City where owned by Council.	330	0	330	338	347	355
SAMP: Transportation Service Continuity Planning Program						
Provide funding for the planning and development of the subsequent years Transportation Category programs including various asset condition audits.	150	0	150	308	158	162
SAMP: Bituminous Footpaths Service Continuity Program						
Programmed renewal of existing asphalt footpaths within reserves.	200	0	200	205	210	215
SAMP: Road Reseal Service Continuity Program						
Maintain road surfaces, surface treatments and road pavements to deliver service continuity.	9,800	0	9,800	10,250	10,506	10,769
SAMP: Footpath and Kerb Service Continuity Program						
Renewal of footpath and kerb ramps to provide continuous paths of travel within the City. The program of works are based upon age, condition, function and service level as defined within the Strategic Asset Management Plan. This includes block paved, concrete and asphalt footpaths but excludes trails and shared use paths.	160	0	160	164	841	862
Pratt Avenue Bridge, Pooraka						
Pratt Avenue, Pooraka is a key collector road and bus route linking Main North Road and Bridge Road. The bridge across Dry Creek, forming part of this collector, is in poor condition with a series of structural elements requiring urgent replacement.	3,424	0	3,424	1,983	0	0
Total Renewal	14,474	0	14,474	13,453	12,271	12,578

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Infrastructure Budget Bids

	2023/24			2024/25	2025/26	2026/27
	Exp	\$000's Funding	Net	\$000's Net	\$000's Net	\$000's Net
New						
Miscellaneous Land Acquisition Service Continuity Program Provision for the purchase of minor parcels of land to facilitate the construction of infrastructure.	55	0	55	56	58	59
Minor Traffic Improvements Service Continuity Program Implementation of minor traffic control improvement works such as local area traffic management, pedestrian facilities, parking improvements and minor traffic control devices.	160	0	160	164	168	172
Major Traffic Improvements Service Continuity Program A consolidated program to undertake major traffic improvements to the road network that require specific and significant traffic control measures.	450	0	450	630	53	692
School Zones and Pedestrian Crossings Service Continuity Program Installation of new or upgraded school zones and pedestrian crossing facilities.	250	0	250	256	263	269
New Footpath and Kerb Ramps Service Continuity Program Construction of new footpath and kerb ramps based on community requests, audit outcomes and feedback.	250	0	250	308	315	323
Developer Funded Service Continuity Program Undertake a program of works for which Council has received contributions from Developers to deliver, including but not limited to, planting of trees, building footpaths and parking bays within developments where developers choose not to undertake the works as part of the development.	200	200	0	0	0	0
Footpath Trading Pedestrian Service Continuity Protection The supply and installation of infrastructure to ensure safety for footpath trading areas that have been identified as part of their applications and permit conditions.	25	12	13	14	14	15
Amenity Improvement at Technology Park Mawson Lakes & Edinburgh Parks Industrial A program to engage with industry to improve the amenity of Technology/Industry Parks at Mawson Lakes and Edinburgh Parks to assist in enticing new industry to these precincts.	0	0	0	150	200	200
Total New	1,390	212	1,178	1,578	1,071	1,731
TOTAL - A growing City that creates opportunities	15,864	212	15,652	15,031	13,342	14,309
Innovation and Business Development						
Renewal						
SAMP: Building Furniture and Equipment Service Continuity Program Renewal of inside ergonomic furniture and equipment across all Council facilities.	75	0	75	77	79	81
Total Renewal	75	0	75	77	79	81
TOTAL - Innovation and Business Development	75	0	75	77	79	81
Total Capitalised Employee Expenses	3,152	0	3,152	3,231	3,312	3,394
Total Renewal	25,116	0	25,116	24,859	23,069	23,414
Total New	8,596	897	7,699	6,346	5,107	5,567
Total Infrastructure Program	36,864	897	35,967	34,435	31,488	32,376

Information Technology Budget Bids



Item 7.1.2 - Attachment 1 - Draft 2023/24 Long Term Financial Plan and Annual Business Plan

Information Technology Budget Bids

	2023/24			2024/25	2025/26	2026/27
	Exp	\$000's Funding	Net	\$000's Net	\$000's Net	\$000's Net
A sustainable City						
Salisbury Water - Integrated Environmental Monitoring and Reporting						
Implement a Council-wide system to manage water environmental monitoring data and reporting to ensure legislative compliance and that potential risks e.g. algae blooms, are identified and actioned in a timely manner in order to deliver quality outcomes for the community.	50	0	50	25	25	25
TOTAL - A sustainable City	50	0	50	25	25	25
Innovation and Business Development						
IT Asset Renewal 2023/24						
Programmed asset refresh of desktop and end user equipment across all City of Salisbury operating locations.	600	0	600	1,999	520	375
Expansion of Centrally Managed Wi-Fi						
To facilitate a roll-out of corporate grade Wi-Fi at community centres to align with the solution provided in the Salisbury Community Hub. This is the second year of the expansion approved in 2022/23 budget bid.	101	0	101	0	0	0
The Care Manager (TCM) System Replacement						
The City of Salisbury provides services for 2,200 NDIS and Commonwealth Home Support Program (CHSP) clients. The Care Manager (TCM) currently used to manage and report on services will no longer be developed or meet the needs of the new Support at Home Program. The replacement of the existing system with a new solution must be completed prior to 1 July 2024 when the new Support at Home program is scheduled to commence.	66	0	66	0	0	6
Library IT Infrastructure Renewal - Kiosks - 2023/24						
Programmed asset refresh of Library infrastructure across all Library locations. This has previously been managed internally by the Library team but is now part of the responsibility of Business Systems and Solutions.	102	0	102	13	80	12
TOTAL - Innovation and Business Development	869	0	869	2,012	600	393
Total IT Budget Bids	919	0	919	2,037	625	418

Plant, Furniture and Equipment Budget Bids



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Plant, Furniture and Equipment Budget Bid

	2023/24		2024/25	2025/26	2026/27	
	Exp	\$000's Funding	Net	\$000's Net	\$000's Net	\$000's Net
A welcoming and liveable City						
SAMP: CCTV Upgrade Cycle - End of Life Equipment Program						
Renewal and upgrade of CCTV equipment to ensure the continued success of the City of Salisbury Public Safety CCTV network due to the end of life of products installed in 2015-2016.	130	0	130	133	137	140
Upgrade of 6T Tipper Truck to a Large Compactor						
The fleet program supports the services provided to the community. It sees plant and fleet items progressively replaced following assessment of user and service level delivery requirements.	140	0	140	0	0	0
CCTV Network – Salisbury, Para Hills & Paralowie						
To provide funding for the supply and installation of suitable permanent CCTV surveillance solutions for 3 playground areas and surrounds. Brown Terrace, Salisbury, Paddocks, Para Hills and Fairbanks Drive, Paralowie.	105	0	105	33	33	34
TOTAL - A welcoming and liveable City	375	0	375	166	170	174
Innovation and Business Development						
SAMP: Plant & Fleet Replacement Program						
Deliver plant and fleet replacement in alignment with the Fleet Asset Management Plan	2,696	928	1,768	2,052	1,579	1,858
TOTAL - Innovation and Business Development	2,696	928	1,768	2,052	1,579	1,858
Total PFE Budget Bids	3,071	928	2,143	2,218	1,749	2,032

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Budgeted Financial Statements and Analysis



Item 7.1.2 - Attachment 1 - Draft 2023/24 Long Term Financial Plan and Annual Business Plan

Budgeted Financial Statements and Analysis 2023/24

This section of the report analyses the changes in budgeted operating revenues and expenses for the 2023/24 year.

1.0 Summary

Details	Adopted Budget 2022/23 \$000's	Draft Budget 2023/24 \$000's	Variance Inc/(Dec) \$000's	Variance %
Operating Income	135,926	145,927	10,001	7.36%
Operating Expenditure	134,697	144,294	9,597	7.12%
Operating Surplus/(Deficit)	1,229	1,633	404	32.86%

1.1 Operating Income

Income Type	Reference	Adopted Budget 2022/23 \$000's	Draft Budget 2023/24 \$000's	Variance Inc / (Dec) \$000's	Variance % %
Rates Revenue	1.1.1	112,010	121,064	9,054	8.08%
Statutory Charges	1.1.2	2,849	2,861	12	0.42%
User Charges	1.1.3	5,410	5,992	582	10.76%
Operating Grants & Subsidies	1.1.4	14,317	14,647	330	2.31%
Investment Income	1.1.5	71	77	6	8.61%
Reimbursements	1.1.6	289	289	0	0.08%
Other Revenue	1.1.7	980	997	16	1.64%
Total Operating Revenue		135,926	145,927	10,001	7.36%

1.1.1 Rates Revenue (\$9.1M Increase)

The anticipated rates revenue in 2023/24 is \$121.1M which when compared to 2022/23 of \$112M, represents an increase of \$9.1M or 8.08%. This reflects the proposed average residential rate increase of 7% with rates growth from the increase in the number of assessments anticipated at 0.5% and increase from development activity of 0.5%.

1.1.2 Statutory Charges (\$12k Increase)

Statutory Charges relate to fees and fines levied in accordance with legislation and include Dog Registrations, Health Act Regulations, Development Act fees and Parking Expiations. Statutory Charges are forecast to increase by 0.42% or \$12k compared to 2021/22.

This incorporates an increase in Development Fees of \$20k associated with higher volumes.

1.1.3 User Charges (\$582k Increase)

User Charges represent 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 \$6M in 2023/24, which is an increase of 10.76% or \$582k compared to 2022/23, with significant contributors to this increase coming from increases in Water Sales of \$106k and Cemetery Fees of \$104k, both associated with higher volumes.

1.1.4 Operating Grants & Subsidies (\$330k Increase)

Operating Grants and Subsidies for 2023/24 are forecast to be \$14.6M, which is an increase of \$330k or 2.31% as compared to the budgeted amount of \$14.3M in 2022/23.

The forecast increase in Operating Grants & Subsidies is the result of \$534k increase in Grants Commission funding.

Budgeted Financial Statements and Analysis 2023/24

1.1.5 Investment Income (\$6k Increase)

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

Investment Income for 2023/24 is forecast to generate \$77k which is an increase of \$6k compared to 2022/23.

1.1.6 Reimbursements

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

During 2023/24 it is estimated that the Council will receive \$289k from reimbursements for Council facilities which is offset by higher costs.

1.1.7 Other Revenue (\$16k Increase)

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

During 2023/24 Other Revenue is forecast to increase to \$1M as compared to \$980k in 2022/23. This represents an increase of \$16k or 1.64%.



Budgeted Financial Statements and Analysis 2023/24

1.2 Operating Expenditure

Expense Type	Reference	Adopted Budget 2022/23 \$000's	Draft Budget 2023/24 \$000's	Variance Inc / (Dec) \$000's	Variance % %
Employee Costs	1.2.1	42,534	44,885	2,351	5.53%
Materials, Contracts & Other Expenses	1.2.2	58,862	61,273	2,411	4.10%
Finance Costs	1.2.3	1,444	3,756	2,312	160.06%
Depreciation, Amortisation & Impairment	1.2.4	31,857	33,641	1,785	5.60%
Net Loss - Equity Accounted Council Businesses	1.2.5	0	739	739	100.00%
Total Operating Expenses		134,697	144,294	9,597	7.12%

1.2.1 Employee Costs (\$2.4M Increase)

Employee costs include all associated labour related on-costs such as allowances, leave entitlements and the Superannuation Guarantee Charge (SGC). It also considers the effects of Enterprise Bargaining Agreements; general salary increments and the impact on employee costs resulting from changes in grant funding.

During 2023/24 employee costs are forecast to increase to \$44.9M as compared to \$42.5M in 2022/23, which is an overall increase of \$2.4M or 5.63%. In addition to enterprise agreement wage increases this increase includes a legislated increase to the SGC of 0.5% in 2023/24, outcomes from organisational structural changes, and changes in capitalisation levels of staff time.

1.2.2 Materials, Contracts & Other Expenses (\$2.4M Increase)

Materials, Contracts and Other Expenses include purchases of consumables that are used throughout the Council for the provision of services. It includes utility costs, and works and services which the Council sources externally, so as to allow the Council to perform its operations. It encompasses 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 2023/24 at \$61.3M as compared to \$58.9M in 2022/23. This is an increase of \$2.4M or 4.1%. Major movements in expenditure include increased Verge Mowing \$450k, Waste Management \$420k and Building Maintenance – Sport and Community Facilities of \$186k.

Budgeted Financial Statements and Analysis 2023/24

1.2.3 Finance Costs (\$2.3M Increase)

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

The interest costs of \$3.8M forecast for 2023/24 reflect an increase of \$2.3M or 160.06% as compared with \$1.4M in 2022/23. The increased cost of borrowings is the result of several interest rate rises over the past 12 months.

1.2.4 Depreciation, Amortisation & Impairment (\$1.8M Increase)

Depreciation is an accounting measure which measures 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 2023/24 the forecast amount of depreciation is \$33.6M compared to \$31.9M for 2022/23. This is an overall increase of \$1.8M or 5.6%, which reflects the impacts of new assets coming on stream and the revaluation of existing assets.

1.2.5 Net Loss – Equity Accounted Council Businesses (\$739k Increase)

Net loss – Equity Accounted Council Businesses is the recognition of the City of Salisbury's share of the budgeted deficit that the Northern Adelaide Waste Management Authority (NAWMA) Regional Subsidiary is expecting to recognise in 2023/24. Normally Council budgets for its regional subsidiaries to breakeven, however given the size of NAWMA's estimated deficit it is appropriate to include Council's share in the budget.



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Functional Presentation of the Budget

In this section of the Draft Long Term Financial Plan and Annual Business 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 2035. This Planning Framework is structured around four Key Directions, A welcoming and liveable City, A sustainable City, A growing City that creates new opportunities and Innovation and Business Development.

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.



Budget Summary by Full Cost

2022/23 Budget

OPERATING BUDGET by KEY DIRECTION	2022/23				
	Direct Cost \$000's	Attributed Cost \$000's	Full Cost \$000's	Funding \$000's	Net \$000's
A welcoming and liveable City					
Community Development	2,432	(195)	2,237	15	2,222
Library Services	4,654	3,591	8,245	640	7,635
Community Centres	1,880	1,136	3,016	339	2,678
Recreation Services	1,614	175	1,789	126	1,663
Community Sport and Club Facilities	2,217	2,010	4,227		4,227
Community Health and Wellbeing	4,662	2,375	7,037	3,618	3,419
Cemetery	482	112	594	507	87
Food and Health Regulation	872	401	1,273	253	1,020
Community Compliance Services	714	416	1,130	289	841
Dog and Cat Management	1,382	565	1,947	1,012	935
Crime Prevention and Repair	437	-	437	-	437
Street Lighting	3,496	438	3,934	-	3,934
Total A welcoming and liveable City	24,843	11,024	35,867	6,769	29,098
A sustainable City					
City Infrastructure	5,103	(3,416)	1,688	1,151	537
Water Management	4,477	6,634	11,111	2,737	8,374
Waste Management	18,984	-	18,984	426	18,558
Parks and Landscapes	19,715	13,178	32,893	124	32,769
Total A sustainable City	48,279	16,396	64,676	4,437	60,239
A growing City that creates new opportunities					
Economic Development	1,155	441	1,596	59	1,537
Development Services	3,432	1,795	5,227	1,640	3,587
Urban Planning and Development	1,288	584	1,872	-	1,872
Roads	3,138	10,659	13,797	3,332	10,465
Footpaths	882	2,313	3,195	-	3,195
Total A growing City that creates new opportunities	9,894	15,793	25,687	5,030	20,657
Innovation and Business Development					
Innovation and Business Development	18,505	(15,053)	3,451	735	2,716
Council	2,689	(40)	2,649	2	2,648
Sundry *	30,487	(28,121)	2,367	7,762	(5,395)
Total Innovation and Business Development	51,681	(43,214)	8,468	8,499	(32)
Rates Revenue				111,191	(111,191)
TOTAL OPERATING SURPLUS / (DEFICIT)	134,697		134,697	135,926	1,229

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

Budget Summary by Full Cost

2023/24 Budget

OPERATING BUDGET by KEY DIRECTION	2023/24				
	Direct Cost \$000's	Attributed Cost \$000's	Full Cost \$000's	Funding \$000's	Net \$000's
A welcoming and liveable City					
Community Development	2,321	-	2,321	28	2,293
Library Services	4,793	-	4,793	610	4,184
Community Centres	1,841	-	1,841	116	1,726
Recreation Services	1,861	-	1,861	136	1,726
Community Sport and Club Facilities	2,506	-	2,506	-	2,506
Community Health and Wellbeing	4,781	-	4,781	3,824	956
Cemetery	511	-	511	592	(81)
Food and Health Regulation	925	-	925	248	676
Community Compliance Services	751	-	751	307	444
Dog and Cat Management	1,431	-	1,431	1,026	405
Crime Prevention and Repair	282	-	282	-	282
Street Lighting	3,594	-	3,594	-	3,594
Total A welcoming and liveable City	25,596	-	25,596	6,886	18,710
A sustainable City					
City Infrastructure	3,728	-	3,728	1,097	2,631
Water Management	5,014	-	5,014	2,842	2,172
Waste Management	19,361	-	19,361	261	19,100
Parks and Landscapes	21,601	-	21,601	124	21,477
Total A sustainable City	49,704	-	49,704	4,324	45,380
A growing City that creates new opportunities					
Economic Development	1,136	-	1,136	94	1,043
Development Services	3,525	-	3,525	1,659	1,866
Urban Planning and Development	1,361	-	1,361	-	1,361
Roads	2,339	-	2,339	3,460	(1,121)
Footpaths	854	-	854	-	854
Total A growing City that creates new opportunities	9,216	-	9,216	5,213	4,003
Innovation and Business Development					
Innovation and Business Development	18,078	-	18,078	742	17,336
Council	3,260	-	3,260	2	3,258
Sundry *	35,444	-	35,444	8,354	27,090
Total Innovation and Business Development	56,782	-	56,782	9,098	47,684
Rates Revenue				120,192	(120,192)
Operating Budget Bids	2,997		2,997	215	2,782
TOTAL OPERATING SURPLUS / (DEFICIT)	144,294	-	144,294	145,927	1,633

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

A welcoming and liveable City



Foundations

- ✓ Our City is attractive and well maintained
- ✓ The health and wellbeing of our community is a priority
- ✓ People are valued and they feel safe, included and connected
- ✓ We are proud of our strengths, achievements and cultural diversity
- ✓ Our community is resilient and adaptive to change



Council's commitment to develop a welcoming and liveable City

Council will:

- ✓ deliver and support programs that promote active living, health and wellbeing throughout the community
- ✓ provide community and sporting facilities that cater for a diverse range of interests and needs
- ✓ support clubs and community groups to increase participation
- ✓ connect people to information, people and programs that help them achieve their goals
- ✓ celebrate our community's diversity
- ✓ design services, places and programs that are safe and welcoming for all
- ✓ inform, connect and empower people and neighbourhoods to increase self-reliance
- ✓ provide experiences that make our places lively and interesting
- ✓ facilitate housing choices
- ✓ encourage businesses to become more involved in our community

CRITICAL ACTIONS

Strategic Projects	Budget Context
Upgrade community hubs at Burton and Ingle Farm	The Burton Community Hub was successfully launched in July 2022 and a variety of programs and services are currently being delivered on site providing direct community benefit to the local area. Upgrades to the Ingle Farm Community Hub are currently in the early planning and feasibility stage.
Implement St Kilda and Paddocks masterplans	St Kilda Master Plan works were completed in 2021 with the delivery of the new boat ramp and launch structures. Delivery of The Paddocks Masterplan continues with the completion of a New Regional Playspace during the second quarter of 2022 and delivery of new fitness equipment nodes, viewing mound, clearing of reeds from the pond, and installation of a viewing deck. A new shared clubroom facility is also being constructed, with the expected completion date in mid-2023. Upgrades to site access trails and the Netball courts have also been completed as have renewal maintenance works for the Para Hills Knights club rooms.
Complete the Bridgestone athletics facility and maximise its use	Bridgestone Athletics Centre will continue to provide a state-of-the-art home to three local athletics clubs, supporting increased participation in physical activity. The Centre will continue to host large scale events and will broaden its reach to further activate the Centre.
Provide at least 15% affordable housing through Council's development projects	All City of Salisbury future development sites will include a minimum of 15% affordable housing. The development application has been lodged for the Lake Windemere project which will deliver well over 15% affordable housing.
Implement the regional public health plan and wellbeing agenda	The new Regional Public Health Plan will be delivered this financial year and the Reconciliation Action Plan will be renewed, including a program to commemorate Sorry Day and celebrate National Reconciliation Week and NAIDOC.
Enhance the visual appearance and amenity of public space through an expanded verge maintenance program, appropriate lighting and more greening of reserves	Lighting activation programs that enhance spaces throughout the city are continuing. These projects include: Carisbrooke shared use path lighting; Davey Oval sports field; and Mawson Lakes lake edge lighting. A verge revitalisation program in association with the Streetscape Renewal Program is being implemented in 2022/23 for the greening of the City, these streets include Boyara Crescent and Golden Court in Paralowie and Jolsen Street, Salisbury Downs.
Improve our playgrounds and sporting facilities and cycle paths	Council continues to deliver the Reserve Upgrade and Renewal Playspace programs with an increase in levels of service. The extension of the Green Trails project along Little Para Trail East of Main North Road Salisbury Heights and sections of Gawler Greenway through Parafield Gardens have been completed to north of Mawson Lakes with additional stages to be completed with State government support over the next 3 years, connecting the City of Salisbury to the Gawler Greenway. Council is delivering Reserve Upgrades and New Playgrounds infrastructure in alignment with the agreed levels of service. Projects commenced or completed within the last 12 months include: Peppercorn Circuit reserve Mawson Lakes, Barker Gully Reserve Gulfview Heights, Middleton Green Reserve, Salisbury and Carney Close Reserve, Salisbury Plains. Construction will commence shortly on Yalumba Reserve, Paralowie and Camelot Reserve, Paralowie.
Implement the 'Ability Inclusion Strategic Plan', including providing more equipment in our playgrounds that is able to be used by people with different abilities	The Ability and Inclusion Strategic Plan is being implemented with a particular focus on developing SA's first Universal Design Guidelines for Local Communication Access (CA). Resources have been finalised for Salisbury staff as well as Disability Inclusion Training workshops. Council is renewing its collaboration agreement with Purple Orange which will support the Northern PEERS peer network development strategy and provide more workshops on NDIS plans and community connections.

CRITICAL ACTIONS

Operational Focus	Budget Context
Improve quality and cleanliness of residential areas	Council increased its verge maintenance program to 8 times a year and continues to improve the landscaping of selected streets, such as major collector roads.
Promptly remove rubbish dumped on public land	City of Salisbury has a target of 100% compliance to 10 days service response. There continues to be a large volume of dumped rubbish across the city, with over 1200 dumped rubbish litter jobs during the past financial year. Council has recently invested in a new compactor to improve the efficiency and effectiveness of this service.
Implement Council's community safety strategy, including CCTV coverage	Council's community safety plan deliverables include: finalisation of the Community and Special Circumstances CCTV programs in 2023; development and delivery of a White Ribbon event and maintaining Council's White Ribbon accreditation; public lighting upgrades and public realm improvements; Community Safety awareness campaigns and localised responses to antisocial behaviour to support amenity and community connections; John St/Church St Renewal Project including community safety improvements and activations and regular stakeholder engagement meetings with SAPOL and other key community safety groups.
Ensure public places are accessible and sporting facilities are maintained	Access to public spaces and sporting facilities is an ongoing consideration and is undertaken across Council's planning and design phases. Council continues to increase the number of pieces of equipment fully accessible with rubber pour through the renewal program and has developed a Universal Design Policy/Framework that is to be applied to all projects.
Provide support and grants to sporting and community groups	Minor Capital Works and Community Development Grants will be distributed to support local organisations to deliver meaningful outcomes for the
Work closely with Community and Senior Centres to provide effective and well received programs	Council continues to deliver high quality programs that promote active living, health and wellbeing programs that meet the needs of the community. Council continues to focus on the design and delivery of programs that are inclusive and accessible. Consultation with community members will continue to occur to ensure the programs delivered address the needs of the community.
Deliver Council's intercultural Strategic Plan to build connections and increase collaboration among community groups and service providers	The Intercultural Strategic Plan is being implemented with particular attention to the updated action plan. Annual progress reported to Council and a recent update of achievements reported to the new Intercultural Partnerships Subcommittee.

NOT YET REVIEWED FOR COUNCIL

CRITICAL ACTIONS	
<p style="text-align: center;">Future Planning</p> <p>Develop a place activation strategy</p> <p>Assess future social infrastructure needs</p> <p>Update the 'City Pride' strategy</p>	<p style="text-align: center;">Budget Context</p> <p>The framework for the consideration of place activation by use, per destination has been endorsed by Council and continues to be updated in line with user requirements, sports associations guidelines and financial affordability.</p> <p>Both the Place Activation Strategy – Community Facilities and Community Centre Governance Review will be delivered and provide direction on Council's community assets.</p> <p>The first phase to establish key data sets across a series of quality-of-life measures has commenced. Community consultation has been undertaken which identified priority areas of focus. This, in partnership with broader population data and research, will inform the development of a new strategy to be recommended to Council in 2023.</p>
<p style="text-align: center;">Advocacy Priorities</p> <p>Increased resourcing and services to make our community a safer place</p> <p>Improve public transport options</p> <p>Improved infill development policies and urban design</p> <p>Programs and services to address mental health, housing and income inequality issues</p>	<p style="text-align: center;">Budget Context</p> <p>Council continues to deliver Neighbour Day and encourage other neighbourhood level initiatives with the aim to increase local connections and build community resilience.</p> <p>We continue to work with the State Government on a major amenity uplift to the Salisbury Interchange, including new public toilets and landscaping. This work has included an upgrade to the Salisbury Interchange and relocation of some bus stops in the City Centre. Delivery of the Gawler Greenway project in conjunction with the State Government is progressed as funding becomes available. Support is provided to the State Government Gawler Electrification Project and Council will deliver revegetation works following completion of the project. Council continues to refurbish bus shelters across the city.</p> <p>A free internal design review process for developers at pre-lodgement stage (also used during development assessment phase) is available from Council. Infill guidelines for narrow frontage homes and verge reinstatement development have also been made available to the public. Council also monitors selected infill development to check compliance with approved plans.</p> <p>City of Salisbury continues to collaborate with The Northern Homelessness Alliance to re-establish services in the north. A commitment has been provided by the Alliance to develop a service model that will provide a Rough Sleep Protocol to assist homeless people. Council continues to develop a range of partnerships with local agencies including North Eastern Alliance for the Mentally Ill (NEAMI) and St Vincent de Paul to provide spaces and services that address mental health, housing and income inequality.</p>

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Item 7.1.2 - Attachment 1 - Draft 2023/24 Long Term Financial Plan and Annual Business Plan

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Community Development



Key Partners:

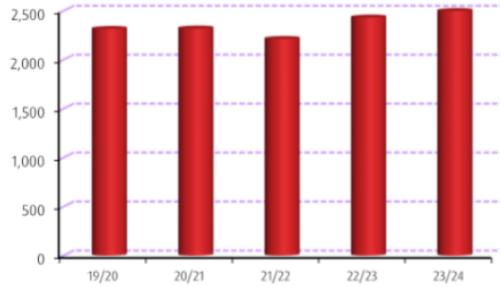
- Community Centres SA
- Community Centre Associations
- Department of Health
- Department for Education and Child Development
- Northern Adelaide State Secondary Schools Alliance
- Department of Communities and Social Inclusion Human Services (SA)
- Reconciliation Australia
- Public Library Service of South Australia
- University of SA
- Alcohol and Drug Foundation
- Northern Adelaide Local Health Network
- Anglicare SA
- White Ribbon
- SAPOL
- Relationships SA
- Northern Mental Alliance
- Adelaide North West Homelessness Alliance (ANWHA)

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

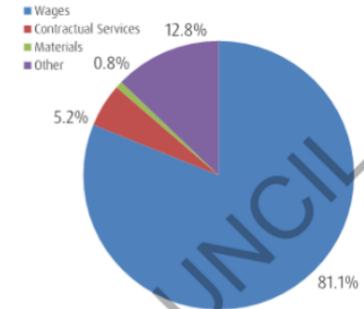
SERVICE AREAS	ACTIVITIES SERVICE LEVELS
<p>Community Development Administration Provides for Executive Management and associated support for the overall management and leadership of the Community Development Department.</p>	<ul style="list-style-type: none"> • Leadership of the Community Development department and accountability for outcomes assigned to the department
<p>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.</p>	<ul style="list-style-type: none"> • Applications received: approximate average 32pa
<p>Community Planning <i>Sport and Recreation</i> 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.</p> <p><i>Cultural Development</i> 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.</p> <p><i>Social Policy</i> Undertakes research and develops policy, strategy, programs and partnerships in relation to implementation of the Reconciliation Action Plan, Community Safety, Public Health, Homelessness and Social Infrastructure.</p>	<ul style="list-style-type: none"> • Review community recreation and open space needs • Provide support to sporting club development • Provide advice related to sport and recreation facility development • Contribute to the development of the Place Activation Strategy • Contract management of the operation of Council recreation facilities • Provide advice and lead stakeholder engagement for sport and recreation facility development • Management of the athletics centre at Bridgestone Reserve • 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 Creative Prize, as part of the Writers Week festivities, staging of Vietnam Veterans and Asbestos Victims ceremonies, other place activations and Salisbury Fringe Carnival • Liaise with SAPOL, agencies and businesses on community safety • Regional partnerships in local drug action, homelessness, domestic violence, reconciliation and coordination of Regional Public Health Plan • Provide statistical analysis to social service delivery and social infrastructure provision • Coordination of activities that respond to homelessness • Community bus coordination • Planet Youth drug and alcohol primary prevention program

Community Development

Budgeted Community Development Operating Expenditure (\$'000)



Community Development (Expenditure)



	2022/23 Budget \$'000's	2023/24 Budget \$'000's
EXPENDITURE		
Community Development Administration	1,142	1,153
Community Grants	185	185
Community Planning	1,105	982
DIRECT EXPENDITURE	2,432	2,321
FULL COST ATTRIBUTION	(195)	
TOTAL EXPENDITURE	2,237	2,321
INCOME		
Community Planning	15	28
TOTAL INCOME	15	28
NET IMPACT TO COUNCIL		
Community Development Administration	1,142	1,153
Community Grants	185	185
Community Planning	1,090	954
FULL COST ATTRIBUTION	(195)	
TOTAL NET IMPACT TO COUNCIL	2,222	2,293

Library Services



Key Partners:

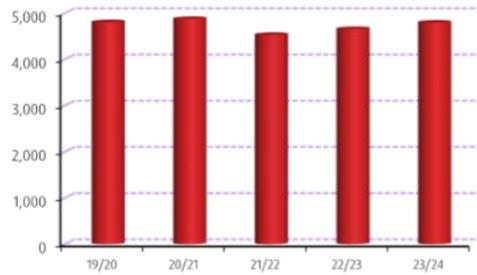
- Public Library Services (PLS)
- Libraries Board of South Australia
- State Library of South Australia (SLSA)
- Public Libraries SA (PLSA)
- Australian Library and Information Association (ALIA)
- Department for Innovation and Skills

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

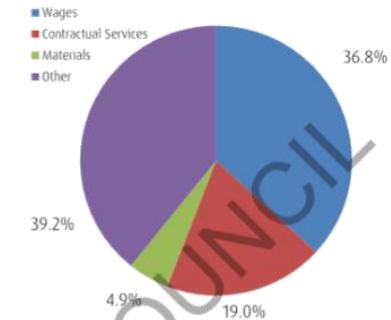
SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
Building Maintenance Libraries The maintenance of library buildings.	
Library Administration and Policy Provides for the management and associated support staff for the function of the library services.	<ul style="list-style-type: none"> • Manage library branch services, library information and access and collections effectively in line with arrangements through the Libraries Board of South Australia
Library Branch Services Services are offered at five key locations across Salisbury LGA. Services to the community include a wide-ranging collection and reference collection, public internet and wi-fi, sporting and toy libraries, Justice of the Peace, Local and Family History, and Home Library. Our sites have a variety of spaces for community use include quiet study areas, bookable meeting rooms, youth and children's areas.	<ul style="list-style-type: none"> • 44,710 PC bookings per annum • 26,277 library members • 499,600 visits per annum • 280 Home Library members • 25,666 Justice of the Peace visits per annum
Library Information and Access Overseeing the strategic and operational management of library specific technologies including the library management system and online content to support Library services and programs. 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.	<ul style="list-style-type: none"> • 3,400 Facebook followers • 123,100 physical items • 494,550 physical loans per annum • 78,916 eBook, eAudio, eMagazine loans per annum
Community Learning Programs Learning programs include literacy and reading, digital literacy, STEM, health & wellbeing 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. Many of the programs are delivered on line or face to face. All programs and services are specifically designed to build capacity within our community to achieve positive outcomes that support their learning, employment and health and wellbeing needs. Strategic partnerships are actively initiated to attract and secure relevant grant funding	<ul style="list-style-type: none"> • 3,790 attended early childhood (0-5) programs • 1,394 attended children/young adult (6-17) programs • 832 attended adult programs • 4,826 attended Literacy and Lifelong Learning programs • 642 attended Digital Inclusion programs • 548 attended Personal Development and Wellbeing programs

Library Services

Budgeted Library Services Operating Expenditure (\$'000)



Library Services (Expenditure)



	2022/23 Budget \$'000's	2023/24 Budget \$'000's
EXPENDITURE		
Building Maintenance Libraries	77	95
Library Administration and Policy	441	420
Library Branch Services	2,714	2,844
Library Information and Access	874	851
Community Learning and Programs	547	583
DIRECT EXPENDITURE	4,654	4,793
FULL COST ATTRIBUTION	3,591	
TOTAL EXPENDITURE	8,245	4,793
INCOME		
Library Administration and Policy	379	419
Library Branch Services	108	100
Library Information and Access	80	88
Community Learning and Programs	43	3
TOTAL INCOME	610	610
NET IMPACT TO COUNCIL		
Building Maintenance Libraries	77	95
Library Administration and Policy	62	1
Library Branch Services	2,606	2,744
Library Information and Access	794	764
Community Learning and Programs	504	580
FULL COST ATTRIBUTION	3,591	
TOTAL NET IMPACT TO COUNCIL	7,635	4,184

Community Centres



Key Funding Providers and Partners:

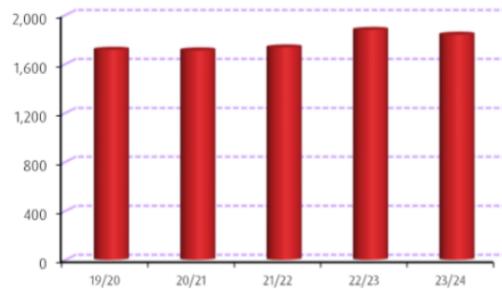
- Community Centres SA
- Non-Government Organisations
- Department of Human Services
- Department of Industry and Skills
- Department of Education and Child Development
- University of South Australia

As part of Community Participation and Partnerships Division Community Centres contain the following Service Areas, Activities and Service Levels

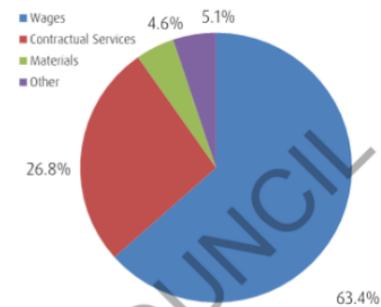
SERVICE AREAS	ACTIVITIES SERVICE LEVELS
<p>Building Maintenance Community Centres The maintenance of Community Centre buildings.</p>	
<p>Community Centres</p> <p>Deliver learning and engagement activities for all ages across Community Centres in Salisbury North (Bagster Road), Parafield Gardens (Morella), Pooraka (Pooraka Farm) and Salisbury East; Hub sites at the Mawson Centre, Para Hills and Burton Community Hubs; and at the Twelve25 Youth Centre, Salisbury.</p> <p>Services and programs delivered on site foster resilience and wellbeing, promote health and fitness, enhance social connections, develop language, literacy and digital skills as well as celebrate and entertain.</p> <p>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.</p>	<ul style="list-style-type: none"> • Personal Development and Wellbeing programs total visits – 51,936 • Strong and More Creative Communities programs total visits – 19,141 • Informed and Connected Citizens programs total visits – 16,676 • Literacy and Lifelong Learning programs total visits – 8,750 • Economic and Workforce Development programs total visits – 2,678 • Digital Inclusion program total visits – 64 • 250 Volunteers, who contribute approximately 20,000 hours per annum to City of Salisbury

Community Centres

Budgeted Community Centres Operating Expenditure
(\$'000)



Community Centres (Expenditure)



	2022/23 Budget \$'000's	2023/24 Budget \$'000's
EXPENDITURE		
Building Maintenance Community Centres	439	479
Community Centres	1,442	1,362
DIRECT EXPENDITURE	1,880	1,841
FULL COST ATTRIBUTION	1,136	
TOTAL EXPENDITURE	3,016	1,841
INCOME		
Community Centres	339	116
TOTAL INCOME	339	116
NET IMPACT TO COUNCIL		
Building Maintenance Community Centres	439	479
Community Centres	1,103	1,247
FULL COST ATTRIBUTION	1,136	
TOTAL NET IMPACT TO COUNCIL	2,678	1,726

Recreation Services



Key Partners:

- Service Delivery – Belgravia Leisure
- Netball SA
- Squash SA
- Tennis SA
- Council of the Aging (COTA)
- Recreation SA
- AustSwim
- Swimming Australia
- Dept. Education and Children’s Services
- Office for Recreation, Sport and Racing
- University of SA
- Basketball Australia
- Adelaide Community Basketball Association

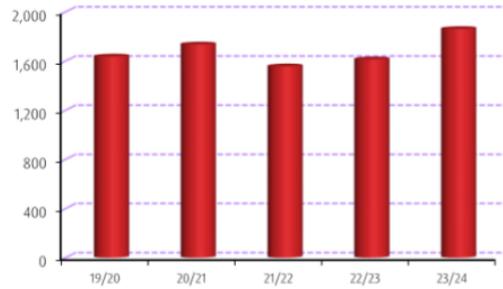
Recreation Services contains the following Service Areas, Activities and Service Levels

SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
Building Maintenance	
<p>The maintenance cost of recreation buildings.</p>	
<p>Recreation Services Contract City of Salisbury provides recreation services through an outsourced business model. Services are provided as follows:</p> <p><i>Ingle Farm Recreation Centre</i> 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 and birthday parties. The Centre also accepts payments for rates, fines and dog registration on behalf of Council.</p> <p><i>Gardens Recreation Centre</i> 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 Helping Hand. The Centre also plays hosts to many national, state and local sporting events and shows.</p> <p><i>Salisbury Recreation Precinct</i> The Salisbury Aquatic Centre swimming pool is currently closed so that a major refurbishment of the centre can be completed. The works are partially funded through a State Government grant. The project will cost in the vicinity of \$28.4M. Details of this can be found in our infrastructure bids section commencing page 28. The SRP continues to provide tennis facilities in a parkland setting including 8 tennis courts (4 of which are Australian Open standard)</p> <p><i>Little Para Golf Course</i> Located at Martins Road, Paralowie, the Little Para Golf Course is a 9-hole, par 3 course. The course winds through the Little Para River and is accompanied by an 8-bay driving range, a clubhouse, pro-shop and a BBQ alfresco area undercover.</p> <p>Bridgestone Athletics Centre The Bridgestone Athletics Centre is the home venue for 3 athletics clubs and is equipped with a synthetic eight-lane 400m track, long jump pits, throwing cages, high jump, steeple chase and pole vault equipment. The indoor area comprises a function space, changeroom facilities, bar and kiosk facilities, officials’ room and first aid area. The Centre also hosts a range of school athletics carnivals</p>	<ul style="list-style-type: none"> • Work in partnerships with the recreation services provider to oversee delivery of sport and recreation programs and services of Council’s: <ul style="list-style-type: none"> - Ingle Farm Recreation Centre - Parafield Gardens Recreation Centre - Little Para Golf Course • Direct customer visits: approx. 175,000pa • Average teams registered: 80pa • Current customer visits and teams registered is being impacted as a result of the COVID-19 requirements. <ul style="list-style-type: none"> • Customer visits: 121,000pa • Teams registered: 180pa • Current customer visits and teams registered is being impacted as a result of the COVID-19 requirements. <ul style="list-style-type: none"> • Previous Customer visits: approx. 68,500pa <ul style="list-style-type: none"> • Rounds: approx. 17,700pa • Driving range buckets: approx. 6,000 <ul style="list-style-type: none"> • Attendances: approxi. 15,000pa

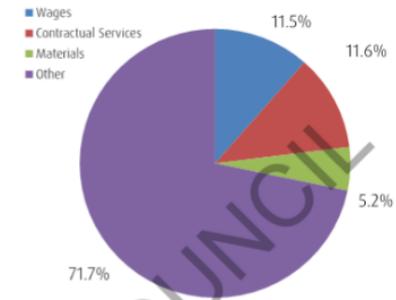
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Recreation Services

Budgeted Recreation Services Operating Expenditure (\$'000)



Recreation Services (Expenditure)



	2022/23 Budget \$'000's	2023/24 Budget \$'000's
EXPENDITURE		
Building Maintenance	57	91
Recreation Services Contract	1,158	1,383
Bridgestone Athletics Centre	399	387
DIRECT EXPENDITURE	1,614	1,861
FULL COST ATTRIBUTION	175	
TOTAL EXPENDITURE	1,789	1,861
INCOME		
Bridgestone Athletics Centre	126	136
TOTAL INCOME	126	136
NET IMPACT TO COUNCIL		
Building Maintenance	57	91
Recreation Services Contract	1,158	1,383
Bridgestone Athletics Centre	273	252
FULL COST ATTRIBUTION	175	
TOTAL NET IMPACT TO COUNCIL	1,663	1,726

Community Sport and Club Facilities



Key Partners:

- Sporting and Community Clubs

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

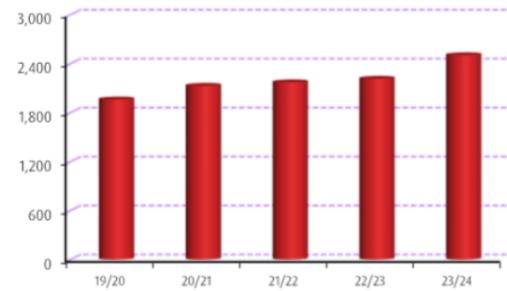
SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
<p>Building Maintenance Sport and Community Facilities Council's building maintenance program ensures that our sporting and community facilities are pro-actively maintained as well as providing timely repair works as required.</p>	<p>Maintenance of the clubroom and change room structures including general repairs and programmed maintenance</p> <ul style="list-style-type: none"> • Electrical and Plumbing Service: <ul style="list-style-type: none"> - Priority 1 - Emergency within 2 hours - Priority 2 - within 24 hours - Priority 3 - General seven days (maximum)
<p>Sportsfield Cutting Council's sportsfield cutting program ensures that the required turf service levels are maintained across the City</p>	<p>Maintained to standards to ensure the grounds are 'fit for use' for the sport being played</p> <ul style="list-style-type: none"> • 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

NOT YET REVIEWED BY COUNCIL

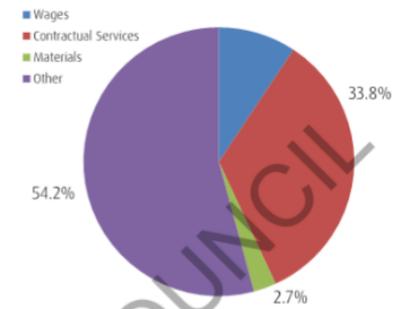
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Community Sport and Club Facilities

Budgeted Community Sport and Club Facilities Operating Expenditure (\$'000)



Community Sport and Club Facilities (Expenditure)



	2022/23 Budget \$'000's	2023/24 Budget \$'000's
EXPENDITURE		
Building Maintenance Sport and Community Facilities	545	771
Sportsfield Cutting	1,672	1,735
DIRECT EXPENDITURE	2,217	2,506
FULL COST ATTRIBUTION	2,010	
TOTAL EXPENDITURE	4,227	2,506
NET IMPACT TO COUNCIL		
Building Maintenance Sport and Community Facilities	545	771
Sportsfield Cutting	1,672	1,735
FULL COST ATTRIBUTION	2,010	
TOTAL NET IMPACT TO COUNCIL	4,227	2,506

NOT YET REVIEWED BY COUNCIL

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Community Health and Wellbeing



Key Partners:

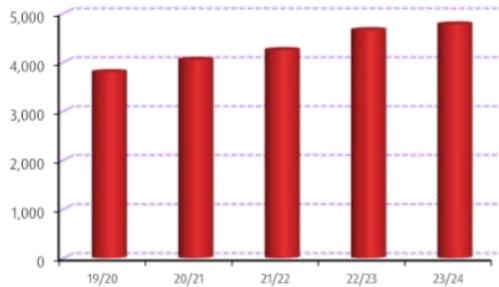
- Commonwealth Department of Health; State Department of Human Services; Department for Premier and Cabinet; Department of Home Affairs
- COTA SA – Council on the Ageing SA ; Volunteering SA & NT; Northern Volunteering; Local Government Volunteer Managers Network; Local Government Ageing Well Network; Local Government Access and Inclusion Network; Multicultural Aged Care; Multicultural Affairs; Active Ageing Australia;; Aged and Community Care Providers Association (ACCPA); Aged Rights Advocacy Service (ARAS);; Office for Ageing Well; Welcoming Cities Australia; Council of Europe Intercultural Cities Network; Australian Refugee Association; AMES Australia; Multicultural Communities Council of SA; Purple Orange; Red Cross; Multifaith SA; E Heart Foundation SA; PBA FM, Carers's

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

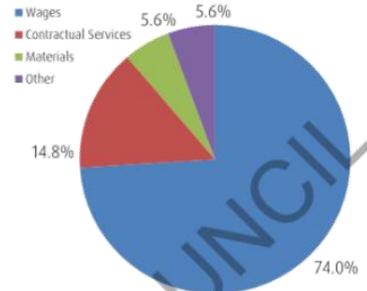
SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
Aged Care Policy, Planning and Coordination Service development, management of human and financial resources, co-ordination of consultation and collaborative processes and promotion of positive images of ageing. Promotion of an Age Friendly Salisbury where all have the opportunity to be involved in community life.	<ul style="list-style-type: none"> • 170 volunteers • Panel of contractors: 40-50 • 5,250 Salisbury Seniors Magazines distributed (3 editions) • Monthly communication updates including a wellbeing newsletter, special and upcoming events publication, Salisbury Seniors Facebook; radio announcements and a bi-monthly wellbeing newsletter
Volunteer Services Responsible for the development and management of Council's volunteer practices and systems to ensure they meet audit, legislative, funding and policy requirements. Also responsible for the recruitment, registration and recognition of Council's volunteers.	Data for 2021/22 <ul style="list-style-type: none"> • 447 enquiries (of which 20.13% were from people seeking pathway to employment) • 87 new volunteers • 317 active volunteers contributing 45,945.85 hours and \$1,948,104.04 economic value • Met health and safety and funding audit requirements
Disability programs The Shed; Fun on Friday; Salisbury Social Group, STARS Group activities designed collaboratively with participants and have social and recreational focus with a number of participants engaged in specific interest and everyday skills activities. Promotion of positive community engagement and participation	<ul style="list-style-type: none"> • Participants: 47 pa
Health and Inclusion Undertakes research, community and stakeholder engagement, projects, policy and strategy development in relation to community health and wellbeing; access and inclusion; mental wellbeing and resilience; aged friendly cities and intercultural communities	<ul style="list-style-type: none"> • Community needs, trends and expectations identified and translated into Council direction. • Strategic partnerships developed • Salisbury Seniors Alliance • Salisbury Intercultural Community Alliance • Salisbury Intercultural Strategic Alliance • Disability Access and Inclusion Network • Develop, implement, report, evaluate and renew the City of Salisbury's Framework and Strategic Plans, i.e. Age-Friendly Strategic Plan 2022-2027, Intercultural Strategic Plan 2017-2027, Ability and Inclusion Strategic Plan 2020-24 including mandatory annual reporting on progress to SA Department of Human Services and 4-yearly review of the Plan • Accreditation as to Council of Europe Intercultural Cities Network and Welcoming Cities Network
Salisbury Home and Community Services and Care Finder Housing Support Program Funded by of Commonwealth and Council to provide support services with frail older people to help them live independently at home and in the community. Support includes household maintenance, transport and support with shopping and community participation. Activities and opportunities at the three Seniors Centres include socialisation, ongoing learning, wellness and culturally specific groups and meals. The Care Finder Housing Support Program supports older people to find secure accommodation.	<ul style="list-style-type: none"> • Number of individual residents receiving support: 2,500pa • Domestic assistance: 7,430 hours pa • Social Support Groups 76,000 hours pa • Social support individual: 500 hours pa • Number of meals: 20,000pa • Number of transport trips: 7,000pa • Home modifications: \$110,000pa • Hours of home maintenance: 3,500pa • Number of people assisted by the Housing Support program: 180pa

Community Health and Wellbeing

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



Community Health and Wellbeing (Expenditure)



	2022/23 Budget \$'000's	2023/24 Budget \$'000's
EXPENDITURE		
Aged Care Policy Planning and Coordination	213	219
Volunteer Services	231	231
Disability Programs	218	213
Health and Inclusion	407	416
Salisbury Home and Community Services and Housing Support Program (CSHSP)	3,593	3,703
DIRECT EXPENDITURE	4,662	4,781
FULL COST ATTRIBUTION	2,375	
TOTAL EXPENDITURE	7,037	4,781
INCOME		
Disability Programs	290	306
Health and Inclusion	167	170
Salisbury Home and Community Services and Housing Support Program (CSHSP)	3,161	3,348
TOTAL INCOME	3,618	3,824
NET IMPACT TO COUNCIL		
Aged Care Policy Planning and Coordination	213	219
Volunteer Services	231	231
Disability Programs	(72)	(94)
Health and Inclusion	239	246
Salisbury Home and Community Services and Housing Support Program (CSHSP)	432	354
FULL COST ATTRIBUTION	2,375	
TOTAL NET IMPACT TO COUNCIL	3,419	956

Cemetery



Key Partners:

- Chapel of the Holy Family Mausoleum
- Garner Memorials
- Arrow Bronze
- Mattiske Funerals
- Simplicity Funerals
- Australasian Cemeteries and Crematoria Association
- Cemeteries and Cremation Association of South Australia
- Italian Monumental Art

Cemetery contains the following Service Areas, Activities and Service Levels

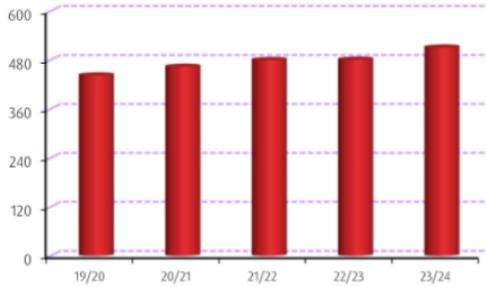
SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
<p>Salisbury Memorial Park Cemetery Administer the Salisbury Memorial Park in accordance with the Burial and Cremation Act 2013</p> <p><i>Lawn Burials</i> In ground burial services.</p> <p><i>Vault Burials</i> Below ground burial with concrete walls surrounding the burial plot preventing any contact with the earth (as preferred by a variety of religious denominations).</p> <p><i>Inurnments</i> The burial of cremated remains within the Rose Garden, Shrub Garden, Rotunda, Water Feature or sealed in one of the cemetery's niche walls.</p> <p><i>Licences</i> Licences for burial/inurnment are required under the Local Government Act and can be purchased on an as needed or pre-need basis.</p>	<ul style="list-style-type: none"> • Provide exceptional and empathetic customer service to those requiring a final resting place for loved ones • Oversee the lease of the Chapel of the Holy Family Mausoleum • Standard burials: 100pa • Vault burials: 3pa • Inurnments: 80pa • Licence sales: 90pa

NOT YET REVIEWED BY COUNCIL

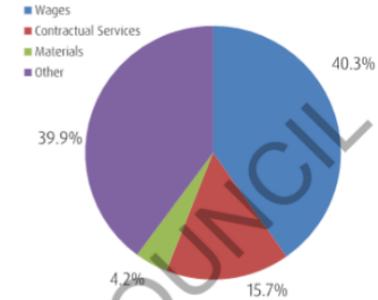
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Cemetery

Budgeted Cemetery Operating Expenditure (\$'000)



Cemetery (Expenditure)



	2022/23 Budget \$'000's	2023/24 Budget \$'000's
EXPENDITURE		
Salisbury Memorial Park Cemetery	482	511
DIRECT EXPENDITURE	482	511
FULL COST ATTRIBUTION	112	
TOTAL EXPENDITURE	594	511
INCOME		
Salisbury Memorial Park Cemetery	507	592
TOTAL INCOME	507	592
NET IMPACT TO COUNCIL		
Salisbury Memorial Park Cemetery	(25)	(81)
FULL COST ATTRIBUTION	112	
TOTAL NET IMPACT TO COUNCIL	87	(81)

Food and Health Regulation



Key Partners:

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

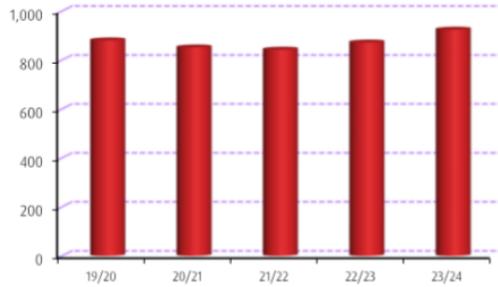
Food and Health Regulations contains the following Service Areas, Activities and Service Levels

SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
<p>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:</p> <ul style="list-style-type: none"> • SA Public Health Act • Food Act • Environment Protection Act • Local Nuisance and Litter Control Act • Supported Residential Facilities Act 	<ul style="list-style-type: none"> • Food premises inspection: 800pa • Food safety audits: 80pa • Food complaint investigations: 100pa • Health premises inspections: 75pa • Enforcements under public and environmental health legislation and Local Nuisance and Litter Control Act: 800pa • High Risk Manufactured Water System Registrations: 60pa • Licensing of Supported Residential Facility
<p>Immunisation Council provides an immunisation program so as to prevent the occurrence and spread of notifiable diseases, as required under the SA Public Health Act.</p>	<ul style="list-style-type: none"> • Vaccines administered at free clinics: 700pa • Vaccines including Meningococcal B and HPV administered through schools program: 6,000pa • Target of 95% immunisation rate by 63 months old consistent with State/Federal aspirational targets

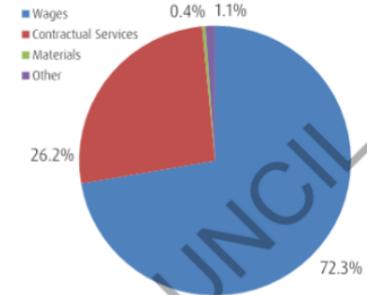
NOT YET REVIEWED BY COUNCIL

Food and Health Regulation

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



Food and Health Regulation (Expenditure)



	2022/23 Budget \$'000's	2023/24 Budget \$'000's
EXPENDITURE		
Food and Health Act Administration	699	723
Immunisation	173	202
DIRECT EXPENDITURE	872	925
FULL COST ATTRIBUTION	401	
TOTAL EXPENDITURE	1,273	925
INCOME		
Food and Health Act Administration	130	96
Immunisation	124	153
TOTAL INCOME	253	248
NET IMPACT TO COUNCIL		
Food and Health Act Administration	570	627
Immunisation	50	49
FULL COST ATTRIBUTION	401	
TOTAL NET IMPACT TO COUNCIL	1,020	676

Community Compliance Services



Key Partners:

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

Community Compliance Services contains the following Service Areas, Activities and Service Levels

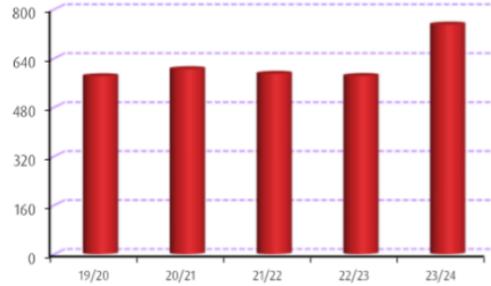
SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
<p>Community Compliance Services Regular patrols of streets and public car parks to ensure that community members are complying with applicable parking and road rules legislation so as to:</p> <ul style="list-style-type: none"> • enhance and protect the safety of pedestrians and road users, • minimise traffic congestion, and • ensures adequate and equitable car parking is available for customers in shopping precincts by ensuring turnover of parking. <p>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.</p> <p>Undertake activities required for the development and effective operations of the responsibilities for Bushfire Management and Planning.</p> <p>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.</p>	<ul style="list-style-type: none"> • Parking, expiations and warnings: 2,000pa • Abandoned vehicles: 400pa • Backyard burning: 100pa • Footpath trading permits: 25pa • Other animal and bird nuisances: 180pa • Littering: 600pa • Noise and environmental nuisances: 160pa • Fuel hazard (overgrown properties) inspections: 3,300pa • Burning permits: 50pa

NOT YET REVIEWED BY COUNCIL

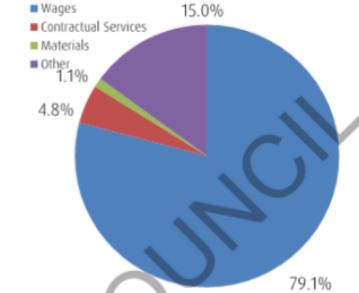
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Community Compliance Services

Budgeted Community Compliance Services Operating Expenditure (\$'000)



Community Compliance Services (Expenditure)



	2022/23 Budget \$'000's	2023/24 Budget \$'000's
EXPENDITURE		
Community Compliance Services	714	751
DIRECT EXPENDITURE	714	751
FULL COST ATTRIBUTION	416	
TOTAL EXPENDITURE	1,130	751
INCOME		
Community Compliance Services	289	307
TOTAL INCOME	289	307
NET IMPACT TO COUNCIL		
Community Compliance Services	425	444
FULL COST ATTRIBUTION	416	
TOTAL NET IMPACT TO COUNCIL	841	444

Dog and Cat Management



Key Partners:

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

Dog and Cat Management contains the following Service Areas, Activities and Service Levels

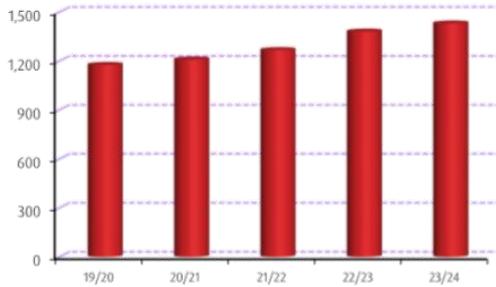
SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
<p>Animal Control Administering the Dog and Cat Management Act to ensure that community members are complying with legislative requirements and implementing strategies and actions that encourage responsible dog and cat ownership, increase public safety and enhance the amenity and environment, reduce public and environment nuisances from dogs and cats and to ensure Council delivers effective and efficient dogs and cats management services.</p>	<ul style="list-style-type: none"> • Registered dogs: 25,000pa • Dogs wandering at large: 850pa • Dogs impounded: 380pa • Dog attack investigations: 50pa • Dog noise and nuisance complaints: 150pa • 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 ten dog friendly parks and seven small dog parks • Cat nuisance investigations and trapping: 130pa

NOT YET REVIEWED BY COUNCIL

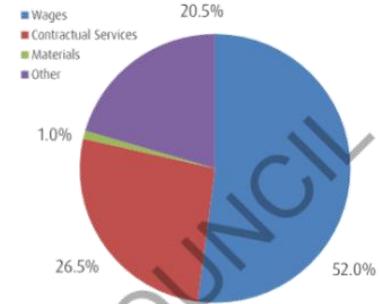
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Dog and Cat Management

Budgeted Dog and Cat Management Operating Expenditure (\$'000)



Dog and Cat Management (Expenditure)



	2022/23 Budget \$'000's	2023/24 Budget \$'000's
EXPENDITURE		
Animal Control	1,382	1,431
DIRECT EXPENDITURE	1,382	1,431
FULL COST ATTRIBUTION	565	
TOTAL EXPENDITURE	1,947	1,431
INCOME		
Animal Control	1,012	1,026
TOTAL INCOME	1,012	1,026
NET IMPACT TO COUNCIL		
Animal Control	370	405
FULL COST ATTRIBUTION	565	
TOTAL NET IMPACT TO COUNCIL	935	405

Crime Prevention and Repair



Key Partners:

- Residents
- Police
- Volunteers

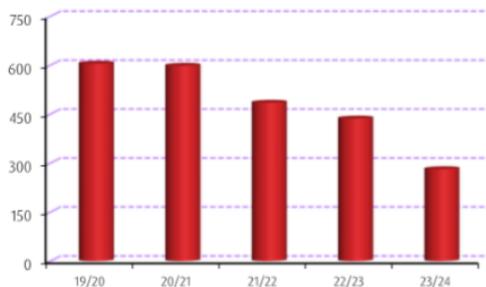
Crime Prevention and Repair contains the following Service Areas, Activities and Service Levels

SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
<p>Building Maintenance Graffiti Council's building maintenance program provides for the removal of graffiti from all Council owned buildings and infrastructure. This initiative uses both Council staff and volunteers.</p> <p>Graffiti is also removed from the frontages of residential properties. Council provides a volunteer service to assist with graffiti removal.</p>	<ul style="list-style-type: none"> • Priority 1 - Offensive: Removal within 24 hours • Priority 2 - Removal within 14 days • Priority 3 - 4-6 weeks

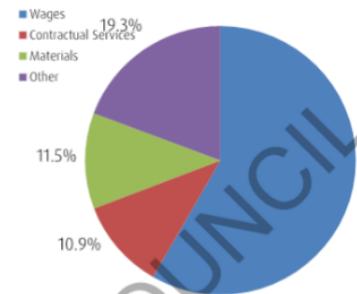
NOT YET REVIEWED BY COUNCIL

Crime Prevention and Repair

Budgeted Crime Prevention and Repair Operating Expenditure (\$'000)



Crime Prevention and Repair (Expenditure)



	2022/23 Budget \$000's	2023/24 Budget \$000's
EXPENDITURE		
Building Maintenance Graffiti	437	282
DIRECT EXPENDITURE	437	282
FULL COST ATTRIBUTION		
TOTAL EXPENDITURE	437	282
NET IMPACT TO COUNCIL		
Building Maintenance Graffiti	437	282
FULL COST ATTRIBUTION		
TOTAL NET IMPACT TO COUNCIL	437	282

NOT YET REVIEWED BY COUNCIL

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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

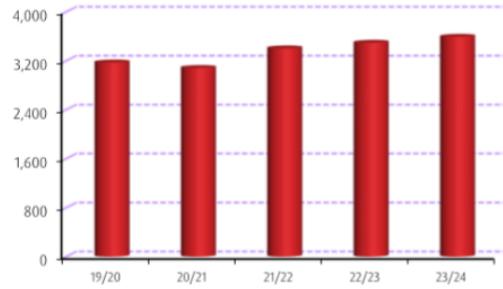
SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
<p>Lighting There are over 16,000 street lights within the City that are maintained by SA Power Networks.</p> <p>There are 4,400 Council owned street lights in suburbs that include Mawson Lakes, Walkley Heights, Gulfview Heights, Springbank Waters and John 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.</p> <p>Power for public lighting is purchased as part of a combined contract with State and other Local Government agencies.</p>	<ul style="list-style-type: none"> • 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 • Ensure Public Lighting is of suitable type, with the General Classification of PRS for pedestrian access on street and PP5 for new shared use paths • Replacement of defective lights and repairs of damaged infrastructure is undertaken on a yearly cyclical inspection basis or upon community request through SAPN • Council will complete the LED Street Light Replacement program, costing \$6M in 2023, reducing energy use by 40% and providing a safer street environment

NOT YET REVIEWED DRAFT COUNCIL

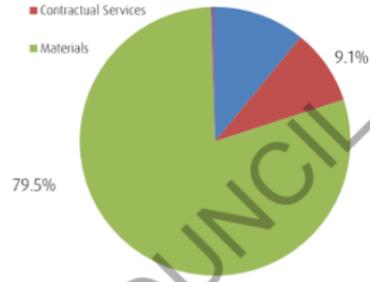
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Street Lighting

Budgeted Street Lighting Operating Expenditure (\$'000)



Street Lighting (Expenditure)



	2022/23 Budget \$000's	2023/24 Budget \$000's
EXPENDITURE		
Lighting	3,496	3,594
DIRECT EXPENDITURE	3,496	3,594
FULL COST ATTRIBUTION	438	
TOTAL EXPENDITURE	3,934	3,594
NET IMPACT TO COUNCIL		
Lighting	3,496	3,594
FULL COST ATTRIBUTION	438	
TOTAL NET IMPACT TO COUNCIL	3,934	3,594

NOT YET REVIEWED BY COUNCIL

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A sustainable City



Foundations

- ✓ Salisbury has a balance of green spaces and natural environments that support biodiversity
- ✓ We make the most of our resources including water, waste and energy
- ✓ Our community, environment and infrastructure are adaptive to a changing climate



Council's commitment to develop a sustainable City

Council will:

- ✓ manage the impacts of increased heat, flooding, intense storms and bushfires
- ✓ work with our community so they are better prepared for extreme weather events
- ✓ encourage our community to be actively involved in caring for our environment
- ✓ enhance our natural spaces, including our coast, hills and creeks
- ✓ support the establishment of a circular economy
- ✓ improve the energy efficiency of Council's operations
- ✓ help the community and businesses reduce waste, water and energy and associated costs

CRITICAL ACTIONS	
Strategic Projects	Budget Context
Replace all Council-owned street lights with energy efficient lighting	A major project to replace over 8,000 of Councils streetlights with energy efficient LED's has been completed.
Improve the environmental performance of Council buildings	The environmental performance of buildings is considered in all future building renewal and upgrade projects and will continue to be considered as new technologies and practices develop. An audit of Council buildings was completed to identify a range of actions to improve their environmental performance. A number of short-term improvements have been completed over the last 6 months. The consumption and solar generation of the systems installed at club rooms across the Council area is monitored and this data is used to validate and calculate cost sharing across sites, as well as providing valuable insights into the energy performance and peak consumption times across the City. Council also monitors the demand and power factor indicators at recreation and community centres.
Enhance our biodiversity corridors along Dry Creek and Little Para River and other environmentally sensitive areas such as coastal mangroves	City of Salisbury has an ongoing program focused on the many watercourses across the City to enhance the biodiversity value and environment benefit of these environmentally sensitive areas. We work closely with State Government departments in relation to the management of the St Kilda mangroves and the coastal areas of the City and we will continue to work with the State Government to secure funding and deliver works that identify, buffer and enhance known sensitive areas within this corridor. In the last 12 months we have completed works in open swale corridors which lead to the Dry Creek and Little Para River corridors, to reduce the likelihood of flooding in urban areas. Works will occur within Cobbler Creek to strengthen the biodiversity and environmental value of this drainage corridor and will also continue along priority areas of the Little Para River corridor to buffer and enhance the high biodiversity and environmental value of this corridor.
Involve people and use sensors to better understand and improve our environment's health	The City has sensors at numerous locations to monitor water quality. This data is reviewed quarterly. Numerous community planting events are held throughout the year to improve the environment health of the City. Council is investigating what other sensors are available for use within its public open space to gather data which could be useful to the community who use the many open space areas.
Develop markets for recyclable materials through the Northern Adelaide Waste Management Authority	Council works with industry partners to innovate and use recycled material in projects, with recycled materials being sourced from the Northern Adelaide region where possible.

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CRITICAL ACTIONS	
Operational Focus	Budget Context
Use recycled or re-used materials where possible in construction and maintenance programs	Council's new Road Reseal contract stipulates that recycled materials be used as appropriate. Our existing civil projects use recycled materials where possible, with some projects able to incorporate 90% of recycled materials. The household Kitchen Caddy's initiative and increased promotion of Food Organics Green Organics bins aim to ensure that waste is dealt within its appropriate stream.
Maintain weekly rubbish collection for residents and promote initiatives that reduce waste to landfill	Northern Area Waste Management Authority (NAWMA) continues to deliver services in line with the agreed levels of service and agreement, including Council's continued rollout of green bins to the majority of residents.
Adopt practices and infrastructure that make the City cooler in an increasingly warm climate	Council is increasing canopy cover in reserves, through the Native Forest project and is significantly increasing the number of irrigated spaces, which includes the reactivation of irrigated spaces throughout the City. Council continues to investigate new innovations and practices to improve the heat island effect in partnership with universities.
Stabilise major creek lines and banks to improve biodiversity and reduce scour and silting	An annual program of works for Watercourse Management continues, with watercourse management works typically scheduled for January - March. Works occur within each riverine corridor with works scheduled in the Little Para River, Dry Creek and Cobbler Creek corridors within the next financial year. Design work has almost been completed on the replacement of the Pratt Avenue Bridge, Pooraka and the creek channel works in the near vicinity.
Manage and plan assets so they are resilient to a changing climate	Work is continuing on the development of a storm water management plan for the Dry Creek catchment. Flood mapping has been updated in line with recent climate change data and rainfall modelling. Predicted changes to high tide levels along the coast are also being examined.
Work with and educate our community on ways to improve the environmental performance of households and our City	A communications strategy, developed in consultation with the Northern Adelaide Waste Management Authority and Council's Sustainability Strategy aims to increase awareness of environmental practices to increase the resilience of households and our City.
Future Planning	Budget Context
Review Council's sustainability strategy to include waste and energy management, cooler suburbs, biodiversity and water	A revision of Council's Sustainability Strategy will be completed and the delivery of the strategy will commence.
Complete the Dry Creek Stormwater Management Plan to protect the City from flooding	Work has continued on the development plan for the lower sections of the Dry Creek catchment.
Develop a business case to showcase good design techniques that improve the environmental performance of housing and streets	Design guidelines are being developed that will incorporate good design techniques and improved environmental performance which will be incorporated into future Strategic Development Projects.
Advocacy Priorities	Budget Context
Investment in programs that reduce waste to landfill such as incentives to increase recycling and 'circular economy' initiatives	In partnership with Green Industries SA, Council has significantly increased the number of households with Kitchen Caddies and Green Waste Bins. In conjunction with Northern Adelaide Waste Management Authority, Council has raised awareness of the 3 waste streams and their correct use to significantly reduce waste to landfill within the City.
Integrate urban water planning and funding for catchment programs	Ongoing review of wetland and waterway function, maintenance and management are considered as part of the Watercourse Management Plan across the City. The Greater Edinburgh Park Stormwater Management Plan is on hold pending further discussions with the City of Playford. The Dry Creek Stormwater Management Plan is underway with water harvesting and wetland management being reviewed as part of future considerations for this network.

City Infrastructure

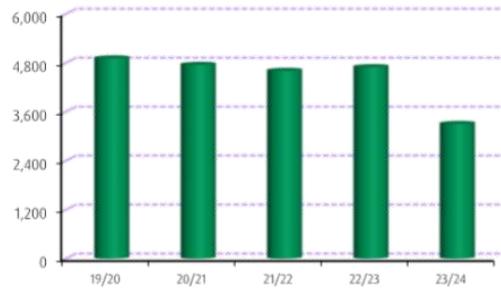


City Infrastructure contains the following Service Areas, Activities and Service Levels

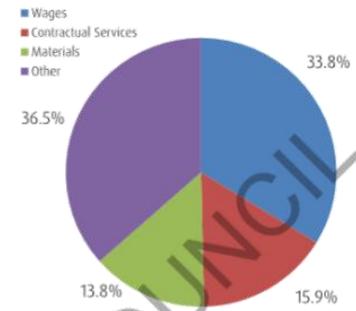
SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
Infrastructure Delivery Provides for building, civil and landscape infrastructure design and construction.	<ul style="list-style-type: none"> • Complete building, civil and landscape projects within approved timelines and budgets • Deliver Council's annual Infrastructure program • Projects delivered in line with Capital Delivery Framework
City Infrastructure Administration Provides for the overall management and leadership of the City Infrastructure Department.	<ul style="list-style-type: none"> • Deliver overall departmental support and governance in delivering Corporate objectives
Infrastructure Management Provides for strategic infrastructure management, including asset management, infrastructure planning and landscape / engineering program and project development.	<ul style="list-style-type: none"> • Complete and manage seven asset management plans for the City's \$2 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 • Managing Council's waste management services • Responds to approximately 10,000 community requests annually
Property and Buildings Core functions include management of Council's building assets; property acquisition and disposal, sporting and community club leasing, casual hire of Council's reserves, leasing of community land, negotiation of easements and security services.	<ul style="list-style-type: none"> • 50 Sporting and Community Club Rental Agreements • 116 Commercial Lease Agreements • 2 Residential Rental Agreements • Land acquisition and disposal as required • Asset management of Council's building infrastructure

City Infrastructure

Budgeted City Infrastructure Operating Expenditure
(\$'000)



City Infrastructure (Expenditure)



	2022/23 Budget \$'000's	2023/24 Budget \$'000's
EXPENDITURE		
Infrastructure Delivery	1,431	326
City Infrastructure Administration	440	455
Infrastructure Management	405	344
Property and Buildings	2,828	2,603
DIRECT EXPENDITURE	5,103	3,728
FULL COST ATTRIBUTION	(3,416)	
TOTAL EXPENDITURE	1,688	3,728
INCOME		
Infrastructure Delivery	100	
Infrastructure Management		
Property and Buildings	1,051	1,097
TOTAL INCOME	1,151	1,097
NET IMPACT TO COUNCIL		
Infrastructure Delivery	1,331	326
City Infrastructure Administration	440	455
Infrastructure Management	405	344
Property and Buildings	1,777	1,506
FULL COST ATTRIBUTION	(3,416)	
TOTAL NET IMPACT TO COUNCIL	537	2,631

Water Management



Key Partners:

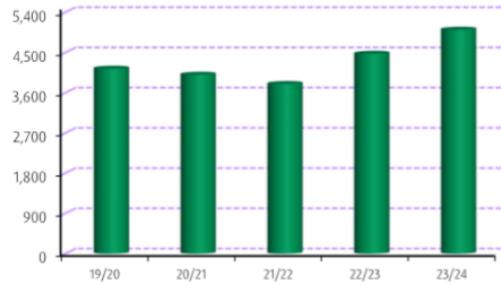
- State Government
- Australian Government Department of Agriculture, Water and the Environment
- Department for Environment and Water (DEW)
- Renewal SA
- SA Water
- Tea Tree Gully Council
- Playford Council
- Department of Defence
- CSIRO
- UniSA
- Flinders University

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

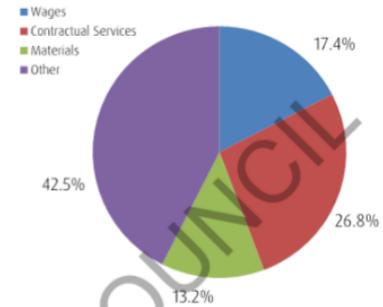
SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
<p>Drainage Systems The Drainage Asset Management Plan includes maintenance and cleaning rubbish collection devices, on a continual basis. The maintenance of drains includes the clearing of underground pipes from obstructions such as siltation and root penetration and the desilting, rubbish removal and repair of open drains and river reaches. The servicing of flood retention dam penstocks, the cleaning of all road side entry pits, the desilting of blocked drains and the inspection and maintenance of the City's flood control dams are also included.</p>	<ul style="list-style-type: none"> • Maintain over 140 rubbish collection devices at less than 25% full of rubbish • 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/river reaches with desilting, root and tree removal and repair where necessary • Water Quality is monitored to ensure Council continues to improve Waterways to minimise pollutants into the Barker Inlet • Ongoing inspection of all flood control dams, including servicing and checking the operation of all penstocks
<p>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, harvesting, cleansing and reticulating recycled water across the city.</p>	<ul style="list-style-type: none"> • Operate 9 Managed Aquifer Recharge (MAR) schemes with 32 MAR wells • Operate 22 Groundwater bores • Licenced monitoring and reporting on all operational sites and associated groundwater monitoring points • Harvest, cleanse and store up to 5GL/year of stormwater • Retail, on average, 2.5GL/year of recycled water to over 1,000 internal and external customers
<p>Water Systems Preparation and implementation of Stormwater Management Plan and implementation of Watercourse Management Plans.</p>	<ul style="list-style-type: none"> • Council is continuing with the delivery of Major Flood Mitigation Strategy to increase the number of homes and businesses not affected by a large flood event (greater than 100mm/hr). • Council currently has a focus on Escarpment Dams and the Pooraka Dry Creek area • Environmental Watercourse monitoring including water quality is enabling Council to improve the Terrestrial Zones of waterways, with a focus on in stream wetland development and natural creek plantings to reduce erosion along the corridors and improvements to Biodiversity in the waterways • Council is currently undertaking the Stormwater Management Plan for Dry Creek, which will be used to prioritise Flood Mitigation Works, Harvesting Opportunities and Water Quality Improvements for the Creek
<p>Wetlands and Biodiversity Planning and Asset Management of wetlands, watercourses and habitat reserves.</p>	<ul style="list-style-type: none"> • Council continues to develop, enhance and renew its' 46 wetlands, total area exceeding 300ha as part of the Watercourse Management Program

Water Management

Budgeted Water Management Operating Expenditure
(\$'000)



Water Management (Expenditure)



	2022/23 Budget \$'000's	2023/24 Budget \$'000's
EXPENDITURE		
Drainage Systems	1,207	1,271
Salisbury Water	2,352	2,854
Water Systems	469	477
Wetlands and Biodiversity	449	412
DIRECT EXPENDITURE	4,477	5,014
FULL COST ATTRIBUTION	6,634	
TOTAL EXPENDITURE	11,111	5,014
INCOME		
Salisbury Water	2,511	2,617
Water Systems	225	225
TOTAL INCOME	2,737	2,842
NET IMPACT TO COUNCIL		
Drainage Systems	1,207	1,271
Salisbury Water	(160)	237
Water Systems	244	252
Wetlands and Biodiversity	449	412
FULL COST ATTRIBUTION	6,634	
TOTAL NET IMPACT TO COUNCIL	8,374	2,172

Waste Management

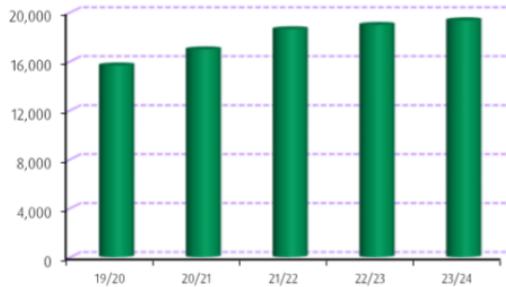


Waste Management contains the following Service Areas, Activities and Service Levels

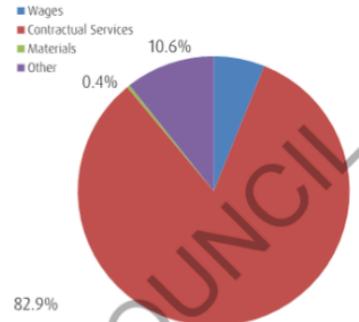
SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
<p>Coleman Road Landfill Following closure in 1997 Council is continuing to rehabilitate the site, with ongoing monitoring and capping.</p>	<ul style="list-style-type: none"> Monitoring of gas extracted from the landfill site Annual monitoring of groundwater within the site Increasing the Cap over the landfill
<p>Domestic Hard Waste Collection Managed by Northern Area Waste Management Authority (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.</p>	<ul style="list-style-type: none"> 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 7,000 tonnes of waste are collected each year by the property collection service and the voucher service
<p>Domestic Refuse Collection Council provides a weekly domestic refuse collection service operated by NAWMA for residents using a 140 litre bin.</p>	<ul style="list-style-type: none"> Weekly to residential properties (140L bin) Domestic Refuse: 29,000 tonnes pa
<p>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. This program has seen an additional 10,000 bins brought in service with an estimated extra 2000 tonnes of waste diverted from landfill each year.</p>	<ul style="list-style-type: none"> Fortnightly to residential properties (240L bin) Green waste conversion: 18,000 tonnes pa
<p>Kerbside Recycling Council provides a 240 litre bin recycling collection service and all recyclables are processed at the NAWMA Materials Recovery Facility (MRF).</p>	<ul style="list-style-type: none"> Fortnightly to residential properties (240L bin) Kerbside recycling: 10,000 tonnes pa
<p>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.</p>	<ul style="list-style-type: none"> 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
<p>Pooraka Resource Recovery Centre The Pooraka Resource Recovery Centre (formerly Research Road Waste Transfer Station) is externally operated by NAWMA on Council's behalf. The Centre is available seven days per week except Christmas Day, New Year's Day, Good Friday & ANZAC Day.</p>	<ul style="list-style-type: none"> Visits: 40,000pa 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

Waste Management

Budgeted Waste Management Operating Expenditure (\$'000)



Waste Management (Expenditure)



	2022/23 Budget \$'000's	2023/24 Budget \$'000's
EXPENDITURE		
Coleman Road Landfill	109	78
Domestic Hard Waste Collection	1,646	1,715
Domestic Refuse Collection	10,919	11,126
Green Waste Kerbside Service	2,252	2,346
Kerbside Recycling	1,185	1,235
Loose Litter	2,814	2,733
Pooraka Resource Recovery Centre	59	129
DIRECT EXPENDITURE	18,984	19,361
FULL COST ATTRIBUTION		
TOTAL EXPENDITURE	18,984	19,361
INCOME		
Domestic Refuse Collection	236	66
Pooraka Resource Recovery Centre	190	194
TOTAL INCOME	426	261
NET IMPACT TO COUNCIL		
Coleman Road Landfill	109	78
Domestic Hard Waste Collection	1,646	1,715
Domestic Refuse Collection	10,683	11,060
Green Waste Kerbside Service	2,252	2,346
Kerbside Recycling	1,185	1,235
Loose Litter	2,814	2,733
Pooraka Resource Recovery Centre	(131)	(65)
FULL COST ATTRIBUTION		
TOTAL NET IMPACT TO COUNCIL	18,558	19,100

Parks and Landscapes



Key partners:

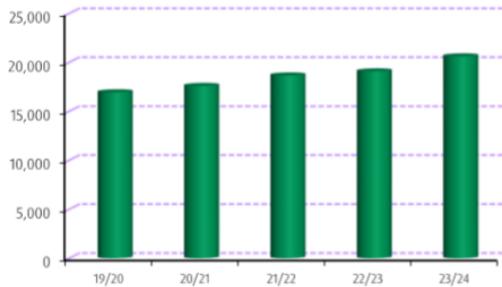
- Department of Environment and Water
- Green Adelaide

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

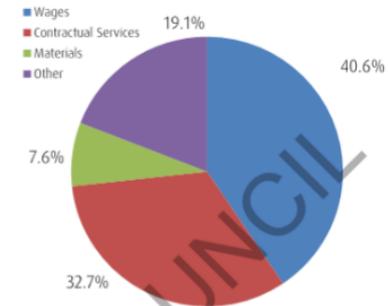
SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
<p>Field Services Administration The Parks and Streetscapes Asset Management Plan provides direction to focus services and service levels across the division.</p> <p><i>Field Services</i> Provides pre-emptive and reactive maintenance services to all public reserves across the City.</p>	<ul style="list-style-type: none"> • Maintenance program ensures delivery of fit for purpose parks that are safe, functional and provide community amenity value • Civil maintenance related to roads, creeks and stormwater assets • 15,000 resident requests actioned annually • Maintenance of local reserves, parks and landscapes • Care of biodiversity sites
<p>Landscapes Consists of feature gardens and lawns which surround Council buildings, entry statements and roundabouts, with a focus on sustainable landscapes throughout the City.</p>	<ul style="list-style-type: none"> • Frequency based maintenance regimes to sites based upon profile and landscape type
<p>Mangrove Trail Provision and maintenance of St Kilda Mangrove Trail.</p>	<ul style="list-style-type: none"> • Council is working with State Government to improve the Service Level and access to the Mangrove Trail
<p>Pest and Weed Control Control of nuisance pests and weeds on Council reserves, verges and around buildings.</p>	<ul style="list-style-type: none"> • Programmed and reactive pest and weed control services, with Council the front line in managing the elimination of pest species in the region, such as coolati
<p>Public Toilets Maintenance and cleaning of public toilets throughout the City.</p>	<ul style="list-style-type: none"> • Daily cleaning of all public toilets within the City • Sharps containers emptied fortnightly or more frequent if required • Construction of public toilets including additional inclusion facilities at regional playspaces
<p>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.</p>	<ul style="list-style-type: none"> • Total areas managed: 1,900ha of reserves • 9 Dog parks and 6 BMX Tracks • 163 play spaces have weekly, fortnightly and monthly audits of play equipment depending on classification • Council has a hierarchy of playspaces which includes, regional, district, local and irrigated reserve. • Frequency based mowing and reserve maintenance depending on reserve classification
<p>Tree Management Tree planting and establishment, tree pruning, tree removal and tree inspections on verges and Council reserves.</p> <p><i>Bio Diversity Corridors</i> Council continues to link, buffer and enhance key biodiversity sites throughout the City.</p>	<ul style="list-style-type: none"> • Programmed street tree pruning on a 5 yearly cycle, reactive tree pruning, responsive tree assessment processes and risk based inspection regimes <p>Council recently completed the 10,000 tree Little Para Forest, with additional sites to be added as part of the Watercourse Management Program.</p>
<p>Verges (Road Reserves) Council provides for grass mowing of un-maintained residential verges and collector road verges.</p>	<ul style="list-style-type: none"> • Council is trialling the construction of new verge treatments. • Residential verges and collector roads: 7 services pa • Litter collection, blow down of paths and driveways, edging of paths, weed control, bush and tree debris • Street sweeping within 24 hours of verge mowing • Occur mostly in the growing season from February to December

Parks and Landscapes

Budgeted Parks and Landscapes Operating Expenditure (\$'000)



Parks and Landscapes (Expenditure)



	2022/23 Budget \$000's	2023/24 Budget \$000's
EXPENDITURE		
Field Services Administration	3,986	5,798
Landscapes	923	874
Mangrove Trail	74	61
Pest and Weed Control	562	540
Public Toilets	556	541
Reserves and Playgrounds	8,193	8,239
Tree Management	3,210	2,871
Verges (Road Reserves)	2,212	2,677
DIRECT EXPENDITURE	19,715	21,601
FULL COST ATTRIBUTION	13,178	
TOTAL EXPENDITURE	32,893	21,601
INCOME		
Field Services Administration	64	64
Tree Management	60	60
TOTAL INCOME	124	124
NET IMPACT TO COUNCIL		
Field Services Administration	3,922	5,734
Landscapes	923	874
Mangrove Trail	74	61
Pest and Weed Control	562	540
Public Toilets	556	541
Reserves and Playgrounds	8,193	8,239
Tree Management	3,150	2,811
Verges (Road Reserves)	2,212	2,677
FULL COST ATTRIBUTION	13,178	
TOTAL NET IMPACT TO COUNCIL	32,769	21,477

A growing City that creates new opportunities



Item 7.1.2 - Attachment 1 - Draft 2023/24 Long Term Financial Plan and Annual Business Plan

Foundations

- ✓ Salisbury's businesses are successful and part of our community
- ✓ Salisbury is a place of choice for businesses to start, invest and grow
- ✓ Our infrastructure supports investment and business activity
- ✓ Our urban growth is well planned and our centres are active



Council's commitment to develop a growing city that creates new opportunities

Council will:

- ✓ support and deliver initiatives to create jobs and increase investment
- ✓ build work readiness in our community so residents are aware of and can pursue job opportunities
- ✓ be business friendly
- ✓ provide services and infrastructure that support entrepreneurs and emerging industry sectors
- ✓ provide a safe transport network that enables efficient freight and commuter movement
- ✓ ensure Salisbury's activity centres are interesting places to visit, attractive places to invest and great locations to work
- ✓ have modern, well-maintained commercial areas
- ✓ ensure new housing developments enhance our community

CRITICAL ACTIONS

Strategic Projects	Budget Context
Enhance the Salisbury City Centre by upgrading Church and John Streets and attracting investment by the private sector into surplus Council sites	The revitalisation of the Salisbury City Centre has taken a major step forward with the completion of Church and John Streets upgrades, including both Sexton and Judd Laneways. Council is currently seeking interest from the private sector in the redevelopment of a number of major Council landholdings in the city centre.
Attract firms to Salisbury, providing job opportunities for residents	Orderly development of new employment land will continue to be a priority. Promotion of Salisbury as a great investment destination will continue and will be enhanced by the development of a new Invest Salisbury brand that includes a refreshed website and investment attraction campaign. This will be underpinned by the support the Polaris Centre provides to new and existing businesses.
Link Technology Park with other innovation precincts in Adelaide	Conversations with key stakeholders, including State Government, are ongoing to enhance the role of Technology Park in the innovation ecosystem. Research is being conducted on potential paths moving forward.
Deliver a residential development program by using surplus Council land	A successful builder partner has been engaged to develop the Lake Windemere project following the Expression of Interest that was released to the market seeking innovative, affordable partnerships with builders and community housing providers. Walkleys Road corridor community engagement is finalised and work in continuing on local traffic investigations and investigation into a playground on Baloo Street.
Operational Focus	Budget Context
Support new and existing businesses and industries to grow and create jobs	The Polaris Centre will enhance its networking program through partnerships, with a focus on key challenges and opportunities facing business today, such as talent retention and attraction, transition into a low carbon economy or digitalisation of our economy. This will compliment new mentoring programs that will be developed.
Improve infrastructure, signage, safety, streetscapes and upkeep of commercial and industrial areas to support economic sustainability and growth	Council is reviewing its maintenance programs to ensure that services meet community expectations and support economic growth across the City.
Improve parking in Salisbury City Centre and Mawson Lakes Central, business and recreation precincts	Mawson Lakes on street parking and controls are reviewed annually. Parking in the City Centre was a key part of the John Street, Church Street upgrade and included spaces for electric vehicle parking and refinement of Sexton and Judd Lane carparks. The expression of interest for the redevelopment of some of Council's key landholdings in the city centre include consideration of the provision of major new carparks.
Streamline processes to improve how Council works with businesses	Council adopts a case management approach through the City Shaping Team to development and investment by new and existing businesses, supported by efficient and timely development assessment processes. A "Business Friendly" agenda is being progressed across the organisation to embed practices that assist and support businesses in their interactions with Council.

CRITICAL ACTIONS

Future Planning

Develop a structure plan for the land west of Port Wakefield Road to open up new development opportunities while preserving the existing character of Globe Derby and St Kilda

Review the existing economic growth strategy

Review Council's 'Growth Action Plan'

Develop guidelines and policies to improve the quality of infill development, starting with Ingle Farm

Develop plans to progress economic activity in Technology Park and Edinburgh Parks

Budget Context

A detailed Strategic Growth Framework for the land west of Port Wakefield has been approved by Council. It will guide the land use and infrastructure planning for potential for future rezoning. The framework will be updated as new information is gathered and more details on infrastructure requirements are obtained.

A new City Shaping Strategy that encompasses economic development will be developed.

The Growth Action Plan is being reviewed and the outcomes will be reflected in the new City Shaping Strategy.

The development of the Ingle Farm Improvement Plan has included a range of draft principles that will form the basis of the final Ingle Farm Neighbourhood Improvement Plan, and which are potentially applicable to guide improved infill outcomes in other neighbourhoods.

Ongoing discussions with State and Federal Governments regarding development of Technology Park and Edinburgh Parks. There is strong interaction with Renewal SA in relation to sale of land in both precincts. Upgrade of Technology Drive to improve access has been finalised.

Advocacy Priorities

Redevelopment of the Salisbury and Mawson Lakes interchanges

Improvements to the east-west roads including increasing the capacity and safety of Kings Road and Waterloo Corner Road, duplication and extension of Elder Smith Road and road/rail grade separation of Park Terrace & Kings Road

Appropriate and well planned development of the Dry Creek Salt Fields

Edinburgh Parks to be business ready as a modern industrial area with efficient freight routes to the Northern Connector, fast digital connectivity and access to alternative energy sources and recycled water

Budget Context

The City of Salisbury continues to advocate to the State and Federal Government for investment in critical infrastructure projects. In 2022, 15 key partnership projects from the City Plan 2035 were identified in an advocacy document, Partnership Projects 2022 and presented to the State and Federal Government to seek opportunities for collaboration and joint investment. One key priority in the document is the revitalisation of Salisbury City Centre which includes the upgrade of the Salisbury Interchange to enhance northern Adelaide's public transport offering and provide improved facilities and safety for commuters. The anticipated cost of this work is in the order of \$15M.

Conversations continue with the State Government on improvements to the arterial road network through the city including upgrades to Kings Road, Park Terrace and Waterloo Corner Road. The extension of Elder Smith Road is part of the planning of the residential development in Dry Creek.

Council is working with the State Government on this major residential project as part of a working group brought together by Renewal SA.

Council continues to advocate to State Government on the importance of Edinburgh Parks as a jobs growth and investment generator, and is in discussions with potential developers and investors promoting Edinburgh Parks as an investment destination as part of Council's investment attraction activities. The road network continues to be progressively upgraded through the area to improve key freight routes. Discussions are continuing with Department of Infrastructure and Transport representatives and relevant Ministers on required upgrades to the western end of Waterloo Corner, Diment and Heaslip Roads.

Economic Development

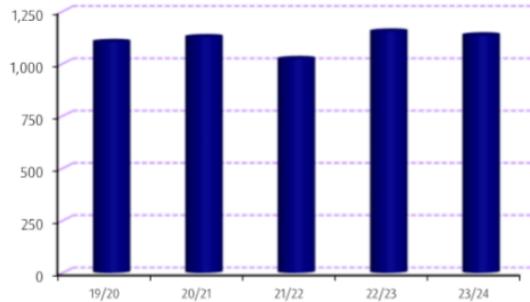


Economic Development contains the following Service Areas, Activities and Service Levels

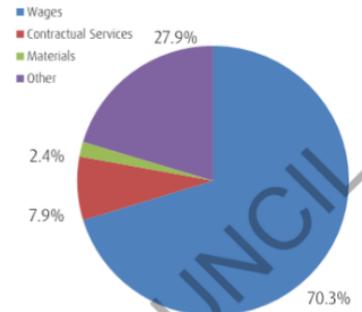
SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
<p>Business Advisory Services (The Polaris Centre) Council supports people considering starting a business or who are already in business by providing information, advice, workshops and mentoring.</p>	<ul style="list-style-type: none"> • Provide support and 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 support services to businesses including workshops (6pa), advisory (50 people pa). • Support firms to build their capacity to diversify into international markets: at least 10pa • Provide networking opportunities to business owners and entrepreneurs in Northern Adelaide
<p>Economic Development <i>Investment Attraction</i> Actively promote Salisbury as an investment location of choice through Invest Salisbury activity and actively work with firms considering relocating to Salisbury or expanding their operations within our City. This includes progressing Council's approach to business growth.</p> <p>Actively promote and position the City of Salisbury as a location of choice for business investment and expansion.</p> <p><i>Policy and Advice</i> Provide economic advice and input to Council and external bodies regarding economic issues and opportunities.</p> <p><i>Salisbury City Centre</i> Contribute to, and, where appropriate, drive initiatives to progress Council's objectives for Salisbury City Centre Revitalisation, and liaison with businesses.</p>	<ul style="list-style-type: none"> • Case management of 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 • Develop and commence implementation of a future economic strategy for Salisbury • Implementation of Salisbury City Centre investment attraction, business engagement and activation initiatives.

Economic Development

Budgeted Economic Development Operating Expenditure (\$'000)



Economic Development (Expenditure)



	2022/23 Budget \$'000's	2023/24 Budget \$'000's
EXPENDITURE		
Business Advisory Services	315	331
Economic Development	840	806
DIRECT EXPENDITURE	1,155	1,136
FULL COST ATTRIBUTION	441	
TOTAL EXPENDITURE	1,596	1,136
INCOME		
Business Advisory Services	59	94
TOTAL INCOME	59	94
NET IMPACT TO COUNCIL		
Business Advisory Services	256	237
Economic Development	840	806
FULL COST ATTRIBUTION	441	
TOTAL NET IMPACT TO COUNCIL	1,537	1,043

Development Services

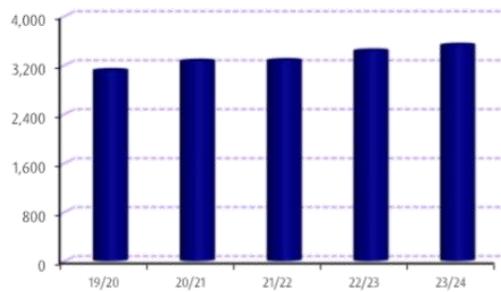


Development Services contains the following Service Areas, Activities and Service Levels

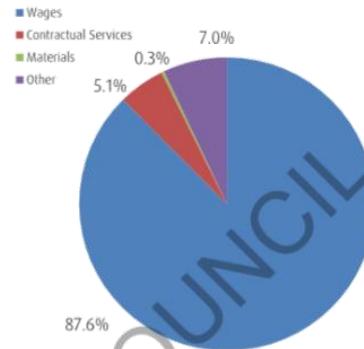
SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
<p>Building Assessment of applications, provide general advice to community regarding building matters, respond to complaints, and inspect approved developments.</p>	<ul style="list-style-type: none"> • General Advice: 2,100pa • Applications: 2,800pa • Building Compliance: 100pa • Building Application Inspections: 600pa
<p>City Development Business Services Responsible for administration support services and the overall management and leadership of the City Development Department.</p>	<ul style="list-style-type: none"> • Section 7 Statements: 3,000pa • Rates Certificates: 3,100pa • Plan searches: 110pa
<p>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.</p>	<ul style="list-style-type: none"> • 35 signs located across the City
<p>Development Engineering Processes applications and the provision of advice to ensure new roads, footpaths and stormwater drains meet Council standards and engineering for major developments (e.g. traffic and stormwater) meet relevant standards.</p>	<ul style="list-style-type: none"> • Engineering Assessment Approval and Bonding of land divisions: 8pa • Construction Compliance Inspections: 50pa • Engineering advice: 520pa
<p>Planning Assessment of applications, provide general advice to community regarding planning matters and ensure compliance with legislative requirements.</p>	<ul style="list-style-type: none"> • Applications: 2,000pa • Planning Application Inspections: 650pa • Planning Compliance: 120pa • General Advice: 4,000pa

Development Services

Budgeted Development Services Operating Expenditure (\$'000)



Development Services (Expenditure)



	2022/23 Budget \$'000's	2023/24 Budget \$'000's
EXPENDITURE		
Building	1,018	1,053
City Development Business Services	1,075	1,056
Corporate Signage	7	7
Development Engineering	278	265
Planning	1,054	1,144
DIRECT EXPENDITURE	3,432	3,525
FULL COST ATTRIBUTION	1,795	
TOTAL EXPENDITURE	5,227	3,525
INCOME		
Building	946	966
City Development Administration	263	260
Corporate Signage	1	3
Planning	430	430
TOTAL INCOME	1,640	1,659
NET IMPACT TO COUNCIL		
Building	72	87
City Development Business Services	812	796
Corporate Signage	6	4
Development Engineering	278	265
Planning	624	714
FULL COST ATTRIBUTION	1,795	
TOTAL NET IMPACT TO COUNCIL	3,587	1,866

Urban Planning and Development

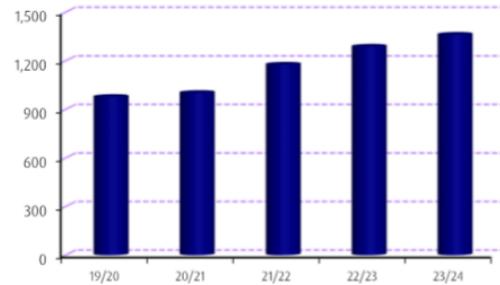


Urban Planning and Development contains the following Service Areas, Activities and Service Levels

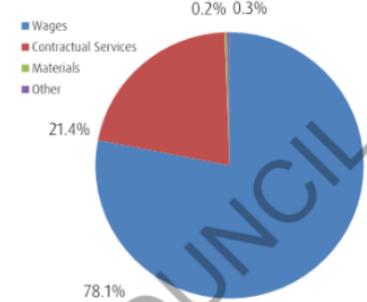
SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
<p>Strategic Development Projects Oversees Council's strategic development projects from inception through to completion including:</p> <ul style="list-style-type: none"> • Identification and development of surplus Council land. • Preparation of project feasibilities 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. 	<ul style="list-style-type: none"> • Close out the Tranche 2 project Boardwalk at Greentree, which has included the delivery of 122 residential allotments including 15% affordable housing • Progress due diligence and concept feasibility studies on priority sites identified in the Strategic Land Review Short Term Action Plan • Development approval granted for the Salisbury Oval site (portion of former St Jays and Salisbury Bowling Club land) • Construction begins on the Lake Windemere site which will include affordable housing product and partnership opportunities in the low-cost housing sector • Undertake further investigations on the Walkley's Road corridor site • Progress negotiations as a result of the Salisbury City Centre Expression of Interest
<p>Strategic Planning Research and develop policies in relation to land use planning, environmental sustainability and growth (industry and residential). Ongoing policy review of the Planning and Design Code and preparation and advice on private Code Amendments.</p>	<ul style="list-style-type: none"> • City Shaping Strategy, prepare investigations and draft spatial planning component, including internal and community engagement. • Re-zonings, undertake Council led re-zonings, provide advice on private led re-zonings including co-ordination of Council responses. • Undertake planning specific investigations and Spatial master planning of sites. i.e local heritage assessments & Salisbury North Oval. • Implementation of the West of Port Wakefield Road Structure Plan and Strategic Growth Framework (including government liaison, managing investigations, internal coordination, landowner consultation, private and Council led code amendments.) • Planning Advice - Provide Strategic and Planning advice on Strategic Development Projects • Dry Creek Saltfields - Provide planning advice on land use and urban design planning related matters • Sustainability - Complete the Sustainability Strategy and deliver actions i.e Emissions Reduction Plan and the Climate Change Risk Assessment. Follow up indicators of success. • City Plan - Review the current City Plan and prepare the revised City Plan 2040 in consultation with the Community. • Develop infrastructure contributions policy, a process for the costing, allocating costs and the method of collection. • City Plan contribute to Critical Actions • Continue to work closely with the State Government on future reviews of the Planning and Design Code (including State led Code Amendments - i.e Statewide Flood Code Amendment), the Planning System (including revision of legislation). • Collaborate with the State Government during the preparation of the new Regional Plan for Greater Adelaide.

Urban Planning and Development

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



Urban Planning and Development (Expenditure)



	2022/23 Budget \$000's	2023/24 Budget \$000's
EXPENDITURE		
Strategic Development Projects	739	795
Strategic Planning	549	566
DIRECT EXPENDITURE	1,288	1,361
FULL COST ATTRIBUTION	584	
TOTAL EXPENDITURE	1,872	1,361
NET IMPACT TO COUNCIL		
Strategic Development Projects	739	795
Strategic Planning	549	566
FULL COST ATTRIBUTION	584	
TOTAL NET IMPACT TO COUNCIL	1,872	1,361

NOT YET REVIEWED BY COUNCIL

Roads



Key Partners:

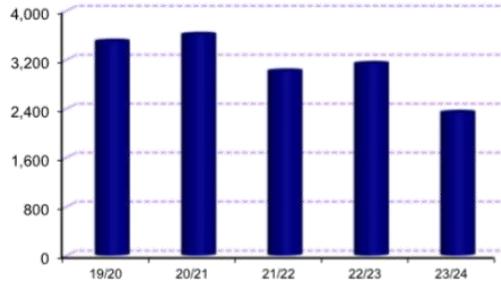
- State Government
- Department of Infrastructure & Transport (DIT)
- Department of Education
- Adelaide Metro
- Federal Government
- Developers
- South Australian Police
- Australian Rail Transport Corporation

Roads contains the following Service Areas, Activities and Service Levels

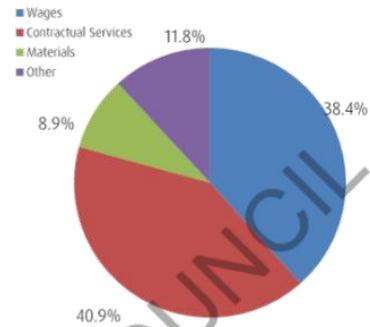
SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
<p>Road and Car Park Maintenance Maintenance of kerb and gutter, road maintenance and repair damage due to storms and traffic loads. There is 1,800km of kerbing and 810km of road in the city. Service levels are determined by Asset Management Plans and audit processes.</p> <p><i>Road Safety Maintenance</i> Traffic signal/pedestrian and school crossing maintenance is reviewed on an annual cycle, with faults repaired on a weekly basis.</p> <p><i>Road Sweeping</i> Provision of clean and tidy streetscape and prevention of debris entering drainage system. Council undertakes Road Sweeping on a cyclical basis with additional sweeping as required after storm events, and prior to flood events as required.</p> <p><i>Bridge and Boardwalk Maintenance</i> There are 214 footbridges/boardwalks and 29 major road bridges within the Council area.</p>	<ul style="list-style-type: none"> • Roads are maintained on average across the City to Road Pavement Condition Index rating of 3.0, with higher priority and Condition expected for Collector & Arterial Roads and Bus Routes • Council repairs road failures throughout the year on a cyclical basis • Council has a \$9.5M 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 • Car parks are maintained with checks on surface and linemarking • Pot holes are repaired on a responsive basis within 5 days of notification for high risk and 24 hours for dangerous potholes • Council Maintains 13 pedestrian/school crossings, 13 Ewu Crossings, 16 Koala Crossings and 5 Wombat Crossings • Street sweeping is conducted on a six week cycle for nine months of the year meeting EPA guidelines cycle, reduced to 3-4 weeks during the summer months to manage additional leaf litter • A program of formal audits are undertaken every one to two years for bridges • Regular inspections and maintenance is undertaken six monthly and repairs completed as required
<p>Road Safety Engineering Project management of design and receipt of customer complaints regarding traffic design issues.</p>	<ul style="list-style-type: none"> • The traffic data shows that 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
<p>Signs and Street Furniture <i>Street Signs and Linemarking.</i> Maintenance and replacement of 4,000 street signs and 37,000 other road signage including suburb, warning, regulatory and information signs.</p> <p><i>Street Furniture.</i> 1200 seats/benches and shelters are maintained.</p> <p><i>Bus Shelter & Surround Maintenance.</i> Council has over 300 bus shelters. Bus shelters and bus stops are made universally accessible through the renewal program.</p>	<ul style="list-style-type: none"> • All signage is repaired on an as needs basis • All linemarking is renewed every 2 years • Maintenance of seats/benches and various shelters throughout the City including repainting/sealing, graffiti removal, vandalism and repairs is undertaken on a cyclical basis • Program of inspection and condition auditing is undertaken every 5 years • Maintenance of bus shelters throughout the City including repainting/graffiti removal, vandalism and pavement repair is on a needs basis • Council has a \$300k Bus Shelter Renewal Program

Roads

Budgeted Roads Operating Expenditure
(\$'000)



Roads (Expenditure)



	2022/23 Budget \$'000's	2023/24 Budget \$'000's
EXPENDITURE		
Road and Car Park Maintenance	2,340	1,547
Road Safety Engineering	542	552
Signs and Street Furniture	255	241
DIRECT EXPENDITURE	3,138	2,339
FULL COST ATTRIBUTION	10,659	
TOTAL EXPENDITURE	13,797	2,339
INCOME		
Road and Car Park Maintenance	3,332	3,460
TOTAL INCOME	3,332	3,460
NET IMPACT TO COUNCIL		
Road and Car Park Maintenance	(992)	(1,914)
Road Safety Engineering	542	552
Signs and Street Furniture	255	241
FULL COST ATTRIBUTION	10,659	
TOTAL NET IMPACT TO COUNCIL	10,465	(1,121)

Footpaths



Partners:

Department of Infrastructure and Transport who assist with in kind funding for the Green Trails Project

Footpaths contains the following Service Areas, Activities and Service Levels

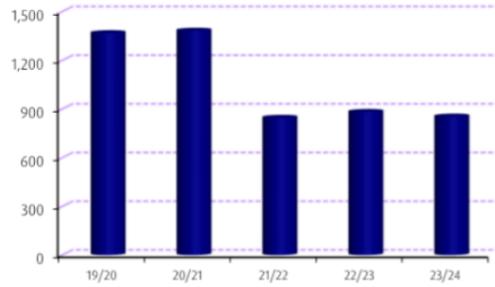
SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
<p>Footpath Maintenance A program of footpath auditing is conducted every three years to gather data which is used to quantify the overall condition of the network. This data is also used to identify priority areas for maintenance works based on proximity to critical pedestrian generating activities.</p> <p>Community requests for additional footpaths are investigated by the multidisciplinary Footpath Request Evaluation Team, and prioritised based on the destination of the path and the additional inclusion opportunities the footpath would give. Council also maintains footpaths and shared use paths through public reserves, with Council continuing to build the Green Trails network across the City.</p> <p><i>Shared Use Paths</i> Council continues to construct the Green Trails network that currently links Salisbury to Mawson Lakes</p>	<ul style="list-style-type: none"> • Provision of a footpath on one side of a road/street where appropriate as a minimum service standard with provision for a footpath on a high profile and collector streets, around schools & aged care facilities • Council minimum width of new footpaths is 1.5m • Council repairs faults based on the risk assessment associated with the destination. For example, Council has a focus on prioritising faults around Schools and Retirement Villages • Council repairs footpath failures throughout the year based on a program of priority works and on customer requests where appropriate • Council is continuing to extend the 2.4m wide Green Trail with additional upgrades to be completed in 2023 to Salisbury Heights with the next stage to be completed from Pooraka to Walkleys Heights over the next 2 to 3 years. • Council renewal program now includes the upgrade of lighting along the existing shared use path to P3 Category

NOT YET REVIEWED BY COUNCIL

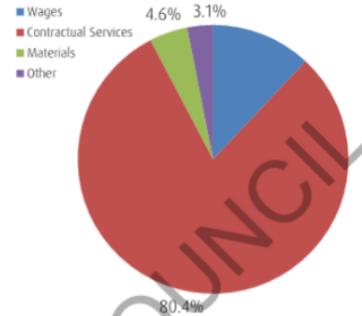
Item 7.1.2 - Attachment 1 - Draft 2023/24 Long Term Financial Plan and Annual Business Plan

Footpaths

Budgeted Footpaths Operating Expenditure
(\$'000)



Footpaths (Expenditure)



	2022/23 Budget \$000's	2023/24 Budget \$000's
EXPENDITURE		
Footpath Maintenance	882	854
DIRECT EXPENDITURE	882	854
FULL COST ATTRIBUTION	2,313	
TOTAL EXPENDITURE	3,195	854
NET IMPACT TO COUNCIL		
Footpath Maintenance	882	854
FULL COST ATTRIBUTION	2,313	
TOTAL NET IMPACT TO COUNCIL	3,195	854

NOT YET REVIEWED BY COUNCIL

Item 7.1.2 - Attachment 1 - Draft 2023/24 Long Term Financial Plan and Annual Business Plan

Innovation and Business Development



Item 7.1.2 - Attachment 1 - Draft 2023/24 Long Term Financial Plan and Annual Business Plan

Foundations

The delivery of these foundations will be underpinned by Council's values of respect, accountability, collaboration and helpfulness.

- ✓ Members of our community receive an exceptional experience when interacting with Council
- ✓ We deliver quality outcomes that meet the needs of our community
- ✓ The City of Salisbury is recognised as a great place to work
- ✓ We plan effectively to address community needs and identify new opportunities
- ✓ We engage meaningfully and our community is aware of Council initiatives



Council's commitment to develop an organisation that is innovative and develops our business

Council will:

- ✓ place the needs of our community first
- ✓ meaningfully engage with our community and stakeholders as we plan and make decisions
- ✓ consider the long term when we plan and innovate
- ✓ use data to inform decision-making and understand community needs and expectations
- ✓ seek partnerships to deliver facilities, services, programs and infrastructure to address community needs
- ✓ promote Salisbury and advocate for its priorities
- ✓ strengthen and promote the Salisbury brand
- ✓ embed our organisational values in all we do
- ✓ invest in the development of our staff and elected members
- ✓ maintain sound financial management within a transparent and accountable organisation

CRITICAL ACTIONS	
Strategic Projects	Budget Context
Use technology so people can better access Council services	Council has engaged a third-party provider to deliver a new enterprise system focussed on transforming not only our technology but our business processes to ensure we deliver an exceptional community experience as to how Council delivers its services and engages with the community.
Implement a change plan so Council provides as exceptional community experience, delivers quality outcomes and is a great place to work	A Business Transformation team has been established to develop and drive various initiatives aimed at achieving the three success factors of exceptional community experience, quality outcomes and a great place to work.
Upgrade Council's Operations Centre at Cross Keys Road to support business transformation	The upgrade of Council's Operations Centre on Cross Keys Road has been completed, including Administration Centre, Workshop and Stores.
Provide opportunities for staff to be innovative and shape the next generation of Council business, investment and services	Staff are encouraged to provide input into Council service delivery aimed at ensuring our services not only align with community needs but seek to provide innovative and more contemporary ways to deliver the services.
Deliver Council's COVID-19 response package	Although the landscape has changed since Council implemented various initiatives to support the community and ensure services continue to be delivered to our community during the COVID-19 pandemic, Council continue to review and adapt its support and services to ensure the continuity of these services.
Operational Focus	Budget Context
Improve how we use data to better inform decision making	We have continued to work on enhancing reporting of data through the use of dashboards with real time data. The next phase of dashboard reporting will be delivered through the implementation of the new enterprise system.
Buy locally and sustainability with an emphasis on reuse and recycled materials	We continue to look at ways to increase spend with Salisbury LGA (and wider Northern Region) suppliers, which has been supported by a revised Procurement Policy to embed these practices into the organisation. Work will continue with the industry to support delivery of a circular economy.
Deliver the commitments in our Annual Plan	Council continues to monitor projects and initiatives identified in the Annual Plan.
Continuous Improvement Program	The organisation has adopted the Agile methodology in its Business Transformation initiative to ensure we are successful in delivering the project outcomes as agreed with the various stakeholders.
Meaningfully engage with our community so we better anticipate and respond to needs and opportunities	An emphasis this year, following the upgrade to the corporate website, has been on enhancing our Discover Salisbury website and digital mediums. We are also scheduled to engage with our community in the biannual Community Perception Survey planned to occur in the last quarter of 2022/23 that will give us further insights into opportunities for improvement and reinforcing existing good practises.
Improve communication with community members to increase awareness of Council initiatives	We continue to enhance how we engage with the community to make the community aware of the many projects and initiatives that Council delivers to improve the community's wellbeing. We continue to see an increase in the number of people accessing our social media platforms which will be used as the predominant medium to communicate with our community.
Acknowledge and celebrate the achievements of staff and our community	Council holds various events throughout the year that aim to acknowledge and celebrate staff and community achievements.

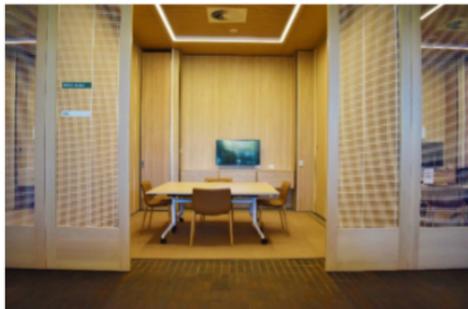
Item 7.1.2 - Attachment 1 - Draft 2023/24 Long Term Financial Plan and Annual Business Plan

CRITICAL ACTIONS	
Future Planning	Budget Context
Develop a digital strategy and framework to implement technology- based initiatives to improve the management of the City	The focus of this year is to engage with the community around Digital Salisbury and seek feedback on the strategy and also inform on the activities being undertaken by Council.
Review our community engagement strategy so the needs of diverse groups in our community are recognised at an early stage of planning	This is an action that is still requiring further work and will form part of work being undertaken to deliver exceptional community experience.
Review Council's 'Strategic Asset Management Plan'	A revised strategic Asset Management Plan was endorsed by Council in April for community consultation. This included updates to the level of service of four key asset classes, namely Roads, Buildings, Play spaces and Drainage Systems.
Enable the community to monitor Council's progress in implementing this Plan and compare performance with that of other Councils	A number of City Plan indicators have been published on a static dashboard on Council's website. An online dynamic dashboard that will display the latest data on corporate and City Plan indicators is currently under development.
Identify opportunities to increase non-rates revenue	The organisation has for some time ensured it maintains a strong financial position so it is able to meet emerging community needs. Work continues where appropriate to identify alternate revenue streams to support the ongoing financial sustainability of services to the community.
Council governance and practices	The Audit and Risk Committee continues to provide assurance in context of its statutory function as per s126 of the Local Government Act 1999 (the Act) and the Audit function is conducted as per s129 of the Act.
Advocacy Priorities	Budget Context
Develop deeper and more effective relationships with government agencies and other organisations to progress the priorities identified in this City Plan and its supporting strategies	The City of Salisbury will continue to advocate to the State and Federal Government for investment in critical projects and programs. In 2022, 15 key partnership projects from the City Plan 2035 were identified in the document, Partnership Projects 2022 and presented to the State and Federal Government to seek opportunities for collaboration and joint investment. The City of Salisbury continues to follow up on these priority projects and work collaboratively to progress outcomes for the community via various fora in a formal and informal manner.

NOT YET REVIEWED BY COUNCIL

Item 7.1.2 - Attachment 1 - Draft 2023/24 Long Term Financial Plan and Annual Business Plan

Innovation and Business Development



Innovation and Business Development contains the following Service Areas, Activities and Service Levels

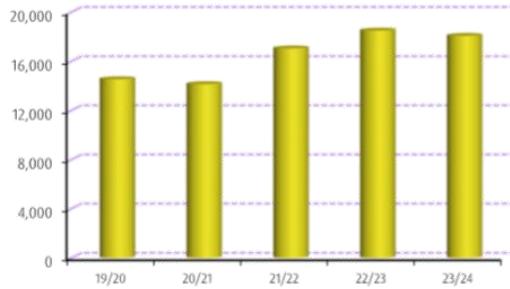
SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
<p>Accounting Services Provides for business support, management accounting, financial accounting, tax compliance, external and statutory reporting. Further, the team provides reporting services to all departments/divisions of the organisation, the Executive Management and Council, including the preparation of the Council Budget and Annual Plan. Assets & Projects Accounting also 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.</p>	<ul style="list-style-type: none"> • Annual Business Plan and Budget • Annual Financial Statements • Long Term Financial Plan • Quarterly Budget Reviews and Monthly Reporting • Grant Acquittals • Divisional and Departmental Planning support • Provide financial advice and support for Salisbury Water • Valuation and Depreciation for \$2 billion of Council assets • Invoices processed: 30,000pa
<p>Business Excellence Administration Provides for the Executive Management and associated support for the overall management and leadership of the Business Excellence Department.</p>	<ul style="list-style-type: none"> • Leadership of the Business Excellence department and accountability for outcomes assigned to the department
<p>Business Intelligence and Data Oversee the flow of corporate information in to and out of the organisation, ensuring information management legislation is complied with.</p>	<ul style="list-style-type: none"> • Compliance with organisational information management framework and South Australian Government information retention requirements
<p>Business Systems and Solutions Information Technology Services are responsible for the delivery, management and enhancement of information technology solutions within the organisation.</p> <p>Service Desk Responsible for the delivery and support of productivity, mobility and audio-visual solutions.</p>	<ul style="list-style-type: none"> • Solutions meet organisational availability and performance metrics • Agreed services and solutions are under relevant maintenance and support contracts • Responsive service ensuring community facing service availability as required • Provision and distribution of productivity tools and services
<p>Business Transformation Advocate and promote the use of improvement and transformation techniques and methodologies.</p> <p><i>Planning and Business Engagement Services</i> Responsible for the alignment of information technology solutions with organisational and Community needs. This also includes the transformational shift of the organisation to a digital and community centric approach, with technology to better support service delivery, and greater community activation.</p>	<ul style="list-style-type: none"> • Organisational Business Transformation using Agile principles • Organisational reporting on improvement and business transformation initiatives • Lead the development of a Data Framework Policy • Digital and information technology related strategy, frameworks and standards

Innovation and Business Development continued

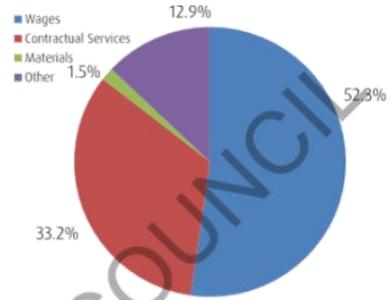
SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
<p>Community Experience and Relationships Drives strategic outcomes by strengthening Council's relationship with the community and other key audiences, through proactive communications, via various media platforms and events.</p>	<ul style="list-style-type: none"> • Communications and Community Experience (Customer Service) • Media liaison, press release preparation and public relations management • Proactive communications • Digital communications via social media platforms • External website management • Corporate publications • Corporate brand custodian
<p>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.</p>	<ul style="list-style-type: none"> • Call volume: 61,366pa • Receipt numbers: 13,994pa • Counter enquiries: 15,236pa • Customer requests via email/website/post: 17,651pa
<p>Insurance This area provides for the management of corporate insurance policies and associated claims.</p>	<ul style="list-style-type: none"> • Administration of organisational insurance needs including processing of insurance claims and liaison with the LGA insurance service provider (Local Government Risk Services)
<p>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.</p>	<ul style="list-style-type: none"> • 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
<p>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.</p>	<ul style="list-style-type: none"> • Rateable Properties: 61,418 • Total Rate Notices: 194,608pa, Overdue Notices: 36,642pa • Changes to Property Data: 14,033pa • Maintenance of voters roll
<p>Strategic Procurement Management of contract and purchasing policies, procedures and delegations. Provision of support and advisory services as well as monitoring compliance.</p>	<ul style="list-style-type: none"> • 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 • Environmental Preference: promote the procurement of environmentally friendly goods and services that satisfy value for money criteria, as well as fostering the development of products and processes of low environmental and climatic impact • Support the achievement of circular economy outcomes

Innovation and Business Development

Budgeted Innovation and Business Development Operating Expenditure (\$'000)



Innovation and Business Development (Expenditure)



	2022/23 Budget \$000's	2023/24 Budget \$000's
EXPENDITURE		
Accounting Services	1,757	1,817
Business Excellence Administration	475	491
Business Intelligence and Data	692	664
Business Systems and Solutions	7,395	6,468
Business Transformation	1,047	1,419
Community Experience and Relationships	1,964	1,974
Customer Centre	939	976
Insurance	599	594
People and Culture	2,294	2,287
Rate Collection and Property Data	966	1,022
Strategic Procurement	377	367
DIRECT EXPENDITURE	18,505	18,078
FULL COST ATTRIBUTION	(15,053)	
TOTAL EXPENDITURE	3,451	18,078
INCOME		
Community Experience and Relationships	12	12
People and Culture	704	708
Rate Collection and Property Data	19	22
TOTAL INCOME	735	742

Innovation and Business Development continued

	2022/23 Budget \$000's	2023/24 Budget \$000's
NET IMPACT TO COUNCIL		
Accounting Services	1,757	1,817
Business Excellence Administration	475	491
Business Intelligence and Data	692	664
Business Systems and Solutions	7,395	6,468
Community Experience and Relationships	1,952	1,962
Customer Centre	939	976
Insurance	599	594
People and Culture	1,589	1,579
Rate Collection and Property Data	947	1,000
Strategic Procurement	377	367
FULL COST ATTRIBUTION	(15,053)	
TOTAL NET IMPACT TO COUNCIL	1,669	15,917

NOT YET REVIEWED BY COUNCIL

Council

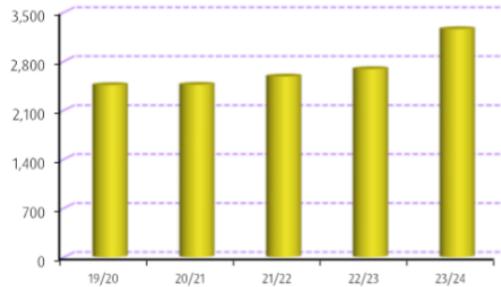


Council contains the following Service Areas, Activities and Service Levels

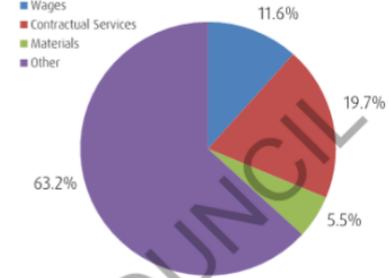
SERVICE AREAS	ACTIVITIES AND SERVICE LEVELS
Civic and Ceremonial Funds civic and ceremonial responsibilities of Council, including citizenship ceremonies.	<ul style="list-style-type: none"> • Organisation of civic events and citizenship ceremonies
Corporate Memberships Funds corporate memberships for required bodies.	<ul style="list-style-type: none"> • Local Government Association membership
Council Funds the management and administration of the Elected Member governance responsibilities.	<ul style="list-style-type: none"> • Production and distribution of business papers and minutes • Facilitation of CEO Briefing Sessions • Administrative support to Council, 8 Committees, 4 Sub-Committees, and the Council Assessment Panel • Monitor and review of the City's compliance with legislation • Elected Member training and development • Administration of Elected Member Allowances and Benefits and statutory disclosures
Elections Provides resources for elections within the City.	<ul style="list-style-type: none"> • 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 and facilitation of meetings with various stakeholders including State and Federal Government representatives.	<ul style="list-style-type: none"> • Executive support for the Chief Executive Officer and Mayor
Governance A resource supporting Elected Members and Administration in the decision making processes of Council. The team provides information, advice and assistance to ensure obligations under legislation and policy frameworks are reflected in City of Salisbury work practices.	<ul style="list-style-type: none"> • Support Council and organisational governance processes • Risk management, internal audit and insurance • Coordinate Business Continuity Planning • Facilitate the LGA insurance scheme's risk review • Provide advice and support to ensure strategic and operational risks are identified and managed • Support the Audit and Risk Committee of Council • Facilitate the annual external audit • Undertake and co-ordinate internal audit • Council meeting administration and support, and facilitation of public participation • Elected Member support & communications • Delegations and Authorisations • Support Information Management and State Records Act compliance • Application and monitoring - Policy and procedure framework • Coordination of legal advice and oversight of Legal Services • Facilitate Freedom of Information • Administer Council Grievances and External Agency Reviews

Council

Budgeted Council Operating Expenditure (\$'000)



Council (Expenditure)



	2022/23 Budget \$'000's	2023/24 Budget \$'000's
EXPENDITURE		
Civic and Ceremonial	44	78
Corporate Memberships	362	392
Council	722	772
Elections	197	150
Executive Management	818	1,318
Governance	547	549
DIRECT EXPENDITURE	2,689	3,260
FULL COST ATTRIBUTION	(40)	
TOTAL EXPENDITURE	2,649	3,260
INCOME		
Council	2	2
TOTAL INCOME	2	2
NET IMPACT TO COUNCIL		
Civic and Ceremonial	44	78
Corporate Memberships	362	392
Council	721	771
Elections	197	150
Executive Management	818	1,318
Governance	547	549
FULL COST ATTRIBUTION	(40)	
TOTAL NET IMPACT TO COUNCIL	2,648	3,258

Sundry



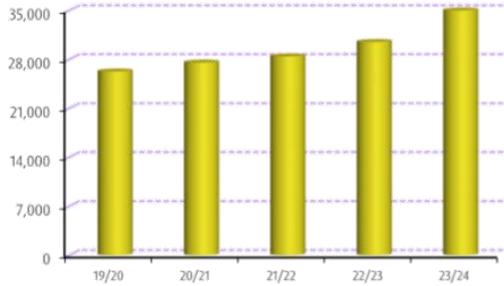
Sundry contains the following Service Areas, Activities and Service Levels

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

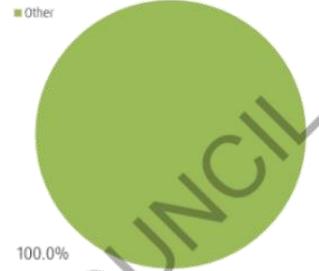
NOT YET REVIEWED BY COUNCIL

Sundry

Budgeted Sundry Operating Expenditure
(\$'000)



Sundry (Expenditure)



	2022/23 Budget \$000's	2023/24 Budget \$000's
EXPENDITURE		
Accommodation	386	419
Infrastructure Depreciation	26,595	28,224
Rates	2,325	2,461
Treasury	1,182	3,028
DIRECT EXPENDITURE	30,487	35,444
FULL COST ATTRIBUTION	(28,121)	
TOTAL EXPENDITURE	2,367	35,444
INCOME		
Grants Commission	6,871	7,405
Rates	820	872
Treasury	71	77
TOTAL INCOME	7,762	8,354
NET IMPACT TO COUNCIL		
Accommodation	386	419
Grants Commission	(6,871)	(7,405)
Infrastructure Depreciation	26,595	28,224
Rates	1,505	1,588
Treasury	1,111	2,951
FULL COST ATTRIBUTION	(28,121)	
TOTAL NET IMPACT TO COUNCIL	(5,395)	27,090

Rating Strategy and Policy

What are Rates?

Rates are the principal source of funding for Council services, representing approximately 82.5% 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 Valuer-General, those in higher valued properties pay more than those in lower valued properties, noting the higher value property adjustment detailed on page 121.

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 is considered the most equitable because:

- It is the most appropriate method for the community
- As a measure of wealth it reflects the property owners capacity to pay
- It accords with the taxation principle that those who contribute to community services should pay in accord with their capacity to pay for those services based on their wealth.

Other valuation methods available (rate in the dollar only) and annual value (value based on the rate in the dollar). These are not considered appropriate.

Strategic Focus

In setting its rates for the 2023/24 financial year the Council considered its City Plan 2035, 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 2022/23 Salisbury's average residential rate was the 3rd lowest of the metropolitan Councils based on the information available.

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.

Residential	3%
Commercial	5%

TO BE UPDATED

Consequently, Council considers the appropriate average rate must take into account a number of factors, including the current economic conditions, the levels, and the community's expectations. Council also considers the methods by which services are provided, the budget in detail, the expenditure and how it is managed, and the City Plan. Consideration is also given to how rates respond to the community's expectations.

Rating Strategy and Policy

After critically reviewing expenditure priorities and income from other sources Council propose to increase residential rates by an average of 3.5% for properties not on the minimum rate. The minimum rate was is also proposed to increase by 3.5% from \$1,044 to \$1,081 for 2023/24. Noting that in 2020/21 Council determined a zero percent increase in rates to support the community in responding to the COVID-19 pandemic.

Council had consulted on an average rate increase of 3.9% for all rate categories, and due to the impacts of increasing interest rates and cost pressures determined a lower average rate increase for residential properties.

Council has maintained surplus of 2008/09 which is a significant amount from maintaining existing assets that can result through neglect, poor service provision, and utilising property to reduce debt levels resulting in

Categories of Rates

General Rates

General rates are levied on capital differential rating system outlined are performed independently by annual basis and an owner has the 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 \$1,081 from \$1,044 for the 2022/23 year.

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:
 - Economic development and promotion
 - City amenities which enhance retailing
 - More intensive road and traffic requirements

for drainage tax deductibility available

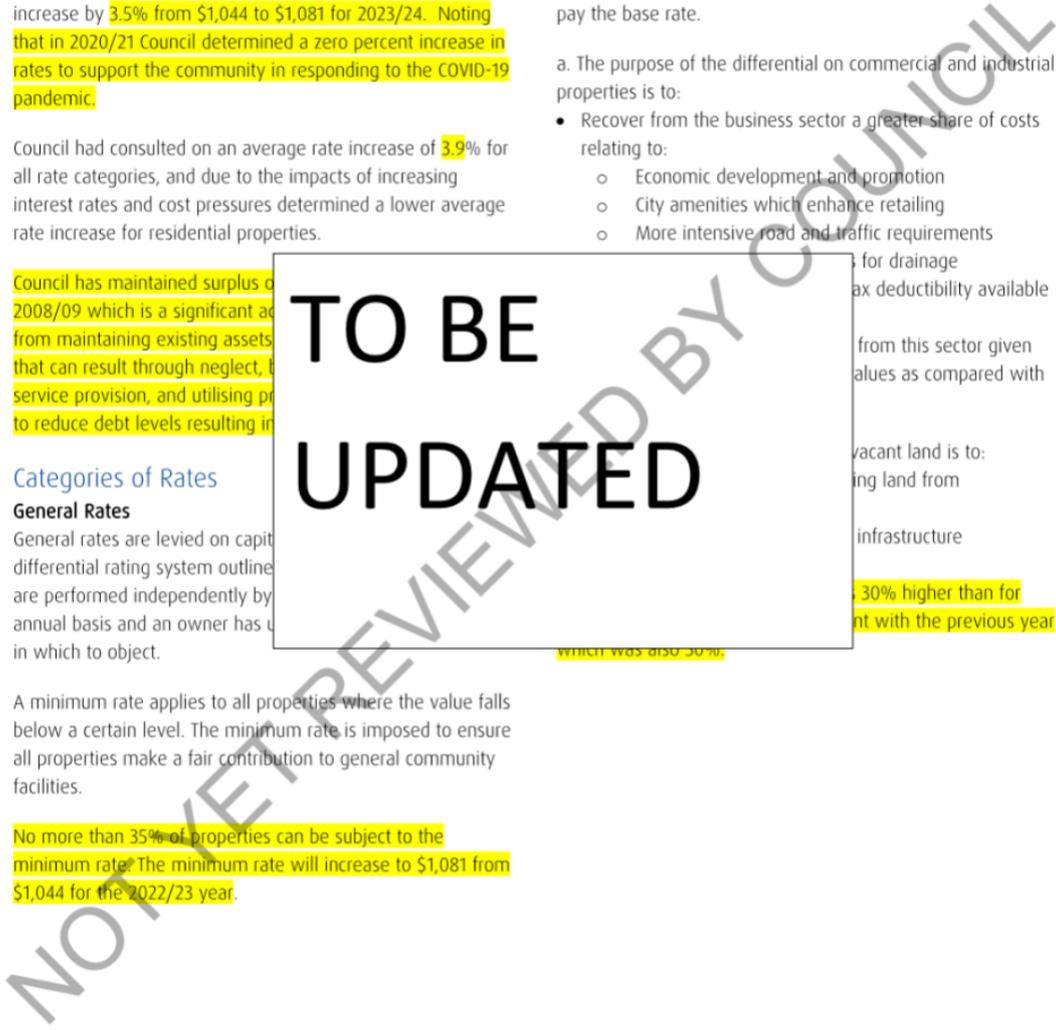
from this sector given values as compared with

vacant land is to: ing land from

infrastructure

30% higher than for nt with the previous year

TO BE
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Rating Strategy and Policy

Separate Rates

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

Salisbury Business Association

Rates are collected for the Salisbury Business Association, from commercial and industrial 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

Rates are collected for and based on a fixed amount per the club can maintain an

Landscape Administration

The Council acts as agent for Regional Landscape Levy (for Management Levy). The levy by Council.

Residential Impact Statement

Council propose a 3.5% average rate increase to residential rates in the 2023/24 year. However, the actual increase for an individual property will vary depending on the actual changes in valuation above or below the average valuation increase of 21.8%.

In order to achieve the proposed average rate increase of 3.5% the rate (cents in the \$) will decrease from 0.4217 to

rate increases suggests the property owners:

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	Number of Properties
	2,573
	1,375
	DATED
	2,091
	728
	656
Total Number of Properties	56,123

NOT YET REVIEWED BY COUNCIL

Item 7.1.2 - Attachment 1 - Draft 2023/24 Long Term Financial Plan and Annual Business Plan

Rating Strategy and Policy

Payment of Rates

Quarterly Billing

Rates are payable 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 charges associated with this service.

Seniors Postponement

Residential property owners can postpone payment of rates if they are aged 65 or over and opt to postpone rates under the Local Government Act to pay a reduced balance being postponed. The land and statutory improvements are postponed rates and will be added to the next rate notice.

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 endorsed an adjustment for residential properties with a value over \$814,001+:

\$0 - \$814,001	no adjustment
\$814,001 - \$1,000,000	a reduction of 5% of the general rates payable on the value above \$814,001, with the 2021/22 tier being \$650,001.
\$1,000,001 - \$1,500,000	a reduction of 10% of the general rates payable on the value above \$1,000,001, with the 2021/22 tier being \$1,000,001.
\$1,500,001 - \$2,000,000	a reduction of 15% of the general rates payable on the value above \$1,500,001, with the 2021/22 tier being \$1,500,001.
\$2,000,001 - \$2,500,000	a reduction of 20% of the general rates payable on the value above \$2,000,001, with the 2021/22 tier being \$2,000,001.
\$2,500,001 - \$3,000,000	a reduction of 25% of the general rates payable on the value above \$2,500,001, with the 2021/22 tier being \$2,500,001.
\$3,000,001 - \$3,500,000	a reduction of 30% of the general rates payable on the value above \$3,000,001, with the 2021/22 tier being \$3,000,001.
\$3,500,001 - \$4,000,000	a reduction of 35% of the general rates payable on the value above \$3,500,001, with the 2021/22 tier being \$3,500,001.
\$4,000,001 - \$4,500,000	a reduction of 40% of the general rates payable on the value above \$4,000,001, with the 2021/22 tier being \$4,000,001.
\$4,500,001 - \$5,000,000	a reduction of 45% of the general rates payable on the value above \$4,500,001, with the 2021/22 tier being \$4,500,001.
\$5,000,001 - \$5,500,000	a reduction of 50% of the general rates payable on the value above \$5,000,001, with the 2021/22 tier being \$5,000,001.
\$5,500,001 - \$6,000,000	a reduction of 55% of the general rates payable on the value above \$5,500,001, with the 2021/22 tier being \$5,500,001.
\$6,000,001 - \$6,500,000	a reduction of 60% of the general rates payable on the value above \$6,000,001, with the 2021/22 tier being \$6,000,001.
\$6,500,001 - \$7,000,000	a reduction of 65% of the general rates payable on the value above \$6,500,001, with the 2021/22 tier being \$6,500,001.
\$7,000,001 - \$7,500,000	a reduction of 70% of the general rates payable on the value above \$7,000,001, with the 2021/22 tier being \$7,000,001.
\$7,500,001 - \$8,000,000	a reduction of 75% of the general rates payable on the value above \$7,500,001, with the 2021/22 tier being \$7,500,001.
\$8,000,001 - \$8,500,000	a reduction of 80% of the general rates payable on the value above \$8,000,001, with the 2021/22 tier being \$8,000,001.
\$8,500,001 - \$9,000,000	a reduction of 85% of the general rates payable on the value above \$8,500,001, with the 2021/22 tier being \$8,500,001.
\$9,000,001 - \$9,500,000	a reduction of 90% of the general rates payable on the value above \$9,000,001, with the 2021/22 tier being \$9,000,001.
\$9,500,001 - \$10,000,000	a reduction of 95% of the general rates payable on the value above \$9,500,001, with the 2021/22 tier being \$9,500,001.
\$10,000,001 and above	a reduction of 100% of the general rates payable on the value above \$10,000,001, with the 2021/22 tier being \$10,000,001.

\$814,001+: a reduction of 35% of the general rates payable on the value above \$814,000, with the 2021/22 tier being \$650,001.

Discretionary Rebates

The Local Government Act 1999 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 Rebate

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

Rate Cap - for residential property principal residence, and the maximum increase in the rate payable as a result of significant valuation improvements, a change in ownership, or a change in value. There is an application for this rebate.

Valuation Initiative Relief - In rates resulting from the Revaluation Initiative, Council have endorsed an automatic rate cap so that the maximum increase in the general rates payable will be 50% of that paid in the previous year provided the movement results from the Valuer-General's Revaluation Initiative and not as a result of improvements, a change to the land use or zoning, a change in ownership, or a correction to 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.

Financial Hardship

Council is committed to providing support to ratepayers experiencing financial hardship with further information available on the City of Salisbury website.

TO BE UPDATED

TO BE UPDATED

Appendix A: Long Term Financial Plan

ESTIMATED STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDING 30 JUNE	2023 Budget Year 1 \$000's	2024 Plan Year 2 \$000's	2025 Plan Year 3 \$000's	2026 Plan Year 4 \$000's	2027 Plan Year 5 \$000's	2028 Plan Year 6 \$000's	2029 Plan Year 7 \$000's	2030 Plan Year 8 \$000's	2031 Plan Year 9 \$000's	2032 Plan Year 10 \$000's
INCOME										
Rates Revenues	112,011	117,665	122,725	127,757	132,995	138,447	144,124	150,033	156,184	162,588
Statutory Charges	2,848	3,127	3,212	3,292	3,374	3,458	3,545	3,634	3,724	3,817
User Charges	5,410	6,915	8,446	8,990	9,553	9,776	10,020	10,271	10,528	10,791
Grants, Subsidies & Contributions							15,973	16,234	16,499	16,769
Investment Income							80	81	82	84
Reimbursements							338	347	355	364
Other Income							1,148	1,177	1,206	1,236
Total Income							175,228	181,777	188,578	195,649
EXPENSES										
Employee Costs							52,608	54,043	55,515	57,025
Materials, Contracts & Other Expenses							79,008	82,529	86,176	90,259
Depreciation, Amortisation & Impairment							41,388	43,064	44,687	46,356
Finance Costs							559	288	137	38
Total Expenses							173,563	179,924	186,515	193,678
OPERATING SURPLUS/(DEFICIT) BEFORE CAPITAL AMOUNTS							1,665	1,853	2,063	1,971
Asset Disposal & Fair Value Adjustments							3,875	1,626	2,228	2,431
Amounts Received Specifically for New or Upgraded Assets							1,477	1,477	1,477	1,477
Physical Resources Received Free of Charge							1,000	1,000	1,000	1,000
NET SURPLUS/(DEFICIT)							8,017	5,956	6,768	6,879
OTHER COMPREHENSIVE INCOME										
Changes in Revaluation Surplus - I,PP&E	47,617	50,254	47,313	47,808	48,314	48,951	49,499	50,064	50,600	51,153
Total Other Comprehensive Income	47,617	50,254	47,313	47,808	48,314	48,951	49,499	50,064	50,600	51,153
TOTAL COMPREHENSIVE INCOME	54,057	59,482	55,002	57,521	55,447	57,837	57,516	56,020	57,368	58,032

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Appendix A: Long Term Financial Plan

ESTIMATED STATEMENT OF FINANCIAL POSITION

YEAR ENDING 30 JUNE	2023 Budget Year 1 \$000's	2024 Plan Year 2 \$000's	2025 Plan Year 3 \$000's	2026 Plan Year 4 \$000's	2027 Plan Year 5 \$000's	2028 Plan Year 6 \$000's	2029 Plan Year 7 \$000's	2030 Plan Year 8 \$000's	2031 Plan Year 9 \$000's	2032 Plan Year 10 \$000's
ASSETS										
Current Assets										
Cash & Cash Equivalents	-	-	-	-	-	-	-	-	5,414	15,038
Trade & Other Receivables	6,230	6,564	6,938	7,227	7,486	7,750	8,025	8,312	8,582	8,858
Inventories	1,787	1,810	1,830	1,847	1,865	1,882	1,902	1,922	1,942	1,966
Total Current Assets	8,017	8,374	8,768	9,074	9,351	9,632	9,927	10,234	15,938	25,862
Non-Current Assets										
Financial Assets							103	60	42	44
Equity Accounted Investments in Council Businesses							824	4,824	4,824	4,824
Infrastructure, Property, Plant & Equipment							610	2,090,803	2,141,904	2,192,899
Intangible Assets							210	210	210	210
Other Non-Current Assets							012	22,012	22,012	22,012
Total Non-Current Assets							759	2,117,909	2,168,992	2,219,989
TOTAL ASSETS							886	2,128,143	2,184,930	2,245,851
LIABILITIES										
Current Liabilities										
Trade & Other Payables							581	24,604	25,665	26,842
Borrowings							41	42	22	1
Provisions							682	19,050	20,452	21,889
Total Current Liabilities							304	43,696	46,139	48,732
Non-Current Liabilities										
Cash Advance Debenture							483	3,290	-	-
Borrowings							404	2,362	2,340	2,340
Provisions	2,204	2,443	2,690	2,944	3,205	3,472	3,746	4,027	4,315	4,610
Total Non-Current Liabilities	6,902	5,637	5,248	5,466	5,689	5,917	6,150	6,389	6,655	6,950
TOTAL LIABILITIES	36,233	37,356	38,318	40,058	42,463	44,898	47,454	50,085	52,794	55,682
NET ASSETS	1,728,935	1,781,711	1,830,913	1,878,731	1,932,070	1,980,833	2,030,232	2,078,058	2,132,136	2,190,169
EQUITY										
Accumulated Surplus	403,420	412,648	420,336	430,049	437,180	446,067	454,084	460,039	466,808	473,688
Asset Revaluation Reserves	1,235,378	1,285,633	1,332,946	1,380,754	1,429,068	1,478,019	1,527,519	1,577,583	1,628,183	1,679,336
Other Reserves	37,144	37,145	37,143	37,143	37,144	37,143	37,144	37,144	37,144	37,144
TOTAL EQUITY	1,675,942	1,735,426	1,790,425	1,847,946	1,903,392	1,961,229	2,018,747	2,074,766	2,132,135	2,190,168

TO BE
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Item 7.1.2 - Attachment 1 - Draft 2023/24 Long Term Financial Plan and Annual Business Plan

Appendix A: Long Term Financial Plan

ESTIMATED STATEMENT OF CASH FLOWS

YEAR ENDING 30 JUNE	2023 Budget Year 1 \$000's	2024 Plan Year 2 \$000's	2025 Plan Year 3 \$000's	2026 Plan Year 4 \$000's	2027 Plan Year 5 \$000's	2028 Plan Year 6 \$000's	2029 Plan Year 7 \$000's	2030 Plan Year 8 \$000's	2031 Plan Year 9 \$000's	2032 Plan Year 10 \$000's
CASH FLOWS FROM OPERATING ACTIVITIES										
Receipts										
Operating Receipts	136,394	143,552	150,469	156,476	162,673	168,716	175,010	181,552	188,350	195,413
Investment Receipts	70	70	76	70	77	70	80	81	82	84
Payments										
Operating Payments to Suppliers and Employees							77	(134,063)	(139,111)	(144,556)
Finance Payments							59	(288)	(137)	(38)
Net Cash provided by (or used in) Operating Activities							354	47,282	49,184	50,903
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Amounts Received Specifically for New Investments							477	1,477	1,477	1,477
Sale of Replaced Assets							839	839	839	839
Sale of Real Estate Developments							036	788	1,389	1,592
Repayments of Loans by Community Groups							42	43	45	34
Payments										
Expenditure on Renewal/Replacement of Assets							40	(22,997)	(23,687)	(24,208)
Expenditure on New/Upgraded Assets							50	(19,196)	(20,501)	(20,991)
Net Cash Provided by (or used in) Investing Activities							96	(39,046)	(40,438)	(41,257)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Proceeds from CAD	32,460	-	-	-	-	-	-	-	-	-
Payments										
Repayments of CAD	-	(4,165)	(4,323)	(8,910)	(2,025)	(11,274)	(10,430)	(10,557)	(11,088)	(11,988)
Repayments of Borrowings	(1,321)	(1,409)	(1,504)	(636)	(36)	(38)	(39)	(41)	(42)	(22)
Net Cash provided by (or used in) Financing Activities	31,139	(5,574)	(5,827)	(9,546)	(2,061)	(11,312)	(10,469)	(10,598)	(11,130)	(12,010)
Net Increase/(Decrease) in Cash Held	(4,151)	2,541	1,478	791	84	(2,203)	(2,311)	(2,362)	(2,384)	(2,364)
Cash & Cash Equivalents at Beginning of Period	-	-	-	-	-	-	-	-	-	-
Cash & Cash Equivalents/Movements in Borrowings at End of Period	(4,151)	2,541	1,478	791	84	(2,203)	(2,311)	2,847	13,935	25,922

TO BE
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Item 7.1.2 - Attachment 1 - Draft 2023/24 Long Term Financial Plan and Annual Business Plan

Appendix A: Long Term Financial Plan

SUMMARY STATEMENT OF CHANGES IN EQUITY

YEAR ENDING 30 JUNE	2023 Budget Year 1 \$000's	2024 Plan Year 2 \$000's	2025 Plan Year 3 \$000's	2026 Plan Year 4 \$000's	2027 Plan Year 5 \$000's	2028 Plan Year 6 \$000's	2029 Plan Year 7 \$000's	2030 Plan Year 8 \$000's	2031 Plan Year 9 \$000's	2032 Plan Year 10 \$000's
Opening Balance								2,018,746	2,074,766	2,132,135
Net Surplus / (Deficit) for Year								5,955	6,769	6,880
Other Comprehensive Income										
- Gain (Loss) on Revaluation of I,PP&E								50,064	50,600	51,153
Other Comprehensive Income								50,064	50,600	51,153
Total Comprehensive Income								56,019	57,369	58,033
Balance at end of period								2,074,765	2,132,135	2,190,168

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Appendix A: Long Term Financial Plan

UNIFORM PRESENTATION OF FINANCES

YEAR ENDING 30 JUNE	2023 Budget Year 1	2024 Plan Year 2	2025 Plan Year 3	2026 Plan Year 4	2027 Plan Year 5	2028 Plan Year 6	2029 Plan Year 7 \$000's	2030 Plan Year 8 \$000's	2031 Plan Year 9 \$000's	2032 Plan Year 10 \$000's
Income							175,228	181,776	188,579	195,651
less Expenses							(173,563)	(179,924)	(186,515)	(193,680)
Operating Surplus / (Deficit)							1,665	1,852	2,064	1,971
Less: Net Outlays on Existing Assets										
Capital Expenditure on Renewal/Replacement of							(23,040)	(22,997)	(23,687)	(24,208)
less Depreciation, Amortisation & Impairment							41,388	43,064	44,687	46,356
less Proceeds from Sale of Replaced Assets							839	839	839	839
							19,187	20,906	21,839	22,987
Less: Net Outlays on New and Upgraded Assets										
Capital Expenditure on New/Upgraded Assets							(19,550)	(19,196)	(20,501)	(20,991)
less Amounts Specifically for New/Upgraded Assets							1,477	1,477	1,477	1,477
less Proceeds from Sale of Surplus Assets							3,036	788	1,389	1,592
							(15,037)	(16,931)	(17,635)	(17,922)
Net Lending / (Borrowing) for Financial Year	(37,059)	5,906	5,196	8,231	(59)	6,878	5,815	5,827	6,268	7,036

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UNIFORM PRESENTATION OF ANNUAL BUSINESS PLAN AND BUDGET (ABP&B) AS ADOPTED

Adopted Rates Revenue				
	2021/22 (as adopted)	2022/23 (as adopted)	Change	Comments
General Rates Revenue				
General Rates (existing properties)		\$110,723,967 (a)		For 2022/23, total General Rates revenue has increased 4.8% including growth (refer n) of 0.5% from new properties that have been created over the last year. The average rate increase is 3.5% for Residential and 3.9% for Commercial and Industrial properties. The balance of General Rate Revenue is made up of new construction that will be rated for the first time in 2022/23
General Rates (new properties)		\$507,700 (b)		
General Rates (GROSS)	\$106,196,362	\$111,231,667 (c)		
Less: Mandatory Rebates	(\$1,270,000)	(\$1,290,000) (d)		
General Rates (NET)	\$104,926,362	\$109,941,667 (e)	4.8%	
		(e)=(c)+(d)		
Other Rates (inc. service charges)				
Regional Landscape Levy	\$2,084,640	\$2,139,763 (f)		The Regional Landscape Levy is not retained by council.
Separate and Special Rates	\$124,930	\$171,400 (g)		Separate rates are collected on behalf of the Salisbury Business Association and Globe Derby Community Club. These funds are not retained by Council
	\$2,209,570	\$2,311,163		
Less: Discretionary Rebates	(\$40,000)	(\$40,000) (h)		
Total Rates Revenue	\$104,886,362	\$109,901,667 (i)	4.8%	Excluding the Regional Landscape Levy and minus Mandatory & Discretionary Rebates.
		(i)=(e)+(h)		

Growth in number of rateable properties				
Number of rateable properties	61,100 (Actual)	61,405 (Estimate)	(i)	0.5%
<p>'Growth' is defined in the regulations as when new properties have been created which has added rateable properties to council's ratepayer base. Growth can also occur where the need and expenditure for infrastructure, services and programs which support these properties and residents.</p>				
Growth of 0.5% has accounted for 0.5% the increase in General Rates to be collected (refer b).				

Average General Rates per rateable property				
Average per rateable property	\$173 (o)=(c)/(i)	\$181 (j)	(j)	4.8%
<p>Councils use property valuations to calculate each rateable property's contribution to the required rate revenue total. Councils do not automatically receive more money because property values increase but this may alter how rates are apportioned (or divided) across each ratepayer (ie. some people may pay more or less rates, this is dependent on the change in value of their property relative to the overall valuation changes across the council area). The total rates paid by all rateable properties will equal the amount adopted in the budget.</p>				
These 'averages' are based on the total of all rateable properties and are therefore not indicative of either the rate or change in rates that all ratepayers will experience. The average rate increase is 3.5% for Residential ratepayers and 3.9% for Commercial and Industrial ratepayers, with the balance resulting from new assessments and construction activities.				

- Notes**
- (d) Councils are **required** under the Local Government Act to provide a rebate to qualifying properties under a number of categories:

Health Services - 100 per cent	Religious purposes - 100 per cent	Royal Zoological Society of SA - 100 per cent
Community Services - 75 per cent	Public Cemeteries - 100 per cent	Educational purposes - 75 per cent

The rates which are foregone via Mandatory Rebates are redistributed across the ratepayer base (ie. all other ratepayers are subsidising the rates contribution for those properties who receive the rebate).
 - (e) Presented as required by Regulation 6(1)(ea) of the *Local Government (Financial Management) Regulations 2011*.

Please Note: The percentage figure in (e) relates to the change in the total amount of General Rates revenue to be collected from **all** rateable properties, not from **individual** rateable properties (ie. individual rates will not necessarily change by this figure).
 - (f) Councils are required under the *Landscape South Australia Act 2019* to collect the levy on all rateable properties on behalf of the State Government. The Regional Landscape Levy is **not retained by council**.
 - (h) A council **may** grant a rebate of rates or service charges in a number of circumstances. The rates which are foregone via Discretionary Rebates are redistributed across the ratepayer base (ie. all other ratepayers are subsidising the rates contribution for those properties who receive the rebate).
 - (i) 'Growth' as defined in Regulation 6(2) of the *Local Government (Financial Management) Regulations 2011*.

Please note: The 2022/23 number of rateable properties is an estimate based on the most current information available at the time of going out to consultation on the ABP&B. This information is updated regularly and therefore may be subject to change at the time of adoption of ABP&B.

Item 7.1.2 - Attachment 1 - Draft 2023/24 Long Term Financial Plan and Annual Business Plan

Uniform Presentation of Annual Business Plan and Budget (ABP&B) AS ADOPTED

Differential Rates									
	Total expected revenue			No. of rateable properties		Average per rateable property			Cents in the \$
	2021/22	2022/23	Change	2021/22	2022/23	2021/22	2022/23	Change	2022/23
Land Use (General Rates - GROSS)									
Residential	\$80,885,529	\$84,609,121	5%	56,726	57,006	\$1,426	\$1,484 (p)	\$58	0.358300
Commercial - Shop	\$4,433,543	\$4,612,043	4%	746	744	\$5,943	\$6,199 (p)	\$256	0.603400
Commercial - Office	\$1,147,959	\$1,205,796	5%	210	204	\$5,466	\$5,911 (p)	\$444	0.603400
Commercial - Other	\$10,973,205	\$11,730,647	7%	1,496	1,538	\$7,335	\$7,627 (p)	\$292	0.603400
Industry - Light	\$996,758	\$1,041,392	4%	315	323	\$3,164	\$3,224 (p)	\$60	0.603400
Industry - Other	\$4,364,808	\$4,568,293	5%	283	272	\$15,423	\$16,795 (p)	\$1,372	0.603400
Primary Production	\$454,833	\$465,646	2%	200	201	\$2,274	\$2,317 (p)	\$42	0.358300
Vacant Land	\$2,002,297	\$1,979,250	-1%	964	955	\$2,077	\$2,073 (p)	-\$5	0.465800
Other	\$937,429	\$1,019,480	9%	161	162	\$5,823	\$6,293 (p)	\$471	0.358300
BRAND TOTAL (GROSS)	\$106,196,361	\$111,231,667	4.7%	61,101	61,405	\$1,738	\$1,811 (p)	\$73	

Council uses a differential rating system, using Land Use Codes as the factor to apply such differential rates. In applying differential general rates, council has considered and is satisfied that the rating system addresses the issue of consistency and comparability across all council areas, particularly as it relates to the various sectors of the business and wider community.

Minimum Rate					
Minimum Rate	No. of properties to which rate will apply		Rate		
	2022/23	% of total rateable properties	2022/22	2022/23	Change
	10,790	17.6%	\$1,044	\$1,081 (r)	\$37

The Minimum Rate provides a mechanism where lower valued properties do not pay less than a minimum amount as determined by the council. Typically, only a small number of all properties (with no more than 35% pay a minimum amount. Council proposes to set a minimum rate of \$1,081 which shall be applied to all rateable properties. This will affect 17.6% of rateable properties.

Adopted valuation method	
Capital Value	Council has the option of adopting one of three valuation methodologies to a property in its area for rating purposes: Capital Value – the value of the land and all improvements on the land; Site Value – the value of the land and any improvements which predominantly affect the amenity of use of the land, such as drainage works, but excluding the value of buildings and other improvements (Note: Site Value will cease to be an option from 1 Sept 2023); or Annual Value – a valuation of the rental potential of the property.

Council continues to use **Capital Value** as the basis for valuing land within the Council area. Council considers that this method of valuing land provides the fairest method of distributing the rate burden across all ratepayers on the following basis:
 - The equity principle of taxation requires that taxpayers of greater wealth pay more tax than those of lesser wealth.
 - Property value is a relatively good indicator of wealth and capital value, which closely approximates the market value of a property and provides the best indicator of overall property value.

- Notes**
- p) Average per rateable property calculated as General Rates for category, including any fixed charge or minimum rate (if applicable) but excluding any separate rates, divided by number of rateable properties within that category in the relevant financial year.
 - r) Where two or more adjoining properties have the same owner and are occupied by the same occupier, only one minimum rate is payable by the ratepayer.

Item 7.1.2 - Attachment 1 - Draft 2023/24 Long Term Financial Plan and Annual Business Plan

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Appendix C: ESCOSA Advice and City of Salisbury Comments

Council's Response

ESCOSA have undertaken a review of the City of Salisbury's Strategic Management Plans and have prepared the advice contained on the pages that follow. This Advice was finalised by ESCOSA 28 February 2023.

The ESCOSA Framework does not provide Council the opportunity to respond to the advice prior to it being finalised, or to provide additional context that would assist in better informing the Advice provided.

The City of Salisbury has responded to these constraints by providing additional context to aid readers of the report to make a more informed assessment of the operations of the City of Salisbury.

The approach taken has been to insert pages where needed throughout the Advice. These pages can be distinguished from the ESCOSA Advice by the header on the page.

Action Plan

Additionally, Council will be developing an Action Plan in relation to the 9 items of advice that ESCOSA have provided. This Action Plan appears on Page 20.

As required by S122(1h) ESCOSA Advice and Council's Action plan will be included in each Annual Plan and Budget for the coming four years, with progress against the action plan also reported.

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Advice

Local Government Advice

City of Salisbury

February 2023

NOT YET REVIEWED BY COUNCIL

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Item 7.1.2 - Attachment 1 - Draft 2023/24 Long Term Financial Plan and Annual Business Plan

Enquiries concerning this advice should be addressed to:

Essential Services Commission
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Glossary of terms

ABS	Australian Bureau of Statistics
AMP	Asset management plan (also called an IAMP)
Commission	Essential Services Commission, established under the <i>Essential Services Commission Act 2002</i>
CPI	Consumer Price Index (Adelaide, All Groups)
Council	City of Salisbury
CWMS	Community Wastewater Management System
ESC Act	<i>Essential Services Commission Act 2002</i>
F&A	Local Government Advice: Framework and Approach – Final Report
FTE	Full Time Equivalent
IAMP	Infrastructure and asset management plan (also called an AMP)
LG Act	<i>Local Government Act 1999</i>
LGA SA Financial Indicators Paper	Local Government Association of South Australia, Financial Sustainability Information Paper 9 - Financial Indicators Revised May 2019
LGGC	Local Government Grants Commission
LGPI	Local Government Price Index
LTFP	Long-term financial plan
Regulations	<i>Local Government (Financial Management) Regulations 2011</i>
RBA	Reserve Bank of Australia
SACES	The South Australian Centre for Economic Studies
SEIFA	Socio-Economic Indexes for Areas
SMP	Strategic management plan
SG	Superannuation Guarantee
The scheme or advice	Local Government Advice Scheme

1 The Commission's key advice findings for the City of Salisbury

The Essential Services Commission (Commission) finds the City of Salisbury's (Council's) current financial outlook sustainable with conservative operating surpluses projected from the forecast growth in operating income marginally outpacing forecast cost growth. The Council expects to continue to renew its asset base at appropriate levels. However, its future financial position remains reliant on continued rate increases above inflation to help fund the current period of high infrastructure and service investment where there are cost risks.

Acknowledging this outlook, the Commission suggests the following steps to ensure that it budgets prudently, prioritises its capital spending in a transparent fashion, manages its cost base efficiently, considers spreading its borrowing repayments over a longer time period, plans its asset needs appropriately and ultimately, constrains the extent of further rate increases:

Budgeting and consultation considerations

1. Continue to review its inflation forecasts in its budget and forward projections, given the potential for higher short-term outcomes before a return to long-run averages.
2. Focus on controlling cost growth in its budgeting, including by reviewing its projected capital expenditure allocations (in consultation with the community, as required) to remove those which are not yet tied to defined and costed projects, and reduce the need for further rate increases.
3. Ensure that it publishes relevant reports regarding community consultation outcomes about large infrastructure projects which are to be significantly rate-funded.

Providing evidence of ongoing cost efficiencies

4. Report its actual and projected cost savings in its annual budget, to provide evidence of controlling cost growth and achieving efficiency across its operations and service delivery.

Managing operating cost risk

5. Develop and publish a risk management plan for the Salisbury Aquatic Centre, which incorporates an annual review of the requirements for recurrent spending (given demand estimates and outcomes), and the associated impact on the Council's operating capacity and quantum of rate contributions.

Borrowing repayment considerations

6. Review its projected borrowing repayment plans in its long-term financial plan projections with a view to spreading the repayments over a longer time period, if possible, to reduce the extent of the required financial contributions from ratepayers to meet repayments in the short to medium term.

ESCOSA Advice – City of Salisbury Comments

Service Expansion and Cost Risk

The City Plan 2035 is a S122 Plan which has been consulted with the community and endorsed by Council. This document sets the strategic direction for the City of Salisbury's service delivery to the community. It is not possible to deliver on this strategy without infrastructure and service investment. Further, Local Government cost structures differ to those of households, and the underlying assumption in the ESCOSA framework is that Council rates should be maintained at or below inflation, from 2011/12 and into the future. This would require that the service provision from 2011/12 would need to have been reduced and continue to reduce into the future, which would not meet the service expectations of the community.

Budgeting Prudently

The City of Salisbury is committed to continuing its robust Budgeting practices and striking a balance between service provision and infrastructure investment, and maintaining affordable rates

Advice: These specific advice items are responded to in Council's Action Plan, contained in Pages 20 to 22

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Refinements to asset management planning

7. Review the assumptions underpinning its asset management plans to ensure those plans incorporate a more accurate picture of required asset expenditure and better align with the allocations in its long-term financial plan as necessary, including the estimates of asset lives and valuations feeding into the forecast rates of asset consumption and depreciation expenses.
8. Review the new and upgraded asset expenditure projections (as per Finding 2) with consideration of the service levels desired by the community.

Containing rate levels

9. Review and consider limiting future minimum rate and average rate increases above inflation, particularly on rate categories which have lower capacity to pay, to help minimise affordability risk in the community.

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SCOSA Advice – City of Salisbury Comments



Advice: These specific advice items are responded to in Council's Action Plan, contained in Pages 20 to 22

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2 About the advice

The Essential Services Commission (Commission), South Australia's independent economic regulator and advisory body, has been given a role by the State Government to provide advice on material changes proposed by local councils in relation to elements of their strategic management plans (SMPs) and on the proposed revenue sources, including rates, which underpin those plans.¹

One of the main purposes of the Local Government Advice Scheme (advice or the scheme) is to support councils to make 'financially sustainable' decisions relating to their annual business plans and budgets in the context of their long-term financial plans (LTFPs) and infrastructure and asset management plans (IAMPs)² – both required as part of a council's SMP.³ Financial sustainability is considered to encompass intergenerational equity,⁴ as well as program (service level) and rates stability in this context.⁵ The other main purpose is for the Commission to consider ratepayer contributions in the context of revenue sources, outlined in the LTFP.⁶ In addition, the Commission has discretion to provide advice on any other aspect of a council's LTFP or IAMP it considers appropriate, having regard to the circumstances of that council.⁷

The first cycle of the scheme extends over four years from 2022-23 to 2025-26, and the Commission has selected 15 councils for advice in the first scheme year (2022-23), including the City of Salisbury (Council).

This report provides the Local Government Advice for the City of Salisbury in 2022-23.

The Council is obliged under the *Local Government Act 1999* (LG Act) to publish this advice and its response, if applicable, in its 2023-24 Annual Business Plan (including any draft Annual Business Plan) and subsequent plans until the next cycle of the scheme.⁸ It does not need to publish the attachment to the advice (these will be available with the advice on the Commission's website⁹), nor is it compelled under the LG Act to follow the advice. The Commission thanks the City of Salisbury for providing relevant information to assist the Commission in preparing this advice.

2.1 Summary of advice

The Commission finds the City of Salisbury's current financial outlook sustainable with conservative operating surpluses resulting from its forecast income growth, led by rates growth, marginally exceeding the forecast operating cost growth associated with its service expansion plans. In the past 10 years, the Council has run relatively large operating surpluses, suggesting a period of service consolidation amidst moderate growth, while the community paid higher rate levels in real terms.

The Council has entered a period of service expansion with the Salisbury Aquatic Centre project and other capital enhancement plans. The Council's LTFP projections from 2022-23 forecast:

¹ Amendments to the *Local Government Act 1999* (s122(1c) to (1k) and (9)) specify the responsibilities for the Commission and local councils for the Local Government Scheme Advice. The Commission must provide advice to each council in accordance with the matters outlined in s122(1e), (1f) and (1g).

² Commonly referred to as asset management plans.

³ The objectives of the advice with reference to a council's LTFP and IAMPs are presented under LG Act, s122(1g). LG Act s122(1) specifies the requirements of a council's SMP, including the LTFP and IAMPs.

⁴ 'Intergenerational equity' relates to fairly sharing services and the revenue generated to fund the services between current and future ratepayers.

⁵ Commission, *Framework and Approach – Final Report*, August 2022, pp. 2-3, available at www.escosa.sa.gov.au/advice/advice-to-local-government.

⁶ LG Act s122(1f)(a) and (1g)(a)(ii).

⁷ LG Act s122(1f)(b) and (1g)(b).

⁸ LG Act s122(1h).

⁹ The Commission must publish its advice under LG Act s122(1i)(a).

ESCOSA Advice – City of Salisbury Comments

Legislative Requirements

The City of Salisbury provided feedback on the draft framework proposed by ESCOSA, together with many other Councils and the Local Government Association, with ESCOSA adopting their originally proposed framework without change.

Our submission can be found at the ESCOSA website <https://www.escosa.sa.gov.au/ArticleDocuments/21900/20220729-Advice-LocalGovernment-DraftFrameworkApproachSubmission-CityOfSalisbury.pdf.aspx?Embed=Y>

Our submission highlighted our concerns with the approach that ESCOSA proposed, which was granular analysis over a 20+ year period. Section 122 of the Local Government Act does not require this granular approach. The Act requires ESCOSA to have regard to Council's objectives of having ratepayers make appropriate financial contributions for services and facilities. It is evident from the advice that ESCOSA has had little regard to the City Plan, which sets the strategic direction for the City of Salisbury and is a S122 plan together with the Long Term Financial Plan and Strategic Asset Management Plan.

Historical Operating Surpluses & Salisbury Aquatic Centre

The City of Salisbury has achieved higher operating surpluses than budgeted due to a range of factors, including inconsistency in the payment of the Financial Assistance Grant, with some years having six quarterly payments needing to be brought to account as required by Accounting Standards.

Other factors include timing of the delivery of the capital works program, which when delays occur results in lower depreciation costs and interest costs than budget.

Surpluses were also bolstered from the impact of property development proceeds which at the time were quarantined for budgeting purposes to ensure that Council remained financially sustainable without these "abnormal" returns.

City of Salisbury has provided a swimming pool at the Salisbury Recreation Precinct since the '60's. This ageing asset was not meeting community expectations with limited attraction for families, and being open air was only operational during warmer months. Construction of a new pool is underway in this same location following external expert advice regarding the need to provide a pool and the location of other facilities to determine the viability. Community consultation resulted in a larger scale investment in the facility, and while this results in higher depreciation, overall it improved the operating result of the facility, and reduced the impact on ratepayers.

There is modest provision in the Long Term Financial Plan for construction of new assets and the provision of new or expanded services. This provision is appropriate given the public were consulted on the City Plan 2035 which sets the strategic direction for Council and has a number of projects on the horizon which are not yet sufficiently scoped to plan in a more detailed financial year at this time. We have also been shifting from Asset Management based on asset condition to continuity of service and with uncertainty regarding the financial impact it is important to "stress test" the financial forecast to determine the level of capacity for funding new and upgraded infrastructure.

- ▶ higher average cost increases than it has experienced over the past 10 years (and higher than projected inflation)
- ▶ the continued prioritisation of its asset expenditure on renewal and rehabilitation works, as well as higher spending on new and upgraded assets, and
- ▶ continued rate increases on the community, above the rate of inflation.

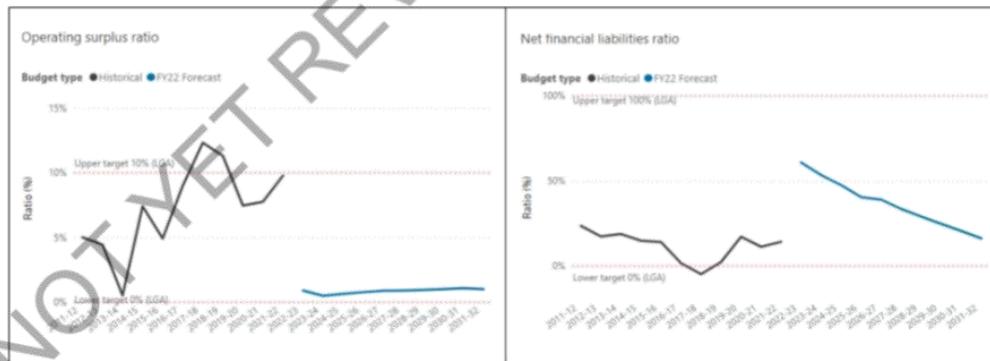
There are current risks to its financial sustainability arising from the extent of funding it has allocated for undefined capital projects in its forward projections, noting that the Salisbury Aquatic Centre project costs and associated service offerings have increased considerably from those originally planned. The Commission encourages the City of Salisbury to review these spending allocations critically and to publish community consultation outcomes on future spending priorities. The Commission has also observed that the Council's AMPs were last updated in 2015, which raises questions as to the current knowledge of the condition and the cost implications of maintaining or renewing the existing assets.

To finance the infrastructure projects, the Council has also borrowed more (with projected debt amounts still well within acceptable limits) and there might be an opportunity to reduce annual repayments with a longer loan payback period. This would then reduce the need for higher rate increases in the short to medium term.

The Commission considers that there may also be opportunities to continue to achieve savings and efficiencies in its recurrent budget and encourages the Council to review and report on this. This includes a review of the asset-related assumptions feeding into its estimated depreciation expenses.

The charts below of the City of Salisbury's past and projected operating surplus ratio, net financial liabilities ratio, asset renewal funding ratio and average rate revenue per property, together support these findings.

The 'heat map' diagram (over the page) summarises the Commission's findings with reference to whether the Council has met the suggested Local Government Association (LGA) target ranges for the three main financial sustainability indicators¹⁰ and the level of cost control and affordability risk identified for the Council over time.



¹⁰ The suggested LGA target range for the ratios are discussed in more detail in the attachment.

SCOSA Advice – City of Salisbury Comments

Assertion that there are Risks to Financial Sustainability

The City of Salisbury has operated in a financially sustainable way since 2008/09, and it was at this time that Local Government commenced the recognition of assets and associated depreciation. Other levels of Government do not recognise depreciation in their cost structures. Over the past decade with improved asset understanding we have now recognised over \$2.3bn of assets with annual depreciation of over \$30M, which is an operating cost, and primarily funded through rates. During this period there have also been significant cost shifting from State government including the Solid waste levy increasing from \$35 per tonne in 2011/12 to \$149 per tonne in 2022/23, equivalent to a 426% increase, Regional Landscape Levy 33% increase from 2011/12 to 2022/23 and Supported housing accommodation rebates which were \$275k in 2011/12 increasing to \$677k in 2022/23, being an equivalent of 246% increase. Despite these challenges City of Salisbury has remained financially sustainable, carried out a series of service reviews to recalibrate its service offering and continues to deliver services expected by the community as determined by our strategic City Plan document.

Council's AMPs

AMPs (Asset Management Operational Plans) are technical internal documents. The service levels associated with Assets are contained in the Strategic Asset Management Plan, which is a S122 Plan, **consulted with the community and approved by Council**. City of Salisbury is reaching maturity in our asset management planning with each asset class being comprehensively reviewed at a minimum of every four years, with the condition data and valuations from these reviews being utilised to reset renewal programs, and used to inform asset lives.

Debt

The City of Salisbury has \$1.8bn in infrastructure assets (excluding land), with the 2022/23 LTFP forecasting debt peaking at \$59.1M in 2022/23. This results in a NFL ratio of 60.82% which is within Council's endorsed operating range for this indicator. The payback period for this debt is not a driver of rate levels. The LTFP is based on sound treasury management practices of ensuring that cash holdings are minimised and surplus funds are directed to lowering debt levels to minimise interest costs. The operating surpluses across the LTFP are at a low level, where if the intention was to have higher rate levels to repay debt more quickly this would result in higher operating surpluses. It should be noted that there is \$28.9M of sales proceeds from property development over the 10 year horizon of the LTFP that contributes to keeping debt levels at a lower level.

LGA Target Ranges

The LGA have not and should not establish target ranges for indicators, as this is a decision for Council.

Actual and Planned Results

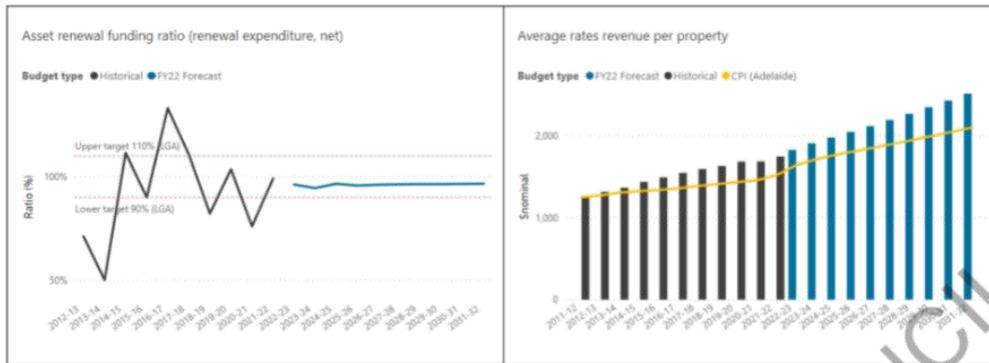
City of Salisbury has continued to budget and plan to operate within Council approved operating ranges for financial sustainability indicators. When actual results have varied to budget, these have been subject to extensive reporting at end of financial year, with these reports having been approved by Council's Audit Committee and Council.

Operating Surplus Ratio

The City of Salisbury has achieved higher operating surpluses than budgeted due to a range of factors, including inconsistency in the payment of the Financial Assistance Grant, with some years having six payments needing to be brought to account as required by Accounting Standards, rather than the four that are due in any one year.

Net Financial Liabilities Ratio

The Net Financial Liabilities Graph shows a result below zero, which means that Council's financial assets were greater than financial liabilities. This is not operating in a financially unsustainable way, and the approved range for this indicator is less than 70%, not between 0% and 70%.



Summary of the City of Salisbury’s financial sustainability performance and the Commission’s risk assessment

Financial sustainability indicators:	Last 10 years from 2011-12 (Actual performance)	2021-22 estimate	Next 10 years from 2022-23 (Council forecasts)	
Operating surplus ratio (target 0-10%)	Operating surpluses and target range generally met to 2021-22 (with high surpluses in two years)		Ratio forecast to be met with continued operating surpluses →	
Net financial liabilities ratio (target 0-100%)	Ratio met historically (apart from negative result 2017-18) and in forecast period →			
Asset renewal funding ratio (target 90-110%)	Below target range	Some volatility but ratio generally within target range, on average →	Asset renewal spending in line with AMPs over LTFP projections →	
Identified Risks:				
Cost control risk	Operating expenses per property average growth 1.9% p.a. to 2021-22 (CPI 2.0%) →		Cost pressures to 2024-25	Projected operating expenses per property average growth 3.1% p.a. (7 years to 2031-32)
Affordability risk	Rate revenue per property average growth 3.4% p.a. to 2021-22 (CPI 2.0%) →		Rate revenue per property forecast average growth 3.6% p.a. to 2031-32 (CPI 2.8%), with lower capacity to pay indicators →	

- Ratio outside suggested LGA target range or higher risk
- Ratio close to suggested LGA target range or medium risk
- Ratio within suggested LGA target range or lower risk

The affordability risk for higher rate levels for the community could also be managed by:

- ▶ continuing community engagement on further rate increases and associated service level outcomes, to ensure continued support for any further increases, especially related to subsidising new capital initiatives, and
- ▶ reviewing the Council’s rating policy to ensure the equitable sharing of the revenue requirement and consider minimising increases on more vulnerable groups of the community where the affordability risk is higher.

ESCOSA Advice – City of Salisbury Comments

Asset Renewal Funding Ratio

This graph is not accurate as it reports the Asset Sustainability Ratio in 2012/13 and 2013/14. Ignoring this inaccuracy in the graph, and focusing on 2014/15 onwards, City of Salisbury have planned for a ratio of 100%, Actual results have varied as reported in our end of financial year analysis reports, with the primary reason being delivery of the capital program with planned works being delivered in subsequent years, leading to a rolling average result of 100%, which given the scale of works and the complexity of our capital programs is reasonable.

Average Rate Revenue per Property

The calculation of Average Rates is not consistent with the methodology of the Local Government Sector, and the calculation of ESCOSA includes revenue increases from property development, which does not aid ratepayers in understanding how rate increases have applied.

The Local Government Sector applies a rate in the dollar to the valuation data provided by the Valuer General. The current rate in the dollar is discounted for the average property movement for the Council area. For City of Salisbury, the average market movements for residential are determined separately from average market movement for commercial and industrial rates as different rates in the dollar apply to these different categories. By discounting the rate in the dollar Councils do not gain additional revenue from property market increases. Council then determine the average rate increase that will apply through consideration of the budget and Long Term Financial Plan, and it is this increase that is the Average Rate increase as defined by the sector. Each year there is land that is subdivided, and additional properties constructed, or additions to existing buildings. There is additional rate revenue that flows from these activities that helps to offset the costs of providing services to these new ratepayers, and also offset existing costs which keeps rates lower for all ratepayers and allows for service changes without the full impact of those changes flowing through to existing ratepayers.

Heat Map

Asset Renewal Funding Ratio

Last 10 years has a yellow region at the start of that period "Below Target Range". This region represents the asset sustainability ratio which is calculated as asset renewal expenditure divided by depreciation, which is not consistent with the calculation of the Asset Renewal Funding Ratio. Please refer to content above titled "Asset Renewal Funding Ratio".

Cost Control & Affordability Risk

The average rate increase over the past 11 years (2011/12-2021/22) is 3.0% not 3.4%, and over the past 5 years (2017/18 to 2021/22) the average annual rate increase was 2.1%, compared with CPI of 1.8% over this period, which demonstrates Councils ongoing commitment to manage the organisation sustainably, with a focus on service provision, balanced against affordability. For 2022/23 Average residential rates increased by 3.5% and Commercial and Industrial Rates by 3.9% compared to CPI to June 2022 of 6.1%.

The Long Term Financial Plan is not a 10 year budget. It is a health check on Council's financial sustainability, and as each annual budget is considered there will be a number of factors at play which will result in the actual budget varying to LTFP forecasts.

Long Term Financial Plan and Annual Business Plan (LTFP&ABP) Consultation

The LTFP&ABP is open for consultation each year, and will continue to be. Additionally, the community elect Council members to represent them and make decisions regarding services, and rates, amongst a myriad of other things. The performance over the past decade, highlighted above under the heading "Cost Control & Affordability Risk", demonstrates that Council has been effective at balancing the needs of the community and containing cost increases, noting that Council's cost structures differ from the basket of goods purchased by households as measured by the Consumer Price Index.

Rating Policy

Having differential rates in place is a mechanism that Councils can use to share the rate liability based on capacity to pay. City of Salisbury has differential rating in place, with Commercial and Industrial properties having a higher rate in the dollar than residential, which is typically around 50% higher, and noting that for businesses rates are a tax deduction. Likewise, vacant land has a higher rate in the dollar, being 30% higher than residential properties to act as a dis-incentive to "land bank" and continue to have new housing stock entering the market. It should be noted that City of Salisbury council has to provide mandatory rebates of \$1.3M in 2022/23, with \$677k being for supported housing accommodation. This rebate increased from 25% to 50% in 2011/12 and then 75% in 2012/13, and that combined with the SA housing Trust divesting its stock to Supported Housing Associations, this has been an ongoing impact for City of Salisbury's other ratepayers, who are cross subsidising this impact. This has the largest impact for Councils like City of Salisbury which have lower average property values where SA housing and Community housing Associations tend to hold housing stock.

2.2 Detailed advice findings

The next sections summarise the Commission's more detailed observations and advice findings regarding the City of Salisbury's material changes to its 2022-23 plans (compared with the previous year's plans), its financial sustainability (in the context of its long-term operating performance, net financial liabilities, and asset renewals expenditure) and its current and projected rate levels.

In providing this advice, the Commission has followed the approach it previously explained in the Framework and Approach – Final Report (F&A). The attachment explores these matters further.¹¹

2.2.1 Advice on material plan amendments in 2022-23

The Commission has compared the City of Salisbury's projections in its 2022-23 LTFP with those from its 2021-22 LTFP and focused on the aggregate of the nine overlapping years' statistics: 2022-23 to 2030-31 to ensure a comparable analysis of material amendments.

The City of Salisbury's 2022-23 LTFP includes increases to its projected income, operating expenses, and capital expenditure estimates to 2030-31, compared with the 2021-22 forecasts.¹² Its operating position amendments are as follows:

- ▶ An additional \$82.1 million or 6 percent in total operating income. This includes an additional \$26.5 million or 50 percent due to higher user charges, mainly relating to the new Salisbury Aquatic Centre, which is currently expected to be operational by mid-2024.¹³ The Council stated in its 2022-23 LTFP that rates revenue estimates were also increased by an average of 0.6 percentage points per annum above inflation.¹⁴
- ▶ An additional \$88.1 million or 6 percent in total operating expenses. This includes an additional \$41.6 million or 7 percent for 'materials, contracts and other' expenses, and an additional \$38.0 million or 9 percent in 'employee costs'. Much of that increase is due to the expanded scope of the Salisbury Aquatic Centre, noting that higher inflation will also have an impact across all years of the LTFP.

Based on the Council's assumptions in its 2022-23 LTFP, an increase in its costs and revenue estimates by around 6 percent over the 2022-23 to 2030-31 forecast period¹⁵ would account for higher inflation, compared with same estimates in its 2021-22 LTFP.

The Council has assumed Consumer Price Index (CPI) inflation growth of 3.3 percent in 2022-23, then 2.8 percent in 2023-24 and 2.5 percent per annum from 2024-25. The Commission notes that compared with Reserve Bank of Australia (RBA) estimates the Council's stated assumptions for indexation in the short term could be low in the current inflationary environment, but that its assumptions thereafter are consistent with a return to long-run averages.¹⁶ Notwithstanding the need

¹¹ The attachment will be available on the Commission's website with the advice.

¹² The overlapping forecast period in both LTFPs (2021-22 to 2030-31 and 2022-23 to 2031-32).

¹³ City of Salisbury, *Media Release: "Exciting plans released for new Salisbury Aquatic Centre"*, 23 December 2022, available at: <https://www.salisbury.sa.gov.au/>

¹⁴ City of Salisbury, *2022/23 Long Term Financial Plan and Annual Business Plan*, June 2022, p. 17, available at <https://www.salisbury.sa.gov.au/assets/downloads/Council/22-23-Long-Term-Financial-Plan-and-Annual-Business-Plan.pdf>. The Commission notes that the projected average rates per property increase above the Council's projected CPI inflation growth to 2031-32 (in the Council's LTFP projections) is higher by 0.6 percent each year.

¹⁵ The set of nine years forecast in both the 2021-22 and 2022-23 LTFP projections.

¹⁶ RBA, *Forecast Table - February 2023*, available at <https://www.rba.gov.au/publications/smp/2023/feb/forecasts.html>. The CPI (Australia-wide) is forecast to increase by 6.7 percent in the year to the June 2023 quarter, by 3.6 percent in the year to the June 2024 quarter and by 3.0 percent in the year to the June 2025 quarter. Beyond June 2025, the RBA has not published inflation

ESCOSA Advice – City of Salisbury Comments

LTFP 2021/22 compared with 2022/23

There are two primary changes in the LTFP year on year. The biggest impact was the review of inflation from a 9 year average (2022/23 to 2030/31) of 2.02% to 2.62% across the common years which increase the expenditure budget by \$32.8M and was also reflected in rate revenue required.

The other impact was the potential to insource the operations of the Salisbury Aquatic Centre (SAC), rather than paying a contract management fee. This impact was across user charges and materials, contract and other costs. As the 2021/22 plan had factored in the outsourced model, and depreciation of the asset, SAC was not a significant overall variance year on year, but did impact on the detail of the operating budget with these changes largely offsetting each other.

LTFP 2021/22 & 2022/23 Average Rate Increase

The 2022/23 LTFP stated the average rate increase would be 0.6% above CPI, which is consistent with the 2021/22 LTFP. It should be noted that this is not a change in assumption which could be inferred from the ESCOSA Advice, further this assumption is not the same as "rate revenue estimates were also increased by an average of 0.6 percent" as stated in the ESCOSA Advice. The revenue increase also results from new rateable properties and development activity such as constructing new dwellings and commercial properties, as detailed in the LTFP Assumptions.

LTFP Assumptions

All LTFP Assumptions are reviewed each year, with sources of data being primarily Access Economics.

CPI / Inflation Growth

CPI is reviewed each budget when the Long Term Financial Plan is updated. Council had consulted with the community based on inflation of 3.3% in the 2022/23 draft annual plan, and with so much variability and economic uncertainty decided to remain with this forecast inflation rate. Council responded to the challenging economic conditions by reducing the average residential rate increase from 3.9% to 3.5% on adoption of the budget.

City of Salisbury LTFP CPI / Inflation Forecast

The City of Salisbury refers to CPI in the LTFP and ABP as this is an index that is known by many in the community, however, it is not reflective of the cost base of Council. The LTFP has an assumption that rates will increase on average over the plan by 0.6% above CPI, however, the real increase will only be determined when each budget is formed. Council are charged with the responsibility of determining the level of service that the community is requiring and balancing that with the cost to the community.

RBA Forecast

CPI forecast February 2023 was not available in March 2022 when the LTFP was being formed. The CPI in the LTFP will be updated as part of developing the LTFP for 2023/24 and each subsequent year.

for the Council to endeavour to find savings and reduce any inflationary impact on its community, the Commission has found that it would be appropriate for it to:

1. Continue to review its inflation forecasts in its budget and forward projections, given the potential for higher short-term outcomes before a return to long-run averages.

The City of Salisbury's LTFP 2022-23 also incorporates an increase of \$52.9 million or 35 percent for capital expenditure on new and upgraded assets, over the period 2022-23 to 2030-31. Much of the increase is driven by the expanded scope of the Salisbury Aquatic Centre (from \$15.5 million to \$28.4 million), the carryover and retiming of part of the Council's prior years' infrastructure recovery program (which was not spent previously), and an increase in funding for new and upgraded assets by \$19.0 million over the period from 2025-26 to 2030-31.

The additional capital expenditure factored into the forward projections is being funded in large part by additional rate contributions, but much of the allocations are general without specific projects yet defined. The Commission notes that the Council generally demonstrates good governance related to its capital enhancement projects and the regular consultation of its community on service priorities and funding requirements. However, an implication of the Council 'locking in' significant funding allocations in its 2022-23 LTFP for undefined future projects is that it must also plan for further rate increases above inflation to help fund them.

The Salisbury Aquatic Centre¹⁷ was not in the Council's City Plan 2035 nor a particularly high priority in its 2020 community survey results;¹⁸ it also brings potentially significant upfront and ongoing costs in terms of subsidising its operation.¹⁹ The Council has not yet published the report containing the community consultation results specifically related to the facility.²⁰

The Commission notes that it is for the Council to determine the service level enhancements it wishes to provide to its community but, for the reasons identified above, it has also found that it would be appropriate to the City of Salisbury to:

2. Focus on controlling cost growth in its budgeting, including by reviewing its projected capital expenditure allocations (in consultation with the community, as required) to remove those which are not yet tied to defined and costed projects, and reduce the need for further rate increases.
3. Ensure that it publishes relevant reports regarding community consultation outcomes about large infrastructure projects which are to be significantly rate-funded.

forecasts, but a return to the long-term average (of 2.5 percent based on the midpoint of the RBA's target range of 2 and 3 percent) is a reasonable assumption.

¹⁷ The Council will receive grant funding of \$7.2 million for the aquatic centre from the South Australian Government. City of Salisbury, *2022/23 Long Term Financial Plan and Annual Business Plan*, June 2022, p. 7.

¹⁸ McGregor Tan, *City of Salisbury Community Perceptions*, December 2020, p 28, available at https://www.salisbury.sa.gov.au/assets/files/assets/public/general_documents/council/have_your_say/community_perceptions_2020_final_for_website.pdf. The survey results showed that 7 percent of respondents felt there was 'more things to do' by the Council related to recreation services and youth activities. Three service areas were identified as higher priority for improvement (the rest lower).

¹⁹ As identified in Dean Newbery, *Prudential Report, Salisbury Recreation Precinct Project*, November 2021 and discussed further in section C.1.

²⁰ This refers to consultation undertaken by UPRS in 2021, as referenced in Dean Newbery, *Prudential Report, Salisbury Recreation Precinct Project*, November 2021, p. 6. The Council's website otherwise provides consultation outcomes for its key infrastructure projects.

ESCOSA Advice – City of Salisbury Comments

Advice: These specific advice items are responded to in Council's Action Plan, contained in Pages 20 to 22

New and Upgraded Assets Forecast Expenditure

Both the 2021/22 and 2022/23 Long Term Financial Plans (LTFP) had provision for new capital from year 3, which in nominal terms is \$15Mp.a and \$16.2M p.a. respectively, with a greater level of new and upgrade being identified in the 2022/23 SAMP based on ongoing improvements in our asset management practices. Also impacting is the 2022/23 capital expenditure, with the 2021/22 LTFP including \$39.8M carryover to the 2022/23 financial year, which increased to \$70.1m in the 2022/23 LTFP. The majority of the difference was not additional capital expenditure, but expenditure planned for 2021/22 that was retimed into 2022/23, totalling \$xx

Salisbury Aquatic Centre

Additional funds were also provided for the Salisbury Aquatic Centre (SAC). The 2021/22 budget included capital expenditure of \$18.7M with \$7.185m of funding, being a net \$11.515m, noting at this time the project was not fully scoped and costed, and as Council worked through this process it was determined that an additional \$3.8m would be required. Council through consideration of public consultation feedback and financial modelling of operating impacts associated with varying project scopes, decided to expand the scope of SAC to total expenditure of \$28.4M with \$7.185M of grant funding, being a net cost of \$21.2M, an increase in net cost of \$9.7m on the 2021/22 bid, but only \$5.9m to deliver a scope aligned to community expectations given the increase expenditure required to deliver the initial scope. The expanded scope decreased the cross subsidisation of the facility and consequently the impact on rates by over 40% inclusive of depreciation, and when considering the previous facility operating cost, the impact of the new facility expanded scope has an expected impact on rates of a one-off rate increase of 0.4%, and equates to \$5.33 on the 2022/23 average residential rate account.

Consultation Outcomes

Item 5.4.1 to the Community Wellbeing and Sports Committee 21 September 2021 was initially a confidential report, with confidentiality being removed February 2022. The results of community consultation have been publicly available since that time. ESCOSA flagged in broad terms that their report would cover SAC, we offered that if ESCOSA could be more specific we may have other relevant information to provide. This was declined. Key findings from consultation were:

- 93% of 'non-users' of the existing pool indicated that it was a result of the pool not being open at times of preferred use, or that they didn't know where it was/how to get there.
- Top facilities requested were indoor warm water pool (78%), water slide (70%), café (67%), picnic area (65%), water play (63%).
- Over 50% of respondents indicated they would use an outdoor pool for lap swimming, with 37% preferring a 50-metre pool, compared to 11% preferring a 25-metre outdoor lap pool.
- Top 3 responses to why people would visit the new aquatic centre are to swim for fun, swim for fitness and swimming lessons.
- Entry cost (48%), safety (47%), entertainment options (42%) and cleanliness (39%) were identified as the most important visitation considerations.

The consultation report is available at xxxxxx

Advice: These specific advice items are responded to in Council's Action Plan, contained in Pages 20 to 22

Community Survey

In terms of community survey results, Recreation Services and Youth Activities were ranked in 4th place for improvement to quality of life in the City of Salisbury. Council is capable of addressing feedback across multiple services, 4th spot is not insignificant in terms of community response, and a decision was needed regarding the aging pool asset which was constructed in the 1960's, to either close the pool and cease providing the service, or provide a pool with a modern service standard.

2.2.2 Advice on financial sustainability

Operating performance

The City of Salisbury has had operating surpluses from 2011-12 to 2020-21 and, in the last five years (to 2020-21), it achieved an operating surplus averaging \$11.9 million per annum (mainly used to repay borrowings and to support funding an increasing capital expenditure program). Its operating surplus ratio is forecast to reduce to more conservative levels and will remain within the suggested LGA target range over the forecast period to 2031-32 (when it will average 0.9 percent or \$1.5 million per annum).²¹

The Council generated operating income growth of 2.8 percent per annum from 2011-12 to 2020-21, compared with operating expense growth of 2.4 percent per annum.²² This exceeded the average rate of CPI inflation (1.7 percent per annum) over that period.²³ Rate revenue growth of 4.0 percent led the income growth, with offsetting reductions in user charges and grants income. Expense growth was led by higher depreciation expenses (4.4 percent) and 'materials, contracts and other' expenses (2.7 percent).²⁴ The Council's 'employee costs' increased by an average of 1.4 percent annum (reflecting a decrease of approximately six Full Time Equivalents (FTEs) per year).

Looking ahead, the estimated average growth in operating expenses over the next 10 years of 4.1 percent per annum²⁵ (which is higher than RBA-based forecast inflation growth of 2.8 percent),²⁶ combined with higher growth from rates and user charges, is expected to maintain the Council's operating performance. The Council is projecting average annual rates revenue growth of 4.2 percent (to 2031-32), which assumes average growth in rateable property numbers of 0.6 per annum (the impact on ratepayers is discussed further below).

To minimise cost and ultimately, rate pressures, it is important that the Council finds opportunities for tangible savings in its budget, where possible. The Council noted that it had implemented an energy efficiency program in its 2022-23 budget.²⁷ However, it does not appear to have identified the quantum of the savings generated nor shown any other tangible savings. Given the extent of the Council's increase in operating expenses forecast over the next 10 years, the Commission considers that it would be important for the City of Salisbury to:

4. Report its actual and projected cost savings in its annual budget, to provide evidence of constraining cost growth and achieving efficiency across its future operations and service delivery.

The Council has estimated that the Salisbury Aquatic Centre will also contribute to a lower operating surplus ratio, with net operating losses forecast, over the first five years of operation, totalling \$5.4 million (including depreciation and excluding debt servicing costs). Thereafter annual losses are

²¹ The operating surplus ratio is defined as: Operating Surplus (Deficit) ÷ Total Operating Income. The general target is to achieve, on average over time, an operating surplus ratio of between zero and 10 percent (Local Government Association of South Australia, *Financial Sustainability Information Paper 9 - Financial Indicators Revised*, May 2019 (LGA SA Financial Indicators Paper), p. 6).

²² Based on the compound average annual growth rate formula (which is the adopted approach to calculating average annual growth rates throughout the Commission's advice).

²³ CPI Adelaide (All groups). Average annual growth in the LGPI published by the South Australian Centre for Economic Studies was similar (at 1.9 percent), available at <https://www.adelaide.edu.au/saces/economic-and-social-indicators/local-government-price-index>.

²⁴ The Commission notes the impact of the increase in the solid waste levy on councils' waste management costs.

²⁵ This does not include the initial budgeted increase in total operating expenses of 9.1 percent in 2022-23.

²⁶ The forecast average annual growth in the CPI from 2022-23 to 2031-32 is estimated to be 2.8 percent based on the RBA forecasts for the CPI (Australia-wide) to June 2025 (and the Commission's calculations of average annual percentage growth) and the midpoint of the RBA's target range (2.5 percent) from 2025-26.

²⁷ City of Salisbury, *2022/23 Long Term Financial Plan and Annual Business Plan*, June 2022, pp. 88 and 90.

ESCOSA Advice – City of Salisbury Comments

Operating Surpluses

Average operating surpluses 2016/17 – 2020/21 were \$8.7M above budget expectations, with these impacts not being evident during the budget setting process. The main factors contributing to this favourable result include Grant revenue with \$5.4M grant income received ahead of time and additional grant revenue including Roads to Recovery \$2.2M, Financial Assistance and Untied Local Roads grants \$6.7M and Other of \$2.2M, with no communication regarding any of these grant impacts being provided during the budget setting process. During this period there were property development proceeds which were quarantined to assist funding the Salisbury Community Hub, together with earning on these proceeds. Our treasury management practices had a total impact of \$4.8M, with a smaller proportion of this saving result from the timing of the delivery of the capital works. Additionally, there was \$7.8M favourable depreciation expenditure over the 5 year period with the most significant impacts resulting from review of asset components and lives of \$7.0M with these impacts being factored in immediately and then built into subsequent budgets and reflected into lower subsequent rate increases. Given the nature of these impacts it is reasonable that operating surpluses exceeded budget expectations.

Operating Income

ESCOSA quote CPI at 2.0% and also 1.7% in their report. Average rate increases were not at 4.0% over this period, as the 4.0% quoted by ESCOSA reflects rates on new subdivisions and new building construction, with this activity also increasing costs to maintain infrastructure and provide services. User charges income dropped over this period with the outsourcing of recreation services and rather than receiving income and paying the costs of operating these facilities, Council paid a management fee instead, with this model providing savings to the community. This statement by ESCOSA is misleading as it reads as though rates were increased and offsetting reductions in user charges.

Cost Minimisation

The budgeting and cost management practices within the City of Salisbury are complex, with the organisation adapting to increased customer expectations and changes in the external environment, often with the cost of the adaption being absorbed. An example is the resource taken in relation to the ESCOSA review process, with this being a significant impost on Council in providing feedback on the draft framework, with ESCOSA finalising framework without any changes suggested by the industry being adopted, and providing detailed comments in relation to the resulting report to ensure that a balanced and comprehensive view is available to the community. To monitor savings and cost increase avoidance is a complex task and resource intensive.

Advice: These specific advice items are responded to in Council's Action Plan, contained in Pages 20 to 22

Salisbury Aquatic Facility

The annual impact of the new aquatic facility compared to the old facility is approx. \$0.4M, which is the equivalent of a one-off rate increase of 0.4%, and equates to \$5.33 on the 2022/23 average residential rate account. This compares with the following paid directly or indirectly to State Government: Regional Landscape Levy which for the 2022/23 financial year a cost of \$33.88 to the average residential ratepayer, and the Solid waste levy \$3.7M which equates to \$49 per average residential rate account. Further mandatory rebates total \$1.3M for 2022/23 and are funded by other ratepayers, and equates to \$17.23 on the average residential rate account.

estimated to be up to around \$1 million per annum (once the facility reaches 100 percent capacity). This means that all ratepayers will be expected to subsidise the operations of the aquatic centre over the life of the investment, through their rates.

The average annual net loss annually equates to around \$16 per ratepayer but there are additional risks to the cost estimates. The Commission notes that, as for all major capital projects of this nature, it will be important for the Council to focus on post-construction ownership and operating risks and to have regard to competitive neutrality obligations.²⁸

To manage risks related specifically to the new aquatic facility, the Commission has found that it would be appropriate for the Council to:

5. Develop and publish a risk management plan for the Salisbury Aquatic Centre, which incorporates annual review of the requirements for recurrent spending (given demand estimates and outcomes), and the associated impact on the Council's operating capacity and quantum of rate contributions.

Net financial liabilities

Despite the Council's large operating surpluses from 2011-12 (including depreciation expenses), its net cash flows after operating and investing (that is, capital-related) activities has averaged \$2.5 million per annum between 2011-12 and 2020-21. This reflects the Council's repayment of borrowings, as well as secured grant funding specifically for new and upgraded assets to support its increasing capital expenditure program.

The Council has consistently used borrowings and other financing options (such as cash and leases) to fund its assets as required, and over time, this has been within the suggested LGA target range for the net financial liabilities ratio.²⁹

It will continue to meet the suggested LGA target range under its 2022-23 forecasts and has projected a reduction in the ratio from a peak of 60 percent in 2022-23 to an average of 25 percent in the five years to 2031-32. The additional borrowings (of \$32 million) will help fund the Council's Salisbury Aquatic Centre for \$25.5 million (its largest capital expenditure item in 2022-23). The Council will also receive grant funding of \$7.2 million for the aquatic centre from the South Australian Government under the Local Government Infrastructure Partnership Program.

The reduction from 2022-23 onwards is projected to come from progressive repayment of total borrowings (of \$24.3 million over the next five years to 2026-27) and higher operating income growth. This indicates that the Council may be accelerating the payback of its new loans relative to the lifespan of its assets (for example the aquatic centre), and it may be appropriate for it to review these financing assumptions in its LTFP, so the loan costs are spread across a longer period.

For this reason, the Commission considers that it would be appropriate for the City of Salisbury to:

6. Review its projected borrowing repayment plans in its long-term financial plan projections with a view to spreading the repayments over a longer time period, if possible, to reduce the extent of the required financial contributions from ratepayers to meet repayments in the short to medium term.

²⁸ Dean Newbery, *Prudential Report, Salisbury Recreation Precinct Project*, November 2021, pp. 15 and 26.

²⁹ The net financial liabilities ratio is defined as: Net financial liabilities ÷ Total operating income. This ratio measures the extent to which a council's total operating income covers, or otherwise, its net financial liabilities. The suggested LGA target range is between zero and 100 percent of total operating income, but possibly higher in some circumstances (LGA SA Financial Indicators Paper, pp. 7-8).

ESCOSA Advice – City of Salisbury Comments

Salisbury Aquatic Facility

The Salisbury Aquatic Facility does not result in a \$1M additional cost to the budget, as the cost of the current facility has not been factored into this comment. Please refer to comment on previous page for further information.

The cost for the average residential ratepayer is a one-off rate increase of 0.4% and equates to \$5.33 based on 2022/23 rates.

Advice: These specific advice items are responded to in Council’s Action Plan, contained in Pages 20 to 22

Treasury Management and Borrowing Strategy

City of Salisbury take an holistic approach to Treasury Management. Cash Advanced Debentures are the primary facility that has been used for financing activities over the past decade. These facilities act like an overdraft, meaning that cash can be directed to reducing debt levels and then facilities redrawn on as required. The comment that cash is not utilised to fund assets is not correct. Leasing has been a less desirable option for funding assets due to higher interest costs that are charged through leases, than can be obtained by Council borrowing directly. Borrowings are not taken out for specific projects, but rather the net borrowing requirements to deliver councils infrastructure program.

Loan Repayments

Operating Income growth is not a driver in debt repayment. Operating income increases are required to fund operating expenditure growth, with modest forecast surplus. Debt is in the form of Cash Advance Dentures which operate like an overdraft. When surplus funds are available the debt is repaid, and this is achieved primarily as a result of XXXX. Repayment of debt more slowly will result in higher interest costs, which will have a negative impact on rates if the organisation continues to operate with a budgeted operating surplus. Rate increases are not driven by the desire to repay debt.

Advice: These specific advice items are responded to in Council’s Action Plan, contained in Pages 20 to 22

Asset renewals expenditure

Between 2011-12 and 2020-21, the City of Salisbury's spending on new or upgraded assets averaged \$20.4 million per annum, compared with \$16.2 million on the renewal of its asset base. However, the overall amount of spending on asset renewals has been within the requirements the Council identified in its AMPs. The asset renewal funding ratio (IAMP-based) was within the suggested LGA target range (90 percent to 110 percent) across years,³⁰ including an average of 90 percent between 2018-19 and 2020-21.

From 2022-23, the Council is increasing both asset renewal and new and upgraded asset expenditure, and its asset renewal funding ratio (IAMP-based) is expected to trend around the mid-point of the suggested LGA target range (with an average annual renewal expenditure of \$17.1 million, in nominal terms). This also coincides with higher forecast spending by the Council on new or upgraded assets (estimated to average \$22.6 million per annum to 2031-32). This reflects the Council's relatively large capital budget in 2022-23, which includes the spend on Salisbury Aquatic Centre Redevelopment (of \$25.5 million in 2022-23).

The Commission encourages the Council to continue to focus on prioritising renewal of its assets in line with its AMP requirements.

With the Council's projected higher capital expenditure, the depreciation expenses are projected to be significantly higher than renewal spending. Renewal spending is forecast to account for 56 percent of depreciation expenses on average to 2031-32.³¹ One area that might be leading to higher depreciation expense forecasts, relative to annual asset renewal expenditure needs, is the Council's recent accumulation of new assets following its capital expenditure projects. Another risk that arises when depreciation expenses exceed spending on asset renewals is that the asset lives are assumed to be shorter (in the depreciation calculation) than occurs in practice. The implication of projecting higher than necessary depreciation expenses is that higher operating income (and potentially higher rates income) is required to generate an operating surplus for the Council.

In general, it would be prudent for the Council to re-examine the key drivers of its depreciation modelling (such as average asset lives and asset valuations), but also its projected increase in new and upgraded capital expenditure over the period of its LTFP.

The Commission has also observed the Council's individual AMPs were last updated in 2015, and the information may include dated assessments of asset condition, service levels, asset renewal requirements and community expectations. In addition, the Council's 2022-23 LTFP includes significantly more expenditure on new and upgraded assets than has been originally projected in the AMPs.

For these reasons, it would be appropriate for the City of Salisbury to:

7. Review the assumptions underpinning its asset management plans to ensure those plans incorporate a more accurate picture of required asset expenditure and better align with the allocations in its long-term financial plan as necessary, including the estimates of asset lives

³⁰ The IAMP-based method is the current industry standard whereby asset renewal/replacement expenditure is divided by the recommended expenditure in the IAMP (or AMP). Ideally, this will show the extent to which a council's renewal or replacement expenditure matches the need for this expenditure, as recommended by the plan. The suggested LGA target range for the ratio is 90 to 110 percent (LGA SA Financial Indicators Paper, p. 9).

³¹ The Council's asset renewal funding ratio by the depreciation-based method (where asset renewal/replacement expenditure is divided by depreciation expenses) is forecast to average 53 percent to 2031-32. This ratio shows the extent to which capital expenditure on the renewal and replacement of assets matches the estimated rate at which these assets are used or consumed.

ESCOSA Advice – City of Salisbury Comments

Renewal v New Expenditure

The level of renewal is appropriate if it is delivering on the requirements of the Strategic Asset Management Plan, which it does, as Council always budget to fully fund the SAMP renewal program. At times Council determine to replace ageing assets with new modern assets which provide a significantly improved service to the community. An example is the Salisbury Community Hub, with a budgeted cost of \$43M. This expenditure is treated as new, although replacing the old civic centre on James St, and the library on John St. If this had been treated as renewal, the average renewal expenditure over this period would have been \$20.5M compared with new of \$16.1M. Salisbury Aquatic Centre is another example of this approach, which is wholly focused on providing an appropriate, modern level of service to the community.

Renewal Expenditure compared with Depreciation

Renewal expenditure is determined by asset condition and service standards, and is detailed in Council's Strategic Asset Management Plan. Council have continued to fund 100% of the SAMP renewal. New assets have an impact on depreciation, but more significant is the need to revalue assets to take into account market increases, so that assets are always valued at fair value rather than at historical cost. Typically the average indexation for assets is higher than CPI, e.g. Concrete Prices impact the values of some of Council's Drainage Assets like Junction Boxes and Side Entry Pits, which increased at a minimum of 9.3% in 2020/21 compared to the Adelaide CPI of 2.8%. Assets owned by Councils have long lives, for example around 25% (\$524M) of Council's infrastructure assets are drainage assets, which are depreciated over 100 years. With annual depreciation for these assets being \$5.3M, and renewal expenditure averaging \$933k over the last 5 years which only represents around 18% of the drainage asset depreciation. Likewise, kerbing assets have lives extending up to 250 Years in some locations (such as on local roads). Kerbing assets are worth \$173m with annual depreciation of \$970k and renewal expenditure averaging \$376k over the last 5 years, or only around 39% of the kerbing Depreciation, noting that renewal for some components will be decades if not centuries away. Finally, under Australian Accounting Standards, we are required to depreciate assets based on an assessment of lives, which when long life assets are involved, can be difficult to determine, and must be set conservatively. Asset lives are reviewed annually and as new information is available, lives are adjusted accordingly. It is illogical to assert that renewal expenditure in the short term (decades) should equal depreciation expense.

Asset Management

The City of Salisbury uses up to date asset condition information to inform the Strategic Asset Management Plan which was last reviewed in the 2021/22 financial year, with the renewal program and LTFP reflecting this information. The focus of the SAMP is renewal, rather than new capital expenditure, with new capital expenditure determined through Council's City Plan. As projects aligned to the City Plan are developed and progressed through Council they are incorporated into the Budget and Long Term Financial Plan and the provision for new capital expenditure reduced accordingly. This approach has not been acknowledged by ESCOSA, and is fundamental to continue to deliver infrastructure aligned to community expectations as determined by the City Plan.

Advice: These specific advice items are responded to in Council's Action Plan, contained in Pages 20 to 22

Asset Renewal Funding Ratio

The Asset Renewal Funding ratio is calculated as renewal expenditure divided by that required by the **Strategic Asset Management Plan**. Where Strategic Asset Management Plans are in place it is inappropriate to calculate this ratio with depreciation being the denominator, as there is recognition, that the ratio so calculated is not particularly meaningful when you have long lived assets that were all constructed within over just a few decades, as renewal of these assets will be several decades, and at times centuries into the future. We are also required to depreciate all assets, whether they will be renewed or not. For example, drainage pipes can be lined to provide a further period of life. The cost of lining pipes is a cheap intervention and can extend the life by 50 to 100 years, but we are not able to take this intervention and extension of life into account when setting the depreciation for the initial installed pipe network. The \$435M of pipe network is depreciated over 100 years, and as we get closer to the end of this life we will have better information about the life and its accuracy.

and valuations feeding into the forecast rates of asset consumption and depreciation expenses.

8. Review the new and upgraded asset expenditure projections (as per Finding 2) with consideration of the service levels desired by the community.

2.2.3 Advice on current and projected rate levels

The City of Salisbury's rate revenue per property growth has averaged 3.4 percent or \$49 per annum for each property over the past 10 years³² and equated to \$1,744 per property in 2021-22. This is double the rate of CPI inflation over this period (averaging 1.7 percent per annum).

The Council implemented a 4.6 percent increase to its rates revenue per property in 2022-23,³³ which is higher than previously forecast in its 2021-22 LTFP. The increase is due to the Council's estimate of higher inflation, and to maintain financial sustainability while also increasing funding to provide expanded services and the ongoing costs of new infrastructure.³⁴ Its 2022-23 LTFP forecasts an average increase of 3.6 percent annum or \$685 in total to existing rates to 2031-32 (to \$2,509), which represents an increase of \$224 above the Council's assumed inflation growth.³⁵

Affordability risk among the community for the further rate increase appears moderate based on a range of factors including the existing rate levels³⁶ and the projected increases (above the forecast rate of inflation), an assessment of the economic resources available to the community³⁷ and the Council's increasing expenditure forecasts (for example related to new and upgraded assets or new service provision) which risks further increases to its general rate levels.

For these reasons, it would be appropriate for the City of Salisbury to:

9. Review and consider limiting future minimum rate and average rate increases above inflation, particularly on rate categories which have lower capacity to pay, to help minimise affordability risk in the community.

2.3 The Commission's next advice and focus areas

In the next cycle of the scheme, the Commission will review and report upon the City of Salisbury's:

- ▶ ongoing performance against its LTFP estimates
- ▶ review of capital expenditure allocations for undefined projects

³² From 2011-12 to 2021-22.

³³ Based on the Council's Excel template submitted to the Commission.

³⁴ City of Salisbury, *2022/23 Long Term Financial Plan and Annual Business Plan*, June 2022, p. 17.

³⁵ The Council's projected CPI inflation is 3.3 percent in 2022-23, 2.8 percent in 2023-24, and then 2.5 percent thereafter (City of Salisbury, *2022/23 Long Term Financial Plan and Annual Business Plan*, June 2022, p. 17). This is broadly consistent to the CPI line in charts throughout this Advice which are based on RBA forecasts and then, a return to long-run averages from 2025-26 (with growth of 2.5 percent per annum).

³⁶ Refer to the Councils in Focus website available at https://councilsinfocus.sa.gov.au/councils/city_of_salisbury for 2019-20 rates data by council.

³⁷ The City of Salisbury area is ranked 17 among 71 South Australian 'local government areas' (including Anangu Pitjantjatjara and Maralinga Tjarutja Aboriginal community areas and 'unincorporated SA') on the Australian Bureau of Statistics socio-economic indexes for areas Index of Economic Resources (2016), where a lower score (eg, 1) denotes relatively lower access to economic resources in general, compared with other areas, available at <https://www.abs.gov.au/ausstats/subscriber.nsf/log?openagent&2033055001%20-%20lga%20indexes.xls&2033.0.55.001&Data%20Cubes&5604C75C214CD3D0CA25825D000F91AE&0&2016&2.7.03.2018&Latest>.

ESCOSA Advice – City of Salisbury Comments

Advice: These specific advice items are responded to in Council's Action Plan, contained in Pages 20 to 22

Average Rate Revenue per Property

The calculation of Average Rates is not consistent with the methodology of the Local Government Sector, and the calculation of ESCOSA includes revenue increases from property development, which does not aid ratepayers in understanding how rate increases have been applied.

Further information about how Local Government calculates average rate increases can be found on page XXXX. Over the 10 year period 2013/14 to 2022/23 the average rate increase was 2.77% for residential properties and 2.81% for commercial and industrial rate payers, not 3.4%.

Average Rate Increase 2022/23

The 4.6% quoted by ESCOSA is not the average rate increase.

The 2021/22 LTFP was based on inflation in 2022/23 of 1.7% which was based on Access Economics forecast. With significant economic upheaval post COVID-19 and with the Russian invasion of the Ukraine, CPI forecasts changed dramatically after the adoption of the 2021/22 LTFP. When setting the 2022/23 LTFP, Forecast CPI was 4.25%, however, Council worked to contain costs, and implemented average rate increase of 3.5% for residential rates, and 3.9% for commercial rates, with the minimum rate also increasing by 3.5%. Given the changes in economic circumstances City of Salisbury delivered an average rate increase below CPI to try to contain the impacts for the community. Council's role is to balance the various needs and wants from the community with the community's capacity to pay.

Advice: These specific advice items are responded to in Council's Action Plan, contained in Pages 20 to 22

Advice and Focus Areas

It is Council's decision what actions to take in relation to the advice provided by ESCOSA, and so whilst ESCOSA has highlighted the next advice and focus areas, which are aligned to the advice provided (highlighted in blue comment boxes through-out the ESCOSA report), a focus on these areas disregards the action plan that Council will develop in response to the advice, and that choices Council is entitled to take.

Council's Excel Template

This template is not a template of the City of Salisbury, it is a template that ESCOSA require to be completed as part of their review process

ABS Socio-Economic Index

We acknowledge that City of Salisbury is a community of lower economic means than some other communities. Unfortunately, with relatively low levels of grant funding City of Salisbury is reliant on rate revenue funding approximately 80% of its operating expenditure. In other states the relevant state governments provide significantly more grant funding to fund operational expenditure and this enables lower reliance on rate revenue in these states. The expectation of ESCOSA that rates should be limited to CPI will result in a contraction of services provided by Councils and this will not meet community expectations.

It should be noted that despite SA Housing Trust stocks being primarily located in areas of lower socio-economic capacity, the State Government still decided to increase the mandatory rebate on Supported Accommodation from 25% to 75%, and divest housing stock to community housing associations - this lost revenue then impacts on other ratepayers through higher rate increases and impacts on people that are in a similar financial situation to those in social housing. This resulted, despite the strong advocacy of the local government sector.

- ▶ achievement of cost savings and efficiencies, and its reporting of these achievements
- ▶ its risk management progress related to the Salisbury Aquatic Centre
- ▶ progress in reviewing and updating the AMPs and its depreciation expenses, and
- ▶ how it has sought to minimise any affordability risks.

NOT YET REVIEWED BY COUNCIL

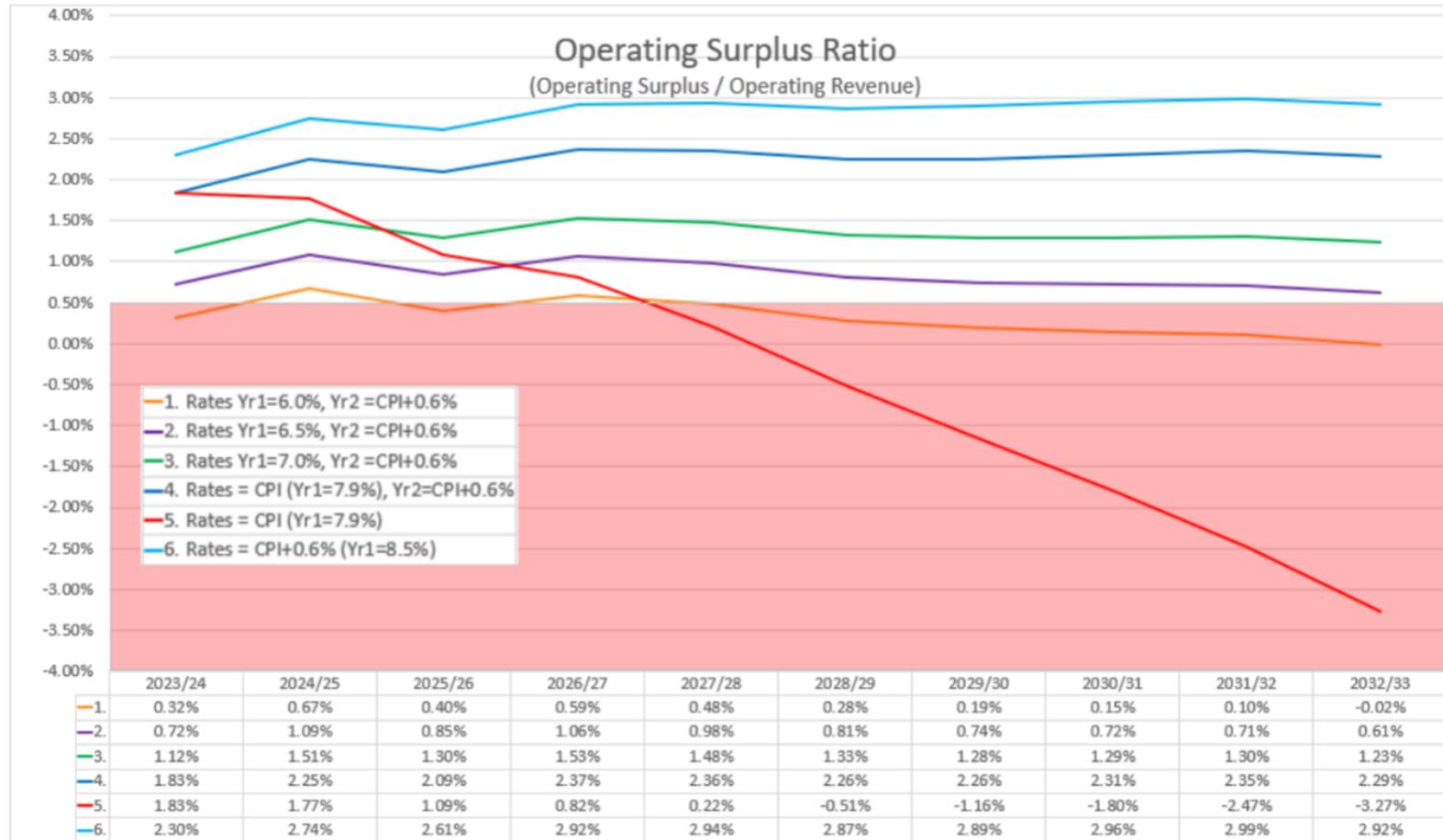


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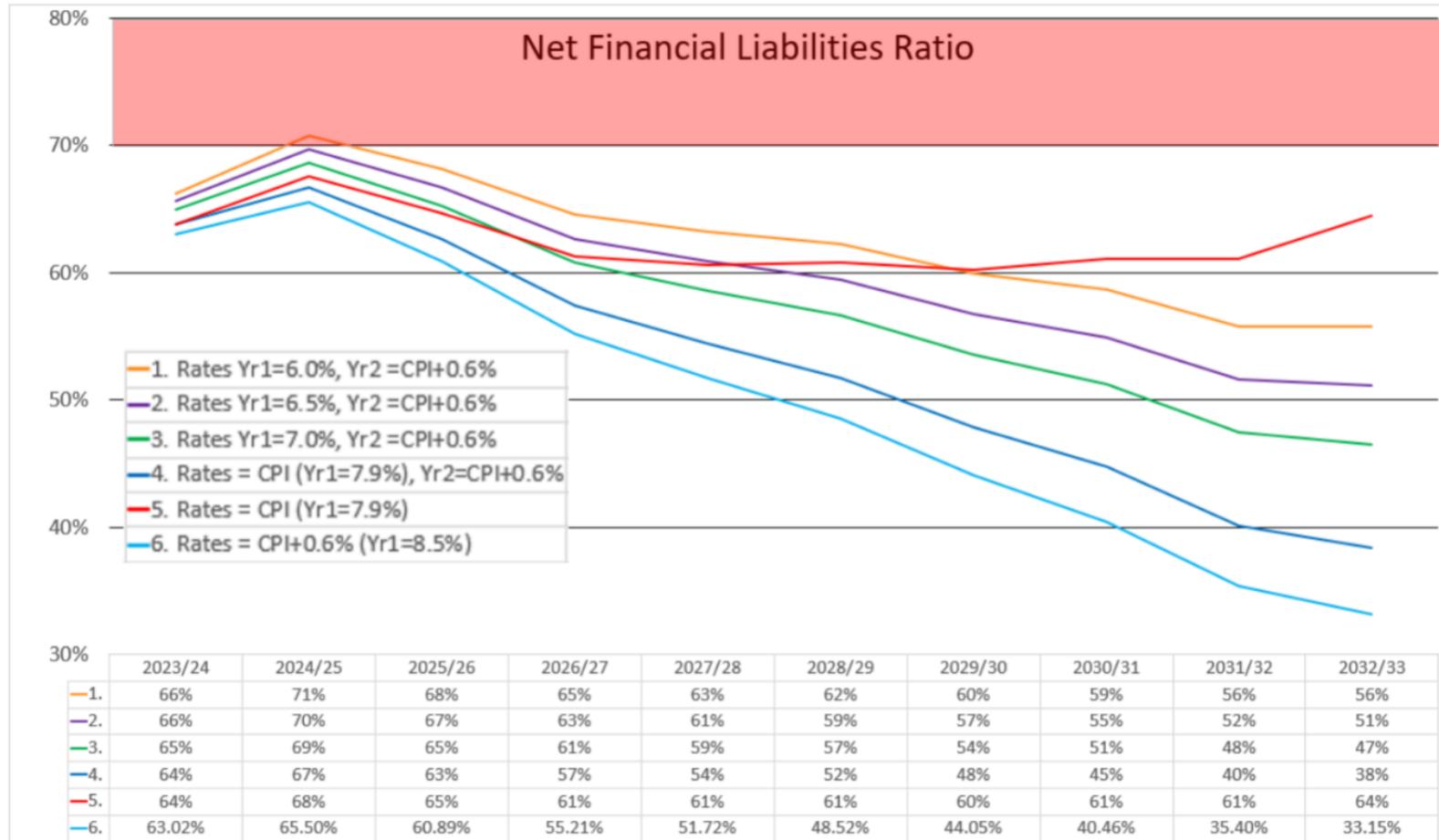




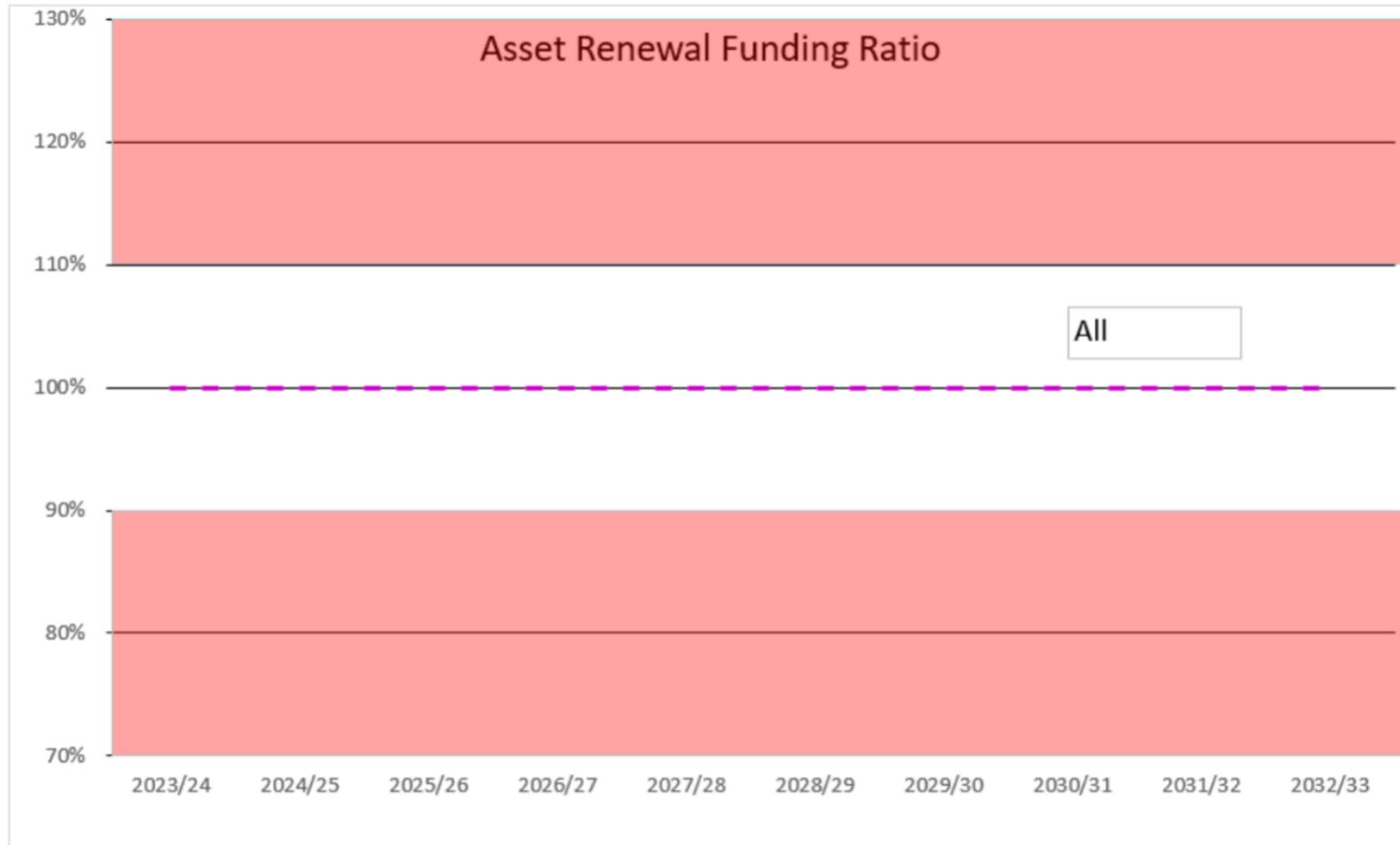
Item 7.1.2 - Attachment 1 - Draft 2023/24 Long Term Financial Plan and Annual Business Plan



Item 7.1.2 - Attachment 2 - Financial Sustainability Ratio Graphs



Item 7.1.2 - Attachment 2 - Financial Sustainability Ratio Graphs



Item 7.1.2 - Attachment 2 - Financial Sustainability Ratio Graphs

ITEM	7.1.3
	AUDIT AND RISK COMMITTEE
DATE	12 April 2023
HEADING	Audit & Risk Committee Performance Self-Assessment Survey Outcome
AUTHOR	Internal Auditor & Risk Coordinator, CEO and Governance
CITY PLAN LINKS	4.2 We deliver quality outcomes that meet the needs of our community 4.4 We plan effectively to address community needs and identify new opportunities
SUMMARY	Best practice suggests that the performance of the Audit & Risk Committee (or “the Committee”) should be reviewed on a regular basis. The Committee approved the process for its self-assessment at the February 2023 meeting. A self-assessment survey was issued to all members of the Committee. All of the Committee members completed the survey and this report summarises the results. Some comments and suggestions for improvement were received in response to the survey questions. Administration requests further input and clarity from the Committee to unpack each of the statements with a level of openness and transparency to support the continued effectiveness of the Committee.

RECOMMENDATION

That Council:

1. Notes the report.

ATTACHMENTS

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

1. Audit & Risk Committee Self-Assessment 2022 - Survey Result

1. BACKGROUND

- 1.1 It is considered best practice to review the performance of an Audit and Risk Committee on a periodic basis. One method of conducting this performance review is through a self-assessment questionnaire, completed by the members of the Audit and Risk Committee.
- 1.2 Self-assessment surveys are an efficient method for conducting the performance review because they can be completed at the convenience of the Audit and Risk Committee members, without the need to arrange or attend any additional meetings or interviews.

- 1.3 The Audit and Risk Committee self-assessment survey was completed for the period 1 January 2022 to 31 December 2022. A copy of the full completed survey result is provided as Attachment 1 to this report.
- 1.4 The focus of the self-assessment is primarily to drive continuous improvement in the performance and effectiveness of the Audit and Risk Committee.
- 1.5 The self-assessment survey consisted of 47 questions across seven topics which addressed, amongst other things, the Committee's responsibilities under the *Local Government Act 1999* and its Terms of Reference. The topics of the survey related to:
 - 1.5.1 Establishment of the Committee;
 - 1.5.2 Meetings;
 - 1.5.3 Internal Audit;
 - 1.5.4 External Audit;
 - 1.5.5 Financial Oversight;
 - 1.5.6 Risk Management and Internal Controls; and
 - 1.5.7 Oversight of Other Activities.
- 1.6 The survey was provided to the Committee Members via an online survey platform, called Survey Monkey. The Committee members completed the survey online and a report was generated through Survey Monkey. The details of the respondents have been de-identified and a copy of the performance self-assessment report is provided as Attachment 1 to this report.
- 1.7 It is deemed good governance that the Committee's performance is regularly reviewed. To that end the City of Salisbury ("CoS") has adopted a self-assessment approach for assessing the performance of the Audit & Risk Committee of Council. At its February 2023 meeting the Audit & Risk Committee approved the self-assessment process and a survey was issued to all members of the Audit & Risk Committee. All of the five Audit & Risk Committee members completed the survey and this report summarises the findings and issues identified.

2. CONSULTATION / COMMUNICATION

- 2.1 Internal
 - 2.1.1 Nil
- 2.2 External
 - 2.2.1 Audit & Risk Committee members

3. REPORT

3.1 Five responses were received to the survey.

3.2 The findings and issues identified are set out below.

3.2.1 *Establishment of the Committee (Questions 1 to 6)*

- For Question 4, on the statement that “new members of the Committee are provided induction information and materials to educate them on City of Salisbury, their responsibilities and Council’s financial reporting practices”, one of the five respondents was disagreeing, while another respondent neither agree nor disagree, while two responded to “Agree” and one “Strongly Agree”. There were no further details provided in the comments section for the disagreement related to Question 4.

The Administration notes the comments provided at the February 2023 Audit and Risk Committee meeting on new Member induction and has offered additional training accordingly.

- For the other five questions (Questions 1, 2, 3, 5 and 6) in this category, no respondent has shown any disagreement regarding the establishment of the Audit & Risk Committee.
- No comments were provided from respondents for Questions 1 to 6.

3.2.2 *Meetings (Questions 7 to 13)*

- The respondents agreed with five out of seven questions contained in this section regarding the meetings of the Audit & Risk Committee.
- For Question 7, in relation to the statement that “Arrangements for Committee meetings are appropriate (i.e. Frequency, time of day, duration, venue, location and format)”, one responded as “neither agree nor disagree”, however, there was no further comments provided to explain further.
- For Question 10, in relation to the statement that “The written materials (e.g. meeting agendas, reports, minutes and supporting documentation) provided to the Committee are appropriate, relevant, and concise.”, one respondent selected neither agree nor disagree, and one respondent had the following comment:

Respondent Comment – “Still struggle to read some of the fine print with the excel documents and the scanning of PDF documents at times makes them blurry when on the screen losing some functionality and making it challenging (especially from a lap top in the meeting).”

The Administration acknowledges the challenges around reading large attachments within the agenda, and to rectify, sends these attachments as a standalone document to all Members via e-mail.

3.2.3 **Internal Audit (Questions 14 to 17)**

- The respondents either agreed or strongly agree with three of the four questions and for one of the questions 15 “I have direct and unrestricted access to the internal audit function” one respondent stated as “Not Applicable” while two respondents agreed and two respondents strongly agreed. No comments were provided by respondents for any of these questions.

3.2.4 **External Audit (Questions 18 to 21)**

- The respondents agreed with three out of four questions contained in this section regarding external audit.
- For Question 18, in relation to the statement that “I have direct and unrestricted access to the External Auditor”, one respondent responded as “neither agree nor disagree” and has commented “*I wouldn't know how to call them*”.

Administration confirms that the Auditor contact details can be requested at all times, noting the external auditor details and external audit process is also publicly reported at the Audit and Risk Committee and Council.

3.2.5 **Financial Oversight (Questions 22 to 30)**

- The respondents either agreed or strongly agreed with all of the nine questions contained in this section regarding the Audit & Risk Committee’s financial oversight role, and there was no further comments provided.

3.2.6 **Risk Management and Internal Controls (Questions 31 to 38)**

- The respondents either agreed or strongly agreed with seven out of eight questions contained in this section regarding the Audit & Risk Committee’s oversight role in risk management and internal controls. One question has a response where neither agrees nor disagrees is selected.
- For Question 38, the statement that “The Committee understands the Administration’s fraud risk assessment and understands identified fraud risks.”, one respondent neither agrees nor disagrees and left a comment saying “*haven't seen fraud risk assessment*”.

Administrations Comment: Fraud risk assessment is an inherent test built in within every audit objective for the respective auditable areas. In addition to this, as part of the external audit process, fraud risk assessment is undertaken by the external auditor via fraud questionnaires, which are completed by the Chair of the Audit and Risk Committee and the Chief Executive Officer.

3.2.7 *Oversight of Other Activities (Questions 39 to 47)*

- There were five questions (*Questions 39 to 43*) for rating and four (*Questions 44 to 47*) open ended questions. For this section, the respondents either agreed or strongly agreed to all of the five questions 39 to 43, except one respondent who marked “not applicable” for the Question on “The system for reviewing outstanding items arising from external or internal audit reports is efficient and effective”. No comments were left by any respondents.
- The questions 44 to 47 were open ended questions. The following responses were provided:
 - For Question 44, “What do you consider the Committee’s greatest strength?”, one member did not respond and four members responded with their responses as follows:
 1. *make up (composition) covers broad range of disciplines with relevant experience and is respectful yet robust in its debating process*
 2. *good diversity of membership (skills etc.)*
 3. *teamwork*
 4. *diversity of skills of committee members*
 - For Question 45, “Conversely, in your view what is the Committee’s greatest weakness?”, one member did not respond and four members responded with their responses as follows:
 1. *Not so much weakness as a risk. So much information at times there is a risk of not seeing the wood for the trees of course. Perhaps also ensuring the focus is more on its remit (leaving management to manage) So getting clear about what is needed ... and ensuring that this is well understood by management. Art not a science!*
 2. *It can be committee vs staff, and we need to work together to achieve*
 3. *?*
 4. *Clarity of communication by some committee members.*
 - For Question 46, “As a member of the Audit and Risk Committee, what is your expectation of the Audit and Risk Committee on contemporary matters likely to influence the operations of Council business?”, one member did not respond and four members responded with their responses as follows:
 1. *We are an advisory body ... an assurance body ... no less and no more than that. So, I would expect to have influence in strategic decision making where there is inherent risk associated with that. Not a policy maker though*
 2. *Audit needs to be up to date with contemporary issues and matters*
 3. *raise as part of meetings*

4. *To focus on existing but also emerging risks including ESG and cyber*
- For Question 47, “Any further Comments or Suggestions for Improvement not already covered in the sections above?”, three members did not respond and two members responded with their responses as follows:
 1. *No thanks*
 2. *N/A*

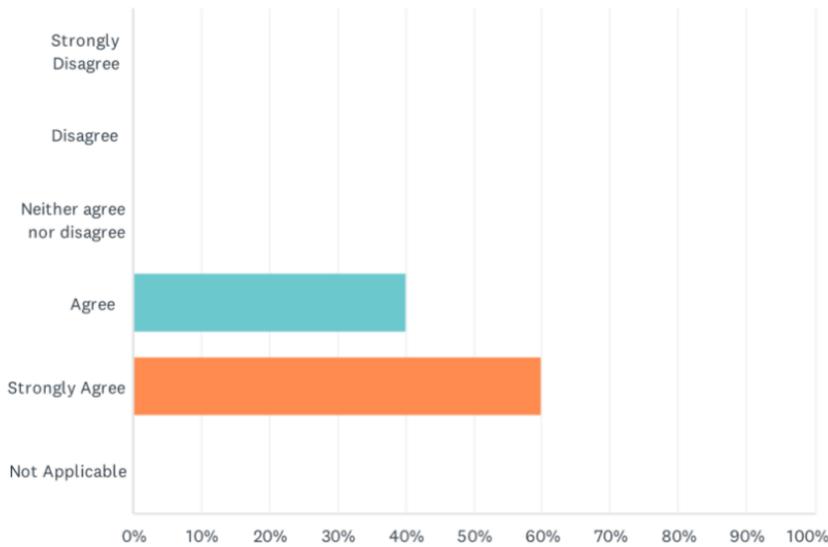
4. CONCLUSION / PROPOSAL

- 4.1 Overall the Audit and Risk Committee members appear generally satisfied with their performance on the Audit and Risk Committee in each of the sections reviewed. Where suggestions for improvements were made in response to the survey statements, Administration welcomes further feedback and clarity from the Committee.
- 4.2 The Audit and Risk Committee is to determine whether any further action is to be taken in relation to the assessment.

Audit and Risk Committee Self-Assessment 2022

Q1 The TOR of the Committee provide clear information on the role and functions of the Committee and its oversight responsibilities on behalf of Council.

Answered: 5 Skipped: 0



ANSWER CHOICES	RESPONSES
Strongly Disagree	0.00% 0
Disagree	0.00% 0
Neither agree nor disagree	0.00% 0
Agree	40.00% 2
Strongly Agree	60.00% 3
Not Applicable	0.00% 0
TOTAL	5

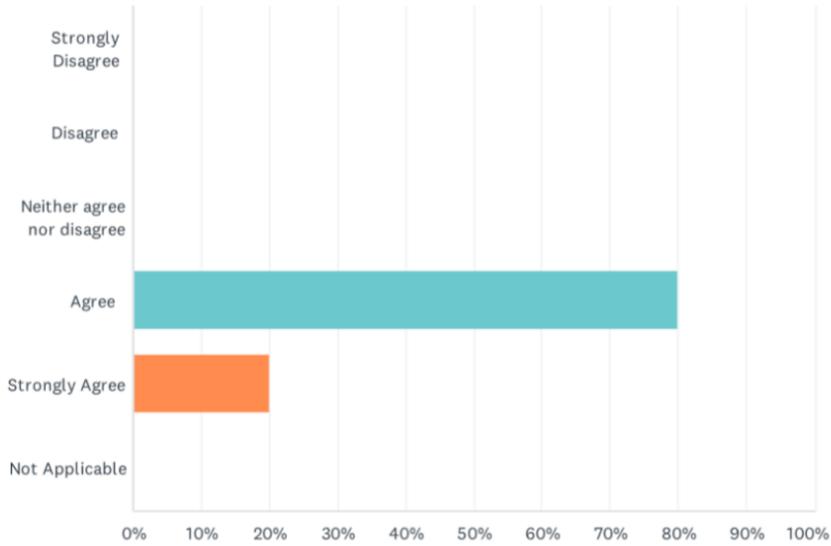
#	COMMENTS / SUGGESTIONS FOR IMPROVEMENT	DATE
	There are no responses.	

Item 7.1.3 - Attachment 1 - Audit & Risk Committee Self-Assessment 2022 - Survey Result

Audit and Risk Committee Self-Assessment 2022

Q2 The Committee members' qualities (e.g. financial literacy and skills, understanding of City of Salisbury, commercial and risk acumen, industry and capital markets) as a whole, are sufficient and appropriate to discharge the Committee's oversight responsibilities on behalf of Council.

Answered: 5 Skipped: 0



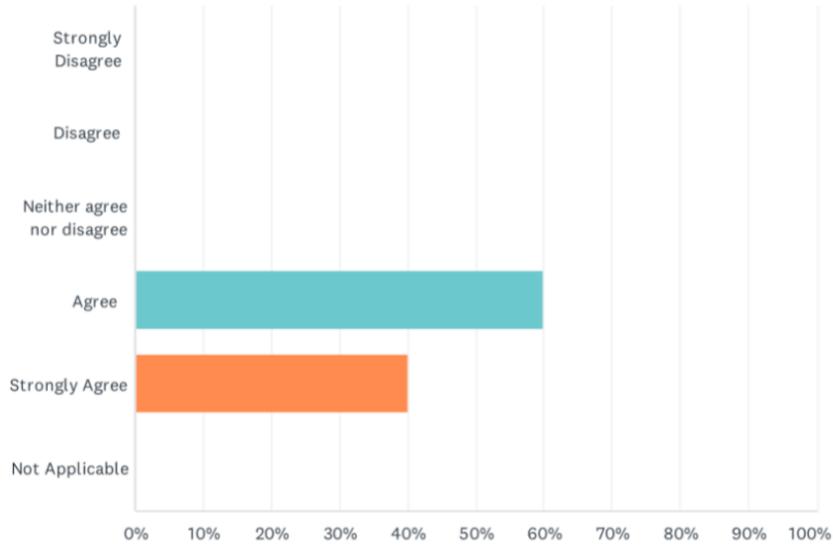
ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	0.00%	0
Agree	80.00%	4
Strongly Agree	20.00%	1
Not Applicable	0.00%	0
TOTAL		5

#	COMMENTS / SUGGESTIONS FOR IMPROVEMENT	DATE
	There are no responses.	

Audit and Risk Committee Self-Assessment 2022

Q3 The Committee members demonstrate the highest level of integrity (including maintaining the utmost confidentiality and identifying, disclosing and managing conflicts of interest and acting appropriately where conflicts or interests arise).

Answered: 5 Skipped: 0



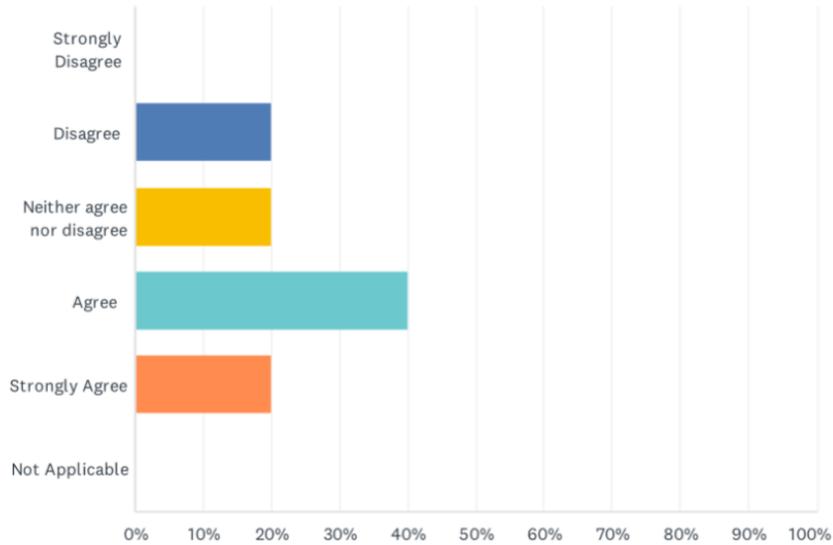
ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	0.00%	0
Agree	60.00%	3
Strongly Agree	40.00%	2
Not Applicable	0.00%	0
TOTAL		5

#	COMMENTS / SUGGESTIONS FOR IMPROVEMENT	DATE
	There are no responses.	

Audit and Risk Committee Self-Assessment for 2022

Q4 New members of the Committee are provided induction information and materials to educate them on City of Salisbury, their responsibilities, and Council's financial reporting practices.

Answered: 5 Skipped: 0



ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	20.00%	1
Neither agree nor disagree	20.00%	1
Agree	40.00%	2
Strongly Agree	20.00%	1
Not Applicable	0.00%	0
TOTAL		5

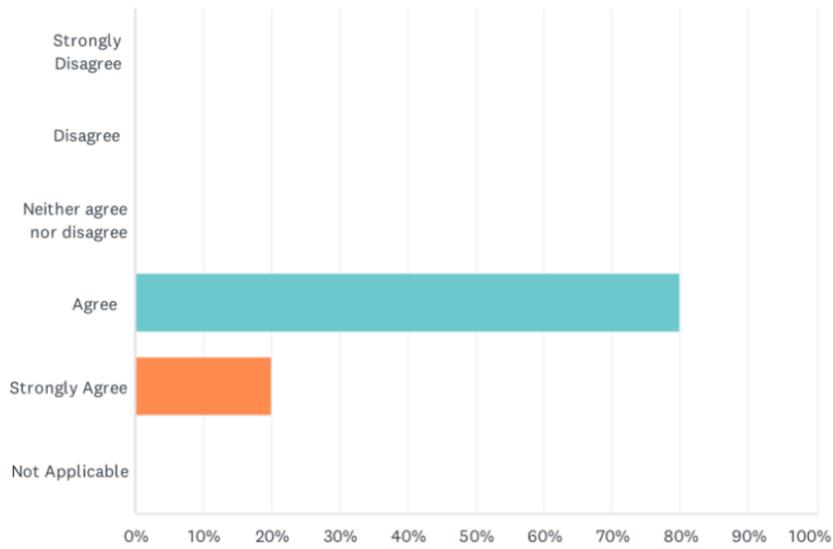
#	COMMENTS / SUGGESTIONS FOR IMPROVEMENT	DATE
	There are no responses.	

Item 7.1.3 - Attachment 1 - Audit & Risk Committee Self-Assessment 2022 - Survey Result

Audit and Risk Committee Self-Assessment for 2022

Q5 The Presiding Member of the Committee is well prepared for the meetings and conducts the meetings effectively as required under the legislation and the Committee’s current TOR.

Answered: 5 Skipped: 0



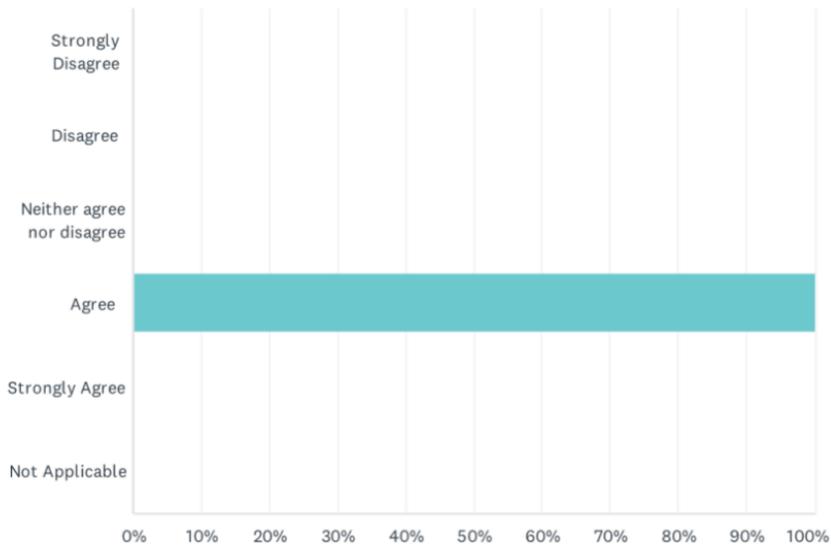
ANSWER CHOICES	RESPONSES
Strongly Disagree	0.00% 0
Disagree	0.00% 0
Neither agree nor disagree	0.00% 0
Agree	80.00% 4
Strongly Agree	20.00% 1
Not Applicable	0.00% 0
TOTAL	5

#	COMMENTS / SUGGESTIONS FOR IMPROVEMENT	DATE
	There are no responses.	

Audit and Risk Committee Self-Assessment 2022

Q6 The other members of the Committee are well prepared for the meetings and perform effectively in the fulfilling their role of the Committee as required under the legislation and the Committee’s current TOR.

Answered: 5 Skipped: 0



ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	0.00%	0
Agree	100.00%	5
Strongly Agree	0.00%	0
Not Applicable	0.00%	0
TOTAL		5

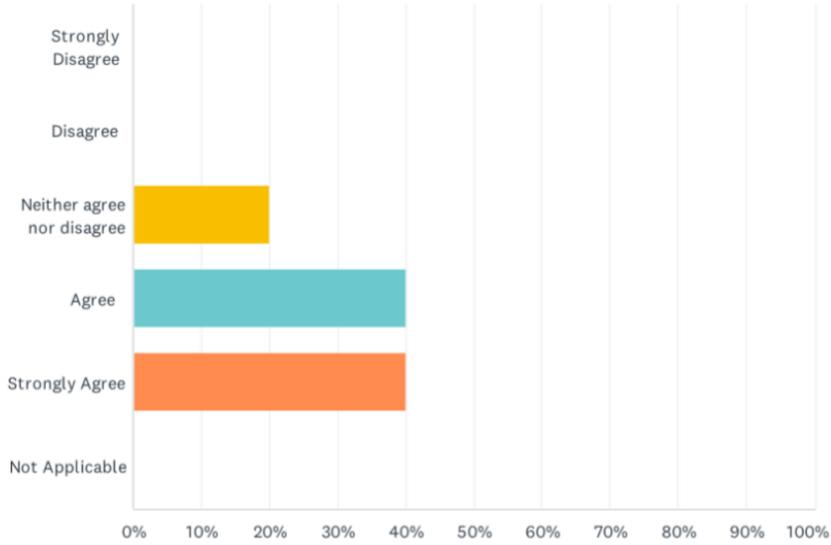
#	COMMENTS / SUGGESTIONS FOR IMPROVEMENT	DATE
	There are no responses.	

Item 7.1.3 - Attachment 1 - Audit & Risk Committee Self-Assessment 2022 - Survey Result

Audit and Risk Committee Self-Assessment for 2022

Q7 Arrangements for Committee meetings are appropriate (i.e. frequency, time of day, duration, venue, location and format).

Answered: 5 Skipped: 0



ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	20.00%	1
Agree	40.00%	2
Strongly Agree	40.00%	2
Not Applicable	0.00%	0
TOTAL		5

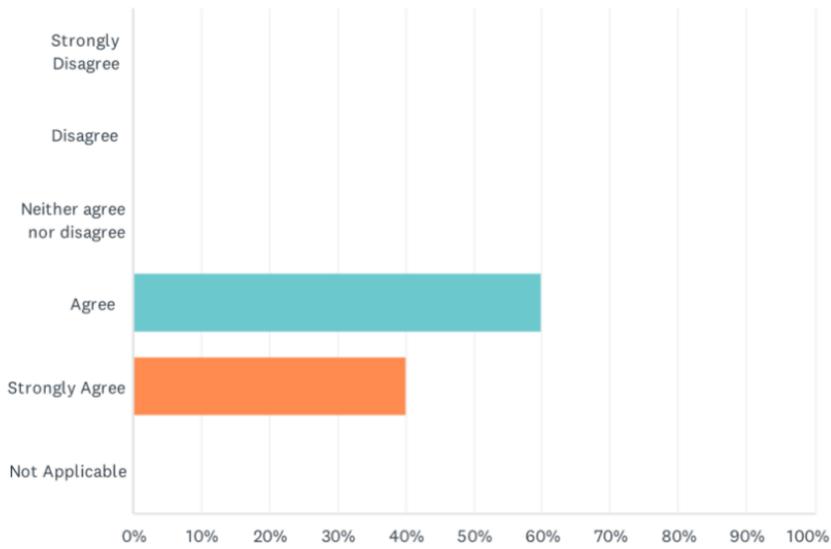
#	COMMENTS / SUGGESTIONS FOR IMPROVEMENT	DATE
	There are no responses.	

Item 7.1.3 - Attachment 1 - Audit & Risk Committee Self-Assessment 2022 - Survey Result

Audit and Risk Committee Self-Assessment for 2022

Q8 The Committee ensures that appropriate internal and external stakeholders attend meetings as necessary (e.g. CEO, GM Business Excellence, external audit representative, etc.)

Answered: 5 Skipped: 0



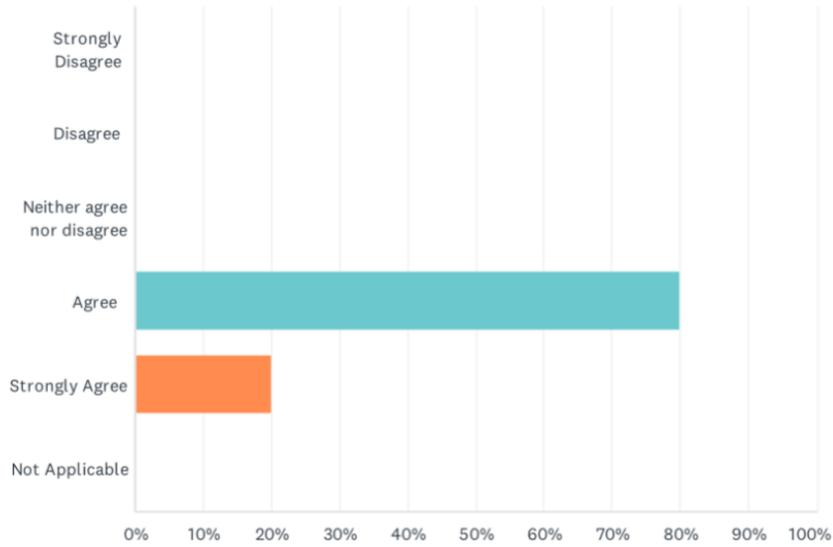
ANSWER CHOICES	RESPONSES
Strongly Disagree	0.00% 0
Disagree	0.00% 0
Neither agree nor disagree	0.00% 0
Agree	60.00% 3
Strongly Agree	40.00% 2
Not Applicable	0.00% 0
TOTAL	5

#	COMMENTS / SUGGESTIONS FOR IMPROVEMENT	DATE
	There are no responses.	

Audit and Risk Committee Self-Assessment for 2022

Q9 All members of the Committee participate actively and constructively during meetings and work collaboratively with others attending the meeting.

Answered: 5 Skipped: 0



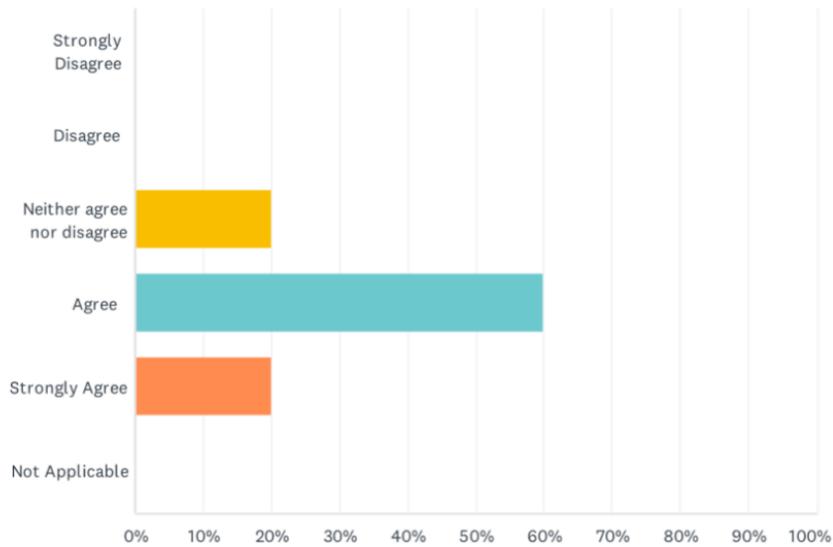
ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	0.00%	0
Agree	80.00%	4
Strongly Agree	20.00%	1
Not Applicable	0.00%	0
TOTAL		5

#	COMMENTS / SUGGESTIONS FOR IMPROVEMENT	DATE
	There are no responses.	

Audit and Risk Committee Self-Assessment for 2022

Q10 The written materials (e.g. meeting agendas, reports, minutes and supporting documentation) provided to the Committee are appropriate, relevant, and concise.

Answered: 5 Skipped: 0



ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	20.00%	1
Agree	60.00%	3
Strongly Agree	20.00%	1
Not Applicable	0.00%	0
TOTAL		5

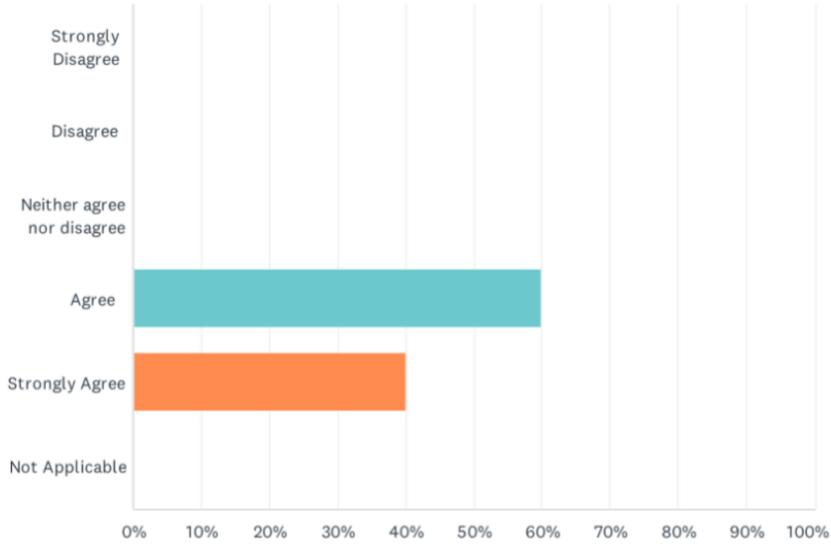
#	COMMENTS / SUGGESTIONS FOR IMPROVEMENT	DATE
1	Still struggle to read some of the fine print with the excel documents and the scanning of PDF documents at times makes them blurry when on the screen losing some functionality and making it challenging (especially from a lap top in the meeting)	██████████

Item 7.1.3 - Attachment 1 - Audit & Risk Committee Self-Assessment 2022 - Survey Result

Audit and Risk Committee Self-Assessment 2022

Q11 The written materials provided to the Committee are circulated with sufficient time to allow Committee members to consider the information.

Answered: 5 Skipped: 0



ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	0.00%	0
Agree	60.00%	3
Strongly Agree	40.00%	2
Not Applicable	0.00%	0
TOTAL		5

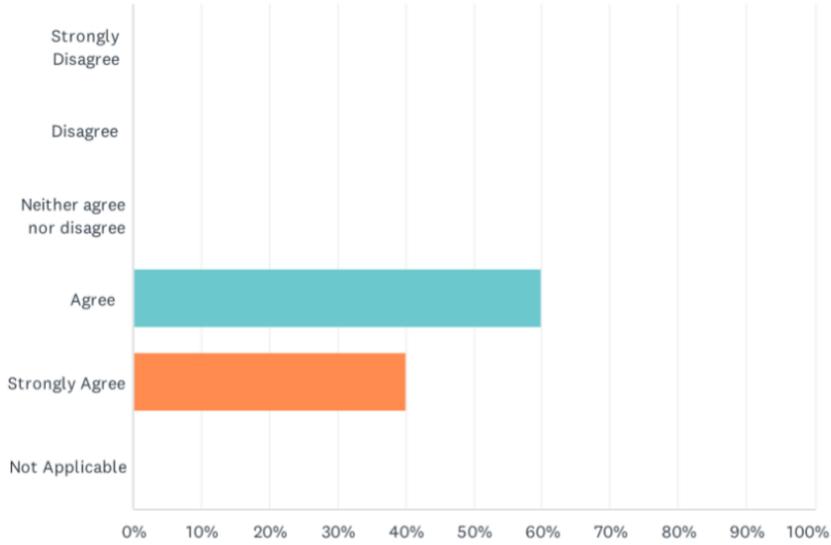
#	COMMENTS / SUGGESTIONS FOR IMPROVEMENT	DATE
	There are no responses.	

Item 7.1.3 - Attachment 1 - Audit & Risk Committee Self-Assessment 2022 - Survey Result

Audit and Risk Committee Self-Assessment 2022

Q12 The meeting procedures and processes in place at the City of Salisbury ensure smooth operation of the Committee.

Answered: 5 Skipped: 0



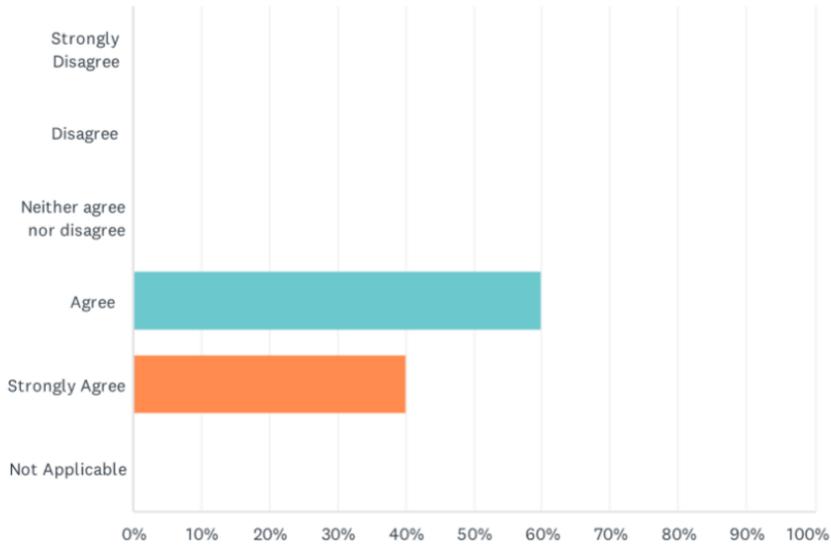
ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	0.00%	0
Agree	60.00%	3
Strongly Agree	40.00%	2
Not Applicable	0.00%	0
TOTAL		5

#	COMMENTS / SUGGESTIONS FOR IMPROVEMENT	DATE
	There are no responses.	

Audit and Risk Committee Self-Assessment for 2022

Q13 The Committee meetings are effective in providing independent assurance and advice to the Council on accounting, financial management, internal controls, risk management and governance matters.

Answered: 5 Skipped: 0



ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	0.00%	0
Agree	60.00%	3
Strongly Agree	40.00%	2
Not Applicable	0.00%	0
TOTAL		5

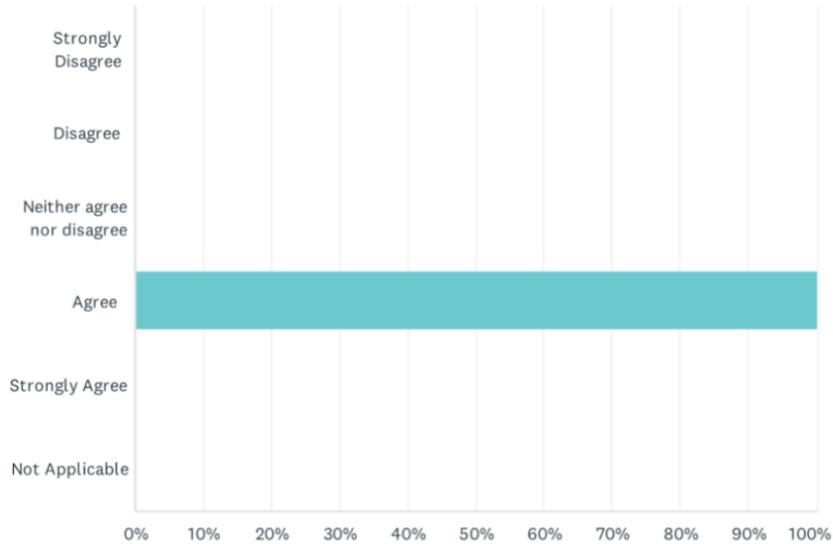
#	COMMENTS / SUGGESTIONS FOR IMPROVEMENT	DATE
	There are no responses.	

Item 7.1.3 - Attachment 1 - Audit & Risk Committee Self-Assessment 2022 - Survey Result

Audit and Risk Committee Self-Assessment for 2022

Q14 The Committee appropriately considers internal audit reports, management’s responses, actions for improvement, and monitors the responsiveness of the Council to recommendations based on previous audits and risk assessments, including those raised by the Council’s Internal Auditor and External Auditor.

Answered: 5 Skipped: 0



ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	0.00%	0
Agree	100.00%	5
Strongly Agree	0.00%	0
Not Applicable	0.00%	0
TOTAL		5

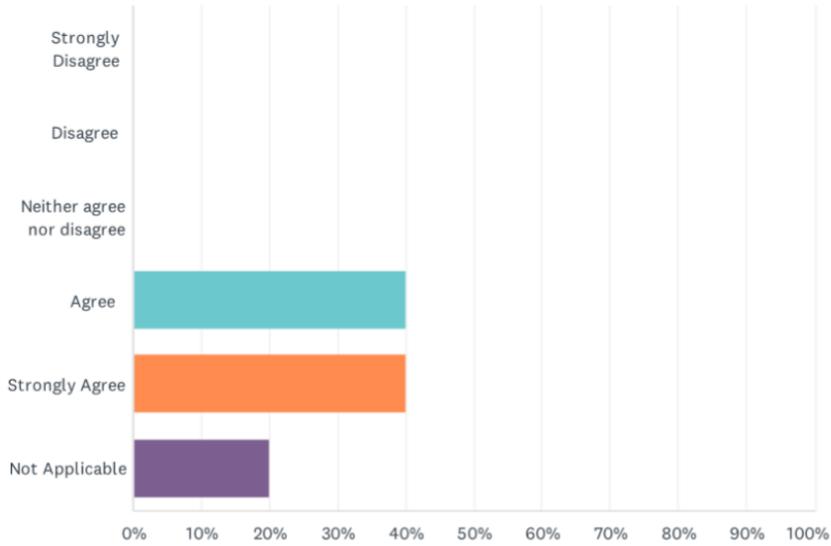
#	COMMENTS / SUGGESTIONS FOR IMPROVEMENT	DATE
	There are no responses.	

Item 7.1.3 - Attachment 1 - Audit & Risk Committee Self-Assessment 2022 - Survey Result

Audit and Risk Committee Self-Assessment 2022

Q15 I have direct and unrestricted access to the internal audit function.

Answered: 5 Skipped: 0



ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	0.00%	0
Agree	40.00%	2
Strongly Agree	40.00%	2
Not Applicable	20.00%	1
TOTAL		5

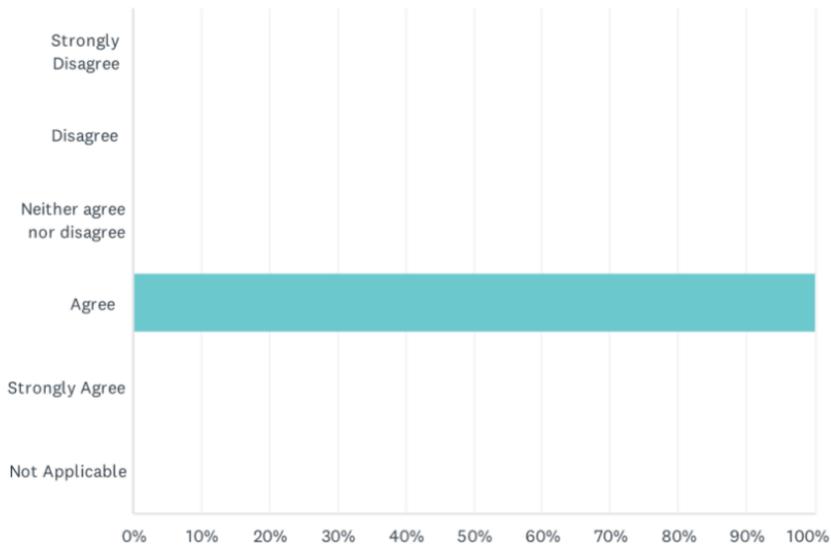
#	COMMENTS / SUGGESTIONS FOR IMPROVEMENT	DATE
	There are no responses.	

Item 7.1.3 - Attachment 1 - Audit & Risk Committee Self-Assessment 2022 - Survey Result

Audit and Risk Committee Self-Assessment 2022

Q16 The Committee provides oversight of planning and scoping of the internal audit work plan, and ensure that activities in the internal audit plan address areas of concern and provide assurance to Council.

Answered: 5 Skipped: 0



ANSWER CHOICES	RESPONSES
Strongly Disagree	0.00% 0
Disagree	0.00% 0
Neither agree nor disagree	0.00% 0
Agree	100.00% 5
Strongly Agree	0.00% 0
Not Applicable	0.00% 0
TOTAL	5

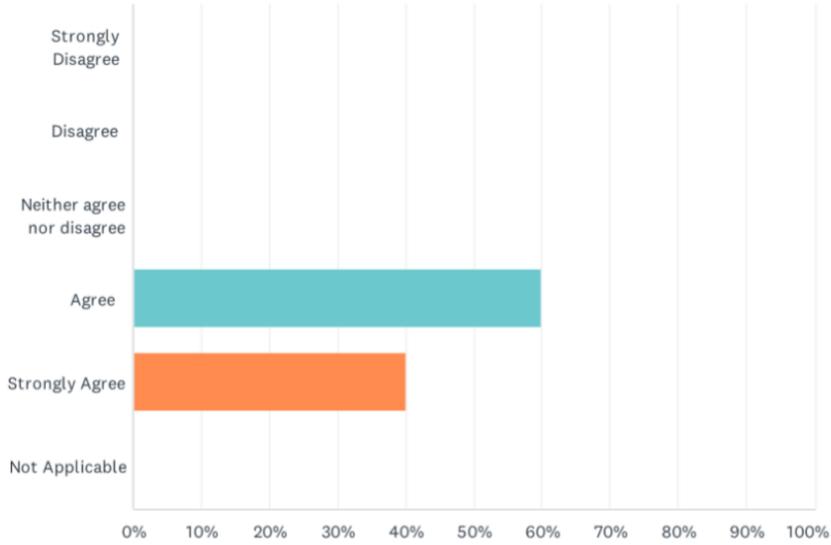
#	COMMENTS / SUGGESTIONS FOR IMPROVEMENT	DATE
	There are no responses.	

Item 7.1.3 - Attachment 1 - Audit & Risk Committee Self-Assessment 2022 - Survey Result

Audit and Risk Committee Self-Assessment 2022

Q17 The Committee regularly considers the audit plan and makes recommendations.

Answered: 5 Skipped: 0



ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	0.00%	0
Agree	60.00%	3
Strongly Agree	40.00%	2
Not Applicable	0.00%	0
TOTAL		5

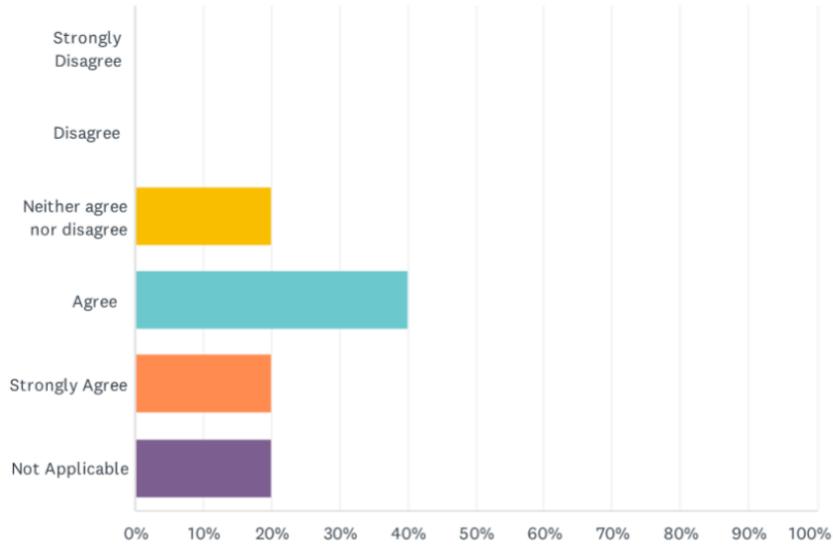
#	COMMENTS / SUGGESTIONS FOR IMPROVEMENT	DATE
	There are no responses.	

Item 7.1.3 - Attachment 1 - Audit & Risk Committee Self-Assessment 2022 - Survey Result

Audit and Risk Committee Self-Assessment 2022

Q18 I have direct and unrestricted access to the External Auditor.

Answered: 5 Skipped: 0



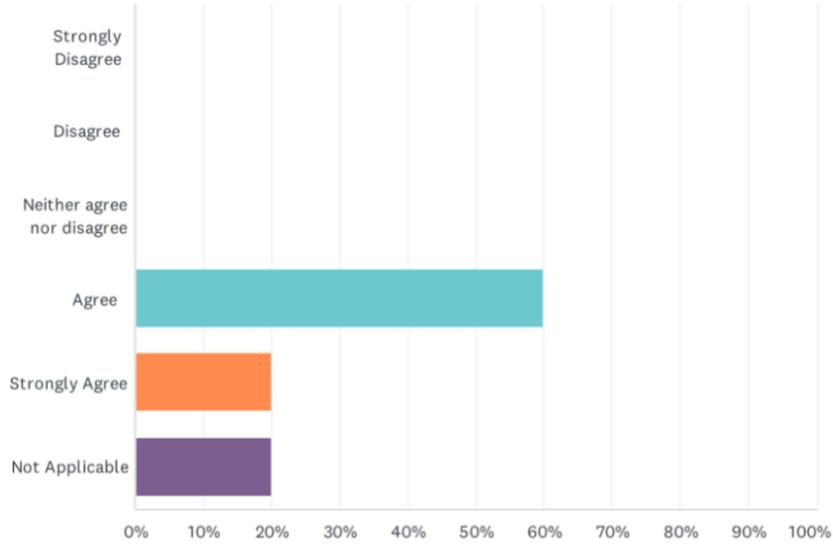
ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	20.00%	1
Agree	40.00%	2
Strongly Agree	20.00%	1
Not Applicable	20.00%	1
TOTAL		5

#	COMMENTS / SUGGESTIONS FOR IMPROVEMENT	DATE
1	I wouldn't know how to call them	[REDACTED]

Audit and Risk Committee Self-Assessment 2022

Q19 I understand the information being presented to me by the External Auditor.

Answered: 5 Skipped: 0

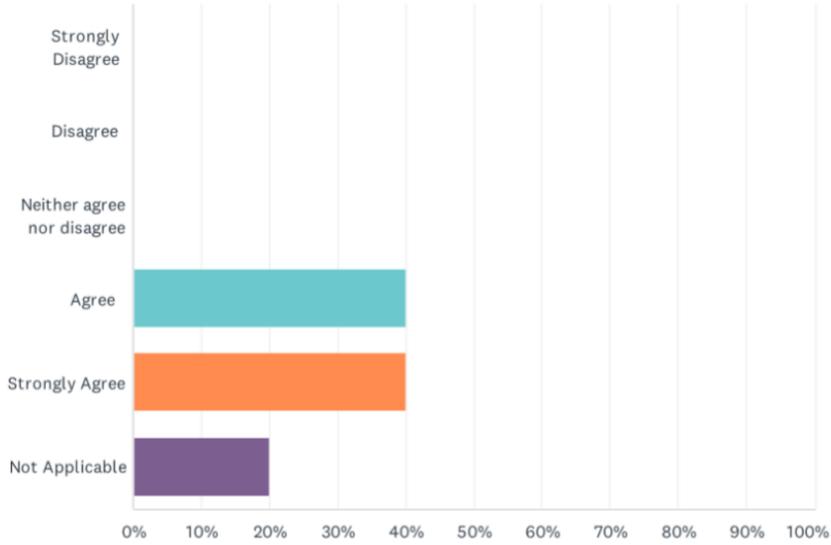


ANSWER CHOICES	RESPONSES
Strongly Disagree	0.00% 0
Disagree	0.00% 0
Neither agree nor disagree	0.00% 0
Agree	60.00% 3
Strongly Agree	20.00% 1
Not Applicable	20.00% 1
TOTAL	5

#	COMMENTS / SUGGESTIONS FOR IMPROVEMENT	DATE
	There are no responses.	

Q20 The Committee discusses significant findings from the financial and internal controls audits with the External Auditor.

Answered: 5 Skipped: 0



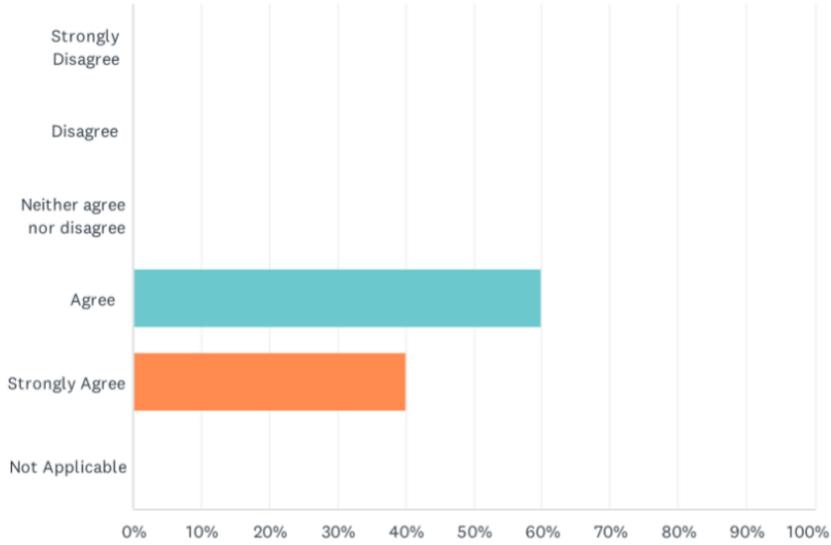
ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	0.00%	0
Agree	40.00%	2
Strongly Agree	40.00%	2
Not Applicable	20.00%	1
TOTAL		5

#	COMMENTS / SUGGESTIONS FOR IMPROVEMENT	DATE
	There are no responses.	

Audit and Risk Committee Self-Assessment 2022

Q21 The Committee monitors and oversees the process for appointment of the external auditor in accordance with the Local Government Act 1999.

Answered: 5 Skipped: 0



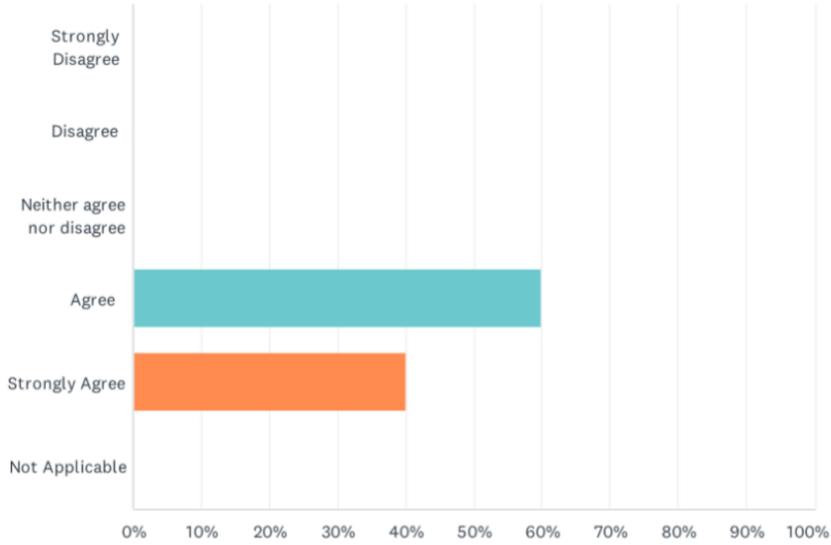
ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	0.00%	0
Agree	60.00%	3
Strongly Agree	40.00%	2
Not Applicable	0.00%	0
TOTAL		5

#	COMMENTS / SUGGESTIONS FOR IMPROVEMENT	DATE
	There are no responses.	

Audit and Risk Committee Self-Assessment 2022

Q22 The Committee assesses whether the annual financial statements reflect appropriate accounting principles.

Answered: 5 Skipped: 0



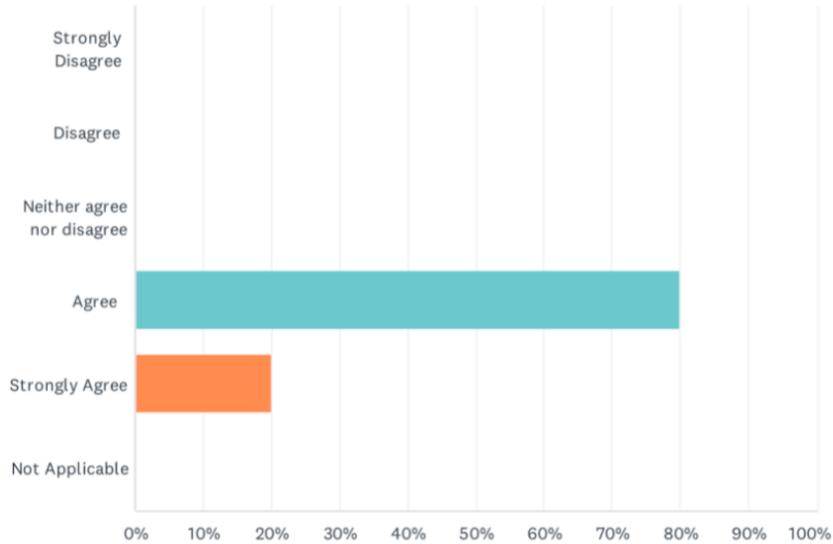
ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	0.00%	0
Agree	60.00%	3
Strongly Agree	40.00%	2
Not Applicable	0.00%	0
TOTAL		5

#	COMMENTS / SUGGESTIONS FOR IMPROVEMENT	DATE
	There are no responses.	

Audit and Risk Committee Self-Assessment 2022

Q23 The Committee reviews significant accounting and reporting issues, including complex or unusual transactions, highly subjective areas and significant changes in accounting policies and their corresponding impact on the financial statements.

Answered: 5 Skipped: 0



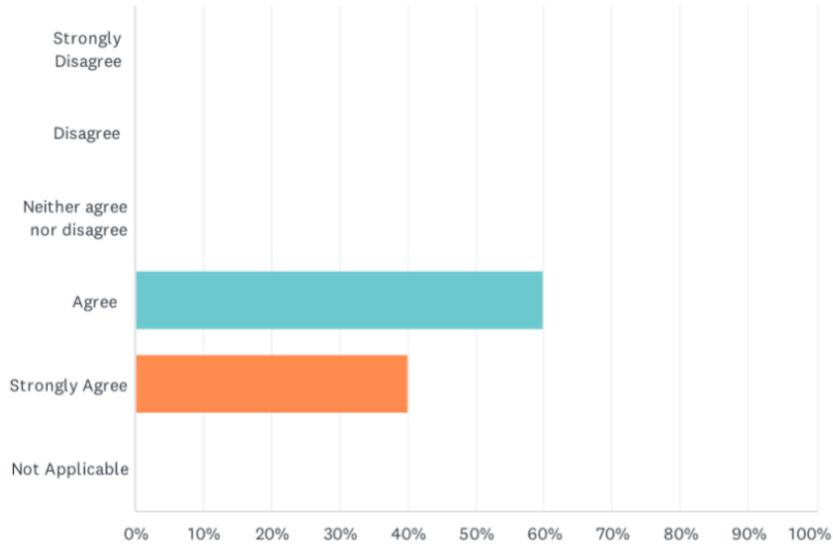
ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	0.00%	0
Agree	80.00%	4
Strongly Agree	20.00%	1
Not Applicable	0.00%	0
TOTAL		5

#	COMMENTS / SUGGESTIONS FOR IMPROVEMENT	DATE
	There are no responses.	

Audit and Risk Committee Self-Assessment 2022

Q24 The Committee reviews the annual financial statements and ensure they present fairly the state of affairs of the Council.

Answered: 5 Skipped: 0



ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	0.00%	0
Agree	60.00%	3
Strongly Agree	40.00%	2
Not Applicable	0.00%	0
TOTAL		5

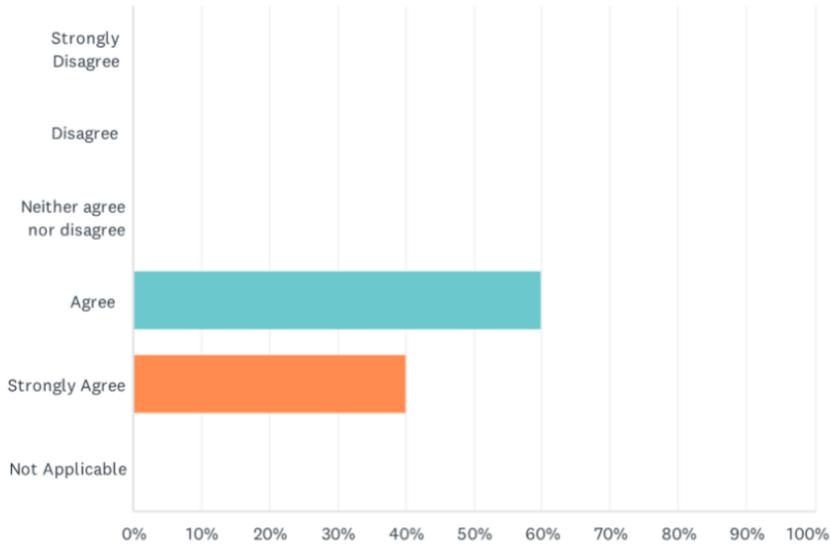
#	COMMENTS / SUGGESTIONS FOR IMPROVEMENT	DATE
	There are no responses.	

Item 7.1.3 - Attachment 1 - Audit & Risk Committee Self-Assessment 2022 - Survey Result

Audit and Risk Committee Self-Assessment 2022

Q25 I am comfortable that the Committee is able to propose and review the exercise of powers under section 130A of the Local Government Act 1999. Namely, the examination of any matter relating to financial management, or the efficiency and economy with which the council management or uses its resources to achieve its objectives.

Answered: 5 Skipped: 0

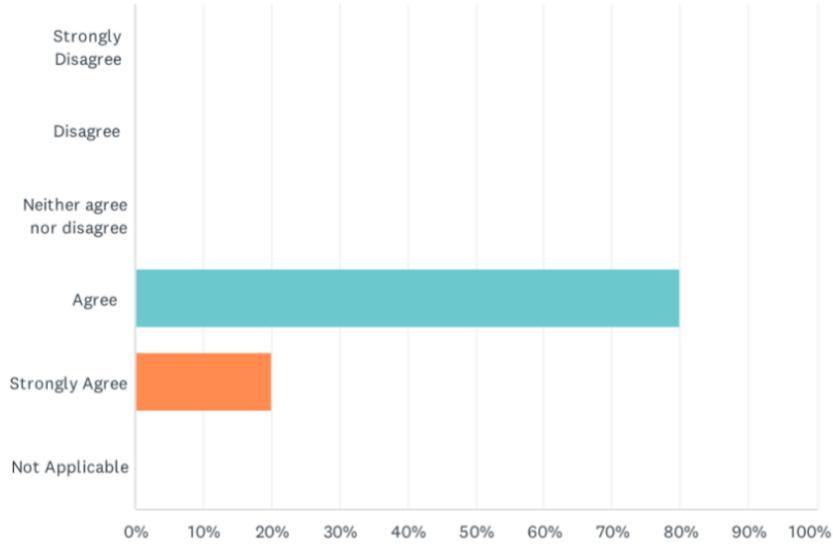


ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	0.00%	0
Agree	60.00%	3
Strongly Agree	40.00%	2
Not Applicable	0.00%	0
TOTAL		5

#	COMMENTS / SUGGESTIONS FOR IMPROVEMENT	DATE
	There are no responses.	

Q26 The Committee reviews the City of Salisbury’s key accounting policy positions.

Answered: 5 Skipped: 0



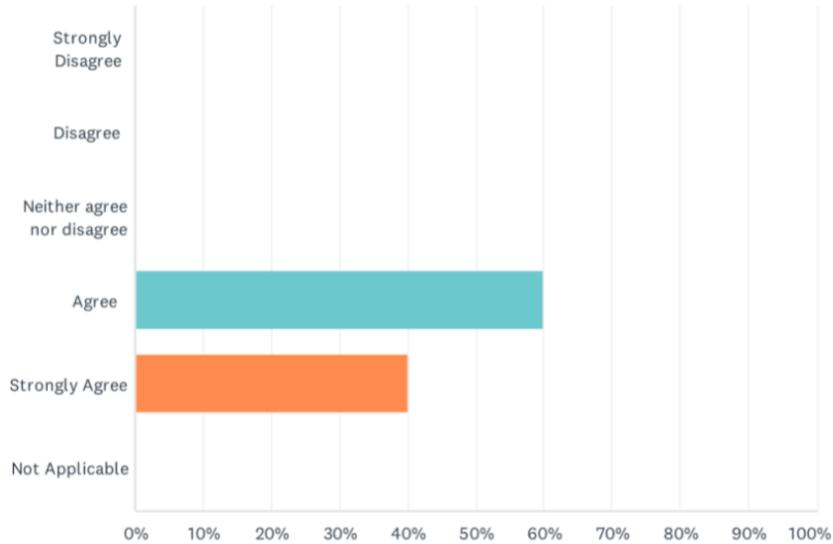
ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	0.00%	0
Agree	80.00%	4
Strongly Agree	20.00%	1
Not Applicable	0.00%	0
TOTAL		5

#	COMMENTS / SUGGESTIONS FOR IMPROVEMENT	DATE
	There are no responses.	

Audit and Risk Committee Self-Assessment 2022

Q27 The Committee receives sufficient information to assess and understand the process for the evaluation of the City of Salisbury’s internal financial controls, and believes that the internal control testing supports its internal control assessment.

Answered: 5 Skipped: 0



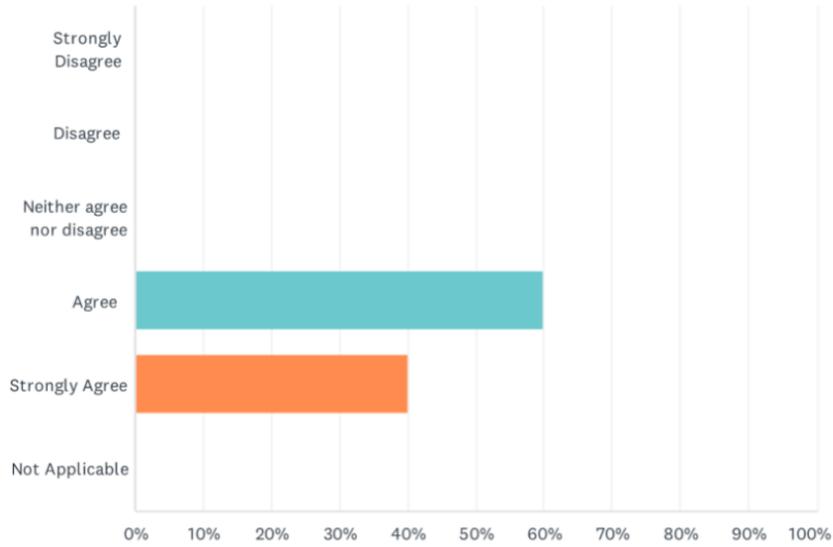
ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	0.00%	0
Agree	60.00%	3
Strongly Agree	40.00%	2
Not Applicable	0.00%	0
TOTAL		5

#	COMMENTS / SUGGESTIONS FOR IMPROVEMENT	DATE
	There are no responses.	

Audit and Risk Committee Self-Assessment for 2022

Q28 The Committee understands and considers the internal control testing process conducted by the Administration, the internal auditor, and the external auditor to assess the process for detecting internal control issues or fraud. The Committee addresses and monitors significant deficiencies or weaknesses.

Answered: 5 Skipped: 0



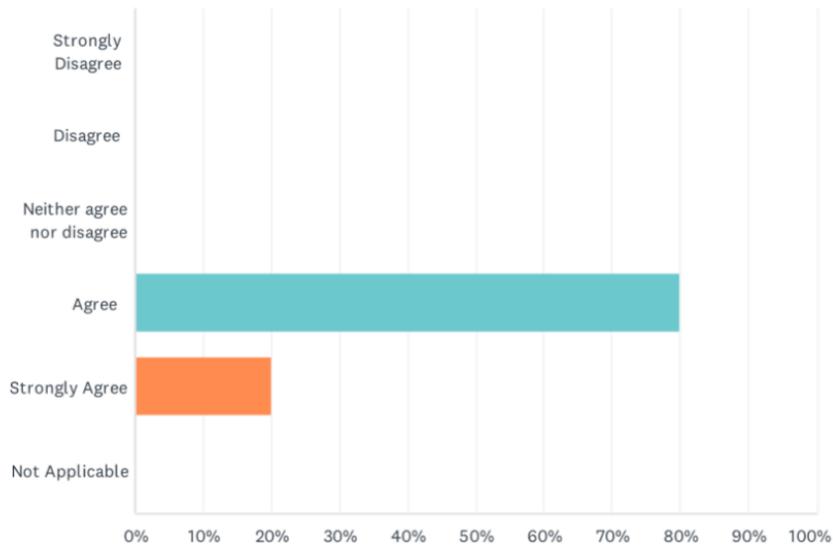
ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	0.00%	0
Agree	60.00%	3
Strongly Agree	40.00%	2
Not Applicable	0.00%	0
TOTAL		5

#	OTHER (PLEASE SPECIFY)	DATE
	There are no responses.	

Audit and Risk Committee Self-Assessment for 2022

Q29 The Committee oversees the action taken by the Administration to resolve repeat comments from auditors, especially when related to internal controls.

Answered: 5 Skipped: 0



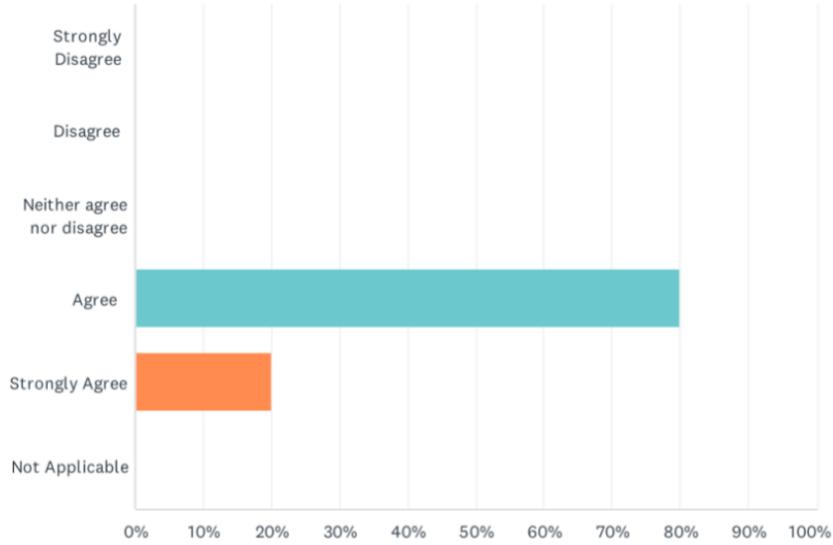
ANSWER CHOICES	RESPONSES
Strongly Disagree	0.00% 0
Disagree	0.00% 0
Neither agree nor disagree	0.00% 0
Agree	80.00% 4
Strongly Agree	20.00% 1
Not Applicable	0.00% 0
TOTAL	5

#	COMMENTS / SUGGESTIONS FOR IMPROVEMENT	DATE
	There are no responses.	

Audit and Risk Committee Self-Assessment 2022

Q30 The Committee reviews adjustments to the financial statements resulting from the external audit.

Answered: 5 Skipped: 0



ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	0.00%	0
Agree	80.00%	4
Strongly Agree	20.00%	1
Not Applicable	0.00%	0
TOTAL		5

#	COMMENTS / SUGGESTIONS FOR IMPROVEMENT	DATE
	There are no responses.	

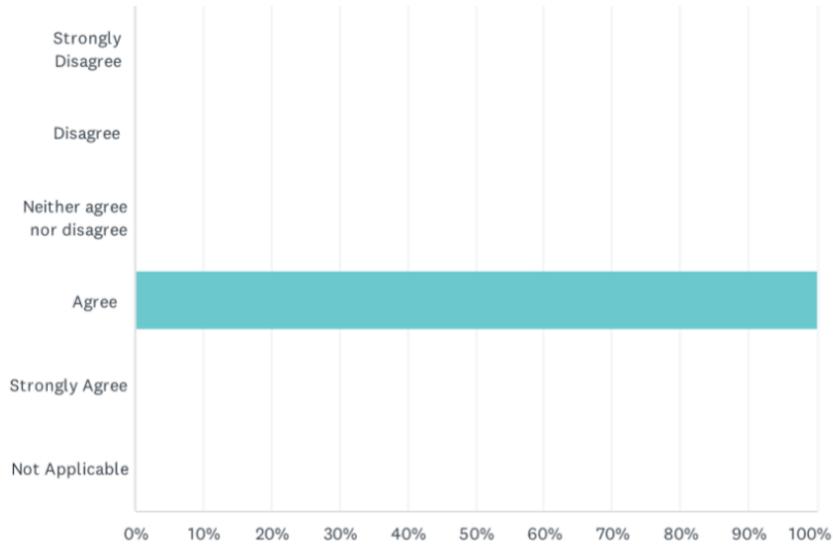
20 / 17

Item 7.1.3 - Attachment 1 - Audit & Risk Committee Self-Assessment 2022 - Survey Result

Audit and Risk Committee Self-Assessment for 2022

Q31 The Committee is satisfied that there is an effective risk management framework in place at the City of Salisbury.

Answered: 5 Skipped: 0



ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	0.00%	0
Agree	100.00%	5
Strongly Agree	0.00%	0
Not Applicable	0.00%	0
TOTAL		5

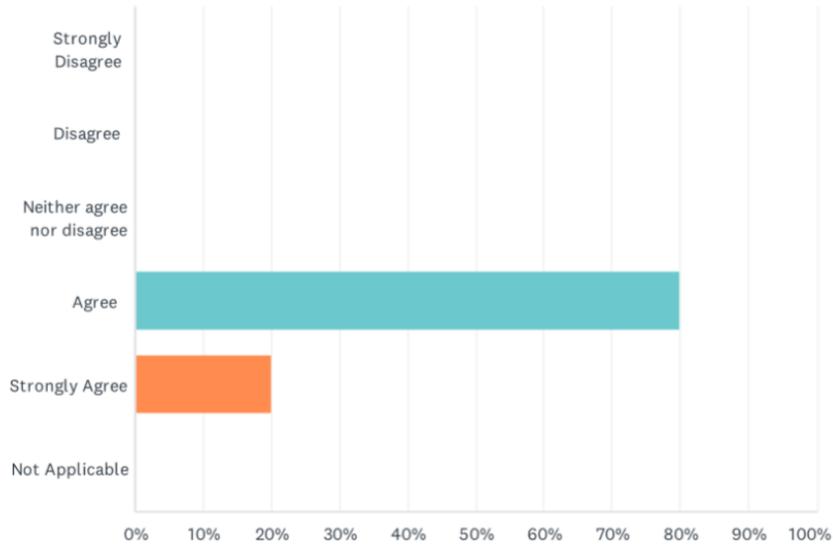
#	COMMENTS / SUGGESTIONS FOR IMPROVEMENT	DATE
	There are no responses.	

Item 7.1.3 - Attachment 1 - Audit & Risk Committee Self-Assessment 2022 - Survey Result

Audit and Risk Committee Self-Assessment for 2022

Q32 The Committee assures itself that the Chief Executive Officer and General Managers take personal responsibility for risk identification and control.

Answered: 5 Skipped: 0



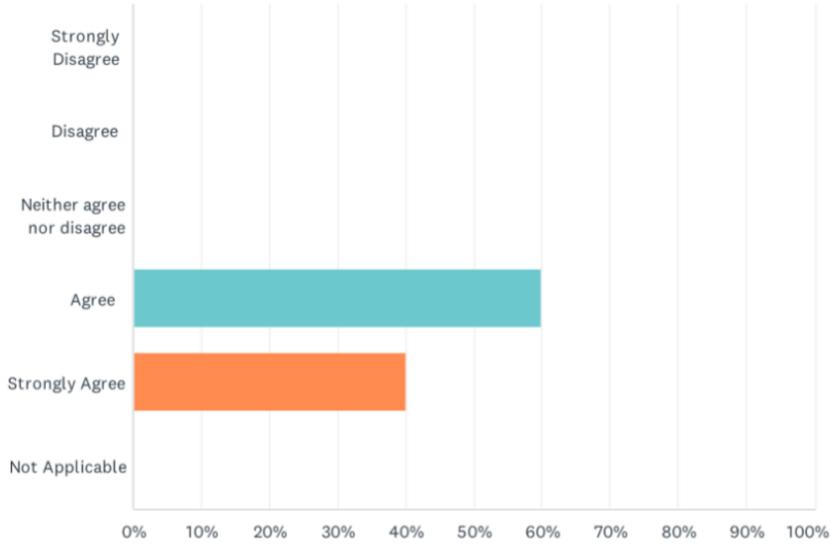
ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	0.00%	0
Agree	80.00%	4
Strongly Agree	20.00%	1
Not Applicable	0.00%	0
TOTAL		5

#	COMMENTS / SUGGESTIONS FOR IMPROVEMENT	DATE
	There are no responses.	

Audit and Risk Committee Self-Assessment 2022

Q33 The Committee understands and discusses issues which present significant risks to the organisation.

Answered: 5 Skipped: 0



ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	0.00%	0
Agree	60.00%	3
Strongly Agree	40.00%	2
Not Applicable	0.00%	0
TOTAL		5

#	COMMENTS / SUGGESTIONS FOR IMPROVEMENT	DATE
	There are no responses.	

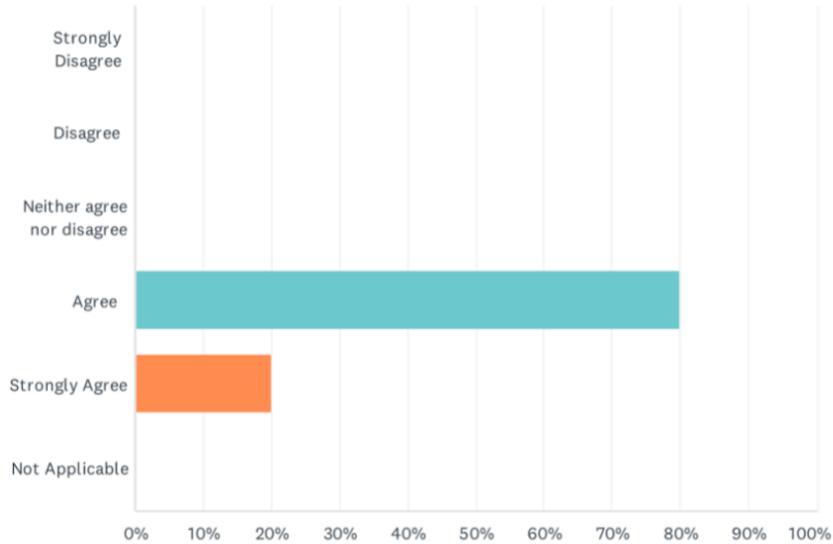
22 / 17

Item 7.1.3 - Attachment 1 - Audit & Risk Committee Self-Assessment 2022 - Survey Result

Audit and Risk Committee Self-Assessment 2022

Q34 The Committee ensures that the controls are appropriate for achieving the Council's goals and objectives, safeguarding the Council's assets and as far as possible maintaining the accuracy and reliability of Council records.

Answered: 5 Skipped: 0



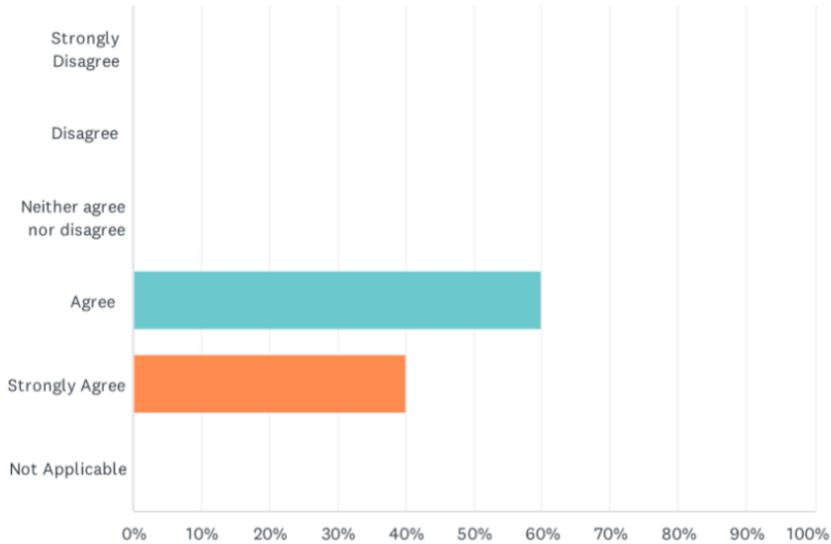
ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	0.00%	0
Agree	80.00%	4
Strongly Agree	20.00%	1
Not Applicable	0.00%	0
TOTAL		5

#	COMMENTS / SUGGESTIONS FOR IMPROVEMENT	DATE
	There are no responses.	

Audit and Risk Committee Self-Assessment 2022

Q35 The Committee is satisfied that Council implements and maintains appropriate policies, practices and procedures of internal control.

Answered: 5 Skipped: 0



ANSWER CHOICES	RESPONSES
Strongly Disagree	0.00% 0
Disagree	0.00% 0
Neither agree nor disagree	0.00% 0
Agree	60.00% 3
Strongly Agree	40.00% 2
Not Applicable	0.00% 0
TOTAL	5

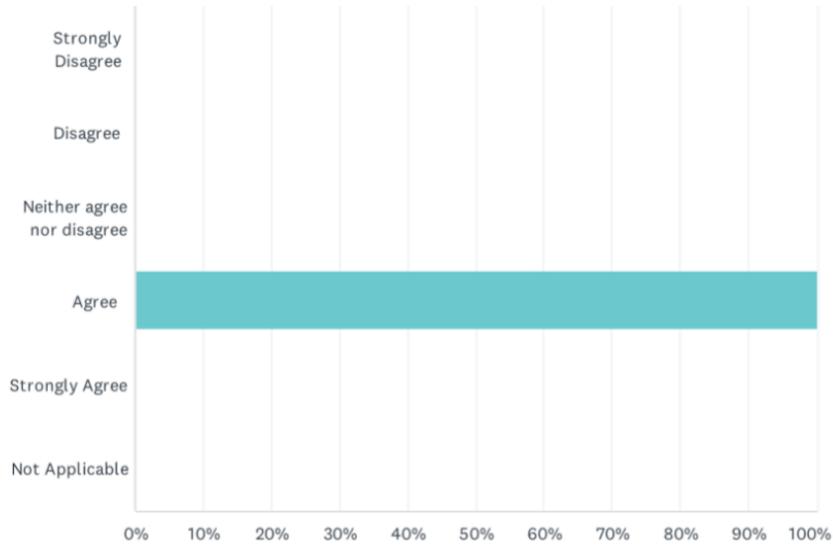
#	COMMENTS / SUGGESTIONS FOR IMPROVEMENT	DATE
	There are no responses.	

Item 7.1.3 - Attachment 1 - Audit & Risk Committee Self-Assessment 2022 - Survey Result

Audit and Risk Committee Self-Assessment 2022

Q36 The Committee is comfortable that the Council and other committees take into account significant risks which may affect financial reporting.

Answered: 5 Skipped: 0



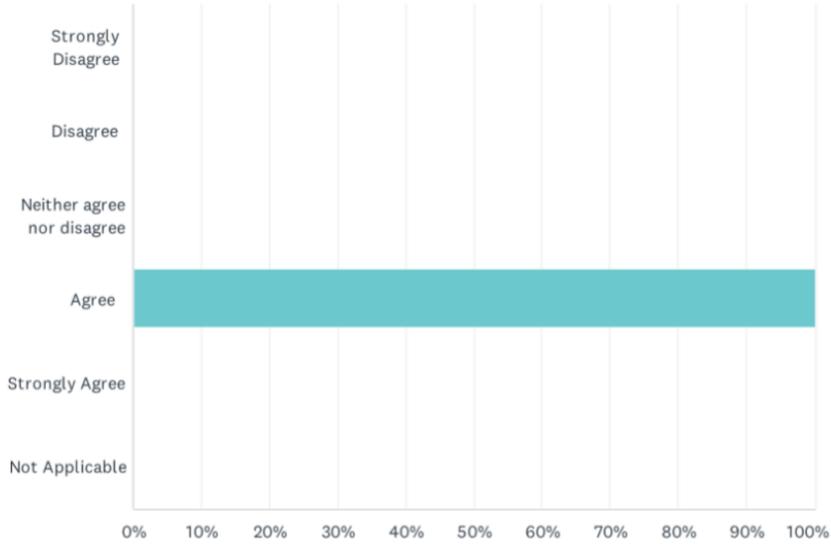
ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	0.00%	0
Agree	100.00%	5
Strongly Agree	0.00%	0
Not Applicable	0.00%	0
TOTAL		5

#	COMMENTS / SUGGESTION FOR IMPROVEMENT	DATE
	There are no responses.	

Audit and Risk Committee Self-Assessment 2022

Q37 The Committee understands and approves the process implemented by the Administration to identify, assess, and respond to risks.

Answered: 5 Skipped: 0



ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	0.00%	0
Agree	100.00%	5
Strongly Agree	0.00%	0
Not Applicable	0.00%	0
TOTAL		5

#	COMMENTS / SUGGESTIONS FOR IMPROVEMENT	DATE
	There are no responses.	

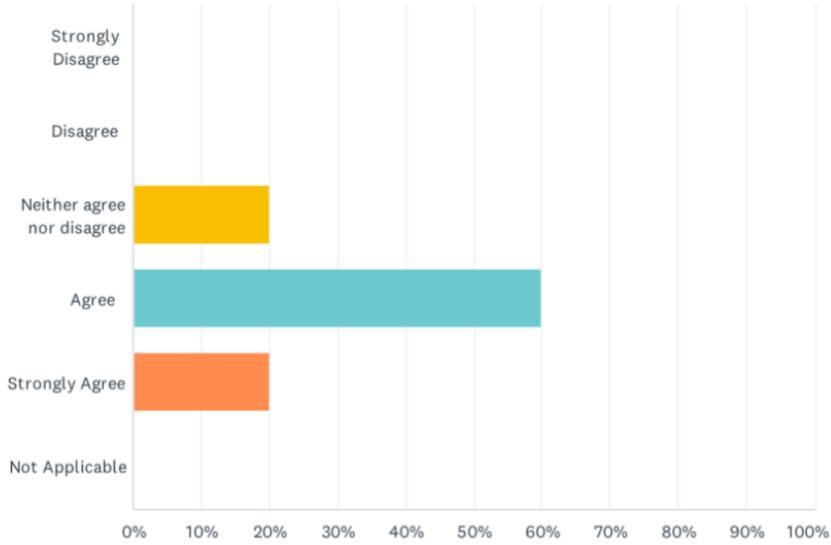
27 / 17

Item 7.1.3 - Attachment 1 - Audit & Risk Committee Self-Assessment 2022 - Survey Result

Audit and Risk Committee Self-Assessment for 2022

Q38 The Committee understands the Administration’s fraud risk assessment and understands identified fraud risks.

Answered: 5 Skipped: 0

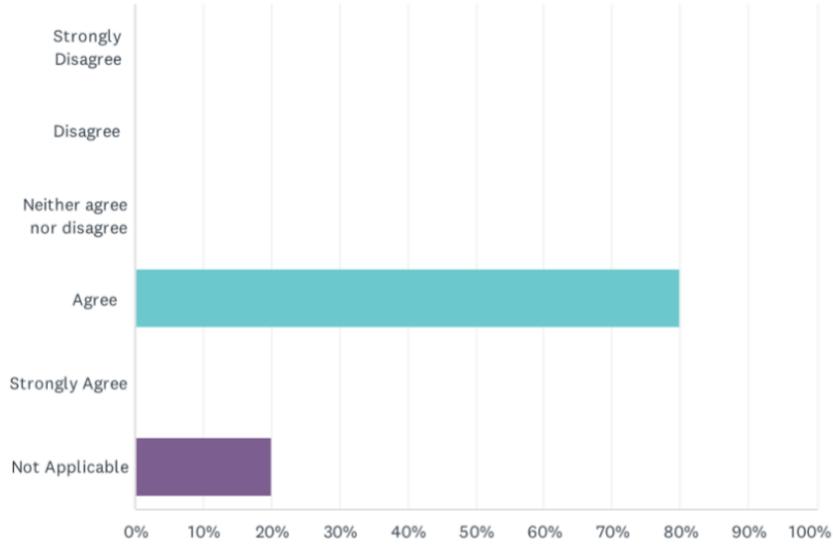


ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	20.00%	1
Agree	60.00%	3
Strongly Agree	20.00%	1
Not Applicable	0.00%	0
TOTAL		5

#	COMMENTS / SUGGESTIONS FOR IMPROVEMENT	DATE
1	haven't seen fraud risk assessment	[REDACTED]

Q39 The system for reviewing outstanding items arising from external or internal audit reports is efficient and effective.

Answered: 5 Skipped: 0



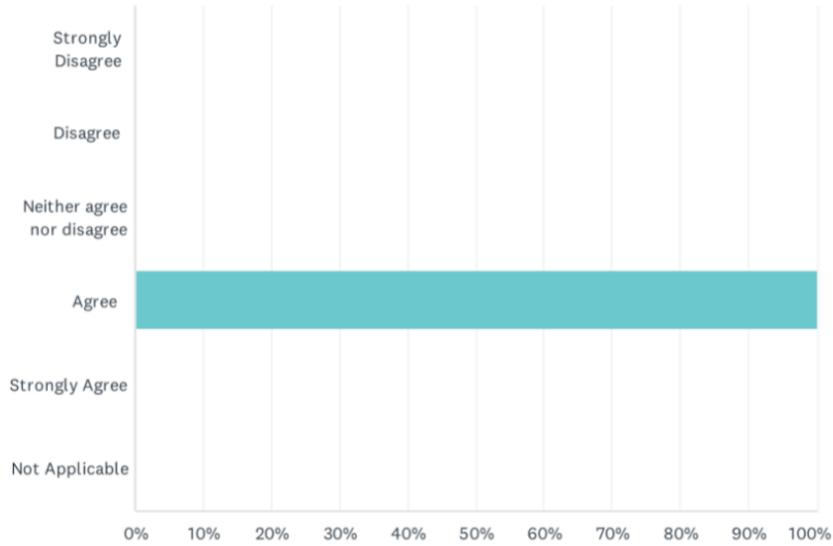
ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	0.00%	0
Agree	80.00%	4
Strongly Agree	0.00%	0
Not Applicable	20.00%	1
TOTAL		5

#	COMMENTS / SUGGESTIONS FOR IMPROVEMENT	DATE
	There are no responses.	

Audit and Risk Committee Self-Assessment 2022

Q40 I am satisfied that the Committee is provided with the opportunity to propose, and provide information relevant to, a review of the Council's strategic management plans, long term financial plan and annual business plan.

Answered: 5 Skipped: 0



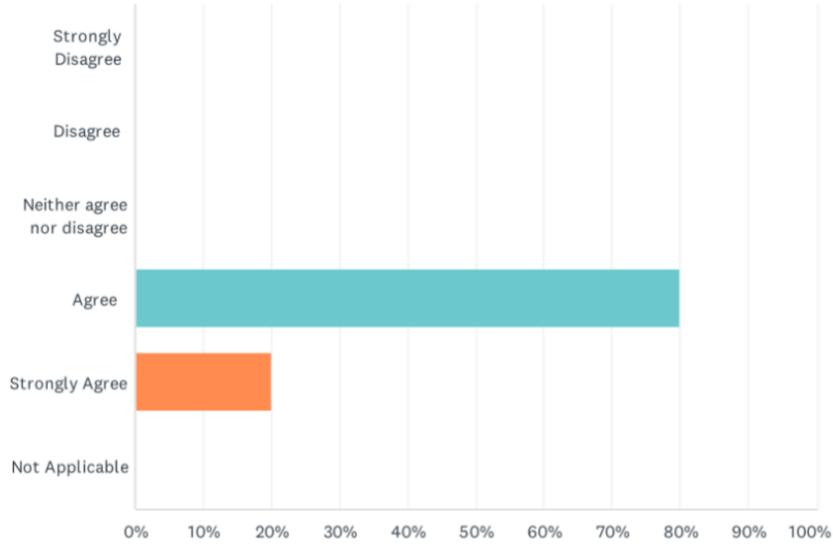
ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	0.00%	0
Agree	100.00%	5
Strongly Agree	0.00%	0
Not Applicable	0.00%	0
TOTAL		5

#	COMMENTS / SUGGESTIONS FOR IMPROVEMENT	DATE
	There are no responses.	

Audit and Risk Committee Self-Assessment 2022

Q41 I have satisfied myself that Council is meeting its fiduciary and legislative responsibilities.

Answered: 5 Skipped: 0



ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	0.00%	0
Agree	80.00%	4
Strongly Agree	20.00%	1
Not Applicable	0.00%	0
TOTAL		5

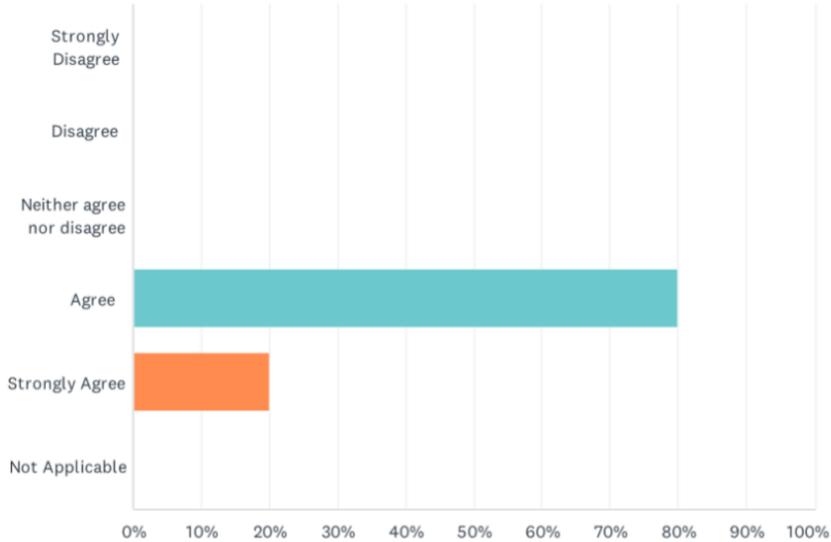
#	COMMENTS / SUGGESTIONS FOR IMPROVEMENT	DATE
	There are no responses.	

Item 7.1.3 - Attachment 1 - Audit & Risk Committee Self-Assessment 2022 - Survey Result

Audit and Risk Committee Self-Assessment 2022

Q42 An annual performance assessment of the Committee is conducted and any matters requiring follow-up are resolved.

Answered: 5 Skipped: 0



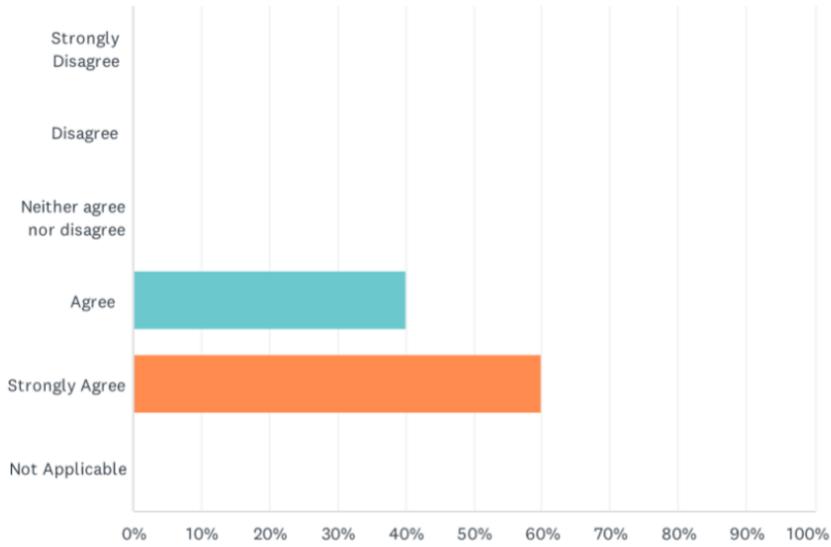
ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	0.00%	0
Agree	80.00%	4
Strongly Agree	20.00%	1
Not Applicable	0.00%	0
TOTAL		5

#	COMMENTS / SUGGESTIONS FOR IMPROVEMENT	DATE
	There are no responses.	

Audit and Risk Committee Self-Assessment 2022

Q43 I feel comfortable offering a professional opinion even if that may be different from other Committee members.

Answered: 5 Skipped: 0



ANSWER CHOICES	RESPONSES	
Strongly Disagree	0.00%	0
Disagree	0.00%	0
Neither agree nor disagree	0.00%	0
Agree	40.00%	2
Strongly Agree	60.00%	3
Not Applicable	0.00%	0
TOTAL		5

#	COMMENTS / SUGGESTIONS FOR IMPROVEMENT	DATE
	There are no responses.	

Item 7.1.3 - Attachment 1 - Audit & Risk Committee Self-Assessment 2022 - Survey Result

Q44 What do you consider is the Committee's greatest strength?

Answered: 4 Skipped: 1

#	RESPONSES	DATE
1	Make up (composition) covers broad range of disciplines with relevant experience and is respectful yet robust in its debating process.	██████████
2	Good diversity of membership (skills etc)	██████████
3	team work	██████████
4	Diversity of skills of committee members	██████████

Q45 Conversely, in your view what is the Committee's greatest weakness?

Answered: 4 Skipped: 1

#	RESPONSES	DATE
1	Not so much a weakness as a risk. So much information at times there is a risk of not seeing the wood for the trees of course. Perhaps also ensuring the focus is more on its remit (leaving management to manage) ... so getting clear about what is needed ... and ensuring that this is well understood by management. Art not a science!	[REDACTED]
2	It can be committee vs staff, and we need to work together to achieve	[REDACTED]
3	?	[REDACTED]
4	Clarity of communication by some committee members	[REDACTED]

Audit and Risk Committee Self-Assessment for 2022

Q46 As a member of the Audit and Risk Committee, what is your expectation of the Audit and Risk Committee on contemporary matters likely to influence the operations of Council business?

Answered: 4 Skipped: 1

#	RESPONSES	DATE
1	We are an advisory body ... an assurance body ... no less and no more than that. So I would expect to have influence in strategic decision making where there is inherent risk associated with that. Not a policy maker though.	[REDACTED]
2	Audit needs to be up to date with contemporary issues and matters	[REDACTED]
3	raise as part of meetings	[REDACTED]
4	To focus on existing but also emerging risks including ESG and cyber	[REDACTED]

Audit and Risk Committee Self-Assessment 2022

Q47 Any further Comments or Suggestions for Improvement not already covered in the sections above?

Answered: 2 Skipped: 3

#	RESPONSES	DATE
1	No thanks.	[REDACTED]
2	N/a	[REDACTED]

ITEM	7.1.4
	AUDIT AND RISK COMMITTEE
DATE	12 April 2023
HEADING	Draft Strategic Asset Management Plan 2023/24
AUTHOR	Manager Infrastructure Management, City Infrastructure
CITY PLAN LINKS	4.2 We deliver quality outcomes that meet the needs of our community 4.4 We plan effectively to address community needs and identify new opportunities
SUMMARY	Attached to this report is the Draft Strategic Asset Management Plan (SAMP) for 2023/24 which forms part of the 2023/24 Strategic Business Papers to be adopted for the purpose of Public Consultation in May 2023. This report gives a brief overview of the key aspects of the 2023/24 SAMP for review by the Audit and Risk Committee.

RECOMMENDATION

That Council:

- Notes that, in line with Section 126 (4)(ab) of *the Local Government Act 1999*, the Audit and Risk Committee considered the Draft Strategic Asset Management Plan 2023/24 as attached in the report (Item 7.1.3 - Draft Strategic Asset Management Plan 2023/24, Audit and Risk Committee – 12 April 2023)

ATTACHMENTS

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

- Attachment 1 - Draft Strategic Asset Management Plan 2023/24
- Attachment 2 - Graph 2 – Current service continuity expenditure by percentage

1. BACKGROUND

- Consistent with Section 122 (e) of the *Local Government Act 1999* Council has a Strategic Asset Management Plan (SAMP). The SAMP is one of Council's strategic documents, along with the Long-Term Financial Plan (LTFP) and City Plan Documents,
- The SAMP and LTFP are consistent and ensure that Council's assets are managed to deliver service continuity in a financially sustainable manner.
- The SAMP enables Council to consider what expenditure is required to manage, maintain and renew assets to deliver the approved levels of service and ensures that these requirements are tested for financial sustainability through the LTFP.
- It is critical that Council adopts a SAMP that not only explains the targeted levels of service and associated financial forecasts, but that is also financially sustainable.

1.5 Council adopted, as part of its Committee governance structure and Committee Terms of Reference (6 October 2020 (0715/2020) Amended 27 September 2021 (1098/2021)), that the Asset Management Sub Committee deals with operational asset matters as listed below:

- *“Review footpath, playground and streetscape policies for their appropriateness and currency, taking into consideration best practice and sector and other organisations’ approaches and provide recommendations for Council consideration.*
- *Consider the targeted levels of service for key asset classes, namely footpaths, playspaces and streetscapes, taking into consideration best practice in asset management, to ensure they match community expectations and are financially sustainable, and consistent across the city.*
- *Consider the priority of future and current works flowing from the relevant programs in the relevant Asset Management Plans.*
- *Review and provide recommendations to Council on relevant intervention levels for footpath reactive maintenance.*
- *Review and provide recommendations to Council on the Building Renewal Program.”*

1.6 The Service levels and responsibility for reviewing the SAMP fall within the remit of the Policy and Planning Committee Terms of Reference as detailed below:

“The Committee oversees the development and facilitation of strategic partnerships, the development, review and amendments of Council policies, plans, strategies and the development and review of strategic policies and procedures affecting the future development of the City by advising Council on:

- *Strategic Asset Management”*

1.7 The attached document is regarded as the next phase in moving Council from a condition/age-based asset management approach to a place-based asset management approach covering community-based levels of service and determining the level of renewal investment. This is discussed at length in the SAMP document attached.

1.8 Council formally reviewed four key asset classes (Roads, Drainage, Buildings and Playspaces) through 2022, approving levels of service and associated financial forecasts. The outcomes and expenditure from these reviews have been included in the 2023/24 Draft SAMP document prepared for public consultation in May 2023 which is reflected in the LTFP, and takes into consideration the City Plan, and subsequently form part of Council’s approved Strategic Papers for 2023/2024.

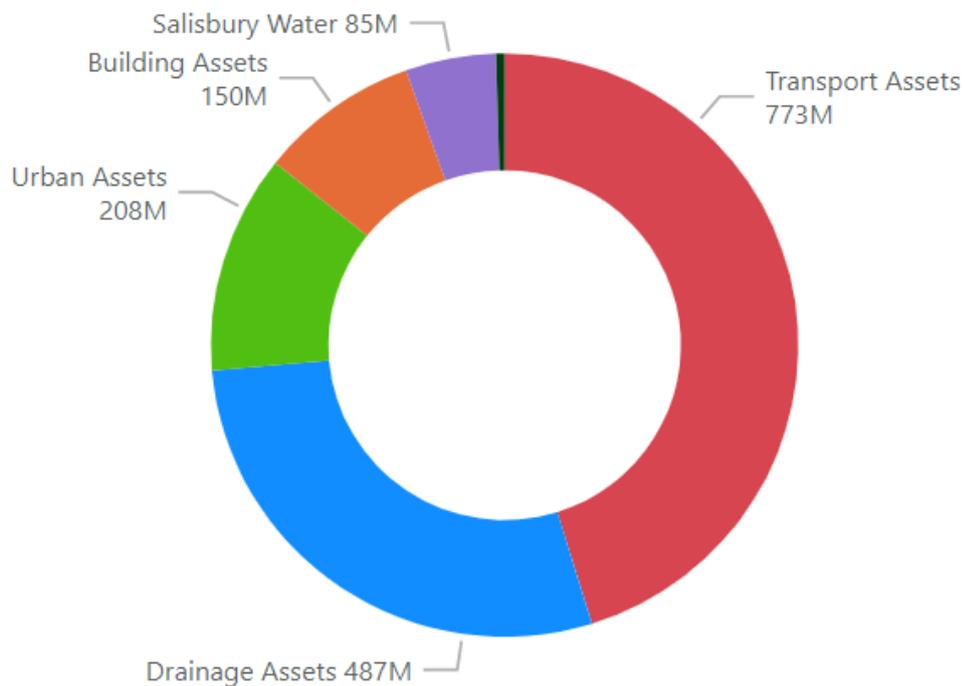
2. CITY PLAN CRITICAL ACTION

2.1 Innovation and Business Development – Future Planning – Review Council’s ‘Strategic Asset Management Plan’.

3. REPORT

- 3.1 The SAMP is the mechanism for Council to undertake a review of levels of service and the effect on the funding requirements to maintain the \$1.8 Billion of existing infrastructure assets and associated services for the City.
- 3.2 The SAMP has a twenty-year per-view, with a detailed focus on the next 10-year Service Continuity Program.
- 3.3 The assets are broken up into the following classes:

Graph 1 – Replacement value of Council’s assets by percentage



Within the Asset Classes are the major and minor assets. For example, Transport represents, Roads, Bridges, Footpaths, Kerbs, Shared Use Paths, and minor assets such as Traffic Control Lights & Public Lighting.

- 3.4 Further financial and associated Level of Service Modelling has been undertaken over the last 6 months, for each of the major asset classes, to ensure that as a result of significant increases in Capital Costs, that the retiming of renewal works results in sustainable service levels, and manageable asset risks. These modified financial forecasts were then incorporated in the SAMP renewal programs and the LTFP.
- 3.5 As noted above Council approved the Community Based Levels of Service for Roads, Drainage, Buildings & Playspaces over the last twelve months, that represent the key assets of value, within each Asset Class. Roads represent \$560M of the \$900M for Transport Assets; all of Property and Buildings was considered \$150M with some recent buildings yet to be incorporated into the Building Asset Portfolio (these will be taken up through 2022/23 and 2023/24 including Burton Community Centre, approximately \$7M, and in the future the Salisbury

- Recreation Precinct, likely to be \$30M); all of drainage was considered \$560M, and Playspaces represent \$60M of the \$90M in Parks and Open Space.
- 3.6 In total this represents 70% of the total value of Council's Infrastructure Assets. This has given the Council confidence to develop sustainable renewal programs based on expenditure that meet the Community's levels of service expectations.
 - 3.7 Renewal expenditure in these programs are managed over a 10-year period and can be adjusted up and down, but ensure the 10-year average of 100% financial sustainability is maintained.
 - 3.8 Council has a process to undertake an assessment of Community Based Service Levels as approved 15 March 2022, Council Report ASMC 3 – Strategic Asset Management Plan – Schedule which includes:
 - 3.8.1 Auditing and Valuation of an Asset Class.
 - 3.8.2 Defining of Hierarchy for an Asset Class.
 - 3.8.3 Defining the Criteria for assessment of the Assets by Hierarchy, which may include elements such as location, condition and age to determine renewal expenditure.
 - 3.8.4 These Hierarchy and Criteria are presented, discussed and endorsed at the Asset Management Sub-Committee, then approved by Council.
 - 3.8.5 The Hierarchy and Criteria are then modelled across the Asset Classes to determine the renewal expenditure to meet the Hierarchy and Criteria agreed to by Council.
 - 3.8.6 Often this can be an iterative process to ensure that the Renewal Expenditure is sustainable, yet still meets the Community Based Levels of Service.
 - 3.9 It is proposed, as set out in the Asset Management Improvement Plan in the SAMP, that Footpaths, Irrigation, Public Lighting and Street trees will be examined by Council to determine the sustainable Community Based Service Levels over the next 12-18 months. Further work will also be done on playspace levels of services following completed audits.
 - 3.10 The completion of the additional Asset Service Level assessment, to be based on Community Based Service Levels, will complete 85-90% of the Infrastructure Asset Portfolio, in value, and allow the Council to have a mature level of confidence that the Renewal Expenditure meets the service needs and expectations of the Community. The Historical understanding of the Community Based Service Levels, and good long-term financial management has allowed Council to date to balance Renewal Expenditure with the creation of New Service Provision through new assets.
 - 3.11 Over the last 3 years Council undertook a significant increase in Capital expenditure, under a positive program to support business and construction industries through the COVID 19. This increased expenditure was mainly as a result of bringing forward already planned work, and securing Federal and State Government Grants. This plus significantly increased costs to deliver asset related work, has reduced some of Council's capability to fund new Capital.

- 3.12 The SAMP, which now includes Levels of Service adopted by Council for key asset classes, has been developed and now tested for financial sustainability through the draft Long-Term Financial Plan (LTFP).
- 3.13 The overall service continuity expenditure in the Capital Works Program is depicted in attachment 2, Graph 2 – Current service continuity expenditure by percentage.
- 3.14 From a financial perspective the graph shows a combination of renewal, upgrade and new capital expenditure, as this is what is required to deliver Council’s approved service levels at specific locations/ assets. The costs also reflect market construction rates at the time of preparing the SAMP.
- 3.15 To provide for some new Capital expenditure, in some cases the renewal programs have been retimed. This has meant that the asset renewal programs have been reduced to 90% for years 1 to 4 of the SAMP, while ensuring it averages out at 100% over years 1 to 10. Any increased asset related risk associated with this temporary funding reduction has been assessed and can be managed.
- 3.16 The reduction in renewal funding for Building and Transport expenditure has been achieved by absorbing market inflationary price increases. This has been adopted for the next 4 years, noting that the modelling of Condition of the Roads (Pavement and Surface) and the Condition of the Buildings does not substantially change provided there is a significant increase in renewal expenditure to maintain the 10- year average in years 5 to 10.
- 3.17 In other words, these changes have been modelled with no overall significant reduction in Community based levels of service, or risks arising that are unmanageable.
- 3.18 This is shown graphically above, noting that the approved Renewal Programs, with Community Based Services Levels are in Dark Blue. With the programs for Buildings, Roads, Drainage & Playspace being \$15.8M and gradually increasing to \$19.6M, offsetting the minor reductions in the next 3 to 4 years.
- 3.19 The Second Area in Light Blue ranging from \$10-\$11M is the Renewal Program Expenditure for Infrastructure that have not had Community Based Service Level reviewed and not yet finalised through Council, as discussed above.
- 3.20 Council has a number of ongoing programs, (in orange below), such as the School Transport Framework, Bus Shelter Renewal/Upgrade program, New Footpath program that create new services and assets and improve safety for the Community.
- 3.21 It is noted that there are a number of critical programs, for example, the changeover of Irrigations controllers from 3G to 4G, (Pink), and the need to replace Pratt Avenue Bridge (Light Blue), which are included in the graph below, shows the tightness of the LTFP, which has been discussed through the Budget Bid process.
- 3.22 It is noted that the SAMP is called “Draft” as it will need to be updated once the Public Consultation process is completed and Council has considered any community feedback for either the SAMP or the 2023/24 Budget. At which point in time the graphs in the document will be adjusted accordingly. However, unless Council determines to make major service level changes that affect the Renewal

Programs or increase existing ongoing programs it is expected that these changes will be minimal.

- 3.23 The SAMP includes a Risk Register, which shows how Council is considering various elements of Risk related to each Asset Class. It is noted that the two risks considered as “high” are currently being addressed through audits and programs being implemented and/or developed that will see these risks reduced in the next 2 to 3 years.

4. CONCLUSION / PROPOSAL

- 4.1 The 2023/24 SAMP that is attached continues the Council’s Asset Management Journey, having now Community Based Service Levels completed for 70% of the Asset Portfolio.
- 4.2 The SAMP presents the levels of Renewal Expenditure that meets the Community’s needs and expectations over a 10-year period, with minor reductions in Roads and Buildings over the next 4 years, recovering that expenditure in years 5 to 10. This has created a small amount of funding for new or unplanned expenditure.
- 4.3 The SAMP includes an Asset Management Improvement Plan, that outlines the timeframes for the assessment of Community Based Levels of Service for the next 4 Asset Classes through 2023/24 including: Public Lighting, Footpaths, Irrigation & Street Trees. This will enable Council to further refine the Service Levels and subsequent Renewal Expenditure to meet the Community Needs.
- 4.4 The SAMP Risk Register, continues to reduce, with over 30 risks eliminated over the last 5 years, with the two risks considered as “high” currently being addressed through audits or renewal programs currently underway.
- 4.5 The formal request for adoption of the Draft SAMP will be presented to the Policy and Planning Committee in April 2023 for Public consultation, with the SAMP details to be finalised after the public consultation.



Item 7.1.4 - Attachment 1 - Attachment 1 - Draft Strategic Asset Management Plan 2023/24

DRAFT

Acknowledgement of Country

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

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Executive Summary

The City of Salisbury is responsible for the acquisition, operation, maintenance, renewal and disposal of an extensive range of \$1.8B of Assets, which enable Council to provide a wide range of Services to the Community.

Major assets include land, buildings, parks, recreation areas, roads, footpaths, drainage systems and provide service essential to our community's quality of life.

This Strategic Asset Management Plan (SAMP) takes the organisational objectives in our strategic plans, reviews how the Community receives and uses the service and whether the organisation is providing community value.

The SAMP takes into account Key Legislative & Risk Mitigation such as:

- Universal Access (DDA)
- Ability inclusion
- Road Safety Framework linking to the School Framework
- Climate change

This Strategic Asset Management Plan (SAMP) considers the Community Expectations/Council Directions & Strategy with respect to improved levels of service in a number of areas:

- Verges and street trees
- Urban spaces (universal design)
- Playspaces and facilities (inclusive design)
- Path lighting (improved light levels to improve community safety)
- Shade
- Irrigation areas increased
- Playing surfaces
- Sportsfield lighting (improved light levels and management)
- Community and club room event spaces

This Plan is the next step, from the 2022/23 SAMP, in that Council has approved Community Based Levels of Service & Asset Hierarchies for Roads, Drainage, Buildings, with Playspaces asset management, at an interim phase (70% of the Value of Assets in the City). Council has adopted renewal expenditure across these asset classes to meet the endorsed levels of service, ensuring that the Council's renewal programs are financially sustainable, and deliver intergenerational equity. As outlined later in this document, Council has a significant number of asset

classes still to be reviewed, such as public lighting, footpaths, irrigation and street trees, to develop community-based levels of service and hierarchies and subsequent funding options to meet community expectations in a sustainable way. Council is engaged in an asset management improvement process to further review structure and hierarchy of key asset classes and subsequent community levels of service. It is expected that Council will review all levels of service and subsequent renewal expenditure across all asset classes late in 2023, once the further review work is undertaken.

In other words, Council builds infrastructure to provide a quality of service that the community needs, that Council can afford to maintain and renew and replace in years to come.

Strategic issues

Council is developing a Sustainability Strategy, finalising a Place Activation Strategy and facilities management model that will set out the long-term investment in Building and Infrastructure across the City. Similarly, there will be significant investment in infrastructure, including regional drainage systems in the west of the City to support industry and community facilities. This is particularly relevant for the development of up to 15,000 dwellings on the salt fields site, noting the need for complimentary private and state government investment. Whilst not included in the SAMP, which focuses on service continuity, the total capability of Council to fund their component of new work needs to be considered together with the capacity of Council to fund the increases in levels of service. We aim to continuously improve the age friendliness and inclusiveness of our assets.



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Strategic Asset Management Plan 2023/24

Current situation

Asset Managers have been moving from Condition based to a Service Continuity based Asset Management Planning. They have been working closely with Council to determine the Community's Expectations and Levels of Service for key asset classes, which will be reflected in the Asset Management Operational Plans and the subsequent projects currently under construction and in the budget for 2022/23. Council is working through a confirmation process of the Asset Structures and Hierarchy and Levels of Service to ensure that the upgrade component of the renewal program is financially affordable and sustainable in the long term, particularly with respect to current inflationary pressures, which is seeing the cost of construction and raw materials increase by in some cases over 20%.

Community Based Service Levels and Asset Hierarchies have been approved for Major Asset Classes, outlined later in the document, with work to be undertaken over the next three years to assess further Asset Classes, together with the existing Asset Classes to ensure financial sustainability and service levels are achieved. These Asset Classes are detailed in the Asset Improvement Plan later in the document.

Financial implications

The SAMP is in line with the Long-Term Financial Plan, however because of the increases in Levels of Service in some classes, developed over the last three years, working with the Council, the cost to renew or build new to meet these levels of service, has increased substantially.

Council is required to manage its assets in a financially sustainable manner. This means that Council must understand the costs to maintain and renew its existing asset portfolios to continue to deliver the targeted Levels of Service and on top of these provide for growth and new services as identified by the Council to meet community needs and expectations.

Council has maintained the average expenditure for renewal of key assets over the 10 year period of this SAMP. However, a number of renewal programs are reduced in years one to four and increased in years five to 10 to maintain the average renewal spend that frees expenditure for other City Plan projects in the first four years, as outlined in the Long Term Financial Plan (LTFP).

Strategic Asset Management Plan 2023/24

Executive Summary Preliminary Cost Estimates (subject to confirmation of the budget and LTFP)	(\$000)
10 year total cost [10 yr Ops, Maint, Renewal and Upgrade Proj Exp]	\$1,033,203
10 year average cost	\$103,320
10 year total LTFP budget [10 yr Ops, Maint, Renewal and Upgrade LTFP Budget]	\$1,033,203
10 year average LTFP budget	\$103,320
10 year AM financial indicator	100%
10 year average funding shortfall	\$0



Strategic Asset Management Plan 2022

Opportunities

Council has been working through an Asset Management Improvement Plan (AMIP) since 2018 with initial phases completed to improve the accuracy of the asset register and move to field mobility and electronic work orders. Future phases of the AMIP have been identified to further improve asset management with key objectives identified and reported to internal stakeholders.

Risks

Risks previously identified in the Asset Risk Register have been reviewed and updated with most risks having been mitigated or eliminated over the last four years, particularly with the improvement in Asset and Maintenance Data, through the introduction of Tablets and Asset Based Costing in the Field allowing asset managers real time data and analysis of the assets.

There is a significant challenge with balancing the community's expectation of service levels and Council's long term financial sustainability. This will be mitigated by increasing the level of understanding within the community in regards to cost associated with changes in levels of services and balancing service levels between asset categories.

In undertaking the confirmation process of Levels of Service over the next three years, Council will strengthen the overarching view of the asset renewal program and consider the value of each service against another. Having completed sign off by Council of the first four asset classes, this has significantly mitigated the risk associated by considering each Asset Class independently of funding increases or reductions and expectations by the community with respect to the Levels of Service provided by the whole asset portfolio of \$1.8 billion.

Asset management approach

Council has introduced a new Sub Committee focused on Asset Management and progressing from asset centric based asset management to service based asset management.

Council recognises that the SAMP is an integral part of the Strategic Management Plans of the Council including the City Plan and Long Term Financial Plan. The SAMP is also cognisant of other key Council Strategies such as the Sustainability Strategy, Place Activation Strategy & Integrated Transport Plan, Growth Action Plan, Age Friendly Strategy and the Ability and Inclusiveness Strategy.

The key outcomes from the SAMP include:

- Increases in operating for buildings as Council continues to improve levels of service for its Community facilities.
- The confirmation of Community Based Levels of Service for Roads, Drainage and Buildings and associated Funding
- The maintenance of the current Renewal Program for Playspaces, awaiting the Audit and Valuation outcomes in mid 2023/24, with no upgrades in 2023/24 but a focus on redeveloping our play spaces to meet contemporary design standards.
- The maintenance of existing renewal funding for other Asset Classes until Audits and Valuations are completed and discussed with Council through the Asset Management Sub-Committee.

The next steps

The draft SAMP is recommended to Council, for public consultation, in line with the long term financial plan, noting that all graphs and tables outlined below will be modified once the LTFP has been finalised. Once these comments have been received and any adjustments made, the updated SAMP will be recommended to Council for endorsement expected in June 2023, noting the 2024/25 SAMP will be developed in late 2023.



Strategic Asset Management Plan 2022

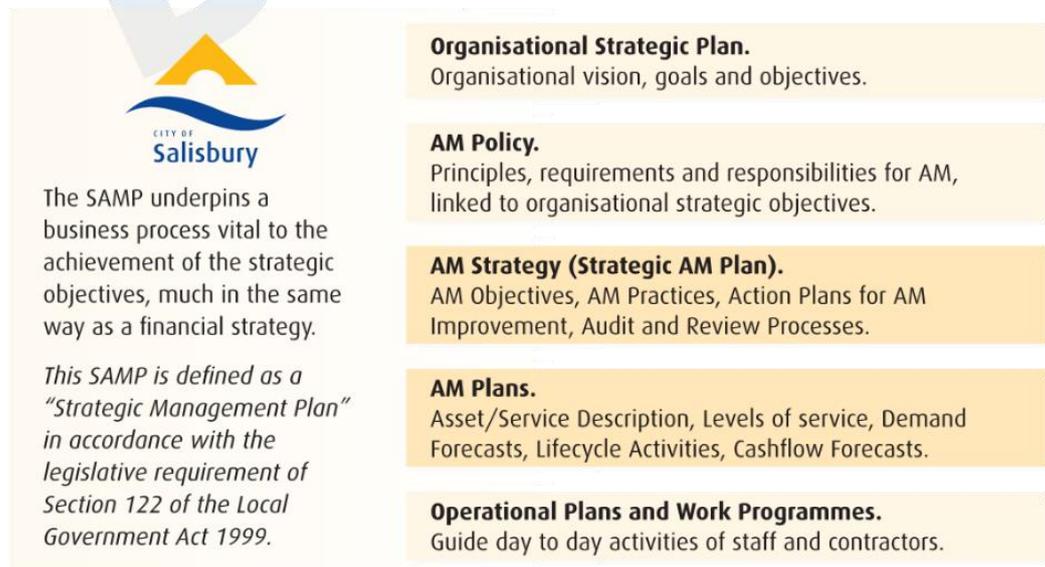
1. Introduction

The Strategic Asset Management Plan (SAMP) “includes documented information that specifies how organisational objectives are to be converted into asset management objectives, the approach for developing asset management plans and the role of the asset management system in supporting achievement of the asset management objectives”¹.

This SAMP is an integral part of the organisation’s planning framework. This includes the organisational strategic plan, asset management (AM) policy, AM strategy/SAMP, AM plans for individual portfolios and operational plans and work programs. There is a clear alignment from the organisational vision and objectives, AM policy, AM objectives, AM plans, operational plans, work programs through to performance measures as shown in **Figure 1**.

This SAMP is defined as a “Strategic Management Plan” in accordance with the legislative requirement of Section 122 of the Local Government Act 1999.

Figure 1 - Asset Management Planning Framework



Source, IIMM Fig 4.2.2, p 4|22.,

¹IPWEA, 2015, IIMM, Sec 4.2.3, p 4|28.

1.1 Scope of Asset Management System

1.1.1 Asset Management System

The AM system is “the set of inter-acting elements of an organisation to establish AM policies and objectives, and processes to achieve those objectives”².

The AM system is applied to the delivery of AM objectives services/products from the following asset portfolios with additional detail in section 3.1.

- Drainage and Waterways
- Urban Assets – including parks and Streetscapes
- Street Trees
- Public Lighting
- Transportation
- Property and Building
- Salisbury Water
- Plant and Fleet
- Information Technology (to be developed).

The AM system scope is determined after consideration of:

- AM objectives
- External and internal issues relevant to the purpose of the organisation
- Community Expectations and

requirements

- Interaction/linkages with other management systems
- Criteria for AM decision making³.

1.2 Purpose and Structure of Asset Management System

The AM system is to assist the organisation achieve its AM objectives. It includes “all the functions, people, processes, information and tools that deliver AM objectives”⁴. The AM objectives are the results to be achieved from the AM system. AM objectives are guided by organisational objectives and the AM policy and drive AM practices undertaken by the organisation⁵.

The AM system structure includes

- AM Policy (Developed and Approved through the Asset Management Sub-Committee, or existing programs previously in place)
- AM Operational Plans for the asset portfolios
- Integration of AM processes, activities and data with other organisational functions including levels of service KPI’s and subsequent service delivery, quality, financial and asset accounting, risk management,

Strategic Asset Management Plan 2022



- Reporting of AM objectives (Levels of Service) and resources needed to achieve the objectives in annual budgets
- Reporting of AM objectives achievements in annual reports.

1.3 The SAMP and our Planning Framework

The SAMP is an integral component of our planning framework. It is linked to the Organisation's other strategic documents, including the LTFP and City Plan 2035 and sets the structure for AM Operational Plans for included asset portfolios. The AM Operational Plans are linked to the Strategic Asset Management plan which forms the basis for development of annual budgets to deliver agreed levels of service for available resources. The annual budget sets the framework for annual work plans and division and staff performance targets.

Figure 2 shows how the AM system integrates within our planning framework.

² IPWEA, 2015, IIMM, Sec 2.1.1, p 2|3.

³ IPWEA, 2015, IIMM, Sec 2.1.1, p 2|3.

⁴ IPWEA, 2015, IIMM, Sec 2.1.1, p 2|3.

⁵ IPWEA, 2015, IIMM, Sec 2.1.3, p 2|13.

Figure 2 - Strategic Asset Management fit in Asset Planning Process



Strategic Asset Management Plan 2022

1.4 Asset Management Objectives

The City of Salisbury's Asset Management Objectives is to deliver and manage assets to Achieve the City Plans Vision of a progressive, sustainable connected community.

The AM objectives are developed from our strategic plan and:

- Review of risks including the potential impacts from failure of:
 - Assets from a Material/Structural Perspective, or
 - AM activities, (Quality or Level of Renewal and Maintenance) which prevents Council from Achieving their agreed to Levels of Service for the Community, both individually or in combination
- Review of the importance of assets related to their intended outcomes, objectives and product or Community Experience levels of service requirements
- A check on the applicability of AM objectives during the AM planning process⁶.

AM objectives are specific, measurable, achievable, relevant and time bound. AM objectives are developed in Section 4.

AM plans are to be formulated and documented to achieve the AM objectives. This includes documentation of decision making criteria, processes for managing the complete life cycle of assets, addressing risks and opportunities, activities to be undertaken, resources, responsibilities, timelines, performance criteria and financial implications⁷.



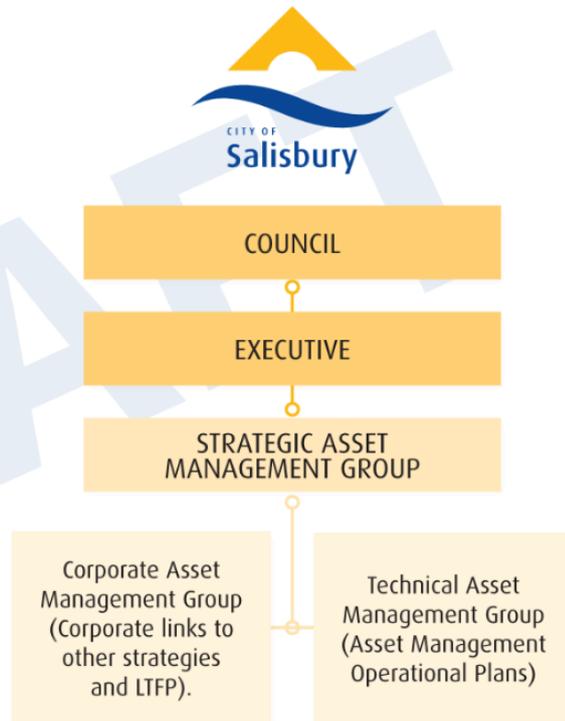
⁶ ISO 2014, ISO 55002, Sec 6.2.1, p 9

⁷ IPWEA, 2015, IIMM, Sec 4.2.3, p 4|29.

1.5 Responsibility for the SAMP

The Manager Infrastructure Management is responsible for development and maintenance of the SAMP. The SAMP is reviewed at regular intervals and presented to the Strategic Asset Management Group (SAMG), Executive (EXEC) and then to Council.

The Strategic Asset Management Group comprises of a select group of senior staff and reports directly to the Executive group. Additional internal working groups report to SAMG to deliver continuous improvement, develop and review Asset Management Operational Plans, service levels, asset structures and ensure ongoing general asset management planning.



1.6. SAMP Planning Horizon

The SAMP has a planning horizon of 20 years, it is based on detail in Asset Management Operational Plans (AMOP) which has been updated and revised with updated AMOPs to follow as part of the Asset Management Improvement Plan (AMIP).

Like the other Strategic Management Plans of Council, the SAMP has a life of four years or as required when there is a major change in Strategy. It is expected, that because of the significant number of Asset Classes to be reviewed and analysed, to determine Community Based Levels of Service and Hierarchies, the SAMP will be updated each year over the next four years.

2. Strategic Organisational Context

This section details the Strategies of the organisation over the period of the plan and presents options for addressing those issues including those that cross all parts of the organisation as they are likely to impact on our ability to achieve our AM objectives.

2.1 Alignment to City Plan 2035

City Plan 2035 contains a vision for Salisbury to be 'a progressive, sustainable and connected community'. It has three directions that capture the social, environmental and economic influences on Salisbury, and one direction that addresses factors within the organisation itself.

Several 'Foundations' are then identified for each of the 4 directions. Council has determined that these Foundations are the goals that we will seek to achieve for Salisbury. They are supported by critical actions that outline the Council's priority deliverables over the life of the plan.

Our critical actions range from operational and site-specific projects that will have immediate impact, to strategic objectives that will guide how and what Council achieves in the longer term.

Key critical actions that are linked to this Strategic Asset Management are listed on the following page.



A welcoming and liveable City	
<p>Strategic Projects</p> <ul style="list-style-type: none"> • Upgrade community hubs at Burton and Ingle Farm • Implement St Kilda and Paddocks masterplans • Complete the Bridgestone athletics facility and maximise its use • Enhance the visual appearance and amenity of public space through an expanded verge maintenance program, appropriate lighting and more greening of reserves • Improve our playgrounds and sporting facilities and cycle paths • Implement the 'Ability Inclusion Strategic Plan', including providing more equipment in our playgrounds that is able to be used by people with different abilities. 	<p>Operational Focus</p> <ul style="list-style-type: none"> • Improve quality and cleanliness of residential areas • Promptly remove rubbish dumped on public land • Implement Council's community safety strategy, including CCTV coverage • Ensure public spaces are accessible [and sporting facilities are maintained • Provide support and grants to sporting and community groups • Deliver Council's intercultural Strategic Plan to build connections and increase collaboration among community groups and service providers.
<p>Future Planning</p> <ul style="list-style-type: none"> • Develop a place activation strategy • Assess future social infrastructure needs • Update the 'City Pride' strategy. 	<p>Advocacy Priorities</p> <ul style="list-style-type: none"> • Increased resourcing and services to make our community a safer place • Improve public transport options.

Strategic Asset Management Plan 2022

A Sustainable City	
<p>Strategic Projects</p> <ul style="list-style-type: none"> • Replace all Council-owned street lights with energy-efficient lighting • Improve the environmental performance of Council buildings • Enhance our biodiversity corridors along Dry Creek and Little Para River and other environmentally sensitive areas such as coastal mangroves. 	<p>Operational Focus</p> <ul style="list-style-type: none"> • Use recycled or re-used materials where possible in construction and maintenance programs • Adopt practices and infrastructure that make the City cooler in an increasingly warm climate • Stabilise major creek lines and banks to improve biodiversity and reduce scour and silting • Manage and plan assets so they are resilient to a changing climate.
<p>Future Planning</p> <ul style="list-style-type: none"> • Review Council’s sustainability strategy to include waste and energy management, cooler suburbs, biodiversity and water • Complete the Dry Creek Stormwater Management Plan to protect the City from flooding • Develop a business case to showcase good design techniques that improve the environmental performance of housing and streets. 	<p>Advocacy Priorities</p> <ul style="list-style-type: none"> • Integrate urban water planning.

A growing City that creates new opportunities	
<p>Strategic Projects</p> <ul style="list-style-type: none"> • Enhance the Salisbury City Centre by upgrading Church and John Streets and attracting investment by the private sector into surplus Council sites • Deliver a residential development program by using surplus Council land. 	<p>Operational Focus</p> <ul style="list-style-type: none"> • Support new and existing businesses and industries to grow and create jobs • Improve infrastructure, signage, safety, streetscapes and upkeep of commercial and industrial areas to support economic sustainability and growth. Improve parking in Salisbury City Centre and Mawson Lakes Central, business and recreation precincts.
<p>Future Planning</p> <ul style="list-style-type: none"> • Develop a structure plan for the land west of Port Wakefield Road to open up new development opportunities while preserving the existing character of Globe Derby and St Kilda. 	<p>Advocacy Priorities</p> <ul style="list-style-type: none"> • Redevelopment of the Salisbury and Mawson Lakes Interchanges • Improvements to east-west roads including increasing the capacity and safety of Kings Road and Waterloo Corner Road, duplication and extension of Elder Smith Road and road/rail grade separation of Park Terrace & Kings Road • Edinburgh Parks to be business ready as a modern industrial area with efficient freight routes to the Northern Connector, fast digital connectivity and access to alternative energy sources and recycled water.

Strategic Asset Management Plan 2022

Innovation and Business Development	
<p>Strategic Projects</p> <ul style="list-style-type: none"> • Upgrade Council’s Operations Centre at Cross Road to support business transformation • Deliver Council’s Covid-19 response package. 	<p>Operational Focus</p> <ul style="list-style-type: none"> • Improve how we use data to better inform decision making • Continuous improvement program.
<p>Future Planning</p> <ul style="list-style-type: none"> • Review Council’s ‘Strategic Asset Management Plan’. 	<p>Advocacy Priorities</p> <ul style="list-style-type: none"> • Develop deeper and more effective relationships with government agencies and other organisations to progress the priorities identified in this City Plan and its supporting strategies.



2.2 Services Provided

We provide essential services to the 142,500 residents, visitors and businesses in the City of Salisbury community including:

- Integrated Traffic Network of 900 km, including major off-road pedestrian cycling network in 50% of the City.
- Stormwater Flood management network that provides up 99% of homes flood proof to a one in 100 year event.
- 165 local, 32 District and six regional reserve/play spaces.
- A Hub model which is being implemented across the City, which will see a reduction in the number of facilities, but an increase in service offering at a district level, providing Community Services including locating of neighbourhood centres, libraries and senior services and wellbeing services.
- Council Leases 120 Facilities to Clubs and Associations to deliver Sports and Recreation Across the City.

These services are an essential component to the liveability and economic prosperity of the community.

2.3 Our Community

We provide services to a range of customers and community users. These include:

- Residents
- Visitors staying in the area
- Businesses and industry within the area, and
- Business and industry users and visitors passing through the area.

“Our challenge is to provide the services needed by the community at an appropriate level of service at optimum life cycle cost that are financially sustainable.”

Strategic Asset Management Plan 2022

2.4 Strategic Challenges & Opportunities

2.4.1 Place Making:

Council, in providing “Exceptional Community Experience”, is transforming its Asset Management Planning Processes from an “asset centric” approach to a “service approach”, with a focus on place and destination. This will enable service levels and associated budgeting to be focused on providing a service in a place or destination which includes grouped assets.

2.4.2 Climate Change:

Council is continuing to revise its models with respect to Climate Change, particularly in the Drainage area. This has meant a continuation of the Major Flooding Program, and Stormwater Management Plan development as the Australian Rainfall and Runoff Guidelines continue to be modified to include changes in weather patterns, particularly with the increase in intensity of storms and levels of storm surge. The extended duration of Heat Wave events (greater than 10 days above 38) also has a direct effect on the road condition with the durability of asphalt compromised as loading occurs during more regular high heat periods, not allowing the road to rest, and subject to higher levels of brittleness & cracking.

2.4.3 Socio-Economic Conditions:

With the reduction in yard size across the City, Council has recognised the need and increased the availability of public irrigated space and playgrounds having completed \$6-7M of upgrades over the last 4 years.

Similarly, it has recognised the Streetscape (Street trees, verges and footpaths) now as a key aspect of the Communities recreational area. Understanding of the Hierarchy of the Communities Destinations and Links to these destinations has changed Council’s approach to Asset Management. This has meant that Council has continued to increase the level of service for the community in these areas, particularly around the improvement and upgrade of the quality of Council facilities, such as Burton Community Hub. Similarly, link Infrastructure such as shared use paths, footpaths and associated lighting has also significantly increased, with \$5M on the path networks over the last 3 years.

2.4.4. Schooling Changes:

The State Government has completed the move of year 7's to high school, with \$5M of work being undertaken by Council. However, there has been a significant increase in Early Learning Centres in and around the primary school precincts and significant ongoing growth in a number of public and private schools, which means there is a further \$2M of priority works over the next 6 years. Council has developed a School Framework, that will continue to deliver the capital program, for transport and pedestrian safety works. Similarly, Council, whilst not receiving any financial support has developed a program to upgrade and redevelop bus stops, including bus pads, footpath connections and the replacement of old bus shelters, particularly to address universal access needs.

2.4.5 Demographic Change

Table 1 - Demographic Change and Demand Impact

Item	Present Position	Expected Position	Demand Impact
Population & Demographics	142,555	153,520 by 2036	<p>The City Plan 2035, initial expectations show no significant changes in Demographics, with the general trend being to an older population.</p> <p>This will have to be reassessed if and when the Salt Fields Development comes on line as a major project.</p> <p>Current demographic modelling predicts a significant increase in the proportion of retirement age from 2016 and 2036.</p> <p>This highlights the need for increases in universal access and inclusion with an additional focus on the diversification of Salisbury's population.</p> <p>Participation particularly in women's sport is significantly increasing the requirements of Council's sporting facilities and functional requirements. Whilst, the SAMP does not include "NEW" works it does include the upgrade of Changerooms to Modern Equivalent, which often includes reconfiguration and increases in Changeroom requirements, which puts budgetary stress on the Building Renewal Program</p>

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Council is seeing a clear change in areas such as Para Hills and Salisbury North as the original landowners are aging and moving out, which is meaning that there is now becoming a significantly different suburb demographic. Similarly, Salisbury’s population continues to diversify with the ongoing increase in migrants into the area, which challenges how best to meet specific community services in the area. An excellent example of this is playgrounds, that were built in new estates, 20 years ago, were built for the young family, needs upgrading to meet the needs across all ages, for example the inclusion of basketball courts etc. for youth. Council has significantly improved the Community Level of service in this area to increase availability of Playspaces but also investing more to diversify the type of recreation elements. This is a major challenge with District and Regional Facilities to continue to be redeveloped to include Universal access and be suitable to meet a wider range of demographic needs.

Figure 3 – Population Forecast

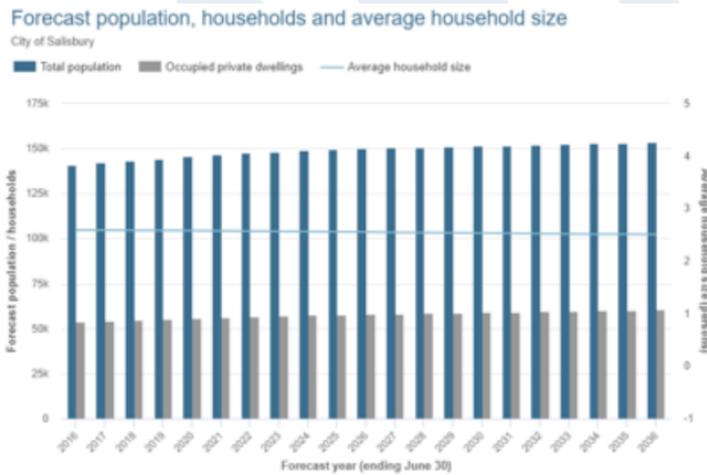
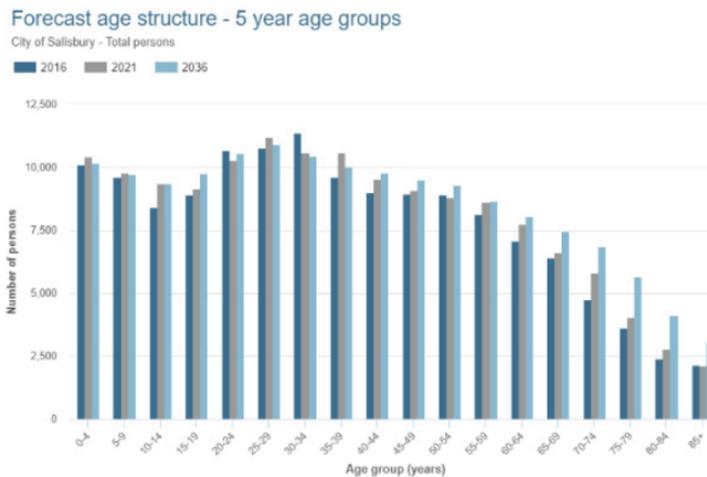


Figure 4 – Forecast age structure 2016 to 2036



2.4.6 Legislative Requirements

Major legislative requirements are detailed in **Table 2** together with expected changes that may impact future operations.

Table 2 - Legislative Requirements

Legislation/Regulation	Major requirement
All portfolios	
Local Government Act	Sets out role, purpose, responsibilities and powers of local governments including the preparation of a long term financial plan supported by asset management plans for sustainable service delivery. Council is required to have an adopted plan covering a period of at least 4 years which meet the requirements of Section 122 of the Local Government Act 1999 for "strategic management plans".
Australian Accounting Standards	Set out the financial reporting standards relating to. Inter alia, the (re) valuation and depreciation of Assets.
Work Health & Safety Act 2012	To secure the health, safety and welfare of persons at work. To eliminate, at their source, risks to the health, safety and welfare of persons at work. To protect the public against risks to health or safety arising out of or in connection with the activities of persons at work, or the use of operation of various types of plant.
Disability Discrimination Act (DDA)	To ensure, as far as practicable, that persons with disabilities have the same rights to equality before the law as the rest of the community. <i>Council has adopted a more "Universal & Inclusive" aligned approach to infrastructure delivery. As per the discussion regarding adult change facilities this has significantly increase the cost to build and maintain Council's Regional facilities.</i>
Transportation	
Civil Liability Act, 1936	Liability of road authorities - Section 42, May 2004 inclusion in the Act to provide a replacement for the nonfeasance defence consequent to May 2001 High Court judgement.
Code of Technical Requirements for the Legal Use of Traffic Control Devices	Details the design and construction parameters to which traffic management devices installed by City of Salisbury must comply.
Highway Act 1926	Set out the Legislative framework for drainage of roads and road authorities' In SA.
Land Administration Act, 2002	Standard for land acquisition and management of land.
Road Traffic Act 1961	Contains powers for City of Salisbury to install and remove traffic control devices.
Water Resources Act 1997 (Department of Environment and Water)	Regulates Resource Management , e.g. requires 'Water Effecting Activities' permits for Diversions (harvesting), dams, bores etc.

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Legislation/Regulation	Major requirement
Native Vegetation Act 1991	The Governor considers that the regulation should be made in order to enhance the preservation or management of an area that includes significant native vegetation, or in order to assist in the provision of a significant environmental benefit.
Community Land Management Act	Section 194 The Act places obligations and responsibilities on City of Salisbury to manage community land for the current and future benefit of the community.
Land Administration Act, 2002	Standard for land acquisition and management of land.
Streetscapes	
Sewerage Act 1996	The design and safety conditions to meet the Act.
Details species, location and damage responsibilities	Details species, location and damage responsibilities.
Electricity Act 1996	The design and safety conditions to meet the Act.
Property & Buildings	
Building Code Australia	The design and safety conditions to meet the Code.
Disability (Access to Premises - Buildings) Standards 2010	These Standards set performance requirements and provide references to technical specifications to ensure dignified access to, and use of, buildings for people with disability. <i>Council has adopted a more "Universal & Inclusive" aligned approach to infrastructure delivery. As per the discussion regarding adult change facilities this has significantly increase the cost to build and maintain Council's Regional facilities.</i>
Plant, Furniture & Equipment	
Australian Design Rules (ADRs)	The Australian Design Rules (ADRs) are national standards for vehicle safety, anti-theft and emissions. The ADRs are generally performance based and cover issues such as occupant protection, structures, lighting, noise, engine exhaust emissions, braking and a range of miscellaneous items.

Legislation/Regulation	Major requirement
Salisbury Water	
The Water Industry Act 2012 (ESCOSA) (OTR)	The Act requires a Water Retail Licence to be held by the City of Salisbury. Salisbury Water is the Division tasked with meeting Council's obligations as a licenced retailer. Regulate water price setting, customer service standards and customer issues. Regulate technical standards and safety issues.
Environment Protection Act 1993 (EPA)	Regulates activities that have the potential to pollute the environment <i>Requires a risk-based management approach including licences for Managed Aquifer Recharge (MAR) and brine disposal, with extensive monitoring and reporting.</i>
Water Resources Act 1997 (DEW)	Requires 'Water Effecting Activity' permits for diversions (harvesting), dams, wells etc. The Water Allocation Plan for the Northern Adelaide Plains Prescribed Area requires Water Licences to for injection, extraction and trading of allocations.
National Water Quality Management Strategy Australian Govt. Dept. of Agriculture and Water Resources	Australian Guidelines for Recycling - Managing health and environmental risks <ul style="list-style-type: none"> - Augmentation of drinking water supplies - Stormwater harvesting and reuse - Managed Aquifer Recharge.



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2.4.7 Organisational Opportunities

Asset Management System

Council has made the appropriate structural changes to improve the focus on Asset Management Planning. There are some challenges to keep Level of Service Expectations in the community at sustainable levels in line with the long term financial plan, with financial implications of service level changes often only realised in the following year's budget cycle.

Asset Management Maturity

We have taken steps to improve our asset and associated financial management performance including assessing our asset management maturity against the 3 Frameworks of the Local Government Financial Sustainability National Assessment Framework (NAF). Our target is to achieve 'core' maturity with the Frameworks. **Figure 5** and **Figure 6** show the current and target 'core' and 'advanced' maturity scores for the eleven elements of the National Frameworks for asset and financial management.

A NAF maturity assessment was undertaken internally in 2013 prior to development of Asset Management Plans and a more recent internal maturity assessment undertaken using the NAF for comparison. In future maturity assessments will be undertaken using the seven elements of ISO 55001 as the organisation aims to align to ISO 55001.

Council has undertaken a level of service review of key assets, of Roads, Drainage, Buildings and Playspaces, which now achieves an "intermediate" maturity rating and the longer-term strategy will be to achieve an "advanced Level" over the next 3 years with the completion of Community Based Asset Management.

Figure 5 - 2013 Maturity Assessment

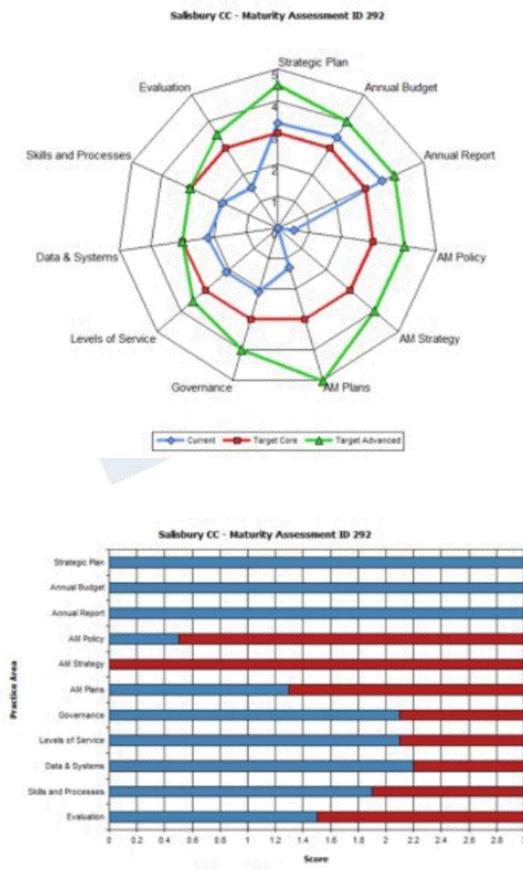
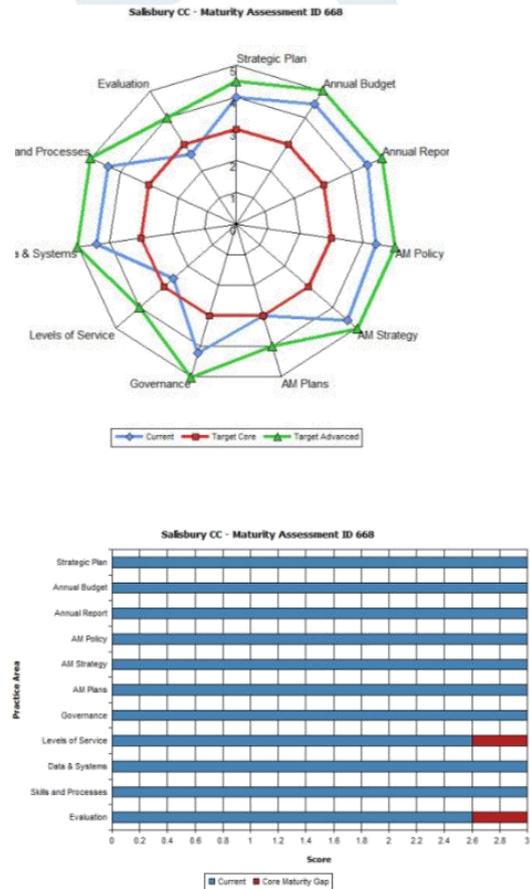


Figure 6 - Current Maturity Assessment



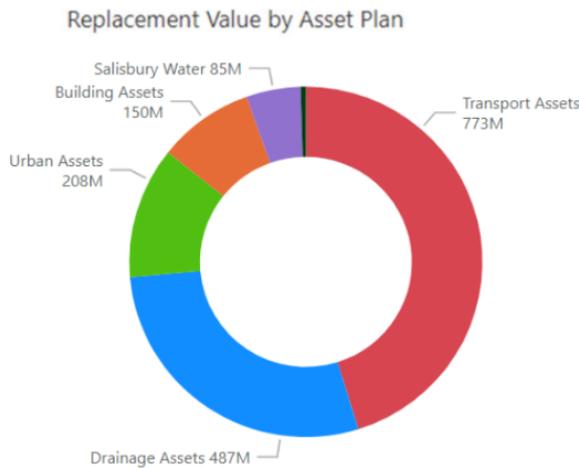
3. Asset Portfolio

3.1 Asset Dimensions and Value

Council manages a large number and variety of assets to provide services to our community. The assets provide the foundation for the community to carry out its everyday activities, while contributing to overall quality of life. **Table 3** highlights key assets by asset management area with the breakdown replacement cost by area shown in **Figure 7**.

Asset Area	Asset Summary
Drainage & Waterways	17,300 Stormwater Pits 530 km StormwaterPipes 141 km Open Channels 20 Flood Dams
Urban Assets	163 Playspaces 50 Fitness Stations 359 Irrigation Systems 692 Bins 1,174 Seats/Tables 9 Dog Parks 2192 Sports Courts/Grounds 71 Artwork 85 Historical Monuments/Plaques 185 Shelters/Gazebos
Streetscapes	78,000 Trees
Public Lighting	3,846 Public Lights 146 Solar Lights 2785 Sports Lights
Transportation	810 km Roads 1,800 km Kerbing 1,102 km Footpaths 11,400 Kerb Ramps 134 Car Parks 370 Traffic ControlDevices 20,000 Signs
Property & Building	240 Buildings 130 Statement Walls 1 Swimming Pool Facility 1 Golf Course CCTV Systems

Figure 7 - Asset Replacement Values



3.3 Asset register

This SAMP is based on information from our infrastructure asset register. Access to reliable asset information is critical to the success of good asset management in the organisation.

Council's asset register is continuously updated following the completion of capital works completed by Council or donation of assets from private developers or government departments. Asset structure and asset components are routinely reviewed with assets broken down into components where applicable to help manage asset accounting and asset reporting.

Council's asset register stores condition information against discrete assets and routine condition assessments are undertaken on various asset classes.

Asset performance information particularly maintenance data is being recorded at an individual asset level now, following the completion of the Asset Management Improvement Project in 2018/19.

Data trends are now becoming available and valuable to increase the knowledge around function and capacity of assets in the field. Decision making is now beginning to be made based on function and capacity and maintenance data rather than on Condition Assessment through Audits alone. This is enabling Asset Managers to be more targeted and efficient in the renewal programs.

As the Council moves to Digital Cloud based data management systems, it is expected that total integration between GIS, the Asset Management System, Community Management System and the Financial System will allow further refinement and enable real time predictive modelling. This is currently being trialled with road assets as part of the update to the AMOP for roads, but will be able to be applied across the total asset base in the future as the register and maintenance information continues to develop in sophistication.

4. Asset Management Objectives

Council's Asset Management Objective is to provide "Exceptional Community Experience", is transforming its Asset Management Planning Processes from an "asset centric" approach to a "service based" approach with a focus on place and destination, aided by the use of high-quality asset management data.

The AM objectives, developed in this SAMP provide the essential link between the organisational objectives and the AM plan(s) that describe how those objectives are going to be achieved. The AM objectives are developed from our strategic plan and a range of requirements including corporate goals and stakeholder, regulatory and legislative requirements.

The AM objectives are aligned to the organisational objectives in the strategic plans, with the objective of establishing alignment from the organisational objectives through the AM objectives to AM initiatives, projects and performance measures. Council's Asset Management Plans are modified as the Council's Strategies and objectives are articulated and endorsed. A good example is the Place Activation Strategy, which led to significant modification of the footpath renewal standards. However, as with the case of the Sustainability Strategy, the Renewal program has already adopted the majority of the objectives in the strategy and therefore the renewal program will not be affected. A number of Organisational Objectives are included below but it is by no means a complete list.

The AM objectives incorporate our desire to ensure that infrastructure assets are managed in an efficient and sustainable manner and asset cost is optimised over the asset's lifecycle. AM objectives transform the required outcomes (product or service) to be provided by the assets, into activities typically described in the asset management plans.

Table 4 shows the AM objectives developed under each organisational objective with a performance target/timeline and responsible officer.

Table 4 - Asset Management Objectives

Organisational Objective AM Objective	Action / Strategy	Performance Target / Timeline
Financial Sustainability	Ensure the SAMP is routinely reviewed/ updated and informs the LTFP to ensure service delivery is financially sustainable.	Within 2 years of a Council election and/or following significant changes to asset management planning strategies (currently reviewed on a yearly basis).
Streetscape Renewal and improvement in aesthetic to create Place and Destination	Street Tree Renewal program modified to increase diversity of species into the City. Integrate Footpath, Street Tree & Kerb Renewal programs to develop a whole of street approach, where possible (trial underway)	Dec 2023
Environmental Sustainability Strategy	Continue to implement Circular Economy approach with respect to the delivery of the Capital and Operational Programs Improve Environmental Performance & Climate Resilience of Infrastructure (reduction in heat island in roads, natural creek design, sustainable resource use) Increase the use of recyclables in key renewal programs (Building, Road, Bridges, Outdoor Furniture).	Ongoing
Improved Management and efficiency and capacity of Public Lighting	Replacing Council owned luminaires with LED's.	2021-2028
Improved Access to Green Space -Increase in Irrigated Areas in Local Playspaces	Implement Program to increase supply of shaded Playgrounds within a maximum of 800m walking distance of residents and irrigated open space areas within 400m walking of residential areas.	2021 to 2030
Flood Management – Reduce Risk to Residential and Commercial Premises to above 1 in 100 year events.	Ongoing delivery of the Major Flood Mitigation Strategy.	2018 to 2028
Improve the universal design of our community and sporting facilities.	Implementation of the Age Friendly and Ability and Inclusiveness Strategies through implementing universal design principles in our renewal and upgrade programs.	2018 to 2028

5. Asset Management Planning Approach (Action Plan)

The AM planning approach provides direction for AM Plans to achieve the organisational objectives. This includes documentation of decision-making criteria, processes for managing the complete life cycle of assets, addressing risks and opportunities, activities to be undertaken, resources, responsibilities, timelines, performance criteria and financial implications for Council.

5.1 Levels of Service

We have defined service levels in two terms.

Community Experience Levels of Service measure how the community receives and uses the service and whether the organisation is providing community value.

The following measures are typically used in AM Plans to monitor and report on asset performance against Community Experience Levels of Service.

Quality/condition	How good is the service?
Function	Does it meet users' needs?
Capacity/Utilisation	Is the service usage appropriate to capacity?

These measures will be gathered from asset inspections, community satisfaction surveys and feedback from the community through CRMs and other communication methods. Historically condition has been the primary focus for monitoring asset performance and improvement plans to include function, capacity and utilisation.

Our current and projected community levels of service for the services covered by this strategic asset management plan are summarised in this strategic asset management plan with future revisions of the Asset Management Operational Plans based on agreed Structure, Hierarchy & Community Experience Levels of Service. Council's Community

Experience & Subsequent Technical Levels of Service have been reviewed and adjusted over the past twelve months following analysis, modelling and reported to Council for approval to be included in this Strategic Asset Management Plan.

Technical Levels of Service - Supporting the community service levels are operational or technical measures of performance. These technical measures relate to the allocation of resources to service activities that the organisation undertakes to best achieve the desired community outcomes and demonstrate effective organisational performance.

Technical service measures are linked to annual budgets covering:

- Operations – the regular activities to provide services such as utility costs (water/electricity), cleansing, mowing, etc.
- Maintenance – the activities necessary to retain an asset as near as practicable to an appropriate service condition (e.g., road patching, unsealed road grading, building and structure repairs, cleaning fire hydrants),

- Renewal – the activities that return the service capability of an asset similar to that which it had originally (e.g., road resurfacing and pavement reconstruction, pipeline replacement and building component replacement),
- Upgrade/New – the activities to provide a higher level of service (e.g., widening a road, sealing an unsealed road, replacing a pipeline with a larger size) or a new service that did not exist previously (e.g., a new library).

Asset Managers plan, implement and monitor the achievement of technical service levels. Together the community and technical levels of service provide detail on service performance, cost and whether service levels are likely to stay the same, get better or worse.

Our current and projected technical levels of service for the services covered by this strategic asset management plan are being developed in the Asset management Operational Plans and are summarised in this strategic asset management plan in **Table 5** on the next page.

Strategic Asset Management Plan 2022

Table 5 - Community Experience Service Levels

Service Area	Current Level of Service	Community Experience Level of Service
Community Facilities	<p>The overall condition of the building and its fit-for purpose requirements are based on the Place Activation Strategy, for Regional, District and Local Facilities Hierarchies including maintenance response times. Design of replacement facilities are through direct engagement with the users of the facilities.</p>	<p>The Hierarchy agreed by Council is as follows:</p> <ul style="list-style-type: none"> • Bespoke (custom made) • Community Hubs • Community Centres/Libraries • Sporting Clubrooms – Local • Sporting Clubrooms – District/Regional • Public Toilets • Minor Buildings • Heritage/Historic buildings <p>The Facilities are suitable for use, based on function and capacity developed through direct engagement during the design phase, with users of the facilities, clubs, and relevant State Sporting Bodies, based on the Hierarchy and Criticality of the Facility. Facilities utilised Universal and Inclusive Design principles where possible.</p>

Technical Level of Service				Key Strategy/Program to Deliver
<p>The technical level of service accepted as a minimum threshold for habitable and utilised Council buildings is a condition rating of “3 – Fair” With minor deterioration present and routine maintenance may be required.</p> <p>The assets are fit for purpose based on the Place Activation Strategy and Hierarchy determining Criticality, Fit for Purpose & Condition Criteria</p>				<p>Strategy</p> <ul style="list-style-type: none"> Place Activation Strategy Building Renewal/Upgrade Program. All New Buildings or Upgrades are funded through individual business cases and budget bids. <p>Operating/Maintenance</p> <ul style="list-style-type: none"> Programmed & Contracted Maintenance
Building Hierarchy	Criticality 1-5	Fit for Purpose 1-5	Condition 0-6	
Bespoke	1, very high	1 to 3, very good to fair	0 to 3, excellent to fair	
Community Hubs	1 to 2, very high to high	1 to 3, very good to fair	0 to 3, excellent to fair	
Community Centre/Library	2, high	1 to 3, very good to fair	0 to 3, excellent to fair	
Sporting Club Regional/District	2, high	1 to 3, very good to fair	0 to 3, excellent to fair	
Sporting Club Local	3, moderate	1 to 3, very good to fair	0 to 3, excellent to fair	
Public Toilets	3, moderate	1 to 3, very good to fair	0 to 3, excellent to fair	
Minor Buildings	3-4, moderate to low	1 to 3, very good to fair	0 to 3, excellent to fair	
Heritage/Historical Buildings	5, very low	1 to 3, very good to fair	0 to 4, excellent to poor	

Fit for Purpose all Buildings based on replacement cost

Category	Percentage
1	55%
2	18%
3	21%
4	6%
5	0%

Strategic Asset Management Plan 2022

Table 5 - Community Experience Service Levels

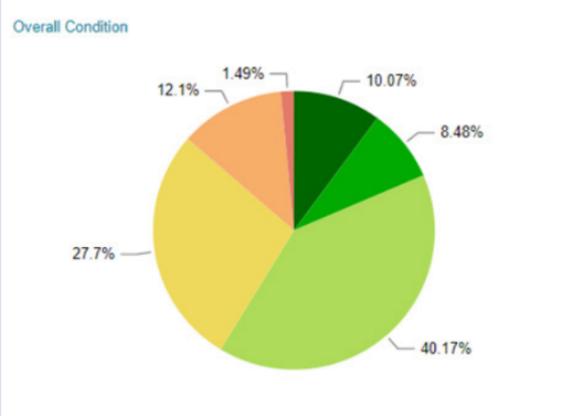
Service Area	Current Level of Service	Community Experience Level of Service
Drainage & Flooding	Homes and businesses will not have flood waters through their buildings and facilities in less than a one in 100 year flood event.	<p>The Hierarchy for Drainage Infrastructure is based on two Hierarchies, referred to as Major and Minor Drainage:</p> <p>The Criteria is as follows:</p> <p>Major Drainage Assets as:</p> <ul style="list-style-type: none"> a. Maintain a maximum of 300 houses at risk of flooding in a 1 in 100-year event b. Maintain the existing average of 5000 tonnes / year of sediment removal from Council's waterways and wetlands. <p>Minor Drainage Assets as:</p> <ul style="list-style-type: none"> c. Maintain current Nuisance Flooding Levels of less than gutter height flow, unless designed so, and no ponding for longer than a day. d. Maintain current Maintenance Regimes of Pits, Pipes and Gross Pollution Traps to ensure stormwater harvesting can occur. <p>In Practical Terms: Homes and businesses will be safe in significant storm events (under 100mm of rainfall per hour).</p> <p>Transportation networks (roads, paths, bridges) will be accessible in a minor storm event (under 20mm per hour).</p> <p>Underpasses and ford crossings will be closed above a minor storm (over 20mm per hour) event to keep the community safe.</p>

Technical Level of Service	Key Strategy/Program to Deliver
<p>Flood dams and major waterways are designed to cater for a 1 in 100 year flood event.</p> <p>New Underground Stormwater network and overland flow paths and basins are designed to cater for a 1 in 10 year flood event.</p> <p>Council stormwater network is routinely cleaned on a 4 year cycle.</p> <p>Key stormwater infrastructure (such as known high risk areas) are inspected and cleaned prior to key storm events.</p> <p>Flood maps are reviewed and updated routinely on a 4 year cycle.</p> <p>Routine inspections are undertaken on a routine basis for key assets such as:</p> <p>Side Entry Pits, Trash Racks & Headwalls, Gross Pollution Traps to ensure water quality is maintained in the network.</p> <p>Council’s Stormwater pipe and pit network does not have a renewal program, but is based on a run to fail model, with a small renewal program to be introduced in 2024/25 for Pumpstations and Mechanical Equipment.</p>	<p>Strategy</p> <ul style="list-style-type: none"> • Flood Mitigation Strategy • Stormwater Management Plans • Capital Renewal <p>There is no Renewal Program, with the Stormwater Network considered as Run to FailCapital Upgrade/New</p> <ul style="list-style-type: none"> • Major Flood Mitigation Program • Minor Flood Mitigation Program • Dry Creek Stormwater Management Plan <p>Operating/Maintenance</p> <ul style="list-style-type: none"> • SEP Cleaning Program • Civil Maintenance Program <p>Water Quality</p> <p>Water Quality is monitored to ensure Watercourse Management Plan works continue to reduce the pollution to the Barker Inlet, and maximise harvesting.</p>

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Table 5 - Community Experience Service Levels

Service Area	Current Level of Service	Community Experience Level of Service
<p>Playspaces & Reserves</p>	<p>Irrigated Areas are located within 400m walking distance of residents</p> <p>Playgrounds are located with an 800m walking distance.</p> <p>Regional and District reserves deliver a higher community experience and are distributed within the City.</p>	<p>Council has adopted the Following Hierarchy for Playgrounds:</p> <ul style="list-style-type: none"> • Regional • District • Local • Landscaped Amenity <p>Community Levels of Service Criteria include:</p> <ul style="list-style-type: none"> • Usage Numbers • Length of Stay • Provision of Play – Demographics • Provision of Play - Accessibility <p>Practically this means Playspaces are accessible by the community via walking.</p> <p>Playspaces will be renewed with universally accessible elements incorporated where applicable based on Hierarchy and need.</p> <p>Playspaces and irrigated open spaces will be accessible within 400m of residences.</p> <p>Regional and District informal recreational areas will be designed to provide facilities for visits over one hour, in accordance with universal and inclusive design principles.</p> <p>Funding at this point in time is to maintain the current Average condition. However, The Playspace & Irrigation Asset Management Plans are identified in the SAMP to be revised, as part of the Asset Management Improvement Plan, through 2023/24, with further analysis of Hierarchy, Criteria and Renewal Strategy based on Revaluation and Compliance Audit to be completed mid 2023, that will inform the 2024/25 SAMP.</p>

Technical Level of Service	Key Strategy/Program to Deliver
<p>Council designs and manages informal recreational areas in accordance with the Place Activation Strategy – Informal Recreation Areas.</p> <p>Technical Service Level Criteria:</p> <ul style="list-style-type: none"> • Age • Condition • Compliance <p>Council approved funding to Maintain the Current Average Condition (2.8):</p>  <p>Routine inspections are undertaken on a routine basis for key assets such as;</p> <ul style="list-style-type: none"> • Playspaces • Irrigated open space • Sports court and equipment • Council has approved the independent Level 2 & 3 Audits for Playspaces on a quarterly & yearly basis. <p>Reserve turf is cut on a routine basis, in accordance with Turf Management requirements through IPOS Condition Assessments undertaken on a Monthly.</p>	<p>Strategy</p> <ul style="list-style-type: none"> • Place Activation Strategy <p>Capital Renewal</p> <ul style="list-style-type: none"> • Playspace Program • Irrigation Program • Outdoor Furniture Program <p>Operating/Maintenance</p> <ul style="list-style-type: none"> • Parks maintenance program

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Service Area	Current Level of Service	Community Experience Level of Service
<p>Streetscape</p>	<p>Street Trees are provided based on 1 per residential property.</p> <p>The number of Street Trees in the City is to be maintained at approximately 80,000 trees.</p> <p>Verges are unirrigated and maintained to a neat standard, with a new program incorporating the renewal of Street Trees, Footpath, Kerb & Verge to be introduced in 2021/22 financial year.</p> <p>Street Tree Pallet includes a diversity of species mix, with no one species being more than 25% of the total mix.</p>	<p>Street Trees provide amenity for the streetscape and are maintained to a safe level to reduce risk to property damage and infrastructure.</p> <p>The Street Tree Asset Management Plan is identified in the SAMP as part of the Asset Management Improvement Program, to be revised through 2023/24, with a revision of Hierarchy, Criteria and Tree Management Strategy to inform the 2024/25 SAMP.</p>

Technical Level of Service	Key Strategy/Program to Deliver
<p>Street Trees are pruned on a 10 year cycle.</p> <p>Street Tree target zones are managed to minimise risk based on species and location.</p> <p>Verges are slashed and debris removed at a minimum 8 times per year, subject to seasonal conditions.</p> <p>Routine inspections are undertaken on a routine basis for key assets such as;</p> <ul style="list-style-type: none"> Verge maintenance 	<p>Strategy</p> <ul style="list-style-type: none"> Urban Forest / Strategy Biodiversity Corridors Management Plan <p>Capital Renewal</p> <p>Street Tree Renewal Operating/Maintenance</p> <ul style="list-style-type: none"> Tree Planting Program Tree Maintenance Program Verge Maintenance Program

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Table 5 - Community Experience Service Levels

Service Area	Current Level of Service	Community Experience Level of Service																
<p>Roads & Transport</p>	<p>Roads are maintained to an acceptable level with a focus on safety and ride ability.</p> <p>Footpaths are provided on at least 1 side of residential streets and both sides of major roads where possible.</p> <p>Provision of a Green Trails ring route around the City for pedestrian and cycle movement.</p> <p>Bus stops and path linkages are designed to be universally accessible with Bus Shelters provided on high usage bus stops.</p> <p>Public Lighting is provided on all road networks and key links with higher standards prioritised on risk.</p>	<p>Road Hierarchies are as follows:</p> <ol style="list-style-type: none"> 1. High Profile – These are roads located in and around main destinations, like the John Street – Church Street Salisbury City Centre. 2. Industrial Roads – These are roads that are designed to carry heavy loads and withstand high shear forces caused by heavy load braking and taking corners by vehicles like B-Doubles (large truck and trailer) and A-Trains (Large truck and two large trailers). 3. Collector Roads– These roads are primarily bus routes and routes that carry lots of traffic 4. Residential Roads – These are roads that run through suburbs and feed the smaller roads like cul-de-sacs and crescents. 5. Minor Roads – These are also residential roads but ones that are short and carry low volumes of traffic. The only trucks are the weekly refuse collection runs. <p>The Pavement Condition Index for the whole Road Network will be maintained at the levels outlined below, (where 0 is perfect and 6 is failed):</p> <div data-bbox="775 1236 1353 1563"> <table border="1"> <caption>Road Area PCI Distribution %</caption> <thead> <tr> <th>Service State</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>0</td> <td>72.57%</td> </tr> <tr> <td>1</td> <td>18.98%</td> </tr> <tr> <td>2</td> <td>8.14%</td> </tr> <tr> <td>3</td> <td>0.09%</td> </tr> <tr> <td>4</td> <td>0.09%</td> </tr> <tr> <td>5</td> <td>0.09%</td> </tr> <tr> <td>6</td> <td>0.09%</td> </tr> </tbody> </table> </div> <p>The Condition of the Road will be Maintained to a Surface Condition Index (SCI) as outlined Below, for the Different Hierarchies</p>	Service State	Percentage	0	72.57%	1	18.98%	2	8.14%	3	0.09%	4	0.09%	5	0.09%	6	0.09%
Service State	Percentage																	
0	72.57%																	
1	18.98%																	
2	8.14%																	
3	0.09%																	
4	0.09%																	
5	0.09%																	
6	0.09%																	

* 0-6 Condition Rating with 0 being Brand New and 6 being End of Life.

Technical Level of Service	Key Strategy/Program to Deliver
<p>Pavement Condition Index 3 or better, (on a condition rating scale where 1 is new and 6 is undriveable).</p> <p>Council streets are designed based on AustRoads Guidelines and incorporating the "Safe System Approach".</p> <p>New Council footpaths are designed with universal access principles with minimum widths of 1.5m on residential streets and 1.8m on major roads where possible.</p> <p>Road defects such as minor pot holes and deformation will be completed within 10 days, with dangerous defects made safe within 24 hours.</p> <p>Public Lighting is designed to comply with AS1158 and P3 Category for new developments.</p> <p>Routine inspections are undertaken on a routine basis for key assets such as;</p> <ul style="list-style-type: none"> • Roads • Footpaths • Kerbing • Bus Shelters • Signage 	<p>Strategy</p> <ul style="list-style-type: none"> • Integrated Transport Plan <p>Capital Renewal</p> <ul style="list-style-type: none"> • Road Reseal Program • Bridge Program • Bus Shelter Renewal Program <p>Capital Upgrade/New</p> <ul style="list-style-type: none"> • Footpath Program • Minor and Major Traffic Improvement Programs • School Framework Program • City Wide Trails Program • Kerb Ramp Upgrade Program <p>Operating/Maintenance</p> <ul style="list-style-type: none"> • Road Maintenance Program • Footpath Maintenance Program • Kerb Maintenance Program • Bus Shelter Maintenance Program • Signage Maintenance Program

Strategic Asset Management Plan 2022

Table 5 - Community Experience Service Levels

Service Area	Current Level of	Community Experience Level of Service
<p>Roads & Transport</p>		<p>High Profile</p>
	<p>Collector</p>	
	<p>Industrial</p>	
	<p>Residential</p>	
	<p>Minor</p>	
		<p>Practically this means that Council will:</p> <ul style="list-style-type: none"> Provide safe and efficient commuter use travel across the city. Efficient and effective heavy vehicle/freight movement throughout the city. Safe pedestrian and cycle movement through the City with a significant portion off road. Universally accessible public transport use between residential and business areas. Safe pedestrian and cycle travel at night on streets and key links. <p>It is noted that the SAMP recommends the Footpath and Public Lighting AMP's be updated as part of the Asset Management Improvement Process in 2023/24, to inform the 2024/25 SAMP.</p>

⁸ 0-6 Condition Rating with 0 being Brand New and 6 being End of Life.

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Technical Level of Service	Key Strategy/Program to Deliver

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5.1 Community Experience Levels of Service under review over the next twelve months

Council's Asset Management Sub Committee are reviewing the service levels in the following areas, to be finalised over the next 12 months;

- **Playspaces (playgrounds)**

- Revise the Playspace AMP based on the Hierarchy Above including Consideration of:
 - Universal access, providing for change in demographics, provision of coverage across the City, modern functionality/design
 - The number of irrigated spaces and access to playgrounds which will require additional operating and maintenance budgets particularly for mowing, water usage and safety inspections and repairs.
 - The provision of shade structures for playgrounds.
 - The provision of universally accessible playgrounds
 - The provision of toilet and adult change room facilities

- **Streetscapes (trees/footpaths)**

- Targeted approach to footpath management based on risk, usage and destination, following the

completion of the Footpath Audit and Revaluation in mid 2023.

- Consider improvements to service level of footpaths to improve accessibility by increasing minimum standard widths within existing budgets for new footpath provision from 1.5 to 1.8m, based on Road Hierarchy and Key Destinations.
 - Consider improvements to street trees range across the City engaging the community in decision making, including diversifying the tree pallet for the City.
 - Canopy Cover, net neutral for street trees with increases in canopy cover in reserve open space .
- **Links and Destinations**
 - Public Lighting of destinations and level of lighting in key links as well as Lighting Standards for Streets, Urban Environments and Reserves where applicable, based on Destination Hierarchy
 - Council will be continuing the Green Trails Project with improved lighting and upgrades in the existing Green Trails network, with a focus of improving and connected the next sections of the Green Trails, over the next twelve months in the Dry Creek Area between Main North Road and Walkleys Heights.,

- **Roads**

- The Integrated Transport Plan is to be updated over the next 18 months with a focus on Integration with the Industrial Areas West of Port Wakefield Road and the Dry Creek (Salt Fields Development). Similarly, Council will have a focus on Integrated Transport Planning in conjunction with the Department of Infrastructure and Transport, which has a focus on both Active and Public Transport Access. It is expected that there will be significant budget requirements for Road upgrades and the associated linkages.
- Current maintenance regimes and feedback from the community has indicated that the community is satisfied with the current level of service being provided and Council is using new treatment strategies to improve financial and environmental sustainability with no impact to community experience.

- **Drainage & Waterways**

- Council continues to support and deliver the flood mitigation strategy and has further reduced the number of properties at risk of flooding during significant flood events.
- Council will be looking to develop a Water Bodies Asset Management plan over the next twelve months

to improve the community levels of service for the ornamental lakes and wetlands throughout the City.

- **Buildings**

- Recent audit of buildings has shown the current condition of Council Buildings are in a good state. However through discussion with the Asset Management Sub Committee the community experience around the function and fit for purpose is not meeting the expectation. This has led to a service level review to define the required service level with a gap analysis being undertaken of Council's community and recreation facilities to identify future upgrade/new projects.
- The creation of Hubs has led to a significant increase in operating expenses and will continue to do so as additional hubs are development as these have a higher level of service to the Community compared to the existing facilities.

5.2 Risk Management

Risks previously identified in the Strategic Asset Management Plan Risk Register have been reviewed and updated with 30 risks having been mitigated or eliminated. An updated risk register is attached in **Table 6** on the following page. Comments regarding updates on Risk are included in bold in Table 6.

Strategic Asset Management Plan 2022

Table 6 - Risk Management Plan

Asset Providing the Service	What can happen	Risk Rating
All Assets	Premature asset failure.	High
All Assets	Donated/gifted assets do not meet service levels.	High
Flood Levee Banks	Flooding due to storm events.	High
All assets	Uninformed decision making for Asset Management Planning	High
Flood Dams	Failure to dam resulting in major flooding, overtopping and upstream siltation.	High
Reserve Trees	Failure, injury, loss of amenity, damage to infrastructure.	High
Roads	Increase in heavy vehicle traffic. Roads may not be designed or structurally suitable for heavy vehicles.	High
Major Road Intersections (Heaslip/ Diment & Heaslip/ Edinburgh)	Unsafe/unfit for purpose intersections for heavy vehicle movement along Heaslip Road and intersections with Diment Road and Edinburgh Road.	Very High
St Kilda Road	Road Failure due to heavy vehicle loadings.	High
Signage	Poor condition/function of asset could result in traffic accidents.	Very High
Council Maintained Street Lighting	Poor street lighting can lead to injuries to pedestrians, traffic accidents at traffic control devices and provide an unsafe environment.	High
Reserve Lighting	Poor lighting in reserves can lead to Injuries to pedestrians, undesirable activity and provide an unsafe environment.	High
New assets contributed from Northern Connector Project	Funding from State Government or Council is not sufficient to Maintain newly created assets.	High
Dry Creek	Flooding from river system resulting in property damage and/or personal injury.	High

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Risk Treatment Plan	Residual Risk	Treatment Costs (\$)
Regular asset/condition inspections by dedicated full time/contracted employees.	Medium	100,000 (p.a.)
Improve specification/handover process and relationships with Government Departments.	Medium	(Within existing budget)
Undertake review of Levee Banks in 2022/23 and seek appropriate budget for capital works in 2022/23.	Medium	200,000
Ensure all staff undertake asset inspections in the AMIS (Confirm Connect) or ensure information is recorded in a compatible format that can be imported in a timely manner to ensure the AMIS and associated asset information is accurate and current.	Low	(Within existing budget)
Dam Survey Audit (every 4 years).	High	100,000
Develop a reserve tree management renewal and maintenance programs and seek additional capital works budget in 2022/23.	High	50,000 (p.a.)
Evaluate land use changes which may impact on the local roads network, submit new budget bids when required. Budget for works will be supplemented by grants where possible.	Medium	500,000 (p.a. seek grant funding)
Seek grant funding from State and Federal Governments to upgrade both intersections from 2022/23.	Medium	5,000,000
Routine monitoring of St Kilda Road for road and drainage deterioration, Negotiations have occurred with SA Water to fully fund Robinson Road Upgrade works from 2022/23.	Low	(externally funded)
Complete audit via contractors and undertake analysis and development of renewal and maintenance programs every 4 years.	Medium	40,000 (every 4 years)
Analysis of poor lighting areas has been completed and an upgrade program developed to be completed by 2023/24.	Medium	0 (within existing capital works/ budget bids)
Develop budget bid for reserve lighting upgrade program to seek appropriate funds for capital works program from 2022/23.	Medium	150,000 (p.a.)
Negotiate with DIT to seek an ongoing operating/maintenance budget for landscaping and shared use paths.	Low	0 (seeking external funding from State Government)
Undertake SMP study in 2022/23 with results to be used to determine future Budget Bids from 2022/23.	Low	500,000 (p.a. for 5 years)

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Service Impact	Demand Management Plan
Sporting Facilities	Where new facilities are considered build Joint use facilities, enabling an increase in capacity for Functional Requirements but reducing the number of facilities needed to deliver that service. (New Paddocks Joint facility, replacing three buildings).
Sports Field Lighting Management	Council has moved to create a new renewal and maintenance program for Sports Field Lighting, bringing the care and control of Sports Field Lighting to maximise the efficiency of managing sports field lights across the City, rather than have each club individually supported to maintain their own lights. Council is reviewing the opportunity to have Sports Field Lighting be able to be set to different Lux levels, to enable clubs to minimise energy costs, whilst still meeting the Club training and game needs.
Street Verges	Council is trialling a verge redevelopment program to improve the aesthetic of its streets with the hope residents will be inspired to take on more responsibility for the maintenance of the street thereby increasing City Pride but also reducing the long term burden of maintenance in the street. This project will be review over the next 2 years to determine if the maintenance benefits are realised.

5.4 Operations and Maintenance Strategies

Operations activities affect service levels including quality and function, such as cleanliness, appearance, etc., through street sweeping and grass mowing frequency, intensity and spacing of street lights and cleaning frequency and opening hours of building and other facilities.

Maintenance includes all actions necessary for retaining an asset as near as practicable to an appropriate service condition including regular ongoing day-to-day work necessary to keep assets operating, e.g. road patching but excluding rehabilitation or renewal.

Where maintenance expenditure levels are such that will result in a lesser level of service, the service consequences and service risks have been identified and service consequences highlighted in the respective AM Plan and service

risks considered in the Infrastructure Risk Management Plan.

Council operates and maintain assets to provide the defined level of service to approved budgets in the most cost-

efficient manner. Proposed operations and maintenance strategies in this SAMP are:

- Scheduling operations activities to deliver the defined level of service in the most efficient manner
- Undertaking maintenance activities through a planned maintenance system to reduce maintenance costs and improve maintenance outcomes. Undertake cost-benefit analysis to determine the most cost-effective split between planned and unplanned maintenance activities (50 – 70% planned desirable as measured by cost)
- Maintain a current infrastructure risk register for assets and present service risks associated with providing services from infrastructure assets and reporting Very High and High risks and residual risks after treatment to management and Council/Board
- Review current and required skills base and implement workforce acquisition, training and development to meet required operations and maintenance needs
- Review asset utilisation to identify under-utilised assets and appropriate remedies, and over utilised assets and customer demand management options
- Maintain a current hierarchy of critical assets and required operations and maintenance activities
- Develop and regularly review appropriate emergency response capability
- Review management of operations and maintenance activities to ensure we are obtaining best value for resources used.

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Council uses the Asset Management System to monitor Councils proactive and reactive maintenance programs and compliance to these programs.

Following the Asset Improvement Plan in 2018/19 Maintenance Managers and Strategic Assets Staff have been Automating the Proactive Maintenance programs, which has enabled resource efficiency to increase proactive Inspections and Scoping, with real time data being managed through the use of Tablets on site. This last year has seen significant inflation for Consumables and Labour, which could have had a dramatic effect on the cost of operational services, however because Council has developed better targeting of operational resources to asset maintenance strategies costs have been absorbed by the business, other than additional requirements for maintenance of new services and where there are unavoidable increases to Council's Contracts.

Council is currently in the process of implementing an Integrated business solution for the City which will significantly improve the links between the Community Request Management System and the Asset and Finance System which will further improve the real time understanding of Council's maintenance and operating services and the direct effect on Council's Assets, to meet our Goal of Exceptional Community Experience.

5.5 Renewal/Replacement Strategies

Renewal and replacement expenditure is major work which does not increase the asset's design capacity but restores, rehabilitates, replaces or renews an existing asset to its original or lesser

required service potential. Work over and above restoring an asset to original service potential is upgrade/expansion or new works expenditure.

Council Plans Capital Renewal and Replacement projects, in consultation with the Council and Community, to meet Community levels of service objectives and minimise infrastructure service risks. This process, post the approval of the SAMP is managed as part of the Capital Works Engagement Framework, through which Council:

Plans capital renewal and replacement projects to meet Community level of service objectives and minimise infrastructure service risks by:

- Planning and scheduling renewal projects to deliver the defined level of service in the most efficient manner
- Consult with the Community and Elected members to during the scoping and Design for
- all capital renewal and replacement projects to identify:
- the service delivery 'expectation with respect to capacity or function', present risk and optimum time for renewal/ replacement

- the project objectives to rectify the loss of function or capacity
 - the range of options, estimated capital and life cycle costs for each option that could address the service deficiency
 - and evaluate the options against evaluation criteria adopted by Council/Board, and
 - select the best option to be included in capital renewal program.
 - Using optimal renewal methods (cost of renewal is less than replacement) wherever possible
 - Maintain a current infrastructure risk register for assets and service risks associated with providing services from infrastructure assets and reporting Very High and High risks and Residual risks after treatment to management and Council/Board
 - Review current and required skills base and implement workforce training
 - and development to meet required construction and renewal needs
 - Maintain a current hierarchy of critical assets and capital renewal treatments and timings required
 - Review management of capital renewal and replacement activities
 - to ensure we are obtaining best value for resources used.
- Council continues to have shortages in some key areas, such as timber, for buildings, or play equipment supply, have delayed projects or modified designs to best achieve the most efficient project outcomes over the last two years. Council has also, for major Projects moved to a two year process. The first year being for Planning, Consultation and Design with the project constructed in the Second year. This enables good consultation and invariably better design outcomes for major projects that meet the Community's Level of Service Expectations.
- 5.6 Renewal ranking criteria**
- Renewal ranking criteria was developed from consideration of renewal/ replacement need for assets that:
- Have a high consequence of failure
 - Have a high utilisation and subsequent impact on users would be greatest
 - The total value represents the greatest net value to the organisation
 - Have the highest average age relative to their expected lives
 - Are identified in the AM Plan as key cost factors
 - Have high operational or maintenance costs, and
 - Where replacement with modern equivalent assets would yield material savings.

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Criteria used for ranking renewal and replacement proposals are documented in the applicable AM Plans.

The ranking has enabled Council Staff to determine to the most critical asset classes to be reviewed by Council over the last 12 months, based on the above criteria, this included Roads, Drainage, Buildings, Playspaces (Stage 1). It is proposed to now focus on completion of the Playspace AMP and update or complete AMP's for key Urban Asset Classes – including Footpaths, Irrigation, Street Trees & Public Lighting.

5.7 New and Upgrade Assets Strategies

New works are those works that create a new asset that did not previously exist, or works which upgrade or improve an

existing asset beyond its existing capacity. They may result from growth, social or environmental needs. Assets (donated or gifted assets) may also be acquired at no cost to the organisation from land development or arising from government grants. Whilst having no initial cost, these new assets incur future maintenance and renewal costs.

Strategies for creation, acquisition of new assets and upgrade of existing assets proposed in this SAMP are:

- Council Plans Capital upgrade and new projects, in consultation with the Council and Community, to meet new levels of service objectives in the most efficient manner by:
 - Planning and scheduling capital upgrade and new projects to deliver the defined level of service in the most efficient manner
 - Undertaking project scoping & consulting with the Community and Council to identify
 - the service delivery 'deficiency', present risk and required timeline for delivery of the upgrade/new asset
 - the project objectives to rectify the deficiency including value management for major projects
 - the range of options, estimated capital and life cycle costs for each option that could address the service deficiency
 - management of risks associated with alternative options
 - and evaluate the options against evaluation criteria adopted by Council, and
 - select the best option to be included in capital upgrade/new programs
 - Review current and required skills base and implement staff acquisition, training and development to meet required construction and project management needs

- Review management of capital project management activities to ensure we are obtaining best value for resources used.

This work is also managed through the Capital Works Engagement Process, with Major Projects being developed and delivered over a two year process.

5.8 Proposal New/Upgrade Assets Selection Criteria

New assets and upgrade/expansion of existing assets are identified from various sources such as councillor or customer/community requests, proposals identified by strategic plans or partnerships with other organisations. Proposals are inspected to verify need and to develop preliminary CAPEX and OPEX estimates.

5.9 Disposal Plan

Verified proposals are ranked by priority and available funds and scheduled in future works programmes. The SAMP does not include future disposal programs, however it does take into account current approved new/upgrade works proposed in the four year budget cycle which may include disposal of redundant assets.

Disposal includes any activity associated with disposal of a decommissioned asset including sale, demolition or relocation.

Assets identified for possible decommissioning and disposal are shown in the respective asset management plans summarised in this strategic asset management plan.

Council has just demolished the existing swim centre with the replacement Salisbury Recreation Precinct to be constructed over the next two years. Where there are major upgrades of facilities such as Burton and the Operations Centre,

Council have demolished part or all of the existing facilities. Similarly, where there is a merging of facilities as at the Paddocks, three buildings are being replaced with a single facility.

5.10 Assumptions and Confidence Levels

This section details the key assumptions made in presenting the information contained in this strategic asset management plan and in preparing forecasts of required operating and capital expenditure and asset values, depreciation expense and carrying amount estimates. It is presented to enable readers to gain an understanding of the levels of confidence in the data behind the financial forecasts.

Key assumptions made in this asset management plan and risks that these may change are shown in **Table 8**.

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Table 8 - Key Assumptions made in Strategic Asset Management Plan

Key Assumptions	Risks of Change to Assumptions
Financial values have been forecast as current year costs.	Financial values in the SAMP will need to be adjusted should significant inflationary pressures occur in future annual and/or long term planning.
Level of Service modifications will be within the current budgets where possible.	Level of Service at current asset lives in some asset classes are not financially sustainable in the long term, with either an increase in replacement lives for some assets and/or a reduction in levels of service for some assets required in the long term, or an adjustment to funding requirements is made. This will be addressed through the revision of the AMP's mentioned above.
The hub & new facilities operational costs will be offset by building & operational efficiencies.	The increased Levels of Service have seen an offset to the efficiency gains of the new facilities, and a reduction in total number of facilities, with a significant increase in operating cost being seen for new facilities, with operating increasing in the Building area by \$500k moving forward.
Financing of future Infrastructure for Major New Development (Salt Fields & West of Port Wakefield Road) will be funded through Infrastructure Agreements.	Council will potentially see a large increase in its infrastructure asset base over the next 20 years due to substantial new developments (salt fields/ north west industrial sector). This will directly affect depreciation and the Renewal Requirements for the Strategic Asset Management Plan. It is noted that the income from increased rate generation due to these developments, may not be realised in the first 5 to 10 years. This revenue will not be available initially to assist with financing the renewal, maintenance and operating costs of Infrastructure Assets in these new developments.

The expenditure and valuations projections in this strategic asset management plan are based on best available data. Currency and accuracy of data is critical to effective asset and financial management.

The estimated confidence level for and reliability of data used in this strategic asset management plan is shown in **Table 9**.

Table 9 - Data Confidence Assessment for AM Plans summarised in Strategic AM Plan

AM Plan	Confidence Assessment	Comment
Drainage & Waterways	Medium	Majority of assets have long lives and are only part way through lifecycle, high risk assets are routinely audited (dams) however Council is increasing the CCTV inspection frequency to further increase confidence levels in the understanding of the Pipe Network Condition.
Playspaces	High	A comprehensive playground audit, and valuation is close to completion which will be used to update the AMP for Playspaces including a review of Levels of Service and Criteria recently approved by Council.
Street Trees	High	Detailed audit undertaken in 2019 and asset management strategies are being revised for implementation based on new Levels of Service, to be reviewed as part of the AMIP.
Public Lighting	High	Detailed audit undertaken in 2019 and asset management strategies are being revised to be reviewed as part of the Asset Management Improvement Plan.
Transportation	High	Council has completed a detailed audit this year of its roads, (both PCI and SCI) which gives high confidence in the development of the Renewal Program for the City over the next 5 years and confidence in the longer 20 year estimation of asset condition. Council's Footpath and Kerbs are currently being audited with the results to be used to develop a new AMP as part of the Asset Management Improvement Plan.
Property & Building	High	Building condition data is up to date with an audit recently completed, with hierarchy, function and capacity now the key criteria based on Customer Service Levels.
Salisbury Water	High	Assets are relatively new compared to other asset classes with planned reviews of asset data to revise asset management strategies.
Plant & Fleet	High	Fleet assets are typically short lived compared to other asset classes and asset management strategies are in place. However there will be new challenges around the type of vehicle (EV vs Hybrid vs Diesel) recommended moving forward, which will challenge the current valuations and levels of service.

Overall data sources and confidence in that data is assessed as high, however the valuations of some asset classes, particularly Playspaces, Irrigation and Footpaths are of concern, with an expectation of revaluations significantly increasing, due to current inflationary pressures. This inflationary pressure will significantly increase the cost to deliver the Renewal Program and increased funding requirements, should service levels not be reduced.

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5.11 Improvement Plan

The asset management improvement tasks identified from an asset management maturity assessment and preparation of this strategic asset management plan are shown in **Table 10**. These actions have been described above in the Risk Plan and the Community Experience Service Level sections. The improvement plan timelines have been prepared cognisant of available resources. It is noted that 70% (by Value) of the assessment of Assets (Buildings, Roads, Drainage & Playspace (Stage 1) has been undertaken. This next phase represents 15 to 20% of the remaining value of assets.

Table 10 - Improvement Plan

Task No	Task	Responsibility	Resources Required	Timeline
1	Revise Strategic Asset Management Plan for sign off by new Council	Manager IM/ TL Strategic Assets	T/L Strategic Assets / Asset Managers	APR 2023
2	Complete Playspace Compliance Audit & Valuation	T/L – Urban Assets	T/L, Senior Landscape Architect, T.O. Urban Assets, Coordinator Strategic Assets, External Consultants	May 2023
3	Undertake Stage 2 of Playspace AMP with a review asset hierarchy and Community Levels of Service & Technical Service Levels	T/L – Urban Assets	TL, Senior Landscape Architect, T.O. Urban Assets, External Consultant, Coordinator Strategic Assets	July 2023
4	Revise Council Policy Settings with respect to Playspace based on AMSC discussion	T/L – Urban Assets / Manager IM	Team Leader – Urban Assets	Aug/Oct 2023
5	Complete Footpath Audit & Valuation	T/L – Urban Assets	T/L, /Tech O. Urban Assets, External Consultant, Coordinator Strategic Assets	April 2023
6	Undertake Footpath AMP with a review asset hierarchy and Community Levels of Service	T/L – Urban Assets	T/L /Tech O. Urban Assets, External Consultant, Coordinator Strategic Assets	June 2023
7	Revise Council Policy Settings with respect to Footpaths based on AMSC discussion	T/L – Urban Assets / Manager IM	T/Tech O. Urban Assets,	August 2023

Strategic Asset Management Plan 2022

8	Review Public Lighting Audit, and undertake Valuation, with a review of Asset Hierarchy & Community Levels of Service	T/L – Urban Assets	T/L Urban Assets, Coordinator Energy & Lighting, External Consultants, Coordinator Strategic Assets	SEPT 2023
9	Revise Council Policy Settings with respect to Public Lighting, based on AMSC discussion	T/L – Urban Assets / Manager IM, Coordinator Energy & Lighting	TL Urban Assets/ Coordinator Energy & Lighting, Coordinator Strategic Assets,	NOV 2023
10	Undertake a review asset hierarchy and Community Levels of Service for Street Trees and current Tree Management Practices	T/L – Urban Assets / Manager IM, Coordinator Parks & Open Space	T/L – Urban Assets / Manager IM, Coordinator Parks & Open Space	March 2023 – AUG 2023
11	Revise Council Policy Settings with respect to Street Tree Management, based on AMSC discussion	T/L – Urban Assets / Manager IM	T/L – Urban Assets, Coordinator Parks & Open Space, External Consultant Coordinator Strategic Assets,	OCT 2023
12	Complete Irrigation Audit & Valuation	T/L – Urban Assets / Coordinator Parks & Open Space	T/L – Urban Assets, Coordinator Parks & Open Space, External Consultant Coordinator Strategic Assets,	AUG 2023
13	Revise Council Policy Settings with respect to Irrigation, based on AMSC discussion	T/L – Urban Assets / Manager IM, Coordinator Parks & Open Space	T/L – Urban Assets / Manager IM, Coordinator Parks & Open Space	OCT 2023
14	Revise Strategic Asset Management Plan for sign off by Executive including reconciliation with LTFP	Manager Infrastructure Management	Team Leader Strategic Assets / Asset Managers	JAN 2024
15	Revise individual Asset Management Operational Plans	Asset Managers	Asset Management Teams	DEC 2023
16	Revise Strategic Asset Management Plan for sign off by new Council	Manager Infrastructure Management	Team Leader Strategic Assets / Asset Managers	APR 2024

6. Financial Summary

This section contains the collective financial requirements resulting from all the information presented in the previous sections of this SAMP. The financial projections to provide the targeted levels of service will be improved as further information becomes available on desired levels of service and current and projected future asset performance.

6.1 Financial Indicators and Projections Asset Renewal Funding Ratio

The Asset Renewal funding ratio indicates to what extent asset renewal is funded in the Long Term Financial Plan. It is calculated by dividing the projected capital renewal expenditure provided in each year of the LTFP by the renewal expenditure contained within the SAMP. Over the next 10 years Council is forecasting it has 100% of the funds to renew and replace existing assets but it has reduced the asset ratio to 90% for the first four years in a number of asset classes to fund other City Plan projects. The average over the 10 year forecast period of the SAMP is still to maintain 100% renewal funding ratio.

This is based on service levels contained within this document, approved by Council. Where service levels are increased this may mean that assets are renewed on a short time frame, and/ or it may require upgrade expenditure to improve the asset to the planned new higher service level.

As these decisions are taken, it requires consideration of trading off other asset service levels into, or accepting a need to increase funding for the service level increases. This must be done in a financially sustainable manner which is why the SAMP considers the Asset Portfolio, of over \$1.8 Billion in worth as a whole. The challenge will be for Council to balance the Community based levels of service for the next phase of asset classes review, that includes Footpaths, Public Lighting, Street Trees, Stage 2 – Playspaces, with the expenditure to meet the approved service levels, in light of a tightening Long Term Financial Plan.

Council has approved 70% of the Asset Classes, Levels of Service and subsequent expenditure, so any intention to increase service levels for other Asset Classes, and subsequent expenditure, will need to be considered in light of these changes to ensure any service level decisions are sustainable, including potentially a review of the Asset Classes already approved.

At this point in time Council is balancing the cost of Renewal with the available funding for new assets and services. It is proposed to balance the expenditure on Renewal over the next five to seven years, with reductions in years one to four of renewal for Buildings and Roads, balanced with a significant increase in years four to eight, so that the 10 year average is not changed.

In analysis of the affects there is a slight reduction in the surface condition of Roads with no net long term reduction effect, however there is no reduction in Buildings Condition, primarily because the building stock, whilst needing some improvements in function and capacity in some classes, is in very good condition, particularly with the four key largest buildings having been recently renewed.

The gap between service level experienced and the potential service level desired, but not funded, for example for some local Playspaces, requires careful consideration to ensure long term financial sustainability of the Renewal Programs based on Community Service Levels, ensuring this generation of rate payers are paying their fair share of the services they are consuming and not leaving unaffordable debt to renew assets to the next generation.

6.2 Funding Strategy

This SAMP is consistent with Council's existing funding strategy and Long Term Financial Plan looking at both Capital and Operating Costs.

The figures outlined below are preliminary in nature and will be updated on completion of the budget deliberations and the finalisation of the Long Term Financial Plan.

6.3 Expenditure Forecasts - Operations and Maintenance

The changes in operations and maintenance budgets as of 2023/24 are shown in **Figure 9**. Note that all costs are shown in current dollar values (i.e. real values). The SAMP includes an assessment of future Operational and Maintenance needs. Asset Managers and Maintenance managers reviewed Operational changes with respect to Infrastructure, and in most circumstances absorbed the current inflationary cost increases in the Operational Budgets.

There are additional Operating costs due to a number of factors including:

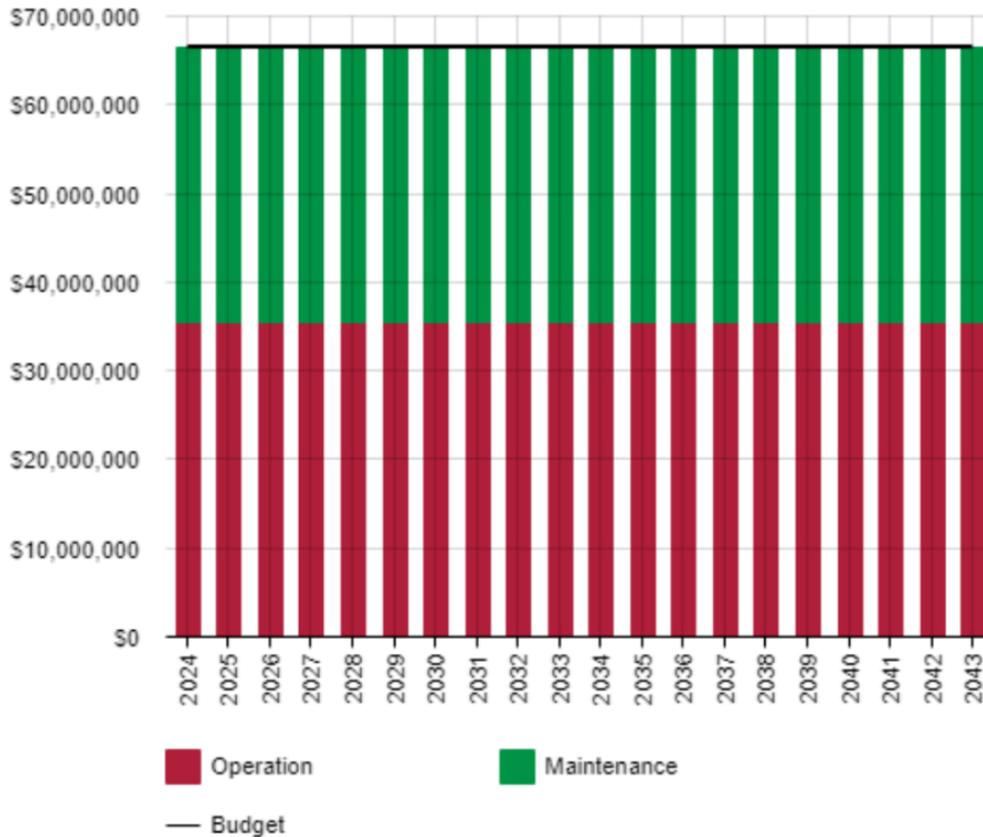
1. The growth of Infrastructure Assets handed to Council, such as the new Coomurra Development
2. Improved Levels of Service including Verge Maintenance, Burton Community Hub, Church/John Street and Operations Centre Management and Maintenance and Safety needs.
3. The development of higher levels of service for District Playspaces, such as Fairbanks Drive and the Paddocks Reserve, including the improvement to Safety Aspects around CCTV and Reserve Lighting.
4. Resource Management NAWMA – Collection Contract increases
5. Northern Connector Asset & Land Handover – Yet to be finalised
6. Increased mowing and watering costs – due to new irrigated spaces

It is noted that increases due to revised Contracts are undertaken at the time of the renewal of contracts and it is expected a number of these will be considered late 2023/24, that may significantly increase the Operational Budget, particularly around supply costs for Energy, that is currently not included in the SAMP.

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Strategic Asset Management Plan 2022

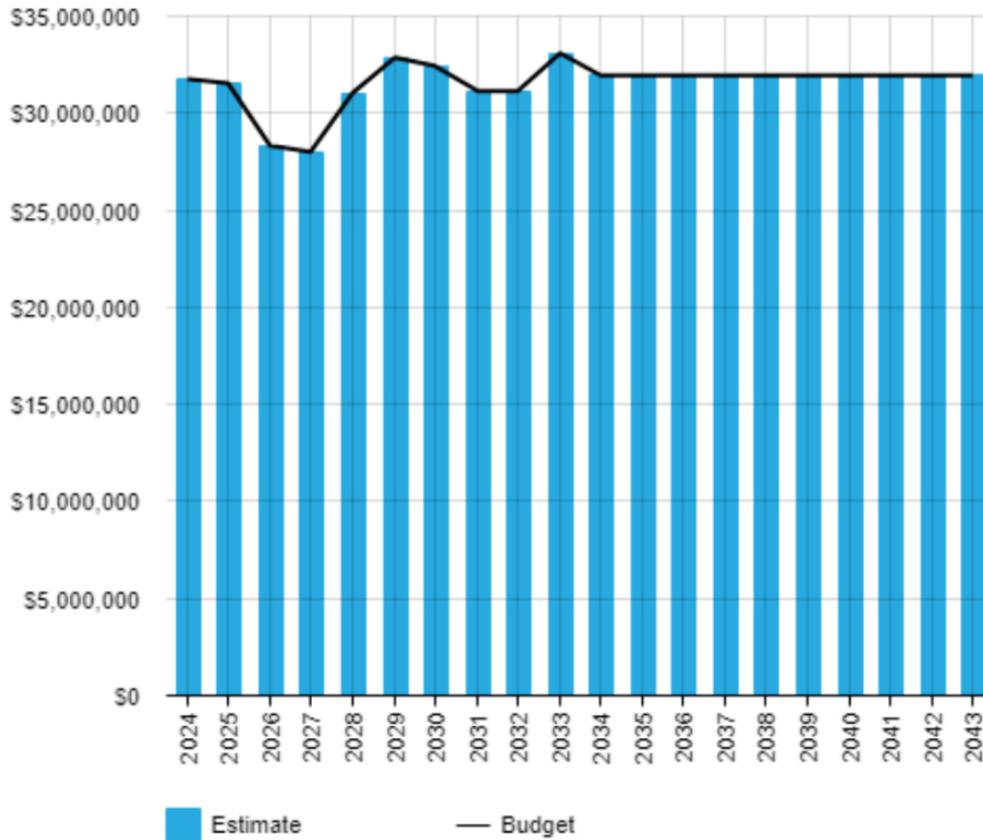
Figure 9 - 2023/24 Operations and Maintenance Expenditure Projections (preliminary)



Capital Renewal Expenditure Projections

Projected future renewal and replacement expenditures are forecast to increase over time as Council’s assets reach the end of either their service or design lives. This forecast expenditure need has been accommodated in the organisation’s long-term financial plan as shown in **Figure 10**.

Figure 10 - 2023/24 Capital Renewal Projected Expenditure (preliminary)



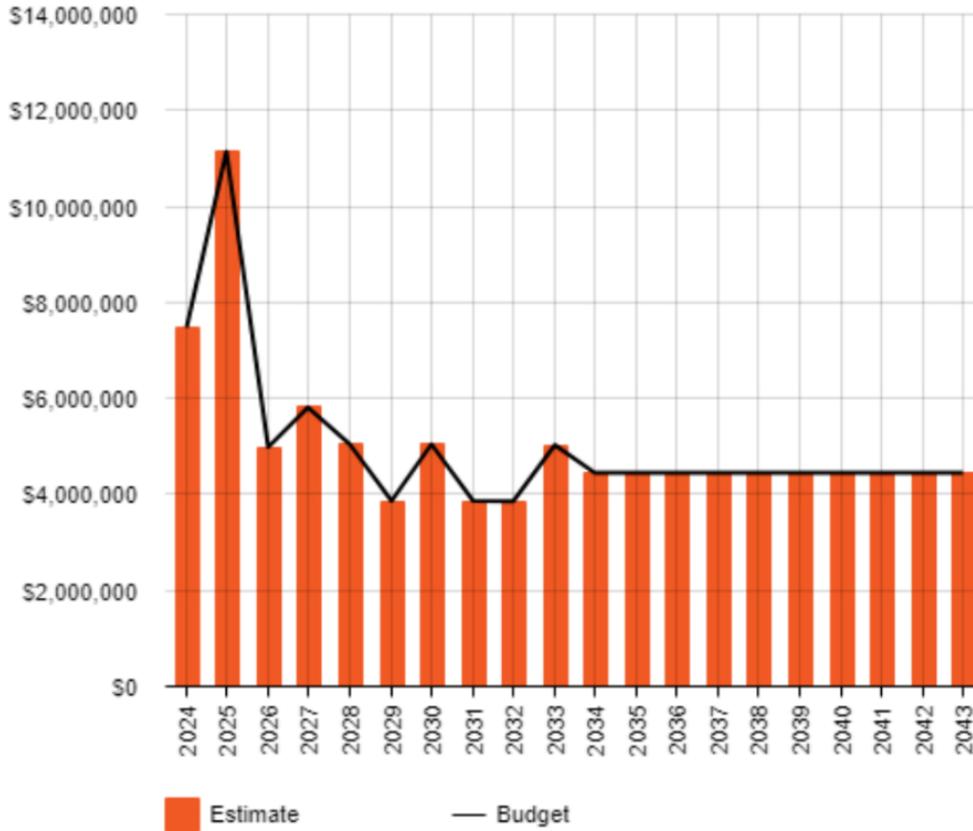
Where renewal projections take into account asset register estimates of asset useful lives, the useful lives are documented in the relevant asset management plan(s).

Capital New/Upgrade Projections

Projected upgrade/new asset expenditures and estimated long-term financial plan outlays are summarised in **Figure 11**. All amounts are shown in today’s dollars.

Strategic Asset Management Plan 2022

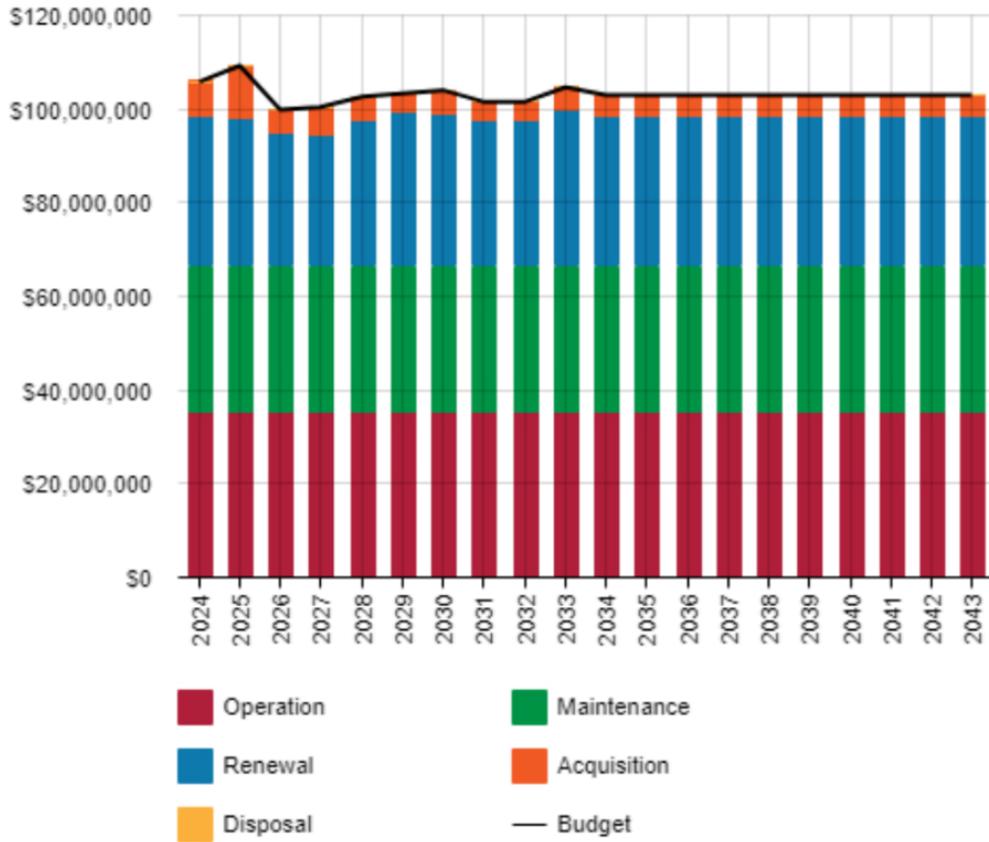
Figure 11 - 2023/24 Capital New/Upgrade Projected Expenditure (preliminary)



Expenditure Projections linked to Long-Term Financial Plan

Figure 12 shows the projected operations, maintenance, capital renewal, capital upgrade/new expenditure and these amounts have been accommodated in outlays shown in the long-term financial plan.

Figure 12 - 2023/24 Balanced Position Projected Operating and Capital Expenditure (preliminary)



The purpose of this strategic asset management plan is to develop the strategies to achieve the asset management objectives through balancing of asset service performance, cost and risk.

7. Conclusion

City of Salisbury is committed to continue to deliver a progressive, sustainable, connected community, providing Excellent Community Experience through its services in a financially affordable and sustainable manner. The Asset Management Data has significantly improved over the last 5 years, particularly with Tablets now in the Field, enabling Council to manage and maintain its' Assets in a financially sustainable manner to deliver these services to agreed levels of service.

This Strategic Asset Management Plan (SAMP) is a significant step towards having a Mature Asset System, based on Community Endorsed Service Levels. Renewal Expenditure across the asset classes meets the endorsed Community based levels of service for more than 60% of the Asset Classes, of Roads, Drainage & Buildings with Stage 2 of Playspaces to be completed following the completion of the Compliance Audit, and review of Playspaces against approved Hierarchies and Criteria, noting the current funding meets existing service level conditions.

The SAMP aligns with the LTFP, however some Renewal Expenditure has been reduced in the first four years, but significantly increased in years five to 10, which means the average Renewal Expenditure is the same. This aims to provide some capacity for Council to invest in other community needs

The SAMP has continued the current funding of renewal of other asset classes, with a review, as part of the Asset Management Improvement Plan, to be undertaken in Footpaths, Street Trees, Irrigation and Public Lighting through late 2023, to inform the 2024/25 SAMP.

This will ensure that the Council's renewal programs are financially sustainable, intergenerational equity is maintained, and the preventative and reactive maintenance programs and associated costs meet the Council's agreed levels of service in future years.

Asset managers have been continuing the Asset Management Improvement Plan, re-evaluating assets based on place and community services rather than condition and useful life. This process will continue over the next 12 months to confirm Useful Lives, Valuations, Capitalisation, and Function & Capacity of Assets to deliver services particularly in the Urban Assets Area.

Council, for the first time, has set funding for renewal and upgrade of assets, based on service continuity rather than condition and depreciation. The Asset Management Improvement Plan, that continues to the approval of the next 2024/25 SAMP, will effectively complete the process, begun four years ago, of moving Salisbury's Strategic Asset Management Plan from core maturity to nearing advanced maturity, across all major asset classes, which will be a major and unique achievement for Salisbury, when comparing other comparable Cities, both in Australia and in OECD countries.

8. References

ISO, 2014, ISO 55000, Asset management – Overview, principles and terminology, International Organization for Standardization, Geneva.

ISO, 2014, ISO 55001, Asset management – Management systems - Requirements, International Organization for Standardization, Geneva.

ISO, 2014, ISO 55002, Asset management – Management systems – Guidelines for the application of ISO 55001, International Organization for Standardization, Geneva.

IPWEA, 2015, International Infrastructure Management Manual, Institute of Public Works Engineering Australia, Sydney www.ipwea.org/iimm

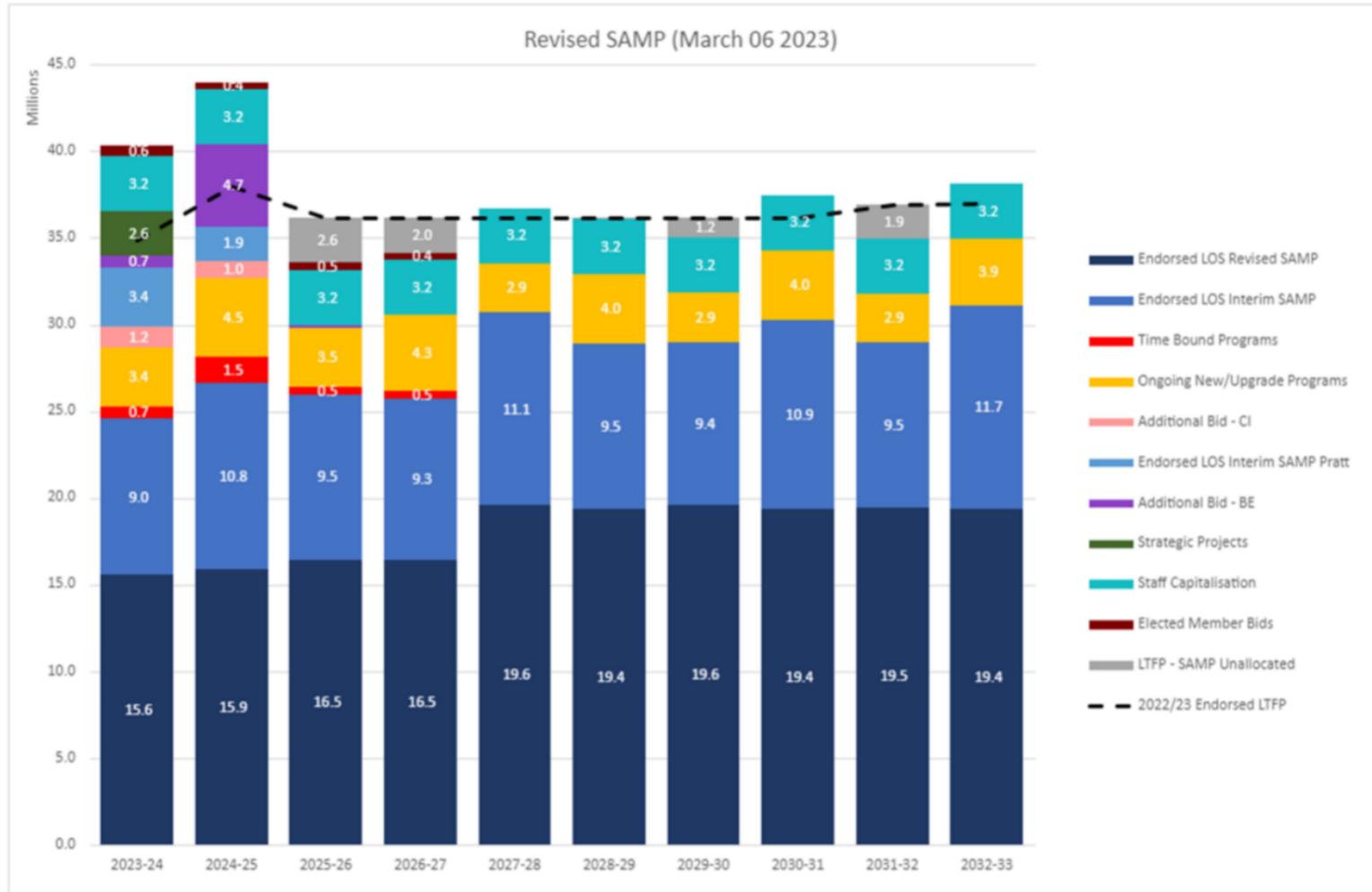
IPWEA, 2014, 'NAMS+ Asset Management', Institute of Public Works Engineering Australia, Sydney, www.namsplus.org

IPWEA, 2015, 'Australian Infrastructure Financial Management Manual, Institute of Public Works Engineering Australasia, Sydney, www.ipwea.org/aifmm



Item 7.1.4 - Attachment 1 - Attachment 1 - Draft Strategic Asset Management Plan 2023/24

Graph 2 – Current service continuity expenditure by percentage



Item 7.1.4 - Attachment 2 - Attachment 2 - Graph 2 – Current service continuity expenditure by percentage

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ITEM	7.1.5
	AUDIT AND RISK COMMITTEE
DATE	12 April 2023
HEADING	Asset Policy Review
AUTHORS	Senior Accountant Projects & Assets, Business Excellence Manager Financial Services, Business Excellence
CITY PLAN LINKS	4.4 We plan effectively to address community needs and identify new opportunities
SUMMARY	This report seeks consideration by the Audit and Risk Committee prior to submitting to Council the opportunity to review our Asset Depreciation Policy within the statutory required review period.

RECOMMENDATIONThat Council:

1. Notes that the Audit and Risk Committee recommends the Asset Depreciation Policy, as set out in Attachment 1 to this report (Audit and Risk Committee, 12 April 2023, Item No. 7.1.5), to Council for adoption.

ATTACHMENTS

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

1. Asset Depreciation Policy

1. BACKGROUND

- 1.1 The development and adoption of accounting policies and procedures with regard to assets, is an essential component of the long-term financial management and asset management planning of the Council. It is an important step in ensuring the consistency of the financial information being presented to its users, especially within the context of Council assets worth approximately \$2.1 billion in total.

2. CITY PLAN CRITICAL ACTION

- 2.1 Council governance and practices

3. CONSULTATION/COMMUNICATION

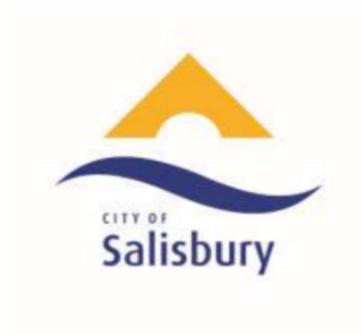
- 3.1 Internal
 - 3.1.1 Nil
- 3.2 External
 - 3.2.1 Nil

4. REPORT

- 4.1 The requirements for the treatment of infrastructure assets are governed by Australian Accounting Standards, the *Local Government Act 1999*, and the *Local Government (Financial Management) Regulations 2011* and consequently require a limited amount of policy decisions to be made by the Council with respect to infrastructure assets.
- 4.2 However, the Asset Depreciation Policy is tabled to Council, as it states the Depreciation Method to be applied in calculating the depreciation on Council infrastructure assets, enabling Council to appropriately consider its policy position via the stand-alone policy attached.
- 4.3 There are no changes in the policy position from the previous review.

5. CONCLUSION / PROPOSAL

- 5.1 The attached policy is provided for Audit and Risk Committee review prior to Council's consideration and is reflective of a need for council policy decisions in relation to our infrastructure assets.
- 5.2 In adopting this policy, Council is not making any changes to its current policy position.



City of Salisbury Values: Respectful, Accountable, Collaborative, Helpful

Assets Depreciation Policy

Adopted by:	Council
Responsible Division:	Financial Services
First Issued/Adopted:	25 November 2013
Last Reviewed:	26 July 2021
Next Review Date:	24 April 2023

1. Purpose

The Accounting Standard AASB 116 – Property, Plant & Equipment prescribes the accounting treatment for property, plant and equipment so that users of the financial report can discern information about an entity’s investment in its property plant and equipment and the changes in such investment. One of the principal issues in accounting for property, plant and equipment is how a recognised asset is to be depreciated, taking into consideration its cost /fair value, its remaining useful life, any residual value at the conclusion of its useful life and the depreciation method by which the consumption of the assets economic benefits are consumed. This can have significant implications for the operating result of the Council.

2. Scope

This policy directs those Council officers who are charged with accounting for Council’s assets and related purposes

3. Legislative Requirements and Corporate Policy Context

- 3.1 Local Government Act 1999
- 3.2 Local Government (Financial Management) Regulations 2011
- 3.3 AASB 13 – Fair Value Measurement
- 3.4 AASB 116 – Property, Plant & Equipment
- 3.5 AASB 108 – Accounting Policies, Changes in Accounting Estimates and Errors
- 3.6 UIG 1030 – Depreciation of Long-Lived Physical Assets

4. Interpretation/Definitions

- 4.1 *Property, plant and equipment* – Tangible items that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and are expected to be used during more than one accounting period.
- 4.2 *Recognition* – The cost of an item of property, plant & equipment shall be recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the entity; and the cost of the item can be measured reliably.
- 4.3 *Fair Value* – The price that would be received to sell an asset in an orderly transaction between market participants at the measurement date¹.
- 4.4 *Cost* – The amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction.
- 4.5 *Depreciation* – The systematic allocation of the depreciable amount of an asset over its useful life
- 4.6 *Depreciable Amount* – The cost / fair value of an asset, or other amount substituted for cost / fair value, less its residual value.
- 4.7 *Residual Value* – The amount that the Council would currently obtain from the disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.
- 4.8 *Useful Life* – The period over which an asset is expected to be available for use by the Council; or the number of production or similar units expected to be obtained from the asset.

¹ AASB 0013 Fair Value Measurement; paragraph 9

5. Policy Statements

- 5.1 This policy specifies what depreciation method, is to be applied to Council's assets.
- 5.2 AASB 116 Property, Plant and Equipment, states that the depreciation method used by an organisation to depreciate an item of Property, plant and equipment shall reflect the pattern in which the asset's future economic benefits are expected to be consumed.
As such, Council has elected to use the straight-line depreciation methodology for all its assets on the basis that the economic benefits provided by the assets (the service provided) are generally used in a consistent manner throughout the useful life of the asset. This methodology results in a constant depreciation charge over the useful life of the asset provided that the asset's useful life or residual values do not change.
- 5.3 Estimates for useful lives, asset measurements, conditions and residuals used to calculate depreciation charges are based on information derived from the prior knowledge and experience of asset managers and the audit and inspection of assets conducted by both officers of Council and appropriately experienced external parties.
- 5.4 Councils applied depreciation methods and estimates for asset useful lives and residual values are reviewed on an annual basis to ensure their continued relevance and appropriateness in accordance with Australian Accounting Standards.

6. Related Policies and Procedures

7. Approval and Change History

Version	Approval Date	Approval By	Change
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8. Availability

- 8.1 The Policy is available to be downloaded, free of charge, from Council's website www.salisbury.sa.gov.au
- 8.2 The Policy will be available for inspection without charge at the Civic Centre during ordinary business hours and a copy may be purchased at a fee as set annually by Council.

City of Salisbury Community Hub
34 Church Street, Salisbury SA 5108
Telephone: 84068222
Email: city@salisbury.sa.gov.au

9. **Review**

- Every 2 Years; or
- Earlier in the event of changes to legislation or related Policies and Procedures; or
- If deemed necessary by Council.

Further Information

For further information on this Policy please contact:

Responsible Officer: Matthew Coldwell

Address: 34 Church Street, Salisbury SA 5108

Telephone: 8406 8222

Email: mcoldwell@salisbury.sa.gov.au

ITEM	7.1.6
	AUDIT AND RISK COMMITTEE
DATE	12 April 2023
HEADING	3-Year Internal Audit Plan 2022/23-2024/25
AUTHOR	Internal Auditor & Risk Coordinator, CEO and Governance
CITY PLAN LINKS	4.2 We deliver quality outcomes that meet the needs of our community 4.4 We plan effectively to address community needs and identify new opportunities
SUMMARY	This report summarises the changes to the 3-year Internal Audit Plan 2022/2023 to 2024/2025, since it was last presented to the Audit and Risk Committee in February 2023.

RECOMMENDATION

That Council:

1. Notes the updates made to the 3-year Internal Audit Plan 2022/2023 to 2024/2025 as set out in Attachment 1 to this report (Audit and Risk Committee, 12 April 2023, Item No.).
2. Notes the mapping of internal audits to the current identified risks in the strategic risk register as set out in Attachment 2 of this report (Audit and Risk Committee, 12 April 2023, Item No.7.1.6).
3. Notes the accompanying high-level indicative draft scope for pending audits as set out in Attachment 3 of this report (Audit and Risk Committee, 12 April 2023, Item No.7.1.6).

ATTACHMENTS

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

1. Strategic Risk Mapping to Internal Audits
2. Indicative Scope for Pending Internal Audits
3. 3 Year Internal Audit Plan 2022-23 to 2024-25

1. BACKGROUND

- 1.1 The 3-year Internal Audit Plan 2022-2023 to 2024-2025 and the accompanying indicative draft audit scopes were last considered by the Audit and Risk Committee in February 2023.
- 1.2 The Audit and Risk Committee requested to update the 3-year Internal Audit Plan showing the mapping of internal audits to the strategic risks.

2. REPORT

The updated 3-year Internal Audit Plan 2022-2023 to 2024-2025 is set out in Attachment 1 to this report.

Key changes and updates to the 3-year Internal Audit Plan 2022-2023 to 2024-2025 are as follows:

2.1 Progress of Audits as per Approved Internal Audit Plan

2.1.1 Desktop Audit on Strategic Alignment of Investments in Enterprise Resource Planning (ERP) Solutions

The draft internal audit report is shared with Administration for comments and is subject to further review and discussion. Report was not finalised in time for sharing with Audit and Risk Committee for the April 2023 meeting, and will be presented to the next meeting.

2.2 Ongoing and Pending Audits for this current Financial Year

- The Scoping document for Strategic Reporting Process Audit is being reviewed by the Executives, and is scheduled to commence in late April 2023. The internal audit is expected to be completed in early July 2023 and the aim is to present the report to the November 2023 Audit and Risk Committee meeting. The internal audit will be undertaken by the Internal Auditor and Risk Coordinator.

The following audits are on schedule in accordance with the last update to the Audit and Risk Committee in November 2022.

- Independent External Review of Internal Audit Function – to commence in June 2023 on a co-sourced model.

2.3 Audits Rescheduled

- IT Disaster Recovery Audit – originally planned to commence in April 2023 on a co-sourced model. Administration has further considered that it will be more value adding to undertake a desktop audit in April 2024 once the IT Disaster Recovery roadmap actions are implemented on this process early next year. Further details of this is elaborated in a separate section within the confidential Quarterly Cybersecurity Update Report.

2.4 Strategic Risk Register Mapping of Internal Audits

The 3-year Internal Audit Plan is developed to closely align the activities of internal audit with Council's current identified strategic risks. The internal audits undertaken (since 2011) and planned on the 3-year internal audit plan are mapped to the current identified risks on the strategic risk register, to demonstrate this relationship as summarised below:

Strategic Risk	Risk Short Name	Inherent Risk	Residual Risk	INTERNAL AUDITS (2011 to 2025)	
				PAST INTERNAL AUDITS	PLANNED INTERNAL AUDITS ON 3-Year Internal Audit Plan 2022/23-2024/25
1	Business Continuity Risk	Very High	Medium	Event Incident Management Framework Audit (Dec 2016)	Business Continuity Audit (Jan 2024)
				Event Incident Management Framework Audit (Jun 2021)	Risk Management Audit (Oct 2023)
				Compliance With Building Inspections Policy (Sep 2014)	
				LGRS BCP Exercise Audit (June 2018) BCP Desktop Audit (Nov 2014)	
2	Recycled Water Contamination Risk	High	Medium	Management of Contaminated Sites Audit (Aug 2020)	Risk Management Audit (Oct 2023)
3	Public and Environmental Health Risk	High	High	Public and Environmental Health Management Audit (Dec 2017)	By-Laws Management and Enforcement Process Audit (Feb 2025)
				Administation of the Food Act (Mar 2011) Food Safety Audit (Apr 2020)	

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				INTERNAL AUDITS (2011 to 2025)	
Strategic Risk	Risk Short Name	Inherent Risk	Residual Risk	PAST INTERNAL AUDITS	PLANNED INTERNAL AUDITS ON 3-Year Internal Audit Plan 2022/23-2024/25
4	Environmental and Social Risks	High	Medium	Strategic Development Projects Audit (Mar 2018)	Tree Management Framework Audit (Jul 2023)
					Community Consultation Process, and Community Perception Survey Effectiveness Audit (Jul 2024)
					Environmental Sustainability & Climate Change Risk Management Audit (potential 2025/2026 Audit)
5	Financial Sustainability Risk	High	Medium	Corporate Credit Card Audit (Oct 2020)	Fraud and Corruption Prevention Control Audit (Jan 2024)
				Trade Card and Trading Account Audit (Nov 2020)	Grants Management Audit (Aug 2024)
				Financial Sustainability Audit (Jun 2019)	Rates Setting Process, Revenue and Debtors Audit (Aug 2023)
				Asset Management Audit (Mar 2020)	Budgetary Control Audit (Nov 2024)
				Payroll Audit (Sep 2010; March 2017)	Desktop Audit on Strategic Alignment of Investments in ERP Solutions Audit (Jan 2023)
				Procurement Audit (Sep 2014)	
				Fraud and Corruption Prevention Control Audit (Jan 2013)	
				Grants Management Audit (Sep 2012)	
				Contractor Management Audit (Jan 2020)	
				Fleet, Heavy Vehicle, High Value and Portable Assets Audit (Jan 2023)	
Capital Works Projects Audit (Mar 2018)					
Capital Works Projects Audit (Aug 2021)					
6	Governance Risk	High	Medium	Complaint Handling Process Audit (Mar 2021)	Strategic Reporting Process Audit (Mar 2023)
				Volunteers Audit (Mar 2008)	Data Governance Audit (Jul 2024)
				Volunteers Audit (Jun 2021)	Risk Management Audit (Oct 2023)
				Capital Works Projects Audit (Mar 2018)	
				Capital Works Projects Audit (Aug 2021)	
7	Work Health and Safety Risk	Very High	Medium	Event Incident Management Framework Audit (Dec 2016)	
				LG Risk Evaluation Audit (Nov 2019)	
				Event Incident Management Framework Audit - Jun 2021	

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				INTERNAL AUDITS (2011 to 2025)	
Strategic Risk	Risk Short Name	Inherent Risk	Residual Risk	PAST INTERNAL AUDITS	PLANNED INTERNAL AUDITS ON 3-Year Internal Audit Plan 2022/23-2024/25
8	IT and Cybersecurity Risk	Very High	Medium	Business Systems and Solutions Audit (Apr 2018)	Desktop Audit on Strategic Alignment of Investments in ERP Solutions Audit (Jan 2023)
				Cyber Security Implementation Project Pre-Implementation Audit	Data Governance Audit (Jul 2024)
					Business Continuity Audit (Jan 2024)
					IT Disaster Recovery Audit (Apr 2023)
9	Climate Change Risk	Very High	Medium		Environmental Sustainability & Climate Change Risk Management Audit (potential 2025/2026 Audit)
10	Reputation Risk	High	Medium	People & Culture Risk Review (Jun 2015)	Community Consultation Process, and Community Perception Survey Effectiveness Audit (Jul 2024)
				Program Review of Twelve25 Salisbury Youth Enterprise Centre (Sep 2012)	
				Legislative compliance Audit (Jan 2021)	

For further clarity, an expanded version covering these strategic risks with corresponding causes and controls, the control effectiveness, and the internal audit mappings are included in the Attachment 2 of this report.

2.5 Indicative Scopes for Pending Audits for the 3-year Internal Audit Plan

The scopes for pending audits (included in Attachment 3) have not changed since last presented to the Audit and Risk Committee in November 2022.

3. CONCLUSION / PROPOSAL

This report outlines the progress made towards the completion of the 3-year Internal Audit Plan since it was last presented to the Audit and Risk Committee in November 2022.

City of Salisbury (COS)

Strategic Risk Register - Internal Audit Mapping

										Control Effectiveness Rating Key: E-Effective; ME-Majority Effective; PE-Partially effective; SIR-Significant Improvement Required; IE-Ineffective				INTERNAL AUDITS - MAPPED FOR ASSURANCE													
Risk ID	Strategic Pillar	Risk Short Name	Risk Owner	Risk Description	Cause #	Causes Potential and Actual	Likelihood	Consequence	Inherent Risk	Critical Controls	Addresses Cause #	Effectiveness Rating	Overall Control Effectiveness	Likelihood	Consequence	Residual Risk	Cause #	Prior Audits	Cause #	Audits in the 3-Year Internal Audit Plan 2022/23-2024/25							
1	A welcoming and liveable City	Business Continuity Risk	Manager Governance	There is a risk of inadequate response to a business continuity or emergency event, or major incident at a Council run Community event. 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). 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 has been 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.	1.1	Lack of plans and procedures to inform response strategies when a business continuity or emergency event occurs	ALMOST CERTAIN	CATASTROPHIC	Very High	Preventative Controls			ME	POSSIBLE	MODERATE	Medium			1.1, 1.3, 1.6, 1.7, 1.8, 1.10	Event Incident Management Framework Audit (Dec 2016)	1.1, 1.2, 1.3, 1.4, 1.5, 1.6, 1.8	Business Continuity Audit (Jan 2024)					
					1.2	Lack of communication/training for relevant staff required to respond to business continuity and emergency events				Current and maintained Business Continuity Framework (including Plans and testing regime)	1.1, 1.3	ME															
					1.3	Information to facilitate action during business continuity or emergency events is insufficient or not available				Maintaining and reviewing Business Continuity Framework	1.1, 1.3	ME															
					1.4	Impact of climate change on weather patterns				Performance testing of BCP scenarios	1.1	ME															
					1.5	COVID-19 pandemic				Business Continuity staff identified and trained on roles and responsibilities	1.2	PE															
					1.6	Inadequate procedures and plans in place to prevent incidents				Incident Management Team identified and trained	1.2	PE															
					1.7	Lack of asset management and maintenance				Key ICT members actively participating within the Zone Emergency Management Committee – Northern Area	1.2	E															
					1.8	Inadequate due diligence performed by CoS in order to identify relevant risks related to the management and delivery of community events				Training of all potential event owners on risk identification and due diligence assessment	1.2	ME															
										Effective and regularly reviewed COVID action plans	1.5	E															
										Formal information exchange between City Infrastructure bookings and Events Team to identify community events involving CoS assets	1.2	ME															
										Participation in Zone Emergency Management Committees – Northern Area	1.5, 1.4	E															
										Distribution and maintenance of effective VPN network access to all relevant staff	1.6	E															
										Evacuation procedures and testing	1.6	ME															
										Building Control and Inspections	1.7	ME															
										Provision and maintenance of Building safety systems – e.g. exit signs, fire extinguishers, wardens etc., induction process	1.7	ME															
										Reviewed and maintained Asset management plans	1.7	ME															
										Risk assessments performed for community events	1.8	ME															
										Maintaining and reviewing Event Management Plans	1.8	ME															
		Compliance with Event Management Guidelines	1.8	ME																							
2	A sustainable City	Recycled Water Contamination Risk	GM Business Excellence, GM City Infrastructure	Contamination of the recycled water systems. 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.	2.1	Inadequate monitoring plans and sample testing	POSSIBLE	CATASTROPHIC	High	Preventative Controls			ME	UNLIKELY	MAJOR	Medium			2.1, 2.2, 2.3, 2.4, 2.5, 2.6, 2.7	Management of Contaminated Sites Audit (Aug 2020)	1.8, 2.3	Risk Management Audit (Oct 2023)					
					2.2	Failure to respond appropriately in the event of contamination				Salisbury Water Business Unit – Recycled Water Risk-Based Management Plan including sample testing before water injections are commenced	2.1	ME															
					2.3	Failure of controls within the Recycled Water Risk Based Management Plan				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.	2.2	E															
					2.4	Wet weather could hamper clean-up operations or contribute to a contamination event				Implementation of the Water Course Management Plan including the renewal of Wetlands and desilting/removal of pollutants in waterways as required	2.3	ME															
					2.5	PFAS and PFOA infiltration.				Review of Risk Based Management Plan every five years	2.1	ME															
					2.6	Act of Terrorism				Maintenance of the CoS Contaminated Sites Register	2.1	PE															
					2.7	Illegal dumping				Reactive Controls																	
										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.	2.1	ME															
		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)	2.2	ME																							
		Employee Media Policy and Procedure and Elected Member Media Policy	2.2	ME																							
				Lack of management of public and environmental health risks. Community experiences illness or injury due to a failure to deliver public and environmental health and	3.1	Inadequate management, monitoring or testing				Preventative Controls			ME					3.1, 3.2, 3.3, 3.4, 3.5	Public and Environmental Health Management Audit (Dec 2017)	3.1, 3.2, 3.3, 3.4, 3.5	By-Laws Management and Enforcement Process Audit (Feb 2025)						
					3.2	Failure to respond appropriately in the event of an incident				Compliance with Public Health and Environmental Policies and Procedures	3.1	ME															

Risk ID	Strategic Pillar	Risk Short Name	Risk Owner	Risk Description	Cause #	Causes Potential and Actual	Likelihood	Consequence	Inherent Risk	Critical Controls	Addresses Cause #	Effectiveness Rating	Overall Control Effectiveness	Likelihood	Consequence	Residual Risk	Cause #	Prior Audits	Cause #	Audits in the 3-Year Internal Audit Plan 2022/23-2024/25
3	A welcoming and liveable City	Public and Environmental Health Risk	GM City Development	Environmental health and safety outcomes for the community (includes food safety, dog and cat management, by-law enforcement and parking control).	3.3	Animal/vermin infestation	LIKELY	MAJOR	High	Accurate completion of Food Safety Inspection Checklists	3.1	ME	ME	POSSIBLE	MAJOR	High				
					3.4	Noctuous plants				Performance of infrastructure maintenance activities	3.1	E								
										Provision of all Food Safety Inspection documentation to relevant business Proprietors	3.1	ME								
					3.5	Failure of waste disposal contractor to meet contractual obligations.				Activating the relevant initiatives within the CoS Regional Public Health Plan	3.1	E								
										Administration and management of CoS' responsibilities under the Food Act	3.1	ME								
										Compliance with and training on Employee Media Policy and Procedure and Elected Member Media Policy	3.1	ME								
										Accurate completion of Food Safety Audit Report Questionnaire	3.1	ME								
										Undertaking the Mosquito Control Program	3.3	ME								
										Provision of Immunisation Services	3.2	E								
										Current and maintained Animal Management Plan	3.3	ME								
										Undertaking Dog Patrols	3.3	E								
										Reactive Controls										
										Enforcement of the CoS' responsibilities under the SA Public Health Act	3.1	E								
										Enforcement of the CoS' responsibilities under the Dog and Cat Management Act	3.1	E								
4	A sustainable City	Environmental and Social Risks	GM City Development, GM City Infrastructure	Failure to manage the impact of environmental and social factors on Council infrastructure, assets and services. The detrimental effect on Council assets and infrastructure caused by environmental factors, including climate change, 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.	4.1	Inadequate understanding and planning for factors impacting the environment	POSSIBLE	MAJOR	High	Preventative Controls			ME	UNLIKELY	MODERATE	Medium	4.1, 4.2, 4.8, 4.10	Strategic Development Projects Audit (Mar 2018)	4.1, 4.2	Tree Management Framework Audit (Jul 2023)
					4.2	Failure to consider environmental consequences when planning and designing infrastructure				Early warning system of text alerts based on Bureau of Meteorology data, implemented by DEWNR	4.1	E					4.6, 4.7, 4.8	Community Consultation Process, and Community Perception Survey Effectiveness Audit (Jul 2024)		
					4.3	Insufficient modelling of weather events used within Asset Management Planning				Bushfire Management Plan	4.1	ME					4.1, 4.2	Environmental Sustainability & Climate Change Risk Management Audit (potential 2025/2026 Audit)		
					4.4	Inadequate infrastructure within the City to manage stormwater and associated risks due to storm events.				Watercourse Management capital program	4.1, 4.9	ME								
					4.5	Inadequate understanding of and planning for the impact of climate change on City infrastructure and assets				One in 100 year flood and Probable Maximum Flood modelling including tidal info. in place at individual house level, using digital terrain modelling.	4.3	ME								
					4.6	Failure to monitor and forecast demographic changes in the City and adjust objectives and plans accordingly				Adapting Northern Adelaide Plan	4.2	ME								
					4.7	City Plan becomes obsolete or fails to anticipate the financial impact of demographic changes				Reviewed and maintained Asset Management Policy and Plans	4.10, 4.3, 4.2	ME								
					4.8	Failure to maintain a social infrastructure plan for the existing and future assets				Flood mapping is updated periodically and communicated as necessary and is incorporated into the development plan process	4.4	ME								
					4.9	Coastal inundation and impact on biodiversity				Reviewed and maintained Growth Management Plan	4.6	E								
					4.10	Failure to update Asset Management Plans				Implementation of Youth Strategy and Intercultural Plan	4.6	ME								
										Reviewed and maintained Emergency Management Plan	4.4, 4.5	PE								
										Participation in Zone Emergency Management Committee – Northern Area		E								
										Compliance with grant funding applications process and reviews		ME								
										Compliance with Home Care Common Standards – Operating Manual		E								
										Regular monitoring of risk sites e.g. land fill sites, dams	4.6	E								
										Planning controls	4.7, 4.5	E								
										Reviewed and maintained Learning Strategy, Wellbeing Strategy & Intracultural Strategy	4.7	ME								
										Reviewed and maintained City Plan/Strategic Plans/Business Plans	4.7	ME								
										Social Infrastructure Assessment Framework		PE								
		Strategic Land Review	4.8	E																
		Asset Management infrastructure audits	4.10	E																
		Reactive Controls																		
		Extreme Heat response process (for residents)	4.5	ME																
			ant	City of Salisbury financial sustainability is compromised by internal decisions and / or external events. CoS fails to maintain service standards and invest in assets and infrastructure as a result of increased	5.1	Insufficient or reduction in grant funding				Preventative Controls			ME				5.3, 5.7	Corporate Credit Card Audit (Oct 2020)	5.7, 5.3	Fraud and Corruption Prevention Control Audit (Jan 2024)
					5.2	Inadequate revenue and a failure to maximise revenue from all sources	Long term financial planning, by managing monitoring and reviewing	5.11, 5.19	E	5.1, 5.3, 5.7	Trade Card and Trading Account Audit (Nov 2020)	5.1, 5.3, 5.7					Grants Management Audit (Aug 2024)			
					5.3	Unplanned spending	Managing monitoring and reviewing of Asset Management Plans	5.5	ME											
					5.4	Inadequate valuation of assets or inaccurate depreciation	Undertaking Quarterly Budget Review	5.3, 5.1	E											
					5.5	Inadequate planning for infrastructure repairs or upgrades	Annual Plan and Annual Report reviewed by Audit Committee	5.7, 5.17, 5.4	E											

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Risk ID	Strategic Pillar	Risk Short Name	Risk Owner	Risk Description	Cause #	Causes Potential and Actual	Likelihood	Consequence	Inherent Risk	Critical Controls	Addresses Cause #	Effectiveness Rating	Overall Control Effectiveness	Likelihood	Consequence	Residual Risk	Cause #	Prior Audits	Cause #	Audits in the 3-Year Internal Audit Plan 2022/23-2024/25																		
5	Innovation and Business Development	Financial Sustainability Risk	GM Business Excellence, GM City Infrastructure, GM City Development	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. CoS fails to identify opportunities for alternative sources of revenue. Insufficient budgeting for the completion of the strategic plan.	5.6	Introduction of draft legislation regarding rate capping	LIKELY	MAJOR	High	Adhoc Prudential Reviews	5.7, 5.13, 5.12	E	ME	UNLIKELY	MAJOR	Medium	5.14, 5.13, 5.5, 5.6	Asset Management Audit (Mar 2020)	5.19, 5.20	Budgetary Control Audit (Nov 2024)																		
					5.7	Fraud, misconduct or maladministration				Regular reviews of rating system fairness and equity	5.9, 5.2, 5.6, 5.18, 5.20	ME																										
					5.8	Changes to legislation/obligations imposed by other levels of government				Appropriate execution of the Grant Management application Process, (subject of an internal audit)	5.1	PE							5.4, 5.5, 5.145.19		Payroll Audit (Sep 2010; March 2017)	5.3	Desktop Audit on Strategic Alignment of Investments in ERP Solutions Audit (Jan 2023)															
					5.9	Potential new revenue streams/opportunities are not fully investigated				Review of Financial information by the Budget & Finance Committee									5.3, 5.7		Procurement Audit (Sep 2014)	5.13																
					5.10	Changes to roles and responsibilities assigned to City of Salisbury by federal or state government				Diversification of income (e.g. Water Business Unit, Strategic Property Development and Building Rules Certification Unit, NAWMA, Salisbury Memorial Park)	5.2	ME							5.3, 5.5, 5.7, 5.13		Procurement Audit (Sep 2014)																	
					5.11	Short term revenue is maximised at the expense of longer term revenue				Compliance with Budget Policies and Procedures	5.3, 5.11, 5.17	E							5.7, 5.3, 5.13, 5.19		Fraud and Corruption Prevention Control Audit (Jan 2013)																	
					5.12	Poorly structured debt funding				Business Case Modelling	5.18, 5.20, 5.4	ME							5.1, 5.3, 5.7		Grants Management Audit (Sep 2012)																	
					5.13	Poor investment decision making				Business Support Agenda											Contractor Management Audit (Jan 2020)																	
					5.14	Unknown consequences of new infrastructure provision from other levels of government or private sector investment				Growth Action Plan	5.2, 5.5, 5.6, 5.16, 5.17	ME							5.3, 5.4, 5.5, 5.7		Fleet, Heavy Vehicle, High Value and Portable Assets Audit (Jan 2023)																	
					5.15	Failure to encourage investment in the City				Annual external Audit activities	5.7, 5.3, 5.4, 5.5	E							5.5		Capital Works Projects Audit (Mar 2018)																	
					5.16	Increased expectations of the community in relation to the demand for and breadth of services and standards delivered by CoS				Project Management Methodology	5.5	PE							5.5		Capital Works Projects Audit (Aug 2021)																	
					5.17	Council ultimately becomes financially unsustainable				Reactive Controls																												
					5.18	City revenue has to be raised increasingly through more traditional methods (rate rises)																																
					5.19	Revenue from the sale of assets (land) is not invested for the longer term benefit of the community																																
					5.20	Financial cost associated with falling rates revenue or increasing bad or doubtful debts																																
					6	All City Plan directions				Governance Risk	CEO, All General Managers	Ineffective governance results in the provision of services which do not meet community expectations. Inadequate decision making. Failure to integrate governance to enable the meeting of strategic objectives.							6.1		Inadequate performance measures which are not linked to objectives or strategies	LIKELY	MAJOR	High	Preventative Controls			ME	UNLIKELY	MODERATE	Medium	6.1, 6.3, 6.4, 6.6, 6.10	Complaint Handling Process Audit (Mar 2021)	6.1, 6.2, 6.3, 6.4, 6.5, 6.6, 6.7, 6.9	Strategic Reporting Process Audit (Mar 2023)			
																			6.2		Failure to consistently conduct Post Implementation Reviews and measure benefits realisation				Compliance with Budget Process	6.1	E											
																			6.3		Failure to monitor organisational performance against stakeholder expectations and to take action when necessary to correct it				Review of Annual Plan and Annual Report by Audit Committee	6.4, 6.7	E							6.1, 6.4, 6.8		Volunteers Audit (Mar 2008)	6.5, 6.6	Data Governance Audit (Jul 2024)
																			6.4		Failure to deliver what is expected by the local community due to a lack of alignment of strategic plans				Review and approval of City Plan by elected members	6.4	E							6.1, 6.4, 6.8		Volunteers Audit (Jun 2021)		Risk Management Audit (Oct 2023)
																			6.5		Limited meaningful corporate performance indicators in place				Established and embedded Customer Service Framework	6.4, 6.5, 6.7, 6.10	ME							6.1, 6.2, 6.3, 6.4, 6.7		Capital Works Projects Audit (Mar 2018)		
6.6	Inconsistent reporting and data collection of corporate performance indicators	Monthly Strategic Executive Group meetings	6.3	ME				Capital Works Projects Audit (Aug 2021)																														
6.7	Processes and systems fail to address customer needs	Alignment of New Initiative Bid documentation to the City Plan	6.1, 6.12	ME																																		
6.8	Inadequate capability and capacity (e.g. workforce plans, training and development, technology, systems etc.)	Strategic Planning and Accountability	6.1, 6.12	ME																																		
6.9	Failure to engage with all stakeholders in developing the City Plan	Effective use of and compliance with Community Engagement Framework	6.10, 6.9, 6.3	ME																																		
6.10	Customer service is neither monitored or managed	Project Management Methodology	6.2, 6.11	PE																																		
6.11	Insufficient prioritisation of projects and resource scoping	Conduct of bi-annual customer satisfaction survey	6.10	ME																																		
6.12	Projects approved are not consistent with the strategic direction of CoS	Regular performance of CEO Review via CEO Review Committee	6.1	ME																																		
		Business case development for aged care schemes		ME																																		
		Governance Framework and Statement		PE																																		
		Regularly reviewed and communicated Delegations Register		E																																		
		OCI/ABEF survey process	6.4, 6.10	ME																																		
		Regular Strategic Project Reporting	6.12	ME																																		
		Skilled and experienced staff	6.8	ME																																		
		Performance of Contract Management		ME																																		
		Infrastructure Maintenance Activities		E																																		
		Succession Planning	6.8	ME																																		
		LG Performance Excellence Program benchmarking activity	6.5	ME																																		
		Reactive Controls																																				
		Preventative Controls																																				
		7.1	Inadequate controls in place to prevent incidents occurring																																			
		7.2	Insufficient reporting of incidents and near misses						WHS training and e-learning (mandatorily required for all employees on commencement of employment and thereafter routinely)	7.4, 7.3	E					7.1, 7.2, 7.3, 7.4, 7.5, 7.6	Event Incident Management Framework Audit (Dec 2016)																					

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7	Innovation and Business Development	Work Health and Safety Risk	The Executive Group, Elected Members	Environment: 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.	7.3	Safe work practices not documented or communicated to employees	LIKELY	CATASTROPHIC	Very High	Performance of Licensing qualifications checks	7.3	E	ME	UNLIKELY	MAJOR	Medium	7.1, 7.3, 7.5, 7.6	LG Risk Evaluation Audit (Nov 2019)	7.1, 7.2, 7.3, 7.4, 7.5, 7.6				
					7.4	Inadequate induction, training and supervision				Training in WHS Procedures	7.4	E										Event Incident Management Framework Audit - Jun 2021	
					7.5	Inadequate hazard management system				Updated WHS IM Business Plan	7.1	E											
					7.6	Organisational safety attitude does not recognise the importance of following WHS policies and procedures				Performance WHS Reviews	7.1, 7.2	ME											
										Principal WHS Committee		E											
										City Infrastructure WHS Committee		E											
										JSA, work instructions and plant risk assessments	7.1	ME											
										Staff training on and compliance with Code of Conduct	7.3, 7.6	ME											
										Compliance with Hazard and incident reporting and investigation procedures	7.1, 7.2, 7.6	ME											
										Members of the Local Government Workers Compensation Scheme, requiring annual external audits	7.5	E											
										Work Health Safety representative team		E											
										Support from LG Sector/other councils/private sector organisations with development/implementation of WHS policies/procedures (including benchmarking partners)	7.4, 7.6	E											
										Contractual arrangements with external providers to assist compliance with WHS obligations	7.3, 7.6	ME											
										Quarterly Executive Report highlighting trends, outstanding actions and high risk rating incidents or hazards	7.2	ME											
										Embedding of organisational values	7.4	PE											
										Reactive Controls													
					8	Innovation and Business Development				IT and Cybersecurity Risk	GM Business Excellence	Lack of alignment and integrity of IT systems and data to support service delivery. Information management systems are not integrated resulting in ineffective business processes. Ineffective data management results in poor reporting and decision making due to insufficient data collection and storage. Ineffective IT security leaves the organisation vulnerable to cyber attacks. Failure to keep pace with cyber changes.										8.1	Failure to adequately involve IT when developing plans, strategies and projects
8.2	Failure to consider all options when improving a system or process	IT Governance Framework	8.1, 8.2, 8.5	PE			8.2, 8.9	Business Continuity Audit (Jan 2024)															
8.3	Organisational change is not conducted in a structured and logical manner	Programmed testing of systems for security and reliability	8.8, 8.12, 8.11,	ME																			
8.4	Failure to support the skill set of individuals responsible for the delivery of business systems	Penetration testing	8.8, 8.11	ME																			
8.5	Lack of business engagement and clarity of roles	Compliance with Information Security Policies and Procedures	8.7, 8.14	ME																			
8.6	External pressure for changes to systems	Continuous Improvement Framework	8.13	ME																			
8.7	Lack of plans and procedures to inform response strategies when a cybersecurity incident occurs	Documented and tested Business Continuity Plans	8.13, 8.14, 8.5	ME																			
8.8	Cyber attack (Unauthorised access/network intrusion, denial of service, vulnerability exploitation, malware, social engineering, hacking, phishing, ransomware)	Incident Management Team identified and trained	8.4, 8.15, 8.13	ME																			
8.9	Business Continuity / Disaster Recovery Plans not tested or properly documented	Building security and access controls	8.8, 8.5	ME																			
8.1	Mobile device management with the potential for a lost or stolen device being used to access Council systems	User access system controls	8.8, 8.5	ME																			
8.11	Lack of auditing and logging functions to capture events	Patch management and software maintenance procedures	8.12, 8.8	ME																			
8.12	Lack of monitoring of cybersecurity threats to organisational assets	Performance of Cyber Security Risk Assessments	8.8, 8.14, 8.2, 8.1	ME																			
8.13	Lack of communication/training for all staff regarding information security	Audit logs for access to systems	8.8, 8.12, 8.14	ME																			
8.14	Information to facilitate action during a cybersecurity incident is not available	Documented and embedded Fraud & Corruption Prevention & Management Policy and Framework	8.15	PE																			
8.15	Staff fraud	Documented and implemented Cyber Security Program	8.8, 8.12, 8.14	PE																			
		Reactive Controls																					
		Documented and tested IT Disaster Recovery Plan	8.9	PE																			
				Climate Change negatively impacts on City of Salisbury's operations, infrastructure, services and the community. Failure to adapt to climate change. Manifestations of climate change include higher temperatures, altered rainfall patterns, and more frequent or intense extreme events such as heatwaves, drought and storms.	9.1	Inadequate understanding of and planning for the impact of climate change on infrastructure and assets	LIKELY	CATASTROPHIC	Very High	Preventative Controls			ME	POSSIBLE	MODERATE	Medium						9.1 to 9.17	Environmental Sustainability & Climate Change Risk Management Audit (potential 2025/2026 Audit)
					9.2	Business plans fail to adequately address evolving impacts of climate change				Current and maintained Business Continuity Framework (including Plans and testing regime)		ME											
					9.3	Lack of plans and procedures to inform response strategies when climate change related event occurs				Business Continuity staff identified and trained on roles and responsibilities		PE											
					9.4	Information to facilitate action is insufficient or not available				Incident Management Team identified and trained	9.3	ME											
					9.5	Lack of communication and/or training for relevant staff				Current and maintained IT Disaster Recovery Plan (including testing regime)													
					9.6	Impact of climate change on weather patterns (e.g. more heatwaves, decreased precipitation, increased severity of drought, more intense rain and storms, increased mean sea level)				Current and maintained Emergency Management Plan	9.3	ME											
					9.7	Inadequate monitoring plans and testing of recycled water systems				Salisbury Water Business Unit – Recycled Water Risk-Based Management Plan including sample testing before water injections are commenced	9.7, 9.8	ME											
										Participation in Zone Emergency Management Committees – Northern Area													

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9	A sustainable City	Climate Change Risk	All General Managers		9.8	Weather events contribute to a recycled water system contamination event	ALMOST CERTAIN	MAJOR	Very High	Implementation of the Water Course Management Plan including the renewal of Wetlands and desilting/removal of pollutants in waterways as required	9.8, 9.7	ME	ME	POSSIBLE	MODERATE	Medium				
					9.9	Lack of asset management or maintenance				Reviewed and maintained Asset Management Policy and Plans	9.2, 9.16	ME								
					9.10	Inadequate understanding of and planning for factors impacting the environment				Early warning system of text alerts based on Bureau of Meteorology data, implemented by DEWNR	9.4	E								
					9.11	Failure to keep pace with climate change				One in 100 year flood and Probable Maximum Flood modelling including tidal info. in place at individual house level, using digital terrain modelling	9.4, 9.13	ME								
					9.12	Failure to consider environmental consequences when planning and designing infrastructure				Regular monitoring of risk sites e.g. land fill sites, dams	9.7	E								
					9.13	Insufficient modelling of weather events used within Asset Management Planning				Bushfire Management Plan	9.15, 9.12	ME								
					9.14	Inadequate infrastructure to manage stormwater and sea level rises				Reviewed and maintained City Plan/Strategic Plans/Business Plans	9.2, 9.16, 9.13, 9.12, 9.10	ME								
					9.15	Coastal inundation and impact on biodiversity				Watercourse Management capital program	9.15	ME								
					9.16	Failure to update Asset Management Plans				Reviewed and maintained Growth Management Plan	9.3, 9.16, 9.14	E								
					9.17	Lack of adequate resourcing for climate and environmental sustainability				Effective undergrowth management procedures	9.14, 9.12	E								
										Asset Management infrastructure audits		E								
										Compliance with Home Care Common Standards – Operating Manual										
										Reviewed and maintained Learning Strategy, Wellbeing Strategy & Intracultural Strategy	9.17	ME								
										Reactive Controls										
										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 (24/7 support including after hours)	9.3	ME								
										Evacuation procedures and testing	9.3	ME								
										Extreme Heat response process (for residents)	9.3	ME								
		Adequate insurance	9.3, 9.17	E																
		Adapting Northern Adelaide Adaptation Plan	9.3	ME																
		Building Control and Inspections	9.9, 9.16, 9.14	ME																
10	A growing City that creates new opportunities	Reputation Risk	All General Managers	City of Salisbury reputation suffers due to services provided not meeting community needs and expectations, resulting in a reduction in business investment.	10.1	Lack of or ineffective community consultation and engagement	LIKELY	MODERATE	High	Preventative Controls			ME	UNLIKELY	MODERATE	Medium	10.7, 10.13	People & Culture Risk Review (Jun 2015)	10.1, 10.2, 10.10, 10.11, 10.17	Community Consultation Process, and Community Perception Survey Effectiveness Audit (Jul 2024)
					10.2	Elected Member cohesion				Embedded organisational values	10.10	ME								
					10.3	Increased regulatory activity				Communicated and embedded Employee Code of Conduct		E								
					10.4	Failure to undertake legislative requirements				Documented and embedded Employee Conduct Policy										
					10.5	Government inquiry				Media Policy	10.1, 10.6	ME								
					10.6	Negative media interest				Positive relationships fostered with media and Salisbury Business Association	10.1	ME								
					10.7	Staff dissatisfaction				Relevant training provided to Elected Members (e.g. Chaining meetings and Meeting Procedures)	10.2	E								
					10.8	Poor performance				Documented People & Culture policies and procedures	10.8, 10.7, 10.13	ME								
					10.9	Failure to deliver successful projects				Employee induction procedures	10.13	ME								
					10.10	Failure to deliver services expected by the community				Documented and embedded Volunteers Policy	10.10, 10.11, 10.13	ME								
					10.11	Customer service is not properly monitored or managed				Documented Community Consultation Policy	10.1, 10.6	ME								
					10.12	Not meeting strategic objectives				Community Perception Survey	10.6, 10.10, 10.11, 10.12	ME								
					10.13	Inadequate capability and capacity (e.g. workforce plans, training and development, technology, systems)				Effective and comprehensive Community Consultation Process	10.1, 10.10	ME								
					10.14	Inadequate business advisory services				Provision of general business information and expert advice at Polaris Business and Innovation Centre	10.14, 10.15	ME								
					10.15	Insufficient investment opportunities for business				Comprehensive budget process	10.16, 10.9, 10.8	ME								
					10.16	Infrastructure fails to support investment and business activity				Cost effective business related workshops and seminars	10.15, 10.17	ME								
					10.17	Poorly planned urban growth				Provision of online resources for starting a business, growing a business and developing digital in business	10.15, 10.17	ME								
		Small Business Mentoring Program	10.15, 10.16, 10.17	ME																
		Investment attraction via Invest in Salisbury website	10.15, 10.16, 10.17	PE																
		Salisbury Community Hub as a stimulus to investment	10.15, 10.16, 10.17	E																
		Positive relationships fostered and maintained with local business leaders and relevant State Government teams	10.15, 10.16, 10.17	E																
		Effective Small Business Friendly Council initiatives	10.15, 10.16, 10.17	ME																

Item 7.1.6 - Attachment 1 - Strategic Risk Mapping to Internal Audits

Risk ID	Strategic Pillar	Risk Short Name	Risk Owner	Risk Description	Cause #	Causes Potential and Actual	Likelihood	Consequence	Inherent Risk	Critical Controls	Addresses Cause #	Effectiveness Rating	Overall Control Effectiveness	Likelihood	Consequence	Residual Risk	Cause #	Prior Audits	Cause #	Audits in the 3-Year Internal Audit Plan 2022/23-2024/25
										Polaris Centre Client Satisfaction Scorecard conducted by new focus	10.10, 10.15, 10.16, 10.17	ME								
										Reactive Controls										

INDICATIVE SCOPES FOR PENDING AUDITS ON THE 3 YEAR INTERNAL AUDIT PLAN 2022/2023-2024/2025

(The scopes are indicative only and in early draft format - actual scope will vary pending stakeholder engagement and further input)

1. DESKTOP AUDIT ON STRATEGIC ALIGNMENT OF INVESTMENT IN ENTERPRISE RESOURCE PLANNING (ERP) SOLUTIONS.

The overall objective of the audit is to provide assurance that the planned investment on Enterprise Resource Planning (ERP) solutions is aligned to the City's Digital Strategy 2027, to support the current business requirements and continuous improvement initiatives (such as the Business Transformation project initiatives) and is aligned to the accomplishment of City Plan 2035.

The specific objectives for the audit will be to ensure that:

- The current IT investment process applied for the ERP solutions adequately aligns to the Digital Strategy 2027 and deliverables in City Plan 2035.
- Alignment of Business needs to the ERP solution being selected through a Business Requirements process and tender evaluation process.
- Appropriate funding considerations are in place for the investment in ERP solutions.
- Decision making on the ERP solutions investments includes better practice considerations.
- ERP solutions and the enabling projects implementation and transition plan is appropriately resourced and documented.

2. IT DISASTER RECOVERY AUDIT

The overall objective of the audit is to provide assurance that City of Salisbury has adequate disaster recovery processes in place, and the processes are likely to be effective in the event of a disruption.

The specific objectives for the audit will be to ensure that:

- A Disaster Recovery Plan exists with the exact steps to be covered if a disaster event occurs.
- The Disaster Recovery Plan steps captures the relevant scenario expectations including Maximum Allowable Outages (MAO), Recovery Point Objective (RPO) and Recovery Time Objective (RTO).
- The approved Disaster Recovery Plan is tested appropriately with relevant test case scenarios.
- Critical systems required to be recovered following a disaster event have been identified.
- Single points of failure have been identified.
- Business Continuity Plans are fully linked with IT disaster recovery arrangements.
- Server infrastructure includes testing of the ability to recover systems; and
- Backups are completed and taken off-site to provide additional resilience in the event of a disaster event.

3. STRATEGIC REPORTING PROCESS AUDIT

The overall objective of the audit is to provide assurance on the processes and controls in place, specifically in relation to the City Plan, Business Planning and Annual Planning.

The specific objectives for the audit will be to ensure that:

- The City has policies and procedures governing the strategic planning process.
- The City is in compliance with statutory and regulatory requirements in terms of strategic reporting.
- Strategic plan documents align to the City's approved 4 Strategic directions and goals.

- The deliverables identified in City Plan 2035 cascades down to goals, deliverables and performance indicators reflected on other strategic planning documents.
- All required departmental and/or divisional Business Plans are established as a 4-year rolling plan covering all the essential areas and are reviewed annually by end of June.
- Budgets and resources are planned for all critical action points under immediately noticeable impact areas.
- Appropriate systems are in place to capture the strategic reporting information.
- Established mechanism report performances against strategic plans.
- The strategic information reported is effective, accurate, reliable and timely.
- There are clear roles and responsibilities for the strategic planning process.
- The strategic planning process is resourced appropriately.
- There is simplicity and ease of reporting processes
- There is transparency and accountability in the strategic reporting process
- Strategic reporting process has agreed performance indicators and are reviewed appropriately.

4. INDEPENDENT EXTERNAL REVIEW OF INTERNAL AUDIT FUNCTION

The overall objective of the audit is to obtain an understanding and form an opinion on the current Internal Audit function, determine the level of compliance with the Internal Audit Standards, and identify existing issues and areas for improvement.

The specific objectives for the audit will be to ensure that:

- The City has formalised and adequately designed policies and procedures covering the internal audit process.
- The City is in conformance with mandatory internal auditing requirements, including the Internal Audit Standards.
- The Audit & Risk Committee and management expectations of Internal Audit are being met.
- The Internal Audit is value adding and contributing to the organisational objectives.

5. RATES SETTING PROCESS, REVENUE AND DEBTORS AUDIT

The overall objective of the audit on Rate setting process is to ensure that the Rates setting process comply with legislative compliance requirements, and is appropriately reviewed and validated for accuracy and impact on financial sustainability. The overall objective on review of debtors and revenue side is to ensure that there are no revenue leakages, and that the revenue charged and collected are accurate and complete, and revenue and debtor management process is effective as per approved policies and procedures in accordance with relevant legislation.

The specific objectives for the audit will be to ensure that:

- The City has formalised and adequately designed policies, procedures and framework covering the rate setting process and aligned to the legislative requirements.
- Applicable policies, procedures and legislative requirements are being followed in cases during the rate setting process.
- The relevant assumptions applied in the rate setting process are validated and tested appropriately.
- The public consultation and feedback process are adequately administered and taken sufficient account of ratepayers' feedback on their proposals before finalising rates.
- Rates calculation and application of rates through the rate setting system is accurate.
- Local Government Financial Best Practice Model controls related to rates setting, revenue and debtors are implemented effectively.
- There are no unnoticed, unaccounted, unrealised or unintended revenue losses.

- The City has formalised and adequately designed policies and procedures covering the revenue and debtor management process.
- The City's revenue and debtor management processes are implemented effectively as per agreed policies and procedures.

6. TREE MANAGEMENT FRAMEWORK AUDIT

The overall objective of the audit is to provide assurance that COS has established a Tree Management Framework for the management of its urban forest, covering policy measures in the area of tree planting, tree protection, tree removal, tree asset management, community consultation and engagement, and risk management, and ensure that the framework is adequate and implemented effectively.

The specific objectives for the audit will be to ensure that:

- The City has formalised policies and procedures covering its Tree Management Framework that are adequately designed and established.
- The Tree Management Framework covers Environmental and Social factors including the trees in public open space and private sphere.
- The City's Tree Management Framework is implemented effectively.
- The City's tree management strategy is aligned to relevant deliverables in City Plan 2035.
- The City maintains appropriate level of traceability and verification and recording of Tree Assets reflected in the financial statements where relevant.
- Street Tree Renewal Program is implemented effectively.
- Public requests / complaints related to tree removal, tree planting, and other tree management related matters are resolved and reported effectively in accordance with clearly document policies and procedures.
- Any legislative compliance requirements related to tree management arising from Local Government Act 1999, Planning, Development and Infrastructure Act 2016, Commonwealth Environmental Protection and Biodiversity Conservation Act 1999, Natural Resource Management Act 2004, Environmental Protection Act 1993, Electricity Act 1996, Heritage Places Act 1993, Road Traffic Act 1961, Aboriginal Heritage Act 1988 and Water Industry Act 2012, are identified and their level of compliance assessed at a high level.
- City of Salisbury has efficient processes in place to identify and manage potential tree hazards and is implemented effectively.

7. FRAUD AND CORRUPTION PREVENTION CONTROL AUDIT

The overall objective of the audit is to provide assurance that current practices are effective to prevent, detect, and manage risks related to fraud, corruption, misconduct and maladministration, and ensure that controls are implemented as per agreed policies and procedures.

The scope of the audit is to ensure that the City:

- has an effective fraud control framework, which is integrated with the City's organisation-wide risk management strategy.
- has appropriate, well understood and current fraud control plans, which address major risks
- has established effective fraud controls.
- has adequate internal systems, training and reporting processes to support effective implementation and monitoring of fraud control plans.
- regularly test, monitor and report on the effectiveness of the fraud control plan and associated practices.

- review the outcomes of testing and use the insights gained to inform continuous improvement in fraud prevention and to update fraud control plans to ensure their ongoing appropriateness.

8. RISK MANAGEMENT AUDIT

The overall objective of the audit is to ensure that the City of Salisbury has robust policies, procedures and framework in place for risk management and controls are in place to manage risks effectively.

The specific objectives for the audit will be to ensure that:

- The City has formalised and adequately designed policies, procedures and framework covering its risk management process.
- The City's risk management processes are implemented effectively as per agreed policies and procedures.
- Risk tolerance limits and thresholds are defined along with corresponding action points on the risk management plan / framework for better transparency and avoidance of doubts.
- The City has up-to date registers for risk, including its strategic risk register and operational risk registers.
- Risk management is embedded within the whole organisational processes.
- Formalised and regular processes are implemented effectively for the identification of risks, assessment of risks, and treating risks.
- The status of risk treatment action plans (especially all the high-risk ones) is reported to senior management in a timely manner.
- The City has implemented any actions arising from LGA Mutual Liability Scheme review recommendations on risk management.

9. BUDGETARY CONTROL AUDIT

The overall objective of the audit is to ensure that the City of Salisbury has robust policies and procedures in place covering the annual budget preparation process, and that budgetary control processes are implemented effectively and comply with legislative requirements.

The specific objectives for the audit will be to ensure that:

- The City has formalised and adequately designed policies and procedures covering its budgetary control and management process and aligned to relevant legislations.
- The City's approved budget and budgetary control management processes are implemented effectively as per agreed policies and procedures and comply with relevant legislative requirements.
- Budget responsibility and accountability are clearly defined, appropriately allocated and regularly reviewed.
- Budget requirements are effectively reviewed and monitored on a regular basis.
- Budget variances are identified, properly reported and approved.
- Accurate, relevant and timely management information is produced and used effectively to inform decision making and reporting.

10. BUSINESS CONTINUITY AUDIT

The overall objective of the audit is to assess the adequacy of practices and procedures to manage COS's business continuity. The audit will provide assurance that process and the measures in place to ensure that, in the event of a disruption, critical business operations can be maintained, or restored in a timely manner, with minimal impact to the CoS and its stakeholders.

The specific objectives for the audit will be to ensure that:

- The City has formalised an overarching policy / procedure document covering the business continuity management process.
- Critical systems and functions requiring Business Continuity Plans (BCPs) are identified.
- BCPs are current and adequately developed for all critical functions and systems.
- BCPs for critical functions and systems covers business resumption and continuity / contingency strategies.
- Business Impact Analysis approaches and process are determined and agreed in the BCPs.
- Effective communication plans are established to manage public and media relations in the event of a disruption.
- There is an agreed process in place for activating BCPs when emergencies occur.
- Business continuity plans are adequately monitored and maintained.
- A formalized business continuity training program exists, and all individuals responsible for developing and implementing BCP have been adequately trained.
- Business continuity plans are tested periodically and the test results and lessons learned are reviewed, documented, and applied.

11. GRANTS MANAGEMENT AUDIT

The overall objective of the audit is to provide assurance that the grants provided to City of Salisbury community and businesses are awarded to eligible recipients, and managed effectively as per approved policies and procedures and aligned to the City Plan 2035.

The specific objectives for the audit will be to ensure that:

- The City's policies and procedures covering its grant management process are adequately developed for all categories of grants and communicated appropriately to the relevant stakeholders.
- The eligibility criteria and award process for all grant categories have been established and communicated, and have been complied with.
- COS has a central register of fund recipients, capturing the details of previous funding received.
- Conflict of interest avoidance measures are incorporated and followed in the grant awarding process.
- Grants schemes are aligned to City Plan 2035.
- All grants have terms and conditions or signed agreements specifying the expectations on usage and reporting requirements agreed by the Grant Recipient and COS.
- COS have a monitoring process in place to ascertain that Grant Recipients adhere to timely reporting requirements in the Grant Agreement.
- Any unused funding from the grant is dealt with appropriately as per the grant agreement or agreed terms and conditions.
- Any contingency percentages included in the grant scheme are appropriately allocated and disbursed.
- COS measures the effectiveness of the grant schemes, and use feedbacks for quality assurance purposes in future planning and grant scheme designing.

12. BY-LAWS MANAGEMENT AND ENFORCEMENT PROCESS AUDIT

The overall objective of the audit is to ensure that the City of Salisbury has appropriate policies and procedures for management and enforcement of by-laws, and ensure that the by-laws management and enforcement process is efficient, effective, and complies with relevant legislations.

The specific objectives for the audit will be to ensure that:

- The City has formalised and adequately designed policies and procedures covering the by-law management and enforcement process.
- The City has appropriate Structure and governance of by-law enforcement teams.
- Feedback from rate payers are appropriately incorporated and by-laws are reviewed and updated on a regular basis.
- Enforcement fines and penalties comply with relevant legislations and are charged accurately.
- The City's methods and approaches to enforcement are adequate and effective.
- There are clearly identified performance measures and metrics for by-law enforcement.
- Enforcement team is sufficiently staffed and appropriately trained.
- By-law related complaints are handled effectively.

13. DATA GOVERNANCE AUDIT

The overall objective of the audit on data governance is to provide assurance that City of Salisbury data governance processes ensure adequate protection of information and effective data management required to meet organisational needs.

The specific objectives for the audit will be to ensure that:

- The City has appropriate policies and procedures covering all aspects of data governance and the data management lifecycle, including collection, maintenance, usage and dissemination that are clearly defined and documented.
- A process is in place for training of new staff and refresher training for existing staff to provide understanding of the Records Management system and requirements.
- Internal audit complies with necessary statutory and regulatory requirements related to data management and data governance.
- The City has an adequate governance structure and processes in place to support the management of data, including data privacy, confidentiality and Freedom of Information requests and disclosures.
- Data collection and retention levels are adequate and effective as per policies and procedures and industry best practice guidelines.
- Data and database structures are designed and developed in an efficient manner to ease data analytics and avoid data redundancies.
- Audit trails and history logs on master data changes are available for traceability and reviewed.
- Data inventories are maintained and managed with appropriate levels of data security level category classifications, where relevant.
- Controls related to data content management, record management, data quality, data access, data sharing, data security and data risk management are adequate and implemented effectively. (Note: The audit will focus only on the safety and security aspects of data itself and full-fledged cybersecurity review is beyond the scope of this audit.)

14. COMMUNITY CONSULTATION PROCESS, AND COMMUNITY PERCEPTION SURVEY EFFECTIVENESS AUDIT

The overall objective of the audit is to provide assurance that the City's community consultation and engagement process is adequate and effective, and ensure that the community perception surveys undertaken are effective and achieving intended objectives.

The specific objectives for the audit will be to ensure that:

- The City has formalised, adequately designed and current policies, procedures and framework covering the community consultation, engagement and community perception survey process.
- Any legislative compliance requirements in relation to community consultation process are met.
- Contemporary engagement tools and best practices are incorporated within the community consultation process.
- Community engagement strategies are developed and implemented effectively.
- Community need assessments are undertaken effectively through the community consultative process, and applied in policy, planning, strategy formulation and service delivery.
- Community perception survey results are evaluated appropriately and systematically apply any resultant learning outcomes in policy, planning, strategy formulation and service delivery.
- Community consultation, engagement initiatives and perception survey outcomes are reported to senior management and Council appropriately.

Strategic Risk				3 YEAR INTERNAL AUDIT PLAN - 2022/2023 to 2024/2025									
Risk	Risk Description	Inherent Risk	Residual Risk	Relevant Causes from Strategic Risk Register	Audit Ref	Audit Title	Audit Title and Summary Description	3-Yr IA Plan			Rationale for Inclusion	Internal Key Stakeholder Divisions Impacted	Status Update (as at 8 November 2022)
								2022/2023	2023/2024	2024/2025			
5	City of Salisbury financial sustainability is compromised by internal decisions and / or external events.	High	Medium	<ul style="list-style-type: none"> Unplanned spending Inadequate valuation of assets or inaccurate depreciation Inadequate planning for infrastructure repairs or upgrades 	1	Fleet, Heavy Vehicle, High Value & Portable Assets Audit	Fleet, Heavy Vehicle, High Value & Portable Assets This audit is to provide assurance that the established governance and risk management is sufficiently robust to protect and ensure the viability of the fleet, heavy vehicles, high value and portable assets.	1			The City owns and operates a significant fleet of vehicles. There is a risk that the mismanagement of this fleet causes inefficiencies in regard to productivity and negative cost impact. This review is to provide assurance that the established governance and risk management in regard to management of this fleet is sufficiently robust to protect the viability of these assets.	People & Culture; Community Experience; Strategic Development Projects; Financial Services; Field Services; and Strategic Procurement	Report completed and presented in Feb 2023 A&RC Meeting.
8	Lack of alignment and integrity of IT systems and data to support service delivery	High	High	<ul style="list-style-type: none"> Lack of business engagement and clarity of roles External pressure for changes to systems 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 	5	Desktop Audit on Strategic Alignment of IT Investments	Desktop Audit on Strategic Alignment of IT Investments The overall objective of the audit is to provide assurance that the planned investment on Enterprise Resource Planning (ERP) solution is aligned to the City's Digital Strategy 2027, to support the current business requirements and continuous improvement initiatives and is aligned to the accomplishment of City Plan 2035.	1			The City has significant reliance upon technology to maintain and drive business requirements and efficiency gains. Failure to correctly manage the future IT acquisitions and costings may impact the City of Salisbury with inefficient processes, legacy IT issues and lagging IT systems leading to inefficiencies, financial impost, service interruption and inability to maximize continued improvements. This review is to provide City of Salisbury with assurance that the IT Investment Strategy is sufficiently robust to support current and changing business requirements and continuous improvement initiatives. Given that COS is in the midst of a major IT investment project involving the acquisition of an Enterprise Resource Planning (ERP) system, following the last Audit & Risk Committee feedback, management determined that it is more value adding to undertake an initial desktop audit on the strategic alignment of IT investment by the City's Internal Auditor & Risk Coordinator, audit instead of a full-fledged IT investment audit by an external audit firm. A full-fledged IT investment is to be undertaken at a later stage upon the implementation of the ERP system.	Governance; Business Systems and Solutions; Financial Services; and Strategic Procurement	Draft Report shared with Administration and is subject to review and discussion to finalise it. Report not finalised in time for April 2023 A&RC Meeting, and will be presented to next A&RC meeting.
6	Ineffective governance results in the provision of services which do not meet community expectations.	High	Medium	<ul style="list-style-type: none"> Inadequate performance measures which are not linked to objectives or strategies 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 Failure to engage with all stakeholders in developing the City Plan 	4	Strategic reporting process Audit	Strategic reporting process audit Assurance on the processes and controls in place, specifically in relation to the City Plan, Business Planning and Annual Planning.	1			City of Salisbury has established its strategic plan, City Plan 2035, covering its 4 strategic key directions, followed by critical actions and performance indicators for the medium to long term. The audit will review the strategic reporting processes including but not necessarily limited to reporting on; the City Plan 2035, and other relevant plans including Annual Plan and Business Plans.	People & Culture; Economic Development & Urban Policy; Governance; Business Systems and Solutions; Environmental Health & Safety; Financial Services; Communications & Customer Relations; and Strategic Procurement	Retain as previously scheduled to commence in April 2023.
8	SR#8: Lack of alignment and integrity of IT systems and data to support service delivery	High	High	<ul style="list-style-type: none"> Lack of plans and procedures to inform response strategies when a cybersecurity incident occurs Lack of auditing and logging functions to capture events 	3	IT Disaster Recovery Audit	IT Disaster Recovery Audit Provide assurance that adequate disaster recovery processes are in place at City of Salisbury and the processes are likely to be effective in the event of a disruption.			1	Cybersecurity risk is recognised as an emerging and ever changing risk for many organisations which may lead to financial loss, service interruption, data loss and/or reputation damage from an event impacting the City's information systems. COS has developed a Disaster Recovery Plan in Jan 2022 and is currently being implemented. COS's disaster recovery processes are however not tested/audit independently in the past to ensure that the plan and processes are adequately designed and effectively implemented.	Business Systems and Solutions	Commencement rescheduled from April 2023 to April 2024, considering current activities undertaken in this functional domain. Further details included in Cybersecurity Report.

Item 7.1.6 - Attachment 3 - 3 Year Internal Audit Plan 2022-23 to 2024-25

Strategic Risk					3 YEAR INTERNAL AUDIT PLAN - 2022/2023 to 2024/2025								
Risk	Risk Description	Inherent Risk	Residual Risk	Relevant Causes from Strategic Risk Register	Audit Ref	Audit Title	Audit Title and Summary Description	3-Yr IA Plan			Rationale for Inclusion	Internal Key Stakeholder Divisions Impacted	Status Update (as at 8 November 2022)
								2022/2023	2023/2024	2024/2025			
N/A	N/A	N/A	N/A	N/A - not included in the strategic risk register.	14	Independent External Review of Internal Audit Function	Independent External Review of Internal Audit Function The audit is to obtain an understanding and form an opinion on the current Internal Audit function, compliance with the Internal Audit Standards, and existing issues and areas for improvement.	1			In accordance with the best practice standards, COS's Internal Audit Charter states that "In order to ensure that the quality of internal audit work is of a consistently high standard, the CEO shall ensure that a quality review of the internal audit function is undertaken by an independent External Service Provider at least every five years". The last audit was undertaken in 2016, and is due for another review, to comply with the standards.	Governance	Retain as originally scheduled to commence in June 2023.
4	Failure to manage the impact of environmental and social factors on Council infrastructure, assets and services	High	Medium	<ul style="list-style-type: none"> Inadequate understanding and planning for factors impacting the environment Failure to consider environmental consequences when planning and designing infrastructure 	7	Tree Management Framework Audit	Tree Management Framework Audit Provide assurance that COS has established a Tree Management Framework for the management of its urban forest, covering policy measures in the area of tree planting, tree protection, tree removal, tree asset management, community consultation and engagement, and risk management, and ensure that the framework is adequate and implemented effectively.	1			The City has a street tree population of over 76,000, made up of more than 70 different species, within its streetscapes, parks and open spaces including reserves and wetlands, which contribute to the Key Direction 2 'Sustaining Our Environment' and Key Direction 3 'The Living City' in our City Plan 2035. A replacement value of approximately \$3.4m for trees is included within asset class "Roads, Bridges and Footpaths" in the Audited Financial Statements for FY2019/20. COS has an ongoing Street Tree Renewal Program that aims to renew about 1,000 trees each year. To ensure the sustainability of this strategy, COS has established a Tree Management Framework for the management of its urban forest, covering policy measures in the area of tree planting, tree protection, tree removal, tree asset management, community consultation and engagement, and risk management. This review is to provide assurance that the City's Tree Management Framework is adequate and implemented effectively.	Community Planning & Vitality; Community Experience; Economic Development & Urban Policy; Development Services; Environmental Health & Safety; Financial Services; Communications & Customer Relations; and Field Services .	On schedule to commence in July 2023.
5	City of Salisbury financial sustainability is compromised by internal decisions and / or external events.	High	Medium	<ul style="list-style-type: none"> Inadequate revenue and a failure to maximise revenue from all sources Short term revenue is maximised at the expense of longer term revenue Revenue from the sale of assets (land) is not invested for the longer term benefit of the community Introduction of draft legislation regarding rate capping Fraud, misconduct or maladministration Changes to legislation/obligations imposed by other levels of government Potential new revenue streams/opportunities are not fully investigated Council ultimately becomes financially unsustainable City revenue has to be raised increasingly through more traditional methods (rate rises) Financial cost associated with falling rates revenue or increasing bad or doubtful debts 	6	Rates Setting Process, Revenue and Debtors Audit	Rates Setting Process, Revenue and Debtors Audit Ensure that the Rates setting process comply with legislative compliance requirements, and appropriately reviewed and validated for accuracy, impact on financial sustainability. Ensure that there are no revenue leakages, and that the revenue charged and collected are accurate and complete, and revenue and debtor management process is effective as per approved policies and procedures in accordance with relevant legislation.	1			The City has recorded a total revenue of \$127.39m for FY2019/20 (\$125.75m for FY 2018/19), of which 80% is from Rates, 13% from Grants, Subsidies and Contributions, and remaining 7% from fees, and other charges/income. City of Salisbury has pre-agreed chargeable price amounts for Rates, Levies, Fees, Fines, concessions, rebates etc. used for invoicing purposes for the respective years. Debtors reflected on the Statement of Financial Position under Trade and Other Receivables amounts to \$8.07m for FY2019/20 (\$8.97m for FY2018/19). Although revenue and debtors testing is included within the external audit scope, the focus is more on true and fair view of revenue and debtors figure reflected on the financial statements; and the internal control assessment is often not reviewed in greater depth and breadth with expanded detailed testing of the revenue and collection process and controls as it is done in a typical internal audit. Therefore, it is recommended to cover this audit at least once in every 3 years as part of our internal audit program, as an industry best practice measure. The aim of this audit is to ensure that there are no revenue leakages, and that the revenue charged and collected are accurate and complete, and revenue and debtor management process is effective as per approved policies and procedures in accordance with relevant legislation.	Business & Admin Support; and Financial Services	Retain as originally scheduled to commence in August 2023.

Item 7.1.6 - Attachment 3 - 3 Year Internal Audit Plan 2022-23 to 2024-25

Strategic Risk				3 YEAR INTERNAL AUDIT PLAN - 2022/2023 to 2024/2025									
Risk	Risk Description	Inherent Risk	Residual Risk	Relevant Causes from Strategic Risk Register	Audit Ref	Audit Title	Audit Title and Summary Description	3-Yr IA Plan			Rationale for Inclusion	Internal Key Stakeholder Divisions Impacted	Status Update (as at 8 November 2022)
								2022/2023	2023/2024	2024/2025			
1-9	All Strategic Risks in the Strategic Risk Register	High	High	<ul style="list-style-type: none"> Inadequate performance of risk assessments 	9	Risk Management Audit	Risk Management Audit Ensure that the City of Salisbury has robust policies, procedures and framework in place for risk management and controls are in place to manage risks effectively.		1		Risk Management being an integral part of our organizational process, this is one of the essential areas to incorporate in the Internal Audit Plan as a recurring audit at least every 3 years. The objective of risk management audit is to ensure that the City of Salisbury has robust policies and procedures and framework in place for risk management and controls in place to manage risks are operating effectively.	All Divisions	Retain as originally scheduled to commence in October 2023.
5	City of Salisbury financial sustainability is compromised by internal decisions and / or external events.	High	Medium	<ul style="list-style-type: none"> Fraud, misconduct or maladministration Unplanned spending 	8	Fraud and Corruption Prevention Control Audit	Fraud and Corruption Prevention Control Audit Provide assurance that current practices are effective to prevent, detect, and manage risks related to fraud, corruption, misconduct and maladministration, and ensure that controls are implemented as per agreed policies and procedures.		1		The revised Fraud and Corruption Prevention and Management Policy states that the City has a zero-tolerance stance towards fraud, corruption, misconduct and maladministration. The City has various policies and procedures and internal control measures for prevention of fraud, corruption, maladministration and misconduct, and independent assessment of systems and processes takes place as part of the annual external audit and remains a part of many internal audits. Given that there are continuous changes happening within the control environment, systems, process, and stakeholders involved, the emergence of newer risk and failure of controls may occur and therefore an assessment of controls for fraud is essential. Hence, the objective of this audit is to determine the effectiveness of fraud prevention strategies. This audit aims to ensure that current practices are effective to prevent, detect, and manage risks related to fraud, corruption, misconduct and maladministration, and ensure that controls are implemented as per agreed policies and procedures.	All Divisions	Retain as originally scheduled to commence in January 2024.
8&	SR 1: Inadequate response to a business continuity or emergency event, or major incident at a Council run Community event. SR8: Lack of alignment and integrity of IT systems and data to support service delivery	High	High	<ul style="list-style-type: none"> Lack of business engagement and clarity of roles External pressure for changes to systems 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 	11	Business Continuity Audit	Business Continuity Audit provides assurance on the Business Continuity Management (BCM) Framework and the measures in place to ensure that, in the event of a disruption, critical business operations can be maintained, or restored in a timely manner, with minimal impact to the CoS and its stakeholders.		1		The previous BCP audits were undertaken in 2014 and 2018. Since then, BCP reviews for individual processes have been undertaken and it may be beneficial for COS to undertake an overall BCP audit to determine the adequacy and effectiveness of the current BCM framework and process.	All Divisions	Retain as originally scheduled to commence in January 2024.
10	City of Salisbury reputation suffers due to services provided not meeting community needs and expectations, resulting in a reduction in business investment.	High	High	<ul style="list-style-type: none"> Elected Member cohesion Lack of or ineffective community consultation and engagement Failure to deliver services expected by the community Customer service is not properly monitored or managed Not meeting strategic objectives Failure to undertake legislative requirements Lack of or ineffective community consultation and engagement 	15	Community Consultation Process, and Community Perception Survey Effectiveness Audit	Community Consultation Process, and Community Perception Survey Effectiveness Audit The audit is to provide assurance that the City's community consultation and engagement process is adequate and effective, and ensure that the community perception surveys undertaken are effective and achieving intended objectives.		1		The mapping of internal audits against the strategic risk register identified that this area has not been audited for adequacy and effectiveness in the past. However, relevant policies and procedures are in place and community perception surveys are undertaken regularly. It may be beneficial for the City to determine the effectiveness of these surveys and how well the learnings from these surveys are incorporated in the service delivery and planning process of Council, and whether the relevant policies and procedures are effectively implemented.	Community Experience; Community Experience & Relationships; Community Development; City Development; and Any other Divisions that involve the development of policy, delivery of projects, including where this is a statutory requirement, etc that requires consultation with the community.	Commencement scheduled to July 2024.

Item 7.1.6 - Attachment 3 - 3 Year Internal Audit Plan 2022-23 to 2024-25

Strategic Risk				3 YEAR INTERNAL AUDIT PLAN - 2022/2023 to 2024/2025									
Risk	Risk Description	Inherent Risk	Residual Risk	Relevant Causes from Strategic Risk Register	Audit Ref	Audit Title	Audit Title and Summary Description	3-Yr IA Plan			Rationale for Inclusion	Internal Key Stakeholder Divisions Impacted	Status Update (as at 8 November 2022)
								2022/2023	2023/2024	2024/2025			
7 & 8	SR#6: Ineffective governance results in the provision of services which do not meet community expectations. (High / Medium). SR#8: Lack of alignment and integrity of IT systems and data to support service delivery (High / High)	High	Medium	<ul style="list-style-type: none"> Limited meaningful corporate performance indicators in place Inconsistent reporting and data collection Lack of business engagement and clarity of roles External pressure for changes to systems 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 	2	Data Governance Audit	<p>Data Governance Audit</p> <p>Audit on data governance is to provide assurance that City of Salisbury data governance processes ensure adequate protection of information and effective data management required to meet business needs.</p> <p>Audit on IT investment strategy is to provide assurance that the strategy around IT investment is sufficiently robust to support the current business requirements and continuous improvement initiatives.</p>			1	<p>There is the risk that City's data management processes could result in loss of data or the inability to utilize the data. This review will provide assurance regarding the adequacy of protection of City of Salisbury information.</p> <p>The City has significant reliance upon technology to maintain and drive business requirements and efficiency gains. Failure to correctly manage the future IT acquisitions and costings may impact the City of Salisbury with inefficient processes, legacy IT issues and lagging IT systems leading to inefficiencies, financial impost, service interruption and inability to maximize continued improvements. This review is to provide City of Salisbury with assurance that the IT Investment Strategy is sufficiently robust to support current and changing business requirements and continuous improvement initiatives.</p>	<p>People & Culture ; Community Experience; Economic Development & Urban Policy; Business Systems and Solutions; Financial Services; and Communications & Customer Relations. Governance; and Strategic Procurement</p>	Retain as originally scheduled to commence in July 2024.
5 & 6	SR5: City of Salisbury financial sustainability is compromised by internal decisions and / or external events. SR6: Ineffective governance results in the provision of services which do not meet community expectations.	High	Medium	<ul style="list-style-type: none"> Insufficient or reduction in grant funding 	12	Grants Management Audit	<p>Grants Management Audit</p> <p>Provide assurance that the grants provide to City of Salisbury community and businesses are awarded to eligible recipients, and managed effectively as per approved policies and procedures and aligned to the City Plan 2035.</p>			1	<p>The City offers many grants to encourage develop and support community projects.</p> <p>COS offers many different categories of grants available for a broad range of activities with a business or community focus, as listed on its website.</p> <p>This audit is to provide assurance that the grants provide to City of Salisbury community and businesses are awarded to eligible recipients, and managed effectively as per approved policies and procedures and aligned to the City Plan 2035.</p>	<p>Community Planning & Vitality; Community Capacity & Learning; Community Experience; Infrastructure Delivery & Management; Economic Development & Urban Policy; Financial Services; and Communications & Customer Relations.</p>	Retain as originally scheduled to commence in August 2024.
5	City of Salisbury financial sustainability is compromised by internal decisions and / or external events.	High	Medium	<ul style="list-style-type: none"> Insufficient or 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 Fraud, misconduct or maladministration Changes to legislation/obligations imposed by other levels of government Potential new revenue streams/opportunities are not fully investigated 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 Poorly structured debt funding Poor investment decision making Unknown consequences of new infrastructure provision from other levels of government or private sector investment 	10	Budgetary Control Audit	<p>Budgetary Control Audit</p> <p>Ensure that the City of Salisbury has robust policies and procedures covering the annual budget preparation process, and that budgetary control processes are implemented effectively and comply with any legislative requirements.</p>			1	<p>Strategic Risk Register Review lead to identification of Risk Causes and factors, that have not been assured through internal audit testing in the past. Although Budgetary controls are tested annually as part of the externally audit process testing of LGA Financial Best Practice Model, a full fledge, end-to-end audit has not been performed on the effectiveness of the budget preparation and control process in the past.</p>	<p>Primarily Financial Services Division and touch base with other divisions as required.</p>	Scheduled to commence in November 2024

Item 7.1.6 - Attachment 3 - 3 Year Internal Audit Plan 2022-23 to 2024-25

Strategic Risk					3 YEAR INTERNAL AUDIT PLAN - 2022/2023 to 2024/2025								
Risk	Risk Description	Inherent Risk	Residual Risk	Relevant Causes from Strategic Risk Register	Audit Ref	Audit Title	Audit Title and Summary Description	3-Yr IA Plan			Rationale for Inclusion	Internal Key Stakeholder Divisions Impacted	Status Update (as at 8 November 2022)
								2022/2023	2023/2024	2024/2025			
3	Lack of management of public and environmental health risks	High	High	<ul style="list-style-type: none"> Inadequate management, monitoring or testing Animal/vermon infestation Noxious plants Failure of waste disposal contractor to meet contractual obligations. 	13	By-Laws Management and Enforcement Process Audit	Ensure that the City of Salisbury has appropriate policies and procedures for management and enforcement of by-laws, and ensure that the by-laws management and enforcement process is efficient, effective, and complies with relevant legislations.			1	Strategic Risk Register Review lead to identification of Risk Causes and factors, and no specific end-to-end audit has been undertaken on the effectiveness of by-law management and enforcement process in the past.	Primarily Environmental Health & Community Compliance Division and touch base with other divisions as required.	Commencement scheduled to Feb 2025.

Presented to Audit & Risk Committee Meetings
 Ongoing Audits
 Audit Commencement Planned for Future Period

Note: strike through text for removals, and additions in RED

ITEM	7.1.7
	AUDIT AND RISK COMMITTEE
DATE	12 April 2023
HEADING	Audit & Risk Committee Annual Work Plan 2022/2023 and 2023/2024
AUTHOR	Internal Auditor & Risk Coordinator, CEO and Governance
CITY PLAN LINKS	4.2 We deliver quality outcomes that meet the needs of our community 4.4 We plan effectively to address community needs and identify new opportunities
SUMMARY	The Audit & Risk Committee Annual Work Plan for the current year 2022/2023 (covering April 2023 updates) and the Annual Work Plan proposed for the year 2023/2024 are attached for review by the Audit & Risk Committee.

RECOMMENDATIONThat Council:

1. Approves the updated Audit & Risk Committee Annual Work Plan for the year 2022/2023 and 2023/2024 as set out in Attachment 1 to this report (Audit & Risk Committee, 12 April 2023, Item No.7.1.7).

ATTACHMENTS

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

1. Audit and Risk Committee Annual Work Plan for 2022-2023 and 2023-2024

1. BACKGROUND

- 1.1 The Annual Work Plan 2022/2023 was last presented to the Audit & Risk Committee at its meeting held on 15 February 2023.
- 1.2 The purpose of the Audit & Risk Committee Annual Work Plan is to ensure that all essential areas are covered by the Audit & Risk Committee, in performing its roles and responsibilities mandated under the *Local Government Act 1999* (“the Act”).

2. REPORT

- 2.1 The main change for this reporting period is the inclusion of the Audit & Risk Committee Annual Work Plan for next financial year 2023/2024 along with an update reporting for April 2023, which is the last remaining reporting cycle for FY2022/2023.

2.2 Key changes are as follows:

- 2.2.1 Based on the 3-year internal audit plan audit commencement timelines, the Audit & Risk Committee reporting timelines for internal audit reports are planned as follows:
- November 2023 meeting: Internal Audit Report on Strategic Reporting Process.
 - November 2023 meeting: Internal Audit Report on Independent External Review of Internal Audit Function.
 - November 2023 meeting: Internal Audit Report on Tree Management Framework Audit.
 - February 2024 meeting: Internal Audit Report on Rates Setting Process, Revenue and Debtors Audit.
 - February 2024 meeting: Internal Audit Report on Risk Management Audit.
 - April 2024 meeting: Internal Audit Report on Fraud and Corruption Prevention Control Audit.
 - April 2024 meeting: Internal Audit Report on Business Continuity Audit.
- 2.2.2 Quarterly cybersecurity confidential agenda item added to the Annual Work plan.
- 2.2.3 All other similar recurring items from current Annual Work Plan are replicated for the new financial year, in a similar timeline.

CONCLUSION / PROPOSAL

- 2.3 This report outlines all changes made to the Audit & Risk Committee Annual Work Plan for the 2022/2023 and 2023/2024 financial years.

Audit & Risk Committee - Annual Work Plan 2022/2023 and 2023/2024													
(Updated for 12 April 2023 Meeting)													
No.	Activity	Relevant Touch points (LG Act / TOR)	FY 2022 / 2023					FY 2023 / 2024					Comments
			Jul-22	Oct-22	Nov-22	Feb-23	Apr-23	Jul-23	Oct-23	Nov-23	Feb-24	Apr-24	
1.0	Financial Reporting	s126(4)(a)											
1.1	Review Annual Financial Statements for FY2021/22 and (next FY 2022/23) - Review Asset Valuations 2021/22 and (next FY 2022/23) - Review methodology and approach to Depreciation 2021/22 and (next FY 2022/23)	"		■					■				
1.2	Reviewing significant accounting and reporting issues, recent changes in standards and industry updates 2021/22 and (next FY 2022/23)	"		■					■				
1.3	Reviewing significant accounting and reporting issues, recent changes in standards and industry updates for FYE 2022/23 and (next FY 2023/24)						■					■	For April 2023 this includes a position paper on government revenue recognition
2.0	Internal Controls	s126(4)(c)											
2.1	Review Better Practice Model Self-Assessment (External Auditor reviews as part of Controls certification)	"	■					■					
2.2	Annual Report - Internal Controls Framework and Audit Committee sections	"	■					■					
3.0	Risk Management	s126(4)(c)											
3.1	Review of Strategic Risk Register	"	■		■	■	■	■	■	■	■	■	Given there is no specific update for this quarter on these items, they are excluded from Agenda for April 2023.
3.2	Risk Management & Internal Control Activities	"	■		■	■	■	■		■	■	■	
3.4	Assurance Map	"	■										
3.5	ERM Framework	"	■										

Item 7.1.7 - Attachment 1 - Audit and Risk Committee Annual Work Plan for 2022-2023 and 2023-2024

Audit & Risk Committee - Annual Work Plan 2022/2023 and 2023/2024													
(Updated for 12 April 2023 Meeting)													
No.	Activity	Relevant Touch points (LG Act / TOR)	FY 2022 / 2023					FY 2023 / 2024					Comments
			Jul-22	Oct-22	Nov-22	Feb-23	Apr-23	Jul-23	Oct-23	Nov-23	Feb-24	Apr-24	
3.6	Confidential Report on Cybersecurity	"	■		■		■		■				Recurring Quarterly status update report
4.0	Internal Audit	s126(4)(c)											
4.1	Review Internal Audit Plan	"	■		■	■	■		■	■	■		
4.2	Review the status of Outstanding Audit Actions	"	■		■	■	■		■	■	■		
4.3	IA Report - Capital Works Project Audit	"	■										
4.4	IA Report - Cybersecurity Improvement Program Pre-Implementation Audit	"	■										
4.5	IA Report - Fleet/Heavy Vehicle Management, High Value & Portable Asset Audit	"			■	■							
4.6	Desktop Audit on Strategic Alignment of Investment in ERP Solutions.	"				■	■						
4.7	IA Report - Strategic Reporting Process	"							■				IA Reports planned for next FY
4.8	IA Report - Independent External Review of Internal Audit Function	"							■				IA Reports planned for next FY
4.9	IA Report - Tree Management Framework Audit	"							■				IA Reports planned for next FY
4.10	IA Report - Rates Setting Process, Revenue and Debtors Audit	"								■			IA Reports planned for next FY
4.11	IA Report - Risk Management Audit	"								■			IA Reports planned for next FY
4.12	IA Report - Fraud and Corruption Prevention Control Audit	"									■		IA Reports planned for next FY
4.12	IA Report - Business Continuity Audit	"									■		IA Reports planned for next FY
5.0	External Audit	s126(4)(b)											
5.1	Review External Audit Plan for 2022/2023 audit and (next FY 2023/24)	"										■	
5.2	Review Interim Audit Report	"	■	■					■				
5.3	Review final External Audit Report	"	■	■					■				

Item 7.1.7 - Attachment 1 - Audit and Risk Committee Annual Work Plan for 2022-2023 and 2023-2024

Audit & Risk Committee - Annual Work Plan 2022/2023 and 2023/2024

(Updated for 12 April 2023 Meeting)

No.	Activity	Relevant Touch points (LG Act / TOR)	FY 2022 / 2023					FY 2023 / 2024					Comments	
			Jul-22	Oct-22	Nov-22	Feb-23	Apr-23	Jul-23	Oct-23	Nov-23	Feb-24	Apr-24		
5.4	Review Management Representation Letters	"	■	■				■	■					
5.5	Assess the appropriateness of Council's response to the Auditor's findings and recommendations	"	■	■				■	■					
5.6	Oversee actions to follow up on matters raised by External Auditor	"	■	■				■	■					
5.7	Meet with External Auditor to: - invite presentation of audit methodology and risk assessments within the External Audit plan - discuss any qualifications and comments made in management letter - invite comments on financial management and internal controls, relative to other benchmarks - discuss any other relevant matters	TOR 3.2	■	■				■	■					
5.8	In-confidence session with External Auditor	Better Practice		■					■					
6.0	Reporting	s126(4)(c)												
6.1	Audit Committee Self-Assessment report	"											■	
6.2	Report on Audit Committee Work program status and future proposals	"	■	■	■	■	■	■	■	■			■	Standard Agenda Item, review on a need arising basis.
7.0	Strategic, Financial and Management Planning	s126(4)(ab)												
7.3	Review Annual Plan 2023/24 & LTFP and (next FY 2024/25)	"											■	
7.4	Review Annual Budget, Fees & Charges 2023/24 and (next FY 2024/25)	"											■	
8.0	Policy and Procedure Review	s126(4)(c)												
8.1	Treasury Policy	"	■						■					

Audit & Risk Committee - Annual Work Plan 2022/2023 and 2023/2024

(Updated for 12 April 2023 Meeting)

No.	Activity	Relevant Touch points (LG Act / TOR)	FY 2022 / 2023					FY 2023 / 2024					Comments
			Jul-22	Oct-22	Nov-22	Feb-23	Apr-23	Jul-23	Oct-23	Nov-23	Feb-24	Apr-24	
9.0	Other Matters	s126(4)(ac)											
9.1	Review/Approve Audit Committee Annual Work Program	"	■	■	■	■	■	■	■	■	■	■	
9.2	Reports on other relevant matters (if any)	"		■	■	■	■	■	■	■	■	■	
9.3	Proposing and reviewing the exercise of powers under s130A of the Act (if any)	s130A											
9.4	Public Interest Disclosures cases reported and investigations undertaken (if any)	"											
9.5	Internal Controls Framework and Audit Committee section for inclusion in the Annual Report 2021/2022 and (for next FY 2022/2023)		■					■					

■	Past Reporting / Review
■	Current Month Reporting / Review
■	Rescheduled / Deferred
■	Future Reporting / Review
■	Excluded / Removed

Item 7.1.7 - Attachment 1 - Audit and Risk Committee Annual Work Plan for 2022-2023 and 2023-2024

ITEM	7.2.1		
	AUDIT AND RISK COMMITTEE		
DATE	12 April 2023		
PREV REFS	Community Wellbeing and Sport Committee	5.4.1	21/09/2021
	Urban Services Committee	4.1.2	15/11/2021
	Community Wellbeing and Sport Committee	5.4.1	14/12/2021
	Community Wellbeing and Sport Committee	5.2.1	16/08/2022
	Council	GB10	19/12/2022
HEADING	Salisbury Aquatic Centre Project		
AUTHOR	Project Manager, City Infrastructure		
CITY PLAN LINKS	<p>1.1 Our City is attractive and well maintained</p> <p>1.2 The health and wellbeing of our community is a priority</p> <p>4.2 We deliver quality outcomes that meet the needs of our community</p>		
SUMMARY	The City of Salisbury is undertaking a significant development of the Salisbury Aquatic Centre; this report provides a summary of the risk management methodology and strategies in place.		
RECOMMENDATION			
	<u>That Council:</u>		
	<ol style="list-style-type: none"> 1. Notes that the Audit and Risk Committee reviewed the risk management methodology and strategy for the Aquatic Centre Project. 2. Notes that construction works are progressing in accordance with the construction program, and the current practical completion date of 4 April 2024 remains unchanged. 3. Notes that clearly defined project management processes and systems, consistent with Council's Capital Delivery Framework, are being implemented to provide management principles and guidance, transparency and the ability to capture learnings for future project delivery. 4. Notes that the governance framework is based on other recent major capital projects such as the Salisbury Community Hub and the Burton Community Hub. 5. Notes that KPMG has been engaged for the duration of the project, in a project management advisory and quality assurance role, to support the project team. 		

6. Notes that Rider Levett Bucknall (RLB) has been engaged for the duration of the project, to prepare pre-tender, 30% and 60% design milestone cost estimates, certify monthly progress claims, assess and negotiate contract variations, and provide project finance modelling and reporting at bimonthly PCG meetings.
7. Notes that Kelledy Jones Lawyers are supporting the project team as required, in relation to contract management.
8. Notes that extensive site investigation and analysis works were undertaken by Council pre-tender, and that the associated reports including known risk and limitation were communicated to the tenderers, in the tender documents.
9. Notes that the project Risk Register is an active document which is used by the project team to record and monitor all project and financial risks, throughout the different project stages.

ATTACHMENTS

There are no attachments to this report.

1. BACKGROUND

1.1 At its meeting held on 27 September 2021, it was resolved that Council:

- “1. Approves the Salisbury Aquatic Centre project scope (as per Option 3 design as illustrated in Attachment 5 – Design Option 3) and total budget of \$28.4m, including capital income of \$7.185 million from the South Australian Government, as recommended by the Project Control Group at their meeting on 15 September 2021.*
- 2. Notes that any financial shortfall as a result of discussions with the State Government will be considered through a non-discretionary budget review bid to a maximum amount of \$9.7M in the next budget review.*
- 3. Requests the CEO to write to the State Treasurer or the Department of Treasury and Finance requesting funding for the full \$9.7m difference and to authorise the CEO to negotiate to 50% or as agreed.*
- 4. Requests the Mayor to write to State Government Members of Parliament and State Government nominated candidates within with the City of Salisbury area requesting support for the additional funding as contained within Part 3 of the recommendations.”*

Resolution number 1120/2021

1.2 At its meeting held on Monday, 22 November 2021 it was resolved that Council:

- “1. Approves the submission of a Non-discretionary, 2021/22, 2nd Quarter Budget Review Bid to reflect the \$3,367,692 of Federal Government grant funding which is to be received as part of the Local Roads and Community Infrastructure, Phase 3, program.”*
- 2. A portion the LRCI funding to be allocated to fund the upgrade of car park/entrance road, and digital entry sign on Waterloo Cr Road.”*

Resolution Number 1157/2021

1.3 At its meeting held on 20 December 2021 it was resolved that Council:

- “1. Approves the Prudential Report – Salisbury Aquatic Centre (November 2021) prepared by an independent consultant (included as Attachment 1) in accordance with the requirements of Section 48 of the Local Government Act 1999 (Item 5.4.1 – Salisbury Aquatic Centre Redevelopment - Prudential Report – Community Wellbeing and Sport Committee, 14 December 2021).
2. Notes that the South Australian Treasurer and the Public Works Committee have endorsed the revised Salisbury Aquatic Centre scope (refer Item 5.4.1, September 21 – Salisbury Aquatic Centre) and supported the project with a maximum of \$7.185m funding from the Local Government Infrastructure Partnership Program (LGIPP).
3. Notes that an Unsolicited Proposal has been received which is being pursued in accordance with City of Salisbury’s Unsolicited Proposals Procedure.”

Resolution Number 1208/202

1.4 At its meeting held on 16 August 2022 it was resolved that Council:

- “1. Notes that head contractor Mossop Construction + Interiors has been appointed.
2. Notes the progression of detail design works to date is at 30% completion stage and gives approval to progress to 90% design stage in accordance with the Principal Project Requirements.
3. Notes the new aquatic facility is estimated to be open to the community in early/mid-2024.
4. Notes that artwork will be included as part of the approved budget.”

Resolution Number 1446/2022

1.5 At its meeting held on 19 December 2022 it was resolved that Council:

- “1. Notes and approves proposed approach to managing the project within the current project budget.
2. Notes six monthly progress reporting will be made to Council through the Project Control Group.
3. Notes that this project remains on schedule for completion mid-2024.”

Resolution Number 0063/2022

1.6 The original swimming pools located at Salisbury Recreation Precinct, Happy Home Reserve, Salisbury North, were constructed in the 1960’s. Since then, the facility underwent various upgrades and expansions to keep it functioning for the community. With consultancy advice and investigations undertaken, options and a Business Case for the redevelopment of the facility were presented to Council for consideration. Understanding that the existing facility required substantial work to remain operational, the decision to pursue a redevelopment of the site and seek grant funding for the project was the chosen option. With this decision, the creation of the Salisbury Aquatic Centre project was established and this report has been prepared to provide a summary of how the project is being delivered and its current status.

2. CITY PLAN CRITICAL ACTION

- 2.1 Continue to develop the capability of our people to deliver transformative projects, innovate and engage with the community.

3. CONSULTATION / COMMUNICATION

3.1 External

- 3.1.1 Rider Levett Bucknall (RLB)
3.1.2 Kelledy Jones Lawyers
3.1.3 KPMG

4. REPORT

The new Salisbury Aquatic Centre will provide the community with a year-round, modern, multi-use aquatic facility for all age groups, be operationally sustainable and considers the environment, be accessible and inclusive for all members of the community, address carparking needs, and consider the relationship and linkages with the City Centre. The scope of works for the project includes the demolition of redundant buildings and aquatic infrastructure, construction and fit-out of new building infrastructure comprising of main entry lobby/reception area, staff and admin offices, café with semi-commercial kitchen, gym, pool hall with warm water program pool and combination 25m lap & leisure pool, male/female/family/DDA compliant change village. External to the building, there will be a new 50 metre pool, 10-metre-high triple waterslide tower, and children's waterplay and splashpad. These works will be complemented by new landscaping. In addition, the existing entrance road and carpark is to be reconstructed including new lighting and CCTV.

Project Status

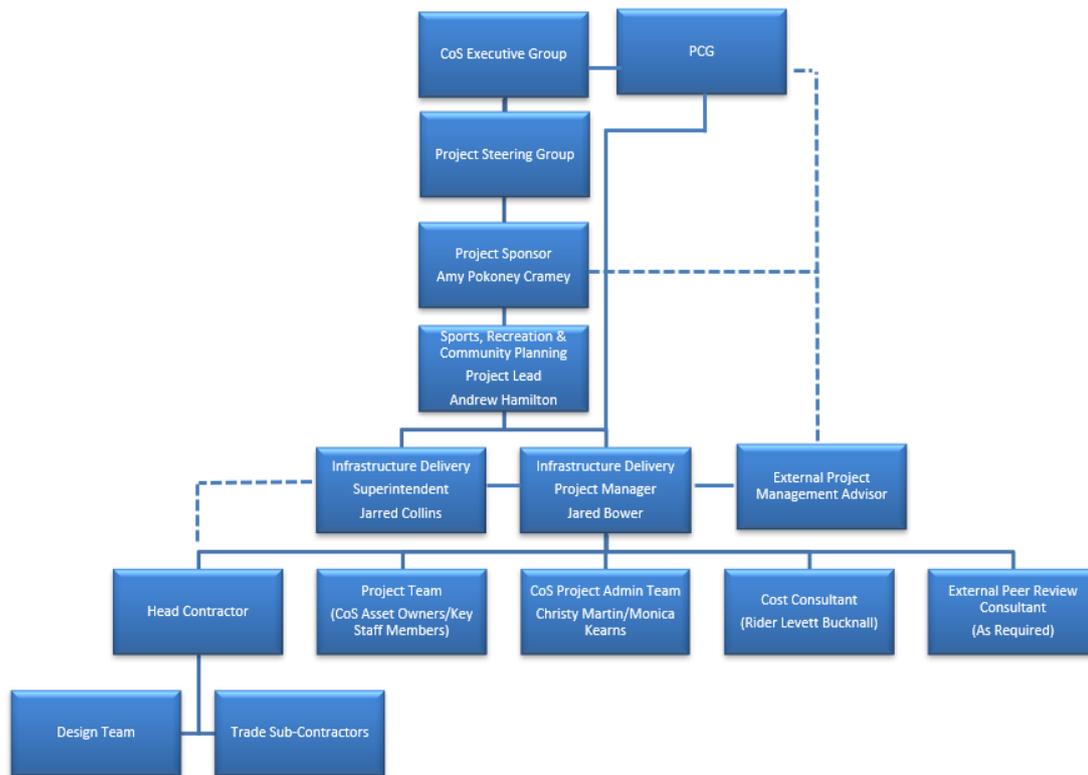
- 4.1 The Salisbury Aquatic Centre continues to progress in alignment with the project program. Following completion of demolition in 2022, the design and construction contract of works was awarded to Mossop Construction + Interiors, a South Australian owned company. From a construction perspective, the project has progressed from site establishment into construction in the latter part of 2022. Currently completed works include bulk earthworks and preparation of building pads, 100% detailed design documentation, construction of balance tank concrete shell for the indoor program and 25 metre pools, new transformer energised and erection of structural steel columns cast into concrete slabs.
- 4.2 Current site progression photos as at 24th March 2023;



- 4.3 The next key stages of construction will be the pool plant building including pad and in-ground services, box out and construction of carpark kerbing, commencement of earthworks for the new tennis club building and concrete shell for the indoor program and 25 metre pools. The project currently remains on schedule to be completed Mid 2024. An event to promote and open the new facility will be scheduled and assist to create a catalyst for growing interest and usage of the pool within the community.
- 4.4 Council successfully secured \$7.185M of State Government grant funding as part of the Local Government Infrastructure Partnership Program for the project. External to this new facility, Federal Government grant funding of \$1.5M, as part of the Local Roads and Community Infrastructure, Phase 3, was secured to deliver the construction of an upgrade to the entrance and new carpark. These funds support the Council budget of \$21.2M, and collectively this amazing new community facility is scheduled to be delivered for \$29.9M. Currently the budget is 82.6% or \$24.7M committed, with 13.7% or \$4.1M of the \$29.9M actual spent to date.

Project Management

- 4.5 In order to effectively and efficiently manage this major project for the community, clearly defined project management processes and systems were implemented to provide management principles and guidance, transparency and the ability to capture learnings for future project delivery.
- 4.6 The governance framework for the Salisbury Aquatic Centre was configured in line with Council's Capital Delivery Framework, and similar to other major projects delivered by Council, such as the Salisbury and Burton Community Hubs, with the following structure approved;



- 4.7 A point of difference for this key project, is the engagement of an external Project Management Advisor to support the project team. KPMG were successfully awarded this role and to note, in addition to periodic project mentoring and advice, they attend the bimonthly Project Control Group (PCG) and present a project status and health report to this group. The KPMG report provides the PCG with quality assurance on project management processes being applied.
- 4.8 In addition to the Project Management Advisor support, the project has engaged external consultancy services for the following:
- 4.8.1 **Quantity Surveying:** Rider Levett Bucknall (RLB) have been engaged to provide services which encompass estimation, design cost validation, progress claim and variation assessments and negotiations and financial cost reporting with presentation at the bimonthly PCG.
- 4.8.2 **Peer Design Review:** To undertake an impartial review and validation of design and associated documentation at 60% and 90% milestones of the design developed by the Head Contractor, Mossop Constructions + Interiors. This service providing a quality assurance in relation to design methods, calculation accuracy, validity of assumption and recommendations, and compliance with the relevant codes and standards.
- 4.8.3 **Contract Legal Advice:** As required, expert legal advice has been sought to support the project for such items as contract development and negotiation.

- 4.9 The external consultancies established for the Salisbury Aquatic Centre project, provides additional support, advice and governance to the Project Team, Executive and Council. The PCG includes two Elected Members to represent Council on this project. Collectively, the project governance provides clear paths of communication, support and decision making to assist in delivering the project objectives.
- 4.10 As part of the project initiation stage and associated document development, the following key documents were produced and endorsed to provide the framework for the management of the project;
- 4.10.1 Business Case
 - 4.10.2 Project Brief
 - 4.10.3 Principle Project Requirements (PPR)
 - 4.10.4 Communication and Marketing Plan
 - 4.10.5 Quality Management Plan
 - 4.10.6 Risk Management Plan
 - 4.10.7 Work Breakdown Structure
 - 4.10.8 Cost Estimate and Cash Flow
 - 4.10.9 Responsible, Accountable, Consulted, Informed (RACI) matrix
 - 4.10.10 Change, Variation, Issues, Lessons and Risks Registers
 - 4.10.11 Project Management Plan
- 4.11 The ongoing project reporting established for this project, also provides an important component of the project management framework, by way of effective communication, decision making, tracking of progress and the opportunity to promote project successes. Project reporting occurs at various levels including to Strategic Executive, Project Steering Group, PCG and Council.

Budgetary and Cost Control measures

- 4.12 Estimated budget included contingencies for design and construction, broken down into key elements and managed accordingly.
- 4.13 Claim control process has been put into place, including formal lodging, RLB review.
- 4.14 Contract was established as set price, with clear expectations form the D&C contractor.

Risk Management

- 4.15 Risk Management remains a critical component for the Salisbury Aquatic Centre project, with this being a standard meeting Project Control Group agenda item and reported periodically. The cost of construction projects has significantly increased as a result of labour and material shortage caused by the COVID-19 pandemic. Project cost was identified early in the project life cycle as a key risk. In order to manage the risk of project cost, the potential causes such as scope creep and escalation were identified, recorded in the project Risk Register and control measures developed.

- 4.16 To de-risk the design and construction phases of the project, a team of construction, engineering and aquatic specialists were engaged to assist Council to develop the concept design to 30%, and prepare the Principals Project Requirements (PPR) document. To ensure the design and construction phases do not exceed the approved budget, cost planning consultant Rider Levett Bucknall (RLB), has been engaged by Council to develop cost estimates during the concept design stage, 30% and 60% design milestones.

In addition, the project site was checked against the central archive for known Aboriginal Sites and Objects, and confirmed not to be a site of significance. A geotechnical and site contamination investigation, topographical and inground services location survey, and significant/regulated tree audit was undertaken. A capacity analysis of the local SA Water fire main, and the SAPN electrical transformer was also carried out, including the identification of building height restrictions under and adjacent the overhead high-voltage powerlines (swing & sag). To inform Council's potential design and construction partner of the known project and site risks, the associated reports and recommendation from Council's early investigation works, were included in the tender documents.

Furthermore, redundant building and aquatic infrastructure was demolished, and the site cleared of known asbestos material under a separate contract, prior to Council handing over the site to the construction contractor, and the commencement of construction works.

- 4.17 The Risk Register created provides an active tool for recording, monitoring and retiring of risk items. On a quarterly basis, the broader project team meet to review the register providing a greater view of current and potential risk items, whilst also creating an avenue for team involvement and ownership. Some of the key risks currently being monitored by the project team are:

- Contractor variation submission validity, and insufficient supporting documentation
- Design refinement/scope change exceeding design contingency
- Contractor time and resource allocation for design phase insufficient
- Discovery of unknown asbestos/latent conditions
- Delivery schedule

Change Management

- 4.18 A change control process is being adhered to for this project, ensuring any changes are presented for decision making with the required information for effective decision making, and that approvals occur in accordance with the approved delegations. The change control process includes monitoring and administration until items are closed, but also provides an avenue to capture opportunity for future learnings albeit opportunity for improvement and / or areas which performed well. Lessons learned / identified are captured within a register and the broader project team meet quarter to review this register and maintain data held within it.

5. CONCLUSION / PROPOSAL

- 5.1 The Salisbury Aquatic Centre is a major project currently in construction phase for the City of Salisbury. The outcome of this project will provide the community with a sustainable, accessible and exciting new aquatic precinct for them to enjoy. The site will transform from a dated 1960's outdoor only facility, to a modern indoor and outdoor facility with additional new key features such as outdoor waterslides and splashpad play areas.
- 5.2 This major project has been established with well-defined and resourced project management to aid in the supervision of project risks and to see the project deliver an exceptional outcome for the community. Additional experienced consultancies form part of the resourcing for this project in the roles of project management advisor, quantity surveying, peer design review and legal advice. These roles were created as part of the risk mitigation strategy to see the project be managed and reach a successful delivery.

ITEM	7.2.2
	AUDIT AND RISK COMMITTEE
DATE	12 April 2023
HEADING	Outstanding Actions Arising from Internal Audits
AUTHOR	Internal Auditor & Risk Coordinator, CEO and Governance
CITY PLAN LINKS	4.2 We deliver quality outcomes that meet the needs of our community 4.4 We plan effectively to address community needs and identify new opportunities
SUMMARY	This report provides an update on the status of outstanding actions arising from previously completed internal audits.

RECOMMENDATION

That Council:

1. Notes the update in this report and the full Internal Audit Log Actions Register in Attachment 1 to this report (Audit and Risk Committee, 12 April 2023, Item No.7.2.2).
2. Notes the update on the Capital Works Project Audit Pressure Points Action List in Attachment 2 to this report (Audit and Risk Committee, 12 April 2023, Item No.7.2.2).

ATTACHMENTS

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

1. Internal Audit Log Actions Register - April 2023
2. Audit Log Item 75 - Capital Works Project Audit Pressure Points Action List

1. BACKGROUND

- 1.1 This report provides a status update on the outstanding actions from past internal audits, showing a summary position, number of actions by risk rating and the movement of actions since it was last presented to the February 2023 Audit & Risk Committee meeting.
- 1.2 Previously reported 1 closed action is now removed from the Audit Log Actions Register after verification by the Internal Auditor and Risk Coordinator.

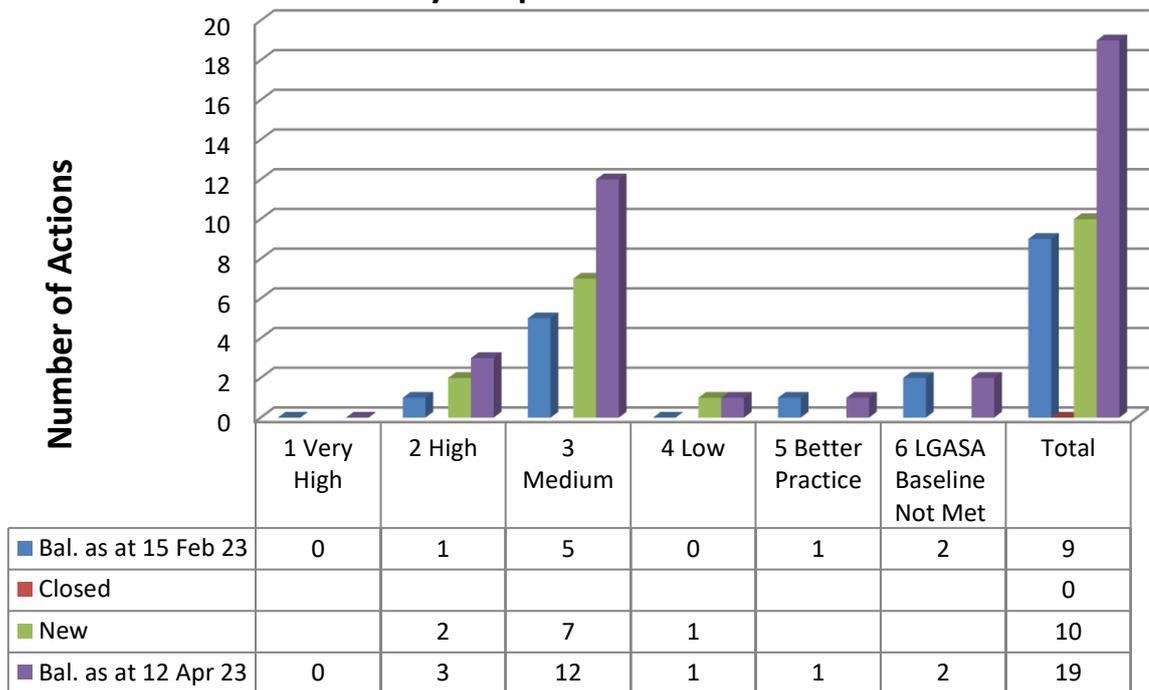
2. CONSULTATION / COMMUNICATION

- 2.1 Internal
 - 2.1.1 Audit Action Process Owners

3. REPORT

- 3.1 A high-level summary on the **movement of actions** from internal audits is shown below:

Internal Audit Log Actions - February to April 2023 Movement



3.2 The total number of outstanding Audit actions reported to the February 2023 Audit & Risk Committee was 9.

3.3 No actions were closed for this reporting period.

3.4 However, the 10 new actions were added, including nine actions from Fleet Heavy Vehicle, High Value and Portable Assets Audit, and one consolidated action to monitor the status of project management pressure point actions derived from the Capital Works Project Audit.

3.5 The risk profile summary position of actions for the reporting period is shown above.

Actions Outstanding

3.6 A summary of the outstanding actions remaining as at 12 April 2023 to be closed, and their status and risk ratings, and the level of completion relative to the total number of actions for respective audit are illustrated below:

Audit	Total # Actions	Actions Completed	%	Actions Outstanding	%	Status of Outstanding Actions
Management of Contaminated Sites Audit - Oct 2020	14	12	86%	2	14%	2 not due (1 Medium Risk, 1 Better Practice)
LGRS 2019 Risk Evaluation Report - Nov 2019	6	4	67%	2	33%	2 Extended (2 LGRS Baseline Not Met)
Complaints Handling Process Audit - Mar 2021	6	2	33%	4	67%	1 not due (High Risk), 3 extended (Medium Risk)

Volunteer Management Audit - Sep 2021	4	3	75%	1	25%	2 Extended (1 Medium Risk, 1 Low Risk)
Capital Works Project Audit - Nov 2021	3	2	67%	1	33%	1 High Risk (with 11 sub tasks)
Fleet Heavy Vehicle, High Value and Portable Assets Audit – Feb 2023	9	0	0%	9	100%	New Actions (2 High Risk, 7 Medium Risk, 1 Low Risk)
TOTAL	42	23	55%	19	45%	

- 3.7 The two actions remaining from Management of Contaminated Sites Audit are in progress as part of a separate action plan, reported to the February 2022 Audit and Risk Committee, with a final deliverable to establish an Integrated Catchment Risk Management Plan by mid-2026.
- 3.8 The two actions identified from LGRS risk evaluation report needed further extension. A due date of 31 December 2023 was agreed to update risk assessments for remaining scenarios specific to COS's emergency management plan. At this stage, funding is being explored to engage consultancy to facilitate completion of hazard risk assessments in accordance with NERAG (National Emergency Risk Assessment Guidelines) to further build on the work currently being undertaken by the Northern Adelaide Zone Emergency Management Committee and SES. Also, for the second action, further extension was agreed until 30 September 2023 to provide necessary training for relevant staff identified in the Incident Operations Manual.
- 3.9 The four actions remaining from Complaints Handling Process audit, are agreed to be resolved with the implementation of the Customer Relationship Management (CRM) module within the ongoing Enterprise Resource Planning (ERP) solutions implementation process. CRM implementation is prioritised in the first phase of ERP implementation, schedule to be completed by end of June 2023.
- 3.10 The one action remaining from Volunteer Management audit is related to the development of a Volunteer Health and Safety Handbook. First Draft of Volunteer Safety Handbook is 85% complete, with safety activities to be updated for couple of safety scenarios, and the full version is now expected to be completed by 31 December 2023 (extended from March 2023).
- 3.11 For Capital Works Project Audit one finding was related to Project Management Pressure Points with a recommendation to come up with action plan tasks to address these pressure points. A total of 11 tasks were agreed by the Working Group formed to identify measures that should be taken to address the pressure points. For this reporting period, one task was completed, one task was extended by 3 months, and 9 tasks are on track and are still within the original deadline agreed. These action plan tasks were updated to the Audit and Risk Committee in February 2023 and further details on their status of completion for this reporting period are listed in Attachment 2.
- 3.12 The full listing of all 19 pending actions, with recommendation, management comments, action owners, and target deadlines for resolution are covered in the Audit Log Actions Register included in Attachment 1.

4. CONCLUSION / PROPOSAL

- 4.1 This report provides a summary of the position on outstanding actions from past internal audits, since the last Audit & Risk Committee meeting.
- 4.2 One action was closed during the reporting period and nine actions remain to be closed as clarified above.

Audit Log Actions Register - April 2023

Log #	Report Date	Audit	Risk Rating	Title: Finding/Opportunity for Improvement	Recommendations	Management Response / Action Agreed	Responsible Officer	Target Date	Revised Date	Administration's Further Comments	Status	Audit Comment as at 12/04/2023	Resolved
10	19-Nov-19	8. LGASA 2019 Risk Evaluation Report	6. LGASA Baseline Not Met	Risk Assessment specific to Emergency Management Plan	CoS has documented risk assessments however it was noted that they were outdated and requires to be conducted again in line with current emergency scenarios. It is recommended that Council conduct risk assessments specific to emergency management and include all current emergency scenarios relevant to CoS.	CoS will work with the Council Ready Program to conduct risk assessments specific to emergency management and subsequently document those risk assessments	Brett Kahland (Team Leader Corporate Governance)	30/06/2021	31/12/2021 30/06/2022 31/12/2022 31/12/2023	Action is on track. Risk assessments have been commenced. 14/1/22: Emergency Mgt scenario risk assessment for flood and bushfire scenarios undertaken. Update 12/4/23: Funding to be explored to engage consultancy to facilitate completion of hazard risk assessments in accordance with NERAG (National Emergency Risk Assessment Guidelines). Northern Adelaide Zone Emergency Management Committee reviewing its northern zone risk assessments – prepared by SES for which CoS may build upon.”	Extended		No
11	19-Nov-19	8. LGASA 2019 Risk Evaluation Report	6. LGASA Baseline Not Met	Trained staff on Emergency Management Procedure	Although selected staff have been trained on emergency operations, the details are not documented in the Emergency Management Plan as it's passed its review date and current relevant staff details have not been included in the plan. It is recommended that the list of current staff trained on emergency management procedures are updated during the review of the Emergency Management Plan.	Training on emergency management procedures will form part of the development of the revised Emergency Management Plan and will be conducted upon completion of the Council Ready Program.	Lee Kightley (Emergency Management Project Coordinator)	30/06/2021	31/12/2021; 30/06/2022 31/12/2022; 30/06/2023 30/09/2023	The development of the Incident Operations Manual has and will identify relevant staff with responsibilities during an emergency event. The Incident Operations Manual has been endorsed by executive (October 2021). Training for staff will occur as part of the roll out of the Incident Operations Manual. 14/1/22: Rollout of training to occur following presentation to Executive Group (rescheduled to scheduled for 19 Jan) Note: extend time to enable key staff to attend training in first half of 2022. Update 15/2/23: The Emergency Incident Operations Framework update was presented to Executive Group 19/1/2023. Emergency Incident Commander training is to be arranged for all Executive Group members. All non Executive staff with assigned responsibilities within the Emergency Incident Operations Framework are to be trained in those responsibilities. Update 12/4/23: Training with the LGFSG has been scheduled for March as part of a combined session with an neighbouring council, however subsequently cancelled so CoS could have a dedicated training session. This training will be rescheduled in the second half of 2023.	Extended		No
30	03-Aug-20	4. Management of Contaminated Sites	3. Medium	6. Further work as per National Environmental Protection Measure (NEMP) Schedule B2 - Site Characterisation	Where potential risks cannot be adequately assessed from the existing information, further work may be required in accordance with the NEPM Schedule B2 (NEPC, 1999).	Agreed and noted	Dameon Roy, Manager Infrastructure Management	30/06/2023		Next review cycle is 2023. Budget bid to be put in 22/23, to do the Site Categorisation in accordance with NEPM Schedule B2. 14/2/22: Budget bids for existing sites (as included in report) have been included in 22/23 discussions. A prioritised list of sites requiring work in accordance with the NEPM will be prepared based on the updated risk ratings in the register.	Not Due Yet		No
35	03-Aug-20	4. Management of Contaminated Sites	5. Better Practice	11. Management of Contaminated Sites Integrated into a Single Framework	The management of contaminated sites should be integrated into a single framework, providing documented feedback mechanisms, and ensuring the overall risk to the CoS and the Recycled Water Systems are appropriately managed.	a) Noted b) At this point in time the Contaminated Site Register sits in the Corporate GIS system and is managed by City Infrastructure, however there is no mechanism to provide ongoing reporting in this area, other than on an incident by incident basis. c) Also agree that a more integrated approach across Council Departments is required. This is proposed to be done by revising the Integrated Water Cycle Management Plan into a new Integrated Catchment Risk Management Plan and up-dating all Stormwater Management Plans (SMPs) to ensure they model and monitor water quality issues as well as water quantity (i.e. flood management).	Dameon Roy, Manager Infrastructure Management	2023/2024	Ongoing as per the separate Action Plan, reported to Feb 2022 A&RC.	The ICRMP is the first step in establishing an integrated framework. Update 4/4/22: An action plan for this was presented to Feb 2022 Audit & Risk Committee to identify the sub-components of the delivery of this item in 10 phased action milestones, whereby the ICRMP will get developed in 2026.	Extended		No
57	22/03/2021	9. Complaints Handling Process	2. High	1. Lack of a Complaints Handling & Management System	Establish a centralized system to capture information on complaints, and use the system for handling, managing and reporting on complaints received and resolved; either through an existing software solution or by introducing a dedicated complaints management system. Ensure that all complaints are recorded, and reported to the management on a regular basis, including complaints received via telephone calls, and from walk-in community members.	Investigation will need to be undertaken to find a suitable program to capture all complaints in the one place and identify funding requirements. This forms part of the scope of a current project undertaken called the Exceptional Community Experience Project.	Hannah Walters (Project Manager Community Experience)	30/06/2022	30/06/2023	Update: 9/11/21: We are currently preparing an EOI for the technology solution to manage all Community Interactions. Update 30/06/2022 We are currently evaluating EOI for Enterprise Resource Planning solution and the first module to be implemented will be CRM Update 15/02/2023: Part of the ERP 1st phase implementation	Extended		No

Log #	Report Date	Audit	Risk Rating	Title: Finding/Opportunity for Improvement	Recommendations	Management Response / Action Agreed	Responsible Officer	Target Date	Revised Date	Administration's Further Comments	Status	Audit Comment as at 12/04/2023	Resolved
58	22/03/2021	9. Complaints Handling Process	3_Medium	2. Performance Monitoring and Reporting on Management of Complaints	<ol style="list-style-type: none"> Incorporate within the relevant policies and procedures, the reporting requirements and frequencies covering performance reporting on service standards. Establish a mechanism to record and measure actual performance against all service standards; Establish a monthly reporting process on actual performance against all agreed service standards for complaints and requests for services. Review the key performance indicators and service standards for complaints handling included within the Community Experience Charter and also the CCC Procedure, to ensure they are attainable and realistic. 	<ol style="list-style-type: none"> The recommendation will be implemented. There is significant work required in developing a report on performance against all service standards. Unclear if reporting against service standards is undertaken within each business unit on a monthly basis. Investigation and scoping of the solution will be required. A customised monthly report will be developed to track the progress of the Operational Service Standards listed in the Community Service Framework. The key performance indicators listed in the Community Experience Charter will be reviewed to ensure they are relevant and realistic. 	Hannah Walters (Project Manager Community Experience)	31/12/2021	31/12/2022 Ongoing - part of the ERP 1st phase implementation	Update: 9/11/21: The Community Experience Framework is no longer an operational document. We currently report to Council monthly on all CRM data but this will be expanded when we introduce a Customer Relationship Management System that will capture all Community Interactions. Update 24/01/2022: New initiative bid submitted for funding and implementation for the CRM project Update: 9/11/21: We are currently preparing an EOI for the technology solution to manage all Community Interactions. Update 30/06/2022 We are currently evaluating EOI for Enterprise Resource Planning solution and the first module to be implemented will be CRM Update 15/02/2023: Part of the ERP 1st phase implementation. Update 12/4/2023: Part of the ERP 1st phase implementation to be completed by 30 June 2023	Extended		No
59	22/03/2021	9. Complaints Handling Process	3_Medium	3. Escalation Process for Tier 1, Tier 2 and Tier 3 Complaints	Ensure that escalation process implemented covers Tier 3 complaints as per the requirements of CCC Procedure, and/or revise the CCC Procedure accordingly.	This will get captured as part of the Exception Community Experience Project Implementation scope, and implement the Complaints handling Tier escalation process.	Business Process Owners: Hannah Walters (Project Manager Community Experience) / Amy Pokoney Cramey (General Manager Community Development) Owner for ECM System Support: Laura Fischetti (Team Leader Business Intelligence and Data Management).	31/12/2021	31/12/2022 Ongoing - part of the ERP 1st phase implementation	Update: 9/11/21: Requirements for escalations will be built into the detailed business requirements document for the Customer Relationship Management Solution. Update 24/01/2022: New initiative bid submitted for funding and implementation for the CRM project Update: 9/11/21: We are currently preparing an EOI for the technology solution to manage all Community Interactions. Update 30/06/2022 We are currently evaluating EOI for Enterprise Resource Planning solution and the first module to be implemented will be CRM Update 15/02/2023: Part of the ERP 1st phase implementation Update 12/4/2023: Part of the ERP 1st phase implementation to be completed by 30 June 2023	Extended		No
60	22/03/2021	9. Complaints Handling Process	3_Medium	4. Trend Analysis on Complaints Data for Strategy Formulation	COS should perform data analysis on complaints received and resolved to identify trends and lessons learned and appropriately apply as input within COS's strategy formulation process.	This will be incorporated as part of the Exceptional Community Experience Project scope and implemented.	Hannah Walters (Project Manager Community Experience)	31/12/2021	31/12/2022 Ongoing - part of the ERP 1st phase implementation	Update: 9/11/21: Requirements for escalations will be built into the detailed business requirements document for the Customer Relationship Management Solution. Update 24/01/2022: New initiative bid submitted for funding and implementation for the CRM project Update: 9/11/21: We are currently preparing an EOI for the technology solution to manage all Community Interactions. Update 30/06/2022 We are currently evaluating EOI for Enterprise Resource Planning solution and the first module to be implemented will be CRM Update 15/02/2023: Part of the ERP 1st phase implementation. Update 12/4/2023: Part of the ERP 1st phase implementation to be completed by 30 June 2023	Extended		No
68	23-Sep-21	11. Volunteer Management: Audit	3_Medium	Volunteer Safety Handbook	As a better practice control measure, it is advisable that COS prioritise the development of a comprehensive Volunteer Safety Handbook to meet the core components of the WHS Induction and Training Procedure detailed below: •Provide WHS information, training and instruction in a way that is readily understandable to any person whom it is provided •Provide workers with information, instruction and training that is necessary to protect persons from risk to health and safety having regard to their role	Actions proposed include sourcing funding and an external consultant to develop an accessible easy-English Volunteer Health and Safety Handbook that complies with WHS requirements	Vesna Haracic (Manager Community Health and Wellbeing)	30/06/2022	31/12/2022 31/03/2023 31/12/2023	30/06/2022: Work in progress with P&C to determine our internal capacity for the WHS induction and Training procedure. The next step will be an easy English Volunteer Health and Safety Handbook that complies with WHS requirements. 08/11/2022: Draft Manual is being compiled by WHS team for finalisation. 12/04/2023: First Draft of Volunteer Safety Handbook is 85% complete, with safety activities to be updated for couple of safety scenarios.	Extended		No
75	22-Mar-22	12. Capital Works Projects Audit	2_High	Project Management Pressure Points - Action Plan Items	Recommendation from Feb 2023 Audit & Risk Committee was to track the status of Capital Works Project Audit Pressure Point Action Plan presented to the A&RC and include that in the Audit Log Action Items Register.	The Action Plan items are included as a separate attachment and status update tracked from the action owners and reported to every A&RC meeting until fully resolved. See Attachment 2 for details.	Jarred Collins, Manager Infrastructure Delivery.	Ongoing, tracked separately.			New		
76	15-Feb-23	13. Fleet Heavy Vehicle High Value and Portable	2_High	Plant & Fleet Asset Management Plan	<ol style="list-style-type: none"> Review the current asset management process and update the P&FAMP or P&FAMOP. Consider implementing a process where budget bids for asset maintenance and acquisition relies on approved P&FAMPs. 	The Action Plan items are included as a separate attachment and status update tracked from the action owners and reported to every A&RC meeting until fully resolved. See Attachment for details.	Kate George (Manager Field Services)	30/06/2023			New		No

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77	15-Feb-23	13. Fleet Heavy Vehicle High Value and Portable	3_Medium	Physical Verification and Asset Stocktake	1)Develop a stocktake policy or procedure covering all relevant assets, to physically verify the assets against relevant asset registers. 2)Undertake periodic stock takes as per approved policy and/or procedure.	Recommendation 1: Policy / Procedure will be developed as recommended. Recommendation 2: Agree with the recommendation. Consideration will need to be given in the policy/procedure regarding the level of detail for stock take of portable assets.	1.Tim Aplin (Senior Accountant) 2.Relevant Divisional Managers (subject to Recommendation 1 process approved).	1.30 June 2023 2.TBD as per procedure approved.			New		No
78	15-Feb-23	13. Fleet Heavy Vehicle High Value and Portable	3_Medium	Comprehensive Minor Assets Register	1)Develop policy or procedure for minor assets register covering all relevant portable and attractive items (including but not limited to mobile phones, laptops, computers, IT devices, audio video equipment etc.), purchase, disposal (including write-offs), record keeping, updating the assets register and physical verification of such assets. 2)Consider undertaking an organisation wide stock-take of all portable and attractive items as at a given reference starting point, and update and maintain a comprehensive register for all minor assets thereafter.	Recommendation 1: Policy / Procedure will be developed as recommended. Recommendation 2: Comments from Manager Field Services - Consideration will need to be given on the level of detail for implementing registers and stock takes for portable assets, particularly in relation to Field Services and range of tools/equipment utilised for service delivery.	1.Tim Aplin (Senior Accountant) 2.Relevant Divisional Managers (subject to Recommendation 1 process approved).	1.30 June 2023 2.TBD as per procedure approved.			New		No
79	15-Feb-23	13. Fleet Heavy Vehicle High Value and Portable	3_Medium	Private Use Vehicles and Salary Sacrifice Calculator	1)Considering the 20% pool discount benefit entitlement applied for Private-Use vehicles, for clarity it is recommended that Administration ensures that all such vehicles are either made available for car pool booking on a common standard platform accessible to all employees as per current Motor Vehicle Policy or revise the Motor Vehicle Policy specifying any exceptions. 2)Ensure employees are appropriately briefed on the vehicle use policy, terms and conditions, and establish a sign-off induction checklist document for private use vehicle handover process. 3)Consider the engagement of an independent external consultant to benchmark with other councils and industry better practice processes, to review the current Motor Vehicle Policy, including a review of the salary sacrifice calculator, and current vehicle usage options.	Agree with the recommendation. A working group has been established to review and update the Vehicle Policy.	Mark Purdie (Manager Field Services)	30/06/2023			New		No
80	15-Feb-23	13. Fleet Heavy Vehicle High Value and Portable	3_Medium	Inconsistency between COS Assets Register and Local Government Association Asset Mutual Fund (LGAAMF) Insured Assets Schedule	It is recommended that COS: 1)Correct the identified inconsistencies between the LGAAMF insured assets schedule and COS assets register. 2)Establish an efficient process to report and update LGAAMF on acquisitions and disposals of insurable fleet and motor vehicle assets. 3)Undertake regular and timely reconciliation of insured assets schedule against the relevant asset registers, with a particular focus on assets acquired or disposed before insurance renewal but after the renewal registers are provided.	Agree with recommendations. Recommendation 1&2: LGAAMF will be notified to update on acquisitions and disposals. Recommendation 2&3: A monthly report will be established to summarise acquisitions & disposals for ease of reconciliation between registers.	1&2: Tracy Roberts (Insurance Officer); 2&3: Mark Purdie (Manager Field Services)	1&2: 28 Feb 2023 3&4: 30 June 2023			New		No
81	15-Feb-23	13. Fleet Heavy Vehicle High Value and Portable	3_Medium	Policies and Procedures	1.Review the following policies and procedures that have gone beyond their current stated next review dates: a)Asset Management Policy. b)Motor Vehicle Policy. c)Procurement Framework. 2.It may be beneficial to incorporate the following specific process enhancements or clarifications: a)In the Disposal of Assets Other than the Land Policy, clarify the responsible authority for approval of asset disposals. b)In the Disposal of Assets Other than the Land Policy, clarify the process for disposal or write off of minor assets as this category is not clearly articulated.	Recommendation 1a): Agree with recommendation. Work is underway to review and update the Asset Management Policy. Recommendation 1b): Agree with recommendation. Work is underway to review and update the Motor Vehicle Policy. Recommendation 1c and 2: Agree with recommendation. Will be resolved by 30 September 2023	1a) Dameon Roy, (Manager Infrastructure Management) 1b) Mark Purdie (Manager Field Services); 1c&2) Manager Strategic Procurement (TBD).	1a) 30 June 2023 1b) 30 June 2023 1c) 30 June 2023 2) 30 September 2023		1c&2) Manager Strategic Procurement is currently vacant, to be filled.	New		No

Log #	Report Date	Audit	Risk Rating	Title: Finding/Opportunity for Improvement	Recommendations	Management Response / Action Agreed	Responsible Officer	Target Date	Revised Date	Administration's Further Comments	Status	Audit Comment as at 12/04/2023	Resolved
82	15-Feb-23	13. Fleet Heavy Vehicle High Value and Portable	3_Medium	Review of Assets in Use Beyond the Stated Useful Economic Life	<p>1.Undertake annual review of the useful economic life of assets, considering, the age, capacity, functions and condition of the asset, and update the revised/extended useful economic life of assets for depreciation calculation or adjustment purposes where required, and document the process accordingly.</p> <p>2.Demonstrate the application of useful economic life as a trigger for review of assets for asset renewal and replacement, and document the reasons for any extended useful economic life agreed, considering other optimal replacement timing or opportunity cost factors.</p> <p>3.Review and adjust the fixed assets register for assets that have been disposed in prior years.</p>	<p>Recommendation 1 & 2: The useful lives of fleet categories are currently reviewed annually in accordance with the Asset Management Policy. Each year, the fleet renewal program is reviewed and adjusted as part of the annual budget process. Adjustments may be made to individual assets based on condition, usage, market conditions or operational reasons, The renewal program is currently adjusted to meet a consistent renewal spend each year (flattening of the renewal spend) – this effectively means some items are brought forward and some are extended in relation to category useful life. Condition, usage, market conditions, operational requirements and maintenance risk factors are considered in adjusting the renewal program. The following specific key improvement actions will be undertaken: •Document reasons for adjustments to lifecycle in the renewal program •Update Financial Services team on changes to Useful Economic Life to make necessary determination on adjustments to depreciation. •Ensure conditions are recorded and managed in the Fleet Management System.</p> <p>Recommendation 3: The assets that were identified as disposed will be reviewed where required and adjusted as part of the 2022/2023 financial year end process.</p>	<p>1 & 2: Mark Purdie (Manager Field Services)</p> <p>3: Zaman Bhuiyan - Acting Senior Accountant (Projects, Assets and Systems)</p>	30 June 2023	31 October 2023		New		No
83	15-Feb-23	13. Fleet Heavy Vehicle High Value and Portable	3_Medium	The National Heavy Vehicle Law (NHVL) Compliance - Areas for improvement	<p>1.Review operational procedures for heavy vehicle maintenance and repair to determine if NHVL requirements are specifically addressed and revise the operational procedures accordingly.</p> <p>2.Ensure that weighing equipment calibration testing is included in the maintenance schedule and record is kept of such calibration testing.</p> <p>3.While acknowledging that it is not mandatory for COS to be accredited and apply the NHVAS standards, it may be beneficial for COS to consider using an NHVAS accredited auditor to undertake a compliance audit to determine the status and level of compliance with NHVR, and review templates and procedures to ensure it adequately covers standard safety measures and comply with NHVL requirements.</p> <p>4.Ensure the operational procedures for heavy vehicle procurement, maintenance and repair is updated to require that a Certificate of Compliance is obtained and maintained in the fleet management system whenever a modification to a prescribed component is performed.</p>	Agree with the recommendations.	<p>1, 2 & 3) Toby Henderson (Coordinator Fleet and Workshop)</p> <p>4.Mark Purdie (Manager Field Services)</p>	31/10/2023			New		No
84	15-Feb-23	13. Fleet Heavy Vehicle High Value and Portable	4_Low	Fuel Card Usage Review on Unusual Transactions	<p>1.Retrieve an excel master file transaction listing report from BP covering a full year period, and perform data analytics to identify anomalies and seek justification where possible.</p> <p>2.Seek the possibility of incorporating exception parameters within the fleet management system to identify anomalies, and review on a monthly basis.</p>	<p>Fuel cards for the majority of the fleet are kept at the Operations Centre overnight and only accessed during working hours. This reduces the potential/likelihood of misuse.</p> <p>Recommendation 2 – is considered the most time and cost-effective manner for improving governance of fuel cards, with investigations into dashboards and auto generated exception reports in AusFleet based on mileage and fuel usage.</p>	Toby Henderson (Coordinator Fleet and Workshop)	30/06/2023			New		No

Attachment 2: Project Management Audit Action Group - Follow up of Action Status

(Status Updated for 12 April 2023 A&RC)

No.	Action Tasks	Pressure Point Identification	Responsible Group	Due Date	Status	Comments
1	Determine and create portal / option for organisation wide access to view project status information and contact details for person responsible. Needs to be completed in line with the new ERP system solution.	1 – Cross collaboration between teams	Infrastructure Delivery	31/12/2023	Not Due Yet	In line with ERP system roll out
2	Completed projects by asset have been mapped and is accessible via Power BI, with the roll out of the new ERP system solution, create the ability to view projects in progress geographically. Completed projects may transition to the same view as active projects, pending ERP system solution.	1 – Cross collaboration between teams 3 – Community consultation 5 – Resident and EM information requests 6 - Reporting	Infrastructure Delivery	31/12/2023	Not Due Yet	In line with ERP system roll out
3	Pending ERP system solution enable organisational wide access to project documents such as briefs and design drawings to enable review and feedback from any location	1 – Cross collaboration between teams 5 – Resident and EM information requests 6 - Reporting	Infrastructure Delivery	31/12/2023	Not Due Yet	In line with ERP system roll out

4	<p>A1 digital drawing review solution implemented, subject to funding availability.</p> <ul style="list-style-type: none"> - Schedule working group to discuss and determine requirements - Investigate options and estimated pricing - Determine funding source - Schedule tender - Schedule install - Schedule training 	<ul style="list-style-type: none"> 1 – Cross collaboration between teams 2 – Resourcing 3 – Community Consultation 4 – Procurement 5 – Resident & EM requests 7 – Clarity of Roles and Responsibilities 8 – Prioritisation of Projects 9 – Bespoke design work 	Design Team, Infrastructure Delivery	31/12/2023	Not Due Yet	In line with funding availability, workshop scheduled for July 2023 to review options available and their integration into COS system.
5	<p>Develop process to maintain Major Project information on the City of Salisbury website</p> <ul style="list-style-type: none"> - Document process - Upload updated Major Project information - Schedule periodical reviews 	<ul style="list-style-type: none"> 2 – Resourcing 3 – Community consultation 5 – Resident & EM information requests 	City Infrastructure Administration	1/09/2023	Not Due Yet	Work has commenced with on the of an upgrade to our existing platform to allow a section of Capital Works to be included on the website (location wise, scope and timing of projects), we are currently working through this in preparation for implementation later this calendar year. Backend functionality to notify Elected Members on changes made to this portal.
6	Schedule bi-annual workshops to review overarching project risk register	<ul style="list-style-type: none"> 1 – Cross collaboration between teams 6 – Reporting 8 – Prioritisation of projects 	Infrastructure Delivery	1/03/2023	Not Due Yet	The Project Risk Register has been updated and included on the intranet for reference, it is proposed to review this inline with preparation of the new Financial Year in July 2023 and mid year in January 2024 consecutively.

7	Schedule bi-annual workshops to review a small set of completed projects, so what worked well and what didn't work so well can be discussed and captured. Include a section for acknowledgements	1 – Cross collaboration between teams 6 – Reporting 8 – Prioritisation of projects	Infrastructure Delivery	1/03/2023	Completed	Workshops scheduled to occur in July and January each year, and a sample of 3-4 completed projects to be reviewed for lessons learned. Register of Lessons Learnt to be kept within the Capital Delivery Framework page on Intranet.
8	Schedule workshop to review Change RACI (Roles Accountability Consulted Inform) Chart	1 – Cross collaboration between teams 2 – Resourcing 7 – Clarity of Roles and Responsibilities	Infrastructure Delivery	01/04/2023 30/06/2023	Extended	Work has commenced to review the current RACI chart an updated RACI chart will be completed in line with the Capital Framework and we will look to have this completed by 30/06/2023, following internal review.
9	Create Project Management Plan template to support Project Managers with the delivery of their assigned projects	7 – Clarity of Roles and Responsibilities	Infrastructure Delivery	1/06/2023	Not Due Yet	
10	Re-establish asset-based project meetings to aid in decision making, communication sharing and project monitoring. Consider membership and options for online participation.	1 – Cross collaboration between teams 6 – Reporting	Infrastructure Delivery	1/05/2023	Not Due Yet	Tracking on schedule and will be completed by the due date.
11	Explore the expansion of costing internal wages to capital projects, staff not within City Infrastructure or Strategic Property Development but are staff involved with project delivery.	2 – Resourcing	Financial Services Community Development Infrastructure Delivery	1/06/2023	Not Due Yet	

ITEM	7.2.3
	AUDIT AND RISK COMMITTEE
DATE	12 April 2023
HEADING	Position Paper Revenue Recognition
AUTHOR	Manager Financial Services, Business Excellence
CITY PLAN LINKS	4.2 We deliver quality outcomes that meet the needs of our community
SUMMARY	This report provides the Audit and Risk committee with the opportunity to review the Revenue Recognition Position Paper that has been developed in response to resolution 1524/2022.

RECOMMENDATION

That Council:

1. Notes the Revenue Recognition Position Paper (as included in Attachment 1, Audit and Risk Committee meeting, 12 April 2023, Item No. 7.2.3) which is an internal document developed to support the administration in correctly accounting for revenue in relation to Accounting Standards AASB 1058 *Income of Not-for-Profit Entities* and AASB 15 *Revenue from Contracts with Customers*

ATTACHMENTS

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

1. Revenue Recognition Position Paper

1. BACKGROUND

- 1.1 The Audit and Risk Committee considered Item 7.1.1 BDO's Final Audit Completion Report 30 June 2022 at the meeting held 11 October 2022. On page 7 of Attachment 1 BDO's Annual Completion Report for the year ending 30 June 2022, BDO stated:

ACCOUNTING TREATMENT OF GRANT FUNDING

Description	Audit work performed	Summary of findings
There is a risk of error in the calculation of grant income recognised and deferred at the end of the year by reference to grant agreements and Australian Accounting Standards.	We obtained the schedule of grant income recognised and deferred at year end. We selected a sample of grants and obtain the agreements to test that funding had been recognised in accordance with <i>AASB 15 Revenue from Contracts with Customers</i> and <i>AASB 1058 Income of Not-for-Profit Entities</i> .	<p>We have raised an adjustment in relation to the application of AASB 1058 Income for not-for-profit entities. Under this standard, where funding is received to construct an asset, a liability is recognised until the performance obligations of the grant agreement have been satisfied. It was noted in these instances that the funding received throughout the period had been recorded as revenue. The correction of this treatment resulted in an adjustment of \$3,592,896 being recognised as a liability at 30 June 2022. This adjustment has been included in the Summary of Misstatements section as corrected.</p> <p>We also reviewed the significant grants that were received in the 2021 financial year to determine whether there were any grants that had been recognised as revenue in 2021 that should have been deferred and recognised as revenue in 2022. As a result of this review we noted funding of \$2,448,151 that should have been deferred at 30 June 2021. This has been included in the Summary of Misstatements section as uncorrected and can remain uncorrected as the impact on the 2022 financial year falls below our materiality level.</p>

- 1.2 In response the Audit and Risk Committee requested that a position paper on grant recognition and associated timings be prepared for the April 2023 meeting. This recommendation was resolved by Council at its October 2022 meeting, resolution 1524/2022.

2. CONSULTATION / COMMUNICATION

2.1 External

- 2.1.1 Council's external auditors, BDO provision of Position Paper for feedback, and technical advice regarding timing of recognition / partial recognition.

3. REPORT

- 3.1 *AASB 15 Revenue from Contracts with Customers* became effective 30 June 2020 as did *AASB 1058 Income for Not-for-profit Entities*, at which time Bentleys were Council's external auditors. Bentleys contract concluded with the 30 June 2021 audit, with BDO then becoming Council's auditors.
- 3.2 Bentleys had not identified the issue with our application of AASB 15 in relation to grant recognition. Bentleys September 2020 report provided to the then Audit Committee through Item 4.2.1 "Report to the Audit Committee for the year ended 30 June 2020, prepared by Bentleys" 13 October 2020, Attachment 1, page 6 stated:

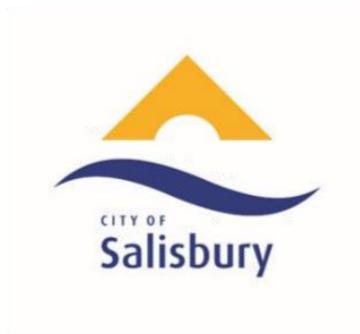
Identified audit risks	Area
	New accounting standards
	Risk
	Risk that adoption of new accounting standards being AASB 15, 16 and 1058 are materially incorrect.
	Risk that disclosure within the financial statements is insufficient and not in line with the requirements of the new accounting standards.
Audit Approach	
Reviewed the calculations for revenue received in advance and found it to be in accordance with AASB 15 & 1058. We also reviewed management's assessment of leases in accordance with AASB 16 and agree with their conclusion. All standards have been adopted correctly.	
Outcome	
Satisfactory	

Noting that the September 2021 Report for the 30 June 2021 financial year was silent in relation to these specific standards.

- 3.3 BDO did not identify this issue during their verification of opening balances at commencement of the contract, nor through the interim audit conducted in May 2023.
- 3.4 The issue was raised for the first time during the BDO audit visit September 2022, and administration worked extensively to review grants and put to BDO a revised position on grant recognition. This revised position was worked through in detail by BDO and verified, and the financials adjusted accordingly.
- 3.5 In accordance with the recommendation of the Audit and Risk Committee and as resolved by Council, a Revenue Recognition Position Paper has been prepared (Attachment 1), which details recognition of grant income including timing / partial recognition.

4. CONCLUSION / PROPOSAL

- 4.1 The Revenue Recognition Position Paper be noted.



Revenue Recognition Position Paper

Background

Council receives revenues from a diverse range of sources, with the Australian Accounting Standards treating revenue received from different sources in a variety of ways. For example, interest revenue, gains/losses incurred from the sale of assets, revenue from real estate developments and revenue received from equity accounted businesses are all covered under separate specific accounting standards.

Further to this, all other revenues of Council including rates, fees and charges, grants and contributions are subject to the requirements contained within the Accounting Standards AASB '1058 *Income of Not-for-Profit Entities*' and AASB 15 *Revenue from Contracts with Customers*'.

Given the various standards to be interpreted and applied, the decisions to be made around the nature (Capital or Operating) and the timing across financial years for the recognition of this revenue is complex.

Purpose

The purpose of this paper is to provide a clear position and detailed guidance to the management and staff of the City of Salisbury in regards to the appropriate accounting treatment associated with revenue recognition as prescribed within the Accounting Standards AASB '1058 *Income of Not-for-Profit Entities*' and AASB 15 *Revenue from Contracts with Customers*'.

Key Definitions

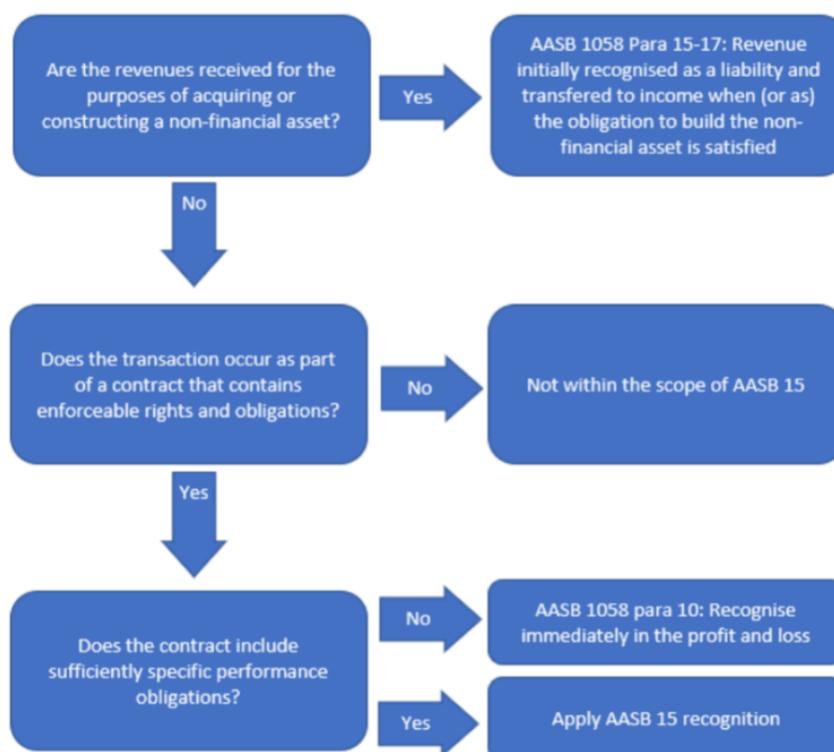
The following key definitions are provided for terminology used within this paper.

- *Contract* - An agreement between two or more parties that creates enforceable rights and obligations. Enforceability of a contract is a matter of law and contracts can be written, oral or implied by customary business practices.
- *Income* - Increases in economic benefits during the accounting period in the form of inflows or enhancements of assets or decreases of liabilities that result in an increase in equity, other than those relating to contributions from equity participants.

- *Performance Obligation* - A promise in a contract with a customer to transfer to the customer either:
 - (a) a good or service (or a bundle of goods or services) that is distinct; or
 - (b) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.
- *Revenue* - Income arising in the course of an entity's ordinary activities
- *Transaction Price* - The amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Over-Arching Framework

In order to decide whether AASB 15 'Revenue from Contracts with Customers' or AASB 1058 'Income of Not-for-Profit Entities' applies the following decision process should be followed:



The default position for revenue recognition relating to Council rates, fees and charges, grants and contributions is that these revenues are to be recognised upon receipt or entitlement, whichever is earlier, with this approach being embodied within AASB 1058 'Income of Not-for-Profit Entities'.

Should the receipt of revenue meet the requirements of recognition under AASB 15 'Revenue from Contracts with Customers', it describes the treatments to be applied in measuring and recognising revenue and the related cash flows. The fundamental principle is that Council is required to recognise revenues at an amount that reflects the consideration entitled in exchange for transferring goods or services to a customer.

AASB 15 Revenue Recognition Process

For revenue to be recognised in accordance with the requirements of AASB 15, it must meet a number of specific criteria. When assessing these criteria, the following five step model should be followed. (Note that the Standard contains in depth examples and guidance of each step and should be read in conjunction with this guidance).



Step 1 - Identify the Contract

The first step in applying AASB 15 is to determine if a contract exists and whether the contract meets all the criteria to be considered within the scope of AASB 15. This assessment is made on a contract-by-contract basis, although as a practical approach Council may apply the determination to a portfolio of similar contracts should one exist.

AASB 15 states that Council should account for a contract with a customer if all of the following criteria are met:

- a. The parties to the contract have approved the contract (including orally or by implied practice and are committed to performing the obligations)
- b. Council can identify each party to the contract's rights
- c. Council can identify the payment terms
- d. The contract has commercial substance
- e. It is probable that Council will collect the consideration

If after review, the contract is deemed to be not enforceable then AASB 1058 should be considered. For Rates and other statutory charges, they are considered not to have an enforceable contract nor sufficient specific performance obligations and are therefore outside the scope of AASB 15.

Step 2 - Identify the Performance Obligations

A performance obligation is a promise to provide distinct goods or services to a customer. To be a performance obligation a promise or promises must have the following characteristics:

- a. The customer must be able to benefit from the good / service.
- b. The good / service is either the entire contract or is separately identifiable from other goods / services in the contract.
- c. The performance obligations must be sufficiently specific and must be real, at any point in time, whether the performance obligation has been fulfilled or not.

Note that if the performance obligations within the contract are not sufficiently specific, then consider if AASB 1058 applies.

Step 3 - Determine the transaction price

The transaction price is the amount of consideration to which Council expects to be entitled to under a contract. The transaction price is the amount allocated to the performance obligations within the contract and then recognised in revenue when (or as) the performance obligations are satisfied.

Step 4 - Allocate the transaction price to the performance obligations

Once the performance obligations and transaction price have been determined, the next step is to allocate the transaction price across the performance obligations identified in the contract.

If the contract only has one performance obligation, then the whole transaction price is allocated to that performance obligation. If there are more than one performance obligation, then the transaction price needs to be allocated to each of them as they are met.

Step 5 – Recognise Revenue

This last step involves both the assessment of the nature of the transaction (Capital or Operating) and also the assessment of the timing of recognition of the transaction price as revenue for each performance obligation.

Revenue is recognised when the control over the good or service being provided is transferred to the customer. It can either be recognised at a specific point in time or over time. If the transaction does not meet the criteria for recognition over time, revenue will be recognised at a point in time when the performance obligation is fulfilled.

Council should apply a single method of measuring progress of each performance obligation that is satisfied over time and that method should be applied consistently to similar performance obligations and in similar circumstances.

In determining the appropriate method, Council should consider the nature of the underlying transaction (i.e. Capital or Operating). As circumstances change, Council should update its measure of progress to reflect any changes in the outcome of the performance obligation.

In some circumstances it may not be reasonably possible to measure the outcome of a performance obligation, however it is expected to recover the costs incurred in satisfying the obligation. In these circumstances, Council can recognise revenue to the extent of the costs incurred, until such time that the outcome of the performance obligations can be reasonably measured.

If a performance obligation is not satisfied over time, control is transferred and revenue is recognised at a point in time. The following are some indicators that control has passed:

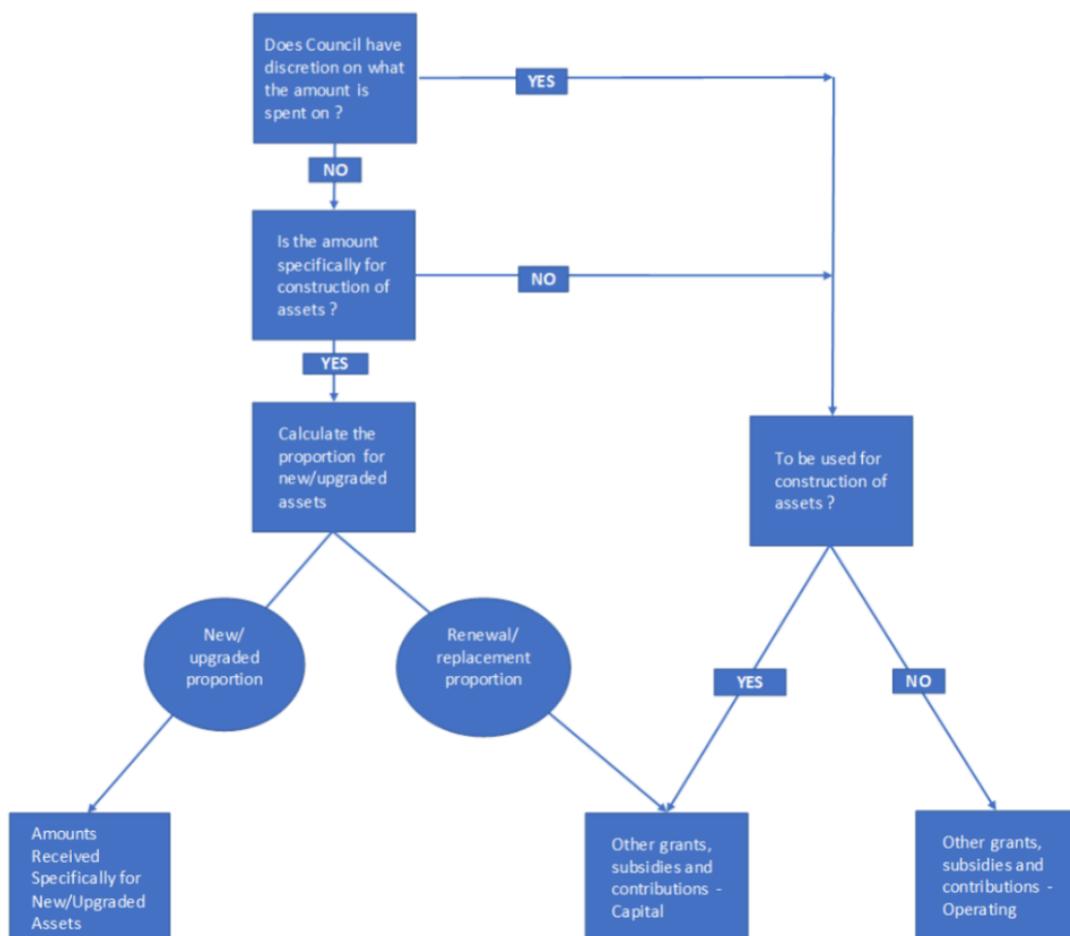
- a. Council has a present right to receive payment
- b. A Customer has legal title to the asset

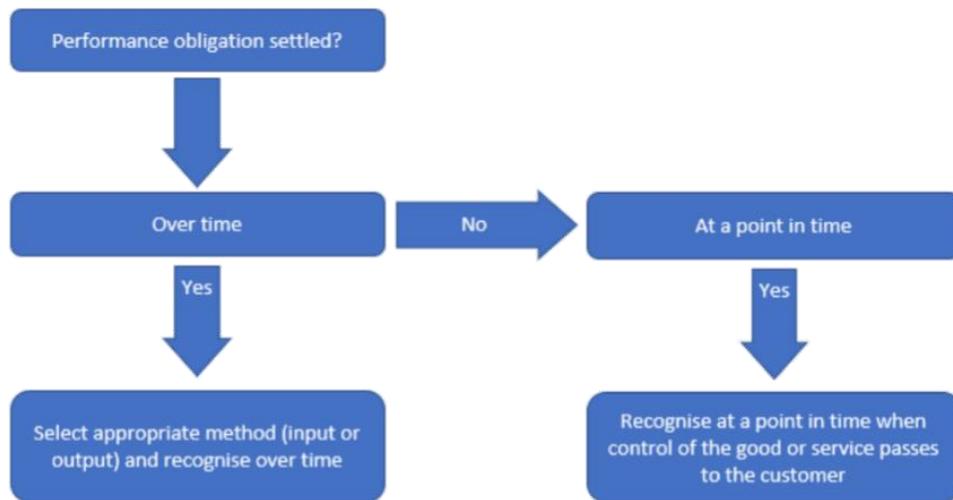
- c. Council has transferred physical possession of the asset
- d. A customer has significant risks and rewards of ownership of the asset
- e. A customer has accepted the asset

Where there is a contract in place for a transaction, the timing of completion is important and will lead to the deferral or acceleration in revenue recognition. For contracts that are wholly completed within one financial year the revenue to be recognised under both AASB 15 and 1058 are identical. The most common revenue generating transactions that span more than one financial year for Council are grants and contributions that are received, being operating and/or capital in nature.

The following charts are provided to guide the decision-making processes for the assessment of both the Nature and Timing of Revenue Recognition.

(a) Assessment of the Nature of the Transaction



(b) Assessment of the Timing of the Transaction

If revenue is to be recognised over time a method must be chosen which best represents the completion of a performance obligation. The method chosen may either be an output method (i.e. units produced) or an input method (i.e. cost incurred).

In practice as most Council grants that will be subject to this assessment are for the construction of assets on Council controlled land, these will be recognised over time as the construction is completed, e.g. if the project is 50% complete at the balance date, then 50% of the grant funding will be recognised.